



9M 2017 Results Presentation

21 November 2017



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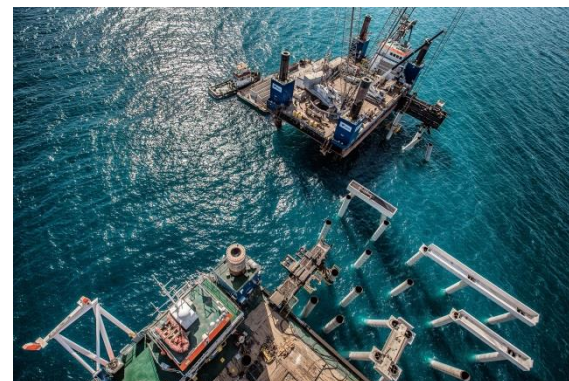
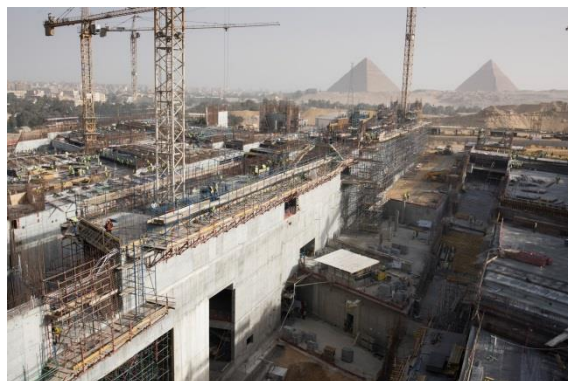
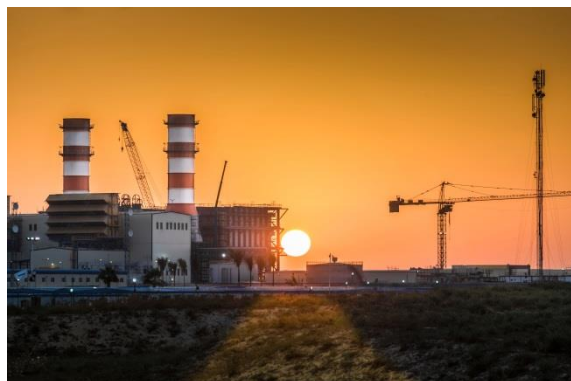
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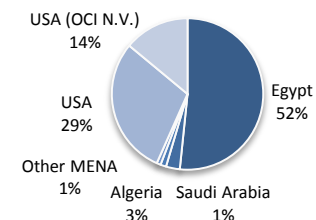
# Financial Highlights

- **Revenue of USD 2,818.3 million, EBITDA of USD 165.6 million and net income of USD 74.1 million in 9M 2017**
    - *EBITDA increased 18.9% and 35.6% y-o-y in 9M 2017 and Q3 2017, respectively*
  - **Adj. EBITDA including 50% of BESIX increased 18.1% y-o-y to USD 213.1 million in 9M 2017**
  - **Net cash position of USD 211.4 million as of 30 September 2017**
- 
- **Significant pick-up in new awards during Q3 2017 compared to H1 2017**
    - *Consolidated backlog of USD 4.8 billion and pro forma backlog including the Group's 50% share in BESIX of USD 6.7 billion as of 30 September 2017*
    - *New awards of USD 1.5 billion and USD 2.5 billion including 50% share in BESIX in 9M 2017*
- 
- **BESIX continues to demonstrate sustained profitability and a healthy backlog**
    - *Backlog of EUR 3.2 billion as of 30 September 2017 and new awards of EUR 1.8 billion in 9M 2017*
    - *Net income contribution of USD 40.6 million in 9M 2017*



