



SAL Earnings Call 1st Quarter 2024

16 May 2024



Disclaimer

This document has been prepared by SAL Saudi Logistics Services Co. solely for presentation purposes and the information included therein shall not be construed as legal, tax, investment, financial or other advice, and it has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the information contained herein. None of SAL or any of its respective affiliates, advisors or representatives shall have any liability whatsoever for any direct or indirect loss whatsoever arising from any use of this document, contents, or otherwise arising in connection with it nor shall be obligated to update the material of the presentation if changes occur after its creation.

This document does not constitute a solicitation, an offer, recommendation, endorsement, or invitation to purchase any share or other security in SAL and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. Before making any investment decision, an investor should consider whether such an investment is suitable for their particular purposes and should seek the relevant appropriate professional advice.

Any decision to purchase shares or other securities in SAL is the sole responsibility of the investors.

Certain information contained in this document consists of forward-looking statements reflecting the current view of the Company with respect to future events. They are subject to certain risks, uncertainties and based on certain assumptions. Many factors could make the expected results, performance or achievements be expressed or implied by such forward looking statements (but not limited to, worldwide economic trends, economic, the Middle East and changes in business strategy and various other factors) to be materially different from the actual historical results, performance achieved by SAL. Should one or more of the risks or uncertainties materialize or should the underlying assumptions prove different stock movements or performance achievements may vary materially from those described in such forward-looking statements. Recipients of this document are cautioned not to place any reliance on these forward-looking statements, SAL undertakes no obligation to republish revised forward looking statements to reflect changed events or circumstances.

The Presentation and its contents are confidential and are not for release, reproduction, publication or distribution, directly or indirectly to any other person.

This document is being used in connection with proposed meetings of the Company and no copy of this document will be left behind after such meetings to the Investors and analysts. This presentation, if handed out at a physical meeting, should be promptly returned at the end of such meeting. By attending such meetings, you will be deemed to have represented, warranted and undertaken that you: (i) agree to be bound by the foregoing limitations and to maintain absolute confidentiality regarding the Information; (ii) are a person to whom the Information may lawfully be communicated; and (iii) you have read, understood and agree to comply with the contents of this disclaimer.

The trademarks and company logos that appear in this presentation are the intellectual property of third parties as designated.

Information in this document was presented on 16 May 2024.

Today's agenda



Shareholding Structure and Market Information

Section 1



Introduction to SAL and operations overview

Section 2



Financial overview

Section 3



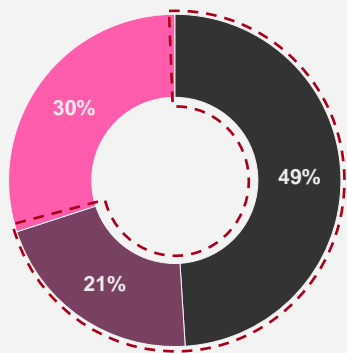
Corporate governance and ESG

Section 4

Section 1

Shareholding Structure and Market Information

Shareholding Structure and Market Information



- Saudi Arabia Airline Corporation
- Tarabut Air Cargo Services Company Limited
- Public

Share Information	
Market	Saudi Exchange, Saudi Arabia
Currency	SAR
Listing date 2023	1 st November 2023
Financial year-end	31 st December
Market capitalization (SAR bn)¹	19.25
Issued shares	80,000,000
Paid Capital (SAR)	800,000,000
Subscription price (SAR)	106
Closing price(SAR)¹	240.60

¹As 31st March 2024

SAL's Presenters' Team



Faisal Al Bedah

CEO & Managing Director

- *CEO & Managing Director since February 2022*
- *Former Secretary General of the Saudi Export Development Authority and the Logistics Committee from 2021-2022*
- *Former Deputy Governor for Trade Facilitation at Saudi Customs from 2017-2019*



Haydar Ucar

Chief Financial Officer

- *CFO at SAL since May 2024*
- *Previously served as CFO in DSV Turkey and head of corporate accounting at DSV head office along a long tenure from DHL*
- *Originally Danish/Turkish and worked many years in international settings*
- *Holds an MBA from IE Business School in Spain*

