

CATRION Catering Holding Co.

Revenue growth offset by rising expenses, pressuring margins

Rating: Overweight | Target Price: SAR 119.3

March 5, 2026

Market Data		Valuations				
		2025A	2026F	2027F	2028F	
Last Price (SAR)*	73.6	Net Income (SAR mn)	314	450	534	633
Target Price (SAR)	119.3	EPS (SAR)	3.8	5.5	6.5	7.7
Upside / Downside (%)	62.1	PER (x)	19.2	13.4	11.3	9.5
Market Cap (bn) (SAR/USD)	6/2	P/BV (x)	3.8	3.4	3.0	2.6
52 week High / Low (SAR)	132/70	DPS (SAR)	2.3	3.0	3.6	4.3
12-month ADTV (mn) (SAR/USD)	14/4	Div. Yield (%)	3.1	4.1	4.9	5.8
YTD Return (%)	-8.4	RoAE (%)*	20.7	26.8	28.2	29.4
Bloomberg Code	CATERING AB	RoAA (%)*	10.5	13.1	14.2	15.3

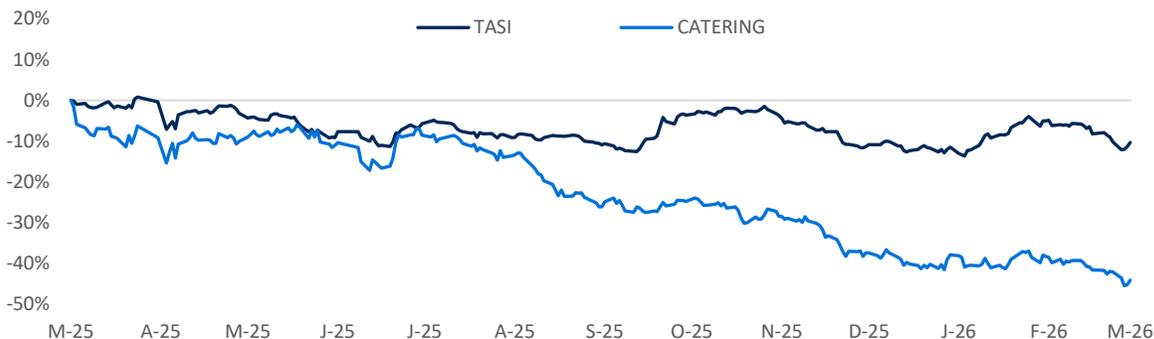
*last price as of 04th March 2026

*is being calculated based on estimates

Financials (SAR mn)	4Q25	4Q25E*	Var (%)	4Q24	YoY (%)	3Q25	QoQ (%)
Revenue	663	669	(0.9)	594	11.6	617	7.4
COGS	(480)	(475)	1.1	(420)	14.3	(438)	9.6
Gross profit	183	194	(5.6)	174	5.0	180	2.0
Gross margin (%)	27.6	29.0	-	29.3	-	29.1	-
OPEX	(91)	(86)	5.9	(75)	20.8	(71)	27.7
Operating profit	92	108	(14.7)	99	(7.0)	108	(14.9)
Operating margin (%)	13.9	16.2	-	16.7	-	17.5	-
Net income	76	95	(19.7)	98	(21.6)	97	(21.2)
Net margin (%)	11.5	14.2	-	16.4	-	15.7	-
EPS	0.93	1.16	-	1.19	-	1.18	-
DPS	1.15	0.95	-	1.15	-	-	-

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg and anbc research

CATRION Catering Holding Co. (CATRION) reported a net profit of SAR 76 mn (EPS: SAR 0.93) in 4Q25, down 21.6% YoY and 21.2% QoQ. The results fell short of our estimates and Bloomberg consensus estimates by 19.7% and 25.6%, respectively. Despite a 11.6% YoY increase in revenue, the bottom line declined due to higher finance costs on lease liabilities and lower finance income from short term deposits. Given the stocks has declined 44.2% YoY, we maintain our 'Overweight' rating with a target price of SAR 119.3/share.

- CATRION reported revenue of SAR 663 mn in 4Q25, up 11.6% YoY and 7.4% QoQ. The revenue came in line with our estimates of SAR 669 mn, down 0.9%. The growth was supported by improved performance of inflight catering segment, business lounge segment, and non-airline segment. Additionally, the commencement of Red sea project in 4Q25, further supported the topline growth. Notably, in Mar-23, CATRION signed two contracts worth SAR 9 bn with the Red sea global company. For full year 2025, revenues increased to SAR 2,441 mn, up 6.2% YoY.
- Gross profit for the quarter reached SAR 183 mn, up 5.0% YoY and 2.0% QoQ. However, gross margins for the period declined to 27.6%, down 1.7 and 1.5 percentage points YoY and QoQ, respectively. For full year, gross margins depicted a slight YoY improvement of 0.4 percentage points, arriving at 28.3%.
- Operating expenses increased 20.8% YoY to SAR 91 mn, compressing 4Q25 operating profit by 7.0% YoY to SAR 92 mn, owing to higher general and administrative expenses. This led to lower operating margins of 13.9%, down 2.8 percentage points YoY. In 2025, operating profit rose to SAR 365 mn, up 1.2% YoY.
- Net income in 4Q25 declined to SAR 76 mn, down 21.6% YoY and 21.2% QoQ. The decline came on the back of higher finance cost on lease liabilities and lower finance income. Consequently, net margins for the period declined to 11.5% vs. 16.4% in 4Q24. In 2025, net income declined to SAR 314 mn, down 11.1% YoY due to finance cost on lease liabilities rising to SAR 30 mn (vs. SAR 13 mn in 2024), share of profit from associates amounted to SAR -5 mn (vs. SAR 11 mn in 2024), and lower finance income.
- For 2H25, CATRION announced a dividend of SAR 1.15/share, taking the full year payout to SAR 2.30/share, inline with last year.
- Looking ahead, we expect CATRION to depict an upward growth trajectory due to the commencement of Red sea global project and acquisitions of Al Khalejiah Catering Company. However, short term performance might remain constrained due to the ongoing regional disruptions. Currently, CATRION is trading at a 2026F PE of 13.4x, representing a discount of its four-year historic average of 20.3x. As the stock has declined 44.2% YoY, we maintain our 'Overweight' rating, with a potential upside of 62.1% from last close.

Raed N. Alshalhoub

Raed.Alshalhoub@anbcapital.com.sa
+966 11 4062500 Ext. 2677

anbcapital

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OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa