



East Port Said Seawater Treatment Plant

9M 2021 Results Presentation  
17 November 2021



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# Financial Highlights

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- **Steady progression of revenue and EBITDA in 9M 2021 to USD 2,542.7 million and USD 146.2 million, respectively**
- **Net income attributable to shareholders of USD 28.4 million in Q3 2021 and USD 76.1 million in 9M 2021**
- **Net cash position maintained at USD 144.7 million as of 30 September 2021 and positive operating cash flow of USD 42.8 million in Q3 2021**

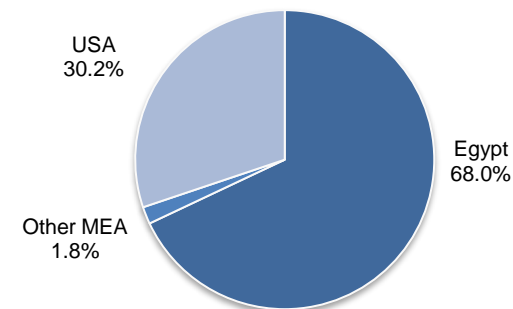
- **Consolidated backlog increased 14.4% y-o-y to USD 6.0 billion as of 30 September 2021 and new awards increased 38.4% y-o-y to USD 2.8 billion in 9M 2021**
- **Management had indicated that the Group has an active bidding pipeline, which is now demonstrated by record backlog**

- **BESIX reported a standalone backlog of EUR 4.9 billion and new awards of EUR 2.7 billion in 9M 2021**
- **Pro forma backlog including 50% share in BESIX increased 14.7.% y-o-y to USD 8.9 billion and pro forma new awards increased 51.9% to USD 4.3 billion in 9M 2021**

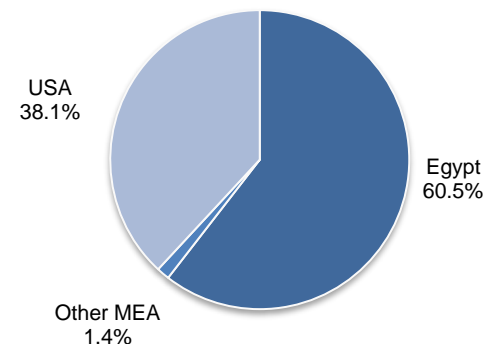
# Summary Income Statement

USD million						
	9M 2021	9M 2020	Change	Q3 2021	Q3 2020	Change
<b>Revenue</b>	<b>2,542.7</b>	<b>2,443.3</b>	<b>4.1%</b>	<b>857.7</b>	<b>824.5</b>	<b>4.0%</b>
<i>MEA</i>	1,775.9	1,512.4	17.4%	587.2	487.7	20.4%
<i>USA</i>	766.8	930.9	(17.6)%	270.5	336.8	(19.7)%
<b>EBITDA</b>	<b>146.2</b>	<b>150.5</b>	<b>(2.9)%</b>	<b>45.9</b>	<b>51.0</b>	<b>(10.0)%</b>
<i>MEA</i>	135.2	139.1	(2.8)%	39.9	46.5	(14.2)%
<i>USA</i>	11.0	11.4	(3.5)%	6.0	4.5	33.3%
<b>EBITDA margin</b>	<b>5.7%</b>	<b>6.2%</b>		<b>5.4%</b>	<b>6.2%</b>	
<i>MEA margin</i>	7.6%	9.2%		6.8%	9.5%	
<i>USA margin</i>	1.4%	1.2%		2.2%	1.3%	
<b>Net income attrib. to shareholders</b>	<b>76.1</b>	<b>65.0</b>	<b>17.1%</b>	<b>28.4</b>	<b>30.2</b>	<b>(6.0)%</b>
<i>MEA</i>	63.1	68.0	(7.2)%	16.1	18.9	(14.8)%
<i>USA</i>	8.1	5.5	47.3%	5.8	1.3	346.2%
<i>BESIX</i>	4.9	(8.5)	157.6%	6.5	10.0	(35.0)%
<b>Net income margin</b>	<b>3.0%</b>	<b>2.7%</b>		<b>3.3%</b>	<b>3.7%</b>	
<i>MEA margin</i>	3.6%	4.5%		2.7%	3.9%	
<i>USA margin</i>	1.1%	0.6%		2.1%	0.4%	

