



Date: 21th July 2025

التاريخ: 21 يوليو 2025

M/S . / Bursa Kuwait Company

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،

**Subject: Analysts/Investors Conference minutes
for the second Quarter of 2025**

**الموضوع: محضر مؤتمر المحللين/المستثمرين للربع الثاني من العام
2025**

With reference to the aforementioned subject, and to our letter sent to you on 17/07/2025, kindly find attached the minutes of the analysts / investors conference for the second quarter of 2025.

بالإشارة إلى الموضوع أعلاه، وإلى كتابنا المرسل لكم بتاريخ 2025/07/17، نرفق لكم محضر مؤتمر المحللين/المستثمرين عن الربع الثاني لعام 2025.

Yours Sincerely,

وتفضلوا بقبول فائق الاحترام،،،

مايانك هاسموكهلال باكسي

نائب رئيس مجلس الإدارة

**Mayank Hasmukhlal Baxi
Vice Chairman**

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Company: Humansoft Holding Company

Conference Title: Humansoft Q2 2025 results conference call (Edited Transcript)

Date: Thursday, 17 July 2025

Time: 2 pm (Kuwait time)

Mirna Hello, everyone. This is Mira Maher from EFG Hermes, and welcome to HUMANSOFT's Second Quarter 2025 Results Conference call. I'm pleased to be joined today by Mr. Mayank Baxi, Vice Chairman, and Mr. Anup Dhand, CFO. We will first start the call with the presentation from management, and then we'll open the floor for the Q&A session. Mr. Baxi, please go ahead.

Mayank Hello everybody, welcome to the Humansoft Q2 2025 Results Conference Call. I hope you and your loved ones are keeping safe.

Thank you, team at EFG, for facilitating this call. I am Mayank Baxi, Vice Chairman at Humansoft along with our CFO Mr. Anup Dhand, together we would like to briefly mention some of the key highlights and then run through the Q2 2025 financial highlights, and at the end, we will leave the floor open for questions and answers.

At the outset, I would like to mention that any forward-looking statements or views discussed during this call are subject to risks and uncertainties that may cause the actual results to differ. Humansoft does not assume any obligation to update such views or statements, nor make any announcements regarding any revised circumstances.

Both our institutions AUM and ACM continue to focus on enhancing Students Overall development, preserving its academic achievements and leadership in the market.

Subsequent to our Q1 2025 results call, several key events and achievements were made, and I would like to briefly highlight some of them.

At Humansoft, we believe that education and sustainability go hand in hand. In line with the same, Humansoft published its Sustainability report for the year 2024 titled Roots of Impact for a sustainable future. This report is also available on our website.

AUM continues to be a market leader and has maintained its number 1 position for the fifth consecutive year. It has been ranked as the Top university in Kuwait by QS World University Rankings 2026. In this new edition, AUM advanced to the rank number 563 globally, up from the number 611 to 620 band in the previous year. This achievement places AUM among the Top 600 universities worldwide.

AUM has maintained number 1 position in Times Higher Education rankings as well. Its ranked number 201 to 300 globally and maintained its position as the number 1

university in Kuwait, according to THE Impact Rankings 2025. AUM achieved recognition in 8 Sustainable Development Goals within the World's Top 400 universities, including 4 Sustainable Development Goals ranked in the Top 100 universities globally.

In line with AUM's vision to contribute to the AI transformation agenda in Kuwait and the region, AUM partnered with UC Berkeley as an initiative to integrate Artificial Intelligence into Education and Research. AUM celebrated the completion of the 2024-2025 cohort of the Artificial Intelligence and Entrepreneurship Certificate program in collaboration with UC Berkeley, marking the ongoing success of this distinguished partnership.

AUM remains committed towards boosting its students employability skills, and helping them gain insights into internships and potential career paths. In May 2025, AUM organised its 11th Career Expo "Empowering talent. Creating opportunities", powered by Tawteen Career Center. Students and alumni were offered invaluable opportunities to network with more than 60 leading local and international companies, attend inspirational speeches, and participate in specialised workshops.

To celebrate the corporate world as its partner in success and to thank them for their trust in AUM graduates, the Career Expo concluded with AUM Corporate Awards Ceremony 2025 in its fourth edition to honour an outstanding selection of leaders and leading local and international companies from the private and public sectors in Kuwait.

AUM and ACM continue to remain as the institutions of first choice and, the top rankings enable them to be robust and strengthen its leadership position in the higher education sector.

Now, I would like to invite Mr. Anup Dhand, CFO of Humansoft to give a brief about Q2 2025 financial highlights.

Anup

Thank you Mr. Baxi and a good afternoon to all the attendees, I am Anup Dhand, CFO of Humansoft and I would like to present the financial highlights for H1 2025.

