



H1 2021 Results Presentation
29 August 2021

ORASCOM 
CONSTRUCTION

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Financial Highlights

- Recovery in Q2 2021 resulting in steady evolution of revenue, EBITDA and net income y-o-y in H1 2021
- Revenue increased 4.1% y-o-y to USD 1,685.0 million, consolidated EBITDA increased 1.1% to USD 100.4 million and net income increased 37.1% y-o-y to USD 47.7 million in H1 2021
- Net cash position stable at USD 151.3 million as of 30 June 2021

- Consolidated backlog increased 8.8% y-o-y USD 5.9 billion and new awards increased 36.2% y-o-y to USD 1.8 billion as of 30 June 2021
- Backlog sustained at a healthy level that provides sufficient visibility on future revenue and profit
- Continued progress on an active bidding pipeline

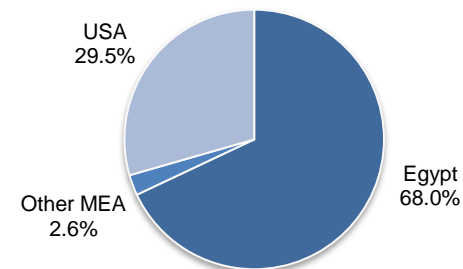
- BESIX reported a standalone backlog of EUR 4.2 billion and new awards of EUR 1.4 billion in H1 2021
- Pro forma backlog including 50% share in BESIX increased 6.0% y-o-y to USD 8.4 billion and pro forma new awards increased 37.8% to USD 2.6 billion in H1 2021

- A dividend of USD 0.2313 per share was distributed to shareholders in August 2021
- Marks the fourth consecutive year of dividend distributions

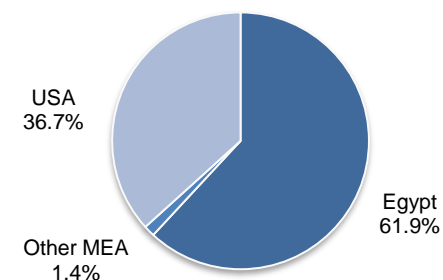
Summary Income Statement

| USD million | | | | | | |
|---|----------------|----------------|--------------|--------------|--------------|---------------|
| | H1 2021 | H1 2020 | Change | Q2 2021 | Q2 2020 | Change |
| Revenue | 1,685.0 | 1,618.8 | 4.1% | 868.3 | 791.2 | 9.7% |
| MEA | 1,188.7 | 1,024.7 | 16.0% | 608.6 | 472.4 | 28.8% |
| USA | 496.3 | 594.1 | (16.5)% | 259.7 | 318.8 | (18.5)% |
| EBITDA | 100.4 | 99.3 | 1.1% | 49.4 | 35.2 | 40.3% |
| MEA | 95.4 | 92.5 | 3.1% | 46.2 | 32.0 | 44.4% |
| USA | 5.0 | 6.8 | (26.5)% | 3.2 | 3.2 | 0.0% |
| EBITDA margin | 6.0% | 6.1% | | 5.7% | 4.4% | |
| MEA margin | 8.0% | 9.0% | | 7.6% | 6.8% | |
| USA margin | 1.0% | 1.1% | | 1.2% | 1.0% | |
| Net income attrib. to shareholders | 47.7 | 34.8 | 37.1% | 23.8 | 9.8 | 142.9% |
| MEA | 47.1 | 49.0 | (3.9)% | 22.3 | 16.7 | 33.5% |
| USA | 2.2 | 4.3 | (48.8)% | 1.7 | 0.2 | 750.0% |
| BESIX | (1.6) | (18.5) | | (0.2) | (7.1) | |
| Net income margin | 2.8% | 2.1% | | 2.7% | 1.2% | |
| MEA margin | 4.0% | 4.8% | | 3.7% | 3.5% | |
| USA margin | 0.4% | 0.7% | | 0.7% | 0.1% | |

