Investor Relations Release

For the year ended **31st December 2024**

Financial Results Overview

For the year ended on 31st December 2024

stc Group announced its interim consolidated financial results for the year ended on 31st December 2024.

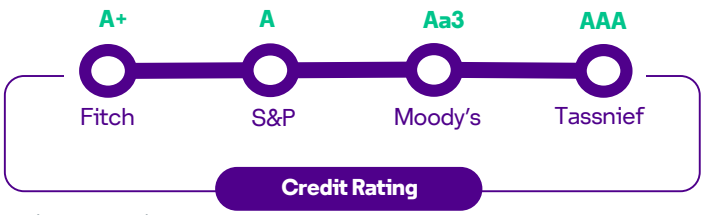
5.73%

Increase in revenues for the year 2024, compared to 2023.

Financial Results Highlights	*(Million of SAR)*		
	2024	**2023**	**%**
Revenue	**75,893**	71,777	5.73%
Operating Profit	**14,426**	13,161	9.61%
EBITDA	**23,926**	22,445	6.60%
Net Profit[1] *(Attributable to Equity Holders)*	**24,689**	13,295	85.70%
Cash & Equivalents[2]	**30,755**	28,138	9.30%
Total Shareholders Equity[3]	**89,417**	78,985	13.21%

stc Group achieved a total revenue reaching SAR 75.9 billion, marking a 5.7% increase compared to the previous year. This growth was primarily driven by a 0.9% increase in revenue from stc KSA, as well as a 16.4% rise in revenue from its subsidiaries. Additionally, the commercial unit recorded a 5.4% growth in revenue, supported by contributions from the mobility and residential segments, which grew by 5.2% and 6.3%, respectively, this contributed to easing the pressure on the revenues of the Business Unit, which declined by 7.7%. This decline is mainly attributed to a decrease in public sector revenues, offset by a notable increase in private sector revenues. Regarding the carriers and wholesale unit, it recorded a 4.5% decrease in revenue driven by efforts to improve profit margins.

The continuous efforts to enhance cost efficiency and the performance of subsidiaries contributed to a 9.6% increase in operating profit, reaching SAR 14.4 billion, and an 85.7% increase in net profit, reaching SAR 24.7 billion. This reflects the success of stc Group in achieving its goals in alignment with its strategy.



1 Net profit includes one-off items (see the company's announcement on Tadawul for details).

2 (Cash and cash equivalents + Short term murabahas)

3 (Shareholder Equity After Deducting the Minority Equity)

GCEO Statement

Remarking on the 2024 annual financial results, Eng. Olayan Alwetaid, stc Group CEO, praised the Group's outstanding performance and financial results during the year, which was a reflection of the performance of the Group's subsidiaries, which achieved a 16% growth in their businesses, and the implementation of the cost efficiency program, which played a pivotal role in enhancing the financial performance, where the Group will continue to adopt it as part of its culture. The Group CEO further emphasizes that these results reflect the successful execution of the Group's strategy and the achievement of its financial and operational plans. stc's focus on fostering innovation, enhancing customer experience also played a key role in enhancing sustainable growth, which contributed to the outstanding performance during 2024, where the Group achieved revenue growth of 5.7%, operating profit increase of 9.6%, and the bottom line registered an increase of 85.7%. Notably, when excluding the one-offs items, the Group achieved net profit growth of 13%.

The Group CEO also pointed out that stc has successfully undertaken several strategic initiatives. The group signed a contract, the largest of its kind, valued at SAR 32.64 billion, to build, operate, and provide telecommunications infrastructure services for a government entity. Additionally, stc launched its digital bank after obtaining approval from the Saudi Central Bank, marking a significant step in offering innovative financial solutions to support individuals and businesses while advancing the digitization of the financial sector. stc also successfully completed all procedures for selling 51% of its stake in TAWAL to the Public Investment Fund (PIF) after obtaining all necessary approvals, this move aligns with the efforts of the group and the PIF to establish a leading company in building and operating telecommunications and IT infrastructure worldwide by merging TAWAL with the PIF's subsidiary, Golden Lattice Investment. On the international front, stc received approval from the Spanish Council of Ministers to increase its voting rights in Telefónica from 4.97% to 9.97%, along with the right to appoint a member in the company's Board of Directors. This investment is part of the group's strategy for growth and expansion, focusing on strategic investments that deliver added value.

