

## **DICE Retail (Underwear ) Report Q1-2022 Earnings**

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## DICE Underwear Report Q1-2022 Earnings

Retail sales increased by 28.4% Y-o-Y increasing reach EGP 94.9 mn in Q1-2022 coupled with Q1-2021 Y-o-Y.

### Highlights for Q1-2022

<p><b>Revenue</b> EGP 94.9mn ▲ 28.4% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP 22.0mn ▲ 1.8% y-o-y 23.2% GP Margin</p>
<p><b>EBITDA</b> EGP 9.5mn ▼ -23.4% y-o-y 10.0% EBITDA Margin</p>	<p><b>Net Profit</b> EGP 2.3mn ▼ -64.4% y-o-y 2.4% NP Margin</p>

### Highlights for Q1-2021

<p><b>Revenue</b> EGP 73.9mn ▲ 20.2% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP 21.6mn ▲ 26.7% y-o-y 29.2% GP Margin</p>
<p><b>EBITDA</b> EGP 12.4mn ▲ 49.2% y-o-y 16.8% EBITDA Margin</p>	<p><b>Net Profit</b> EGP 6.5mn ▲ 121.4% y-o-y 8.8% 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	2021	Q1-2022	Q1-2021
<b>Revenue</b>	391.2	94.9	73.9
y-o-y growth, %	11.2%	28.4%	20.2%
<b>Gross Profit</b>	110.4	22.0	21.6
GPM, %	28.2%	23.2%	29.2%
<b>EBITDA</b>	42.7	9.5	12.4
EBITDA Margin, %	10.9%	10.0%	16.8%
<b>Net Profit</b>	22.2	2.3	6.5
NPM, %	5.7%	2.4%	8.8%

Note(1): Gross profit excludes depreciation

## □ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2021	Q1-2022	Q1-2021
<b>Total Number of Stores</b>	333	333	287
o/w Rented	63	64	60
Rented %	18.9%	19.2%	20.9%
o/w Franchised	270	269	227
Franchise %	81.1%	80.8%	79.1%
<b>Total Number of Pieces (000s)</b>	15,174	4,081	2,991
y-o-y growth, %	-4.4%	36.5%	31.2%
<b>Avg. Price (EGP) / Piece</b>	25.8	23.2	24.7
y-o-y growth, %	16.3%	-5.9%	-8.4%
<b>Total Revenue</b>	<b>391,169</b>	<b>94,877</b>	<b>73,881</b>
y-o-y growth, %	11.2%	28.4%	20.2%
<b>% of Total Revenue</b>	24.5%	24.7%	24.8%
<b>Gross Profit</b>	<b>110,373</b>	<b>21,991</b>	<b>23,188</b>
Gross Profit Margin, %	28.2%	23.2%	31.4%

-In Q1-2022, the retail segment significant y-o-y increasing in revenue, reaching 94.9 mn increase by 28.4% & increasing in sales volume by a 36.5% compared to Q1-2021 due to change in the mix rates of pieces sold.

-,DICE maintained competitive price levels to eat up market share so retail gross profit Q1-2022 decrease to 22 mn, up 23.2% of retail sales compared to Q1-2021.

-During Q1-2022, the retail sales component of the pieces changed, leading to decrease in the average selling price of the piece 5.9% and increase in the number of produced pieces in Q1-2022 by 36.5% compared to Q1-2021.

