

# FY 2024

## Investor Presentation



# Agenda

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

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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

**22.7%**

IT Services  
market share in KSA

**25+**

Years of experience  
in IT sector

## FY 2024 financials

**9%**

Revenue growth YoY  
to SAR 12.06bn

**16.1%**

EBITDA margin

**34%**

Net income growth  
YoY to SAR 1.60bn

## People

**1,464**

Talented employees

**64%**

Saudization

**19%**

Female staff

## Partnerships

**171+**

Partners in solutions  
ecosystem

**467**

Local Suppliers  
Engaged

**77%**

Procurement  
spending on local  
suppliers

# Geographical presence



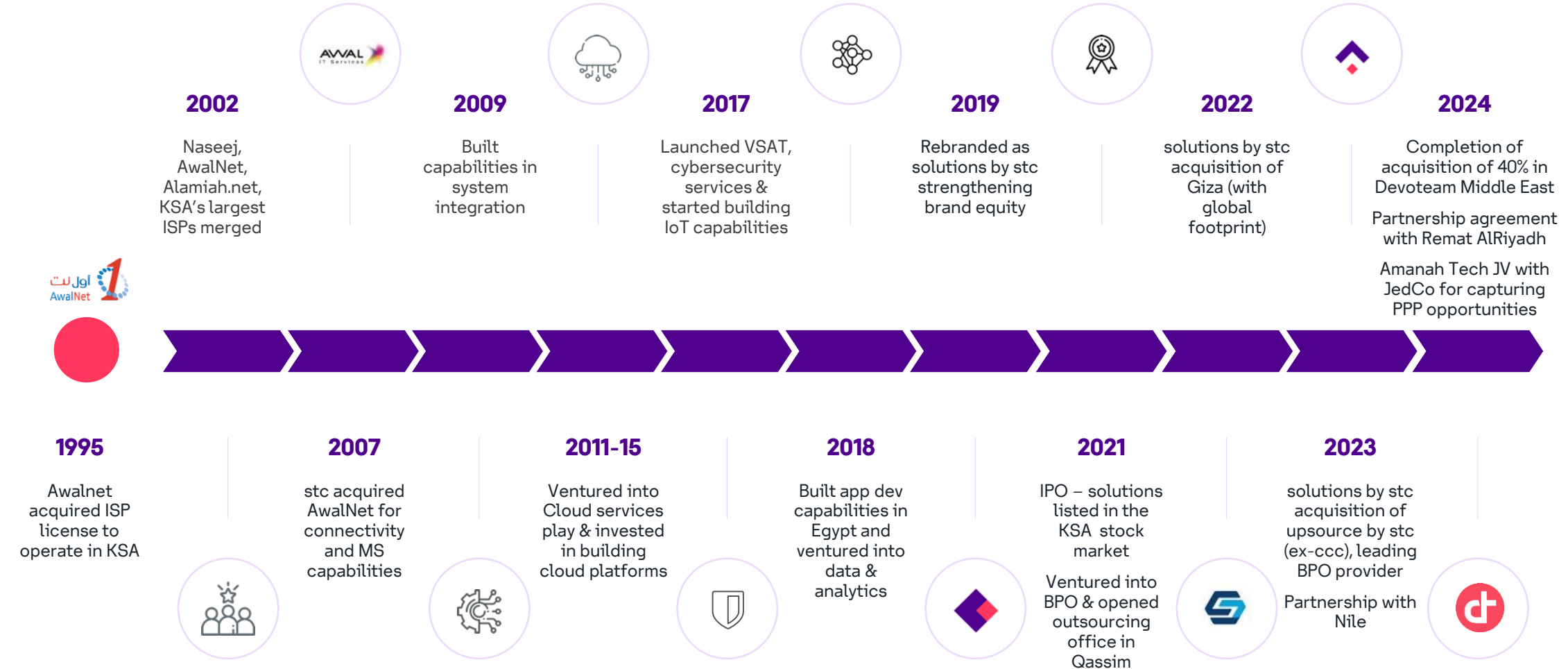
## Strong local presence and global reach

- Strong footprint in the local market with offices in Qassim, Jubail, Khobar, Jeddah and the head office in **Riyadh**
- The acquisition of **Giza, upsource by solutions (ex-ccc)** and their subsidiaries helped solutions expand its reach and deliver value to different sectors
- The acquisition of 40% in **Devoteam Middle East** brought synergies with systems integration business and added digital consulting and business transformation capabilities



# solutions by stc evolution

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












**Next Gen IT Services Provider**



# 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>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>19 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>21 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>CEO</b> Omer Abdullah Alnomany</p> 	<p><b>Chief Financial Officer</b> Abdulrahman Hamad AlRubaia</p> 	<p><b>Chief Technology Officer</b> Saleh Abdullah AlZahrani</p> 	<p><b>Chief Commercial Officer</b> Yousef Abdulrahman AlMarshad</p> 	<p><b>Chief Governance Officer</b> Ahmed Najji Bajnaid</p> 
<p>~ <b>14 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</b> in solutions</p>	<p>~ <b>17 yrs.</b> he has held several leadership positions at solutions and Cisco</p> <p>the last of which was as The <b>General Manager of Presales</b> at solutions.</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>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>Chief Strategy Officer</b> Maher Salem Althiyabi</p> 	<p><b>Chief Business Diversification Officer</b> Abdullah Turki Alotaibi</p> 	<p><b>Chief Audit Officer</b> Rajeh Saad Albogamy</p> 	<p><b>Chief People &amp; Corporate Services Officer</b> Saleh Tariq AlGroony</p> 	


