



GB Corp Earnings

2Q/1H24

GB Corp Reports 2Q/1H24 Results

GB Corp recorded solid results despite challenging market conditions with revenues and net profit up year-on-year at 78.4% and 72.3%, respectively, in 1H24

Key Highlights 1H24



- GB Corp's consolidated revenues increased by 78.4% to reach EGP 19,181.1 million in 1H24, mainly driven by enhanced performance in both the Auto and Capital segments. During the quarter, revenues grew 69.3% y-o-y and 13.0% q-o-q to EGP 10,174.9 in 2Q24.
- Gross profit recorded significant growth of 83.5% y-o-y to EGP 4,379.0 million in 1H24, and yielded an expanded GPM of 22.8% versus 22.2% in 1H23. On a quarterly basis, gross profit increased by 35.8% y-o-y, but fell 29.2% q-o-q to EGP 1,815.4 million in 2Q24, resulting in a lower GPM of 17.8% compared to 28.5% in 1Q24 and 22.2% in 2Q23.
- GB Corp's bottom-line grew 72.3% y-o-y to EGP 1,048.2 million in 1H24, yielding a stable NPM of 5.5% on account of enhanced operational efficiency. Meanwhile, net profit fell both quarter-on-quarter and year-on-year by 32.6% and 15.7%, respectively, to EGP 421.8 million in 2Q24.
- GB Corp's results in 2Q24 were negatively impacted by the full effect of the devaluation, as well as the interest rate hikes, coupled with an unusual number of public holidays leading to a slowdown in demand.
- GB Auto launched Hyundai Elantra AD CKD model in the Egyptian market, as the company continues to leverage its unmatched CKD capacity to mitigate the impacts of the slowdown in LC issuances for CBU units.
- GB Auto launched its distribution of the MG Motor brand in Jordan through a joint venture with MG's former distributor in the Jordanian market as the company continues to grow its regional operations.
- GB Auto secured the exclusive distributorship of JAC passenger cars and Foton commercial vehicles in Iraq.
- A new light vehicle under the name of "Qute" is currently in the pipeline, as GB Auto recently signed a partnership with "Bajaj Auto Limited" for its assembly in cooperation with the Ministry of Military Production.
- GB Logistics inaugurated a 350,000 sqmt bonded warehouse in Sadat, strategically located between Alexandria Port, Cairo, and other major Egyptian ports.
- GB Capital's loans/receivables portfolio on the books increased by 28.3% y-o-y to EGP 10.6 billion in 2Q24 on the back of higher disbursements driven by the company's expanded offering
- Drive Finance issued securitization bonds worth EGP 1.4 billion with the offering being 2X oversubscribed, showcasing the company's ability to successfully execute transactions amidst challenging market conditions.

Disclaimer to Change in Reporting Structure

Starting 1Q24, management has adopted a new reporting structure, with new groupings within the Auto segment. Most notably, the passenger car LoB now encompasses both our Egypt and Iraq operation (including sales and after-sales), and Ready Parts and tires are now grouped under the trading business.

Note from our CEO

Despite prevailing difficult market conditions, I am pleased to report a strong set of financial and operational results driven by our growing offering at GB Auto and our extensive portfolio of alternative financing solutions at GB Capital, as well as our dynamic business model and strategies. GB Corp's revenues grew 78.4% y-o-y to EGP 19,181.1 million and net profit increased by 72.3% to EGP 1,048.2 million in 1H24.

On the Auto front, we navigated challenging operating conditions characterized by a slowdown in demand following the floatation of the Egyptian Pound in March 2024, as well as import restrictions and limited FX availability in the early months of the year. Nonetheless, we were able to record solid year-on-year growth in 1H24 across the majority of LoBs on the back of our dynamic pricing strategies and responsiveness to market conditions. On the passenger car front, revenues more than doubled in 1H24 on the back of a significant increase in volumes in Iraq, coupled with improved pricing strategies and an enhanced product mix in Egypt. On the local front in Egypt, we leveraged our unmatched CKD capacity to counteract the impact of the slowdown in LC issuances for CBU models, which was an important driver for the LoB's success during the period. On the regional front, we continued to grow our presence in the Iraqi market with the introduction of the JAC and Foton brands as a pivot to our two and three-wheeler business following the regulatory ban on imports of motorcycles and three-wheelers. Similarly, we recently launched the distribution of the MG Motor brand in Jordan in line with our regional expansion strategy.

At GB Capital, we mitigated to a large extent the high interest rate environment to deliver a solid set of financial and operational results during the period. Despite the macroeconomic headwinds and an EGP 1.4 billion securitization at Drive Finance, GB Capital's portfolio expanded 28.3% y-o-y to record EGP 10.6 billion in 2Q24. We continued to grow our newly-founded factoring arm, under GB Lease & Factoring, with its portfolio more than doubling during the quarter. Similarly, Kredit maintained its exceptional growth trajectory as it continued to gain traction in the market while leveraging synergies with GB Corp's subsidiaries, as well as expanding its credit facilities to fuel new business.

Moving forward, as market conditions remain fluid, we will continue to leverage our dynamic business model and strategies to deliver positive results in the coming quarters. On the Auto front, following the floatation of the Egyptian Pound, we instituted strategic price reductions to stimulate demand and have already started to gradually adjust prices as economic conditions stabilize. Additionally, we will focus on ramping up the JAC and Foton brands in Iraq and the MG Motor brand in Jordan, as we continue to deliver on our regional expansion strategy. At GB Capital, we will continue to expand our offering in different verticals to cater to the rising demand for alternative financing solutions. Looking ahead, I am confident in our ability to navigate challenging operating conditions, all the while capitalizing on the opportunities presented by the ongoing economic reforms and improved market sentiment to achieve long-term growth.

