



Grand Egyptian Museum, Egypt

**Q1 2023 Results Presentation**  
**1 June 2023**



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# Highlights

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- Revenue of USD 804.9 million, consolidated EBITDA of USD 35.5 million and net profit attributable to shareholders of USD 36.1 million in Q1 2023
- Net cash position of USD 159.1 million as of 31 March 2023

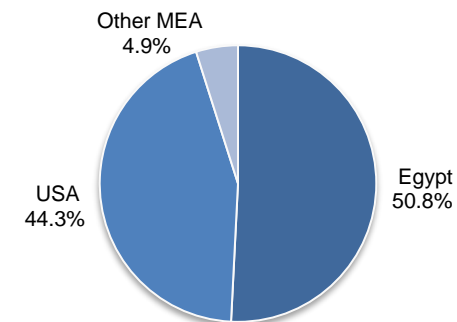
- Consolidated backlog of USD 5.5 billion and pro forma backlog including 50% share in BESIX of USD 8.5 billion in Q1 2023
- Consolidated new awards increased 39.0% y-o-y to USD 858.4 million and pro forma new awards including 50% share in BESIX increased 35.6% y-o-y to USD 1.4 billion in Q1 2023
- BESIX reports a standalone backlog of EUR 5.7 billion and new awards of EUR 1.0 billion in Q1 2023

- Reached financial close in April on a new 500 MW wind farm and signed a new contract in May to develop, own and operate a large-scale seawater treatment and water transportation project worth up to USD 2.4 billion in Abu Dhabi, UAE
- Full stake in construction Chemicals subsidiary divested for EGP 1.8 billion in May
- Shareholders approved at the AGM the Company's proposal to buy back 5.6% of its own shares

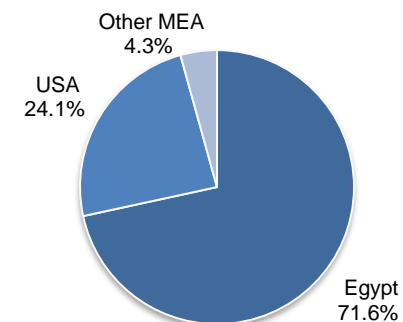
# Summary Income Statement

USD million	Q1 2023	Q1 2022	Change
<b>Revenue</b>	<b>804.9</b>	<b>979.7</b>	<b>(17.8)%</b>
<i>MEA</i>	448.0	741.2	(39.6)%
<i>USA</i>	356.9	238.5	49.6%
<b>EBITDA</b>	<b>35.5</b>	<b>50.3</b>	<b>(29.4)%</b>
<i>MEA</i>	28.9	48.3	(40.2)%
<i>USA</i>	6.6	2.0	230.4%
<b>EBITDA margin</b>	<b>4.4%</b>	<b>5.1%</b>	
<i>MEA margin</i>	6.4%	6.5%	
<i>USA margin</i>	1.9%	0.8%	
<b>Net income attrib. to shareholders</b>	<b>36.1</b>	<b>13.1</b>	<b>175.6%</b>
<i>MEA</i>	32.3	22.3	44.7%
<i>USA</i>	3.9	1.8	117.6%
<i>BESIX</i>	(0.1)	(11.0)	99.0%
<b>Net income margin</b>	<b>4.5%</b>	<b>1.3%</b>	
<i>MEA margin</i>	7.2%	3.0%	
<i>USA margin</i>	1.1%	0.8%	

