



شركة مهارة
للموارد البشرية
Maharah Human
Resources Company



Maharah Human Resources Company

Leading Provider of Human Resource Services in Saudi Arabia
Earning Call for Q1 2023 financial results.



Disclaimer

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Main activities of the company

To act as intermediary in recruiting manpower and providing the public and private sectors with household services and manpower that meet the needs of Saudi human resources market in the Corporate and Household sectors.



Vision

Leading the human resources sector by providing comprehensive and integrated solutions that ensure our clients success, protect employees' rights and support the national development



Mission

We are working on providing innovative human resources solutions and services to our customers through institutionalized system, superior IT and strategic partnerships that serve our employees, customers and community



Values

- Innovation and Excellence
- Quality and Perfection
- Integrity and Transparency
- Teamwork Spirit
- Customer Centricity



Success Highlights



New capital
March 2023
 +SR 100 Mn to be MAH capital SR 475 Mn
 - Share dividends 1:5 - subject to approval.



May 2014G

The number of the company manpower reached (10,000) individuals.



December 2016G

The number of the company manpower reached (30,000) individuals.

2014

2016

2013

2015

2017

2019

2021

2022

February 2013G

Maharah was established as a closed joint stock company with a capital of SAR (100,000,000).



February 2015G

Khidmah (service) program was launched."



May 2017G

Maharah obtained the ISO certificate 9001-2015

September 2017G

Maharah acquired (85%) of Musanid Company in the United Arab Emirates



March 2019G

The Capital Market Authority approved the initial public offering of (30%) of Maharah shares.

June 2019G

Trading of Maharah shares started in the Saudi Stock Exchange

December 2019G

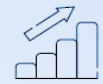
Maharah won the best human resources company award

November 2018G

Maharah acquired (40%) of Bloovo Company"

December 2018G

Our capital was increased to SAR (375,000,000)



June 2021G

Growth Avenue Investment Company was established as the investment arm to diversify Maharah activities

August 2021G

We acquired (90%) of Spectra Company Support Services

September 2021G

We inaugurated of the first phase of Maharah new services application

November 2021G

Growth Avenue Investment Company 100% owned by Maharah, signed a memorandum of understanding to acquire (40%) of Salias Company for Trade and Marketing, owner of (Soror) application.

December 2019G

Maharah won the best human resources company award



January 2022G

- Growth Avenue Investment Company, owned by Maharah at 100% signed a sell and buy agreement to acquire (85%) of Shifa Arabia Medical Company.
- Finalizing and completing all the acquisitions that were signed by Maharah during the year.





Revenue

SR 463MM
revenue increased by 21%
compared with the same
quarter.



Net profit

SR 36.47MM
Increased by 47%
compared to Q1 2023.



Return from Investment

15 MM

Maharah share in
profit (SMS and
Kingdom hospital)



Dividend (2022)

37 MM
1 SR / Share
The Company Paid SAR 75 M
Dividends in the second half
2022.



Dividends in Queue 23

- Share dividends 1:5 -
subject to authority approval
- Payout ratio will be 103%.



EPS

EPS for Q1 2023 SR
0.97.



Market CAP

SAR 2321.25 Bn
As of Q1 2023.



Maharah Market Share

Reached to the highest
number of corporate
resources among PRCs.



HRCs Market Share

HRCs
market 2.5%.

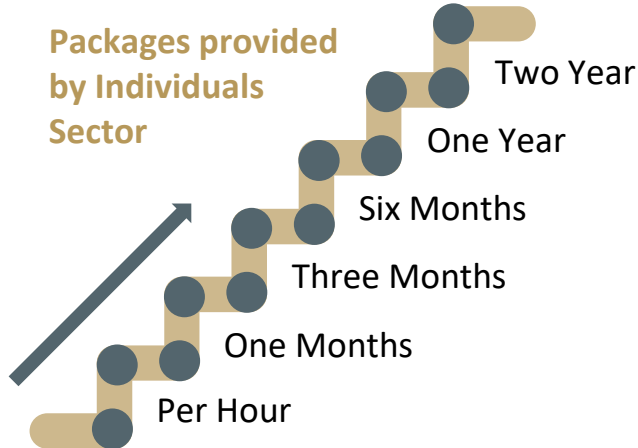
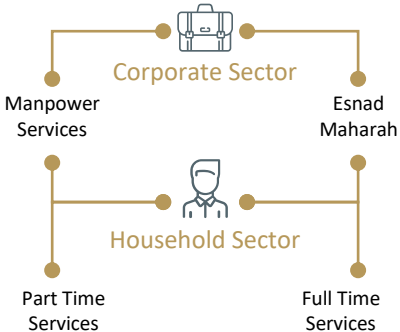
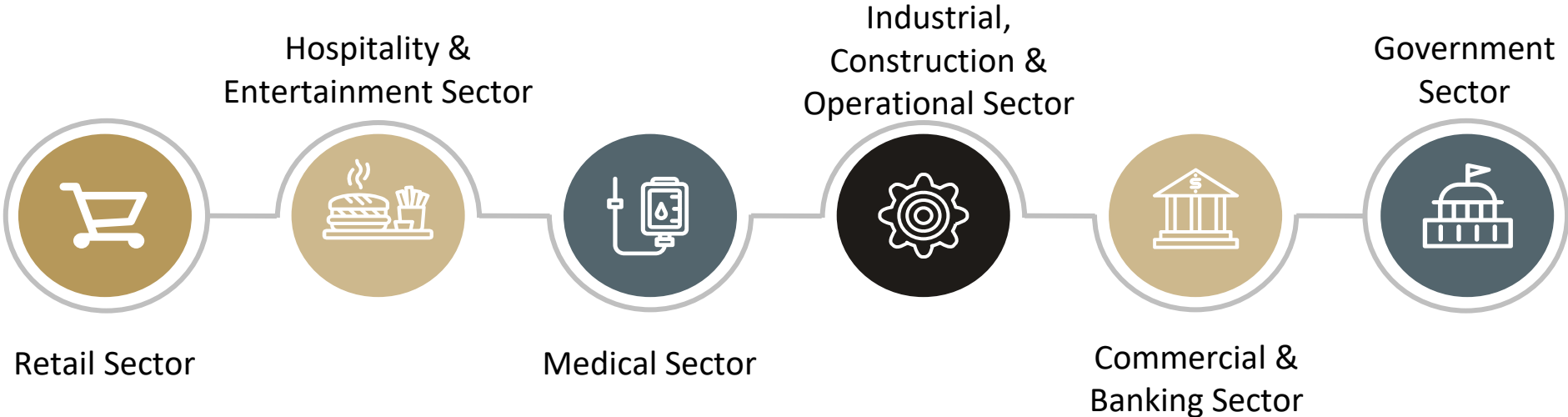


