

Date: 06th February 2020

التاريخ: 06 فبراير 2020

M/S . / Boursa Kuwait

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،

**Subject: Analyst/Investor Conference Call for the
Financial year ending 31/12/2019**

**الموضوع: انعقاد مؤتمر المحللين/المستثمرين للسنة المنتهية
2019/12/31**

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 Humansoft is classified under the Premier Market.

عملاً بأحكام المادة رقم (2-4-8) "الإلتزامات 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 Investor/Analyst Conference Call for the financial year 2019 was held at 3:00 PM (local time) on **Thursday 6 February 2020**. No significant material information has been discussed during the Conference Call. Humansoft will disclose the minutes of the Conference Call in line with regulations.

يرجى الإحاطة بأن مؤتمر المحللين/المستثمرين (Conference Call) للسنة المنتهية 2019/12/31 قد انعقد يوم **الخميس الموافق 6 فبراير 2020** 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 المعمدة.

Kindly find attached the above-mentioned conference presentation.

مرفق طيه العرض التقديمي للمؤتمر سالف الذكر أعلاه.

Yours Sincerely,

وتفضلوا بقبول فائق الاحترام،،،


دلال حسن السبتي
رئيسة مجلس الإدارة

Dalal Hasan Al Sabti
Chairperson of the Board of Directors



Humansoft Holding Company KSCP

Investor Presentation
FY 2019 Results

HUMAN**SOFT**

Empowering People Through Knowledge

Disclaimer: Nothing in this document constitutes an offer to sell or a solicitation of an offer to buy any securities

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Key highlights



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 and Business

KD 73.3 million

in revenue²

KD 43.0 million

in EBITDA²

35%

2013-19 EBITDA CAGR

200 fils cash + 10% share

dividend proposed for 2019

¹ enrolled beginning of the Fall 2019 semester

² FY 2019

We are proud of our achievements

789
trees have been
planted in the
campus

Over 60%
female
students

Over 70
different staff
nationalities

Over 100
community
engagement
initiatives since
2014

Over 90
academic
competitions
since 2014

Over 20
sports
competitions
since 2017

Board & Executive Management

Board of Directors

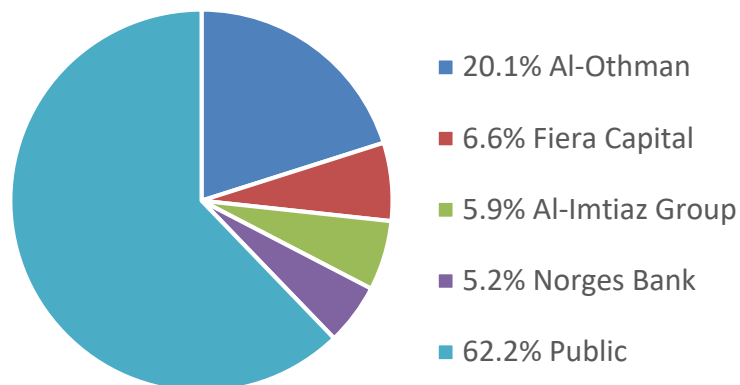
Name	Position
Dalal Hasan Al Sabti	Chairperson
Tareq Fahad Al Othman	Vice Chairman
Mayank Hasmukhlal Baxi	Director
Hasan Qasim Al Ali	Director
Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Mayank Hasmukhlal Baxi	CEO
Rachad Challah	Deputy CEO
Anup Dhand	Controller of Accounts
Dr. Georges Yahchouchi	President AUM
Dr. Mohaned Hassanin	President ACM

Share price performance

Shareholding (31 December 2019)

