



Ras Ghareb Wind Farm - Egypt

**H1 2020 Results Presentation**  
**26 August 2020**

**ORASCOM**   
**CONSTRUCTION**

# Table of Contents

---

Section	Page
Financial Highlights	1
Summary Financials	2-3
Consolidated Backlog	4-6
Pro Forma Snapshot Including BESIX	7
Construction Materials and Investments	8
Financial Statements	9-14

# Financial Highlights

---

- Revenue increased 8.2% y-o-y to USD 1.6 billion in H1 2020 and consolidated EBITDA decreased 30.3% to USD 99.3 million in H1 2020
- Net income attributable to shareholders of USD 9.8 million in Q2 2020 and USD 34.8 million in H1 2020
- Net cash position of USD 309.4 million as of 30 June 2020 and positive operating cash flow of USD 53.2 million in H1 2020

- Consolidated backlog grew 17.7% y-o-y to USD 5.4 billion and new awards decreased 6.4% y-o-y to USD 1.3 billion in H1 2020
- Backlog sustained q-o-q despite solid project execution as new awards grew 21.0% q-o-q to USD 724.9 million in Q2 2020
- Backlog size and quality is at a healthy level that provides sufficient visibility on future revenue and profit

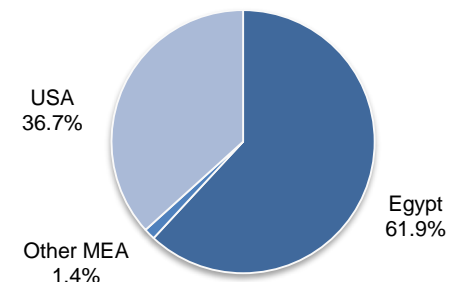
- BESIX reported a standalone backlog of EUR 4.5 billion and new awards of EUR 1.1 billion in H1 2020
- Pro forma backlog including 50% share in BESIX increased 8.1% y-o-y to USD 7.9 billion as of 30 June 2020 and pro forma new awards decreased 18.0% y-o-y to USD 1.9 billion in H1 2020

- A dividend of USD 0.21 per share was distributed to shareholders in August 2020
- Marks the third consecutive dividend distribution

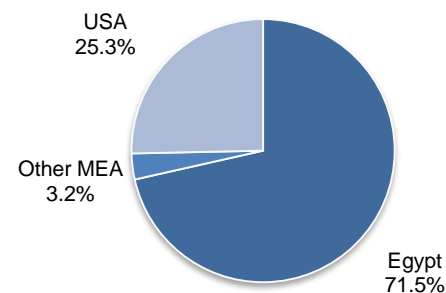
# Summary Income Statement

USD million						
	H1 2020	H1 2019	Change	Q2 2020	Q2 2019	Change
<b>Revenue</b>	<b>1,618.8</b>	<b>1,495.7</b>	<b>8.2%</b>	<b>791.2</b>	<b>790.1</b>	<b>0.1%</b>
<i>MEA</i>	1,024.7	1,116.7	(8.2)%	472.4	579.3	(18.5)%
<i>USA</i>	594.1	379.0	56.8%	318.8	210.8	51.2%
<b>EBITDA</b>	<b>99.3</b>	<b>142.4</b>	<b>(30.3)%</b>	<b>35.2</b>	<b>72.1</b>	<b>(51.2)%</b>
<i>MEA</i>	92.5	137.8	(32.9)%	32.0	69.9	(54.2)%
<i>USA</i>	6.8	4.6	47.8%	3.2	2.2	45.5%
<b>EBITDA margin</b>	<b>6.1%</b>	<b>9.5%</b>		<b>4.4%</b>	<b>9.1%</b>	
<i>MEA margin</i>	9.0%	12.3%		6.8%	12.1%	
<i>USA margin</i>	1.1%	1.2%		1.0%	1.0%	
<b>Net income attrib. to shareholders</b>	<b>34.8</b>	<b>61.5</b>	<b>(43.4)%</b>	<b>9.8</b>	<b>31.3</b>	<b>(68.7)%</b>
<i>MEA</i>	49.0	46.5	5.4%	16.7	23.9	(30.1)%
<i>USA</i>	4.3	(1.0)	530.0%	0.2	(1.1)	120.9%
<i>BESIX</i>	(18.5)	16.0	(215.6)%	(7.1)	8.5	(183.5)%
<b>Net income margin</b>	<b>2.1%</b>	<b>4.1%</b>		<b>1.2%</b>	<b>4.0%</b>	
<i>MEA margin</i>	4.8%	4.2%		3.5%	4.1%	
<i>USA margin</i>	0.7%	(0.3)%		0.1%	(0.5)%	

