



شركة مهارة
للموارد البشرية
Maharah Human
Resources Company

Maharah Human Resources Company

Leading Provider of Human Resource Services in Saudi Arabia

Earning Call for 2022 financial results.

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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



Sustainable Success Journey

Maharah was established as a closed joint stock company with a capital of 100 million Saudi Riyals

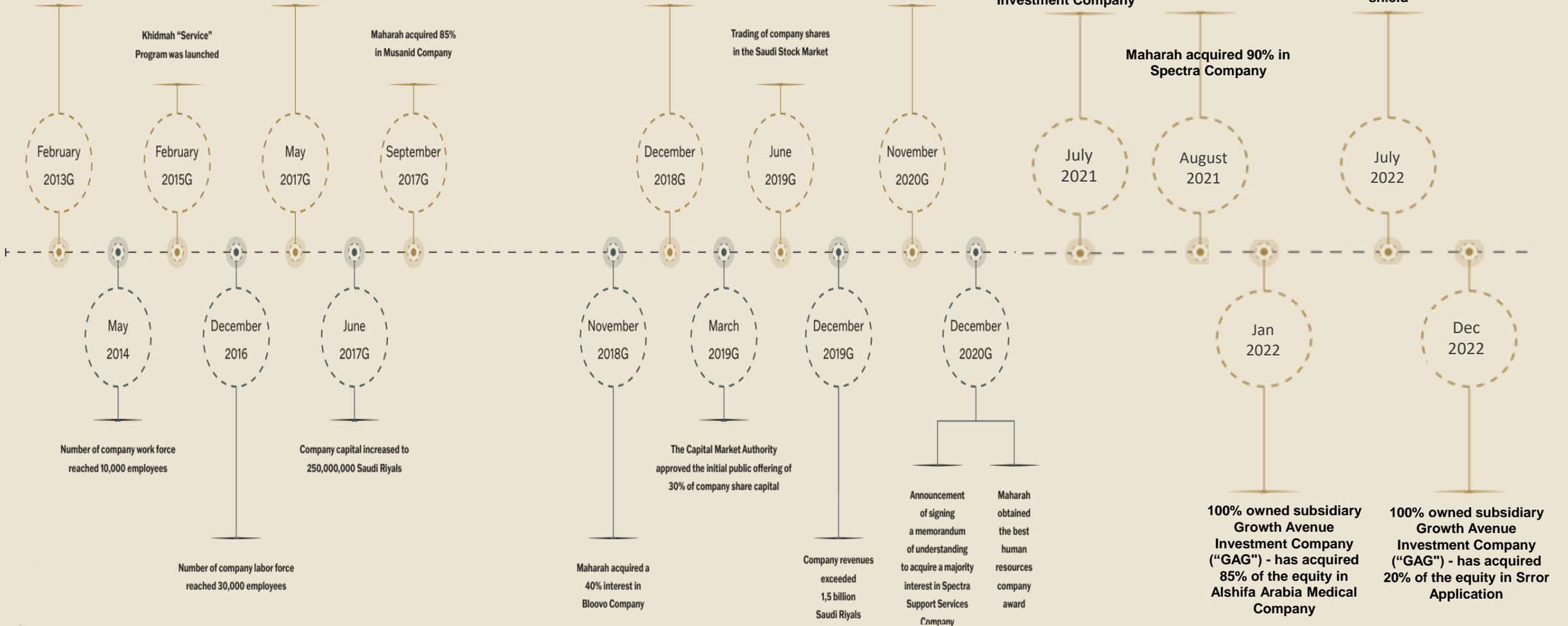
Maharah obtained ISO certificate 9001: 2015

Company Capital increased to 375,000,000 Saudi Riyals

Maharah obtained ISO certificate 9001:2015 for the third consecutive year

An investment arm has been established under 100% owned subsidiary "Growth Avenue Investment Company"

100% owned subsidiary Growth Avenue Investment Company ("GAG") - has acquired 40% SMS & 41.36 % Care shield



Maharah at glance



Revenue

1.68 Bn

Revenue Increased by 28% compared to the last year.



