

Q3 2023



Humansoft Holding Company KSCP

Investor Presentation

Q3 2023 Results

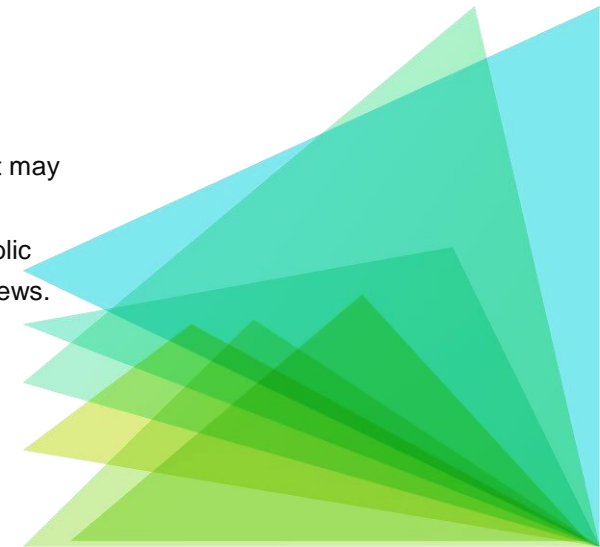
13 November 2023

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Contents

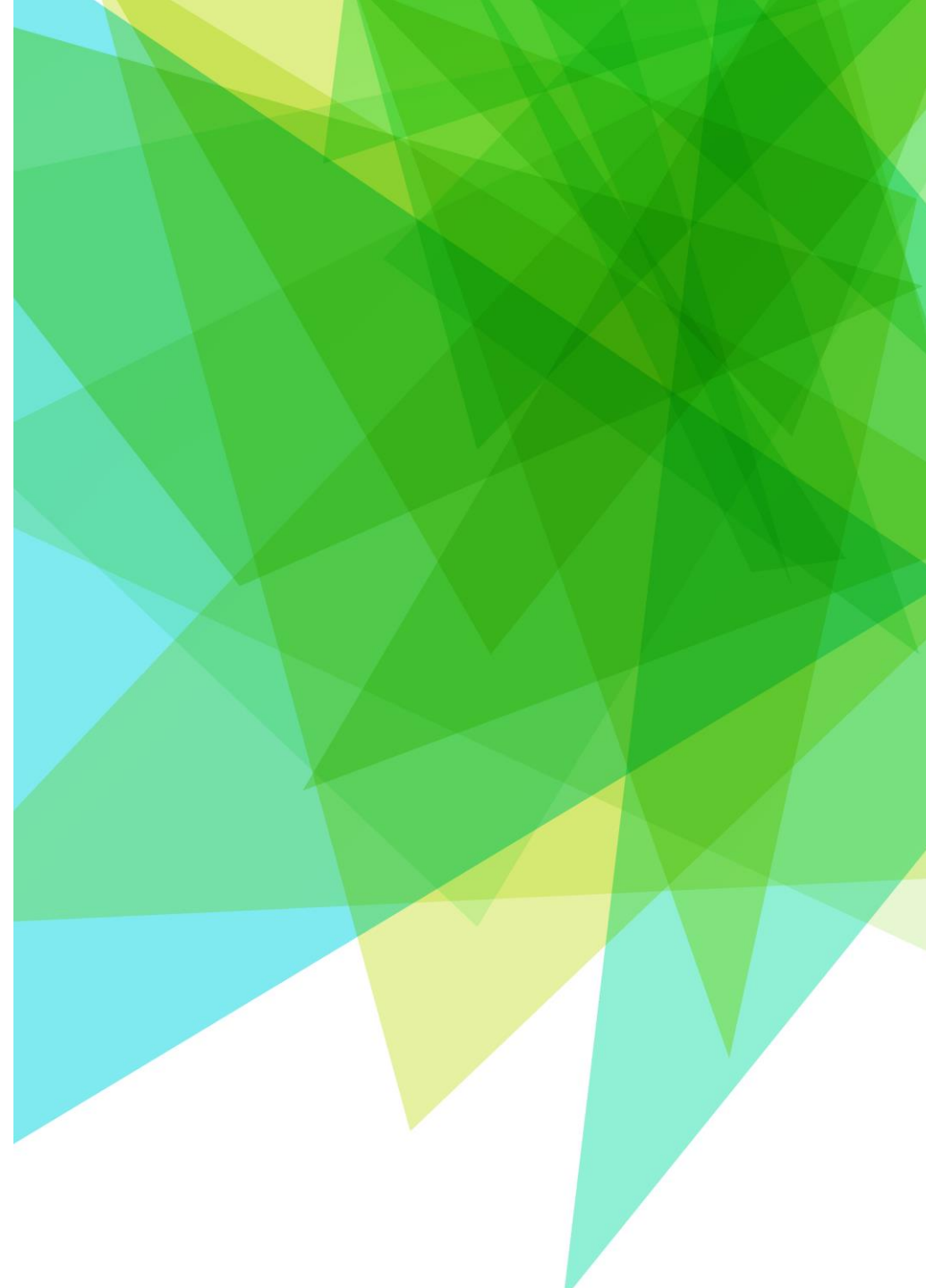
Key highlights	4-8
At a glance	9-10
We are proud of our achievements	11
Board & Executive Management	12-13
Share price performance	14
Consistently High EPS & Dividend payout	15
Research coverage	16
Revenue recognition	17
Q3 2023 Financial performance	18-19
Student enrollment	20
Key Financials	21-24
Strong Equity Story	25-28



Q3 2023

KEY HIGHLIGHTS

HUMAN**SOFT**
Empowering People Through Knowledge



Key Highlights

A Warm Welcome to the Start of the Academic Year 2023-2024

AUM and ACM combined enrolled **2924** new students in Fall 2023, taking the total enrolled students in Fall 2023 to **13,425**

The new academic year 2023-2024 was marked with a vibrant and welcoming environment where new students were provided with orientation and guidance on all the aspects of academic life, courses and campus life.

In addition, an Open Day was hosted for all students to introduce them to the diverse range of student clubs.



Key Highlights

AUM advances to #25 and sustains its positioning as #1 University in Kuwait in QS Arab Region Rankings 2024

AUM has been ranked #1 University in Kuwait and #25 in the Arab Region in the latest QS Arab Region University Rankings in which the University is steadily advancing from #34 in 2022 to #26 in 2023 and #25 in 2024.

These regional rankings are an important benchmark for Universities in the Arab World. Earlier in June 2023, AUM has been ranked #671-680 worldwide and #1 University in Kuwait for the 3rd year in a row, in QS World University Rankings 2024.

