

Q2 2022



Empowering People Through Knowledge

Humansoft Holding Company KSCP

Investor Presentation

Q2 2022 Results

27 July 2022

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Q2 2022

KEY HIGHLIGHTS



Key Highlights

AUM First in Kuwait for the Second Year in a Row and 701-750 Worldwide

AUM has been ranked the first university in Kuwait for the second year in a row and in the top 750 globally in the QS World University Rankings 2023.

AUM has steadily advanced in the rankings year to year, from 801 – 1000 in 2021, to 751-800 in 2022, and reached 701-750 in the 2023 QS rankings.

*Source: QS World University Rankings 2023,
Quacquarelli Symonds (QS), June 8, 2022*



Key Highlights

Recognizing Leading Companies through the AUM Corporate Award 2022

The launch of AUM Corporate Award stems from our belief in the importance of honoring successful cadres in Kuwait and celebrating strategic partnership with companies from private and public sectors.

AUM Corporate Award 2022 Ceremony was held to honor handpicked leaders and leading local and international companies in Kuwait for believing in our graduates who became an integral part of their workforce.



Key Highlights

Bringing the future closer to today's generations

AUM launched the Smartverse Center for AI and Innovation in cooperation with the University of California, Berkeley | AMENA (Asia, Middle East and North Africa) Center for Entrepreneurship and Development.

The launching ceremony spread futuristic vibes among the audience. It also featured student projects related to Artificial Intelligence and robotics, in addition to virtual and augmented reality experiences.



Launching of AUM SMARTVERSE Center for AI & Innovation in cooperation with UC Berkeley



Scenes from the Smartverse launching with Sophia the Robot



Special featuring - Students exhibited their projects related to Artificial Intelligence and robotics



Pre-event futuristic vibes - Robotics Show

Glimpses from the vibrant campus life and beyond



Special event for Faculty & Staff during Ramadan 2022



The Next Generation Career Fair 2022, held for a full-week in a hybrid environment with over 50+ companies



Celebration of the successful year with festive performances, fireworks & laser shows



Exhibition of graduation projects by students



First Aid & CPR trainings for Faculty & Staff who became certified by the American Heart Association



AUM participation in Babson build 1-week program in Entrepreneurial Thought and Action (Boston, U.S.)

AT A GLANCE



At a Glance



Leading

private higher education company in the GCC

20+

years of operating experience

13,753¹

enrolled students in AUM and ACM

University of choice

for Engineering and Business

KD 85.9 million

in revenue²

KD 58.1 million

in EBITDA²

37%

2013-2021 net profit CAGR

400 fils

cash dividend per share for FY 2021

¹ enrolled beginning of the Fall 2021 semester

² LTM Q2 2022

We are proud of our achievements

#1 Ranking

University
in Kuwait

#1 Ranking

Green & Sustainable
University in Kuwait

Internationally Accredited

Engineering &
Business Majors

International Relations

Purdue University

UC Berkeley

HEC Montreal

Babson College

CMS – CERN

PRME

Over 700

trees have been
planted in the campus

Over 60%

female
students

Over 70

different staff
nationalities

Over 20

sports achievements
since 2018

Over 130

community engagement
initiatives since 2014

Over 100

academic competitions
since 2014

Board & Executive Management



Board & Executive Management

Board of Directors

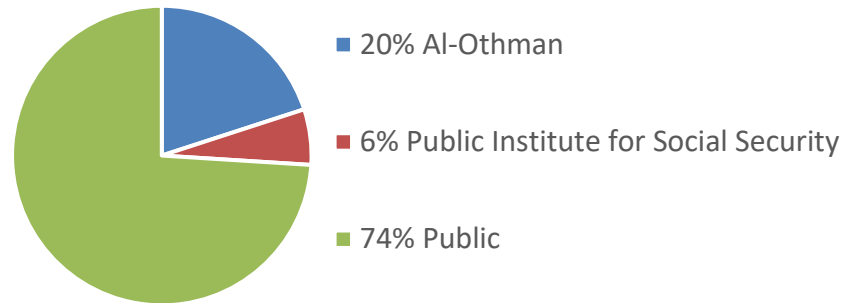
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Dr. Georges Yahchouchi	Humansoft CEO, & President AUM
Mr. Anup Dhand	CFO
Dr. Mohaned Hassanin	President ACM

