



Ras Ghareb Wind Farm - Egypt

Q1 2020 Results Presentation
21 May 2020



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Financial Highlights

- Revenue grew 17.3% y-o-y to USD 827.6 million and EBITDA decreased 8.8% y-o-y to USD 64.1 million in Q1 2020
- Net income attributable to shareholders of USD 25.0 million in Q1 2020
- Net cash position of USD 114.3 million as of 31 March 2020

- Consolidated backlog grew 24.1% y-o-y to USD 5.4 billion as of 31 March 2020 and consolidated new awards increased 24.7% y-o-y to USD 599.2 million in Q1 2020
 - *Backlog size and quality remains at a healthy level that provides sufficient visibility on future revenue and profit*

- BESIX reported a standalone backlog of EUR 4.6 billion and new awards of EUR 634.5 million in Q1 2020
- Pro forma backlog including 50% share in BESIX increased 13.3% y-o-y to USD 7.9 billion as of 31 March 2020 and pro forma new awards increased 10.5% y-o-y to USD 946.9 million in Q1 2020

- Shareholders approved a dividend distribution of USD 0.21 per share at the Annual General Meeting
 - *Total dividend value of USD 24.5 million*

COVID-19 Impact

- Impact related to COVID-19 was minimal in Q1 2020 and is expected to be reflected in Q2 2020 results
- A taskforce was immediately established to assess the impact of and create a proactive plan to tackle COVID-19. This task force continuously evaluates developments and adapts to them, with health and safety as the top priority

Project Execution & Safety

- All decisions regarding execution are made in close coordination with the Group's clients, and with the health and wellbeing of employees, subcontractors and relevant stakeholders as the top priority
- Execution at nearly all projects is currently ongoing; execution at some projects was briefly halted in Q2 2020 to disinfect the sites, equipment and accommodation
- Activity on sites follows strict health and safety guidelines including physical distancing, mandatory use of protective equipment and sanitizers, and the availability of medical centers
- Supply chains across the Group are closely monitored

Cost Optimization & Liquidity

- The Group continues its cost optimization efforts and remains focused on cash preservation and collection
- Net cash position of USD 114.3 million as of 31 March 2020 and access to sufficient, additional credit lines of over USD 500 million
- While the Group could have proposed a higher dividend for the 2019 financial year, the Board of Directors elected a more conservative approach and announced in March 2020 a reduced dividend proposal

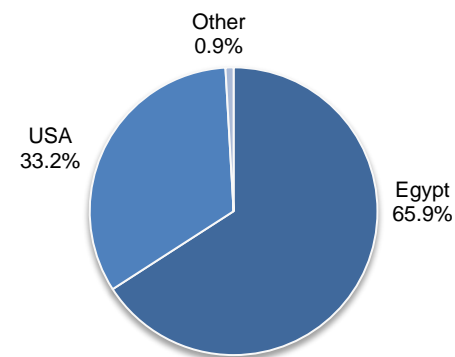
Opportunities

- Current and future projects are considered essential to the development of the target markets
- A robust backlog of USD 5.4 billion as of 31 March 2020 and well-positioned to capitalize on future opportunities
- Confidence in the long-term fundamentals of the Group's target markets, the majority of which are characterized by young, large populations with a need for infrastructure, industrial and commercial development
- Core competencies encompass all major segments of the construction industry and strong project development track record positions the Group to further expand its infrastructure investment and Operations and Maintenance (O&M) portfolio
- Repeatedly leveraged expertise in project finance to help arrange competitive financing on behalf of the client

