

# Financial Results Presentation Q2 2025

# Key Messages

stc delivered excellent performance in the first half of 2025, driven by its commitment to its strategy and focus on operational and financial efficiency.



Performance	Revenues	38.66 bn	> <b>stc Group</b> achieved <b>healthy revenue growth</b> of <b>2.09%</b> for the six months period compared to the same period last year.
	Net Profit <sup>1</sup>	7.47 bn	> <b>Strong bottom-line</b> performance with a <b>13.38%</b> rise in net profit, reflecting <b>stc's</b> solid financial performance and effective strategic execution.
Financial Strength	Cash & Equivalents <sup>2</sup>	15.69 bn	> <b>stc's strong cash position</b> highlights its strategic <b>capital allocation</b> and affirm the resilience of its balance sheet.
	Net Cash <sup>3</sup>	0.47 bn	> <b>Positive net cash position</b> , supported by cautious debt management with total debt <b>decreasing</b> by <b>36.18%</b> , reflecting <b>stc's</b> financial discipline and commitment to a resilient capital structure.
	Capex	3.64 bn	> A well-calibrated <b>Capex</b> approach drives focused investment planning and implementation, with Capex intensity reaching <b>9.43%</b> for the six months period.
Shareholder Returns	Dividends	0.55 p/s	> <b>stc's</b> steady quarterly dividend <sup>4</sup> of <b>﷼ 0.55 per share</b> reflects its dedication to <b>consistent shareholder returns</b> and <b>long-term value creation</b> .
	Dividend Yield <sup>5</sup>	9.52%	> <b>stc's</b> strong commitment to shareholder returns is reflected in its <b>competitive dividend yield</b> and a <b>78.95% payout ratio<sup>5</sup></b> .

All numbers are in ﷼.

1-Net profit attributable to the equity holders of the parent company.  
2-Includes cash and cash equivalents + short-term murabahas.  
3-Includes cash and cash equivalents + short-term murabahas – long term borrowings – short term borrowings.

4-Please refer to the dividend policy on slide 14.  
5-Calculated based on the last 12 months (including ﷼ 2 special dividend), DY is based on June 30<sup>th</sup> 2025 closing price.

# H1 at-a-Glance

The first six months of 2025 showcase a blend of strategic collaborations and remarkable achievements.