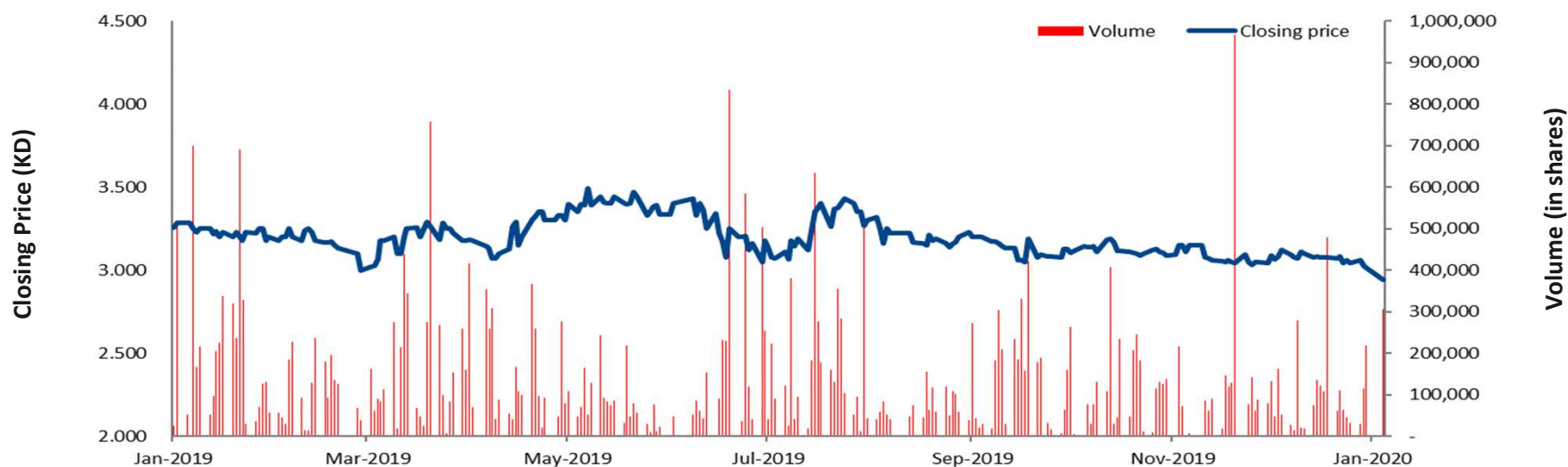


	KD
Closing price as at 31 December 2019	3.012
Market Cap (KD mn) ¹	366
Market Cap (USD bn)	1.2
6m avg. daily trading volume (% of shares outstanding)	0.10%
52-weeks high	3.490
52-weeks low	3.000

Current trading multiples ²

EV/EBITDA (FY 2019)	8.1x
P/E (FY 2019)	10.2x
Cash dividend yield (proposed for 2019)	6.6%

1-year share price performance



FY 2019

1) Based on 121,654,352 shares outstanding

2) Based on closing share price of KD 3.012 as at 31 December 2019 and FY 2019 financials

12th largest by market cap on Boursa Kuwait's Premier Market

Name	Description	Market Cap (KD million)	Rank	Boursa Kuwait segment
National Bank of Kuwait	Banking	6,912	1	Premier
Kuwait Finance House	Banking	5,596	2	Premier
Ahli United Bank AUB (Bahrain)	Banking	2,834	3	Premier
Zain	Telecom	2,596	4	Premier
Boubyan Bank	Banking	1,848	5	Premier
Agility Public Warehousing Co	Logistics	1,361	6	Premier
Mabaneer	Real Estate	941	7	Premier
Gulf Bank	Banking	878	8	Premier
Burgan Bank	Banking	796	9	Premier
KIPCO	Diversified	424	10	Premier
Warba Bank	Banking	413	11	Premier
Humansoft	Education	366	12	Premier
National Industries Group	Industrial	344	13	Premier
Boubyan Petrochemicals	Diversified	340	14	Premier
Qurain Petrochemicals	Diversified	317	15	Premier
Kuwait International Bank	Banking	266	16	Premier
Mezzan Holding	Consumer	152	17	Premier
Integrated Holding Company	Industrial	121	18	Premier

12th largest by market cap
5th largest non-banking stock

Based on market cap as at 31 December 2019

Source: Boursa Kuwait

Research coverage and IR

Research coverage

Broker	Target price	Date	Analyst
	6.300	4 February 2019	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	5.000	8 January 2019	<ul style="list-style-type: none"> • Alaa Tolba • Mirna Mohsen
	4.650	13 September 2019	<ul style="list-style-type: none"> • Taher Safieddine
	4.600	9 January 2020	<ul style="list-style-type: none"> • Ankur Agarwal
	4.569	15 December 2019	<ul style="list-style-type: none"> • Michel Salameh
	4.530	24 September 2019	<ul style="list-style-type: none"> • Aly Adel
	4.200	14 April 2019	<ul style="list-style-type: none"> • Meera Reddy

