



شركة مهارة  
للموارد البشرية  
Maharah Human  
Resources Company

# Earnings Presentation

Maharah Human Resources Company

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# Maharah Overview

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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

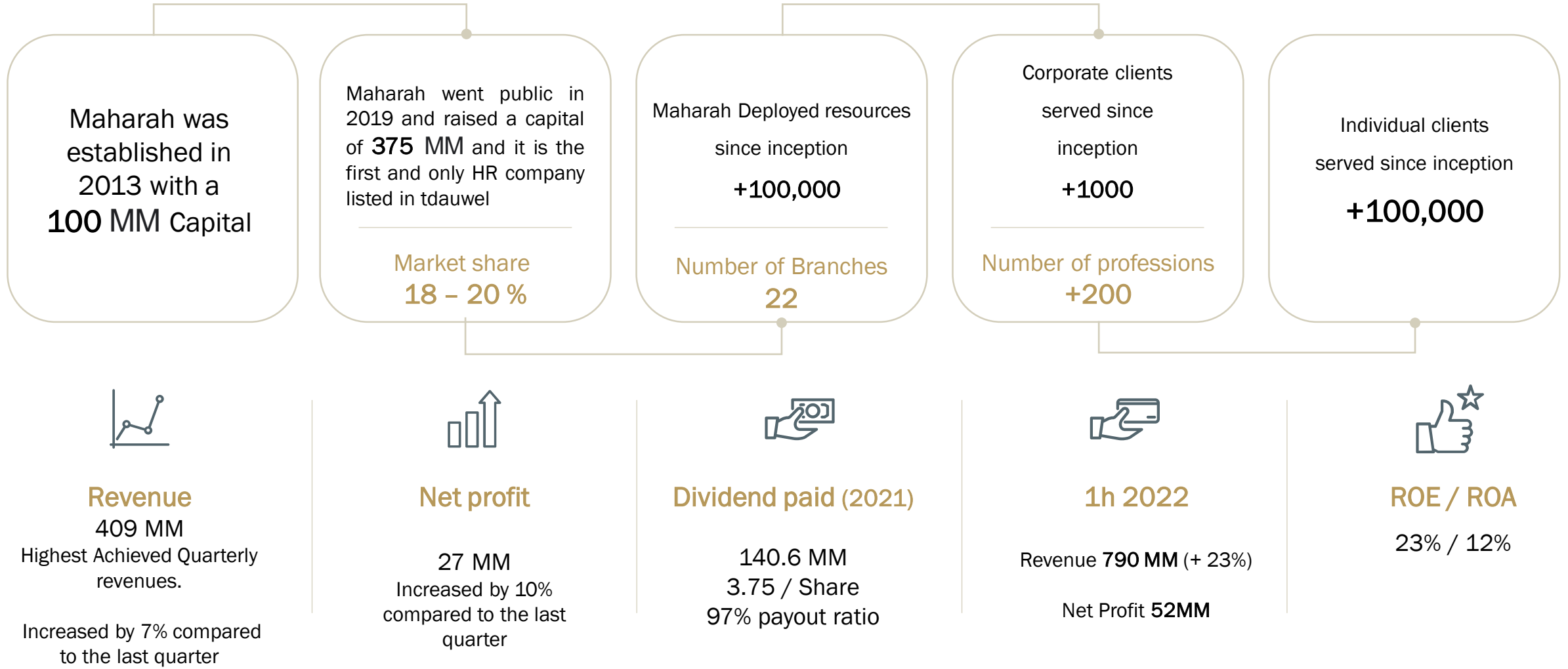


## Values

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

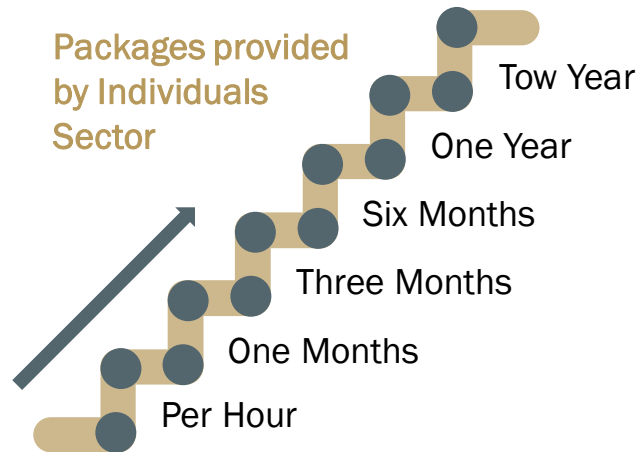
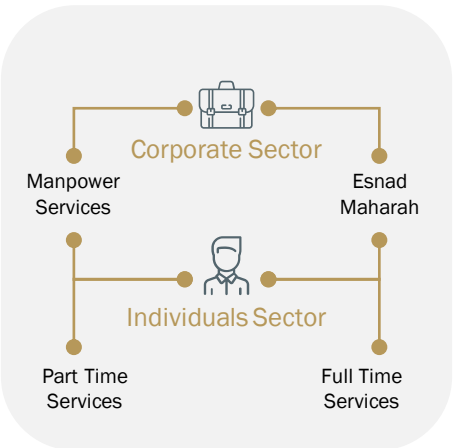
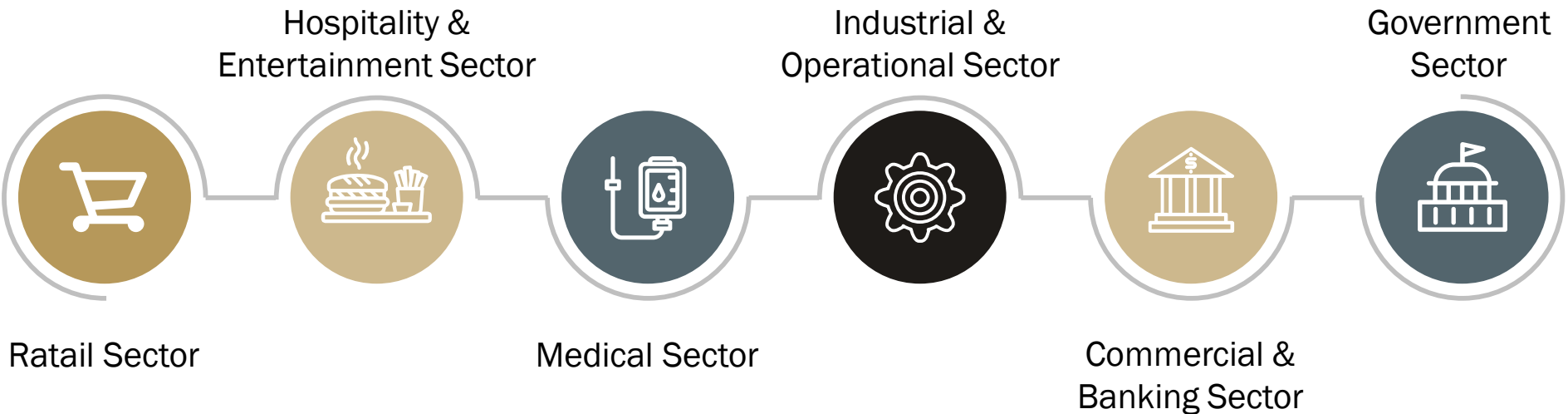


# Maharah at glance



# Services and Solutions

Our Integrated Solutions ... Sustainability and Innovation



# Robust Business Infrastructure

Strategic partnership with global recruitment agencies

## Global Reach



Nigeria



Jordan



Indonesia



India



Nepal



Tunisia



Bangladesh



Egypt



Pakistan



Sri Lanka



Canada



Philippines



Sudan



Turkey

- 45 global recruitment agencies
- Comprehensive qualification process
- Regular Visits for Quality Assurance
- Company's representatives stationed in key locations



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# Strategic progress

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# Strategic progress for MHRC



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## Strengthen the engine

Upgrading its infrastructure, technology platforms and going more digital channels in its core operations and customers engagement process.



## Grow the core

Over the last period and post COVID pandemic, the company went aggressive in its recruitment process to fulfill both of household and corporate clients needs



## Explore growth avenue

Maharah has expanded by acquiring a **42%** of the kingdom hospital and **40%** of Saudi Medical System. That would create great synergies between Maharah and its businesses.

