



Humansoft Holding Company KSCP
Investor Presentation
Q1 2021 Results
4 May 2021

HUMANSOFT
Empowering People Through Knowledge

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

Disclaimer

- The information set out in this presentation and provided in the discussion subsequent thereto does not constitute an offer or solicitation of an offer to buy or sell securities. It is solely for use at an investor presentation and is provided as information only.
- This presentation does not contain all of the information that is material for an investment decision.
- This presentation has been prepared by Humansoft Holding Company K.S.C.P. (“Humansoft”), and may not be reproduced (in whole or in part), distributed or transmitted to any other person without Humansoft’s prior written consent.
- The information in this presentation and the views reflected therein are those of Humansoft and are subject to change without notice.
- This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction.
- Historical information should not be relied upon as an accurate prediction of future performance. Humansoft is under no obligation to update or keep current the information contained herein.
- No person shall have any right of action against Humansoft or any other person in relation to the accuracy or completeness of the information contained in this presentation.
- Any forward looking statement or views in this presentation or subsequent discussion are subject to risks and uncertainties that may cause actual results to differ. Humansoft does not assume any obligation to update such views or statements and make any public announcements regarding the revisions to such statements or views.

Table of contents

	Page
Key highlights	4
At a glance	5
We are proud of our achievements	6
Board & Executive Management	7
Share price performance	8
10th largest by market cap	9
Research coverage	10
Revenue recognition	11
Q1 2021 financial performance	12
Student enrollment	13
Key financials	14-16
Strong equity story	17-20

Key highlights

Dividends

- The General Assembly approved cash dividends of 400 fils per share
- 25 April 2021: ex-dividend date
- 3 May 2021: payment date

New CEO

- Dr. Georges Yahchouchi took over as CEO effective 4 April 2021, in addition to his role as President of AUM

5 Stars

- AUM achieved an overall exemplary rating of 5 stars in the QS Stars Rating System, which is considered one of the most influential and credible ratings for universities globally. AUM has joined an exclusive group of 58 universities in the world and only 7 in the region to be awarded an overall 5 stars rating

Green credentials

- AUM has been ranked as the most green and sustainable university in Kuwait, 22nd in the Arab Region, and 302nd globally, in the 2020 UI GreenMetric World University Rankings

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 83.2 million

in revenue²

KD 59.2 million

in EBITDA²

29%

2014-2020 net profit CAGR

400 fils

cash dividend per share for FY 2020

¹ enrolled beginning of the Fall 2020 semester

² LTM Q1 2021

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

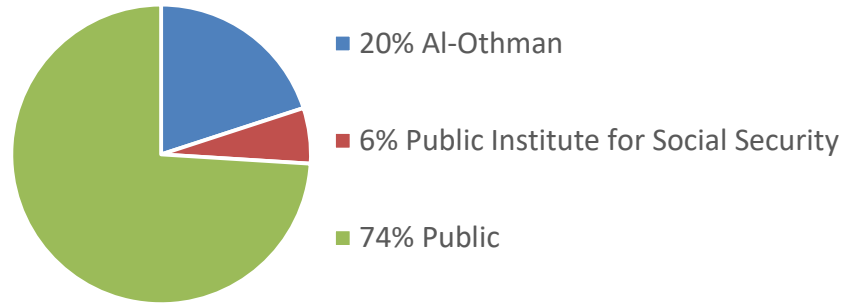
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Dr. Georges Yahchouchi	CEO, and President AUM
Mr. Rachad Challah	Deputy CEO
Mr. Anup Dhand	CFO
Dr. Mohaned Hassanin	President ACM

Share price performance

Shareholding (20 Apr 2021)



	KD
Closing price as at 31 Mar 2021	3.700
Market Cap (KD mn) ¹	450
Market Cap (USD bn)	1.5
6m avg. daily trading volume (% of shares outstanding)	0.21%
52-weeks high ²	3.930
52-weeks low ²	2.246

Current trading multiples ³	
EV/EBITDA (LTM Q1 2021)	6.2x
P/E (LTM Q1 2021)	8.4x
Cash dividend yield (based on FY 2020 dividends)	10.8%

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 3.700 as at 31 Mar 2021 and LTM Q1 2021 financials

