

Date: 17th February 2021

التاريخ: 17 فبراير 2021

M/S. / Boursa Kuwait

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،

**Subject: Analyst/Investor Conference Call for the
Financial year ending 31/12/2020**

**الموضوع: انعقاد مؤتمر المحللين/المستثمرين للسنة المنتهية
2020/12/31**

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.) مصنفة ضمن مجموعة "السوق الأول".

Kindly note that the Investor/Analyst Conference Call for the financial year 2020 was held at 3:00 PM (local time) on **Wednesday 17 February 2021**. 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 2020/12/31 قد انعقد يوم الأربعاء الموافق 17 فبراير 2021 في تمام الساعة الثالثة عصراً (وفق التوقيت المحلي)، ولم يتم تداول أي معلومة جوهرية خلاله وأن الشركة سوف تقوم بالإفصاح عن محضر المؤتمر خلال الموعد المحدد وفقاً للقواعد المعتمدة.

Kindly find attached the above-mentioned conference presentation.

مرفق طيه العرض التقديمي للمؤتمر سالف الذكر أعلاه.

وتفضلوا بقبول فائق الاحترام،،،

Yours Sincerely,



دلال حسن السبتي

رئيسة مجلس الإدارة

Dalal Hasan Al Sabti
Chairperson of the Board of Directors

سجل تجاري رقم: 71382 رأس المال (د.ك.): 12,223,680 رأس المال المدفوع (د.ك.): 12,223,680
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Humansoft Holding Company KSCP
Investor Presentation
FY 2020 Results
15 February 2021

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Empowering People Through Knowledge

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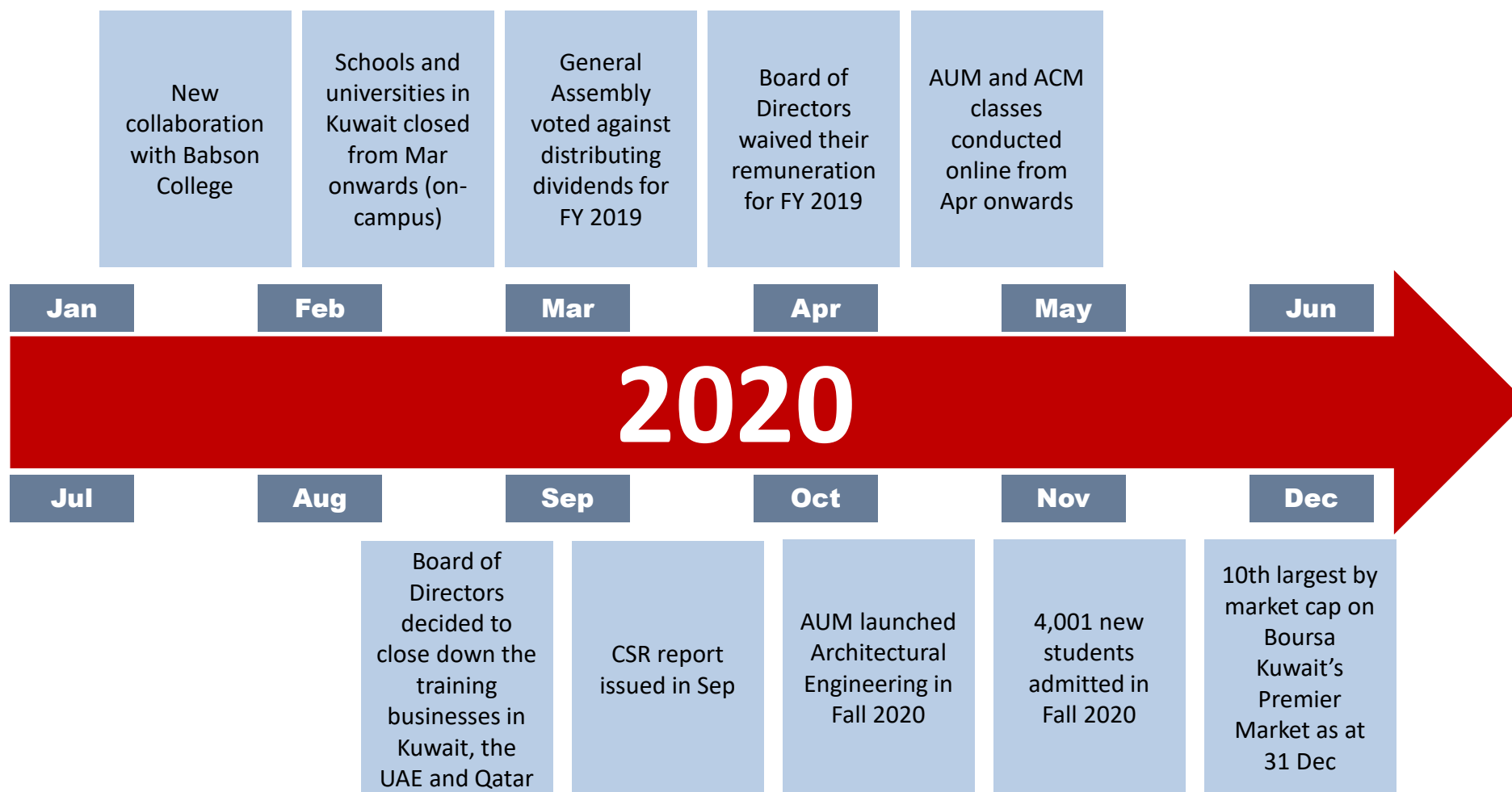
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2020 key highlights



