

Date: 28 April 2019

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M/S . / Bursa Kuwait Company

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،

Subject: Supplementary Disclosure for the Analysts/Investors Conference for the First Quarter of 2019

الموضوع: إفصاح مكمل لمؤتمر المحللين/المستثمرين للربع السنوي الأول من العام 2019

We hereby disclose in this document the supplementary disclosure for the Investors/Analysts conference for the first quarter of 2019 of Human Soft Holding.

نفسح لكم بموجب هذا الكتاب الإفصاح التكميلي لمؤتمر المحللين/المستثمرين للربع السنوي الأول من العام 2019 لشركة هيومن سوفت القابضة.

Kindly find attached the above-mentioned conference presentation for the first quarter of 2019.

مرفق طيه العرض التقديمي للمؤتمر سالف الذكر أعلاه عن الربع السنوي الأول من العام 2019.

Yours Sincerely,

وتفضلوا بقبول فائق الاحترام،،،

طارق فهد العثمان

رئيس مجلس الإدارة

Tareq Fahad Al Othman
Chairman of the Board of Directors



Humansoft Holding Company KSCP
Investor Presentation, 23 April 2019
Q1 2019 Results

HUMANSOFT

Empowering People Through Knowledge

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Table of contents

	Page
Humansoft overview	4-6
Share price performance	7
17th largest by market cap	8
Research coverage and IR	9
Q1 2019 financial performance	10
Student enrollment	11
Continued focus on quality	12
Student achievements in Q1 2019	13
AUM ACM campus	14
Key financials	15-17

Humansoft at a glance



Leading
private higher
education company
in the GCC

20+
years of operating
experience

12,356¹
enrolled students in
AUM and ACM

**University
of choice**
for Engineering, IT
and Business

**USD
231 million**
in revenue²

**USD 129
million**
in EBITDA²

40%
2013-18 EBITDA
CAGR

185 fils
cash dividend for
2018

¹ enrolled for Fall 2018 semester

² LTM Q1 2019

Over 20 years of dedication to quality education

- Humansoft has a history of over 20 years of operation in the field of Education and Training
- Initially the company started as an IT and Language training company in Kuwait, and expanded its activities to Dubai, Qatar and Abu Dhabi
- The initial 10 years since inception shaped the culture of Humansoft, where the company was the education partner for all the major IT vendors such as Microsoft, Oracle, Novell, SCO Unix, Autodesk, CISCO, HP, etc
- This expertise and success of Humansoft laid the foundation for entry into Higher Education



ABET

ABET accreditation for AUM's Industrial Engineering, Computer Engineering, Electrical Engineering, and Telecommunications and Networking Technology programs

- Humansoft listed on the Kuwait Stock Exchange
- Received necessary licenses to start American University of Middle East (AUM)

1997

2005

2018

2003

Humansoft received necessary licenses to start American College of Middle East (ACM)

2008

- ACM and AUM started operations
- AUM and ACM are located in Egaila and the campus is built on 261,000 sqm of land leased from the Kuwait Government

2019

- Humansoft has been upgraded to Boursa Kuwait's Premier Market effective 10 February 2019
- ACBSP accreditation for ACM's business programs



Board & Executive Management

Board of Directors

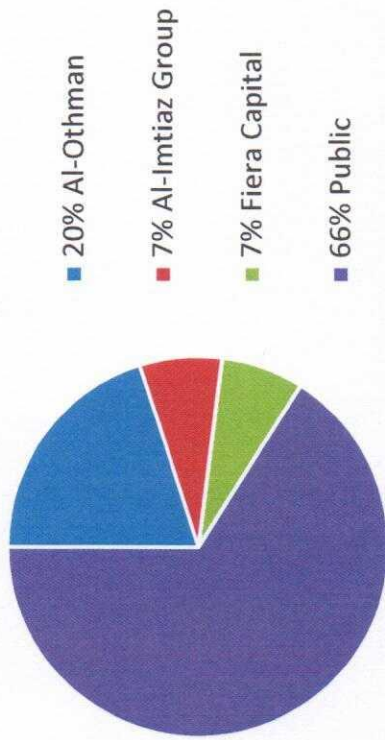
Name	Position
Tareq Fahad Al-Othman	Chairman
Mayank Baxi	Vice Chairman
Ahmad Sulaiman Al-Khaled	Director - Representative of Al-Imtiaz Group
Othman Abdullah Al-Othman	Director
Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Mayank Baxi	CEO
Dalal Sabti	Vice President - Administration and Finance & CEO of Al Arabiya Educational Enterprises
Anup Dhand	Head of Internal Audit and Risk Management
Mohammed Aslam	CEO - Humansoft Learning
Dr. Mohaned Hassanin	Provost AUM and ACM

