



# Orascom Development Egypt (ODE)

Investor Presentation

May 2023



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# 1. SHORT OVERVIEW



# Investing In Orascom Development



# DESTINATIONS

## Portfolio

- A leading fully integrated developer with more than 34 years of experience
- 50.25 mn m<sup>2</sup> of land bank across Egypt
- 5 operating destinations with 24 Hotels & 4,935 rooms

### ① Egypt:

- El Gouna
- Taba Heights
- Makadi Heights
- Fayoum
- O West

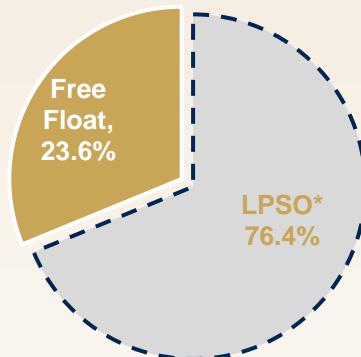


### ▪ Operating Destination

# ODE is majority owned and controlled by *Orascom Development Holding (ODH)*, a leading fully integrated developer with proven track record internationally

ODH is listed on the Swiss Stock Exchange

ODH Shareholding Structure



CHF 410mn  
Market Cap<sup>1</sup>

ODH is a leading developer of fully integrated destinations with a diverse portfolio of worldwide destinations



A leading fully integrated developer with 34 years of experience



Land bank of 101.4 mn m<sup>2</sup> across 7 countries



10 operating destinations with 33 Hotels and 7,141 rooms



1986



2022



2006



2022



2009



2022



2007



2022

El Gouna

Egypt



Hawana Salalah

Oman



Lustica Bay

Montenegro



Andermatt

Switzerland



<sup>1</sup> as of 14/05/2023

\* LPSO is an entity owned by Samih Sawiris family

# ODE is Leading Fully Integrated Developer with over 34 years of Experience

Key Operational Highlights	
Market Cap of EGP 12.5bn <sup>(1)</sup>	
50.25 mn sqm of Land Bank Across Egypt of which 48.1% is Undeveloped	
5 Operating Destinations with 24 Hotels and 4,935 Rooms	
Key Financial Highlights	
EGP 3.0 bn Q1 2023 Revenue	EGP 1.2 bn Q1 2023 Adj. EBITDA
EGP 384 mn Q1 2023 Net Income	EGP 22.6 bn Q1 23 RE Receivables
EGP 15.8 bn Q1 2023 RE Deferred Revenue	EGP 3.3 bn Q1 2023 Net Debt

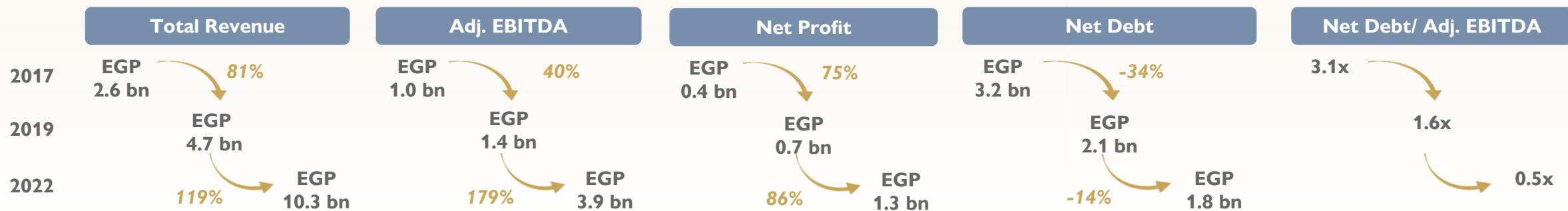
Destination Overview				
Hospitality Segment				
Location	El Gouna	Taba Heights	Fayoum	
				
No. of Hotels	17	6	1	
No. of Rooms	2,533	2,349	53	
Of which 5 stars	6	5	-	
Of which < 5 stars	11	1	1	

Real Estate Segment				
Location	El Gouna	Makadi Heights	Byoum	O West
NLA (mn sqm)	36.92	3.75	1.08	4.23
Undeveloped Land (mn sqm)	16.62	2.50	0.67	2.67

**ODE has been experiencing significant growth, where revenues have grown by 295% compared to 2017, and expected to surpass the 2022 revenues in 2023**

Income Statement Highlights	2017	2018	2019	2020	2021	2022	Q1 2022	Q1 2023
<b>Revenue</b>	<b>2,603.0</b>	<b>3,356.4</b>	<b>4,659.9</b>	<b>4,986.7</b>	<b>7,053.5</b>	<b>10,269.3</b>	<b>1,931.9</b>	<b>2,952.9</b>
Adjusted EBITDA	1,021.4	1,362.6	1,377.4	1,366.9	2,487.4	3,913.3	721.1	1,166.4
<b>Net Profit</b>	<b>392.0</b>	<b>500.2</b>	<b>705.6</b>	<b>571.3</b>	<b>1,314.1</b>	<b>1,907.9</b>	<b>463.7</b>	<b>384.0</b>
<i>Revenue Growth</i>	<i>78.9%</i>	<i>28.9%</i>	<i>38.8%</i>	<i>7.0%</i>	<i>41.4%</i>	<i>45.6%</i>	<i>-</i>	<i>60.9%</i>
<i>Adj. EBITDA margin</i>	<i>39.2%</i>	<i>40.6%</i>	<i>29.6%</i>	<i>27.4%</i>	<i>35.3%</i>	<i>38.1%</i>	<i>37.3%</i>	<i>39.5%</i>
<i>Net Profit Margin</i>	<i>15.1%</i>	<i>14.9%</i>	<i>15.1%</i>	<i>11.5%</i>	<i>18.6%</i>	<i>18.6%</i>	<i>24.0%</i>	<i>13.0%</i>
Total Debt	4,425.4	4,229.7	3,278.1	3,551.5	3,419.5	5,632.5	3,818.5	7,125.3
Cash	1,257.8	1,310.3	1,139.3	2,046.6	3,096.7	3,825.9	3,224.1	3,819.5
Net Debt	3,167.6	2,919.4	2,138.8	1,504.9	322.8	1,806.6	594.4	3,305.8
<i>Net Debt / Adj. EBITDA</i>	<i>3.1x</i>	<i>2.2x</i>	<i>1.6x</i>	<i>1.1x</i>	<i>0.1x</i>	<i>0.5x</i>	<i>0.8x</i>	<i>0.8x</i>

#### Performance evolution (2016 – 2019 – 2022)



# Orascom Development Egypt (ODE)

## Land Bank Table\*

Destination Name	Total Land Bank	Completed	Under construction	Under development	Undeveloped	Number of Hotels	Number of Rooms
El Gouna	36.92	11.00	7.00	2.30	16.62	17	2,533
O West	4.23	0.09	0.90	0.57	2.67	—	—
Taba Heights	4.27	2.56	—	0.02	1.69	6	2,349
Fayoum	1.08	0.34	0.02	0.06	0.67	1	53
Makadi Heights	3.75	0.76	0.15	0.34	2.50	—	—
<b>Total ODE</b>	<b>50.25</b>	<b>14.75</b>	<b>8.07</b>	<b>3.29</b>	<b>24.15</b>	<b>24</b>	<b>4,935</b>

\* Land bank development data is as of FY 2022, while number of Hotels are as of Q1 2023.

# ODH UNIFYING FRAMEWORK

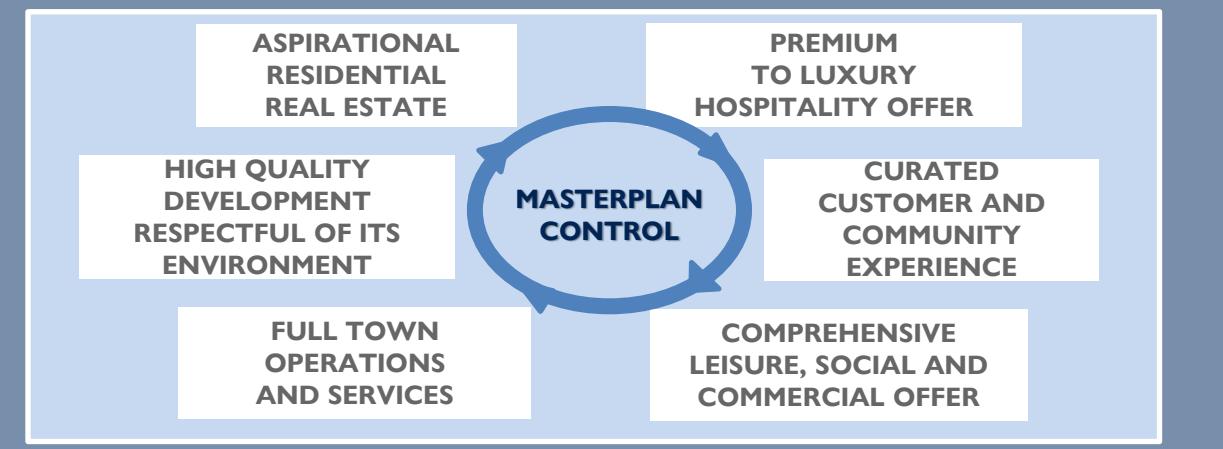
## WHAT WE DO

### WE CREATE DESTINATIONS AND BUILD VIBRANT COMMUNITIES

We create value for our customers, our business partners and our surrounding communities by developing plots of land into lively, soulful, aspirational destinations

## OUR PORTFOLIO

- HIGH POTENTIAL LAND PLOTS
- EARLY STAGE ENTRY
- LONG TERM COMMITMENT
- ASPIRATIONAL DEVELOPMENT
- INTERNATIONAL FOOTPRINT
- ACTIVE PIPELINE



## THE KEY PILARS TO OUR GROWTH STRATEGY

OUR STRATEGIC PARTNERSHIPS (PUBLIC & PRIVATE)

OUR FOCUS ON CUSTOMERS

OUR CROSS-DESTINATION PLATFORMS

OUR PEOPLE & VALUES

OUR ESG APPROACH

# UNDERSTANDING OUR VALUE MODEL

## Key stakeholders

### DESTINATION END USERS / CUSTOMERS

- Looking for a certain quality of life / experience be it for a short stay (visitors/guests) or for a permanent residence (RE owners)

### BUSINESS PARTNERS / 3<sup>rd</sup> PARTY OPERATORS

- Looking for access to 'valuable markets and solid business opportunities'

### GOV'T/ LOCAL REGULATORY STAKEHOLDERS

- Looking for opportunities to accelerate the general development of the area/region

### PRIVATE / INSTITUTIONA L INVESTORS

- Looking for **Investment opportunities in multiple asset classes**, geographies with diverse risk/benefit profiles