Revenue by Geography – H1 2021



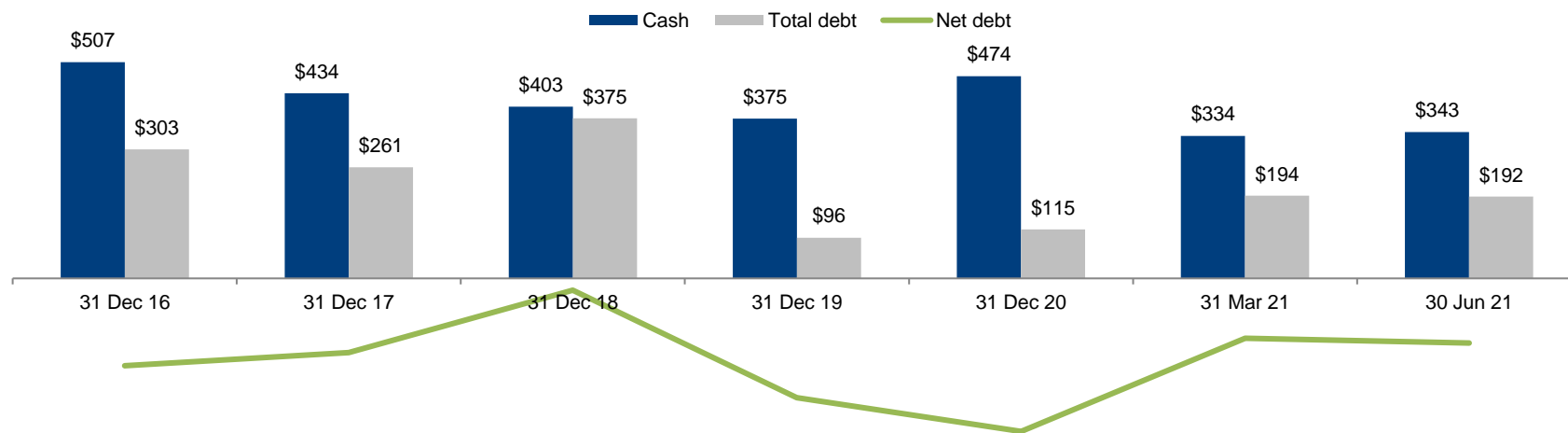
Revenue by Geography – H1 2020



Net Cash Position

Net cash position of USD 151.3 million as of 30 June 2021

Evolution of Debt and Cash (USD Million)



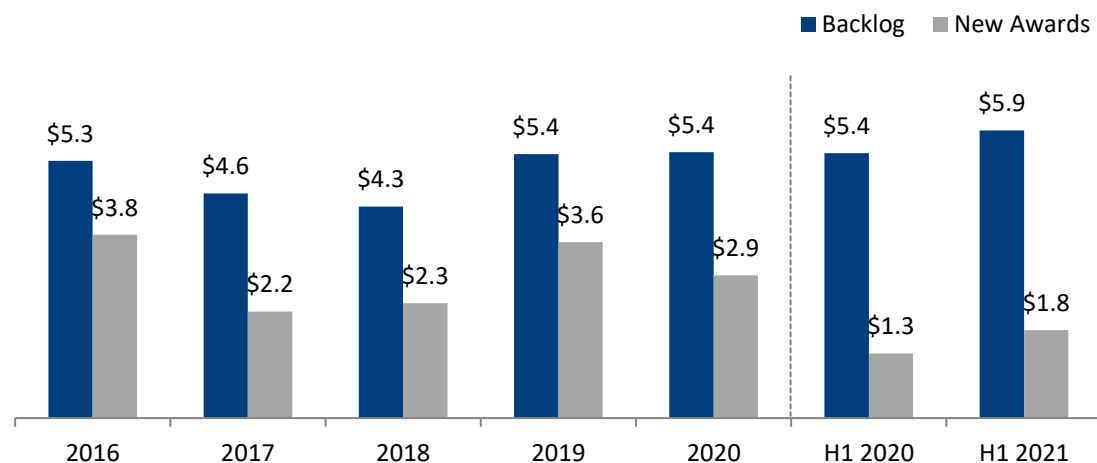
Debt and Equity Summary Based on IFRS Statements