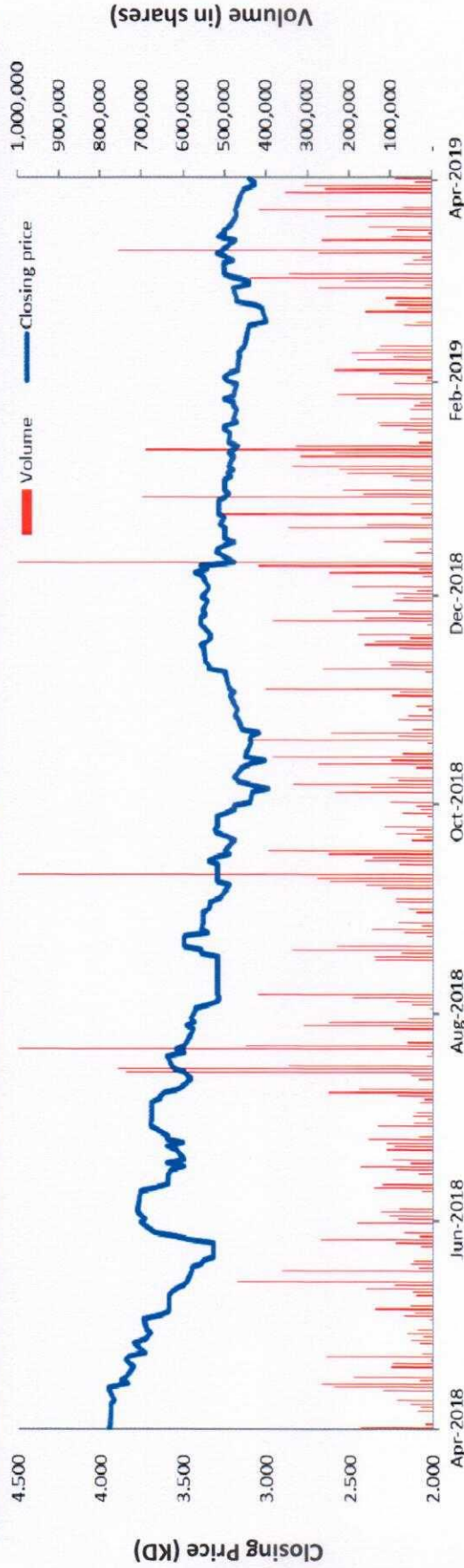
Share price performance

Shareholding (11 April 2019)



Closing price as at 11 April 2019	KD 3.100
Market Cap (KD mn) ¹	377
Market Cap (USD bn)	1.2
6m avg. daily trading volume (% of shares outstanding) ²	0.14%
52-weeks high	3.950
52-weeks low	2.996
Current trading multiples³	
EV/EBITDA (LTM Q1 2019)	9.6x
P/E (LTM Q1 2019)	11.6x
Cash dividend yield	5.9%

1-year share price performance



¹ Based on 121,654,352 shares outstanding

² Including 1.1 million shares sold through special trades

³ Based on closing share price of KD 3.100 as at 11 April 2019 and LTM Q1 2019 financials

