

# Investor Presentation



# Agenda

- 1 Overview of solutions by stc
- 2 KSA's Macroeconomic Environment
- 3 Investment Thesis
- 4 Strategy Highlights
- 5 Sustainability Journey
- 6 Historical Financial Performance
- 7 Appendix

1

# 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

## 1H 2024 financials

**4%**

Revenue growth YoY  
to SAR 5.58bn

**16.3%**

EBITDA margin

**25%**

Net income growth  
YoY to SAR 806mn

## People

**1,777**

Talented employees

**66%**

Saudization

**19%**

Female staff

## Partnerships

**170+**

Partners in solutions  
ecosystem

**462**

Local Suppliers  
Engaged

**70%**

Procurement  
spending on local  
suppliers

# Geographical presence



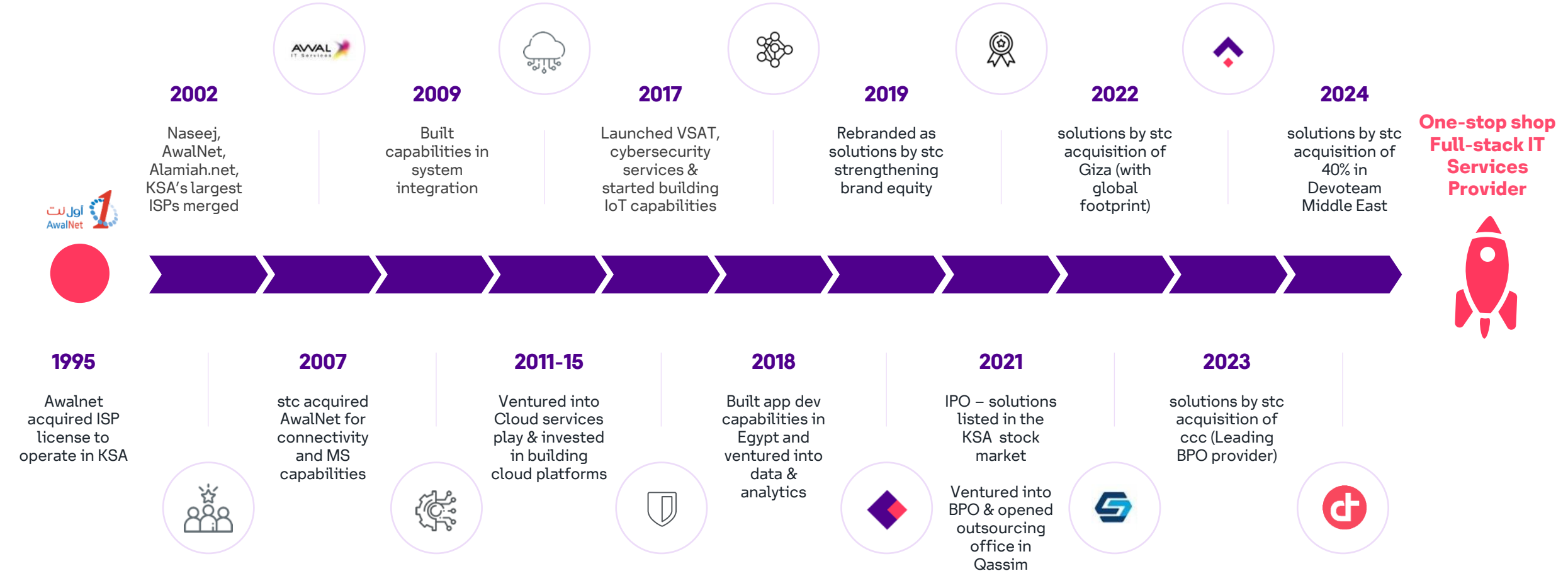
## Strong local presence and global reach

- 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













# solutions by stc evolution

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



# Management Team

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

<p>~<b>31 yrs.</b> of experience, of which nearly +17 years in stc in various leadership roles in information <b>security, infrastructure &amp; architecture, and IT</b></p>	<p>~ <b>21 yrs.</b> of total experience in finance roles in solutions</p> <p><b>CFO of the year</b> (Public Sector), Nov 2021</p>	<p>~ <b>24 yrs.</b> of experience in IT Services solutions.</p> <p>Worked with <b>Cisco and stc</b> in various related <b>IT roles</b> prior to joining solutions</p>	<p>~ <b>13 yrs.</b> of experience in multiple companies including Maaden, SPIMACO</p> <p>Prior to current role, he held the role of <b>GM Corporate Finance and M&amp;A</b> in solutions</p>	<p>~ <b>16 yrs.</b> of experience in <b>Human Resources.</b></p> <p>Prior to current role, he held the role of <b>Vice President of Business Excellence</b> in solutions</p>
<p><b>CEO</b> Omer Abdullah Alnomany</p> 	<p><b>Chief Financial Officer</b> Abdulrahman Hamad AlRubaia</p> 	<p><b>Chief Business Diversification Officer</b> Thamir Mohammed Alhammad</p> 	<p><b>Chief Strategy Officer</b> Maher Salem Althiyabi</p> 	<p><b>Chief People &amp; Corporate Services Officer</b> Saleh Tariq AlGroony</p> 
<p>~ <b>31 yrs.</b> of experience, of which last 9 years have been in a <b>GM position at stc Group.</b></p> <p>Prior to stc, he worked as <b>country manager in SBM</b> and executive in <b>Cisco</b></p>	<p>~ <b>33 yrs.</b> of experience in large scale multi-industry projects and digital transformation engagements</p> <p>Prior to current role, he held several senior positions in <b>Cisco and IBM</b></p>	<p>~ <b>22 yrs.</b> of experience, of which +16 years in stc in various roles in <b>Technology and Operations.</b></p> <p>Prior to current role, he held the role of <b>Vice President of Operations &amp; Managed Services</b> in solutions</p>	<p>~ <b>16 yrs.</b> of experience in multiple companies. serving in senior commercial roles across industries</p> <p>Before solutions, he worked with <b>Oracle, Pearson</b> and <b>The Centennial Fund</b></p>	<p>~ <b>23 yrs.</b> of experience in multiple companies and government sector.</p> <p>Previously he has served in organizations like <b>Tahakom, KSU</b> and <b>MCIT</b></p>
<p><b>Chief Technology Officer</b> Saleh Abdullah AlZahrani</p> 	<p><b>Chief Partnerships &amp; Synergies Officer</b> Hatem Abdulhalim Elkady</p> 	<p><b>Chief Governance Officer</b> Ahmed Naji Bajnaid</p> 	<p><b>Chief Commercial Officer</b> Yousef Abdulrahman AlMarshad</p> 	<p><b>Chief Audit Officer</b> Rajeh Saad Albogamy</p> 