## Revenue by Geography – Q1 2023



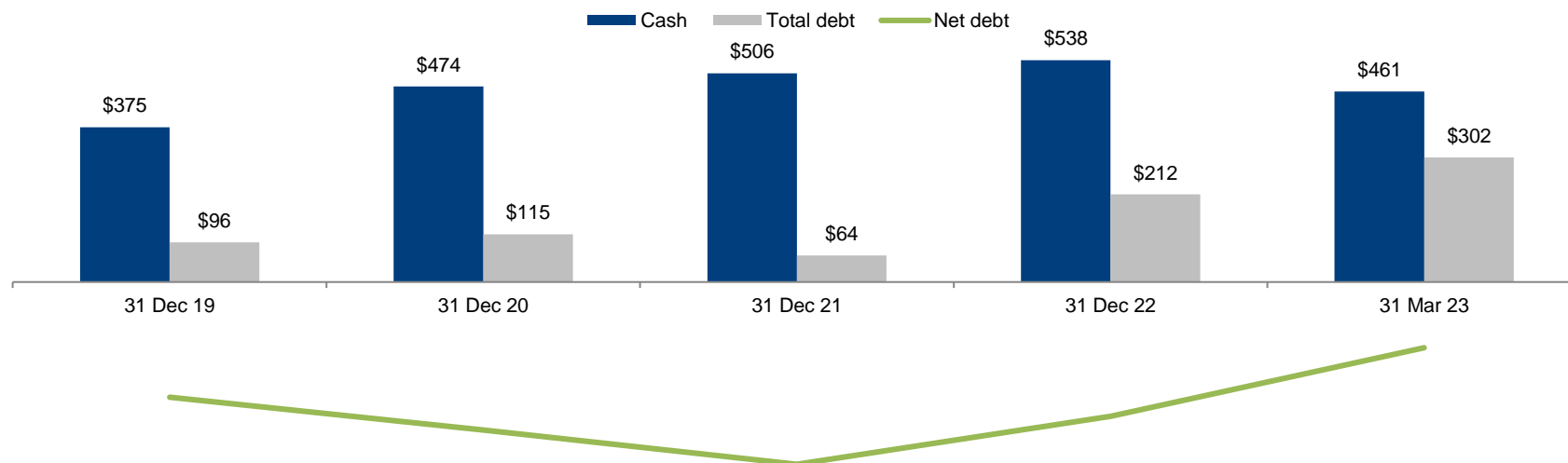
## Revenue by Geography – Q1 2022



# Net Cash Position

Net cash position of USD 159.1 million as of 31 March 2023

## Evolution of Debt and Cash (USD Million)

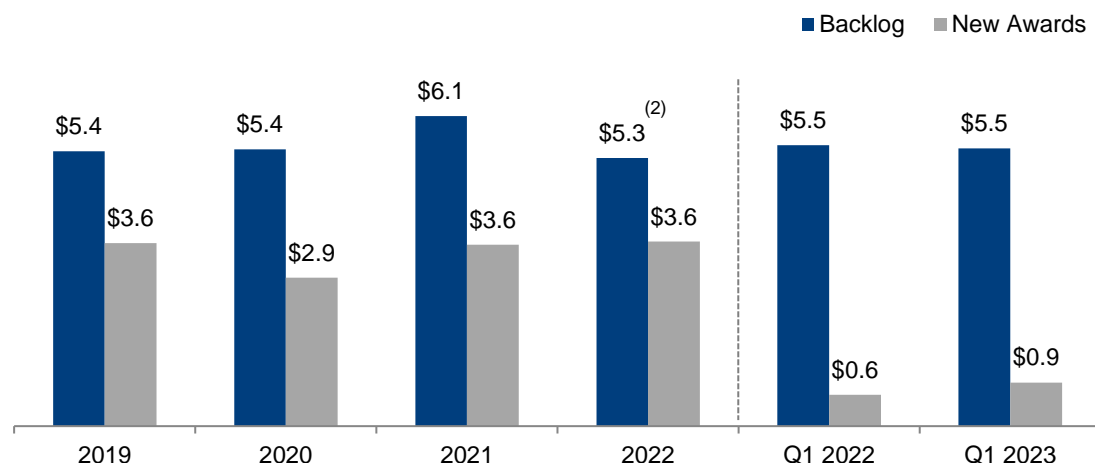


## Debt and Equity Summary Based on IFRS Statements

USD million	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Mar 2023
Cash	374.8	473.8	505.7	537.7	461.2
Total debt	95.7	115.2	64.1	212.0	302.1
Net debt	(279.1)	(358.6)	(441.6)	(325.7)	(159.1)
Total equity	585.7	641.9	688.6	691.3	655.1
EBITDA	268.2	197.8	204.4	200.3	35.5 <sup>(1)</sup>

