

Maharah Human Resources Company

Earnings Presentation – Q2 2021

August 2021

Resilience and excellence to grow

شركة مهارة للموارد البشرية
Maharah Human Resources Company

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Content

1	Company Overview	4
2	Maharah Sustainable Success Journey	5
3	Maharah at Glance	6
4	Robust Business Channels	7
5	Company Business Strategy	8
6	Key Achievements and challenges	9
7	Other Key Matters for future expectations	10
8	Q1-2021 Financial Performance	11



Company Overview



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.

Maharah Human Resources Company is a Saudi joint stock company. The company capital is SR 375 MM Saudi Riyals paid in full and divided into 37,500, million ordinary shares with a value of 10 Saudi Riyals per share.



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

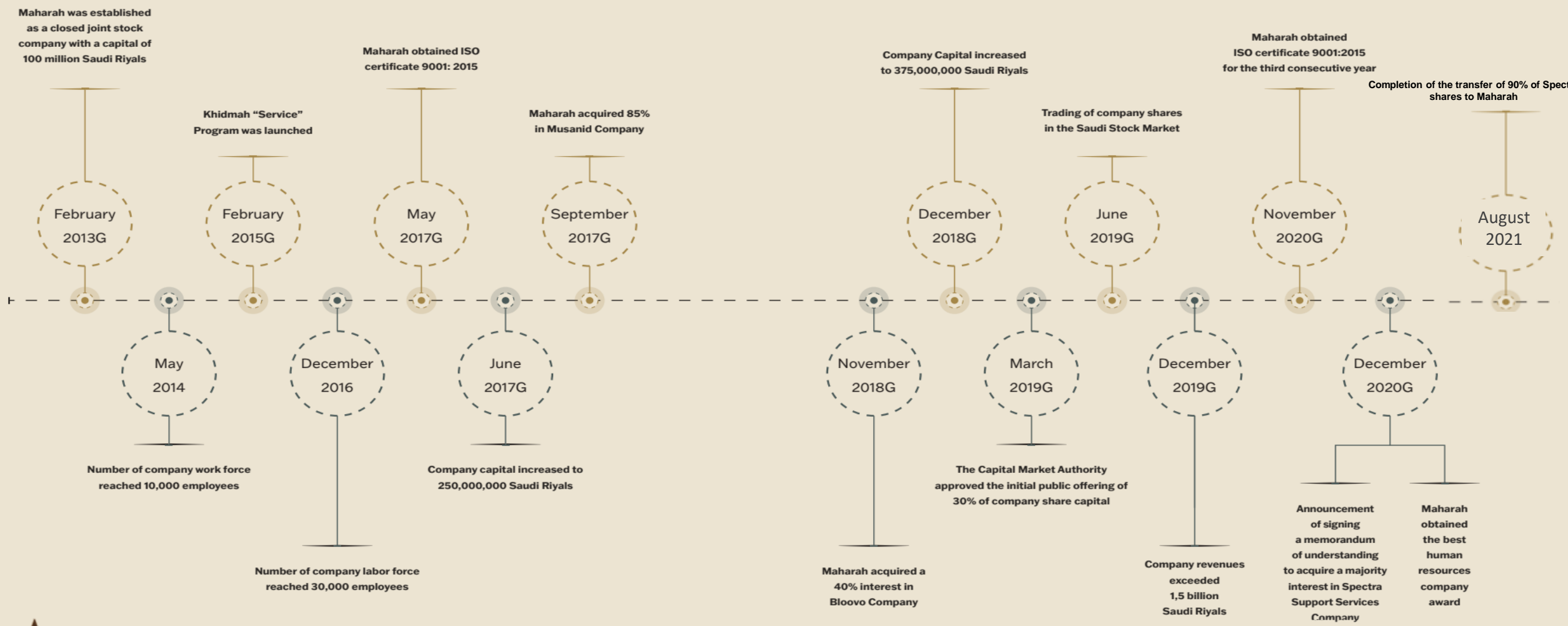


Values

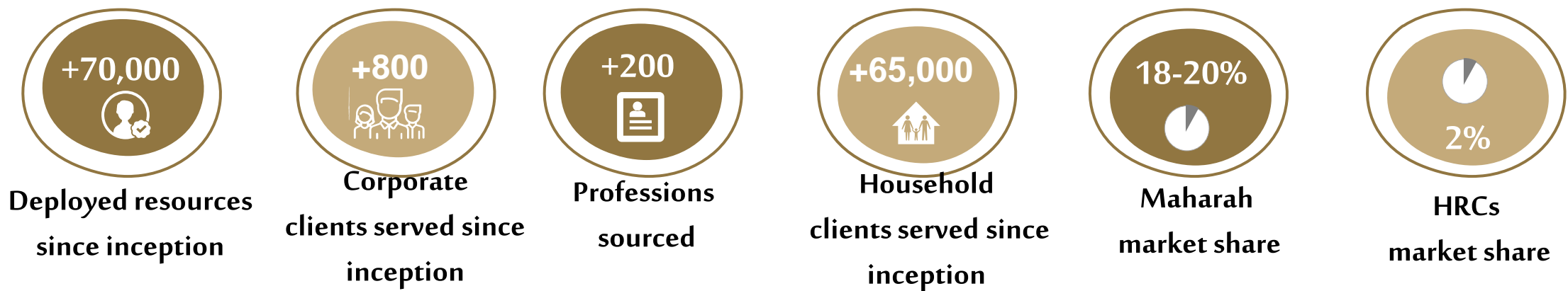
- Innovation and Excellence
- Integrity and Transparency
- Quality and Perfection
- Teamwork Spirit
- Customer Centricity