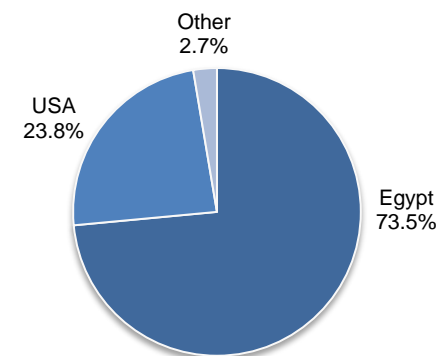
Summary Income Statement

USD million	Q1 2020	Q1 2019	Change
Revenue	827.6	705.6	17.3%
MENA	552.9	537.4	2.9%
USA	274.7	168.2	63.3%
EBITDA	64.1	70.3	(8.8)%
MENA	60.4	67.9	(11.0)%
USA	3.7	2.4	54.2%
EBITDA margin	7.7%	10.0%	
MENA margin	10.9%	12.6%	
USA margin	1.3%	1.4%	
Net income attrib. to shareholders	25.0	30.2	(17.2)%
MENA	32.2	22.6	42.5%
USA	4.2	0.1	4100.0%
BESIX	(11.4)	7.5	(252.0)%
Net income margin	3.0%	4.3%	
MENA margin	5.8%	4.2%	
USA margin	1.5%	0.1%	

Revenue by Geography – Q1 2020



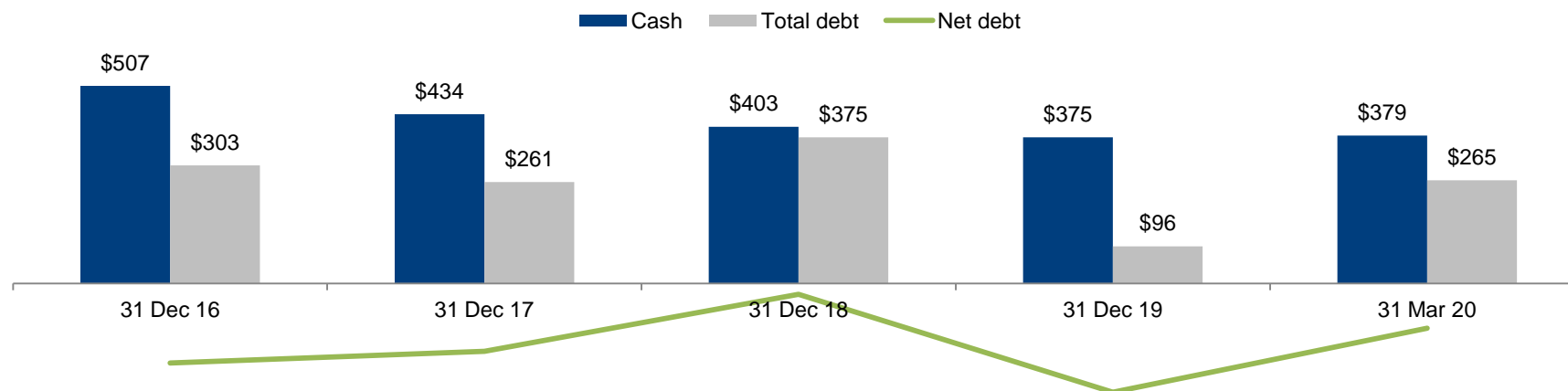
Revenue by Geography – Q1 2019



Net Cash Position

Net cash position of USD 114.3 million as of 31 March 2020

Evolution of Debt and Cash (USD Million)