# Overview of Business Segments

solutions operates across three main business segments

## Business line

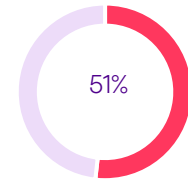
## Services

## Share of Revenue, FY 2024



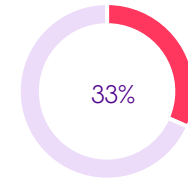
**Core ICT Services**

- System integration services
- Communication and Internet services



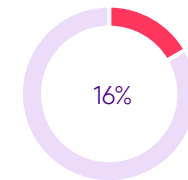
**IT Managed and Operational Services**

- Managed services
- Outsourcing services
- Call center services



**Digital Services**

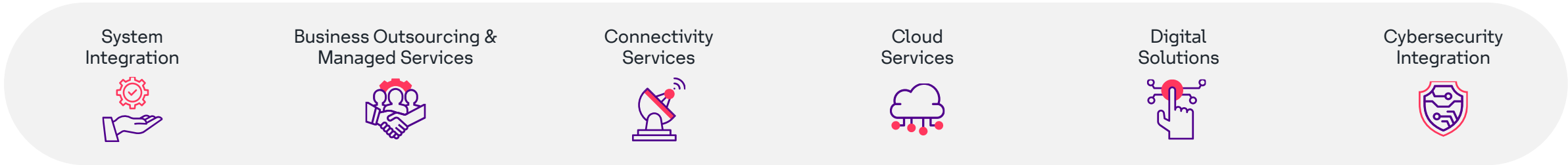
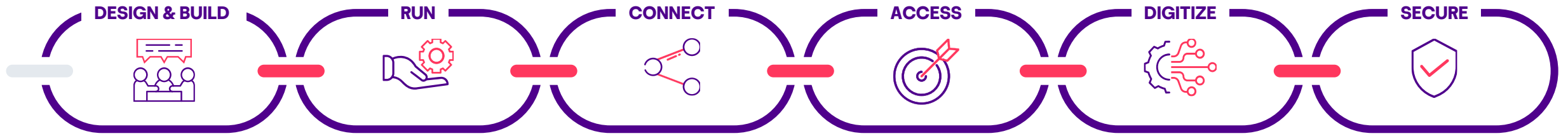
- Cloud and data services
- Digital services
- Cybersecurity services





# Product Portfolio Spans the Whole Value Chain

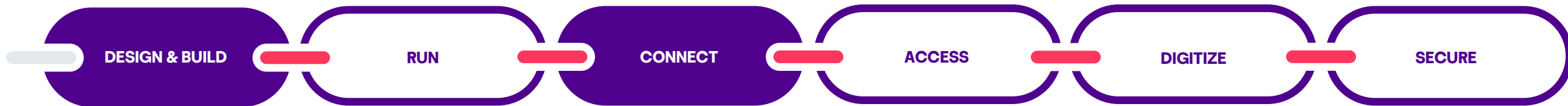
solutions delivers value to its clients by addressing their IT and business challenges across the entire IT value chain



Offered by



# Product Portfolio: Core ICT Services Segment



## Business line

## Description


## Services



**System integration services**

System integration services cover a variety of organizational needs across the value chain, enabled by a strong local and global partnership ecosystem

Network Integration  
Infrastructure Integration  
Application Integration  
IT Advisory Services



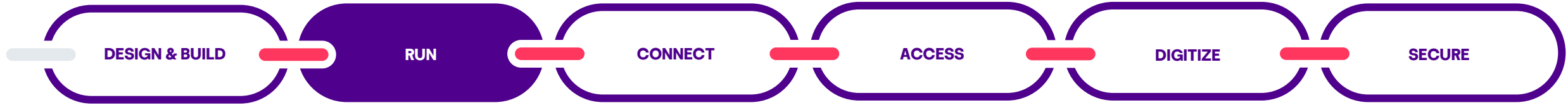
**Communication and internet services**

Serving high-end connectivity needs of enterprises within cities and 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

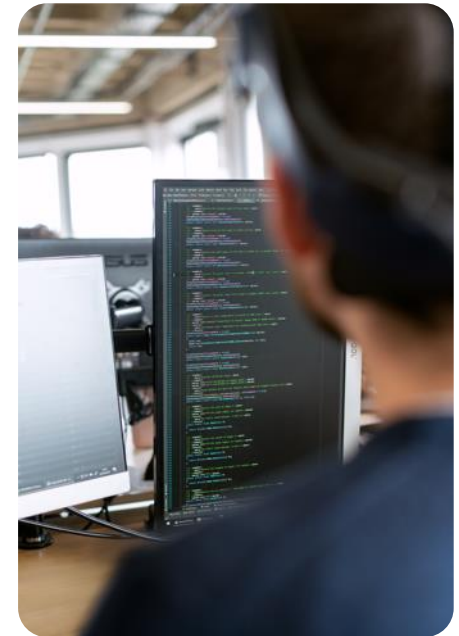
Managed Networks Services  
Managed IT Infrastructure  
Managed Connectivity  
IT Service Management



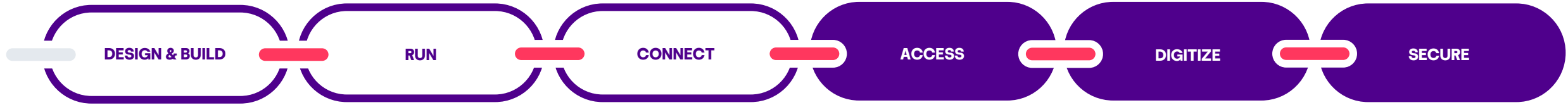
**Business Process Outsourcing (BPO)**

Fully integrated, behind-the-scenes business process outsourcing enabled by technology and automation

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




# Product Portfolio: Digital Services Segment



## Business line

## Description

## Services



**Cloud services**

Full spectrum of data center, cloud and multi cloud services

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



**Digital Services**

Connect, monitor and analyze machine / device data for informed and effective decisions

Digital solutions    Operational technology  
Data Analytics & AI    Application Services



**Cybersecurity Integration**

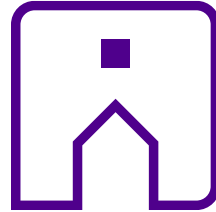
Security services that cover all stages of the IT value chain

Security Advisory Services    Security Professional Services



# Market Positioning

solutions currently has 22.7% market share in the Saudi Arabian IT market



## KSA Pure Play

Majority of solutions revenue is generated in Saudi Arabia

## Public & Private Sector

43% 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
- Partnerships with global innovators



