



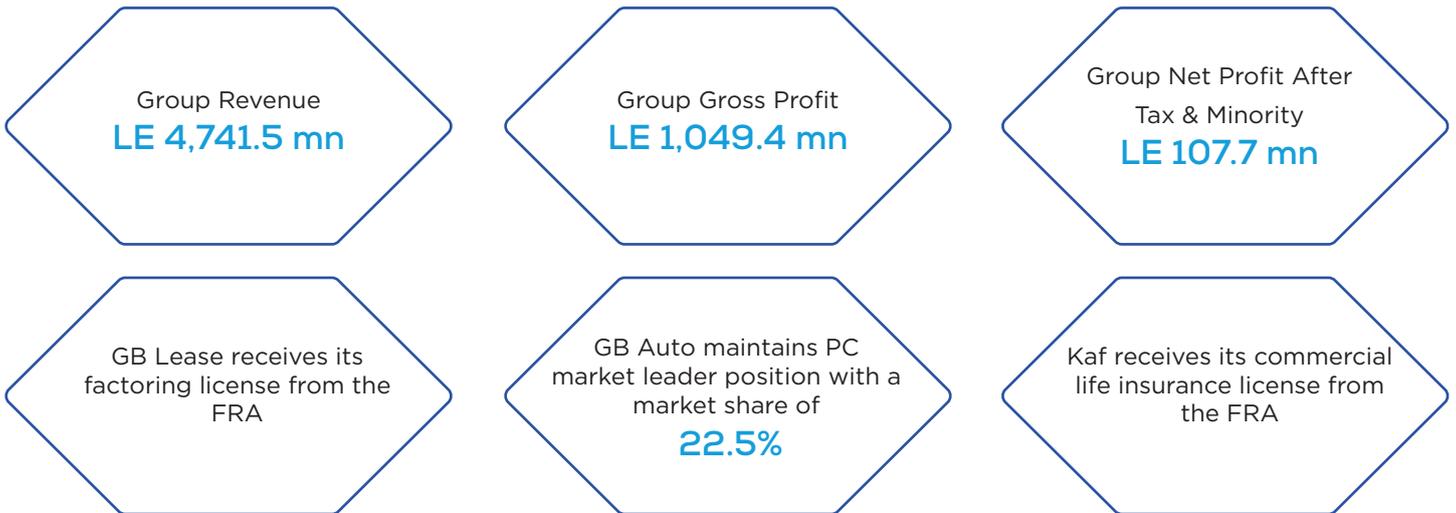
# **GB Corp Press Release**

## **1Q23**

## GB Corp Reports 1Q23 Results

The company launched its new corporate identity as GB Corp, which encompasses GB Auto, GB Capital, GB Logistics, GB Ventures, GB Academy and the Ghabbour Foundation as its subsidiaries

### Key Highlights



### Note from our CEO

It has been a challenging period for GB Corp due to the prevailing market conditions; however, we started the new year from a position of strength and unequivocal knowledge acquired through years of experience. Despite the headwinds, I am proud that we have made significant progress in positioning GB Corp for future growth thanks to our robust strategies, prompt responses and diverse portfolio of products and services.

In terms of financial performance, consolidated revenue and net profit fell year-on-year as we grappled with supply shortages across all our GB Auto lines of business. However, by having a diversified revenue stream we demonstrated the ability to identify and capitalize on growth opportunities in Iraq, which currently represents 22.3% of our revenue. We are confident that once inventory levels rebound, strong demand for our portfolio will lead to a rapid turnaround in results. On the other hand, GB Capital's performance has been steadily growing and achieving operational milestones. Our recent transactions have demonstrated the intrinsic value this segment holds and the growth potential we will unlock along with our strategic partners.

To drive the growth and profitability of our business at this time, we have been actively focusing on drawing synergies between our different lines of business. By leveraging the strengths and expertise across our diverse portfolio, we aim to enhance operational efficiency, reduce costs, and deliver greater value to our customers. Furthermore, we recognize the importance of digital transformation in today's rapidly evolving business landscape. We have been actively investing in technology and digital solutions to streamline our processes, improve customer experience, and drive innovation across our operations. We automated internal company functions and created a digital tool to manage supplier relationships as well as build a transparent and streamlined supply chain. For our customers, we are digitalizing every step of the customer experience. We are also implementing robotics process automation technology and leveraging data analytics across our operations. By embracing digital transformation, we are positioning GB Corp as a modern, agile, and customer-centric organization, equipped to seize new opportunities in the market.

Looking ahead, we remain cautiously optimistic about the future. While the business environment continues to pose challenges affecting supply availability and consumer demand, we are confident in our ability to adapt and thrive. Our company is well-diversified and capable of adapting to changing dynamics. We are confident that our strategies, robust fundamentals and decades of expertise will enable to forge ahead and overcome market challenges. As always, we will remain focused on growing our business, protecting our profitability and creating new value for our shareholders.

