

SAL Achieves Record-Breaking 2024 Results with 30% Net Profit Growth, Strengthening its Leadership in Logistics

Jeddah, 19 February 2025 – SAL Saudi Logistics Services Co. (Ticker: 4263.SR), Saudi Arabia’s leading logistics and supply chain solutions provider, announced its financial results for the year ending 31 December 2024, showcasing a year of remarkable growth.

Revenue

increased by 12% to SAR 1.63 billion (FY2023: SAR 1.46 billion) due to solid performance in both of our divisions.

Net Profit

surged by 30% to SAR 661 million, driven by strong organic growth and operational efficiencies.

Operating Profit (EBIT)

grew by 21% to SAR 709 million, with an EBIT margin of 43.4%.

Earnings per Share (EPS)

rose to SAR 8.27 from SAR 6.37 in 2023.

Adjusted Free Cash Flow

reached SAR 724 million, reflecting robust financial discipline.

Handling volumes

increased by 20%, with significant courier air cargo growth contributing to this achievement.





Performance in 2024

The geopolitical developments in the region at the beginning of 2024 introduced challenges for the logistics sector. Despite these hurdles, SAL's Handling division identified and capitalized on market opportunities, leading to substantial growth in Q1 air cargo volumes.

As the year progressed, the Kingdom's Vision 2030 initiatives and Saudi Arabia's expanding role as a global logistics hub further fueled growth. Handling volumes increased by 20%, driven by a surge in courier activity.

The company's Logistics division also grew during the period. It added organic growth of 15% and impressively grew its EBIT margin to 8.4%, up from 6.8% in 2023. This was mainly due to logistics services for high-profile events like Riyadh Season and F1, demonstrating their capability to manage complex and large-scale operations.

This momentum enabled SAL to achieve 12% revenue growth, reaching SAR 1.63 billion, and achieving a record operating profit (EBIT) of SAR 709 million, reflecting a 21% increase over last year.

Additionally, effective cost control measures, savings from major lease terminal rentals, and finance income from short-term murabaha deposits strengthened the company's financial performance. As a result, SAL posted a net profit of SAR 661 million, reflecting a 30% increase over the previous year.

In 2024, SAL also executed several strategic projects, including expanding its Road Feeder Service (RFS) network across Saudi Arabia and securing long-term contracts such as a 20-year lease agreement to develop air cargo facilities at King Khaled International Airport in Riyadh.

SAL continued to strengthen its digital infrastructure, leveraging advanced technologies to optimize workflows and enhance customer service. These initiatives contributed to a seamless and efficient logistics experience, reinforcing SAL's leadership in the Saudi logistics market while expanding its service portfolio.

These strategic advancements reinforce SAL's commitment to maintaining its leadership position while positioning the company for sustained growth in 2025 and beyond.

Omar Talal Hariri, CEO of SAL, commented:

"2024 was an extraordinary year for SAL, marked by record-breaking financial performance and significant operational milestones. These exceptional achievements are a testament to the strength of our strategic initiatives, the unwavering dedication and team spirit of our workforce, and the resilience of our business model. The unparalleled quality of work delivered by our team has been instrumental in driving our success. As we look ahead to 2025, we remain steadfast in our commitment to fostering innovation, operational excellence, and value creation. Together, we aim to contribute to Saudi Arabia's Vision 2030 ambitions, showcasing our role as a key player in the nation's transformative journey."



Five-Year Achievements

	2024 SAR million	2023 SAR million	2022 SAR million	2021 SAR million	2020 SAR million
Operational Performance					
Revenue	1,634	1,456	1,223	962	847
EBITDA	815	721	545	455	410
Operating Profit (EBIT)	709	586	427	345	312
Profit for the year	661	510	362	276	238
Balance Sheet					
Net Working Capital	221	173	130	134	(404)
Property and Equipment	720	709	705	659	555
Right-of-use Asset	523	886	1,213	1,284	1,348
Intangible Assets	12	14	14	15	17
Total Assets	3,232	3,285	3,284	3,173	2,926
Total Equity	1,402	1,234	1,073	962	803
Total Liabilities	1,830	2,051	2,210	2,211	2,123
Cash Flow					
Net Cash Generated from Operating Activities	736	644	556	309	440
Capital Expenditures (CAPEX)	72	73	98	148	227
Adjusted Free Cash Flow	724	599	458	161	213
Dividends Paid	494	352	255	100	-
Ratios					
EBIT Margin	43.4%	40.3%	34.9%	35.9%	36.8%
Net Working Capital (NWC) as a % of Revenue	14%	12%	11%	14%	-48%
Return on Invested Capital (ROIC)	35%	32%	27%	24%	39%
Return on Equity (ROE)	47%	41%	34%	29%	30%
Net Interest-Bearing Debt (NIBD) (millions)	(745)	(607)	(440)	(372)	(715)
Leverage Ratio (NIBD/EBITDA)	-0.9x	-0.8x	-0.8x	-0.8x	-1.7x

