

# Shaker

**Investor Presentation Q3 & 9M 2022**

*As at 30 September 2022*

15<sup>th</sup> November 2022



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# Today's Presenters



**Mohammed Abunayyan**

Chief Executive Officer



**Mazen ElGhafeer**

Vice President – Finance



**Firas Al Sayegh**

Director – Strategy &  
Transformation

# Agenda

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- Strategic Highlights
- Financial Performance
- Q&A Session
- Appendix I: Detailed Financials
- Appendix II: Overview of Shaker

A background image showing a business meeting. Two people are seated at a table, looking at documents. One person's hand is pointing at a document. There is a blue cup on the left, a pen, and a calculator on the table. The image is overlaid with a large white triangle pointing downwards and a blue triangle pointing upwards, meeting at the center.

# Strategic Highlights

# Strategic Milestones

## SIGNIFICANT ACHEIVMENTS

- Ongoing execution on growth strategy
- Sustained profitability with double digit YoY growth in net profit
- Deleveraging balance sheet with Long-term debt paydown
- Significant improvement of financial positioning

## GROWTH DRIVERS

- Thriving B2B segment growth with megaproject wins (NEOM, Amaala, Red Sea Development and Roshn) in line with Vision 2030
- Progressing MoU with Bompani to establish a manufacturing facility in the Kingdom.

## CORE BUSINESS UPDATES

- Supported Estbdal Initiative by SEEC to replace older air conditioning units with newer, more energy efficient units
- Listed for sale holding in Energy Management Services – Emirates LLC (EMS) business stake of 74%
- Continued workforce and talent development with 36% Saudization and 10% female participation

