

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.

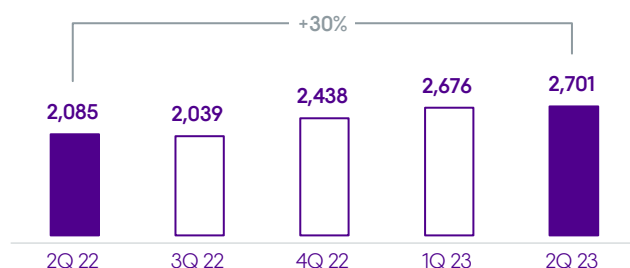
IT Managed and Operational Services, which consists of Outsourcing Services; and Managed Services.

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

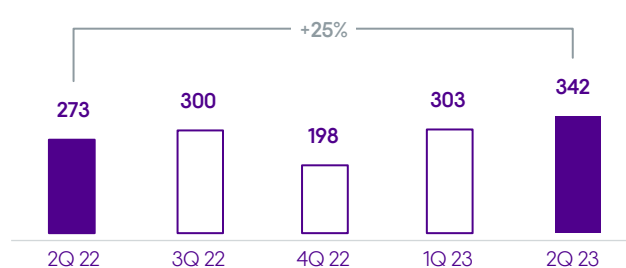
Key Figures SAR (mn)	1H 2023	1H 2022	YOY
Revenue	5,378	4,328	+24.2%
Gross profit	1,338	999	+34.0%
Gross Profit Margin (%)	24.9%	23.1%	+7.8%
EBITDA	874	718	+21.8%
EBITDA Margin (%)	16.3%	16.6%	-1.9%
Net Profit	643	556	+15.7%
Net Profit Margin (%)	12.0%	12.8%	-6.7%
Capex	47	43	+9.7%
Free Cash Flow	(36)	588	-106.1%
Net Debt/(Cash)	(1,898)	(1,721)	+10.3%
ROCE	39.9%	38.7%	+1.2ppts
ROAE	49.8%	50.2%	-0.4ppts

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

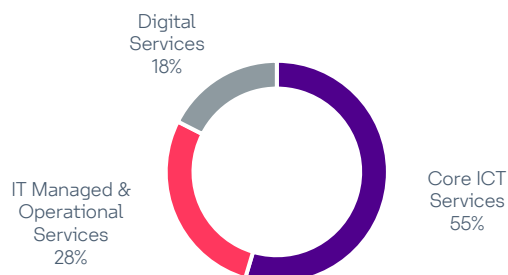
Revenue (SARmn)



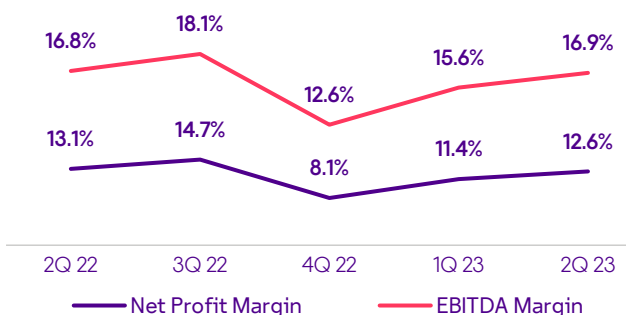
Net Profit (SARmn)



1H 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 c. 1% (excl. M&A), ROAE of 49.8% in 1H 2023

Strong FCF Generation

FCF generation above SAR 410mn in 1H 2023 (excl. M&As)

Dividend

DPS of SAR 5.0 in 2022, 57% 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

200+ projects signed in 1H 2023

Employer of Choice

1,719 total FTE, 65.5% Saudization, 18.0% female, low staff turnover

Looking for additional information?

solutions by stc Investor Relations Contact

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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 June 2023	322.6
Market Cap at 30 June 2023	38.71 bn
Price / Earnings (LTM)	33.9
EV / EBITDA (LTM)	23.8

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

solutions share price vs Tadawul (rebased to 100)



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