

Financial Results Presentation FY 2025

Introductory Message

stc demonstrated strong financial performance in 2025, driven by strategic execution, operational discipline, and a focus on delivering sustainable value.

Performance	Revenues	77.8 bn	> Strong revenue performance drove a 2.5% increase compared to the previous year, highlighting stc's solid market leadership and the effectiveness of its strategic initiatives.
	Net Profit ¹	14.8 bn	> Excluding non-recurring items, bottom-line performance increased by 12.5% , highlighting stc's sustained profitability and financial stability.
Financial Strength	Cash & Equivalents ²	15.1 bn	> Backed by a robust cash position , stc upholds a strong balance sheet, providing both stability and capacity to fund long-term growth initiatives.
	Capex	11.8 bn	> Through a targeted Capex strategy , stc successfully advances its investment plans, recording a Capex intensity ratio of 15.2% during the year.
	Interest Coverage	12.8x	> Interest coverage ratio remained strong, reinforcing stc's financial resilience and its ability to manage financing costs effectively.
Shareholder Returns	Dividends	4.2 p/s	> stc reaffirmed its commitment to shareholder returns, distributing ﷲ 4.2 per share during the year, including a fixed ﷲ 0.55 quarterly dividend and ﷲ 2.0 per share in special cash dividends for 2024.
	Dividend Yield ³	9.8%	> With a payout ratio ³ of 141.4% for 2025 and a strong dividend yield, stc demonstrates its commitment to creating value for shareholders.

All numbers are in ﷲ

1- Net profit attributable to the equity holders of the parent company.

2- Cash & cash equivalents (including cash & cash equivalents from banking operations amounting to ﷲ6.2 billion related to STC Bank operations) + short-term murabahas.

3- Calculated based on the last 12 months, including the special dividends for 2024 of ﷲ 2 per share which were distributed in June 2025. (DY is based on December 31st 2025 closing price).

2025 at-a-Glance

2025 was a year of remarkable growth, combining strategic partnerships, innovative solutions, and key achievements that strengthened stc's leadership.

stc's Brand Value	stc & AWS	stc & Ooredoo	stc & Kyndryl	stc a Platinum Sponsor of the Saudi-American Investment Forum	stc Expand its 5G Network Nationwide	stc group's "Tali Ventures" led a strategic investment in Tarmeez Capital	Strong Surge in Local Content Index	stc & Red Sea Global	stc & AST SpaceMobile	stc & Telefónica	center3 & HUMAIN
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".	stc group and Amazon Web Services (AWS) announced a strategic collaboration to advance digital transformation in Saudi Arabia.	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.	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.	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.	stc's 5G network spans over 9,500 sites across the Kingdom, expanding high-speed coverage in both cities and remote areas.	Tali Ventures led a strategic funding round in Tarmeez Capital, one of Saudi Arabia's fastest-growing fintech firms in the sukuk and debt instruments sector.	stc group announced a significant rise in its local content index, reaching 50.70% in 2025 with total annual spending of 321.31 bn.	stc group announced the signing of a strategic partnership with Red Sea Global with an investment exceeding 1.2 bn, with the aim of establishing an advanced digital infrastructure and providing next-generation connectivity services to Red Sea destinations.	stc group signed a strategic agreement with AST SpaceMobile to advance satellite-based telecom technologies, positioning it among the first regional operators to offer direct satellite-to-mobile connectivity.	stc group signed an agreement with Telefónica Global Solutions to deliver satellite services and ground stations, focusing on advanced solutions across LEO, MEO, and GEO networks.	center3 and HUMAIN have entered into a strategic joint venture to develop AI data centers in Saudi Arabia, designed to support up to 1 GW of AI workloads.

January	February	March	April	May	June	July	August	September	October	November	December
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stc Signed a 32.64 Bn Contract	stc Sets Global Milestone with Localization of eSIM Software	sirar by stc Obtained Tier 1 License	stc & Singtel	Strategic Partnership between stc group and Oracle Worth Over 2 Bn	stc Achieved Record-High Network Performance	stc group Launched Business Critical Network	center3 to Invest 37.5 Bn to Reach 1GW of Capacity by 2030	stc & Huawei	stc a Strategic Partner for the Future Investment Initiative	stc & PayPal	stc & Ericsson
stc group signed a contract with a Government entity for the purpose of building, operating and providing telecommunications infrastructure services for a value of 32.64 billion.	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.	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.	stc group and Singtel Group have signed a strategic partnership to collaborate on digital platforms, talent development, subsea cable expansion and IoT solutions.	stc group and Oracle have signed a partnership agreement worth more than 2 billion aimed at accelerating digital transformation across the Kingdom.	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.	stc group launched the Kingdom's first Business Critical Network for secure, high-speed connectivity.	center3 plans to expand its data centers capacity to 1GW by 2030 to support AI, cloud computing, and major tech companies across the MENA region.	stc group and Huawei have successfully implemented a pioneering global trial for ultra-high-speed optical solution of up to 2.4 Tbps via fiber optics, marking the first deployment of this solution worldwide, thus enhancing the Kingdom of Saudi Arabia's position as a global digital hub.	stc group participated in the ninth edition of the Future Investment Initiative (FIi9) as a strategic partner, providing network and Wi-Fi services and contributing to discussions on the future of technology and innovation.	stc group signed an MoU with PayPal to explore collaboration in digital payments, loyalty programs, and joint investments across the Middle East.	stc group signed a five-year Master Frame Agreement with Ericsson to accelerate advanced digital infrastructure and technology adoption in Saudi Arabia.
STC Bank Official Launch		iot squared & VIZZIO Technologies								stc Successfully Completes MENA'S First 7 GHz Band Trial	
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.		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.								stc group completed the MENA region's first trial of the 7 GHz frequency band for 6G, in collaboration with the Communications, Space & Technology Commission and Nokia.	