## Revenue by Geography – H1 2020



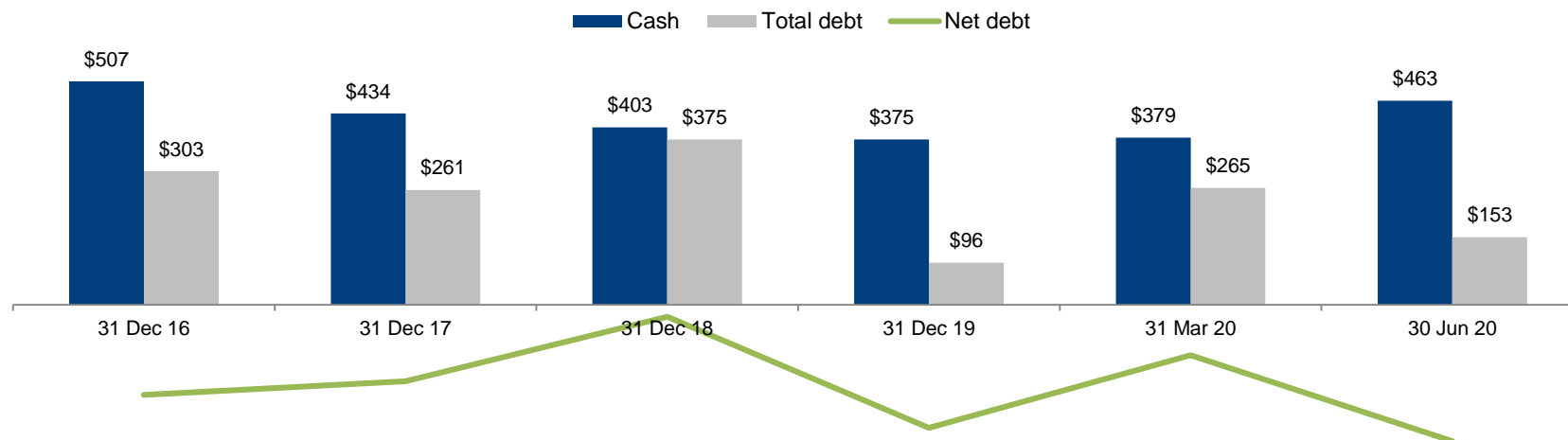
## Revenue by Geography – H1 2019



# Net Cash Position

Net cash position of USD 309.4 million as of 30 June 2020

## Evolution of Debt and Cash (USD Million)



## Debt and Equity Summary Based on IFRS Statements

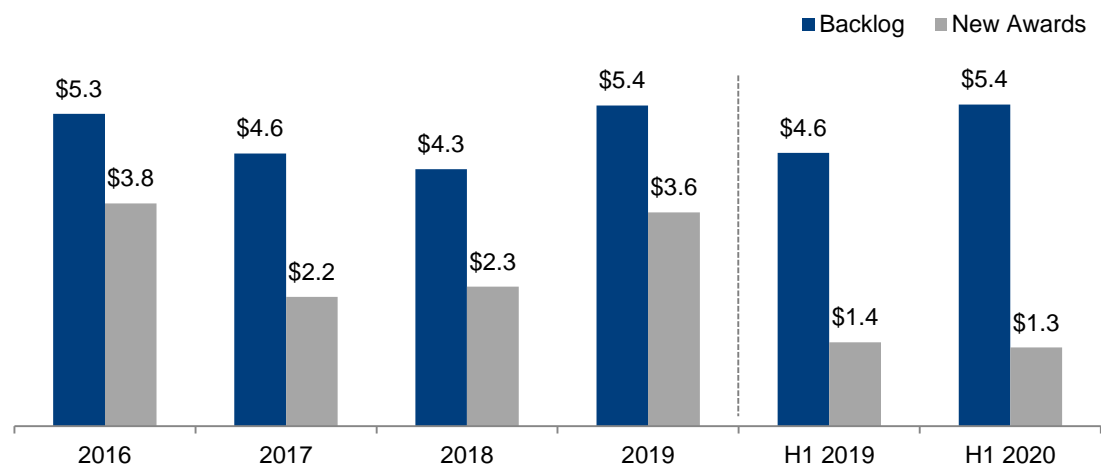
USD million	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 2019	31 Mar 2020	30 June 2020
Cash	506.9	434.2	402.5	374.8	379.4	462.7
Total debt	302.8	260.7	375.3	95.7	265.1	153.3
Net debt	(204.1)	(173.5)	(27.2)	(279.1)	(114.3)	(309.4)
Total equity	302.4	402.5	471.5	585.7	601.3	579.3
ND/equity	(0.67)	(0.43)	(0.06)	(0.48)	(0.19)	(0.53)
EBITDA	99.0	212.9	207.1	268.2	64.1 <sup>(1)</sup>	99.3 <sup>(2)</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	H1 2020	H1 2019	Change	Q2 2020	Q2 2019	Change
