

FY 2025

Results Presentation

Riyadh, 19 February 2026



Agenda

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2 Key Milestones in 2025

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1 solutions by stc at a Glance in 2025

A photograph of a man and a young boy in a dark room. The man, in the background, has a beard and is looking directly at the camera. The boy, in the foreground, is slightly out of focus and also looking forward. The lighting is dramatic, with red and blue hues casting shadows and highlights on their faces and the surrounding environment.

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

20.1%

IT Services
market share in KSA

25+

Years of experience
in IT sector

FY 2025 financials

6%

Revenue growth YoY
to ₩12.73bn

15.6%

EBITDA margin

11.8%

Net profit margin

People

1,358

Talented employees

64%

Saudization

21%

Female staff

Partnerships

125+

Partners in solutions
ecosystem

436

Local Suppliers
Engaged

79%

Procurement
spending on local
suppliers

2 Key Milestones in 2025



Key Milestones in 2025

solutions has secured multiple long-term partnerships in 2025, establishing a strong foundation for future growth

9 February

upsource by solutions launched its **new brand identity** at LEAP 2025 conference



18 May

Signed **contracts worth ₩ 652 mn** with **stc** for **5 years** to execute **IT infrastructure modernization & hyperscaler partnership** and **Oracle software licenses renewal project**



25 May

Upsource by solutions signed a **₩ 94mn** agreement spanning **3 years** with the **National Water Company (NWC)** to enhance customer service system



26 June

Signed a **₩ 158 mn** contract for **5 years** with **stc** to **build a private cloud** as part of the **IT infrastructure modernization & hyperscaler partnership project**



25 September

Signed a **₩ 313 mn** contract for **3 years** with **stc** to **execute the project of establishing and developing the internet and communication networks**



CloudBlue



MOTOROLA
SOLUTIONS

18 November

Signed a **₩ 262 mn** contract for **5 years** with **Center3** to provide solutions with **data center hosting services** to enable cloud services

13 February

Signed a **revenue-sharing contract with Sports Boulevard Foundation** to provide a full range of **smart parking solutions** and integrate these solutions into the Sports Boulevard project



Stc

20 May

Launched **Joint Venture, Nile MEA**, in cooperation with the US based **Nile**



19 June

Announced strategic partnership agreement with **iDirect** to advance satellite communication solutions



16 September

Signed a framework agreement with **Aramco** for **5 years** to provide it with several different types of **Digital Computing Infrastructure servers**

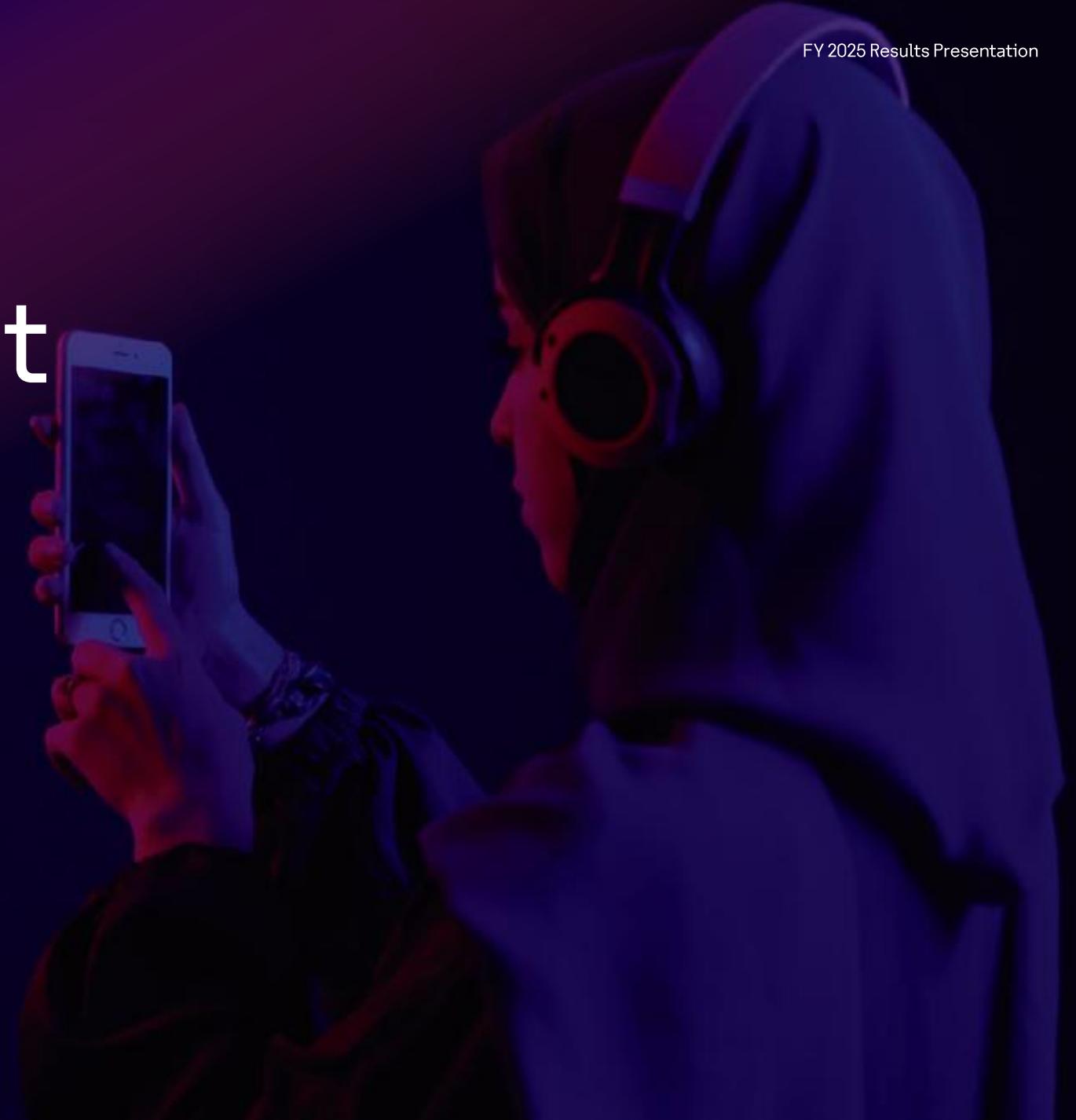


13-17 October

Announced multiple **strategic partnerships** at **GiTEX Global 2025**, expanding ecosystem across **cloud, edge computing, and smart-city solutions** with global technology leaders



3 Investment Thesis



Investment Thesis

solutions offers an attractive mix of market leadership, growth potential and superior returns

Market Leadership

- Undisputable market leader with a market share of 20.1%
- Lucrative consolidation opportunities in the fragmented IT market of KSA
- Local-Content score 42.6%¹

Sizeable and Diversified Portfolio

- Strong pipeline of projects
- Partnership with stc
- 77%+ winning ratio in FY 2025
- 220+ customer contracts signed in FY 2025

