

DICE Retail (Underwear) Report Q1-2023 Earnings

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DICE Underwear Report Q1-2023 Earnings

Retail sales increased by 50.6% Y-o-Y increasing reach EGP 142.8 mn in Q1-2023 coupled with Q1-2022 Y-o-Y.

Highlights for Q1-2023

<p>Revenue EGP 142.8mn ▲ 50.6% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 19.4mn ▼ 11.9% y-o-y 13.6% GP Margin</p>
<p>EBITDA EGP -6.9mn ▼ 172.5% y-o-y -4.8% EBITDA Margin</p>	<p>Net Profit EGP -18.2mn ▼ 886.9% y-o-y -12.8% NP Margin</p>

Highlights for Q1-2022

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

□ Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2022	Q1-2023	Q1-2022
Revenue	491.5	142.84	94.9
y-o-y growth, %	25.7%	50.6%	28.4%
Gross Profit	142.20	19.38	22.0
GPM, %	28.9%	13.6%	23.2%
EBITDA	67.9	-6.9	9.5
EBITDA Margin, %	13.8%	-4.8%	10.0%
Net Profit	28.4	-18.23	2.3
NPM, %	5.8%	-12.8%	2.4%

Note(1): Gross profit excludes depreciation

□ Overview of Retail Segmental Performance

In EGP 000s, unless otherwise stated	2022	Q1-2023	Q1-2022
Total Number of Stores	345	345	333
o/w Rented	72	72	64
Rented %	20.9%	20.9%	19.2%
o/w Franchised	273	273	269
Franchise %	79.1%	79.1%	80.8%
Total Number of Pieces (000s)	15,653	4,347	4,081
y-o-y growth, %	3.2%	6.5%	36.5%
Avg. Price (EGP) / Piece	31.4	32.9	23.2
y-o-y growth, %	21.8%	41.3%	-5.9%
Total Revenue	491,536	142,837	94,877
y-o-y growth, %	25.7%	50.6%	28.4%
% of Total Revenue	23.0%	20.7%	24.7%
Gross Profit	142,290	19,377	21,991
Gross Profit Margin, %	28.9%	13.6%	23.2%

-In Q1-2023, the retail segment significant y-o-y increasing in revenue, reaching 142.8 mn increase by 50.6% & increasing in sales volume by a 6.5% compared to Q1-2022 due to change in the mix rates of pieces sold.

-DICE maintained competitive price levels to eat up market share so retail gross profit Q1-2023 increase to 19.4 mn, up 13.6% of retail sales compared to Q1-2022.

-During Q1-2023, the retail sales component of the pieces changed, leading to increase in the average selling price of the piece 41.3% and increase in the number of produced pieces in Q1-2023 by 6.5% compared to Q1-2022.



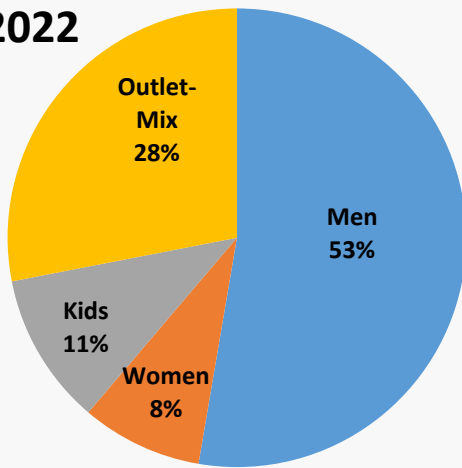
□ Sales Mix - client

In Dice underwear sales with the increase in the quantity and increase in value of sales in Q1-2023 compared to Q1-2022, we find a change in the mix rates of sales to increase the share of men & kids sales and decrease the share of outlet sales.

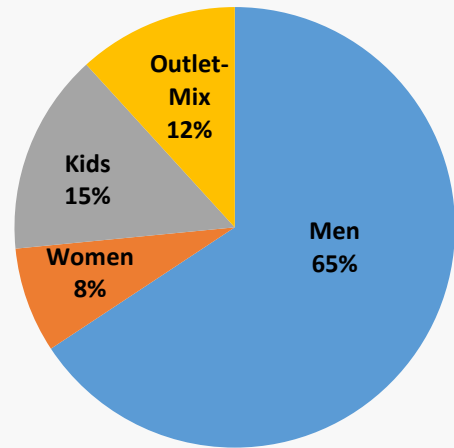
Therefore, the company's management seeks to maximize the share of women's sales during the coming period.

