



# **Q1 2025 Earnings Presentation**

**Building for the Future with Resilience and  
Strategic Clarity**



## Disclaimer

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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 ~~US~~ \$4 billion SAL Logistics Zone in Falcon City
- Agreements signed with **Sela Company** and **Shareek Program**

### ■ Logistics Division Primed for Growth

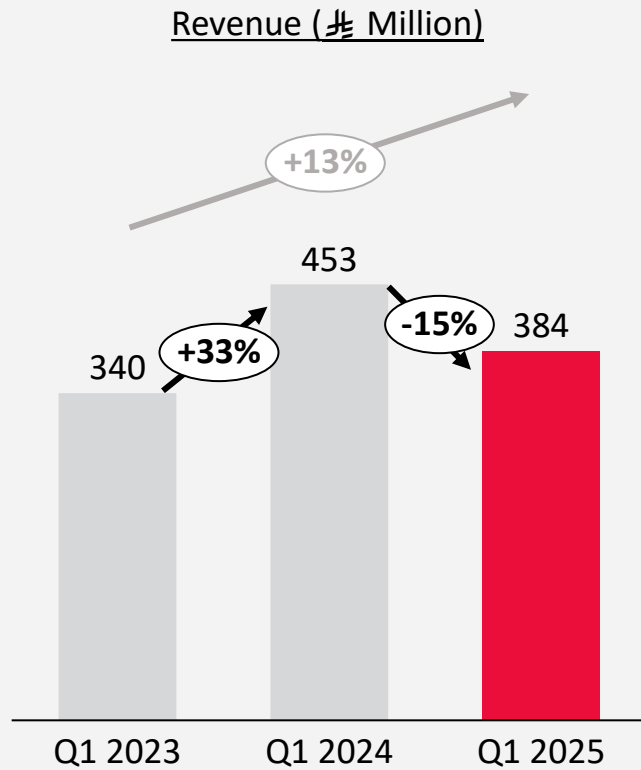
- Division positioned for **long-term growth**
- Initiated **expansion plans** of warehousing capacity in Riyadh

## > Financial Highlights

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

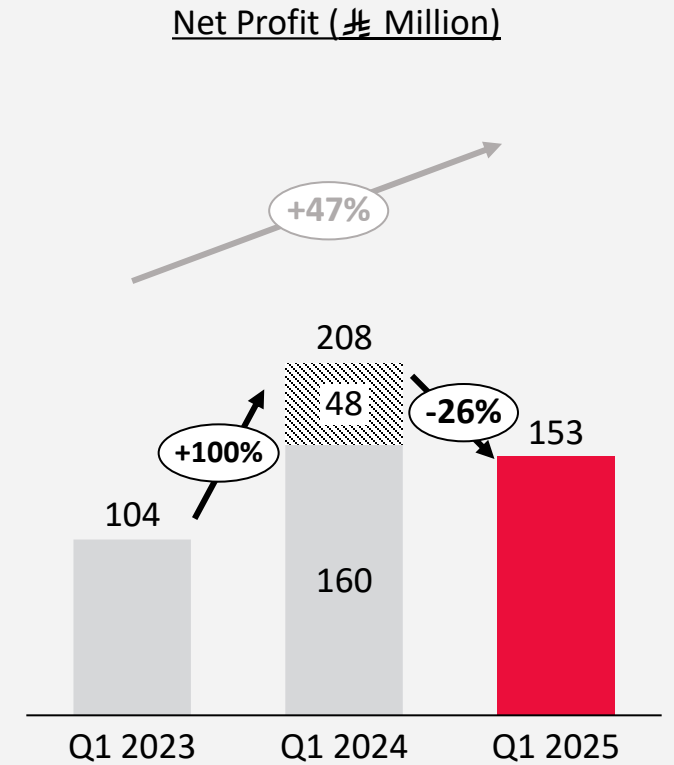
### Revenue:

