

## DICE Sports and Casual Wear Report Q1-2023 Earnings



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## DICE Sport and Casual Wear Report Q1-2023 Earnings

sales line increased by 79.6% Y-o-Y increasing reach EGP 689.3 mn in Q1-2023 coupled with Q1-2022 Y-o-Y.

### Highlights for Q1-2023

<p><b>Revenue</b> EGP 689.3mn ▲ 79.6% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP 222.0mn ▲ 209% y-o-y      32.2% GP Margin</p>
<p><b>EBITDA</b> EGP 161.7mn ▲ 328% y-o-y      23.5% EBITDA Margin</p>	<p><b>Net Profit / (loss)</b> EGP 16.2mn 2.4% NP Margin</p>

### Highlights for Q1-2022

<p><b>Revenue</b> EGP 383.8mn ▲ 29% y-o-y</p>	<p><b>Gross Profit</b><sup>(1)</sup> EGP 71.8mn ▲ 13% y-o-y      18.7% GP Margin</p>
<p><b>EBITDA</b> EGP 37.8mn ▲ 20% y-o-y      9.9% EBITDA Margin</p>	<p><b>Net Profit / (loss)</b> EGP(6.4)mn -1.7% NP Margin</p>

## Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	2022	Q1-2023	Q1-2022
<b>Revenue</b>	<b>2,133.3</b>	<b>689.3</b>	<b>383.8</b>
y-o-y growth, %	33.6%	79.6%	29.0%
<b>Gross Profit</b>	<b>552.1</b>	<b>222.0</b>	<b>71.8</b>
GPM, %	25.9%	32.2%	18.7%
<b>EBITDA</b>	<b>396.79</b>	<b>161.7</b>	<b>37.8</b>
EBITDA Margin, %	18.6%	23.5%	9.9%
<b>Net Profit</b>	<b>120.8</b>	<b>16.2</b>	<b>(6.4)</b>
NPM, %	5.7%	2.4%	-1.7%

Note(1): Gross profit excludes depreciation

**Important events during the current and subsequent period:**

- ❑ On Feb 2, 2023, the Monetary Policy Committee of the Central Bank of Egypt decided to keep the overnight deposit and lending rates and the main operation price of the Central Bank to be 16.25%, 17.25% and 16.75%, respectively. The credit rate and the discount was also kept to be 16.75%.
- ❑ On Mar 30, 2023, 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 18.25%, 19.25% and 18.75%, respectively. The credit rate was also raised. And the discount by 200 basis points to 18.75%.
- ❑ On May 18, 2023, the Monetary Policy Committee of the Central Bank of Egypt decided to keep the overnight deposit and lending rates and the main operation price of the Central Bank to be 18.25%, 19.25% and 18.75%, respectively. The credit rate and the discount was also kept to be 18.75%.
- ❑ On May 17, 2023, Prime Minister Decree 1847 of 2023 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.

❑ **Export subsidy revenue :**

As a result of the lack of certainty regarding the collection of export subsidies recently, the company's board of directors decided on May 17, 2023 to change the system of recording export subsidy revenue in the company's books from recording subsidy revenue upon maturity to subsidy revenue upon collection. This resulted in the following adjustments:

Adjustments	EGP
Retained earnings on December 31, 2022, before adjustment.	134 471 297
Adjustments to retained earnings.	(61 222 300)
Retained losses on December 31, 2022, after adjustment.	73 248 997
Net profit on December 31, 2022, before adjustment.	161 382 814
Adjustments to profits or losses during the year.	(40 626 524)
Net profit on December 31, 2022, after adjustment.	120 756 290
Net profit on March 31, 2022, before adjustment.	10 083 713
Adjustments to profits or losses during the period.	(16 508 820)
Retained losses on December 31, 2022, after adjustment.	(6 425 107)