## Revenue by Geography – 9M 2021



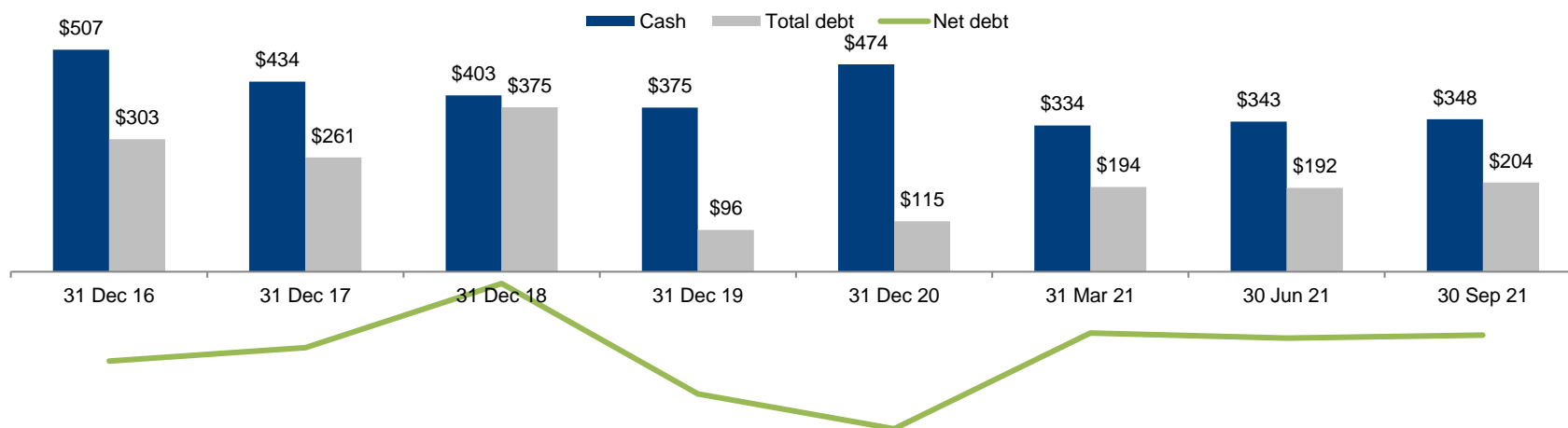
## Revenue by Geography – 9M 2020



# Net Cash Position

Net cash position of USD 144.7 million as of 30 September 2021

## Evolution of Debt and Cash (USD Million)



## Debt and Equity Summary Based on IFRS Statements

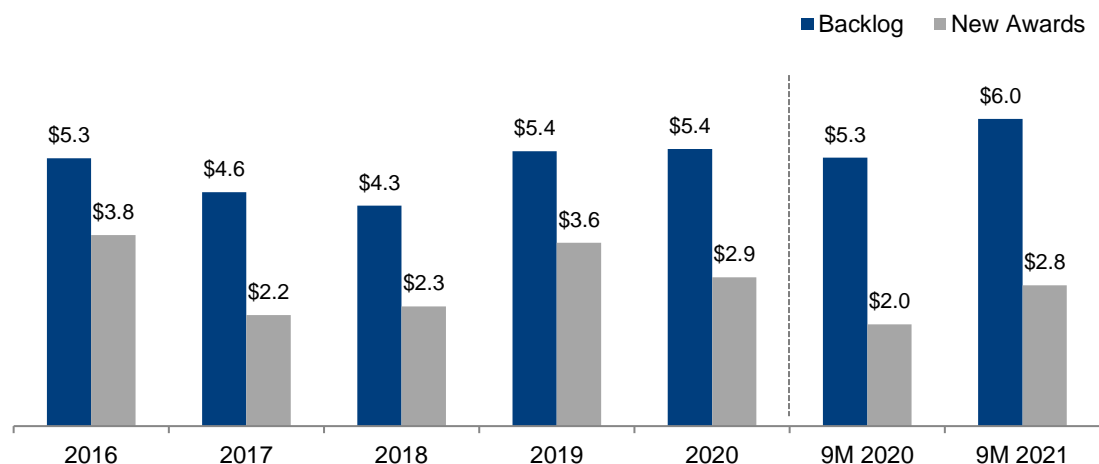
USD million	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 2019	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021
Cash	506.9	434.2	402.5	374.8	473.8	333.9	343.0	348.3
Total debt	302.8	260.7	375.3	95.7	115.2	193.7	191.7	203.6
Net debt	(204.1)	(173.5)	(27.2)	(279.1)	(358.6)	(140.2)	(151.3)	(144.7)
Total equity	302.4	402.5	471.5	585.7	641.9	657.8	656.0	680.0
ND/equity	(0.67)	(0.43)	(0.06)	(0.48)	(0.56)	(0.21)	(0.23)	(0.21)
EBITDA	99.0	212.9	207.1	268.2	197.8	51.0 <sup>(1)</sup>	100.4 <sup>(2)</sup>	146.2 <sup>(3)</sup>

# Consolidated Backlog

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 (USD Billion) <sup>(1)</sup>



## Backlog and New Awards

USD million	9M 2021	9M 2020	Change	Q3 2021	Q3 2020	Change