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

Name	Description	Market Cap (KD million)	Rank	Bursa Kuwait segment
Kuwait Finance House	Banking	5,844	1	Premier
National Bank of Kuwait	Banking	5,805	2	Premier
Zain	Telecom	2,618	3	Premier
Ahli United Bank AUB (Bahrain)	Banking	2,056	4	Premier
Boubyan Bank	Banking	1,832	5	Premier
Agility Public Warehousing Co	Logistics	1,389	6	Premier
Mabaneer	Real Estate	802	7	Premier
Gulf Bank	Banking	662	8	Premier
Burgan Bank	Banking	576	9	Premier
Humansoft	Education	450	10	Premier
Boubyan Petrochemicals	Diversified	427	11	Premier
Qurain Petrochemicals	Diversified	404	12	Premier
Warba Bank	Banking	373	13	Premier
KIPCO	Fin Services	319	14	Premier
Shamal Azzour Power & Water	Utilities	295	15	Premier
National Industries Group	Fin Services	267	16	Premier
Boursa Kuwait	Fin Services	227	17	Premier
Kuwait International Bank	Banking	204	18	Premier
Alafco	Aviation	194	19	Premier
Gulf Cable	Industrial	179	20	Premier
Mezzan Holding	Consumer	171	21	Premier
National Investments Company	Fin Services	133	22	Premier
Al Imtiaz Investment Group	Fin Services	117	23	Premier
Aqarat	Real Estate	117	24	Premier
Integrated Holding Company	Industrial	91	25	Premier



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

Based on market cap as at 31 Mar 2021
Source: Bursa 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
	4.540	15 February 2021	<ul style="list-style-type: none"> • Mehwish Zafar • Christine Kalindjian
	4.530	24 September 2019	<ul style="list-style-type: none"> • Aly Adel • Toka Elwazery
	4.400	17 March 2021	<ul style="list-style-type: none"> • Nishit Lakhotia • Reem Al Barri
	4.050	21 March 2021	<ul style="list-style-type: none"> • Thomas Mathew
	3.950	27 January 2021	<ul style="list-style-type: none"> • Nithin Pejaver

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

FY 2021

Q1

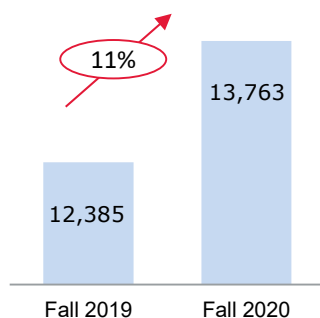
- 50% Fall 2020/2021
- 25% Spring 2021

Q1 2021 financial performance

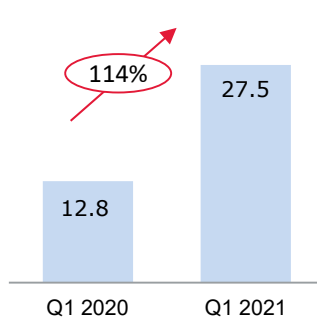
- Q1 2021 revenue was 114% higher as compared to Q1 2020 mainly due to higher student enrolment and changes to the academic calendar due to Covid-19
- Q1 2021 EBITDA of KD 21.0 million was 323% higher than Q1 2020
- Q1 2021 net profit of KD 19.3 million was 472% higher than Q1 2020
- Total equity at KD 137.2 million in Q1 2021 was 64% higher than Q1 2020

Key figures and ratios	Q1 2020	Q1 2021	Change
Number of students (Fall)	12,385	13,763	11%
Revenue (KD mn)	12.8	27.5	114%
EBITDA (KD mn)	5.0	21.0	323%
EBITDA margin (%)	38.7%	76.4%	38%
Net profit (KD mn)	3.4	19.3	472%
Net margin (%)	26.3%	70.2%	44%
EPS (in fils)	28	159	468%
Equity (KD mn)	83.9	137.2	64%
Total assets (KD mn)	137.9	183.5	33%

