

DICE Sports and Casual Wear Report 2022 Earnings



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DICE Sport and Casual Wear Report 2022 Earnings

sales line increased by 33.6% Y-o-Y increasing reach EGP 2133.3 mn in 2022 coupled with 2021 Y-o-Y.

Highlights for 2022

<p>Revenue EGP 2133.3mn ▲ 33.6% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 552.1mn ▲ 79% y-o-y 25.9% GP Margin</p>
<p>EBITDA EGP 396.8mn ▲ 156% y-o-y 18.6% EBITDA Margin</p>	<p>Net Profit / (loss) EGP 161.38mn 7.6% NP Margin</p>

Highlights for 2021

<p>Revenue EGP 1596.8mn ▲ 29.5% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 308.7mn ▲ 47% y-o-y 19.3% GP Margin</p>
<p>EBITDA EGP 154.76mn ▲ 139% y-o-y 9.7% EBITDA Margin</p>	<p>Net Profit / (loss) EGP 34.1mn 2.1% NP Margin</p>

Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	Q4-2022	Q4-2021	2022	2021
Revenue	672.3	483.4	2,133.3	1,596.8
y-o-y growth, %	39.1%	20.5%	33.6%	29.5%
Gross Profit	222.4	84.3	552.1	308.7
GPM, %	33.1%	17.4%	25.9%	19.3%
EBITDA	186.60	48.24	396.79	154.76
EBITDA Margin, %	27.8%	10.0%	18.6%	9.7%
Net Profit	76.5	15.1	161.4	34.09
NPM, %	11.4%	3.1%	7.6%	2.1%

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.
- On Dec 27, 2022, Prime Minister Decree 4706 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	(130 222 461)
Cost of acquiring buildings "Note No. 6" (*)	Balance Sheet	27 212 570
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	103 009 891

(*) 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%.
- On Dec 25, 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 300 basis points to reach 16.25%, 17.25% and 16.75%, respectively. The credit rate was also raised. And the discount by 300 basis points to reach 16.75%.

Results in Nutshell

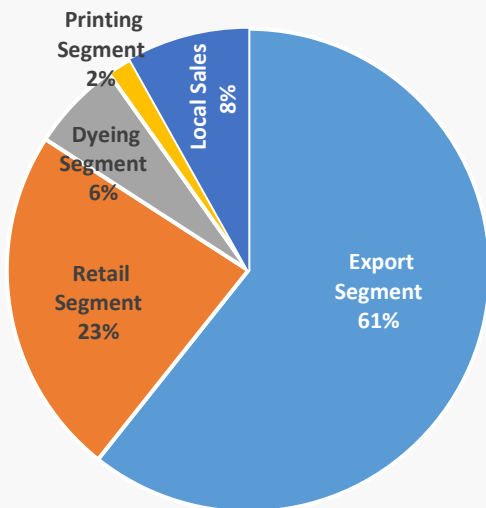
DICE reported revenues of EGP 672.3 mn, for Q4-2022, recording 39.1% y-o-y increasing.

Gross profit margin Q-o-Q, recording 33.1% in Q4-2022 compared to 17.4% in Q4-2021.

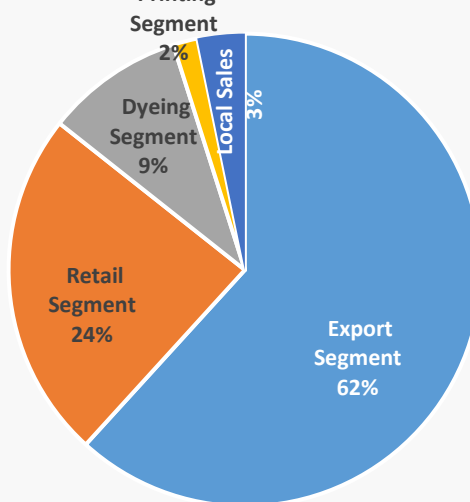
It appears from this graph that the export segment improved compared to the same period last year.

