

# RESULTS ANNOUNCEMENT

## 9M 2022

### ORASCOM CONSTRUCTION REPORTS BACKLOG OF USD 5.7 BILLION AND NET INCOME OF USD 57.8 MILLION IN 9M 2022

#### HIGHLIGHTS

- Revenue increased 20.1% y-o-y to USD 3,052.7 million and consolidated EBITDA increased 2.7% y-o-y to USD 150.1 million in 9M 2022
- Net income attributable to shareholders of USD 23.9 million in Q3 2022 and USD 57.8 million in 9M 2022
- Net cash position of USD 113.1 million as of 30 September 2022 and positive operating cash flow of USD 61.1 million in Q3 2022
- Consolidated backlog of USD 5.7 billion and pro forma backlog including 50% share in BESIX of USD 8.4 billion as of 30 September 2022<sup>1</sup>
- Consolidated new awards of USD 3.1 billion and pro forma new awards including 50% share in BESIX of USD 4.5 billion in 9M 2022
- BESIX reports a standalone backlog of EUR 5.5 billion and new awards of EUR 2.9 billion in 9M 2022

#### STATEMENT FROM THE CEO

We remain focused on executing our strategy as we navigate through the continued challenging global environment.

At the forefront of this are our efforts across health, safety and ESG. We continue to extend our health and safety records across more of our sites as new projects added more manhours without Lost Time Injury.

We also have several updates on our projects that not only provide us with long-term recurring income but also play an active role in sustainable infrastructure and industrial development.

We recently expanded our wind energy investment platform in Egypt, as we broke ground on a new 500 MW Build-Own-Operate (BOO) wind farm on October 31 and signed preliminary agreements on November 8 to develop a separate 3,000 MW BOO wind farm. These two projects in development stage build on our existing 260 MW BOO wind farm in Egypt, which has been operational since October 2019 and paved the way for the development of Egypt's wind energy sector as the first BOO wind farm of its size in Egypt.

We also concluded on September 8 agreements to build, own, and operate a strategic warehouse in Egypt that will help provide modern logistics and warehousing of important commodities across the country.

More recently, we announced on November 8 the commissioning of the first phase of Africa's first integrated green hydrogen plant in Egypt, which is set to create a new hydrogen hub out of Egypt that will create jobs, increase exports, and spur economic development based on renewable energy and sustainable resources. This project also helped us, as a co-owner and the EPC contractor, to develop the skillset in construction, wrap-up and balance-of-plant in this space as the first mover.

In addition, the rest of our portfolio of subsidiaries across building materials, infrastructure assets, operation and maintenance (O&M), and equipment services continues to record strong performance. This segment recorded double-digit EBITDA and net income margins, accounting for 51% of net income in Q3 2022.

On the EPC business, our backlog is currently at a healthy level of USD 5.7 billion<sup>1</sup>, even after assuming the new foreign currency rates following the floatation of the Egyptian pound. This backlog is supported by new awards in Q3 2022 mainly across infrastructure, logistics, commercial and data center sectors in our main markets.

Revenue and EBITDA both increased y-o-y in Q3 2022, reflecting positive contribution from all the Group's operating segments. The U.S. business also recorded another consecutive quarter of improved performance and increased margins. We maintained our net cash position but are still focused reversing the operating cash outflow seen in Q1 2022 to finish the year at a positive level. We are also still facing a challenging operating climate and continue to prioritize several important pillars such as project execution, controls, supply chain and collections.

#### OSAMA BISHAI

<sup>1</sup> Represents the backlog as of September 30 but assumes the EGP-to-foreign currency rates as of October 31, therefore fully reflecting the floatation of the EGP that took place on October 27.

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### CONSOLIDATED BACKLOG

USD million	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
<b>Equity consolidation</b>						
Backlog	5,732.5	6,030.8	(4.9)%			
New awards	3,057.4	2,765.5	10.6%	677.2	962.4	(29.6)%
<b>Pro forma inc. 50% of BESIX</b>						
Backlog	8,421.7	8,872.3	(5.1)%			
New awards	4,527.4	4,323.3	4.7%	1,324.6	1,695.9	(21.9)%

Consolidated backlog excluding BESIX decreased 4.9% y-o-y to USD 5.7 billion as of 30 September 2022.