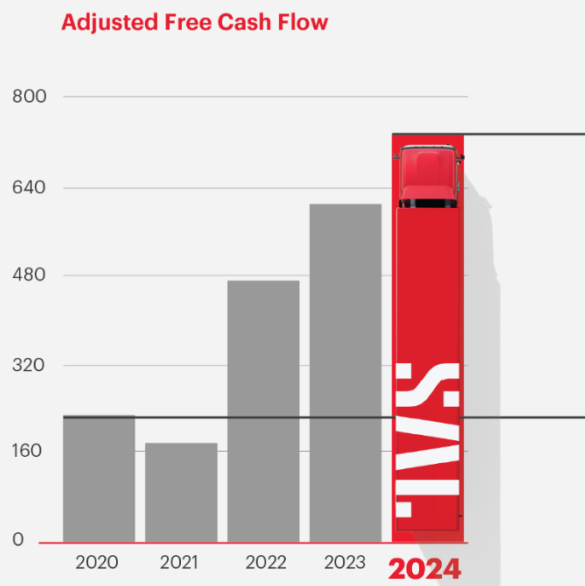
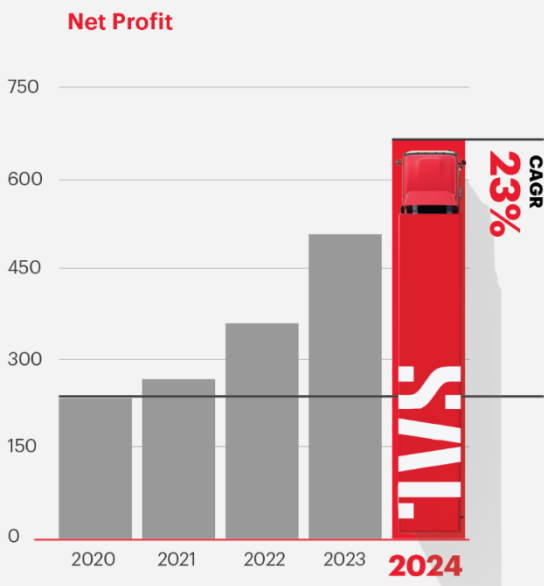
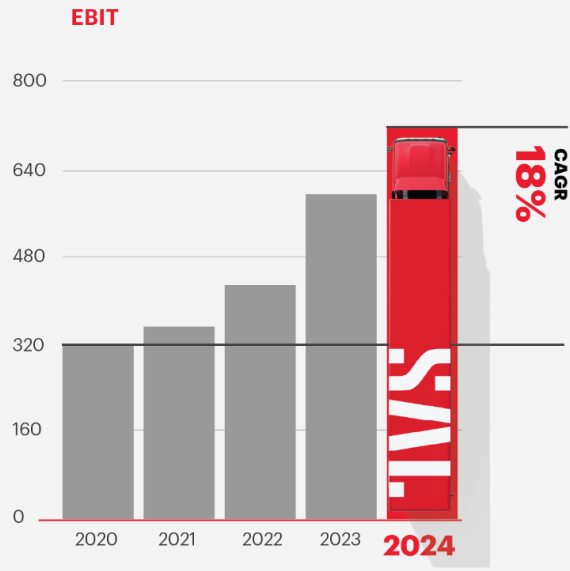
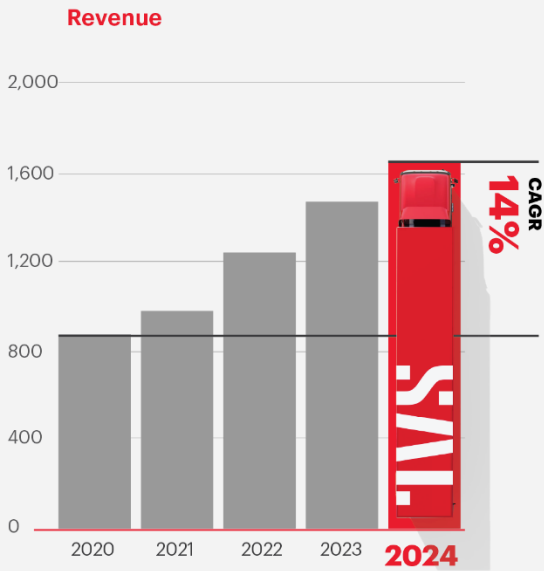
Over the past five years, SAL's revenue has nearly doubled from SAR 847 million in 2020 to SAR 1.634 billion in 2024, representing a compound annual growth rate (CAGR) of 14%. Net profit grew from SAR 238 million in 2020 to SAR 661 million in 2024, representing a CAGR of 22.7%. This growth showcases the effectiveness of SAL's strategic initiatives and commitment to operational excellence.

