

## **DICE Sport and Casual Wear Report 2020 Earnings**

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## DICE Sport and Casual Wear Report 2020 Earnings

Due to Corona Virus (COVID-19) pandemic, sales line decreased by 21.5% Y-o-Y  
Decreasing reach EGP 1232.8 mn in 2020 coupled with 2019 Y-o-Y.

### Highlights for 2020

<p><b>Revenue</b> EGP 1232.8mn ▼ -21.5% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP 209.4mn ▼ -47% y-o-y 17.0% GP Margin</p>
<p><b>EBITDA</b> EGP 64.8mn ▼ -75% y-o-y 5.3% EBITDA Margin</p>	<p><b>Net Profit / (loss)</b> EGP (54.7)mn -4.4% NP Margin</p>

### Highlights for 2019

<p><b>Revenue</b> EGP 1570.1mn ▲ 3.6% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP 398.4mn ▼ -7% y-o-y 25.4% GP Margin</p>
<p><b>EBITDA</b> EGP 259.1mn ▼ -20% y-o-y 16.5% EBITDA Margin</p>	<p><b>Net Profit</b> EGP120.8mn 7.7% NP Margin</p>

## Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	Q4-20	Q4-19	2020	2019
<b>Revenue</b>	401.1	430.9	1,232.8	1,570.1
y-o-y growth, %	-6.9%	-10.8%	-21.5%	3.6%
<b>Gross Profit</b>	62.2	101.0	209.4	398.4
GPM, %	15.5%	23.4%	17.0%	25.4%
<b>EBITDA</b>	17.4	56.5	64.8	259.1
EBITDA Margin, %	4.3%	13.1%	5.3%	16.5%
<b>Net Profit</b>	1.8	(4.5)	(54.7)	120.8
NPM, %	0.5%	-1.0%	-4.4%	7.7%

Note(1): Gross profit excludes depreciation

### ***The General measures to contain the effect of an outbreak of Corona virus (COVID-19)***

□ The company's management formed a teamwork to develop and implement contingency plans to counter the negative effects on the expected business and cash flows of the company in terms of a decrease in revenues and an expected decrease in operating cash receipts and is currently closely monitoring and continuous evaluation of all developments and accordingly the following decisions were taken:

- 1) Providing the necessary raw materials for the continuation of production operations without interruption and with the full production capacity of the company, so that the main raw materials are relied on in production from the local market and try to communicate with external suppliers to provide sufficient quantities for the continuation of production as the company depends on providing the raw materials used in the industry from the two local markets And external.
- 2) The company recently resumed export operations for the requirements of external clients, based on official correspondence from clients.
- 3) The company's plan not to dispense with employees, so that the necessary preventive measures were taken to maintain the health of its employees, so that the work hours were shifted and the workers' dues were disbursed on earlier dates than the assigned time and according to the production need, the extra working hours and production incentives were canceled during the period of stopping export customers Receipt of shipments due to the closure of foreign countries to limit the spread of the Corona virus during the second quarter of the year.
- 4) Reducing other costs such as electricity, gas, water and gasoline (transporting goods and workers) due to the current situation, which supports the enhancement of net earnings before interest, taxes, depreciation.
- 5) The management monitors the cash flows on a monthly basis and concluded that the expected cash flows will be positive during the coming months without any problems in the current cash flow. Accordingly, the administration decided to pay all bank loans on time and take advantage of the central bank's initiative to postpone the installments for a period of six months.
  - The management evaluation included the following areas in consideration while assessing the impact of the emerging coronavirus.
    - The risk of impairment of fixed assets
    - The risk of declining inventory value due to the presence of slow moving items.
    - Risks of not being able to pay the obligations owed to banks, creditors and workers on the due date.
    - Risks that may arise from any claims resulting from lawsuits

□ The management concluded that there is no impact on the company's work that could lead to a decrease in the value of fixed assets, as the factory operates as planned to meet customers' demand and the company pays all its obligations on the due date. The company has also chosen to benefit from the initiative announced by the Central Bank of Egypt to postpone installments for a period of six months. The company's management also believes that, in the current circumstances, it is able to continue production, sales and purchases, and pay its obligations and cash flows to meet the company's objectives.

## Results in Nutshell

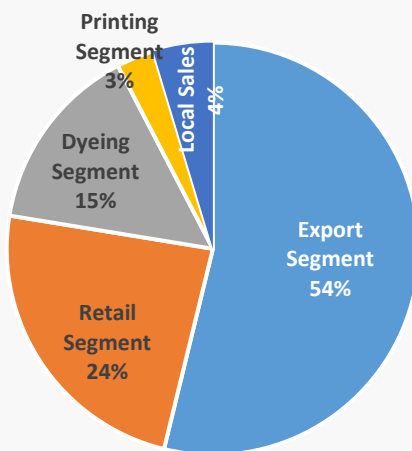
DICE reported revenues of EGP 401.1 mn, for Q4-2020, recording -6.9% y-o-y decreasing.

Gross profit margin Q-o-Q, recording 15.5% in Q4-2020 compared to 23.4% in Q4-2019.

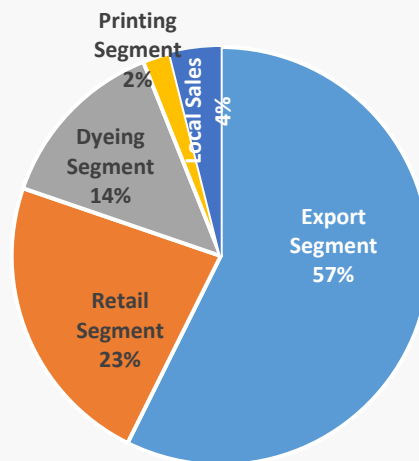
It appears from this graph that the strong negative impact of Corona virus on the export segment is the result of the temporary stopping of the export customers during March & April 2020 & Sales gradually return from May.

### Revenue Breakdown by Segment

**Q4 - 2020**



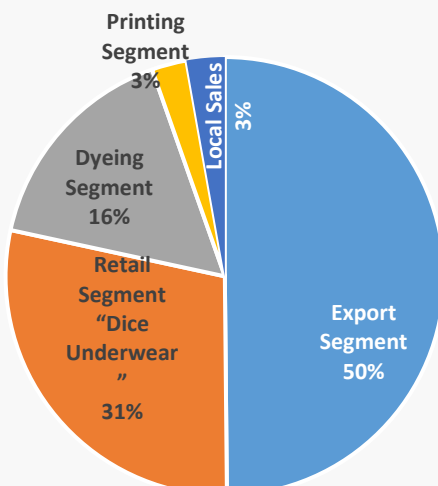
**Q4 - 2019**



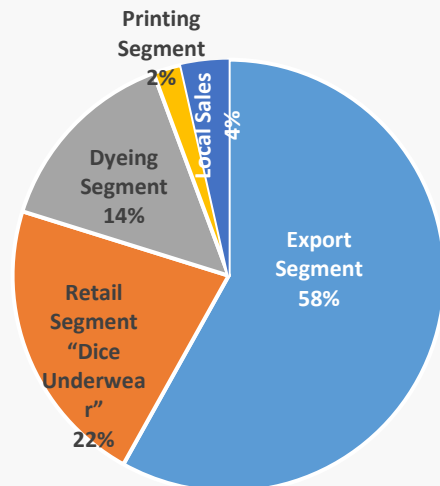
### Revenue Breakdown by Segment

DICE reported revenues of EGP 1232.8 mn for 2020, recording -21.5% y-o-y decreasing. Gross profit margin Q-o-Q, recording 17.0% in 2020 compared to 25.4% in 2019.