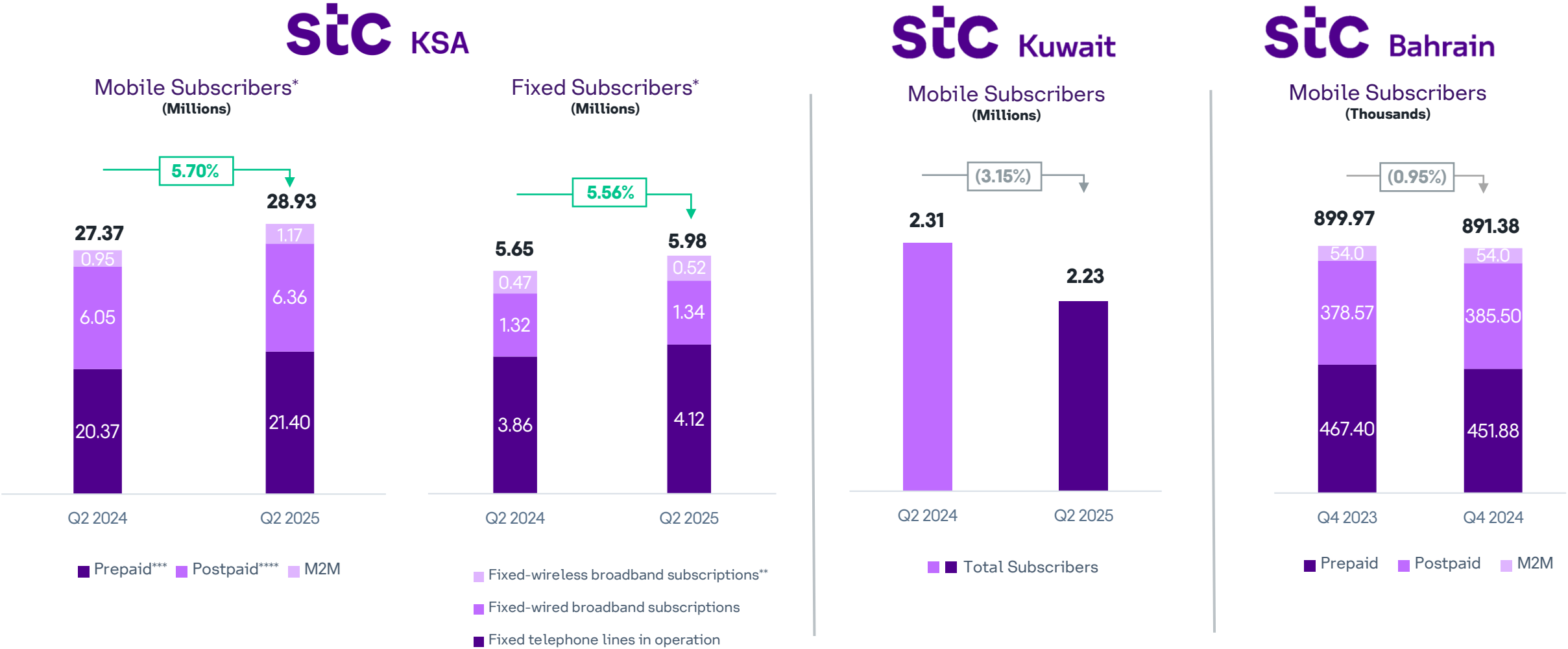


January	February	March	April	May	June
<p><b>stc’s Brand Value</b></p> <p>stc Group has been recognized as the most valuable telecom brand in the Middle East for the fifth consecutive year and ranked 9th among the most valuable telecom brands globally, according to “Brand Finance”.</p>	<p><b>stc &amp; AWS</b></p> <p>stc Group and Amazon Web Services (AWS) announced a strategic collaboration to advance digital transformation in Saudi Arabia.</p>	<p><b>stc &amp; Ooredoo</b></p> <p>stc Group and Ooredoo Oman announced the signing of a Heads of Terms (HoT) agreement to establish an international ground fiber optic network corridor between the Kingdom of Saudi Arabia and the Sultanate of Oman.</p>	<p><b>stc &amp; Kyndryl</b></p> <p>stc Group has entered into a multi-year strategic partnership with Kyndryl, the world’s leading IT infrastructure provider, to design and implement an advanced Multicloud Management Platform strategy.</p>	<p><b>stc a Platinum Sponsor of the Saudi-American Investment Forum</b></p> <p>stc Group participated as a digital partner and platinum sponsor of the Saudi-American Investment Forum, highlighting its commitment to strengthening economic and tech ties.</p>	<p><b>stc Expand its 5G Network Nationwide</b></p> <p>stc’s 5G network spans over 9,500 sites across the Kingdom, expanding high-speed coverage in both cities and remote areas.</p>
<p><b>stc Signed a ﷲ 32.64 Bn Contract</b></p> <p>stc Group signed a contract with a Government entity for the purpose of building, operating and providing telecommunications infrastructure services for a value of ﷲ 32.64 billion.</p>	<p><b>stc Sets Global Milestone with Localization of eSIM Software</b></p> <p>stc Group has become the first telecom operator worldwide to achieve GSMA Security Accreditation Scheme for UICC Production (SAS-UP), a global certification by the GSM Association ensuring the highest security standards in eSIM production.</p>	<p><b>sirar by stc Obtained Tier 1 License</b></p> <p>The National Cybersecurity Authority has announced the licensing of sirar by stc as a Tier 1 provider of Managed Security Operations Center (MSOC) services in the kingdom, positioning sirar among the leading national companies in the field.</p>	<p><b>stc &amp; Singtel</b></p> <p>stc Group and Singtel Group have signed a strategic partnership to collaborate on digital platforms, talent development, subsea cable expansion and IoT solutions.</p>	<p><b>Strategic Partnership between stc Group and Oracle Worth Over ﷲ 2 Billion</b></p> <p>stc Group and Oracle have signed a partnership agreement worth more than ﷲ 2 billion aimed at accelerating digital transformation across the Kingdom</p>	<p><b>stc Achieved Record-High Network Performance</b></p> <p>During Hajj season, stc’s network achieved exceptional results with Muzdalifah recording its highest-ever traffic hour, and some peak hours seeing more than a 64% increase in data volume and over a 129% increase in advanced 5G usage compared to the same hour last year.</p>
<p><b>STC Bank Official Launch</b></p> <p>STC Bank announced that it has received a Non-Objection from the Saudi Central Bank SAMA, allowing it to officially launch as a digital bank in Saudi Arabia.</p>		<p><b>iot squared &amp; VIZZIO Technologies</b></p> <p>iot squared has signed a strategic partnership with VIZZIO Technologies to integrate advanced artificial intelligence technologies in the fields of security and smart city planning.</p>			

# Operational Highlights

# Operational Highlights

stc’s expanding customer base reflects its strong presence and sustained competitiveness within the telecommunications sector.



Percentage changes are calculated based on full figures.  
\*Figures are not audited.  
\*\*Fixed-wireless broadband subscribers includes 4G and 5G subscribers.  
\*\*\*Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.  
\*\*\*\*Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

# Operational Highlights

stc's continued focus on operational strength has solidified its position and driven consistent performance.



#1

in **ICT segment** in  
Saudi Arabia

#1

in **consumer segment** in  
Saudi Arabia

#1

in **enterprise segment** in  
Saudi Arabia

#1

rank as the **most valuable  
telecom brand** in the  
Middle East



## 5G Towers

9.22K  
6M 2025

vs

8.66K  
6M 2024



## 5G Coverage<sup>1</sup>

59.40%  
6M 2025

vs

49.75%  
6M 2024



## Fiber Optic Connections<sup>2</sup>

3.68 Mn  
6M 2025

vs

3.51 Mn  
6M 2024



## Fiber Optic Length

252.65K Km  
6M 2025

vs

244.27K Km  
6M 2024



## Loyalty Program (Qitaf)

18.43 Mn users  
6M 2025

vs

16.04 Mn users  
6M 2024



## stc tv

5.39 Mn subscribers<sup>3</sup>  
6M 2025

vs

4.45 Mn subscribers<sup>3</sup>  
6M 2024



## STC Bank

+3 Mn customers

Since launch in January 2025



## Credit Rating

Fitch: **A+**

S&P: **A+**

Moody's: **Aa3**

Tassnief: **AAA**

1- Coverage of residential & populated areas

2- Households connected with fiber (The number includes all the Dwelling units handed over and ready for service).

3- Authorized Subscribers (Customers who have generated their login credentials and logged into stc tv or Jawwy TV at least once in their lifetime).