Share Price Performance

Shareholding (30 June 2022)

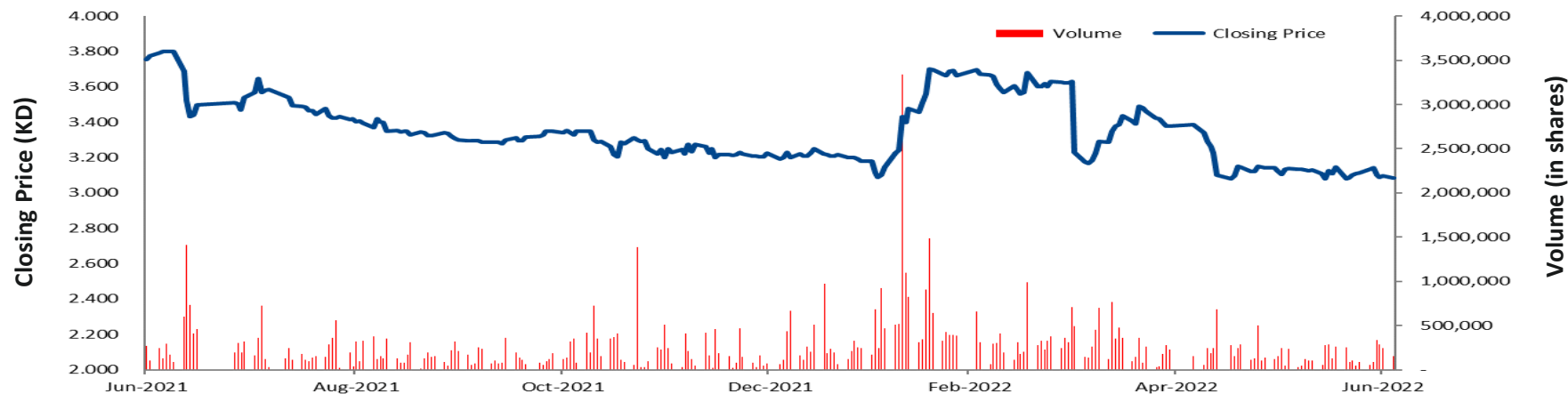


	KD
Closing price as at 30 June 2022	3.095
Market Cap (KD mn) ¹	377
Market Cap (USD bn)	1.2
6m avg. daily trading volume (% of shares outstanding)	0.27%
52-weeks high ²	3.800
52-weeks low ²	3.079

Current trading multiples ³

EV/EBITDA (LTM Q2 2022)	5.3X
P/E (LTM Q2 2022)	7.2X
Cash dividend yield (Based on FY 2021 dividends)	12.9%