# Consolidated Backlog

Evolution of Consolidated Backlog (USD Billion) <sup>(1)</sup>



Backlog and New Awards

USD million	Q1 2023	Q1 2022	Change	FY 2022
Equity consolidation				
Backlog	5,458.7	5,522.6	(1.2)%	5,271.2
New Awards	858.4	617.5	39.0%	3,625.9
Pro forma inc. 50% of BESIX				
Backlog	8,543.8	8,309.1	2.8%	8,084.4
New Awards	1,418.9	1,046.7	35.6%	5,593.3

## Consolidated

- Consolidated backlog (excluding BESIX) maintained at USD 5.5 billion in Q1 2023
- Consolidated new awards increased 39.0% y-o-y to USD 858.4 million in Q1 2023

## MEA

- New awards of USD 457.7 million in Q1 2023
- New awards spanned renewable energy, infrastructure, commercial, marine and transportation sectors
- Included the new 500 MW BOO wind farm in Egypt for an Orascom Construction developer consortium, additional work for highway and road development, and new scope for a premium private sector real estate developer

## USA

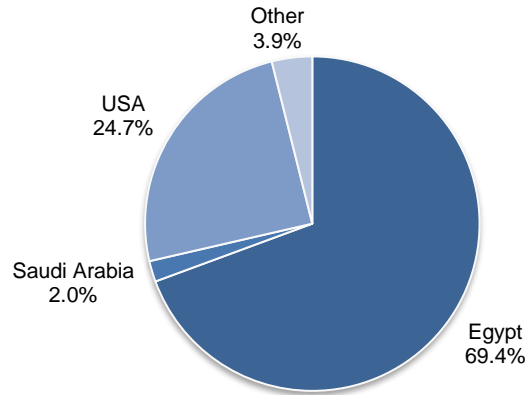
- New awards of USD 400.7 million in Q1 2023
- The largest projects added during the quarter were mainly in the data center and commercial sectors

(1) Backlog/new awards chart excludes BESIX and JV's accounted for under the equity method

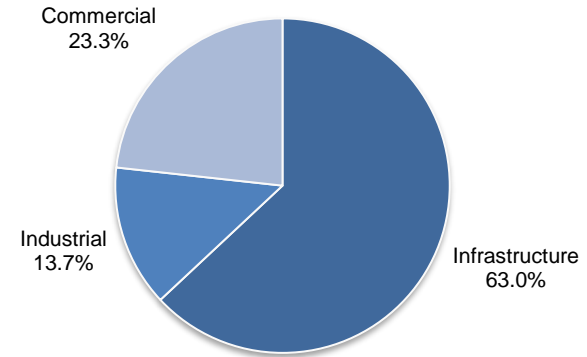
(2) Represents the backlog as of 31 December 2022 but assumes the EGP-to-foreign currency rates as of 31 January 2023, therefore reflecting the further devaluation of the EGP that took place during January 2023. Assuming that the EGP-to-foreign currency rates as of 31 December 2022 were used, the backlog would have been approximately USD 250 million higher at USD 5.5 billion.

