



Al Hassan Ghazi Ibrahim Shaker Co. reports Q3 revenues of SAR 257.8 million

Strong performance in HVAC Solutions supported by B2B growth

- Revenues in Q3 2022 of SAR 257.8 million in a marginal decline of 0.9% from Q3 2021, while 9M 2022 revenues up 6.7% year-on-year (y-o-y) showing resilience despite a challenging inflationary environment
- Gross profit in Q3 2022 of SAR 57.6 million, up 0.8% from Q3 2021, with 9M 2022 reaching SAR 201.1 million, an increase of 14.2% y-o-y
- Net profit for 9M 2022 significantly higher by 27.2% y-o-y at SAR 35.2 million
- Operating profit for 9M 2022 up 44.8% to SAR 43.2 million

Riyadh, Saudi Arabia, 08 November 2022: 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, announced its financial results for the 9 months ended 30 September 2022.

The Company reported total revenues of SAR 257.8 million for the third quarter of 2022, showing resilience despite softening in consumer discretionary spending and a rising inflationary environment. During Q3, a strong performance in revenues for HVAC Solutions was largely offset by a slowdown in consumer activity and seasonality trends, putting downward pressure on Home Appliance sales and keeping total revenues broadly flat y-o-y.

The HVAC solutions segment continued to lead revenue growth rising 25.1% in Q3 2022 and 17.1% in 9M 2022 compared to the respective comparative periods from last year. Shaker remains focused on strengthening its B2B market share and presence to ensure an optimum segment revenue mix to drive further growth.

Effective control of direct and input costs by the company’s management drove Q3 2022 gross profit higher by 0.8% y-o-y to reach SAR 57.6 million leading to an increase in gross profit margins by 1.8% despite the drop in revenues of 0.9%. Lower reversals in impairment loss on receivables and a higher zakat expense in Q3 2022 resulted in lower net profit compared to Q3 2021.

Total revenues for the first nine months of the year increased by 6.7% y-o-y to reach SAR 893.1 million, as significant improvements in operational efficiencies were reflected in gross profit and income from operations. The thriving B2B segment drove revenues from HVAC solutions higher by 17.1% y-o-y compared to 9M 2021 and operating profit rose 44.8% during the period compared to 9M 2021.

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

“Shaker delivered sustained profitability throughout Q3 and 9M 2022 supported by strong growth in key areas of our business, as we successfully navigated global economic volatility and increasing inflationary pressures.



Earnings Release Q3 2022

As we prepared for further expansion across our business lines, we took steps during the period to strengthen our supply chain while implementing further cost efficiencies and operational streamlining. We also continued to develop our human capital and build our capacity to support the mega projects and B2B requirements. In the current market, this requires us to continuously benchmark our compensation and benefits packages to attract and retain high quality specialized and skilled manpower in the highly competitive job markets both in the Kingdom and globally.

During the Q3 period we stepped up our drive to improve energy efficiency in the Kingdom by supporting the Estbdal initiative to replace older air-conditioners with our new highly efficient models, building on our partnership with the Saudi Energy Efficiency Center. This project aligns with our commitment to the National Industrial Development and Logistics program as part of Vision 2030.

We remain agile in our approach to our strategic global partnerships. We are exploring opportunities to create new appliance manufacturing capacity in the Kingdom by leveraging our strong partnership with established international brands.

Underpinned by our strong balance sheet, current brand and portfolio mix and ongoing strong performance, we are well positioned to achieve sustained growth in a strengthening domestic economy with a strong pipeline of government mega projects that present significant opportunities to increase our market share in the AC and home appliance markets.”

Key Highlights:

- Shaker successfully listed for sale its holding in Energy Management Services – Emirates LLC (EMS) business (74% stake) in line with the Company’s continued focus on portfolio optimization.
- The Company is progressing its MoU with Bompani to establish a manufacturing facility in the Kingdom.
- Supported the Estbdal Initiative launched by the Saudi Energy Efficiency Center through which eligible Saudi citizens will be able to replace up to 6 old window air conditioners with new energy-efficient models at a discount of SAR 1000 per unit.

Outlook and strategy

Shaker has maintained its sound financial position and strong operational performance with the support of its highly experienced leadership team and board members who continue to play a key role in the ongoing and future business growth of the company.

Shaker remains at the forefront of promoting sustainability in the Kingdom in line with the Saudi Green Initiative as part of Vision 2030. The company supports the Kingdom’s ongoing efforts to fulfill its national goals that empower the private sector and improve the competitiveness of the industrial sector by attracting investments that will contribute to achieving economic diversification and maximize capabilities in manufacturing.



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Shaker continues to build strategic partnerships with leading international brands, supporting them to establish their presence in Saudi Arabia aligning with the National Industrial Strategy as part of Vision 2030's National Industrial Development and Logistics Program. The company remains focused on capitalizing on the continued growth in the B2B segment and by playing a key role in being a preferred HVAC solution provider to megaprojects such as NEOM, Amaala, Red Sea Development, and Roshn.

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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, and Bompani 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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