Section 2

Introduction to SAL and Business Overview

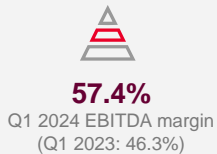
Q1 2024 Financials Released

All figures in Saudi Riyals

	Q1 2024	Q1 2023	Q1 2022	Q1 2021
Revenue	452,526,000	339,972,000	282,593,000	215,807,000
YOY Change rate	33%	20%	31%	-
EBITDA	259,580,000	157,535,000	120,318,000	81,523,000
Percentage of revenue	57%	46%	43%	38%
YOY Change rate	65%	31%	48%	-
Net profit	208,446,000	104,346,000	75,857,000	43,193,000
Percentage of revenue	46%	31%	27%	20%
YOY Change rate	100%	38%	76%	-
Earnings per share	2.61	1.30	0.95	0.71*

SAL: A leading cargo handling player with a global logistics solutions network

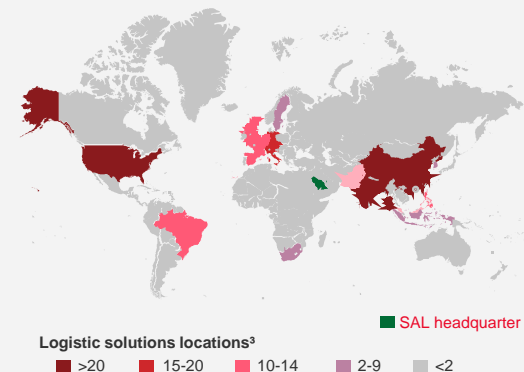
Key performance metrics



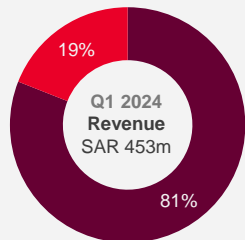
Presence at KSA airports



Global logistics solutions presence

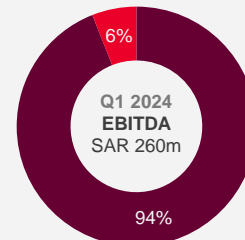


Revenue mix



■ Cargo handling ■ Logistics solutions

EBITDA mix



■ Cargo handling ■ Logistics solutions

Expertise across a broad spectrum of cargo handling services

Cargo handling services

I Import T Transfer E Export



Key financial and operational metrics

SAR 366m
Q1 2024 revenue
Q1 2023: SAR 294m

14%
Revenue CAGR
2021-2024

SAR 246m
Q1 2024 EBITDA
Q1 2023: SAR 152m

67.3%
Q1 2024 EBITDA margin
Q1 2023: 51.6%

C95%
Market share

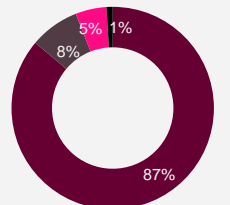
256k
Q1 2024 tons of cargo
Q1 2023 : 195K Tons

+464
Daily flights

c.73
Carriers

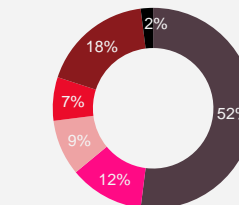
Revenue breakdowns

By cargo type



■ Import ■ Export ■ Transfer ■ Other

By product type



■ General ■ Perishable ■ Healthcare ■ Dangerous goods ■ Courier goods ■ Others

Dominant market share at strategically located stations

SAL's leadership all major stations in the KSA provides significant barriers to entry

Jeddah¹ ✈️



Flights handled (per day)	+192
1 st Quarter volume handled in 2024	107k tons
WH ² capacity	352k tons
Cargo terminal area (sqm)	36,000

Medina¹ ✈️



Flights handled (per day)	+15
1 st Quarter volume handled in 2024	4.2k tons
WH ² capacity	6k tons
Cargo terminal area (sqm)	1,902

