

Orascom Development Egypt (ODE) (EGX: ORHD.CA) has released its consolidated results for Q4 2024.

ODE Delivers Exceptional Financial Results in FY 2024: Real estate sales reached a record EGP 32.5 billion, a 67% increase. Revenues experienced a substantial surge of 42%, amounting to EGP 21.8 billion, while net profit stood at EGP 3.4 billion, reflecting 10.5% growth despite being impacted by FX losses of EGP 1.8 billion.

Key Highlights of Q4 2024 vs. Q4 2023

- Total revenues increased by 27.4% to EGP 6.3 billion.
- Adj. EBITDA elevated by 50.0% to EGP 2.7 billion with a margin of 42.4%, showcasing our operational excellence.
- Net profit increased by 11.6% to EGP 1.2 billion.
- Net real estate sales rose by 46.8% to EGP 9.3 billion.
- Sold a 110,000 sqm land parcel to Hassan Allam Properties for USD 34.7 million (USD 341/sqm).
- Sold a 26,532 sqm land plot at the back end of El Gouna, an extension to the land previously sold during 1H 2024. The total transaction value for this land amounts to c. EGP 370 million (USD 274/sqm).

Key Highlights of FY 2024 vs. FY 2023

- Total revenues increased by 42.2% to EGP 21.8 billion.
- Adj. EBITDA experienced an increase of 62.5% to EGP 9.3 billion, resulting in a margin of 42.9%.
- Net profit increased by 10.5% to EGP 3.4 billion, while adjusted net profit, after excluding FX losses, increased by 55.5% to EGP 5.3 billion.
- Our hospitality division achieved record revenues of EGP 4.3 billion, reflecting a 41.6% increase despite challenging market conditions.
- FY 2024 marked another milestone year for the company, with total real estate sales reaching EGP 32.5 billion, representing a 67% year-over-year growth.
- Cash flow from operations increased by 151.5% to EGP 7.1 billion.

Cairo, 11 March 2025 – In 2024, ODE has exemplified an outstanding ability to sustain a positive growth trajectory, achieving impressive financial and operational results. This success has been realized despite significant challenges, including a foreign exchange loss of EGP 1.8 billion. Our resilient and diversified business model has been crucial in mitigating the negative effects of inflation that have impacted numerous sectors. This accomplishment underscores our steadfast commitment to innovation and operational efficiency, which have proven essential in navigating the complexities of the market. Importantly, we've experienced exceptional growth in real estate sales, which has significantly bolstered our overall revenue. Our relentless pursuit of operational excellence has also led to improved adjusted EBITDA, reflecting our capability to manage costs while maximizing profitability. Additionally, our net profit has demonstrated impressive growth, and all associated margins—key indicators of financial health—have also improved, highlighting our operational success this year. These record-breaking results reflect our strategic vision, meticulous planning, and the unwavering dedication of our teams in driving ODE forward through a challenging economic landscape.

Financial Review:

Q4 2024:

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

- ✓ **Total revenue:** In Q4 24, revenues increased by 27.4% to EGP 6.3 billion. The increase was due to exceptional growth in recurring income segments (hotels and commercial assets), which contributed EGP 2.3 billion to total revenue, marking an impressive 70.3% increase compared to FY 23. In addition to the land sale concluded during the period in El Gouna.
- ✓ **Gross profit:** During the quarter, the gross profit increased by 54.4%, reaching EGP 2.6 billion, accompanied by a gross margin of 41.6%. This substantial growth was primarily attributed to our enhanced business performance across all segments and the land sale concluded during the quarter.
- ✓ **Adj. EBITDA:** Adjusted EBITDA elevated by 50.0% to EGP 2.7 billion, boasting a 42.4% margin vs. 36.0% margin in FY 23.
- ✓ **Net income:** The company's net profit increased by 11.6% to EGP 1.2 billion.
- ✓ **Land sales:** Sold a 26,532 sqm land plot at the back end of El Gouna, an extension to the land previously sold during 1H 24. The total transaction value for this land amounts to c. EGP 370 million (USD 274/sqm).

FY 2024:

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

- ✓ **Revenue growth:** An outstanding increase of 42.2% to reach EGP 21.8 billion.
- ✓ **Real estate revenue:** Increased by 28.5% to EGP 12.9 billion compared to FY 23, with a margin of 39.4% vs. 38.8% in FY 23.
- ✓ **Recurring income segments:** Experienced exceptional growth in recurring income segments (hotels and commercial assets), contributing EGP 7.3 billion to total revenue, marking an impressive 48.0% increase compared to FY 23.

