



Q1 2021 Results Presentation
20 May 2021

ORASCOM 
CONSTRUCTION

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Financial Highlights

- Revenue of USD 816.6 million and consolidated EBITDA of USD 51.0 million in Q1 2021
- Net income attributable to shareholders of USD 23.9 million in Q1 2021
- Net cash position maintained at USD 140.2 million as of 31 March 2021

- Consolidated backlog stable y-o-y at USD 5.4 billion and new awards of USD 660.4 million as of 31 March 2021
- Backlog sustained at a healthy level that provides sufficient visibility on future revenue and profit
- Continued progress on an active bidding pipeline

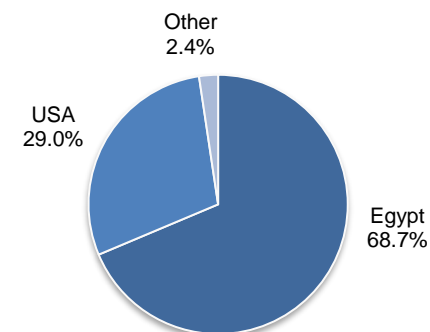
- BESIX reported a standalone backlog of EUR 4.7 billion and new awards of EUR 1.0 billion in Q1 2021
- Pro forma backlog including 50% share in BESIX stable y-o-y at USD 8.1 billion and pro forma new awards of USD 1.3 billion in Q1 2021

- Shareholders approved a dividend to shareholders of USD 27 million (USD 0.2313 per share) at the AGM on May 19
- Marks the fourth consecutive year of dividend distributions and the first of two expected installments

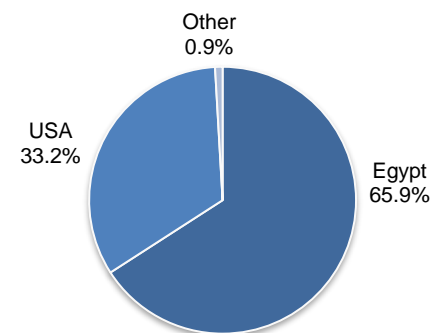
Summary Income Statement

USD million			
	Q1 2021	Q1 2020	Change
Revenue	816.6	827.6	(1.3)%
<i>MENA</i>	580.0	552.9	4.9%
<i>USA</i>	236.6	274.7	(13.9)%
EBITDA	51.0	64.1	(20.4)%
<i>MENA</i>	49.2	60.4	(18.5)%
<i>USA</i>	1.8	3.7	(51.4)%
EBITDA margin	6.2%	7.7%	
<i>MENA margin</i>	8.5%	10.9%	
<i>USA margin</i>	0.8%	1.3%	
Net income attrib. to shareholders	23.9	25.0	(4.4)%
<i>MENA</i>	24.7	32.2	(23.3)%
<i>USA</i>	0.5	4.2	(88.1)%
<i>BESIX</i>	(1.4)	(11.4)	87.7%
Net income margin	2.9%	3.0%	
<i>MENA margin</i>	4.3%	5.8%	
<i>USA margin</i>	0.2%	1.5%	