Operational Highlights

Operational Highlights

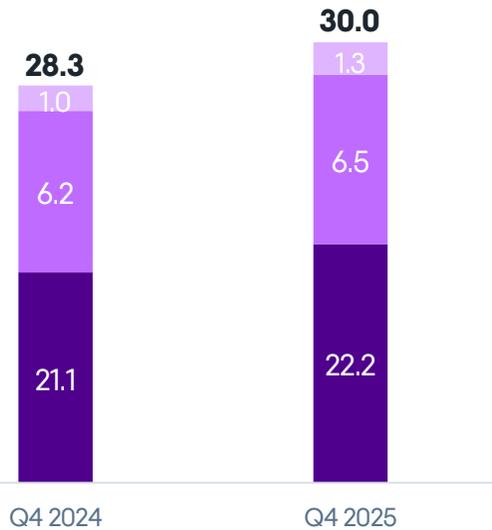


stc's remarkable growth in its subscriber base highlights its market leadership and commitment to creating long-term value through innovative, customer-focused services.

stc KSA

Mobile Subscribers* (Millions)

5.9%



■ Prepaid*** ■ Postpaid**** ■ M2M

Fixed Subscribers* (Millions)

5.0%

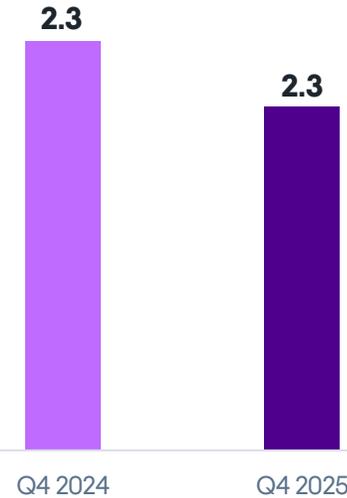


■ Fixed-wireless broadband subscriptions**
 ■ Fixed-wired broadband subscriptions
 ■ Fixed telephone lines in operation

stc Kuwait

Mobile Subscribers (Millions)

(2.3%)

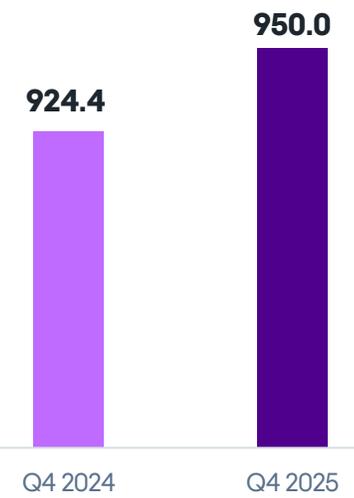


■ Total Subscribers

stc Bahrain

Mobile Subscribers (Thousands)

2.8%



■ Total Subscribers

Percentage changes are calculated based on full figures.

*Figures are not audited.

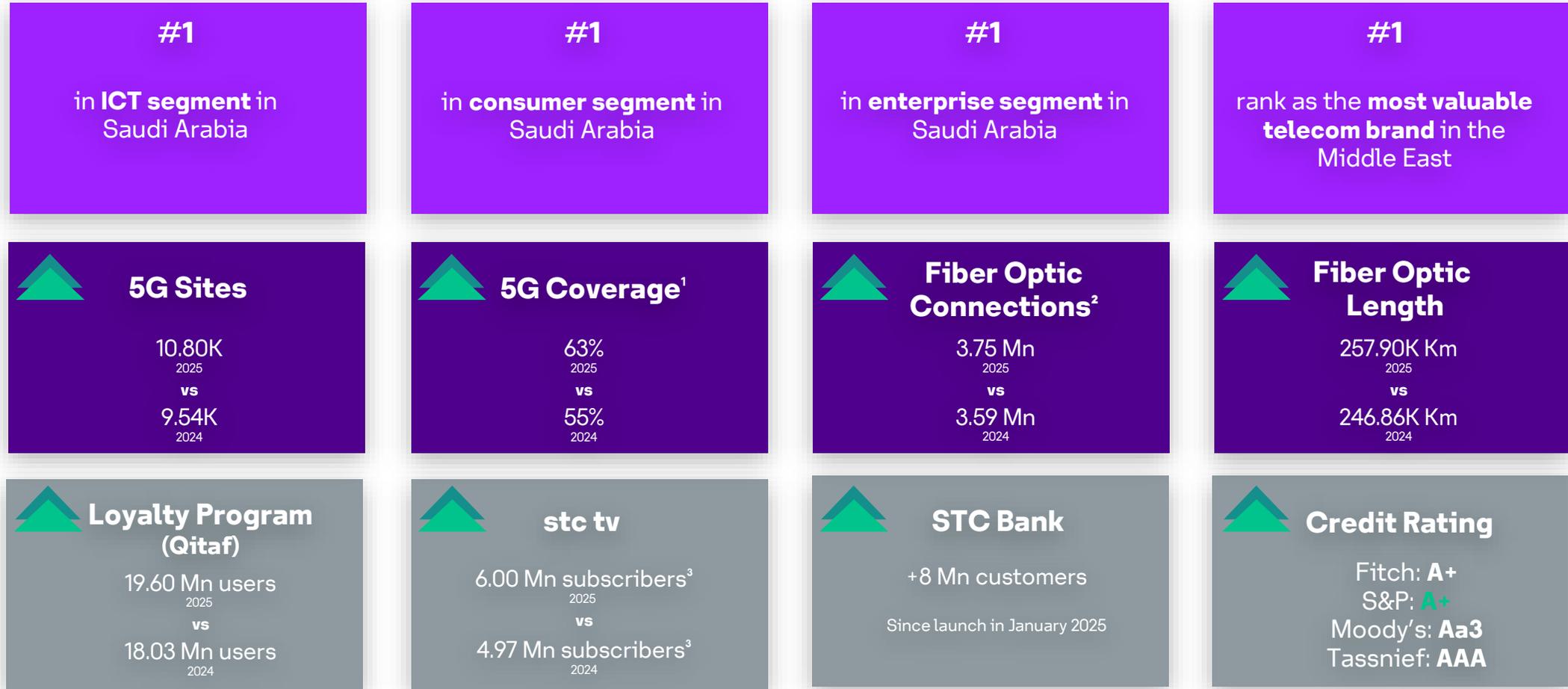
**Fixed-wireless broadband subscribers includes 4G and 5G subscribers.

