



# Press Release

For the three months period ended 31<sup>st</sup> March 2022

# Financial Performance

For the three months period ended 31<sup>st</sup> March 2022

# 8.26% ↑

Increase in revenue for the 3 months period, as compared to the same quarter last year.

Key Figures (SAR bn)	Q1 2022	Q1 2021	Change (%)	Q4 2021	Change (%)
Revenue	16,991	15,695	8.26%	16,087	5.62%
Gross Profit	9,150	8,557	6.93%	8,516	7.44%
Operating Profit	3,824	3,482	9.82%	3,204	19.35%
EBITDA	6,300	5,841	7.86%	5,767	9.24%
Net Income	3,035	2,952	2.81%	2,614	16.11%
EPS	1.52	1.48			

## Credit Rating

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



Commenting on these results, Eng. Olayan Mohammed Alwetaid, stc Group CEO, stated that the group continued to achieve positive financial results, as the company was able to grow its top line by 8.3% for the first quarter of 2022 when compared to the same quarter of 2021, supported by the exceptional performance from the Enterprise business unit, as revenues grew by 16.3%, due to the strong demand from the public and private sectors for innovative products and services and the company's ability to fulfill the various needs of its clients. Furthermore, the Consumer business unit registered a top-line growth of 5.9%, supported by the growth in FTTH subscribers by 4.4%, FWA subscribers by 8.3%, and working lines by 4.6%. The Wholesale business unit also contributed positively to the company's performance, as it registered 7.8% revenue growth, supported by a 20.6% growth in its international revenues.

In achieving stc's vision, its "DARE 2.0" strategy, and its ambitious growth plans, the Group started 2022 by announcing a number of investments and partnerships in new sectors and domains. This can be seen by the announcement made by "Tawal" (one of the Group's subsidiaries) regarding its potential acquisition of the Pakistani towers company "Awal Telecom". The acquisition, once completed, would be the first of its kind outside the Kingdom for Tawal. The acquisition is expected to contribute to strengthening Tawal's international investment map, and enhance its ability to grow and expand in the field of telecommunications and infrastructure. Moreover, "Solutions by stc" (one of the Group's subsidiaries) announced the signing of a binding agreement to acquire 89% of Giza Systems Company in addition to 34% of Giza Arabia, a subsidiary of Giza Systems Company, which represents the shares that are not owned by Giza Systems Company. The potential acquisition demonstrates stc Group's commitment towards enabling the Kingdom's digital transformation, in addition to enhancing the Kingdom's position in the information and communication technology sector.

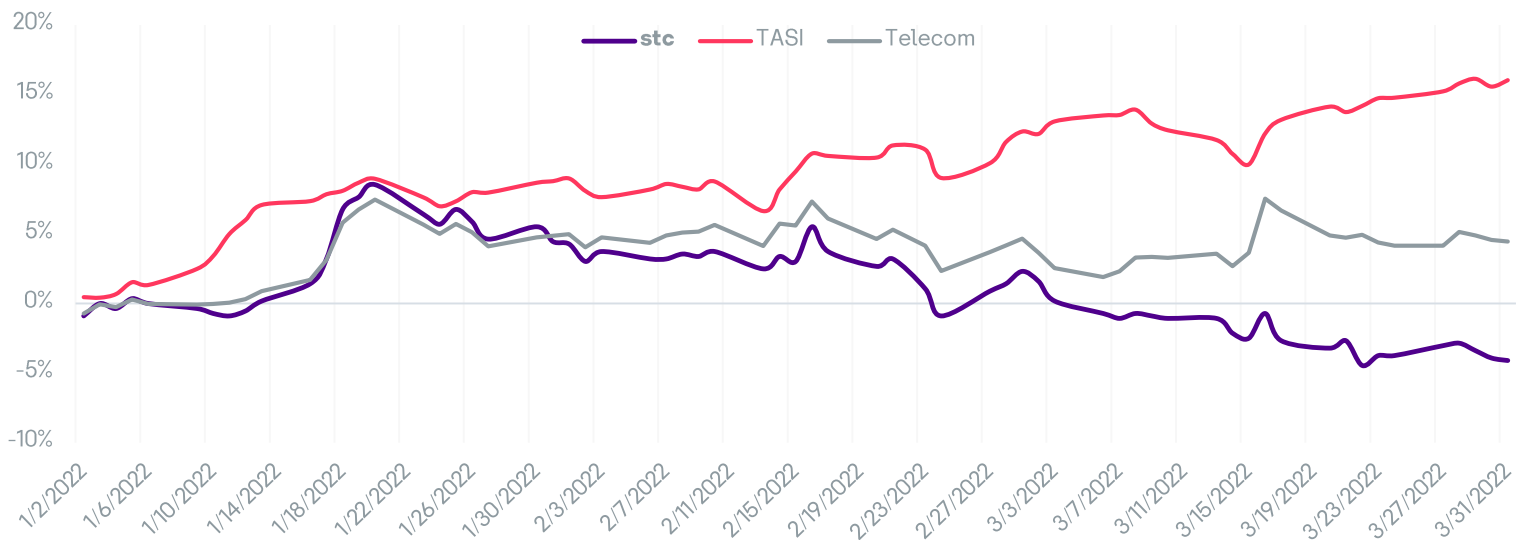
The Group CEO also pointed out stc's initiative to establish a major digital hub "MENA Hub" for the Middle East and North Africa with an investment of USD 1 billion. This initiative is a confirmation of stc's leading position across the ICT sector in the region. The Hub initiative, supported by the Group's capabilities, would also contribute to the diversification and growth of the Kingdom's economy. The hub will link three continents, benefiting from the strategic location of the Kingdom, and promoting investment in international communication services and data centers. The hub will include the installation of a number of highly efficient cables to meet the future requirements of cloud services, by investing in an advanced fiber optic network that ensures continuous availability of services.

