

Press Release

Orascom Development Egypt (ODE) gives an update on its key destination; El Gouna Q2 2020 sales increase by 22.1% to EGP 891.5 million and its hotels receive the full safety, sanitation, and hygiene audit confirmation from TÜV Nord.

Cairo, 14 July 2020 – Orascom Development Egypt would like to update its investors and shareholders on the strength of its business model and financial position, in the height of the economic downturn brought by the Covid-19 outbreak. ODE’s management continue to carefully monitor the situation and believes that the company is well prepared to overcome the current potential volatility in the business environment and the slowdown of economic activity that is caused globally.

El Gouna Real Estate

Demand for El Gouna remained strong; recording a boost in its sales progress with a 22.1% increase in total contracted and reserved units during Q2 2020 compared to Q2 2019. Total contracts and reservations for El Gouna reached EGP 891.5 million (EGP 773.1 million contracted and EGP 118.4 million reservations) compared to EGP 729.9 million in Q2 2019. The delay in converting the pending reservations to contracts resulted from the social distancing procedures put in place for the Covid-19 pandemic.

ODE is continuing to speed up our construction pace in El Gouna, deploying 100% capacity at our construction sites, complemented by all the necessary precautionary and safety measures. The company increased our construction budget for the destination this year to EGP 1.1 billion, which is expected to generate real estate revenues within the range of EGP 1.9-2.1 billion for 2020.

ODE is planning to deliver 254 units this year with main deliveries happening in Abu Tig Hill, Tawila, Ancient Sands, Cyan and Sabina.

It is worth noting that the company had a deferred revenue balance of EGP 7.9 billion as of Q1 2020, which increased during the second quarter driven by the new sales. The deferred revenue remains solid and fully funded, providing concrete visibility on future cash flows and earnings. This backlog will result in total “Real Estate Portfolio Receivables” of EGP 9.5 billion. Deferred revenue relates to sold and contracted real estate units that are either under construction or where construction will be carried out in the following years.

El Gouna Hotels

Following the recently released governmental regulations which allowed hotels that put in effect strict sanitation and hygiene protocols to operate with limited occupancy levels, the Group was proud to announce that its health and sanitation protocol were recently audited and confirmed by TÜV Nord, a German organization that work to validate the safety of products and services of all kinds to protect humans, material assets and the environment against hazards. This confirmation reflected positively on the international booking trend and will continue to reflect positively on our hotels forward booking.

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 4,951 rooms within four operating destinations. El Gouna, on the Egyptian Red Sea Coast in Hurghada, Taba Heights, on the Sinai Peninsula, Makadi 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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