Investor Relations Release

For the six months period ended on 30th of June 2026

Financial Results Overview

For the six months period ended on 30th of June 2026

stc group announced its interim consolidated financial results for the six months period ended on 30th of June 2026.

6.3%

Increase in Net Profit for H1 2026
excluding the non-recurring items in the current and the comparable period last year.

Financial Results Highlights

(Millions of ⃁)

	H1 2026	H1 2025	%
Revenue	**40,110**	38,660	3.8%
EBITDA	**12,968**	12,289	5.5%
EBITDA Margin (%)	*32.3%*	*31.8%*	
Operating Profit	**7,771**	7,207	7.8%
Net Profit	**7,319**	7,472	(2.1%)
Change in Net Profit *(After excluding the non-recurring items)*			6.3%
Capex[1]	**4,773**	3,644	31.0%
Net-Debt[2] **/ EBITDA**	**0.38x**	0.02x	

- Strong H1 2026 performance, with solid topline growth and robust expansion in EBITDA.
- group revenue of ⃁40.1 billion, up 3.8% YoY, driven by broad-based growth across the group, with positive contributions from both stc KSA and subsidiaries.
- The topline growth, supported by execution of efficiencies across the business, delivered healthy EBITDA growth of 5.5% to ⃁13.0 billion, with margin improvement to 32.3% (from 31.8% in H1 2025).
- Solid growth of 6.3% in net profit (excluding non-recurring items in the current and the comparable period last year), despite higher net finance costs, driven by increased funding to support growth.
- The H1 2026 performance was underpinned by the continued progress across key partnerships and the advancement of strategic projects.
- Resolute execution of the investment and funding strategy underpin the group's capital deployment that drives its business expansion and growth plans.
- A strong balance sheet and financial flexibility enable the group to deliver attractive long-term growth and shareholders returns.
- Dividend per share ⃁0.55 for the quarter, in line with the dividend policy; amounting to ⃁2.7 billion return to shareholders.

Credit Rating

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

1 Purchase of property and equipment, intangible assets, and investment properties

2 (Total Debt - (Cash and cash equivalents from non-banking operations + Short-term murabahas))

GCEO Statement

Esteemed shareholders,

I am pleased to share with you the group's results for the first half of 2026, in which we delivered a solid financial and operational performance and continued to advance our strategic priorities. This continued progress highlights the strength of the group's business model, the resilience of its operations, and its robust financial position, enabling the group to successfully execute its long-term strategy and deliver sustainable shareholder value.

During the first half, the group increased its revenue by 3.8%, which drove growth in EBITDA of 5.5% and net profit of 6.3% when excluding the non-recurring items in the current and the comparable period last year. The group's net profit for the second quarter also exceeded the average analysts' estimates by 4%, underscoring the strength of its financial and operational performance, as well as its continued success in executing its strategy and enhancing operational efficiency.

Subscriber growth and network expansion further reflected positive operational momentum, with stc KSA's mobile subscribers reaching 30.3 million, up 4.8% compared to the same period last year, while fixed subscribers increased by 3.0% to 6.1 million. The number of 5G towers rose to 12.12K, while the number of households connected to fiber optic network increased by 5.2% to 3.87 million compared to the same period last year. These indicators reflect growing demand for the group's services and continued investment in the digital infrastructure that supports our future growth.

stc group continued to serve as a digital enabler during the Hajj season (the annual pilgrimage), serving pilgrims through an integrated ecosystem of connectivity services and AI-powered digital solutions. This enabled 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.

In terms of strategic partnerships, stc group signed an agreement with ROSHN Group to develop a neutral fiber optic network infrastructure for the upcoming phases of the Sedra community in Riyadh, underscoring stc's role in supporting major residential projects in the Kingdom. Under this agreement, the group will build and operate a fiber network that enables all telecommunications service providers to deliver reliable services over shared infrastructure, enhancing operational efficiency. We also announced the extension of our memorandum of understanding (MoU) with HUMAIN to establish a joint venture through our subsidiary, center3. The extension of the MoU reflects the scale and strategic importance of the project. It will also enable the two parties to complete the related regulatory and operational requirements, with the aim of finalizing the remaining negotiations to conclude the joint venture agreement. The group also made significant progress in advancing its strategic partnership with AST & SCIENCE, LLC (AST SpaceMobile) to provide satellite communications services using direct-to-device (D2D) technology.

Meanwhile, the group continues to successfully execute its strategy for STC Bank, as reflected in the bank's continued business growth through the expansion of its customer base, growth in its deposits and investment portfolio, which supported increases in revenue and profitability. The bank offers fully integrated digital banking services and an exceptional customer experience.