# Consolidated Backlog Breakdown – 31 March 2023

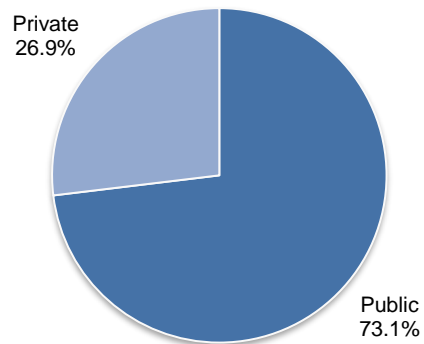
**Backlog by Geography**



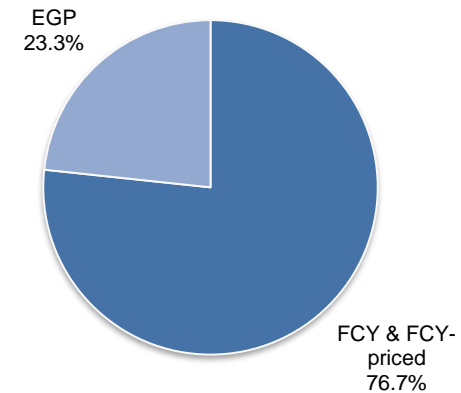
**Backlog by Sector**



**Backlog by Client**



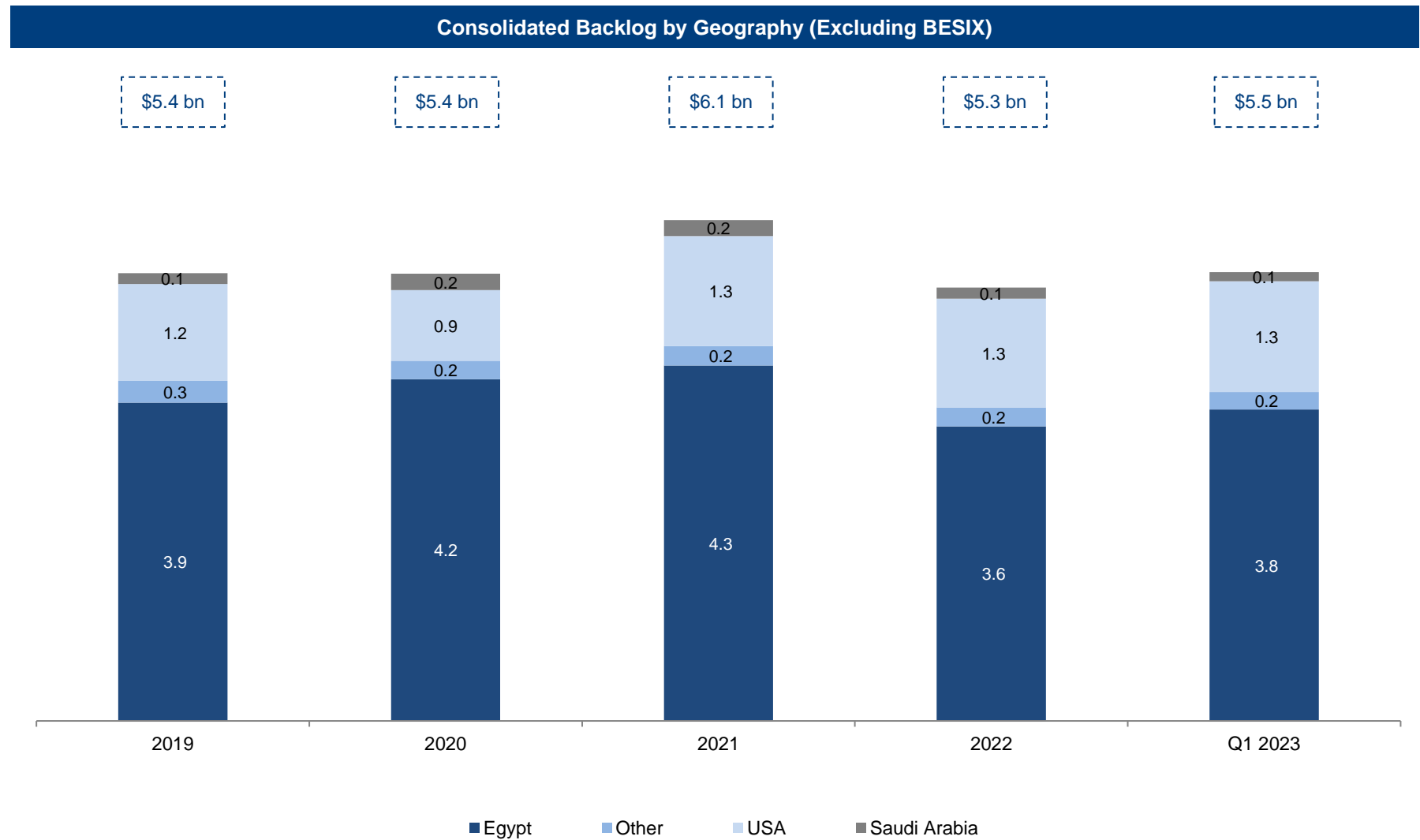
**Backlog by Currency<sup>(1)</sup>**



(1) 65.4% of backlog in Egypt is in FCY

Note: Backlog breakdown of \$5.5 billion as of 31 March 2023; backlog excludes BESIX and JV's accounted for under the equity method

