

DICE Sports and Casual Wear Report 9M-2022 Earnings



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DICE Sport and Casual Wear Report 9M-2022 Earnings

sales line increased by 31.2% Y-o-Y increasing reach EGP 1461 mn in 9M-2022 coupled with 9M-2021 Y-o-Y.

Highlights for 9M-2022

<p>Revenue EGP 1461mn ▲ 31.2% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 329.8mn ▲ 47% y-o-y 22.6% GP Margin</p>
<p>EBITDA EGP 210.2mn ▲ 97% y-o-y 14.4% EBITDA Margin</p>	<p>Net Profit / (loss) EGP 84.92mn 5.8% NP Margin</p>

Highlights for 9M-2021

<p>Revenue EGP 1113.4mn ▲ 33.9% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 224.4mn ▲ 53% y-o-y 20.2% GP Margin</p>
<p>EBITDA EGP 106.51mn ▲ 125% y-o-y 9.6% EBITDA Margin</p>	<p>Net Profit / (loss) EGP19.0mn 1.7% NP Margin</p>

Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2021	Q3-2022	Q3-2021	9M-2022	9M-2021
Revenue	1,596.8	557.4	447.1	1,461.0	1,113.4
y-o-y growth, %	29.5%	24.7%	15.7%	31.2%	33.9%
Gross Profit	308.7	138.8	87.0	329.8	224.4
GPM, %	19.3%	24.9%	19.5%	22.6%	20.2%
EBITDA	154.76	90.2	43.82	210.2	106.51
EBITDA Margin, %	9.7%	16.2%	9.8%	14.4%	9.6%
Net Profit	34.09	39.6	13.1	84.92	19.0
NPM, %	2.1%	7.1%	2.9%	5.8%	1.7%

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%.
- On Oct 27, 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 13.25%, 14.25% and 13.75%, respectively. The credit rate was also raised. And the discount by 200 basis points to reach 13.75%.

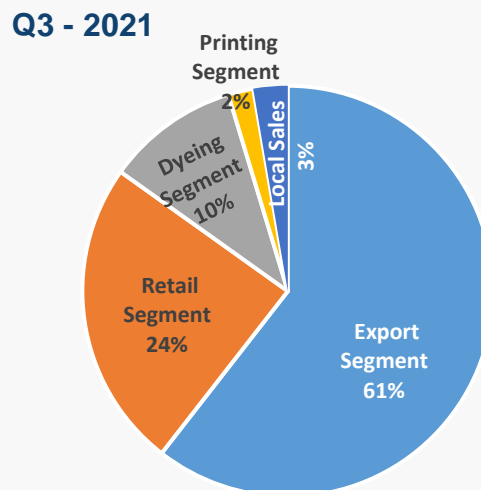
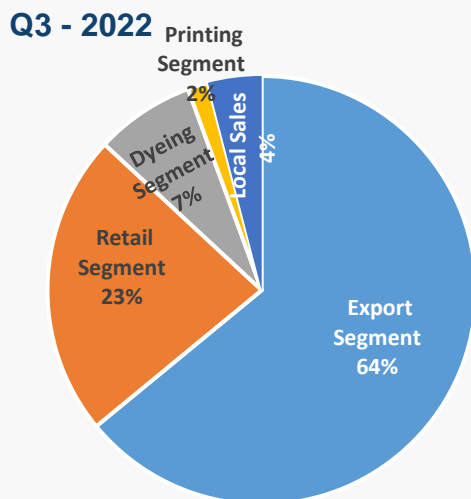
Results in Nutshell

DICE reported revenues of EGP 557.4 mn, for Q3-2022, recording 24.7% y-o-y increasing.

Gross profit margin Q-o-Q, recording 24.9% in Q3-2022 compared to 19.5% in Q3-2021.

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.

