



Investor Relations Release

For the nine months period ending 30th September 2023

Financial Overview

For the nine months period ending 30th September 2023

9.10% ↑

stc Group achieved the highest 9-month revenues in its history reaching to SAR 54.61 billion

Key Figures (SAR mn)	9M 2023	9M 2022	Change (%)
Revenues	54,612	50,057	9.10%
Gross Profit	28,875	28,365	1.80%
EBITDA	19,116	19,577	(2.35%)
Net Profit	11,021	9,413	17.08%
EPS	2.21	1.89	

Since the launch of its comprehensive strategy "DARE 2.0," stc Group has maintained its position as a leader in driving digital transformation in the Kingdom and the region. stc Group achieved its highest-ever revenues for the 9-month period, reaching SAR 54.61 billion, representing a 9.10% increase compared to the same period last year. This remarkable growth can be attributed to a 4.71% rise in revenues from the Commercial unit, driven by a 3.78% increase in mobility segment revenues and a 9.56% increase in residential segment revenues. The Carrier & Wholesale unit also delivered positive results, with revenues growing by 2.71%, supported by an increase in national revenues. Additionally, stc Group's subsidiaries made a positive contribution to the overall performance, with a 33.60% growth in their top line.

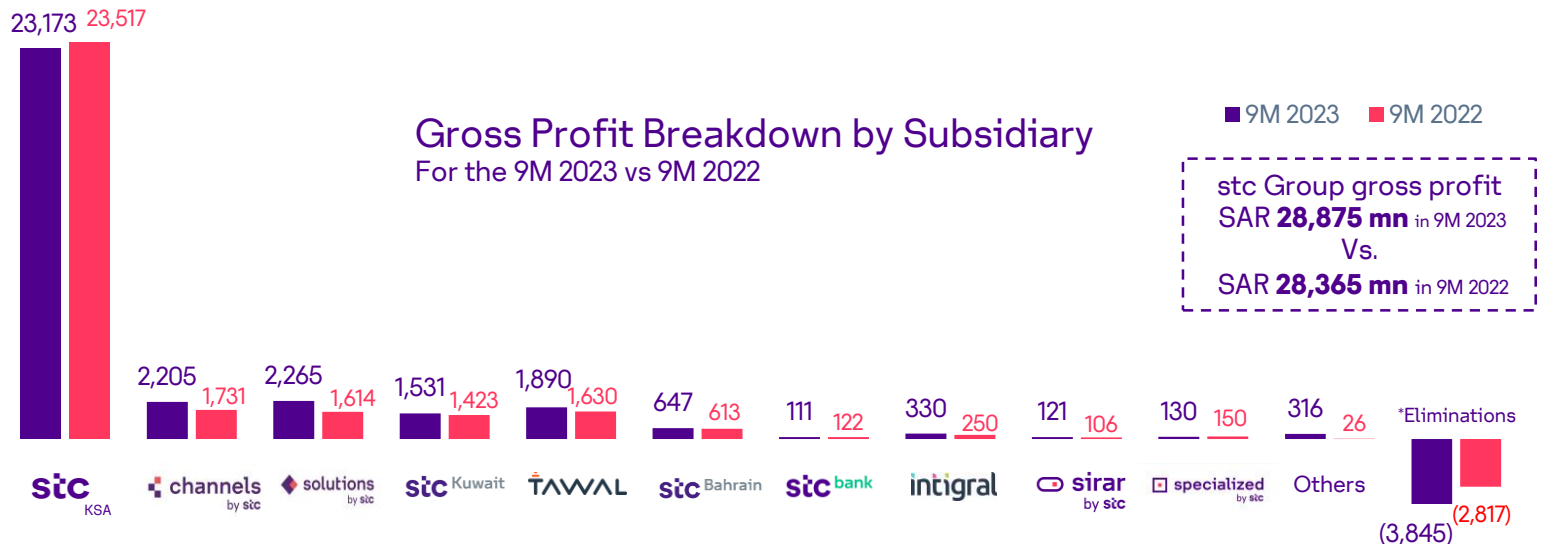
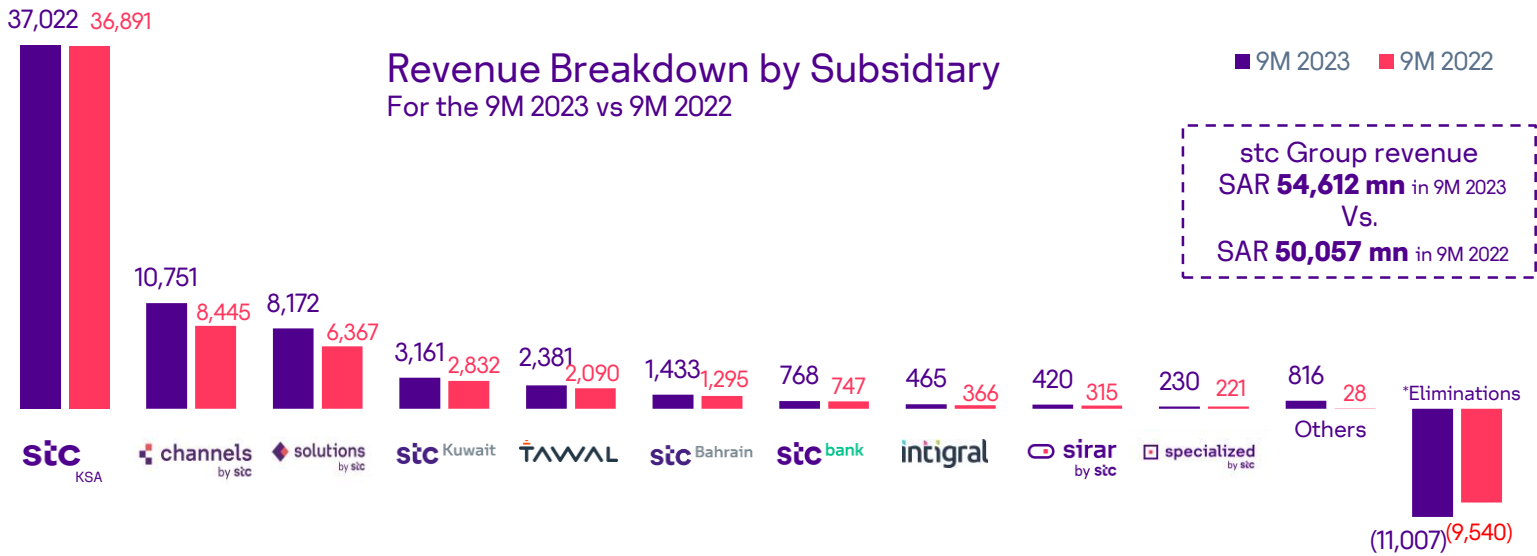
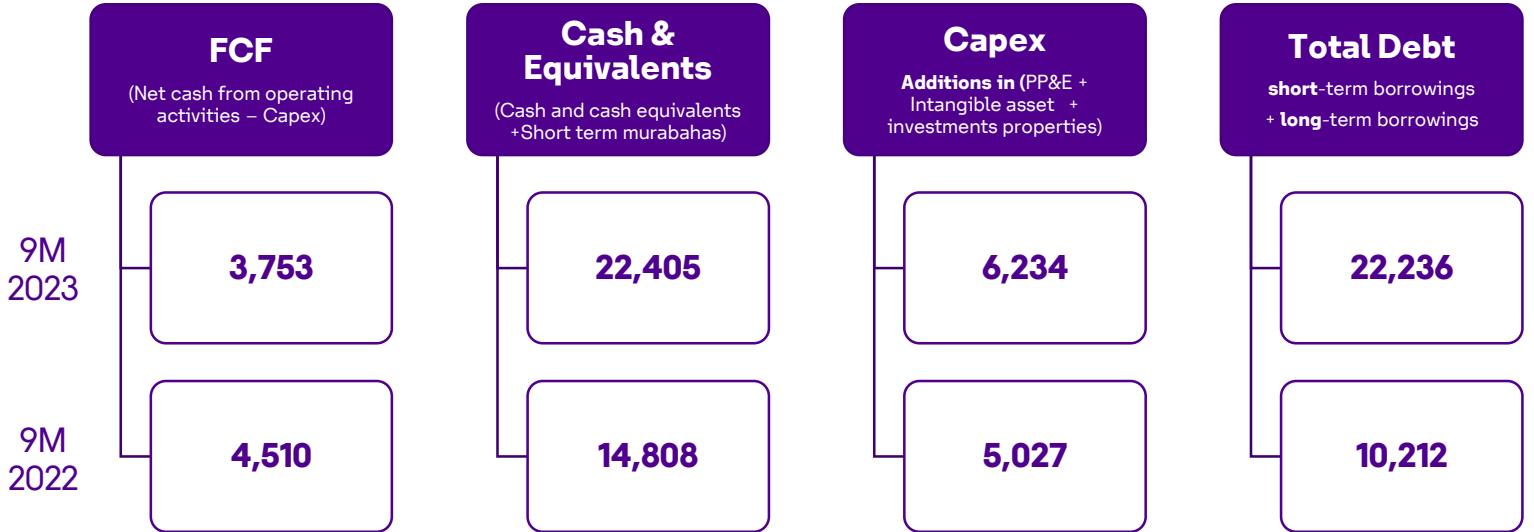
Credit Rating

