



PALM HILLS

Palm Hills Developments achieves record-breaking sales of EGP65.5 billion in 1H 2024, growing 3.3x YoY

Cairo on August 22, 2024 - Palm Hills Developments S.A.E. ("PHD" or "the Company"), a leading real estate developer in Egypt, announces its consolidated financial and operating results for the financial period ended June 30, 2024.

Key Highlights:

- During the first half of 2024, Palm Hills achieved strong operational performance with new sales rising 233% YoY to reach EGP65.5 billion, fueled by North Coast, West Cairo and Badya sales, respectively.
- North Coast and Alexandria region has demonstrated remarkable resilience and outstanding performance with sales approaching c. EGP30 billion by the end of 1H2024, growing 8.5x YoY, following the strong demand on the company's north coast developments.
- Revenue increased by 58% YoY to EGP10.9 billion in 1H2024, driven by significant growth in new sales during the first half and the increase in units' handovers.
- Gross profit increased by 80% YoY, implying a GPM of 39% in 1H2024 up from 34% in 1H2023.
- EBITDA more than doubled to reach EGP 2.9 billion compared to EGP1.4 billion in 1H2023, implying an EBITDA margin of 27%.
- Net Profit After Tax & Minority Interest stood at EGP1.7 billion in 1H2024, reflecting 2.8x increase YoY, with a Net Profit margin of 16% versus a margin of 9% in 1H2023.
- Receivables including off-balance sheet receivables stood at c. EGP104 billion compared to c. EGP69 billion in FY2023, covering net debt of EGP2.9 billion by 35x.
- Total Cash collected from customers increased 124% YoY to record c. EGP10.1 billion in 1H2024 compared to EGP4.5 bn in 1H23.

Yasseen Mansour, Executive Chairman, comments: "In the first half of 2024, we have achieved significant milestones including surpassing our FY2023 full year figures in both sales and profitability. This exceptional performance which reflects the trust of our customers and resilience of our brand equity continued during the third quarter, leading to an all-time new sales crossing c. EGP110 billion-mark until the 20th of August 2024, more than four-fold increase year-on-year. Looking forward, we remain committed to capitalizing on this momentum and the company will continue its growth trajectory for margins, EBITDA and NPAT".



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Financial Review

EGP Million	1H2024	1H2023	Change	2Q2024	2Q2023	Change
Revenue	10,938	6,919	58%	4,709	3,390	39%
Gross Profit	4,217	2,343	80%	1,879	1,205	56%
Gross Profit margin	39%	34%	5pp	40%	36%	4pp
EBITDA	2,945	1,384	113%	1,219	680	113%
EBITDA margin	27%	20%	7pp	26%	20%	6.9pp
Net Profit before Tax & Minority Interest	2,369	860	176%	940	478	97%
Net Profit after Tax & Minority Interest	1,703	608	180%	701	355	97%
Net Profit margin	16%	9%	7pp	15%	10%	5pp

Revenue stood at EGP10.9 billion in 1H2024, an increase of 58% YoY, supported by the remarkable increase in new sales complemented by higher units' handovers of 626 units in 1H2024 mainly in Badya, Palm Hills New Cairo, Palm Hills Alexandria and the Crown, this compared to 538 units delivered in 1H2023.

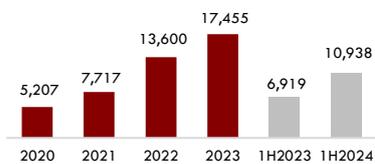
Gross Profit increased by 80% YoY to record EGP4.2 billion in 1H2024, with a gross profit margin growing to 39% in 1H2024 versus 34% in 1H2023. The sequential and annual margin improvement came thanks to sales and handover mix, given higher contribution of high margin units.

EBITDA grew to EGP2.9 billion, an increase of 113% YoY, with an EBITDA margin of 27% compared to 20% in 1H2023, mirroring GPM performance.

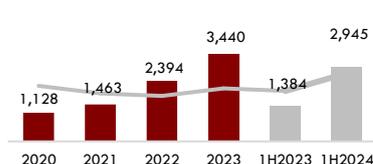
Net Profit After Tax & Minority Interest reached EGP1.7 billion in 1H2024, compared to EGP608 million in the comparable period last year, an increase of 180% YoY, boasting the Net Profit margin to 16% compared to 9% in 1H2023.

Net Debt stood at EGP2.9 billion by the end of 1H2024, while receivables balance stood at EGP104 billion in 1H2024, covering net debt by 35x.

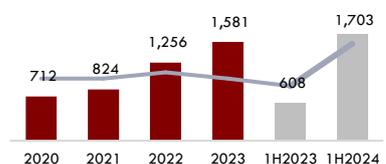
Revenue
(EGP mn)



EBITDA & EBITDA Margin
(EGP mn)



Net Profit after Tax & Minority Interest
(EGP mn)





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Operational Review

New sales stood at EGP 65.5 billion in 1H2024, an increase of 233% YoY driven by strong sales in all regions. The following chart illustrates percentage contribution of each operating region to new sales during 1H2024:



In West Cairo, the region has witnessed strong sales during the 1H2024 with sales growing 3x standing at EGP18.7 billion, boasted by sales in P/X, The Crown and Palm Parks

Badya booked total residential sales of EGP 10.5 billion in 1H2024 compared to EGP7 billion residential sales in 1H2023, an increase of 50% YoY.