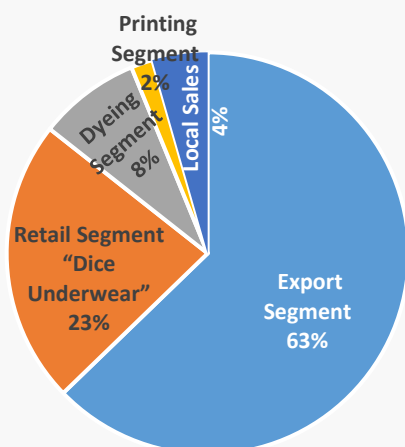
Revenue Breakdown by Segment



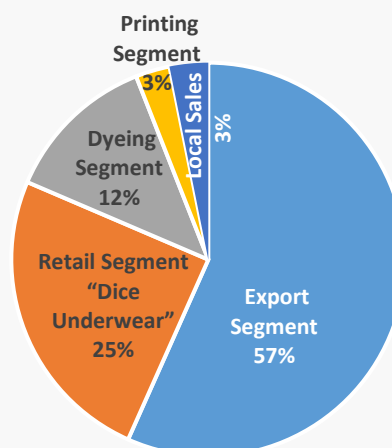
Revenue Breakdown by Segment

DICE reported revenues of EGP 1461 mn for 9M-2022, recording 31.2% y-o-y increasing. Gross profit margin Q-o-Q, recording 22.6% in 9M-2022 compared to 20.2% in 9M-2021.

9M-2022



9M-2021



Overview of Segmental Performance

1 Export Segment



	In EGP 000s, unless otherwise stated	2021	Q3-2022	Q3-2021	9M-2022	9M-2021
Dice	Sewing Capacity (000s pieces)	21,000	5,250	5,250	15,750	15,750
	Utilization, %	67.0%	75.2%	78.2%	73.3%	64.1%
	# of pieces sold (000s)	14,076	3,946	4,104	11,540	10,097
	y-o-y growth, %	54.8%	-3.8%	22.5%	14.3%	44.1%
	Avg. Price (USD) / piece	4.22	4.65	4.22	4.46	4.00
	y-o-y growth, %	-0.3%	10.2%	9.9%	11.5%	11.5%
	Revenue (USD '000)	59,458	18,342	17,314	51,441	40,358
	y-o-y growth, %	54.3%	5.9%	34.6%	27.5%	60.8%
	Avg. Price (EGP) / piece	66.0	90.5	66.0	79.5	62.5
	y-o-y growth, %	-2.3%	37.1%	7.8%	27.1%	9.8%
	Revenue (EGP '000)	929,660	356,945	270,645	917,065	631,080
	y-o-y growth, %	51.3%	31.9%	32.1%	45.3%	58.3%
	Gross Profit	65,588	83,911	23,025	158,737	46,386
	Gross Profit Margin, %	7.1%	23.5%	8.5%	17.3%	7.4%

- In 9M-2022, export sales, denominated in USD, 27.5% increase over the same period last year beside increasing sales volume a 14.3% stemming. Blended average price per piece in USD terms increased by 11.5%.