Investor Relations activities

2019 IR events

- March 2019: Investor Conference in Dubai organized by EFG
- April 2019: Investor Conference in London organized by Boursa Kuwait in collaboration with Morgan Stanley
- September 2019: Investor Conference in London organized by EFG
- September 2019: Investor Conference in Dubai organized by Arqaam
- November 2019: Investor Conference in Dubai organized by Boursa Kuwait in collaboration with Morgan Stanley

Upcoming events

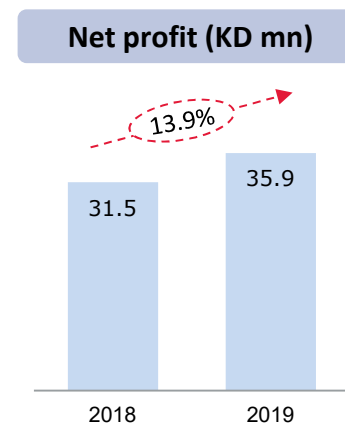
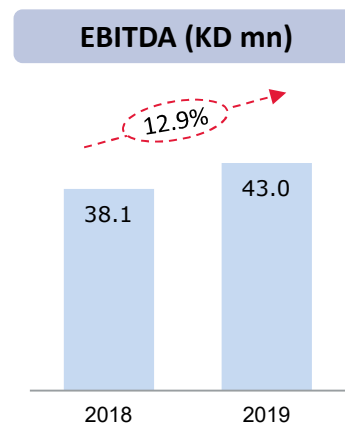
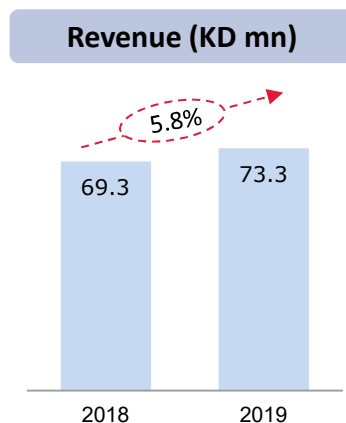
- March 2020: Investor Conference in Dubai organized by EFG
- March 2020: Investor Conference in London organized by Boursa Kuwait in collaboration with Morgan Stanley

2019 financial performance

- A total of 12,385 students are enrolled in AUM and ACM at the beginning of the Fall 2019 semester
- Humansoft recorded revenue growth of 5.8% in 2019 over 2018
- FY 2019 EBITDA of KD 43.0 mn was 12.9% higher than FY 2018. Humansoft was also able to improve its EBITDA margin to 58.7% in 2019
- FY 2019 net profit of KD 35.9 mn was 13.9% higher than FY 2018, leading to an EPS of 295 fils per share
- Total equity at KD 80.4 million is 19.9% higher than 2018