Equity consolidation						
Backlog	6,030.8	5,270.5	14.4%			
New Awards	2,765.5	1,998.5	38.4%	962.4	674.4	42.7%
Pro forma inc. 50% of BESIX						
Backlog	8,872.3	7,734.1	14.7%			
New Awards	4,323.3	2,845.7	51.9%	1,695.9	912.7	85.8%

## Consolidated

- Consolidated backlog (excluding BESIX) increased 14.4% y-o-y to USD 6.0 billion in 9M 2021
- Consolidated new awards increased 42.7% y-o-y to USD 962.4 million in Q3 2021 and 38.4% y-o-y to USD 2.8 billion in 9M 2021

## MEA

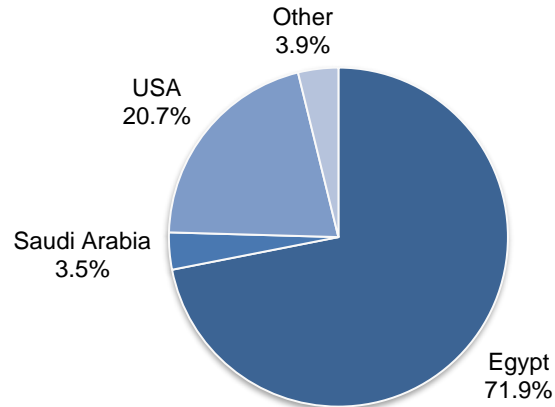
- New awards of USD 1.6 billion in 9M 2021, of which \$636 million were in Q3 2021
- New awards primarily in railway and roads sector, particularly Egypt's first high-speed rail system

## USA

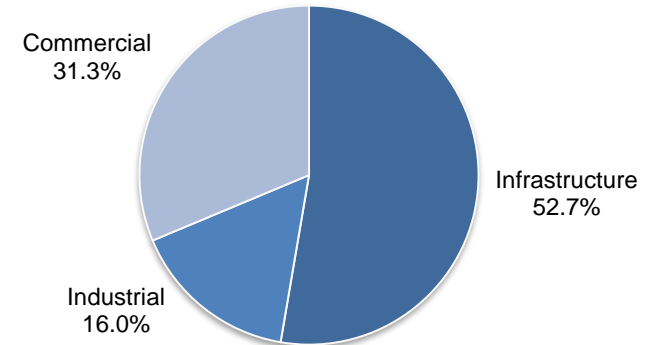
- New awards of USD 1.2 billion in 9M 2021, of which USD 327 million were in Q3 2021
- New awards in 9M 2021 represent an increase of 2.1x the level achieved in 9M 2020
- Led by sizable student housing contracts in Q3 2021 following the significant data center projects signed in H1 2021

