



Bahr El Baqar Water Treatment Plant, Egypt

H1 2022 Results Presentation
31 August 2022



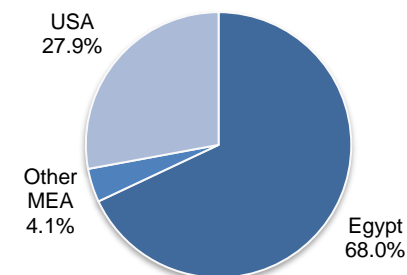
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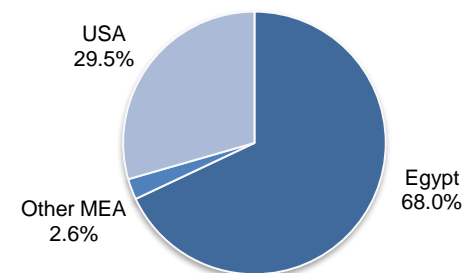
Summary Income Statement

USD million						
	H1 2022	H1 2021	Change	Q2 2022	Q2 2021	Change
Revenue	1,914.6	1,685.0	13.6%	934.9	868.4	7.7%
MEA	1,376.6	1,188.7	15.8%	635.4	608.7	4.4%
USA	538.0	496.3	8.4%	299.5	259.7	15.3%
EBITDA	92.9	100.4	(7.4)%	42.6	49.4	(13.8)%
MEA	87.3	95.4	(8.4)%	39.0	46.3	(15.8)%
USA	5.6	5.0	11.9%	3.6	3.1	16.1%
EBITDA margin	4.9%	6.0%		4.6%	5.7%	
MEA margin	6.3%	8.0%		6.1%	7.6%	
USA margin	1.0%	1.0%		1.2%	1.2%	
Net income attrib. to shareholders	33.9	47.7	(28.9)%	20.8	23.8	(12.6)%
MEA	36.2	47.1	(23.1)%	13.8	22.4	(38.4)%
USA	4.1	2.2	88.3%	2.5	1.5	66.7%
BESIX	(6.5)	(1.6)	(306.3)%	4.5	(0.1)	4600.0%
Net income margin	1.8%	2.8%		2.2%	2.7%	
MEA margin	2.6%	4.0%		2.2%	3.7%	
USA margin	0.8%	0.4%		0.8%	0.6%	

