

Shaker

Investor Presentation

Q2 2023 & H1 2023



SINCE منذ
1950



Today's Presenters



Mohammed Abunayyan

Chief Executive Officer



Mazen ElGhafeer

Chief Financial Officer – Finance



Firas Al Sayegh

Director – Strategy &
Transformation

Disclaimer

This presentation has been prepared solely for use as an investor presentation for Shaker (the “**Company**”). By attending or by reading this presentation, you agree to be bound by the following limitations.

The information contained in this presentation is for background purposes only and does not purport to be comprehensive and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation to buy or subscribe to any securities in any jurisdiction, or a recommendation in respect of buying, holding or selling any securities.

No representation or warranty, express or implied, is made as to, and no reliance should be placed by any person for any purpose on the information contained in this presentation, fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation.

The information in this presentation is subject to change, update, revision, verification and amendment and such information may change materially. The Company is under no obligation to update or keep current the information contained in this presentation and any opinions expressed in it is subject to change without notice. This presentation has not been approved by any competent regulatory authority.

Neither this presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. The contents of this presentation are not to be construed as legal or financial.

The distribution of this presentation may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein come should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This presentation may include statements that are, or may be deemed to be, “forward-looking statements” with respect to the Company’s financial position, results of operations and business and certain of the Company’s plans, intentions, expectations, assumptions, goals and beliefs. The contents of this presentation have been prepared by and are the sole responsibility of the Company.

Agenda

- 1. Strategic Highlights
- 2. Financial Performance
- 3. Strategic priorities for 2023
- 4. Q&A Session



**Q2 2023
Strategic Highlights**

Q2-FY23 Highlights



Successfully completed sale of New Vision for Electronics and Electrical Appliances (“NV”)



Progressed in regulatory and licensing procedures



Expanded B2B HVAC portfolio with new Package Unit product



Reduced short-term borrowings by SAR 47.4 million in Q2. (59.2 million in H1)

Revenue

SAR **307.39**mn

+4.4%
YoY²

Gross Profit

SAR **74.23**mn

+23.4%
YoY²

EBITDA

SAR **36.30**mn

+31.4%
YoY²

Net Profit¹

SAR **15.89**mn

+36.3%
YoY²

EPS

SAR **0.33**

+36.3%
YoY²

Core business sustained growth building on strong Q1 performance



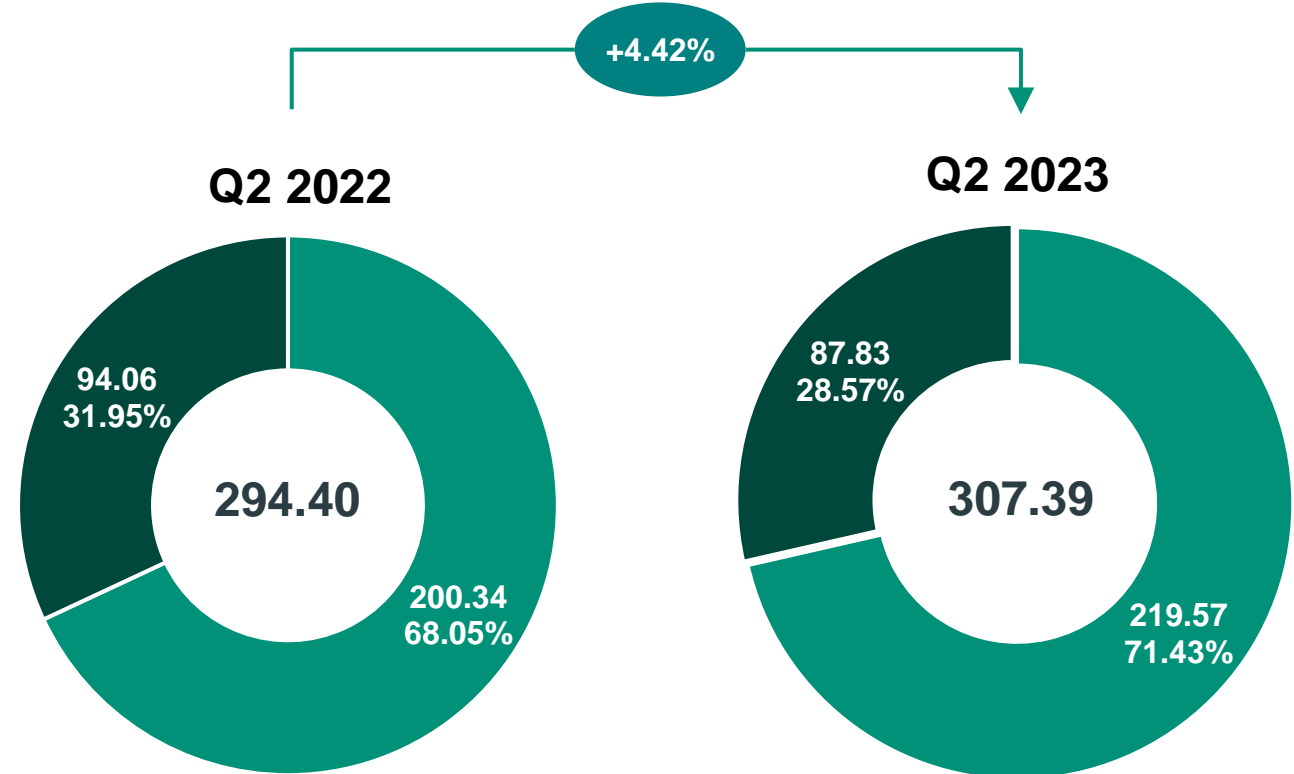
1: Attributable to shareholders of Company | 2: Q2 2023 vs Q2 2022