Riyadh¹ ✈️

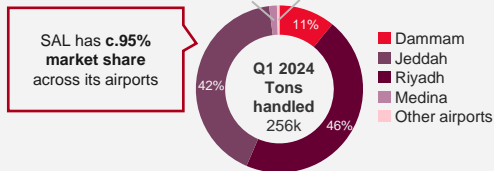
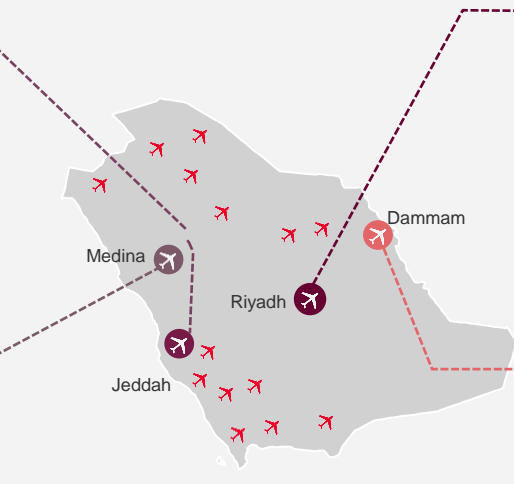


Flights handled (per day)	+172
1 st Quarter volume handled in 2024	117 tons
WH ² capacity	332k tons
Cargo terminal area (sqm)	70,000

Dammam¹ ✈️

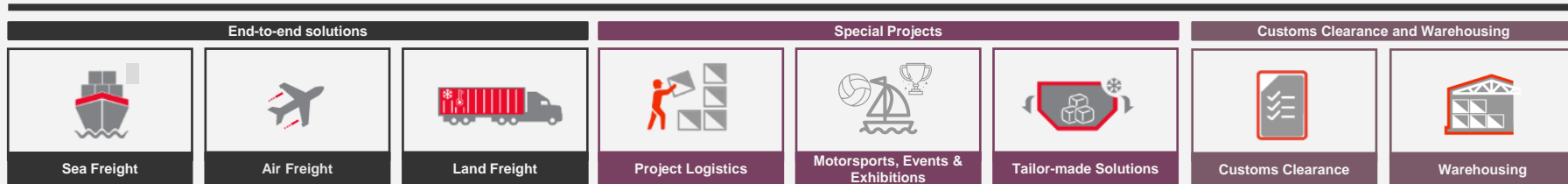


Flights handled (per day)	+50
1 st Quarter volume handled in 2024	28k tons
WH ² capacity	160k tons
Cargo terminal area (sqm)	34,000



A comprehensive service offering across logistics value-chain

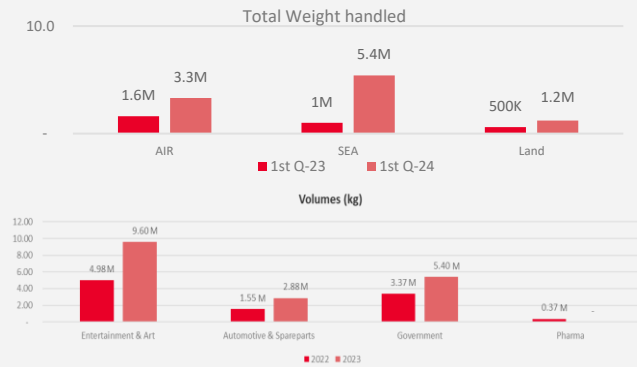
Logistics solutions services



Key financial and operational metrics



Logistics breakdowns



The logistics business demonstrates meaningful growth since its launch in October 2021, now contributing 19% to total revenue in Q1 2024, up from 13% last year same period

