

# FY 2025

## Results Presentation

Riyadh, 19 February 2026

# Agenda

- 1 solutions by stc at a Glance
- 2 Key Milestones in 2025
- 3 Investment Thesis
- 4 OneCloud and GPUaaS
- 5 Financial Performance
- 6 Outlook and Guidance
- 7 Q&A

A man and a young boy are shown from the chest up. The man, with a beard and mustache, is wearing a white shirt and pointing his right index finger towards the viewer. The boy is looking directly at the camera with a slight smile. The background is dark with blue and red lighting effects.

# 1 solutions by stc at a Glance in 2025

# solutions by stc at a Glance

The leading ICT services provider and enabler of the digital transformation across the Kingdom

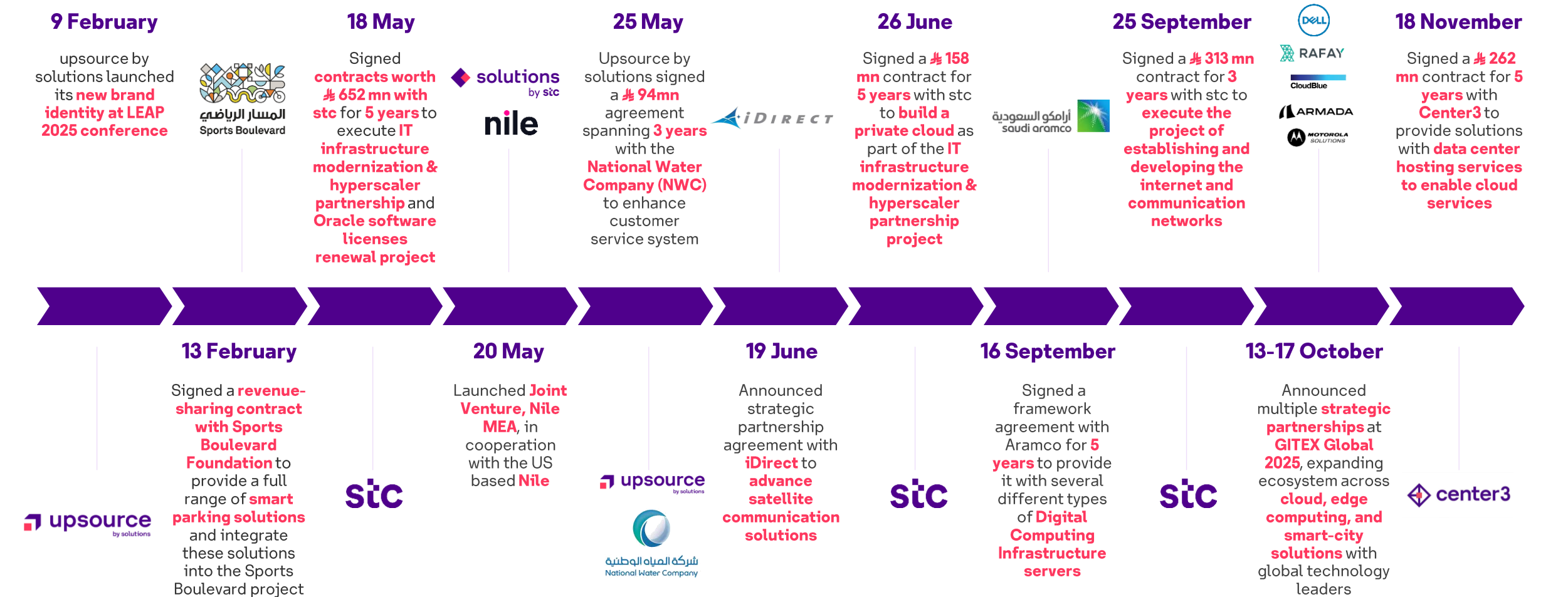
Key highlights	#1	IT services provider in Saudi Arabia	20.1%	IT Services market share in KSA	25+	Years of experience in IT sector
FY 2025 financials	6%	Revenue growth YoY to ₪ 12.73bn	15.6%	EBITDA margin	11.8%	Net profit margin
People	1,358	Talented employees	64%	Saudization	21%	Female staff
Partnerships	125+	Partners in solutions ecosystem	436	Local Suppliers Engaged	79%	Procurement spending on local suppliers



