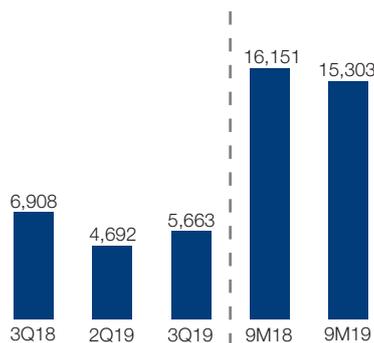


## GB Auto Reports 3Q/9M19 Results

*Auto & Auto Related business affected by regulatory environment; performance supported by regional operations and GB Capital*

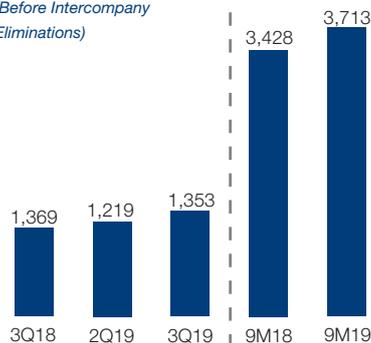
### Revenue Progression (all figures in LE million)

#### GB Auto & Auto Related



#### GB Capital

(Before Intercompany Eliminations)



12 November 2019 — (Cairo, Egypt) GB Auto (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 period ending 30 September 2019. In 3Q19, revenues came in at LE 6,769.6 million, up 19.7% q-o-q but down 13.1% y-o-y, with the Group recording a net loss of LE 8.3 million for the quarter. Revenues in the nine month period ending 30 September 2019 were down 1.5% y-o-y to LE 18,304.4, million with the Group reporting a net loss of LE 1.2 million in 9M19.

“In 3Q19, GB Auto witnessed strong quarter-on-quarter volume and top-line growth supported by Egypt’s passenger car and two- and three-wheelers segments as we demonstrated our ability to adapt to the challenges posed by current regulatory frameworks affecting both lines of business,” said GB Auto Chief Executive Officer Raouf Ghabbour. “During the quarter, GB Auto worked on reducing its inventory of passenger car models facing stiff competition from European, Moroccan and Turkish counterparts that now have a pricing advantage following the elimination of related customs. While the effort took a toll on our bottom-line, we have now liquidated more than 90% of GB Auto’s loss-making inventory and we expect margins to normalize heading into 2020. In the two- and three- wheelers market, despite the regulatory changes related to licensing limitation for three-wheelers, we remain confident in this market’s underlying fundamentals and strong demand, and are witnessing a strong quarter-on-quarter recovery as the licensing cycle accelerated compared to the second quarter of this year.”

The Auto & Auto-Related (A&AR) segment reported a 20.7% q-o-q rise in revenues to LE 5,662.5 million, but was down 18.0% y-o-y compared to 3Q18. The strong quarter-on-quarter performance came on the back of rising volumes and revenues at both the Passenger Car and Two- and Three-Wheelers (2&3W) LoBs, with revenues rising 51.2% and 75.9% versus 2Q19, respectively. On a year-on-year basis, both segments were affected by regulatory changes during the year, with the PC LoB reporting a 38.4% y-o-y decline in revenues in 3Q19 as the market continues to exhibit price instability. Meanwhile, the 2&3W LoB recorded a 42.7% y-o-y contraction in revenues on account of lower volumes following the license restrictions on three-wheelers. On a year-to-date basis, A&AR revenues contracted only 5.3% to LE 15,302.9 million in 9M19, supported by increased volumes at GB Auto’s Iraqi operations.

“While we face challenges in our home market, on the regional front GB Auto reported strong year-on-year growth supported by impressive results coming out of our Iraqi operations,” Ghabbour added. “Strong market demand in Iraq helped drive up passenger car volumes by 72.6% year-on-year in 3Q19, with Hyundai’s market share as at 30 September of this year increasing more than eight percentage points year-on-year to 23.8%. Meanwhile, the Group’s product mix optimization strategy at our two- and three-wheel segment continued to bear fruit as volumes posted 63.3% year-on-year growth during the quarter,” said Ghabbour.

The impressive year-on-year expansion in PC and 2&3W in Iraq during the quarter saw revenue from GB Auto’s regional activities increase 56.9% y-o-y to LE 1,780.6 million in 3Q19, and was largely stable compared to 2Q19. On a year-to-date basis, regional revenues surged 92.4% y-o-y to LE 5,149.9 million in 9M19.

