

*Orascom Development Egypt (ODE) (EGX: ORHD.CA) has released its consolidated results for Q3 2024.*

**ODE reported remarkable results during 9M 2024: real estate sales reached a record EGP 23.1 billion, a 77% increase. Revenues surged by 49% to EGP 15.5 billion, and despite EGP 2.1 billion in FX losses, ODE achieved a net profit of EGP 2.23 billion, reflecting 10% growth.**

**Key Highlights of Q3 2024 vs. Q3 2023**

- Total revenues elevated by 26.0% to EGP 5.2 billion
- Adj. EBITDA increased by 26.1% to EGP 2.1 billion with a margin of 40.3%
- Net profits increased by a solid 25.7% to EGP 1.3 billion
- Net real estate sales increased by 32.4% to EGP 7.4 billion

**Key Highlights of 9M 2024 vs. 9M 2023**

- Total revenues increased by 49.3% to EGP 15.5 billion
- A significant increase was shown in Adj. EBITDA by 68.1% to EGP 6.7 billion with a margin of 43.2%, demonstrating our operational excellence
- Net profit increased by 9.9% to EGP 2.23 billion, while adjusted net profit, after excluding FX losses, increased by 89.6% to EGP 4.3 billion
- Our hospitality revenues elevated by 29.1% to EGP 2.9 billion despite the challenging market environment
- Net real estate sales went up by 76.9% to EGP 23.1 billion, recording the highest sales figure in ODE's history
- Signed a USD 155 million in debt financing with the International Finance Corporation (IFC)
- Our cash balance reached EGP 7.3 billion, and our foreign currency cash stood at USD 82.3 million
- Cash flow from operations increased by 372.5% to EGP 4.9 billion, showcasing our unwavering operational excellence

**Cairo, 11 November 2024** – Throughout 2024, ODE has sustained its positive momentum, achieving impressive financial and operational outcomes despite a foreign exchange loss of EGP 2.1 billion. Our robust and diversified business model has adeptly mitigated the impact of inflationary pressures, primarily attributable to our unwavering dedication to innovation and operational efficiency in overcoming challenges. The tangible results of our enhanced operational capabilities are evident in the growth of revenues, adjusted EBITDA, net profit, and all our margins.

**Financial Review:**

**Q3 2024:**

With solid operating and financial results, ODE's third quarter highlights our adept execution capabilities and resilience in the face of significant challenges.

- ✓ **Total revenue:** In Q3 2024, revenues increased by 26.0% to EGP 5.2 billion. Our operational strength manifested across all business segments, with a 43.7% increase in real estate revenues and 31.4% for recurring income segments.
- ✓ **Gross profit:** The quarter's gross profit rose by 15.8% to EGP 1.9 billion, with a gross margin of 36.1%.
- ✓ **Adj. EBITDA improvement:** Adjusted EBITDA elevated by 26.1% to EGP 2.1 billion, boasting a 40.3% margin.
- ✓ **Strong net income performance:** Furthermore, in alignment with these achievements, the company's net profit was up by 25.7% to EGP 1.3 billion, marking a significant milestone for ODE in line with all its impressive achievements.

**9M 2024:**

ODE has reported robust nine-month results, demonstrating significant growth despite all the challenges.

- ✓ **Revenue growth:** An outstanding increase of 49.3% to reach EGP 15.5 billion vs. 9M 23.
- ✓ **Real estate revenue:** increased by a solid 43.0% to EGP 9.1 billion compared to 9M 23, with a margin of 42.4%.
- ✓ **Recurring income segments:** ODE experienced exceptional growth in recurring income segments, such as hotels and commercial assets, contributing EGP 5.0 billion to total revenue, marking an impressive 39.7% increase versus 9M 23.
- ✓ **Gross profit:** Soared by 60.8% to EGP 6.1 billion, boasting a healthy margin of 39.3% vs. 36.5% in 9M 23. This improved performance underscores our operational excellence and the positive impact of key strategic initiatives such as El Gouna land sale and accelerated construction activities.
- ✓ **Significant Adj. EBITDA improvement:** Adj. EBITDA showed robust growth, expanding by 68.1% to a record EGP 6.7 billion, with a margin of 43.2% in 9M 24.
- ✓ **Other gains and losses:** A loss of EGP 2.1 billion was reported, mainly due to foreign currency debt due to the devaluation of the EGP.