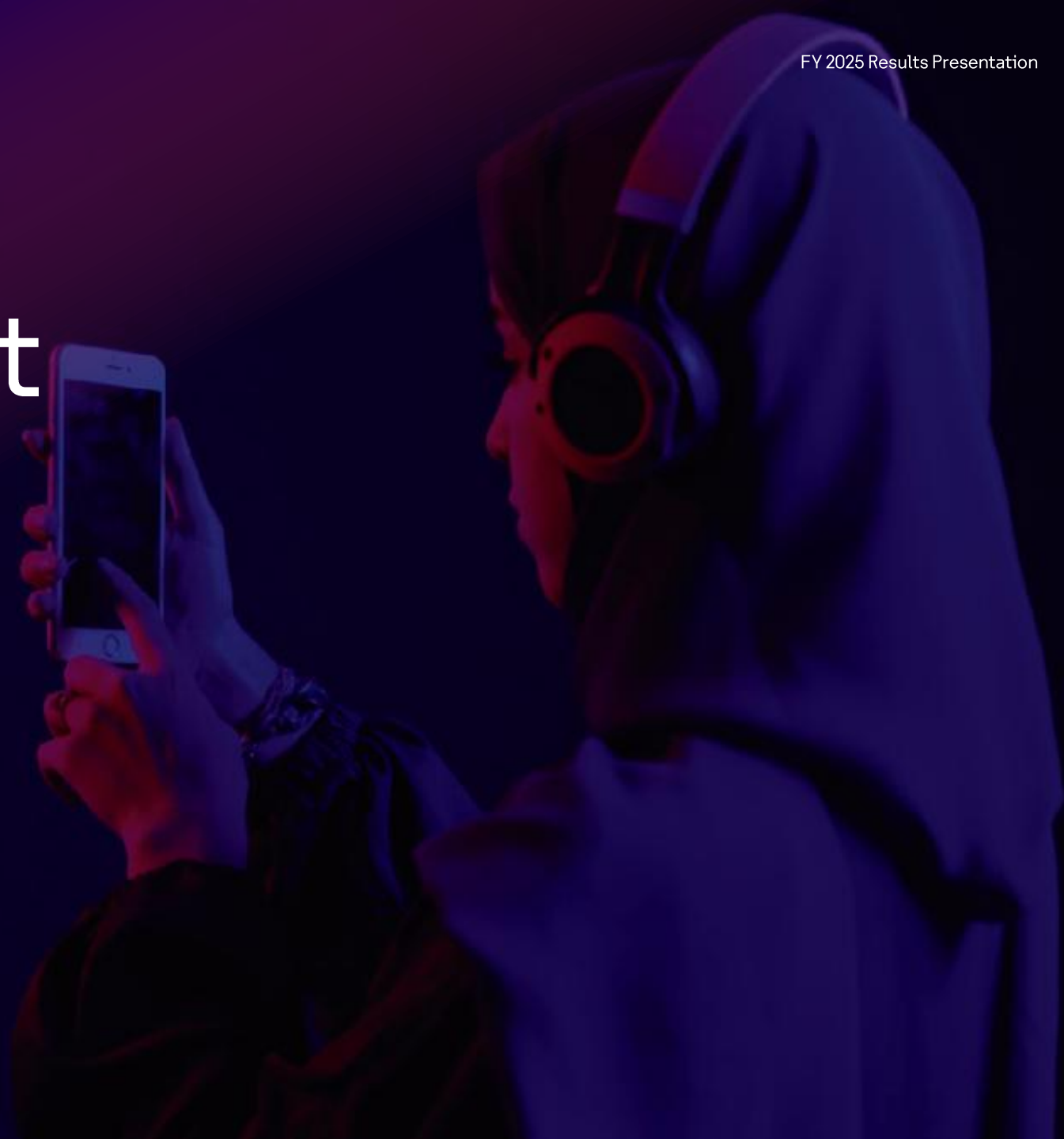
# 2 Key Milestones in 2025

# Key Milestones in 2025

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



# 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%<sup>1</sup>

## 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% ROIC<sup>2</sup> 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%<sup>3</sup> 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

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

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

<sup>3</sup> - 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

Alibaba Cloud

aws

HUAWEI  
CLOUD

Microsoft  
Azure

### Partnership status

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

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

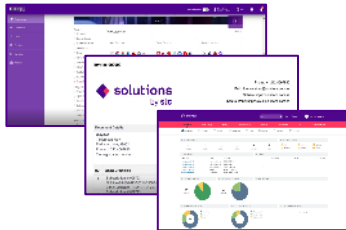
- Channel Partner
- MSP

- 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

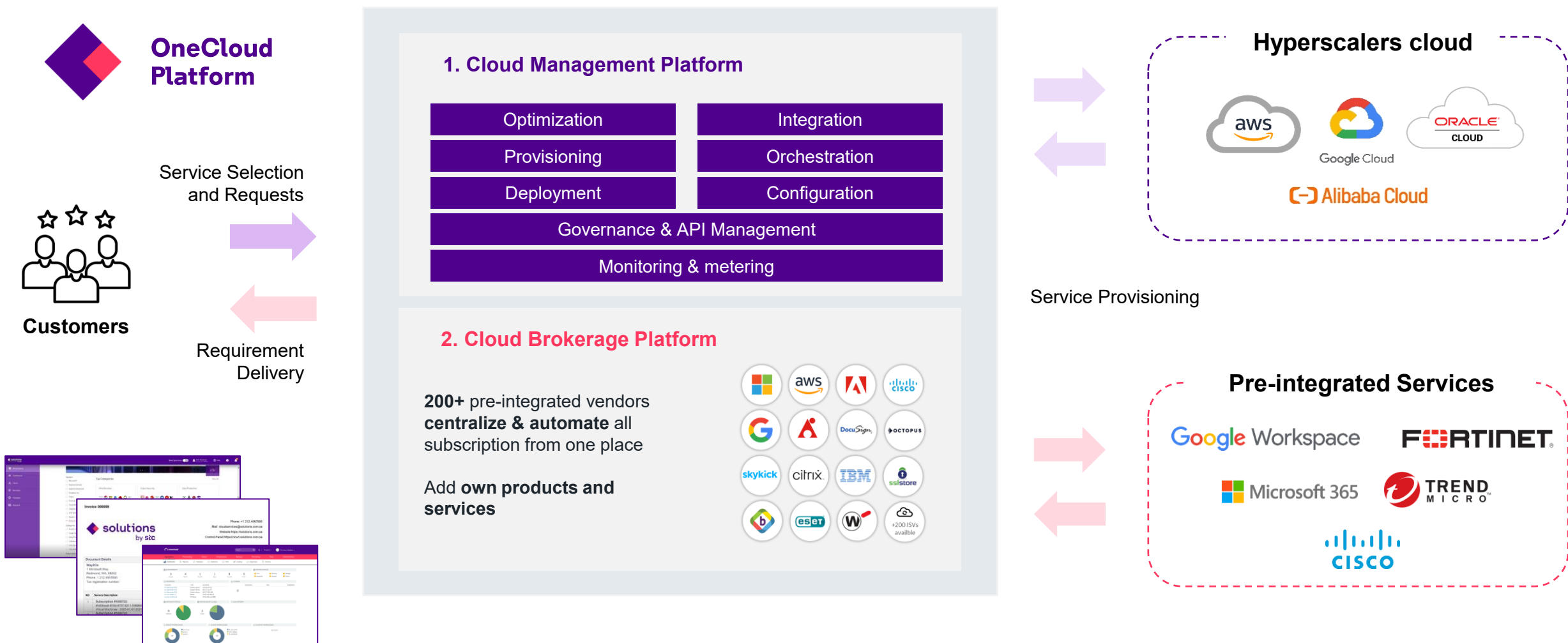
Multi-cloud brokerage

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


- ✓ CITC regulations
- ✓ NCA requirements
- ✓ National cloud rules
- ✓ 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.



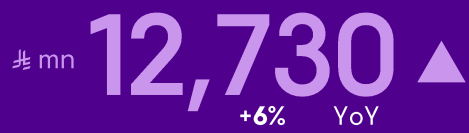
# 5 Financial Performance

A person wearing a white thobe is walking down a long, brightly lit aisle in a server room. The aisle is flanked by rows of server racks on both sides. The person is holding a laptop and looking at it. The ceiling is high and has a complex, geometric pattern. The floor is light-colored and reflective. The overall atmosphere is clean and modern.

