

# Commercial Unit

stc's Commercial Unit has, yet again, achieved exceptional growth in 2023, capitalizing on a positive macroeconomic outlook, continued influx of expats, fiber deployment and growing opportunities on adjacent services. The Commercial Unit maintained its growth trajectory, outperforming the market while maintaining a premium value positioning and sustaining market growth by leveraging its ever-improving experience, service quality and analytics-powered go-to-market engine.

2023 was a landmark year for the Commercial Unit in capturing the benefits of its analytics engine and growing its capabilities' depth and breadth. The Unit's leadership further integrated an agile and empowering management set-up, and data-driven decision-making frameworks. It also evolved its top-tier digital capabilities and journeys, customer experience, and tailoring and targeting capabilities. Amongst other achievements, this resulted in the lowest-ever churn rates, the most active base on mystc app, and the highest-ever qitaf base and NPS scores; all the while, optimizing its spending.

On **mobility services**, the Unit was able to maintain market leadership by leveraging advanced analytics, elevated experience and network-leadership, and value-driven, segment-specific offerings and go-to-market. Indeed, its new go-to-market engine – enabled with next-gen analytics and intelligence across communications, sales, fulfillment, base management and loyalty management – was instrumental to its growth.

For instance, the Unit leveraged its refreshed go-to-market to capture a higher than ever share of the influx of tourists, and Hajj and Umrah visitors. It is noteworthy that it achieved this despite key market pressures, such as new mobile virtual network operators' (MVNO) intensifying competition in some of its key segments. Overall, 2023 was a successful year for mobility services, with growth in the base and uplifted attachment to bundles, setting the stage for another year of solid progress.

In **fixed services**, the Unit was able to maintain its positive momentum this year, through growth in high-speed broadband plans – covering both fiber to the home (FTTH) and flexible working arrangement (FWA) – base management stimulation uplifting average revenue



per user (ARPU), and attachment to multi-play, higher-value plans and targeted migration of the legacy copper base to high-speed broadband technologies.

It also leveraged re-enacted fiber deployment, evolving open access models and a refreshed portfolio to uplift its pace of growth. Overall, it recorded impressive growth on FTTH and FWA, despite intensifying competition and regulatory pressure. Indeed, it is growing faster than the market, increasing a readily healthy market share and boosting its base, thus establishing the foundation for continued growth in the future.

With respect to the Unit's **adjacent services**, it delivered a robust performance in 2023, achieving new heights across digital media streaming, gaming and eSports, consumer IoT and smart home, consumer electronics, logistics and distribution. On digital media, it delivered unprecedented growth in its stc tv active base, growing almost 2.3-fold, through a state-of-the-art platform and user experience, solid content portfolio and a repowered go-to-market push through bundling. It also achieved impressive growth on stc play over the last year, with a significant rise in registrations and engagement. In parallel, it has increased its stc play capabilities to better monetize its base and capture its fair share in the expanding gaming and eSports market to establish itself as a key player in the ecosystem.

The Unit also expanded its devices portfolio to cover a wide range of consumer electronics, with impressive growth in gaming, IoT and smart home devices. It focused on uplifting consumer electronics after-sales service customer journeys with trade-in, repair, insurance and

other value-added services. It was able to mitigate multiple risks on its consumer electronics business, such as supply chain disruptions, through its exceptional relationships with manufacturers and suppliers.

On **logistics**, it substantially expanded its client base and its capabilities, doubling the number of last-mile deliveries for new clients. Lastly, it boosted its local and regional distribution capabilities, and capitalized on the launch of new MVNOs in the Kingdom to grow its distribution business.

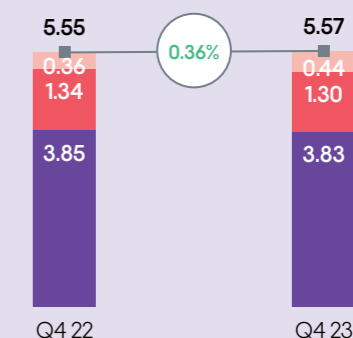
## Commercial Unit in 2024

Building on an exceptional performance in 2023, the Commercial Unit has big aspirations for the year ahead. It is on track to become the consumer's go-to digital lifestyle provider. It is already the outright leader in the core telecom market, holding a higher value base, and it is well positioned to maintain its leadership through a best-in-class proposition, experience, analytics and go-to-market.

The Unit will grow its adjacencies to build a resilient future and be the consumer's provider of choice across consumer electronics, media streaming, gaming and eSports. It will continue growing its capabilities and commercializing them in the Kingdom and beyond. It has a solid foundation and a flawless track record to realize stc's DARE 2.0 strategy objectives and optimize shareholders' returns.

## Fixed subscribers

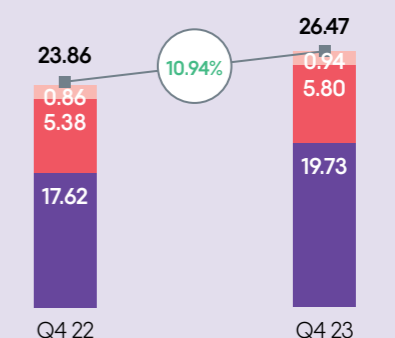
(million)



Fixed-wireless broadband subscriptions  
Fixed-wired broadband subscriptions  
Fixed telephone lines in operation

## Mobile subscribers

(million)



Prepaid Postpaid M2M

## Awards and recognitions



Awarded by  
**CST**