



Opportunities & Risks

SAL operates in an environment shaped by both opportunities and risks. A strategic approach is essential to navigate this dynamic landscape effectively.

Looking inwards

Key Internal Opportunity

SAL's core strength is in its Handling business. This strength is complemented by strategic diversification into broader logistics operations and backed by a robust financial foundation. The Company has demonstrated impressive revenue growth, achieving a strong CAGR since 2020, further enhanced by its successful IPO, which raised SAR 2.5 billion.

Key Internal Risks

Dependence on Key Customers

A significant portion of revenue comes from key customers, posing potential credit and revenue risks. However, SAL acknowledges this as both an industry norm and a regional strength. In Handling, revenues benefit from long-term contracts with major airlines and importers, while in Logistics, the customer base is being diversified.

Operational Costs and Profitability

Rising operational costs and unprofitable terminals, coupled with risks from delayed construction projects, may impact financial stability. Close monitoring of key metrics enables SAL to make timely decisions and implement effective mitigation measures.

Lease Agreements

Reliance on government-owned facility leases creates potential operational risks if contracts are not renewed promptly. Through its dedicated corporate functions, including strategic partnerships, Governance, Risk, and Compliance (GRC), and legal, SAL has enhanced the monitoring and renewal process for all key contracts.

Financial Risks

Exposure to interest rate fluctuations, working capital challenges, and reliance on loans underline the importance of robust financial management.

Risk Appetite

SAL maintains a low risk appetite for financial, operational, reputational, regulatory, legal, compliance, information technology, and cybersecurity risks, with zero tolerance for health, safety, environmental, and security risks.

Looking outwards

Key Opportunities

Market Growth

Double-digit growth in the Saudi air cargo and e-commerce sectors presents expansion opportunities.

Sector Expansion

Growth in the pharmaceutical and other specialized logistics markets, combined with abundant opportunities in the broader logistics market, remains a key focus for strategically growing SAL’s business profitably.

Key Risks

Competition

Intensifying competition in core areas could pressure pricing and market share. To effectively address this risk and develop timely mitigation strategies, SAL closely monitors the competition.

Customer Needs

Shifting customer preferences, such as reduced storage times, require adaptive service models. SAL’s strategy 2031 addresses this.

Global Supply Chain Changes

Disruptions in global value chains necessitate operational flexibility. Drawing on past experiences from global events like the pandemic, SAL is well-equipped to navigate such environments with agility.

Regulatory Risks

The evolving regulatory landscape requires ongoing efforts to ensure sustained operations. SAL relies on well-defined policies, procedures, and proactive monitoring to maintain seamless compliance.

Cybersecurity

Threats to the confidentiality, integrity, or availability of information systems and data are a critical concern. To maintain optimal vigilance, SAL continuously monitors potential risks and invests in robust protection measures aligned with current industry standards.

By strategically addressing these risks and leveraging its strengths, SAL is well-positioned to capitalize on opportunities while managing potential challenges.