

SAL Saudi Logistics Services Co.

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

July 29, 2026

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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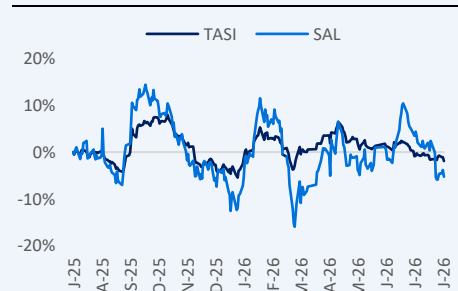
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Issuer Information

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

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