

Orascom Development Egypt (ODE) (EGX: ORHD.CA) has released its consolidated financial results for the first quarter of 2025.

Cairo, 14 May 2025 - ODE began the year on a strong note, marked by outstanding performance across all key financial indicators. Revenues surged by 54% to EGP 6.4 billion, while Adjusted EBITDA more than doubled, soaring by 116% to EGP 3.4 billion. Net profit also delivered robust results, reaching EGP 2.0 billion.

Key Highlights of Q1 2025 vs. Q1 2024

- **Total revenues increased by 54.3% to EGP 6.4 billion.**
- **Adj. EBITDA grew ahead of revenue, increasing by 115.5% to EGP 3.4 billion in Q1 2025, with a margin of 52.7% vs. 37.7% in Q1 2024.**
- **Recorded a net profit of EGP 2.0 billion vs. a loss of EGP 1.0 billion in Q1 2024.**
- **The hospitality segment has experienced an outstanding performance, with revenues increasing by 68.4% to EGP 1.2 billion, notwithstanding the effects of seasonality.**
- **Revenues from recurring business in Q1 2025 increased by 59% to EGP 2.1 billion compared to Q1 2024.**
- **The cash balance remained strong, reaching EGP 7.6 billion, and foreign currency cash stood at USD 80.2 million.**
- **Cash flow from operations reached EGP 1.8 billion.**
- **Net real estate sales reached EGP 4.1 billion.**

Financial Review:

Q1 2025:

ODE commenced 2025 with strong financial results, demonstrating a remarkable resilience in a challenging economic landscape. The company reported total revenue of EGP 6.4 billion for Q1 2025, reflecting a substantial year-on-year increase of 54.3%. This growth trajectory underscores the effectiveness of our strategic initiatives and the robustness of our business model. In parallel, the gross profit exhibited a significant upsurge, rising by 130.2% to reach EGP 3.3 billion. The increase in GOP outpaced revenue growth, resulting in an improved gross profit margin of 50.7%, which is markedly higher than the margin of 34.0% achieved in Q1 2024. The enhancement in revenues and gross profit can be attributed primarily to the superior performance of our recurring income segments, including hotels and commercial assets. These segments witnessed a compelling increase of 58.9%, contributing EGP 2.1 billion to revenue in Q1 2025. Additionally, our results benefited from the recognition of EGP 1.6 billion derived from the land sale in El Gouna, a transaction executed in late 2024 with Hassan Allam. This significant sale not only bolstered our revenue but also highlighted the value of our strategic asset management.

Adj. EBITDA expanded by 115.5% to reach EGP 3.4 billion, underscoring our commitment to operational excellence. This increase resulted in a margin of 52.7%, representing a substantial improvement compared to the 37.7% margin recorded in Q1 2024, which reinforces our effective cost management practices.

The other gains and losses reported a loss of EGP 112.8 million, compared to a loss of EGP 2.4 billion in Q1 2024. This improvement is primarily attributed to the stabilization of the Egyptian Pound following its earlier devaluation in 2024, which had adversely impacted our financial outcomes in the prior period. Furthermore, our finance costs decreased by 5.9%, amounting to EGP 409.3 million in the first quarter of 2025.

As a result of these positive developments, our net profit reached EGP 2.0 billion in Q1 2025, representing a dramatic contrast to the net loss of EGP 1.0 billion incurred during the same period last year. Overall, these strong results are a testament to our strategic direction and the effectiveness of our operational execution in a fluctuating economic environment.

Group Real Estate Segment: Real estate sales reached EGP 4.1 billion, primarily due to the limited number of launches during the period. The real estate deferred revenue balance increased by 38%, providing strong visibility of our real estate revenue across all our destinations over the next four years.

ODE sold 131 units during the first quarter of 2025, generating net contracted sales of EGP 4.1 billion (compared to EGP 8.8 billion in Q1 2024). Approximately 43% of sales are primarily from international markets. The drop in sales is primarily attributable to the limited launches in Q1 2025 compared to Q1 2024, as the company temporarily halted sales at the beginning of 2025 across O West and Makadi Heights, revisiting sales prices. Despite that, we have witnessed a healthy demand for the limited launches released during the quarter. We will continue to bring forward new releases across all our destinations throughout the year, as we closely monitor the macroeconomic environment, the latest market trends, and their impact on our pricing strategy.