Revenue Breakdown by Segment

Q4 - 2022



Q4 - 2021

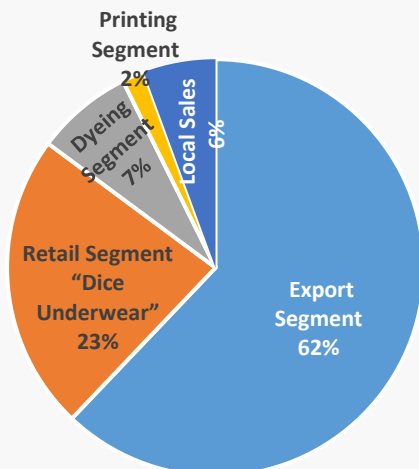


Revenue Breakdown by Segment

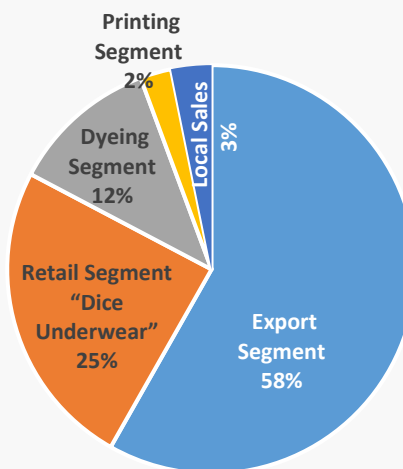
DICE reported revenues of EGP 2133.3 mn for 2022, recording 33.6% y-o-y increasing.

Gross profit margin Q-o-Q, recording 25.9% in 2022 compared to 19.3% in 2021.

2022



2021



Overview of Segmental Performance

1 Export Segment



In EGP 000s, unless otherwise stated		Q4-2022	Q4-2021	2022	2021
Dice	Sewing Capacity (000s pieces)	5,250	5,250	21,000	21,000
	Utilization, %	70.2%	75.8%	72.5%	67.0%
	# of pieces sold (000s)	3,685	3,978	15,225	14,076
	y-o-y growth, %	-7.4%	90.5%	8.2%	54.8%
	Avg. Price (USD) / piece	4.92	4.80	4.57	4.22
	y-o-y growth, %	2.4%	-25.4%	8.1%	-0.3%
	Revenue (USD '000)	18,112	19,100	69,553	59,458
	y-o-y growth, %	-5.2%	42.1%	17.0%	54.3%
	Avg. Price (EGP) / piece	110.7	75.1	87.0	66.0
	y-o-y growth, %	47.5%	-27.4%	31.8%	-2.3%
	Revenue (EGP '000)	408,004	298,580	1,325,070	929,660
	y-o-y growth, %	36.6%	38.3%	42.5%	51.3%
	Gross Profit	142,883	19,202	301,620	65,588
	Gross Profit Margin, %	35.0%	6.4%	22.8%	7.1%

- In 2022, export sales, denominated in USD, 17% increase over the same period last year beside increasing sales volume a 8.2% stemming. Blended average price per piece in USD terms increased by 8.1%.

- 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	Q4-2022	Q4-2021	2022	2021
Master Line	Capacity (tons)	1,875	1,875	7,500	7,500
	Utilization, %	48.5%	79.8%	58.7%	76.5%
	Volume Sold (tons/year)	910	1,496	4,401	5,734
	Avg. Price (EGP) / ton	35.6	31.0	34.6	30.3
	Revenue	32,407	46,397	152,170	173,944
	y-o-y growth, %	-30.2%	18.8%	-12.5%	22.3%
	Gross Profit	4,864	14,203	34,564	53,248
	Gross Profit Margin, %	15.0%	30.6%	22.7%	30.6%
UDI	Capacity (tons)	1,800	1,800	7,200	7,200
	Utilization, %	47.9%	68.1%	59.7%	66.9%
	Volume Sold (tons/year)	863	1,225	4,300	4,819
	Avg. Price (EGP) / ton	35.7	27.3	32.7	27.1
	Revenue	30,811	33,386	140,593	130,441
	y-o-y growth, %	-7.7%	-15.2%	7.8%	-2.0%
	Gross Profit	2,726	6,686	22,059	32,520
	Gross Profit Margin, %	8.8%	20.0%	15.7%	24.9%
ACC	Capacity (tons)	900	900	3,600	3,600
	Utilization, %	87.4%	91.7%	72.9%	95.0%
	Volume Sold (tons/year)	786	826	2,625	3,419
	Avg. Price (EGP) / ton	37	24	28	24
	Revenue	28,842	19,982	73,376	81,528
	y-o-y growth, %	44%	7%	-10%	33%
	Gross Profit	13,055	3,276	23,825	23,670
	Gross Profit Margin, %	45.3%	16.4%	32.5%	29.0%
Total Dyeing Segment	Capacity (tons)	4,575	4,575	18,300	18,300
	Utilization, %	55.9%	77.5%	61.9%	76.3%
	Volume Sold (tons/year)	2,559	3,547	11,326	13,972
	Avg. Price (EGP) / ton	36.0	28.1	32.3	27.6
	Revenue	92,059	99,765	366,140	385,912
	y-o-y growth, %	-7.7%	2.8%	-5.1%	14.6%
	Intercompany Sales	51,359	54,079	205,792	200,128
	Intercompany Sales (% of Revenue)	55.8%	54.2%	56.2%	51.9%
	Gross Profit	20,645	24,165	80,448	109,438
	Gross Profit Margin, %	22.4%	24.2%	22.0%	28.4%

As for its dyeing segment, DICE reported EGP 366.1 mn in revenues in 2022, 5.1% y-o-y decreasing, third party sales during 2022 contributed 43.8% of all dyeing sales compared to 48.1% in 2021.

