

Financial Results Presentation

Strategy Overview

stc DARE Strategy

d

digitize stc

- Instill digital mindset and unlock the potential of digital and analytics capabilities.
- Transform into an agile technology company and embrace new ways of working.

a

accelerate performance

- Maximize shareholder returns by transforming costs and monetizing assets.
- Connect our market through leading next-gen technology and digital offerings.
- Be a role model for sustainability and corporate governance.
- Lead company-wide culture change and be the employer of choice for top digital talent.

r

reinvent experience

- Excite customers with a seamless, personalized and secure experience.
- Be the trusted partner-of-choice for business in the region.

e

expand scale and scope

- Grow by expanding into selected growth pillars within digital services and core.

Company Overview

stc brand value increased to SAR 46.1 B

stc is the most valuable telecom brand in the region with a value of SAR 46.1 billion, according to Brand Finance.

stc & solutions

stc signed sale and purchase agreement with solutions to sale its entire 49% stake at "CCC".

Al-Khobar land

stc announced a sale of land in Al-Khobar for SAR 1,378 million.

stc & solutions

stc announced the issuance of non-objection by the "GAC" of the binding offer with solutions. to sell its entire 49% stake in "CCC".

Al-Khobar land

stc announced the completion of all procedures for selling the land, and received the whole value of SAR 1,378 million.

stc & Telefónica

stc announced that it has acquired an interest of 9.9% in Telefónica S.A. "Telefónica".

January	February	March	April	May	June	July	August	September
---------	----------	-------	-------	-----	------	------	--------	-----------

stc Venture capital fund

stc launched a corporate investment fund (CIF) aims to invest in early stages startups.

stc & solutions

stc announced the completion of all procedures required to conclude the sale transaction of "CCC" to solutions.

TAWAL moving to Europe

TAWAL signed (SPA) to acquire a towers company "United Group".

TAWAL moving to Europe

stc announced that "TAWAL" has received all the necessary approvals and formally completed its acquisition.

lot² & Machinestalk

iot squared signed a binding agreement to acquire 100% of Machinestalk.

Business Highlights

- ✓ stc Group announced that it has acquired a 9.9% interest in Telefónica S.A. ("Telefónica"), one of the largest telecommunications companies in the world with significant presence in Spain, Germany, the UK, and Brazil, for a total consideration of SAR 8.5 billion (EUR 2.1 billion). This acquisition represents another milestone in stc Group's expansion and growth strategy, and reflects stc Group's confidence in Telefónica's sustainable growth and upside potential. Telefónica benefits from a unique portfolio of best-in-class infrastructure assets and cutting-edge technology platforms, where it is developing state-of-the-art capabilities in adjacent areas such as cognitive intelligence, edge computing and IoT (Internet of Things). stc Group's growth strategy has resulted in a number of investments in the Information, Communication and Technology sector inside Saudi Arabia and globally, the most recent being the acquisition by Tawal – a subsidiary of stc Group – of United Group's telecommunications tower assets in Bulgaria, Croatia and Slovenia.
- ✓ stc Group announced the participation of its Corporate Investment Fund (CIF) in an investment round (A) totaling \$27 million (SAR 100 million) in Rewaa, the leading retail management software. The round was led by Aramco's "Wa'ed Ventures" venture capital fund, and the list of other investors participating in the round included Graphene Ventures from Silicon Valley, Sado Capital, Vision Ventures, Khwarizmi Ventures, Razm Investments, and other Venture Capitals.
- ✓ stc Group announced that iot squared, a joint venture between the Public Investment Fund (PIF) and stc group, has completed a highly successful first year since its establishment and signed a binding agreement to acquire 100% of Machinestalk, a pioneer provider of IoT solutions and applications in Saudi Arabia. The acquisition will accelerate iot squared's growth and solidify its position as the leading provider of IoT solutions in the region.
- ✓ center3, the leading digital hub and provider of hosting and data services in the MENA region and an stc Group subsidiary, has completed a 9.6MW expansion of its hyperscaler-grade data center Khurais in Riyadh. The expansion enhances center3's hosting capacity for customers and accelerates the development of the MENA region's digital industry. The newly expanded data center features state-of-the-art infrastructure and advanced technologies and is built to meet global hyperscalers requirements. The additional capacity will allow center3's customers to scale their cloud services and other digital services faster and more reliably.
- ✓ sirar by stc, the cutting-edge cybersecurity provider and one of the stc group subsidiaries, has been ranked 1st in the Middle East and North Africa and the 11th position globally in MSSP Alert's Top 250 Managed Security Service Providers for 2023 list. This recognition comes from extensive research conducted by the esteemed CyberRisk Alliance. Among the illustrious companies sharing this global stage with industry giants around the world, sirar by stc stands out as the sole Saudi Arabian company on this list.
- ✓ stc Group, announced that its subsidiary TAWAL has officially begun operations in Europe. The announcement follows the completion of TAWAL's acquisition of United Group's telecom tower assets in Bulgaria, Croatia, and Slovenia on April 25th 2023, as part of stc group's strategy to expand and grow, and after obtaining all the necessary approvals from the related regulatory organizations. TAWAL now owns and operates over 4,800 sites across Bulgaria, Croatia and Slovenia, providing operation services to new clients in these countries.
- ✓ stc Group has announced a significant advancement in digital transformation in the region by successfully conducting the first live trials for the advanced 5.5G generation across the Middle East and North Africa. Utilizing Millimeter wave (mmWave) technology, these trials have achieved high speeds surpassing 10Gbps. This achievement marks a new milestone, positioning the Kingdom of Saudi Arabia among the leading nations in the world of telecommunications. These trials complement the robust infrastructure of the advanced 5.5G network in the Kingdom of Saudi Arabia, enabling data transmission at unprecedented speeds in a live environment.
- ✓ stc Group & ROSHN Group have announced the signing of a MOU and an agreement which encompass the deployment of 5G network towers, smart home and city solutions, as well as the application of Big Data and Internet of Things (IoT) technologies to enhance communication efficiency and improve the quality of life for residents and visitors in ROSHN communities.

