



Bahr El Baqar Water Treatment Plant, Egypt

FY 2021 Results Presentation
22 March 2022



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Financial Highlights

- Revenue increased 5.1% y-o-y to USD 3,542.9 million and consolidated EBITDA increased 3.3% y-o-y to USD 204.4 million in FY 2021
- Net income attributable to shareholders increased 24.8% y-o-y to USD 113.4 million in FY 2021
- Net cash position increased to USD 441.6 million as of 31 December 2021 and positive operating cash flow increased to USD 201.2 million in FY 2021

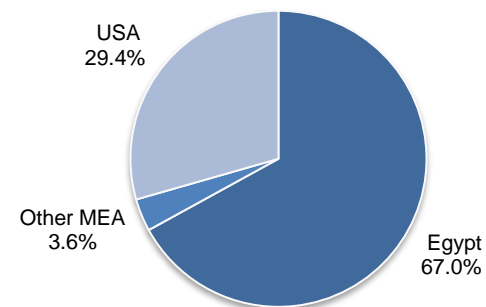
- Consolidated backlog increased 12.0% y-o-y to USD 6.1 billion as of 31 December 2021 and new awards increased 22.1% y-o-y to USD 3.6 billion in FY 2021
- Management had indicated that the Group has an active bidding pipeline, which is now demonstrated by record backlog

- BESIX reported a standalone backlog of EUR 4.9 billion and new awards of EUR 3.5 billion in FY 2021
- Pro forma backlog including 50% share in BESIX increased 10.3% y-o-y to USD 8.9 billion and pro forma new awards increased 32.5% y-o-y to USD 5.6 billion in FY 2021

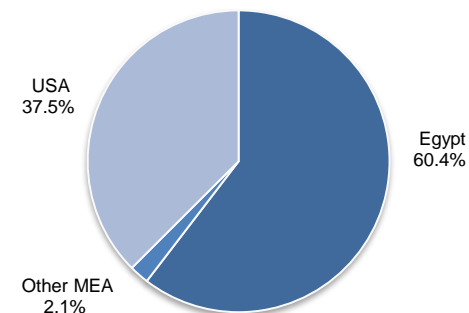
Summary Income Statement

USD million						
	FY 2021	FY 2020	Change	Q4 2021	Q4 2020	Change
Revenue	3,542.9	3,371.1	5.1%	1,000.2	927.8	7.8%
MEA	2,492.8	2,107.3	18.3%	717.0	594.9	20.5%
USA	1,050.1	1,263.8	(16.9)%	283.2	332.9	(14.9)%
EBITDA	204.4	197.8	3.3%	58.1	47.5	22.3%
MEA	184.7	184.6	0.0%	49.4	45.7	8.1%
USA	19.7	13.2	49.2%	8.7	1.8	383.3%
EBITDA margin	5.8%	5.9%		5.8%	5.1%	
MEA margin	7.4%	8.8%		6.9%	7.7%	
USA margin	1.9%	1.0%		3.1%	0.5%	
Net income attrib. to shareholders	113.4	90.9	24.8%	37.1	25.9	43.2%
MEA	81.4	87.8	(7.3)%	18.1	19.8	(8.6)%
USA	16.3	9.3	75.8%	8.3	3.8	118.4%
BESIX	15.7	(6.2)	353.2%	10.7	2.3	365.2%
Net income margin	3.2%	2.7%		3.7%	2.8%	
MEA margin	3.3%	4.2%		2.5%	3.3%	
USA margin	1.6%	0.7%		2.9%	1.1%	

