



Al Hassan Ghazi Ibrahim Shaker Co. announces a strong start to FY24, reporting a 12.09% YoY increase in net profit to reach SAR 32.25 million in Q1-FY24

Riyadh, Saudi Arabia, 12 May 2024: Al Hassan Ghazi Ibrahim Shaker Co. (“Shaker”, the “Group” or the “Company”), Saudi Arabia’s leading manufacturer, importer, and distributor of Air Conditioners and Home Appliances, has announced its financial results for the first quarter ended 31 March 2024, highlighting a strong start to the year as the Company continues its growth trajectory.

Financial Highlights:

- Revenue of SAR 413.24 million, up 19.24% year-on-year (YoY), driven by higher sales in the HVAC solutions segment and balanced growth across the company’s brand portfolio
- Gross profit of SAR 97.77 million, up 12.24% YoY, in line with higher revenues and a favorable portfolio mix.
- Operating income of SAR 31.35 million, up 9.59% YoY, primarily driven by higher revenues, and gross profit, offsetting the higher SG&A expenses in line with increased strategic marketing efforts.
- Net profit¹ of SAR 32.25 million, up 12.09% YoY, driven by strong revenue growth, enhanced operational performance, and lower finance costs.
- EPS of SAR 0.67 per share, improved by 12.09% YoY.

1: Attributable to equity owners

Shaker’s strong Q1-FY24 performance reinforces the continued strength of its strategic initiatives driven by market differentiation and a robust growth strategy. The company’s focus on strengthening its core business segments, brand portfolio diversification, and operational efficiency has translated into rising demand for its high-quality products and services, solidifying its market leadership in the HVAC and Home Appliances segment.

Demonstrating its commitment to achieving sustainable growth while strengthening its financial health, Shaker achieved a significant 24.08% reduction in net debt. This strategic deleveraging along with optimizing the usage of short-term loans and Letter of Credits (LC) has resulted in a decrease in finance costs, positively impacting net profit. Additionally, further improvements in inventory management and working capital resulted in strong cash generation from operations, reaching SAR 30.98 million.

In February 2024, Shaker signed a landmark Memorandum of Understanding (MoU) with LG Electronics and the Ministry of Investment of Saudi Arabia (MISA) to explore local manufacturing of AC compressors in the Kingdom. This marks a significant leap towards localizing the production of the most technologically complex component of AC units. In March 2024, Shaker also announced the localization of manufacturing of LG Electronics Multi V5 unit featuring the Variable Refrigerant Flow (VRF) technology at its LG-Shaker factory in Riyadh. This cutting-edge technology is known for its energy-saving capabilities, space-efficiency, and reliability which will primarily target large residential projects as well as commercial and hospitality projects. These strategic developments mark a new era in the Saudi market, while aligning with Saudi Arabia’s Vision 2030, and strengthening Shaker’s value chain in its HVAC segment.



Shaker continued to expand its digital footprint, as its e-commerce platform experienced strong growth driven by ongoing efforts to improve user experience and broaden online offerings. Additionally, the upcoming transition to SAP's S/4HANA ERP system, on track for full roll-out by Q3-FY24, will further optimize operational efficiency and e-commerce capabilities.

The unveiling of a new growth strategy is expected by mid-2024, and will position Shaker for long-term growth.

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

"Shaker's Q1-FY24 results are a strong start to the year, building on the momentum we established throughout 2023. Our focus on core business segments, brand diversification, and operational efficiency has continued to cement our market leadership. We are especially proud of achieving a strong balance across our brand portfolio, demonstrating our agility and commitment to catering to evolving customer preferences. This customer centricity is a cornerstone of our vision, and it's reflected in our ongoing efforts to expand our digital footprint and enhance the user experience on our e-commerce platform. These factors, combined with our commitment to innovation, as exemplified by the recent MoU with LG Electronics and MISA, position Shaker for a future of industry leadership.

Looking ahead, we are excited to share our new growth strategy by mid-2024. This will guide our future direction while positioning Shaker at the forefront of innovation and sustainable growth."

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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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