

# Investment Case

**solutions by stc plays a pivotal role in driving the digital transformation and growth of hundreds of public and private organizations across the Kingdom. With a strong foundation of market leadership, promising growth potential, and exceptional returns, we continue to deliver unmatched value to our shareholders.**

## Our Key Strengths

### Market Leadership

solutions by stc is the undisputed leader in the Saudi Arabian ICT services market, holding a dominant market share of 22.7%. The company is well-positioned to capitalize on lucrative consolidation opportunities in the Kingdom's fragmented IT landscape. With a strong local content score of 41.3%, solutions by stc continues to reinforce its role as a key driver of digital transformation in the region.

### Sizeable and Diversified Portfolio

With a robust pipeline of projects and a long-standing partnership with stc, solutions by stc has built a strong and diversified portfolio that underpins its sustained growth. The company boasts an impressive win ratio of over 60%, reflecting its ability to secure and execute high-value contracts across various industries.

### Superior Value Creation

solutions by stc consistently delivers strong financial performance, achieving a return on invested capital (ROIC) of 34.3% in 2024, well above its cost of capital. This exceptional value creation highlights the company's ability to generate high returns for its stakeholders while maintaining a disciplined approach to investment and growth.

### Asset-Light Business Model

With an organic CAPEX-to-revenue ratio of just 2.1% in 2024, solutions by stc operates an asset-light business model that enables scalability and operational efficiency. This strategic approach allows the company to maximize profitability while maintaining flexibility in a rapidly evolving digital landscape.

### Strong Free Cash Flow Generation

solutions by stc generated ₪ 1.2 billion in free cash flow (FCF) in 2024, with an impressive FCF conversion rate of 61%. This strong cash flow generation supports the company's ability to invest in growth opportunities, fund strategic initiatives, and enhance shareholder returns.

### Generous Dividends

For 2024, the Board of Directors has recommended an ordinary dividend of ₪ 8.0 per share, along with a special dividend of ₪ 2.0, implying a total payout of 75% and a 67% year-on-year growth, in line with the company's progressive dividend policy and reinforcing its commitment to sustainable shareholder value.

### Robust Balance Sheet

solutions by stc maintains a solid financial position, ending 2024 with a net cash balance of ₪ 3.0 billion – equivalent to 1.5 times its 2024 EBITDA. This strong balance sheet provides the company with the financial resilience to pursue strategic investments while maintaining financial stability.

### Efficient Capital Allocation

The company follows a disciplined capital allocation strategy focused on high-return organic CAPEX, value-accretive mergers and acquisitions, and strategic public-private partnerships. With a commitment to progressively increasing dividends, solutions by stc continues to enhance long-term value creation for its stakeholders.



## Our Key Sectors



Government



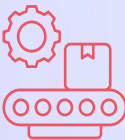
Education



Real-Estate



Financial Services



Manufacturing



Retail



Oil and Gas



Transportation



Telecommunications



Healthcare

And more...