

DICE Retail (Underwear) Report Q1 - 2021 Earnings

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DICE Underwear Report Q1 - 2021 Earnings

Despite of the Corona Virus (COVID-19) pandemic, Retail sales increased by 20.2% Y-o-Y increasing reach EGP 73.9 mn in Q1-2021 coupled with Q1-2020 Y-o-Y.

Highlights for Q1-2021

<p>Revenue EGP 73.9mn ▲ 20.2% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 21.6mn ▲ 26.7% y-o-y 29.2% GP Margin</p>
<p>EBITDA EGP 12.4mn ▲ 49.2% y-o-y 16.8% EBITDA Margin</p>	<p>Net Profit EGP 6.5mn ▲ 121.4% y-o-y 8.8% NP Margin</p>

Highlights for Q1 - 2020

<p>Revenue EGP 61.5mn ▼ -7.7% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 17mn ▼ -37.1% y-o-y 27.7% GP Margin</p>
<p>EBITDA EGP 8.3mn ▼ -44.7% y-o-y 13.6% EBITDA Margin</p>	<p>Net Profit EGP 2.9mn ▼ -50.5% y-o-y 4.8% NP Margin</p>

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

□ Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2020	Q1-21	Q1-20
Revenue	351.8	73.9	61.5
y-o-y growth, %	3.2%	20.2%	-7.7%
Gross Profit	81.2	21.6	17.0
GPM, %	23.1%	29.2%	27.7%
EBITDA	38.8	12.4	8.3
EBITDA Margin, %	11.0%	16.8%	13.6%
Net Profit	17.5	6.5	2.9
NPM, %	5.0%	8.8%	4.8%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2020	Q1-21	Q1-20
Total Number of Stores	283	287	255
o/w Rented	58	60	60
Rented %	20.5%	20.9%	23.5%
o/w Franchised	225	227	195
Franchise %	79.5%	79.1%	76.5%
Total Number of Pieces (000s)	15,873	2,991	2,280
y-o-y growth, %	27.4%	31.2%	-10.0%
Avg. Price (EGP) / Piece	22.2	24.7	27.0
y-o-y growth, %	-19.0%	-8.4%	2.6%
Total Revenue	351,817	73,881	61,464
y-o-y growth, %	3.2%	20.2%	-7.7%
% of Total Revenue	28.5%	24.8%	23.6%
Gross Profit	81,185	23,188	17,045
Gross Profit Margin, %	23.1%	31.4%	27.7%

-In Q1- 2021, the retail segment significant y-o-y increasing in revenue, reaching 73.9 mn increase by 20.2% & increasing in sales volume by a 31.2% compared to Q1 - 2020 due to negative effects from Corona virus (covid-19) in 2020 It had a stronger effect.

-,DICE maintained competitive price levels to eat up market share so retail gross profit Q1-2021 increase to 23.2 mn, up 31.4% of retail sales compared to Q1-2020.

-During Q1-2021, the retail sales 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 Q1-2020.



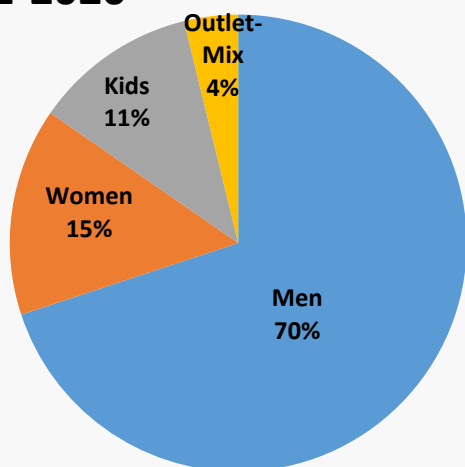
□ Sales Mix - client

In Dice underwear sales with the increase in the quantity and increase in value of sales in Q1-2021 compared to Q1-2020, 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.

