



# **GB Corp Press Release**

## **3Q/9M23**

## GB Corp Reports 3Q/9M23 Results

GB Corp navigates challenging market conditions to deliver outstanding results with record high profitability for the quarter, driven by operational efficiencies and improved pricing strategies.

### Key Highlights 9M23

Group Revenue  
**EGP 19,522.4 mn**

Group Gross Profit  
**EGP 4,328.9 mn**

Group Net Profit After  
Tax & Minority  
**EGP 1,270.7 mn**

EBITDA margin for GB  
Auto recorded  
**15.1%**

MG continues to grow as  
the leading Chinese brand  
in Iraq with an expanded  
market share of  
**9.0%**

GB Auto celebrates the  
launch of the new **Tiggo 8  
CKD**

GB Auto received the  
**Hyundai Dealer of the Year**  
Award

GB Auto was awarded  
the **global outstanding  
distributor for its MG**  
operation in Iraq

GB Auto started  
**exporting buses** to the Middle  
East

MNT-Halan issues the  
**Halan card**

**Kredit launched its  
operations** and disbursed  
c. EGP 50 mn

GB Lease signed its **first  
factoring ticket**

## Note from our CEO

GB Corp delivered another strong set of results in 3Q23, with double-digit growth across all regions. The strong consumer demand for GB Corp's range of products following a prolonged period of supply shortages, and outstanding operational execution from our teams have driven growth in revenue, profit and cash generation. As such, net profit for GB Corp was up 32.4% q-o-q and 20.3% y-o-y to record EGP 662.4 million in 3Q23.

Despite the headwinds in the automotive market, GB Auto was able to deliver positive results during the period on the back of enhanced performance across its LoBs. On that end, within the passenger car LoB we were able to offset the slowdown in volumes with enhanced pricing and an improved product mix, leading to stronger margins and increased profitability. Moreover, we introduced a new tricycle product during the period in our Two and Three-Wheeler segment, which is gaining traction in the Egyptian market. At the Commercial Vehicles & Construction Equipment LoB, we commenced our export operations of Fuso and Volvo buses primarily to the Middle East, and we have ambitious plans to expand our presence into Africa in the near future. In parallel, we continued to capitalize on growth opportunities within the passenger car LoB in Iraq as the Company is on track to achieve record sales of more than 10,000 units during the year, with an expanded market share of 9.0% compared to 6.7% in the same period last year. GB Auto's diversified regional footprint acts as a hedge to local challenges and is a driver for future growth.

We are driving towards a greener future mandate that demands an urgent collaborative action to reduce carbon emission. Egypt's presidential initiative to convert vehicles to compressed natural gas (CNG) has been at the forefront of GB Auto's portfolio expansion strategy and sustainability agenda. In 2023, despite the severe shortage of supply in the market, we delivered 1,015 vehicles out of the total 2,696 vehicles availed through the initiative capturing a market share of 37.6% of the CNG market. In addition, EVs will gain traction with the introduction of new models in 2024 pushing forward sustainable and green transportation solutions.

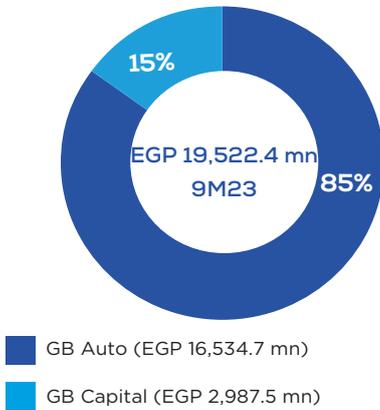
On the NBFS front, GB Capital continues to deliver year-on-year portfolio growth and multiple operational milestones. During the period, we launched Kredit, an FRA-regulated SME-Lending company, which comes as part and parcel of our strategy to provide comprehensive financial solutions. As such, the company already gained traction in the market having disbursed approximately EGP 50 million to kickstart its operations, with more than EGP 150 million in the pipeline. Additionally, GB Lease initiated its factoring operations with the Company signing its first client in 3Q23, aligning seamlessly with our overarching strategy to expand our product offerings and diversify revenue streams to enhance the overall portfolio growth.