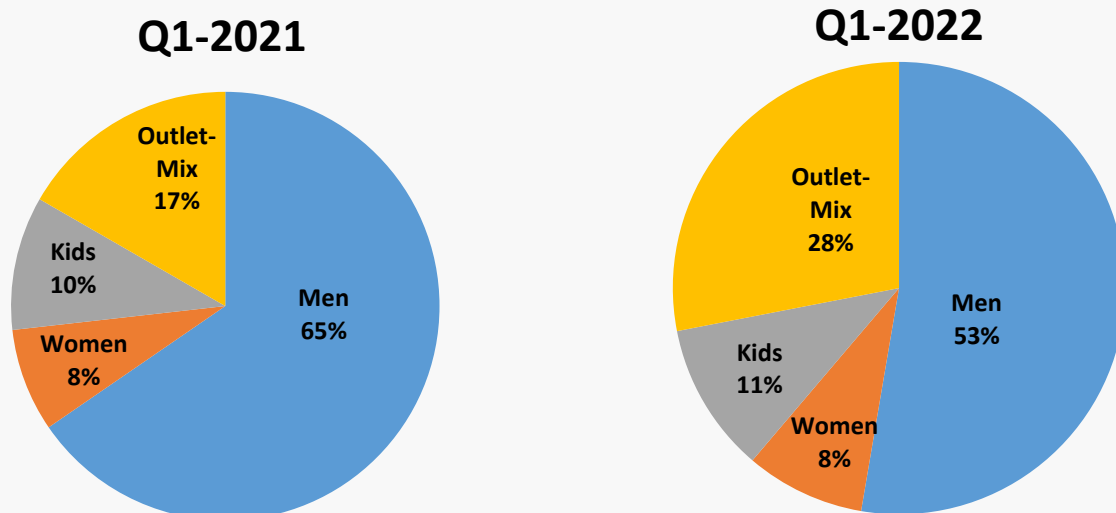


## □ Sales Mix - client

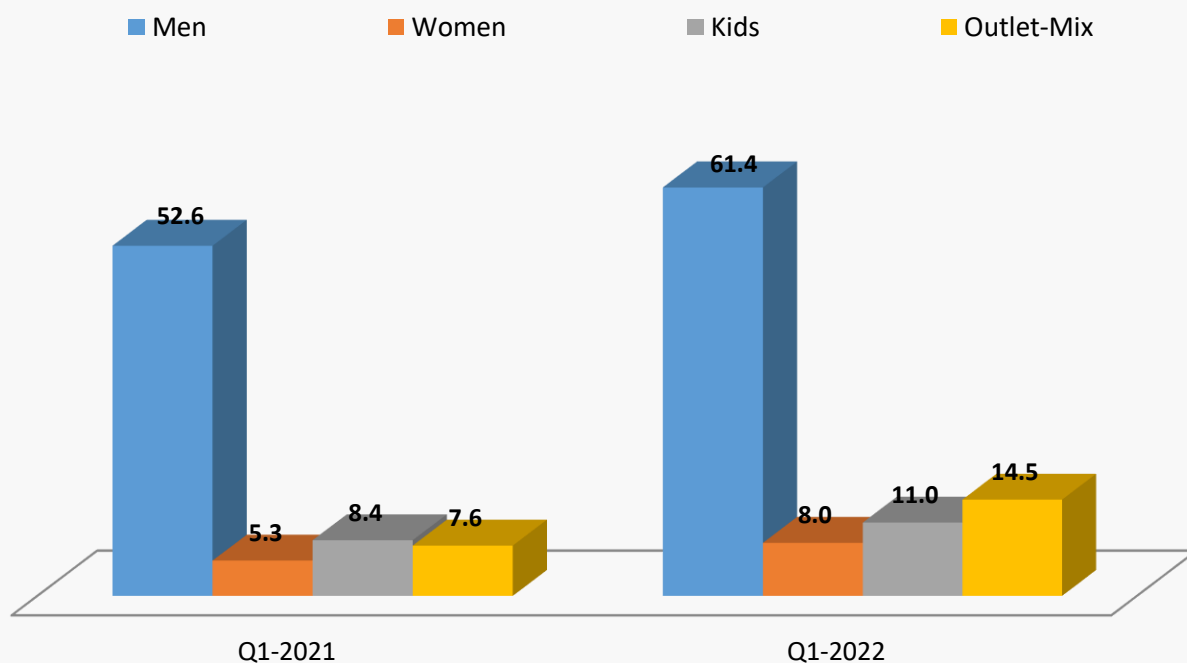
In Dice underwear sales with the increase in the quantity and increase in value of sales in Q1-2022 compared to Q1-2021, we find a change in the mix rates of sales to increase the share of outlet & kids sales and decrease the share of men sales.

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 )