# solutions FY 2025 Financial Dashboard

Maintaining steady growth amid revenue phasing effects and margin normalization

FY 25 Revenue



FY 25 GP Margin



FY 25 Capex



FY 25 Capex / Revenue



FY 25 EBITDA



FY 25 EBITDA Margin



FY 25 Net Cash From Operating Activities



FY 25 ROIC



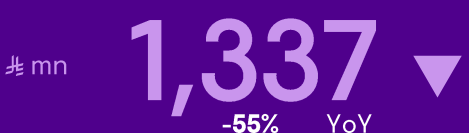
FY 25 Net Profit



FY 25 NP Margin



FY 25 Net Cash



FY 25 ROAE

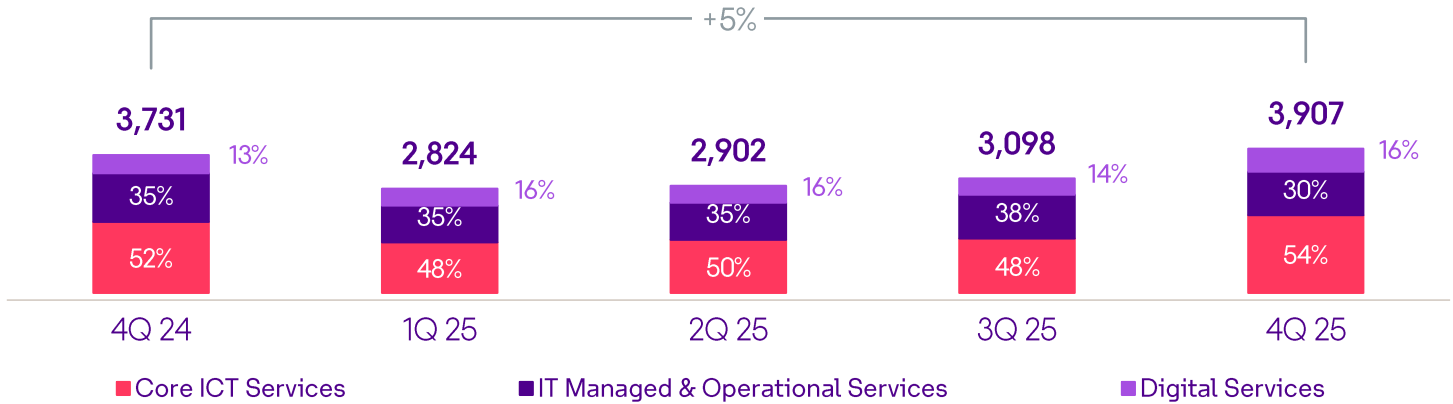




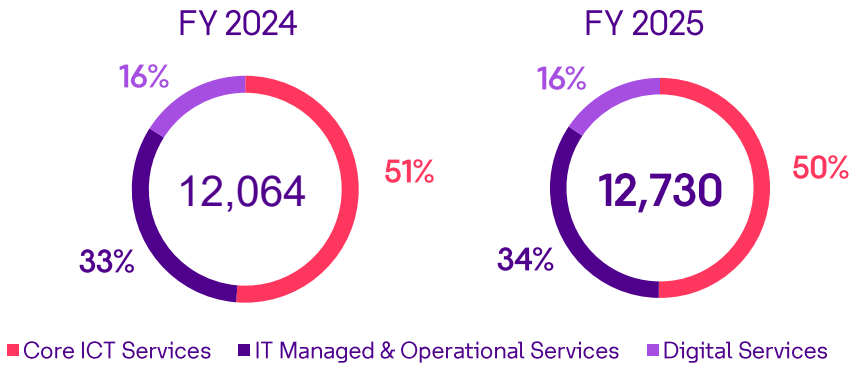
# Revenue Trend and Breakdown by Business Segment

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

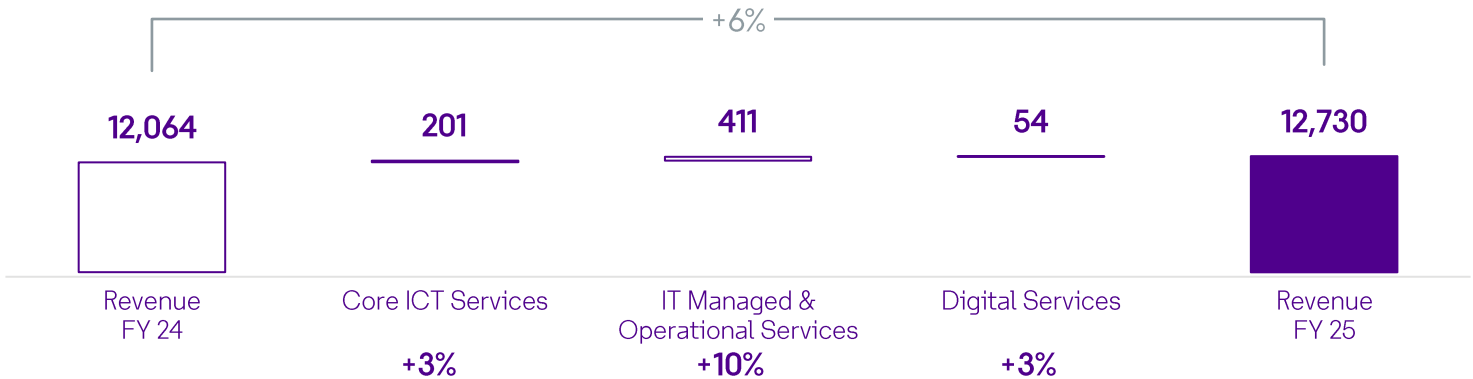
Revenue by Business Segment (₹ mn)



Revenue Composition (by Business Segment)



Revenue Movement YoY (₹ mn)



## Management Commentary

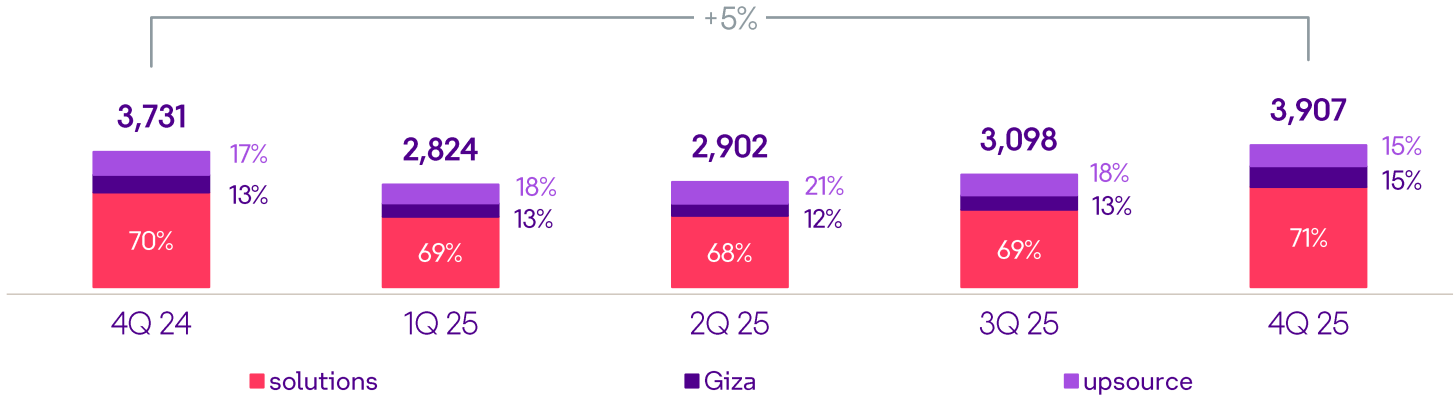
- Revenue grew 6% YoY in 2025, driven by 10% YoY revenue growth in IT Managed Services.
- 4Q25 revenue increased by 5% YoY, impacted by a higher 4Q24 base and timing of revenue recognition of projects awarded in 2H25...
- ...which will contribute to revenue momentum in 2026.