Humansoft is the 17th largest by market cap on Boursa Kuwait





Name	Sector	Market Cap (KD million)	Rank	Boursa Kuwait segment
National Bank of Kuwait	Banking	5,897	1	Premier
Kuwait Finance House	Banking	4,552	2	Premier
Ahli United Bank AUB (Bahrain)	Banking	2,220	3	Premier
Zain	Telecom	2,012	4	Premier
Boubyan Bank	Banking	1,551	5	Premier
Agility Public Warehousing Co	Logistics	1,351	6	Premier
Commercial Bank of Kuwait	Banking	1,207	7	Main
Gulf Bank	Banking	925	8	Premier
Burgan Bank	Banking	888	9	Premier
Mabaneer	Real Estate	649	10	Premier
Ahli United Bank AUB (Kuwait)	Banking	601	11	Main
Ahli Bank of Kuwait ABK	Banking	533	12	Main
Boubyan Petrochemicals	Diversified	504	13	Premier
Egypt Kuwait Holding Co	Diversified	466	14	Main
VIVA Kuwait	Telecom	419	15	Main
Qurain Petrochemicals	Diversified	401	16	Premier
Humansoft	Education	377	17	Premier
Warba Bank	Banking	377	17	Premier
Ooredoo Kuwait	Telecom	353	18	Main
KIPCO	Diversified	345	19	Premier
Kuwait International Bank	Banking	317	20	Premier

17th largest by market cap
8th largest non-banking stock



Based on market cap as at 11 Apr 2019

Research coverage and IR

Broker	Target price	Date	Analysts
	6.300	4 February 2019	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	6.160	29 July 2018	<ul style="list-style-type: none"> • Mohamed Zein • Aly Adel
	5.250	25 March 2018	<ul style="list-style-type: none"> • Khaled Sadek • Ahmed El Moataz
	5.200	19 March 2019	<ul style="list-style-type: none"> • Michel Salameh
	5.100	26 November 2018	<ul style="list-style-type: none"> • Ankur Agarwal • Parsita Kundu
	5.000	30 January 2019	<ul style="list-style-type: none"> • Taher Safieddine
	4.200	14 April 2019	<ul style="list-style-type: none"> • Meera Reddy

Research coverage

Investor Relations activities

Q1 2019 IR events

- March 2019: EFG Conference in Dubai

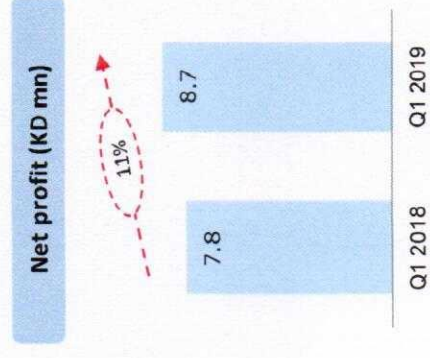
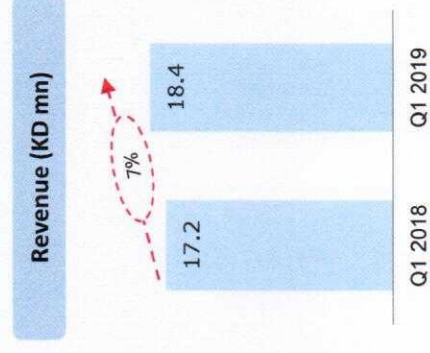
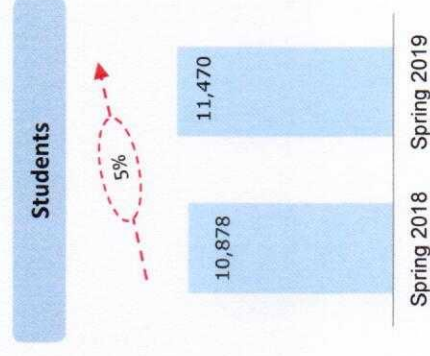
Upcoming events

- 29 April 2019: Kuwait Corporate Day Event in London organized by Morgan Stanley

