



SODIC Announces 2017 H1 Results

Net profits more than double driven by surge in timely deliveries and robust operating profitability

Cairo, Egypt, August 17th 2017

SODIC “Sixth of October Development & Investment Company” released its consolidated financial results for the six months ending June 30th 2017

- Revenues: EGP 1,173 million, up 88% YoY.
- Net Profit: EGP 340 million, up 130% YoY.
- Net Profit Margin: 29%.

Consolidated Balance Sheet Figures as at 30 June 2016:

- Accounts Receivable: EGP 9.9 billion.
- Cash & cash equivalent: EGP 3 billion.

Financial Review; Increased deliveries, solid balance sheet & healthy profit margin

SODIC delivered 614 units across 8 projects in the first half of the year more than double the 302 units delivered during the same period last year. Deliveries witnessed an increase of 103% YoY, with Eastown Residences and Westown Residences constituting 63% and 30% of the delivered units respectively.

SODIC recorded revenues of EGP 1,173 million, up 88% YoY. The strong performance was driven by timely deliveries in Eastown Residences and Westown Residences. The two projects represented 54% and 29% of the delivered value respectively.

Gross profit margin remained strong coming in at a healthy 37%. The robust profitability came on the back of strong margin improvement in Eastown as delivery progresses into more profitable phases.

Operating profit for the first half doubled to reach EGP 325 million, up 100% from EGP 162 million for the same period last year. Operating profit margins come in at 28%, an improvement of 173bps as revenue growth outstrips growth in SG&A.

Net profit recorded triple digit growth of 130% reaching EGP 340 million. This compares to EGP 148 million for the same period last year. Net profit margin reached 29%, this compares to 24% for the same period last year.



SODIC's bank debt to equity ratio remained low at 0.32x, with bank debt outstanding at EGP 1.3 billion. Land liabilities continue to retract reflecting the timely settlement of land payments to NUCA. As of 30th of June 2017 land liabilities to NUCA stood at EGP 1.2 billion. Cash and cash equivalents balance stood at EGP 3 billion, up 18% from year end 2016. The first half of the year ended with receivables standing at EGP 9.9 billion, with delinquency rates remaining low at 3.5%. As at 30th of June 2017, a backlog of EGP 13.4 billion provides strong earnings visibility. The amount represents the value of units sold and are currently under development to be delivered in the coming years.

Operational Review; On Track to Target, Hike in Collections

Net Contracted sales for the six months stood at EGP 2 billion, up 7% YoY and on track to achieving our target for the year of EGP 5.6 billion. 567 units were sold during the year versus 524 units during the same period last year, displaying an increase of 8%. Cancellations remained low at 4%, compared to 8% for the same period last year reflecting the continuation of healthy demand. Net cash collections grew by 33% to EGP 1.8 billion up from EGP 1.35 billion for the same period last year. Commenting on the results Managing Director Magued Sherif said "SODIC today is reaping the benefits of our land bank expansion strategy that began in 2014. Delivering solid year on year growth and record levels of revenues and earnings. Our sales momentum continues with the second quarter of 2017 witnessing the launch of Sky Condos, our premium apartment offering in Villette. The launch was met with strong demand for this differentiated product." He also added "We look forward to the second half of the year that will mark the launch of SODIC East, kick starting our revenue share development in New Heliopolis. We reiterate our targets for the year with confidence in the depth of the real estate market and in the strength of our company to deliver exceptional value to all its stakeholders."

About SODIC

SODIC is one of the region's leading real estate development companies and is currently developing a number of large and diversified projects in Egypt. SODIC's developments range from residential projects of different types to retail, commercial and large scale mixed-use city centers in east and west Cairo. SODIC is listed on the Cairo Stock Exchange (Ticker OCDI). For more information please visit www.sodic.com

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