

Press Release

For the three months period ending 31st March 2023

Financial Performance

For the three months period ending 31st March 2023

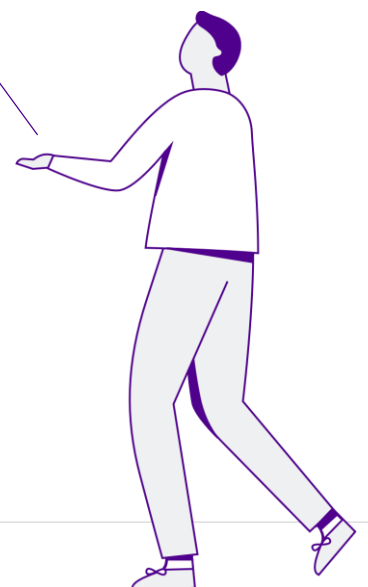
7.45% ↑

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

Key Figures (SAR mn)	Q1 2023	Q1 2022	Change (%)	Q4 2022	Change (%)
Revenues	18,179	16,919	7.45%	17,034	6.72%
Gross Profit	9,355	9,150	2.24%	9,029	3.61%
Operating Profit	3,731	3,824	(2.43%)	2,969	25.67%
EBITDA	6,343	6,300	0.68%	5,502	15.29%
Net Profit	3,109	3,035	2.44%	2,757	12.77%
EPS	0.62	0.61		0.55	

Credit Rating

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



GCEO Statement

stc Group achieved the highest quarterly revenues in its history, as revenues rose by 7.45% for the first quarter of 2023 compared to the same quarter of the previous year. This is due to a 1.8% increase in the Commercial unit revenues, attributed to a 2.4% growth in mobility segment revenue. The Carrier & Wholesale unit also contributed positively, with revenues increasing by 0.4% supported by a 19.9% increase in its national revenues. As for stc Group subsidiaries, revenues increased by 29.7% as a result of the Group's continued commitment to invest in various and promising fields.

Commenting on these results, Eng. Olyan Mohammed Alwetaid, stc Group CEO, stated that during the first quarter of this year, and in line with the company's "DARE 2.0" strategy, the Group announced the launch of its Corporate Investment Fund (CIF). The fund aims to invest in early stages startups in various domains including fintech, cybersecurity, artificial intelligence, Internet of Things, and other promising areas. The launch of the fund comes as a reinforcement of the Group's leadership in the digital and innovation fields, and in support of the Kingdom's Vision 2030 to diversify the economy by expanding investment in new sectors and supporting entrepreneurs and startups relevant to the Group's strategy, locally, regionally, and globally.

Recently, stc Group announced its entry into the European market through its subsidiary, "TAWAL", a leading provider in ICT infrastructure. TAWAL, has signed an agreement to acquire United Group's telecommunications tower assets. The agreement, valued at EUR 1.22 bn (around SAR 5 billion), supports stc Group's ambitious strategy to expand its international footprint. This acquisition represents another significant step for the stc Group in executing its strategy of expansion and growth, following its entry into several promising fields and investments in information technology, Internet of Things, cloud computing, information security, fintech, and digital entertainment, as well as its geographic expansion in Bahrain, Kuwait, and Malaysia through its subsidiaries.

As part of the company's "DARE 2.0" strategy, which aims to grow the activities and investments of the Group, solutions by stc (one of the Group's subsidiaries) has completed the acquisition of 100% of Contact Centers Company (ccc), the business process outsourcing market leader in the kingdom of Saudi Arabia, with an enterprise value of SAR 450 million. Through this acquisition, solutions by stc aims to enhance its growth and leadership in the ICT sector in the Kingdom. This is the second acquisition for solutions by stc, following its acquisition of Giza Systems last year.

Mr. Alwetaid also pointed out that stc Group, through the global technology conference "LEAP23", signed more than 40 agreements with major global and local companies, which will support future technologies and contribute to accelerating the digital transformation of the public and private sectors in line with the Group's strategy and the Kingdom's Vision 2030.