***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 solid operational performance remains a key driver of robust results, reinforcing the group's leadership and excellence.



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).

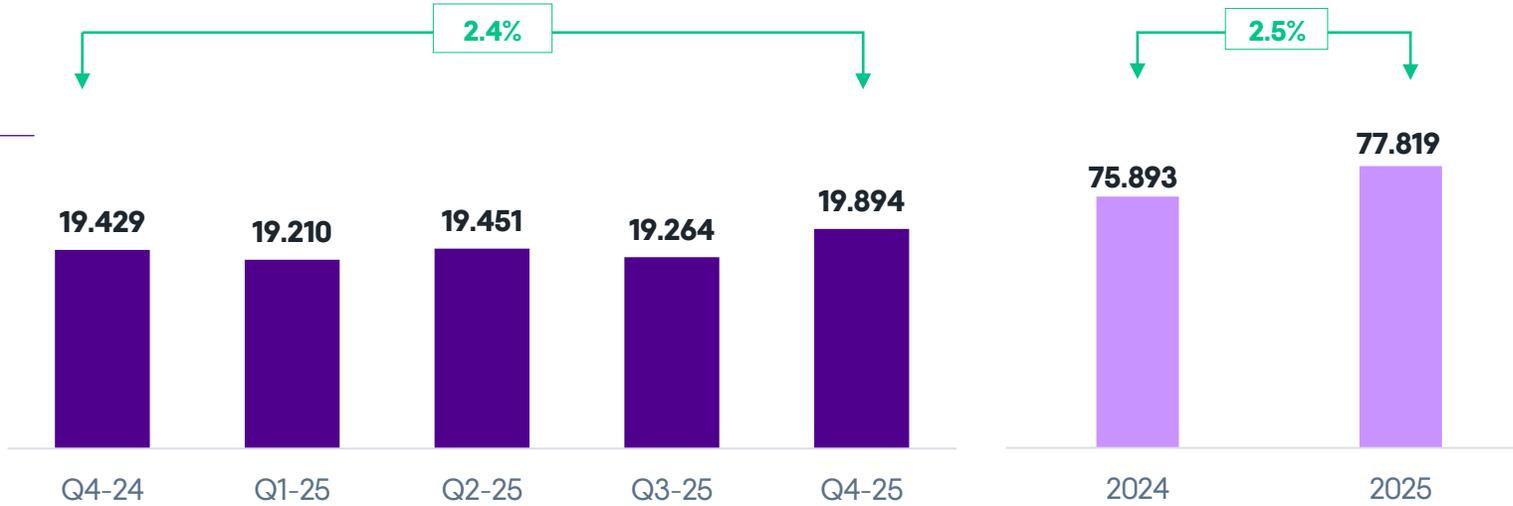
Financial Performance

FY 2025

stc group – Revenue and Gross Profit

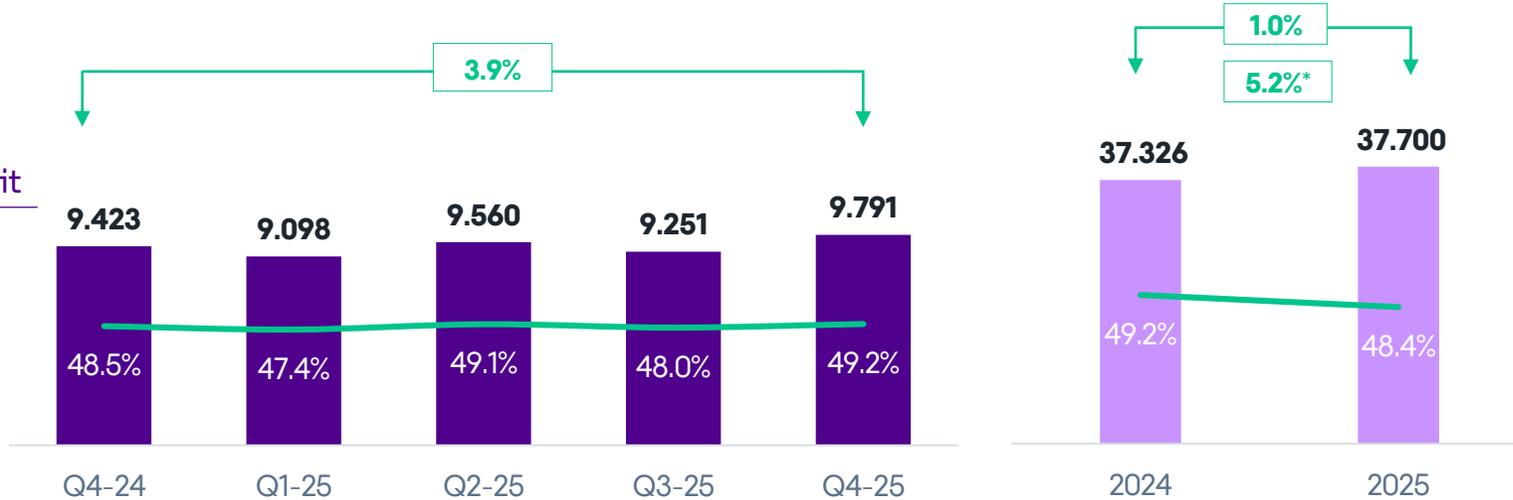
2025 revenue increased by 2.5%, driven by the solid performance of the business units and subsidiaries, while gross profit rose by 5.2% when excluding the non-recurring items.