# Subsidiaries



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100%

Growth Avenue Investment Company is 100% owned subsidiary , it consider the investment entity for Maharah owning most of the acquired businesses.

Ayadi Academy is unprecedented in the Kingdom of Saudi Arabia, in which it aims to train and prepare domestic workers and those looking to develop their housekeeping, cooking, babysitting, caring for the elderly and many other skills.

100%



90%

Spectra Support Services is a market leader in providing comprehensive workforce related solutions to organizations across the Kingdom of Saudi Arabia.

GlobCare “shifaa” is a Saudi company specialized in providing home medical care and telemedicine using international standards and based on the most efficient medical expertise in the health field.

85%



100%

Nabd is a Logistic services company to be the pulse of delivery and logistic services for our customers by providing innovative solutions and cutting-edge technologies to meet the rapid demand in q-commerce and instant delivery.

# Subsidiaries



**96%**

The perfect help group (TPH) which is owned 96% by Maharah operates in the UAE market and provides household services in both Dubai and Abu Dhabi.

Bloovo is an AI based platform that matches the job profiles with the right job candidates by applying the ML technologies, recently Bloovo launched different innovative HR Tech solutions like Bikeathon, ATS and AI powered interviews platform.

**40%**



**19%**

Bloovo has been merged with ORH and formed KABI which is an HR technology and advisory firm, both companies seek synergies and growth with great value creation, and aiming in approaching the CMA in the future to be listed in the secondary market with a primary offering.

# Binladin Group Contract

Strategic Engagement



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## إعلان الشركة على تداول

إعلان شركة مهارة للموارد البشرية عن توقيع عقد  
مع شركة مجموعة بن لادن السعودية

Maharah signed a strategic engagement with BinLadin group to source more than 3,400 skilled and unskilled resources over a period of 24 months



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# Acquisition of Kingdom Merger & Acquisitions Health Care and SMS

# M&A Pipeline



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Kingdom hospital and consulting clinics is one of the most extensively equipped private hospitals. Intended to deliver cost-effective treatments. The company provides consultations and therapeutic services, enabling patients to improve their lives by curing various diseases. Maharah aims to acquire 41.36% of the hospital



Saudi Medical System “SMS” is a Saudi closed joint stock company established in 1996 specialized in providing catering services to hospitals. It has more than 25 years of experience in the catering field. Maharah aims to acquire 40% of SMS



Soror platform is an online marketplace providing wide household services and act as one stop shop for all corporate and household services. Maharah aims to acquire 40% of this platform

Financing the acquisition would be through the strong cash position and banking facilities.

