Saudi Logistics Services Co.

Ground handling segment drives overall earnings growth.

Rating: Neutral | Target Price: SAR 198.3

February 11, 2026

Market Data	
Last Price (SAR)*	176.4
Target Price (SAR)	198.3
Upside / Downside (%)	12.4
Market Cap (bn) (SAR/USD)	14/4
52 week High / Low (SAR)	289/156
12-month ADTV (mn) (SAR/USD)	38/10
YTD Return (%)	10.0
Bloomberg Code	SAL AB

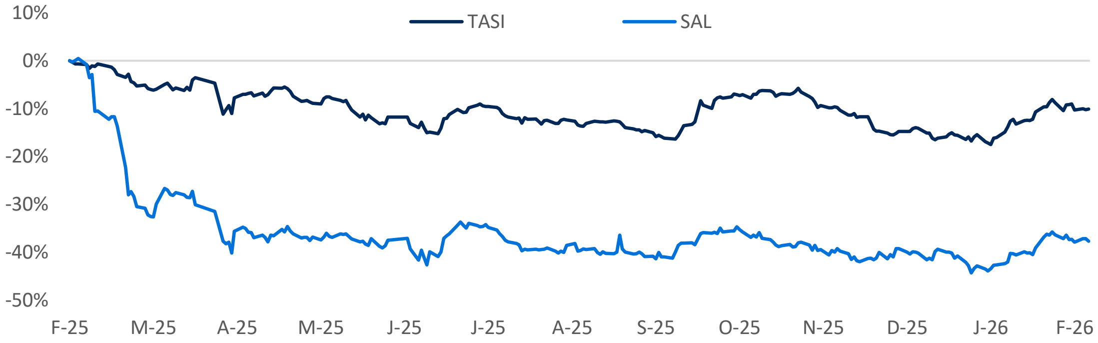
**last price as of 10th February 2026*

Valuations	2025A	2026E	2027F	2028F
Net Income (SAR mn)	698	615	502	558
EPS (SAR)	8.7	7.7	6.3	7.0
PER (x)	20.2	23.0	28.1	25.3
P/BV (x)	8.7	8.2	7.6	7.1
DPS (SAR)	6.5	5.8	4.7	5.2
Div. Yield (%)	3.7	3.3	2.7	3.0
RoAE (%)	46.2	36.7	28.0	29.0
RoAA (%)	20.1	14.8	9.9	9.7

Financials (SAR mn)	4Q25A	4Q25E*	*Var (%)*	4Q24A	*YoY (%)*	3Q25A	*QoQ (%)*
Revenue	509	499	*2.1*	409	*24.6*	421	*20.9*
COGS	(236)	(202)	*16.7*	(185)	*27.1*	(171)	*38.1*
Gross profit	**274**	**297**	***(7.8)***	**223**	***22.5***	**251**	***9.2***
Gross margin (%)	*53.7*	*59.5*	-	*54.6*	-	*59.5*	-
OPEX	(71)	(84)	*(14.5)*	(69)	*4.3*	(63)	*13.9*
Operating profit	**202**	**213**	***(5.1)***	**155**	***30.6***	**188**	***7.6***
Operating margin (%)	*39.7*	*42.7*	-	*37.9*	-	*44.6*	-
Net income	**202**	**199**	***1.5***	**142**	***42.0***	**181**	***11.5***
Net margin (%)	*39.6*	*39.9*	-	*34.8*	-	*42.9*	-
EPS	***2.52***	***2.48***	***1.5***	***1.78***	***42.0***	***2.26***	***11.5***
DPS	1.89	1.90	-	1.33	-	1.70	-

**anbc estimates*

Price Performance



Source: Tadawul, Bloomberg, and anbc research

Saudi Logistics Services Co. (SAL) reported a net profit of SAR 202 mn (EPS: SAR 2.52) in 4Q25, up 42.0% YoY and 11.5% QoQ, broadly in line with our estimates (+1.5%). The growth in net profit was driven by 24.6% YoY increase in revenues and improved performance of ground handling segment. The board declared a cash dividend of SAR 1.89/share in 4Q25. We maintain our 'Neutral' stance on the stock with a target price SAR 198.3/share, providing a 12.4% upside from last close.

- SAL reported strong revenue growth in 4Q25, with top line reaching SAR 509 mn, up 24.6% YoY and 20.9% QoQ. The revenue came broadly in line with our expectations, slightly ahead by 2.1%. The growth in revenues was driven by 26.6% YoY increase in ground handling segment revenues and 15.7% YoY rise in logistics division revenues. The surge in ground handling revenue was supported by a 4.8% YoY increase in cargo volumes to approximately 265 mn kgs and enhancements in the service offering. The uptick in logistics division revenue was driven by expanded service portfolio and new clients win.
- Revenues for the full year 2025 reached SAR 1,708 mn, reflecting a 4.6% YoY increase. The annual growth was achieved despite a 1.1% YoY decline in total cargo volumes to 961 mn kgs, as service list enhancements implemented during 2H25 supported revenue resilience.
- Despite a contraction of 0.9 percentage points YoY in gross margins to 53.7% in 4Q25 and a one-off lease asset write-off in the logistics division, which led segmental operating margins to drop at -16% in the quarter, overall profitability remained resilient. The profitability was supported by record operating margins in the ground handling segment, at 51.9%. Consequently, overall operating margin improved to 39.7% in 4Q25 compared to 37.9% in 4Q24, although the margins came in below our estimate of 42.7%. For 2025, operating profit increased to SAR 727 mn, reflecting a 2.5% YoY growth.
- Topline growth combined with operating efficiency lifted the net profit for the quarter to SAR 202 mn, up 42.0% YoY and 11.5% QoQ. For full year 2025, net income rose to SAR 698 mn, up by 5.5% YoY.
- Capital expenditures stood at SAR 144 mn in Dec-25, compared to SAR 68 mn in Dec-24. For 2026e total CAPEX is projected at SAR 1,375 mn, of which SAR 874 mn is earmarked for development of logistics zone.
- The company declared a cash dividend of SAR 1.89/sh for 4Q25, reflecting a payout ratio of 75%, in line with its strategy. We estimate the 2026e dividend yield at 3.3%.
- *We expect SAL to sustain its growth momentum, projecting 2026e revenues to reach SAR 1,939 mn, representing 14% YoY growth. However, we anticipate a slight moderation in net income, primarily driven by ongoing expansion initiatives. We maintain our 'Neutral' stance on the stock, with the target price of SAR 198.3/share. The stock is currently down 37.7% YoY and is trading at a 2026e PE of 23.0x.*

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