Debt and Equity Summary Based on IFRS Statements

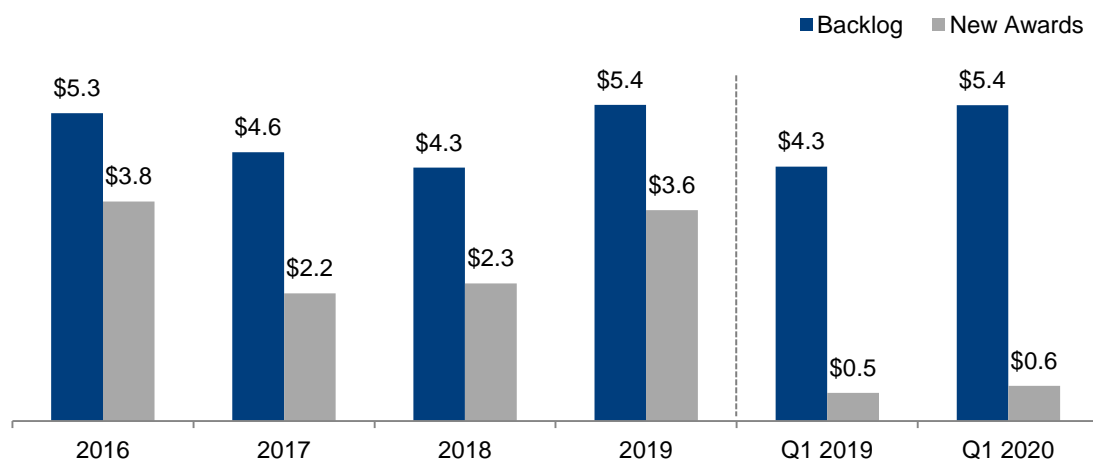
USD million	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 2019	31 Mar 2020
Cash	506.9	434.2	402.5	374.8	379.4
Total debt	302.8	260.7	375.3	95.7	265.1
Net debt	(204.1)	(173.5)	(27.2)	(279.1)	(114.3)
Total equity	302.4	402.5	471.5	585.7	601.3
ND/equity	(0.67)	(0.43)	(0.06)	(0.48)	(0.19)
EBITDA	99.0	212.9	207.1	268.2	64.1 ⁽¹⁾

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⁽¹⁾



Backlog and New Awards Growth in 2020

USD million	Q1 2020	Q1 2019	Change	FY 2019
Equity consolidation				
Backlog	5,394.0	4,346.8	24.1%	5,444.9
New Awards	599.2	480.7	24.7%	3,550.3
Pro forma inc. 50% of BESIX				
Backlog	7,934.7	7,004.2	13.3%	8,132.5
New Awards	946.9	857.2	10.5%	5,428.5

- Consolidated backlog (excluding BESIX) increased 24.1% y-o-y to USD 5.4 billion in Q1 2020
- Consolidated new awards growth of 24.7% in Q1 2020

MENA

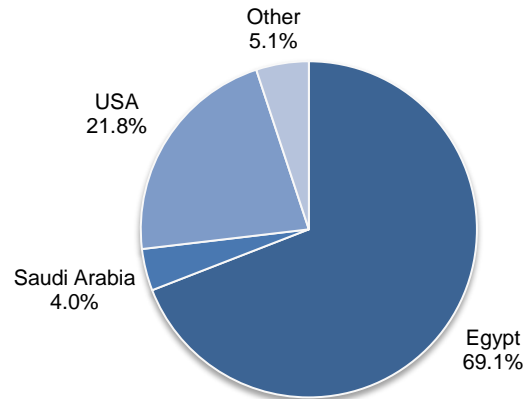
- New awards of approx. USD 335 million in Q1 2020
- New projects across core sectors such as infrastructure, wastewater treatment, railway, roads and data centers
- Notable projects include:
 - Banha-Port Said railway lines in Egypt stretching across 45km of trackwork and signaling
 - The first Independent Sewage Treatment Plant concession in Saudi Arabia

USA

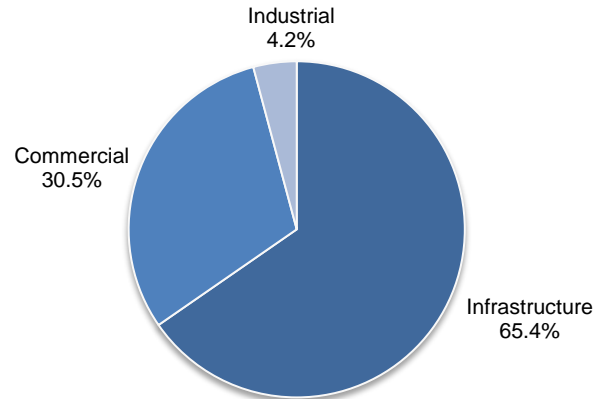
- New awards of approx. USD 265 million in Q1 2020, reflecting an increase of 114% y-o-y
- New projects include work in the commercial and light industrial sectors