Net profit

154 MM

Increased by 6.3% compared to FY 2021



Investment

795 Mn

Share of profits reached 56M in 2022



Dividend (2022)

84.375 Mn
2.25 SR / Share



Dividends in Queue 23

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

EPS

EPS for 2022 SR 4.11

Market CAP

SAR 1.9 Bn
As of 31 Dec 2022

Maharah Market Share

Reached to the highest number of corporate resources among PRCs

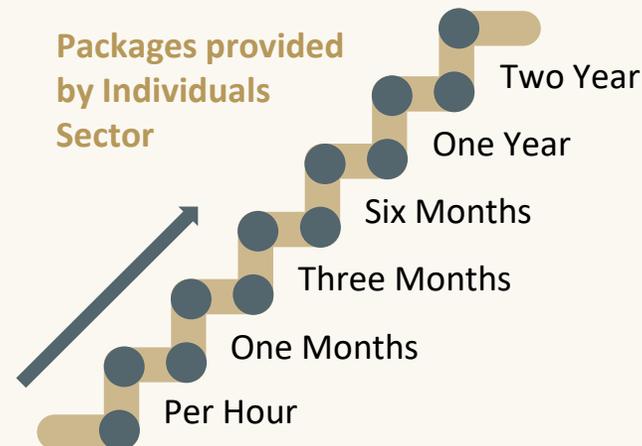
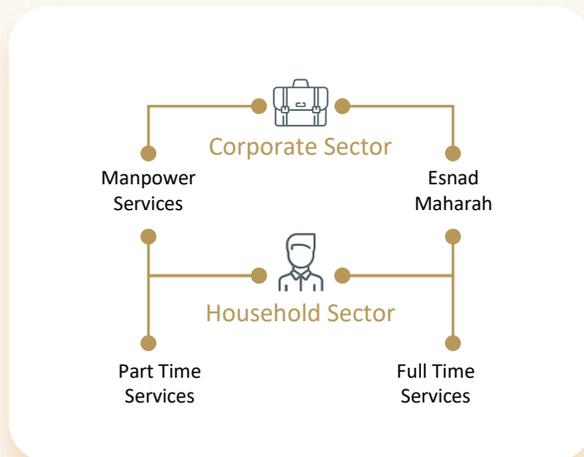
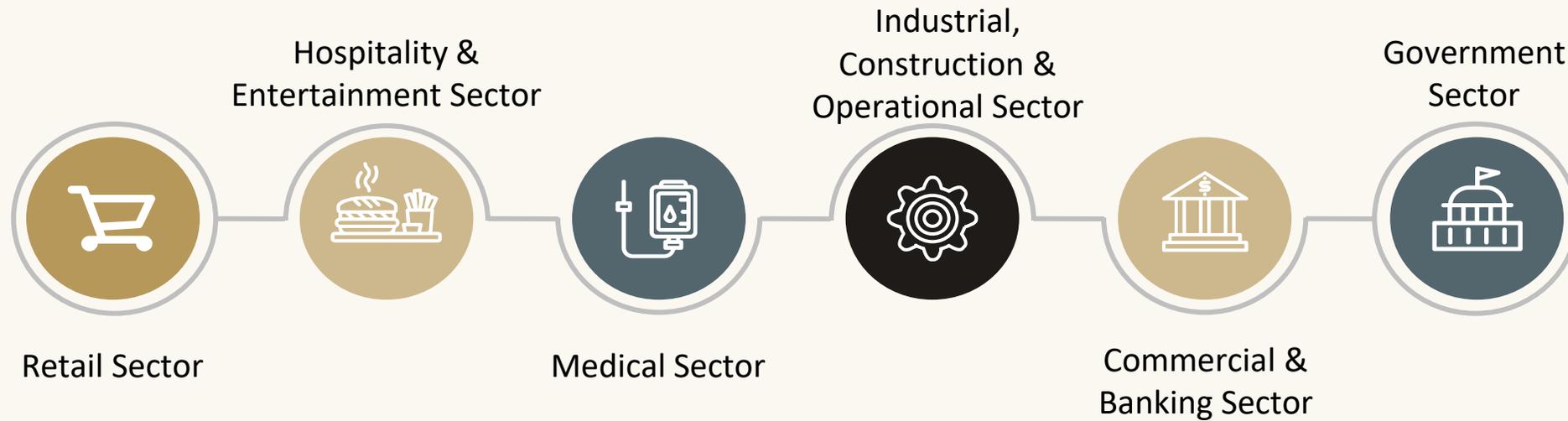
HRCs Market Share

