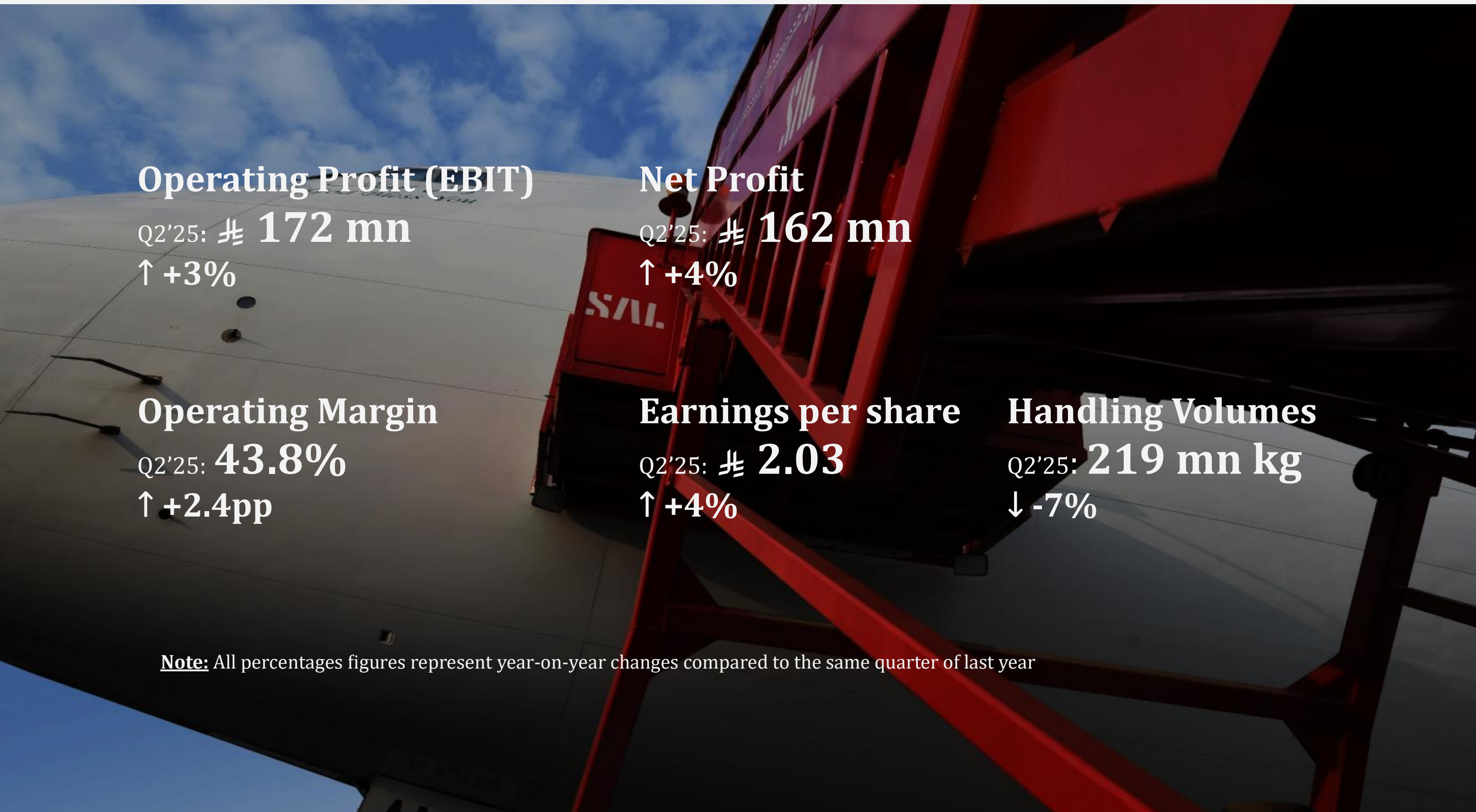
SAL Delivers ⃁ 162 million Q2 2025 Net Profit Growing 4% Year-on-Year as Margins Expand

JEDDAH, 7 August 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 second quarter and six-month period ended 30 June 2025.