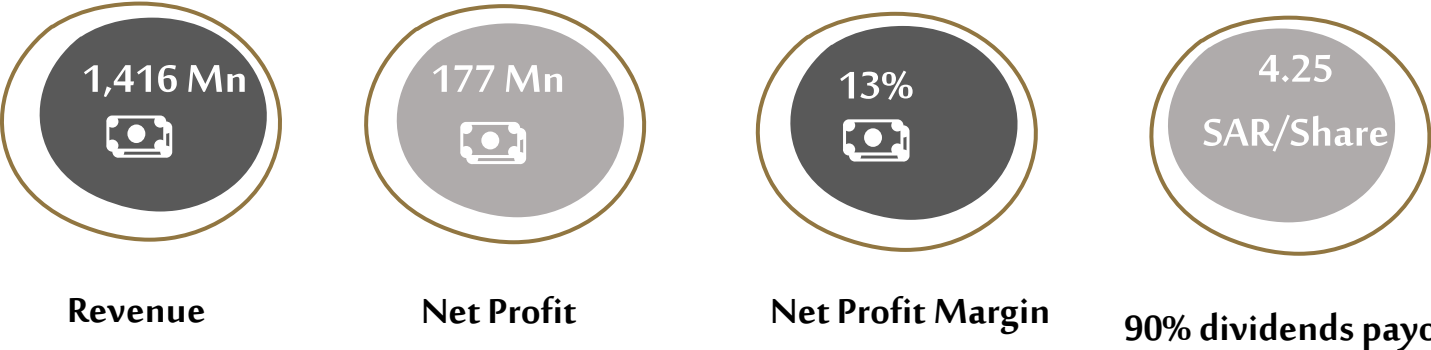
Sustainable Success Journey



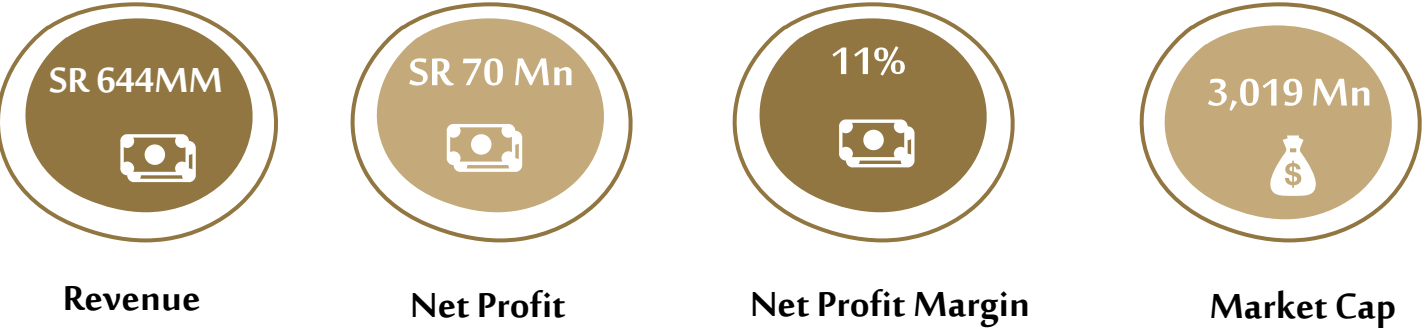
Maharah at Glance



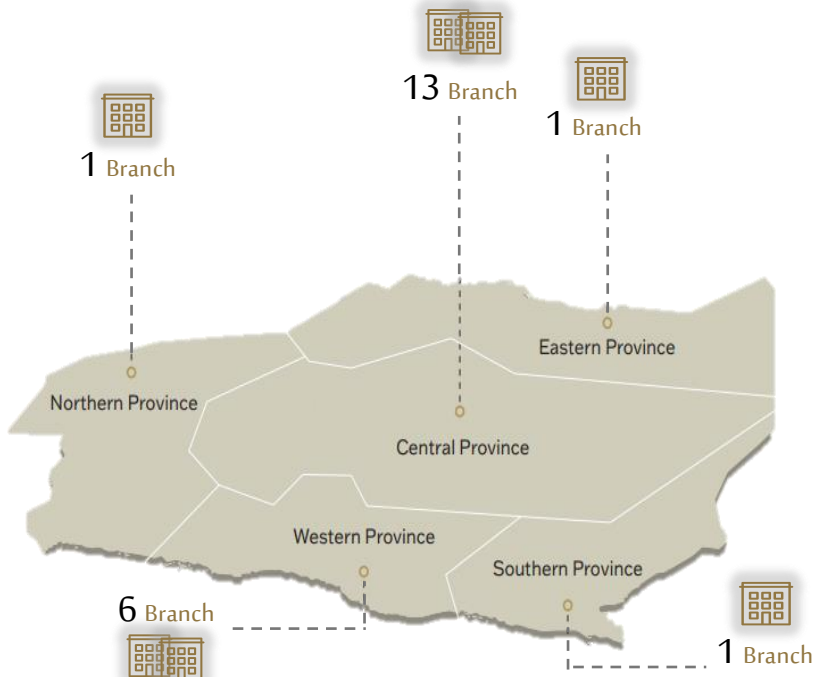
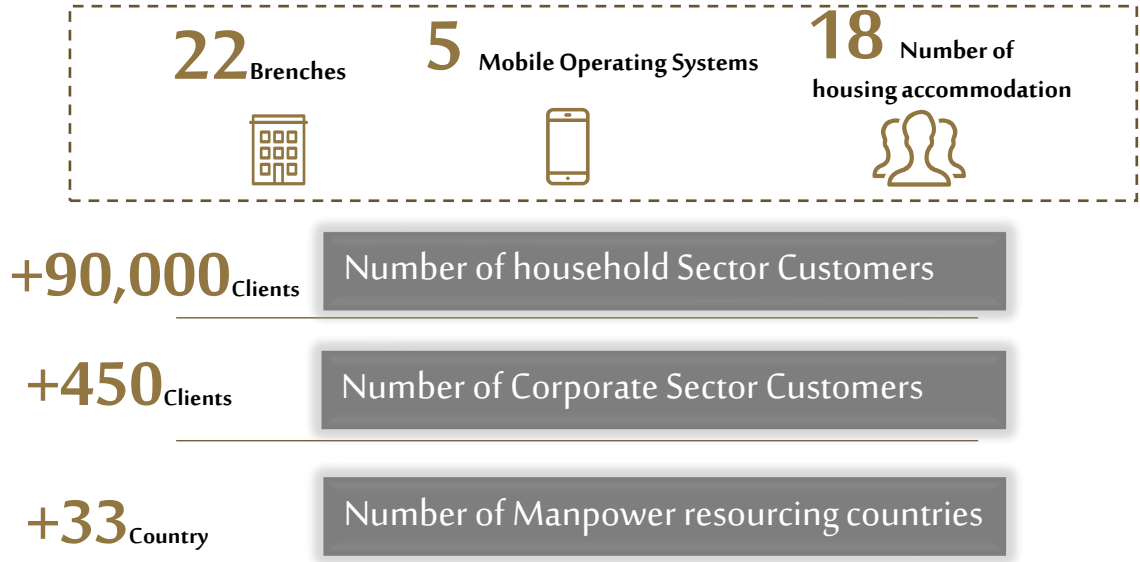
2020



