

Investor Relations Release

For the nine months period ending on **30th September 2024**

Financial Results Overview

For the nine months period ending on 30th September 2024



stc Group announced its interim consolidated financial results for the period ending on September 30, 2024.

3.92% ↑

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

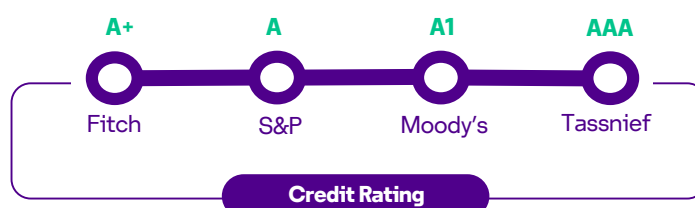
Financial Results Highlights

(Million of SAR)

	9M 2024	9M 2023	%
Revenue	56,627	54,489	3.92%
EBITDA	18,356	17,541	4.65%
Cash & Equivalents ¹	24,442	22,405	9.09%
Total Shareholders Equity ²	79,283	78,839	0.56%
Net Cash from Operating Activities	11,895	9,987	19.10%
Free Cash Flow ³	4,658	3,753	24.13%

stc Group continued to demonstrate positive financial growth, with revenues reaching **SAR 56.63 billion** for the nine months period, marking **3.9%** increase compared to the same period last year. This revenue growth was primarily driven by a **0.6%** rise in stc KSA's revenues, supported by a **5.2%** increase in the commercial unit's revenues, with contributions from the mobility and residential segments, which grew by **5.2%** and **5.5%**, respectively, which offset the decline in the business unit revenues by **7.9%** and carriers and wholesale unit revenues by **2.7%**. Furthermore, stc's subsidiaries revenue also increased by **11.0%**.

It is worth noting that based on the approval of stc Group's General Assembly to sell 51% stake in Telecommunication Towers Company (Tawal) to the Public Investment Fund, the comparative figures for the previous periods were reclassified and Tawal and Digital Infrastructures for Investment were separately classified as a result from discontinued operations in the interim condensed consolidated financial statements as of 30th of September 2024. Further, no gains were recognized from the sale of stc Group's stake in Tawal during this quarter, and any gains will be recognized after obtaining the necessary approvals and completing all transaction procedures.



¹ (Cash and cash equivalents + Short term murabahas) ³ (Net cash from operating activities – Capex)

² (Shareholder Equity After Deducting the Minority Equity)

Commenting on stc Group's financial performance, Eng. Olayan Mohammed Alwetaid, stc Group CEO, highlighted the company's ability to maintain its position as the region's leading digital enabler. This achievement, he noted, was a result of stc's effective execution of its "Dare 2.0" strategy and the cost-efficiency program that has been embedded in the group's culture; which both have significantly strengthened stc's financial position and competitive performance across different domains, emphasizing stc group's commitment to driving digital transformation and innovation.

Eng. Olayan Mohammed Alwetaid also added that stc's Board of Directors recommended a 37.5% increase in annual cash dividends from SAR 1.6 to SAR 2.2 per share, raising total annual payouts from SAR 8 billion to SAR 11 billion for the next three years. The new dividends policy reflects the group's strong financial position and sustainable operating cash flows, along with the group's ability to continue expanding, growing, and diversifying its investments. Furthermore, the increase in annual cash dividends aligns with the group's strategy aimed at maximizing total shareholder returns.

stc continues to lead Saudi Arabia's digital transformation through investments in advanced technologies like 5G and digital infrastructure, positively impacting various sectors and improving quality of life. stc has also been recognized with several Speedtest awards from Ookla for having the fastest, best, and most widespread mobile network coverage in Saudi Arabia. In addition, according to Brand Finance, stc has been ranked as the most valuable telecom brand in the Middle East for the fourth consecutive year and received the "Best Telecom and Digital Services Company" award for 2024.