# Consolidated Backlog Breakdown – 30 September 2021

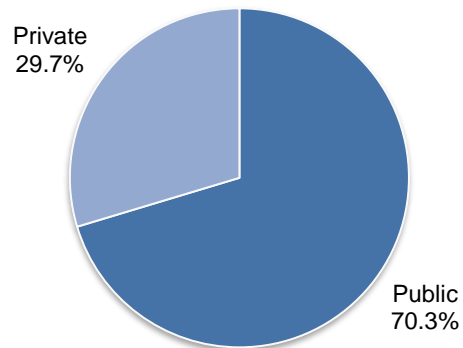
**Backlog by Geography**



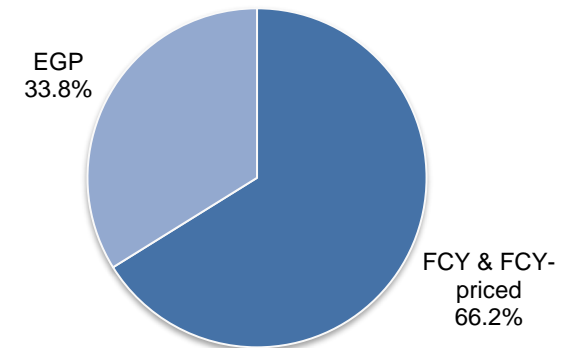
**Backlog by Sector**



**Backlog by Client**



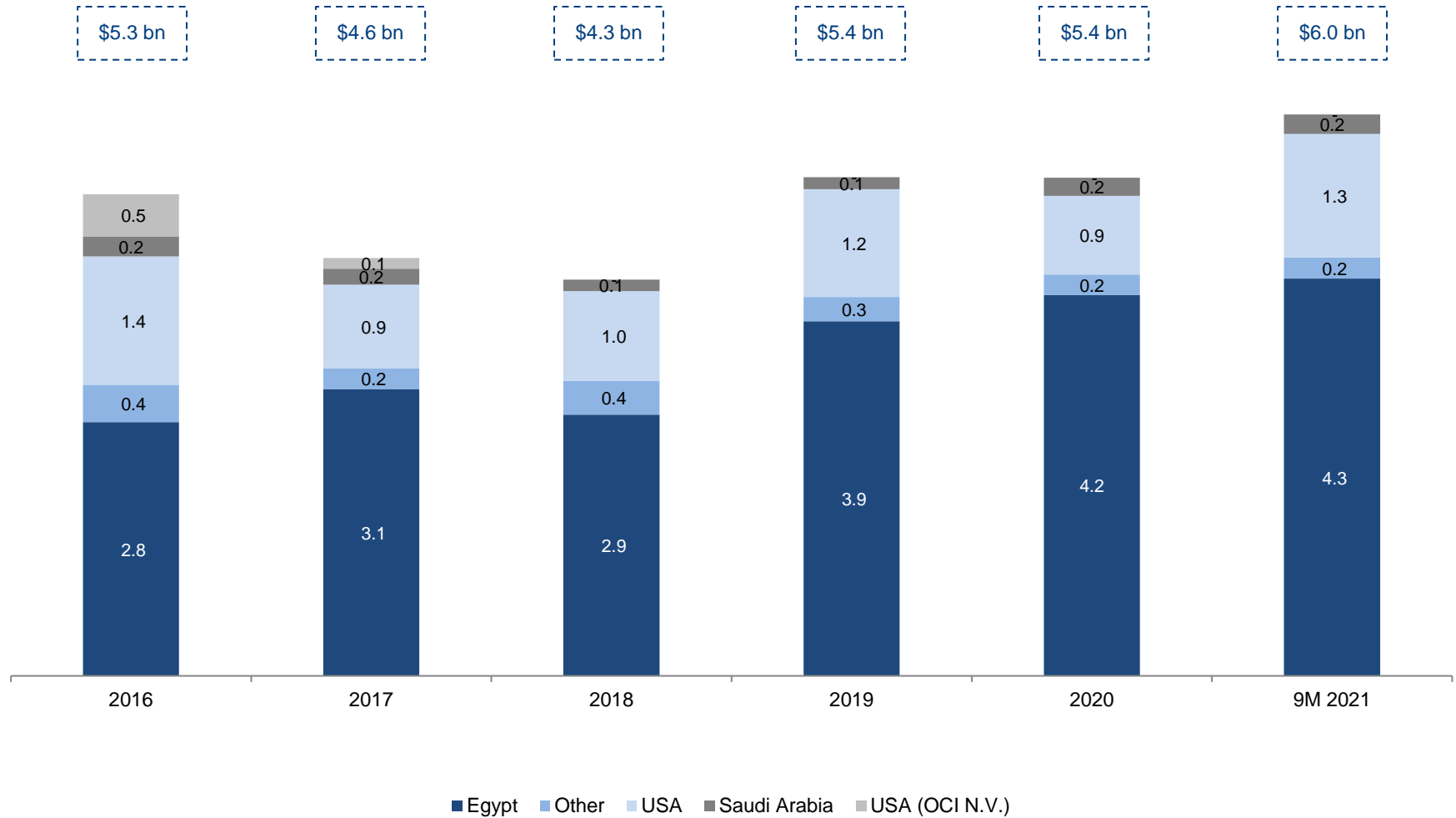
**Backlog by Currency<sup>(1)</sup>**



(1) 53% of backlog in Egypt is in FCY. The Group incorporates cost escalation clauses in most EGP contracts to protect against potential cost inflationary pressures  
 Note: Backlog breakdown as of 30 September 2021; backlog excludes BESIX and JV's accounted for under the equity method