Revenue by Geography – Q1 2021



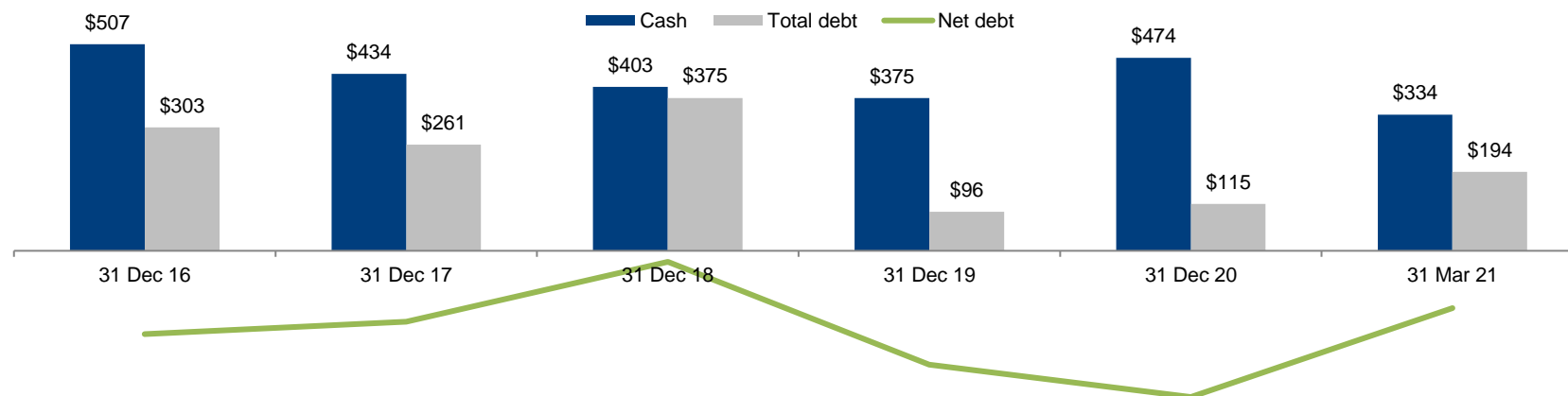
Revenue by Geography – Q1 2020



Net Cash Position

Net cash position of USD 140.2 million as of 31 March 2021

Evolution of Debt and Cash (USD Million)



Debt and Equity Summary Based on IFRS Statements

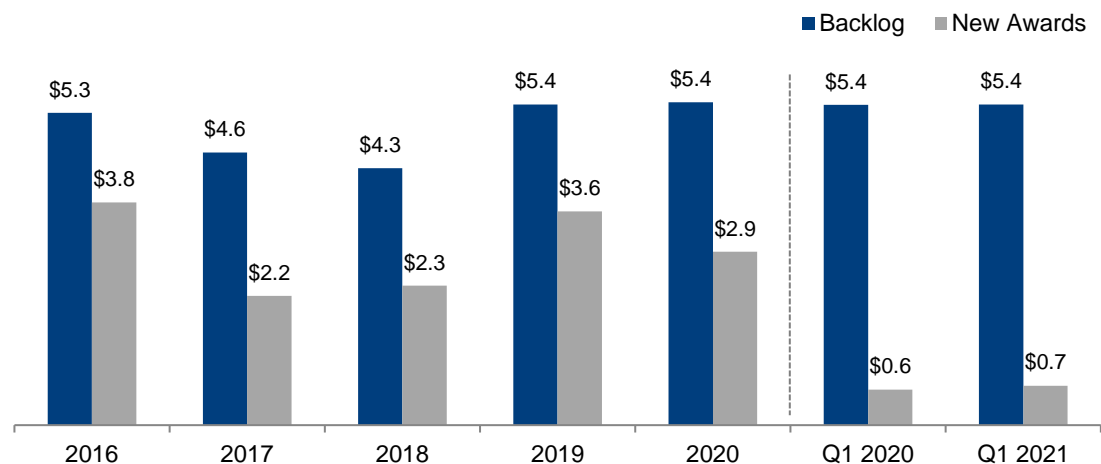
USD million	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 2019	31 Dec 2020	31 Mar 2021
Cash	506.9	434.2	402.5	374.8	473.8	333.9
Total debt	302.8	260.7	375.3	95.7	115.2	193.7
Net debt	(204.1)	(173.5)	(27.2)	(279.1)	(358.6)	(140.2)
Total equity	302.4	402.5	471.5	585.7	641.9	651.7
ND/equity	(0.67)	(0.43)	(0.06)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

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	Q1 2021	Q1 2020	Change	FY 2020
Equity consolidation				
Backlog	5,399.8	5,394.0	0.1%	5,439.4
New Awards	666.4	599.2	11.2%	2,918.8
Pro forma inc. 50% of BESIX				
Backlog	8,142.2	7,934.7	2.6%	8,037.0
New Awards	1,269.0	946.9	34.0%	4,235.2

Consolidated

- Consolidated backlog (excluding BESIX) of USD 5.4 billion in Q1 2021, in-line with the previous year
- Consolidated new awards increased 11.2% y-o-y to USD 666.4 million in Q1 2020

MEA

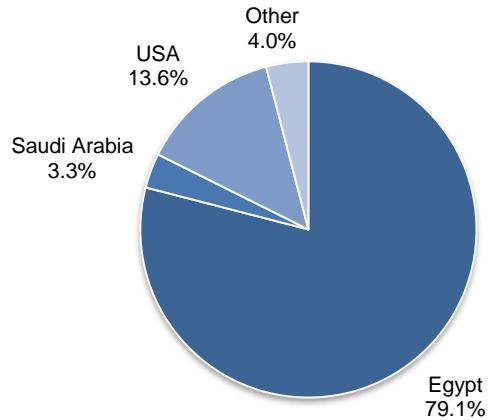
- New awards of USD 570 million in Q1 2021
- New contracts include transportation projects, the Magdi Yacoub Global Heart Centre and Emaar's Vida Marina Hotel & Yacht Club

