SAL

تعلن شركة سال السعودية للخدمات اللوجستية عن تنظيمها لقاءً هاتفياً لمناقشة النتائج المالية الأولية للفترة المنتهية في 31 مارس 2025 (ثلاثة أشهر) مع المستثمرين والمحللين الماليين

SAL Saudi Logistics Services Co. announces that it has conducted an earnings call to discuss the interim financial results for the period ending on 31 March 2025 (Three Months) with investors and financial analysts

Item	Explanation	توضيح	بند
Announcement Details	SAL Saudi Logistics Services Co. announces that it has conducted an earnings call to discuss the financial results for the period ending on 31 March 2025 (Three Months), with investors and financial analysts on 20 May 2025, where the executive management presented the latest efforts and achievements during the period. Inquiries of all analysts and investors from inside and outside the kingdom of Saudi Arabia were discussed during the call. The earnings call presentation is attached.	تعلن شركة سال السعودية للخدمات اللوجستية عن قيامها بتنظيم لقاء هاتفي مع المستثمرين والمحللين الماليين لمناقشة النتائج المالية الأولية للفترة المنتهية في 31 مارس 2025 (ثلاثة أشهر)، وذلك بتاريخ 20 مايو 2025م، الموافق 22 ذو القعدة 1446هـ، حيث استعرضت الإدارة التنفيذية أبرز الجهود والإنجازات التي تمت خلال الفترة. تم خلال اللقاء الهاتفي مناقشة جميع استفسارات المحللين والمستثمرين من داخل وخارج المملكة العربية السعودية. مرفق العرض المقدم في اللقاء الهاتفي.	تفاصيل الإعلان

Q1 2025 Earnings Presentation

Building for the Future with Resilience and Strategic Clarity

Disclaimer

This presentation contains forward-looking statements that reflect the current views and expectations of SAL Saudi Logistics Services Co's management based on available information. These statements are inherently subject to risks, uncertainties, and changes in circumstances that could cause actual results to differ materially from those projected or implied. Factors such as economic conditions, regulatory changes, market developments, and competitive dynamics may impact SAL's performance and prospects.

This presentation is intended solely for informational purposes and should not be construed as investment advice, a recommendation, or an offer to buy or sell securities. SAL assumes no obligation to update forward-looking statements to reflect future events or circumstances. Readers and attendees are advised to exercise caution and not place undue reliance on these statements when making investment decisions.

Omar Talal Hariri
Chief Executive Officer

Haydar Ucar
Chief Financial Officer

Amer Abu Obeid
President SAL Ground Handling

Ranjeev Menon
President SAL Logistics

Q1 2025 Executive Summary

Resilient Core Performance

- Demonstrated **core business strength and cost discipline** despite a slight dip in volume (resulting from last year's uncharacteristic spike) and changes in product mix.
- Growing **e-commerce demand** is a key growth driver.
- Cargo handling continued to be a strong contributor **underpinned by stability** and **customer confidence**

Maintaining Stable Margins

- Q-o-Q EBIT margin improvement to 43% reflects **operational discipline** and **agility**
- **Lower cargo volumes**, a one-off receivables and provision for aged receivables

Transformative Investment in the Future

- A transformative **investment to drive future growth** following announcement of new ⃁4 billion SAL Logistics Zone in Falcon City
- Agreements signed with **Sela Company** and **Shareek Program**

Logistics Division Primed for Growth

- Division positioned for **long-term** growth
- **Initiated expansion plans** of warehousing capacity in Riyadh