New Capital

+SR 100 Mn to be MAH capital
SR 475 Mn
- Share dividends 1:5 - subject to
authority approval.

Services and Solutions

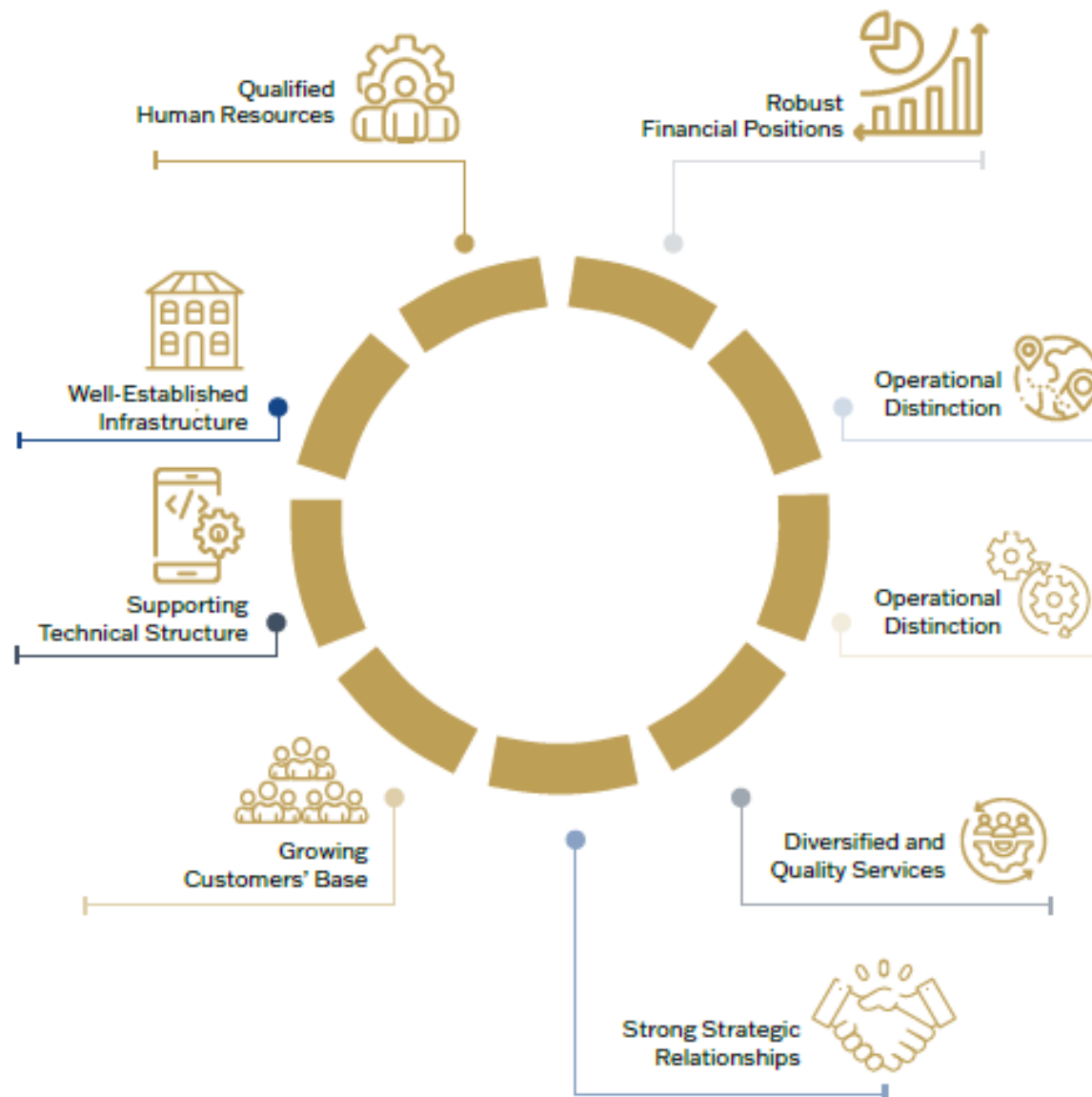
Our Integrated Solutions ... Sustainability and Innovation