A photograph of a business meeting. Two people are seated at a table, looking at a large document with charts and graphs. One person's hand is pointing at a specific part of the document. On the table, there is a blue pen, a calculator, and a notebook. The background is slightly blurred, showing other people in the room. The image is overlaid with a semi-transparent blue and white geometric design consisting of diagonal lines and shapes.

FINANCIAL PERFORMANCE

Key Highlights: Q2 2023

Revenue by Segment



SAR (Millions)

Gross Profit ▲ **+23.42%**

Q2 2023 74.23

Q2 2022 60.14

Gross Profit Margin ▲ **+3.72pp**

Q2 2023 24.15%

Q2 2022 20.43%

EBITDA ▲ **+31.36%**

Q2 2023 36.30

Q2 2022 27.63

EBITDA Margin ▲ **+2.42pp**

Q2 2023 11.81%

Q2 2022 9.39%

Net Income* ▲ **+36.34%**

Q2 2023 15.89

Q2 2022 11.65

Net Income* Margin ▲ **+1.21pp**

Q2 2023 5.17%

Q2 2022 3.96%

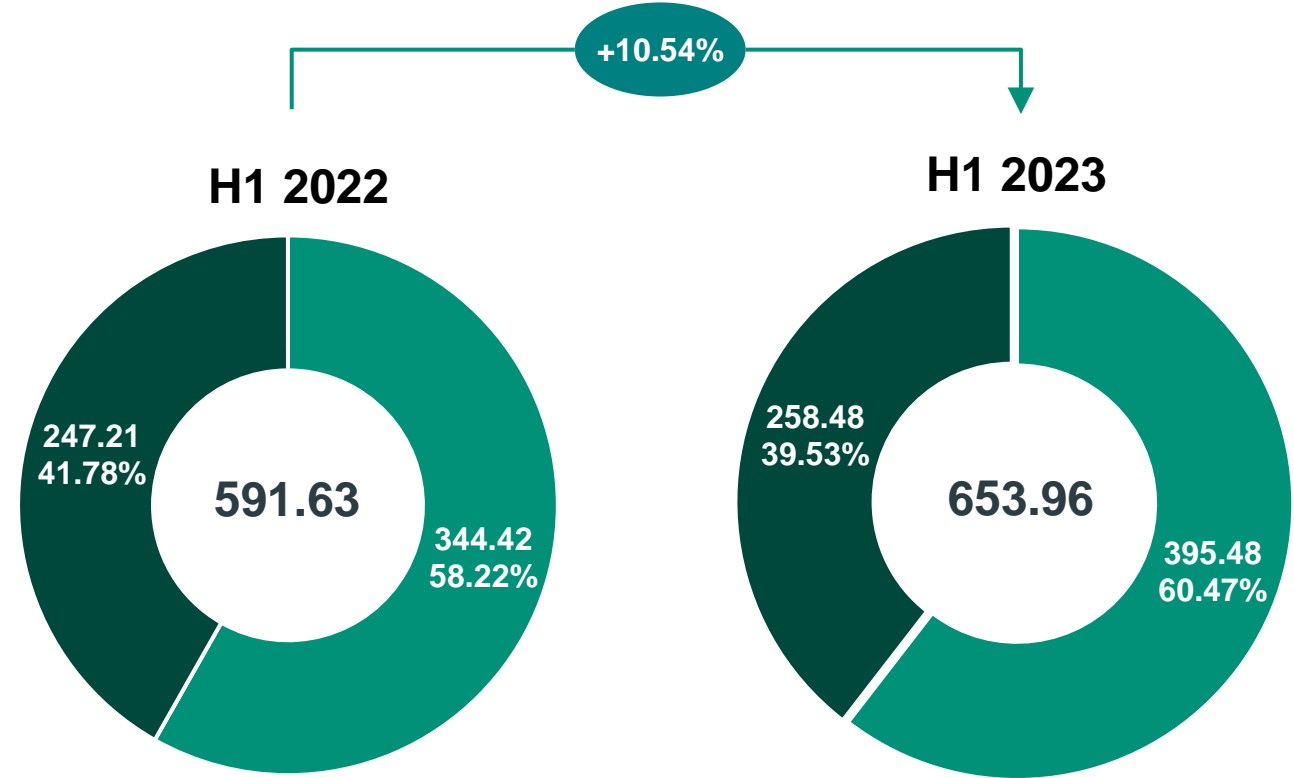
*Attributable to shareholders of company



