



Ras Ghareb Wind Farm - Egypt

**9M 2020 Results Presentation**  
**19 November 2020**

**ORASCOM**   
**CONSTRUCTION**

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# Financial Highlights

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- Revenue of USD 2.4 billion and consolidated EBITDA of USD 150.5 million in 9M 2020
- Net income attributable to shareholders of USD 30.2 million in Q3 2020 and USD 65.0 million in 9M 2020
- Net cash position maintained at USD 208.9 million as of 30 September 2020

- Consolidated backlog stable y-o-y at USD 5.3 billion and new awards of USD 2.0 billion as of 30 September 2020
- Backlog sustained despite solid project execution and revenue growth
- Backlog size and quality is at a healthy level that provides sufficient visibility on future revenue and profit

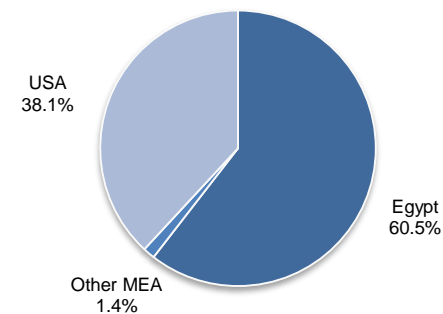
- BESIX reported a standalone backlog of EUR 4.2 billion and new awards of EUR 1.5 billion in 9M 2020
- Pro forma backlog including 50% share in BESIX stable y-o-y at USD 7.7 billion and pro forma new awards of USD 2.8 billion as of 30 September 2020

- The Board of Directors recommends that an interim dividend be paid in January 2021. The exact amount and payment date will be announced in December 2020
- This follows a dividend of USD 0.21 was already distributed to shareholders in August 2020

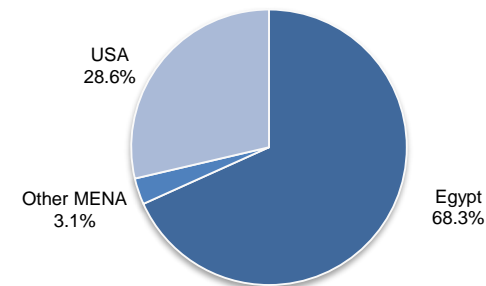
# Summary Income Statement

USD million						
	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change
<b>Revenue</b>	<b>2,443.3</b>	<b>2,285.3</b>	<b>6.9%</b>	<b>824.5</b>	<b>789.6</b>	<b>4.4%</b>
<i>MEA</i>	1,512.4	1,630.6	(7.2)%	487.7	513.9	(5.1)%
<i>USA</i>	930.9	654.7	42.2%	336.8	275.7	22.2%
<b>EBITDA</b>	<b>150.5</b>	<b>199.7</b>	<b>(24.6)%</b>	<b>51.0</b>	<b>57.3</b>	<b>(11.0)%</b>
<i>MEA</i>	139.1	215.6	(35.5)%	46.5	77.8	(40.2)%
<i>USA</i>	11.4	(15.9)	171.7%	4.5	(20.5)	(122.0)%
<b>EBITDA margin</b>	<b>6.2%</b>	<b>8.7%</b>		<b>6.2%</b>	<b>7.3%</b>	
<i>MEA margin</i>	9.2%	13.2%		9.5%	15.1%	
<i>USA margin</i>	1.2%	(2.4)%		1.3%	(7.4)%	
<b>Net income attrib. to shareholders</b>	<b>65.0</b>	<b>93.7</b>	<b>(30.6)%</b>	<b>30.2</b>	<b>32.2</b>	<b>(6.2)%</b>
<i>MEA</i>	68.0	89.8	(24.3)%	18.9	43.3	(56.4)%
<i>USA</i>	5.5	(22.4)	124.6%	1.3	(21.4)	106.1%
<i>BESIX</i>	(8.5)	26.3	(132.3)%	10.0	10.3	(2.9)%
<b>Net income margin</b>	<b>2.7%</b>	<b>4.1%</b>		<b>3.7%</b>	<b>4.1%</b>	
<i>MEA margin</i>	4.5%	5.5%		3.9%	8.4%	
<i>USA margin</i>	0.6%	(3.4)%		0.4%	(7.8)%	

