

DICE Sports and Casual Wear Report 2023 Earnings



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DICE Sport and Casual Wear Report 2023 Earnings

sales line increased by 60.9% Y-o-Y increasing reach EGP 3432.4 mn in 2023 coupled with 2022 Y-o-Y.

Highlights for 2023

<p>Revenue EGP 3432.4mn ▲ 60.9% y-o-y</p>	<p>Gross Profit⁽¹⁾ EGP 1021.6mn ▲ 85% y-o-y 29.8% GP Margin</p>
<p>EBITDA EGP 833.66mn ▲ 134% y-o-y 24.3% EBITDA Margin</p>	<p>Net Profit / (loss) EGP 450.7mn 13.1% NP Margin</p>

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 356.17mn ▲ 130% y-o-y 16.7% EBITDA Margin</p>	<p>Net Profit / (loss) EGP 120.8mn 5.7% NP Margin</p>

Summary Income Statement (EGP mn)

In EGP 000s, unless otherwise stated	Q4-2023	Q4-2022	2023	2022
Revenue	1,153.3	672.3	3,432.4	2,133.3
y-o-y growth, %	71.6%	39.1%	60.9%	33.6%
Gross Profit	310.4	222.4	1,021.6	552.1
GPM, %	26.9%	33.1%	29.8%	25.9%
EBITDA	223.46	191.99	833.66	356.17
EBITDA Margin, %	19.4%	28.6%	24.3%	16.7%
Net Profit	172.2	81.9	450.7	120.8
NPM, %	14.9%	12.2%	13.1%	5.7%

Note(1): Gross profit excludes depreciation

Important events during the current and subsequent period:

- the Monetary Policy Committee of the Central Bank of Egypt (CBE) decided in its meeting

Date	To raise the overnight deposit and lending rates and the main operation rate of the Central Bank by	the credit and discount rate was raised by
30 March 2023	200 basis points to reach 18.25% 19.25% and 18.75%, respectively	200 basis points to reach 18.75%.
3 August 2023	100 basis points to reach 19.25% 20.25% and 19.75%, respectively	100 basis points to reach 19.75%.
1 February 2024	200 basis points to reach 20.25% 22.25% 21.75%, respectively	200 basis points to reach 21.75%.
6 March 2024	600 basis points to reach 27.25% 28.25% 27.75%, respectively	600 basis points to reach 28.75%.

- On May 17, 2023, the Prime Minister's Decree 1847 of 2023 was issued amending some provisions of the Egyptian Accounting Standards by adding Annex (B) to the amended Egyptian Accounting Standard No. (13) 2015 The effects of changes in foreign exchange rates, which includes a special accounting treatment to deal with the effects of moving foreign exchange rates.

- On Sep 19, 2023, the company received a letter from of Toma Company for Commercial and Industrial Investments with Majid Samir Toma, containing an initial offer to acquire 1.607 billion shares, representing 90% of the company's issued capital. The company explained that the offer includes an initial purchase price of 65 piasters per share. This is done through a compulsory purchase offer for the company's shares.

- On Oct 17, 2023, "FRA" approved the announcement of the compulsory purchase offer, provided that the offer includes the purchase of up to 838.137 million shares, representing 46.9% of the company's shares, at amount of EGP 0.65 per share. This included approval of the offeror's commitment to purchase all of the shares offered for sale in response to the purchase offer. If the shares offered for sale exceed the number of shares required to be purchased, the offeror will purchase from all share owners who responded to the offer in a ratio of the total offered to the total shares required to be purchased.

- On Nov 8, 2023, "FRA" announced that the previously mentioned purchase offer price had been amended to EGP 0.80 per share instead of EGP 0.65 per share, while maintaining the rest of the terms of the purchase offer announcement approved by the Authority without modification.

- On November 15, 2023, the Egyptian Stock Exchange announced the quantities of shares responding to the previously mentioned purchase offer, with a total of 544 536 000 share.

- On November 19, 2023, the company announced that Toma Company for Commercial and Industrial Investments had purchased 182 546 494 share of the company's shares, by a percentage of 27.68%, in accordance with the previously mentioned compulsory purchase offer, buy an amount of EGP 945 628 395 by average price of EGP 0.8 E per share. In addition to Maged Samir Toma had purchased 50 million share of the company's shares in accordance with the previously mentioned compulsory purchase offer for an amount of EGP 40 million at an average price of EGP 0.8 per share, that led to his percentage after the purchase process became 11.5%.

