

CATRION Catering Holding Co.

Higher costs offset revenue growth

Rating: Overweight | Target Price: SAR 119.3

November 9, 2025

Market Data		Valuations	2024A	2025E	2026F	2027F
Last Price (SAR)*	93.7	Net Income (SAR mn)	353	348	448	531
Target Price (SAR)	119.3	EPS (SAR)	4.3	4.2	5.5	6.5
Upside / Downside (%)	27.3	PER (x)	21.8	22.1	17.1	14.5
Market Cap (bn) (SAR/USD)	8/2	P/BV (x)	5.3	4.8	4.3	3.8
52 week High / Low (SAR)	144/92	DPS (SAR)	2.3	2.4	3.0	3.6
12-month ADTV (mn) (SAR/USD)	18/5	Div. Yield (%)	2.5	2.6	3.2	3.8
YTD Return (%)	-23.2	RoAE (%)	25.8	22.8	26.3	27.6
Bloomberg Code	CATERING AB	RoAA (%)	14.4	11.6	13.1	14.2

*last price as of 06th November 2025

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Revenue	617	658	(6.2)	587	5.1	571	8.0
COGS	(438)	(468)	(6.5)	(422)	3.7	(412)	6.2
Gross profit	180	190	(5.5)	165	8.7	159	12.8
Gross margin (%)	29.1	28.9	-	28.1	-	27.9	-
OPEX	(71)	(86)	(16.9)	(50)	41.2	(82)	(12.8)
Operating profit	108	104	3.9	115	(5.6)	77	39.9
Operating margin (%)	17.5	15.8	-	19.5	-	13.5	-
Net income	97	102	(4.8)	110	(11.5)	65	48.4
Net margin (%)	15.7	15.5	-	18.7	-	11.4	-
EPS	1.18	1.24	-	1.34	-	0.80	-
DPS	-	-	-	-	-	1.15	-

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg and anbc research

CATRION Catering Holding Co. (CATRION) reported a net profit of SAR 97 mn (EPS: SAR 1.18) in 3Q25, down 11.5% YoY but up 48.4% QoQ, broadly in line with our estimates. Despite a 5.1% YoY increase in revenue, the bottom line declined due to higher finance costs related to lease liabilities. Furthermore, lower finance income, absence of a one-off gain from the reversal of expected credit loss allowance (~SAR 8.6 mn), and a share of loss from associate further dampened profitability. Given the stock's 24.4% YoY decline, we maintain our 'Overweight' rating with a target price of SAR 119.3/share.

- CATRION reported revenue of SAR 617 mn in 3Q25, up 5.1% YoY and 8.0% QoQ. The growth was supported by higher inflight catering and business lounge revenue. For 9M25, company's revenue rose 4.3% YoY to SAR 1,778 mn, attributed to similar factors.
- Gross profit for the quarter rose 8.7% YoY to SAR 180 mn, resulting in gross margin of 29.1% (up 1.0 percentage point YoY), in line with our estimated margin of 28.9%. For 9M25, gross margin expanded to 28.6% from 27.4% in 9M24, supported by higher revenues (up 4.3% YoY) and improved operating efficiency. On a sequential basis, gross margins improved by 1.2 percentage point.
- Operating expenses increased 41.2% YoY to SAR 71 mn, compressing 3Q25 operating profit by 5.6% YoY to SAR 108 mn, owing to higher general and administrative expenses. This led to lower operating margins of 17.5%, down 2 percentage points YoY. Sequentially, operating expenses fell 12.8%, lifting operating profit by 39.9% QoQ. This improved operating margins from 13.5% in 2Q25 to 17.5% in 3Q25. For 9M25, operating margins remained broadly in line with last year at 15.3%.
- Net income declined 11.5% YoY to SAR 97 mn, with net margins contracting to 15.7% from 18.7% in 3Q24. The decline was driven by higher finance costs related to lease liabilities, lower finance income, the absence of a one-off gain from the reversal of expected credit loss allowance (~SAR 8.6 mn), and a share of loss from associate. For QoQ, net income rose 48.4%, improving net margins by 4.3 percentage points. Owing to similar factors, net profit for 9M25 declined 6.6% YoY to SAR 237 mn.
- Looking ahead, we expect 2025e net margins to contract by 1.2 percentage points to 14.2%, despite gross margins expanding to 29% (from 28% in 2024), reflecting higher operating expenses, increased finance costs, and weaker performance of the associate. CATRION is currently trading at 2026f multiples of 17.1x P/E and 4.3x P/BV, representing a discount to its four-year historic averages of 25.2x P/E and 5.7x P/BV. With the stock down 24.4% YoY, we maintain our 'Overweight' rating with a target price of SAR 119.3/share, implying potential upside of 27.3%.

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