

DICE Sport and Casual Wear Report H1-2022 Earnings

- Summary Income Statement**

- Results in Nutshell**

- Overview of Segmental Performance**
 - **Export Segment**

 - **Retail Segment**

 - **Dyeing Segment**

 - **Printing Segment**

 - **Other Local Sales**

- Outlook (About DICE Sport and Casual Wear S.A.E).**

- Consolidated Income Sheet Statement**

- Consolidated Balance Sheet Statement**

- Consolidated Cash flow Statement**

DICE Sport and Casual Wear Report H1-2022 Earnings

sales line increased by 35.6% Y-o-Y increasing reach EGP 903.7 mn in H1-2022 coupled with H1-2021 Y-o-Y.

Highlights for H1-2022

<p>Revenue EGP 903.7mn ▲ 35.6% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 191mn ▲ 39% y-o-y 21.1% GP Margin</p>
<p>EBITDA EGP 120mn ▲ 91% y-o-y 13.3% EBITDA Margin</p>	<p>Net Profit / (loss) EGP 45.3mn 5% NP Margin</p>

Highlights for H1-2021

<p>Revenue EGP 666.3mn ▲ 49.7% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 137.4mn ▲ 92% y-o-y 20.6% GP Margin</p>
<p>EBITDA EGP 62.7mn ▲ 1269% y-o-y 9.4% EBITDA Margin</p>	<p>Net Profit / (loss) EGP5.9mn 0.9% NP Margin</p>

Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Revenue	1,596.8	519.9	368.6	903.7	666.3
y-o-y growth, %	29.5%	41.0%	99.4%	35.6%	49.7%
Gross Profit	308.7	119.2	73.8	191.0	137.4
GPM, %	19.3%	22.9%	20.0%	21.1%	20.6%
EBITDA	154.76	82.1	31.22	120.0	62.70
EBITDA Margin, %	9.7%	15.8%	8.5%	13.3%	9.4%
Net Profit	34.09	35.2	1.8	45.3	5.9
NPM, %	2.1%	6.8%	0.5%	5.0%	0.9%

Note(1): Gross profit excludes depreciation

Important events during the current and subsequent period:

- During the month of February 2022, and in view of the political events that led to the outbreak of war between Russia and Ukraine, which led to possible repercussions on the global economy from a slowdown in growth and an increase in inflation, which will lead to a rise in the prices of primary commodities such as food and energy, which are among the basic components of many industries . The management is currently studying the repercussions of the situation on this periodic financial statements, and there are no transactions between the company and any of the two countries, whether customers or suppliers.
- On March 21, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the main operation price of the Central Bank by 100 basis points to reach 9.25%, 10.25% and 9.75%, respectively. The credit rate was also raised. And the discount by 100 basis points to 9.76%. On the same date, Egyptian banks liberalized the foreign exchange rate against the Egyptian pound.
- On April 27, 2022, Prime Minister Decree 1568 of 2022 was issued to amend some provisions of the Egyptian Accounting Standards by adding Annex (B) to the amended Egyptian Accounting Standard No. (13) 2015 Effects of changes in foreign exchange rates, which includes a special accounting treatment to deal with the effects of Stirring foreign currency exchange rates. During the current financial period, the company amended some items in the financial statements, and their statement was as follows:

Desc	statement	Differences (EGP)
Foreign exchange valuation differences	profit or loss	(54 232 069)
Cost of acquiring buildings "Note No. 6" (*)	Balance Sheet	10 743 347
Differences in the valuation of the debit currency resulting from the effect of applying Annex (B) to the amended Egyptian Accounting Standards No. (13) 2015.	Other comprehensive income	43 488 722

(*) The amount represents the value of the debit currency differences that arose as a result of obtaining a foreign currency loan to finance the acquisition of assets for the purchase of the Cairo Cotton Factory.

- On May 19, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the main operation price of the Central Bank by 200 basis points to reach 11.25%, 12.25% and 11.75%, respectively. The credit rate was also raised. And the discount by 200 basis points to reach 11.75%.