Revenue by Geography – FY 2021



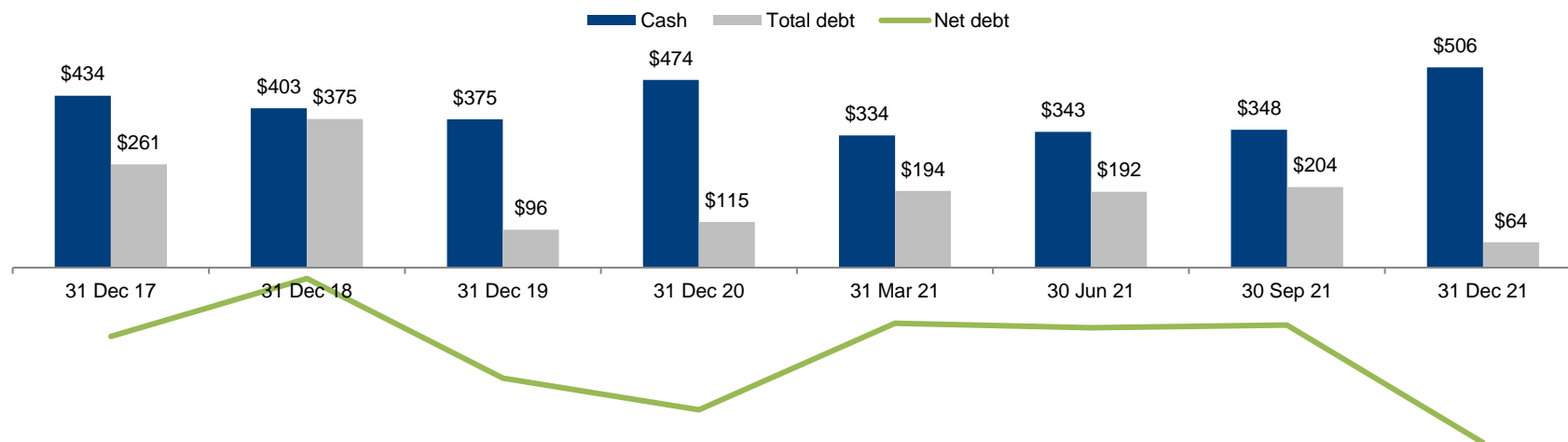
Revenue by Geography – FY 2020



Net Cash Position

Net cash position of USD 441.6 million as of 31 December 2021

Evolution of Debt and Cash (USD Million)



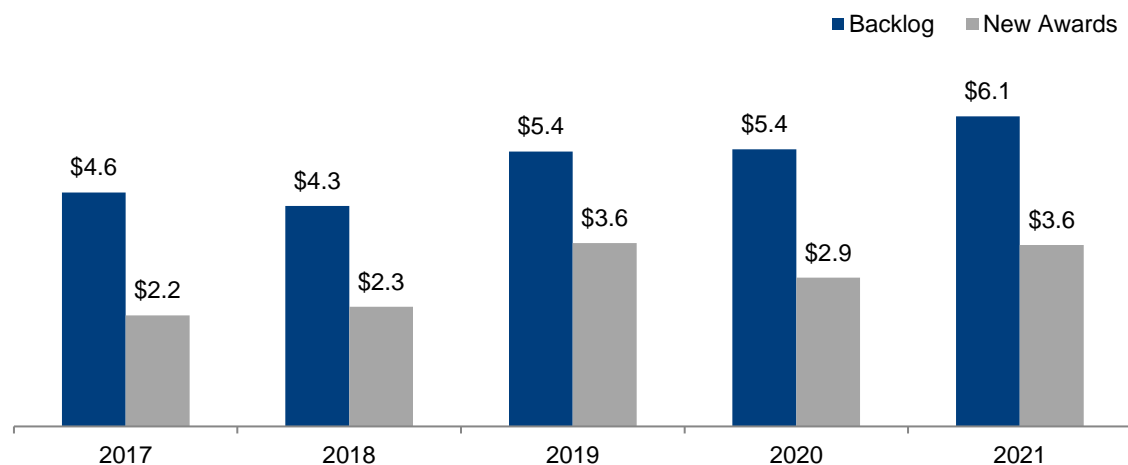
Debt and Equity Summary Based on IFRS Statements

