



## Earnings Release Q1 2021

### Shaker reports SAR 4.5 million net profit in Q1 2021; year-on-year revenue growth of 30.5%

- Q1 net profit of SAR 4.5 million compared to net loss of SAR 3.3 million in 2020
- Q1 revenue of SAR 288.3 million improved by 30.5% from 2020
- Earnings per share improved to SAR 0.10
- Shaker and LG have deployed robotics technology at Saudi manufacturing facility

**Riyadh, Saudi Arabia, 5 May 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 its financial results for the 3-month period ended 31 March 2021. Shaker achieved revenue of SAR 288.3 million, growing by 30.5% compared to Q1 2020, and by 46.7% compared to the previous quarter. Gross profit of SAR 57.6 million increased by 16.8% year-on-year. Shaker’s Q1 net profit reached SAR 4.5 million, a significant improvement from a net loss of SAR 3.3 million in Q1 2020.

Management attributes a third consecutive profitable quarter to strong and sustained growth in revenues, ongoing optimization and cost saving measures, a focus on innovation, and the success of the Company’s product portfolio strategy.

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

*“During the first quarter our team continued to demonstrate flexibility to operate in a challenging environment and deliver strong sales and earnings. At the beginning of the year, we rolled out our 2021-2023 strategy and we are pleased to already see the results of our growth plan. We continue to expand our footprint in our core segments – AC and Home Appliances – by growing our portfolio and seeking new opportunities in the market. In the first quarter we welcomed Panasonic, a brand with which we have now entered the TV category. Meanwhile, we have pursued opportunities emerging from the government’s commitment to mega projects across the Kingdom, and this is an area we will continue to place significant emphasis on.*

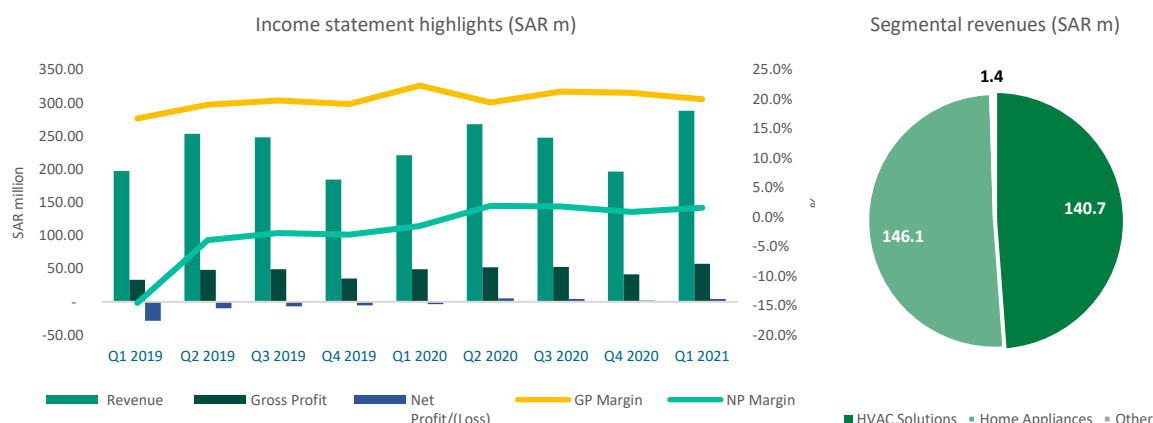
*In support of our strategy, we are looking to innovate across the supply chain and invest in technology to further optimize our operating model. Most recently, we have rolled out robotics and Artificial Intelligence in our LG-Shaker manufacturing facility in Riyadh. The new technology increases production speed and accuracy, and allows us to bring the manufacture of several component parts in-house. By deploying such technology, we strengthen our capabilities and reduce costs.”*

#### Q1 performance in focus

- Revenue of SAR 288.3 million improved by 30.5% from 2020
- Gross profit of SAR 57.6 million improved by 16.8% year-on-year
- Operating profit of SAR 1.6 million improved from a loss of SAR 3.9 million in Q1 2020
- Net profit of SAR 4.5 million improved from a loss of SAR 3.3 million in Q1 2020
- Earnings per share (“EPS”) stood at SAR 0.10 in Q1 2021



## Earnings Release Q1 2021



### Operational updates

- Shaker enhanced its group-wide IT framework and upgraded its security infrastructure
- Employee costs reduced by 6.6% from Q1 2020; headcount decreased to 619
- Supply chain updates continue to be implemented for enhanced operations
- Robotics and AI technology were introduced at the LG-Shaker factory in Riyadh, strengthening manufacturing capability and driving improved efficiency

### Outlook and strategy

Shaker is now implementing its new strategy until 2023, which aims to grow the business by becoming the preferred choice for customers and the ideal partner for brands in the Saudi consumer electronics and appliances sector. The strategy follows the success of the Breakthrough Program, which was completed in 2020 and saw Shaker achieve profitability for the first time since 2016.

Shaker will build on its extensive portfolio of Home Appliances and ACs to take advantage of emerging opportunities in the market. Saudi Arabia's AC market is expected to grow by 2% in the next two years<sup>1</sup>, with growth supported by energy efficiency programs by the government including the Saudi Energy Efficiency Center's ("SEEC") high-efficiency AC initiative, and Tarsheed, the Saudi government's National Energy Services Company. Mega projects such as Neom and Red Sea also present compelling opportunities. The Home Appliances market is expected to grow by 3% in the next three years<sup>2</sup> driven by consumer demand for energy efficient products, increasing disposable income as more women enter the workforce, and a strong pipeline of housing projects supported by the Saudi government.

Shaker, which is listed on Tadawul (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.

<sup>1</sup> GFK Data 2019 | Euromonitor | Shaker analysis

<sup>2</sup> GFK Data 2019 | Euromonitor | Shaker analysis



## Earnings Release Q1 2021

-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 exclusive 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 Group, provides Energy Solutions. Shaker Group has been a publicly listed company on the Saudi Stock Exchange (Tadawul) since 2010. Throughout the years, Shaker Group 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**

George Allen, Instinctif Partners

[George.Allen@instinctif.com](mailto:George.Allen@instinctif.com)

+971 55 104 3586