

Al Hassan Ghazi Ibrahim Shaker Co. reports strongest Q3 and 9M results since 2017 with Q3 net profit growth of 5.6% and 9M growth of 8.1% YoY

Riyadh, Saudi Arabia, 04 November 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 nine months and third quarter of 2024, achieving record Q3 and 9M results since 2017.

Financial Highlights:

- **Revenue** of SAR 358.62 million in Q3-FY24, up 11.12% YoY, and SAR 1.12 billion for 9M-FY24, up 14.37% year-on-year (YoY), driven by strong HVAC solutions growth across B2B and B2C channels, offsetting softer performance in Home Appliances segment.
- **Gross profit** of SAR 88.85 million in Q3-FY24, up 9.19% YoY, and SAR 269.81 million for 9M-FY24, up 11.17% YoY in line with higher revenues and stable margins.
- **Operating income** of SAR 22.60 million in Q3-FY24, up 18.31% YoY, primarily due to revenue growth, partially offset by increased impairment losses on trade receivables. 9M-FY24 operating income of SAR 65.48 million, down 3.02% YoY, reflecting strategic investments in marketing and staffing and higher impairment losses on trade receivables.
- **Net profit**¹ of SAR 17.72 million in Q3-FY24, up 5.62% YoY, and SAR 66.41 million for 9M-FY24, up 8.11% YoY, driven by higher revenues and gross profit, reduced finance costs and zakat expense, partially offset by lower share of profit from LG-Shaker factory.

1: Attributable to equity owners

Shaker’s financial results for Q3 and 9M reflect strong momentum in its HVAC solutions segment and enhanced operational efficiency. The HVAC segment delivered impressive growth, offsetting softer performance in the Home Appliances segment and driving the highest Q3 revenue and net profit since 2017. In the HVAC solutions segment, demand from the Kingdom’s mega projects continues to drive strong growth in B2B, while B2C demand remains strong. In the Home Appliances segment, Shaker’s core exclusive brand portfolio continues to expand, strengthening its market position and enhancing customer reach.

The Company’s expanding retail footprint is expected to further contribute to this momentum. Recently, Shaker opened its 10th store in Dammam. Three more stores are scheduled to open by Q1 2025, further enhancing Shaker’s reach in the B2C channel.

Operational improvements have been enhanced by Shaker’s company-wide transition to SAP’s S/4HANA ERP system, completed in July. Its early benefits are already visible in streamlined processes, positioning Shaker to scale effectively as it continues to grow.

In terms of financial health, Shaker achieved a significant 49.69% reduction in net debt YoY, supported by strong cash generation. During 9M-FY24, the Company generated SAR 138.82 million in cash from operations, a result of strong profitability and improvements in working capital, which have strengthened Shaker’s balance sheet.

The unveiling of a new growth strategy is expected during Q4-FY24 and will position Shaker for long-term sustainable growth.

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

"We delivered our highest third quarter and nine-month revenues and net profit since 2017, underlining the strength of Shaker's core business segments and our commitment to sustainable growth. The solid performance in HVAC solutions and our core exclusive brand portfolio in Home Appliances demonstrate our ability to adapt and excel in a dynamic market. As we continue to expand our retail presence and drive operational efficiency through advanced systems, we're building a resilient foundation that supports our ambitious growth goals. Looking ahead, our upcoming growth strategy will empower us to capitalize on emerging opportunities and further cement Shaker's leadership in the 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, 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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