Superior Value Creation

- 31.5% ROIC² in FY 2025 is well above the company's cost of capital

Asset-Light Business Model

- 1.5% organic capex / revenue ratio in FY 2025

Strong FCF generation

- Solid track record of sustainable free cash flow generation...
- ..supported by a resilient business model and strong execution

Generous Dividends

- The company's BoD recommended to pay out DPS of ₩ 8 for 2025
- This implies a payout of 63%³ of net profit for the year

Efficient Capital Allocation

- High-return organic capex
- Value-accretive M&As
- High-potential partnerships and PPP projects
- Sustainable dividend payouts

Robust Balance Sheet

- Net cash position of ₩ 1.3 bn as of end 2025...
- ...amounting to 0.7x LTM EBITDA

¹ - Local-Content score specifies the official local content percentage for the company certified by Local Content and Government Procurement Authority

² - ROIC is calculated as EBIT / Invested Capital (Net Working Capital + PPE + Goodwill + Other Operating Assets)

³ - Number of shares eligible for dividend distribution are ~119m

4 OneCloud and GPUaaS



solutions multi-cloud offerings spans across the value chain...

...including all hyperscalers and major cloud providers

Cloud Strategy

Design a value-driven roadmap and Multi Cloud ready governance model to ensure to help achieve the business goals

Design & Implementation

Ramp up organizational speed and agility by designing and implementing the multi-cloud environments

Operate & Manage

Adopt new ways of operating the cloud environment for higher levels of business performance

Focused Hyperscalers



ORACLE CLOUD



Partnership status

- Reseller-Google workspace
- GCP reseller- CNTXT
- MSP Partner

- Sell- Covering OCI, on-premise, and SaaS (FUSION)
- Services

- Channel Partner
- MSP

- Premier partner – Service partner
- SPP- reseller

- Reseller
- MSP

- Reseller
- MSP
- solutions partner in 5 areas

OneCloud Platform



A one-stop shop to access all hyperscalers subscriptions

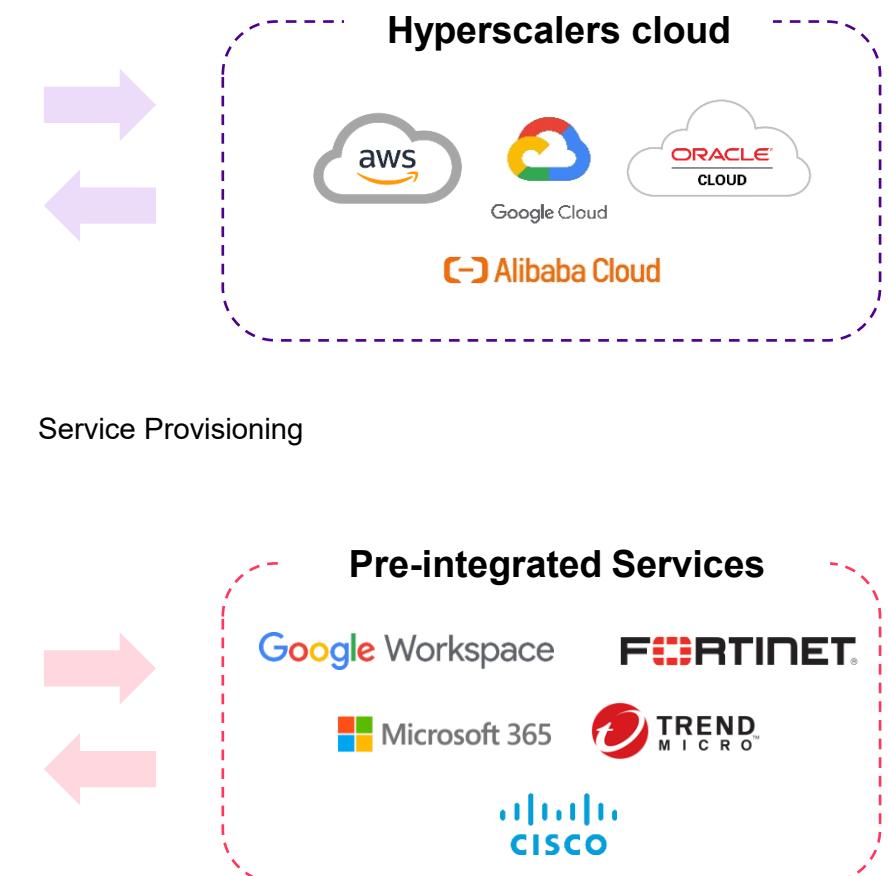
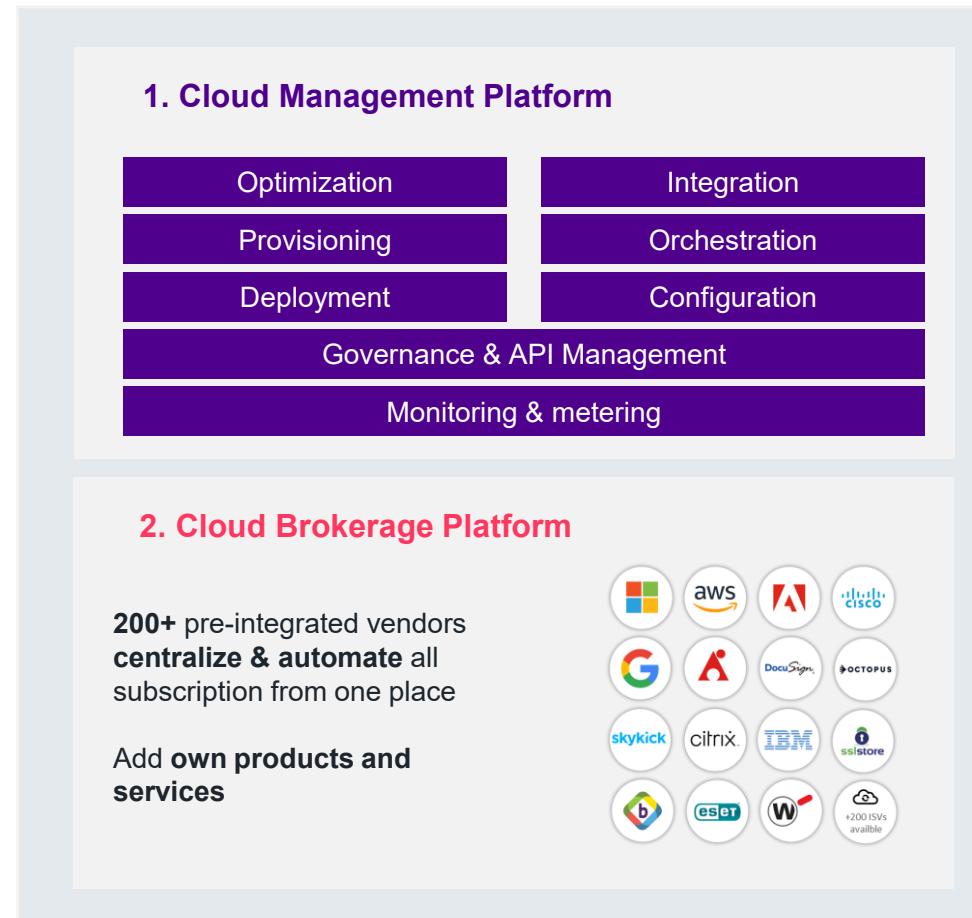
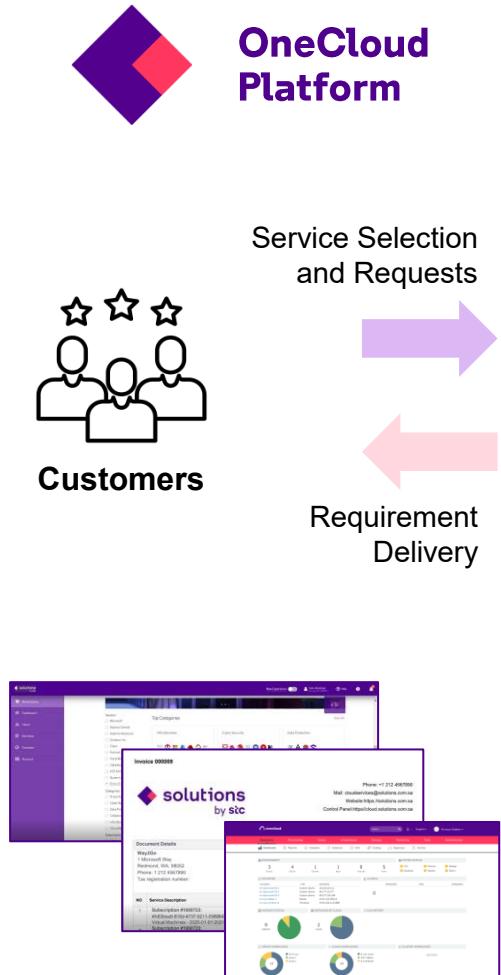
Multi-cloud brokerage

