

# RESULTS ANNOUNCEMENT

## Q1 2020

### ORASCOM CONSTRUCTION REPORTS BACKLOG OF USD 5.4 BILLION AND NET INCOME OF USD 25.0 MILLION IN Q1 2020

#### HIGHLIGHTS

- Revenue increased 17.3% y-o-y to USD 827.6 million and EBITDA decreased 8.8% y-o-y to USD 64.1 million in Q1 2020
- Net income attributable to shareholders of USD 25.0 million in Q1 2020
- Net cash position of USD 114.3 million as of 31 March 2020
- Consolidated backlog grew 24.1% y-o-y to USD 5.4 billion and pro forma backlog including 50% share in BESIX increased 13.3% y-o-y to USD 7.9 billion as of 31 March 2020
- Consolidated new awards increased 24.7% y-o-y to USD 599.2 million and pro forma new awards including 50% share in BESIX increased 10.5% y-o-y to USD 946.9 million in Q1 2020
- BESIX reported a standalone backlog of EUR 4.6 billion and new awards of EUR 634.5 million in Q1 2020
- Shareholders approved a dividend distribution of USD 0.21 per share at the AGM

#### STATEMENT FROM THE CEO

Our Q1 2020 results build on the operational and financial health of the Group displayed in FY 2019 and strengthen our position as we face a more challenging environment impacted by COVID-19. Our resilient backlog and net cash levels are also two key items that provide us with additional support during this period. New awards stood at USD 599.2 million in Q1 2020, maintaining a backlog level of USD 5.4 billion reached in Q4 2019. Our net cash position is also maintained at USD 114.3 million as of 31 March 2020.

We have further reinforced our focus on important elements of our business such as project execution and controls, cash preservation and collection, and cost optimization. In addition, our past repeated experiences of managing and succeeding during uncertainty has helped prepare us to address the current environment. We continue to be vigilant, and are confident in the long-term fundamentals of our markets and the importance of current and future projects to infrastructure, industrial and commercial development.

In addition, BESIX reported a robust backlog of EUR 4.6 billion as of 31 March 2020. BESIX elected to take in Q1 2020 provisions on certain projects early on, and is expected to achieve normalized performance for the balance of the year.

The safety and wellbeing of our people and communities has always been our top priority. We took a number of immediate steps in coordination with our clients and relevant authorities to ensure precautionary measures at our sites and offices in accordance with the highest standards.

We are also proud to play our role in contributing to national efforts that address COVID-19 relief, such as funding and arranging the repair of ventilators across 42 hospitals in Egypt and donating medical equipment. These initiatives are also mirrored in BESIX, which has directed resources ranging from donating critical supplies to local hospitals and laptops to children in need for online schooling, to 3D-printing essential parts of protective masks.

**OSAMA BISHAI**

---

Dubai, UAE / Cairo, Egypt / 21 May 2020

# RESULTS ANNOUNCEMENT

## Q1 2020

### COVID-19 IMPACT

A taskforce was immediately established to assess the impact of and create a proactive plan to tackle COVID-19. This task force continuously evaluates developments and adapts to them, with health and safety as the top priority. Impact related to COVID-19 was minimal in Q1 2020 and is expected to be reflected in Q2 2020 results.

#### Project execution and safety

The majority of the Group's projects are considered essential. All decisions regarding execution are made in close coordination with the Group's clients, and with the health and wellbeing of our employees, subcontractors and relevant stakeholders as the top priority.

While execution at some projects was briefly halted in Q2 2020 to disinfect the sites, equipment and accommodation, execution at nearly all projects is currently ongoing. Activity on sites follow strict health and safety guidelines including physical distancing, mandatory use of protective equipment and sanitizers, and the availability of medical centers. In addition, supply chains across the Group are closely monitored.

#### Cost optimization and liquidity

The Group continues its cost optimization efforts and remains focused on cash preservation and collection. In addition, the Group has a net cash position of USD 114.3 million as of 31 March 2020 and has access to sufficient, additional direct credit lines of over USD 500 million.

Furthermore, while the Group could have proposed a higher dividend for the 2019 financial year, the Board of Directors elected a more conservative approach and proposed in March 2020 a reduced dividend proposal.

#### Opportunities

The Group has a robust backlog of USD 5.4 billion as of 31 March 2020 and maintains its selective criteria for new projects across sectors in which the Group holds a competitive edge and for which there is credible funding. The Group has also repeatedly leveraged its expertise in project finance to help arrange competitive financing on behalf of the client.

The Board of Directors and management are confident in the fundamentals of the Group's target markets, the majority of which are characterized by young, large populations with a need for infrastructure, industrial and commercial development.

