Investor Presentation

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Agenda

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Overview of solutions by stc

solutions by stc at a Glance

The leading ICT services provider and enabler of the digital transformation across the Kingdom

Key highlights	**#1**	IT services provider in Saudi Arabia	**~23%**	IT Services market share in KSA	**25+**	Years of experience in IT sector
1Q 2024 financials	**5%**	Revenue growth YoY to SAR 2.81bn	**15.7%**	EBITDA margin	**16%**	Net income growth YoY to SAR 353mn
People	**1,777**	Talented employees	**67%**	Saudization	**19%**	Female staff
Partnerships	**170+**	Partners in solutions ecosystem	**462**	Local Suppliers Engaged	**70%**	Procurement spending on local suppliers

As of FY 2023

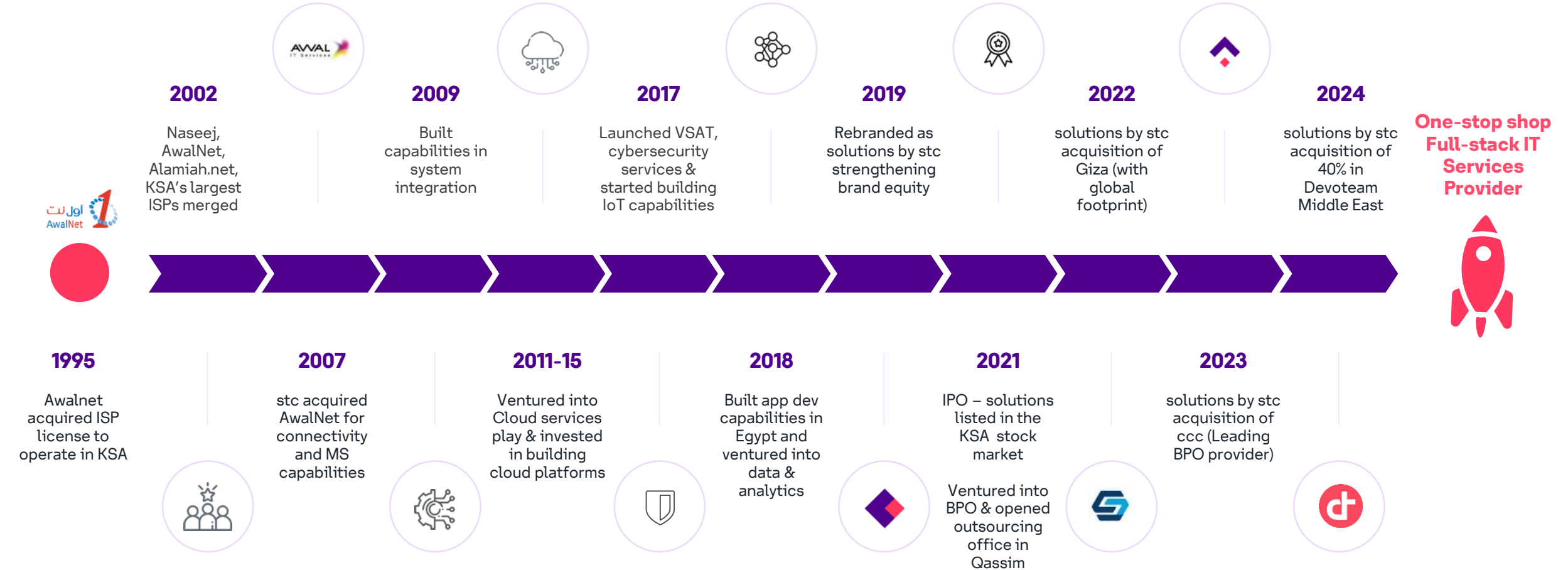solutions by stc

Geographical presence

Strong local presence and global reach

- Strong footprint in the local market with offices in Qassim, Jubail, Khobar, Jeddah and the head office in **Riyadh**

- The acquisition of **Giza, ccc** and their subsidiaries helped solutions expand its reach and deliver value to different sectors

USA

Cairo

Qatar

UAE

Saudi Arabia

Nigeria

Uganda

Kenya

Tanzania

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solutions by stc evolution

Expanding from serving stc alone to serving governments and enterprises across KSA and MENA region

2002
Naseej, AwalNet, Alamiah.net, KSA's largest ISPs merged

2009
Built capabilities in system integration

2017
Launched VSAT, cybersecurity services & started building IoT capabilities

2019
Rebranded as solutions by stc strengthening brand equity

2022
solutions by stc acquisition of Giza (with global footprint)

2024
solutions by stc acquisition of 40% in Devoteam Middle East

One-stop shop Full-stack IT Services Provider

1995
Awalnet acquired ISP license to operate in KSA

2007
stc acquired AwalNet for connectivity and MS capabilities

2011-15
Ventured into Cloud services play & invested in building cloud platforms

2018
Built app dev capabilities in Egypt and ventured into data & analytics

2021
IPO – solutions listed in the KSA stock market

Ventured into BPO & opened outsourcing office in Qassim

2023
solutions by stc acquisition of ccc (Leading BPO provider)

solutions by stc

Management Team

solutions leadership team are set to achieve corporate progression and business goals.

29y of experience, of which nearly +16 years in stc in various leadership roles in information **security, infrastructure & architecture, and IT**

CEO
Omer Abdullah Alnomany
~6 yrs. with solutions

19y of total experience in finance roles in solutions

CFO of the year (Public Sector), Nov 2021

Chief Financial Officer
Abdulrahman Hamad AlRubaia
~19 yrs. with solutions

22y of experience in IT Services solutions.

Worked with **Cisco and stc** in various related **IT roles** prior to joining solutions

Chief Business Outsourcing Officer
Thamir Mohammad Alhammad
~9 yrs. with solutions

13y of experience in multiple companies.

Before solutions, he worked with **Maaden, SPIMACO** and **National Housing Company**

Chief Strategy Officer
Maher Salem Althiyabi
~5 yrs. with solutions

14y of experience in **Human Resources**.

Prior to current role, he held the role of **GM Human Capital Management** in solutions

Chief People & Corporate Services Officer
Saleh Tareg AlGroony
~6 yrs. with solutions

29y of experience, of which last 8 years have been in a **GM position at stc Group**.

Prior to stc, he worked as **country manager in SBM** and executive in **Cisco**

Chief Technology Officer
Saleh Abdullah AlZahrani
~5 yrs. with solutions

31y of experience in large scale multi-industry projects and digital transformation engagements

Prior to current role, he held several senior positions in **Cisco and IBM**

Chief Partnerships & Synergies Officer
Hatem Abdulhalim Elkady
~6 yrs. with solutions

20y of experience, of which +15 years in stc in various roles in **Technology and Operations.**

Prior to current role, he held the role of **GM Operations in solutions**

Chief Governance Officer
Ahmed Naji Bajnaid
~4 yrs. with solutions

14y of experience in multiple companies.
serving in senior commercial roles across industries

Before solutions, he worked with **Oracle, Pearson** and **The Centennial Fund**

Chief Commercial Officer
Yousef Abdulrahman AlMarshad
~5 yrs. with solutions

21y of experience in multiple companies and government sector.

