



Al Hassan Ghazi Ibrahim Shaker Co. reports strong financial performance for the first half of 2024, achieving a record Q2 result

Riyadh, Saudi Arabia, 28 July 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 half of 2024 with a record Q2 performance, reflecting its strong performance and strategic execution.

Financial Highlights:

- Revenue of SAR 758.38 million, up 15.97% 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 180.96 million, up 12.16% YoY, in line with higher revenues and an optimized portfolio mix.
- Operating income of SAR 42.88 million, down 11.44% YoY, driven by higher SG&A expenses to support increased hiring, and increase in impairment losses on trade receivables, due to sales and operations seasonality.
- Net profit¹ of SAR 48.70 million, up 9.05% YoY, driven by strong revenue growth, increase in share of profit from the LG Shaker factory and lower finance costs.

1: Attributable to equity owners

Shaker achieved its strongest Q2 results in terms of revenue and net profit since 2017, marking a significant milestone in its growth journey. The continued growth in the second quarter of the year, typically impacted by seasonality, demonstrates the robustness of Shaker's fundamentals and the resilience of its long-term vision.

The company's strategy of strengthening its core business segments has continued to deliver results, leading to gains in market share and solidifying its leadership in the HVAC and Home Appliances segment. The B2B segment has shown continuous upward trajectory, while the robust B2C brand portfolio, combined with an expanding direct to consumer business, has positioned Shaker to effectively diversify its touchpoints to directly reach customers in the most convenient ways. Our sales efforts across both B2B and B2C has driven a strong performance in the LG Shaker factory YoY. This strategic channel diversification has been key to sustaining growth and ensuring customer satisfaction across all segments.

Shaker's commitment to sustainable growth while strengthening its financial health remains a priority. The company successfully reduced net debt by 21.16% in H1-FY24 compared to H1-FY23. Additionally, further improvements in inventory management and working capital led to robust cash generation from operations, totaling SAR 60.20 million.

Shaker's MoU with LG Electronics and the Ministry of Investment of Saudi Arabia to localize the manufacturing of AC compressors is currently in the feasibility study phase and is progressing well. Shaker has successfully completed the transition to SAP's S/4HANA, a highly advanced ERP system designed for the integrated management of main business processes post-period end in July 2024.

The unveiling of a new growth strategy is expected by end of Q3-2024 and will position Shaker for long-term sustainable growth.

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

"Our exceptional Q2 2024 results underline the strength of Shaker's business model and the effectiveness of our growth strategies. Despite typical seasonal challenges, we delivered our highest second quarter revenues and net profit since 2017. We've achieved significant milestones across our operations, reinforcing our market leadership and setting the stage for sustained long-term growth. In particular, the Go-Live of our new ERP system will be a key pillar for a new, scalable, and sustainable digital landscape for our organization."

As we look ahead, we're excited about the imminent launch of our new growth strategy. This roadmap will build on our strong foundation and guide Shaker towards new heights of innovation and sustainable growth in the evolving Saudi market."

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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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