

27 August 2019, Dubai, UAE

# RESULTS ANNOUNCEMENT

## H1 2019

### ORASCOM CONSTRUCTION REPORTS 26.8% INCREASE IN EBITDA TO USD 142.4 MILLION IN H1 2019 AND 9.4% GROWTH IN CONSOLIDATED BACKLOG TO USD 4.6 BILLION

#### HIGHLIGHTS

- Consolidated EBITDA increased 26.8% to USD 142.4 million and pro forma EBITDA including 50% in BESIX increased 15.6% y-o-y to USD 176.0 million in H1 2019
- Net income attributable to shareholders of USD 31.3 million in Q2 2019 and USD 61.5 million in H1 2019
- Return to a net cash position of USD 69.2 million as of 30 June 2019 and positive operating cash flow of USD 140.5 million in Q2 2019
- Consolidated backlog grew 9.4% y-o-y to USD 4.6 billion and pro forma backlog including 50% share in BESIX increased 19.3% y-o-y to USD 7.3 billion as of 30 June 2019
- Consolidated new awards increased 41.8% y-o-y to USD 1.4 billion and pro forma new awards including 50% share in BESIX increased 22.1% y-o-y to USD 2.4 billion in H1 2019
- BESIX reports a standalone backlog of EUR 4.8 billion and new awards of EUR 1.7 billion in H1 2019
- A dividend distribution of USD 35 million (USD 0.30 per share) was paid out to shareholders in July 2019

#### STATEMENT FROM THE CEO

We report another consecutive quarter of EBITDA and new awards growth, reflecting the strong execution of our projects alongside our successful business development efforts. The second quarter results also highlight the progress of our continuous cash management and collection initiatives as we report an improved net cash position and a return to positive operating cash flow. We also distributed a second consecutive annual dividend to shareholders in July of USD 0.30 per share, reflecting a 15% increase over the previous year's dividend.

We witnessed healthy backlog growth of 9.4% to USD 4.6 billion as new awards in H1 2019 increased 41.8%, driven by quality new awards in the Middle East and United States. Among these projects are the largest water treatment plant in Egypt, roads and infrastructure work in Egypt and data center projects in the United States. This current backlog level comfortably provides us with sufficient revenue and profitability as we continue to pursue an exciting project pipeline across existing and new markets.

In addition, we announced earlier this month that we signed a contract along with Bombardier Transportation and Arab Contractors to design, build, operate and maintain two monorail lines in Egypt for a total value exceeding USD 4.5 billion. This project will be executed on an EPC + Finance basis, which underscores our consistent ability to provide this service and raise financing from reputable international financial institutions on behalf of our clients. Our share of this contract is close to USD 900 million and includes Operation and Maintenance (O&M) for 30 years, highlighting our strategy to develop recurring income lines alongside our core EPC business. We have now secured a number of O&M contracts across power, water treatment, wastewater treatment, water desalination, transportation and facilities management.

Our business in the U.S. continues to benefit from the turnaround efforts initiated in 2018, reporting positive EBITDA and the highest quarterly order intake since Q3 2016. We are also excited to increase our presence in new sectors such as data centers and airports to complement the existing core market segments.

Lastly, BESIX maintained its strong level of backlog of EUR 4.8 billion and signed EUR 1.0 billion of new awards in Q2 2019. BESIX continued to distribute dividends of EUR 20 million in June for our 50% share.

**OSAMA BISHAI**

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### CONSOLIDATED BACKLOG

USD million	H1 2019	H1 2018	Change	Q2 2019	Q2 2018	Change
<b>Equity consolidation</b>						
Backlog	4,602.1	4,207.4	9.4%			
New Awards	1,415.3	997.9	41.8%	934.7	665.1	40.5%
<b>Pro forma inc. 50% of BESIX</b>						
Backlog	7,338.0	6,150.8	19.3%			
New Awards	2,357.6	1,931.0	22.1%	1,500.3	1,004.4	49.4%

\* H1 2019 backlog and new awards exclude any contracts signed after 30 June 2019.

