



Bahr El Baqar Water Treatment Plant, Egypt

Q1 2022 Results Presentation
20 May 2022



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Financial Highlights

- Revenue of USD 979.7 million and consolidated EBITDA of USD 50.3 million in Q1 2022
- Net profit from the Group's operating businesses of USD 24.1 million and net income attributable to shareholders of USD 13.1 million in Q1 2022
- Net cash position of USD 37.0 million as of 31 March 2022

- Consolidated backlog increased 2.3% y-o-y at USD 5.5 billion as of 31 March 2022
- New awards decreased 7.3% y-o-y to USD 617.5 million in Q1 2022
- New awards mainly comprised projects in water and transportation in Egypt, and commercial, light industrial and data centers in USA

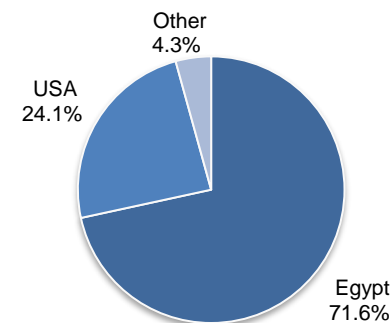
- BESIX reported a standalone backlog of EUR 5.0 billion and new awards of EUR 773.7 million in Q1 2022
- Pro forma backlog including 50% share in BESIX increased 2.0% y-o-y to USD 8.3 billion and pro forma new awards decreased 17.5% y-o-y to USD 1.0 billion in Q1 2022

- The Board of Directors proposes a dividend distribution of USD 27.0 million (USD 0.2313 per share) in Q3 2022
- Shareholders will be asked to confirm the dividend distribution at an EGM to be held in Q3 2022
- This marks the fifth consecutive year of dividend distributions and the first of two installments

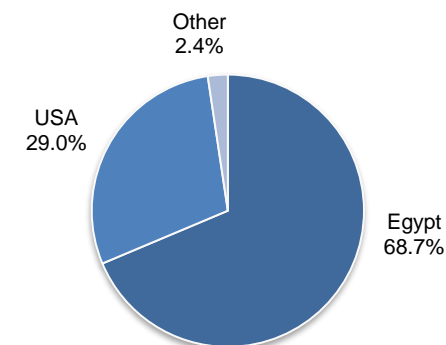
Summary Income Statement

USD million			
	Q1 2022	Q1 2021	Change
Revenue	979.7	816.6	20.0%
<i>MENA</i>	741.2	580.0	27.8%
<i>USA</i>	238.5	236.6	0.8%
EBITDA	50.3	51.0	(1.4)%
<i>MENA</i>	48.4	49.2	(1.6)%
<i>USA</i>	1.9	1.8	5.6%
EBITDA margin	5.1%	6.2%	
<i>MENA margin</i>	6.5%	8.5%	
<i>USA margin</i>	0.8%	0.8%	
Net income attrib. to shareholders	13.1	23.9	(45.1)%
<i>MENA</i>	22.3	24.9	(10.4)%
<i>USA</i>	1.8	0.4	357.5%
<i>BESIX</i>	(11.0)	(1.4)	(685.7)%
Net income margin	1.3%	2.9%	
<i>MENA margin</i>	3.0%	4.3%	
<i>USA margin</i>	0.8%	0.2%	