Source: QS Arab Region University Rankings 2024, Quacquarelli Symonds (QS), October 2023.



Key Highlights

Paving the Way: Empowering People through Knowledge and Growth

In alignment with our motto **Empowering People Through Knowledge** and beyond education benefitting students, ongoing opportunities are offered to Faculty, Staff and the Community at large to exhibit excellence, share knowledge and engage in Continuous Professional Development opportunities.

These opportunities allow participants to acquire new skills, share experiences, increase team spirit, and consequently unleash their potential and advance in their careers.



65+ Faculty advanced in their academic ranks after a thorough review of their promotion applications



“Team Building for Success”, a Professional Development Day for Student Affairs Team



“Kick-starting the New Academic Year”, a Professional Development Day for Faculty members



Hosting AIQabas Masterclass 2023 in collaboration with AUM

Key Highlights

Unveiling our Commitment to Sustainability and Social Responsibility

Commitment to sustainability and social responsibility is unveiled on campus and beyond, encompassing Sustainable Development Goals (SDGs) and Environmental, Social, and Corporate Governance (ESG).

Most recent examples include awareness sessions and initiatives on health and wellbeing, inclusion, environment and economic development.

In addition to the services offered by AUM Central Clinics, health check stations are made available for faculty and staff on various occasions, to monitor their health with the assistance of healthcare specialists.



Campus Tree-Planting at AUM on the occasion of World Sustainability Day



Faculty and Staff embracing Pink October at AUM in collaboration with Dar Al Shifa Hospital



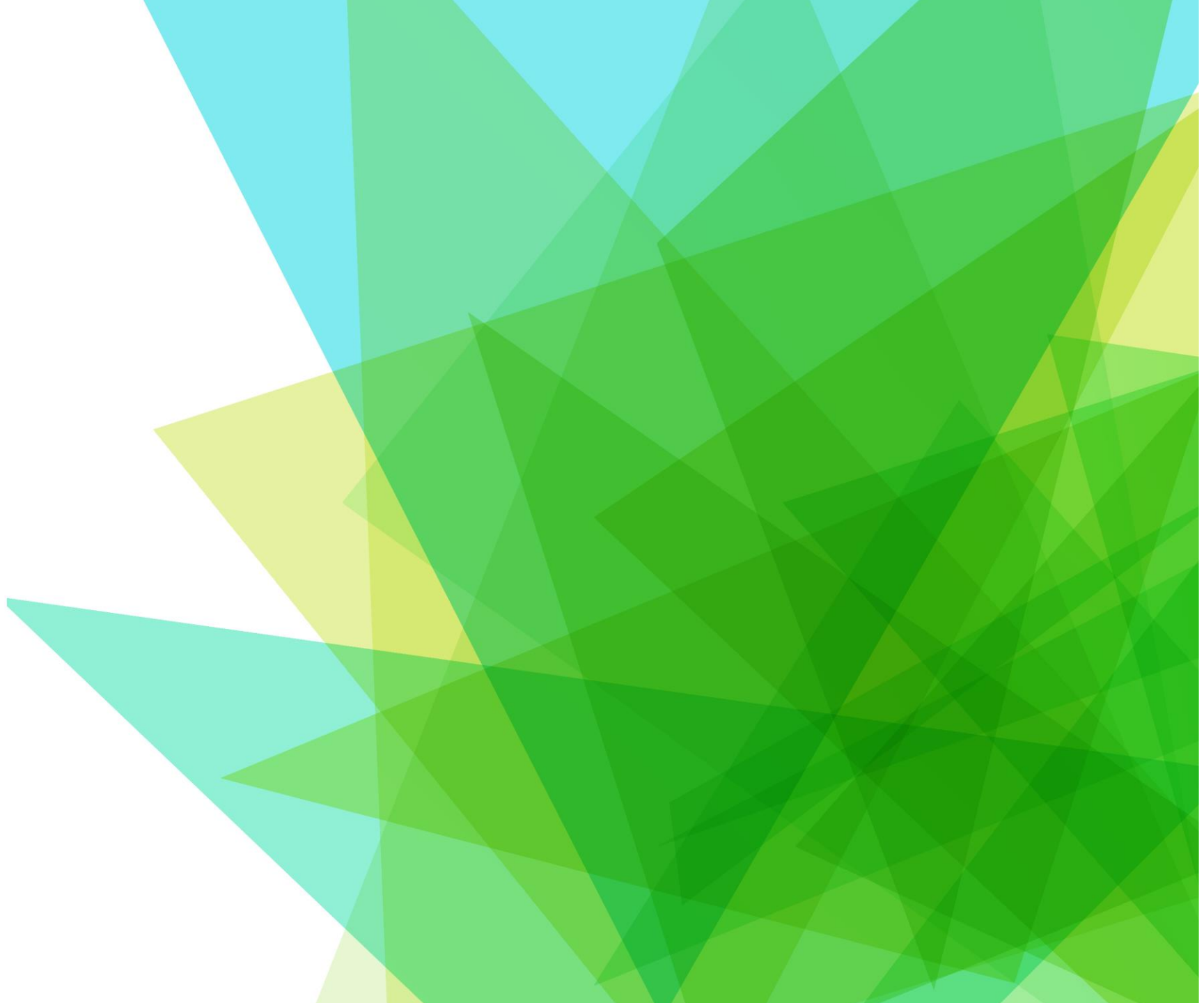
Stuttering Awareness Session for students to connect with real experiences, raise awareness and show support



“Weyay” on campus in collaboration with NBK Weyay Digital Banking to promote their services among students.

Q3 2023

AT A GLANCE



At a Glance



Leading

private higher education company in the GCC

20+

years of operating experience

13,425¹

enrolled students in AUM and ACM

University of choice

for Engineering and Business

KD 79.9 million

in revenue²

KD 45.9 million

in EBITDA²

29%

2013-2022 net profit CAGR

400 fils Cash + 5% Bonus Shares

Dividend per share for FY 2022

¹ enrolled beginning of the Fall 2023 semester

² LTM Q3 2023

We are proud of our achievements

#1 Ranking

University
in Kuwait

#1 Ranking

Green & Sustainable
University in Kuwait

#25 Ranking

In the Arab
Region

Internationally

Accredited

Engineering &
Business Majors

Over 750

trees have been
planted in the campus

Over 60%

female
students

Over 70

different staff
nationalities

International

Relations

Purdue University

UC Berkeley

HEC Montreal

Babson College

CMS – CERN

PRME

Over 150

community engagement
initiatives since 2018

Over 100

academic competitions
since 2018

Over 30

sports achievements
since 2018

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Board & Executive Management

