

Investment Case

As a leading regional telecommunications and digital services provider, stc presents a distinctive opportunity for investors aiming to leverage the dynamic evolution of the telecom industry and the rapid economic expansion in Saudi Arabia and the Middle East. Distinguished by its strategic vision, operational excellence, technological advancements and financial strength, stc remains committed to driving diversification and long-term growth, ensuring substantial and sustainable value creation for its shareholders.

<p>Digital-first investor mindset</p> <ul style="list-style-type: none">• Strategy secured by robust investments in cutting-edge technology, advanced research and development, and human resources.• Diversification through strategic investments in gaming, media and consumer electronics.• Accelerating growth by expanding into adjacent areas (IoT, cloud, cybersecurity and IT services).	<p>Strong balance sheet and credit profile</p> <ul style="list-style-type: none">• One of the lowest leveraged telecom companies globally with a debt capacity that can be utilized for financing new projects/acquisitions.• Healthy balance sheet and cash flow with a solid financial position and sufficient cash balance.• Strong credit ratings from several rating agencies: Fitch: A+, S&P: A, Moody's: Aa3 and Tasneef: AAA.	<p>Socially responsible</p> <ul style="list-style-type: none">• Deeply ingrained culture of social responsibility and sustainability that is backed by initiatives, which support the UN SDG goals.• Community development flagship initiatives where stc's broad portfolio of community investments directly supports several UN SDG goals and continues to advance progress towards the national visions of all the countries within which stc operates.	<p>Corporate governance role model</p> <ul style="list-style-type: none">• Striving to be a role model of corporate governance, compliance and control for international and local companies.• Solid governance and ethical excellence through the promotion of responsible business practices, the upholding of human rights and the cultivation of a culture rooted in trust.
<p>Strategic partner to KSA and market leader</p> <ul style="list-style-type: none">• Strategic partner to the Kingdom of Saudi Arabia and service provider of choice for delivering on Vision 2030.• Industry champion with strong government links as stc considered a national flagship company that is 62% government owned and a key contributor to Saudi non-oil GDP and employment.• Number 1 in ICT segment in Saudi Arabia where stc leads the ICT sector as the largest provider of ICT services in the Kingdom of Saudi Arabia.• Number 1 in consumer segment in Saudi Arabia and the market leader in the largest and most dynamic market segment, with a comprehensive product suite and superior customer experience.• Number 1 in enterprise segment in Saudi Arabia where stc holds the top position as the leading provider of connectivity services in the Kingdom of Saudi Arabia.	<p>Growth and total return champion</p> <ul style="list-style-type: none">• Top and bottom-line growth with a resilient capital structure and healthy cash flows providing financial flexibility.• Stable dividend policy and attractive yield reaching 6.88%* with commitment to a minimum dividend of ₪ 0.55/share/quarter for the next 3 years, starting from the dividends distribution of the 4th quarter of 2024 until the 3rd quarter of 2027.• Diversified revenue generation with multiple revenue streams within core business and non-core business through stc's subsidiaries in the Kingdom of Saudi Arabia and beyond.• Most valuable telecom brand in the region for the 5th year in a row with a value of ₪ 60.4 billion** (USD 16.1 billion).• Largest telecom operator in the MENA region with a market cap of ₪ 200 billion*** (USD 53.3 billion) and presence in 5 countries.• Market leadership in Saudi Arabia with a 73% market share by revenue in the largest market in the region.	<p>Leader in digital infrastructure</p> <ul style="list-style-type: none">• Commitment to be at the forefront of technological innovation and deliver best-in-class digital infrastructure that will enhance the customer experience.• Largest digital infrastructure provider and enabler in Saudi Arabia owing to the strong investment in digital infrastructure, including but not limited to data centers, FTTx, submarine cables and 5G.• Largest towers portfolio with more than 22,000 towers distributed across the Kingdom of Saudi Arabia, Bulgaria, Croatia, Slovenia and Pakistan.	

* As at 31 December 2024, including special dividend of ₪ 1 for the FY2023
** Brand Finance
*** As at 31 December 2024