



Press Release

For the year ended 31st December 2021

Financial Performance

For the financial year ended 31st December 2021

7.57% ↑

Increase in revenue for the year ended 31st December 2021, compared to 2020.

Key Figures (SAR mn)	FY 2021	FY 2020	Change (%)
Revenue	63,417	58,953	7.57%
Operating Profit	13,128	12,731	3.12%
EBITDA	22,841	22,090	3.40%
Net Profit	11,311	10,995	2.87%
EPS	5.66	5.50	

Credit Rating

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



Commenting on these results, Eng. Olayan Mohammed Alwetaid, stc Group CEO, stated that the positive results achieved by the company for the year 2021 came in line with our expectations, as the company was able to grow its top line by 7.6% compared to the previous year. This was driven by the strong performance witnessed in the Enterprise business unit, which was able to grow its revenues by 20.9%, benefiting from the company's ability to accommodate the strong demand from the public and private sectors for Enterprise Business Unit's services and products. The Wholesale Business Unit continued its positive contribution to the company's financial results, as it achieved a growth of 2.9%, thru leveraging stc's infrastructure investments to grow the company's hubbing services. The Residential Segment also achieved a growth in its revenues, with an increase of 10.5%, which supported the Consumer Business Unit's financial performance, this is primarily due to an increase in FTTH and fixed wireless access subscribers by 10.3% and 21.7%, respectively. Moreover, the revenue growth witnessed in stc's subsidiaries also contributed positively to the company's financial results.

In line with Saudi Vision 2030, the company will continue its national role and contributions towards achieving the vision by investing in the digitization of the economy, strengthening its assets, diversifying its services, developing commercial and operational capabilities, and maintaining its ICT leadership in the region. In achieving its "DARE" strategy, the company will continue to invest in new business trends and execute its ambitious plans to expand in telecommunications and infrastructure, in addition to developing new platforms such as IoT, cloud, cybersecurity, data analytics, digital services and applications, data center hosting services, in addition to regional and international connectivity.

Alwetaid went on to say that the year 2021 was full of challenges and successes for stc group. The company, through its digital payments company (stc pay), was able to obtain the approval of the Council of Ministers for stc pay to become one of the first digital banks in the Kingdom of Saudi Arabia. Also, we have established and launched the Advanced Technology and Cybersecurity Company (sirar by stc); a new company dedicated to providing advanced cybersecurity services and solutions to the business sector. Furthermore, the company launched (stcplay) platform to lead the transformation in the gaming and E-sports sector and to act as a digital enabler for the gaming sector in the KSA and the Middle East by providing distinctive experiences and high-quality services to players and service providers. During the year, we have also witnessed the successful listing of (solutions by stc) in the Saudi Stock Exchange, Tadawul, which represents a qualitative and important leap in supporting companies working in the field of communications and information technology.