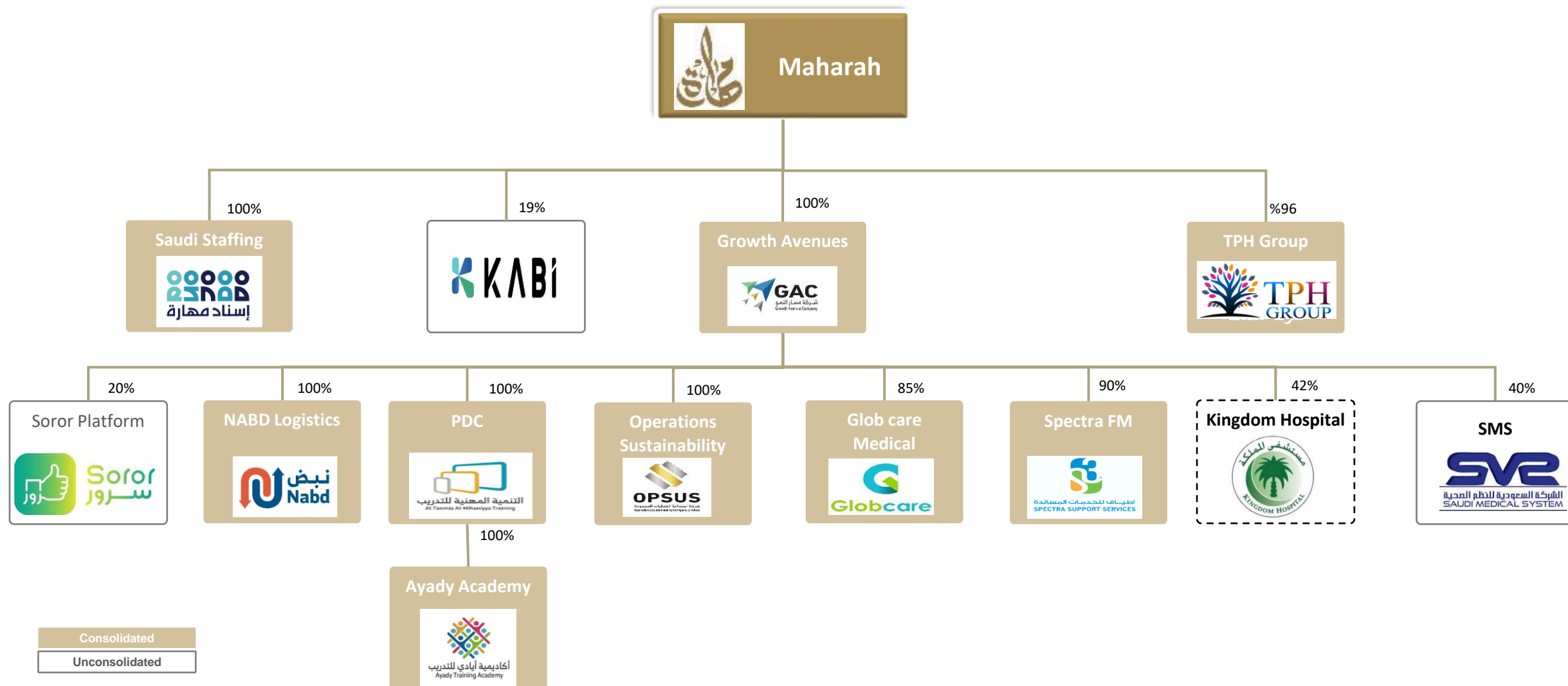
Services provided by Individuals Sector



Competitive advantages



Organization



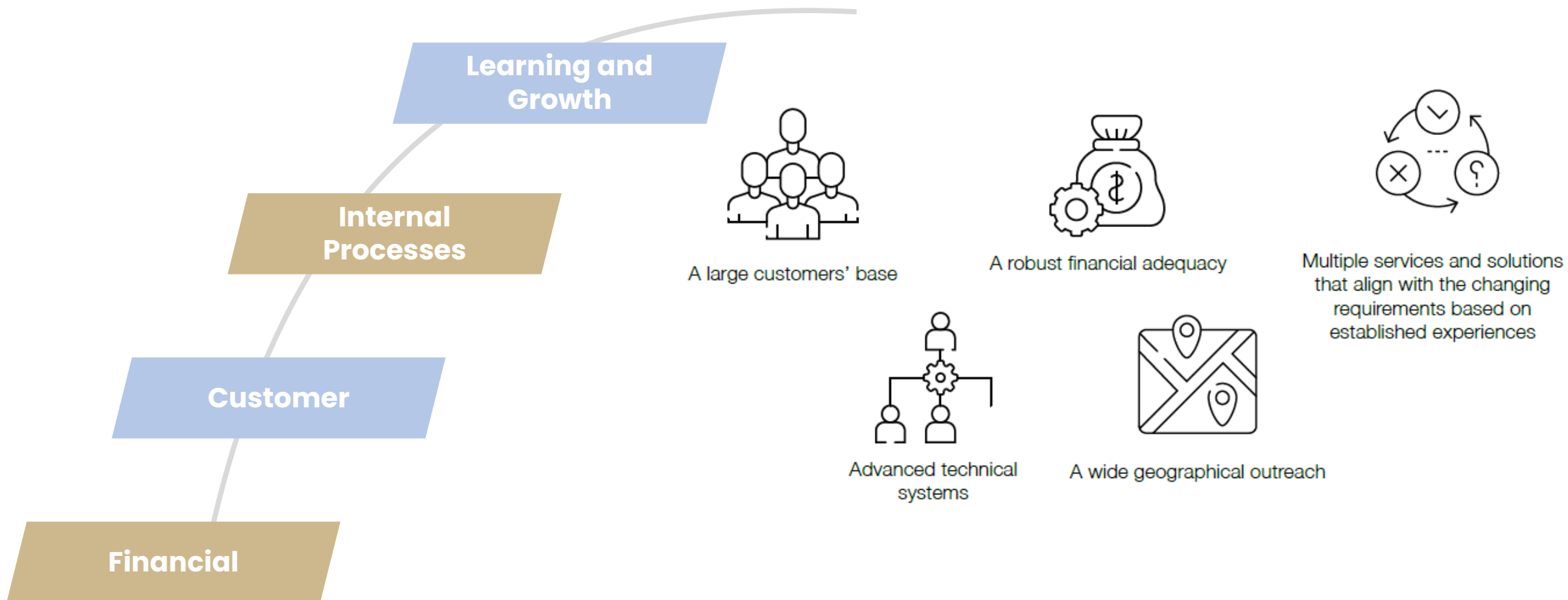
Strategic progress for MHRC

1	2	3
First Fundamental	Second Fundamental	Third Fundamental
Strengthening the Infrastructure	Developing Current Services	Looking for New Perspectives
Developing and Reengineering Internal Operations	Improving Existing Services and Maintaining Market Leadership	Provision of New Services and Capturing Investment Opportunities
<ul style="list-style-type: none"> • Providing support to subsidiaries and affiliates • Supporting the development of human capital • Technical transformation and focus on digital channels • Activating governance and internal control • Supporting activation of monitoring of company performance indicators 	<ul style="list-style-type: none"> • Vertical expansion in the individuals' sector • Providing new services to individuals sector customers • Qualifying Maharah as an authorized supplier for major companies in the Kingdom • Focusing on major contracts • Activating provision of Saudis support services to third parties 	<ul style="list-style-type: none"> • Capturing new investment opportunities of value and offering attractive returns • Establishing companies and activating alignment with the parent company • Working on the development of strategic partnerships




Strategic Priorities in 2023G

Drivers of achieving the strategic priorities for 2023G



Strategy Revamp

The company is currently working with a Global Strategy Advisory firm to revamp / update its corporate strategy aiming for :



Setting the future directions.



Aiming for Sustainability & Continuous Growth.




Define the upcoming 5 years strategic objectives and efficiency measures.



Cultivate on market opportunities and kingdom vision programs and projects.