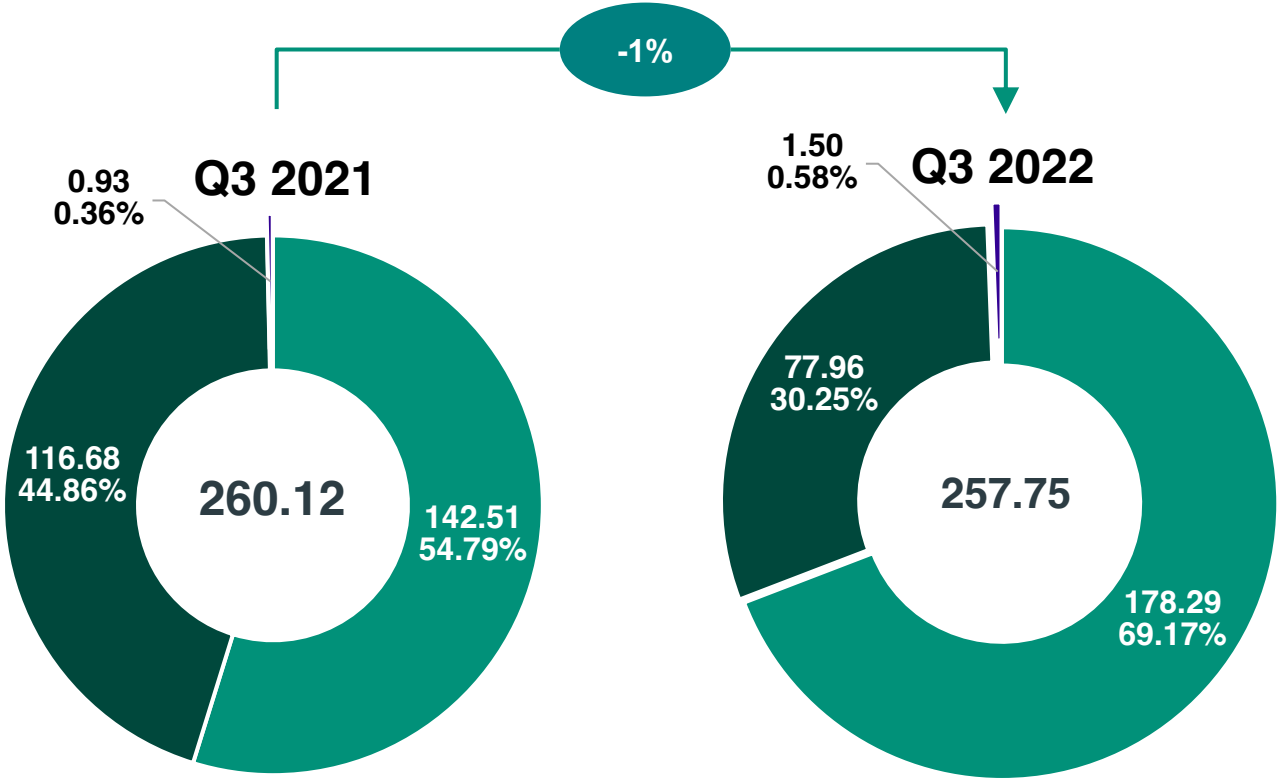




**FINANCIAL PERFORMANCE**

# Key Highlights: Q3 2022

## Revenue by Segment



### SAR (Millions)

**Gross Profit** ▲ +0.8%

Q3 2022	57.63
Q3 2021	57.15

**Gross Profit Margin** ▲ +0.4pp

Q3 2022	22.4%
Q3 2021	22.0%

**EBITDA** ▼ -17.5%

Q3 2022	20.1
Q3 2021	24.4

**EBITDA Margin** ▼ -1.57pp

Q3 2022	7.80%
Q3 2021	9.37%

**Net Income** ▼ -28.6%

Q3 2022	8.81
Q3 2021	12.34

**Net Income Margin** ▼ -1.33pp

Q3 2022	3.42%
Q3 2021	4.74%

