stc Group profile

June 2024 version

About stc Group and its subsidiaries

Established in 1998, stc Group is a digital enabler headquartered in Riyadh, focused on driving digital transformation in the Kingdom and the wider region by offering best-in-class digital solutions and services to enrich people's lives.

The group provides a comprehensive suite of services encompassing digital infrastructure, cloud computing, cybersecurity, Internet of Things (IoT), digital payments, digital media, and digital entertainment.

stc Group comprises 13 subsidiaries across the Kingdom of Saudi Arabia, the Middle East, North Africa, and Europe.

solutions by stc

Alibaba Cloud
SCCC Operating Saudi Region

stc pay

center3

iot

stc Bahrain

sirar by stc

TAWAL

stc Kuwait

specialized by stc

AQALAT

intigral

channels by stc

Driving digital, connecting the world and enriching lives.

72.34Bn*
Revenue (SAR) in 2023

202B*
Market Cap (SAR) making stc Group No. 3 Telco in EMEA by market cap

13
Subsidiaries and JVs

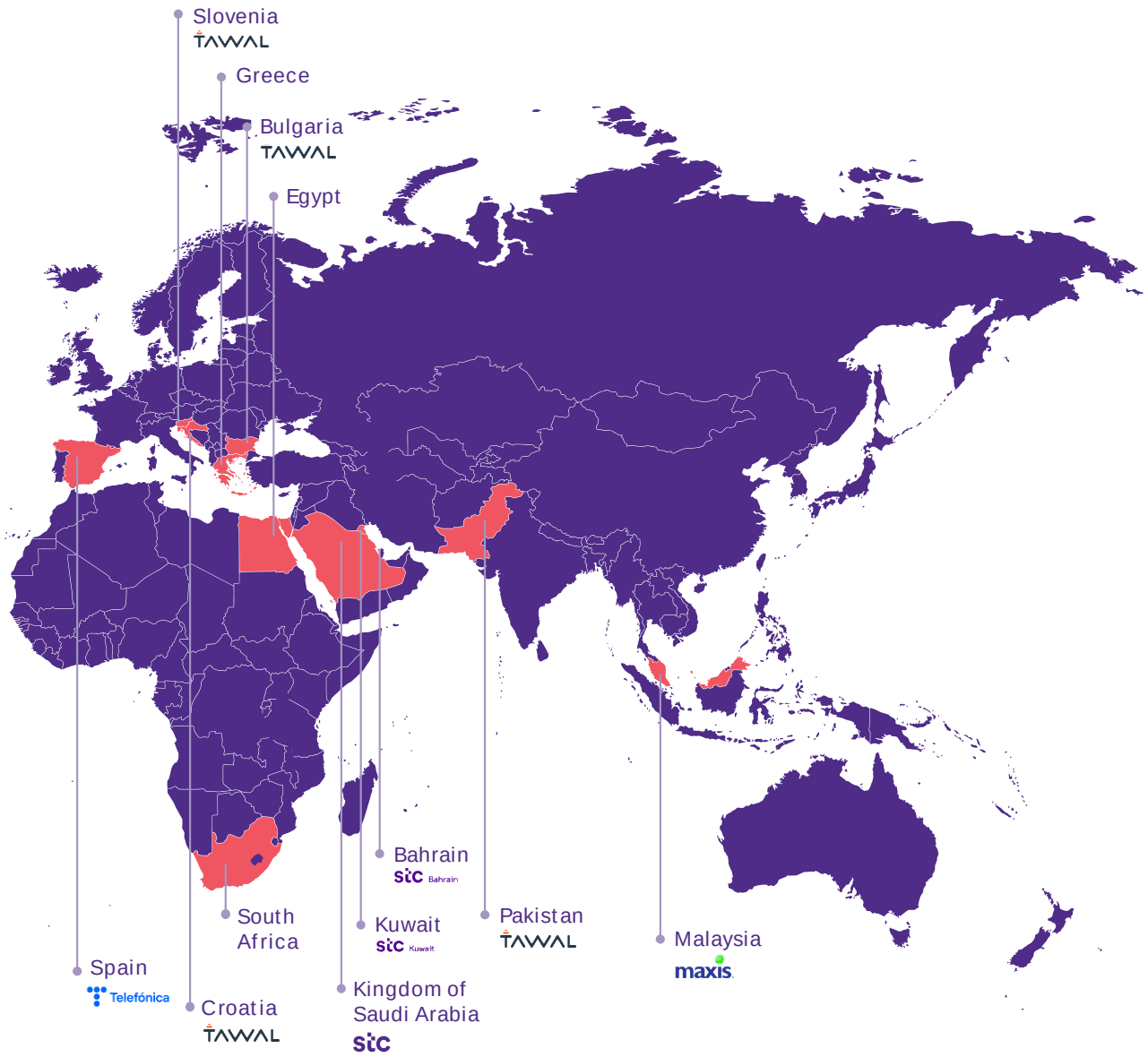
16
Submarine cables

22.8K
stc Group employees

9
Countries of operation (through majority stakes)

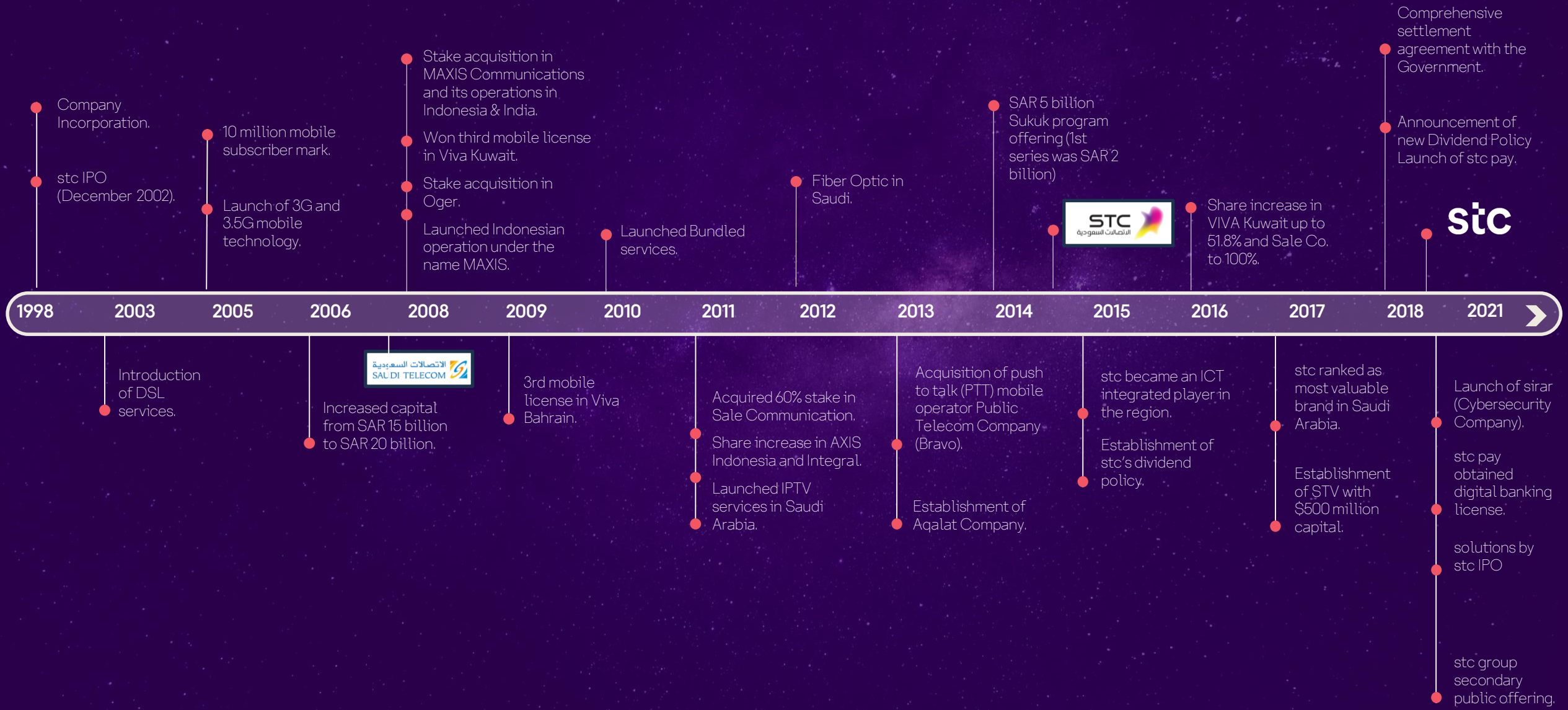
21K
Towers in 5 countries

25
Data centers in KSA with more planned



*2023 Annual Report

stc Group's history



Recent activities (2023/2024)