Humansoft's H1 2025 revenue was KD 39.8 million as compared with H1 2024 revenue of KD 40 million, mainly due to the similar number of enrolled students.

H1 2025 EBITDA was KD 19.9 million in comparison with H1 2024 EBITDA of KD 21.3 million.

H1 2025 Net profit was KD 18.3 million in comparison with H1 2024 Net profit of KD 19.9 million.

Net Profit Margin for H1 2025 was 46% and EBITDA margin for H1 2025 was 50%.

The Earning per share was 136 fils during H1 2025 as compared to 149 fils during H1 2024.

Humansoft had a net cash position of KD 50.1 million as at 30 June 2025.

Total equity was KD 93.5 million as at 30 June 2025 and the annualized return on average equity for H1 2025 amounted to 34%.

Total Assets was KD 119.3 million as at 30 June 2025 and the annualized return on average assets for H1 2025 amounted to 28%.

Humansoft's fortress balance sheet, high Return on Average Assets and high Return on Average Equity provides protection, and resilience, and enables Humansoft to remain robust.

With this, we now open the floor for questions and answers. We request that you please introduce yourself with your name and the institution you represent when you have any questions.

Thank you. Over to you, Mirna.

Mirna Thank you. If you'd like to ask a question, please use the raise hand function, or you can type your question in the chat. We will take the first question from Ahmed Dosery. Please unmute yourself.

Ahmed Hi. This is Ahmed Dosery from SICO. Thank you for the opportunity. A couple of questions from my end. The first one is regarding the scholarships, if you had received any recent communication or guidance from the Ministry of Higher Education regarding the scholarship allocation.

Mayank Still the PUC scholarship students enrollment will begin for the private universities only on the 4th of August. It's going to be from the 4th of August until 14th of August. Thereafter only will they announce the scholarship numbers for the universities in private sector.

Ahmed Okay. And regarding the fees, considering the last tuition fee increase was around 2014, are there any plans to revise the fees in the near term?

Mayank As of now, as we speak, we have no specific plans to submit any revision application.

Ahmed Okay, and the nursing school approval, are there any updates on that? Have you received the regulatory approval?

Mayank No, unfortunately, it is still pending and we will not have the offering of the same in this Fall semester. .

Ahmed Thanks. Regarding the dividends, if you could provide some clarity on the sustainability of the dividends at the payout of 350 fils? So should we expect this level to be maintained going forward?

Mayank The dividend decision usually we take after the year end results are out, where in we try to reflect the requirements of cash flow for both capex, working capital and any specific plans. So, as we speak now, we will not be able to guide you specifically on what kind of dividends to expect. But as you have seen in the past, that if there are no specific commitments we have been working towards whatever maximum payout is feasible, we try to recommend to the board. As of now, there is no change in the dividend policy as such.

Ahmed Okay. And just the last question regarding the internet and library fees, is there any updates on the treatment of the subscription fee and how long do you expect to continue to recognize them in the same manner?

Mayank Until the time we are fully convinced that this is not feasible to be recovered, it's better that we continue with the present practice, and we'll take a call only once it is absolutely clear that now, this is not going to be received.

Ahmed Is it fair to assume a year from now?

Mayank I don't want to give any guideline on that because you know how it works. We are pursuing on that. So, let's keep our fingers crossed, and hope for the best.

Ahmed Thank you. Thanks a lot, and best of luck. Thank you.

Mayank Thank you very much.

Mirna Thank you. As a reminder, if you'd like to ask a question, please use the raise hand function, or you can type your question in the Q&A chat. We'll take the next question from Usman Siddiqui. Please unmute yourself.

Usman Hi. This is Usman from Sico Bank, Bahrain. I just have one question on the increase in cost that happened this quarter, if you could elaborate what led to the higher cost in terms of staff salaries and student activities costs? And is the increase going to continue in the next two quarters as well as on a year on year basis, or there was any element of one-offs?

Mayank Thank you Usman. As we have been mentioning in the previous calls, also, our cost structure and margins will tend to gravitate towards 2019 levels. And if you compare the quarter four of 2024 i.e. last quarter of 2024, there is a marginal increase from that level in the cost of sales in Q1 and Q2 of 2025, and similar increase is also therein the other G&A costs.

Now this is in line with what we were expecting, and it is normal cost in terms of the manpower cost as we are getting back into the total normalization with offerings of all the majors and also the staff that was getting filled up in the non-teaching side also. So, these all were expected, and it will continue at this level.

Usman But for comparison purposes, if I still compare the first half 2019 versus first half 2025 there is still a compression of operating and EBITDA margin. So, I was just wondering whether the guidance of going back to 2019 still holds, or we could expect margins to be decline further.