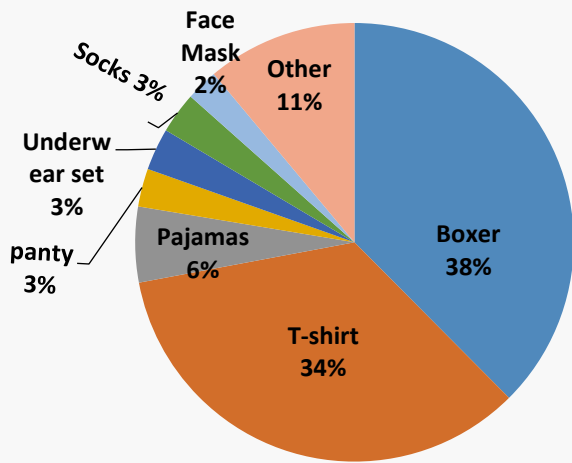


## □ Sales Mix - type

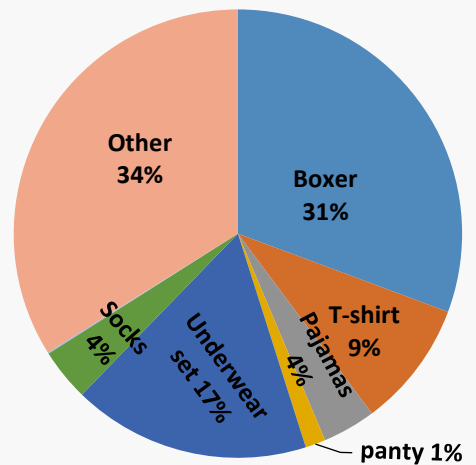
- In Dice underwear sales with the increase in the value of sales in Q1-2022 compared to Q1-2021, we find a change in the mix rates of pieces sold as shown in the diagram.

- In response to the company's desire to increase the sales of female products extensive market research has been conducted the results of this research have translated to the introduction of various new products such as "bra, sports bra, women underwear set " as well as the development of women bottoms this move is expected to shifts the perception that dice is purely just a men's brand and subsequently increase our sales for the coming quarter by expanding our target market

