

Report Date: 1-June-25

SALAM INTERNATIONAL TRANSPORT & TRADING

ASE: SITT



Price as of 29-May-25

JD 1.01/Share

Quarter Earnings: 31/3/2025

Annual Earnings: 31/12/2024

RATING

Initiated Coverage 20/02/2024

We project that SITT will perform in line with the market over the next 6-12 months. This projection is based on our analysis of four key factors that influence common stock performance: (1) relative valuation, (2) earnings strength, (3) financial stability, and (4) price movement.

Target Price**JD 1.05****Previous Rating**

14/04/2025

52- Week Price Range

JD 0.80 - JD 1.11

Market Capitalization

JD 18.2 M

Forward P/E

14.22x

P/BV

0.78x

Founded: 1977**Shares Outstanding:** 18.0 M**Employees:** 7**Sector:** Transport & Trading**Industry:** Transportation

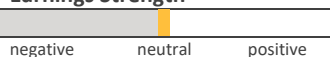
Salam International Transport & Trading (hereinafter referred to as “SITT” or the “Company”) is a public shareholding company established in Jordan, to provide solutions and services for the shipping, logistics & transportation, oil and gas logistics and construction, catering & life support services, building, and real estate industries. The Company operates Hilton Hotel in Aqaba, as well as the Dead Sea Hotel and Resort through its affiliates. It is worth noting that SITT owns 20.64% of Jordan National Shipping Lines.

Recommendation Summary

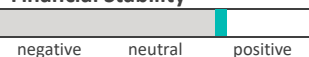
UFICO’s **HOLD** recommendation of SITT is the result of our systematic analysis of four characteristic mentioned above. SITT appears overvalued based on its P/E ratio and undervalued relative to peers on a P/BV basis, suggesting limited upside in the near term. While earnings increased during Q1 2025, the Company maintains strong financial fundamentals, including low leverage and healthy liquidity. Given mixed technical indicators and reduced profitability, a Hold position is recommended until earnings visibility and market sentiment improve.

Relative Valuation

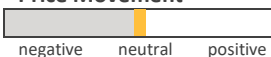
The stock is **overvalued** based on its forward P/E ratio and **undervalued** based on its P/BV ratio in comparison to its peers.

Earnings Strength

During 1Q25, earnings increased by 11.4%. However, revenue declined due to the effect on tourism and transport sectors during 2024 and Q1 2025.

Financial Stability

SITT shows strong financial stability with low debt levels, a balanced financial structure, and solid liquidity.

Price Movement

The stock is rated a **Hold** at its current 14-Day RSI and a **Buy** based on its MA200.

Major Risks & Rewards

- **Geopolitical instability:** SITT operates in a region prone to conflicts. Recent events, including neighbouring disputes and ongoing regional tensions, pose potential risks of delays to SITT's operations and disruptions to its supply chain.
- **Fuel Price Volatility:** Changes in fuel prices, which are a significant operational cost for transportation companies, can have an impact on SITT's profitability. Unexpected increases in fuel costs may result in higher operating expenses, decreasing margins even though successfully managed through fuel hedging or pricing changes.
- **Tourism Sector:** SITT operates two hotels in Aqaba and the Dead Sea through its affiliate companies which have seen a decline in occupancy due to the repercussions of the war on Gaza during 2024 and Q1 2025. The uncertainty surrounding the current events does not confirm an improvement in the tourism sector, which directly affects transport, another major service offered by SITT's companies.
- **Undervalued:** SITT's undervalued position in comparison to industry averages provides an opportunity for potential capital gains as market conditions improve and the Company's valuation matches with its fundamentals.
- **Financial Stability:** SITT's balance sheet and financial stability ratios, indicate a healthy position with low debt levels and a balanced financial structure.