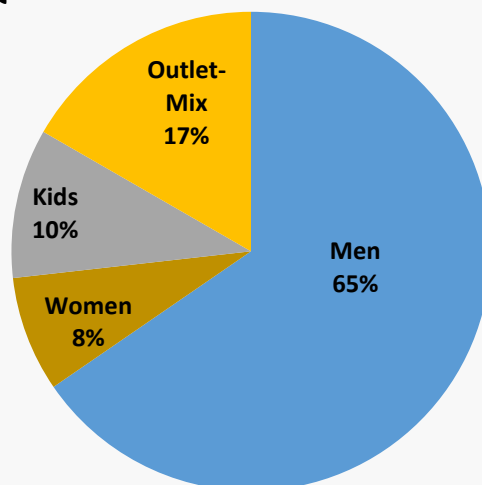
Therefore, the company's management seeks to maximize the share of women's sales during the coming period.

Sales Mix - Quantity

Q1-2020

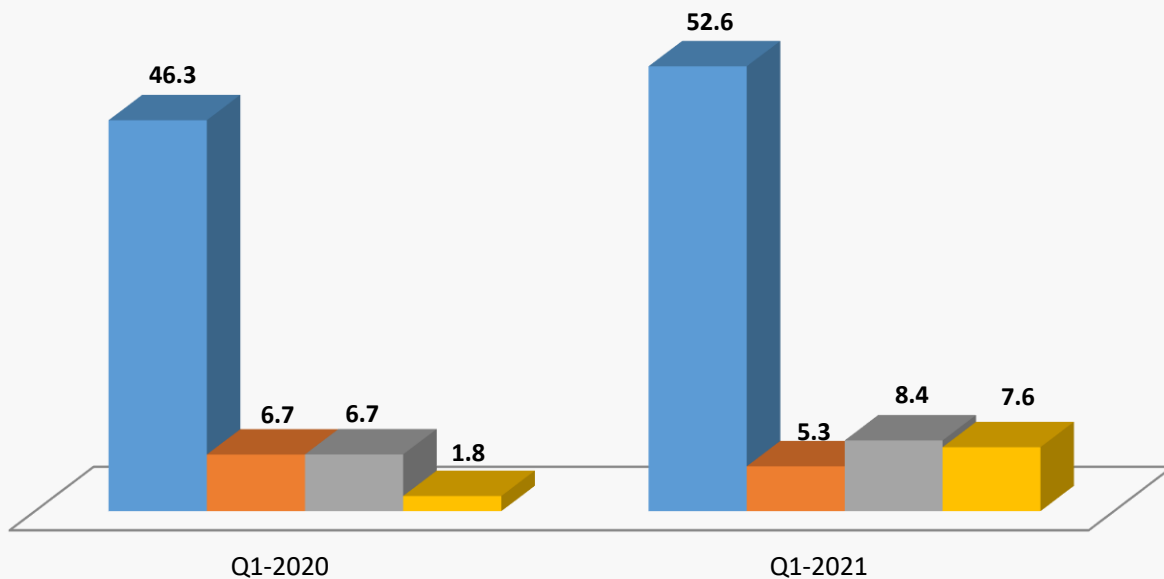


Q1-2021



Sales Mix – Value (EGP, mn)

