"SAL" Delivers Record Quarterly Revenue Driven by Resilient Operational Performance and Sustained Earnings Growth

JEDDAH,
29 July 2026

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 2026.

2nd Quarter 2026 Highlights

- **SAL delivered its strongest quarterly financial performance to date**, underpinned by broad-based growth across Ground Handling and Logistics. The quarter demonstrated the resilience of the core business, a strong recovery in operational momentum and improving earnings quality.
- The **Ground Handling Division** reinforced its position as SAL's resilient financial and operational foundation, supported by recovering cargo volumes, strong import demand, disciplined pricing, a more favorable cargo mix and commercial wins.
- **The Logistics Division** continued to build momentum as a future growth engine for SAL, supported by sustained double-digit growth, improving operational performance and further progress towards sustainable profitability.
- **SAL Zones** advanced further into active development, finalizing the earthworks phase while Phase 1 construction progressing alongside growing engagement with prospective tenants, supporting the creation of SAL's next long-term growth platform.
- SAL took concrete steps towards **international expansion** through the proposed Aviapartner Liège acquisition and the establishment of SAL International Ground Handling B.V., creating a platform for its first international operations and future growth outside Saudi Arabia.

Operating Profit (EBIT)
Q2'26: **⃁213 mn**
↑ **24%**

Net Profit
Q2'26: **⃁ 191 mn**
↑ **18%**

Operating Margin
Q2'26: **41.6%**
↓ 2.2pp

Earnings per share
Q2'26: **⃁ 2.39**
↑ 18%

Handling Volumes
Q2'26: **239 mn kg**
↑ 9%

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:

“This quarter marks an important step forward for SAL. We delivered our strongest quarterly revenue performance to date while continuing to invest in the capabilities, infrastructure and platforms that will shape the next stage of our growth.

Following the regional disruption experienced earlier in the year, cargo activity recovered strongly, supported by higher import demand and broad-based growth across the business. The reach of our network, the strength of our customer relationships and the agility of our teams enabled us to respond effectively to shifting cargo flows, maintain safe and reliable operations and further improve the quality of our revenue. Ground Handling remained the foundation of our performance, while Logistics continued to build momentum towards becoming a sustainable growth engine for SAL.

We also advanced the strategic priorities that are broadening SAL’s capabilities across the logistics value chain. SAL Zones progressed into active development, CargoGate continued to enhance customer experience and operational visibility, and we took concrete steps towards establishing an international operating presence. Together, these initiatives are strengthening our integrated logistics platform and positioning SAL to capture the opportunities created by Saudi Arabia’s growing role in global trade.”

Haydar Ucar

Chief Financial Officer of SAL, commented:

“Our second-quarter results demonstrate a clear step-up in both the scale and quality of SAL’s earnings. Revenue increased 30% year-on-year, operating profit increased 24%, with strong contributions from both Ground Handling and Logistics and a significant sequential improvement from the first quarter.

The performance reflects the underlying strength of the business and continued disciplined commercial execution. Our operating margin remained strong while reflecting the evolving business mix and continued investment in the capabilities required to support future growth.

Positive adjusted free cash flow, a strong net cash position and broader access to long-term funding provide us with the capacity to continue investing in the core Ground Handling business and across Logistics, SAL Zones, digital capabilities and selective international expansion. We remain focused on broadening SAL’s earnings base and supporting sustainable growth while preserving financial discipline and flexibility.”

Revenue and Profitability: Broad-Based Growth and Strong Q2 Recovery

SAL delivered its strongest **quarterly revenue** performance to date in Q2 2026, with **revenue increasing 30% to ⃁512 million**, compared with ⃁394 million in Q2 2025. Growth was broadly across both our key divisions Cargo Ground Handling and Logistics. The growth was mainly supported by the recovery in cargo activity following the regional disruptions, experienced in the first quarter and continued commercial execution across both businesses.

Revenue growth significantly outpaced the 9% increase in cargo volumes, reflecting an improvement in revenue quality. Performance was supported by stronger import demand, disciplined pricing, a more favorable cargo mix, and continued enhancement in the service list offering. Significant contract wins and continued double-digit growth in Logistics also contributed, alongside the annualization of pricing adjustments introduced in Cargo Ground Handling during mid-2025.

For H1 2026, revenue increased 23% to ⃁958 million, compared with ⃁778 million in H1 2025, supported by continued strength in Cargo Ground Handling, the recovery in cargo activity during Q2 and sustained growth in Logistics.