Revenue



- stc recorded its highest revenue in history, reaching ₺77.819 billion.
- 2025 revenue grew by 2.5%, driven mainly by the increase in Commercial Unit revenues by 3.4% and Carriers and Wholesale Unit revenues by 10.8%.
- Q4-25 revenue increased by 2.4% compared to the same quarter last year and by 3.3% compared to the previous quarter.

Gross Profit



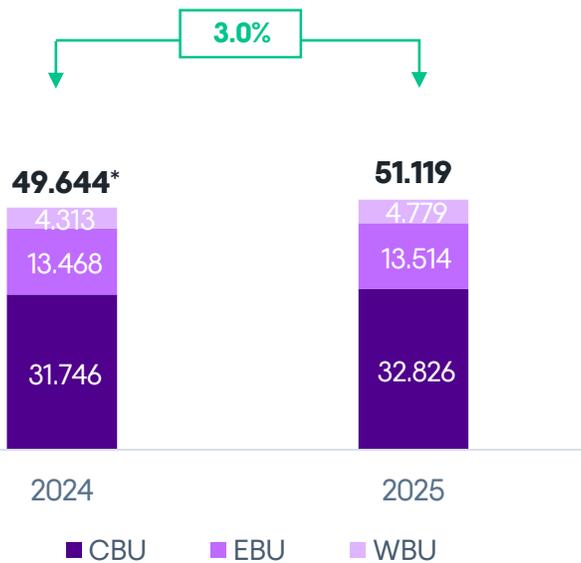
- 2025 gross profit reached ₺ 37.700 billion and grew by 5.2% when excluding the non-recurring items, as the withholding tax provision of ₺1.500 billion was reversed in the cost of revenues last year.
- Q4-25 gross profit reached ₺ 9.791 billion, representing a 3.9% YoY increase.
- Gross profit margin for Q4-25 improved to 49.2% from 48.5% in Q4-24.

Revenue Breakdown for stc KSA

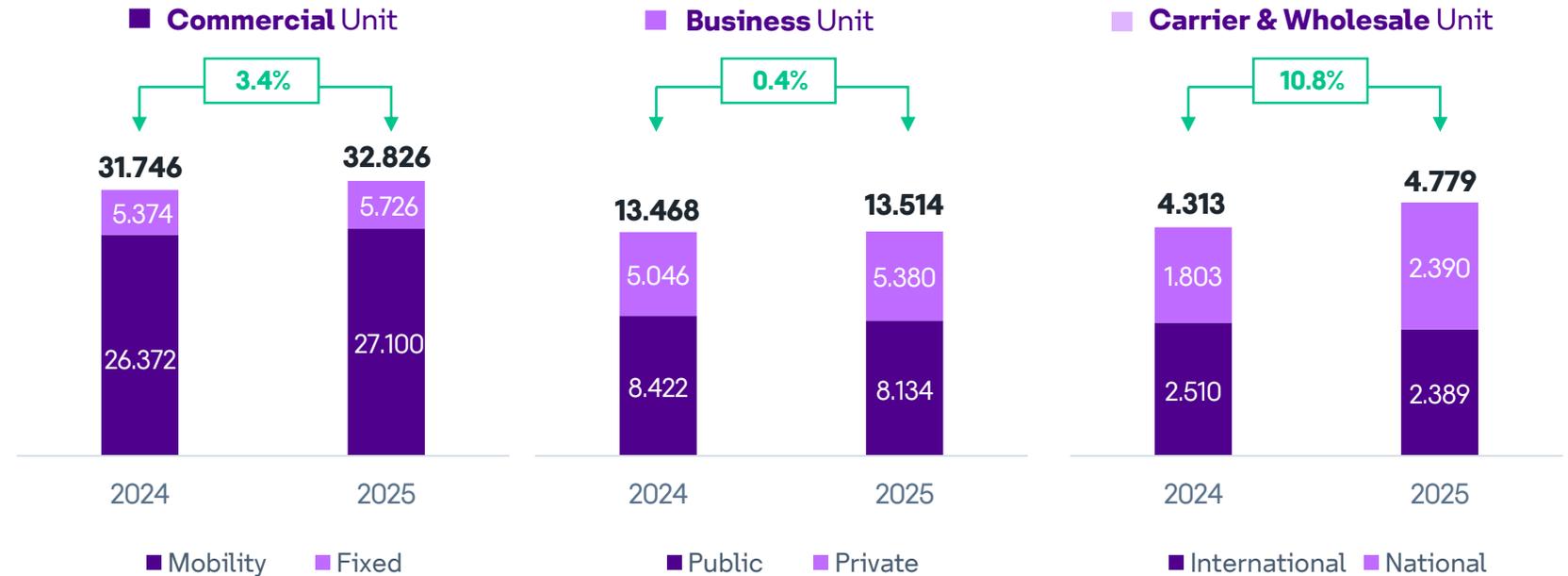


stc KSA's revenue grew 3.0%, fueled by a 3.4% growth in the Commercial Unit, a 10.8% uplift in Carrier & Wholesale Unit, and 0.4% increase in the Business Unit, reflecting broad-based growth across key segments.