### 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...



171 +

Partners including Cisco, Microsoft, Dell, VMWare, Huawei



## 2024 key partnerships

Mavenir

Cloud-native network solutions

CNTXT

Google cloud expertise and ICT solutions

FastSystems

Real-time surveillance and situational awareness

Dataiku

AI and machine learning for data-driven decision-making

frog

Customer-centric solutions

SenseTime

Advanced AI and computer vision technologies



467

Local Suppliers Engaged

...with a strong recognition from our international partners



Service Provider Partner of the Year 2024



Sales Excellence Award 2024



Highest Revenue Partner of the Year 2024



Rising Star Partner of the Year 2024



Strategic Partner of the Year 2024



Artificial Intelligence Partner of the Year 2024

Enterprise Partner of the Year 2024



Best LoB Partner 2024



Best System Integrator in Saudi Arabia Award 2024



"Best Digital Transformation Partner" Award for 2024



Partner of the Year 2024



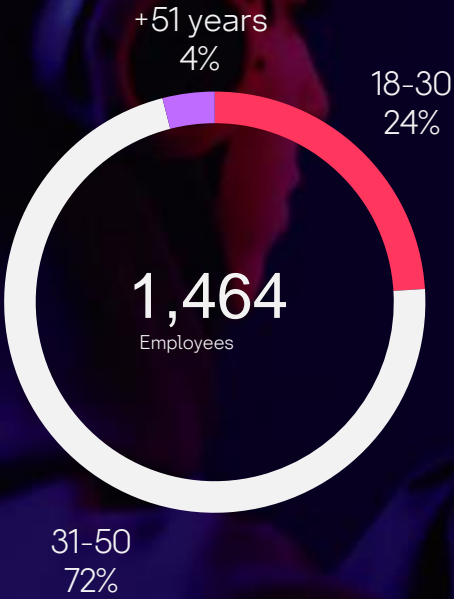
Innovator Partner



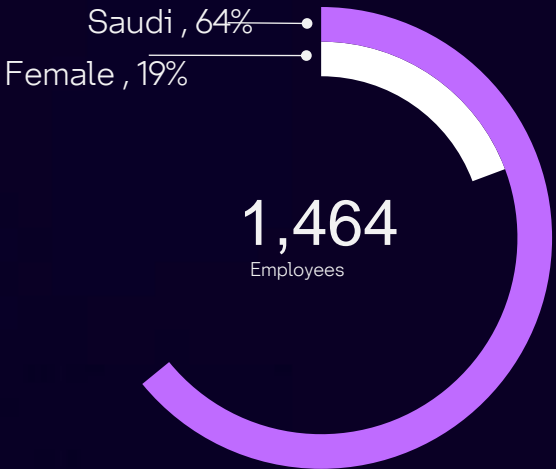
# Human Capital Analysis

solutions work towards elevating skill level and achieving diversified employee base

## Employees Age



## Employees Profile





2

# KSA's Macro-Economic Environment



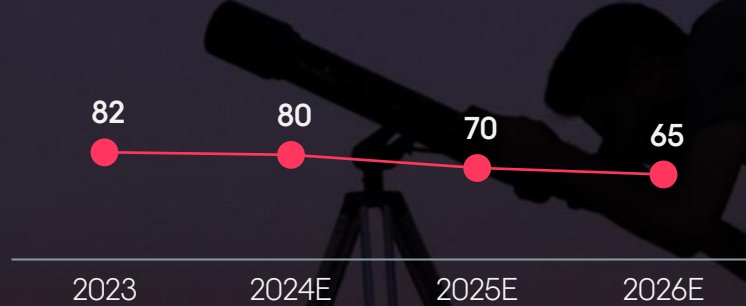
# Macro-Economic Environment

Robust economic outlook supportive for the ICT sector in the kingdom

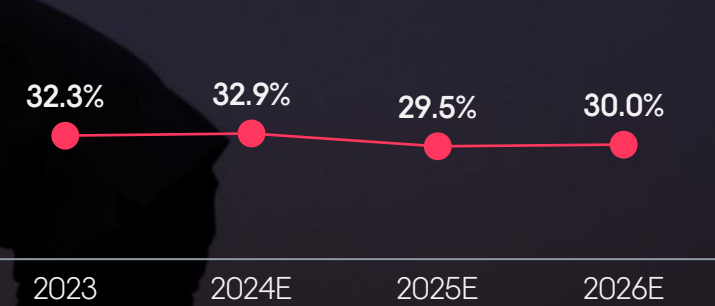
### Real GDP Growth (%)



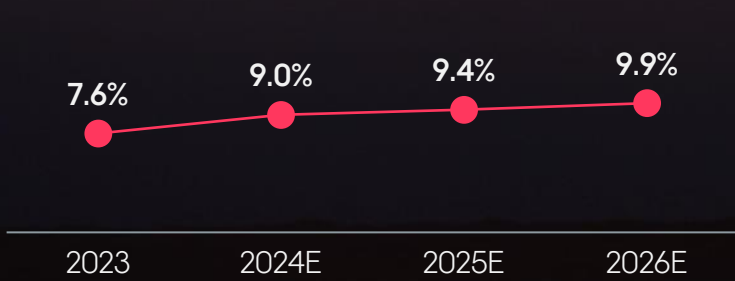
### Brent Oil Price / Barrel (USD)



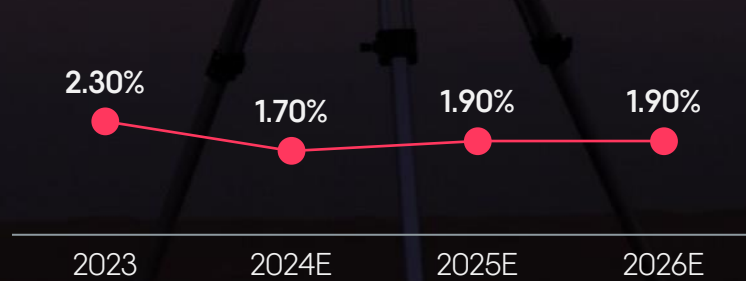
### Government Expenditures % of GDP (%)



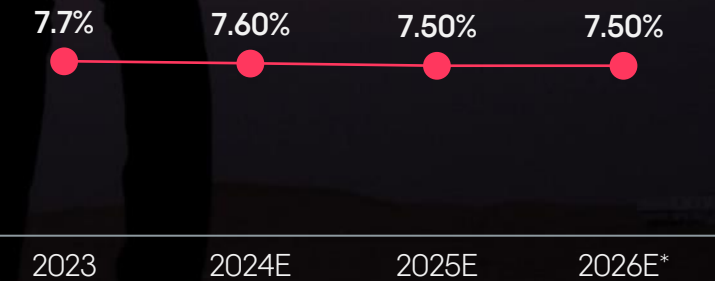
### KSA IT Growth (%)



### Inflation Rate (%)



### Saudi Unemployment Rate (%)



\* Company's internal forecast based on Jadwa's 2024-2025 forecasts  
Source: MOF, IDC, Jadwa, Fitch

# 3 Investment Thesis



# Investment Thesis Update

solutions offers a winning combination of market leadership, growth potential and superb returns

## Market Leadership

- Undisputable market leader with a market share of 22.7%
- Lucrative consolidation opportunities in the fragmented IT market of KSA
- Local-Content score 41.3%

## Sizeable and Diversified Portfolio

- Strong pipeline of projects
- Long-standing partnership with stc
- Wining ratio of 60%+

## Superior Value Creation

- 34.3% ROIC in FY 2024 is well above the company's cost of capital

## Asset-Light Business Model

- 2.1% organic capex / revenue ratio in 2024

## Strong FCF

- SAR 1.2 bn FCF in 2024...
- ...with 61% FCF conversion

## Generous Dividends

- BoD recommended ordinary DPS of SAR 8 and special dividend of SAR 2 for FY 2024
- This implies total 75% payout and 67% 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

- Net cash position of SAR 3.0 bn as of end FY 2024...
- ...amounting to 1.5x FY 2024 EBITDA

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 dramatic blue and red lights. The man is wearing a white shirt, and the boy is wearing a dark shirt. The background is dark.