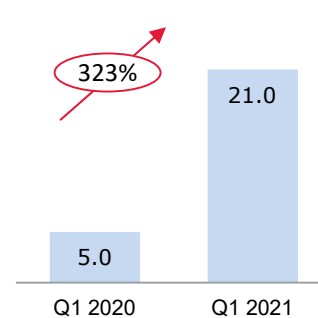
Number of students *



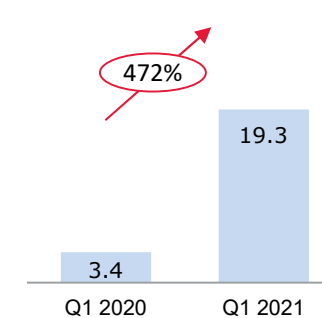
Revenue (KD mn)



EBITDA (KD mn)



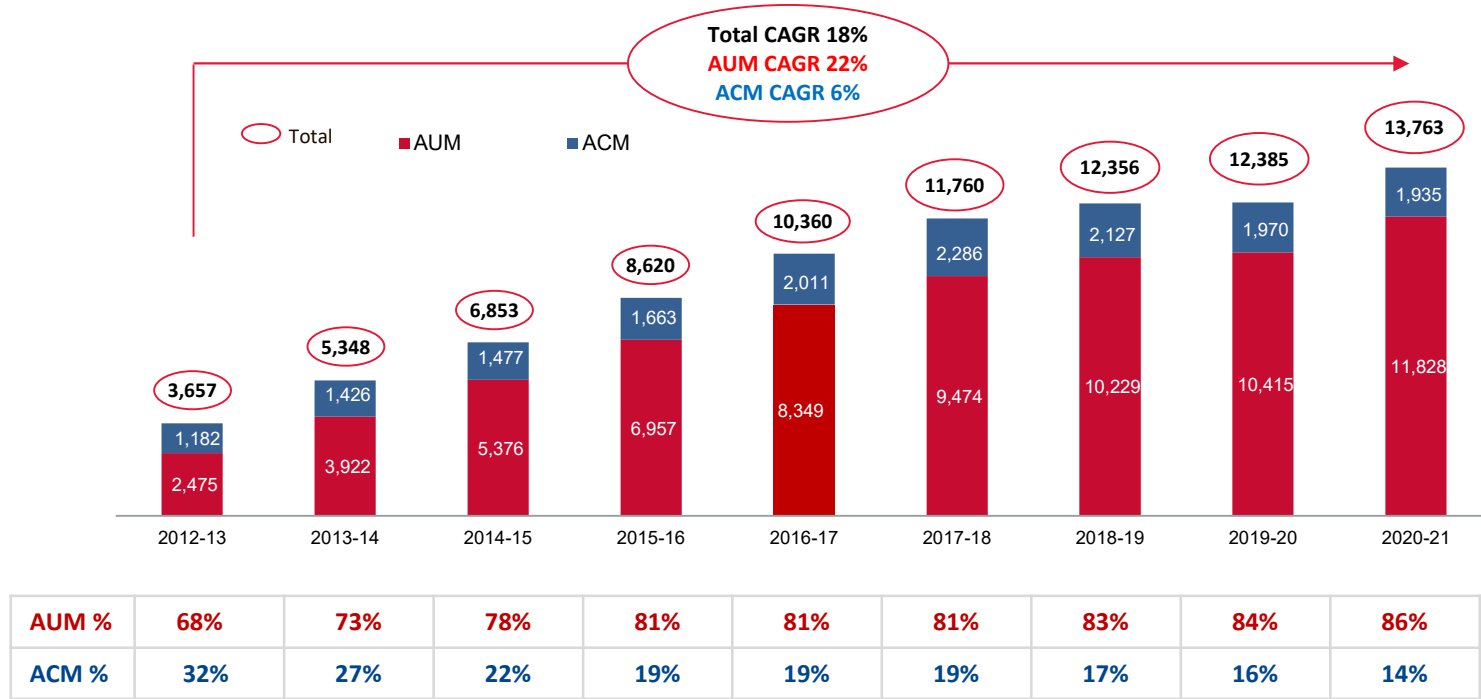
Net profit (KD mn)



* enrolled beginning of the Fall semester

Student enrollment

Total students enrolled
(beginning of the Fall semester)