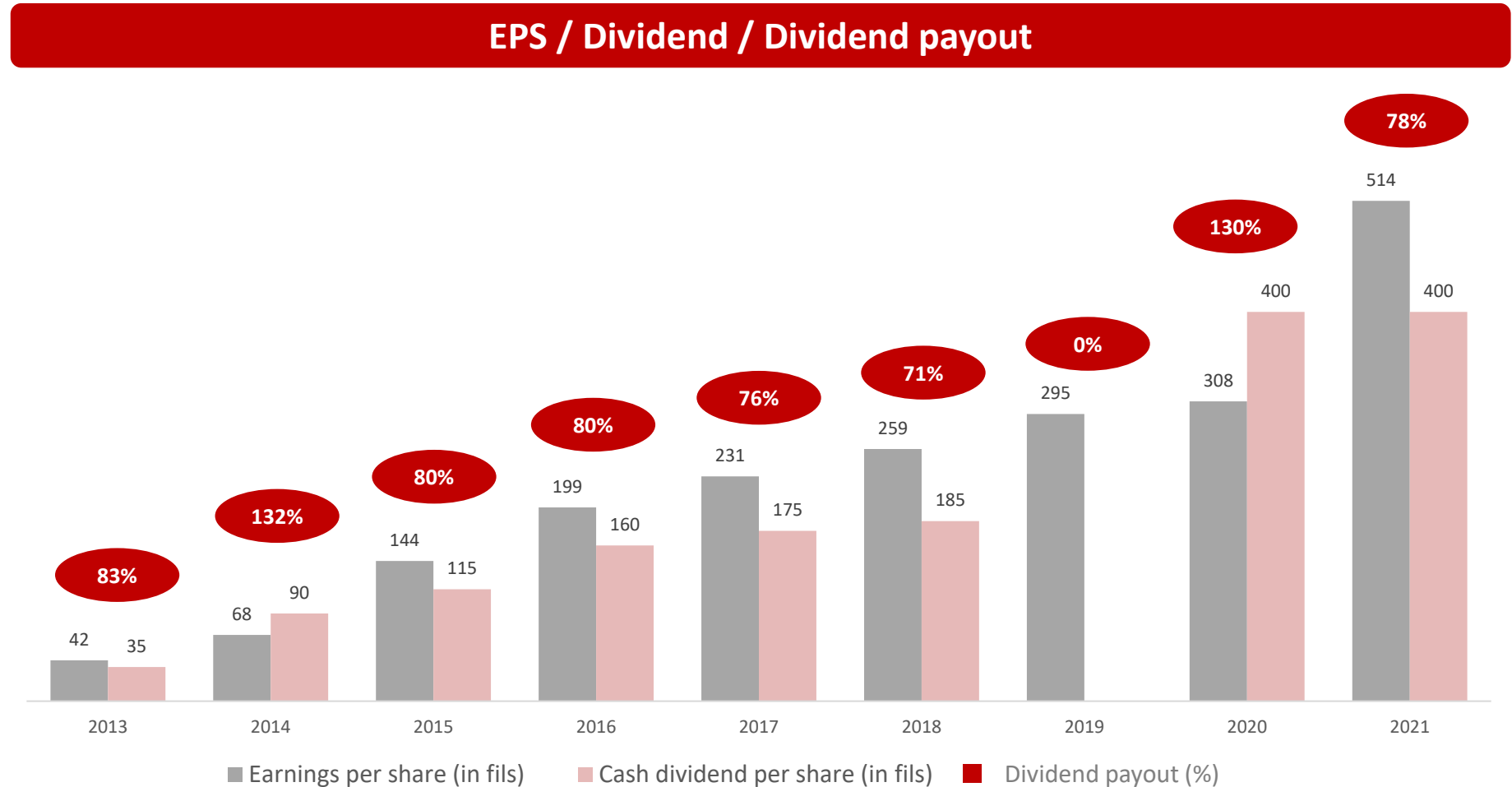
1-year share price performance



- 1) Based on 121,654,352 shares outstanding
- 2) Based on closing share price
- 3) Based on closing share price of KD 3.095 as at 30 June 2022 and LTM Q2 2022 financials

Consistently high EPS & Dividend payout

- Average dividend payout in last 10 years has been in excess of 70%.
- EPS for 2021 was 514 fils, an increase of 67% over 2020 EPS of 308 fils.
- Cash dividend of 400 fils per share was paid for FY 2021 (payout ratio of 78%).



Research Coverage

Broker	Target price	Date of report	Analyst
	5.400	15 February 2022	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	5.300	24 March 2022	<ul style="list-style-type: none"> • Ankur Agarwal
	5.130	10 May 2021	<ul style="list-style-type: none"> • Aly Adel • Toka Elwazery
	4.300	10 February 2022	<ul style="list-style-type: none"> • Christine Kalindjian
	4.200	13 July 2021	<ul style="list-style-type: none"> • Nishit Lakhotia • Reem Al Barri
	3.745	19 August 2021	<ul style="list-style-type: none"> • Thomas Mathew
	3.600	13 July 2021	<ul style="list-style-type: none"> • Nithin Pejaver

Q2 2022

Q2 2022 Converging Towards Normalcy



Converging towards normalcy

Q2 2022 vs. Q2 2021

- Revenue and profitability for Q2 2021 and Q2 2022 is not comparable.
- Academic calendar was impacted due to COVID in the year 2020 and 2021, which resulted in a higher revenue in Q2 2021.
- Q2 2022 Academic calendar for Spring 2022 is back to normal.
- Net profit for Q2 2022 (post Covid normal) is up 42% as compared with Q2 2019 (pre Covid normal)

Revenue Recognition

FY 2019 (Normal Year)

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 (COVID Year)

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 (COVID Year)

Q1

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

Q2

- 75% Spring 2021

Q3

- 100% Summer 2021

Q4

- 75% Fall 2021/2022

FY 2022 (Converging to normalcy)