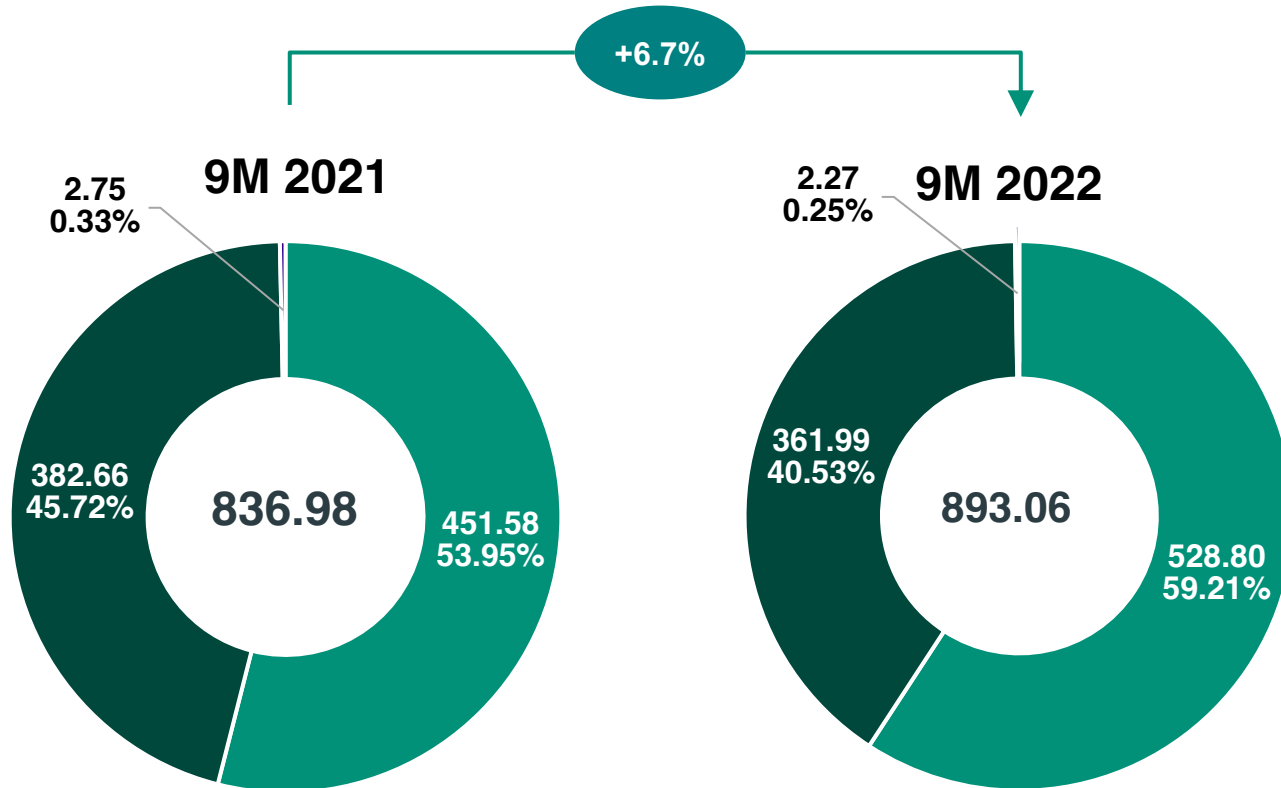


■ HVAC 
 ■ Home Appliances 
 ■ Others



# Key Highlights: 9M 2022

## Revenue by Segment



### SAR (Millions)

**Gross Profit** ▲ +14.25%

9M 2022 201.07

9M 2021 176.00

**EBITDA** ▲ +7.47%

9M 2022 69.71

9M 2021 64.86

**Net Income** ▲ +27.25%

9M 2022 35.17

9M 2021 27.64

**Gross Profit Margin** ▲ +1.49pp

9M 2022 22.51%

9M 2021 21.03%

**EBITDA Margin** ▲ +0.06pp

9M 2022 7.81%

9M 2021 7.75%

**Net Income Margin** ▲ +0.64pp

9M 2022 3.94%