**2020**



**2019**



## Overview of Segmental Performance

### 1 Export Segment



In EGP 000s, unless otherwise stated		Q4 -2020	Q4 -19	2020	2019
Dice	Sewing Capacity (000s pieces)	5,250	5,250	21,000	21,000
	Utilization, %	39.8%	91.4%	43.3%	81.2%
	<b># of pieces sold (000s)</b>	2,088	4,800	9,095	17,046
	y-o-y growth, %	-56.5%	-17.6%	-46.6%	-7.2%
	Avg. Price (USD) / piece	6.44	3.28	4.24	3.24
	y-o-y growth, %	96.4%	2.4%	30.8%	4.1%
	<b>Revenue (USD '000)</b>	<b>13,438</b>	<b>15,732</b>	<b>38,544</b>	<b>55,231</b>
	y-o-y growth, %	-14.6%	-15.6%	-30.2%	-3.4%
	Avg. Price (EGP) / piece	103.4	51.5	67.6	53.5
	y-o-y growth, %	100.8%	-10.0%	26.3%	-3.2%
	<b>Revenue (EGP '000)</b>	<b>215,843</b>	<b>247,139</b>	<b>614,532</b>	<b>912,229</b>
	y-o-y growth, %	-12.7%	-25.9%	-32.6%	-10.2%
	<b>Gross Profit</b>	<b>28,417</b>	<b>28,108</b>	<b>4,336</b>	<b>115,732</b>
	Gross Profit Margin, %	13.2%	11.4%	0.7%	12.7%

- In 2020, export sales, denominated in USD, 30.2% decrease over the same period last year beside decreasing sales volume a -46.6% stemming. Blended average price per piece in USD terms increased by 30.8%.

- Export Avg. Price (USD ,EGP) / piece increased due to change in sales mix ( decrease in kids product ) ,in addition the value of the revenues in USD or EGP includes the sale of materials (cloth and 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	Q4-20	Q4-19	2020	2019
<b>Master Line</b>	Capacity (tons)	1,875	1,875	7,500	7,500
	Utilization, %	46.9%	79.7%	57.3%	80.0%
	<b>Volume Sold (tons/year)</b>	879	1,494	4,298	6,002
	Avg. Price (EGP) / ton	44.4	31.0	33.1	30.1
	<b>Revenue</b>	<b>39,051</b>	<b>46,373</b>	<b>142,175</b>	<b>180,609</b>
	y-o-y growth, %	-15.8%	1.6%	-21.3%	1.3%
	<b>Gross Profit</b>	<b>13,623</b>	<b>16,103</b>	<b>47,755</b>	<b>63,430</b>
	Gross Profit Margin, %	34.9%	34.7%	33.6%	35.1%
<b>UDI</b>	Capacity (tons)	1,800	1,800	7,200	7,200
	Utilization, %	79.3%	101.5%	70.1%	96.2%
	<b>Volume Sold (tons/year)</b>	1,428	1,827	5,045	6,929
	Avg. Price (EGP) / ton	27.6	24.3	26.4	24.2
	<b>Revenue</b>	<b>39,351</b>	<b>44,307</b>	<b>133,133</b>	<b>167,497</b>
	y-o-y growth, %	-11.2%	4.4%	-20.5%	7.9%
	<b>Gross Profit</b>	<b>11,397</b>	<b>14,273</b>	<b>38,868</b>	<b>54,287</b>
	Gross Profit Margin, %	29.0%	32.2%	29.2%	32.4%
<b>ACC</b>	Capacity (tons)	800	800	3,200	3,200
	Utilization, %	102.2%	92.6%	84.1%	92.0%
	<b>Volume Sold (tons/year)</b>	818	740	2,693	2,942
	Avg. Price (EGP) / ton	23	24.4	23	24
	<b>Revenue</b>	<b>18,636</b>	<b>18,070</b>	<b>61,530</b>	<b>69,622</b>
	y-o-y growth, %	3%	21%	-12%	40%
	<b>Gross Profit</b>	<b>5,723</b>	<b>1,984</b>	<b>14,389</b>	<b>12,163</b>
	Gross Profit Margin, %	30.7%	11.0%	23.4%	17.5%
<b>Total Dyeing Segment</b>	Capacity (tons)	4,475	4,475	17,900	17,900
	Utilization, %	69.8%	90.8%	67.2%	88.7%
	<b>Volume Sold (tons/year)</b>	3,125	4,062	12,036	15,873
	Avg. Price (EGP) / ton	31.1	26.8	28.0	26.3
	<b>Revenue</b>	<b>97,039</b>	<b>108,751</b>	<b>336,838</b>	<b>417,728</b>
	y-o-y growth, %	-10.8%	5.6%	-19.4%	9.0%
	Intercompany Sales	37,641	49,687	136,825	189,540
	Intercompany Sales (% of Revenue)	38.8%	45.7%	40.6%	45.4%
	<b>Gross Profit</b>	<b>30,744</b>	<b>32,360</b>	<b>101,012</b>	<b>129,880</b>
	Gross Profit Margin, %	31.7%	29.8%	30.0%	31.1%

As for its dyeing segment, DICE reported EGP 336.8mn in revenues in 2020, 19.4% y-o-y decreasing, third party sales during 2020 contributed 59.4% of all dyeing sales compared to 54.6% in 2019.

