



SAL Delivers Revenue of **ﷲ 446 million (+16%)** in Q1 2026 as Disciplined Platform Execution Bolsters Performance

JEDDAH,
30 April 2026

SAL Saudi Logistics Services Company (“SAL” or “the Company”) (Ticker: TADAWUL 4263), the Kingdom’s leading air cargo handling and logistics solutions provider, today announced its financial results for the first quarter, period ended 31 March 2026.

1st Quarter 2026 Highlights

- SAL delivered **topline growth and high-quality earnings**, with strong cash generation and disciplined execution, showing strong resilience against a backdrop of temporary geopolitical-related airspace restrictions and events disruption during the quarter.
- SAL has taken a **significant step toward international expansion** by signing a Sale and Purchase Agreement to acquire Aviapartner Liège SA, for approximately **ﷲ 123 million**. The acquisition will give SAL an international footprint and establish a full operational presence at Liege Airport in Belgium, a key European cargo hub.
- **The Ground Handling Division, the core engine of the business, maintained its competitive edge**, recording revenue growth driven by sustained yield strength, with operational agility to address the volume disruption and supporting service continuity.
- **The Logistics Division continued delivering on its strategy and attracting new customers**, with performance improving sequentially, losses narrowing, and activity picking up towards quarter-end, particularly across road freight and warehousing.
- **Capital Deployment Program is in its implementation phase, accelerating SAL’s strategic growth priorities** with investments in ground handling capacity, logistics hubs, and fleet capabilities, while advancing SAL Zones development to unlock the next phase of growth.

Operating Profit (EBIT)

Q1'26: **ﷲ 171 mn**

↑ 4%

Operating Margin

Q1'26: **38.3%**

↓ 4.6pp

Net Profit

Q1'26: **ﷲ 157 mn**

↑ 2%

Earnings per share

Q1'26: **ﷲ 1.96**

↑ 2%

Handling Volumes

Q1'26: **238 mn kg**

↓ 2%

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



Omar bin Talal Hariri

Chief Executive Officer of SAL, commented:

“SAL delivered a resilient performance in the first quarter, with solid revenue growth, higher revenue quality, and strong cash conversion, reflecting our disciplined execution. The quarter demonstrated our operational excellence, maintaining a strong performance while mitigating the impacts from the regional disruptions to airspace and maritime routes in March. In response, we prioritized maintaining service continuity for our customers, protecting the quality of our revenue, and adapting our network to sustain cargo flows.

Ground Handling continued to anchor our performance, supported by its competitive edge and sustained yield strength. During this period, we also initiated the process for the strategic acquisition of Aviapartner Liège, marking a key milestone in our international expansion by establishing a foothold in one of Europe’s leading cargo hubs and further strengthening our global logistics platform. At the same time, the Logistics Division improved with activity ramping up towards the end of the quarter as conditions began to normalize.

Looking ahead, we saw that the impact on cargo flows of the disruptions appeared short-lived and a strengthened recovery in volumes and capacity continued from mid-March onwards. With continued focus on enhancing our service offerings, operational agility, and targeted investment in capacity, digital platforms, and SAL Zones, we are well-positioned to deliver more consistent performance and capture long-term growth opportunities.”



Haydar Ucar

Chief Financial Officer of SAL, commented:

“Our Q1 performance highlights the strength of SAL’s earnings quality, with robust cash generation and continued improvements in working capital management standing out as key indicators of underlying business health.

This quarter, we also signed a Sale and Purchase Agreement to acquire Aviapartner Liège SA, demonstrating our opportunistic approach to capital deployment, enabled by our strong balance sheet and focused on securing strategic assets that support long-term value creation. In Q1, we also launched the CargoGate platform, which is a service offering to our landside clients, where they can schedule and secure goods clearance ahead of time. We are very excited about this platform and its ambitious roadmap of services that will benefit Saudi Arabian importers and make the flow of air cargo even more efficient.

Operating cash flow and adjusted free cash flow strengthened further, increasing to ₪ 182 million and ₪ 112 million respectively, reflecting strong cash conversion, disciplined cash management, and continued margin discipline.

While revenue growth remained strong, profitability was temporarily impacted by a combination of factors, including a shift in operating dynamics during the March supply chain disruption, increased reliance on road feeder services (RFS), and investments in our digital platform, CargoGate. These actions, while dilutive to margins in the short term, reflect deliberate decisions to protect service levels, support customers, and invest in future capabilities.

Importantly, the Logistics Division continued to improve, with losses narrowing and performance strengthening towards the end of the quarter. With a strong balance sheet, disciplined capital allocation, and increased investment in expansion initiatives, SAL remains well positioned to deliver sustainable long-term value.”

