



## Earnings Release 1H 2021

### **Shaker reports SAR 15.3 million net profit in 1H 2021; year-on-year revenue growth of 18.2%**

- **1H revenue of SAR 577.8 million improved by 18.2% from 2020**
- **1H net profit of SAR 15.3 million compared to SAR 2.8 million in 2020; Q2 net profit of SAR 10.8 million increased by 42.3%**
- **1H Earnings per share improved to SAR 0.24**

**Riyadh, Saudi Arabia, 19 August 2021:** Al Hassan Ghazi Ibrahim Shaker Co. (“Shaker” or the “Company”), Saudi Arabia’s leading importer, manufacturer and distributor of Air Conditioners and Home Appliances, has announced strong financial results for the 6-month period ended 30 June 2021. The performance was supported by robust sales for the fourth consecutive quarter as a result of Shaker’s portfolio expansion and improvement across its distribution channels in line with its strategy.

Shaker achieved revenue of SAR 577.8 million, growing by 18.2% compared to 1H 2020. Shaker’s 1H net profit reached SAR 15.3 million, compared to SAR 2.8 million in 1H 2020. Gross profit of SAR 119.0 million increased by 17.2% year-on-year.

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

*“Shaker maintained robust sales growth during the first half of the year, marking four sequential financial quarters of sustained improvements in profitability and earnings for the business. This performance is underpinned by the continued expansion of our portfolio and enhancements to our distribution channels in line with our 2021-2023 strategy.*

*Shaker has succeeded in growing market share in the Home Appliance segment and steadily growing the AC segment. Business segment sales continue to grow, demonstrating healthy market appetite for Shaker’s products and services.*

*At present, we believe that the current portfolio mix is optimal to achieve our medium-term targets, however we remain agile in our approach to strategic acquisitions should they complement our existing revenue streams, predominantly in the Home Appliances segment. Government projects continue to provide a healthy pipeline of opportunities to help increase our leading market share in the AC segment.”*

Whilst the second quarter was marked by some challenges, Shaker was successful in mitigating those, including the impact on sales due to shorter working days In Ramadan and the Eid break. This was achieved by ensuring smooth coordination across all departments and the majority of teams across Shaker achieved record sales targets in the second quarter, especially in the Home Appliances segment.

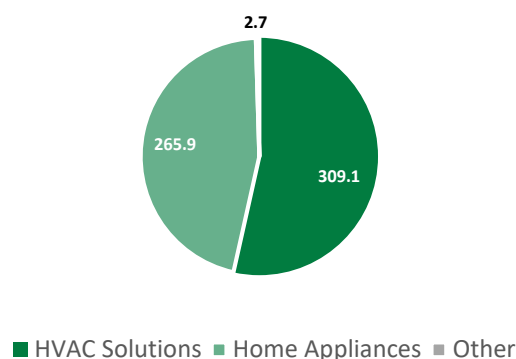


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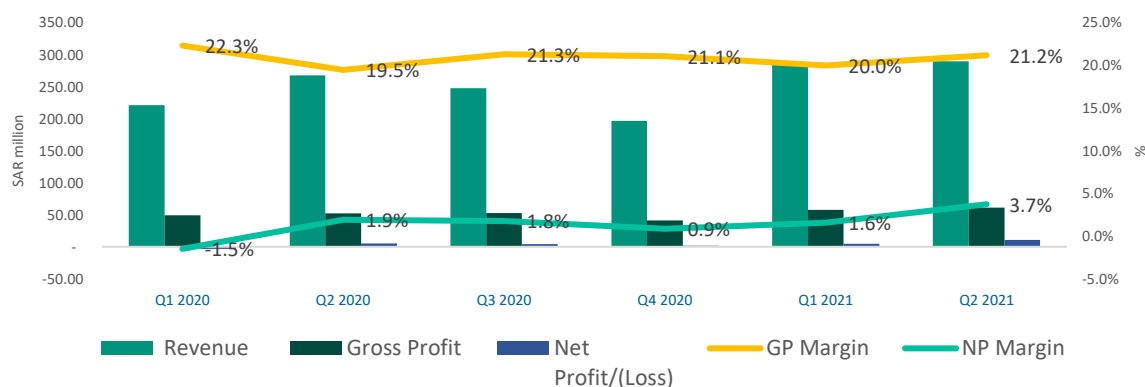
## Financial highlights

- Revenue of SAR 577.8 million improved by 18.2% from 1H 2020
- 1H Gross profit of SAR 119.0 million improved by 17.2% year-on-year
- Operating profit of SAR 16.0 million improved from SAR 3.4 million in 1H 2020
- Net profit of SAR 15.3 million improved from SAR 2.8 million in 1H 2020
- Earnings per share (“EPS”) stood at SAR 0.24 in 1H 2021

1H Segmental revenues (SAR m)



Income statement highlights (SAR m)



## Operational highlights

- Employee costs reduced by 9.0% from 1H 2020
- Ongoing implementation of new strategy to diversify brand portfolio and optimise supply chain
- B2B sales restructuring to solidify operations in preparation for 2H 2021
- Robotics and AI technology successfully integrated at LG-Shaker factory in Riyadh, enhancing existing manufacturing capabilities

## Outlook and strategy

The Company continues to execute on its new strategy that will take the business through to 2023. The diversification of the brand portfolio will be prioritised with the aim to become the preferred choice for partners and customers in the Saudi consumer electronics and home appliances sector, while continuing to maintain its market leadership in the Saudi AC market.



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Opportunities continue to emerge as a result of government projects and real estate initiatives and Shaker is well positioned to capture a healthy share of these contracts. Mega projects, including Neom, Amaala and Red Sea Development, remain a steady and important source of opportunities for Shaker's AC business in tandem with energy efficiency programs by the government, including Saudi Energy Efficiency Center's ("SEEC") high-efficiency AC initiative, and Tarsheed, the Saudi government's National Energy Services Company.

Improving market share across the segments in which Shaker operates remains a priority for the management team.

Shaker remains agile in its approach towards brand acquisitions, seeking first to complement the strong line-up of brands already on offer. Consumer demand for energy efficient Home Appliances continues to increase as the market recovers and retail stores re-open, along with the recovery of consumer purchasing power.

Shaker, which is listed on the Saudi Stock Exchange (Saudi Exchange) (symbol: SHAKER), is a leader in the Saudi market as both a distributor for international electrical brands and a local manufacturer of LG Air Conditioners. The Company's portfolio brands include LG Air Conditioners, as well as Indesit, Ariston, Maytag, Midea, Bompani and Panasonic. The Company took an important strategic step towards diversifying operations and revenue streams by establishing ESCO, as a business unit of Shaker.

-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 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 Stock 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/>

### **Media enquiries**

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