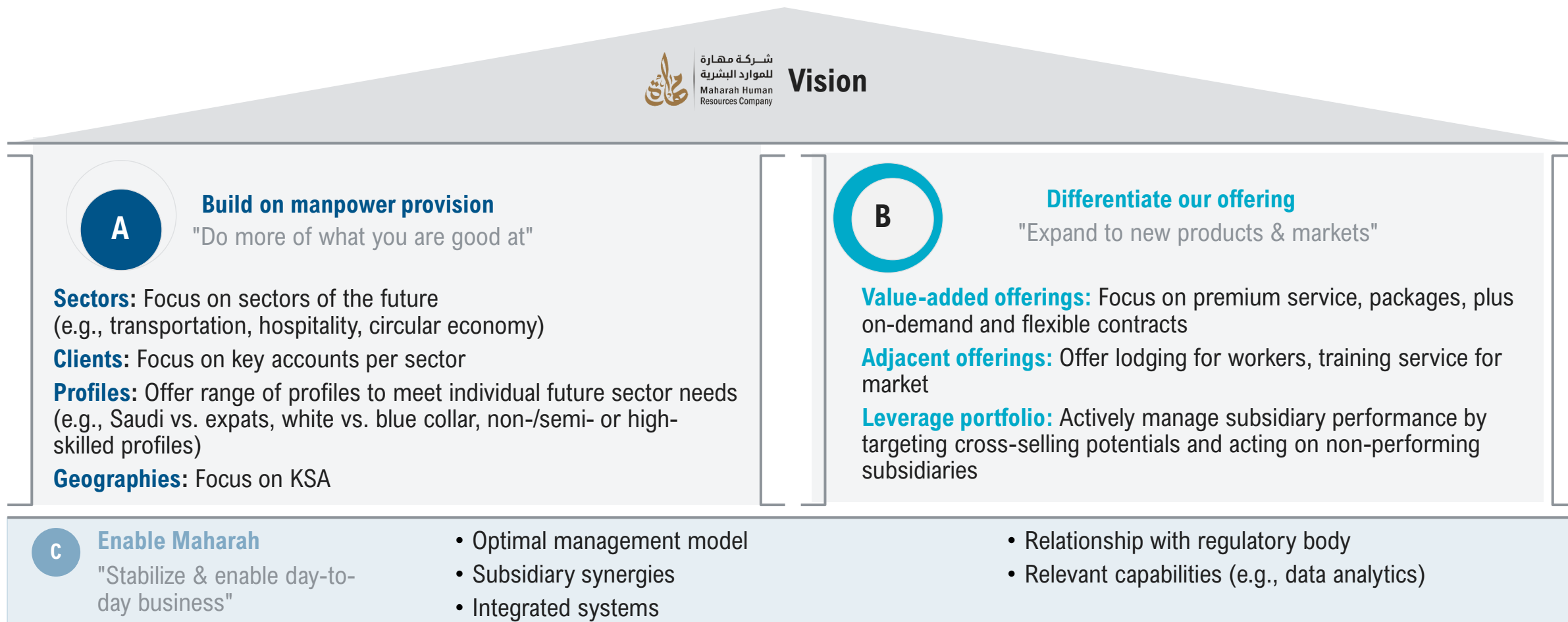


Strategic Initiatives and projects for the upcoming 5 years.



Optimal subsidiaries management model update.

The company is currently working with a Global Strategy Advisory firm to revamp / update its corporate strategy aiming for :



Key Achievements



Open a new corporate center

Continue penetrating the petrochemical sector by opening a new Corporate center/ branch



Expansion on the hospitality sector

Securing more 2,000 new manpower to hospitality sector



ISNAD Maharah

New clints and expansion (14Mn in Q1)



Diversify the Service Offerings:

- new services that complement the existing offerings.
- including Babysitters service and Hospitality Arrangements.
- Targeting to attract a wider customer base.