stc's Brand Value

stc was ranked the most valuable brand in the Middle East in the telecommunication sector, according to Brand Finance

center3 & Alcatel Submarine Networks

Agreement with Alcatel Submarine Networks to connect Saudi Arabia with Europe by building the EMC West subsea and terrestrial data cables.

Al-Khobar Land

Completion of the sale procedures of Al-Khobar land for SAR 1,378 million

stc & Telefónica

stc acquired an interest of 9.9% in Telefónica S.A. "Telefónica".

stc & Microsoft

A strategic partnership with Microsoft to drive innovation and digitalization across Saudi Arabia.

stc & Red Sea Global

A strategic partnership with Red Sea Global to drive the digital success of RSG destinations

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR

Launch of Corporate Investment Fund (CIF) to invest in early stages startups

Acquisition of Devoteam by solutions

Binding offer with Devoteam SAS (France) and ORTILL Investment Limited to acquire 40% of Devoteam Middle East

TAWAL Began Operations in Europe

TAWAL completed the acquisition of United Group's telecom tower assets in Bulgaria, Croatia and Slovenia.

iot squared & Machinestalk

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

stc and Diriyah Company

An agreement to elevate Diriyah's technological landscape.

center3 & CMC Networks

Definitive agreement to acquire CMC Networks, a global service provider offering market leading networking solutions across Africa and the Middle East.

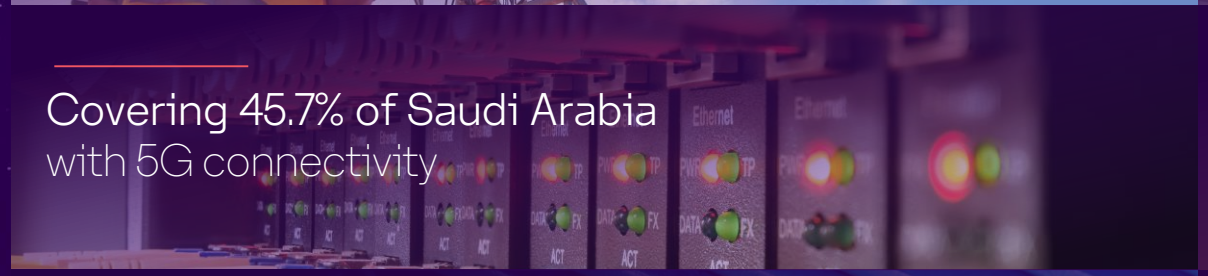
Strategic monetization of TAWAL through sale of 51% stake to PIF

TAWAL

stc Group is pioneering world-class connectivity and new technology

Connectivity

Leader in digital infrastructure building the necessary infrastructure for Saudi Arabia's next 50 years



Covering 45.7% of Saudi Arabia with 5G connectivity

Bridging the digital divide by connecting 3.7M households in the Kingdom to fiber optic technology

New Technology

Leading **IoT provider with focus on Industry 4.0,** Smart Government and Logistics solutions.

Leading **digital financial services** company in the region.

Leading **next-gen digital services** such as gaming, digital media, digital health and AI.

Sustainability

stc Group prioritizes sustainability through rigorous environmental standards, empowerment initiatives, governance accountability, cybersecurity measures, and a customer-centric approach. stc Group aims to foster positive impact and inclusivity in communities.

