



Investor Relations Release

For the six months period ending 30th June 2023

Financial Performance

For the six months period ending 30th June 2023

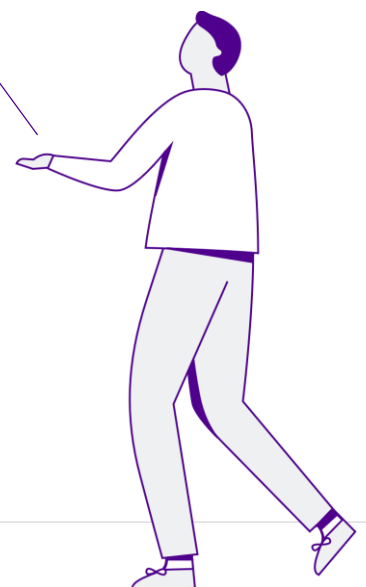
8.17% 

Historical increase in revenues for the 6 months period, as compared to the same period last year.

Key Figures (SAR mn)	6M 2023	6M 2022	Change (%)
Revenue	36,506	33,749	8.17%
Gross Profit	18,488	18,324	0.90%
EBITDA	12,164	12,504	(2.72%)
Net Profit	6,117	5,872	4.17%
EPS	1.23	1.18	

Credit Rating

- **S&P: A**
- **Moody's: A1**
- **Tasneef: AAA**



GCEO Statement

stc Group achieved the highest semi-annual revenues in its history reaching to SAR 36.5 billion

stc Group continues to lead as an enabler of digital transformation in the Kingdom and the region since the launch of its comprehensive strategy "DARE 2.0". stc Group was able to achieve the highest revenues in its history for the 6-month period amounting to SAR 36.5 billion, as it rose by 8.2% compared to the same period of the previous year. This is due to a 3.7% increase in the Commercial unit revenues, attributed to a growth in the mobility and residential segments revenues by 3.3% and 5.6% (respectively). The Carrier & Wholesale unit also continued to achieve positive results with revenues increasing by 4.0%, supported by a growth in its national revenues. Furthermore, stc Group's subsidiaries contributed positively to the Group performance, with a growth of 28.6% in their top line. The outstanding performance of the Group and the cost optimization efforts led to a positive impact on the Group's bottom line, reaching to SAR 6.1 billion with an increase of 4.2% as compared to the same period of the previous year.

Commenting on the results, Olayan Mohammed Alwetaid, stc Group CEO, pointed out that during the previous period and in line with the company's vision and strategy "DARE 2.0", which includes expansion in size and scope, stc Group through "solutions" (one of the Group's subsidiaries), signed a binding offer to acquire 40% of "Devoteam Middle East", a leading company in the field of innovative digital business consulting. This expansion will enhance stc Group's capabilities in the information technology sector and enable digital transformation through an integrated system of subsidiaries specialized in digital infrastructure, internet of things, cloud computing, cybersecurity, digital financial services, business outsourcing services and others.

In light of the Group's role as a leading digital enabler in the Kingdom and region, "center3" (one of the Group's subsidiaries), announced the arrival of the world's longest submarine cable "2Africa" to Jeddah and Yanbu, and to reach Dubai later this year and Al-Khobar during 2024. This cable is one of the longest submarine cables in the world and this project will connect 33 countries across three continents: Africa, Asia and Europe. In addition, "center3" signed a strategic agreement with "Huawei" to establish a cloud region in the Kingdom, which will provide a high level of advanced and secure cloud services to provide data hosting services and meet the growing demand for cloud services. Moreover, "center3" has also increased the capacity of its data center in Riyadh by 9.6 megawatts, aiming to improve and increase the capacity of data hosting services provided by "center3" to its customers, which contributes to strengthening the Kingdom's position as a regional digital center.

Further and as part of the Group's endeavor to support entrepreneurship, enable innovation in the Kingdom and contribute to the promotion of digital economy in technology fields, stc Group announced that the value of investments obtained by the entrepreneurs participating in the "InspireU" accelerator has reached more than SAR 700 million. Furthermore, "InspireU" accelerator has succeeded in enabling more than 90 emerging digital projects in various fields since inception, and the market value of investments and financial transactions for projects incubated by the program is amounted to more than SAR 12 billion. In addition, more than 40 million users benefited from "InspireU" entrepreneurial projects, which provided more than 600,000 job opportunities that confirms stc's contribution to promoting the digital economy, creating job opportunities and supporting local content by transforming entrepreneurs' ideas into successful projects.

