Financial Results Presentation H1 2026

Investor Relations
2026

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H1 2026 Overview

H1 2026 Key Messages

A resilient first half supported by continued operational execution.

stc group delivered a resilient operational and financial performance in H1 2026, supported by disciplined execution, solid business momentum and continued progress across its strategic priorities.

Business Momentum

- Growth in mobile & fixed subscribers, STC Bank customers and stc tv subscribers.
- Sustained investment, with capex intensity of 11.9% | Expansion of 5G & Fiber infrastructure.
- Solid H1 performance from stc KSA and subsidiaries.

Strategic Progress

- Key projects are supporting growth acceleration.
- Focus on strategic partnerships: ROSHN agreement for neutral fiber-optic network and advancing data center ambitions with MoU extension with HUMAIN.
- Meaningful progress in stc's sustainability strategy, highlighted in the 2025 report.

Financial Performance

- Robust topline performance, driven by broad-based growth across the stc portfolio.
- Improved profitability, supported by the group efficiency program.
- Strong financial position, which underpins the group's growth strategy and shareholder returns | Quarterly dividend in line with policy.

H1 2026 Key Financial Features

stc delivered solid H1 2026 results, underpinned by operational excellence, strategic execution and a disciplined approach to financial performance.

Performance

Revenue	40.1 bn
Net Profit[1]	7.3 bn

> **stc group** achieved **healthy revenue growth** of **3.8%** in the first half of the year, compared with the same period last year.

> **Net profit increased** by **6.3%**, when excluding the non-recurring items in the current and the comparable period last year, demonstrating a **resilient operational performance** and solid **strategic execution**.

Financial Strength

Cash & Equivalents[2]	14.0 bn
Capex	4.8 bn
Net-Debt / EBITDA[3]	0.4x

> A **healthy cash position** underscores the strength of **stc's** balance sheet and provides capacity for future investment and expansion opportunities.

> A strategic capital allocation reflected a **disciplined investment approach**, with **capex intensity of 11.9%** for the fist half of the year.

> The ratio reflects **stc's** funding initiatives in alignment with its **capital structure strategy,** while an interest coverage ratio of **10.9x** highlights its resilient performance and **efficient management of financing costs**.

Shareholder Returns

Dividends	0.55 p/s
Dividend Yield[4]	9.7%

> The **quarterly dividend distribution** of **⃁ 0.55** per share underscores **stc's** balanced approach to rewarding shareholders and preserving financial strength.

> With a **142.9% payout ratio**[4] and a **strong dividend yield**, **stc** continues to deliver compelling returns to shareholders.

All numbers are in ⃁.

1- Net profit attributable to the equity holders of the parent company.
2- Cash & cash equivalents from non-banking operations + short-term murabahas.
3- Net-Debt is calculated as (Total Debt - (Cash and cash equivalents from non-banking operations + Short-term murabahas)), while EBITDA is based on on the last 12 months.
4- Calculated based on the last 12 months, including the special dividends for 2024 of ⃁ 2 per share which were distributed in June 2025. (DY is based on June 30th 2026 closing price).

Operational & Strategic Review

Performance Highlights

stc's market leadership and operational excellence underscores the strength and scalability of its business model, supporting sustained growth.

#1

in **consumer segment** in Saudi Arabia

#1

in **enterprise segment** in Saudi Arabia

#1

in **ICT segment** in Saudi Arabia

#1

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

5G Coverage[1]

64.00%
H1 2026
vs
59.40%
H1 2025

Fiber Optic Connections[2]

3.87 Mn
H1 2026
vs
3.68 Mn
H1 2025

stc tv

6.34 Mn subscribers[3]
H1 2026
vs
5.39 Mn subscribers[3]
H1 2025

STC Bank

8.5 Mn+ customers

Since launch in January 2025

Group Efficiency Program (GEP)

Launched in 2024, remains on track.
Supporting profit and FCF growth.

Healthy Balance Sheet

0.38x

Net-Debt/EBITDA (LTM)

