

RESULTS ANNOUNCEMENT

FY 2019

ORASCOM CONSTRUCTION REPORTS GROWTH OF 26% IN CONSOLIDATED BACKLOG AND 30% IN EBITDA IN FY 2019

HIGHLIGHTS

- Consolidated EBITDA increased 29.5% y-o-y to USD 268.2 million and pro forma EBITDA including 50% in BESIX increased 12.7% y-o-y to USD 318.9 million FY 2019
- Net income attributable to shareholders of USD 27.6 million in Q4 2019 and USD 121.3 million in FY 2019
- Net cash position of USD 279.1 million as of 31 December 2019 and positive operating cash flow of USD 319.9 million in FY 2019
- Consolidated backlog grew 25.8% y-o-y to USD 5.4 billion and pro forma backlog including 50% share in BESIX increased 15.4% y-o-y to USD 8.1 billion as of 31 December 2019
- Consolidated new awards increased 51.1% y-o-y to USD 3.6 billion and pro forma new awards including 50% share in BESIX increased 26.0% y-o-y to USD 5.4 billion in FY 2019
- BESIX reported a standalone backlog of EUR 4.8 billion and new awards of EUR 3.3 billion in FY 2019
- The Board of Directors proposes a dividend distribution of USD 0.21 per share

STATEMENT FROM THE CEO

A rapidly changing environment has been taking place during the preparation of our FY 2019 financial results. While the markets in which we operate are vulnerable to global events related to COVID-19, the safety of our people remains our top priority and we have implemented a proactive plan that is driving us through the upcoming period.

We are communicating closely with our clients and partners to address current events and to mitigate potential challenges ahead. We are also monitoring our subcontractors and supply chain to detect any bottlenecks. Furthermore, we continue to focus on collections and cash flow.

Our solid FY 2019 results provide us with the right platform to address these issues as we build on our operational excellence and financial health.

New awards grew by 51.1% y-o-y during FY 2019 through the addition of quality, well-funded projects. Revenue and EBITDA increased 5.7% and 29.5% y-o-y, respectively, while our disciplined collection and working capital management efforts resulted in a higher net cash position of USD 279.1 million and operating cash flow of USD 319.9 million at year-end.

In Egypt, we reinforced our position as a leading player in the development of Egypt's infrastructure and are executing important projects across all major construction segments such as water, transportation, new cities and healthcare. We also remain focused on pursuing new opportunities within the region across sectors in which we hold a competitive edge.

Our U.S. business continued its positive trajectory and reported growth in EBITDA and backlog. These results highlight our turnaround efforts and increased backlog across new and existing sectors including data centers, airports and student housing.

Alongside our core EPC activities, 2019 saw marked development of our recurring income business as we commissioned Egypt's first and largest renewable energy IPP project 45 days ahead of schedule and added sizable Operation & Maintenance (O&M) contracts across transportation, water treatment and facilities management. These developments are reminiscent of our past entrepreneurial efforts and highlight the Group's strategy to create a portfolio of investments and O&M projects that provide recurring income and cash flow.

Despite a modest fourth quarter of the year for BESIX, its standalone backlog remains at a strong level of EUR 4.8 billion as new awards reached EUR 3.3 billion during the year. This paves the way for the upcoming period alongside BESIX's efforts to grow its construction, concessions and real estate activities.

Lastly, we have reiterated our commitment to shareholders and have proposed to distribute a dividend of USD 0.21 per share, marking our third consecutive dividend distribution. While our FY 2019 financial results and current financial position allow us to distribute a higher dividend, we elected to take a more prudent approach given the potential uncertainty related to COVID-19. That said, the Board and management will continue to monitor our cash levels and needs to assess the possibility for a second dividend distribution in 2020.

