INITIATION OF COVERAGE

CATRION Catering Holding Co.

19 October 2025

We initiate coverage on CATRION Catering Holding Co. with a target price of SAR 119.3/share and an 'Overweight' rating. With ~79% of revenue derived from the inflight catering segment, CATRION is well positioned to benefit from the sustained expansion of Saudi Arabia's aviation and tourism sectors under Vision 2030. Earnings growth is expected to be supported by newly secured long-term contracts, participation in giga projects, and an expanding footprint in the events and hospitality markets. However, increasing competition, reflected in the loss of certain recent contracts, and diversification into lower-margin integrated hospitality services present headwinds and may constrain growth momentum. However, given the 14.3% YoY decline in the stock price, current levels provide an attractive entry point.

Positioned for growth in aviation expansion. Vision 2030's target of reaching 330 mn air passengers by 2030f presents a significant growth opportunity for CATRION. Despite regional conflicts and the early suspension of visit visas prior to Hajj, total passenger traffic in KSA rose 7% YoY in 1H25. Although this growth was below expectations, it demonstrated the sector's resilience. With ~79% of its revenue generated from the inflight catering segment, CATRION is well positioned to benefit from the expansion of air travel. We expect the number of flights catered by the company to grow at a 2024-2029f CAGR of 8%, supporting inflight catering revenue growth at a CAGR of 9% over the same period.

New contracts to spur growth. Recently, CATRION has secured several key contracts. These include a SAR 2.3 bn, 5-year inflight catering agreement with Riyadh Air, expected to begin contributing by 4Q25, a 3-year contract with Saudia for equipment design and other services, and a 3-year inflight catering contract with Saudi Aramco. CATRION also renewed a 10-year lease with Riyadh Airports Company, signed a 3-year SAR 114 mn meals & support services contract with Saudi German Health, and entered into two 20-year agreements with Red Sea Global valued at SAR 9 bn for catering & laundry services, which are expected to contribute from 3Q25. These contracts present potential upside to our estimates. However, execution timelines and renewal terms remain key factors to monitor.

Diversification into new markets. CATRION is actively broadening its business model beyond inflight catering by moving into integrated hospitality and support services. This strategy is aimed at reducing reliance on aviation, a cyclical sector, while broadening revenue streams. The company targets 50% of revenue from non-aviation activities, we forecast this share to reach 31% by 2029f. While diversification increases stability, it also exposes the business to lower-margin and more competitive markets, where operational efficiency and cost discipline will be critical for sustaining profitability.

Expanding footprint in KSA's events market. CATRION strengthened its foothold in local event catering market by serving events such as Great Futures Event at KAFD and the World Annual General Assembly (WAGA), UN COP event, Cirque du Soleil, the Red Sea Film Festival, and the World Jewelry Show. In 2025, CATRION partnered with the Dakar Rally, contributing to a 188% YoY increase in other income in 1Q25. With KSA preparing to host a pipeline of international events, including the WWE Royal Rumble, WWE Wrestle Mania, AFC Asian Cup, Asian Winter Games, Riyadh Expo 2030, and FIFA World Cup 2034, CATRION is well-positioned to capture further catering and hospitality opportunities.

Valuation: Due to CATRION's growth prospects and the stock's recent price performance, we issue an 'Overweight' stance, with an upside of 23.0%. We have valued the company using the FCFF approach, using a terminal growth rate of 2.5% and a WACC of 9.3%.

Risk: CATRION operates in a highly competitive industry, facing risks of evolving consumer preferences, cost pressures, regulatory changes, supply chain disruptions, fluctuations in passenger volumes, or the non-occurrence of planned events in KSA. The company's dependence on large contracts also exposes it to renewal risk.

RATING SUMMARY	OVERWEIGHT
Target Price (SAR)	119.3
Upside/Downside	23.0%
Div. Yield (%)	3.1%
Total Exp. Return	26.1%

Source: Company financials, anbc research

ISSUER INFORMATION	
Bloomberg Code	CATERING AB
Last Price (SAR)	97.0
No of Shares (mn)	82
Market Cap bn (SAR/USD)	8.0/2.1
52-week High / Low (SAR)	144.4/94.1
12-month ADTV (mn) (SAR/USD)	19.4/5.2
Free Float (%)	56.1%
Foreign Holdings (%)	6.9%

Last price as of October 16th, 2025

VALUATIONS

	2024a	2025e	2026f	2027f
EPS (SAR)	4.3	4.3	5.5	6.5
PER (x)	22.6	22.8	17.7	15.0
PBV (x)	5.5	5.0	4.4	3.9
DPS (SAR)	2.3	2.4	3.0	3.6
Div. Yield (%)	2.4	2.5	3.1	3.7
RoE (%)	25.8	22.8	26.3	27.6
RoA (%)	14.4	11.7	13.1	14.2

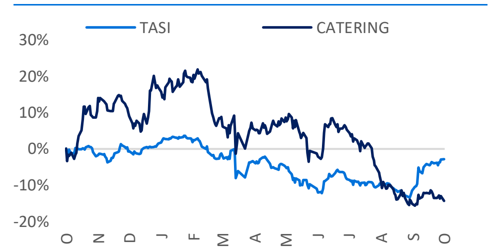
Source: Company financials, anbc research

FINANCIALS (SAR mn)

	2024	2025e	2026f	2027f
Revenue	2,299	2,461	2,844	3,235
Gross Profit	641	705	878	999
EBITDA	469	499	670	769
Net Income	353	349	449	531

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc research

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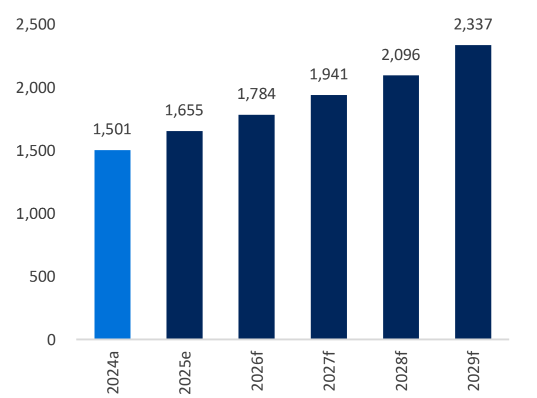
Investment Thesis