USA

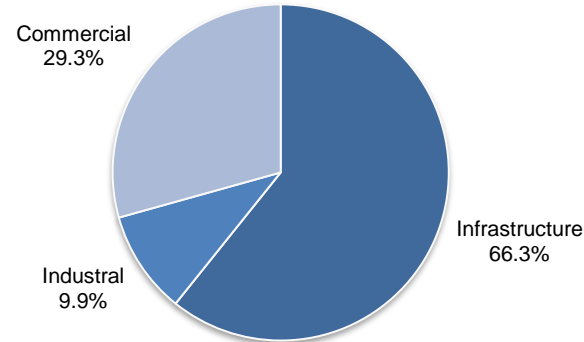
- New awards of USD 96 million in Q1 2021
- New awards mainly in the Group's core commercial and light industrial sectors
- Expected increase in new awards in USA in Q2 2021, especially in the data center sector where the Group continues to expand its presence

Consolidated Backlog Breakdown – 31 March 2021

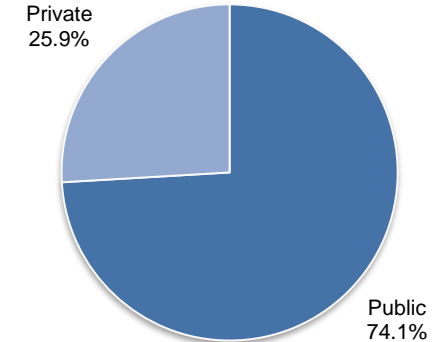
Backlog by Geography



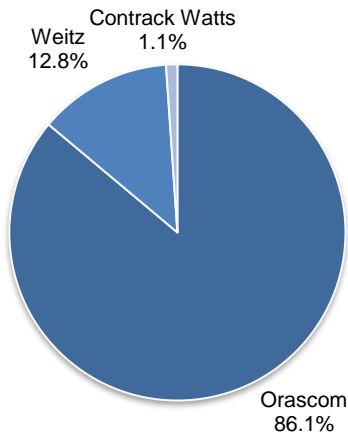
Backlog by Sector



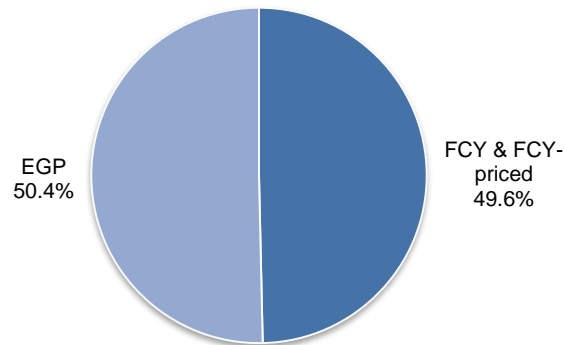
Backlog by Client



Backlog by Brand



Backlog by Currency