# Overview of Business Segments

solutions operates across three main business segments

## Business line

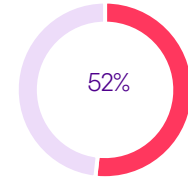
## Services

## Share of Revenue, 1H 2024



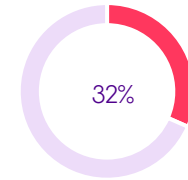
**Core ICT Services**

- System integration services
- Communication and Internet services



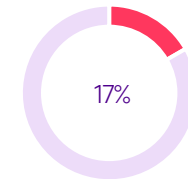
**IT Managed and Operational Services**

- Managed services
- Business Process Outsourcing



**Digital Services**

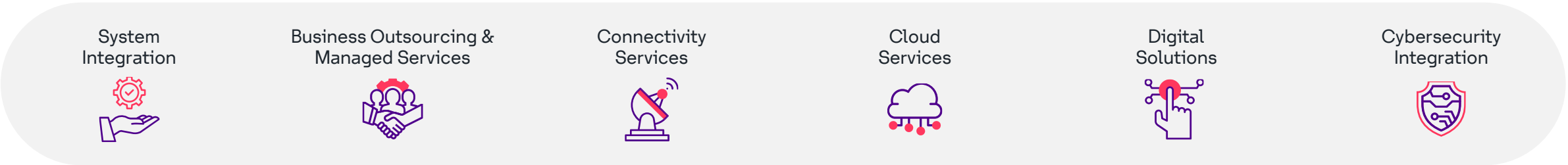
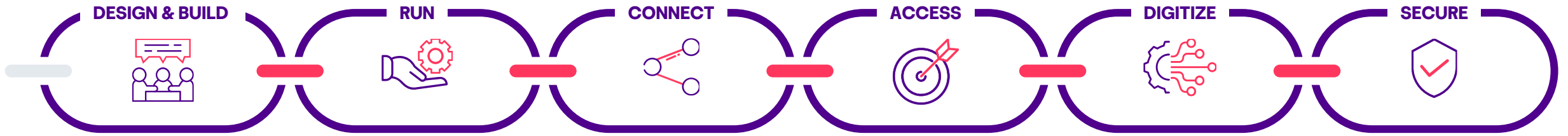
- Cloud services
- Digital services
- Cybersecurity Integration





# Product Portfolio Spans the Whole Value Chain

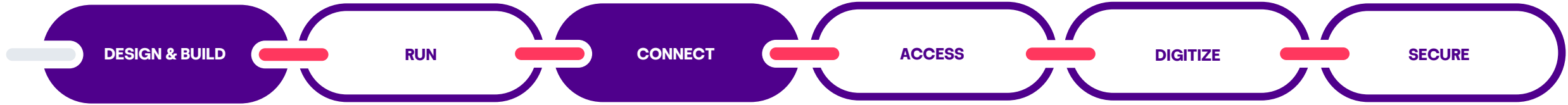
solutions helps its clients in their IT and digital aspirations throughout the value chain



Offered by



# Product Portfolio: Core ICT Services Segment



## 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



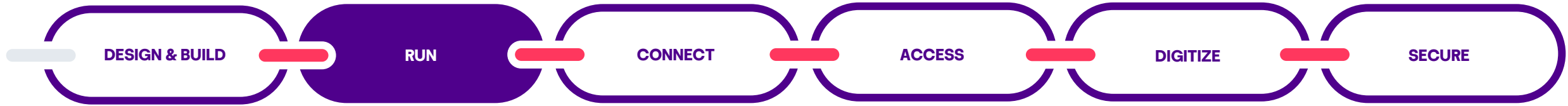
**Communication and internet services**

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



# Product Portfolio: IT Managed and Operational Services Segment



## Business line

## Description

## Services



**Managed services**

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

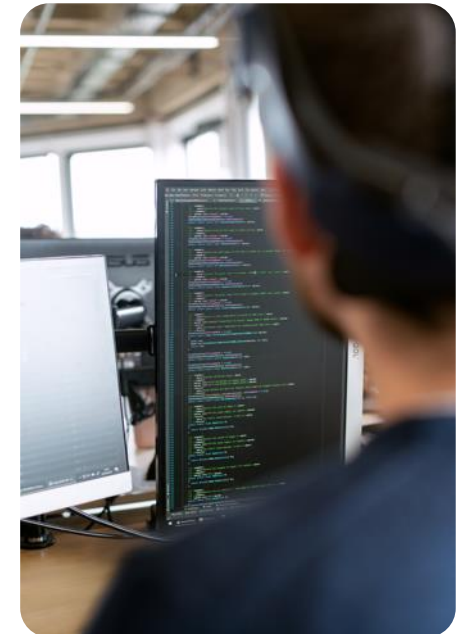
Managed Networks Services  
Managed IT Infrastructure  
Managed Connectivity  
IT Service Management



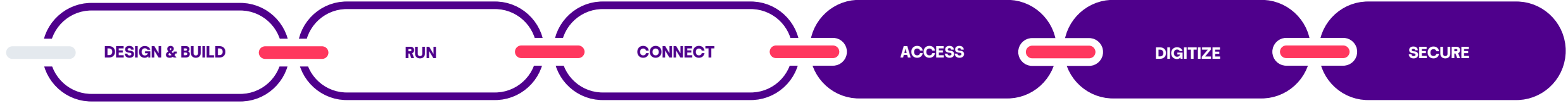
**Business Process Outsourcing (BPO)**

Fully integrated, behind-the-scenes business process outsourcing

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









# Product Portfolio: Digital Services Segment



## Business line

## Description

## Services

 <b>Cloud services</b>	<p>Full spectrum of data center &amp; cloud services</p>	<p>Cloud Advisory &amp; Assessment    Cloud App. Modernization                      Cloud Enablement &amp; Migration    Cloud DR &amp; Backup                      Cloud Networking &amp; Security    Cloud Managed Services</p>	
 <b>Digital Services</b>	<p>Connect, monitor and analyze machines / devices for informed and effective decisions</p>	<p>Digital solutions                      Data Analytics &amp; AI</p> <p>Operational technology</p>	
 <b>Cybersecurity Integration</b>	<p>Security services that cover all stages across the full IT value chain</p>	<p>Security Advisory Services    Security Professional Services</p>	

# 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.

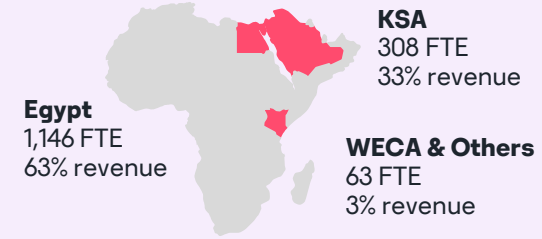


Strong expertise in application integration, development and management.