# 4 Strategy Highlights



# solution's Strategy





# LEAP 2.0: a bold vision for a transformative era

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



**L**

**Lead** through service excellence:

Strengthen leadership by setting new benchmark for quality and innovation. Enabled by client centricity rooted in the service offerings across:

- **IT Professional Services**
- **IT Managed Services**
- **Network Services**

**E**

**Empower** business growth and diversification:

- **Emerging tech**  
Shape up the next-gen digital solutions
- **Innovation program**  
Establish, institutionalize and scale
- **Partnerships & strategic alliances**  
Expand offering and tap into new markets
- **Business diversification**  
Throught new business models

**A**

**Achieve** excellence in customer engagements

- **CEX – Customer Success**  
Place client at the core of the group's operations
- **New verticals**  
Enter high-potential verticals through industry-specific offerings
- **Commercial excellence**  
Achieve excellence in commercial capabilities

**P**

**Promote** efficiencies and sustainability

- **E2E Value Chain Efficiency**  
Creating effectiveness and efficiency across the value chain
- **Sustainability**  
Minimize environmental impact, foster strong corporate culture, adhere to social responsibility, invest in people, contribute to community
- **Developing Talent**  
Develop skillset and talent for future needs of the Group

# Expansion into AI

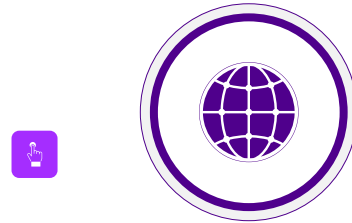
Driving solutions ambition as a Next Gen Services provider and an AI First company.

## Booming AI market



**AI market is rapidly growing**, both globally and in KSA with a market size exceeding 30 Bn<sup>1</sup> SAR, also fueled by raising AI outsourcing demand<sup>2</sup>

## Enablement of National AI Play



KSA AI landscape is fragmented and largely driven by international players; **unique opportunity for a national AI player to enable and support Vision 2030**

## Existing capabilities and deep client access



**Competitive advantage for existing specific capabilities** (i.e., infrastructure) and access to broad set of B2B clients

## Customer demand evolving



Customers **planning to allocate ~8% of total IT spending to AI<sup>4</sup>**, with an increased demand for AI transformations across sectors

1. Until 2030
2. One of key AI global trends
3. KSA AI landscape is mainly driven by international players, with a handful of fragmented local players gaining competitiveness. Start-up scene is nascent, mostly focused on apps;
4. Until 2027



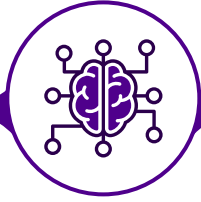
# Aiming to become an AI First organization

solutions enables and orchestrates an AI-powered ecosystem for customers to deliver unparalleled outcomes



## Provide integrated AI offering

Support businesses and entities regionally to embark in **advanced AI transformations**, helping them to fully empower their data with **an integrated AI offering**, also leveraging existing capabilities



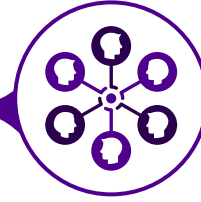
## Build best-in-class capabilities

Develop, partner and acquire to offer **one-of-a-kind capabilities across the entire offering** – providing clients with exceptional services that go beyond pure reselling & traditional services



## Develop the AI ecosystem

Act **as the ecosystem enabler for AI** in the Kingdom to help in achieving Vision 2030, collaborating with stakeholders on talent development, investment, applied R&D, infrastructure enhancement, and policy making



## Install AI in the DNA of the Org

**Embed AI internally** to boost productivity, accelerate AI-driven innovation, and drive market differentiation; **internal AI is imperative for go-to-market success**




# M&A Summary



# Value-added M&A drive growth, expand offering and bring synergies

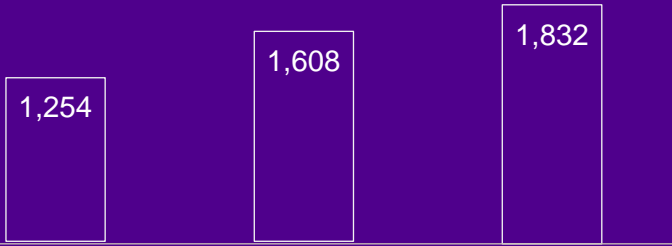
The recent acquisitions reinforced the group's market leadership and made a notable financial contribution\*

 **Giza Systems**

Ownership share: **88.2%**


Strategic rationale:

- Diversify into international IT market
- Enhance portfolio with integration, development, management services



Year	Revenue (SAR mn)
2022	1,254
2023	1,608
2024	1,832


□ Revenue (SAR mn)

 **upsource**  
by solutions

Ownership share: **100%**

Strategic rationale:

- Strengthen solutions' BPO business
- Complete coverage of ICT customer journey by enabling end-to-end offerings from design to operations



Year	Revenue (SAR mn)
2023	992
2024	2,185

□ Revenue (SAR mn)

 **devoteam**

Ownership share: **40%**

2024 revenue: **SAR 461mn\*\***

Strategic rationale:

- Gain synergies with systems integration business
- Strengthen ICT market leadership
- Add digital consulting and business transformation capabilities

\* The charts show revenue of Giza and upsource by solutions (ex-ccc) before intercompany eliminations

\*\* 2024 revenue was reported from the date of acquisition (1 February 2024)

# 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.

88% of Giza was acquired on 3 October 2022.

