

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; growth by expansion and efficiency through operational excellence and optimized cost. To achieve this strategy, the Company has adopted business strategies around the following pillars:

- L – **Lead** in managed and professional services
- E – **Expand** product portfolio and market reach
- A – **Advance** customer success and partner ecosystems
- 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.

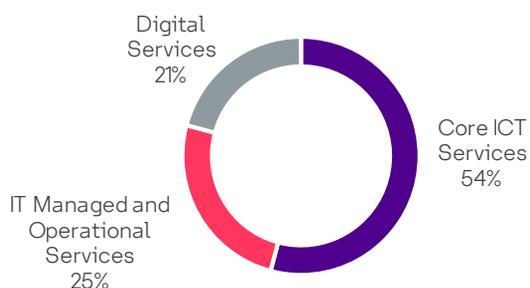
IT Managed and Operational Services, which consists of Outsourcing Services; and Managed Services.

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

Revenue Trend (SARmn)



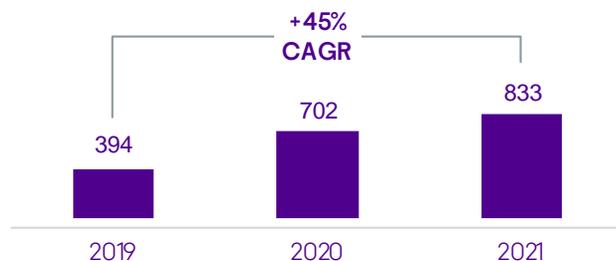
2021 Revenue Composition by Segment



Key Figures SAR (mn)	FY 2021	FY 2020	YOY
Revenue	7,816	6,891	+13.4%
Gross profit	1,708	1,422	+20.1%
Gross Profit Margin (%)	21.9%	20.6%	+1.22%
EBITDA	1,107	862	+28.4%
EBITDA Margin (%)	14.2%	12.5%	+1.65%
Net Profit	833	702	+18.7%
Net Profit Margin (%)	10.7%	10.2%	+0.47%
Capex	155	536	-71.1%
Free Cash Flow	1,014	579	+75.1%
Net Debt (Cash)	(1,608)	(993)	+61.8%
ROCE	35.4%	33.4%	+2.0ppt
ROAE	39.7%	44.1%	-4.4ppt

Guidance	FY 2022E
Revenue Growth	Med to high Single Digit
EBITDA Margin	13.0% to 15.0%
Capex intensity	Below 2.5%

Net Profit Trend (SARmn)



EBITDA & Net Profit Margins (%)



Fact Sheet



Solutions' IPO in September 2021

STC Solutions 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

54% of revenue generated from Government & GRE, 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 2.0% and high returns, with ROAE at 40% in 2021.

Dividend

DPS of SAR 4.0 in FY 2021, up from SAR 3.33 in FY 2020.

High FCF Generation

FCF generation almost doubled to SAR1 bn in 2021.

Flexible Balance Sheet

No debt, ample level of cash, and comfortable working capital position.

Looking for additional information?

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[Investor relations – solutions by stc](#)

Solutions by stc shares- Key Metrics

	SAR
IPO offering price	151.00
Closing Price at 30 Dec 2021	188.20
Closing Price at 20 Feb 2022	201.60
Market Cap 2021 YE	22.6 bn
Price / Earnings 2021 YE	27.1
EV / EBITDA 2021 YE	18.9

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

Share Price Performance