Moving forward, we plan to continue leveraging our diversified portfolio and operational excellence to navigate macroeconomic challenges as they persist in the Egyptian market, all the while expanding our regional business. The company boasts a strong pipeline including new CKD models as well as new CBU electric vehicles to meet the evolving market demands. Additionally, the company is committed to expanding its regional presence by increasing its export operations for buses in Africa and the Middle East as well as growing its operation in Iraq. As a result of our market leadership positions, diversified business and digital and data capabilities, we remain confident about the medium to long term outlook for the Group.

**Nader Ghabbour**  
Chief Executive Officer

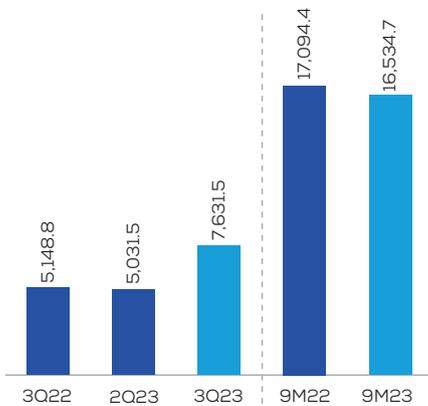
## Group Revenue Breakdown

(As of 30 September 2023)



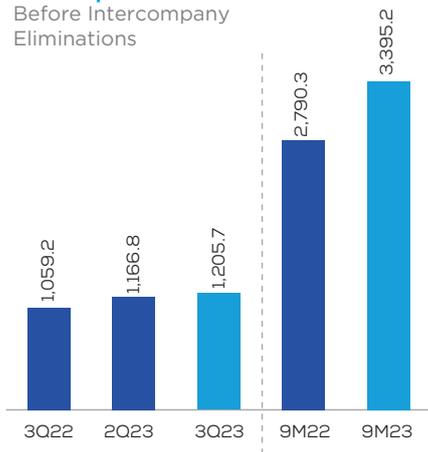
## Revenue Progression (all figures in EGP million)

### GB Auto



### GB Capital

Before Intercompany Eliminations



## Consolidated Financial Overview

14 November 2023 – (Cairo, Egypt) GB Corp (GBCO.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 third quarter ending 30 September 2023. GB Corp's revenues increased both quarter-on-quarter and year-on-year at 45.9% and 21.6%, respectively, to reach EGP 8,771.0 million in 3Q23. Net profit increased 32.3% q-o-q and 20.3% y-o-y to record EGP 662.4 million in 3Q23. On a YTD basis, revenue declined 14.7% y-o-y to record EGP 19,522.4 million and net profit was stable year-on-year at EGP 1,270.7 million in 9M23. It's worth noting that when normalizing for MNT-Halan's deconsolidation, revenues would have shown a 3.3% y-o-y increase in 9M23.

GB Auto recorded revenues of EGP 7,631.5 million in 3Q23, representing both a quarter-on-quarter and year-on-year increase of 51.7% and 48.2%, respectively. On a YTD basis, revenues were down 3.3% to record EGP 16,534.7 million in 9M23. On the Passenger Car end, the Company was able to navigate challenging market conditions including import restrictions and limited FX availability - in place since March 2022 - to record solid results on the back of its local assembly business as well as product repricing. At the Two and Three Wheelers LoB, year-on-year results were largely impacted by the complete phasing out of the three-wheeler inventory and was further exacerbated by import restrictions and limited FX availability affecting the motorcycle inventory. However, the LoB saw a slight quarter-on-quarter recovery. Additionally, the introduction of a new tricycle product during this period could potentially contribute to future positive developments within the market. The Commercial Vehicle and Construction Equipment LoB grew year-on-year due to the increase of supply especially for the minibus and light truck. The After-Sales segment recorded solid year-on-year performance as customers face challenges in purchasing new vehicles and prioritize maintaining their existing vehicles. Finally, the Tires LoB was relatively stable quarter-on-quarter and grew year-on-year as the Company continued to secure an adequate supply across all brands.