# Evolution of Backlog by Geography

## Consolidated Backlog by Geography (Excluding BESIX)



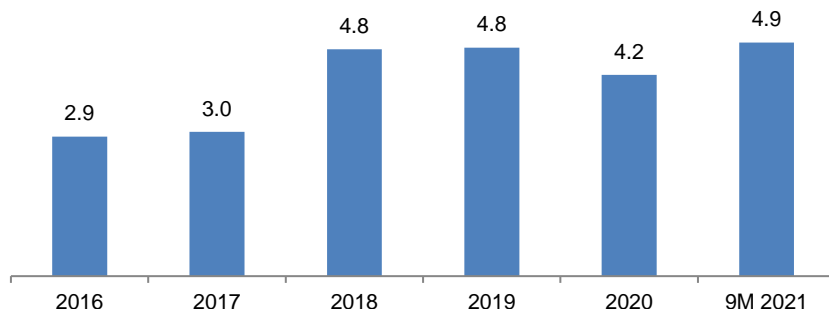


# Pro Forma Snapshot Including 50% of BESIX – 9M 2021



- BESIX's standalone backlog increased 16.6% y-o-y to EUR 4.9 billion as of 30 September 2021
- New awards tripled y-o-y to EUR 1.3 billion in Q3 2021, resulting in a 76.9% y-o-y increase in total new awards in 9M 2021 to EUR 2.7 billion
- Standalone net debt position of EUR 177 million as of 30 September 2021
- BESIX book value of USD 377.1 million in Orascom Construction's noncurrent assets on the balance sheet

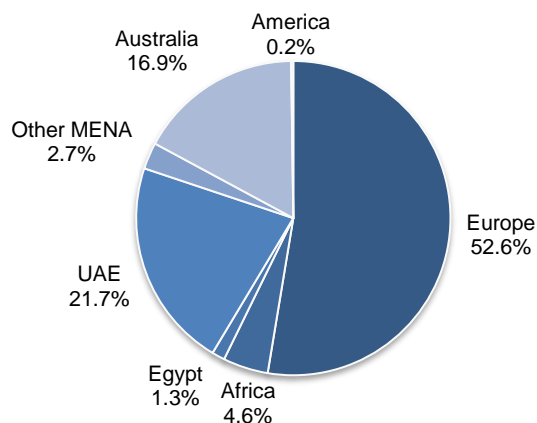
**BESIX Standalone Backlog Evolution (EUR billion)**