Going forward, ODE will periodically review its selling prices as it seeks to balance maximizing sales with managing cost inflation risk in the current inflationary environment. El Gouna is the group's largest contributor to sales, accounting for 74%, followed by O West at 15%, and finally Makadi Heights at 11%. Our real estate revenue has decreased by 2.7% to EGP 2.8 billion. The slight decline in revenues can be attributed to the drop in revenue from the O West project. This decline occurred as priority was given to the timely delivery of the first phase of apartments to clients, which impacted overall revenue. However, revenues are likely to rise in the upcoming quarter, aligning with a strategic initiative to accelerate the pace of construction activities. Additionally, Adj. EBITDA reached EGP 1.2 billion, with a margin of 43.2%. Our real estate cash collections amounted to EGP 3.4 billion. Furthermore, the total deferred revenue from real estate, which will not be recognized until 2029, has increased by 38.1% to EGP 38.6 billion, providing strong visibility into our real estate revenue across all our destinations over the next 3-4 years. Meanwhile, total real estate receivables, including off-balance sheet, stood at EGP 51.9 billion in Q1 2025 compared to EGP 37.4 billion in Q1 2024, up by 38.9% y-o-y.

Group Hotels Segment: Our hotel segment had an outstanding start despite the turmoil in the Middle East, with revenues up by 68% to EGP 1.2 billion.

Despite the challenging global macro and geopolitical environment, particularly in the Middle East, our hotel segment delivered impressive financial and operational performance across all metrics during the first quarter of 2025. Our hotels demonstrated remarkable financial and operational resilience in the first quarter of 2025, achieving record revenues that surged 68% to EGP 1.2 billion, the highest first-quarter figure in the company's history, compared to EGP 698.8 million in Q1 2024. The GOP reached EGP 601.0 million, reflecting a robust 63.2% increase from the previous year, meanwhile, Adj. EBITDA soared to EGP 554.7 million, up 93.8% from EGP 286.2 million in Q1 2024, with an impressive margin improvement to 47.1%, up from 41.0%. Despite being impacted by the Holy Month of Ramadan in March 2025, we successfully maintained high occupancy rates and improved average room rates, showcasing our ability to adapt and thrive. This stellar performance underscores the company's commitment to enhancing the guest experience through strategic investments in property upgrades and technological advancements, as it remains dedicated to navigating ongoing industry challenges and ensuring exceptional service and sustained financial success.

Recurring commercial assets segment; continual improvement in operations, with revenues up 49% to c. EGP 1.0 billion and Adj. EBITDA is up by 52% to EGP 361.4 million with a margin of 38%.

The commercial assets segment remains a dependable source of cash flow in financing the group's growth while protecting against cyclical slowdowns resulting from unforeseen events. Total revenue derived from our commercial assets has shown significant growth, increasing by 48.5% to reach EGP 950.9 million, compared to EGP 640.3 million in Q1 2024. Adj. EBITDA has increased at a rate exceeding revenue, reflecting our operational excellence, which is attributable to the successful implementation of restructuring initiatives that have enhanced the quality and profitability of our services and amenities. Adj. EBITDA rose by 52.3% to EGP 361.4 million, resulting in a margin of 38.0%, up from 37.1% in Q1 2024. This upward trend underscores our strategic focus on maximizing efficiency and reinforces our commitment to delivering sustainable value to our stakeholders.

Details on the Destinations

El Gouna:

El Gouna's net real estate sales reached EGP 3.0 billion, a 26.2% decrease compared to the EGP 4.1 billion recorded in Q1 2024. The decrease is primarily due to the limited number of launches in Q1 2025. Moreover, we continued our strategy of increasing the average selling prices of real estate units. In Q1 2025, our average selling prices increased by 56% to EGP 279,416/sqm compared to Q1 2024. During Q1 2025, 96 units were delivered, and the remaining 314 units are scheduled for delivery as planned. El Gouna's real estate revenues have increased by 29.9% in Q1 2025, reaching EGP 1.9 billion (Q1 2024: EGP 1.5 billion).

Looking at El Gouna's hospitality arm, our hotels have continued to thrive despite the challenging market environment and the seasonality effect caused by the holy month of Ramadan. Our strong ties with leading European tour operators have helped us achieve growth in our bottom-line operational and financial outcomes. El Gouna hotel revenues increased by 67.9% to EGP 1.2 billion (Q1 2024: EGP 689.5 million). Our ARR's were up 54% to EGP 5,159 per night compared to Q1 2024. Meanwhile, GOP for El Gouna hotels increased by 59.1% to EGP 611.6 million during Q1 2025. During Q1 2025, our hotel occupancy reached 72% compared to 62% in Q1 2024, despite the seasonal impact of Ramadan. During the Eid and Easter breaks, occupancy at our hotels reached 100%. Foreigners represented 86% of our total hotel occupancy during Q1 2025. Our commercial assets' revenues increased by 43.8% to EGP 888.4 million compared to Q1 2024, reaping the benefits of the successful restructuring implementation. El Gouna's total revenues were up 98.6% to EGP 5.5 billion (Q1 2024: EGP 2.8 billion).