Q1

- 25% Fall 2021/2022
- 40% Spring 2022

Q2

- 60% Spring 2022

Q2 2022

Q2 2022 Financial Performance

(converging towards
normalcy)

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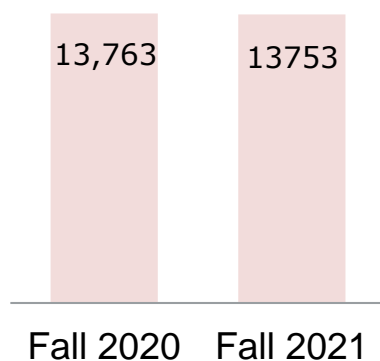


Financial Performance – Q2 2022

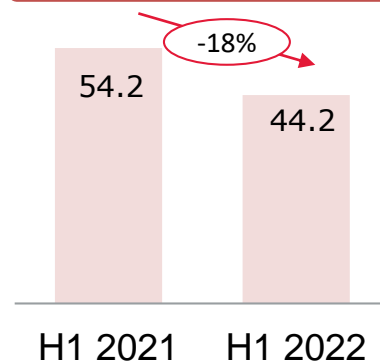
- FY 2020 and FY 2021 academic calendars were COVID impacted and are converging to normalcy in H1 2022.
- H1 2022 revenue was 18% lower compared to H1 2021 mainly because of changes in the academic calendar due to Covid-19, experienced in H1 2021.
- H1 2022 EBITDA of KD 29.5 million was 27% lower than H1 2021.
- H1 2022 net profit of KD 27.0 million was 27% lower than H1 2021.
- Total equity and Total assets as at 30 June 2022 was 4% and 7% higher respectively than 30 June 2021.

Key figures and ratios	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Number of students (Fall)	13763	13753	-	13,763	13,753	-
Revenue (KD mn)	26.7	20.9	-22%	54.2	44.2	-18%
EBITDA (KD mn)	19.4	13.1	-32%	40.4	29.5	-27%
EBITDA margin (%)	73%	63%	-10%	75%	67%	-8%
Net profit (KD mn)	17.6	11.9	-32%	36.9	27.0	-27%
Net margin (%)	66%	57%	-9%	68%	61%	-7%
EPS (in fils)	144	98	-32%	303	222	-27%
Equity (KD mn)	106.1	110.1	4%	106.1	110.1	4%
Total assets (KD mn)	127.3	136.5	7%	127.3	136.5	7%

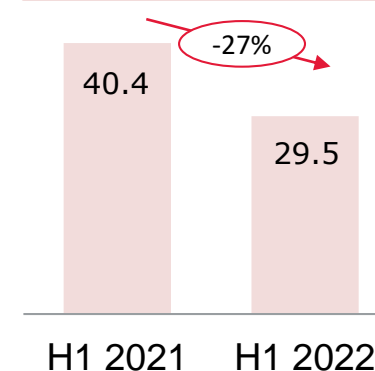
Number of students *



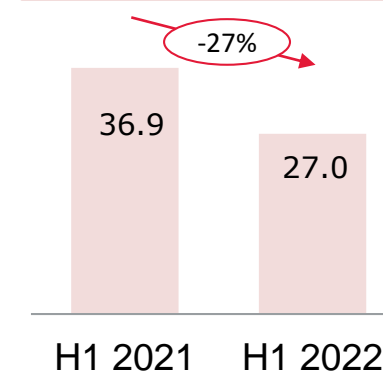
Revenue (KD mn)



EBITDA (KD mn)



Net profit (KD mn)

