

Date: 17th October 2019

التاريخ: 17 أكتوبر 2019

M/S . / Boursa Kuwait Company

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،

**Subject: Analysts/Investors Conference Call for the
Third Quarter of 2019**

**الموضوع: انعقاد مؤتمر المحللين/المستثمرين للربع الثالث من العام
2019**

Pursuant to the provisions of the Article (2-4-8) "Premier Market Continuous Obligations" of the Boursa Rules issued under resolution No. 1 of 2018, and since Human Soft Holding (KSCP) got classified under the Premier Market.

عملاً بأحكام المادة رقم (2-4-8) "الالتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن شركة هيومن سوفت القابضة (ش.م.ك.ع.) تم تصنيفها ضمن مجموعة "السوق الأول".

Kindly note that the Investors/Analysts Conference Call for the third quarter of the year 2019 was held at 3:00 PM (local time) on Thursday 17/10/2019. No significant material information has been discussed during the Conference Call. Human Soft will disclose the minutes of the Conference Call as per the applied regulations.

يرجى الإحاطة بأن مؤتمر المحللين/المستثمرين (Conference Call) للربع الثالث من العام 2019 قد انعقد يوم الخميس الموافق 2019/10/17 في تمام الساعة الثالثة عصراً (وفق التوقيت المحلي)، ولم يتم تداول أي معلومة جوهرية وأن الشركة سوف تقوم بالإفصاح عن محضر المؤتمر خلال الموعد المحدد وفقاً للقواعد المعتمدة.

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

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

Yours Sincerely,

وتفضلوا بقبول فائق الاحترام،،،



دلال حسن السبتي
رئيسة مجلس الإدارة

**Dalal Hasan Al Sabti
Chairperson of the Board of Directors**

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NR



Humansoft Holding Company KSCP

Investor Presentation
Q3 2019 Results

HUMAN**SOFT**

Empowering People Through Knowledge

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Leading

private higher education company in the GCC

20+

years of operating experience

12,385¹

enrolled students in AUM and ACM

University of choice

for Engineering, IT and Business

USD 239 million

in revenue²

USD 139 million

in EBITDA²

40%

2013-18 EBITDA CAGR

185 fils

cash dividend for 2018

¹ enrolled for Fall 2019 semester

² LTM Q3 2019

Humansoft overview

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

1997

2005

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



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

- AUM introduced Civil Engineering effective Fall 2019
- ABET accreditation for AUM's Mechanical Engineering program

2019

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 upgraded to Boursa Kuwait's Premier Market effective 10 February 2019
- ACBSP accreditation for ACM's business programs
- ABET accreditation for ACM's Industrial Engineering Technology, Computer Engineering Technology, Electrical Engineering Technology and Mechanical Engineering Technology programs



Board of Directors

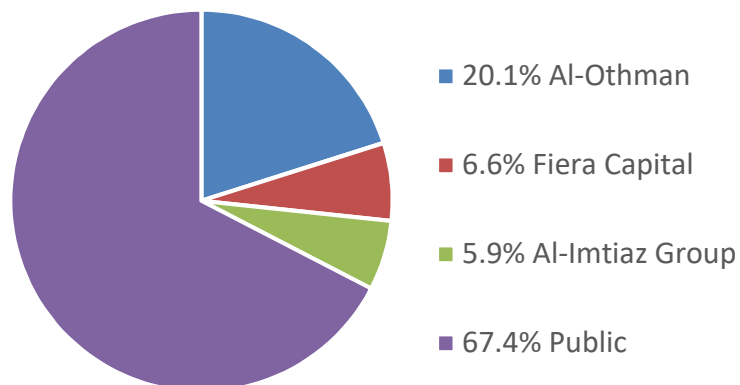
Name	Position
Dalal Hasan Al Sabti	Chairperson
Tareq Fahad Al Othman	Vice Chairman
Mayank Hasmukhlal Baxi	Director
Hasan Qasim Al Ali	Director
Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Mayank Hasmukhlal Baxi	CEO
Dalal Hasan Al 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

