



Greater Cairo Metro Line III Phase 4B

**FY 2020 Results Presentation**  
**25 March 2021**

**ORASCOM**   
**CONSTRUCTION**

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# Financial Highlights

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- Revenue of USD 3.4 billion and consolidated EBITDA of USD 197.8 million in FY 2020
- Net income attributable to shareholders of USD 25.9 million in Q4 2020 and USD 90.9 million in FY 2020
- Net cash position maintained at USD 358.6 million as of 31 December 2020

- Consolidated backlog stable y-o-y at USD 5.4 billion and new awards of USD 2.9 billion as of 31 December 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

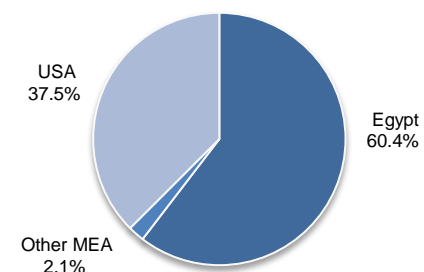
- BESIX reported a standalone backlog of EUR 4.2 billion and new awards of EUR 2.3 billion in FY 2020
- Pro forma backlog including 50% share in BESIX stable y-o-y at USD 8.0 billion and pro forma new awards of USD 4.2 billion as of 31 December 2020

- The Board of Directors proposes a dividend to shareholders of USD 27 million (USD 0.2313 per share)
- Marks the fourth consecutive year of dividend distributions and the first of two expected installments
- This follows a dividend of USD 0.42 per share distributed on FY 2019 earnings over two installments of USD 0.21 per share

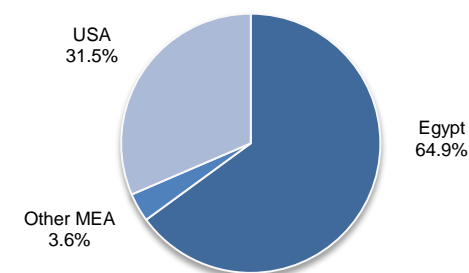
# Summary Income Statement

USD million						
	FY 2020	FY 2019	Change	Q4 2020	Q4 2019	Change
<b>Revenue</b>	<b>3,371.1</b>	<b>3,184.0</b>	<b>5.9%</b>	<b>927.8</b>	<b>898.7</b>	<b>3.2%</b>
<i>MEA</i>	2,107.3	2,182.2	(3.4)%	594.9	551.6	7.8%
<i>USA</i>	1,263.8	1,001.8	26.2%	332.9	347.1	(4.1)%
<b>EBITDA</b>	<b>197.8</b>	<b>268.2</b>	<b>(26.2)%</b>	<b>47.5</b>	<b>68.5</b>	<b>(30.7)%</b>
<i>MEA</i>	184.7	276.4	(33.2)%	45.7	60.8	(24.8)%
<i>USA</i>	13.1	(8.2)	259.8%	1.8	7.7	(76.6)%
<b>EBITDA margin</b>	<b>5.9%</b>	<b>8.4%</b>		<b>5.1%</b>	<b>7.6%</b>	
<i>MEA margin</i>	8.8%	12.7%		7.7%	11.0%	
<i>USA margin</i>	1.0%	(0.8)%		0.5%	2.2%	
<b>Net income attrib. to shareholders</b>	<b>90.9</b>	<b>121.3</b>	<b>(25.1)%</b>	<b>25.9</b>	<b>27.6</b>	<b>(6.2)%</b>
<i>MEA</i>	87.8	115.9	(24.2)%	19.8	26.2	(24.4)%
<i>USA</i>	9.3	(17.5)	153.1%	3.8	4.8	(20.8)%
<i>BESIX</i>	(6.2)	22.9	(127.1)%	2.3	(3.4)	(167.6)%
<b>Net income margin</b>	<b>2.7%</b>	<b>3.8%</b>		<b>2.8%</b>	<b>3.1%</b>	
<i>MEA margin</i>	4.2%	5.3%		3.3%	4.7%	
<i>USA margin</i>	0.7%	(1.7)%		1.1%	1.4%	

