

Q2 2024



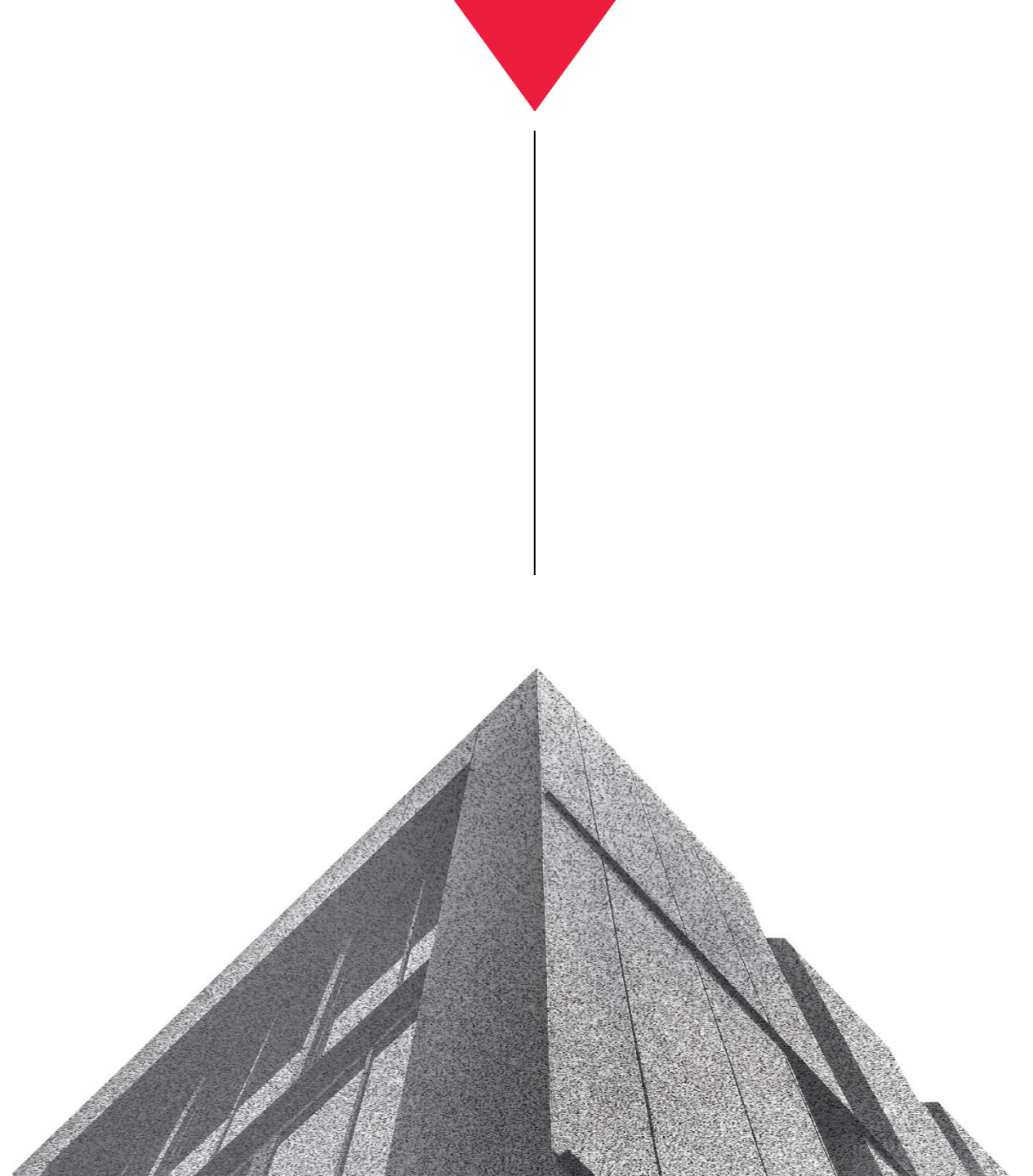
# Humansoft Holding Company KSCP

Investor Presentation

Q2 2024 Results

24 July 2024

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or a solicitation of an offer to buy any securities



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# KEY HIGHLIGHTS



## Key Highlights

### **AUM #1 University in Kuwait, advances to #611-620 globally in QS 2025**

The American University of the Middle East (AUM) has been ranked the first university in Kuwait by QS World University Rankings 2025. This #1 ranking is locally maintained for the fourth year in a row.

Also, this new ranking places AUM #611-620 globally, advancing from the previous position of #671-680, and reaching Top 40% of the performing institutions.

*Source: QS World University Rankings 2025, Quacquarelli Symonds (QS), June 4, 2024*





## Key Highlights

### Unleashing Tomorrow's Innovations and Celebrating Milestones of Students

Within an environment supported by innovation and creativity, students are honored during various events and ceremonies that celebrate milestones of students with their innovative projects and achievements in competitions.

A significant number of students have excelled in various competitions in 2024 such as: Babson Global Competition (3 teams in Top 12 finals), International Invention Fair in the Middle East (2 Gold Medals), VEX Robotics World Championship (Only Arab and GCC Team to qualify to the 16th round), GCC Innovative HULT Challenge (1st & 3rd Places), INJAZ Kuwait (Best Innovative Project Award & Best Social Media Platform), in addition to Female Football Team (1<sup>st</sup> Place), Female Volleyball Team (1<sup>st</sup> Place) and various other achievements in Private Universities League UAAK championships.