# Evolution of Backlog by Geography



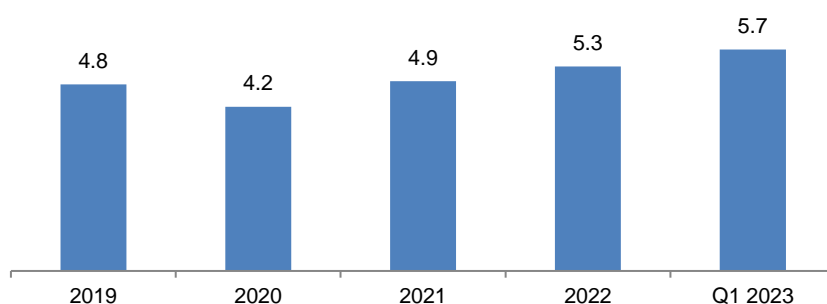


# Pro Forma Snapshot Including 50% of BESIX – Q1 2023



- BESIX's standalone backlog increased 13.3% y-o-y to a record EUR 5.7 billion as of 31 March 2023
- New awards increased 33.7% y-o-y to EUR 1.0 billion in Q1 2023
- Standalone net debt position of EUR 249.9 million as of 31 March 2023 (driven by the real estate development business)
- BESIX book value of USD 429.3 million in Orascom Construction's noncurrent assets on the balance sheet

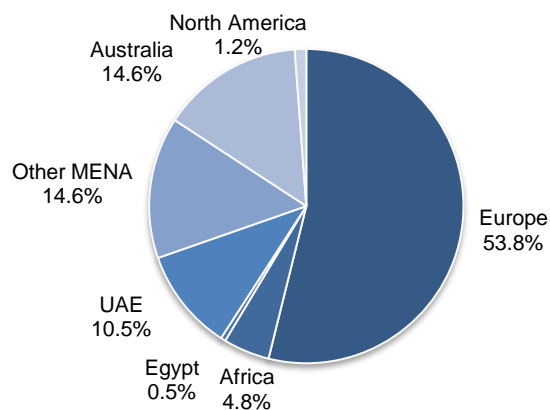
**BESIX Standalone Backlog Evolution (EUR billion)**



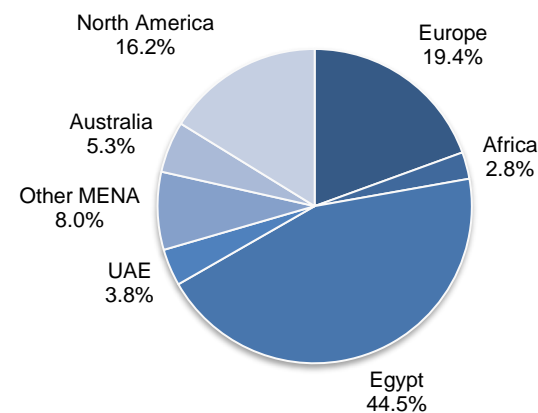
**USD million**

	OC	50% of BESIX	Pro Forma
Revenue	804.9	418.3	1,223.2
EBITDA	35.5	8.9	44.4
Net Income	36.2	(0.1)	36.1
Net Debt (Cash)	(159.1)	135.4	(23.7)
Backlog	5,458.7	3,085.1	8,543.8
New Awards	858.4	560.5	1,418.9

**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 7.8 million to the Group's total net income in Q1 2023<sup>(1)</sup>

