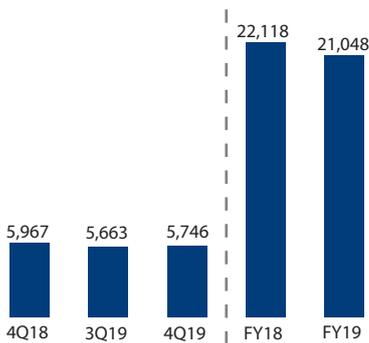


GB Auto Reports 4Q/FY19 Results

Auto & Auto Related business delivers improved quarterly performance; full-year results supported by regional operations & GB Capital

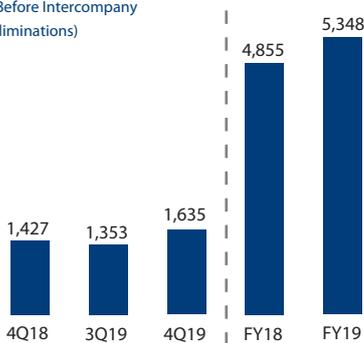
Revenue Progression
(all figures in LE million)

GB Auto & Auto Related



GB Capital

(Before Intercompany Eliminations)



26 February 2020 — (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 quarter and year ending 31 December 2019. In 4Q19, revenues recorded LE 7,093.6 million, up 0.9% y-o-y and 4.8% q-o-q, while net profit was LE 43.9 million for the quarter, down 71.5% y-o-y. Revenues for the full year declined by 0.9% y-o-y to LE 25,398.0 million, with the Group recording a net profit of LE 42.7 million in FY19.

“Our performance in the final quarter of 2019 bears the signs of a much anticipated turnaround following a year marked by unfavorable regulatory developments and consequent price instability,” said GB Auto Chief Executive Officer Raouf Ghabbour. “The Group delivered growth versus the same quarter last year, reversing a trend of year-on-year declines, and on a quarterly basis we delivered a 4.8% increase in top-line in 4Q19, despite seasonal effects typically favoring the preceding quarter. In the face of stiff competition from European, Turkish and Moroccan imports that now enjoy a price advantage following the elimination of related customs, GB Auto succeeded in defending its market share in the Passenger Car LoB, especially when taking into account the effect of our discontinued Verna model, which on its own accounted for a 5% market share. This was thanks to our strategy of increasing the Group’s CKD offerings while liquidating our disadvantaged inventory.”

The Auto & Auto-Related (A&AR) segment recorded revenues of LE 5,745.5 million in 4Q19, down 3.7% y-o-y, however, up 1.5% versus 3Q19. Quarter-on-quarter performance was supported by growth at the Two- and Three-Wheeler LoB (2&3Ws) as well as the segment’s Regional operations, with revenues increasing 10.4% and 12.7% q-o-q, respectively. On a full-year basis, the A&AR segment’s revenues declined 4.8% y-o-y to 21,048.5 million in FY19, a modest decrease despite the adverse regulatory environment that led to price instability in the PC market in Egypt and placed constraints on both consumers and manufacturers in the 2&3Ws market. A&AR’s full-year performance was supported by the Regional LoB which recorded a strong 79.9% increase in revenues to LE 7,156.6 million in FY19.

“At the 2&3Ws, we saw significant pressure on three-wheeler volumes throughout the year given the strong constraints on licensing requirements affecting both manufacturers and buyers. Nonetheless, we continued to witness an acceleration in the licensing cycle quarter-on-quarter as the market adjusts to these new regulatory changes,” said Ghabbour.

“On the regional front, we were very pleased with the LoB’s performance where PC volumes increased almost twofold in FY19, while 2&3Ws delivered a solid 47.7% y-o-y increase in volumes. It must be noted, however, that management has decided to discontinue its representation of Hyundai in Iraq following the latter’s new strategy of a multi-distributor model within the Iraqi market. It is our view that the new business model would render the representation unattractive for GB Auto. We will thus liquidate our remaining Hyundai inventory during 2020, while exploring new PC brands with the confidence that we have the expertise and resources to grow

“ Our performance in the final quarter of 2019 bears the signs of a much anticipated turnaround following a year marked by unfavorable regulatory developments and consequent price instability ”

them into market leaders in Iraq. It is worth noting that the division was loss-making at the net profit level in 2015, 2016 and 2017; and broke even in 2018 and 2019.”