2nd Quarter 2025 Highlights

- **SAL delivered robust profitability gains**, during a softer volume environment. Performance was driven by strategic margin expansion, a sharpened commercial approach, and disciplined cost management.
- **The Handling Division** maintained stable revenues and improved margins, supported by enhanced service offerings, a leaner operating model, continued operational excellence, digital initiatives and commercial wins from major long-term contracts.
- **The Logistics Division** remained positioned for long-term growth amid a softer Q2 backdrop, with early signs of margin recovery and continued progress on product, vertical, and infrastructure development.
- **Ongoing investments** in infrastructure and capabilities, including the SAL Logistics Zone, and Jeddah terminal expansion, further positioning the business for sustainable growth.



Operating Profit (EBIT)
Q2'25: ⃁ **172 mn**
↑ +3%

Net Profit
Q2'25: ⃁ **162 mn**
↑ +4%

Operating Margin
Q2'25: **43.8%**
↑ +2.4pp

Earnings per share
Q2'25: ⃁ **2.03**
↑ +4%

Handling Volumes
Q2'25: **219 mn kg**
↓ -7%

Note: All percentages figures represent year-on-year changes compared to the same quarter of last year

Omar bin Talal Hariri

Chief Executive Officer of SAL, commented:

"During the second quarter of 2025, SAL encouragingly delivered a solid financial and operational performance, achieving a 4% year-on-year increase in net profit and a 2.4 percentage point improvement in operating margin, underscoring our ability to deliver earnings growth resiliently.

Moreover, the first half of 2025 reflected the strength and versatility of SAL's integrated platform. We maintained profitability and strategic momentum across the business, despite softer cargo volumes and a volatile operating landscape shaped by the geopolitical tensions and evolving airline dynamics.

Handling delivered a resilient performance, supported by an enhanced commercial strategy and highly efficient operational discipline. On the Logistics side, we focused on long-term capability building, progressing infrastructure projects, sharpening our product strategy, and laying the foundation for future scale.

Looking ahead, we maintain a positive outlook for the remainder of the year. Demand for integrated logistics solutions continues to grow, fueled by the rise of e-commerce, accelerating industrial activity, and greater regional connectivity. As we transition from strategy to delivery, SAL remains committed to supporting the Kingdom's vision of becoming a global logistics hub, leveraging more than ⃁ 5 billion in strategic investments to support this transformation."

Haydar Ucar

Chief Financial Officer of SAL, commented:

"In the second quarter of 2025, we continued to navigate a planned transition within our Logistics division, with encouraging early signs of margin recovery by the end of the quarter. Meanwhile, our Handling division sustained strong performance, with margin expansion supported by a more favorable service mix and consistent results across core clients.

Our results for the first half of the year reflect effective financial stewardship and robust operational control. While softer volumes and the evolution of our Logistics business posed challenges to top-line growth, we achieved meaningful margin improvements, particularly in the Handling division, driven by enhanced service offerings, strong client retention, and a leaner operational model.

We continued to strengthen our balance sheet through disciplined working capital management and improved operational cash flow. This positions us to deploy capital with precision - funding infrastructure build-out, supporting logistics capability development, and preserving financial flexibility as we scale the business for sustainable long-term growth."

Revenue and Profitability: Resilient Profitability and Strategic Progress While Softer Volumes in the Period

Q2 results reflect SAL's ability to navigate macro headwinds, including regional airspace disruptions and a soft events logistics calendar, while advancing its transformation strategy. **Revenue for Q2 2025 reached ⃁ 394 million**, compared to ⃁ 405 million in the same period last year, representing a 3% decrease. This was primarily driven by a softer events calendar impacting the Logistics Division, and partially by the lower cargo volumes due to slower seasonality, regional geopolitical tensions, resulting in airspace closure and flight diversions. In the **first half of 2025, revenue totalled ⃁ 778 million**, down 9% from ⃁ 858 million in the same period last year, mainly due to timing differences in project activity for Logistics, alongside the normalization of handling volumes following the exceptionally high base of Q1 2024, which was driven by the supply chain disruptions on the Red Sea.

