



Al Hassan Ghazi Ibrahim Shaker Co. sustains momentum into Q2-FY23, delivering a 69.1% YoY increase in net profit reaching SAR 44.66 million in H1-FY23

Riyadh, Saudi Arabia, 31 July 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 half of 2023, reinforcing its strategic vision and building on the momentum of a strong first quarter performance.

H1-FY23 Highlights:

- Revenue of SAR 653.96 million, up 10.54% year-on-year (YoY), driven by growth in the HVAC solutions and Home Appliances segments of 14.82% and 4.56% respectively.
- Gross profit of SAR 161.34 million, up 21.76% YoY, driven by higher revenues and improved margins through an enhanced portfolio mix.
- Operating income of SAR 48.42 million, up 66.86% YoY, primarily driven by higher revenue, gross profit, and lower impairment loss on trade and other receivables.
- Net profit of SAR 44.66 million, up 69.06% YoY, driven by higher revenue and operating profit, along with a 91.05% increase in share of profit from the LG-Shaker HVAC factory, which offset the higher finance costs.
- EPS of SAR 0.93 per share, increased by 69.06% YoY.

The second quarter of the year began with a major development in the Company’s portfolio optimization strategy. The successful completion of the sale of New Vision for Electronics and Electrical Appliances (“NV”), based in Jordan, reflects Shaker’s focus on intensifying its core operations in the Kingdom and enhancing its financial position.

Following the divestment, Shaker’s strategic investment in Cashew KSA made significant progress in regulatory and licensing procedures, and is on track for roll-out and operational readiness by 2024. This marked an important step in the venture that aims to enhance its digital footprint and drive growth in the e-commerce and digital retail space.

In Q2-FY23, Shaker extended its HVAC product range with the addition of a new product within the Package Unit lineup. This addition, targeted at enhancing the B2B portfolio, caters to the demanding requirements of HVAC systems and deepens the Company’s footprint in the segment.

Significant progress was also made in the Kingdom’s megaprojects during the second quarter. The Company continued its progression and showed promising potential for securing more bids in the ambitious projects and maintains operational readiness to deliver on the large-scale initiatives that are key contributors to Saudi Arabia’s ongoing infrastructural expansion.

As an extension of its digital transformational journey and commitment to enhance operational efficiency, Shaker initiated the transition and partner selection of its ERP system to SAP’s S/4 Hanna during the second quarter, following a successful discovery phase in Q1-FY23. This key



integration supports data-driven decision-making, further enhancing the company's operational excellence.

Shaker continued its commitment to disciplined capital management. In Q2-FY23, the Company successfully reduced its short-term borrowings by SAR 47.38 million, emphasizing its focus on deleveraging the balance sheet and improving its financial standing while setting a solid foundation for sustainable growth.

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

“The momentum we gained in Q1-FY23 has been sustained and accelerated in the second quarter. Our HVAC segment continued to demonstrate significant growth and we are optimizing our Home Appliance product and brand mix, keeping a long-term view of retaining a leading market share position. We are proud of our leading position with the projects sector and the role we play in the Kingdom’s economic development by manufacturing HVAC units in our LG-Shaker factory.

We have taken key steps in the first half of the year, from optimizing our portfolio and focusing on financial growth with a clear deleveraging strategy, to improving our customer experience, and diversifying into complementary verticals. These steps are paving the way for steady growth and long-term value creation. As we look towards the second half of 2023, we are aiming to improve our financial health through further deleveraging of our balance sheet and advancing our core strategic initiatives.”

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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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