■ Men ■ Women ■ Kids ■ Outlet-Mix



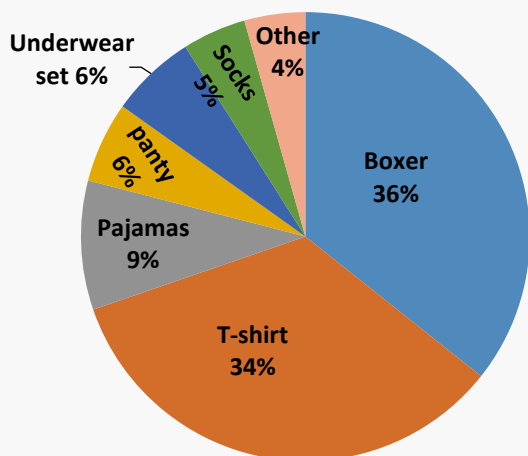


□ Sales Mix - type

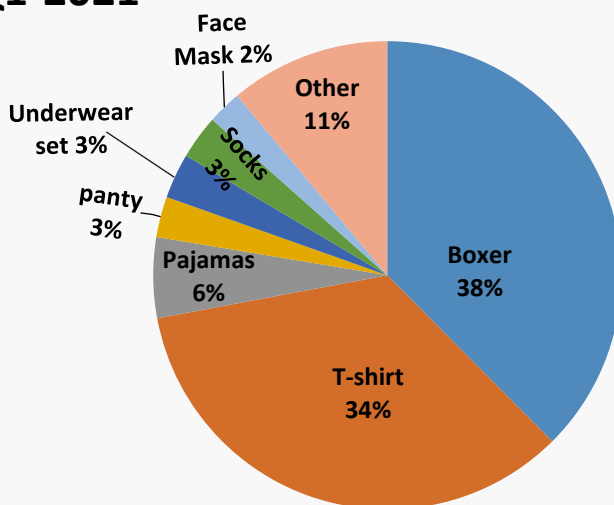
In Dice underwear sales with the increase in the value of sales in Q1- 2021 compared to Q1- 2020, we find a change in the mix rates of as shown in the diagram.

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 2% of retail sales in Q1-2021.

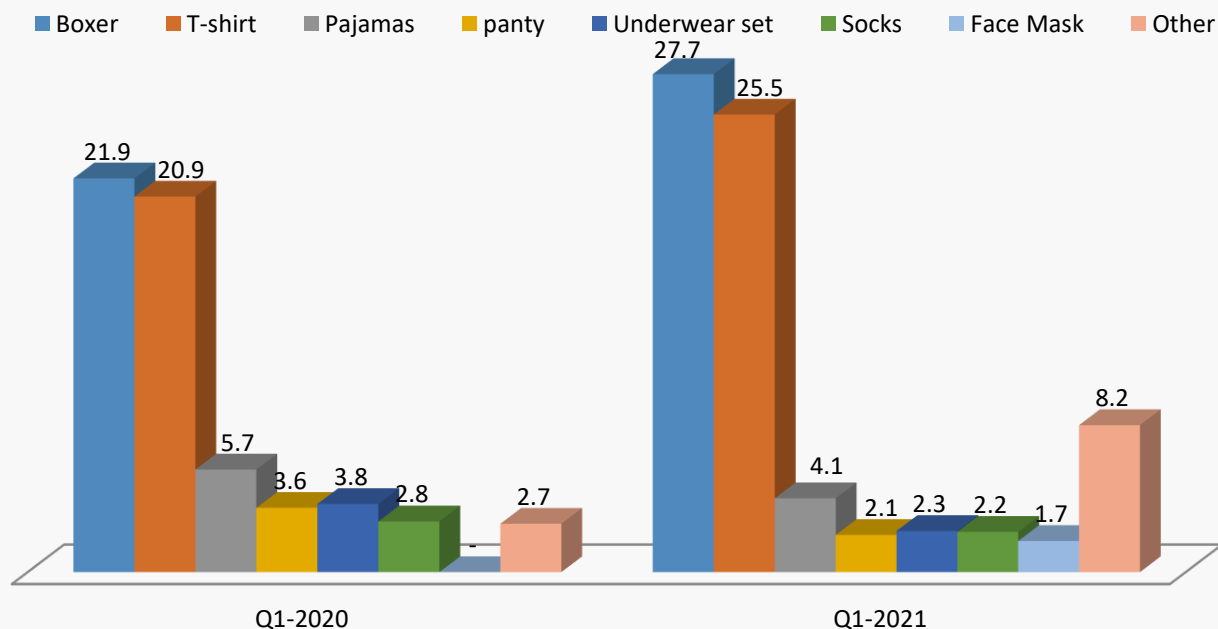
Q1-2020



Q1-2021



Sales Mix – type (EGP, mn)



□ 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.

