Fact Sheet

solutions by stc

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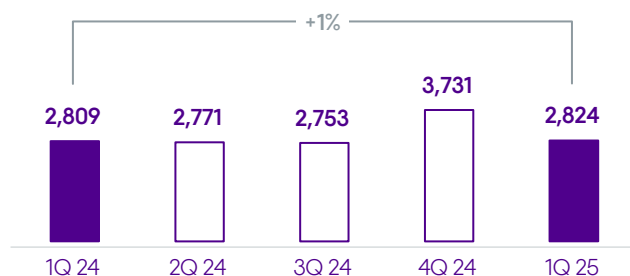
IT Managed and Operational Services, which consists of Outsourcing Services; and Managed Services.

Digital Services, which consists of Cloud Services; Cybersecurity integration; and Digital Transformation Services.
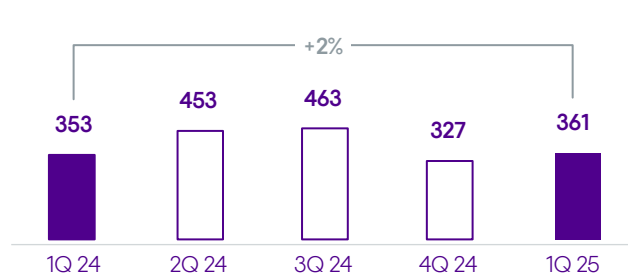
Key Figures SAR (mn)	1Q 2025	1Q 2024	YOY
Revenue	2,824	2,809	+0.5%
Gross profit	616	619	-0.5%
Gross Profit Margin (%)	21.8%	22.1%	-0.2ppts
EBITDA	448	440	+1.7%
EBITDA Margin (%)	15.9%	15.7%	+0.2ppts
Net Profit	361	353	+2.1%
Net Profit Margin (%)	12.8%	12.6%	+0.2ppts
Capex	58	31	+86.1%
Free Cash Flow	(488)	(1,304)	-62.6%
Net Debt/(Cash)	(2,472)	(1,090)	+126.7%
ROIC	28.5%	34.3%	-5.9ppts
ROAE	34.1%	40.7%	-6.5ppts

Outlook	FY 2025 Guidance
Revenue Growth	8% - 10%
EBITDA Margin	14% - 16%
Capex intensity	2% - 3%

Revenue (SARmn)

+1%

1Q 24	2Q 24	3Q 24	4Q 24	1Q 25
2,809	2,771	2,753	3,731	2,824

Net Profit (SARmn)

+2%

1Q 24	2Q 24	3Q 24	4Q 24	1Q 25
353	453	463	327	361

1Q 2025 Revenue Composition by Segment

- Digital Services 16%
- Core ICT Services 48%
- IT Managed & Operational Services 36%
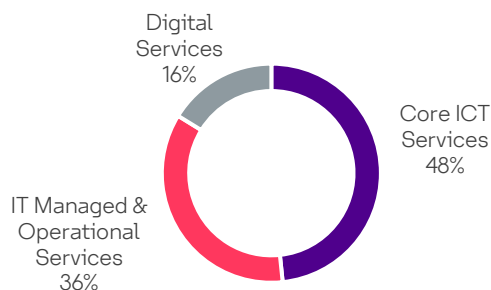
EBITDA & Net Profit Margins (%)

EBITDA Margin: 15.7%, 16.9%, 20.1%, 13.0%, 15.9%

Net Profit Margin: 12.6%, 16.3%, 16.8%, 8.8%, 12.8%

1Q 24	2Q 24	3Q 24	4Q 24	1Q 25

— Net Profit Margin — EBITDA Margin
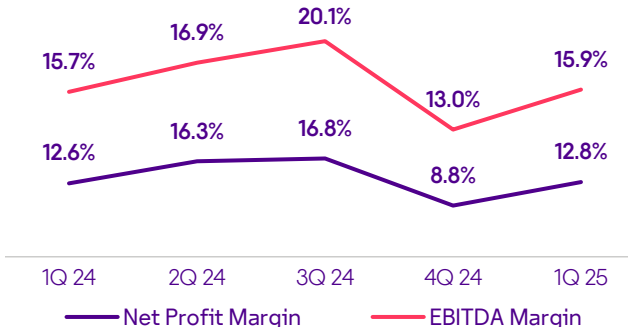
Fact Sheet

solutions
by stc

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
solutions revenue mix is well diversified across various customer types with 38% coming from stc, 36% from the Government and 26% from private sector in 1Q 2025

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 with a 22.7% share

Sizeable and Diversified Portfolio
Strong pipeline of projects with over 50 new contracts signed in 1Q 2025 and a wining ratio of over 70%

Superior Value Creation
28.5% ROIC in 1Q 2025 is well above the company's cost of capital

Asset-Light Business Model
Organic capex of 2.1% of revenue in FY 2024

Strong FCF Generation
FCF generation of SAR 1.2bn in FY 2024

Dividend
Regular DPS of SAR 8.0 and special DPS of SAR 2.0 recommended by the BoD for 2024, 75% total payout ratio, 67% dividend growth YoY

Efficient Capital Allocation
High-return organic capex, value-accretive M&As, high-potential partnerships and PPP projects, progressively rising dividends

Robust Balance Sheet
Strong net cash position, efficient WC management

solutions by stc - Key Metrics	SAR
IPO offering price	151.0
Closing Price at 30 September 2021	196.2
Closing Price at 27 March 2025	304.0
Market Cap at 27 March 2025	36.5 bn
Price / Earnings (LTM)	22.6
EV / EBITDA (LTM)	17.4

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

solutions share price vs Tadawul (rebased to 100)

solutions ······ TASI

154.9
104.6

Looking for additional information?

solutions by stc Investor Relations Contact
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Director of Investor Relations
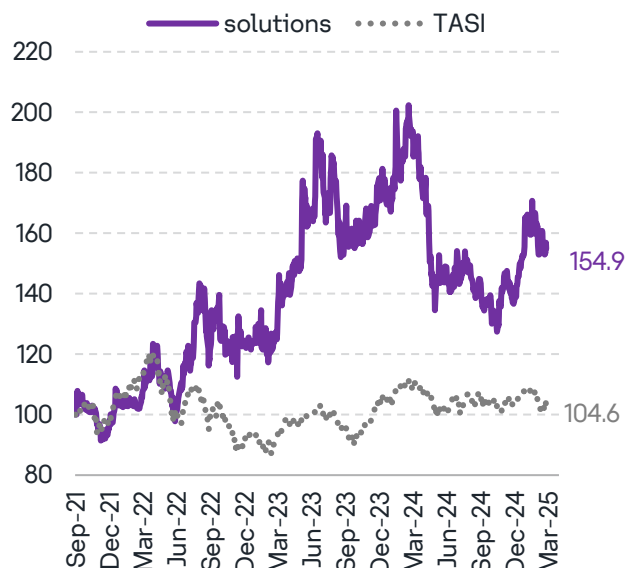Telephone: +966 11 525 1174
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