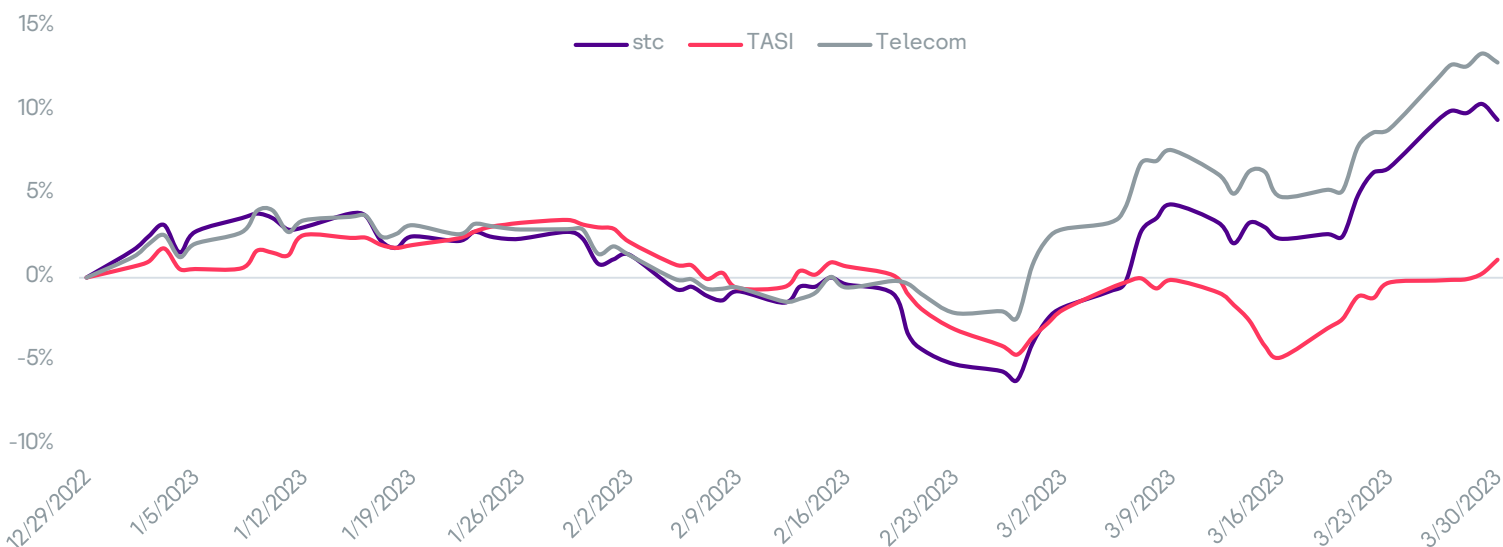
Since the Kingdom's Vision 2030 is a sustainable vision, stc has announced its commitment to contribute to planting one million trees by 2030. Through this commitment, the Group seeks to support the Kingdom's targets in the Saudi Green Initiative and the Middle East Green Initiative, and to support natural plant growth and enhance local wildlife. stc contributes to setting plans and goals that promote reducing emissions and waste, raising awareness, identifying risks, and opportunities arising from climate change effects. It aims to reduce the impacts associated with the use of its products and services, and enable both the public and private sectors and its customers to reduce their carbon footprint through its services.

In conclusion, we remain committed to support the growth of the digital economy in the Kingdom and contribute to the development of the telecommunications and information technology sector, with the support of our visionary leadership. stc Group we will continue its commitment to being a vital contributor to the national economy and a leading enabler of digital transformation in various sectors, enhancing the Kingdom's position as a regional hub, in line with the targets of the Saudi Vision 2030.

Key Highlights

Stock Performance

Q1 2023



Event Calendar

Q1 2023

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	

- **11th Jan:** Citi's Saudi Day in association with Saudi Exchange Conference.
- **11th Jan:** stc announced the latest developments regarding the signing of a binding offer with Arabian Internet and Communication Services Company (SOLUTIONS) to sell its entire 49% stake in Contact Center Company (CCC).
- **18th Jan:** stc announced the sale of the land owned by stc located in Khobar city.