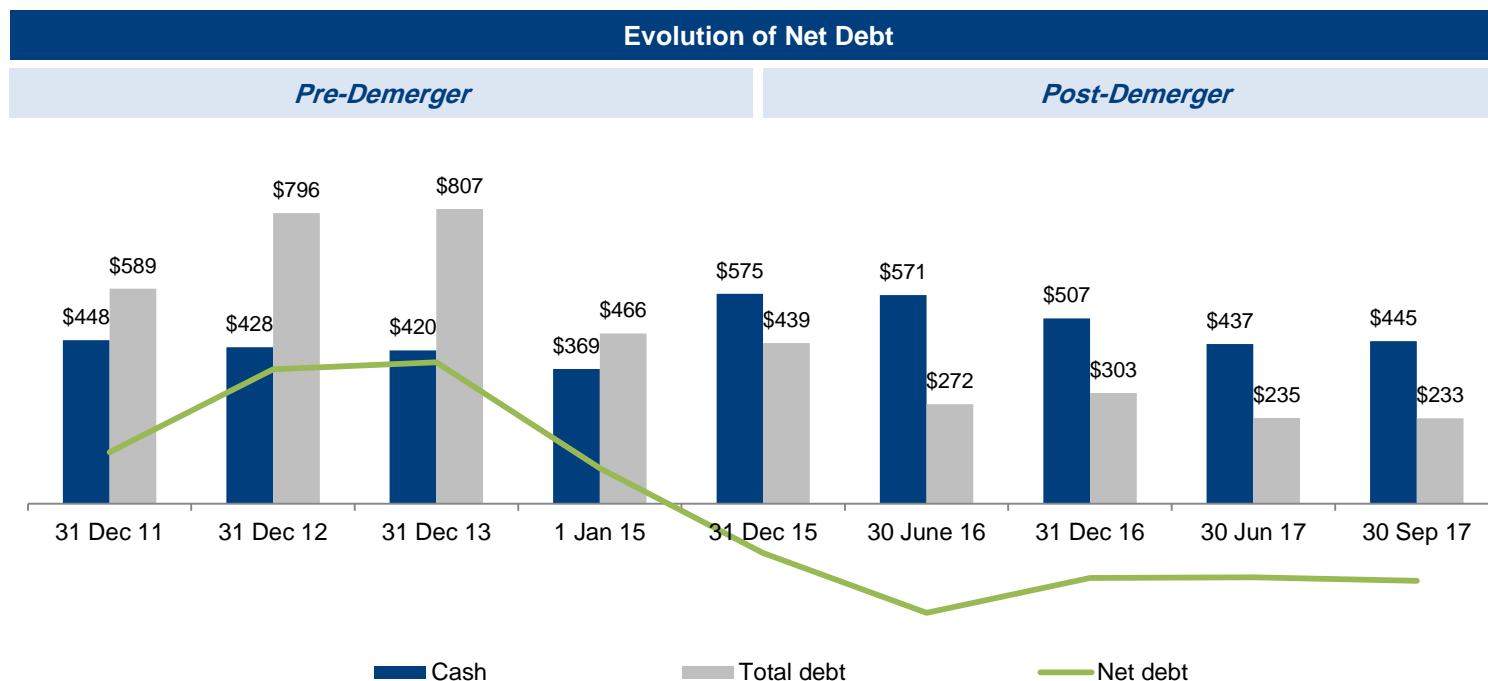
# Summary Financials

Summary Income Statement						
USD million	9M 2017	9M 2016	Change	Q3 2017	Q3 2016	Change
<b>Revenue</b>	<b>2,818.3</b>	<b>2,959.1</b>	<b>(4.8)%</b>	<b>805.4</b>	<b>962.1</b>	<b>(16.3)%</b>
MENA	1,597.1	1,491.0	7.1%	518.0	475.9	8.8%
USA	1,221.2	1,468.1	(16.8)%	287.4	486.2	(40.9)%
<b>EBITDA</b>	<b>165.6</b>	<b>139.3</b>	<b>18.9%</b>	<b>54.5</b>	<b>40.2</b>	<b>35.6%</b>
MENA	169.6	145.6	16.5%	85.0	55.9	52.1%
USA	(4.0)	(6.3)	36.5%	(30.5)	(15.7)	(94.3)%
<b>EBITDA margin</b>	<b>5.9%</b>	<b>4.7%</b>	<b>+120 bp</b>	<b>6.8%</b>	<b>4.2%</b>	<b>+260 bp</b>
MENA margin	10.6%	9.8%	+80 bp	16.4%	11.7%	+470 bp
USA margin	(0.3)%	(0.4)%	+10 bp	(10.6)%	(3.2)%	(740) bp
<b>Net income attributable to shareholders</b>	<b>74.1</b>	<b>75.4</b>	<b>(1.7)%</b>	<b>22.4</b>	<b>26.0</b>	<b>(13.8)%</b>
MENA	78.8	74.3	6.0%	44.0	36.4	21.0%
USA	(45.3)	(23.9)	(89.5)%	(38.2)	(25.9)	(47.6)%
BESIX	40.6	25.0	62.4%	16.6	15.5	7.1%
<b>Net income margin</b>	<b>2.6%</b>	<b>2.5%</b>	<b>+10 bp</b>	<b>2.8%</b>	<b>2.7%</b>	<b>+10 bp</b>
MENA margin	4.9%	5.0%	(10) bp	8.5%	7.6%	+90 bp
USA margin	(3.7)%	(1.6)%	(210) bp	(13.3)%	(5.3)%	(800) bp
Net Debt (cash)				9M 2017 Revenue by Geography		
USD million	30-Sep-17	31-Dec-16	Change			
Cash and cash equivalents	444.8	506.9	(12.3)%			
Total debt	233.4	302.8	(22.9)%			
Total equity	417.8	302.4	38.2%			
Net debt (cash)	(211.4)	(204.1)	(3.6)%			