## Revenue by Geography – 9M 2020



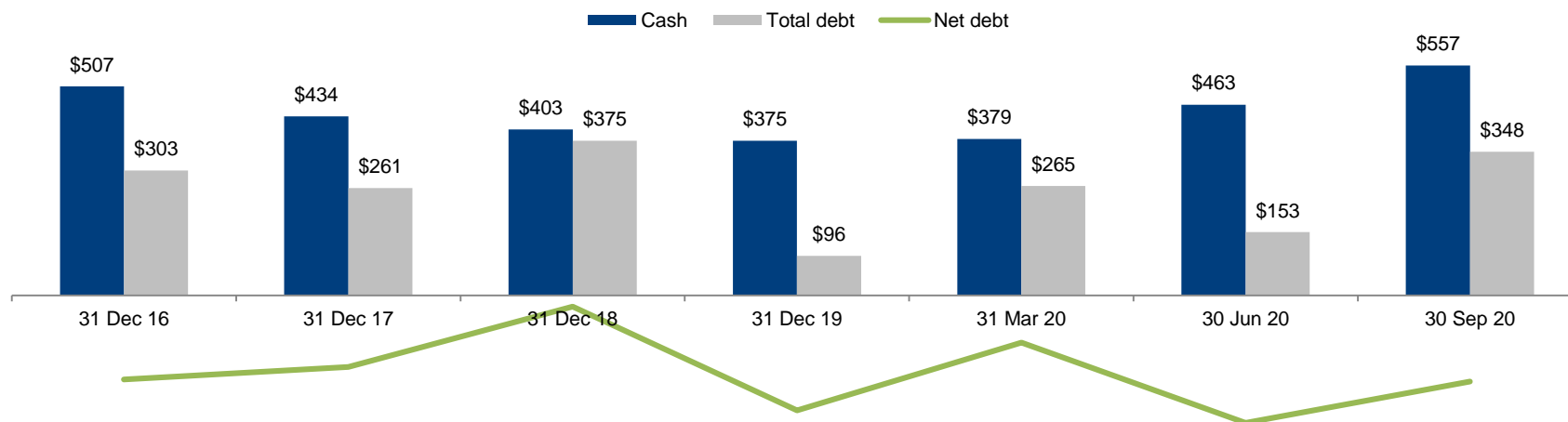
## Revenue by Geography – 9M 2019



# Net Cash Position

Net cash position of USD 208.9 million as of 30 September 2020

## Evolution of Debt and Cash (USD Million)



## Debt and Equity Summary Based on IFRS Statements

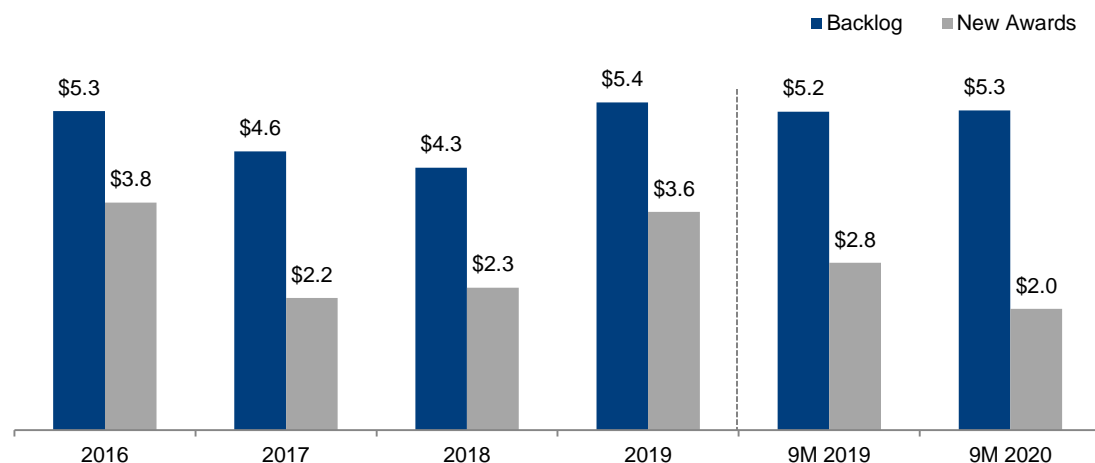
USD million	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020
Cash	506.9	434.2	402.5	374.8	379.4	462.7	557.3
Total debt	302.8	260.7	375.3	95.7	265.1	153.3	348.4
Net debt	(204.1)	(173.5)	(27.2)	(279.1)	(114.3)	(309.4)	(208.9)
Total equity	302.4	402.5	471.5	585.7	601.3	579.3	637.2
ND/equity	(0.67)	(0.43)	(0.06)	(0.48)	(0.19)	(0.53)	(0.33)
EBITDA	99.0	212.9	207.1	268.2	64.1 <sup>(1)</sup>	99.3 <sup>(2)</sup>	150.5 <sup>(3)</sup>