# Financial Performance

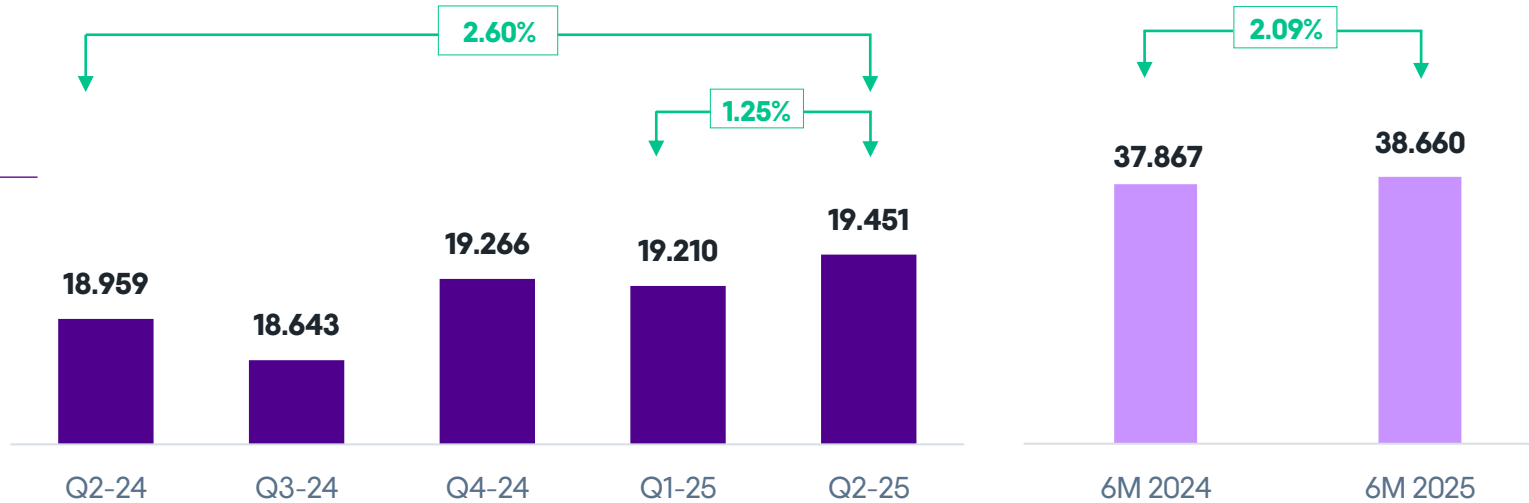
Q2 2025

# stc Group – Revenue and Gross Profit



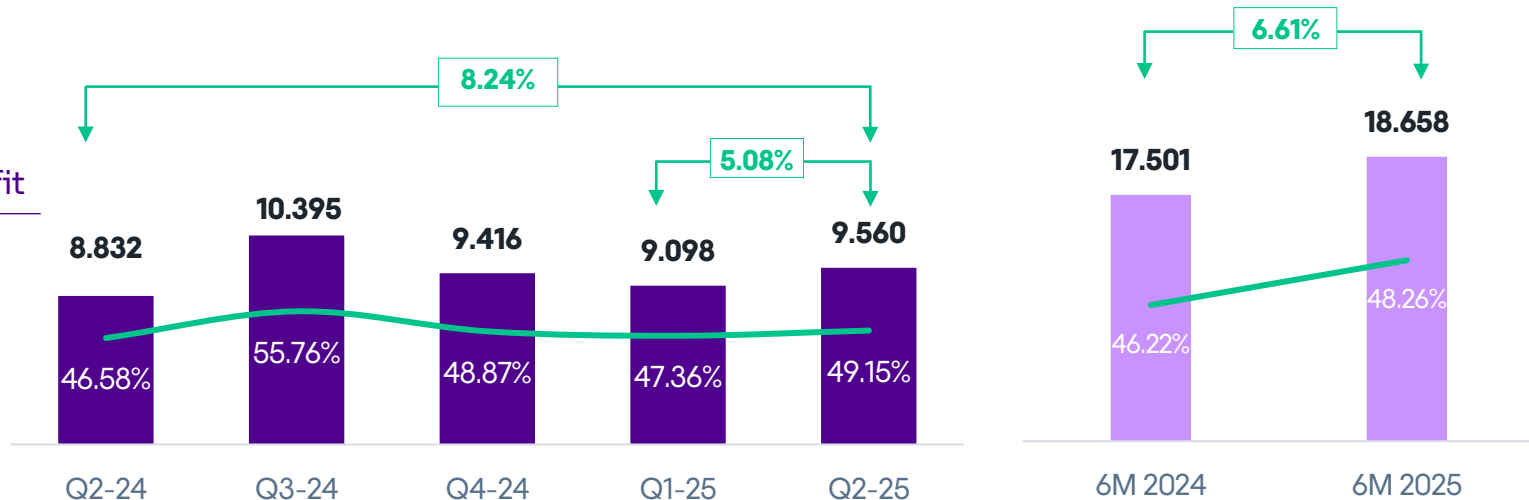
A 2.60% YoY rise in Group revenue in Q2-25, along with 8.24% increase in gross profit, demonstrate the Group's ability to drive steady growth and operational efficiency in a dynamic market environment.

## Revenue



- stc Group's revenue grew by 2.60% YoY in Q2-25, driven by a 1.65% increase in stc KSA revenue.
- Revenue for the first six months of 2025 grew by 2.09%, representing an increase of **¥793.59** million compared to the same period last year.

## Gross Profit

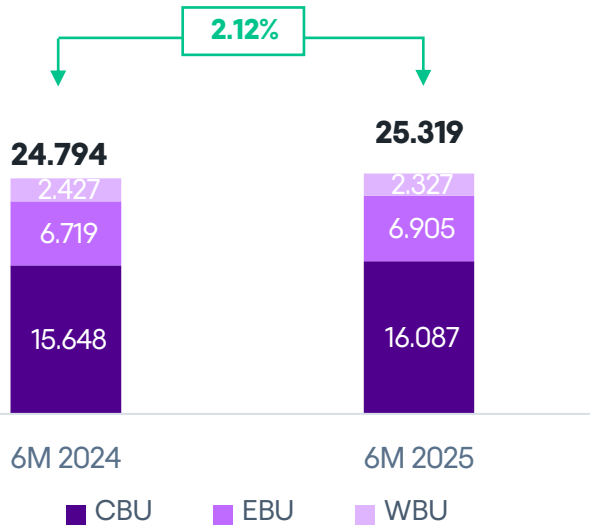


- Gross profit increased by 8.24% in Q2-25 compared to the same quarter last year, driven by the increase in revenues and improved cost efficiency, with cost of revenues down by 2.33%.
- Gross profit margin for the second quarter grew by 5.50% YoY to reach 49.15%, and increased by 4.42% for the six months period to reach 48.26%.