Nader Ghabbour
Chief Executive Officer

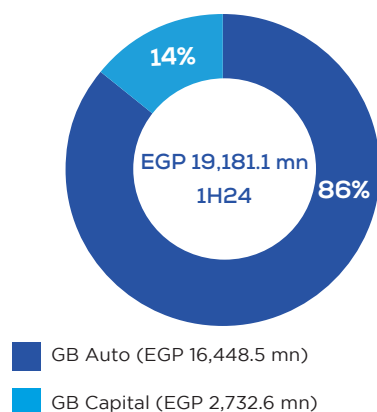
Consolidated Financial Overview

Table 1: GB Corp Income Statement

Three Months Ended						
(EGP million)	2Q23	2Q24	% Change	1H23	1H24	% Change
Total Sales Revenues	6,009.9	10,174.9	69.3%	10,751.4	19,181.1	78.4%
Total Gross Profit	1,337.0	1,815.4	35.8%	2,386.4	4,379.0	83.5%
Gross Profit Margin	22.2%	17.8%	(4.4)	22.2%	22.8%	0.6
Selling and Marketing	(561.5)	(834.2)	48.6%	(1,049.3)	(1,479.3)	41.0%
Administration Expenses	(203.2)	(256.2)	26.1%	(360.3)	(727.5)	-
Other Income (Expenses)	76.5	131.0	71.2%	140.8	250.3	77.8%
Operating Profit	648.8	856.0	31.9%	1,117.6	2,422.5	-
Operating Profit Margin (%)	10.8%	8.4%	(2.4)	10.4%	12.6%	2.2
Provisions (Net)	(16.4)	69.2	-	(67.2)	29.2	-
Intercompany Investment Gains (Losses)	260.4	108.6	(58.3%)	482.6	290.7	(39.8%)
EBIT	892.7	1,033.8	15.8%	1,532.9	2,742.4	78.9%
EBIT Margin (%)	14.9%	10.2%	(4.7)	14.3%	14.3%	-
Foreign Exchange Gains (Losses)	7.3	53.5	-	(258.1)	(330.5)	28.1%
Net Finance Cost	(248.0)	(599.3)	-	(439.5)	(967.7)	-
Earnings Before Tax	652.1	487.9	(25.2%)	835.4	1,444.2	72.9%
Income Taxes	(103.4)	(47.7)	(53.8%)	(182.8)	(337.0)	84.4%
Net Profit Before Minority Interest	548.7	440.2	(19.8%)	652.6	1,107.2	69.6%
Minority Interest	(48.1)	(18.3)	(62.0%)	(44.4)	(59.0)	32.8%
Net Income	500.5	421.8	(15.7%)	608.2	1,048.2	72.3%
Net Profit Margin (%)	8.3%	4.1%	(4.2)	5.7%	5.5%	(0.2)

Group Revenue Breakdown

(As of 30 June 2024)

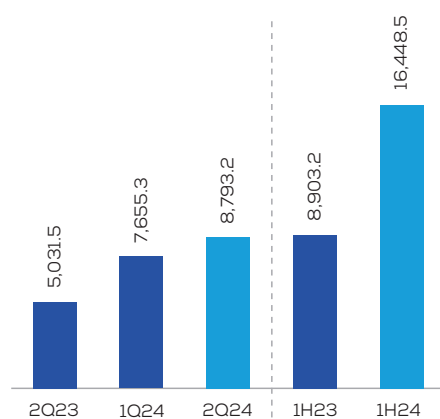


14 August 2024 — (Cairo, Egypt) GB Corp (GBCO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and Africa and non-bank financial services provider in Egypt, announced today its segmental and consolidated results for the quarter ended 30 June 2024. GB Corp's revenues grew 69.3% y-o-y to EGP 10,174.9 million in 2Q24. Meanwhile, net profit fell 15.7% y-o-y to EGP 421.8 million in 2Q24 on the back of high inflationary pressures driven by the floatation of the Egyptian Pound. On a YTD basis, revenues increased by 78.4% y-o-y to EGP 19,181.1 million and net income grew 72.3% to EGP 1,048.2 million in 1H24.

GB Auto recorded revenues of EGP 8,793.2 million in 2Q24, representing growth of 14.9% q-o-q and 74.8% y-o-y. On a YTD basis, revenues increased by 84.7% to EGP 16,448.5 million on the back of improved pricing strategies and an enhanced product mix, which helped mitigate challenging market conditions. On the passenger car front, revenues increased by 111.9% y-o-y in 1H24, primarily driven by improved performance in both Egypt, Iraq, and Jordan, resulting in a 52.0% increase in volumes. Additionally, improved pricing strategies and a greater focus on CKD models helped offset challenging market conditions in Egypt, characterized by subdued demand following the devaluation of the Egyptian Pound in March 2024, as well as a slowdown in LC issuances for CBU models. At the Trading business, revenues increased by 61.2% y-o-y in 1H24 as a result of healthy demand for the LoB's diverse offerings in both the Ready Parts and Tires businesses. At the Commercial Vehicles & Construction Equipment LoB, improved pricing and a ramp up in export operations helped offset a year-on-year fall in volumes, with the LoB recording a 56.9% y-o-y increase in revenues in 1H24. On the Two, Three, and Four-Wheelers front, despite the impact of the complete phasing out of three-wheelers inventory following the regulatory ban on its import in the Egyptian market, revenues increased by 37.0% y-o-y in 1H24 on the back of improved pricing strategies and higher volumes.

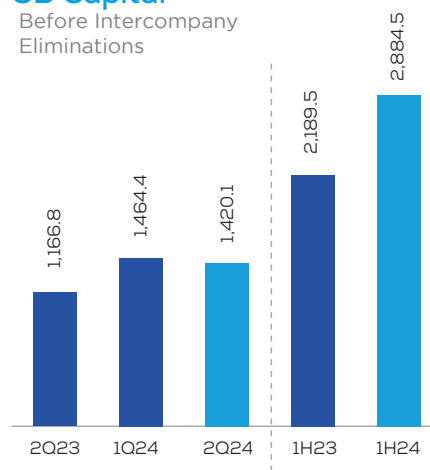
Revenue Progression (all figures in EGP million)