USD million	31 Dec 17	31 Dec 18	31 Dec 2019	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Cash	434.2	402.5	374.8	473.8	333.9	343.0	348.3	505.7
Total debt	260.7	375.3	95.7	115.2	193.7	191.7	203.6	64.1
Net debt	(173.5)	(27.2)	(279.1)	(358.6)	(140.2)	(151.3)	(144.7)	(441.6)
Total equity	402.5	471.5	585.7	641.9	657.8	656.0	680.0	688.6
ND/equity	(0.43)	(0.06)	(0.48)	(0.56)	(0.21)	(0.23)	(0.21)	(0.64)
EBITDA	212.9	207.1	268.2	197.8	51.0 ⁽¹⁾	100.4 ⁽²⁾	146.2 ⁽³⁾	204.4 ⁽⁴⁾

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) ⁽¹⁾



Backlog and New Awards

USD million	FY 2021	FY 2020	Change	Q4 2021	Q4 2020	Change
Equity consolidation						
Backlog	6,089.7	5,439.4	12.0%			
New Awards	3,562.4	2,918.8	22.1%	796.9	920.2	(13.4)%
Pro forma inc. 50% of BESIX						
Backlog	8,864.5	8,037.0	10.3%			
New Awards	5,610.0	4,235.2	32.5	1,286.7	1,389.5	(7.4)%

Consolidated

- Consolidated backlog (excluding BESIX) increased 12.0% y-o-y to USD 6.1 billion in FY 2021
- Consolidated new awards increased 22.1% y-o-y to USD 3.6 billion in FY 2021

MEA

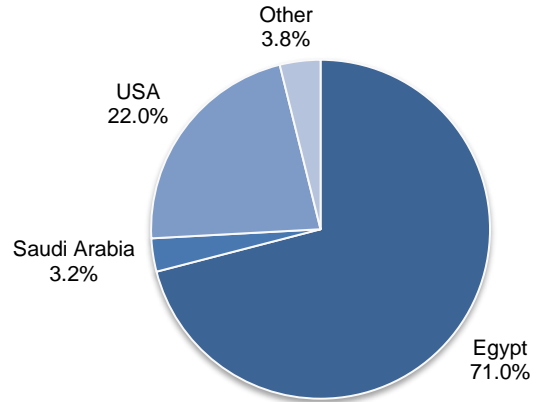
- New awards of USD 2.0 billion in FY 2021, of which \$434.2 million were in Q4 2021
- New awards in FY 2021 across railway, roads/highways, healthcare, water and industrial sectors

USA

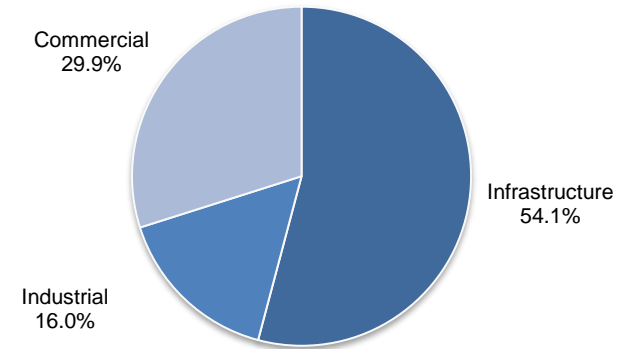
- New awards of USD 1.6 billion in FY 2021, of which USD 362.7 million were in Q4 2021
- New awards in FY 2021 represent an increase of 72% y-o-y
- Led by sizable projects across the data center, student housing, commercial and light industrial sectors