## Revenue by Geography – FY 2020



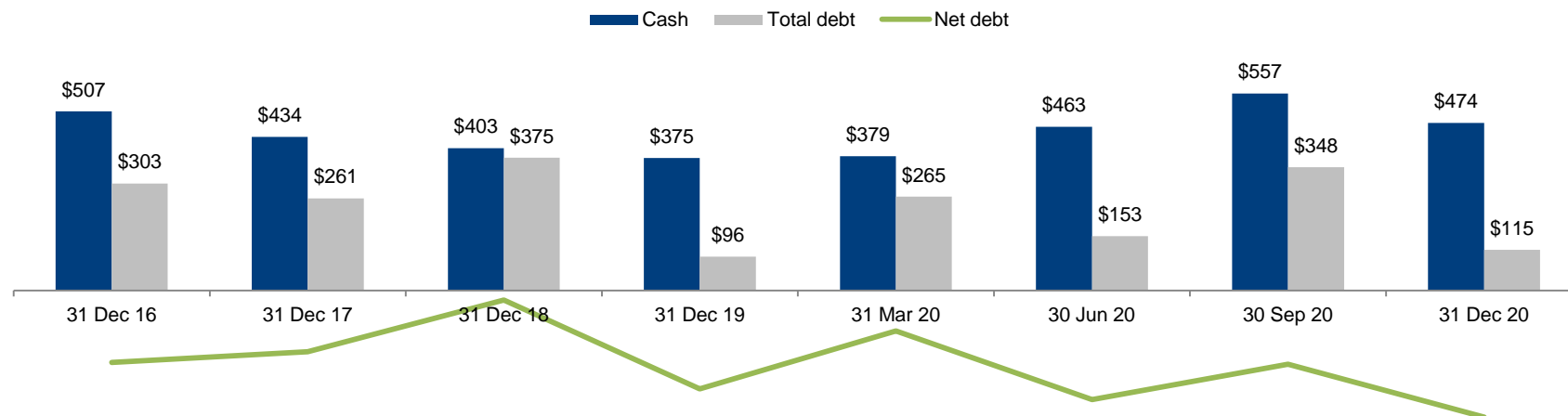
## Revenue by Geography – FY 2019



# Net Cash Position

Net cash position of USD 358.6 million as of 31 December 2020

## Evolution of Debt and Cash (USD Million)



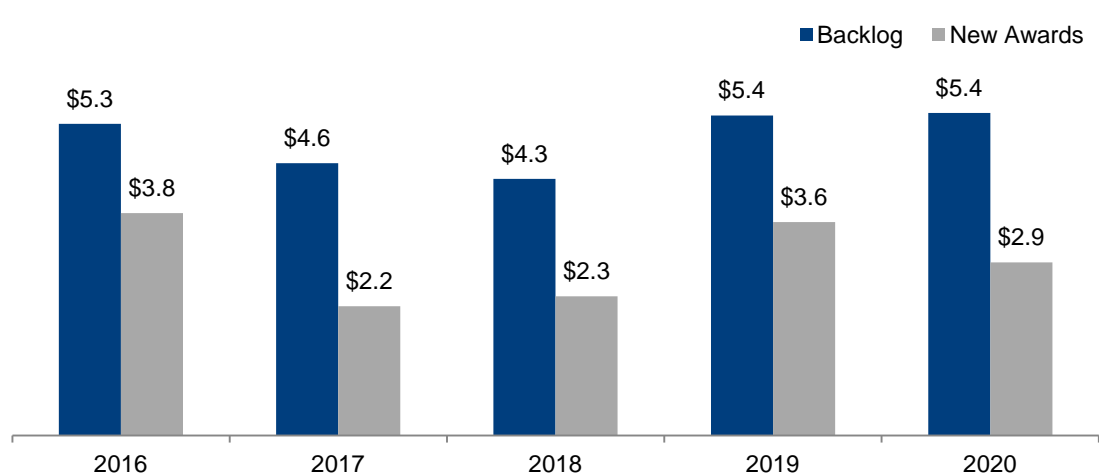
## Debt and Equity Summary Based on IFRS Statements

USD million	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	31 Dec 2020
Cash	506.9	434.2	402.5	374.8	379.4	462.7	557.3	473.8
Total debt	302.8	260.7	375.3	95.7	265.1	153.3	348.4	115.2
Net debt	(204.1)	(173.5)	(27.2)	(279.1)	(114.3)	(309.4)	(208.9)	(358.6)
Total equity	302.4	402.5	471.5	585.7	601.3	579.3	637.2	641.9
ND/equity	(0.67)	(0.43)	(0.06)	(0.48)	(0.19)	(0.53)	(0.33)	(0.56)
EBITDA	99.0	212.9	207.1	268.2	64.1 <sup>(1)</sup>	99.3 <sup>(2)</sup>	150.5 <sup>(3)</sup>	197.8 <sup>(4)</sup>