89%

Local procurement

72%

Recycled waste generated from both network and operational maintenance waste was recycled

13%

Reduction in energy consumption across 4G and 5G networks

14M SAR

Total community investment

1Bn SAR+

Investment in digital innovation through inspireU since 2015

Net-zero

Emissions by 2050. approved by the Science Based Targets Imitative (SBTi)

43K

Devices collected and refurbished

#1

Sustainability leader by Forbes 100 sustainability leaders list in the middle east

31.6%

Women hiring rate

Recent awards for stc Group

Best Corporate Governance System in the Telecommunication Sector

The Best Corporate Governance System

Best 5G User Growth

IBA for innovation

Best 5G experience
Best ICT Infra Development

Middle East Technology Excellence Award

Excellence Award

Fastest mobile experience in KSA award

Regional Pioneer for autonomous networks

5G deployment Award

Subsidiaries deep-dives

Subsidiaries deep-dives (1/14)

stc

description

stc in Kuwait is a subsidiary of stc Group and Kuwaiti Shareholding Company that began operations in 2008. It successfully debuted on the Kuwait Stock Exchange in December 2014.

product/services

- Mobile connectivity
- Fixed connectivity
- Wholesale services (e.g., international connectivity, Roaming, etc..)
- Data center & Cloud services
- IoT
- Managed services
- Cybersecurity

51.8%
ownership

2008
creation

countries of operations

strategic intent

stc Kuwait's LEAD strategy is aimed at steering the company towards market leadership in the Kuwaiti telecommunications and ICT sector. It is underpinned by an aspiration to lead the market through the introduction of innovative services, expansion in priority segments, and the implementation of an efficient and digital operating model.

key figures

2.3M
Subscribers in 2022

37%
Revenue market share

~4.3 Bn SAR
Revenue market share

0.88B
Gross profit margin in 2023

key highlights and achievements

- Extended its services to provide the best wireless coverage in Kuwait, thus playing a key role in improving the nation's urban infrastructure.
- Became the first network in the MENA region to offer its customers the 5G service in 2018.
- Invested in building the most advanced network, and proudly owns the most significant number of sites covered by the 5G service in Kuwait.

Subsidiaries deep-dives (2/14)

stc

description

stc in Bahrain offers a range of digital solutions and products that actively promotes digital transformation in Bahrain. It focuses on advancing the communication and technology sector and has established itself as the fastest- growing company in Bahrain.

product/services

- Mobile connectivity
- Fixed connectivity
- Wholesale services (e.g., international connectivity, Roaming, etc..)
- Business connectivity services
- Data center & Cloud services
- IoT
- Managed services
- Cybersecurity
- Financial services (stc pay, Bahrain)
- InsurTech services

100%
ownership

2009
creation

countries of operations

strategic intent

stc Bahrain's LEAD strategy focuses on expanding digital offerings and new services, anchored by four key pillars: Leadership in core markets, Experience as a key differentiator, Acceleration in adjacencies, and Distinctive & sustainable performance.

key figures

1st
Telco in Bahrain

41%
Revenue market share

~1.9 Bn SAR
Revenue in 2023

1BnSAR
Gross profit margin in 2023

key highlights and achievements

- Expanded 5G network offerings, enhancing coverage and capacity across Bahrain.
- Launched stc Pay Bahrain a wholly owned subsidiary designed to offer digital wallet services in the Bahrain market.
- Awarded for 'outstanding Customer Experience in the Middle East' at SAMENA LEAD Awards.
- Awarded 'InsureTech proportion' by Middle East Technology Excellence Awards.

Subsidiaries deep-dives (3/14)

STC Bank

description

stc Bank is undergoing a strategic transformation to establish itself as the premier digital bank in the Kingdom. It has already achieved several critical milestones in its transformation program and is approaching its commercial launch to customers.

product/services

- Payments services
- Digital debit cards
- Transfers (local and international)

85%
ownership

2017
creation

countries of operations

strategic intent

The central strategic ambition of stc Bank is to stand out as a leader and innovator in the financial services sector. This involves offering services that differ significantly from traditional banking methods, primarily through its advanced digital channels.

key figures

+60.6%
Card spending

~1 Bn SAR
Revenue in 2023

0.21Bn
Gross profit margin in 2023

+62.2%
Growth in Total Transactions

key highlights and achievements

- Became a closed joint stock company in January 2023.
- Saw a +11.5% increase in App downloads
- Won 'Best Project Implementation Award for Treasury Implementation' IBSi Global FinTech Innovation Awards 2023.

