

**PALM HILLS****Palm Hills Developments hitting New Sales Record of EGP 32.3 billion and Earnings cross the EGP1 billion mark for 1Q2024**

Cairo on May 28, 2024 - Palm Hills Developments S.A.E. ("PHD" or "the Company"), a leading real estate developer in Egypt, announces its consolidated financial and operating results for the financial period ended March 31, 2024.

Key Highlights:

- The company achieved record new sales during the quarter of EGP32.3 billion, a growth of 377% YoY, reflecting PHD strong brand equity.
- On the reporting level, the company witnessed strong first quarter with revenue of EGP6.2 billion and net profit exceeding the EGP1 billion mark, growing 77% and 298% YoY, respectively.

Financial Highlights

- Revenue increased 77% YoY to EGP6.2 billion in 1Q2024, reflecting the increase in new sales during the period complemented by strong backlog recognition mainly in Palm Hills New Cairo, The Crown and Badya, respectively.
- Gross profit increased by 105% YoY to EGP2.3 billion, translating into strong GPM of 38% compared to 32% in 1Q2023, despite the inflationary environment, supported by the recognition of high margin units.
- Collection from new sales increased to EGP4.5 billion in 1Q2024 compared to EGP2.9 billion in 1Q2023, up by 56% YoY.
- EBITDA increased by 145% YoY to record EGP1.7 billion, implying an EBITDA margin of 28% compared to 20% in 1Q2023.
- Net Profit After Tax & Minority Interest increased to EGP1 billion in FY2023, an increase of 297% YoY, with a Net Profit margin of 16%.
- Net Debt stood at EGP1.3 billion by the end of 1Q2024 compared to EGP1.8 billion by the end of FY2023. Receivables increased to EGP85 billion at the end of 1Q2024 compared to EGP69.3 billion in 1Q2024.
- Cash flow from Operations stood at EGP629 million, supported by the increase in collection rate and higher new sales.

Operational Highlights

- New sales grew to record EGP32.3 billion in 1Q2024 compared to EGP6.7 billion in 1Q2023, driven by strong demand across all the operating regions.
- The Company spent EGP2.2 billion on construction activities during 1Q2024, a growth of 90% YoY, mainly in Badya, Palm Hills Alexandria, Palm Hills New Cairo, Hacienda West, and Alamein. As at the end of 1Q-2024, a total of 350 units were released from construction and ready for handing over in Badya, Palm Hills New Cairo, Palm Hills Alexandria, The Crown, and Capital Gardens while Ready-to-Move inventory reached EGP3.2 billion, representing 106 units mainly in Palm Hills New Cairo, Badya and Hacienda West.

**PALM HILLS****Yasseen Mansour, Executive Chairman comments:**

I am pleased to report an exceptional first quarter results which underscores the strength of Egypt's real estate market and our ability to maintain a positive long-term growth momentum, despite the different macro-economic events that took place to reinstate the stability of the Egyptian economy.

In 1Q 2024, the company booked new record sales of EGP32.3 billion a growth of 377% YoY, mainly supported by strong sales across all regions namely West Cairo, East Cairo and Badya. P/X project located in West Cairo witnessed extraordinary demand in 1Q2024, whereby majority of the buyers are below the age of 45 years, reflecting the project's new perspective on living and that our projects are offering vibrant and community-oriented lifestyles. Badya continued to achieve robust sales numbers with sales tripling this quarter YoY to record c. EGP9 billion which compares to EGP3 billion in 1Q2023. Progress in Badya is going as planned with more than 500 homes have been delivered to clients since the delivery commencement and around 100 families already moved there. East Cairo region continued to achieve strong figures led by Palm Hills New Cairo project with new sales mounting to EGP5 billion during the quarter.

On the financials level, the company's exceptional figures were a result of management strategic measures adopted mainly accelerating construction, pricing strategy and inventory management tactics. Top line significantly grew YoY, reflecting the increase in new sales and units' hand over during the quarter while margins expanded remarkably in 1Q2024, reflecting the recognition of high value backlog despite the pressure from rising construction cost and finishing materials, reflecting the company's aggressive pricing and sales strategy taken in the previous years and its strong brand equity which allows price premiums without affecting sales.

On the development side, we continued to increase construction spending in the first quarter, and we are still adopting the strategy of accelerated execution pace across major projects with the aim to make all our communities livable, hence, create the recurring income revenue stream from the commercial amenities associated with the residential community. During the quarter, we concluded several bulk deals to secure finishing materials and speed up the construction pace.

Our real estate and commercial development pipeline will sustain their pace of expansion throughout the remainder of the year, and we will continue to actively explore opportunities through strategic land bank replenishment-in line with our strategic objectives-complemented by new launches in the existing projects as we remain confident in the resilience of the Egyptian real estate sector and the ability of Palm Hills to maintain its market-leading position.