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

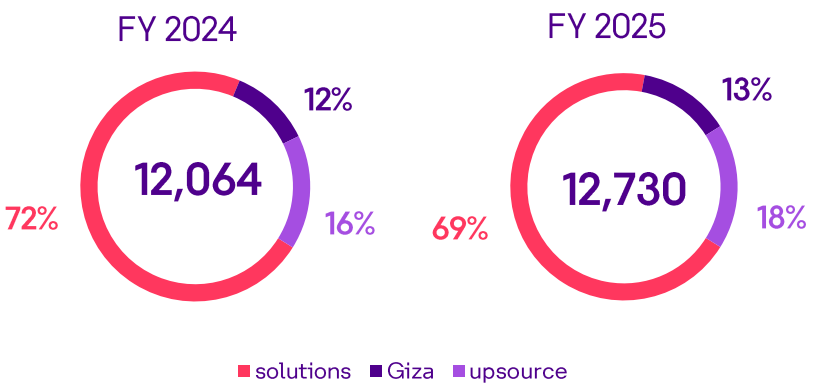
# Revenue Breakdown by Entity

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

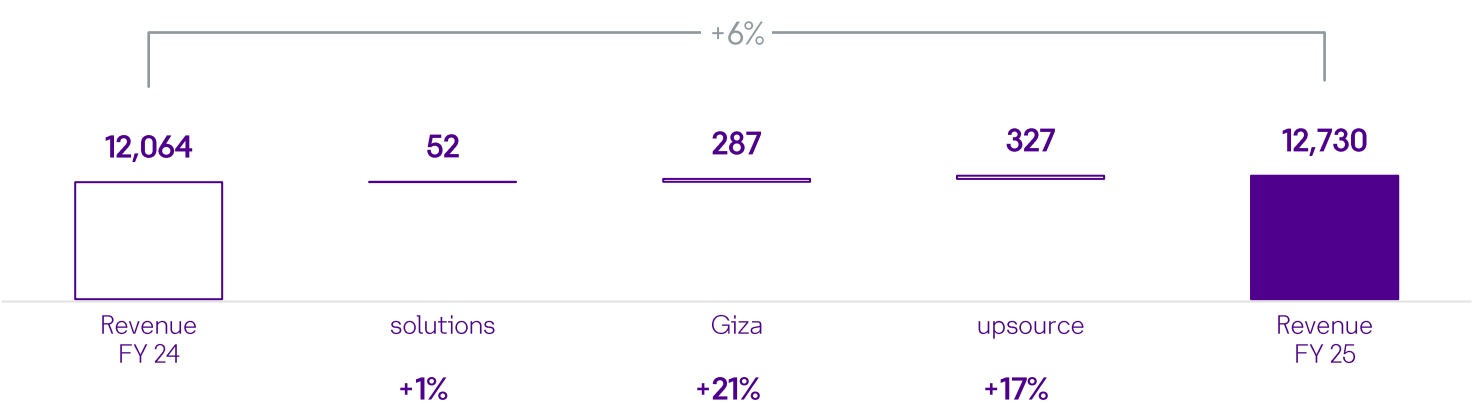
Revenue Breakdown by Entity (﷼ mn)



Revenue Composition (by Entity)



Revenue Movement YoY (﷼ mn)



## Management Commentary

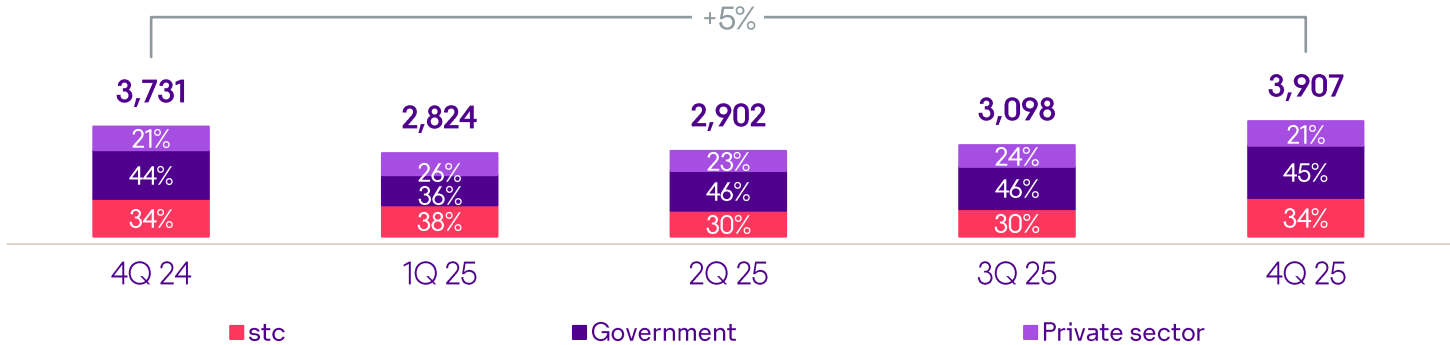
- solutions standalone remained the largest contributor with 69% share in 2025 and 1% growth YoY despite a transfer of projects to other entities within the group.
- upsource posted 17% revenue growth YoY in 2025 supported by new project wins and contracts transferred from solutions.
- Giza’s 21% revenue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

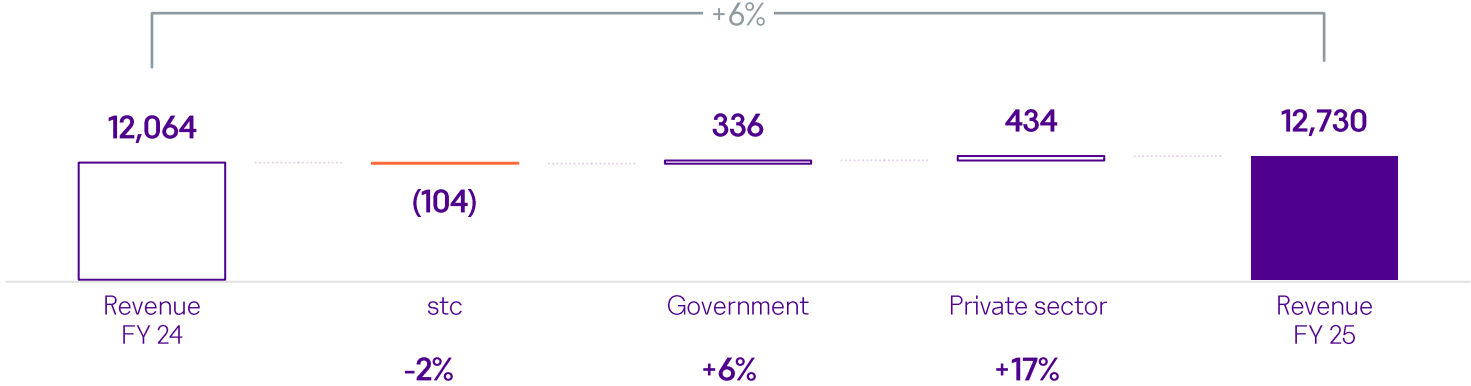
# Revenue Breakdown by Customer Type

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

Revenue Breakdown by Customer Type (£ mn)