Improve Service Quality

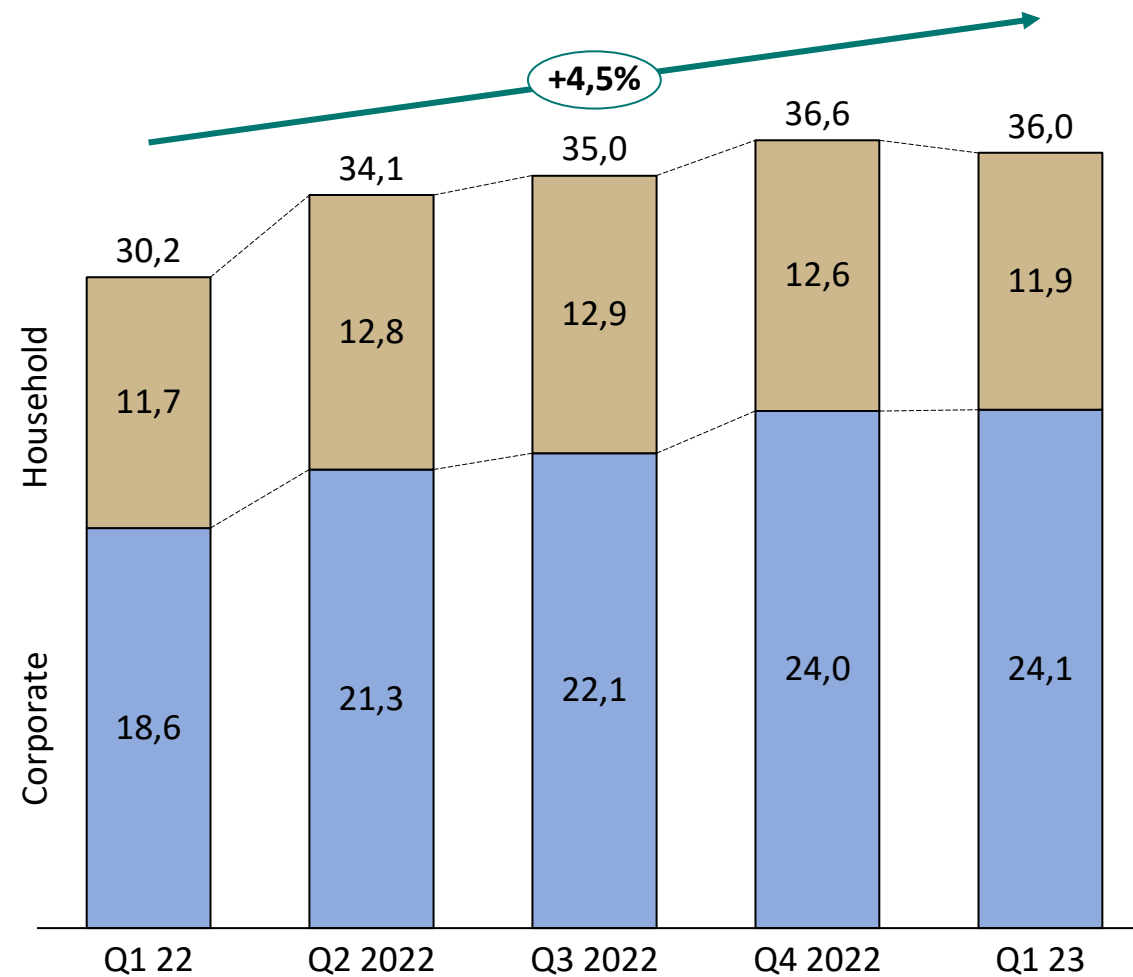
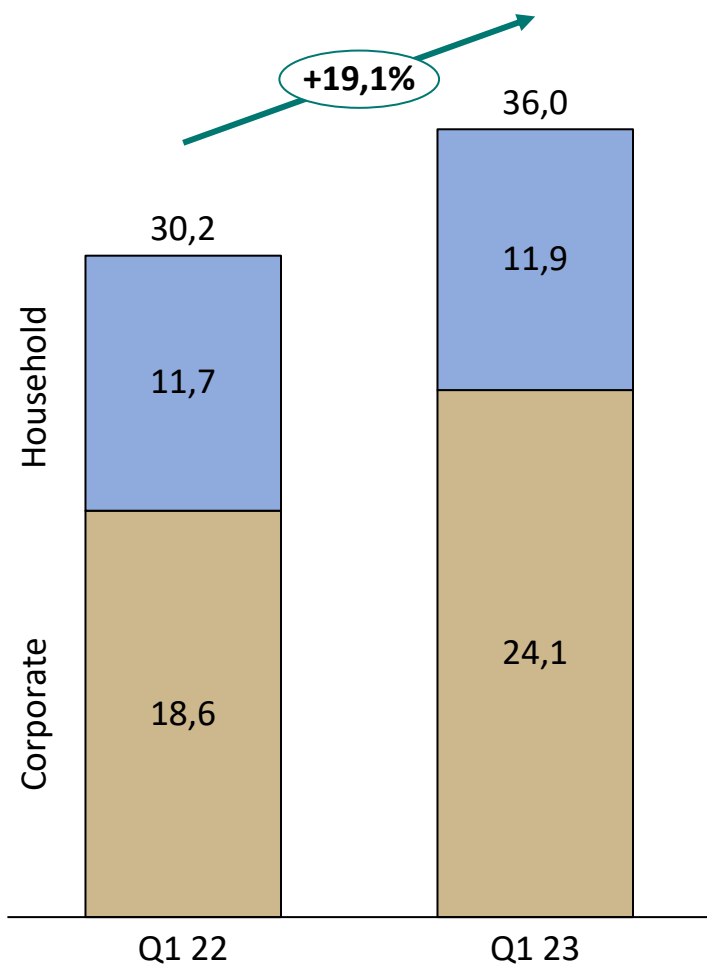
- investing in manpower training through our affiliated academy ,
- Restructuring the customer service.
