

## **DICE Retail (Underwear ) Report Q1- 2019 Earnings**

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## DICE Underwear Report Q1- 2019 Earnings

Continuous recovery in top line growth with revenues recording a solid 103.6% y-o-y growth reaching EGP 66.6mn in Q1-2019 coupled with Y-on-Y enhancement in profitability margins.

### Highlights for Q1-2019

<p><b>Revenue</b> EGP 66.6mn ▲ 103.6% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP27.1mn ▲ 95.8% y-o-y 40.7% GP Margin</p>
<p><b>EBITDA</b> EGP15.1mn ▲ 117.5% y-o-y 22.6% EBITDA Margin</p>	<p><b>Net Profit</b> EGP5.9mn ▲ 117.3% y-o-y 8.9% NP Margin</p>

### Highlights for Q1 - 2018

<p><b>Revenue</b> EGP32.7mn ▲ 45.8% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP13.8mn ▲ 53.5% y-o-y 42.3% GP Margin</p>
<p><b>EBITDA</b> EGP6.9mn ▲ 127.8% y-o-y 21.2% EBITDA Margin</p>	<p><b>Net Profit</b> EGP2.7mn ▲ 329.7% y-o-y 8.4% NP Margin</p>

### □ Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2017	2018	Q1-2019	Q1-2018
<b>Revenue</b>	124.3	212.9	66.6	32.7
y-o-y growth, %	67.8%	71.3%	103.6%	45.8%
<b>Gross Profit</b>	45.2	72.4	27.1	13.8
GPM, %	36.4%	34.0%	40.7%	42.3%
<b>EBITDA</b>	25.2	37.1	15.1	6.9
EBITDA Margin, %	20.3%	17.4%	22.6%	21.2%
<b>Net Profit</b>	12.1	13.2	5.9	2.7
NPM, %	9.8%	6.2%	8.9%	8.4%

*Note(1): Gross profit excludes depreciation*

## □ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2018	2017	Q1-19	Q1 -18
<b>Total Number of Stores</b>	<b>188</b>	<b>144</b>	<b>204</b>	<b>152</b>
o/w Rented	51	48	53	49
Rented %	27.1%	33.3%	26.0%	32.2%
o/w Franchised	137	96	151	103
Franchise %	72.9%	66.7%	74.0%	67.8%
<b>Total Number of Pieces (000s)</b>	<b>7,719</b>	<b>4,491</b>	<b>2,535</b>	<b>1,287</b>
y-o-y growth, %	71.9%	44.7%	97.0%	73.5%
<b>Avg. Price (EGP) / Piece</b>	<b>27.6</b>	<b>27.7</b>	<b>26.3</b>	<b>25.4</b>
y-o-y growth, %	-0.3%	15.9%	3.4%	-17.4%
<b>Total Revenue</b>	<b>212,950</b>	<b>124,291</b>	<b>66,600</b>	<b>32,707</b>
y-o-y growth, %	71.3%	67.8%	103.6%	43.4%
<b>% of Total Revenue</b>	<b>14.0%</b>	<b>10.5%</b>	<b>19.3%</b>	<b>10.4%</b>
<b>Gross Profit</b>	<b>72,439</b>	<b>45,236</b>	<b>27,096</b>	<b>13,842</b>
Gross Profit Margin, %	34.0%	36.4%	40.7%	42.3%

-In Q1- 2019, the retail segment witnessed significant y-o-y growth in revenue, reaching 66.6 mn by 103.6%. This was driven primarily by a 97% increase in sales volume as DICE maintained competitive price levels to eat up market share.

-retail gross profit increase to 26.4 mn, up 39.6% of retail sales.

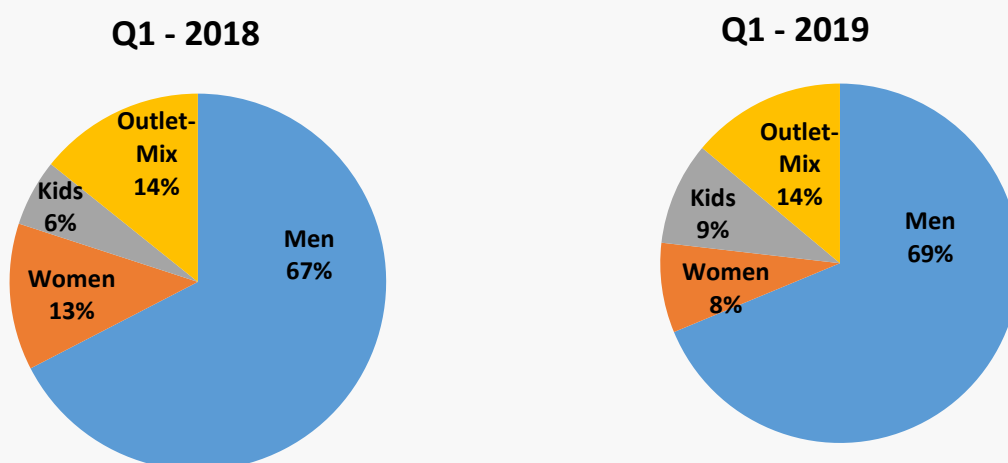
-During Q1-2019, the retail production component of the pieces changed, leading to Slightly increase in the average selling price of the piece and also increase in the number of produced pieces significantly compared to 2018.

