

Investor Relations Release

For the six months period ending on **30th June 2024**

Financial Results Overview

For the six months period ending on 30th June 2024

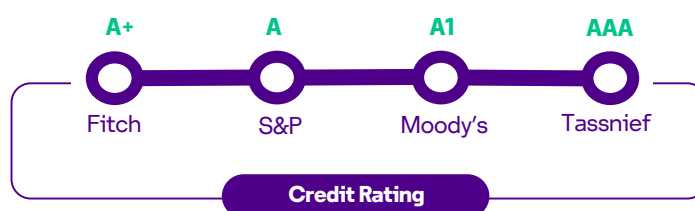
stc Group announced its interim consolidated financial results for the period ending on June 30, 2024.



Increase in revenues for the 6 months period, compared to the same period last year.

Financial Results Highlights		<i>(Million of SAR)</i>		
	6M 2024	6M 2023	%	
Revenue	38,255	36,506	4.79%	
EBITDA	12,889	12,164	5.96%	
Cash & Equivalents ¹	26,400	22,400	17.86%	
Total Share Holders Equity ²	76,401	75,497	1.20%	
Net Cash from Operating Activities	7,660	5,115	49.76%	
Free Cash Flow ³	3,442	1,590	116.51%	

stc Group continued to achieve positive growth in its financial results, as its revenues reached **SAR 38.25 billion** for the period, increasing by **4.79%** compared to the same period last year. This growth in revenues was attributed to the increase in stc KSA's revenues by **0.64%** driven by an increase in the commercial unit revenues by **6.0%**, supported by a growth in the mobility and residential segments revenues by **5.62%** and **7.86%** respectively, which offset the decline in business unit revenues. Further, the carrier & wholesale unit revenue increased by **0.23%** as a result of the growth in national revenues. Moreover, the Group's subsidiaries contributed positively to the Group's consolidated financial results for the 6-months period, through an increase in their revenues by **13.41%** as a result of the Group's continued investment in diverse and promising fields.



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

² (Shareholder Equity After Deducting the Minority Equity)

In light of the financial results for the first half of 2024, Eng. Olayan bin Mohammed Alwetaid, stc group's CEO, commended the efforts made by the group through its various sectors and subsidiaries in strengthening the Group's position in a competitive market, which were achieved due to the Group's commitment to achieving its "Dare 2.0" strategy, resulting in a strong financial performance during the 6-month period of 2024. The comprehensive cost efficiency program adopted by the Group also played a prominent role in improving profit margins through enhanced operational efficiency and cost control, which strengthened the company's financial position and its ability to seize available opportunities and continue investing in the digital infrastructure, which will cement stc group's position as the leading digital enabler in the Kingdom.

The Group CEO also praised the efforts made by the Kingdom to provide the best services and facilities for pilgrims and improve their experience during the Hajj season. The group's commitment to utilizing its technical expertise has ensured the comfort and safety of the pilgrims. This included providing high-speed internet access for 1.8 million stc network users in the holy sites, as well as a 65% increase in voice call volume compared to the previous Hajj season.

In alignment with its "Dare 2.0" strategy and Vision 2030 goals to establish Saudi Arabia as a global e-sports hub, stc has partnered with the Esports World Cup Foundation as the lead partner and founder of the World Esports Cup. Through this partnership, stc will provide its premier communications and IT services to support the event's infrastructure, including advanced networking technologies to facilitate the tournament competitions and deliver the best digital experience for participating players.

The group CEO added that stc continues its efforts to support the digitization of operational processes and enhance the application of modern technologies for several strategic projects of the Kingdom's Vision 2030, including, but not limited to, the partnership with the General Authority of Ports, the Saudi Global Ports Company, and the Red Sea Gateway Terminal. The Group, through its Carrier and Wholesale unit, provides various digital services and solutions for the transportation and ports sector and others, contributing to improving performance, operations, economic competitiveness, cost reduction, and increasing the safety level of workers.

Finally, stc Group was able to strengthen its position as the most influential local brand in the Kingdom for 2023 according to the Global Ipsos, reflecting the success of its expansion and growth strategy and the provision of advanced digital solutions and services. stc is proud of its pioneering role in leading the digital transformation in the Kingdom and the region, committed to providing advanced technology solutions and world-class telecommunications services.



