

SODIC ("Sixth of October Development & Investment Company") (EGX OCDI.CA) has released its consolidated operational and financial results for the quarter ended 30th of June 2024.

SODIC's displays growth in net profit by 87% YoY, revenues by 35% and gross sales by 34%

Hospitality portfolio expands with the signing of three more hotels

Second Quarter 2024 Financial Highlights

- Revenues amounted to EGP 2.1 billion, up 48% YoY.
- Gross profit reached EGP 754 million, up 36% YoY, and reflecting a gross profit margin of 36%.
- Operating profit amounted to EGP 342 million, up 43% YoY, and implying an operating profit margin of 16%.
- Net profit after tax and non-controlling interests recorded EGP 235 million, up 59% YoY, and delivering a net profit margin of 11%.

Six Months Ended 30th of June 2024 Operational & Financial Highlights

- Revenues amounted to EGP 3.94 billion, up 35% YoY;
- Gross profit reached EGP 1.41 billion, up 26% YoY, and reflecting a gross profit margin of 36%;
- Operating profit amounted to EGP 714 million, up 77% YoY, and implying an operating profit margin of 18%;
- Net profit after tax and non-controlling interests recorded EGP 626 million, up 87% YoY

Key Corporate Highlights

- April 24th: SODIC, and Nobu, the renowned luxury lifestyle brand announce the signing of Nobu Hotel and Restaurant East Cairo. The signing marks Nobu and SODIC's third venture in Egypt, following the announcement of Nobu Hotel, Restaurant, and Residences in both West Cairo and North Coast Egypt last summer.
- June 11th: SODIC signed agreement with Marriott International, Inc. to bring the Tribute Portfolio brand to two of the leading developer's hotels in West Cairo and the North Coast.
- June 24th: SODIC announced the upcoming grand opening of its newest retail destination, Eastown District New Cairo "EDNC", in September 2024.

Commenting on the results Ayman Amer SODIC's General Manager said "We are happy to report a strong set of results for the first half of 2024, marked by substantial growth in revenues and profits. Sales have grown by 34% despite the limited launches in the first quarter as we remain committed to delivering profitable sales and sustainable growth. We are proud to have taken further strides in our hospitality offering, having expanded our relationship with Nobu, the renowned luxury lifestyle brand, and partnered with Marriott International to bring two Tribute Portfolio Hotels in West Cairo and the North Coast. The robust demand for our projects reflected in the demand for our launches and the significant drop in cancellations underscores the strength of our brand and the resilience of the Egyptian market".



Earnings Release

Q2 2024

Cairo, Egypt

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Operational Review

Six Months Ended 30th of June 2024

Gross Contracted Sales

SODIC sold 361 units during the first six months, generating gross contracted sales of EGP 10.93 billion, an increase of 34% over EGP 8.17 billion of gross contracted sales recorded during H1 2023.

Gross contracted sales during the period were diversified between SODIC's main markets, with West Cairo accounting for 58% of sales supported by the strong demand for the 464 acres project and The Estates which contributed to c. EGP 5.3 bn in contracted sales, 49% of SODIC's contracted sales in H1 2024. North Coast projects contributed 36% of the company's gross contracted sales on the back of robust sales in June, which contributed 22% of sales. East Cairo accounted for 6% of contracted sales during the first half of 2024.

Cancellations

Cancellations of EGP 253 million were recorded during the period, representing 2% of the year's gross contracted sales. This compares to a cancellation rate of 10% during H1 2023.

Collections

Net cash collections reached EGP 6 billion for the period, with delinquencies at 6%. This compares to collections of EGP 4 billion and a delinquency rate of 5% recorded during H1 2023.

Deliveries

SODIC delivered some 478 units during this first six months of the year, of which 324 were in East Cairo projects, while West Cairo accounted for 154 of the delivered units. This compares to 402 units delivered during the previous year's first half year.

CAPEX

CAPEX spent on construction during H1 amounted to EGP 3 billion, compared to EGP 2 billion spent during the first half of 2023.