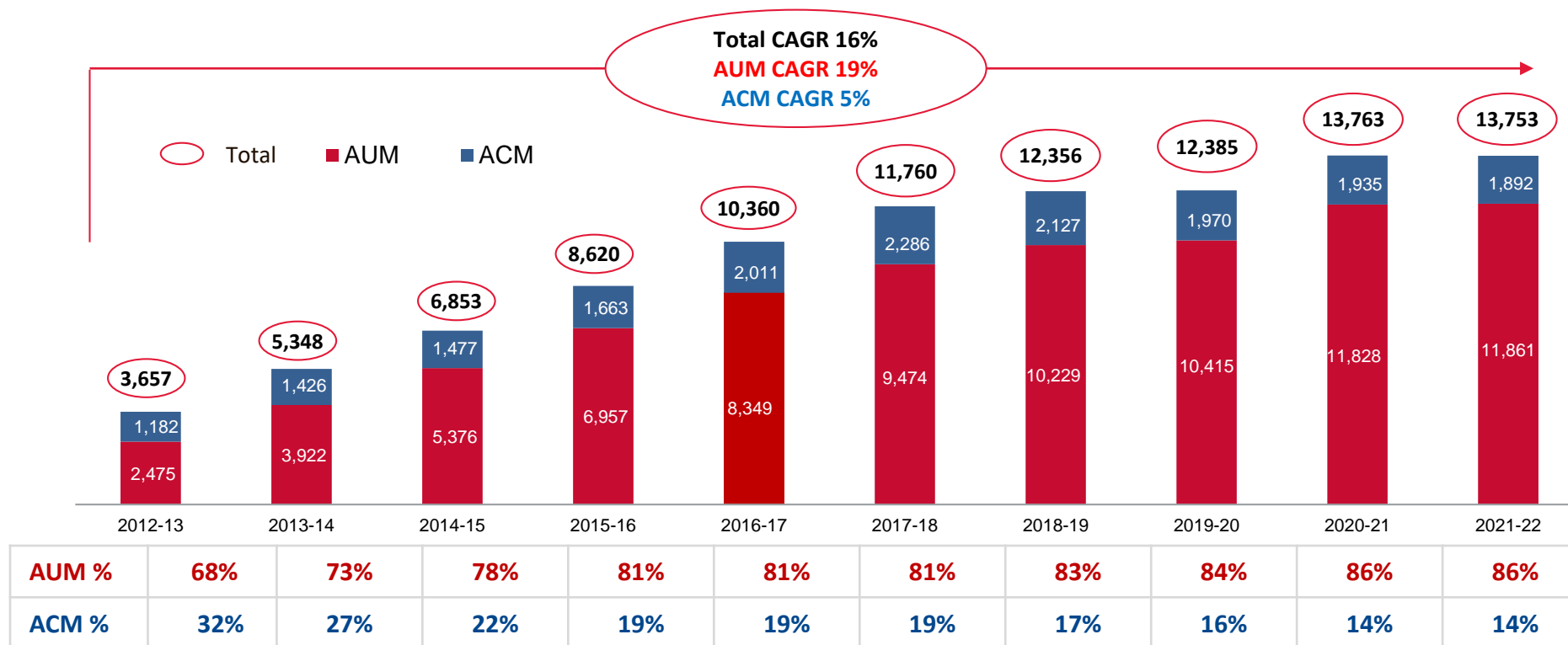


* enrolled beginning of the Fall semester

Student Enrollment growing at a CAGR of 16%

Total students
enrolled

(beginning of the
Fall semester)



Deferred income
as of
30 June 2022

- Deferred Income of KD 11.1 million as of 30th June 2022, relates to unrecognised revenue of Summer 2022 semester.

