

Saudi Logistics Services Co.

Record gross margins drive earnings growth.

Rating: Neutral

Target Price: SAR 198.3

November 5, 2025

Market Data		Valuations	2024A	2025E	2026F	2027F
Last Price (SAR)*	174.0	Net Income (SAR mn)	661	678	612	500
Target Price (SAR)	198.3	EPS (SAR)	8.3	8.5	7.7	6.3
Upside / Downside (%)	14.0	PER (x)	21.0	20.5	22.7	27.8
Market Cap (bn) (SAR/USD)	14/4	P/BV (x)	9.9	8.9	8.1	7.5
52 week High / Low (SAR)	289/156	DPS (SAR)	6.0	6.4	5.7	4.7
12-month ADTV (mn) (SAR/USD)	39/10	Div. Yield (%)	3.4	3.7	3.3	2.7
YTD Return (%)	-31	RoAE (%)	50.2	45.6	37.1	28.0
Bloomberg Code	SAL AB	RoAA (%)	20.3	19.3	14.7	9.9

*last price as of 4th November 2025

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Revenue	421	395	6.6	367	14.7	394	6.9
COGS	(171)	(173)	(1.2)	(159)	7.5	(170)	0.4
Gross profit	251	223	12.6	208	20.2	224	11.9
Gross margin (%)	59	56	-	57	-	57	-
OPEX	(63)	(63)	0.1	(49)	27.5	(52)	21.6
Operating profit	188	160	17.5	159	18.0	172	9.0
Operating margin (%)	45	40	-	43	-	44	-
Net income	181	160	12.7	156	16.3	162	11.5
Net margin (%)	43	41	-	42	-	41	-
EPS	2.26	2.01	12.7	1.94	16.3	2.03	11.5
DPS	1.70	1.50	-	1.45	-	1.52	-

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg, and anbc research

Saudi Logistics Services Co. (SAL) reported a net profit of SAR 181 mn (EPS: SAR 2.26) in 3Q25, up 16.3% YoY and 11.5% QoQ. The results exceeded our estimates, as the company posted record gross profit margins of 59.5% in the quarter, owing to growth in ground handling and logistics division. The board declared a cash dividend of SAR 1.70/share. We revise our target price to SAR 198.3/share on account of updated management guidance and improved earning visibility from the logistics zone. Despite the slight upward revision in target price, we maintain our Neutral rating.

- During 3Q25, SAL's revenue rose 14.7% YoY to SAR 421 mn (+6.9% QoQ), 6.6% ahead of our estimates. Growth was driven by a 13% YoY increase in the ground handling segment revenues, supported by a 3.2% YoY rise in cargo volumes to approximately 235,751 tons and optimization of new service offerings. The logistics segment recorded a notable recovery, with revenues growing at 28% YoY on the back of a broader service portfolio and entry into new verticals. Revenues for 9M25 reached SAR 1,199 mn, down 2% YoY, primarily attributed to high base effect and the earlier softness witnessed in logistics division during 1H25.
- Gross margins reached a record 59.5% versus 56.8% in 3Q24, resulting in gross profit of SAR 251 mn, rising 20.2% YoY and 11.9% QoQ. For 9M25, gross profit remained broadly in line at SAR 689 mn, down slightly by 0.5% YoY.
- Operating margins improved to 44.6% from 43.4% in 3Q24, driving operating profit to SAR 188 mn, up 18.0% YoY and 9.0% QoQ. Margin performance benefited from operational efficiencies, improved yields in ground handling, and continued recovery in logistics. Over 9M25, operating profit totaled SAR 525 mn, declining 5.3% YoY
- Consequently, net income for the quarter reached SAR 181 mn, translating to a net margin of 42.9% and exceeding our forecast by 12.7%. For 9M25, net income amounted to SAR 496 mn, down 4.5% YoY.
- The company declared a cash dividend of SAR 1.70/sh for 3Q25, reflecting a payout ratio of 75%, in line with its strategy. We estimate the 2026f dividend yield at 3.3%.
- The company recently outlined its updated strategy, targeting a doubling of cargo-handling volumes by 2030f, a five-fold increase in logistics division revenue, and full commissioning of its logistics zone by 2030f. Reflecting the updated strategic outlook and revised guidance, we have adjusted our earnings forecasts.
- We revise our target price for SAL to SAR 198.3/share from SAR 192.4/share, reflecting the incorporation of logistics zone developments and updated management guidance. However, we maintain our "Neutral" stance on the stock. The stock is currently down 39.4% YoY and is trading at a 2026f P/E of 22.7x compared to an average 3-year forward PE of 26.5x.

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