

# RESULTS ANNOUNCEMENT

## H1 2020

### ORASCOM CONSTRUCTION REPORTS BACKLOG OF USD 5.4 BILLION AND NET INCOME OF USD 34.8 MILLION IN H1 2020

#### HIGHLIGHTS

- Revenue increased 8.2% y-o-y to USD 1.6 billion in H1 2020 and consolidated EBITDA decreased 30.3% y-o-y 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 pro forma backlog including 50% share in BESIX increased 8.1% y-o-y to USD 7.9 billion as of 30 June 2020
- Consolidated new awards decreased 6.4% y-o-y to USD 1.3 billion and pro forma new awards including 50% share in BESIX decreased 18.0% y-o-y to USD 1.9 billion in H1 2020
- BESIX reports a standalone backlog of EUR 4.5 billion and new awards of EUR 1.1 billion in H1 2020
- A dividend of USD 0.21 per share was distributed to shareholders in August 2020

#### STATEMENT FROM THE CEO

The Group demonstrated resilience in Q2 2020 as we delivered encouraging performance in a challenging environment impacted by COVID-19. The health and safety of our people remains our top priority and we continue to take the right precautions to protect our employees throughout this pandemic even as our sites continue to operate on a full-fledged basis.

We had indicated earlier this year that maintaining our project pipeline and backlog would be one of our key challenges. That said, we succeeded to sustain our consolidated backlog at USD 5.4 billion, in-line with the previous quarter and reflecting an increase y-o-y despite solid project execution, as new awards increased 21.0% q-o-q to USD 724.9 million in Q2 2020. We also remain confident in the long-term fundamentals of our core markets and continue to selectively pursue new work in key sectors such as infrastructure, water, transportation and data centers.

Furthermore, we continue to focus on collections and our cash position as stated previously. Our operating cash flow turned positive during the quarter, amounting to USD 53.2 million in H1 2020, while our net cash position increased significantly to USD 309.4 million as of June 30. We also reiterated our commitment to shareholders and distributed a dividend of USD 0.21 per share earlier this month.

Revenues during the second quarter were flat y-o-y, indicating a healthy rate of execution across our projects in spite of operational challenges related to the current environment. While we saw some pressure on gross margins in Q2 2020, particularly more pronounced in May during a nationwide slowdown in Egypt, we maintain our focus on important elements of our business such as project controls, cost optimization and cash flow.

Lastly, BESIX preserved its backlog at EUR 4.5 billion as of 30 June 2020 and distributed a dividend to OC of EUR 10 million for our 50% share. On the other hand, BESIX is facing some challenges on the same projects encountered the previous quarter. However, BESIX Management is exerting major effort and focus to tackle this and return to profitability in H2 2020.

**OSAMA BISHAI**

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### CONSOLIDATED BACKLOG

USD million	H1 2020	H1 2019	Change	Q2 2020	Q2 2019	Change
<b>Equity consolidation</b>						
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)%
<b>Pro forma inc. 50% of BESIX</b>						
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 backlog excluding BESIX increased 17.7% y-o-y to USD 5.4 billion as of 30 June 2020. Consolidated new awards decreased 22.4% y-o-y to USD 724.9 million in Q2 2020 and 6.4% y-o-y to USD 1.3 billion in H1 2020.

Including the Group's 50% share in BESIX, pro forma backlog increased 8.1% y-o-y to USD 7.9 billion as of 30 June 2020. Pro forma new awards decreased 34.3% y-o-y to USD 1.0 billion in Q2 2020 and 18.0% y-o-y to USD 1.9 billion in H1 2020.

#### MEA

The Group signed USD 950 million of new awards primarily in Egypt during H1 2020, of which USD 620 million were added in Q2 2020. H1 2020 new awards represent an increase of 7.9% y-o-y and highlight the Group's continued position as a leading player across all major construction segments in Egypt.

Notable new awards during the quarter include projects in the infrastructure, transportation and commercial sectors. In particular, OC signed a contract with Ora Developers to build Phase I of ZED Sheikh Zayed, a multi-purpose commercial project comprising residential towers, a mall and garage. In addition, OC expanded its role in the transportation sector and signed sizable new work as part of the development of Egypt's national highways and roads.

In addition, the financing documents for a large portion of the foreign funding required for the monorail project in Egypt have been executed. The ECA-backed funding will be provided by a syndicate of international banks led by JP Morgan and supported by UKEF. OC, in partnership with Bombardier and Arab Contractors, signed in Q3 2019 a contract to design, build and operate two monorail systems in Egypt for USD 4.5 billion on an EPC + Finance basis. OC's share amounts to approximately USD 900 million, including a 30-year O&M scope.