Backlog Diversification

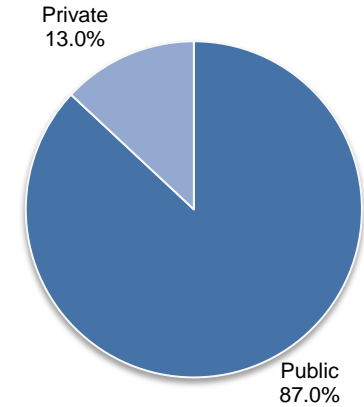
Backlog by Geography



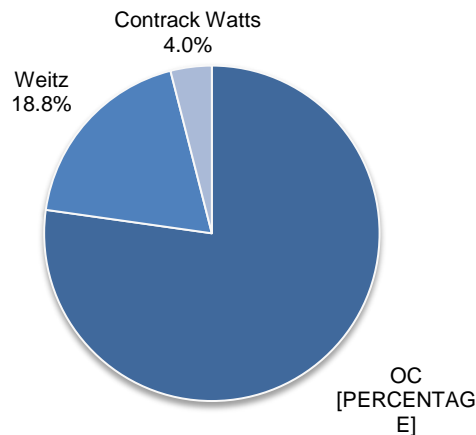
Backlog by Sector



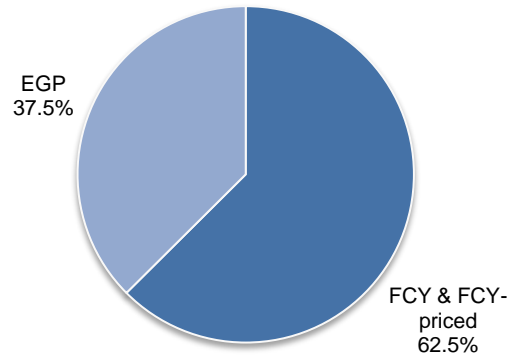
Backlog by Client



Backlog by Brand



Backlog by Currency

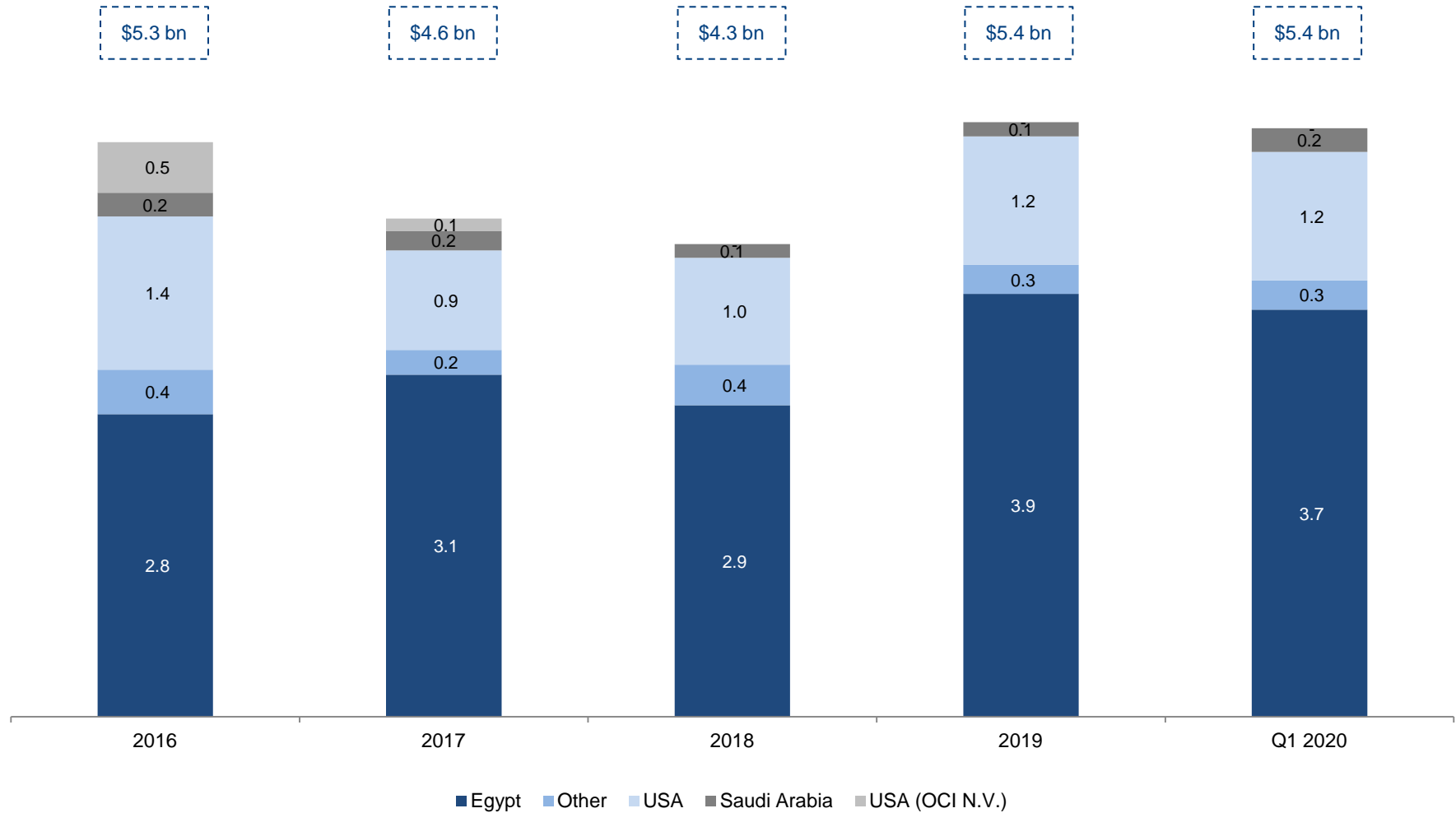


Currency Exposure

- 62.5% of the Group's total backlog is in FCY or priced in FCY
 - 46% 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)