Unified cloud management (manage all hyperscalers workload from single pan of glass)

- OneCloud platform – where multi-cloud becomes manageable
- Pre-Integrated tools (e.g, migration)

OneCloud platform for all cloud needs...

...with brokerage platform for pre-integrated vendors offerings and subscriptions



solutions has become the First NVIDIA NCP Partner in the region

Powering the next wave of enterprise AI Innovation



First NVIDIA Cloud Partner in the Middle East

selected after rigorous evaluation of technical capabilities and infrastructure.



NVIDIA-Certified Infrastructure

with enterprise-grade performance, security, and reliability for AI and HPC workloads.



Strategic Partnership

providing exclusive access to NVIDIA's latest technologies, software, and technical expertise.



Regional Leadership

positioning our company as the premier provider of GPU-accelerated cloud services in the Middle East.



Competitive Advantage: Superior Technology & Local Value

Superior Technology & competitive advantage

- ✓ NVIDIA H200, B300, RTX Pro GPUs—the latest and most powerful available
- ✓ Integrated AI platform services (e.g., RAFAY integration) for full-stack MLOps.
- ✓ All-Inclusive TCO: includes compute, storage, networking, and NVIDIA AI Enterprise licensing—unlike hyperscales

100% Data Sovereignty

- ✓ CITEC regulations
- ✓ National cloud rules
- ✓ NCA requirements
- ✓ Critical for government sector

Comprehensive Local Value

 Rapid Provisioning
(<5 days)

 Localized Support
Arabic/English

 Customizable SLAs
Tailored SLAs

 Bundled with Services
bundled professional/managed services

Our platform is purpose-built for Saudi public sector and enterprise needs, backed by STC's Datacenter (center3), workforce, and regulatory trust—making us the preferred sovereign AI infrastructure partner over global hyperscalers.