Revenue by Geography – H1 2022



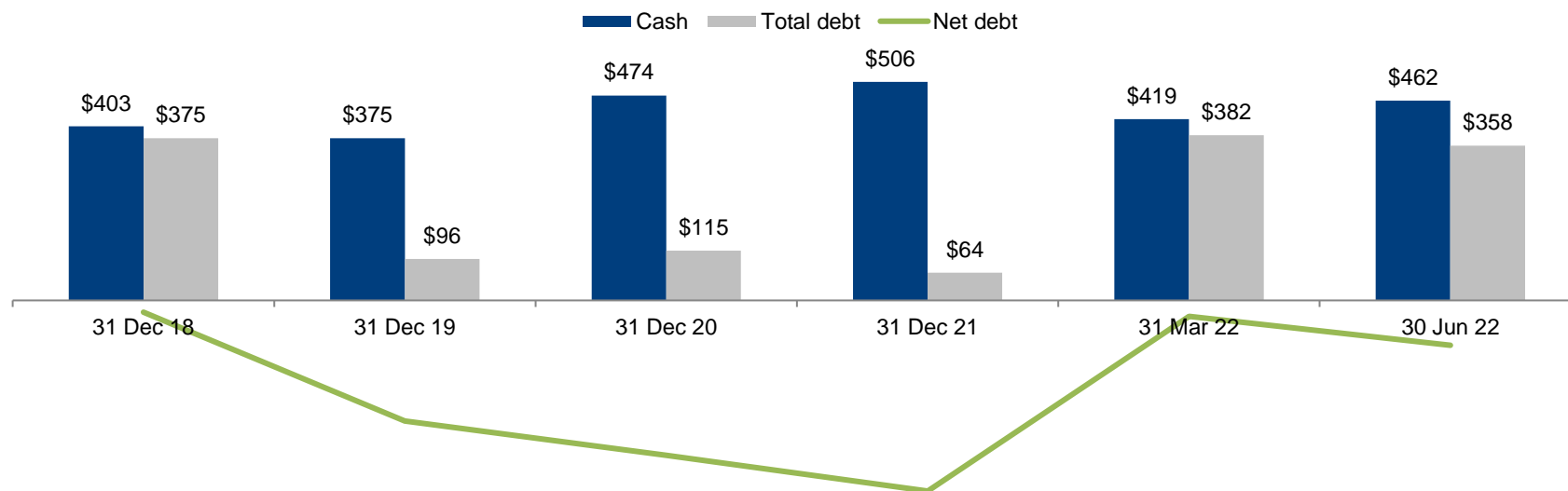
Revenue by Geography – H1 2021



Net Cash Position

Net cash position of USD 104.3 million as of 30 June 2022

Evolution of Debt and Cash (USD Million)

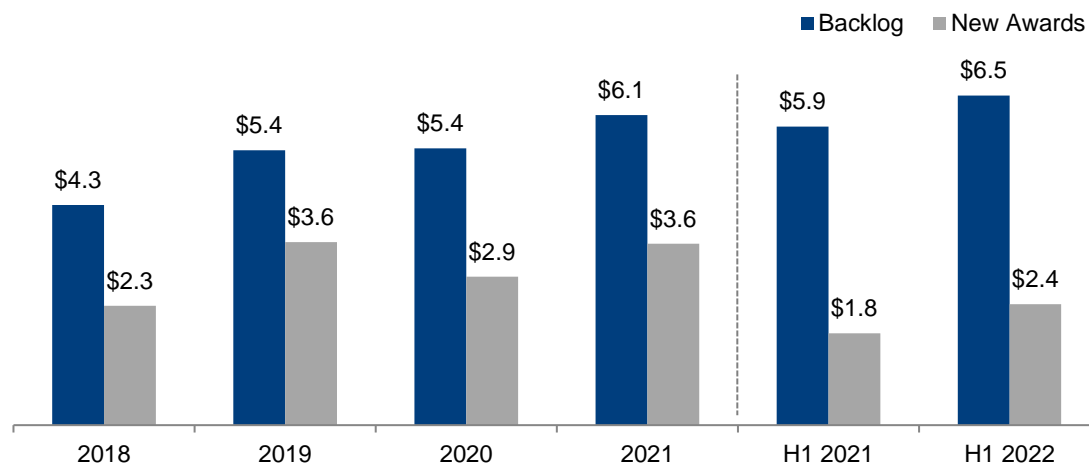


Debt and Equity Summary Based on IFRS Statements

USD million	31 Dec 18	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022
Cash	402.5	374.8	473.8	505.7	419.3	462.0
Total debt	375.3	95.7	115.2	64.1	382.3	357.7
Net debt	(27.2)	(279.1)	(358.6)	(441.6)	(37.0)	(104.3)
Total equity	471.5	585.7	641.9	688.6	662.6	669.4
EBITDA	207.1	268.2	197.8	204.4	50.3 ⁽¹⁾	92.9 ⁽²⁾

Consolidated Backlog

Evolution of Consolidated Backlog (USD Billion) ⁽¹⁾



Backlog and New Awards

USD million	H1 2022	H1 2021	Change	Q2 2022	Q2 2021	Change
Equity consolidation						
Backlog	6,474.7	5,878.2	10.1%			
New Awards	2,380.2	1,803.1	32.0%	1,762.7	1,136.7	55.1%
Pro forma inc. 50% of BESIX						
Backlog	9,025.1	8,404.0	7.4%			
New Awards	3,202.7	2,627.4	21.9%	2,156.1	1,358.4	58.7%