**AUM Innovation Fair 2024**



**ACM Academic Fair 2024**



**AUMers عالميين Awards Ceremony honoring students**  
*selected photos (at left: Rythmi project, at right: Female Basketball team)*

## Key Highlights

### AUM 10<sup>th</sup> Career Expo and Recognition of Leading Companies through AUM Corporate Awards 2024

In May 2024, AUM organized its 10<sup>th</sup> Career Expo “Championing Better Career Lives”, powered by Tawteen Career Center. Students and alumni were connected to more than 50 participating local and international companies through booths exhibition, on-spot interviews, workshops and seminars.

The Career Expo concluded with AUM Corporate Awards Ceremony in its third edition to honor an outstanding selection of leaders and leading local and international companies from private and public sectors in Kuwait.





## From Environmental to Social Impact: AUM is making a difference



**AUM Students Volunteering in Kubbar Island beach clean-up initiative in cooperation with Bu Jarrah**



**AUM Students at GPCA Plastics Conference 2024 in UAE: Innovating for Sustainable Growth**



**Hosting of the INJAZ Company Program Competition Ceremony 2024 for university and high school students**



**“Little Inventors Lab” Foundation by a group of female engineering graduates at AUM**



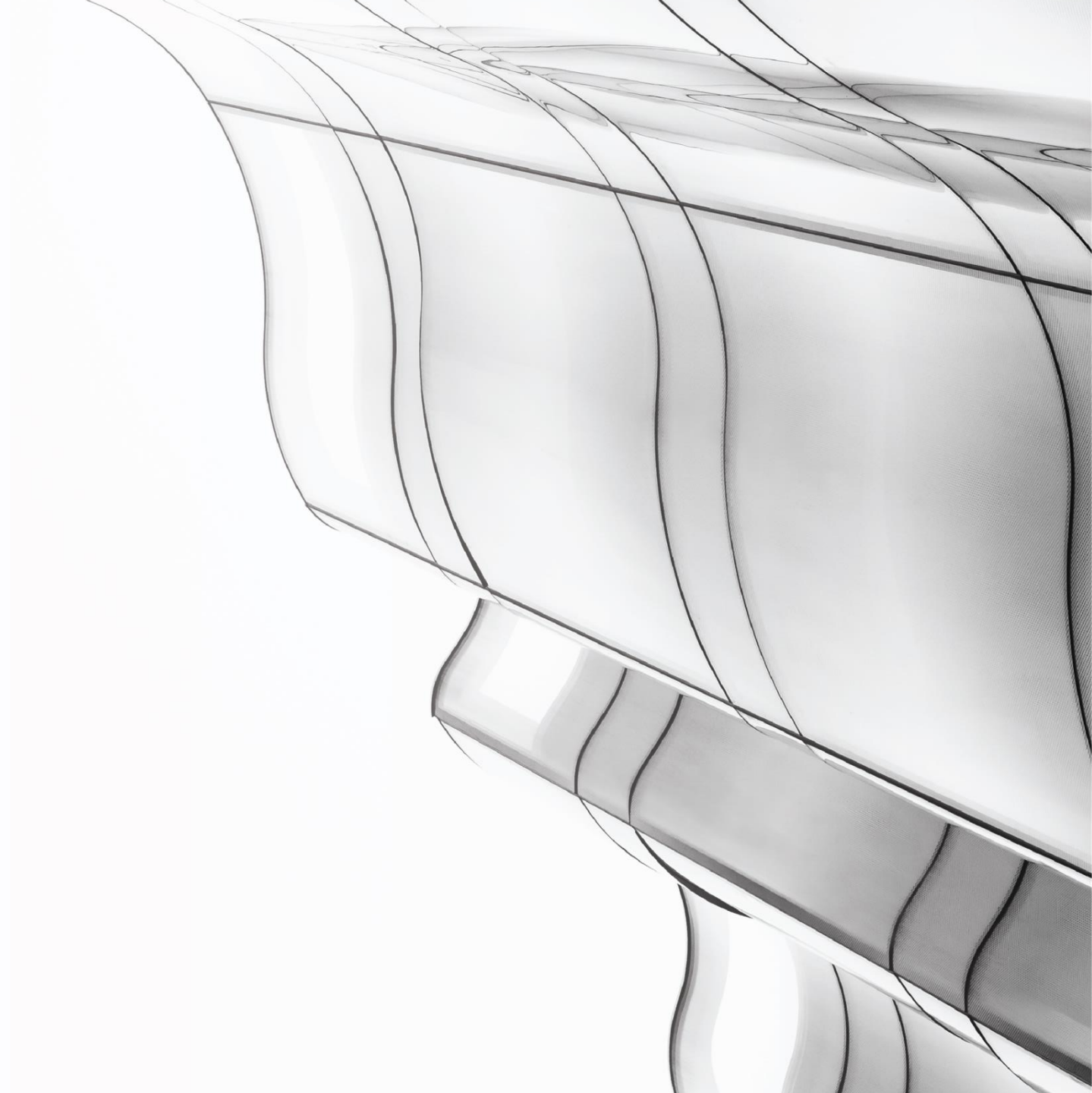
**Hosting AACSB Social Impact Seminar for Faculty, seminar designed for AACSB accredited business schools**



