



Press Release

For the nine months period ending 30th September 2022

Financial Performance

For the nine months period ending 30th September 2022

6.48% ↑

Increase in revenues for the 9 months period, as compared to the same period last year.

Key Figures (SAR mn)
Revenues
Gross Profit
Operating Profit
EBITDA
Net Profit
EPS

9M 2022	9M 2021	Change (%)
50,398	47,330	6.48%
28,365	25,278	12.21%
12,120	9,924	22.13%
19,577	17,073	14.67%
9,413	8,698	8.22%
1.89	1.74	

Credit Rating

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



stc group, the leading telecommunication and ICT service provider, continued to implement its "DARE 2.0" strategy steadily and successfully, and carried on to achieve positive financial results. The group was able to grow its top line for the 9-month period by 6.48% compared to same period last year. This exceptional result was supported by the performance of the Enterprise business unit, which achieved a revenue growth of 12.4% for the period, due to the increasing pace of stc group's digital transformation as it builds out a world leading comprehensive digital eco-system, reinforced by the significant growth witnessed from the digital economy sector in the Kingdom and the region. The Wholesale business unit also achieved a revenue growth of 7.3% for the period, benefiting from the group's various investments in the infrastructure and technical capabilities. Moreover, the Consumer business unit continued to positively contribute to the group's results, as it achieved a 6.9% growth in revenues for the period, attributed to the increase in mobility revenues by 8.0%, supported by an increase in working lines by 5.9%, whereas the residential segment registered a top-line growth of 1.6% due to the increase in FTTH and fixed wireless access subscriber base by 1.5% and 18.1% (respectively).

Commenting on these results, Eng. Olayan Mohammed Alwetaid, stc Group CEO, stated that we are proud of the group's positive financial result, which indicates the group commitment towards its comprehensive strategy and investments diversification in multiple domains; which had a clear and tangible impact on profits growth while achieving a sustainable return for the company's shareholders.

Alwetaid also pointed out that during the third quarter of this year, stc's general assembly approved the increase of the company's capital to SAR 50 billion, which considered the largest capital increase in the history of the Saudi stock market, making the company the second largest listed company in terms of capital. This increase aims to support the group in achieving its strategy that aimed at expansion and growth, along with maximizing the return for its shareholders, by increasing and diversifying investments and seizing the expected growth opportunities in the telecommunications and information technology sectors in the Kingdom of Saudi Arabia and the region.

In light of stc group role as a leading digital enabler in the Kingdom and the region, the company has announced a corporation between stc group and the Greek Telecom Company, TSSA, to build East to Med Data Corridor (EMC) undersea and land fiber optic data cable that will link Europe with Asia. This new project shows the nature of stc group's ambition and capabilities to provide connectivity and hosting technologies as well as increasing data center capacity to meet the markets demand of Asia, Europe and the rest of the world through the Saudi Arabia's distinguished and strategic geographical location.