Further, stc's strategic partnerships extend across multiple areas, including its collaboration with the New Murabba project and its investments in digital infrastructure for Saudi tourism destinations. These partnerships and investments underscore stc's commitment to innovation, national development, and diversifying Saudi economy, which also aligns with the Kingdom's goals for sustainable growth and innovation. Moreover, stc's efforts in digitizing operational processes within Vision 2030 projects highlights its dedication to advancing tech applications across the Kingdom.

Finally, stc's influence extends beyond telecommunications, particularly in e-sports, where it serves as a founding partner of the Esports World Cup, attracting over 500 million viewers via its advanced 5G infrastructure. Partnerships with entities such as Saudi Railways (SAR), King Abdullah University of Science and Technology (KAUST), and Huawei further position stc as a driving force in establishing Saudi Arabia as a global hub for digital transformation and innovation.



Olayan Mohammed Alwetaid

stc Group CEO

Financial Performance Summary



Key financial data and indicators

1	Balance Sheet	(Million of SAR)		
		9M 2024	9M 2023	%
	Cash & Equivalents ¹	24,442	22,405	9.09%
	Working Capital ²	35,256	20,459	72.33%
	Total Assets	161,852	156,034	3.73%
	Total Liabilities	79,909	74,652	7.04%
	Total Debt ³	15,326	22,236	(31.08%)
	Total Share Holders Equity (After Deducting the Minority Equity)	79,283	78,839	0.56%

2	Income Statement	(Million of SAR)		
		9M 2024	9M 2023	%
	Revenue	56,627	54,489	3.92%
	Gross Profit	27,884	26,709	4.40%
	Operating Profit	11,456	10,630	7.77%
	EBITDA	18,356	17,541	4.65%
	Net Profit (Attributable to Equity Holders)	11,233	11,021	1.92%

3	Cash Flows Statement	(Million of SAR)		
		9M 2024	9M 2023	%
	Net Cash from Operating Activities	11,895	9,987	19.10%
	Net Cash from Investing Activities	1,219	(20,369)	105.98%
	Net Cash from Financing Activities	(7,867)	4,548	(272.98%)
	Free Cash Flow ⁴	4,658	3,753	24.13%

¹ (Cash and cash equivalents + Short term murabahas) ³ (Short-term borrowings + Long-term borrowings)

² (Current Assets – Current Liabilities) ⁴ (Net cash from operating activities – Capex)

Stock Performance & Financial Calendar



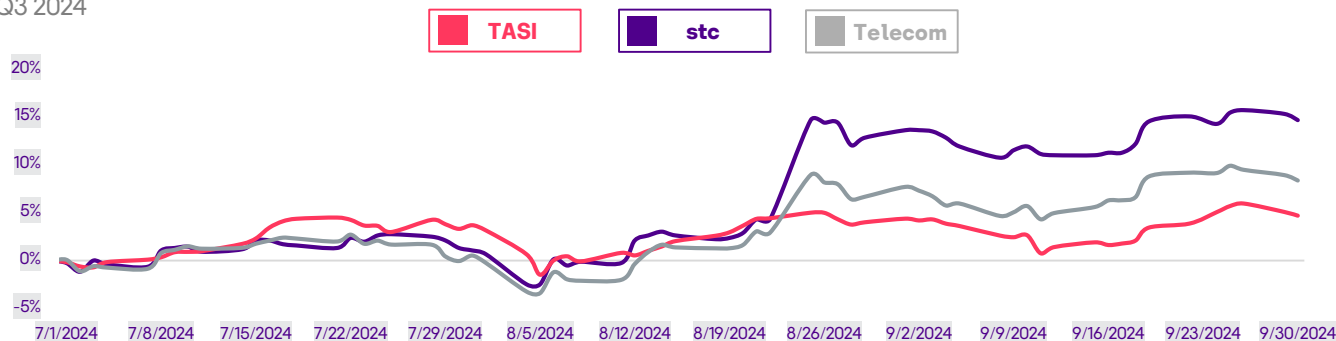
Analysts' Estimates

Q3 2024

Average Analysts Estimates for Revenue Mn SAR	Actual Mn SAR	Change %	Average Analysts Estimates for Net Profit Mn SAR	Actual Mn SAR	Change %
19,063	18,643	(2.20%)	3,461	4,643	34.15%
Number of Estimates for Revenue	8 Analysts		Number of Estimates for Net Profit	12 Analysts	

