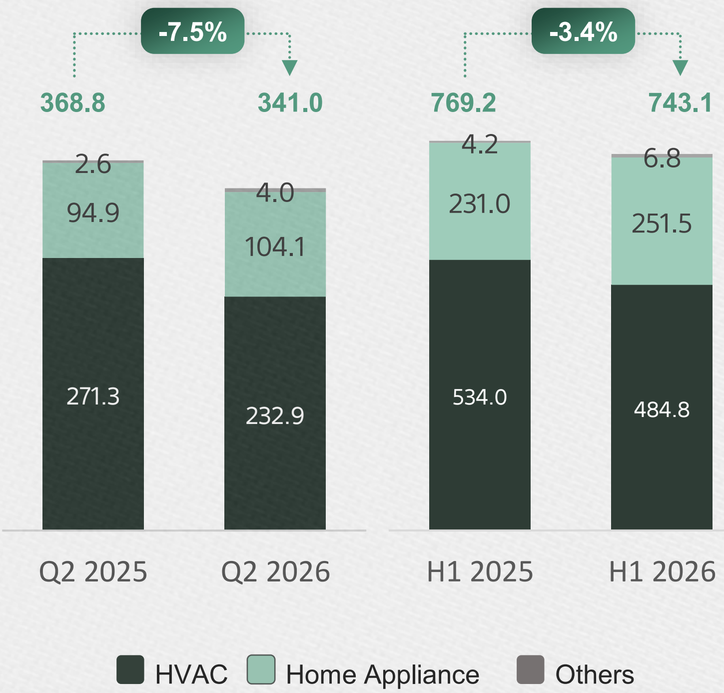
Shaker strengthens its financial position as operating cash flow improves more than 9x to SAR 122 million in H1 2026, supporting long-term sustainable growth.

Riyadh, Saudi Arabia, 02 August 2026

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 three-month and six-month periods ended 30 June 2026. During the first half of 2026, the Group maintained a disciplined approach to execution, prioritizing stronger cash generation, balance sheet resilience, cost optimization and operational efficiency while continuing to invest in its long-term growth priorities. Through these initiatives, Shaker strengthened its financial foundations, advanced key strategic initiatives and positioned the business to capitalize on future growth opportunities.

Revenue by Segment (⃁ Million)



Mohammed Ibrahim Abunayyan

Chief Executive Officer at **Shaker**

"The first half of 2026 was a period of disciplined execution for Shaker as we focused on strengthening the fundamentals of the business while continuing to advance our long-term strategy. Our priorities centered on enhancing cash generation, strengthening our balance sheet, optimizing working capital and maintaining disciplined cost management, creating a solid foundation for sustainable long-term growth.

At the same time, we continued to strengthen our core business through growth in Home Appliances, deeper partnerships with leading global brands, new commercial collaborations, and continued investments that enhance our customer offering and operational excellence.

Our strategy remains unchanged. We have refined the sequencing of selected initiatives to ensure capital is deployed efficiently and at the right time while maintaining our long-term ambitions. We remain confident this disciplined approach will strengthen the business and support the delivery of sustainable long-term value for our shareholders."