On the regional front in Iraq, we demonstrated the ability to identify and capitalize on growth opportunities within the passenger car LoB in Iraq, where revenues witnessed a 28.4% increase compared to the previous quarter and more than tripled year-on-year. Similarly, on a year-to-date basis revenues increased almost three folds in the nine-month period of 2023.

In terms of profitability, EBITDA at GB Auto increased significantly both q-o-q and y-o-y at 72.4% and 74.6%, respectively, to EGP 1,247.0 million in 3Q23, yielding an improved EBITDA margin of 16.3% compared to 14.4% in 2Q23 and 13.9% in 3Q22. On a YTD basis, EBITDA increased 33.3% to record EGP 2,503.5 million, yielding a margin expansion of 4.1 percentage points to 15.1% in 9M23. The segment attained a strong financial position marked by a record low net debt-to-EBITDA ratio of 0.58 and a net debt-to-equity ratio of 0.24 at the end of 3Q23. Net profit increased significantly both q-o-q and y-o-y at 91.1% and 49.3%, respectively, to record EGP 475.3 million in 3Q23. On a YTD basis, net profit was relatively stable and stood at EGP 643.6 million.

GB Capital recorded revenues of EGP 1,205.7 million in 3Q23, up 3.3% q-o-q and 13.8% y-o-y. On a YTD basis, revenues increased 21.7% to reach EGP 3,395.2 million. In terms of profitability, net profit decreased 25.4% q-o-q and 18.9% y-o-y to record EGP 188.8 million in 3Q23 due to an increase in provisions booked during the quarter. On a YTD basis, net profit was stable at EGP 631.2 million. GB Capital's companies delivered stellar performance with higher disbursements resulting in a 15.0% q-o-q and 19.1% y-o-y increase in the loans portfolio to EGP 9.5 billion on the books in 3Q23 (excluding securitized portfolio). Moreover, year-on-year performance was impacted by the company diluting its stake in the recent MNT and GB Lease transactions.

Highlights of GB Corp's 3Q/9M23 results, along with management's analysis of the company's performance and complete financials are available for download on [ir.gb-corporation.com](http://ir.gb-corporation.com)