| USD million | 31 Dec 16 | 31 Dec 17 | 31 Dec 18 | 31 Dec 2019 | 31 Dec 2020 | 31 Mar 2021 | 30 June 2021 |
|--------------|-----------|-----------|-----------|-------------|-------------|---------------------|----------------------|
| Cash | 506.9 | 434.2 | 402.5 | 374.8 | 473.8 | 333.9 | 343.0 |
| Total debt | 302.8 | 260.7 | 375.3 | 95.7 | 115.2 | 193.7 | 191.7 |
| Net debt | (204.1) | (173.5) | (27.2) | (279.1) | (358.6) | (140.2) | (151.3) |
| Total equity | 302.4 | 402.5 | 471.5 | 585.7 | 641.9 | 651.7 | 656.0 |
| ND/equity | (0.67) | (0.43) | (0.06) | (0.48) | (0.56) | (0.22) | (0.23) |
| EBITDA | 99.0 | 212.9 | 207.1 | 268.2 | 197.8 | 51.0 ⁽¹⁾ | 100.4 ⁽²⁾ |

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 | H1 2021 | H1 2020 | Change | Q2 2021 | Q2 2020 | Change |
|-----------------------------|---------|---------|--------|---------|---------|--------|
| Equity consolidation | | | | | | |
| Backlog | 5,878.2 | 5,418.1 | 8.5% | | | |
| New Awards | 1,803.1 | 1,324.1 | 36.2% | 1,136.7 | 724.9 | 56.8% |
| Pro forma inc. 50% of BESIX | | | | | | |
| Backlog | 8,404.0 | 7,931.0 | 6.0% | | | |
| New Awards | 2,627.4 | 1,933.0 | 35.9% | 1,358.4 | 986.1 | 37.8% |

Consolidated

- Consolidated backlog (excluding BESIX) increased 8.5% y-o-y to USD 5.9 billion in H1 2021
- Consolidated new awards increased 56.8% y-o-y to USD 1.1 billion in Q2 2021 and 36.2% y-o-y to USD 1.8 billion in H1 2021

MEA

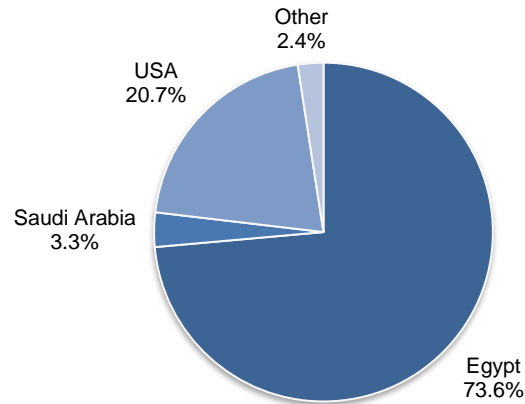
- New awards of USD 920 million in H1 2021, of which \$350 million were in Q2 2021
- New contracts include water treatment plants and two textile manufacturing complexes

USA

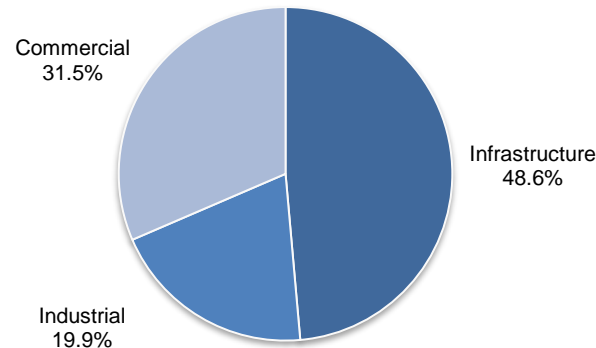
- New awards of USD 885 million in H1 2021, of which USD 790 million were in Q2 2021
- Led by multiple data center projects in addition to the Group's core commercial and light industrial sectors
- New awards mainly in the Group's core commercial and light industrial sectors

