

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 – 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.

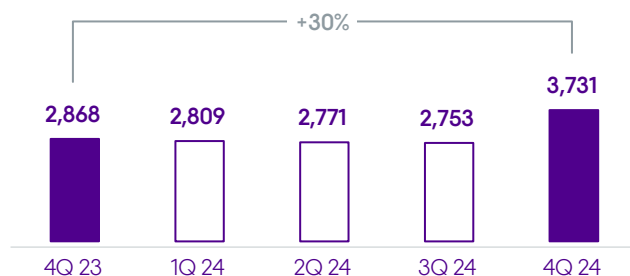
IT Managed and Operational Services, which consists of Outsourcing Services; and Managed Services.

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

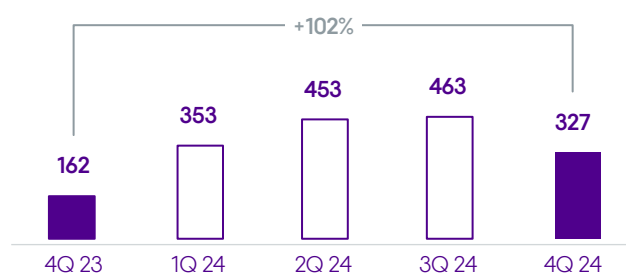
Key Figures SAR (mn)	FY 2024	FY 2023	YOY
Revenue	12,064	11,040	+9.3%
Gross profit	2,783	2,598	+7.1%
Gross Profit Margin (%)	23.1%	23.5%	-0.5ppts
EBITDA	1,948	1,669	+16.7%
EBITDA Margin (%)	16.1%	15.1%	+1.0ppts
Net Profit	1,597	1,192	+33.9%
Net Profit Margin (%)	13.2%	10.8%	+2.4ppts
Capex	255	112	+128.0%
Free Cash Flow	1,187	1,150	+3.2%
Net Debt/(Cash)	(2,967)	(2,728)	+8.8%
ROIC	34.3%	31.7%	+2.6ppts
ROAE	43.4%	38.6%	+4.8ppts

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

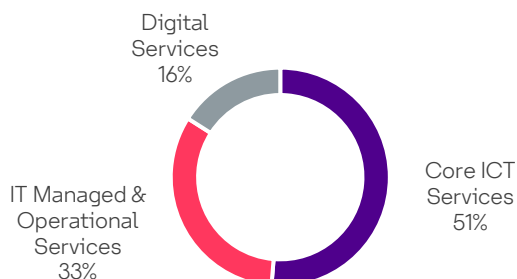
Revenue (SARmn)



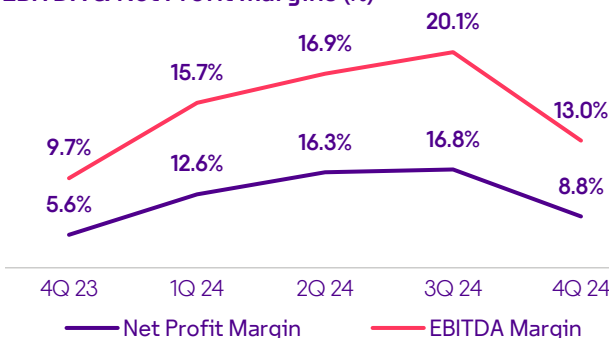
Net Profit (SARmn)



FY 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 with a 22.7% share

Sizeable and Diversified Portfolio

Strong pipeline of projects with a winning ratio of 60%+ reinforced by long-standing partnership with stc

Superior Value Creation

34.3% ROIC in FY 2024 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

Looking for additional information?

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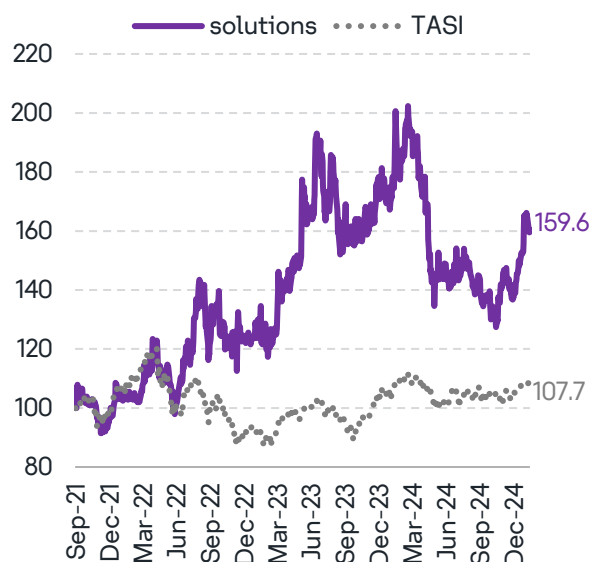
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solutions by stc - Key Metrics

	SAR
IPO offering price	151.0
Closing Price at 30 September 2021	196.2
Closing Price at 31 December 2024	270.0
Market Cap at 31 December 2024	32.4 bn
Price / Earnings (LTM)	20.2
EV / EBITDA (LTM)	15.1

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

solutions share price vs Tadawul (rebased to 100)



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