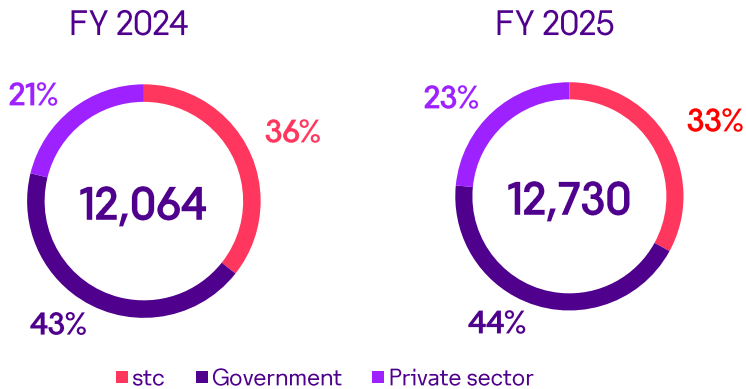


Revenue Movement YoY (£ mn)



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

Revenue Composition (by Channel)



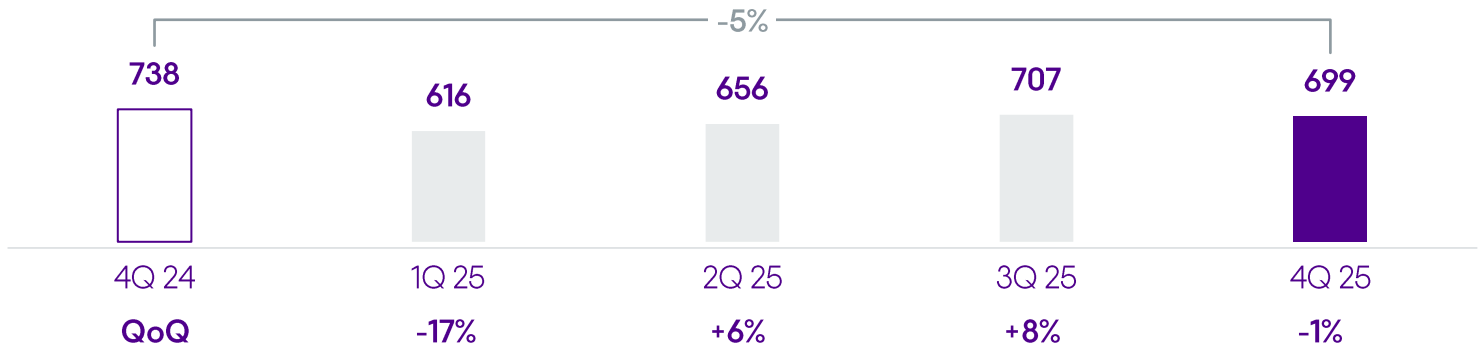
## Management Commentary

- 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.

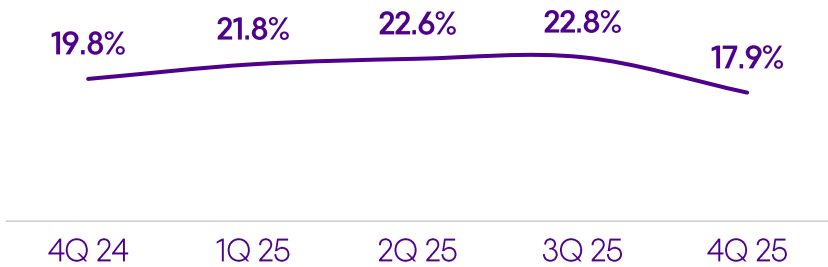
# Profitability - Gross Profit Performance

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

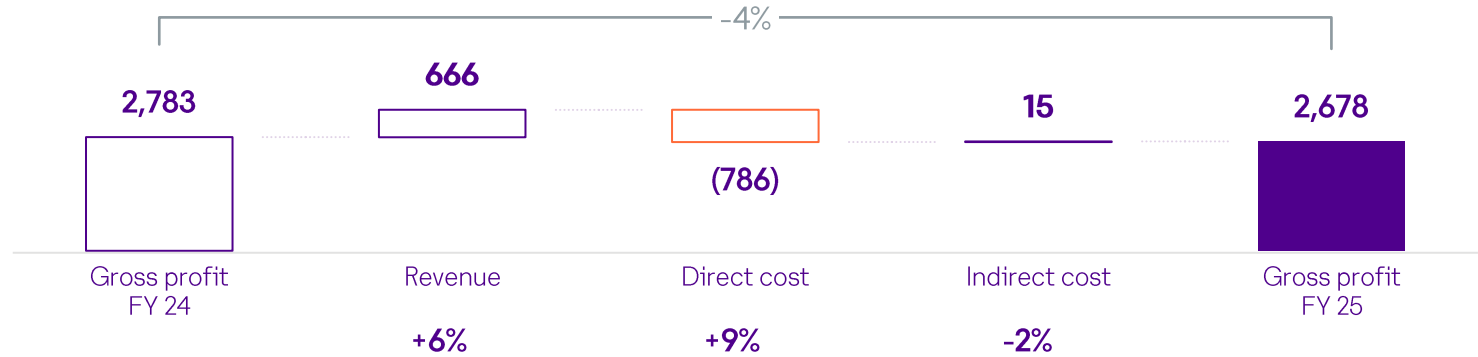
Gross Profit Trend (₹ mn)



Gross Profit Margin (%)



Gross Profit Movement (₹ mn)



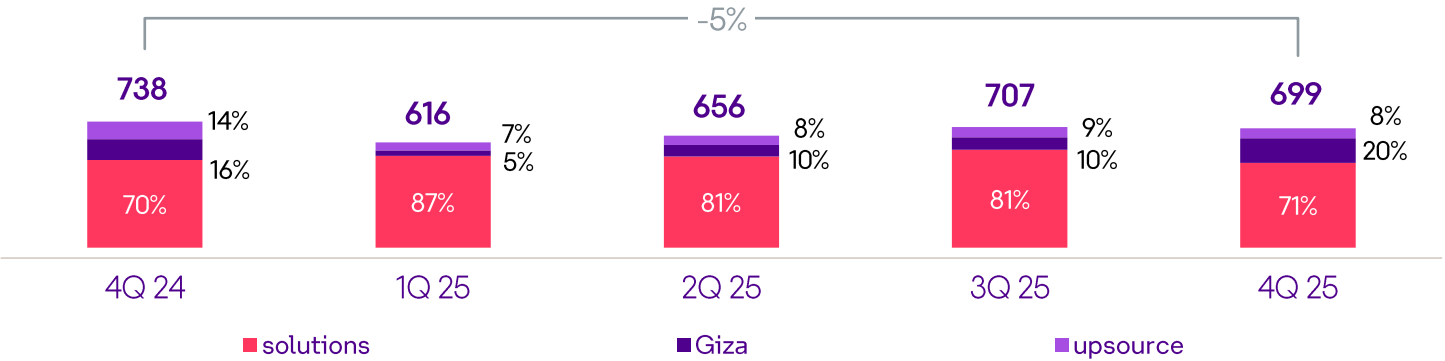
### Management Commentary

- 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)