Overview of Segmental Performance

4 Printing Segment

	In EGP 000s, unless otherwise stated	Q4-2022	Q4-2021	2022	2021
TPP Printing	Capacity (piece)	-	1,000	-	4,000
	Utilization, %	-	59.4%	-	43.5%
	Volume Sold (piece/year)	-	594	-	1,740
	Avg. Price (EGP) / ton	-	7.89	-	5.59
	Revenue	-	4,685	-	9,736
	y-o-y growth, %	-	337.6%	-	74.5%
	Gross Profit	-	2,452	-	5,041
	Gross Profit Margin, %	-	52.3%	-	51.8%

NP Printing	Capacity (meter)	1,500	1,500	6,000	6,000
	Utilization, %	55.6%	56.4%	48.1%	58.5%
	Volume Sold (piece/year)	834	846	2,886	3,509
	Avg. Price (EGP) / ton	13.61	9.54	12.79	11.23
	Revenue	11,347	8,075	36,893	39,399
	y-o-y growth, %	40.5%	-32.2%	-6.4%	22.7%
	Gross Profit	1,934	977	4,219	9,315
	Gross Profit Margin, %	17.0%	12.1%	11.4%	23.6%

Total Printing Segment	Capacity (piece / meter)	1,500	2,500	6,000	10,000
	Utilization, %	55.6%	57.6%	48.1%	52.5%
	Volume Sold (piece/year)	834	1,440	2,886	5,249
	Avg. Price (EGP) / ton	13.6	8.9	12.8	9.4
	Revenue	11,347	12,760	36,893	49,135
	y-o-y growth, %	-11.1%	-1.7%	-24.9%	30.4%
	Intercompany Sales	0	4,685	0	9,736
	Intercompany Sales (% of Revenue)	0.0%	36.7%	0.0%	19.8%
	Gross Profit	1,934	3,429	4,219	14,356
	Gross Profit Margin, %	17.0%	26.9%	11.4%	29.2%

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	Q4-2022	Q4-2021	2022	2021
Local Revenue	82,236	24,175	173,443	84,526
y-o-y growth	240.2%	-21.3%	105.2%	32.1%
Total Intercompany *	27,625	8,564	53,983	33,709
% of Local	33.6%	35.4%	31.1%	39.9%
Net Revenue	54,611	15,611	119,460	50,817
y-o-y growth	249.8%	-16.5%	135.1%	46.8%
Gross Profit	8,372	11,976	23,559	8,910
GPM, %	10.2%	49.5%	13.6%	10.5%

□ elastic & cordon Sales

In EGP 000s, unless otherwise stated	Q4-2022	Q4-2021	2022	2021
Revenue	16,671	11,973	55,940	44,739
y-o-y growth	39%	-8%	25%	27%
Volume Sold (tons/year)	105	106	412	380
Intercompany **	15,269	10,307	51,446	36,595
% of Revenue	92%	86%	92%	82%
Net Revenue	1,401	1,666	4,493	8,144
y-o-y growth	-16%	-12%	-45%	71%

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 345 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	Q4-2022	Q4-2021	2022	2021
Revenue	672.3	483.4	2,133.3	1,596.8
y-o-y growth, %	39.1%	20.5%	33.6%	29.5%
Cost of Sales	(449.9)	(399.2)	(1,581.2)	(1,288.2)
Gross Profit ⁽¹⁾	222.4	84.3	552.1	308.7
Gross Profit Margin, %	33.1%	17.4%	25.9%	19.3%
S&D Expenses	(18.1)	(24.7)	(93.6)	(77.4)
% of Revenue	2.7%	5.1%	4.4%	4.8%
G&A Expenses	(44.5)	(36.0)	(160.7)	(134.1)
% of Revenue	6.6%	7.4%	7.5%	8.4%
Export Rebate	26.9	24.7	99.0	57.6
% of Export Revenue	6.6%	8.3%	7.5%	6.2%
EBITDA	186.60	48.24	396.79	154.76
EBITDA Margin, %	27.8%	10.0%	18.6%	9.7%
Depreciation & Amortization of the right of use leased assets	(19.8)	(12.3)	(58.8)	(47.3)
EBIT	166.8	35.9	338.0	107.5
EBIT Margin, %	24.8%	7.4%	15.8%	6.7%
Net Interest Expense	(25.8)	(16.9)	(87.0)	(63.2)
Leasing interest Expenses (right of use)	(2.7)	(0.8)	(5.7)	(2.4)
FX Gain / Loss	(14.6)	0.4	(33.4)	0.2
Other Income / Expense	(10.6)	0.4	(9.7)	5.1
EBT	113.0	19.0	202.2	47.3
EBT Margin, %	16.8%	3.9%	9.5%	3.0%
Taxes	(36.5)	(3.9)	(40.8)	(13.2)
Tax Rate, %	32.3%	20.7%	20.2%	27.9%
Net Profit	76.5	15.1	161.4	34.09
Net Profit Margin, %	11.4%	3.1%	7.6%	2.1%