Revenue by Geography – Q1 2022



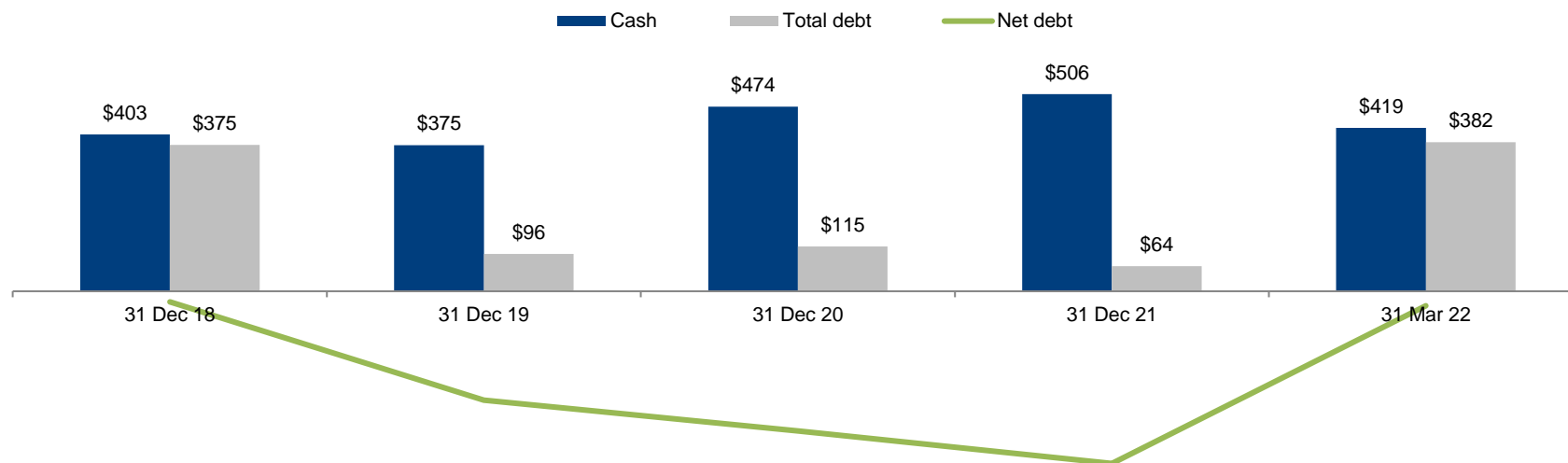
Revenue by Geography – Q1 2021



Net Cash Position

Net cash position of USD 37.0 million as of 31 March 2022

Evolution of Debt and Cash (USD Million)

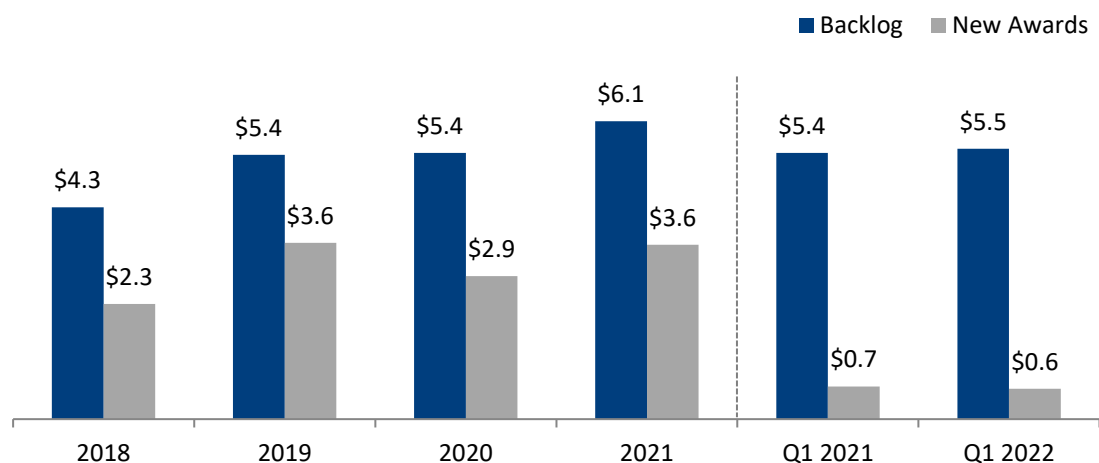


Debt and Equity Summary Based on IFRS Statements

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

Consolidated Backlog

Evolution of Consolidated Backlog (USD Billion) ⁽¹⁾



Backlog and New Awards

USD million	Q1 2022	Q1 2021	Change	FY 2021
Equity consolidation				
Backlog	5,522.6	5,399.8	2.3%	6,089.8
New Awards	617.5	666.4	(7.3)%	3,562.4
Pro forma inc. 50% of BESIX				
Backlog	8,309.1	8,142.2	2.0%	8,864.6
New Awards	1,046.7	1,269.0	(17.5)%	5,610.1

Consolidated

- Consolidated backlog (excluding BESIX) increased 2.3% y-o-y to USD 5.5 billion in Q1 2022
- Consolidated new awards decreased 7.3% y-o-y to USD 617.5 million in Q1 2022