Financial & Operational Performance

5G

stc has deployed **7,819 5G towers** as of Q3 2023.

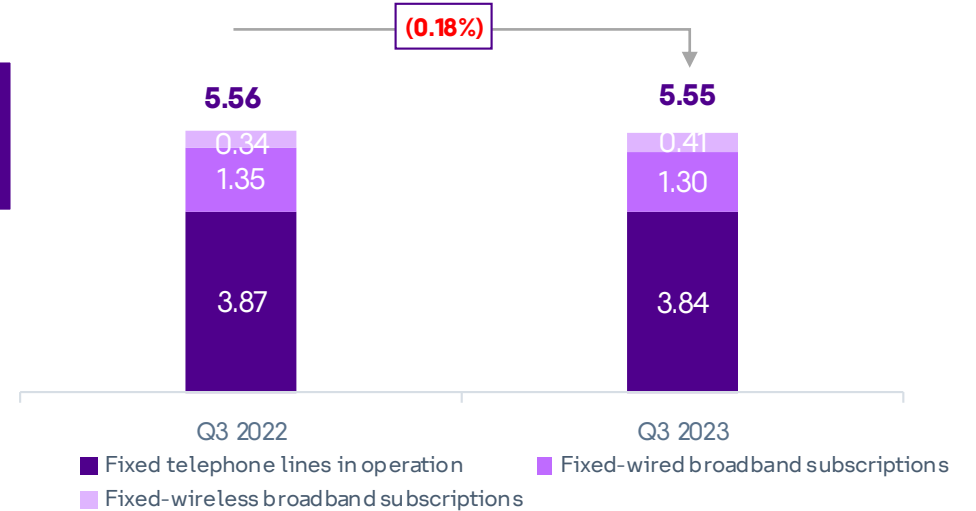
The Carrier & Wholesale Unit

The Carrier & Wholesale unit was able to achieve positive results, as its revenue grew by **2.71%**, supported by the increase in its national revenue.

