Daily Bulletin

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CATRION lands SAR 105 mn catering deal with Saudia; modest but value accretive

Last Price: SAR 74.1 | YoY Performance: -38.0% | Consensus Target Price: SAR 90.5

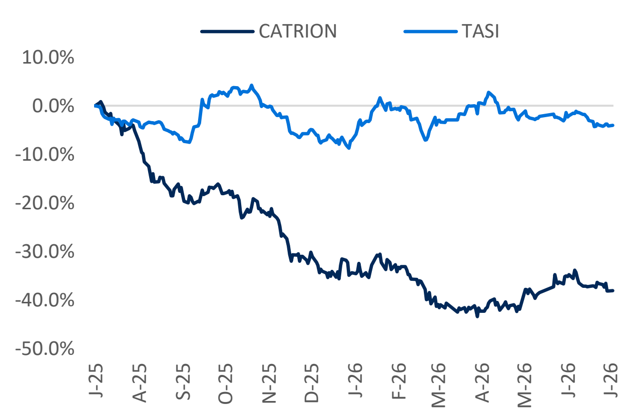
Catrion Catering Holding Co. (CATERING AB) has announced the signing of an agreement with Saudi Arabian Airlines Corporation for in-flight catering services. The agreement carries a provisional value of SAR 105.0mn and spans a three-year duration, with the financial impact set to commence from 3Q26 onward. As the value remains provisional at this stage, the final contract terms could see some adjustment upon execution.

The new contract falls within in-flight catering segment, which remains the company's largest and most established revenue contributor. In 2025, the segment recorded SAR 1,591mn in revenue, up 6% YoY, and represented 65.2% of total sales mix, underscoring its continued dominance within revenue base. Against this backdrop, the new agreement is expected to lend additional support to the segment's momentum going forward, with the contract sized at approximately 6.6% of segment revenue and 4.3% of total company revenue, based on 2025 data. The contract adds an incremental revenue stream to an already sizeable and stable base.

In terms of financial contribution, the total contract value of SAR 105mn, spread evenly across the three-year term on a straight-line allocation basis, implies an annual run-rate of SAR 35mn, or approximately SAR 8.75mn per quarter. Applying 2025 reported net margin of 12.8% to this revenue run-rate, the contract is estimated to contribute approximately SAR 13.4mn to cumulative profitability over the three-year period, translating into roughly SAR 4.48mn annually, or approximately SAR 1.12mn on a quarterly basis. While the earnings contribution is modest, it represents an incremental positive to earnings beginning 3Q26

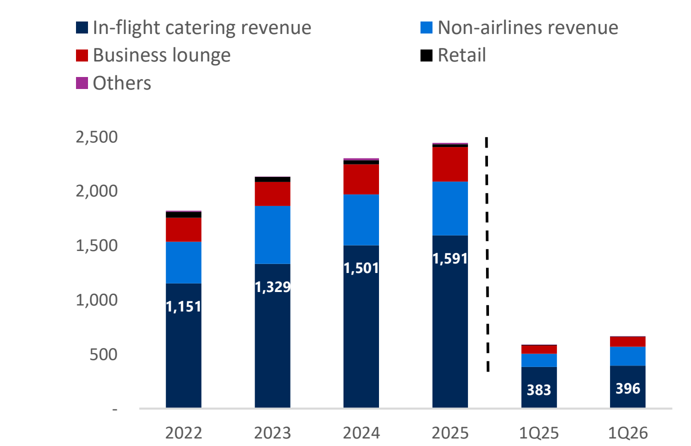
Catrion Catering Holding share price has declined 38.0% YoY, underperforming the TASI, which declined 4.1% over the same period. The stock currently has a consensus target price of SAR 90.5/sh, implying an upside of around 22.1% from the last close of SAR 74.1/sh.

Relative price chart



Source: Tadawul, anbc research

Revenue Segments (SAR mn)



Source: Company financials, anbc research

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