



Press Release

For the six months period ending 30th June 2022

Financial Performance

For the six months period ending 30th June 2022

7.39% ↑

Increase in revenues for the 6 months period, as compared to the same period last year.

Key Figures (SAR mn)
Revenues
Gross Profit
Operating Profit
EBITDA
Net Profit
EPS

6M 2022	6M 2021	Change (%)
33,930	31,594	7.39%
18,324	16,909	8.37%
7,543	6,732	12.05%
12,504	11,468	9.03%
5,872	5,773	1.71%
2.94	2.89	

Credit Rating

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



stc group continued to consistently achieve positive results and increase its revenues, supported by the company's investments in various fields, as the group was able to grow its top line for the 6 month period by 7.4% due to the increase in stc KSA revenues (without stc group's subsidiaries) by 9.1%, as a result of the strong performance of the Enterprise business unit, which achieved a revenue growth of 15.9% for the period, as a result of the continued increase in demand for the company's services, driven by the significant growth witnessed in the digital economy sector in the Kingdom and the region. As for the Wholesale business unit, it witnessed a revenue growth of 6.1% for the period, supported by an increase in local and international revenues. Also, the Consumer business unit achieved a 6.1% growth in revenues for the period, attributed to the increase in mobility revenues by 6.7%, supported by an increase in working lines by 5.9%, whereas the residential segment registered a top-line growth of 3.0% aided by the increase in FTTH and fixed wireless access subscriber base by 3.4% and 13.5%, respectively. On the other side, revenues from stc group's subsidiaries increased by 3.3% which positively impacted the group's financial results for the period.

Commenting on these results, Eng. Olayan Mohammed Alwetaid, stc Group CEO, stated that during the second quarter of this year and in line with the company's vision and strategy "DARE 2.0", a company specialized in cloud computing in the Kingdom was established with a total capital of SAR 894 million, of which the group's share amounted to SAR 492 million (represents 55% of the capital). The establishment of the new company comes in partnership with Alibaba Cloud, eWTPA, the Saudi Company for Artificial Intelligence (SCAI), and the Saudi Information Technology Company (SITE). The new company will provide an integrated set of cloud services and solutions for the public and private sectors benefiting from stc group's superior infrastructure, as this area is witnessing significant growth supported by the large and rapid digital transformation in the Kingdom of Saudi Arabia. This partnership with leading international companies in the field of information technology is part of the company's efforts to achieve its strategy, which aims for growth and expansion, in addition to localizing technology and its associated capabilities and expertise.