The Tires LoB witnessed a decline in revenues to LE 268.7 million in 4Q19, down 3.5% y-o-y. On a full-year basis, however, the LoB’s revenues were up 7.0% y-o-y to LE 1,180.8 million in FY19. The LoB also managed to increase its gross profit by an impressive 30.9% y-o-y in FY19. Meanwhile, the Commercial Vehicles & Construction Equipment (CV&CE) LoB recorded a 35.4% y-o-y and 12.2% q-o-q decline in revenues to LE 288.5 million as management opted to grow the LoB cautiously by tightening its credit policy and improve its working capital efficiencies, as well as the decrease in spending in the private sector. In full year terms, revenues contracted 7.5% y-o-y to LE 1,394.6 million in FY19.

GB Capital achieved revenues before intercompany eliminations of LE 1,634.6 million in 4Q19, up 14.5% y-o-y and 20.8% q-o-q. In full year terms, revenues expanded by 10.1% y-o-y in FY19, reaching LE 5,347.9 million. GB Capital’s loan portfolio stood at LE 9.1 billion (LE 11 billion without securitization) as at 31 December 2019, increasing 11.9% y-o-y. Non-Performing Loans (NPLs) stood at only 1.45% in FY19 (1.2% without securitization), demonstrating the quality of the loan portfolio. In 4Q19, net income increased by an impressive 44.2% y-o-y and 23.6% q-o-q to LE 180.9 million on the back of the securitization transactions at Drive and GB Lease that took place during the quarter. On a full-year basis, results have surpassed management’s guidance for projected net income of c.LE 550 million, with the segment delivering a 71.2% y-o-y growth to LE 615.3 million driven by strong operational performance throughout the year, and supported by securitization transactions during the year.

“Growth at our financing businesses continues to be driven by an expanding and high-quality loan portfolio thanks to the segment’s conservative credit policies,” said Ghabbour. “Across GB Capital’s subsidiaries, we are seeing business growth and results that exceed the expectations given the constraints in the PC and 2&3Ws markets,” said Ghabbour.

“We are heading into 2020 leaving behind us the external challenges of 2019 that hampered an otherwise strong market. Price stability has already ensued in the PC division as the market volatility from regulatory changes subside, while at the 2&3Ws LoB we are collaborating with the government to devise a sustainable solution for this fundamentally strong market. In parallel, we are pushing increased efficiency across our organization with a strong digitization drive, starting with data management and process automation that will unlock new value from our operations. Finally, we are exploring strategic options as regards our financing businesses with an eye on maximizing value for our investors going forward,” Ghabbour concluded.

Highlights of GB Auto Group’s 4Q19 results, along with management’s analysis of the company’s performance and complete financials, are available for download on ir.ghabbourauto.com.