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Empowering People Through Knowledge

Board & Executive Management

Board of Directors

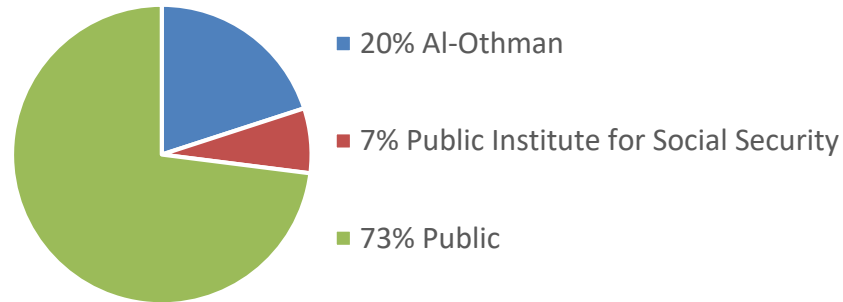
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

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 September 2023)

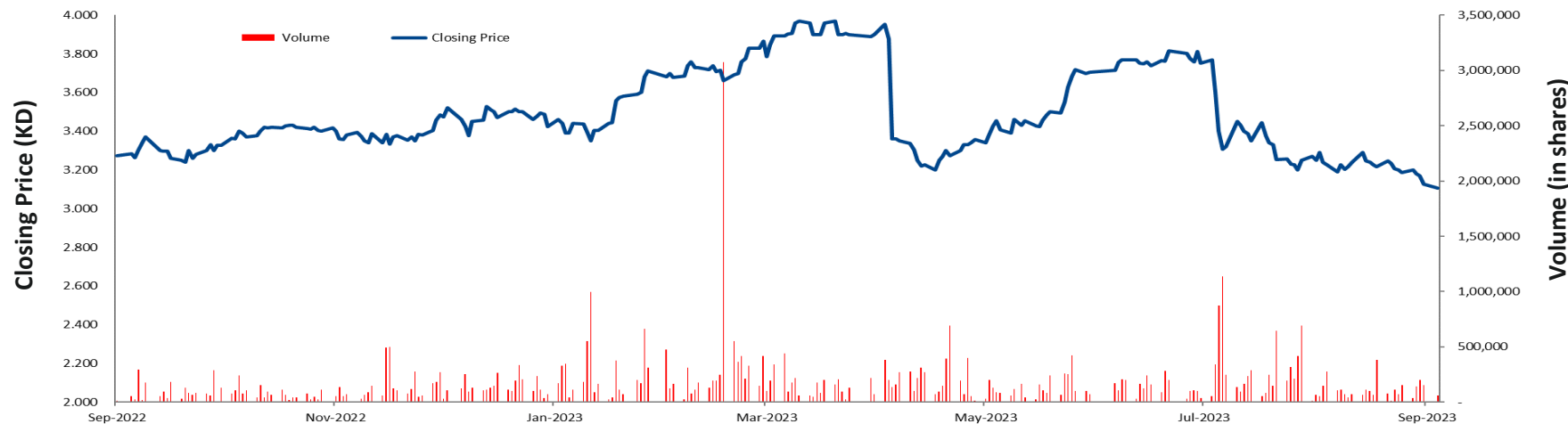


	KD
Closing price as at 27 September 2023	3.125
Market Cap (KD mn) ¹	399
Market Cap (USD bn)	1.3
6m avg. daily trading volume (% of shares outstanding)	0.14%
52-weeks high ²	3.970
52-weeks low ²	3.125

Current trading multiples ³

EV/EBITDA (LTM Q3 2023)	7.4X
P/E (LTM Q3 2023)	9.3X
Cash dividend yield (based on FY 2022 dividends)	12.8%