# 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	FY 2020	FY 2019	Change	Q4 2020	Q4 2019	Change
<b>Equity consolidation</b>						
Backlog	5,439.4	5,444.9	(0.1)%			
New Awards	2,918.8	3,550.3	(17.8)%	920.2	793.4	16.0%
<b>Pro forma inc. 50% of BESIX</b>						
Backlog	8,037.0	8,132.5	(1.2)%			
New Awards	4,235.2	5,428.5	(22.0)%	1,389.5	1,462.2	(5.0)%

## Consolidated

- Consolidated backlog (excluding BESIX) of USD 5.4 billion in FY 2020, in-line with the previous year
- Consolidated new awards decreased 17.8% y-o-y in FY 2020

## MEA

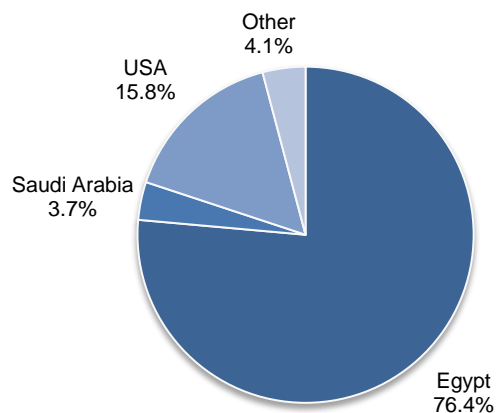
- New awards of USD 2.0 billion in FY 2020 and USD 570 million in Q4 2020
- New contracts include projects in the infrastructure, transportation, logistics, data center and commercial sectors

## USA

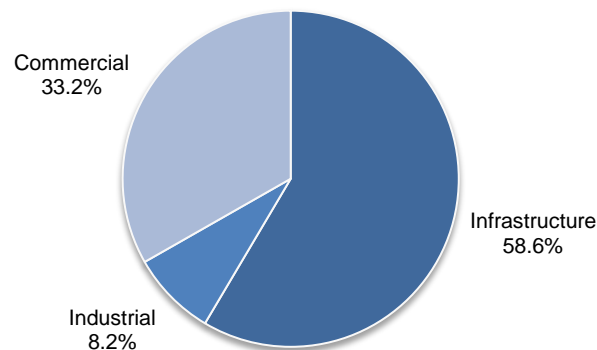
- New awards of USD 920 million in FY 2020 and USD 350 million in Q4 2020
- New awards mainly in the Group's core commercial, data center and light industrial sectors