H1-2021



Robust Business Channels



Nationalities Targeted by the Household Sector



Services Provided by the Household



Bundles of Services Provided by Household Sector



Company Business Strategy



7 Initiatives

To strengthening the engine



4 Initiatives

To grow the core



3 Initiatives

To explore growth avenues

Strategic Objectives



Increase market share



Achieve growth in revenue and profits



Enhance internal and customer experience



Develop work environment



Diversified Services portfolio

Strategic Enablers



Competent and qualified senior management



Large customer database



Strong financial adequacy



Distinct technological systems



Wide geographical outreach



Financial performance

- An increase of 24% in net income compared to the previous quarter in addition to maintaining the level of revenue.
- A decline in G&A expenses by 13% in comparison with Q1/2021.
- An improvement in collection process resulted in decreasing the doubtful provision.

Operational excellence

new different countries

- Retention percentage of the workforce reached 60% in business sector
- Targeting untapped sectors including petrochemicals, government and semi-government entities .
- Targeting new professions and new demanded services for household.
- Initiation of ISNAD for Saudi nationals and utilization of hiring portals.

Other Key achievements

- Accelerate the digital transformation to emerge stronger post pandemic.
- Completion of Balady licenses for all accommodations units under MHRC.
- Completion of 100% workforce vaccination





Sales & Operation

- An Increase in cost related to social distancing and accommodation in compliance to regulators for the precautionary measures
- An Increase in operational cost due to increase in the expat levy and & recruitment costs.
- An Increase in travel tickets fees, cost related to the Institutional quarantines and recruitment costs.
- Impact in individual sectors due to the summer season and lifting traveling band.

Arrivals

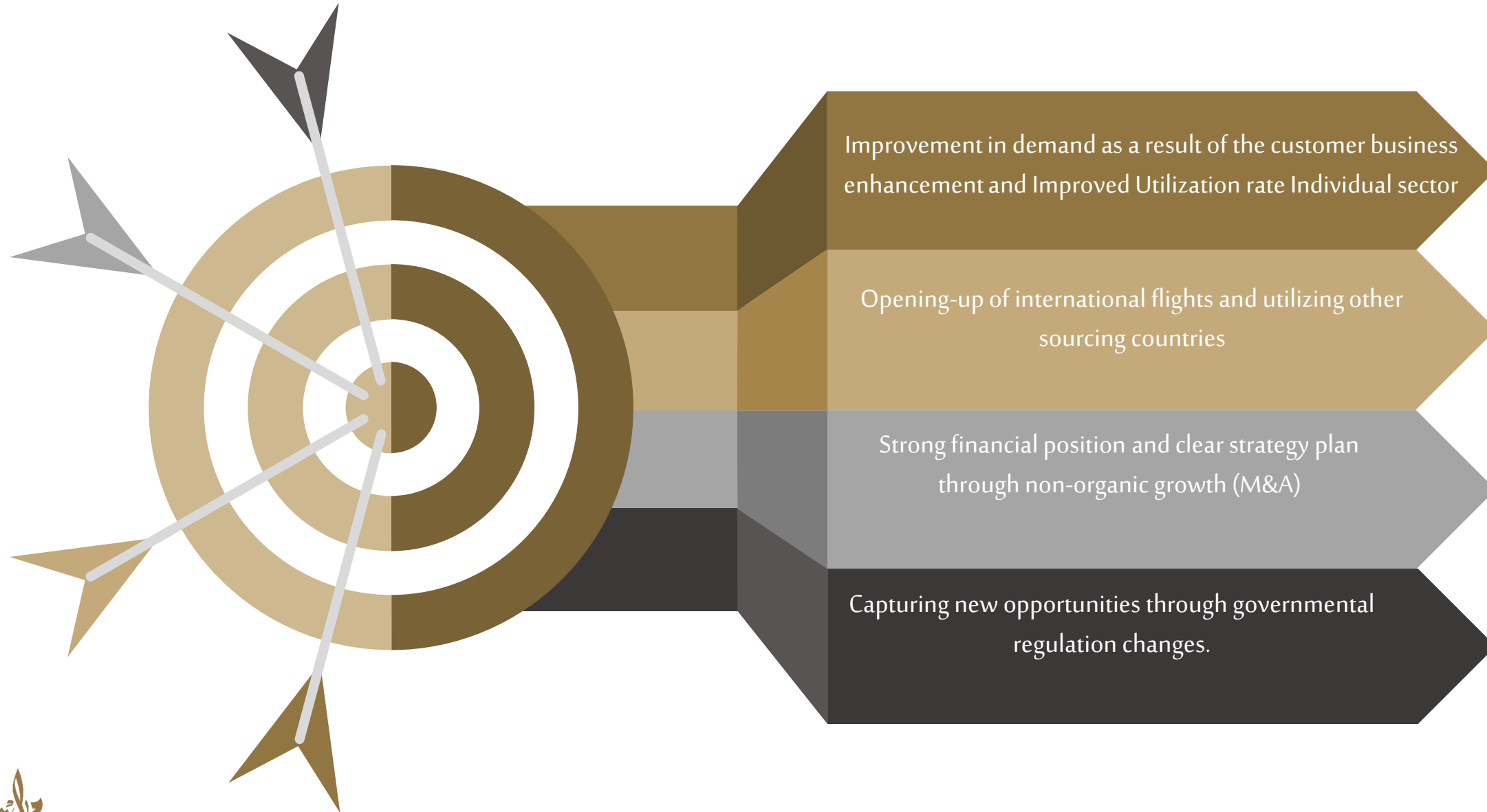
- Continued onboarding challenges due to restrictions on International flights and the suspension for more than 20 countries.
- Changeable travel rules and regulations including temporary banning deployment of workers from some sourcing countries.
- The necessary use of intermediary countries in the event of recruitment from suspended countries.