SAL

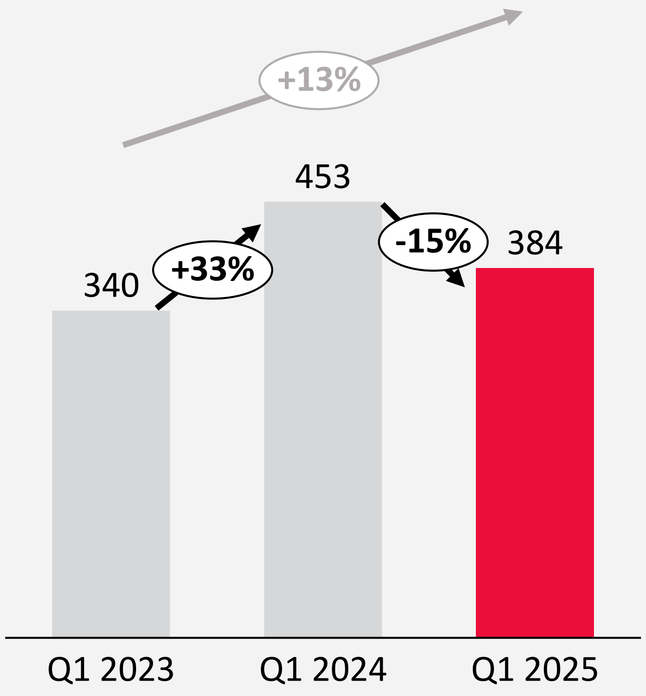
Financial Highlights

Delivering value through market fluctuations - strong profit, stable margins, strategic reinvestment

Revenue:

- ⃁ 384 million (↓15% YoY)
- Excluding last year's extraordinary spike, longer term revenue remains on a consistent upward trajectory

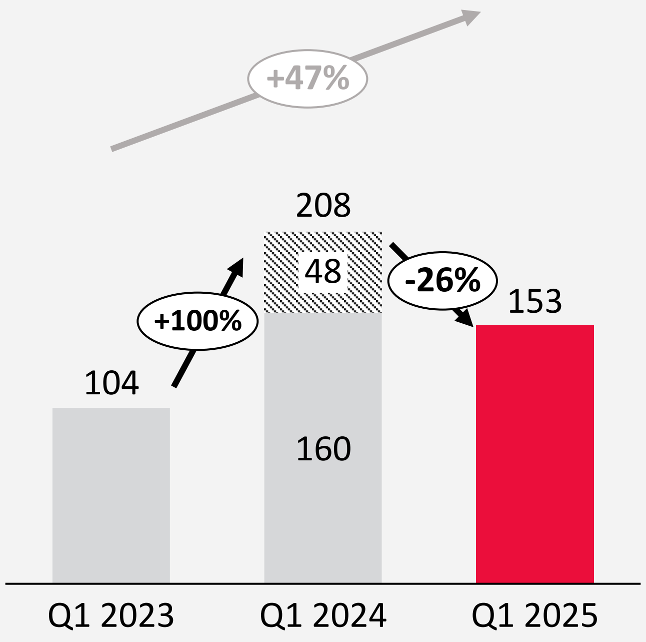
Revenue (⃁ Million)



Net Profit:

- ⃁ 153 million (↓ 26% YoY)
- Solid profitability and resilient performance

Net Profit (⃁ Million)