HRCs market 2.5%

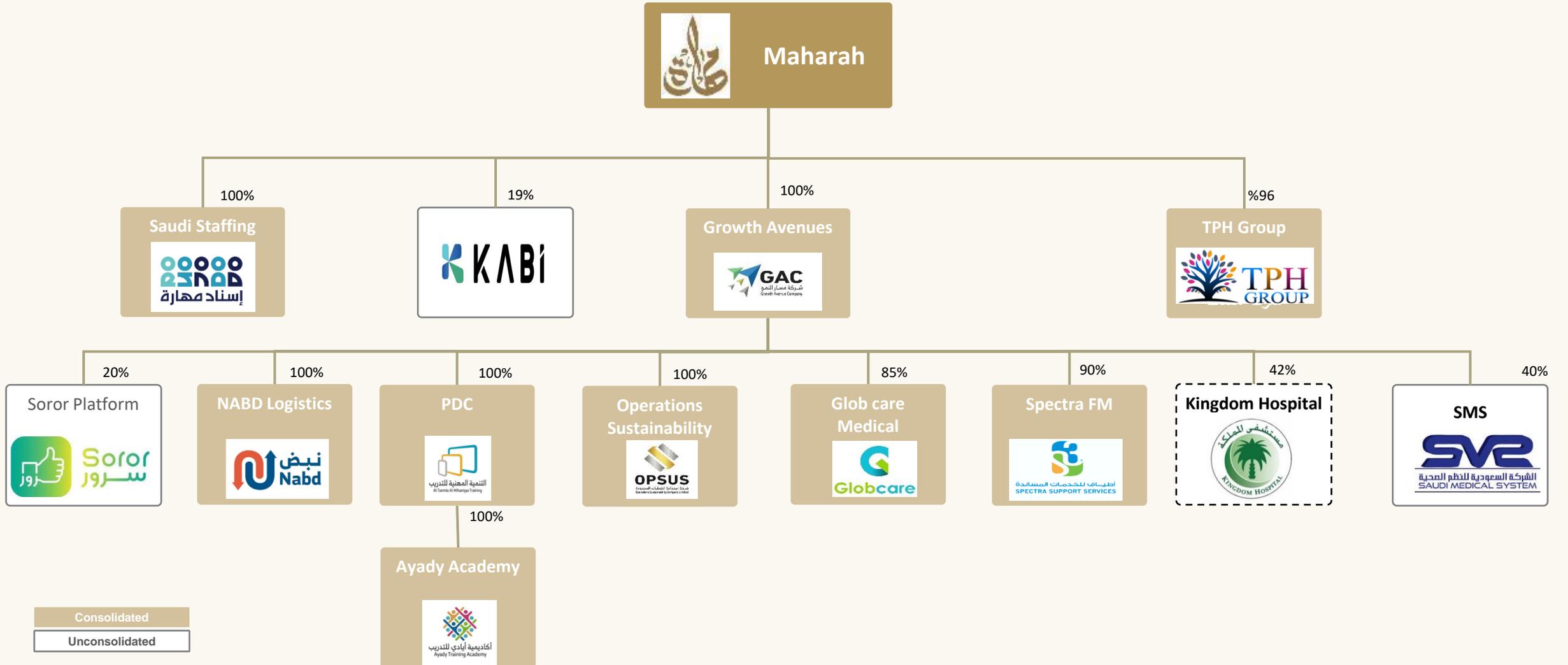
New Capital

+SR 100 Mn to be MAH capital SR 475 Mn

Our Integrated Solutions ... Sustainability and Innovation



Organization



Subsidiaries



100%

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



100%

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.