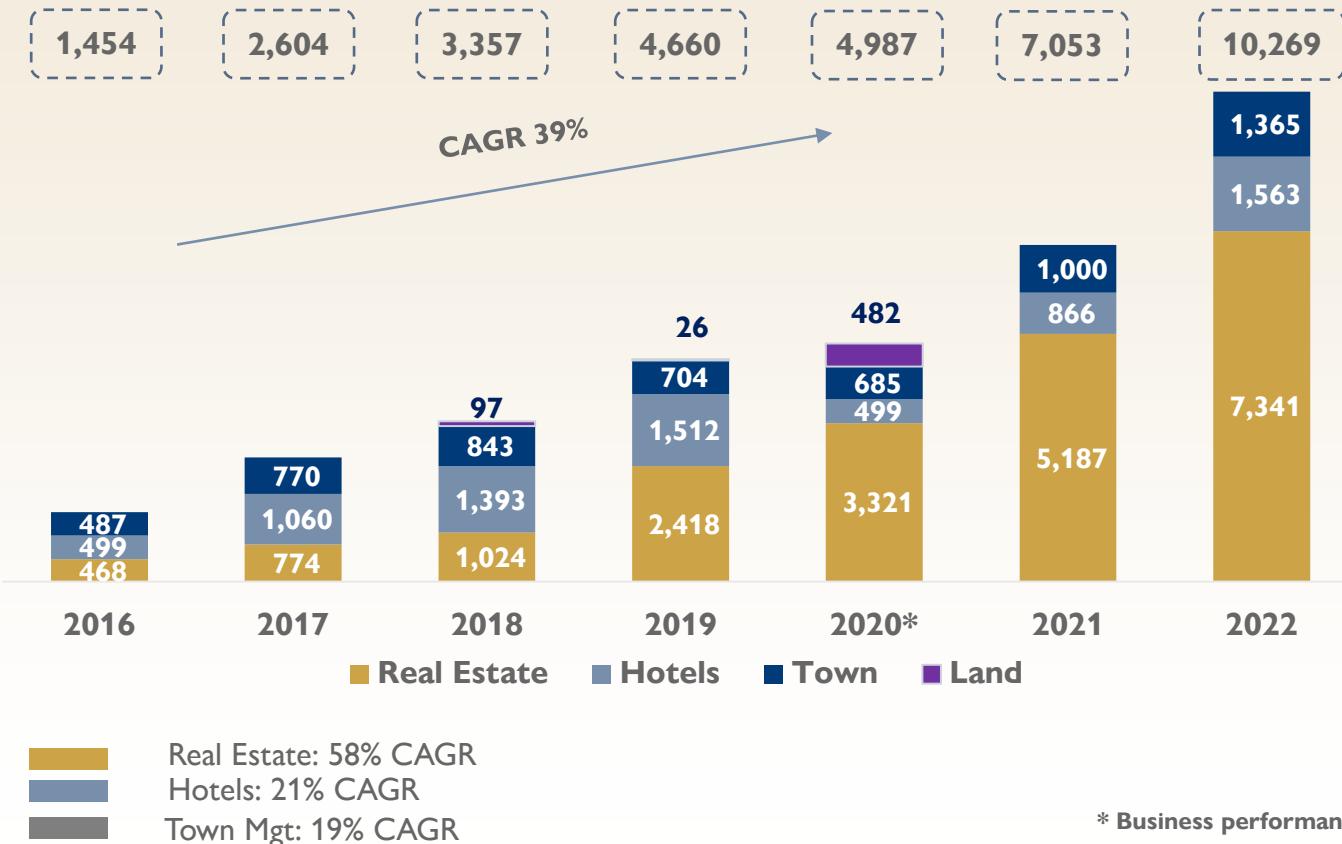
## Value for ODE

- **Real Estate revenue**
- **Recurrent Revenue**
- **One-off Cash from assets sale**
- **Land Value Appreciation over time**
- **Access to capital at optimal cost**
- **Overall credibility (origination)**

# Diversified Real Estate and Hospitality Player Across Egypt

## Resilient Business Model With Strong Growth Potential

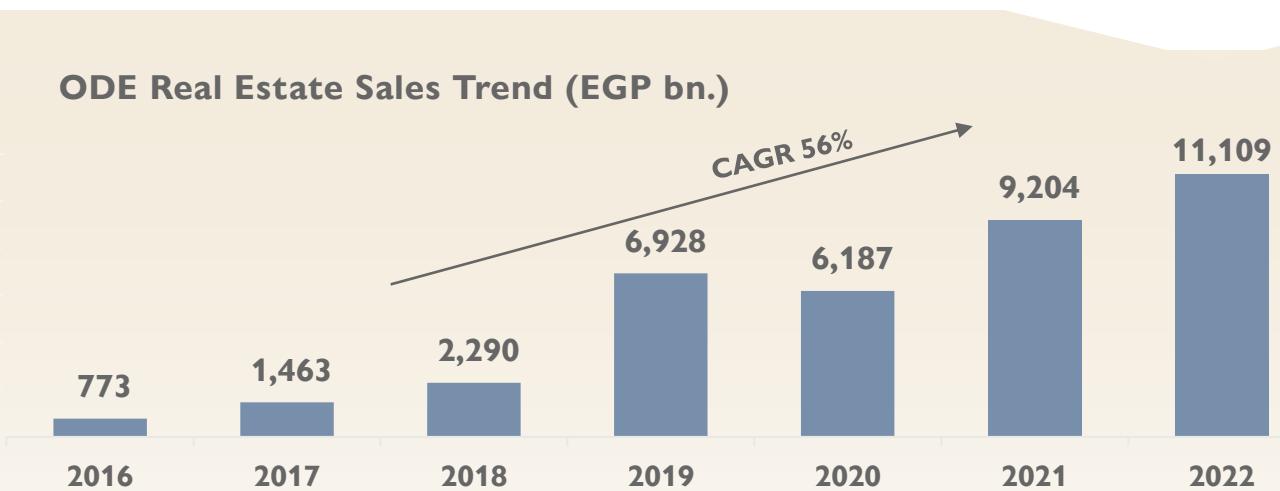
### Total Revenue Breakdown – By Business Activity (EGP bn.)



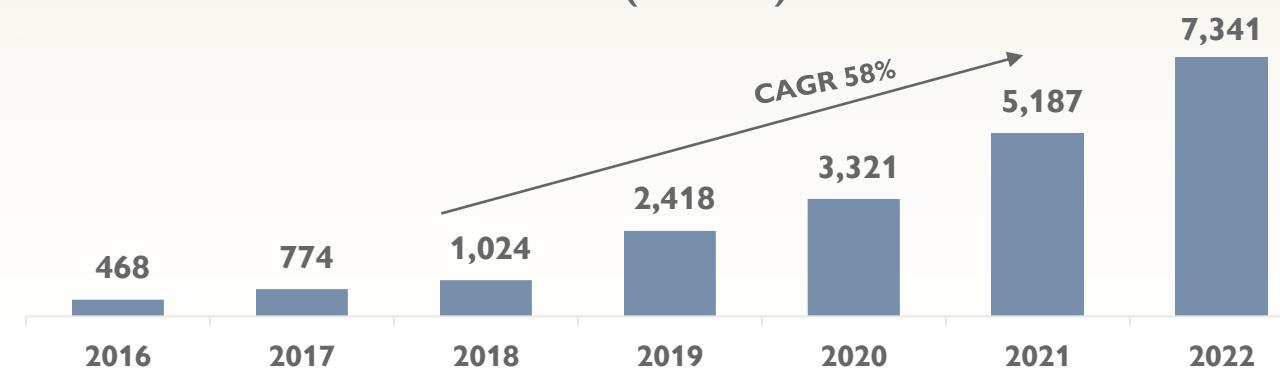
- ✓ Significant growth delivered in difficult market environment
- ✓ Good business mix with strong upside potential in development business, supported by steadily growing recurring businesses (Hotels & Town Management)
- ✓ Resilient Business Model With Strong Growth Potential
- ✓ Significant value to be un-locked Egypt (large untapped land bank)
- ✓ Unique Proposition of Integrated Masterplans and Superior Quality helped to Deliver Consistent Growth in Sales Performance
- ✓ Hospitality and Town Management Assets Deliver Steady Performance

## Unique Proposition of Integrated Masterplans and Superior Quality helped to Deliver Consistent Growth in Sales Performance

ODE Real Estate Sales Trend (EGP bn.)



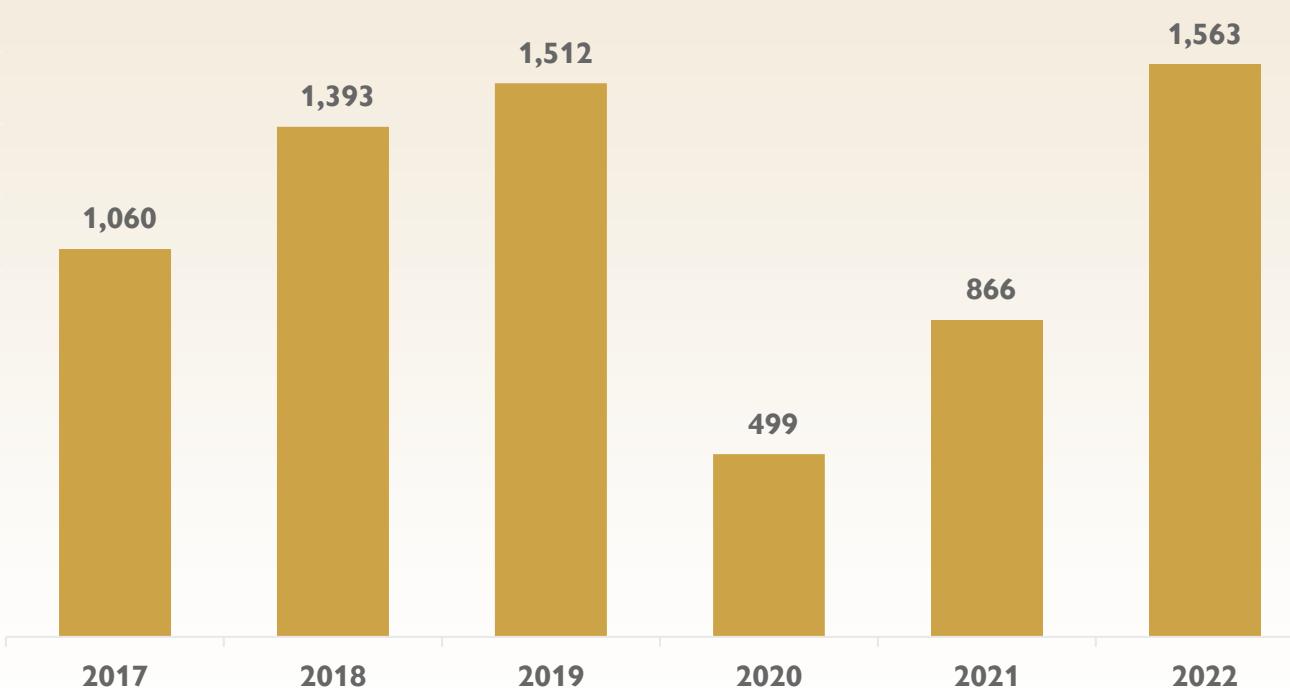
ODE Real Estate Revenue Trend (EGP bn.)



- ✓ Displayed strong sales traction
- ✓ Significant long-term value creation through Integrated Masterplans and Superior Quality
- ✓ Strong customer trust and brand loyalty
- ✓ Healthy demand supporting price increases above inflation rates
- ✓ Solid track record for over than 33 years, ODE has been delivering award winning developments across all our destinations
- ✓ Highest ever property sales of c. EGP 11.1 bn in 2022
- ✓ Highest ever real estate revenue of c. 7.3bn in 2022
- ✓ Solid backlog for real estate revenues and cash collections

# Hospitality Assets Deliver Steady Performance Despite the Headwinds

**ODE Hospitality Trend (EGP mn.)**



## ODE Hotels

- ✓ Resilient and Profitable despite challenging Market Environment
- ✓ Strong Rebound in Performance During Challenging Market Environment
- ✓ Successfully reduced our cash burn rate and limit our operational capacity during Covid-19 times
- ✓ Able to maintain a healthy Adj. EBITDA margin despite weak market conditions
- ✓ ADRs and Occupancy levels are higher than the average of Egypt's Market
- ✓ Started a full renovation process for El Gouna hotels thus allowing us to increase our ARRs

## 2. 2023 IN FOCUS



## STRATEGY INSIGHTS

**Going forward, Management is focusing on a few strategic pillars to further accelerate growth and realize more value....**

- 1** Continuation of the focus on commercial uplift, with aggressive push on sales and enhancement of hotels figures
- 2** Continuation of the focus on the operational efficiency (profitability)
- 3** We project the paradigm shift for valuation to be realized through the recognition of land bank value, which can be achieved through two main drivers; land sales and deals on yielding assets
- 4** Focus on JVs to co-finance etc. (new hotels, schools, marinas, etc.) builds to further enhance cash flow outlook and achieve higher acceleration
- 5** In the short term, the focus on land bank monetization should be through transformative deals rather than land sales. The impact of projected partnership deals is expected to yield higher impact levels over time
- 6** More aggressively divest non-core assets
- 7** Identify key initiatives to operationalize ODE, e.g. ESG agenda

# OUR 2023 FOCUS

**Will be on business performance and strongly on sales and hotel revenues, but we will keep pushing some core initiatives to our continuous long-term growth**

## DESTINATIONS

- Introduction of new real estate product developments to cater to higher ticket clients and to appeal to new market segments
- Launch of commercial, healthcare, and educational developments that would boost numbers of residents (e.g. G-Valley and Gouna Business Park)
- Solicit partnerships to build ultra luxury offerings, while continuing renovation of existing hotels
- Strengthen the Hotels team and drive the implementation of the new hotel strategy

## COMMERCIAL/ DIGITAL

- Continue to roll out foundational digital capabilities
- Expand scope of commercial center of excellence beyond 2022 newly-created functions (more technical pricing, segmentation, go to market strategy etc.)