On March 3, 2024, the Prime Minister's Decree No. 636 of 2024 was issued amending some provisions of the Egyptian Accounting Standards, which resulted in the replacement of Standards No. (13) The effects of changes in foreign exchange rates, Standard No. (17) Independent Financial Statements and Standard No. (34) Real Estate Investment from the Egyptian standards referred to in the standards attached to this decision, provided that this decision is published in the Official Gazette and comes into force from the day following the date of its publication.

The implementation of the Egyptian accounting standards No. (13) The effects of changes in foreign exchange rates will be led to combined effect that will affect the shareholders equity.

The combined effect for the re-evaluation of the monetary assets and liabilities using the spot price for the early adoption will be losses amounted to EGP 248 849 597 will be amended on the retained earnings as of January 1, 2024.

□ **Export subsidy revenue :**

As a result of the government's regular payment of dues to the Export Support Fund 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.	(94 063 612)
Retained earnings on December 31, 2022, after adjustment.	40 407 685
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
Other income for the year end 31 December 2022 before adjustment.	101 417 587
Adjustments to Other income for the year end 31 December 2022	(40 626 524)
Other income for the year end 31 December 2022, after adjustment.	60 791 063

Results in Nutshell

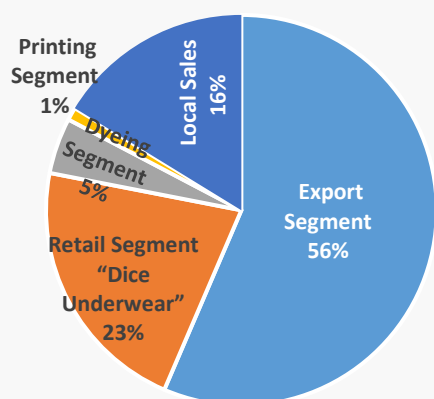
DICE reported revenues of EGP 1153.3 mn, for Q4-2023, recording 71.6% y-o-y increasing.

Gross profit margin Q-o-Q, recording 26.9% in Q4-2023 compared to 33.1% in Q4-2022.

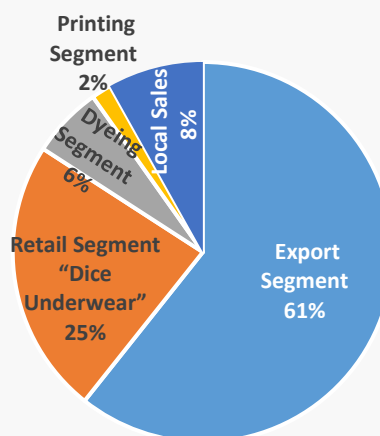
It appears from this graph that the local segment improved compared to the same period last year.

Revenue Breakdown by Segment

Q4- 2023



Q4-2022

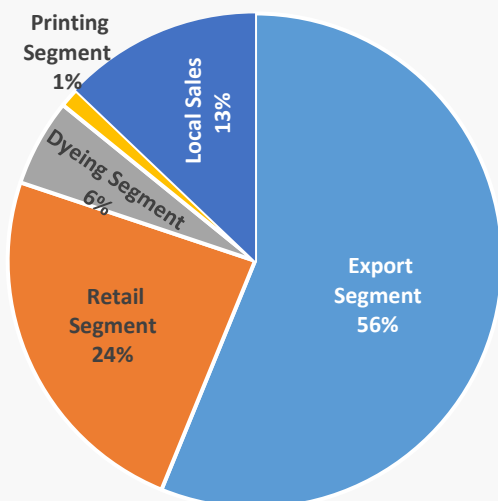


Revenue Breakdown by Segment

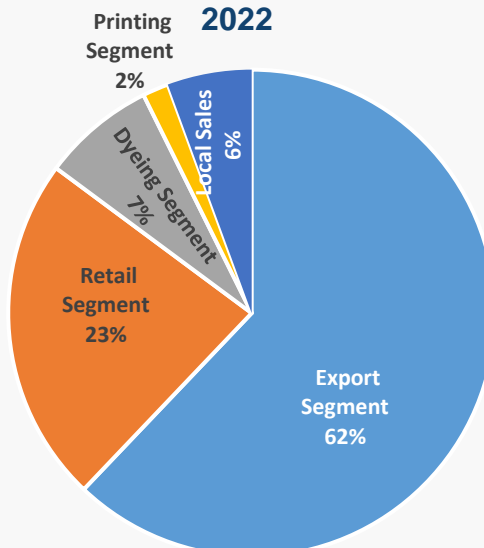
DICE reported revenues of EGP 3432.4 mn for 2023, recording 60.9% y-o-y increasing.