Credit Rating

Fitch: **A+**
S&P: **A+**
Moody's: **Aa3**
Tassnief: **AAA**

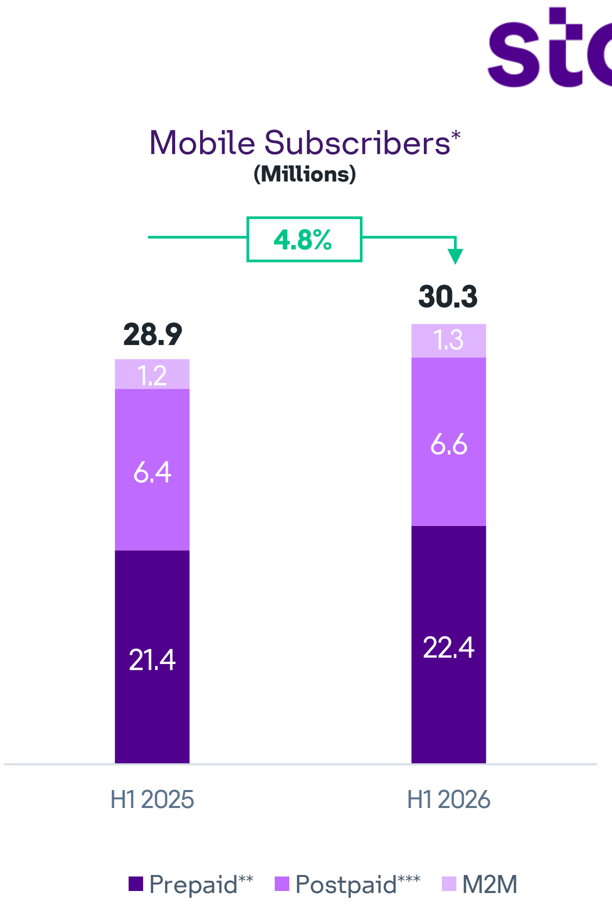
Dividends

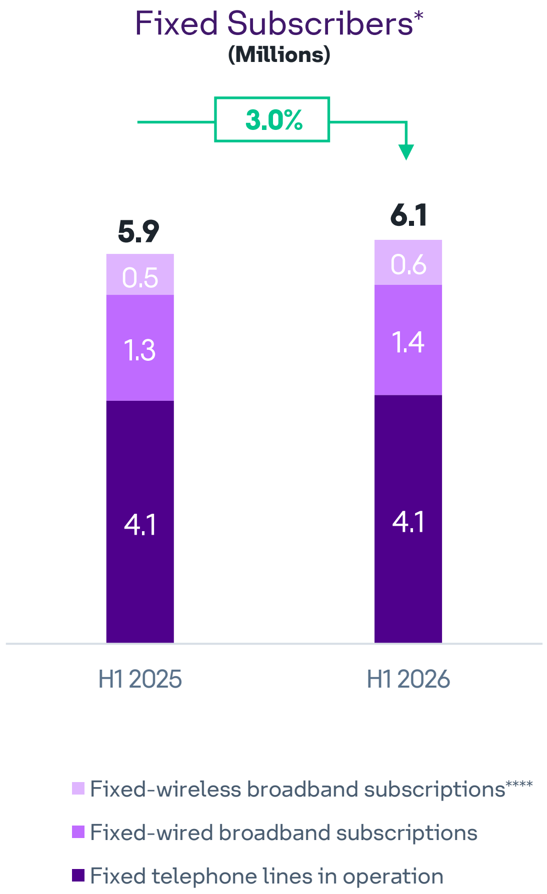
Strong performance with a **9.7%** dividend yield achieved (LTM)[4]

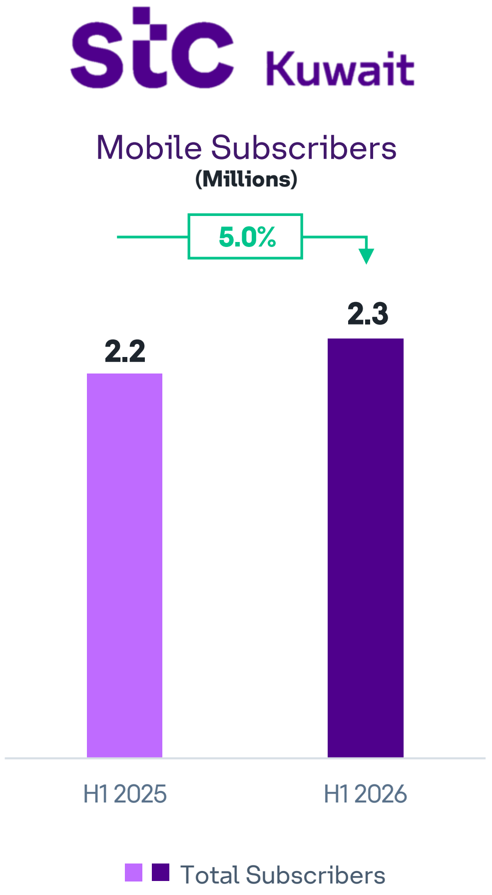
1- Coverage of residential & populated areas
2- Households connected with fiber (The number includes all the Dwelling units handed over and ready for service).
3- Authorized Subscribers (Customers who have generated their login credentials and logged into stc tv or Jawwy TV at least once in their lifetime).
4- Calculated based on the last 12 months, including the special dividends for 2024 of ⃁ 2 per share which were distributed in June 2025. (Based on June 30th 2026 closing price).

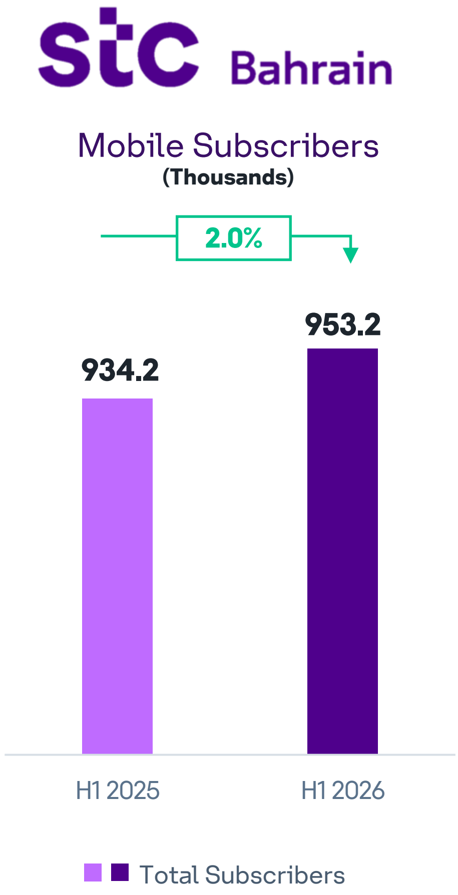
Operational Highlights

stc's expanding customer base reflects the continued strength of its market leadership, supported by a compelling value proposition and a consistent focus on customer experience.









Percentage changes and total are calculated based on full figures.
*Figures are not audited.
**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.
****Fixed-wireless broadband subscribers includes 4G and 5G subscribers.

Q2 2026 Business and Strategic Highlights

Strategic execution remained at the forefront of Q2 2026, as stc achieved key milestones that further strengthened its leadership and future growth prospects.

April

Expansion of Cloud Services with Oracle Alloy

stc group launched stc Cloud powered by Oracle Alloy, Saudi Arabia's first sovereign cloud, delivering fully local data residency, governance, and regulatory compliance to accelerate secure digital transformation.

stc group & ROSHN Group

stc group expanded its partnership with ROSHN Group to build a neutral fiber-optic network for Riyadh's Sedra community, enabling shared infrastructure for all telecom providers and improving network efficiency.

May

stc group Tops Local Content for Third Year

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Record Network Traffic During Hajj Season

stc group continued serving pilgrims during Hajj season through an integrated ecosystem of connectivity services and AI-powered digital solutions, enabling the group to accommodate the record surge in data traffic, while ensuring the highest levels of network availability and service continuity across the holy sites.

stc group's Sustainability Report for 2025

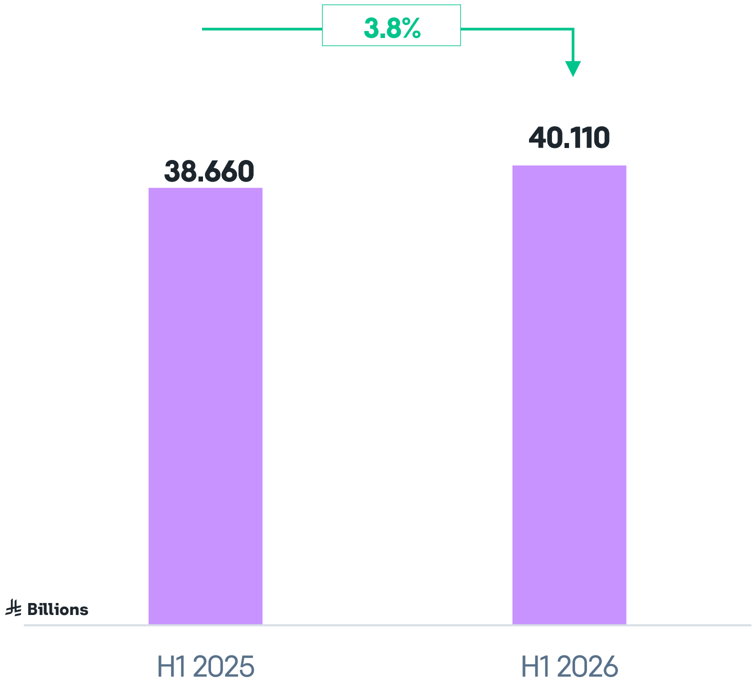
stc group published its Sustainability Report for the year 2025, highlighting an upgraded AA MSCI ESG Rating, 50.69% local content score, 97% local spending, and progress in emissions reduction and circular economy initiatives.