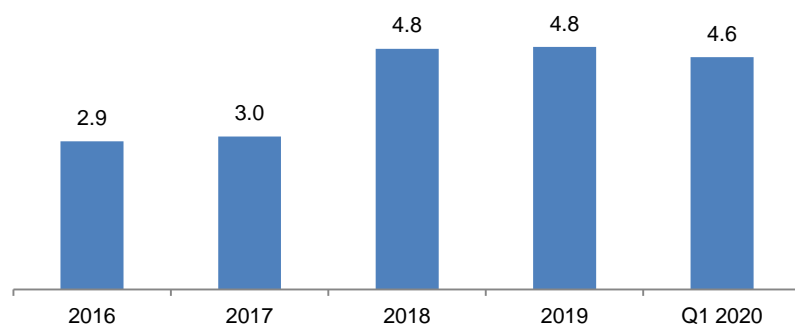


Pro Forma Snapshot Including 50% of BESIX – Q1 2020



- BESIX standalone backlog of EUR 4.6 billion and new awards of EUR 634.5 million in Q1 2020, in-line with the level in Q1 2019
- BESIX standalone net cash position of EUR 50.2 million
- BESIX book value of USD 372.0 million in Orascom Construction's non current assets on the balance sheet

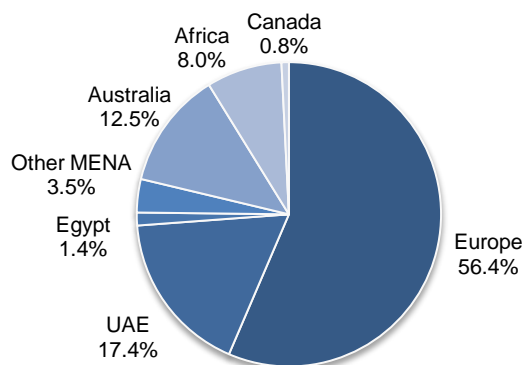
BESIX Standalone Backlog Evolution (EUR billion)