Consolidated Backlog Breakdown – 31 December 2021

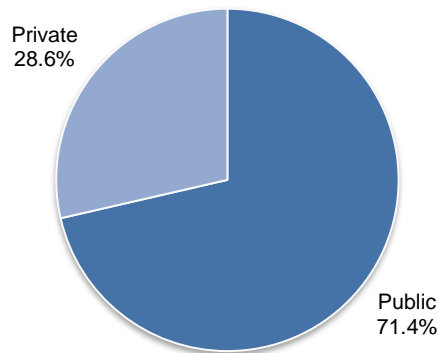
Backlog by Geography



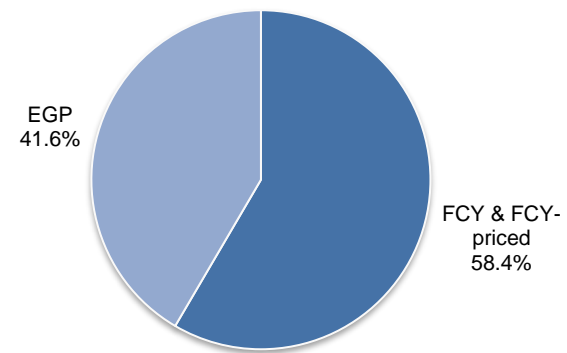
Backlog by Sector



Backlog by Client

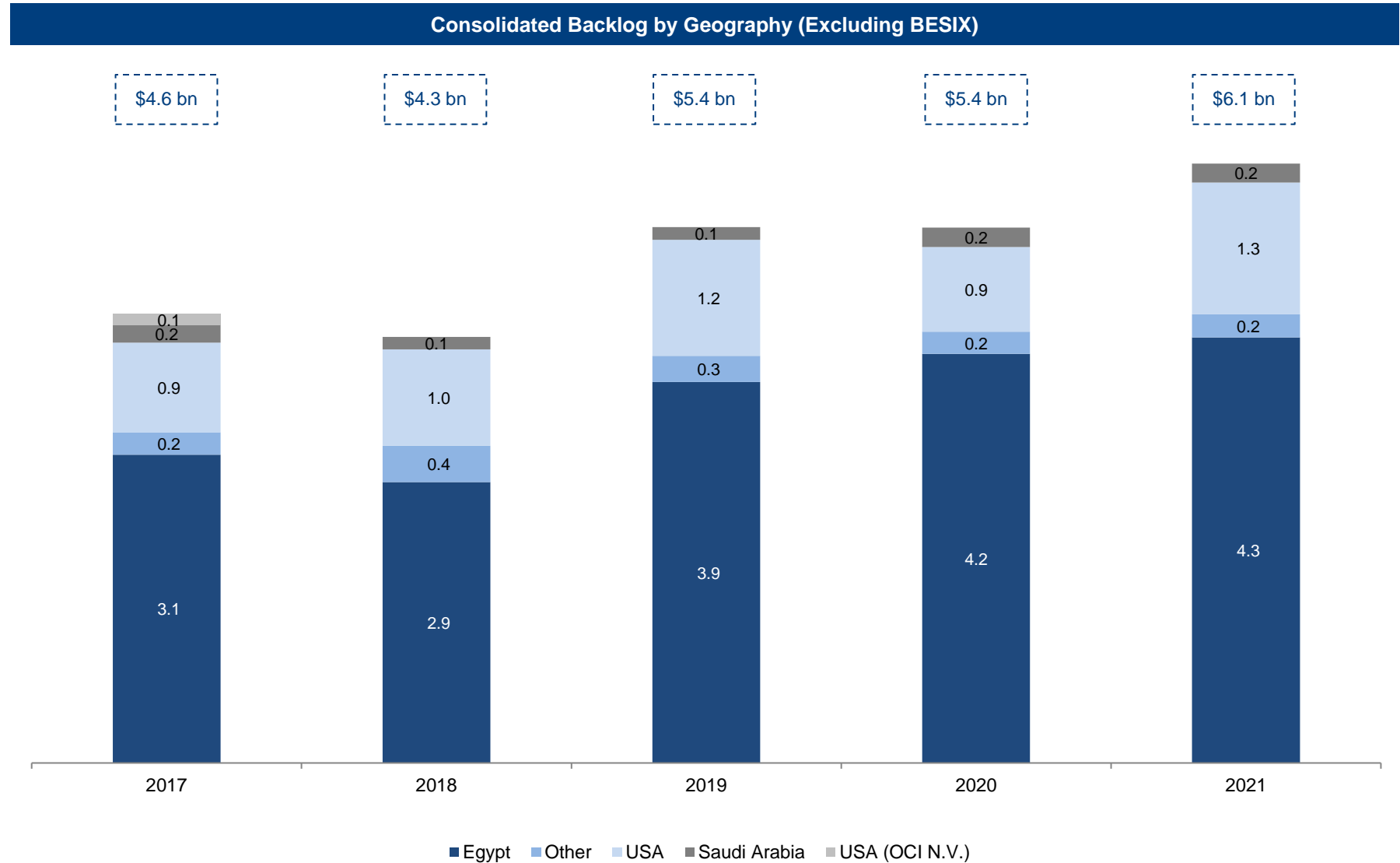


Backlog by Currency⁽¹⁾



(1) 41% 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 31 December 2021; backlog excludes BESIX and JV's accounted for under the equity method

Evolution of Backlog by Geography

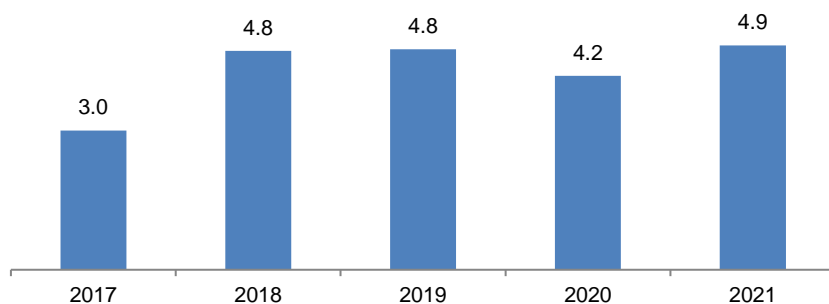


Pro Forma Snapshot Including 50% of BESIX – FY 2021



- BESIX's standalone backlog increased 15.6% y-o-y to EUR 4.9 billion as of 31 December 2021