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# AT A GLANCE



## At a Glance



### Leading

private higher  
education company  
in the GCC

**20+**

years of operating  
experience

**13,425<sup>1</sup>**

enrolled students in  
AUM and ACM

### University of choice

for Engineering and  
Business

**KD 78.6  
million**

in revenue<sup>2</sup>

**KD 44.8  
million**

in EBITDA<sup>2</sup>

**20%**

2014-2023 net profit  
CAGR

**350 fils Cash +  
5% Bonus Shares**

Dividend per share for FY 2023

<sup>1</sup> enrolled beginning of the Fall 2023 semester

<sup>2</sup> LTM Q2 2024

## We are proud of our achievements

### #1 Ranking

University in Kuwait  
By QS and THE

### #1 Ranking

Green & Sustainable  
University in Kuwait

### #21 Ranking

In the Arab  
Region by THE

### Internationally Accredited

Institution &  
Programmes

### Over 1200

trees have been  
planted in the campus

### Over 60%

female  
students

### Over 60

different staff  
nationalities

### International Relations

Purdue University

UC Berkeley

HEC Montreal

Babson College

CMS – CERN

PRME

### Over 150

community engagement  
initiatives since 2020

### Over 100

academic competitions  
since 2020

### Over 30

sports achievements in  
last 5 years



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# Board & Executive Management



## Board & Executive Management

### Board of Directors

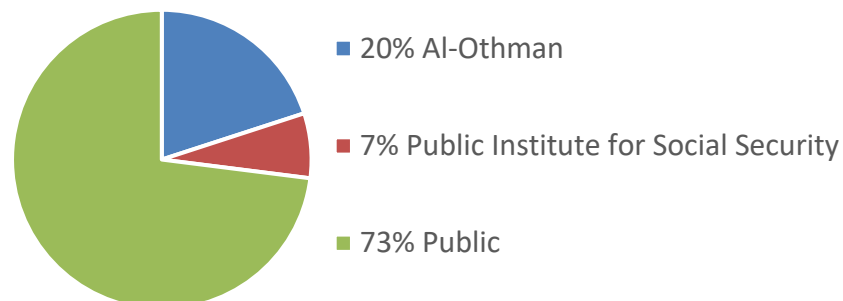
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

### Executive Management

Name	Position
Dr. Georges Yahchouchi	Humansoft CEO, & President AUM
Mr. Anup Dhand	CFO
Ms. Nisreen Rasheed	VP - Compliance & Administration
Dr. Mohaned Hassanin	President ACM

# Share Price Performance

## Shareholding (30 June 2024)

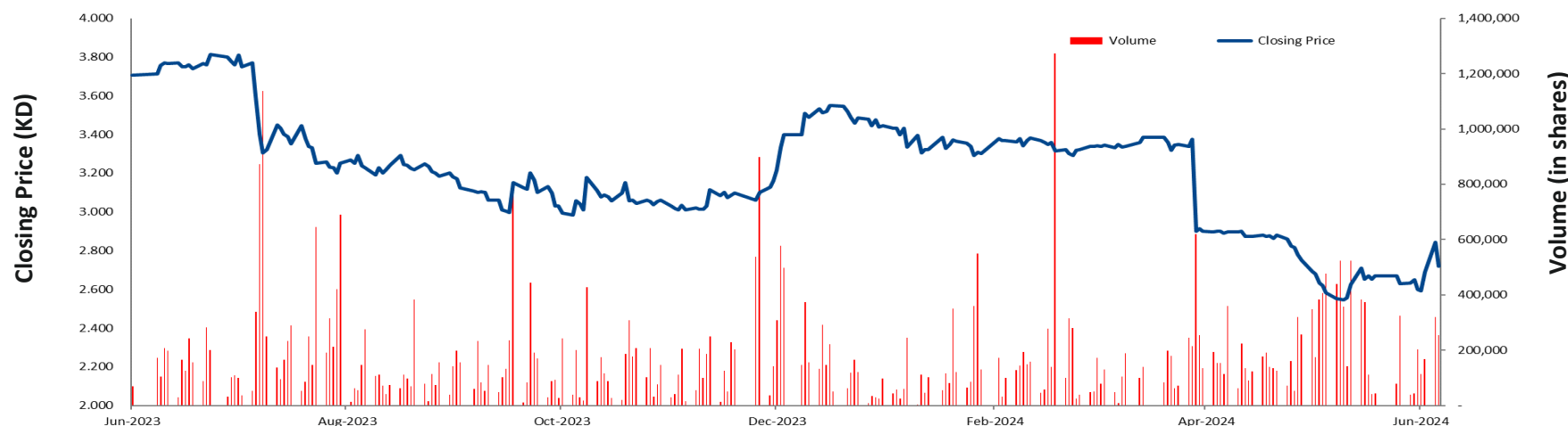


	KD
Closing price as at 30 June 2024	2.842
Market Cap (KD mn) <sup>1</sup>	381
Market Cap (USD bn)	1.2
6m avg. daily trading volume (% of shares outstanding)	0.13%
52-weeks high <sup>2</sup>	3.815
52-weeks low <sup>2</sup>	2.546

