

DICE Sports and Casual Wear Report Q1-2024 Earnings



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DICE Sport and Casual Wear Report Q1-2023 Earnings

sales line increased by 44.1% Y-o-Y increasing reach EGP 993.4 mn in Q1-2024 coupled with Q1-2023 Y-o-Y.

Highlights for Q1-2024

| | |
|--|--|
| <p>Revenue EGP 993.4mn ▲ 44.1% y-o-y</p> | <p>Gross Profit ⁽¹⁾ EGP 302.1mn ▲ 36% y-o-y 30.4% GP Margin</p> |
| <p>EBITDA EGP 213.88mn ▲ 32% y-o-y 21.5% EBITDA Margin</p> | <p>Net Profit / (loss) EGP 119.2mn 12.0% NP Margin</p> |

Highlights for Q1-2023

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

Summary Income Statement (EGP mn)

| In EGP 000s, unless otherwise stated | 2023 | Q1-2024 | Q1-2023 |
|--------------------------------------|----------------|---------------|--------------|
| Revenue | 3,432.4 | 993.4 | 689.3 |
| y-o-y growth, % | 60.9% | 44.1% | 79.6% |
| Gross Profit | 1,021.6 | 302.1 | 222.0 |
| GPM, % | 29.8% | 30.4% | 32.2% |
| EBITDA | 833.66 | 213.88 | 161.7 |
| EBITDA Margin, % | 24.3% | 21.5% | 23.5% |
| Net Profit | 450.7 | 119.2 | 16.2 |
| NPM, % | 13.1% | 12.0% | 2.4% |

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 |
|-----------------|--|---|
| 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 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.

Results in Nutshell

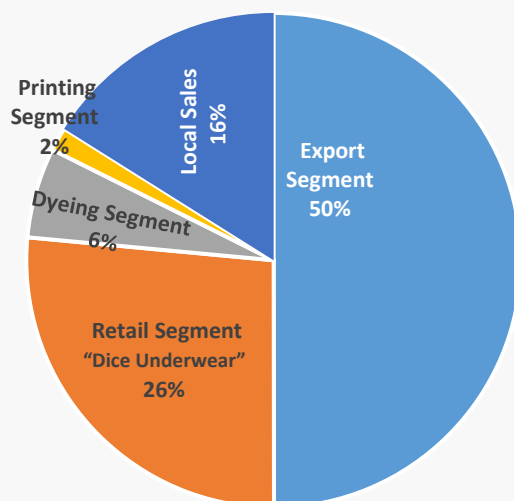
DICE reported revenues of EGP 993.4 mn, for Q1-2024, recording 44.1% y-o-y increasing.

Gross profit margin Q-o-Q, recording 30.4% in Q1-2024 compared to 32.2% in Q1-2023.

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

Revenue Breakdown by Segment

Q1 - 2024

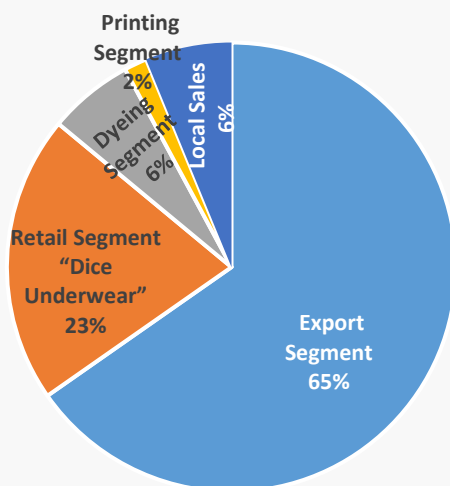


Revenue Breakdown by Segment

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.

Q1-2023



Overview of Segmental Performance

1 Export Segment



| In EGP 000s, unless otherwise stated | | 2023 | Q1-2024 | Q1-2023 |
|--------------------------------------|--------------------------------|------------------|----------------|----------------|
| Dice | Sewing Capacity (000s pieces) | 21,000 | 5,250 | 5,250 |
| | Utilization, % | 65.1% | 78.1% | 61.5% |
| | # of pieces sold (000s) | 13,681 | 4,100 | 3,227 |
| | y-o-y growth, % | -10.1% | 27.1% | -11.4% |
| | Avg. Price (USD) / piece | 4.61 | 3.43 | 4.71 |
| | y-o-y growth, % | 1.0% | -27.1% | 17.9% |
| | Revenue (USD '000) | 63,095 | 14,082 | 15,207 |
| | y-o-y growth, % | -9.3% | -7.4% | 4.5% |
| | Avg. Price (EGP) / piece | 140.9 | 121.1 | 139.5 |
| | y-o-y growth, % | 61.9% | -13.2% | 127.0% |
| | Revenue (EGP '000) | 1,928,170 | 496,483 | 450,061 |
| | y-o-y growth, % | 45.5% | 10.3% | 101.1% |
| | Gross Profit | 745,677 | 187,183 | 183,825 |
| | Gross Profit Margin, % | 38.7% | 37.7% | 40.8% |