90%

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



85%

“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.



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.



19.78%

Bloovo has been merged with ORH and form KABI which is an HR technology and advisory firm, both companies seeks 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 offerings



41.36%

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 has acquired 41.36% of the hospital



40%

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 has acquired 40% of SMS



20%

Soror platform is an online marketplace providing wide household services an act as one-stop shop for all corporate and household services. Maharah has acquired 20% of this platform

Maharah's growth Strategy



Three main phases envisaged; Strengthen the engine, Grow the core and Explore growth avenues

Strengthen the engine

Improve current operational limitations and weaknesses Enhancements across current product offering

Grow the core

Expand current operations and explore new opportunities within the core market of manpower supply. Vertical and horizontal expansion along the value chain

Explore growth avenue

Grow beyond manpower supply market and investigate other opportunities within the human resources ecosystem

الرسالة

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.

We anticipate this strategy to be formulated during Q2 2023.

Top drivers for corporate segments



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



2030 deadline to relocate regional HQs to Riyadh



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



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

Key Achievements (Organic and Non-Organic)



Giga Projects

Signing new contract with Vision 2030 giga projects contractors



SABIC Agreement

10 years frame agreement to support both of Sabic and Its Subsidiaries



ISNAD Maharah

Since its inception, Esnad has generated more than 31 million in revenue.



Acquiring 41.36% of Care Shield

Major Healthcare Provider in Riyadh – KSA



Acquiring 40% of SMS

Leader in Hospitals Catering



Other Investments and Startups

Spectra, NABD, Ayadi, Shifa, Srror

Capital Increase

1

Maintaining the company's approach to the dividends policy for shareholders

2

The purpose of establishing the company's employee shares program (long-term incentive plan).

3

Maintain the strength of the company's financial position to meet any future strategic requirements of the company.

4

Maintaining liquidity ratios to meet the expected growth requirements of the company and its subsidiaries, also the financing obligations due during the coming period

Maharah Human Resources Co. Announces the Board's Recommendation to Increase the Capital by Granting Bonus Shares

1831 MAHARAH -1.40% 1444/08/15 07/03/2023 09:24:40

Element List	Explanation
Introduction	<p>The Board of Directors of Maharah Human Resources Company (Marah) decided, in its meeting held on March 06, 2023, to recommend to the Extraordinary General Assembly to increase the company's capital by 26.6% to support the company's financial position, the company's capital will increase from (375 million) SR to (475 million) SR, and the number of shares will increase from (37.5 million) shares to (47.5 million) shares, according to the following:</p> <p>A. Distributing 7.5 million shares as bonus shares to shareholders by granting one share for each 5 shares, which represents an increase of 20% of the company's capital, subject to obtaining the approval of the competent regularities and the extraordinary general assembly on the capital increase and number of granted shares, the eligibility for Shareholders who own the shares on the due date at the end of the trading day of the company's extraordinary general assembly and who are registered in the company's shareholders register with the Securities Depository Center Company (Depository Center) at the end of the second trading day following the date of the company's extraordinary general assembly, which will be announced later.</p> <p>B. Further to the announcement of Maharah Human resources Company (Marah) published on December 15, 2022 on the Tadawul website for its intention to repurchase a number of its own shares up to 10% of the paid in capital for establishing the company's employee shares program (long-term incentive plan), it has been decided to allocate 2.5 million shares, which represents 5.3% of the newly recommended increased capital instead of the shares repurchase from market, after obtaining the approval of the competent regularities and the extraordinary general assembly, updates will be announced later.</p>

Capital Increase

- Increase the company's capital by 26.6% to support the company's financial position; the company's capital will increase from (375 million) SR to (475 million) SR.