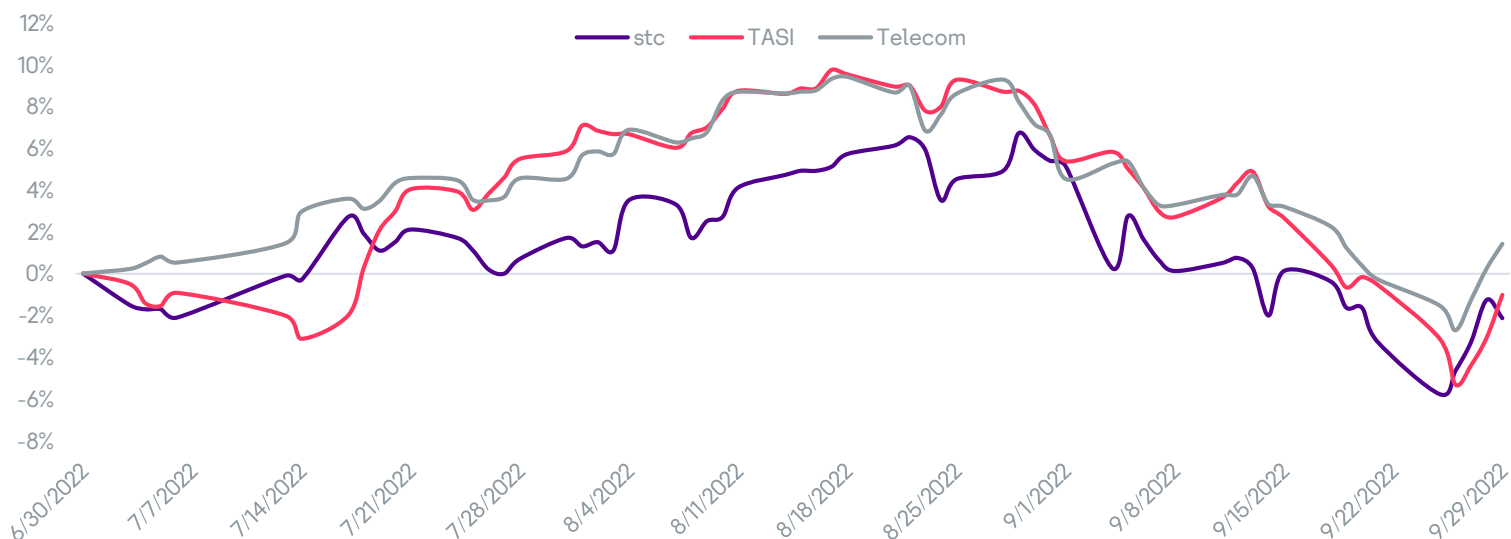
stc group has also landed the "Saudi Vision Cable" in the Red Sea through its first landing station in Jeddah. With the name inspired by the KSA Vision 2030, the Saudi Vision Cable spans 1,160,000 meters and it is considered the first ever high-capacity submarine cable in the Red Sea region that will provide seamless connectivity through four landings in Jeddah, Yanbu, Duba, and Haql. This submarine cable, which is fully owned by stc group, reflects the group's leadership in providing advanced and comprehensive international telecommunications services through a strong and diversified infrastructure.

In reference to what was previously announced on the group's intention to establish a main digital center "MENA HUB", stc group launched "Center3" company, the digital regional center for the Middle East and North Africa, which considered one of stc group largest and significant projects. The new company will be the owner of the digital infrastructure assets, including data centers, submarine cables, international points of presence, and internet exchange points. It aims to develop digital businesses and enhance investment opportunities in international communication services and data centers by providing the latest communication and hosting technologies and increasing the capacity of data centers to meet the demand of the markets across Asia, Europe, Africa, and the rest of the world.

Finally, with the launch of Center3, stc group have developed the digital eco-system by launching a number of companies in the fields of cybersecurity, artificial intelligence, cloud computing, Internet of Things and digital infrastructure. These achievements will contribute in transforming the digital industry in KSA into a leading industrial power and a global logistics center, connecting the business environments and the local community digitally through an advanced infrastructure, and contributing to the prosperity and growth of the digital economy in the Kingdom in light of the Kingdom's Vision 2030.

Stock Performance

Q3 2022



Event Calendar

Q3 2022

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	

→ NA

→ **3rd Aug:** Q2, 2022 Financial Results & Dividends Announcements.

→ **3rd Aug:** stc announced the invitation of its shareholders to attend the Extraordinary General Assembly meeting, which included Capital Increase.

→ **7th Aug:** stc announced that it has conducted an Earnings Conference Call to discuss the financial results of the second quarter and the Six Months of 2022

→ **25th Aug:** stc announced the date of E-Voting on the Agenda of the Extraordinary General Assembly meeting, which included Capital Increase.

→ **31st Aug:** stc announced the results of the Extraordinary General Assembly meeting which included, approving the Capital Increase.

→ **19th & 20th Sep:** EFG Hermes - 16th Annual One on One Conference.

→ **26th Sep:** stc announced the deposit of the fractions shares sale resulted from the Capital Increase into shareholders' portfolios.