Other Challenges

- Lack of certain professions such as nursing due to increase in global demand.
- Initiatives related to the reforming of the contractual framework.



Other Key Matters for future expectations





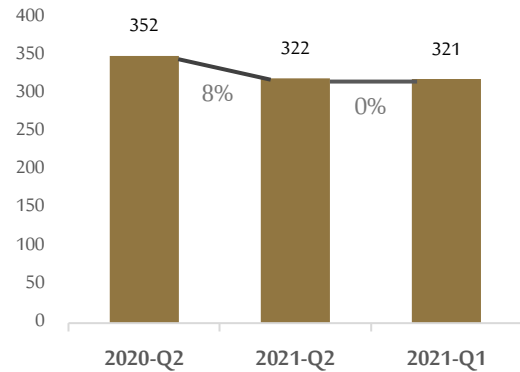
Q2-2021 Financial Performance



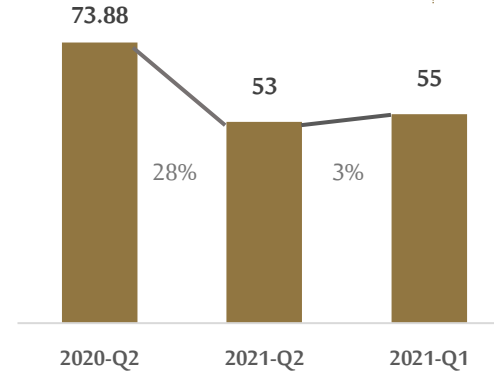
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للموارد البشرية
Maharah Human
Resources Company**

Financial highlights for Q2 2021 – Income Statement

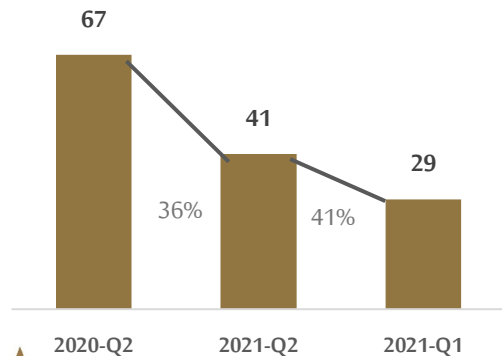
Revenue



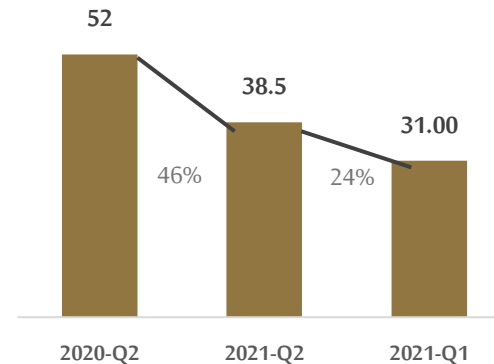
Gross Profit



EBITDA



Net Income



Million SAR	2021-Q2	2020-Q2	%	2021-Q1	%
Revenue	322,615	352,488	(8%)	321,614	0%
Cost of Revenue	(269,074)	(278,599)	(3%)	(266,551)	1%
Gross Profit	53,541	73,889	(28%)	55,062	(3%)

G&A Expenses	(14,668)	(15,400)	(5%)	(16,941)	(13%)
Marketing Expenses	(1,682)	(2,295)	(27%)	(2,679)	(37%)
Provision for Doubtful debt	6,279	(1,748)	(459%)	(2,122)	(396%)
Income From Main Operations	43,470	54,447	(20%)	33,321	30%

Other Income	1,553	963	61%	1,839	(16%)
Share in net loss of an associate	225	149	51%	79	184%
Financial Cost	(1,929)	0	NA	0	NA
Net gain on equity investments at FVTPL	(1,198)	(383)	(213%)	102	(1275%)
Income before Zakat	42,122	55,175	(24%)	35,341	19%

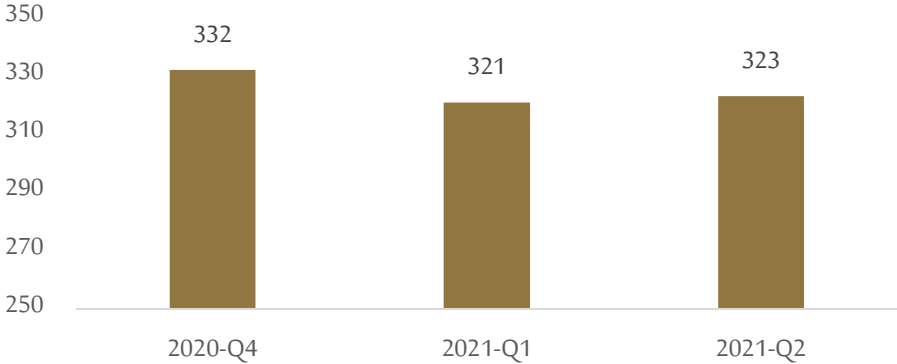
Zakat	(3,554)	(3,093)	15%	(4,274)	(17%)
Net Income (for the period)	38,567	52,083	(26%)	31,067	24%