- ✓ **Finance costs:** Increased by 68.8% to EGP 1.3 billion, primarily due to rising interest rates.
- ✓ **Strong net income performance:** ODE's adjusted net income, excluding one-offs (which includes forex losses), increased by 89.6% from EGP 2.3 billion in 9M 23 to EGP 4.3 billion in 9M 24. Meanwhile, the reported net income during 9M 24 increased by 9.9% to reach EGP 2.23 billion compared to EGP 2.0 billion in 9M 23.
- ✓ **Cash from operations:** Increased by 372.5% to EGP 4.9 billion, driven by improved operational performance across all business segments. This robust growth underscores our commitment to operational excellence.
- ✓ **Strong cash balance:** On the balance sheet side, the company continued to preserve a healthy balance sheet and monitor its cash balances and liquidity. Our cash balance reached EGP 7.3 billion during 9M 24, and our foreign currency stood at USD 82.3 million, up 18% from June 2024. Our net debt reached EGP 2.9 billion during 9M 24.
- ✓ **IFC deal:** Signed a USD 155 million loan with the IFC. This loan facility will primarily be used to partially refinance ODE's existing debt, fund potential growth opportunities for the hotel business line in El Gouna, and fund planned capital expenditures for renovating the hotels. The new loan facility includes a 2.5-year grace period and an 8.5-year tenor, with semi-annual repayments set to commence in the second half of 2027.

**Group Real Estate segment: Our real estate business reported a 77% increase in net real estate sales, crossing the EGP 23.1 billion mark and demonstrating ODE's robust brand equity.**

The sales figures for Q3 24 show a healthy uptake, reaching EGP 7.4 billion, showing a 32.4% increase from EGP 5.6 billion in Q3 23. This brings the cumulative real estate sales value to EGP 23.1 billion, marking a significant 76.9% rise over 9M 23 and surpassing the total real estate sales achieved in the fiscal year 2023. Notably, our international sales remain a core focus in our strategy, comprising nearly 43% of our real estate sales, a testament to ODE's strong market presence and the trust of our customers. El Gouna continues to lead the group's new sales contributions at 45%, followed by O West at 38% and Makadi Heights at 17%. We have also continued to increase our average selling prices per sqm across all destinations. The combined growth in sales and construction pace has enhanced our real estate revenue by 43.7% to EGP 3.4 billion in Q3 24. This brings our total real estate revenues for 9M 24 to EGP 9.1 billion, reflecting a 43.0% increase over 9M 23—meanwhile, Adj. EBITDA increased by 46.8% to EGP 3.7 billion in 9M 24, with a margin of 41.1% vs. 40.0% in 9M 23, reaffirming our commitment to operational excellence. In 9M 24, we experienced a 62.5% increase in real estate cash collections, which amounted to EGP 10.6 billion. Furthermore, the total deferred revenue from real estate that will not be recognized until 2028 has increased by 63.7% to EGP 33.5 billion, providing strong visibility on our real estate revenue across all our destinations over the next 3-4 years.

**Group hotels segment: The hospitality portfolio experienced a 29.1% increase in revenues, reaching EGP 2.9 billion and an Adj. EBITDA margin of 47% despite numerous geopolitical challenges throughout the Middle East.**

ODE Hotels' well-established business model delivered solid quarterly results despite facing various macro and geopolitical challenges worldwide and the seasonality of the business. Our hotels achieved revenues of EGP 1.1 billion, marking a notable 21.5% increase over Q3 23. This revenue growth drove our GOP to EGP 581.7 million, demonstrating a 32.6% increase vs. Q3 23. The ability of our hotels to maintain high occupancy rates and enhance room rates has been instrumental in fueling this growth. Despite the conflict in the Middle East, we have managed to sustain a healthy margin and achieve robust financial outcomes. We have achieved an Adj. EBITDA of EGP 509.0 million, representing a 30.3% increase from Q3 23, with a substantial margin of 47% vs. 44% in Q3 23. In 9M 24, total hotel revenues increased by 29.1% to EGP 2.9 billion, with GOP also rising by 23.9% to EGP 1.5 billion compared to the previous year—moreover, Adj. EBITDA surged by 41.7% to EGP 1.4 billion in 9M 24, with an improved margin of 47% compared to 43% in 9M 23, driven by ongoing enhancements in operational efficiencies. This robust financial performance highlights our hotels' resilience and adeptness at navigating a challenging market environment. Substantial investments have been allocated to elevate our properties, including upgrades to facilities and enhancements in technological infrastructure, all aimed at ensuring an exceptional guest experience.