Fulfilment as a natural addition to the logistics value chain

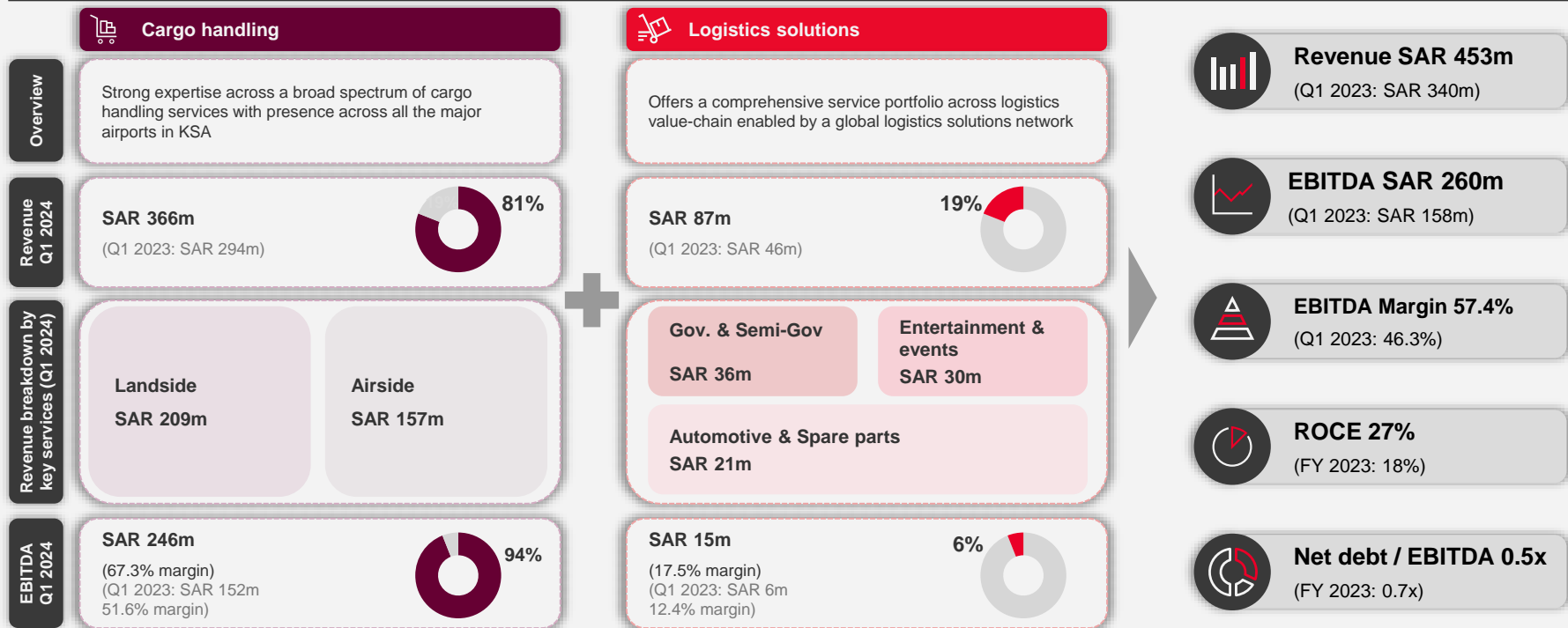
Attractive market opportunity

Completed Initiatives	Initiative 1: Establish Fulfilment	✓ Team Onboarded	✓ WMS System Deployed	✓ Processes In Place
	Initiative 2: Pilot Fulfillment Center	✓ Renovation Completed	✓ Operation Commenced	✓ Generating Revenue
Ongoing Initiatives	Initiative 3: Establish Presence in ILBZ	✓ Operating scope defined		✓ Trial project in progress
	Initiative 4: Build FC in Jeddah Port	✓ Lease contract signed by both parties	✓ Feasibility study by external consultant to be concluded by March	✓ Construction targeted to start in Q3 2024