EBIT has shown consistent growth during this period, increasing from SAR 312 million in 2020 to SAR 709 million in 2024, while the EBIT margin has improved from 36.8% to 43.4%, underscoring enhanced operational efficiencies. These results highlight SAL's ability to navigate a competitive landscape while achieving record levels of profitability.

Adjusted free cash flow also reached a record high of SAR 724 million in 2024, reflecting disciplined financial management, releasing tied-up working capital, and a focus on maximizing shareholder value.

During this time, capital expenditures (CAPEX) were managed, enabling SAL to maintain a strong liquidity position while investing strategically in growth initiatives. Notably, SAL's robust cash generation has also supported increased dividend payouts, reaching SAR 494 million in 2024.

This remarkable performance was driven by the company's strategic focus on operational excellence, innovation, and diversification. Over the past five years, SAL has significantly expanded its market share, particularly in high-growth segments such as specialized cargo, courier, and specialized logistics services. Investments in advanced technologies and streamlined processes have further reinforced its position as the national logistics champion of Saudi Arabia. Additionally, SAL's commitment to sustainability and alignment with Vision 2030 have ensured long-term growth and resilience in a rapidly evolving logistics environment.





Handling Division

Full year revenue increased to SAR 1.36 billion, up 12% from SAR 1.22 billion in 2023, illustrating strong growth and operational efficiencies, on 20% volume growth in 2024. The volume growth was mainly driven by a high Q1 volume peak and impressive 30% increased courier volumes. The division did experience some market challenges, especially during the second half of the year.

Despite market fluctuations, we achieved an impressive full-year operating profit (EBIT) of SAR 687 million, marking a remarkable 20% increase from the previous year's SAR 570 million. Our EBIT margin climbed to 50.4%, reflecting our steadfast commitment to operational excellence and efficiency compared to 2023. The Handling division's annual results demonstrated a robust growth trajectory and is poised for continued growth, while maintaining dedication to further enhancing operational efficiencies.

Handling	2024 SAR million	2023 SAR million	Variance
Revenue	1,363	1,220	12%
Operating profit (EBIT)	687	570	20%
EBIT Margin	50.4%	46.7%	3.7pp
KGs millions	972	810	20%



Logistics Division

The Logistics division demonstrated significant growth, with total revenue in 2024 reaching SAR 271 million, a remarkable 15% organic increase from 2023. This upward trend in revenue is a testament to the diversification strategy of SAL, positively unfolding as planned.

The annual EBIT increased to a total of SAR 23 million for 2024, which is a 41% increase from SAR 16 million in 2023, due to 35% air freight volume growth and positive impact from recovery of aged receivables. The EBIT margin has improved to 8.4% from 6.8% in the previous year, showcasing a positive trend in profitability over the year, mostly due to diversifying the client base and new verticals.

The Division also increased its warehousing capacity during 2024 and is targeting more capacity in 2025.

Overall annual performance reflects strong growth in revenue and improved profitability, and the logistics sector remains a key portion of SAL's growth strategy.

Logistics	2024 SAR million	2023 SAR million	Variance
Revenue	271	236	15%
Operating profit (EBIT)	23	16	41%
EBIT Margin	8.4%	6.8%	1.6pp



Operating Environment and Strategic Vision

Saudi Arabia's Vision 2030 and the National Transport and Logistics Strategy (NTLS) have provided a strong foundation for SAL's growth. The logistics sector is transforming rapidly, with the Kingdom emerging as a global logistics hub connecting Asia, Europe, and Africa. This growth is further driven by rising demand in the air cargo, e-commerce, and specialized logistics markets, including healthcare and pharmaceuticals.