**Group recurring income segment: A substantial increase in recurring income, with revenues rising by 58.1% to reach EGP 2.1 billion and a margin of 36%.**

The commercial assets segment continues to serve as a reliable source of cash flow, playing a crucial role in funding the group's expansion and mitigating the cyclical downturn resulting from unforeseen events. It also holds a pivotal position in our future strategy. In Q3 24, revenue experienced a notable surge, increasing by 48.6% to EGP 765.7 million, while Adj. EBITDA also grew by 65.7% to EGP 264.8 million compared to Q3 23. This brings our commercial assets segment revenue to EGP 2.1 billion during 9M 24, marking a 58.1% increase vs. 9M 23; furthermore, our adj. EBITDA showed a significant 85.3% increase to EGP 744.0 million, resulting in a margin of 36% as opposed to 30% in 9M 23, signifying our commitment to operational excellence.

## **Details on the Destinations**

### **El Gouna:**

El Gouna has solidified its status as the destination of choice, with new real estate sales in Q3 24 increasing by 22.0% to EGP 2.6 billion. This brings our total real estate sales to EGP 10.5 billion, representing a remarkable rise of 109.7% (9M 23: EGP 5.0 billion). The substantial increase in real estate net sales was driven by a significant rise in our average selling prices, which escalated by 85.7% to EGP 226,206/sqm compared to 9M 23. In Q3 24, the average selling prices experienced an even more substantial surge, soaring by 148.1% to EGP 293,209/sqm. Concurrently, our construction activities are advancing swiftly, with plans to deliver 384 units by the end of this year, out of which 228 have already been handed over to clients. Additionally, in October, we launched a new real estate project, "Tuban," with a total inventory of USD 0.9 billion, of which we only released USD 30 million in inventory and sold out within a single day. Real estate revenues during 9M 24 witnessed an increase of 28.6%, amounting to EGP 4.6 billion.

Shifting gears to the hospitality segment, in Q3 24, El Gouna Hotel's revenues experienced a substantial rise of 48.7% to EGP 1.0 billion. The hotel occupancy levels reached 71% despite being affected by the seasonality and the impact of the Middle East tension. Furthermore, the average room rates (ARRs) saw a notable increase of 55.7%, reaching EGP 4,543 per night compared to Q3 23, and GOP increased by 57.1% to EGP 566.2 million. Moving into the 9M 24 figures, the hotel revenue continued its upward trajectory, growing by 50.0% to EGP 2.8 billion. The occupancy rate for 9M 24 stood at 69%, with ARR's climbing by 49.7% to EGP 4,252 per night. Meanwhile, the GOP displayed a solid 38.7% increase, reaching EGP 1.5 billion. Foreigners constituted 80% of the total hotel occupancy for 9M 24. Shifting the focus to commercial assets, a remarkable 57.5% surge in revenue was recorded, amounting to EGP 2.0 billion. El Gouna's total revenues experienced a significant uptick of 51.0%, reaching EGP 10.7 billion.

### **O West, Egypt:**

In the West Cairo market, O West has further solidified its position as a leader, achieving sales of EGP 8.7 billion during 9M 24, marking a notable 37.6% increase compared to 9M 23. The average selling prices exhibited significant growth, reaching EGP 104,508/sqm, reflecting a 76.6% increase from Q3 23. Additionally, the average selling prices for 9M 24 soared by 66.2% to EGP 91,764/sqm compared to 9M 23. Furthermore, O West completed the sale of a commercial building within the O West commercial strip to Seoudi Supermarket, marking the integration of the first supermarket in O West. The sale price for the building amounted to EGP 332 million. In terms of development progress, our construction pace is accelerating. We have delivered 472 units to homeowners during 9M 24 and anticipate handing over 528 units in 2024. The construction of the O West Club is advancing steadily, with partial operational readiness expected before the conclusion of 2024. The club boasts over 4,750 members, ensuring a consistent and recurring income stream. O West's total revenues increased by 63.6% to EGP 3.6 billion, reflecting its continued growth and leading position in the local market.

