

Shaker

Investor Presentation

September 2022



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Presenters



Mohammed Abunayyan

Chief Executive Officer



Mazen ElGhafeer

Vice President – Finance



Firas AlSayegh

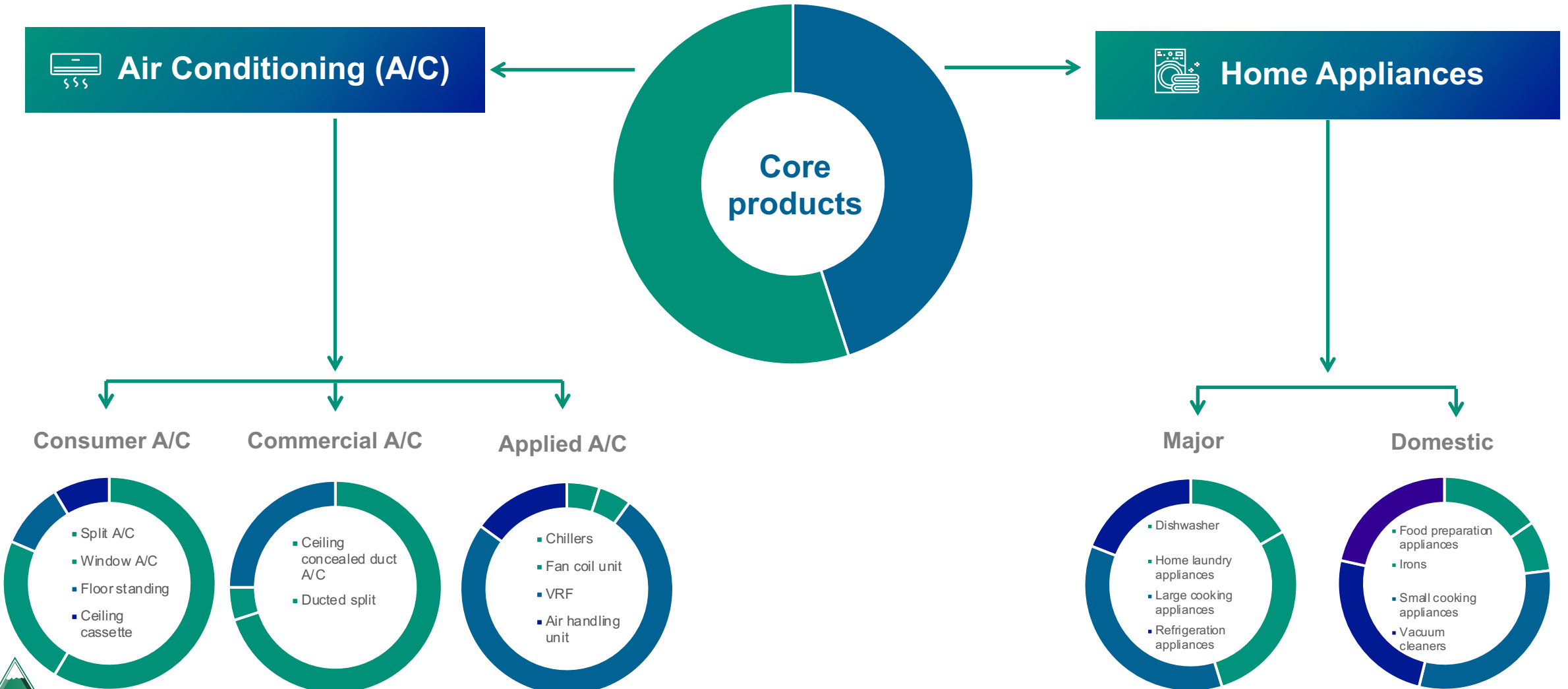
Director – Strategy &
Transformation



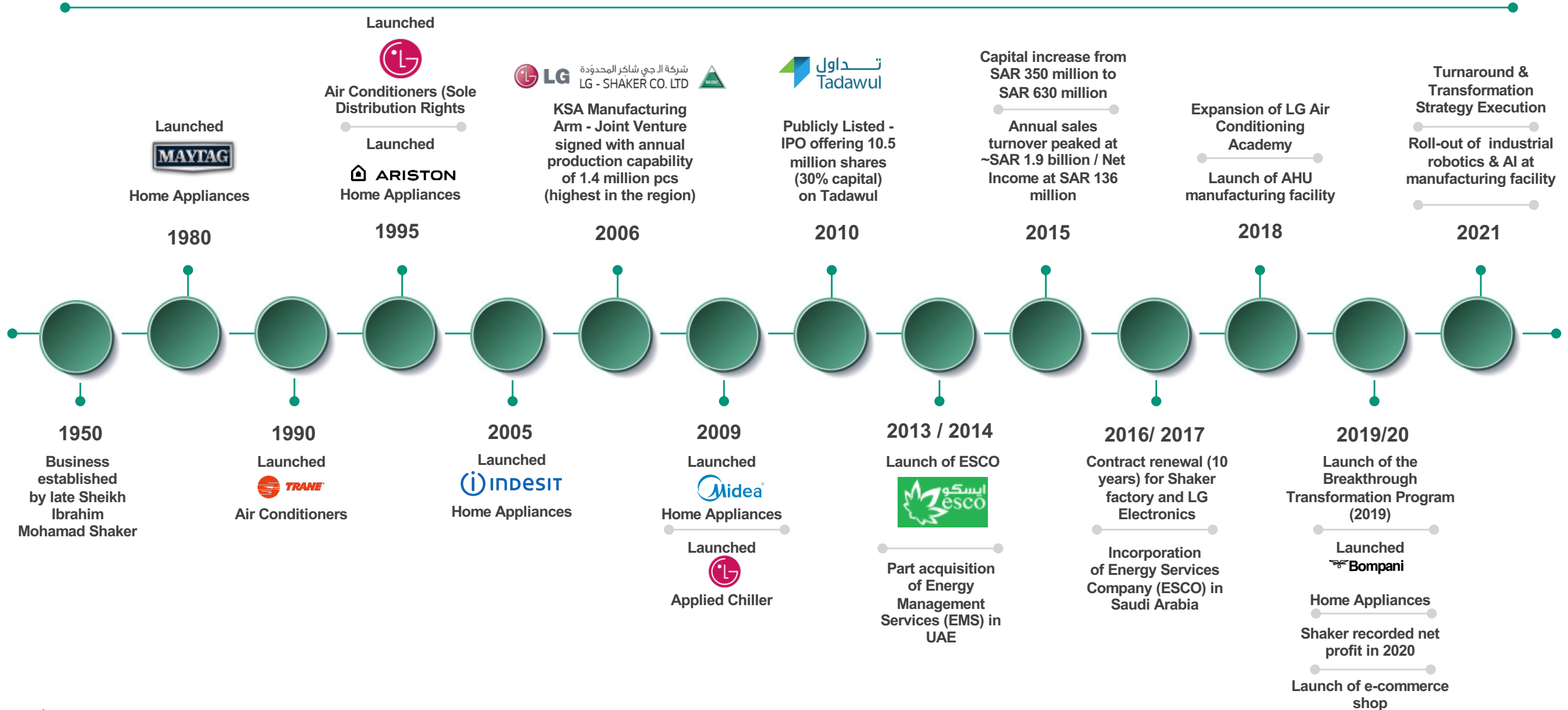
Business Overview

Middle East's Leading A/C & Home Appliance Solutions Company

Saudi's leading authorized importer & distributor of key international brands



Shaker's Story



World-Class Brand Portfolio & Competitive Positioning

Air Conditioners

Home Appliances

Competitive positioning



Manufacturing partner of choice for LG A/C in Middle East



Integration of **robotics and AI** to improve manufacturing



Manufacturing capacity: **900K units**



Alignment with **Vision 2030** National Industrial Program



Strong investment in **technology**



Facility expansion in **2019**



Cost efficient manufacturing

- **Current products:** Window, Wall mounted Split units, Concealed units, Cassette units, Free stand units, Single Package units, Air Handling Units
- **Year opened:** 2008
- **Site size:** 75,000 square meters



Shaker - A Unique Investment Opportunity

Products, Brands & Services



Market-leading products, internationally-renowned brands, high-quality after sales support and service offer

Distribution



Kingdom-wide distribution network for all products, servicing all customer types

Management



A senior executive management team offering a high level of sector expertise

Manufacturing capability



Joint Venture with LG Air Conditioning delivers benefit of cost-effective manufacturing and local distribution within the Saudi market