Equity consolidation						
Backlog	5,418.1	4,602.1	17.7%			
New Awards	1,324.1	1,415.3	(6.4)%	724.9	934.7	(22.4)%
Pro forma inc. 50% of BESIX						
Backlog	7,931.0	7,338.0	8.1%			
New Awards	1,933.0	2,357.6	(18.0)%	986.1	1,500.3	(34.3)%

### Consolidated

- Consolidated backlog (excluding BESIX) increased 17.7% y-o-y to USD 5.4 billion in H1 2020
- Consolidated new awards decreased 6.4% y-o-y in H1 2020

### MEA

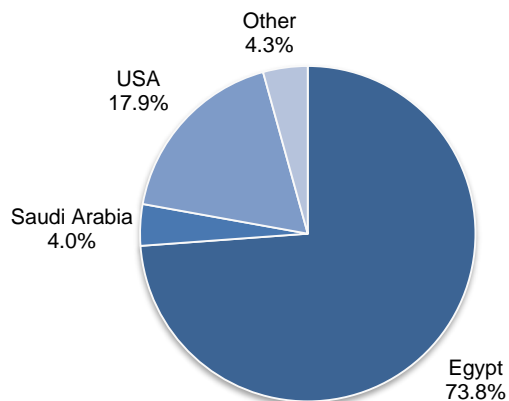
- New awards of approx. USD 950 million in h1 2020 and USD 620 million in Q2 2019
- New awards in Q2 2019 include infrastructure, transportation and commercial projects

### USA

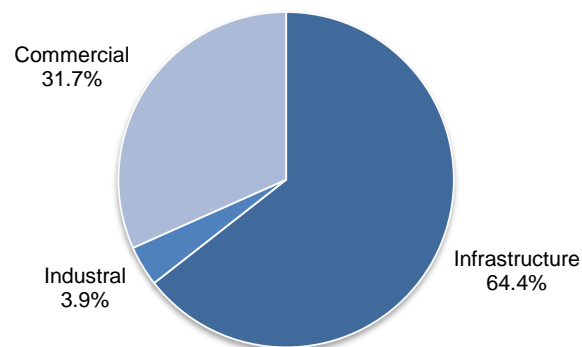
- New awards of USD 371 million in H1 2020 and USD 106 million in H1 2019
- New awards in Q2 2019 include projects across the data center, commercial and light industrial sectors