Sales Mix - Quantity

Q1-2022

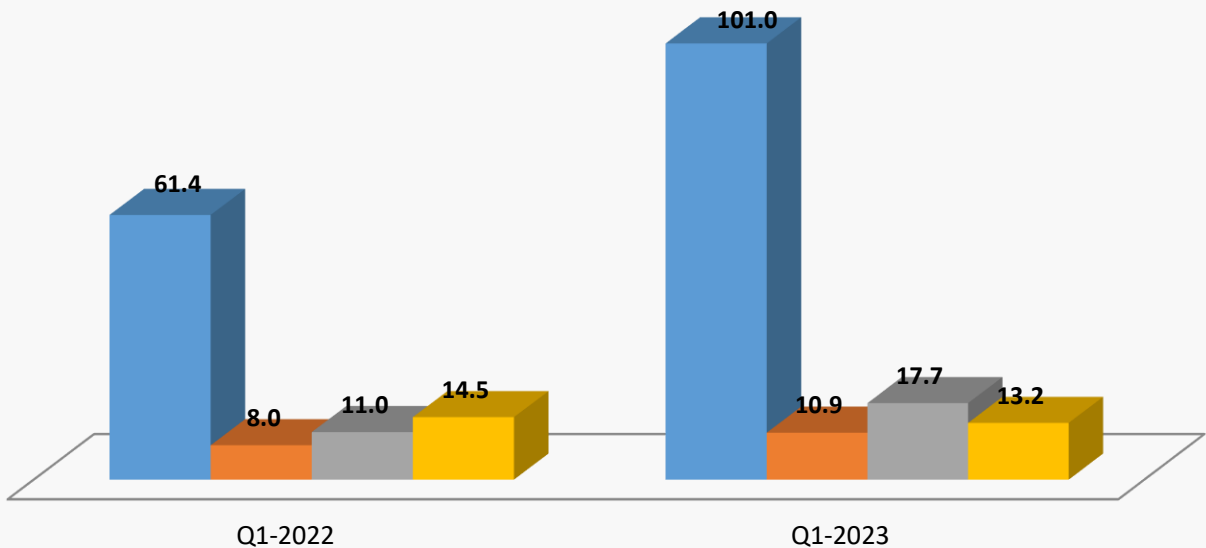


Q1-2023



Sales Mix – Value (EGP, mn)

■ Men ■ Women ■ Kids ■ Outlet-Mix



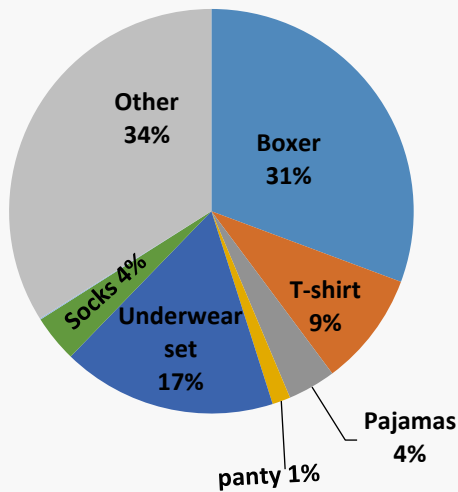


□ Sales Mix - type

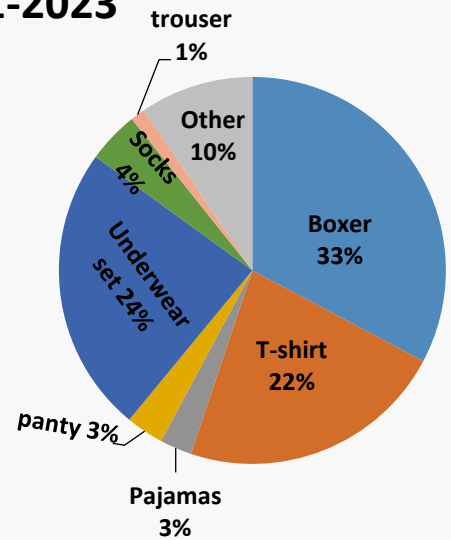
- In Dice underwear sales with the increase in the value of sales in Q1-2023 compared to Q1-2022, we find a change in the mix rates of pieces sold as shown in the diagram.