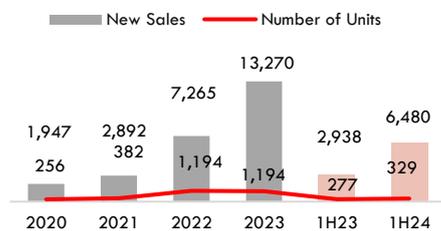
In East Cairo, new sales came in at EGP6.5 billion compared to EGP3 billion in 1H2023, driven by sales in Palm Hills New Cairo. Sales in PHNC were complemented by PHNC commercial area namely Palmet East.

North Coast and Alexandria region has demonstrated remarkable resilience and outstanding performance in 2Q2024 with sales approaching EGP30 billion by the end of 1H2024, growing more than 8x YoY. The increase in region sales was accomplished by the launch of new developments in the region.

The Company spent EGP4.1 billion on construction activities during 1H2024, a growth of 9% YoY, mainly in Badya, Palm Hills Alexandria, Palm Hills New Cairo, Hacienda West, and Alamein. As at the end of 1H-2024, a total of 763 units were released from construction and ready for handing over in Badya, Palm Hills New Cairo, Palm Hills Alexandria, The Crown, and Capital Gardens while Ready-to-Move inventory reached EGP3.2 billion, representing 108 units mainly in Palm Hills New Cairo, Badya and Hacienda West.

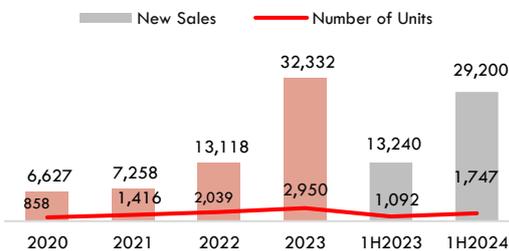
New Sales, All Regions

(EGP mn)



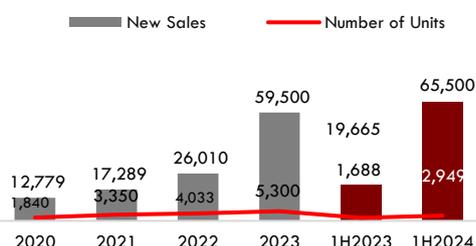
West Cairo & Badya

(EGP mn)



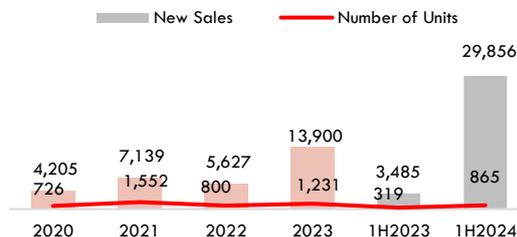
East Cairo

(EGP mn)



North Coast & Alexandria

(EGP mn)



Palm Hills Developments



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Consolidated Income Statement ²

EGP Thousand	June 30, 2024	June 30, 2023	%
Revenue	10,938,011	6,919,046	58%
Gross Profit	4,217,666	2,343,303	80%
Gross Profit margin	39%	34%	5pp
EBITDA	2,945,213	1,383,690	113%
EBITDA margin	27%	20%	7pp
Operating Profit	2,840,438	1,297,587	119%
Operating Profit Margin	26%	19%	7.2pp
Net Profit Before Income Tax & Minority Interest	2,369,517	859,804	176%
Net Profit After Tax & Minority Interest	1,703,707	608,048	180%
Net Profit After Tax & Minority Interest margin	15.6%	8.8%	6.8%

Consolidated Balance Sheet Items²

EGP Thousand	June 30, 2024	December 31, 2023
Total long - Term Assets	42,538,706	31,824,034
Total Current Assets	52,488,682	42,474,427
Total Assets	95,027,391	74,298,461
Total Current Liabilities	53,899,714	41,069,114
Total Long-Term Liabilities	27,816,971	21,507,499
Total Liabilities	81,716,685	62,576,613
Total Equity attributable to Parent Company	12,678,659	11,159,387
Non-Controlling Interest	632,048	562,461
Total Shareholders' Equity	13,310,707	11,721,848

Consolidated Cash Flow Statement²

EGP Thousand	June 30, 2024	June 30, 2023
Cash Flows from Operating Activities	(1,449,805)	(1,006,044)
Cash Flows from Investing Activities	(231,280)	(353,281)
Cash Flows from Financing Activities	2,046,666	2,018,129
Cash & Cash Equivalents as of June 30, 2024	3,554,822	1,823,527

2- Selected Company's Consolidated Financial Statements for the period ended June 30, 2024, prepared in accordance with Egyptian Accounting Standards ("EAS"), can be downloaded from our Company's website: www.palmhillsdevelopments.com



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About Palm Hills Developments

Palm Hills Developments ("PHD"), a leading real estate developer in Egypt, is a joint stock company established in 1997. The Company builds integrated communities and has one of the most diversified land bank portfolios, spreading over 33 million square meters ("sqm"). PHD's product offerings include primary homes in West Cairo, East Cairo and Alexandria, as well as secondary homes on the North Coast.

As at end of 1H2024, PHD delivered more than 15,700 units within its developments. Today, PHD has several projects under development in West Cairo, East Cairo, North Coast and Alexandria, in addition to co-development projects, translating into a sales backlog of c.EGP85 billion. PHD is listed and traded on the Egyptian Stock Exchange under the symbol "PHDC.CA". For more information, please visit: <https://ir.palmhillsdevelopments.com/>

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Disclaimer

This report contains statements that could be construed as forward looking. These statements appear in several places in this report and include statements regarding the intent, belief or current expectations of the number of units to be delivered, construction spending, projects' timelines and estimates regarding future growth of the business, financial results and other aspects of the activity and situation relating to the Company. Such forward-looking statements are no guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. You are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this report, which is not intended to reflect Palm Hills Developments business or acquisition strategy or the occurrence of unanticipated events.