



Grand Egyptian Museum – OC/BESIX JV

Q1 2018 Results Presentation

22 May 2018



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Financial Highlights

- **Net income attributable to shareholders increased 13.9% y-o-y to USD 31.9 million in Q1 2018**
- **Consolidated EBITDA increased 5.6% y-o-y to USD 60.3 million in Q1 2018 and pro forma EBITDA including 50% share in BESIX increased 10.4% y-o-y to USD 73.5 million**
- **Net cash position of USD 127.9 million as of 31 March 2018**

- **Consolidated backlog of USD 4.3 billion as of 31 March 2018**
 - *Consolidated new awards of USD 332.9 million in Q1 2018*
 - *Backlog size and quality remains at a healthy level that provides sufficient visibility on future revenue and profit*

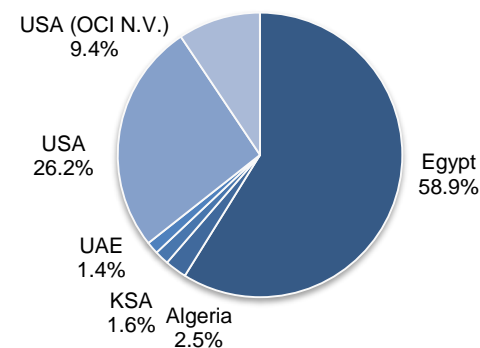
- **BESIX standalone backlog of EUR 3.4 billion as of 31 March 2018 and new awards of EUR 969.4 million in Q1 2018**
 - *Pro forma backlog including the Group's 50% share in BESIX of USD 6.4 billion as of 31 March 2018 and pro forma new awards of USD 926.6 million in Q1 2018*
 - *Net income contribution from BESIX of USD 7.2 million in Q1 2018*

- **Shareholders approved a dividend distribution at the Annual General Meeting on 21 May 2018**
 - *Total value of USD 30 million (USD 0.26 per share)*

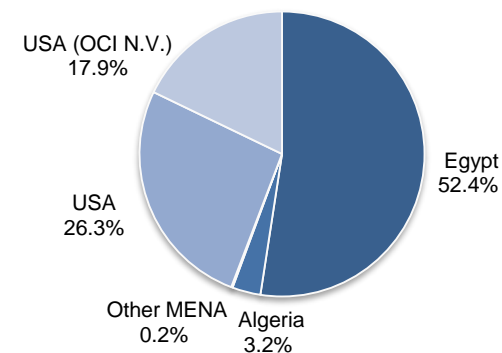
Summary Income Statement

USD Million			
	Q1 2018	Q1 2017	Change
Revenue	756.8	1,065.7	(29.0)%
MENA	487.4	594.8	(18.1)%
USA	269.4	470.9	(42.8)%
EBITDA	60.3	57.1	5.6%
MENA	58.6	36.6	60.1%
USA	1.7	20.5	(91.7)%
EBITDA margin	8.0%	5.4%	
MENA margin	12.0%	6.2%	
USA margin	0.6%	4.4%	
Net income attributable to shareholders	31.9	28.0	13.9%
MENA	25.1	12.9	94.6%
USA	(0.4)	4.6	(108.7)%
BESIX	7.2	10.5	(31.4)%
Net income margin	4.2%	2.6%	
MENA margin	5.1%	2.2%	
USA margin	(0.1)%	1.0%	