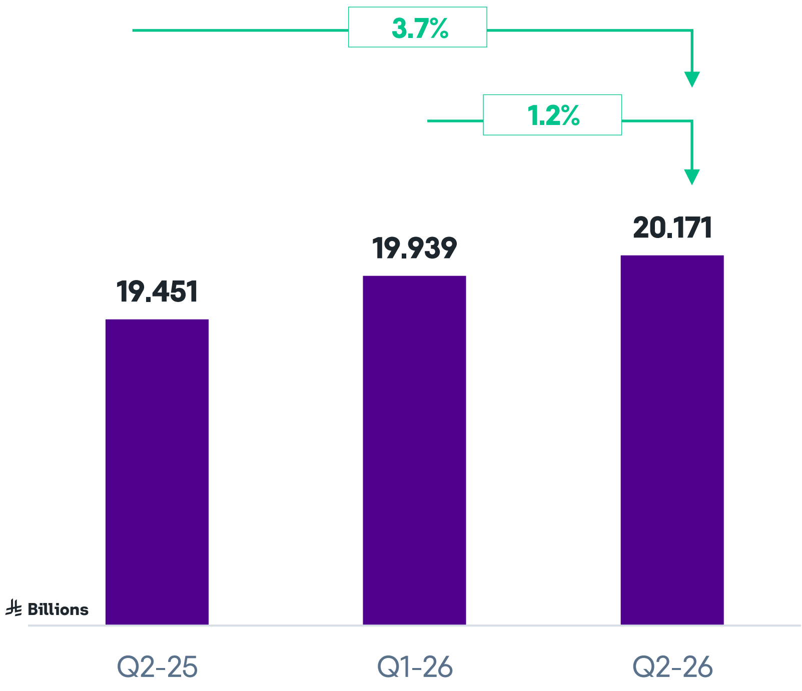
Financial Performance

H1 2026

stc group – Revenue

Revenue grew 3.8% YoY in H1 2026 and 3.7% YoY in Q2 2026, driven by solid performances from stc KSA and the group's subsidiaries.

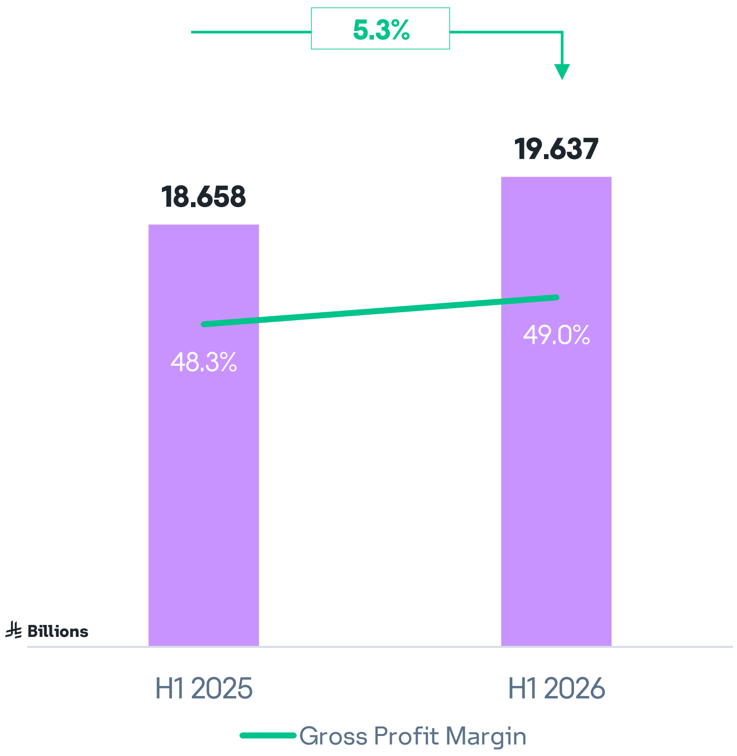


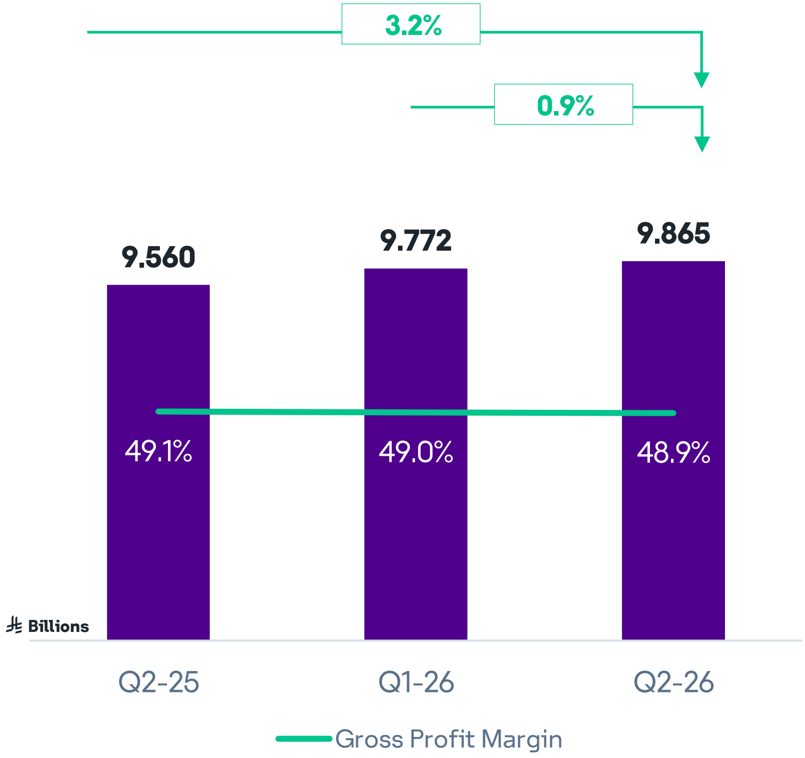


- **H1 2026** revenue grew 3.8% YoY, supported by 3.3% growth in stc KSA and 4.6% growth across the group's subsidiaries.
- **Q2 2026** revenue grew by 3.7% YoY, driven by a 3.8% increase in stc KSA and 3.5% growth across the group's subsidiaries.

stc group – Gross Profit

Gross profit increased by 5.3% YoY in H1 2026 and 3.2% YoY in Q2 2026, driven by the growth in the group's revenue and its disciplined cost management.



