

# Strategy Performance Review

During 2024, stc remained steadfast in executing its long-term strategic direction, guided by its four strategic pillars designed to achieve its ambitions.

Through the **“Digitize stc”** pillar, it prioritized advancing internal digital transformation by building in-house digital and analytical capabilities while strengthening cybersecurity readiness and adaptability.

The **“Accelerate performance”** pillar focused on driving group performance by developing new digital services, monetizing assets, enhancing business efficiency, maintaining technological leadership, improving sustainability maturity and fostering a positive culture and work environment.

Recognizing the importance of stakeholder satisfaction, the **“Reinvent experience”** pillar emphasized delivering exceptional experiences for customers, partners and employees through the digitization and optimization of end-to-end journeys.

For growth, stc adopted the **“Expand scale and scope”** pillar as a growth engine, targeting new geographies, establishing a regional data hub and expanding into emerging areas such as cloud services, IT solutions, cybersecurity, IoT-enabled industry verticals, consumer solutions and fintech.

## A year of outstanding progress and achievements

stc successfully advanced the execution of its DARE strategy, achieving notable milestones through strategic investments and strengthened capabilities. Its focus and commitment to its 4 strategic pillars have driven consistent growth and progress toward its goals.

stc’s dedication to digitization and digital transformation has led to enhanced digital capabilities, with development of advanced analytics use cases, and enabled a more agile and flexible Group through further digitized processes, business and organizational journeys.

stc accelerated its performance during the year of 2024 with improved business efficiency and technology leadership in the region, expanding its infrastructure and achieving fiber connections for 3.6 million households and 54.70% 5G coverage of KSA’s population. This was reflected in stc’s ranking among the world’s top 150 brands and as the most valuable telecom brand in the Middle East.

Additionally, stc placed significant focus on employee development, delivering extensive learning opportunities through specialized talent programs. Reinforcing its commitment to sustainability, stc joined the “KSA Sustainability Champions” program, led by the Ministry of Economy and Planning, with a pledge to achieve net zero emissions by 2060. In fostering innovation and entrepreneurship, stc incubated more than 130 startups through inspireU, with the total funding raised by these startups is exceeding 1 billion since 2015 to date, while strategically investing in early-stage ventures across critical domains such as fintech, cybersecurity and AI.

stc continued to reinvent experiences to foster deeper connections and deliver unmatched value at every interaction by modernizing its infrastructure, including the migration of 50% of copper customers to fiber services since 2022, in order to drive innovation and enhance customer experiences. Its Qitaf loyalty program also saw significant growth, reaching 18.03 million users. These achievements have earned stc multiple awards for excellence in customer experience, including “Best Middle Eastern Connectivity Provider” at the Global Connectivity Awards 2024.

To support the digital success of the Kingdom’s mega projects, stc has established strategic partnerships, most recently with New Murabba. On a global scale, it continues to strengthen collaborations with industry leaders such as Huawei, Ericsson and Samsung.

Expansion remains a central focus for stc, as it actively pursues opportunities in targeted growth areas and accelerates IoT advancements through a strategic partnership with China Mobile International to modernize IoT aggregation. STC Bank has also made strides, forming partnerships to enhance secure payment solutions and digital banking services, achieving a solid 24% growth in active users in 2024. Additionally, stc continues to strengthen its presence through center3, with a total of 25 data centers and expanding its network to include 16 subsea cables.

54.70% 5G  
coverage of KSA’s population





Strategy Performance Review continued

Accelerating towards Vision 2030

Saudi Vision 2030 seeks to transform Saudi Arabia by enhancing society, diversifying the economy and fostering an ambitious nation. As a key contributor to this transformative journey, stc has made significant strides toward achieving the vision's goals across various critical areas.

stc has improved community life by enhancing connectivity across the Kingdom, playing a pivotal role in driving the vision's digital transformation. Through strategic investments, it has connected millions of households with fiber and expanded 5G coverage to a significant portion of the population, with plans for further network expansion.

Economically, stc drives growth by investing in infrastructure and innovation. Initiatives like inspireU have empowered Saudi startups, while the launch of the Tali Fund underscores its commitment to invest early-stage startups. As a leading employer in the region, stc contributes to reducing the nationwide unemployment rate. Its efforts in digital services helped in the growth of local businesses, creating jobs and promoting entrepreneurship. stc also continues

to prepare the workforce for future opportunities, through training programs, contributing to the Kingdom's goal of economic diversification.

stc remains at the forefront of technological innovation, leading advancements such as the rollout of 5G technology, which has significantly enhanced connectivity and digital offerings, including STC Bank, stc play and stc tv. As a strong advocate for local content, stc achieved a score of 44.32%, reflecting an increase of 3.31% compared to 2023. stc also actively contributes to Saudi Vision 2030 by participating in mega projects and reinforcing its role as a trusted partner for foreign digital investments through collaborations with global leaders such as Alibaba Cloud, Google, Amazon, Huawei and Hitachi.

stc's commitment to Vision 2030 underscores its dedication to fostering a vibrant society, supporting a thriving economy, and driving an ambitious nation. As the Kingdom advances on its transformative journey, stc will remain a key enabler, driving innovation and enhancing the quality of life across the nation.

Strategic focus in 2025 and beyond

While its strategy has delivered impressive results, stc remains committed to continuous improvement. Recognizing the importance of adapting to changes in its environment, stc has refined its tactics to ensure the seamless delivery of its strategic direction, vision and values.

Vision

Digital and telco leader, enabling the society and economy to thrive, in KSA and beyond.

Values

**Dynamism** – How we become a company that is continuously looking to improve and adopt new and better ways of doing things, with a fresh and ingenious view.

**Devotion** – The desire to become a customer-centric company for our clients and our employees.

**Drive** – We are “restless”, looking for the best possible solutions for our clients and our employees.

stc's strategy was developed to maximize shareholder value by balancing growth, efficiency and diversification through 5 guiding principles:

1. **Strengthen market leadership in core telco**, doubling down on return-generating infrastructure and customer focus.
2. **Accelerate diversification from core telco** by reinforcing winning growth areas and expanding geographically.
3. **Continue the sustainable growth path** striking a balance between top-line growth and EBITDA margin.
4. **Ensure execution excellence** by fostering a more efficient and productive organization.
5. **Provide improved returns** to shareholders

stc's new strategy underscores its commitment to long-term growth, value creation and efficiency maximization. The focus remains on reinforcing its leadership in telecommunications, strengthening its digital portfolio and expanding into adjacent markets. Furthermore, stc aims to unlock the full potential of its infrastructure assets, including data centers and subsea cables.

To ensure success, stc is dedicated to building a resilient and agile organization while ensuring the delivery of financially sustainable growth through maximizing operational and capital management efficiencies. In alignment with industry advancements, stc will continue deploying state-of-the-art technologies and positioning itself as the partner of choice for national agenda projects.