# Backlog Diversification

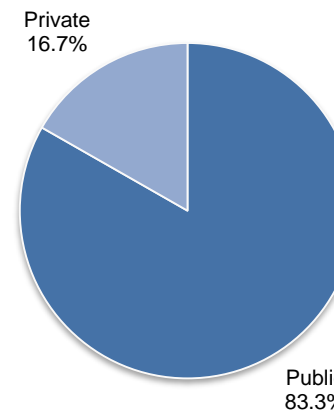
Backlog by Geography



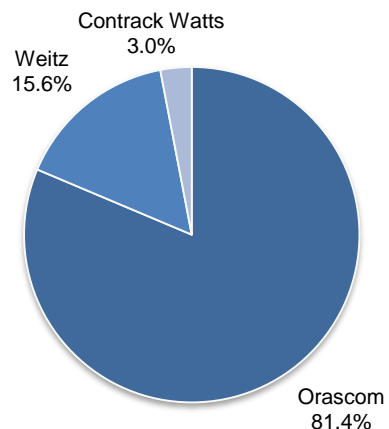
Backlog by Sector



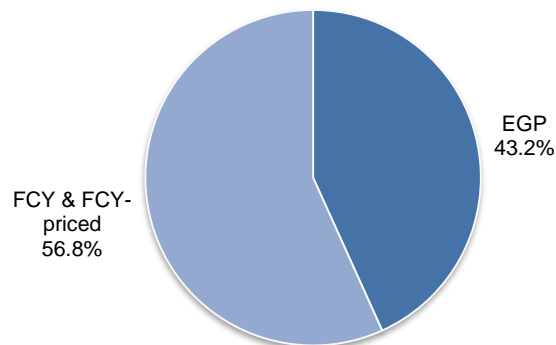
Backlog by Client



Backlog by Brand



Backlog by Currency

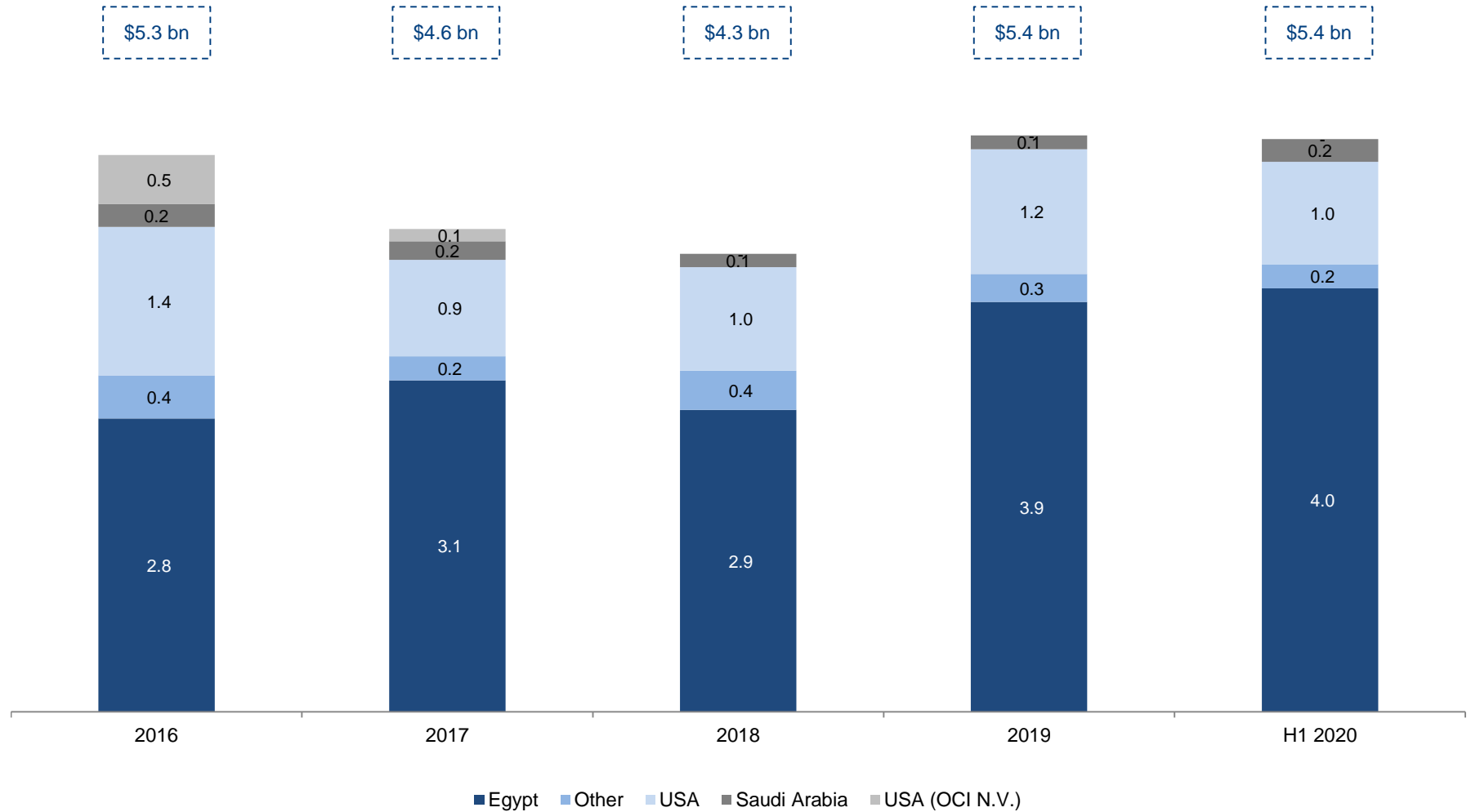


Currency Exposure

- 56.8% of the Group's total backlog is in FCY or priced in FCY
  - 43.2% 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)