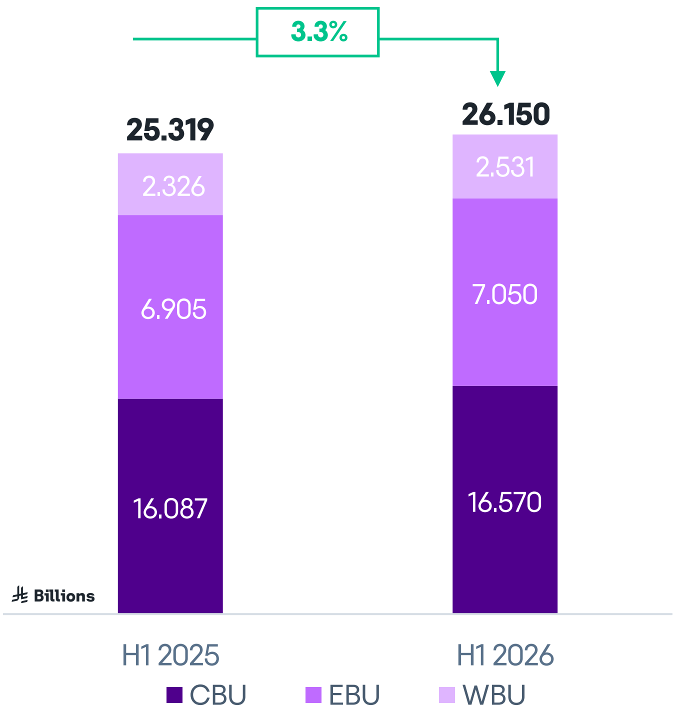


- Gross profit reached ⃁19.6 billion in **H1 2026**, increasing by 5.3% YoY and outpacing revenue growth.
- **H1 2026** gross profit margin increased by 0.7pp YoY to reach 49.0%.
- Gross profit for **Q2 2026** increased by 3.2% YoY and 0.9% QoQ.

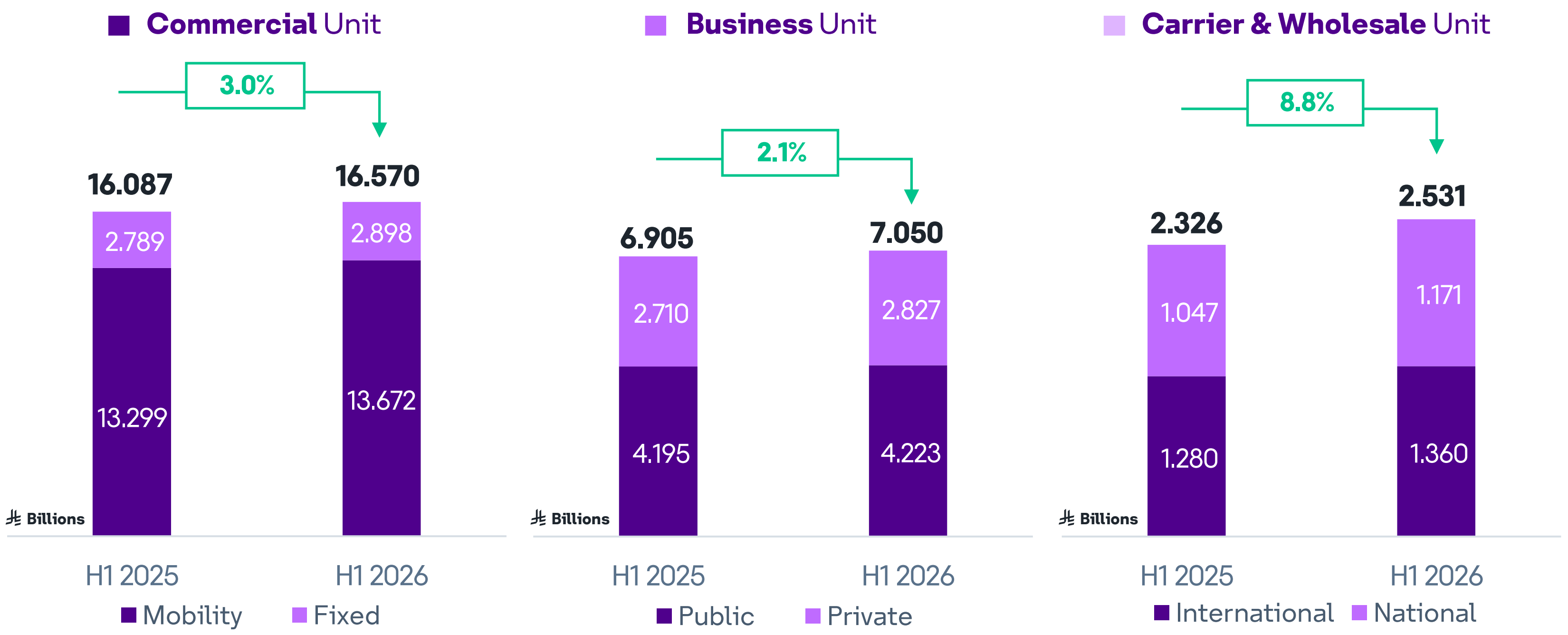
Revenue Breakdown for stc KSA

stc KSA's revenue grew by 3.3% in H1 2026, driven by growth across all business units.