■ HVAC ■ Home Appliances

Key Highlights: H1 2023

Revenue by Segment



SAR (Millions)

Gross Profit ▲ +21.76%

H1 2023 161.34

H1 2022 132.51

Gross Profit Margin ▲ +2.27pp

H1 2023 24.67%

H1 2022 22.40%

EBITDA ▲ +61.85%

H1 2023 79.75

H1 2022 49.28

EBITDA Margin ▲ +3.87pp

H1 2023 12.20%

H1 2022 8.33%

Net Income* ▲ +69.06%

H1 2023 44.66

H1 2022 26.41

Net Income* Margin ▲ +2.36pp

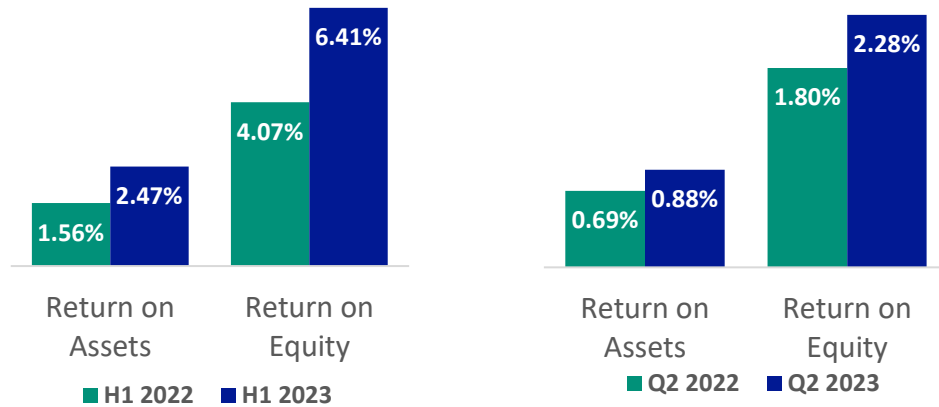
H1 2023 6.83%

H1 2022 4.46%

*Attributable to shareholders of company

Healthy Balance Sheet

Key Return Ratios (YoY)



Earnings per Share (YoY)