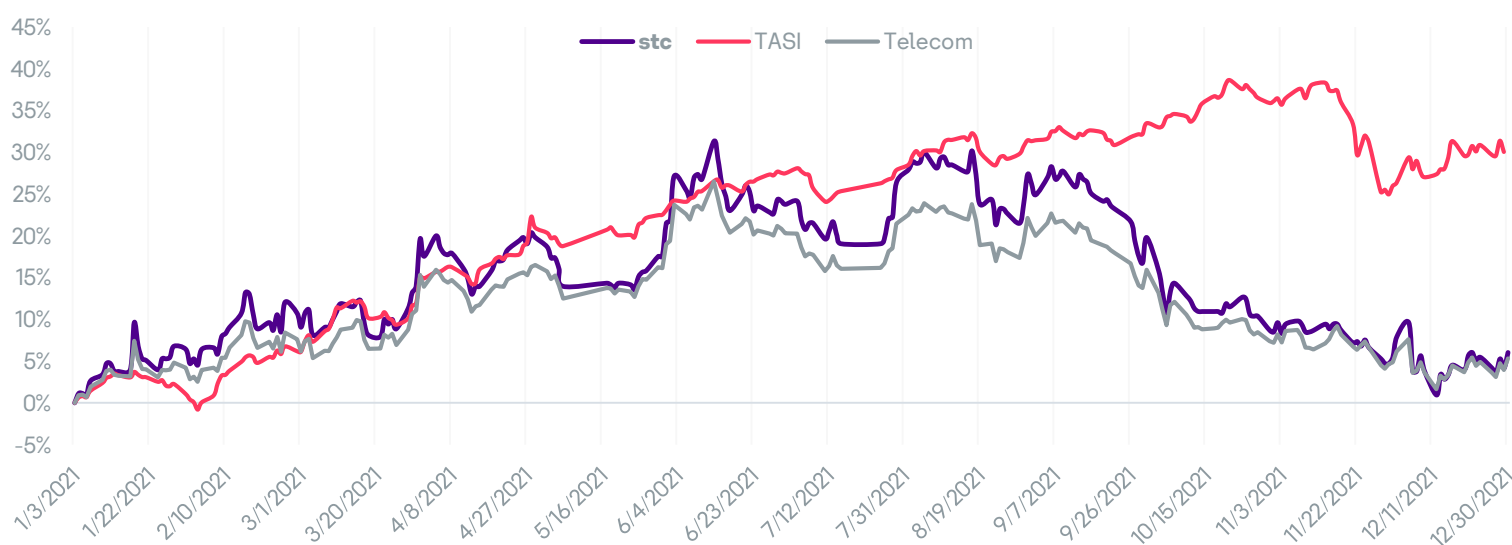
Recently, The Public Investment Fund and stc group, announced the successful completion of the secondary public offering. 120 million shares representing 6.0% of stc's share capital were sold to local and international institutional investors and retail investors by way of a secondary public offering, the first of its kind in the Saudi capital market. The total offering size reached SAR 12 billion, which makes it the largest secondary public offering in EMEA in the last three years.

Eng. Alwetaid also pointed out that stc surpassed its counterparts in the region to become the most valuable brand in the telecommunications sector for the second year in a row, according to Brand Finance. The company celebrated being the region's fastest-growing brand, up an impressive 16% to US\$ 10.6 billion in 2021 with an increase in brand value by 32% over the past two years.

Finally, stc is continuing its data centers project Phase 3, which will be the biggest project of data center construction across the region after the completion of Phases 1 and 2. The new phase of constructing its next-generation cloud-enabled Data Centers aims to expand presence and capacity, accelerate the implementation of the Kingdom's digital transformation objectives, and provide world-class seamless data distribution with energy optimization solutions which is in line with the environmental sustainability goals of Saudi Arabia. The Tier III enhanced data center is a planned IT power with a maximum capacity of 125 MW, in an area of more than 180,000 sqm. As part of Phase 3, the company recently launched Jeddah Data Center, which is a continuation of the company's strategic plan to become the first regional digital center for data centers. This is part of stc's ambition and comprehensive strategy to provide the best digital and telecom services in the region.

Stock Performance

FY 2021



Event Calendar

Q4 2021

October

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						

- **4th - 5th Oct:** Attended HSBC Saudi Exchange Virtual Road show 2021.
- **21st Oct:** Q3, 2021 Financial Results and Dividends Announcements.

November

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				

- **8th Nov:** Attended Goldman Sachs 13th Annual CEEMEA One-on-One Conference.
- **9th Nov:** stc invited its shareholders to attend the ordinary General Assembly meeting by Means of Modern Technology.
- **10th Nov:** Attended BofA Global Research MENA Conference.
- **18th Nov:** Q3 2021 Dividend Distribution (1 SAR per share).
- **25th Nov:** stc announced the date of E-Voting of Shareholders on the Agenda of the Ordinary General Assembly Meeting.
- **30th Nov:** Ordinary General Assembly meeting.

December

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	

- **1st Dec:** stc announced the results of the Ordinary General Assembly meeting.

The electronic gaming market in the Middle East leaps to USD 6.3 billion during 2021

Statistical reports have revealed a significant growth in the electronic gaming sector, positioning it as an independent technological economy in itself. It is expected for the total value of this sector to reach approximately USD 6.3 billion in 2021 in the Middle East, of which USD 820 million is in the GCC. stc Group, which seeks to expand in a number of new and unconventional paths, has launched stcplay platform through its strategic partnership with the Saudi Arabian Federation for Electronic Sports, to give players the opportunity to compete in electronic sports and game tournaments, in addition to browsing through game-related content, and communicating with other players.