Consolidated

- Consolidated backlog (excluding BESIX) increased 10.1% y-o-y to USD 6.5 billion in H1 2022
- Consolidated new awards increased 55.1% y-o-y to USD 1.8 billion in Q2 2022 and 32.0% y-o-y to USD 2.4 billion in H1 2022

MEA

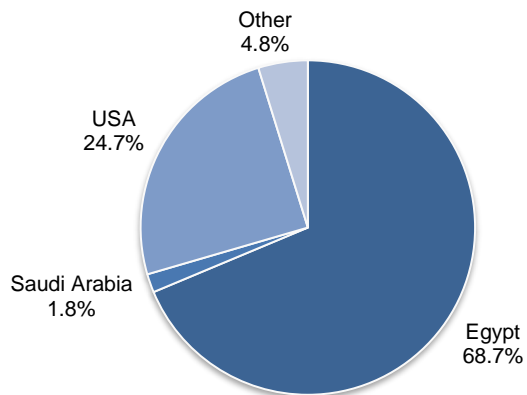
- New awards of USD 1.6 billion in H1 2022, of which \$1.2 billion were in Q2 2022
- New contracts include transportation, water treatment and commercial projects

USA

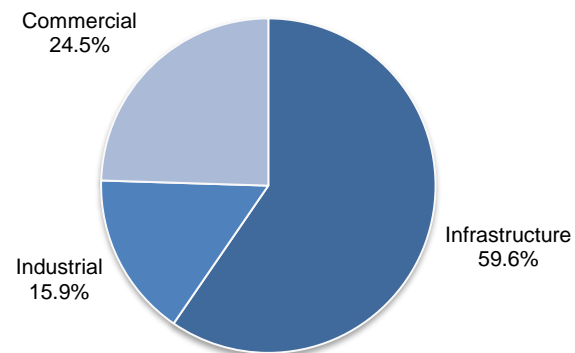
- New awards of USD 817 million in H1 2022, of which USD 526 million were in Q2 2022
- Led by sizable data center projects in addition to the Group's core commercial and light industrial sectors