## Geographical Presence

**Total:**  
1,517 FTEs

**350**  
Customers



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

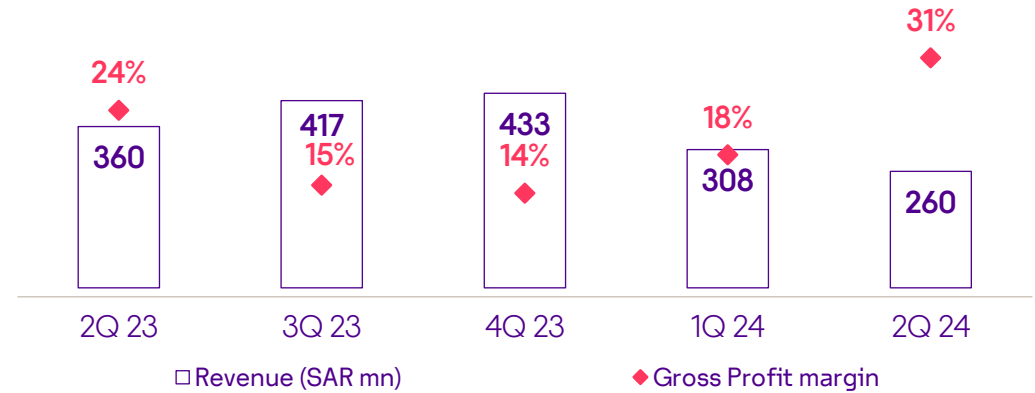
**Application Development & Management**

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



# 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



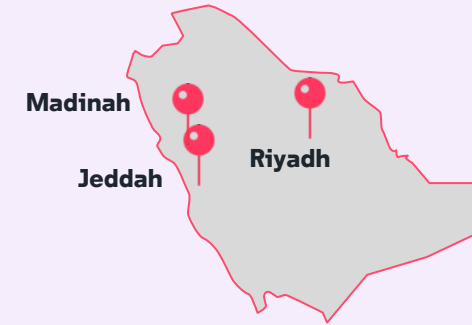
Offerings mainly Customer Care BPO, staffing (MPO) for mostly large clients in KSA; nascent shared services, consulting, other specialized services

## Presence & reach

5,823 FTEs

84% Saudization  
35% female

25+ Clients



30mn+ calls answered

320k+ customers retained

8+ languages

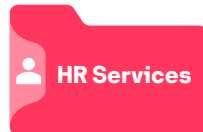
## Services Portfolio



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



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

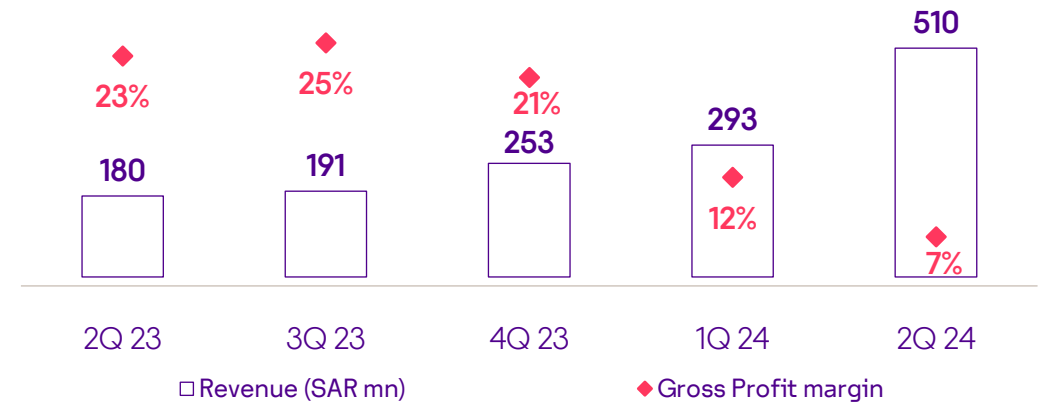


- Staff augmentation
- Recruitment
- Training
- On-boarding
- Payroll processing



- Finance
- Accounting
- Business process engineering

## ccc revenue and gross profit margin



# 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.



Devoteam was consolidated in 2Q 2024 and its share of the consolidated net profit amounted to SAR 2.9mn in 2Q 2024.

## 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



servicenow



devoteam



solutions  
by stc

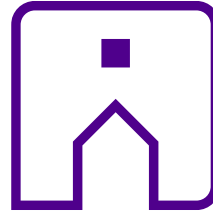
# Market Positioning

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



# 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

# 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



Service Provider Partner  
of the Year 2023

EMEA Service  
Provider of the Year

MEA Theatre Partner  
of the Year



Excellent Global Sales  
Partner Award 2023  
Customer Excellence  
Award 2023



Partner of the Year 2023  
for MEA and Turkey



Dell Cloud & Services  
Partner of the Year 2022 by  
Mindware



Partner of the Year 2023



Best Contribution  
Award 2023



Transformation Partner of  
the Year 2023



Enterprise Partner of the  
Year 2022



Partner with Outstanding  
Foresight and Fantastic  
Vision



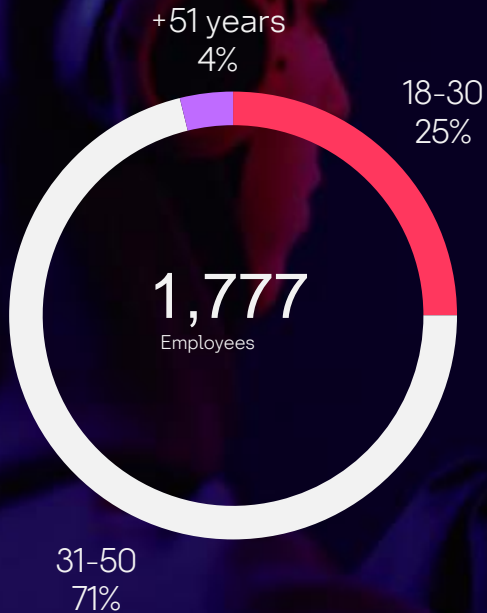
Strategic Partner of the  
Year 2023



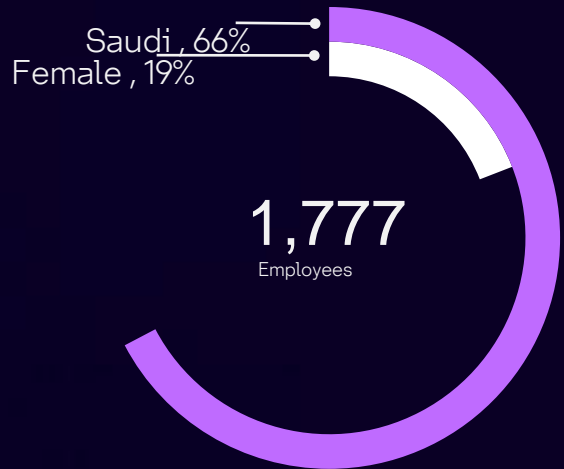
# Human Capital Analysis

solutions work towards elevating skill level and achieving diversified employee base