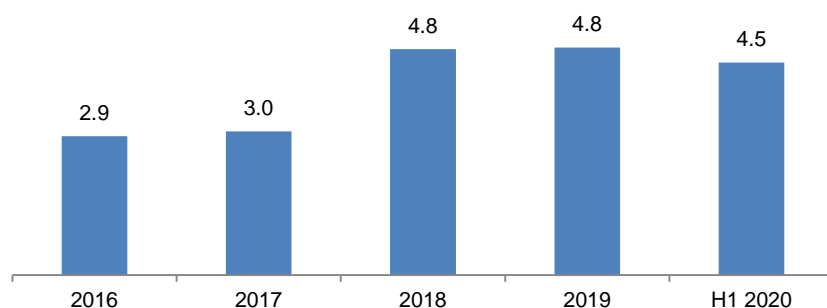


# Pro Forma Snapshot Including 50% of BESIX – H1 2020



- BESIX standalone backlog of EUR 4.5 billion and new awards of EUR 1.1 billion in H1 2020
- BESIX standalone net debt position of EUR 11.8 million as of 30 June 2020
- BESIX book value of USD 359.4 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

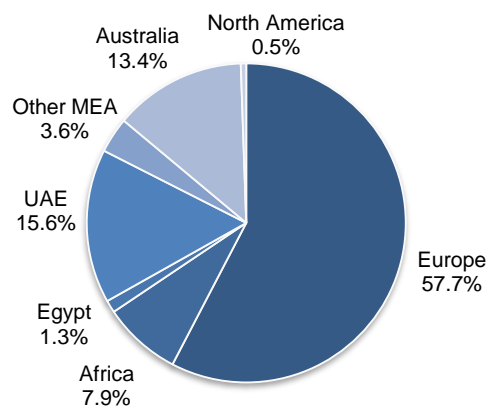
**BESIX Standalone Backlog Evolution (EUR billion)**