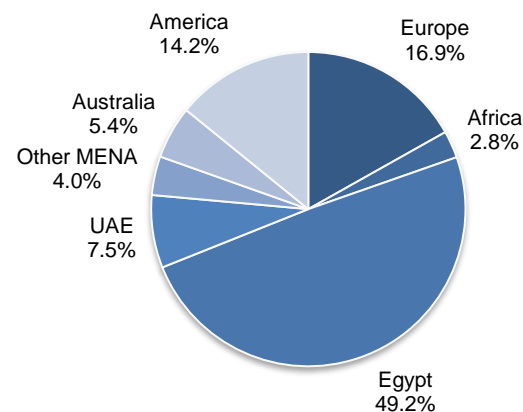
**USD million**

	OC	50% of BESIX	Pro Forma
Revenue	2,542.7	1,221.7	3,764.4
EBITDA	146.2	38.6	184.8
Net Income	71.2	4.9	76.1
Net Debt (Cash)	(144.7)	(102.4)	(247.1)
Backlog	6,030.8	2,841.5	8,872.3
New Awards	2,765.5	1,557.8	4,323.3

**BESIX Standalone Backlog by Geography**



**Pro Forma Backlog – 50% of BESIX**



Note: BESIX is recorded as an equity investment in OC's financial statements; OC net income excludes contribution from BESIX

# Portfolio of Building Materials, Facilities Mgmt. and Infrastructure Assets

These subsidiaries and investments contributed 20% to the Group's total net income in 9M 2021

Company	Ownership	9M 2021 Revenue	Description
 NSF National Steel Fabrication	100%	USD 36.7 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 19.7 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 79.0 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 9.0 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 31.2 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 46.4 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 18.7 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 Suez Industrial Development Company	60.5%	USD 3.1 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 9.3 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>
 RAEGHAREB WIND ENERGY S.A.E.	20%	USD 41.7 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 2021	9M 2020	Q3 2021	Q3 2020	Results Commentary
Revenue	2,542.7	2,443.3	857.7	824.5	<b>Revenue:</b>
Cost of sales	(2,300.3)	(2,197.3)	(779.8)	(741.5)	
<b>Gross profit</b>	<b>242.4</b>	<b>246.0</b>	<b>77.9</b>	<b>83.0</b>	<ul style="list-style-type: none"> <li>Consolidated revenue increased 4.0% y-o-y to USD 857.7 million in Q3 2021 and 4.1% y-o-y to USD 2,542.7 million in 9M 2021</li> <li>MEA operations comprised 68% of total revenue in Q3 2021 and 70% in 9M 2021 while USA operations accounted for the balance</li> </ul>
<i>Margin</i>	9.5%	10.1%	9.1%	10.1%	
Other income	6.6	4.4	1.7	2.6	
SG&A expenses	(138.2)	(133.5)	(45.7)	(44.8)	
<b>Operating profit</b>	<b>110.8</b>	<b>116.9</b>	<b>33.9</b>	<b>40.8</b>	
<b>EBITDA</b>	<b>146.2</b>	<b>150.5</b>	<b>45.9</b>	<b>51.0</b>	<b>EBITDA</b>
<i>Margin</i>	5.7%	6.2%	5.4%	6.2%	<ul style="list-style-type: none"> <li>Consolidated EBITDA decreased 10.0% y-o-y to USD 45.9 million in Q3 2021 and 2.9% y-o-y to USD 146.2 million in 9M 2021</li> <li>EBITDA margins decreased to 5.4% in Q3 2021 and to 5.7% in 9M 2021</li> <li>EBITDA margins in the U.S. operations improved to 2.2% in Q3 2021 compared to 1.3% in Q3 2020</li> </ul>
<b>Financing income &amp; expenses</b>					
Finance income	9.0	12.3	2.6	0.5	
Finance cost	(18.1)	(22.0)	(6.6)	(8.2)	
<b>Net finance cost</b>	<b>(9.1)</b>	<b>(9.7)</b>	<b>(4.0)</b>	<b>(7.7)</b>	
Income (loss) from equity accounted investees	13.6	(7.7)	9.7	10.8	
<b>Profit before income tax</b>	<b>115.3</b>	<b>99.5</b>	<b>39.6</b>	<b>43.9</b>	<b>Income from associates:</b>
Income tax	(31.1)	(32.9)	(8.8)	(11.7)	<ul style="list-style-type: none"> <li>BESIX returned to profitability in Q3 2021, compensating for losses in H1 2021</li> <li>Net income contribution from BESIX of USD 6.5 million in Q3 2021, bringing total net income contribution in 9M 2021 to USD 4.9 million compared to negative USD 8.5 million in 9M 2020.</li> </ul>
<b>Net profit</b>	<b>84.2</b>	<b>66.6</b>	<b>30.8</b>	<b>32.2</b>	<b>Net Income:</b>
<b>Profit attributable to:</b>					
Owners of the company	76.1	65.0	28.4	30.2	<ul style="list-style-type: none"> <li>Net income attributable to shareholders decreased 6.0% y-o-y to USD 28.4 million in Q3 2021 but increased 17.1% y-o-y to USD 76.1 million in 9M 2021</li> </ul>
Non-controlling interests	8.1	1.6	2.4	2.0	
<b>Net profit</b>	<b>84.2</b>	<b>66.6</b>	<b>30.8</b>	<b>32.2</b>	

