



شركة مهارة
للموارد البشرية
Maharah Human
Resources Company

Maharah Human Resources Company

Leading Provider of Human Resource
Services in Saudi Arabia
Earning Call for Q2/ 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 via providing comprehensive and integrated solutions that guarantee success of our customers and the rights of the employees as well as supporting the national development.

Mission

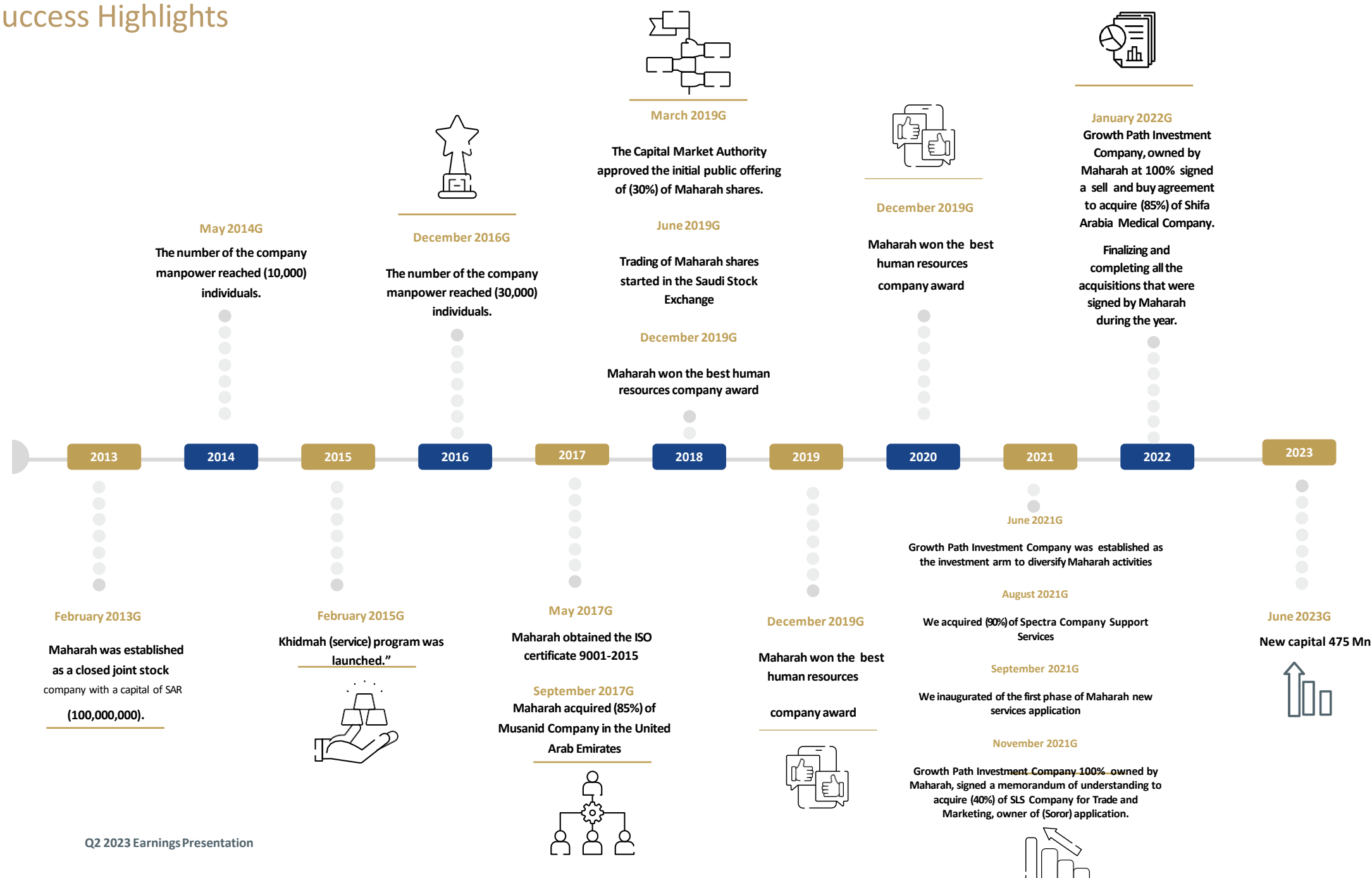
To seek to provide innovative and integrated human resources solutions and services to our customers, via an institutional work system, first-class technical systems, and strategic partnerships to serve our employees, customers, and society.

Our Values

- Innovation and creativity
- Quality and Excellence
- Focus on the client
- Integrity and transparency
- Teamwork spirit



Success Highlights



Maharah at glance



Revenue

SR 927MM
revenue increased by 17%
compared with the same
period last year.



Net profit

SR 76MM
Increased by
46% compared to 1H
2022.



Return from Investment

29 MM
Maharah share in
profit (SMS and
Kingdom hospital)



Dividend Payout (2022)

84.375 MM
2.25 SR / Share
The Company SAR 37.5 M
Dividends in the 2nd half
2022.



Share dividends 2023

- Share dividends 2023
1:5 - subject to authority
approval
- Payout ratio will be 103%.



EPS

EPS for H1 2023 SR 1.68



Market CAP

SAR 2,793 Bn
As of end H1 2023.



Maharah Market Share

Reached to the highest
number of corporate
resources among PRCs.