stc KSA Breakdown



stc KSA: Business Units Breakdown

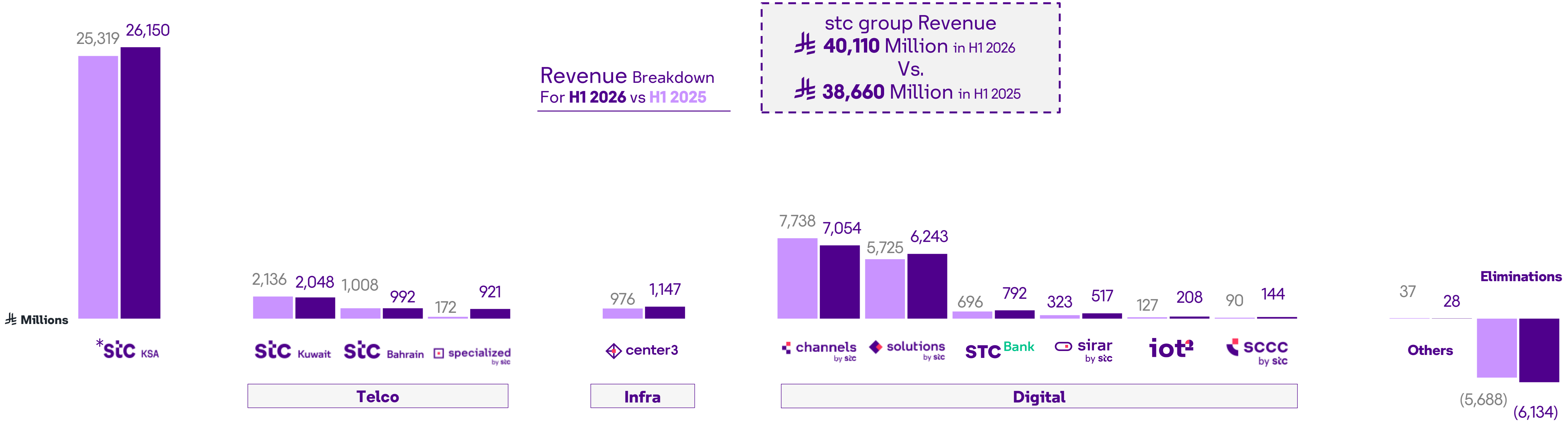


The **Commercial Unit** continued to deliver an excellent performance, achieving an overall growth of **3.0%**, supported by both the **Mobility** and **Fixed** segments, which recorded increases of 2.8% and 3.9% | The **Business Unit** revenue increased by **2.1%**, mainly attributable to the increases in the **Public** and **Private** Segments by 0.7% and 4.3%. | The **Carrier & Wholesale Unit** achieved strong revenue growth of **8.8%**, driven by increases in both the **National** and **International** segments, which grew by 11.8% and 6.3%, YoY.
The solid performance of stc KSA's business units supported the group's growth momentum and reinforced its position across key strategic segments.

The totals and percentage changes are calculated based on full figures.

Revenue Breakdown by Subsidiaries

Subsidiaries' revenue increased by 4.6% YoY in H1 2026, with specialized delivering the strongest growth of 435.3%.



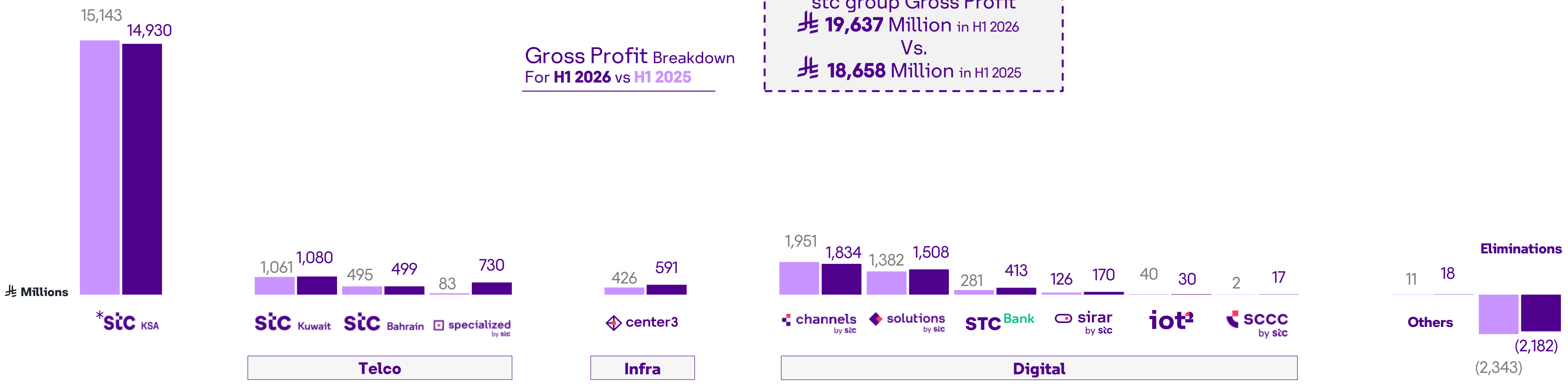
- The group's subsidiaries delivered a solid contribution to overall performance, accounting for 34.8% of the group's total revenue in H1 2026.
- In H1 2026, specialized, iot squared, sirar, sccc, center3 and STC Bank recorded notable YoY revenue growth of 435.3%, 63.1%, 60.1%, 59.5%, 17.5% and 13.8% respectively.

Percentage changes are calculated based on the numbers reported in the financial statements.
*Includes stc's business units.

Gross Profit Breakdown by Subsidiaries

Gross profit across the group's subsidiaries increased by 33.9% YoY in H1 2026, with specialized achieving an impressive growth of 774.9%.

stc group Gross Profit
⃁ **19,637** Million in H1 2026
Vs.
⃁ **18,658** Million in H1 2025