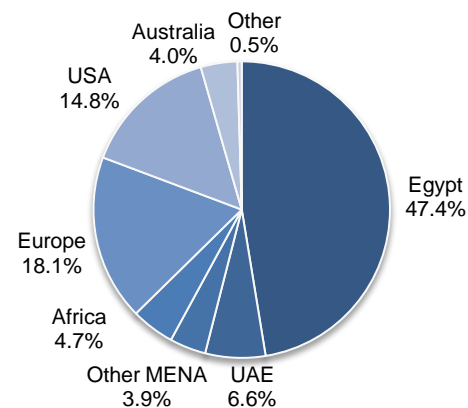
USD million

	OC	50% of BESIX	Pro Forma
Revenue	827.6	403.9	1,231.5
EBITDA	64.1	(2.0)	62.1
Net Income	36.4	(11.4)	25.0
Net Debt (Cash)	(114.3)	(27.5)	(141.8)
Backlog	5,394.0	2,540.7	7,934.7
New Awards	599.2	347.7	946.9

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	Q1 2020 Revenue	Description
 NSF National Steel Fabrication	100%	USD 10.5 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 5.0 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
 UHC	56.5%	USD 40.1 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 2.3 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 6.1 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 12.4 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
 CONTRACK FM	100%	USD 5.8 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 0.7 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 2.4 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
 RASSHAREB WIND ENERGY S.A.E.	20%	USD 9.2 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	Q1 2020	Q1 2019	Results Commentary
Revenue	827.6	705.6	Revenue:
Cost of sales	(735.5)	(614.3)	
Gross profit	92.1	91.3	<ul style="list-style-type: none"> Revenue increased 17.3% y-o-y in Q1 2020 MEA comprised 67% of total revenue in Q1 2020, while the USA operations accounted for the balance
<i>Margin</i>	11.1%	12.9%	EBITDA
Other income	1.4	3.6	
SG&A expenses	(41.2)	(37.6)	<ul style="list-style-type: none"> EBITDA decreased 8.8% y-o-y to USD 64.1 million in Q1 2020 MEA margins remained healthy at 10.9% and USA continued positive trend and recorded a y-o-y increase in EBITDA
Operating profit	52.3	57.3	Income from associates:
EBITDA	64.1	70.3	
<i>Margin</i>	7.7%	10.0%	<ul style="list-style-type: none"> BESIX contributed of negative USD 11.4 million in Q1 2020 compared to USD 7.5 million in Q1 2019 BESIX was impacted by negative adjustments on some of its projects, mostly in the UAE
Financing income & expenses			Net Income:
Finance income	4.9	5.4	
Finance cost	(11.0)	(27.4)	<ul style="list-style-type: none"> Net income attributable to shareholders decreased 17.2% y-o-y to USD 25.0 million in Q1 2020 Excluding contribution from BESIX, net income stood at USD 36.4 million in Q1 2020
Net finance cost	(6.1)	(22.0)	
Income from equity accounted investees	(11.6)	8.7	
Profit before income tax	34.6	44.0	
Income tax	(9.7)	(10.3)	
Net profit	24.9	33.7	
Profit attributable to:			
Owners of the company	25.0	30.2	
Non-controlling interest	(0.1)	3.5	
Net profit	24.9	33.7	

Balance Sheet

USD million	31 Mar 2020	31 Dec 2019	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	177.4	181.3	<ul style="list-style-type: none"> Total investment in associates includes BESIX at an equity value of USD 372.0 million
Goodwill	13.8	13.8	
Trade and other receivables	43.4	44.4	Current assets:
Equity accounted investees	404.7	430.0	<ul style="list-style-type: none"> Trade and other receivables as of 31 March 2020 include USD 802.2 million in accounts receivables, USD 237.0 million in retentions and USD 234.2 million in supplier advance payments
Deferred tax assets	39.3	39.6	<ul style="list-style-type: none"> 63% of gross trade receivables as of 31 March 2020 are not yet due
Total non-current assets	678.6	709.1	<ul style="list-style-type: none"> Contracts work in progress should be assessed along with advance payments
Current assets			
Inventories	297.0	293.0	
Trade and other receivables	1,507.9	1,258.5	
Contracts work in progress	940.6	869.8	
Current income tax receivables	2.9	0.1	
Cash and cash equivalents	379.4	374.8	
Total current assets	3,127.8	2,796.2	
TOTAL ASSETS	3,806.4	3,505.3	

