



Press Release

For the six months period Ended 30th June 2021

stc

Financial Performance

For the six months period ended 30th June 2021

9.49%



Credit Rating

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

Increase in revenues for the 6 months period, as compared to the same period last year

Key Figures (SAR bn)
Revenue
Gross Profit
Gross Profit Margin
Operating Profit
Operating Profit Margin
EBITDA
EBITDA Margin
Net Income
Net Income Margin
EPS

Q2 2021	Q2 2020	Change (%)	Q1 2021	Change (%)
15,899	14,920	6.56%	15,695	1.30%
8,352	8,341	0.13%	8,557	-2.40%
52.53%	55.90%		54.52%	
3,250	3,062	6.14%	3,482	-6.66%
20.44%	20.52%		22.19%	
5,627	5,342	5.34%	5,841	-3.66%
35.39%	35.80%		37.22%	
2,821	2,724	3.56%	2,952	-4.44%
17.74%	18.26%		18.81%	
1.41	1.36		1.48	

Key Figures (SAR bn)
Revenue
Gross Profit
Gross Profit Margin
Operating Profit
Operating Profit Margin
EBITDA
EBITDA Margin
Net Income
Net Income Margin
EPS

6M 2021	6M 2020	Change (%)
31,594	28,855	9.49%
16,909	16,537	2.25%
53.52%	57.31%	
6,732	6,066	10.98%
21.31%	21.02%	
11,468	10,671	7.47%
36.30%	36.98%	
5,773	5,637	2.41%
18.27%	19.54%	
2.89	2.82	

Commenting on these results, Eng. Olayan Mohammed Alwetaid, stc Group CEO, stated that the company has achieved the highest quarterly and semi-annual revenues in its history, which is a direct result of the distinguished performance of all business units, and the group's subsidiaries, which reflected positively on the financial results. The Enterprise business unit achieved an increase in revenues for the period by 29.3% thanks to the company's ability to provide innovative products and services that meet the needs of the public and private sector. As for the Wholesale business unit, revenues for the period increased by 5.5%, as a result of stc's investments in infrastructure, which is starting to positively reflect on the unit's results. The Consumer business unit also contributed positively to the results for the period as a result of an increase in operating lines by 3.4%, an increase in fixed wireless access subscribers by 6.1%, and an increase in demand for fiber-optic services, which led to an increase in the subscriber base by 20.8%.

As a continuation of the company's achievements, stc has topped the list of the best telecommunications companies in the region according to the ranking by the global magazine "Forbes". stc has been ranked first as the strongest telecommunications company in the Middle East and North Africa. stc also is among the top 44 digital companies in the world.

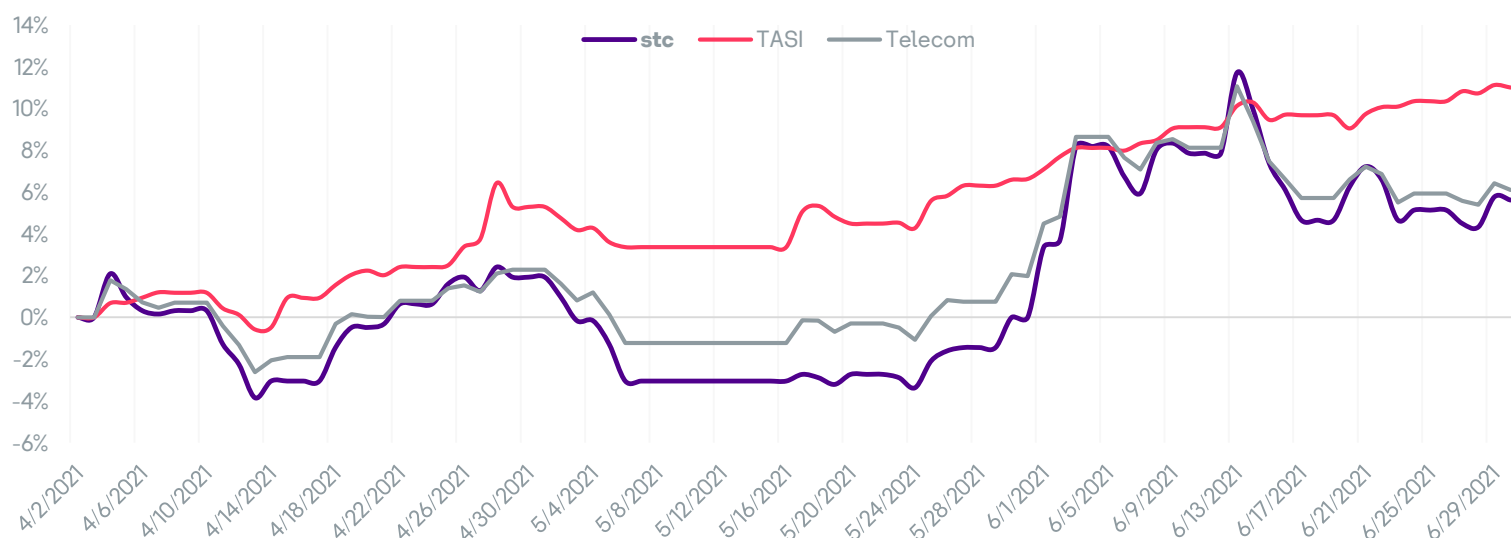
stc, through the digital payments company "stc pay", was able to obtain the license approval of the Council of Ministers on 12-11-1442 AH corresponding to 22-06-2021 for stc pay to become one of the first digital banks in the Kingdom of Saudi Arabia. This reflects stc's success in achieving its ambitious strategy "Dare 2.0", which aims to grow in new, unconventional paths and play a pivotal role in digital transformation and digital empowerment for the public and private sectors and in line with the goals of the Kingdom's Vision 2030 towards a prosperous and diversified economy.

