

## Company

# Saudi Telecom Company

## 4Q25 Result Review

## Rating

Buy

## Bloomberg Ticker

STC AB

## Date

25 February 2026

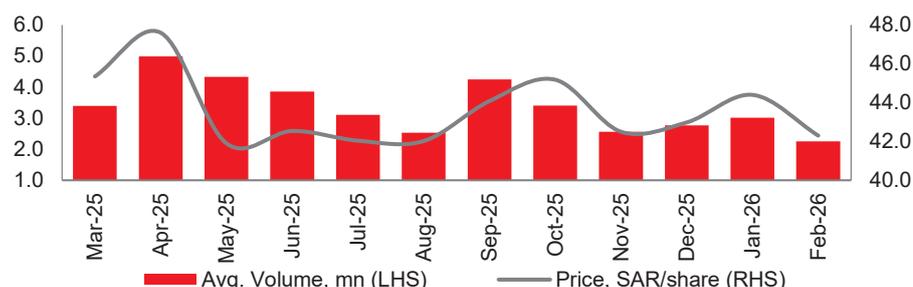
## Results

Target Price SAR	46.8
Total Return	15.7%

Current Market Price (SAR)	42.3
52wk High / Low (SAR)	46.2/40.7
12m Average Vol. (mn)	3.5
Mkt. Cap. (USD/SAR bn)	56/211
Shares Outstanding (mn)	5,000.0
Free Float (%)	38.0
3m ADTV (SAR mn)	119.5
6m ADTV (SAR mn)	132.1
P/E'26e (x)	14.8
EV/EBITDA'26e (x)	8.8
Dividend Yield '26e (%)	5.2%
Price Perf. (1m/3m) (%)	-4.3/-0.6

## Research Department

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## Steady revenue growth

STC's revenue increased steadily, 5% YoY to SAR 19,895mn supported by core telecom operations and continued expansion across digital and infrastructure segments. For FY25, revenue rose 3% YoY to SAR 77,819mn.

## Earnings normalize on YoY basis with strong underlying growth

STC reported net profit attributable to owners of SAR 3,249mn in 4Q25 compared to a loss of SAR 132mn in 4Q24, reflecting normalization in earnings and stronger operating performance. For FY25, net profit decreased 40% YoY to SAR 14,828mn, due to one-off income recorded in FY24. Excluding non-recurring items in both periods, net profit increased 12.5% YoY.

## U-Capital View

STC continues to display solid operating fundamentals supported by stable domestic demand. Further growth is underpinned by strong demand for digital transformation across both private and public sectors. The company also benefits from high-growth segments, such as enterprise, and an expanding ICT portfolio. Accordingly, we have a Buy rating on the stock with a target price of SAR 46.8/share.

For our last report



## Financial Statements

SAR mn	4Q24	1Q25	2Q25	3Q25	4Q25	4Q25e	YoY	QoQ	Var.	FY24	FY25	YoY
<b>P&amp;L</b>												
Revenue	18,996	19,210	19,451	19,264	19,895	19,826	5%	3%	0%	75,893	77,819	3%
Gross Profit	7,948	9,098	9,560	9,251	9,792	8,926	23%	6%	10%	37,326	37,700	1%
Operating Profit	2,275	3,584	3,624	3,627	3,604	3,150	58%	-1%	14%	14,426	14,438	0%
Net Profit (Loss) (Owners)	(132)	3,649	3,823	4,107	3,249	3,149	n.m.	-21%	3%	24,689	14,828	-40%
<b>BS</b>												
Sh. Equity	89,417	91,069	82,699	83,948	83,414		-7%	-1%		89,417	83,414	-7%
<b>Ratios</b>												
Gross Margin	41.8%	47.4%	49.1%	48.0%	49.2%	45.0%				49.2%	48.4%	
Operating Margin	12.0%	18.7%	18.6%	18.8%	18.1%	15.9%				19.0%	18.6%	
Net Profit Margin	-0.7%	19.0%	19.7%	21.3%	16.3%	15.9%				32.5%	19.1%	
EPS, SAR	0.0	0.7	0.8	0.8	0.6	0.6				4.9	3.0	
RoE (TTM)					17.4%							
P/E (TTM)					14.3							
P/Bv					2.5							

Source: Financials, Tadawul, Bloomberg, U Capital Research; n.m. – not meaningful

## Disclaimer

### Recommendation

**BUY**

Greater than +10%

**HOLD**

Between  
0% and +10%

**SELL**

Lower than 0%

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