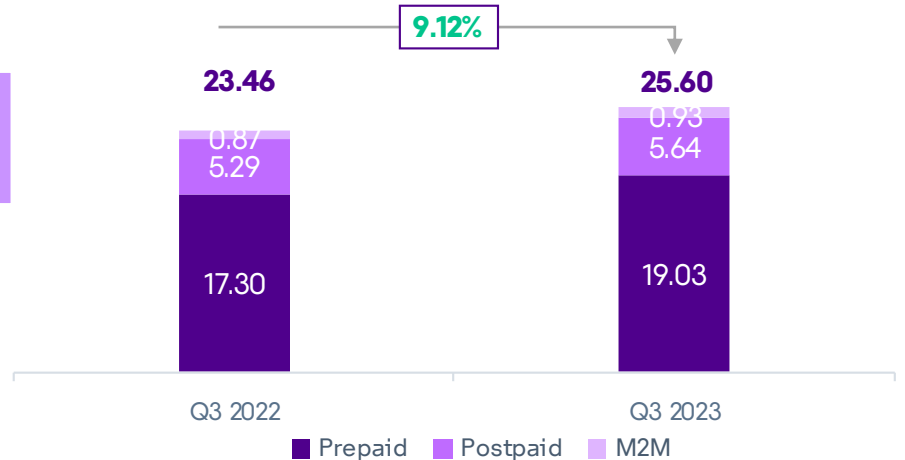
The Commercial Unit

The Commercial unit revenues increased by **4.71%**, attributed to a growth in the mobility and residential segments revenues by **3.78%** and **9.56%** (respectively).

Fixed Subscribers
(stc KSA)



Mobile Subscribers
(stc KSA)



*Fixed-wireless broadband subscribers includes 4G and 5G subscribers.

*Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

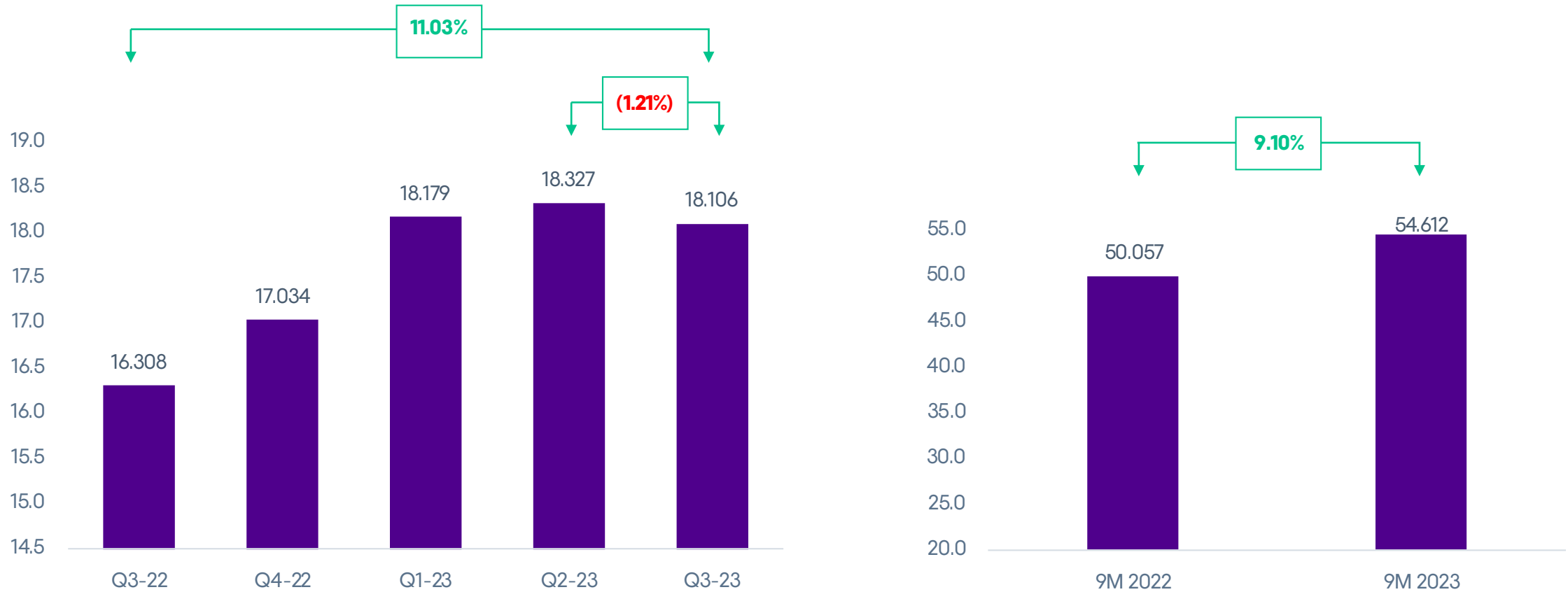
*Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

Numbers are in Millions for the subscribers.