## TECHNICAL

- Standardize technical processes across all destinations including construction specifying, contractor management and procurement and budgeting activities
- Enhancing profitability on a project-by-project basis through new technical processes and systems

## STRATEGY

- More aggressively divest non-core assets
- More proactively pursue JVs and partnerships across the various assets and destinations
- Identify key initiatives to operationalize ODH, e.g. ESG agenda
- Enhance and codify further the destination business planning process

## HR

- Continuation of succession planning and associated development plans
- Launching corporate-wide L&D programs covering high-level management positions and key functional areas

## Transformation work streams

ODE performance enhancement has been achieved through Management's focus on four key transformation work streams



Commercial uplift

***Focus on the commercial side of the business to induce a shift in price increase, accompanied by a push in sales volume across destinations, through uplifting sales' team's capacities, processes, and tools***



Operational efficiency

***Focus on operational efficiency to implement best practices across functions and destinations to optimize income statement***



Human Capital

***Focus on alleviating performance and promoting culture change through re-assignments and key hirings in the executive team***



Strategic transactions

***Focus on value maximization through key transactions, and partnerships with global industry leaders supported by robust capital deployment measures***

## Transformation work streams

Commercial uplift efforts focused on enhancing sales performance through initiative that promote higher pricing and larger volumes of sales across destinations



### Commercial uplift

#### Real Estate:

- Establishment of the **Sales' Excellence Department** on the corporate level, with the mandate to enhance sales' performance & process. The Sales' Excellence Department has implemented several initiatives that had a significant impact on sales, such as:
  - Implementation of **new incentive programs** to reward high performers and penalize under performers
  - Design of **new commission schemes** with the purpose of reducing cost of sales
  - Established the **International Sales Team** based in Dubai to tap into new markets
  - Overhauled the CRM for sales teams and built a robust **sales' analytics function**
- **Impact on sales:**
  - Total real estate sales grew to reach **~EGP 11.1 bn in 2022** compared to **~EGP 0.8 bn in 2016**. This was driven by the growth in sold units from **202 units in 2015** to **1,444 units in 2022**, and a **price increases reaching ~277%** in some destinations/unit types
  - **Savings on the commission payouts** exceeding 50% for some destination products

#### Hospitality:

- Enacted a new **performance management model** that incentivizes direct sales and higher pricing
  - **Impact:** Revenues grew from **~ EGP 576 mil in 2015** to EGP 1.5bn in 2019 and **EGP 1.6 bn in 2022, surpassing 2019 levels**, with a higher focus on direct sales which rose from **23% to 35%**

## Transformation work streams

In its first 2 years, the new management affected several initiatives across different functions such as Technical, Digital, and Finance operations to alleviate ODE overall performance



### Operational efficiency

#### Technical Operations:

- Establishment of the **Technical CoE** on with the mandate of optimizing construction costs & implementing best practices
- **Centralization of all procurement activities**, in addition to establishing the Technical CoE with a focus on value engineering

#### Digital transformation:

- Started implementing a digital transformation program aiming to maximize operational efficiency, enable the commercial uplift, and enhance cyber security, initiatives include:
  - Implemented **new ERP systems** some of our destinations
  - Launch a new, **integrated Hotel Management System**
  - Implement new **procurement system** covering the whole Group
  - Upgrading some of **ODE's websites and apps** (Gouna and Makadi)
  - Launching **Retail Management Systems** in the destinations
  - **Smart cities initiative** (piloted in O West destination)

#### Finance operations:

- Introduced a **new budgeting and planning framework** supported by a corporate-wide ERP system
- Introduced new business processes for **investment assessment to ensure value maximization** for deployment of the Group's assets

## Transformation work streams

Human capital has been a key transformational focus over the past two years, with the focus of attracting and assigning the right talent pool in addition to several strategic initiatives



### Human capital

#### Hiring and talent management

- Accelerated hiring operations, including:
  - 7 new Chief officers with diverse, extensive experience in real estate, investment banking and consulting
  - 33 top caliber employees in top management positions across destinations and on the corporate level
  - **Re-shuffled** some of our destination CEOs to employ their different strengths in advancing commercial performance

#### Strategic initiatives

- Implementation of **new performance management and incentive program** to incentivize high performance and uphold meritocracy
- **Realigned job positions & restructured job grading** across the Group, ensuring salary alignment to market levels
- Completed a full **succession plan** covering all critical positions across the group
- Design of a **comprehensive L&D framework** for the Group and upgrade of **HR policies and procedures**



### Strategic transactions

The management has been also focusing on strategic deals and transactions that would ensure value maximization for the Group

### 3. EXECUTIVE SUMMARY Q1 2023



ODE STARTED THE YEAR WITH STRONG POSITIVE OPERATIONAL AND FINANCIAL RESULTS ACROSS ALL ITS DESTINATIONS DESPITE BEING IMPACTED BY EGP 477.7 MILLION FX LOSSES DUE TO THE DEVALUATION OF EGYPTIAN POUND.

**Q1 2023 (EGP mn):**

**REVENUES**  
↑ 52.8%

EGP 2,952.9 mn  
(Q1 22: EGP 1,931.9mn)

**ADJ. EBITDA**  
↑ 61.8%

EGP 1,166.4 mn  
(Q1 22: EGP 721.1mn)

**NET PROFIT**  
↓ 17.2%

EGP 384.0 mn  
(Q1 22: EGP 463.7mn)

**REAL ESTATE CASH  
COLLECTIONS** ↑ 39.1%

EGP 1,947.1 mn  
(Q1 22: EGP 1,399.7mn)

- It is worth mentioning that adjusted net income excluding one-offs (which includes forex losses or gains along with any non-operational one-off transactions) increased by almost 58.0% from EGP 571.9mn in Q1 2022 to EGP 903.5mn in Q1 2023.

\* For presentation purposes, figures are rounded to the nearest decimal place. Percentages, percent changes and absolute variances, however, are calculated based on the exact figures.

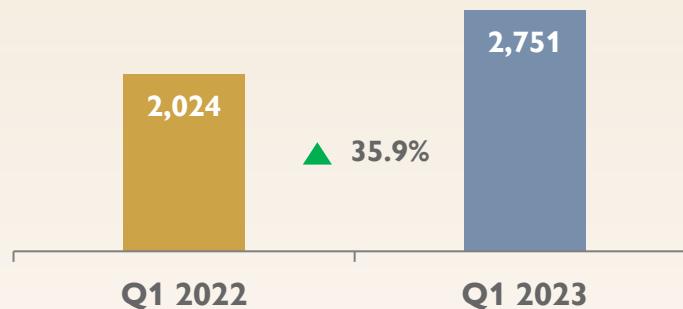
## 4. Q1 2023 – KEY HIGHLIGHTS



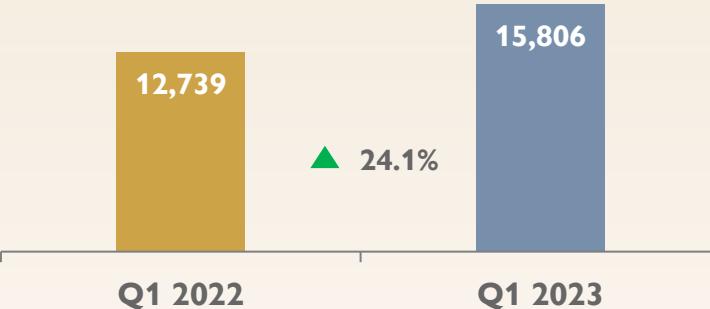
# Q1 2023

## Key Segment Financials & KPIs

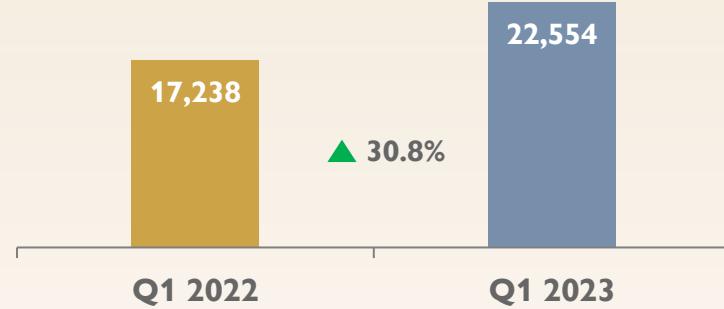
### NET REAL ESTATE SALES (EGP mn)



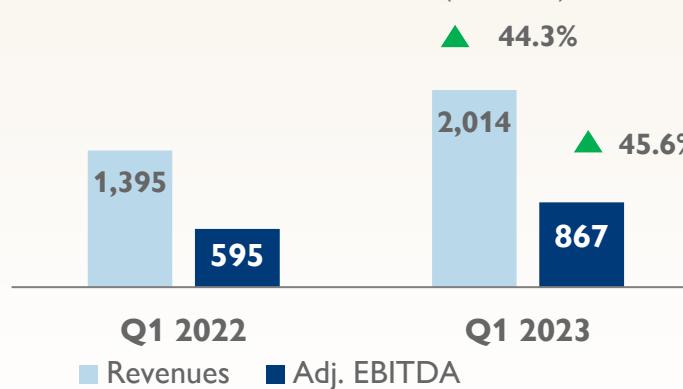
### REAL ESTATE DEFERRED REVENUE BALANCE (EGP mn)



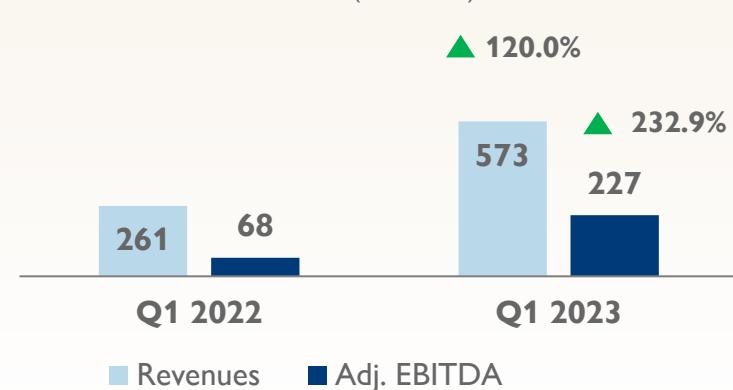
### REAL ESTATE RECEIVABLES PORTFOLIO (EGP mn)



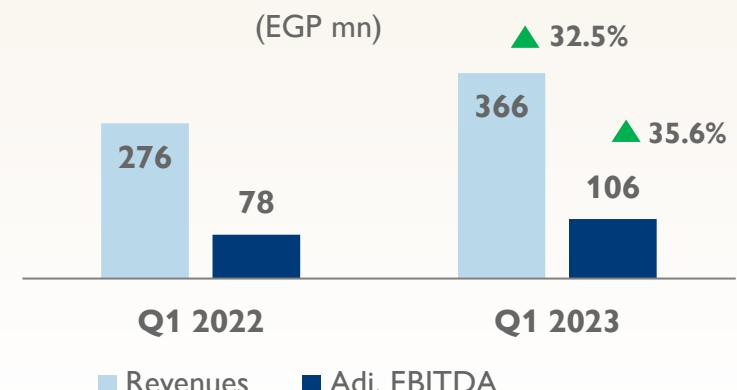
### REAL ESTATE FINANCIALS (EGP mn)



### HOTEL FINANCIALS (EGP mn)



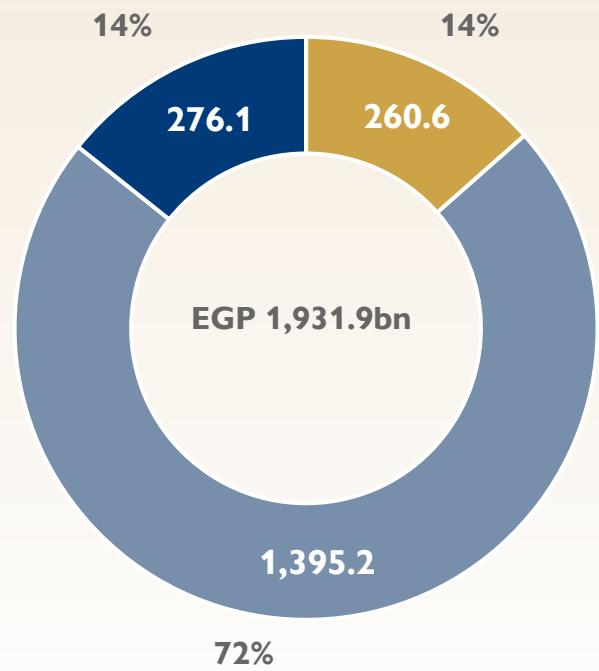
### TOWN MANAGEMENT FINANCIALS (EGP mn)



