

Press Release

**Investor Relations
2021**

For the three months period Ended 31 March 2021

stc

Financial Performance

For the three months period ended 31 March 2021

12.63% ↑

Increase in revenues for the 3 months period, as compared to the same period last year

Credit Rating

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

Key Figures (SAR bn)	Q1 2021	Q1 2020	Change (%)	Q4 2020	Change (%)
Revenue	15,695	13,935	12.63%	15,217	3.14%
Gross Profit	8,557	8,196	4.40%	8,447	1.30%
Gross Profit Margin	54.52%	58.82%		55.51%	
Operating Profit	3,482	3,004	15.91%	3,205	8.64%
Operating Profit Margin	22.19%	21.56%		21.06%	
EBITDA	5,841	5,330	9.59%	5,630	3.75%
EBITDA Margin	37.22%	38.25%		37.00%	
Net Income	2,952	2,913	1.34%	2,592	13.89%
Net Income Margin	18.81%	20.90%		17.03%	
EPS	1.48	1.46		1.30	

Commenting on these results, Eng. Olayan Mohammed Alwetaid, stc Group CEO, stated that the company's results for this quarter as compared to the comparable quarter last year was distinct. The company was able to grow its top line by 12.6%, supported by the increase witnessed in Consumer Business Unite revenues due to the growth in the Broadband & Fixed Wireless Access subscriber base by 10.1%, FTTH by 26%, working lines by 3.1% and data revenue by 4.5%. Further, Enterprise Business Unite revenues also grew by 33.4%, as a result of the increased demand for the company's services & products along with its ability to swiftly respond to customers' request and demand in a competitive manner. As for Wholesale Sector, it managed to increase its revenues by 5.1%. Moreover, the revenues generated by stc's subsidiaries grew by 23.2%, which contributed positively to the group's overall results.

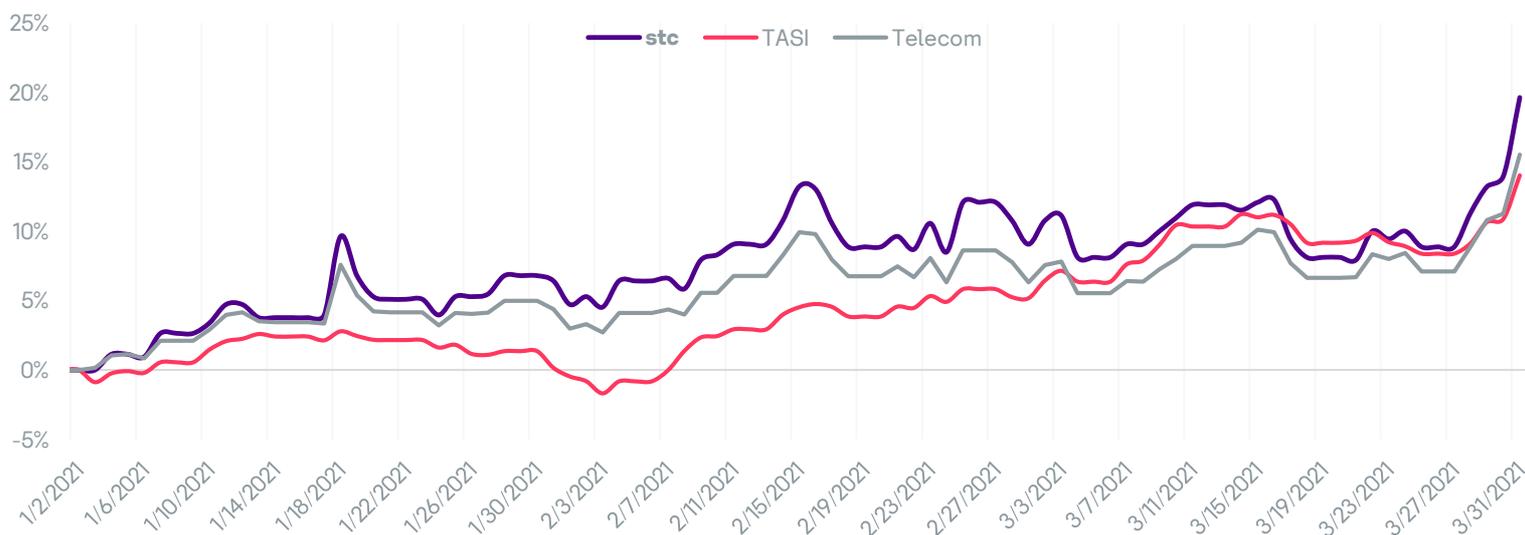
Eng. Alwetaid also pointed out that stc surpassed its counterparts in the region to become the most valuable brand in the telecommunications sector, and the third most valuable brand in all sectors, according to Brand Finance. The company also celebrated being the region's fastest-growing brand, up an impressive 14% to US\$9.2 billion and simultaneously jumping 51 positions to 189th, making stc the 2nd fastest-growing brand of the largest 20 global telecommunications companies.

In addition and as part of our journey for digital transformation, stc has launched the digital operations control center, which is considered the largest integrated operating center in the region with an area of more than 42,000 square meters. The digital operations control center includes a system made out of advanced digital processes in several areas, such as simulation, digital infrastructure management, digital crises management and reinvention within a range of other digital solutions while abiding by high security standards. He also noted that the center will enhance Saudi Arabia's position as a leading regional business center or a "HUB". Which would help to achieve the objectives of the second phase of stc's "DARE" strategy, in order to enable digital transformation in various fields.

