

**PALM HILLS**

PHD achieves new sales of EGP59.5 billion in FY2023, an increase of 129% YoY, without the launch of new projects. Revenues stood at EGP 17.4 billion while Net Profit After Tax & Minority Interest grew to EGP1.6 billion in FY2023

Cairo on February 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 December 31, 2023.

FY2023 Key Highlights:

- The company added 374 feddan of mixed-use plot to its land bank in 3Q23, neighboring Palm Hills October region, with the first phase being launched in 1Q24.
- Operations within our two distinct verticals the Education and Hospitality progressed this year as King's school commenced its operation in 1H2023, while Badya University successfully completed the licensing process with the issuance of its presidential decree and scheduled to start operations in the academic year starting September 2024. The signature of an exclusive agreement with Marriott International to open The Ritz-Carlton, Palm Hills, with 150 guestrooms and 50 serviced apartments, and adding c.200 hotel rooms in the North Coast.
- The company concluded early on several bulk deals during the year to secure highly exposed USD components and alleviate inflation cost impact.

Financial Highlights

- Revenues grew to EGP17.5 billion in FY23, an increase of 28% YoY, reflecting higher new sales during the year coupled with higher delivered units. Revenues for 4Q23 stood at EGP6.2 billion, an increase of 53% YoY.
- Collection from new sales increased to EGP12.8 billion, from EGP8.3 billion in FY2022, up by 54% YoY.
- EBITDA increased to EGP3.4 billion, higher 44% YoY, implying an EBITDA margin of 20%.
- Net Profit After Tax & Minority Interest amounted to EGP1.58 billion in FY2023, an increase of 26% YoY, with a Net Profit margin of 9%. Net profit in 4Q23 increased to EGP532 million, an increase of 54% YoY.
- Construction spending amounted to EGP7.5 billion in FY23, up 89% YoY.
- Net Debt stood at EGP1.8 billion by the end of FY23 compared to EGP1.5 billion in FY2022 and down from EGP2.2 billion by the end of 3Q23, while receivables increased to EGP69.3 billion at the end of FY23 compared to EGP51 billion in 9M23 and EGP42 billion in FY22, covering net debt by 37x.
- Cash flow from operations improved to EGP753 million in FY2023, which was mainly on improved profitability and higher collection rate.

Operational Highlights

- New sales grew 129% YoY to record EGP59.5 billion in FY2023, driven by the increase in average selling prices and the increase in number of units sold during the year. Sales in 4Q23 were very strong recording EGP24.5 billion, a growth of 189% YoY compared to EGP8.5 billion 4Q2022.
- Badya continues to witness record new sales, achieving EGP24 billion in FY2023 compared to EGP6.1 billion sales in FY2022, a growth of 293% YoY.
- The Company delivered 1,500 units during FY2023, up from 1,281 units in FY2022. Released from construction balance stood at c.2,331 units in FY2023 while Ready-to-Move units balance stood at c. EGP2.3 billion by end of 4Q23.

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

I am pleased to report another set of very strong financial and operational results. This was a year of execution for our company, with everything we achieved in 2023 coupled with our strategy, we have stronger platform for 2024.

In FY23, the Company delivered record new sales of EGP59.5 billion a growth of 129% YoY, boasted by continued strong sales momentum in the existing projects' portfolio namely Badya, North Coast projects, Palm Hills New Cairo and Palm Hills Alexandria, including increased contribution from Ready-to-Move units' sales across all projects. The performance of the fourth quarter was very resilient, driven by continued demand on our offerings as we achieved new sales worth c. EGP25 billion in 4Q23, a growth of 189% YoY. This led to strong financial performance during the year as we delivered strong profitability growth both on the top line and bottom-line fronts in FY23 and 4Q23.

This achievement is evidence of the company's ability to sustain its dominant position in the real estate market, while maintaining strong profitability across all projects. We have been adjusting selling prices throughout the year with an average of 70% and 80% for apartments and BUA, respectively, and majority of our sales were concluded in 2H2023-mainly until November and we considered December off for our sales team-to benefit from prices appreciation and we focused on selling our unique portfolio of Ready-to-Move units which cushions against cost inflation pressure. In addition, most of our offerings were standalone units along with core and shell apartments to alleviate the risk of finishing materials' prices inflation, this has been reflected in 4Q23 figures on all fronts. Moreover, we refrained any new project launches during the year while pushing it to 1Q24, amid the ambiguous real estate pricing environment, to ensure a sustainable and comfortable profitability base for our sales in FY23 and going forward.

Badya continued to witness strong sales momentum in FY23, with new sales amounting to EGP24 billion in FY23 compared to EGP6.1 billion in FY22. The project is progressing very well and expected to witness strong performance in FY24.

On the development side, we are still adopting the strategy of accelerated construction spending and speeding up the execution pace across our key projects, to hedge from cost inflation. In FY23, we spent more than EGP7.5 billion both on commercial and residential projects and we plan to continue spending in FY24.