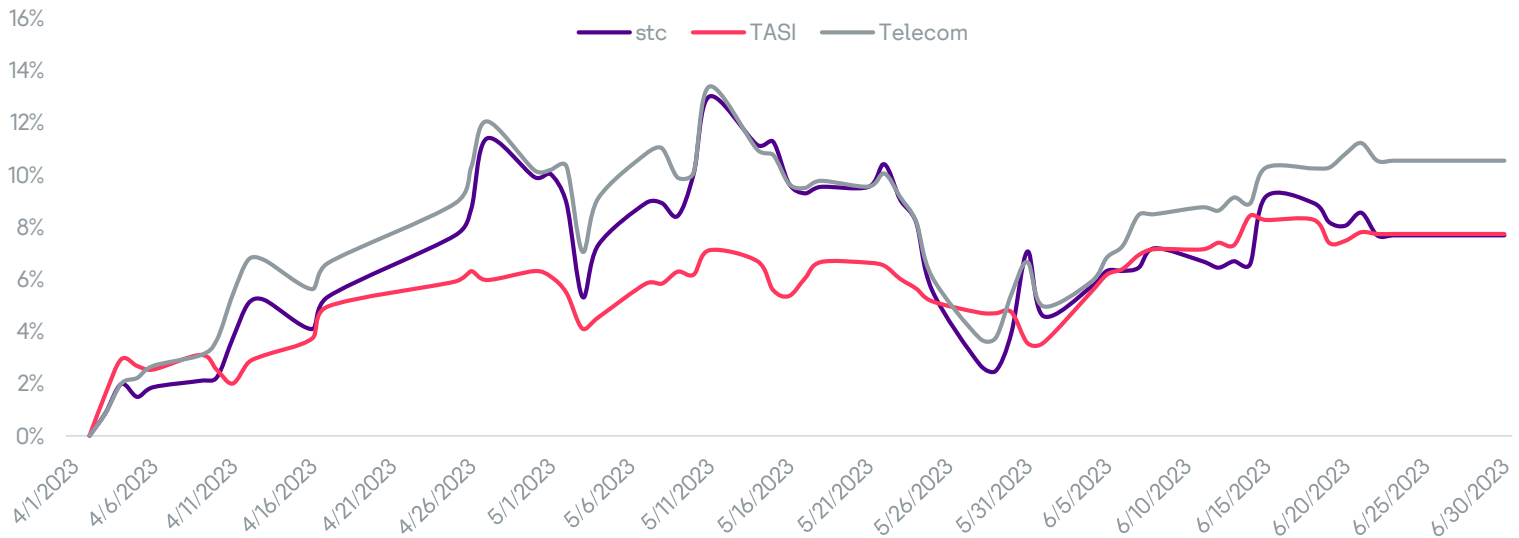
The Group CEO also added, stc Group participated this year in Hajj season by preparing the holy sites with latest technologies and innovative solutions, which resulted in achieving a remarkable growth in network and data traffic during the Hajj season 1444 AH, as the 5G network recorded an increase in the volume of usage during the days of Eid Al-Adha by 211% compared to the Hajj season last year. As well as a growth in the number of international users of its network by 39% compared to the number of international users in the previous year. In addition, international roaming customers on stc network increased by 121% compared to last year. stc is proud of its role in achieving the aspirations of our wise leadership by contributing to the success of this year's Hajj season.

Finally, we at stc are proud of the Group's pioneering role in enabling digital transformation in the Kingdom and the region, as the Group continues its endeavor to expand the scope of its digital service and provide technology solutions and world-class communications services to serve the local and regional communities, in line with our strategy "DARE 2.0". That raises the level of our aspirations to continue working in providing the best and latest technologies, and contribute to achieving the objectives of the Kingdom's "2030" vision.