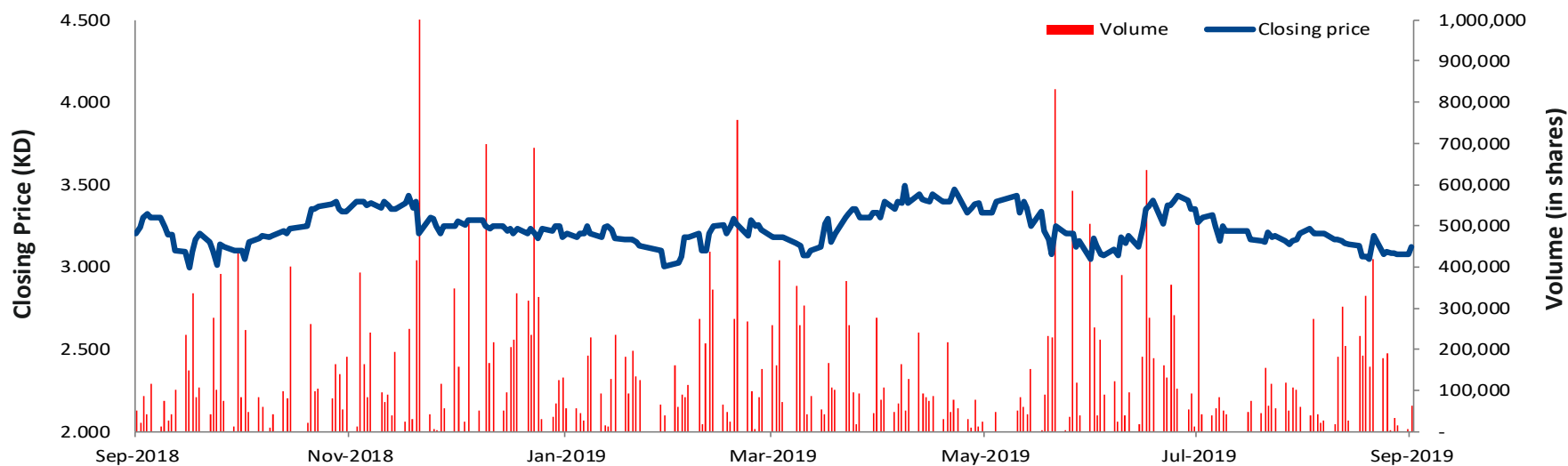
Share price performance

Shareholding (30 September 2019)



	KD
Closing price as at 30 September 2019	3.125
Market Cap (KD mn) ¹	380
Market Cap (USD bn)	1.2
6m avg. daily trading volume (% of shares outstanding)	0.11%
52-weeks high	3.490
52-weeks low	2.996
Current trading multiples ²	
EV/EBITDA (LTM Q3 2019)	8.6x
P/E (LTM Q3 2019)	10.8x
Cash dividend yield	5.9%

1-year share price performance



Q3 2019

1) Based on 121,654,352 shares outstanding

2) Based on closing share price of KD 3.125 as at 30 September 2019 and LTM Q3 2019 financials

Humansoft is the 16th largest by market cap on Boursa Kuwait

Name	Description	Market Cap (KD million)	Rank	Boursa Kuwait segment
National Bank of Kuwait	Banking	6,090	1	Premier
Kuwait Finance House	Banking	4,657	2	Premier
Ahli United Bank AUB (Bahrain)	Banking	2,352	3	Premier
Zain	Telecom	2,328	4	Premier
Boubyan Bank	Banking	1,597	5	Premier
Agility Public Warehousing Co	Logistics	1,196	6	Premier
Commercial Bank of Kuwait	Banking	974	7	Main
Burgan Bank	Banking	830	8	Premier
Gulf Bank	Banking	806	9	Premier
Mabaneer	Real Estate	794	10	Premier
Ahli United Bank AUB (Kuwait)	Banking	579	11	Main
Egypt Kuwait Holding Co	Diversified	512	12	Main
Ahli Bank of Kuwait ABK	Banking	490	13	Main
KIPCO	Diversified	433	14	Premier
Boubyan Petrochemicals	Diversified	400	15	Premier
Humansoft	Education	380	16	Premier
Warba Bank	Banking	374	17	Premier
VIVA Kuwait	Telecom	368	18	Main
Ooredoo Kuwait	Telecom	361	19	Main
Qurain Petrochemicals	Diversified	328	20	Premier