(1) Q1 2020 EBITDA; (2) H1 2020 EBITDA ; (3) 9M 2020 EBITDA

# Consolidated Backlog Growth

Current backlog size and quality supports the Group's revenue and profitability targets  
Focus on pursuing quality projects where the Group has a competitive edge and is confident in the source of funding

## Evolution of Consolidated Backlog<sup>(1)</sup>



## Backlog and New Awards Growth in 2020

USD million	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change
<b>Equity consolidation</b>						
Backlog	5,270.5	5,249.7	0.4%			
New Awards	1,998.5	2,756.9	(27.5)%	674.4	1,341.5	(49.7)%
<b>Pro forma inc. 50% of BESIX</b>						
Backlog	7,734.1	7,720.7	0.2%			
New Awards	2,845.7	3,966.3	(28.3)%	912.7	1,608.7	(43.3)%

### Consolidated

- Consolidated backlog (excluding BESIX) slightly increased by 0.4% y-o-y to USD 5.3 billion in 9M 2020
- Consolidated new awards decreased 28.3% y-o-y in 9M 2020

### MEA

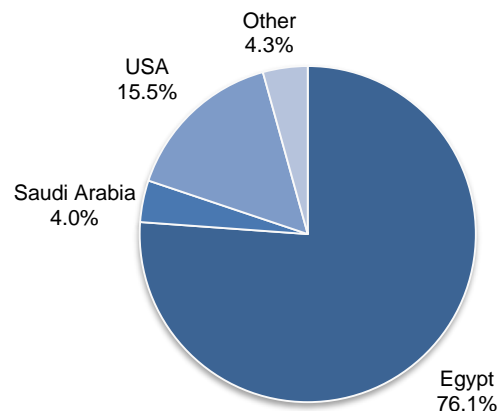
- New awards of USD 1.4 billion in 9M 2020 and USD 480 million in Q3 2020
- New awards in Q3 2019 include work in logistics, highways, New Administrative Capital and Al Alamein

### USA

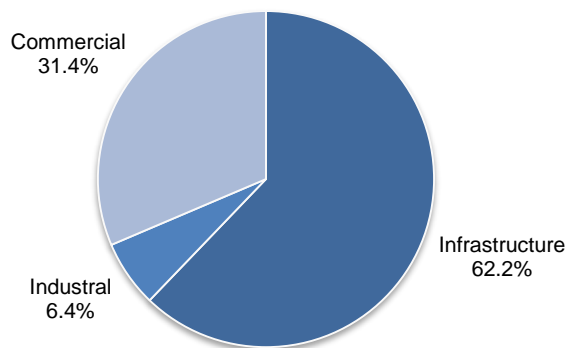
- New awards of USD 570 million in 9M 2020 and USD 195 million in 9M 2019
- New awards in Q3 2019 include projects across the data center, commercial and light industrial sectors