Section 3

Financial overview

Financial snapshot of SAL

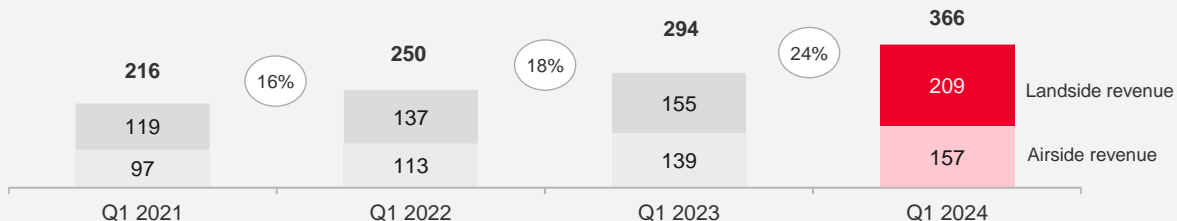


... growth of core Cargo Handling business



Cargo handling revenues

in SARm

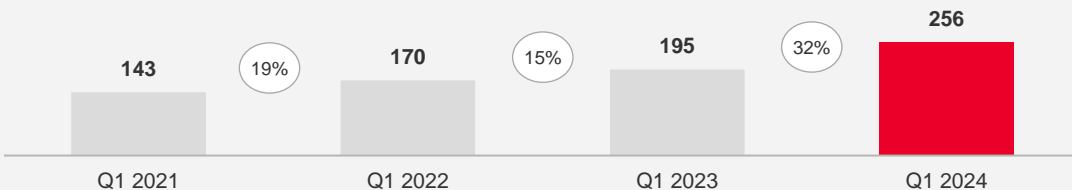


Commentary

- ◆ Business is growing on the back of high-volume growth with record high tonnages.
- ◆ Which also drives and supports the landside revenue.
- ◆ Airside revenue from cargo mainly driven by increased import volumes.

Tonnages

in Mio. KGs

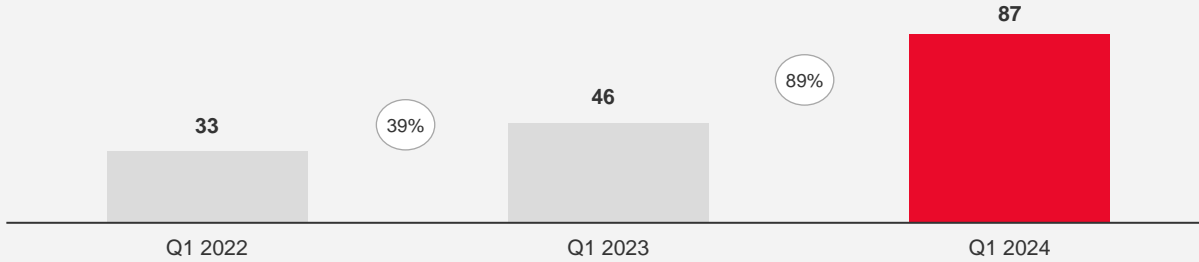


...as expanding Logistics business



Logistics Revenue

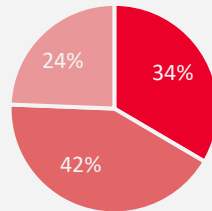
in SARm



Commentary

- ◆ Logistics revenue almost doubled in revenue.
- ◆ Continue to expand across sectors such as government, events, and Healthcare.