Key Highlights

Stock Performance

Q2 2023



Event Calendar

Q2 2023

April

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- **3rd of April:** stc announced the latest developments regarding the signing of a binding offer with solutions to sell its entire 49% stake in CCC.
- **17th of April:** stc invited its shareholders to attend the Ordinary General Assembly meeting.
- **25th of April:** stc announced that its subsidiary (TAWAL), signed a sale and purchase agreement to acquire three towers companies.
- **4th of May:** stc announced the date of E-Voting on the Agenda of the Ordinary General Assembly meeting (First meeting).
- **10th of May:** stc announced Q1 financial results & dividends.
- **11th of May:** Conducted the Ordinary General Assembly meeting (First meeting).
- **14th of May:** stc announced the results of the Ordinary General Assembly meeting. (First meeting).
- **17th of May:** stc announced the latest developments regarding the sale of Al-Khobar land.
- **18th of May:** stc invited its shareholders to attend the Extraordinary General Assembly meeting (First meeting).
- **23rd - 24th of May:** Attended Morgan Stanley - 14th Saudi Arabia Conference.
- **15th of June:** stc announced the date of E-Voting on the agenda of the Extraordinary General Assembly meeting (First meeting).
- **21st of June:** The Extraordinary General Assembly meeting (First meeting).
- **22nd of June:** stc announced the results of the Extraordinary General Assembly meeting (First meeting).

Key Highlights

Key News

stc Group made a move into Europe

stc Group announced that its ICT infrastructure subsidiary, TAWAL, has signed an agreement to acquire United Group's telecommunications tower assets. The agreement, valued at EUR 1.220 bn (around SAR 5 billion), supports stc Group's ambitious strategy to expand its international footprint in key markets with significant growth potential. Following completion of the acquisition, TAWAL will own and operate more than 4,800 sites across Bulgaria, Croatia, and Slovenia (all European Union member states, two of which are already members of the Eurozone), providing the full range of passive infrastructure services ranging from ground-based towers, rooftops small cells to in-building-solutions. As part of the 20-year master services agreement with United Group, TAWAL will deploy over 2,000 additional sharable sites, while co-location relationships with other mobile network operators will be maintained and expanded, enabling stc Group to drive digital transformation through providing world-class connectivity.

center3 and Alcatel signed an agreement to connect the kingdom with Europe

center3 and Alcatel Submarine Networks (ASN), announced the signing of the Supplier's Contract for the construction of two subsea and terrestrial data cables (EMC West) that will connect Saudi Arabia with Europe. The second phase of the EMC System (EMC Global) that will connect Saudi Arabia with Asia is in the process of being finalized and will be announced soon. The EMC project enables KSA, Greece, and Cyprus to leverage their geographic position. It delivers a much-needed new data corridor, positioning the three countries at the epicenter of a digital connectivity infrastructure, which will become a cornerstone of the digital transformation era. The EMC cable is designed, from its inception, to realize KSA's Vision 2030 and Greece 2.0 by transforming the Kingdom into a "Digital Hub" that connects Asia with Europe and Africa and positioning Greece and Cyprus as "European Union's East Data Gateway".

stc Group raised its network capacity during the Arab Summit Conference

stc Group continued to play its leading national role in supporting digital empowerment of the major national events in the Kingdom of Saudi Arabia. With the Arab Summit large scale, stc has focused on providing global standardized communication technologies and offering advanced technical solutions to support the Media Center of the Arab Summit held in Jeddah. The Group also employed 60 security standards as a precautionary measure to protect the data infrastructure, intensifying monitoring of malicious activities and reviewing entries to ensure the continuity of the summit's work. The Group as well increased data traffic capacity by over 350% on the 4G and 5G networks. It enabled the conference and partners from the government and private sectors and international media delegations with more than 26 data circles with capacities exceeding 200 megabytes/second to ensure quality and reflect the civilized image of Saudi Arabia in general and the digitalization prospect particularly.

stc announced its fourth Annual Sustainability report for 2022

stc announced the publication of its fourth annual sustainability report for 2022, highlighting the company's significant progress in the areas of environmental, social, governance, and economic sustainability. The report marks a significant milestone in stc's sustainability journey, as the company seeks to transform its sustainability ambitions into concrete actions and outcomes, accelerated by top management endorsement. As an information and communications technology (ICT) company, stc is committed to be a role model for sustainability and setting an example by leveraging its core competencies to generate positive impacts for the communities it serves and the environment in which it operates.