Balance Sheet

USD million	31 Mar 2020	31 Dec 2019	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 ▪ Total equity increase driven by higher retained earnings
Share premium	480.2	480.2	
Reserves	(312.3)	(304.6)	Liabilities:
Retained earnings	272.2	249.5	
Equity attributable to owners of the Company	556.9	541.9	<ul style="list-style-type: none"> ▪ Trade and other payables includes USD 411.4 million in trade payables, USD 516.5 million in accrued expenses and USD 134.5 million in retentions payable to subcontractors ▪ Total debt grew q-o-q from a record low level at year-end 2019, but decreased 48.1% y-o-y to USD 265.1 million as of 31 March 2020.
Non-controlling interest	44.4	43.8	
TOTAL EQUITY	601.3	585.7	
LIABILITIES			
Non-current liabilities			
Loans and borrowings	9.1	5.4	
Trade and other payables	57.7	56.7	
Deferred tax liabilities	3.7	3.6	
Total non-current liabilities	70.5	65.7	
Current liabilities			
Loans and borrowings	256.0	90.3	
Trade and other payables	1,203.1	1,192.0	
Advance payments from construction contracts	1,224.0	1,096.1	
Billing in excess of construction contracts	342.9	375.3	
Provisions	49.9	53.3	
Income tax payables	58.7	46.9	
Total current liabilities	3,134.6	2,853.9	
Total liabilities	3,205.1	2,919.6	
TOTAL EQUITY AND LIABILITIES	3,806.4	3,505.3	

Cash Flow Statement

USD million	31 Mar 2020	31 Mar 2019	Results Commentary
Net profit	24.9	33.7	Cash flow used in operating activities:
Adjustments for:			<ul style="list-style-type: none"> Operating cash outflow of USD 165.8 million in Q1 2020 compared to an outflow of USD 100.3 million in Q1 2019
Depreciation	11.8	13.0	
Interest income (including gains on derivatives)	(2.3)	(2.4)	
Interest expense (including losses on derivatives)	6.4	16.5	
Foreign exchange gain and others	2.0	7.9	
Share in income of equity accounted investees	11.6	(8.7)	
Gain on sale of PPE	(0.4)	(0.3)	
Income tax expense	9.7	10.3	
Change in:			
Inventories	(4.0)	(32.5)	
Trade and other receivables	(239.9)	(137.8)	
Contract work in progress	(70.8)	(108.1)	
Trade and other payables	(4.3)	7.4	
Advanced payments construction contracts	127.9	120.5	
Billing in excess on construction contracts	(32.4)	(3.0)	
Provisions	(3.4)	(2.8)	
Cash flows:			
Interest paid	(4.8)	(16.7)	
Interest received	2.2	2.7	
Income taxes paid	-	-	
Cash flow used in operating activities	(165.8)	(100.3)	

Cash Flow Statement

USD million	31 Mar 2020	31 Mar 2019	Results Commentary
Investments in PPE	(7.2)	(13.3)	Cash flow used in investing activities: <ul style="list-style-type: none"> ▪ Cash flow used in investing activities of USD 4.8 million in Q1 2020
Proceeds from sale of PPE	2.4	0.7	
Cash flow used in investing activities	(4.8)	(12.6)	Cash flow from financing activities: <ul style="list-style-type: none"> ▪ Total cash from financing activities of USD 170.4 million in Q1 2020 driven by borrowings
Proceeds from borrowings	213.3	178.5	
Repayment of borrowings	(43.9)	(43.2)	
Dividends paid to non-controlling interest	-	(2.4)	
Other	1.0	1.8	
Net cash from financing activities	170.4	134.7	
Net movement in cash & cash equivalents	(0.2)	21.8	
Cash and cash equivalents at 1 January	374.8	402.5	
Currency translation adjustments	4.8	7.7	
Cash and cash equivalents at 31 March	379.4	432.0	

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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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