stc KSA Breakdown



stc KSA: Business Units Breakdown

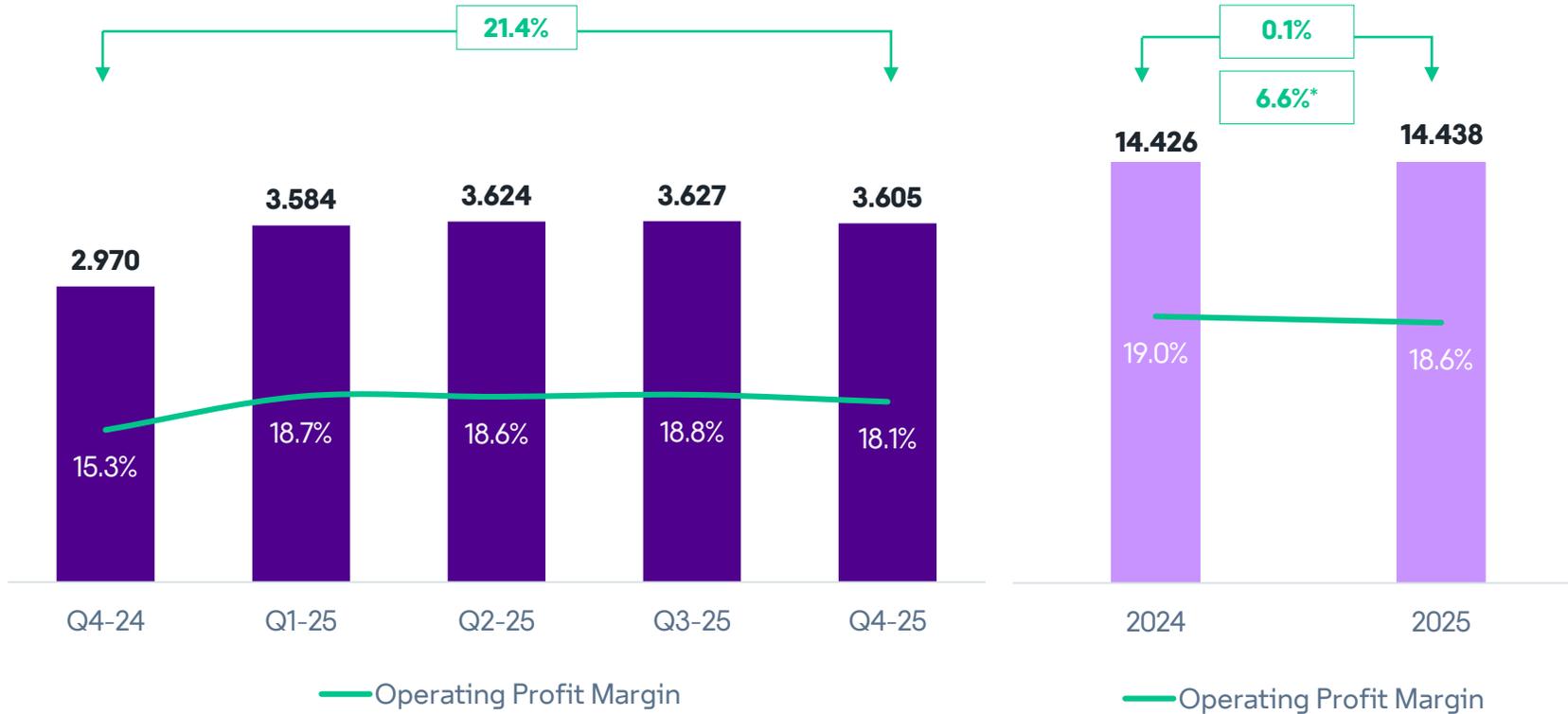


In 2025, the **Commercial Unit** continued its growth trajectory, recording a **3.4%** revenue increase for the year, driven by a **2.8%** growth in **Mobility** revenue and a **6.6%** growth in **Fixed** revenue compared to last year. The **Business Unit** also recorded a **0.4%** revenue growth, supported by a **6.6%** increase in the **Private** segment revenue, which helped mitigate the **3.4%** decline in the **Public** segment revenue. As for the **Carriers and Wholesale Unit**, it delivered strong growth of **10.8%**, primarily due to a **32.6%** increase in the **National** segment revenue, which offset the effect of a **4.8%** decrease in **International** segment revenue.

stc group – Operating Profit

Operating profit for 2025 increased by 6.6% when excluding non-recurring items, while Q4-25 recorded a strong 21.4% YoY increase, supported by the group’s strategic cost efficiency program.