Consolidated Backlog Breakdown – 30 June 2021

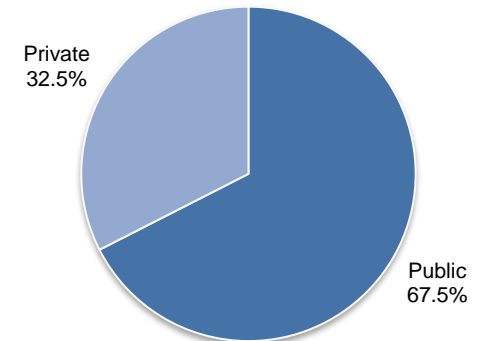
Backlog by Geography



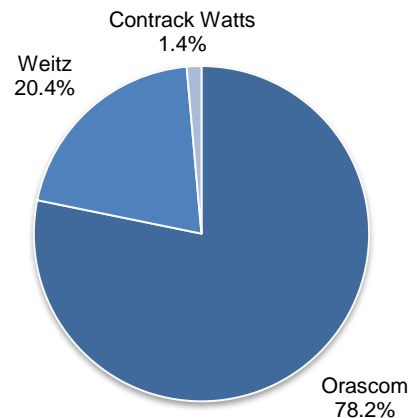
Backlog by Sector



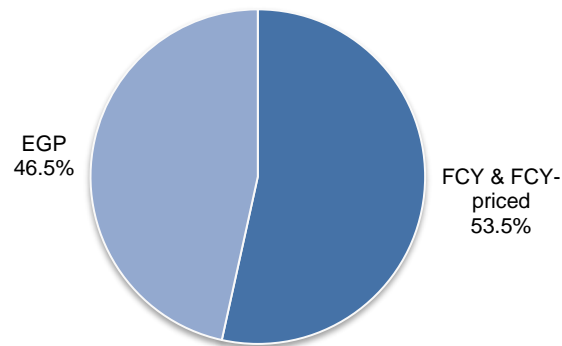
Backlog by Client



Backlog by Brand



Backlog by Currency

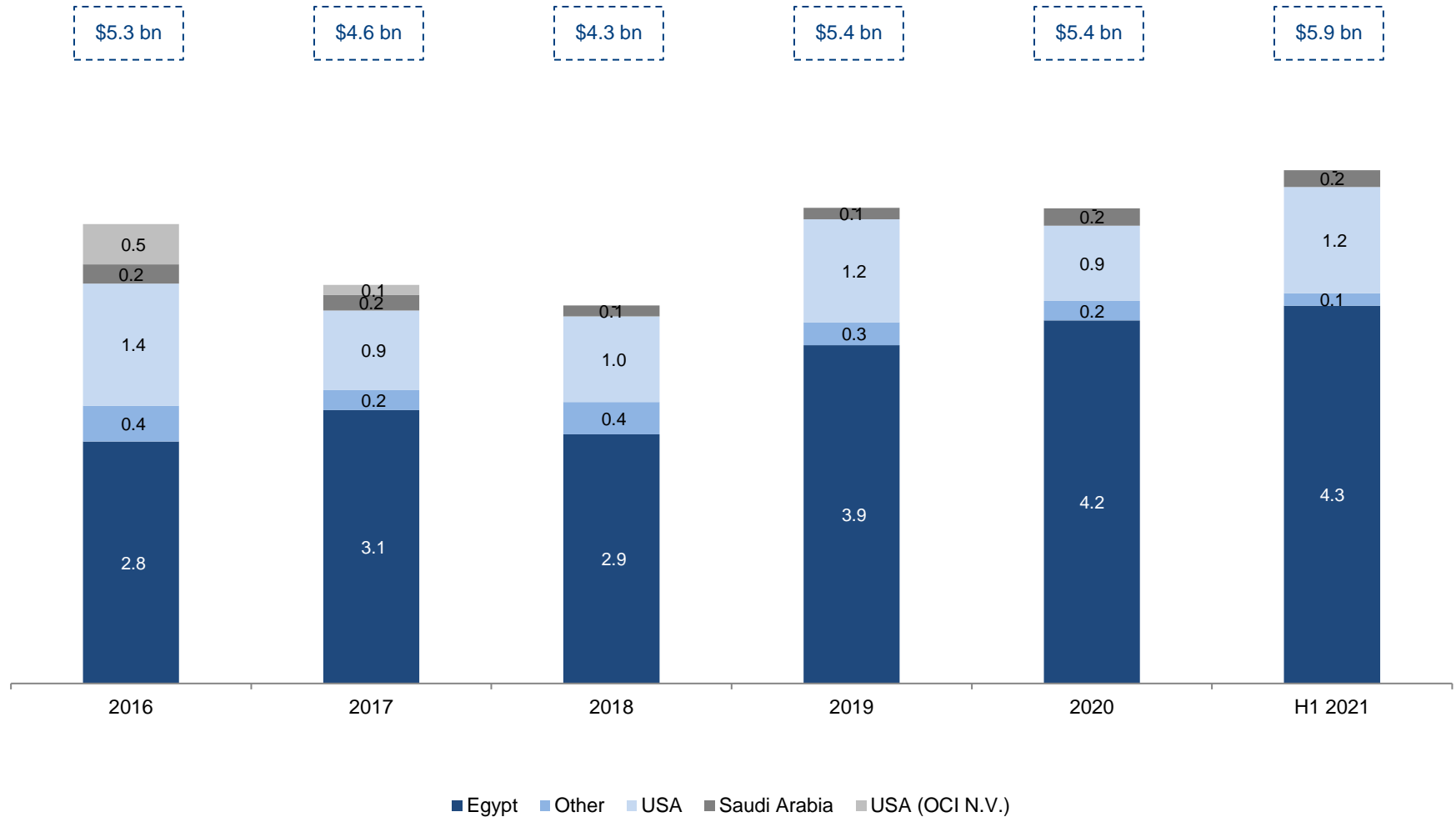


Currency Exposure

- 53.5% of the Group's total backlog is in FCY or priced in FCY
 - 34.9% 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)