HRCs Market Share

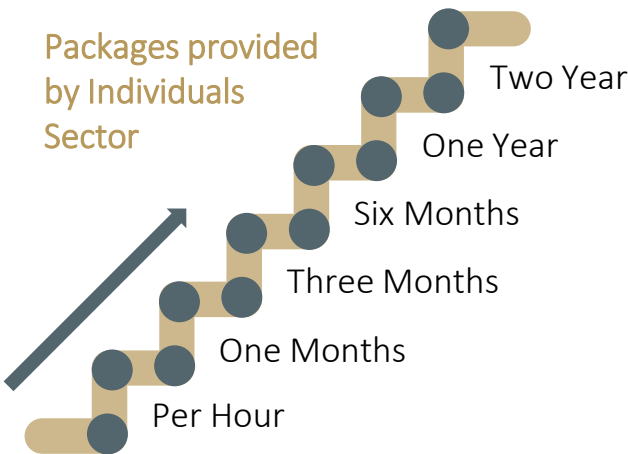
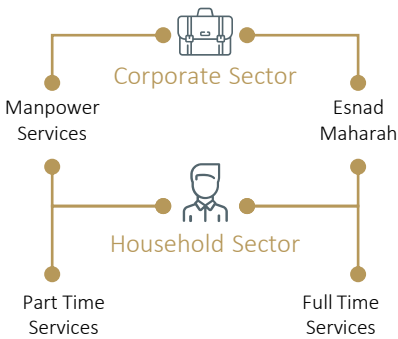
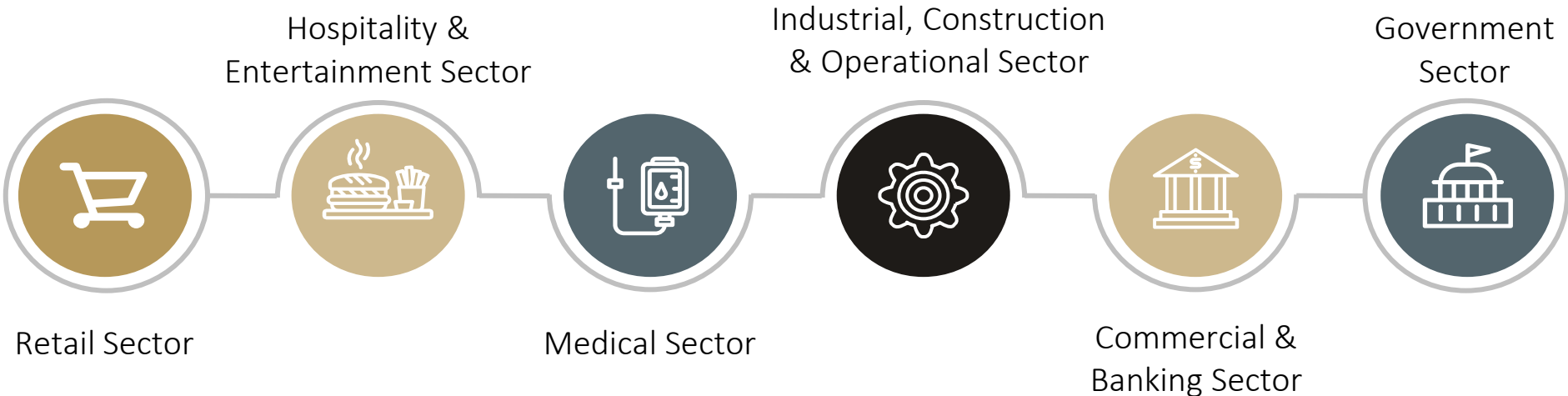
HRCs
market 2.5%.



New Capital

Capital after increase 475 Mn
Number of shares after increase
47.5M
Which contain of 45 M
shareholders &
2.5M shares as LTI

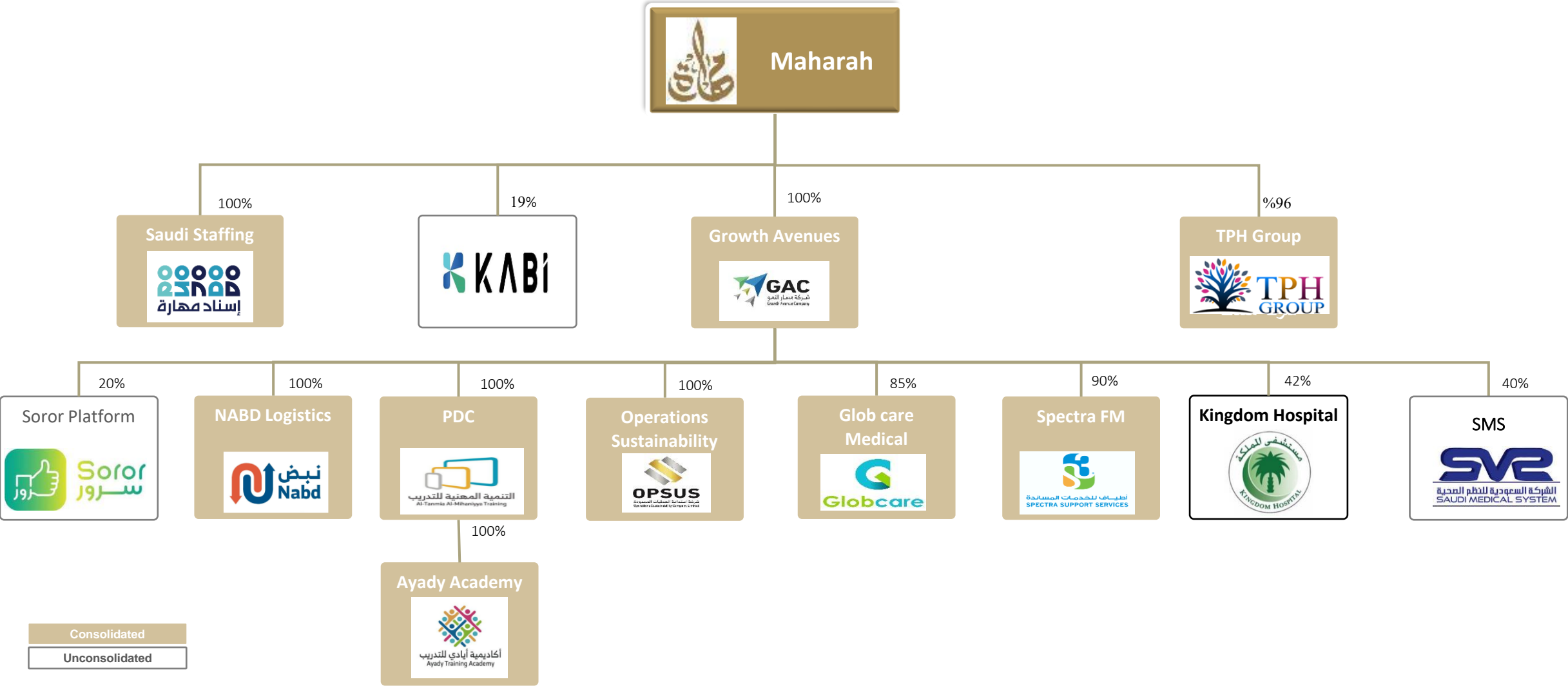
Our Integrated Solutions ... Sustainability and Innovation