Results in Nutshell

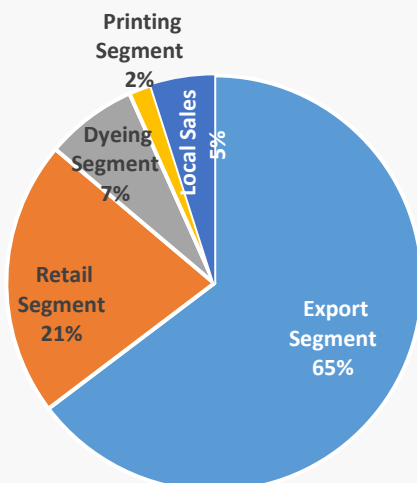
DICE reported revenues of EGP 519.9 mn, for Q2-2022, recording 41% y-o-y increasing.

Gross profit margin Q-o-Q, recording 22.9% in Q2-2022 compared to 20% in Q2-2021.

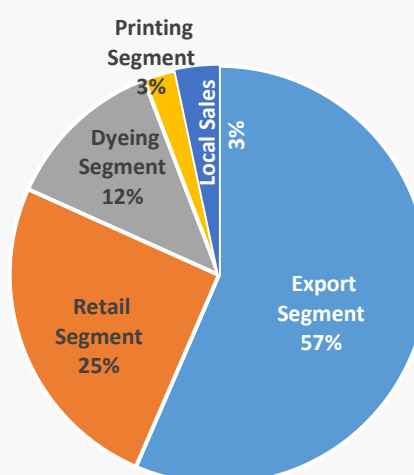
It appears from this graph that the export segment improved compared to the same period last year after the negative effects of the Corona virus decreased.

Revenue Breakdown by Segment

Q2 - 2022



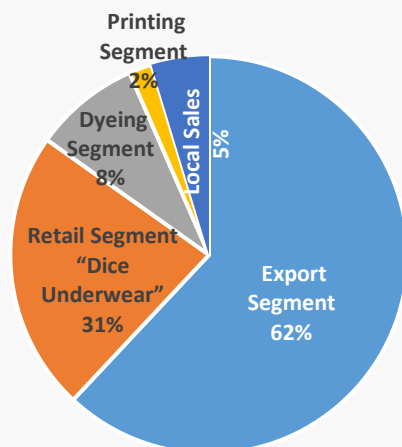
Q2 - 2021



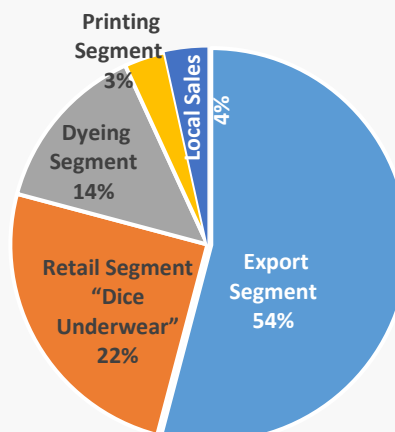
Revenue Breakdown by Segment

DICE reported revenues of EGP 903.7 mn for H1-2022, recording 35.6% y-o-y increasing. Gross profit margin Q-o-Q, recording 21.1% in H1-2022 compared to 20.6% in H1-2021.