# Backlog Diversification

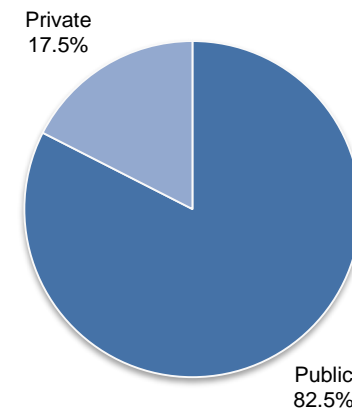
### Backlog by Geography



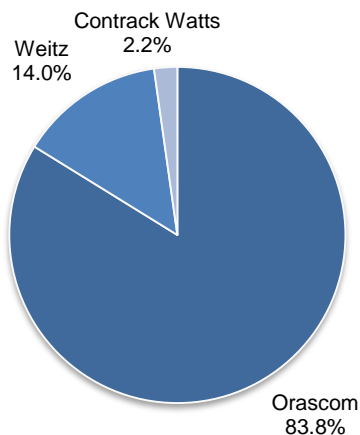
### Backlog by Sector



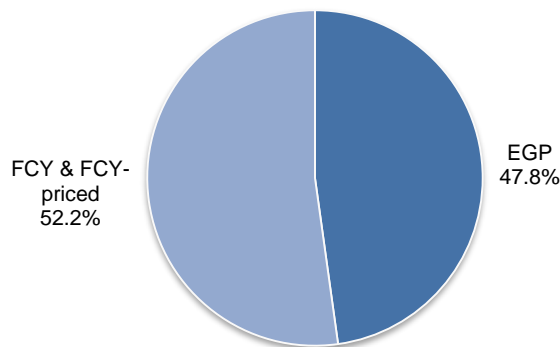
### Backlog by Client



### Backlog by Brand



### Backlog by Currency

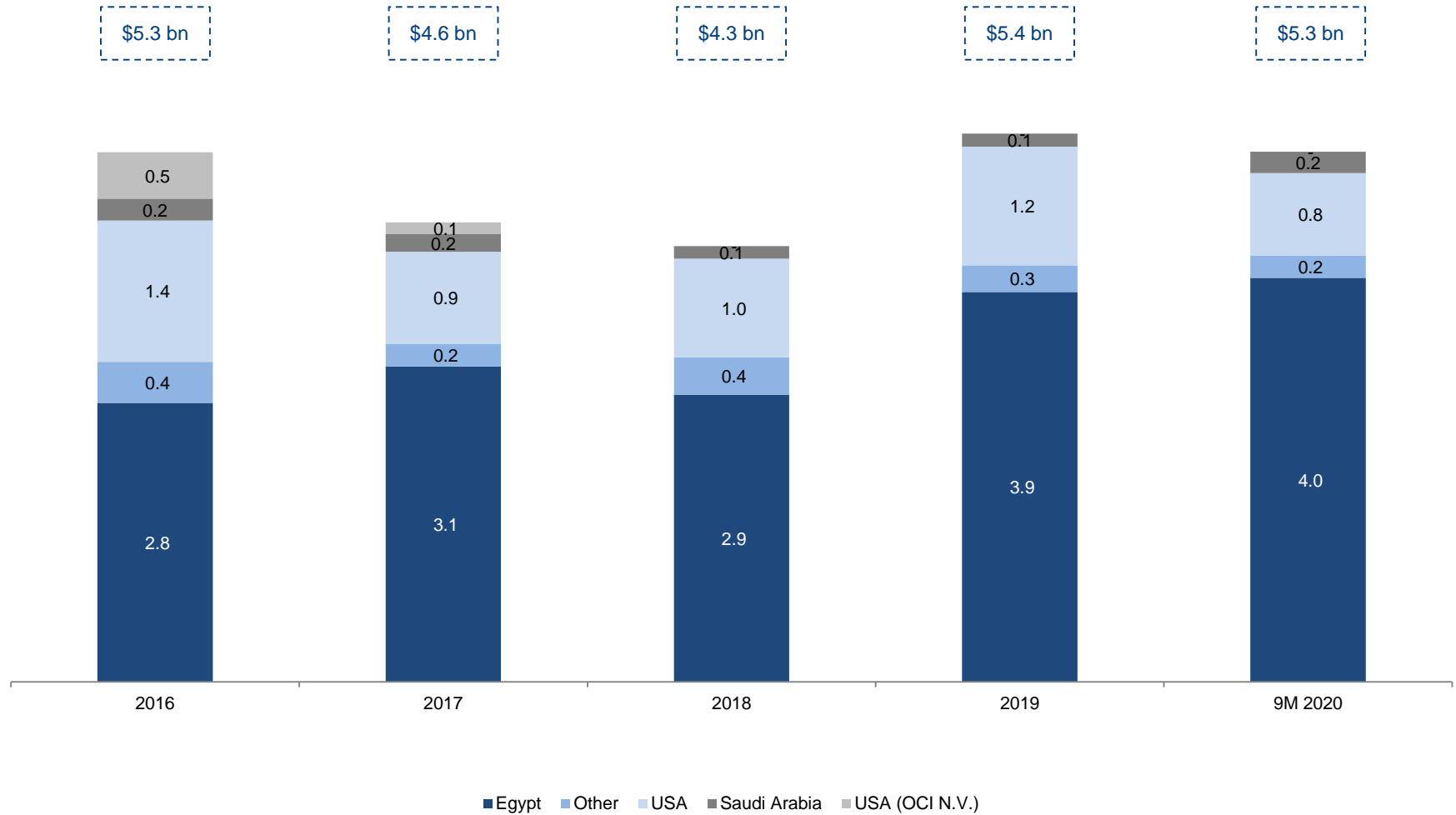


### Currency Exposure

- 52.2% of the Group's total backlog is in FCY or priced in FCY
  - 37.2% of backlog in Egypt is in FCY
  - FCY and FCY-priced backlog outweigh FCY costs in Egypt
- The Group incorporates cost escalation clauses in most EGP contracts to protect against potential cost inflationary pressures

# Evolution of Backlog by Geography

## Consolidated Backlog by Geography (Excluding BESIX)



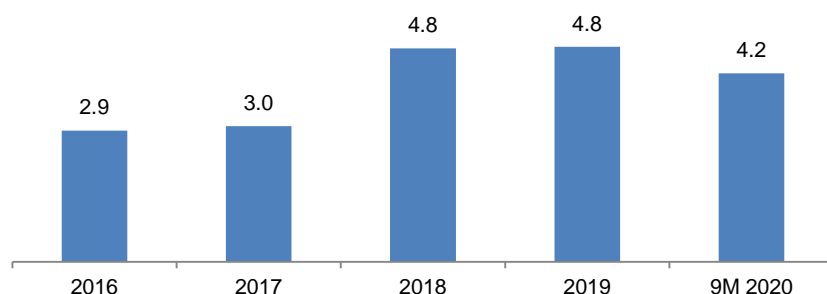


# Pro Forma Snapshot Including 50% of BESIX – 9M 2020



- BESIX standalone backlog of EUR 4.2 billion and new awards of EUR 1.5 billion in 9M 2020