Recently, The Public Investment Fund and stc group announced the signing of a partnership agreement to establish a new company in the field of Internet of Things technologies, in order to support the adoption of these technologies within the Kingdom. The signing of the agreement reflects the efforts of the Fund and stc Group in contributing to enabling the IoT sector in the Kingdom and expanding regionally in the Middle East and North Africa, to keep pace with the rapid development in this sector.

Finally, we are proud of the achievements accomplished by stc Group so far to enable the digital transformation of the kingdom. In stc, we will continue to commit to be a vital resource for the national economy and a major enabler of digital transformation according to the KSA Vision 2030 goals, looking forward to a bright future for the ICT sector.

## Stock Performance

Q1 2022



## Event Calendar

Q1 2022

### 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		

- **13<sup>th</sup> January:** stc announced the expected announcement date for its 2021 annual consolidated financial results.
- **31<sup>st</sup> January:** stc invited its shareholders to attend the Ordinary General Assembly Meeting (First Meeting) by Means of Modern Technology.

- **2<sup>nd</sup> February:** stc announced its intention to establish a company specialized in data center hosting, international and regional connectivity.
- **16<sup>th</sup> February:** stc announced the date of E-Voting of Shareholders on the Agenda of the Ordinary General Assembly Meeting.
- **21<sup>st</sup> February:** stc's Financial Results FY 2021 & Q4 2021 Dividends Announcements.
- **21<sup>st</sup> February:** stc's Ordinary General Assembly Meeting (First Meeting).
- **28<sup>th</sup> February:** stc announced it has conducted an Earnings Conference Call to discuss the annual financial results of the financial year 2021.
- **28<sup>th</sup> February:** 5<sup>th</sup> EFG Hermes Virtual Investor Conference.

- **1<sup>st</sup> March:** 5<sup>th</sup> EFG Hermes Virtual Investor Conference.
- **2<sup>nd</sup> & 3<sup>rd</sup> March:** Goldman Sachs 5<sup>th</sup> Annual Saudi Arabia Conference.
- **17<sup>th</sup> March:** Q4 2021 Dividend Distribution (1 SAR per share).
- **24<sup>th</sup> March:** BofA Middle East (virtual) Bus Tour.
- **29<sup>th</sup> March:** stc invited its shareholders to attend the Ordinary General Assembly Meeting (First Meeting) by Means of Modern Technology.
- **31<sup>st</sup> March:** stc announced the signing of a Joint Venture Agreement with Public Investment Fund (PIF) to establish a company specialized in the field of Internet of Things (IoT) in KSA.