# Balance Sheet

USD million	30 Sep 2021	31 Dec 2020	Results Commentary
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>Non-current assets</b>
Property, plant and equipment	182.0	177.2	<ul style="list-style-type: none"> <li>Total investment in associates includes BESIX at an equity value of USD 377.1 million</li> </ul>
Goodwill	13.8	13.8	
Trade and other receivables	48.8	47.0	<b>Current assets:</b>
Equity accounted investees	422.6	419.4	<ul style="list-style-type: none"> <li>Trade and other receivables as of 30 Sept 2021 include USD 704.9 million in accounts receivables, USD 293.1 million in retentions and USD 190.5 million in supplier advance payments</li> </ul>
Deferred tax assets	38.5	39.0	<ul style="list-style-type: none"> <li>56% of gross trade receivables as of 30 Sept 2021 are not yet due</li> </ul>
<b>Total non-current assets</b>	<b>705.7</b>	<b>696.4</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	301.6	288.1	
Trade and other receivables	1,403.6	1,473.2	
Contracts work in progress	1,016.7	854.5	
Current income tax receivables	0.4	2.5	
Cash and cash equivalents	348.3	473.8	
<b>Total current assets</b>	<b>3,070.6</b>	<b>3,092.1</b>	
<b>TOTAL ASSETS</b>	<b>3,776.3</b>	<b>3,788.5</b>	

# Balance Sheet

USD million	30 Sep 2021	31 Dec 2020	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	(303.3)	(289.7)	<b>Liabilities:</b>
Retained earnings	339.6	288.6	
<b>Equity attributable to owners of the Company</b>	<b>633.3</b>	<b>595.9</b>	<ul style="list-style-type: none"> <li>Trade and other payables as of 30 Sept 2021 includes USD 442.6 million in trade payables, USD 536.4 million in accrued expenses and USD 166.1 million in retentions payable to subcontractors</li> </ul>
Non-controlling interests	46.7	46.0	
<b>TOTAL EQUITY</b>	<b>680.0</b>	<b>641.9</b>	
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	1.3	19.9	
Trade and other payables	51.6	57.1	
Deferred tax liabilities	3.4	3.3	
<b>Total non-current liabilities</b>	<b>56.3</b>	<b>80.3</b>	
<b>Current liabilities</b>			
Loans and borrowings	202.3	95.3	
Trade and other payables	1,339.9	1,402.8	
Advance payments from construction contracts	1,076.7	1,086.3	
Billing in excess of construction contracts	331.8	383.8	
Provisions	56.0	54.7	
Income tax payables	33.3	43.4	
<b>Total current liabilities</b>	<b>3,040.0</b>	<b>3,066.3</b>	
<b>Total liabilities</b>	<b>3,096.3</b>	<b>3,146.6</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,776.3</b>	<b>3,788.5</b>	