GB Auto



GB Capital

Before Intercompany
Eliminations



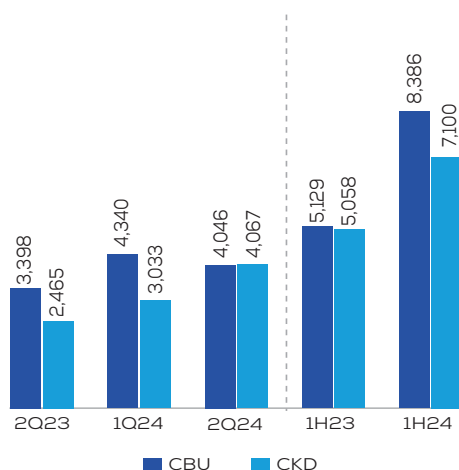
In terms of profitability, gross profit increased by 32.2% y-o-y to EGP 1,479.8, but with a lower GPM of 16.8% compared to 22.3% in 2Q23. It is worth noting that the contraction in GPM came on the back of a significant increase in cost of sales driven by high inflationary pressures and the floatation of the Egyptian Pound. On a YTD basis, gross profit increased by 89.1% y-o-y to EGP 3,775.5 million, yielding an expanded GPM of 23.0% in 1H24 versus 22.4% in 1H23. Meanwhile, EBITDA grew 31.9% y-o-y to EGP 954.0 million, yielding a margin of 10.8% in 2Q24 versus 14.4% in 2Q23. On a six-months basis, EBITDA doubled to reach EGP 2,503.5 million in 1H24, yielding an expanded margin of 15.2% in 1H24 compared to 14.1% in 1H23. The solid growth in EBITDA and the expansion in its margin showcases the effectiveness of the company's strategies amidst shifting market dynamics. Additionally, the segment maintained a strong financial position characterized by a net debt-to-EBITDA ratio of 0.93 and a net debt-to-equity ratio of 0.41 in 2Q24. GB Auto's net profit was stable year-on-year at EGP 249.6 million, yielding a margin of 2.8% in 2Q24 versus 4.9% in 2Q23. On a YTD basis, net profit more than tripled to EGP 629.6 million, and yielded an expanded margin of 3.8% 1H24 compared to 1.9% in 1H23. The growth in the company's bottom-line is attributable to an expanded top-line figure, coupled with enhanced efficiency to counteract high inflationary pressures.

GB Capital's revenues (before intercompany eliminations) fell by 3.0% q-o-q, but grew 21.7% y-o-y to EGP 1,420.1 million in 2Q24, primarily driven by an expansion in GB Capital's portfolio of alternative financing solutions. Meanwhile, net profit fell both quarter-on-quarter and year-on-year by 29.9% and 31.4%, respectively, to EGP 173.5 million in 2Q24. On a YTD basis, revenues increased by 31.7% to EGP 2,884.5 million and net profit fell by 4.8% to EGP 421.2 million in 1H24. Despite the securitization, GB Capital's loans portfolio was stable quarter-on-quarter and expanded by 28.3% y-o-y to EGP 10.6 billion in 1H24.

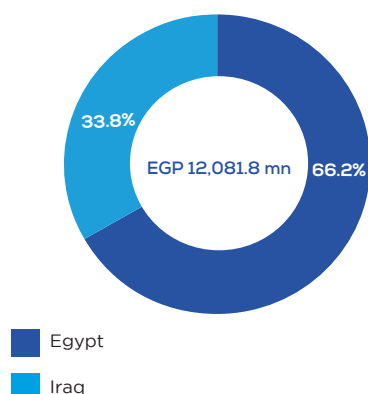
GB Capital recorded healthy portfolio performance amidst challenging market conditions characterized by higher interest rates, as well as prolonged national holidays impacting disbursements, collections, and overall demand. Despite high interest rates and the CBE's directive limiting a bank's ability to extend financing to leasing companies, GB Lease and Factoring grew its portfolio by 13.8% q-o-q and 38.0% y-o-y in 2Q24, primarily driven by a significant ramp up in factoring operations. At Drive Finance, a slowdown in demand for new vehicles coupled with an EGP 1.4 billion securitization during the quarter resulted in a 17.5% q-o-q contraction in its portfolio. Meanwhile, Drive's portfolio grew 16.6% y-o-y in 2Q24 on the back of greater penetration of the used car market for its auto loan business, as well as significant growth in Forsa's portfolio, mainly driven by an expansion in its offering to now include large-ticket financing. GB Auto Rental's portfolio grew 33.4% y-o-y in 2Q24 due to an expansion in the company's fleet. Additionally, Kredit continued to grow its operations with a significant increase in disbursements as well as an expansion in its credit facilities to fuel new business, resulting in a 32.6% q-o-q increase in its portfolio in 2Q24. On the Fintech front, our affiliate MNT-Halan maintained its growth trajectory with the launch of the new "Halan" card, as well as a significant increase in the number of quarterly active users on its app. As GB Capital continued to significantly grow its portfolio, it has maintained a healthy NPL-to-portfolio ratio of 3.04% on the back of its efforts to enhance the quality of its portfolio.

Highlights of GB Corp's 2Q24 results follow, along with management's analysis of the company's performance. Complete financials are available for download on ir.gb-corporation.com

Breakdown of Units Sold



PC Revenue Breakdown (As of 30 June 2024)



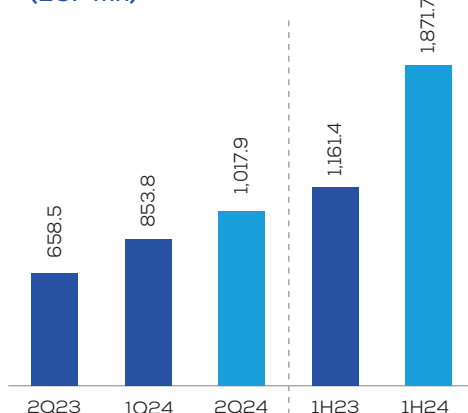
Egypt, Jordan, and Iraq Passenger Cars

- The passenger car LoB's volumes in Egypt and Iraq increased by 10.0% q-o-q and 38.4% y-o-y in 2Q24. On a six-months basis, volumes grew 52.0% y-o-y, driven by GB Auto's growing presence in the Iraqi market, as well as improved pricing strategies and an enhanced product mix to drive demand and mitigate challenging operating conditions in Egypt.
- As such, GB Auto solidified its leading position in the Egyptian passenger car market and continued to grow its operation in Iraq with the introduction of JAC and Foton.
- The LoB's revenues grew both quarter-on-quarter and year-on-year at 20.4% and 96.1%, respectively, to reach EGP 6,600.7 million in 2Q24. On a YTD basis, revenues grew 111.9% to reach EGP 12,081.8 million in 1H24 on the back of a significant increase in volumes in Iraq, as well as strategic pricing in Egypt to counteract limited supply in the early months of the year and mitigate a slowdown in demand in 2Q24 following the floatation of the Egyptian Pound.
- It is worth noting that GB Auto's performance in 1H24 was supported by its unmatched CKD capacity as it helped minimize the impact of the complete slowdown in LC issuances for CBU units.
- GB Auto recently launched its distribution of JAC and Foton in Iraq, as it continues to build on its success with the MG Motor brand to further grow its presence in the market.
- Additionally, as part and parcel to GB Auto's regional expansion strategy, the company recently launched its operation in Jordan through the distribution of the MG brand in partnership with the MG brand's previous distributor in the Jordanian market.