Set for growth in aviation expansion

The inflight catering segment accounts for ~79% of company's revenues. In 2024, CATRION's In-Flight Catering (IFC) division secured 16 new airline contracts and renewed six major agreements, expanding its portfolio to 119 airlines. During the year, the company catered 238,000 flights, reflecting a 14% YoY increase, compared to total flight growth of 11% across the Kingdom, which reached 905,109 flights. As a result, CATRION's share of total flights served in Saudi Arabia rose to 26%. Despite the loss of the Jeddah contract, growth momentum continued into 1H25, with 127,000 flights catered versus 117,000 in the same period of 2024.

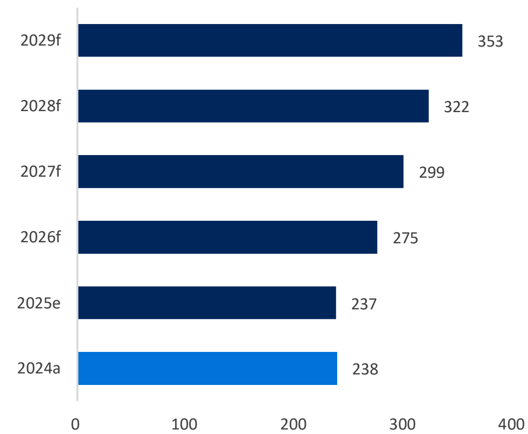
Looking forward, we expect the number of flights catered by CATRION to grow at a CAGR of 8.2% from 2024 to 2029f, driven by rising air travel demand. This is compared to an expected 16.1% CAGR for total flights across Saudi Arabia, presenting significant opportunities for further market expansion. To support this growth, the company plans to expand its Riyadh and Jeddah facilities over the next five years.

Chart 38: IFC revenue (SAR mn)



Source: Company financials, anbc research

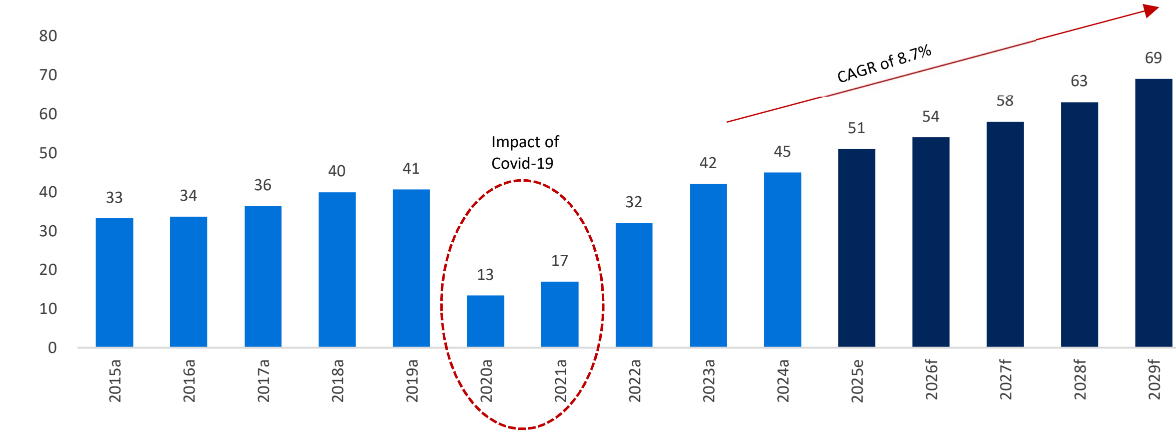
Chart 39: Total flights (flights k)



Source: Company financials, anbc research

On the meal service front, the company currently has the capacity to produce 320,000 meals per day. In 2024, CATRION served 45 mn meals, marking 9.1% growth YoY. In 1H25, it delivered 24 mn meals, up from 19 mn meals in 1H24, indicating sustained demand momentum. We forecast the number of meals served to grow at a CAGR of 8.7% between 2024 and 2029f, in line with flight activity growth and expansion in client base.

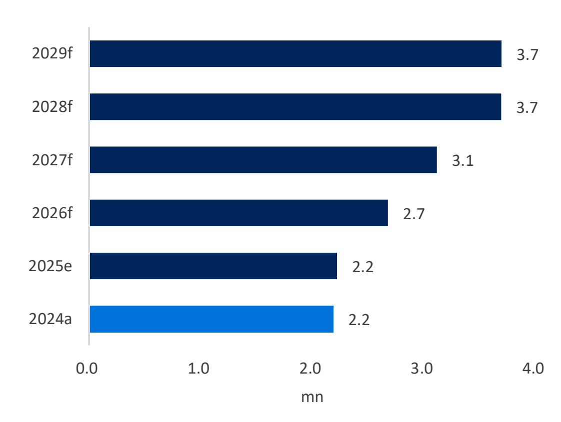
Chart 40: CATRION's number of meals served (mn)



Source: Company financials, anbc research

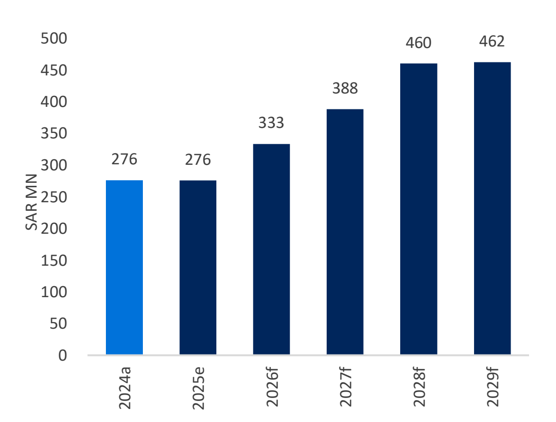
CATRION also operates 38 airport lounges, including three new facilities in Riyadh and Dammam. In 2024, the company served 2.2 mn guests compared to 1.6 mn in 2023, generating SAR 276 mn in revenue, a 24% YoY increase. The improvement reflects the reopening of previously closed business lounges and an overall rise in airport passenger throughout. Business lounge revenue contributed 12% to total revenue in 2024, up from 10% in 2023. However, in 1H25, the company lost the Al-Tanfeethi contract, negatively impacting lounge business by ~SAR 0.6 mn. Despite this, we expect continued growth in lounge activity driven by airport expansion and rising passenger volumes. We project lounge revenue to grow at an 11% CAGR between 2024 and 2029f, supported by improving occupancy and the gradual ramp-up of newly opened lounges.