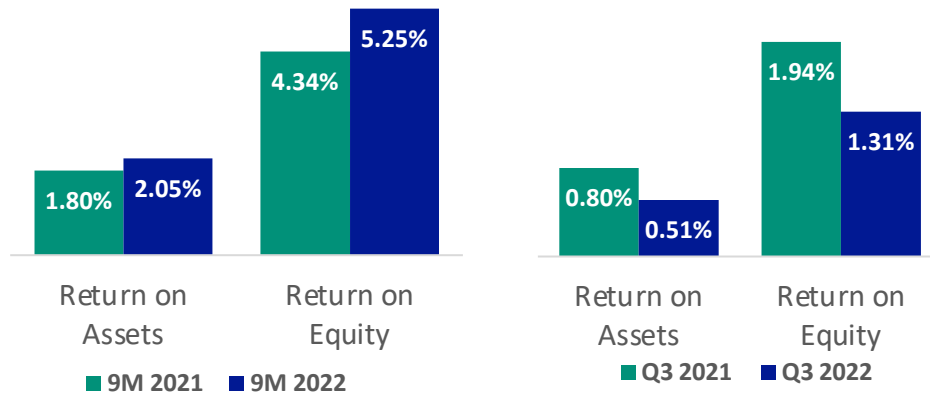
9M 2021 3.30%



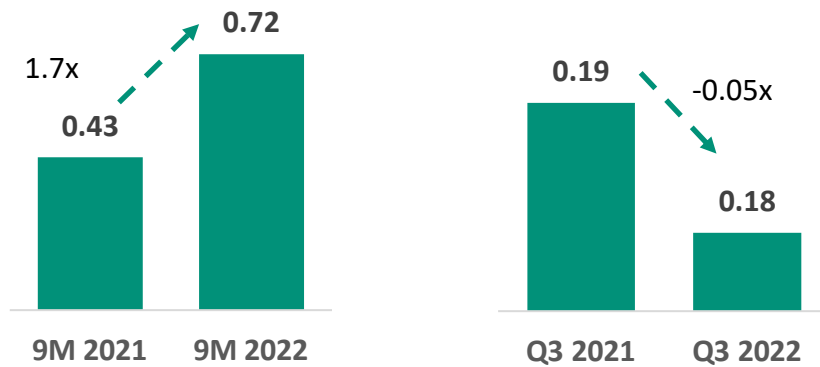
■ HVAC ■ Home Appliances ■ Others

# Robust Balance Sheet

## Key Return Ratios (YoY)



## Earnings per Share (YoY)



## ROA ▲ +0.25pp



## ROE ▲ +0.91pp



## Current Ratio ▼ -6.16%



## EBIT/Int. Expense ▲ +3.89%



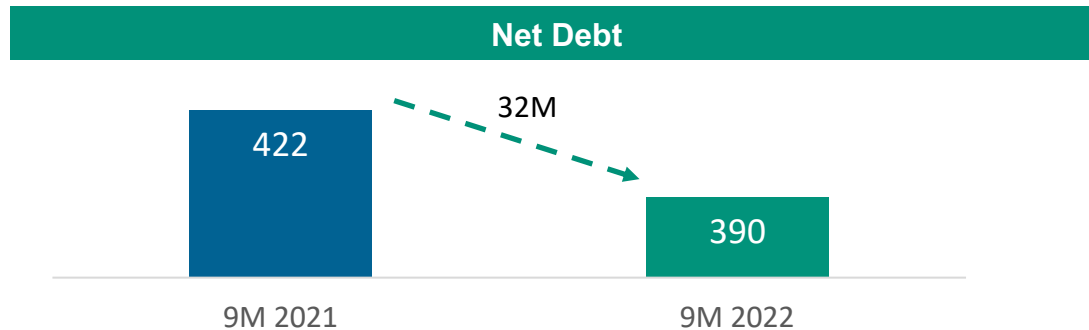
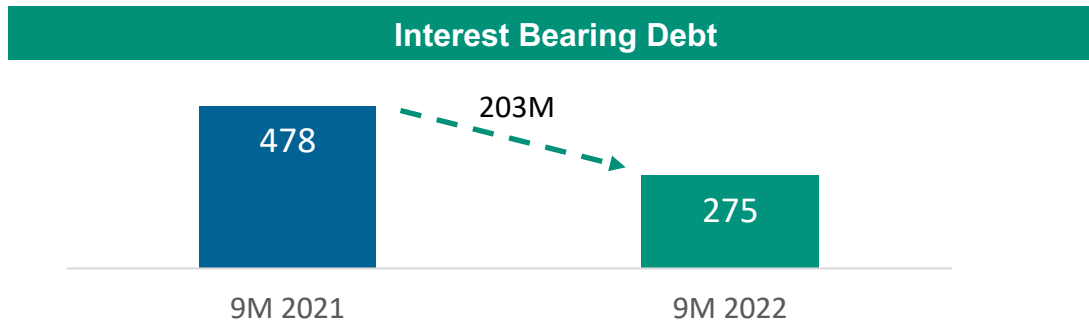
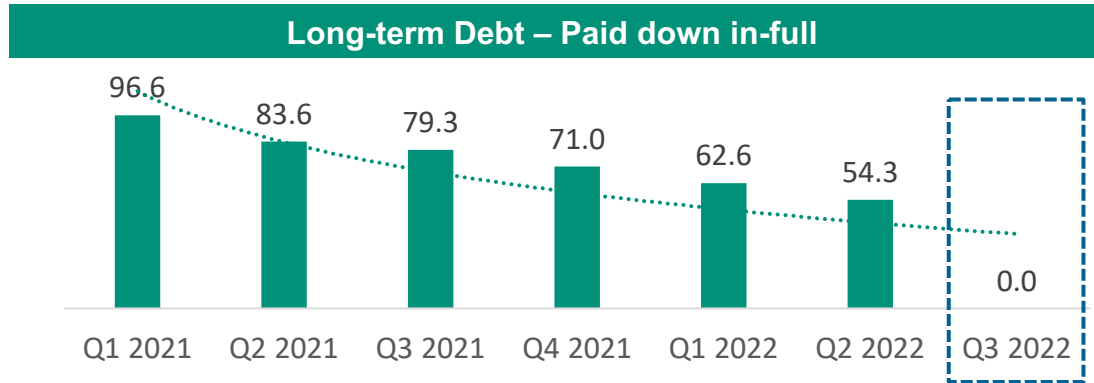
## Int. Bearing Loans/Equity ▼ -34.06pp