Deferred income as of 31 Mar 2021

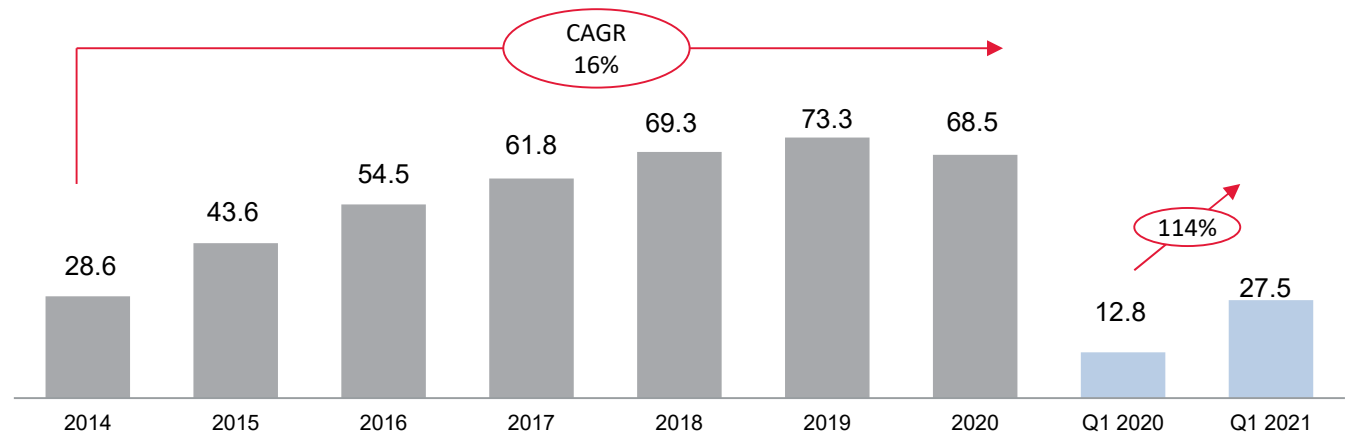
- KD 26.6 million deferred income as of 31 March 2021, compared to KD 24.1 million as of 31 March 2020

Key financials

Revenues more than doubled in Q1 2021

- Q1 2021 revenue was 114% higher as compared to Q1 2020 mainly due to higher student enrolment and changes to the academic calendar due to Covid-19

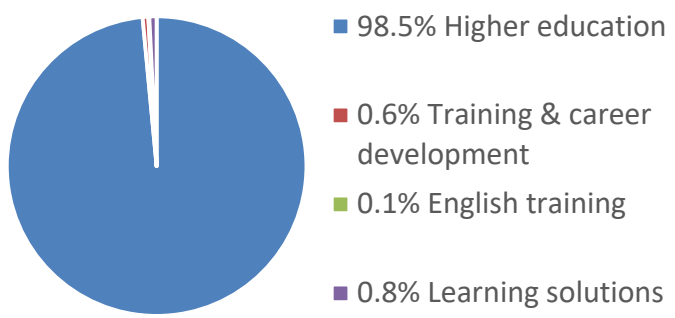
Revenue (KD mn)



- The higher education segment accounted for 98.5% of Humansoft's revenues in FY 2020

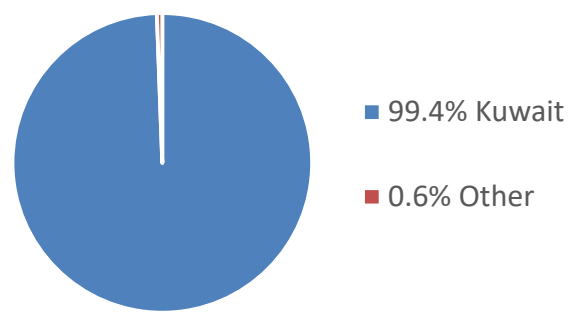
Revenue segmentation

By segment (FY 2020)



Revenue KD 68.5 mn

By geography (FY 2020)

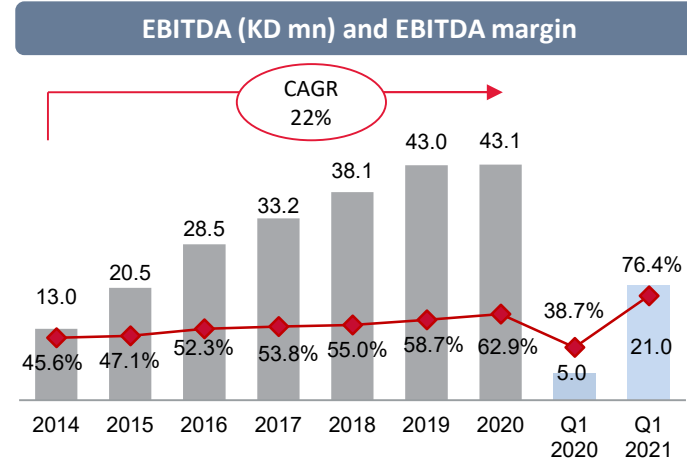
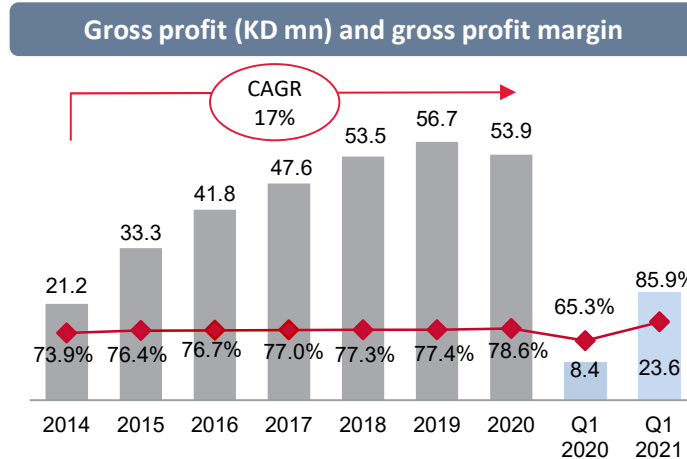


Revenue KD 68.5 mn

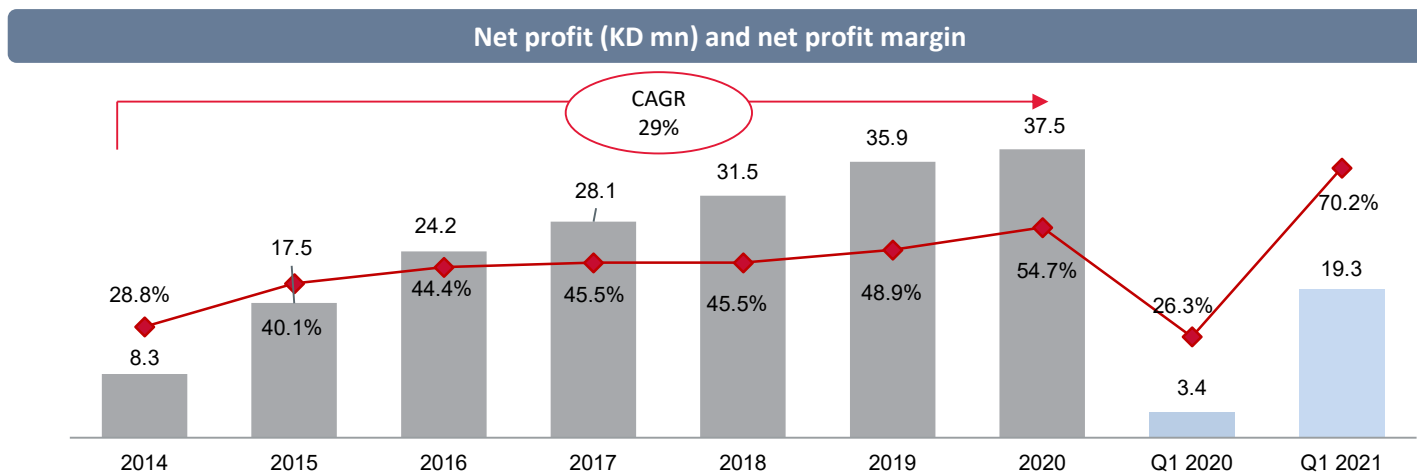
Key financials

Margins increased to new highs in Q1 2021

- Gross profit grew at a CAGR of 17% in the period 2014-2020. Gross profit margin increased to 86% in Q1 2021



- EBITDA grew at a CAGR of 22% in the period 2014-2020. EBITDA margin increased to 76% in Q1 2021



- Net profit grew at a CAGR of 29% in the period 2014-2020. Net margin increased to 70% in Q1 2021