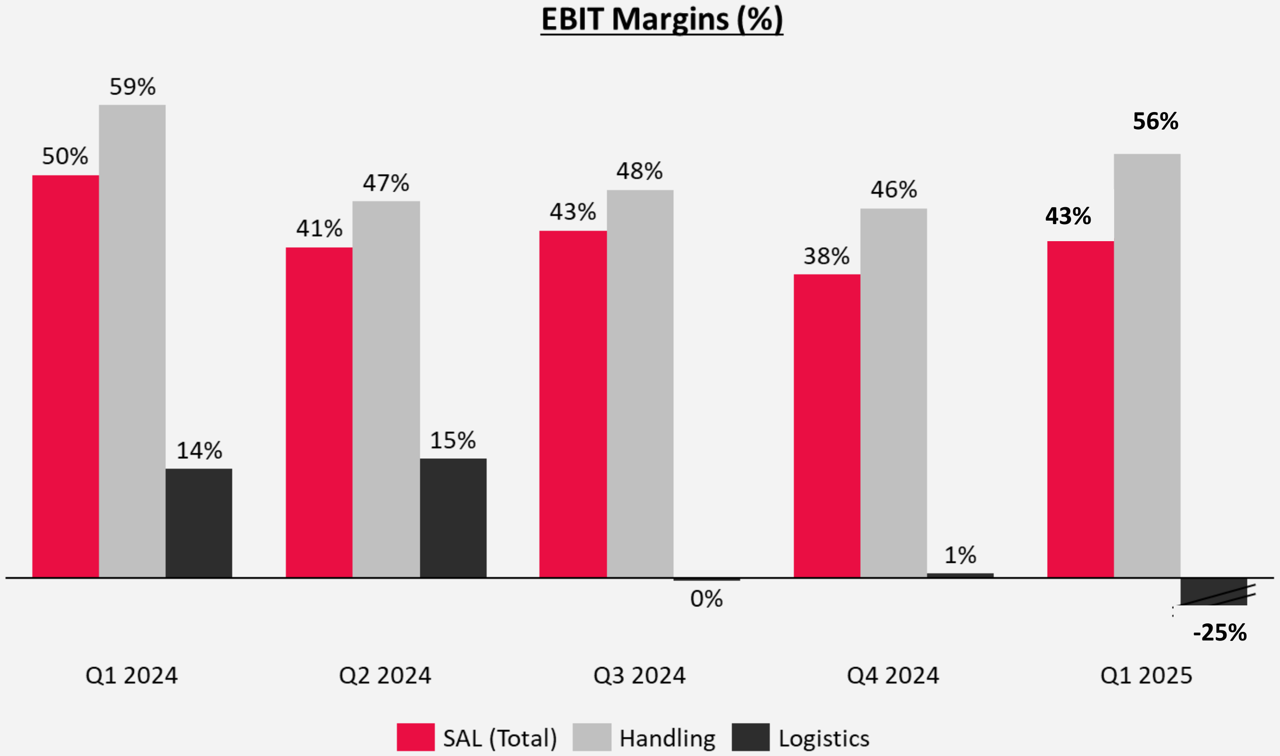


Financial Highlights

Margins improve quarter-on-quarter; signaling efficiency gains and earnings resilience

Consistently Delivering Strong and Resilient Margins

- **Performance** reflects resilient fundamentals and operational discipline, effectively managing a slight volume decline and seasonal shifts in the product mix.
- **Enhanced efficiencies** as well as tailwind from some **positive one-offs** drove Q-o-Q increase
- **Logistics**: Committed to growing our Logistics division
- **Handling**: Handling margin on solid trajectory