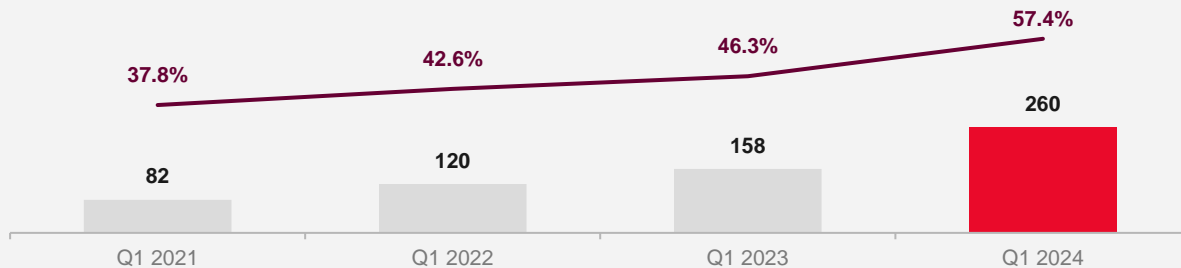
Diversified client base



...translating into attractive profitability

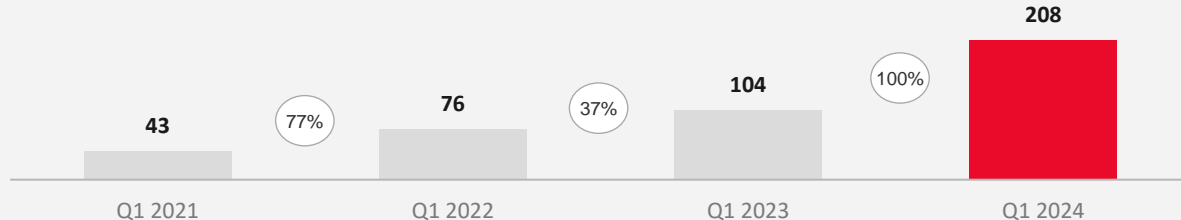
EBITDA and EBITDA Margin

in SARm



Net Income

in SARm



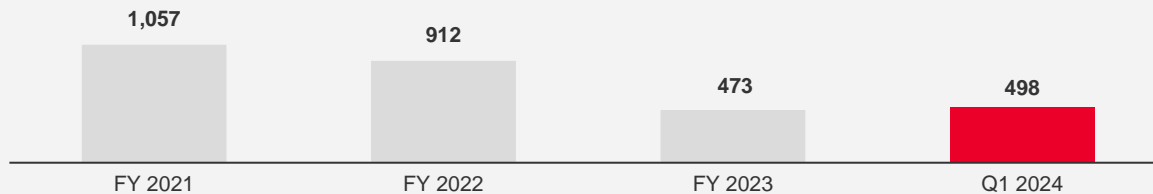
Commentary

- ◆ EBITDA margin reached 57.4% in Q1 2024 due to increase in Cargo Handling business, logistics growth and stable cost base.
- ◆ Resulting in double net income compared to last year same quarter.
- ◆ Additionally, significantly higher finance income through efficient utilization of available funds.

...and maintaining healthy leverage...

Net debt evolution ¹

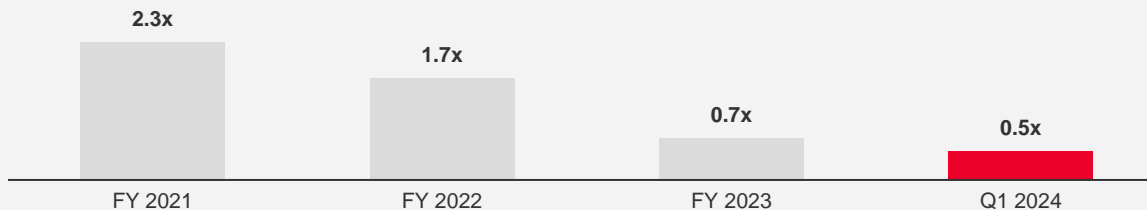
In SARm



Commentary

- ◆ Company's net debt position improved significantly as business maintain healthy growth.
- ◆ As a result, company leverage ratio reduced to 0.5x.