The Arabian internet and Communications Services Company "solutions by stc" obtained the approval of the Capital Market Authority to offer 24,000,000 shares for public subscription representing (20%) of its shares. This will enable the company to achieve its strategy and goals that seek to develop and the information technology and digital services sector. The offering of Solutions by stc is also in line with stc's strategy, which aims to expand the scale and scope and maximize returns for shareholders by accelerating the performance of assets.

Lastly and despite all the challenges faced due to Covid-19, stc has succeeded in maintaining its outstanding performance and achieving growth in most of its sectors. It has also been able to provide support to the public and private sectors, enabling them to digitally transform, preserve their business, and create new investment opportunities. In addition, stc was able to build the largest advanced 5G network in the Middle East covering most regions of the Kingdom, and these achievements are the result of continuous efforts in developing the network systems and infrastructure. After 5 years full of achievements in digital transformation and integrated infrastructure, stc will continue its efforts to develop a reliable and advanced digital network and infrastructure enabling the Kingdom of Saudi Arabia to become a leading regional center for digital services through innovative projects and global partnerships.

Stock Performance

Q2 2021



Event Calendar

Q2 2021

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			

- 5th April:** stc announced the latest development regarding the date of the dividend for Q4 2020 and the additional dividends for the year 2020.
- 5th April:** stc invited its shareholders to attend the Extraordinary General Assembly meeting (1st Meeting).
- 5th April:** stc announced the transfer of the dividends distribution to Riyadh Bank.
- 21st April:** stc announced the date of E-Voting of Shareholders on the Agenda of the Extraordinary General Assembly Meeting of 2021.
- 22nd April:** stc announced its interim condensed consolidated financial results for the period ending on 31-03-2021 & the interim dividends for the 1st quarter 2021.
- 27th April:** stc announced the results of the Extraordinary General Assembly meeting (1st Meeting).
- 29th April:** stc announces the appointment of the Chairman and Vice Chairman of the Board of Directors, the appointment of the Company's representatives to the CMA, Saudi Stock Exchange, Securities Depository Center Company and the formation of the Board Committees.

- 5th May:** stc announced the invitation of shareholders to attend the Ordinary General Assembly Meeting (1st Meeting).
- 24th May:** Q4 2020 Dividend Distribution (1 SAR per share).
- 24th May:** Additional Dividends Distribution for 2020 (1 SAR per share).
- 24th-25th May:** Attended Arqaam Capital Virtual MENA Investors Conference 2021.
- 27th May:** stc announced the date of its Shareholders E-Voting on 2021 Ordinary General Assembly Meeting Agenda (First Meeting).
- 31st May:** Q1 2021 Dividend Distribution (1 SAR per share)