## Employees Age



## Employees Profile



2

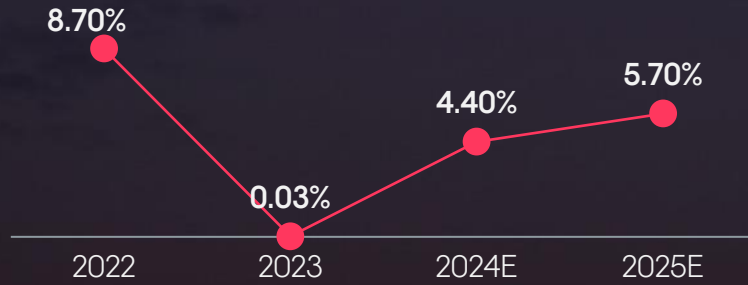
# KSA's Macro-Economic Environment



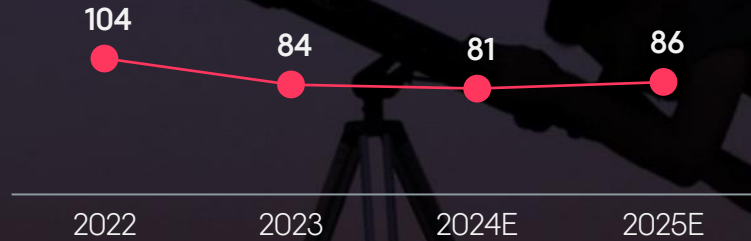
# Macro-Economic Environment

Robust economic outlook supportive for the ICT sector in the kingdom

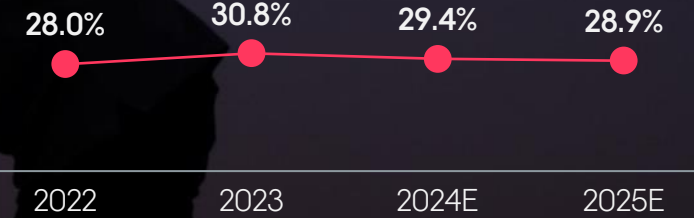
### Real GDP Growth (%)



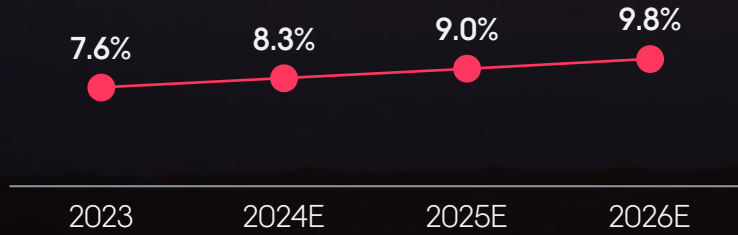
### Brent Oil Price / Barrel (USD)



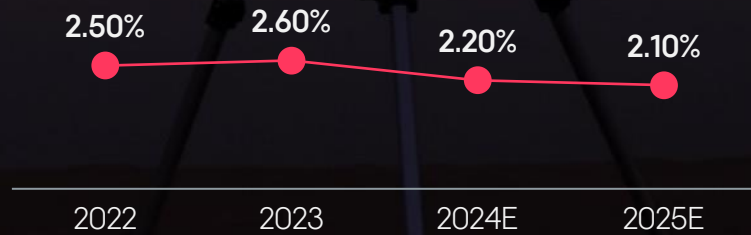
### Government Expenditures % of GDP (%)



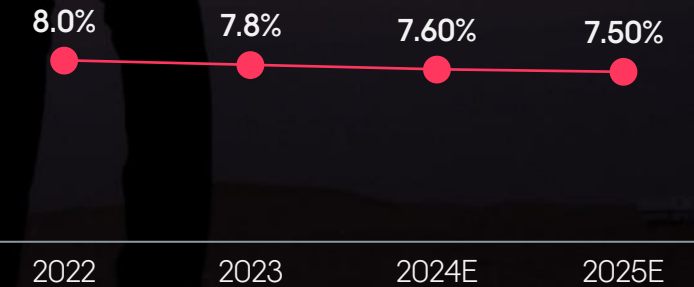
### KSA IT Growth (%)



### Inflation Rate (%)



### Saudi Unemployment Rate (%)

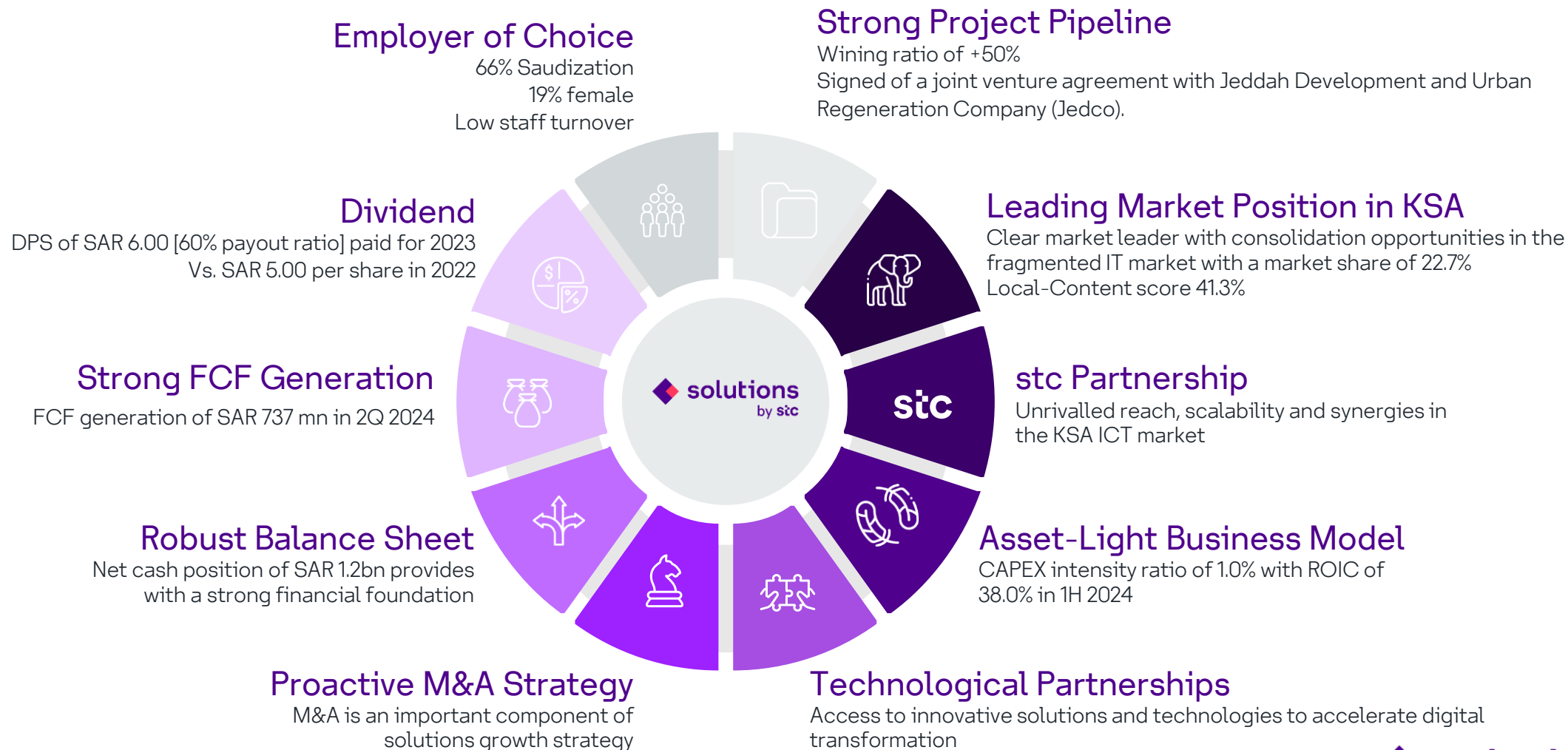


# 3 Investment Thesis



# Investment Thesis Update

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



A man with a beard and a young boy are looking at a screen. The man is pointing at the screen. The scene is lit with red and blue light.