- Humansoft's shareholders have approved payment of 400 fils as cash dividend (payout ratio of 130%) for FY 2020

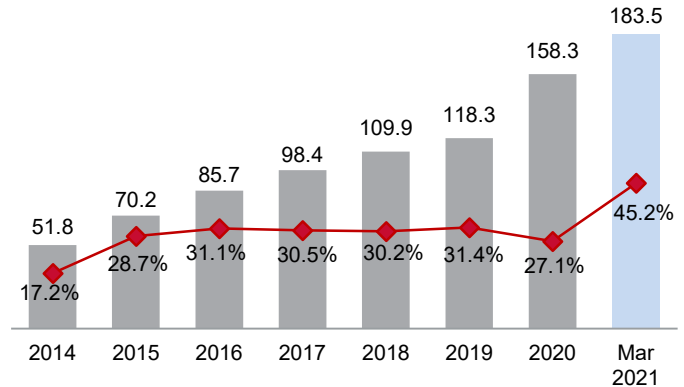
Earnings per share (in fils)	68	144	199	231	259	295	308
Cash dividend per share (in fils)	90	115	160	175	185	-	400
Cash Dividend Payout (%)	132%	80%	80%	76%	71%	-	130%

Key financials

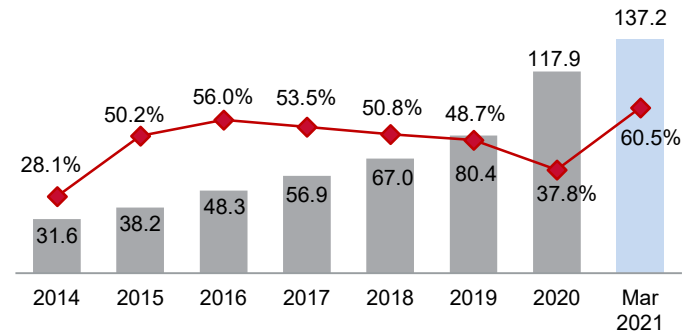
Humansoft has a fortress balance sheet

- Humansoft has a net cash position of KD 83 mn as at 31 March 2021
- Humansoft's strong earnings have resulted in growth in shareholders equity to KD 137.2 mn as at 31 March 2021
- Humansoft's fortress balance sheet provides protection, resilience, and enables Humansoft to withstand stress events like Covid-19

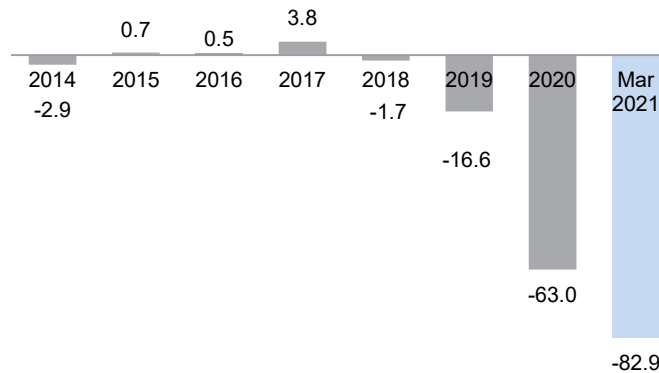
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

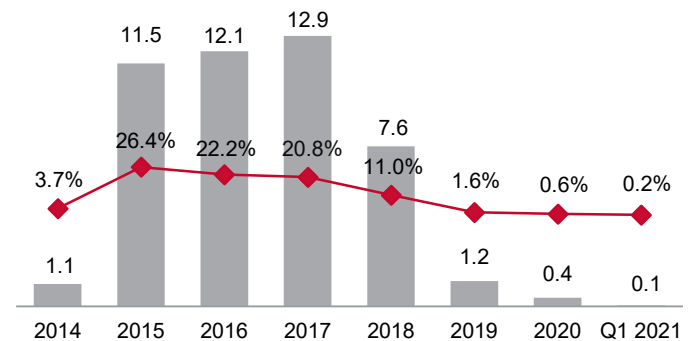


Net Debt ¹ (KD mn)



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 delivered high levels of ROAE and have grown dividend distribution
- We aim to deliver sustainable dividends going forward whilst maintaining financial flexibility