Financial Highlights

⃁ thousand	Q2 2026	Q2 2025	YoY	H1 2026	H1 2025	YoY
Revenue	340,965	368,772	*-7.5%*	743,132	769,188	*-3.4%*
HVAC Solutions	232,937	271,301	*-14.1%*	484,831	533,978	*-9.2%*
Home Appliances	104,072	94,877	*9.7%*	251,463	231,042	*8.8%*
Other Segments	3,956	2,594	*52.5%*	6,838	4,168	*64.1%*
Gross Profit	79,800	92,620	*-13.8%*	175,148	193,253	*-9.4%*
Gross Profit Margin	*23.4%*	*25.1%*	*-1.7pp*	*23.6%*	*25.1%*	*-1.5pp*
EBITDA	19,035	31,589	*-39.7%*	56,391	68,649	*-17.9%*
EBITDA Margin	*5.6%*	*8.6%*	*-3.0pp*	*7.6%*	*8.9%*	*-1.3pp*
Net Profit[1]	5,315	19,895	*-73.3%*	29,595	47,100	*-37.2%*
Net Profit Margin	*1.6%*	*5.4%*	*-3.8pp*	*4.0%*	*6.1%*	*-2.1pp*
Basic EPS	0.080	0.299	*-73.3%*	0.444	0.707	*-37.2%*
Book Value per Share	13.04	12.08	*7.95%*	13.04	12.08	*7.95%*
Op. Cashflow	76,785	(1,780)	*NA*	122,244	13,129	*9.31x*
Net working Capital	158,206	118,926	*33.03%*	158,206	118,926	*33.03%*
Net Debt	297,185	269,596	*10.23%*	297,185	269,596	*10.23%*

1: Attributable to equity owners

Financial Updates

The first half of 2026 marked an important period for the Group as management prioritized strengthening its operating and financial foundations while continuing to execute its long-term strategy, amid an evolving operating environment. The Company maintained a disciplined approach to execution, focusing on prudent capital allocation, cost optimization, working capital efficiency and cash generation. These priorities were aimed at strengthening the balance sheet, enhancing financial flexibility and positioning the business to capitalize on future growth opportunities as market conditions improve.

Revenue for H1 2026 amounted to SAR 743.13 million, a 3.4% decrease compared to H1 2025. The decline was primarily driven by a 9.2% year-on-year reduction in HVAC Solutions revenue to SAR 484.8 million, reflecting the timing and more selective phasing of project activity during the period. This was partially mitigated by continued growth in the Home Appliances segment, supported by strong momentum across the retail, wholesale, e-commerce and shop-in-shop channels. Against a dynamic operating environment and elevated logistics costs, the Group maintained a disciplined approach to project execution, prioritizing capital efficiency, prudent customer selection and long-term value creation.

Profitability during the period was impacted by the lower contribution from the HVAC projects business, together with higher logistics and component costs and a lower share of profit from associates. At the same time, the Group continued to advance its cost optimization initiatives, maintaining disciplined control over operating expenses, procurement and resource allocation while enhancing operational efficiency across the business.

Financial Updates

Management placed significant emphasis on strengthening the quality of the Group's balance sheet and improving cash generation. Rather than pursuing revenue growth at any cost, the Group adopted a more disciplined approach to working capital management, capital deployment and project execution. Greater emphasis was placed on customer quality and credit assessment, with the objective of securing business with stronger collection visibility and improving the overall quality of receivables. Shaker Group also remained focused on reducing receivable ageing, maintaining healthier customer credit profiles and ensuring that growth is supported by sustainable cash generation rather than higher working capital requirements.

Alongside these initiatives, the Group continued to optimize procurement activities by aligning purchase orders more closely with market demand, while reducing inventory levels and improving inventory efficiency. These initiatives translated into a significant improvement in cash generation, with net cash generated from operating activities reaching SAR 122.2 million in H1 2026, compared to a net cash inflow of SAR 13.1 million in H1 2025. Inventory levels improved by 26.9% YoY down to SAR 313.0 million as of 30 June 2026, reflecting the Group's continued focus on disciplined procurement and inventory optimization. The improvement in operating cash flow further strengthens the Group's financial position, providing greater liquidity and flexibility to support strategic priorities and long-term growth.

Together, these actions strengthened the Group's balance sheet, enhanced liquidity and financial flexibility, and established a stronger platform to support the next phase of the Group's long-term growth strategy.

Operational and Strategic Updates

During the first half of 2026, Shaker continued to execute on its strategic priorities under Elevate 2027, strengthening its market position across both its B2B and B2C businesses while advancing initiatives that enhance customer experience, digital capabilities and operational excellence.
As part of its digital transformation journey, the Group entered into a strategic partnership with Mindsite to strengthen its Digital Shelf Analytics capabilities. The initiative enhances visibility into pricing, promotions and product availability across digital channels, supporting data-driven decision-making and improving execution across Shaker's retail operations.