Subsidiaries deep-dives (4/14)

solutions by stc

description

solutions by stc is a pioneering force in information technology services within the Kingdom, offering comprehensive, integrated solutions to facilitate the digital transformation of both public and private sectors. As an ICT services provider and a key enabler of digital transformation, Solutions plays a vital role in advancing Vision 2030's objectives. Positioned at the forefront of digitalization in the Kingdom and the region, Solutions' services

product/services

- System integration
- BPO
- Cloud services
- IoT
- Connectivity Services
- Business Outsourcing & Managed Services
- Cybersecurity integration
- Advanced connectivity such as SD-WAN

80%
ownership

1995
creation

countries of operations

strategic intent

solutions strategy is to increase market share and maximize shareholders' value by focusing on high-growth segments and categories, expanding its portfolio and market reach, enhancing customer experience, and developing and attracting the best talent.

key figures

1st
IT services provider in KSA for 8 consecutive years

~11 Bn SAR
Revenue in 2023

2.8Bn
Gross profit margin in 2023

+62.2%
Growth in Total Transactions

+62.2%
Growth in Total Transactions

key highlights and achievements

- Completed the initial public offering "IPO" in 2021 for 20% of its shareholding in solutions in the Saudi Stock Market.
- Acquired ~88% of Giza Systems Company, a leading system integrator in the Mena region, and 34% of its subsidiary Giza Arabian Systems Ltd in 2022 for ~125 Mn SAR.
- Signed a binding offer in 2022 with stc and ESM Holding Company, LLC, to acquire all their Contact Centers Company (CCC) shares.

Subsidiaries deep-dives (5/14)

channels by stc

description

channels by stc is a telecommunications sales and distribution company that operates across the Middle East. It is the primary partner for major telecommunication firms and offers a comprehensive range of services and sales distribution solutions.

product/services

- Sales and Distribution of consumer electronics
- Last-mile delivery for e-commerce players

100%
ownership

2008
creation

countries of operations

strategic intent

channels's strategy vision focuses on three key elements; boosting profitability, enabling the advancement of stc Group core services and developing the required capabilities to achieve expansion objectives.

key figures

~14 Bn SAR
Revenue in 2023

3.1Bn
Gross profit margin in 2023

~70B
Point of sales network

key highlights and achievements

- Dal achieved more than 10 million successful deliveries completed by 16,000 Saudi delivery agents.
- Channels by stc saw a +17% increase in international business.
- Awarded 'Operational Efficiency' by PIF and 'last Mile Leader of the Year' by Logistics Middle East Awards.

Subsidiaries deep-dives (6/14)

iot²

description

iot squared, a joint venture between the stc Group and the PIF, was formed in 2022 to establish a model system for the IoT sector in the Middle East.

product/services

- Integrated solutions for Smart Cities and Mobility, Fleet Management and Intelligent warehouses

50%
ownership

2022
creation

countries of operations

strategic intent

IoT Squared's BOLD strategy is instrumental in realizing the company's ambition for regional expansion, creating added value, and cementing its status as an integrated provider of comprehensive IoT services. The BOLD strategy rests on four strategic pillars: customer and employee centricity, offering differentiated products and services, leapfrogging to world-class capabilities, and fostering an agile culture.=

key figures

~13%
Market growth across the next 3-5 years

key highlights and achievements

- Acquired 100% of Machinestalk in 2023.
- Launched 3 distinct products – Intelligent Operations, Connected Fleet and Video Surveillance – each designed to meet specific market needs and optimize various aspects of operations for clients.
- Obtained essential IoT licenses to operate and provide services.

Subsidiaries deep-dives (7/14)

sirar by stc

description

sirar offers advanced cybersecurity services and solutions that cater to the business sector. It provides services including protection against cyberattacks, advanced vulnerability detection, ensuring compliance with security controls.

product/services

- Cybersecurity Advisory
- Data Privacy Advisory
- Operational Resilience Advisory
- Managed Security Services
- Cybersecurity Integration

100%
ownership

2020
creation

countries of operations

strategic intent

sirar by stc aspires to be a leading enabler in cybersecurity for the digital economy. Its mission is to develop cyber solutions and capabilities that meet the highest international standards. This mission is dedicated to supporting its clients, both within the Kingdom and globally, in securely managing their digital transformation journeys.

key figures

~589 Mn SAR
Revenue In 2023

0.17Bn
Gross profit margin in 2023

~300
Technical certifications obtained

~90
Strategic partnerships signed

key highlights and achievements

- Awarded from Global Business Outlook as the Most Innovative Cybersecurity Solutions Provider in 2022.
- Certified for the best working environment from “A Great Place to Work”.
- Awarded from FortiNet as "MSSP Preferred Partner of the Year 2022”.
- Registered Athar patent, an in-house product that prevents data leakage.