**Nader Ghabbour**  
Chief Executive Officer

## Group Revenue Breakdown

(As of 31 March 2023)

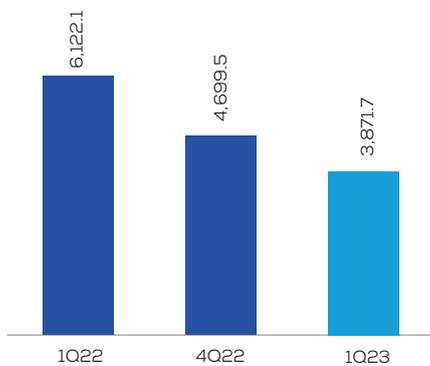


■ GB Auto (LE 3,871.7 mn)  
■ GB Capital (LE 869.8 mn)

## Revenue Progression

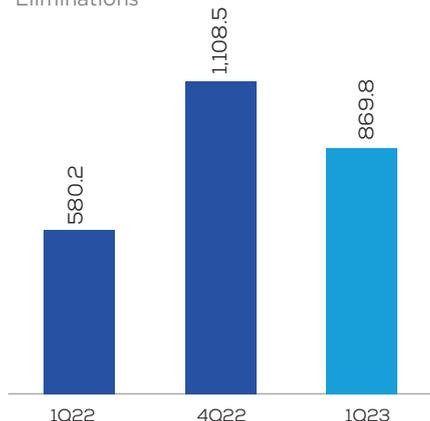
(all figures in LE million)

### GB Auto



### GB Capital

After Intercompany Eliminations



## Consolidated Financial Overview

25 May 2023 – (Cairo, Egypt) GB Corp (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and non-bank financial services provider in Egypt, announced today its segmental and consolidated results for the quarter ending 31 March 2023. GB Corp's revenue fell 31.3% q-o-q and 39.5% y-o-y to LE 4,741.5 million amidst challenging market conditions. Similarly, net profit declined 53.1% y-o-y in 1Q23 to LE 107.7 million. Quarter-on-quarter net profit was affected by a high base effect of a capital gain realized in 4Q22 from the divestment of a 7.5% stake in MNT-Halan.

GB Auto recorded a revenue of LE 3,871.1 million in 1Q23, down 17.6% q-o-q and 36.8% y-o-y. The segment's results were hindered by the devaluation of the Egyptian pound, restrictions on imports and a slowdown in opening LCs, which limited inventory supply across the portfolio. At the Passenger Car (PC) LoB, despite the aforementioned factors, GB Auto retained its position as a market leader reaching a market share of 22.5% in 1Q23. At the Two and Three-Wheelers LoB, volume declined due to the complete liquidation of the three-wheeler inventory and ongoing supply chain disruptions. Similarly, the Commercial Vehicles & Construction Equipment LoB was affected by a shortage of supply and slowdown in opening LCs. The After-Sales LoB performed well as consumers seek maintenance services due to delays in new vehicle availability. Finally, the Tires LoB faced a shortage in the supply of tires.

On the regional front in Iraq, MG maintained its growth momentum and strengthened its position as the leading Chinese car brand. During the quarter, passenger car volume and revenue grew and profitability margins continued to improve. The Iraqi market holds considerable growth potential and the brand's consistently strong performance supports the company's long-term plans to expand its footprint and further grow its portfolio in the country.

EBITDA at GB Auto fell 20.8% q-o-q and 14.0% y-o-y in 1Q23 to LE 533.2 million; however, EBITDA margin expanded to 13.8% compared to 10.1% in 1Q22. The results were achieved due to cost control and improved pricing which mitigated the effects of lower volumes and a significant FX loss incurred due to the devaluation of the Egyptian pound. The segment maintained a strong financial position with a low net debt-to-EBITDA ratio of 1.04 and a net debt-to-equity ratio of 0.36 at the end of 1Q23. GB Auto reported a net loss of LE 80.5 million in 1Q23 mainly due to a LE 264.0 million FOREX loss, the majority of which is recoverable upon the sale of inventory.

GB Capital recorded a revenue of LE 1,022.7 million in 1Q23, up 20.8% y-o-y but down 31.1% q-o-q due to securitizations at Drive and GB Lease, which were completed in 4Q22. Similarly, net profit grew significantly with a 55.3% y-o-y increase to LE 189.4 million but was down quarter-on-quarter due to the capital gain realized in 4Q22. Excluding the capital gain, net profit was down 12.1% q-o-q. Overall, GB Capital companies delivered a strong performance in the first quarter of the year with higher disbursements and a 23.3% q-o-q expansion in the loans portfolio to LE 6.6 billion.