Company	Ownership	Q1 2023 Revenue	Description
	100%	USD 7.8 million	<ul style="list-style-type: none"> <li>A leading equipment importation, distribution and maintenance player in Egypt</li> <li>Sole agent for portfolio of blue-chip equipment across include earthmoving equipment, gensets, pumps, irrigation, marine equipment, railway and security systems</li> </ul>
	100%	USD 10.4 million	<ul style="list-style-type: none"> <li>Manufactures and supplies fabricated steel products in Egypt and North Africa – total capacity of 120k/year</li> <li>Operates four facilities plants in Egypt and Algeria, two of which are the largest in MENA</li> </ul>
	100%	USD 6.2 million	<ul style="list-style-type: none"> <li>Manufactures and installs glass, aluminum and architectural metal works</li> <li>Operates facility in Egypt with a capacity of 250k sqm, supplying primarily Egypt and North Africa</li> </ul>
	56.5%	USD 17.7 million	<ul style="list-style-type: none"> <li>Holds 50% stakes in MBS Egypt and A-Build Egypt. MBS Egypt was divested in May 2023</li> <li>Subs operate from 4 plants in Egypt and Algeria, supplying products primarily in Egypt and North Africa</li> </ul>
	56.5%	USD 2.3 million	<ul style="list-style-type: none"> <li>Owns DryMix, Egypt's largest manufacturer of cement-based ready mixed mortars in powdered form used in the construction industry</li> <li>Capable of producing 240k metric tons of product and supplies products to clients in Egypt and North Africa</li> </ul>
	40%	USD 19.8 million	<ul style="list-style-type: none"> <li>Manufactures precast/pre-stressed concrete cylinder pipes and pre-stressed concrete primarily</li> <li>Two plants located in Egypt supply Egypt and North Africa; production capacity of 86 km/yr of concrete piping</li> </ul>
	14.7%	USD 11.7 million	<ul style="list-style-type: none"> <li>Production capacity of 130k kilolitres of decorative paints and industrial coatings primarily for the construction industry</li> <li>Operates two plants in Egypt and supplies products to clients in Egypt and North Africa</li> </ul>
	100%	USD 5.2 million	<ul style="list-style-type: none"> <li>Egypt's premier facility and property management services provider</li> <li>Hard and soft facility management in commercial, hospitality and healthcare</li> </ul>
	60.5%	USD 4.3 million	<ul style="list-style-type: none"> <li>Owner and developer of an industrial land bank of 12.2 million square meters in Ain Sokhna and Goza, Egypt</li> <li>Also provides utility services for light, medium and heavy industrial users in Ain Sokhna, Egypt</li> </ul>
	50%	USD 2.7 million	<ul style="list-style-type: none"> <li>A 250m<sup>3</sup>/day wastewater treatment plant; OC is a co-owner and co-operator of the facility</li> <li>Egypt's first Public Private Partnership project</li> </ul>
	20%	USD 12.7 million	<ul style="list-style-type: none"> <li>The largest renewable energy IPP project in Egypt; a 262.5 MW build-own-operate wind farm under a 20-year Power Purchase Agreement</li> <li>Full commercial operation commenced 45 days ahead of schedule on 31 October 2019</li> </ul>

Note: Revenue figures represent 100% of each unit's revenue and before intercompany eliminations

(1): Pro forma net income excluding contribution from the subsidiary divested in May 2023 (entity held by UHC) is USD 7.0 million