Financial Highlights

Q3 2023

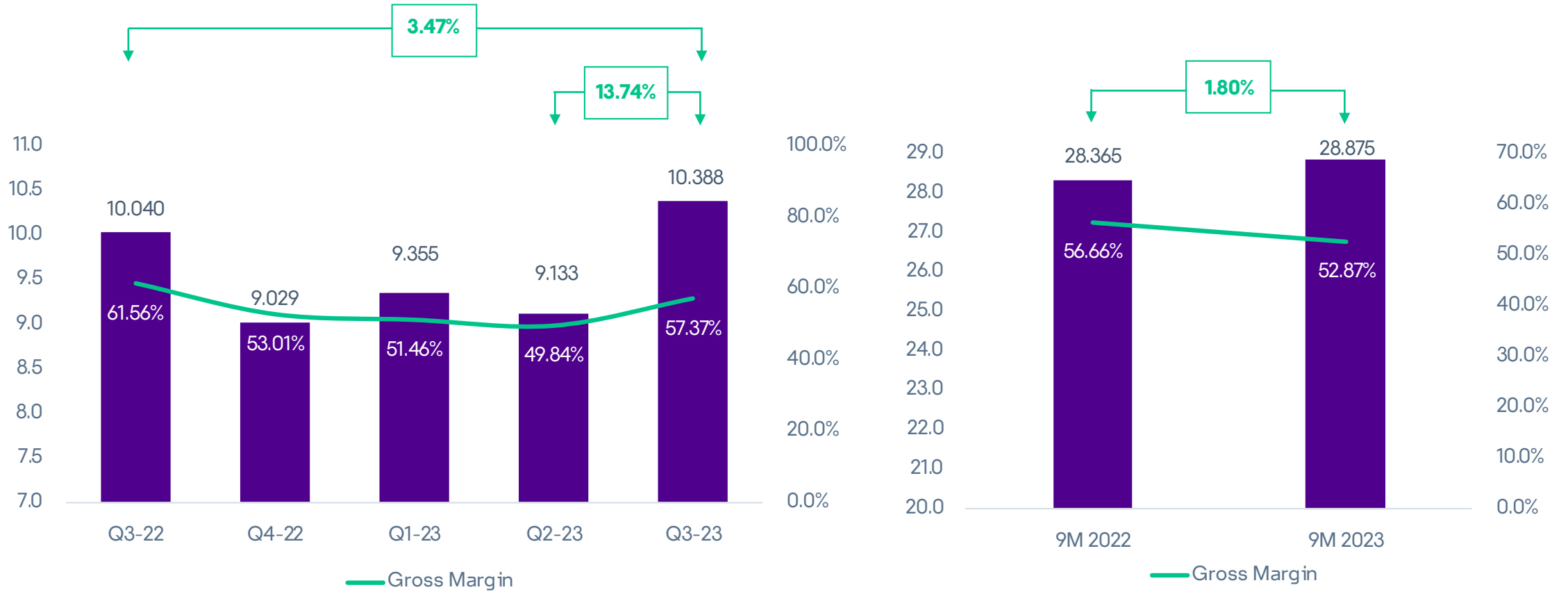
stc Group – Revenue



stc achieved the highest revenue for the nine-month period in its history, supported by the growth of the Commercial unit, the Carrier & Wholesale unit, and the Group's subsidiaries