MEA

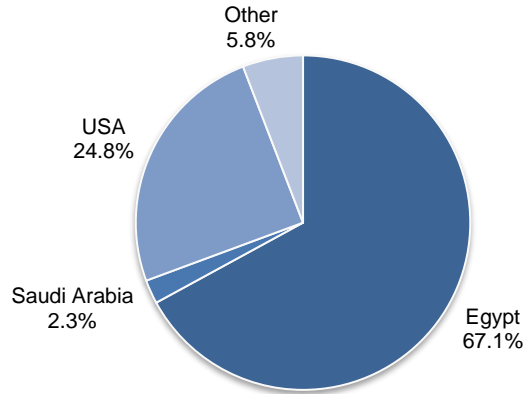
- New awards of USD 326.2 million in Q1 2022
- New awards across railway, roads/highways, and water sectors

USA

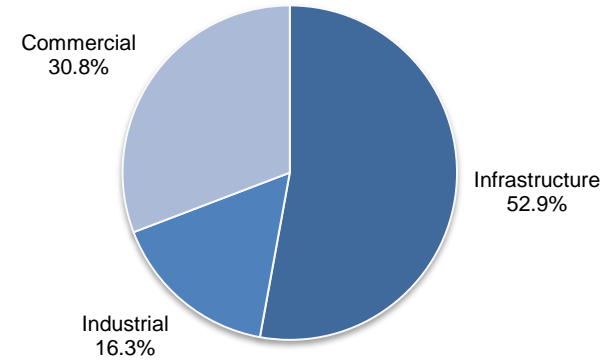
- New awards of USD 291.3 billion in Q1 2022
- New awards in Q1 2022 represent an increase of 3.0x y-o-y
- New projects mostly across commercial, light industrial and data center sectors

