

DICE Retail (Underwear) Report 2020 Earnings

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DICE Underwear Report 2020 Earnings

Despite of the Corona Virus (COVID-19) pandemic, Retail sales increased by 3.2% Y-o-Y increasing reach EGP 351.8 mn in 2020 coupled with 2019 Y-o-Y.

Highlights for 2020

<p>Revenue EGP 351.8mn ▲ 3.2% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 81.2mn ▼ -38.8% y-o-y 23.1% GP Margin</p>
<p>EBITDA EGP 38.8mn ▼ -45.5% y-o-y 11% EBITDA Margin</p>	<p>Net Profit EGP 17.5mn ▼ -53.4% y-o-y 5% NP Margin</p>

Highlights for 2019

<p>Revenue EGP 340.9mn ▲ 60.1% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 132.6mn ▲ 56.1% y-o-y 38.9% GP Margin</p>
<p>EBITDA EGP 71.3mn ▲ 43.4% y-o-y 20.9% EBITDA Margin</p>	<p>Net Profit EGP 37.6mn ▲ 64.2% y-o-y 11.0% NP Margin</p>

we focused on outlet sales that has low-sales price with discount during 2020 to increase sales volume and reduce inventory (page 4).

□ Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	Q4-20	Q4-19	2020	2019
Revenue	95.3	98.7	351.8	340.92
y-o-y growth, %	-3.4%	36.8%	3.2%	60.1%
Gross Profit	-1.9	35.6	81.2	132.6
GPM, %	-2.0%	36.0%	23.1%	38.9%
EBITDA	-14.0	18.7	38.8	71.3
EBITDA Margin, %	-14.7%	18.9%	11.0%	20.9%
Net Profit	-11.7	9.3	17.5	37.6
NPM, %	-12.2%	9.5%	5.0%	11.0%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	Q4-20	Q4-19	2020	2019
Total Number of Stores	283	247	283	247
o/w Rented	58	56	58	56
Rented %	20.5%	22.7%	20.5%	22.7%
o/w Franchised	225	175	225	191
Franchise %	79.5%	70.9%	79.5%	77.3%
Total Number of Pieces (000s)	3,656	3,313	15,873	12,462
y-o-y growth, %	10.4%	38.7%	27.4%	61.5%
Avg. Price (EGP) / Piece	26.1	29.8	22.2	27.4
y-o-y growth, %	-12.5%	-1.4%	-19.0%	-0.8%
Total Revenue	95,310	98,678	351,817	340,919
y-o-y growth, %	-3.4%	36.8%	3.2%	60.1%
% of Total Revenue	23.8%	22.9%	28.5%	21.7%
Gross Profit	-1,896	35,561	81,185	132,626
Gross Profit Margin, %	-2.0%	36.0%	23.1%	38.9%

-In 2020, the retail segment slight significant y-o-y increasing in revenue, reaching 351.8 mn increase only by 3.2% & increasing in sales volume by a 27.4% compared to 2019 due to negative effects from Corona virus (covid-19) .

-,DICE maintained competitive price levels to eat up market share so retail gross profit 2020 decrease to 81.2 mn, down 32.4% of retail sales compared to 2019.

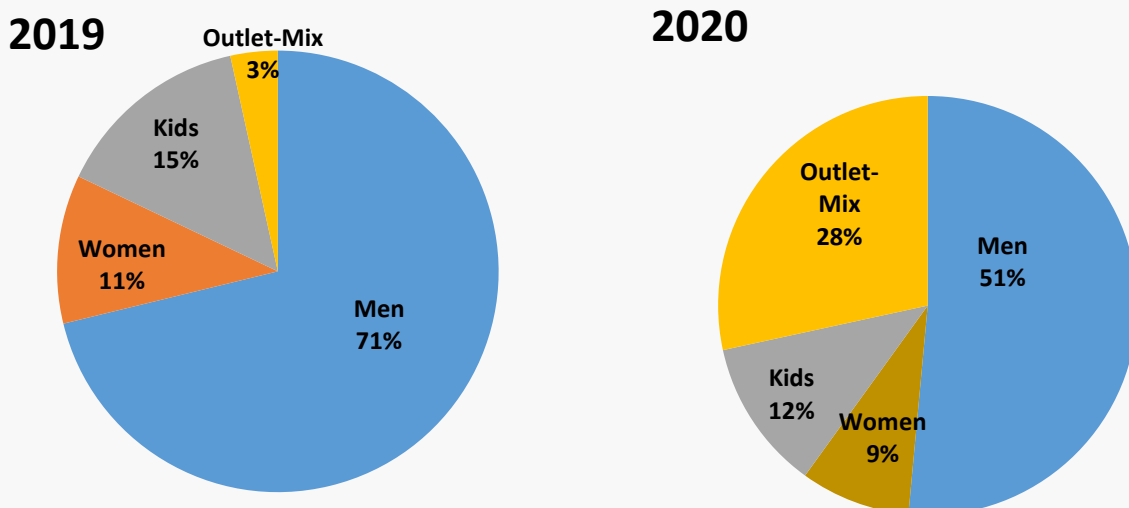
-During 2020, the retail production component of the pieces changed, leading to decrease in the average selling price of the piece and increase in the number of produced pieces compared to 2019.