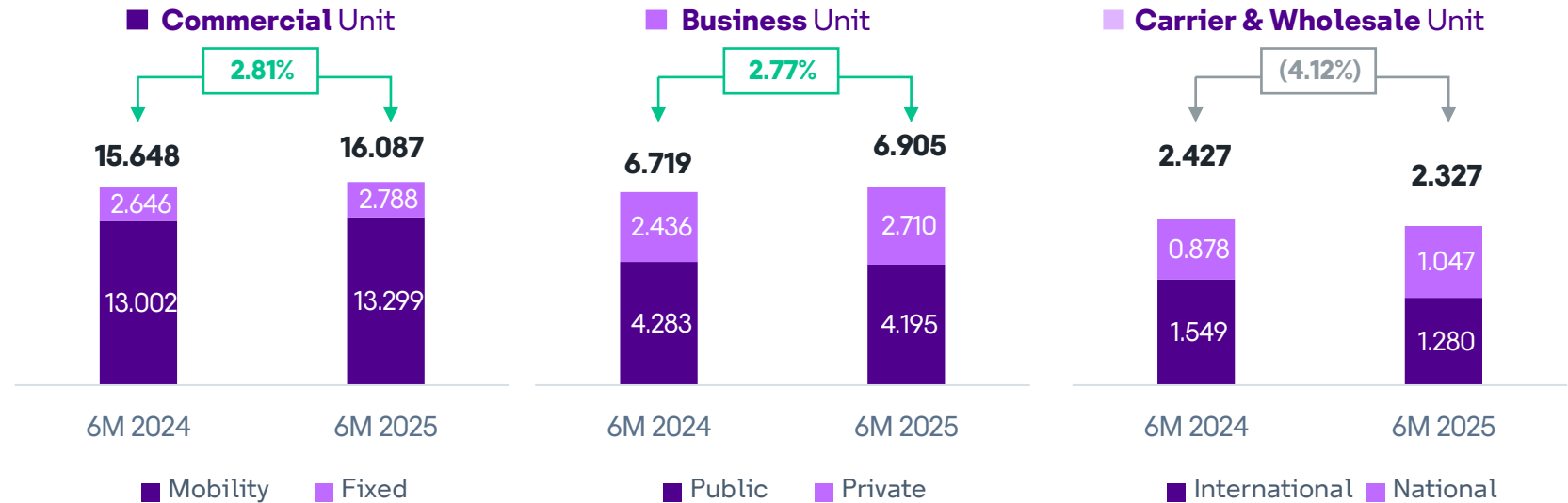


An increase of 2.12% in stc KSA's revenue fueled by strong performances across key segment, with the Commercial Unit's revenue growing by 2.81% and a 2.77% rise in the Business Unit's revenue.

## stc KSA Breakdown



## stc KSA: Business Units Breakdown



The **Commercial Unit** continued to deliver strong performance, achieving a **2.81%** revenue growth in 6M 2025, driven by the increase in **Mobility** revenue by **2.28%** and the increase in **Fixed** revenue by **5.40%**, compared to the same period last year. The **Business Unit** also achieved a growth of **2.77%** in its revenue, supported by an increase in the **Private** segment by **11.25%** which countered the **2.05%** decline in **Public** segment.

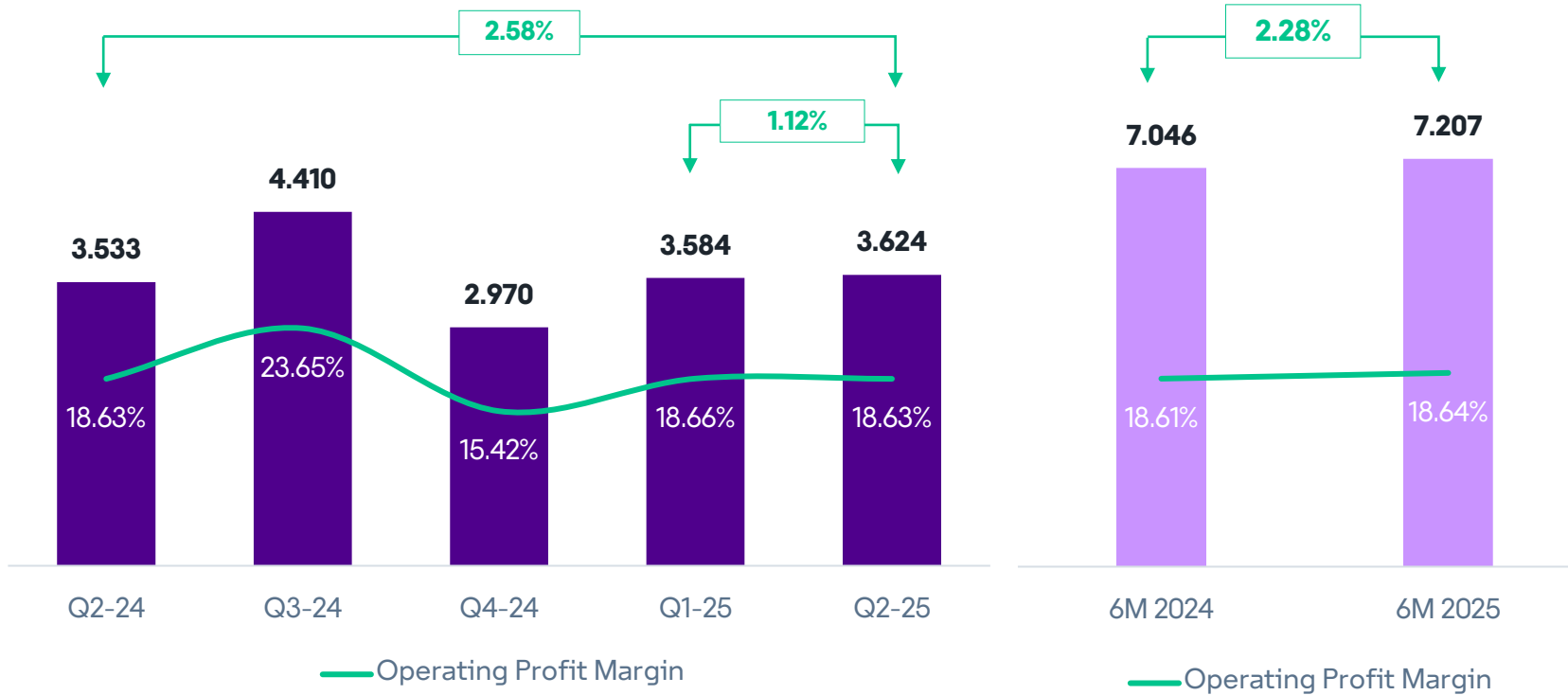
The growth in the **Commercial** and **Business Units** helped offset the **4.12%** decline in the **Carriers and Wholesale Unit** revenue, which stemmed from the Group's shift toward prioritizing higher-yield contracts within the unit, aimed at enhancing long-term profitability.

# stc Group – Operating Profit

Driven by the Group's Cost Efficiency Program, operating profit increased by 2.58% YoY in Q2-25.