# Backlog Diversification

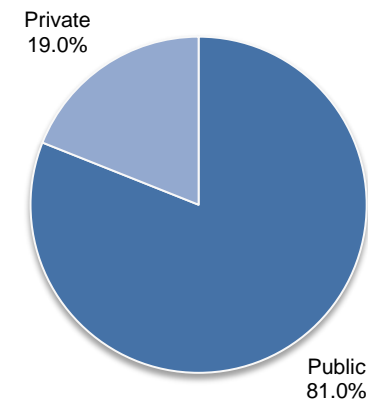
### Backlog by Geography



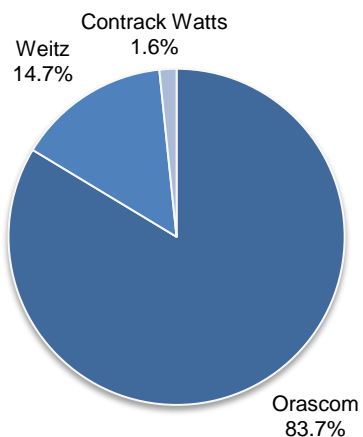
### Backlog by Sector



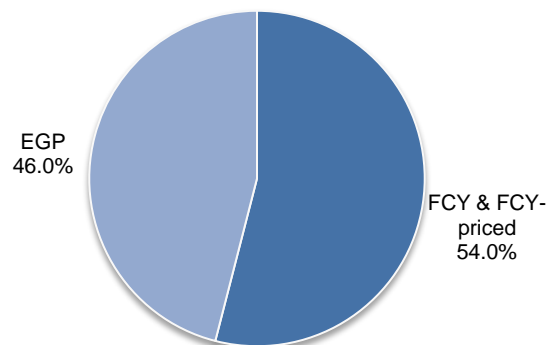
### Backlog by Client



### Backlog by Brand



### Backlog by Currency



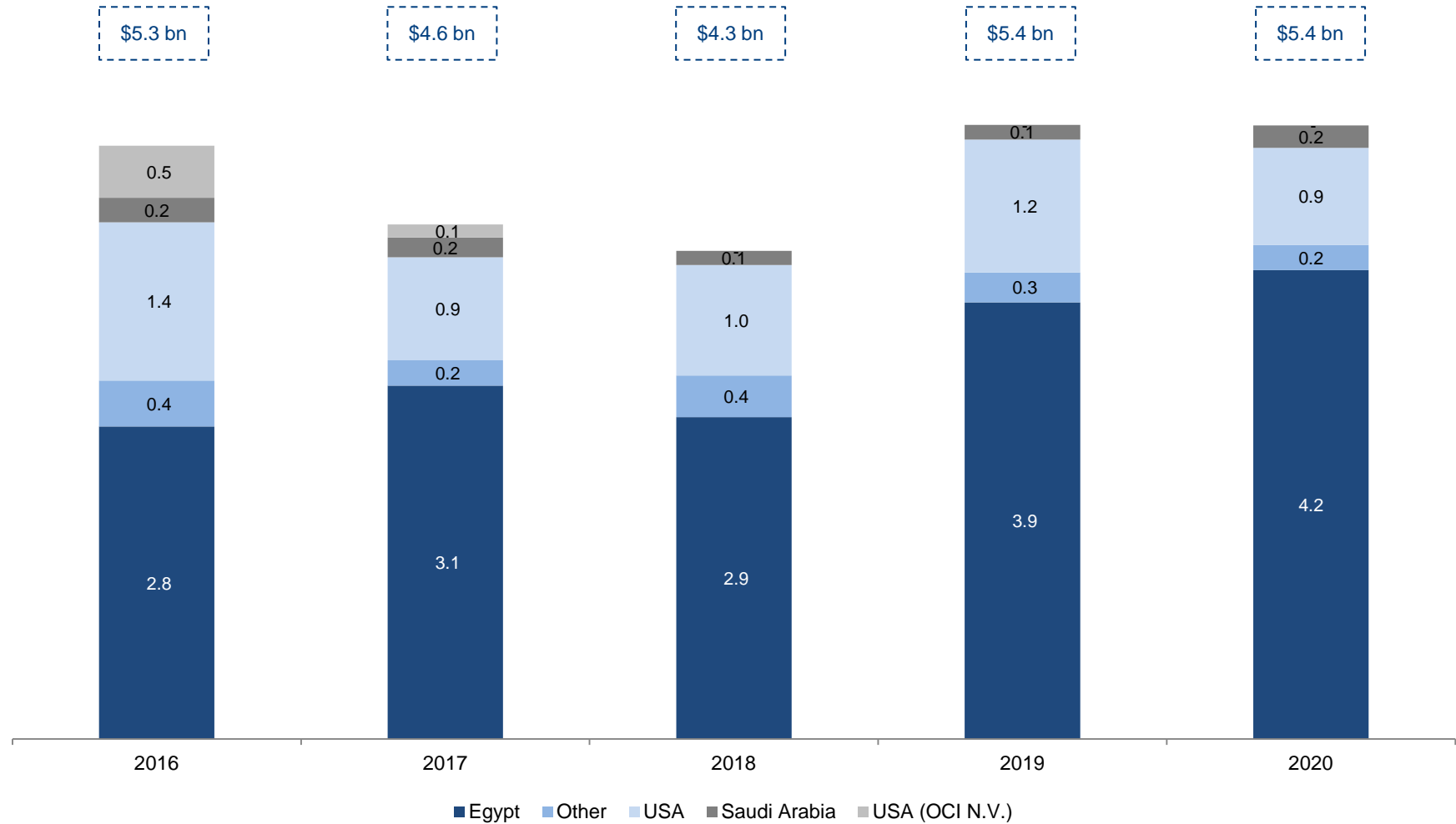
### Currency Exposure

- 54.0% of the Group's total backlog is in FCY or priced in FCY
  - 40% 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)