Previously he has served in organizations like **Tahakom, KSU** and **MCIT**

Chief Audit Officer
Rajeh Saad Albogamy
~3 yrs. with solutions

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Overview of Business Segments

solutions operates across three main business segments

Business line

Services

Share of Revenue

Core ICT Services

- System integration services
- Communication and Internet services

56%

IT Managed and Operational Services

- Managed services
- Business Process Outsourcing

28%
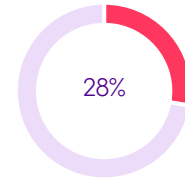
Digital Services

- Cloud services
- Digital services
- Cybersecurity Integration

16%

solutions by stc
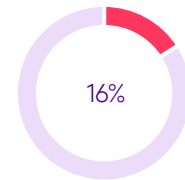
Product Portfolio Spans the Whole Value Chain

solutions' holistic product offering supports clients in their digital aspirations at each stage of the value chain

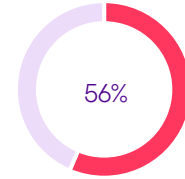| DESIGN & BUILD	RUN	CONNECT	ACCESS	DIGITIZE	SECURE
System Integration	Business Outsourcing & Managed Services	Connectivity Services	Cloud Services	Digital Solutions	Cybersecurity Integration

Offered by
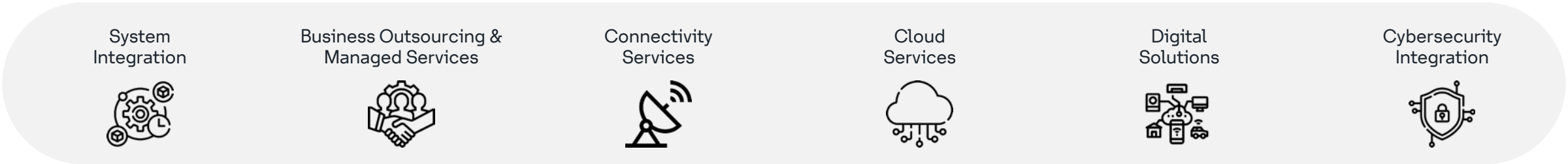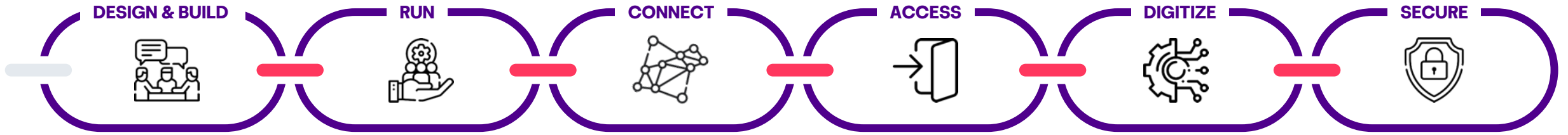
solutions by stc   CCC   Giza Systems   devoteam   Partnerships with other services providers

solutions by stc

Product Portfolio: Core ICT Services Segment

DESIGN & BUILD — RUN — CONNECT — ACCESS — DIGITIZE — SECURE
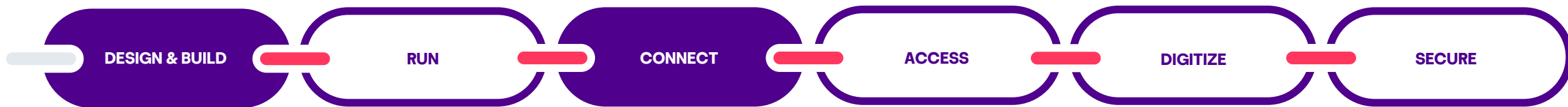
Business line

Description

Services

System integration services	The core business of solutions, with services spanning across the value chain, enabled through a strong local and global partner ecosystem	Network Integration Infrastructure Integration Application Integration IT Advisory Services

Communication and internet services	Serving high-end connectivity needs of enterprises within cities as well as remote locations	Dedicated, secured, and high-quality business internet VSAT (Very small aperture terminal) services

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Product Portfolio: IT Managed and Operational Services Segment

| DESIGN & BUILD | RUN | CONNECT | ACCESS | DIGITIZE | SECURE |
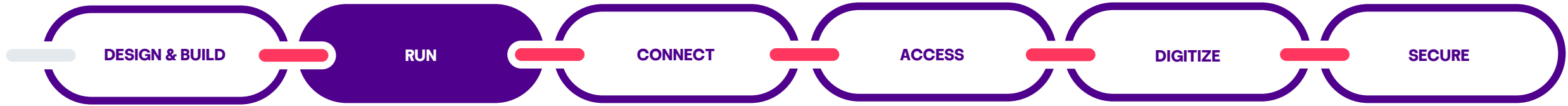
Business line

Description

Services

Managed services

Providing end-to-end management of IT infrastructure and networks

Managed Networks Services

Managed IT Infrastructure

Managed Connectivity

IT Service Management

Business Process Outsourcing (BPO)

Fully integrated, behind-the-scenes business process outsourcing

Finance and Accounting, HR Services, Maken Services, Maken HR, Training, Manpower, BPaaS and CLM offerings

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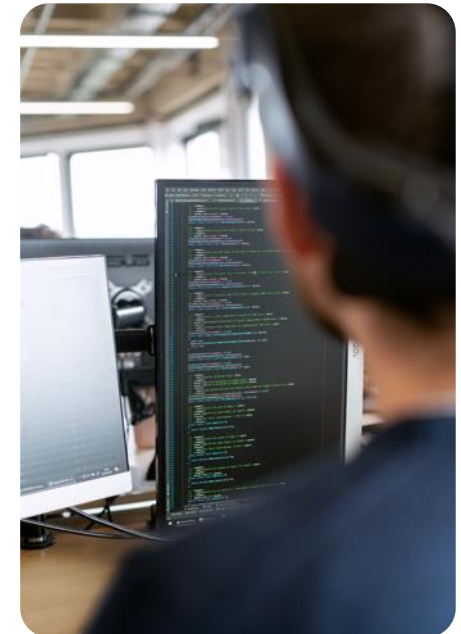
Product Portfolio: Digital Services Segment

DESIGN & BUILD	RUN	CONNECT	ACCESS	DIGITIZE	SECURE
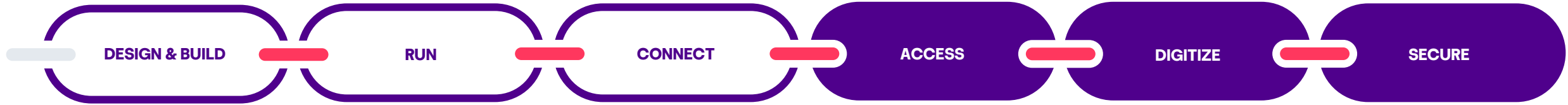
Business line

Description

Services

Cloud services

Full spectrum of data center & cloud services

Cloud Advisory & Assessment
Cloud Enablement & Migration
Cloud Networking & Security
Cloud App. Modernization
Cloud DR & Backup
Cloud Managed Services

Digital Services

Connect, monitor and analyze machines / devices for informed and effective decisions

Digital solutions
Data Analytics & AI
Operational technology

Cybersecurity Integration

Security services that cover all stages across the full IT value chain

Security Advisory Services
Security Professional Services

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Giza snapshot

Giza brings strong presence in Egypt and enhances solutions' one-stop-shop offering

Background

Established in 1974 as first national IT Company in Egypt.
Became #1 provider for OSS & BSS in Egypt in 2004.
Giza Arabia founded in 2006 to focus on the KSA market.