Table 2: Egypt and Iraq Passenger Cars Sales and After-Sales Activity

		2Q23	1Q24	2Q24	Q-o-Q	Y-o-Y	1H23	1H24	Y-o-Y
CKD Volume	(Units)	2,465	3,033	4,067	34.1%	65.0%	5,058	7,100	40.4%
CBU Volume	(Units)	3,398	4,340	4,046	(6.8%)	19.1%	5,129	8,386	63.5%
Total Volume	(Units)	5,863	7,373	8,113	10.0%	38.4%	10,187	15,486	52.0%
Total Revenue	(LE million)	3,366.4	5,481.1	6,600.7	20.4%	96.1%	5,700.5	12,081.8	111.9%

Trading Revenue Progression
(EGP mn)



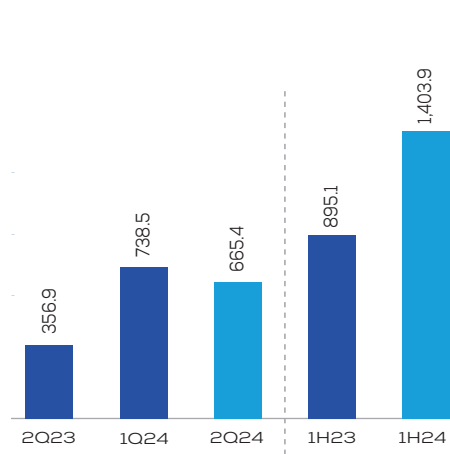
Trading Business

- The Trading business, which includes Ready Parts distribution in Egypt and Iraq and the Tires business in Egypt, recorded revenues of EGP 1,017.9 million, representing a 19.2% q-o-q and 54.6% y-o-y increase in 2Q24. On a YTD basis, revenues grew 61.2% y-o-y to EGP 1,871.7 million on the back of improved supply conditions in Egypt, coupled with healthy demand for GB Auto's range of brands on both fronts.
- It is worth noting that as long as adequate supply is secured, the LoB is poised for solid growth driven by strong demand for GB Auto's diverse brand portfolio in both Egypt and Iraq.

Table 3: Trading Sales Activity

		2Q23	1Q24	2Q24	Q-o-Q	Y-o-Y	1H23	1H24	Y-o-Y
Tires Revenue - Egypt	(LE Million)	464.9	675.2	679.8	0.7%	46.2%	807.1	1,355.1	67.9%
Ready Parts Revenue - Egypt and Iraq	(LE Million)	193.6	178.6	338.1	89.3%	74.7%	354.3	516.7	45.8%
Total Revenue	(LE Million)	658.5	853.8	1,017.9	19.2%	54.6%	1,161.4	1,871.7	61.2%

CV&CE Revenue Progression
(EGP mn)



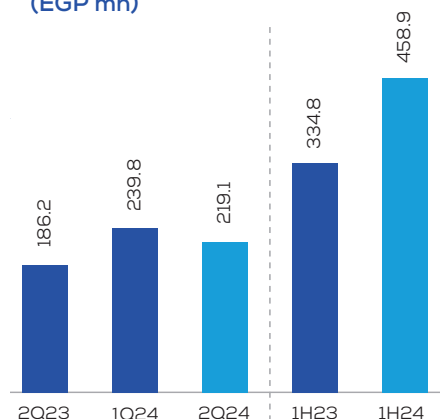
Egypt Commercial Vehicles & Construction Equipment

- The LoB's volumes fell 23.4% q-o-q, but increased by 50.0% y-o-y in 2Q24 on the back of improved supply conditions. The quarter-on-quarter fall in volumes is attributable to a slowdown in large-scale projects in Egypt due to evolving economic conditions following the floatation of the Egyptian Pound. On a YTD basis, volumes decreased by 28.1% y-o-y in 1H24, driven by similar factors, as well as limited FX availability and import restrictions in 1Q24.
- As such, revenues fell by 9.9% q-o-q, but increased by 86.5% y-o-y to EGP 665.4 million in 2Q24 on the back of improved pricing strategies to counteract the fall in volumes. On a six-months basis, revenues increased by 56.9% to EGP 1,403.9 million as a result of strategic price increases, coupled with a ramp up in the export of Fuso and Volvo buses to the Middle East and Africa.

Table 4: Egypt Commercial Vehicles & Construction Equipment (CV&CE) Sales and After-Sales Activity

		2Q23	1Q24	2Q24	Q-o-Q	Y-o-Y	1H23	1H24	Y-o-Y
Bus Sales Volume	(Units)	122	76	131	72.4%	7.4%	273	207	(24.2%)
Truck Sales Volume	(Units)	89	341	188	(44.9%)	111.2%	755	529	(29.9%)
Trailer Sales Volume	(Units)	-	5	6	20.0%	-	-	11	-
Construction Equipment Sales Volume	(Units)	7	5	2	(60.0%)	(71.4%)	20	7	(65.0%)
Total Sales Volume	(Units)	218	427	327	(23.4%)	50.0%	1,048	754	(28.1%)
Total Revenue	(LE million)	356.9	738.5	665.4	(9.9%)	86.5%	895.1	1,403.9	56.9%

Two, Three, and Four Wheelers
Revenue Progression
(EGP mn)



Two, Three, and Four-Wheelers

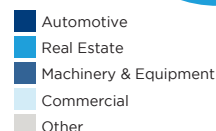
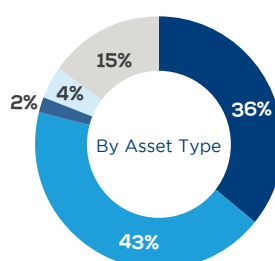
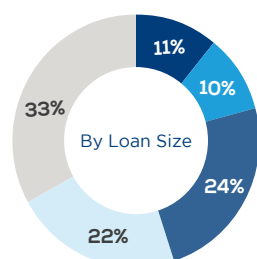
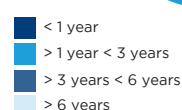
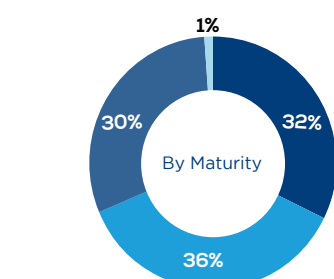
- The LoB's volumes increased by 12.6% q-o-q and 17.6% y-o-y in 2Q24. On a YTD basis, volumes increased by 28.3% y-o-y in 1H24.
- Meanwhile, revenues increased by 17.7% y-o-y and fell by 8.7% q-o-q to EGP 219.1 million in 2Q24. On a six-months basis, revenues increased by 37.0% to EGP 458.9 million on the back of improved pricing strategies and higher volumes. The segment's performance was impacted by the complete phasing out of three-wheelers inventory following the regulatory ban on its import in the Egyptian market.
- It is worth noting that a new light vehicle under the name "Qute" is currently in the pipeline, as GB Auto recently signed a partnership with "Bajaj Auto Limited" for its assembly in cooperation with the Ministry of Military Production.