- 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

Q1-2022

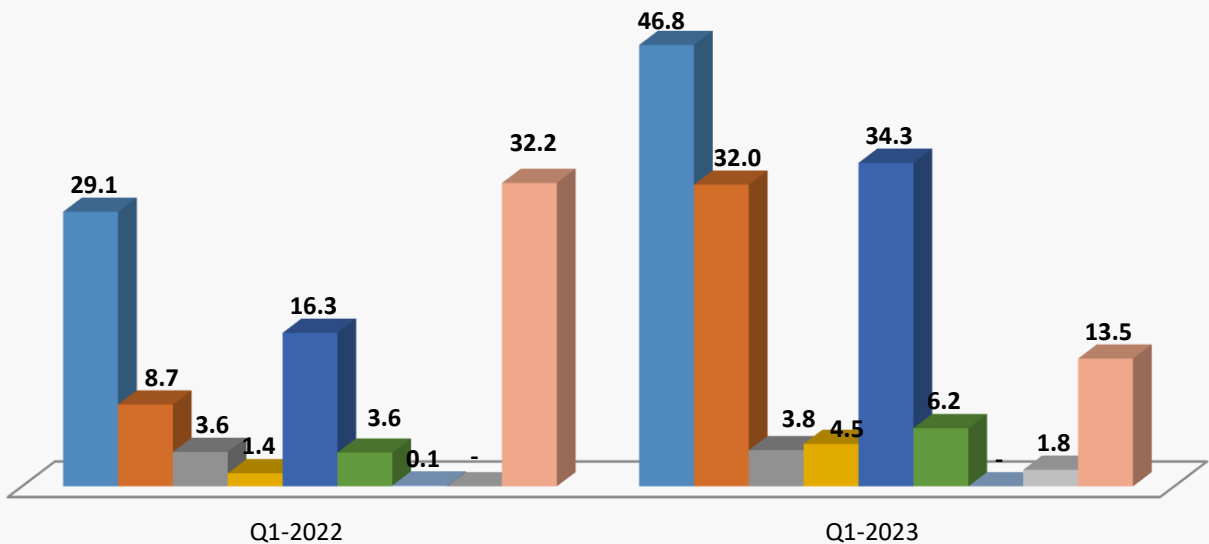


Q1-2023



Sales Mix – type (EGP, mn)

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

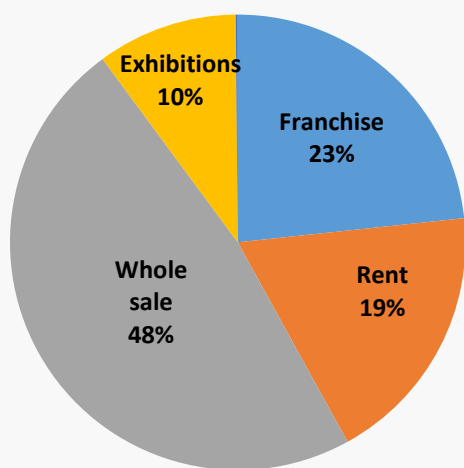
increase of production facilities that allocated for the DICE underwear production.

- **The second axis**

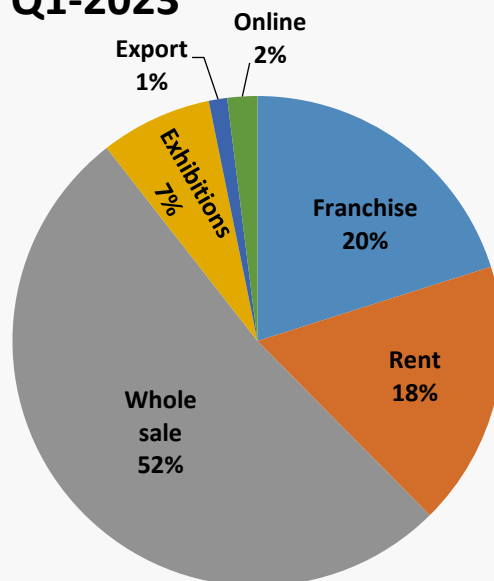
through the basic selling points of the activity as following:

- 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.