The Group's core competencies encompass all major segments of the construction industry including, but not limited to, transportation, water treatment, healthcare, logistics and data centers. Furthermore, the Group's strong project development track record positions it well to further expand its infrastructure investment and Operations and Maintenance (O&M) portfolio.

The majority of the Group's current and future projects are essential to the development of the target markets. As such, the Board of Directors and management are confident in the Group's ability to capitalize on these future opportunities.

---

# RESULTS ANNOUNCEMENT

## Q1 2020

### CONSOLIDATED BACKLOG

USD million	Q1 2020	Q1 2019	Change	FY 2019
<b>Equity consolidation</b>				
Backlog	5,394.0	4,346.8	24.1%	5,444.9
New awards	599.2	480.7	24.7%	3,550.3
<b>Pro forma inc. 50% of BESIX</b>				
Backlog	7,934.7	7,004.2	13.3%	8,132.5
New awards	946.9	857.2	10.5%	5,428.5

Consolidated backlog excluding BESIX increased 24.1% y-o-y to USD 5.4 billion as of 31 March 2020 and consolidated new awards increased 24.7% y-o-y to USD 599.2 million in Q1 2020.

Including the Group's 50% share in BESIX, pro forma backlog as of 31 March 2020 increased 13.3% y-o-y to USD 7.9 billion and pro forma new awards increased 10.5% y-o-y to USD 946.9 million in Q1 2020.

#### Middle East and Africa

The Group signed approximately USD 335 million of new awards in the Middle East during Q1 2020.

OC expanded its presence across a number of its existing core sectors such as infrastructure, wastewater treatment, railway, roads and data centers. During the quarter, the Group was awarded the modification, renewal, installation, and maintenance of the Banha-Port Said railway lines in Egypt stretching across 45km of trackwork and signaling. OC is also part of a consortium to build the first Independent Sewage Treatment Plant concession in Saudi Arabia.

#### USA

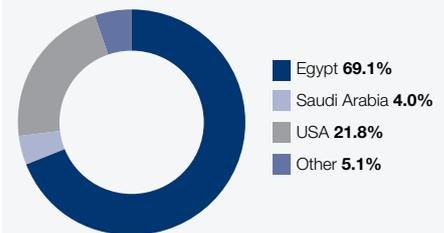
The U.S. subsidiaries signed USD 265 million of new awards in Q1 2020, reflecting an increase of 114% y-o-y. These new awards are comprised of projects in the commercial and light industrial sectors.

#### BESIX Group

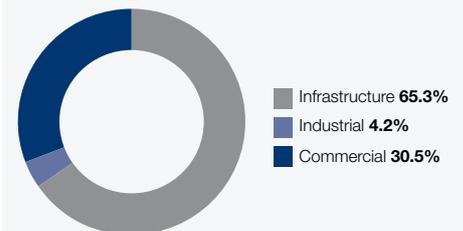
BESIX's standalone backlog was maintained at EUR 4.6 billion and new awards at EUR 634.5 million as of 31 March 2020, in-line with the level a year earlier.

### Backlog by Segment – Equity Consolidation

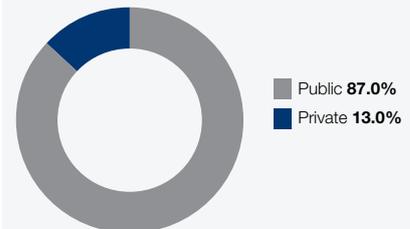
#### Backlog by geography



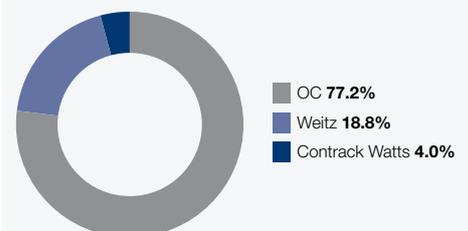
#### Backlog by sector



#### Backlog by client



#### Backlog by brand



# RESULTS ANNOUNCEMENT

## Q1 2020

### SUMMARY FINANCIAL RESULTS

#### Summary Income Statement

USD million	Q1 2020	Q1 2019	Change
<b>Revenue</b>	<b>827.6</b>	<b>705.6</b>	<b>17.3%</b>
MEA	552.9	537.4	2.9%
USA	274.7	168.2	63.3%
<b>EBITDA</b>	<b>64.1</b>	<b>70.3</b>	<b>(8.8)%</b>
MEA	60.4	67.9	(11.0)%
USA	3.7	2.4	54.2%
<b>EBITDA margin</b>	<b>7.7%</b>	<b>10.0%</b>	
MEA margin	10.9%	12.6%	
USA margin	1.3%	1.4%	
<b>Net income attributable to shareholders</b>	<b>25.0</b>	<b>30.2</b>	<b>(17.2)%</b>
MEA	32.2	22.6	42.5%
USA	4.2	0.1	4,100.0%
BESIX	(11.4)	7.5	(250.0)%
<b>Net income margin</b>	<b>3.0%</b>	<b>4.3%</b>	
MEA margin	5.8%	4.2%	
USA margin	1.5%	0.1%	