16th largest by market cap
7th largest non-banking stock

Based on market cap as at 30 Sep 2019

Research coverage and IR

Research coverage

Broker	Target price	Date	Analysts
	6.300	4 February 2019	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	5.250	25 March 2018	<ul style="list-style-type: none"> • Khaled Sadek • Ahmed El Moataz
	5.100	26 November 2018	<ul style="list-style-type: none"> • Ankur Agarwal • Parsita Kundu
	4.650	13 September 2019	<ul style="list-style-type: none"> • Taher Safieddine
	4.530	24 September 2019	<ul style="list-style-type: none"> • Mohamed Zein • Aly Adel
	4.500	10 September 2019	<ul style="list-style-type: none"> • Michel Salameh
	4.200	14 April 2019	<ul style="list-style-type: none"> • Meera Reddy

S&P Dow Jones

S&P Dow Jones Indices added Kuwait stocks to global benchmark indices with an Emerging Market classification (effective 23 September 2019)

Investor Relations activities

Q3 2019 IR events

- September 2019: Investor Conference in London organized by EFG
- September 2019: MENA Investor Conference in Dubai organized by Arqaam

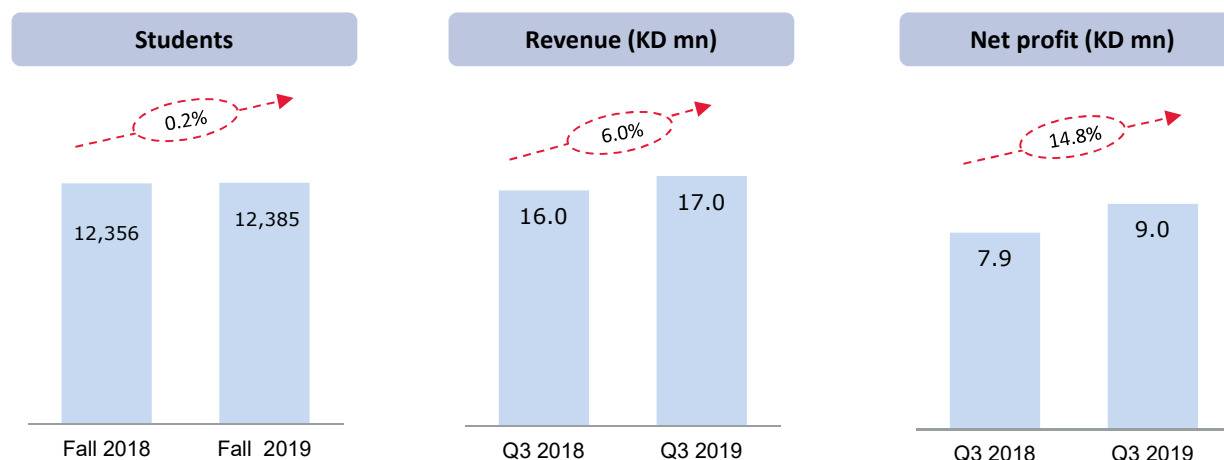
Upcoming events

- November 2019: Morgan Stanley Conference in Dubai

Q3 2019 financial performance

- A total of 12,385 students are enrolled in AUM and ACM for the Fall 2019 semester
- Humansoft recorded a revenue growth of 6% in Q3 2019 over Q3 2018 on the back of higher student registration for Summer 2019 semester
- Q3 2019 EBITDA of KD 10.73 million was 12.7% higher than Q3 2018. EBITDA margins have increased to 63.2% in Q3 2019 compared to 59.4% in Q3 2018
- Q3 2019 net profit of KD 9.02 million is 14.8% higher than Q3 2018, leading to an EPS of 74 fils per share
- Net margins increased to 53.1% in Q3 2019 compared to 49.1% in Q3 2018