Revenue and Profitability: Strong Topline Performance and Earnings Quality

Revenue for Q1 2026 increased 16% year-on-year to reach ₪ 446 million, up from ₪ 384 million in Q1 2025. Performance was driven by the revenue quality in the Ground Handling Division, supported by sustained pricing strength and improved yield baseline, alongside continued contribution from the Logistics Division. The quarter was characterized by a non-volume-led growth profile, with volumes impacted by a short-term disruption to regional airspace in early March. This resilient performance reflects SAL’s strong growth momentum and its ability to navigate a dynamic operating environment, underscoring the strength of its platform.

	Q1 2026 ₪ Million	Q1 2025 ₪ Million	Variance
Revenue	446	384	16%
Operating Profit (EBIT)	171	165	4%
Operating Margin %	38.3%	43.0%	-4.6pp
Net Profit	157	153	2%
EPS	1.96	1.91	2%
Handling Volumes (Million KGs)	238	242	-2%

Operating profit (EBIT) in Q1 reached ₪ 171 million, compared to ₪ 165 million in the same period last year, with a **consolidated operating profit (EBIT) margin of 38.3%**, down 4.6 percentage points year-on-year. While topline performance remained strong, profitability was impacted by temporary cost pressures, primarily driven by higher manpower deployment, increased trucking activity linked to road feeder services, and continued investment in digital platforms.

Net profit for the quarter grew 2% year-on-year reaching ₪ 157 million, compared to ₪ 153 million in Q1 2025, with **earnings per share (EPS) increasing to ₪ 1.96** from ₪ 1.91 in the prior-year period, reflecting the underlying strength of the business, despite also adding costs for M&A execution.

Cash Flow and Balance Sheet: Strong Cash Generation and Disciplined Capital Deployment

Net Cash Generated from Operations amounted to ₪ 182 million in Q1 2026, compared to ₪ 39 million in Q1 2025. **Adjusted free cash flow** stood at ₪ 112 million at the end of the period, up from ₪ 25 million in Q1 2025 reflecting strong cash conversion and continued improvements in working capital management. **CAPEX** reached ₪ 70 million, representing a significant increase compared to the prior-year period, in line with the Company's commitment to investing in long-term growth initiatives.

Balance Sheet	31 Mar 2026 ₪ Million	31 Dec 2025 ₪ Million	Variance
Net Working Capital	131	103	27%
Property and Equipment	855	808	6%
Right-of-Use Assets	833	846	-2%
Net cash	(1,076)	(980)	10%
Total Assets	4,854	3,729	30%
Total Equity	1,628	1,622	0%
Total Liabilities	3,226	2,107	53%

Cash Flow	31 Mar 2026 ₪ Million	31 Mar 2025 ₪ Million	Variance
Net Cash Generated from Operations (incl. NWC)	182	39	361%
Capital Expenditures (CAPEX)	70	15	374%
Adjusted Free Cash Flow	112	25	353%

As of 31 March 2026, **net cash** increased by 10% to ₪ 1.1 billion, compared to ₪ 980 million in the previous period, providing significant financial flexibility to fund strategic investments, support growth initiatives, and absorb short-term operational volatility without compromising balance-sheet strength. **Shareholders' equity** remained stable, while **total liabilities** increased by 53% compared to previous period.

Net working capital (NWC) stood at ₪ 131 million, representing a modest increase during the quarter with strong revenue growth. NWC remained tightly controlled at approximately 7% of revenue, highlighting the structural discipline of SAL's operating model. Over the past years, SAL has demonstrated steady and disciplined progress in optimizing NWC, underpinned by continued improvements in cash conversion and a sustained focus on operational efficiency.

SAL's financial position is further reinforced by recently obtained credit ratings from SIMAH Rating Agency ("Tassnief"), including a long-term rating of "A", a short-term rating of "T-2", and an "A" rating for the Company's Sukuk programme, all with a stable outlook. These ratings reflect SAL's strong creditworthiness, underpinned by its leading market position, robust cash generation, and disciplined financial management.

Ground Handling Division: Resilient Performance Driven by Yield Strength and Operational Agility

The **Ground Handling Division** generated **revenue** of ₪ 384 million in Q1 2026, compared to ₪322 million in Q1 2025, increasing by 19% on a year-on-year basis. Performance in the quarter was driven by sustained pricing strength and improved revenue quality, rather than volumes, reflecting the continuation of the higher yield baseline established in mid-2025, including the impact of landside charge adjustments. SAL demonstrated high operational agility in response to these disruptions, significantly scaling up road feeder services, enabling continued cargo flows through alternative routes and supporting airline partners.

EBIT for the Division stood at ₪188 million, compared to ₪183 million in Q1 2025, with an **EBIT margin** of 48.8%. Profitability was impacted by temporary cost increases, primarily driven by higher manpower deployment across key terminals, increased trucking activity to support RFS operations, and continued investment in digital capabilities, including the new CargoGate platform.

During the quarter, SAL signed a Sale and Purchase Agreement to acquire a 100% stake in Aviapartner Liège for a consideration of ₪123 million. This marks SAL's first international expansion, broadening its cargo handling and logistics capabilities at international airports and supporting revenue diversification. The announced acquisition also establishes SAL's full operational presence at Liège Airport in Belgium, one of Europe's leading air cargo hubs and a rapidly expanding gateway for global freight flows, while creating operational synergies through access to advanced infrastructure and established airline relationships. The deal is financed through the Company's available cash resources and remains subject to customary closing conditions and regulatory approvals.