Non-Controlling Interests	(147)	2,661	(106%)	(250)	(41%)
Net Income to Parent Company	38,714	49,422	(22%)	31,317	24%
Gross Margin %	17%	21%		17%	
Operating Margin %	13%	15%		10%	
Net Margin %	12%	15%		10%	

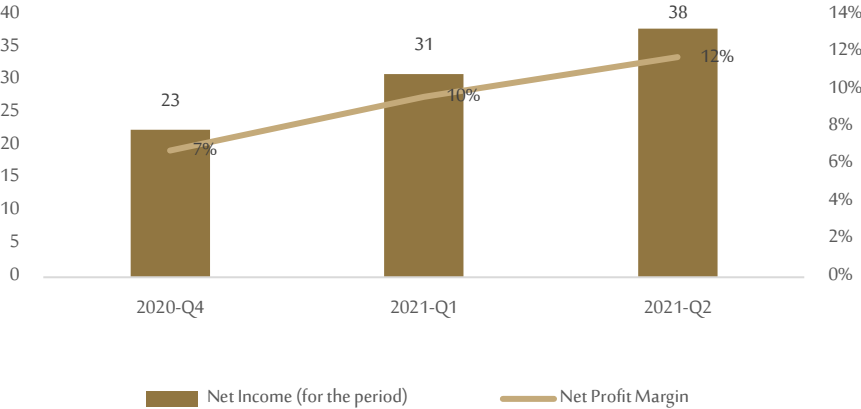


Contentious improvement

Revenue

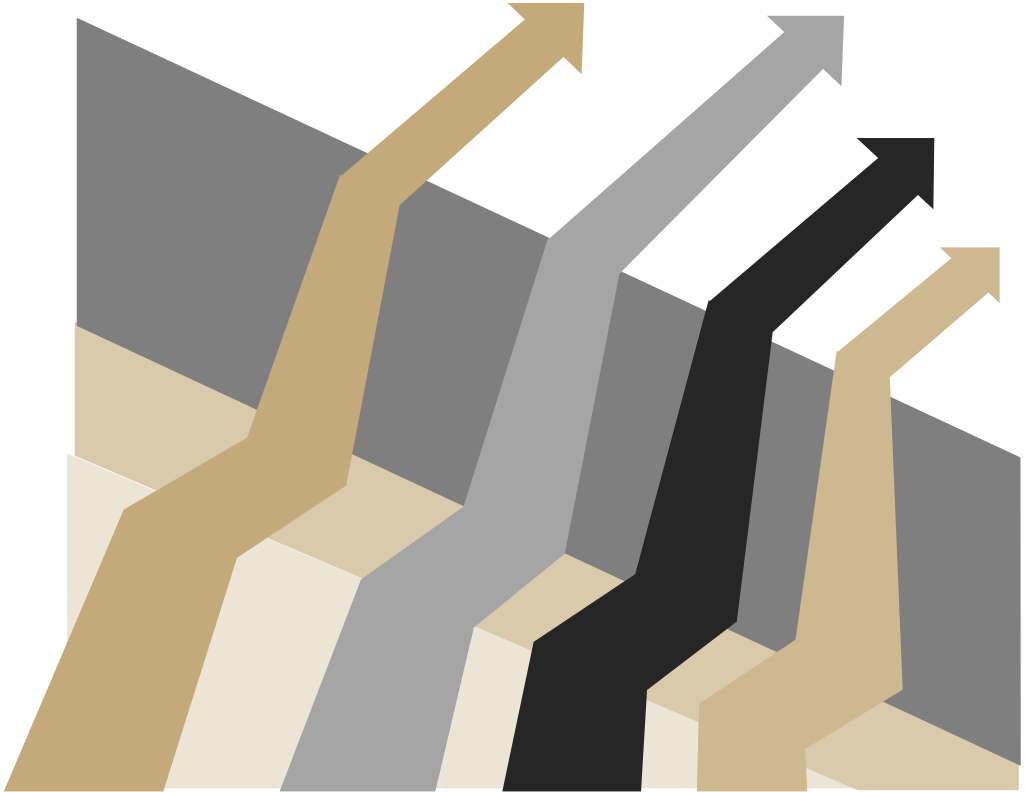


Net Income



Continues future improvements are expected with considerations of two main factors:

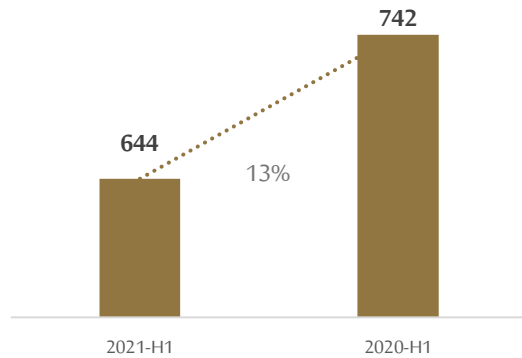
- Ease and opening up international flights
- strength of the global and local economical recovery leading the continued improvement of demand.