Q2 2022

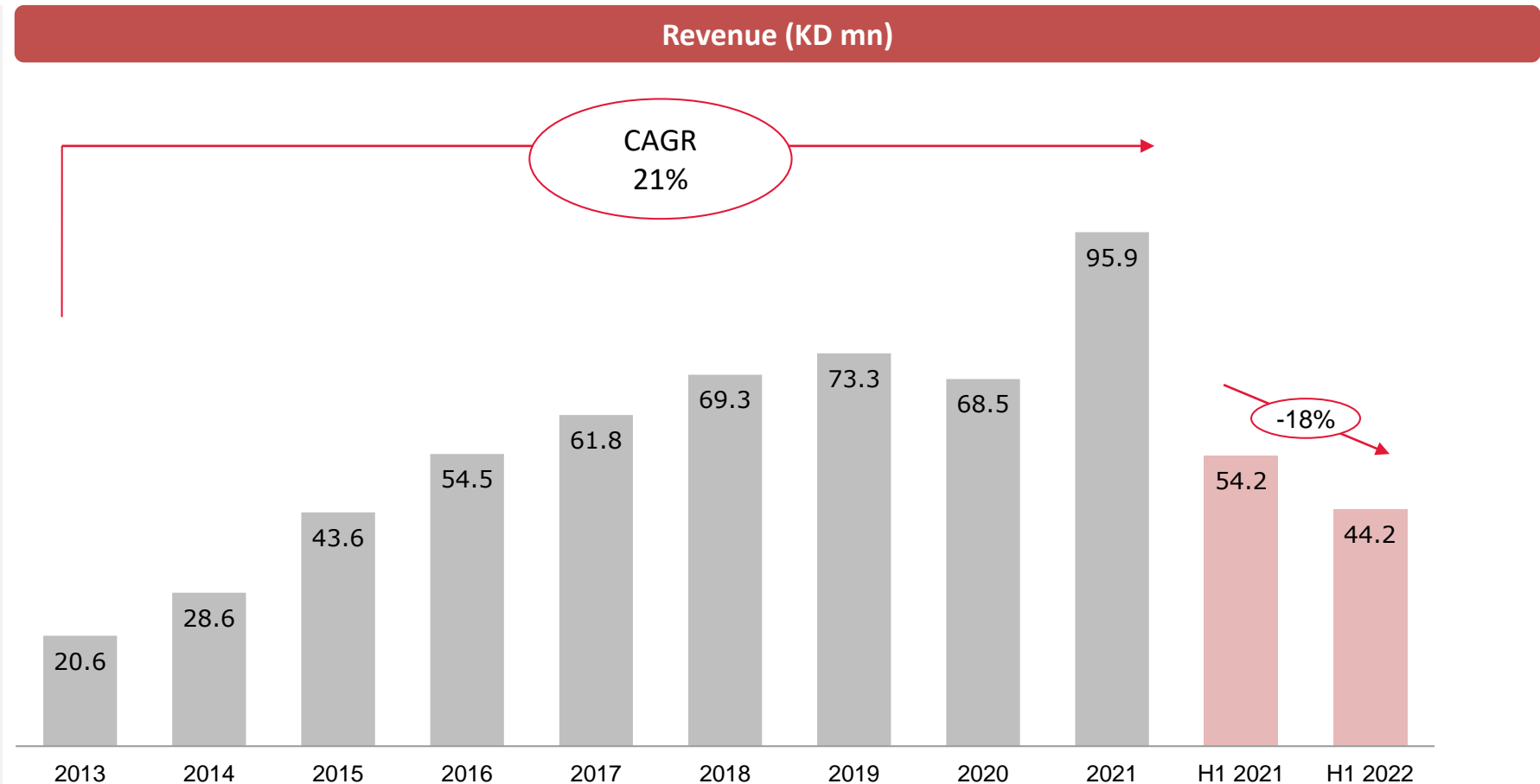
Key Financials

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Key Financials – Persistent Growth in Revenues

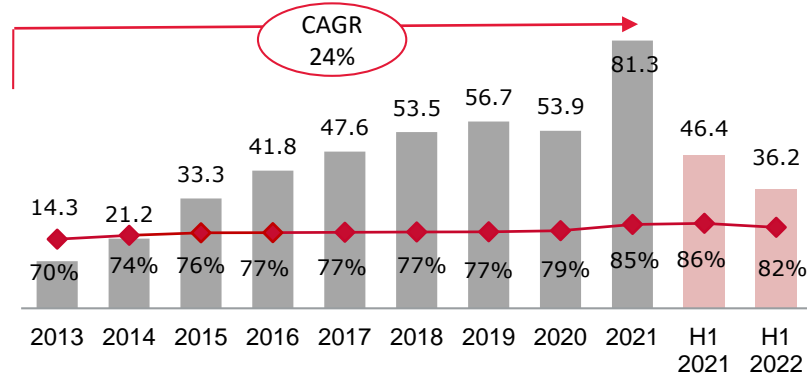
- Revenue grew at a CAGR of 21% in the period 2013-2021 and was KD 95.9 million in 2021.
- H1 2022 revenue was 18% lower compared to H1 2021 mainly because of changes to the academic calendar in 2020-2021 due to Covid-19.
- 50% of revenue for Fall semester was recognized in Q1 2021 as against 20% in a regular academic calendar.
- 75% of revenue for Spring 2021 was recognized in Q2 2021, as against 60% in a regular academic calendar.