## Portfolio



System, application & infra integration and advisory services



Industrial and physical security bespoke digital solutions



Custom application development, app mgmt. & SW deploy and support

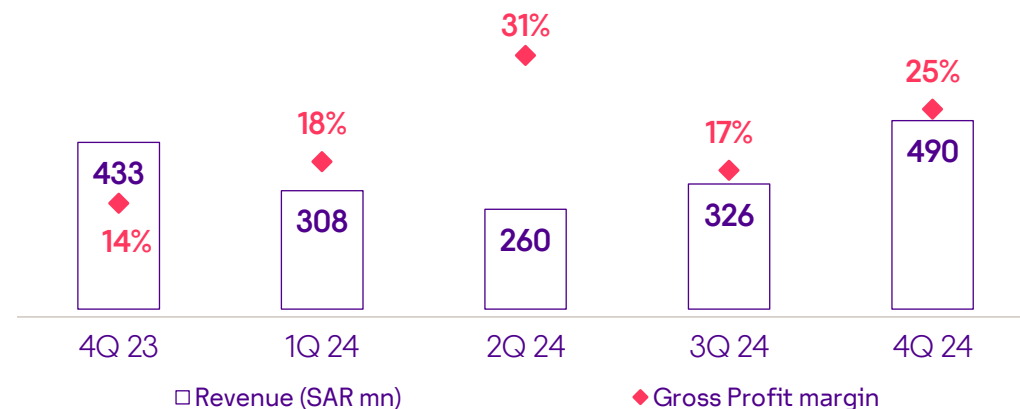


Infrastructure/DC services, cloud advisory, migration & deployment

## 2024 highlights

- Giza Systems signed a strategic partnership with Ehealth to boost efficiency and digital transformation in healthcare.
- Giza Arabia acquired majority stake Logical Applications for Business Solutions (LABS), a company engaged in providing a wide range of system integration solution services.
- solutions by stc indirectly through Giza Systems acquired an additional 25% interest in the voting shares of ARIA Technologies Company.

## Giza revenue and gross profit margin



# upsource by solutions (ex-ccc)\* snapshot

Upsource by solutions (ex-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.

100% of upsource by stc was acquired on 3 April 2023.

## 2024 highlights

- HRH Prince of Qassim inaugurated the expansion of upsource by solutions (ex-ccc) Qassim branch.
- Certain projects have been rechanneled to upsource by solutions (ex-ccc) from solutions by stc, driving the company's significant revenue growth.

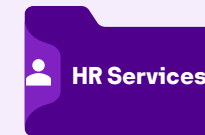
## Services Portfolio



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



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

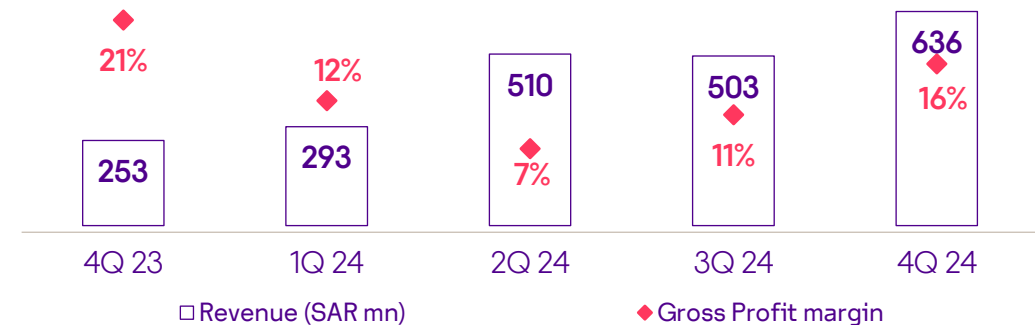


- Staff augmentation
- Hiring
- Retirement
- Training
- On-boarding
- Payroll processing



- Finance
- Accounting
- Business process engineering
- Procurement and SCM

## upsource by solutions (ex-ccc) revenue and gross profit margin



\* In February 2025, solutions by stc presented upsource by solutions, its newly rebranded business process outsourcing (BPO) subsidiary that is built on the success of its leading customer experience solutions provider, Contact Center Company (ccc).

# 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.

## Deal highlights and rationale

- solutions by stc completed the acquisition of 40% in Devoteam on 4 February 2024.
- The total enterprise value (EV) of Devoteam Middle East amounted to SAR 741.7 million.
- The deal represents a strategic investment in line with the Group's growth strategy, serving a number of purposes:
  - Gain synergies with systems integration business.
  - Strengthen ICT market leadership.
  - Add digital consulting and business transformation capabilities.
- Devoteam was consolidated in 2Q 2024 and its share of the consolidated net profit amounted to SAR 18mn in FY 2024.

## Services Portfolio

### AI Services

- Insights and predictions
- Operational efficiency boost
- New business models
- 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