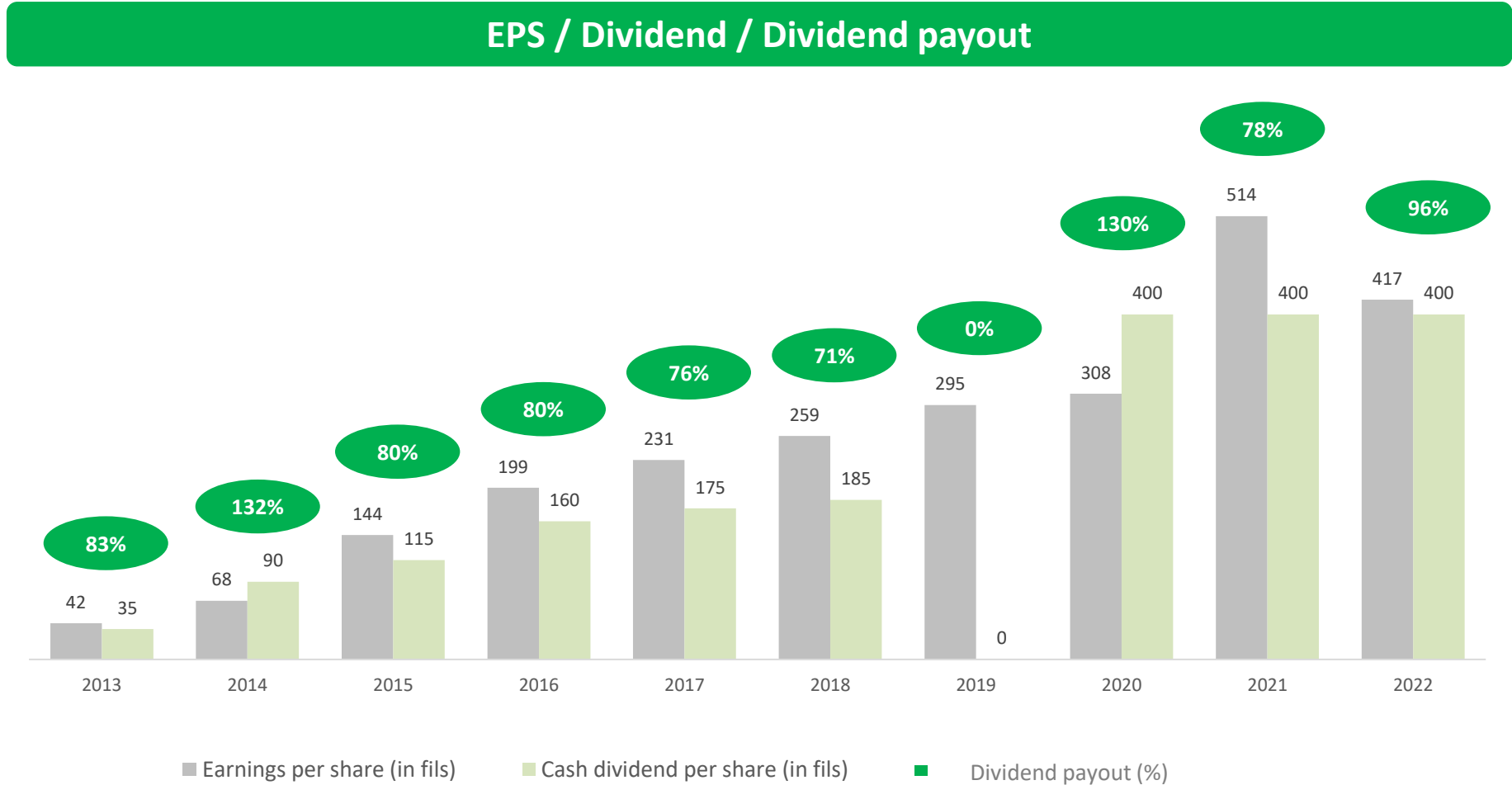
1-year share price performance



- 1) Based on 127,736,811 shares outstanding
- 2) Based on closing share price
- 3) Based on closing share price of KD 3.125 as at 27 September 2023 and LTM Q3 2023 financials

Consistently high EPS & Dividend payout

- Average dividend payout in last 10 years has been in excess of 70%.
- Cash dividend of 400 fils per share and Bonus shares of 5% was distributed for FY 2022
- The payout ratio of the dividend for FY 2022 is 96% as compared to 78% for FY 2021.



Research Coverage

Broker	Target price	Date of report	Analyst
	5.050	28 February 2023	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	5.000	30 May 2023	<ul style="list-style-type: none"> • Ankur Agarwal
	4.280	16 August 2023	<ul style="list-style-type: none"> • Christine Kalindjian
	4.200	22 February 2023	<ul style="list-style-type: none"> • Michel Salameh
	3.715	15 November 2022	<ul style="list-style-type: none"> • Thomas Mathew
	3.600	28 August 2023	<ul style="list-style-type: none"> • Reem Albarri

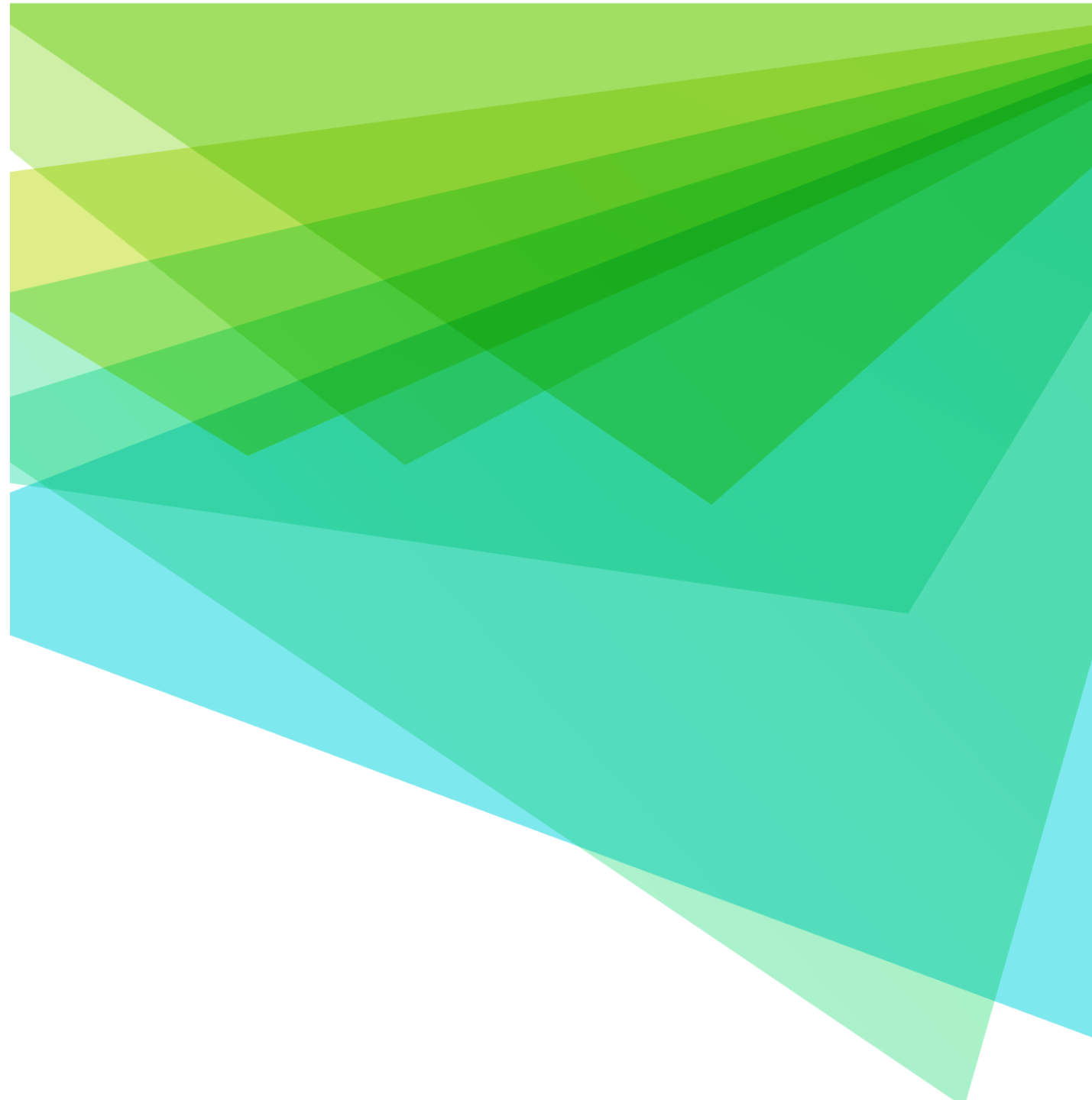
Revenue Recognition – Back to Normal in FY 2023