Services provided by Individuals Sector



Organization



Strategic Priorities in 2023G



Drivers of achieving the strategic priorities for 2023G

Financial

Customer

Internal Processes

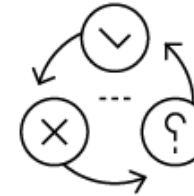
Learning and Growth



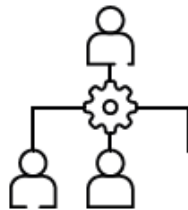
A large customers' base



A robust financial adequacy



Multiple services and solutions
that align with the changing
requirements based on
established experiences



Advanced technical
systems



A wide geographical outreach

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.

There is an overall positive sentiment in the market with major changes taking place across new sectors

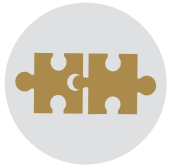
Overview of key opportunities

Opportunities



Unlocking of new Vision 2030 sectors

Hospitality, leisure, tourism, entertainment, sports, advanced manufacturing, renewable energy, etc.



Cities of the future / Giga projects / Regional Development

NEOM, Red Sea, Qiddiya, Diriyah, AlUla, etc.



Local content agenda/drive (championed by LCGPA)

Increased focus on in-country value capture / adding value locally to the KSA economy



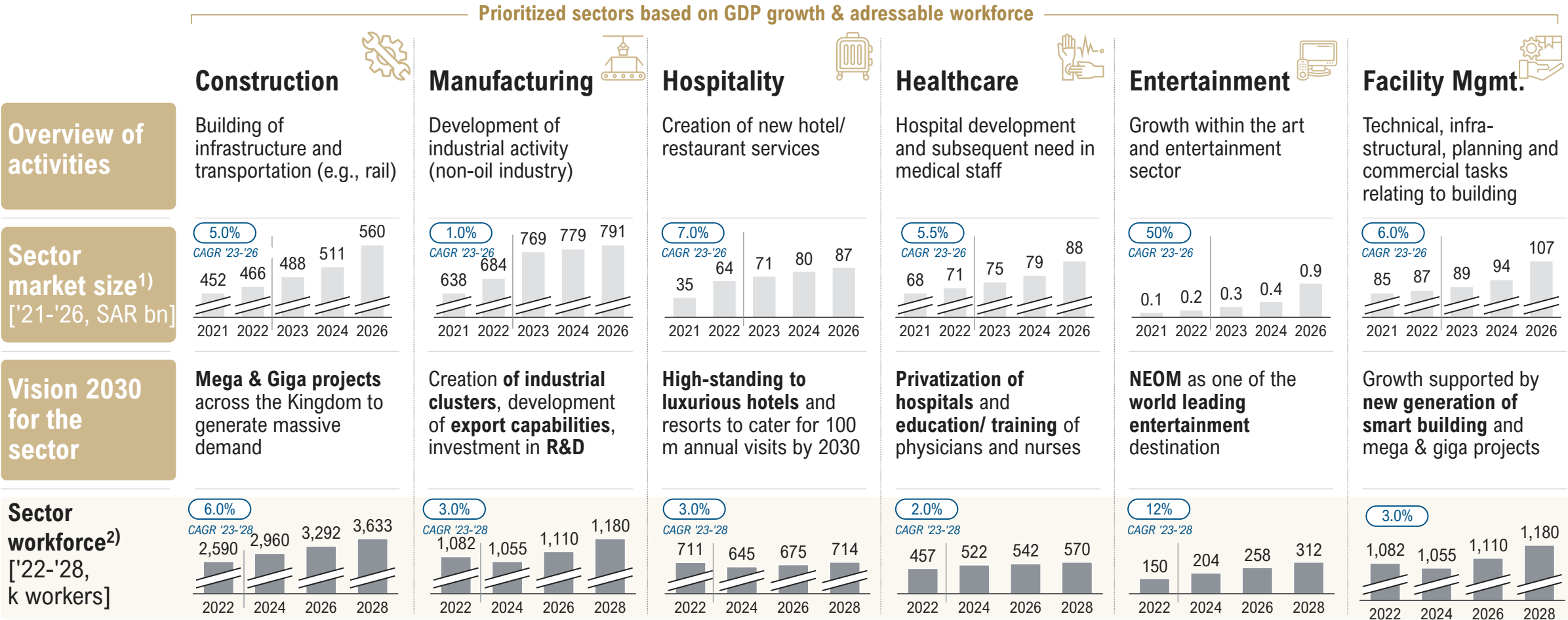
Robust socio-economic and demographic developments

Positive macro-economic and robust sentiment on the overall direction of the Kingdom's development



Market outlook present a positive growth as well as a sizeable potential in workforce demand in the coming years