Consolidated backlog excluding BESIX increased 9.4% y-o-y to USD 4.6 billion as of 30 June 2019. Consolidated new awards increased 40.5% y-o-y to USD 934.7 million in Q2 2019 and 41.8% y-o-y to USD 1.4 billion in H1 2019.

Including the Group's 50% share in BESIX, pro forma backlog as of 30 June 2019 increased 19.3% y-o-y to USD 7.3 billion. Pro forma new awards increased 49.4% y-o-y to USD 1.5 billion in Q2 2019 and 22.1% y-o-y to USD 2.4 billion in H1 2019.

#### MENA

The Group signed approximately USD 880 million of new awards in the Middle East during H1 2018, of which USD 525 million were added in Q2 2019.

Notable new awards in Q2 2019 include the largest water treatment plant in Egypt and additional scope in Egypt's road and highway expansions, further emphasizing the Group's leading position in the development of Egypt's infrastructure. OC's current backlog in Egypt encompasses all major market segments including power, transportation and water.

In addition, Contrack Watts — our subsidiary based in the U.S. — signed a new contract in Saudi Arabia with a U.S. federal client, emphasizing Contrack Watts' efforts to shift more focus on U.S. federal work in the Middle East.

#### USA

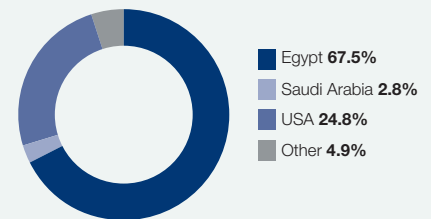
The U.S. subsidiaries recorded the highest level of quarterly new order intake since Q3 2016. New awards totaled approximately USD 410 million in Q2 2019, bringing total new awards to-date in the U.S. to USD 535 million. During the quarter, the Group added more work in the growing data center sector alongside new projects in the existing core commercial and light industrial sectors.

#### BESIX Group

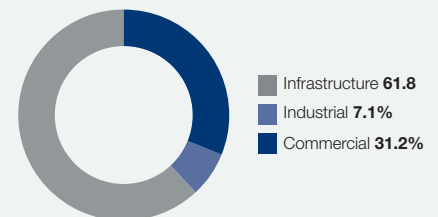
BESIX's standalone backlog increased 44.7% y-o-y to EUR 4.8 billion as of 30 June 2019. New awards grew 77.6% y-o-y to EUR 1.0 billion in Q2 2019 and 8.4% y-o-y to EUR 1.7 billion in H1 2019.

### Backlog by Segment – Equity Consolidation

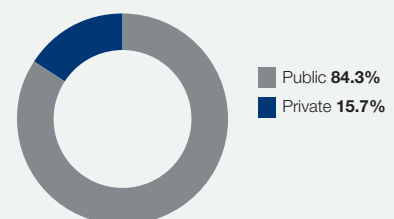
#### Backlog by geography



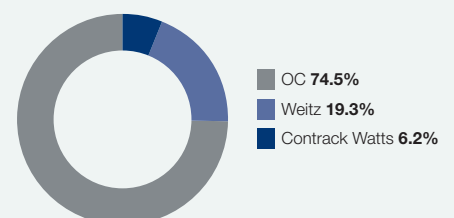
#### Backlog by sector



#### Backlog by client



#### Backlog by brand



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### SUMMARY FINANCIAL RESULTS