A leading systems integrator in the MEA region, designs and deploys industry-specific technology solutions for asset-intensive industries in over 25 countries.

Strong expertise in application integration, development and management.

Geographical Presence

Total: 1,517 FTEs

350 Customers

KSA
308 FTE
33% revenue

Egypt
1,146 FTE
63% revenue

WECA & Others
63 FTE
3% revenue
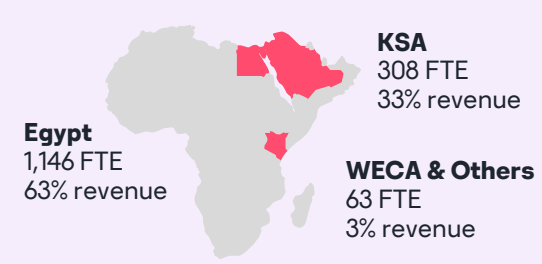
Cairo

Riyadh

Nairobi

- Giza's market share in Egypt is estimated at ~7% in 2021
- stc and SEC are Giza's two largest customers in KSA

Portfolio

System & Application Integration — System, application & infra integration and advisory services

Digital solutions — Industrial and physical security bespoke digital solutions

Application Development & Management — Custom application development, app mgmt. & SW deploy and support

Data Center & Cloud Services — Infrastructure/DC services, cloud advisory, migration & deployment

Giza revenue and gross profit margin

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
Revenue (SAR mn)	290	360	417	433	308
Gross Profit margin	24%	24%	15%	14%	18%

□ Revenue (SAR mn) ◆ Gross Profit margin

Giza Systems

solutions by stc
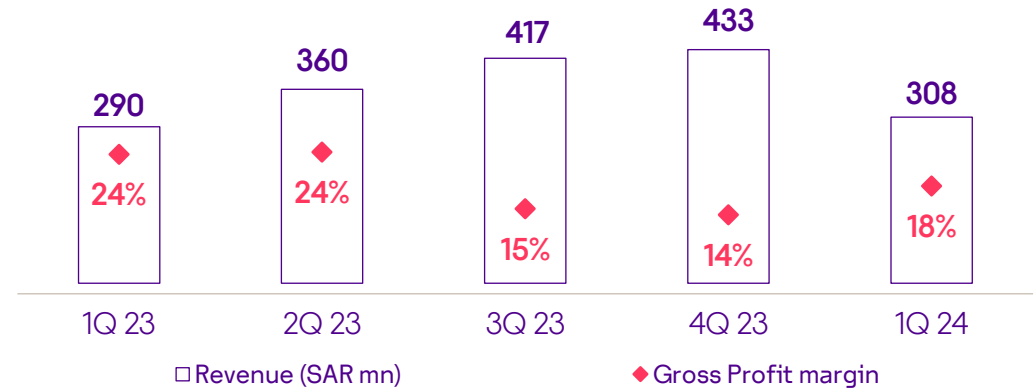
ccc snapshot

ccc reinforces solutions' ICT market leadership and expands its BPO offering

Background

Founded in 2011 as a JV between stc Group and the US-based global company STARTEK, a conglomerate CX mgmt. company

Biggest customer experience management provider in KSA handling over 35 mn annual interactions

Offerings mainly Customer Care BPO, staffing (MPO) for mostly large clients in KSA; nascent shared services, consulting, other specialized services

Presence & reach

5,823 FTEs

84% Saudization
35% female

25+ Clients

Madinah
Jeddah
Riyadh
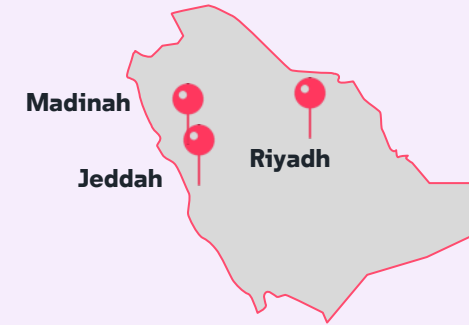
30mn+ calls answered

320k+ customers retained

8+ languages

Services Portfolio

Customer Lifecycle Management
- Customer care
- Telesales
- Social media management
- Retention & loyalty management

Digital Platforms
- Business intelligence
- Speech analytics
- Big data
- Cyber security
- Work from home
- Omni channel

HR Services
- Staff augmentation
- Recruitment
- Training
- On-boarding
- Payroll processing

Shared Services
- Finance
- Accounting
- Business process engineering

ccc revenue and gross profit margin

	2Q 23	3Q 23	4Q 23	1Q 24
Revenue (SAR mn)	180	191	253	293
Gross Profit margin	23%	25%	21%	12%

☐ Revenue (SAR mn) ◆ Gross Profit margin

ccc by stc   solutions by stc
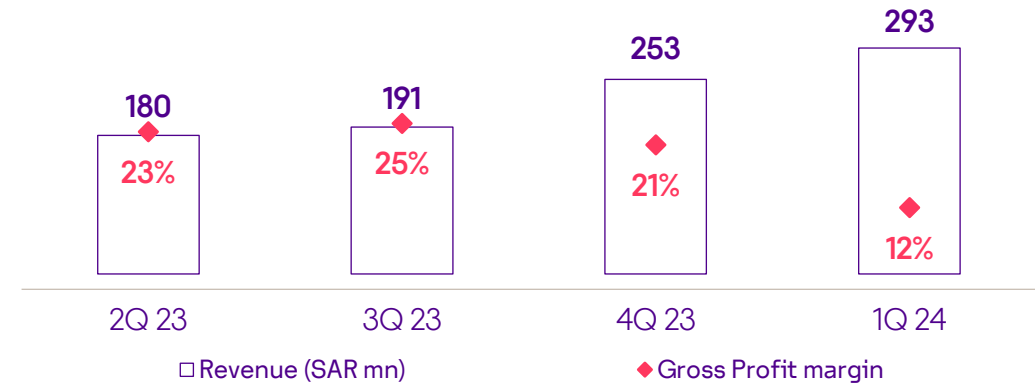
Devoteam snapshot

Devoteam brings synergies with solutions' core business and adds digital consulting and business transformation expertise

Background

A leading consulting firm focused on digital strategy and tech platforms, with 25 years of experience in its field.

A strong local and regional presence and extensive international experience in providing digital consulting and business transformation.

Offerings span digital products, intelligent data analytics, and business automation, in addition to enabling sustainability through digital transformation.