5 Financial Performance

solutions FY 2025 Financial Dashboard

Maintaining steady growth amid revenue phasing effects and margin normalization

FY 25 Revenue

₹ mn **12,730** 
+6% YoY

FY 25 GP Margin

21.0% 
-203bps YoY

FY 25 Capex

₹ mn **191** 
-25% YoY

FY 25 Capex / Revenue

1.5% 
-61bps YoY

FY 25 EBITDA

₹ mn **1,987** 
+2% YoY

FY 25 EBITDA Margin

15.6% 
-53bps YoY

FY 25 Net Cash From
Operating Activities

₹ mn **(101)** 
-107% YoY

FY 25 ROIC

31.5% 
-285bps YoY

FY 25 Net Profit

₹ mn **1,503** 
-6% YoY

FY 25 NP Margin

11.8% 
-143bps YoY

FY 25 Net Cash

₹ mn **1,337** 
-55% YoY

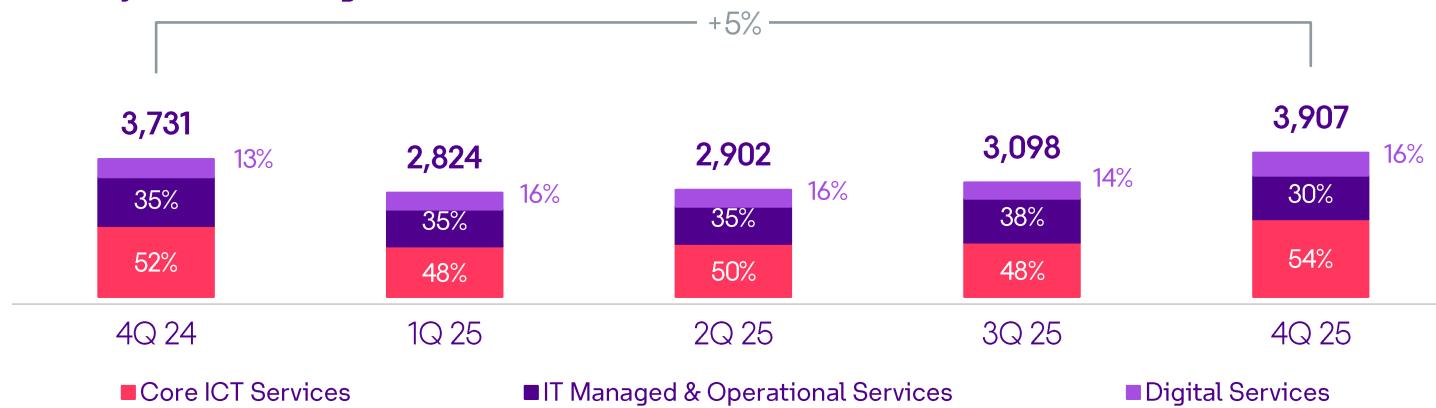
FY 25 ROAE

36.2% 
-723bps YoY

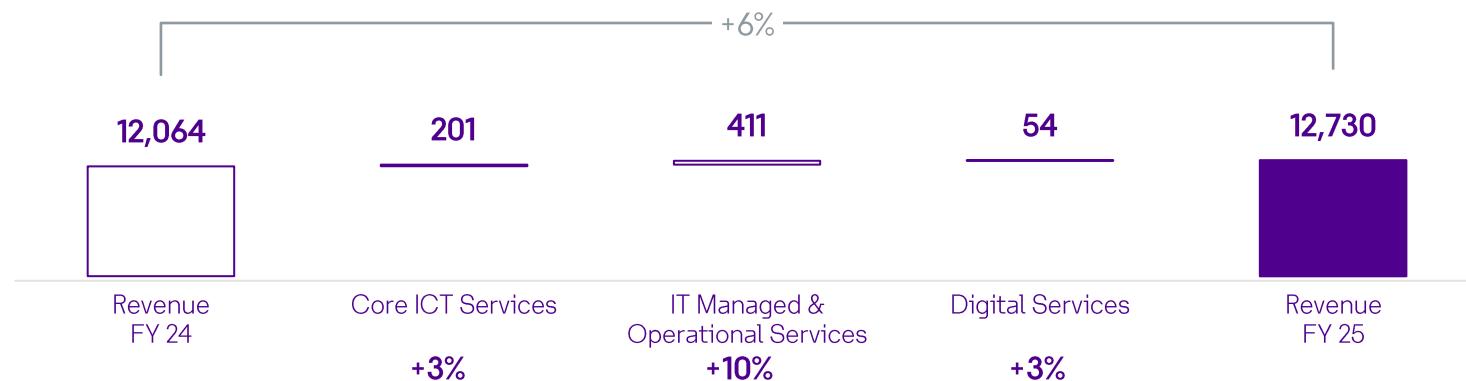
Revenue Trend and Breakdown by Business Segment

2025 revenue grew 6% YoY, driven by IT Managed Services segment

Revenue by Business Segment (₹ mn)



Revenue Movement YoY (₹ mn)



Note: totals may not be equal to 100% due to rounding

Revenue Composition (by Business Segment)



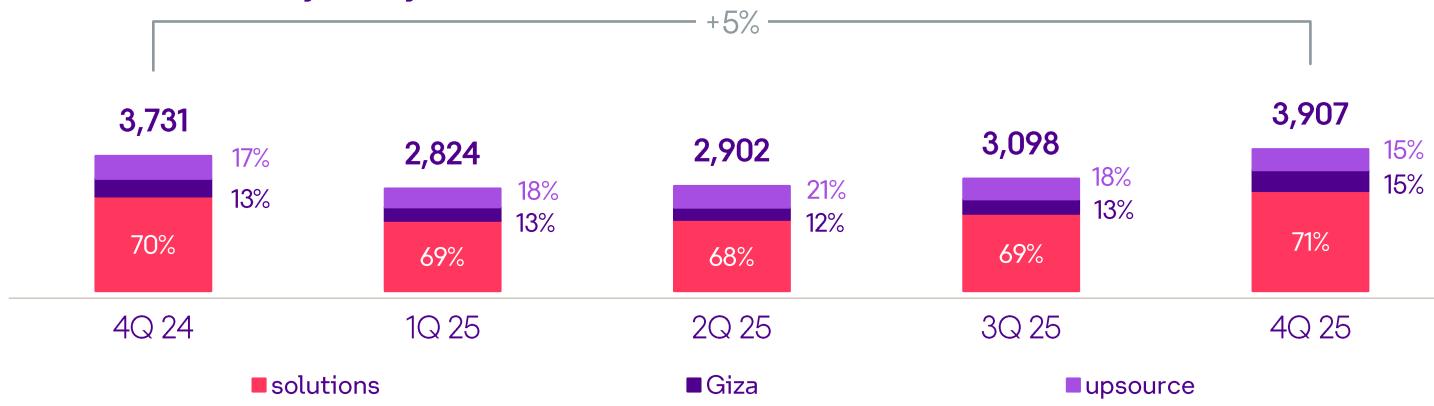
Management Commentary

- Revenue grew 6% YoY in 2025, driven by 10% YoY revenue growth in IT Managed Services.
- 4Q25 revenue increased by 5% YoY, impacted by a higher 4Q24 base and timing of revenue recognition of projects awarded in 2H25...
- ...which will contribute to revenue momentum in 2026.

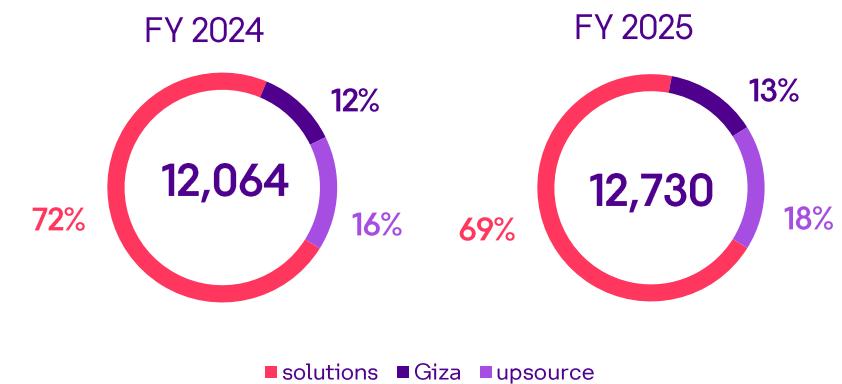
Revenue Breakdown by Entity

Giza led growth with 21% revenue increase YoY followed by upsource with 17% growth YoY in 2025

Revenue Breakdown by Entity (₹ mn)



Revenue Composition (by Entity)



Revenue Movement YoY (₹ mn)



Management Commentary

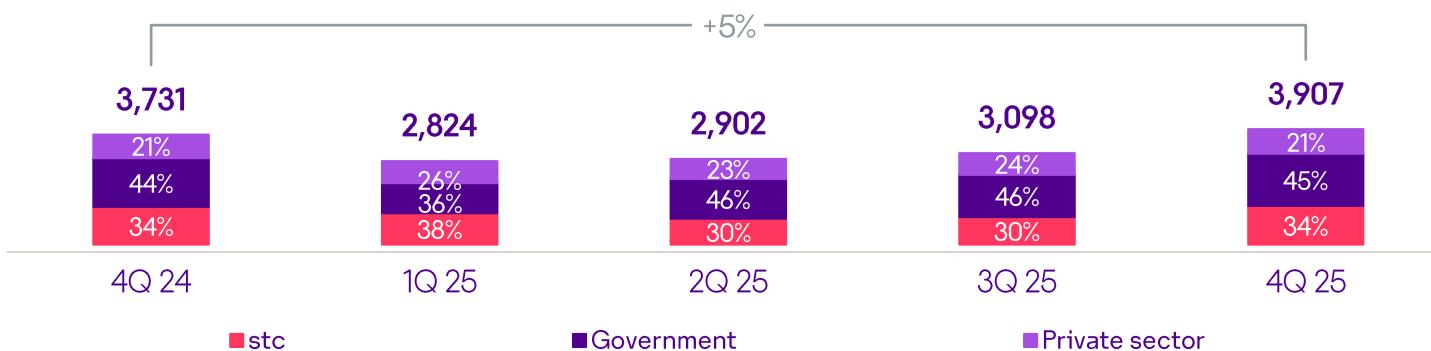
- solutions standalone remained the largest contributor with 69% share in 2025 and 1% growth YoY despite a transfer of projects to other entities within the group.
- upsource posted 17% revenue growth YoY in 2025 supported by new project wins and contracts transferred from solutions.
- Giza's 21% revenue growth was driven by continued expansion within KSA and addition of new entities.