All figures are in SAR Billions

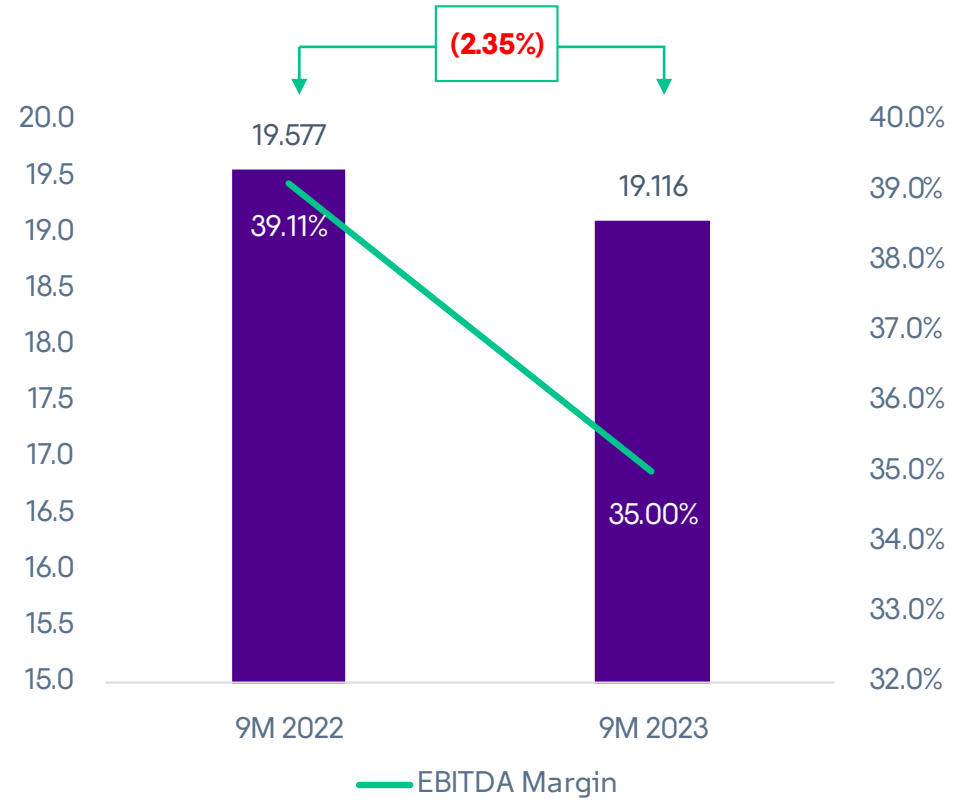
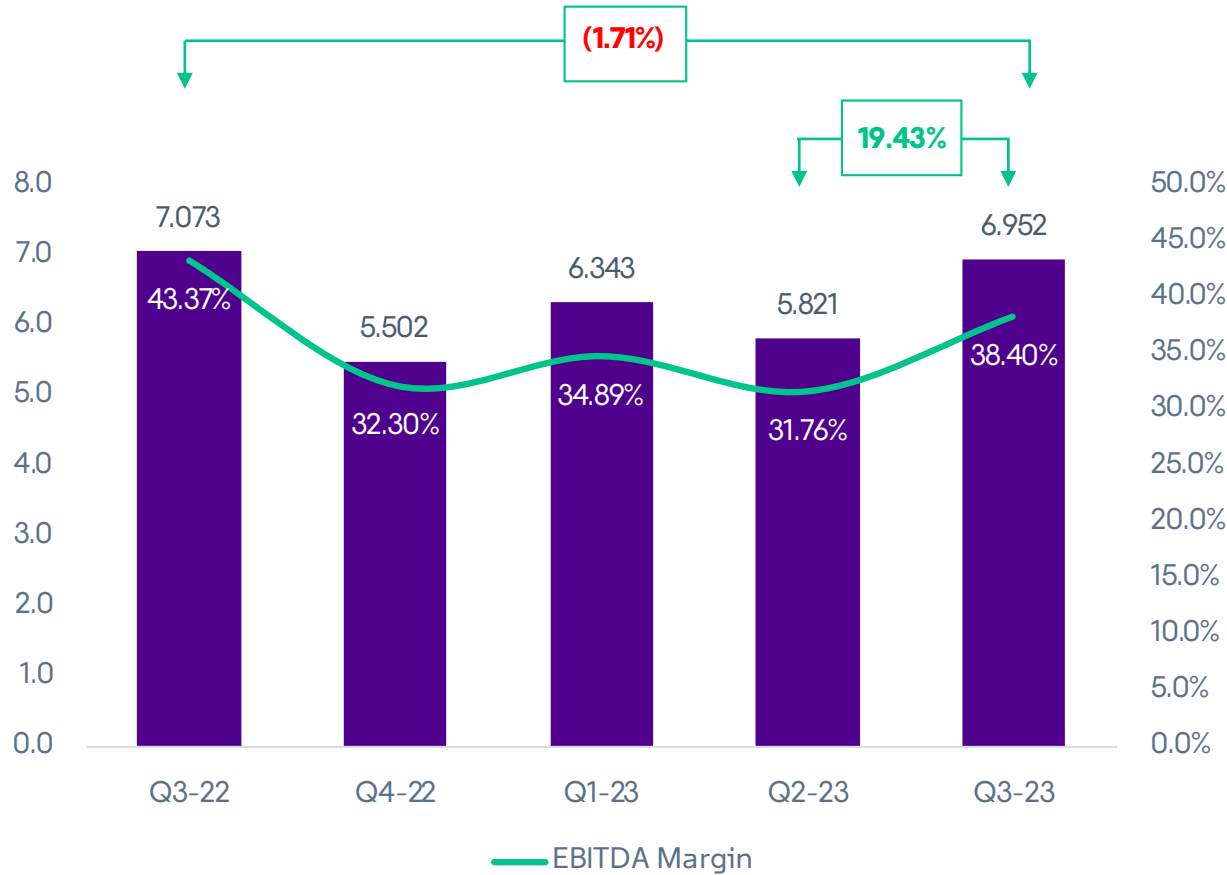
stc Group – Gross Profit