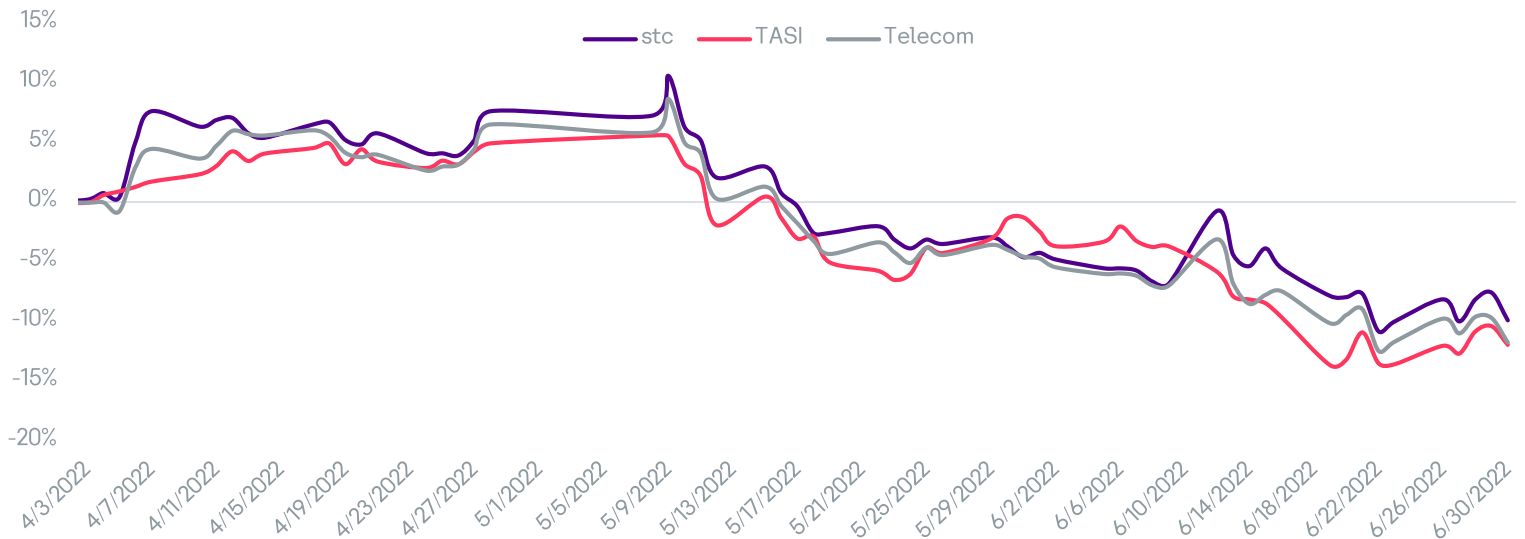
Consequently, the group's total investments during the first half of 2022 reached to around SAR 5 billion through strategic partnerships, establishing specialized technology companies, and acquisitions for geographic expansion and diversification. This is a confirmation of the group's ambition to achieve its vision and strategy by investing in infrastructure and new domains, in addition to being a national enabler for the digital transformation. Among these investments is the establishment of a major digital center for the Middle East and North Africa "MENA HUB", which will strengthen the Kingdom's position as a major digital center in the region and the world by benefiting from the Kingdom's geographical location, which is considered as a hub connecting the continents of Asia, Africa and Europe. Moreover, a new company in the field of IoT was established in partnership with the Public Investment Fund (PIF) to support IoT technologies in the Kingdom in order to take advantage of the expected growth and increasing demand for its services and products. Also, Solutions by stc (one of the group's subsidiaries) announced its acquisition of 89% of Giza Systems Company and 34% of the remaining share - not owned by it - in its subsidiary, Giza Arabian Systems, with the aim of expanding and diversifying its products and services to meet customers' demand. This acquisition also comes to enhance Solutions by stc's position and leadership in enabling the digital transformation in the Kingdom and the region.

In line with these initiatives and with the objective of supporting the group in achieving its "DARE 2.0" strategy that aims for expansion, growth, and maximizing shareholders' return through increasing and diversifying investments and seizing growth opportunities in the telecommunications and information technology sectors in the Kingdom and the region; stc's board of directors recently recommended to increase the company's capital by 150% to reach SAR 50 billion by granting bonus shares through capitalizing SAR 30 billion from retained earnings.

Finally, we are proud of the achievements made during the past period and we will continue working on providing the latest technological solutions in addition to developing a reliable digital infrastructure. This will boost the Kingdom's position as a leading digital service center through innovative projects and global partnerships. Thus, enabling the digital transformation of the public and private sectors, which will reflect in strengthening the digital economy in harmony with the Kingdom's Vision 2030.

Stock Performance

Q2 2022



Event Calendar

Q2 2022

April

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

- **14th April:** stc announced the date of E-Voting on the Agenda of the Ordinary General Assembly Meeting.
- **19th April:** Ordinary General Assembly Meeting.
- **20th April:** stc announced the results of the Ordinary General Assembly meeting.
- **28th April:** stc announced Q1, 2022 Financial Results.
- **28th April:** stc announced Q1, 2022 Dividends.

May

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				

- **16th – 17th May:** Arqam Capital Virtual MENA Investors Conference 2022.
- **18th May:** Morgan Stanley 13th Virtual Saudi Arabia Conference and 2nd MENA Conference.
- **22nd May:** stc announced the signing of a Joint Venture Agreement with eWTP Arabia Technology Innovation Limited Company, Alibaba Cloud (Singapore) Private Limited, Saudi Company for Artificial Intelligence and Saudi Information Technology Company to establish a company specialized in cloud computing in the Kingdom of Saudi Arabia.