Presence & reach

620 FTEs

7 business partners

Offices

KSA

UAE

Jordan

Revenue

95%

5%

Services Portfolio

AI Services
- Insights and predictions
- Operational efficiency boost
- Building new business models
- Building optimal customer experience

Strategy and Transformation
- Business automation
- Distributed cloud
- Data-driven Intelligence
- Digital Business and Products

Trust and Cybersecurity Management
- Cyber Resilience
- Applied Security
- Managed Security Services

Data Insights
- Data Governance
- Data Products
- Advanced Analytics
- Data Processing
- Business Impact

Sectors and Partners

Key sectors

Government

Financial Services

Telco

Key business partners

Google   aws   Microsoft   servicenow   salesforce

devoteam   solutions by stc

Market Positioning

solutions currently has ~23% market share in the Saudi Arabian IT market

KSA Pure Play

Majority of solutions revenue is generated in Saudi Arabia
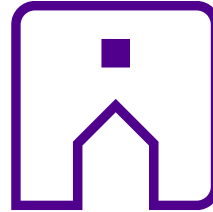
Public & Private Sector

44% of revenue generated from Government (Direct and Indirect), but increasing contribution from private sector

E2E solutions

solutions comprehensive portfolio offers a One-Stop-Shop approach covering the entire IT value chain

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Competitive Landscape

solutions is in an unrivalled position to maintain its leadership position in Saudi Arabia

solutions competitive positioning

+ solutions' key strengths:

- Access to customers
- Cross-selling
- Sharing brand equity
- Sharing best practices
- Opportunities as customers

+ International Competition

- International players are solutions' partners rather than competitors

+ Local Competition

- Fragmented local industry primarily focused on reselling hardware and software with minimal professional services
- Other telco operators represent limited threat as they underinvested in their infrastructure for years

High barriers to entry

+ +25 years track record

+ Regulatory compliance

+ Customer relationships

+ Local experience

+ Delivery capability (large & complex projects)

+ Market reputation

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Partnerships

Well-balanced partner ecosystem to diversify our offerings…

170 +

Partners including Cisco, Microsoft, Dell, VMWare, Huawei

2023 key partnerships

SingleStore	Nile Secure	Hikvision	Eaton	Uniphore
Data and Analytics	Managed Services	Physical Security	Platform Engineering	Collaboration

462

Local Suppliers Engaged

…with a strong recognition from our international partners

CISCO.
Service Provider Partner of the Year 2023

EMEA Service Provider of the Year

MEA Theatre Partner of the Year

HUAWEI
Excellent Global Sales Partner Award 2023 Customer Excellence Award 2023

DELLEMC
Dell Cloud & Services Partner of the Year 2022 by Mindware

Symantec
Best Contribution Award 2023

NetApp®
Enterprise Partner of the Year 2022

FUSION
Strategic Partner of the Year 2023

CLOUDERA
Partner of the Year 2023 for MEA and Turkey

FORTINET.
Partner of the Year 2023

vmware®
Transformation Partner of the Year 2023

Infoblox
Partner with Outstanding Foresight and Fantastic Vision

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As of YE 2023

Human Capital Analysis

solutions work towards elevating skill level and achieving diversified employee base

Employees Age

+51 years
4%

18-30
25%

1,777
Employees

31-50
71%

Employees Profile

Saudi , 67%
Female , 19%

1,777
Employees

As of FY 2023
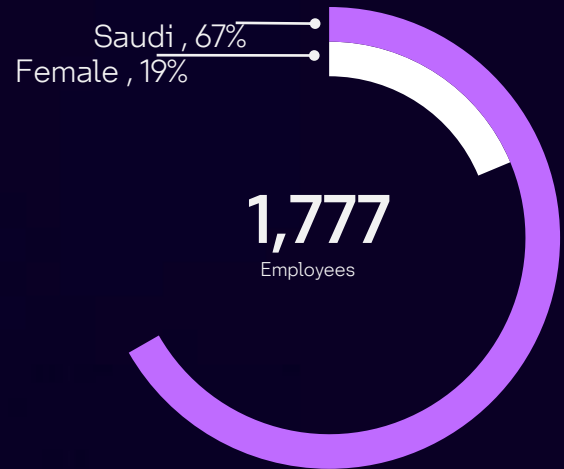
2 KSA's Macro-Economic Environment

Macro-Economic Environment

Robust economic outlook supportive for the ICT sector in the kingdom

Real GDP Growth (%)

- 2022: 8.70%
- 2023E: 0.03%
- 2024E: 4.40%
- 2025E: 5.70%
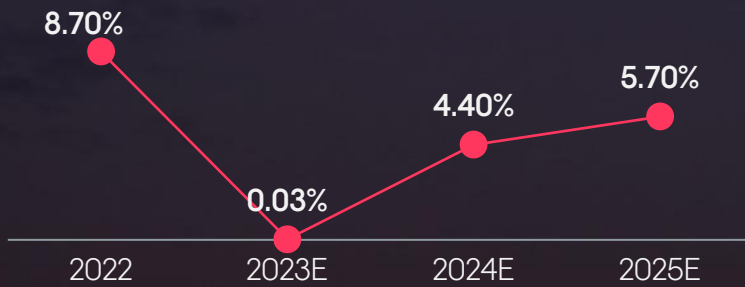
Brent Oil Price / Barrel (USD)

- 2022: 104
- 2023: 84
- 2024E: 81
- 2025E: 86
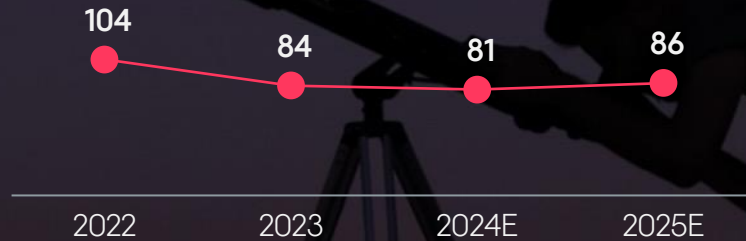
Government Expenditures % of GDP (%)

- 2022: 28.0%
- 2023E: 30.8%
- 2024E: 29.4%
- 2025E: 28.9%

KSA IT Growth (%)

- 2023E: 7.6%
- 2024E: 8.3%
- 2025E: 9.0%
- 2026E: 9.8%

Inflation Rate (%)

- 2022: 2.50%
- 2023E: 2.60%
- 2024E: 2.20%
- 2025E: 2.10%
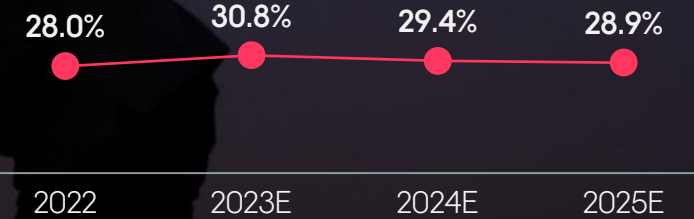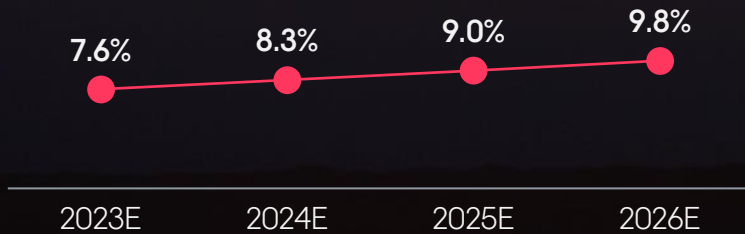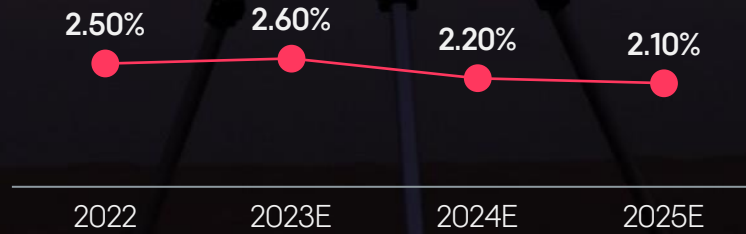
Saudi Unemployment Rate (%)