- Returned to profitability and contributed USD 10 million to OC's net income in Q3 2020
- BESIX standalone net debt position of EUR 81.8 million as of 30 September 2020
- BESIX book value of USD 381.9 million in Orascom Construction's noncurrent assets on the balance sheet
- OC received a dividend of EUR 10 million from BESIX in June for OC's 50% share

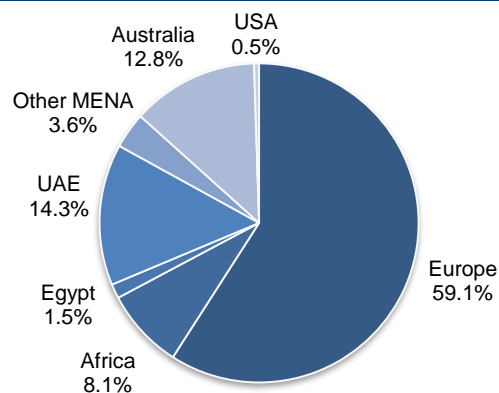
**BESIX Standalone Backlog Evolution (EUR billion)**



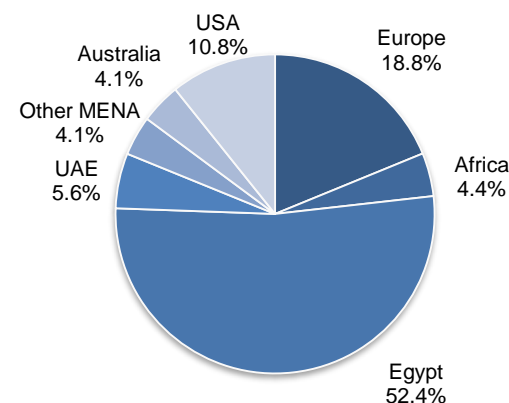
**USD million**

	OC	50% of BESIX	Pro Forma
Revenue	2,443.3	1,146.2	3,589.5
EBITDA	150.5	16.5	167.0
Net Income	73.5	(8.5)	65.0
Net Debt (Cash)	(208.9)	47.9	(161.0)
Backlog	5,270.5	2,463.6	7,734.1
New Awards	1,998.5	847.2	2,845.7

**BESIX Standalone Backlog by Geography**



**Pro Forma Backlog – 50% of BESIX**



# Construction Materials and Investments

## Portfolio of investments in infrastructure, construction materials, industrial property management and facilities management