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 68.5 million

in revenue²

KD 43.1 million

in EBITDA²

51%

foreign ownership in Humansoft, one of the highest on Bursa Kuwait

400 fils

cash dividend per share proposed for FY 2020

¹ enrolled beginning of the Fall 2020 semester

² FY 2020

We are proud of our achievements

Over 700
trees have been
planted in the
campus

Over 60%
female
students

Over 60
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

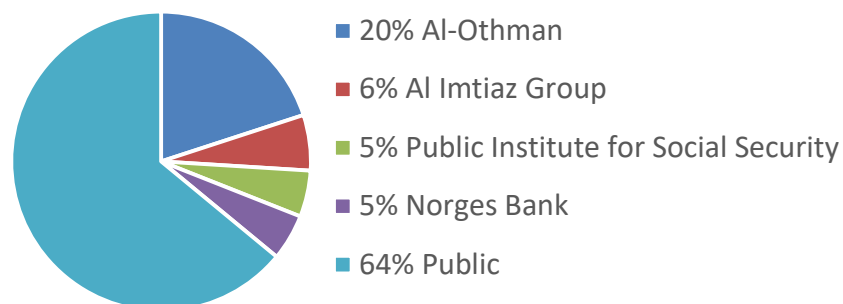
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Mr. Mayank Hasmukhlal Baxi	CEO, stepping down effective 10 Mar 2021
Mr. Rachad Challah	Deputy CEO
Mr. Anup Dhand	CFO
Dr. Georges Yahchouchi	President AUM, incoming CEO effective 11 Mar 2021
Dr. Mohaned Hassanin	President ACM

Share price performance

Shareholding (31 Dec 2020)



	KD
Closing price as at 31 Dec 2020	3.799
Market Cap (KD mn) ¹	462
Market Cap (USD bn)	1.5
6m avg. daily trading volume (% of shares outstanding)	0.21%
52-weeks high ²	3.810
52-weeks low ²	2.246

Current trading multiples ³

EV/EBITDA (FY 2020)	9.3x
P/E (FY 2020)	12.3x
Cash dividend yield (proposed for FY 2020)	10.5%

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 3.799 as at 31 Dec 2020 and FY 2020 financials