Chart 41: Airport lounge guests to grow steadily



Source: Company financials, anbc research

Chart 42: Airport lounge revenue



Source: Company financials, anbc research

Diversification into new business segments

As part of its long-term strategy, CATRION is focused on diversifying its revenue streams, with the goal of increasing revenue contribution from non-aviation activities to 50%. These activities include i) laundry services, ii) catering for Hajj & Umrah pilgrims, iii) healthcare, iv) hotel services, and more. This approach not only broadens its market reach but also reduces its reliance on the aviation sector.

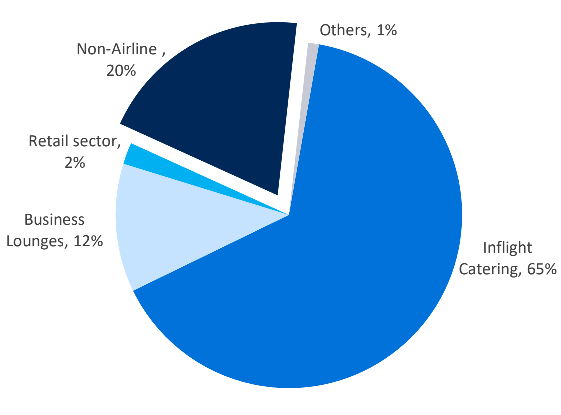
In 2024, CATRION took significant steps to strengthen its non-aviation operations, including expanding its laundry capacity, while the business unit in King Abdullah Economic City (KAEC) processed a record 64 tons in a single 24-hour period, surpassing its planned daily capacity of 42.5 tons. The company also made notable advancements in healthcare, with its Integrated Hospitality Business Segment securing 10 new hospital contracts, further extending its operational footprint.

CATRION has integrated cutting-edge technologies and sustainable practices, such as the use of biodegradable materials at major events like UNCCD COP 16, where over 65,000 meals were served. Additionally, the installation of a 297 KWP solar panel system at its KAEC laundry facility generates 501 MWh annually, aligning with its commitment to sustainability. Furthermore, in 2024, the company launched operations on 11 new rigs, providing full-service catering and accommodation management for up to 10,000 workers at remote sites in the oil, gas, mining, and construction sectors, enhancing its presence in these key industries.

Despite these efforts, the non-airline catering and hospitality sectors remain highly competitive, which has posed challenges for CATRION. In 2024, the company reported a 10% YoY decline in non-airline segment revenue; the decline was continued in 1H25, where the segments revenue fell by 3% YoY, reflecting pricing pressures and operational hurdles in these lower-margin businesses.

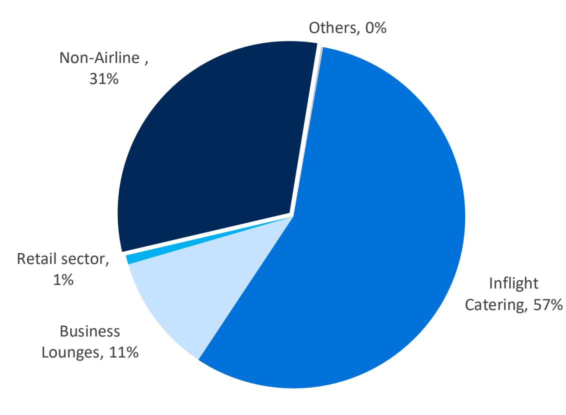
Nonetheless, CATRION's diversification strategy is expected to enhance its long-term financial stability, reducing concentration risk and providing a more balanced revenue mix. As the company continues to expand its integrated hospitality services and secure additional contracts in the healthcare sector, we project that non-flight catering revenue will grow at a 2024-2029f CAGR of 22%, albeit at lower margins. While in-flight catering remains the core revenue driver, this expansion into non-aviation segments strengthens CATRION's risk profile and positions it for sustainable growth in a rapidly evolving market.

Chart 43: Revenue contribution in 2024



Source: Company financials, anbc research

Chart 44: Revenue contribution expected in 2029f



Source: Company financials, anbc research

Expanding footprint in KSA's event market

As part of its rebranding, CATRION has strategically expanded its footprint in Saudi Arabia's events market, establishing itself as a trusted partner in premium event catering. Its VIP and Commercial Division, renowned for delivering high-end, customized catering services, caters to embassies, prestigious events, and distinguished individuals. Over the years, CATRION has provided its expertise at top world events such as Cirque du Soleil, the Red Sea Film Festival, the World Jewelry Show, and 9 repeated embassy orders cementing its reputation in the luxury catering segment.

In 2025, CATRION partnered with Dakar to become the official catering provider for the Dakar Rally 2025, resulting in a 188% YoY increase in its other income in 1Q25. During Dakar rally, CATRION delivered over 9,000 meals daily to 3,000 participants, staff, and support teams, utilizing six mobile kitchens, 34 support trucks, and five food trucks, supported by a team of 165 professionals, including 35 chefs. In 2024, CATRION catered to 3,600 guests daily over a four-day period at the Great Futures Event at KAFD and managed the World Annual General Assembly (WAGA), providing multi-course plated meals for 700 VIPs. The company also deployed 650 staff members and served over 65,000 meals at the UN COP event. In 2023, the company also provided catering services for the Red Sea Film Festival in Jeddah, showcasing its ability to manage large-scale events. Additionally, CATRION is preparing to participate in the World Travel Catering & Onboard Services (WTCE) Expo 2025, further strengthening its presence in aviation and onboard catering.

