

# 2022 Frost & Sullivan Institute | Enlightened Growth Leadership Award



FROST & SULLIVAN  
**BEST PRACTICES**  
AWARDS

**GB AUTO**



## Congratulations!

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Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present GB Auto with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes GB Auto for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman, Frost & Sullivan and Executive Director, Frost & Sullivan Institute



## Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. GB Auto excels in multiple criteria.



### **Introduction**

GB Auto is an Egypt based automotive manufacturer and a non-banking financial service provider based in Cairo, Egypt. The company's history dates to the early 1940s when Sadek and Kamal Ghabbour started a trading company. After decades of changes, restructuring, and expansion, today GB Auto is one of the largest manufacturers and distributors of passenger and commercial automobiles manufacturer in Middle East and North Africa. The company boasts of joint-ventures and partnerships with global automobile giants like Hyundai, Bajaj, Yokohama, and multiple other globally operational brands. GB Auto looks to use its corporate value and operational excellence to provide a superior customer experience while also enhancing shareholder value in the process. The company further wants to ensure that it develops its communities and provides enriching an experience for their employees.

### **'Innovating to Zero' on Global Priorities**

GB Auto is on a constant journey towards being a more sustainable and inclusive corporation. Result oriented sustainable future, innovative thinking, and a customer and community centric approach are among the five-core values GB Auto has laid out for itself. As a part of this approach, the company has aligned its 2022-2025 Environment, Social, and Governance goals with their business strategy and with Egypt Vision 2030 goals. Furthermore, the company has announced set goals and commitments on ten out of 17 Sustainable Development Goals (SDGs) laid out by the United Nations. Spread across three pillars, GB Auto has twelve commitments to address the SDGs which the corporation believes are important



to make them more competitive in a global environment. In addition to these actions, GB Auto's approach of encouraging whistleblowing and a commitment to a 100% transparent supply chain highlights the

*"GB Auto aims to improve its energy consumption efficiency by 40% across all its manufacturing plants by 2023 and source at least 70% of all energy requirements in manufacturing plants via renewable sources by 2030. To achieve these goals, the company has already started the development of three solar energy facilities with an expected output of 4.2 MWP (Megawatt Peak). This project has already resulted in a carbon dioxide offset of 91.2% in the company's PRIMA plant and is expected to result in similar reductions once the installations at Sadat and Badr plant is completed in 2023."*

**-Abhash Raj Subedi, Research Analyst,  
Frost & Sullivan Institute**

company's strides in its journey towards zero emissions, zero corruption, zero exploitation, zero waste, and zero discrimination.

GB Auto is aware of the impact greenhouse gas emissions from their manufacturing plants has on the environment and its role in climate change. As a part of their goal to innovate emissions to zero, the company has pledged to be carbon neutral by 2050 while achieving a 40.8% reduction in scope one and scope two emissions by 2028. Further, GB Auto aims to improve its energy consumption efficiency by 40% across all its manufacturing plants by 2023 and source at least 70% of all energy requirements in manufacturing plants via renewable sources by 2030. To achieve these goals, the company has already started development of three solar energy facilities with an expected output of 4.2 MWP (Megawatt Peak). This project has already resulted in a

carbon dioxide offset of 91.2% in the company's PRIMA plant and is expected to result in similar reductions once the installations at Sadat and Badr plant is completed in 2023.

In addition to internal commitments, GB Auto is also determined to make improvements across its supply chain. The company has expressed its commitment to share its expertise and best practices to help its suppliers be more sustainable while engaging in capacity building of its suppliers. The company has pledged to a 100% supply chain transparency by 2025.

GB Auto has doubled down on its commitment to employee health and wellbeing, gender equality in the workforce as well as on providing quality education to its employees. As a part of this journey to innovate discrimination to zero, the company provides performance assessment and takes feedback from 100% of its employees. Furthermore, it ensures that its entire workforce is covered by training needs assessment along with developing career plans for them. The company hired over six thousand employees in 2021, 31% of whom were female. In a typically male dominated industry, this figure, combined with the company's commitment to ensure a zero discrimination and 100% grievance resolution environment is an important steppingstone towards fostering and enhancing diversity and inclusion in the workplace.

GB Auto has employee welfare at the heart of its operations. In addition to providing life insurance and medical insurance to all its employees, the company has ensured all its manufacturing sites to be ISO 45001:2018 certified. Furthermore, the company has partnered with Cleopatra Hospital to provide free breast cancer screening and mammograms for its female employees. Additional efforts to improve the



health and mental wellbeing of the employees and their families included an awareness campaign on autism as well as coordination with Egypt's Ministry of Health and Population to provide over 2800 employees with dual dose of the coronavirus vaccine.

Frost & Sullivan Institute commends GB Auto's commitment to constantly innovate some of the challenges faced by the world to zero by being aware of the impact they have on the environment and taking bold and active measures to reduce their carbon footprint. The company's initiatives to ensure an environment of zero corruption and zero discrimination is praiseworthy, as is the company's actions on improving employee health and wellbeing.