O West, Egypt:

O West net real estate sales declined by 82.0% to EGP 604.7 million. This downturn is primarily attributable to our strategic decision to restrict new property launches during this period. We plan to resume releases across O West starting in the second quarter of 2025, while closely monitoring the macroeconomic environment and its influence on our pricing strategies. Our average selling prices have increased by 75.3% to reach EGP 127,801/sqm. O West has set a target to deliver 1,300 units throughout the project by 2025. Additionally, total revenue from O West decreased by 54.9% to EGP 530.6 million. This decline is primarily due to our prioritization of the timely delivery of the first phase of apartments to our clients, which has adversely affected overall revenue. Nevertheless, we anticipate a rise in revenues in the forthcoming quarter, consistent with a strategic initiative to expedite construction activities. O West is studying a capital increase. This initiative is expected to be finalized and implemented in 2025. O West intends to utilize this capital raise to strengthen its financial position, support ongoing projects, and pursue any new growth opportunities.

Makadi Heights, Egypt:

In Q1 2025, Makadi Heights's net real estate sales declined by 63.3% to EGP 463.7 million vs. EGP 1.3 billion in Q1 2024. This downturn is primarily due to our strategic decision to limit new launches during this period. International sales represented 51% of total real estate sales during Q1 2025. Notably, our average selling prices have continued to rise, with the average selling price per square meter increasing by 102.8% to reach EGP 119,613/sqm compared to the first quarter of 2024. Makadi Heights has set a target to deliver 700 units by 2025, with most of these units expected to be completed ahead of schedule, thanks to the destination's expedited construction efforts. Total revenues from Makadi Heights have increased by 81.4%, reaching EGP 387.4 million, compared to EGP 213.6 million in Q1 2024.

Taba Heights, Egypt:

Taba Heights continues to pose a challenge for the group. We continue to minimize the cash burn rate in the short and medium term, ensuring the destination can operate once tourism resumes. We remain committed to implementing a prudent approach in our efforts to mitigate the impact of the current crisis. Total revenues from Taba during Q1 2025 reached EGP 28.2 million, representing a 161.1% increase compared to Q1 2024. Only one hotel operates out of the six hotels.

Figures for Q1 2025:

Revenue by Segment (EGPmn)	Q1 2025	Q1 2024
Hotels	1,176.9	698.8
Real estate	2,760.7	2,836.3
Land	1,553.0	—
Commercial assets	950.9	640.3
ODE Group	6,441.5	4,175.4

(EGPmn)	Q1 2025	Q1 2024
Revenue	6,441.5	4,175.4
Cost of sales	(3,177.9)	(2,757.7)
Gross profit	3,263.6	1,417.7
Gross profit margin	50.7%	34.0%
Investment Income	310.1	259.9
Administrative expenses	(177.5)	(101.6)
Adj. EBITDA	3,396.2	1,576.0
Adj. EBITDA margin	52.7%	37.7%
Other gains/losses	(112.8)	(2,364.3)
Share of associates' gains	29.3	21.8
EBITDA	3,312.7	(766.5)
Depreciation	(120.6)	(83.0)
Finance costs	(409.3)	(434.9)
Income tax expense	(802.3)	299.9
Net Profit for the period	1,980.5	(984.5)
ODE shareholders	2,044.7	(1,181.6)
Non-controlling interest	(64.2)	197.1
Basic EPS (EGP)	1.81	(1.05)

Balance Sheet (EGPmn)	31.03.25	31.12.24
Property, plant, and equipment	11,332.5	10,980.7
Inventory	14,320.3	13,932.5
Receivables	14,706.3	12,785.4
Cash and bank balances	7,404.8	7,351.6
Treasury bills	189.8	63.2
Investments in associates	306.2	437.6
Other assets	5,785.6	5,149.4
Total assets	54,045.5	50,700.4
Borrowings	9,988.4	11,032.0
Payables	9,837.3	9,762.7
Provisions	3,122.5	2,517.6
Other Liabilities	15,981.2	14,252.7
Total liabilities	38,929.3	37,564.9
Non-controlling interests	1,493.8	1,558.0
Equity to ODE shareholders	13,622.4	11,577.5
Total liabilities and equity	54,045.5	50,700.4

Presentation:

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

CI Capital will host a telephone conference on May 14th, 2025, 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 Wednesday, May 14th, 2025, at 3:00 pm Cairo Local Time. Chief Executive Officer Omar El Hamamsy, Chief Financial Officer Ashraf Nessim, and Group Head of Investor Relations Ahmed Abou El Ella will present Q1 2025 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: 968 9723 0378

Event password: 661942

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 more than 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/>

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