Growth in gross profit for the 9-months period and Q3, while maintaining healthy margins

All figures are in SAR Billions

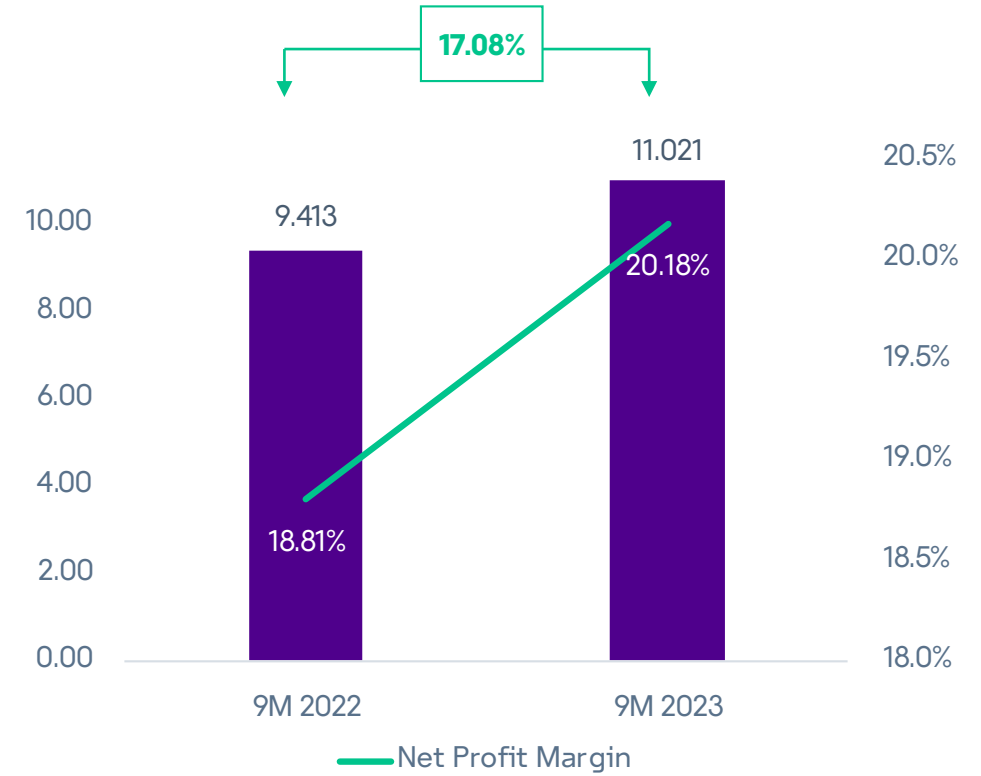
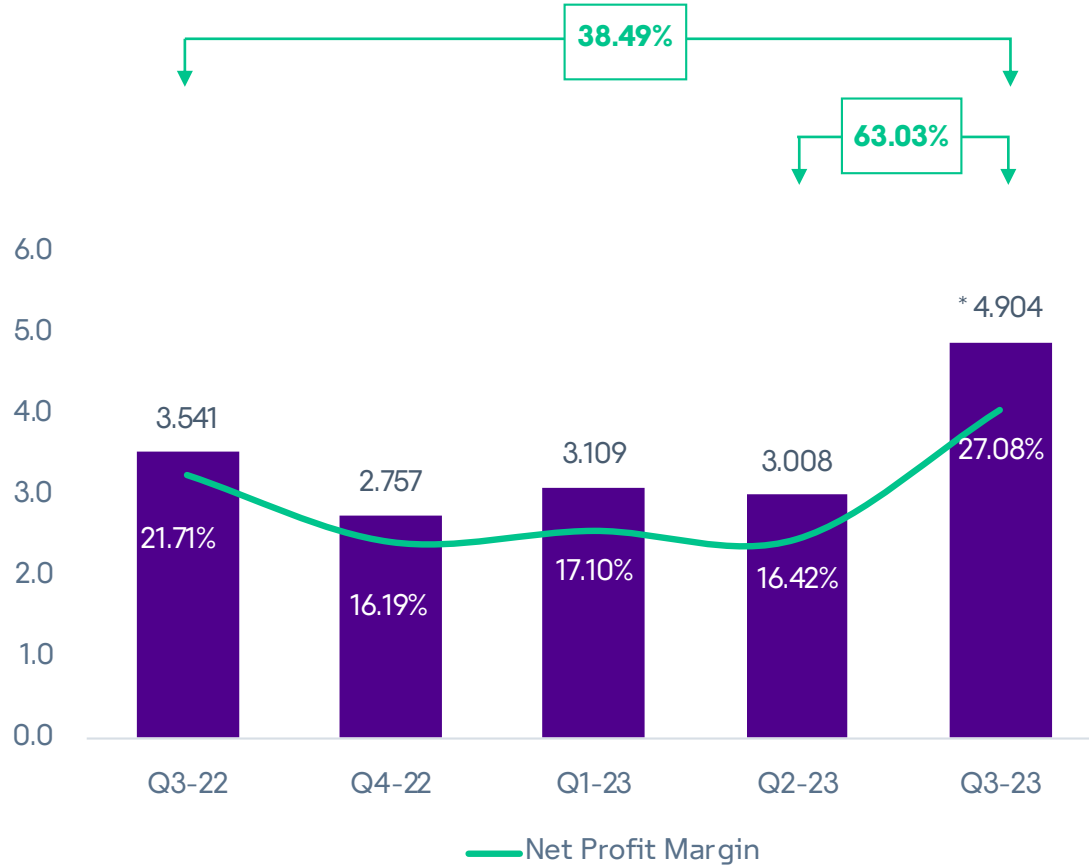
stc Group – EBITDA



