

SAL achieves ﷲ 153 million net profit in Q1 2025 and advances logistics growth strategy

Jeddah, 13 May 2025 – SAL Saudi Logistics Services Company (“SAL” or “the Company”) (Ticker: TADAWUL 4263), Saudi Arabia’s leading cargo handling player and logistics solutions provider, today announced its financial results for the three-month period ended 31 March 2025.

Revenue

ﷲ 384 million

Operating Margin

43.0%

Net Profit

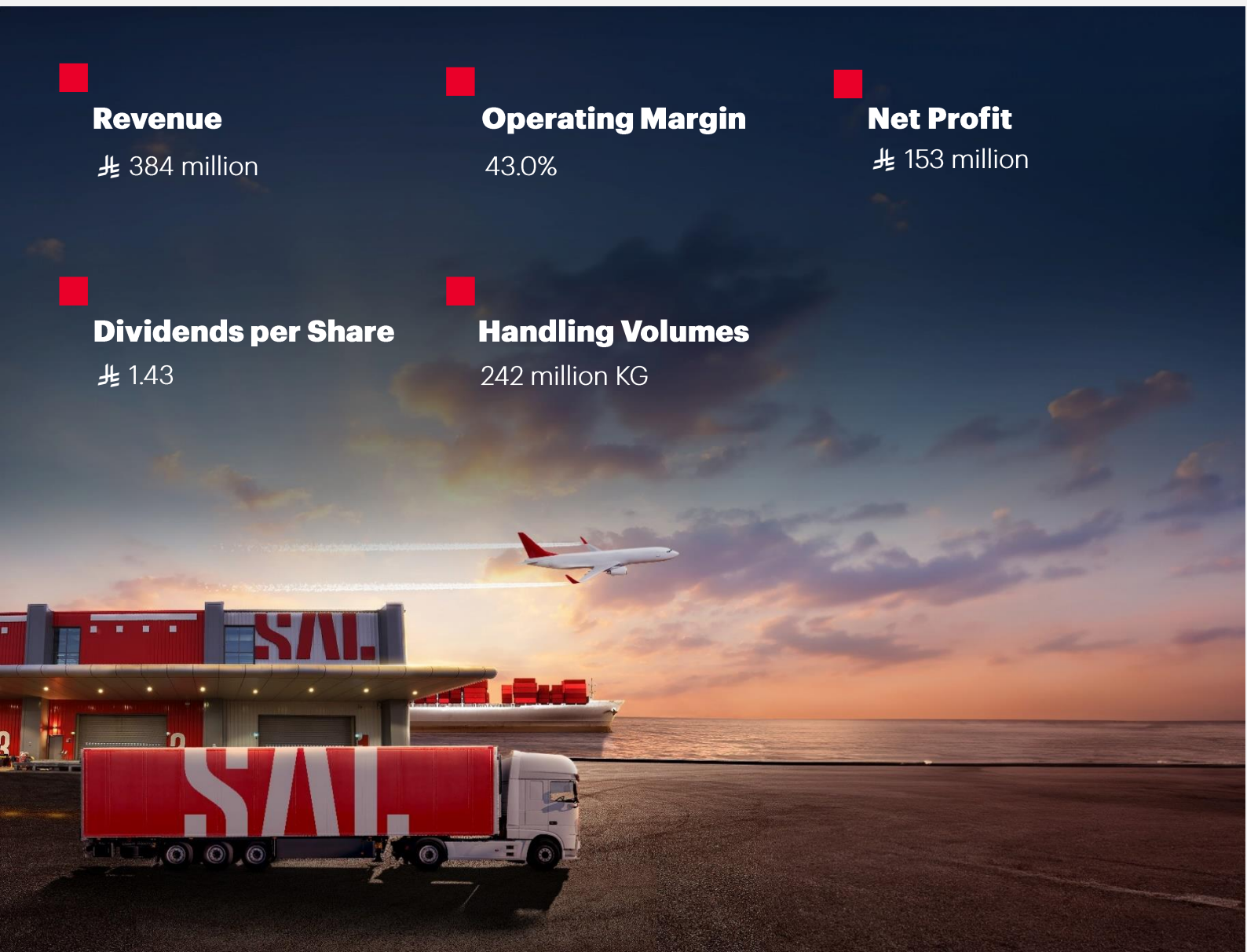
ﷲ 153 million

Dividends per Share

ﷲ 1.43

Handling Volumes

242 million KG



Highlights for Q1 2025

- SAL delivered a strong performance with stable margins, during a year with lower cargo volumes, mainly driven by volume normalization compared to last year's exceptional peak, and changes in product mix.
- The Handling division continues to play a pivotal role in revenue contribution, further supported by growing e-commerce demand.
- In the Logistics division, SAL has proactively strengthened its business, including prudent credit risk provisioning and introducing more capacity in fulfillment operations. Further to this, we launched the SAL Logistics Zone in northern Riyadh, investing ﷲ 4 billion which aligns both our growth strategy for the Division and the goals of Vision 2030.
- The Company affirmed its commitment to distributing dividends to shareholders, with the Board of Directors recommending a distribution of ﷲ 114.4 million for the first quarter.



Omar bin Talal Hariri, Chief Executive Officer of SAL, commented:

"The results of the first quarter of 2025 reflect the strength, resilience, and efficiency of our operations, as we navigate a gradual return to stabilized indicators. Although a decline in volumes compared to an exceptional period last year, we maintained our operational discipline and our leading position in cargo handling, which enabled the division to continue being a key contributor to profitability, supported by stable operations and our customers' trust in our services. We continue to work on enhancing performance in the logistics division, focusing on growth and increasing market share, with full confidence in the division's long-term potential. We look ahead with optimism to the next phase of our growth strategy through the SAL Logistics Zone project in Falcon City, Riyadh, with an investment of ﷲ 4 billion. This project represents a strategic transformation that will boost the division's growth, aligns with the Vision 2030 objectives, and positions SAL ideally to seize the tremendous opportunities offered by the growing logistics sector in the Kingdom. As we continue to strengthen our core capabilities, we remain committed to investing in sustainable growth while maintaining our focus on delivering long-term value to our customers and shareholders."