- upgrading the online



Target Specific Nationalities:

- Onboarding from Sri Lanka
- Other Possible Countries

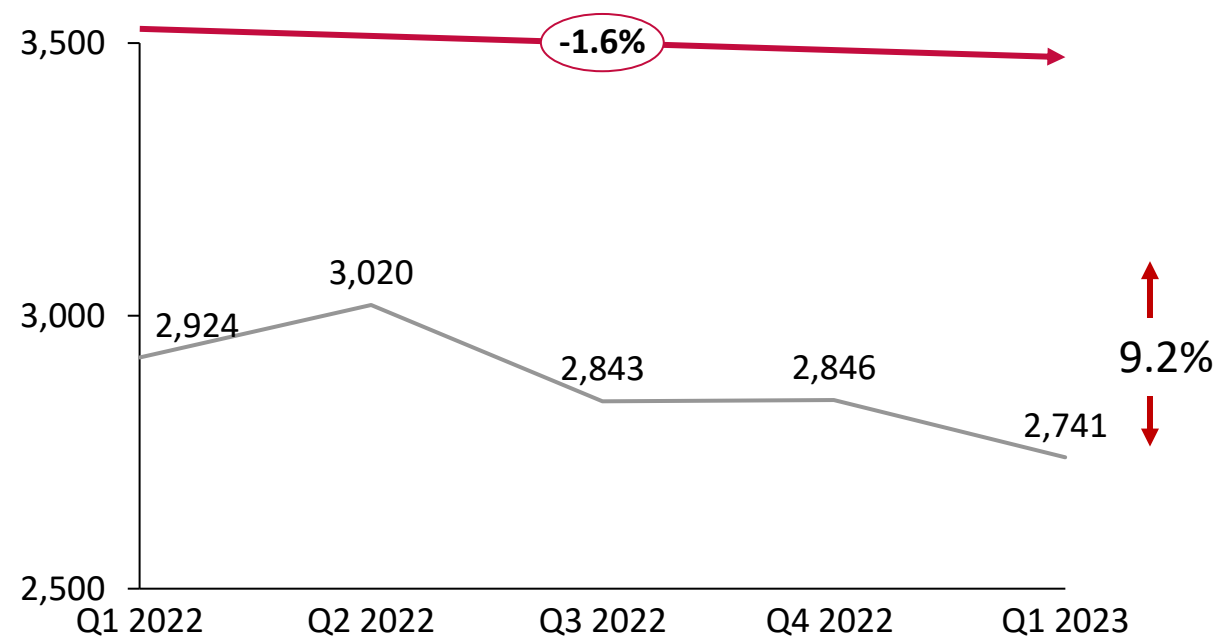
Workforce Numbers (2022 / 2023)





