



Shaker increases net profit by 47.9% in Q1 2022 on rising sales and operational efficiencies

- Strong performance comes amid proposed financial restructuring aimed at preparing company for next phase of growth
- Revenue up 11% to SAR 319.9 million as sales of air conditioners and home appliances increase in the Kingdom
- Earnings per share significant increase to SAR 0.23 from SAR 0.15 in Q1 2021

Riyadh, Saudi Arabia, 22 May 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, today announced a 47.9% rise in net profit to SAR 14.5 million in Q1 2022, up from SAR 9.8 million in Q1 2021.

Revenue rose 11% to SAR 319.9 million for the three-month period ended 31 March 2022 from SAR 288.3 million in the previous comparative period as Shaker maintained its return to growth and profitability that began in 2020. Gross profit was 34.7% higher than in Q1 2021, reflecting rising cost efficiencies and operational streamlining across the Group and the enhanced production capabilities at Shaker’s joint air-conditioning manufacturing facility with LG following its major upgrade completed in 2021.

The announcement of the strong Q1 financial performance followed an overwhelming vote by shareholders on 15 May 2022 to approve a capital decrease of SAR 147.77 million, as part of a proposed capital restructuring. The decrease would be followed by a rights issue to raise SAR 249 million to position Shaker for further growth and segmental expansion.

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

“Our strong financial performance in the first quarter provides further evidence that we are successfully executing our strategy to increase sales in the Saudi consumer electronics and home appliances sector, while strengthening our leading position in the Kingdom’s AC market. At the same time, we are continuing to practice diligent cost control and improving our operational efficiency, streamlining our business through digitalization and reaching new customers through e-commerce.

We continued explore strategic growth opportunities in the B2B segment and further expanded the ESCO retrofitting and energy saving services in the first quarter and as a result, we won substantial new projects which positively affected our revenues. We also saw great traction amongst our customers driven by the successful Ramadan promotional offers.

The proposal to raise our capital through a rights issue subject to regulatory and shareholders’ approvals will deliver a new even more robust financial structure that would pivot the company



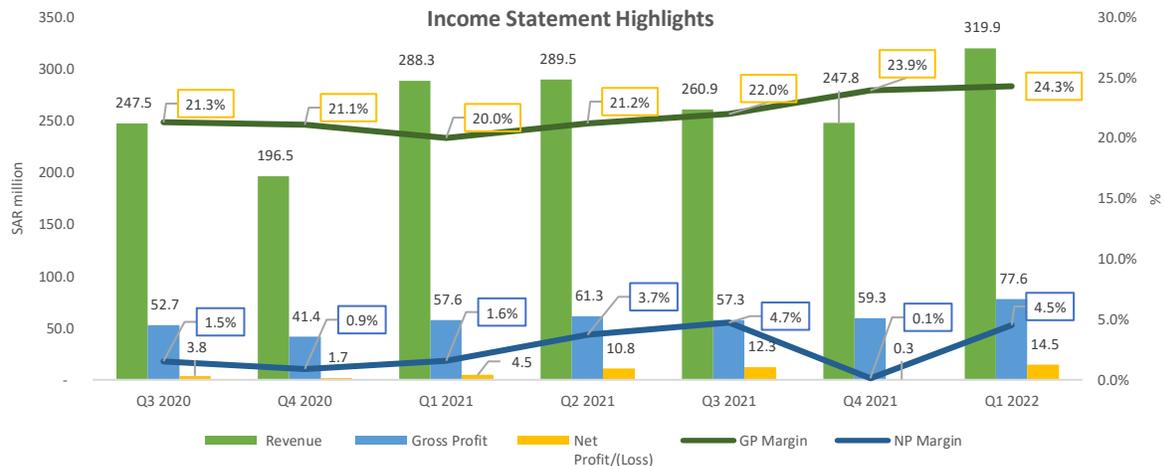
Earnings Release Q1 2022

away from long term debt towards greater engagement from shareholders who are committed to supporting the company's expansion strategy.

Our proposed capital restructuring will provide us with the necessary resources to drive our future growth as we prepare to benefit from rising investments and spending in our core segments. This is particularly reflective of the emerging opportunities resulting from the flourishing megaprojects and other planned developmental projects as the economy maintains its dynamic growth trajectory under Vision 2030."

Q1 2022 Financial Highlights

- Total revenue of SAR 319.9 million up by 11% from Q1 2021
- Gross profit of SAR 77.6 million, an increase of 34.7% year-on-year
- Operating profit 76.9% higher at SAR 15.5 million
- Net profit 47.9% higher at SAR 14.5 million



Q1 2022 Segmental Revenues (SAR m)





Outlook and strategy

Shaker's expansion strategy focuses on growing its market share and product mix while enhancing organizational and operational efficiencies. The Group will continue to explore possible acquisitions that complement the existing revenue streams as well as further pursue its goal of becoming the preferred choice for partners and customers in the Saudi consumer electronics and home appliances sector, while strengthening its leading manufacturing and sales position in the air-conditioning sector.

Significant growth opportunities in air-conditioning and energy efficiency lie ahead as the Saudi economy expands, including from megaprojects such as Neom, Amaala and Red Sea Development, together with government energy efficiency programs such as the Saudi Energy Efficiency Center's high-efficiency AC initiative, and Tarsheed, the National Energy Services Company.

Ends.

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 Panasonic 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 within 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/>

For investor and media enquiries

Noha Habib, Instinctif Partners
noha.habib@instinctif.com
+971 58 815 5394