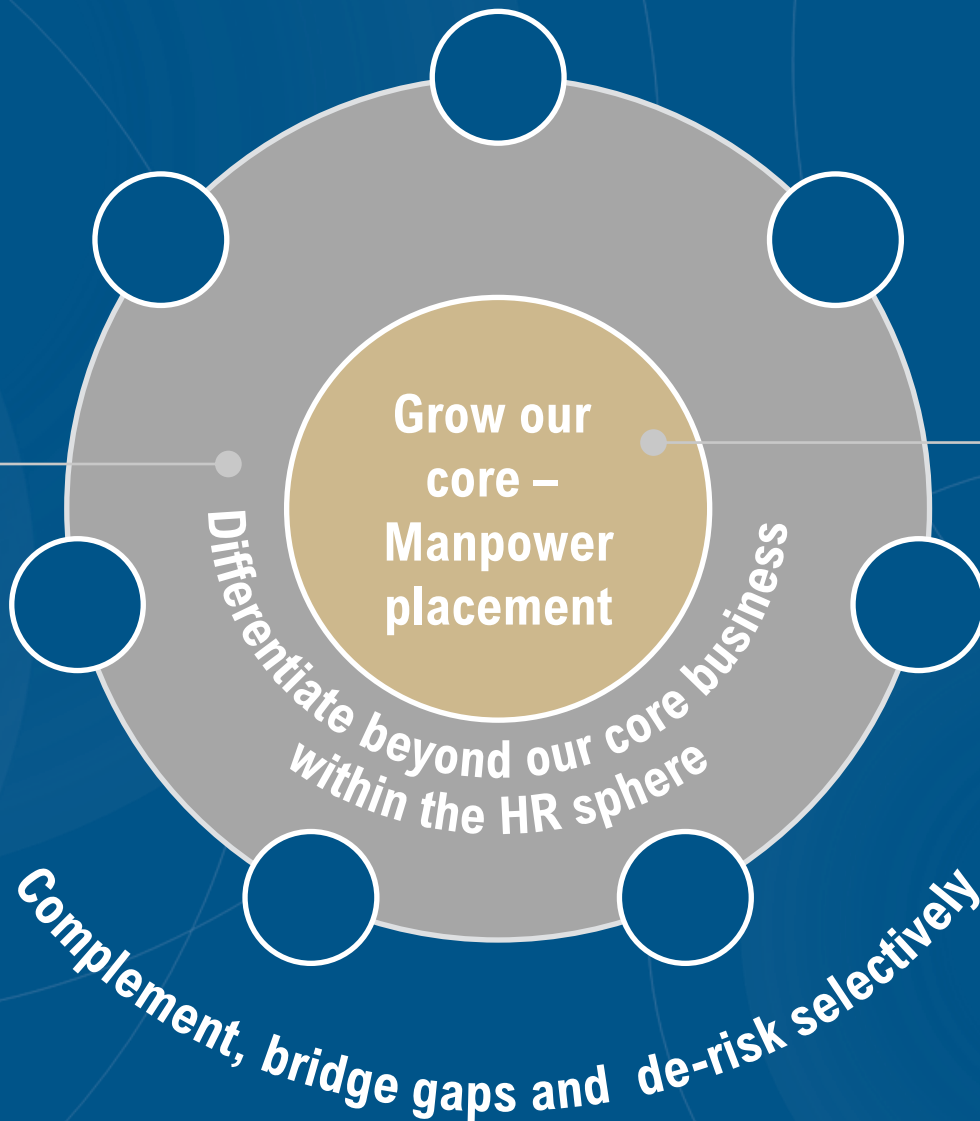
Key features of prioritized sectors



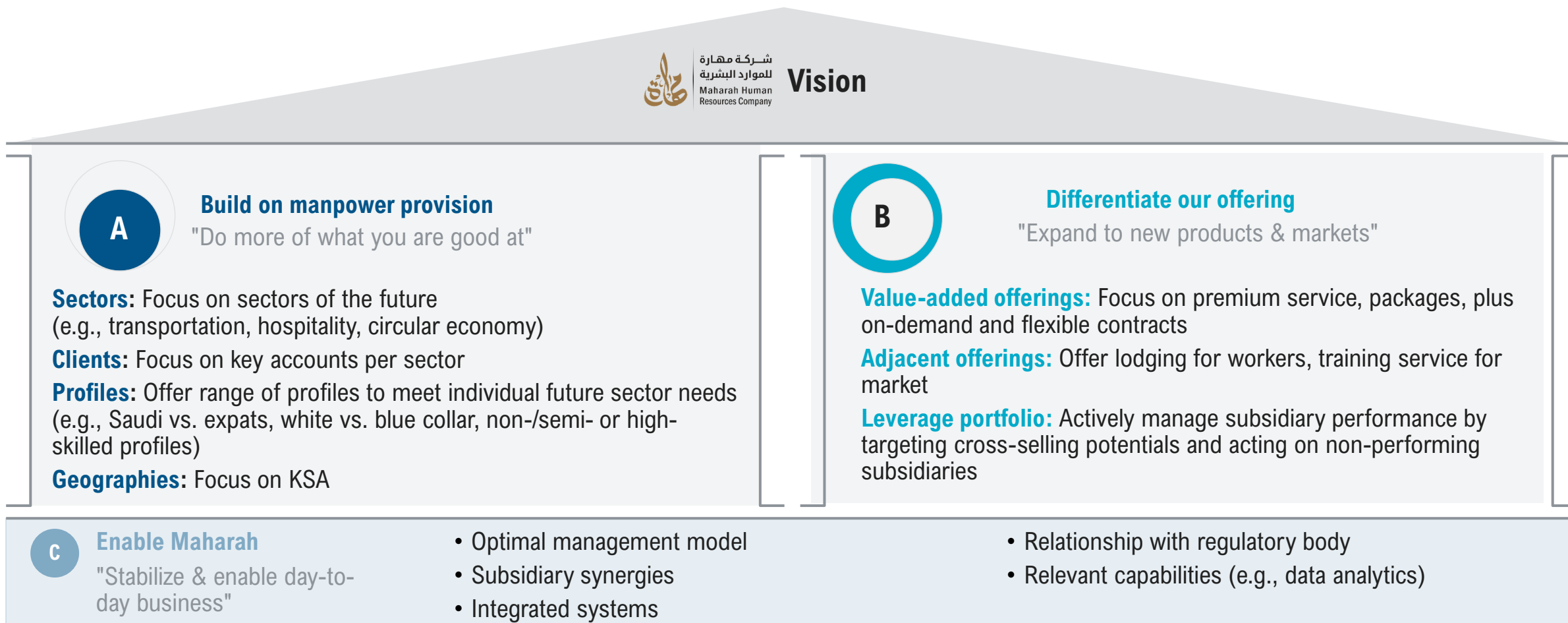
Philosophy of the strategy

Maharah to offer complementary products and services to support its core

Maharah is a listed manpower placement company – 'This is what we are known for, this is what we do well'



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



Key Operational Achievements



Diversify the Service Offerings:

- New services (Brokrage , Maharah Elite)
- Targeting to attract a wider customer base.



