

Press Release

Orascom Development Egypt (ODE) recorded, a 32.3% increase in real estate sales in Q4 2020 and ended the year with net sales of EGP 6.2 billion and a cash balance of EGP 2.1 billion.

Cairo, 23 February 2021 – Orascom Development Egypt (ODE), announces preliminary unaudited KPI's for FY 2020. The full results are expected to be announced mid-March 2021.

Real Estate

El Gouna and Makadi Heights real estate sales benefited from the concentration of extended-stay from people during the lock-down. We witnessed an increase in demand on our real estate units since May 2020, and we were able to capitalize on that demand by continuing to boost our real estate offerings to cater to the different needs. Q4 2020 net real estate sales increased by 32.3% to EGP 1.8 billion (Q4 2019: EGP 1.4 billion) and net real estate sales for FY 2020 reached EGP 6.2 billion (FY 2019: EGP 6.9 billion).

El Gouna continued to prove its status as the premier destination in Egypt, recording a 10.6% increase in net real estate sales of EGP 2.4 billion in FY 2020 compared to EGP 2.2 billion in FY 2019. In Makadi Heights, real estate sales continued its positive momentum and recorded a 12.6% increase to EGP 450.4 million from EGP 400.1 million in FY 2019. For O West, new sales during Q4 2020 marked EGP 1.2 billion, a tremendous growth of 46.9% YoY. In FY 2020 net sales reached EGP 3.3 billion vs. EGP 4.3 billion in FY 2019. It is important to highlight that we were able to push our average selling prices across all destinations while still securing a solid sales balance.

FY 2020 & Q4 2020 Real Estate KPIs:

Country	Destination	Net sales (EGP mn)			Average selling price (EGP/m ²)		
		FY 2020	FY 2019	Δ in %	FY 2020	FY 2019	Δ in %
Egypt	El Gouna	2,409.5	2,178.2	10.6%	56,581	50,941	11.1%
	Fayoum	10.9	25.1	(56.6%)	15,310	13,633	12.3%
	Makadi Heights	450.4	400.1	12.6%	18,534	12,100	53.2%
	O West	3,316.1	4,324.7	(23.3%)	25,573	21,435	19.3%
ODE Group Total*		6,186.9	6,928.2	(10.7%)			

*The value of contacted units in FY 2020 includes EGP 613.3 million from land sales.

Country	Destination	Net sales (EGP mn)			Average selling price (EGP/m ²)		
		Q4 2020	Q4 2019	Δ in %	Q4 2020	Q4 2019	Δ in %
Egypt	El Gouna	535.1	499.0	7.2%	57,636	54,561	5.6%
	Fayoum	(4.7)	–	–	–	–	–
	Makadi Heights	113.4	77.7	45.9%	27,520	18,635	47.7%
	O West	1,201.0	817.7	46.9%	28,161	22,509	25.1%
ODE Group Total		1,844.8	1,394.4	32.3%			

We started speeding our construction activity during the 2H 2020 and we are continuing with this pace in El Gouna, Makadi Heights and O West, deploying 100% capacity among all our construction sites, complemented by all the necessary precautionary and safety measures. The enhanced construction momentum boosted our Real estate revenues for 2020 and grew our ending deferred revenue balance. The deferred revenue remains solid and fully funded, providing concrete visibility on future cash flows and earnings. We have also enhanced our collection activity across the board, reducing our delinquency rates to only 4% and significantly increasing our real estate receivables portfolio.

Hotels

Hotel business continues to be dramatically impacted by the global pandemic. While ODE acknowledges that the full recovery from the pandemic will take time, the current pick up in local travel and the global vaccine roll-out plans, reinforces the Group's view that when people feel safe, travelling demand will return quickly. We are continuing to implement several cost saving initiatives across our hotels and developing specialized packages and offerings to create local demand for all destinations. In Egypt, as per the governmental decree, hotels are still restricted to operate at 50% of their total capacity since June 2020.

FY 2020 & Q4 2020 Hotels KPIs:

Destination	Occupancy %		ARR (EGP)		TRevPAR (EGP)		(GOP PAR)	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
El Gouna	27%	82%	1,275	1,184	479	1,385	58	666
Taba Heights	11%	48%	454	598	85	417	(94)	(10)
Fayoum	16%	29%	1,224	1,130	307	544	26	155

Destination	Occupancy %		ARR (EGP)		TRevPAR (EGP)		(GOP PAR)	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019
El Gouna	25%	79%	1,494	1,269	484	1,423	90	672
Taba Heights	6%	46%	369	561	51	377	(64)	(111)
Fayoum	21%	28%	1,111	1,371	349	606	40	210

Healthy Financial Status

ODE continued its prudent cash management throughout 2020 and ended the year with a cash balance of EGP 2.1 billion, an increase of 79.6%, compared to the EGP 1.1 billion in FY 2019. Total debt reached EGP 3.5 billion, while net debt reached EGP 1.5 billion (FY 2019: EGP 2.1 billion). We successfully signed a medium-term loan agreement to refinance and upsize the outstanding debt, at our discretion, with the EGP equivalent of USD 265 million 7 years term loan with a 2.5-year grace period.

About Orascom Development Egypt (ODE):

Orascom Development Egypt (ODE) is the largest subsidiary of Orascom Development Holding AG (ODH). ODE is an integrated developer of resort towns in Egypt, with a vertically integrated business model involving the development of residential units, hotels, and recreational facilities such as golf courses, town centers, and marinas, in addition to supporting infrastructure, such as hospitals, schools, and utilities. ODE currently owns a land bank of 49.9 million square meter and 24 hotels with a total of 4,950 rooms within four operating destinations. El Gouna, on the Egyptian Red Sea Coast in Hurghada, Taba Heights, on the Sinai Peninsula, Makadi Heights in Hurghada and Byoum in Fayoum. ODE launched O West, the latest addition to its portfolio and its first project in Cairo, Egypt, located in the 6th of October City.

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