Olayan Mohammed Alwetaid

stc Group CEO

Financial Performance Summary



Key financial data and indicators

1	Balance Sheet	(Million of SAR)		
		6M 2024	6M 2023	%
	Cash & Equivalents ¹	26,400	22,400	17.86%
	Working Capital ²	24,021	26,645	(9.85%)
	Total Assets	160,039	140,272	14.09%
	Total Liabilities	81,092	62,502	29.74%
	Total Debt ³	23,851	10,713	122.63%
	Total Share Holders Equity (After Deducting the Minority Equity)	76,401	75,497	1.20%

2	Income Statement	(Million of SAR)		
		6M 2024	6M 2023	%
	Revenue	38,255	36,506	4.79%
	Gross Profit	18,957	18,249	3.88%
	Operating Profit	7,741	7,011	10.41%
	EBITDA	12,889	12,164	5.96%
	Net Profit ⁴	6,590	6,117	7.73%

3	Cash Flows Statement	(Million of SAR)		
		6M 2024	6M 2023	%
	Net Cash from Operating Activities	7,660	5,115	49.75%
	Net Cash from Investing Activities	2,130	(7,771)	127.40%
	Net Cash from Financing Activities	(5,480)	(4,695)	(16.71%)
	Free Cash Flow ⁵	3,442	1,590	116.51%

¹ (Cash and cash equivalents + Short term murabahas)
 ³ (Short-term borrowings + Long-term borrowings)
 ⁵ (Net cash from operating activities – Capex)
² (Current Assets – Current Liabilities)
 ⁴ Net profit attributable to equity holders.

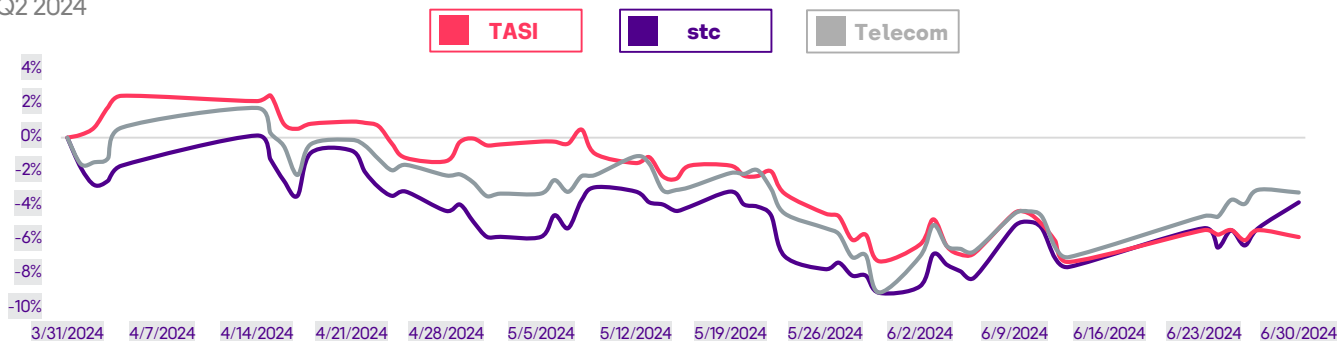
Analysts' Estimates

Q2 2024

Average Analysts Estimates for Revenue Mn SAR	Actual Mn SAR	Change %	Average Analysts Estimates for Net Profit Mn SAR	Actual Mn SAR	Change %
19,284	19,155	(0.67%)	3,159	3,304	4.59%
Number of Estimates for Revenue	13 Analysts		Number of Estimates for Net Profit	16 Analysts	

Stock Performance

Q2 2024



Payout Ratio 1	P/E Ratio 2	Dividend Yield 3	Return on Equity 4	Price to Book Ratio
94%	13.8	%6.8	18.1%	2.49

Financial Calendar

Q2 2024

April							May							June						
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	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

4 April	stc's Board of Directors invited its Shareholders to attend the Ordinary General Assembly meeting.	8 May	Q1, 2024 Financial Results & Dividend Announcements.	10 June	Q1, 2024 Dividend Distribution (SAR 0.40 per share).
4 April	stc announced the latest development regarding the Board of Directors recommendation to distribute a special cash dividends for the year 2023.	15 May	Special Dividends Distribution for 2023 (SAR 1 per share).	10-11 June	HSBC GCC Exchanges London Conference 2024.
18 April	stc announced the date of E-Voting on the Agenda of the Ordinary General Assembly meeting.	15-16 May	Morgan Stanley 15th Saudi Arabia & MENA Conference.		
22 April	stc announced the signing of agreements with the PIF to sell a stake in TAWAL and to combine the businesses of TAWAL and Golden Lattice Investment Company (GLIC).	27-28 May	Arqam Capital 11th Annual MENA Investor Conference.		
23 April	stc announced the initiation of nomination for membership of the Board of Directors for the next term (Ninth).				
25 April	General Assembly Meeting.				
28 April	stc announced the results of the Ordinary General Assembly meeting (First meeting).				