#### Summary Income Statement

USD million	H1 2019	H1 2018	Change	Q2 2019	Q2 2018	Change
<b>Revenue</b>	<b>1,495.7</b>	<b>1,506.9</b>	<b>(0.7)%</b>	<b>790.1</b>	<b>750.1</b>	<b>5.3%</b>
MENA	1,116.7	965.1	15.7%	579.3	477.7	21.3%
USA	379.0	541.8	(30.0)%	210.8	272.4	(22.6)%
<b>EBITDA</b>	<b>142.4</b>	<b>112.3</b>	<b>26.8%</b>	<b>72.1</b>	<b>52.0</b>	<b>38.7%</b>
MENA	137.8	116.7	18.1%	69.9	58.1	20.3%
USA	4.6	(4.4)	204.5%	2.2	(6.1)	136.1%
<b>EBITDA margin</b>	<b>9.5%</b>	<b>7.5%</b>		<b>9.1%</b>	<b>6.9%</b>	
MENA margin	12.3%	12.1%		12.1%	12.2%	
USA margin	1.2%	(0.8)%		1.0%	(2.2)%	
<b>Net income attributable to shareholders</b>	<b>61.5</b>	<b>82.5</b>	<b>(25.5)%</b>	<b>31.3</b>	<b>50.6</b>	<b>(38.1)%</b>
MENA	46.5	68.0	(31.6)%	23.9	42.9	(44.3)%
USA	(1.0)	(9.9)	89.9%	(1.1)	(9.5)	88.4%
BESIX	16.0	24.4	(34.4)%	8.5	17.2	(50.6)%
<b>Net income margin</b>	<b>4.1%</b>	<b>5.5%</b>		<b>4.0%</b>	<b>6.7%</b>	
MENA margin	4.2%	7.0%		4.1%	9.0%	
USA margin	(0.3)%	(1.8)%		(0.5)%	(3.5)%	

#### Net Debt (cash)

USD million	30 Jun 19	31 Dec 18	Change
Cash and cash equivalents	397.8	402.5	(1.2)%
Total debt	328.6	375.3	(12.4)%
Total equity	528.3	471.5	12.0%
Net debt (cash)	(69.2)	(27.2)	

Consolidated revenue increased 5.3% y-o-y to USD 790.1 million in Q2 2019 and stood at USD 1,495.7 million in H1 2019, in-line with the previous year. MENA comprised 73% and 75% of total revenue in Q2 2019 and H1 2019, respectively, while the USA operations accounted for the balance. The decline in revenue in the U.S. compared to last year is mainly attributable to the completion of the large methanol plant in Texas in 2018.

Consolidated EBITDA increased 38.7% y-o-y in Q2 2019 as EBITDA margin improved to 9.1% from 6.9%, driven by higher EBITDA in both MENA and USA. Similarly, consolidated EBITDA increased 26.8% y-o-y in H1 2019 while EBITDA margin grew to 9.5% from 7.5%. Both Q2 2019 and H1 2019 saw an increase in MENA margins coupled with positive EBITDA in the U.S.,

highlighting the Group's positive performance in MENA and its progress in streamlining and strengthening the U.S. operations.

Including the Group's 50% share in BESIX, pro forma EBITDA increased 15.6% to USD 176.0 million. Net income contribution from BESIX decreased 50.6% y-o-y to USD 8.5 million in Q2 2019 and 34.4% y-o-y to USD 16.0 million in H1 2019.

Net income attributable to shareholders decreased 38.1% to USD 31.3 million in Q2 2019 and 25.5% to USD 61.5 million in H1 2019. Net income was impacted primarily by higher net financing costs in Egypt in H1 2019. However, the Group has already successfully reduced its debt in Egypt at the end of Q2 2019 and will continue these efforts moving forward.

The Group improved its net cash position to USD 69.2 million as of 30 June 2019. This compares to a net debt position of USD 78.6 million as of 31 March 2019 and a net cash position of USD 27.2 million as of 31 December 2018. Total equity increased 12.0% to USD 528.3 million compared to the level at 31 December 2018.

#### MEI Settlement

A settlement has been reached with MEI—a subcontractor on the completed Iowa Fertilizer project—in relation to the dispute regarding the scope of works. All outstanding mechanic liens on Iowa Fertilizer have been released.

With this settlement complete, Orascom Construction has now completed all obligations related to Iowa Fertilizer, the first world-scale nitrogen fertilizer plant to be built in the U.S. in nearly 30 years. Similarly, Natgasoline—the largest methanol plant in the U.S.—was completed and handed over in November 2018 with no outstanding litigation.

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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, Africa, the United States, and the Pacific Rim. The Group has consistently ranked among the world's top contractors and was ranked number 42 on ENR's 2019 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](http://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.

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