We remained focused on the execution and scaling of our digital strategic priorities to drive value creation across the group, which was evident in a number of achievements in key areas of the business. Among these was the launch of stc Cloud powered by Oracle Alloy. This initiative is the Kingdom's first sovereign cloud solution, designed to accelerate digital transformation and strengthen data sovereignty. The platform combines cutting-edge global technologies with fully local operations and governance, while ensuring compliance with Saudi regulations. This launch showcases stc's commitment to providing advanced digital solutions and leading the Kingdom's national digital transformation.

stc group published its 2025 annual Sustainability Report, which demonstrates the group's continued commitment to and progress in environmental action, human capital development, governance and responsible business practices. The group also achieved an MSCI ESG rating of AA in 2025. Additionally, through our rawafed program, the group deepened its national impact in supporting and developing local content in the Kingdom, achieving first place for the third consecutive year in the Local Content Award for large enterprises, organized by the Local Content and Government Procurement Authority, with a local content score of 50.69%.

The group maintained its strong financial position and credit ratings of "A+ with a stable outlook" from Standard & Poor's (S&P) and Fitch, "Aa3 with a stable outlook" from Moody's, and "AAA with a stable outlook" from Tassnief Rating Agency. These credit ratings reflect the group's leadership in the telecommunications sector and the strength of its financial position.

Finally, we look to the second half of the year with ambition and conviction, backed by the strength of our business model, the breadth and depth of our capabilities, as well as the health of our financial profile. We will continue to drive sustainable growth in our business with a strong focus on efficiencies and delivering value for our shareholders.

Olayan Mohammed Alwetaid

stc group CEO

Financial Performance Summary

Key financial data and indicators – Statement of Profit or Loss

1 Statement of Profit or Loss (Millions of ⃁)

	H1 2026	H1 2025	%
Revenue	**40,110**	38,660	3.8%
Gross Profit	**19,637**	18,658	5.3%
EBITDA	**12,968**	12,289	5.5%
EBITDA Margin (%)	*32.3%*	*31.8%*	
Operating Profit	**7,771**	7,207	7.8%
Net Profit	**7,319**	7,472	(2.1%)

stc group delivered a **healthy financial performance** in the first half of 2026, with revenue up by 3.8% year-on-year to ⃁40.1 billion. stc KSA topline rose by 3.3%, driven by resilient revenue growth of 3.0% in the Commercial unit and 2.1% in the Business unit, as well as strong revenue growth of 8.8% in the Carriers & Wholesale unit.

The subsidiaries also grew revenue by 4.6%, with the upside supported by **a broad-based performance across the businesses**.

Gross profit increased by 5.3% to ⃁19.6 billion, outpacing revenue growth and reflecting improved profitability.

EBITDA increased by 5.5% to ⃁13.0 billion, with the **EBITDA margin improving to 32.3%** from 31.8% in the same period of last year. The improvement reflects enhanced operational efficiency, which supported the 7.8% increase in operating profit to ⃁7.8 billion.

Despite higher net finance costs resulting from the sukuk issuance, **net profit reached ⃁7.3 billion, with an increase of 6.3%** excluding non-recurring items in the current and the comparable period last year.

Financial Performance Summary

Key financial data and indicators – Statement of Cash Flows

2 Statement of Cash Flows (Millions of ⃁)

	H1 2026	H1 2025	%
Net Cash from Operating Activities	**8,342**	4,623	80.4%
Net Cash from Investing Activities	**(4,587)**	9,815	(146.7%)
Net Cash from Financing Activities	**1,813**	(16,638)	110.9%
Free Cash Flow[1]	**3,568**	979	264.5%

1 (Net cash from operating activities – Capex)

Net cash generated from operating activities increased in H1 by 80.4% compared with the same period last year, reflecting **improved operating performance and effective working capital management**.

Net cash used in investing activities amounted to (⃁4.6 billion), compared to net cash generated from investing activities of ⃁9.8 billion in the same period last year. This was mainly driven by lower proceeds from cash investments and higher investments in sukuk and treasury bills in H1 2026.

Meanwhile, net cash generated from financing activities reached ⃁1.8 billion, compared with net cash used in financing activities of (⃁16.6 billion) in the first half of 2025. This was primarily driven by the increase in proceeds from borrowings to ⃁8.7 billion, together with the special dividend payments made in H1 2025.

Free cash flow increased significantly by 264.5% to ⃁3.6 billion, driven by higher cash generated from operating activities despite an increase in capex.