	Q2 2026 ⃁Million	Q2 2025 ⃁Million	Variance	H1 2026 ⃁Million	H1 2025 ⃁Million	Variance
Revenue	**512**	394	30%	**958**	778	23%
Gross Profit	**299**	224	34%	**544**	438	24%
Gross Margin %	**58.4%**	56.9%	1.6pp	**56.8%**	56.3%	0.5pp
Operating Profit (EBIT)	**213**	172	24%	**384**	337	14%
Operating Margin %	***41.6%***	*43.8%*	*-2.2pp*	***40.1%***	*43.4%*	*-3.3pp*
Profit Before Zakat	**204**	173	18%	**367**	333	10%
Net Profit	**191**	162	18%	**348**	315	10%
EPS	**2.39**	2.03	18%	**4.35**	3.94	10%
Handling Volumes (Million KGs)	**239**	219	9%	**477**	461	3%

Operating profit (EBIT) in Q2 reached **⃁213 million**, compared to ⃁172 million in the same quarter last year, attributed to enhanced pricing, service mix improvements in Cargo Ground Handling, and continued cost discipline across the business. **Operating profit (EBIT) margin** stood at **41.6%, down 2.2 percentage points** year-on-year. **For H1 2026, operating profit reached ⃁384 million, up 14%** year-on-year, with an **EBIT margin of 40.1%.** The margin movement reflected investments in service capabilities, higher variable logistics costs associated with business expansion and impact of strategic development costs.

Net profit for the quarter rose 18% year-on-year, reaching ⃁191 million, compared to ⃁162 million in Q2 2025, with **earnings per share (EPS) increasing to ⃁2.39** from ⃁2.03 in Q2 2025. The increase reflected stronger underlying operating performance, higher operating profitability and a lower impact from expected credit loss provisions, advisory expenses and transaction-related costs. This was partially offset by higher financing costs related to Sukuk financing and lease liabilities, as well as temporary foreign exchange movements in preparation for the proposed Aviapartner Liège acquisition. For **H1 2026, net profit increased 10% year-on-year to ⃁348 million.**

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

Operating cash flow amounted to ⃁347 million in H1 2026, compared to ⃁329 million in the same period last year. **Adjusted free cash flow stood at ⃁167 million at the end of the period**, remaining strong while also seeing significant increase in capital expenditure, demonstrating SAL's continued ability to generate cash while accelerating investment in its long-term growth priorities. **Capital expenditure increased to ⃁144 million** from ⃁39 million in H1 2025, reflecting continued deployment across Cargo Ground Handling capacity, logistics infrastructure, SAL Zones, digital capabilities and fleet requirements.

Balance Sheet	30 June 2026 ⃁ Million	31 Dec 2025 ⃁ Million	Variance
Cash and Cash Equivalents	**2,334**	1,542	*51%*
Net Working Capital	**194**	103	*89%*
Net Working Capital % of Revenue	**8.5%**	15.2%	*-6.7pp*
Return On Invested Capital (ROIC)*	**41.0%**	43.7%	*-2.7pp*
Property and Equipment	**934**	808	*16%*
Right-of-Use Assets	**819**	846	*-3%*
Net cash	**(817)**	(980)	*-17%*
Receivable	**474**	385	*23%*
Trade Payable	**146**	119	*23%*
Total Assets	**4,812**	3,729	*29%*
Total Equity	**1,701**	1,622	*5%*
Total Liabilities	**3,111**	2,107	*48%*

* ROIC methodology was revised in Q2 2026. See glossary page 8.

Cash Flow	30 June 2026 ⃁ Million	30 June 2025 ⃁ Million	Variance
Net Cash Generated from Operations (incl. NWC)	**347**	329	*6%*
Capital Expenditures (CAPEX)	**144**	39	*267%*
Adjusted Free Cash Flow	**167**	281	*-41%*

As of 30 June 2026, **net cash** generated in the period reached ⃁ (817) million, a reduction of 17% year-on-year compared to ⃁ (980) million in December 2025, reinforcing the Company's strong financial position and capacity to invest with conviction. **Shareholders' equity increased by 5%**, while **total liabilities increased by 48%**. **Net working capital (NWC) reached ⃁194 million**, marking an 89% increase, reflecting the impact of expanding revenues on receivables with no adverse impact on overdue and payables 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.

Cargo Ground Handling Division: Resilient Foundation with Record Topline Performance

The **Cargo Ground Handling Division** generated a record **⃁438 million in revenue** for the **Q2 2026** period, compared to ⃁339 million in Q2 2025, increasing by 29% year-on-year. For **H1 2026**, **revenue reached ⃁823 million**, up 24% compared to ⃁661 million in H1 2025. Segment **EBIT reached ⃁218 million in Q2 2026**, up 32% year-on-year, and **⃁406 million in H1 2026**, up 16% year-on-year. Performance was driven by sustained pricing discipline, stronger import activity, a more favorable cargo mix, and continued enhancement in the service list offering.

Operational resilience also strengthened customer relationships and supported commercial execution. During the quarter, SAL signed **new agreements** with **Fly Khiva**, **Centrum Air** and **Singapore Airlines**, followed by an agreement with **SF Airline** announced in July.

CargoGate and digital initiatives continued to improve cargo visibility, customer experience and operational productivity. The platform provides landside clients with 24/7 digital access to real-time cargo tracking, truck appointments, delivery notifications, automated billing and payment, and government integrations, reducing waiting times and strengthening security and traceability across stations.

Logistics Division: Progress Towards Sustainable Profitability

Revenue from the Logistics Division reached **⃁74 million in Q2 2026**, a 34% jump when compared to the same quarter last year. **In H1 2026**, **revenue** totaled **⃁135** million, representing a 16% increase compared with H1 2025. Performance was supported by stronger warehouse utilization, improved commercial execution, expanding contract logistics activity and stronger road feeder services activity. This performance is further bolstered by a strong commercial pipeline supported by notable wins including Medlog, Saudia Technic and SGS pilgrim handling services.