Gross profit margin Q-o-Q, recording 29.8% in 2023 compared to 25.9% in 2022.

2023



2022



Overview of Segmental Performance

1 Export Segment



In EGP 000s, unless otherwise stated		Q4-2023	Q4-2022	2023	2022
Dice	Sewing Capacity (000s pieces)	5,250	5,250	21,000	21,000
	Utilization, %	87.6%	70.2%	65.1%	72.5%
	# of pieces sold (000s)	4,599	3,685	13,681	15,225
	y-o-y growth, %	24.8%	-7.4%	-10.1%	8.2%
	Avg. Price (USD) / piece	4.59	4.92	4.61	4.57
	y-o-y growth, %	-6.6%	2.4%	1.0%	8.1%
	Revenue (USD '000)	21,115	18,112	63,095	69,553
	y-o-y growth, %	16.6%	-5.2%	-9.3%	17.0%
	Avg. Price (EGP) / piece	141.6	110.7	140.9	87.0
	y-o-y growth, %	27.9%	47.5%	61.9%	31.8%
	Revenue (EGP '000)	651,129	408,004	1,928,170	1,325,070
	y-o-y growth, %	59.6%	36.6%	45.5%	42.5%
	Gross Profit	213,335	142,883	745,677	301,620
	Gross Profit Margin, %	32.8%	35.0%	38.7%	22.8%

- In 2023, export sales, denominated in USD, 9.3% decrease over the same period last year beside decreasing sales volume a 10.1% stemming. Blended average price per piece in USD terms increased by 1%” 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	Q4-2023	Q4-2022	2023	2022
Master Line	Capacity (tons)	1,875	1,875	7,500	7,500
	Utilization, %	68.4%	48.5%	60.4%	58.7%
	Volume Sold (tons/year)	1,282	910	4,530	4,401
	Avg. Price (EGP) / ton	46.0	35.6	41.8	34.6
	Revenue	59,026	32,407	189,153	152,170
	y-o-y growth, %	82.1%	-30.2%	24.3%	-12.5%
	Gross Profit	13,073	4,864	37,133	34,564
	Gross Profit Margin, %	22.1%	15.0%	19.6%	22.7%
UDI	Capacity (tons)	1,800	1,800	7,200	7,200
	Utilization, %	118.7%	47.9%	77.5%	59.7%
	Volume Sold (tons/year)	2,137	863	5,578	4,300
	Avg. Price (EGP) / ton	29.6	35.7	35.9	32.7
	Revenue	63,289	30,811	200,530	140,593
	y-o-y growth, %	105.4%	-7.7%	42.6%	7.8%
	Gross Profit	13,075	2,726	41,054	22,059
Gross Profit Margin, %	20.7%	8.8%	20.5%	15.7%	
ACC	Capacity (tons)	900	900	3,600	3,600
	Utilization, %	92.6%	87.4%	80.6%	72.9%
	Volume Sold (tons/year)	833	786	2,903	2,625
	Avg. Price (EGP) / ton	36	37	35	28
	Revenue	29,817	28,842	100,226	73,376
	y-o-y growth, %	3%	44%	37%	-10%
	Gross Profit	5,714	13,055	23,682	23,825
Gross Profit Margin, %	19.2%	45.3%	23.6%	32.5%	
Total Dyeing Segment	Capacity (tons)	4,575	4,575	18,300	18,300
	Utilization, %	92.9%	55.9%	71.1%	61.9%
	Volume Sold (tons/year)	4,252	2,559	13,011	11,326
	Avg. Price (EGP) / ton	35.8	36.0	37.7	32.3
	Revenue	152,132	92,059	489,908	366,140
	y-o-y growth, %	65.3%	-7.7%	33.8%	-5.1%
	Intercompany Sales	98,751	51,359	293,799	205,792
	Intercompany Sales (% of Revenue)	64.9%	55.8%	60.0%	56.2%
	Gross Profit	31,862	20,645	101,869	80,448
Gross Profit Margin, %	20.9%	22.4%	20.8%	22.0%	

As for its dyeing segment, DICE reported EGP 489.9 mn in revenues in 2023, 33.8% y-o-y increasing, third party sales during 2023 contributed 40% of all dyeing sales compared to 43.8% in 2022.