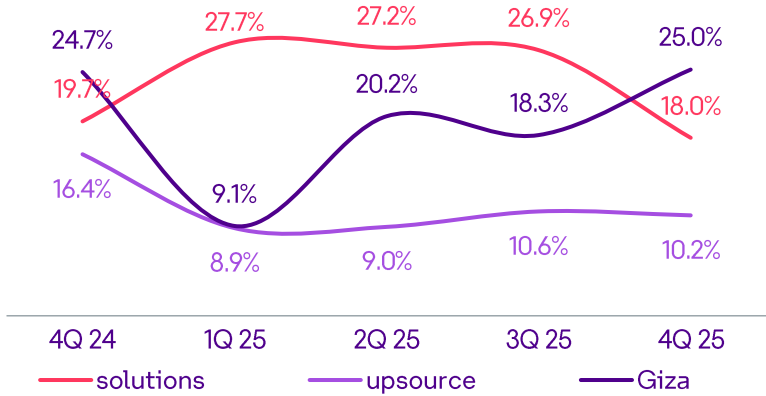


Gross Profit Movement YoY (₪ mn)



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

Gross profit margin by Entity



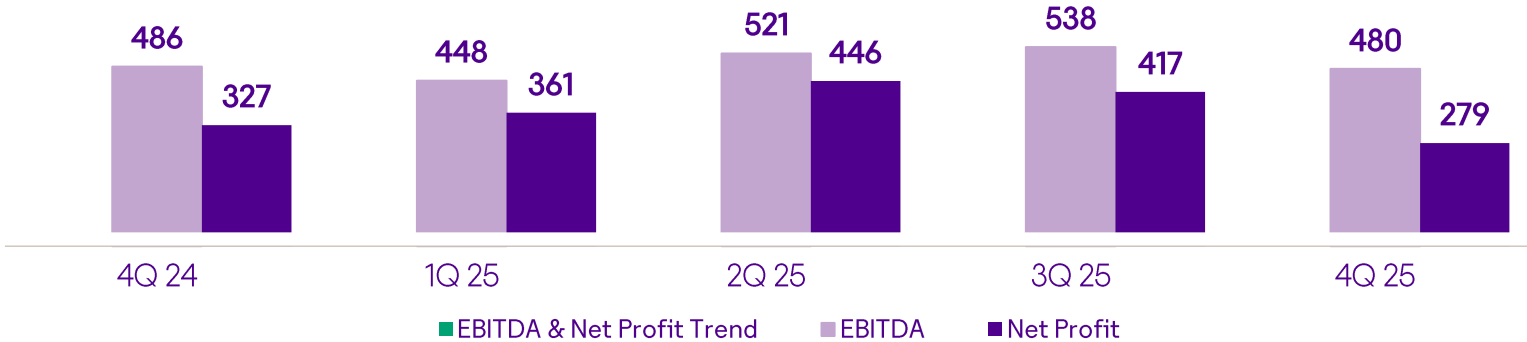
## Management Commentary

- 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.

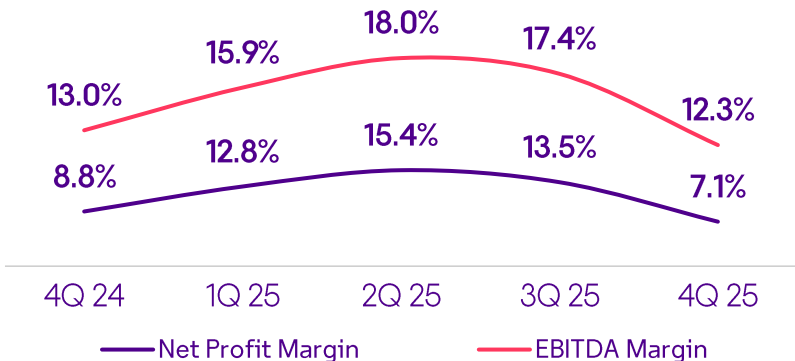
# Profitability - EBITDA and Net Profit

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

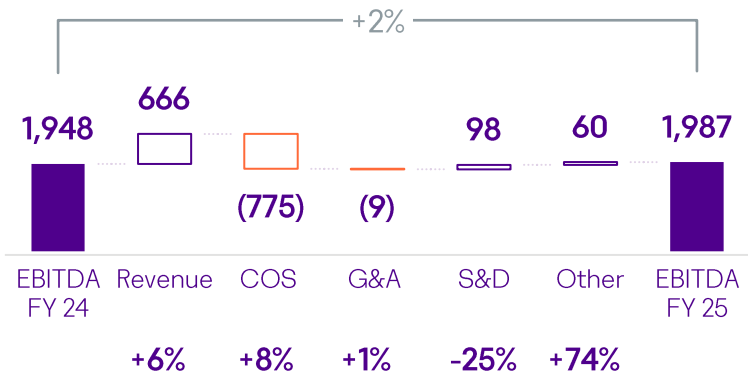
EBITDA & Net Profit Trend (₹ mn)



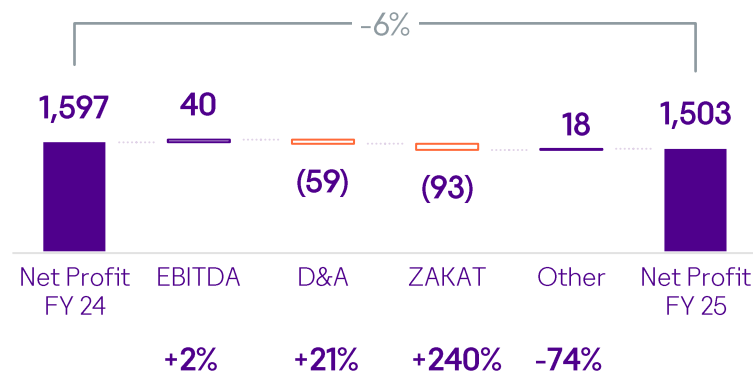
EBITDA & Net Profit Margins (%)



EBITDA Movement YoY (₹ mn)



Net Profit Movement YoY (₹ mn)