Revenue by Geography – Q1 2018



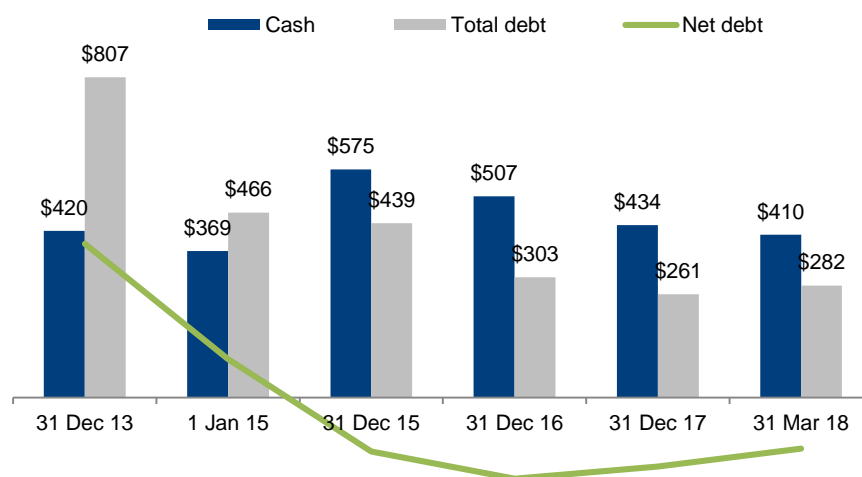
Revenue by Geography – Q1 2017



Net Cash Position as of 31 March 2018

Net cash position of USD 127.9 million as of 31 March 2018

Evolution of Net Debt



Debt and Equity Summary

USD M	31 Dec 13	1 Jan 15	31 Dec 15	31 Dec 16	31 Dec 17	31 Mar 18
Cash	420	369	575	507	434	410
Total debt	807	466	439	303	261	282
Net debt	387	97	(136)	(204)	(174)	(128)
Total equity	875	804	561	302	403	430
ND/equity	0.44	0.12	(0.24)	(0.67)	(0.43)	(0.3)
EBITDA	48	N/A	(302)	99	213	60 ⁽¹⁾

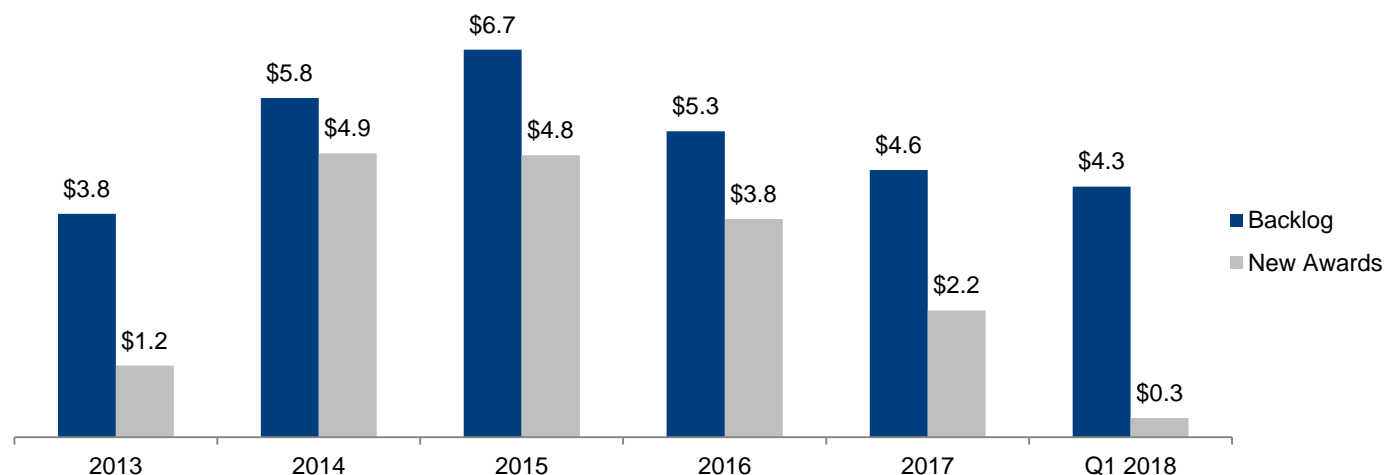
Note on the Group's total equity:

- Fair market valuations for the Group's land and buildings in Egypt were performed in H2 2017
- As of 31 December 2017, the fair market value exceeds the book value of the land and the buildings for a total amount of USD 101.6 million
- If the Group would change the accounting principles for land and buildings to fair value, total equity as of 31 December 2017 would increase by USD 78.7 million and the deferred tax liability by USD 22.9 million

Consolidated Backlog Level

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
US backlog complements MENA operations and provides additional value

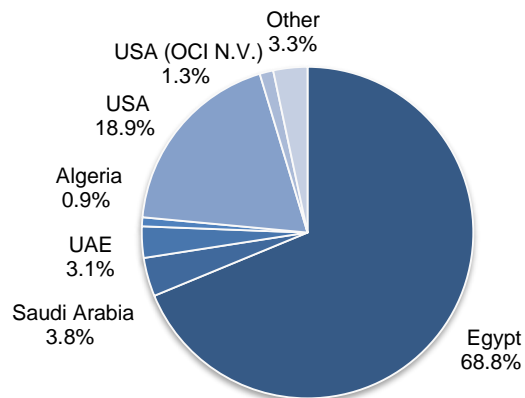
Backlog excluding BESIX stood at USD 4.3 billion as of 31 March 2018