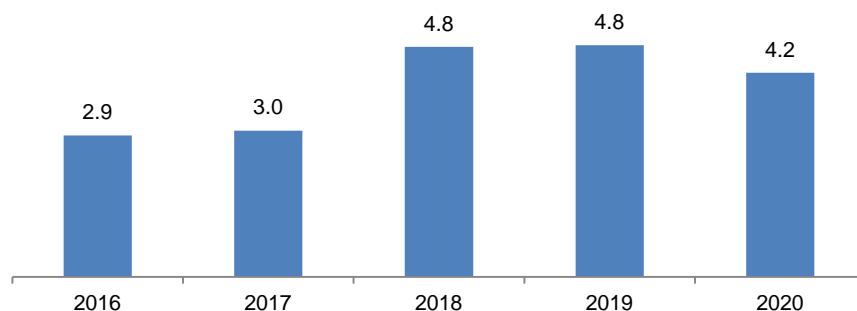


# Pro Forma Snapshot Including 50% of BESIX – FY 2020



- BESIX standalone backlog of EUR 4.2 billion and new awards of EUR 2.3 billion in FY 2020
- Returned to profitability in H2 2020 and has a standalone net debt position decreased to of EUR 49.3 million as of 31 December 2020
- BESIX book value of USD 382.9 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

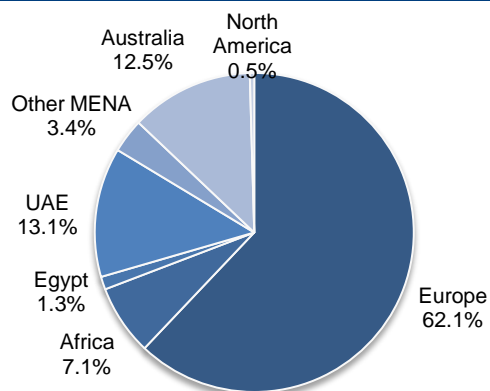
**BESIX Standalone Backlog Evolution (EUR billion)**



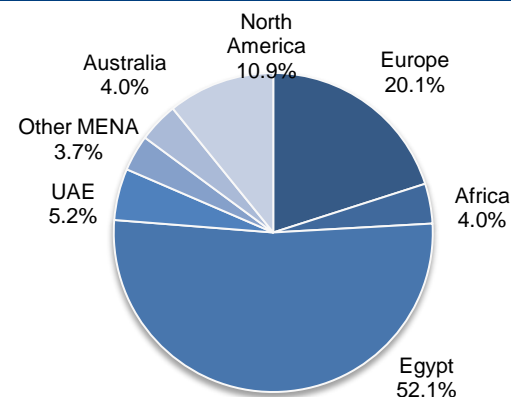
**USD million**

	OC	50% of BESIX	Pro Forma
Revenue	3,371.1	1,575.5	4,946.6
EBITDA	197.8	29.8	227.6
Net Income	97.1	(6.2)	90.9
Net Debt (Cash)	(358.6)	30.3	(328.3)
Backlog	5,439.4	2,597.7	8,037.0
New Awards	2,918.8	1,316.5	4,235.2