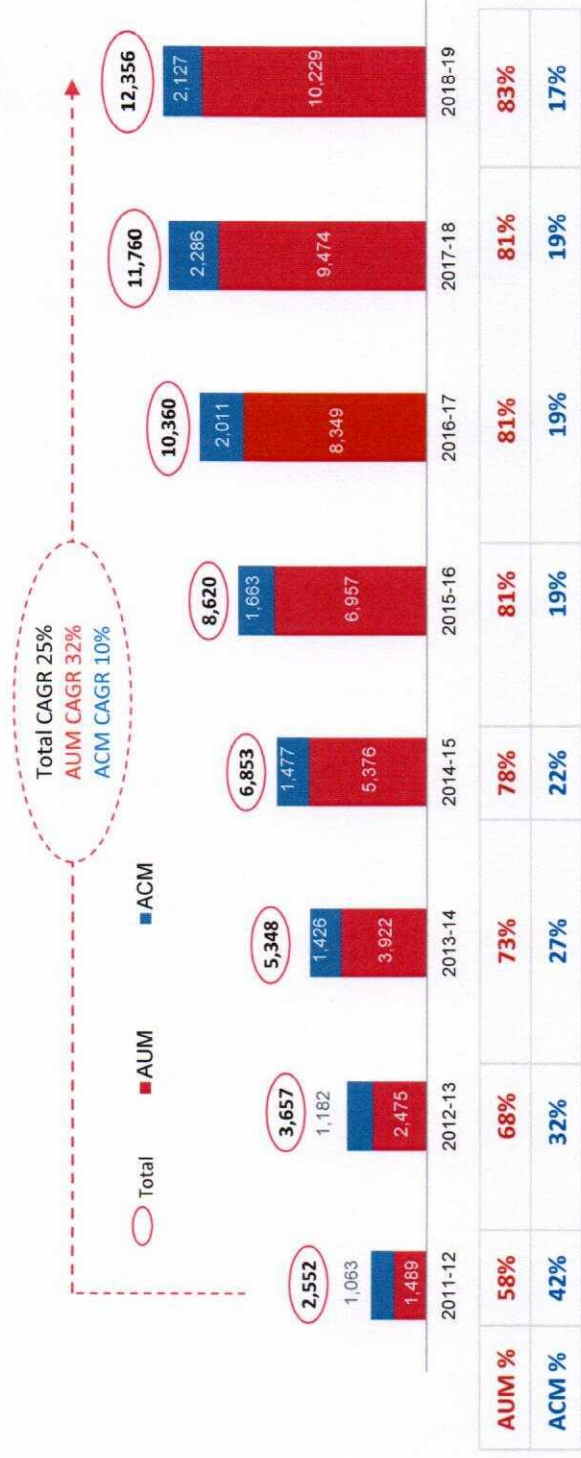
Q1 2019 financial performance

- A total of 11,470 students are enrolled in AUM and ACM for the Spring 2019 semester
- Humansoft recorded a revenue growth of 7.1% in Q1 2019 over Q1 2018 on the back of higher enrolled students
- Q1 2019 EBITDA of KD 10.5 million was 12.6% higher than Q1 2018. EBITDA margins have improved by 2.8%
- Q1 2019 net profit is KD 8.7 million, a growth of 11.3% on Q1 2018, leading to an EPS of 72 fils per share. Net margins at 47.4% were higher by 1.8%

Key figures and ratios	Q1 2018	Q1 2019	Change
Number of students (Spring semester)	10,878	11,470	5.4%
Revenue (KD mn)	17.2	18.4	7.1%
EBITDA (KD mn)	9.3	10.5	12.6%
%	54.2%	57.0%	2.8%
Net profit (KD mn)	7.8	8.7	11.3%
%	45.6%	47.4%	1.8%
EPS (in fils)	64	72	12.5%
Equity (KD mn)	64.7	75.8	17.2%
Total Assets (KD mn)	117.3	129.9	10.7%



Student enrollment at AUM has grown at a CAGR of 32%



Total students enrolled
(beginning of the Fall semester)

- Student enrollment at AUM has grown at a CAGR of 32% between the academic years 2011-12 to 2018-19
- AUM, which is Humansoft's flagship institution, represents 83% of the total students enrolled at Humansoft

Deferred income as of 31 March 2019

- The deferred income as of 31 March 2019 is KD 17.4 million
- 7.6% higher than the deferred income as of 31 March 2018

In January 2019, the Department of Business Administration at the American College of the Middle East (ACM) has been officially accredited by the Accreditation Council for Business Schools and Programs (ACBSP) in the following programs:

Accreditations

- Diploma (Associate of science degree) in Business Administration - Accounting
- Diploma (Associate of science degree) in Business Administration - Financial Services
- Diploma (Associate of science degree) in Business Administration - Human Resources Management
- Diploma (Associate of science degree) in Business Administration - Marketing