Company	Ownership	9M 2020 Revenue	Description
 NSF National Steel Fabrication	100%	USD 32.6 million	<ul style="list-style-type: none"> <li>Manufactures and supplies fabricated steel products in Egypt and North Africa – total capacity of 120k/year</li> <li>Operates four facilities plants in Egypt and Algeria, two of which are the largest in MENA</li> </ul>
 ALICO	100%	USD 14.1 million	<ul style="list-style-type: none"> <li>Manufactures and installs glass, aluminum and architectural metal works</li> <li>Operates facility in Egypt with a capacity of 250k sqm, supplying primarily Egypt and North Africa</li> </ul>
 UHC	56.5%	USD 84.7 million	<ul style="list-style-type: none"> <li>Holds 50% stakes in BASF Construction Chemicals Egypt, Egyptian Gypsum Company and A-Build Egypt</li> <li>Subs operate from 4 plants in Egypt and Algeria, supplying products primarily in Egypt and North Africa</li> </ul>
 UPC UNITED PAINTS & CHEMICALS	56.5%	USD 7.1 million	<ul style="list-style-type: none"> <li>Owns DryMix, Egypt's largest manufacturer of cement-based ready mixed mortars in powdered form used in the construction industry</li> <li>Capable of producing 240k metric tons of product and supplies products to clients in Egypt and North Africa</li> </ul>
 NPC	40%	USD 19.4 million	<ul style="list-style-type: none"> <li>Manufactures precast/pre-stressed concrete cylinder pipes and pre-stressed concrete primarily</li> <li>Two plants located in Egypt supply Egypt and North Africa; production capacity of 86 km/yr of concrete piping</li> </ul>
 scib Paints	14.7%	USD 40.6 million	<ul style="list-style-type: none"> <li>Production capacity of 130k kilolitres of decorative paints and industrial coatings primarily for the construction industry</li> <li>Operates two plants in Egypt and supplies products to clients in Egypt and North Africa</li> </ul>
 CONTRACK FM	100%	USD 18.8 million	<ul style="list-style-type: none"> <li>Egypt's premier facility and property management services provider</li> <li>Hard and soft facility management in commercial, hospitality and healthcare</li> </ul>
 SIDC SEZ INDUSTRIAL DEVELOPMENT COMPANY شركة تطوير المناطق الصناعية	60.5%	USD 5.9 million	<ul style="list-style-type: none"> <li>Owner and developer of an 8.8 million square meter industrial park located in Ain Sokhna, Egypt</li> <li>Provides utility services for light, medium and heavy industrial users in Ain Sokhna, Egypt</li> </ul>
 ORASQUALIA	50%	USD 8.1 million	<ul style="list-style-type: none"> <li>A 250m<sup>3</sup>/day wastewater treatment plant; OC is a co-owner and co-operator of the facility</li> <li>Egypt's first Public Private Partnership project</li> </ul>
 RAESHAREB WIND ENERGY S.A.E.	20%	USD 36.0 million	<ul style="list-style-type: none"> <li>The largest renewable energy IPP project in Egypt; a 262.5 MW build-own-operate wind farm under a 20-year Power Purchase Agreement</li> <li>Full commercial operation commenced 45 days ahead of schedule on 31 October 2019</li> </ul>