- New awards increased 55.4% y-o-y to EUR 3.5 billion in FY 2021
- Standalone net debt position of EUR 70 million as of 31 December 2021
- BESIX book value of USD 388.9 million in Orascom Construction's noncurrent assets on the balance sheet

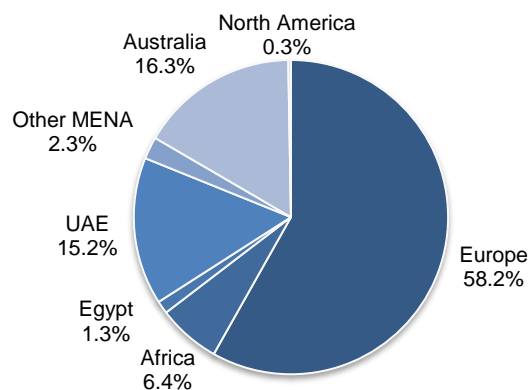
BESIX Standalone Backlog Evolution (EUR billion)



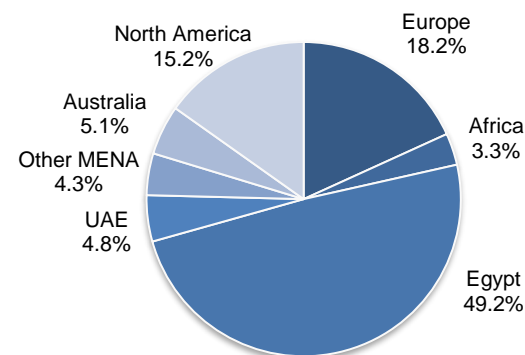
USD million

	OC	50% of BESIX	Pro Forma
Revenue	3,542.9	1,755.1	5,298.0
EBITDA	204.4	58.0	262.4
Net Income	97.7	15.7	113.4
Net Debt (Cash)	(441.6)	39.9	(401.7)
Backlog	6,089.7	2,774.8	8,864.5
New Awards	3,562.4	2,047.6	5,610.0