Student achievements in Q1 2019

- AUM qualified for the Final National Round of “GCC Robotics Challenge” in UAE, after winning 1st & 2nd place in the 4th GCC Robotics Challenge - Local Round, held in Kuwait
- AUM breaks Guinness World Record for the Largest Mosaic shirt (Flag of Kuwait) on the occasion of the National Holidays. The 5,160 shirts used by students to build the 1,570.55 m² flag were donated to charitable organizations
- AUM Team won 1st place in the Second GE Engineering Tech Challenge held at General Electric’s Kuwait Technology Center
- AUM Students won four 1st places and one 2nd place in five competitions in the 9th International Conference on Industrial Engineering and Operations Management (IEOM) in Bangkok, Thailand
- AUM won 1st place in the 12th KNPC Annual Health Safety & Environment (HSE) Performance Award
- AUM won 1st place in the Swimming (male category) tournament organized by the University Athletic Association of Kuwait (UAAK)



4th GCC Robotics Challenge - Local Round



Guinness World Record for Largest Shirt Mosaic Flag



9th IEOM International Conference held in Bangkok



Second GE Engineering Tech Challenge



12th KNPC Annual HSE Performance Award



AUM Swimming Team

AUM ACM Campus

- The pictures below and video (link below) show a glimpse of campus life

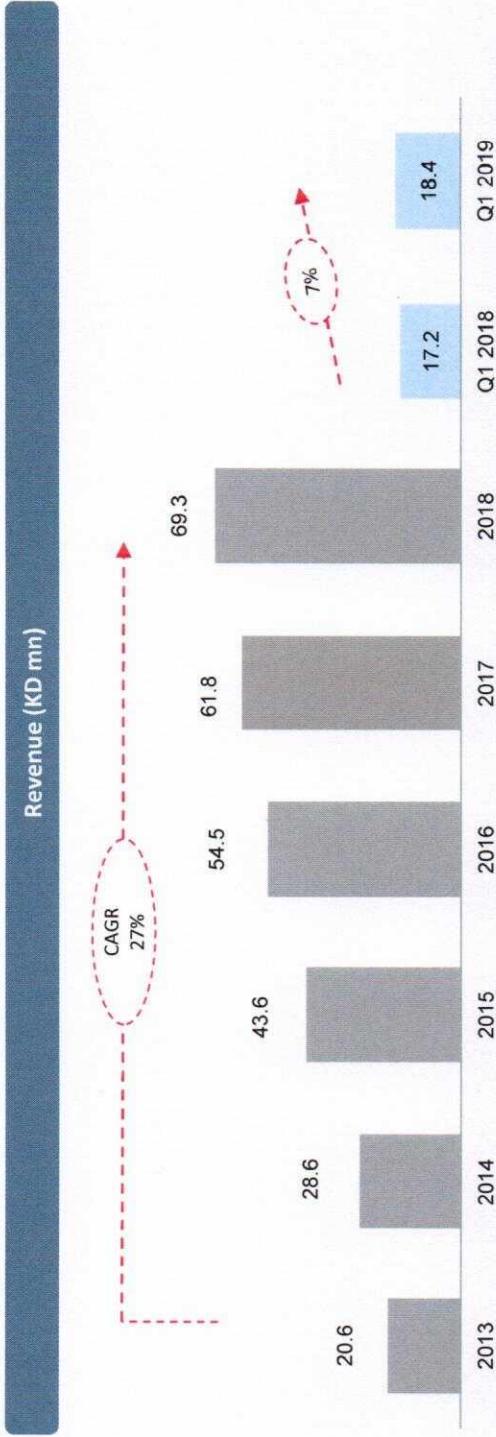


Campus video: <https://www.youtube.com/watch?v=-lE526uWeMM&feature=youtu.be>

or

<https://www.human-soft.com/our-subsiaries/american-university-of-the-middle-east/>

Humansoft registered a 7% revenue growth in Q1 2019 compared to Q1 2018



- Humansoft's revenue grew at a CAGR of 27% between 2013-18, due to strong student growth in AUM and ACM and tuition increase in 2014 (AUM) and 2015 (ACM)

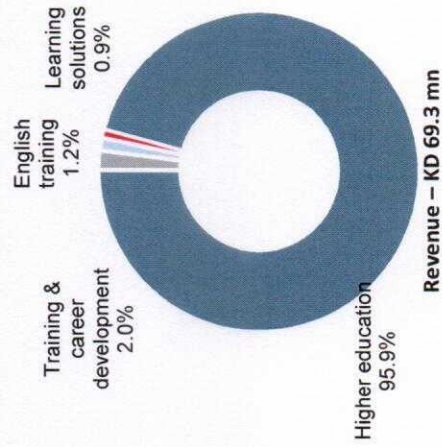
- The company registered a 7% revenue growth in Q1 2019 compared to the same period last year