### **Growth Excellence & Industry Partner Ecosystem**

*"The coronavirus pandemic was particularly challenging to the automotive industry. However, GB Auto not only managed to navigate these turbulent times, but it also managed to achieve a sales volume increase of 53.7% on auto and auto related segments, a figure that significantly eclipses the 28.2% market growth rate."*

**-Abhash Raj Subedi, Research Analyst,  
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The coronavirus pandemic was particularly challenging to the automotive industry. However, GB Auto not only managed to navigate these turbulent times, but it also managed to achieve a sales volume increase of 53.7% on auto and auto related segments, a figure that significantly eclipses the 28.2% market growth rate. GB Auto's 34.8% increase in operating revenue in 2021 ensured a revenue of EGP 31.4 billion, a figure driven in no small part by the increase of sales of passenger cars. Non-banking financial services also accounted for almost 21% of the company's revenue, a testament to GB Auto's diversification of revenue streams. Such strategic

diversifications have allowed it to navigate the global semiconductor shortage, an issue that significantly affects the production of automobiles.

A key driver of GB Auto's growth excellence is the ability of the company to partner with various regional and international brands to further boost their portfolio of automobile and automotive brands. In 2020, it announced a partnership with Higher Bus Company Limited for exclusive representation and manufacture of GB Polo, a brand that has been selected to supply buses for the 2022 Africa Cup of Nations. Further, the partnership with SAIC Motor Middle East allowed GB Auto to add MG brand to its portfolio in Iraq. In 2021, the company launched Wingle 5, a pickup truck in partnership with Great Wall Motors, a China based company. Finally, joint acquisitions have been a key driver to facilitate sustained growth and a strong portfolio of high performing brands for GB Auto. In 2020, the company acquired a 20% stake in the New City Housing and Development Company. Additionally, the company sealed a deal in 2021 to acquire the sole distributorship of Changan and Haval, a move that saw GB Auto introduce four new models in the market.

Frost & Sullivan Institute recognizes GB Auto's ability to partner with overseas manufacturers to sell their brand of automobiles while also maintaining a strong presence of locally assembled brands. Further, GB Auto's expansion to the financial sector has further reduced the risk in their portfolio, ensuring that the company's meteoric growth is as sustainable as it is impressive.





## Technology Innovation and Customer Value Chain

GB Auto understands that leveraging technology within its supply chain can not only result in better business performance, but also contribute to their sustainability goals. The company is currently on a journey of digital transformation. It has created a 'Master Data Management' department to generate key insights and analytics across its supply chain. The company has made use of AI to implement a

*"GB Ventures is the incubation center of the company responsible for testing and developing new ideas. GB Auto shares its office space as well as financial expertise to aid the Venture in their journey of technology innovation and value chain creation. Exciting startups are mentored by the company's executive team in addition to providing funds with the goal of creating commercially viable products and business models that can secure the long-term future of the company."*

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Frost & Sullivan Institute**

WhatsApp chatbot to enhance customer experience. Additionally, workshop automation and electronic invoicing of tax has made the customer experience of purchasing automobiles and automotive services much easier for the customers.

GB Auto realizes that innovation is key to business excellence in the automotive industry. The company has invested in multiple start-ups, ranging from a lubricant distributor to a car servicing company, as well as an internet service provider. GB Ventures is the incubation center of the company responsible for testing and developing new ideas. GB Auto shares its office space as well as financial expertise to aid the Venture in their journey of technology innovation and value chain

creation. Exciting startups are mentored by the company's executive team in addition to providing funds with the goal of creating commercially viable products and business models that can secure the long-term future of the company.

Frost & Sullivan recognizes GB Auto for their commitment to innovation as well as for their willingness to integrate and adapt existing technology to enhance the customer value chain experience and contribute to the continuous journey towards innovating to zero.

## Conclusion

GB Auto is a powerful example of how a company's growth can translate to its bottom-line while maintaining a keen sense of corporate responsibility towards important global issues. It has demonstrated that by challenging themselves to do better, companies can take massive strides forward towards a world with zero emissions and waste.

GB Auto's growth is a blueprint on how to be successful despite egregious business circumstances. The company's ability to form key strategic partnerships was critical to ensure a robust performance even during a period strongly affected by the coronavirus pandemic and a global semiconductor shortage. It has further demonstrated that use of existing technology in new ways is an excellent yet cost effective way to improve the customer experience and gain competitive edge.



FROST & SULLIVAN  
INSTITUTE

Frost & Sullivan Institute Awards the 2022 Enlightened Growth Leadership Awards to GB Auto for their extraordinary commitment to move towards green energy solutions without sacrificing the growth objectives of the company all the while ensuring that customer satisfaction and value chain innovation remains at the heart of the company's operation.



## What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

### Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

**'Innovating to Zero' on Global Priorities:** The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

**Growth Excellence:** The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.

**Customer Value Chain:** The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the





best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

**Integrated Competition - Industry Partner Ecosystem:** The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

**Technology Leverage/Innovation:** The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.



## About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandullivaninstitute.org/>.

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™



Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.



***Key Impacts:***

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

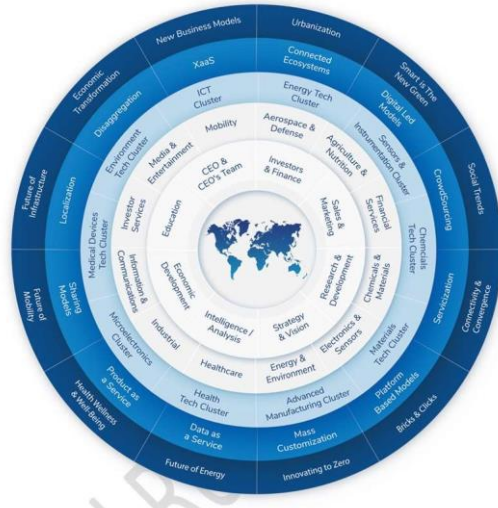


## The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)



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