Key News

<p>stc launched "Saudi Vision Cable"</p>	<p>stc expands its digital infrastructure</p>	<p>stc & SDAIA Sign MoU</p>
<p>stc announced the landing of "Saudi Vision Cable" which is the first high speed cable in the Red sea through its first landing station in Jeddah. With the name inspired by the KSA Vision 2030, the Saudi Vision Cable spans 1,160,000 meters and it is fully owned by stc group. The Saudi Vision Cable is the first ever high-capacity submarine cable in the Red Sea region that will provide seamless connectivity up to 18Tbps/fiber pair with a total of 16 fiber pairs through four landings in Jeddah, Yanbu, Duba, and Haql. The new cable will be one of the submarine cables that will be linked to the MENA Hub connecting three continents of the globe, leveraging the strategic location of KSA. This will help to enhance investment in international communication services and data centers.</p>	<p>stc group to build East to Med Data Corridor (EMC) undersea and land fiber optic data cable that will link Europe with Asia, with Greek partners. stc group with this new project shows the nature of its ambition to provide every increasing global connectivity and data center capacity to the markets of Asia, Europe and the rest of the world through Saudi Arabia which sits at the geographic heart of these key economies. This is another illustration of the increasing scale, scope, and pace of stc group's transformation as a digital company and as it builds out a world leading complete digital eco-system.</p>	<p>stc group and Saudi Data & Artificial Intelligence Authority "SDAIA" signed a Memorandum of Understanding in implementing several national initiatives to enhance the artificial intelligence and digital solutions. stc Group CEO commented: "Our collaboration with SDAIA confirms stc's role in enabling the digital system for artificial intelligence, by the dissemination of research and development, and enhancing the digital capabilities through strategic partnership to accelerate the transformation stages and transition to reliance on Artificial Intelligence, to support the digital economy in line with the Kingdom's vision 2030".</p>
<p>stc Published its 3rd Sustainability Report</p>	<p>stc boosts the 5G network capacity by over 60%</p>	<p>4% growth in digital services and a 990% increase in international traffic</p>
<p>stc Group released its third annual sustainability report under the slogan "Working for Impact", which highlights stc's strategy, approach, performance and achievements in the social, economic, environmental and sustainability practices. The third sustainability report from stc revealed the environmental practices adopted and worked on by the group, including a range of applications, which reduced electrical energy consumption by 27% compared to 2020. It also reduced water use by 2.2%, in addition to planting 1,397 trees in line with the Green Saudi initiative, with the aim of achieving sustainability and creating a positive environmental impact while continuing to support the progress achieved in the community development process. Furthermore, the group contributed to the digital transformation process in the Kingdom, where stc sponsored 292 projects that dealt with environmental and social issues.</p>	<p>stc the leading Digital Enabler in the Kingdom has developed its 5G Infrastructure Capabilities through utilizing a new additional 5G spectrum to be the 1st Operator in MENA Region to enable 5G Carrier Aggregation technology. This is expected to boost the 5G network capacity up to 60% and improve download speeds for its subscribers. This development plan utilizes 2.3GHz band for 5G on more than 1000 sites as an initial phase, through reuse of the spectrum resources initially used for 4G which affirms stc's strategic commitment to adopt cutting edge technologies and services. The use of 5G Carrier Aggregation technology is expected to aggregate the new 2.3GHz carrier to the main 5G carrier on 3.5GHz, to augment the overall 5G network capacity and elevate speeds into global-ranking levels</p>	<p>stc recorded a growth of 4% in digital services and transactions compared to last year, which reflects the increased demand for services provided by the company through its digital channels and confirms the Group's pioneering role as the most prominent digital enabler in the region. Data traffic witnessed an increase in usage during the first days of Eid al-Adha, topped by the apps that stc targeted in its special packages for its customers, as the demand for chat apps increased by 173% compared to normal days due to the demand for exchanging Eid blessings and wishes, followed by Snapchat that increased by 121% to share photos and pilgrims' moments. On Eid day, internet data services recorded a growth of more than 18% and voice services recorded a growth of 8% compared to the same period last year. International traffic on stc's network increased to most countries, mainly Yemen, Sudan, and Egypt, whose demand volume rose to more than 990%, compared to normal days during peak hours.</p>
<p>stc shareholders approved 150% capital hike to SAR 50 bl</p>	<p>An agreement between sirar by stc & Saudi Fintech</p>	
<p>Shareholders of stc approved increasing the company's capital by 150% through a bonus-share distribution during an extraordinary general assembly meeting (EGM) held on August 30, 2022. The increase will be through capitalizing SAR 30 billion from the retained earnings via granting 1.5 share for each 1 share owned by shareholder on the eligibility date.</p>	<p>sirar by stc and Saudi Fintech sign an agreement to support small and medium enterprises, financial technology companies and entrepreneurs to achieve innovation and diversity in products and services through digital platforms. Under the agreement, "sirar by stc" will offer a package reduced by up to 60% for the digital signature service that will benefit small and medium enterprises, financial technology companies and entrepreneurs.</p>	<p>Investor Relations 2022 stc group</p>

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