- **S&P: A**
- **Moody's: A1**
- **Tasneef: AAA**



Financial Overview

stc Group



GCEO Statement

Commenting on these results, Eng. Olayan Alwetaid, stc Group CEO, indicated that the group's results and performance for the three-month and nine-month periods were excellent and in line with our expectations, which were achieved as a result of the group's commitment to its "Dare 2.0" strategy and its operational and financial plans. The group CEO added that during the third quarter of this year, stc group acquired a 9.9% stake in Telefonica Group for SAR 8.5 billion. Telefonica is one of the largest telecommunications companies in the world with presence in major markets like Spain, Germany, Britain, and Brazil. This investment aims at strengthening the cooperation between the two companies to benefit from all available opportunities in the future. This investment also aligns with the group's ambitious expansion and sustainable growth strategy, which has resulted in numerous investments in ICT sector whether locally or internationally. The most recent was the acquisition deal of the group's subsidiary "Tawal" of United Group's towers in Bulgaria, Croatia, and Slovenia, which recently announced the acquisition completion and the official start of its operations.

In continuation of the group's support for digital transformation, "iot Squared", a subsidiary of stc Group, has signed a binding agreement to acquire "Machinestalk" company, which is one of the largest Saudi companies specialized in the field of the Internet of Things. This acquisition is an extension of the group's pioneering role in adopting advanced digital technologies and leading the digital transformation in the region, which contributes to keeping pace with the growing demand for Internet of Things technologies and expanding the delivery of comprehensive services and products in this promising market.

In pursuit of achieving the group's vision to lead the digital field in the Kingdom, the group's subsidiary, "sirar by stc" was ranked first place in the Middle East and North Africa, and the eleventh place globally among the top 250 providers of cybersecurity services in the "MSSP Alert" list. The ranking was based on an extensive research conducted by the "CyberRisk Alliance. Since its establishment in early 2021, sirar by stc has worked to solidify its position through many partnerships that exceed 100 partners from various sectors. This recognition comes as a testimony to the company's performance in achieving growth and as an acknowledgment of its commitment to providing cybersecurity services that align with the highest global standards.