solutions acquired CCC

stc announced the latest developments related to its signing of a binding offer with the Arabian Internet and Communications Services Company, solutions by stc, to sell its full 49% stake in the Contact Center Company (CCC). The General Authority for Competition (GCA) gave the green light for solutions by stc to acquire all shares of CCC, including stc's 49% stake. The transaction was made in cash for the entire deal value, and the value of the enterprise (Enterprise Value 100%) amounted to SAR 450 million. The financial impact related to this deal will appear on the financial statements of stc in the second quarter of 2023.

center3 signed a strategic deal with Huawei

center3, the leading provider of hosting and data services in the MENA region, announced the signing of a strategic commercial deal with Huawei, a leading global provider of cloud service, information, communications technology (ICT) infrastructure, and smart devices. Under this agreement, center3 will provide hosting and data services to Huawei to help it expand its cloud footprint in the region and meet the growing demand for cloud services.

stc Group continues to invest qualitatively through its subsidiary "solutions"

solutions by stc has announced signing a binding offer with Devoteam SIS (France) and Ortel company. The offer entails the acquisition of a 40% stake in Devoteam Middle East, a top-performing entity in the digital consulting domain across the region. This move aligns with stc's strategic expansion and growth plans, focusing on accessing lucrative sectors and investments. After completion of this transaction and receiving all necessary approvals, the move will further strengthen stc position as a group in the ICT industry as a digital enabler. This will be accomplished by integrating its subsidiaries eco-system specializing in digital infrastructure, IoT, cloud computing, cybersecurity, digital financial services, and business process outsourcing services.

stc enhanced the digital infrastructure in the Holy Sites

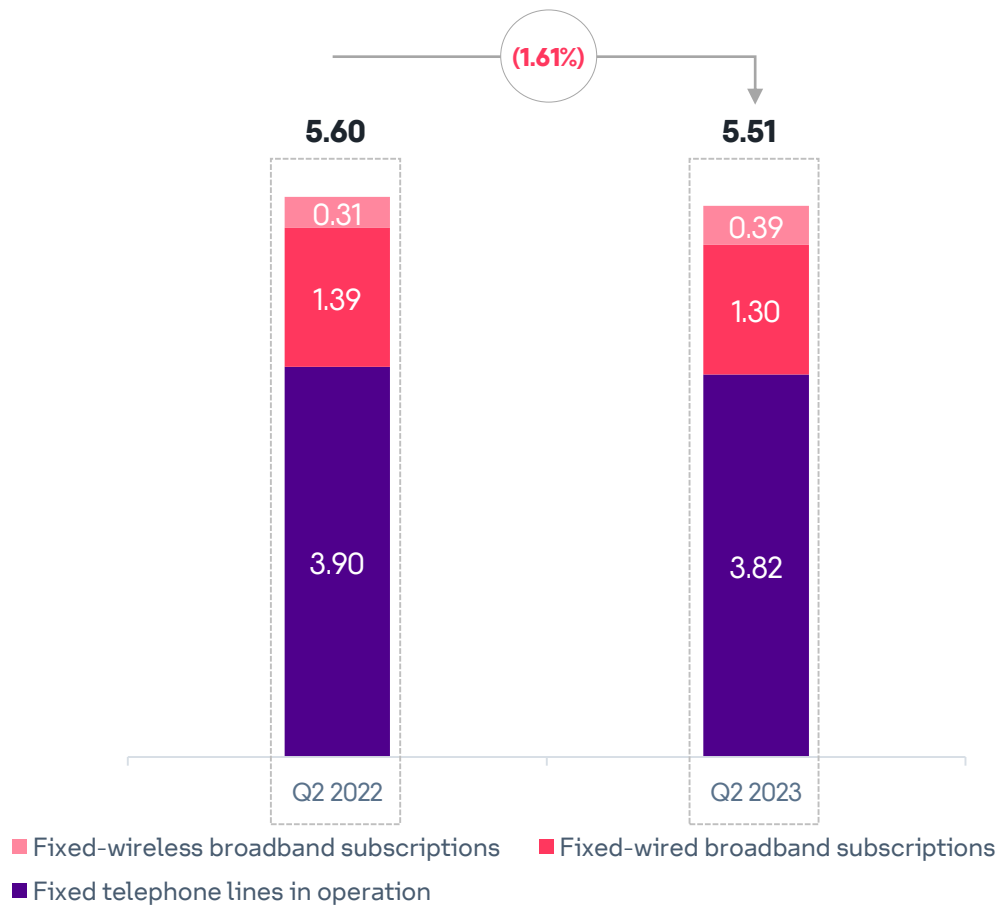
stc Group helped develop the digital infrastructure in the Holy Sites to provide an enriched and exceptional experience for Hajj and Umrah pilgrims. In line with Vision 2030 and the Kingdom's efforts to increase the number of pilgrims and provide an opportunity for the largest possible number of Muslims to perform Hajj with utmost comfort, it has become necessary to increase the volume of services provided to keep up with the anticipated rise in the number of pilgrims. This requires enhancing the capacity of the Holy Sites through advanced development projects to improve the infrastructure and serve various vital sectors with high efficiency.