ROA* ▲ +0.91pp



ROE* ▲ +2.33pp



Current Ratio ▼ -2.93%



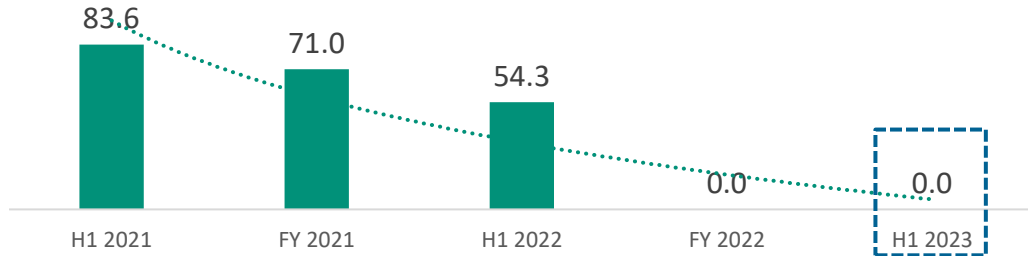
Total Borrowings/Equity ▲ +5.82%



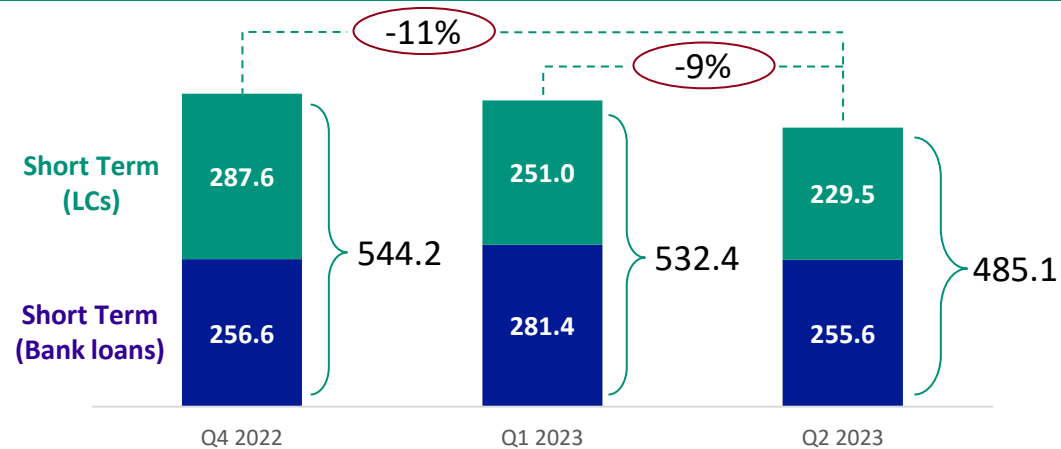
*Using net profit and equity attributable to shareholders