### Q1-2021

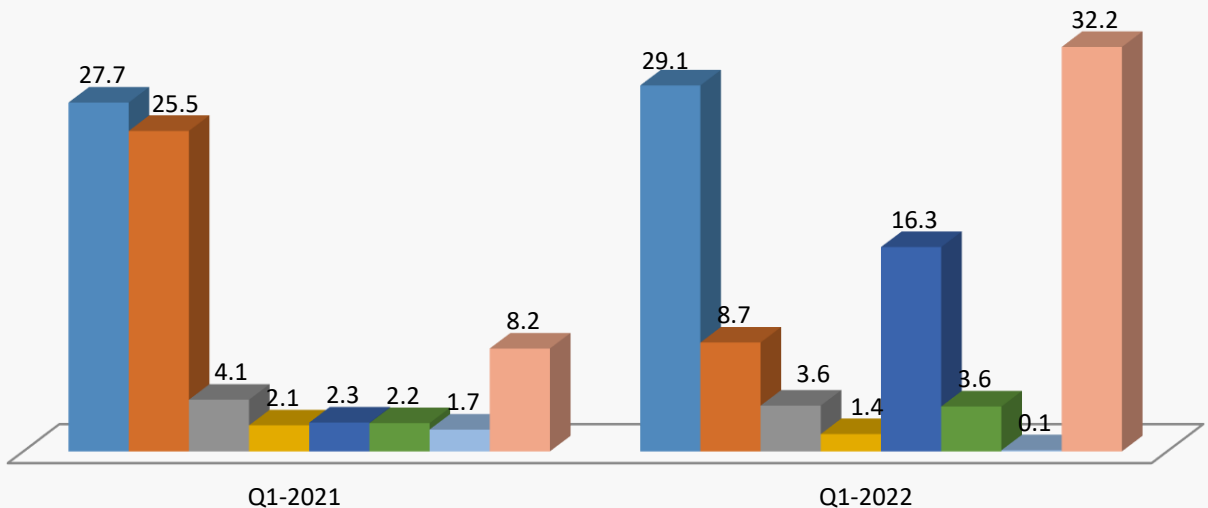


### Q1-2022



## 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:

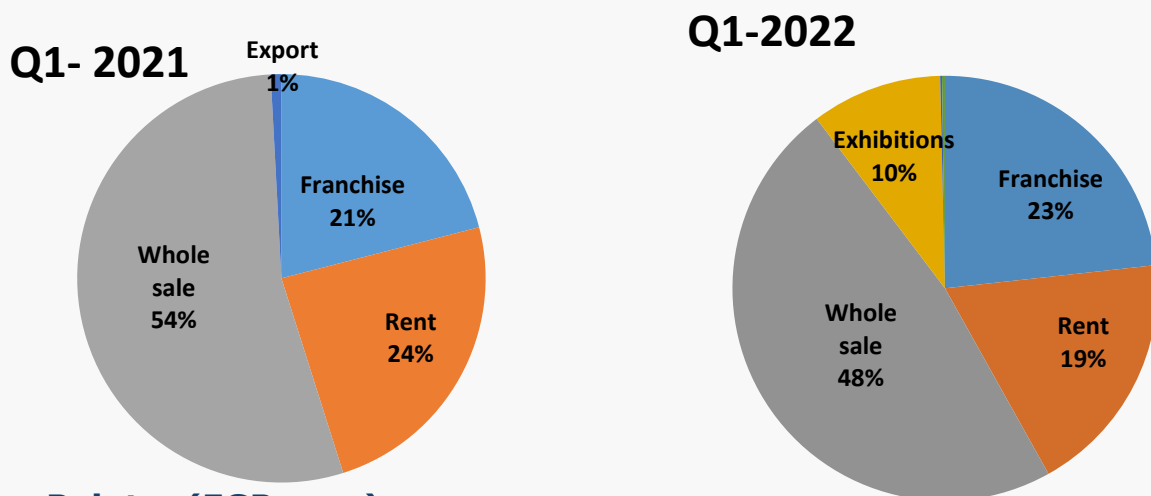
- **The first axis**

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

- **The second axis**

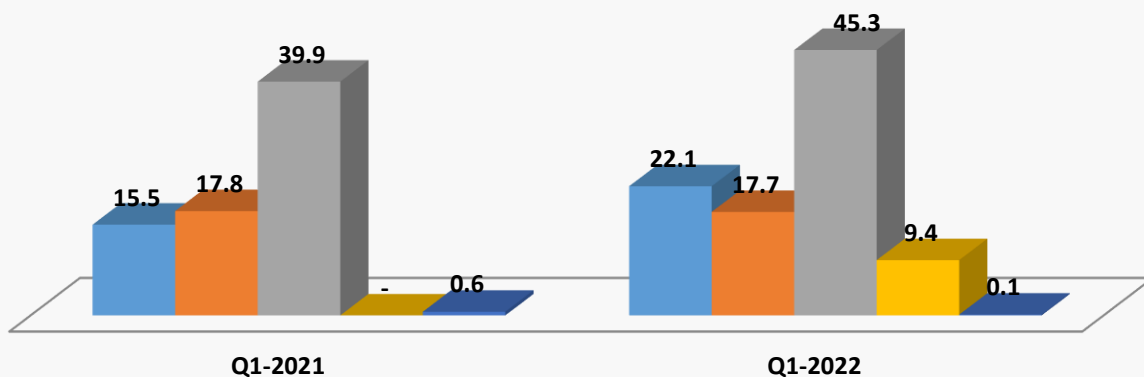
through the basic selling points of the activity as following:

- 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.
- It is noted from the following graph for Q1- 2022 that after the end of the negative impact of the Corona virus, exhibition sales returned to occupy 10% of the sales value.



### Sales Point – (EGP, mn )

■ Franchise ■ Rent ■ Whole sale ■ Exhibitions ■ Export



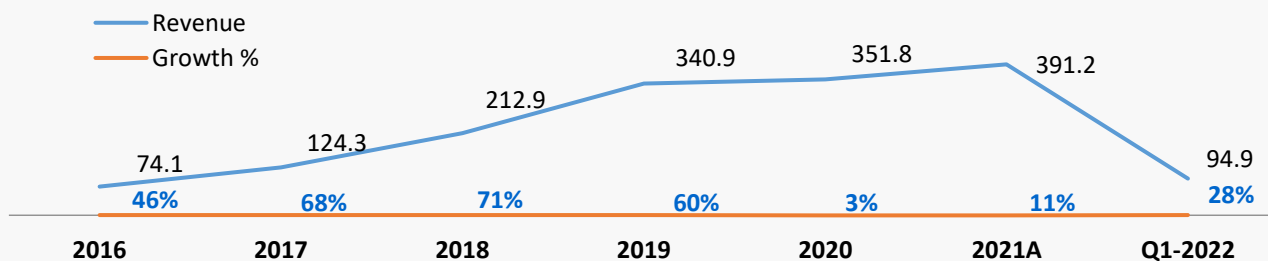
## □ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “**DICE Underwear**” with **333 retail stores** distributed across **20 governorates** as end of 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](http://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 333 retail stores distributed across 20 governorates. Learn more about DICE by visiting [www.ir.dicefactory.net](http://www.ir.dicefactory.net)

### Growth retail sales



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