Growing market



The market for AC solutions and Home Appliances is expanding, supported by a growing population, increased consumer spending and disposable income

Strategic Priorities for Future Growth



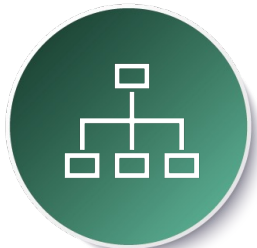
Grow market share and product mix

- Become **the leading supplier** in existing business segments & **add new brands and products to portfolio**
- **B2B and after sales growth** – increase presales and capture mega project opportunities



Operational efficiency

- Grow **e-commerce sales**
- Grow **market share**
- **Organic growth** - increase efficient distribution channels, solid partnerships and dynamic sales strategy
- **Optimize supply chain** and inventory management
- **Optimize operational costs**



Organization & Talent

- **Digitize** to enhance reporting mechanism
- **Enhance** controls, processes and procedures
- Develop and retain **talent**
- Build **dynamic capabilities**

2023 Targets & Goals

- High double digit percentage **profit increase**
- Adjusted **EBITDA increase**
- Average annual **FCF increase**
- Product Portfolio **growth**

Strategic Milestones: H1 2022

SIGNIFICANT ACHIEVEMENTS

- Ongoing execution on growth strategy
- Strong financial and operational performance in H1 2022
- Significant improvement of financial positioning
- Elimination of accumulated losses post capital restructuring
- Election of new board of directors under the leadership of the Chairman Abdulelah Abunayyan

GROWTH DRIVERS

- Bompani MoU to launch a manufacturing facility in KSA to produce cooker ranges
- Cashew KSA MoU for proposed 40% possible investment to launch and grow its buy now pay later (BNPL) operations in KSA
- Support for Vision 2030 objectives and megaprojects (NEOM, Amaala, Red Sea Development and Roshn)

CORE BUSINESS HIGHLIGHTS

- Obtained Saudi Energy Efficiency Ratio (SEER) stamp of approval for AC's manufactured at Shaker LG factory
- Supported 'Made in Saudi' first year anniversary campaign as one of the leading Saudi manufacturers
- Continued workforce right-sizing and talent development with 34% Saudization and 10% female participation