SAL's strategic roadmap focuses on diversification, innovation, and operational excellence. By expanding into high-potential markets and enhancing its core services, SAL is positioned to capture opportunities while managing risks effectively. The company's commitment to sustainability, advanced technologies, and customer-centric solutions underpins its leadership in the logistics sector.

SAL operates in a dynamic market with a blend of opportunities and risks that shape its strategic approach:

Key Opportunities:

- **Market Growth:** Double-digit growth in Saudi Arabia's air cargo and e-commerce sectors presents a significant opportunity for expansion.
- **Sector Expansion:** The growing demand for specialized logistics solutions, particularly in pharmaceuticals and other high-value segments, aligns with SAL's strategic goals.
- **Financial Strength:** SAL's strong financial foundation, underscored by consistent revenue growth and cash flow generation, provides the agility to invest in expansion and innovation.

Key Risks:

- **Competition:** Intensifying competition in the logistics sector could impact pricing and market share.
- **Macroeconomic and Geopolitical Uncertainty:** Global supply chain disruptions and economic slowdowns can impact trade volumes.
- **Cybersecurity:** The increasing reliance on digital infrastructure heightens the importance of robust cybersecurity measures.

SAL mitigates these risks through continuous monitoring, strategic investments, and proactive risk management strategies, ensuring its resilience in an evolving logistics landscape.



2025 Outlook

We are optimistic about the prospects for 2025 while recognizing that 2024 was an exceptional year that set a high benchmark for us to build upon. The Handling Unit anticipates volume growth, aligning with global air cargo trends, while the Logistics Unit aims to grow at a pace exceeding global GDP forecasts. SAL remains focused on enhancing operational efficiencies, driving profitable growth, and exploring potential inorganic opportunities as they arise.



Dividend Announcement

SAL announced today its Board of Directors decision to distribute dividends of SAR 1.33 per share for Q4 2024 (Q3 2024: SAR 1.45 per share), reflecting SAL's commitment to delivering value to shareholders.



Integrated Annual Report

SAL's first Integrated Annual Report that will be released later in February, marks a significant step in aligning our reporting with the IFRS Foundation's Integrated Reporting Framework. This report integrates financial and sustainability disclosures to provide a concise yet comprehensive view of how we create value over time. With a digital-first approach, the report will be available in an interactive HTML format, ensuring seamless access for stakeholders, along with its fully interactive PDF twin.



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About SAL Saudi Logistics Services Co.

SAL Saudi Logistics Services Co. (Ticker: 4263.SR) is the leading logistics services provider in Saudi Arabia, specializing in air cargo handling, ground handling, and logistics solutions. With operations spanning key airports and logistics hubs across the Kingdom, SAL plays a crucial role in facilitating trade and connectivity in the region. The company is committed to innovation, operational excellence, and sustainable business practices, ensuring seamless and efficient logistics services to airlines, freight forwarders, and other industry stakeholders. SAL continues to expand its network and enhance its service offerings, reinforcing its position as a key enabler of Saudi Arabia's Vision 2030 logistics ambitions. For more information, visit www.sal.sa.

Glossary

Return on Invested Capital (ROIC):

Calculated as EBIT divided by the sum of Debt and Equity (ROIC = EBIT / (Debt + Equity)).

Cash Ratio:

A liquidity measure defined as Cash & Cash Equivalents divided by Total Current Liabilities (Cash Ratio = Cash & Cash Equiv. / Total Current Liabilities).

Net Interest-Bearing Debt (NIBD):

Defined as Long-Term Loans minus Cash & Cash Equiv. (NIBD = LT Loan – Cash & Cash Equiv.).

Adjusted Free Cash Flow:

Free Cash Flow adjusted for Murabaha time deposits, reflecting the company's available cash after capital expenditures and strategic investments.

Net Working Capital (NWC):

The difference between Current Assets (excluding Cash and Cash & Cash Equiv.) and Current Liabilities (excluding Current Lease Liabilities and Current LT Loan).

(NWC = Current Assets (less Cash and Cash Equivalents) – Current Liabilities and (less Current Lease Liabilities and Current LT Loan).

Volumes:

Defined as air cargo handled and billed by SAL Handling division at its national stations, which is a total of all imports, exports and transit volumes.

Disclaimer

This press release contains forward-looking statements, which are based on current assumptions and forecasts made by SAL's management. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Factors that could impact future results include, but are not limited to, changes in market conditions, macroeconomic developments, geopolitical factors, and regulatory changes. SAL assumes no obligation to update these forward-looking statements or to adjust them to future events or developments. Readers are cautioned not to place undue reliance on these statements.