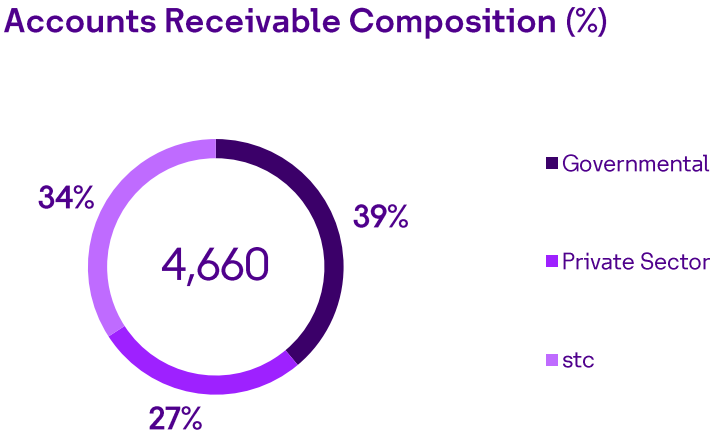
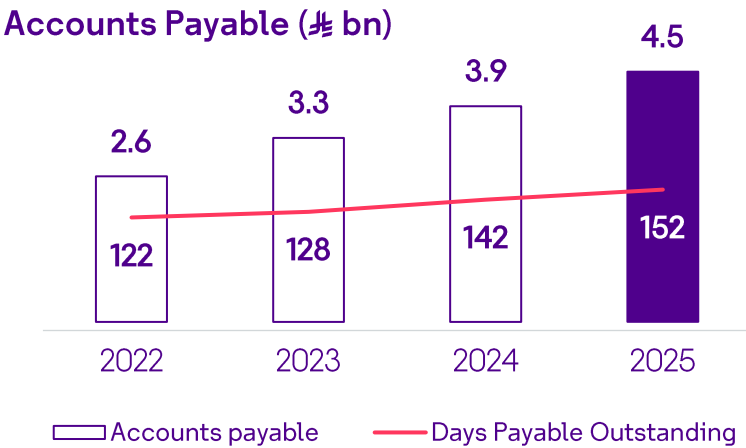
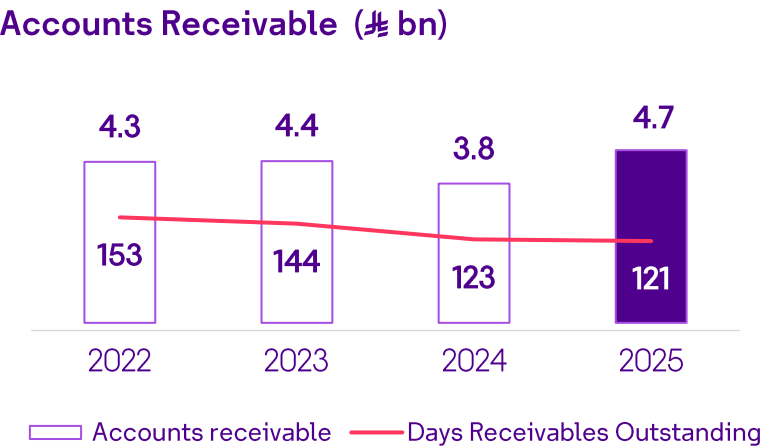


## Management Commentary

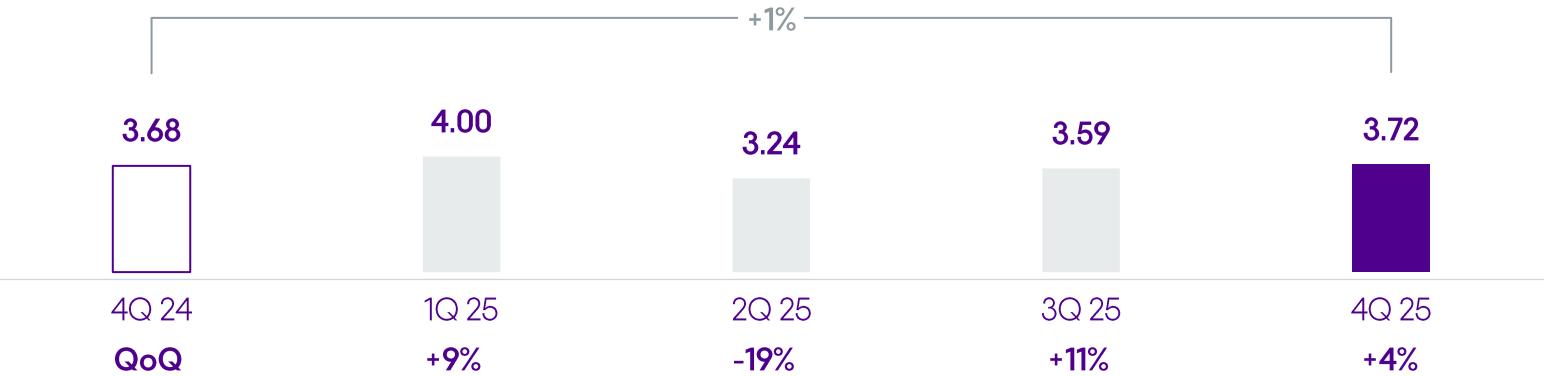
- EBITDA grew 2% YoY in 2025, supported by revenue growth and continued efficiency gains, partially offset by lower gross margin driven by project mix changes.
- Net profit declined 6% YoY to ₹ 1.5bn, reflecting a high base of last year due to one-off non-operating income and Zakat reversal in 2024.

# Balance Sheet - Working Capital

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



## 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.

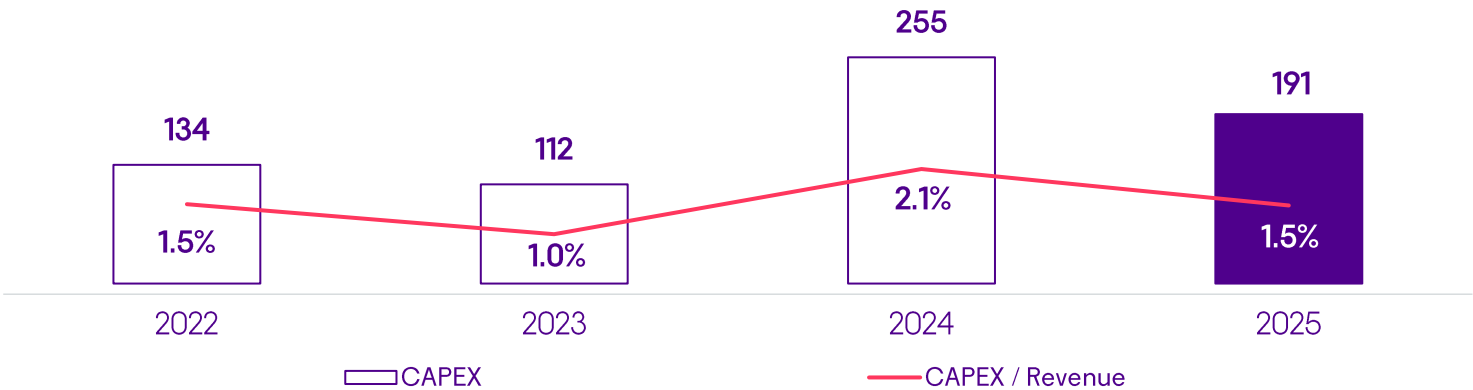
Working Capital = Current Assets - Current Liabilities