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



### Net Profit:

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

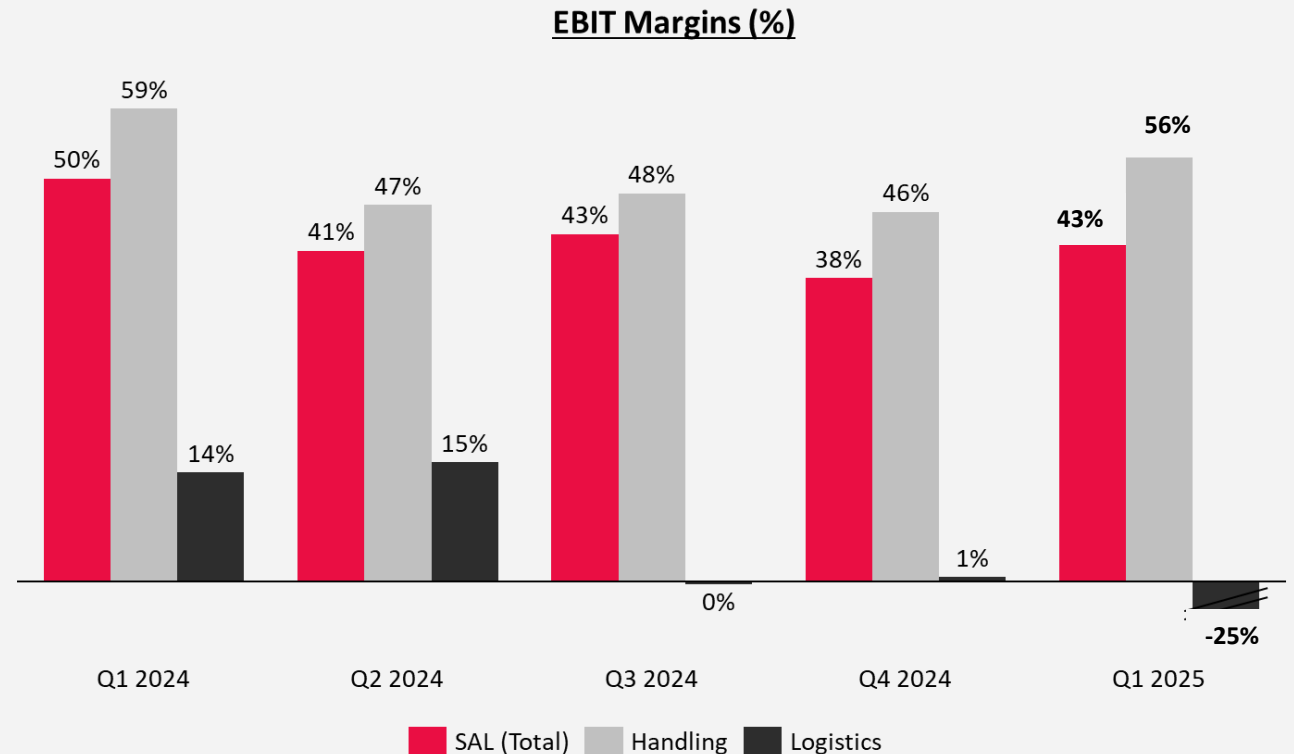


## > Financial Highlights

**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