	Q2 2025 ⃁ Million	Q2 2024 ⃁ Million	Variance	H1 2025 ⃁ Million	H1 2024 ⃁ Million	Variance
Revenue	394	405	-3%	778	858	-9%
Operating Profit (EBIT)	172	168	3%	337	395	-15%
Operating Margin %	*43.8%*	*41.3%*	*2.4pp*	*43.4%*	*46.1%*	*-2.7pp*
Net Profit	162	155	4%	315	364	-13%
EPS	2.03	1.94	4%	3.94	4.55	-13%

Operating profit (EBIT) in Q2 stood at ⃁ 172 million, compared to ⃁ 168 million in the same period last year, resulting in an **Operating profit (EBIT) margin of 43.8%, up 2.4 percentage points year-on-year.** This performance was attributed to enhanced commercial execution, service mix improvements in Handling, and continued cost discipline across the business. **In H1 2025, EBIT reached ⃁ 337 million**, compared to ⃁ 395 million in H1 2024, with an **EBIT margin of 43.4%, reflecting a 2.7 percentage point** decline, as the business normalized following the exceptionally high base in 2024 driven by the Red Sea supply chain disruptions.

Net profit for the quarter grew 4% year-on-year reaching ⃁ 162 million, compared to ⃁ 155 million in Q2 2024, with **earnings per share (EPS) increasing to ⃁ 2.03** from ⃁ 1.94 in the prior-year period underscoring SAL's effective margin management and earnings resilience while in a softer volume environment. **H1 Net profit declined 13% year-on-year to ⃁ 315 million** primarily due to a subdued Q1 shaped by volume headwinds and a slower ramp-up in the Logistics Division, which is undergoing a planned transition toward long-term, sustainable growth.

Cash Flow and Balance Sheet: Robust Balance Sheet and Cash Position Enable Continued Strategic Investments

Operating cash flow amounted to ⃁ 329 million in H1 2025, compared to ⃁ 277 million in the same period last year. **Adjusted free cash flow stood at ⃁ 281 million at the end of the period**, up from ⃁ 234 million in 2024 reflecting effective cash flow management across operations, and investment. **CAPEX by the end of the period stood at ⃁ 39 million**, reflecting continued capital deployment to support strategic growth initiatives.

Balance Sheet	Q2 2025 ⃁ Million	Q2 2024 ⃁ Million	Variance
Net Working Capital	236	353	*-33%*
Property and Equipment	739	721	*2%*
Right-of-Use Assets	527	505	*5%*
Net debt (Net cash)	(865)	(553)	*+57%*
Total Assets	3,403	3,097	*10%*
Total Equity	1,497	1,336	*12%*
Total Liabilities	1,906	1,761	*8%*

Cash Flow	H1 2025 ⃁ Million	H1 2024 ⃁ Million	Variance
Net Cash Generated from Operations (incl. NWC)	329	277	*19%*
Capital Expenditures (CAPEX)	39	43	*-9%*
Adjusted Free Cash Flow	281	234	*20%*

As of 30 June 2025, **net debt** improved by 57% year-on-year to ⃁ (865) million, compared to ⃁ (553) million in the previous period, reinforcing the Company's strong financial position and capacity to invest with agility. **Shareholders' equity** increased by 12% year-on-year, while **total liabilities** increased by 8%. **Net working capital (NWC)** reached ⃁ 236 million, marking a 33% decline year-over-year, reflecting more efficient cash conversion cycles and disciplined receivables and payable management.

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

Dividend Announcement

SAL's Board of Directors approved distributing an **ordinary cash dividend** of ⃁ 121.6 million for the second quarter of 2025. This equates to ⃁ 1.52 per share, compared to ⃁ 1.45 per share in Q2 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 3:00 PM (KSA) on August 12, 2025. Interested investors are encouraged to contact the Investor Relations department for participation details.

Financial Report & Earnings Presentation l SAL (Link)

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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, dividends payable 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.

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