H1-2022



H1-2021



Overview of Segmental Performance

1 Export Segment



	In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Dice	Sewing Capacity (000s pieces)	21,000	5,250	5,250	10,500	10,500
	Utilization, %	67.0%	75.3%	67.4%	72.3%	57.1%
	# of pieces sold (000s)	14,076	3,952	3,540	7,594	5,994
	y-o-y growth, %	54.8%	11.6%	169.8%	26.7%	63.9%
	Avg. Price (USD) / piece	4.22	4.56	3.77	4.29	3.84
	y-o-y growth, %	-0.3%	21.0%	20.1%	11.6%	14.8%
	Revenue (USD '000)	59,458	18,019	13,341	32,571	23,044
	y-o-y growth, %	54.3%	35.1%	224.0%	41.3%	88.2%
	Avg. Price (EGP) / piece	66.0	85.1	58.8	73.8	60.1
	y-o-y growth, %	-2.3%	44.6%	14.0%	22.7%	13.5%
	Revenue (EGP '000)	929,660	336,331	208,277	560,120	360,434
	y-o-y growth, %	51.3%	61.5%	207.5%	55.4%	86.0%
	Gross Profit	65,588	51,005	17,213	74,827	23,361
	Gross Profit Margin, %	7.1%	15.2%	8.3%	13.4%	6.5%

- In H1-2022, export sales, denominated in USD, 41.3% increase over the same period last year beside increasing sales volume a 26.7% stemming. Blended average price per piece in USD terms increased by 11.6%.

- Changing in export sales price Avg (USD ,EGP / piece) is according to the mixture of sales, in addition the value of the revenues in USD or EGP includes the sale of materials (elastic) and the number of pieces sold does not show what represents this value, and this also affects the average price of the piece in USD or EGP.

Overview of Segmental Performance

2 Retail Segment

- Refer to the attached file “Dice Retail (Underwear) report”

Overview of Segmental Performance

3 Dyeing Segment

	In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Master Line	Capacity (tons)	7,500	1,875	1,875	3,750	3,750
	Utilization, %	76.5%	64.1%	75.2%	63.8%	73.2%
	Volume Sold (tons/year)	5,734	1,203	1,409	2,394	2,744
	Avg. Price (EGP) / ton	30.3	36.5	30.9	34.2	29.7
	Revenue	173,944	43,915	43,604	81,976	81,493
	y-o-y growth, %	22.3%	0.7%	90.7%	0.6%	31.1%
	Gross Profit	53,248	11,149	14,374	19,982	23,745
	Gross Profit Margin, %	30.6%	25.4%	33.0%	24.4%	29.1%
UDI	Capacity (tons)	7,200	1,800	1,800	3,600	3,600
	Utilization, %	66.9%	57.9%	62.3%	65.3%	66.9%
	Volume Sold (tons/year)	4,819	1,043	1,121	2,350	2,408
	Avg. Price (EGP) / ton	27.1	32.2	26.6	30.5	26.6
	Revenue	130,441	33,620	29,855	71,636	63,935
	y-o-y growth, %	-2.0%	12.6%	44.0%	12.0%	6.2%
	Gross Profit	32,520	3,207	6,602	11,933	16,757
	Gross Profit Margin, %	24.9%	9.5%	22.1%	16.7%	26.2%
ACC	Capacity (tons)	3,600	900	900	1,800	1,800
	Utilization, %	95.0%	69.2%	87.9%	75.9%	94.9%
	Volume Sold (tons/year)	3,419	623	791	1,367	1,708
	Avg. Price (EGP) / ton	24	25	24	24	24
	Revenue	81,528	15,422	18,592	32,888	40,394
	y-o-y growth, %	33%	-17%	115%	-19%	50%
	Gross Profit	23,670	318	5,413	44	13,386
	Gross Profit Margin, %	29.0%	2.1%	29.1%	0.1%	33.1%
Total Dyeing Segment	Capacity (tons)	18,300	4,575	4,575	9,150	9,150
	Utilization, %	76.3%	62.7%	72.6%	66.8%	75.0%
	Volume Sold (tons/year)	13,972	2,869	3,321	6,111	6,860
	Avg. Price (EGP) / ton	27.6	32.4	27.7	30.5	27.1
	Revenue	385,912	92,957	92,051	186,500	185,822
	y-o-y growth, %	14.6%	1.0%	76.2%	0.4%	24.5%
	Intercompany Sales	200,128	55,759	46,198	108,657	92,491
	Intercompany Sales (% of Revenue)	51.9%	60.0%	50.2%	58.3%	49.8%
	Gross Profit	109,438	14,673	26,389	31,960	53,887
	Gross Profit Margin, %	28.4%	15.8%	28.7%	17.1%	29.0%

As for its dyeing segment, DICE reported EGP 186.5 mn in revenues in H1-2022, 0.4% y-o-y increasing, third party sales during H1-2022 contributed 41.7% of all dyeing sales compared to 50.2% in H1-2021.