## Overview of Segmental Performance

### 4 Printing Segment

	In EGP 000s, unless otherwise stated	Q4-20	Q4-19	2020	2019
TPP Printing	Capacity (piece)	1,000	1,000	4,000	4,000
	Utilization, %	28.6%	47.2%	29.6%	51.8%
	<b>Volume Sold (tons/year)</b>	286	472	1,186	2,071
	Avg. Price (EGP) / ton	3.75	5.24	4.71	3.88
	<b>Revenue</b>	<b>1,070</b>	<b>2,472</b>	<b>5,580</b>	<b>8,030</b>
	y-o-y growth, %	-56.7%	12.5%	-30.5%	-19.7%
	<b>Gross Profit</b>	<b>463</b>	<b>1,617</b>	<b>2,800</b>	<b>4,291</b>
Gross Profit Margin, %	43.2%	65.4%	50.2%	53.4%	

NP Printing	Capacity (meter)	1,500	1,500	6,000	6,000
	Utilization, %	65.6%	53.7%	44.4%	50.4%
	<b>Volume Sold (tons/year)</b>	983	805	2,663	3,021
	Avg. Price (EGP) / ton	12.11	11.51	12.05	11.03
	<b>Revenue</b>	<b>11,912</b>	<b>9,264</b>	<b>32,098</b>	<b>33,324</b>
	y-o-y growth, %	28.6%	-9.0%	-3.7%	-7.5%
	<b>Gross Profit</b>	<b>3,403</b>	<b>1,827</b>	<b>4,210</b>	<b>9,188</b>
Gross Profit Margin, %	28.6%	19.7%	13.1%	27.6%	

Total Printing Segment	Capacity (piece / meter)	2,500	2,500	10,000	10,000
	Utilization, %	50.8%	51.1%	38.5%	50.9%
	<b>Volume Sold (tons/year)</b>	1,269	1,277	3,849	5,092
	Avg. Price (EGP) / ton	10.2	9.2	9.8	8.1
	<b>Revenue</b>	<b>12,982</b>	<b>11,737</b>	<b>37,678</b>	<b>41,354</b>
	y-o-y growth, %	-56.2%	-5.2%	-8.9%	-10.2%
	Intercompany Sales	1,132	2,541	5,888	8,145
	Intercompany Sales (% of Revenue)	8.7%	21.7%	15.6%	19.7%
	<b>Gross Profit</b>	<b>3,866</b>	<b>3,444</b>	<b>7,009</b>	<b>13,479</b>
Gross Profit Margin, %	29.8%	29.3%	18.6%	32.6%	

With the beginning of 2018 Nadine Print press was Acquired as a fixed asset and added to complete the production internally stages & The revenue figures shown here reflect sales to third-party only, in addition to the existence Textile Print Plus Press and 100% of its production intercompany.

we paid \$2.5mn approx. to acquire high tech new printing machine during years 2018: 2019 .



## Overview of Segmental Performance

### 5 Other Local Sales

In EGP 000s, unless otherwise stated	Q4-20	Q4-19	2020	2019
<b>Local Revenue</b>	<b>30,730</b>	<b>19,902</b>	<b>63,969</b>	<b>93,281</b>
y-o-y growth	54.4%	-63.9%	-31.4%	-57.3%
<b>Total Intercompany *</b>	<b>12,024</b>	<b>3,078</b>	<b>29,342</b>	<b>37,761</b>
% of Local	39.1%	15.5%	45.9%	40.5%
<b>Net Revenue</b>	<b>18,707</b>	<b>16,825</b>	<b>34,627</b>	<b>55,520</b>
y-o-y growth	11.2%	90.4%	-37.6%	10.8%
<b>Gross Profit</b>	<b>1,114</b>	<b>1,571</b>	<b>15,819</b>	<b>6,639</b>
GPM, %	3.6%	7.9%	24.7%	7.1%