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Financial Review

EGP Million	1Q2024	1Q2023	Change
Revenue	6,228	3,528	77%
Gross Profit	2,338	1,138	105%
Gross Profit margin	38%	32%	6pp
EBITDA	1,725	704	145%
EBITDA margin	28%	20%	8pp
Net Profit before Tax & Minority Interest	1,429	381	275%
Net Profit after Tax & Minority Interest	1,002	252	298%
Net Profit margin	16%	7%	9pp

Revenue stood at EGP6.2 billion in 1Q2024, an increase of 77% YoY, driven by the increase in new sales and the accelerated revenue recognition of the robust sales previously achieved.

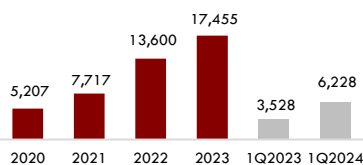
Gross Profit increased by 105% YoY to record EGP2.3 billion in 1Q2024, with a gross profit margin growing to 38% in 1Q2024 compared to 32% in 1Q2023, reflecting the recognition of high margins units mainly in Palm Hills New Cairo, The Crown and Badya.

EBITDA amounted to EGP1.7 billion, an increase of 145% YoY, implying an EBITDA margin of 28%.

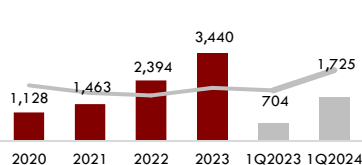
Net Profit After Tax & Minority Interest reached EGP1 billion in 1Q2024 compared to EGP252 million in the comparable quarter last year, an increase of 298% YoY, with a Net Profit margin of 16% compared to 7% in 1Q2023.

Net Debt stood at EGP1.3 billion by the end of 1Q2024 down from EGP1.8 billion by end of FY2023, while receivables balance (on & off-balance sheet) stood at EGP85 billion in 1Q2024 compared to EGP69 billion in FY2023, covering net debt by 67x.

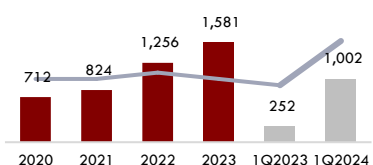
Revenue
(EGP mn)



EBITDA & EBITDA Margin
(EGP mn)



Net Profit after Tax & Minority Interest
(EGP mn)

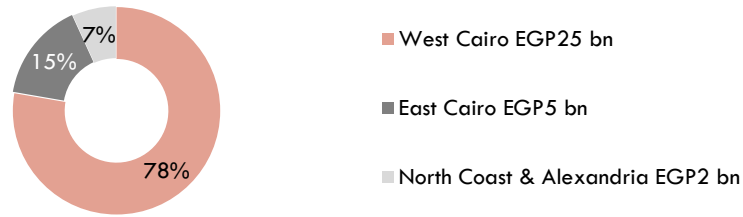




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Operational Review

New sales stood at EGP 32.2 billion in 1Q24, an increase of 377% YoY driven by strong sales in all regions. The following chart illustrates percentage contribution of each operating region to new sales during 1Q2024:



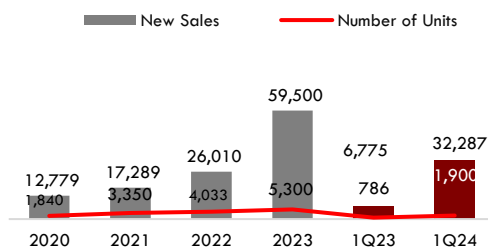
In West Cairo, new sales significantly grew to EGP25 billion in 1Q2024 compared to EGP4.7 billion in the comparable period last year, driven by sales in Badya and P/X which witnessed strong demand, the project is located on the highest points of the palm hills neighborhood in the center of the West Cairo, spread across an area of 1.7 mn sqm and is set to encompass more than 6,000 residential units including upscale residential apartments and villas, along with commercial amenities, an extension to Palm Hills sporting club and one five-stars hotel. Badya recorded total sales of EGP9 billion, an increase of 200% YoY with number of units sold also increased by 65% YoY, reaching 728 units.

In East Cairo, new sales grew to EGP5 billion compared to EGP0.8 billion in 1Q2023, supported by PHNC sales. The project witnessed strong sales momentum with number of units sold increasing and average selling prices.

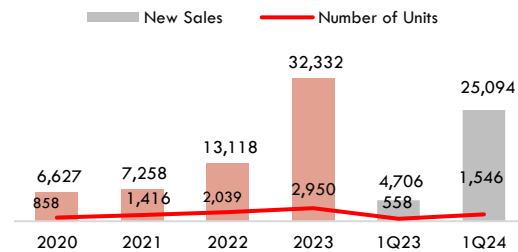
North Coast and Alexandria region witnessed a growth of 74% YoY to reach EGP2.2 billion compared to EGP1.2 billion in 1Q2023, mainly supported by sales Palm Hills Alexandria and Hacienda West.