Consolidated Backlog Breakdown – 31 March 2022

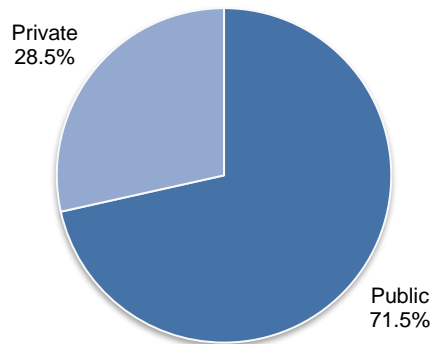
Backlog by Geography



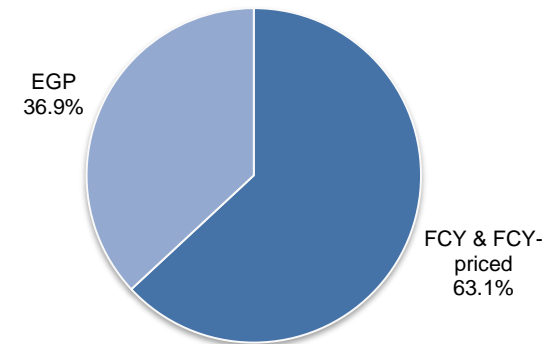
Backlog by Sector



Backlog by Client



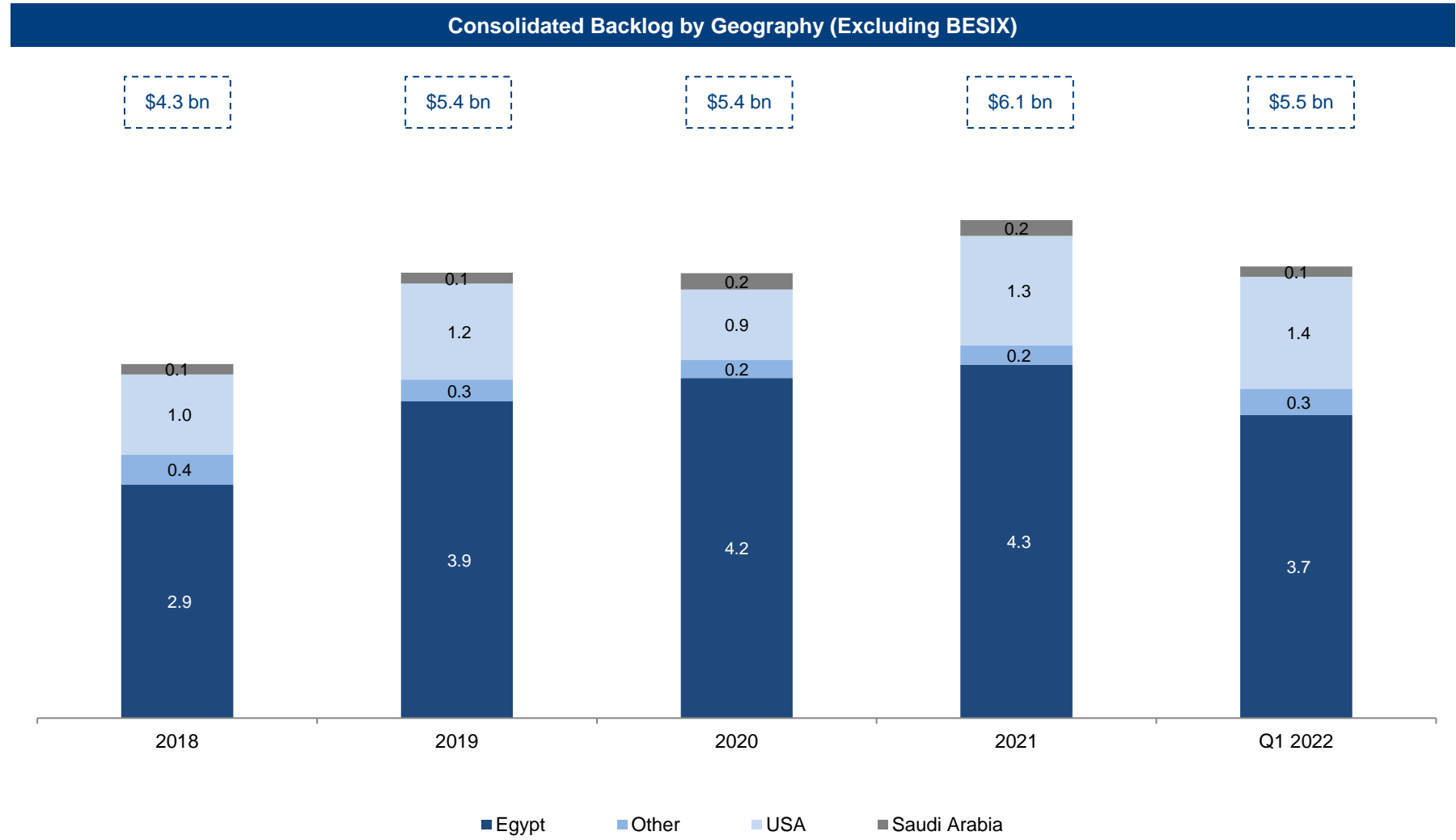
Backlog by Currency⁽¹⁾



(1) 50% of backlog in Egypt is in FCY

Note: Backlog breakdown as of 31 March 2022; backlog excludes BESIX and JV's accounted for under the equity method

Evolution of Backlog by Geography

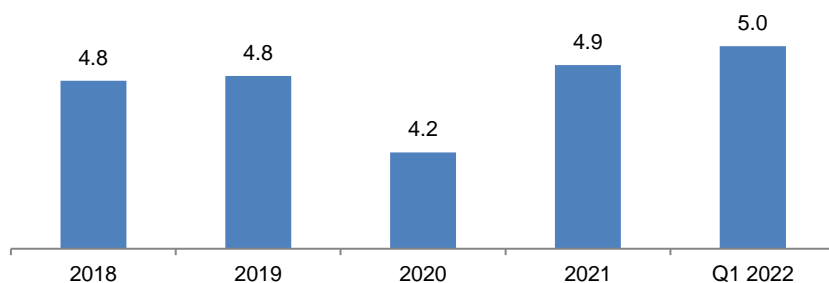


Pro Forma Snapshot Including 50% of BESIX – Q1 2022



- BESIX's standalone backlog increased 7.5% y-o-y to EUR 5.0 billion as of 31 March 2022
- New awards of EUR 773.7 million in Q1 2022
- Standalone net debt position of EUR 157 million as of 31 March 2022
- BESIX book value of USD 376.6 million in Orascom Construction's noncurrent assets on the balance sheet