- 2022: 8.0%
- 2023E: 7.8%
- 2024E: 7.60%
- 2025E: 7.50%

Source: MOF, IDC, Jadwa
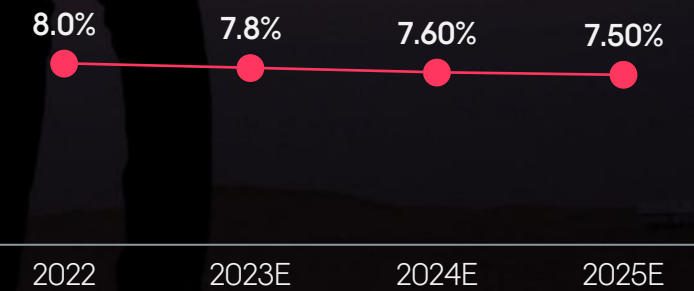
3 Investment Thesis
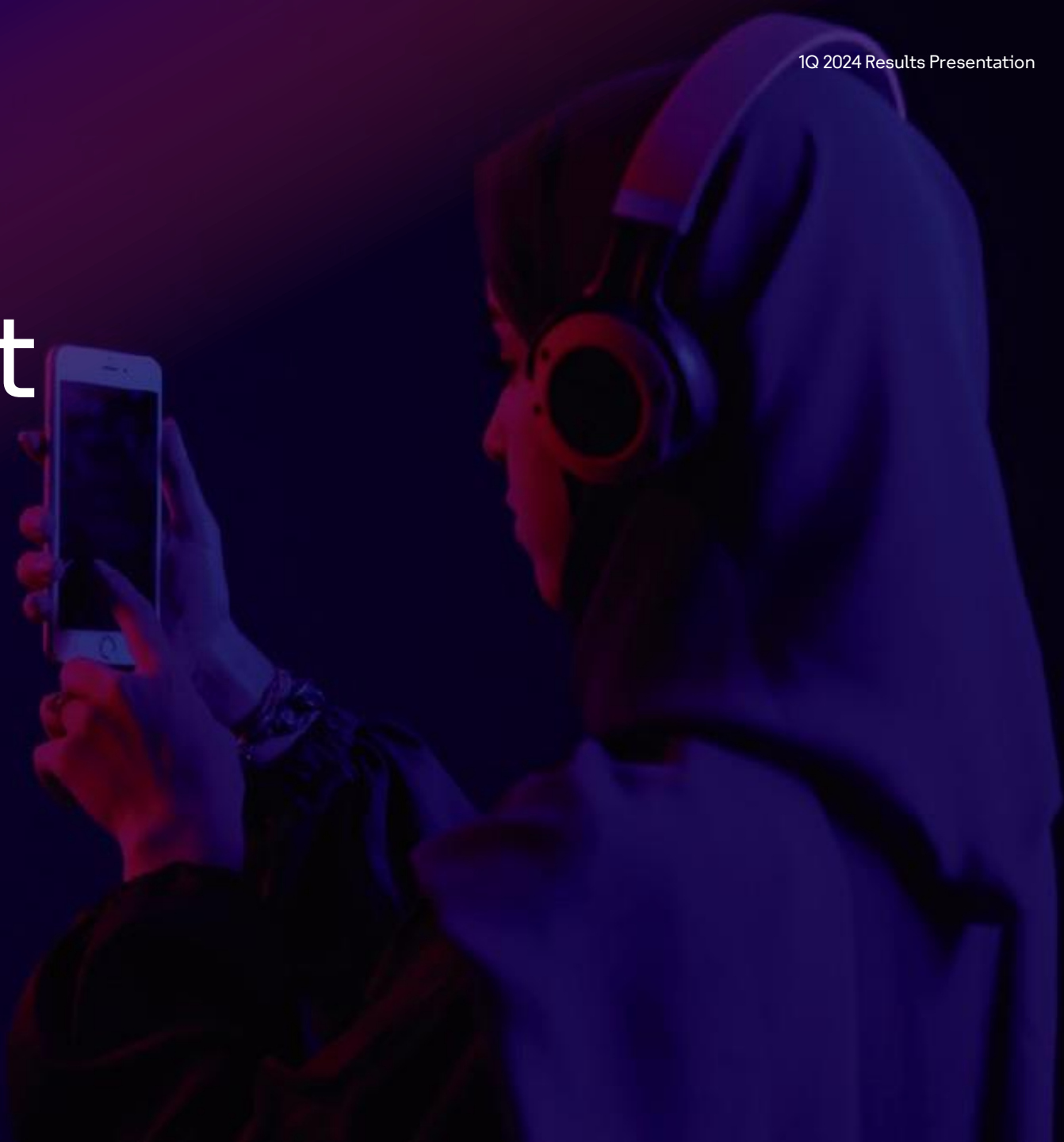
Investment Thesis Update

solutions is the **right stock** in the **right market** at the **right time**

Employer of Choice
67% Saudization
19% female
Low staff turnover

Strong Project Pipeline
Wining ratio of +50%
Signed a profit sharing contract with Remat Riyadh for 10 years.
Signed a contract with Aramco for a value that exceeds 5% of solutions' revenues.

Dividend
Proposed DPS of SAR 6.00 [60% payout ratio] for 2023
Vs. SAR 5.00 per share in 2022

Leading Market Position in KSA
Clear market leader with consolidation opportunities in the fragmented IT market with a market share of 22.7%
Local-Content score 33.8%

Strong FCF Generation
FCF generation SAR (1.3) bn in Q1 2024

stc Partnership
Unrivalled reach, scalability and synergies in the KSA ICT market

Robust Balance Sheet
Net cash position of SAR 1.1bn provides with a strong financial foundation

Asset-Light Business Model
CAPEX intensity ratio of 1.1% with ROIC of 34.3% in 1Q 2024

Proactive M&A Strategy
M&A is an important component of solutions growth strategy

Technological Partnerships
Access to innovative solutions and technologies to accelerate digital transformation
Completed the 40% acquisition in Devoteam ME

4 Strategy Highlights

LEAP 2.0 targets significant economic value creation in 2024-2026

The new strategy aims at augmenting the core business by emerging tech, innovation and efficiency gains

Growth
Drive growth through expansion and enhancements

+

Profitability
Sustain strong margins and returns through operational excellence

---

L

Lead through service excellence:

- **IT Professional services**
  Optimize and grow capabilities

- **IT Managed Services**
  Revamp capabilities and business model

- **Network capabilities**
  Protect and enrich network services

- **Multi-cloud services**
  Capture relevant opportunities

E

Empower business growth and diversification:

- **Emerging tech**
  Venturing into the next-gen digital landscape

- **Innovation program**
  Establish, institutionalize and scale

- **Partnerships and strategic alliances**
  Expand ecosystem

- **Geographical expansion**
  Capitalize on subsidiaries footprint

- **Business diversification**
  through new business models

A

Achieve excellence in customer engagements

- **CEX – Customer Success**
  Embrace customer success and revamp customer experience

- **New verticals**
  Focus high potential verticals through industry specific offerings

- **Sales strategy**
  Achieve excellence in commercial capabilities

P

Promote efficiencies and sustainability

- **OPEX optimization**
  Optimize internal capabilities, investments, and resource management

- **Subsidiaries OM & GTM**
  Maximize group synergies through operating model and clear GTM

- **Sustainability**
  Adopt best in class sustainability practices

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Positioned for success in the PPP market

Aligned with the shifting market dynamics solutions is positioned to capture opportunities

