

Date: 04th November 2020

التاريخ: 04 نوفمبر 2020

M/S . / Boursa Kuwait Company

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،

**Subject: Analysts/Investors Conference Call for the
Third Quarter of 2020**

**الموضوع: انعقاد مؤتمر المحللين/المستثمرين للربع الثالث من العام
2020**

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

عملاً بأحكام المادة رقم (8-4-2) "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 Investor/Analyst Conference Call for the third quarter of the year 2020 was held at 3:00 PM (local time) on Wednesday 04 November 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) للربع الثالث من العام 2020 قد انعقد يوم الأربعاء الموافق 2020/11/04 في تمام الساعة الثالثة عصراً (وفق التوقيت المحلي)، ولم يتم تداول أي معلومة جوهرية وسوف تقوم الشركة بالإفصاح عن محضر المؤتمر خلال الموعد المحدد وفقاً للقواعد المعتمدة.

Kindly find attached the above-mentioned conference presentation for the third quarter of 2020.

مرفق طيه العرض التقديمي للمؤتمر سالف الذكر أعلاه عن الربع الثالث من العام 2020.

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 2020 Results
2 November 2020

HUMANSOFT
Empowering People Through Knowledge

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Key highlights

Dividends	<ul style="list-style-type: none">• On 23 March 2020, the General Assembly voted against distributing dividends for FY 2019
Board remuneration	<ul style="list-style-type: none">• Board of Directors decided to waive their remuneration for FY 2019
Training business	<ul style="list-style-type: none">• On 7 September 2020, the Board of Directors decided to close down the training businesses in Kuwait, the UAE and Qatar• The process is currently underway, and further updates will be provided in due course
CSR	<ul style="list-style-type: none">• Our Corporate Social Responsibility (CSR) report was issued in September 2020

Key highlights (cont'd)

Online learning	<ul style="list-style-type: none">• Since April 2020, AUM and ACM classes have been conducted online• Resumption of on-campus learning will depend on government guidelines
Fall 2020	<ul style="list-style-type: none">• 4,001 new students were admitted in Fall 2020, compared to 2,649 in Fall 2019• The Fall 2020 semester will be online, from October 2020 to February 2021
New major	<ul style="list-style-type: none">• AUM launched Architectural Engineering in Fall 2020
Cash position	<ul style="list-style-type: none">• 70.6 million cash as at 30 September 2020

At a glance



Leading

private higher
education company
in the GCC

20+

years of operating
experience

13,763¹

enrolled students in
AUM and ACM

University of choice

for Engineering and
Business

**KD 69.9
million**

in revenue²

**KD 40.4
million**

in EBITDA²

35%

2013-19 EBITDA
CAGR

Online learning

since April 2020

¹ enrolled beginning of the Fall 2020 semester

² LTM Q3 2020

We are proud of our achievements

Over 700
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
achievements
since 2018

Board & Executive Management

Board of Directors

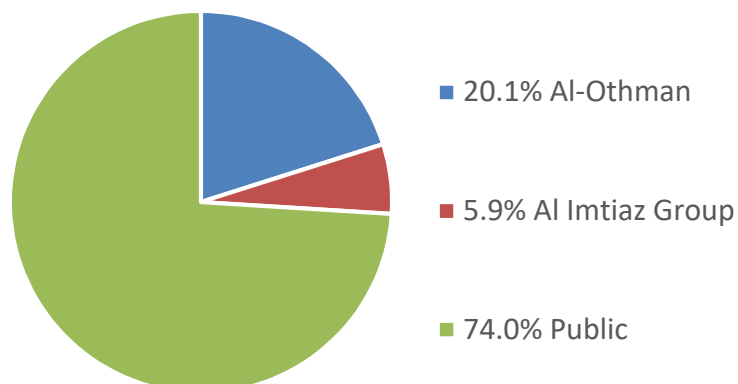
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

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

Share price performance

Shareholding (29 Sep 2020)



	KD
Closing price as at 29 Sep 2020	2.601
Market Cap (KD mn) ¹	316
Market Cap (USD bn)	1.0
6m avg. daily trading volume (% of shares outstanding)	0.16%
52-weeks high ²	3.425
52-weeks low ²	2.246