Following the remarkable financial results achieved by the Group, the Group CEO stated that stc's Board of Directors has decided to recommend additional cash dividends for the fiscal year 2024 amounting to SAR 2 per share, equivalent to SAR 10 billion. This is in addition to the distributions approved dividends under the company's policy, which will start from the fourth quarter of 2024. Thus, the total cash distributions for 2024 amount to SAR 3.75 per share. This policy reflects the Group's ongoing commitment to maximizing and enhancing investor returns.

Eng. Alwetaid also highlighted that stc's strategic focus on innovation and excellence in digital infrastructure has been translated into action through a series of partnerships. This includes a strategic partnership with Diriyah Company, under which stc will design, build, and operate a neutral infrastructure for the second phase of the Diriyah project. Additionally, the Group signed a strategic partnership with New Murabba, aiming to enhance and facilitate the implementation of advanced communications and information technology at New Murabba as well as leveraging the innovative digital solutions provided by the Group. These partnerships reaffirm the Group's commitment to advancing digital and technological transformation in major projects across the Kingdom and its position as a leading enabler of digital transformation in the region.

Finally, building on the Group's achievements in 2024, stc maintained its position as the most valuable telecom brand in the Middle East for the fifth consecutive year. It also advanced to become the ninth most valuable telecom brand in the world, with the Group's brand value increasing by 16% to SAR 60.4 billion in 2024, according to 'Brand Finance's' report, further reflecting stc's leadership on a global scale and its pivotal role in the digital economy. Additionally, stc has achieved significant growth in its local content percentage, reaching 44.32% in 2024, with total spending on local content exceeding SAR 16 billion. This achievement underscores stc's commitment to contributing to the development of the local ICT sector and creating sustainable economic growth.

Olayan Mohammed Alwetaid

stc Group CEO

Financial Performance Summary

Key financial data and indicators

1 Balance Sheet *(Million of SAR)*

	2024	2023	%
Cash & Equivalents[1]	**30,755**	28,138	9.30%
Working Capital[2]	**33,811**	23,153	46.03%
Total Assets	**160,638**	159,646	0.62%
Total Liabilities	**68,153**	78,131	(12.77%)
Total Debt[3]	**15,132**	21,958	(31.09%)
Total Shareholders Equity *(After Deducting the Minority Equity)*	**89,417**	78,985	13.21%

2 Income Statement *(Million of SAR)*

	2024	2023	%
Revenue	**75,893**	71,777	5.73%
Gross Profit	**37,300**	34,740	7.37%
Operating Profit	**14,426**	13,161	9.61%
EBITDA	**23,926**	22,445	6.60%
Net Profit[4] *(Attributable to Equity Holders)*	**24,689**	13,295	85.70%

3 Cash Flows Statement *(Million of SAR)*

	2024	2023	%
Net Cash from Operating Activities	**20,110**	22,418	(10.30%)
Net Cash from Investing Activities	**(7,179)**	(28,383)	74.71%
Net Cash from Financing Activities	**(10,720)**	1,591	(773.79%)
Free Cash Flow[5]	**8,183**	12,628	(35.20%)

1 (Cash and cash equivalents + Short term murabahas)

2 (Current Assets – Current Liabilities)

3 (Short-term borrowings + Long-term borrowings)

4 Net profit includes one-off items (see the company's announcement on Tadawul for details).

5 (Short-term borrowings + Long-term borrowings)