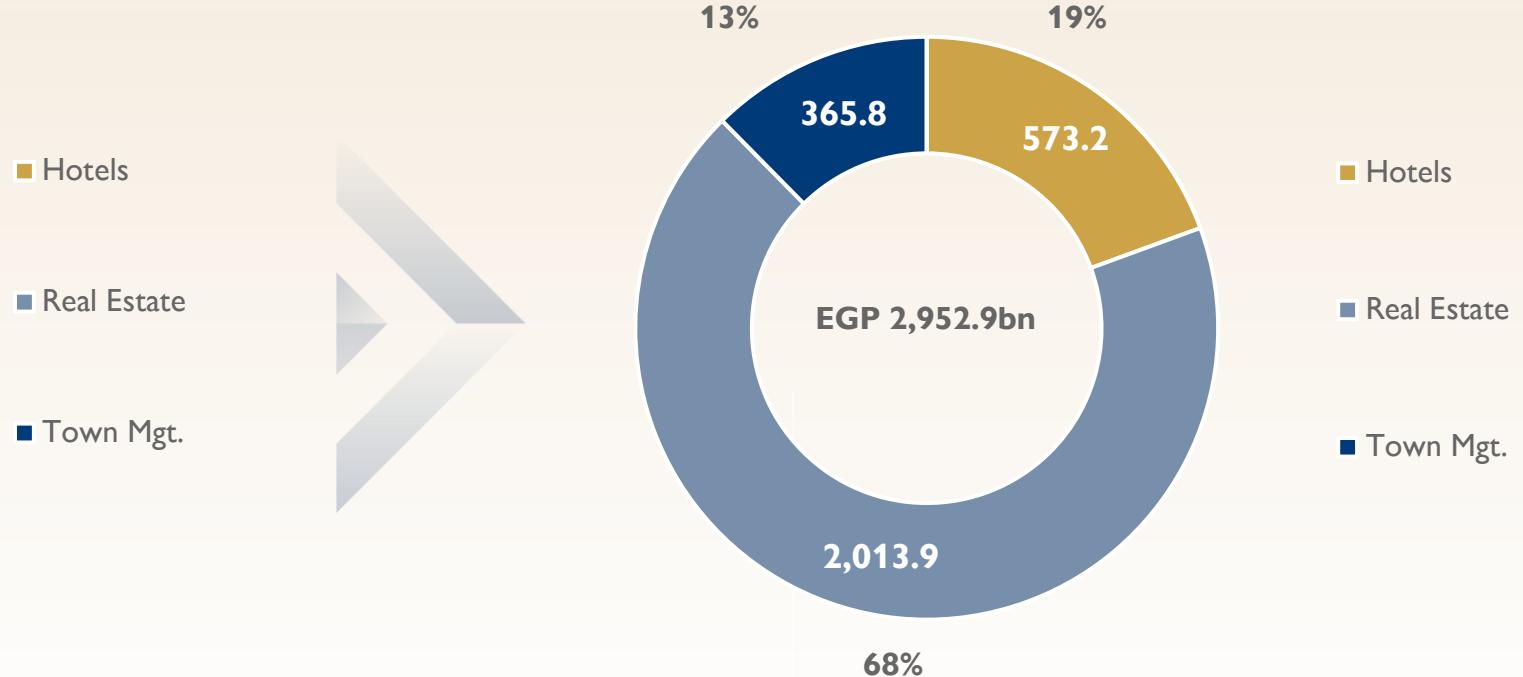
Q1 2023

## Y-o-Y Revenue Analysis

Revenues by Segment Q1 2022 (EGPmn)



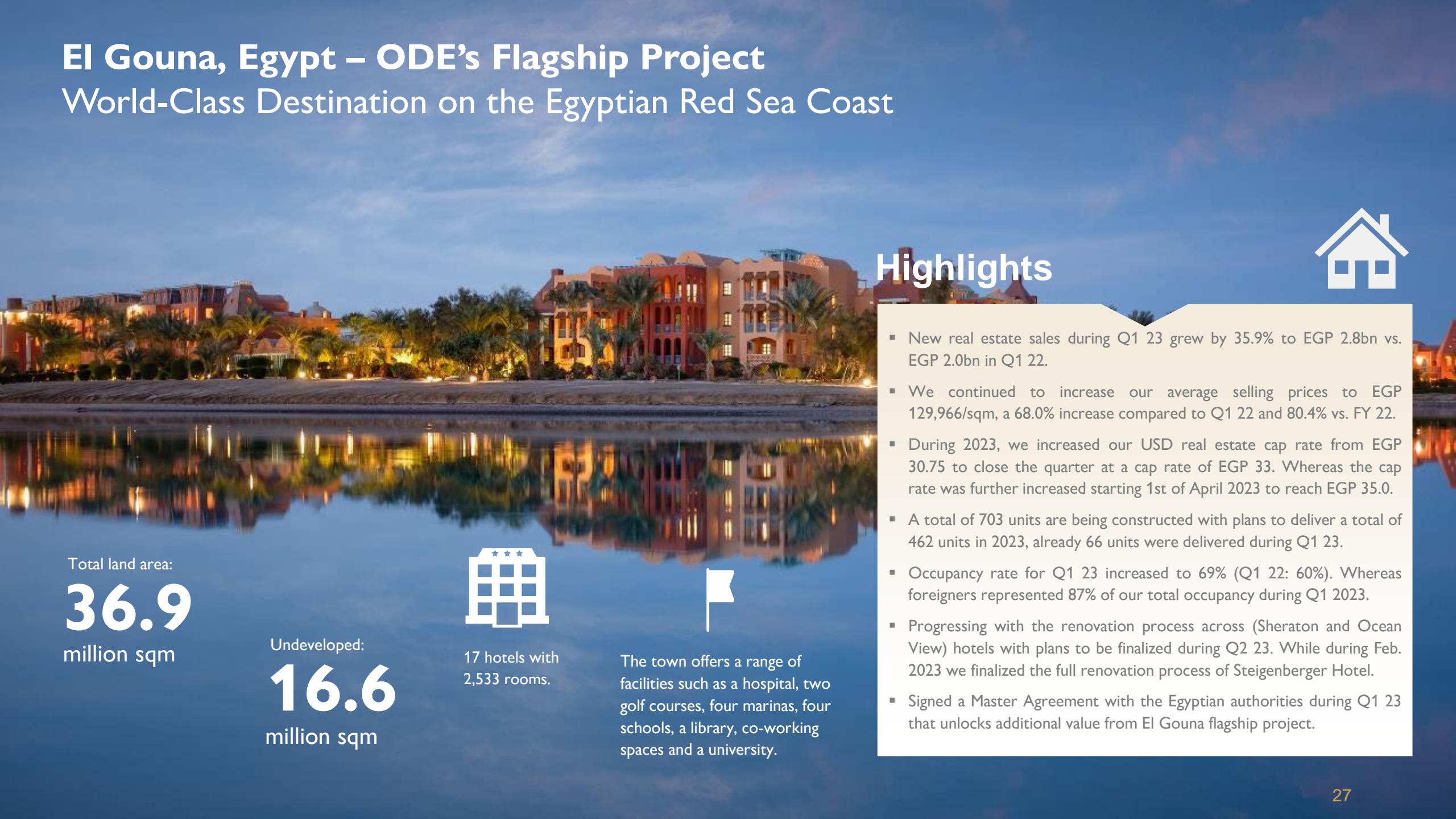
Revenues by Segment Q1 2023 (EGPmn)



**Contribution From Recurring Business increased from 28% in Q1 2022 to 32% in Q1 2023**

# El Gouna, Egypt – ODE's Flagship Project

## World-Class Destination on the Egyptian Red Sea Coast



Total land area:

**36.9**

million sqm



Undeveloped:

**16.6**

million sqm

17 hotels with  
2,533 rooms.



The town offers a range of facilities such as a hospital, two golf courses, four marinas, four schools, a library, co-working spaces and a university.

## Highlights

- New real estate sales during Q1 23 grew by 35.9% to EGP 2.8bn vs. EGP 2.0bn in Q1 22.
- We continued to increase our average selling prices to EGP 129,966/sqm, a 68.0% increase compared to Q1 22 and 80.4% vs. FY 22.
- During 2023, we increased our USD real estate cap rate from EGP 30.75 to close the quarter at a cap rate of EGP 33. Whereas the cap rate was further increased starting 1st of April 2023 to reach EGP 35.0.
- A total of 703 units are being constructed with plans to deliver a total of 462 units in 2023, already 66 units were delivered during Q1 23.
- Occupancy rate for Q1 23 increased to 69% (Q1 22: 60%). Whereas foreigners represented 87% of our total occupancy during Q1 2023.
- Progressing with the renovation process across (Sheraton and Ocean View) hotels with plans to be finalized during Q2 23. While during Feb. 2023 we finalized the full renovation process of Steigenberger Hotel.
- Signed a Master Agreement with the Egyptian authorities during Q1 23 that unlocks additional value from El Gouna flagship project.



## El Gouna Master Agreement

### Signed a Master Agreement with the Egyptian Authorities that Unlocks Additional Value from El Gouna flagship project...

Signed a milestone master agreement with the Egyptian authorities which will further support ODE's long-term strategy and efforts to drive growth. The Agreement capitalizes on the Egyptian government's continuous efforts to support and encourage private sector investments and includes the following terms:

- ✓ Approval of a new master plan for the remaining 17.4 million m<sup>2</sup> land bank in El Gouna which includes approximately 1.2 million m<sup>2</sup> of connected lagoons and 1,000 hotel rooms to be built every 10 years.
- ✓ Granting ODE, the right to connect its lagoon system to the sea via two new water canals to improve water quality in existing and future projects.
- ✓ Reducing the shoreline setback for the remaining land bank from 200 meters to 105 meters, which allows ODE to make commercial use of the most prime land of the destination.
- ✓ Amending the transfer fee payable by ODE on real estate sales for the remaining land bank. The transfer fee is fixed for a period of 10 years and shall be paid in advance over 15 years.
- ✓ Granting environmental permits for 24 projects in El Gouna and exonerating ODE from all charges and settlement of all disputes with the Environment Protection Agency.

The amended transfer fee for the entire remaining land bank in El Gouna pursuant to the master agreement is USD 112mn, of which USD 21mn were paid upon signing of the master agreement and the balance is payable in installments over 15 years, with approximately USD 79mn falling due between year 11 and year 15.

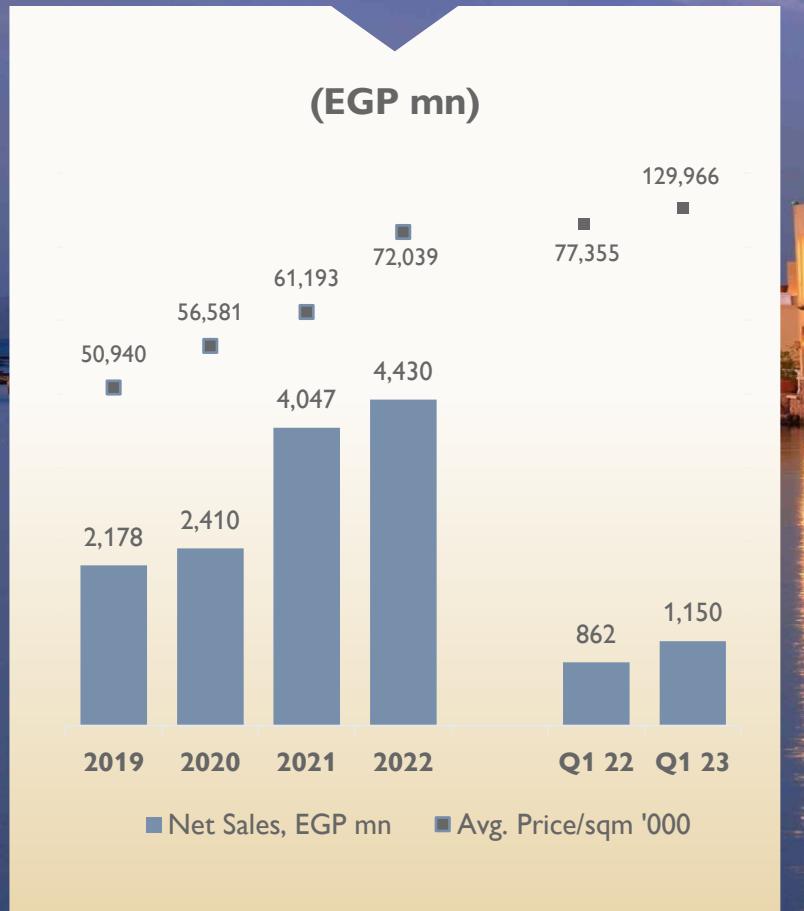
In addition, ODE paid USD 39mn upon signing the master agreement in consideration for the reduction of the shoreline setback, the 24 environmental permits, the approval of the two new water canals connecting the lagoon system to the sea and the settlement of all disputes with the Environment Protection Agency.