Overview of Segmental Performance

4 Printing Segment

In EGP 000s, unless otherwise stated		Q4-2023	Q4-2022	2023	2022
NP Printing	Capacity (meter)	1,500	1,500	6,000	6,000
	Utilization, %	67.7%	55.6%	67.3%	48.1%
	Volume Sold (piece/year)	1,015	834	4,039	2,886
	Avg. Price (EGP) / ton	12.09	13.61	10.78	12.79
	Revenue	12,265	11,347	43,536	36,893
	y-o-y growth, %	8.1%	40.5%	18.0%	-6.4%
	Gross Profit	904	1,934	3,248	4,219
	Gross Profit Margin, %	7.4%	17.0%	7.5%	11.4%

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	Q4-2023	Q4-2022	2023	2022
Local Revenue	221,002	82,236	545,729	173,443
y-o-y growth	168.7%	240.2%	214.6%	105.2%
Total Intercompany *	33,662	27,625	103,439	53,983
% of Local	15.2%	33.6%	19.0%	31.1%
Net Revenue	187,340	54,611	442,291	119,460
y-o-y growth	243.0%	249.8%	270.2%	135.1%
Gross Profit	4,628	8,372	8,160	23,559
GPM, %	2.1%	10.2%	1.5%	13.6%

elastic & cordon Sales

In EGP 000s, unless otherwise stated	Q4-2023	Q4-2022	2023	2022
Revenue	29,076	16,671	90,290	55,940
y-o-y growth	74%	39%	61%	25%
Volume Sold (tons/year)	157	105	498	412
Intercompany **	24,923	15,269	77,933	51,446
% of Revenue	86%	92%	86%	92%
Net Revenue	4,154	1,401	12,357	4,493
y-o-y growth	196%	-16%	175%	-45%

trading (Imported purchases for sale)

In EGP 000s, unless otherwise stated	Q4-2023	2023
Revenue	116,451	301,844
CRM	106,624	278,514
margin %	8.4%	7.7%
Intercompany **	23,887	80,604
% of Revenue	20.5%	26.7%
Net Revenue	92,563	221,240

Other local sales comprise of :

- i) Second tier export products.
- ii) Scrap sales.
- iii) Elastic & cordon sales
- IV) Trading (Purchases for sale)

* 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. The Board of Directors of Dice Ready-to-Wear has agreed to rent a factory of about 45,000 square meters from Misr Helwan Spinning and Weaving Company, In a statement to the Egypt Stock Exchange, the company stated that the company won the lease contract for a period of 9 years, with a monthly rental value of 774.5 thousand pounds, after approving the financial and technical offer submitted by Dice, it indicated that the factory is expected to gradually increase Dice's production capacity by approximately 30% of the current capacity, and to allocate that increase for export, It is expected that the production of this factory will begin after re-equipping for production in March 2024, with local production of Dice brand first and then after that for export products.

It pointed out that this is in line with the state's policy of encouraging the private sector to export, provide foreign currency, and contribute to reducing the unemployment rate by providing new job opportunities.

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 346 retail stores distributed across 20 governorates. Learn more about DICE by visiting www.dice.eg

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Consolidated Income Sheet Statement

In EGP mn unless otherwise stated	Q4-2023	Q4-2022	2023	2022
Revenue	1,153.3	672.3	3,432.4	2,133.3
y-o-y growth, %	71.6%	39.1%	60.9%	33.6%
Cost of Sales	(842.9)	(449.9)	(2,410.8)	(1,581.2)
Gross Profit ⁽¹⁾	310.4	222.4	1,021.6	552.1
Gross Profit Margin, %	26.9%	33.1%	29.8%	25.9%
S&D Expenses	(26.9)	(18.1)	(84.8)	(93.6)
% of Revenue	2.3%	2.7%	2.5%	4.4%
G&A Expenses	(60.1)	(44.5)	(198.2)	(160.7)
% of Revenue	5.2%	6.6%	5.8%	7.5%
Export Rebate	-	32.2	95.1	58.4
% of Export Revenue	-	7.9%	4.9%	4.4%
EBITDA	223.46	191.99	833.66	356.17
EBITDA Margin, %	19.4%	28.6%	24.3%	16.7%
Depreciation & Amortization of the right of use leased assets	(13.9)	(19.8)	(62.3)	(58.8)
EBIT	209.6	172.2	771.4	297.4
EBIT Margin, %	18.2%	25.6%	22.5%	13.9%
Net Interest Expense	(43.5)	(25.8)	(154.1)	(87.0)
Leasing interest Expenses (right of use)	(1.4)	(2.7)	(6.8)	(5.7)
FX Gain / Loss	5.2	(14.6)	(98.0)	(33.4)
Other Income / Expense	(14.8)	(10.6)	(10.0)	(9.7)
EBT	155.1	118.4	502.5	161.6
EBT Margin, %	13.5%	17.6%	14.6%	7.6%
Taxes	17.1	(36.5)	(51.8)	(40.8)
Tax Rate, %	-11.0%	30.9%	10.3%	25.3%
Net Profit	172.2	81.9	450.7	120.8
Net Profit Margin, %	14.9%	12.2%	13.1%	5.7%