BESIX Standalone Backlog by Geography



Pro Forma Backlog – 50% of BESIX



Portfolio of Building Materials, Facility Mgmt. and Infrastructure Assets

These subsidiaries and investments contributed 19% to the Group's total net income in FY 2021

Company	Ownership	FY 2021 Revenue	Description
 NSF National Steel Fabrication	100%	USD 51.2 million	<ul style="list-style-type: none"> Manufactures and supplies fabricated steel products in Egypt and North Africa – total capacity of 120k/year Operates four facilities plants in Egypt and Algeria, two of which are the largest in MENA
 ALICO	100%	USD 24.9 million	<ul style="list-style-type: none"> Manufactures and installs glass, aluminum and architectural metal works Operates facility in Egypt with a capacity of 250k sqm, supplying primarily Egypt and North Africa
 UHC	56.5%	USD 107.4 million	<ul style="list-style-type: none"> Holds 50% stakes in BASF Construction Chemicals Egypt, Egyptian Gypsum Company and A-Build Egypt Subs operate from 4 plants in Egypt and Algeria, supplying products primarily in Egypt and North Africa
 UPC UNITED PAINTS & CHEMICALS	56.6%	USD 12.5 million	<ul style="list-style-type: none"> Owns DryMix, Egypt's largest manufacturer of cement-based ready mixed mortars in powdered form used in the construction industry Capable of producing 240k metric tons of product and supplies products to clients in Egypt and North Africa
 NPC	40%	USD 46.8 million	<ul style="list-style-type: none"> Manufactures precast/pre-stressed concrete cylinder pipes and pre-stressed concrete primarily Two plants located in Egypt supply Egypt and North Africa; production capacity of 86 km/yr of concrete piping
 scib Paints	14.7%	USD 67.7 million	<ul style="list-style-type: none"> Production capacity of 130k kilolitres of decorative paints and industrial coatings primarily for the construction industry Operates two plants in Egypt and supplies products to clients in Egypt and North Africa
 CONTRACK FM	100%	USD 26.6 million	<ul style="list-style-type: none"> Egypt's premier facility and property management services provider Hard and soft facility management in commercial, hospitality and healthcare
 SIDC Suez Industrial Development Company	60.5%	USD 10.7 million	<ul style="list-style-type: none"> Owner and developer of an 8.8 million square meter industrial park located in Ain Sokhna, Egypt Provides utility services for light, medium and heavy industrial users in Ain Sokhna, Egypt
 ORASQUALIA	50%	USD 16.5 million	<ul style="list-style-type: none"> A 250m³/day wastewater treatment plant; OC is a co-owner and co-operator of the facility Egypt's first Public Private Partnership project
 RAEGHAREB WIND ENERGY S.A.E.	20%	USD 52.3 million	<ul style="list-style-type: none"> The largest renewable energy IPP project in Egypt; a 262.5 MW build-own-operate wind farm under a 20-year Power Purchase Agreement Full commercial operation commenced 45 days ahead of schedule on 31 October 2019