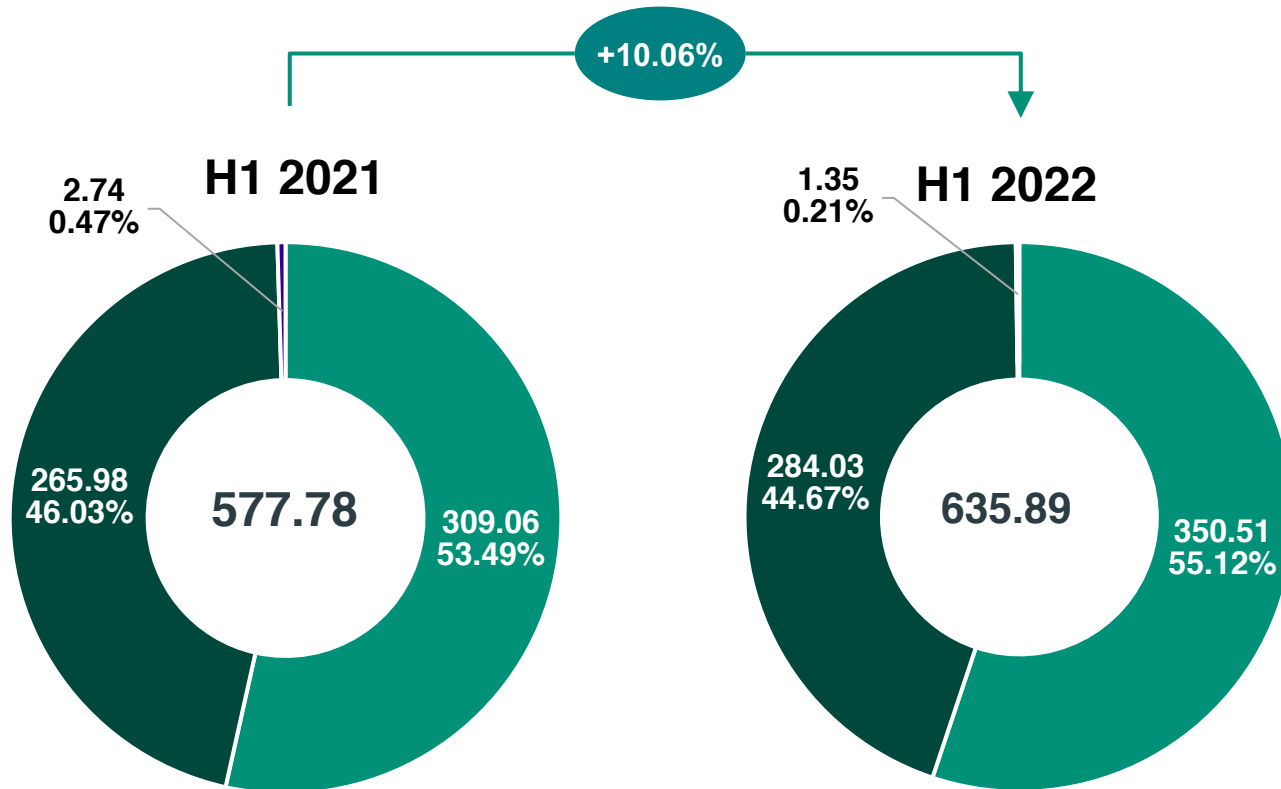




H1 2022 FINANCIAL PERFORMANCE

Key Highlights: H1 2022

Revenue by Segment



SAR (Millions)

Gross Profit ▲ **+20.38%**

H1 2022 143.20

H1 2021 118.96

Gross Profit Margin ▲ **+1.93pp**

H1 2022 22.52%

H1 2021 20.59%

EBITDA ▲ **+22.53%**

H1 2022 49.60

H1 2021 40.48

EBITDA Margin ▲ **+0.79pp**

H1 2022 7.80%

H1 2021 7.01%

Net Income ▲ **+72.29%**

H1 2022 26.37

H1 2021 15.30

Net Income Margin ▲ **+1.50pp**

H1 2022 4.15%

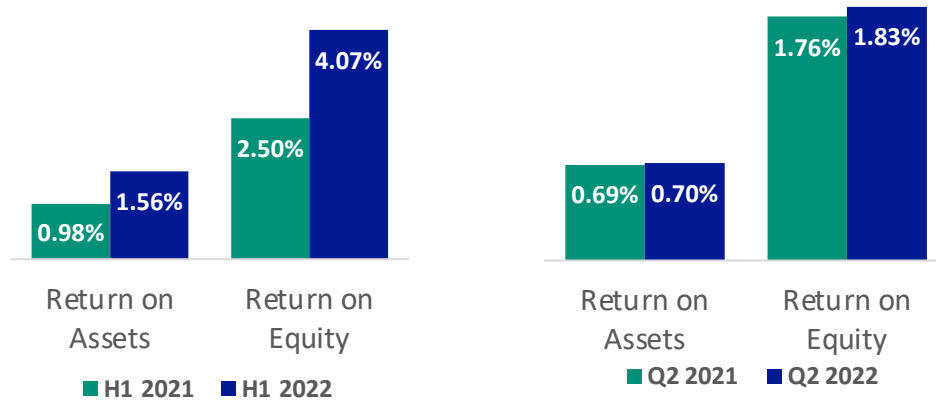
H1 2021 2.65%



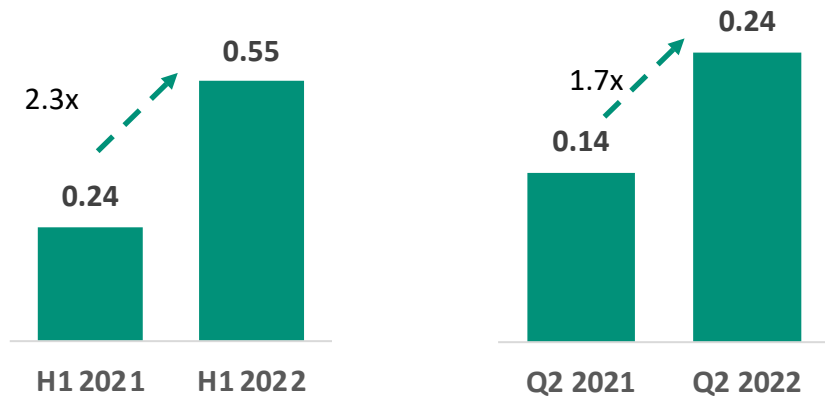
■ HVAC
 ■ Home Appliances
 ■ Others

Robust Balance Sheet: H1 2022

Key Return Ratios (YoY)