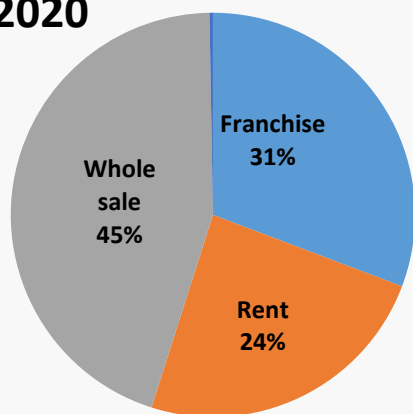
- **The second axis**

through the basic selling points of the activity as following:

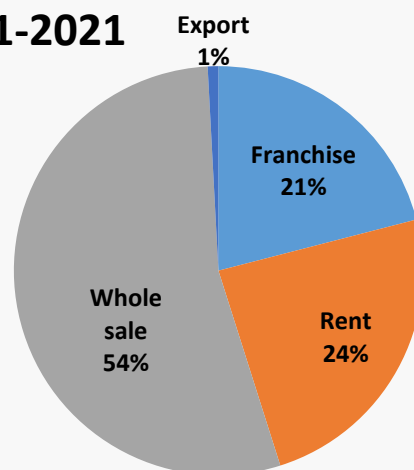
- Increase the number of booth rent & franchise shops with more geographical distribution.
- Focus with wholesaler the main indicator for market demand & comply their needs & furnish them with requested range of products in timely manner.
- The company seeks to have a share outside of Egypt of the global 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 till now & This clearly shows the cancellation of exhibitions and the absence of export Underwear sales with a small number in Q1-2021.

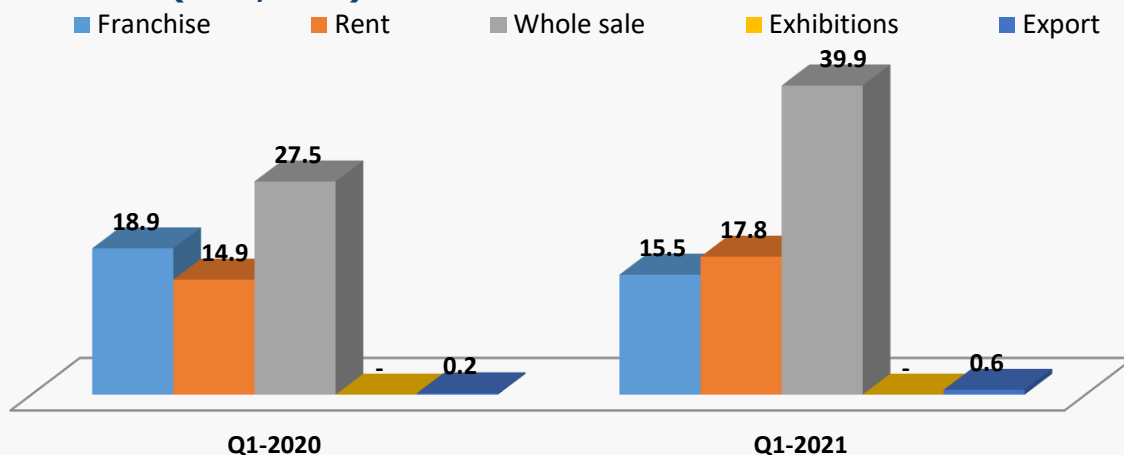
Q1-2020



Q1-2021



Sales Point – (EGP, mn)



□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **287 retail stores** distributed across **20 governorates** as of Q1- 2021.
- 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 .
- A website has been created to sell online www.diceunderwear.com

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 287 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.ir.dicefactory.net

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