- **12th Feb:** Tadawul-Saudi Capital Market Forum.
- **15th Feb:** HSBC MENAT Investor Forum 2023.
- **20th Feb:** Year End 2022 Financial Results & Dividend Announcements
- **21st Feb:** stc announced that it has conducted an Earnings Conference Call to discuss the annual financial results of the financial year 2022 with Investors and Financial Analysts.
- **28th Feb:** Arqam Capital 10th Annual MENA Investor Conference.

- **2nd Mar:** Goldman Sachs 6th Annual Saudi Arabia Conference.
- **6th Mar:** stc announced the latest developments regarding the signing of a binding offer with solutions by stc to sell its entire 49% stake in Contact Center Company (CCC).
- **8th – 9th Mar:** EFG Hermes Conference 2023.

Key Highlights

Key News

stc is the most valuable telecom brand in the Middle East

stc Group, the leading digital enabler in the region, has succeeded in maintaining the first rank as the most valuable brand in the Middle East in the telecommunication sector for the third year in a row, according to Brand Finance's Global 500 2023 report. Thanks to the group's success, continuous expansion, and growth since the "dare" strategy launched in 2017. Over the last five years, the brand's value has increased by almost 100%, from \$6.2 billion in 2017 to \$12.3 billion in 2022. This achievement results from the brand's outstanding performance in maintaining its leadership position and enhancing its commercial strength in KSA and the region. In addition to being the most valuable brand, stc Group ranked among the fastest-growing brands in the region with a growth rate of 16.7%. stc Bank also increased by 27.5%, climbed 25 places in the Global 500 ranking, the most by any Middle Eastern brand in the study, profiting from the robust future growth given its dominance in its home market.

stc enabled future technologies with global investments and partnerships at LEAP 23

stc Group had the most significant portion of the conference "LEAP 23", as it concluded its participation in conference by signing more than 40 agreements and showcasing several innovative services and technologies that contribute to accelerating the digital transformation of the public and private sectors. During the event, the group presented advanced and secure technology solutions contributing to the digital empowerment of various business sectors. Moreover, stc announced its cooperation with major global and local companies, including Huawei, Ericsson, Samsung, Telefónica, Motorola, Airbus, Sky Five for Air to ground internet services, and Oracle to update database technologies and accelerate the cloud transfer operation. Additionally, stc signed an agreement with Lucid, the electric car manufacturer, to provide customer communications services. It also signed a strategic partnership with Blacknut to increase awareness of cloud gaming solutions among individuals and businesses.

stc announced partnership with Lucid LLC for connectivity services for Lucid vehicles in KSA

stc Group announced a partnership with Lucid Group to provide direct-to-consumer connectivity services for Lucid customers in KSA. Through this collaboration, the companies will deliver exceptional connectivity that enables in-car infotainment and over-the-air functionality to enhance the driving experience for Lucid customers. As a leading digital enabler in the region, stc is committed to providing innovative solutions that meet the evolving needs of our customers. The partnership with Lucid allows stc to simplify the delivery and management of advanced over-the-air (OTA) in-car services and provides a foundation for innovating and meeting the changing needs of customers as new services evolve. This new connectivity service will enable Lucid customers in KSA to enjoy enhanced vehicle performance and functionality, including continuous improvements to vehicle control and infotainment systems via OTA updates, remote vehicle diagnostics, controls, and serviceability, music streaming through in-vehicle apps, and navigation.

stc launched venture capital fund

stc Group announced the launch of its corporate investment fund (CIF). The Fund aims to invest in early stages startups in various domains including fintech, cybersecurity, artificial intelligence, digital games, Internet of Things, blockchain, and other promising areas. The CIF will make strategic investments to accelerate growth, enhance innovation and support the KSA Vision 2030 in terms of economic diversification through tapping into new sectors and supporting stc's strategy-related entrepreneurs and startups at the local, regional and international levels. The fund will also explore new technologies and business models in digital sectors. It will also predict new areas in the communication industry, which would have a positive impact on stc business.