# Net Cash Position as of 30 September 2017

Net cash position of USD 211.4 million as of 30 September 2017

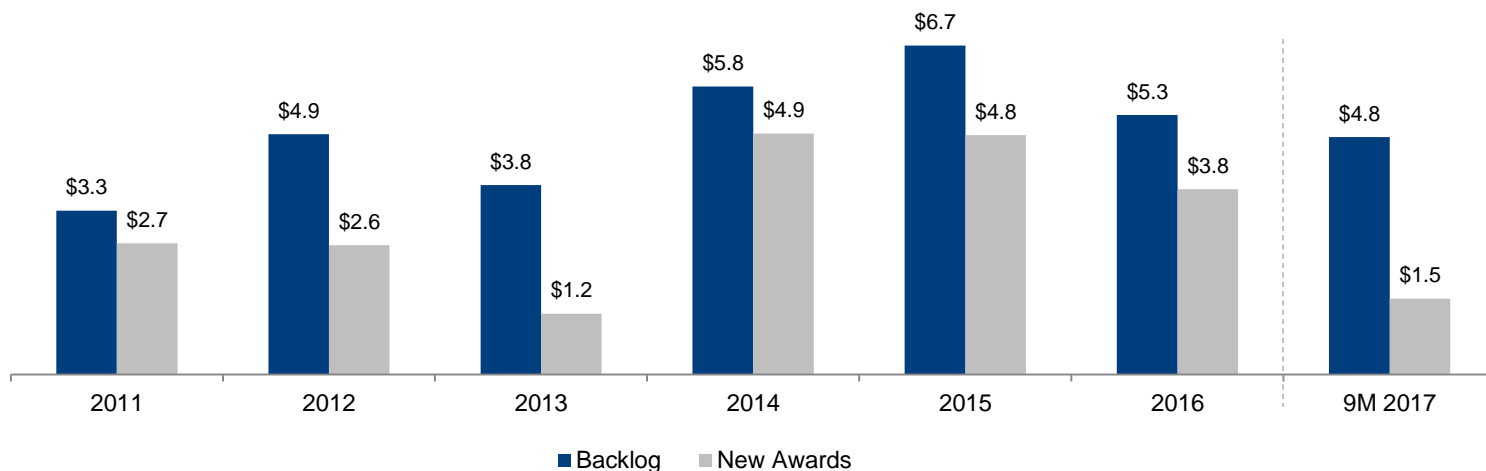


USD million	31 Dec 11	31 Dec 12	31 Dec 13	1 Jan 15	31 Dec 15	30 Jun 16	31 Dec 16	30 Jun 17	30 Sep 2017
Net debt (cash)	141	368	387	97	(136)	(299)	(204)	(202)	(211)
EBITDA	291	15	48	N/A	(302)	99 <sup>(1)</sup>	99	111 <sup>(2)</sup>	166 <sup>(3)</sup>
Total equity	1,111	431	875	804	561	539	302	382	418
ND/equity	0.13	0.85	0.44	0.12	(0.24)	(0.55)	(0.67)	(0.53)	(0.51)

# Consolidated Backlog Level

Current backlog size and quality fully 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  
US backlog complements MENA operations and provides additional value

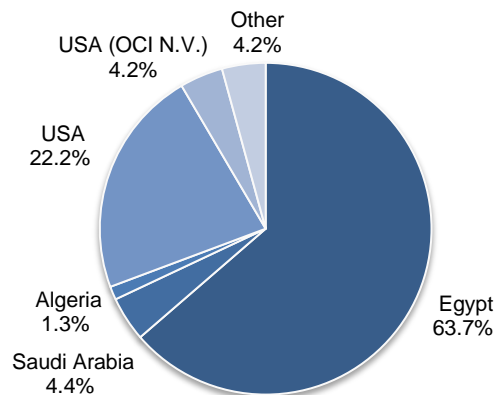
Backlog excluding BESIX stood at USD 4.8 billion as of 30 September 2017