Subsidiaries deep-dives (8/14)

center3

description

center3 is a subsidiary owned 100% by stc Group . It possesses the group's infrastructure assets, which include data centres and submarine cables.

The company contributes to the Kingdom's Vision 2030 of becoming a digital hub linking three continents: Asia, Africa, and Europe.

product/services

- Collocation and whitespace
- DC connect
- Metro Connect
- IT transit
- Terrestrial/subsea capacity
- Landing station interconnect
- MPLS VPN
- Direct internet access
- Datacenter hosting services
- Connectivity Services
- Subsea Services
- · Internet Services

100%
ownership

2022
creation

countries of operations

strategic intent

center3's PRIME strategy is focused on key strategic themes to solidify customer engagement models and commercial value propositions, building long-term partnerships and reimagining the data hub paradigm into a one-stop-shop integrated service platform that provides customers with a world-class experience.

key figures

16
Subsea Cables

~125
MW current capacity in total

~300
MW capacity planned for the next couple of years

25
Data centers

key highlights and achievements

- Launched several new data centers across Saudi Arabia, in Jeddah, Dammam and Riyadh, increasing its leadership in data hosting.
- Increased service availability to 99.13% from previous 98.12% in 2022.
- Awarded 'Best Project of the Year 2023 – Subsea Category' by Global Carrier Awards in London.

Subsidiaries deep-dives (9/14)

specialized by stc

description

specialized by stc is the executive arm of stc Group's critical communications, which provides solutions and services for instant collective wireless communications for the business and government sectors

product/services

- Next gen push to talk (MCPTT)
- Critical Alerting and Messaging Solution
- Event Management Platform (EMP)

100%
ownership

2001
creation

countries of operations

strategic intent

Specialized's vision is to be the trusted partner of critical communications, services and innovative solutions. Its strategy is to focus on the following four dimensions: broad critical communication offering, emerging technologies, integrated critical communication service and secured services and solutions.

key figures

~397 Mn SAR
Revenue In 2023

0.18Bn
Gross profit margin in 2023

key highlights and achievements

- Signed strategic partnerships, including agreements with Airbus and Motorola.
- Developed the PTT service platform (Kodiak from Motorola Global), focused on improving business platforms.
- Launched two new service-related offerings: Dispatcher and Control.
- Launched EMP, a digital platform designed to streamline daily operations and incident management.

Subsidiaries deep-dives (10/14)

ccc by stc

description

ccc by stc is a leading company specializing in digital customer experience management in Saudi Arabia. With over 6,000 employees, the company offers 24/7 technical support services to customers across all sectors.

product/services

- Customer Lifecycle Management
- Contact Center Operations
- Operational Optimization
- Manpower Outsourcing
- Facility Management
- Huma Resource Outsourcing
- Event Management
- Supply Chain Management

100%
ownership

2010
creation

countries of operations

strategic intent

ccc by stc's strategy consists of enabling a seamless customer experience management leveraging new technologies such as AI and advanced analytics.

key figures

12+
Years of outsourcing experience

11,000+
Qualified employees

100+
Clients

4+
Cities - resource mobilization capabilities

key highlights and achievements

- Acquired at 100% by solutions by stc in 2023.
- Ranked #1 in the Global Contact Center Best Practices by #CCW

Subsidiaries deep-dives (11/14)

Alibaba Cloud
SCCC Operating Saudi Region

description

sccc is a joint venture formed by stc Group and Alibaba Cloud. sccc is KSA's primary provider of cloud computing services and artificial intelligence-based big data processing solutions.

product/services

- Security
- Compute
- CDN & Network
- Container
- Media
- Middleware
- Database
- Migration and O&M management
- Analytics Computing
- AI & Machine Learning

55%
ownership

2022
creation

countries of operations

strategic intent

SCCC's strategy focuses on securing numerous projects and launching innovative products to ensure long-term profitability and market leadership. Strategic partnerships and a strong regional presence position SCCC as a key player in the Kingdom's cloud computing sector, driving sustained growth and technological advancement.

key figures

66+
Products launched

~3200
CDN codes

key highlights and achievements

- Successfully launched over 66+ diverse products, highlighting innovation and adaptability to key market trends.