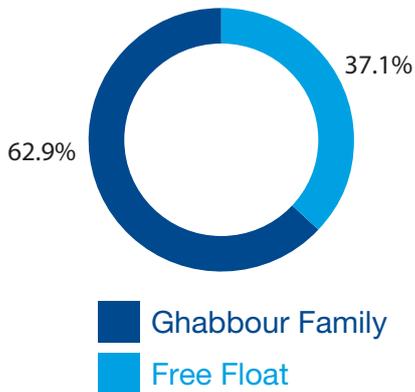
GB Auto Group Financial Statements

Income Statement

(LE million)	Three Months Ended			Full Year Ended		
	4Q18	4Q19	% Change	FY18	FY19	% Change
Egypt Passenger Cars Revenues	2,447.9	2,212.5	-9.6%	10,407.8	7,597.8	-27.0%
Egypt Motorcycles & Three-Wheelers Revenues	1,039.5	569.1	-45.3%	3,470.2	2,100.2	-39.5%
Egypt Commercial Vehicles & Construction Equipment Revenues	446.5	288.5	-35.4%	1,507.1	1,394.6	-7.5%
Egypt Tires Revenues	278.4	268.7	-3.5%	1,103.5	1,180.8	7.0%
GB Capital (Financing Businesses) Revenues	1,062.3	1,347.8	26.9%	3,502.8	4,349.3	24.2%
Egypt After-Sales Revenues	304.0	296.6	-2.4%	1,129.9	1,157.5	2.4%
Regional Revenues	1,301.2	2,006.7	54.2%	3,977.7	7,156.6	79.9%
Others Revenues	149.8	103.7	-30.8%	522.2	461.2	-11.7%
Total Sales Revenues	7,029.5	7,093.6	0.9%	25,621.2	25,398.0	-0.9%
Gross Profit						
Egypt Passenger Cars Gross Profits	211.2	161.9	-23.3%	986.3	482.0	-51.1%
Egypt Motorcycles & Three-Wheelers Gross Profits	139.5	64.9	-53.5%	481.0	280.4	-41.7%
Egypt Commercial Vehicles & Construction Equipment Gross Profits	24.3	40.9	68.2%	161.9	205.0	26.6%
Egypt Tires Gross Profits	41.2	62.9	52.6%	180.5	236.2	30.9%
GB Capital (Financing Businesses) Gross Profits	412.9	562.5	36.2%	1,099.7	1,668.9	51.8%
Egypt After-Sales Gross Profits	73.9	61.1	-17.4%	316.9	272.4	-14.0%
Regional Gross Profits	64.8	179.4	-	367.4	619.4	68.6%
Others Gross Profits	12.9	4.4	-65.5%	53.7	51.5	-4.1%
Total Gross Profit	980.7	1,138.1	16.0%	3,647.4	3,816.0	4.6%
Gross Profit Margin	14.0%	16.0%	2.0	14.2%	15.0%	0.8
Selling and Marketing	(343.9)	(488.1)	41.9%	(1,184.5)	(1,661.6)	40.3%
Administration Expenses	(128.1)	(128.3)	0.1%	(485.8)	(522.6)	7.6%
Other Income (Expenses)	50.6	50.0	-1.0%	158.9	157.5	-0.9%
Operating Profit	559.3	571.7	2.2%	2,136.0	1,789.3	-16.2%
Operating Profit Margin (%)	8.0%	8.1%	0.1	8.3%	7.0%	-1.3
Net Provisions and Non-Operating FV of Investment Property	12.6	(171.6)	-	(59.1)	(306.3)	-
EBIT	571.9	400.1	-30.0%	2,076.9	1,483.0	-28.6%
EBIT Margin (%)	8.1%	5.6%	-2.5	8.1%	5.8%	-2.3
Foreign Exchange Gains (Losses)	(5.0)	25.2	-	(30.1)	182.1	-
Net Finance Cost	(301.1)	(295.9)	-1.7%	(1,193.5)	(1,349.1)	13.0%
Earnings Before Tax	265.8	129.3	-51.4%	853.3	316.0	-63.0%
Income Taxes	(77.7)	(79.8)	2.7%	(181.0)	(92.4)	-49.0%
Net Profit / Loss Before Minority Interest	188.2	49.5	-73.7%	672.3	223.6	-66.7%
Minority Interest	(34.1)	(5.7)	-83.4%	(127.5)	(180.9)	41.9%
Net Income/Loss	154.1	43.9	-71.5%	544.8	42.7	-92.2%
Net Profit Margin (%)	2.2%	0.6%	-1.6	2.1%	0.2%	-1.9

GB Auto's Shareholding Structure

as of 31 December 2019



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

ir.ghabbourauto.com

Shareholder Information

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

Shares Outstanding:
1,094,009,733

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 & Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, 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, fleet quasi-operational leasing, factoring, securitization and Mortgage finance under the following brands - GB Lease, Mashroey, Drive, Tasaheel, Haram, GB Capital for Securitization and Bedaya. The company is headquartered in Giza, Greater Cairo Area, Egypt.

www.ghabbourauto.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.