Share Dividends Distribution

- Distributing 7.5 million shares as a bonus to shareholders by granting one share for every 5 shares, representing an increase of 20% of the company's capital.

Treasury stock – Employee LTI program

- Reserving 2.5 million shares as a for future employee LTI program

Going Forward / Outlook



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

- Expanding service offerings
- New sectors, government, construction and petrochemical through strategical contracts
- Expand capabilities on white collars and skilled professionals.
- Close proximity to the regulators and decision makers
- New strategy
- Create value through restructuring and achieved synergies in created or acquired companies





Financial Performance

Key Financial Highlights 2022



*Stock price as of 31 Dec/22



Revenue 22
SAR 1,684 MM

Total Assets SAR 1.75*
B



Gross Profit 22
SAR 229 MM

Total Equity SAR
599 MM



Operation Profit 22
SAR 108 MM

Value SAR 1.9 B

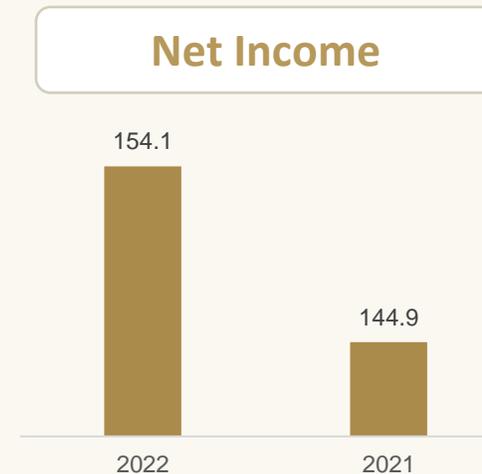


Net Income 22
SAR 154 MM

EPS 4.11 Riyal / Share

Financial highlights for 2022 – Income Statement

000 SAR	FY 2022	FY 2021	%
Revenue	1,683,595	1,318,729	27.7%
Cost of Revenue	(1,454,376)	(1,098,830)	32.4%
Gross Profit	229,219	219,898	4.2%
G&A Expenses	(98,501)	(65,293)	50.9%
Marketing Expenses	(14,143)	(11,240)	25.8%
Provision for Doubtful debt	(8,372)	2,664	(414.3%)
Income From Main Operations	108,203	146,029	(25.9%)
Other Income	9,024	15,070	(40.1%)
Share in net loss of an associate	56,530	(1,941)	(3012.5%)
Financial Cost	(10,552)	(1,212)	770.9%
Net gain on equity investments at FVTPL	3,161	1,273	148.3%
Income before Zakat	166,365	159,219	4.5%
Zakat	(14,739)	(15,379)	(4.2%)
Net Income (for the period)	151,626	143,839	5.4%
Non-Controlling Interests	(2,488)	(1,086)	129.2%
Net Income to Parent Company	154,114	144,925	6.3%
Gross Margin %	14%	17%	
Operating Margin %	6%	11%	
Net Margin %	9%	11%	