Financial Performance Summary

Key financial data and indicators – Statement of Financial Position

3 Statement of Financial Position *(Millions of ⃁)*

	H1 2026	H1 2025	%
Cash & Equivalents[1]	**14,003**	14,748	(5.1%)
Working Capital[2]	**26,126**	19,993	30.7%
Total Assets	**166,997**	151,779	10.0%
Total Liabilities	**79,285**	66,265	19.6%
Total Debt[3]	**23,537**	15,222	54.6%
Net-Debt[4]	**9,534**	473	1915.6%
Total Shareholders Equity (After Deducting Minority Equity)	**84,986**	82,699	2.8%

1 (Excluding cash & equivalents from STC Bank & including short-term murabahas) 2 (Current Assets – Current Liabilities) 3 (Short-term borrowings + Long-term borrowings)
4 (Total Debt - (Cash and cash equivalents from non-banking operations + Short-term murabahas))

The **group's financial position remained strong** as of H1 2026, supported by continued investments and growth in its asset base.

Net-Debt/EBITDA of 0.4x reflects the enhanced funding undertaken in line with group's **capital structure strategy**. This was primarily driven by the **sukuk issuance, which supports strategic investments and business expansion**.

The group remains **well positioned to fund its growth ambitions** while maintaining a strong financial profile.

Capex Intensity	Return on Equity 5	Net-Debt / EBITDA 6	Dividend Yield 7
11.9%	%17.5	0.4x	9.7%

5 Total Shareholders Equity (After Deducting Minority Equity)

5 6 7 Numbers are calculated based on the last 12 months

7 Includes special dividends for 2024 of ⃁2 per share which were distributed in June 2025

Key Business and Strategic Highlights

Key News

stc group achieved record network performance during the Hajj season

supporting significant growth in data traffic through AI-powered optimization and advanced network operations.

stc group expanded its partnership with ROSHN Group

to build an advanced fiber-optic Infrastructure for the upcoming phases of the Sedra community in Riyadh.

stc group launched stc Cloud powered by Oracle Alloy

the Kingdom’s first sovereign cloud solution, accelerating digital transformation while ensuring full data and operational sovereignty within Saudi Arabia.

stc group published its Sustainability Report for 2025

highlighting progress in sustainability, local content and digital inclusion while reinforcing its commitment to responsible growth and marking its achievement of an AA MSCI ESG rating.

stc group ranked 1st in the Local Content Award for the third consecutive year

achieving a 50.69% local content score, reflecting its commitment to developing national talent and strengthening Saudi Arabia's digital economy.

stc group extended its MoU with HUMAIN for an additional six months

aiming to complete the remaining negotiations and regulatory requirements for the proposed joint venture through center3.

stc group launched a virtual clinics and remote healthcare platform

enabling remote diagnosis, specialist consultations, and continuous patient monitoring to expand access and improve healthcare delivery across hospitals, homes, and remote areas.

stc group won the TM Forum Excellence Award 2026 in partnership with IBM

highlighting its success in developing and implementing innovative digital solutions that accelerate digital transformation and enhance network operations efficiency across the region.

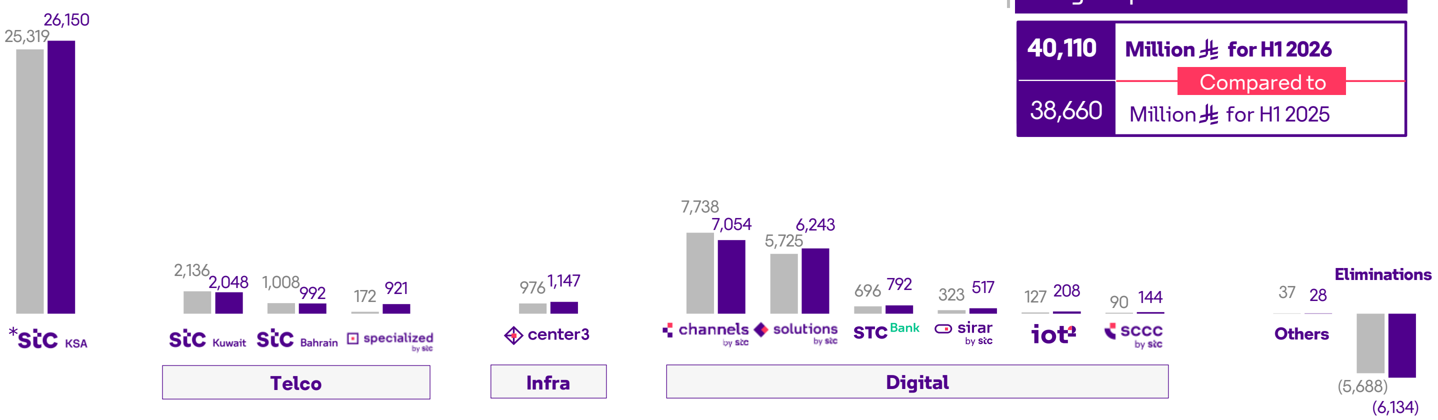
stc group signed a partnership with Netflix

bringing premium content to the stc tv platform to enhance the customer experience.