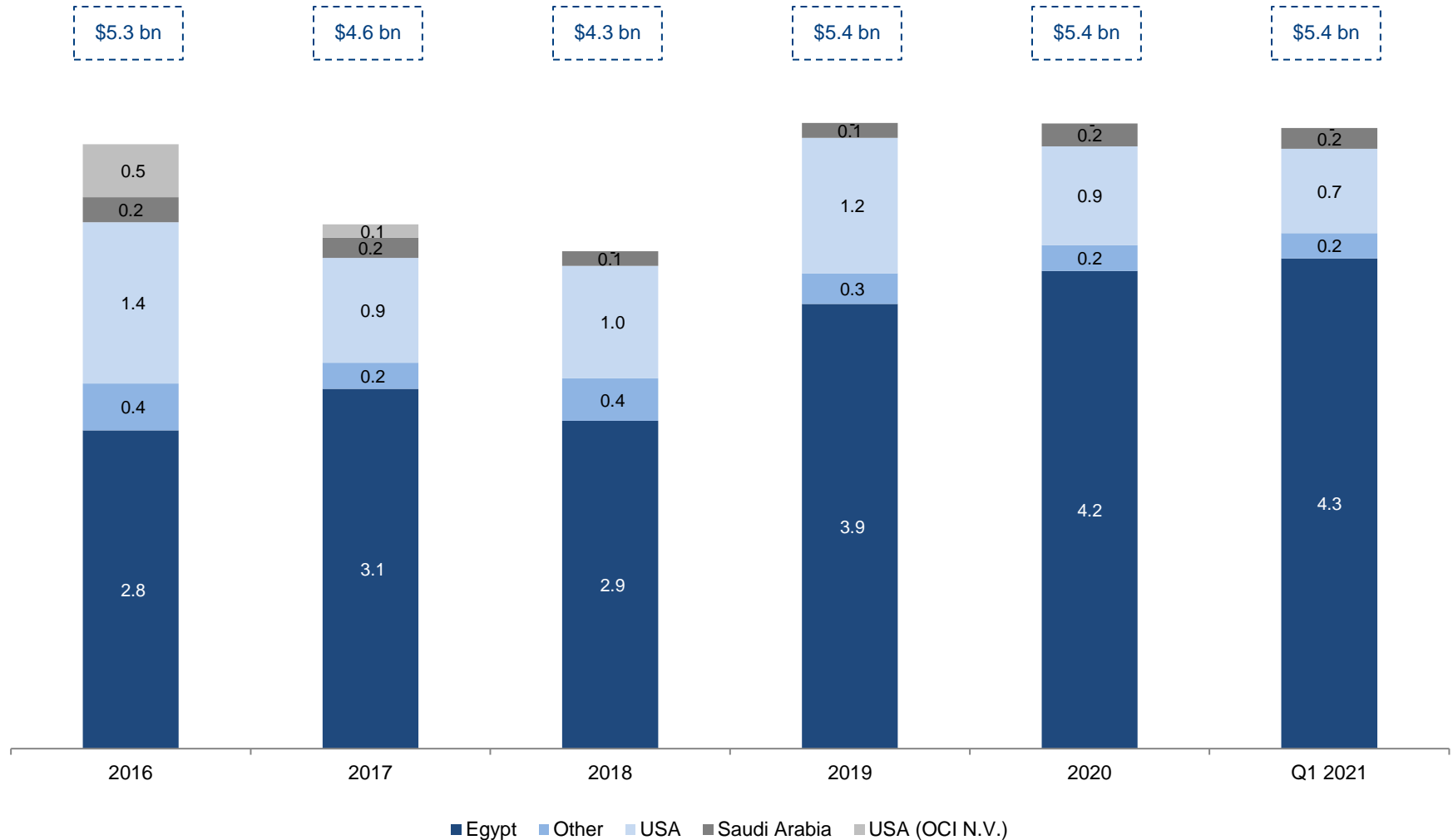


Currency Exposure

- 50% of the Group's total backlog is in FCY or priced in FCY
 - 36% 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)

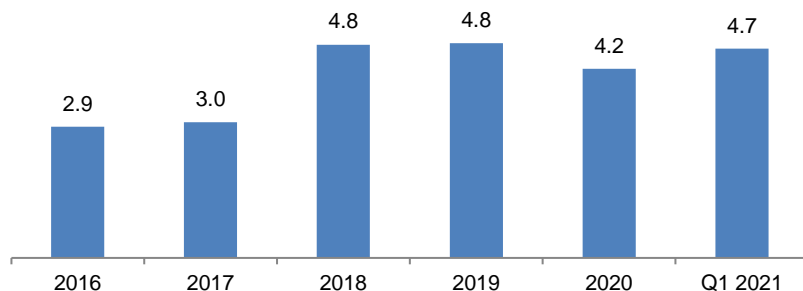


Pro Forma Snapshot Including 50% of BESIX – Q1 2021



- BESIX standalone backlog of EUR 4.7 billion as of 31 March 2021
- New awards increased 62% y-o-y to EUR 1.0 billion in Q1 2021
- Standalone net debt position of EUR 103.9 million as of 31 March 2021
- BESIX book value of USD 373.8 million in Orascom Construction's noncurrent assets on the balance sheet