Consolidated Backlog Breakdown – 30 June 2022

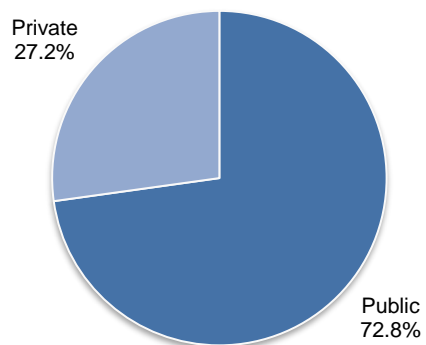
Backlog by Geography



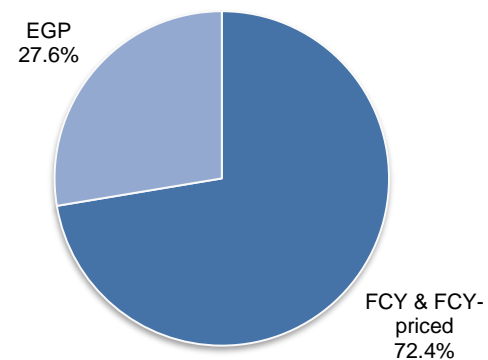
Backlog by Sector



Backlog by Client



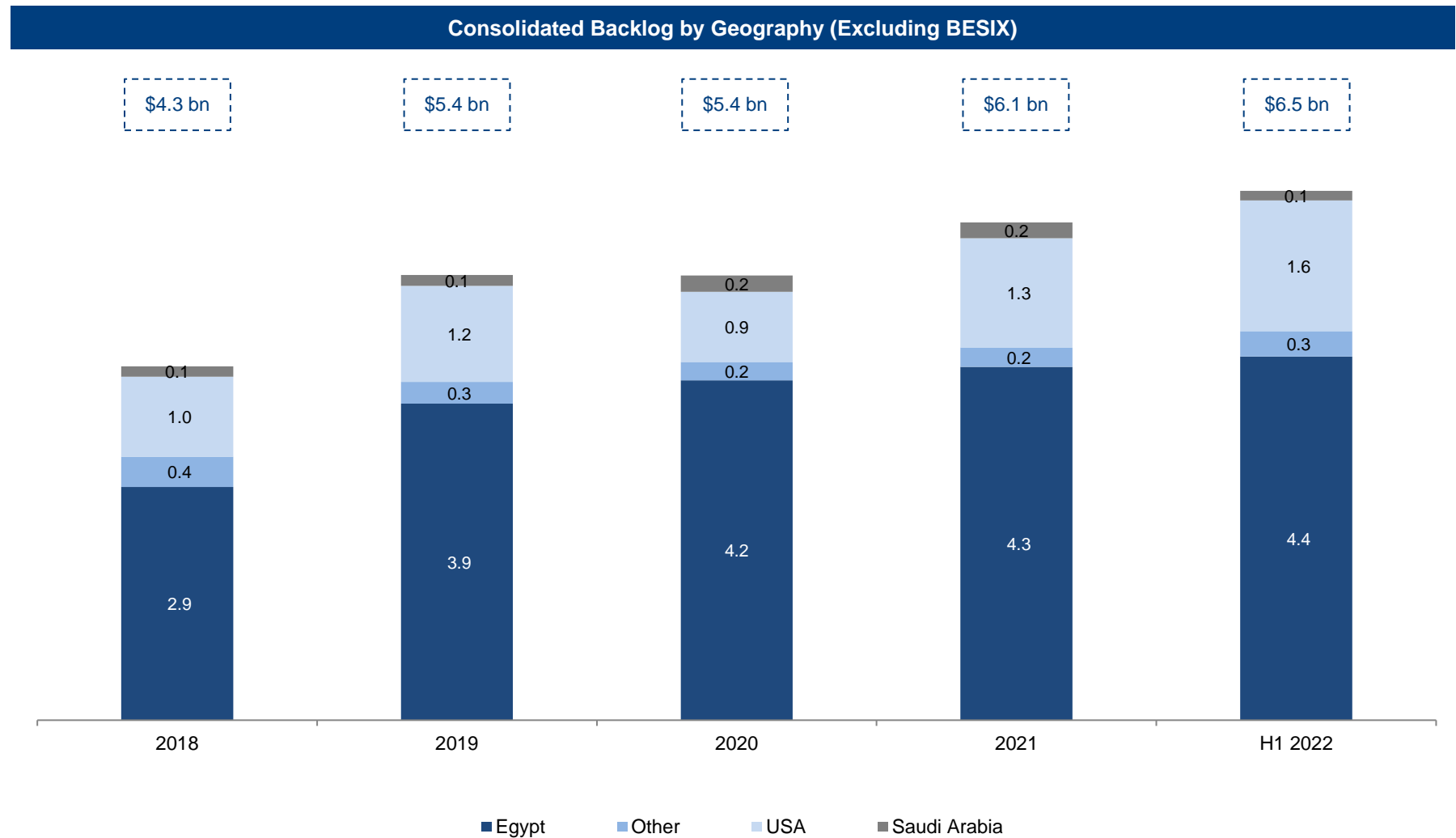
Backlog by Currency⁽¹⁾



(1) 60% of backlog in Egypt is in FCY

Note: Backlog breakdown as of 30 June 2022; backlog excludes BESIX and JV's accounted for under the equity method