#### Net Debt (cash)

USD million	31 Mar 20	31 Dec 19	Change
Cash and cash equivalents	379.4	374.8	1.2%
Total debt	265.1	95.7	177.0%
Total equity	601.3	585.7	2.7%
Net debt (cash)	(114.3)	(279.1)	

Consolidated revenue increased 17.3% y-o-y to USD 827.6 million in Q1 2020. The MEA operations comprised 67% of total revenue while the U.S. operations accounted for the balance.

Consolidated EBITDA decreased 8.8% y-o-y to USD 64.1 million in Q1 2020. MEA EBITDA margin remained healthy at 10.9% while the U.S. operations reaffirmed the positive margins established in FY 2019 and recorded an improvement in EBITDA compared to Q1 2019.

Including the Group's 50% share in BESIX, pro forma EBITDA decreased 28.0% to USD 62.1 million in Q1 2020. Net income contribution from

BESIX decreased to negative USD 11.4 million in Q1 2020. BESIX was impacted by negative adjustments on some of its projects, mostly in the UAE, during Q1 2020. However, BESIX has a robust backlog of EUR 4.6 billion and a net cash position of EUR 50.2 million as of 31 March 2020, positioning the Group for the upcoming period.

Net income attributable to shareholders decreased 17.2% y-o-y to USD 25.0 million in Q1 2020. Excluding contribution from BESIX, net income stood at USD 36.4 million in Q1 2020.

The Group maintained its net cash position at USD 114.3 million as of 31 March 2020 compared to a net debt position of USD 78.6 million as of 31 March 2019 and a net cash position of USD 279.1 million as of 31 December 2019. Total debt grew q-o-q from a record low level at year-end 2019, but decreased 48.1% y-o-y to USD 265.1 million as of 31 March 2020. Total equity grew 2.7% q-o-q and 16.9% y-o-y to USD 601.3 million as of 31 March 2020.

#### Dividend distribution

Shareholders approved a dividend distribution of USD 0.21 per share at the Annual General Meeting held on 20 May.

Dubai, UAE / Cairo, Egypt / 21 May 2020

# RESULTS ANNOUNCEMENT

## Q1 2020

### ABOUT ORASCOM CONSTRUCTION PLC

Orascom Construction PLC is a leading global engineering and construction contractor primarily focused on infrastructure, industrial and high-end commercial projects in the Middle East, Africa and the United States. The Group has consistently ranked among the world's top contractors and is ranked number 42 on ENR's 2019 Top 250 International Contractors list. Orascom Construction PLC also develops and invests in infrastructure opportunities, owns 50% of BESIX Group, and holds a construction materials and facilities management portfolio. For more information, please visit [www.orascom.com](http://www.orascom.com)

### CONTACT INVESTOR RELATIONS

Hesham El Halaby

Director

[hesham.elhalaby@orascom.com](mailto:hesham.elhalaby@orascom.com)

[ir@orascom.com](mailto:ir@orascom.com)

+971 4 318 0900

NASDAQ Dubai: OC

EGX: ORAS

[orascom.com](http://orascom.com)

---

### IMPORTANT NOTICE AND DISCLAIMER

This document has been provided to you for information purposes only. This document does not constitute an offer of, or an invitation to invest or deal in, the securities of Orascom Construction PLC (the "Company"). The information set out in this document shall not form the basis of any contract and should not be relied upon in relation to any contract or commitment. The issue of this document shall not be taken as any form of commitment on the part of the Company to proceed with any negotiation or transaction.

Certain statements contained in this document constitute forward-looking statements relating to the Company, its business, markets, industry, financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities, plans and objectives of management and other matters. These statements are generally identified by words such as "believe", "expect", "plan", "seek", "continue", "anticipate", "intend", "estimate", "forecast", "project", "will", "may" "should" and similar expressions. These forward-looking statements are not guarantees of future performance. Rather, they are based on current plans, views, estimates, assumptions and projections and involve known and unknown risks, uncertainties and other factors, many of which are outside of the Company's control and are difficult to predict, that may cause actual results, performance or developments to differ materially from any future results, performance or developments expressed or implied from the forward-looking statements.

The Company does not make any representation or warranty as to the accuracy of the assumptions underlying any of the statements contained herein. The information contained herein is expressed as of the date hereof and may be subject to change. Neither the Company nor any of its controlling shareholders, directors or executive officers or anyone else has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

Backlog and new 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.

---