



Al Hassan Ghazi Ibrahim Shaker Co. Reports Outstanding Q1-FY23 Results: Net Profit Soars 94.91% year-on-year (YoY)

Shaker achieves outstanding Q1-FY23 results, marking a significant milestone in its strategic growth journey

Riyadh, Saudi Arabia, 15 May 2023: Al Hassan Ghazi Ibrahim Shaker Co. ("Shaker", the "Group" or the "Company"), Saudi Arabia's leading importer, manufacturer, and distributor of Air Conditioners and Home Appliances, has announced its financial results for the first quarter ended 31 March 2023, highlighting a strong start to the year as the Company expands its footprint in the market.

Q1-FY23 Highlights:

- Revenue of SAR 346.56 million, up 16.60% year-on-year (YoY), driven by growth in the HVAC solutions segment and integration of LG's full product range in the home appliance and electronics segment.
- Gross profit of SAR 87.11 million, up 20.37% YoY, in line with higher revenues and a favorable portfolio mix.
- Operating income of SAR 28.60 million, up 64.84% YoY, primarily driven by higher revenues and lower provisions due to improved policies and proactive measures.
- Net profit of SAR 28.77 million, up 94.91% YoY, driven by strong revenue growth, enhanced operational performance, and a more than doubled share of profit from the LG-Shaker JV HVAC factory.
- EPS* of SAR 0.60 per share, improved by more than 2.5x YoY.

*Post-capital reduction in Q2-FY22.

*Discontinued operations are excluded from the year over year analysis.

Shaker's Q1-FY23 results showcase the effectiveness of its growth strategy and market differentiation, highlighting the Company's ability to successfully navigate from a period of transformation to a new phase of expansion and partnerships with leading global brands. Shaker's core business has experienced significant growth, driven by a solid performance across its existing brand portfolio, projects, and aftersales segments. The comprehensive supply agreement with LG, now encompassing the full product range of home appliances and entertainment, has expanded Shaker's addressable market share while complementing the robust growth from core business.

In addition to strengthening the core business, Shaker has recently acquired a 10% stake in Cashew KSA, a strategic investment aimed at bolstering its e-commerce and retail platforms. While the acquisition did not contribute to the Q1-FY23 financial results, the partnership marks a significant accomplishment in Shaker's growth strategy that aligns with the Company's commitment to innovation and growth in the retail and digital lending space. The partnership with Cashew KSA is expected to bring synergies across Shaker's direct to consumer segments and unlock significant potential and in the digital retail and lending space in the near term.

Shaker's strong Q1-FY23 performance, combined with its strategic focus on growth, innovation, and partnerships, sets the stage for continued success. As the Company moves forward, it remains dedicated to delivering long-term sustainable growth and value creation for its stakeholders while reinforcing its market leadership in the evolving consumer and digital retail

landscapes. Shaker is also poised to capitalize on its leading position within the projects sector, as it benefits from the Kingdom's ongoing expansion and the realization of megaprojects.

Mohammed Ibrahim Abunayyan, Chief Executive Officer at Shaker, said:

"Q1-FY23 marks an exciting new chapter in Shaker's growth story. We have successfully completed our transformation journey and are now well-positioned to pursue strategic growth opportunities that will continue to drive shareholder value. Our strong performance this quarter, bolstered by our expanded product offering, signals our commitment to strengthening our market position in core business segments. We are also proud to have announced our investment in Cashew KSA which is part of our diversification strategy into complementary verticals and demonstrates our dedication to innovation and growth in the retail and digital lending space. We believe our investment in Cashew KSA will begin to bring synergies to our current portfolio and expect it to bear fruit in the near to mid-term. As we move forward, we will remain focused on our strategic initiatives and partnerships that will further solidify our market leadership and drive long-term sustainable growth."

"Our strategic investments and initiatives in diversification, expansion of our product portfolio, optimization of our operations, and digitization across our operations will drive innovation and differentiation in the market. The Saudi Made initiative and local content at Shaker remains a key part of our Saudi identity and operations, while we actively pursue opportunities to collaborate on partnerships and local manufacturing in the Kingdom. Our vision for the future is both clear and ambitious, with a comprehensive strategy designed to propel our growth and set us apart from the competition. At the same time, we maintain the flexibility and adaptability necessary to effectively navigate and overcome any potential market challenges that may arise."

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About Shaker

Shaker was founded in 1950 and was amongst the first in Saudi Arabia to introduce Air Conditioning & Home Appliances for Saudi consumers. Shaker is the importer and distributor of several leading international brands including Maytag, Ariston, Indesit, Midea, Bompani, and LG in Saudi Arabia, and the sole distributor of LG Air Conditioners in Saudi Arabia. ESCO, as a business unit of Shaker, provides Energy Solutions. Shaker has been a publicly listed company on the Saudi Exchange (Saudi Exchange) since 2010. Throughout the years, Shaker has positioned its name among the top Saudi companies, providing a range of integrated solutions in terms of Air Conditioners and Home Appliances in the Saudi market and the region. For more information, visit: <http://www.shaker.com.sa/>

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