Note: totals may not be equal to 100% due to rounding. All numbers are presented after intercompany eliminations

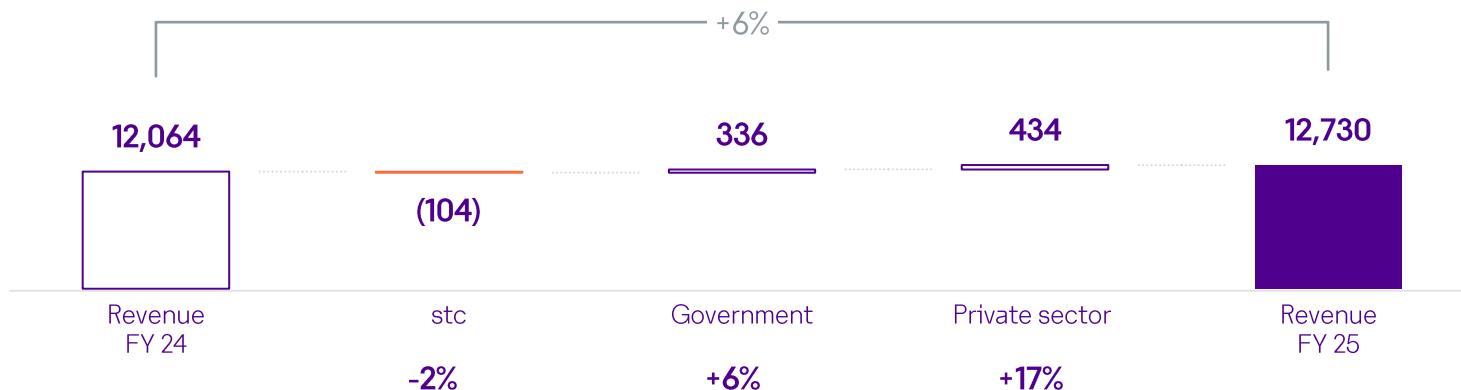
Revenue Breakdown by Customer Type

Private sector drove growth, while the Government remained the biggest customer segment in 2025

Revenue Breakdown by Customer Type (₹ mn)

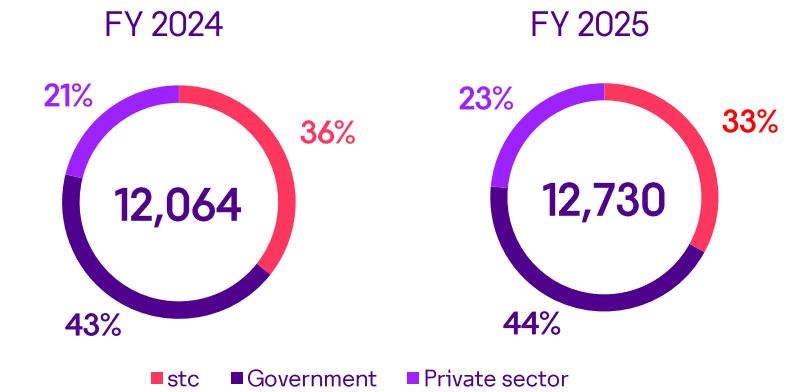


Revenue Movement YoY (₹ mn)



Note: totals may not be equal to 100% due to rounding

Revenue Composition (by Channel)



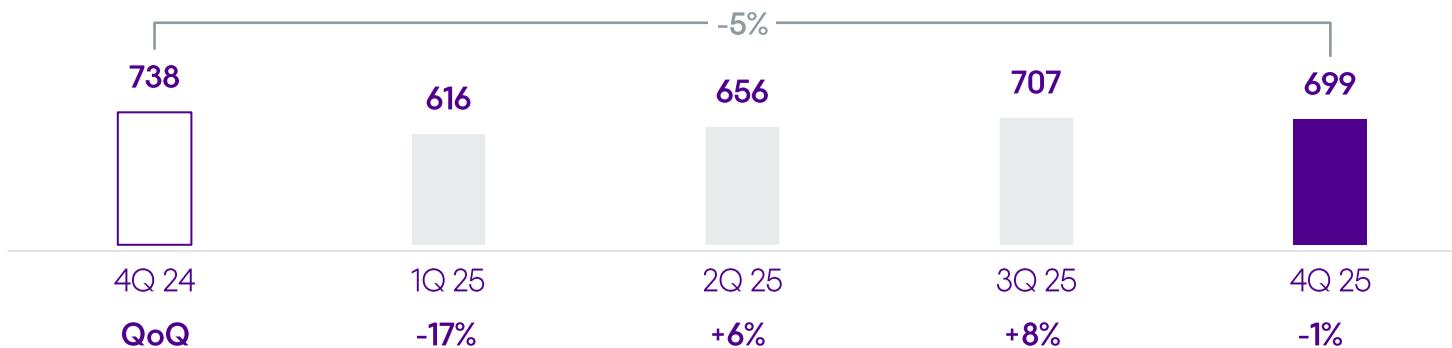
Management Commentary

- Government revenue grew 6% YoY in 2025, supported by improved revenue recognition from projects progressing to advanced execution stages.
- stc revenue declined 2% YoY in 2025, reflecting a higher share of projects in early delivery phases.
- Private sector remained the key growth driver with 17% YoY growth in 2025, fueled by strong execution in ongoing projects and new wins.