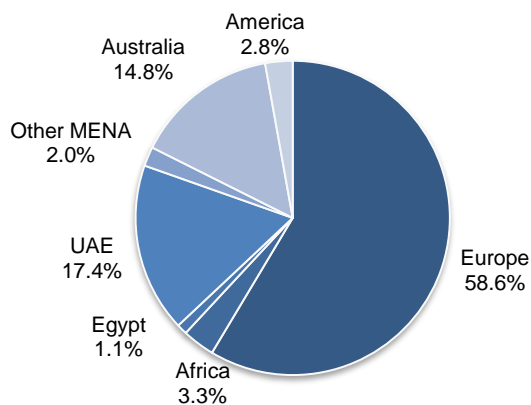
BESIX Standalone Backlog Evolution (EUR billion)



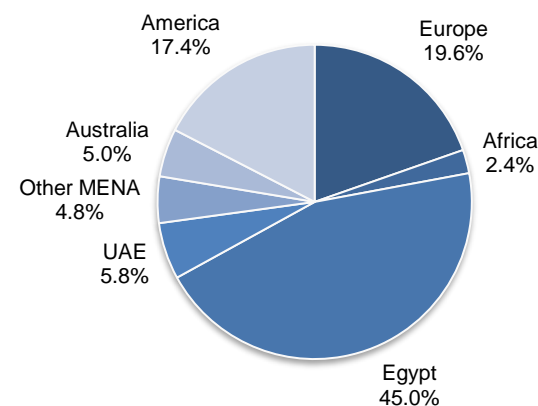
USD million

	OC	50% of BESIX	Pro Forma
Revenue	979.7	389.9	1,369.6
EBITDA	50.3	(2.0)	48.3
Net Income	24.1	(11.0)	13.1
Net Debt (Cash)	(37.0)	87.3	50.3
Backlog	5,522.6	2,786.5	8,309.1
New Awards	617.5	429.2	1,046.7

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 11.0 million to the Group's total net income in Q1 2022

Company	Ownership	Q1 2022 Revenue	Description
	100%	USD 12.7 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 16.9 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 8.8 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 25.6 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 2.9 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 21.0 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 14.4 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 6.8 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
	60.5%	USD 1.8 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 4.2 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	Q1 2022	Q1 2021	Results Commentary
Revenue	979.7	816.6	Revenue:
Cost of sales	(888.2)	(733.9)	
Gross profit	91.5	82.7	<ul style="list-style-type: none"> Consolidated revenue increased 20.0% y-o-y to USD 979.7 million in Q1 2022 MEA operations comprised 75.8% of total revenue in Q1 2022 while USA operations accounted for the balance
<i>Margin</i>	9.3%	10.1%	
Other income	1.7	2.9	
SG&A expenses	(55.8)	(45.6)	
Operating profit	37.4	40.0	EBITDA
EBITDA	50.3	51.0	<ul style="list-style-type: none"> Consolidated EBITDA decreased 1.4% y-o-y to USD 50.3 million in Q1 2022 EBITDA margin in the MEA operations stood at 6.5% while the U.S. operations remained profitable as established in FY 2020
<i>Margin</i>	5.1%	6.2%	
Financing income & expenses			Income from associates:
Finance income	23.2	5.7	<ul style="list-style-type: none"> Net income contribution from BESIX stood at USD (11.0) million in Q1 2022 compared to negative USD (1.4) million in Q1 2021
Finance cost	(26.7)	(6.6)	
Net finance cost	(3.5)	(0.9)	Net Income:
(Loss)/Income from equity accounted investees	(6.0)	0.2	<ul style="list-style-type: none"> Net income attributable to shareholders increased decreased 45.1% y-o-y to USD 13.1 million in Q1 2022 due to negative contribution from BESIX Excluding contribution from BESIX, the Group reported net income attributable to shareholders of USD 24.1 million in Q1 2022
Profit before income tax	27.9	39.3	
Income tax	(12.6)	(12.4)	
Net profit	15.3	26.9	
Profit attributable to:			
Owners of the company	13.1	23.9	
Non-controlling interest	2.2	3.0	
Net profit	15.3	26.9	