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## Financial Statements

# Income Statement

USD million	9M 2020	9M 2019	Q3 2020	Q3 2019	Results Commentary
Revenue	2,443.3	2,285.3	824.5	789.6	<b>Revenue:</b>
Cost of sales	(2,197.3)	(2,011.8)	(741.5)	(705.9)	
<b>Gross profit</b>	<b>246.0</b>	<b>273.5</b>	<b>83.0</b>	<b>83.7</b>	<ul style="list-style-type: none"> <li>Consolidated revenue increased 4.4% y-o-y to USD 824.5 million in Q3 2020 and 6.9% y-o-y to USD 2,443.3 million in 9M 2020</li> <li>MEA operations comprised 59% and 62% of total revenue in Q3 and 9M 2020, respectively, while USA operations accounted for the balance</li> </ul>
<i>Margin</i>	10.1%	12.0%	10.1%	10.6%	
Other income	4.4	10.0	2.6	4.7	
SG&A expenses	(133.5)	(122.2)	(44.8)	(44.7)	
<b>Operating profit</b>	<b>116.9</b>	<b>161.3</b>	<b>40.8</b>	<b>43.7</b>	
<b>EBITDA</b>	150.5	199.7	51.0	57.3	<b>EBITDA</b>
<i>Margin</i>	6.2%	8.7%	6.2%	7.3%	<ul style="list-style-type: none"> <li>EBITDA decreased 11.0% y-o-y to USD 51.0 million in Q3 2020 and 24.6% y-o-y to USD 150.5 million in 9M 2020</li> <li>EBITDA increased 44.4% q-o-q, reflecting the Group's improved performance compared to the previous quarter</li> <li>EBITDA margin in MEA recovered to 9.5% in Q3 2020 from 6.8% in Q2 2020 while the positive EBITDA margin in USA reflects tangible progress towards sustained profitability</li> </ul>
<b>Financing income &amp; expenses</b>					
Finance income	12.3	11.9	0.5	3.7	
Finance cost	(22.0)	(71.9)	(8.2)	(17.6)	
<b>Net finance cost</b>	<b>(9.7)</b>	<b>(60.0)</b>	<b>(7.7)</b>	<b>(13.9)</b>	
Income from equity acc. investees	(7.7)	29.6	10.8	11.9	
<b>Profit before income tax</b>	<b>99.5</b>	<b>130.9</b>	<b>43.9</b>	<b>41.7</b>	
Income tax	(32.9)	(30.6)	(11.7)	(8.6)	
<b>Net profit</b>	<b>66.6</b>	<b>100.3</b>	<b>32.2</b>	<b>33.1</b>	
<b>Profit attributable to:</b>					
Owners of the company	65.0	93.7	30.2	32.2	
Non-controlling interest	1.6	6.6	2.0	0.9	
<b>Net profit</b>	<b>66.6</b>	<b>100.3</b>	<b>32.2</b>	<b>33.1</b>	
<b>Income from associates:</b>					
<ul style="list-style-type: none"> <li>BESIX demonstrated recovery and contributed USD 10.0 million in Q3 2020, in-line with the level achieved in Q3 2019</li> <li>BESIX total contribution of USD (8.5) million in 9M 2020</li> </ul>					
<b>Net Income:</b>					
<ul style="list-style-type: none"> <li>Net income attributable to shareholders decreased 6.2% y-o-y to USD 30.2 million in Q3 2020 and 30.6% y-o-y to USD 65.0 million in 9M 2020</li> <li>9M 2020 net income impacted primarily by lower gross profit and negative earnings from BESIX in H1 2020</li> </ul>					

# Balance Sheet

USD million	30 Sep 2020	31 Dec 2019	Results Commentary
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>Non-current assets</b>
Property, plant and equipment	175.2	181.3	<ul style="list-style-type: none"> <li>Total investment in associates includes BESIX at an equity value of USD 381.9 million</li> </ul>
Goodwill	13.8	13.8	
Trade and other receivables	44.6	44.4	<b>Current assets:</b>
Equity accounted investees	415.8	430.0	<ul style="list-style-type: none"> <li>Trade and other receivables as of 30 Sept 2020 include USD 1,009.8 million in accounts receivables, USD 280.1 million in retentions and USD 312.7 million in supplier advance payments</li> </ul>
Deferred tax assets	35.0	39.6	<ul style="list-style-type: none"> <li>65% of gross trade receivables as of 30 June 2020 are not yet due</li> </ul>
<b>Total non-current assets</b>	<b>684.4</b>	<b>709.1</b>	<ul style="list-style-type: none"> <li>Contracts work in progress should be assessed along with advance payments</li> </ul>
<b>Current assets</b>			
Inventories	275.4	293.0	
Trade and other receivables	1,820.8	1,258.5	
Contracts work in progress	906.8	869.8	
Current income tax receivables	2.9	0.1	
Cash and cash equivalents	557.3	374.8	
<b>Total current assets</b>	<b>3,563.2</b>	<b>2,796.2</b>	
<b>TOTAL ASSETS</b>	<b>4,247.6</b>	<b>3,505.3</b>	