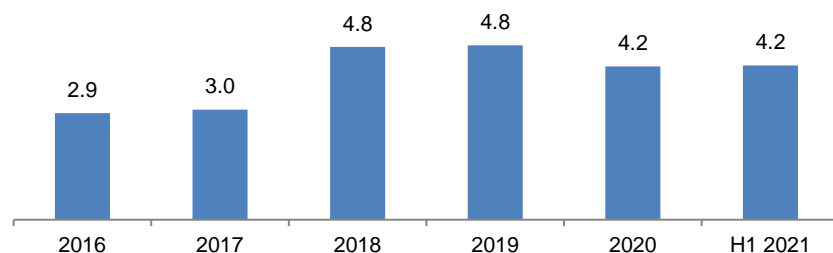


Pro Forma Snapshot Including 50% of BESIX – Q2 2021



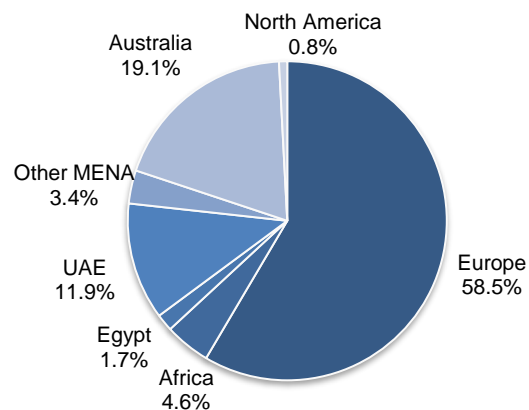
- BESIX standalone backlog of EUR 4.2 billion as of 30 June 2021, in-line with level as of 31 December 2020
- New awards increased 25% y-o-y to EUR 1.4 billion in H1 2021
- Standalone net debt position of EUR 137.8 million as of 30 June 2021
- BESIX book value of USD 377.3 million in Orascom Construction's noncurrent assets on the balance sheet