Looking ahead, CATRION is well-positioned to benefit from upcoming large-scale events in Saudi Arabia, such as WWE Royal Rumble (2026), WWE WrestleMania (2027), AFC Asian Cup (2027), Asian Winter Games (2029), Riyadh Expo (2030), and FIFA World Cup (2034). These events present significant opportunities for the company's continued growth in the Kingdom's expanding events and hospitality sector.

Contracts win driving growth

aramco	السعودية Saudia	مطارات الرياض riyadh airports	السعودي الألماني الصحية Saudi German Health	RIYADH AIR طيران الرياض	Mallaghan	Red Sea Global
Inflight Catering Services Contract with Aramco	Equipment Design, Procurement & Supply Services contract with SAUDIA	Renewal of a Lease Agreement with Riyadh Airports Company	Signing of a contract with Middle East Healthcare Company	Signing of a contract with Aviation Services Company (Riyadh Air)	Signing of a MOU with Mallaghan Engineering Ltd	Entering into Contracts with Red Sea Global

1. **Equipment design, procurement & supply services contract with SAUDIA**

   CATRION announced the signing of a contract with SAUDIA on 3rd July 2025, wherein the company will provide SAUDIA with equipment design, procurement and supply services. The 3-year contract is valued at SAR 36 mn, with positive contribution expected by 3Q25.

2. **Inflight catering services contract with Aramco**

   CATRION signed a 3-year contract, valued at SAR 33 mn with Aramco on June 29, 2025, to provide inflight catering services for VIPs and passengers of Aramco Aviation at King Fahd International Airport in Dammam. It also covers food and beverage services for chartered and visiting aircraft, as well as the operation of the aviation cafeteria located at Aramco's terminal arrival hall.

3. **Lease renewal with Riyadh Airports Company**

   On March 6, 2025, CATRION renewed its lease agreement with Riyadh Airports Company (RAC) to continue operating the central kitchen (FK1) at King Khalid International Airport in Riyadh. The 10-year contract, valued at SAR 178.2 mn, includes a rental fee along with a percentage of total sales generated from services provided at the leased premises, as per the contract terms.

4. **Signing of a contract with Middle East Healthcare Company**

   On January 1, 2025, CATRION secured a three-year contract with Middle East Healthcare Company (Saudi German Health) to provide nutritious meals, beverages, and support services for employees and resident patients. The contract is valued at over SAR 114 mn, with the financial impact anticipated to materialize by 2Q25.

5. **Signing of a contract with Aviation Services Company (Riyadh Air)**

   On January 8, 2025, CATRION entered into a five-year strategic partnership with Aviation Services Company (operating as Riyadh Air) to deliver in-flight catering and related services for both domestic and international flights. The contract is valued at SAR 2.3 bn and is expected to contribute to earnings by 4Q25.

6. **Signing of a MOU with Mallaghan Engineering Ltd**

   On July 4, 2024, CATRION signed a Memorandum of Understanding (MoU) with Mallaghan Engineering Ltd, a leading aviation equipment manufacturer, to procure 85 high-loaders dedicated to in-flight catering services. The procurement will be executed over a four-year period (2024–2027).

7. **Contract with Red Sea Global (RSG)**

   CATRION has entered into two 20-year agreements with Red Sea Global (RSG) for catering and laundry services. Under the first contract, valued at approximately SAR 6.3 bn, CATRION will design, build, operate, and transfer a central production unit to provide catering and facilities management for RSG employees across hotels, resorts, and other facilities within the Red Sea destination.

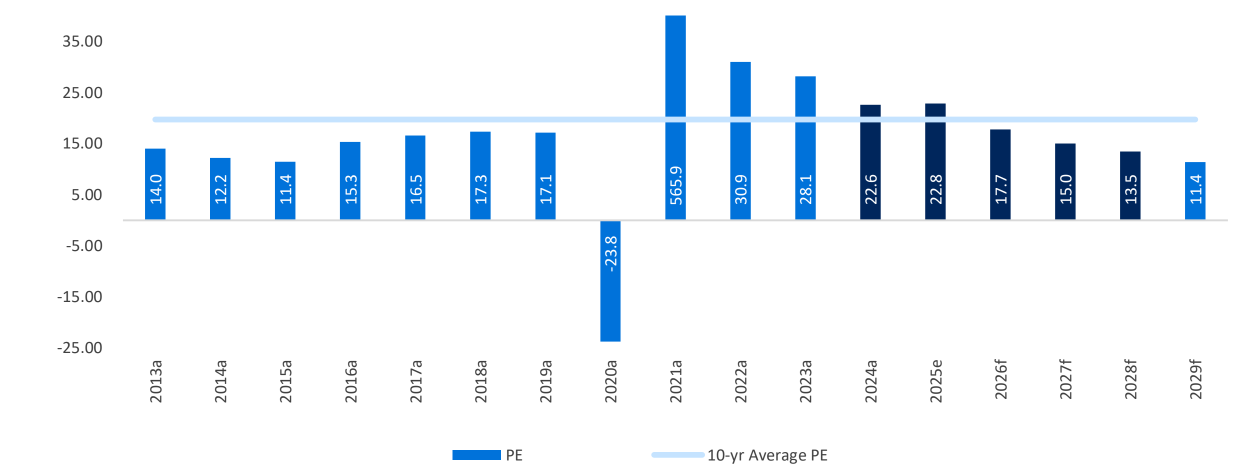
   The second contract, worth around SAR 2.7 bn, involves the design, construction, operation, and transfer of a central laundry facility to serve hotels, resorts, and other establishments in the region. Both agreements are expected to contribute positively to CATRION's financial performance starting in 3Q25.