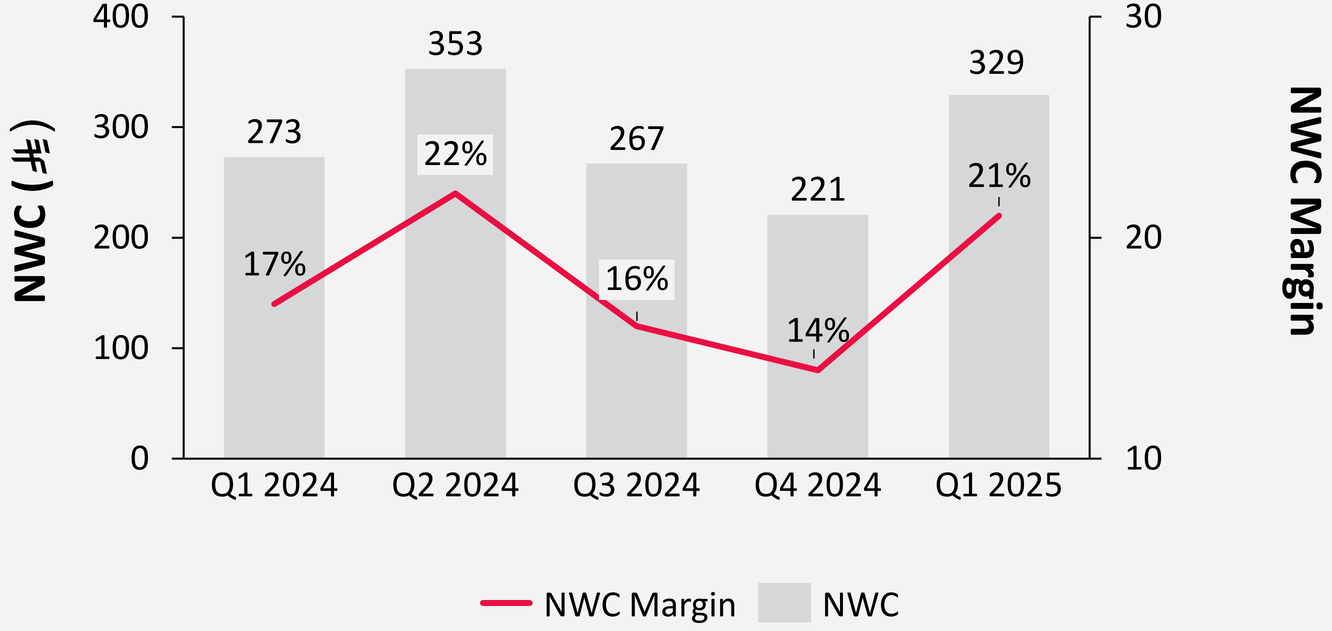
Financial Highlights

Stronger net working capital reinforces balance sheet resilience and strategic flexibility

Continued Practical Approach to Working Capital Management

- Over the last five quarters, SAL has exhibited a disciplined and **sustained improvement in net working capital**
- Improvement driven by **enhancements in operational execution** and strategic balance sheet management
- **Trend underscores ongoing efforts** to optimize liquidity, enhance cash conversion cycles, and support sustainable growth