Financial Statements

Income Statement

USD million	FY 2021	FY 2020	Q4 2021	Q4 2020
Revenue	3,542.9	3,371.1	1,000.2	927.8
Cost of sales	(3,196.5)	(3,048.3)	(896.2)	(851.0)
Gross profit	346.4	322.8	104.0	76.8
<i>Margin</i>	9.8%	9.6%	10.4%	8.3%
Other income	2.3	14.2	(4.3)	9.9
SG&A expenses	(192.4)	(186.4)	(54.2)	(52.9)
Operating profit	156.3	150.6	45.5	33.8
EBITDA	204.4	197.8	58.1	47.5
<i>Margin</i>	5.8%	5.9%	5.8%	5.1%
Financing income & expenses				
Finance income	11.6	21.3	2.6	9.0
Finance cost	(27.9)	(31.1)	(9.8)	(9.1)
Net finance cost	(16.3)	(9.8)	(7.2)	(0.1)
Income from equity acc. Investees	27.8	(3.2)	14.2	4.5
Profit before income tax	167.8	137.6	52.5	38.1
Income tax	(42.5)	(40.5)	(11.4)	(7.6)
Net profit for the year	125.3	97.1	41.1	30.5
Net Profit attributable to:				
Owners of the company	113.4	90.9	37.1	25.9
Non-controlling interest	11.9	6.2	4.0	4.6
Net profit for the year	125.3	97.1	41.1	30.5

Results Commentary

Revenue:

- Consolidated revenue increased 7.8% y-o-y to USD 1.0 billion in Q4 2021 and 5.1% y-o-y to USD 3,542.9 million in FY 2021
- MEA operations comprised 72% of total revenue in Q4 2021 and 70% in FY 2021 while USA operations accounted for the balance

EBITDA

- Consolidated EBITDA increased 22.3% y-o-y to USD 58.1 million in Q4 2021 and 3.3% y-o-y to USD 204.4 million in FY 2021
- EBITDA margins increased to 5.8% in Q4 2021 and maintained at 5.8% in FY 2021
- EBITDA margins in the U.S. operations improved to 3.1% in Q4 2021 and 1.9% in FY 2021

Income from associates:

- BESIX records a consecutive quarter of profits in Q4 2021, compensating for losses in H1 2021
- Net income contribution from BESIX stood at USD 10.7 million in Q4 2021, bringing total net income contribution in FY 2021 to USD 15.7 million compared to negative USD 6.2 million in FY 2020

Net Income:

- Net income attributable to shareholders increased 43.2% y-o-y to USD 37.1 million in Q4 2021 and 24.8% y-o-y to USD 113.4 million in FY 2021

Balance Sheet

USD million	31 Dec 2021	31 Dec 2020	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	199.2	177.2	<ul style="list-style-type: none"> Total investment in associates includes BESIX at an equity value of USD 388.9 million
Goodwill	13.8	13.8	
Trade and other receivables	46.8	47.0	Current assets:
Equity accounted investees	426.4	419.4	<ul style="list-style-type: none"> Trade and other receivables as of 31 Dec 2021 include USD 653.1 million in accounts receivables, USD 305.9 million in retentions and USD 281.0 million in supplier advance payments
Deferred tax assets	41.1	39.0	<ul style="list-style-type: none"> 55% of gross trade receivables as of 31 Dec 2021 are not yet due
Total non-current assets	727.3	696.4	<ul style="list-style-type: none"> Contracts work in progress should be assessed along with advance payments
Current assets			
Inventories	307.3	288.1	
Trade and other receivables	1,462.4	1,473.2	
Contracts work in progress	1,099.5	854.5	
Current income tax receivables	0.2	2.5	
Cash and cash equivalents	505.7	473.8	
Total current assets	3,375.1	3,092.1	
TOTAL ASSETS	4,102.4	3,788.5	