Collectively, these contracts reinforce CATRION's future growth prospects. The lease renewal with Riyadh Airport secures the company's operational base in aviation catering, while the Riyadh Air and Aramco contracts expand its client footprint among the Kingdom's key aviation players. The healthcare and Red Sea Global agreements mark meaningful steps in diversifying the company's revenue mix beyond inflight services.

Discounted valuation and modest payout

CATRION is trading at a 2026f P/E of 17.7x, below its 10-year historical average P/E of 19.4x (excluding the COVID-impacted years 2020–2021). The discounted multiple is primarily driven by a 14.3% YoY decline in the share price and a strong 28.7% YoY earnings growth forecast for 2026f. The anticipated earnings acceleration is primarily underpinned by the growing number of air passenger in the country.

Chart 45: Elevated valuation with expected normalization ahead

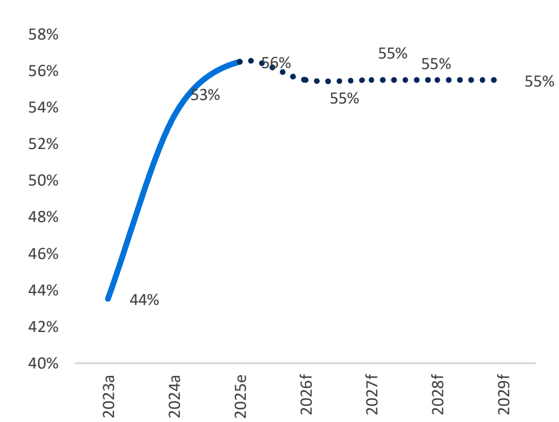


Source: Company financials, anbc research

The company's payout ratio, which had declined in 2020 due to earnings weakness, is now stabilizing, with management adopting a sustainable approach to distributions. Going forward, payouts are expected to remain within the 50–60% range, balancing dividend consistency with reinvestment in growth initiatives.

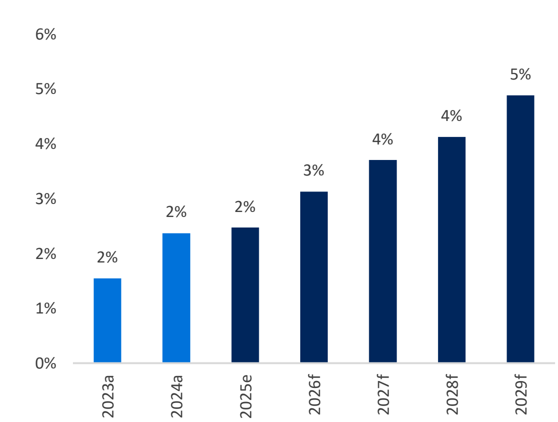
Historically, CATRION maintained a high payout policy, with distributions often exceeding 80% of earnings from 2013 to 2019. The earnings recovery post-pandemic has allowed dividends to resume, and as the company expands its event catering, tourism, and hospitality footprint, this trend is expected to continue.

Chart 46: Payout anticipated to rise going forward



Source: Company financials, anbc research

Chart 47: DY expected to grow in the long term



Source: Company financials, anbc research

Valuation

We value CATRION using the FCFF approach, incorporating a terminal growth rate of 2.5% and a WACC of 9.3%, which yields a target price of SAR 119.3/share. We maintain an 'Overweight' rating on the stock, implying a total upside of 23.0% from current levels. Our stance is supported by the stock's attractive valuation, as CATRION trades at a 2026f P/E of 17.7x, below its 10-year historical average (excluding COVID-impacted years) of 19.4x. Similarly, the 2026f P/BV of 4.4x remains at a discount to its long-term average of 6.6x, underscoring the upside potential relative to historical trading levels.

Valuation Table:

SAR MN	2027f	2028f	2029f	2030f	2031f
FCFF	360	494	578	709	829
Terminal Value					12,445
FCFF + Terminal	360	494	578	709	13,274
Discounted FCFF	**329**	**414**	**442**	**496**	**8,497**

Enterprise Value	10,178
Cash	420
Debt	(817)
Equity Value	9,781
Target Price	**119.3**

TP Sensitivity:

WACC \ Growth rate	1.5%	2.0%	2.5%	3.0%	3.5%
7.3%	147.4	159.7	174.5	192.8	215.8
8.3%	123.7	132.2	142.1	154.0	168.2
9.3%	106.0	112.2	119.3	127.5	137.1
10.3%	92.4	97.1	102.3	108.3	115.1
11.3%	81.6	85.2	89.2	93.7	98.7

CATRION Company Overview

Established in 1981 as the catering division of Saudi Arabian Airlines, CATRION has evolved over four decades into a leader and innovator in the Kingdom's catering industry. In October 2023, the company underwent a significant rebranding from Saudi Airlines Catering Company to CATRION, reflecting its strategic shift towards diversification and alignment with Saudi Arabia's Vision 2030.

This transformation signifies CATRION's commitment to expanding beyond aviation catering, which currently accounts for 79% of its revenues into sectors such as retail, healthcare, railways, and integrated facilities management. This transformation has led to CATRION partnering with giga projects as well.

Services provided:

Servies provided by CATRION can be subcategorized into the following three categories:

1. **Inflight Catering Services**

   CATRION's in-flight catering division is a cornerstone of its operations, serving over 119 airlines. The company provides onboard meal preparation, and equipment logistics, ensuring a premium dining experience for airline passengers. Additionally, CATRION manages 38 airport lounges; in 1H25, the company welcomed 1.1 mn guests, reflecting a YoY growth of 15%.

   In-flight catering services also include retail division, which operates multiple sales channels, serving both onboard and ground customers. Skysales enhances the in-flight shopping experience for passengers on Saudia, Flynas, and Flyadeal, offering a curated selection of nearly 200 premium SKUs. Across its Skysales retail network, the company features over 800 product references and 100+ brands. Additionally, its Ground Shops division manages 7 retail outlets, providing travelers with a range of essentials and luxury goods. To further extend its reach, CATRION’s E-commerce platform oversees online retail operations and deliveries, ensuring seamless access to its products beyond physical stores.