Stock Performance & Financial Calendar

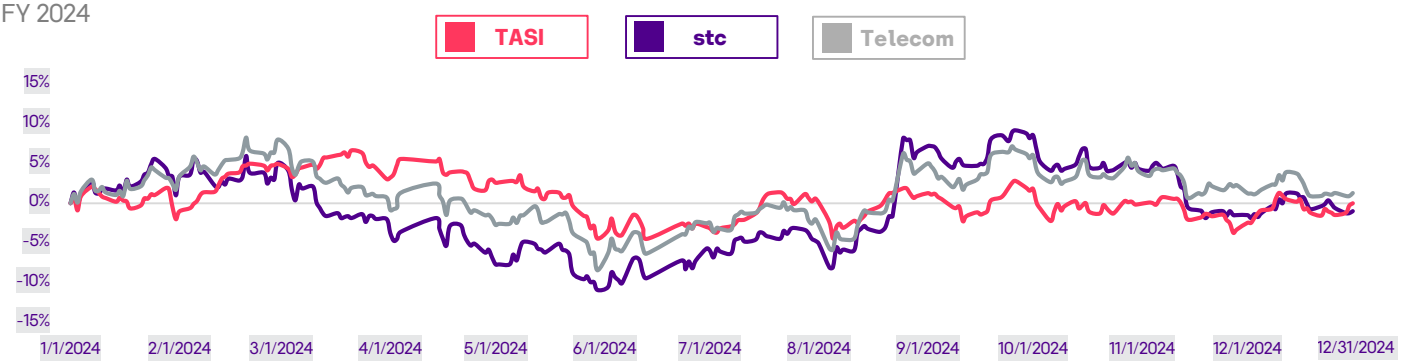
Analysts' Estimates

Q4 2024

Average Analysts Estimates for Revenue Mn SAR	Actual Mn SAR	Change %	Average Analysts Estimates for Net Profit Mn SAR	Actual Mn SAR	Change %
19,161	**19,266**	**0.55%**	3,344	**13,455**	**302.36%**
Number of Estimates for Revenue	**15 Analysts**		Number of Estimates for Net Profit	**19 Analysts**	

Stock Performance

FY 2024



Payout Ratio 1	P/E Ratio 2	Dividend Yield 3	Return on Equity 4	Price to Book Ratio
76%	8.08x	9.4%	29.3%	2.23x

Financial Calendar

Q4 2024

October

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		

November

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

December

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				

1 Oct	Saudi Exchange - GS Saudi Arabia Singapore Corporate Days 2024.
16 Oct	stc' Board of Directors invited its Shareholders to attend the Ordinary General Assembly meeting (First meeting) by Means of Modern Technology.
21 - 22 Oct	J.P. Morgan - Saudi Arabia Investment Forum
31 Oct	stc announced the date of E-Voting on the Agenda of the Ordinary General Assembly meeting (First meeting).

4 Nov	stc announced Q3, 2024 Financial Results and Dividends Announcements.
6 Nov	Ordinary General Assembly Meeting.
7 Nov	stc announced the results of the Ordinary General Assembly meeting (First meeting).
26 Nov	Q3 2024 Dividend Distribution (SAR 0.40 per share).
28 Nov	stc announced the latest development regarding its acquisition of 9.9% interest in Telefonica S.A. (Telefonica).

31 Dec	stc announced the latest development regarding the signing of agreements with the Public Investment Fund (PIF) to sell a stake in Telecommunications Towers Company (TAWAL) and to combine the businesses of TAWAL and Golden Lattice Investment Company (GLIC).

1-3 Includes special dividends of 2 SAR

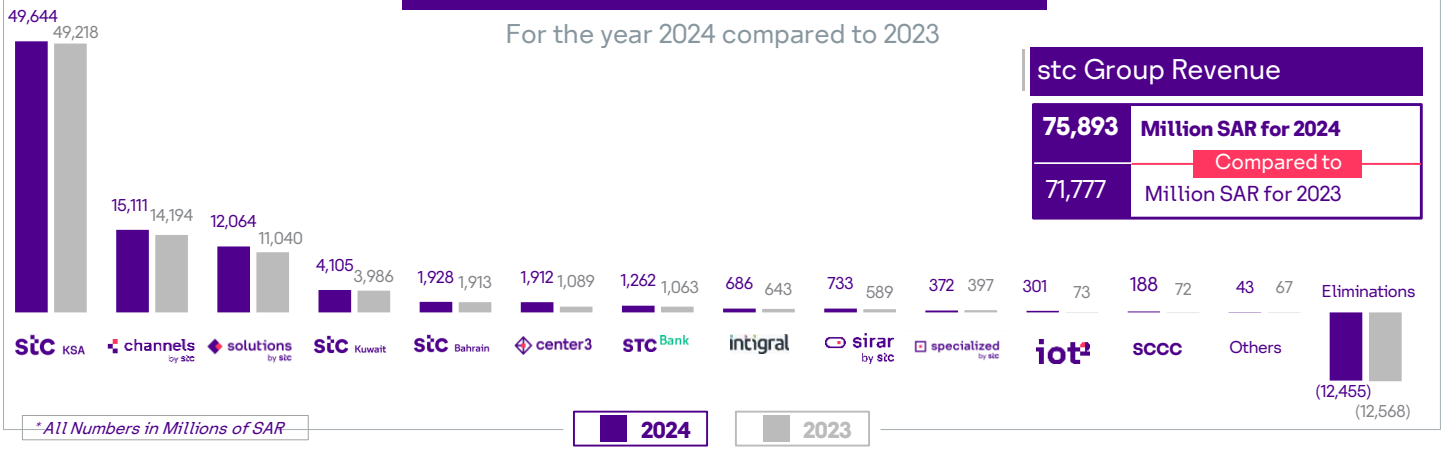
1-2-3-4 Numbers are calculated based on the last 12 months