#### Payments will be funded from the following sources;

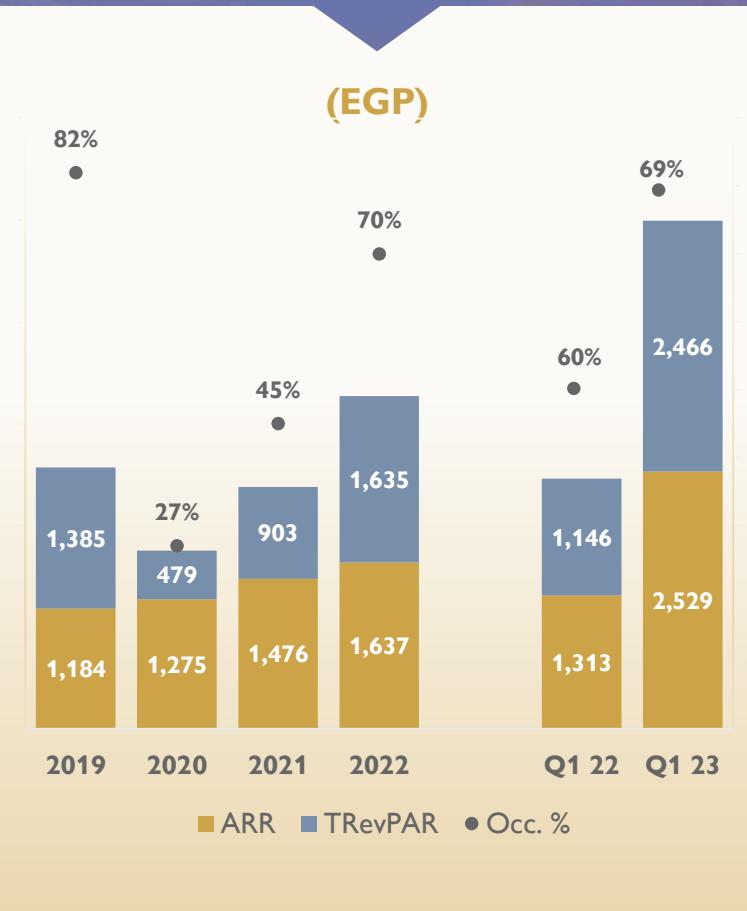
- ✓ ODE cash and cash equivalents balances;
- ✓ A shareholder loan from the majority shareholder in the amount of USD 30mn;
- ✓ Future cash from operations.

# El Gouna, Egypt KPIs

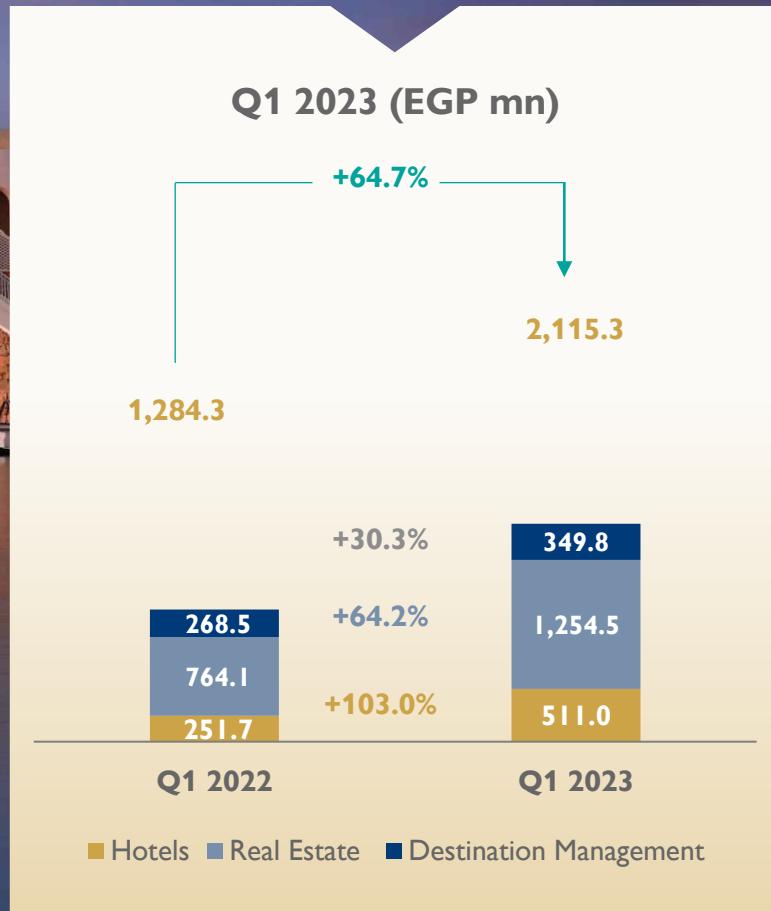
## Real Estate KPIs



## Hospitality KPIs



## Revenue Per Segment



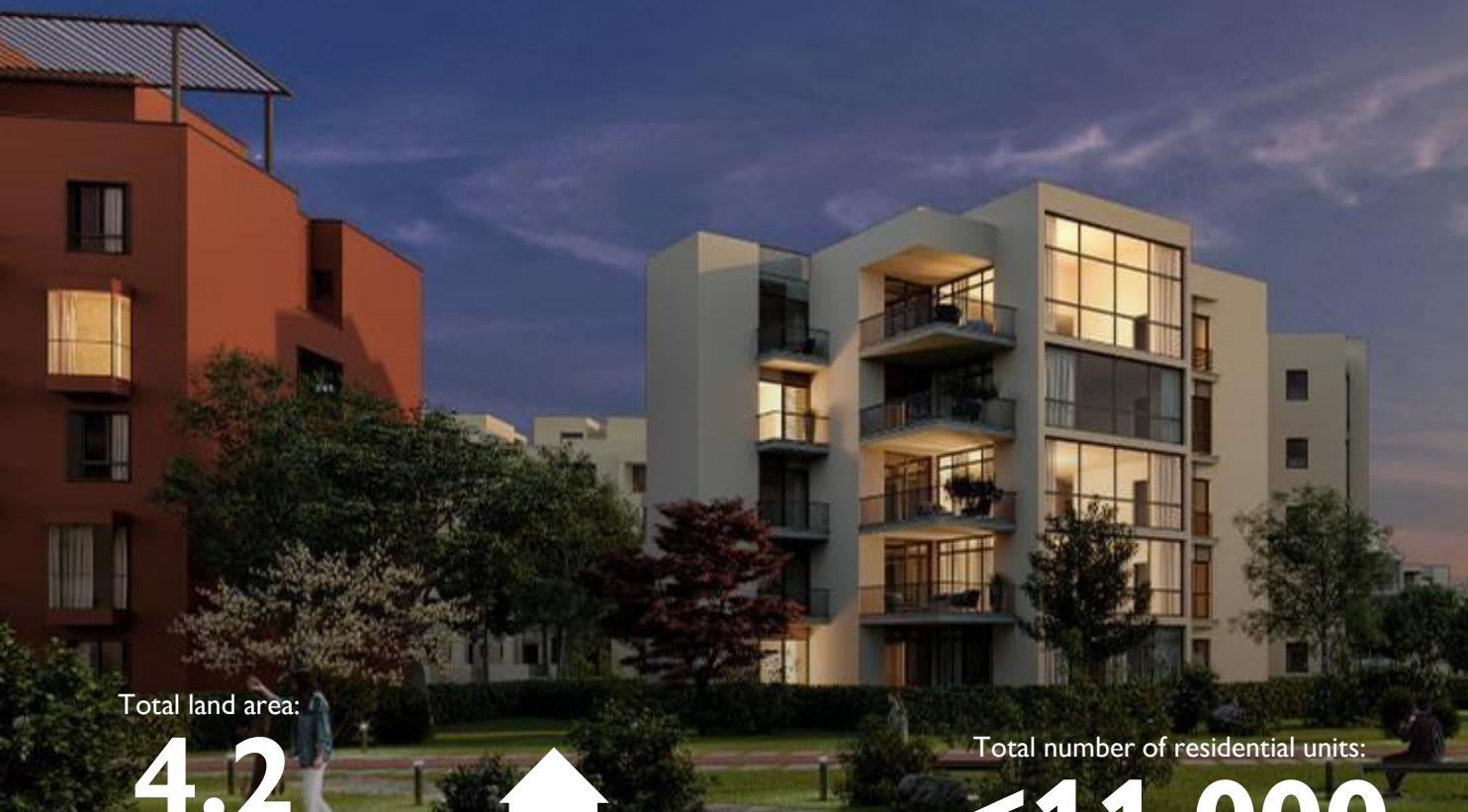
# El Gouna

## Hotels Nationality Breakdown Q1 2023/2022



# O West, Egypt

ODE's newest addition to its towns' portfolio in West of Cairo



Total land area:  
**4.2**  
million sqm  
(1,000 Feddans)



Total Residential units BUA:  
**3.2** million  
sqm

Total number of residential units:  
**<11,000**

Commercial area is still under  
development.

## Highlights

- O West continues to affirm its leading position in West Cairo and recorded EGP 1.1bn in sales for Q1 23, a growth of 8.6% vs. Q1 22.
- Increased the average selling prices by 61.3% to EGP 56,069/sqm vs. Q1 22 & by 46.5% vs. FY 22.
- Construction pace were accelerated in Q1 23, with 444 villas completed, while 1,015 apartments & 236 townhouses saw great progress, along with the construction of 119 units in OBD, with plans to start delivering some units in Q2 23 (710 units).
- The construction of O West Club is progressing at a steady pace, with plans to become partially operational by Q4 23.
- We increased O West Club membership fees by 20.0% to EGP 300k and added 125 new memberships during Q1 23. To date, we have 3,802 members in the club, which will provide a steady recurring income stream to the group.
- In reference to the preliminary non-binding offer received on 24th of October 2022, ODE & SODIC have mutually decided to discontinue discussions on a potential acquisition of ORE the owner of O West project by SODIC.

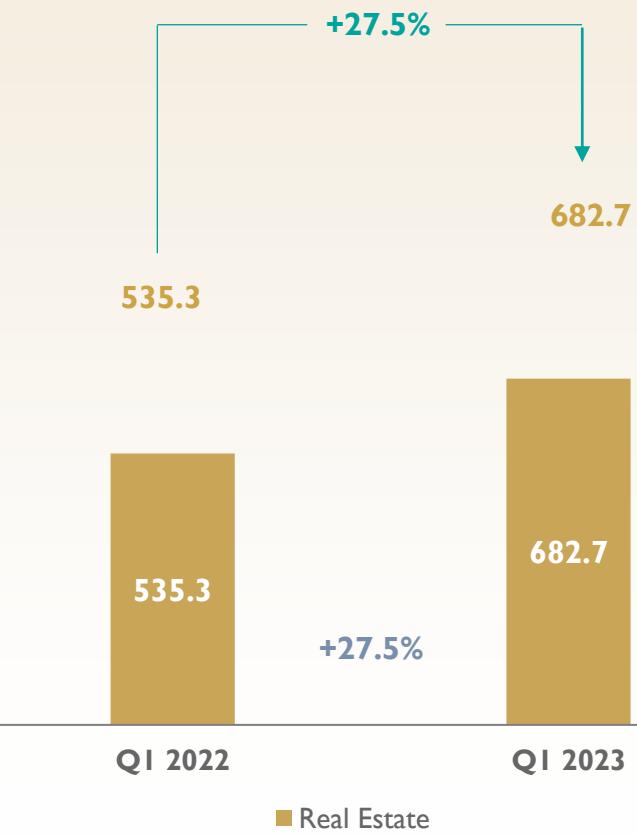


## REAL ESTATE KPIS (EGP mn)



\* The value of contracted units in FY 2020 includes EGP 509.1mn from Commercial sales (schools development agreements).