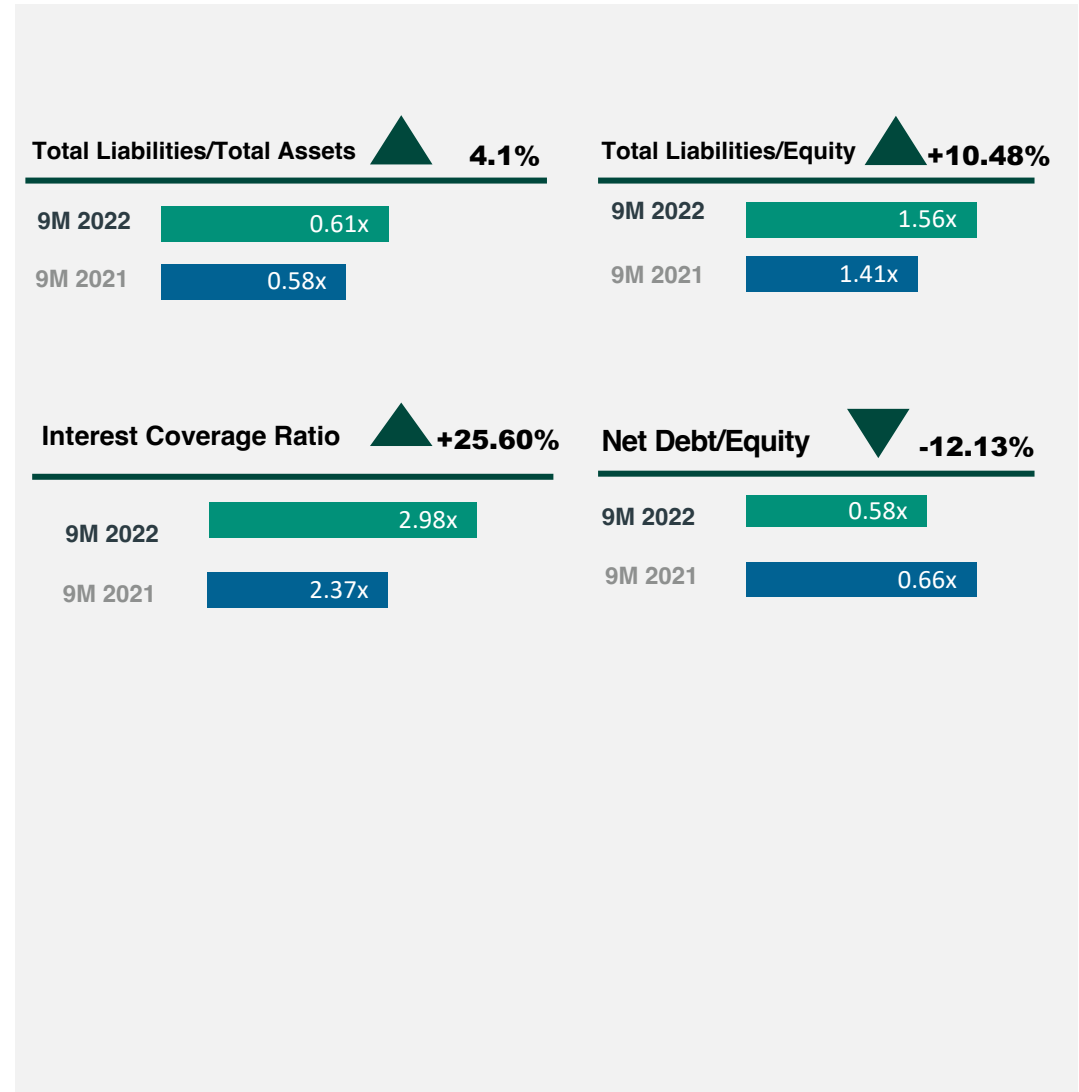
## Cash Conv. Cycle ▼ -16 days



# Deleveraging of Balance Sheet



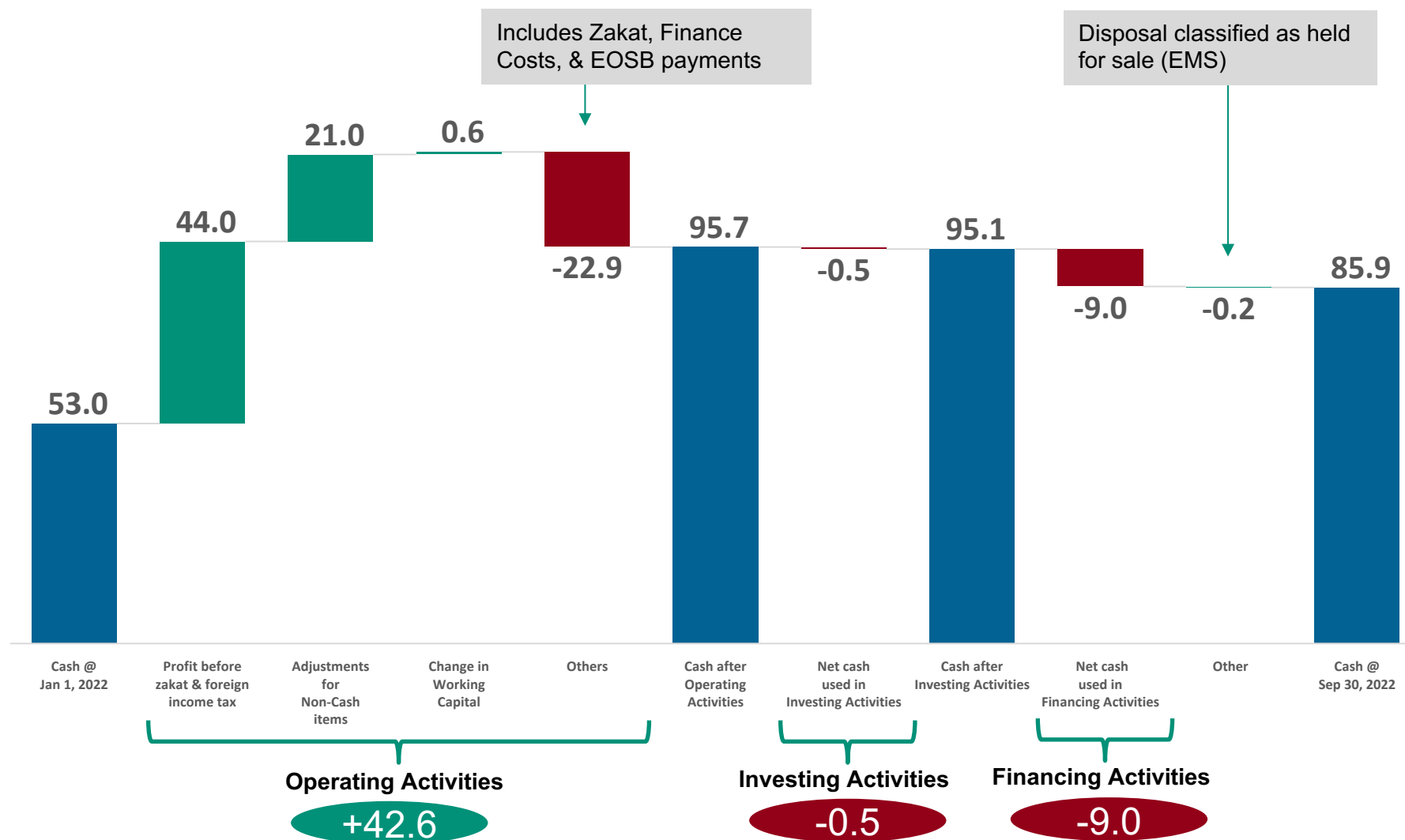
(SAR millions)