- 1st June:** Ordinary General Assembly Meeting.
- 2nd & 3rd June:** Bank of America - 2021 Emerging Markets Debt & Equity Conference.
- 14th-15th June:** EFG Hermes & Tadawul Investor Conference.
- 23rd June:** stc announced the latest development with regards to the sale of equity stake in one of its subsidiaries.
- 29th June:** stc announced the latest developments regarding the possibility of an initial public offering for its subsidiary, solutions by stc.
- 29th June:** Alrajhi Capital Investor Meeting.

stc named most influential brand in KSA

stc was named the most influential local brand in Saudi Arabia, according to a 2020 survey conducted by Ipsos, a global leader in market research. Ipsos looked at nearly 800 of the most influential and powerful brands across 14 markets. It should also be noted that stc, according to the same study conducted by Ipsos, was named the fifth most influential international brand in KSA.

stc is the largest cloud service provider in the region

stc Cloud is a digital platform that offers cloud services to more than 3,000 different entities in the Kingdom's government and private sectors. With more than 30 products at the IaaS infrastructure level and PaaS digital development platforms, stc is classified as the largest cloud service provider in the region, in addition to offering SaaS applications and software. These products provide easy service utilization through the monthly payment payer- use system through the unified services of the stc Cloud Marketplace and easy billing through the stc business app where privacy, high safety and reliability are guaranteed.

stc is among the top 44 digital companies in the world

stc has topped the list of the best telecommunications companies in the region according to the ranking by the global magazine Forbes. In fact, stc ranked first as the strongest telecommunications company in the Middle East and North Africa with a market value for the current year amounting to USD 64.3 billion. stc is among the top 44 digital companies in the world. Forbes announced its annual Global 2,000 list of the world's 2,000 most powerful companies, as it relied on 4 main criteria: revenue, profit, asset size, and market value.

stc Sustainability Platform Wins the Excellence Award

Based on its strategic role as the digital transformation enabler of the Kingdom and the region, stc adopted the best responsible practices in the field of sustainability to maximize its economical, social and environmental positive impact, stc's sustainability platform project wins the excellence certification at the "The World Summit on the Information Society (WSIS) Forum 2021" as one of the pilot projects for the "Ethical Dimensions of Information and Knowledge Societies" category. The sustainability platform project won over 72 other global projects that were nominated for the award in the 360 project short list, proving that stc is the only company out of the participating local telecommunications sector that could receive the excellence certification on its digital platform project for the Ethical Dimensions of Information and Knowledge Societies category.

Partnership agreement with SAFEIS

stc Group CEO, Eng. Olayan Alwetaid, signed a partnership agreement with the Saudi Arabian Federation for Electronic and Intellectual Sports SAFEIS. stc is assessing opportunities to participate in the establishment of activities initiatives and tournaments with SAFEIS, as it is the strategic partner and the digital enabler in providing communications and information technology services, digital solutions, cloud and infrastructure.

stc pay and Mada going forward

Towards a digital society, stc pay launches mada cards, as it plays an active role in the national payment systems and the financial sector development program, which will contribute to achieving a cashless society as one of the objectives of the financial sector development program, by providing electronic payment options for all segments of society. stc pay cards offer many advantages, most notably full control, where the customer can issue a card, set a credit limit, pause, cancel and renew it simply through the application.

First Digital Bank - stc Bank

The Council of Ministers in Saudi Arabia approved the establishment of stc Digital Bank, thereby transforming stcpay platform into an integrated digital bank providing a host of banking services digitally as the first bank in Saudi Arabia to conform to the Kingdom's orientation and Vision 2030. Eng. Olayan Mohammed Al-Wetaid explained that stc Bank reflects the group's commitment to its dare 2.0 strategy, aimed at achieving growth in new unconventional areas and in digital transformation. stcpay was founded in Oct. 2018 as a wholly-owned fintech subsidiary of stc Group, and managed during a short period of time to register as the first financial technology company licensed by SAMA in the Kingdom, and to become the largest digital wallet in the MENA, serving more than 6 mn users.

The Capital Market Authority announces the Approval on the Initial Public Offering of Solutions by stc Shares

The Capital Market Authority ("CMA") Board has issued its resolution approving Arabian Internet and Communications Services Company's ("Solutions by stc") application for the offering of 24,000,000 shares representing 20% of the Company's share capital. The Company's prospectus will be published within sufficient time prior to the start of the subscription period. The prospectus includes all relevant information that the investor needs to know before making an investment decision, including the Company's financial statements, activities and management.



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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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