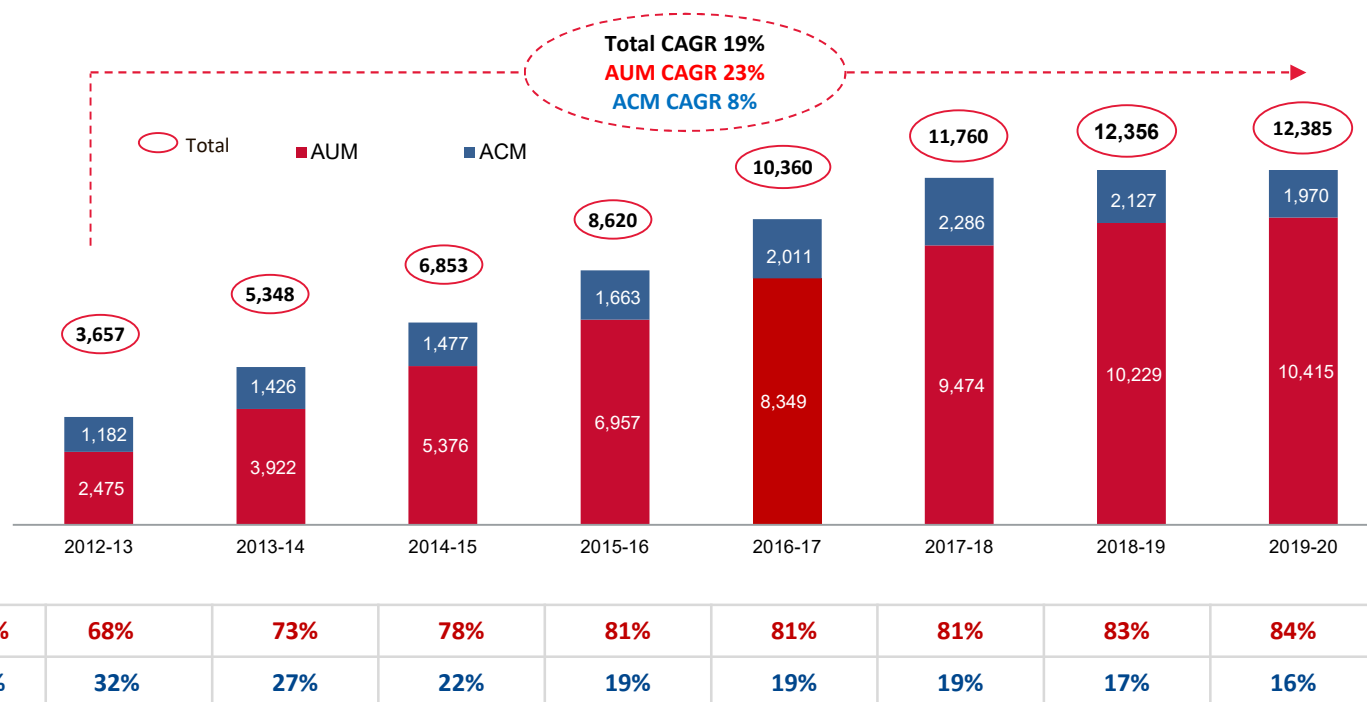
Key figures and ratios	Q4 2018	Q4 2019	Change
Number of students (Fall)	12,356	12,385	0.2%
Revenue (KD mn)	19.3	20.0	3.3%
EBITDA (KD mn)	11.1	11.7	5.6%
EBITDA margin (%)	57.4%	58.6%	1.2%
Net profit (KD mn)	9.2	9.8	5.9%
Net margin (%)	47.8%	49.0%	1.2%
EPS (in fils)	76	80	5.3%
Equity (KD mn)	67.0	80.4	19.9%
Total assets (KD mn)	109.9	118.3	7.7%

FY 2018	FY 2019	Change
12,356	12,385	0.2%
69.3	73.3	5.8%
38.1	43.0	12.9%
55.0%	58.7%	3.7%
31.5	35.9	13.9%
45.5%	48.9%	3.5%
259	295	13.9%
67.0	80.4	19.9%
109.9	118.3	7.7%



Student enrollment

Total students enrolled
(beginning of the Fall semester)