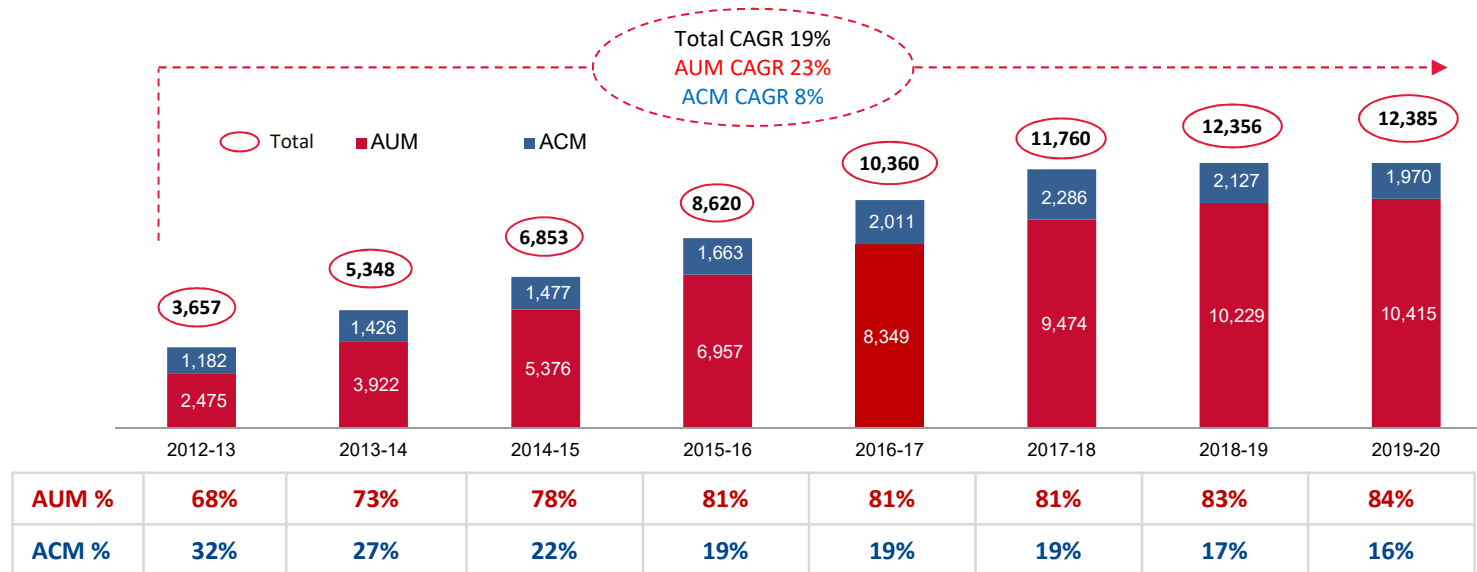
Key figures and ratios	Q3 2019	Q3 2018	Change	9m 2019	9m 2018	Change
Number of students (fall Semester)	12,385	12,356	0.2%	12,385	12,356	0.2%
Revenue (KD mn)	16.98	16.02	6.0%	53.34	49.94	6.8%
EBITDA (KD mn)	10.73	9.52	12.7%	31.30	27.00	15.9%
%	63.2%	59.4%	3.8%	58.7%	54.1%	4.6%
Net profit (KD mn)	9.02	7.86	14.8%	26.10	22.25	17.3%
%	53.1%	49.1%	4.1%	48.9%	44.6%	4.4%
EPS (in fils)	74	65	13.8%	215	183	17.5%
Equity (KD mn)	70.64	57.82	22.2%	70.6	57.8	22.2%
Total Assets (KD mn)	129.64	121.50	6.7%	129.6	121.5	6.7%



Student enrollment at AUM has grown at a CAGR of 23%

Total students enrolled

(beginning of the Fall semester)



- Student enrollment at AUM has grown at a CAGR of 23% between the academic years 2012-13 to 2019-20
- AUM, which is Humansoft's flagship institution, currently represents 84% of the total students enrolled at Humansoft

Deferred income as of 30 September 2019

- The deferred income as of 30 September 2019 is KD 25.59 million compared to KD 24.99 million as of 30 September 2018