Evolution of Backlog by Geography

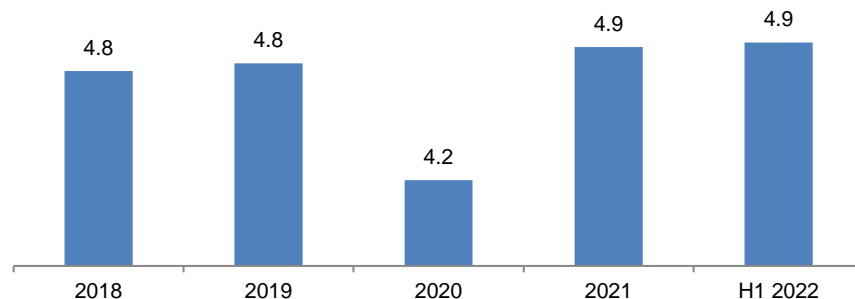


Pro Forma Snapshot Including 50% of BESIX – H1 2022



- BESIX's standalone backlog increased 15.4% y-o-y to EUR 4.9 billion as of 30 June 2022
- New awards totaled approximately EUR 760 million in Q2 2021, resulting in an increase of 9.3% y-o-y in H1 2022 new awards to EUR 1.5 billion
- Standalone net debt position of EUR 231 million as of 30 June 2022
- BESIX book value of USD 368.0 million in Orascom Construction's noncurrent assets on the balance sheet

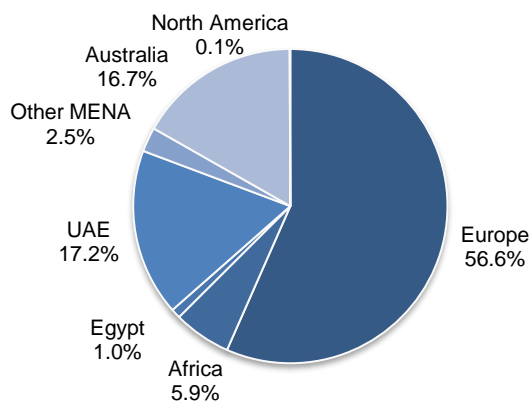
BESIX Standalone Backlog Evolution (EUR billion)



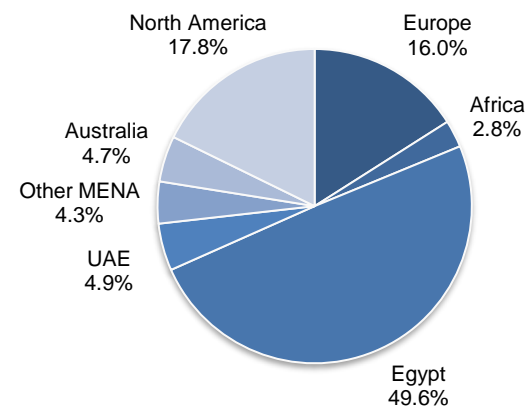
USD million

	OC	50% of BESIX	Pro Forma
Revenue	1,914.6	878.8	2,793.4
EBITDA	92.9	10.9	103.8
Net Income	40.4 ⁽¹⁾	(6.5)	33.9
Net Debt (Cash)	(104.3)	120.3	16.0
Backlog	6,474.7	2,550.3	9,025.1
New Awards	2,380.2	822.5	3,202.7

BESIX Standalone Backlog by Geography





Pro Forma Backlog – 50% of BESIX



Portfolio of Equipment Services, Building Materials, Facility Mgmt. and Infrastructure Assets

These subsidiaries and investments contributed USD 17.7 million to the Group's total net income in H1 2022