## Operating Profit

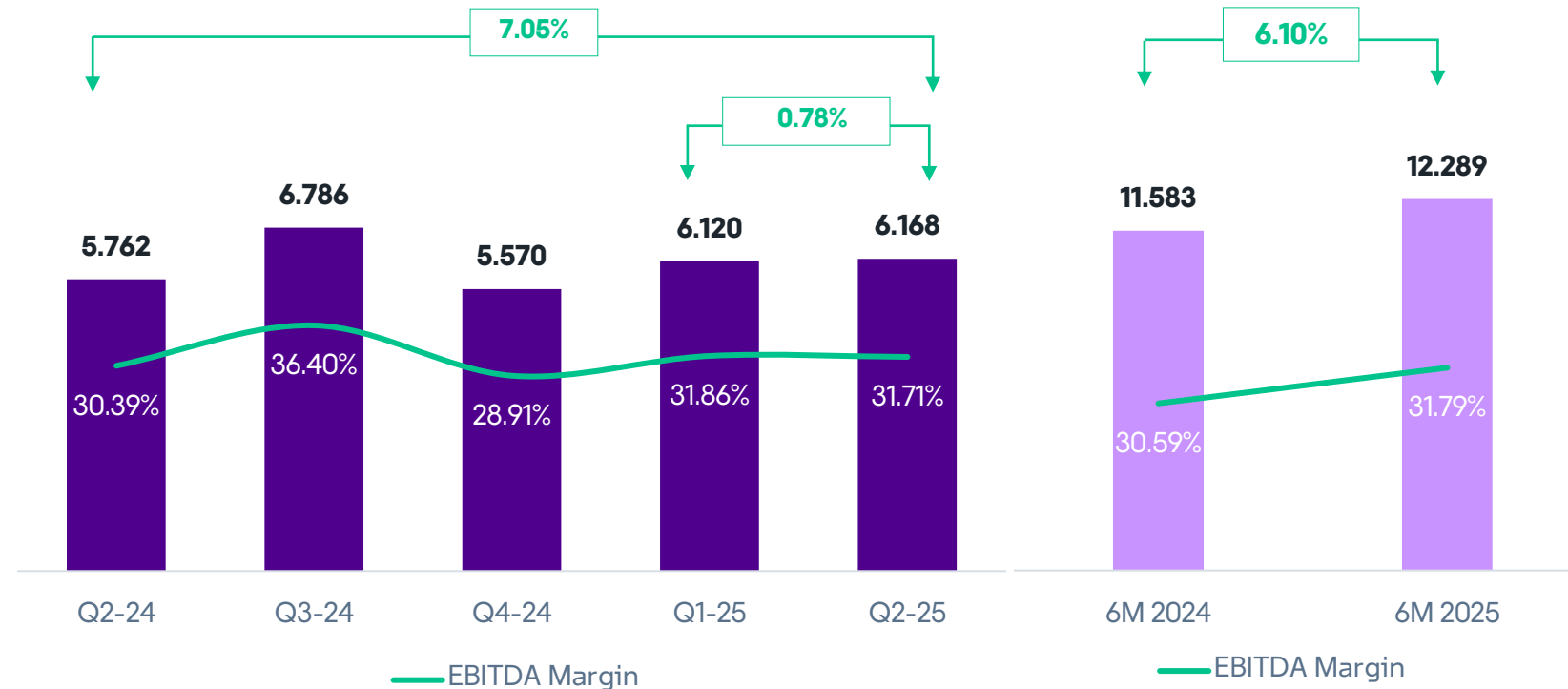


- Operating profit increased by 2.58% in the second quarter of 2025 compared to the same quarter last year, while recording a growth of 1.12% compared to the previous quarter.
- 6M 2025 operating profit improved by 2.28% to reach **ﷲ 7.207 billion**, an increase of **ﷲ 161 million** compared to the same period last year. Operating profit margin also improved by 0.19% reaching 18.64%.

## stc Group – EBITDA

Supported by the Group's continued ability to enhance operational and financial efficiency, EBITDA reached **ﷲ 6.168 billion**, a **7.05% YoY growth** in Q2-25, alongside an increase in EBITDA margin of **4.34%** to reach **31.71%**.

### EBITDA



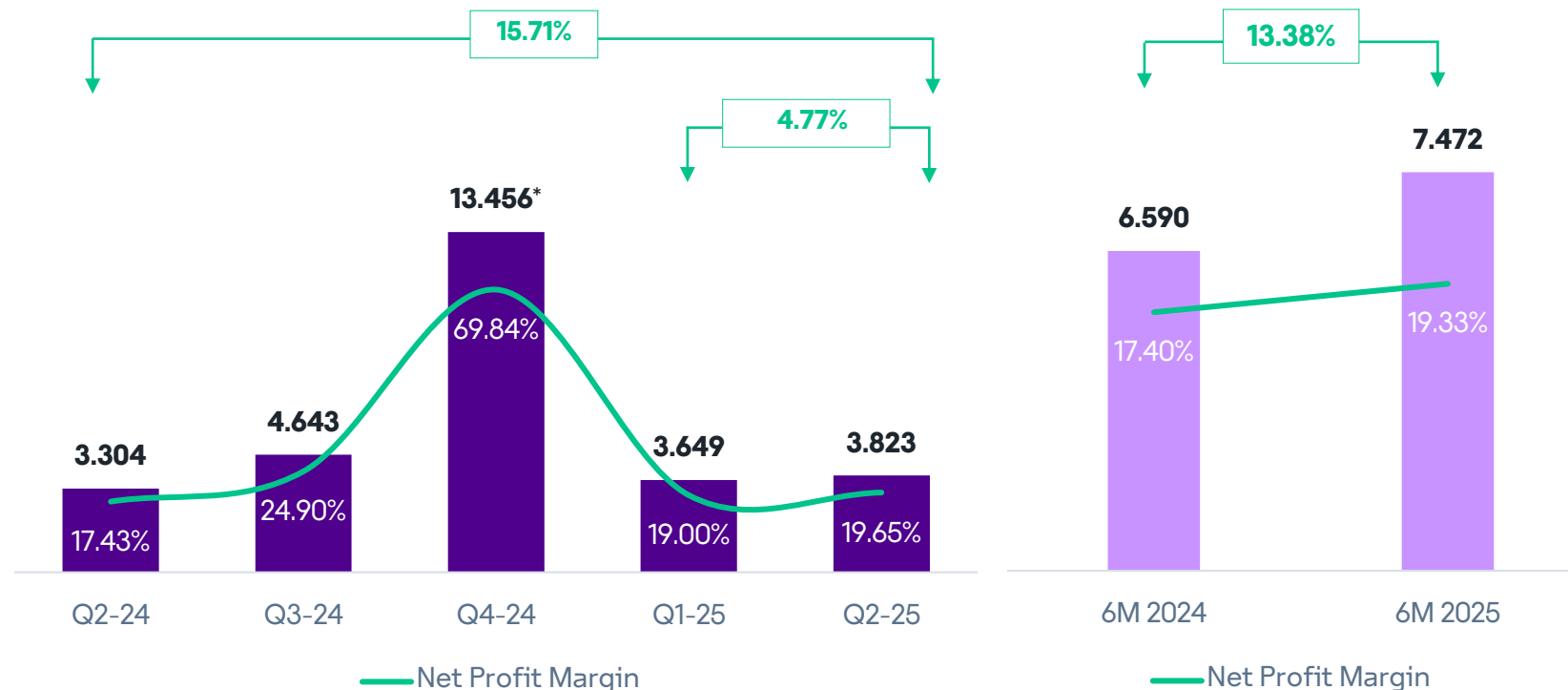
- EBITDA for Q2-25 grew by 7.05%, reflecting an increase of **ﷲ 406 million** compared to the same quarter last year, with EBITDA margin improving by 4.34% to reach 31.71%.
- EBITDA for first six months of 2025 increased by 6.10%, an improvement by **ﷲ 706 million** compared to the same period last year, accompanied by an improvement in EBITDA margin by 3.92% to reach 31.79%.