# Cash Flow Statement

USD million	30 Sep 2021	30 Sep 2020	Results Commentary
<b>Net profit</b>	<b>84.2</b>	<b>66.6</b>	<b>Cash flow used in operating activities:</b> <ul style="list-style-type: none"> <li>Positive operating cash flow of USD 42.8 million in Q3 2021</li> <li>The Group is working to build on Q2 and Q3 2021 positive operating cash flow and end FY 2021 positively</li> </ul>
<b>Adjustments for:</b>			
Depreciation	35.4	33.6	
Interest income (including gains on derivatives)	(5.5)	(8.7)	
Interest expense (including losses on derivatives)	14.9	17.6	
Foreign exchange loss and others	(0.3)	0.8	
Share in (income) loss of equity accounted investees	(13.6)	7.7	
Gain on sale of PPE	(2.9)	(0.9)	
Income tax expense	31.1	32.9	
<b>Changes in:</b>			
Inventories	(13.5)	17.6	
Trade and other receivables	77.8	(577.7)	
Contract work in progress	(162.2)	(37.0)	
Trade and other payables	(51.0)	147.3	
Advanced payments construction contracts	(9.6)	288.1	
Billing in excess on construction contracts	(52.0)	25.8	
Provisions	1.3	(1.3)	
<b>Cash flows:</b>			
Interest paid	(15.0)	(15.9)	
Interest received	5.4	8.6	
Dividends from equity accounted investees	-	15.0	
Income taxes paid	(38.5)	(43.5)	
<b>Cash flow used in operating activities</b>	<b>(114.0)</b>	<b>(23.4)</b>	

# Cash Flow Statement

USD million	30 Sep 2021	30 Sep 2020	Results Commentary
Investments in PPE	(41.3)	(27.3)	<b>Cash flow used in investing activities:</b> <ul style="list-style-type: none"> <li>Cash flow used in investing activities of USD 36.5 million in 9M 2021 for capital expenditure</li> </ul>
Proceeds from sale of PPE	4.8	4.3	
<b>Cash flow used in investing activities</b>	<b>(36.5)</b>	<b>(23.0)</b>	<b>Cash flow from financing activities:</b> <ul style="list-style-type: none"> <li>Cash flow from financing activities of USD 25.2 million in 9M 2021 compared to USD 221.4 million in 9M 2020</li> <li>Lower borrowings and much higher dividend paid in 9M 2021 compared to 9M 2020</li> <li>A dividend of USD 24.5 million was paid to shareholders in January 2021 and another of USD 26.7 million in August 2021</li> </ul>
Proceeds from borrowings	110.2	299.4	
Repayment of borrowings	(21.8)	(46.7)	
Dividends paid to non-controlling interest	(5.5)	-	
Dividends paid to shareholders	(51.2)	(24.5)	
Other	(6.5)	(6.8)	
<b>Cash flows from financing activities</b>	<b>25.2</b>	<b>221.4</b>	
<b>Net change in cash and cash equivalents</b>	<b>(125.3)</b>	<b>175.0</b>	
Cash and cash equivalents at 1 January	473.8	374.8	
Currency translation adjustments	(0.2)	7.5	
<b>Cash and cash equivalents at 30 September</b>	<b>348.3</b>	<b>557.3</b>	



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**Contact Investor Relations:**

**Hesham El Halaby**  
**Director**  
**[hesham.elhalaby@orascom.com](mailto:hesham.elhalaby@orascom.com)**  
**T: +971 4 318 0900**

**NASDAQ Dubai: OC**  
**EGX: ORAS**

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