

27 November 2018, Dubai, UAE

RESULTS ANNOUNCEMENT

9M 2018

ORASCOM CONSTRUCTION REPORTS ADJ. EBITDA OF USD 210.9 MILLION AND ADJ. NET INCOME OF USD 151.6 MILLION IN 9M 2018

HIGHLIGHTS

- Adjusted net income excluding one-off U.S. legal provision increased 208.5% to USD 69.1 million in Q3 2018 and 104.6% to USD 151.6 million in 9M 2018
- Consolidated adjusted EBITDA of USD 210.9 million and pro forma EBITDA including 50% in BESIX (excluding one-off legal provision) of USD 259.8 million in 9M 2018
- Consolidated backlog of USD 4.2 billion and pro forma backlog including 50% share in BESIX of USD 6.1 billion as of 30 September 2018
- Consolidated new awards of USD 1.5 billion and pro forma new awards including 50% share in BESIX of USD 2.7 billion 9M 2018
- A one-off provision related to a legal case with a subcontractor in the U.S. was recorded in Q3 2018

STATEMENT FROM THE CEO

Our third quarter results highlight the consistent performance of our recurring operations. Our efforts to focus on execution and project controls in the MENA business continue to be successful, and we believe that similar efforts already underway in our U.S. operation will start to pay off next year.

We have maintained a healthy backlog of USD 4.2 billion comprised of quality projects that provide us with our targeted visibility of 16-20 months. We are also very pleased with the exciting project pipeline that we are currently pursuing in our main markets where we have been focusing on key sectors and projects across our core competencies.

In the U.S., we received the Certificate of Final Acceptance for Natgasoline—one of the largest methanol production facilities in the world—only seven months after mechanical completion, demonstrating our success on this industrial project. Separately, while we had a negative verbal verdict related to the legal case with a subcontractor at the Iowa Fertilizer project in the U.S., we will study the outcome of the outstanding written verdict once received and proceed with the appeal process accordingly. A provision of USD 40 million has been recorded in Q3 2018 to account for this.

Lastly, BESIX continues to report a strong backlog of EUR 3.2 billion and has signed new contracts amounting to EUR 1.9 billion during the first nine months of the year. In addition, BESIX signed during the fourth quarter a contract to build Africa's tallest tower in Morocco.

OSAMA BISHAI

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CONSOLIDATED BACKLOG

USD million	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Equity consolidation						
Backlog	4,193.1	4,807.2	(12.8)%			
New Awards	1,517.9	1,536.0	(1.2)%	519.9	788.7	(34.1)%
Pro forma inc. 50% of BESIX						
Backlog	6,119.7	6,705.0	(8.7)%			
New Awards	2,672.9	2,509.9	6.5%	741.9	1,026.4	(27.7)%

Including the Group's 50% share in BESIX, pro forma backlog as of 30 September 2018 totaled USD 6.1 billion while pro forma new awards increased 6.5% y-o-y to USD 2.7 billion.

Consolidated backlog excluding BESIX was maintained at USD 4.2 billion as of 30 September 2018. New awards stood at USD 1.5 billion in 9M 2018 and USD 519.9 million in Q3 2018.

The current backlog mix and size consists of quality projects with sufficient visibility on revenue and profitability across the Group's core geographic markets while allowing the Group to pursue an active bidding pipeline.

MENA

The Group signed approximately USD 985 million of new awards in the MENA region during 9M 2018, of which USD 300 million were added in Q3 2018.

OC capitalized on its strong positioning in the water sector and added new water-related projects in the New Administrative Capital and Al Alamein. The Group is a major player in the construction of these two new cities, with wide-ranging projects such as the new culture center and opera house, select special ministerial buildings, the new cathedral, and coastal towers.

In other markets, the expansion of Fujairah International Airport in the UAE is underway, and the Group continues to target specific projects and sectors across the MENA region.

USA

The U.S. subsidiaries signed new contracts amounting to approximately USD 215 million during the quarter, bringing new awards in 9M 2018 to USD 535 million and maintaining the improved new award level achieved in Q2 2018. Most of these new projects are comprised of the private-sector commercial and light industrial work.

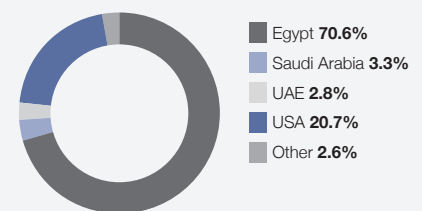
Furthermore, the Group expects to benefit from the combined business development efforts and larger size of the U.S. business once the integration already in progress is complete.

BESIX Group

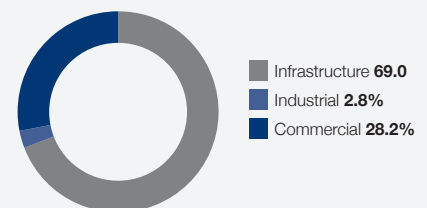
BESIX reported a standalone backlog of EUR 3.2 billion as of 30 September 2018, in-line with the level achieved the previous year. Despite a decrease in new awards in Q3 2018, total new awards in 9M 2018 increased 7.8% y-o-y to EUR 1.9 billion.