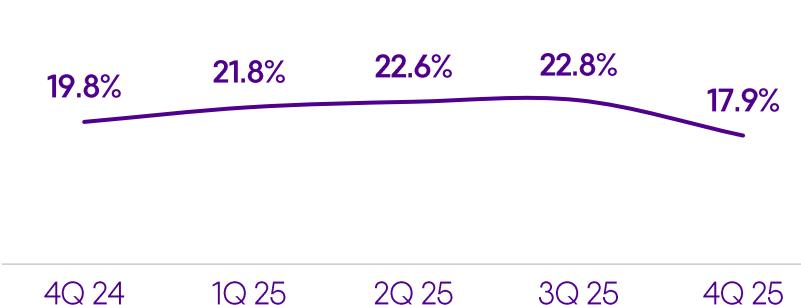
Profitability - Gross Profit Performance

Revenue mix, regulatory changes and project execution timing defined gross margin performance in 2025

Gross Profit Trend (₹ mn)



Gross Profit Margin (%)



Gross Profit Movement (₹ mn)



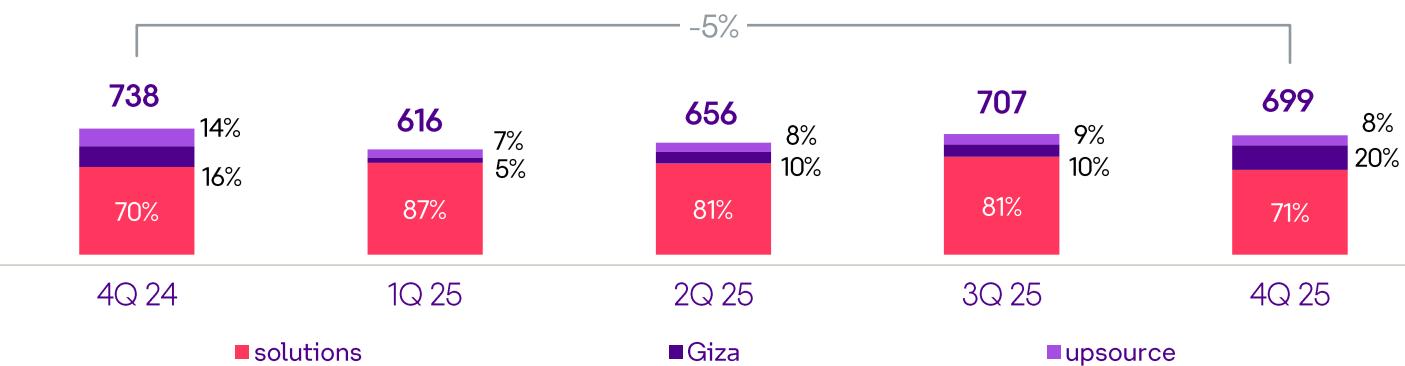
Management Commentary

- Gross margin declined 203 bps YoY to 21.0% in 2025, reflecting evolving revenue mix, regulatory changes and varying margin profiles of projects at different execution stages.
- Quarterly gross margin fell to 17.9% in 4Q25, due to a lower contribution from higher-margin services and temporary execution-stage effects, which are expected to normalize as projects mature.

Profitability - Gross Profit Drivers

Gross profit performance was broadly stable across subsidiaries

Gross Profit Breakdown by Entity (₹ mn)

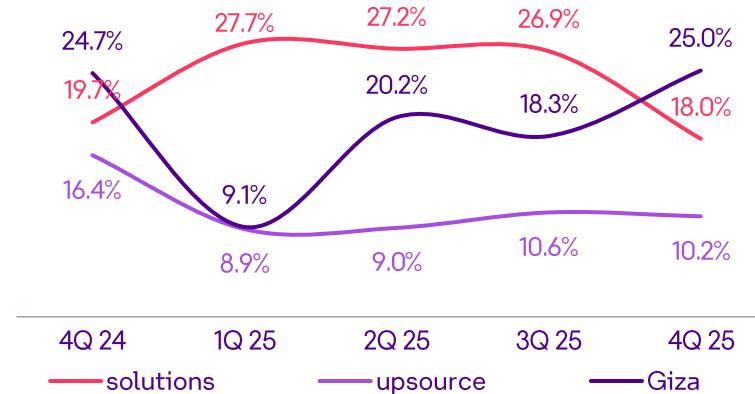


Gross Profit Movement YoY (₹ mn)



Note: totals may not be equal to 100% due to rounding

Gross profit margin by Entity



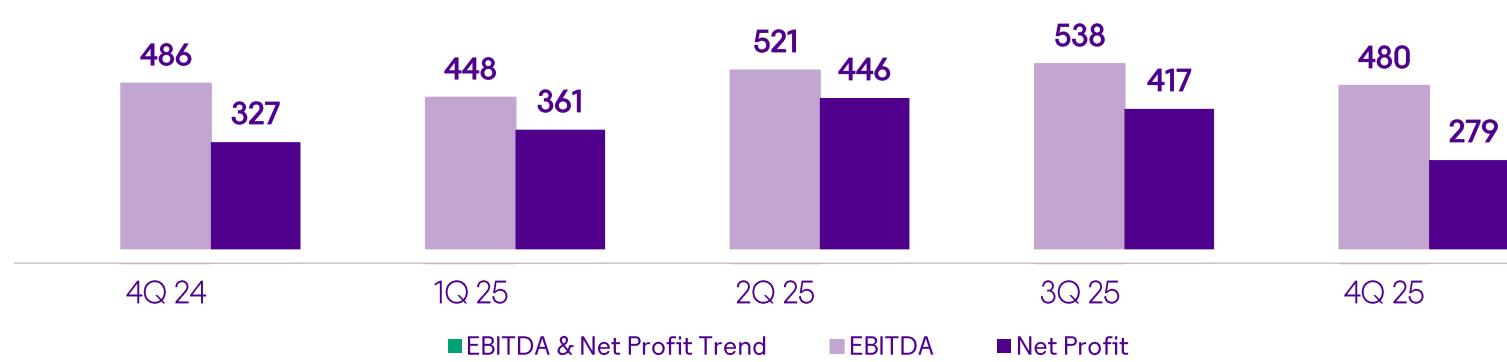
Management Commentary

- solutions' gross profit declined 4% YoY in 2025, driven by project mix and milestone-based margin timing.
- Giza gross profit was flat YoY in 2025, as lower margin was offset by business growth.
- Upsource gross profit declined 3% YoY in 2025, as lower gross margin reflected normalization following HRDF rebates in 2024.

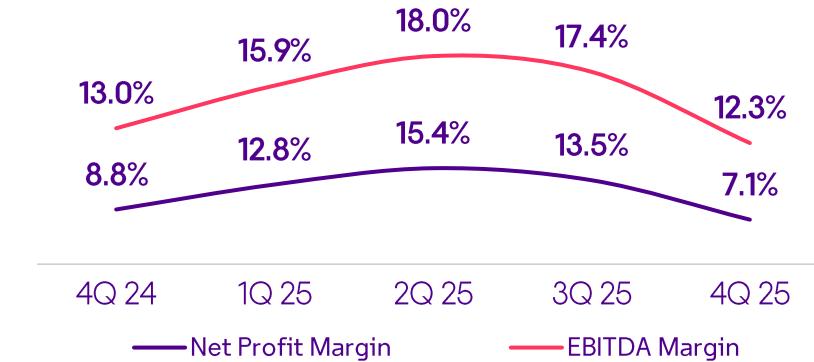
Profitability - EBITDA and Net Profit

EBITDA growth supported by cost efficiencies, while net profit dynamics reflected a higher base and one-off effects