Operating Profit

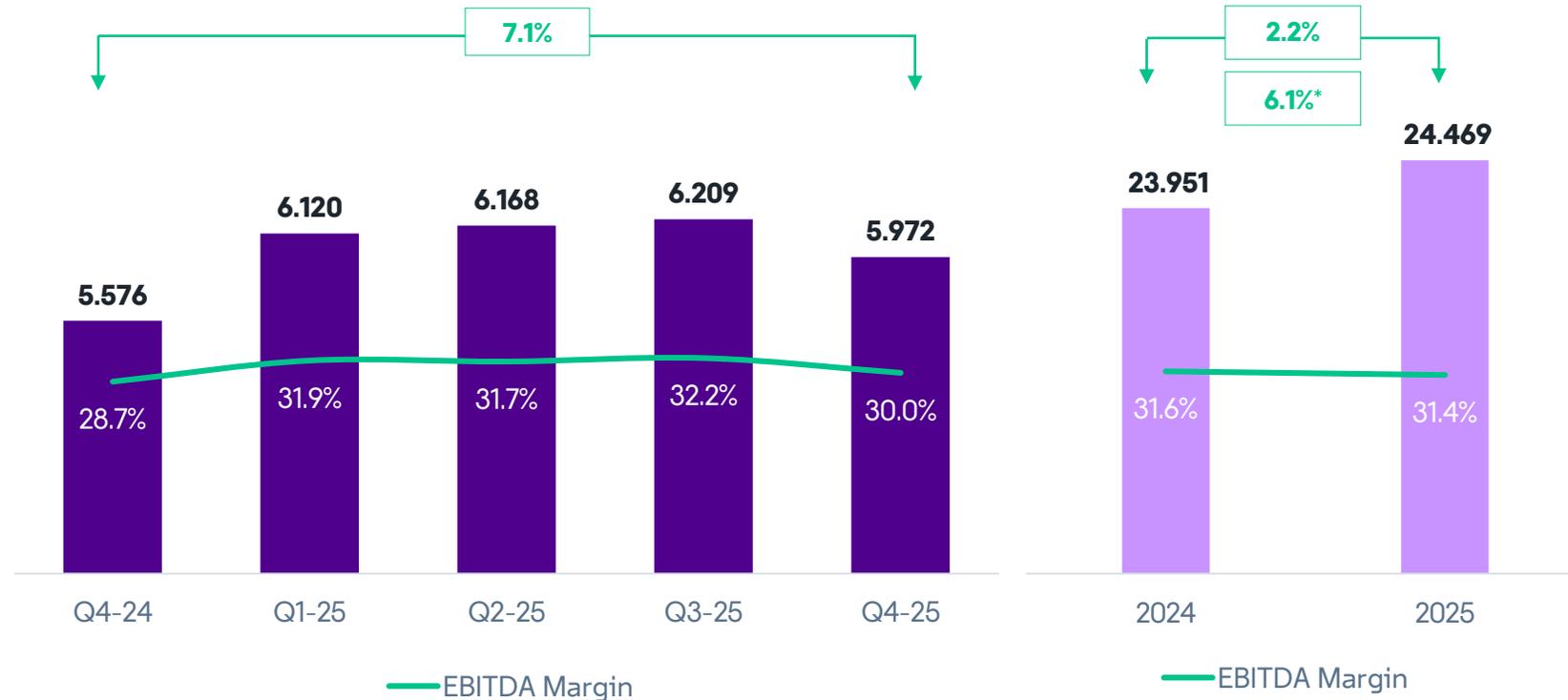


- 2025 operating profit reached EGP 14.438 billion, increasing by 0.1% YoY, and 6.6% when excluding the non-recurring items.
- Q4-25 operating profit stood at EGP 3.605 billion, representing a YoY increase of 21.4%.
- Operating profit margin for Q4-25 improved to 18.1% from 15.3% in Q4-24.

stc group – EBITDA

Driven by the group’s ongoing improvements in operational and financial efficiency, EBITDA increased by 6.1% in 2025 when excluding non-recurring items.