- 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	Q3-2022	Q3-2021	9M-2022	9M-2021
Master Line	Capacity (tons)	7,500	1,875	1,875	5,625	5,625
	Utilization, %	76.5%	58.5%	79.7%	62.1%	75.3%
	Volume Sold (tons/year)	5,734	1,096	1,494	3,491	4,238
	Avg. Price (EGP) / ton	30.3	34.5	30.8	34.3	30.1
	Revenue	173,944	37,787	46,054	119,763	127,547
	y-o-y growth, %	22.3%	-18.0%	12.5%	-6.1%	23.7%
	Gross Profit	53,248	9,718	15,300	29,700	39,045
	Gross Profit Margin, %	30.6%	25.7%	33.2%	24.8%	30.6%
UDI	Capacity (tons)	7,200	1,800	1,800	5,400	5,400
	Utilization, %	66.9%	60.4%	65.9%	63.6%	66.6%
	Volume Sold (tons/year)	4,819	1,087	1,186	3,437	3,594
	Avg. Price (EGP) / ton	27.1	35.1	27.9	31.9	27.0
	Revenue	130,441	38,147	33,120	109,783	97,055
	y-o-y growth, %	-2.0%	15.2%	-1.4%	13.1%	3.5%
	Gross Profit	32,520	7,400	9,078	19,333	25,834
	Gross Profit Margin, %	24.9%	19.4%	27.4%	17.6%	26.6%
ACC	Capacity (tons)	3,600	900	900	2,700	2,700
	Utilization, %	95.0%	52.4%	98.3%	68.1%	96.0%
	Volume Sold (tons/year)	3,419	472	885	1,839	2,593
	Avg. Price (EGP) / ton	24	25	24	24	24
	Revenue	81,528	11,646	21,152	44,535	61,546
	y-o-y growth, %	33%	-45%	32%	-28%	43%
	Gross Profit	23,670	1,934	7,008	10,770	20,394
	Gross Profit Margin, %	29.0%	16.6%	33.1%	24.2%	33.1%
Total Dyeing Segment	Capacity (tons)	18,300	4,575	4,575	13,725	13,725
	Utilization, %	76.3%	58.0%	77.9%	63.9%	76.0%
	Volume Sold (tons/year)	13,972	2,655	3,565	8,766	10,425
	Avg. Price (EGP) / ton	27.6	33.0	28.1	31.3	27.4
	Revenue	385,912	87,580	100,326	274,081	286,148
	y-o-y growth, %	14.6%	-12.7%	10.7%	-4.2%	19.3%
	Intercompany Sales	200,128	45,776	53,557	154,433	146,049
	Intercompany Sales (% of Revenue)	51.9%	52.3%	53.4%	56.3%	51.0%
	Gross Profit	109,438	19,052	31,386	59,803	85,273
	Gross Profit Margin, %	28.4%	21.8%	31.3%	21.8%	29.8%

As for its dyeing segment, DICE reported EGP 274.1 mn in revenues in 9M-2022, 4.2% y-o-y decreasing, third party sales during 9M-2022 contributed 43.7% of all dyeing sales compared to 49% in 9M-2021.

Overview of Segmental Performance

4 Printing Segment

	In EGP 000s, unless otherwise stated	2021	Q3-2022	Q3-2021	9M-2022	9M-2021
TPP Printing	Capacity (piece)	4,000	-	1,000	-	3,000
	Utilization, %	43.5%	-	23.2%	-	38.2%
	Volume Sold (piece/year)	1,740	-	232	-	1,146
	Avg. Price (EGP) / ton	5.59	-	5.14	-	4.41
	Revenue	9,736	-	1,192	-	5,051
	y-o-y growth, %	74.5%	-	-27.9%	-	12.0%
	Gross Profit	5,041	-	475	-	2,589
Gross Profit Margin, %	51.8%	-	39.8%	-	51.3%	

NP Printing	Capacity (meter)	6,000	1,500	1,500	4,500	4,500
	Utilization, %	58.5%	42.4%	54.9%	45.6%	59.2%
	Volume Sold (piece/year)	3,509	635	823	2,052	2,662
	Avg. Price (EGP) / ton	11.23	13.59	10.75	12.45	11.77
	Revenue	39,399	8,634	8,849	25,546	31,324
	y-o-y growth, %	22.7%	-2.4%	6.7%	-18.4%	55.2%
	Gross Profit	9,315	574	1,557	2,284	8,338
Gross Profit Margin, %	23.6%	6.6%	17.6%	8.9%	26.6%	

Total Printing Segment	Capacity (piece / meter)	10,000	2,500	2,500	7,500	7,500
	Utilization, %	52.5%	25.4%	42.2%	27.4%	50.8%
	Volume Sold (piece/year)	5,249	635	1,055	2,052	3,809
	Avg. Price (EGP) / ton	9.4	13.6	9.5	12.5	9.6
	Revenue	49,135	8,634	10,041	25,546	36,376
	y-o-y growth, %	30.4%	-14.0%	0.9%	-29.8%	47.3%
	Intercompany Sales	9,736	0	1,192	0	5,051
	Intercompany Sales (% of Revenue)	19.8%	0.0%	11.9%	0.0%	13.9%
	Gross Profit	14,356	574	2,032	2,284	10,927
Gross Profit Margin, %	29.2%	6.6%	20.2%	8.9%	30.0%	