Current trading multiples ³

EV/EBITDA (LTM Q3 2020)	6.5x
P/E (LTM Q3 2020)	9.3x
Cash dividend yield (based on FY 2018 dividends)	7.1%

1-year share price performance



1) Based on 121,654,352 shares outstanding

2) Based on closing share price

3) Based on closing share price of KD 2.601 as at 29 Sep 2020 and LTM Q3 2020 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	5,908	1	Premier
Kuwait Finance House	Banking	5,030	2	Premier
Zain	Telecom	2,484	3	Premier
Ahli United Bank AUB (Bahrain)	Banking	2,259	4	Premier
Boubyan Bank	Banking	1,802	5	Premier
Agility Public Warehousing Co	Logistics	1,257	6	Premier
Mabaneer	Real Estate	807	7	Premier
Gulf Bank	Banking	638	8	Premier
Burgan Bank	Banking	529	9	Premier
Warba Bank	Banking	392	10	Premier
Shamal Azzour Power & Water	Utilities	352	11	Premier
Humansoft	Education	316	12	Premier
KIPCO	Fin Services	296	13	Premier
Qurain Petrochemicals	Diversified	280	14	Premier
Boubyan Petrochemicals	Diversified	277	15	Premier
National Industries Group	Fin Services	237	16	Premier
Boursa Kuwait	Fin Services	229	17	Premier
Mezzan Holding	Consumer	190	18	Premier
Kuwait International Bank	Banking	190	19	Premier
Integrated Holding Company	Industrial	79	20	Premier



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

Based on market cap as at 29 Sep 2020

Source: Boursa Kuwait

Research coverage

Research coverage

Broker	Target price	Date of report	Analyst
	5.000	8 January 2019	<ul style="list-style-type: none"> • Alaa Tolba • Mirna Mohsen
	4.600	30 April 2020	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	4.530	24 September 2019	<ul style="list-style-type: none"> • Aly Adel • Toka Elwazery
	4.300	8 September 2020	<ul style="list-style-type: none"> • Emad El Hage • Mehwish Zafar
	4.100	30 April 2020	<ul style="list-style-type: none"> • Meera Reddy
	4.000	2 April 2020	<ul style="list-style-type: none"> • Ankur Agarwal
	2.800	19 August 2020	<ul style="list-style-type: none"> • Thomas Mathew

Revenue recognition

FY 2019

Q1

- 20% Fall 2018/2019
- 40% Spring 2019

Q2

- 60% Spring 2019

Q3

- 100% Summer 2019
- 20% Fall 2019/2020

Q4

- 60% Fall 2019/2020

FY 2020

Q1

- 20% Fall 2019/2020
- 20% Spring 2020

Q2

- 38% Spring 2020

Q3

- 42% Spring 2020
- 100% Summer 2020

Q4

- 50% Fall 2020/2021

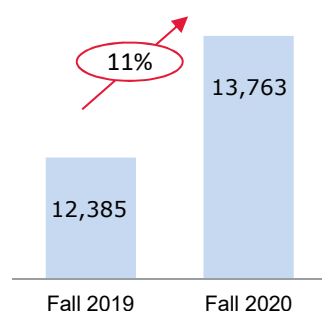
Q3 2020 financial performance

- Q3 2020 revenue was 50% higher than Q3 2019, mainly due to higher enrolments in Summer 2020 and to changes in revenue recognition (please refer to page 12)
- Q3 2020 EBITDA of KD 18.5 mn was 72% higher than Q3 2019
- Q3 2020 net profit of KD 16.6 mn was 84% higher than Q3 2019
- Total equity of KD 104.6 million as at 30 Sep 2020 was 48% higher than 30 Sep 2019
- 4,001 new students were admitted in Fall 2020, compared to 2,649 in Fall 2019