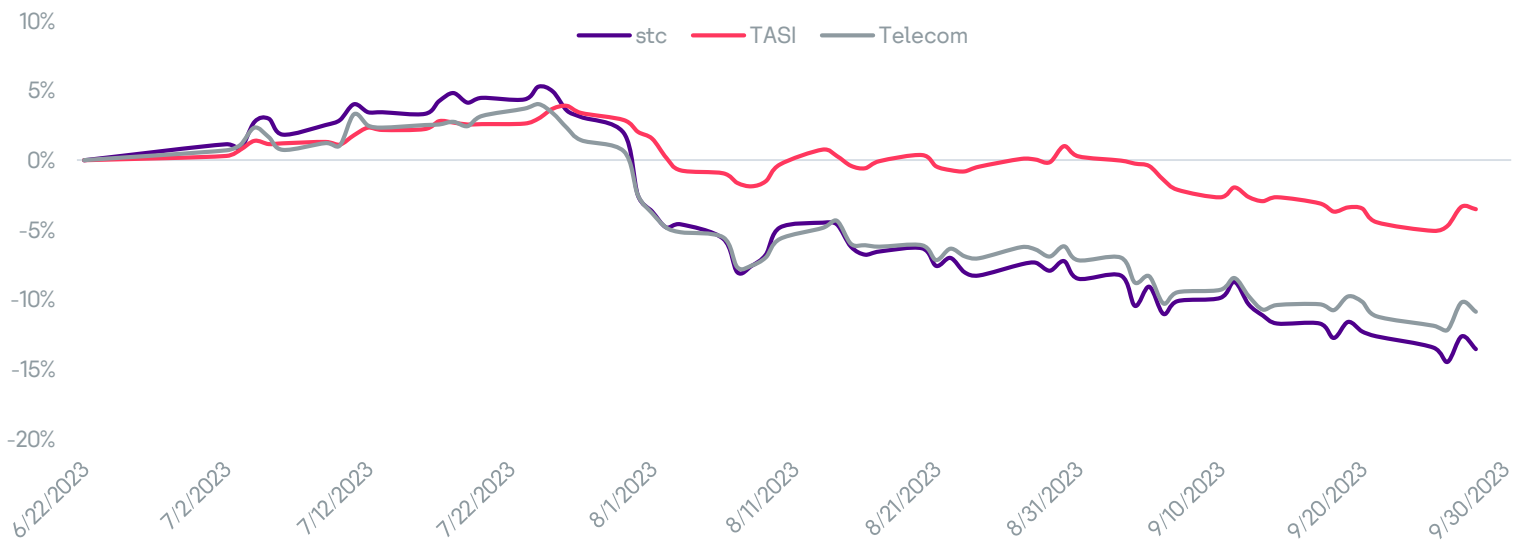
Furthermore, stc group signed a memorandum of understanding (MoU) and agreement with Roshn group, the leading real estate developer and one of the major projects of the Public Investment Fund. The MoU agreement included the deployment of 5G network towers, smart homes and cities solutions, as well as the applications of Big Data and Internet of Things (IoT) technologies to enhance communication efficiency and improve the quality of life of residents and visitors of Roshn's communities. The partnership agreement between stc and Roshn comes as a result of the Group's strategy to build digitally enabled capabilities within new regions and projects in the Kingdom by equipping a modern digital infrastructure and providing the latest digital solutions and innovative services that enrich the lives of society. The smart city technologies and applications will be reflected in Roshn's projects, which will enhance the quality of life in line with the goals of vision 2030 aimed at building a digital society, a prosperous digital economy, and a better future for the Kingdom.

In conclusion, stc group aims towards continuous development, success, and leading the digital and communications field by entering into local, regional and global investments, partnerships and agreements in the communications and information technology sectors in line with the pillars of its "DARE 2.0" strategy. stc's strategy will support achieving the goals of Saudi Vision 2030 and play a deeper role in the digital transformation, not only in the Kingdom of Saudi Arabia, but also going further to make an impact in the Middle East and the world.

Key Highlights

Stock Performance

Q3 2023



Event Calendar

Q3 2023

July

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- **10th of July:** stc announced the latest developments regarding the sale of the land owned by stc located in Khobar city.
- **30th of July:** Q2, 2023 Financial Results & Dividends Announcements.

- **1st of August:** stc's Q2, 2023 Earnings Call.
- **23rd of August:** Q2 2023 Dividend Distribution (SAR 0.40 per share).
- **27th of August:** stc announced the latest developments regarding its subsidiary TAWAL, signed a sale and purchase agreement (SPA) to acquire 3 towers companies.

- **5th of September:** Saudi Telecom Company (stc) announced acquiring an interest of 9.9% in Telefonica S.A. (Telefonica).
- **11th-12th of September:** The EFG Hermes Saudi Forum.
- **25th-26th of September:** Goldman Sachs & Saudi Exchange (Singapore Corporate Days 2023).