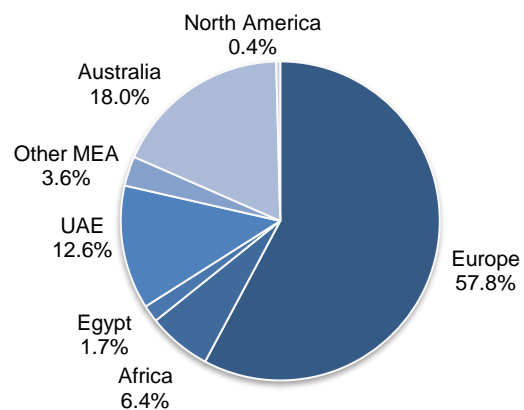
BESIX Standalone Backlog Evolution (EUR billion)



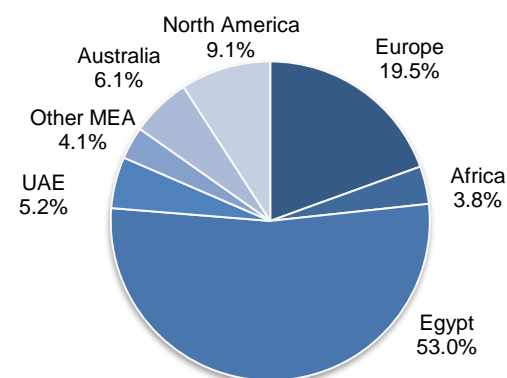
USD million

	OC	50% of BESIX	Pro Forma
Revenue	816.6	389.2	1,205.8
EBITDA	51.0	6.8	57.8
Net Income	25.2	(1.4)	23.9
Net Debt (Cash)	(140.2)	61.0	(79.2)
Backlog	5,399.8	2,742.4	8,142.2
New Awards	666.4	602.6	1,269.0

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 Q1 2021

Company	Ownership	Q1 2021 Revenue	Description
 NSF National Steel Fabrication	100%	USD 11.7 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 8.0 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 27.3 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 3.2 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 8.1 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 16.7 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 26.6 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 1.0 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 2.7 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 10.9 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 2021	Q1 2020	Results Commentary
Revenue	816.6	827.6	Revenue:
Cost of sales	(733.9)	(735.5)	
Gross profit	82.7	92.1	<ul style="list-style-type: none"> Consolidated revenues in-line y-o-y at USD 816.6 million in Q1 2021 MEA operations comprised 71% of total revenue in Q1 2021 while USA operations accounted for the balance
<i>Margin</i>	10.1%	11.1%	EBITDA
Other income	2.9	1.4	
SG&A expenses	(45.6)	(41.2)	<ul style="list-style-type: none"> EBITDA decreased 20.4% y-o-y to USD 51.0 million in Q1 2021 but increased 7.4% q-o-q EBITDA margin in MEA of 8.5% and USA operations continued to report profits in Q1 2021
Operating profit	40.0	52.3	Income from associates:
EBITDA	51.0	64.1	
<i>Margin</i>	6.2%	7.7%	<ul style="list-style-type: none"> BESIX total contribution of USD (1.4) million in Q1 2021 compared to USD (11.4) million in Q1 2020
Financing income & expenses			
Finance income	5.7	4.9	Net Income:
Finance cost	(6.6)	(11.0)	
Net finance cost	(0.9)	(6.1)	<ul style="list-style-type: none"> Net income attributable to shareholders decreased 4.4% y-o-y to USD 23.9 million in Q1 2021 Net income decline primarily due to BESIX's results despite positive contribution from all of the Group's operating components and lower net financing cost
Income from equity accounted investees	0.2	(11.6)	
Profit before income tax	39.3	34.6	
Income tax	(12.4)	(9.7)	
Net profit	26.9	24.9	
Profit attributable to:			
Owners of the company	23.9	25.0	
Non-controlling interest	3.0	(0.1)	
Net profit	26.9	24.9	

Balance Sheet

USD million	31 Mar 2021	31 Dec 2020	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	173.0	177.2	<ul style="list-style-type: none"> Total investment in associates includes BESIX at an equity value of USD 373.8 million
Goodwill	13.8	13.8	
Trade and other receivables	46.4	47.0	Current assets:
Equity accounted investees	411.7	419.4	<ul style="list-style-type: none"> Trade and other receivables as of 31 March 2021 include USD 776.9 million in accounts receivables, USD 277.0 million in retentions and USD 232.7 million in supplier advance payments
Deferred tax assets	38.4	39.0	<ul style="list-style-type: none"> 48% of gross trade receivables as of 31 March 2021 are not yet due
Total non-current assets	683.3	696.4	<ul style="list-style-type: none"> Contracts work in progress should be assessed along with advance payments
Current assets			
Inventories	283.2	288.1	
Trade and other receivables	1,514.9	1,473.2	
Contracts work in progress	1,008.6	854.5	
Current income tax receivables	2.7	2.5	
Cash and cash equivalents	333.9	473.8	
Total current assets	3,143.3	3,092.1	
TOTAL ASSETS	3,826.6	3,788.5	