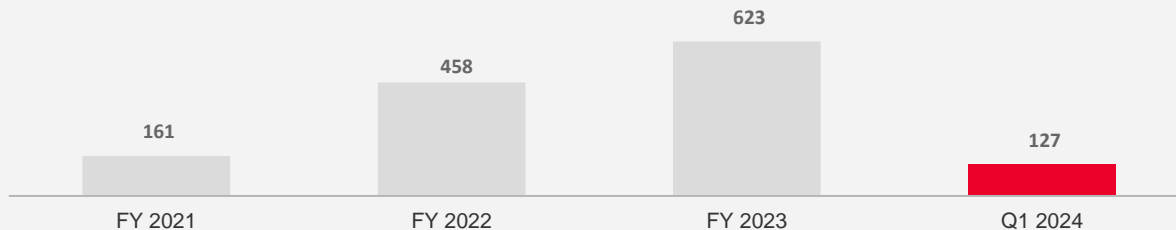
Leverage Ratio (Net debt / EBITDA) ²



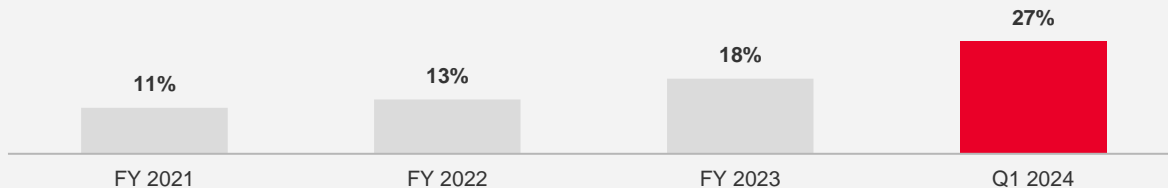
...resulted in a healthy investors growth

Cash Flow ¹

in SARm



Return on Capital Employed (ROCE) ²



Commentary

- ◆ Consistent cash flow generation resulting from consistent top-line growth as well as prudent capex expenditure.
- ◆ ROCE is increasing on the back of increased profitability.

Section 4

Corporate governance and ESG

A visionary and experienced Management team with a clear ESG agenda

Experienced management team

C-suite level

Strong management team with decades of experience...



23

Faisal Saad Al Bedah
Managing Director / CEO

- CEO & Managing Director since February 2022
- Former Secretary General of the Saudi Export Development Authority and the Logistics Committee from 2021-2022
- Former Deputy Governor for Trade Facilitation at Saudi Customs from 2017-2019



20

Haydar Ucar
CFO

- CFO at SAL since May 2024
- Previously served as CFO in DSV Turkey and head of corporate accounting at DSV head office along a long tenure from DHL
- Originally Danish/Turkish and worked many years in international settings
- Holds an MBA from IE Business School in Spain

Other senior management

...aligned with a world world-class execution team...



29

Amer Abu Obeid
President, Cargo Handling



12

Thunyan Al Thunyan
President, Logistics Solutions



12

Abdulrahman Saraj Bakhurji
President, Fulfilment



14

Mustafa Yunus Makda
Senior Director, Internal Audit



16

Abdulaziz Talal Al Sharif
Chief Shared Services Officer



17

Saleh Ahmed Al Daini
Chief Human Capital Officer



17

Ahmed Said Yehya
Chief Corporate Affairs Officer



15

Simon Hassannia
Chief Digital Officer

An established ESG agenda focused on our material ESG issues

Environmental



Clean energy

- Planning development of **solar energy** solutions in new terminal



Fleet electrification

- Replacing heavy diesel GSE¹ with **battery powered solutions**
- Introducing an **electric vehicle fleet**



Efficient waste management

- Developing waste management measures including **recycling**



Governance



Board of directors

- Diverse board in **experience, industry background, and age**
- **Independent Chairman** of the board



Data protection and cyber security

- Dedicated cyber security **policies and teams**
- Strong **data protection guidelines**



Effective quality management

- **Quality Management System** with ISO certification
- Quality **KPI monitoring and reporting**

Social



Employee safety

- **Health, Safety, Security and Environment division**– ensures employee safety and alignment with international standards and regulatory criteria
- Regular **tracking of safety KPIs**



Human capital development

- Programs on **career development** succession, **leadership, innovation and engagement** across all levels
- **Tailored Training programs** to increase the technical skills and upskill our employees' knowledge within the **logistics industry**.
- **Leveraged digital technologies and platforms** for training and development purposes



Diversity and inclusion

- **Promoting D&I** in the workplace
- Investment in **Saudisation**
- **Recruitment strategies** that attract a diverse pool of candidates.



Positive community impact

- **Partnerships and donations**
- Participation in **tree planting initiatives**
- Initiatives to promote **employee wellness**.

Closing remarks and Q&A

Faisal Albedah, CEO