

# 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; growth by expansion and efficiency through operational excellence and optimized cost. To achieve this strategy, the Company has adopted business strategies around the following pillars:

**L – Lead** in managed and professional services

**E – Expand** product portfolio and market reach

**A – Advance** customer success and partner ecosystems

**P – Promote** internal efficiencies and collaboration

## Product Offering

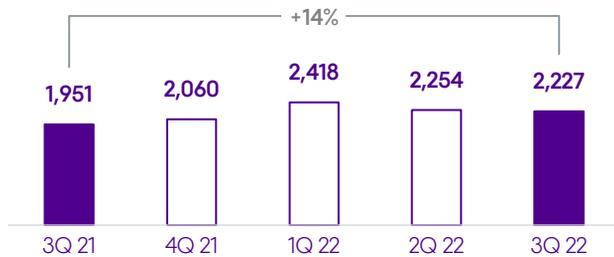
The principal activities of the Company are concentrated in the internet and telecommunications service sector:

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

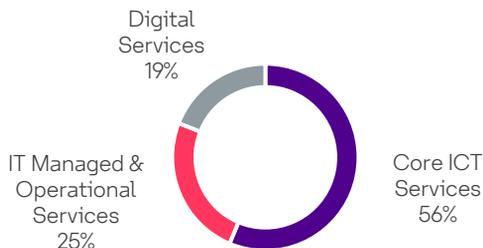
**IT Managed and Operational Services**, which consists of Outsourcing Services; and Managed Services.

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

## Revenue (SARmn)



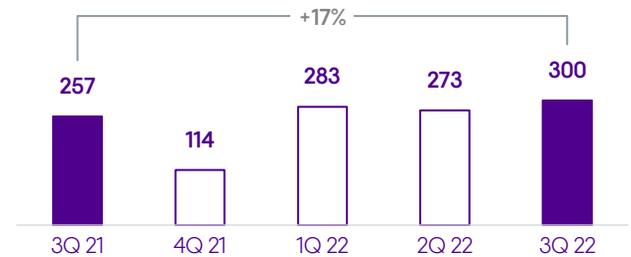
## 9M 22 Revenue Composition (by Business)



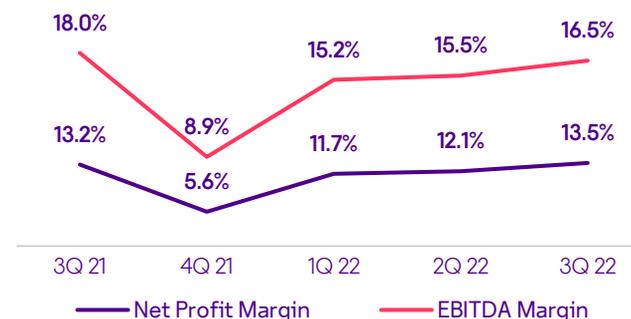
Key Figures SAR (mn)	9M 2022	9M 2021	YOY
Revenue	6,900	5,755	+19.9%
Gross profit	1,498	1,284	+16.6%
Gross Profit Margin (%)	21.7%	22.3%	-0.61%
EBITDA	1,086	923	+17.7%
EBITDA Margin (%)	15.7%	16.0%	-0.30%
Net Profit	856	718	+19.1%
Net Profit Margin (%)	12.4%	12.5%	-0.08%
Capex	(73)	(115)	-36.7%
Free Cash Flow	1,686	317	-432.1%
Net Debt (Cash)	(1,018)	(909)	+12.0%
ROCE	30.5%	35.4%	- 4.88ppts
ROAE	39.2%	39.0%	+ 0.24ppts

Outlook	FY 2022 Guidance
Revenue Growth	11.0% - 14.0%
EBITDA Margin	13.0% - 15.0%
Capex intensity	1.5% - 2.0%

## Net Profit (SARmn)



## EBITDA & Net Profit Margins (%)



## 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

48% of revenue generated from Government, but increasing 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

CAPEX intensity ratio of 2.0% and high returns, with ROAE at 40% in 2021.

### Dividend

DPS of SAR 4.0 in FY 2021, up from SAR 3.33 in FY 2020.

### High FCF Generation

FCF generation almost doubled to SAR1 bn in 2021.

### Flexible Balance Sheet

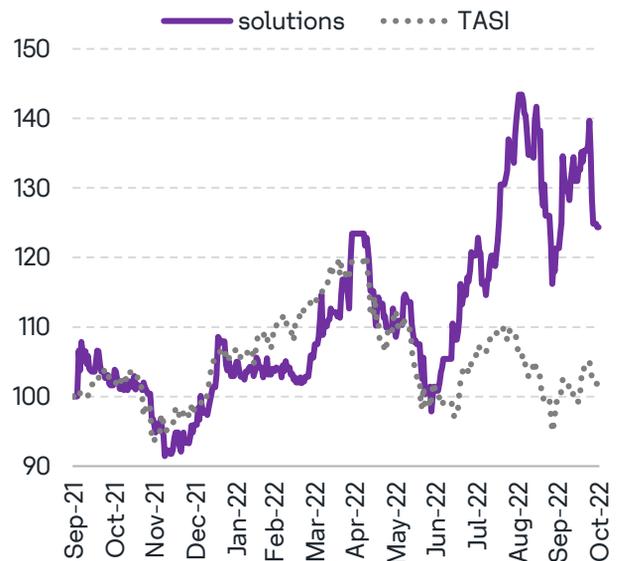
Ample level of cash, and comfortable working capital position.

## solutions by stc - Key Metrics

	SAR
IPO offering price	151.00
Closing Price at 29 September 2022	238.00
Closing Price at 30 October 2022	244.00
Market Cap 2021 YE	22.6 bn
Price / Earnings 2021 YE	27.1
EV / EBITDA 2021 YE	18.9

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

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



## Looking for additional information?

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