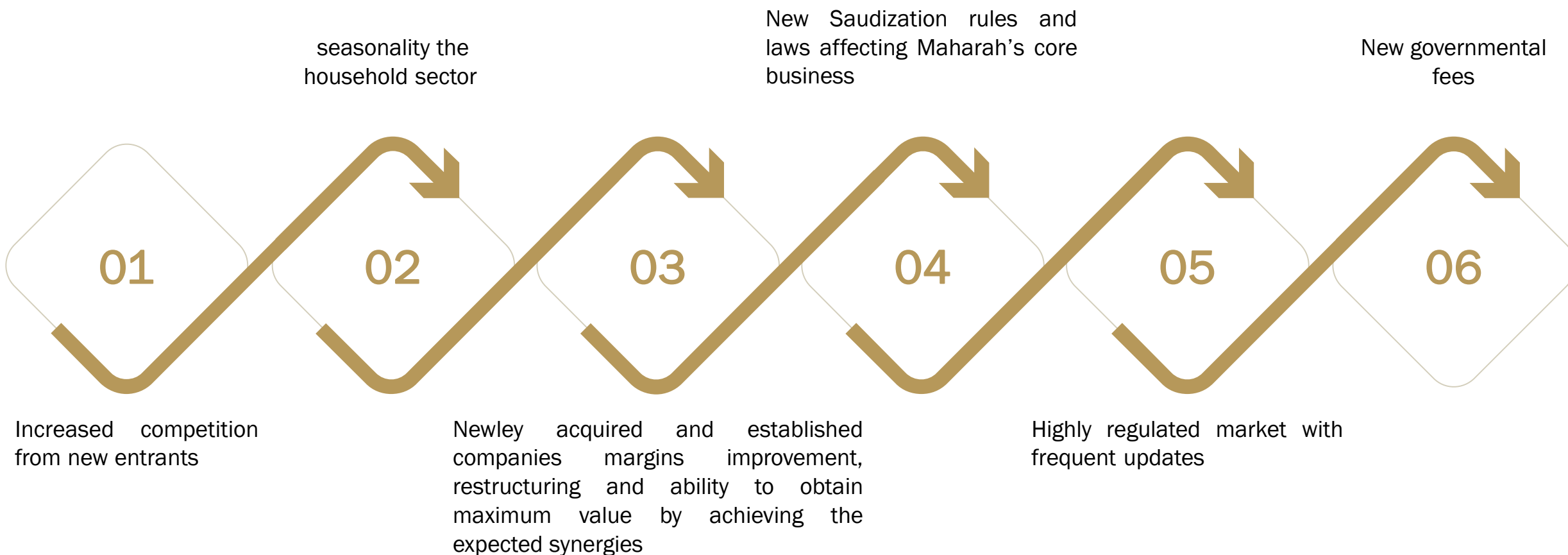


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# Challenges, Achievements, Opportunities & Future Outlook

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# Key challenges



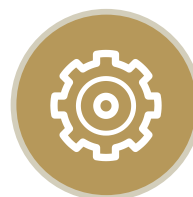


# Key achievement



## Financial Performance

- Revenue increased by **27%** compared to the same quarter of the previous year and increased by **7%** compared to previous quarter (**Highest Quarter Achieved so far**)
- The gross profit margins improved 2Q2022 to be **14%** (first quarter of this year by 13%) as a result of the increase in the average number of workers and the increase in employment rates after removing the precautionary measures related to the Corona pandemic.
- Strong financial position and Liquidity with over **670 million** in current assets while retained Earnings over **100 million**



## Operational Excellence

- Increasing retention rates for the individual sector and corporate sectors.
- Targeting untapped sectors including HR technology, Contracting, Saudi recruitment, and training and certification
- Increasing utilization rates.
- Creating efficient environment and synergies between the core business and acquired businesses.



## Other Key achievements

- A strong start in investing in digital transformation technologies (Big data, cyber security, Robotic Process Automation (RPA))
- Maharah has achieved the top **2** ranked app in apple store due to the heavy investment in the online branch

# About Esnad

**Esnad** is a service provided from Maharah Human Resources Company specialized in recruiting national personnel. Maharah launched this service under the name of “Esnad Maharah” in conjunction with the launch of Ajeer program to support Saudis.

there is a high expectation regarding the growth of Esnad as a result of the new Saudization laws and the increasing pressure to reduce the unemployment rate in Saudi Arabia.

A three digits number of resources has been assigned.

There are a 152% increase in the applying numbers since the beginning of 2022.

Revenues from inception were about 11 Million with an increase in monthly growth.

Maharah has presented “Esnad” services to more than 100 companies and now it is in the negotiation processes.

Signed with more than 9 governmental, semi-governmental and private sector

# Top drivers for corporate segments



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Higher oil prices, improving corporate sector capex and government spending on mega projects



Strong investment pipeline by the private sector in healthcare sector, which is also expat heavy



Labor law reforms; Amendments to the kafala system allowing for job mobility



Improved receivables collection in conjunction with improved oil prices, Saudi fiscal surplus and overall business environment health



Saudization, Maharah has been able to benefit from increased male and female labor market nationalization via ESNAD



2030 deadline to relocate regional HQs to Riyadh



Tourism plans, social changes, positive for demand for hospitality and retail, the second highest most expat-dependent sectors

# Top drivers for individual segments



Rising population,  
high household  
size and new  
marriages



Increased female  
employment



Resumption  
of travel



Demand recovery  
for Khidmah  
services, an on-  
demand household  
service



Displacement of  
smaller brokers;  
Musaned portal and  
increased  
government  
regulation

# Going Forward / Outlook

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

Controlling costs while raising employment rates and numbers of manpower.