BESIX Standalone Backlog Evolution (EUR billion)

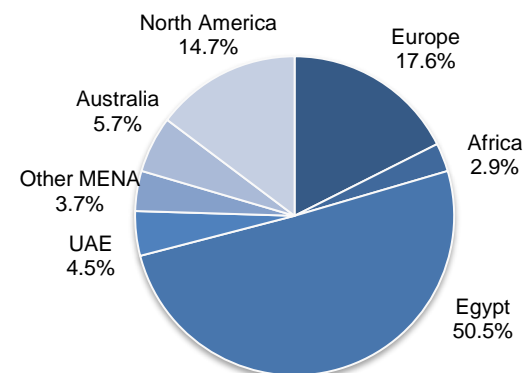


| USD million | OC | 50% of BESIX | Pro Forma |
|-----------------|---------|--------------|-----------|
| Revenue | 1,685.0 | 839.9 | 2,524.9 |
| EBITDA | 100.4 | 22.9 | 123.3 |
| Net Income | 49.3 | (1.6) | 47.7 |
| Net Debt (Cash) | (151.3) | 81.9 | (69.4) |
| Backlog | 5,878.2 | 2,525.8 | 8,404.0 |
| New Awards | 1,803.1 | 824.3 | 2,627.4 |

BESIX Standalone Backlog by Geography



Pro Forma Backlog – 50% of BESIX



Portfolio of Building Materials, Facilities Mgmt. and Infrastructure Assets

These subsidiaries and investments contributed over 10% to the Group's total net income in Q2 2021

| Company | Ownership | H1 2021 Revenue | Description |
|--|-----------|------------------|---|
|  NSF National Steel Fabrication | 100% | USD 23.6 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 14.3 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 52.3 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 | 56.5% | USD 6.0 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 18.7 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 31.5 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 12.5 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 SEZ INDUSTRIAL DEVELOPMENT COMPANY | 60.5% | USD 2.1 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 6.6 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 24.7 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 | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | Results Commentary |
|---|--------------|--------------|--------------|-------------|---|
| Revenue | 1,685.0 | 1,618.8 | 868.4 | 791.2 | Revenue: |
| Cost of sales | (1,520.5) | (1,455.8) | (786.6) | (720.3) | |
| Gross profit | 164.5 | 163.0 | 81.8 | 70.9 | <ul style="list-style-type: none"> Consolidated revenue increased 9.7% y-o-y to USD 868.3 million in Q2 2021 and 4.1% y-o-y to USD 1,685.0 million in H1 2021 MEA operations comprised 70% of total revenue in Q2 2021 and 71% in H1 2021 while USA operations accounted for the balance |
| <i>Margin</i> | 9.8% | 10.1% | 9.4% | 9.0% | EBITDA |
| Other income | 4.9 | 1.8 | 2.0 | 0.4 | |
| SG&A expenses | (92.5) | (88.7) | (46.9) | (47.5) | <ul style="list-style-type: none"> EBITDA increased 40.3% y-o-y to USD 49.4 million in Q2 2021 and 1.1% y-o-y to USD 100.4 million in H1 2021 EBITDA margins increased to 5.7% in Q2 2021 and remained stable at 6.0% in H1 2021 EBITDA margins in the U.S. operations saw modest improvement q-o-q and y-o-y in Q2 2021 |
| Operating profit | 76.9 | 76.1 | 36.9 | 23.8 | Income from associates: |
| EBITDA | 100.4 | 99.3 | 49.4 | 35.2 | |
| <i>Margin</i> | 6.0% | 6.1% | 5.7% | 4.4% | <ul style="list-style-type: none"> BESIX total contribution of USD (0.2) million in Q2 2021 from compared USD (7.1) million in Q2 2020, and of USD (1.6) million in H1 2021 compared to USD (18.5) million in H1 2020 |
| Financing income & expenses | | | | | |
| Finance income | 6.4 | 11.8 | 0.7 | 6.9 | Net Income: |
| Finance cost | (11.5) | (13.8) | (4.9) | (2.8) | |
| Net finance cost | (5.1) | (2.0) | (4.2) | 4.1 | <ul style="list-style-type: none"> Net income attributable to shareholders increased 142.9% y-o-y to USD 23.8 million in Q2 2021 and 37.1% y-o-y to USD 47.7 million in H1 2021 |
| Income (loss) from equity accounted investees | 3.9 | (18.5) | 3.7 | (6.9) | |
| Profit before income tax | 75.7 | 55.6 | 36.4 | 21.0 | |
| Income tax | (22.3) | (21.2) | (9.9) | (11.5) | |
| Net profit | 53.4 | 34.4 | 26.5 | 9.5 | |
| Profit attributable to: | | | | | |
| Owners of the company | 47.7 | 34.8 | 23.8 | 9.8 | |
| Non-controlling interests | 5.7 | (0.4) | 2.7 | (0.3) | |
| Net profit | 53.4 | 34.4 | 26.5 | 9.5 | |