Q1-2022

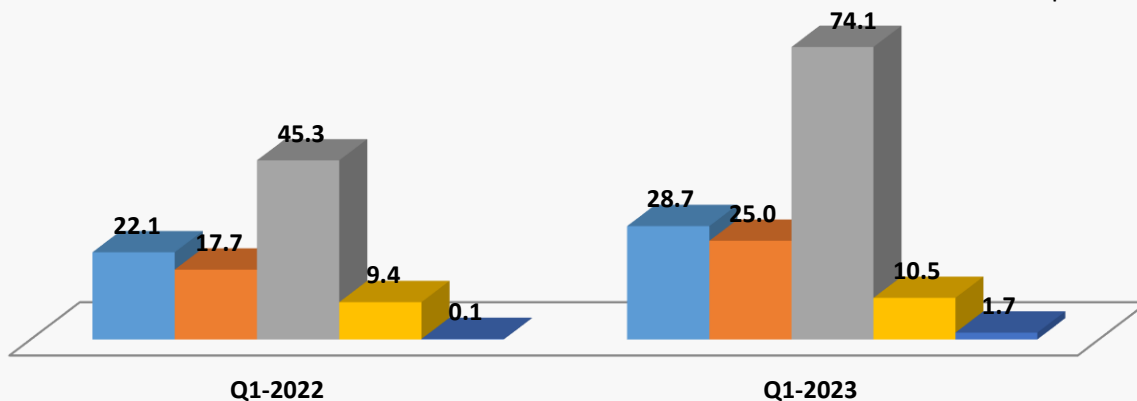


Q1-2023



Sales Point – (EGP, mn)

■ Franchise ■ Rent ■ Whole sale ■ Exhibitions ■ Export



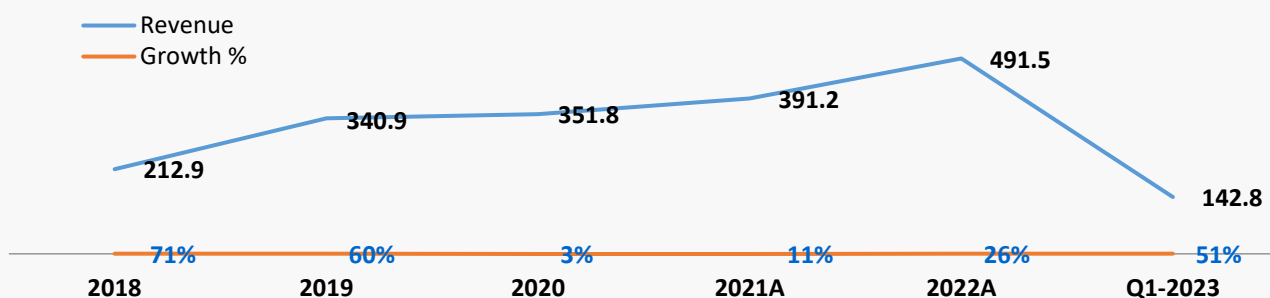
□ Outlook

- Entered in the Egyptian retail segment in 2011 through establishing its own brand “DICE Underwear” with **345 retail stores** distributed across **20 governorates** as end of Q1-2023.
- 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 as “Women Tops & bra” .
- 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 345 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.dice.eg

Growth retail sales



For Further Information, Please Contact:

DICE Sport and Casual Wear

Victor Fakhry

Chief Financial Officer

T: +2 01221005471

E: victor.elmalek@dicefactory.net

George Gamal

Member of Investor Relations and Corporate Affairs Department

T: +2 01001510833

E: george.gamal@dicefactory.net