Segment Information

stc group Revenue based on segments

For H1 2026 compared to H1 2025



stc group Revenue

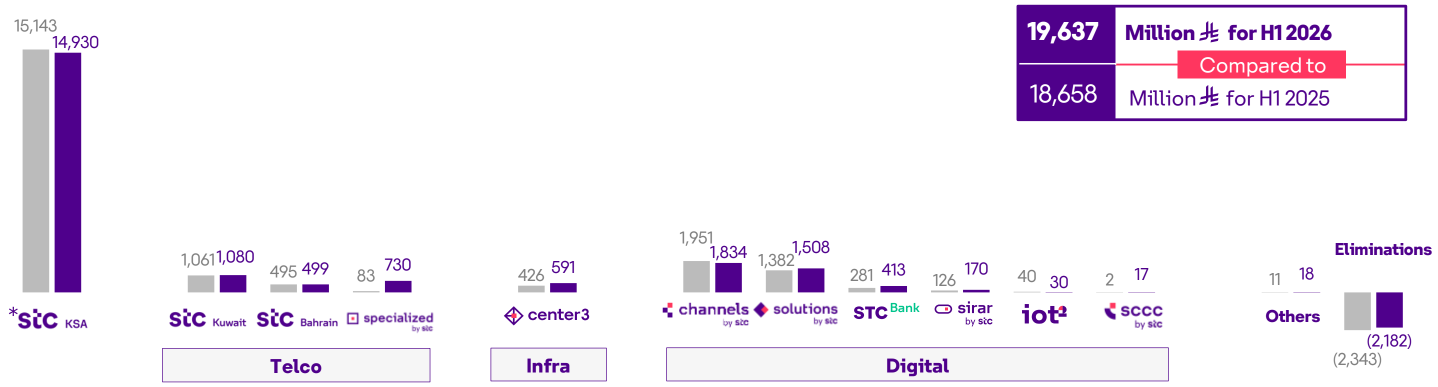
40,110	**Million ⃁ for H1 2026**
	Compared to
38,660	Million ⃁ for H1 2025

* All Numbers in Millions of ⃁

H1 2025 H1 2026

stc group Gross Profit based on segments

For H1 2026 compared to H1 2025



stc group Gross Profit

19,637	**Million ⃁ for H1 2026**
	Compared to
18,658	Million ⃁ for H1 2025

* All Numbers in Millions of ⃁

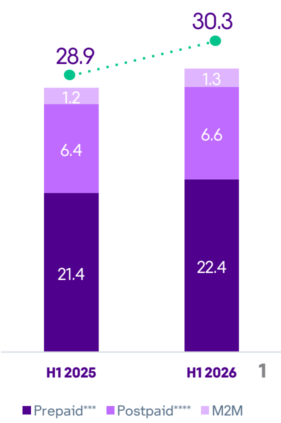
H1 2025 H1 2026

Subscribers at a Glance**

stc KSA

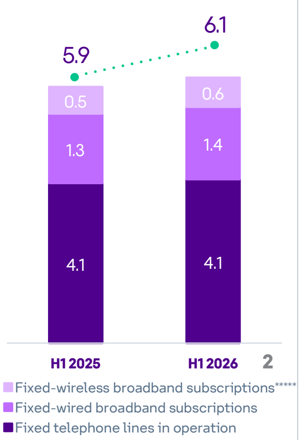
Mobile Subscribers (Millions)

4.8%



Fixed Subscribers (Millions)

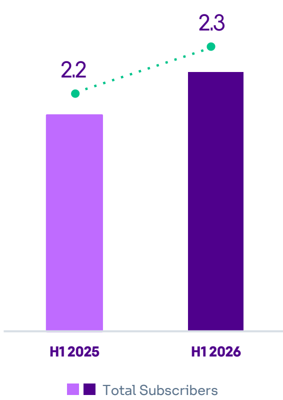
3.0%



stc Kuwait

Mobile Subscribers (Millions)

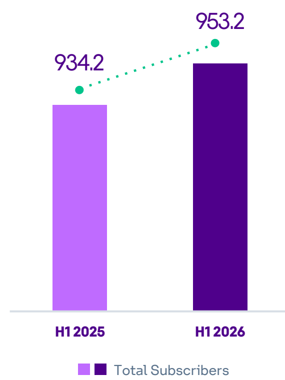
5.0%



stc Bahrain

Mobile Subscribers (Thousands)

2.0%



* Includes stc's business units.
** Percentage changes and totals are calculated based on full figures.
*** 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.

1-2 Figures are not audited.

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