10th largest by market cap on Bursa Kuwait's Premier Market

Name	Description	Market Cap (KD million)	Rank	Bursa Kuwait segment
National Bank of Kuwait	Banking	5,705	1	Premier
Kuwait Finance House	Banking	5,152	2	Premier
Zain	Telecom	2,622	3	Premier
Ahli United Bank AUB (Bahrain)	Banking	2,191	4	Premier
Boubyan Bank	Banking	1,720	5	Premier
Agility Public Warehousing Co	Logistics	1,294	6	Premier
Mabaneer	Real Estate	726	7	Premier
Gulf Bank	Banking	652	8	Premier
Burgan Bank	Banking	558	9	Premier
Humansoft	Education	462	10	Premier
Warba Bank	Banking	372	11	Premier
Qurain Petrochemicals	Diversified	345	12	Premier
Boubyan Petrochemicals	Diversified	323	13	Premier
KIPCO	Fin Services	311	14	Premier
Shamal Azzour Power & Water	Utilities	305	15	Premier
National Industries Group	Fin Services	251	16	Premier
Boursa Kuwait	Fin Services	221	17	Premier
Kuwait International Bank	Banking	212	18	Premier
Mezzan Holding	Consumer	185	19	Premier
Integrated Holding Company	Industrial	81	20	Premier



10th largest by market cap
4th largest non-banking stock

Based on market cap as at 31 Dec 2020

Source: Boursa Kuwait

Research coverage

Broker	Target price	Date of report	Analyst
	5.000	8 January 2019	<ul style="list-style-type: none"> • Alaa Tolba • Mirna Mohsen
	4.850	25 November 2020	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	4.800	9 November 2020	<ul style="list-style-type: none"> • Ankur Agarwal
	4.530	24 September 2019	<ul style="list-style-type: none"> • Aly Adel • Toka Elwazery
	4.500	21 December 2020	<ul style="list-style-type: none"> • Mehwish Zafar
	4.100	30 April 2020	<ul style="list-style-type: none"> • Nishit Lakhotia • Reem Al Barri
	3.950	27 January 2021	<ul style="list-style-type: none"> • Nithin Pejaver
	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

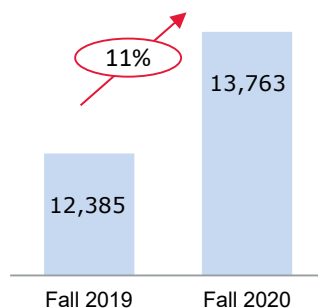
- 50% Fall 2020/2021

2020 financial performance

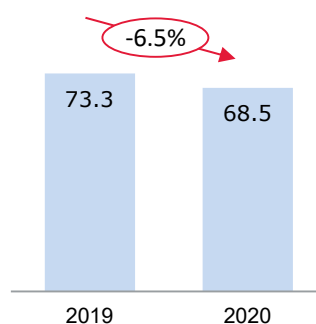
- 2020 revenue was 6.5% lower than 2019, mainly due to a delayed start of the Fall 2020 semester
- 2020 EBITDA margins of 63% was 4% higher than 2019
- 2020 net profit of KD 37.5 mn was 5% higher than 2019
- Total equity of KD 117.9 million as at 31 Dec 2020 was 47% higher than 31 Dec 2019
- 4,001 new students were admitted in Fall 2020, compared to 2,649 in Fall 2019

Key figures and ratios	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Revenue (KD mn)	20.0	18.6	-6.9%	73.3	68.5	-6.5%
EBITDA (KD mn)	11.7	14.5	23.6%	43.0	43.1	0.3%
EBITDA margin (%)	58.6%	77.9%	19.2%	58.7%	62.9%	4.3%
Net profit (KD mn)	9.8	13.4	36.8%	35.9	37.5	4.5%
Net margin (%)	49.0%	72.0%	23.0%	48.9%	54.7%	5.8%
EPS (in fils)	80	110	37.5%	295	308	4.4%
Equity (KD mn)	80.4	117.9	46.7%	80.4	117.9	46.7%
Total assets (KD mn)	118.3	158.3	33.8%	118.3	158.3	33.8%

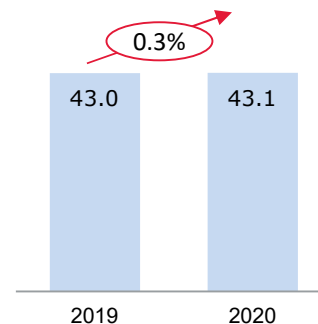
Number of students *



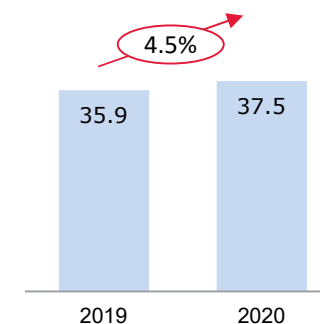
Revenue (KD mn)