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## Financial Statements

# Income Statement

USD million	Q1 2023	Q1 2022	Results Commentary
Revenue	804.9	979.7	<b>Revenue:</b>
Cost of sales	(735.5)	(888.2)	
<b>Gross profit</b>	<b>69.4</b>	<b>91.5</b>	<ul style="list-style-type: none"> <li>Consolidated revenue decreased 17.8% y-o-y to USD 804.9 million in Q1 2023</li> <li>MEA operations comprised 56% of total revenue in Q1 2023 while USA operations accounted for the balance</li> </ul>
<i>Margin</i>	8.6%	9.3%	
Other income	(0.5)	1.7	
SG&A expenses	(41.9)	(55.8)	
<b>Operating profit</b>	<b>27.0</b>	<b>37.4</b>	<b>EBITDA</b>
<b>EBITDA</b>	<b>35.5</b>	<b>50.3</b>	<ul style="list-style-type: none"> <li>EBITDA decreased 29.4% y-o-y to USD 35.5 million in Q1 2023</li> <li>EBITDA margins stood at 4.4% in Q1 2023</li> <li>EBITDA margin for the MEA operations was maintained at 6.4% while for the U.S. operations improved to 1.9%</li> </ul>
<i>Margin</i>	4.4%	5.1%	
<b>Financing income &amp; expenses</b>			<b>Income from associates:</b>
Finance income	36.2	23.2	<ul style="list-style-type: none"> <li>BESIX net income of USD (0.1) million in Q1 2023 compared to USD (11.0) million in Q1 2022</li> </ul>
Finance cost	(15.6)	(26.7)	
<b>Net finance cost</b>	<b>20.6</b>	<b>(3.5)</b>	<b>Net Income:</b>
Income / (Loss) from equity accounted investees	2.7	(6.0)	<ul style="list-style-type: none"> <li>Net income attributable to shareholders increased 175.6% y-o-y to USD 36.1 million in Q1 2023</li> <li>The Group benefited from foreign exchange gains due to its favorable foreign currency net asset position in Egypt</li> </ul>
<b>Profit before income tax</b>	<b>50.3</b>	<b>27.9</b>	
Income tax	(10.2)	(12.6)	
<b>Net profit</b>	<b>40.1</b>	<b>15.3</b>	
<b>Net profit attributable to:</b>			
Owners of the company	36.1	13.1	
Non-controlling interest	4.0	2.2	
<b>Net profit</b>	<b>40.1</b>	<b>15.3</b>	

# Balance Sheet

USD million	31 Mar 2023	31 Dec 2022	Results Commentary
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>Non-current assets</b>
Property, plant and equipment	115.4	146.5	<ul style="list-style-type: none"> <li>Total investment in associates includes BESIX at an equity value of USD 462.8 million (BESIX represents USD 419.4 million)</li> </ul>
Goodwill	27.7	27.7	
Trade and other receivables	17.6	24.6	<b>Current assets:</b>
Equity accounted investees	462.8	462.5	<ul style="list-style-type: none"> <li>Trade and other receivables as of 31 March 2023 include USD 549.1 million in accounts receivables, USD 259.8 million in retentions and USD 130.8 million in supplier and subcontractor advance payments</li> </ul>
Deferred tax assets	46.2	47.4	<ul style="list-style-type: none"> <li>68% of gross trade receivables as of 31 March 2023 are not yet due</li> </ul>
<b>Total non-current assets</b>	<b>669.7</b>	<b>708.7</b>	<ul style="list-style-type: none"> <li>Contracts work in progress should be assessed along with advance payments</li> </ul>
<b>Current assets</b>			
Inventories	213.8	247.6	
Trade and other receivables	1,144.6	1,294.0	
Contracts work in progress	650.5	742.5	
Current income tax receivables	0.9	0.9	
Cash and cash equivalents	461.2	537.7	
Assets held for sale	54.1	-	
<b>Total current assets</b>	<b>2,525.1</b>	<b>2,822.7</b>	
<b>TOTAL ASSETS</b>	<b>3,194.8</b>	<b>3,531.4</b>	

# Balance Sheet

USD million	31 Mar 2023	31 Dec 2022	Results Commentary
<b>EQUITY</b>			<b>Equity:</b>
Share capital	116.8	116.8	<ul style="list-style-type: none"> <li>The movement in reserves relates primarily to currency translation differences</li> </ul>
Share premium	480.2	480.2	
Reserves	(424.3)	(377.5)	<b>Liabilities:</b>
Retained earnings	446.5	432.2	
<b>Equity attributable to owners of the Company</b>	<b>619.2</b>	<b>651.7</b>	<ul style="list-style-type: none"> <li>Trade and other payables as of 31 March 2023 includes USD 508.5 million in trade payables, USD 363.1 million in accrued expenses and USD 163.5 million in retentions payable to subcontractors</li> </ul>
Non-controlling interests	35.9	39.6	
<b>TOTAL EQUITY</b>	<b>655.1</b>	<b>691.3</b>	
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	39.9	41.9	
Deferred tax liabilities	5.6	5.0	
<b>Total non-current liabilities</b>	<b>45.5</b>	<b>46.9</b>	
<b>Current liabilities</b>			
Loans and borrowings	302.1	212.0	
Trade and other payables	1,158.9	1,438.4	
Advanced payments from construction contracts	690.1	777.0	
Billing in excess of construction contracts	246.9	298.4	
Provisions	31.2	31.5	
Income tax payables	32.8	35.9	
Liabilities held for sale	32.2	-	
<b>Total current liabilities</b>	<b>2,494.2</b>	<b>2,793.2</b>	
<b>Total liabilities</b>	<b>2,539.7</b>	<b>2,840.1</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,194.8</b>	<b>3,531.4</b>	

