2Q26 FIRST TAKE

SAL Saudi Logistics Services Co.

July 29, 2026

Record quarterly revenue as cargo volumes recover; net profit beats on richer cargo mix

Last Price: SAR 165.5 | YoY Performance: -3.4%

KEY TAKEAWAYS

- Revenue rose 30% YoY and 14.9% QoQ to SAR 512.1 mn, coming 17.6% ahead of our estimate. Cargo Ground Handling led the way (+29.3% YoY), as cargo volumes recovered 9.0% YoY to 239 mn kg following regional airspace disruptions, aided by better cargo mix and pricing. Logistics segment also outperformed (+34.2% YoY), on expanded services, customer additions, and higher warehouse utilisation.
- Gross margin expanded to 58.4% in 2Q26 from 56.9% in 2Q25, ahead of our 56.9% estimate, as the the volume recovery and richer cargo mix delivered leverage over a largely fixed handling cost base - pricing gains flowing through at minimal incremental cost.
- Operating profit rose 23.6% YoY and 24.7% QoQ to SAR 213.1 mn, 26.2% ahead of our estimate. However, margin slipped to 41.6% in 2Q26 from 43.8% in 2Q25 as operating expenses jumped 67.0% on service-capability investment, variable logistics costs and strategic development spend.
- Net profit reached SAR 191.4mn, exceeding our estimate by 28.7%, driven by lower credit-loss provisions and advisory expenses. This was partly offset by higher Sukuk and lease financing costs and FX losses. Net margin declined to 37.4% in 2Q26 from 41.2% in 2Q25.
- On growth, SAL Zones has moved into Phase 1 construction, while the proposed Aviapartner Liège acquisition and new SAL International Ground Handling B.V. mark the company's first move outside Saudi Arabia.
- Based on our last update, we maintain a 'Neutral' rating on the stock with a target price of SAR 192.4/share. The company also announced a cash dividend of SAR 1.79/share for 2Q26. We will update our estimates and target price once detailed financial statements are released.

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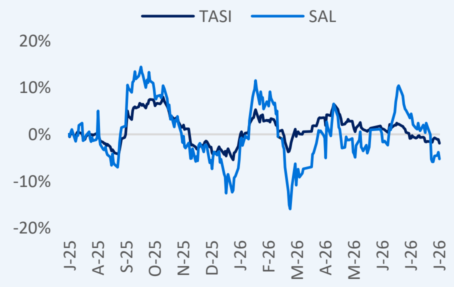
Issuer Information

Bloomberg Code	**SAL AB**
Last Price (SAR)	**165.5**
No of Shares (mn)	**80.0**
Market Cap bn (SAR/USD)	**13.2 / 3.5**
52-week High / Low (SAR)	**186.0 / 148.2**
12-month ADTV (mn) (SAR/USD)	**27.3 / 7.3**
Free Float (%)	**44.6**
Foreign Holdings (%)	**10.0**

Last price as of July 28th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	512	436	17.6	394	30.0	446	14.9
Cost of Revenues (COGS)	213	188	13.3	170	25.2	201	5.8
Gross Profit	299	248	20.9	224	33.6	245	22.3
Gross Margin (%)	***58***	***57***		***57***		***55***	
Operating Expenses	86	79	9.4	52	67.0	74	16.8
Operating Profit	213	169	26.2	172	23.6	171	24.7
Operating Margin (%)	***42***	***39***		***44***		***38***	
Net Income	191	149	28.7	162	18.0	157	22.2
Net Margin (%)	***37***	***34***		***41***		***35***	
EPS (SAR)	2.39	1.86	29.8	2.03	17.8	1.96	22.1
DPS (SAR)	1.79	1.40	27.9	1.52	17.8	1.47	21.8

**anbc estimate*
Source: Company Financials, anbc research

Disclaimer

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

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