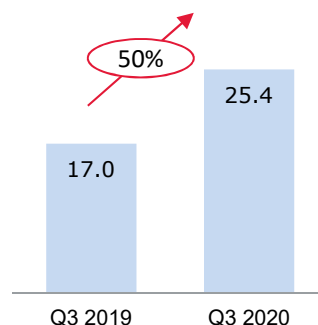
Key figures and ratios	Q3 2019	Q3 2020	Change
Revenue (KD mn)	17.0	25.4	49.7%
EBITDA (KD mn)	10.7	18.5	72.2%
EBITDA margin (%)	63.2%	73%	9.5%
Net profit (KD mn)	9.0	16.6	83.8%
Net margin (%)	53.1%	65%	12.1%
EPS (in fils)	74	136	83.8%
Equity (KD mn)	70.6	104.6	48.0%
Total assets (KD mn)	129.6	136.8	5.5%

9M 2019	9M 2020	Change
53.3	49.9	-6.4%
31.3	28.7	-8.4%
58.7%	57.4%	-1.3%
26.1	24.1	-7.5%
48.9%	48.3%	-0.6%
215	198.0	-7.9%
70.6	104.6	48.0%
129.6	136.8	5.5%

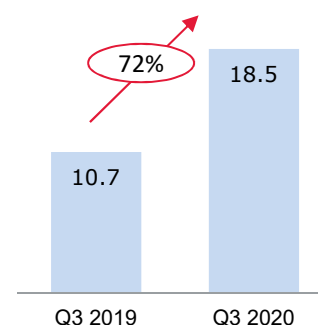
Number of students *



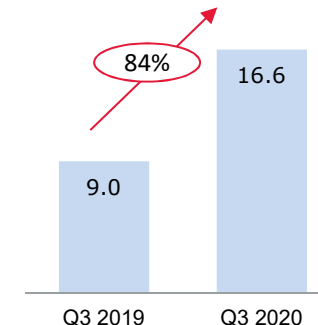
Revenue (KD mn)



EBITDA (KD mn)



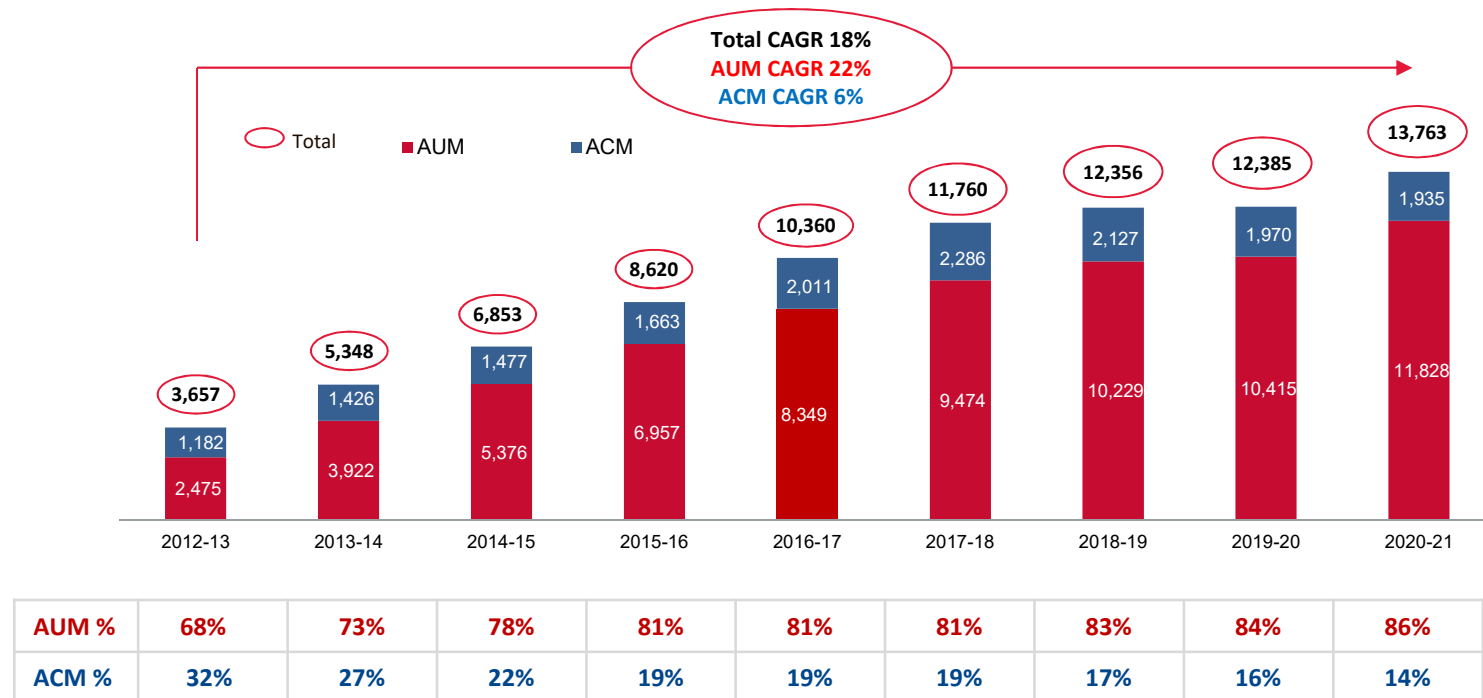
Net profit (KD mn)