Note(1): Gross profit excludes depreciation

Consolidated Balance Sheet Statement

In EGP '000, unless otherwise stated	2022	2021	2020
Net Fixed Assets	490.1	489.3	496.3
right of use -Lease (net)	56.4	37.8	-
Other Non Current Assets	21.8	10.9	9.4
Total Non Current Assets	568.3	537.9	505.6
Cash & Cash Equivalents	108.3	110.9	110.3
Inventory	836	644.3	554.5
Accounts Receivable	526.1	312.0	381.6
Mutual funds	30	-	-
Debtors and Other Debit Balances	327.8	214.1	158.3
Total Current Assets	1,828	1,281.3	1,205
Total Assets	2,396.5	1,819.2	1,710
Overdraft	967.7	728.2	806.3
CPLTD	89.2	68.5	27.0
Accounts Payable	245.5	184.1	98.0
Provisions	41.4	49.3	61.2
Due to Related Parties	0.2	3.0	22.2
Right of use Liabilities - current	17.9	9.3	-
leasing Liabilities - current	6.9	10.6	10.6
Creditors and Other Credit Balances	142.5	158.3	156.9
Total Current Liabilities	1,511	1,211	1,182.2
Long term Debt	107.6	126.5	92.8
Right of use Liabilities - non current	43	30.2	-
leasing Liabilities - non current	3.4	12.1	22.7
Deferred Tax Liability	36.6	38.2	37.8
Total Non Current Liabilities	190.6	207.0	153.3
Total Liabilities	1,702.1	1,418.4	1,336
Paid in Capital	357	106	106
Reserves	23	21.9	21.9
Retained Earnings	134.5	207.9	281.4
Net Profit / (loss)	162.1	31.8	(56.9)
Minority Interest	17.6	33.1	22.4
Total Shareholder's Equity	694.4	400.8	375
Total Liabilities and Shareholder's Equity	2,396.5	1,819.2	1,710

Consolidated Cash flow Statement

In EGP '000, unless otherwise stated	2022	2021
EBT	99	47
ADD:		
Fixed assets depreciation	40.1	38.1
Right of use depreciation	18.7	9.2
Impairment provisions	13.1	5.0
Reversal of provisions	(3.3)	(0.6)
used Impairment provisions	-	(11.9)
Interest - lease Right of use	5.7	-
Interest Income	(1.8)	(0.5)
Financing expense	88.8	63.7
Capital gain/(loss)	(0.5)	(0.5)
gain /(loss) from leasing	(0.5)	(0.1)
foreign exchange differences related to liabilities	(27.2)	-
Operating profit before working capital changes	237.79	150
(Increase)/Decrease in inventories	(188.5)	(89.8)
(Increase)/Decrease accounts and notes receivable	(224.1)	77.0
(Increase)/Decrease in debtors and other debit balances	(116.8)	(59.5)
Increase/(Decrease) in accounts and notes payable	61.4	86.1
Increase/(Decrease) in creditors and other credit balances	(12.8)	3.2
Increase/(Decrease) in due to related parties	(2.8)	(19.2)
Used provisions	(13.3)	(12.19)
Paid taxes	(11.2)	(12.1)
Paid interest	(86.6)	(66.1)
Cash flow from operations	(356.9)	57.5
Interest Income	1.8	0.5
Net cash paid for the Acquisition of related parties	-	(2.0)
Payments for the purchase of investments	(30.0)	-
Payments for the purchase of fixed assets	(49.3)	(29.1)
Gain on sale of fixed assets	0.5	0.8
Receipts from liquidation of subsidiaries	-	0.0
Payments for finance leasing	-	(10.6)
(Increase)/Decrease in PUC	(13.8)	(1.7)
Cash flow from Investing Activities	(90.9)	(42.1)
increase paid in capital	238.4	-
Change in debt and credit facilities	251.3	(2.7)
Payments for finance leasing	(12.3)	-
Payments leasing of property & plant	(21.1)	(10.8)
Paid Dividends	(14.0)	(1.1)
Cash flow from Financing Activities	442.4	(14.5)
Net change in cash	(5.4)	0.9
Beginning cash balance	110.9	110.1
Ending cash balance	105.5	110.9