Earnings per Share (YoY)



ROA ▲ +0.58pp



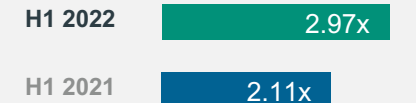
ROE ▲ +1.57pp



Current Ratio ▼ -1.85%



EBIT/Int. Expense ▲ +40.76%



Int. Bearing Loans/Equity ▼ -31.7pp



Cash Conv. Cycle ▲

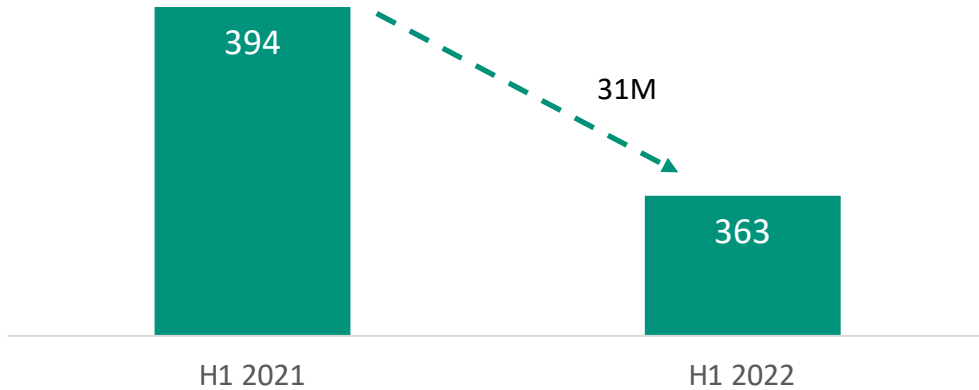


Leverage Levels: H1 2022

Interest Bearing Debt



Net Debt



(SAR millions)