## REVENUES PER SEGMENT Q1 2023 (EGP mn)



# Makadi Heights, Egypt

The First Gated Community In The Heart Of Hurghada



Total land area:

**3.7**  
million sqm

Undeveloped:

**2.7**  
million sqm



Makadi Heights is the ultimate family vacation destination. The project offers all the amenities to keep homeowners entertained: a beach club, a retail centre, clubhouse & an outdoor entertainment zone and pre-school.

## Highlights

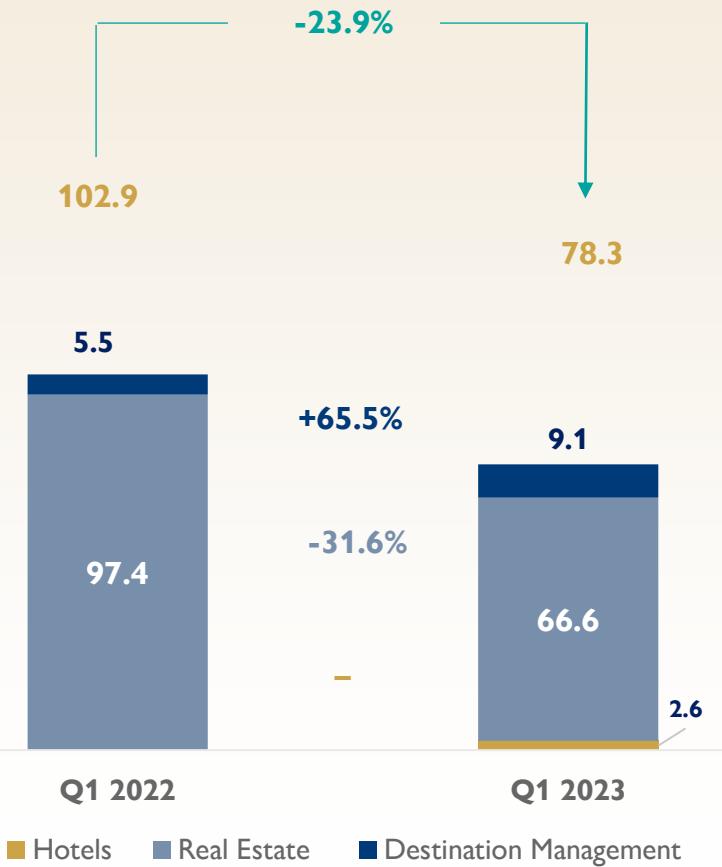
- The destination continued to deliver excellent sales figures with EGP 490.3mn in Q1 23; a 232.9% y-o-y compared to EGP 147.3mn in Q1 2022.
- Increased the average selling prices per sqm by 23.6% to EGP 41,188/sqm vs. Q1 22.
- Makadi Heights is expecting to deliver a total of 350 units by during 2023, most of which are early deliveries thanks to the destination's accelerating construction efforts.
- Signed a partnership deal with Stryxsports, Dubai's leading sports services provider to manage the destination's sports facilities.



## REAL ESTATE KPIS (EGP mn)



## REVENUES PER SEGMENT Q1 2023 (EGP mn)



# Taba Heights, Egypt

## Sinai's Premium Destination



Total land area:  
**4.3**  
million sqm



6 hotels with  
2,349 rooms.



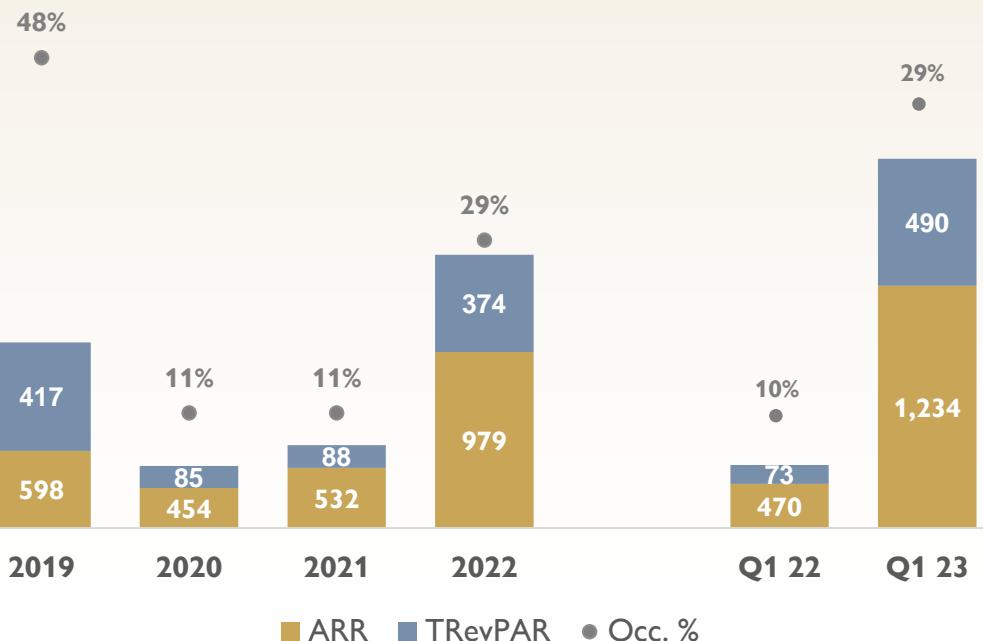
The town offers a marina, a wide range of facilities including a medical centre, child day-care services, & a vibrant up-town centre.

## Highlights

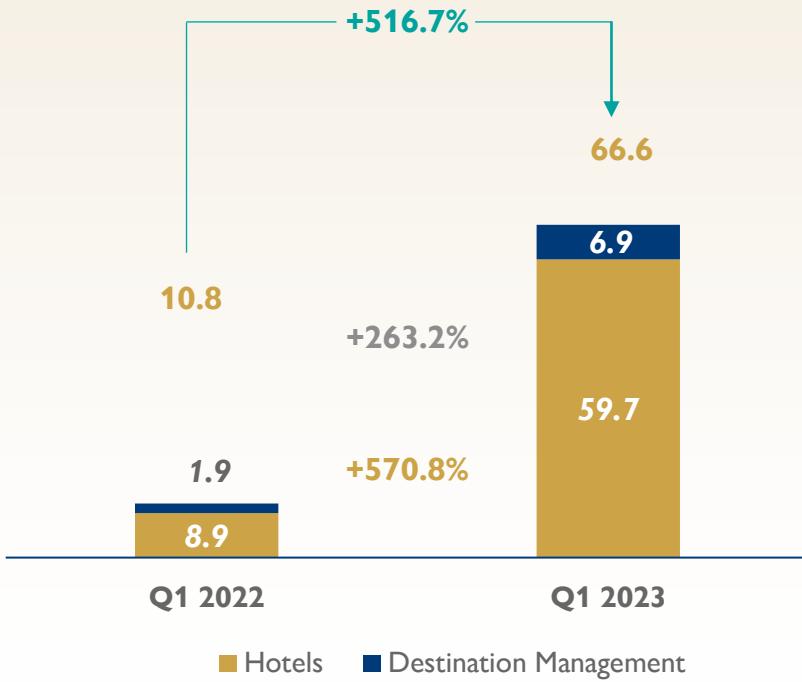


- Taba Heights hotels started the year on a positive note reporting a 29% occupancy rate during Q1 2023 vs. 10% in Q1 2022.
- The hotels reported a positive GOP of EGP 11.7mn in Q1 2023 vs. a negative EGP 6.5mn in Q1 2022 .
- Foreigners represented c. 91% of our total occupancy in Taba Heights during Q1 2023.
- During Q1 23, only two hotels out of the six hotels are open, namely Strand Hotel & Mosaique Hotel (929 rooms). Starting April 23, we re-opened Bay View Hotel (394 rooms).
- The short-to medium-term strategy for Taba is to unlock additional aviation capacity to allow for higher year-round occupancy. We have secured solid pipeline business from Poland, Czech Republic, Hungary, Slovakia, Jordan, France and are promoting the destination extensively locally.

## HOSPITALITY KPIS (EGP)

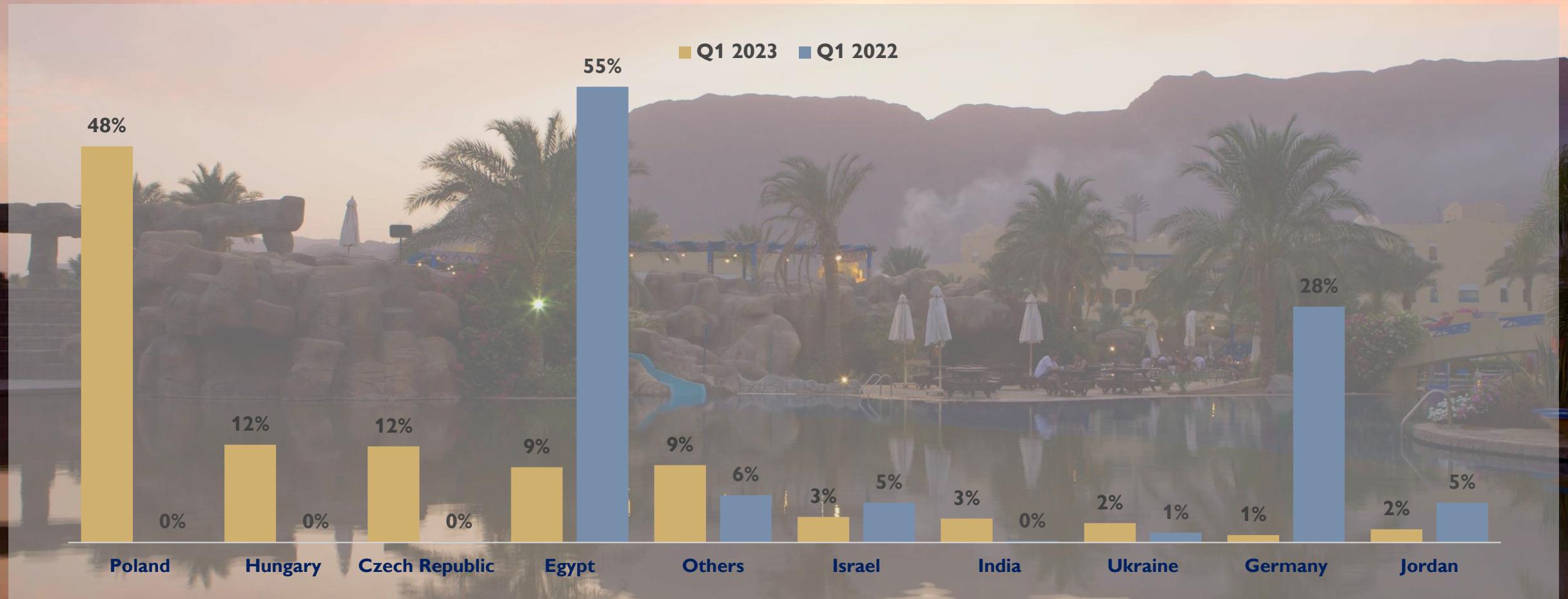


## REVENUES PER SEGMENT Q1 2023 (EGP mn)



# Taba Heights

## Hotels Nationality Breakdown 2022/2023



## 5. Q1 2023 – FINANCIALS



# Q1 2023

## Income Statement

(EGPmn)	Q1 2023	Q1 2022
<b>Revenue</b>	<b>1 2,952.9</b>	<b>1,931.9</b>
Cost of sales	(1,857.0)	(1,250.8)
<b>Gross profit</b>	<b>1 1,095.9</b>	<b>681.1</b>
Gross profit margin, (%)	37.1%	35.3%
Investment income	129.7	75.1
Administrative expenses	(59.2)	(35.1)
<b>Adjusted EBITDA</b>	<b>1,166.4</b>	<b>721.1</b>
Adj. EBITDA margin, (%)	39.5%	37.3%
Other gains & losses	2 (519.5)	(108.2)
Share of associates gains	3 10.6	22.6
<b>EBITDA</b>	<b>657.5</b>	<b>635.5</b>
Depreciation	(59.4)	(47.9)
Finance costs	4 (210.1)	(75.2)
Income tax expense	5 (4.0)	(48.7)
<b>Net profit for the period</b>	<b>384.0</b>	<b>463.7</b>
Attributed as follows:		
<b>ODE shareholders</b>	<b>291.5</b>	<b>420.1</b>
Non-controlling interest	92.5	43.6
<b>Basic EPS (EGP)</b>	<b>0.26</b>	<b>0.38</b>

### Notes

- 1 The increase in revenues and gross profit is mainly attributed to the accelerated construction pace across all destinations and enhanced business performance of the hotels and town management segments.
- 2 Other gains & losses in Q1 2023 mainly include:
  - FX loss of EGP 477.7mn vs. FX loss of EGP 105.0mn.
- 3 The share of associates gain is attributable to the operations of Red Sea for Construction Company.
- 4 Increase in finance costs mainly due to the increase in interest rates y-o-y + the finance cost related to O West new debt.
- 5 Income tax expense decreased due recognition of deferred tax due to the devaluation of EGP against foreign currencies.