EBITDA (KD mn)



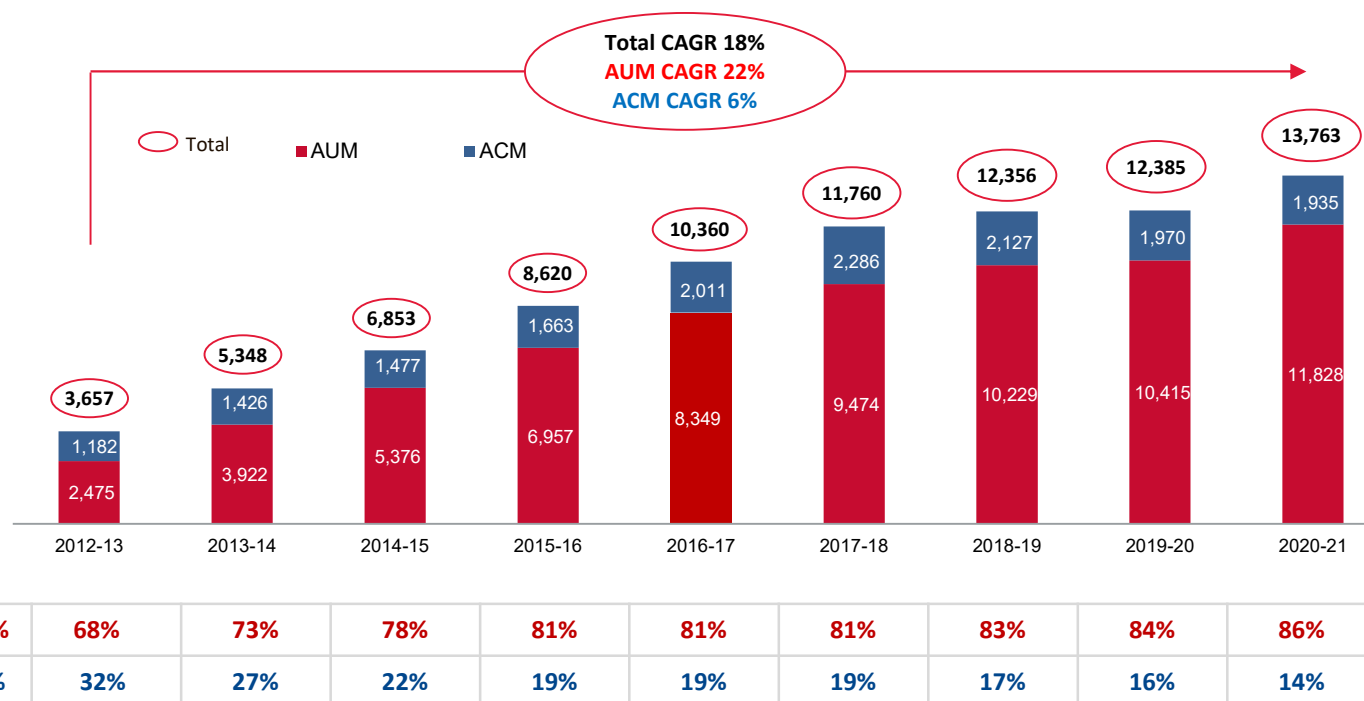
Net profit (KD mn)



* enrolled beginning of the Fall semester

Student enrollment

Total students enrolled
(beginning of the Fall semester)



