

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

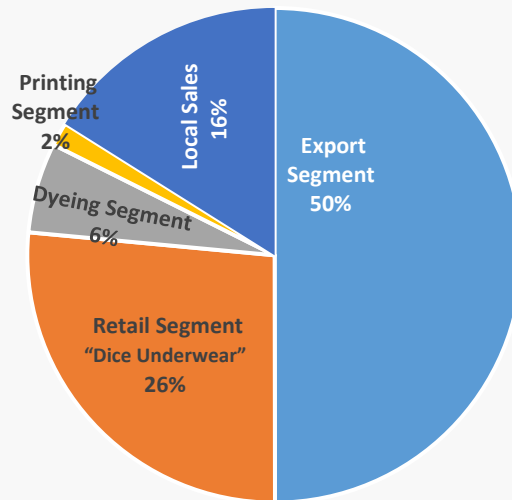
DICE reported revenues of EGP 993.4 mn, for Q1-2024, recording 44.1% y-o-y increasing.

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

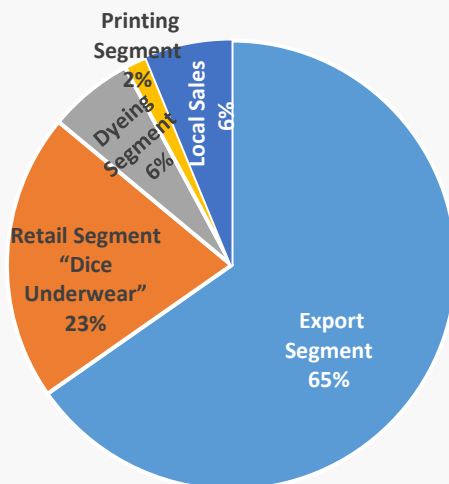


Revenue Breakdown by Segment

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%	75.3%
	Volume Sold (tons/year)	2,903	859	678
	Avg. Price (EGP) / ton	35	39	32
	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) / M2	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