Target Specific Nationalities:

- Onboarding from Sri Lanka
- Other Possible Countries



Open a new corporate center

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



New contracts

Major contracts has been signed with difference industries in the Q2 with a demand reach 3K+

Key Achievements



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



Revenues

Esnad has reached more than 40 million year-to-date

Number of hires

number of hires since the beginning of 2023 reached 3 digits FTEs employed.

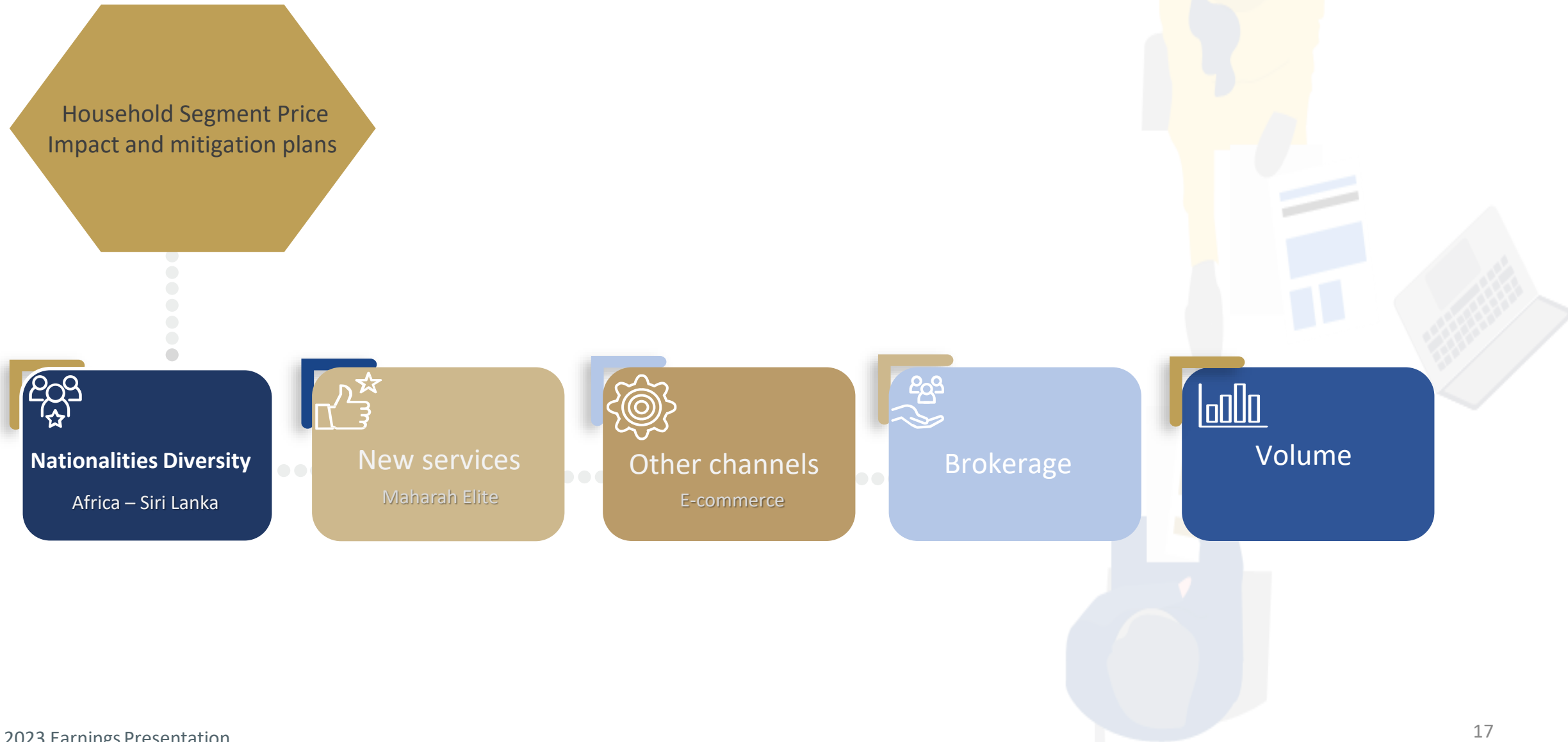
Expansion

Wide Pipeline in the Process

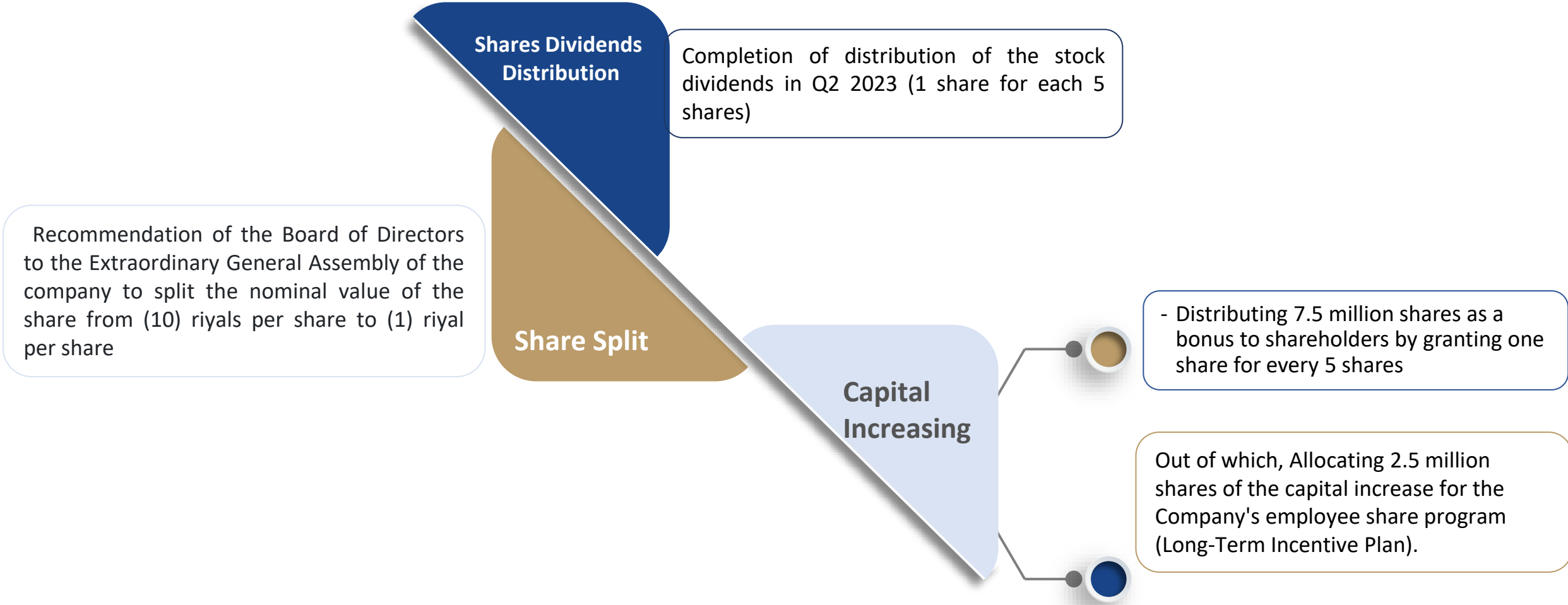
Contracts

