



Earnings Release 9M 2021

Shaker reports SAR 27.6 million net profit in 9M 2021; year-on-year revenue growth of 13.9%

- 9M revenue of SAR 838.6 million improved by 13.9% from 2020
- 9M net profit of SAR 27.6 million compared to SAR 6.6 million in 2020; Q3 net profit of SAR 12.3 million increased by 223.9% y-o-y
- 9M Earnings per share improved to SAR 0.43

Riyadh, Saudi Arabia, 02 November 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 9-month period ended 30 September 2021. The performance was supported by robust sales, Shaker’s portfolio expansion and improvements across its distribution channels in line with the Company’s growth strategy.

Shaker’s nine-month sales reached SAR 838.6 million, growing by 13.9% compared to the previous year. Shaker’s nine-month net profit reached SAR 27.6 million, compared to SAR 6.6 million in 9M 2020. Gross profit of SAR 176.3 million increased by 14.3% year-on-year.

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

“Shaker continued to deliver sustained profitability for the business, marking more than one year of sequential profitable quarters. This performance is driven by robust sales across the business and underpinned by the continuous delivery of our 2021-2023 strategy and supporting market dynamics.

We continue to grow our market share in the Home Appliance segment and continue to grow the AC segment. During the period we saw a 25% increase in Home Appliance sales, and a 6% increase in AC sales compared to the previous year. Business segment sales demonstrated healthy market appetite for Shaker’s products and services. Toward the end of the third quarter, sales grew exponentially with the National Day holiday and back-to-school season driving demand.

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.”

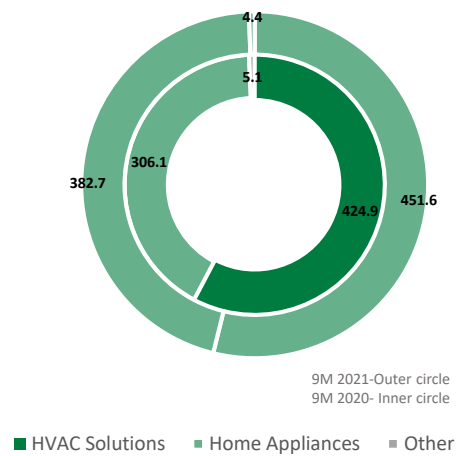
Financial highlights



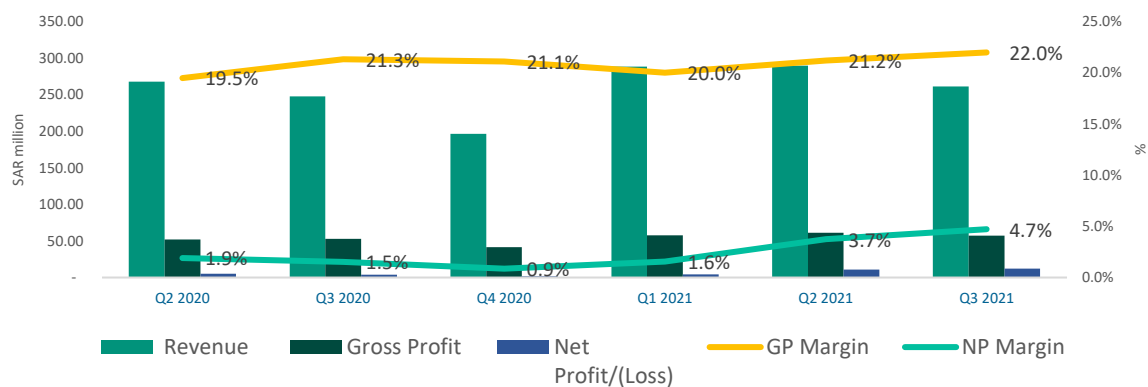
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- Revenue of SAR 838.6 million improved by 13.9% from 9M 2020
- 9M Gross profit of SAR 176.3 million improved by 14.3% year-on-year
- Operating profit of SAR 27.7 million improved from SAR 6.3 million in 9M 2020
- Net profit of SAR 27.6 million improved from SAR 6.6 million in 9M 2020
- Earnings per share (“EPS”) stood at SAR 0.43 in 9M 2021, up from 0.13 in 2020

9M Segmental revenues (SAR m)



Income statement highlights (SAR m)



Operational highlights

- Ongoing implementation of new strategy to diversify brand portfolio and optimise supply chain
- Significant B2B and ESCO sales growth
- 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 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.

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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, Panasonic 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 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/>

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