Company	Ownership	H1 2022 Revenue	Description
	100%	USD 22.5 million	<ul style="list-style-type: none"> A leading equipment importation, distribution and maintenance player in Egypt Sole agent for portfolio of blue-chip equipment across include earthmoving equipment, gensets, pumps, irrigation, marine equipment, railway and security systems
	100%	USD 49.1 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
	100%	USD 19.0 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
	56.5%	USD 52.5 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
	56.6%	USD 5.6 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
	40%	USD 38.8 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
	14.7%	USD 27.4 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
	100%	USD 13.4 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
	60.5%	USD 9.2 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
	50%	USD 8.0 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
	20%	USD 10.3 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	H1 2022	H1 2021	Q2 2022	Q2 2021	Results Commentary
Revenue	1,914.6	1,685.0	934.9	868.4	Revenue:
Cost of sales	(1,747.7)	(1,520.5)	(859.5)	(786.6)	
Gross profit	166.9	164.5	75.4	81.8	<ul style="list-style-type: none"> Consolidated revenue increased 7.7% y-o-y to USD 934.9 million in Q2 2022 and 13.6% y-o-y to USD 1,914.6 million in H1 2022 MEA operations comprised 68% of total revenue in Q2 2022 and 72% in H1 2022 while USA operations accounted for the balance
<i>Margin</i>	8.7%	9.8%	8.1%	9.4%	
Other income	1.7	4.9	-	2.0	
SG&A expenses	(99.4)	(92.5)	(43.6)	(46.9)	
Operating profit	69.2	76.9	31.8	36.9	
EBITDA	92.9	100.4	42.6	49.4	EBITDA
<i>Margin</i>	4.9%	6.0%	4.6%	5.7%	<ul style="list-style-type: none"> EBITDA decreased 13.8% y-o-y to USD 42.6 million in Q2 2022 and 7.4% y-o-y to USD 92.9 million in H1 2022 EBITDA margins decreased to 4.6% in Q2 2022 and 4.9% in H1 2022 While EBITDA in the MEA declined, EBITDA in the US increased 16.1% and 11.9% y-o-y in Q2 and H1 2022
Financing income & expenses					
Finance income	24.6	6.4	1.4	0.7	
Finance cost	(35.7)	(11.5)	(9.0)	(4.9)	
Net finance cost	(11.1)	(5.1)	(7.6)	(4.2)	
Income from equity accounted investees	1.1	3.9	7.1	3.7	
Profit before income tax	59.2	75.7	31.3	36.4	Income from associates:
Income tax	(18.7)	(22.3)	(6.1)	(9.9)	<ul style="list-style-type: none"> BESIX reported positive earnings in Q2 2022 Net income from BESIX increased to USD 4.5 million in Q2 2022 compared negative USD 0.1 million in Q2 2021 However, net income from BESIX in H1 2022 stood at negative USD 6.5 million as a result of BESIX's loss in Q1 2022
Net profit for the period	40.5	53.4	25.2	26.5	
Profit attributable to:					
Owners of the company	33.9	47.7	20.8	23.8	
Non-controlling interests	6.6	5.7	4.4	2.7	
Net profit	40.5	53.4	25.2	26.5	Net Income:
					<ul style="list-style-type: none"> Net income decreased 12.6% y-o-y to USD 20.8 million in Q2 2022 and 28.9% y-o-y to USD 33.9 million in H1 2022 Despite this decline, net income increased 58.9% q-o-q

Balance Sheet

USD million	30 Jun 2022	31 Dec 2021	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	190.0	199.2	<ul style="list-style-type: none"> Total investment in associates includes BESIX at an equity value of USD 368.0 million
Goodwill	27.7	13.8	
Trade and other receivables	37.6	46.8	Current assets:
Equity accounted investees	405.2	426.4	<ul style="list-style-type: none"> Trade and other receivables as of 30 June 2022 include USD 695.3 million in accounts receivables, USD 296.2 million in retentions and USD 273.2 million in supplier advance payments
Deferred tax assets	37.4	41.1	<ul style="list-style-type: none"> 56% of gross trade receivables as of 30 June 2022 are not yet due
Total non-current assets	697.9	727.3	<ul style="list-style-type: none"> Contracts work in progress should be assessed along with advance payments
Current assets			
Inventories	301.7	307.3	
Trade and other receivables	1,509.4	1,462.4	
Contracts work in progress	904.1	1,099.5	
Current income tax receivables	0.8	0.2	
Cash and cash equivalents	462.0	505.7	
Total current assets	3,178.0	3,375.1	
TOTAL ASSETS	3,875.9	4,102.4	