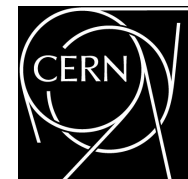
Accreditations in Q3 2019

- ❑ *AUM's Mechanical Engineering program has been accredited by ABET, the global accreditor of college and university programs in applied and natural science, computing, engineering, and engineering technology*
- ❑ *ACM has also received accreditation from ABET in the following programs:*
 - *Industrial Engineering Technology*
 - *Computer Engineering Technology*
 - *Mechanical Engineering Technology*
 - *Electrical Engineering Technology*



CERN membership

- ❑ AUM became the 1st institution in Kuwait and the Gulf to get full membership of the European Organization for Nuclear Research (CERN)



AUM stands out in the “Robot Challenge 2019” for the 3rd consecutive year

- AUM students achieved a Gold medal and a Silver medal in the Remote Air Race Competition in the “Robot Challenge 2019” which was held at the University of Science and Technology in Beijing in August 2019
- 32 countries
- 300 institutions
- Over 3,000 participants



*Robot Challenge 2019
Beijing, China*

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



Campus video: <https://www.youtube.com/watch?v=-IE526uWeMM&feature=youtu.be>

or

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

Key financials

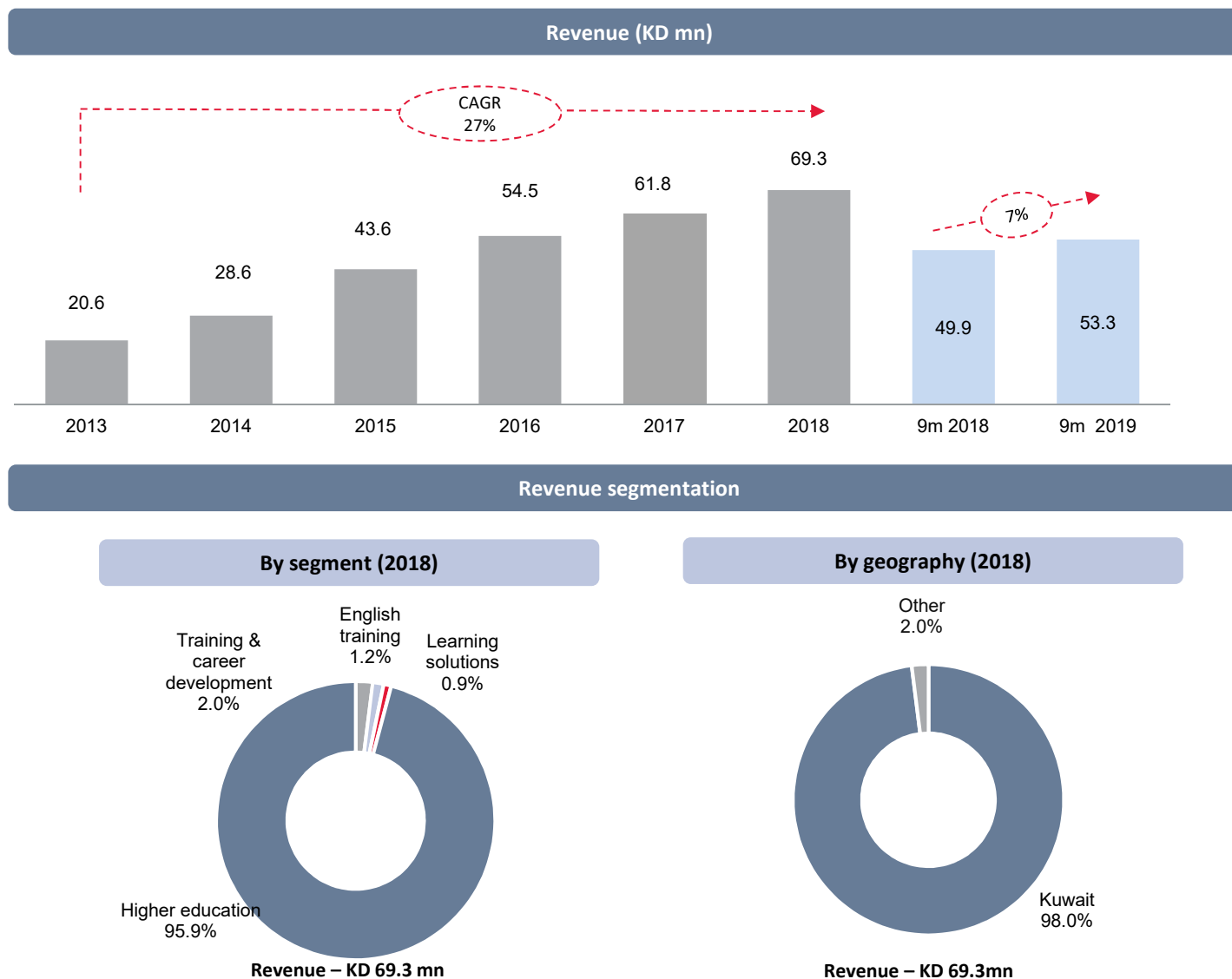
Humansoft registered a 6.8% revenue growth in 9m 2019