Table 5: Two, Three, and Four-Wheelers Sales and After-Sales Activity

		2Q23	1Q24	2Q24	Q-o-Q	Y-o-Y	1H23	1H24	Y-o-Y
Sales Volume	(Units)	2,886	3,015	3,395	12.6%	17.6%	4,997	6,410	28.3%
Total Revenue	(LE Million)	186.2	239.8	219.1	(8.7%)	17.7%	334.8	458.9	37.0%

GB Capital Portfolio Breakdown

(As of 30 June 2024)



GB Capital (Financing Businesses)

- GB Capital's revenues increased by 21.7% y-o-y and fell by 3.0% q-o-q to record EGP 1,420.1 million in 2Q24. On a YTD basis, revenues increased by 31.7% y-o-y to record EGP 2,884.5 million in 1H24 on the back of a significant expansion in the segment's offerings, resulting in higher disbursements during the period.
- In terms of profitability, GB Capital's net profit fell both quarter-on-quarter and year-on-year by 29.9% and 31.4%, respectively, to record EGP 173.5 million in 2Q24, attributable to absorbing the full impact of the 800 bps increase in interest rates, resulting in a lower NIM across GB Capital's portfolio. On a six-months basis, driven by similar factors, net profit fell 4.8% y-o-y to reach EGP 421.2 million in 1H24.
- GB Capital's annualized ROAE recorded 12.1% in 2Q24 compared to 16.1% in 1Q24. Meanwhile, annualized ROAA came in at 11.1% in 2Q24 versus 10.2% in 1Q24. It is important to note that annualized ROAE figures have been adjusted to exclude the high equity base due to the revaluation of deconsolidating MNT-Halan. Annualized NIMs stood at 5.3% in 2Q24 compared to 7.0% in 1Q24.
- Despite higher interest rates and an EGP 1.4 billion securitization at Drive Finance, GB Capital's loans/receivables portfolio on the books increased by 28.3% y-o-y to reach EGP 10.6 billion in 2Q24 on the back higher disbursements driven by the company's expanded offering.
- GB Capital maintained a healthy NPL-to-portfolio ratio of 3.04% in 2Q24 versus 2.8% in 1Q24. Meanwhile, the company increased its NPL coverage ratio to 95% in 2Q24 compared to 94% in 1Q24.
- Debt-to-equity ratio stood at 0.51x in 2Q24 versus 0.53x in 1Q24.
- GB Capital's debt, which fluctuates with the size of the portfolio, recorded EGP 7.9 billion as at June 30 2024.
- Microfinancing, nano-financing, SME-lending, factoring, mortgage finance, leasing, venture capital, life insurance, securitization, sukuk, and consumer lending services offered by GB Capital's various subsidiaries and affiliates are regulated by the FRA.

Leasing & Factoring

- GB Lease & Factoring continued to navigate challenging operating conditions characterized by higher interest rates and new regulations limiting a bank's ability to extend financing to leasing companies to 5.0% of the bank's total loan book portfolio, thereby limiting the company's ability to fuel new business. Despite the headwinds, GB Lease & Factoring grew its portfolio both quarter-on-quarter and year-on-year by 13.8% and 38.0%, respectively, in 2Q24 on the back of a significant ramp up in its factoring operations and maintaining a healthy utilization rate of its credit facilities to fund new business.
- On the factoring side, the company continued to gain significant traction in the market with its factoring portfolio more than doubling in 2Q24.
- GB Auto Rental's portfolio was stable quarter-on-quarter and increased by 33.4% y-o-y in 2Q24, mainly driven by an expansion in the company's fleet and solid growth in its client base.

Consumer Finance

- Drive Finance's portfolio fell by 17.5% q-o-q, but grew 16.6% y-o-y in 2Q24 on the back of greater penetration in the used car segment for its auto loan business, as well as solid growth in Forsa's portfolio. It is worth noting that the quarter-on-quarter decline in Drive's portfolio is mainly attributable to the EGP 1.4 billion securitization that took place in 2Q24.
- On the consumer finance front, Forsa recorded significant growth in its portfolio, mainly driven by its expanded offering which now includes large ticket items. Additionally, its performance was bolstered by its extensive merchant network of more than 1,300 merchants across 6,000 stores.

Fintech

- MNT-Halan maintained its solid growth trajectory across all its lending products, with the company's newly-launched Halan card gaining significant traction in the market.
- The company continued to ramp up the Halan app with its number of quarterly active users surpassing the 2.2 million mark, mainly driven by MNT-Halan's expansive digital offering which enhanced customer retention rates as well as cross-selling opportunities.

SME-Lending

- Kredit continued to gain traction in the market with its portfolio increasing by 32.6% q-o-q in 2Q24 on the back of an expansion in the company's credit facilities allowing it to fuel new business.
- On the operational front, the company was able to mitigate the high interest rate environment and maintain a healthy portfolio as evident by having zero non-performing loans during 2Q24.

Securitization

- GB Capital for Securitization has executed four securitization deals in 1H24 with a total bond size amounting to EGP 10.2 billion. Additionally, the company has a solid pipeline of seven deals to be executed in 1H24, with a portion of deals being for external parties.

Financial Position and Working Capital of GB Auto

Table 6: Development of Working Capital for GB Auto

Strong demand for GB Auto's portfolio and efficient management of working capital continued to support performance in 2Q24 amidst shifting market dynamics. Inventory levels and receivables have been optimized, while payables are extended due to import restrictions and limited FX availability prevalent at the beginning of the quarter.