# 4 Strategy Highlights





# solution's Strategy



# 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



**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

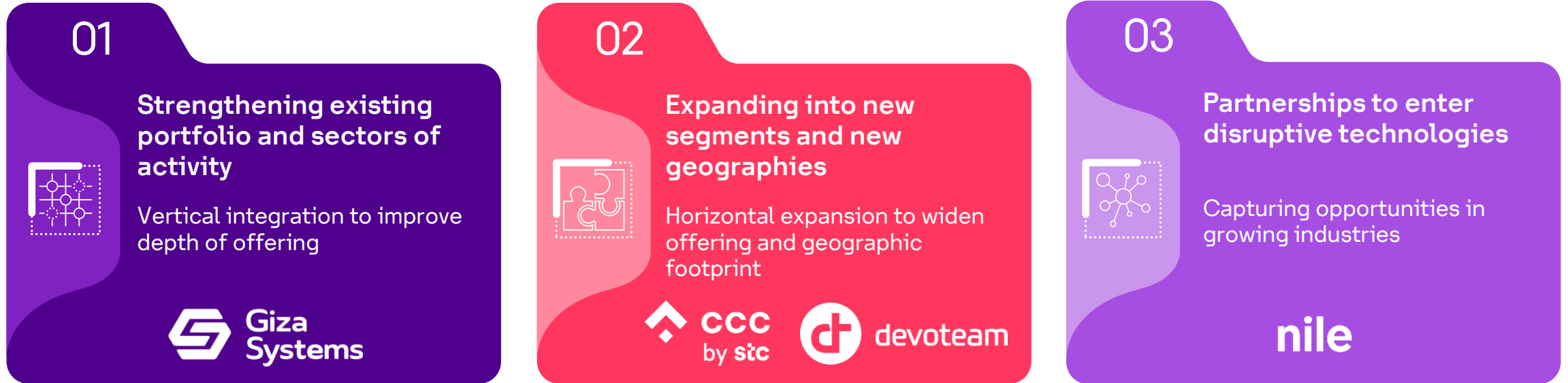
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# M&A Strategy



# 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



## 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

# 5 Sustainability Journey





# In 2023, solutions Embarked on its Sustainability Journey

The GROW strategy framework focuses on operational excellence, market competitiveness, and innovation, ensuring that sustainability is at the core of our growth

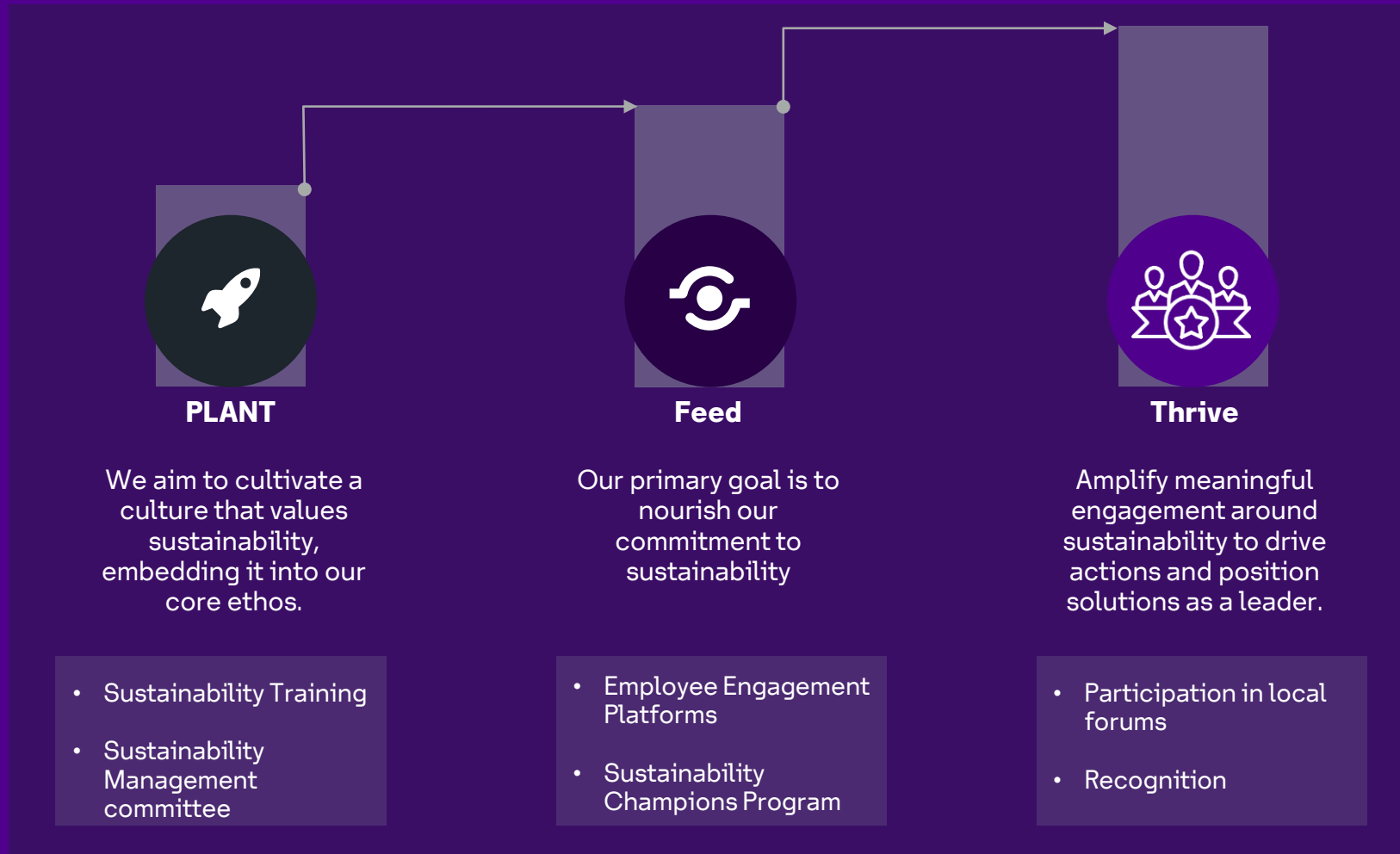
ESG Vision		Drive KSA's Digital Transformation and Empower People through Sustainable Technologies			
	<b>G</b> Greening by Sustainable Technologies and Processes	<b>R</b> Revitalizing Workforce Relations and Digital Social Empowerment	<b>O</b> Optimizing Governance for Ethical Excellence	<b>W</b> Widening Impactful Partnerships and Sustainable Procurement	
Operations (Inward) Impact	<ul style="list-style-type: none"> <li>Commit to <b>net-zero</b> emissions and <b>circular economy</b>, reduce operational impact on GHG, energy and water</li> </ul>	<ul style="list-style-type: none"> <li>Empower a diverse, driven, and high-performing workforce.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve operational efficiency through robust <b>governance and transparency</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Drive <b>culture</b> change, and <b>sustainable procurement</b> through authentic leadership.</li> </ul>	
Services (Outward) Impact	<ul style="list-style-type: none"> <li><b>Diversify and innovate</b> within green cloud markets, and <b>digital solutions</b> for sustainability excellence</li> </ul>	<ul style="list-style-type: none"> <li>Enable <b>social empowerment</b> through digital technology.</li> </ul>	<ul style="list-style-type: none"> <li>Establish governance standards to enable and <b>enhance innovative service development</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Secure <b>partnerships</b> to drive <b>sustainable technology</b> and transformation.</li> </ul>	