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CONSOLIDATED BACKLOG

USD million	FY 2019	FY 2018	Change	Q4 2019	Q4 2018	Change
Equity consolidation						
Backlog	5,444.9	4,327.7	25.8%			
New Awards	3,550.3	2,349.1	51.1%	793.4	831.3	(4.5)%
Pro forma inc. 50% of BESIX						
Backlog	8,132.5	7,049.2	15.4%			
New Awards	5,428.5	4,308.7	26.0%	1,462.2	1,635.8	(10.6)%

Consolidated backlog excluding BESIX increased 25.8% y-o-y to USD 5.4 billion as of 31 December 2019 and consolidated new awards increased 51.1% y-o-y to USD 3.5 billion in FY 2019.

Including the Group's 50% share in BESIX, pro forma backlog as of 31 December 2019 increased 15.4% y-o-y to USD 8.1 billion and pro forma new awards increased 26.0% y-o-y to USD 5.4 billion in FY 2019.

Middle East and Africa

The Group signed approximately USD 2.4 billion of new awards in the Middle East during FY 2019, of which USD 540 million were added in Q4 2019.

New awards signed during Q4 2019 included projects across sectors such as infrastructure, healthcare, logistics and roads. These new projects complement the Group's existing new awards signed during 9M 2019, which include the first monorails and the largest water treatment plant in Egypt.

USA

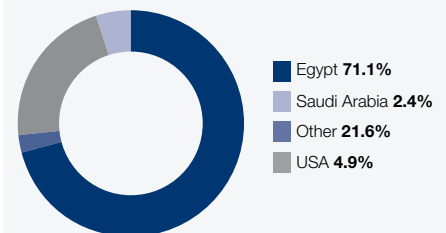
The U.S. subsidiaries signed USD 1.2 billion of new awards in FY 2019, marking a 25% increase y-o-y and highlighting the Group's successful turnaround and business development efforts. New awards in Q4 2019 totaled USD 250 million and comprised of projects in new and existing sectors including student housing, commercial and data centers.

BESIX Group

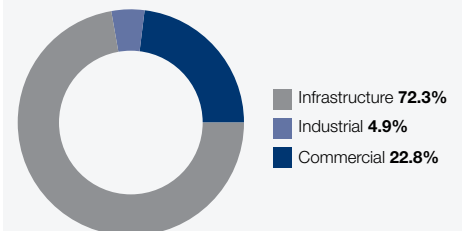
BESIX's standalone backlog was maintained at a robust level of EUR 4.8 billion as of 31 December 2019, in-line with the level a year earlier. New awards reached EUR 1.2 billion in Q4 2019, bringing total new awards in FY 2019 to EUR 3.3 billion, also in-line with the level a year earlier.

Backlog by Segment – Equity Consolidation

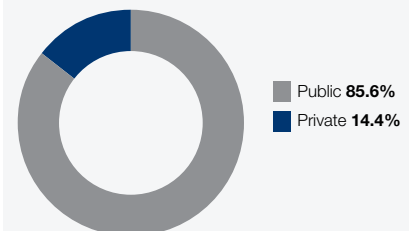
Backlog by geography



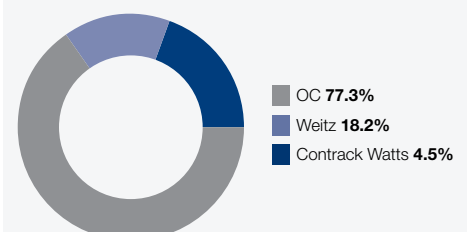
Backlog by sector



Backlog by client



Backlog by brand



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SUMMARY FINANCIAL RESULTS

Summary Income Statement

USD million	FY 2019	FY 2018	Change	Q4 2019	Q4 2018	Change
Revenue	3,184.0	3,013.5	5.7%	898.7	777.8	15.5%
MEA	2,182.2	2,032.6	7.4%	551.6	569.8	(3.2)%
USA	1,001.8	980.9	2.1%	347.1	208.0	66.9%
EBITDA	268.2	207.1	29.5%	68.5	36.2	89.2%
MEA	276.4	239.6	15.4%	60.8	34.2	77.8%
USA	(8.2)	(32.5)	74.8%	7.7	2.0	285.0%
EBITDA margin	8.4%	6.9%		7.6%	4.7%	
MEA margin	12.7%	11.8%		11.0%	6.0%	
USA margin	(0.8)%	(3.3)%		2.2%	1.0%	
Net income attributable to shareholders	121.3	144.7	(16.2)%	27.6	33.1	(16.6)%
MEA	115.9	129.2	(10.3)%	26.2	8.3	215.7%
USA	(17.5)	(39.2)	55.4%	4.8	0.5	860.0%
BESIX	22.9	54.7	(58.1)%	(3.4)	24.3	(114.0)%
Net income margin	3.8%	4.8%		3.1%	4.3%	
MEA margin	5.3%	6.4%		4.7%	1.5%	
USA margin	(1.7)%	(4.0)%		1.4%	0.2%	