# Cash Flow Bridge

## Highlights

- Net Cash Position was 32.8M mainly driven by higher Operating Cash of 42.6M.
  - Change in WC is mainly driven by higher Inventories off set by higher Trade Payables
- SAR 9 million used in Financing Activities mainly due to repayment of long-term debts.
  - Long-term Debts paid down in-full as at Q3 2022.



(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, 22.248, 92.595, 3.244, 5.923, 3.056, 35.982, 81.679, 51.425, 91.542, and 83.561.

# APPENDIX I: Detailed Financials



# Income Statement

SAR '000	9M 2022	9M 2021	YoY Change (SAR '000)	YoY Change (%)
Sales	893,059	836,983	56,076	7%
Cost of Sales	(691,987)	(660,986)	(31,001)	-5%
<b>Gross Profit</b>	<b>201,072</b>	<b>175,997</b>	<b>25,075</b>	<b>14%</b>
G&A Expenses	(62,050)	(66,015)	3,965	6%
S&D Expenses	(87,407)	(73,451)	(13,956)	-19%
Impairment Loss on Trade & Other Receivables	(11,227)	(6,185)	(5,042)	-82%
Other Income, Net	2,841	(499)	3,340	NM
<b>Operating Income</b>	<b>43,229</b>	<b>29,847</b>	<b>13,382</b>	<b>45%</b>
Financial Charges	(14,496)	(12,571)	(1,925)	-15%
Share in Net Income of Equity Accounted Investees	20,427	21,157	(730)	-3%
Re-measurement of equity accounted investees	-	-	-	-
<b>Income before Zakat and Non-Controlling Interests</b>	<b>49,160</b>	<b>38,433</b>	<b>10,727</b>	<b>28%</b>
Zakat & Income Tax	(8,775)	(8,630)	(145)	-2%
<b>Net income before Non-Controlling Interests</b>	<b>40,385</b>	<b>29,803</b>	<b>10,582</b>	<b>36%</b>
Loss from discontinued operation	(5,212)	(2,162)	(3,050)	-141
<b>Net Income</b>	<b>35,173</b>	<b>27,641</b>	<b>7,532</b>	<b>27%</b>

# Cash Flow Statement

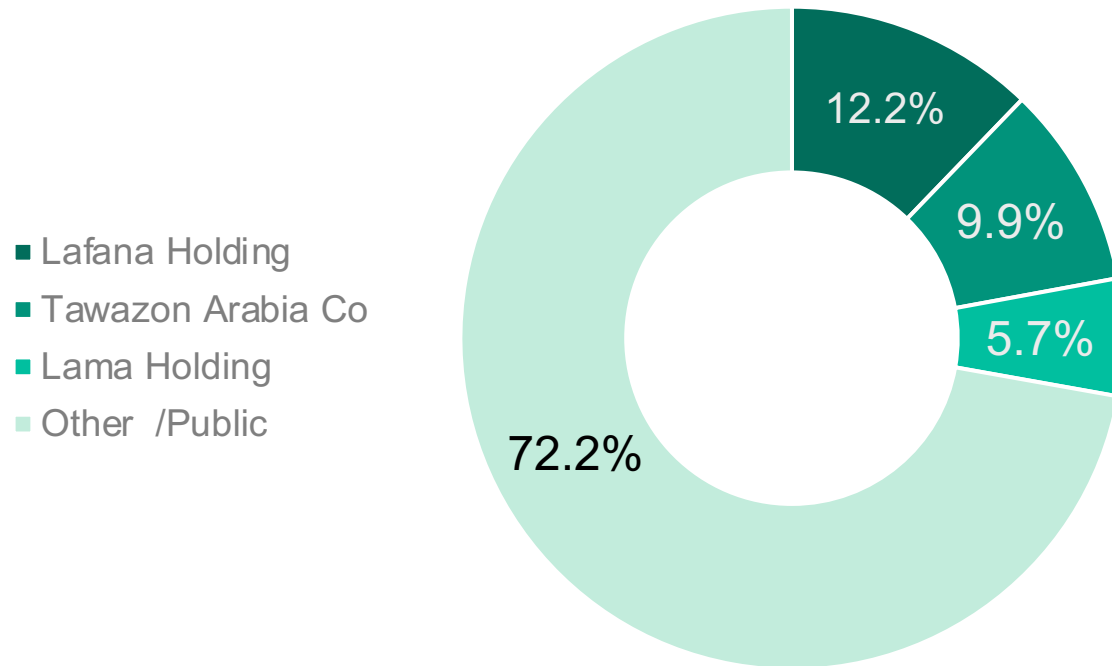
SAR '000	9M 2022	9M 2021	YoY Change (SAR '000)	YoY Change (%)
<u>Cash Flows from Operating Activities</u>				
Profit/(loss) before Zakat and Taxes	43,948	36,271	7,677	21%
Adjustments for Non-Cash Items	20,975	20,688	287	1%
Changes in Working Capital	606	(134,861)	135,467	NM
Others (Finance costs, Zakat paid, & EOSB paid)	(22,891)	(37,938)	15,047	39.7%
<b>Net Cash from Operating Activities</b>	<b>42,638</b>	<b>(115,840)</b>	<b>158,478</b>	<b>NM</b>
<b>Net Cash used in Investing Activities</b>	<b>(528)</b>	<b>(1,308)</b>	<b>780</b>	<b>60%</b>
<b>Net Cash used in Financing Activities</b>	<b>(9,031)</b>	<b>94,106</b>	<b>(103,137)</b>	<b>NM</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>33,079</b>	<b>(23,042)</b>	<b>56,121</b>	<b>NM</b>
Cash and Cash Equivalents at beginning of the period	53,020	79,906	(26,886)	-34%
Cash and Cash Equivalents of disposal group classified as held for sale	(238)	0	(238)	NM
<b>Cash and Cash Equivalents at end of the period</b>	<b>85,861</b>	<b>56,864</b>	<b>28,997</b>	<b>51%</b>