EBITDA

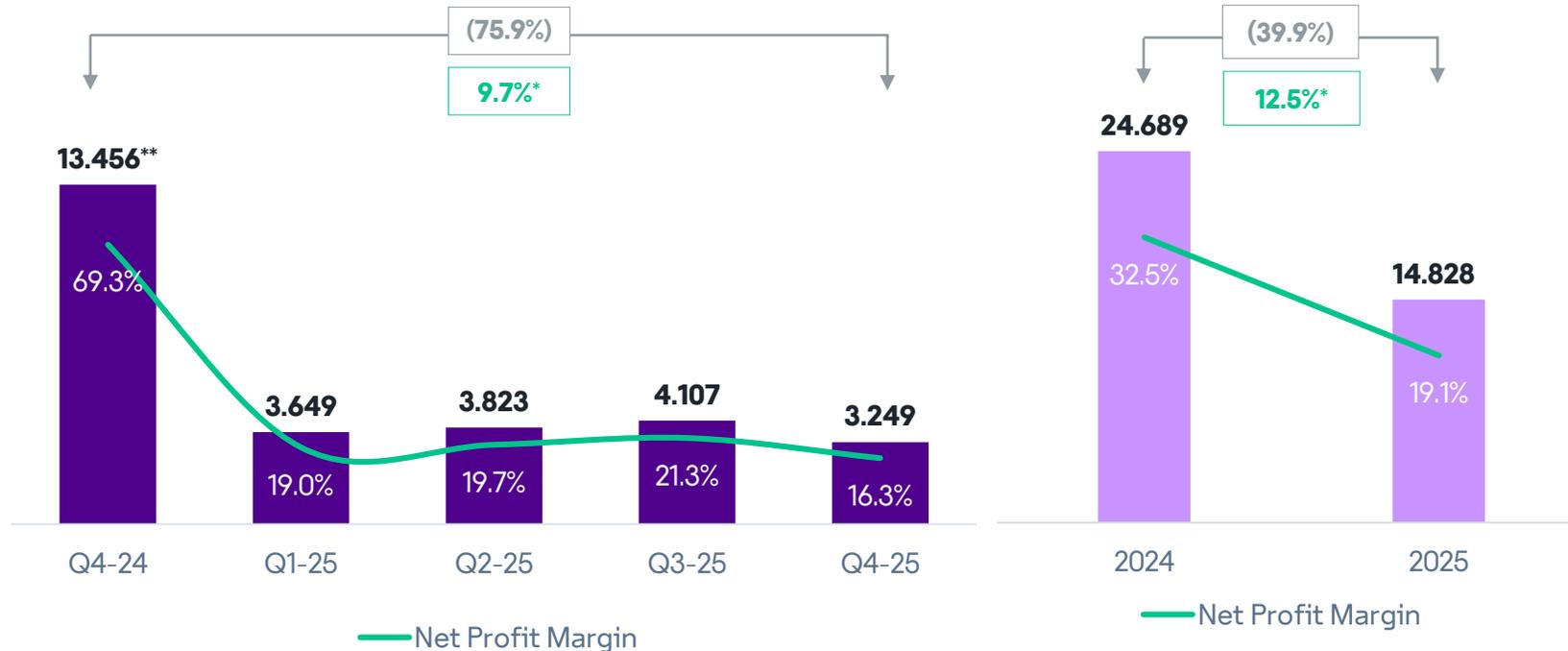


- EBITDA reached ₺ 24.469 billion in 2025, growing by 2.2% YoY, and 6.1% when excluding the non-recurring items.
- Q4-25 EBITDA stood at ₺ 5.972 billion, representing a YoY increase of 7.1% compared to Q4-24.
- EBITDA margin improved to 30.0% in Q4-25, up from 28.7% in Q4-24.

stc group – Net Profit

Excluding non-recurring items, net profit for 2025 grew by 12.5% YoY, underscoring ongoing positive momentum in the group’s core and non-core operations.

Net Profit



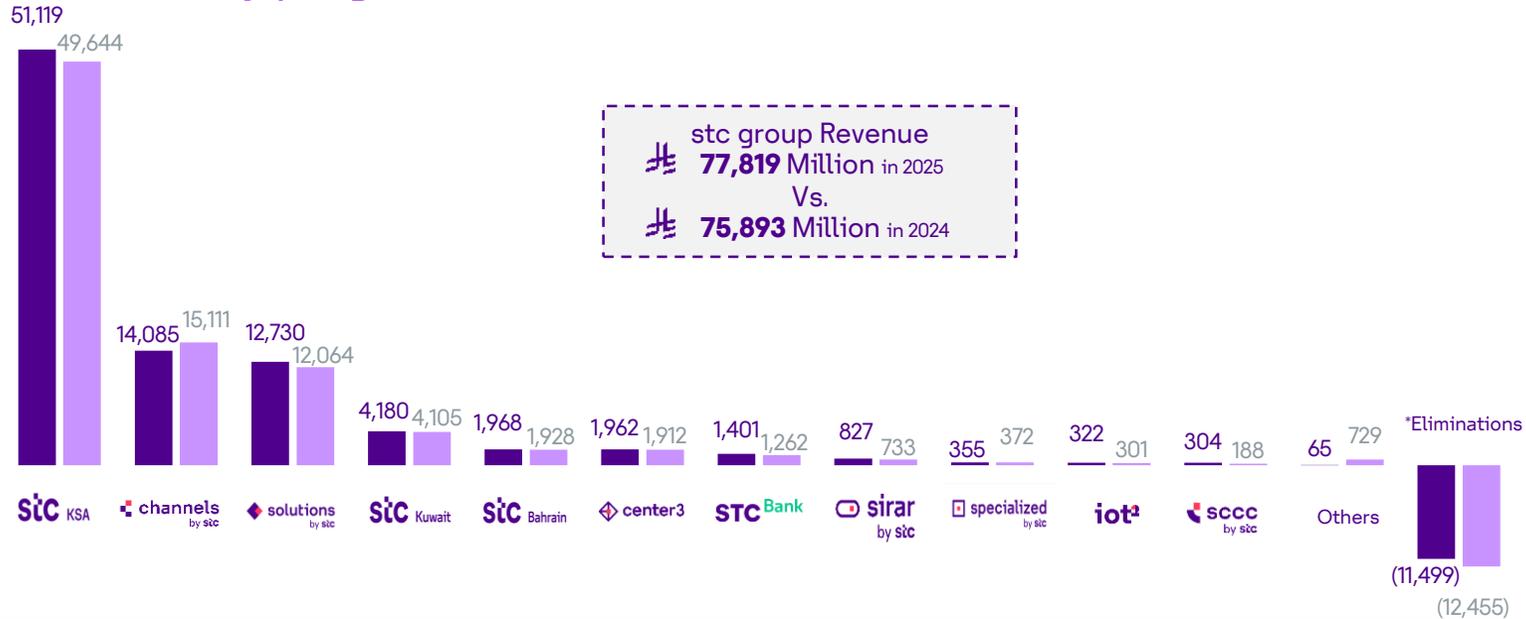
- 2025 net profit reached ₪ 14.828 billion, and grew by 12.5% when excluding the non-recurring items in the current and last year.
- Other income (expenses) increased to ₪ 0.284 billion in 2025 from ₪ (2.291) billion in 2024, mainly because:
 1. Early retirement program costs fell by ₪ 1.753 billion.
 2. The group recorded ₪ 0.295 billion as its net share in results of investments in associates and joint ventures.
 3. Finance costs decreased by ₪ 0.108 billion, which was offset by a ₪ 0.441 billion decrease in finance income.
- Zakat and income tax was ₪ 0.466 billion, mainly due to a reversal of zakat provisions related to previous years that were no longer required.
- In 2024, the group booked net profit from discontinued operations (non-recurring item) amounting to ₪ 13.973 billion as a result of a gain booked from the sale of stc’s controlling interest in its subsidiaries, TAWAL and Digital Infrastructure Company.

stc group – Breakdown by Subsidiaries



Revenues from the group’s subsidiaries grew by 1.7% in 2025, driven by the strong performance of STC Bank, iot squared, sirar, and sccc, contributing to overall gross profit growth and further supported by the ongoing cost efficiency program.

Revenue Breakdown For 2025 vs 2024



- The group’s subsidiaries maintained positive momentum in 2025, achieving 1.7% growth in revenue in 2025.
- In terms of contribution to group’s revenue, stc KSA accounts for 65.7%, followed by channels at 18.1% and solutions at 16.4%.
- On a YoY growth basis, sccc leads with 61.7%, followed by sirar with 12.8%, STC Bank with 11.0%, and iot squared with 7.0%.