□ Sales Mix - client

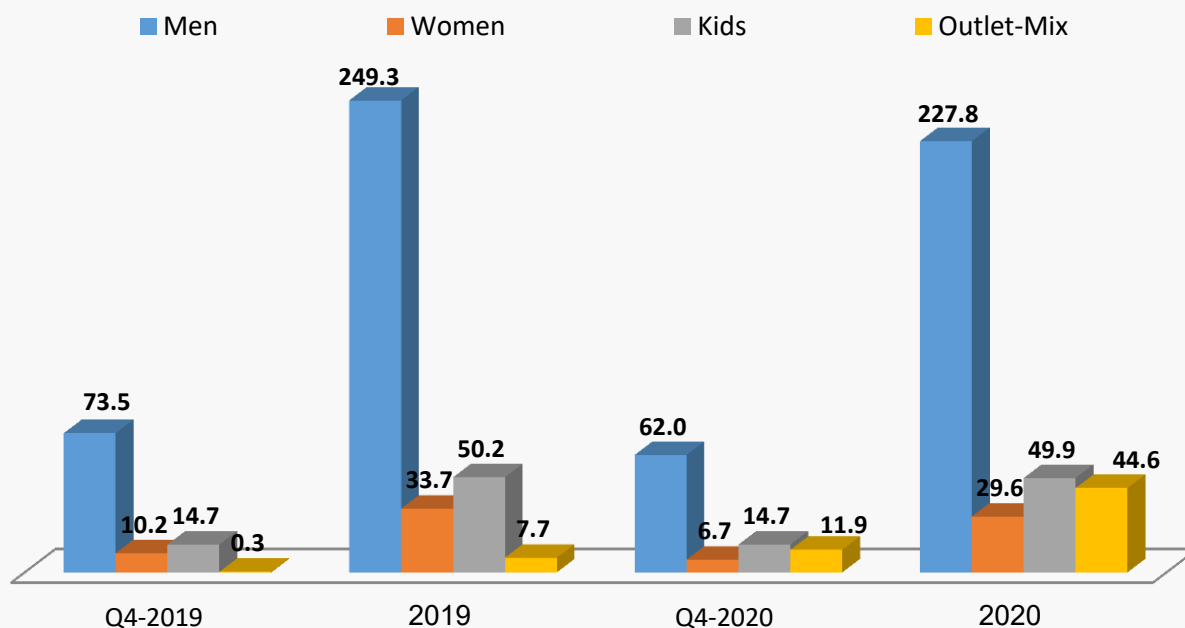
In Dice underwear sales with the increase in the quantity and increase in value of sales in 2020 compared to 2019, we find a change in the mix rates of sales to increase the share of outlet sales and decrease the share of men , women & kids sales.

Therefore, the company's management seeks to maximize the share of women's sales during the coming period.

