

# Investment Case

As a regional telecommunications and digital powerhouse, stc provides unique proposition to investors looking to capitalize on the dynamism of the telecom sector and the growth of Saudi Arabia and the Middle East. stc stands out strategically, operationally, technologically and financially, with a clear commitment to diversification and growth to create strong and sustainable value for its shareholders.

## Strategic partner to KSA and market leader

- **Strategic partner to the Kingdom of Saudi Arabia** and service provider of choice for delivering on Vision 2030.
- **Industry champion with strong government links** as stc considered a national flagship company that is 64% government owned and a key contributor to Saudi non-oil GDP and employment.
- **Number 1 in ICT segment in Saudi Arabia** where stc leads the ICT sector as the largest provider of ICT services in the Kingdom of Saudi Arabia.
- **Number 1 in consumer segment in Saudi Arabia** and the market leader in the largest and most dynamic market segment, with comprehensive product suite and superior customer experience.
- **Number 1 in enterprise segment in Saudi Arabia** where stc holds the top position as the leading provider of connectivity services in the Kingdom of Saudi Arabia.

## Digital-first investor mindset

- **Strategy secured by robust investments** in cutting-edge technology, advanced research and development, and human resources.

## Growth and total return champion

- **Top and bottom-line growth** with a resilient capital structure and healthy cash flows providing financial flexibility.
- **Stable dividend policy and attractive yield** reaching 3.96% with commitment to a minimum dividend of SAR 0.40/share/quarter for 3 years (2021-2024).
- **Diversified revenue generation** with multiple revenue streams within core business and non-core business through stc's subsidiaries in the Kingdom of Saudi Arabia and beyond.
- **Most valuable telecom brand** in the region for the 4th year in a row with a value of SAR 52.1 billion\* (USD 13.9 billion).
- **Largest telecom operator in the MENA region** with a market cap of SAR 202 billion\*\* (USD 53.9 billion) and presence in 5 countries.
- **Market leadership in Saudi Arabia** with a 73% market share by revenue in the largest market in the region.

## Strong balance sheet and credit profile

- **One of the lowest leveraged telecom companies globally** with a debt capacity that can be utilized for financing new projects/acquisitions.
- **Healthy balance sheet and cash flow** with a solid financial position and sufficient cash balance.
- **Strong credit ratings** from several rating agencies: Fitch – A+, S&P – A, Moody's – A1 and Tasneef – AAA.

## Leader in digital infrastructure

- **Commitment to be at the forefront** of technological innovation and deliver best-in-class digital infrastructure that will enhance the customer experience.
- **Largest digital infrastructure provider and enabler in Saudi Arabia** owing to the strong investment in digital infrastructure, including but not limited to data centers, FTTx, submarine cables and 5G.
- **Largest towers portfolio** with more than 21,000 towers distributed across the Kingdom of Saudi Arabia, Bulgaria, Croatia, Slovenia and Pakistan.

## Corporate governance role model

- **Striving to be a role model** of corporate governance, compliance and control for international and local companies.
- **Solid governance and ethical excellence** through the promotion of responsible business practices, the upholding of human rights and the cultivation of a culture rooted in trust.

## Socially responsible

- **Deeply ingrained culture of social responsibility and sustainability** that is backed by initiatives, which support the UN's SDG goals.
- **Community development flagship initiatives** where stc's broad portfolio of community investments directly supports several UN SDGs and continues to advance progress towards the national visions of all the countries within which stc operates.

\*Brand Finance \*\* As at 31 December 2023