Gross Profit Breakdown For 2025 vs 2024



- In 2025, the gross profit for the group’s subsidiaries rose by 15.0% compared to the prior year.
- sccc delivered remarkable gross profit growth, rising 515.8%, followed by STC Bank with a 110.1% increase, with center3 recording 9.5% growth and stc Bahrain growing 6.2%.

All figures are in Millions of ﷲ

Q&A

Appendix

Business Highlights

- ✓ stc group has been named the strongest brand in the Middle East and the most valuable telecommunications brand in the region, with a brand value of \$66 billion, according to the latest report issued by Brand Finance. The group also ranked as the third strongest telecommunications brand globally and the ninth most valuable telecom brand worldwide, highlighting its growing global stature and strong brand performance across international markets. The group noted that this achievement reflects its ongoing investments in digital infrastructure and advanced technology solutions, including fiber expansion, cloud services, and artificial intelligence, enabling businesses and communities to accelerate their digital transformation.
- ✓ stc group announced an improvement in its rating on the Morgan Stanley Capital International (MSCI) Environmental, Social, and Governance (ESG) Index to “AA”, placing it among the top 23% of telecommunications companies worldwide that have received this rating, out of 61 companies in the sector. The new rating reflects the group’s continuous progress in sustainability, transparency, and governance performance. It is the result of integrated efforts across all sectors of the organization to strengthen responsible and sustainable corporate practices, efforts that have elevated its rating from “BBB” in 2024 to “AA” today. This achievement underscores stc group’s ongoing investments and strategic initiatives in environmental protection, social responsibility, governance, and transparency.
- ✓ stc group announced the signing of an agreement with Telefónica Global Solutions (TGS), the global business arm of Telefónica, to offer satellite services and ground communication stations. The agreement aims to develop advanced satellite communication solutions, including customized services via Low Earth Orbit (LEO), Medium Earth Orbit (MEO), and Geostationary Orbit (GEO) networks. The collaboration is expected to support key sectors such as maritime navigation, aviation, emergency services, and connecting remote areas, by providing high speed, scalable communication to meet the critical operational needs on land, sea, and air.
- ✓ stc group achieved exceptional success in issuing USD-denominated sukuk with a total value of \$2 billion across two segments. The issuance comprised \$750 million in five-year sukuk priced at U.S. Treasury bonds (UST) plus 75 basis points, and \$1,250 million in ten-year sukuk priced at UST plus 90 basis points. The total order book exceeded USD 8 billion across both segments, representing an oversubscription of more than 4 times, with participation from over 300 investors.
- ✓ stc group has successfully conducted the Middle East and North Africa’s first trial of the 7 GHz frequency band, a key component of sixth generation (6G) technology, in collaboration with the Communications, Space & Technology Commission and Nokia. This pioneering trial assessed the potential of the 7 GHz band for 6G networks, strengthening Saudi Arabia’s capacity to lead in global technology and innovation, and reinforcing its position as a regional pioneer in digital advancement. This step is an extension of stc group’s efforts to support digital transformation and empower society through technology, as the group continues to foster innovation and expand its presence in digital fields, with a focus on sustainability and anticipating future opportunities in line with the objectives of Saudi Vision 2030.
- ✓ stc group announced the signing of an MoU with PayPal to explore collaboration in digital payments, customer loyalty, and venture investments across Saudi Arabia, Bahrain, and the broader Middle Eastern markets. stc group and PayPal aim to enhance cross-border financial connectivity and elevate customer experiences by integrating stc’s digital banking and telecom ecosystem with PayPal’s trusted global platform. The initiative seeks to deliver seamless, innovative, and user-centric digital solutions that empower individuals, SMEs, and startups to participate more effectively in the global digital economy. The collaboration will bring together the strengths of both companies to unlock new growth opportunities across several strategic pillars. In banking and payments, STC Bank, stc pay Bahrain, and PayPal aim to connect their platforms, exploring opportunities to deliver fast and fully interoperable cross-border transactions.
- ✓ center3 and HUMAIN have announced a strategic Joint Venture (JV) partnership to build AI data centers in the Kingdom of Saudi Arabia. This landmark collaboration will develop and operate next-generation infrastructure capable of hosting up to 1 GW of AI workload capacity, starting with an initial capacity of up to 250 MW. The JV brings together center3’s scale, data-center leadership, and extensive regional connectivity with HUMAIN’s strategic mandate to champion end-to-end capabilities, laying the groundwork for high-capacity, low-latency infrastructure, critical to the AI era.
- ✓ stc group has signed a strategic agreement with AST SpaceMobile, a U.S.-based satellite communications company, to develop space-based telecommunications services. The partnership spans the entire Saudi market, with stc serving as the primary operator in the Kingdom. stc will provide services directly to its individual subscribers, in addition to offering them to major Mobile Network Operators (MNOs) and Mobile Virtual Network Operators (MVNOs). By signing this agreement, stc group has become one of the first telecom operators in the region to offer direct satellite-to-mobile connectivity services. The commercial launch of the service is expected in the fourth quarter of 2026, following the completion of regulatory and technical procedures.
- ✓ stc group has been recognized by the EFQM 2025 Global Institutional Excellence a prestigious 5-star rating from the European Foundation for Quality Management (EFQM), becoming the first Saudi company to achieve this level of recognition across all its business units and operations within the private sector in the Kingdom of Saudi Arabia. This milestone stands as evidence of stc’s institutional excellence and also makes it the first telecommunications company globally to obtain this rating under the EFQM 2025 Model, reaffirming its leadership in performance and innovation.

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