# Q1 2023

## Balance Sheet

(EGPmn)	31.03.23	31.12.22
Property, plant and equipment	1 6,655.0	6,271.1
Inventory	2 12,442.6	9,221.7
Receivables	3 6,787.3	6,233.5
Cash and bank balances	3,303.4	3,059.6
Treasury bills	516.1	766.3
Investments in associates	318.4	409.0
Other assets	3,244.8	2,309.8
<b>Total assets</b>	<b>33,267.6</b>	<b>28,271.0</b>
Borrowings	4 8,053.6	5,632.5
Payables	8,899.8	7,181.9
Provisions	870.8	1226.2
Other liabilities	8,247.9	7,415.6
<b>Total liabilities</b>	<b>5 26,072.1</b>	<b>21,456.2</b>
Non-controlling interests	1,148.9	1056.4
Equity to ODE shareholders	6,046.6	5,758.4
<b>Total liabilities and equity</b>	<b>33,267.6</b>	<b>28,271.0</b>

### Notes

- 1 PPE increased mainly due to, the increase in construction activities in El Gouna & O West, in addition to some renovation activities related to El Gouna hotels.
- 2 Inventory includes a total amount of EGP 8.2bn for the land held for development (O West) + EGP 2.9bn related to El Gouna land.
- 3 Receivables increased as a result of the increase in real estate sales across all destinations.
- 4 The increase in debt amounts is mainly as a result of the depreciation of EGP against foreign currencies. Additionally, borrowings includes the USD 30mn loan from ODH related to El Gouna master agreement.
- 5 Other liabilities increased mainly due to the increase in advance payments from real estate customers, in addition to other amounts related to O West.

# FINANCING PROFILE

## Solid Credit Profile with very Comfortable Net Debt-to-Equity and Debt Coverage

(EGP mn)	Q1 2023
Banks Debt	7,125.3
Cash	3,819.5
Net Debt	3,305.8
Equity	7,195.5
Total Assets	33,267.6

Key Ratios	Q1 2023
Debt / Equity	1.0x
Debt / Total Assets	0.2x
Net Debt / Adj. EBITDA	0.8x

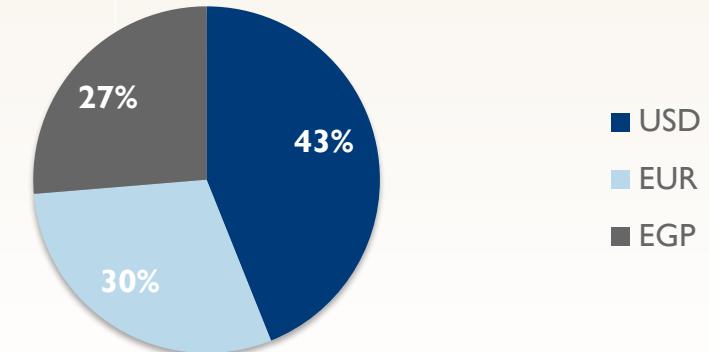
### Banks Debt Maturity Profile – March 2023

Q1 2023 Balance: EGP 7,125.3mn

Cost of Debt: 11.4%



### Current Debt by Currency



# FINANCING PROFILE

Total foreign currency cash in banks reached c. USD 65.5mn as of end of March 2023, which covers our payments until 2025



Debt per Currency	Total debt amount per currency end of March 23	Total debt In EGP	Total Cash by currency end of March 23	Total Cash in EGP March 23
EGP	1,905.2	1,905.2	1,792.6*	1,792.6*
USD	99.8	3,087.0	50.2	1,552.9
Euro	63.2	2,133.1	14.0	474.0
<b>Total</b>		<b>7,125.3</b>		<b>3,819.5</b>

\* Total EGP cash includes EGP 0.9bn of cash in T-Bills and T-Deposits.

# Q1 2023

## Cash Flow Statement

(EGP mn)	Q1 2023	Q1 2022
Cash from operations	① (917)	224
Interest paid	(182)	(62)
Taxes paid	(5)	(10)
<b>Operating Cash Flow</b>	<b>(1,104)</b>	<b>152</b>
Payments for PP&E	② (428)	(127)
Other items	③ 173	145
<b>Investing Cash Flow</b>	<b>(255)</b>	<b>18</b>
Change in Borrowings	④ 1,352	(27)
Other Items	—	2
<b>Financing Cash Flow</b>	<b>1,352</b>	<b>(25)</b>
Net change in cash/equivalents	(7)	145
<b>Cash &amp; bank balances beginning of period</b>	<b>3,803</b>	<b>2,895</b>
<b>Cash &amp; bank balances end of period</b>	<b>3,796</b>	<b>3,040</b>

### Notes

- ① Cash flow from operations decreased mainly due to increase in construction cost and the payment related to the new master agreement signed in Gouna.
- ② Payments for PP&E includes construction related payments in El Gouna.
- ③ Other items mainly includes EGP 101.3mn as cash dividend from associates plus EGP 72.9mn interest.
- ④ Change in borrowings includes:  
(+) Debt proceeds of EGP 1.4bn.

## 6. APPENDIX



# Q1 2023

## Revenue Analysis

### Delivering Robust Growth Despite Difficult Market Conditions

(EGP mn)	Revenue			EBITDA			Adj. EBITDA <sup>1</sup>		
	Q1 2023	Q1 2022	Δ in %	Q1 2023	Q1 2022	Δ in %	Q1 2023	Q1 2022	Δ in %
Hotels	573.2	260.6	120.0%	348.6	88.0	296.1%	226.7	68.1	232.9%
Real Estate	2,013.9	1,395.2	44.3%	884.0	817.0	8.2%	866.7	595.2	45.6%
Town Management <sup>2</sup>	365.8	276.1	32.5%	148.8	91.2	63.2%	105.9	78.1	35.6%
Corporate & Unallocated Items	–	–	–	(723.9)	(360.7)	100.7%	(32.9)	(20.3)	62.1%
<b>ODH Group</b>	<b>2,952.9</b>	<b>1,931.9</b>	<b>52.8%</b>	<b>657.5</b>	<b>635.5</b>	<b>3.5%</b>	<b>1,166.4</b>	<b>721.1</b>	<b>61.8%</b>

<sup>1</sup> Adj. EBITDA: EBITDA adjusted for Non-cash items (which includes provisions & impairments, other gains and losses, FX gains & share in associates).

<sup>2</sup> Town Management include revenues from utilities & services, hospital, marina, golf, rentals, educational services, limousine, & other town amenities.

# Q1 2023

## Real Estate Sales KPIs

Unique Proposition of Integrated Masterplans & Superior Quality helped to Deliver Consistent Growth in Sales Performance

Country	Destination	Net value of contracted units (EGP mn)			Number of contracted units			Average selling price (EGP/m <sup>2</sup> )		
		Q1 2023	Q1 2022	Δ in %	Q1 2023	Q1 2022	Δ in %	Q1 2023	Q1 2022	Δ in %
Egypt	El Gouna	1,150.3	861.8	33.5%	41	66	(37.9%)	129,966	77,355	68.0%
	Makadi Heights	490.3	147.3	232.9%	104	38	173.7%	41,188	33,336	23.6%
	Byoum	7.5	(0.4)	1,975.0%	2	—	—	11,737	—	—
	O West	1,102.9	1,015.3	8.6%	125	152	(17.8%)	56,069	34,753	61.3%
<b>ODE Group</b>		<b>2,751.0</b>	<b>2,024.0</b>	<b>35.9%</b>	<b>272</b>	<b>256</b>	<b>6.3%</b>			

# Q1 2023

## Hotels KPIs

Strong rebound in performance during challenging market environment

Destination	Total number of rooms		Occ. for total no. of rooms (%)		ARR (EGP)		TRevPAR (EGP)		GOP PAR (EGP)	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
El Gouna	2,533	2,537	69%	61%	2,529	1,313	2,466	1,146	1,537	498
Taba Heights	2,349	2,349	29%	10%	1,234	470	490	73	96	(53)
Byoum <sup>1</sup>	53	53	—	—	—	—	—	—	—	—
<b>ODE Group</b>	<b>4,935</b>	<b>4,939</b>								

<sup>1</sup> The Hotel is closed for renovation.

## Deferred Revenue Balance Schedule

(EGP mn)

Country	Destination	Total deferred revenue balance	2023	2024	2025	2026	2027
<b>Egypt</b>	El Gouna	4,350.0	2,657.2	1,396.2	296.7	–	–
	Byoum	5.1	0.9	3.2	1.0	–	–
	Makadi Heights	1,937.1	642.7	352.7	464.3	477.3	–
	O West	9,513.5	2,957.4	4,179.5	1,724.8	521.4	130.4
<b>ODE Group</b>		<b>15,805.7</b>	<b>6,258.2</b>	<b>5,931.6</b>	<b>2,486.8</b>	<b>998.7</b>	<b>130.4</b>

- Figures are rounded to the nearest decimal point.

Q1 2023

## Town Management Revenue Analysis

Town Mgt. Items (EGP)	Q1 2023	Q1 2022	% Chg
Utilities	163,169,097	110,683,652	47.4%
Extra Work	32,936,533	55,435,231	(40.6%)
Rental	50,611,372	36,147,060	40.0%
Golf	17,048,233	8,486,062	100.9%
Hospital	30,000,101	22,329,755	34.4%
School	11,231,498	9,458,807	18.7%
Limousine	95,354	55,175	72.8%
Marina	60,374,849	33,198,373	81.9%
Others	334,142	272,569	22.6%
<b>Total Town Management Revenue</b>	<b>365,801,180</b>	<b>276,066,684</b>	<b>32.5%</b>

## Historical

### Income Statement

(EGPmn)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Revenue</b>	<b>3,356.4</b>	<b>4,659.9</b>	<b>4,986.7</b>	<b>7,053.5</b>	<b>10,269.3</b>
Cost of sales	(2,033.3)	(3,319.9)	(3,572.2)	(4,659.2)	(6,504.6)
<b>Gross profit</b>	<b>1,323.1</b>	<b>1,340.0</b>	<b>1,414.5</b>	<b>2,394.3</b>	<b>3,764.7</b>
Gross profit margin, (%)	39.4%	28.8%	28.4%	33.9%	36.7%
Investment income	177.0	167.6	86.7	247.6	364.0
Administrative expenses	(137.5)	(130.2)	(134.3)	(154.5)	(215.4)
<b>Adjusted EBITDA</b>	<b>1,362.6</b>	<b>1,377.4</b>	<b>1,366.9</b>	<b>2,487.4</b>	<b>3,913.3</b>
Adj. EBITDA margin, (%)	40.6%	29.6%	27.4%	35.3%	38.1%
Other gains & losses	43.6	178.1	(213.1)	(276.0)	(885.5)
Share of associates gains	47.3	95.1	136.3	130.1	135.0
<b>EBITDA</b>	<b>1,453.5</b>	<b>1,650.6</b>	<b>1,290.1</b>	<b>2,341.5</b>	<b>3,162.8</b>
Depreciation	(180.8)	(230.1)	(184.5)	(186.7)	(204.4)
Finance costs	(505.3)	(422.4)	(324.5)	(269.5)	(388.2)
Income tax expense	(267.2)	(292.5)	(209.8)	(571.2)	(662.3)
<b>Net profit for the period</b>	<b>500.2</b>	<b>705.6</b>	<b>571.3</b>	<b>1,314.1</b>	<b>1,907.9</b>