FY 2019 (Normal Year)	FY 2020 (COVID Year)	FY 2021 (COVID Year)	FY 2022 (Converging to normalcy)	FY 2023 (Normal Year)
<u>Q1</u> <ul style="list-style-type: none"> • 20% Fall 2018/2019 • 40% Spring 2019 	<u>Q1</u> <ul style="list-style-type: none"> • 20% Fall 2019/2020 • 20% Spring 2020 	<u>Q1</u> <ul style="list-style-type: none"> • 50% Fall 2020/2021 • 25% Spring 2021 	<u>Q1</u> <ul style="list-style-type: none"> • 25% Fall 2021/2022 • 40% Spring 2022 	<u>Q1</u> <ul style="list-style-type: none"> • 20% Fall 2022/2023 • 40% Spring 2023
<u>Q2</u> <ul style="list-style-type: none"> • 60% Spring 2019 	<u>Q2</u> <ul style="list-style-type: none"> • 38% Spring 2020 	<u>Q2</u> <ul style="list-style-type: none"> • 75% Spring 2021 	<u>Q2</u> <ul style="list-style-type: none"> • 60% Spring 2022 	<u>Q2</u> <ul style="list-style-type: none"> • 60% Spring 2023
<u>Q3</u> <ul style="list-style-type: none"> • 100% Summer 2019 • 20% Fall 2019/2020 	<u>Q3</u> <ul style="list-style-type: none"> • 42% Spring 2020 • 100% Summer 2020 	<u>Q3</u> <ul style="list-style-type: none"> • 100% Summer 2021 	<u>Q3</u> <ul style="list-style-type: none"> • 100% Summer 2022 • 20% Fall 2022/2023 	<u>Q3</u> <ul style="list-style-type: none"> • 100% Summer 2023 • 20% Fall 2023/2024
<u>Q4</u> <ul style="list-style-type: none"> • 60% Fall 2019/2020 	<u>Q4</u> <ul style="list-style-type: none"> • 50% Fall 2020/2021 	<u>Q4</u> <ul style="list-style-type: none"> • 75% Fall 2021/2022 	<u>Q4</u> <ul style="list-style-type: none"> • 60% Fall 2022/2023 	

Q3 2023

Q3 2023 Financial Performance

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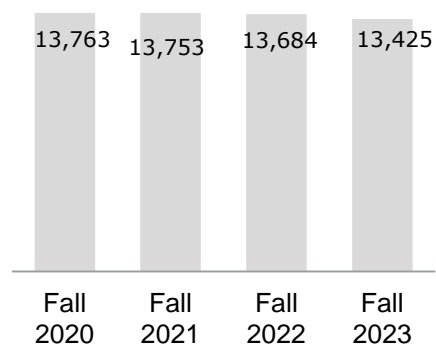


Financial Performance – Q3 2023

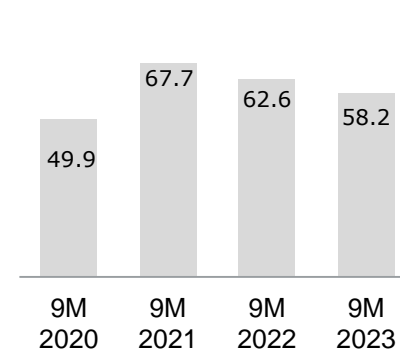
- 9M 2023 revenue was 7% lower compared to 9M 2022 mainly due to the changes in the academic calendar in Q1 2022 and lower revenue for the Spring and Summer 2023 semester.
- 9M 2023 EBITDA of KD 32.2 million was 22% lower than 9M 2022.
- 9M 2023 net profit of KD 30.2 million was 20% lower than 9M 2022.
- Total equity and Total assets as of 30 September 2023 were 5% lower than 30 September 2022.

Key figures and ratios	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
Number of students (Fall)	13,684	13,425	-2%	13,684	13,425	-2%
Revenue (KD mn)	18.4	17.8	-3%	62.6	58.2	-7%
EBITDA (KD mn)	12.0	11.1	-7%	41.4	32.2	-22%
EBITDA margin (%)	65%	62%	-3%	66%	55%	-11%
Net profit (KD mn)	10.9	10.4	-5%	37.9	30.2	-20%
Net margin (%)	59%	58%	-1%	61%	52%	-9%
EPS (in fils)	85	81	-5%	296	237	-20%
Equity (KD mn)	121.0	115.3	-5%	121.1	115.3	-5%
Total assets (KD mn)	163.7	156.3	-5%	163.7	156.3	-5%

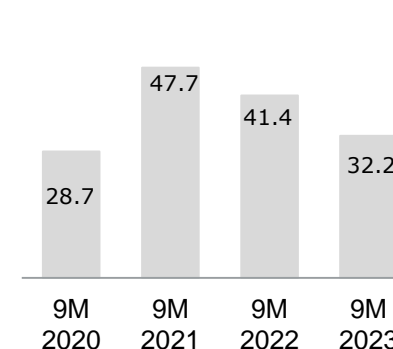
Number of students *



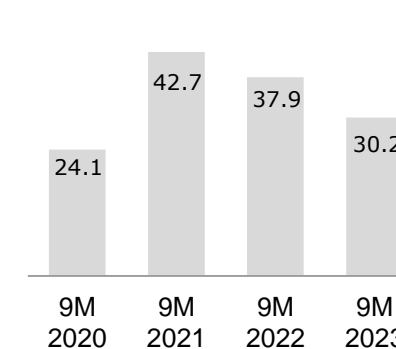
Revenue (KD mn)



EBITDA (KD mn)



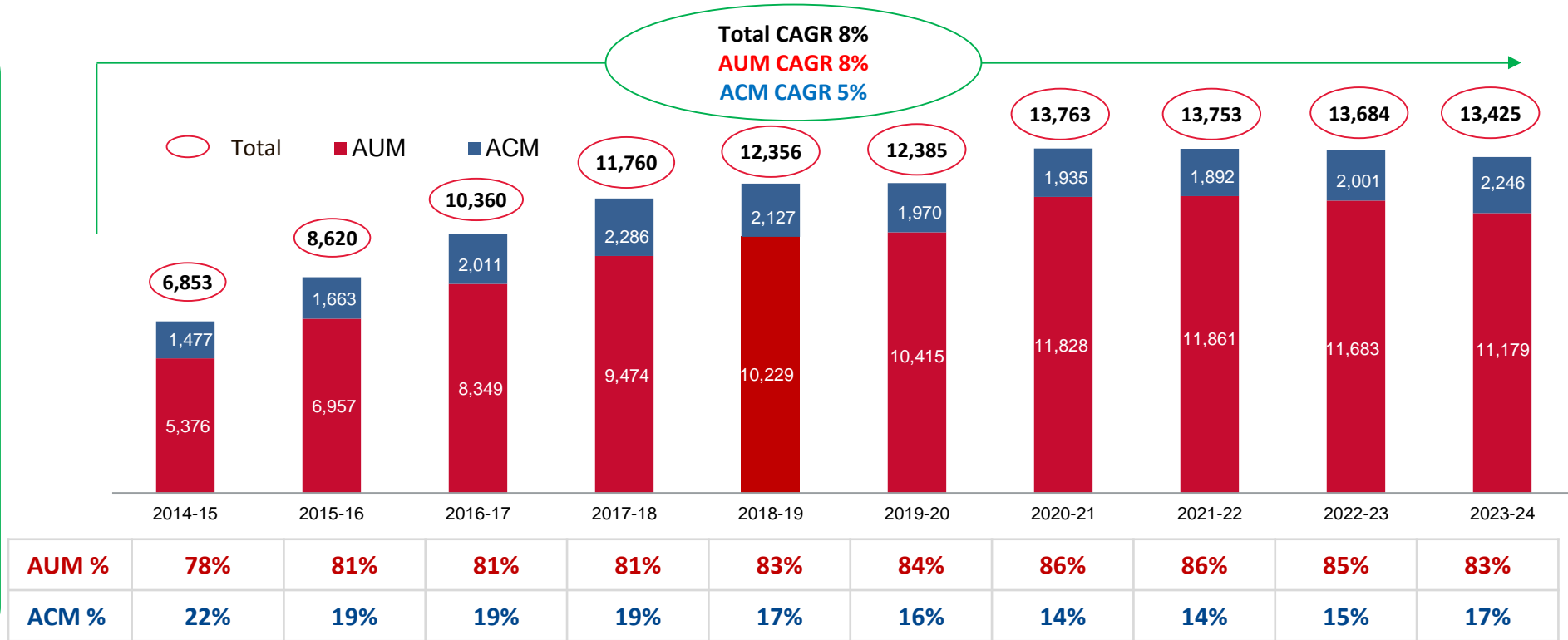
Net profit (KD mn)