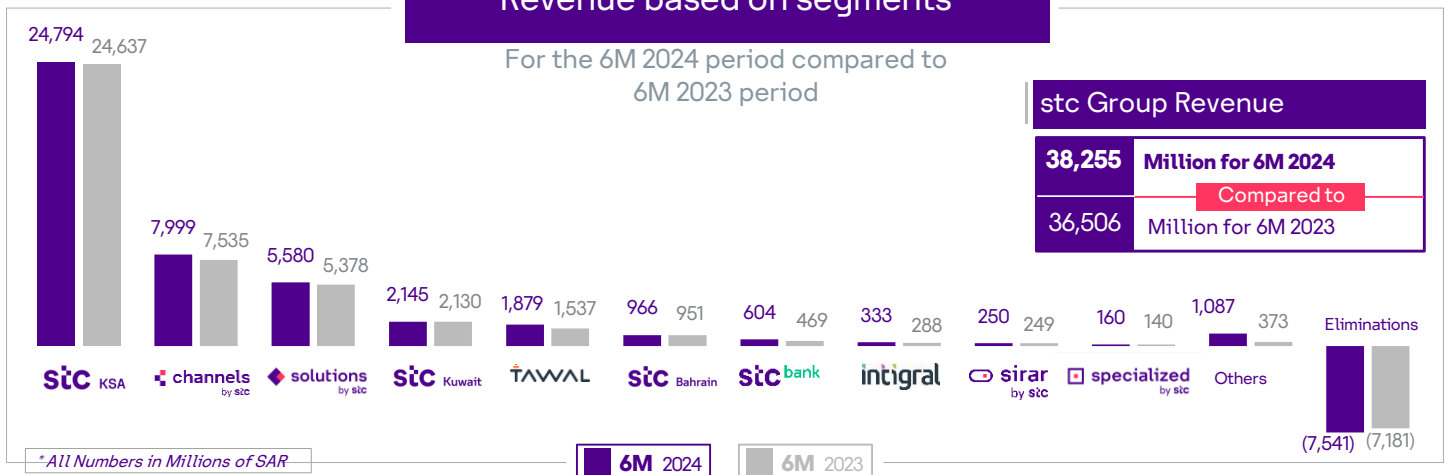
1-2 Includes special dividends of 1 SAR

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

4 Equity attributable to the equity holders of the Parent Company

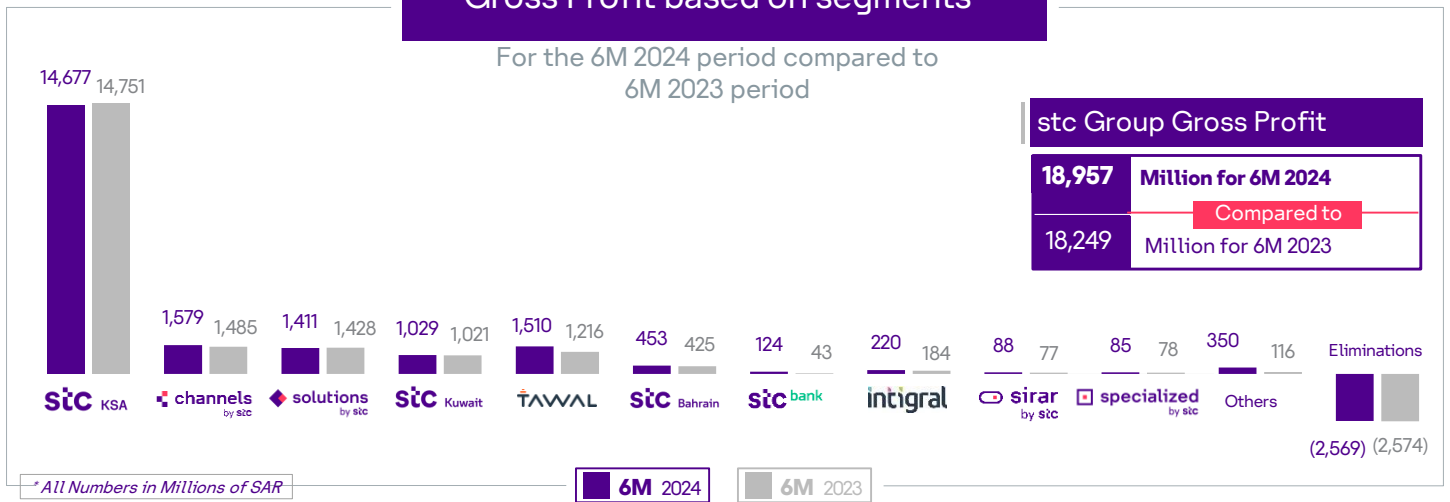
Revenue based on segments

For the 6M 2024 period compared to 6M 2023 period



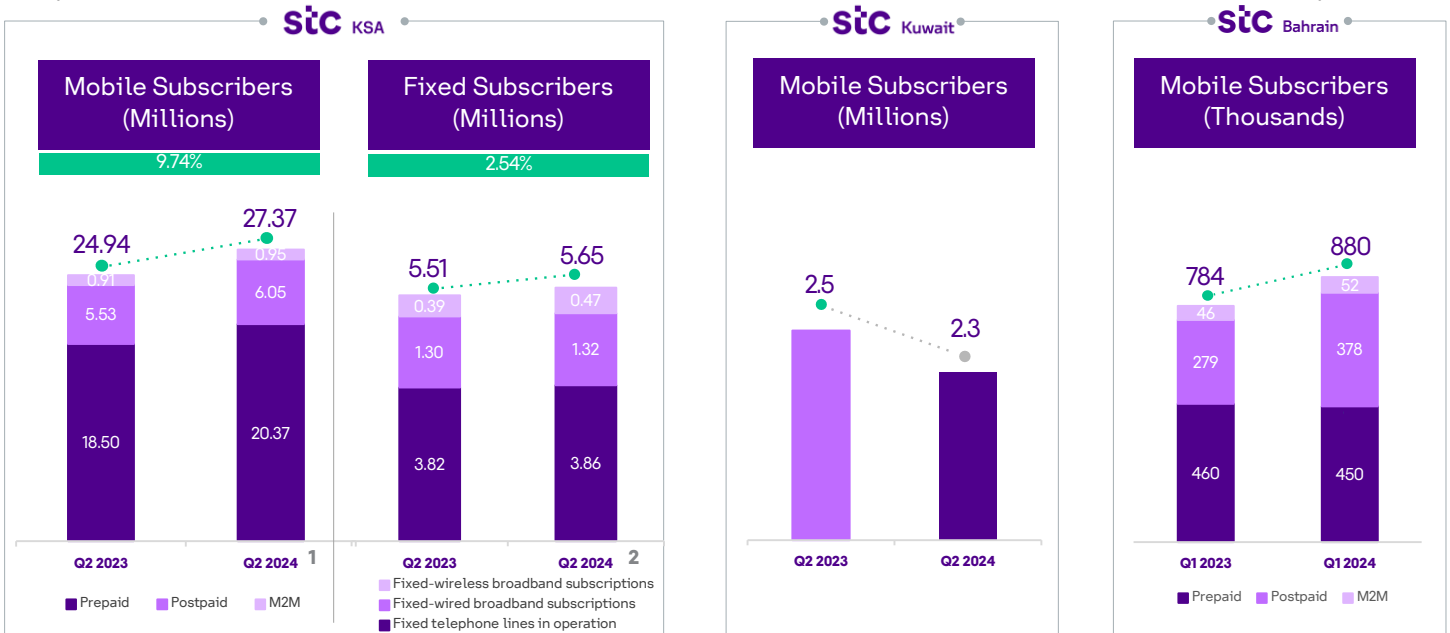
Gross Profit based on segments

For the 6M 2024 period compared to 6M 2023 period



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 Bank launched in Beta supported by SAMA

In April 2024, stc pay was given formal approval from the Saudi Central Bank (SAMA) to move to the next phase of its transformation journey into stc Bank.

This Beta launch is limited to preselected customers and is a preparation for a full public launch later in the year. This step is supported by SAMA, affirming its commitment to playing a pivotal role in digital transformation and empowerment. The Beta launch will enable selected users to upgrade their accounts from an stc pay digital wallet into an stc Bank account.

