

Fact Sheet

Company Profile

Founded in 2003, solutions by stc developed strong operational expertise and market-leading digital solutions in key technology verticals across the IT value chain. This supercharged its strategic ambition to become the digital solutions innovator.

Strategy

solutions by stc's refreshed LEAP 2.0 strategy targets significant economic value creation by strengthening its core business by emerging tech, innovation and operational excellence. To accomplish these goals, the Company focuses on the four main components:

- L – **Lead** through service excellence
- E – **Empower** business growth and diversification
- A – **Achieve** excellence in customer engagements
- P – **Promoting** efficiencies and sustainability

Product Offering

The principal activities of the Company are concentrated in the internet and telecommunications service sector:

Core ICT Services, which consists of System Integration; and Communication and Internet.

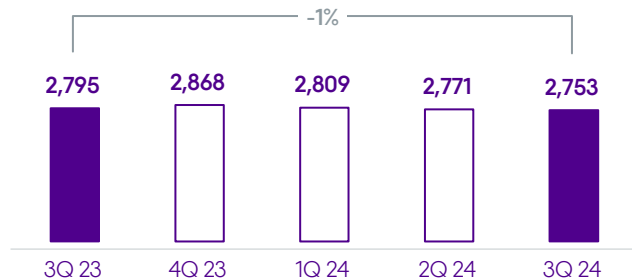
IT Managed and Operational Services, which consists of Outsourcing Services; and Managed Services.

Digital Services, which consists of Cloud Services; Cybersecurity integration; and Digital Transformation Services.

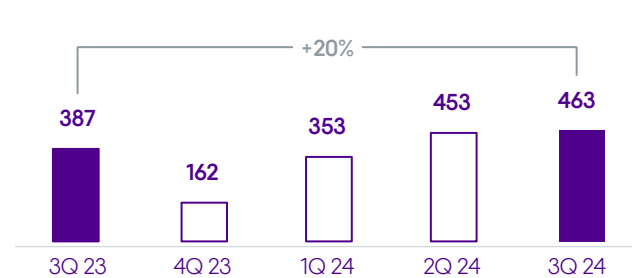
Key Figures SAR (mn)	9M 2024	9M 2023	YOY
Revenue	8,333	8,172	+2.0%
Gross profit	2,045	2,134	-4.2%
Gross Profit Margin (%)	24.5%	26.1%	-1.6ppts
EBITDA	1,462	1,391	+5.1%
EBITDA Margin (%)	17.5%	17.0%	+0.5ppts
Net Profit	1,270	1,030	+23.2%
Net Profit Margin (%)	15.2%	12.6%	+2.6ppts
Capex	255	88	+190.1%
Free Cash Flow	245	153	+59.6%
Net Debt/(Cash)	(2,032)	(1,908)	+6.5%
ROIC	36.7%	37.6%	-0.9ppts
ROAE	49.1%	46.7%	+2.4ppts

Outlook	FY 2024 Guidance
Revenue Growth	8% - 11%
EBITDA Margin	13% - 15%
Capex intensity	1.0% - 1.5%

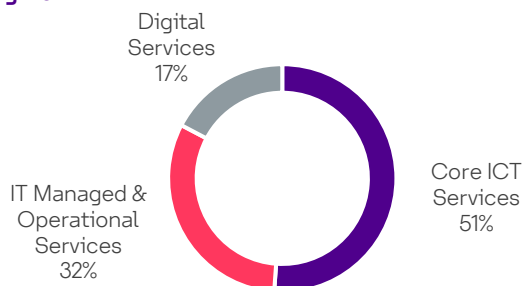
Revenue (SARmn)



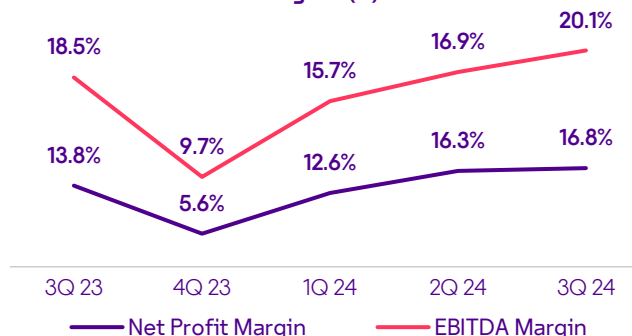
Net Profit (SARmn)



9M 2024 Revenue Composition by Segment



EBITDA & Net Profit Margins (%)



Fact Sheet



solutions by stc IPO in September 2021

solutions by stc IPO was one of the most successful local offerings. The IPO order book of institutional investors achieved a coverage ratio exceeding the target by 130 x with a value of SAR 471 billion.

Market Positioning

KSA Pure Play

The majority of solutions revenue is generated in Saudi Arabia

Public & Private Sector

43% of revenue is generated from Government, but there is a growing contribution from private sector and stc

E2E solutions

solutions comprehensive portfolio offers a One-Stop-Shop approach covering the entire IT value chain

Investment Thesis

Leading Market Position in KSA

Clear market leader with consolidation opportunities in the fragmented IT market

Sizeable and Diversified Portfolio

Strong pipeline of projects with a winning ratio of +50% reinforced by long-standing partnership with stc

Superior Value Creation

36.6% ROIC in 9M 2024 is well above the company's cost of capital

Asset-Light Business Model

CAPEX intensity ratio of 1.0% in 2023

Strong FCF Generation

FCF generation of SAR 814mn in 3Q 2024 alone

Dividend

DPS of SAR 6.0 paid in 2Q 2024 for 2023, 60% payout ratio, 20% dividend growth YoY

Robust Balance Sheet

Strong net cash position, efficient WC management

M&A and Partnerships

Value-accretive M&As are complemented by technological partnerships and high-potential PPP projects

solutions by stc - Key Metrics

	SAR
IPO offering price	151.0
Closing Price at 30 September 2021	196.2
Closing Price at 30 September 2024	282.0
Market Cap at 30 September 2024	33.8 bn
Price / Earnings (LTM)	23.6
EV / EBITDA (LTM)	18.3

Sources: S&P Capital IQ Pro; Tadawul; solutions by stc financial reports

solutions share price vs Tadawul (rebased to 100)



Looking for additional information?

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