* enrolled beginning of the Fall semester

Student enrollment

Total students enrolled
(beginning of the Fall semester)



Deferred income as of 30 Sep 2020

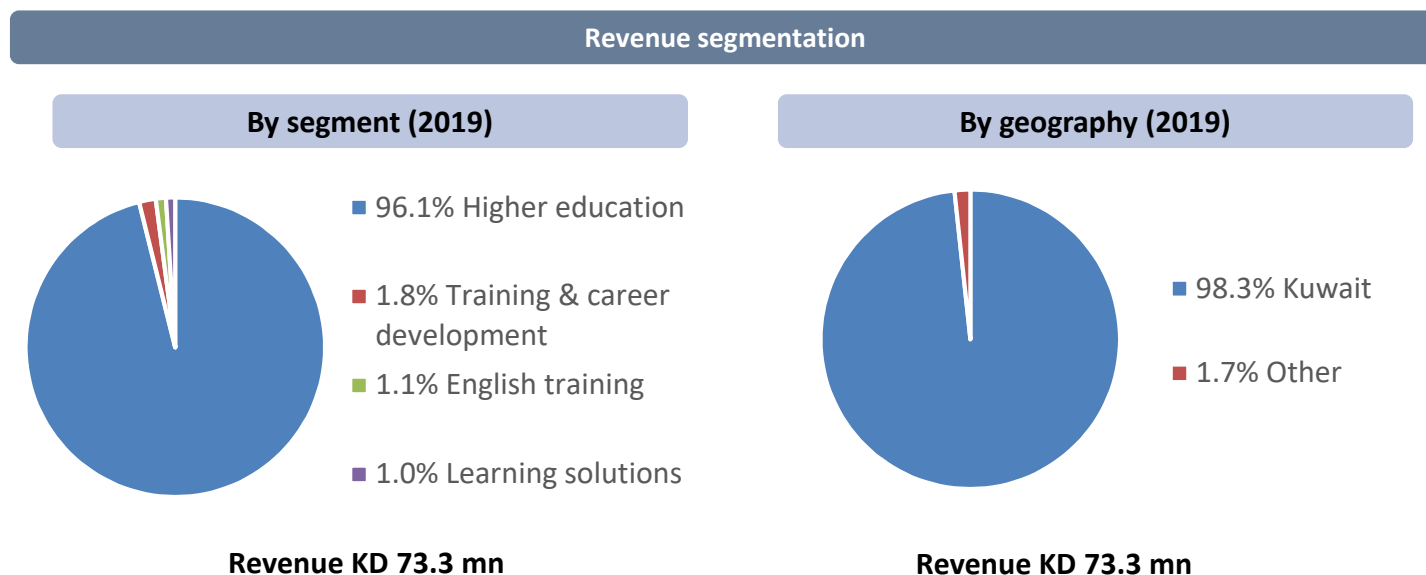