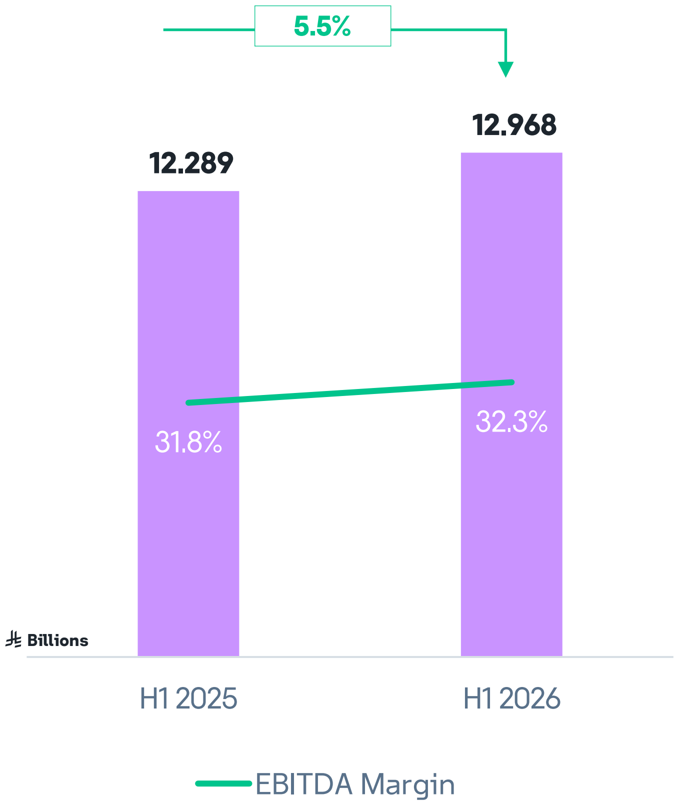


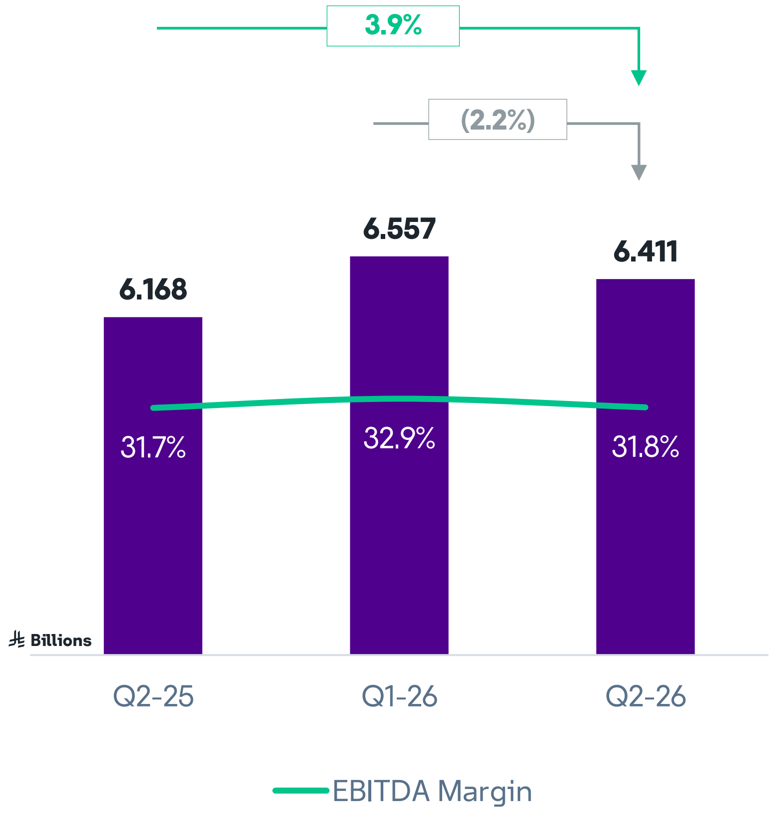
- In H1 2026, the group's subsidiaries accounted for 24.0% of the group's gross profit, compared with 18.8% in H1 2025.
- Among the group's subsidiaries, specialized achieved exceptional growth of 774.9%, followed by sccc at 648.6%, STC Bank with a growth of 47.1%, center3 with an increase of 38.7%, sirar with a growth of 34.8%.

Percentage changes are calculated based on the numbers reported in the financial statements.
*Includes stc's business units.

stc group – EBITDA

EBITDA increased by 5.5% YoY in H1 2026 and 3.9% YoY in Q2 2026, reflecting the group's continued ability to enhance operational and financial efficiency.

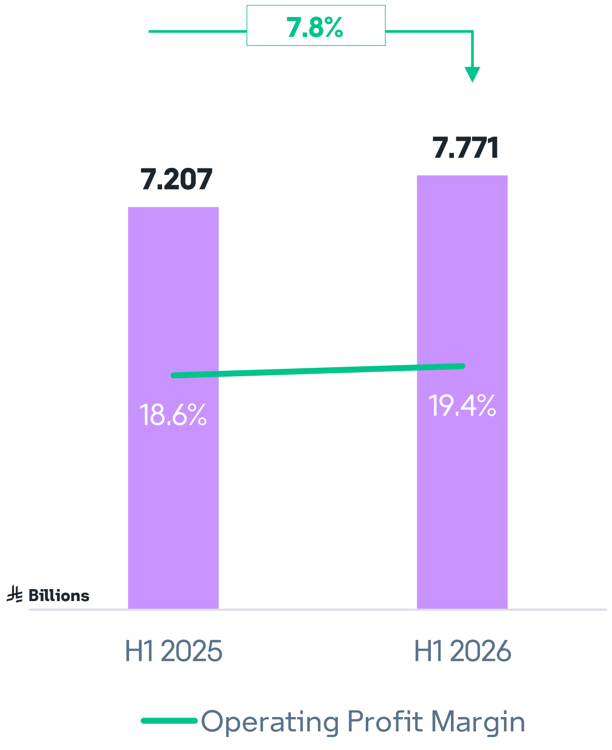


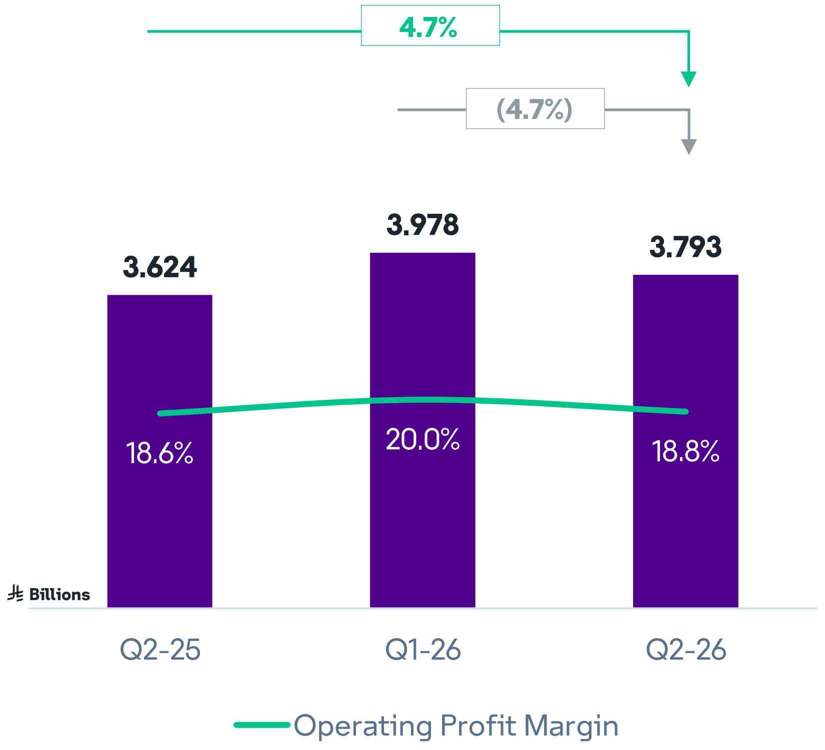


- **H1 2026** EBITDA stood at ⃁ 12.968 billion, growing by 5.5% YoY; with EBITDA margin increasing by 0.5pp to 32.3%, from 31.8% in H1 2025.
- EBITDA increased by 3.9% YoY in **Q2 2026**, while EBITDA margin improved slightly to 31.8%, compared with 31.7% in Q2 2025.

stc group – Operating Profit

Driven by the group's focus on cost efficiency, operating profit increased by 7.8% in H1 2026 and 4.7% YoY in Q2 2026.