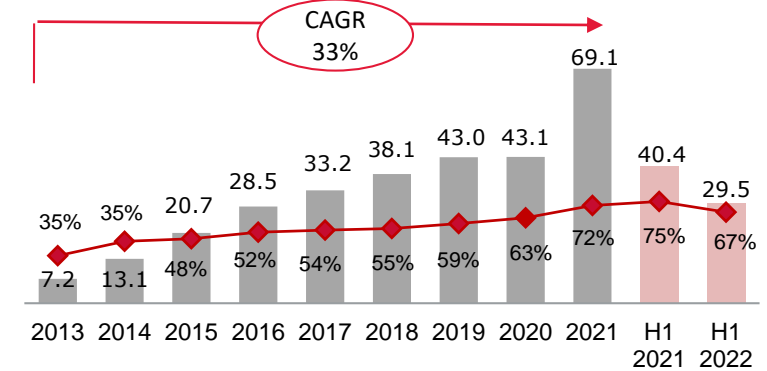
Key Financials – Consistently High Margins

- Gross profit grew at a CAGR of 24% in the period 2013-2021. Gross profit margin was 82% in H1 2022.
- EBITDA grew at a CAGR of 33% in the period 2013-2021. EBITDA margin was 67% in H1 2022
- Net profit grew at a CAGR of 37% in the period 2013-2021. Net profit margin was 61% in H1 2022

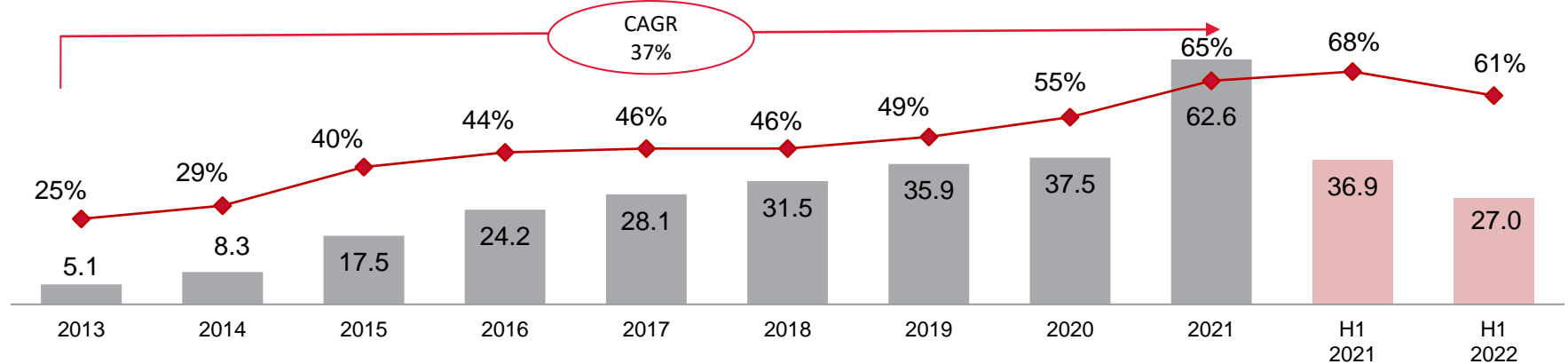
Gross profit (KD mn) and gross profit margin



EBITDA (KD mn) and EBITDA margin



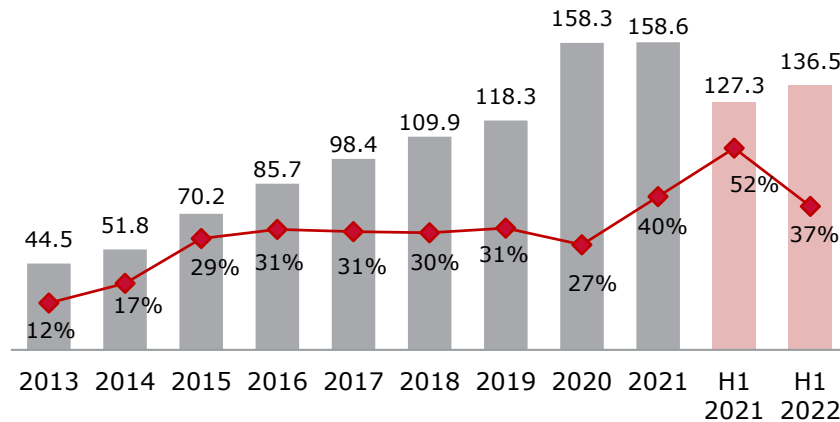
Net profit (KD mn) and net profit margin