Balance Sheet

USD million	31 Mar 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	(298.0)	(289.7)	Liabilities:
Retained earnings	312.3	288.6	
Equity attributable to owners of the Company	611.3	595.9	<ul style="list-style-type: none"> Trade and other payables as of 31 March 2021 includes USD 467.0 million in trade payables, USD 523.1 million in accrued expenses and USD 164.7 million in retentions payable to subcontractors
Non-controlling interest	46.5	46.0	
TOTAL EQUITY	657.8	641.9	<ul style="list-style-type: none"> Total debt decreased 26.9% y-o-y to USD 193.7 million as of 31 March 2021
LIABILITIES			
Non-current liabilities			
Loans and borrowings	13.6	19.9	
Trade and other payables	57.6	57.1	
Deferred tax liabilities	3.4	3.3	
Total non-current liabilities	74.6	80.3	
Current liabilities			
Loans and borrowings	180.1	95.3	
Trade and other payables	1,320.4	1,402.8	
Advance payments from construction contracts	1,100.0	1,086.3	
Billing in excess of construction contracts	384.3	383.8	
Provisions	55.5	54.7	
Income tax payables	53.9	43.4	
Total current liabilities	3,094.2	3,066.3	
Total liabilities	3,168.8	3,146.6	
TOTAL EQUITY AND LIABILITIES	3,826.6	3,788.5	

Cash Flow Statement

USD million	31 Mar 2021	31 Mar 2020	Results Commentary
Net profit	26.9	24.9	Cash flow used in operating activities:
Adjustments for:			
Depreciation	11.0	11.8	<ul style="list-style-type: none"> Operating cash outflow of USD 188.6 million in Q1 2021, reflecting changes in working capital
Interest income (including gains on derivatives)	(2.1)	(2.3)	
Interest expense (including losses on derivatives)	4.0	6.4	
Foreign exchange gain and others	(1.0)	2.0	
Share in income of equity accounted investees	(0.2)	11.6	
Gain on sale of PPE	(1.8)	(0.4)	
Income tax expense	12.4	9.7	
Changes in:			
Inventories	4.9	(4.0)	
Trade and other receivables	(34.4)	(239.9)	
Contract work in progress	(154.1)	(70.8)	
Trade and other payables	(65.8)	(4.3)	
Advanced payments construction contracts	13.7	127.9	
Billing in excess on construction contracts	0.5	(32.4)	
Provisions	0.8	(3.4)	
Cash flows:			
Interest paid	(3.8)	(4.8)	
Interest received	1.8	2.2	
Income taxes paid	(1.4)	-	
Cash flow used in operating activities	(188.6)	(165.8)	

Cash Flow Statement

USD million	31 Mar 2021	31 Mar 2020	Results Commentary
Investments in PPE	(7.8)	(7.2)	Cash flow used in investing activities: <ul style="list-style-type: none"> Cash flow used in investing activities of USD 4.6 million in Q1 2021 for capital expenditure
Proceeds from sale of PPE	3.2	2.4	
Cash flow used in investing activities	(4.6)	(4.8)	Cash flow from financing activities: <ul style="list-style-type: none"> Cash flow from in financing activities of USD 52.9 million in Q1 2021 compared to USD 170.4 million in Q1 2020 A dividend of USD 24.5 million was paid to shareholders in January 2021
Proceeds from borrowings	96.7	213.3	
Repayment of borrowings	(18.2)	(43.9)	
Dividends paid to shareholders	(24.5)	-	
Dividends paid to non-controlling interest	(1.6)	-	
Other	0.5	1.0	
Net cash from financing activities	52.9	170.4	
Net change in cash & cash equivalents	(140.3)	(0.2)	
Cash and cash equivalents at 1 January	473.8	374.8	
Currency translation adjustments	0.4	4.8	
Cash and cash equivalents at 31 March	333.9	379.4	

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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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