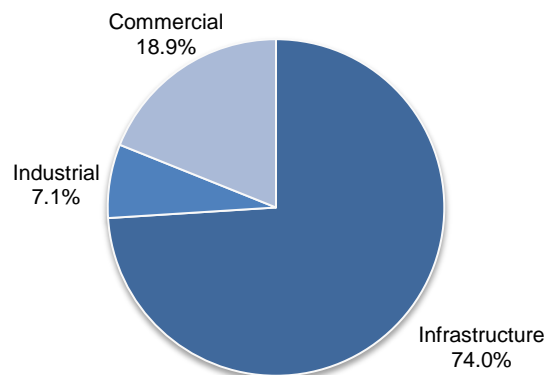
- Pro forma backlog including the Group's 50% share in BESIX of USD 6.7 billion as of 30 September 2017 and consolidated backlog of USD 4.8 billion
- Consolidated backlog of USD 4.8 billion marks an increase over the backlog level of USD 4.7 billion as of 30 June 2017
- Pick-up in new awards during the third quarter in MENA and USA compared to H1 2017; the Group signed USD 788.7 million in Q3 2017 compared to USD 747.3 million in H1 2017
- 9M 2017 new awards in Egypt include projects in water desalination, wastewater treatment, power, roads, the Opera House in the new administrative capital, and work in New Alamein City; total in Egypt YTD amounts to USD 1.0 billion
- Weitz and Contrack Watts signed USD 500 million in 9M 2017, across the private commercial and federal infrastructure sectors

