

Fact Sheet

Company Profile

Founded in 2003, solutions by stc developed strong operational expertise and market-leading digital solutions in key technology verticals across the IT value chain. This supercharged its strategic ambition to become the digital solutions innovator.

Strategy

solutions by stc's strategy (LEAP) focuses on two main aspects; growth by expansion and efficiency through operational excellence and optimized cost. To achieve this strategy, the Company has adopted business strategies around the following pillars:

- L – **Lead** in managed and professional services
- E – **Expand** product portfolio and market reach
- A – **Advance** customer success and partner ecosystems
- P – **Promote** internal efficiencies and collaboration

Product Offering

The principal activities of the Company are concentrated in the internet and telecommunications service sector:

Core ICT Services, which consists of System Integration; and Communication and Internet.

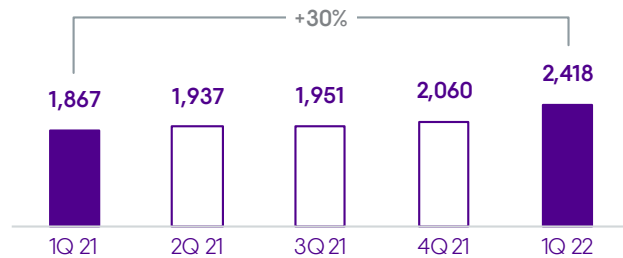
IT Managed and Operational Services, which consists of Outsourcing Services; and Managed Services.

Digital Services, which consists of Cloud Services; Cybersecurity; and Digital Services.

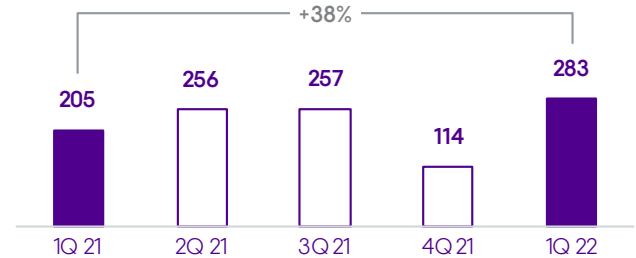
Key Figures SAR (mn)	1Q 2022	1Q 2021	YOY
Revenue	2,418	1,867	+29.6%
Gross profit	494	389	+26.7%
Gross Profit Margin (%)	20.4%	20.9%	+0.45%
EBITDA	368	256	+44.0
EBITDA Margin (%)	15.2%	13.7%	+1.50%
Net Profit	283	205	+37.9%
Net Profit Margin (%)	11.7%	11.0%	+0.71%
Capex	19	41	-55.1%
Free Cash Flow	197	305	-35.9%
Net Debt (Cash)	(1,803)	(898)	+100.7%
ROCE	35.2%	40.2%	-5.07ppts
ROAE	37.9%	36.9%	+1.03ppts

Outlook	FY 2022 Guidance
Revenue Growth	Med-to-high-Single Digit
EBITDA Margin	13.0% to 15.0%
Capex intensity	2.0% - 2.5%

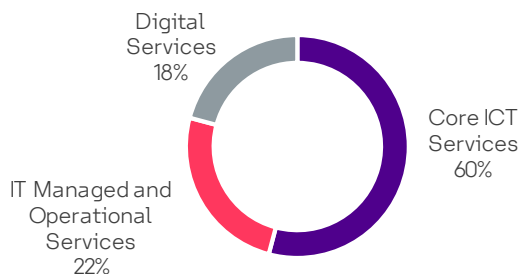
Revenue (SARmn)



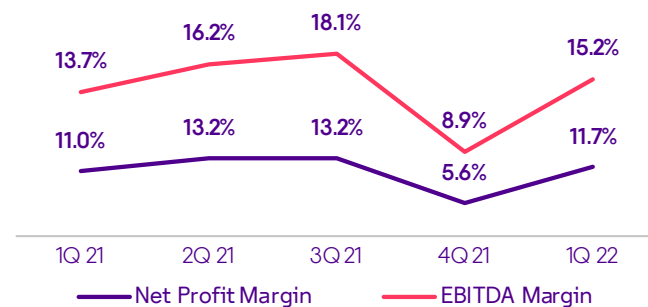
Net Profit (SARmn)



1Q 2022 Revenue Composition by Segment



EBITDA & Net Profit Margins (%)



solutions by stc IPO in September 2021

solutions by stc IPO was one of the most successful local offerings. The IPO order book of institutional investors achieved a coverage ratio exceeding the target by 130 x with a value of SAR 471 billion.

Market Positioning

KSA Pure Play

The majority of solutions revenue is generated in Saudi Arabia

Public & Private Sector

45% of revenue generated from Government, but increasing contribution from private sector

E2E solutions

solutions comprehensive portfolio offers a One-Stop-Shop approach covering the entire IT value chain

Investment Thesis

Leading Market Position in KSA

Clear market leader with consolidation opportunities in the fragmented IT market.

STC Partnership

Unrivalled reach, scalability and synergies in the KSA ICT market.

Asset Light Business

CAPEX intensity ratio of 2.0% and high returns, with ROAE at 40% in 2021.

Dividend

DPS of SAR 4.0 in FY 2021, up from SAR 3.33 in FY 2020.

High FCF Generation

FCF generation almost doubled to SAR1 bn in 2021.

Flexible Balance Sheet

No debt, ample level of cash, and comfortable working capital position.

Looking for additional information?

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solutions by stc - Key Metrics

	SAR
IPO offering price	151.00
Closing Price at 31 Mar 2022	211.00
Closing Price at 20 Apr 2022	225.00
Market Cap 2021 YE	22.6 bn
Price / Earnings 2021 YE	27.1
EV / EBITDA 2021 YE	18.9

Sources: S&P Capital IQ Pro; Tadawul; solutions by stc Financials

solutions share price vs Tadawul (rebased to 100)