- In Q1-2024, export sales, denominated in USD, 7.4% decrease over the same period last year beside increasing sales volume a 27.1% stemming. Blended average price per piece in USD terms decreased by 27.1% 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 | 2023 | Q1-2024 | Q1-2023 |
|-----------------------------|--------------------------------------|----------------|----------------|---------------|
| Master Line | Capacity (tons) | 7,500 | 1,875 | 1,875 |
| | Utilization, % | 60.4% | 60.2% | 50.4% |
| | Volume Sold (tons/year) | 4,530 | 1,129 | 944 |
| | Avg. Price (EGP) / ton | 41.8 | 46.0 | 37.2 |
| | Revenue | 189,153 | 51,903 | 35,091 |
| | y-o-y growth, % | 24.3% | 47.9% | -7.8% |
| | Gross Profit | 37,133 | 9,957 | 3,509 |
| | Gross Profit Margin, % | 19.6% | 19.2% | 10.0% |
| UDI | Capacity (tons) | 7,200 | 1,800 | 1,800 |
| | Utilization, % | 77.5% | 82.2% | 56.0% |
| | Volume Sold (tons/year) | 5,578 | 1,480 | 1,008 |
| | Avg. Price (EGP) / ton | 35.9 | 41.9 | 33.9 |
| | Revenue | 200,530 | 62,017 | 34,209 |
| | y-o-y growth, % | 42.6% | 81.3% | -10.0% |
| | Gross Profit | 41,054 | 12,825 | 2,449 |
| Gross Profit Margin, % | 20.5% | 20.7% | 7.2% | |
| ACC | Capacity (tons) | 3,600 | 900 | 900 |
| | Utilization, % | 80.6% | 95.4% | 33.7% |
| | Volume Sold (tons/year) | 2,903 | 859 | 303 |
| | Avg. Price (EGP) / ton | 35 | 39 | 72 |
| | Revenue | 100,226 | 33,338 | 21,865 |
| | y-o-y growth, % | 37% | 52% | 25% |
| | Gross Profit | 23,682 | 6,219 | 5,142 |
| Gross Profit Margin, % | 23.6% | 18.7% | 23.5% | |
| Total Dyeing Segment | Capacity (tons) | 18,300 | 4,575 | 4,575 |
| | Utilization, % | 71.1% | 75.8% | 49.3% |
| | Volume Sold (tons/year) | 13,011 | 3,468 | 2,255 |
| | Avg. Price (EGP) / ton | 37.7 | 42.5 | 40.4 |
| | Revenue | 489,908 | 147,258 | 91,165 |
| | y-o-y growth, % | 33.8% | 61.5% | -2.5% |
| | Intercompany Sales | 293,799 | 88,690 | 48,926 |
| | Intercompany Sales (% of Revenue) | 60.0% | 60.2% | 53.7% |
| | Gross Profit | 101,869 | 29,001 | 11,100 |
| Gross Profit Margin, % | 20.8% | 19.7% | 12.2% | |

As for its dyeing segment, DICE reported EGP 147.3mn in revenues in Q1-2024, 61.5% y-o-y increasing, third party sales during Q1-2024 contributed 39.8% of all dyeing sales compared to 46.3% in Q1-2023.