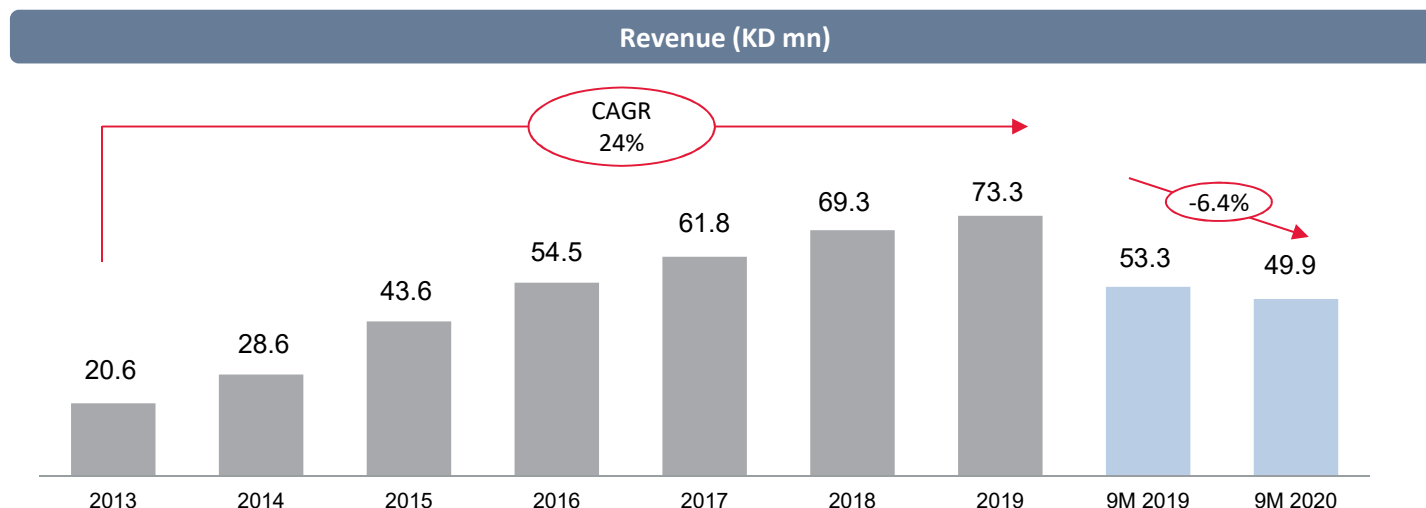
- KD 47,928 deferred income reflects training business revenue
- Fall 2020 did not start in Q3, so the deferred income does not include any higher education revenue

