

# Fact Sheet



## Company Profile

Founded in 2003, solutions by stc developed strong operational expertise and market-leading digital solutions in key technology verticals across the IT value chain. This supercharged its strategic ambition to become the digital solutions innovator.

## Strategy

solutions by stc's strategy (LEAP) focuses on two main aspects; stable growth by expansion and strong profitability through operational excellence and optimized cost. To achieve this strategy, the Company employs business strategy that rests on the four pillars:

- L – **Lead** in managed and professional services
- E – **Expand** product portfolio and market reach
- A – **Advance** excellence in total experience
- P – **Promote** internal efficiencies and collaboration

## Product Offering

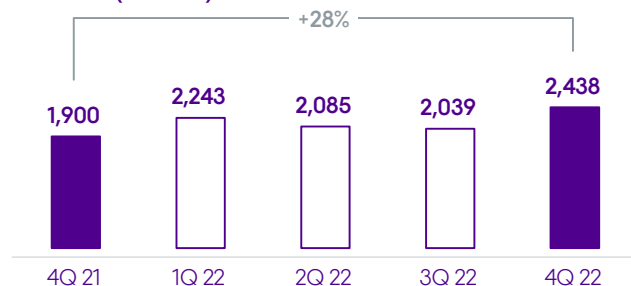
The principal activities of the Company are concentrated in the internet and telecommunications service sector:

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

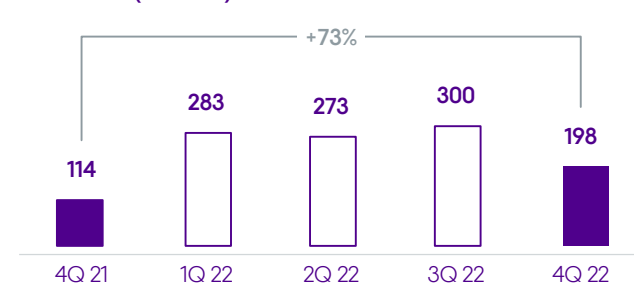
**IT Managed and Operational Services**, which consists of Outsourcing Services; and Managed Services.

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

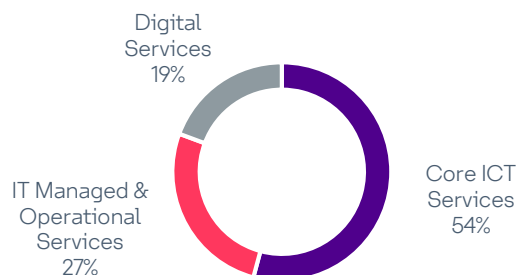
## Revenue (SARmn)



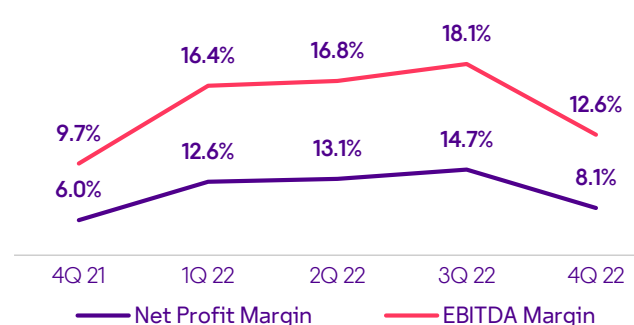
## Net Profit (SARmn)



## FY 22 Revenue Composition by Segment



## EBITDA & Net Profit Margins (%)



Key Figures SAR (mn)	FY 2022	FY 2021	YOY
Revenue	8,805	7,208	+22.2%
Gross profit	2,011	1,708	+17.8%
Gross Profit Margin (%)	22.8%	23.7%	-3.6%
EBITDA	1,392	1,107	+25.8%
EBITDA Margin (%)	15.8%	15.4%	+3.0%
Net Profit	1,054	833	+26.5%
Net Profit Margin (%)	12.0%	11.6%	+3.6%
Capex	134	155	-13.6%
Free Cash Flow	1,579	1,014	+55.7%
Net Debt (Cash)	(2,548)	(1,608)	+58.5%
ROCE	32.0%	35.4%	-3.4ppts
ROAE	41.4%	39.7%	+1.7ppts

Outlook	FY 2023 Guidance
Revenue Growth	11% - 13%
EBITDA Margin	13% - 15%
Capex intensity	1.5% - 2%

# Fact Sheet



## solutions by stc IPO in September 2021

solutions by stc IPO was one of the most successful local offerings. The IPO order book of institutional investors achieved a coverage ratio exceeding the target by 130 x with a value of SAR 471 billion.

## Market Positioning

### KSA Pure Play

The majority of solutions revenue is generated in Saudi Arabia

### Public & Private Sector

47% of revenue generated from Government, but increasing contribution from private sector

### E2E solutions

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

## Investment Thesis

### Leading Market Position in KSA

Clear market leader with consolidation opportunities in the fragmented IT market

### STC Partnership

Unrivalled reach, scalability and synergies in the KSA ICT market

### Asset Light Business

CAPEX intensity ratio of 1.5% and high returns, with ROAE of 41.4% in FY 2022

### Dividend

DPS of SAR 5.0 in 2022, up from SAR 4.0 in 2021

### High FCF Generation

FCF generation of SAR 1.58 bn in FY 2022

### Flexible Balance Sheet

Ample cash, low leverage, and comfortable working capital position

### Proactive M&A Strategy

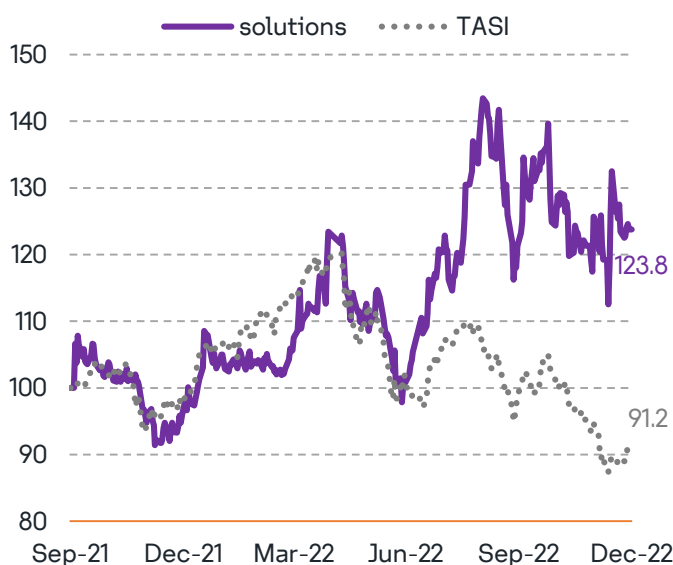
M&A is an important growth driver for solutions

## solutions by stc - Key Metrics

	SAR
IPO offering price	151.00
Closing Price at 30 September 2021	196.2
Closing Price at 31 December 2022	242.80
Market Cap 2022 YE	29.1 bn
Price / Earnings 2022 YE	27.7
EV / EBITDA 2022 YE	21.0

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

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



## Looking for additional information?

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