The Tires LoB witnessed an 11.9% q-o-q rise in revenues to LE 330.2 million in 3Q19, while on a year-on-year basis the LoB’s revenue was down 10.2% during the quarter. The decline

“ The diversity of our operations and past successes in navigating adverse market continued to prove invaluable in allowing us to overcome the strains that the new regulations imposed in our home market. ”

versus last year is due to setbacks faced by suppliers. Year-to-date revenues were up 10.5% y-o-y to LE 912.1 million for 9M19. Meanwhile, the Commercial Vehicles & Construction Equipment (CV&CE) LoB witnessed a 16.4% q-o-q and 3.6% y-o-y contraction in revenues to LE 328.5 million, with management opting to tighten its credit policies. However on a YTD basis, revenues were still up to LE 1,106.1 million from LE 1,060.7 million in 9M18.

GB Capital reported revenues before intercompany eliminations of LE 1,353.4 million in 3Q19, an 11.0% q-o-q increase and remaining largely stable versus 3Q18. On a year-to-date basis, revenues reached LE 3,713.3 million in 9M19, up 8.3% y-o-y. GB Capital's loan portfolio increased to LE 9.5 billion as at 30 September 2019, up 31.6% y-o-y and 10.1% q-o-q. Non-Performing Loans (NPLs) were up marginally from 1.23% in 2Q19. Net income expanded more than threefold y-o-y to LE 146.4 million in 3Q19 and recorded a 13.6% q-o-q decline due to the securitization that took place in 2Q19. In 9M19, net income increased 85.7% y-o-y to LE 434.4 million.

GB Capital's annualized NIMS reached 13.4% in 3Q19 in line with the figure recorded as of 30 June 2019 and up compared to the 11.9% recorded in the comparable period of 2018, supported by recent interest rate cuts, favorable cost of funds negotiations with banks and improved pricing mechanisms.

“The diversity of our operations and past successes in navigating adverse market and regulatory conditions continued to prove invaluable in allowing us to overcome the strains that the new regulations imposed in our home market have placed on our business,” said Ghabbour. “Going forward we are confident that the strong fundamentals that underpin the Egyptian and Iraqi markets will continue to help drive our operational and financial performance as our volumes and sales continue to grow and as margins begin to normalize,” Ghabbour concluded.

Highlights of GB Auto Group's 3Q19 results, along with management's analysis of the company's performance and complete financials, are available for download on [ir.ghabbourauto.com](http://ir.ghabbourauto.com).