#### USA

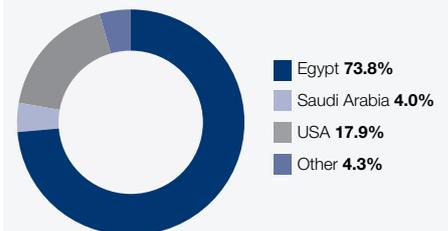
The U.S. subsidiaries signed USD 371 million in H1 2020, of which USD 106 million were added in Q2 2020. New awards included projects across the data center, commercial and light industrial sectors.

#### BESIX Group

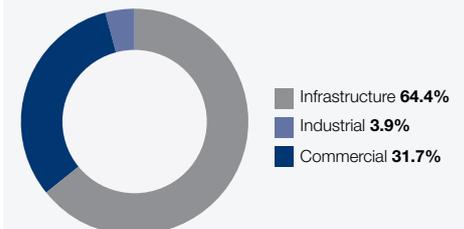
BESIX's standalone backlog stood at EUR 4.5 billion as of 30 June 2020, reflecting 6.9% decrease y-o-y. New awards totaled approximately EUR 470 million in Q2 2020, the majority of which are in Europe, bringing total new awards in H1 2020 to EUR 1.1 billion.

### Backlog by Segment – Equity Consolidation

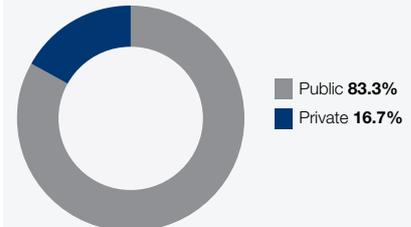
#### Backlog by geography



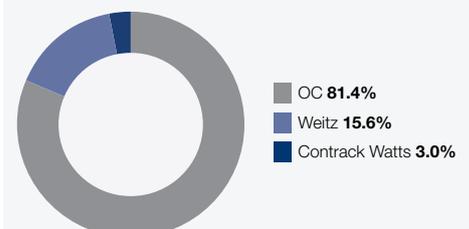
#### Backlog by sector



#### Backlog by client



#### Backlog by brand



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### SUMMARY FINANCIAL RESULTS

#### Summary Income Statement

USD million	H1 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>
MEA	1,024.7	1,116.7	(8.2)%	472.4	579.3	(18.5)%
USA	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>
MEA	92.5	137.8	(32.9)%	32.0	69.9	(54.2)%
USA	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>	
MEA margin	9.0%	12.3%		6.8%	12.1%	
USA margin	1.1%	1.2%		1.0%	1.0%	
<b>Net income attributable 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>
MEA	49.0	46.5	5.4%	16.7	23.9	(30.1)%
USA	4.3	(1.0)	530.0%	0.2	(1.1)	120.9%
BESIX	(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>	
MEA margin	4.8%	4.2%		3.5%	4.1%	
USA margin	0.7%	(0.3)%		0.1%	(0.5)%	

#### Net Debt (cash)

USD million	30 June 20	31 Dec 19	Change
Cash and cash equivalents	462.7	374.8	23.5%
Total debt	153.3	95.7	60.2%
Total equity	579.3	585.7	(1.1)%
Net debt (cash)	(309.4)	(279.1)	

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. The MEA operations comprised 60% and 63% of total revenue in Q2 2020 and H1 2020, respectively, while the USA operations accounted for the balance.

Consolidated 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. Consolidated EBITDA margins declined y-o-y to 4.4% in Q2 2020 and 6.1% in H1 2020 due to lower EBITDA margins in the MEA operations during Q2 2020. EBITDA margins in the U.S. operations were in-line with the level achieved in 2019.

Including the Group's 50% share in BESIX, pro forma EBITDA stood at USD 99.4 million in H1 2020. Net income contribution from BESIX decreased to negative USD 7.1 million in Q2 2020 and negative USD 18.5 million in H1 2020. BESIX results were impacted by additional charges on certain projects in the UAE and The Netherlands during H1 2020. However, BESIX maintains a healthy backlog of EUR 4.5 billion and a solid liquidity position.

Net income attributable to shareholders decreased 68.7% y-o-y to USD 9.8 million in Q2 2020 and 43.4% y-o-y to USD 34.8 million in H1 2020. However, net income margins in MEA and U.S. both increased in H1 2020 compared to the levels in H1 2019, led primarily by improved debt management in MEA and profitability in USA. Net income in Q2 2020 was impacted primarily by lower consolidated gross profit and negative earnings from BESIX.

The Group increased its net cash position to USD 309.4 million as of 30 June 2020. This compares to net cash positions of USD 114.3 million as of 31 March 2020 and USD 279.1 million as of 31 December 2019. Total equity increased 9.7% y-o-y to USD 579.3 million as of 30 June 2020.

#### Dividend distribution

A dividend of USD 0.21 per share was distributed to shareholders in August 2020, marking the Group's third consecutive dividend.

Dubai, UAE / Cairo, Egypt / 26 August 2020

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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 and the United States. The Group has consistently ranked among the world's top contractors and is ranked number 38 on ENR's 2020 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 facilities 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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