* enrolled beginning of the Fall semester

Student Enrollment growing at a CAGR of 8%

Total students enrolled
(beginning of the Fall semester)



Deferred income as of 30 September 2023

- Deferred Income of KD 28.3 million as of 30 September 2023, relates to unrecognised revenue of Fall 2023 semester.

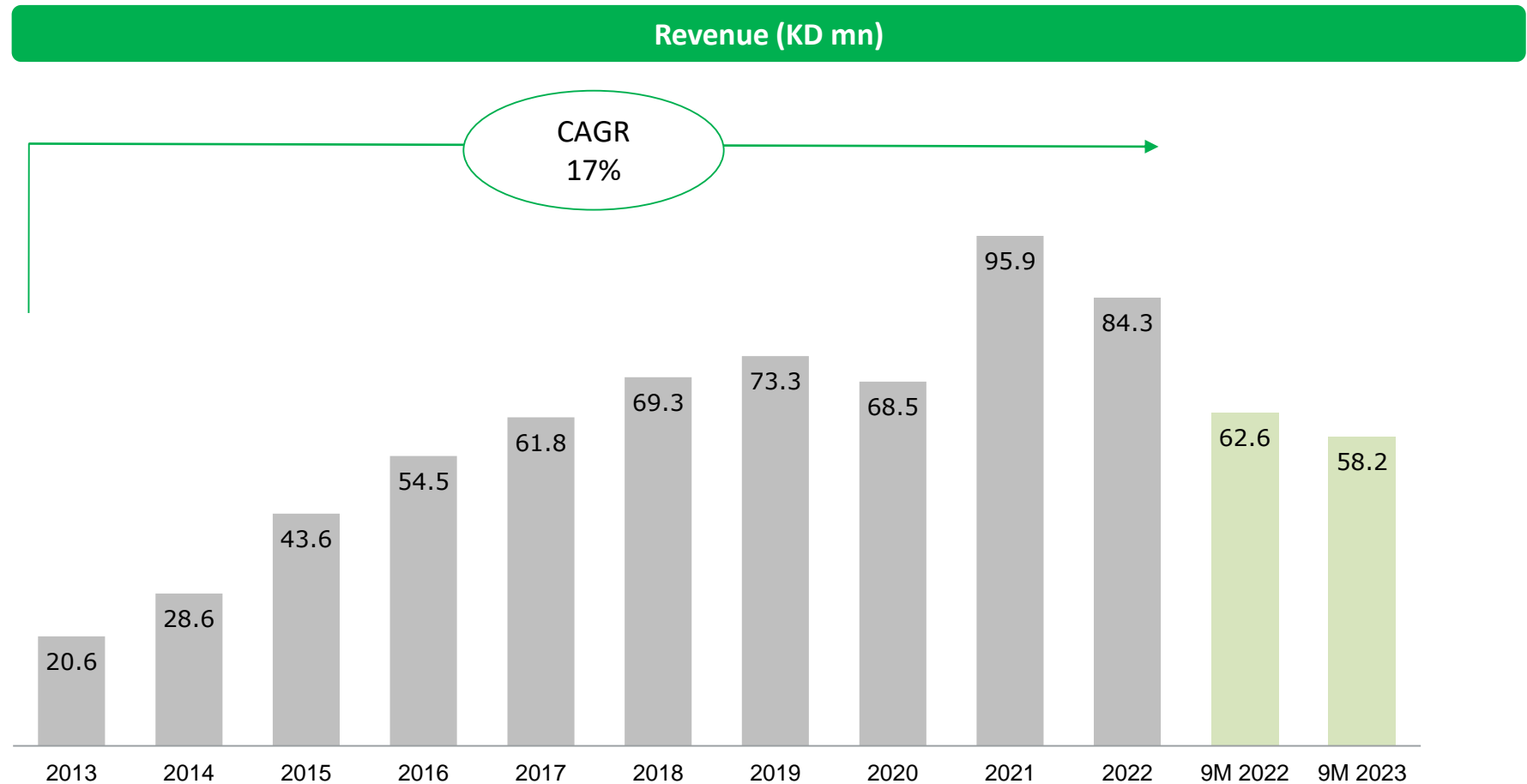
Q3 2023

Key Financials



Key Financials – Revenue Trends

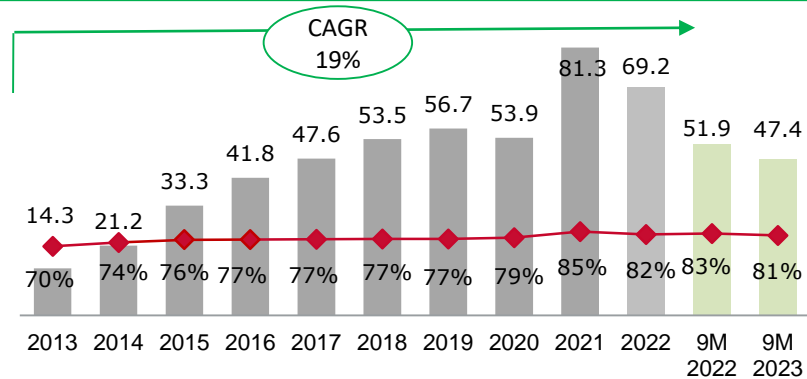
- Revenue grew at a CAGR of 17% in the period 2013-2022 and was KD 58.2 million in 9M 2023.
- 9M 2023 revenue was 7% lower compared to 9M 2022 mainly due to the changes in the academic calendar in Q1 2022 and lower revenue for the Spring and Summer 2023 semester.
- 25% of revenue for the Fall 2021 semester was recognized in Q1 2022 as against 20% for Fall 2022 in Q1 2023.
- Academic calendar in 9M 2023 is back to normal.