## □ Sales Mix - client

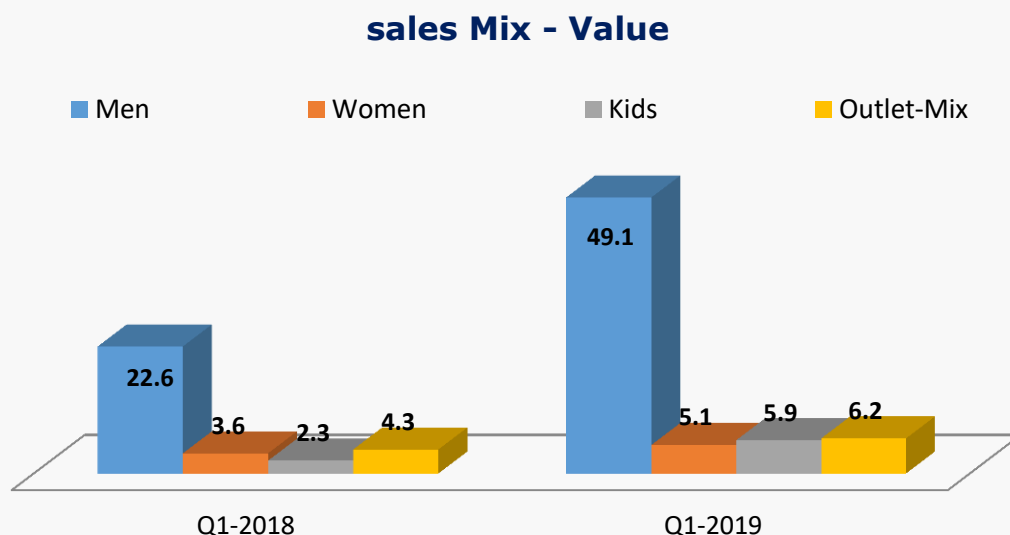
In Dice underwear sales with the increase in the quantity and value of sales in Q1-2019 compared to the same period Q1- 2018, we find a change in the mix rates of sales to increase the share of men and children's sales and decrease the share of women sales.

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

### Sales Mix - Quantity



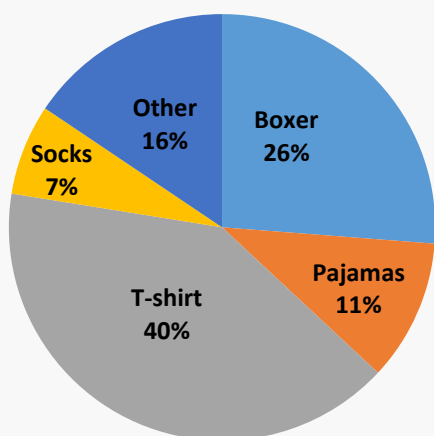
### Sales Mix – Value (EGP, mn )



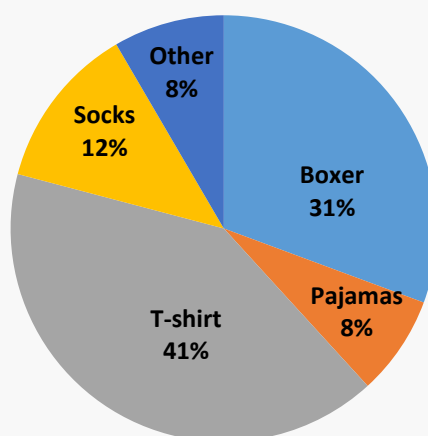
## □ Sales Mix - type

In Dice underwear sales with the increase in the quantity and value of sales in Q1-2019 compared to the same period Q1- 2018, we find a change in the mix rates of sales to increase the share of boxer & sock's sales & decrease the share of pajamas & other sales.