Sales Mix - Quantity



Sales Mix – Value (EGP, mn)

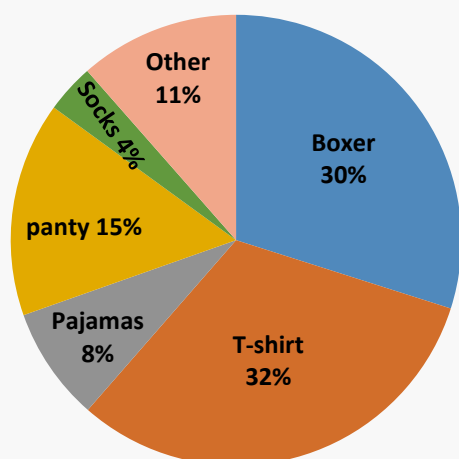


□ Sales Mix - type

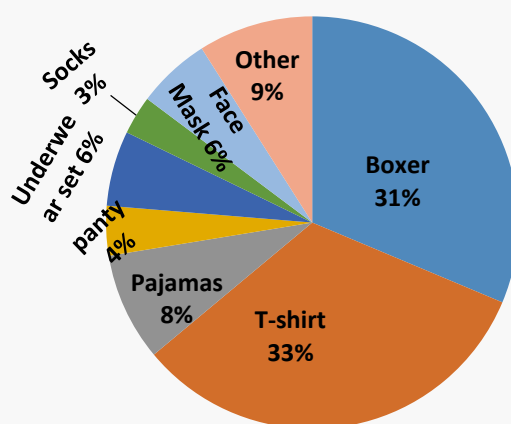
In Dice underwear sales with the increase in the value of sales in 2020 compared to 2019, we find a change in the mix rates of as shown in the diagram.

It should be noted that Dice, in response to market requirements and the repercussions of Coronavirus (covid19), added a new item to Dice products the face mask , which began production in the second quarter of 2020 and acquired a share of 6% of retail sales in 2020.

2019

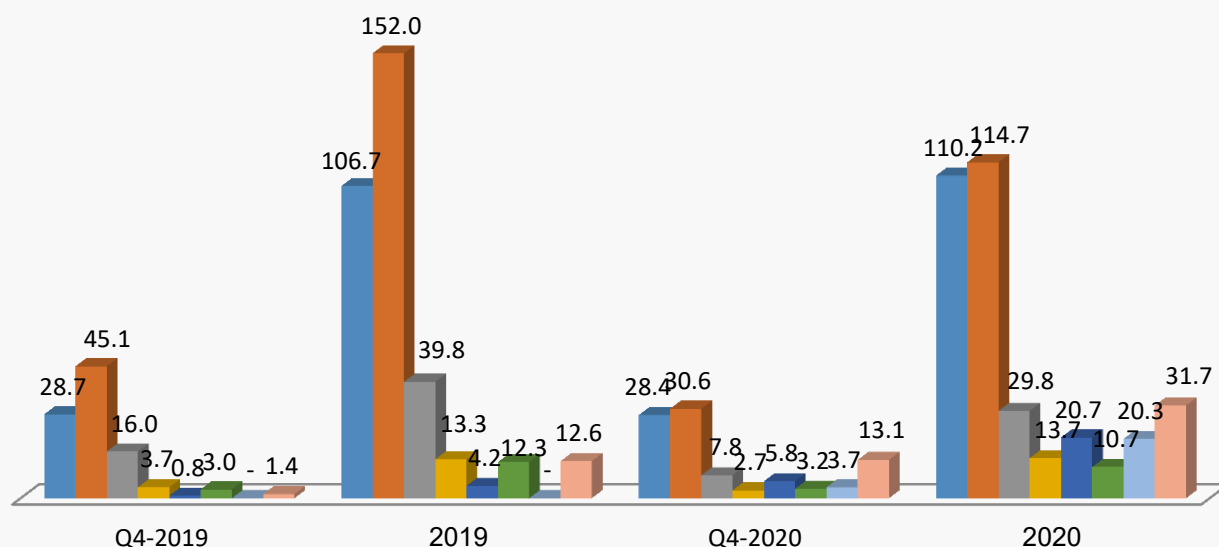


2020



Sales Mix – type (EGP, mn)

■ Boxer
 ■ T-shirt
 ■ Pajamas
 ■ panty
 ■ Underwear set
 ■ Socks
 ■ Face Mask
 ■ Other



□ sale points

DICE management succeed to maximize the volume of Dice underwear sales for the previous years through two main axes:

