

SODIC ("Sixth of October Development & Investment Company") (EGX OCDI.CA) has released its consolidated financial results for the nine months ended 30<sup>th</sup> of September 2022

## SODIC reports record nine months gross contracted sales of EGP 11.8 billion on the back of continued strong demand for North Coast June

### Third Quarter 2022 Financial Highlights

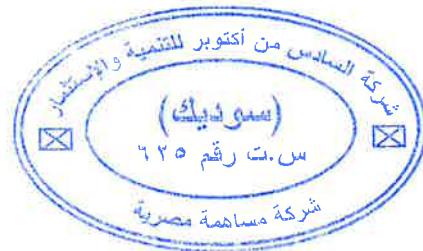
- Revenues amounted to EGP 1.92 billion, up 33% YoY;
- Gross profit reached EGP 535 million, up 34% YoY, and reflecting a gross profit margin of 28%;
- Operating profit amounted to EGP 216 million, up 22% YoY, and implying an operating profit margin of 11%;
- Net profit after tax and non-controlling interests recorded EGP 142 million, up 19% YoY, and delivering a net profit margin of 7%.

### Nine Months Ended 30<sup>th</sup> of September 2022 Operational & Financial Highlights

- Gross contracted sales of EGP 11.8 billion, up 119% YoY;
- Cancellations of 8% of gross contracted sales;
- Cash collections reached EGP 4.37 billion;
- Timely delivery of 845 units across SODIC's projects;
- Revenues amounted to EGP 4.65 billion, up 40% YoY;
- Gross profit reached EGP 1.48 billion, up 40% YoY, and reflecting a gross profit margin of 32%;
- Operating profit amounted to EGP 603 million, up 29% YoY, and implying an operating profit margin of 13%;
- Net profit after tax and non-controlling interests recorded EGP 434 million, up 27% YoY, and delivering a net profit margin of 9%.



Attest



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### Operational Review

#### Nine Months Ended 30<sup>th</sup> of September 2022

##### Gross Contracted Sales

SODIC sold 1,735 units during the first nine months of 2022, generating gross contracted sales of EGP 11.8 billion, an increase of 119% over EGP 5.39 billion of gross contracted sales recorded during the first nine months of 2021.

Gross contracted sales during the period were diversified between SODIC's main markets, with West Cairo accounting for 25% of sales mainly driven by The Estates Residences which was launched in the first quarter of the year and has generated 10% of SODIC's gross contracted sales during the first nine months of 2022. East Cairo contributed 31% of the period's gross contracted sales on the back of robust sales on both SODIC East and Villette. While continued strong performance of June led to the North Coast accounting for 44% of sales during the period.

##### Cancellations

Cancellations of EGP 917 million were recorded during the first nine months of 2022, representing 8% of the period's gross contracted sales. This compares to a cancellation rate of 16% during the same period in 2021.

Cancellations were negatively affected by cancellations of EGP 576 million on SODIC's 464 acres project in New Zayed due to the project's temporary suspension. The project was relaunched in September 2022 and has since recorded some EGP 388 million in gross sales, however due to its suspension the project has accounted for 63% of the cancellations during the period. Excluding cancellations on the 464 acres project during the suspension, cancellations would stand at 3% of gross contracted sales.

##### Collections

Net cash collections reached EGP 4.37 billion for the period, with delinquencies at 6.9%. This compares to collections of EGP 3.64 billion and a delinquency rate of 8.5% recorded during the same period in 2021.

##### Deliveries

SODIC delivered some 845 units during the period, of which 672 were in East Cairo projects, while West Cairo and North Coast projects accounted for 162 and 11 of the delivered units respectively. This compares to 570 units delivered during the first nine months of the previous year.

Deliveries on 655-acre flagship East Cairo project SODIC East started during the year, with the company delivering 292 units as of 30<sup>th</sup> of September 2022.

##### CAPEX

CAPEX spent on construction during the period amounted to EGP 2 billion, compared to EGP 2.1 billion spent during the same period last year.

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### Financial Review

#### Income Statement

##### Third Quarter 2022

Revenues grew 33% YoY to record EGP 1.92 billion during the quarter. Revenues were mainly driven by deliveries in East Cairo projects SODIC East, and Villette's Sky Condos, with East Cairo projects contributing 81% of the quarter's delivered value. On the other hand, West Cairo projects accounted for a further 19% of the quarter's delivered value.

Gross profit increased 34% YoY to reach EGP 535 million, implying a gross profit margin of 28%. This compares to a gross profit of EGP 400 million and a gross profit margin of 28% recorded during the third quarter of last year.

Operating profit grew 22% YoY to record EGP 216 million, implying an operating profit margin of 11%, compared to an operating profit of EGP 177 million and an operating profit margin of 12% recorded during Q3 2021.

Net profit after tax and non-controlling interests came in at EGP 142 million, growing 19% YoY and reflecting a net profit margin of 7%. This compares to a net profit after tax and non-controlling interests of EGP 120 million and a net profit margin of 8% recorded during the same quarter last year.