Stock Performance

Q3 2024



Payout Ratio 1	P/E Ratio 2	Dividend Yield 3	Return on Equity 4	Price to Book Ratio
96%	16.13x	5.9%	17.1%	2.76x

Financial Calendar

Q3 2024

July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					
1 July	stc's Board of Directors invited its Shareholders to attend the Ordinary General Assembly meeting.						15 Aug	Q2 2024 Dividend Distribution (SAR 0.40 per share).						9-12 Sep	The EFG Hermes 10th Annual London Conference.					
18 July	stc announced the date of E-Voting on the Agenda of the Ordinary General Assembly meeting (First meeting).						25 Aug	stc announced its dividends distribution policy for the next three years.						30 Sep	Saudi Exchange-GS Saudi Arabia - Singapore Corporate Days 2024.					
23 July	Q2, 2024 Financial Results & Dividend Announcement						27 Aug	stc announced the appointment of two Audit Committee members.												
24 July	General Assembly Meeting.						27 Aug	stc announced the appointment of the Nomination and Remuneration Committee member.												
25 July	stc announced the formation of Audit Committee Members.																			
25 July	stc announced the appointment of the Chairman, Vice Chairman, the formation of the Board Committees, and the appointment of Company's representatives.																			
28 July	stc announced that it has conducted an Earnings Conference Call to discuss the financial results of the Q2 and the 6-months period of 2024 with Investors and Financial Analysts.																			

1-2 Includes special dividends of 1 SAR

1-2-3-4 Numbers are calculated based on the last 12 months

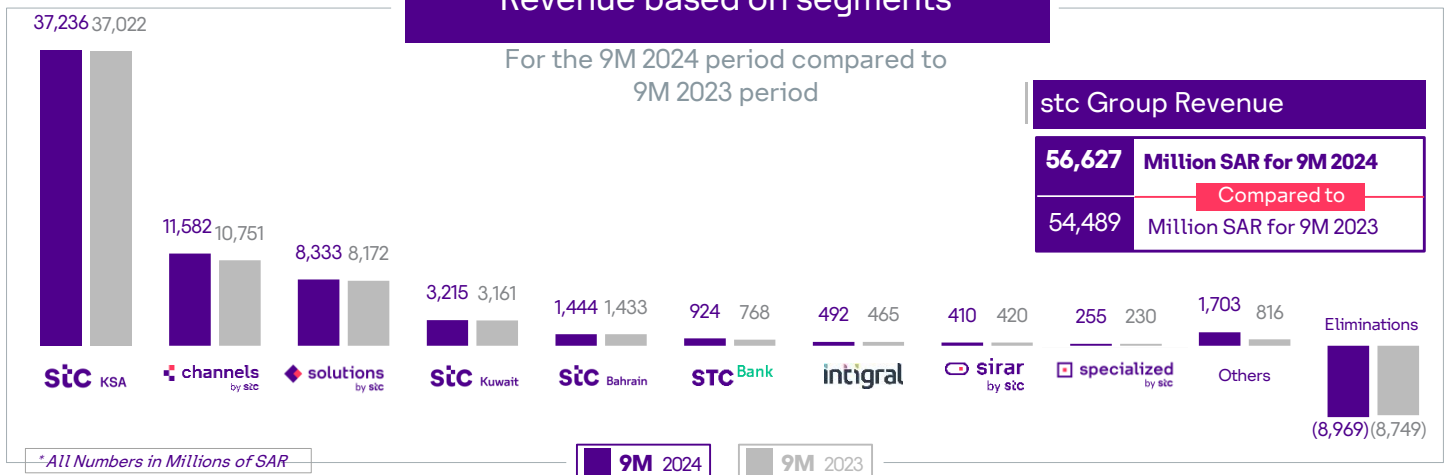
4 Equity attributable to the equity holders of the Parent Company