# Backlog Diversification

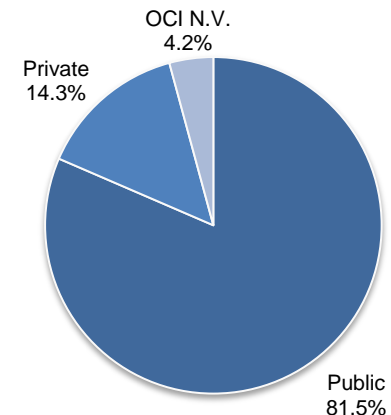
Backlog by Geography



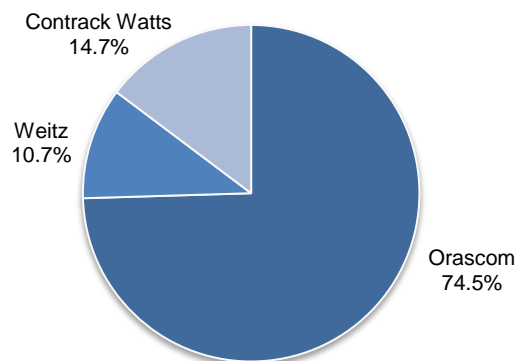
Backlog by Sector



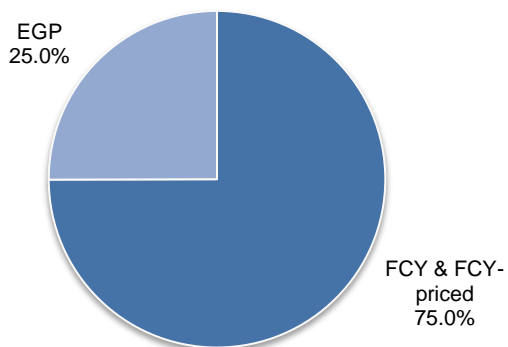
Backlog by Client



Backlog by Brand



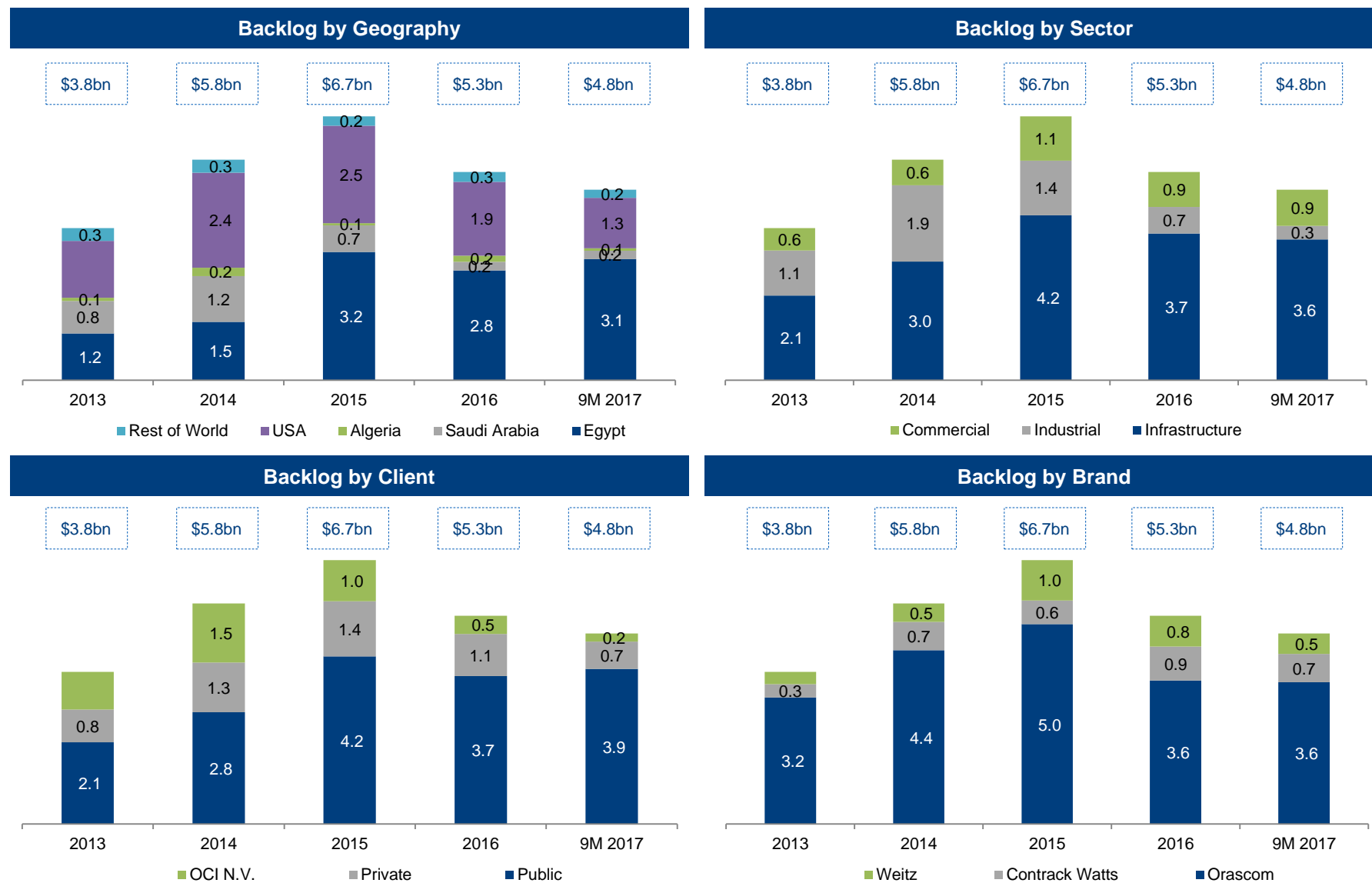
Backlog by Currency



Currency Exposure

- 75% of the Group's total backlog is in FCY or priced in FCY
  - c.39% of backlog in Egypt is in EGP
  - 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

# Backlog Evolution

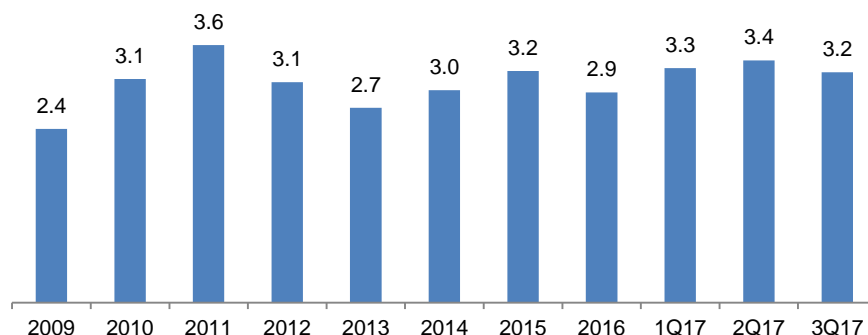


# Pro Forma Snapshot Including BESIX

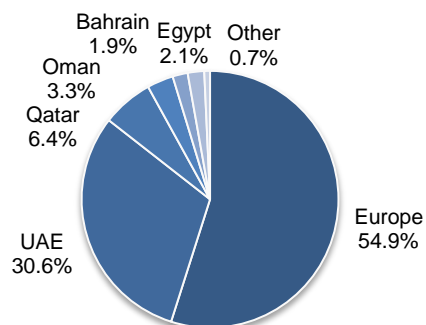


- BESIX continues to demonstrate resilient performance and a healthy backlog
- Standalone backlog of EUR 3.2 billion and new awards of EUR 1.8 billion in 9M 2017
- Standalone net cash position of EUR 66 million as of 30 September 2017
- BESIX book value of USD 384.6 million in Orascom's non current assets on the balance sheet