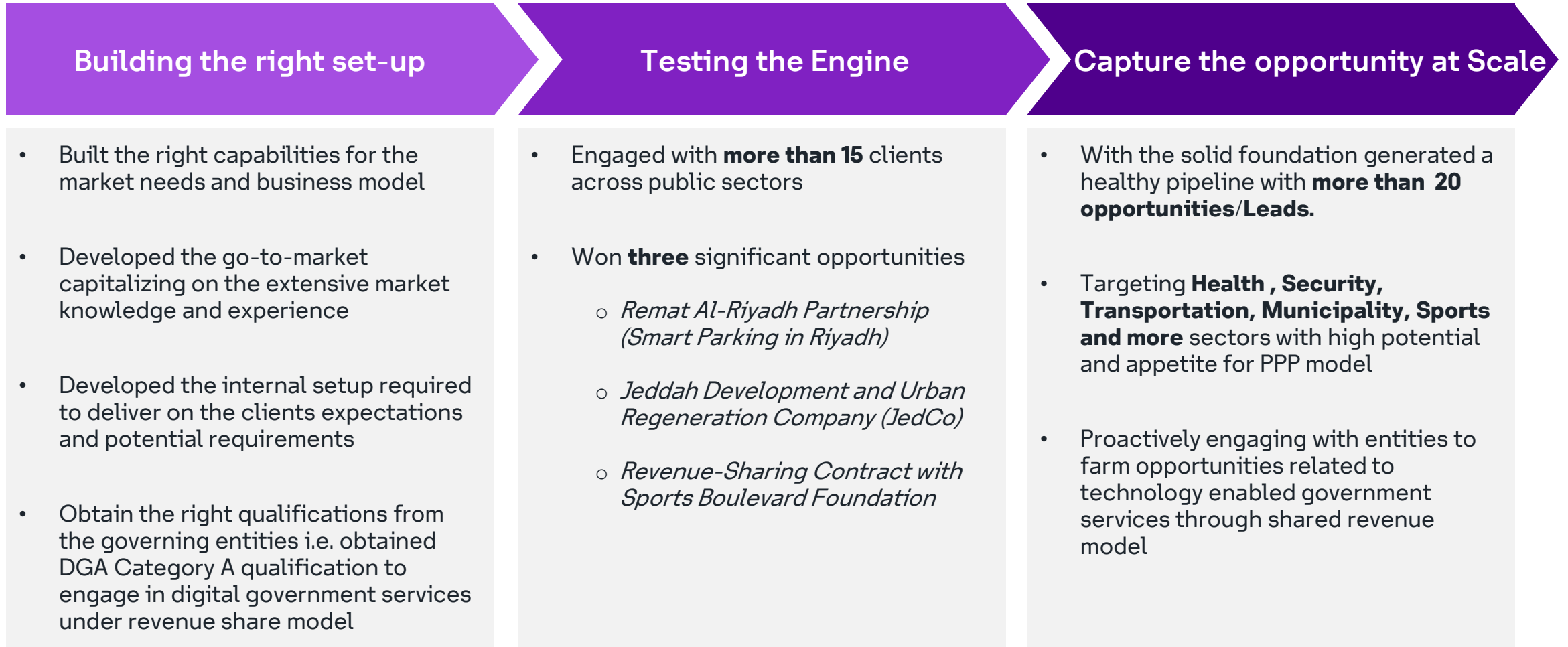
# 5 PPP Projects





# Leading innovation and urban transformation through strategic PPPs

The PPP model creates recurring revenue streams, enhances financial performance and contributes to sustainability





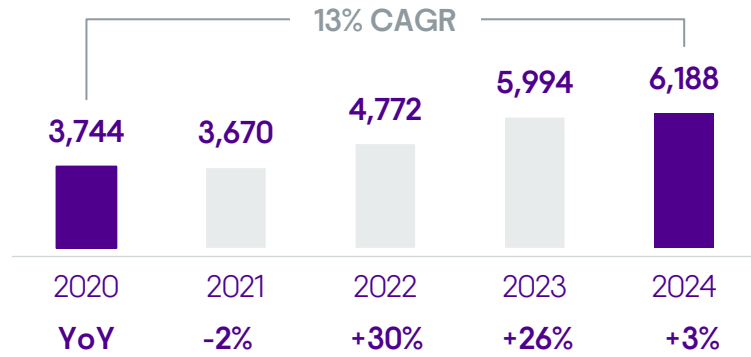
A person is shown in profile, wearing large headphones and holding a smartphone. The image is overlaid with a blue and red color scheme. The text '6 Historical financial performance' is displayed in white, with the number '6' in red.

# 6 Historical financial performance

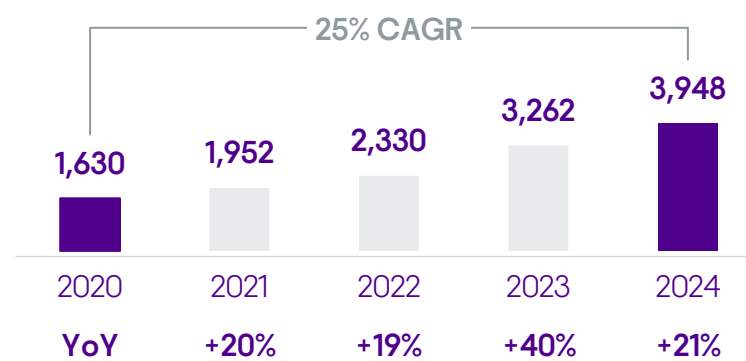
# Historical financial performance

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

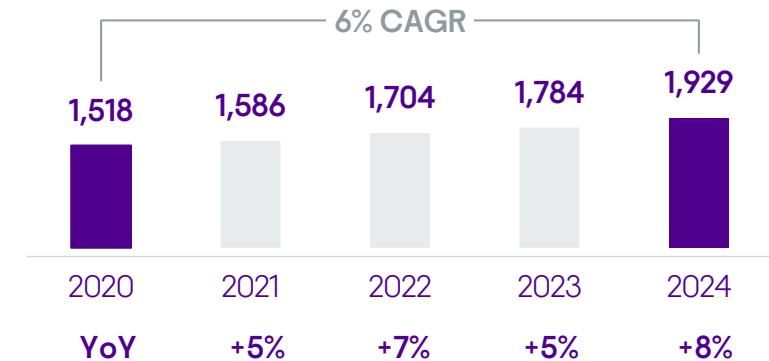
**Core ICT Services Revenue Trend (SARmn)**



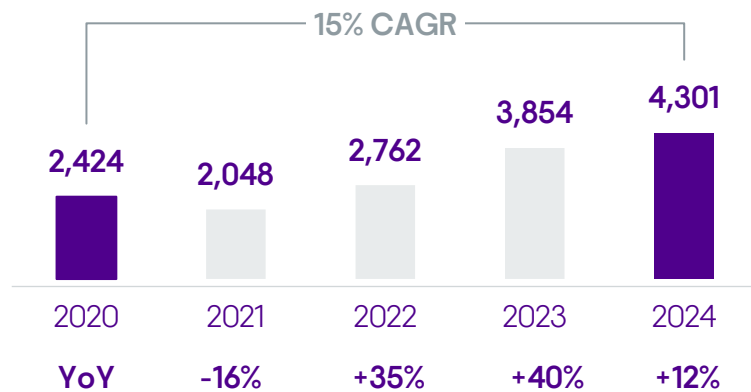
**IT Managed & Operational Services Revenue Trend (SARmn)**



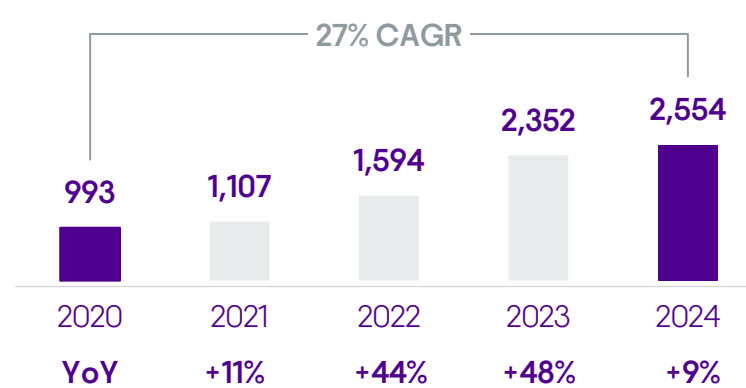
**Digital Services Revenue Trend (SARmn)**