- The higher education segment accounted for 95.9% of the Company's revenues in FY 2018

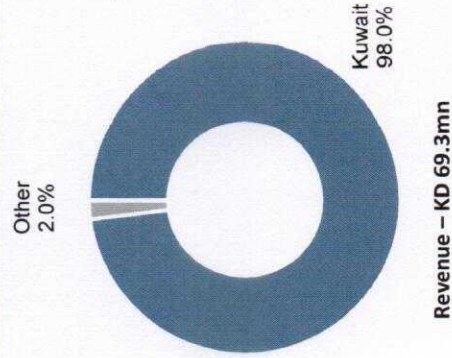
- Kuwait accounted for 98% of the Company's revenues in 2018

Revenue segmentation

By segment (2018)



By geography (2018)



Gross margins for Q1 2019 maintained at 76%. Net margins higher by 1.8%

- EBITDA grew at a CAGR of 40% in the period 2013-18. EBITDA margin for Q1 2019 was 57%

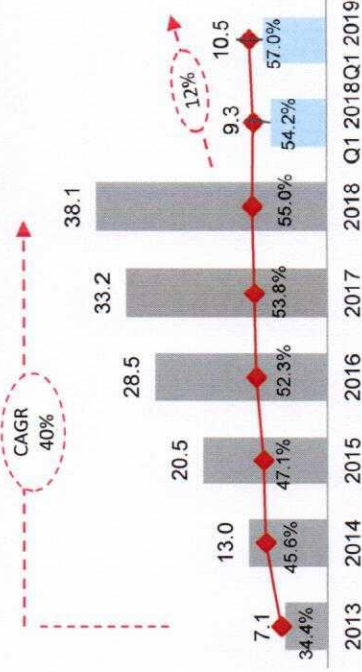
- Humansoft's net profit grew at a CAGR of 44% between 2013-18. Q1 2019 net profit of KD 8.7mn was 11% higher than Q1 2018

- For 2018, Humansoft Shareholders have approved payment of 185 fils per share as cash dividend (payout ratio of 71%)

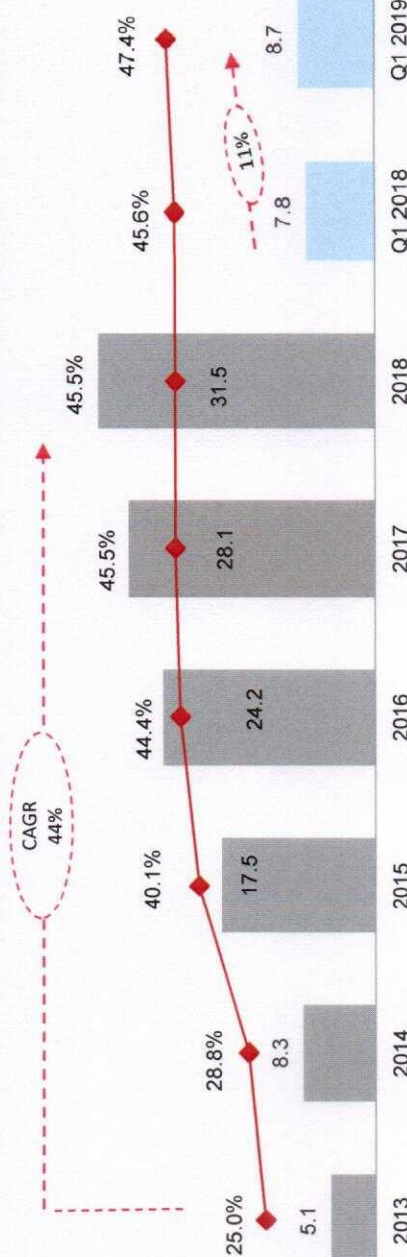
Gross profit (KD mn) and gross profit margin



EBITDA (KD mn) and EBITDA margin



Net profit (KD mn) and net profit margin



	2013	2014	2015	2016	2017	2018	Q1 2018	Q1 2019
Earning per share (in fils)	42	68	144	199	231	259	64	72
Cash dividend per share (in fils)	35	90	115	160	175	185	-	-
Share dividend per share (%)	7%	-	-	-	-	-	-	-

Strong ROA and ROE on a strengthening asset and equity base

- Humansoft has invested capex of KD 44 mn in 2015-18, to expand capacity and provide state of the art facilities for students. Capex in Q1 2019 was KD 0.5 mn

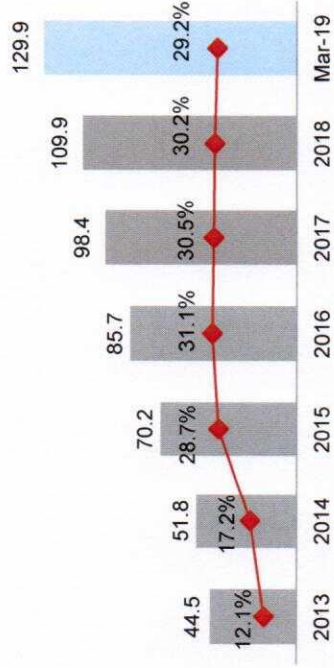
- In spite of the increased asset base, Humansoft's Return on Average Assets was 29.2% (annualized) in Q1 2019

- Humansoft's strong earnings have resulted in a strong dividend payment and steady growth in shareholders equity to KD 75.8 mn as of March 2019 (prior to 2018 dividend payment)

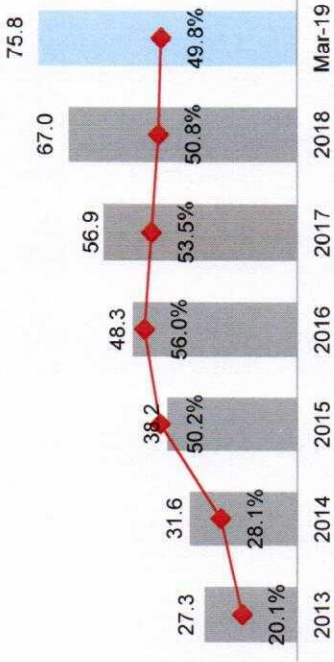
- As of March 2019, Humansoft had net cash of KD 33.3 mn

- Humansoft owns a 2,500 sqm plot of land in Sharq (Kuwait city), which is carried on the books at cost of KD 5.3 mn. This land is a non-operating asset

Total assets (KD mn) and ROAA



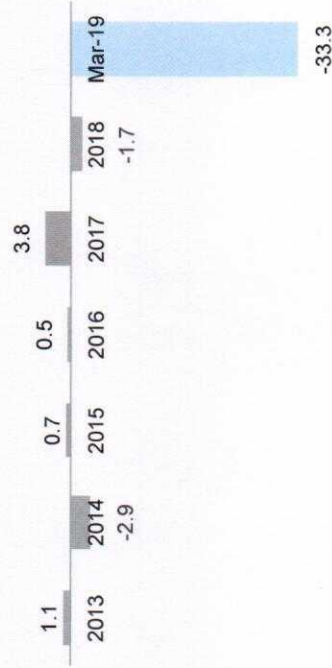
Total equity (KD mn) and ROAE



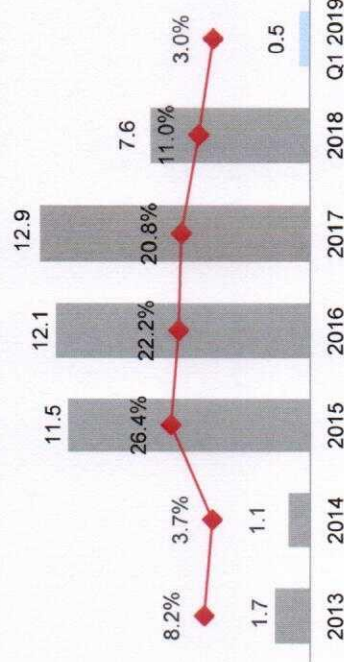
Cash dividend payout %

2013	100%
2014	132%
2015	79%
2016	80%
2017	76%
2018	71%

Net Debt¹ (KD mn)



Capex (KD mn) and capex as % of revenue



¹ Debt less cash