Our dedication is reflected in our strategic alignment with both national and international frameworks such as Saudi Vision 2030, Saudi Green initiative, and the UN Sustainable Development Goals (SDGs)

# Sustainability as a Part of Our Culture

We aim to ensure that every employee understands and contributes to our sustainability goals through the Plant, Feed, and Thrive framework



# A Meaningful Positive Impact for All Stakeholders

solutions' GROW strategy framework and cultural and sustainability initiatives to benefit employees, community, customers, partners and the Kingdom

## Greening by Sustainable Technologies and Processes

- ★ **18% Reduction in GHG Emission** vs. 2022
- ★ **4% Reduction in Electricity Consumption** vs. 2022
- ★ **100% Reduction in Paper-Based Documents**
- ★ **Air Quality Monitoring Project** for MEWA

## Revitalizing Workforce Relations and Digital Social Empowerment

- ★ **12% Increase in Female Workforce Participation**
- ★ **100,312 Training Hours** to upskill our workforce
- ★ **260 Volunteer Hours** in community service projects
- ★ Engaged over **220 youth participants** in training programs.
- ★ Contributed and Participated in (ICSDI 2024) in partnership with PSU

## Optimizing Governance for Ethical Excellence

- ★ Best **Corporate Governance Award** governance practices
- ★ **Zero Security Breaches** achieved
- ★ **100% of Cybersecurity frameworks, policies and standards** fully aligned
- ★ Published **9 positioning statements**

## Widening Impactful Partnerships and Sustainable Procurement

- ★ **7% of suppliers evaluated for ESG criteria**
- ★ **70% of budget** spent on local suppliers
- ★ **Partnered** with SingleStore, GENESYS, and Tatweer Educational Technologies (TETCO) to drive digital and sustainable practices
- ★ **UNGC** membership and commitment



2023  
Sustainability  
report

**SUSTAINALYTICS**

25.1  
Medium Risk

**MSCI**

**B**

**solutions**  
by stc



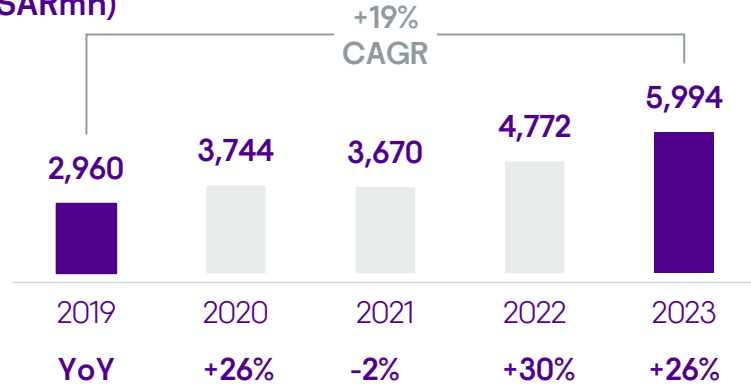
A person is shown in profile, wearing large headphones and holding a smartphone. The image is overlaid with a blue and red color scheme. The text '6 Historical financial performance' is displayed in white, with the number '6' in red.

# 6 Historical financial performance

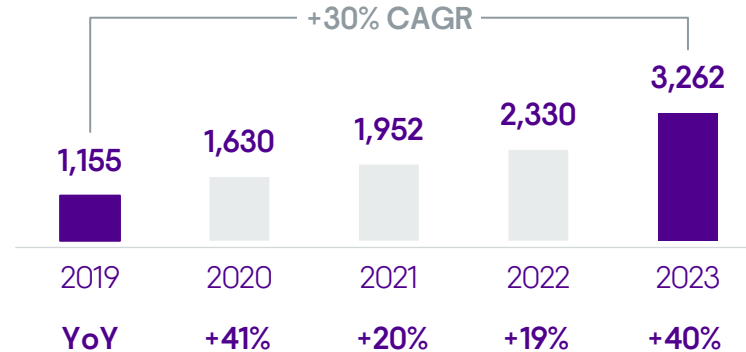
# Historical financial performance

Expansion across all business segments and channels during the last five years...

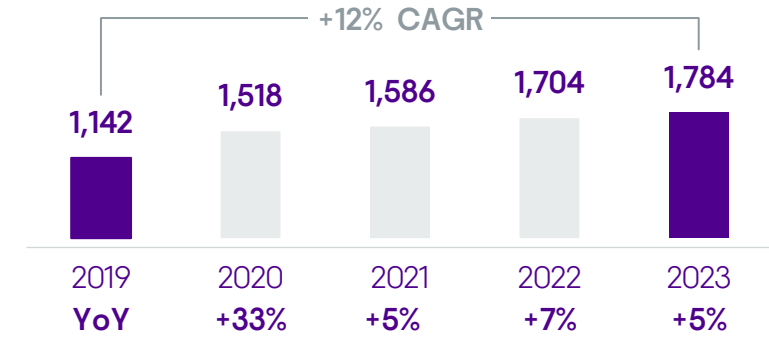
**Core ICT Services Revenue Trend (SARmn)**