## Current trading multiples <sup>3</sup>

EV/EBITDA (LTM Q2 2024)	7.1X
P/E (LTM Q2 2024)	9.1X
Cash dividend yield (based on FY 2023 dividends)	12.3%

## 1-year share price performance

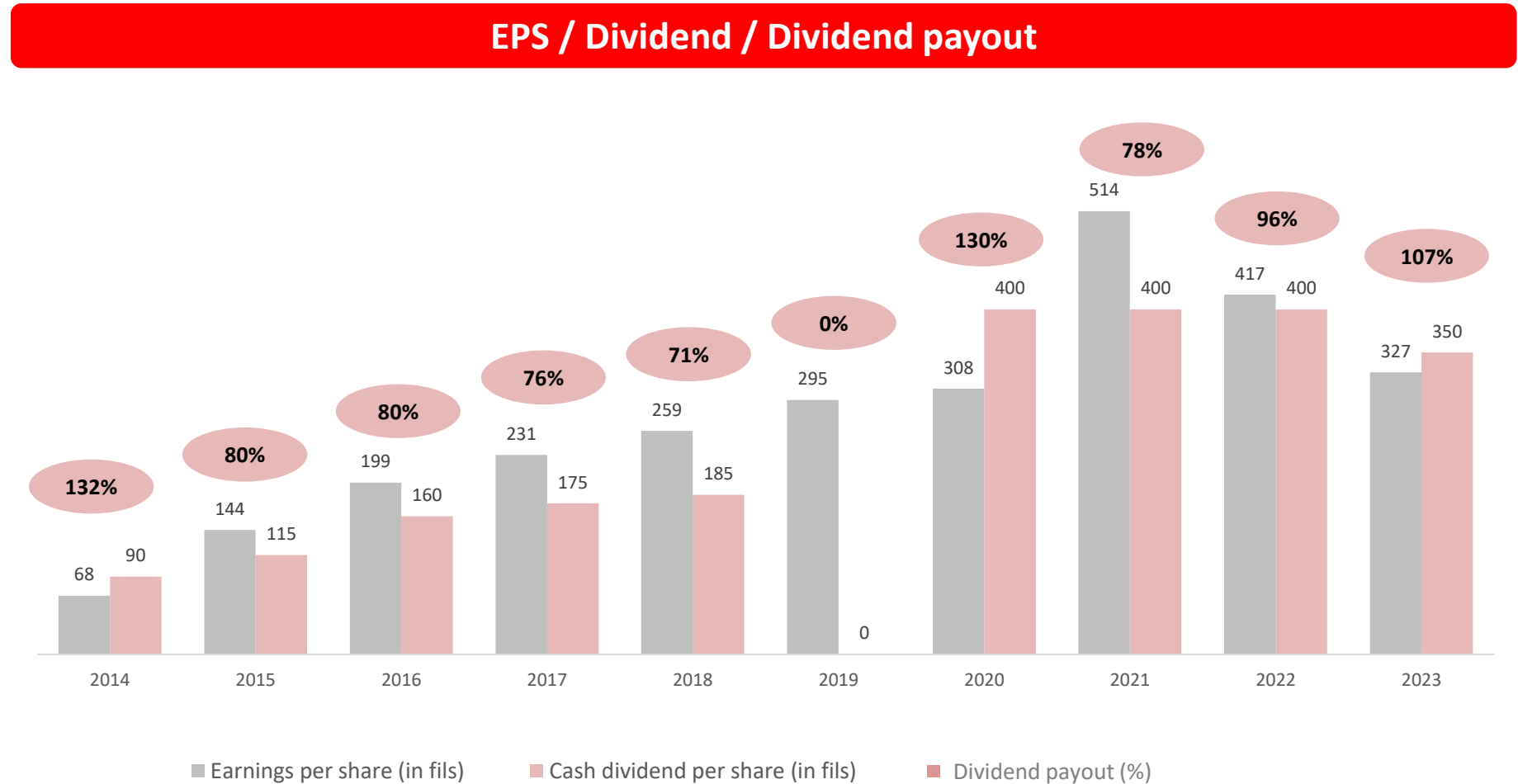


- 1) Based on 134,123,652 shares outstanding
- 2) Based on closing share price
- 3) Based on closing share price of KD 2.842 as at 30 June 2024 and LTM Q2 2024 financials




## Consistently high EPS & Dividend payout

- Average dividend payout in last 10 years has been in excess of 70%.
- Cash dividend of 350 fils per share and Bonus shares of 5% was distributed for FY 2023
- The payout ratio of the dividend for FY 2023 is 107% as compared to 96% for FY 2022.