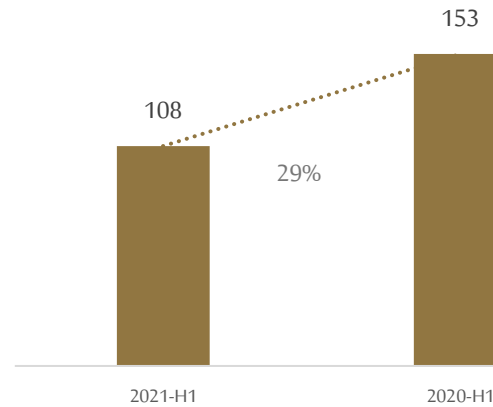
Financial highlights for H1 2021 – Income Statement

15

Revenue



Gross Profit



Million SAR	2021-H1	H1-2020	%
Revenue	644,229	742,243	(13%)
Cost of Revenue	(535,625)	(589,323)	(9%)
Gross Profit	108,604	152,920	(29%)

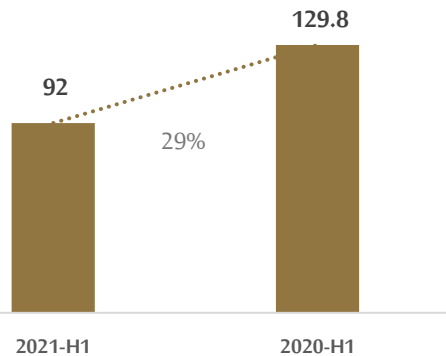
G&A Expenses	(31,609)	(30,689)	3%
Marketing Expenses	(4,361)	(4,447)	(2%)
Provision for Doubtful debt	4,158	(3,573)	(216%)
Income From Main Operations	76,791	114,210	(33%)

Other Income	3,392	2,464	38%
Share in net loss of an associate	304	335	(9%)
Financial Cost	(1,929)	0	NA
Net gain on equity investments at FVTPL	(1,096)	(674)	(63%)
Income before Zakat	77,463	116,335	(33%)

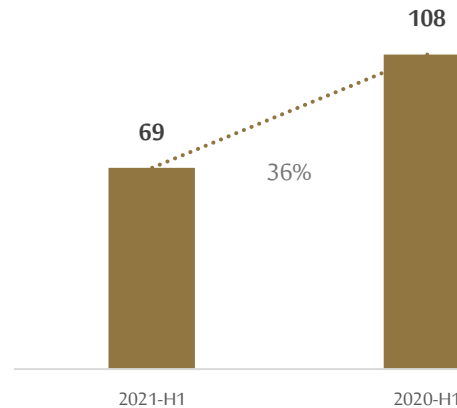
Zakat	(7,828)	(7,743)	1%
Net Income (for the period)	69,634	108,592	(36%)

Non-Controlling Interests	(397)	1,916	(121%)
Net Income to Parent Company	70,031	106,676	(34%)
Gross Margin %	17%	21%	
Operating Margin %	12%	15%	
Net Margin %	11%	15%	

EBITDA



Net Income

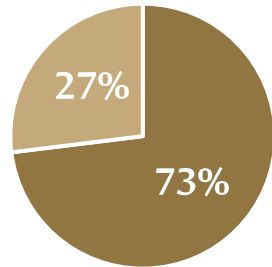
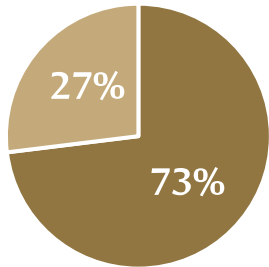


Revenue Breakdown

Revenue By Business

H1-2020

H1-2021

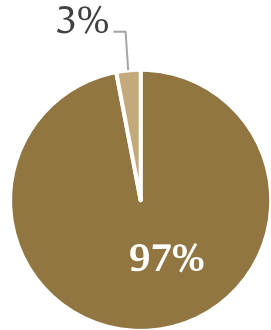
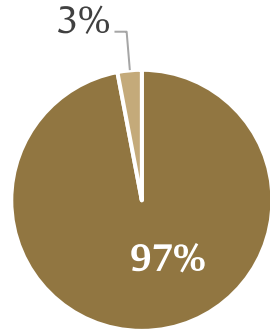


■ Corporate ■ Individual ■ Corporate ■ Individual

Revenue By Geography

H1-2020

H1-2021

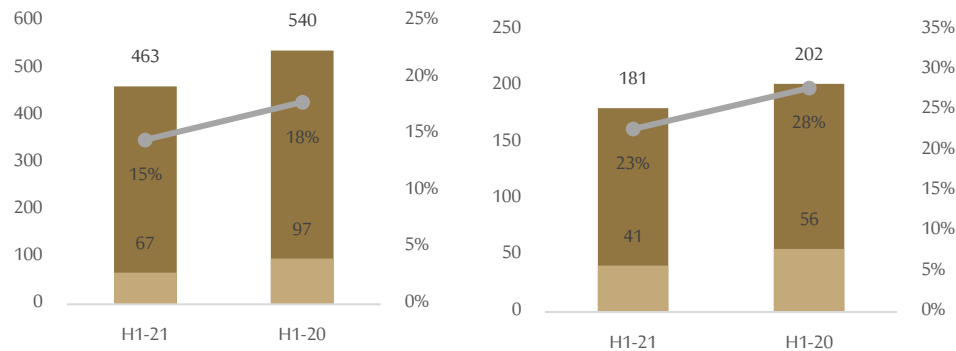


■ KSA ■ UAE ■ KSA ■ UAE

Revenue Vs Gross Profit

Corporate

Individual

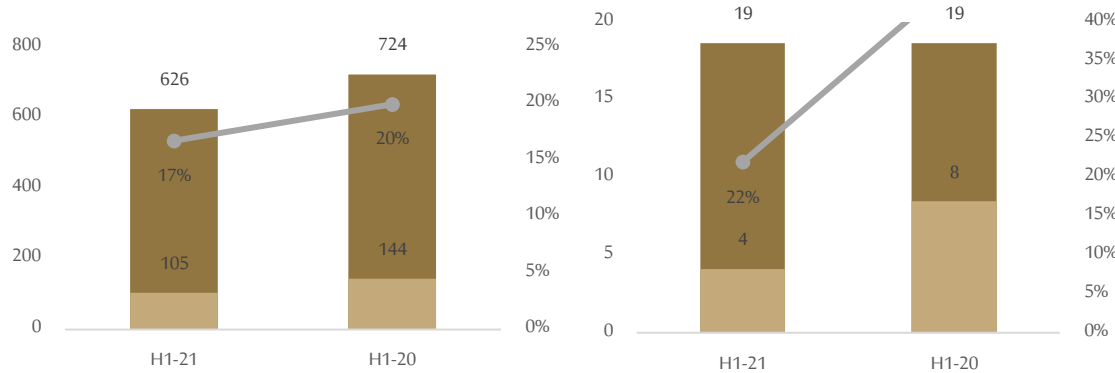


■ Revenue ■ Gross Profit — GM % ■ Revenue ■ Gross Profit — GM %

Revenue Vs Gross Profit

KSA

UAE



■ Revenue Gross Profit ■ Gross Profit — GM % ■ Revenue Gross Profit



Revenue by Segment

Individual



H1 2021

H1 2020

Khidmah

SAR 20.7

SAR 15.5

Full-Time

SAR 141.5

SAR 168.3

TPH (UAE)