NWC & Margin



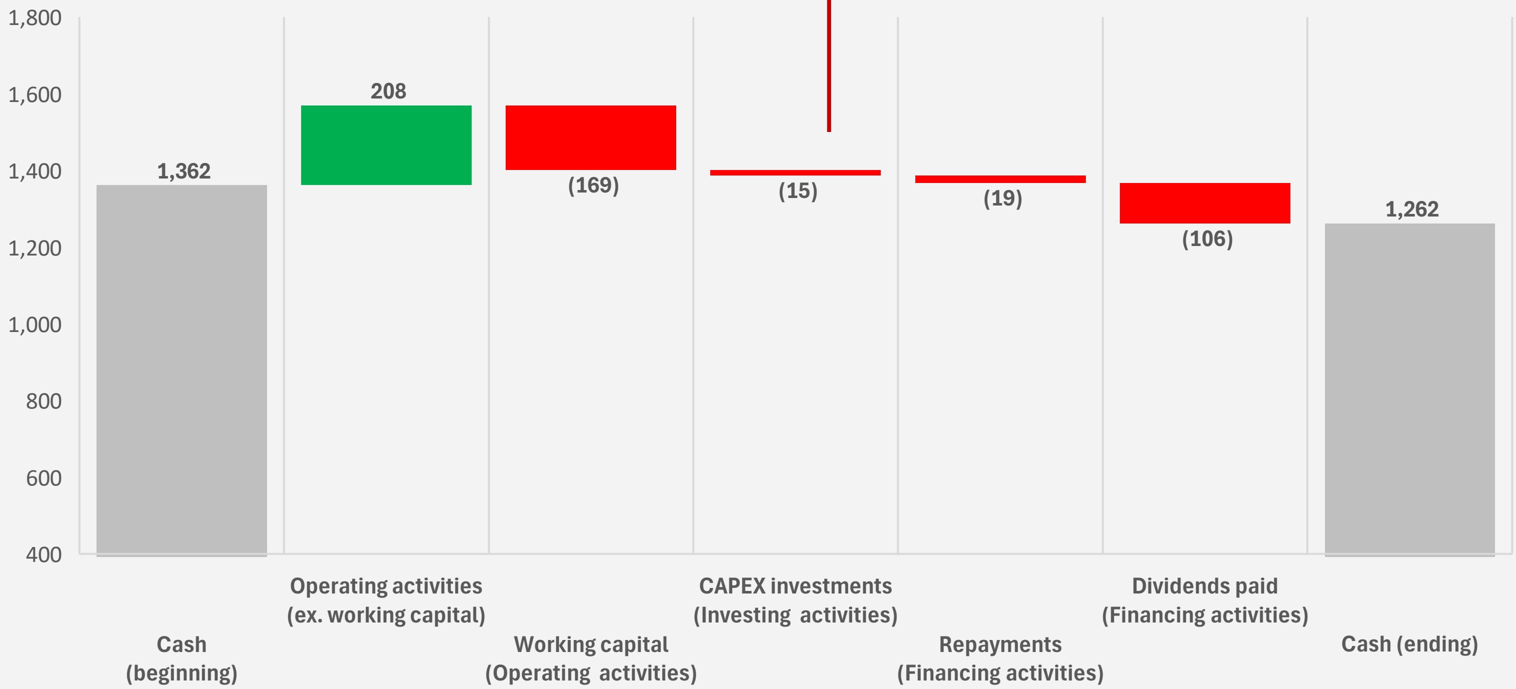
Financial Highlights

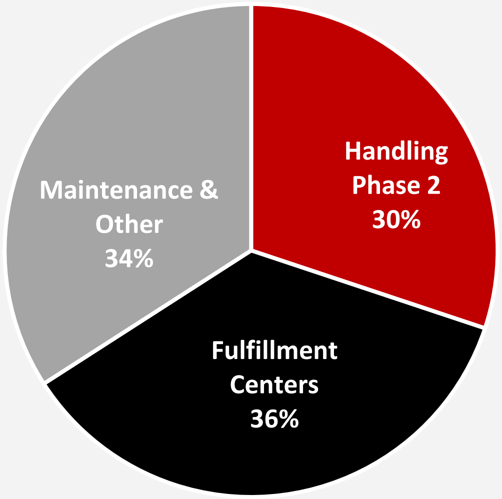
Disciplined capital allocation sustains healthy cash flows in a dynamic market

Maintenance of strong cash position

- SAL maintains a **strong net cash position** of ⃁662 million
- Solid cash generation from operations, with adjusted FCF at ⃁25 million **backed by robust margins**
- **Robust balance sheet and improvement in net debt** enabling investments in future growth

Movements in Cash Flows (⃁ Million)