Backlog by Segment – Equity Consolidation

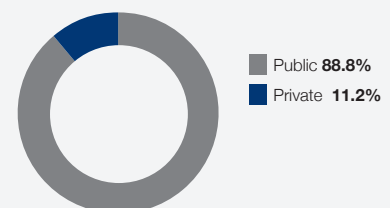
Backlog by geography



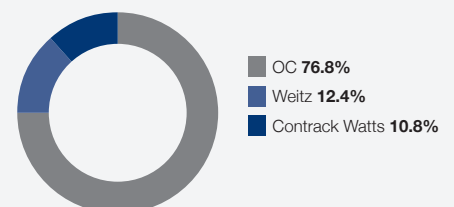
Backlog by sector



Backlog by client



Backlog by brand



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SUMMARY FINANCIAL RESULTS

Summary Income Statement

USD million	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Revenue	2,235.7	2,818.3	(20.7)%	728.8	805.4	(9.5)%
MENA	1,462.8	1,597.1	(8.4)%	497.7	518.0	(3.9)%
USA	772.9	1,221.2	(36.7)%	231.1	287.4	(19.6)%
Adjusted EBITDA*	210.9	165.6	27.4%	98.6	54.5	80.9%
Adjusted EBITDA margin*	9.4%	5.9%	+350 bp	13.5%	6.8%	+670 bp
Adjusted net income*	151.6	74.1	104.6%	69.1	22.4	208.5%
Adjusted net income margin*	6.8%	2.6%	+420 bp	9.5%	2.8%	+670 bp
EBITDA	170.9	165.6	3.2%	58.6	54.5	7.5%
MENA	205.4	169.6	21.1%	88.7	85.0	4.4%
USA	(34.5)	(4.0)	(762.5)%	(30.1)	(30.5)	1.3%
EBITDA margin	7.6%	5.9%	+170 bp	8.0%	6.8%	120 bp
MENA margin	14.0%	10.6%	+340 bp	17.8%	16.4%	+140 bp
USA margin	(4.5)%	(0.3)%	(420) bp	(13.0)%	(10.6)%	(240) bp
Net income attributable to shareholders	111.6	74.1	50.6%	29.1	22.4	29.9%
MENA	120.8	78.8	53.3%	52.8	44.0	20.0%
USA	(39.6)	(45.3)	12.6%	(29.7)	(38.2)	22.3%
BESIX	30.4	40.6	(25.1)%	6.0	16.6	(63.9)%
Net income margin	5.0%	2.6%	+240 bp	4.0%	2.8%	120 bp
MENA margin	8.3%	4.9%	+340 bp	10.6%	8.5%	+210 bp
USA margin	(5.1)%	(3.7)%	(140) bp	(12.9)%	(13.3)%	(40) bp

* Adjusted EBITDA and net income exclude a one-off provision recorded in Q3 2018 for USD 40.0 million related to a legal case with a subcontractor at the Iowa Fertilizer project in the U.S.

Consolidated revenue stood at USD 728.8 million in Q3 2018 and USD 2,235.7 million in 9M 2018. MENA comprised 68% and 65% of total revenue in Q3 and 9M 2018, respectively, while the USA operations accounted for the balance. The decline in 2018 revenues is mainly due to the completion the two large chemical plants in the U.S.

Consolidated EBITDA and net income were negatively impacted by a one-off provision in the U.S. related to a legal case with a subcontractor at Iowa Fertilizer project. Excluding this one-off item, the Group reported an increase in adjusted EBITDA of 80.9% to USD 98.6 million and an EBITDA margin of 13.5% in Q3 2018. Similarly, adjusted EBITDA grew 27.4% to USD 210.9 million and EBITDA margin stood at 9.4% in 9M 2018.

Adjusted net income increased 208.5% to USD 69.1 million in Q3 2018 and 104.6% to USD 151.6 million in 9M 2018.

The MENA business continued to report strong performance during the year, generating EBITDA margins of 17.8% and 14.0% in Q3 2018 and 9M 2018, respectively.

In addition, the Group would have reported positive EBITDA and net income in the U.S. excluding the one-off legal provision. During the third quarter, the Group also recorded a favorable settlement of the claim related to Natgasoline. Furthermore, the integration of the U.S. operations is ongoing and is expected to be complete by early 2019 to create a more efficient and profitable organization.

Including the Group's 50% share in BESIX, pro forma EBITDA (excluding the one-off U.S. legal provision) increased 22.9% to USD 259.8 million. Net income contribution from BESIX stood at USD 6.0 million in Q3 2018, bringing total contribution year-to-date to USD 30.4 million.

The Group maintained a net cash positive position of USD 37.7 million as of 30 September 2018 compared to USD 79.0 million as of 30 June 2018 and USD 173.5 million as of 31 December 2017. Total equity increased 13.2% to USD 455.6 million compared to the level at 31 December 2017.

Net Debt (cash)

USD million	30 Sep 18	31 Dec 17	Change
Cash and cash equivalents	356.6	434.2	(17.9)%
Total debt	318.9	260.7	22.3%
Total equity	455.6	402.5	13.2%
Net debt (cash)	(37.7)	(173.5)	

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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, North Africa, the United States, and the Pacific Rim. The Group has consistently ranked among the world's top contractors and was ranked number 35 on ENR's 2018 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 property 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.