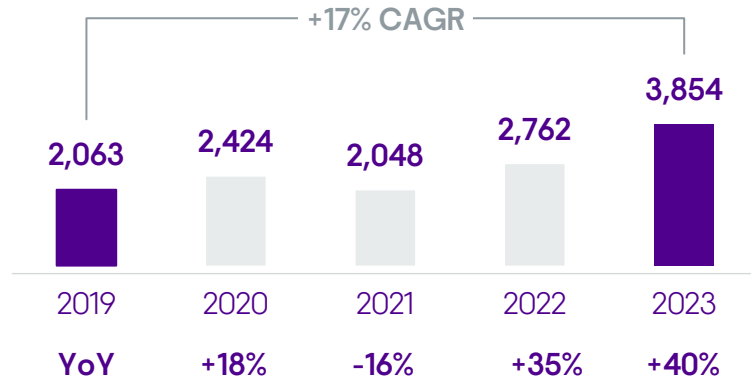
**IT Managed & Operational Services Revenue Trend (SARmn)**



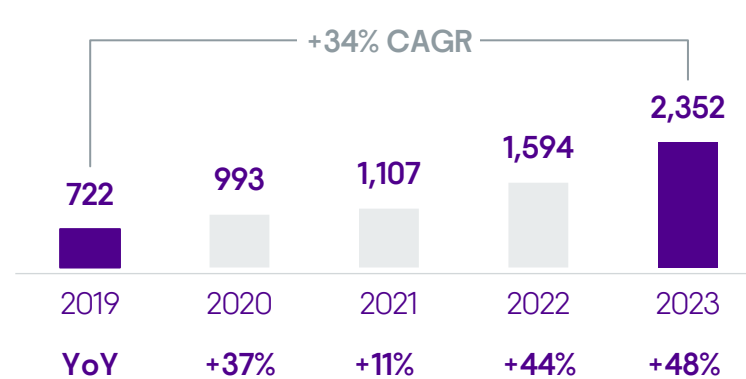
**Digital Services Revenue Trend (SARmn)**



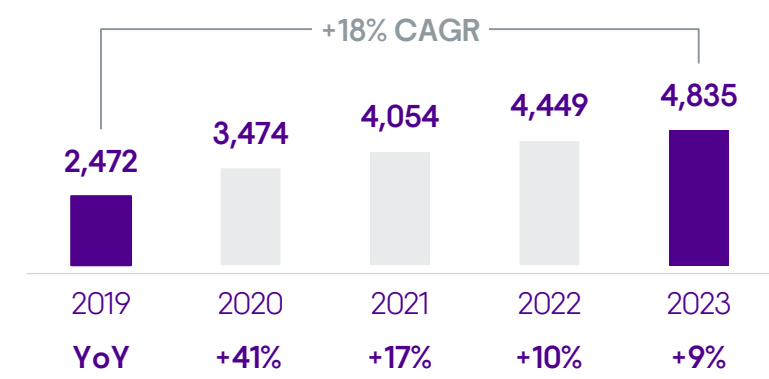
**Revenue from stc (SARmn)**



**Revenue from Private Sector (SARmn)**



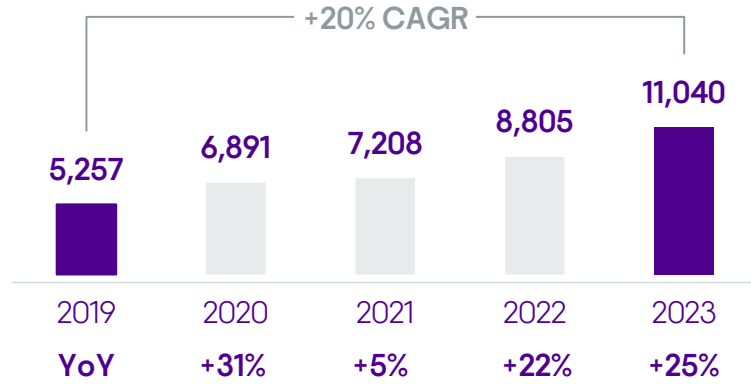
**Revenue from Government (SARmn)**



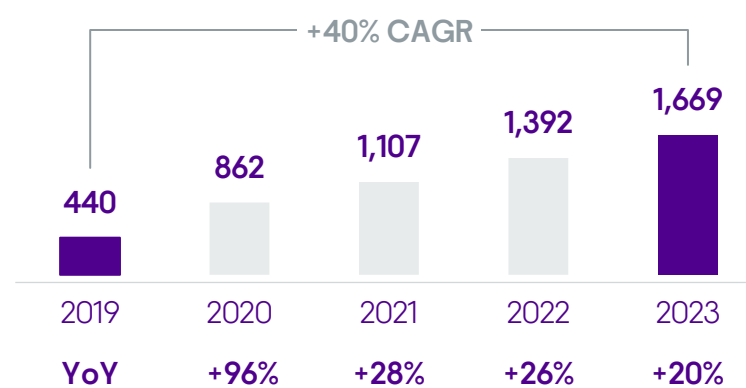
# Historical financial performance

...resulted in consistent growth and solid profitability

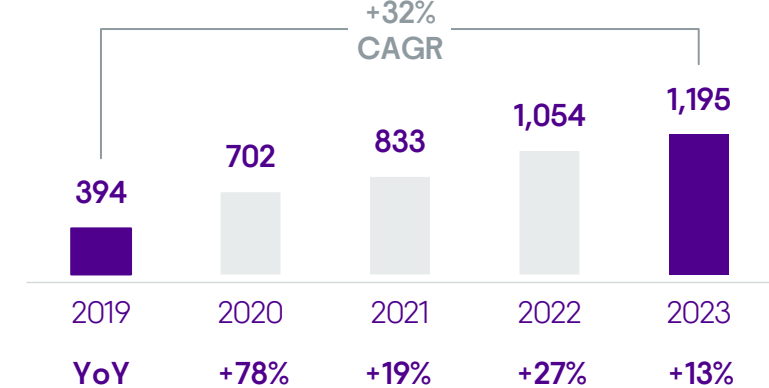
### Revenue Trend (SARmn)



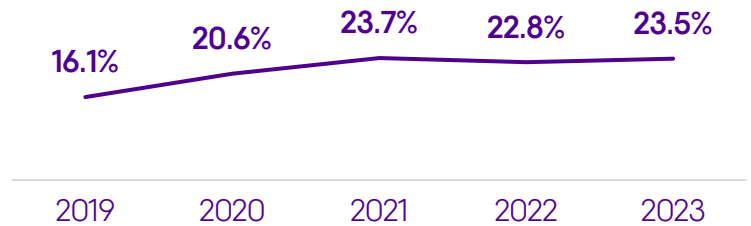
### EBITDA Trend (SARmn)



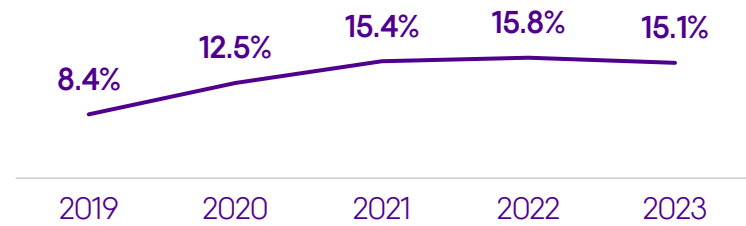
### Net Profit Trend (SARmn)