June

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	

- **12th June:** stc announced the Board of Directors' recommendation to increase stc's capital by granting bonus shares.
- **12th June:** stc announced its Board of Directors' recommendation to amend the dividends policy based on the recommended increase in stc's capital.
- **28th June:** stc announced its intention to purchase a number of its own shares to allocate them within the Employee Stock Incentive Plan.

Key News

The increase in stc's capital by granting bonus shares

stc's board of directors announced its recommendation to the general assembly to increase the company's capital by 150% through granting bonus shares, by capitalizing SAR 30 billion from retained earnings, bringing stc's capital from SAR 20 billion (2 billion shares) to 50 billion riyals Saudi (5 billion shares), where (1.5) shares will be granted for every (1) share held by shareholders at the time of maturity.

The amendment of stc's dividends policy

stc announced its Board of Directors' recommendation to amend the dividends policy based on the recommended increase in stc's capital. The dividends policy is based on committing a minimum dividend in an amount of SAR 0.40 per share per quarter, effective from Q4-2021, for 3 years.

stc and partners establish cloud computing company "SCCC"

Saudi Cloud Computing Company SCCC has been launched as a new joint venture formed by stc group, Alibaba Cloud, eWTP Arabia, the Saudi Company for Artificial Intelligence (SCAI), and the Saudi Information Technology Company (SITE). The new company will provide a vast array of reliable and secure cloud computing solutions, such as flexible computing, digital storage, and network solutions in order to respond to increasing demand from particular sectors that include retail sales, fitech, and internet services in general.

solutions by stc announced its acquisition of Giza Systems

solutions by stc announced the signing of a sale and purchase agreement to acquire 89.49% of Giza Systems Company, in addition to 34% of Giza Arabia, which represents the shares that are not owned by Giza Systems Company, for a full cash consideration for the entire acquisition. The acquisition represents a significant step in line with the company's international expansion strategy to enter new markets and expand its business lines to meet the evolving needs of customers both in public and in private sectors.

The deployment of multi-layer 4G & 5G NSA network on Oran platform

stc announced the successful deployment of multi-layer 4G and 5G NSA network on ORAN platform in collaboration with Mavenir, the leading digital enabler in the region who announced the successful deployment of 4G-3CC Carrier Aggregation and 5G-NSA capable O-RAN Mobile Infrastructure.

Employee Stock Incentive Plan

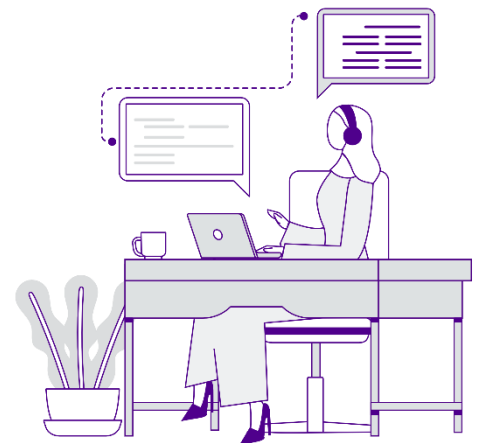
stc announced the board of director's approval to purchase a number of the company's share with a maximum of 15 million shares (the proposed shares to be purchased reflects the proposed increase in the company's capital by 150% based on the recommendation of the Board of Directors to increase the capital by granting bonus shares), and an amount not to exceed SAR 453 million to allocate them within the Employee Stock Incentive Plan and to raise its recommendation to the extraordinary general assembly (EGM) for voting. Further, the shares shall be purchased within 12 months from EGM's approval.

stc showcased its digital capabilities at Capacity ME Conference

In order to showcase its expansion in data centers, stc Group has taken part in the Capacity Middle East Conference 2022, which was held in Dubai and attended by a number of key partners in the information and technology sector, to discuss potential future collaboration projects, as well as global expansion opportunities in the sector of wholesales.

stc at the Mobile 360 global conference

Senior mobile network operators, developers of technical infrastructure services and officials in the communications and information technology sector discussed the most important issues of the mobile and technology industries at the Mobile 360 global conference, which was hosted in Riyadh for the first time in partnership with GSMA and stc.



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