Key Highlights

Key News

center3 announced expansion of Khurais Riyadh data center to drive growth and innovation 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.

stc Group has announced the successful completion of advanced trials for the advanced 5.5G generation

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.

iot squared acquisition of Machinestalk

stc Group announced that iot squared, a joint venture between the Public Investment Fund (PIF) and stc group, is completing a highly successful first year since its establishment with signing 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. The acquisition represents an important milestone in the collaboration between PIF and stc as this reflects the major investment strategy in the products and services in ICT industry, including investments in digital Clouds, Cybersecurity, Fintech and digital entertainment.

Through its subsidiary "TAWAL" stc Group officially began operation in Europe

stc Group, an engine of digital transformation in the MENA region, 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, 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's Corporate Investment Fund (CIF) participated in an investment round for "Rewaa"

stc Group announced the participation of its Corporate Investment Fund (CIF) in an investment round (A) totaling \$27 million (100 million Saudi Riyals) 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's CIF participation in this round aligns with its strategy to expand and grow and underscores its commitment to innovation. It also amplifies the Group's ongoing strategy to influence the broader corporate landscape by embracing groundbreaking technologies, avant-garde business models, and pioneering innovation.

stc Group acquired a 9.9% interest in Telefónica

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 presented its digital fintech solutions during "Seamless Saudi Arabia 2023"

stc Group took part in the "Seamless Saudi Arabia 2023" exhibition and conference held in Riyadh. The Group exhibited its digital and technical offerings, including implementing Standard and Soft POS through smart devices and payment systems. Additionally, stc provided ATM monitoring services and utilized VR technologies within the Metaverse. Notably, stc leveraged AI technologies for geographical analysis, fraud detection, Anti-Money Laundering, and contact points, among other applications. stc's participation in the "Seamless Saudi Arabia 2023" conference and exhibition is a testament to its dedication to revolutionizing the fintech, e-commerce, retail, and payments landscape.

sirar by stc Ranked 1st in MENA in the MSSP for 2023

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. This achievement underscores the company's unwavering commitment to continually enhance its capabilities and broaden its offerings, thereby empowering organizations to fortify their digital defenses and elevate the cybersecurity landscape.

MOU & agreement inked between stc Group and ROSHN Group

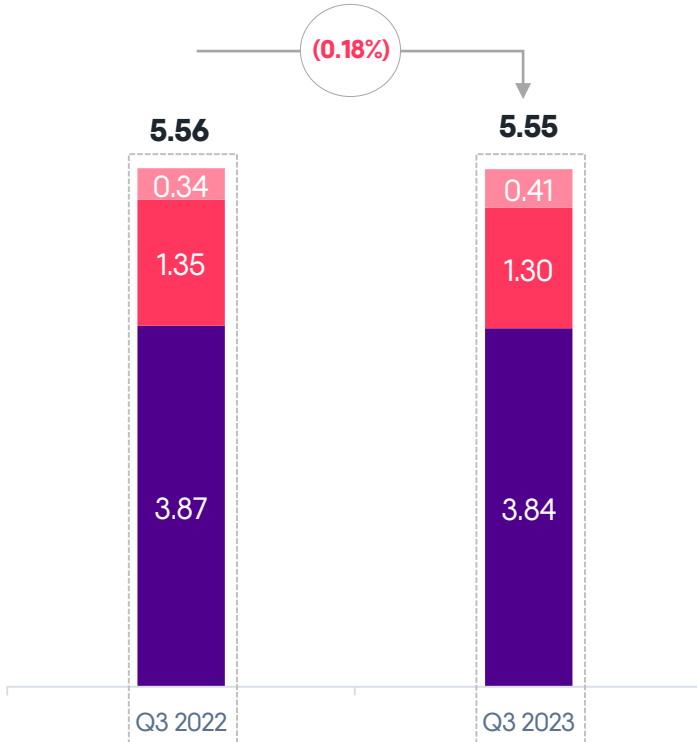
stc Group & ROSHN Group, the leading real estate developer specializing in sustainable urban experience and one of the major projects of the Public Investment Fund, have announced the signing of a MOU and an agreement which encompass the deployment of 5G network towers, smart home and city solutions, 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. Additionally, the MoU and the agreement explore the possibility of launching a loyalty program for ROSHN community residents, along with the provision of stc Pay services for online transactions with ROSHN.