- 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 6.8% revenue growth in 9m 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 98.0% of the Company's revenues in 2018



Key financials

Further increase in margins in 9m 2019

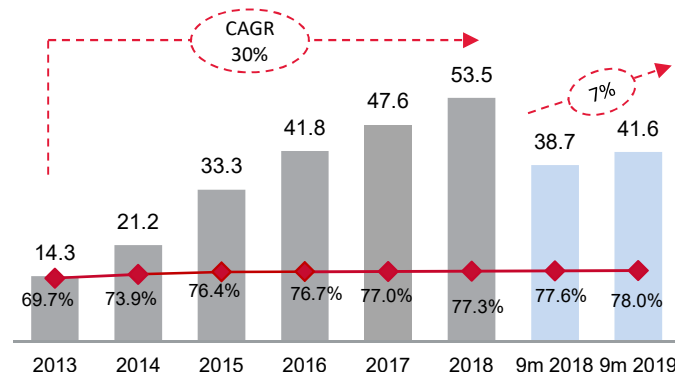
- Gross profit grew at CAGR of 30% in the period 2013-18. Gross profit margins for 9m 2019 was 78%

- EBITDA grew at a CAGR of 40% in the period 2013-18. EBITDA margin for 9m 2019 was 58.7%

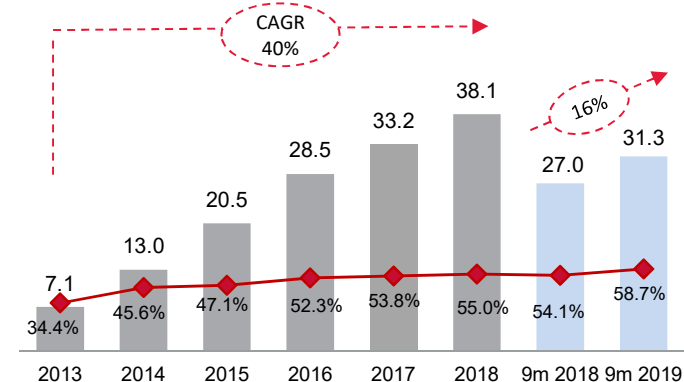
- Humansoft's net profit grew at a CAGR of 44% between 2013-18. Net margin for 9m 2019 was 48.9%

- For 2018, Humansoft has paid 185 fils per share as cash dividend (payout ratio of 71%)