Overview of Segmental Performance

4 Printing Segment

	In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
TPP Printing	Capacity (piece)	4,000	-	1,000	-	2,000
	Utilization, %	43.5%	-	26.7%	-	45.7%
	Volume Sold (piece/year)	1,740	-	267	-	914
	Avg. Price (EGP) / ton	5.59	-	5.28	-	4.22
	Revenue	9,736	-	1,410	-	3,859
	y-o-y growth, %	74.5%	-	17.2%	-	35.1%
	Gross Profit	5,041	-	671	-	2,114
Gross Profit Margin, %	51.8%	-	47.6%	-	54.8%	

NP Printing	Capacity (meter)	6,000	1,500	1,500	3,000	3,000
	Utilization, %	58.5%	43.0%	53.4%	47.2%	61.3%
	Volume Sold (piece/year)	3,509	645	801	1,416	1,839
	Avg. Price (EGP) / ton	11.23	14.25	11.48	11.94	12.22
	Revenue	39,399	9,191	9,195	16,912	22,475
	y-o-y growth, %	22.7%	0.0%	72.1%	-24.8%	89.0%
	Gross Profit	9,315	1,058	2,113	1,711	6,781
Gross Profit Margin, %	23.6%	11.5%	23.0%	10.1%	30.2%	

Total Printing Segment	Capacity (piece / meter)	10,000	2,500	2,500	5,000	5,000
	Utilization, %	52.5%	25.8%	42.7%	28.3%	55.1%
	Volume Sold (piece/year)	5,249	645	1,068	1,416	2,754
	Avg. Price (EGP) / ton	9.4	14.2	9.9	11.9	9.6
	Revenue	49,135	9,191	10,605	16,912	26,335
	y-o-y growth, %	30.4%	-13.3%	62.1%	-35.8%	78.5%
	Intercompany Sales	9,736	0	1,410	0	3,859
	Intercompany Sales (% of Revenue)	19.8%	0.0%	13.3%	0.0%	14.7%
	Gross Profit	14,356	1,058	2,783	1,711	8,896
Gross Profit Margin, %	29.2%	11.5%	26.2%	10.1%	33.8%	

With the beginning of 2022 the TPP production including in Dice.

Nadine Print press : The revenue figures shown here reflect sales to third-party only,

Overview of Segmental Performance

5 Other Local Sales

In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Local Revenue	84,526	30,580	18,766	53,975	39,081
y-o-y growth	32.1%	63.0%	419.0%	38.1%	85.5%
Total Intercompany *	33,709	5,016	6,443	11,655	15,927
% of Local	39.9%	16.4%	34.3%	21.6%	40.8%
Net Revenue	50,817	25,564	12,323	42,321	23,153
y-o-y growth	46.8%	-307.5%	1596.0%	82.8%	133.9%
Gross Profit	8,910	15,379	646	23,410	1,278
GPM, %	10.5%	50.3%	3.4%	43.4%	3.3%

□ elastic & cordon Sales

In EGP 000s, unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Revenue	44,739	12,258	12,319	26,176	22,394
y-o-y growth	27%	-0.5%	249%	17%	93%
Volume Sold (tons/year)	380	94	90	209	191
Intercompany **	36,595	11,450	10,882	24,284	17,968
% of Revenue	82%	93%	88%	93%	80%
Net Revenue	8,144	808	1,437	1,892	4,426
y-o-y growth	71%	-44%	74%	-57%	117%

Other local sales comprise of :

- i) second tier export products.
- ii) scrap sales.
- iii) elastic & cordon sales

* Subsidiary company sales by sales invoices.