**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	FY 2020 Revenue	Description
 NSF National Steel Fabrication	100%	USD 44.3 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 23.1 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 113.8 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 9.8 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 26.1 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 56.1 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 26.4 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 17.5 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 10.7 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>
 RASSHAREB WIND ENERGY S.A.E.	20%	USD 46.6 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	FY 2020	FY 2019	Q4 2020	Q4 2019	Results Commentary
Revenue	3,371.1	3,184.0	927.8	898.7	<b>Revenue:</b>
Cost of sales	(3,048.3)	(2,820.5)	(851.0)	(808.7)	
<b>Gross profit</b>	<b>322.8</b>	<b>363.5</b>	<b>76.8</b>	<b>90.0</b>	<ul style="list-style-type: none"> <li>Consolidated revenue increased 3.2% y-o-y to USD 927.8 million in Q4 2020 and 5.9% y-o-y to USD 3,371.1 million in FY 2020</li> <li>MEA operations comprised 64% and 63% of total revenue in Q4 and FY 2020, respectively, while USA operations accounted for the balance</li> </ul>
<i>Margin</i>	9.6%	11.4%	8.3%	10.0%	
Other income	14.2	15.0	9.9	5.0	
SG&A expenses	(186.4)	(162.1)	(52.9)	(39.9)	
<b>Operating profit</b>	<b>150.6</b>	<b>216.4</b>	<b>33.8</b>	<b>55.1</b>	
<b>EBITDA</b>	197.8	268.2	47.5	68.5	<b>EBITDA</b>
<i>Margin</i>	5.9%	8.4%	5.1%	7.6%	<ul style="list-style-type: none"> <li>EBITDA decreased 30.7% y-o-y to USD 47.5 million in Q4 2020 and 26.2% y-o-y to USD 197.8 million in FY 2020</li> <li>USA operations reported the first full year of profits, an important milestone on the path to sustained profitability</li> </ul>
<b>Financing income &amp; expenses</b>					
Finance income	21.3	25.2	9.0	13.3	
Finance cost	(31.1)	(98.5)	(9.1)	(26.6)	
<b>Net finance cost</b>	<b>(9.8)</b>	<b>(73.3)</b>	<b>(0.1)</b>	<b>(13.3)</b>	<b>Income from associates:</b>
Income from equity acc. Investees	(3.2)	27.1	4.5	(2.5)	<ul style="list-style-type: none"> <li>BESIX demonstrated recovery with a profitable H2 2020</li> <li>BESIX total contribution of USD (6.2) million in FY 2020 impacted by USD (18.5) million in H1 2020</li> </ul>
<b>Profit before income tax</b>	<b>137.6</b>	<b>170.2</b>	<b>38.1</b>	<b>39.3</b>	
Income tax	(40.5)	(39.1)	(7.6)	(8.5)	
<b>Net profit for the year</b>	<b>97.1</b>	<b>131.1</b>	<b>30.5</b>	<b>30.8</b>	<b>Net Income:</b>
<ul style="list-style-type: none"> <li>Net income attributable to shareholders decreased 6.2% y-o-y to USD 25.9 million in Q4 2020 and 25.1% y-o-y to USD 90.9 million in FY 2020</li> <li>FY 2020 net income Impacted primarily by lower gross profit and negative earnings from BESIX in H1 2020</li> <li>Net financing cost significantly reduced in FY 2020</li> <li>Excluding BESIX, the Group would have reported net income attrib. to shareholders of USD 97.1 million in FY 2020, in-line with the level generated in FY 2019</li> </ul>					
<b>Net Profit attributable to:</b>					
Owners of the company	90.9	121.3	25.9	27.6	
Non-controlling interest	6.2	9.8	4.6	3.2	
<b>Net profit for the year</b>	<b>97.1</b>	<b>131.1</b>	<b>30.5</b>	<b>30.8</b>	

# Balance Sheet

USD million	31 Dec 2020	31 Dec 2019	Results Commentary
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>Non-current assets</b>
Property, plant and equipment	177.2	181.3	<ul style="list-style-type: none"> <li>Total investment in associates includes BESIX at an equity value of USD 382.9 million</li> </ul>
Goodwill	13.8	13.8	
Trade and other receivables	47.0	44.4	<b>Current assets:</b>
Equity accounted investees	419.4	430.0	<ul style="list-style-type: none"> <li>Trade and other receivables as of 31 Dec 2020 include USD 824.6 million in accounts receivables, USD 284.9 million in retentions and USD 194.2 million in supplier advance payments</li> </ul>
Deferred tax assets	39.0	39.6	<ul style="list-style-type: none"> <li>56% of gross trade receivables as of 31 Dec 2020 are not yet due</li> </ul>
<b>Total non-current assets</b>	<b>696.4</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	288.1	293.0	
Trade and other receivables	1,473.2	1,258.5	
Contracts work in progress	854.5	869.8	
Current income tax receivables	2.5	0.1	
Cash and cash equivalents	473.8	374.8	
<b>Total current assets</b>	<b>3,092.1</b>	<b>2,796.2</b>	
<b>TOTAL ASSETS</b>	<b>3,788.5</b>	<b>3,505.3</b>	