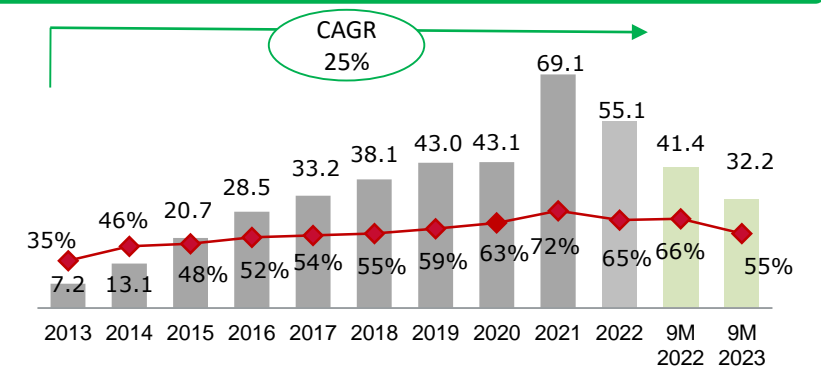
Key Financials – Consistently High Margins

- Gross profit grew at a CAGR of 19% in the period 2013-2022. Gross profit margin was 81% in 9M 2023
- EBITDA grew at a CAGR of 25% in the period 2013-2022. EBITDA margin was 55% in 9M 2023
- Net profit grew at a CAGR of 29% in the period 2013-2022. Net profit margin was 52% in 9M 2023

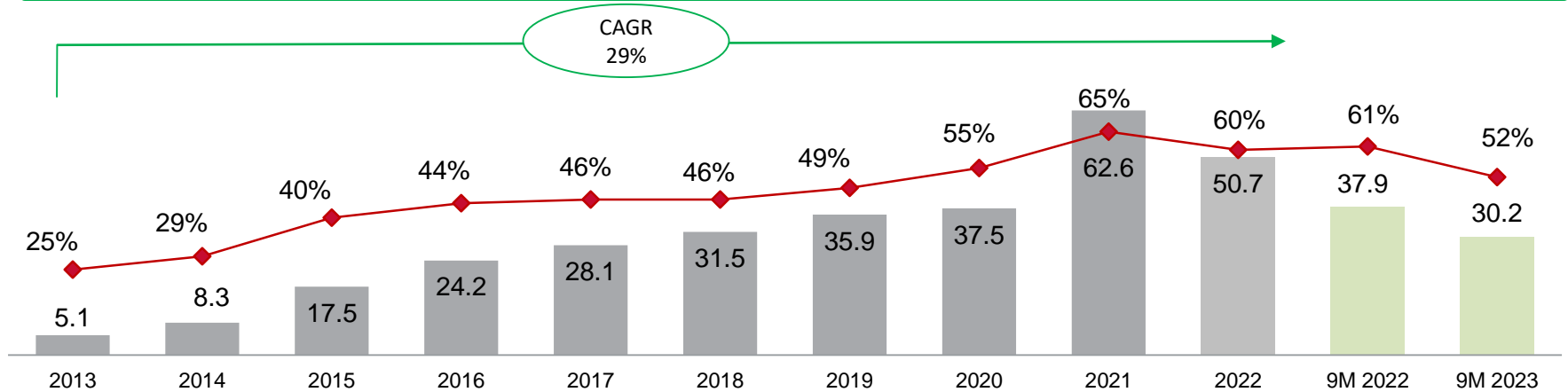
Gross profit (KD mn) and gross profit margin



EBITDA (KD mn) and EBITDA margin



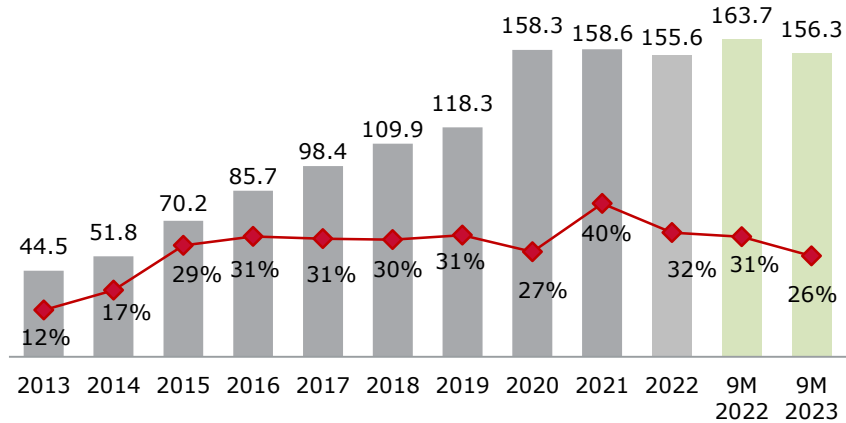
Net profit (KD mn) and net profit margin



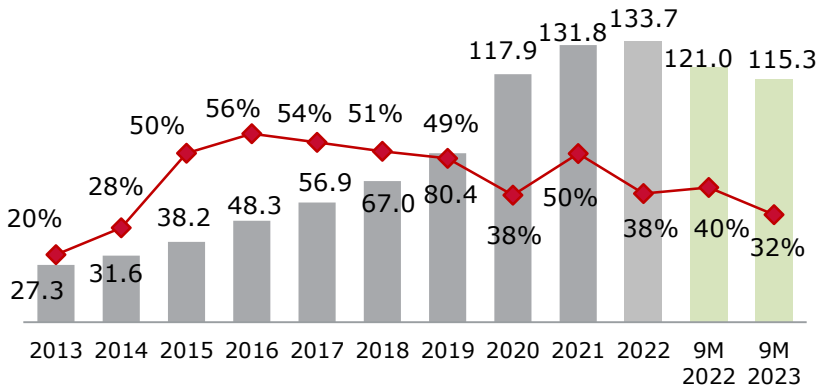
Key Financials – High ROAA and ROAE

- Humansoft’s fortress balance sheet, high ROAA & ROAE provide protection, resilience, and enable Humansoft to withstand stress events like Covid-19
- Humansoft’s annualized ROAA was 26% in 9M 2023
- Humansoft’s earnings have resulted in an annualized ROAE of 32% in 9M 2023
- Humansoft has a net cash position of KD 59.6 million as of 30 September 2023
- KD 44 million capex was incurred during the year 2015 to 2018 to make significant additions to the campus infrastructure