stc play signed an agreement with Falcons team

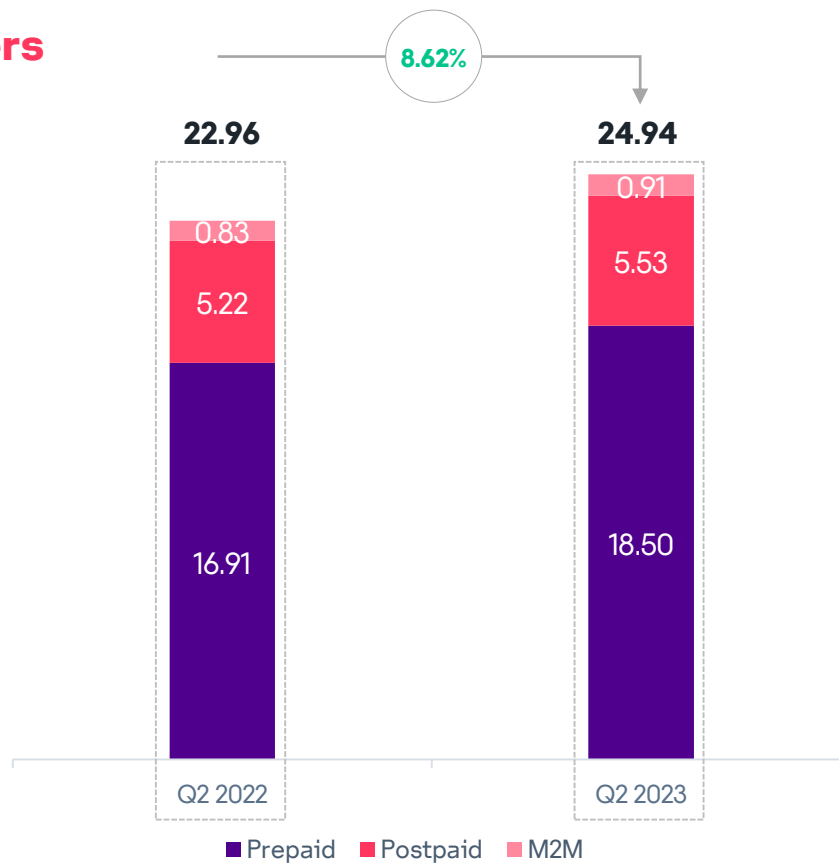
stc play, the leading platform in the field of games and e-sports in the Kingdom, signed a partnership agreement with the Falcons team, the professional team in electronic sports. The agreement aims to create an ideal experience for e-sports enthusiasts, as the Falcons team will play a tangible role by producing exclusive content and various activities that contribute to training players and providing many entertainment and educational programs, while stc play will enable and assist in organizing and sponsoring professional team tournaments through its platform and application. It will also provide resources and products designed for the team through its store to make them available to the public, in addition to many initiatives and events.

stc KSA Subscribers

Fixed Subscribers



Mobile Subscribers



*Fixed-wireless broadband subscribers includes 4G and 5G subscribers.

*Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions

*Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions

Numbers are in Millions

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