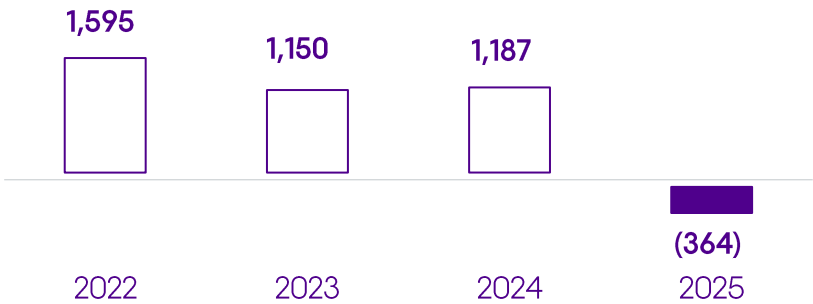
# Cash Flow Generation

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

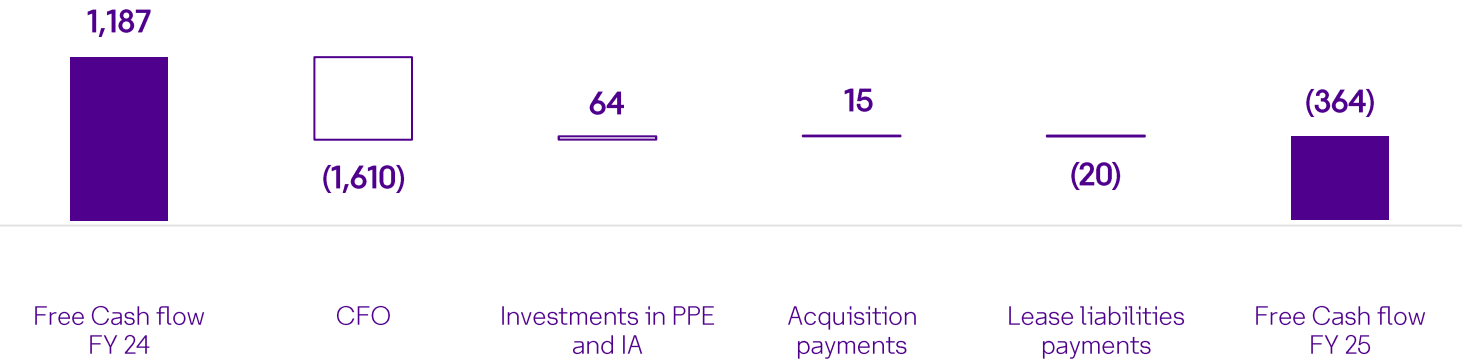
Capital Expenditures (₹ mn)\*



Free Cash Flow (₹ mn)



Free Cash Flow Movement (₹ mn)



## 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.

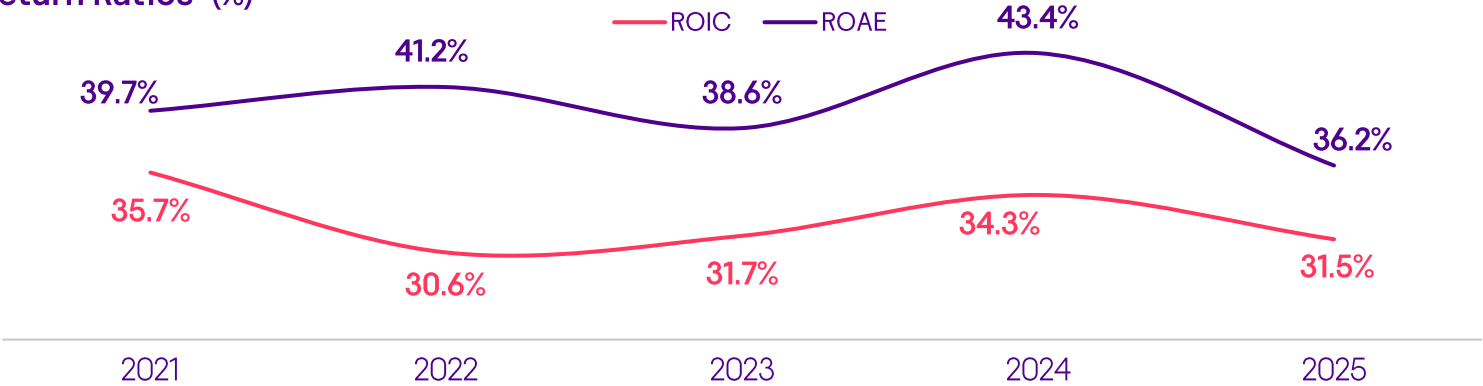
\* The chart is provided for organic CAPEX

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

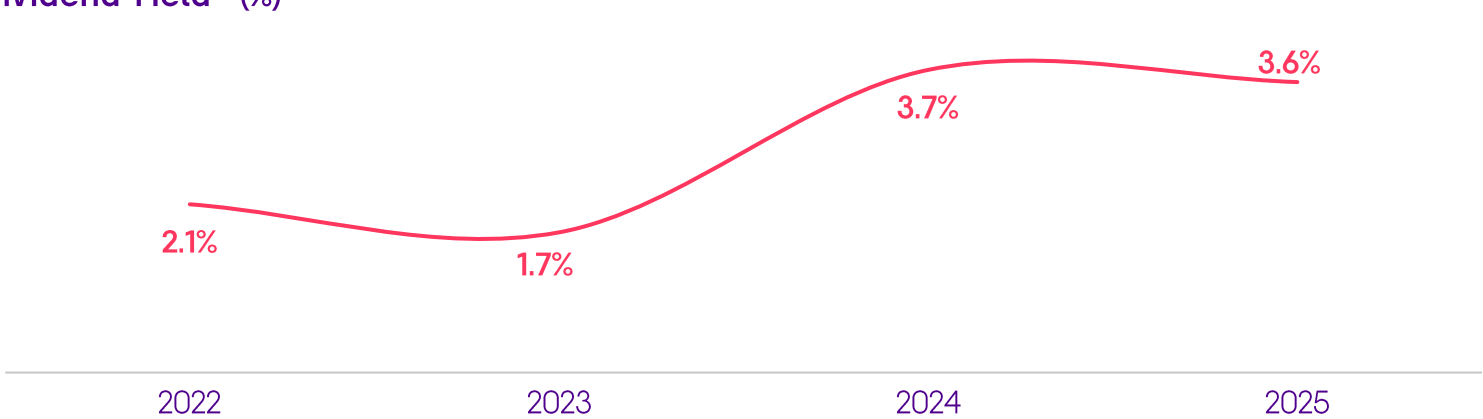
# Returns and Dividends

High returns and progressively growing dividends

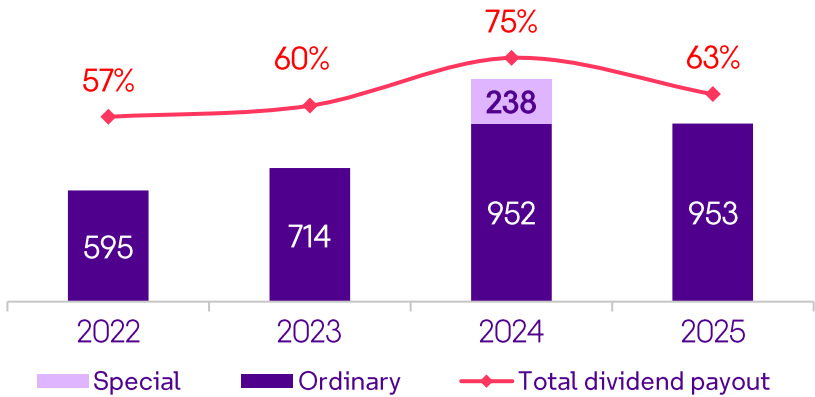
Return Ratios\* (%)



Dividend Yield\*\* (%)



Dividends (₹ mn)



## 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

# IR Contact Details

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