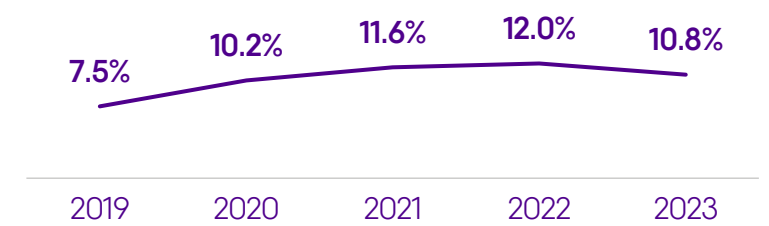
### Gross Profit Margin (%)



### EBITDA Margin (%)



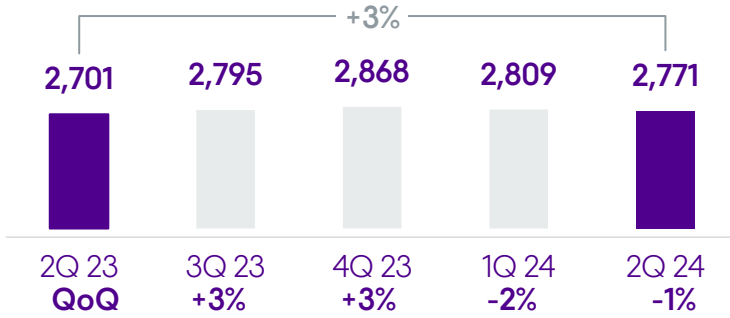
### Net Profit Margin (%)



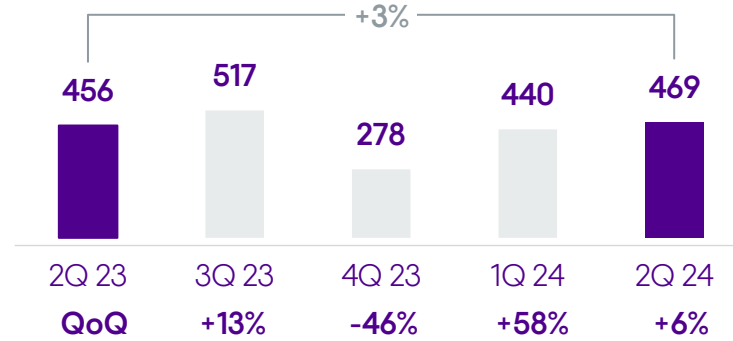
# Quarterly financial performance

Margins showed a QoQ recovery in 2Q 2024 supported by a more favorable projects mix

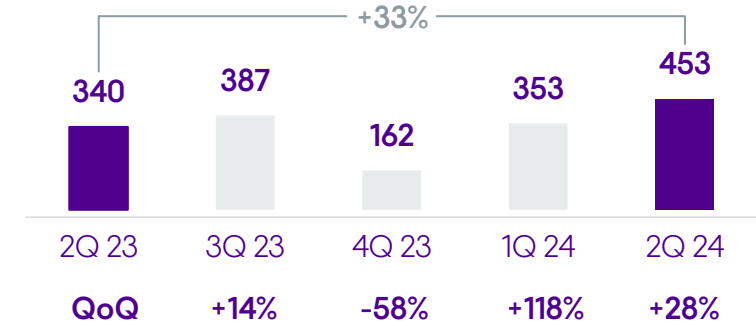
### Revenue Trend (SARmn)



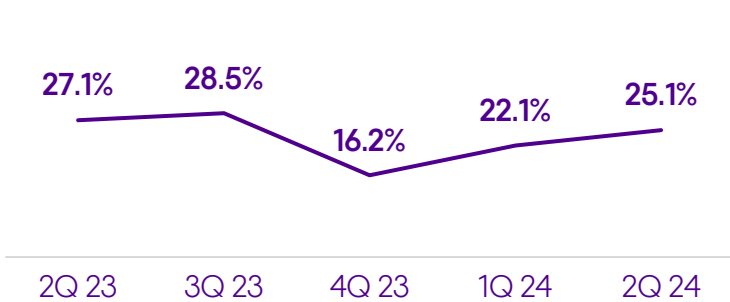
### EBITDA Trend (SARmn)



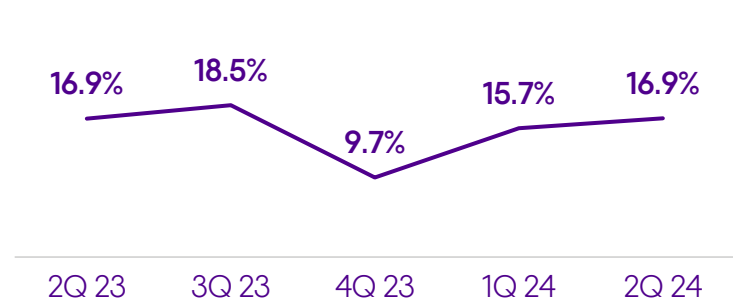
### Net Profit Trend (SARmn)



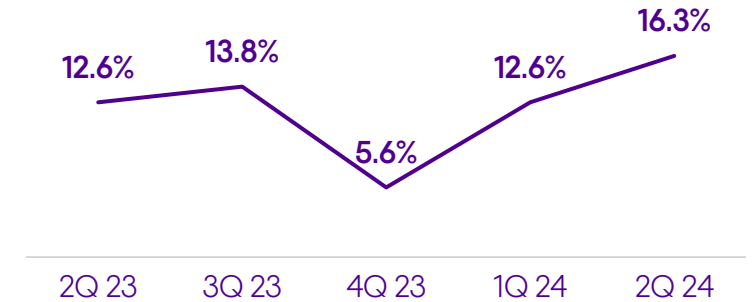
### Gross Profit Margin (%)



### EBITDA Margin (%)



### Net Profit Margin (%)



# 7 Appendix





# Outlook and Guidance for 2024

# Outlook and Guidance

solutions maintains its 2024 guidance

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

	1H 2024 results	FY 2024 Guidance
<b>Revenue Growth</b>	4%	8% - 11%
<b>EBITDA Margin</b>	16.3%	13% - 15%
<b>Capex Intensity</b>	1.0%	1.0% - 1.5%

# *b* Awards



# Awards

## Awards, recognition, and certifications

### People



Best Employee Wellbeing Strategy in KSA 2023



Best Employee Engagement Programme in KSA 2023



Best Recruitment and Onboarding Strategy in KSA 2023



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



Best Employee Engagement Programme in the Middle East 2023

### Technology



Project Excellence Award



Female Leader of the Year



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



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



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



Agile Leader of the Year

### Finance



M&A Deal of the Year



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

### Internal Audit



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

# C IR Contact

# IR Contact Details

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# Thank You!