Signed with more than 17 governmental, semi- governmental and private sector

Household Applied New Regulations

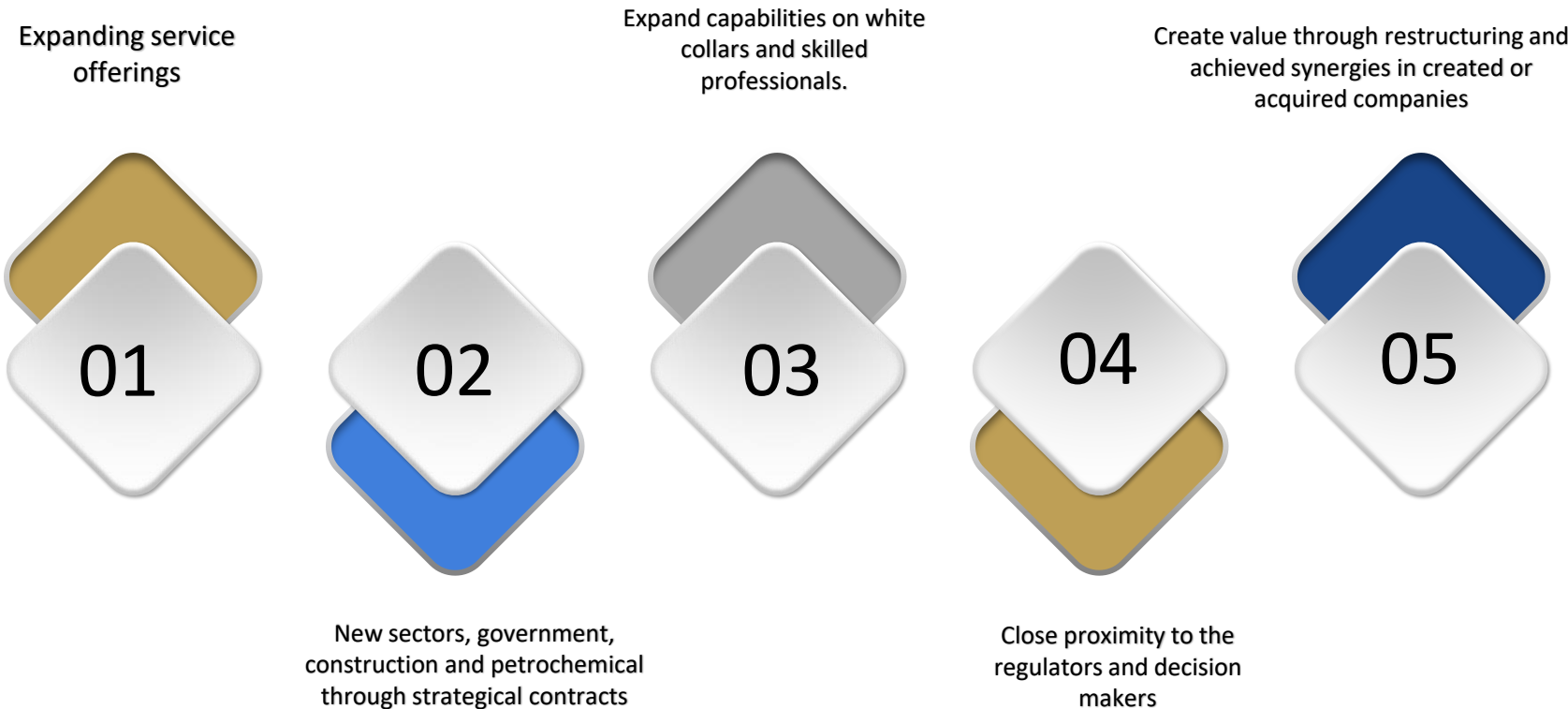


Capital Structuring

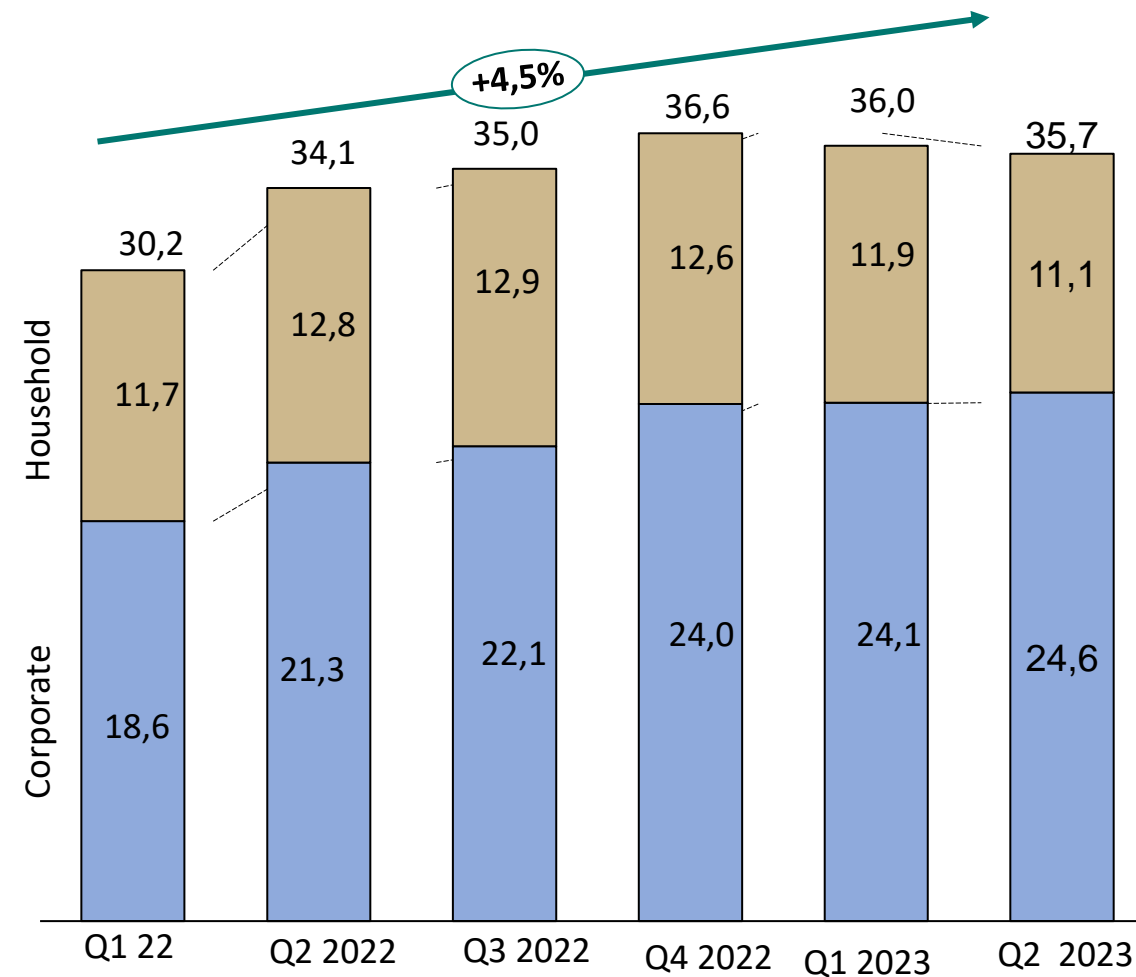
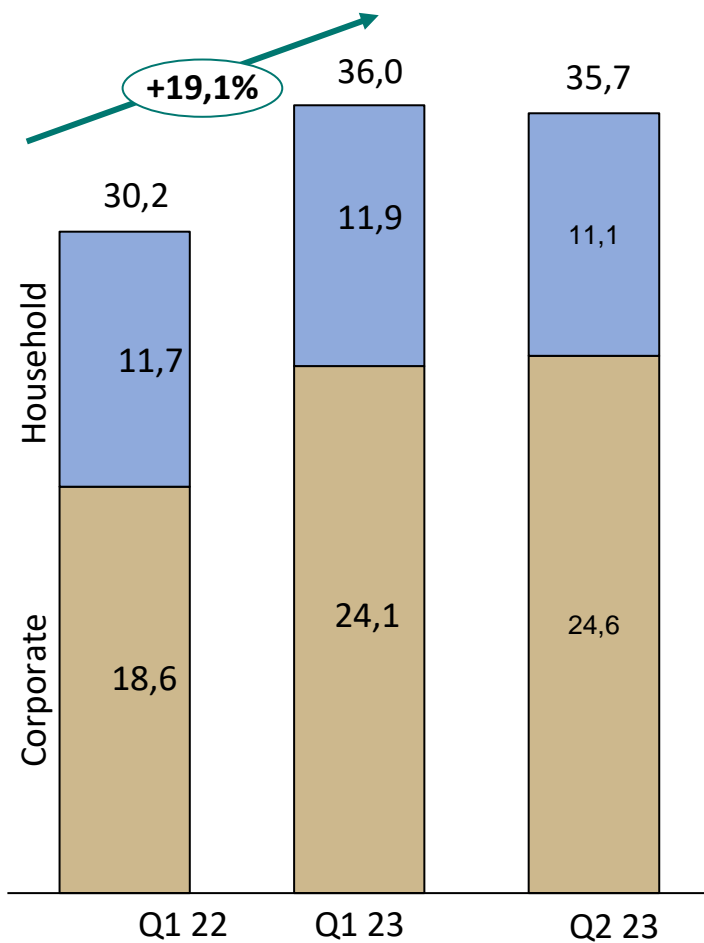




The company continues its efforts and work to improve profit margins through:



Workforce Numbers (2022 / 2023)