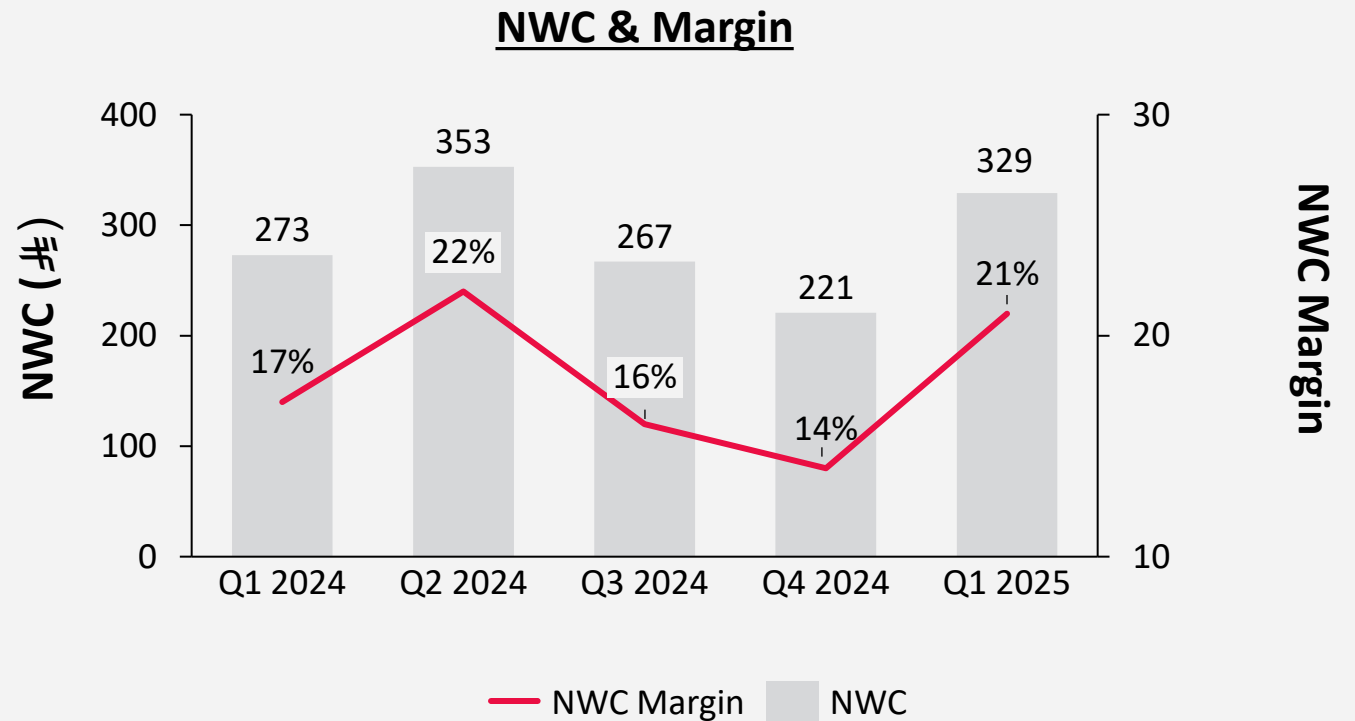


## > Financial Highlights

**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



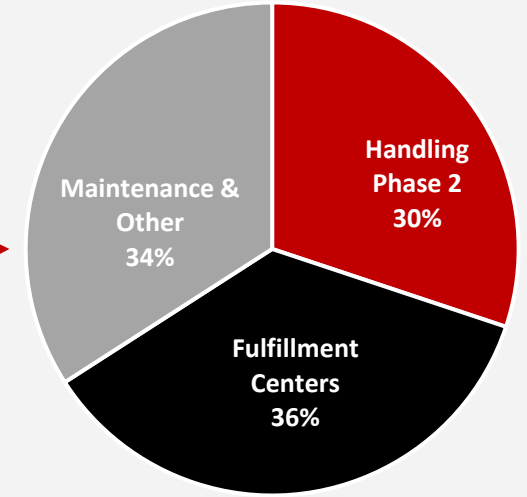
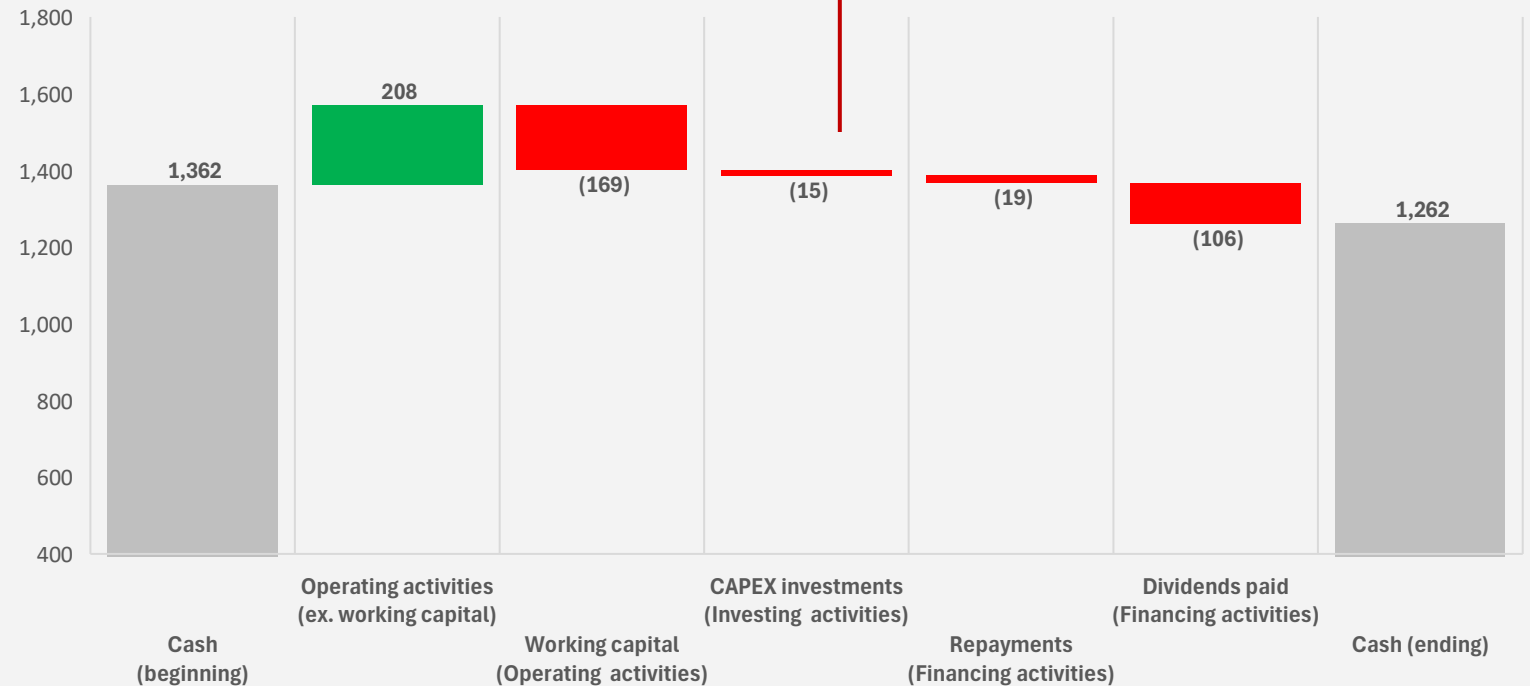
## > Financial Highlights