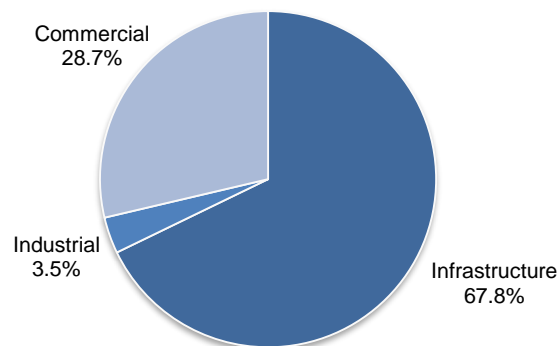
- Consolidated backlog of USD 4.3 billion as of 31 March 2018
- Q1 2018 new awards of USD 332.9 million in Egypt, UAE and USA:
 - Expansion of Fujairah International Airport, UAE for USD 180 million, of which OC's share is USD 108 million
 - Infrastructure and commercial work in Egypt
 - Commercial and light industrial projects in USA
- The Group is currently pursuing an active bidding pipeline in MENA and USA

Backlog Diversification

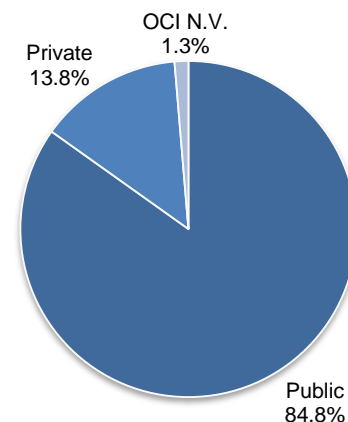
Backlog by Geography



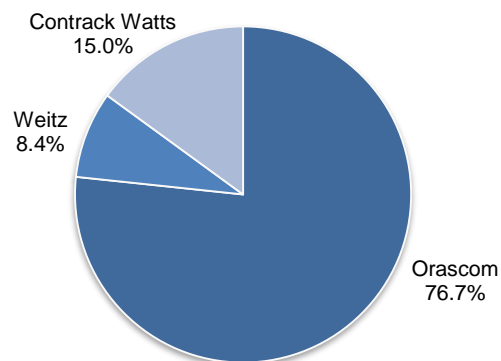
Backlog by Sector



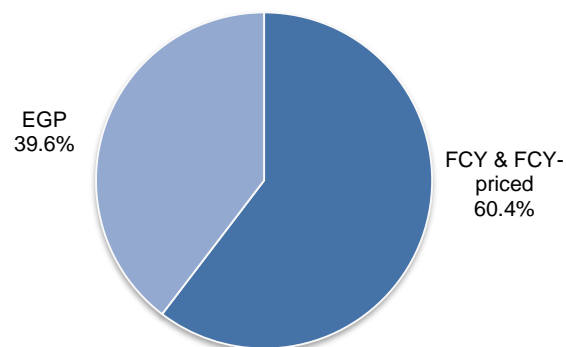
Backlog by Client



Backlog by Brand



Backlog by Currency



Currency Exposure

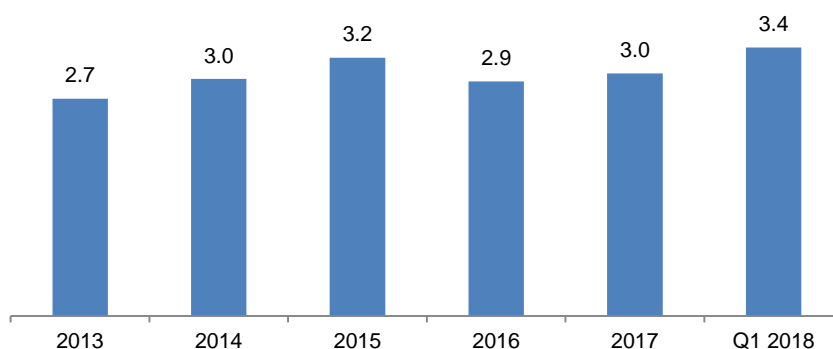
- 60% of the Group's total backlog is in FCY or priced in FCY
 - c.58% of backlog in Egypt is in EGP
 - FCY and FCY-priced backlog outweigh FCY costs in Egypt
- The Group incorporates cost escalation clauses in most EGP contracts to protect against potential cost inflationary pressures