## Research Coverage

Broker	Target price	Date of report	Analyst
HSBC 	4.000	17 July 2024	• Ankur Agarwal
 arqaam CAPITAL	4.000	6 May 2024	• Christine Kalindjian
 EFG HERMES	3.850	8 July 2024	• Hatem Alaa • Mirna Maher
 citi	3.700	6 May 2024	• Michel Salameh
 SICO سيكو Est 1995	3.600	28 August 2023	• Reem Albarri
 KAMCO INVEST	3.300	16 November 2023	• Thomas Mathew

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# Q2 2024 Financial Performance



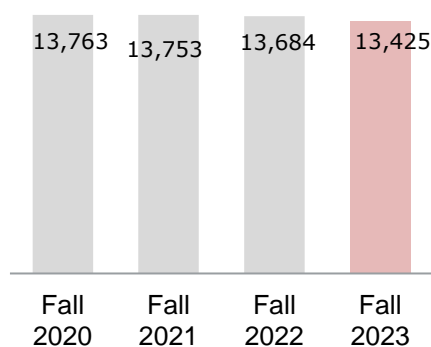


## Financial Performance – H1 2024

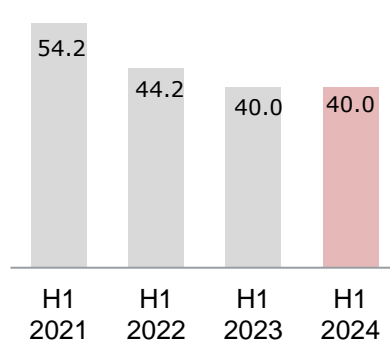
- H1 2024 revenue of KD 40 million was almost the same as H1 2023 revenue, mainly due to the similar number of enrolled students.
- H1 2024 EBITDA of KD 21.3 million was 1% higher than H1 2023.
- H1 2024 net profit of KD 19.9 million was 0.5% higher than H1 2023.
- Total equity and Total assets as of 30 June 2024 were 3% and 2% lower respectively as compared to 30 June 2023.

Key figures and ratios	Q2 2023	Q2 2024	Change	H1 2023	H1 2024	Change
Number of Students (Fall)	13,684	13,425	-2%	13,684	13,425	-2%
Revenue (KD mn)	19.7	19.8	-	40.0	40.0	-
EBITDA (KD mn)	9.5	10.3	9%	21.1	21.3	1%
EBITDA margin (%)	48%	52%	4%	53%	53%	-
Net Profit (KD mn)	8.8	9.6	9%	19.8	19.9	-
Net margin (%)	45%	48%	3%	50%	50%	-
EPS (in fils)	66	71	8%	148	149	1%
Equity (KD mn)	104.9	102.1	-3%	104.9	102.1	-3%
Total Assets (KD mn)	129.1	127.0	-2%	129.1	127.0	-2%

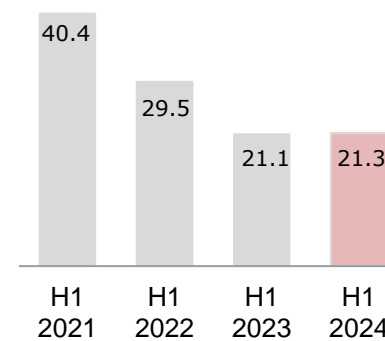
Number of students \*



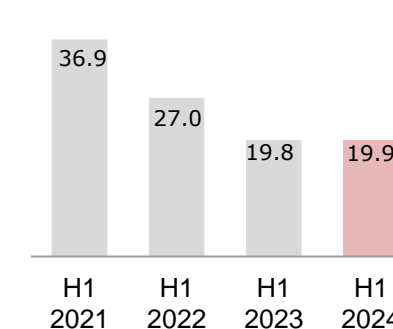
Revenue (KD mn)



EBITDA (KD mn)



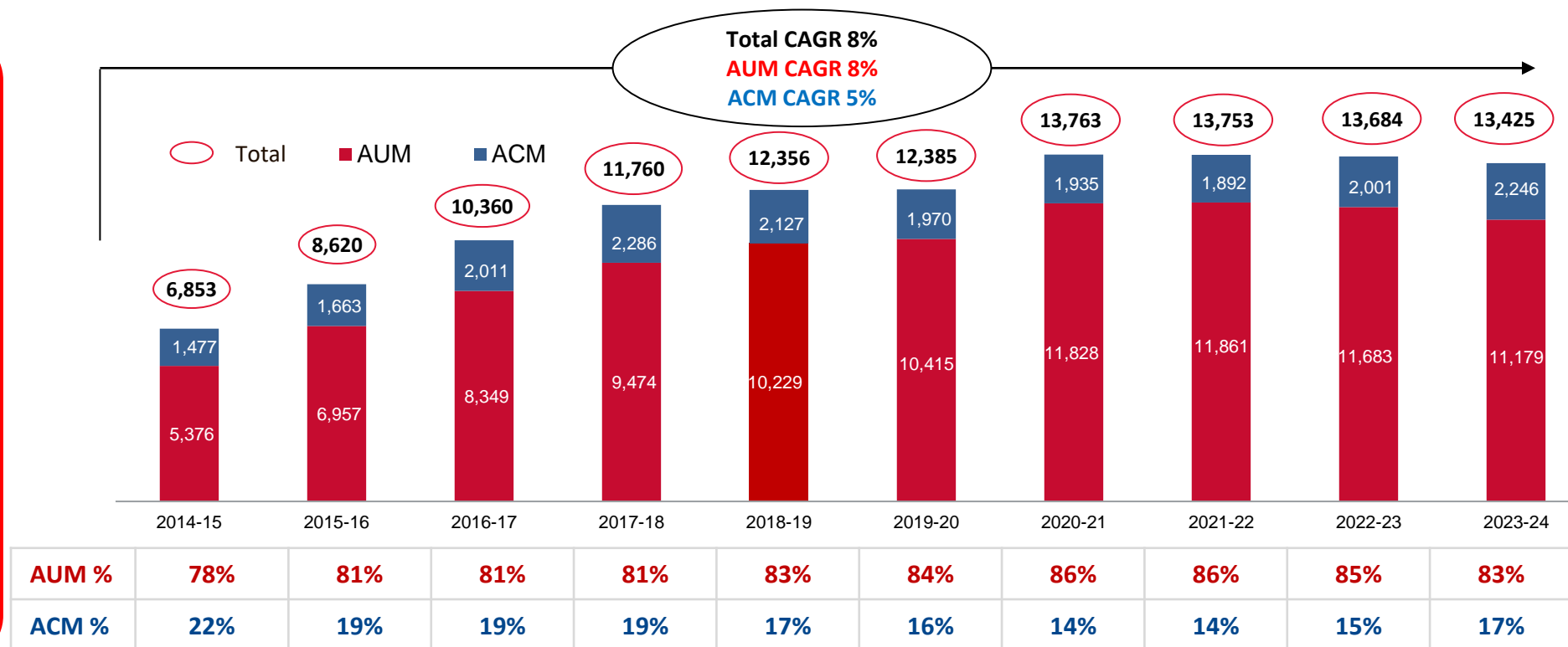
Net profit (KD mn)