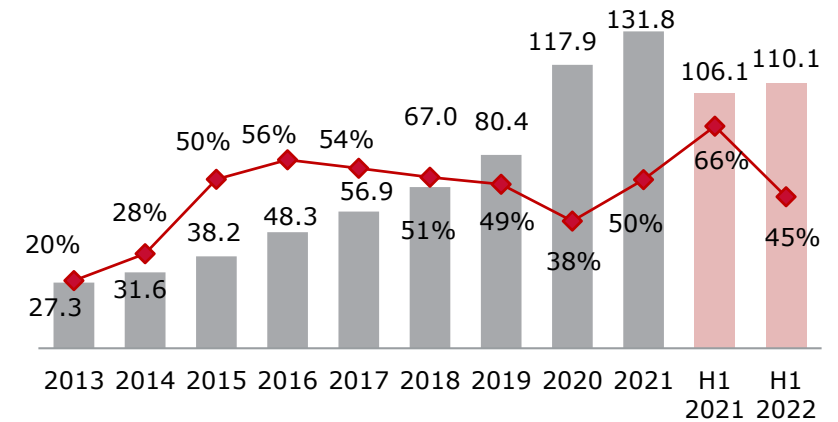
Key Financials – High ROAA and ROAE

- Humansoft's fortress balance sheet, high ROAA & ROAE provides protection, resilience, and enables Humansoft to withstand stress events like Covid-19
- Humansoft's earnings have resulted in an annualised ROAE of 45% in H1 2022
- Humansoft's annualised ROAA was 37% in H1 2022
- Humansoft has a net cash position of KD 67 mn as at 30 June 2022
- KD 44 mn capex was incurred during the year 2015 to 2018 to make significant additions to campus infrastructure

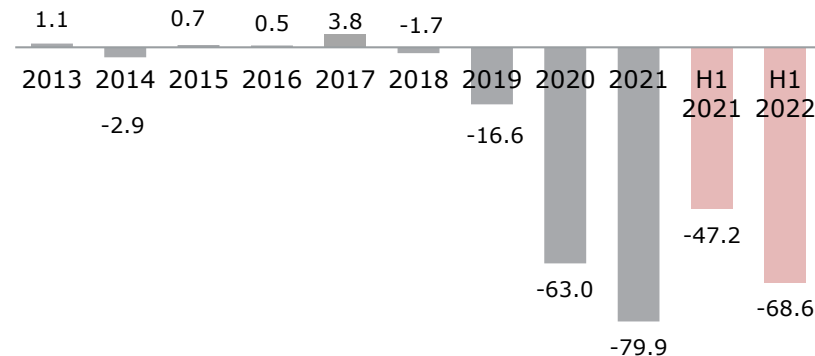
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

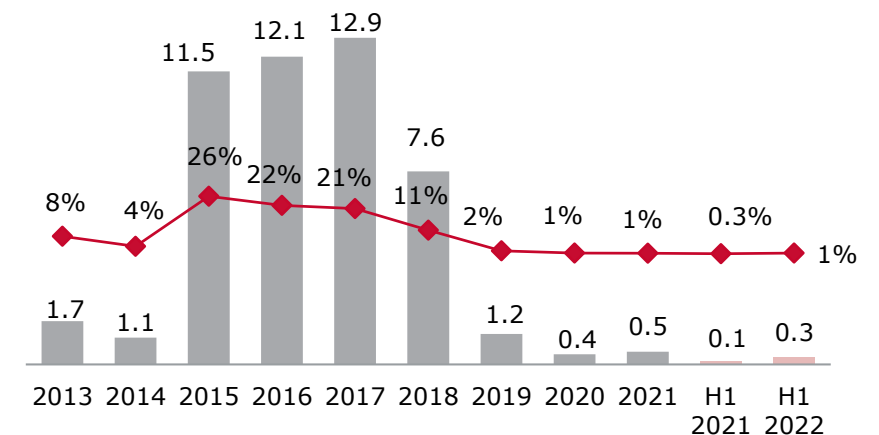


Net Debt ¹ (KD mn)



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

- ✓ **Top university ranking, high quality learning, state of the art campus**
- ✓ **Highest number of students among private universities in Kuwait**
- ✓ **Internationally accredited 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**

Strategic pillars

1

Academic excellence

We are building new capabilities and continuously developing new offerings to secure our long term prospects. This includes widening the undergraduate offering by introducing new majors, offering new masters programs, expanding international collaborations and accreditations, and continuously developing our research capabilities

2

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

3

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