Financial Review

Income Statement

Six Months Ended 30th of June 2024

Revenues of EGP 3.94 billion were recorded during the period, representing a 35% increase compared to EGP 2.92 billion of revenues recorded during the same period last year. Revenues were driven by deliveries in West Cairo projects which accounted for 51% of SODIC's deliveries by value. West Cairo's projects The Estates and SODIC West, accounted for 24% and 23% of the value delivered during this half year respectively, together representing 47% of the total value of deliveries. East Cairo contributed 49% of the delivered value.



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Gross profit came in at EGP 1.41 billion, implying a gross profit margin of 36%, gross profits recorded a 26% growth YoY.

Operating profit of EGP 714 million was recorded during H1, reflecting an operating profit margin of 18% growing 77% YoY.

Net profit after tax and non-controlling interests came in at EGP 626 million and implying a net profit margin of 16% and EPS of EGP 1.76.

Balance Sheet

SODIC continues to maintain a strong liquidity position with total cash and cash equivalents¹ amounting to EGP 2.64 billion.

Bank leverage remains low, with bank debt to equity standing at 0.32x. Bank debt outstanding amounted to EGP 2.98 billion as of 30 June 2024. Debt to equity amounted to 0.37x at year-end 2023, with EGP 3.22 billion of outstanding debt.

Total receivables stood at EGP 49.9 billion, of which EGP 11 billion are short term receivables providing strong cash flow visibility for the company. A total of EGP 7.3 billion of receivables are reported on the balance sheet, reflecting only the receivables related to delivered units already recognized as revenue. On the other hand, some EGP 42.6 billion of receivables related to undelivered units are disclosed in the footnotes.

SODIC's total backlog of unrecognized revenue stood at EGP 54.39 billion as at 30 June 2024, providing strong revenue visibility for the company.

¹ Including Treasury Bills



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Selected Consolidated Income Statement Items

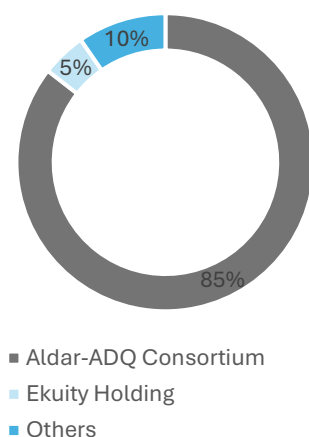
EGP in million	H1 2024	H1 2023
Total Revenue	3,935	2,915
Cost of Revenue	(2,523)	(1,797)
Gross Profit	1,413	1,118
Gross Profit Margin	36%	38%
Operating Profit	714	404
Operating Profit Margin	18%	14%
Net Profit Before Tax	829	443
Taxes	(199)	(101)
Non-Controlling Interests	(4)	(7)
Net Profit After Tax and Non-Controlling Interests	626	335
Net Profit Margin	16%	11%

Selected Consolidated Balance Sheet Items

EGP in million	June-24	Dec-23
Assets		
Work In Process	21,221	17,571
Long Term & Short-Term Net Trade and Notes Receivable (on-balance sheet)	7,296	6,715
Cash & Cash equivalent & Treasury Bills	2,642	2,660
Total Assets	43,840	38,715
Liabilities & Shareholder Equity		
Bank Facilities & Loans	2,979	3,225
Advances from Customers	16,042	12,429
Total Liabilities	34,527	30,032
Total Equity	9,313	8,684
Total Liabilities & Equity	43,840	38,715

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Shareholding Structure as at 31/12/2023



About SODIC

Building on a history of 25 years of successful operations in Egypt, SODIC is one of the country's leading real estate development companies, bringing to the market award-winning large-scale developments to meet Egypt's ever-growing need for high quality housing, commercial and retail spaces.

Headquartered in Cairo and listed on the Egyptian stock exchange (EGX) under OCDI.CA, SODIC is one of the few non-family-owned companies traded on the EGX.

Forward Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of SODIC. Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of SODIC may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of SODIC is subject to risks and uncertainties. Various factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this document including worldwide economic trends, the economic and political climate of Egypt, the Middle East and changes in business strategy and various other factors.

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