## stc announced the launch of its MENA Hub

stc announced the launch of its initiative to establish a major digital hub "MENA Hub" for the Middle East and North Africa with an investment of 1 billion USD, which ensures the leading position of KSA across the ICT sector and stc's role as leading player in the region. The hub will link three continents, benefiting from the strategic location of the Kingdom, and promoting investment in international communication services and data centers. The hub will include the installation of a number of highly efficient cables to meet the future requirements of cloud services, by investing in an advanced fiber optic network that ensures continuous availability of services.

## stc announced its accession to the UN Global Compact

As an outcome of stc's commitment towards sustainability and applying responsible business practices, and in alignment with its DARE 2.0 strategy, stc announced its accession to the UN Global Compact which aims to encourage companies around the world to adopt sustainability and social responsibility, making stc one of the companies that are part of the UN Global Compact and among the leading companies supporting the global movement towards a more sustainable future.

## Joint strategic cooperation among stc Group, Etisalat(e&), Zain, Batelco, du and Omantel

stc Group, e& formerly known as Etisalat Group, Zain Group, Batelco, du, and Omantel signed a MOU at the Mobile World Congress 2022, aiming to accelerate and tighten cooperation to preserve and protect the environment and enhance climate change challenges as well as reduce the carbon footprint through operations. This memorandum comes within the cooperation of major telecom operators in the Gulf Cooperation Council Countries to improve the ICT industry and activate their roles in facing environmental challenges, focusing on climate change and advancing the regional sustainability agenda.

## stc and PIF to establish a company specialized in the field of Internet of Things (IoT)

stc announced the signing of a Joint Venture Agreement with Public Investment Fund (PIF) to establish a limited liability company in the field of IoT. The New Company's business is in line with the expected growth and increasing demand for Internet of Things services and products, it aligns with stc's growth strategy, and Saudi Arabia's Vision 2030 for a connected nation. The New Company will be headquartered in the Kingdom of Saudi Arabia. The New Company's capital will amount to SAR 492 million upon establishment, with 50% ownership for both stc and PIF. stc will finance its share of this investment, from its own resources.

## stc and Huawei launch 1st FTTR commercial service

stc and Huawei launched their 1<sup>st</sup> initiative, FTTR commercial service out of China the leading global market, during the Mobile World Congress (MWC 2022). stc and Huawei have identified massive potential market which is aligned with the Kingdom's sustainable development goals, and Riyadh No.1 global speed ranking initiative. Both parties have strategically agreed to accelerate FTTR products in KSA to deliver un-matched experience.

## stc: the most valuable telecom brand in the Middle East

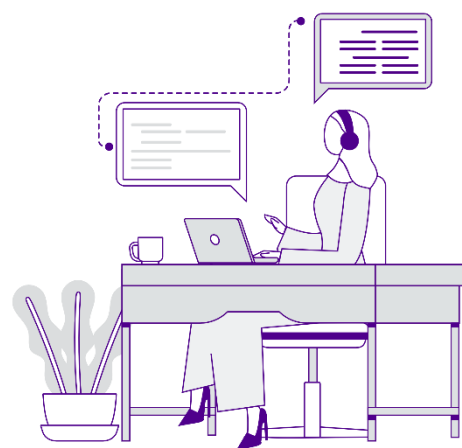
stc was named the most valuable telecom brand in the Middle East, with its brand value increasing by 16% to USD 10.6 billion. stc has been the fastest-growing brand in the region in the Brand Finance Global 500, with a brand value increase of 32% over the last two years.

## TAWAL potential acquisition of Awal Telecom in Pakistan

TAWAL, the leading Saudi ICT infrastructure company and one of stc Group subsidiaries, has announced its entry into the Pakistan's market via its potential acquisition of Awal Telecom. The potential acquisition, which is TAWAL's first foray outside Saudi Arabia, is expected to be an initial step in the company's international expansion roadmap.

## stcplay leads E-gaming services

Global E-gaming revenues increased by 1.4%, reaching to \$180.3 billion, according to a report issued by Newzoo Agency December 2021. The agency stated expectations for a further growth in the e-gaming market in the next three years, as revenues are expected to reach \$218.8 billion, of which 116.4 billion will come from the smartphone gaming market. The cloud gaming market is expected to grow at 6.5 billion and the e-sports market to \$1.6 billion. While the Kingdom of Saudi Arabia leads the E-gaming market across the Middle East, stcplay has been at the forefront of providers for E-gaming services. Since establishment, stcplay hosted 4,500 tournaments to create interaction between players, and sponsored 70 tournaments.



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# Moving the World for ward

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