- ✓ **Gross profit:** Increased by 58.8% to EGP 8.7 billion, boasting a healthy margin of 40.0% vs. 35.8% in FY 23. This improved performance underscores our operational excellence and the positive impact of key strategic initiatives such as land sales and accelerated construction activities.
- ✓ **Adj. EBITDA:** Adj. EBITDA showed robust growth, expanding by 62.5% to a record of EGP 9.3 billion, with a margin of 42.9% in FY 24.
- ✓ **Other gains and losses:** A loss of EGP 2.6 billion was reported, mainly due to foreign currency debt resulting from the EGP's devaluation.
- ✓ **Finance costs:** Increased by 49.3% to EGP 1.7 billion, primarily due to rising interest rates.
- ✓ **Strong net income performance:** ODE's adjusted net income, excluding one-offs (forex losses), increased by 55.5% from EGP 3.4 billion in FY 23 to EGP 5.3 billion in FY 24. Meanwhile, the reported net income during FY 24 increased by 10.5% to reach EGP 3.4 billion vs. EGP 3.1 billion in FY 23.
- ✓ **Cash from operations:** Increased by 151.5% to EGP 7.1 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 7.4 billion, our foreign currency cash stood at USD 77.4 million, and our net debt reached EGP 2.8 billion in FY 24.

Group Real Estate segment: achieved unprecedented operational and financial milestones, with a 67% increase in net real estate sales, reaching EGP 32.5 billion. This marks the highest sales figure in ODE's history.

The fourth quarter of 2024 marked another record-breaking period for the company, with total sales reaching EGP 9.3 billion, a remarkable 46.8% increase from EGP 6.3 billion in Q4 23. This achievement brings our cumulative real estate sales value to an unprecedented EGP 32.5 billion, reflecting a significant 67.1% growth. Our international sales continue to be a cornerstone of our strategy, accounting for nearly 41% of our real estate sales in FY 24, up from 37% in FY 23. This underscores ODE's robust market presence and the trust we have earned from our customers. Among our projects, O West is the largest contributor to sales, representing 39% of the total, El Gouna at 38%, and Makadi Heights at 23%. Additionally, we have successfully increased our average selling prices per square meter across all destinations. The robust sales and construction activity growth has enhanced our real estate revenue by 3.3%, reaching EGP 3.8 billion in Q4 2024. Consequently, our total real estate revenues for FY 24 have risen to EGP 12.8 billion, reflecting an increase of 28.5%. Additionally, our Adj. EBITDA grew by 30.3% to EGP 5.1 billion for FY 24, with a margin of 39.4% as opposed to 38.8% in FY 23, reaffirming our commitment to operational excellence. Throughout 2024, we recorded a 46.9% increase in real estate cash collections, totaling EGP 14.7 billion. Furthermore, the total deferred revenue from real estate, which will not be recognized until 2029, has increased by 65.4% to EGP 37.3 billion. This trend provides substantial visibility regarding our real estate revenue across all destinations over the coming 3 to 4 years.

Group hotels segment: Achieved record-breaking revenues in 2024 amidst global challenges, showcasing resilience and industry leadership. Revenues were up by 42% to EGP 4.3 billion, with an Adj. EBITDA margin of 48%.

ODE Hotels delivered strong quarterly results driven by its well-established business model. Our hotels recorded revenues of EGP 1.4 billion, marking a notable 78.8% increase over Q4 23. This revenue growth drove our GOP to EGP 782.2 million, demonstrating a 95.1% increase vs. Q4 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 700.4 million, representing a 98.9% increase from Q4 23. In FY 24, total hotel revenues increased by 41.6% to EGP 4.3 billion, with GOP also rising by 42.7% to EGP 2.4 billion compared to the previous year—moreover, Adj. EBITDA surged by 56.9% to EGP 2.1 billion in FY 24. 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 and renovations to facilities and enhancements in technological infrastructure, all aimed at ensuring exceptional guest experience.

Group recurring income segment: A substantial increase in recurring income, with revenues rising by 58.4% to reach EGP 3.0 billion and a margin of 34%.

The commercial assets segment remains a dependable source of cash flow, crucial to funding our group's expansion and mitigating cyclical downturns from unforeseen events. It is central to our future strategy. In Q4 24, revenue surged by 58.9% to EGP 903.7 million, while Adj. EBITDA grew by 58.1% to EGP 259.3 million compared to Q4 2023. This brings our commercial assets segment revenue to EGP 3.0 billion for FY 24, marking a 58.4% increase from FY 23. Adj. EBITDA outpaced revenue growth, reaching EGP 1.0 billion, up by 77.4%, Adj. EBITDA margin reached 34% vs. 30% in FY 23, demonstrating operational excellence through successful restructuring, improved service quality and increased profitability.