# Historical Balance Sheet

(EGPmn)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Property, plant and equipment	3,647.0	4,435.9	4,709.6	5,133.8	6,271.1
Inventory	762.1	7,241.8	7,721.9	8,368.4	9,221.7
Receivables	1,685.0	1,904.6	2,836.7	4,028.0	6,233.5
Cash and bank balances	1,310.3	1,139.3	1,671.7	1,825.6	3,059.6
Treasury bills	—	—	374.9	1,271.1	766.3
Investments in associates	160.0	249.1	285.0	353.6	409.0
Other assets	1,607.7	1,534.0	1,295.1	1,660.4	2,309.8
Non-current assets held for sale	129.6	95.0	—	—	—
<b>Total assets</b>	<b>9,301.7</b>	<b>16,599.7</b>	<b>18,894.9</b>	<b>22,640.9</b>	<b>28,271.0</b>
Borrowings	4,229.7	3,278.1	3,551.5	3,419.5	5,632.5
Payables	448.4	5,828.5	6,367.4	7,012.3	7,181.9
Provisions	598.4	303.7	383.5	966.4	1,226.2
Other liabilities	1,727.6	4,097.6	4,922.3	6,248.2	7,415.6
Liabilities related to assets held for sale	17.6	11.2	—	—	—
<b>Total liabilities</b>	<b>7,021.7</b>	<b>13,519.1</b>	<b>15,224.7</b>	<b>17,646.4</b>	<b>21,456.2</b>
Non-controlling interests	653.7	682.7	719.4	824.7	1,056.4
Equity attributable to ODE shareholders	1,626.3	2,397.9	2,950.8	4,169.8	5,758.4
<b>Total liabilities and equity</b>	<b>9,301.7</b>	<b>16,599.7</b>	<b>18,894.9</b>	<b>22,640.9</b>	<b>28,271.0</b>

## Historical

### Real Estate Sales KPIs

Destination	Net value of contracted units (EGP mn)					Number of contracted units					Average selling prices per sqm				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
El Gouna	2,027	2,178	2,410	4,047	4,430	321	231	235	381	389	40,975	50,940	56,581	61,193	72,039
Makadi Heights	250	400	450	1,183	950	163	192	164	342	224	16,728	12,100	18,534	30,339	35,536
Byoum	13.5	25	11	5	-	6	11	2	2	-	14,912	13,633	15,310	12,942	-
O West	-	4,325	3,316	3,969	5,730	-	935	547	730	831	-	21,435	25,573	30,651	38,252
<b>Total ODE</b>	<b>2,290</b>	<b>6,928</b>	<b>6,187</b>	<b>9,204</b>	<b>11,110</b>	<b>490</b>	<b>1,369</b>	<b>948</b>	<b>1,455</b>	<b>1,444</b>					

# Historical Hotels KPIs

Destination	Occupancy Rate %						TRevPAR (EGP)						ARR (EGP)						GOP PAR (EGP)					
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
El Gouna	77	82	82	27	45	70	958	1,284	1,385	479	903	1,635	804	1,064	1,184	1,275	1,476	1,637	419	586	666	52	411	823
Taba Heights	27	33	48	11	11	29	186	275	417	85	88	374	372	466	598	454	532	979	(11)	(6)	(10)	(94)	(59)	67
Byoum	39	25	29	16	15	-	413	468	544	307	263	-	668	1,147	1,130	1,224	1,190	-	0.5	1.4	155	26	(61)	-

## Analyst Coverage & Shareholding Structure

### Item Type

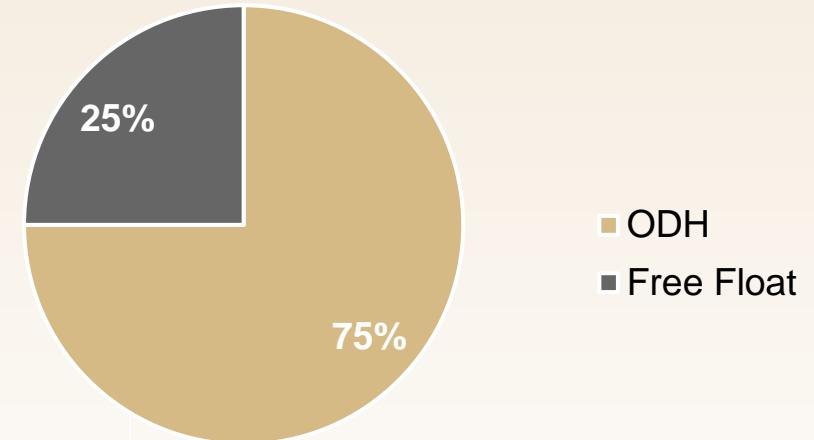
Name	Orascom Development Egypt (ODE)
Free Float	25.0%
ISIN Code	ORHD:CA
Total outstanding shares	1,130,473,523

### Company

### Analyst Name

Arqaam Capital	Mohamed Haidar
Arab African	Mahmoud Gad
Beltone Financial	Merna Arafat
CI Capital	Sara Boutros
EFG-Hermes	Mai Attia
HC Capital	Mariam El Sadany
Naeem Holding	Youssef El Banna
Pharos Holding	Mayar El Ashry
Sigma Capital	Mahmoud Riyad

### Shareholding Structure as of Q1 2023



# Board of Directors



## Samy Saad Zaghloul

*Chairman, Non-Executive Member*

- Dr. Samy Saad Zaghloul is the former Executive Director representing Egypt & Djibouti at the Board of Directors of the African Development Bank Group and former Dean of the Board.
- He served as the Secretary General of the Cabinet of Ministers of the Egyptian Government for 8 years.
- He holds three distinct masters' degrees: in Public Administration from Harvard University, John F. Kennedy School of Government; in Computer Science from Harvard University and in Computer Science from Cairo University, Faculty of Engineering.



## Omar El Hamamsy

*CEO, Executive Board Member*

- El Hamamsy joins ODE from McKinsey & Company where he was a Senior Partner in the Middle East office and was previously in the Belgium office.
- In his 18 years at McKinsey, he led many practices including Travel and Transport. His clients at McKinsey spanned many sectors and he supported them on topics ranging from strategy, organization, sales and marketing, operations, and finance.
- He worked for six years at AT&T's Bell Labs in the US where he was managing a global engineering team for wireless product development.
- He also sits on the regional Board of Directors of "Injaz Al-Arab" (a member of Junior Achievement Worldwide)
- He holds a master's degree from Stanford University.



## Amr Badr

*Non-Executive Member*

- Mr. Badr currently holds the position of Regional Managing Director of Abercrombie & Kent for Egypt and the Middle East. Mr. Badr also oversees A&K's operations in Morocco, Jordan, and Libya.
- In 2013, he was appointed as a Board member on the Egypt – U.S. Business council and also on the Board of the Egyptian National Tourism Association.
- He also serves as an advisor to the Chairman & CEO of Carbon Holding International, the largest fertilizer and petrochemical company in the region.
- He also serves on the Board of Directors of People to People International and serves on the Advisory Board of the United States Center for Citizen Diplomacy.



## Ashraf Nessim

*CFO, Executive Board Member*

- Eng. Nessim has more than 20 years of experience in various fields including finance, infrastructure and hospitality
- Prior to joining the group, he was the Chief Financial Officer representing Beltone Private Equity in their Pick Albatros Investment.
- From 2007 to 2010 he was the Group Chief Financial Officer of Mobiserve and before that, he established the operation of Raya Distribution in Algeria and managed merchandising activities in all 34 shops of Nokia and Samsung in Egypt.
- Mr. Nessim holds a Bachelor degree in Mechanical Engineering.

# Board of Directors



**Hisham Zazou**

*Non-Executive Member*

- Mr. Zazou is an Egyptian businessman and politician who has been serving as the Egyptian Minister of Tourism from 2012 till 2015.
- Zazou began his career in the City Bank Group for five years in Cairo.
- Established a tourist agency in the US focusing on the Egyptian market and began to work in the tourism field.
- From 2004 to 2007, Zazou served as the chair of the Egyptian Tourism Federation.



**General. Reda Farahat**

*Non-Executive Member*

- A former police general. Held the position of Alexandria Governor and Qalioubeya Governor (2015-2017).
- He held also the position of non-executive chairman for Americana Group
- Major General Reda Farhat obtained a Postgraduate Diploma in Public Administration and Local Governance in 1988, a MA in Political Science from Suez Canal University, and a Ph.D. in Political Science on the Darfur crisis and its repercussions on Egyptian national security.
- He also held several positions in the Electricity Police, in addition to his membership in the former Supreme Security Council.



**Noura Selim**

*Non-Executive Member*

- Noura holds a master's in business administration from Harvard Business School, a Masters in Biotechnology from the University of Pennsylvania and a Bachelor's of Science in Bioengineering from the University of Pennsylvania, graduating Magna cum laude.
- Noura Selim is the Executive Director of the Sawiris Foundation for Social Development since the beginning of 2015.
- At McKinsey, Noura served public and private sector clients, particularly on health care and education topics.
- In May 2021, Noura was appointed to the Advisory Board of Harvard Business School Middle East and North Africa for a two-year renewable term.



**Lamia Kamel**

*Non-Executive Member*

- Lamia received her Bachelor's and master's degree in business administration at the American University in Cairo
- Lamia Kamel is the Founder and Managing Director of CC Plus, a leading corporate consultancy firm that applies world-class standards, operating in local and regional markets.
- For a year-long term, Lamia was selected for the role of Assistant Minister of Tourism and Antiquities for Promotion.
- She is also a professor at the American University in Cairo (AUC), and Misr International University (MIU), and a strategy consultant working with large local Egyptian companies to help specify gaps and enable those companies to achieve international quality standards.

# IR DASHBOARD CALENDAR & CONTACT



# IR Dashboard Calendar & Contact

## INVESTOR RELATIONS CONTACT

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## CALENDAR

Date	Event
August 17 <sup>th</sup> , 2023	1H 2023 Results
November 16 <sup>th</sup> , 2023	9M 2023 Results

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# DISCLAIMER

Throughout this document, we present certain non-IFRS measures, namely EBITDA and other EBITDA related measures such as Adjusted EBITDA, EBITDA margin, as well as GOP and GOP margin (as defined below) and net debt. We define EBITDA as profit for the period before finance costs, income tax expense and depreciation and amortization. EBITDA margin is EBITDA as a percentage of revenue. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization adjusted to better reflect optimization of core operating activities net of any extraordinary items such as provisions and impairments, FOREX losses, capitalized general and administration expenses, share in associates and fair value differences. We define GOP as the profit of our hotel business after deducting operating costs and before deducting amortization and depreciation expenses. It also excludes all costs related to non-hotel operations. We define GOP margin as GOP divided by revenue. We calculate our net debt by adding long- and short-term borrowings and cash and cash equivalents.

We use EBITDA, EBITDA margin, Adjusted EBITDA, GOP and GOP margin in our business operations to, among other things, evaluate the performance of our operations, develop budgets and measure our performance against those budgets. We use net debt as part of our evaluation of liquidity.

We find these measures to be a useful tool to assist in evaluating performance because they eliminate items related to finance costs, taxes and depreciation and amortization. Furthermore, we believe that EBITDA is commonly reported by comparable businesses and used by investors in comparing the performance of businesses without regard to depreciation and amortization, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred).

EBITDA, EBITDA margin, Adjusted EBITDA, GOP and GOP margin may not be comparable to similarly titled measures disclosed by other companies, and investors should not use these non-IFRS measures as a substitute for the figures provided in our Audited Consolidated Financial Statements.

Management uses these supplemental non-IFRS financial measures to evaluate performance period over period, to analyze the underlying trends in our business, to assess our performance relative to our competitors and to establish operational goals and forecasts that are used in allocating resources. In addition, management uses these non-GAAP financial measures to further its understanding of the performance of our operating segments. With the exception of the impact of the recent acquisitions and divestitures, the adjustments excluded from our non-GAAP financial measures are consistent with those excluded from our operating segments' measures of net sales and profit or loss. These adjustments are excluded from the segment measures reported to our chief operating decision maker that are used to make operating decisions and assess performance.

**THANK YOU**