2. **Integrated Hospitality**

   CATRION’s Integrated Hospitality division, started in 2008, extends beyond aviation, offering specialized hospitality and catering solutions across multiple sectors, including corporate, healthcare, railways, and religious tourism. The company designs, builds, operates, and manages hospitality services, ensuring seamless operations and quality service delivery.

   With a presence at over 60 locations, CATRION specializes in fresh and healthy meal services for workplaces, hospitals, and industrial sites. The company’s Business & Industrial Services operate across 41 sites in Saudi Arabia, providing tailored food and hospitality solutions. Similarly, Remote Site Services cover 38 locations, railway lounges cover 9 station lounges, and the Health Care & Hotels Services manage services at 53 sites.

   To maintain hygiene standards and improve operational efficiency, CATRION oversees laundry services in KAEC and RUH. These facilities supply clean linens and uniforms for hospitals, corporate locations, and staff accommodations. In 2024, the average daily laundry volume saw a substantial increase from 36.9 tons in 2023 to 46.6 tons, further reflecting enhanced operational efficiency.

   CATRION also supports the Hajj & Umrah sector, providing a wide range of meals and support services, with capacity to serve 12 mn meals to 1 mn pilgrims.

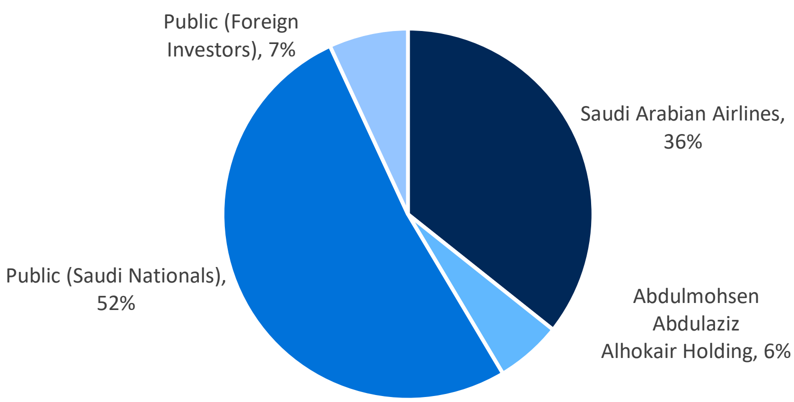
   CATRION’s Central Processing Unit (CPU) collaborates with the healthcare sector, supplying nutritious meal options to over 150 hospitals. This partnership results in an impressive 450,000 meals prepared each month, reinforcing CATRION’s role in healthcare nutrition.

The Sports & Events Catering segment provides premium hospitality solutions for corporate gatherings, sporting events, and VIP functions, ensuring high-end catering and service execution. Additionally, Camp Management Services accommodate 8,000 staff members across four cities, offering both lodging and meal solutions.

3. **Culinary**

In culinary services, CATRION includes menu planning, Central Production Units (CPUs), and culinary academy. To facilitate large-scale meal production, CATRION operates two CPUs and five kitchens, offering end-to-end services such as menu planning and food delivery. The CPU plays a crucial role in producing economy-class meals for Saudia and other airlines. Additionally, in the private sector, the company's CPU unit has ventured innovatively into the retail food market. A significant achievement in this area is developing a new line of ready-to-eat meals for Panda supermarkets, as well as Savola Group.

Shareholding pattern:



Source: Company financials, anbc research

Major CATRION clients:

Inflight Clients

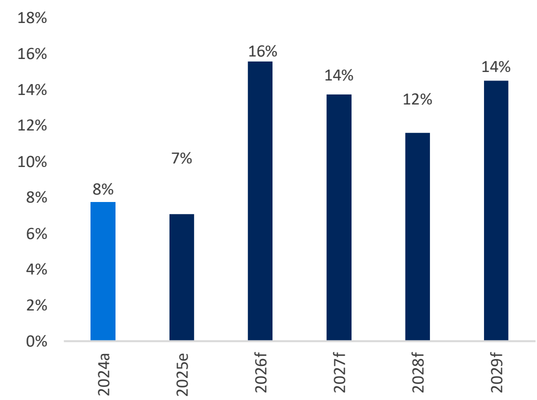
Integrated Hospitality Clients

History of CATRION:

- **1981** • Saudi Airlines Catering Company (SACC) is established at Jeddah's King Abdulaziz International Airport.
- **1983** • SACC expands its operations to Riyadh.
- **1984** • Launch of Egypt operations in Cairo International Airport.
- **1985** • SACC takes over SkySales, assuming control of Saudia's In-Flight retail operation.
- **1999** • SACC expands its operations to Dammam, followed by Medina two years later.
- **2001** • Launch of Medina operations in Prince Mohammad Bin Abdulaziz Airport.
- **2006** • SACC secures its first ten-year contract to operate the Al Fursan Lounge at King Abdulaziz International Airport.
- **2008** • SACC undergoes a transformation as it establishes itself as an independent limited liability company.
- **2011** • Launch of central production unit (CPU) in Riyadh.
- **2012** • SACC transitions into a closed joint-stock company, subsequent to an initial public offering and stock market listing.
- **2013** • The launch of B2B Saudi Laundry Services takes place at Riyadh's King Fahad Medical City.
- **2014** • SACC secures its first rail contract, providing on-board services for passengers.
- **2016** • SACC inaugurates a stateof-the-art laundry facility in King Abdullah Economic City.
- **2017** • The launch of the ''Wellcome Lounge'' at Prince Mohammed Bin Abdulaziz International Airport, Medina.
- **2019** • SACC enters the sports and entertainment sector through a catering and sponsorship agreement for Rally Dakar Saudi Arabia 2020.
- **2018** • Initiation of digital transformation program.
- **2019** • SACC enters the sports and entertainment sector through a catering and sponsorship agreement for Rally Dakar Saudi Arabia 2020.
- **2020** • Exclusive caterer for pilgrims to Hajj and Umrah.
- **2021** • The opening of the Jeddah Wellcome Lounge accompanies the launch of 'Crafted'.
- **2023** • SACC undergoes a rebranding, announcing a new era under the name CATRION.
- **2024** • CATRION launched the 2nd Riyadh CPU at Princess Nourah University and renewed its SAR contract for five more years.
- **2025** • CATRION partnered with Riyadh Air, sponsered Dakar Rally in KSA and signed an agreement with Saudi german health.