Note(1): Gross profit excludes depreciation

Consolidated Balance Sheet Statement

In EGP '000, unless otherwise stated	2023	2022	2021
Net Fixed Assets	589.1	490.1	489.3
right of use -Lease (net)	47.0	56.4	37.8
Other Non Current Assets	26.0	21.8	10.9
Total Non Current Assets	662.0	568.3	537.9
Cash & Cash Equivalents	154.0	108.3	110.9
Inventory	1,066.7	836.0	644.3
Accounts Receivable	714.5	526.1	312.0
Mutual funds	161.0	30.0	-
Debtors and Other Debit Balances	201.2	193.1	214.1
Total Current Assets	2,297	1,694	1,281.3
Total Assets	2,959.4	2,261.8	1,819.2
Overdraft	1,184.4	967.7	728.2
CPLTD	71.6	89.2	68.5
Accounts Payable	252.1	245.5	184.1
Provisions	55.3	41.4	49.3
Due to Related Parties	15.4	0.2	3.0
Right of use Liabilities - current	20.2	17.9	9.3
leasing Liabilities - current	-	6.9	10.6
Creditors and Other Credit Balances	179.7	142.5	158.3
Total Current Liabilities	1,778.8	1,511	1,211
Long term Debt	65.7	107.6	126.5
Right of use Liabilities - non current	33.5	43	30.2
leasing Liabilities - non current	-	3.4	12.1
Deferred Tax Liability	46.6	36.6	38.2
Total Non Current Liabilities	145.7	190.6	207.0
Total Liabilities	1,924.5	1,702.1	1,418.4
Paid in Capital	357	357	106
Reserves	28.9	23.0	21.9
Retained Earnings	180.4	40.4	207.9
Net Profit / (loss)	447.8	121.4	31.8
Minority Interest	20.5	17.6	33.1
Total Shareholder's Equity	1,034.9	559.7	400.8
Total Liabilities and Shareholder's Equity	2,959.4	2,261.8	1,819.2

Consolidated Cash flow Statement

In EGP '000, unless otherwise stated	2023	2022
EBT	502.5	58.6
ADD:		
Fixed assets depreciation	42.3	40.1
Right of use depreciation	20.0	18.7
Impairment provisions	10.5	13.1
Reversal of provisions	(0.6)	(3.3)
used Impairment provisions	(0.9)	-
Interest - lease Right of use	6.8	5.7
Interest Income	(0.3)	(1.8)
Financing expense	154.4	88.8
Capital gain/(loss)	(0.03)	(0.5)
gain /(loss) from leasing	(0.5)	(0.5)
foreign exchange differences related to liabilities	-	(27.2)
Operating profit before working capital changes	749.47	197.16
(Increase)/Decrease in inventories	(230.7)	(188.5)
(Increase)/Decrease accounts and notes receivable	(196.4)	(224.1)
(Increase)/Decrease in debtors and other debit balances	(9.0)	(76.2)
Increase/(Decrease) in accounts and notes payable	6.6	61.4
Increase/(Decrease) in creditors and other credit balances	32.0	(12.8)
Increase/(Decrease) in due to related parties	15.2	(2.8)
Used provisions	(1.4)	(13.3)
Paid taxes	(43.9)	(11.2)
Paid interest	(149.8)	(86.6)
Cash flow from operations	171.96	(356.9)
Interest Income	0.3	1.8
Payments for the purchase of investments	(130.9)	(30.0)
Payments for the purchase of fixed assets	(128.4)	(49.3)
Gain on sale of fixed assets	0.1	0.5
(Increase)/Decrease in PUC	(14.5)	(13.8)
Cash flow from Investing Activities	(273.5)	(90.9)
Change in debt and credit facilities	157.9	238.4
increase paid in capital	-	251.3
Payments for finance leasing	(10.3)	(12.3)
Payments leasing of property & plant	(24.0)	(21.1)
purchasing treasury shares	24.5	-
Paid Dividends	-	(14.0)
Cash flow from Financing Activities	148.1	442.4
Net change in cash	46.6	(5.4)
Beginning cash balance	105.4	110.9
Ending cash balance	152.0	105.5