# Cash Flow Statement

USD million	31 Mar 2023	31 Mar 2022	Results Commentary
<b>Net profit</b>	<b>40.1</b>	<b>15.3</b>	<b>Cash flow used in operating activities:</b>
<b>Adjustments for:</b>			
Depreciation	8.4	12.9	<ul style="list-style-type: none"> <li>Operating cash outflow of USD 65.9 million in Q1 2023 compared to 260.7 million in Q1 2022</li> </ul>
Interest income	(2.6)	(2.4)	
Interest expense	10.4	6.0	
Foreign exchange gain and others	(28.4)	(0.1)	
Share in income /(loss) of equity accounted investees	(2.7)	6.0	
Gain on sale of PPE	-	(0.3)	
Income tax expense	10.2	12.6	
<b>Changes in:</b>			
Inventories	33.8	6.3	
Trade and other receivables	(47.3)	111.5	
Contract work in progress	(20.2)	(5.3)	
Trade and other payables	(10.7)	(148.3)	
Advanced payments construction contracts	31.2	(203.4)	
Billing in excess on construction contracts	(80.0)	(52.3)	
Provisions	(0.3)	(8.0)	
<b>Cash flows:</b>			
Interest paid	(10.4)	(6.0)	
Interest received	2.6	2.4	
Income taxes paid	-	(7.6)	
<b>Cash flow used in operating activities</b>	<b>(65.9)</b>	<b>(260.7)</b>	

# Cash Flow Statement

USD million	31 Mar 2023	31 Mar 2022	Results Commentary
Investments in PPE	(6.6)	(28.2)	<b>Cash flow used in investing activities:</b> <ul style="list-style-type: none"> <li>▪ Cash flow used in investing activities of USD 6.6 million in Q1 2023 compared to USD 56.4 million in Q1 2022</li> <li>▪ CAPEX in Q1 2022 includes USD 28.5 million for the acquisition of a equipment importation, distribution and maintenance company in Egypt (now rebranded to Orascom Services)</li> </ul>
Acquisition of subsidiaries, net of cash acquired	-	(28.5)	
Proceeds from sale of PPE	-	0.3	
<b>Cash flow used in investing activities</b>	<b>(6.6)</b>	<b>(56.4)</b>	
Proceeds from borrowings	100.4	326.1	<b>Cash flow from financing activities:</b> <ul style="list-style-type: none"> <li>▪ Cash flow from financing activities of USD 66.5 million in Q1 2023 compared to USD 283.2 million in Q1 2022</li> </ul>
Repayment of borrowings	(10.3)	(12.3)	
Dividends paid to shareholders	(21.6)	(27.0)	
Dividends paid to non controlling interest	-	(6.8)	
Other	(2.0)	3.2	
<b>Cash flow from financing activities</b>	<b>66.5</b>	<b>283.2</b>	
<b>Net change in cash and cash equivalents</b>	<b>(6.0)</b>	<b>(33.9)</b>	
Cash and cash equivalents at 1 January	537.7	505.7	
Currency translation adjustments	(70.5)	(52.5)	
<b>Cash and cash equivalents at 31 March</b>	<b>461.2</b>	<b>419.3</b>	



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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.



**Contact Investor Relations:**

**Hesham El Halaby**  
**Director**  
**[hesham.elhalaby@orascom.com](mailto:hesham.elhalaby@orascom.com)**  
**T: +971 4 318 0900**

**NASDAQ Dubai: OC**  
**EGX: ORAS**

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