Peers Group Comparison

Ticker	Peer Name	Price	Mkt Cap*	EPS	P/E	P/BV
		29/5/2025	29/5/2025	(Forward)	(Forward)	(MRQ)
SITT	Salam International Transport & Trading	JD 1.01	18,180	JD 0.071	14.22x	0.78x
SHIP	Jordan National Shipping Lines	JD 2.54	38,100	JD 0.303	8.39x	1.21x
MSFT	Masafat For Specialized Transport	JD 0.64	11,840	JD 0.038	16.93x	0.50x
Peers Weighted Average					10.42x	1.04x
Industry Average					10.90x	1.40x
Median					12.66x	0.85x

* In JD thousands

Report Date: 1-June-25

SALAM INTERNATIONAL TRANSPORT & TRADING

ASE: SITT

Past Performance

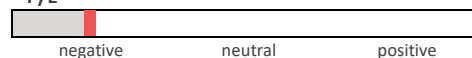
	2020	2021	2022	2023	2024	1Q24	1Q25
Net Profit Margin	22.15%	36.12%	41.33%	34.09%	31.46%	21.53%	24.29%
Earning/ Share (JD)	0.06	0.08	0.12	0.11	0.09	0.016	0.018
Debt to Equity	7.58%	2.43%	0.76%	0.34%	0.14%	1.08%	0.55%
Gross Profit Margin	27.84%	32.58%	31.51%	26.81%	16.35%	15.46%	13.58%
Dividend/Share (JD)	-	0.05	0.05	0.05	-	-	-

Relative Valuation: NEUTRAL

Last Price	Mkt Cap	EPS	P/E	BV/Share	P/BV
29/5/2025	29/5/2025	(Forward)	(Forward)	(MRQ)	(MRQ)
JD 1.01	JD 18.2 M	JD 0.071	14.22x	JD 1.30	0.78x

- **P/E vs. Industry:** is higher than the peers average and the median average indicating overvaluation.
- **P/BV vs. Industry:** is lower than the industry average and the peers' average, indicating potential undervaluation.

P/E



P/BV

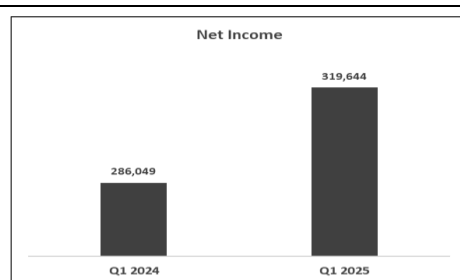
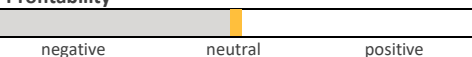


Earning Strength: NEUTRAL

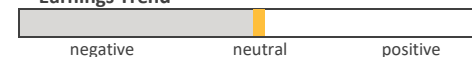
1Q25 Results	Revenues	Net Income	ROE	NPM
(TTM)	JD 1.32 M (-0.93%)	JD 319,644 (+11.4%)	5.52%	24.3%

- **Earnings Trend:** The Company experienced a decline in revenue, reflecting weaker top-line performance likely driven by the impact of the war on Gaza and its repercussions on the tourism sector. However, SITT's earnings increased by 11.4%, but if we normalize the earnings by excluding other income, they remain in line with Q1 2024.
- **Return on Equity** is lower than the emerging market average of 7.19%.
- **Net Profit Margin** is higher than 21.5% achieved at the end of 1Q24.

Profitability



Earnings Trend

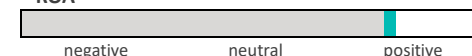


Financial Stability: POSITIVE

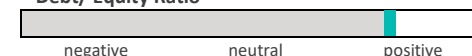
1Q25 Results	Assets	Equity	ROA	Debt/ Equity	Current Ratio
(MRQ)	JD 39.9 M	JD 26.7 M	3.44%	0.55%	1.14x

- **ROA Ratio** is modest and indicates the Company is efficient in generating earnings from its assets.
- **Debt/Equity Ratio** indicates that the Company's capital structure is conservative and not reliant on debt to finance operations.
- **Current Ratio** reflects good liquidity, indicating that the Company is able to meet its short-term obligations from its current assets.