Subsidiaries deep-dives (12/14)

intigral

description

intigral is a leading company in the digital entertainment industry, providing a wide range of entertainment options for viewers and sports fans in the Middle East and North Africa

product/services

- Media content aggregation
- OTT streaming platforms

100%
ownership

2009
creation

countries of operations

strategic intent

Intigral aims to be MENA's top media hub by offering a unified platform for regional and global content with single sign-on and billing. It leverages advanced analytics and recommendations to deliver a personalized, seamless viewing experience, enhancing user engagement and satisfaction.

key figures

~643 Mn SAR
Revenue In 2023

0.45Bn
Gross profit margin in 2023

~13%
Subscriber market share in KSA

~700K
Monthly active users of stc TV

key highlights and achievements

- Intigral achieved unprecedented growth, expanding its active base 2.3-fold.
- Growth driven by a best-in-class platform and user experience.
- Diverse and solid content portfolio contributed to the success.
- Repowered go-to-market push through bundling with telco operators.
- Success leveraged stc's go-to-market engine to boost adjacent digital services growth.

Subsidiaries deep-dives (13/14)

TAWAL

description

TAWAL specializes in the ICT Infrastructure, focusing on construction, operation, leasing, and commercial investment in and outside KSA.

product/services

- Built to use / Lite built to suit
- Collocation/ lite Collocation
- In-building solutions (IBS)
- Fiber facility
- Coverage as a service
- O&M
- Flexi Towers
- Smart Poles

43%
ownership

2019
creation

countries of operations

strategic intent

TAWAL's strategy aims to enhance its core offerings, commercialize adjacent products, and become a comprehensive service provider. By expanding beyond the home market, TAWAL seeks to establish itself as a regional infrastructure service leader and enrich the customer experience. Specializing in ICT infrastructure, TAWAL focuses on construction, operation, leasing, and commercial investment both within and outside KSA.

key figures

21K
Owned towers

5
Countries of operation

~2.88 Bn SAR
Revenue In 2022

2.7B
Gross profit margin in 2023

key highlights and achievements

- Constructed over 500 new towers and upgraded more than 6,000 sites for 5G technology.
- Acquired AWAL in Pakistan and entered the European market by acquiring 4,821 towers from the United Group.
- Deployed 30 in-building solutions for non-MNO clients and introduced innovative camouflage tower designs.
- Maintained 99.9% Power Network Interface (PNI) availability and ensured 99.9% infrastructure services availability during the peak of the 2023 Hajj season.
- Local content Award 2024 and Labor Award in 2023.

Subsidiaries deep-dives (14/14)

AQALAT

description

AQALAT, a real estate investment arm of the stc Group established in 2013, manages a vast portfolio of over 673 real estate assets spanning 18.7 million square meters. Among its notable projects is stc square in the King Abdulaziz Telecom Complex in Riyadh.

product/services

- Real estate projects
- Facility Management & Property Management.

100%
ownership

2013
creation

countries of operations

strategic intent

Aqalat's strategic intent is to monetize stc Group-owned real estate assets in KSA by determining the optimal monetization model through sale, lease, or partnership for development. This approach aims to enhance stc's returns by developing real estate projects using stc's assets, alongside leasing and selling non-essential real estate assets. A crucial part of this strategy involves converting the land use of these properties from service facilities to mixed-use investment lands.

key highlights and achievements

- Achieved 60% completion of phase I of the stc Square project in Riyadh, with construction expected to finish in 2024.
- Formed a joint venture with DUR to establish the Smart Zone Hospitality Company and launched phase II of the stc Square project.
- Sold a land parcel in Al-Khobar at a public auction for SAR 1.378 billion.
- Exceeded 96% localization, with over 31% of the workforce being women and 24% in leadership roles

- Updated stc square achieved completion to 70%
- Construction commencement of Dammam infrastructure project in 2024
- +300 converted land use to be monetized.
- Phase II Design completion and is expected to start construction works in 2024
- ~1.46 B total revenue for stc

for more information

Visit our website:
stc.com

Contact us at:
PR@stc.com

June 2024 version