Recently, stc Group announced the launch of the Advanced Technology and Cybersecurity Company; a new company dedicated to providing advanced cybersecurity services and solutions to the business sector. The recently announced launch comes to keep abreast of the growing demand for digital services in parallel with stc's DARE Strategy, which aims to foster digital transformation, pave new paths for development, and achieve the objectives of Saudi Vision 2030.

Stock Performance

Q1 2021



Event Calendar

Q1 2021

January

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						

February

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						

March

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			

- **12th** : Appointment of new group CEO Announcement.
- **21st** : Q4, 2020 Financial Results and Dividend Announcement.
- **24th** : CFO Q4, 2020 Earnings Call.
- **26th** : Potential IPO of solutions by stc Announcement.

- **1st**: stc announces the initiation of nomination for membership of the Board of Directors for its Eighth Term.
- **24th & 25th** : Goldman Sachs - Tadawul Saudi Arabia Conference.
- **25th** : Announcement from stc regarding the extension of candidacy applications acceptance period for the Board of Directors' membership

- **8th & 9th** : 3rd EFG Hermes Virtual Investor Conference.
- **10th** : Announcement Regarding the IPO of Solutions by stc.
- **16th** : Announcement regarding the extension of the Nomination Period of the BoD.
- **22nd & 23rd** : HSBC Saudi Arabia Investor Forum.
- **23rd** : BoD Recommendation to increase the number of Board Members Announcement.
- **25th** : Year End Financial Results & Additional Dividends for the year 2020 Announcements.

stc announces the latest developments regarding the possibility of an IPO for its subsidiary, (solutions by stc)

stc announces the conclusion of its feasibility study and that solutions by stc is in the process of submitting an application for the registration and offering of its shares to the Capital Market Authority and of an application for the listing of its shares to the Saudi Stock Exchange (Tadawul).

Advanced Technology Cyber Security Company

In line with stc's DARE 2.0 strategy for digital transformation and growth in new paths, and the goals of the Kingdom's Vision 2030, we launched the Advanced Technology and Cybersecurity Company, which is specialized in providing advanced cybersecurity services and solutions in the business sector, with the aim of keeping up with the growing demand for digital services.

Dammam 7 among the world's top 10 supercomputers

Based on our continuous efforts to grow on new paths that highlight stc's potential as an important pioneer of digital transformation in the region, and in partnership with Saudi Aramco, we launched a new supercomputer named "Dammam7", which is considered among the ten most powerful supercomputers in the world. The new computer provides new opportunities for exploration and development and enhances decision-making capabilities in this field.

Brand Finance: stc is the most valuable brand amongst telecommunications companies in the region

stc surpassed its counterparts in the region to become the most valuable brand in the telecommunications sector in ME, and the third most valuable brand in all ME sectors behind Aramco and ADNOC, according to Brand Finance branding. The company is the region's fastest growing brand, up an impressive 14% to US\$9.2 billion and simultaneously jumping 51 positions to 189th, making stc the 2nd fastest-growing brand of the largest 20 global telecommunications companies and earning the company a AAA-brand ranking.

A high rating from Dow Jones to measure the company's sustainability performance

As part of our effort in the sustainability 3-year roadmap to assess and examine our sustainable business practices against most recognized sustainability benchmarks and rating agencies, one of those prominent indices are the Dow Jones Sustainability Indices (DJSI). In Saudi Arabia, across all 24 Saudi companies invited by S&P DJSI, stc ranks 2nd with a score of (31/100). In the GCC, across all sectors invited (52 companies), stc ranks 7th. In the GCC, across all Telecoms invited (5 companies), stc ranks 1st.

The fastest 5G downloading network in the Kingdom

The Communications and Information Technology Commission (CITC) revealed that stc was the operator with the highest mobile downloading speed in the Kingdom, with a 5G network that reached a speed of 342.35 MB/s. This announcement was made in the 2020 Q4 Meqyas report on the average downloading speeds for 5G networks.

stc launches the largest Digital Operations Control Center in the MENA

stc has inaugurated the digital operations control center, which is considered the largest integrated operating center in the region with an area of more than 42,000 square meters that can accommodate about 2,300 employees. The ceremony took place in the presence of His Royal Highness Prince Mohammed bin Khaled Al-Abdullah Al-Faisal, the Chairman of stc's Board of Directors, and Vice Minister - Ministry of Communications & IT, Eng. Haitham Al-Ouhali.

stc receives second place in the Best Investor Relations Program Award

As part of the activities of the first edition of the Saudi Capital Market Awards 2020 organized by the Saudi Stock Exchange "Tadawul" and sponsored by the Capital Market Authority, stc was awarded second place in the "Best Investor Relations Program" among over 200 companies listed in the Saudi market. The award is a credible testament to the company's efforts in implementing best practices and standards in the field of investor relations.



Disclaimer

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This presentation has been prepared as an informative guide that might assist interested parties in gaining an insight into the history and background of telecommunications within Saudi Arabia, as they relate to **stc**. Furthermore, it does not constitute an invitation or inducement to purchase or dispose of any securities, either in **stc**, or any companies in which **stc** has a financial interest. The information contained in this presentation is subject to change and we disclaim any obligation to update you of any such changes, particularly those pertaining to the forward-looking statements. In addition, there may also be 'forward looking' statements included within the meaning of current securities laws and regulations. In this context, any opinions expressed within this document, regarding the company's potential future performance, should be viewed as being accurate at the time of preparation. However, cognizance should be taken of the fact that uncertainty may dictate that actual performance differs substantially from any views articulated herein.

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 : <https://www.stc.com.sa/wps/wcm/connect/english/investor/overview>