### □ elastic & cordon Sales

In EGP 000s, unless otherwise stated	Q4-20	Q4-19	2020	2019
<b>Revenue</b>	<b>13,009</b>	<b>8,738</b>	<b>35,132</b>	<b>17,610</b>
y-o-y growth	%49	-	100%	1025%
Volume Sold (tons/year)	<b>108</b>	<b>78</b>	<b>298</b>	<b>178</b>
<b>Intercompany **</b>	<b>11,127</b>	<b>7,403</b>	<b>30,356</b>	<b>15,052</b>
% of Revenue	%86	%85	86%	85%
<b>Net Revenue</b>	<b>1,883</b>	<b>1,335</b>	<b>4,776</b>	<b>2,558</b>
y-o-y growth	%41	-	87%	420%

### 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 283 retail stores distributed across 20 governorates. Learn more about DICE by visiting [www.ir.dicefactory.net](http://www.ir.dicefactory.net)

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## Consolidated Income Sheet Statement

In EGP mn unless otherwise stated	Q4-20	Q4-19	2020	2019
<b>Revenue</b>	<b>401.1</b>	<b>430.9</b>	<b>1,232.8</b>	<b>1,570.1</b>
y-o-y growth, %	-6.9%	-10.8%	21.5-	3.6%
Cost of Sales	(338.9)	(329.9)	(1,023.4)	(1,171.7)
<b>Gross Profit <sup>(1)</sup></b>	<b>62.2</b>	<b>101.0</b>	<b>209.4</b>	<b>398.4</b>
Gross Profit Margin, %	15.5%	23.4%	17.0%	25.4%
S&D Expenses	(12.7)	(20.6)	(48.8)	(70.3)
% of Revenue	3.2%	4.8%	4.0%	4.5%
G&A Expenses	(35.4)	(34.3)	(127.0)	(123.7)
% of Revenue	8.8%	8.0%	10.3%	7.9%
Export Rebate	3.3	10.4	31.2	54.8
% of Export Revenue	1.5%	4.3%	5.1%	6.0%
<b>EBITDA</b>	<b>17.40</b>	<b>56.49</b>	<b>64.79</b>	<b>259.12</b>
EBITDA Margin, %	4.3%	13.1%	5.3%	16.5%
Depreciation & Amortization	(9.6)	(8.3)	(39.3)	(32.1)
<b>EBIT</b>	<b>7.8</b>	<b>48.2</b>	<b>25.5</b>	<b>227.1</b>
EBIT Margin, %	1.9%	11.2%	2.1%	14.5%
Net Interest Expense	8.3	(48.4)	(46.2)	(113.6)
Leasing Financing Expenses	-	1.5	-	-
FX Gain / Loss	0.8	9.3	4.9	70.0
Other Income / Expense	(10.9)	(18.2)	(25.1)	(24.0)
<b>EBT</b>	<b>6.0</b>	<b>(7.7)</b>	<b>(41.0)</b>	<b>159.6</b>
EBT Margin, %	1.5%	-1.8%	-3.3%	10.2%
Taxes	(4.1)	3.2	(13.8)	(38.7)
Tax Rate, %	69.3%	42.0%	-33.6%	24.3%
<b>Net Profit</b>	<b>1.8</b>	<b>(4.5)</b>	<b>(54.7)</b>	<b>120.8</b>
Net Profit Margin, %	0.5%	-1.0%	-4.4%	7.7%