However, this figure represents the backlog number as of September 30 but assumes the EGP-to-foreign currency rates as of October 31, therefore fully reflecting the floatation of the EGP that took place on October 27. Assuming that the EGP-to-foreign currency rates as of September 30 were used, the backlog would have been USD 365 million higher at USD 6.1 billion, in-line with the level recorded the previous year.

Consolidated new awards decreased 29.6% y-o-y to USD 677.2 million in Q3 2022 but increased 10.6% y-o-y to USD 3.1 billion in 9M 2022.

Including the Group's 50% share in BESIX, pro forma backlog decreased 5.1% y-o-y to USD 8.4 billion as of 30 September 2022. Pro forma new awards decreased 21.9% y-o-y to USD 1.3 billion in Q3 2022 and increased 4.7% y-o-y to USD 4.5 billion in 9M 2022.

#### Middle East and Africa

The Group signed USD 2.0 billion of new awards in the Middle East during 9M 2022, of which USD 473 million were added in Q3 2022.

New awards added during the quarter include water infrastructure, a build-own-operate warehouse in Egypt, and the construction of a new real estate development on the North Coast of Egypt for Ora Developers.

#### USA

The U.S. subsidiaries signed USD 1.0 billion of new awards in 9M 2022, of which USD 204 million were added in Q3 2022. New awards momentum in the U.S. has been maintained throughout the year, resulting in backlog growth of 14% y-o-y.

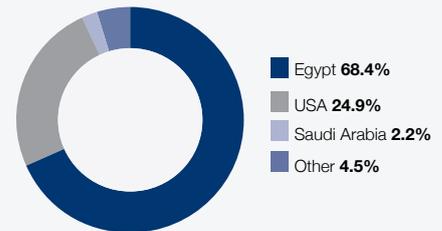
Notable new awards during Q3 2022 include more work in the Group's core commercial and data center sectors.

#### BESIX Group

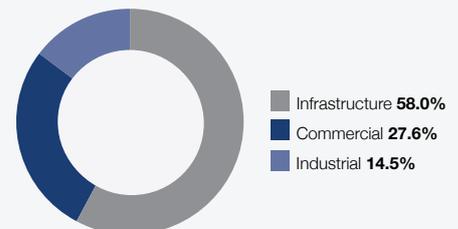
BESIX's standalone backlog as of 30 September 2022 increased 11.8% y-o-y to EUR 5.5 billion. New awards totaled EUR 1.3 billion in Q3 2022, resulting in an increase of 6.9% y-o-y in new awards in 9M 2022 to EUR 2.9 billion. Notable new awards added in Q3 2022 include commercial, infrastructure and data center work in the UAE, Europe and Australia.

### Backlog by Segment – Equity Consolidation

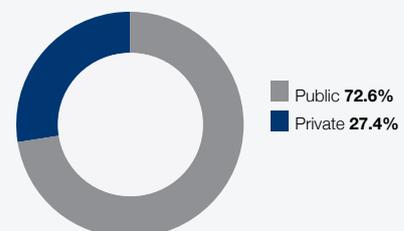
#### Backlog by geography



#### Backlog by sector



#### Backlog by client



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### SUMMARY FINANCIAL RESULTS

#### Summary Income Statement

USD million	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
<b>Revenue</b>	<b>3,052.7</b>	<b>2,542.7</b>	<b>20.1%</b>	<b>1,138.1</b>	<b>857.7</b>	<b>32.7%</b>
MEA	2,114.6	1,775.9	19.1%	738.0	587.2	25.7%
USA	938.2	766.8	22.4%	400.1	270.5	47.9%
<b>EBITDA</b>	<b>150.1</b>	<b>146.2</b>	<b>2.7%</b>	<b>57.1</b>	<b>45.8</b>	<b>24.7%</b>
MEA	134.3	135.2	(0.7)%	47.0	39.8	18.1%
USA	15.8	11.0	43.5%	10.1	6.0	68.3%
<b>EBITDA margin</b>	<b>4.9%</b>	<b>5.7%</b>		<b>5.0%</b>	<b>5.3%</b>	
MEA margin	6.4%	7.6%		6.4%	6.8%	
USA margin	1.7%	1.4%		2.5%	2.2%	
<b>Net income attributable to shareholders</b>	<b>57.8</b>	<b>76.1</b>	<b>(24.0)%</b>	<b>23.9</b>	<b>28.4</b>	<b>(15.8)%</b>
MEA	51.8	63.1	(17.9)%	15.7	16.2	(3.1)%
USA	12.7	8.1	56.6%	8.4	5.7	47.4%
BESIX	(6.7)	4.9	(236.8)%	(0.2)	6.5	(103.1)%
<b>Net income margin</b>	<b>1.9%</b>	<b>3.0%</b>		<b>2.1%</b>	<b>3.3%</b>	
MEA margin	2.5%	3.6%		2.1%	2.8%	
USA margin	1.4%	1.1%		2.1%	2.1%	