		2Q23	3Q23	4Q23	1Q24	2Q24
Inventory	(EGP million)	5,693.2	5,539.9	6,366.1	10,459.3	13,069.1
Receivables	(EGP million)	1,530.0	2,045.3	1,743.5	2,201.1	3,390.9
Advances	(EGP million)	858.5	776.9	913.6	1,204.4	1,867.4
Debtors & Other Debit Balances	(EGP million)	2,502.8	2,267.0	1,547.9	2,192.2	2,849.7
Payables	(EGP million)	5,882.8	7,107.8	6,104.7	9,665.7	12,993.9
Working Capital	(EGP million)	4,701.8	3,521.3	4,466.3	6,391.2	8,183.1

Table 7: Development of Net Debt for GB Auto

(EGP million)	2Q23	3Q23	4Q23	1Q24	2Q24
Total Debt	5,294.8	4,795.2	5,788.8	7,633.2	10,496.7
Notes Payable (Due to leasing)	783.3	685.0	1,030.6	908.5	841.7
Cash	2,435.0	3,231.6	3,446.1	5,636.2	6,051.0
Due to Related Parties - Inter Segment	-	-	-	38.8	0.7
Due from Related Parties - Inter Segment	246.4	407.9	451.5	663.4	605.3
Net Debt	3,396.7	1,840.6	2,921.8	2,281.0	4,682.9

Table 8: Development of Key Financials for GB Auto

(EGP million)	2Q23	1Q24	2Q24	Q-o-Q	Y-o-Y	1H23	1H24	Y-o-Y
Revenue	4,854.6	7,573.1	8,743.5	15.5%	80.1%	8,584.4	16,316.6	90.1%
Inter-Segment Revenue	176.9	82.2	49.6	(39.6%)	(71.9%)	318.8	131.9	(58.6%)
Total Revenue	5,031.5	7,655.3	8,793.2	14.9%	74.8%	8,903.2	16,448.5	84.7%
Cost of Sales	(3,735.0)	(5,277.4)	(7,263.7)	37.6%	94.5%	(6,588.3)	(12,541.1)	90.4%
Inter-Segment Cost of Sales	(176.9)	(82.2)	(49.6)	(39.6%)	(71.9%)	(318.8)	(131.9)	(58.6%)
Total Cost of Sales	(3,911.8)	(5,359.7)	(7,313.3)	36.5%	87.0%	(6,907.1)	(12,673.0)	83.5%
Gross Profit	1,119.7	2,295.7	1,479.8	(35.5%)	32.2%	1,996.0	3,775.5	89.1%
Gross Profit Margin	22.3%	30.0%	16.8%	(13.2)	(5.4)	22.4%	23.0%	0.5
General, Selling & Administrative Expenses	(568.8)	(901.6)	(844.1)	(6.4%)	48.4%	(1,055.9)	(1,745.7)	65.3%
Other Operating Income	73.4	112.4	109.4	(2.7%)	49.1%	133.1	221.8	66.7%
Provisions (Net)	12.1	(30.0)	97.9	-	-	(1.6)	67.8	-
Operating Profit	636.3	1,476.5	842.9	(42.9%)	32.5%	1,071.6	2,319.4	-
Operating Profit Margin	12.6%	19.3%	9.6%	(9.7)	(3.1)	12.0%	14.1%	2.1
Finance Cost*	(309.8)	(400.9)	(624.2)	55.7%	-	(508.6)	(1,025.1)	-
FOREX	16.8	(430.6)	53.3	-	-	(247.2)	(377.3)	52.6%
Net Profit / (loss) Before Tax	343.3	645.0	272.0	(57.8%)	(20.8%)	315.7	917.0	-
Income Tax	(67.1)	(239.1)	(19.0)	(92.1%)	(71.7%)	(132.0)	(258.1)	95.4%
Net Profit / (loss) After Tax and Before NCI	276.2	405.9	253.0	(37.7%)	(8.4%)	183.7	658.9	-
NCI	(27.4)	(25.9)	(3.4)	(86.8%)	(87.5%)	(15.4)	(29.3)	89.8%
Net Profit / (loss) After NCI	248.8	380.0	249.6	(34.3%)	0.3%	168.2	629.6	-
EBITDA	723.3	1,549.5	954.0	(38.4%)	31.9%	1,256.5	2,503.5	99.2%
EBITDA Margin	14.4%	20.2%	10.8%	(9.4)	(3.5)	14.1%	15.2%	1.1

* The finance cost includes leasing expenses of LE (130.3) million for 1H24

Table 9: Cash Flow Statement for GB Auto

(EGP million)	1H23	1H24
Cash Flows from Operating Activities		
Net (Loss) / Profit Before Tax	315.7	917.0
Adjustments		
Interest Expense	571.9	816.5
Depreciation & Amortization	196.1	234.7
Provisions - Net	1.6	(67.8)
Impairment in Current Assets - Net	22.2	190.1
Interest Income	(63.2)	(100.4)
Unrealized FOREX Loss	81.9	867.9
Gain on Sale of PP&E and Assets Held for Sale	11.2	(50.6)
Operating Cash Flow Before Changes in Working Capital	1,137.3	2,807.3
Changes in Working Capital		
Inventories	(1,574.2)	(5,265.0)
Trade Receivables	(53.4)	(1,345.3)
Debtors & Other Debit Balances	(623.7)	(918.5)
Due from Related Parties	(362.2)	(147.7)
Due to Related Parties	18.2	(22.5)
Due from Related Parties - Inter-Segment	227.4	(150.8)
Due to Related Parties - Inter-Segment	282.5	23.1
Trade Payables & Other Credit Balances	707.0	5,511.6
Rent Paid for Assets Right of Use	(16.4)	(39.1)
Provisions Used	(38.7)	(16.0)
Cash Flow (Generated from Operating Activities)	(296.2)	437.1
Dividends Paid - Employees	-	(65.4)
Income Tax Paid During the Period	(204.1)	(74.0)
Net Cash Flow (Generated from Operating Activities)	(500.3)	297.7
Cash Flows From Investing Activities		
Purchase of Property, Plant & Equipment	(249.9)	(1,342.1)
Dividends Paid - Shareholder	-	(217.0)
Purchase of projects Under Construction	(369.3)	(599.0)
Interest Received	(9.2)	(89.1)
Proceeds from Sale of Property, Plant and Equipment	92.8	128.1
Net Cash Flow (Generated from Investing Activities)	(535.5)	(2,119.0)
Cash Flows From Financing Activities		
Loans & Borrowings	918.5	4,391.9
Interest Paid	(518.0)	(630.7)
Long Term Notes Payable Paid	(156.4)	(80.2)
Net Cash Flow (Generated from Financing Activities)	244.1	3,681.1
Net Increase (Decrease) in Cash & Cash Equivalents	(791.7)	1,859.8
Cash & Cash Equivalents at Beginning of the Period	2,776.9	3,446.1
Translation Differences	449.7	745.1
Cash & Cash Equivalents at End of the Period	2,435.0	6,051.0