We are pleased to work with Marriott International as our new prominent partner in Palm Hills October and bringing Ritz-Carlton on board is a milestone for our company that aligns perfectly with our strategic vision of encouraging the tourism sector and penetrating the hospitality sector along with elevating the offerings of the real estate in Egypt. This is the second agreement this year after partnering with Casa Cook hotels brand to add c.200 hotel rooms in Hacienda white 2 North Coast. Both agreements come in line with our strategy to focus on a sustainable revenue stream and growing recurring income portfolio.

We remain committed to achieving our strategic objectives to serve our clients, further strengthen our company's leading position and continue to deliver for our shareholders. We are looking forward to another outstanding year led by Badya, the newly acquired land plot 374 feddan P/X project and the rest of our projects' portfolio.



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Financial Review

EGP Million	4Q2023	4Q2022	Change	FY2023	FY2022	Change
Revenue	6,178	4,043	53%	17,462	13,600	28%
Gross Profit	1,702	1,277	33%	5,507	4,486	23%
Gross Profit margin	28%	32%	(4pp)	32%	33%	(1pp)
EBITDA	1,117	616	81%	3,447	2,384	44%
EBITDA margin	18%	15%	3pp	20%	18%	2pp
Net Profit before Tax & Minority Interest	756	412	84%	2,300	1,703	35%
Net Profit after Tax & Minority Interest	532	345	54%	1,581	1,255	26%
Net Profit margin	8.6%	8.5%	0.9pp	9%	9%	-

Revenues stood at EGP17.4 billion in FY23, an increase of 28% YoY, largely due to higher new sales during the period coupled with higher delivered units in FY23. In 4Q23, revenues stood at EGP6.2 billion compared to EGP4 billion in 4Q22, up by 53% YoY.

Gross Profit stood at EGP5.5 billion in FY2023, up by 23% YoY, with gross profit margin of 32% lower from 33% in FY2022. Gross Profit in 4Q23 came in at EGP1.7 billion from EGP1.3 billion in 4Q22, up 33% YoY, translating into a gross profit margin of 27%.

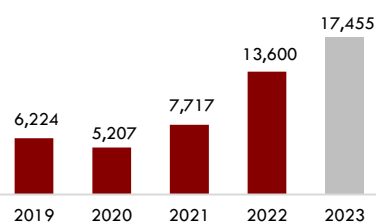
EBITDA amounted to EGP3.4 billion, an increase of 44% YoY, implying an EBITDA margin of c.20%. In 4Q23, EBITDA surged by 78% YoY to reach EGP1.1 billion, a margin of 18%.

Net Profit After Tax & Minority Interest came in at EGP1.58 billion in FY2023, up 26% YoY, with a Net Profit margin of 9%. 4Q23's net profit stood at EGP532 million, up 54% YoY.

Net Debt decreased to EGP1.8 billion by the end of FY2023 compared to EGP2.2 billion in 9M23 and EGP1.5 billion in FY2022, while receivables (on & off-balance sheet) stood at EGP69.3 billion in FY2023 higher from EGP52 billion and EGP40 billion in 9M23 and FY22, respectively, covering net debt by 37x.

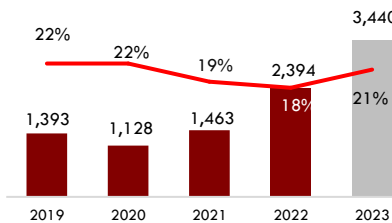
Revenue

(EGP mn)



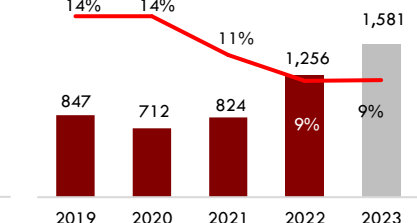
EBITDA & EBITDA Margin

(EGP mn)



Net Profit after Tax & Minority Interest

(EGP mn)



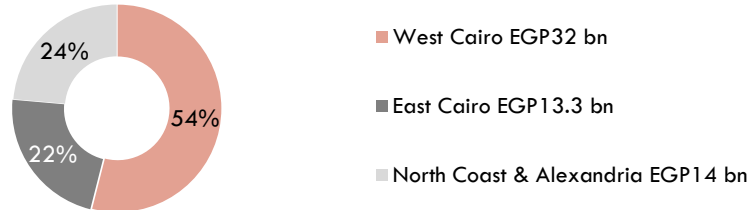


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Operational Review

New sales remarkably grew by 129% YoY to record EGP 59.5 billion in FY2023, supported by strong sales momentum during the period along with higher units' sales YoY. Sales in 4Q23 were very strong recording EGP24.5 billion, a growth of 189% YoY compared to EGP8.5 billion in 4Q2022.