**Disciplined capital allocation sustains healthy cash flows in a dynamic market**

### Maintenance of strong cash position

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

Movements in Cash Flows (  $\text{SAR}$  Million)







## Handling Division

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

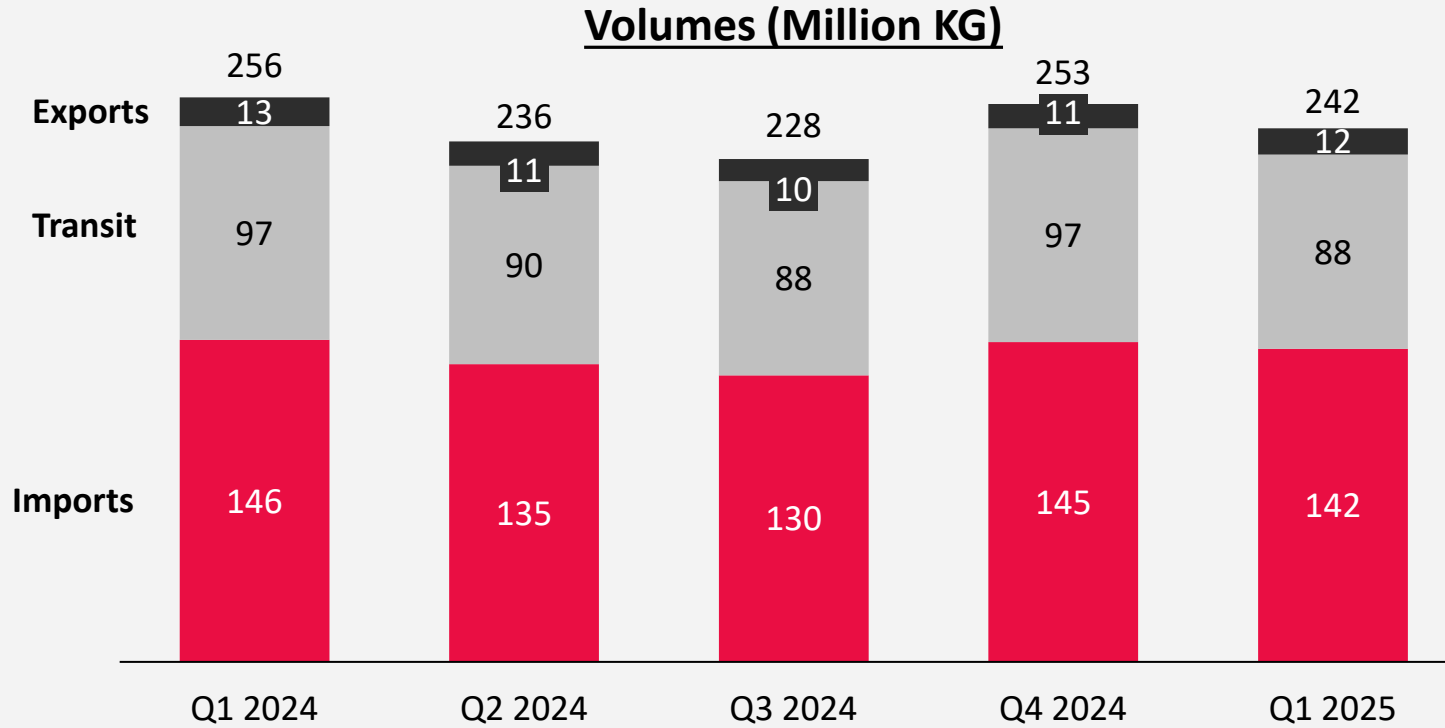
With state-of-the-art facilities and real-time tracking, we ensure efficient cargo processing, courier handling, transit operations, and seamless airline logistics support.



## > 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:

ﷲ322 million  
(↓ 12% YoY)

### EBIT:

ﷲ181 million  
(↓ 16% YoY)

### EBIT Margin:

56.1%  
(Down from 59.1%)

**Maintained Margins  
Despite Short Term  
Headwinds**

- Handling revenue: ﷲ 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:

ﷲ 62 million  
(-28% YoY)

### EBIT:

ﷲ -16 million  
(Down from ﷲ12 mio.)

### EBIT Margin:

-25.0%  
(Down from +13.6%)

#### Short-Term Headwinds

- ﷲ62 million revenue, EBIT loss of ﷲ -16 million mainly due to **proactive credit provisioning** and fewer projects compared to the same period last year 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 ﷲ **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



**The National Logistics Champion**

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