Center3 & stc Bahrain Announced 2Africa Pearls Submarine Cable System Landing Plans in Bahrain

center3 and stc Bahrain have officially completed the marine survey for 2Africa Pearls in Bahrain, marking a significant milestone in the development of the overall 2Africa subsea cable project. The 2Africa Pearls subsea cable is a unique transcontinental communication system that connects 33 countries through 46 landing locations, spanning across three continents, and positioning the Middle East at the center of operations. Once completed, 2Africa Pearls will break records as the longest subsea cable ever deployed. Spanning over 45,000 km in length, the cable system will provide reliable connectivity and internet services across a number of vital landing locations in KSA, Bahrain, Kuwait, Oman, UAE, Qatar, Iraq, Pakistan, and India.

stc concluded its MWC2023 participation with more than 20 agreements

stc concluded its participation in the Mobile World Congress MWC Barcelona 2023 by signing over 20 strategic agreements with global leaders in the telecommunications, networking, and information technology industries. stc showcased its latest technologies and digital solutions. On the sidelines of the conference, stc received an award for the most valuable telecom brand in the Middle East, for the third year in a row, according to Brand Finance Global 500 classification of the world's most powerful brands. During its participation in MWC2023, stc signed agreements with leading international companies, including Huawei, Cisco, Samsung, Microsoft, and Ericsson, as well as others, to expand and develop 5G and cloud computing technologies and expedite the Kingdom's digital transformation.

stc contribute to plant 1 million trees around Saudi Arabia

stc announced its commitment to planting one million trees by 2030. Through this commitment, stc aspires to help support the natural growth of plants and promote local wildlife within the framework of many initiatives that the Group will launch across Saudi Arabia to enhance environmental conservation. This initiative will plant 200,000 trees around telecommunication towers in Taif Governorate, representing 20% of the commitment.

stc won Glotel's "Private Network Perfection of the Year 2022" Award

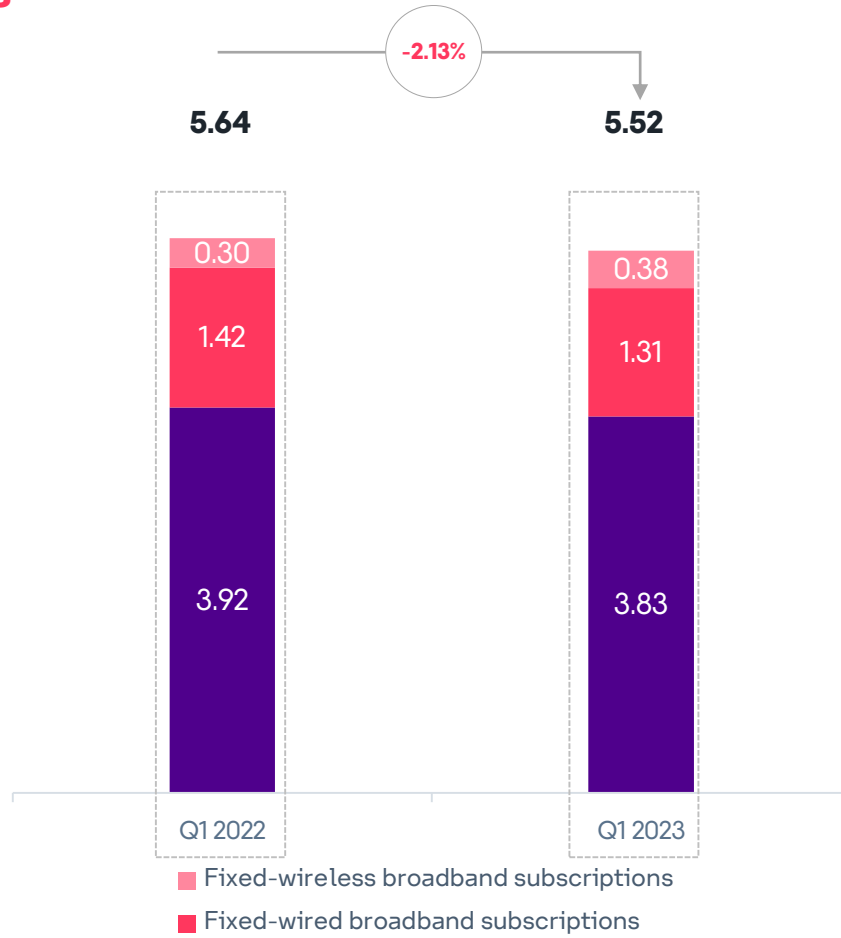
stc has won the "Private Networks Perfection of the Year" at the 2022 Glotel Awards, as it demonstrates its commitment and innovation in edge computing domain to revolutionize digital transformation for its B2B customers, supporting the build of non-public private networks for low latency edge computing use cases. The Glotel Awards by Telecoms.com, which was held in London, recognizes innovation and excellence within the telecoms sector, honoring key players who are shaping the future of the industry.