** Internal operation without sales invoices, but it is evaluated to know the value of the total revenue of elastic and cordon.

Outlook

DICE remains optimistic about its future growth. Management finalized the acquisition transaction of currently leased assets of Cairo Cotton Centre in Feb 2020. Furthermore, a new expansion in manufacturing elastic & cordon takes a place in 2019, an expansion that would lead to a cost reduction as well as adding a new segment of revenue.

DICE also intends to increase third party sales from its dyeing segment in order to capitalize on the low utilization rates.

Overall, DICE aims to reduce client concentration by attracting new clients; scaling its retail platform to improve revenue mix; and utilizing its dyeing and printing capacities to enhance profit margins.

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

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Consolidated Income Sheet Statement

In EGP mn unless otherwise stated	2021	Q2-2022	Q2-2021	H1-2022	H1-2021
Revenue	1,596.8	519.9	368.6	903.7	666.3
y-o-y growth, %	29.5%	41.0%	99.4%	35.6%	49.7%
Cost of Sales	(1,288.2)	(400.7)	(294.8)	(712.7)	(528.9)
Gross Profit (1)	308.7	119.2	73.8	191.0	137.4
Gross Profit Margin, %	19.3%	22.9%	20.0%	21.1%	20.6%
S&D Expenses	(77.4)	(29.9)	(20.4)	(44.5)	(27.7)
% of Revenue	4.8%	5.8%	5.5%	4.9%	4.2%
G&A Expenses	(134.1)	(36.7)	(32.5)	(72.6)	(64.3)
% of Revenue	8.4%	7.1%	8.8%	8.0%	9.7%
Export Rebate	57.6	29.5	10.3	46.0	17.4
% of Export Revenue	6.2%	8.8%	5.0%	8.2%	4.8%
EBITDA	154.76	82.14	31.22	119.97	62.70
EBITDA Margin, %	9.7%	15.8%	8.5%	13.3%	9.4%
Depreciation & Amortization of the right of use leased assets	(47.3)	(13.9)	(11.7)	(26.2)	(23.4)
EBIT	107.5	68.3	19.5	93.7	39.3
EBIT Margin, %	6.7%	13.1%	5.3%	10.4%	5.9%
Net Interest Expense	(63.2)	(22.3)	(15.7)	(39.0)	(30.0)
Leasing interest Expenses (right of use)	(2.4)	(0.9)	(0.7)	(1.9)	(1.1)
FX Gain / Loss	0.2	(9.4)	0.5	(4.8)	0.7
Other Income / Expense	5.1	0.6	0.8	1.1	2.3
EBT	47.3	36.3	4.5	49.1	11.2
EBT Margin, %	3.0%	7.0%	1.2%	5.4%	1.7%
Taxes	(13.2)	(1.0)	(2.7)	(3.8)	(5.3)
Tax Rate, %	27.9%	2.9%	59.6%	7.8%	47.2%
Net Profit	34.09	35.2	1.8	45.3	5.9
Net Profit Margin, %	2.1%	6.8%	0.5%	5.0%	0.9%