The Company spent EGP2.2 billion on construction activities during 1Q2024, a growth of 90% YoY, mainly in Badya, Palm Hills Alexandria, Palm Hills New Cairo, Hacienda West, and Alamein. As at the end of 1Q-2024, a total of 350 units were released from construction and ready for handing over in Badya, Palm Hills New Cairo, Palm Hills Alexandria, The Crown, and Capital Gardens while Ready-to-Move inventory reached EGP3.2 billion, representing 106 units mainly in Palm Hills New Cairo, Badya and Hacienda West.

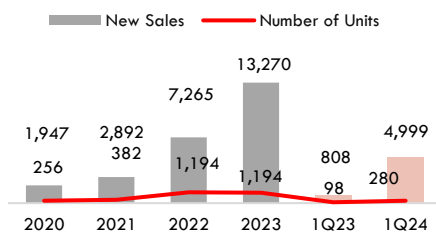
New Sales, All Regions (EGP mn)



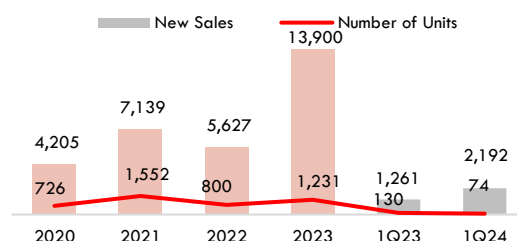
New Sales, West Cairo (EGP mn)



New Sales, East Cairo (EGP mn)



New Sales, North Coast & Alexandria (EGP mn)





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Consolidated Income Statement ²

EGP Thousand	March 31, 2024	March 31, 2023	%
Revenue	6,228,687	3,528,843	77%
Cost of Revenue	(3,890,635)	(2,390,579)	63%
Gross Profit	2,338,052	1,138,264	105%
Gross Profit margin	38%	32%	6pp
EBITDA	1,725,873	703,665	145%
EBITDA margin	28%	20%	8pp
Operating Profit	1,679,014	660,943	154%
Operating Profit Margin	27%	19%	
Net Profit Before Income Tax & Minority Interest	1,429,191	381,381	275%
Income Tax Expense	(379,050)	(124,857)	204%
Net Profit After Tax	1,050,141	256,523	309%
Non-Controlling Interest	(48,106)	(3,853)	Na
Net Profit After Tax & Minority Interest	1,002,035	252,670	297%
Net Profit After Tax & Minority Interest margin	16%	7%	9pp

Consolidated Balance Sheet Items²

EGP Thousand	March 31, 2024	December 31, 2023
Total long - Term Assets	38,956,479	31,824,033
Total Current Assets	47,076,680	42,474,427
Total Assets	86,033,159	74,298,460
Total Current Liabilities	47,675,798	41,069,114
Total Long-Term Liabilities	25,739,665	21,507,498
Total Liabilities	73,415,463	62,576,612
Total Equity attributable to Parent Company	12,016,059	11,159,386
Non-Controlling Interest	601,635	562,460
Total Shareholders' Equity	12,617,695	11,721,847

Consolidated Cash Flow Statement²

EGP Thousand	March 31, 2024	March 31, 2023
Cash Flows from Operating Activities	629,138	(277,761)
Cash Flows from Investing Activities	(389,164)	(102,662)
Cash Flows from Financing Activities	83,128	909,771
Cash & Cash Equivalents as of March 31, 2024	3,512,343	1,693,943

2- Selected Company's Consolidated Financial Statements for the period ended December 31, 2023, prepared in accordance with Egyptian Accounting Standards ("EAS"), can be downloaded from our Company's website: www.palmhillsdevelopments.com

**PALM HILLS****About Palm Hills Developments**

Palm Hills Developments ("PHD"), a leading real estate developer in Egypt, is a joint stock company established in 1997. The Company builds integrated communities and has one of the most diversified land bank portfolios, spreading over 32.3 million square meters ("sqm"). PHD's product offerings include primary homes in West Cairo, East Cairo and Alexandria, as well as secondary homes on the North Coast.

As at end of 1Q2024, PHD delivered more than 15,000 units within its developments. Today, PHD has several projects under development in West Cairo, East Cairo, North Coast and Alexandria, in addition to co-development projects, translating into a sales backlog of c.EGP71 billion. PHD is listed and traded on the Egyptian Stock Exchange under the symbol "PHDC.CA". For more information, please visit: <https://ir.palmhillsdevelopments.com/>

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Disclaimer

This report contains statements that could be construed as forward looking. These statements appear in several places in this report and include statements regarding the intent, belief or current expectations of the number of units to be delivered, construction spending, projects' timelines and estimates regarding future growth of the business, financial results and other aspects of the activity and situation relating to the Company. Such forward-looking statements are no guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. You are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this report, which is not intended to reflect Palm Hills Developments business or acquisition strategy or the occurrence of unanticipated events.