Revenue based on segments

For the 9M 2024 period compared to 9M 2023 period

stc Group Revenue

56,627 Million SAR for 9M 2024
 Compared to
54,489 Million SAR for 9M 2023

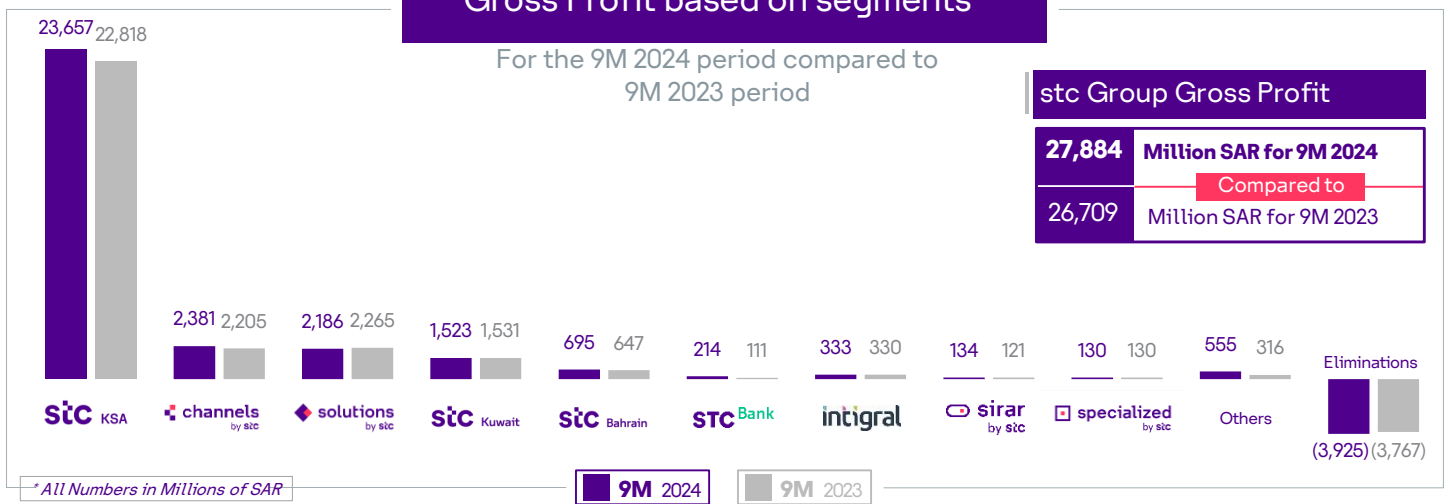


Gross Profit based on segments

For the 9M 2024 period compared to 9M 2023 period

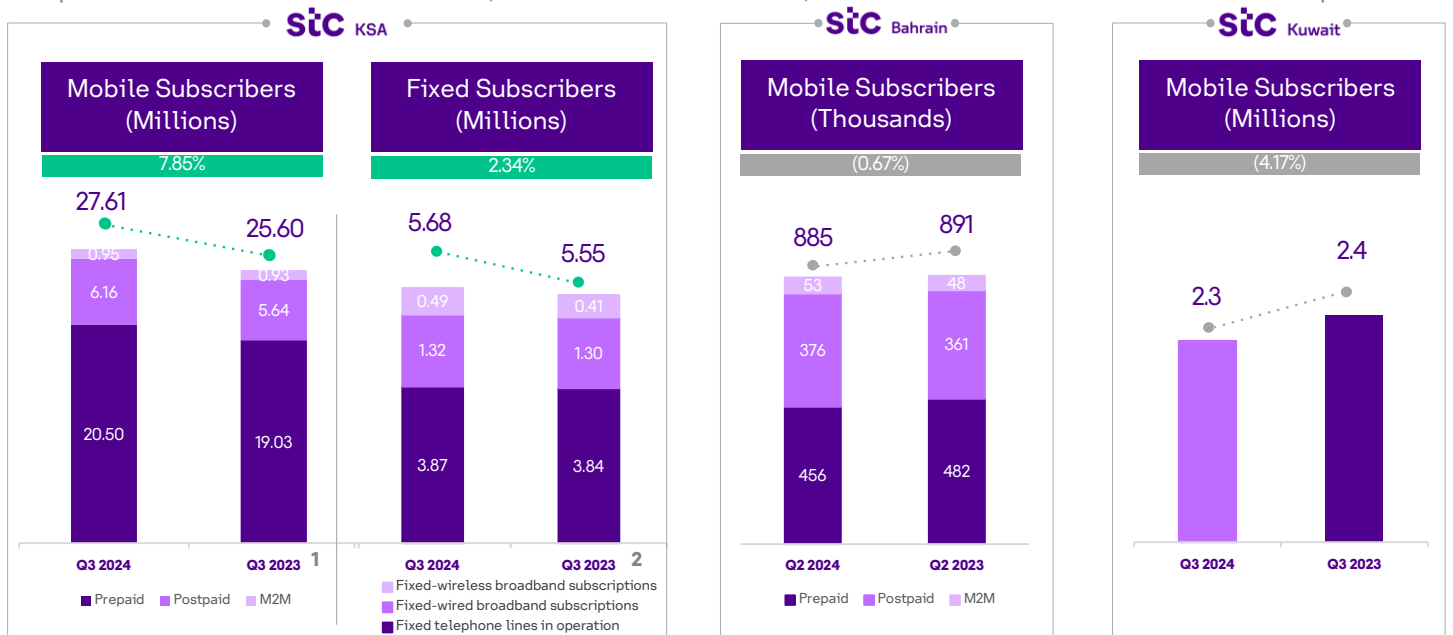
stc Group Gross Profit

27,884 Million SAR for 9M 2024
 Compared to
26,709 Million SAR for 9M 2023



Subscribers at a Glance

- * 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.



1-2 Figures are not audited.

Key Highlights



Key News

stc Enabled the Digital Experience for All Visitors of the World's Largest Esports Event

stc signed a strategic partnership with the Esports World Cup Foundation to become the leading and founding partner of the Esports World Cup Championship, which Saudi Arabia is hosting for the first time in Riyadh. stc group affirms its commitment to enhancing innovation in the digital field and supporting the Esports community. stc group will provide its leading telecommunications and information technology services across all event facilities and areas. It will offer advanced communication and internet technologies to support the tournament competitions and provide the best digital infrastructure for participating players. The stc group name will adorn three main areas during the event: "stc Arena" and "stc tv World Cup Stage" where the tournament matches will be held, as well as the third area "stc Play Gaming Hall" which will be a destination for community tournaments and a number of interactive activities for the public.

stc tv Broadcasted the Esports World Cup on 5 TV Channels

Benefiting from the advanced technical resources and capabilities of the stc group, which enables it to provide an amazing viewing experience and exceptional coverage, stc tv participated in promoting the growth of the Esports sector in the Kingdom by supporting the Esports World Cup, which the Kingdom is hosting for the first time in the city of Riyadh, through comprehensive coverage of the championship on five specialized high quality television channels. With the largest prize pool ever awarded in Esports, amounting to \$60 million, stc tv immerses viewers in the heart of the excitement. The platform enables audiences to watch the 22 competitions, alongside detailed analyses and interviews with players and coaches, all through high-quality broadcasts on three live channels.