stc received a golden award regarding MWC 2022

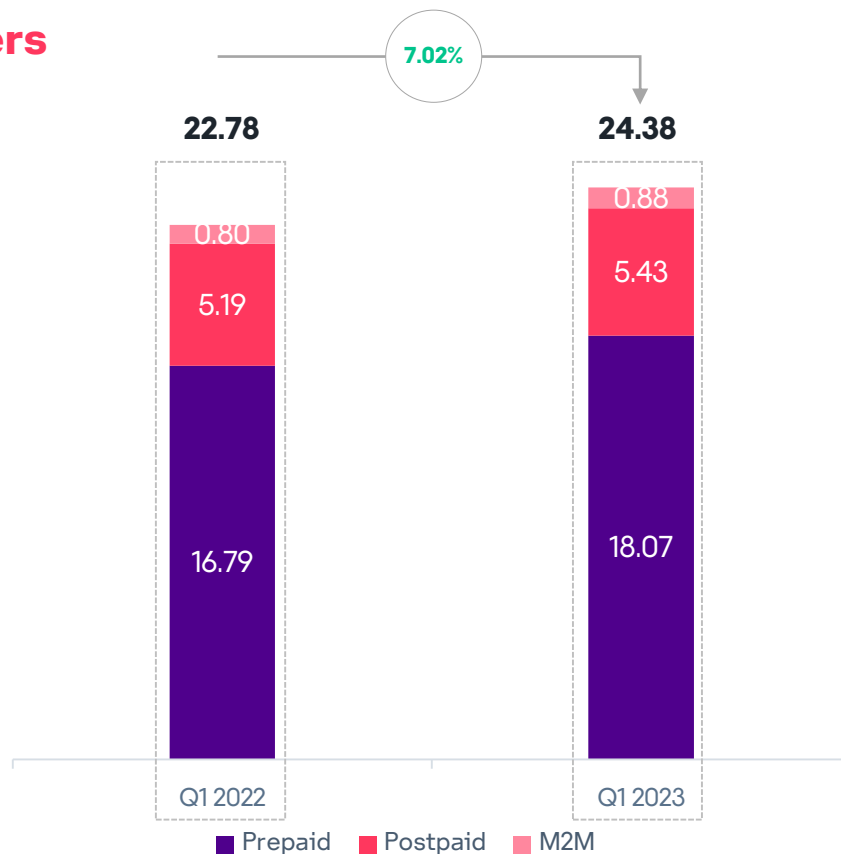
The stc pavilion - taking part in the Mobile World Congress 2022 - received the Golden Award awarded by WORLD EXHIBITION STAND AWARDS as the organization in charge of the monitoring, evaluation and follow-up of the world's exhibitions and events industry. Taking part last February in MWC 2022 - hosted annually in Barcelona, Spain, the stc pavilion hosted many modern technologies and exceptional innovations, in addition to other outstanding offers and services provided to customers.

stc KSA Subscribers

Fixed Subscribers



Mobile Subscribers



*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

Numbers are in Millions

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