Mayank If you compare the first half margin of 2019, we are close to the same level, first half year of 2025 to first half year 2019.

Usman Still 4% to 5% lower.

Mayank No, 4% to 5% is not the right number. Are you referring to 2019 or 2024?

Usman Referring to 2019.

Mayank In 2019, if you check, our net profit in quarter one was 47.4% and in quarter two was 46.5%, whereas in current year we are at 49.2% in quarter one and 42.5% in quarter two, averaging around 46%. So, we are close to that and I think this is where we will remain, because quarter three and quarter four usually are the improvement quarters. If you have seen the cycle in our quarterly tabulations, always Q3 and Q4 start to improve from the levels which we achieved in the first half. So we are hopeful that we will be able to maintain at that level.

Usman Alright. And my last question is on the overall revenue growth. I mean, you have mentioned as of now there is no plan of price increase or tuition increase. So on the enrollment side, what is your view, will you be able to grow your enrollment from the current levels, or we could see further decline, and the student enrollment number also going back to the pre COVID level, or what levels you expected to go with the increase in competition in scholarships?

Mayank Sure. See, there are two aspects to this. One, as you know already, our graduation cycle is four years at AUM and two years at ACM and in addition to that there is additional one year for Foundation level. During the post COVID years of 2020/2021, there was a higher output from K-12, and as a result also our enrollments of fresh graduates during that year were higher than the normal average, which we had also mentioned that those years were one-off years. Now, the effect of that is that these students graduate in the years starting last couple of years which is also depending on their academic study plan. Therefore, you have seen that the graduation level for AUM and ACM combined has been around 3000 or 3000 plus,. And our intake remained around 2600 to 2800 range.

Now, in order to grow this intake, we have to definitely look at options to reach out to the high school graduates coming out of K-12. And to achieve this, we have to ensure that we remain ahead of the competition in the majors that we offer, and also look for new opportunities of adding new majors.

Now, as you have been also witnessing that in last several years, we have invested heavily into intangibles, I would say, which has not shown conversion into student numbers, but all these relationships in artificial intelligence and robotics, green energy are the requirements of the future, and we are hopeful that this will be the requirements going ahead and for the students who graduate from K-12 should also be looking for these kind of majors, and we will continue to be trying ways and means to even consider additional majors within the engineering arena.

Usman Alright. One last question. I mean, in 2020 we saw a significantly higher number of enrollment, as you mentioned, because of highest number of school graduates. So is 2025 the year where we will see a significantly high number of graduates as well? Because as you mentioned, AUM is a five year cycle. So will this have an impact on number of graduating students?

Mayank Yes, I understand. See, the summer semester is still not over. The annual graduates consist of three semesters: Fall, Spring and Summer. And consolidated number for AUM and ACM combined goes to around 3000 plus. But this year, the final number will be known only after the summer semester is over, which will be over maybe in the first week of August. But as we speak, we estimate that it will be around 3000 plus. But I cannot give an exact number because the semester is still going on and graduation numbers will be known only after completion of the semester.

Usman	Alright. Thank you. Thank you very much.
Mirna	Thank you. We have a couple of questions from the chat “What is the reason why you stopped giving stock dividends since 2023 and under what circumstances will you resume stock dividends going forward?”
Mayank	There was no specific reason for issuing stock dividend or not issuing stock dividends. We looked at several parameters for the capital within the company, and last year when the decision for dividend was being considered, the recommendation was to have a higher component of cash dividend and not consider the stock dividend or bonus share. Because at that point, we felt that we as a company do not need additional capital. And, therefore, if the profit is maintained in the retained earnings and used as cash payout, it might be good for the shareholders. Also, the options are still available if there is a need, so there is no other specific reason for continuing or discontinuing.
Mirna	Thank you. We have a question from Abdulaziz Alsughiyr. I think you've already covered part of it, but can you share the outgoing student numbers for both AUM and ACM this year?
Mayank	I think in the previous question I mentioned that the summer semester is yet to be over, and as we speak, we expect this year the total graduation outgoing students to be around 3000 plus something, but final number will be only after the semester is over.
Mirna	Thank you. As a final reminder, if you'd like to ask a question, please use the raise hand function, or you can type your question in the chat. Mr. Baxi, I think we've covered all the questions, so back to you if you have any concluding remarks.
Mayank	Yes. Thank you very much to all the participants. And once again, Mirna and your team, we look forward to continuing this engagement on a quarterly basis. We can end the call now. Thank you.
Mirna	Thank you. Thank you everyone for joining and thank you HUMANSOFT's management for your time. This concludes today's call.