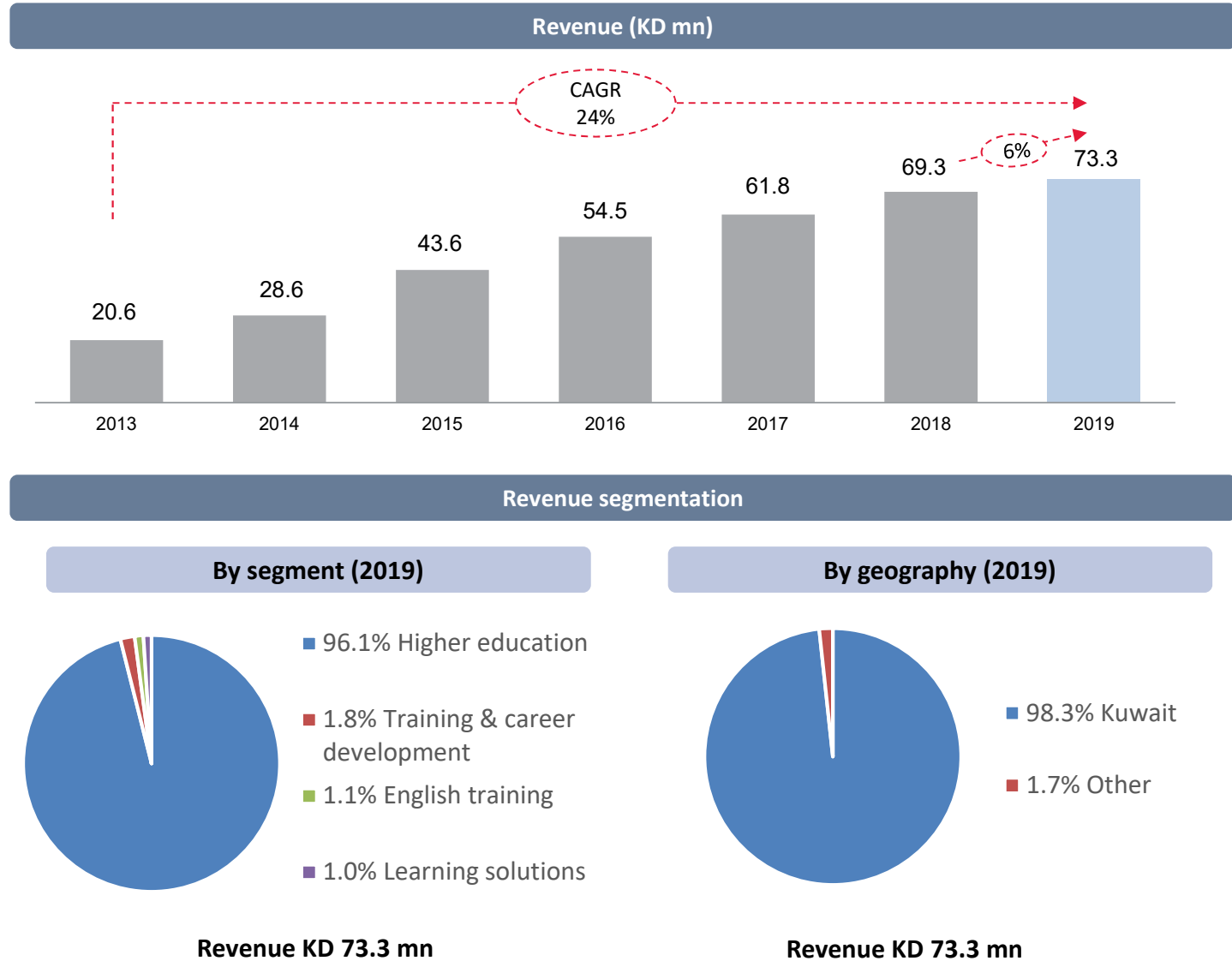
Deferred income as of 31 December 2019

- KD 6.4 million deferred income as of 31 December 2019, which reflects the higher education revenue for January 2020
- 3% higher than the deferred income as of 31 December 2018