## Results in Nutshell

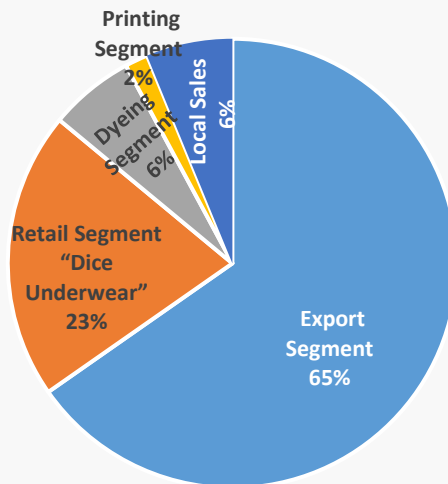
DICE reported revenues of EGP 689.3 mn, for Q1-2023, recording 79.6% y-o-y increasing.

Gross profit margin Q-o-Q, recording 32.2% in Q1-2023 compared to 18.7% in Q1-2022.

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

### Revenue Breakdown by Segment

#### Q1 - 2023

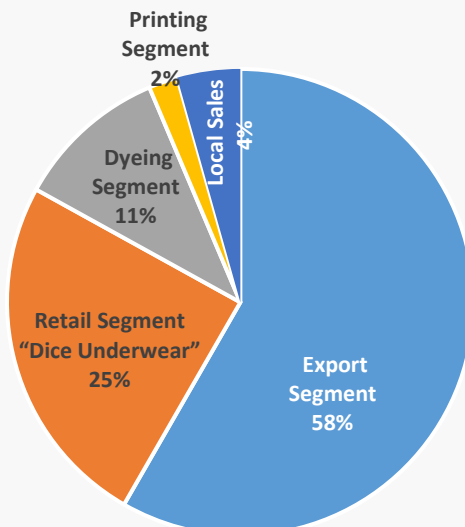


### Revenue Breakdown by Segment

DICE reported revenues of EGP 383.8 mn for Q1-2022, recording 29.0% y-o-y increasing.

Gross profit margin Q-o-Q, recording 18.7% in Q1-2022 compared to 21.4% in Q1-2021.

#### Q1-2022



## Overview of Segmental Performance

### 1 Export Segment



In EGP 000s, unless otherwise stated		2022	Q1-2023	Q1-2022
Dice	Sewing Capacity (000s pieces)	21,000	5,250	5,250
	Utilization, %	72.5%	61.5%	69.4%
	<b># of pieces sold (000s)</b>	15,225	3,227	3,642
	y-o-y growth, %	8.2%	-11.4%	48.4%
	Avg. Price (USD) / piece	4.57	4.71	4.00
	y-o-y growth, %	8.1%	17.9%	1.0%
	<b>Revenue (USD '000)</b>	<b>69,553</b>	<b>15,207</b>	<b>14,552</b>
	y-o-y growth, %	17.0%	4.5%	50.0%
	Avg. Price (EGP) / piece	87.0	139.5	61.4
	y-o-y growth, %	31.8%	127.0%	-0.9%
	<b>Revenue (EGP '000)</b>	<b>1,325,070</b>	<b>450,061</b>	<b>223,789</b>
	y-o-y growth, %	42.5%	101.1%	47.1%
	<b>Gross Profit</b>	<b>301,620</b>	<b>183,825</b>	<b>23,821</b>
	Gross Profit Margin, %	22.8%	40.8%	10.6%

- In Q1-2023, export sales, denominated in USD, 4.5% increase over the same period last year beside decreasing sales volume a 11.4% stemming. Blended average price per piece in USD terms increased by 127%” due to inflation”.