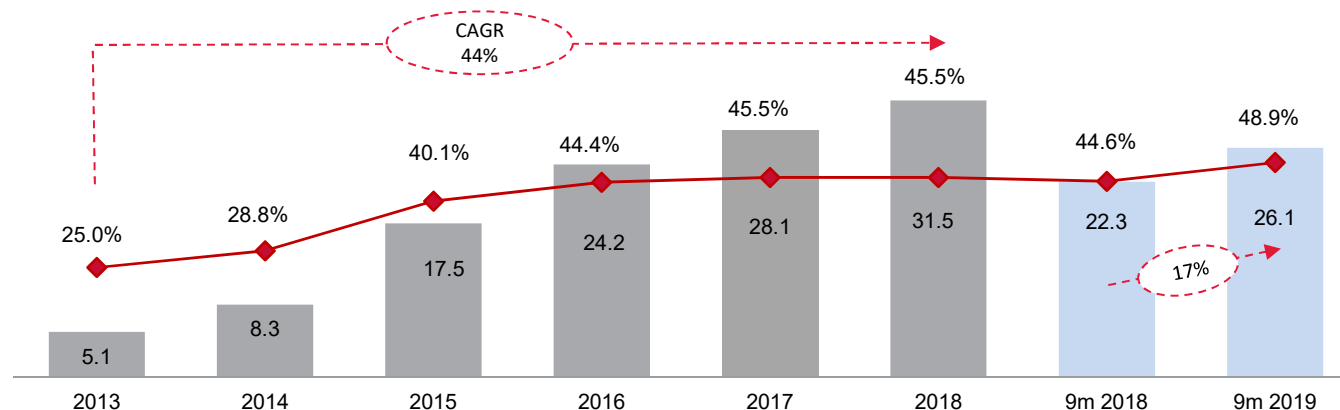
Gross profit (KD mn) and gross profit margin



EBITDA (KD mn) and EBITDA margin



Net profit (KD mn) and net profit margin



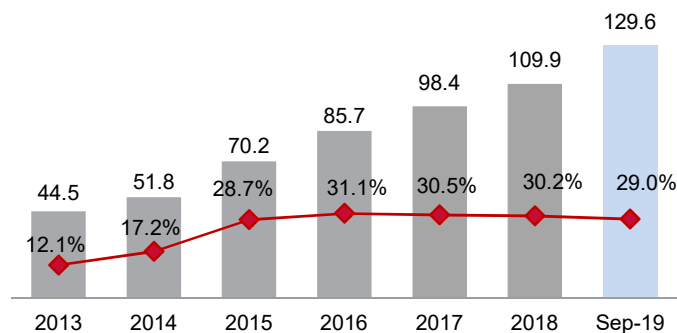
Earning per share (in fils)	42	68	144	199	231	259	183	215
Cash dividend per share (in fils)	35	90	115	160	175	185		
Share dividend per share (%)	7%	-	-	-	-	-		
Cash dividend payout %	83%	132%	80%	80%	76%	71%		

Key financials

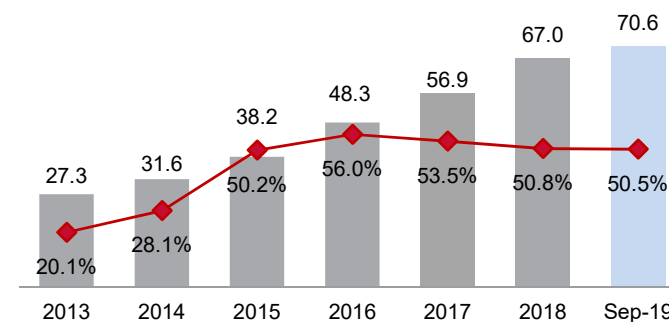
Consistently strong balance sheet

- 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 9m 2019 was KD 0.8 mn
- In spite of the increased asset base, Humansoft's ROAA was 29.0% (annualized) in 9m 2019
- Humansoft's strong earnings have resulted in strong dividend payments and steady growth in shareholders equity to KD 70.6 mn as of 30 September 2019
- As of 30 September 2019, Humansoft has net cash (cash less debt) of KD 14.8 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

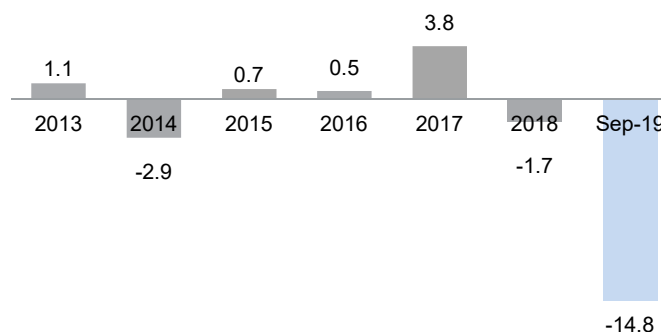
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE



Net Debt ¹ (KD mn)



¹ Debt less cash

Capex (KD mn) and capex as % of revenue