Overview of Segmental Performance

4 Printing Segment

| In EGP 000s, unless otherwise stated | | 2023 | Q1-2024 | Q1-2023 |
|--------------------------------------|---------------------------------|---------------|---------------|---------------|
| NP Printing | Capacity (meter) | 6,000 | 1,500 | 1,500 |
| | Utilization, % | 67.3% | 76.7% | 49.9% |
| | Volume Sold (piece/year) | 4,039 | 1,151 | 748 |
| | Avg. Price (EGP) / ton | 10.8 | 13.3 | 15.20 |
| | Revenue | 43,536 | 15,311 | 11,367 |
| | y-o-y growth, % | 18.0% | 34.7% | 47.2% |
| | Gross Profit | 3,248 | 1,537 | 569 |
| | Gross Profit Margin, % | 7.5% | 10.0% | 5.0% |

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 | 2023 | Q1-2024 | Q1-2023 |
|--------------------------------------|----------------|----------------|---------------|
| Local Revenue | 545,729 | 183,070 | 54,119 |
| y-o-y growth | 214.6% | 238.3% | 131.3% |
| Total Intercompany * | 103,439 | 23,354 | 11,329 |
| % of Local | 19.0% | 12.8% | 20.9% |
| Net Revenue | 442,291 | 159,716 | 42,790 |
| y-o-y growth | 270.2% | 273.3% | 155.4% |
| Gross Profit | 8,160 | 1,104 | 7,138 |
| GPM, % | 1.5% | 0.6% | 13.2% |

□ elastic & cordon Sales

| In EGP 000s, unless otherwise stated | 2023 | Q1-2024 | Q1-2023 |
|--------------------------------------|---------------|---------------|---------------|
| Revenue | 90,290 | 33,432 | 18,040 |
| y-o-y growth | 61% | 85% | 30% |
| Volume Sold (tons/year) | 498 | 169 | 104 |
| Intercompany ** | 77,933 | 23,254 | 16,069 |
| % of Revenue | 86% | 70% | 89% |
| Net Revenue | 12,357 | 10,178 | 1,971 |
| y-o-y growth | 175% | 416% | 82% |

□ trading (Imported purchases for sale)

| In EGP 000s, unless otherwise stated | 2023 | Q1-2024 | Q1-2023 |
|--------------------------------------|----------------|----------------|---------------|
| Revenue | 301,844 | 121,637 | 17,650 |
| CRM | 278,514 | 99,942 | 16,364 |
| margin % | 7.7% | 17.8% | 7.3% |
| Intercompany ** | 80,604 | 17,739 | 6,486 |
| % of Revenue | 26.7% | 14.6% | 36.7% |
| Net Revenue | 221,240 | 103,898 | 11,164 |

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 355 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 | 2023 | Q1-2024 | Q1-2023 |
|---|----------------|---------------|---------------|
| Revenue | 3,432.4 | 993.4 | 689.3 |
| y-o-y growth, % | 60.9% | 44.1% | 79.6% |
| Cost of Sales | (2,410.8) | (691.3) | (467.3) |
| Gross Profit ⁽¹⁾ | 1,021.6 | 302.1 | 222.0 |
| Gross Profit Margin, % | 29.8% | 30.4% | 32.2% |
| S&D Expenses | (84.8) | (31.1) | (18.1) |
| % of Revenue | 2.5% | 3.1% | 2.6% |
| G&A Expenses | (198.2) | (57.2) | (42.1) |
| % of Revenue | 5.8% | 5.8% | 6.1% |
| Export Rebate | 95.1 | - | - |
| % of Export Revenue | 4.9% | - | - |
| EBITDA | 833.66 | 213.88 | 161.74 |
| EBITDA Margin, % | 24.3% | 21.5% | 23.5% |
| Depreciation & Amortization of the right of use leased assets | (62.3) | (18.9) | (15.9) |
| EBIT | 771.4 | 195.0 | 145.9 |
| EBIT Margin, % | 22.5% | 19.6% | 21.2% |
| Net Interest Expense | (154.1) | (54.3) | (31.0) |
| Leasing interest Expenses (right of use) | (6.8) | (1.8) | (1.9) |
| FX Gain / Loss | (98.0) | 0.3 | (97.6) |
| Other Income / Expense | (10.0) | 11.2 | 1.7 |
| EBT | 502.5 | 150.3 | 17.2 |
| EBT Margin, % | 14.6% | 15.1% | 2.5% |
| Taxes | (51.8) | (31.1) | (0.9) |
| Tax Rate, % | 10.3% | 20.7% | 5.5% |
| Net Profit | 450.7 | 119.2 | 16.2 |
| Net Profit Margin, % | 13.1% | 12.0% | 2.4% |

