



Madinet Nasr for Housing and Development | Sales Momentum Continues; Maintain BUY

FV, EGP/Share	20.39	Tickers	MNHD.CA/MNHD EY
Recommendation	Buy	S/O, m	500.0
Last Price, EGP/Share	14.55	MCAP, EGP m	7,275.0
Valuation Gap	40.1%	Free Float	47.2%
52W H-L, EGP/Share	17.88 - 9.26	52W ADTV, EGP m	12.6

MNHD Reports Highest Monthly Sales in Company History

Madinet Nasr for Housing and Development (MNHD) reported its contracted sales figure for the month of August 2016 at EGP 519.1 million, up 520.4% when compared to contracted sales of EGP 83.7 million in August 2015. This brings the firm's QTD contracted sales to EGP 737.6 million and sets the record as the company's highest monthly contracted sales. This impressive sales record is boosted by contracted sales in the firm's T Zone project and does not include any proceeds from Capital Gardens, the firm's co-development project with Palm Hills Developments.

MNHD on Track to Meet Our 2016 Contracted Sales Projection of EGP 1.8 Billion


MNHD YTD contracted sales stand at EGP 1.2 billion, which renders it on track to meet our projection of EGP 1.8 billion in contracted sales for FY2016.

Sales Figures Solidify MNHD's Position in the Development World; Maintain BUY

As we mentioned in our comment on MNHD's 2Q16 results (see "Madinet Nasr for Housing and Development - Comment on Q2-16 Results – August 15, 2016"), the firm's ability to develop and sell its projects makes it more than just a land bank owner. This suggests that one of the options the firm faces to monetize its land bank - to develop the land bank itself - may be sought for at least some of its vast raw land, leaving plenty to be used in co-development agreements or to be simply sold off to other developers in need of land bank replenishment. We reiterate our "Buy" recommendation, given that the market still does not fully reflect the value

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of Sarai, MNHD's 5.5m sqm land plot located in close proximity to the New Administrative Capital. Sarai represents EGP 9.87/share of our total FV of EGP 20.39/share for MNHD.

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