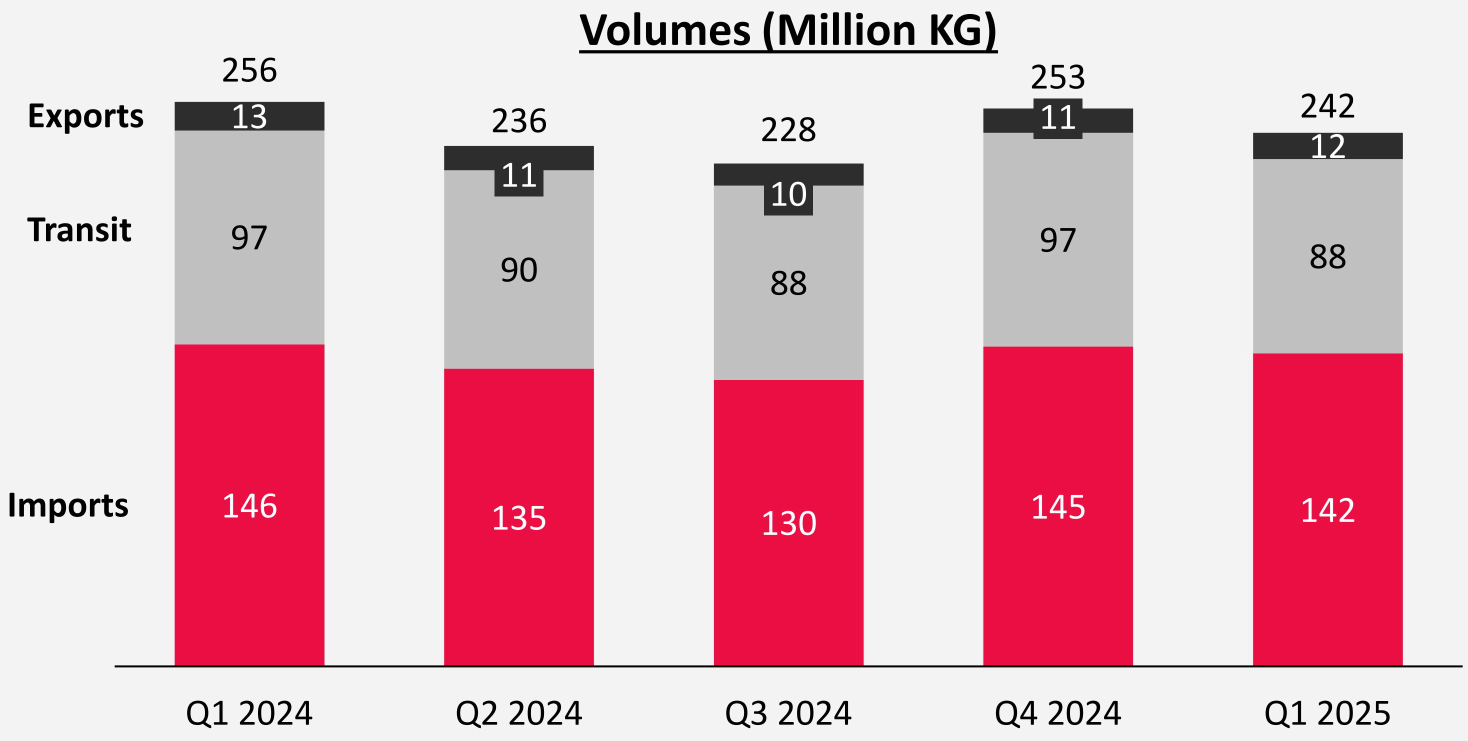
Handling Division

Comprehensive air cargo and ground handling services across Saudi Arabia's major airports.

With **state-of-the-art facilities** and real-time tracking, we ensure efficient cargo processing, courier handling, transit operations, and seamless airline logistics support.

Handling Division

Volume shifts reflect structural normalization; SAL adapts with stable imports and transit volumes and rising e-commerce demand



Analysis

- 242 million KG handled in Q1 2025, down 6% YoY.
- Decline was anticipated and primarily driven by reduced transit volumes.
- Import and Export volumes remained stable.
- E-commerce continues to drive overall volume and market share.
- Performance highlights the resilience and adaptability of SAL's core Handling division.

Handling Division

Resilient performance underpinned by stability, e-commerce demand, and customer confidence

Revenue:
⃁322 million
(↓ 12% YoY)

EBIT:
⃁181 million
(↓ 16% YoY)

EBIT Margin:
56.1%
(Down from 59.1%)

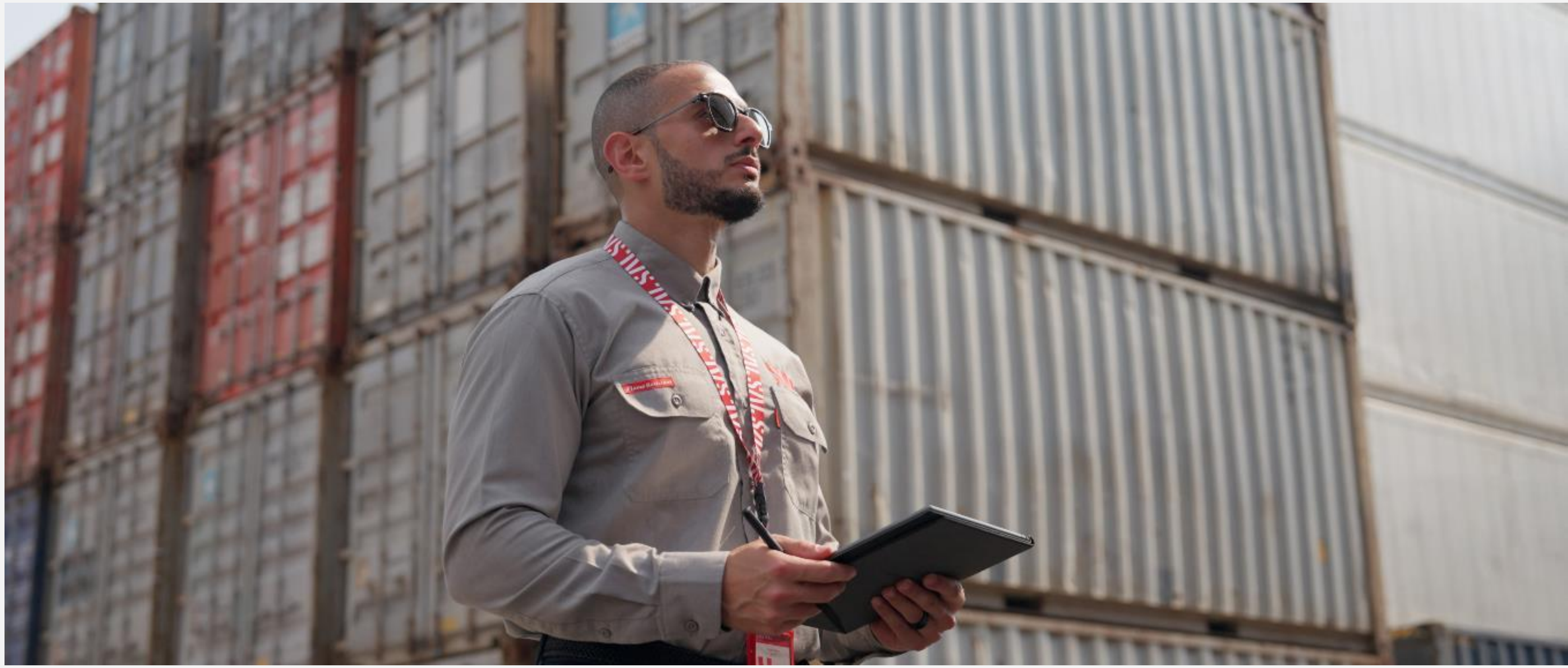
Maintained Margins Despite Short Term Headwinds