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	Q3-2022	Q3-2021	9M-2022	9M-2021
Local Revenue	84,526	37,231	21,270	91,206	60,350
y-o-y growth	32.1%	75.0%	74.7%	51.1%	81.6%
Total Intercompany *	33,709	14,703	9,218	26,358	25,145
% of Local	39.9%	39.5%	43.3%	28.9%	41.7%
Net Revenue	50,817	22,528	12,052	64,849	35,205
y-o-y growth	46.8%	86.9%	100.2%	84.2%	121.1%
Gross Profit	8,910	569	-4,343	15,187	-3,066
GPM, %	10.5%	1.5%	-20.4%	16.7%	-5.1%

□ elastic & cordon Sales

In EGP 000s, unless otherwise stated	2021	Q3-2022	Q3-2021	9M-2022	9M-2021
Revenue	44,739	13,093	10,372	39,269	32,766
y-o-y growth	27%	26%	-1%	20%	48%
Volume Sold (tons/year)	380	99	83	308	274
Intercompany **	36,595	11,893	8,320	36,177	26,288
% of Revenue	82%	91%	80%	92%	80%
Net Revenue	8,144	1,200	2,052	3,092	6,478
y-o-y growth	71%	-42%	140%	-52%	124%

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 343 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	Q3-2022	Q3-2021	9M-2022	9M-2021
Revenue	1,596.8	557.4	447.1	1,461.0	1,113.4
y-o-y growth, %	29.5%	24.7%	15.7%	31.2%	33.9%
Cost of Sales	(1,288.2)	(418.6)	(360.1)	(1,131.2)	(889.0)
Gross Profit (1)	308.7	138.8	87.0	329.8	224.4
Gross Profit Margin, %	19.3%	24.9%	19.5%	22.6%	20.2%
S&D Expenses	(77.4)	(31.0)	(25.0)	(75.5)	(52.7)
% of Revenue	4.8%	5.6%	5.6%	5.2%	4.7%
G&A Expenses	(134.1)	(43.7)	(33.7)	(116.2)	(98.1)
% of Revenue	8.4%	7.8%	7.5%	8.0%	8.8%
Export Rebate	57.6	26.2	15.5	72.2	32.9
% of Export Revenue	6.2%	7.3%	5.7%	7.9%	5.2%
EBITDA	154.76	90.23	43.82	210.19	106.51
EBITDA Margin, %	9.7%	16.2%	9.8%	14.4%	9.6%
Depreciation & Amortization of the right of use leased assets	(47.3)	(12.7)	(11.6)	(39.0)	(34.9)
EBIT	107.5	77.5	32.3	171.2	71.6
EBIT Margin, %	6.7%	13.9%	7.2%	11.7%	6.4%
Net Interest Expense	(63.2)	(22.2)	(16.3)	(61.2)	(46.3)
Leasing interest Expenses (right of use)	(2.4)	(1.0)	(0.5)	(2.9)	(1.6)
FX Gain / Loss	0.2	(14.0)	(0.9)	(18.9)	(0.1)
Other Income / Expense	5.1	(0.1)	2.5	0.9	4.8
EBT	47.3	40.1	17.1	89.2	28.3
EBT Margin, %	3.0%	7.2%	3.8%	6.1%	2.5%
Taxes	(13.2)	(0.5)	(4.0)	(4.3)	(9.3)
Tax Rate, %	27.9%	1.2%	23.3%	4.8%	32.7%
Net Profit	34.09	39.6	13.1	84.9	19.0
Net Profit Margin, %	2.1%	7.1%	2.9%	5.8%	1.7%