Note(1): Gross profit excludes depreciation

## Consolidated Balance Sheet Statement

In EGP '000, unless otherwise stated	2020	2019	2018
Net Fixed Assets	496.3	377.0	313.2
Lease payment	-	-	10.6
Other Non Current Assets	9.4	96.5	35.1
<b>Total Non Current Assets</b>	<b>505.6</b>	<b>473.5</b>	<b>358.9</b>
Cash & Cash Equivalents	110.3	28.7	45.9
Inventory	554.5	654.2	558.9
Accounts Receivable	381.6	337.9	254.3
Due from Related Parties	-	-	-
Debtors and Other Debit Balances	158.3	185.9	279.2
<b>Total Current Assets</b>	<b>1,205</b>	<b>1,207</b>	<b>1,138.3</b>
<b>Total Assets</b>	<b>1,710</b>	<b>1,680</b>	<b>1,497.2</b>
Overdraft	806.3	821.6	706.7
CPLTD	27.0	23.3	28
Accounts Payable	98.0	102	104.3
Provisions	61.2	47.4	41.8
Due to Related Parties	22.2	21.4	19.8
Deferred gain from leasing - current	-	-	7.8
leasing Liabilities - current	10.6	7.9	-
Creditors and Other Credit Balances	156.9	134.4	126.5
<b>Total Current Liabilities</b>	<b>1,182.2</b>	<b>1,158.2</b>	<b>1,034.9</b>
Long term Debt	92.8	35.8	64.7
Deferred gain from leasing - non current	-	-	26.1
leasing Liabilities - non current	22.7	18	-
Deferred Tax Liability	37.8	36.0	23.4
<b>Total Non Current Liabilities</b>	<b>153.3</b>	<b>89.5</b>	<b>114.2</b>
<b>Total Liabilities</b>	<b>1,336</b>	<b>1,248</b>	<b>1,149.2</b>
Paid in Capital	106	106	53
Reserves	21.9	17.6	13.6
Retained Earnings	281.4	171.9	108.1
Net Profit / (loss)	(56.9)	116.3	154.5
Minority Interest	22.4	20.7	18.8
<b>Total Shareholder's Equity</b>	<b>375</b>	<b>433</b>	<b>348.1</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,710</b>	<b>1,680</b>	<b>1,497.2</b>

## Consolidated Cash flow Statement

In EGP '000, unless otherwise stated	2020	2019	2018
EBT	(41)	159.6	192.3
<b>ADD:</b>			
Fixed assets depreciation	39.3	31.7	26.1
Impairment provisions	34.4	30.4	2.4
Reversal of provisions	(2.5)	(1.46)	8.21
Interest Income	(0.3)	(0.23)	(0.17)
Financing expense	46.6	114	91.9
Capital gain/(loss)	0.03	0.01	(5.5)
Used of impairment	(16.9)	-	-
<b>Operating profit before working capital changes</b>	<b>59.7</b>	<b>333.8</b>	<b>315.2</b>
(Increase)/Decrease in inventories	99.7	(95.2)	(140.1)
(Increase)/Decrease accounts and notes receivable	(48.5)	(98.0)	(17.3)
(Increase)/Decrease in due from related parties	-	-	0.66
(Increase)/Decrease in debtors and other debit balances	113.8	21.1	(93.1)
Increase/(Decrease) in accounts and notes payable	(4.2)	(2.0)	(8.4)
Increase/(Decrease) in creditors and other credit balances	6.4	(23.9)	41.8
Increase/(Decrease) in due to related parties	0.8	1.6	(38.7)
Used provisions	(3.2)	(5.5)	(2.11)
Paid taxes	(35.2)	(39.9)	(33.1)
Paid interest	(44.1)	(113.0)	(91.9)
<b>Cash flow from operations</b>	<b>145.2</b>	<b>(21.2)</b>	<b>(67.1)</b>
Interest Income	0.3	0.23	0.17
Minority interests at the time of Acquisition	-	(0.0)	(2.0)
Payments for the purchase of fixed assets	(110.8)	(57.2)	(79.3)
Gain on sale of fixed assets	1.6	0.01	61.4
Payments for finance leasing	7.8	-	(14.7)
(Increase)/Decrease in PUC	(5.4)	-	(33.9)
<b>Cash flow from Investing Activities</b>	<b>(106.5)</b>	<b>(56.9)</b>	<b>(68.4)</b>
Change in debt and credit facilities	61.0	65.5	164.3
Payments leasing of property & plant	-	-	-
Paid Dividends	(2.5)	(20.4)	(1.7)
<b>Cash flow from Financing Activities</b>	<b>58.5</b>	<b>78.4</b>	<b>162.6</b>
Net change in cash	97.2	(33.0)	27.1
Beginning cash balance	12.9	45.9	18.8
<b>Ending cash balance</b>	<b>110</b>	<b>12.9</b>	<b>45.9</b>