4 Equity attributable to the equity holders of the Parent Company

Segment Information

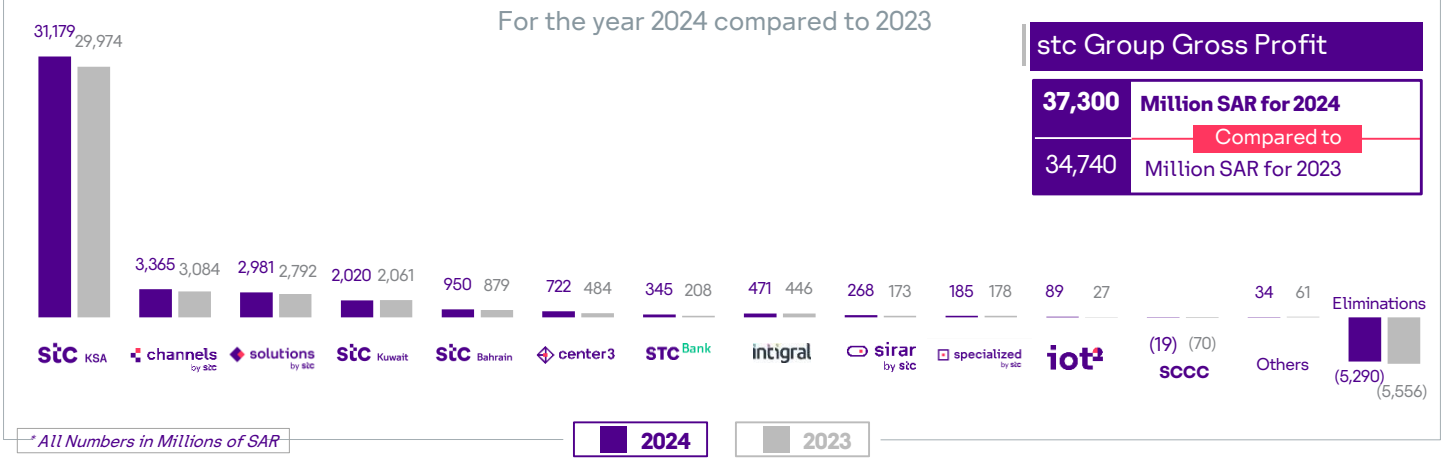
Revenue based on segments

For the year 2024 compared to 2023

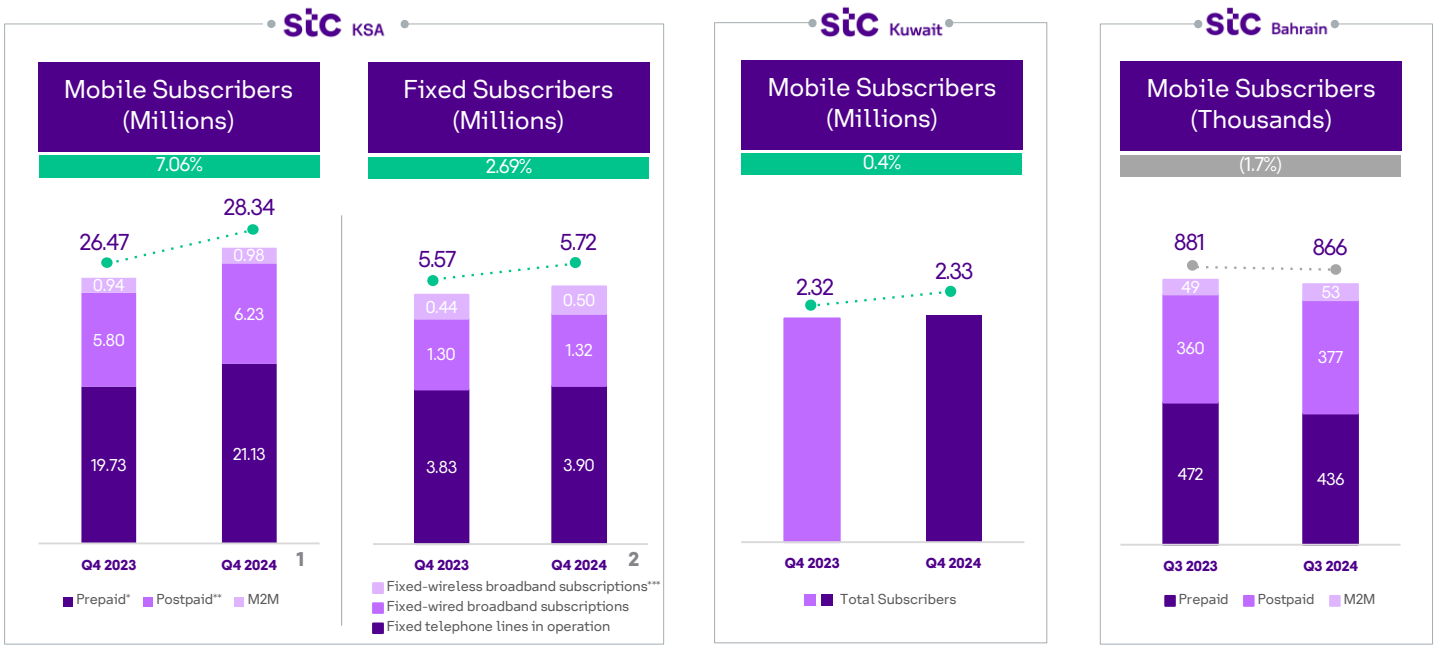


Gross Profit based on segments

For the year 2024 compared to 2023



Subscribers at a Glance



* 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.

Key Highlights

Key News

stc Group Recognized as 9th Most Valuable Telecom Brand Globally and Strongest in the Middle East

stc Group announced its recognition as one of the top 10 most valuable telecom brands globally, as revealed in the latest Brand Finance Report. According to the report, stc Group is now the world's 9th most valuable telecom brand and the strongest brand in the Middle East. For the fifth consecutive year, stc Group has retained its title as the most valuable telecom brand in the Middle East, further demonstrating its commitment to industry leadership and innovation. stc also ranked 3rd among the most valuable brands in the Middle East and 2nd among the most valuable brands in Saudi Arabia with it is brand value increasing by 16% to SAR 60.4 billion in 2024. This recognition solidifies the Group's position as a key player in the global digital economy and underscore its market leadership and strategic efforts to expand its brand presence both locally and internationally.

stc Group Unveiled Latest Update on 9.9% Stake Acquisition in Telefonica