SAR 18.7

SAR 18.7

Total

SAR 513 MM

SAR 202.5

Corporate



H1 2021

H1 2020

Industrial & Operations

SAR 138

SAR 186

Retail

SAR 115

SAR 128

Hospitality

SAR 89

SAR 99

Commercial

SAR 37

SAR 45

Health Care

SAR 84

SAR 82

Total

SAR 463 MM

SAR 540 MM



Statement of Financial Position – Balance Sheet

	June-2021	Dec 2020
Current Assets	623,602	769,020
Non-Current Assets	367,009	256,990
Total Assets	990,611	1,026,009
Current Liabilities	358,514	389,432
Non-Current Liabilities	86,034	81,048
Total liabilities	444,547	470,480
Equity	549,988	559,056
Minority interests	(3,923)	(3,527)
Total liabilities & Equity	990,611	1,026,009

Cash Ratio		
June-21	Dec-20	
21%	64%	81%

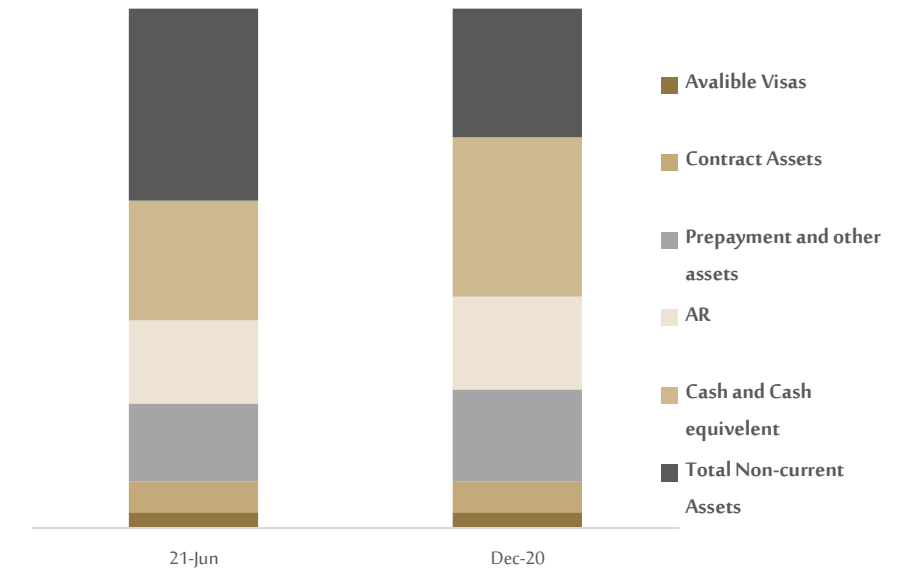
Current Ratio		
June-21	Dec-20	
(-12%)	1.74	1.97

Working Capital (MM SAR)		
June-21	Dec-20	
30%	265	379.5

Days Payable Outstanding		
June-21	Dec-20	
2%	61	63

ROE		
June-21	Dec-20	
11%	25%	36%

Operating Cash Flow (MM SAR)		
June-21	June-20	
54%	99	213



Retained Earnings

Beginning Balance – Dec 20	125.98
Net Income Q1 2021	70.03
Dividends H2-2020	(75)