\* 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 June 2024

- Deferred Income of KD 10.9 million as of 30 June 2024, relates to unrecognised revenue of the Summer 2024 semester.

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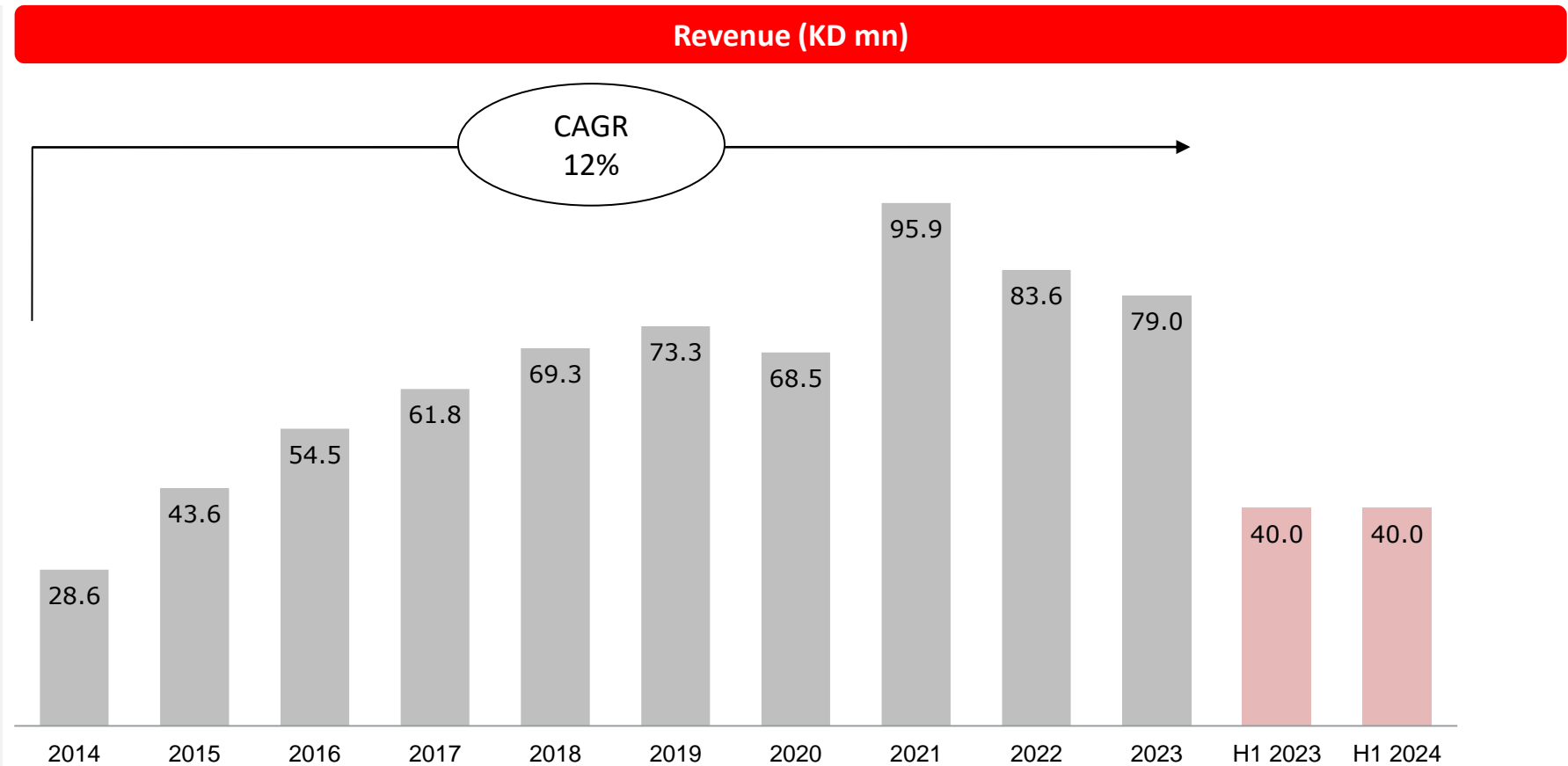
# Key Financials