Household Applied New Regulations

Household Segment Price Impact and mitigation plans

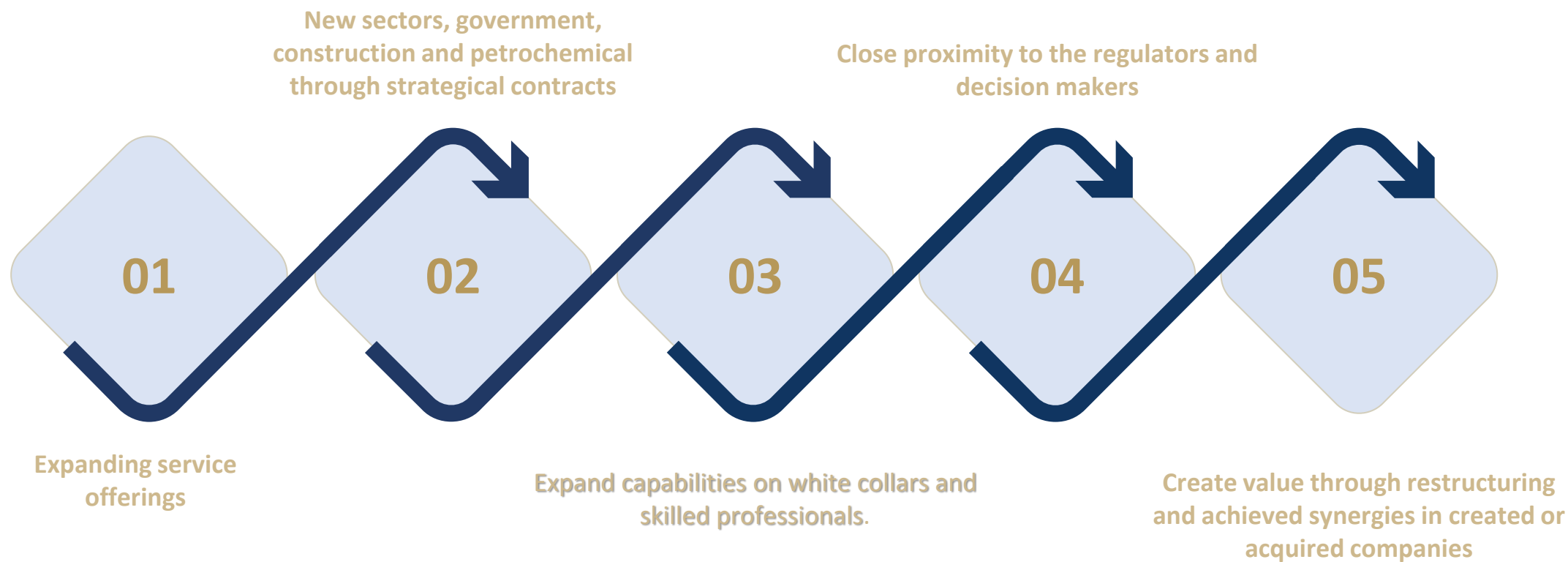


Crucial / Material information's



Going Forward / Outlook

The company continues its efforts and work to improve profit margins through:





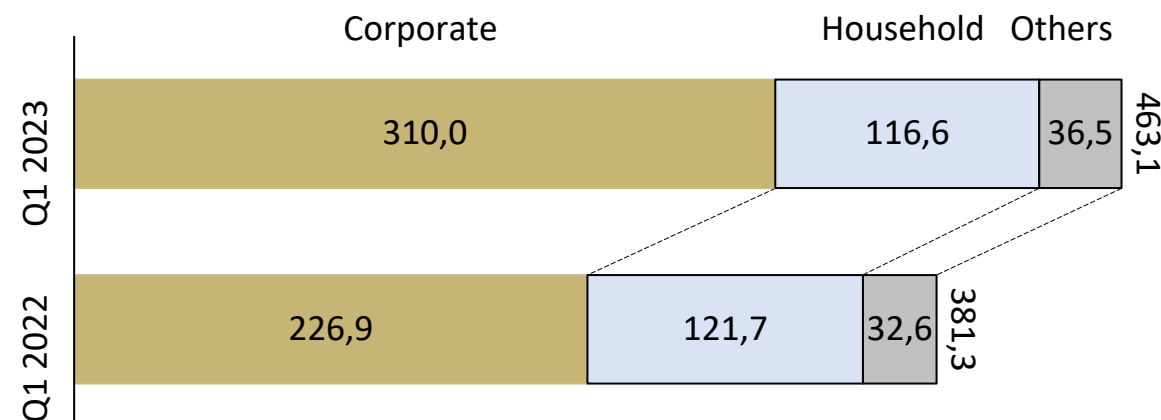
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Financial Performance