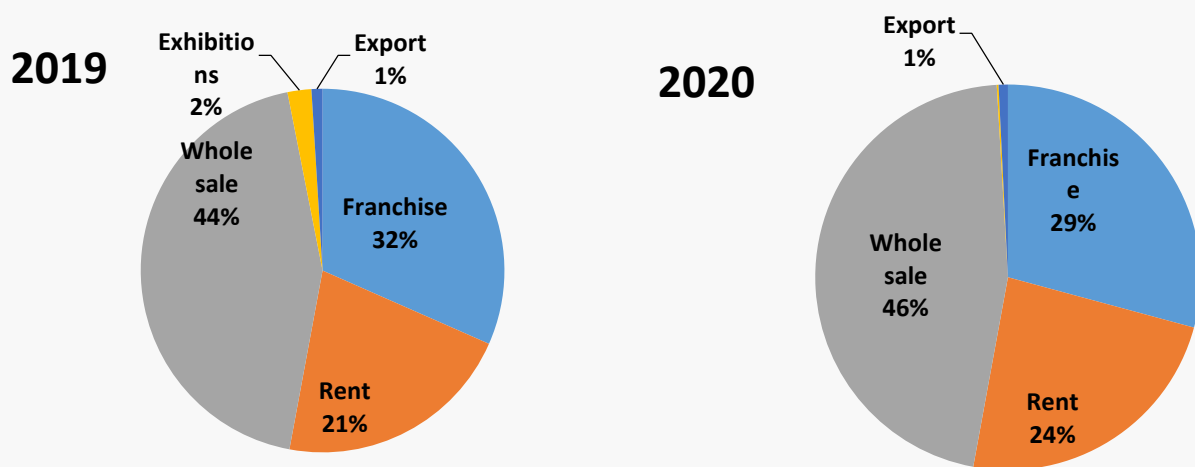
- **The first axis**

increase of production facilities that allocated for the DICE underwear production.

- **The second axis**

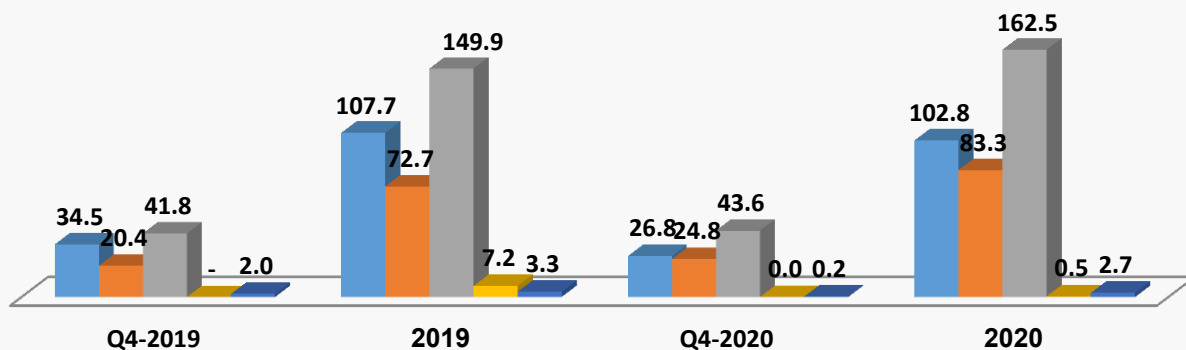
through the basic selling points of the activity as following:

- Increase the number of booth rent & franchise shops with more geographical distribution.
 - Focus with wholesaler the main indicator for market demand & comply their needs & furnish them with requested range of products in timely manner.
 - The company seeks to have a share outside of Egypt of the global market for underwear, in brand DICE whether in Arab or European countries.
- However, this growth was negatively affected, contrary to what was expected, due to the outbreak of the Corona virus during 2020 & This clearly shows the cancellation of exhibitions and the absence of export Underwear sales with a small number.



Sales Point – (EGP, mn)

■ Franchise ■ Rent ■ Whole sale ■ Exhibitions ■ Export



□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **283 retail stores** distributed across **20 governorates** as of 2020.
- Increase penetration of DICE retail store network, through both owned and franchised stores while reshuffling certain store locations to attract the highest foot traffic .
- Continuous development of new product designs and migration towards higher price point SKUs.
- Expand the women’s underwear segment within the DICE retail brand.
- Explore exporting DICE retail brands to neighboring countries .

About DICE Sport and Casual Wear S.A.E.

DICE Sport and Casual Wear, founded in 1989, is a leading garment manufacturer, serving multiple clients primarily in Europe, from operating facilities in Egypt. The Company offers a manufacturing value chain comprising knitting, sewing, dyeing, printing, and a retail brand. The Company has 13 owned manufacturing facilities, and 283 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

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