**Q1-2018**

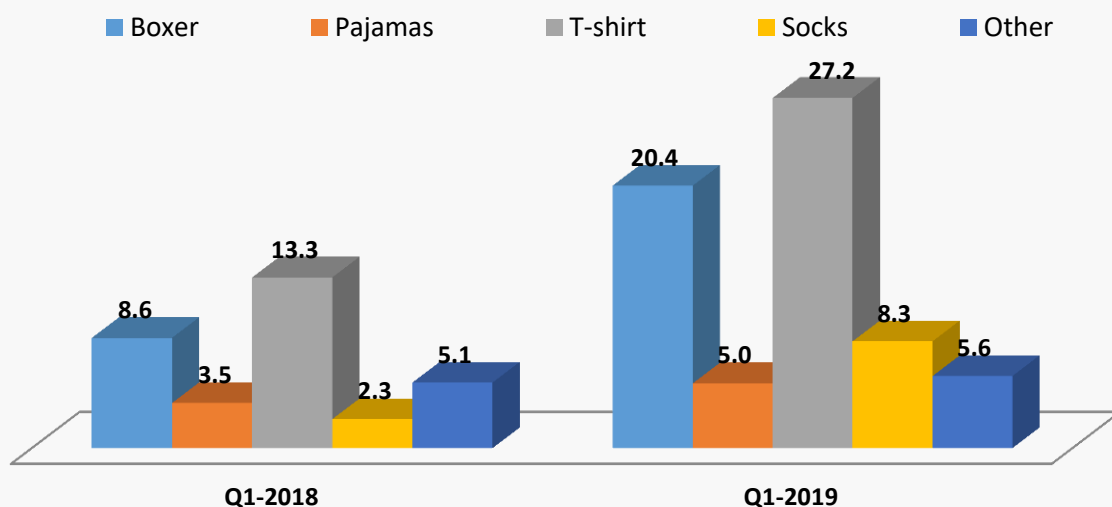


**Q1-2019**



**Sales Mix – type (EGP, mn )**

**sales Mix - type**



## □ sale points

DICE management succeed to maximize the volume of Dice underwear sales for tQ1- 2019 compared to the same period Q1- 2018 with a growth 103.6% y-o-y and that is through two main axes:

- **The first axis**

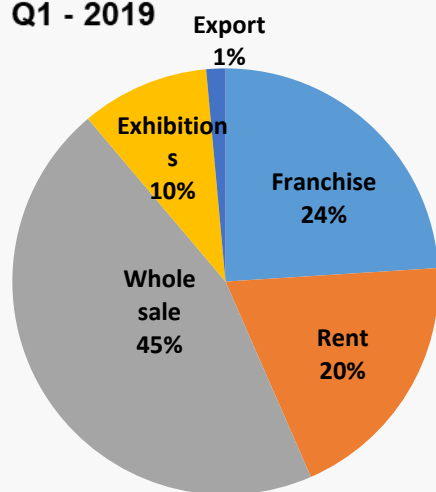
increase of production facilities that allocated for the DICE underwear production.

- **The second axis**

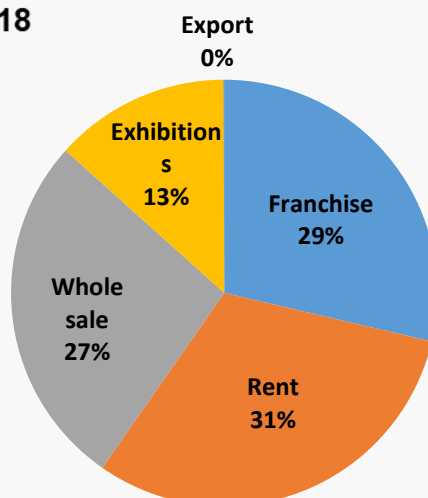
through the basic selling points of the activity as following:

- 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.

**Q1 - 2019**

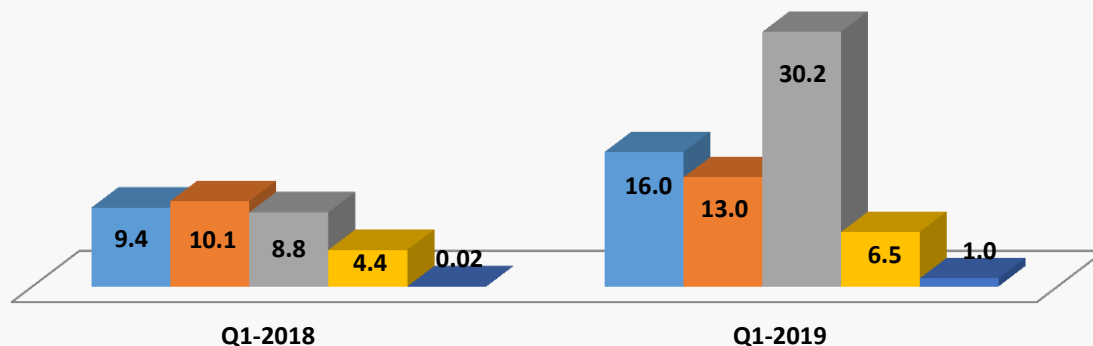


**Q1 - 2018**



## 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 **204 retail stores** distributed across **20 governorates** as of Q1-2019.
- 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 9 owned manufacturing facilities, 5 rented manufacturing facilities and 204 retail stores distributed across 20 governorates. Learn more about DICE by visiting [www.ir.dicefactory.net](http://www.ir.dicefactory.net)

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