- 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	2022	Q1-2023	Q1-2022
<b>Master Line</b>	Capacity (tons)	7,500	1,875	1,875
	Utilization, %	58.7%	50.4%	63.6%
	<b>Volume Sold (tons/year)</b>	4,401	944	1,192
	Avg. Price (EGP) / ton	34.6	37.2	31.9
	<b>Revenue</b>	<b>152,170</b>	<b>35,091</b>	<b>38,061</b>
	y-o-y growth, %	-12.5%	-7.8%	0.5%
	<b>Gross Profit</b>	<b>34,564</b>	<b>3,509</b>	<b>8,833</b>
	Gross Profit Margin, %	22.7%	10.0%	23.2%
<b>UDI</b>	Capacity (tons)	7,200	1,800	1,800
	Utilization, %	59.7%	56.0%	72.6%
	<b>Volume Sold (tons/year)</b>	4,300	1,008	1,307
	Avg. Price (EGP) / ton	32.7	33.9	29.1
	<b>Revenue</b>	<b>140,593</b>	<b>34,209</b>	<b>38,017</b>
	y-o-y growth, %	7.8%	-10.0%	11.6%
	<b>Gross Profit</b>	<b>22,059</b>	<b>2,449</b>	<b>8,726</b>
Gross Profit Margin, %	15.7%	7.2%	23.0%	
<b>ACC</b>	Capacity (tons)	3,600	900	900
	Utilization, %	72.9%	33.7%	82.7%
	<b>Volume Sold (tons/year)</b>	2,625	303	744
	Avg. Price (EGP) / ton	28	72	23
	<b>Revenue</b>	<b>73,376</b>	<b>21,865</b>	<b>17,466</b>
	y-o-y growth, %	-10%	25%	-20%
	<b>Gross Profit</b>	<b>23,825</b>	<b>5,142</b>	<b>6,062</b>
Gross Profit Margin, %	32.5%	23.5%	34.7%	
<b>Total Dyeing Segment</b>	Capacity (tons)	18,300	4,575	4,575
	Utilization, %	61.9%	49.3%	70.9%
	<b>Volume Sold (tons/year)</b>	11,326	2,255	3,243
	Avg. Price (EGP) / ton	32.3	40.4	28.8
	<b>Revenue</b>	<b>366,140</b>	<b>91,165</b>	<b>93,544</b>
	y-o-y growth, %	-5.1%	-2.5%	-0.2%
	Intercompany Sales	205,792	48,926	52,898
	Intercompany Sales (% of Revenue)	56.2%	53.7%	56.5%
	<b>Gross Profit</b>	<b>80,448</b>	<b>11,100</b>	<b>23,622</b>
Gross Profit Margin, %	22.0%	12.2%	25.3%	

As for its dyeing segment, DICE reported EGP 91.2mn in revenues in Q1-2023, 2.5% y-o-y decreasing, third party sales during Q1-2023 contributed 46.3% of all dyeing sales compared to 43.5% in Q1-2022.

## Overview of Segmental Performance

### 4 Printing Segment

In EGP 000s, unless otherwise stated		2022	Q1-2023	Q1-2022
NP Printing	Capacity (meter)	6,000	1,500	1,500
	Utilization, %	48.1%	49.9%	51.4%
	<b>Volume Sold (piece/year)</b>	2,886	748	771
	Avg. Price (EGP) / ton	12.79	15.20	10.01
	<b>Revenue</b>	<b>36,893</b>	51.8%	-21.7%
	y-o-y growth, %	-6.4%	<b>11,367</b>	<b>7,721</b>
	<b>Gross Profit</b>	<b>4,219</b>	47.2%	-41.9%
	Gross Profit Margin, %	11.4%	<b>569</b>	<b>653</b>

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	2022	Q1-2023	Q1-2022
<b>Local Revenue</b>	<b>173,443</b>	<b>54,119</b>	<b>23,395</b>
y-o-y growth	105.2%	131.3%	15.2%
<b>Total Intercompany *</b>	<b>53,983</b>	<b>11,329</b>	<b>6,639</b>
% of Local	31.1%	20.9%	28.4%
<b>Net Revenue</b>	<b>119,460</b>	<b>42,790</b>	<b>16,757</b>
y-o-y growth	135.1%	155.4%	54.7%
<b>Gross Profit</b>	<b>23,559</b>	<b>7,138</b>	<b>1,696</b>
GPM, %	13.6%	13.2%	7.2%