SAL further strengthened its airline partnerships through the renewal of its strategic agreement with Royal Jordanian Airlines, continuing to provide comprehensive integrated ground handling and air cargo solutions. This was complemented by the signing of an agreement with DSV Air and Sea Logistics Services Company to provide a comprehensive range of ground handling services for consolidated shipments, alongside integrated logistics operations, supporting SAL's continued expansion across both airside and landside services.

Logistics Division: Improving Performance with Strengthening Activity Levels

Revenue from the Logistics Division reached ₪ 62 million in Q1 2026, broadly in line with Q1 2025. While revenue performance was broadly stable, the Division delivered improved underlying performance, with losses narrowing compared to last year's same period. Activity levels in the early part of the quarter were impacted by disruptions to regional trade flows, including the cancellation of certain event-related logistics activities. However, from late March onwards, the Division experienced a noticeable pickup in demand, as customers adapted to shifting supply chain dynamics and the environment normalized.

This improving momentum reflects the Division's ongoing transition towards a more scalable and integrated operating model, supported by continued investment in infrastructure, capabilities and commercial development. SAL continues to advance its strategic roadmap across the Logistics Division, progressing core products, warehouse projects in Riyadh and Jeddah.

Strategy & CAPEX Plans Progress

SAL continued to execute on its long-term growth strategy through the start of 2026, increasing capital deployment across priority infrastructure and platform investments to support the next phase of scalable expansion. Capital expenditure more than tripled year-on-year, reflecting a deliberate expansion in investment, in line with the Company's growth plans.

SAL continues to make progress with the **SAL Logistics Zone**, transitioning from planning to execution. The project is designed to create a grade-A, integrated iconic logistics hub, supporting the expansion of value-added services and reinforcing SAL's role at the center of Saudi Arabia's logistics ecosystem.

To support this elevated investment program and enhance financial flexibility, SAL launched a **SR 1 Billion Sukuk Program**, broadening access to capital markets and diversifying its long-term funding sources. The program strengthens the Company's capital structure and provides additional headroom to fund strategic growth initiatives while maintaining a strong balance sheet and disciplined capital allocation framework.

Exceptional Developments & Outlook

Exceptional Developments

The first quarter saw temporary disruptions across regional airspace and maritime routes, which impacted global trade flows and cargo capacity, particularly during March. Air cargo capacity across key Middle East corridors declined as flight suspensions and airspace restrictions reduced available belly and freighter capacity, while maritime flows were also disrupted by the partial closure of the Strait of Hormuz, leading to delays and re-routing across global shipping lanes. This has resulted in a short-term reduction in volumes across the Kingdom, particularly impacting transit flows and time-sensitive segments such as e-commerce. At the same time, constrained capacity led to elevated freight rates across key corridors, with air freight rates on Asia-Europe routes increasing sharply during the disruption period, reflecting tighter supply-demand conditions.

Despite these challenges, the market demonstrated strong underlying resilience, with demand partially shifting across alternative routes and modes. SAL responded with high operational agility, including scaling road feeder services (RFS) and adapting network flows, enabling continued cargo movement and supporting customers through disruptions.

Outlook

Looking ahead, the disruption appears to be short-lived in nature, with capacity and volumes already showing signs of normalization towards the end of March and into April. The business is well positioned to sustain performance through disciplined execution, pricing strength, and continued operational agility.

The Logistics Division is expected to continue its gradual improvement, as recent investments in infrastructure, digital capabilities and product development begin to support more stable and scalable operations. Progress across SAL Zones, alongside expanding capabilities in road freight and warehousing, is expected to further strengthen the Division's contribution over time.

With a strong balance sheet, robust cash generation and continued investment in infrastructure, digital platforms and network capabilities, SAL remains well positioned to navigate near-term volatility while capturing long-term growth opportunities arising from Saudi Arabia's expanding role as a regional and global logistics hub.

Dividend Announcement

SAL's Board of Directors approved distributing an **ordinary cash dividend** of **ﷲ 117.6 million** for the first quarter of 2026. This equates to **ﷲ 1.47 per share**, compared to **ﷲ 1.43 per share** in Q1 2025. 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 6th of May 2026**. Interested investors are encouraged to contact the Investor Relations department for participation details.

Financial Report & Earnings Presentation | SAL ([Link](#))

-END-

Contact Information

For further information, please contact:

Investor Relations

investor.relations@sal.sa

+966-12-6964168 or +966-550-120163

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 & cash equivalents and short-term Murabaha deposits) and Current Liabilities (excluding Lease Liabilities, Dividends Payable and Long-Term Loans)

Adjusted Free Cash Flow:

Free Cash Flow adjusted for short-time 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. All figures and percentages presented in this document have been rounded for ease of reference.