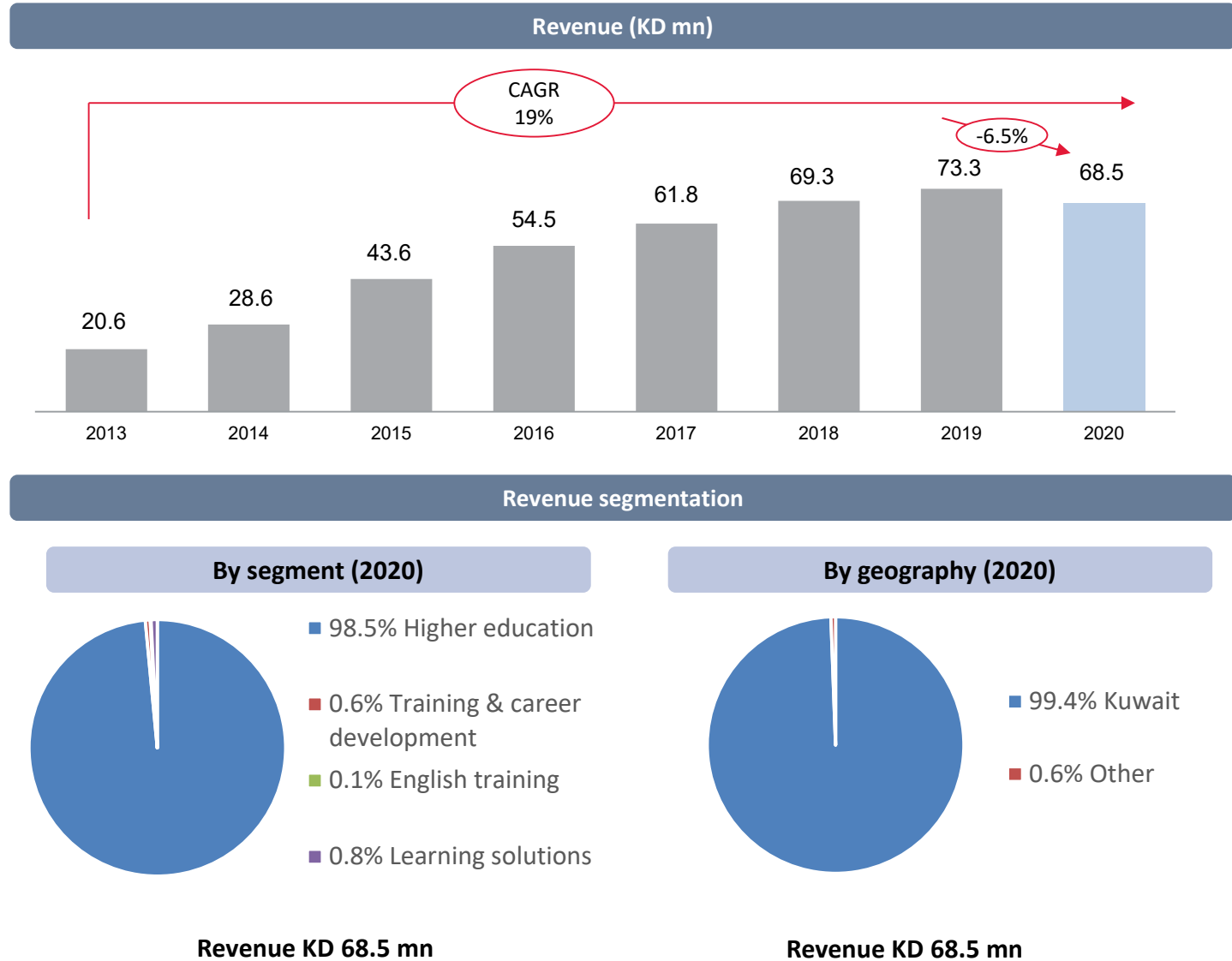
Deferred income as of 31 Dec 2020

- KD 18.5 million deferred income as of 31 December 2020, which is significantly higher than the deferred income as of 31 December 2019
- This reflects the higher number of enrolled students and the delayed start of Fall 2020