stc replaces 3G networks with the ultra-fast 5G ones

In 2020, stc announced its plan to decommission its 3G networks in 'less than two years' and expand the 5G network in various regions throughout the Kingdom. stc is committed to ensuring a quick and smooth transition of all remaining 3G customers and provide them with the ability to benefit from the advanced networks and their advantages before the actual shutdown date in 2022. stc is working to make available the new generation of communications networks that provide superior capabilities in terms of speed and data capacity. Under its plans to enhance its position as a leading digital enabler in the region and to ensure that customers enjoy the best possible experiences provided by advanced high-speed networks, stc has focused on investing in the latest networks over the past years as a part of the overall digital transformation path and expansion of infrastructure projects.

stc continues the biggest project of Data Center across the region

stc is continuing its Data Center project Phase 3, which will be the biggest project of Data Center Construction across the region at one time, after the completion of Phases 1 & 2. The new phase of constructing its next-generation cloud-enabled Data Center will be providing world-class seamless data distribution with energy optimization solutions which align with the environmental sustainability goals of Saudi Arabia. stc is now implementing Phase 3 of its new ERA Data Center Construction Program with Phase 1 completed in 2019 and Phase 2 already is in the final commissioning stage. The Tier III enhanced Data Centers is a planned IT Computing power at maximum capacity of 125 MW, with allocated land scape area of more than 180,000 sqm, which is part of stc's broader ambition and it's overall strategy to provide best in class digital and telecommunication services across the Kingdom.

Launch of Jeddah Data Center

In continuation to the strategic plan to become the first regional digital center for data centers, stc launched Jeddah Data Center as part of the third phase, by providing an integrated set of secure services and service management at a world standard level, in addition to asset safety measures, and local and international networks across the city of Jeddah. Jeddah Data Center is the first neutral center in the region with a capacity of 1.2 megawatts and 150 server racks, in addition to many digital services, ensuring fast and secure access to the high-capacity local and international network that is connected to local and international networks at high-level reliability and various technologies.

stc announced the completion for Phase 2 of the deployment of 5G networks in Saudi Arabia

stc, the main digital enabler in KSA and the region, has announced the completion of the second phase of 5G deployment across the Kingdom of Saudi Arabia. stc has successfully deployed the fifth-generation technology in more than 6,506 sites covering more than 75 cities. stc accomplished a very important milestone by providing 5G service in the main cities across the country, maintaining its national leadership as the fastest Saudi mobile network in 2021.

stc wins the International Customer Experience Award 2021

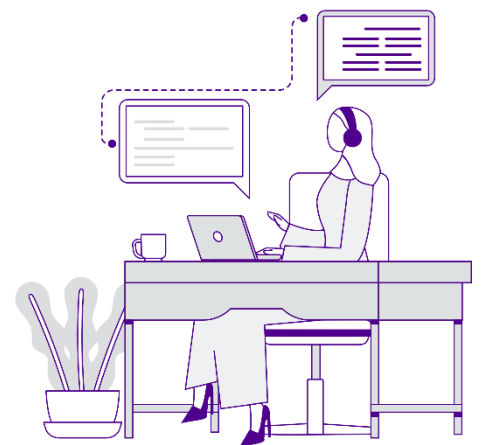
stc was awarded the bronze award at the International Customer Experience Awards 2021. This is a great success and a testament to the efforts the company put into the customer experience during a very difficult period of time. The award is considered one of the most prestigious global awards and sees major names participate in its various categories, including Dell, IBM, and Vodafone.

Successful completion of stc Secondary Public Offering

The Public Investment Fund and stc, announced the successful completion of the secondary public offering. 120 million shares representing 6.0% of stc's share capital were sold to local and international institutional investors and retail investors by way of a secondary public offering, the first of its kind in the Saudi capital market. The total offering size reached SAR 12 billion, which makes it the largest equity capital markets transaction in Saudi Arabia since the IPO of Saudi Aramco, the largest secondary follow on transaction in EMEA in the last three years and the largest secondary follow-on transaction in CEEMEA in nearly ten years.

Extending 2Africa to the Arabian Gulf, India, and Pakistan

The 2Africa consortium, comprised of China Mobile International, Facebook, MTN GlobalConnect, Orange, stc, Telecom Egypt, Vodafone and WIOCC, announced the addition of a new segment on 2Africa PEARLS, extending the cable system to the Arabian Gulf, India, and Pakistan. This extension will bring the total length of the 2Africa cable system to over 45,000 kilometers, making it the longest subsea cable system ever deployed.



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