Balance Sheet

| USD million | 30 June 2021 | 31 Dec 2020 | Results Commentary |
|---------------------------------|----------------|----------------|--|
| ASSETS | | | |
| Non-current assets | | | Non-current assets |
| Property, plant and equipment | 171.5 | 177.2 | <ul style="list-style-type: none"> Total investment in associates includes BESIX at an equity value of USD 377.3 million |
| Goodwill | 13.8 | 13.8 | |
| Trade and other receivables | 47.0 | 47.0 | Current assets: |
| Equity accounted investees | 419.4 | 419.4 | <ul style="list-style-type: none"> Trade and other receivables as of 30 June 2021 include USD 812.6 million in accounts receivables, USD 281.5 million in retentions and USD 272.0 million in supplier advance payments |
| Deferred tax assets | 38.1 | 39.0 | <ul style="list-style-type: none"> 50% of gross trade receivables as of 30 June 2021 are not yet due |
| Total non-current assets | 689.8 | 696.4 | <ul style="list-style-type: none"> Contracts work in progress should be assessed along with advance payments |
| Current assets | | | |
| Inventories | 287.0 | 288.1 | |
| Trade and other receivables | 1,614.5 | 1,473.2 | |
| Contracts work in progress | 1,052.9 | 854.5 | |
| Current income tax receivables | 0.4 | 2.5 | |
| Cash and cash equivalents | 343.0 | 473.8 | |
| Total current assets | 3,297.8 | 3,092.1 | |
| TOTAL ASSETS | 3,987.6 | 3,788.5 | |