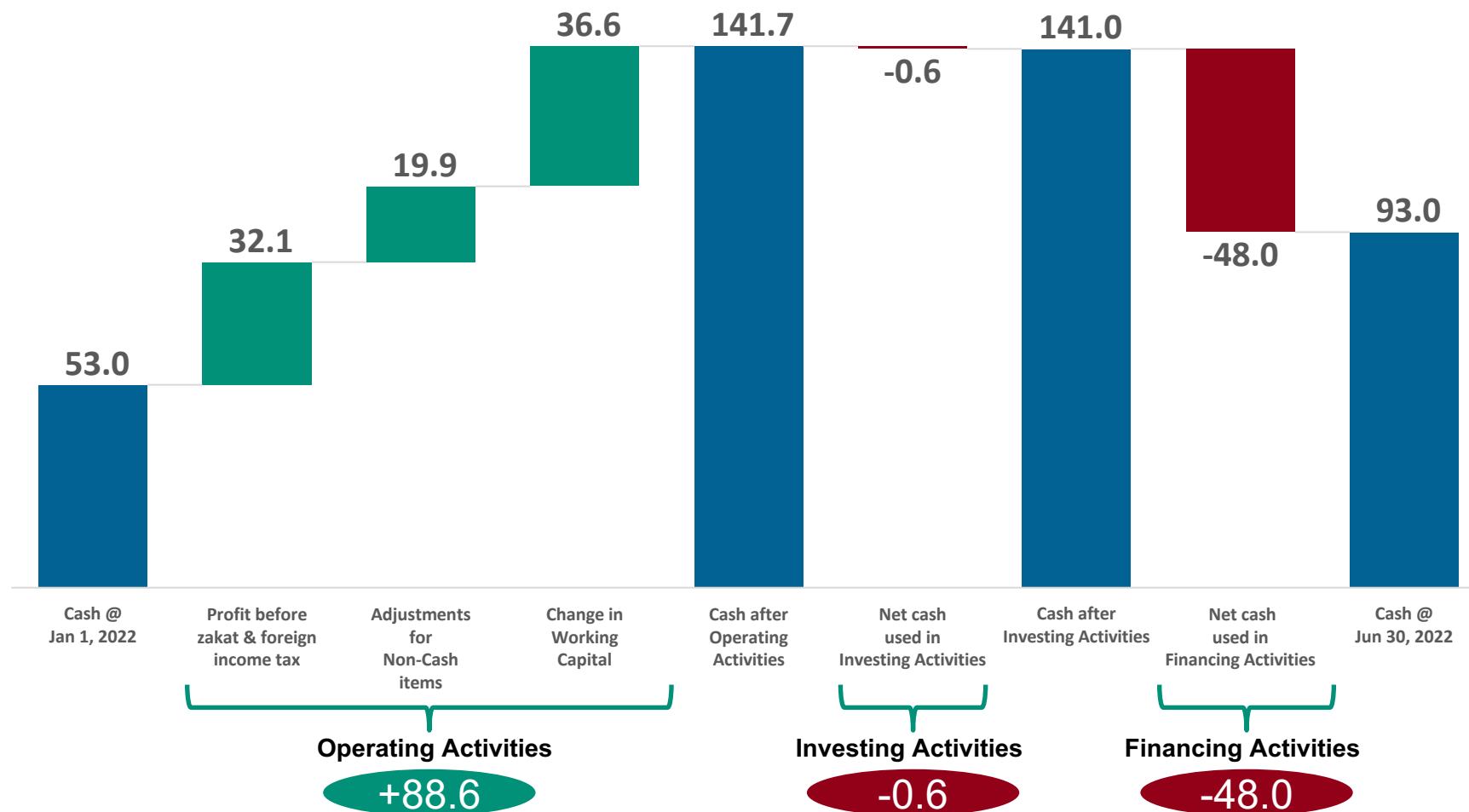


Total Liabilities/Total Assets ▲ +1.67%		Total Liabilities/Equity ▲ +4.70%	
H1 2022	0.61x	H1 2022	1.56x
H1 2021	0.60x	H1 2021	1.49x
Interest Coverage Ratio ▲ +40.76%		Net Debt/Equity ▼ -13.26%	
H1 2022	2.97x	H1 2022	0.55x
H1 2021	2.11x	H1 2021	0.63x

Cash Flow Bridge: H1 2022

Highlights

- Net Cash Position was 40.02M mainly driven by higher Operating Cash of 88.6M.
 - Change in WC is mainly driven by higher Trade Payables.
- SAR 48 million used in Financing Activities mainly due to repayment of bank borrowings



(SAR millions)



Q&A Session

The background features a blurred financial chart with various data points and lines. Two large, dark teal diagonal stripes cross the image, forming a large 'V' shape that frames the text. The chart includes numerical values such as 87.270, 81.438, 79.609, 71.007, 92.490, 45.161, 92.595, 3.244, and 31.056.

APPENDIX I: Detailed Financials

Income Statement

SAR '000	H1 2022	H1 2021	YoY Change (SAR '000)	YoY Change (%)
Sales	635,887	577,782	58,105	10.06%
Cost of Sales	(492,685)	(458,819)	(33,866)	7.38%
Gross Profit	143,202	118,963	24,239	20.38%
G&A Expenses	(43,837)	(47,315)	3,478	-7.35%
S&D Expenses	(59,382)	(46,605)	(12,777)	27.42%
Impairment Loss on Trade & Other Receivables	(13,721)	(8,776)	(4,945)	56.35%
Other Income, Net	2,185	(229)	2,414	1,054.15%
Operating Income	28,447	16,038	12,409	77.37%
Financial Charges	(9,593)	(7,608)	(1,985)	26.09%
Share in Net Income of Equity Accounted Investees	13,214	13,624	(410)	-3.01%
Re-measurement of equity accounted investees	-	-	-	-
Income before Zakat and Non-Controlling Interests	32,068	22,054	10,014	45.51%
Zakat & Income Tax	(5,700)	(6,750)	1,050	15.56%
Net income before Non-Controlling Interests	26,368	15,304	11,064	72.29%
Non-Controlling Interests in net loss of consolidates subsidiaries	(46)	229	(275)	-120.09%
Net Income (Available to Equity Holders)	26,414	15,075	11,064	75.22%