stc Group announced the latest development regarding its acquisition of a 9.9% stake in Telefónica, valued at EUR 2.1 billion (approximately SAR 8.5 billion). On November 28 2024, stc received the foreign investment authorization from the Spanish Council of Ministers, allowing stc to increase its voting rights from 4.97% to 9.97% and granting it the right to appoint a board member in Telefónica. Furthermore, the slight increase in ownership from the previously announced 9.9% to 9.97% is attributed to Telefónica's share cancellation in April 2024. The acquisition of Telefónica represents another milestone in stc Group's expansion and growth strategy, and reflects stc Group's confidence in Telefónica's sustainable growth and upside potential.

stc Group Reveled the Latest Development Regarding the Deal with PIF

stc Group announced on 31st of December 2024, that all procedures for selling 51% stake of stc's shares in TAWAL to PIF have been completed, after obtaining all necessary regulatory and commercial approvals. Additionally, the ownership transfer of Golden Lattice Investment Company (GLIC) to the newly established entity has also been finalized. This development marks a significant step in the collaboration between PIF and stc Group to consolidate TAWAL and GLIC — where PIF holds a majority stake — into a new entity. The newly formed company will emerge as the largest regional player in the telecommunications infrastructure sector, where PIF will hold a 54.38% ownership stake, while stc Group will retain 43.06%, with the remaining issued share capital owned by GLIC's minority shareholders.