Financial highlights for Q1 2023



Income Statement	Q1 2023	Q1 2022	%
Revenue	463,080	381,275	21%
Cost of Revenue	(406,334)	(332,249)	22%
Gross Profit	56,746	49,026	%16
G&A Expenses	(21,545)	(22,611)	(%5)
Marketing Expenses	(4,081)	(3,358)	%22
Provision for Doubtful debt	(961)	(116)	%729
Income From Main Operations	30,159	22,941	%31
Other Income	2,670	1,518	%76
Share in net income (loss) of an associate	15,098	(80)	(%18929)
Gain on equity investments at FVTPL	631	4,368	(%86)
Income before Zakat	38,107	28,592	%33
Zakat	(2,000)	(4,146)	(%52)
Net Income (for the period)	36,107	24,446	%48
Non-Controlling Interests	368	373	
Net Income to Parent Company	36,475	24,819	%47
Gross Margin %	%12	%13	
Operating Margin %	%7	%6	
Net Margin %	%8	%6	



Segment	Q1 23	Q1 22	Growth Q1 22 Vs. Q1 23
Industrial Sector	108,623	54,947	98%
Retail Sector	62,473	49,650	26%
Commercial Sector	26,067	20,831	25%
Hospitality Sector	52,838	51,023	4%
Isnad Gov. sector	14,128	4,207	236%
Healthcare Sector	45,857	46,281	-1%
Others	36,467	32,607	12%
Individual	116,627	121,729	-4%
Total Growth	463,080	381,275	21%

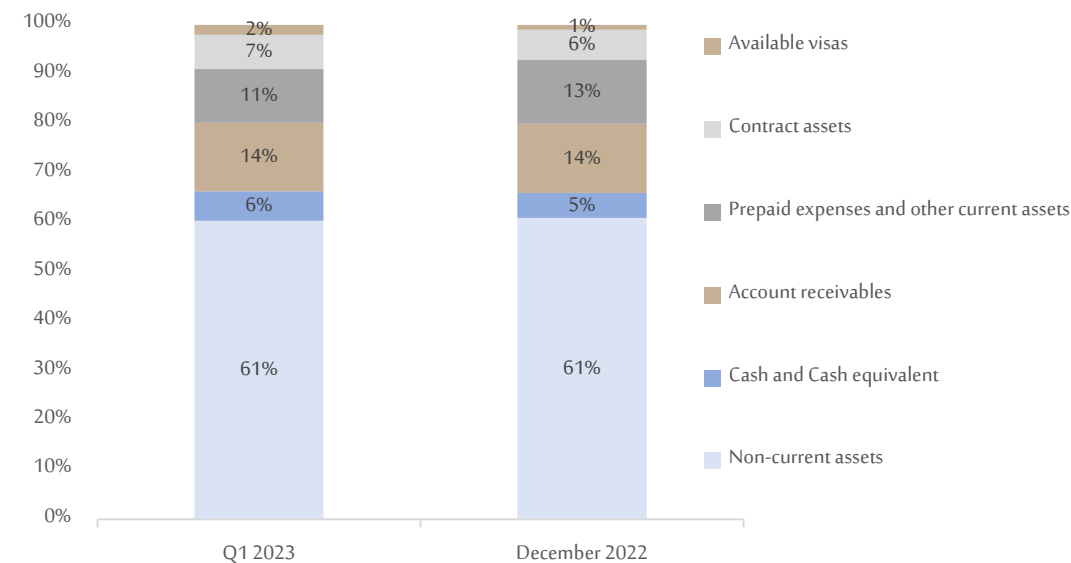
Confidential

Figures rounding in thousand ,000



Financial highlights for Q1 2023

Balance Sheet	Q1 2023	Dec 2022
Current Assets	683,492	676,149
Non-Current Assets	1,050,865	1,072,721
Total Assets	1,734,357	1,748,870
Current Liabilities	461,989	472,801
Non-Current Liabilities	675,396	677,704
Total liabilities	1,137,385	1,150,505
Equity	598,086	599,111
Minority interests	(1,114)	(746)
Total liabilities & Equity	1,734,357	1,748,870



Cash Ratio
<div>▲</div> <div>Mar-23 Dec-22</div> <div>32% 23% 18%</div>

Current Ratio
<div>▲</div> <div>Mar-22 Dec-21</div> <div>3% 1.48 1.43</div>

Working Capital (MM SAR)
<div>▲</div> <div>Mar-23 Dec-22</div> <div>9% 221,503 203,348</div>

ROA
<div>▲</div> <div>Mar-23 Dec-22</div> <div>8% 10% 9%</div>

ROE
<div>▲</div> <div>Mar-23 Dec-22</div> <div>8% 28% 26%</div>

Retained Earnings	
Beginning Balance – Dec 22	143,619
Dividends Distribution	(37,500)
Net Income Q1-23	36,475
Retained Earnings – Mar-23	142,594



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Visit our new website [here](#) for more investor disclosures:



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Earnings Release