### **Makadi Heights, Egypt:**

Makadi Heights delivered excellent sales figures from the beginning of the year, with EGP 1.8 billion in real estate sales in Q3 24, a 142.1% increase compared to Q3 23. This brings our 9M 24 total real estate sales to EGP 4.0 billion, up by an impressive 124.7% vs. 9M 23. In Q3 24, the average selling price/sqm increased by 116.6%, reaching EGP 111,029/sqm compared to Q3 23. Similarly, the 9M 24 average selling price/sqm rose by 75.2% to EGP 81,949/sqm, indicating the growing value of our properties. The number of units sold increased by 22.8%, with 404 units sold in 9M 24, while real estate revenues soared by 63.6% to EGP 878.1 million. Total revenues from Makadi reached EGP 957.8 million, marking a 62.8% increase compared to 9M 23 figures.

### **Taba Heights, Egypt:**

Taba Heights remains a challenge for the group, with efforts focused on reducing the cash burn rate in the short and medium term while preparing for the resumption of tourism. The goal is to ensure the destination's operational readiness when tourism activities are back to normal. The company is dedicated to adopting a careful and pragmatic strategy to alleviate the effects of the ongoing crisis. Total revenues from Taba in 9M 24 reached EGP 148.0 million, reflecting a 65.8% decline compared to 9M 23. Only one of the six hotels is operational; the occupancy rate for Taba Heights reached 32% in 9M 24 and 62% for Q3 24.

**Figures for 9M 2024 and Q3 2024:**

Revenue by Segment (EGPmn)	Q3 24	Q3 23	9M 24	9M 23
Hotels	1,086.8	894.8	2,938.1	2,276.7
Land	3,390.8	2,359.9	9,094.5	6,361.2
Real estate	–	390.0	1,329.2	390.0
Commercial assets	765.7	515.4	2,093.3	1,323.7
<b>ODE Group</b>	<b>5,243.3</b>	<b>4,160.1</b>	<b>15,455.1</b>	<b>10,351.6</b>

(EGPmn)	Q3 24	Q3 23	9M 24	9M 23	9M 24 Adj.*	9M 23 Adj.*
<b>Revenue</b>	<b>5,243.3</b>	<b>4,160.1</b>	<b>15,455.1</b>	<b>10,351.6</b>	<b>15,455.1</b>	<b>10,351.6</b>
Cost of sales	(3,351.2)	(2,525.8)	(9,381.9)	(6,575.3)	(9,381.9)	(6,575.3)
<b>Gross profit</b>	<b>1,892.1</b>	<b>1,634.3</b>	<b>6,073.2</b>	<b>3,776.3</b>	<b>6,073.2</b>	<b>3,776.3</b>
Gross profit margin%	36.1%	39.3%	39.3%	36.5%	39.3%	36.5%
Investment Income	338.2	128.8	907.6	394.0	907.6	394.0
Administrative expenses	(118.7)	(88.5)	(311.9)	(203.2)	(311.9)	(203.2)
<b>Adj. EBITDA</b>	<b>2,111.6</b>	<b>1,674.6</b>	<b>6,668.9</b>	<b>3,967.1</b>	<b>6,668.9</b>	<b>3,967.1</b>
Adj. EBITDA margin%	40.3%	40.3%	43.2%	38.3%	43.2%	38.3%
Other gains/losses	164.1	66.4	(2,144.8)	(384.6)	(74.7)	(148.2)
Share of associates	16.5	45.3	65.6	102.9	65.6	102.9
<b>EBITDA</b>	<b>2,292.2</b>	<b>1,786.3</b>	<b>4,589.7</b>	<b>3,685.4</b>	<b>6,659.8</b>	<b>3,921.8</b>
Depreciation	(96.3)	(64.5)	(270.2)	(186.8)	(270.2)	(186.8)
Finance costs	(461.4)	(299.5)	(1,318.3)	(780.8)	(1,318.3)	(780.8)
Income tax expense	(443.1)	(394.6)	(767.0)	(684.0)	(767.0)	(684.0)
<b>Net Profit/loss</b>	<b>1,291.4</b>	<b>1,027.7</b>	<b>2,234.2</b>	<b>2,033.8</b>	<b>4,304.3</b>	<b>2,270.2</b>
<b>ODE shareholders</b>	<b>1,167.8</b>	<b>928.9</b>	<b>1,835.8</b>	<b>1,802.4</b>		
Non-controlling interest	123.6	98.8	398.4	231.4		
<b>Basic EPS (EGP)</b>	<b>1.03</b>	<b>0.83</b>	<b>1.62</b>	<b>1.62</b>		