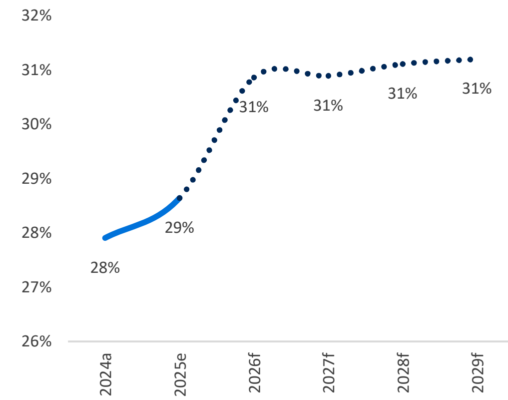
CATRION's chart bank:

Chart 48: Revenue growth YoY



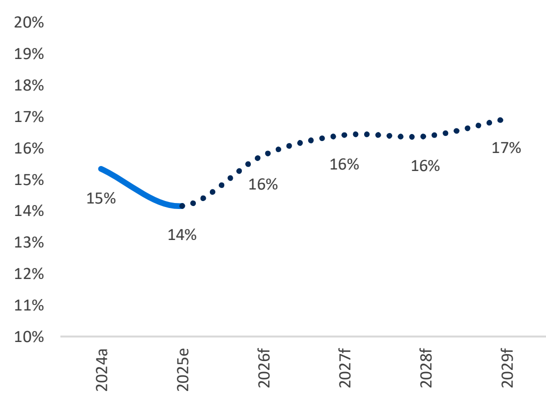
Source: Company financials, anbc research

Chart 49: Gross margins to stabilize around 31%



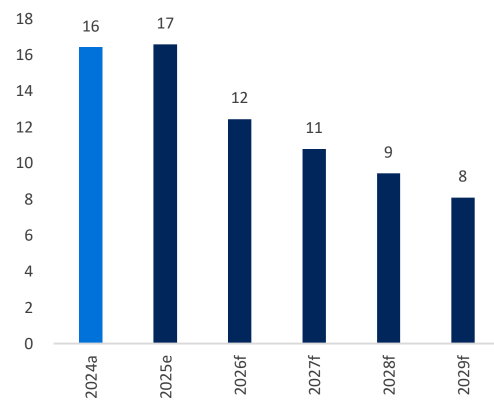
Source: Company financials, anbc research

Chart 50: Net margins



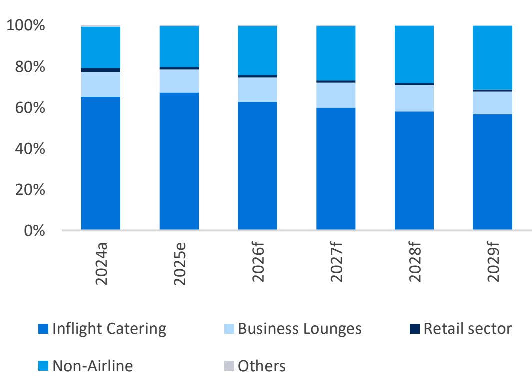
Source: Company financials, anbc research

Chart 51: EV/EBITDA



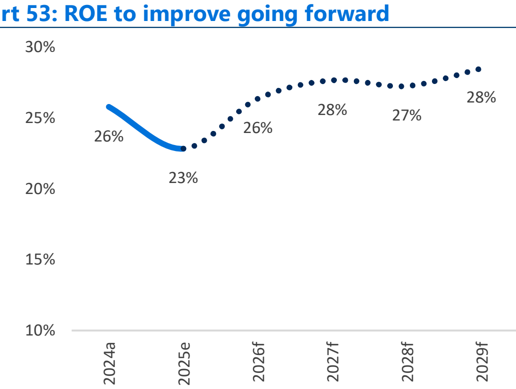
Source: Company financials, anbc research