**Standalone Backlog Evolution (EUR billion)**

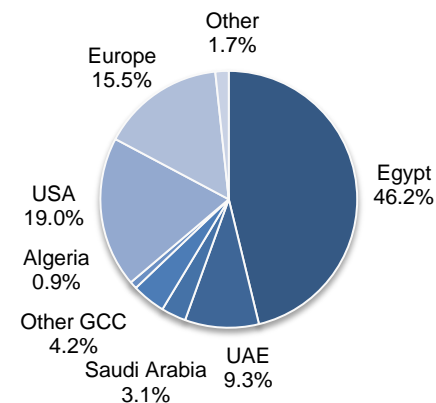


**Standalone Backlog by Geography**



USD million	OC	50% of BESIX	Pro Forma
Revenue	2,818.3	916.5	3,734.8
EBITDA	165.6	47.5	213.1
Net Income <sup>(1)</sup>	33.5	40.6	74.1
Net Debt (Cash)	(211.4)	(39.1)	(250.5)
Backlog	4,807.2	1,897.8	6,705.0
New Awards	1,536.0	973.9	2,509.9




**Pro Forma Backlog – 50% of BESIX**



# Complementary Construction Materials and Property Management Portfolio

## Subsidiaries currently benefitting from increased construction and industrial activity

### Operational synergies with Orascom and BESIX

 <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 100%</li> <li>▪ <b>9M 2017 revenue:</b> USD 40 million</li> <li>▪ Founded in 1995, manufactures and supplies fabricated steel products in Egypt and North Africa</li> <li>▪ Operates four facilities plants in Egypt and Algeria, two of which are the largest in MENA</li> <li>▪ Total capacity of 120k per year</li> <li>▪ Increased demand from power and industrial projects including OC's recent large power plant projects</li> </ul>	 <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 100%</li> <li>▪ <b>9M 2017 revenue:</b> USD 11 million</li> <li>▪ Established in 2000, manufactures and installs glass, aluminum and architectural metal works</li> <li>▪ Provides services in projects across its core markets, often in conjunction with Orascom Construction and BESIX</li> <li>▪ Operates facility in Egypt with a capacity of 250k sqm, supplying primarily Egypt and North Africa</li> </ul>	 <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 100%</li> <li>▪ <b>9M 2017 revenue:</b> USD 9 million</li> <li>▪ Founded in 2004 and currently Egypt's premier facility and property management services provider</li> <li>▪ Hard and soft facility management in commercial, hospitality and healthcare</li> <li>▪ Clients include Nile City Towers, Smart Village, Fairmont Nile City and Capital Business Park</li> </ul>	 <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 60.5%</li> <li>▪ <b>9M 2017 revenue:</b> USD 9 million</li> <li>▪ Established in 1998</li> <li>▪ Owner and developer of an 8.8 million square meter industrial park located in Ain Sokhna, Egypt</li> <li>▪ Provides utility services for light, medium and heavy industrial users in Ain Sokhna, Egypt</li> <li>▪ Almost a quarter of the land is still vacant</li> </ul>
 <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 56.5%</li> <li>▪ <b>9M 2017 revenue:</b> USD 52 million</li> <li>▪ Holds 50% stakes in BASF Construction Chemicals Egypt, Egyptian Gypsum Company and A-Build Egypt</li> <li>▪ A group of companies that manufacture diversified building materials, construction chemicals and specializing contracting services</li> <li>▪ Subs operate from 4 plants in Egypt and Algeria, supplying products primarily in Egypt and North Africa</li> </ul>	<b>United Paints &amp; Chemicals</b> <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 56.5%</li> <li>▪ <b>9M 2017 revenue:</b> USD 4 million</li> <li>▪ Established in 1997, UPC owns DryMix, Egypt's largest manufacturer of cement-based ready mixed mortars in powdered form used by the construction industry</li> <li>▪ Capable of producing 240k metric tons of product and</li> <li>▪ Supplies products to clients in Egypt and North Africa</li> </ul>	<b>National Pipe Company</b> <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 40%</li> <li>▪ <b>9M 2017 revenue:</b> USD 3 million</li> <li>▪ Manufactures precast/pre-stressed concrete cylinder pipes and pre-stressed concrete primarily</li> <li>▪ The two plants located in Egypt supply Egypt and North Africa</li> <li>▪ Annual production capacity of 86 km of concrete piping</li> </ul>	 <ul style="list-style-type: none"> <li>▪ <b>Ownership:</b> 14.7%</li> <li>▪ <b>9M 2017 revenue:</b> USD 39 million</li> <li>▪ Manufactures up to 70k kilolitres of decorative paints and industrial coatings primarily for the construction industry</li> <li>▪ Founded in 1981 and operates two plants in Egypt,</li> <li>▪ Supplies products to clients in Egypt and North Africa</li> </ul>