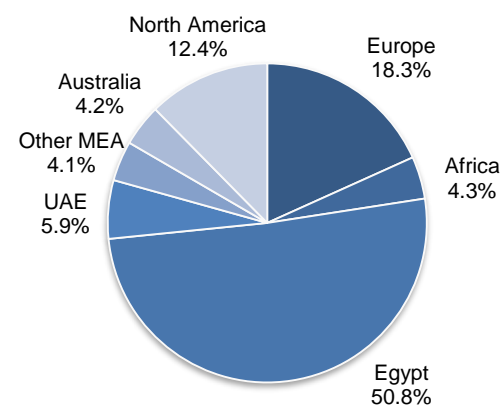
**USD million**

	OC	50% of BESIX	Pro Forma
Revenue	1,618.8	769.1	2,387.9
EBITDA	99.3	0.1	99.4
Net Income	53.3	(18.5)	34.8
Net Debt (Cash)	(309.4)	6.6	(302.8)
Backlog	5,418.1	2,512.9	7,931.0
New Awards	1,324.1	608.9	1,933.0

**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	H1 2020 Revenue	Description
 NSF National Steel Fabrication	100%	USD 19.3 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 11.7 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 58.5 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 4.4 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 12.2 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 24.2 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 12.1 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	60.5%	USD 1.8 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 4.3 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 21.6 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>

---

## Financial Statements

# Income Statement

USD million	H1 2020	H1 2019	Q2 2020	Q2 2019	Results Commentary
Revenue	1,618.8	1,495.7	791.2	790.1	<b>Revenue:</b>
Cost of sales	(1,455.8)	(1,305.9)	(720.3)	(691.6)	
<b>Gross profit</b>	<b>163.0</b>	<b>189.8</b>	<b>70.9</b>	<b>98.5</b>	<ul style="list-style-type: none"> <li>Consolidated revenue was flat y-o-y at USD 791.2 million in Q2 2020 and increased 8.2% y-o-y to USD 1,618.8 million in H1 2020</li> <li>MEA operations comprised 60% and 63% of total revenue in Q2 and H1 2020, respectively, while USA operations accounted for the balance</li> </ul>
<i>Margin</i>	10.1%	12.7%	9.0%	12.5%	<b>EBITDA</b>
Other income	1.8	5.3	0.4	1.7	
SG&A expenses	(88.7)	(77.5)	(47.5)	(39.9)	<ul style="list-style-type: none"> <li>EBITDA decreased 51.2% y-o-y to USD 35.2 million in Q2 2020 and 30.3% y-o-y to USD 99.3 million in H1 2020</li> <li>EBITDA margins declined y-o-y due to lower EBITDA margins in MEA in Q2 2020 while EBITDA margins in USA were in-line with the level achieved in 2019</li> </ul>
<b>Operating profit</b>	<b>76.1</b>	<b>117.6</b>	<b>23.8</b>	<b>60.3</b>	<b>Income from associates:</b>
<b>EBITDA</b>	99.3	142.4	35.2	72.1	
<i>Margin</i>	6.1%	9.5%	4.4%	9.1%	<ul style="list-style-type: none"> <li>BESIX contributed USD (7.1) million in Q2 2020 and USD (18.5) million in H1 2020</li> </ul>
<b>Financing income &amp; expenses</b>					
Finance income	11.8	8.2	6.9	2.8	<b>Net Income:</b>
Finance cost	(13.8)	(54.3)	(2.8)	(26.9)	
<b>Net finance cost</b>	<b>(2.0)</b>	<b>(46.1)</b>	<b>4.1</b>	<b>(24.1)</b>	<ul style="list-style-type: none"> <li>Net income attributable to shareholders decreased 68.7% to USD 9.8 million in Q2 2020 and 43.4% to USD 34.8 million in H1 2020</li> <li>Impacted primarily by lower consolidated gross profit and negative earnings from BESIX</li> </ul>
Income from equity accounted investees	(18.5)	17.7	(6.9)	9.0	
<b>Profit before income tax</b>	<b>55.6</b>	<b>89.2</b>	<b>21.0</b>	<b>45.2</b>	
Income tax	(21.2)	(22.0)	(11.5)	(11.7)	
<b>Net profit</b>	<b>34.4</b>	<b>67.2</b>	<b>9.5</b>	<b>33.5</b>	
<b>Profit attributable to:</b>					
Owners of the company	34.8	61.5	9.8	31.3	
Non-controlling interest	(0.4)	5.7	(0.3)	2.2	
<b>Net profit</b>	<b>34.4</b>	<b>67.2</b>	<b>9.5</b>	<b>33.5</b>	