Continuing the approach of increasing the market share through several services and initiatives.

The company is also undertaking several initiatives to improve the business process and find integration with newly established or acquired companies and to reach positive results through them.

We look at 2022 as an important year to build for the future, and the company looks forward to continuing growth and achieving better results in the coming periods, God willing.





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# Financial Performance

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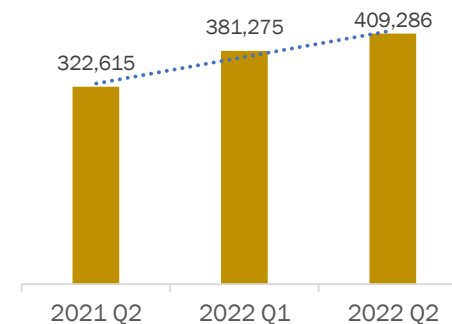
# Financial highlights for Q2 2022 – Income Statement



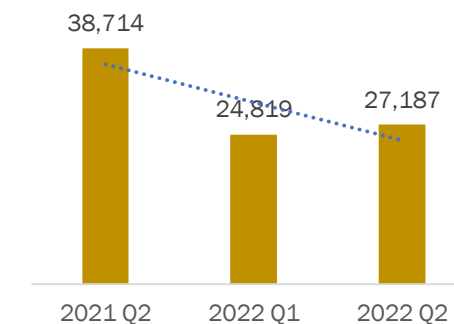
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MILIION SAR	2022 Q2	2022 Q1	%	2021 Q2	%
Revenue	409,286	381,275	7%	322,615	27%
Cost of revenue	(353,239)	(332,249)	6%	(268,760)	31%
Gross Profit	56,047	49,026	14%	53,855	4%
G&A	(22,118)	(22,611)	(2%)	(14,584)	52%
Marketing Expenses	(3,151)	(3,358)	(6%)	(1,682)	87%
Provision for Doubtful debt	(593)	(116)	411%	4,351	(114%)
Income From Main Operations	30,186	22,941	32%	41,940	(28%)
Other Income	1,347	1,518	(11%)	1,553	(13%)
Share in net loss of an associate	-	(80)	(100%)	(1,198)	(797%)
Net gain on equity investments at FVTPL	(1,568)	4,368	(136%)	225	(100%)
Finance Cost	(568)	(155)	266%	(399)	42%
Income before Zakat	29,398	28,592	3%	42,121	(30%)
Zakat	(3,322)	(4,146)	(20%)	(3,554)	(7%)
Net Income (for the period)	26,075	24,446	7%	38,567	(32%)
Non-Controlling Interests	(1,111)	(373)	198%	(147)	
Net Income to Parent Company	27,187	24,819	10%	38,714	(30%)
Gross Margin %	14%	13%		17%	
Operating Margin %	7%	6%		13%	
Net Margin %	6%	6%		12%	

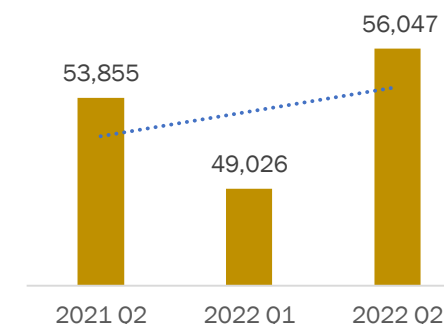
## Revenue



## Net Income



## Gross Profit



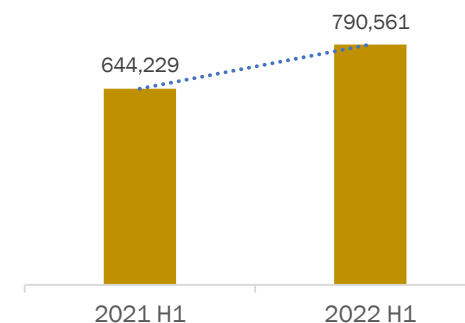
# Financial highlights for H1 2022 – Income Statement