Subscribers at a Glance



Fixed Subscribers
(Millions)

Mobile Subscribers
(Millions)



- Fixed-wireless broadband subscriptions
- Fixed-wired broadband subscriptions
- Fixed telephone lines in operation

- Prepaid
- Postpaid
- M2M

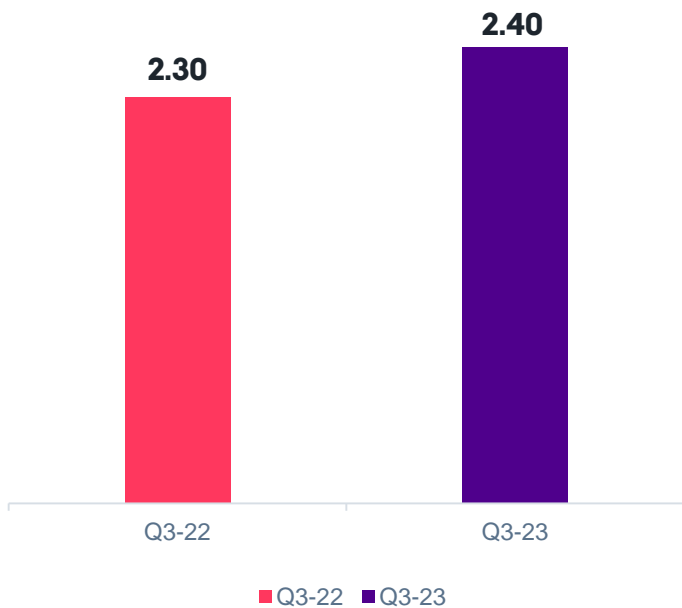
*Fixed-wireless broadband subscribers includes 4G and 5G subscribers.

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

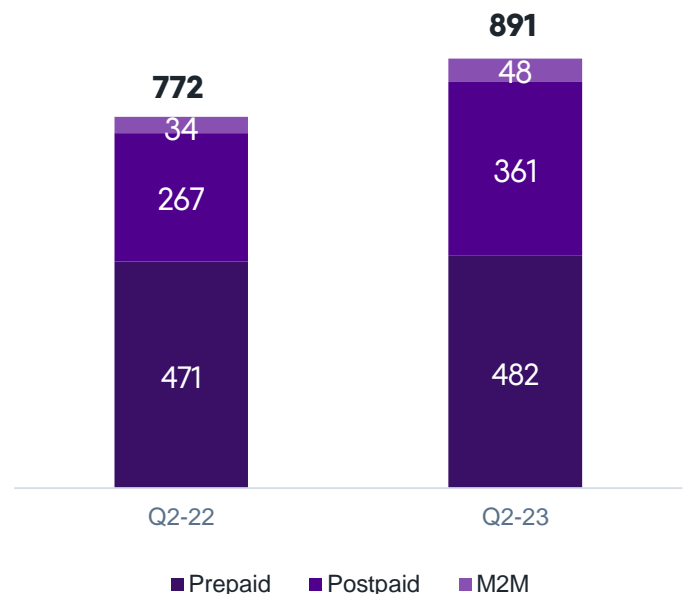
*Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions



Mobile Subscribers
(Millions)



Mobile Subscribers
(Thousands)



Disclaimer

Saudi Telecom Company (**stc**) has prepared this presentation to the best of its abilities, however, no warranty or representation, express or implied is made as to the adequacy, correctness, completeness or accuracy of any numbers, statements, opinions, estimates, or other information contained in this presentation.

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 **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. The information contained in this presentation is subject to change and we disclaim any obligation to update you of any such changes, particularly those pertaining to the forward-looking statements. 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.

Moving the World

for  ward



Investor Relations Department

 : IRU@stc.com.sa

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