



Al Hassan Ghazi Ibrahim Shaker Co. delivers exceptional FY23 performance, achieving a 99.28% YoY increase in net profit to reach SAR 65.43 million

Riyadh, Saudi Arabia, 27 February 2024: Al Hassan Ghazi Ibrahim Shaker Co. (“Shaker”, the “Group” or the “Company”), Saudi Arabia’s leading importer, manufacturer, and distributor of Air Conditioners and Home Appliances, announced its financial results for the full year 2023, cementing its position as a market leader through exceptional financial results and transformative strategic initiatives.

Financial Highlights:

- Revenue reached SAR 1.24 billion in FY23, up 19.19% YoY and highest since FY16, driven by double digit growth in the HVAC Solutions and Home Appliances segment of 18.11% and 21.19% respectively.
- Gross profit of SAR 317.76 million in FY23, up 33.71% YoY, driven by higher sales, an optimized sales strategy combining diversified product and channel portfolio, and efficient management of cost of goods sold (COGS).
- Operating profit of SAR 89.15 million in FY23, up 110.48% YoY, driven by higher revenues and improved gross margins, supported by lower impairment loss on trade and other receivables.
- Net profit of SAR 65.43 million in FY23, up 99.28% YoY and highest since FY15, driven by higher revenue and operating profit, along with a 51.86% increase in share of profit from LG-Shaker HVAC factory and lower zakat and tax.
- EPS of SAR 1.36 in FY23, an increase of 99.28 % YoY.
- Q4-FY23 revenue of SAR 259.56 million (Q4-FY22: SAR 209.49 million) and net profit of SAR 3.80 million (Q4-FY22: net loss of SAR 2.36 million)

In FY23, Shaker generated the highest revenue since FY16 and highest net profit since FY15, signifying a year of significant growth and strategic execution. The commitment to achieving growth while strengthening its financial health was demonstrated with continued deleveraging as net debt reduced by 20.95%. Further improvements in inventory management and working capital led to strong cash generation from operations of SAR 20.82 million.

Shaker reinforced its market leadership, by focusing on growth in core business segments. A landmark agreement with LG expanded Shaker’s portfolio to include the full range of LG products in its Home Appliances and Entertainment offering. This expanded Shaker’s addressable market share, fueling further expansion and momentum in the Home Appliances segment.

Additionally, Shaker’s strategic divestment of New Vision for Electronics and Electrical Appliances in Jordan streamlined operations and allocated resources more effectively by using the sales proceeds to reduce loans, thereby enhancing its market competitiveness and financial stability.

Shaker’s investment in digitalization is playing an important role in enhancing operational efficiency. The Company’s current transition to SAP’s S/4HANA ERP system is a significant move towards integrating efficient business functions and enabling informed data-driven decision



making across the organization. Implementation began in Q3-FY23 and full roll-out is expected in FY24.

During the second half of the year, Shaker delivered on its B2C retail expansion strategy, opening its 7th physical store aimed at redefining the shopping experience to be more innovative and engaging for a newer generation of customers. Another 2 stores are set to open in FY24, signaling continued expansion of the physical footprint and commitment to provide unparalleled service to its customers. This complements Shaker's commitment to expand its e-commerce offerings, catering to a wider audience with accessible, convenient, and diverse shopping options.

The acquisition of a 10% stake in Cashew, a digital BNPL (buy-now, pay-later) platform will enable Shaker to tap into new growth opportunities in the Kingdom's fintech retail sector and digital lending space while diversifying its business model into complementary verticals.

Building on the successes of 2023, the issuance of bonus shares in December highlighted Shaker's focus on creating and returning value to its shareholders. Looking ahead, Shaker remains committed to its strategic imperatives: focusing on core business for sustained growth, expanding retail presence to meet evolving consumer demands, enhancing e-commerce capabilities to harness digital growth opportunities, and championing the Saudi Made initiative as part of its contribution to domestic industrial advancement. A new strategic vision is expected to be unveiled by mid-2024, which will guide Shaker into its next phase of growth.

Mr. Mohammed Ibrahim Abunayyan, CEO at Shaker, said:

“2023 was a remarkable year for us, characterized by strong financial performance and strategic advancements as we achieved our highest revenue since FY16 and net profit since FY15. It is a testament to the execution of our growth strategy, focused on building an agile, dynamic, and high-growth business environment, positioning Shaker as the number one destination for all things home in the Kingdom. Our commitment to strengthening our core business has yielded sustainable long-term gains. The steady growth in our B2B portfolio has enhanced the stability of HVAC Solutions by securing larger contracts and long-term engagements. At the same time, the successful integration of LG's comprehensive product range, our well-established portfolio offering from Midea and Ariston, along with Shaker's targeted marketing efforts led to unlocking additional growth potential within the Home Appliances segment.

Beyond financials, we remain steadfast in our commitment to the Made in Saudi initiative, boosting local production capacities, fostering self-reliance, and aligning with the Kingdom's Vision 2030 aspirations. Looking ahead, we are excited about the future, with plans to unveil a new strategic vision in 2024 that will guide us into our next phase of 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

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business unit of Shaker, provides Energy Solutions and management services. 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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