Note(1): Gross profit excludes depreciation

Consolidated Balance Sheet Statement

| In EGP '000, unless otherwise stated | Q1-2024 | 2023 | 2022 |
|---|----------------|----------------|----------------|
| Net Fixed Assets | 620.8 | 589.1 | 490.1 |
| right of use -Lease (net) | 45.6 | 47.0 | 56.4 |
| Other Non Current Assets | 81.0 | 26.0 | 21.8 |
| Total Non Current Assets | 747.4 | 662.0 | 568.3 |
| Cash & Cash Equivalents | 286.2 | 154.0 | 108.3 |
| Inventory | 1,286.7 | 1,066.7 | 836.0 |
| Accounts Receivable | 839.7 | 714.5 | 526.1 |
| Mutual funds | 200.7 | 161.0 | 30.0 |
| Debtors and Other Debit Balances | 415.0 | 201.2 | 193.1 |
| Total Current Assets | 3,028 | 2,297 | 1,694 |
| Total Assets | 3,775.7 | 2,959.4 | 2,261.8 |
| Overdraft | 1,786.1 | 1,184.4 | 967.7 |
| CPLTD | 95.8 | 71.6 | 89.2 |
| Accounts Payable | 440.9 | 252.1 | 245.5 |
| Provisions | 55.3 | 55.3 | 41.4 |
| Due to Related Parties | 2.3 | 15.4 | 0.2 |
| Right of use Liabilities - current | 20.4 | 20.2 | 17.9 |
| leasing Liabilities - current | - | - | 6.9 |
| Creditors and Other Credit Balances | 274.3 | 179.7 | 142.5 |
| Total Current Liabilities | 2,675.1 | 1,778.8 | 1,511 |
| Long term Debt | 177.0 | 65.7 | 107.6 |
| Right of use Liabilities - non current | 32.5 | 33.5 | 43 |
| leasing Liabilities - non current | - | - | 3.4 |
| Deferred Tax Liability | 47.3 | 46.6 | 36.6 |
| Total Non Current Liabilities | 256.8 | 145.7 | 190.6 |
| Total Liabilities | 2,932.0 | 1,924.5 | 1,702.1 |
| Paid in Capital | 357 | 357 | 357 |
| Reserves | 28.9 | 28.9 | 23.0 |
| Retained Earnings | 317.9 | 180.4 | 73.2 |
| Net Profit / (loss) | 118.0 | 447.8 | 88.6 |
| Minority Interest | 21.6 | 20.5 | 17.6 |
| Total Shareholder's Equity | 843.7 | 1,034.9 | 559.7 |
| Total Liabilities and Shareholder's Equity | 3,775.7 | 2,959.4 | 2,261.8 |

Consolidated Cash flow Statement

| In EGP '000, unless otherwise stated | Q1-2024 | Q1-2023 |
|--|-----------------|---------------|
| EBT | 150.3 | 17.1 |
| ADD: | | |
| Fixed assets depreciation | 12.8 | 9.9 |
| Right of use depreciation provisions | 5.9 | 6.0 |
| Interest - lease Right of use | 1.8 | 1.9 |
| Interest Income | (0.1) | (0.1) |
| Financing expense | 54.4 | 31.1 |
| Capital gain/(loss) | - | (0.03) |
| foreign exchange differences related to liabilities | (310.4) | - |
| Operating profit before working capital changes | (85.20) | 66.65 |
| (Increase)/Decrease in inventories | (220.0) | 7.0 |
| (Increase)/Decrease accounts and notes receivable | (125.2) | 29.2 |
| (Increase)/Decrease in debtors and other debit balances | (213.8) | (2.6) |
| Increase/(Decrease) in accounts and notes payable | 188.8 | (70.4) |
| Increase/(Decrease) in creditors and other credit balances | 61.1 | 7.9 |
| Increase/(Decrease) in due to related parties | (13.1) | 0.5 |
| Used provisions | - | (0.7) |
| Paid interest | (51.3) | (29.9) |
| Cash flow from operations | (458.75) | 7.8 |
| Interest Income | 0.1 | 0.1 |
| Payments for the purchase of investments | (39.7) | (1.1) |
| Payments for the purchase of fixed assets | (9.5) | (6.7) |
| Gain on sale of fixed assets | - | 0.1 |
| (Increase)/Decrease in PUC | (90.2) | (3.3) |
| Cash flow from Investing Activities | (139.4) | (10.8) |
| Change in debt and credit facilities | 733.1 | 9.3 |
| Payments for finance leasing | (7.3) | (5.3) |
| Payments leasing of property & plant | - | (7.0) |
| Cash flow from Financing Activities | 725.8 | (3.0) |
| Net change in cash | 127.7 | (6.1) |
| Beginning cash balance | 152.0 | 105.5 |
| Ending cash balance | 279.7 | 99.4 |