

## Madinet Nasr Housing & Development releases 2Q2018 results, posting double-digit revenue growth and a 165% year-on-year increase in net income

MNHD records a twofold increase in presales to EGP 1.4 billion in 2Q 2018, representing 602 units.

### Highlights from 2Q 2018 Consolidated Financials

Revenues EGP656.2 mn	Gross Profit EGP 511.7 mn	GP Margin 78.0%
EBIT EGP 411.0 mn	Net Income EGP 274.5 mn	Net Profit Margin 41.8%

### Highlights from 2Q 2018 Standalone Financials

Revenues EGP 477.2 mn	Gross Profit EGP 434.2 mn	GP Margin 91.0%
EBIT EGP 340.8 mn	Net Income EGP 245.5 mn	Net Profit Margin 51.4%

### Presales Breakdown by Project (EGP)

Project / Period	Taj City	Sarai	Others	Total
<b>2Q2017</b>	2,624,034	754,852,438	120,400	<b>757,596,872</b>
<b>2Q2018</b>	744,168,053	620,629,203	70,482,905	<b>1,435,280,161</b>

Madinet Nasr Housing & Development (EGX: MNHD.CA, "MNHD"), a leading urban developer in Egypt, announced today its results for the three-month period ending 30 June 2018, posting top-line gains which crossed the half billion Egyptian pound-mark to EGP 656.2 million during the quarter, representing a y-o-y increase of 61.2%. Revenue growth combined with the effective management of the company's operational expenses had a significant impact on consolidated net profit, which reached EGP 274.5 million in 2Q2018 from EGP 103.5 million in 2Q2017, representing y-o-y growth of 165.2% and a margin expansion of 16.4 percentage points.

Presales during the quarter almost doubled year-on-year, posting EGP 1,435.3 million in 2Q2018 compared to EGP 757.6 million in the same period last year, driven by increased unit sales which reached 602 units in 2Q2018 compared to 329 units in 2Q2017. It is worth noting that MNHD's year-to-date presales posted EGP 2,550.1 million in 1H2018.

On a standalone basis, MNHD posted revenues of EGP 477.2 million in 2Q2018, up 35.7% y-o-y, while improved operational margins resulted in EBIT growth of 167.6% y-o-y to EGP 340.8 million. Margin growth expanded further at the bottom-line with net profit recording growth of 130.5% y-o-y to EGP 245.5 million.

MNHD continues to push forward with the launch of new phases at its **Taj City** development following the success of its third phase, Shayla, in November 2017. Taj City's amended master plan, which was approved in January 2018, will see the development boast an integrated urban community that enjoys vast green spaces within the heart of the city, offering both the conveniences of city life and the comforts of suburban living. During 2Q2018, MNHD successfully launched and presold a variety of property types in Shalya. Additionally, the launch of Lake Park Studios in 1Q2018 produced some spillover into the second quarter. Collectively, these launches resulted in presales of 345 units, which translated to EGP 744.2 million during 2Q2018. Once completed, the c. EGP 60 billion Taj City project will boast a wide variety of residential communities, office buildings, a medical center, hotels, restaurants, shopping malls, and other commercial ventures.

During the quarter, MNHD launched two developments within its 5.5 million sqm **SARAI** project, including Croons Condos, a mini-gated quiet community equipped with abundant amenities and exclusive water features, and Taval S-Villas, semi-detached villas surrounded by lush greenery. SARAI is located in New Cairo in close proximity to the new administrative capital. Collectively, the launches generated presales of EGP 620.6 million in 2Q2018, with a total of 245 units either booked or sold. The coming quarter will see MNHD market the development's first stand-alone units through the planned launch of Cavana Lakes during 3Q2018 as the company continues to monetize the strategic land plot through launches and alliances.

"MNHD has consistently demonstrated its ability to deliver solid year-on-year gains regardless of industry volatility and uncertainties across the wider macro environment," said MNHD CEO Ahmed El Hitamy. "Strong top-line growth recorded during the quarter continues to be fueled by MNHD's benchmark unit offerings that satisfy consumer demand across a broad income spectrum, with a focus on the country's growing middle class. Moreover, improved operational efficiency and prudent cost management have seen our net profit margin expand 16 percentage points to over 42%," he added.

"As we continue to push forward with new launches during the second half of the year, we remain confident in MNHD's ability to achieve sustained year-on-year growth in both its top-and-bottom-line" El Hitamy concluded.

In total, MNHD has more than 10,000 units under development / design at five key projects in the Greater Cairo Area, offering exposure to a broad socioeconomic spectrum of consumers.

MNHD's 2Q 2018 audited standalone and consolidated financial statements are now available for download on [www.mnhd.com](http://www.mnhd.com).

**Madinet Nasr Housing & Development (MNHD)** is a leading Egyptian urban developer. Since inception, the company has initiated and completed a number of key developments, including the majority of the Nasr City district in the Greater Cairo Area, which covers an area of more than 40 million square meters and is home to 3 million people. MNHD's land bank includes 3.5mn sqm in a prime location inside Cairo across from Cairo International Airport and 5.5mn sqm in a strategic location on the Suez Road. You can learn more about us on our website at [mnhd.com](http://mnhd.com).

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