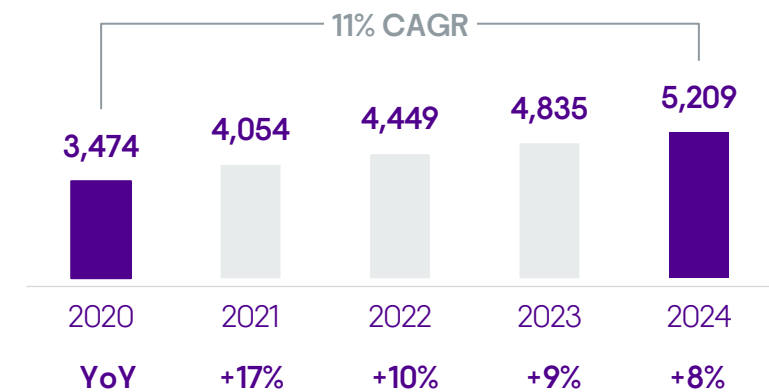
**Revenue from stc (SARmn)**



**Revenue from Private Sector (SARmn)**



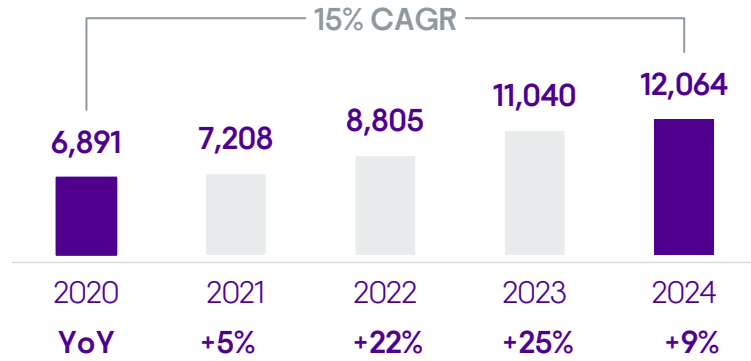
**Revenue from Government (SARmn)**



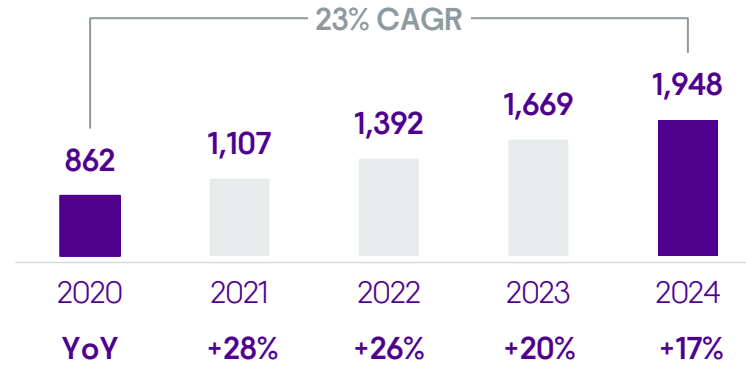
# Historical financial performance

...resulted in consistent growth and solid profitability

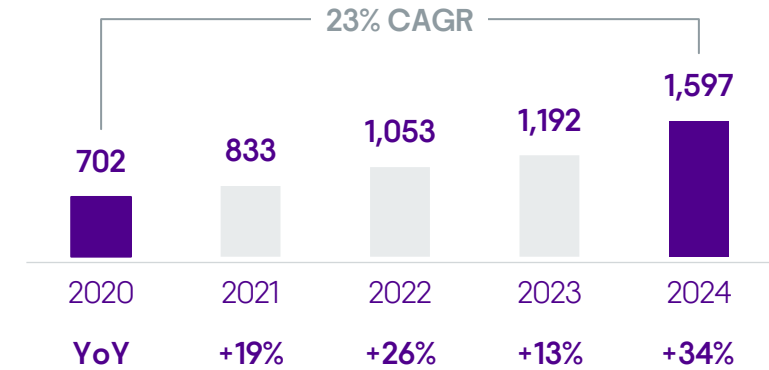
### Revenue Trend (SARmn)



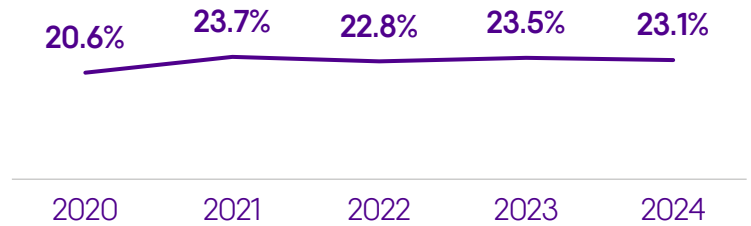
### EBITDA Trend (SARmn)



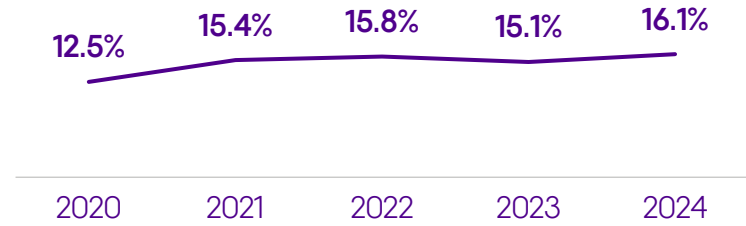
### Net Profit Trend (SARmn)



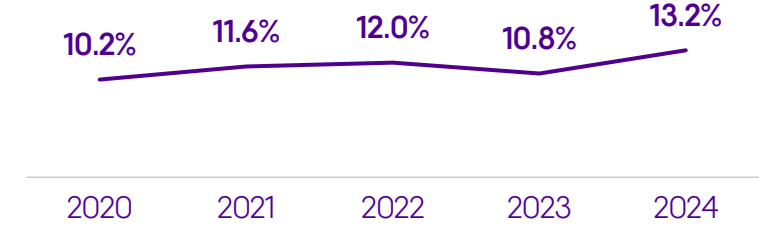
### Gross Profit Margin (%)



### EBITDA Margin (%)



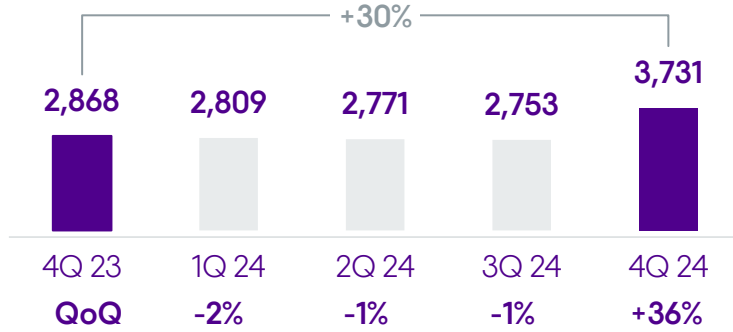
### Net Profit Margin (%)



