

PHD & Sarwa Capital conclude the fourth securitization transaction of EGP776 million receivables portfolio

Cairo/London, October 22, 2019: Palm Hills Developments (“PHD” or “The Company”) and Sarwa Capital (“Sarwa”) announce the closing of the latest securitization bond (“The Bond”) backed by a receivables portfolio of EGP776 million, as part of the Company’s plans to deleverage its Balance Sheet via monetization of receivables associated with handed-over residential units. Said receivables portfolio include 582 delivered units in the following projects: Golf Views, Golf Extension, Woodville, Cascade, Palm Valley, Palm Parks, Village Gate, Hacienda Bay, Hacienda White 2, Palm Hills Katameya and Palm Hills Katameya Extension.

The three tranches received ratings of AA+, AA and A by Middle East Ratings and Investors Service (MERIS). The transaction’s net proceeds will be mainly utilized in the settlement of existing debt.

The Bond was issued by Sarwa Securitization Company, bringing PHD’s total issuances to EGP2.4 billion to date, representing the largest pool in the market. Sarwa Promotion & Underwriting acted as Structuring Advisor, Lead Manager and Arranger of the transaction. The issuance was fully underwritten and co-arranged by Banque Misr, Arab African International Bank, and the Ahli United Bank, while Arab Legal Consultants acted as legal advisors for the transaction.

Yasseen Mansour, PHD’s Chairman & Group CEO commented: “We started the securitization program more than two years ago and I am pleased with the conclusion of the fourth transaction. We will use the bulk of said transaction proceeds to settle some of our existing debt. We expect to engage in further securitization transactions in 2020 with gross receivables portfolio of up to c.EGP1.5 billion, which will be mostly directed towards debt settlement. With existing debt balance being settled gradually, we are in discussions with a number of local and foreign lending institutions regarding the long term financing of Badya in the range of c.EGP1.5-2 billion, whereby we plan to maintain our current net debt position and leverage ratio”.

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About Palm Hills Developments

Palm Hills Developments ("PHD"), a leading real estate developer in Egypt, is a joint stock company established in 1997. The Company builds integrated communities and has one of the most diversified land bank portfolios, spreading over 41.6 million square meters ("sqm") in Egypt, including 5 million sqm in Saudi Arabia. PHD's product offerings include primary homes on both West Cairo and East Cairo, as well as secondary homes by the Mediterranean Sea, North Coast.

As at end of 1H2019, PHD delivered 10,100 units within its developments, including more than 6,785 units in 15 completed projects. Today, PHD has 8 projects under development, 3 projects in West Cairo, 3 projects in East Cairo and 2 projects in the North Coast, in addition to 7 new projects including 6 co-developments, translating into a sales backlog of c.EGP14 billion. PHD is one of the most liquid and actively traded stocks on the Egyptian Stock Exchange, and is traded under the symbol "PHDC.CA". The Company has a GDR listing on the London Stock Exchange, and is traded under the symbol "PHDC.LI". For more information, please visit: www.palmhillsdevelopments.com

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Press Release



About Sarwa Capital

Sarwa Capital Holding for Financial Investments SAE (SRWA.CA) is a pioneer in consumer and structured finance and insurance services in Egypt. Operating since 2001, Sarwa adopts innovative approaches in extending its services, offering quality services with simple procedures and reaching a wide client base through its various subsidiaries, affiliates and partners.

Sarwa offers market leading services including new and used car financing through Contact Auto Credit, home finishing finance through Contact Mortgages, consumer goods financing through getGo Credit Services, SME asset finance through Plus Leasing, insurance products through Sarwa Insurance and Sarwa Life Insurance in addition to an array of corporate financing services including securitization, structured debt and debt investment management. Sarwa Capital Holding for Financial Investments SAE is authorized and regulated by the Financial Regulatory Authority (FRA). For more information, please visit: www.sarwa.capital

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