Table 10: Key Ratios for GB Auto

		2Q23	3Q23	4Q23	1Q24	2Q24
Net Debt / Equity*	Units	0.46	0.24	0.38	0.21	0.41
Total Liabilities Less Cash / Equity	Units	1.45	1.34	1.36	1.30	1.71
Current Ratio	Units	1.14	1.15	1.16	1.23	1.16
Net Debt / LTM EBITDA [^]	Units	1.28	0.58	0.77	0.47	0.93
LTM EBITDA / Finance Cost	Units	3.11	3.15	3.50	3.74	3.15
Capital Employed **	EGP million	10,042.3	9,034.3	10,231.2	12,689.4	15,531.2
LTM ROCE ***	%	23.7%	29.2%	35.9%	39.2%	33.3%

* Net Debt for segments = (short term debt + long term debt + due to related parties - inter-segment + payables related to leasing expenses) - cash and cash equivalents

** Average capital employed for segments at the end of the period = (property, plant and equipment + Intangible assets and goodwill + Investment property + inventories + Trade receivables + Debtors and other debit balance) - (Trade payables + Other current liabilities)

*** ROCE for segments = Last twelve months operating profit / average capital employed at the beginning and end of the period

Table 11: Income Statement by Segment

	1H24			
(EGP million)	GB Auto	GB Capital	Elimination	GB Corp
Revenue	16,316.6	2,864.5	-	19,181.1
Inter-segment revenue	131.9	20.0	(151.9)	-
Total revenue	16,448.5	2,884.5	(151.9)	19,181.1
Cost of sales	(12,541.1)	(2,261.0)	-	(14,802.1)
Inter-segment cost of sales	(131.9)	(5.4)	137.3	-
Total Cost of Sales	(12,673.0)	(2,266.5)	137.3	(14,802.1)
Gross Profit	3,775.5	618.0	(14.6)	4,379.0
General, selling and administrative expenses	(1,745.7)	(462.0)	0.9	(2,206.8)
Other operating income	221.8	32.1	(3.6)	250.3
Provisions (Net)	67.8	(38.6)	-	29.2
Operating profit	2,319.4	149.5	(17.2)	2,451.7
Finance cost / income	(1,025.1)	42.8	14.6	(967.7)
Investment Gain	-	290.7	-	290.7
FOREX	(377.3)	46.8	-	(330.5)
Net profit / (loss) before tax	917.0	529.8	(2.6)	1,444.2
Income tax	(258.1)	(78.9)	-	(337.0)
Net profit / (loss) after tax and before NCI	658.9	450.9	(2.6)	1,107.2
NCI	29.3	29.7	-	59.0
Net profit / (loss) after NCI	629.6	421.2	(2.6)	1,048.2

Historical data for GB Corp's segregated financials can be downloaded at ir.gb-corporation.com/fundamentals

Table 12: Balance Sheet by Segment

As at 30 June 2024				
(EGP million)	GB Auto	GB Capital	Elimination	GB Corp
Property Plant & Equipment	6,474.9	586.6	14.8	7,076.3
Intangible Assets & Goodwill	982.3	1.5	-	983.7
Asset Right of Use	837.0	117.3	(7.2)	947.1
Investments in Subsidiaries (GB Capital)	325.1	12,865	(1,961.3)	11,229.4
Notes Receivable	5.5	6,498.3	(194.0)	6,309.8
Other Debit Balance	-	63.4	-	63.4
Intercompany loan	-	-	-	-
Investments Property	90.9	-	-	90.9
Deferred Tax Assets	164.6	-	-	164.6
Non-Current Assets	8,880.2	20,132.7	(2,147.7)	26,865.2
Asset held for sale	-	855.0	-	855.0
Inventories	13,069.1	7.3	-	13,076.4
Trade Receivables	3,390.9	3,300.9	(358.3)	6,333.4
Advance Payments to Suppliers	1,867.4	50.2	-	1,917.5
Debtors & Other Debit Balance	2,849.7	549.2	-	3,398.9
Due from Related Parties	136.1	0.2	(9.5)	126.8
Due from Related Parties - Inter-Segment	605.3	2.0	(607.3)	-
Cash and Cash Equivalents	6,051.0	1,084.6	-	7,135.6
Current Assets	27,969.3	5,849.3	(975.1)	32,843.6
Total Assets	36,849.5	25,982.0	(3,122.8)	59,708.7
Share Capital	1,087.4	318.0	(319.9)	1,085.5
Share Capital Premium	1,645.5	-	(1,645.5)	-
General Reserve	-	8.6	-	8.6
Legal Reserves	533.1	176.8	-	709.9
Private Reserve	7,210.5	245.2	4.2	7,459.9
Risk Reserve	-	20.4	-	20.4
Accumulated Profit (Losses)	(826.6)	13,732.2	5.4	12,911.0
Net Income / (Loss) for The Period	629.6	421.2	(2.6)	1,048.2
Total Shareholders' Equity Before NCI	10,279.4	14,922.5	(1,958.4)	23,243.5
Total NCI	1,092.1	731.5	-	1,823.6
Total Equity	11,371.5	15,654.0	(1,958.4)	25,067.1
Trade Payables	12,993.9	1,565.8	(353.6)	14,206.1
Loans & Overdraft	10,496.7	2,277.3	-	12,774.0
Due to Related Parties	25.8	-	(9.5)	16.3
Due to Related Parties - Inter-Segment	0.7	606.5	(607.3)	-
Provision	400.6	30.9	-	431.5
Other Current Liabilities	205.4	53.4	-	258.8
Short term bond	-	80.0	-	80.0
Total Current Liabilities	24,123.2	4,614.0	(970.4)	27,766.8
Loans	-	5,409.2	-	5,409.2
Provision	7.1	-	-	7.1
Lease Obligation	365.2	92.4	-	457.6
Trade and Notes Payables	681.6	-	(194.0)	487.6
Deferred Tax Liabilities	300.9	52.4	-	353.3
Bonds Payable	-	160.0	-	160.0
Total Non-Current Liabilities	1,354.8	5,714.1	(194.0)	6,874.9
Total Equity And Liabilities	36,849.5	25,982.0	(3,122.8)	59,708.7