The following chart illustrates percentage contribution of each operating region to new sales during FY2023:



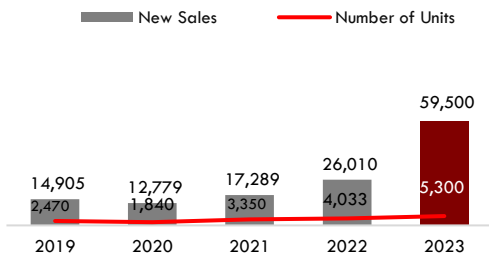
In West Cairo, new sales surged by 146% YoY to record EGP32.3 billion in FY2023, driven by a strong sales momentum in Badya which seen strong performance in FY23 booking sales of EGP24 billion compared to EGP6 billion sales in the comparable period last year. Growth in Badya was a function of higher average selling prices and number of units sold, with number of units sold increasing 92% YoY.

In East Cairo, new sales came in at EGP13 billion compared to EGP7.2 billion in FY2022, supported by PHNC where new sales amounted to c. EGP11 billion during FY23, a growth of 150% YoY.

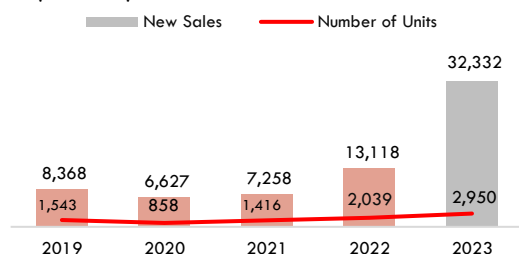
North Coast and Alexandria region witnessed remarkable contribution to new sales during the period supported by strong sales momentum during the summer season, the region achieved new sales of EGP13.6 billion in FY2023, an increase of 143% YoY.

The Company spent EGP7.5 billion on construction activities during FY2023, a growth of 89% YoY, mainly in Badya, PHNC, Palm Hills Alexandria, Palm Hills New Cairo, Hacienda West, and Alamein. In FY2023, a total of 1,486 units were delivered versus 1,281 units delivered in FY2022, deliveries were mainly in PHNC, Capital Gardens, and Badya, total of 2,331 units were released from construction by the end of FY2023, while Ready to Move inventory stood at EGP2.3 billion, translating into 87 units.

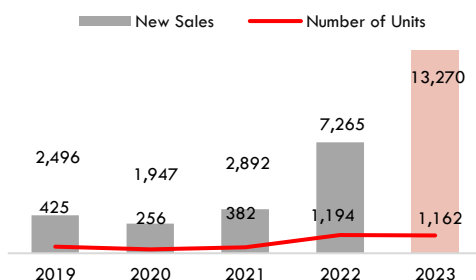
New Sales, All Regions
(EGP mn)



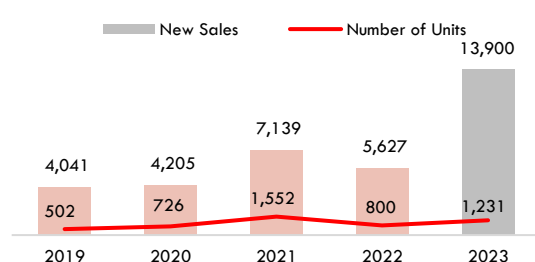
New Sales, West Cairo
(EGP mn)



New Sales, East Cairo
(EGP mn)



New Sales, North Coast & Alexandria
(EGP mn)





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Consolidated Income Statement²

EGP Thousand	FY2023	FY2022	%
Revenue	17,462,108	13,600,123	28%
Cost of Revenue	(11,954,473)	(9,113,438)	31%
Gross Profit	5,507,635	4,486,685	23%
Gross Profit margin	32%	33%	0.0pp
EBITDA	3,447,174	2,394,226	44%
EBITDA margin	20%	18%	2pp
Operating Profit	3,268,614	2,220,556	47%
Operating Profit Margin	19%	16%	3pp
Net Profit Before Income Tax & Minority Interest	2,300,705	1,703,491	35%
Income Tax Expense	(567,300)	(412,818)	%
Net Profit After Tax	1,733,404	1,290,672	34%
Non-Controlling Interest	(151,893)	(34,824)	336%
Net Profit After Tax & Minority Interest	1,581,512	1,255,746	34%
Net Profit After Tax & Minority Interest margin	9%	9%	-

Consolidated Balance Sheet Items²

EGP Thousand	December 31, 2023	December 31, 2022
Total long - Term Assets	31,824,033	23,488,367
Total Current Assets	42,474,427	26,017,630
Total Assets	74,294,460	49,505,997
Total Current Liabilities	41,073,851	27,269,290
Total Long-Term Liabilities	21,502,761	12,568,858
Equity Attributable to Equity Holders of Parent Co.	11,159,387	9,690,480
Non-Controlling Interest	562,461	481,106
Total Shareholders' Equity	11,721,848	10,171,586

Consolidated Cash Flow Statement²

EGP Thousand	December 31, 2023	December 31, 2022
Cash Flows from Operating Activities	753,224	(898,833)
Cash Flows from Investing Activities	(517,393)	(354,420)
Cash Flows from Financing Activities	1,784,293	1,404,419
Cash & Cash Equivalents as of December 31, 2023	3,189,241	1,165,167

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 30.6 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 FY2023, 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.EGP55 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.