EBITDA and EBITDA Margin have improved for Q3 compared to last quarter

All figures are in SAR Billions

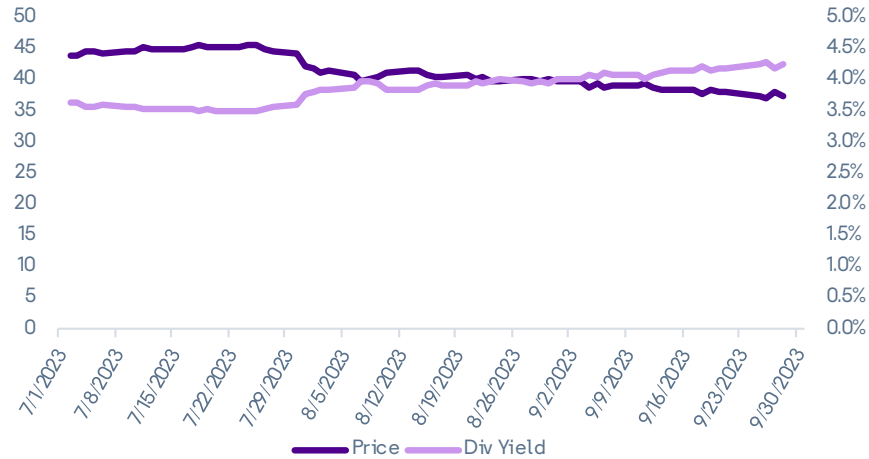
stc Group – Net Profit



Noticeable growth in net profit for the 9-month period and the third quarter with improved margins