##### Nine Months Ended 30 of September 2022

Revenues of EGP 4.65 billion were recorded during the first nine months of 2022, representing a 40% increase compared to EGP 3.31 billion of revenues recorded during the same period last year. Revenues were mainly driven by deliveries in East Cairo projects which contributed 77% of the period's delivered value, led by Villette's Sky Condos and SODIC East, which respectively contributed 32% and 26% of the period's delivered value. Furthermore, West Cairo and North Coast projects contributed 22% and 1% of the delivered value during the nine months period respectively.

Gross profit increased 40% YoY on the back of higher revenues to record EGP 1.48 billion, implying a gross profit margin of 32%. This compares to a gross profit of EGP 1.05 billion and a gross profit margin of 32% recorded during the first nine months of 2021.

Operating profit for the nine-month period amounted to EGP 603 million, reflecting an operating profit margin of 13%. This represents a 29% growth over an operating profit of EGP 469 million and an operating profit margin of 14% recorded during the same period last year.

Net profit after tax and non-controlling interests came in at EGP 434 million, growing 27% from the EGP 342 million recorded during the first nine months of 2021, and reflecting a net profit margin of 10%.

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### Balance Sheet

SODIC continues to maintain a strong liquidity position with total cash and cash equivalents amounting to EGP 2.07 billion.

Bank leverage remains low, with bank debt to equity standing at 0.44x . Bank debt outstanding amounted to EGP 3.17 billion as of 30 September 2022. SODIC has been gradually increasing leverage mainly to enhance returns. Debt to equity amounted to 0.38x at year-end 2021, with EGP 2.55 billion of outstanding debt; and to 0.37x at year-end 2020, with EGP 2.3 billion of outstanding debt.

Total receivables stood at EGP 25.9 billion, of which EGP 6.1 billion are short term receivables providing strong cash flow visibility for the company. A total of EGP 2.92 billion of receivables are reported on the balance sheet, reflecting only the receivables relating to delivered units already recognized as revenue. On the other hand, some EGP 22.98 billion of receivables related to undelivered units are disclosed in the footnotes.

SODIC's total backlog of unrecognized revenue stood at EGP 29.50 billion as of 30 September 2022, providing strong revenue visibility for the company.

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### Selected Consolidated Income Statement Items

EGP in million	9M 2022	9M 2021
Total Revenue	4,653	3,314
Cost of Revenue	(3,177)	(2,262)
<b>Gross Profit</b>	<b>1,476</b>	<b>1,052</b>
Gross Profit Margin	32%	32%
<b>Operating Profit</b>	<b>603</b>	<b>469</b>
Operating Profit Margin	13%	14%
<b>Net Profit Before Tax</b>	<b>608</b>	<b>476</b>
Taxes	(169)	(129)
Non-Controlling Interests	(5)	(5)
<b>Net Profit After Tax and Non-Controlling Interests</b>	<b>434</b>	<b>342</b>
Net Profit Margin	9%	10%

### Selected Consolidated Balance Sheet Items

EGP in million	Mar-22	Dec-21
<b>Assets</b>		
Work In Process	16,342	14,184
Long Term & Short Term Net Trade and Notes Receivable (on-balance sheet)	2,923	2,512
Cash and Cash equivalent	2,070	1,914
<b>Total Assets</b>	<b>28,058</b>	<b>26,794</b>
<b>Liabilities &amp; Shareholder Equity</b>		
Bank Credit Facilities & Long Term Loans	3,171	2,551
Advances from Customers	7,771	7,008
<b>Total Liabilities</b>	<b>20,831</b>	<b>19,997</b>
<b>Total Equity</b>	<b>7,227</b>	<b>6,798</b>
<b>Total Liabilities &amp; Equity</b>	<b>28,058</b>	<b>26,794</b>

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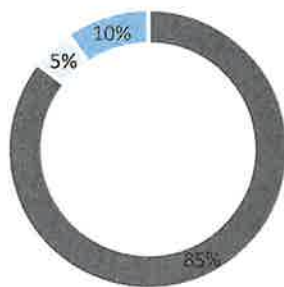
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### Shareholding Structure as at 30/9/2022



- Aldar-ADQ Consortium
- Ekuity Holding
- Others

### About SODIC

Building on a history of 25 years of successful operations in Egypt, SODIC is one of the country's leading real estate development companies, bringing to the market award-winning large-scale developments to meet Egypt's ever-growing need for high quality housing, commercial and retail spaces.

Headquartered in Cairo and listed on the Egyptian stock exchange (EGX) under OCDI.CA, SODIC is one of the few non-family-owned companies traded on the EGX.

### Forward Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of SODIC. Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of SODIC may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of SODIC is subject to risks and uncertainties. Various factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this document including worldwide economic trends, the economic and political climate of Egypt, the Middle East and changes in business strategy and various other factors.

A. Heayat



### SODIC Investor Relations

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