ROA



Debt/ Equity Ratio



Current Ratio

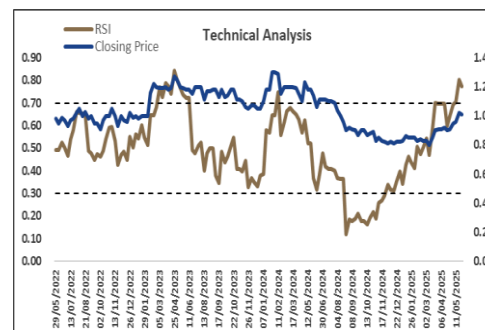


Price Movement: NEUTRAL

Annual Volatility:	14-Day RSI:	200-Day MA:	Average Volume (3M):
+/- 34.3%	68.678	0.95	15,485 shares

- **Price Volatility** indicates a high level of fluctuation in price over time. The higher the volatility, the riskier the stock.
- **14-Day Relative Strength Index (RSI)** is approaching **overbought** territory, indicating potential for a short-term pullback. Traditionally, a stock is considered overbought or overvalued when RSI is above 70 and oversold or undervalued when it is below 30.
- **Moving Averages (MA):** The stock price currently trades above its 200-day MA, which might indicate a **Buy** signal. The MA for the 50-Day and 100-Day are 0.86 and 0.88, accordingly, indicating a **Buy** signal.
- **Average Volume 3-Months** indicating **low trade activity**. This is due to SITT's free float of only 8.805%, which decreases daily trading opportunities.

Stock Price is down 8.18% in the past year



Report Date: 1-June-25

SALAM INTERNATIONAL TRANSPORT & TRADING

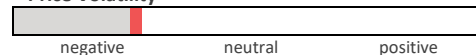
ASE: SITT

Price as of 29-May-25

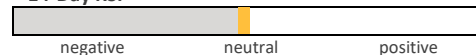
JD 1.01/Share

SITT is currently trading above its 200-day moving average, indicating continued positive momentum. A confirmed breakout over JD 1.05 might pave the way for JD 1.10 in the short term, with JD 1.20 as a potential medium-term goal.

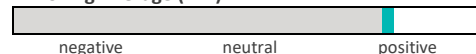
Price Volatility



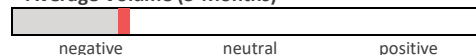
14-Day RSI



Moving Average (MA)



Average Volume (3-Months)



Report Date: 1-June-25

SALAM INTERNATIONAL TRANSPORT & TRADING

ASE: SITT

UFICO Stock Ratings: UFICO's coverage of stocks uses a quantitative model that evaluates a company's relative valuation, earnings strength, financial stability, and its recent price movement. UFICO's five recommendation ratings include strong buy, buy, hold, sell, strong sell. For all stocks in our coverage universe, ratings are generated each week and reflect the fundamental and price data as of the last trading day of the week.

1	2	3	4	5	Strong Buy	Significantly Satisfactory
1	2	3	4	5	Buy	Satisfactory
1	2	3	4	5	Hold	Average
1	2	3	4	5	Sell	Unsatisfactory
1	2	3	4	5	Strong Sell	Significantly Unsatisfactory

Relative Valuation: Relative valuation is a weighted combination of factors that measure a company's current stock price valuation vs industry. These include the company's price-to-earnings vs. industry, and its price-to-book vs. industry. UFICO also measures the rank of a company's dividend yield among dividend payers on the Amman Stock Exchange. A stock may stay undervalued or overvalued for a long period of time. For this reason, it is important to combine dividend yield rank factor with shorter-term predictive factors such as earnings momentum or price momentum to identify more imminent valuation adjustments. In addition, UFICO also measure a company's dividend payments growth over the past 10 years and the degree its dividend payments are covered by earnings.

Earnings Strength: Over 20 years of research have shown that the change in the growth of earnings per share is an important factor that drives stock price performance. UFICO measures earnings momentum to get an early indication of changing earnings patterns. Earnings strength is a weighted combination of factors that measure a company's earnings growth performance. These include the company's 5-year average earnings growth rate, its 1-year earnings growth rate vs its 5-year average earnings growth rate, its 1-year earnings growth rate vs. industry, its relative strength of ROE, and its y-o-y profit margin growth rate.