# stc Group – Net Profit



Net profit recorded a YoY growth of 15.71% in Q2-25, and a 13.38% growth for the first half, highlighting continued business momentum and strong financial performance.

## Net Profit

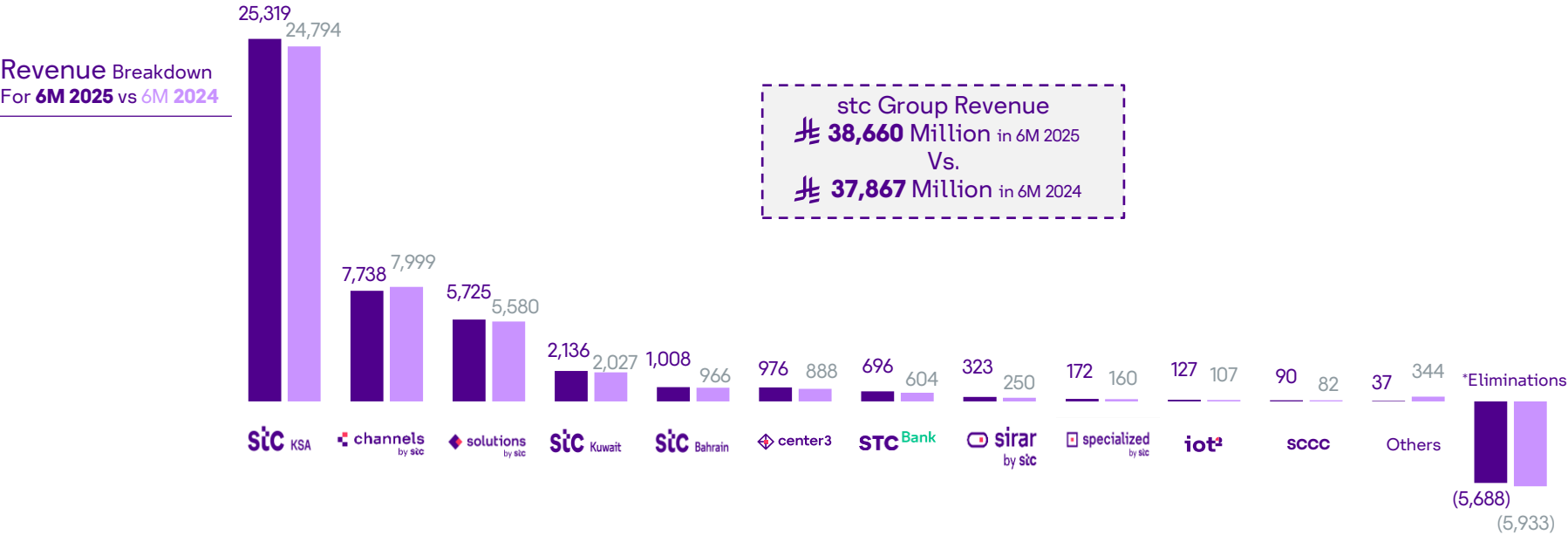


- Net profit for Q2-25 increased by 15.71% to reach ₪ 3.823 billion compared to the same quarter last year, with net profit margin improving by 12.78%, to reach 19.65% compared to 17.43% in Q2-24.
- Q2-25 witnessed the booking of total other income (expenses) amounting to ₪ 66 million compared to ₪ (59) million in Q2-24, and the booking of zakat and income tax amounting to ₪ 216 million, mainly due to the reversal of zakat provision related to previous years which are no longer required, as compared to zakat and income tax expense amounting to ₪ (278) million in Q2-24.
- Net profit for the first six months of 2025 increased by 13.38% to reach ₪ 7.472 billion, with growth in net profit margin by 11.06% to reach 19.33%, compared to 17.40% in 6M 2024.

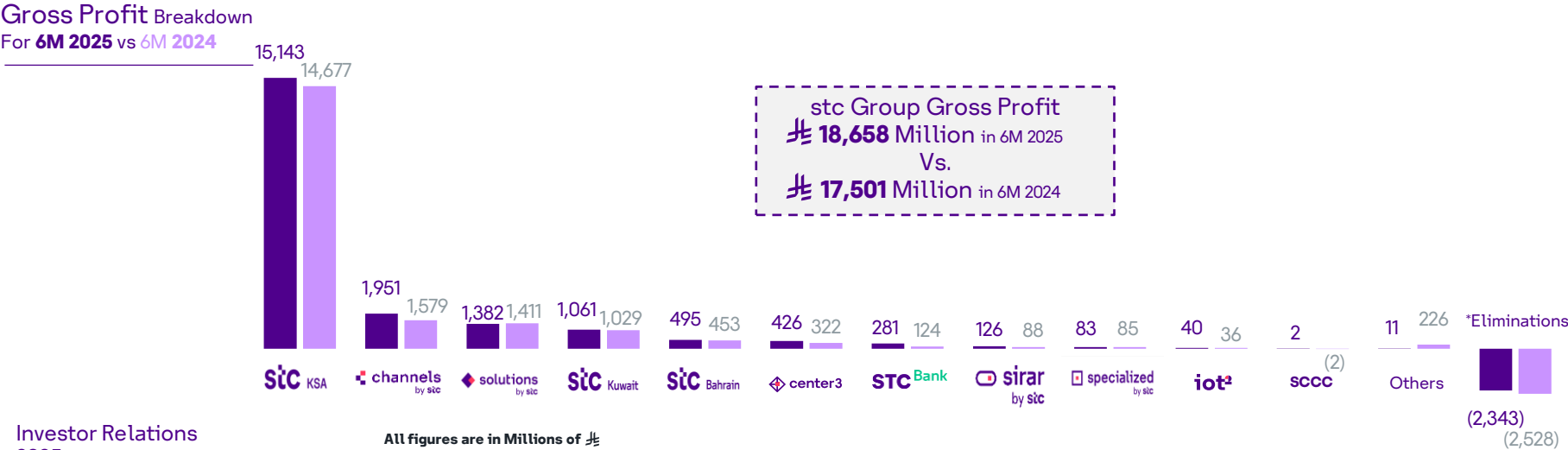
# stc Group – Breakdown by Subsidiaries



STC Bank continues to deliver strong performance, with a 127.14% increase in gross profit, while the Group’s subsidiaries achieved a 24.49% increase in gross profit during the first half of 2025.