# Balance Sheet

USD million	30 Jun 2020	31 Dec 2019	Results Commentary
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>Non-current assets</b>
Property, plant and equipment	172.1	181.3	<ul style="list-style-type: none"> <li>Total investment in associates includes BESIX at an equity value of USD 359.4 million</li> </ul>
Goodwill	13.8	13.8	
Trade and other receivables	43.8	44.4	<b>Current assets:</b>
Equity accounted investees	390.7	430.0	<ul style="list-style-type: none"> <li>Trade and other receivables as of 30 June 2020 include USD 756.4 million in accounts receivables, USD 256.3 million in retentions and USD 191.6 million in supplier advance payments</li> </ul>
Deferred tax assets	38.0	39.6	<ul style="list-style-type: none"> <li>66% of gross trade receivables as of 30 June 2020 are not yet due</li> </ul>
<b>Total non-current assets</b>	<b>658.4</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	276.1	293.0	
Trade and other receivables	1,412.2	1,258.5	
Contracts work in progress	999.9	869.8	
Current income tax receivables	2.4	0.1	
Cash and cash equivalents	462.7	374.8	
<b>Total current assets</b>	<b>3,153.3</b>	<b>2,796.2</b>	
<b>TOTAL ASSETS</b>	<b>3,811.7</b>	<b>3,505.3</b>	

# Balance Sheet

USD million	30 Jun 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	(315.7)	(304.6)	<b>Liabilities:</b>
Retained earnings	258.8	249.5	
<b>Equity attributable to owners of the Company</b>	<b>540.1</b>	<b>541.9</b>	<ul style="list-style-type: none"> <li>Trade and other payables includes USD 427.3 million in trade payables, USD 572.1 million in accrued expenses and USD 147.4 million in retentions payable to subcontractors</li> </ul>
Non-controlling interest	39.2	43.8	
<b>TOTAL EQUITY</b>	<b>579.3</b>	<b>585.7</b>	<ul style="list-style-type: none"> <li>Total debt decreased 53.3% y-o-y to USD 153.3 million as of 30 June 2020</li> </ul>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	1.5	5.4	
Trade and other payables	54.2	56.7	
Deferred tax liabilities	3.7	3.6	
<b>Total non-current liabilities</b>	<b>59.4</b>	<b>65.7</b>	
<b>Current liabilities</b>			
Loans and borrowings	151.8	90.3	
Trade and other payables	1,302.9	1,192.0	
Advance payments from construction contracts	1,250.7	1,096.1	
Billing in excess of construction contracts	384.6	375.3	
Provisions	50.5	53.3	
Income tax payables	32.5	46.9	
<b>Total current liabilities</b>	<b>3,173.0</b>	<b>2,853.9</b>	
<b>Total liabilities</b>	<b>3,232.4</b>	<b>2,919.6</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,811.7</b>	<b>3,505.3</b>	