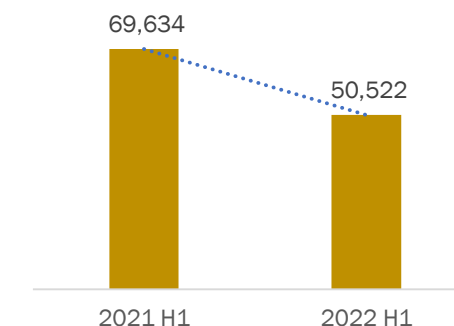
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MILIION SAR	2022 H1	2021 H1	%
Revenue	790,561	644,229	23%
Cost of revenue	(685,488)	(535,625)	28%
Gross Profit	105,073	108,604	(3%)
G&A	(44,729)	(31,609)	42%
Marketing Expenses	(6,508)	(4,361)	49%
Provision for Doubtful debt	(709)	4,158	(117%)
Income From Main Operations	53,127	76,791	(31%)
Other Income	2,866	3,392	(16%)
Share in net loss of an associate	(80)	(1,096)	(93%)
Net gain on equity investments at FVTPL	2,800	304	821%
Finance Cost	(722)	(1,929)	(63%)
Income before Zakat	57,990	77,463	(25%)
Zakat	(7,468)	(7,828)	(5%)
Net Income (for the period)	50,522	69,634	(27%)
Non-Controlling Interests	(1,484)	(397)	274%
Net Income to Parent Company	52,006	70,031	(26%)
Gross Margin %	13%	17%	
Operating Margin %	7%	12%	
Net Margin %	6%	11%	

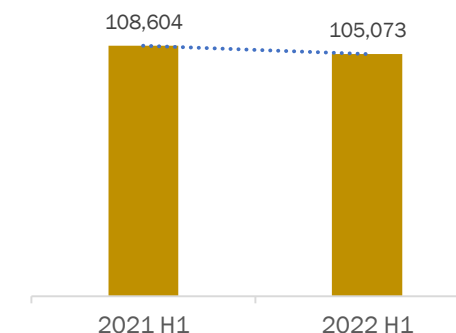
## Revenue



## Net Income



## Gross Profit





# Revenue breakdown



## Revenue by business

2022 Q1

- 68% corporate
- 32% individual

2022 Q2

- 67% corporate
- 33% individual



## Revenue by geographic

2022 Q1

- 98% KSA
- 2% UAE

2022 Q2

- 97% KSA
- 3% UAE



## Revenue by segment\ Individual

- Khidmah: increased by 30% in revenue compared to last quarter.
- Full-Time: increased by 6% in revenue since last quarter.



## Revenue by segment\ Corporate

- Industrial & Operations: increased by 19% in revenue compared to last quarter.
- Retail: increased by 15% in revenue compared to last quarter.
- Hospitality: increased by 6% in revenue compared to last quarter.
- Commercial : increased by 9% in revenue compared to last quarter.

# Statement of Financial Position – Balance Sheet



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MILIILION SAR	2022	2021
Current Assets	673,193	669,262
Non-Current Assets	361,781	366,925
<b>Total Assets</b>	<b>1,034,975</b>	<b>1,036,186</b>
Current Liabilities	387,912	376,121
Non-Current Liabilities	100,603	89,113
<b>Total liabilities</b>	<b>488,515</b>	<b>465,234</b>
Equity	546,460	572,439
Minority interests	280	(1,487)
<b>Total liabilities &amp; Equity</b>	<b>1,034,975</b>	<b>1,036,186</b>

Retained Earnings	SAR
Beginning Balance	126,791
Dividends Distribution	(75,000)
Net Income 1H 2022	52,006
<b>Retained Earnings</b>	<b>103,797</b>

▽ Current ratio
Dec 21    2Q 22
(2)%    1.78    1.74

▽ ROE
Dec 21    2Q 22
(8)%    25 %    23%

△ Collection period
Dec 21    2Q 22
7%    69    64



▽ Quick Ratio
Dec 21    2Q 22
(4)%    37%    33%

▽ Working Capital
Dec 21    2Q 22
(3)%    293,140    285,282

▽ Days payable outstanding
Dec 21    2Q 22
(14)%    57    49



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# Q / A

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**Thank You**