(EGPmn)	30.09.24	31.12.23
Property, plant, and equipment	10,125.6	8,471.1
Inventory	13,568.0	12,807.0
Receivables	12,179.6	8,892.9
Cash and bank balances	7,254.1	5,164.1
Treasury bills	60.2	308.4
Investments in associates	371.0	450.2
Other assets	5,470.1	3,142.3
<b>Total assets</b>	<b>49,028.6</b>	<b>39,236.0</b>
Borrowings	11,279.6	8,633.0
Payables	9,611.9	8,518.7
Provisions	1,830.5	1,477.5
Other Liabilities	14,110.2	10,641.0
<b>Total liabilities</b>	<b>36,832.2</b>	<b>29,270.2</b>
Non-controlling interests	1,745.4	1,347.0
Equity to ODE shareholders	10,451.0	8,618.8
<b>Total liabilities and equity</b>	<b>49,028.6</b>	<b>39,236.0</b>

\* Adjusted net income excluding one-offs (forex losses or gains)

**Presentation:**

The associated presentation and financial statements are on Orascom Development Egypt's website under the Investor Relations section at <https://www.orascomde.com/investor-relations>.

**CI Capital will host a telephone conference on November 11th, 2024, at 3:00 pm Cairo Local Time (CLT).**

A telephone conference for analysts and investors hosted by CI Capital will be held in English on Monday, 11th of November 2024, at 3:00 pm Cairo Local Time. Chief Executive Officer Omar El Hamamsy, Chief Financial Officer Ashraf Nessim, and Group Director of Investor Relations Ahmed Abou El Ella will present 9M 2024 results and will be available to answer questions. Registration is not required.

**Dial-in details are as follows:**

[Click here](#) for the webinar link

**Event number:** 990 2454 5392

**Event password:** 812378

A call recording will be available after the call

Contact for Investors:

Ahmed Abou El Ella

Director of Investor Relations

Tel: +20 224 61 89 61

mobile: +20 122129 5555

Email: [ir@orascomdh.com](mailto:ir@orascomdh.com)

**About Orascom Development Egypt (ODE):**

Orascom Development Egypt is the largest subsidiary under Orascom Development Holding (ODH), a leading international developer specializing in vibrant, integrated communities in Europe, the Middle East, and North Africa. For more than 30 years, Orascom Development Holding has been a pioneer in creating destinations where people are inspired to live, work, and play with passion and purpose.

From El Gouna's stunning Egyptian coastal town by the Red Sea to O West's modern and integrated town living in the heart of West Cairo's Sixth of October, each master-planned community is a testament to ODE's commitment to place-making at its finest. Other integrated towns in Egypt include Makadi Heights near the Red Sea, Taba Heights on the Sinai Peninsula, and Byoum in Fayoum. ODE owns a land bank of over 50 million square meters, with nearly 28% developed or under development. ODE's hospitality portfolio includes 24 premium and luxury hotels with more than 4,900 rooms in Egypt. ODE shares are listed on the Egyptian Stock Exchange (EGX).

For more information, please visit <https://www.orascomde.com/>

**Disclaimer**

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events and can be identified by the use of such words and phrases as "according to estimates," "aims," "anticipates," "assumes," "believes," "could," "estimates," "expects," "forecasts," "intends," "thinks," "may," "plans," "potential," "predicts," "projects," "should," "to the knowledge of," "will," "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability, general economic and regulatory conditions, and other matters affecting the Company. Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from or fail to meet expectations expressed or implied by such forward-looking statements. The Company's business is subject to many risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to differ materially from those expressed or implied by the forward-looking statements in this prospectus. The information, opinions, and forward-looking statements in this communication speak only as of its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise concerning the content of this communication.