- Handling revenue: ⃁ 322M (↓12% YoY) but EBIT margin at 56.1%, showing resilience.
- E-commerce volumes helped offset softer import.
- Protected land-side revenues while renegotiating air-side pricing.
- Export volumes remained flat YoY, aligning with non-oil trade growth targets.

Logistics Division

Integrated supply chain solutions, including first-mile and last-mile delivery, warehousing, customs clearance, and freight forwarding.

Using **digital innovations** and **optimized processes**, we ensure fast, reliable, and cost-efficient cargo movement across key logistics hubs.



Logistics Division

Navigating near-term challenges while advancing foundations for long-term growth

Revenue:
⃁ 62 million
(-28% YoY)

EBIT:
⃁ -16 million
(Down from ⃁12 mio.)

EBIT Margin:
-25.0%
(Down from +13.6%)

Short-Term Headwinds	⃁62 million revenue, EBIT loss of ⃁ -16 million mainly due to **proactive credit provisioning** and fewer projects compared to the same period last tear due to schedule changes (e.g., F1 in April 2025 vs. March 2024)
Foundation for Long-Term Growth	**Execution of new fulfillment centers** represent long-term strategic capacity. Transformation driven by **executive refresh** (New President of Logistics) and ⃁ **4bn Logistics Zone**.

SAL Logistics Zone

Expanding into immense opportunities from Saudi logistics growth ambitions

Opportunity

- 80% of warehousing customers still operate in-house (non-outsourced)
- SAL Logistics Zone aims to attract these traditionally non-trading customers
- Onboarding non-3PL clients unlocks cross-sell potential across SAL services

Value Creation

- Long-term customer retention driven by zone infrastructure
- Typical zone contracts range 3 to 5 years with high switching costs

Goal

- Shift market share from internal operations to outsourced, integrated logistics with SAL as the partner of choice

2025 Outlook

Handling Division:
single digit volume growth and continued investment in capabilities and efficiency

Logistics Division:
Topline Growth exceeding global GDP. Short term strain while investing in growth

We enter the next phase operationally positioned and financially disciplined for a strong 2025 and over the longer-term increasing strategical alignment with Saudi Arabia's vision of being a global logistics hub.

Thank you for your time and we look forward to seeing you all at our Capital Markets Day in Q3 2025.


Q&A
SAL
The National Logistics Champion

We Appreciate Your Time and Engagement.
The Journey Continues – See You at Our Next Dispatch!