Balance Sheet

USD million	31 Mar 2022	31 Dec 2021	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	195.2	199.2	<ul style="list-style-type: none"> Total investment in associates includes BESIX at an equity value of USD 376.6 million
Goodwill	27.7	13.8	
Trade and other receivables	44.6	46.8	Current assets:
Equity accounted investees	414.9	426.4	<ul style="list-style-type: none"> Trade and other receivables as of 31 March 2022 include USD 669.9 million in accounts receivables, USD 281.6 million in retentions and USD 265.0 million in supplier advance payments
Deferred tax assets	36.4	41.1	<ul style="list-style-type: none"> 50% of gross trade receivables as of 31 March 2022 are not yet due
Total non-current assets	718.8	727.3	<ul style="list-style-type: none"> Contracts work in progress should be assessed along with advance payments
Current assets			
Inventories	312.9	307.3	
Trade and other receivables	1,445.5	1,462.4	
Contracts work in progress	1,104.8	1,099.5	
Current income tax receivables	0.2	0.2	
Cash and cash equivalents	419.3	505.7	
Total current assets	3,282.7	3,375.1	
TOTAL ASSETS	4,001.5	4,102.4	

Balance Sheet

USD million	31 Mar 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	(333.0)	(305.4)	Liabilities:
Retained earnings	359.9	346.9	
Equity attributable to owners of the Company	623.9	638.5	<ul style="list-style-type: none"> Trade and other payables as of 31 March 2022 includes USD 470.4 million in trade payables, USD 540.2 million in accrued expenses and USD 149.4 million in retentions payable to subcontractors
Non-controlling interests	38.7	50.1	
TOTAL EQUITY	662.6	688.6	
LIABILITIES			
Non-current liabilities			
Loans and borrowings	1.2	1.2	
Trade and other payables	53.1	49.9	
Deferred tax liabilities	3.1	3.4	
Total non-current liabilities	57.4	54.5	
Current liabilities			
Loans and borrowings	381.1	62.9	
Trade and other payables	1,391.1	1,531.1	
Advance payments from construction contracts	1,158.0	1,361.4	
Billing in excess of construction contracts	247.3	299.6	
Provisions	55.7	59.1	
Income tax payables	48.3	45.2	
Total current liabilities	3,281.5	3,359.3	
Total liabilities	3,338.9	3,413.8	
TOTAL EQUITY AND LIABILITIES	4,001.5	4,102.4	

Cash Flow Statement

USD million	31 Mar 2022	31 Mar 2021	Results Commentary
Net profit	15.3	26.9	Cash flow used in operating activities:
Adjustments for:			
Depreciation	12.9	11.0	<ul style="list-style-type: none"> Operating cash outflow increased y-o-y to USD 260.7 million in Q1 2022
Interest income	(2.4)	(2.1)	
Interest expense	6.0	4.0	
Foreign exchange gain (loss) and others	(0.1)	(1.0)	
Share in (loss)/income of equity accounted investees	6.0	(0.2)	
Gain on sale of property, plant and equipment	(0.3)	(1.8)	
Income tax expense	12.6	12.4	
Changes in:			
Inventories	6.3	4.9	
Trade and other receivables	111.5	(34.4)	
Contract work in progress	(5.3)	(154.1)	
Trade and other payables	(148.3)	(65.8)	
Advanced payments construction contracts	(203.4)	13.7	
Billing in excess of construction contracts	(52.3)	0.5	
Provisions	(8.0)	0.8	
Cash flows:			
Interest paid	(6.0)	(3.8)	
Interest received	2.4	1.8	
Income taxes paid	(7.6)	(1.4)	
Cash flow used in operating activities	(260.7)	(188.6)	

Cash Flow Statement

USD million	31 Mar 2022	31 Mar 2021	Results Commentary
Investments in PPE	(28.2)	(7.8)	Cash flow used in investing activities: <ul style="list-style-type: none"> Cash flow used in investing activities of USD 56.4 million in Q1 2022 for capital expenditure and 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	0.3	3.2	
Cash flow used in investing activities	(56.4)	(4.6)	
Proceeds from borrowings	326.1	96.7	Cash flow from financing activities: <ul style="list-style-type: none"> Cash flow from financing activities of USD 283.2 million in Q1 2022 compared to USD 52.9 million in Q1 2021
Repayment of borrowings	(12.3)	(18.2)	
Dividends paid to shareholders	(27.0)	(24.5)	
Dividends paid to non controlling interest	(6.8)	(1.6)	
Other	3.2	0.5	
Cash flow from financing activities	283.2	52.9	
Net change in cash and cash equivalents	(33.9)	(140.3)	
Cash and cash equivalents at 1 January	505.7	473.8	
Currency translation adjustments	(52.5)	0.4	
Cash and cash equivalents at 31 March	419.3	333.9	

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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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