Balance Sheet

USD million	30 Jun 2022	31 Dec 2021	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	(349.3)	(305.4)	Liabilities:
Retained earnings	380.5	346.9	
Equity attributable to owners of the Company	628.2	638.5	<ul style="list-style-type: none"> Trade and other payables as of 30 June 2022 includes USD 505.5 million in trade payables, USD 507.7 million in accrued expenses and USD 158.5 million in retentions payable to subcontractors
Non-controlling interests	41.2	50.1	
TOTAL EQUITY	669.4	688.6	
LIABILITIES			
Non-current liabilities			
Loans and borrowings	1.2	1.2	
Trade and other payables	48.5	49.9	
Deferred tax liabilities	3.1	3.4	
Total non-current liabilities	52.8	54.5	
Current liabilities			
Loans and borrowings	356.5	62.9	
Trade and other payables	1,374.5	1,531.1	
Advanced payments from construction contracts	1,082.4	1,361.4	
Billing in excess of construction contracts	280.5	299.6	
Provisions	35.7	59.1	
Income tax payables	24.1	45.2	
Total current liabilities	3,153.7	3,359.3	
Total liabilities	3,206.5	3,413.8	
TOTAL EQUITY AND LIABILITIES	3,875.9	4,102.4	

Cash Flow Statement

USD million	30 Jun 2022	30 Jun 2021	Results Commentary
Net profit for the period	40.5	53.4	Cash flow used in operating activities: <ul style="list-style-type: none"> Positive operating cash flow of USD 88.9 million in Q2 2022 Q2 2022 operating cash flow did not compensate for outflow in Q1 2022, resulting in operating cash outflow of USD 171.8 million in H1 2022 The Group is working to build on Q2 2022 cash flow and end FY 2022 positively, which would follow the previous year's trend
Adjustments for:			
Depreciation	23.7	23.5	
Interest income	(5.6)	(3.8)	
Interest expense	16.3	9.2	
Foreign exchange gain (loss) and others	0.4	(0.3)	
Share in income of equity accounted investees	(1.1)	(3.9)	
Gain on sale of PPE	(0.5)	(1.9)	
Income tax expense	18.7	22.3	
Changes in:			
Inventories	17.5	1.1	
Trade and other receivables	71.5	(138.5)	
Contract work in progress	195.4	(198.4)	
Trade and other payables	(177.6)	89.1	
Advanced payments construction contracts	(279.0)	10.9	
Billing in excess on construction contracts	(19.1)	1.0	
Provisions	(28.0)	0.7	
Cash flows:			
Interest paid	(16.3)	(9.1)	
Interest received	5.6	3.1	
Dividends from equity accounted investees	5.3	0.3	
Income taxes paid	(39.5)	(15.5)	
Cash flow used in operating activities	(171.8)	(156.8)	

Cash Flow Statement

USD million	30 Jun 2022	30 Jun 2021	Results Commentary
Investments in PPE	(38.2)	(18.2)	Cash flow used in investing activities: <ul style="list-style-type: none"> ▪ Cash flow used in investing activities of USD 8.9 million in Q2 2022 and USD 65.3 million in H1 2022 ▪ Includes USD 28.5 million in Q1 2022 for the acquisition of a leading equipment importation, distribution and maintenance company in Egypt (now rebranded to Orascom Services)
Acquisition of subsidiaries, net of cash acquired	(28.5)	-	
Proceeds from sale of PPE	1.4	3.7	
Cash flow used in investing activities	(65.3)	(14.5)	
Proceeds from borrowings	316.1	103.2	Cash flow from financing activities: <ul style="list-style-type: none"> ▪ Cash flow from financing activities of USD 253.7 million in H1 2022 compared to USD 40.0 million in H1 2021
Repayment of borrowings	(26.9)	(26.7)	
Dividends paid to shareholders	(27.0)	(24.5)	
Dividends paid to non-controlling interest	(7.1)	(5.9)	
Other long-term liabilities	(1.4)	(6.1)	
Cash flows from financing activities	253.7	40.0	
Net change in cash and cash equivalents	16.6	(131.3)	
Cash and cash equivalents at 1 January	505.7	473.8	
Currency translation adjustments	(60.3)	0.5	
Cash and cash equivalents at 30 June	462.0	343.0	

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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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