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## Financial Statements

# Income Statement

USD million	9M 2017	9M 2016	Q3 2017	Q3 2016
Revenue	2,818.3	2,959.1	805.4	962.1
Cost of sales	(2,569.5)	(2,740.8)	(724.0)	(896.3)
<b>Gross profit</b>	<b>248.8</b>	<b>218.3</b>	<b>81.4</b>	<b>65.8</b>
<i>Margin</i>	<i>8.8%</i>	<i>7.4%</i>	<i>10.1%</i>	<i>6.8%</i>
Other income	5.7	5.2	1.8	0.9
SG&A expenses	(117.3)	(126.4)	(37.0)	(40.8)
<b>Results from operating activities</b>	<b>137.2</b>	<b>97.1</b>	<b>46.2</b>	<b>25.9</b>
<b>EBITDA</b>	<b>165.6</b>	<b>139.3</b>	<b>54.5</b>	<b>40.2</b>
<i>Margin</i>	<i>5.9%</i>	<i>4.7%</i>	<i>6.8%</i>	<i>4.2%</i>
<b>Financing income &amp; expenses</b>				
Finance income	25.7	34.9	4.1	4.2
Finance cost	(49.7)	(43.5)	(22.2)	(0.1)
<b>Net finance cost</b>	<b>(24.0)</b>	<b>(8.6)</b>	<b>(18.1)</b>	<b>4.1</b>
Income from associates (net of tax)	41.0	30.7	17.2	16.6
<b>Profit before income tax</b>	<b>154.2</b>	<b>119.2</b>	<b>45.3</b>	<b>46.6</b>
Income tax	(71.9)	(41.5)	(21.8)	(17.4)
<b>Net profit</b>	<b>82.3</b>	<b>77.7</b>	<b>23.5</b>	<b>29.2</b>
<b>Profit attributable to:</b>				
Owners of the company	74.1	75.4	22.4	26.0
Non-controlling interests	8.2	2.3	1.1	3.2
<b>Net profit</b>	<b>82.3</b>	<b>77.7</b>	<b>23.5</b>	<b>29.2</b>

## Results Commentary

### Revenue:

- MENA accounted for 57% of total revenue in 9M 2017 while USA comprised the balance

### EBITDA

- Consolidated EBITDA increased 18.9% and 35.6% y-o-y in 9M and Q3 2017, respectively
- Improvement in EBITDA margin in both 9M and Q3 2017 compared to the previous year
- MENA EBITDA margin increased to 10.6% in 9M 2017 from 9.8% in 9M 2016, and to 16.4% in Q3 2017 from 11.7% in Q3 2016

### Income from associates:

- BESIX contribution rose to USD 16.6 million in Q3 2017 from USD 15.5 million in Q3 2016, and USD 40.6 million in 9M 2017 from USD 25.0 million in 9M 2016

### Net income

- Net income margin improved to 2.6% in 9M 2017 from 2.5% in 9M 2016, and to 2.8% in 9M 2017 from 2.7% in 9M 2016

# Balance Sheet

USD million	30 Sep 2017	31 Dec 2016	Results Commentary
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>Non-current assets</b>
Property, plant and equipment	152.2	158.4	▪ PPE of USD 152.2 million, with capex of USD 24.6 million in 9M 2017
Goodwill	13.8	13.8	▪ Goodwill relates primarily to the acquisition of Weitz
Trade and other receivables	18.2	16.2	▪ Investment in associates includes BESIX at an equity value of USD 384.6 million
Investment in associates and joint ventures	407.3	371.4	▪ Deferred tax asset includes carry forward losses in USA which the Group expects to realize via future profits in 2017-2019; the decrease took place as USD 20 million was realized in H1 2017 in USA
Deferred tax assets	61.5	81.6	
<b>Total non-current assets</b>	<b>653.0</b>	<b>641.4</b>	
<b>Current assets</b>			<b>Current assets:</b>
Inventories	193.4	167.4	▪ Trade and other receivables in September 2017 include USD 609.7 million in accounts receivables, USD 241.0 million in retentions and USD 140.5 million in supplier advance payments
Trade and other receivables	1,173.8	1,076.3	▪ 68% of accounts receivables as of 30 September are not yet due
Contracts work in progress	463.4	449.2	
Current income tax receivables	0.6	0.6	
Cash and cash equivalents	444.8	506.9	
<b>Total current assets</b>	<b>2,276.0</b>	<b>2,200.4</b>	
<b>TOTAL ASSETS</b>	<b>2,929.0</b>	<b>2,841.8</b>	