Net Debt (cash)

USD million	31 Dec 19	31 Dec 18	Change
Cash and cash equivalents	374.8	402.5	(6.9)%
Total debt	95.7	375.3	(74.5)%
Total equity	585.7	471.5	24.2%
Net debt (cash)	(279.1)	(27.2)	

Consolidated revenue increased 15.5% y-o-y to USD 898.7 million in Q4 2019 and 5.7% to USD 3,184.0 million in FY 2019. The MEA operations comprised 61% and 69% of total revenue in Q4 2019 and FY 2019, respectively, while the U.S. operations accounted for the balance.

Consolidated EBITDA increased 89.2% y-o-y to USD 68.5 million in Q4 2019 and 29.5% to USD 268.2 million y-o-y in FY 2019. MEA margins remained healthy in Q4 2019 and FY 2019 at 11.0% and 12.7%, respectively. In addition, the U.S. operations continued the positive trend established in 9M 2019 and reported an EBITDA margin of 2.2% in Q4 2019.

Including the Group's 50% share in BESIX, pro forma EBITDA increased 12.7% to USD 318.9 million in FY 2019. Net income contribution from BESIX decreased to negative USD 3.4 million in Q4 2019, bringing total income contribution from BESIX in FY 2019 to USD 22.9 million.

Net income attributable to shareholders decreased 16.2% y-o-y to USD 121.3 million in FY 2019. Net income in FY 2019 was negatively impacted by higher net financing costs in Egypt, which were significantly reduced by Q3 2019, and BESIX performance in Q4 2019. Evidently, net income contribution from the MEA and US segments grew to USD 31.0 million in Q4 2019 from USD 8.8 million in FY 2018. Despite this substantial improvement, net income in Q4 2019 decreased 16.6% y-o-y to USD 27.6 million as a result of one-off negative contribution from BESIX.

The Group's strict collection, cash and debt management efforts are reflected by the increase in net cash position and operating cash flow. The Group grew its net cash position to

USD 279.1 compared to net cash positions of USD 27.2 million as of 31 December 2018 and USD 63.4 million as of 30 September 2019. Operating cash flow increased to USD 319.9 million in FY 2019 compared to operating cash outflow of USD 53.9 million in FY 2018. Total equity grew 24.2% y-o-y to USD 585.7 million.

Dividend distribution

The Board of Directors proposes a dividend distribution to shareholders of USD 0.21 per share. Shareholders will be asked to approve the dividend at the upcoming Annual General Meeting in May 2020.

26 March 2020 / Dubai, UAE / Cairo, Egypt

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ABOUT ORASCOM CONSTRUCTION PLC

Orascom Construction PLC is a leading global engineering and construction contractor primarily focused on infrastructure, industrial and high-end commercial projects in the Middle East, Africa and the United States. The Group has consistently ranked among the world's top contractors and is ranked number 42 on ENR's 2019 Top 250 International Contractors list. Orascom Construction PLC also develops and invests in infrastructure opportunities, owns 50% of BESIX Group, and holds a construction materials and facilities management portfolio. For more information, please visit www.orascom.com

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Backlog and new awards are non-IFRS metrics based on management's estimates of awarded, signed and ongoing contracts which have not yet been completed, and serves as an indication of total size of contracts to be executed. These figures and classifications are unaudited, have not been verified by a third party, and are based solely on management's estimates.