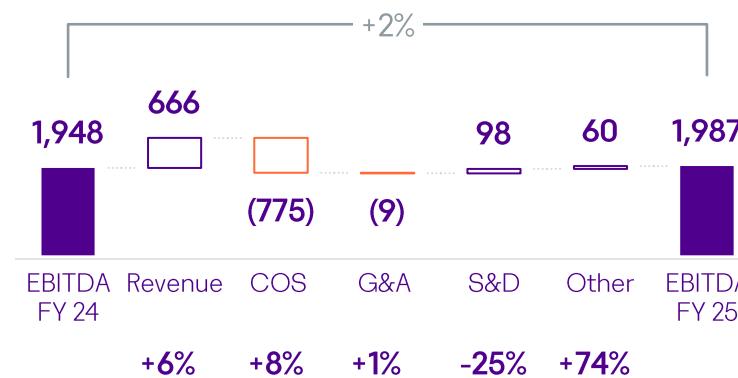
EBITDA & Net Profit Trend (₹ mn)



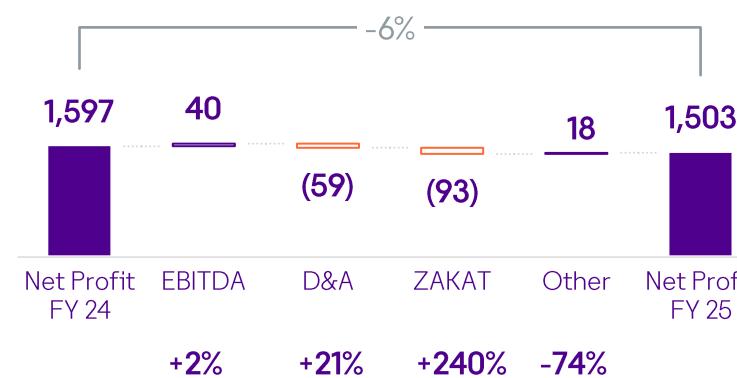
EBITDA & Net Profit Margins (%)



EBITDA Movement YoY (₹ mn)



Net Profit Movement YoY (₹ mn)



Management Commentary

- EBITDA grew 2% YoY in 2025, supported by revenue growth and continued efficiency gains, partially offset by lower gross margin driven by project mix changes.
- Net profit declined 6% YoY to ₹1.5bn, reflecting a high base of last year due to one-off non-operating income and Zakat reversals in 2024.

Balance Sheet - Working Capital

Working capital remained stable, reflecting project cycle timing and disciplined payables management

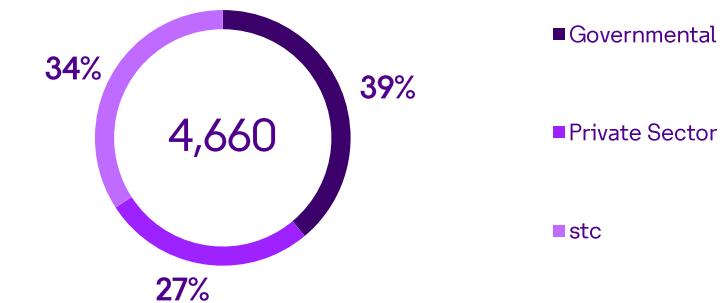
Accounts Receivable (₦ bn)



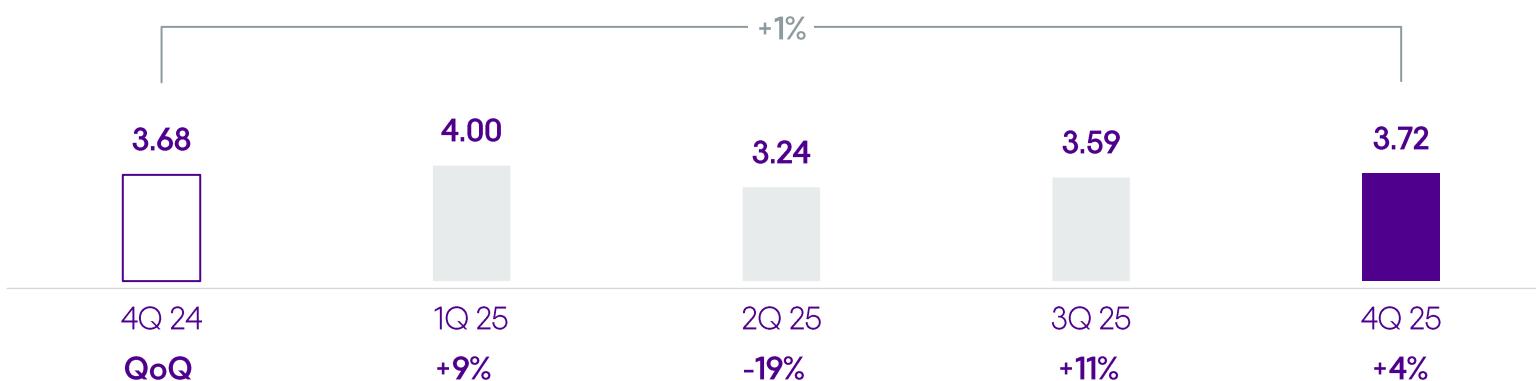
Accounts Payable (₦ bn)



Accounts Receivable Composition (%)



Working Capital Performance (₦ bn)



Management Commentary

- Working capital increased 1% YoY in 2025, reflecting normal project execution and invoicing cycle.
- Receivable days improved to 121 days in 2025, supported by continued collection optimization despite higher receivables in value terms.
- Payable days increased to 152 days, driven by active management of supplier terms while maintaining strong vendor relationships.

Working Capital = Current Assets - Current Liabilities

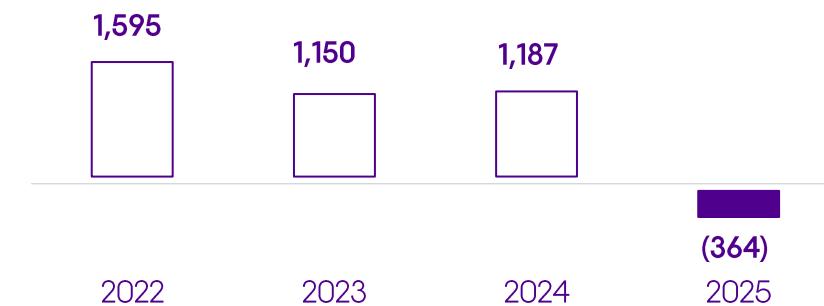
Cash Flow Generation

Free cash flow turned negative in 2025 due to billing and collections timing, which should reverse in 2026

Capital Expenditures (₹ mn)*



Free Cash Flow (₹ mn)



Free Cash Flow Movement (₹ mn)