# Balance Sheet

USD million	30 Sep 2020	31 Dec 2019	Results Commentary
<b>EQUITY</b>			<b>Equity:</b>
Share capital	116.8	116.8	<ul style="list-style-type: none"> <li>The movement in reserves relates primarily to currency translation differences</li> </ul>
Share premium	480.2	480.2	
Reserves	(289.2)	(304.6)	<b>Liabilities:</b>
Retained earnings	287.6	249.5	
<b>Equity attributable to owners of the Company</b>	<b>595.4</b>	<b>541.9</b>	<ul style="list-style-type: none"> <li>Trade and other payables includes USD 503.1 million in trade payables, USD 512.4 million in accrued expenses and USD 162.4 million in retentions payable to subcontractors</li> </ul>
Non-controlling interest	41.8	43.8	
<b>TOTAL EQUITY</b>	<b>637.2</b>	<b>585.7</b>	<ul style="list-style-type: none"> <li>Total debt of USD 348.4 million as of 30 Sept 2020, in-line with the level in Sept 2019</li> </ul>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	1.4	5.4	
Trade and other payables	54.2	56.7	
Deferred tax liabilities	3.6	3.6	
<b>Total non-current liabilities</b>	<b>59.2</b>	<b>65.7</b>	
<b>Current liabilities</b>			
Loans and borrowings	347.0	90.3	
Trade and other payables	1,332.4	1,192.0	
Advance payments from construction contracts	1,384.2	1,096.1	
Billing in excess of construction contracts	401.1	375.3	
Provisions	52.0	53.3	
Income tax payables	34.5	46.9	
<b>Total current liabilities</b>	<b>3,551.2</b>	<b>2,853.9</b>	
<b>Total liabilities</b>	<b>3,610.4</b>	<b>2,919.6</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,247.6</b>	<b>3,505.3</b>	

# Cash Flow Statement

USD million	30 Sep 2020	30 Sep 2019	Results Commentary
<b>Net profit</b>	<b>66.6</b>	<b>100.3</b>	<b>Cash flow used in operating activities:</b>
<b>Adjustments for:</b>			
Depreciation	33.6	38.4	▪ Operating cash outflow of USD 23.4 million in 9M 2020
Interest income (including gains on derivatives)	(8.7)	(6.4)	▪ Primarily driven by lower earnings y-o-y in 9M 2020 and an increase in working capital items in Q3 2020
Interest expense (including losses on derivatives)	17.6	44.7	
Foreign exchange (loss) gain and others	0.8	21.7	
Share in income of equity accounted investees	7.7	(29.6)	
Gain on sale of PPE	(0.9)	(0.7)	
Income tax expense	32.9	30.6	
<b>Changes in:</b>			
Inventories	17.6	(28.0)	
Trade and other receivables	(577.7)	(6.5)	
Contract work in progress	(37.0)	(342.5)	
Trade and other payables	147.3	109.6	
Advanced payments construction contracts	288.1	291.2	
Billing in excess of construction contracts	25.8	(46.7)	
Provisions	(1.3)	(50.4)	
<b>Cash flows:</b>			
Interest paid	(15.9)	(41.8)	
Interest received	8.6	6.5	
Dividends from equity accounted investees	15.0	22.8	
Income taxes paid	(43.5)	(34.1)	
<b>Cash flow (used in) from operating activities</b>	<b>(23.4)</b>	<b>79.1</b>	

# Cash Flow Statement

USD million	30 Sep 2020	30 Sep 2019	Results Commentary
Investments in PPE	(27.3)	(29.5)	<b>Cash flow used in investing activities:</b> <ul style="list-style-type: none"> <li>Cash outflow for investments in PPE of USD 9.1 million in Q3 2020 and USD 27.3 million in 9M 2020</li> </ul>
Proceeds from sale of PPE	4.3	5.2	
<b>Cash flow used in investing activities</b>	<b>(23.0)</b>	<b>(24.3)</b>	<b>Cash flow from financing activities:</b> <ul style="list-style-type: none"> <li>Total cash from financing activities of USD 221.1 million in 9M 2020 compared to an outflow of USD 69.2 million in 9M 2019</li> </ul>
Proceeds from borrowings	299.4	199.5	
Repayment of borrowings	(46.7)	(230.1)	
Other long-term liabilities	(24.5)	(34.7)	
Dividends paid to non-controlling interest	(6.8)	(3.9)	
<b>Cash flows from (used in) financing activities</b>	<b>221.4</b>	<b>(69.2)</b>	
<b>Net movement in cash &amp; cash equivalents</b>	<b>175.0</b>	<b>(14.4)</b>	
Cash and cash equivalents at 1 January	374.8	402.5	
Currency translation adjustments	7.5	20.0	
<b>Cash and cash equivalents at 30 September</b>	<b>557.3</b>	<b>408.1</b>	



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