Customers will be provided with an stc Bank International Bank Account Number (IBAN) and get additional banking services.

stc recorded 87% increase in 5G usage in The Holy Mosque of Makkah

stc Group has reported a record rise in the use of 5G network, as it reached 87% in Makkah. stc Group has also witnessed a significant growth in data traffic volume by more than 38% during the last 20 days of Ramadan compared to last year. The volume of voice calls increased by 13% compared to last year. This rise reflects stc Group's commitment to improving the efficiency of its services and using cutting-edge technologies and demonstrates the readiness of its infrastructure to receive visitors and pilgrims during the holy month of Ramadan.

stc Group recognized as "Telecom & Digital Service Provider of the Year"

stc Group was recognized as "Best Telecom and Digital Services Provider of the Year" at 2024 Economy Middle East Summit in Abu Dhabi. The summit, themed "Accelerating Future Growth" and attended by ministers, CEOs, and international experts in government and private entities has focused on exploring key opportunities and addressing challenges in the areas of technology, banking, finance, hospitality, tourism and mobility.

Stc Group's receipt of this prestigious regional award marks its leading role in supporting the Kingdom's digital transformation journey, and spotlights the Group's strategic vision to expand its business and innovative digital services.

Strategic partnership between stc Group and PLDT

PLDT, through its wholly-owned PLDT Global subsidiary, has signed a strategic agreement with stc Group to deliver seamless international voice services for Filipinos living overseas as well as enterprise customers. The partnership focuses on enhancing communication for Filipinos abroad and those engaged in overseas travel.

It positions stc Group as the exclusive international voice traffic aggregator for PLDT and Smart, leveraging the Group's 25 years of experience in voice wholesale, globally recognized business relationships, state-of-the-art facilities, and expansive international networks spanning Europe, Africa, and Asia.

Strategic partnership between stc Group and SCCC

To unify efforts and expertise in supporting innovation in technology and cloud computing, stc Group announced a strategic partnership with Saudi Cloud Computing Company (SCCC), to establish a center of excellence in the Kingdom.

The partnership aims to accelerate digital transformation in the Kingdom and region using Alibaba Cloud technologies. It will set new standards for cloud computing innovation, enhance technical progress, and stimulate economic growth by providing advanced infrastructure, leveraging cutting-edge cloud solutions and digital platforms to meet customer expectations. This will in turn support the Kingdom's digital excellence and innovation strategies.

stc Group deployed its advanced technologies for the Hajj season

stc Group raised its readiness to serve millions of pilgrims during the Hajj season by offering an integrated set of innovative digital solutions and services.

The digital solutions provided by the Group form an essential part of keeping pace with modern developments that contribute to achieving sustainable growth in the system of serving the pilgrims.

stc Group strives to develop innovative products and adopt communication technologies with global standards to provide a seamless digital experience for pilgrims. It analyzed performance indicators to activate and deliver voice and data services before and during the Hajj season.

stc Group harnessed its technical capabilities and efforts for pilgrims in Madinah

stc Group completed its preparations to welcome visitors to Madinah after they have completed their Hajj rituals.

The Group has enhanced its digital services and capabilities to accommodate the large number of visitors to the holy city.

The data network capacity in Madinah has been increased by more than 35% compared to last year. Additionally, 5G services have been reinforced to meet the growing demand for high-speed data services, resulting in more than 60% increase in data capacity compared to the previous year. This is especially significant given the success and smooth operations achieved by the Group in Makkah and the holy sites.

stc Group recognized as the "Most Influential Brand" in Saudi Arabia

stc Group's brand, has strengthened its leadership position as being the most influential local brand in Saudi Arabia for the year 2023, according to most influential brands reported by the Global Ipsos. stc Group's brand has also maintained its position amongst the list of the most influential outstanding existing brands in the Kingdom of Saudi Arabia for the year 2023. The two awards show the remarkable success of stc Group's expansion and growth strategy, which focuses on providing digital solutions and services, along with a growth approach that enables it to adopt and deliver state-of-the-art technologies and continuously expand its products and services.

stc Group announced as Elite Partner of First Esports World Cup

The Esports World Cup Foundation (EWCF) announced that stc Group has been named as the Elite and Founding Partner of the inaugural Esports World Cup (EWC). Through this partnership, stc Group will provide seamless connectivity across all EWC venues, creating an unparalleled competitive gaming experience. With a remarkable track record of innovation and integration of advanced technologies in gaming across the region, stc Group will elevate both professional and enthusiast gaming esports competitions to new heights. stc Group is also the naming partner for three key venues at the event, which will showcase dynamic and immersive digital and gaming experiences.

■ 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



IRU@stc.com.sa