Pro Forma Snapshot Including BESIX

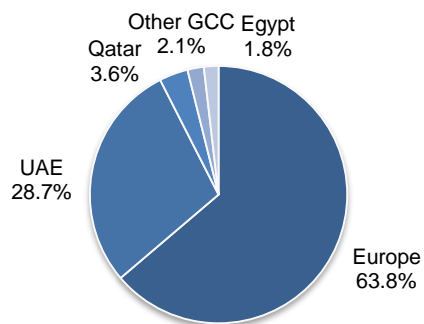


- Standalone backlog of EUR 3.4 billion and new awards of EUR 969.4 million in Q1 2018
- Q1 2018 new awards include the largest waste-to-energy plant in UAE, a SWRO plant in Jebel Ali Power Station, UAE and the A16 motorway in The Netherlands
- Standalone net cash position of EUR 50 million as of 31 March 2018
- BESIX book value of USD 403.2 million in Orascom's non current assets on the balance sheet

Standalone Backlog Evolution (EUR billion)

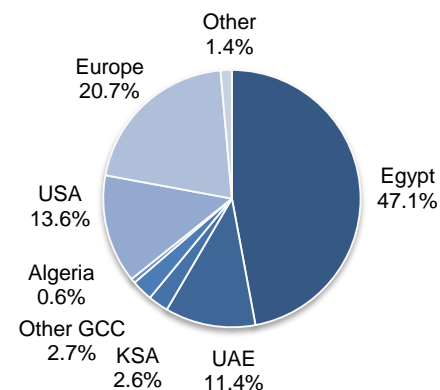


Standalone Backlog by Geography



USD million	OC	50% of BESIX	Pro Forma
Revenue	756.8	353.5	1,110.3
EBITDA	60.3	13.2	73.5
Net Income ⁽¹⁾	24.7	7.2	31.9
Net Debt (Cash)	(127.9)	(31.0)	(158.9)
Backlog	4,309.1	2,067.7	6,376.7
New Awards	332.9	593.8	926.6

Pro Forma Backlog – 50% of BESIX



Construction Materials and Investments

Investments are benefitting from increased construction and industrial activity as well as operational synergies

Company	Ownership	Q1 2018 Revenue	Description
 NSF National Steel Fabrication	100%	USD 18 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 4 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 22 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 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 4 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 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 4 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 Suez Industrial Development Company	60.5%	USD 6 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 3 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
250MW BOO Wind Farm	20%	Under construction	<ul style="list-style-type: none"> 250 MW build-own-operate wind farm; the consortium will operate and maintain the wind farm under a 20-year Power Purchase Agreement Currently under construction (by OC) with operation expected in January 2020

Financial Statements

Income Statement

USD million	Q1 2018	Q1 2017	Results Commentary
Revenue	756.8	1,065.7	Revenue:
Cost of sales	(666.8)	(979.4)	
Gross profit	90.0	86.3	<ul style="list-style-type: none"> MENA accounted for 64% of total revenue in Q1 2018 while USA comprised the balance
<i>Margin</i>	11.9%	8.1%	
Other income	4.1	1.7	EBITDA
SG&A expenses	(43.1)	(40.2)	
Operating profit	51.0	47.8	<ul style="list-style-type: none"> Consolidated EBITDA increased 5.6% y-o-y to USD 60.3 million in Q1 2018 EBITDA margin of 8.0%, led by the MENA region MENA EBITDA increased 60.1% y-o-y to USD 58.6 million in Q1 2018; EBITDA margin of 12.0%
EBITDA	60.3	57.1	
<i>Margin</i>	8.0%	5.4%	Income from associates:
Financing income & expenses			
Finance income	5.6	9.6	<ul style="list-style-type: none"> BESIX contributed USD 7.2 million in Q1 2018
Finance cost	(15.2)	(9.9)	
Net finance cost	(9.6)	(0.3)	Net income
Income from associates (net of tax)	7.4	9.0	
Profit before income tax	48.8	56.5	<ul style="list-style-type: none"> Net income attributable to shareholders increased 13.9% to USD 31.9 million in Q1 2018 Net income margin of 4.2% in Q1 2018
Income tax	(13.8)	(25.0)	
Net profit	35.0	31.5	
Profit attributable to:			
Owners of the company	31.9	28.0	
Non-controlling interests	3.1	3.5	
Net profit	35.0	31.5	