- Subsidiaries revenue in 6M 2025 increased by 2.05% compared to 6M 2024.
- Among the Group’s subsidiaries, sirar posted the highest revenue growth at 29.13% YoY for 6M 2025. iot squared, STC Bank, SCCC, and center3 followed with growth of 19.64%, 15.36%, 10.90%, and 9.90%, respectively.



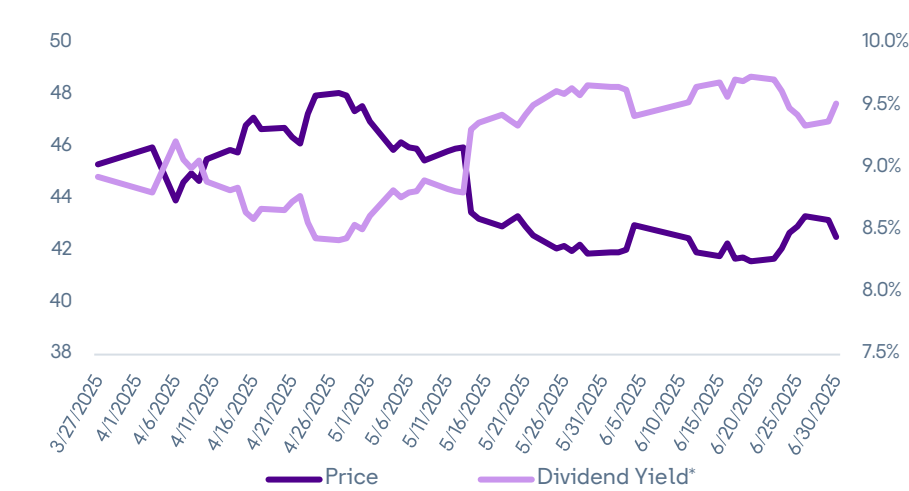
- Gross profit for the Group’s subsidiaries increased by 24.49% in 6M 2025 compared to 6M 2024.
- STC Bank continues to deliver strong performance with a 127.14% increase in gross profit.
- SCCC, sirar, center3 and channels also achieved a notable increase in gross profit, growing by 212.26%, 43.85%, 32.25% and 23.55%, respectively.

# Dividends and EPS

Stable dividend structure coupled with a strong dividend yield.



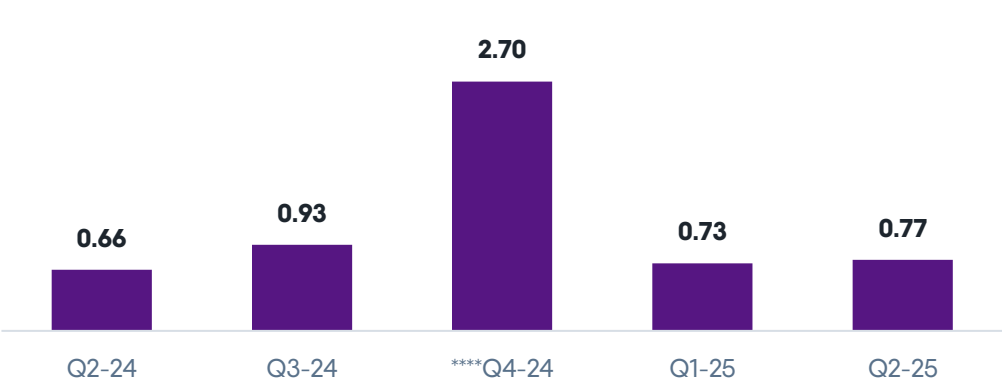
Price vs. Yield Fluctuation\*\*\*



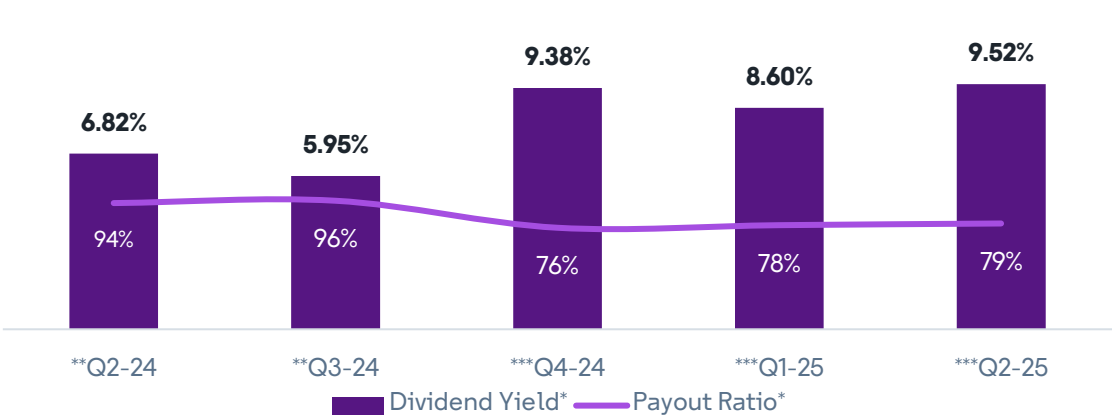
Dividends Policy

- stc commits to pay SAR 0.55 per share per quarter for the next three years starting from the dividends distribution of the 4th quarter of 2024 until the 3rd quarter of 2027. Further, the company may consider paying special dividends after the assessment of the Company's financial position, future outlook, strategic investments and capital expenditure requirements. Any special dividends will be subject to stc's Board of Directors recommendation and the General Assembly's ratification.
- The dividends policy will remain subject to:
  - Any material changes in the stc's strategy and business (including the commercial environment in which stc operates).
  - Laws, regulations and legislations governing the sector in which stc operates.
  - Any banking, other funding or credit rating covenants or commitments that stc may be bound to follow from time to time.

Earnings Per Share (EPS)



Payout Ratio/Dividend Yield



\*Based on the last 12 months.  
\*\*Including the special dividend of  $\text{SAR } 1.00$ .  
\*\*\*Including the special dividend of  $\text{SAR } 2.00$ .  
\*\*\*\*Including special gains from the TAWAL deal.