Leverage Levels: Q2 2023

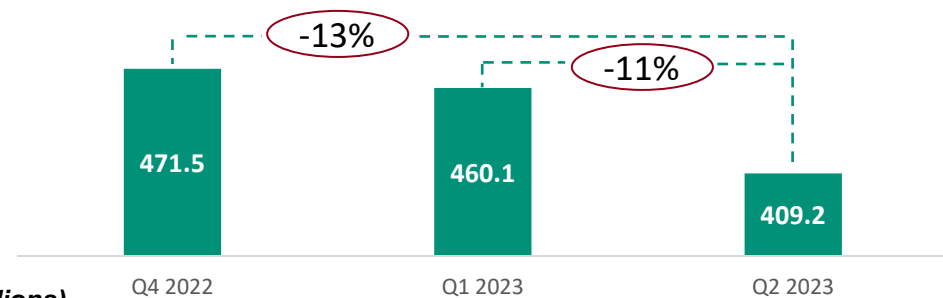
Long-term Borrowings



Short-term Borrowings



Net Debt



Total Liabilities/Total Assets



Total Liabilities/Equity



Interest Coverage Ratio



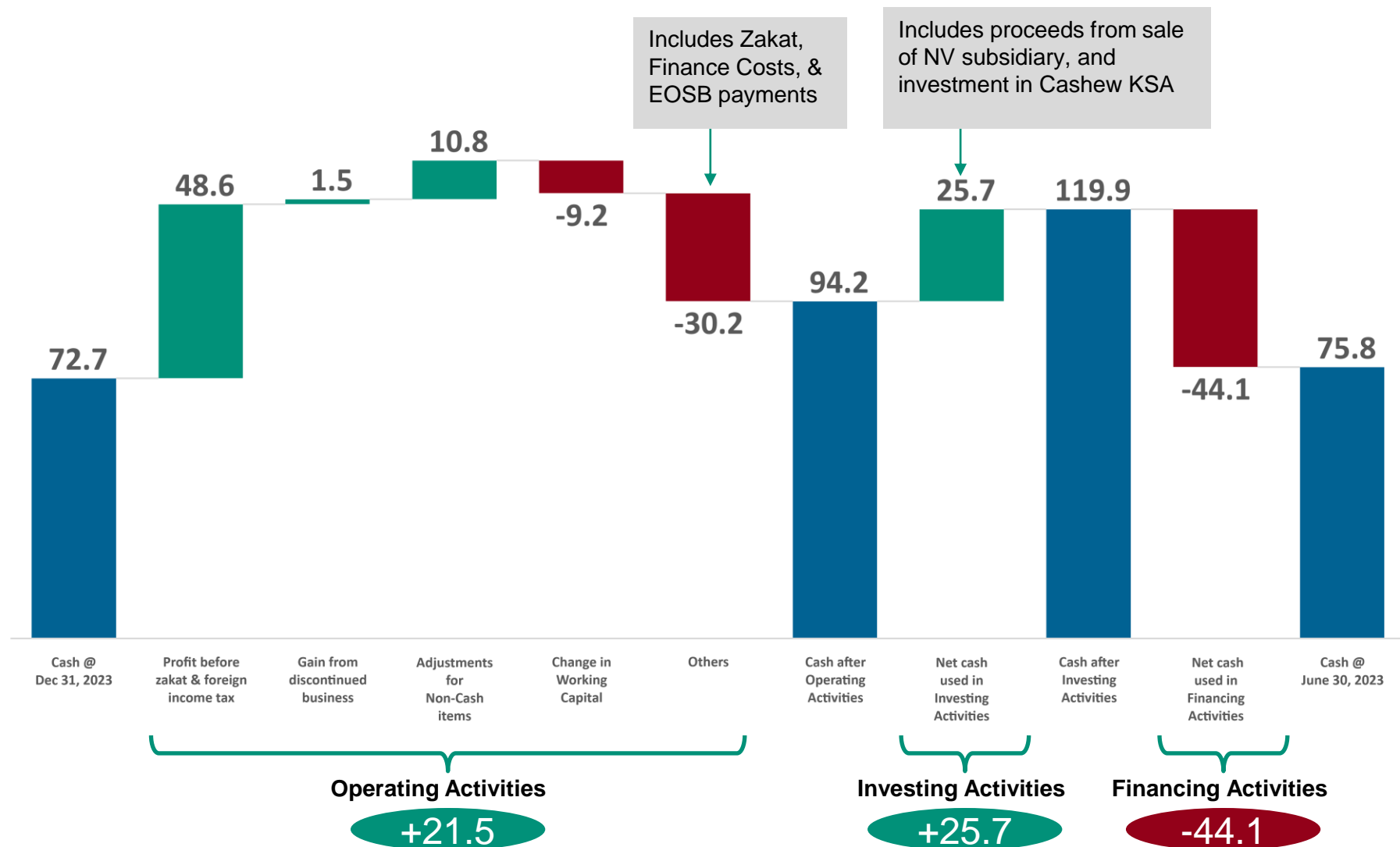
Net Debt/Equity



Cash Flow Bridge

Highlights

- Net Cash Position was 75.8mn compared to 2022 year end of 72.7mn mainly driven by higher Operating Cash offset by financing activities.
 - Cash flow from operating activities mainly impacted by finance costs (24.1mn)
 - Change in Financing Activities is mainly due to settlement of STLs



(SAR millions)



Strategic Priorities for 2023

Expanding Market Footprint

- Expand HVAC solutions (B2B & B2C)
- 2 new retail stores planned in 2023
- Aim to manufacture full portfolio of ACs in LG Shaker factory

Optimize Inventory Levels

- Streamlining inventory for efficiency
- Maximizing value from stock management

Progress on Cashew

- Finalizing regulatory readiness
- Targeting integration and roll-out by 2024

Bompani MoU

- Renewing in-place distribution agreement
- Feasibility study stage – new opportunities

Maintaining discipline in capital allocation

Deleveraging of balance sheet: Continued focus on STL reduction

No set cash dividends at this time



Q&A Session



CONTACT

MR. MAZEN ELGHAFEEER
VICE PRESIDENT FINANCE
M.GHAFFEER@SHAKER.COM.SA
+966-11-2638900