Balance Sheet

| USD million | 30 June 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 | (294.0) | (289.7) | Liabilities: |
| Retained earnings | 309.0 | 288.6 | |
| Equity attributable to owners of the Company | 612.0 | 595.9 | <ul style="list-style-type: none"> Trade and other payables as of 30 June 2021 includes USD 488.2 million in trade payables, USD 583.9 million in accrued expenses and USD 165.3 million in retentions payable to subcontractors |
| Non-controlling interests | 44.0 | 46.0 | |
| TOTAL EQUITY | 656.0 | 641.9 | |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Loans and borrowings | 7.3 | 19.9 | |
| Trade and other payables | 52.0 | 57.1 | |
| Deferred tax liabilities | 3.3 | 3.3 | |
| Total non-current liabilities | 62.6 | 80.3 | |
| Current liabilities | | | |
| Loans and borrowings | 184.4 | 95.3 | |
| Trade and other payables | 1,500.0 | 1,402.8 | |
| Advance payments from construction contracts | 1,097.2 | 1,086.3 | |
| Billing in excess of construction contracts | 384.8 | 383.8 | |
| Provisions | 55.4 | 54.7 | |
| Income tax payables | 47.2 | 43.4 | |
| Total current liabilities | 3,269.0 | 3,066.3 | |
| Total liabilities | 3,331.6 | 3,146.6 | |
| TOTAL EQUITY AND LIABILITIES | 3,987.6 | 3,788.5 | |

Cash Flow Statement

| USD million | 30 June 2021 | 30 Jun 2020 | Results Commentary |
|--|----------------|-------------|--|
| Net profit | 53.4 | 34.4 | Cash flow used in operating activities: <ul style="list-style-type: none"> Positive operating cash flow of USD 31.8 million in Q2 2021 Q2 2021 operating cash flow did not compensate for outflow in Q1 2021 The Group is working to build on Q2 2021 cash flow and end FY 2021 positively |
| Adjustments for: | | | |
| Depreciation | 23.5 | 23.2 | |
| Interest income (including gains on derivatives) | (3.8) | (5.4) | |
| Interest expense (including losses on derivatives) | 9.2 | 11.9 | |
| Foreign exchange loss and others | (0.3) | (4.5) | |
| Share in (income) loss of equity accounted investees | (3.9) | 18.5 | |
| Gain on sale of PPE | (1.9) | (0.7) | |
| Income tax expense | 22.3 | 21.2 | |
| Changes in: | | | |
| Inventories | 1.1 | 16.9 | |
| Trade and other receivables | (138.5) | (140.6) | |
| Contract work in progress | (198.4) | (130.1) | |
| Trade and other payables | 89.1 | 75.5 | |
| Advanced payments construction contracts | 10.9 | 154.6 | |
| Billing in excess on construction contracts | 1.0 | 9.3 | |
| Provisions | 0.7 | (2.8) | |
| Cash flows: | | | |
| Interest paid | (9.1) | (10.2) | |
| Interest received | 3.1 | 5.0 | |
| Dividends from equity accounted investees | 0.3 | 13.2 | |
| Income taxes paid | (15.5) | (36.2) | |
| Cash flow (used in) from operating activities | (156.8) | 53.2 | |

Cash Flow Statement

| USD million | 30 June 2021 | 30 Jun 2020 | Results Commentary |
|--|----------------|---------------|--|
| Investments in PPE | (18.2) | (18.2) | Cash flow used in investing activities: <ul style="list-style-type: none"> Cash flow used in investing activities of USD 14.5 million in H1 2021 for capital expenditure |
| Proceeds from sale of PPE | 3.7 | 3.8 | |
| Cash flow used in investing activities | (14.5) | (14.4) | Cash flow from financing activities: <ul style="list-style-type: none"> Cash flow from in financing activities of USD 40.0 million in H1 2021 compared to USD 51.0 million in H1 2020 A dividend of USD 24.5 million was paid to shareholders in January 2021 |
| Proceeds from borrowings | 103.2 | 98.8 | |
| Repayment of borrowings | (26.7) | (41.2) | |
| Dividends paid to shareholders | (24.5) | - | |
| Other long-term liabilities | (6.1) | (2.5) | |
| Dividends paid to non-controlling interest | (5.9) | (4.1) | |
| Net cash from financing activities | 40.0 | 51.0 | |
| Net change in cash and cash equivalents | (131.3) | 89.8 | |
| Cash and cash equivalents at 1 January | 473.8 | 374.8 | |
| Currency translation adjustments | 0.5 | (1.9) | |
| Cash and cash equivalents at 30 June | 343.0 | 462.7 | |

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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.



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