# Appendix

# Business Highlights

- ✓ stc Group and Oracle have signed a partnership agreement worth more than  $\text{SAR}$  2 billion aimed at accelerating digital transformation across the Kingdom. This agreement is part of the long-standing strategic partnership between stc Group and Oracle, which has lasted over 18 years. The agreement also aims to develop an advanced AI-powered cloud infrastructure and deliver sovereign cloud solutions through the Oracle Alloy platform, hosted at center3's data centers, the digital infrastructure arm of stc Group. This collaboration further ensures that data remains within the Kingdom while fully complying with Saudi data governance regulations, supporting digital transformation across both the government and private sectors. It also highlights the significance of international cooperation in advancing technological innovation and fostering shared economic growth.
- ✓ stc Group has released its sixth Sustainability Report for 2024, highlighting its ongoing achievements in sustainability, environmental and social responsibility, and governance — areas that have become integral to its strategy and corporate culture. stc aligns its reports with international standards such as the Global Reporting Initiative (GRI) and continues to align its efforts with the objectives of Saudi Vision 2030 as a key digital enabler. The Group is also committed to achieving the United Nations Sustainable Development Goals (SDGs) and is a proud member of the United Nations Global Compact (UNGC) initiative. To promote environmental sustainability, stc is dedicated to reducing its direct and indirect environmental impacts, including carbon emissions, while also helping its customers reduce their own environmental footprint. The Group has committed to achieving net-zero emissions by 2050 in line with the Paris Climate Agreement.
- ✓ stc Group proudly participated in the Human Capability Initiative (HCI) 2025 as the Vision Partner, joining global experts in meaningful dialogues on human capability development under the theme "Beyond Readiness". The event comes on the back of stc Group's recognition among "LinkedIn's" 2025 rankings of best workplaces for career growth in Saudi Arabia. During HCI, stc Group's training institution, stc Academy, announced a strategic collaboration with IBM to accelerate the development of a future-ready workforce through the launch of a new public learning platform. As a Vision Partner of HCI, stc Group is dedicated to investing in Saudi Arabia's transformation by uplifting the next generation of talent through comprehensive training and upskilling initiatives.
- ✓ stc Group announced that its 5G network now covers more than 9,500 sites across the Kingdom, as part of a strategic expansion plan aimed at providing ultra-fast connectivity in both urban centers and remote areas. This supports efforts to bridge the digital divide and ensures the delivery of reliable, high-quality communication services throughout the Kingdom. The Group also continued the technical development of its network by operating the low-frequency spectrum (600 MHz – N71) recently acquired, becoming the first operator in the region to activate this band commercially. Additionally, stc is advancing its technical capabilities by adopting 5G Standalone technology, which allows full utilization of core 5G features such as reduced latency and customized service quality through Network Slicing. This marks a pivotal step in enabling vital sectors such as smart healthcare, connected transportation, Industry 4.0, and smart cities.
- ✓ stc Group has announced a multi-year strategic partnership with Kyndryl, the world's largest IT infrastructure provider, to develop an advanced Multicloud Management Platform strategy. Aligned with Saudi Vision 2030, this initiative aims to simplify cloud adoption for stc customers and partners by enabling seamless integration of hyperscaler cloud services. Built on Kyndryl technology, the stc platform will provide a secure, scalable solution to help maximize the benefits of hyperscaler cloud services, along with digital and automation capabilities, while enabling innovation and ensuring governance and operational control. stc Group and Kyndryl will also leverage their combined capabilities with the aim to create new digital services, utilizing stc Group's digital prowess and Kyndryl's multicloud hyperscaler-agnostic platforms, skills and processes, as well as its end-to-end industry expertise across sectors.
- ✓ stc Group announced a new partnership between "Qitaf" loyalty program and the National Water Company, allowing customers across the Kingdom to use Qitaf points to pay their water and sanitation service bills flexibly. This initiative strengthens digital payment options in the Kingdom and meets customers' aspirations for more convenient services, reflecting stc's commitment to supporting a seamless, fully integrated digital lifestyle. "Qitaf" is one of the leading national loyalty programs, offering an integrated experience that allows customers to easily earn and redeem points across a wide range of services and products. Moreover, "Qitaf" continues to expand its network of partnerships with entities that provide services closely linked to customers' daily lives, aligning with its ongoing efforts to improve the customer experience and build stronger loyalty.
- ✓ stc Group network recorded remarkable performance during the first day of Eid Al-Adha, witnessing a notable increase in the usage of communication services and data traffic. According to operational indicators, the Group achieved exceptional results. As Muzdalifah recorded its highest-ever traffic hour, with some peak hours seeing more than a 64% increase in data volume and over a 129% increase in advanced 5G usage compared to the same hour last year. User experience indicators also improved, exceeding last year's levels by 25% during one of the most significant moments of mass crowd movement. These results reflect stc's network capability to meet the growing demand for communication services during peak times.
- ✓ A strategic partnership agreement has been signed between stc Group and Singtel Group to support multiple areas, including: Digital platform integration, Developing human capabilities "Job Attachment Programs", Expansion of subsea cable systems and IoT solutions. The signing ceremony was held under the endorsement of the CEO of stc Group and the CEO of Singtel Group with the presence of a distinguished group of executives from both sides. The agreement was signed by the CEO of the New Markets Unit at stc Group and the CEO of Singtel Digital Infra and of Nexera, in support of efforts to open new horizons for cooperation in various fields. Moreover, this partnership will contribute to accelerating the adoption of smart technologies, exchanging expertise, and enhancing the digital transformation capabilities of both parties in the Kingdom of Saudi Arabia, the Middle East, and Asia.
- ✓ stc Group has secured first place in the "Excellence in Local Content Preference" award for the second consecutive year in the state-owned companies category. This award highlights stc Group's continued commitment to adopting best practices in promoting local content across its operations through its flagship "Rawafed" program. The program is designed to sustainably advance local content within the telecommunications and information technology sector by boosting local spending, attracting investments, fostering innovation and developing local talent. It also contributes to achieving the Kingdom's ambitious economic and social objectives as outlined in Saudi Vision 2030, which aspires to build a vibrant society and a thriving economy. Notably, stc recorded a substantial increase in its local content contribution, reaching 44.32% in 2024 with a total spending on local content amounting to approximately  $\text{SAR}$  15 billion and a 95% localization rate of its workforce.



## Disclaimer

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 the Saudi Telecom Company (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.

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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Thank you