# Balance Sheet

USD million	30 Sep 2017	31 Dec 2016	Results Commentary
<b>EQUITY</b>			<b>Equity</b>
Share capital	116.8	117.8	<ul style="list-style-type: none"> <li>The decrease in share capital and share premium is due to the cancellation of 1 million treasury shares as part of EGX share buyback</li> </ul>
Share premium	761.5	768.8	
Reserves	(304.7)	(348.4)	<ul style="list-style-type: none"> <li>The movement in reserves is primarily due to currency translation differences related to BESIX equity investment</li> </ul>
Retained earnings	(207.2)	(281.3)	
<b>Equity to owners of the Company</b>	<b>366.4</b>	<b>256.9</b>	
Non-controlling interest	51.4	45.5	
<b>TOTAL EQUITY</b>	<b>417.8</b>	<b>302.4</b>	
<b>LIABILITIES</b>			<b>Liabilities:</b>
<b>Non-current liabilities</b>			<ul style="list-style-type: none"> <li>Total debt down 22.9% compared to 31 Dec 2016</li> <li>Trade and other payables includes USD 475.9 million in accounts payable, USD 297.5 million in accrued expenses and USD 158.8 million in retentions payable to subcontractors</li> </ul>
Loans and borrowings	19.4	59.6	
Trade and other payables	13.2	10.4	
Deferred tax liabilities	5.6	6.7	
<b>Total non-current liabilities</b>	<b>38.2</b>	<b>76.7</b>	
<b>Current liabilities</b>			
Loans and borrowings	214.0	243.2	
Trade and other payables	1,015.6	1,017.5	
Advance payments	535.6	382.3	
Billing in excess of construction contracts	579.0	660.8	
Provisions	73.3	116.2	
Current income tax payable	55.5	42.7	
<b>Total current liabilities</b>	<b>2,473.0</b>	<b>2,462.7</b>	
<b>Total liabilities</b>	<b>2,511.2</b>	<b>2,539.4</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,929.0</b>	<b>2,841.8</b>	

# Cash Flow Statement

USD million	30 Sep 2017	30 Sep 2016	Results Commentary
<b>Net profit</b>	<b>82.3</b>	<b>77.7</b>	<b>Cash flow from operating activities:</b>
<b>Adjustments for:</b>			<ul style="list-style-type: none"> <li>Operating cash flow of USD 11.7 million in 9M 2017 partly as a result of changes in working capital items</li> <li>Interest paid in 9M 2017 decreased 35.0% y-o-y to USD 12.8 million</li> <li>BESIX resumed annual dividend in June 2017, distributing EUR 25 million for Orascom's 50% share</li> </ul>
Depreciation	28.4	42.2	
Interest income (including gains on derivatives)	(13.9)	(23.1)	
Interest expense (including losses on derivatives)	12.8	30.0	
Foreign exchange gain / (loss) and others	25.1	1.7	
Share in income of equity accounted investees	(41.0)	(30.7)	
Loss (gain) on sale of PPE	(0.5)	(0.9)	
Income tax expense	71.9	41.5	
<b>Change in:</b>			
Inventories	(26.0)	(31.1)	
Trade and other receivables	(134.3)	(189.2)	
Contract work in progress	(14.2)	(332.2)	
Trade and other payables	9.6	(52.8)	
Advanced payments construction contracts	153.3	193.8	
Billing in excess on construction contracts	(81.8)	633.0	
Provisions	(42.9)	(90.3)	
<b>Cash flows:</b>			
Interest paid	(12.8)	(19.7)	
Interest received	13.6	23.1	
Dividends from equity accounted investees	28.2	-	
Income taxes paid	(40.1)	(49.9)	
<b>Cash flow from / (used in) operating activities</b>	<b>17.7</b>	<b>223.1</b>	

# Cash Flow Statement

USD million	30 Sep 2017	30 Sep 2016	Results Commentary
Investment in PPE	(24.6)	(78.1)	<b>Cash flow used investing activities:</b> <ul style="list-style-type: none"> <li>Total investments in PPE in 9M 2017 decreased 68.5% compared to the previous year</li> <li>Total additions purchased in 9M 2017 amounted to USD 24.6 million</li> </ul>
Proceeds from sale of PPE	7.9	4.6	
<b>Cash flow from / (used in) investing activities</b>	<b>(16.7)</b>	<b>(73.5)</b>	
Proceeds from borrowings	126.0	125.5	<b>Cash flow used financing activities:</b> <ul style="list-style-type: none"> <li>Financing cash outflow lower in 9M 2017 compared to the previous year as repayments of borrowings decreased 30.8%</li> </ul>
Repayments of borrowings	(195.4)	(282.4)	
Other long term liabilities	2.8	(3.6)	
Dividends paid to non-controlling interest	(2.7)	(1.9)	
<b>Net cash from (used in) financing activities</b>	<b>(69.3)</b>	<b>(162.4)</b>	
<b>Net increase (decrease) in cash</b>	<b>(68.3)</b>	<b>(12.8)</b>	
Cash and cash equivalents at 1 January	506.9	574.9	
Currency translation adjustments	6.2	(43.2)	
<b>Cash and cash equivalents at 30 September</b>	<b>444.8</b>	<b>518.9</b>	

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