Key financials

9M 2020 revenues were impacted by Covid-19

- Although Q3 2020 revenue was 50% higher than Q3 2019, 9M 2020 revenue recorded a drop of 6.4% compared to 9M 2019 mainly due to the change in the start date of the Fall 2020 semester, and to the disruption in activities of Humansoft's training business due to Covid-19

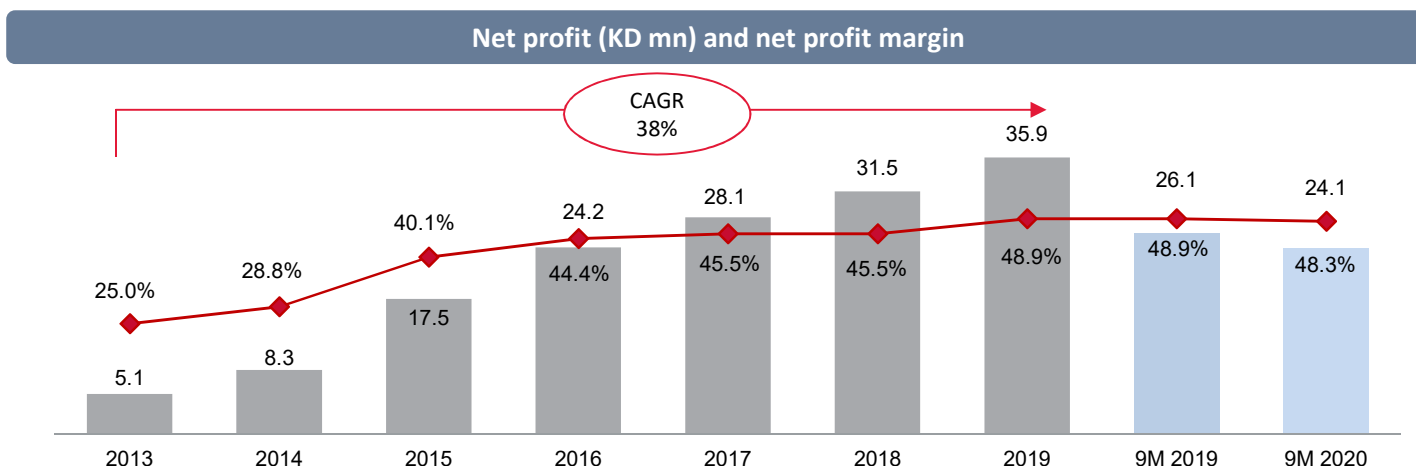
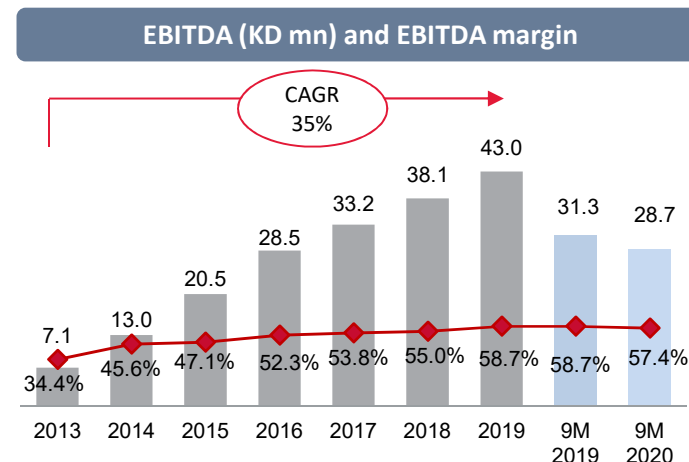
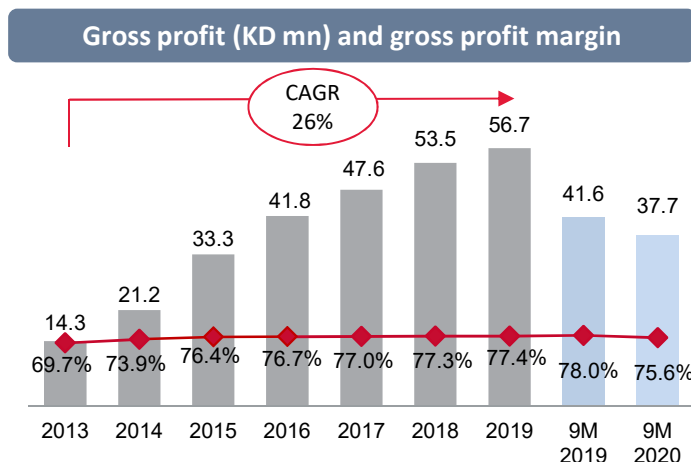
- The higher education segment accounted for 96.1% of Humansoft's revenues in FY 2019
- The Board of Directors decided to close down the training businesses in Kuwait, the UAE and Qatar, and the process is currently underway



Key financials

Margins remain strong despite Covid-19

- Gross profit grew at a CAGR of 26% in the period 2013-19. Gross profit margin was 77% in FY 2019, and 76% in 9M 2020
- EBITDA grew at a CAGR of 35% in the period 2013-19. EBITDA margin was 59% in FY 2019, and 57% in 9M 2020
- Net profit grew at a CAGR of 38% in the period 2013-19. Net margin was 49% in FY 2019, and 48% in 9M 2020
- Humansoft's General Assembly voted against distributing dividends for FY 2019