# Balance Sheet

SAR '000	9M 2022	9M 2021	YoY Change (SAR '000)	YoY Change (%)
<u>ASSETS</u>				
Non-Current Assets	699,313	679,794	19,519	3%
Current Assets	998,918	853,807	145,111	17%
Assets relating to disposal group classified as held for sale	14,178	0	14,178	NM
<b>Total Assets</b>	<b>1,712,409</b>	<b>1,533,601</b>	<b>178,808</b>	<b>12%</b>
<u>EQUITY</u>				
Total Equity attributable to Shareholders	656,233	623,271	32,962	5%
<b>Total Equity</b>	<b>670,119</b>	<b>636,912</b>	<b>33,207</b>	<b>5%</b>
<u>LIABILITIES &amp; EQUITY</u>				
Non-Current Liabilities	33,826	106,161	-72,335	-68%
Current Liabilities	999,536	790,528	209,008	26%
Liabilities relating to disposal group classified as held for sale	8,928	0	8,928	NM
<b>Total Liabilities</b>	<b>1,042,290</b>	<b>896,689</b>	<b>145,601</b>	<b>16%</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,712,409</b>	<b>1,533,601</b>	<b>178,808</b>	<b>12%</b>

# Shareholding Structure

## Shareholding structure



## 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 30<sup>th</sup> September 2022



# APPENDIX II: About Shaker

# Shaker Overview

*The Middle East's leading A/C solutions company*

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

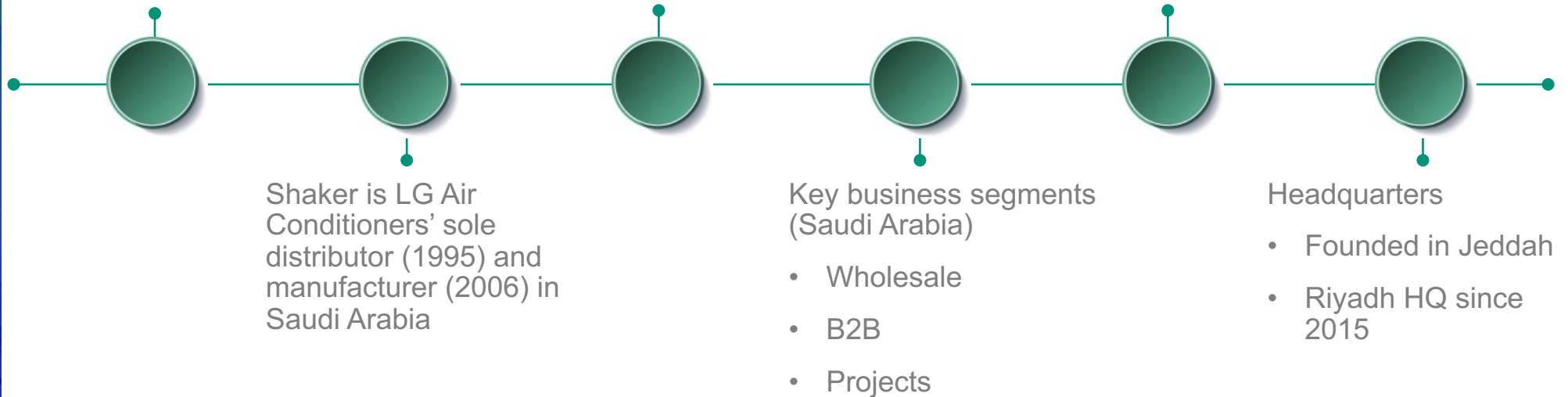
Exclusive Saudi distributor for internationally acclaimed home appliances brands:

- Maytag (1980)
- Ariston (1994)
- Indesit (2005)
- Midea (2008)
- Bissell (2015)
- Bompani (2020)

Subsidiary: ESCO

- Energy saving consultancy and retrofitting services

Origins dating back to 1950





# Key Differentiators

## 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 robust management framework with senior executives offering a high level of maturity and sector expertise

## Manufacturing capability



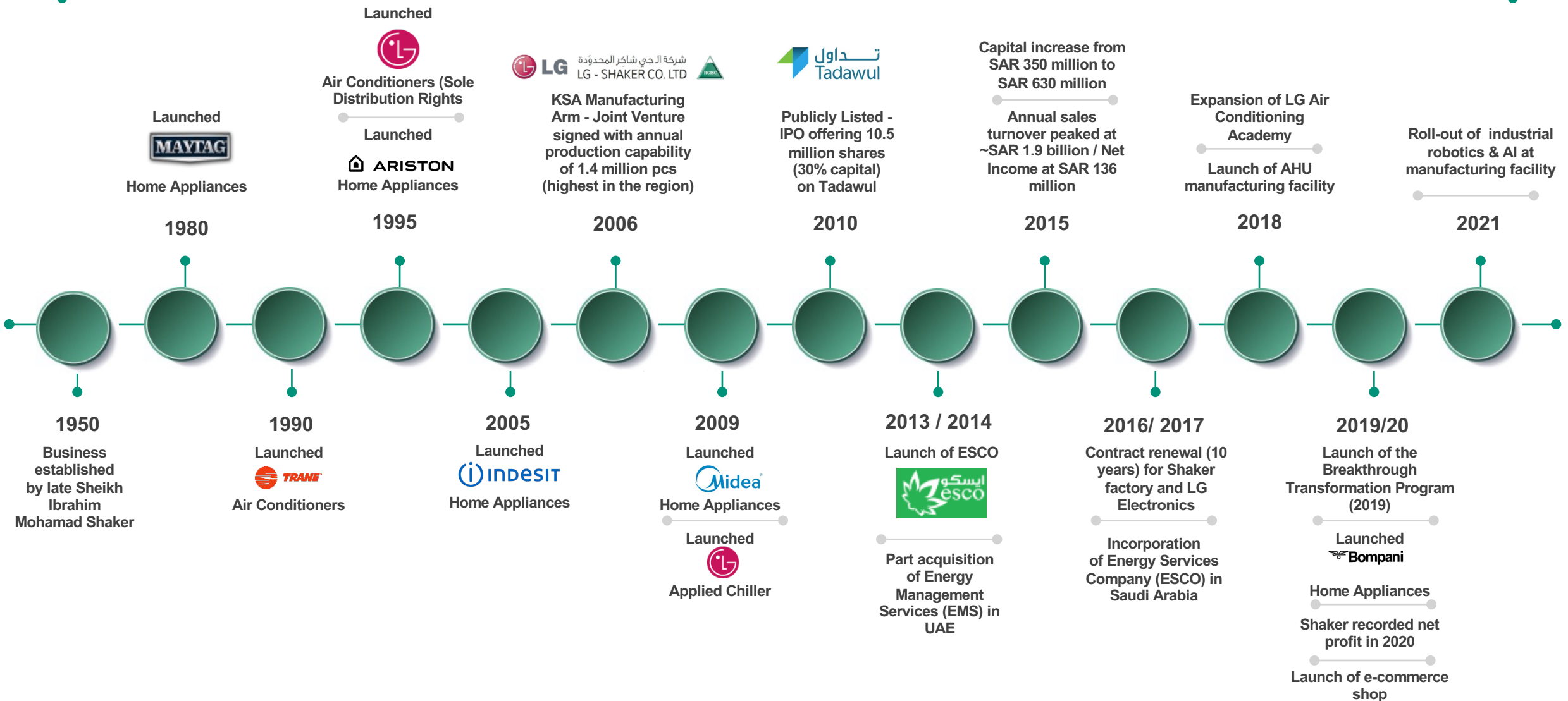
Joint Venture with LG Air Conditioning delivers benefit of cost-effective manufacturing and local distribution within the Saudi market

## Growing market



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

# Corporate Milestones





## CONTACT

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