## GB Auto Group Financial Statements

### Income Statement

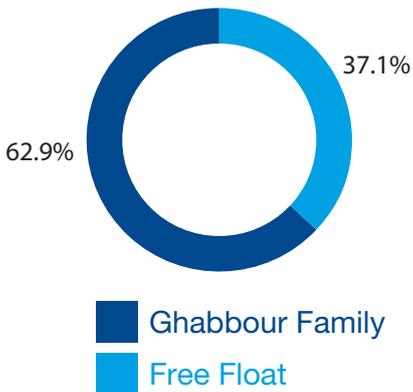
(LE million)	Three Months Ended			Nine Months Ended		
	3Q18	3Q19	% Change	9M18	9M19	% Change
Egypt Passenger Cars Revenues	3,734.0	2,299.4	-38.4%	7,960.0	5,385.3	-32.3%
Egypt Motorcycles & Three-Wheelers Revenues	899.0	515.4	-42.7%	2,430.7	1,531.1	-37.0%
Egypt Commercial Vehicles & Construction Equipment Revenues	340.9	328.5	-3.6%	1,060.7	1,106.1	4.3%
Egypt Tires Revenues	367.5	330.2	-10.2%	825.1	912.1	10.5%
GB Capital (Financing Businesses) Revenues	883.6	1,106.9	25.3%	2,440.5	3,001.5	23.0%
Egypt After-Sales Revenues	296.3	306.5	3.4%	825.9	860.9	4.2%
Regional Revenues	1,134.6	1,780.6	56.9%	2,676.5	5,149.9	92.4%
Others Revenues	135.2	102.1	-24.5%	372.4	357.6	-4.0%
<b>Total Sales Revenues</b>	<b>7,791.2</b>	<b>6,769.6</b>	<b>-13.1%</b>	<b>18,591.8</b>	<b>18,304.4</b>	<b>-1.5%</b>
<b>Gross Profit</b>						
Egypt Passenger Cars Gross Profits	386.0	98.3	-74.5%	775.2	320.1	-58.7%
Egypt Motorcycles & Three-Wheelers Gross Profits	124.1	83.6	-32.7%	341.4	215.5	-36.9%
Egypt Commercial Vehicles & Construction Equipment Gross Profits	43.5	48.8	12.3%	137.6	164.1	19.3%
Egypt Tires Gross Profits	59.0	70.4	19.4%	139.3	173.3	24.4%
GB Capital (Financing Businesses) Gross Profits	245.7	396.1	61.2%	686.8	1,106.4	61.1%
Egypt After-Sales Gross Profits	83.1	79.4	-4.5%	226.2	211.3	-6.6%
Regional Gross Profits	120.5	169.7	40.9%	302.7	440.0	45.4%
Others Gross Profits	13.6	11.0	-19.3%	40.8	47.1	15.3%
<b>Total Gross Profit</b>	<b>1,075.6</b>	<b>957.4</b>	<b>-11.0%</b>	<b>2,649.9</b>	<b>2,677.9</b>	<b>1.1%</b>
Gross Profit Margin	13.8%	14.1%	0.3	14.3%	14.6%	0.3
Selling and Marketing	(318.0)	(419.0)	31.8%	(859.2)	(1,173.5)	36.6%
Administration Expenses	(64.1)	(128.8)	-	(285.7)	(394.3)	38.0%
Other Income (Expenses)	38.2	33.3	-12.8%	108.9	107.5	-1.3%
<b>Operating Profit</b>	<b>731.7</b>	<b>442.8</b>	<b>-39.5%</b>	<b>1,613.9</b>	<b>1,217.6</b>	<b>-24.6%</b>
Operating Profit Margin (%)	9.4%	6.5%	-2.9	8.7%	6.7%	-2.0
Net Provisions and Non-Operating FV of Investment Property	(70.5)	(82.0)	16.4%	(71.7)	(134.7)	87.8%
<b>EBIT</b>	<b>661.2</b>	<b>360.8</b>	<b>-45.4%</b>	<b>1,542.2</b>	<b>1,082.9</b>	<b>-29.8%</b>
EBIT Margin (%)	8.5%	5.3%	-3.2	8.3%	5.9%	-2.4
Foreign Exchange Gains (Losses)	(13.5)	74.6	-	(25.1)	157.0	-
Net Finance Cost	(309.0)	(363.7)	17.7%	(892.5)	(1,053.2)	18.0%
<b>Earnings Before Tax</b>	<b>338.7</b>	<b>71.8</b>	<b>-78.8%</b>	<b>624.6</b>	<b>186.7</b>	<b>-70.1%</b>
Income Taxes	(73.0)	(11.2)	-84.7%	(103.3)	(12.6)	-87.8%
Net Profit / Loss Before Minority Interest	265.8	60.6	-77.2%	521.3	174.1	-66.6%
Minority Interest	(42.3)	(68.9)	62.8%	(93.4)	(175.2)	87.6%
<b>Net Income/Loss</b>	<b>223.5</b>	<b>(8.3)</b>	<b>-</b>	<b>427.9</b>	<b>(1.2)</b>	<b>-</b>
Net Profit Margin (%)	2.9%	-0.1%	-3.0	2.3%	-	-2.3



GHABBOUR AUTO

## GB Auto's Shareholding Structure

as of 30 September 2019



### About GB Auto S.A.E.

GB Auto 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, Geely, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, Pirelli, Westlake, Double Coin, Doublestar, Verde, Techking, and Gazpromneft GB Auto has operations in Egypt and Iraq. The Company's NBFS' segment branded GB Capital offers leasing, consumer finance, microfinance and fleet quasi-operational leasing under the following brands - GB Lease, Mashroey, Drive, Tasaheel and Haram. The company is headquartered in Giza, Greater Cairo Area, Egypt.

[www.ghabbourauto.com](http://www.ghabbourauto.com)

### Head Office

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

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Andre Valavanis  
Investor Relations AVP

Sarah Maged  
Investor Relations  
Communications Manager

Marina Kamal  
Investor Relations Associate

Direct: +202 3910 0485  
Tel: +202 3539 1201  
Fax: +202 3539 0139  
e-mail: [ir@ghabbour.com](mailto:ir@ghabbour.com)

[ir.ghabbourauto.com](http://ir.ghabbourauto.com)

### Shareholder Information

Reuters Code: AUTO.CA  
Bloomberg Code: AUTO.EY

Shares Outstanding:  
1,094,009,733

### 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.