Cash Flow Statement

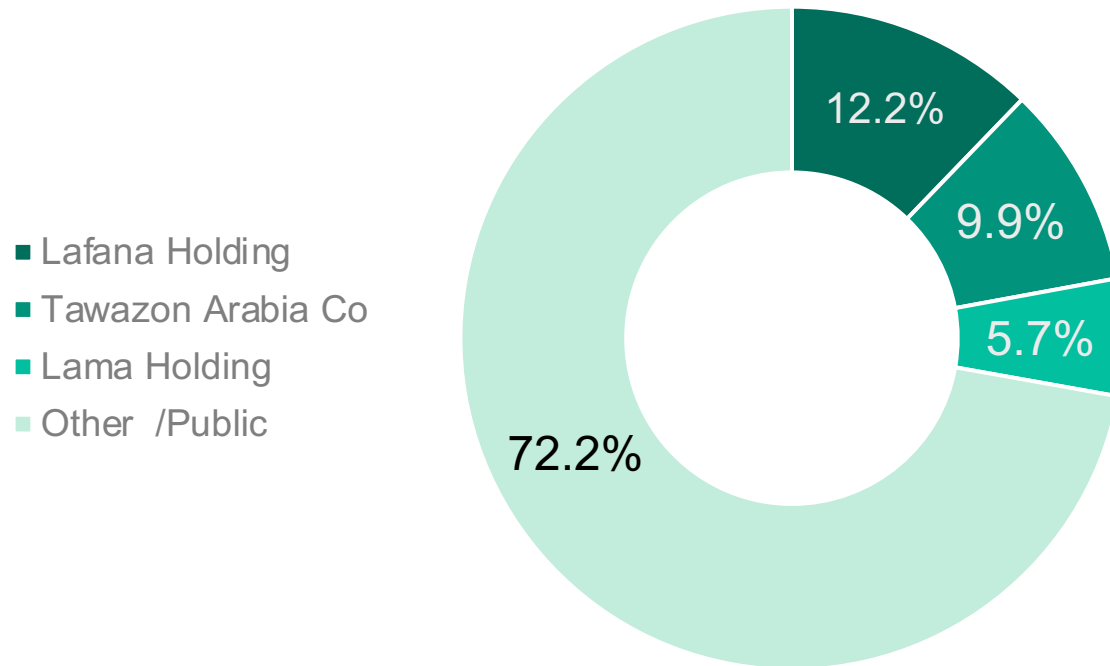
SAR '000	H1 2022	H1 2021	YoY Change (SAR '000)	YoY Change (%)
<u>Cash Flows from Operating Activities</u>				
Profit/(loss) before Zakat and Taxes	32,068	22,054	10,014	45.41%
Adjustments for Non-Cash Items	19,920	23,585	-3,665	-15.54%
Changes in Working Capital	36,642	(130,023)	166,665	-128.18%
Net Cash from Operating Activities	88,630	(84,384)	173,014	-205.03%
Net Cash used in Investing Activities	(642)	(627)	-15	2.39%
Net Cash used in Financing Activities	(47,969)	82,432	-130,401	-158.19%
Net change in Cash and Cash Equivalents	40,020	(2,579)	42,599	1651.76%
Cash and Cash Equivalents at beginning of the period	53,020	79,906	-26,886	-33.65%
Cash and Cash Equivalents at end of the period	93,040	77,327	15,713	20.32%

Balance Sheet

SAR '000	H1 2022	H1 2021	YoY Change (SAR '000)	YoY Change (%)
<u>ASSETS</u>				
Non-Current Assets	694,947	672,977	21,970	3.26%
Current Assets	997,360	884,286	113,074	12.79%
Total Assets	1,692,307	1,557,263	135,044	8.67%
<u>EQUITY</u>				
Total Equity attributable to Shareholders	648,523	611,388	37,135	6.07%
Total Equity	662,111	624,681	37,430	5.99%
<u>LIABILITIES & EQUITY</u>				
Non-Current Liabilities	91,422	110,827	-19,405	-17.51%
Current Liabilities	938,774	821,755	117,019	14.24%
Total Liabilities	1,030,196	932,582	97,614	10.47%
Total Equity & Liabilities	1,692,307	1,557,263	135,044	8.67%

Shareholding Structure

Shareholding structure



- Lafana Holding
- Tawazon Arabia Co
- Lama Holding
- Other /Public

Share information

Market	Tadawul, Saudi Arabia
Currency	SAR
Listing date	May 2010
Financial year-end	31 December
Authorized capital (SAR)	482,334,000
Issued shares	48,233,400
Paid capital (SAR)	482,334,000
Par value/share (SAR)	10
Paid up value/share (SAR)	10

As at 30th June 2022



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