Financial highlights for Q4 2022 – Income Statement



SAR	2022 Q4	2021 Q4	QoQ%	2022 Q3	2022 Q2	2022 Q1
Revenue	473,563	349,667	35%	419,470	409,286	381,275
Cost of revenue	(407,788)	(293,080)	39%	(361,100)	(353,239)	(332,343)
Gross Profit	65,775	56,586	16%	58,370	56,047	48,932
G&A	(28,793)	(19,012)	51%	(24,979)	(22,118)	(22,672)
Marketing Expenses	(3,637)	(4,466)	-19%	(3,998)	(3,151)	(3,358)
Provision for Doubtful debt	(8,291)	1,171	-808%	628	(593)	(116)
Income From Main Operations	25,054	34,280	-27%	30,021	30,185	22,786
Other Income	3,605	9,837	-63%	2,553	1,347	1,518
Share in results of an associate	21,414	(1,128)	-1999%	35,196	0	(80)
Gain on equity investments at FVTPL	(547)	(86)	534%	908	(1,568)	4,368
Finance Cost	(7,475)	(324)	2208%	(2,355)	(568)	0
Income before Zakat	42,051	42,579	-1%	66,323	29,396	28,592
Zakat	(2,415)	(3,976)	-39%	(4,855)	(3,322)	(4,146)
Net Income (for the period)	39,636	38,604	3%	61,468	26,074	24,446
Non-Controlling Interests	(541)	(664)	-19%	(463)	(1,111)	(372)
Net Income to Parent Company	40,177	39,268	2%	61,931	27,185	24,818
Gross Margin %	14%	16%		14%	14%	13%
Operating Margin %	5%	10%		7%	7%	6%
Net Margin %	8%	11%		15%	7%	7%

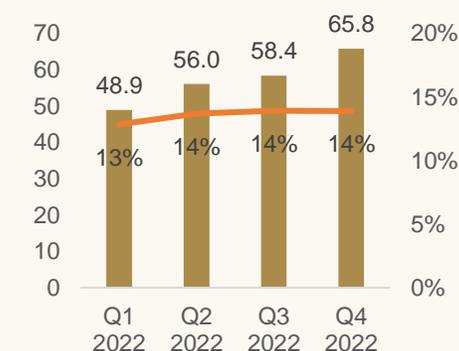
Revenue



Net Income



Gross Profit



Financial highlights for 2022 – Balance Sheet

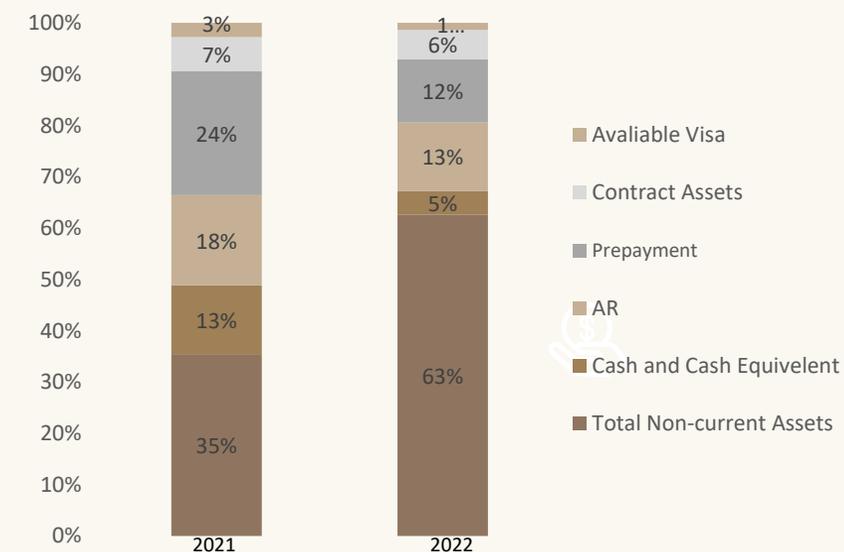


SAR	2022	2021
Current Assets	676,148	669,262
Non-Current Assets	1,072,721	366,925
Total Assets	1,748,870	1,036,186
Current Liabilities	472,800	376,121
Non-Current Liabilities	677,704	89,113
Total liabilities	1,150,504	465,234
Equity	599,111	572,439
Minority interests	(745)	(1,487)
Total liabilities & Equity	1,748,870	1,036,186