Historical GB Corp segregated financials can be downloaded at ir.gb-corporation.com/fundamentals

Table 13: Income Statement Analysis for GB Capital

(EGP million)	2Q23	1Q24	2Q24	Q-o-Q	Y-o-Y	1H23	1H24	Y-o-Y
Revenue	780.7	889.0	730.8	(17.8%)	(6.4%)	1,532.5	1,619.8	5.7%
Interest Income	386.0	575.4	689.2	19.8%	78.6%	656.9	1,264.6	92.5%
Total Revenue	1,166.8	1,464.4	1,420.1	(3.0%)	21.7%	2,189.5	2,884.5	31.7%
Cost of Sales	(698.5)	(786.1)	(530.3)	(32.5%)	(24.1%)	(1,380.8)	(1,316.4)	(4.7%)
Cost of Funds	(249.2)	(402.3)	(547.8)	36.2%	-	(414.4)	(950.1)	-
Total Cost of Revenue	(947.7)	(1,188.3)	(1,078.1)	(9.3%)	13.8%	(1,795.2)	(2,266.5)	26.3%
Gross Profit	219.1	276.1	341.9	23.9%	56.1%	394.3	618.0	56.7%
SG&A	(196.5)	(215.4)	(246.6)	14.5%	25.5%	(354.8)	(462.0)	30.2%
Provisions	(28.5)	(9.9)	(28.7)	-	0.5%	(65.6)	(38.6)	(41.1%)
Operating Profit	(5.9)	50.7	66.6	31.5%	-	(26.1)	117.3	-
Other Income	53.9	8.9	23.2	161.2%	(56.9%)	60.2	32.1	(46.6%)
Investment (Losses)/Gain	260.4	182.1	108.6	(40.4%)	(58.3%)	482.6	290.7	(39.8%)
EBIT	308.4	241.7	198.5	(17.9%)	(35.6%)	516.7	440.2	(14.8%)
Other Interest & Similar Income	11.1	24.3	18.5	(24.1%)	66.1%	16.2	42.8	-
FOREX	(9.5)	46.6	0.2	(99.6%)	-	(10.8)	46.8	-
EBT	310.0	312.7	217.2	(30.6%)	(29.9%)	522.1	529.8	1.5%
Income Tax	(36.3)	(50.2)	(28.7)	(42.7%)	(20.8%)	(50.7)	(78.9)	55.5%
Profit after Tax & before NCI	273.7	262.5	188.4	(28.2%)	(31.2%)	471.4	450.9	(4.3%)
NCI**	20.7	14.8	14.9	-	(27.9%)	29.0	29.7	2.5%
Net Profit after Tax & NCI	253.0	247.7	173.5	(29.9%)	(31.4%)	442.4	421.2	(4.8%)
Breakdown of Revenue by Company								
GB Capital	-	0.2	0.2	-	-	-	0.4	-
GB Lease	220.8	299.6	400.1	33.5%	81.2%	349.8	699.7	-
Drive	892.6	1,083.2	923.1	(14.8%)	3.4%	1,740.0	2,006.3	15.3%
GB Auto Rental	52.6	68.6	76.4	11.4%	45.2%	98.6	144.9	46.9%
Capital Securitization	0.4	0.6	3.5	-	-	0.7	4.1	-
Kredit	0.3	12.3	16.9	37.4%	-	0.3	29.1	-
Total	1,166.8	1,464.4	1,420.1	-3.0%	21.7%	2,189.5	2,884.5	31.7%

* Includes MNT-Halan, Bedaya and Kaf

** Includes 45% of GB Lease

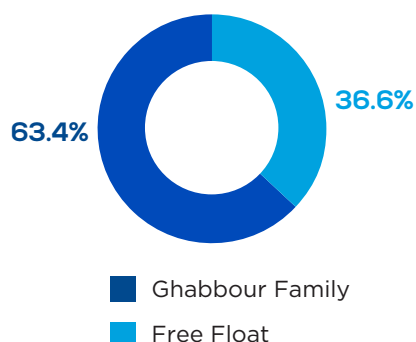
Table 14: Supplementary Financial Information - GB Capital (Excluding MNT-Halan)

	1H23	FY23	1H24
Net Portfolio Assets	8,223.1	8,980.5	10,552.2
Debt / Equity	0.43x	0.43x	0.51x
Equity / Loan Portfolio	180.4%	174.3%	148.3%
Annualized Return on Average Equity (ROAE)*	16.1%	20.8%	12.1%
Annualized ROAA [Annualized the period EBIT pre funding costs after tax / average assets of period]	8.6%	11.4%	11.1%
Annualized net interest margin (%) [(interest income - interest expense) for the last quarter X 4 / average portfolio size for the quarter]	7.37%	6.6%	5.33%
Provision for Portfolio:			
Provision (BS) / Loan portfolio %	3.78%	3.29%	2.90%
Provision (BS) / NPL % (Coverage ratio)	95%	108%	95%
NPL / Loan portfolio %	3.98%	3.05%	3.04%

* Annualized ROAE figures have been adjusted to exclude the high equity base due to the the revaluation of deconsolidating MNT-Halan.

GB Corp's Shareholding Structure

as of 30 June 2024



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

Sarah Maged
Investor Relations
Communications Manager

Direct: +202 3910 0485
Tel: +202 3539 1201
Fax: +202 3539 0139
e-mail: ir@gb-corporation.com

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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), a leading automotive company in the Middle East and Africa and non-bank financial services provider in Egypt. Across four primary lines of business — Passenger Cars, Trading, Commercial Vehicles & Construction Equipment, and Two, Three, and Four-Wheelers — 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, MG, JAC, Foton, Karry, Bajaj, Marcopolo, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, SDLG, Higer, Shacman, Lassa, Yokohama, Westlake, Double Coin, Good-year, Thunderer, Verde, Techking, MRF, and Sunfull. GB Auto has operations in the Middle East and Africa. The company's NBFS' segment branded GB Capital offers leasing, factoring, consumer finance, fleet quasi-operational leasing, securitization, SME lending, and Sukuk under the following brands - GB Lease, Drive, Forsa, GB Auto Rental, Capital Securitization, Kredit, GB Capital Sukuk 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.