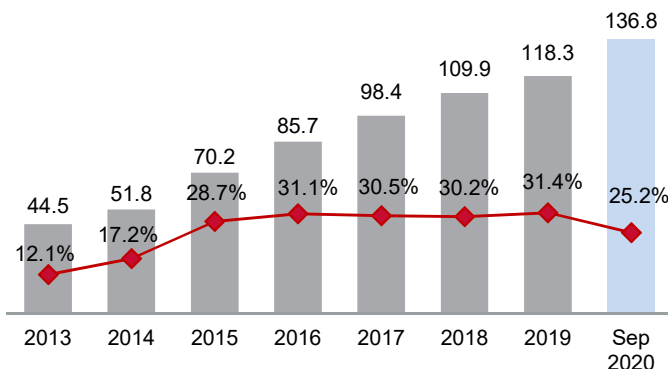
Earnings per share (in fils)	42	68	144	199	231	259	295
Cash dividend per share (in fils)	35	90	115	160	175	185	-
Cash Dividend Payout (%)	83%	132%	80%	80%	76%	71%	-
Share dividend per share (%)	7%	-	-	-	-	-	-

Key financials

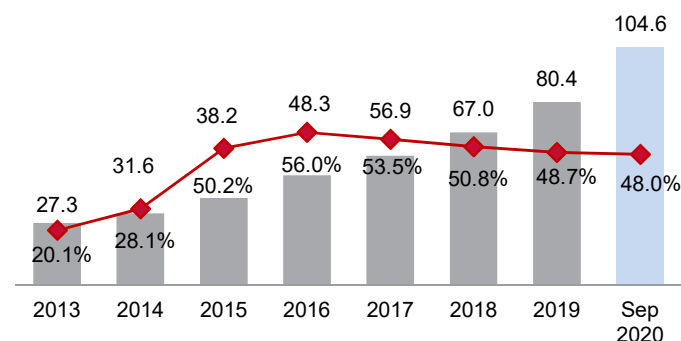
Humansoft has a fortress balance sheet

- Humansoft has a net cash position of KD 53.5 mn as at 30 Sep 2020
- Total equity has increased to KD 104.6 mn as at 30 Sep 2020
- Humansoft's fortress balance sheet provides protection, resilience, and enables Humansoft to withstand stress events like Covid-19

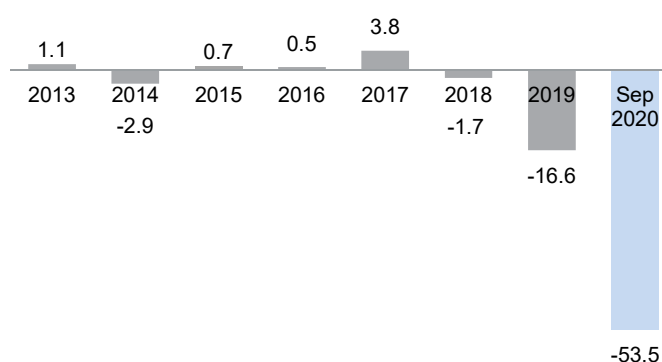
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

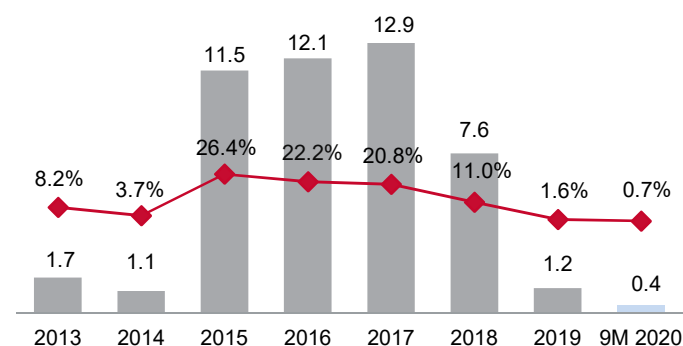


Net Debt ¹ (KD mn)



¹ Debt less cash

Capex (KD mn) and capex as % of revenue



Strong equity story

- **Solid track record**
- **Strategic pillars**
- **Long term focus**

Solid track record



Online learning, and state of the art campus



Highest number of students among private universities in Kuwait



Focus on Engineering & Business majors



Solid financial performance, fortress balance sheet



One of the largest free floats on Boursa Kuwait

Strategic pillars

1

**Academic
excellence**

2

**Operating
efficiency**

3

**Shareholder
value**

Long term 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

- We continue to focus on shareholder value. We have grown dividend distribution and aim to deliver sustainable dividends going forward whilst maintaining financial flexibility