The division also delivered a significant sequential improvement in profitability, with its operating loss narrowing to ⃁2 million in Q2 2026 from ⃁13 million in Q1 2026. SAL continues to invest for scale, and the improvement reflects stronger commercial activity, better utilization of existing capacity and progress in operational performance.

SAL remains focused on progressing the Logistics Division toward sustainable profitability and building a scalable, diversified logistics platform anchored in recurring customer relationships and integrated logistics solutions.

Progress On Strategic Investments

SAL continued to execute its long-term growth strategy during H1 2026, accelerating investment in the infrastructure and capabilities required to support the next stage of its development. CAPEX increased to ⃁144 million from ⃁39 million in H1 2025, with capital deployed across Ground Handling capacity, logistics infrastructure, digital platforms and fleet capabilities. Progress during the period included continued development of the Jeddah Islamic Port project, terminal expansion initiatives and infrastructure works at SAL Zones.

SAL Zones has moved further into active development and continues laying the foundation for the Company's next long-term growth platform. Phase 1 has entered active construction, with the groundwork for its first pre-built warehouses, labor accommodation and supporting facilities progressing, while roads, utilities and supporting infrastructure are advancing as planned. Phase 1 completion remains targeted for 2027/2028.

Commercial engagement with prospective tenants also continued to build, with more than 200 targeted tenants with promising opportunities. SAL Zones remains a long-term strategic infrastructure platform supporting the expansion of SAL’s integrated logistics offering and Saudi Arabia’s Vision 2030 logistics ambitions.

SAL also advanced its international expansion through the proposed acquisition of Aviapartner’s cargo handling business at Liège Airport in Belgium and the establishment of SAL International Ground Handling B.V. in the Netherlands as a regional office for its European presence. The Belgian acquisition is subject to applicable regulatory approvals and transaction conditions. The acquisition would establish SAL’s first international operating platform, diversify its geographic presence and strengthen its relationships with global airline customers and connectivity across Saudi European trade lanes.

To support its investment program and enhance financial flexibility, SAL launched ⃁1 billion Sukuk Program during Q1 2026. The program broadens access to capital markets, diversifies long-term funding sources and provides additional headroom to fund strategic growth initiatives while maintaining disciplined capital allocation.

Market Development & Outlook

Market Development

Air cargo activity recovered strongly at the beginning of Q2 2026 following the regional disruptions experienced in the first quarter, before gradually normalizing towards the end of the period as airspace restrictions eased, airline operations resumed and regional supply chains adjusted.

Disruption affecting the Strait of Hormuz and the wider region continued to influence shipping routes, insurance costs, freight rates and jet fuel prices. Air cargo capacity also recovered more gradually as airlines managed airspace restrictions, fleet positioning and aircraft availability. However, the impact on SAL’s operations remained limited and temporary.

SAL's nationwide infrastructure and operational agility enabled the Company to adapt to changing cargo flows, maintain service continuity and support customers throughout the period. The Company recorded no major safety or security incidents across its 19 airport terminals and continued to capture commercial opportunities created by shifting trade and logistics patterns.

Outlook

SAL remains cautiously optimistic for the remainder of 2026. Strong trading in June and early July, together with healthy underlying demand, resilient import activity, inventory rebuilding for customers amid uncertainty over renewed regional events and constrained industry capacity across the logistic system, continues to support operational momentum.

Saudi Arabia's strengthening role as a regional cargo and transit hub is creating further opportunities for SAL to attract additional cargo flows and expand its relationships with airline and logistics customers.

Regional conditions remain dynamic, and SAL continues to monitor developments closely. The Company intends to maintain its current guidance until there is greater visibility on third-quarter performance, reflecting a disciplined and prudent approach to market guidance.

With a resilient Ground Handling business, improving Logistics performance, the active development of SAL Zones, continued digital adoption and progress towards establishing an international operating presence, SAL remains well positioned to capture long-term growth opportunities arising from the Kingdom's expanding role in regional and global trade.

Dividend Announcement

SAL's Board of Directors approved distributing an **ordinary cash dividend** of ⃁143.2 million for the second quarter of 2026. This equates to ⃁1.79 per share, compared to ⃁1.52 per share in Q2 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 03:00 PM (KSA) on August 3, 2026. Interested investors are encouraged to contact the Investor Relations department for participation details.

Financial Report & Earnings Presentation I 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)

Net Working Capital (NWC) as % of Revenue:
Net Working Capital divided by annualized revenue. Annualized revenue is based on the last 4 quarters.

Adjusted Free Cash Flow:
Free Cash Flow adjusted for Murabaha time deposits, reflecting the Company's available cash after capital expenditures and strategic investments.

Return On Invested Capital (ROIC):
Operating Profit (EBIT) annualized divided by Invested Capital, where Invested Capital equals Equity plus Interest-Bearing Debt and Lease Liabilities, less Cash and Short-Term Murabaha Deposits.