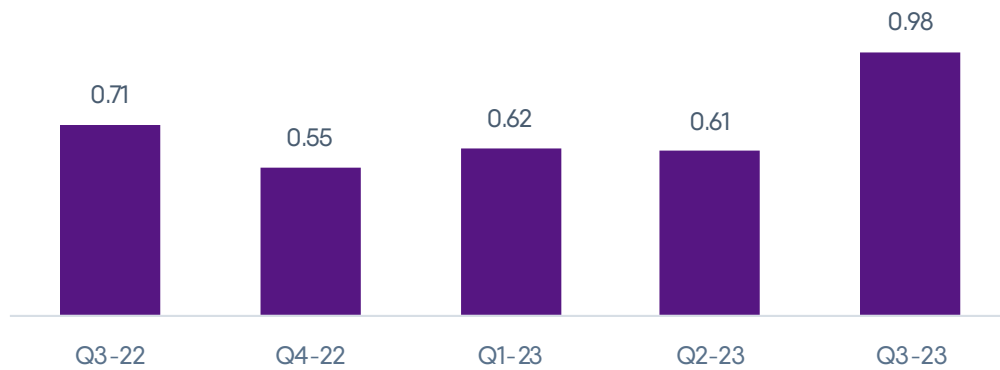
All figures are in SAR Billions

Price Vs. Yield Fluctuation

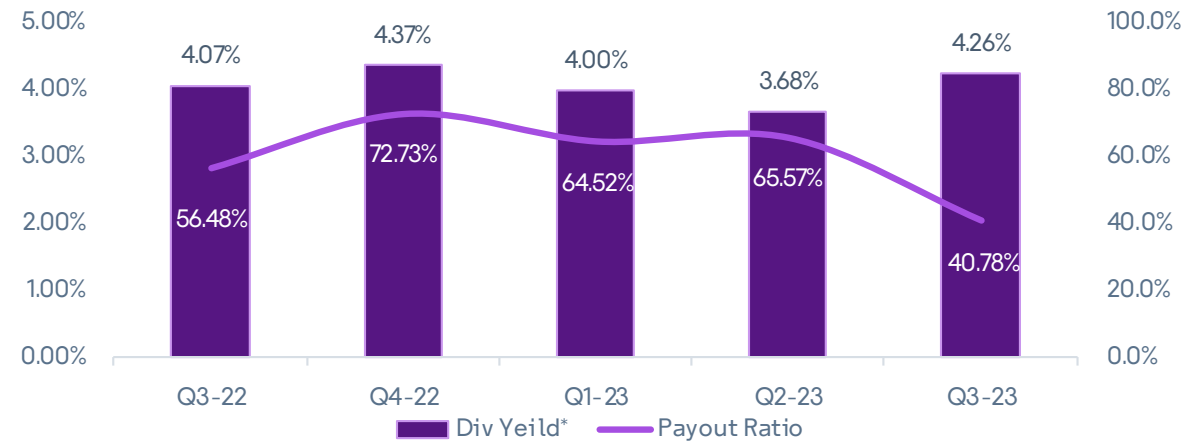


- stc commits to pay a fixed minimum dividend of a SAR 0.4 per share per quarter effective from Q4 2021 for three years. Furthermore, the company will consider and pay additional dividend, subject to stc BoD’s approval after assessment and determination of the Company’s financial situation, future outlook and capital expenditure requirements. Additional dividends are likely to vary on quarterly basis depending on the company’s performance
- The dividends policy will remain subject to:
 1. Any material changes in the strategy and business of the company (including the business environment it operates in);
 2. Laws and regulations that are applicable on the company;
 3. Any banking, other funding or credit rating covenants that the company may be bound to follow from time to time.

Earnings Per Share (EPS)



Payout Ratio/Dividend Yield



*Annualized Dividend

Disclaimer

This presentation has been prepared as an informative guide that might assist interested parties in gaining an insight into the history and background of telecommunications within Saudi Arabia, as they relate to the Saudi Telecom Company (stc). Furthermore, it does not constitute an invitation or inducement to purchase or dispose of any securities, either in stc, or any companies in which stc has a financial interest.

In addition, there may also be 'forward looking' statements included within the meaning of current securities laws and regulations. In this context, any opinions expressed within this document, regarding the company's potential future performance, should be viewed as being accurate at the time of preparation. However, cognizance should be taken of the fact that uncertainty may dictate that actual performance differs substantially from any views articulated herein.

Investor Relations E-mail:

IRU@stc.com.sa

Investors Website:

<https://www.stc.com.sa/content/stcgroupwebsite/sa/en/investors.html>

IR App QR Code:



Thank you