Chart 52: Segment-wise revenue share



Source: Company financials, anbc research

Chart 53: ROE to improve going forward



Source: Company financials, anbc research

Financial Summary

Income statement (SAR mn)	2023a	2024a	2025e	2026f	2027f	2028f	2029f	CAGR 2024-2029f
Revenue	2,134	2,299	2,461	2,844	3,235	3,610	4,133	12%
Cost of Revenue	(1,568)	(1,658)	(1,756)	(1,967)	(2,235)	(2,487)	(2,844)	11%
Gross Profit	**566**	**641**	**705**	**878**	**999**	**1,123**	**1,289**	**15%**
Operating Expenses	(291)	(281)	(336)	(358)	(396)	(451)	(505)	12%
Operating Profit	275	360	368	519	603	672	785	17%
Other Income	29	19	22	19	19	19	19	0%
EBIT	**304**	**380**	**390**	**538**	**622**	**691**	**804**	**16%**
Dep & Amort	120	109	131	151	166	194	205	14%
EBIDTA	**424**	**469**	**499**	**670**	**769**	**865**	**990**	**16%**
Finance Cost	(20)	(20)	(40)	(37)	(32)	(35)	(35)	12%
Other exp./income	32	35	40	11	11	13	21	-10%
Profit Before Tax	**317**	**376**	**368**	**493**	**582**	**649**	**770**	**15%**
Zakat Tax	(34)	(23)	(20)	(45)	(51)	(58)	(70)	25%
PAT	**283**	**353**	**348**	**448**	**531**	**591**	**700**	**15%**
Number of Share	82	82	82	82	82	82	82	
EPS	3.45	4.30	4.25	5.47	6.47	7.21	8.54	
Balance Sheet	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**	**2024-2029f**
Property & equipment	415	805	1,318	1,513	1,670	1,758	1,851	18%
Right to use asset	235	211	371	353	333	312	290	7%
Others	73	78	90	94	99	105	112	7%
Intangible asset	-	-	-	-	-	-	-	-
Non-current assets	**723**	**1,095**	**1,779**	**1,959**	**2,102**	**2,175**	**2,253**	**16%**
Trade receivables	601	716	809	901	1,025	1,144	1,309	13%
Cash and Cash equivalents	702	631	446	420	462	605	773	4%
Others	91	161	166	176	199	220	251	9%
Inventories	77	85	92	103	116	129	148	12%
Current Asset	**1,472**	**1,593**	**1,514**	**1,599**	**1,802**	**2,098**	**2,482**	**9%**
Total Assets	**2,195**	**2,688**	**3,293**	**3,559**	**3,905**	**4,274**	**4,734**	**12%**
Share capital	820	820	820	820	820	820	820	0%
Retain earnings	220	386	538	737	974	1,237	1,548	32%
Statutory reserve	246	246	246	246	246	246	246	0%
Total Equity	**1,286**	**1,452**	**1,604**	**1,803**	**2,040**	**2,303**	**2,614**	**12%**
Loan and borrowings	0	157	360	367	359	350	342	17%
Lease liabilities	150	165	342	355	368	384	401	19%
Employees' service benefit	177	174	185	185	185	185	185	1%
Non-current liabilities	**327**	**497**	**886**	**907**	**913**	**919**	**928**	**13%**
Trade payables	462	663	701	742	841	935	1,070	10%
Lease liabilities	94	52	72	74	77	80	84	10%
Zakat payables	26	20	11	11	14	16	20	0%
Current Liabilities	**582**	**735**	**783**	**828**	**932**	**1,032**	**1,173**	**10%**
Total liabilities &equity	**2,195**	**2,684**	**3,273**	**3,538**	**3,884**	**4,254**	**4,715**	**12%**

Source: Company financials, anbc research

Valuation Ratios	2023a	2024a	2025e	2026f	2027f	2028f	2029f
EPS (SAR)	3.4	4.3	4.3	5.5	6.5	7.2	8.5
DPS (SAR)	1.5	2.3	2.4	3.0	3.6	4.0	4.7
BVPS (SAR)	15.7	17.7	19.6	22.0	24.9	28.1	31.9
PER (x)	28.1	22.6	22.8	17.7	15.0	13.5	11.4
DY (%)	1.5%	2.4%	2.5%	3.1%	3.7%	4.1%	4.9%
PBV (x)	6.2	5.5	5.0	4.4	3.9	3.5	3.0
EV/Sales (x)	3.5	3.3	3.4	2.9	2.6	2.3	1.9
Price/Sales (x)	3.7	3.5	3.2	2.8	2.5	2.2	1.9
EV/EBITDA (x)	17.7	16.4	16.6	12.4	10.8	9.4	8.1
Price/CF (x)	12.4	14.9	19.5	14.8	12.0	10.6	9.3
EV/Gross Profit (x)	13.2	12.0	11.7	9.5	8.3	7.3	6.2
Margins (%)	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Gross Margins	26.5%	27.9%	28.6%	30.9%	30.9%	31.1%	31.2%
EBITDA Margins	19.9%	20.4%	20.3%	23.6%	23.8%	24.0%	23.9%
Operating Margins	14.3%	15.7%	15.0%	18.3%	18.6%	18.6%	19.0%
Pretax Margins	14.8%	16.3%	15.0%	17.3%	18.0%	18.0%	18.6%
Net Margins	13.2%	15.3%	14.2%	15.8%	16.4%	16.4%	16.9%
Returns (%)	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
ROA	13.4%	14.4%	11.7%	13.1%	14.2%	14.5%	15.5%
ROTA	13.9%	13.4%	11.2%	14.6%	15.4%	15.7%	16.6%
ROE	23.5%	25.8%	22.8%	26.3%	27.6%	27.2%	28.5%
Health Ratios	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Cash/share	8.6	7.7	5.4	5.1	5.6	7.4	9.4
Cash as a % of Market Cap	8.8%	7.9%	5.6%	5.3%	5.8%	7.6%	9.7%
Debt to Asset	11.1%	13.9%	23.5%	22.4%	20.6%	19.1%	17.5%
Debt to Equity	19.0%	25.8%	48.2%	44.2%	39.5%	35.4%	31.6%
Debt to Capital	16.0%	20.5%	32.5%	30.6%	28.3%	26.1%	24.0%
EBIT/ Interest (x)	15.1	17.9	9.2	13.9	18.6	19.0	22.3
Activity Ratio	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Current Ratio	2.5	2.2	1.9	1.9	1.9	2.0	2.1
Days Sales Outstanding	102.9	113.7	120.0	115.6	115.6	115.6	115.6
Days Sales in Inventory	18.0	18.6	19.1	19.1	19.0	19.0	19.0
Days Payable Outstanding	107.6	146.0	145.7	137.8	137.3	137.3	137.3
Cash Conversion Cycle	13.3	(13.7)	(6.5)	(3.1)	(2.7)	(2.7)	(2.7)
Growth Ratios (%)	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Revenue Growth	17.4%	7.8%	7.1%	15.6%	13.7%	11.6%	14.5%
Gross Profit Growth	9.6%	13.3%	9.9%	24.5%	13.8%	12.4%	14.8%
EBITDA Growth	-5.0%	10.5%	6.5%	34.2%	14.8%	12.5%	14.4%
Operating Profit Growth	7.2%	18.4%	2.2%	40.9%	16.1%	11.4%	16.8%
Pretax Profit Growth	10.7%	18.7%	-2.0%	34.0%	18.0%	11.5%	18.7%
Net Profit Growth	9.9%	24.8%	-1.2%	28.7%	18.4%	11.3%	18.4%

Source: Company financials, anbc research

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