#### Net Debt (cash)

USD million	30 Sep 22	31 Dec 21	Change
Cash and cash equivalents	470.5	505.7	(7.0)%
Total debt	357.4	64.1	457.6%
Total equity	661.2	688.6	(4.0)%
Net debt (cash)	(113.1)	(441.6)	

Consolidated revenue increased 32.7% y-o-y to USD 1,138.1 million in Q3 2022 and 20.1% y-o-y to USD 3,052.7 million in 9M 2022. The MEA operations comprised 65% and 69% of total revenue in Q3 2022 and 9M 2022, respectively, while the USA operations accounted for the balance.

Consolidated EBITDA increased 24.7% y-o-y to USD 57.1 million in Q3 2022 and 2.7% y-o-y to USD 150.1 million in 9M 2022. Consolidated EBITDA margins stood at 5.0% in Q3 2022 and 4.9% in 9M 2022. While EBITDA margins in the MEA region declined y-o-y, EBITDA margins in USA gradually increased, reflecting improved performance.

Including the Group's 50% share in BESIX, pro forma EBITDA decreased 8.6% y-o-y to USD 169.0 million in 9M 2022. BESIX reported net income contribution of negative USD 0.2 million in Q3 2022 compared to USD 6.5 million in Q3 2021. Net income contribution from BESIX in 9M 2022 stood at negative USD 6.7 million compared to USD 4.9 million in 9M 2021.

Net income attributable to shareholders decreased 15.8% y-o-y to USD 23.9 million in Q3 2022 and 24.0% y-o-y in 9M 2022. Net income in Q3 and 9M 2022 was impacted by BESIX's performance and higher net financing costs.

The Group's net cash position stood at USD 113.1 million as of 30 September 2022. This compares to net cash positions of USD 144.7 million as of 30 September 2021 and USD 441.6 million as of 31 December 2021. Total equity decreased 3.0% y-o-y to USD 661.2 million as of 30 September 2022 due to currency translation differences.

#### Subsidiaries and investments

The Group's subsidiaries in building materials, infrastructure assets, operation and maintenance (O&M), and equipment services continued to contribute sustainably to the Group's earnings. These subsidiaries collectively contributed 53% of the Group's total net income in 9M 2022 while generating double-digit EBITDA and net income margins.

The Group's current subsidiaries include steel fabrication, curtain walling, construction chemicals, facilities management, wastewater treatment, renewable energy, and equipment services.

In addition, the Group continues to pursue new investment opportunities that provide recurring income. For example, during Q3 2022, the Group signed a contract to build, own and operate a strategic warehouse in Fayoum Governorate, Egypt that will play an important role in providing modern logistics and warehousing of important commodities across Egypt.

#### Health and safety

The Group extended its focus on health and safety. The lost time injury (LTI) rate in the Middle East and Africa stood at 0.01 with manhours of 158 million, and in USA stood at 0.00 with manhours of 2.1 million in 9M 2022.

Notable health and safety accomplishments in Q3 2022 included over 20 million manhours and over 15 million manhours without LTI at two large commercial projects in Egypt and 3 million manhours across all data center work in the U.S. with no recordable injuries.

OC collaborated with two more academic institutions (the first was with Cairo University in H1 2021) to train engineering students in the field of Health, Safety and Environment, as part of the Group's efforts to play a leading role in raising health and safety standards across the industry in Egypt. In addition, the U.S. subsidiaries completed safety bootcamps at all locations.

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### 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. Orascom Construction PLC also develops and invests in infrastructure opportunities, owns 50% of BESIX Group, and holds a construction materials, facility management and equipment services portfolio. For more information, please visit [www.orascom.com](http://www.orascom.com).

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