Retained Earnings – Mar-21 121



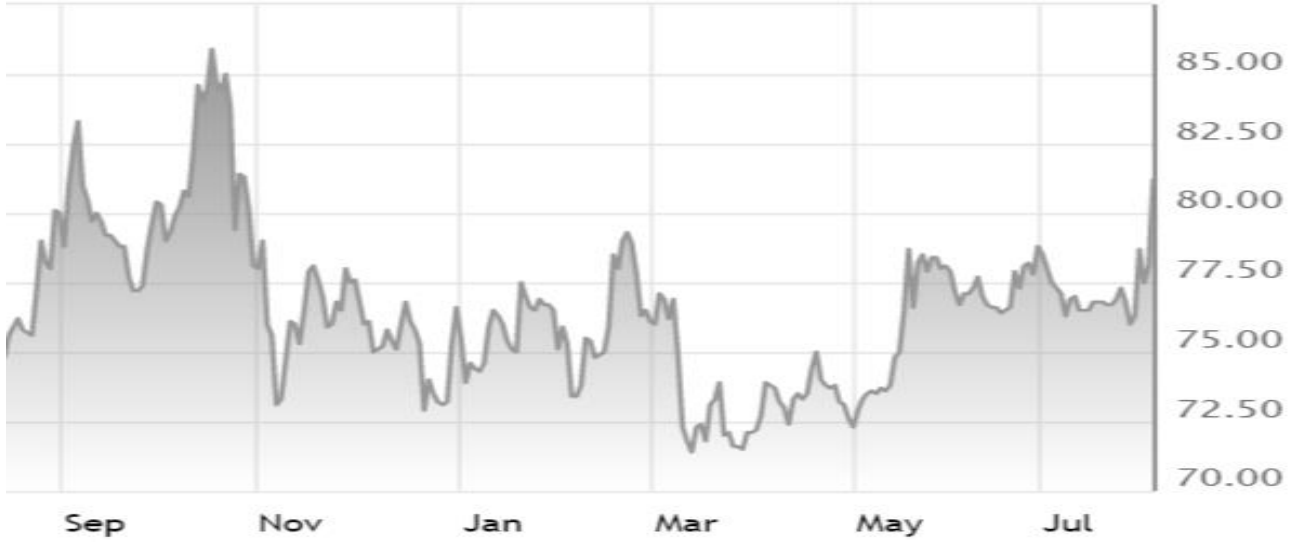
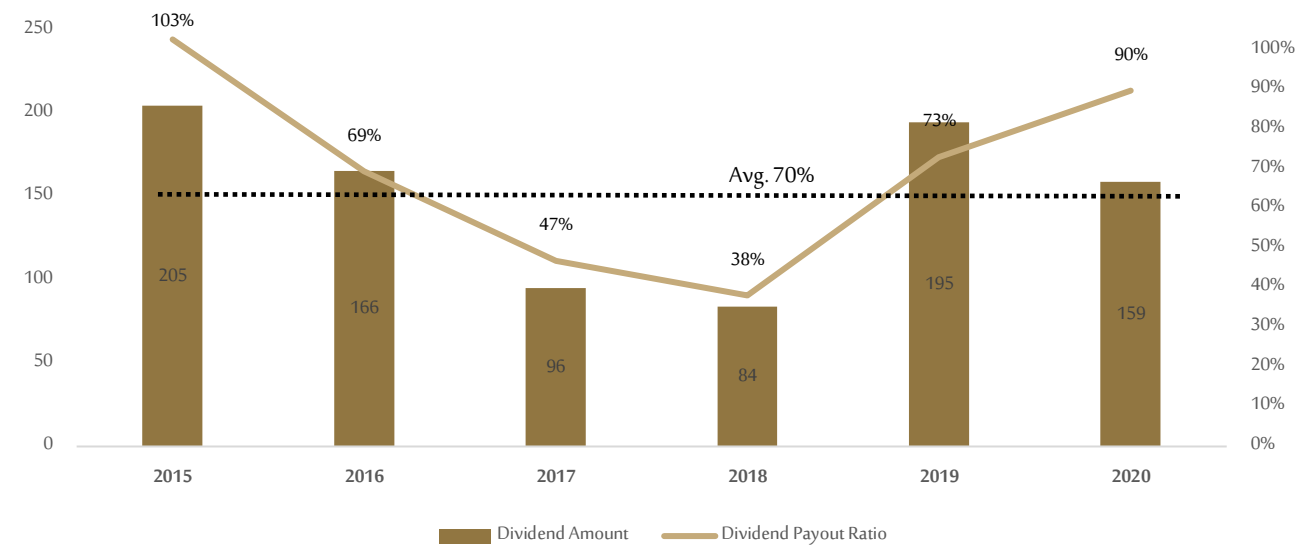
Key share data

Market Data			
Price	78.80	Volume	58,898
Change	0.70	Turnover	4,634,788.00
Change (%)	0.90	Transactions	160
Open	78.70	Market Value	2,955.00
Low	78.50	Avg. Volume (3M)	611,164.54
High	78.80	Avg. Turnover (3M)	47,438,348.11
Previous Close	78.10	Avg. Transaction (3M)	1,534.51
Change (3M)	6.11 %	Change(12M)	5.68 %
Change (6M)	4.41 %	YTD	3.44 %

Financial Ratios	
Financial Ratio	Current
Market Cap (M Riyal)	2,955.00
Shares Outstanding ((M))	37.50
EPS (Riyal) (TTM)	3.75
Book Value (BV) (Latest announcement)	14.67
Adjusted P/E (Last12)	21.01
Price/book	5.37
Dividend Yield (%) (Last Year)	5.39
Return on Average Assets (%) (TTM)	12.91
Return on Average Equity (%) (TTM)	25.02
Enterprise Value (EV) (M Riyal)	2,565.54



Dividend Distribution



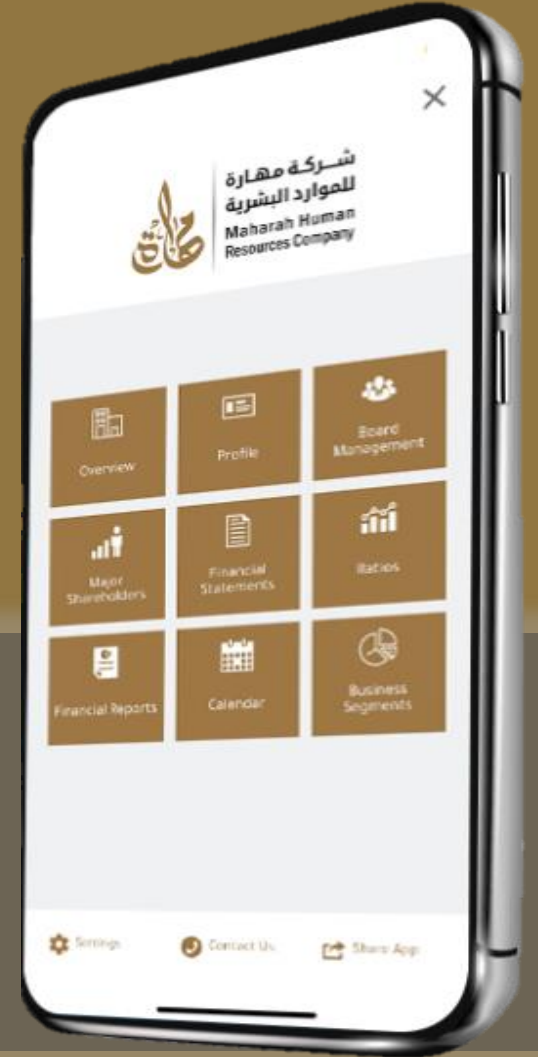
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ANDROID APP ON
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Q&A



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Thank You

