

CFO's Review

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We invest with a long-term focus to drive sustainable growth and value creation. Our strategy is anchored in disciplined execution, supporting consistent growth while enhancing operational efficiency.



Mr. Khalid Fahad Almayouf
Chief Financial Officer

This year marked an exceptional period for Kuwait Telecommunications Company (stc), as the company's financial and operational results reflected the strength of the financial pillars underpinning its corporate strategy and its ability to deliver sustainable financial growth in a highly competitive and rapidly evolving business environment. stc also demonstrated its ability to keep pace with the latest developments in the telecommunications and information technology sector by strengthening its solid infrastructure through the launch of 5G Advanced, enabling higher speeds, improved operational efficiency, and broader support for advanced applications and artificial intelligence technologies. This performance was driven by a balanced financial approach that combines a clear long-term vision, disciplined execution, and a strong focus on creating long-term value.

During the year, stc maintained its position as a leading player in the telecom and ICT sectors, continuing its efforts to enhance operational efficiency, elevate service quality, and allocate financial resources toward carefully selected strategic priorities. These efforts further strengthened the company's financial position and supported its ability to deliver sustainable, profitable growth.

As part of our digital transformation journey, stc has advanced the deployment of intelligent financial dashboards to provide real-time, predictive insights for faster and more informed decision-making. These dashboards leverage automation, advanced analytics, and AI-driven forecasting to move beyond static reporting toward proactive performance management for delivering value creation.

In this statement, I am pleased to present the key financial achievements for 2025, the key pillars that contributed to these strong results, and an overview of our financial priorities for the periods ahead.

Financial Performance

In the first year of implementing its corporate strategy, "r.e.a.c.h", Kuwait Telecommunications Company (stc) delivered sustainable growth by successfully translating its strategic priorities into tangible results, despite a rapidly evolving and highly competitive operating environment. This was achieved through a strong focus on service quality, the enhancement of the Consumer segment's product and service portfolio, and the execution of several strategic partnerships aimed at accelerating expansion in the Enterprise segment. stc's solid financial performance was characterized by strong returns, healthy profit margins, and robust revenue growth, whereby total revenue reached KD 342.5 million in 2025, representing a growth

rate of 1.8% compared to the previous year. This performance was driven by the contribution of the Consumer segment, which accounted for 78% of total revenue, alongside the Enterprise segment, which contributed 22% of total revenue, highlighting a well-balanced revenue mix for the financial year ended 31 December 2025.

In addition, EBITDA reached its highest level in several years, amounting to KD 93.5 million in 2025, representing a 9.6% year-on-year increase. EBITDA margin expanded to 27.3%, compared to 25.3% in 2024, reflecting improved operational efficiency and disciplined cost management.

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With 9.6% YoY growth, stc records the highest level of EBITDA, positively reflecting on earnings and supporting sustainable growth.

This performance was supported by the continuous enhancement of the company's business model and the expansion of its portfolio of solutions and services, contributing to enhanced profitability, improved operational efficiency, a stronger financial position, and an increased revenue market share.

This strong operational performance translated directly into improved profitability, with net profit reaching KD 34.1 million (earnings per share of 34 fils) in 2025, representing a growth of 8.7% compared to KD 31.4 million (earnings per share of 31 fils) in the previous year. This improvement was driven by the balanced performance across the company's business segments, prudent cost management, and stc's continued focus on strengthening its operations and expanding strategic investments.

stc successfully achieved its financial targets and maintained robust cash flows. This reflects the efficiency of operational performance and the quality of earnings, providing the company with the confidence to maintain a dividend payout ratio aligned with shareholders' expectations.

The above results are supported by the credit control framework's advancements done in 2025, which enhances collection efficiency, supports healthier cash flows, and reinforces financial resilience. By leveraging data-driven insights and predictive risk models, we are building a more robust credit ecosystem that aligns with our long-term growth strategy and ensures sustainable revenue performance.



A strengthened credit control framework that boosts collection effectiveness, supports robust cash flows, and enhances overall financial stability.