Key financials

Revenues grew at a CAGR of 24%

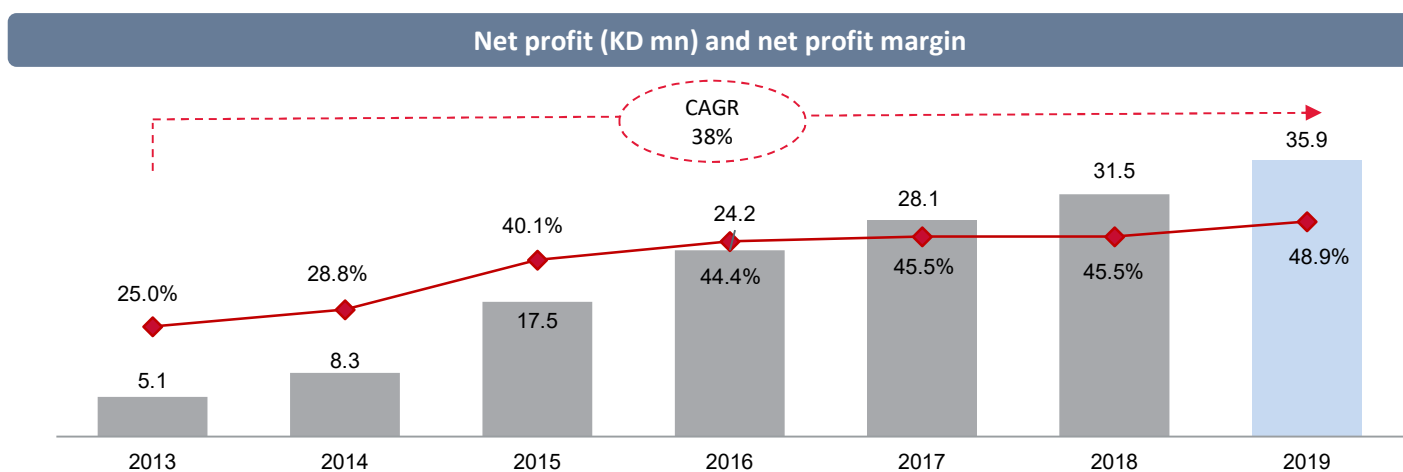
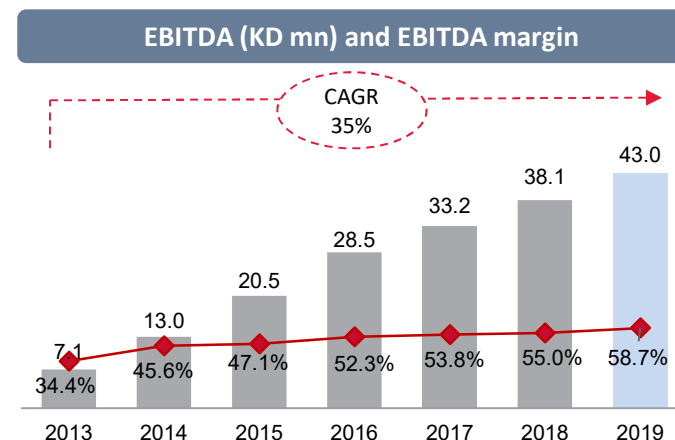
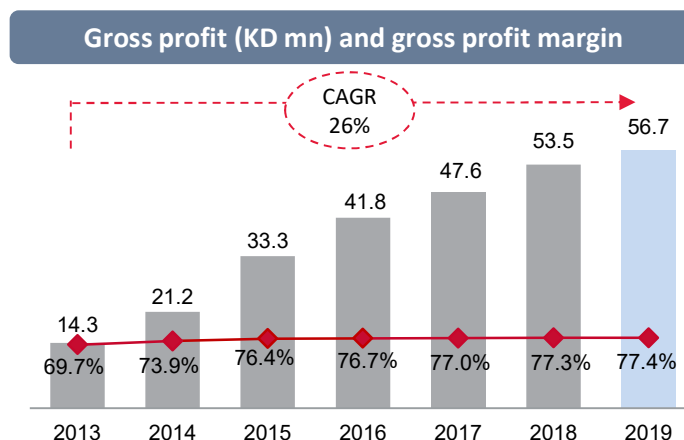
- Humansoft's revenues grew at a CAGR of 24% between 2013 and 2019, due to strong student growth in AUM and ACM and tuition increase in 2014 (AUM) and 2015 (ACM)
- The higher education segment accounted for 96.1% of Humansoft's revenues in FY 2019
- Kuwait accounted for 98.3% of Humansoft's revenues in FY 2019



Key financials

EBITDA margin reached 59% in 2019

- Gross profit grew at a CAGR of 26% in the period 2013-19. Gross profit margin for 2019 was 77%
- EBITDA grew at a CAGR of 35% in the period 2013-19. EBITDA margin reached 59% in 2019
- Net profit grew at a CAGR of 38% in the period 2013-19. Net margin reached 49% in 2019
- Humansoft's Board recommended paying 200 fils as cash dividend (payout ratio of 68%) and a 10% bonus shares (1 share for every 10 shares owned) for FY 2019



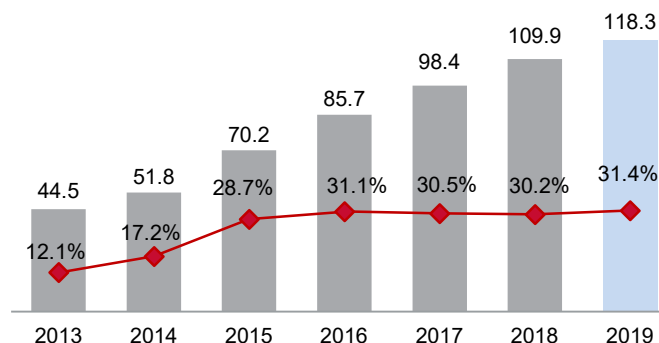
Earnings per share (in fils)	42	68	144	199	231	259	295
Cash dividend per share (in fils)	35	90	115	160	175	185	Proposed 200
Cash Dividend Payout (%)	83%	132%	80%	80%	76%	71%	68%
Share dividend per share (%)	7%	-	-	-	-	-	Proposed 10%