Balance Sheet

USD million	31 Mar 2018	31 Dec 2017	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	164.0	155.4	▪ PPE of USD 164.0 million, with capex of USD 17.3 million in Q1 2018
Goodwill	13.8	13.8	▪ Investment in associates includes BESIX at an equity value of USD 403.2 million
Trade and other receivables	16.0	15.8	
Equity accounted investees	427.1	421.8	Current assets:
Deferred tax assets	35.1	34.5	▪ Trade and other receivables in March 2018 include USD 585.4 million in accounts receivables, USD 181.5 million in retentions and USD 152.1 million in supplier advance payments
Total non-current assets	656.0	641.3	▪ The majority of current accounts receivables as of 31 March are not yet due
Current assets			
Inventories	243.3	232.2	
Trade and other receivables	1,149.1	1,146.7	
Contracts work in progress	540.3	488.8	
Current income tax receivables	0.8	3.2	
Cash and cash equivalents	410.1	434.2	
Total current assets	2,343.6	2,305.1	
TOTAL ASSETS	2,999.6	2,946.4	

Balance Sheet

USD million	31 Mar 2018	31 Dec 2017	Results Commentary
EQUITY			Liabilities:
Share capital	116.8	116.8	<ul style="list-style-type: none"> Trade and other payables includes USD 489.9 million in accounts payable, USD 313.3 million in accrued expenses and USD 130.9 million in retentions payable to subcontractors
Share premium	761.5	761.5	
Reserves	(314.4)	(318.8)	
Retained earnings	(181.9)	(201.6)	
Equity to owners of the Company	382.0	357.9	
Non-controlling interest	47.5	44.6	
TOTAL EQUITY	429.5	402.5	
LIABILITIES			
Non-current liabilities			
Loans and borrowings	4.2	11.3	
Trade and other payables	42.0	44.9	
Deferred tax liabilities	4.9	4.9	
Total non-current liabilities	51.1	61.1	
Current liabilities			
Loans and borrowings	278.0	249.4	
Trade and other payables	1,014.1	1,076.5	
Advance payments	553.6	484.7	
Billing in excess of construction contracts	525.4	529.7	
Provisions	59.7	62.3	
Current income tax payable	88.2	80.2	
Total current liabilities	2,519.0	2,482.8	
Total liabilities	2,570.1	2,543.9	
TOTAL EQUITY AND LIABILITIES	2,999.6	2,946.4	

Cash Flow Statement

USD million	31 Mar 2018	31 Mar 2017	Results Commentary
Net profit	35.0	31.5	Cash flow used in operating activities:
Adjustments for:			<ul style="list-style-type: none"> Operating cash outflow of USD 23.5 million in Q1 2018 as a result of changes in working capital items
Depreciation	9.3	9.3	
Interest income (including gains on derivatives)	(4.2)	(5.7)	
Interest expense (including losses on derivatives)	4.5	5.5	
Foreign exchange gain / (loss) and others	9.3	0.5	
Share in income of equity accounted investees	(7.4)	(10.0)	
Loss (gain) on sale of PPE	(0.2)	(0.4)	
Income tax expense	13.8	25.0	
Change in:			
Inventories	(11.1)	(15.1)	
Trade and other receivables	0.5	29.8	
Contract work in progress	(51.5)	(60.7)	
Trade and other payables	(79.6)	(11.2)	
Advanced payments construction contracts	68.9	32.9	
Billing in excess on construction contracts	(4.3)	(5.3)	
Provisions	(2.6)	(36.1)	
Cash flows:			
Interest paid	(4.1)	(4.4)	
Interest received	4.2	5.7	
Dividends from equity accounted investees	-	1.0	
Income taxes paid	(4.0)	(6.4)	
Cash flow from / (used in) operating activities	(23.5)	(14.1)	

Cash Flow Statement

USD million	31 Mar 2018	31 Mar 2017	Results Commentary
Investment in PPE	(17.3)	(8.0)	Cash flow used in investing activities: <ul style="list-style-type: none"> Total cash used in investing activities amounted to USD 16.8 in Q1 2018 Investments in PPE in Q1 2018 of USD 17.3 million in Q1 2018
Proceeds from sale of PPE	0.5	1.1	
Cash flow from / (used in) investing activities	(16.8)	(6.9)	
Proceeds from borrowings	46.4	32.2	
Repayments of borrowings	(24.9)	(39.9)	
Other long term liabilities	(6.6)	1.0	
Dividends paid to non-controlling interest	(0.5)	-	
Net cash from (used in) financing activities	14.4	(6.7)	
Net increase (decrease) in cash	(25.9)	(27.7)	
Cash and cash equivalents at 1 January	434.2	506.9	
Currency translation adjustments	1.8	2.7	
Cash and cash equivalents at 31 March	410.1	481.9	

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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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