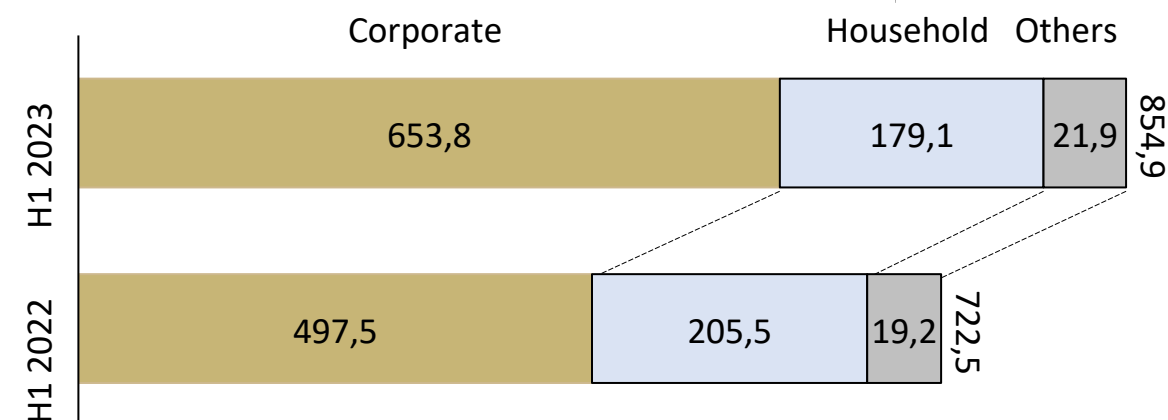


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Financial Performance

Financial Highlights for H1/ 2023.

MILILION SAR	2023 H1	2022 H1	%
Revenue	926,535	790,561	17%
Cost of Revenue	(804,849)	(685,488)	17%
Gross Profit	121,686	105,073	16%
G&A Expenses	(47,879)	(44,728.91)	7%
Marketing Expenses	(7,663)	(6,508)	18%
Provision for Doubtful debt	(3,835)	(709)	441%
Income From Main Operations	62,309	53,127	17%
Other Income	6,983	2,035	242%
Finance cost	(20,655)	(722)	2759%
Share in net loss of an associate	29,396	(80)	(36760%)
Net gain on equity investments at FVTPL	635	2,800	(77%)
Income before Zakat	78,668	57,990	36%
Zakat	(3,500)	(7,468)	(53%)
Net Income (for the period)	75,168	50,522	49%
Non-Controlling Interests	(605)	(1,484)	(59%)
Net Income to Parent Company	75,773	52,006	46%
Gross Margin %	13%	13%	
Operating Margin %	7%	7%	
Net Margin %	8%	6%	



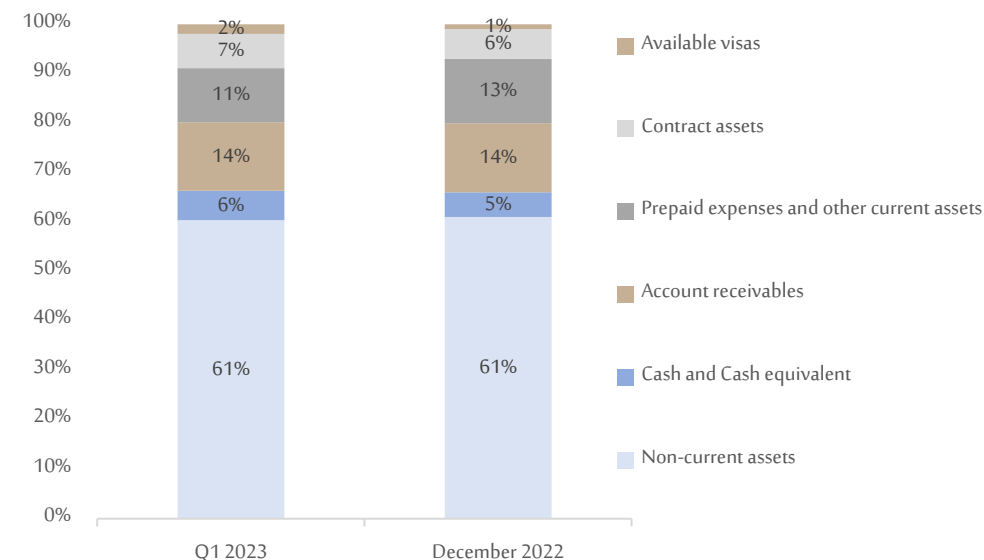
Segment	H 1 2023	H1 2022	Growth H1 22 Vs. H1 23
Industrial Sector	224,310	141,895	58%
Retail Sector	145,733	106,723	37%
Commercial Sector	58,436	43,571	34%
Hospitality Sector	107,233	105,211	2%
Isnad Gov. sector	27,583	10,576	161%
Healthcare Sector	90,505	89,525	1%
Others	21,917	19,532	12%
Individual	179,199	205,462	-13%
Total	854,916	722,495	18%

Financial highlights for H1 2023



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	H1 2023	Dec-22
Current Assets	695,496	676,149
Non-Current Assets	1,065,079	1,072,721
Total Assets	1,760,575	1,748,870
Current Liabilities	439,850	472,801
Non-Current Liabilities	683,972	677,704
Total liabilities	1,123,821	1,150,505
Equity	638,105	599,111
Minority interests	-1,351	-746
Total liabilities & Equity	1,760,575	1,748,870



Cash Ratio		
△	H1 -2023	Dec-22
32%	35%	18%

Current Ratio		
△	H1 2023	Dec-22
3%	1.58	1.43

Working Capital (MM SAR)		
△	H1 -2023	Dec-22
9%	255,646	203,348

ROA		
△	H1-2023	Dec-22
8%	10%	9%

ROE		
△	H1-2023	Dec-22
8%	28%	26%

Retained Earnings	
Beginning Balance – Dec 22	143,619
Dividends Distribution	(37,500)
Capital Increase	(100,000)
Treasury Stock	25000
Net Income H1-23	75,773
Retained Earnings – June-23	106,892



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Q / A

IR Contacts



+966-54-436-6577



Investors@maharah.com

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Earnings Release