Details on the Destinations

El Gouna:

El Gouna has established itself as the premier destination of choice, with total real estate sales achieving a new record of EGP 12.4 billion. This figure signifies a noteworthy increase of 63.8% from EGP 7.6 billion in FY 23. The significant growth in net real estate sales was primarily propelled by a considerable rise in average selling prices, which escalated by 81.2% to EGP 233,250 per square meter compared to FY 23. Meanwhile, in Q4 24, average selling prices witnessed an even more remarkable increase, surging by 99.9% to EGP 280,496 per square meter. During 2024, we successfully delivered 371 units to our clients across various projects. Looking ahead to 2025, we plan to deliver an additional 394 units. The real estate revenues during FY 24 increased by 25.6%, reaching EGP 6.3 billion.

During Q4 2024, we advanced our land monetization acceleration strategy and successfully finalized two land sales, generating a total value of EGP 2.1 billion. The first transaction occurred in November 2024, in which we sold a land plot to Hassan Allam Properties for USD 34.7 million, equating to USD 341/sqm. This land, situated in the central area of El Gouna, encompasses an area of 110,000 square meters. Subsequently, in December 2024, we completed the sale of a 26,532 sqm land parcel at the rear of El Gouna, an extension of the land previously sold in 1H 24. The total value of this transaction is c. EGP 370 million, corresponding to USD 274/sqm. Total land revenues increased by 317.5% to EGP 1.6 billion in FY 24.

Moving to the hospitality business, El Gouna's hotels achieved unprecedented revenue levels in 2024 despite facing global challenges, demonstrating both resilience and leadership within the industry. In Q4 24, our hotels reported robust operational and financial performances, with revenues increasing by 86.2% to EGP 1.3 billion (Q4 23: EGP 724.2 million). Hotel occupancy reached an impressive 78%. Furthermore, the ARRs experienced a significant rise of 70.2%, reaching EGP 5,380 per night compared to Q4 23. The GOP surged by 91.6%, amounting to EGP 790.1 million. For FY 24, hotel revenues grew by 60.1% to EGP 4.2 billion, marking the highest level ever recorded. FY 2024 occupancy rate stood at 71%, while ARRs increased by 57.7% to EGP 4,535 per night. The GOP exhibited substantial growth of 53.6%, achieving EGP 2.4 billion. Foreign guests comprised 79% of the total hotel occupancy for FY 24. Shifting to our last segment in the destination, El Gouna's commercial assets recorded a remarkable 58.3% increase in revenue to reach EGP 2.8 billion. Overall, El Gouna's total revenues reflected a significant increase of 52.4%, reaching EGP 14.9 billion during FY 24.

O West, Egypt:

O West continued strengthening its leading position in West Cairo and achieved an impressive sales record of EGP 12.5 billion during FY 2024, marking a remarkable growth of 37.3% compared to FY 23. Meanwhile, Q4 24 alone saw real estate sales increase by 36.6% to EGP 3.9 billion. Our average selling prices increased by an impressive 91.9% to EGP 122,900/sqm vs. Q4 23, while FY 24 average selling prices were up by 72.8% to EGP 99,786/sqm vs. FY 23. In terms of development progress, our construction pace is accelerating. We delivered 1,015 units during 2024. Construction of the O West Club is progressing steadily, with plans to become partially operational during 1H 2025. The club has over 4,750 members, providing a steady recurring income stream. O West's total revenues increased by 31.7% to EGP 5.3 billion during FY 24, reflecting its continued growth and leading position in the local market.

Makadi Heights, Egypt:

Makadi Heights delivered outstanding real estate sales figures, achieving EGP 3.5 billion in Q4 24, an impressive 283.8% surge compared to Q4 23, showcasing extraordinary growth. This brings our FY 24 total real estate sales to EGP 7.5 billion, up by an impressive 178.4% compared to FY 2023. In Q4 24, the average selling price per square meter increased by 47.0%, reaching EGP 100,901 per sqm compared to Q4 23. Similarly, the FY 24 average selling price per square meter rose by 71.5% to EGP 89,748 per sqm, reflecting the growing value of our properties. The number of units sold increased by 68.4%, with 731 units sold in FY 24. Notably, international sales represented 59% of total real estate sales during FY 24. Makadi Heights successfully delivered 500 units during 2024, with many being early deliveries thanks to the destination's accelerating construction pace. Total revenues from Makadi Heights reached EGP 1.4 billion, an increase of 37.4% compared to FY 23.