## Key Financials – Revenue Trends

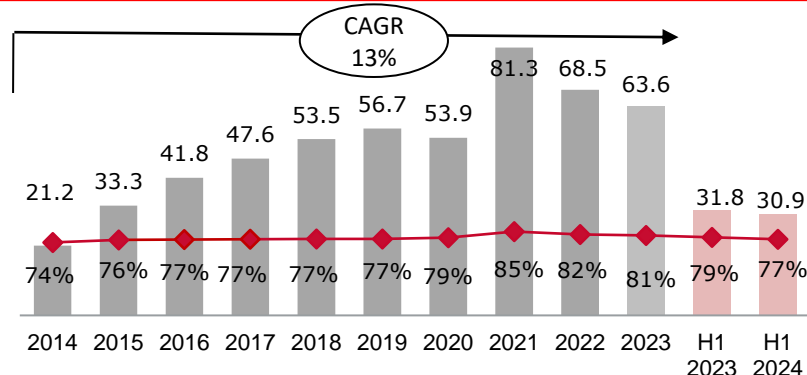
- Revenue grew at a CAGR of 12% in the period 2014-2023 and was KD 79.0 million in FY 2023.
- H1 2024 revenue of KD 40.0 million was almost the same as H1 2023 revenue of KD 40.0 million, mainly due to the similar number of enrolled students.
- Academic calendar in FY 2024 is back to normal.



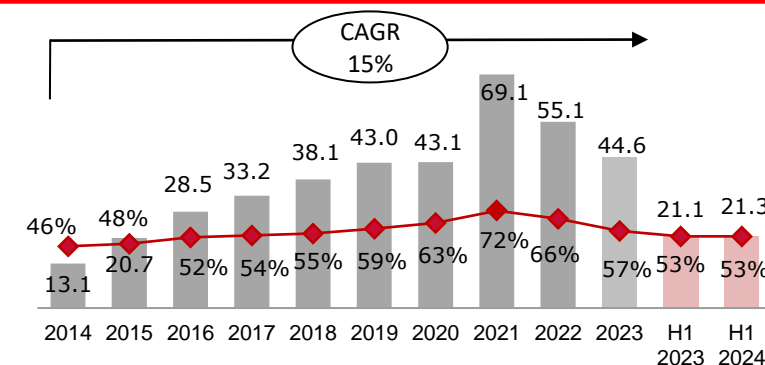
## Key Financials – Consistently High Margins

- Gross profit grew at a CAGR of 13% in the period 2014-2023. Gross profit margin was 77% in H1 2024
- EBITDA grew at a CAGR of 15% in the period 2014-2023. EBITDA margin was 53% in H1 2024
- Net profit grew at a CAGR of 20% in the period 2014-2023. Net profit margin was 50% in H1 2024

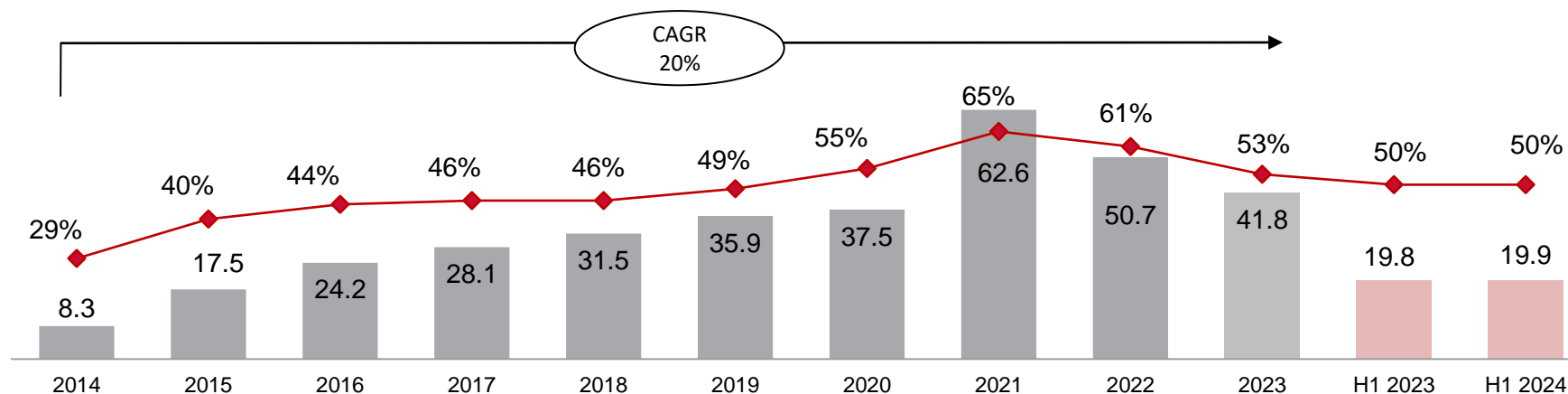
### Gross profit (KD mn) and gross profit margin



