

# 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 strategy (LEAP) focuses on two main aspects; stable growth by expansion and strong profitability through operational excellence and optimized cost. To achieve this strategy, the Company employs business strategy that rests on the four pillars:

- L – **Lead** in managed and professional services
- E – **Expand** product portfolio and market reach
- A – **Advance** excellence in total experience
- P – **Promote** internal efficiencies and collaboration

## 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.

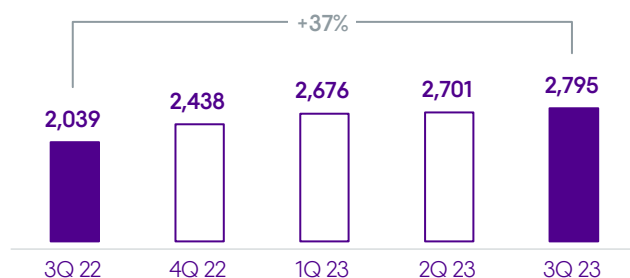
**IT Managed and Operational Services**, which consists of Outsourcing Services; and Managed Services.

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

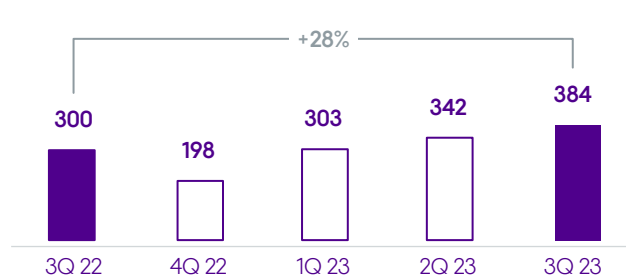
Key Figures SAR (mn)	9M 2023	9M 2022	YOY
Revenue	8,172	6,367	+28.3%
Gross profit	2,134	1,498	+42.5%
Gross Profit Margin (%)	26.1%	23.5%	+11.0%
EBITDA	1,391	1,086	+28.1%
EBITDA Margin (%)	17.0%	17.1%	-0.2%
Net Profit	1,030	856	+20.4%
Net Profit Margin (%)	12.6%	13.4%	-6.2%
Capex	88	73	+20.9%
Free Cash Flow	153	1,686	-90.9%
Net Debt/(Cash)	(1,908)	(2,818)	-32.3%
ROIC	37.6%	35.8%	+1.8ppts
ROAE	46.7%	47.4%	-0.7ppts

Outlook	FY 2023 Guidance
Revenue Growth	19% - 22%
EBITDA Margin	13% - 15%
Capex intensity	1.5% - 2%

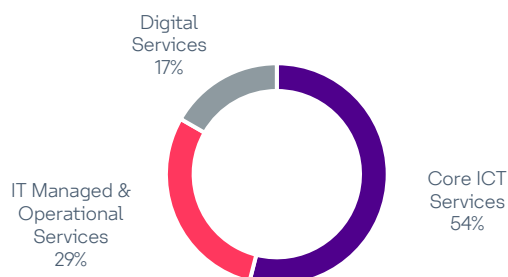
Revenue (SARmn)



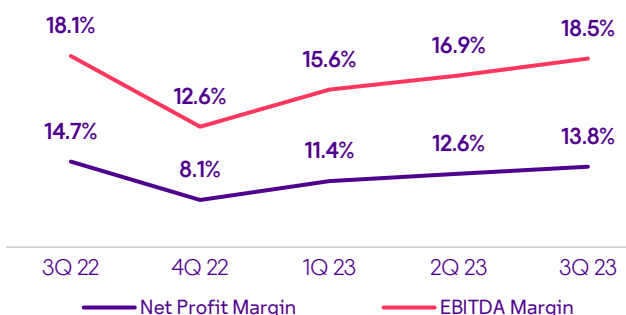
Net Profit (SARmn)



9M 2023 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

45% of revenue is generated from Government, but there is a growing contribution from private sector

### 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

### stc Partnership

Unrivalled reach, scalability and synergies in the KSA ICT market

### Asset-Light Business Model

CAPEX intensity ratio of 1.1% (excl. M&A), ROIC of 37.6% in 9M 2023

### Strong FCF Generation

FCF generation above SAR 600mn in 9M 2023 (excl. M&A)

### Dividend

DPS of SAR 5.0 in 2022, 56.5% payout ratio, 25% dividend growth YoY

### Robust Balance Sheet

Strong net cash position, efficient WC management

### Proactive M&A Strategy

M&A is an important component of solutions growth strategy

### Technological Partnerships

Access to innovative solutions and emerging technologies

### Strong Project Pipeline

500+ projects signed in 9M 2023

### Employer of Choice

1,793 total FTE, 67.3% Saudization, 19.1% female, low turnover

## Looking for additional information?

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## solutions by stc - Key Metrics

	SAR
IPO offering price	151.00
Closing Price at 30 September 2021	196.2
Closing Price at 30 September 2023	319.6
Market Cap at 30 September 2023	38.35 bn
Price / Earnings (LTM)	31.3
EV / EBITDA (LTM)	21.5

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

## solutions share price vs Tadawul (rebased to 100)



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