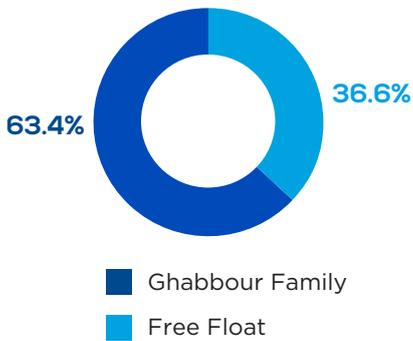
## GB Corp Income Statement

### Income Statement

(EGP million)	Three Months Ended			Nine Months Ended		
	3Q22	3Q23	% Change	9M22	9M23	% Change
Egypt Passenger Cars Revenue	2,142.0	3,547.5	65.6%	7,832.2	6,369.7	-18.7%
Egypt Motorcycles & Three-Wheelers Revenue	416.2	131.4	-68.4%	1,625.4	303.5	-81.3%
Egypt Commercial Vehicles & Construction Equipment Revenue	295.1	317.5	7.6%	1,009.8	848.0	-16.0%
Egypt Tires Revenue	413.9	459.0	10.9%	1,220.8	1,266.1	3.7%
GB Capital (Financing Businesses) Revenue	2,063.0	1,139.4	-44.8%	5,793.1	2,987.5	-48.4%
Egypt After-Sales Revenue	480.3	649.1	35.1%	1,261.4	1,781.4	41.2%
Regional Revenue	1,169.5	2,149.4	83.8%	3,354.6	4,938.5	47.2%
Others Revenue	231.8	377.7	63.0%	790.3	1,027.7	30.0%
<b>Total Sales Revenue</b>	<b>7,211.7</b>	<b>8,771.0</b>	<b>21.6%</b>	<b>22,887.6</b>	<b>19,522.4</b>	<b>-14.7%</b>
<b>Total Gross Profit</b>	<b>2,098.2</b>	<b>1,942.5</b>	<b>-7.4%</b>	<b>6,108.9</b>	<b>4,328.9</b>	<b>-29.1%</b>
Gross Profit Margin	29.1%	22.1%	-6.9	26.7%	22.2%	-4.5
Selling and Marketing	(942.3)	(553.5)	-41.3%	(2,695.3)	(1,602.8)	-40.5%
Administration Expenses	(159.7)	(239.0)	49.6%	(457.6)	(599.3)	31.0%
Other Income (Expenses)	146.3	83.6	-42.9%	272.1	224.4	-17.5%
<b>Operating Profit</b>	<b>1,142.5</b>	<b>1,233.6</b>	<b>8.0%</b>	<b>3,228.1</b>	<b>2,351.1</b>	<b>-27.2%</b>
Operating Profit Margin (%)	15.8%	14.1%	-1.8	14.1%	12.0%	-2.1
Provisions (Net)	(120.4)	(18.2)	-84.9%	(171.9)	(85.3)	-50.3%
Income From Associates	-	172.5	-	-	655.0	-
<b>EBIT</b>	<b>1,022.0</b>	<b>1,387.9</b>	<b>35.8%</b>	<b>3,056.2</b>	<b>2,920.8</b>	<b>-4.4%</b>
EBIT Margin (%)	14.2%	15.8%	1.7	13.4%	15.0%	1.6
Foreign Exchange Gains (Losses)	(40.7)	(216.2)	-	(265.3)	(474.2)	78.8%
Net Finance Cost	(170.6)	(313.5)	83.7%	(478.8)	(752.9)	57.3%
<b>Earnings Before Tax</b>	<b>810.8</b>	<b>858.3</b>	<b>5.9%</b>	<b>2,312.2</b>	<b>1,693.7</b>	<b>-26.7%</b>
Income Taxes	(156.6)	(153.0)	-2.3%	(564.2)	(335.7)	-40.5%
<b>Net Profit / Loss Before Minority Interest</b>	<b>654.1</b>	<b>705.3</b>	<b>7.8%</b>	<b>1,748.0</b>	<b>1,358.0</b>	<b>-22.3%</b>
Minority Interest	(103.5)	(42.9)	-58.6%	(477.5)	(87.3)	-81.7%
<b>Net Income/Loss</b>	<b>550.7</b>	<b>662.4</b>	<b>20.3%</b>	<b>1,270.5</b>	<b>1,270.7</b>	<b>-</b>
Net Profit Margin (%)	7.6%	7.6%	-	5.6%	6.5%	1.0

## GB Corp's Shareholding Structure

as of 30 September 2023



### Head Office

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

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Mohamed Younis  
Chief Investment Officer

Marina Kamal  
Investor Relations AVP

Sarah Maged  
Investor Relations  
Communications Manager

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

### Shareholder Information

Reuters Code: GBCO.CA  
Bloomberg Code: GBCO.EY

Shares Outstanding:  
1,085,500,000

## About GB Corp S.A.E.

GB Corp S.A.E. (GBCO.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, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, SDLG, Higer, Shacman, Lassa, Yokohama, Westlake, Double Coin, Goodyear, Thunderer, Verde, Techking, MRF, 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, securitization and SME lending, under the following brands - GB Lease, Drive, Forsa, GB Auto Rental, Capital Securitization, Kredit, in addition to investments in affiliates offering micro-finance, nano-finance, 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.

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## 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.