# Cash Flow Statement

USD million	30 Jun 2020	30 Jun 2019	Results Commentary
<b>Net profit</b>	<b>34.4</b>	<b>67.2</b>	<b>Cash flow used in operating activities:</b>
<b>Adjustments for:</b>			
Depreciation	23.2	24.8	<ul style="list-style-type: none"> <li>▪ Operating cash flow increased 32.3% y-o-y to USD 53.2 million in H1 2020</li> <li>▪ In Q2 2020, operating cash flow amounted to USD 219.0 million compared to USD 140.5 million in Q2 2019</li> </ul>
Interest income (including gains on derivatives)	(5.4)	(4.6)	
Interest expense (including losses on derivatives)	11.9	32.2	
Foreign exchange gain and others	(4.5)	18.5	
Share in income of equity accounted investees	18.5	(17.7)	
Gain on sale of PPE	(0.7)	(0.5)	
Income tax expense	21.2	22.0	
<b>Change in:</b>			
Inventories	16.9	(32.0)	
Trade and other receivables	(140.6)	(19.3)	
Contract work in progress	(130.1)	(234.5)	
Trade and other payables	75.5	62.8	
Advanced payments construction contracts	154.6	199.7	
Billing in excess on construction contracts	9.3	(51.8)	
Provisions	(2.8)	4.4	
<b>Cash flows:</b>			
Interest paid	(10.2)	(30.5)	
Interest received	5.0	4.6	
Dividends from equity accounted investees	13.2	22.8	
Income taxes paid	(36.2)	(27.9)	
<b>Cash flow from operating activities</b>	<b>53.2</b>	<b>40.2</b>	

# Cash Flow Statement

USD million	30 Jun 2020	30 Jun 2019	Results Commentary
Investments in PPE	(18.2)	(17.0)	<b>Cash flow used in investing activities:</b> <ul style="list-style-type: none"> <li>Cash outflow for investments in PPE of USD 11.0 million in Q2 2020 and USD 18.2 million in H1 2020</li> </ul>
Proceeds from sale of PPE	3.8	4.7	
<b>Cash flow used in investing activities</b>	<b>(14.4)</b>	<b>(12.3)</b>	<b>Cash flow from financing activities:</b> <ul style="list-style-type: none"> <li>Total cash from financing activities of USD 51.0 million in H1 2020 compared to an outflow of USD 49.0 million in H1 2019</li> </ul>
Proceeds from borrowings	98.8	172.6	
Repayment of borrowings	(41.2)	(219.3)	
Other long-term liabilities	(2.5)	0.6	
Dividends paid to non-controlling interest	(4.1)	(2.9)	
<b>Net cash from (used in) financing activities</b>	<b>51.0</b>	<b>(49.0)</b>	
<b>Net movement in cash &amp; cash equivalents</b>	<b>89.8</b>	<b>(21.1)</b>	
Cash and cash equivalents at 1 January	374.8	402.5	
Currency translation adjustments	(1.9)	16.4	
<b>Cash and cash equivalents</b>	<b>462.7</b>	<b>397.8</b>	



# Important Notice and Disclaimer

---

This document has been provided to you for information purposes only. This document does not constitute an offer of, or an invitation to invest or deal in, the securities of Orascom Construction PLC (the "Company"). The information set out in this document shall not form the basis of any contract and should not be relied upon in relation to any contract or commitment. The issue of this document shall not be taken as any form of commitment on the part of the Company to proceed with any negotiation or transaction.

Certain statements contained in this document constitute forward-looking statements relating to the Company, its business, markets, industry, financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities, plans and objectives of management and other matters. These statements are generally identified by words such as "believe", "expect", "plan", "seek", "continue", "anticipate", "intend", "estimate", "forecast", "project", "will", "may", "should" and similar expressions. These forward-looking statements are not guarantees of future performance. Rather, they are based on current plans, views, estimates, assumptions and projections and involve known and unknown risks, uncertainties and other factors, many of which are outside of the Company's control and are difficult to predict, that may cause actual results, performance or developments to differ materially from any future results, performance or developments expressed or implied from the forward-looking statements.

The Company does not make any representation or warranty as to the accuracy of the assumptions underlying any of the statements contained herein. The information contained herein is expressed as of the date hereof and may be subject to change. Neither the Company nor any of its controlling shareholders, directors or executive officers or anyone else has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

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](mailto:hesham.elhalaby@orascom.com)**  
**T: +971 4 318 0900**

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

**[www.orascom.com](http://www.orascom.com)**