Shifting Market Dynamics

Privatization aspirations under Vision 2030
Trend of government increasing shift from client-supplier relationship to PPP and revenue share models – potential impact on growth of government ICT spending

Fragmented market in traditional business model
Increasing competitiveness in the traditional business models for ICT services – int'l players; public bidding on Etimad; price sensitivity in the private sector

Local technology providers exploring PPP opportunities
Market players are pursuing opportunities in PPP through consortiums and partnerships to capture value

solutions Strategic Aspirations

Additional Revenue Streams
Revenue diversification for long-term growth & business resilience

Enhanced Financial Profile
Increased contribution of recurring revenue

Strengthen market positioning
Extend solutions success with key clients to cover their emerging requirements for PPP partners

PPP supporting the Aspirations

PPP model goes beyond the clients' traditional procurement process **adding significantly to the financials** of the participating entities

PPP model is based on **recurring revenue** stream strengthening financial position of the organization

Long-term PPP engagements add **positively** to solutions **equity story** – leading to a better market sentiment

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In the MENA region, the market for IT services is ripe for consolidation

MENA's IT market is dynamic and fragmented - perfect ingredients for strong M&A activity going forward

01

Strengthening existing portfolio and sectors of activity

Vertical integration to improve depth of offering

Giza Systems

02

Expanding into new segments and new geographies

Horizontal expansion to widen offering and geographic footprint

CCC by stc   **devoteam**

03

Partnerships to enter disruptive technologies

Capturing opportunities in growing industries

nile

MENA is following in the footsteps of ICT M&A activity globally

solutions' M&A strategy is built on three pillars with the aim to scale, widen the offering, and remain the industry leader
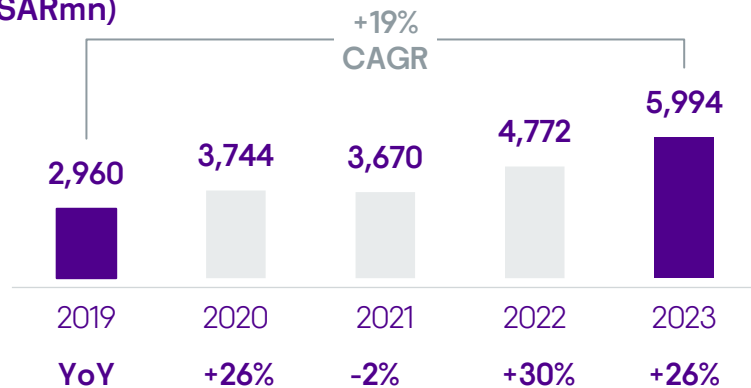
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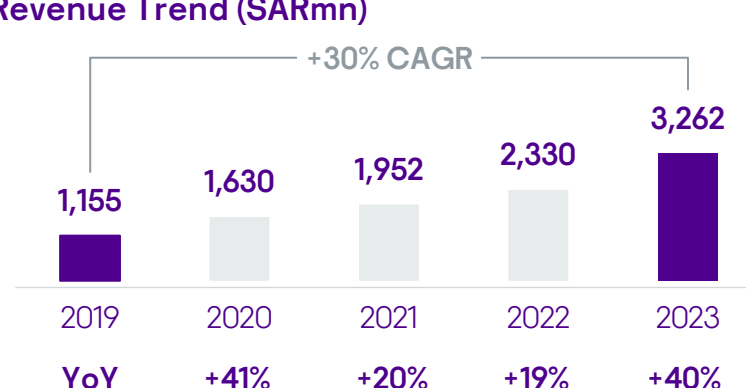
5 Historical financial performance

Historical financial performance

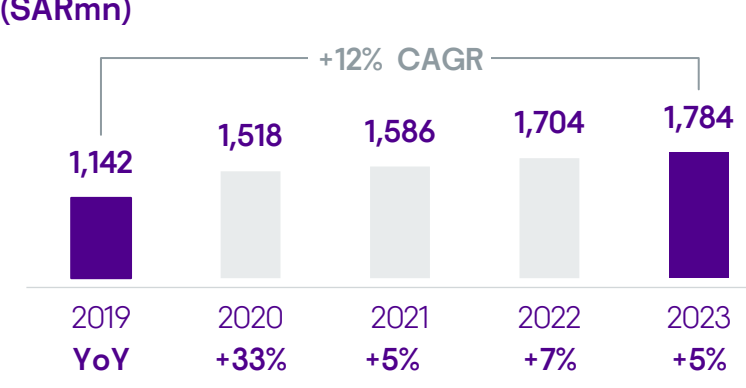Expansion across all business segments and channels during the last five years…
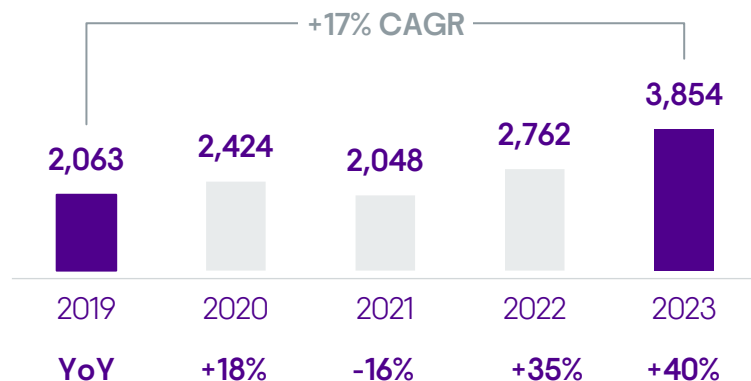
Core ICT Services Revenue Trend (SARmn)

+19% CAGR

	2019	2020	2021	2022	2023
	2,960	3,744	3,670	4,772	5,994
YoY		+26%	-2%	+30%	+26%

IT Managed & Operational Services Revenue Trend (SARmn)

+30% CAGR

	2019	2020	2021	2022	2023
	1,155	1,630	1,952	2,330	3,262
YoY		+41%	+20%	+19%	+40%

Digital Services Revenue Trend (SARmn)

+12% CAGR

	2019	2020	2021	2022	2023
	1,142	1,518	1,586	1,704	1,784
YoY		+33%	+5%	+7%	+5%

Revenue from stc (SARmn)

+17% CAGR

	2019	2020	2021	2022	2023
	2,063	2,424	2,048	2,762	3,854
YoY		+18%	-16%	+35%	+40%

Revenue from Private Sector (SARmn)

+34% CAGR

	2019	2020	2021	2022	2023
	722	993	1,107	1,594	2,352
YoY		+37%	+11%	+44%	+48%
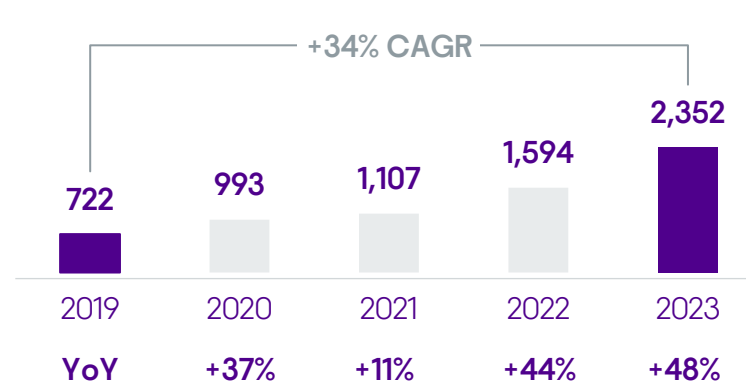
Revenue from Government (SARmn)