Haydar Ucar, Chief Financial Officer of SAL, commented:

"SAL delivered resilient financial results in the first quarter of 2025, preserving profit margins, managing costs, and managing a healthy balance sheet, in spite of slightly lower volumes compared to last year's uncharacteristic spike. We maintained a healthy EBIT margin, preserved liquidity, and continued to generate positive cashflows. Our proactive financial management, including our investment strategy and working capital optimization, has reinforced the Company's resilience. As we look ahead, we are focused on driving operational efficiency, supporting strategic expansion initiatives, and maintaining a strong foundation for sustainable growth and generating more value for our shareholders."



Revenue and Profitability

SAL delivered strong financial performance in Q1 2025, reflecting the resilience of its core business and disciplined cost management, in spite of a relative decline in shipment volumes compared to the same period last year.

Revenue for Q1 2025 totalled of ₪384 million, compared to ₪453 million in Q1 2024, representing a year-on-year decrease of 15%. The decline was due to a reduction of 6% in shipment volumes and seasonality differences impacting the Company's product mix. However, the rapid and continuing growth in e-commerce demand helped mitigate the impact.

Profit for the period	Q1 2025 ₪ Million	Q1 2024 ₪ Million	Variance	Q4 2024 ₪ Million	Variance
Revenue	384	453	-15%	409	-6%
Operating Profit (EBIT)	165	228	-28%	155	6%
Operating Margin %	43.0%	50.3%	-7.4pp	37.9%	5.1pp
Profit for the period	153	208	-27%	142	8%
EPS	1.91	2.61	-27%	1.78	8%

Operating profit (EBIT) stood at ₪165 million, compared to ₪228 million in the same period last year, resulting in an **operating profit margin** of 43.0%, down from 50.3% a year earlier. The decline was primarily attributed to lower handling volumes as well as a one-off provisioning for accounts receivable, implemented as part of a proactive approach to credit risk management.

Despite the drop, the operating profit margin improved on a quarterly basis from 37.9% in Q4 2024 to 43.0% in Q1 2025, supported by enhanced operational efficiency, as well as accounting for temporary credit provisioning and positive one-offs.

Net profit for the quarter reached ₪153 million, compared to ₪208 million in Q1 2024 and ₪142 million in Q4 2024. Earnings per share (EPS) stood at ₪1.91, compared to ₪2.61 in the same period last year and ₪1.78 in the previous quarter. This reflects the strength of SAL's core business and the resilience of its performance while experiencing market fluctuations.



Cash Flow and Balance Sheet

SAL preserved a strong cash position and further strengthened its balance sheet, supported by continued robust liquidity through disciplined cash flow management.

Operating cash flow amounted to ₪39 million in the first quarter of 2025, compared to ₪158 million in the prior-year period. Adjusted free cash flow was ₪25 million, down from ₪127 million a year earlier. Capital expenditure (CAPEX) decreased to ₪15 million from ₪31 million, with investments primarily focused on design and planning activities for the Company's long-term strategic projects.

Balance Sheet	Q1 2025 ₪ Million	Q1 2024 ₪ Million	Variance
Net Working Capital	329	273	20%
Property and Equipment	725	724	0%
Right-of-Use Assets	532	887	-40%
Intangible Assets	11	13	-20%
Total Assets	3,186	3,354	-5%
Total Equity	1,449	1,322	10%
Total Liabilities	1,737	2,033	-15%

Cash Flow	Q1 2025 ₪ Million	Q1 2024 ₪ Million	Variance
Net Cash Generated from Operations	39	158	-75%
Capital Expenditures (CAPEX)	15	31	-52%
Adjusted Free Cash Flow	25	127	-81%
Dividends paid	106	121	-12%

Net debt improved by 13% year-over-year, reaching ₪-662 million, compared to ₪-586 million in Q1 2024, reinforcing the Company's ability to grow with agility. Additionally, shareholders' equity increased by 10%, while liabilities decreased by 15%.

Net working capital rose to ₪-329 million, marking a 20% increase year-over-year, driven by a reduction in short-term liabilities - particularly the settlement of annual lease payments. These improvements reflect a sustainable approach to working capital management, enhanced cash collection cycles, and support for long-term growth.

Over the past five quarters, SAL has demonstrated gradual and disciplined improvement in net working capital, reflecting ongoing advancements in operational efficiency and strategic balance sheet management.



Dividend Announcement

SAL's Board of Directors recommended an ordinary cash dividend of ﷲ114.4 million for the first quarter of 2025, subject to approval by the General Assembly. This equates to ﷲ1.43 per share, compared to ﷲ1.76 per share in Q1 2024. The recommendation reflects the Company's ongoing commitment to enhancing shareholder value.



Earnings Call

An earnings call will be held to discuss the financial results with analysts and investors at 3:30 PM (KSA) on May 20, 2025. Interested investors are encouraged to contact the Investor Relations department for participation details.

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About SAL Saudi Logistics Services Co.

SAL Saudi Logistics Services Co. (Ticker: TADAWUL 4263) 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

Net Working Capital (NWC):

The difference between Current Assets (excluding Cash) and Current Liabilities (excluding Lease Liabilities and Long-Term Loans)

(NWC = Current Assets (less Cash) – Current Liabilities (less Lease Liabilities and Long-Term Loans)).

Adjusted Free Cash Flow:

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

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.