The results also demonstrate stc's financial stability, especially following the implementation of the OECD Pillar Two global minimum tax framework in 2025, under which stc Kuwait is subject to a 15% minimum effective tax rate on profits generated in Kuwait.

Capital expenditure during the year amounted to KD 51.8 million, representing 15.1% of total revenues. The company continued to direct its investments toward network development and the enhancement of its digital infrastructure through the launch of 5G Advanced, supporting operational readiness and long-term sustainable growth.

The company maintained a robust financial position, with total assets reaching KD 479.0 million and shareholders' equity at KD 239.6 million as of December 2025. Its low debt level and conservative leverage further underscore financial resilience and capacity to fund future strategic objectives.

Financial Pillars of the Growth Strategy

Building on these results, Kuwait Telecommunications Company (stc) continued to make tangible progress in 2025 within the framework of its corporate strategy, which serves as the key driver of its financial performance. This framework has enabled the alignment of financial decision-making with long-term strategic

priorities, supported Kuwait's digital transformation agenda, and delivered sustainable growth founded on discipline and efficiency.

From a financial perspective, the "r.e.a.c.h." strategy is centered on efficient capital allocation, enhancing revenue quality, and strengthening discipline in cost and investment management. This integrated financial approach was clearly reflected in the company's performance during the year, contributing to improved profitability, higher capital efficiency, and a more resilient financial position across all business segments.

stc and the Investment Community

The financial performance delivered by Kuwait Telecommunications Company (stc) in 2025 reflected growing confidence from the investment community, as the company's share price recorded a notable total YTD return of +34.8% as of 31st December 2025. This performance reflects investors' positive outlook on the strength of the company's financial position, the clarity of its strategy, and its ability to generate sustainable long-term value. It also reflects stc's position among companies listed on the Premier market of Boursa Kuwait, as well as its inclusion in the global equity indices of MSCI and FTSE Russell.



stc's share derives its strength from the robustness of the company's financial performance and its strict adherence to best governance practices, reinforcing investor confidence and supporting sustainable growth.

This strong momentum enhanced the attractiveness of the company's shares to a broader investor base, including growing interest from foreign investors, reflecting increased confidence in stc's commitment to the highest standards of governance, transparency, and compliance, alongside disciplined financial management and balanced operational performance. Supported by robust cash flows and solid financial liquidity, stc

continued to deliver added value and sustainable returns aligned with shareholders' expectations. Accordingly, the Board of Directors recommended the distribution of a cash dividend of 38 fils per share for the year ended 31 December 2025, subject to the approval of the company's Ordinary General Assembly.

Moving Forward Toward a Promising Future

Kuwait Telecommunications Company (stc) looks ahead to further strengthening its financial resilience and maintaining a balanced financial structure through the optimal allocation of its financial resources in support of its digital transformation journey. stc continues to move forward with confidence into the next phase, reinforced by disciplined financial foundations and a clear vision for sustainable growth, anchored in the core pillars of its corporate strategy. This strategy focuses on enhancing the quality of growth across both the Consumer and Enterprise segments through targeted investments in core services, digital solutions, and leveraging artificial intelligence to enhance productivity, strengthen data-driven decision-making, and unlock new revenue streams across both Consumer and Enterprise segments.

stc's objectives include expanding the implementation of artificial intelligence across its operational processes and digital services to enhance operational efficiency, drive sustainable growth, and create long-term added value for its shareholders, in line with its strategic priorities and evolving market requirements.

We remain firmly committed to the highest standards of corporate governance, financial disclosure, and regulatory compliance, while strengthening engagement with the investment community to foster mutual trust. This commitment reinforces stc's position as a trusted investment partner in the telecom and ICT sector. Looking ahead, we will continue to build on our solid financial foundations to deliver sustainable growth and long-term value. In closing, I extend my sincere appreciation to the Board of Directors, executive management, employees, and our shareholders for their trust and unwavering support.

Mr. Khalid Fahad Almayouf

Chief Financial Officer