Key financials

2020 revenues were impacted by Covid-19

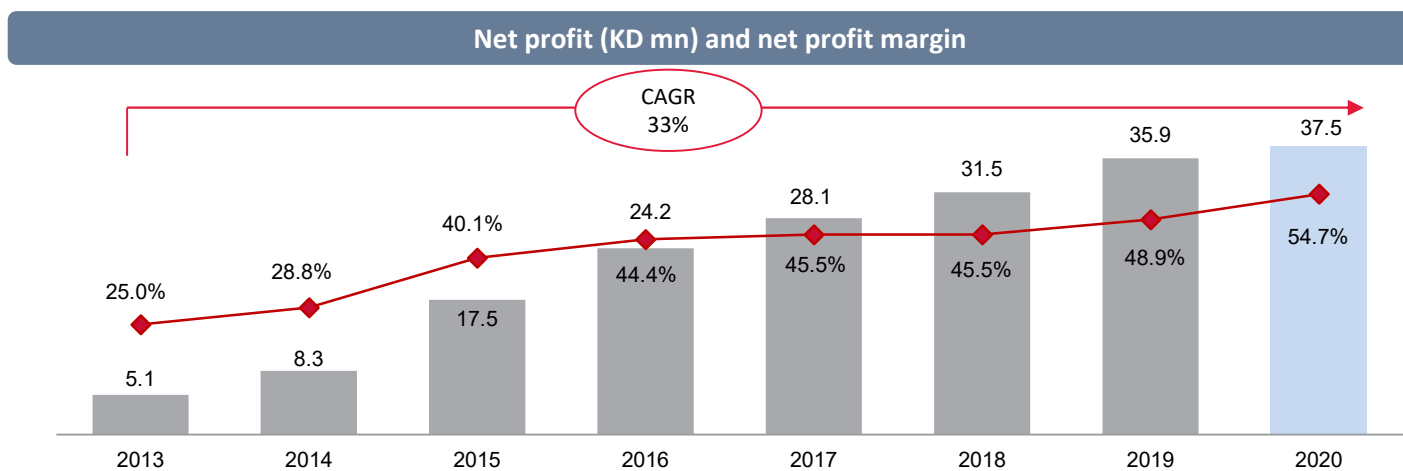
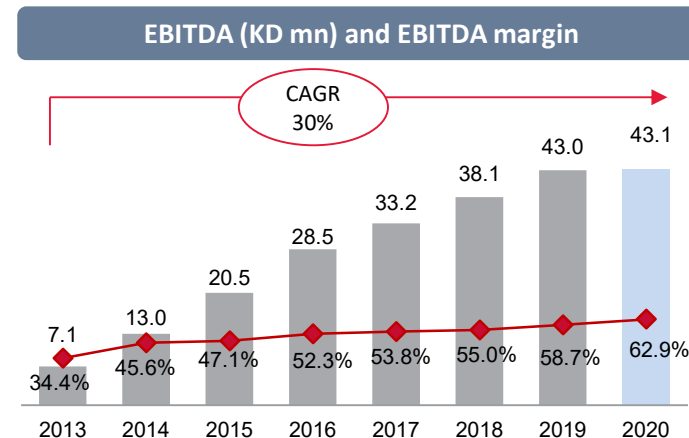
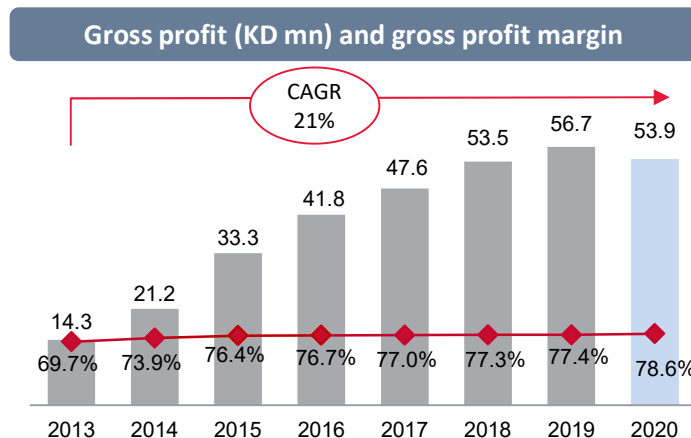
- 2020 revenue was 6.5% lower as compared to 2019 mainly due to a delayed start of the Fall 2020 semester due to Covid-19
- The higher education segment accounted for 98.5% of Humansoft's revenues in FY 2020
- The Board of Directors decided to close down the training businesses in Kuwait, the UAE and Qatar, and the process is currently underway