Financial Stability: Financial stability is a weighted combination of factors that measure a company's ability to pay its debts in the short and long terms. UFICO looks for a company's capital structure where its total liabilities do not exceed 40% of its equity. For a company's solvency strength, we look for an interest coverage of at least 3x, indicating a company's ability to cover its interest payments through its operating income, and a debt coverage of at least 200%, indicating a company's ability to cover its loans and interest payments through its operating income. For liquidity strength, we look for a company's current ratio of at least 1.25x, indicating current liabilities are sufficiently covered by current assets. Companies in the banking sector are analyzed using assets/equity ratio, loans/deposits ratio, loans/assets ratio, and level of bad loans. For assets/equity ratio, we look for a ratio below 10x, indicating adequate reliance on debt to fund the bank's operations. For loans/deposits ratio, we look for a ratio below 125%, indicating high liquidity and low exposure risk to cover unexpected funding requirements. For loans/asset ratio, we look for a ratio below 110%, indicating high liquidity and low exposure risk to defaults. For the level of bad loans, we look for a ratio below 5.00%, indicating lower provisions are required and, hence, increases bank profitability.

Recent Price Movement: Historical price action of a company's stock is an especially helpful measure used to identify intermediate and short term performance potential. Long term historical performance is a good predictor of future price performance, but much more importantly, large price movements over the intermediate and short term tend to reverse themselves. UFICO's price momentum measure integrates historical long, intermediate and short term price changes, creating ratings that are highest for stocks with strong twelve-month price performance that have had a price consolidation in the past quarter and month. Price movement is an evaluation based on a company's relative share price strength in the past 1-quarter, 14-day and 1-year period. In UFICO's analysis, positive price strength in the past 200-day period is a favorable indication of near-term price gain. Conversely, positive price changes in the past quarter or 14-day period can indicate a short-term overbought condition resulting in negative near-term price change.

Disclaimer

The statements, opinions and analyses presented in this report (collectively, "Information") are for informational purposes only. Any opinions or probabilities expressed in this report are those of the author as of the report date and are subject to change without notice. United Financial Investments ("UFICO") makes no guarantee as to the completeness or accuracy of the Information, nor can it accept any responsibility for any errors in the report. Other events that were not taken into account may occur, and any opinions or probabilities should not be construed to be indicative of the actual events that may occur. The Information contained herein is not an offer to sell or the solicitation of an offer to buy any securities. Nothing contained herein is intended to be investment advice, nor is it to be relied upon in making any investment or other decision. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment will be profitable or equal any historical performance level(s). Neither UFICO, any of its affiliates, nor each of their respective officers, directors, members, agents, representatives, employees, or contractors (collectively, "UFICO Parties"), are liable for investment decisions based upon, or the results obtained from, the Information provided. UFICO Parties or their clients may at times own positions in the companies described in these reports. You assume all risks of loss resulting, directly or indirectly, from the use of the Information contained in this report. By accepting receipt of this report, you agree to hold harmless the UFICO Parties from any and all claims, actions, damages, losses, liabilities, costs and expenses of any kind whatsoever, including any claims of negligence, arising out of, resulting from, by reason of, or in connection with the use of the Information contained in this report. This report contains certain "forward-looking statements," which may be identified by the use of such words as "believe," "expect," "anticipate," "should," "planned," "estimated," "potential" and other similar terms. Examples of forward-looking statements include estimates with respect to financial condition, market developments, and the success or lack of success of particular investments (and may include such words as "crash" or "collapse"). All are subject to various factors, including general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors that could cause actual results to differ materially from projected results. Comparable companies, strategies, portfolios and indices may be included in this report only as a context reflecting general market results during the depicted period or as of the specified date. The comparison of any company, strategy, portfolio or index to a single other portfolio may be inappropriate because the portfolio's assets, strategies and level of risk may vary materially from the comparable company, strategy, portfolio or index as a whole. This report is provided to you on a confidential basis and is intended solely for the use of the person to whom it is provided. It may not be modified, reproduced or redistributed in whole or in part without the prior written consent of UFICO.