Key financials

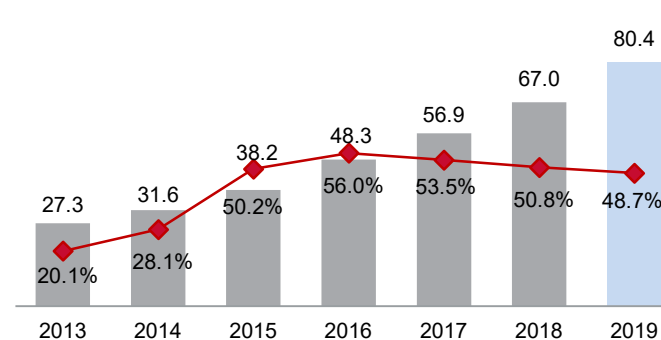
Humansoft generated ROAE of 49% in 2019

- Humansoft has invested capex of KD 48 mn from 2013 to 2019 to build capacity and provide state of the art facilities for students
- In spite of the increased asset base, Humansoft's ROAA increased to 31.4% in 2019 compared to 30.2% in 2018
- Humansoft's strong earnings have resulted in strong dividend payments and also steady growth in shareholders equity to KD 80.4 mn in 2019
- Humansoft generated ROAE of 49% in 2019
- 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

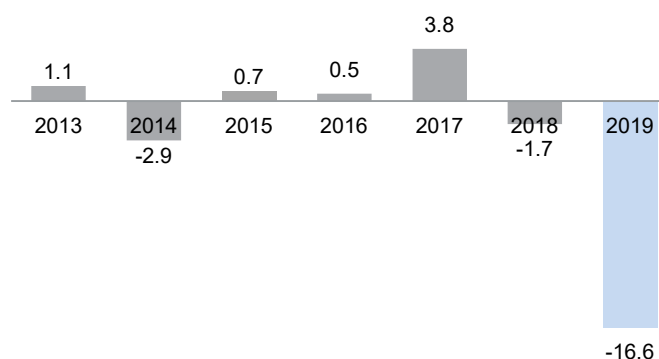
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

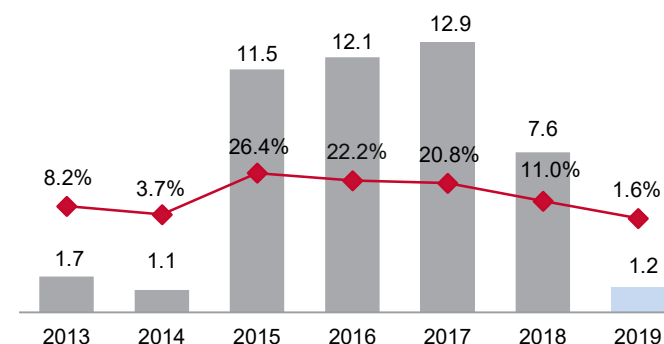


Net Debt ¹ (KD mn)



¹ Debt less cash

Capex (KD mn) and capex as % of revenue



Strong equity story

Solid track record



State of the art campus with capacity to grow



Highest number of students among private universities in Kuwait. c. 3x bigger than the next player



Focus on Engineering & Business majors



Solid financial performance, high dividend payout



One of the largest free floats on Boursa Kuwait

Strategic pillars

1

**Academic
excellence**

2

**Operating
efficiency**

3

**Shareholder
value**

Achievements in 2019

Academic excellence

- Appointed a new President for AUM
- Appointed a new President for ACM
- AUM introduced Civil Engineering in Fall 2019
- Launched the 2+2 ACM to AUM transfer
- ABET accreditations for AUM and ACM's engineering programs
- ACBSP accreditation for ACM's business programs

Operating efficiency

- 59% EBITDA margin in 2019
- 49% net margin in 2019
- 49% ROAE in 2019

Shareholder value

- 8% increase in DPS to 200 fils per share (proposed)
- And 10% bonus shares (proposed)

Continued focus

Academic excellence

- We are building new capabilities and developing new offerings to secure our long term prospects
- This includes widening the undergraduate offering by introducing new majors, offering new masters programs, securing accreditation for the remaining programs, and developing our academic research capabilities

Operating efficiency

- We are always striving to improve our operating performance. Our EBITDA margins have consistently been strong, and we aim to maintain high efficiency levels

Shareholder value

- Our long term strategy is designed to focus on shareholder value. We have grown dividend distribution and aim to deliver sustainable dividends going forward whilst maintaining financial flexibility