Highlights of GB Corp's 1Q23 results follow, along with management's analysis of the company's performance. Complete financials are available for download on [ir.gb-corporation.com](http://ir.gb-corporation.com)

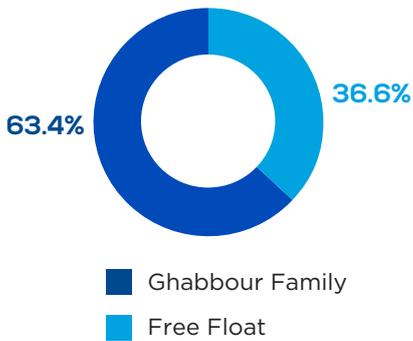
## GB Corp Income Statement

### Income Statement

(LE million)	Three Months Ended		
	1Q22	1Q23	% Change
Egypt Passenger Cars Revenue	2,961.0	1,196.3	-59.6%
Egypt Motorcycles & Three-Wheelers Revenue	627.5	70.9	-88.7%
Egypt Commercial Vehicles & Construction Equipment Revenue	325.7	315.7	-3.1%
Egypt Tires Revenue	446.3	342.2	-23.3%
GB Capital (Financing Businesses) Revenue	1,720.0	869.8	-49.4%
Egypt After-Sales Revenue	378.8	544.5	43.8%
Regional Revenue	1,031.3	1,055.7	2.4%
Others Revenue	351.5	346.4	-1.5%
<b>Total Sales Revenue</b>	<b>7,842.1</b>	<b>4,741.5</b>	<b>-39.5%</b>
<b>Total Gross Profit</b>	<b>1,833.6</b>	<b>1,049.4</b>	<b>-42.8%</b>
Gross Profit Margin	23.4%	22.1%	-1.3
Selling and Marketing	(846.7)	(487.8)	-42.4%
Administration Expenses	(114.2)	(157.1)	37.6%
Other Income (Expenses)	60.5	64.3	6.2%
Provisions (Net)	(36.3)	(50.7)	39.8%
<b>Operating Profit</b>	<b>896.9</b>	<b>418.1</b>	<b>-53.4%</b>
Operating Profit Margin (%)	11.4%	8.8%	-2.6
Income from associates	-	222.1	-
<b>EBIT</b>	<b>896.9</b>	<b>640.2</b>	<b>-28.6%</b>
EBIT Margin (%)	11.4%	13.5%	2.1
Foreign Exchange Gains (Losses)	(211.2)	(265.4)	25.7%
Net Finance Cost	(126.7)	(191.5)	51.1%
<b>Earnings Before Tax</b>	<b>559.1</b>	<b>183.4</b>	<b>-67.2%</b>
Income Taxes	(193.4)	(79.4)	-58.9%
<b>Net Profit / Loss Before Minority Interest</b>	<b>365.7</b>	<b>104.0</b>	<b>-71.6%</b>
Minority Interest	(136.2)	3.7	-
<b>Net Income/Loss</b>	<b>229.5</b>	<b>107.7</b>	<b>-53.1%</b>
Net Profit Margin (%)	2.9%	2.3%	-0.7

## GB Corp's Shareholding Structure

as of 31 March 2023



### Head Office

Cairo-Alex Desert Road, Km 28  
Industrial Zone  
Abu Rawash, Giza, Egypt

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Marina Kamal

Investor Relations AVP

Sarah Maged

Investor Relations  
Communications Manager

Direct: +202 3910 0485

Tel: +202 3539 1201

Fax: +202 3539 0139

e-mail: [ir@gb-corporation.com](mailto:ir@gb-corporation.com)

[ir.gb-corporation.com](http://ir.gb-corporation.com)

### Shareholder Information

Reuters Code: AUTO.CA

Bloomberg Code: AUTO.EY

Shares Outstanding:

1,085,500,000

## About GB Corp S.A.E.

GB Corp S.A.E. (AUTO.CA on the Egyptian Exchange) is a leading automotive company in the Middle East and non-bank financial services provider in Egypt. Across six primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, After-Sales, and Iraqi operations — the company's main business activities include assembly, manufacturing, sales and distribution, financing and after-sales services. GB Auto's portfolio of brands includes Hyundai, Mazda, Chery, Changan, Haval, Karry, Bajaj, Marcopolo, Iveco, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, SDLG, Higer, Shacman, Lassa, Yokohama, Westlake, Double Coin, Goodyear, Thunderer, Verde, Techking, Sunfull, MG, and Gazpromneft. GB Auto has operations in Egypt and Iraq. The company's NBFS' segment branded GB Capital offers leasing, factoring, consumer finance, fleet quasi-operational leasing and securitization, under the following brands - GB Lease, Drive, Forsa, GB Auto Rental, Capital Securitization, in addition to investments in affiliates offering micro-finance, nano-finance, SME lending, BNPL, collection, peer-to-peer transfers, bill payments, mortgage finance and insurance under - MNT-Halan, Bedaya and Kaf. The company is headquartered in Giza, Greater Cairo Area, Egypt.

[ir.gb-corporation.com](http://ir.gb-corporation.com)

## Forward-Looking Statements

This document may contain certain "forward-looking statements" relating to the company's business. These may be identified in part through the use of forward-looking terminology such as "will," "planned," "expectations" and "forecast" as well as similar explanations or qualifiers and by discussions of strategy, plans or intentions. These statements may include descriptions of investments planned or currently under consideration or development by the company and the anticipated impact of these investments. Any such statements reflect the current views of the company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the company to be materially different from any future results that may be expressed or implied by such forward-looking statements.