+18% CAGR

	2019	2020	2021	2022	2023
	2,472	3,474	4,054	4,449	4,835
YoY		+41%	+17%	+10%	+9%

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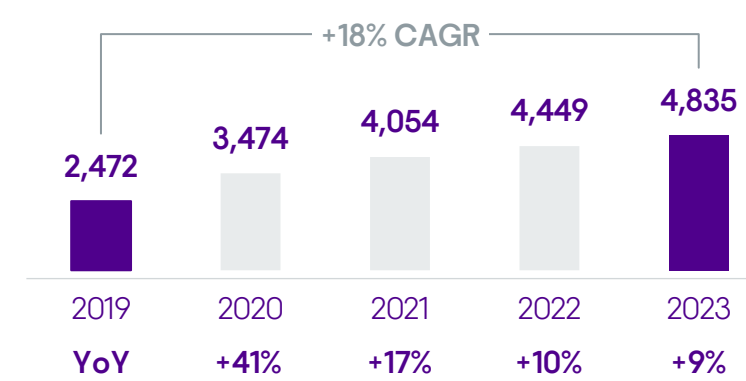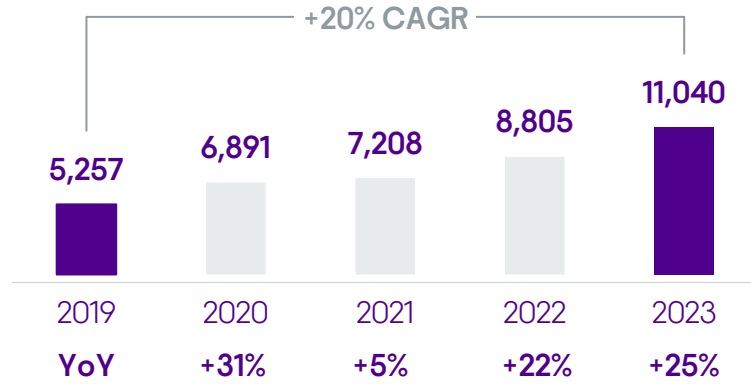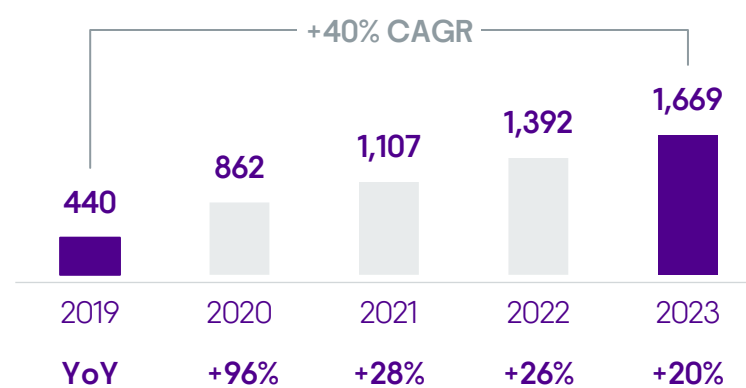
Historical financial performance

...resulted in consistent growth and solid profitability

Revenue Trend (SARmn)

+20% CAGR

	2019	2020	2021	2022	2023
	5,257	6,891	7,208	8,805	11,040
YoY		+31%	+5%	+22%	+25%

EBITDA Trend (SARmn)

+40% CAGR

	2019	2020	2021	2022	2023
	440	862	1,107	1,392	1,669
YoY		+96%	+28%	+26%	+20%

Net Profit Trend (SARmn)

+32% CAGR

	2019	2020	2021	2022	2023
	394	702	833	1,054	1,195
YoY		+78%	+19%	+27%	+13%

Gross Profit Margin (%)

2019	2020	2021	2022	2023
16.1%	20.6%	23.7%	22.8%	23.5%

EBITDA Margin (%)

2019	2020	2021	2022	2023
8.4%	12.5%	15.4%	15.8%	15.1%

Net Profit Margin (%)

2019	2020	2021	2022	2023
7.5%	10.2%	11.6%	12.0%	10.8%

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by stc
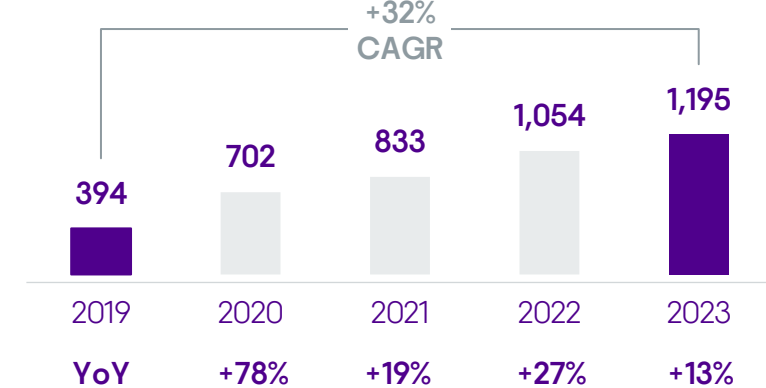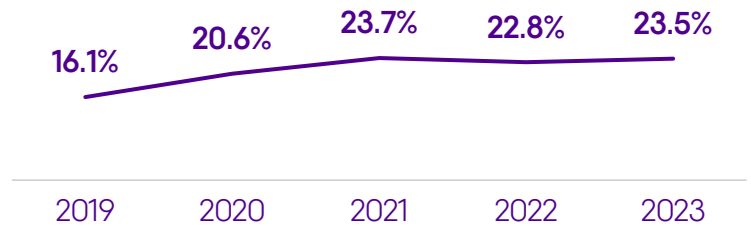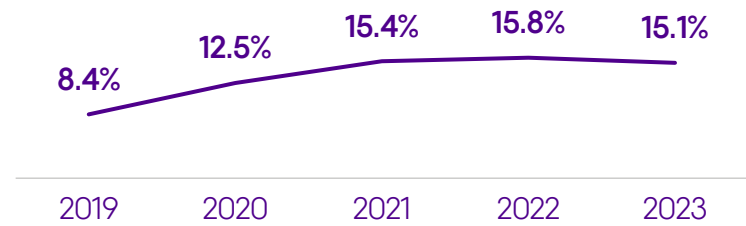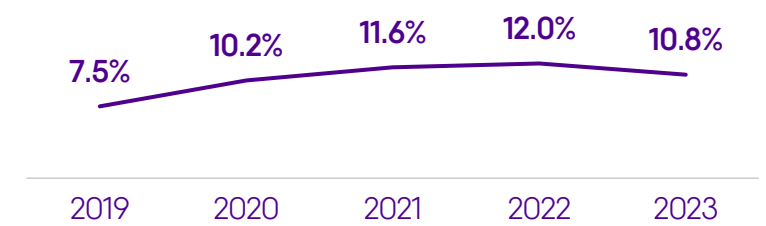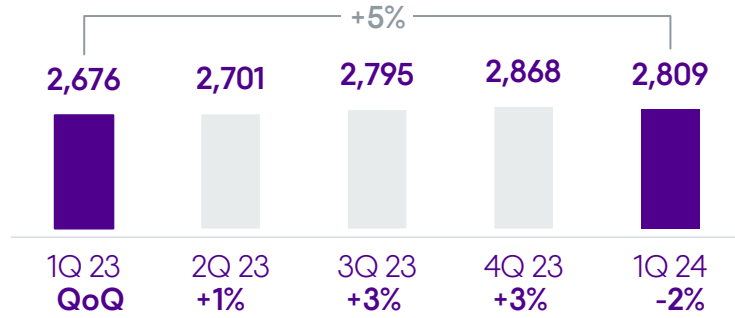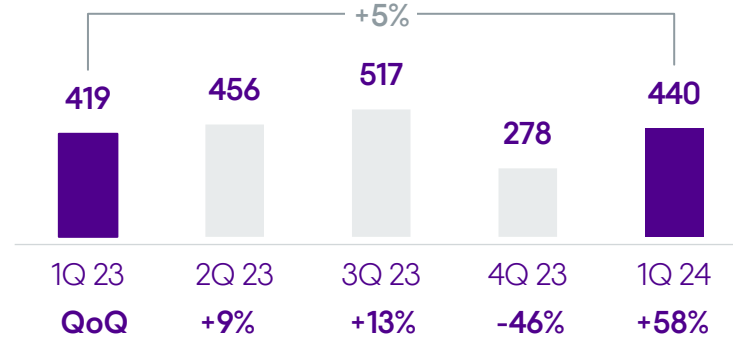
Quarterly financial performance