### □ elastic & cordon Sales

In EGP 000s, unless otherwise stated	2022	Q1-2023	Q1-2022
<b>Revenue</b>	<b>55,940</b>	<b>18,040</b>	<b>13,919</b>
y-o-y growth	25%	30%	38%
Volume Sold (tons/year)	<b>412</b>	<b>104</b>	<b>115</b>
<b>Intercompany **</b>	<b>51,446</b>	<b>16,069</b>	<b>12,834</b>
% of Revenue	92%	89%	92%
<b>Net Revenue</b>	<b>4,493</b>	<b>1,971</b>	<b>1,085</b>
y-o-y growth	-45%	82%	-64%

#### 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, In addition to the establishment of a factory for the manufacture of socks of all kinds during the year 2020 & this 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.dice.eg](http://www.dice.eg)

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## Consolidated Income Sheet Statement

In EGP mn unless otherwise stated	2022	Q1-2023	Q1-2022
<b>Revenue</b>	<b>2,133.3</b>	<b>689.3</b>	<b>383.8</b>
y-o-y growth, %	33.6%	79.6%	29.0%
Cost of Sales	(1,581.2)	(467.3)	(312.0)
<b>Gross Profit <sup>(1)</sup></b>	<b>552.1</b>	<b>222.0</b>	<b>71.8</b>
Gross Profit Margin, %	25.9%	32.2%	18.7%
S&D Expenses	(93.6)	(18.1)	(14.6)
% of Revenue	4.4%	2.6%	3.8%
G&A Expenses	(160.7)	(42.1)	(35.9)
% of Revenue	7.5%	6.1%	9.3%
Export Rebate	99.0	-	16.5
% of Export Revenue	7.5%	-	7.4%
<b>EBITDA</b>	<b>396.79</b>	<b>161.74</b>	<b>37.83</b>
EBITDA Margin, %	18.6%	23.5%	9.9%
Depreciation & Amortization of the right of use leased assets	<b>(58.8)</b>	<b>(15.9)</b>	<b>(12.4)</b>
<b>EBIT</b>	<b>338.0</b>	<b>145.9</b>	<b>25.4</b>
EBIT Margin, %	15.8%	21.2%	6.6%
Net Interest Expense	(87.0)	(31.0)	(16.8)
Leasing interest Expenses (right of use)	(5.7)	(1.9)	(0.9)
FX Gain / Loss	(33.4)	(97.6)	4.6
Other Income / Expense	(50.3)	1.7	(16.0)
<b>EBT</b>	<b>161.6</b>	<b>17.2</b>	<b>(3.7)</b>
EBT Margin, %	7.6%	2.5%	-1.0%
Taxes	(40.8)	(0.9)	(2.8)
Tax Rate, %	25.3%	5.5%	-75.1%
<b>Net Profit</b>	<b>120.8</b>	<b>16.2</b>	<b>(6.43)</b>
Net Profit Margin, %	5.7%	2.4%	-1.7%