The Group also strengthened its presence in the commercial HVAC segment through a partnership with Pure Gym, designing and installing advanced HVAC systems tailored to modern fitness facilities. The project further expands Shaker's presence across commercial applications while supporting the delivery of energy-efficient and customized cooling solutions.

Shaker continued to enhance its direct-to-consumer offering through partnerships with leading Buy Now, Pay Later (BNPL) providers, including Tamara and Tabby. These collaborations provide customers with greater payment flexibility while supporting the Group's efforts to enhance the retail shopping experience.

During the period, Shaker also received recognition from two of its key global partners. The Group was presented with the Excellent Partner Award by Midea at its International Global Conference, while its After Sales Service team was recognized by LG Electronics Middle East & Africa as the 2nd Best Performer in Group 1 for 2025. These recognitions are a testament to the Group's continued focus on delivering high service standards and building long-term partnerships with leading global brands.

Executing Elevate 2027 with Discipline

Elevate 2027 continues to serve as the Group's long-term strategic roadmap, centered on strengthening and expanding its core Home Appliances and HVAC businesses while developing complementary growth platforms, including third-party logistics (3PL), appliance leasing, and the Group's own-brand appliance offering.

During 2026, the operating environment became increasingly dynamic, with geopolitical developments contributing to elevated supply chain and logistics costs. These conditions reinforced the importance of disciplined execution, prudent capital allocation and maintaining financial flexibility.

Accordingly, management has focused on strengthening the Group's operational foundation before scaling the next phase of growth. During the period, the Company prioritized initiatives aimed at improving operational efficiency, optimizing working capital and strengthening cost discipline across the business. The Group also continued enhancing inventory management, refining its retail footprint, and reinforcing procurement and supply chain capabilities to improve resilience and capital efficiency.

At the same time, management continued to evaluate growth investments through a disciplined capital allocation framework, prioritizing opportunities based on strategic fit, customer demand, expected returns and long-term value creation. This approach ensures that capital is deployed efficiently while supporting sustainable growth, stronger commercial outcomes and attractive long-term returns.
This disciplined approach has also led to a refinement in the sequencing of selected growth initiatives, ensuring that investments are deployed when they are best positioned to maximize commercial success and long-term value creation. This includes a more measured approach to retail expansion, continued development of the Group's 3PL platform in line with customer-led opportunities, and optimizing the launch timing of the Group's own-brand appliance offering to support a stronger market entry and more effective deployment of capital.

The strategy has not changed. The execution roadmap has been refined to reflect current market conditions while preserving the Group's long-term growth ambitions. The Group continues to advance its transformation agenda through disciplined execution, with a clear focus on delivering sustainable profitable growth and creating long-term shareholder value.

Outlook

As the Group progresses through the remainder of 2026, it remains focused on executing its strategic priorities with discipline while maintaining the financial flexibility to support long-term value creation. The Group's stronger operating cash flow generation and disciplined approach to working capital management provide a solid foundation to support future investment while enhancing balance sheet resilience.

Shaker continues to strengthen its position across both HVAC Solutions and Home Appliances by expanding its presence across the real estate and housing ecosystem, broadening its reach through retail, wholesale, e-commerce and shop-in-shop channels, and enhancing its customer proposition through an expanding portfolio of products and services.

At the same time, the Group remains focused on driving operational excellence and capital efficiency while selectively pursuing opportunities that complement its core capabilities. This approach remains aligned with the Elevate 2027 strategy, balancing disciplined execution with investments that support sustainable long-term value creation.

As the year progresses, Shaker remains committed to maintaining operational efficiency, prudent capital allocation, disciplined liquidity management and financial flexibility while continuing to execute its strategic priorities across both its B2B and B2C businesses.

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, Stanley Black & Decker, Samsung, 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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