Key financials

Stronger margins despite Covid-19

- Gross profit grew at a CAGR of 21% in the period 2013-20. Gross profit margin for 2020 was 79%
- EBITDA grew at a CAGR of 30% in the period 2013-20. EBITDA margin increased to 63% in 2020
- Net profit grew at a CAGR of 33% in the period 2013-20. Net margin increased to 55% in 2020
- Humansoft's Board recommended paying 400 fils as cash dividend (payout ratio of 130%) for FY 2020



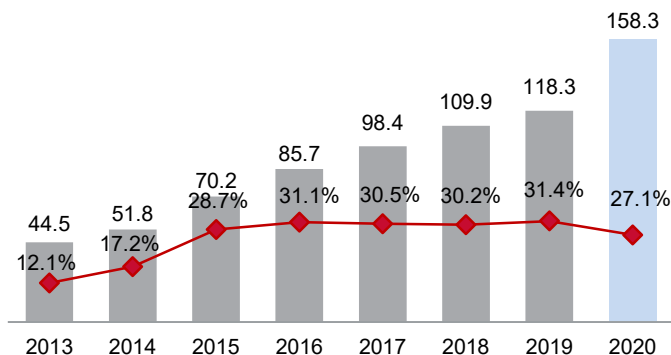
Earnings per share (in fils)	42	68	144	199	231	259	295	308
Cash dividend per share (in fils)	35	90	115	160	175	185	-	Proposed 400
Cash Dividend Payout (%)	83%	132%	80%	80%	76%	71%	-	130%
Share dividend per share (%)	7%	-	-	-	-	-	-	-

Key financials

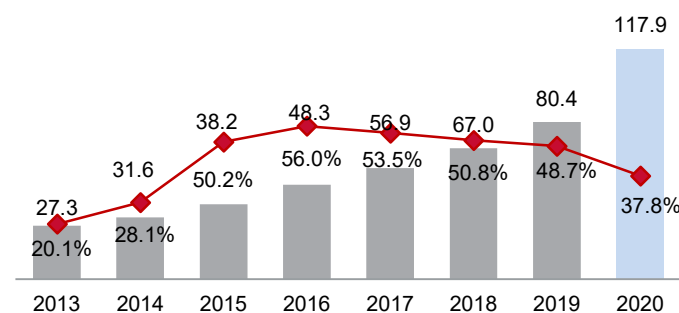
Humansoft has a fortress balance sheet

- Humansoft has a net cash position of KD 63 mn as at 31 Dec 2020
- Humansoft's strong earnings have resulted in growth in shareholders equity to KD 117.9 mn as at 31 Dec 2020
- Humansoft's fortress balance sheet provides protection, resilience, and enables Humansoft to withstand stress events like Covid-19

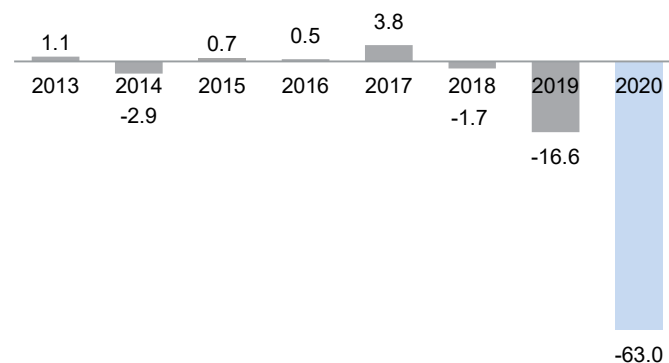
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

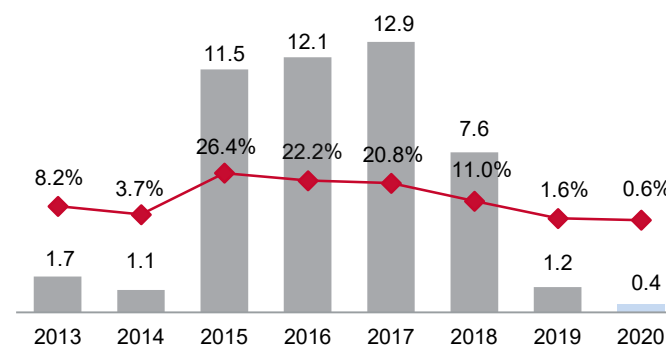


Net Debt ¹ (KD mn)



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