### EBITDA (KD mn) and EBITDA margin



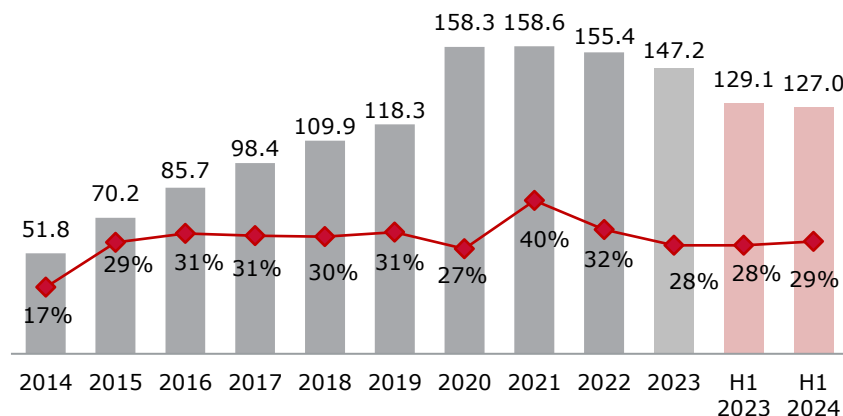
### Net profit (KD mn) and net profit margin



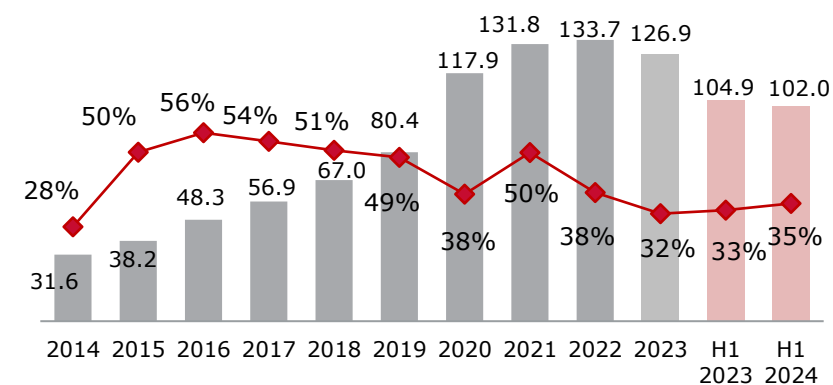
## Key Financials – High ROAA and ROAE

- Humansoft's fortress balance sheet, high ROAA & ROAE provide protection, resilience, and enable Humansoft to withstand stress events.
- Humansoft's annualized ROAA was 29% in H1 2024
- Humansoft's earnings have resulted in an annualized ROAE of 35% in H1 2024
- Humansoft has a net cash position of KD 63.6 million as of 30 June 2024
- KD 44 million capex was incurred during the year 2015 to 2018 to make significant additions to the campus infrastructure

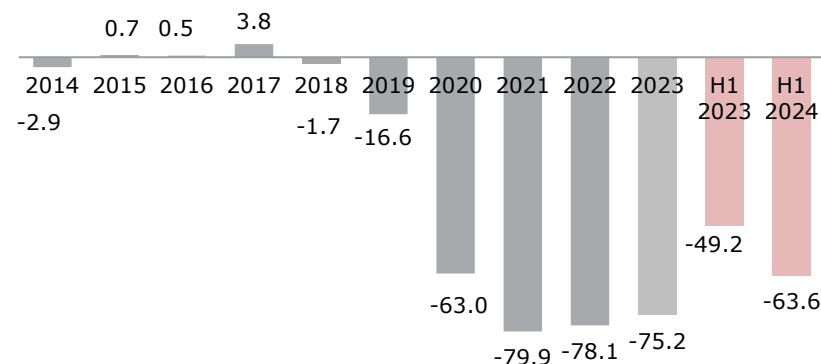
### Total assets (KD mn) and ROAA



### Total equity (KD mn) and ROAE

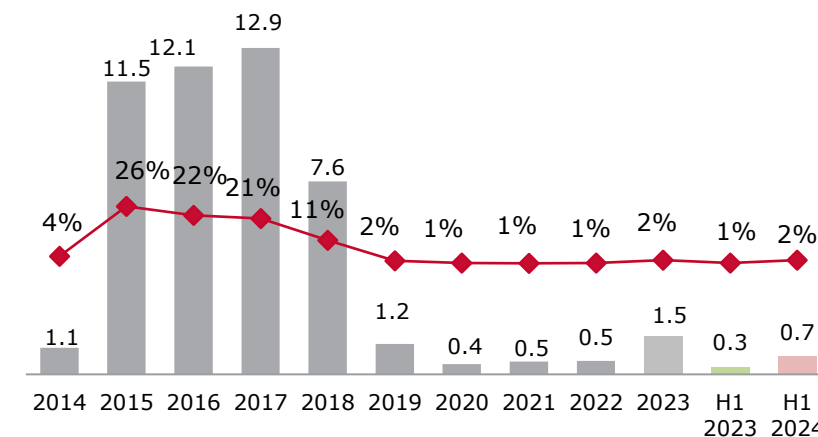


### Net Debt <sup>1</sup> (KD mn)



<sup>1</sup> Debt less cash

### Capex (KD mn) and capex as % of revenue





Q2 2024



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# 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