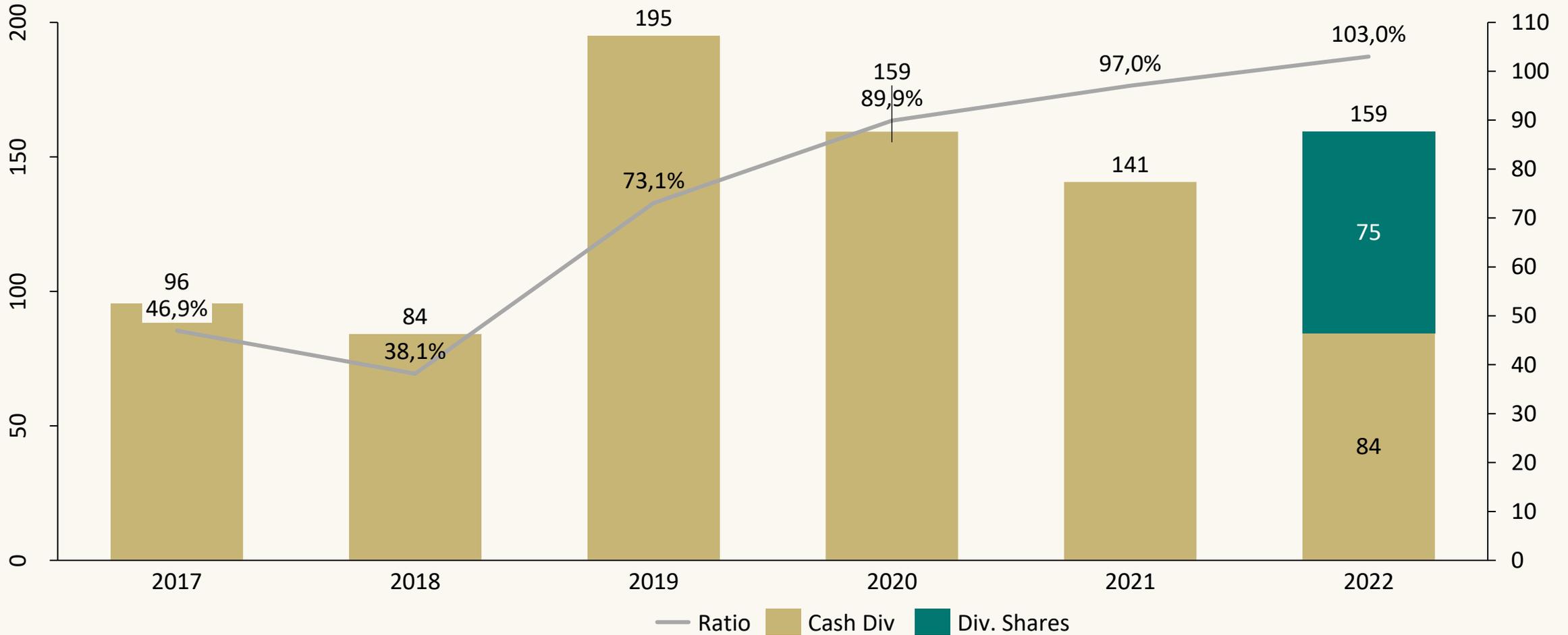
Retained Earnings

Beginning Balance – Dec 21	126,791
Dividends Distribution	(121,875)
Net Income 2021	154,111
Transferred to Statutory reserves	(15,411)
Retained Earnings – Dec-22	143,618

Cash Ratio	Current Ratio	Working Capital (MM SAR)
▽ Dec-22 Dec-21	▽ Dec-22 Dec-21	▽ Dec-22 Dec-21
(51%) 187% 37%	(19%) 1.43 1.78	(30%) 205,252 293,140
Days Payable Outstanding	ROE	Operating Cash Flow
Dec-22 Dec-21	△ Dec-22 Dec-21	Dec-22 Dec-21
2 56 58	2% 26% 25%	1.74% 19%



Total Dividends For Shareholders



Share dividends SAR 75,000 related to 2022, so the payout ratio for 2022 will be 103% subject to AGM and Regulator approval

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Q / A