Note(1): Gross profit excludes depreciation

Consolidated Balance Sheet Statement

In EGP '000, unless otherwise stated	H1-2022	2021	2020
Net Fixed Assets	485.3	489.3	496.3
right of use -Lease (net)	41.2	37.8	-
Other Non Current Assets	10.7	10.9	9.4
Total Non Current Assets	537.2	537.9	505.6
Cash & Cash Equivalents	67.2	110.9	110.3
Inventory	783.4	644.3	554.5
Accounts Receivable	446.9	312.0	381.6
Mutual funds	2.5	-	-
Debtors and Other Debit Balances	292.1	214.1	158.3
Total Current Assets	1,592.1	1,281.3	1,205
Total Assets	2,129.3	1,819.2	1,710
Overdraft	861.8	728.2	806.3
CPLTD	76.1	68.5	27.0
Accounts Payable	362.2	184.1	98.0
Provisions	48.8	49.3	61.2
Due to Related Parties	1.4	3.0	22.2
Right of use Liabilities - current	11.4	9.3	-
leasing Liabilities - current	9.8	10.6	10.6
Creditors and Other Credit Balances	171.1	158.3	156.9
Total Current Liabilities	1,542.6	1,211	1,182.2
Long term Debt	117.3	126.5	92.8
Right of use Liabilities - non current	32.6	30.2	-
leasing Liabilities - non current	11.8	12.1	22.7
Deferred Tax Liability	38.5	38.2	37.8
Total Non Current Liabilities	200.2	207.0	153.3
Total Liabilities	1,742.8	1,418.4	1,336
Paid in Capital	106	106	106
Reserves	23.0	21.9	21.9
Retained Earnings	194.0	207.9	281.4
Net Profit / (loss)	45.0	31.8	(56.9)
Minority Interest	18.5	33.1	22.4
Total Shareholder's Equity	386.5	400.8	375
Total Liabilities and Shareholder's Equity	2,129.3	1,819.2	1,710

Consolidated Cash flow Statement

In EGP '000, unless otherwise stated	2021	H1-2022	H1-2021
EBT	47	1.8	11.2
ADD:			
Fixed assets depreciation	38.1	19.6	19.1
Right of use depreciation	9.2	6.0	4.3
Impairment provisions	5.0	-	0.5
Reversal of provisions	(0.6)	-	-
used Impairment provisions	(11.9)	-	(7.8)
Interest - lease Right of use	-	1.9	1.1
Interest Income	(0.5)	(0.3)	(0.2)
Financing expense	63.7	39.3	30.2
Capital gain/(loss)	(0.5)	(0.1)	(0.4)
gain /(loss) from leasing	(0.1)	-	(0.1)
foreign exchange differences related to liabilities	-	(10.7)	-
Operating profit before working capital changes	150	57.54	57.95
(Increase)/Decrease in inventories	(89.8)	(139.1)	(131.5)
(Increase)/Decrease accounts and notes receivable	77.0	(134.9)	31.1
(Increase)/Decrease in debtors and other debit balances	(59.5)	(78.0)	(36.6)
Increase/(Decrease) in accounts and notes payable	86.1	178.0	65.2
Increase/(Decrease) in creditors and other credit balances	3.2	24.7	5.5
Increase/(Decrease) in due to related parties	(19.2)	(1.6)	(2.2)
Used provisions	(12.19)	(0.5)	(0.0)
Paid taxes	(12.1)	(12.7)	(12.1)
Paid interest	(66.1)	(38.4)	(32.8)
Cash flow from operations	57.5	(145.1)	(55.5)
Interest Income	0.5	0.3	0.2
Net cash paid for the Acquisition of related parties	(2.0)	-	-
Payments for the purchase of investments		(2.5)	-
Payments for the purchase of fixed assets	(29.1)	(4.9)	(10.2)
Gain on sale of fixed assets	0.8	0.1	0.5
Receipts from liquidation of subsidiaries	0.0	-	-
Payments for finance leasing	(10.6)	-	-
(Increase)/Decrease in PUC	(1.7)	(1.8)	(7.5)
Cash flow from Investing Activities	(42.1)	(8.9)	(17.1)
Change in debt and credit facilities	(2.7)	99.1	7.0
Payments for finance leasing	-	(0.7)	(5.4)
Payments leasing of property & plant	(10.8)	(6.9)	(4.3)
Paid Dividends	(1.1)	(14.0)	(1.1)
Cash flow from Financing Activities	(14.5)	77.4	(3.8)
Net change in cash	0.9	(76.6)	(76.4)
Beginning cash balance	110.1	110.9	110.1
Ending cash balance	110.9	34.3	33.7