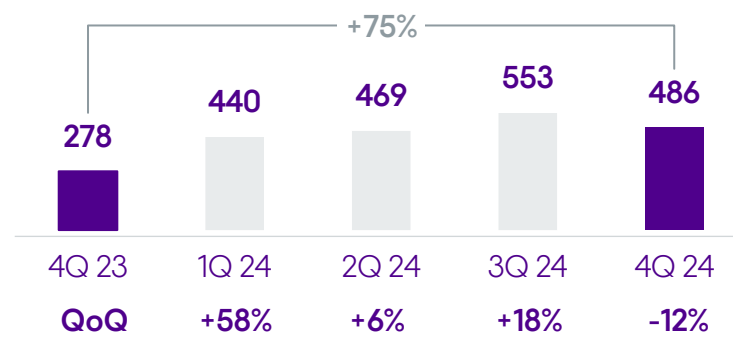
# Quarterly financial performance

Margins continued to show QoQ gains in 3Q 2024 driven by efficiency gains and project mix changes

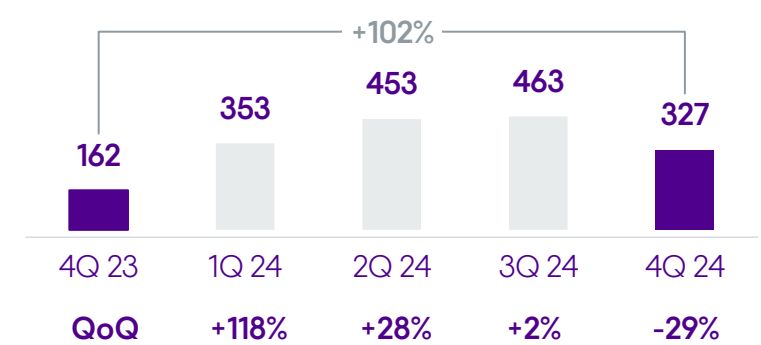
Revenue Trend (SARmn)



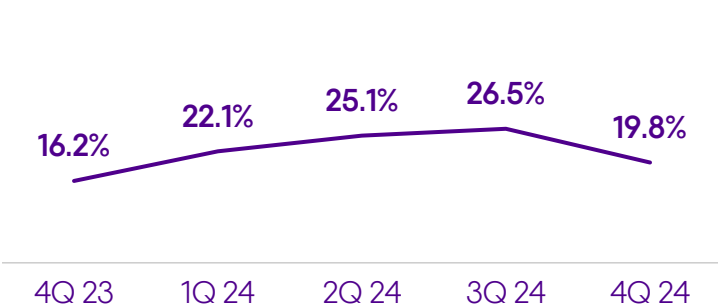
EBITDA Trend (SARmn)



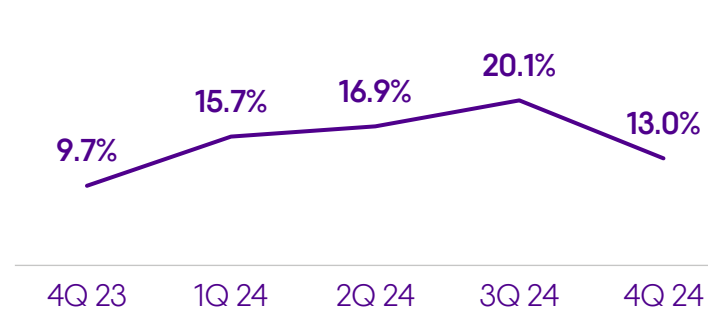
Net Profit Trend (SARmn)



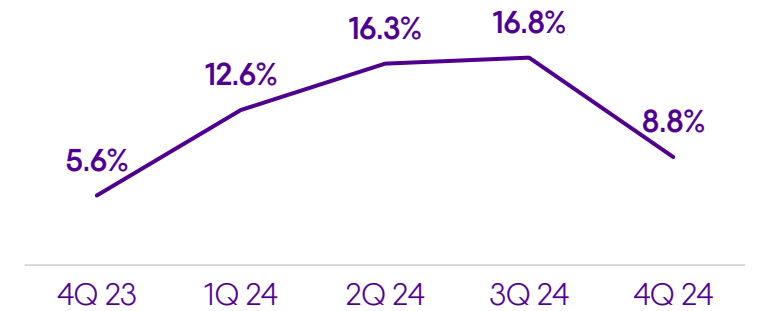
Gross Profit Margin (%)



EBITDA Margin (%)



Net Profit Margin (%)



# 7 Appendix





# Outlook and Guidance for 2025

# Outlook and Guidance

solutions announces its 2025 guidance

	2025 Outlook
<b>Oil Price</b>	\$75-\$80 / bbl
<b>KSA GDP Growth</b>	4.6%
<b>KSA Fiscal Budget</b>	SAR 101 bn deficit
<b>KSA IT Growth</b>	2025: 9.4% 2024-2028 CAGR: 9.3%
<b>KSA IT Spending % of GDP</b>	3.4%

	FY 2024 Results	FY 2025 Guidance
<b>Revenue Growth</b>	9.3%	8% - 10%
<b>EBITDA Margin</b>	16.1%	14% - 16%
<b>Organic capex, % of revenue</b>	2.1%	2% - 3%

# *b* Awards



# Awards

## Awards, recognition, and certifications

### People



Corporate Social Responsibility Award



Top-5 Inspiring Workplaces across Africa and the Middle East



Best Culture & Purpose across Africa and the Middle East



Best Inclusion across Africa and the Middle East



Best Experience across Africa and the Middle East

### Technology



'Category A' certification for Digital Government Business



Gold winner of the Project Excellence Awards 2024 category IT/ Telecommunications



Bronze winner of the Project Excellence Awards 2024 category IT/ Telecommunications



Gold winner of the Project Excellence Awards 2024 in the category Change Management / Product Development / Marketing

### Finance



The 2nd place in the best IR program 2024 based on all IR-related activities and initiatives.



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

### Internal Audit



Achieved a high score of 4.5/5 in internal auditing, which reflects our commitment to attaining the highest international standards

# C IR Contact

# IR Contact Details

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# Download our IR App



# Thank You!