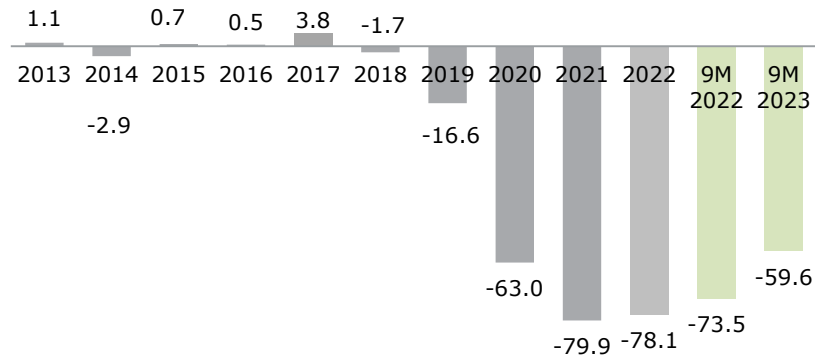
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

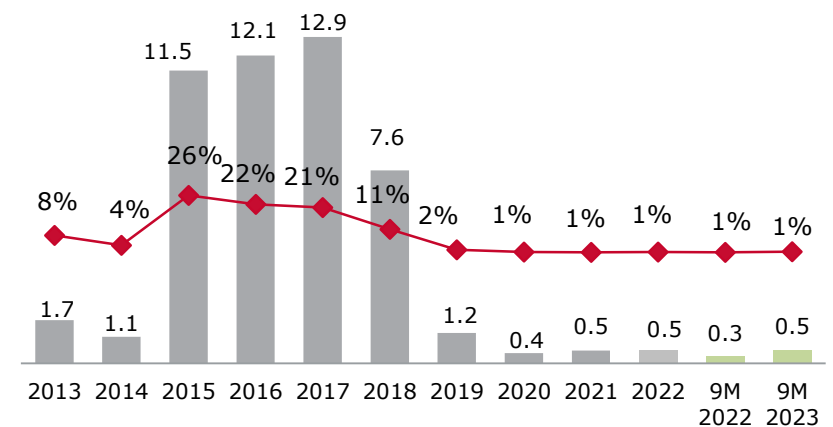


Net Debt ¹ (KD mn)



¹ Debt less cash

Capex (KD mn) and capex as % of revenue

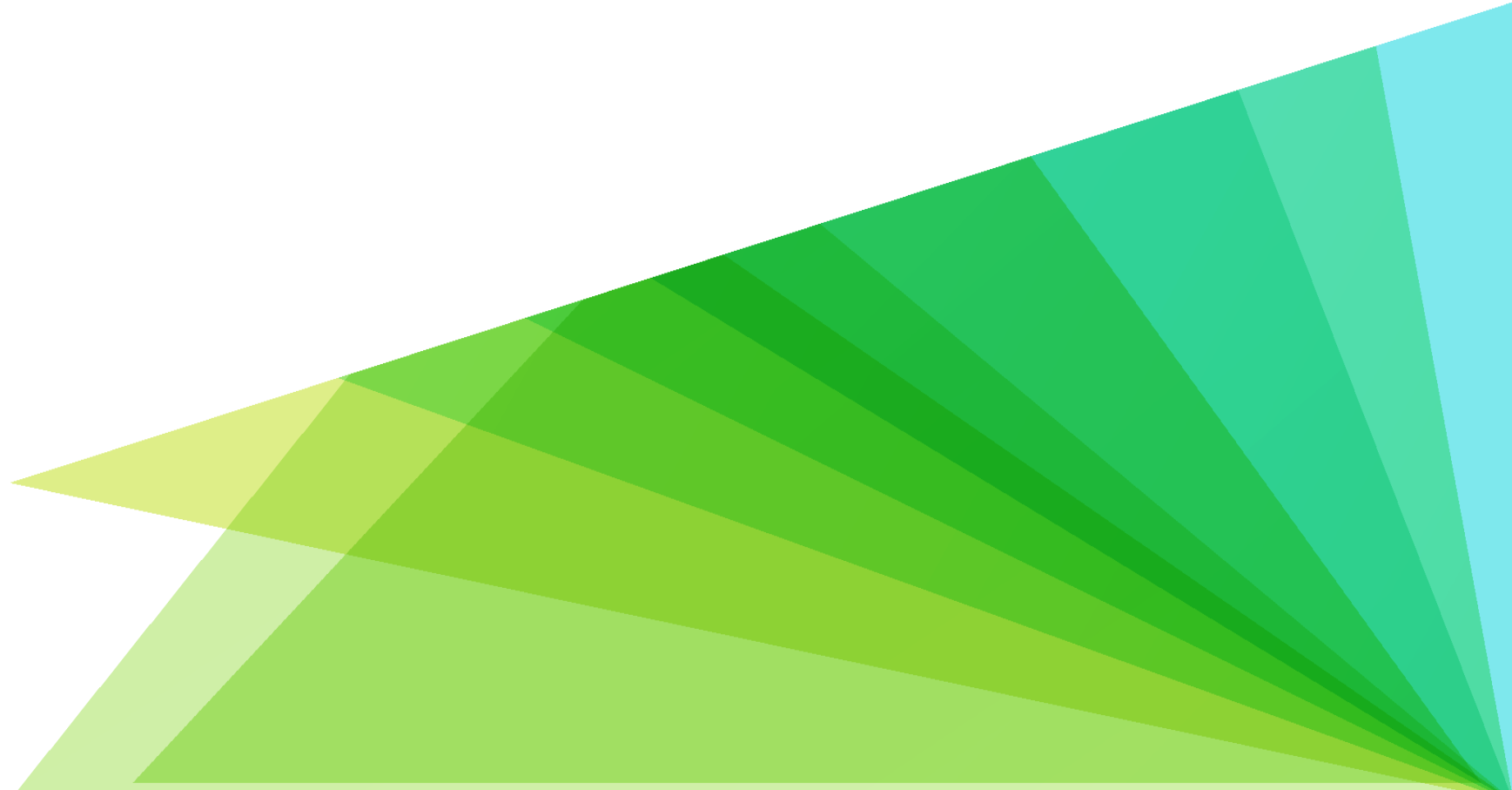


Q3 2023



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