stc Group Strengthened it's Position as a Digital Hub

stc Group continued to implement its expansion in the development of data centers and submarine cables, strengthening the kingdom's position as a digital hub in the Middle East. Two strategic projects have catapulted this effort: stc Group's subsidiaries stc Bahrain and center3, have built a state-of-the-art Data Center Park in Bahrain, as part of one of the world's largest submarine cable systems connecting Europe, the Middle East, and Africa. This project, known as "Africa 2 Pearls", will extend over 45,000 kilometers, totaling USD 300 million in investment. These projects complement the Group's investments through center3, the leading provider of international data centers and communications services via submarine cables and it represents a fundamental pillar in the Group's long-term strategy.

stc Group Supports Digital Transformation of Diriyah Project

stc Group has signed a partnership agreement with Diriyah Company to develop the neutral digital infrastructure for the second phase of the Diriyah project. The agreement will see stc Group design, build, and operate a neutral host infrastructure, providing seamless wireless coverage for the culturally rich Saudi hub irrespective of their service provider. By partnering with stc Group, Diriyah Company aims to leverage cutting-edge technology and world-class infrastructure to champion the kingdom's Vision 2030 and strengthen the UNESCO World Heritage Site's transformation into a premier cultural tourism destination. Through its dedicated program 'newtrack', first launched in 2022, stc Group has been a key player in several mega national projects spanning the hospitality, residential, and tourism sectors, solidifying its role as a trusted partner in the development of neutral digital infrastructures.

stc Group Celebrated Success with Agreements at the Global Health Exhibition 2024

stc Group successfully showcased its cutting-edge digital health solutions at the Global Health Exhibition (GHE), forging several notable partnerships poised to significantly advance and strengthen the kingdom's healthcare sector. The exhibition offered an opportunity for government officials, industry experts, and healthcare professionals to come together to discuss transformative investments in Saudi Arabia's healthcare sector. During the exhibition, the Group signed several significant agreements aimed at revolutionizing healthcare across Saudi Arabia. The Group formed agreements with the Ministry of National Guard Health Affairs, NUPCO, Dr. Mohammed AlFaqih Hospital, Almana Hospital and more. stc Group's participation in the Global Health Exhibition 2024 underscores its unwavering commitment to transforming Saudi Arabia's healthcare landscape through innovative digital solutions and strategic partnerships.

stc Group Broke 5G Records During Riyadh Season

stc Group recorded a 61% 5G network usage rate during Riyadh Season in 2024, marking one of the highest utilization rates in history. Using artificial intelligence and advanced infrastructure, stc Group's 5G networks have provided record-breaking connectivity during Saudi Arabia's largest entertainment festival. Moreover, stc Group has partnered with the kingdom's General Entertainment Authority as a Riyadh Season sponsor for the last 5 seasons, which will continue for the next three years. As the platinum sponsor of this iconic annual festival, which features entertainment, cultural events, and global attractions, stc Group is powering the experience with innovative digital solutions, driving world-class connectivity for all attendees.

stc Group Named "Best Middle Eastern Connectivity Provider" at Capacity Europe 2024

stc Group has concluded its participation at Capacity Europe 2024. During the event, stc Group was recognized with two prestigious Global Carrier Awards: Best Sales Team Globally and Best Middle Eastern Connectivity Provider. These accolades reflect the Group's excellence in delivering cutting-edge solutions and reaffirm its position as a leader in the telecom industry. Moreover, stc Group forged a number of new agreements which included an agreement with Cubic Telecom, aiming to enhance connectivity through stc's IoT platforms, APIs, and GSM services. Another Memorandum of Understanding was forged with China Unicom, aimed at bolstering regional connectivity and driving IoT innovation. Furthermore, stc Group earned the GLF Code of Conduct anti-fraud certification for 2024. This achievement underscores stc Group's standards of transparency and integrity in the international carrier industry.

stc Group's 'tali ventures' Leads 10 Million Dollars Investment

tali ventures, stc Group's corporate venture capital arm, and NorthLadder, a leading device trade-in platform in over 10 countries, has announced the successful completion of a USD 10 million Series B investment round. The funding will primarily fuel NorthLadder's global expansion efforts and the continued development of its state-of-the-art trade-in platform. NorthLadder has recently established its European operations in Amsterdam and is poised to launch trade-ins with key partners further across Europe. tali ventures focuses on strategic investments in high-growth companies from early to late-stage. The launch of tali ventures was another milestone in the Group's commitment to driving digital transformation and sustainable growth.

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