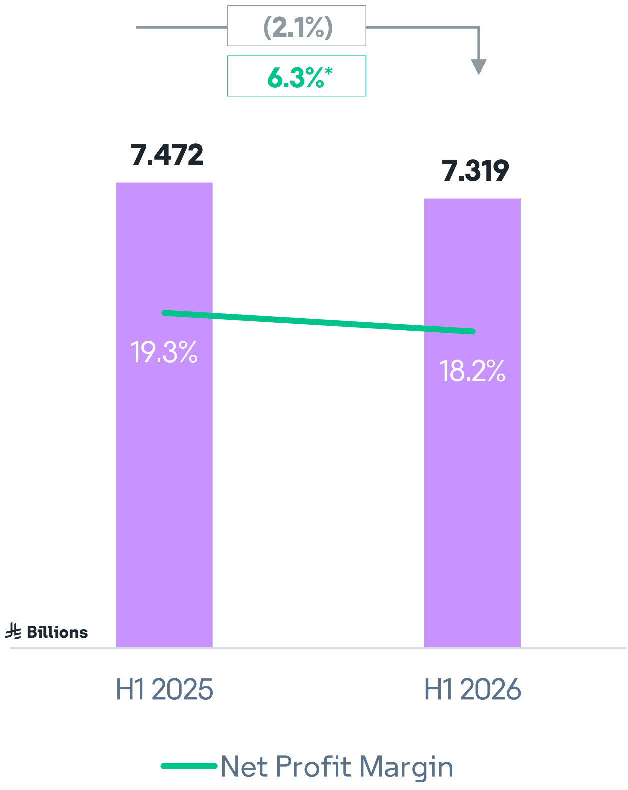


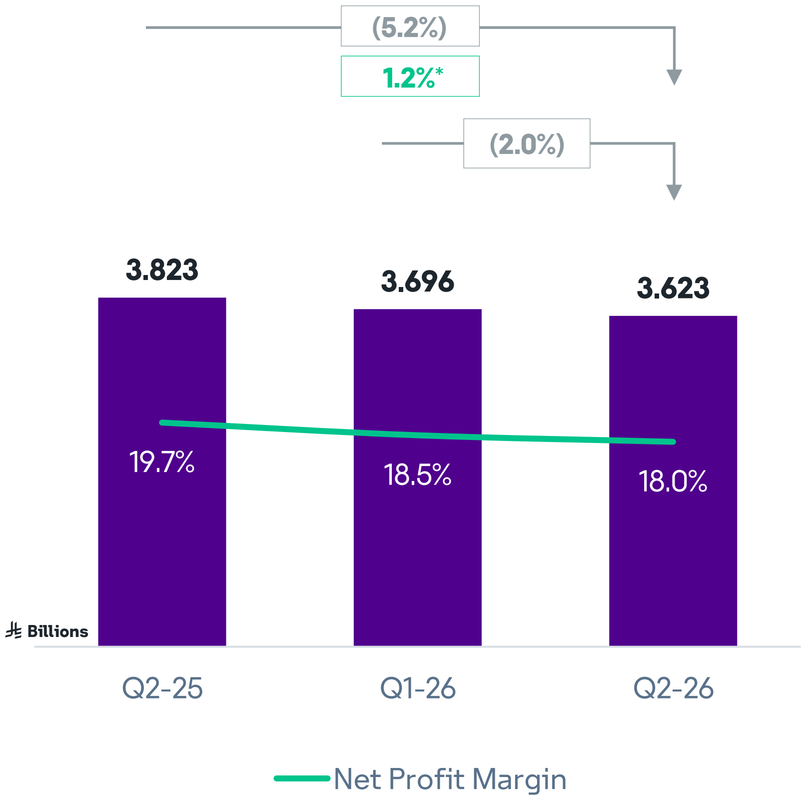
- **H1 2026** operating profit reached ⃁ 7.771 billion, increasing by 7.8% compared to H1 2025. While **Q2 2026** operating profit amounted to ⃁ 3.793 billion, reflecting a 4.7% YoY increase.

- Operating profit margin rose to 19.4% in **H1 2026**, compared to 18.6% in H1 2025. Whereas operating profit margin reached 18.8% in **Q2 2026**, up from 18.6% in Q2 2025.

stc group – Net Profit

Net profit increased by 6.3% YoY in H1 2026 and by 1.2% in Q2 2026, excluding non-recurring items.





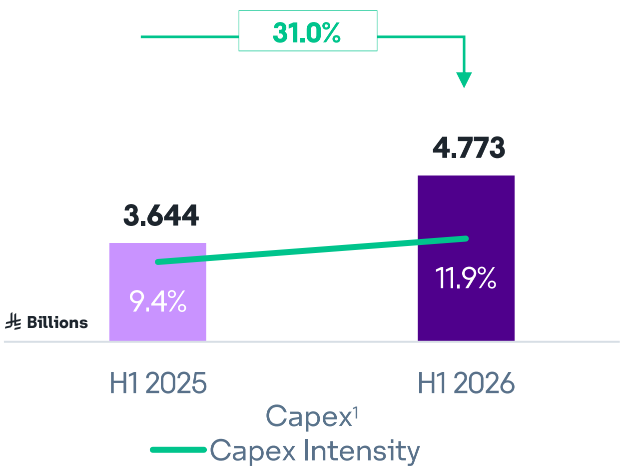
Net profit for **H1 2026** reached ⃁7.319 billion, mainly due to:

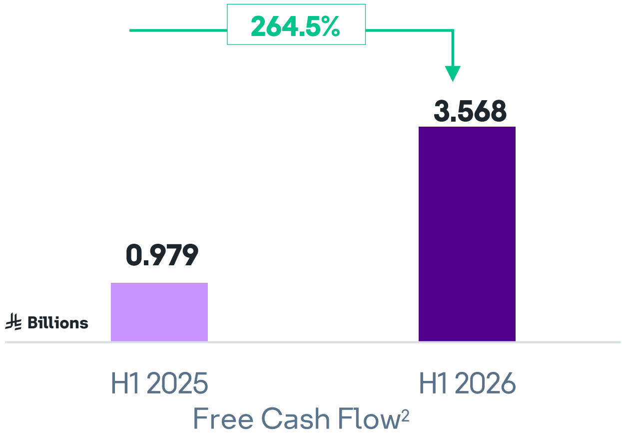
- An in increase in operating profit by 7.8%.
- An increase in net finance cost arising from higher funding to drive our growth.
- In **H1 2026**, zakat and income tax expense amounted to (⃁ 201 million) as compared to positive zakat and income tax amounting to ⃁ 526 million, mainly due to the reversal of zakat provision during the current and the comparable period last year related to previous years which are no longer required.

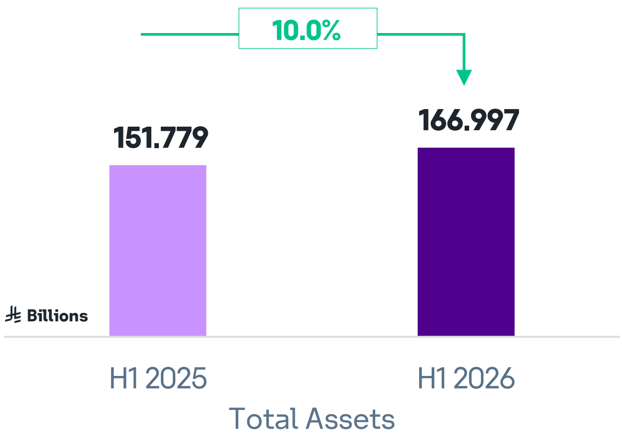
*Excluding the non-recurring items in the current and the comparable period last year.

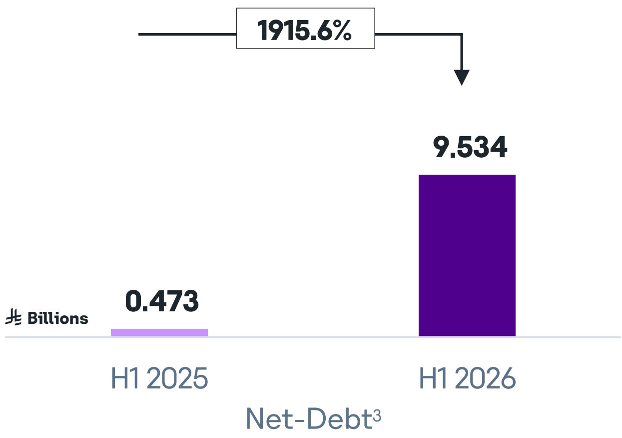
Additional Financial Insights

Solid financial foundation provides the group with flexibility to continue investing in its long-term ambitions while maintaining a resilient financial structure.









- Total assets grew by 10% YoY, and reached ⃁167 billion, demonstrating the strength of stc's asset base.
- The increase in Net-Debt to ⃁ 9.5 billion is mostly attributable to the sukuk issuance, which was raised to support strategic investments and business expansion.
- Capex increased by 31% YoY in H1 2026 to ⃁4.8 billion, supporting future growth and enhancing capabilities.
- Despite the increase in capex, free cash flow grew to ⃁3.6 billion, representing a 264.5% increase compared to H1 2025, driven by higher cash generated from operating activities.

1- Purchase of property and equipment, intangible assets, and investment properties.
2- (Net cash from operating activities – Capex).
3- (Total Debt - (Cash and cash equivalents from non-banking operations + Short-term murabahas)).

Closing Remarks

stc will continue to create long-term value by:

Driving sustained business momentum and efficiency in the KSA and subsidiary operations.

Maintaining a prudent approach to capital allocation to safeguard strong cash flow generation.

Accelerating strategic initiatives and partnerships to strengthen the group's leadership as a digital enabler.

Leveraging the group's strong financial position to support strategic investments and expansion ambitions.

Delivering attractive shareholder returns, through sustainable growth, cash flows and dividends in line with the group's policy.

Q&A

Appendix

H1 2026 Business & Strategic Highlights

H1 2026 reflected continued progress in strategic execution, as stc delivered key initiatives that strengthened its leadership position and advanced its long-term growth ambitions.

January

stc's Brand Value

stc group was named the Middle East's strongest and most valuable telecom brand, valued at ⃁ 66 billion, and ranked third strongest and ninth most valuable globally, according to Brand Finance.

Issue of a USD 2 Bn Sukuk Across Two Tranches

stc group successfully issued USD 2 billion in USD-denominated Sukuk across two tranches, comprising USD 750 million five-year sukuk priced at UST + 75 bps and USD 1.25 billion ten-year sukuk priced at UST + 90 bps.

Participation at Riyadh Season

stc group delivered advanced digital services as a Premium Official Partner of Riyadh Season, supporting over 12 million visitors across its zones and events for the fifth consecutive year.

New Milestone in Data Governance & Innovation Leadership

stc group won two awards — "Best Use of Data Governance" and "Best Data Governance Innovator" — at the Middle East AI & Enterprise Analytics Summit 2025.

February

"Silklink" Project Agreement in the Syrian Arab Republic Worth ⃁ 3 Bn

stc group won a project award with the Syrian Sovereign Fund to implement the "Silklink" telecommunications infrastructure project in the Syrian Arab Republic, with an investment worth ⃁ 3 billion.

Participation at PIF Private Sector Forum 2026

stc group concluded its participation at the PIF Private Sector Forum 2026 by signing five agreements with Wire Filter, Saudi Net Link, GCC Technical Services Co., Netzero, Huawei and Interkey.

Participation at World Defense Show (WDS) 2026

stc group participated as a Principal Partner at WDS 2026, with specialized by stc showcasing Mission-Critical Communications and its role in enabling secure, reliable connectivity for defense and critical sectors.

March

Strong Network Growth at the Two Holy Mosques in Ramadan

stc group reported record growth in network traffic and connectivity demand at the Two Holy Mosques during Ramadan, driven by the rising number of Umrah pilgrims and increased demand for services in Makkah and Madinah.

Launch of Phase Two of "New Calling"

stc group launched the second phase of its "New Calling" service in Riyadh, introducing a pilot that enables real-time voice translation between Arabic and English.

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Disclaimer

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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