Free Cash flow
FY 24

CFO

Investments in PPE
and IA

Acquisition
payments

Lease liabilities
payments

Free Cash flow
FY 25

Management Commentary

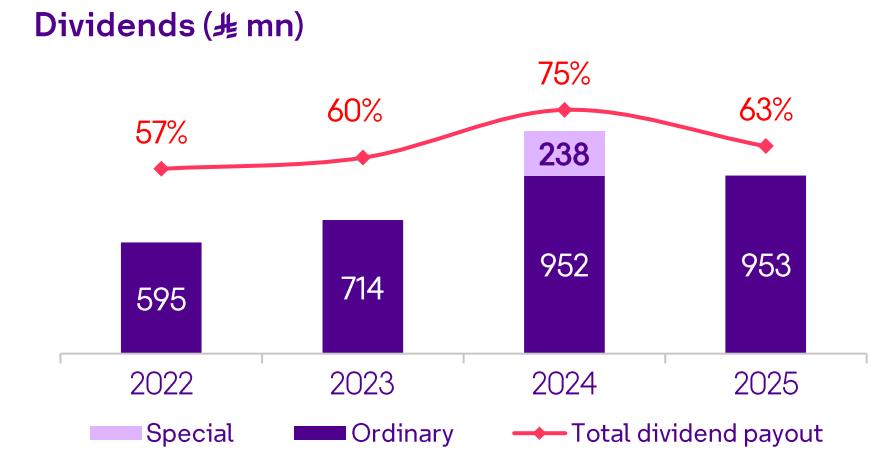
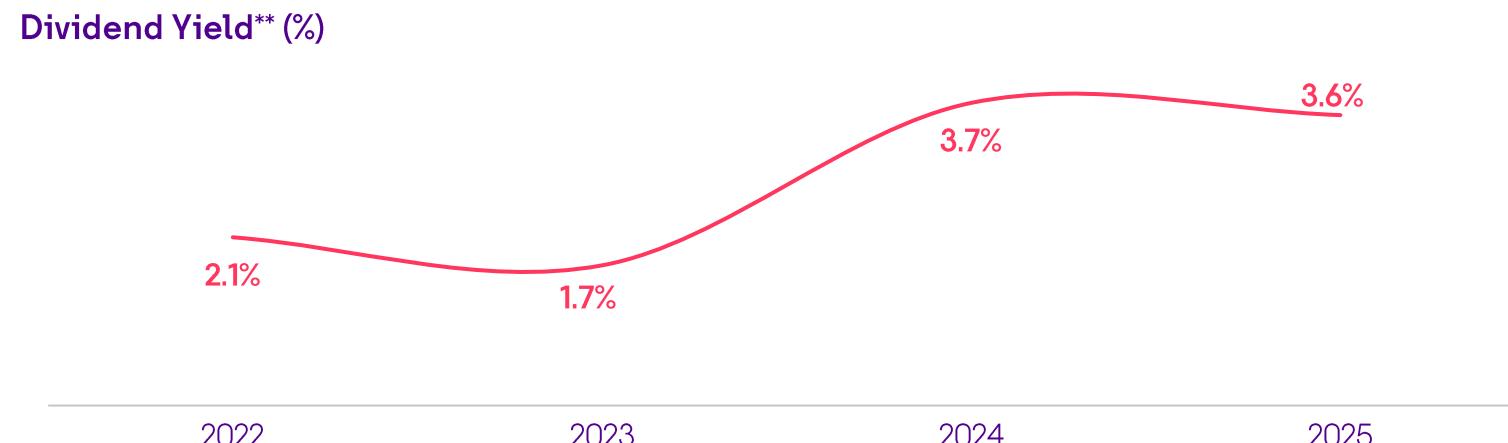
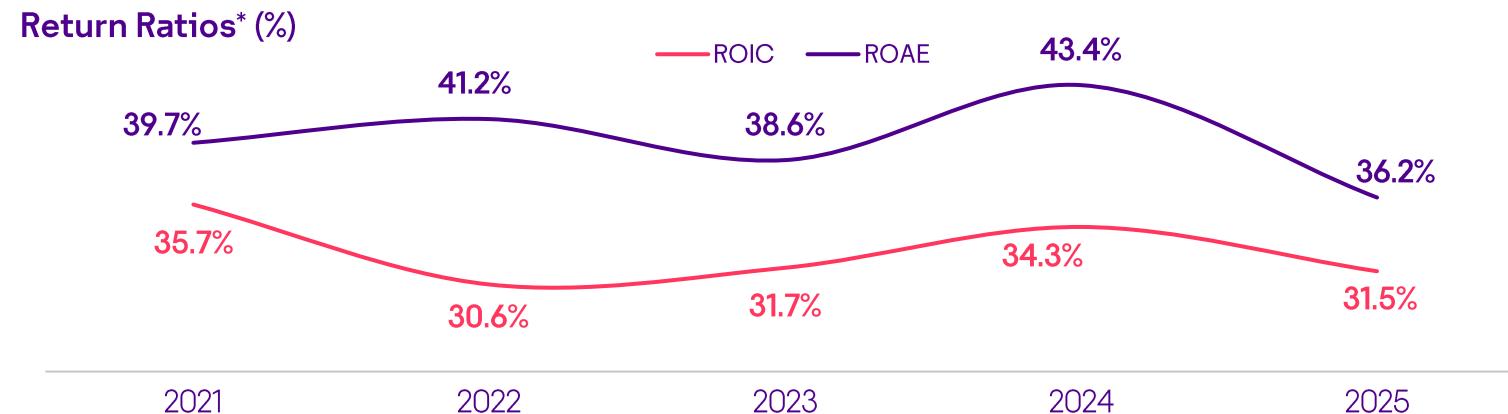
- FCF was negative at ₹ 364 mn in 2025, primarily reflecting working capital outflows...
- ...resulting from the time lag between revenue recognition and billing, as well as increased inventories due to initiation of new large projects.
- Capex declined to ₹ 191 mn in 2025, accounting for 1.5% of revenue, which underscores the group's asset-light model and disciplined capital deployment.

* The chart is provided for organic CAPEX

Free Cash Flow = CFO - CAPEX - Lease liabilities payments - Payment for acquisition of subsidiary

Returns and Dividends

High returns and progressively growing dividends



Management Commentary

- Capex-light business model continues to generate superior returns and allows for generous dividends.
- The company's BoD recommended to distribute ₹ 8 DPS for 2025, in line with ordinary dividends paid in 2024.
- This implies a dividend payout of 63% of net profit for the year.

* ROIC = EBIT / Invested Capital (Net Working Capital + PPE + Goodwill + Other Operating Assets); ROAE = Net income / Average Total Equity

** Dividend yield is calculated based on the share price as of end of each year

Outlook and Guidance

solutions announces guidance for 2026

	FY 2025 Results	FY 2026 Guidance
Revenue Growth	6%	6%-8%
EBITDA Margin	16%	14%-16%
Capex Intensity	1.5%	2%-3%

6 Contact Details

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Shukran!

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