Two International Awards for "Sustainability Challenges"

stc group has won two international awards in the field of "Sustainability Challenges" during its participation in the recently held TMF-DTW24 conference in Copenhagen. The awards were in the categories of "Developing Green Telecommunications Networks" and "Using Advanced AI (GenAI) and Digital Twins". These awards have enhanced our ability to provide better and more sustainable services and have established the principle of developing innovative solutions in the telecommunications and digital transformation sectors.

stc Group's new dividend distribution policy

stc Group's Board of Directors has recommended increasing the annual cash dividends by 37.5%, from SAR 1.6 to SAR 2.2 per share annually, raising the total amount from SAR 8 billion to SAR 11 billion over the next three years. The dividend distribution policy will be presented to stc's General Assembly at its next meeting, the date of which will be announced later. This recommendation is based on the group's solid financial position and exceptional operational performance, supported by stc's strategy focused on continued expansion and growth.

Partnership between stc Group and ROSHN Group

stc Group has signed a strategic sales agreement with ROSHN Group, a Saudi Arabia's leading multi-asset class real estate developer and a PIF company, to provide special offers for stc Group employees to buy homes across the Kingdom. In addition, nationwide roadshows will introduce the ROSHN community experience to stc Group employees, offering the opportunity to learn more about ROSHN's homes and communities. The agreement will provide stc Group's employees with special financing rates and offers for a defined period, giving them the opportunity to buy a home in some of the most vibrant communities in Saudi Arabia.

stc Group celebrated successful partnership

stc Group successfully supported the inaugural Esports World Cup (EWC) throughout July and August as an Elite and Founding Partner. The EWC marked a significant milestone in Saudi Arabia's journey towards becoming a global gaming hub, aligned with the Vision 2030 goals. At the heart of EWC's success was stc Group's unparalleled delivery of advanced connectivity and digital services, with 22 gaming and streaming servers optimized for latency, and +3,600 actions in the Group's internet gateway to sustain low latency rates. stc Group ensured that every aspect of the event was seamlessly powered through its state-of-the-art 5G network, providing gamers with an experience unlike any other in the esports industry. stc Group oversaw three indoor solution sites with 21 5G zones, capable of serving 10K players with high internet speeds.

stc Bank a Founding Partner of Saudi Arabia's Flagship Fintech Event "24 Fintech"

stc Bank, Saudi Arabia's newest and first digital bank, has announced its role as a founding partner of 24 Fintech, Saudi Arabia's new flagship fintech event which hosted finance, policy, technology and investment leaders from around the world in Riyadh. The annual world-class event was set to elevate Riyadh's global financial technology ambitions and demonstrate Saudi Arabia's commitment to shaping the future of finance. Key issues that were discussed included governance, risk and policy, cybersecurity, global interoperability, and innovation in payments. 24 Fintech featured four unique streams, the Executive Summit, 24° Trends, the Futures Forum and Fintech Fusion. stc Bank, founding partner of 24 Fintech, showcased its offering and services at the event and visitors were able to download stc Bank's application, pre-register and gain early access once the bank launches later this year.

Strategic Partnership between stc Group and New Murabba

stc Group, has signed a strategic partnership agreement with New Murabba – a PIF Company, to enhance and facilitate the implementation of advanced communications and information technology at New Murabba. The partnership will leverage a wide range of innovative digital solutions provided by stc Group in the future. Through such agreements, stc Group aims to drive digital and technical transformation across major projects in the Kingdom more widely, enhancing infrastructure and digital services within its real estate sector, by leveraging the most advanced solutions. The partnership between stc Group and New Murabba will boost innovation and improve the quality of life, in alignment with the Kingdom's objectives. It will also enable New Murabba to benefit from the most advanced technological solutions, enabling it to offer a truly unique experience for residents, workers, and visitors alike.

stc Group's Participation at the Global AI Summit

stc Group, concluded its participation in the Global AI Summit by signing a series of strategic agreements with Saudi Railways (SAR), King Abdullah University of Science and Technology (KAUST), Huawei, the Research, Development, and Innovation Authority, and SambaNova Systems. stc's participation in the summit highlights its leadership role in driving digital transformation both locally and globally, showcasing its innovative solutions, products, and technologies, and reaffirming its commitment to positioning Saudi Arabia as a leading digital hub in the Middle East. The agreements aim to accelerate the Group's strategic objectives in various fields, including Artificial Intelligence, innovation, and digital transformation.

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