Balance Sheet

USD million	31 Dec 2021	31 Dec 2020	Results Commentary
EQUITY			Equity:
Share capital	116.8	116.8	<ul style="list-style-type: none"> The movement in reserves relates primarily to currency translation differences
Share premium	480.2	480.2	
Reserves	(305.4)	(289.7)	Liabilities:
Retained earnings	346.9	288.6	
Equity attributable to owners of the Company	638.5	595.9	<ul style="list-style-type: none"> Trade and other payables as of 31 Dec 2021 includes USD 521.0 million in trade payables, USD 545.5 million in accrued expenses and USD 159.5 million in retentions payable to subcontractors
Non-controlling interests	50.1	46.0	
TOTAL EQUITY	688.6	641.9	<ul style="list-style-type: none"> Total debt as of 31 Dec 2021 decreased 44.4% y-o-y to USD 64.1 million
LIABILITIES			
Non-current liabilities			
Loans and borrowings	1.2	19.9	
Trade and other payables	49.9	57.1	
Deferred tax liabilities	3.4	3.3	
Total non-current liabilities	54.5	80.3	
Current liabilities			
Loans and borrowings	62.9	95.3	
Trade and other payables	1,531.1	1,402.8	
Advance payments from construction contracts	1,361.4	1,086.3	
Billing in excess of construction contracts	299.6	383.8	
Provisions	59.1	54.7	
Income tax payables	45.2	43.4	
Total current liabilities	3,359.3	3,066.3	
Total liabilities	3,413.8	3,146.6	
TOTAL EQUITY AND LIABILITIES	4,102.4	3,788.5	

Cash Flow Statement

USD million	31 Dec 2021	31 Dec 2020	Results Commentary
Net profit	125.3	97.1	Cash flow used in operating activities:
Adjustments for:			<ul style="list-style-type: none"> Operating cash flow increased 45.6% y-o-y to USD 201.2 million in FY 2021
Depreciation	48.1	47.2	
Interest income	(8.4)	(13.5)	
Interest expense	20.6	24.4	
Foreign exchange gain (loss) and others	4.1	(1.1)	
Share in income of equity accounted investees	(27.8)	3.2	
Gain on sale of PPE	(3.4)	(1.7)	
Income tax expense	42.5	40.5	
Changes in:			
Inventories	(19.2)	4.9	
Trade and other receivables	24.5	(232.4)	
Contract work in progress	(245.0)	15.3	
Trade and other payables	95.2	174.6	
Advanced payments construction contracts	275.1	(9.8)	
Billing in excess on construction contracts	(84.2)	8.5	
Provisions	4.5	1.4	
Cash flows:			
Interest paid	(20.6)	(22.7)	
Interest received	8.4	13.2	
Dividends from equity accounted investees	1.9	15.0	
Income taxes paid	(40.4)	(25.9)	
Cash flow from operating activities	201.2	138.2	

Cash Flow Statement

USD million	31 Dec 2021	31 Dec 2020	Results Commentary
Proceeds on sale of an investment in associate	5.1	-	Cash flow used in investing activities: <ul style="list-style-type: none"> Cash flow used in investing activities of USD 57.6 million in FY 2021 for capital expenditure
Investments in PPE	(63.9)	(42.7)	
Proceeds from sale of PPE	6.3	6.9	Cash flow from financing activities: <ul style="list-style-type: none"> Cash flow used in financing activities of USD 116.4 million in FY 2021 compared to USD 9.0 million in FY 2020 Lower borrowings and much higher dividend paid in FY 2021 compared to FY 2020
Cash flow used in investing activities	(52.5)	(35.8)	
Proceeds from borrowings	103.2	215.7	
Repayment of borrowings	(154.3)	(196.2)	
Dividends paid to non-controlling interest	(6.9)	-	
Dividends paid to shareholders	(51.2)	(24.5)	
Other	(7.2)	(4.0)	
Cash flow used in financing activities	(116.4)	(9.0)	
Net change in cash and cash equivalents	32.3	93.4	
Cash and cash equivalents at 1 January	473.8	374.8	
Currency translation adjustments	(0.4)	5.6	
Cash and cash equivalents at 31 December	505.7	473.8	

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Backlog and new contract 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.



Contact Investor Relations:

Hesham El Halaby
Director
hesham.elhalaby@orascom.com
T: +971 4 318 0900

NASDAQ Dubai: OC
EGX: ORAS

www.orascom.com