# Balance Sheet

USD million	31 Dec 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	(289.7)	(304.6)	<b>Liabilities:</b>
Retained earnings	288.6	249.5	
<b>Equity attributable to owners of the Company</b>	<b>595.9</b>	<b>541.9</b>	<ul style="list-style-type: none"> <li>Trade and other payables as of 31 Dec 2020 includes USD 555.2 million in trade payables, USD 487.4 million in accrued expenses and USD 165.7 million in retentions payable to subcontractors</li> </ul>
Non-controlling interest	46.0	43.8	
<b>TOTAL EQUITY</b>	<b>641.9</b>	<b>585.7</b>	<ul style="list-style-type: none"> <li>Total debt of USD 115.2 million as of 31 Dec 2020, the lowest level in FY 2020</li> </ul>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	19.9	5.4	
Trade and other payables	57.1	56.7	
Deferred tax liabilities	3.3	3.6	
<b>Total non-current liabilities</b>	<b>80.3</b>	<b>65.7</b>	
<b>Current liabilities</b>			
Loans and borrowings	95.3	90.3	
Trade and other payables	1,402.8	1,192.0	
Advance payments from construction contracts	1,086.3	1,096.1	
Billing in excess of construction contracts	383.8	375.3	
Provisions	54.7	53.3	
Income tax payables	43.4	46.9	
<b>Total current liabilities</b>	<b>3,066.3</b>	<b>2,853.9</b>	
<b>Total liabilities</b>	<b>3,146.6</b>	<b>2,919.6</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,788.5</b>	<b>3,505.3</b>	

# Cash Flow Statement

USD million	31 Dec 2020	31 Dec 2019	Results Commentary
<b>Net profit for the year</b>	<b>97.1</b>	<b>131.1</b>	<b>Cash flow used in operating activities:</b>
<b>Adjustments for:</b>			
Depreciation	47.2	51.8	<ul style="list-style-type: none"> <li>Operating cash flow of USD 161.6 million in Q4 2020, resulting in a year-end position of USD 138.2 million in FY 2020</li> </ul>
Interest income (including gains on derivatives)	(13.5)	(9.7)	
Interest expense (including losses on derivatives)	24.4	53.0	
Foreign exchange (loss) gain and others	(1.1)	30.0	
Share in income of equity accounted investees	3.2	(27.1)	
Gain on sale of PPE	(1.7)	(1.7)	
Income tax expense	40.5	39.1	
<b>Changes in:</b>			
Inventories	4.9	(9.7)	
Trade and other receivables	(232.4)	(92.3)	
Contract work in progress	15.3	(343.1)	
Trade and other payables	174.6	153.9	
Advanced payments construction contracts	(9.8)	490.1	
Billing in excess of construction contracts	8.5	(35.5)	
Provisions	1.4	(50.0)	
<b>Cash flows:</b>			
Interest paid	(22.7)	(53.4)	
Interest received	13.2	8.7	
Dividends from equity accounted investees	15.0	22.8	
Income taxes paid	(25.9)	(38.1)	
<b>Cash flow from operating activities</b>	<b>138.2</b>	<b>319.9</b>	



# Cash Flow Statement

USD million	31 Dec 2020	31 Dec 2019	Results Commentary
Investment in associate, net of cash acquired	-	(16.6)	<b>Cash flow used in investing activities:</b>
Investments in PPE	(42.7)	(39.5)	
Proceeds from sale of PPE	6.9	8.1	
<b>Cash flow used in investing activities</b>	<b>(35.8)</b>	<b>(48.0)</b>	▪ Cash flow used in investing activities of USD 35.8 million in FY 2020 for capital expenditure
Proceeds from borrowings	215.7	167.1	<b>Cash flow from financing activities:</b>
Repayment of borrowings	(196.2)	(446.7)	
Dividends paid to shareholders	(24.5)	(34.7)	▪ Cash flow used in financing activities of USD 9.0 million in FY 2020 compared to USD 320.1 million in FY 2019
Other	(4.0)	(5.8)	▪ Reflects the Group's lower debt levels paid throughout the year compared to the previous year
<b>Cash flows used in financing activities</b>	<b>(9.0)</b>	<b>(320.1)</b>	
<b>Net movement in cash &amp; cash equivalents</b>	<b>93.4</b>	<b>(48.2)</b>	
Cash and cash equivalents on 1 January	374.8	402.5	
Currency translation adjustments	5.6	20.5	
<b>Cash and cash equivalents on 31 December</b>	<b>473.8</b>	<b>374.8</b>	

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