Margins showed a QoQ recovery in 1Q 2024 supported by a more balanced mix of projects

Revenue Trend (SARmn)
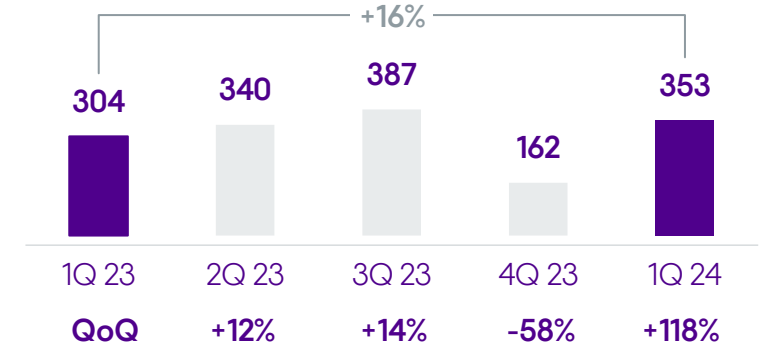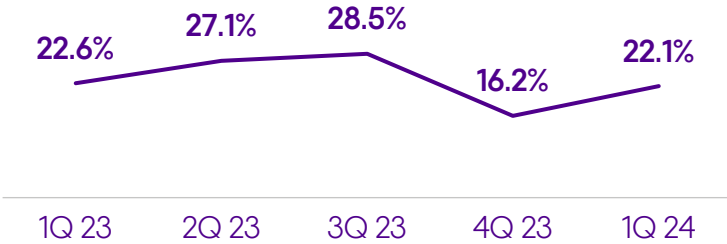
+5%

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
	2,676	2,701	2,795	2,868	2,809
QoQ	QoQ	+1%	+3%	+3%	-2%

EBITDA Trend (SARmn)

+5%

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
	419	456	517	278	440
QoQ	QoQ	+9%	+13%	-46%	+58%

Net Profit Trend (SARmn)

+16%

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
	304	340	387	162	353
QoQ	QoQ	+12%	+14%	-58%	+118%

Gross Profit Margin (%)

1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
22.6%	27.1%	28.5%	16.2%	22.1%

EBITDA Margin (%)

1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
15.6%	16.9%	18.5%	9.7%	15.7%

Net Profit Margin (%)

1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
11.4%	12.6%	13.8%	5.6%	12.6%

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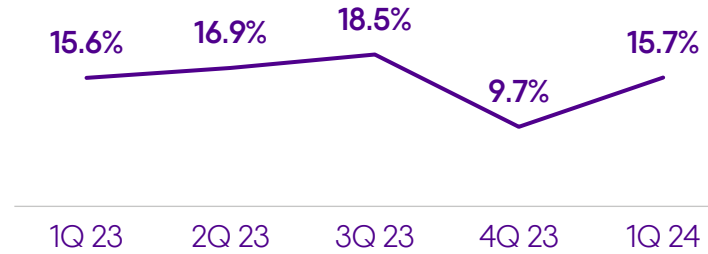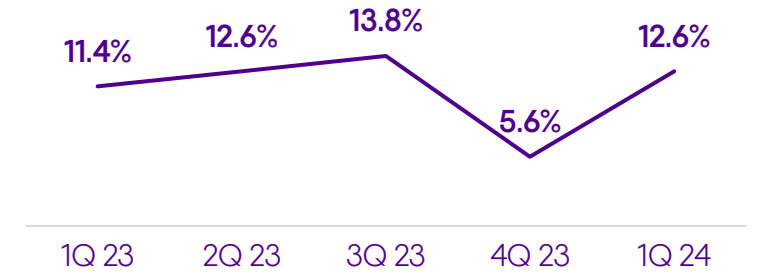
6 Appendix

Outlook and Guidance for 2024

Outlook and Guidance

solutions maintains its 2024 guidance

	2024 Outlook
Oil Price	$80-$90 / bbl
KSA GDP Growth	4.4%
KSA Fiscal Budget	SAR 79 bn deficit
KSA IT Growth	2024: 8% 2023-2027 CAGR: 9%
KSA IT Spending % of GDP	1.2%

	1Q 2024 results	FY 2024 Guidance
Revenue Growth	5%	8% - 11%
EBITDA Margin	15.7%	13% - 15%
Capex Intensity	1.1%	1.0% - 1.5%

Source: EIA, IMF, MOF, IDC, internal Company research

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Awards

Awards, recognition, and certifications

People

HRSE | KSA
HR SUMMIT & EXPO

Best Employee Wellbeing
Strategy in KSA 2023

HRSE | KSA
HR SUMMIT & EXPO

Best Employee
Engagement Programme
in KSA 2023

HRSE | KSA
HR SUMMIT & EXPO

Best Recruitment and
Onboarding Strategy in
KSA 2023

HRSE | KSA
HR SUMMIT & EXPO

HR's Rising Star of the Year
in the Middle East 2023

HRSE | KSA
HR SUMMIT & EXPO

Best Employee
Engagement Programme
in the Middle East 2023

Technology

Project Management
Institute. Kingdom of
Saudi Arabia

Project Excellence
Award

Project Management
Institute. Kingdom of
Saudi Arabia

Female Leader of
the Year

IPMA

Global Project
Excellence Award
- Gold winner (IT /
Telecommunications)

IPMA

Global Project
Excellence Award -
Silver winner (Change
Management / Product
Development / Marketing)

IPMA

Global Project
Excellence Award - Bronze
winner (Construction /
Engineering / Infrastructure)

IPMA

Agile Leader of
the Year

Finance

CAPITAL MARKETS & ESG FINANCE
AWARDS
6th February 2024 | Fairmont Hotel

M&A Deal of the Year

middle east
investor relations
association

2023 Best Annual
Report - Digital Category
Third place mid-cap
companies

Internal
Audit

The Institute of
Internal Auditors

achieved a high score of 4.5/5 maturity level placing
us within the top internal audit functions globally
against the Internal Audit Ambition Model

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Investor relations – solutions by stc

Thank You

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