Note(1): Gross profit excludes depreciation

Consolidated Balance Sheet Statement

In EGP '000, unless otherwise stated	9M-2022	2021	2020
Net Fixed Assets	477.2	489.3	496.3
right of use -Lease (net)	45.4	37.8	-
Other Non Current Assets	13.4	10.9	9.4
Total Non Current Assets	536.0	537.9	505.6
Cash & Cash Equivalents	57.8	110.9	110.3
Inventory	868.4	644.3	554.5
Accounts Receivable	443.0	312.0	381.6
Mutual funds	106.7	-	-
Debtors and Other Debit Balances	291.7	214.1	158.3
Total Current Assets	1,768	1,281.3	1,205
Total Assets	2,303.7	1,819.2	1,710
Overdraft	885.7	728.2	806.3
CPLTD	76.7	68.5	27.0
Accounts Payable	287.8	184.1	98.0
Provisions	36.0	49.3	61.2
Due to Related Parties	0.4	3.0	22.2
Right of use Liabilities - current	11.7	9.3	-
leasing Liabilities - current	10.1	10.6	10.6
Creditors and Other Credit Balances	139.0	158.3	156.9
Total Current Liabilities	1,447	1,211	1,182.2
Long term Debt	100.5	126.5	92.8
Right of use Liabilities - non current	37.1	30.2	-
leasing Liabilities - non current	4.1	12.1	22.7
Deferred Tax Liability	37.0	38.2	37.8
Total Non Current Liabilities	178.8	207.0	153.3
Total Liabilities	1,626.2	1,418.4	1,336
Paid in Capital	357	106	106
Reserves	23.0	21.9	21.9
Retained Earnings	194.0	207.9	281.4
Net Profit / (loss)	84.4	31.8	(56.9)
Minority Interest	18.8	33.1	22.4
Total Shareholder's Equity	677.5	400.8	375
Total Liabilities and Shareholder's Equity	2,303.7	1,819.2	1,710

Consolidated Cash flow Statement

In EGP '000, unless otherwise stated	2021	9M-2022	9M-2021
EBT	47	45.7	28.3
ADD:			
Fixed assets depreciation	38.1	29.6	28.6
Right of use depreciation	9.2	9.4	6.3
Impairment provisions	5.0	0.9	1.6
Reversal of provisions	(0.6)	-	(0.1)
used Impairment provisions	(11.9)	-	(11.8)
Interest - lease Right of use	-	2.9	1.6
Interest Income	(0.5)	(1.7)	(0.3)
Financing expense	63.7	62.8	46.6
Capital gain/(loss)	(0.5)	(0.1)	(0.5)
gain /(loss) from leasing	(0.1)	-	(0.1)
foreign exchange differences related to liabilities	-	(10.7)	-
Operating profit before working capital changes	150	138.85	100.3
(Increase)/Decrease in inventories	(89.8)	(224.1)	(117.1)
(Increase)/Decrease accounts and notes receivable	77.0	(131.9)	38.7
(Increase)/Decrease in debtors and other debit balances	(59.5)	(77.7)	(5.4)
Increase/(Decrease) in accounts and notes payable	86.1	103.7	87.3
Increase/(Decrease) in creditors and other credit balances	3.2	(13.2)	11.4
Increase/(Decrease) in due to related parties	(19.2)	(2.6)	(9.5)
Used provisions	(12.19)	(13.3)	(12.2)
Paid taxes	(12.1)	(12.7)	(12.1)
Paid interest	(66.1)	(61.7)	(48.9)
Cash flow from operations	57.5	(294.7)	32.6
Interest Income	0.5	1.7	0.3
Net cash paid for the Acquisition of related parties	(2.0)	-	-
Payments for the purchase of investments	-	(106.7)	-
Payments for the purchase of fixed assets	(29.1)	(6.7)	(14.2)
Gain on sale of fixed assets	0.8	0.1	0.7
Receipts from liquidation of subsidiaries	0.0	-	-
Payments for finance leasing	(10.6)	-	-
(Increase)/Decrease in PUC	(1.7)	(4.5)	(8.3)
Cash flow from Investing Activities	(42.1)	(116.2)	(21.5)
increase paid in capital	-	251.3	-
Change in debt and credit facilities	(2.7)	134.4	(45.7)
Payments for finance leasing	-	(8.5)	(6.1)
Payments leasing of property & plant	(10.8)	(10.7)	(6.7)
Paid Dividends	(1.1)	(14.0)	(1.1)
Cash flow from Financing Activities	(14.5)	352.5	(59.5)
Net change in cash	0.9	(58.4)	(48.4)
Beginning cash balance	110.1	110.9	110.1
Ending cash balance	110.9	52.6	61.7