Note(1): Gross profit excludes depreciation

## Consolidated Balance Sheet Statement

In EGP '000, unless otherwise stated	Q1-2023	2022	2021
Net Fixed Assets	492.8	490.1	489.3
right of use -Lease (net)	57.3	56.4	37.8
Other Non Current Assets	19.1	21.8	10.9
<b>Total Non Current Assets</b>	<b>569.2</b>	<b>568.3</b>	<b>537.9</b>
Cash & Cash Equivalents	103.7	108.3	110.9
Inventory	829.0	836.0	644.3
Accounts Receivable	496.1	526.1	312.0
Mutual funds	31.1	30.0	-
Debtors and Other Debit Balances	195.8	193.1	214.1
<b>Total Current Assets</b>	<b>1,656</b>	<b>1,694</b>	<b>1,281.3</b>
<b>Total Assets</b>	<b>2,224.8</b>	<b>2,261.8</b>	<b>1,819.2</b>
Overdraft	962.3	967.7	728.2
CPLTD	100.3	89.2	68.5
Accounts Payable	175.1	245.5	184.1
Provisions	40.7	41.4	49.3
Due to Related Parties	0.8	0.2	3.0
Right of use Liabilities - current	19.8	17.9	9.3
leasing Liabilities - current	5.0	6.9	10.6
Creditors and Other Credit Balances	152.0	142.5	158.3
<b>Total Current Liabilities</b>	<b>1,456</b>	<b>1,511</b>	<b>1,211</b>
Long term Debt	112.7	107.6	126.5
Right of use Liabilities - non current	42.8	43	30.2
leasing Liabilities - non current	-	3.4	12.1
Deferred Tax Liability	37.3	36.6	38.2
<b>Total Non Current Liabilities</b>	<b>192.8</b>	<b>190.6</b>	<b>207.0</b>
<b>Total Liabilities</b>	<b>1,648.9</b>	<b>1,702.1</b>	<b>1,418.4</b>
Paid in Capital	357	357	106
Reserves	30.9	23.0	21.9
Retained Earnings	153.9	73.2	207.9
Net Profit / (loss)	16.5	88.6	31.8
Minority Interest	17.3	17.6	33.1
<b>Total Shareholder's Equity</b>	<b>576.0</b>	<b>559.7</b>	<b>400.8</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>2,224.8</b>	<b>2,261.8</b>	<b>1,819.2</b>

## Consolidated Cash flow Statement

In EGP '000, unless otherwise stated	Q1-2023	Q1-2022
EBT	17.1	(49.9)
<b>ADD:</b>		
Fixed assets depreciation	9.9	9.4
Right of use depreciation provisions	6.0	2.9
Interest - lease Right of use	0.8	-
Interest Income	1.9	0.9
Financing expense	(0.1)	(0.1)
Capital gain/(loss)	31.1	16.8
gain /(loss) from leasing	(0.03)	(0.1)
	-	(8.6)
<b>Operating profit before working capital changes</b>	<b>66.65</b>	<b>(28.5)</b>
(Increase)/Decrease in inventories	7.0	(77.3)
(Increase)/Decrease accounts and notes receivable	29.2	(88.5)
(Increase)/Decrease in debtors and other debit balances	(2.6)	(34.7)
Increase/(Decrease) in accounts and notes payable	(70.4)	93.4
Increase/(Decrease) in creditors and other credit balances	7.9	29.5
Increase/(Decrease) in due to related parties	0.5	0.0
Used provisions	(0.7)	(0.5)
Paid taxes	-	(12.7)
Paid interest	(29.9)	(16.3)
<b>Cash flow from operations</b>	<b>7.8</b>	<b>(135.6)</b>
Interest Income	0.1	0.1
Payments for the purchase of investments	(1.1)	-
Payments for the purchase of fixed assets	(6.7)	(2.1)
Gain on sale of fixed assets	0.1	0.1
Payments for finance leasing	-	(3.3)
(Increase)/Decrease in PUC	(3.3)	(1.1)
<b>Cash flow from Investing Activities</b>	<b>(10.8)</b>	<b>(6.4)</b>
Change in debt and credit facilities	9.3	53.6
Payments for finance leasing	(5.3)	-
Payments leasing of property & plant	(7.0)	(0.7)
Paid Dividends	-	(5.9)
<b>Cash flow from Financing Activities</b>	<b>(3.0)</b>	<b>46.9</b>
Net change in cash	(6.1)	(95.1)
Beginning cash balance	105.5	110.9
<b>Ending cash balance</b>	<b>99.4</b>	<b>15.9</b>