Taba Heights, Egypt:

Taba Heights continues to pose a challenge for the group, with efforts aimed at lowering the cash burn rate in both the short and medium term, while also preparing for the return of tourism. The aim is to ensure the destination is operationally ready once tourism resumes to normal levels. The company is committed to implementing a cautious and practical strategy to mitigate the impacts of the ongoing crisis. In FY 24, total revenues from Taba Heights amounted to EGP 172.3 million, showing a 64.1% decrease compared to FY 23. Of the six hotels, only one remains operational, with the occupancy rate reaching 27% during FY 24.

Figures for Q4 2024 and FY 2024:

Revenue by Segment (EGPmn)	Q4 24	Q4 23	FY 24	FY 23
Hotels	1,365.6	763.7	4,303.7	3,040.4
Real estate	3,758.3	3,639.1	12,852.8	10,000.3
Land	312.1	3.1	1,641.3	393.1
Commercial assets	903.7	568.7	2,997.0	1,892.4
ODE Group	6,339.7	4,974.6	21,794.8	15,326.2

(EGPmn)	Q4 24	Q4 23	FY 24	FY 23	FY 24 Adj.*	FY 23 Adj.*
Revenue	6,339.7	4,974.6	21,794.8	15,326.2	21,794.8	15,326.2
Cost of sales	(3,701.8)	(3,266.4)	(13,083.7)	(9,841.6)	(13,083.7)	(9,841.6)
Gross profit	2,637.9	1,708.2	8,711.1	5,484.6	8,711.1	5,484.6
Gross profit margin%	41.6%	34.3%	40.0%	35.8%	40.0%	35.8%
Investment Income	243.5	176.6	1,151.1	570.6	1,151.1	570.6
Administrative expenses	(194.1)	(93.7)	(506.0)	(297.0)	(506.0)	(297.0)
Adj. EBITDA	2,687.3	1,791.1	9,356.2	5,758.2	9,356.2	5,758.2
Adj. EBITDA margin%	42.4%	36.0%	42.9%	37.6%	42.9%	37.6%
Other gains/losses	(514.1)	47.7	(2,658.9)	(336.9)	(821.1)	(58.7)
Share of associates	66.5	39.7	132.2	142.6	125.3	142.6
EBITDA	2,239.7	1,878.5	6,829.5	5,563.9	8,667.3	5,842.1
Depreciation	(106.2)	(88.4)	(376.4)	(275.2)	(376.4)	(275.2)
Finance costs	(357.9)	(342.2)	(1,676.2)	(1,123.0)	(1,676.2)	(1,123.0)
Income tax expense	(564.5)	(362.5)	(1,331.6)	(1,046.5)	(1,331.6)	(1,046.5)
Net Profit/loss	1,211.1	1,085.4	3,445.3	3,119.2	5,283.1	3,397.4
ODE shareholders	1,272.7	1,026.3	3,108.5	2,828.7		
Non-controlling interest	(61.6)	59.1	336.8	290.5		
Basic EPS (EGP)	1.13	0.91	2.75	2.53		

(EGPmn)	31.12.24	31.12.23
Property, plant, and equipment	10,980.7	8,471.1
Inventory	13,932.5	12,807.0
Receivables	12,785.4	8,892.9
Cash and bank balances	7,351.6	5,164.1
Treasury bills	63.2	308.4
Investments in associates	437.6	450.2
Other assets	5,149.4	3,142.3
Total assets	50,700.4	39,236.0
Borrowings	11,032.0	8,633.0
Payables	9,762.7	8,518.7
Provisions	2,517.6	1,477.5
Other Liabilities	14,252.7	10,641.0
Total liabilities	37,564.9	29,270.2
Non-controlling interests	1,558.0	1,347.0
Equity to ODE shareholders	11,577.5	8,618.8
Total liabilities and equity	50,700.4	39,236.0

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

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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 March 11th, 2025, at 1:30 pm Cairo Local Time (CLT).

A telephone conference for analysts and investors hosted by CI Capital will be held in English on Tuesday, 11th of March 2025, at 1:30 pm Cairo Local Time (CLT). Chief Executive Officer Omar El Hamamsy, Chief Financial Officer Ashraf Nessim, and Group Director of Investor Relations Ahmed Abou El Ella will present FY 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: 986 9919 8089

Event password: 181546

A call recording will be available after the call

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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

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