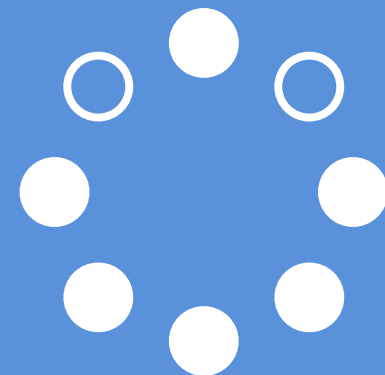


# INVESTOR PRESENTATION

## Q3 2023





# CONTENTS



## Overview

- About CATRION
- 40<sup>th</sup> year anniversary & achievements



## Business Structure

- Board and executive leadership
- Shareholding structure



## Business Model & Segments

- Business model
- In-flight catering
- Catering & services
- Retail



## Strategy & outlook

- Business strategy
- Strategic objectives and execution milestones
- Positive Impact Initiatives
- Growth drivers
- Outlook and priorities



## Q2 Financial Performance

- Financial highlights
- Financial Ratios



# OVERVIEW





# FOUR DECADES OF CATERING EXCELLENCE

Since being **founded in 1981** as the catering arm of Saudi Arabian Airlines, CATRION has been on an amazing journey to establish an organization and reputation that is recognized as a CATRION innovator and **leader for the Kingdom**.

Always seeking new ways to support and satisfy our clients and consumers and support the goals of Saudi Vision 2030, CATRION has continuously **grown and diversified over the years**, transforming into a more efficient organization, and expanding into complementary business areas.

Over the last 40 years, **CATRION has served millions of customers on Saudia and airline partners**, as well as through our lounges, trains, events, restaurants, hotels, camps and more!





# BUSINESS STRUCTURE



# BOARD OF DIRECTORS



**Mohammed Abdulaziz Al Sarhan**  
Chairman



**Raed Ibrahim Al Mudaiheem**  
Vice Chairman



**Sami Abdulmohsen Al Hokair**  
Board Member



**Fahad Abdullah Mousa**  
Board Member



**Fadi Majdalan**  
Board Member



**Abdulwahab  
Abdulkarim Albetairi**  
Board Member



**Yousef  
Hamad Al Youssefi**  
Board Member



**Olivier Harnisch**  
Board Member



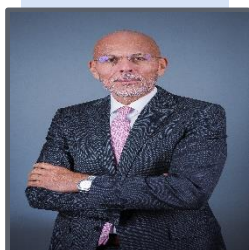
**Dilip Nijhawan**  
Board Member



# EXECUTIVE TEAM



**Wajdy M. Al-Ghabban**  
Chief Executive Officer



**Mahmoud Masoud**  
Chief Financial Officer



**Rashed Alarfaj**  
EVP - In Flight Catering



**Julien Pescheux**  
EVP - Catering & Facilities



**Frederic Huet**  
VP, C&F Operations



**Tarek Tharwat**  
Chief Audit Executive



**Saeed Al-Mufadali**  
VP – Human Resources



**Mohammed Al Awi**  
VP - Health, Security  
& Standards Control



**Obaidah Al-saggar**  
VP - Procurement &  
Strategic Sourcing



**Ashraf Nadeem**  
VP – Information  
Technology



**Thomas Gugler**  
VP - Culinary



**Gareth Lycett**  
VP, Western and Southern  
Regions-IFC



**Mossa AlFifi**  
VP, Central and Eastern  
Regions - IFC



**Talal Al Toaimi**  
VP – Airport Lounges

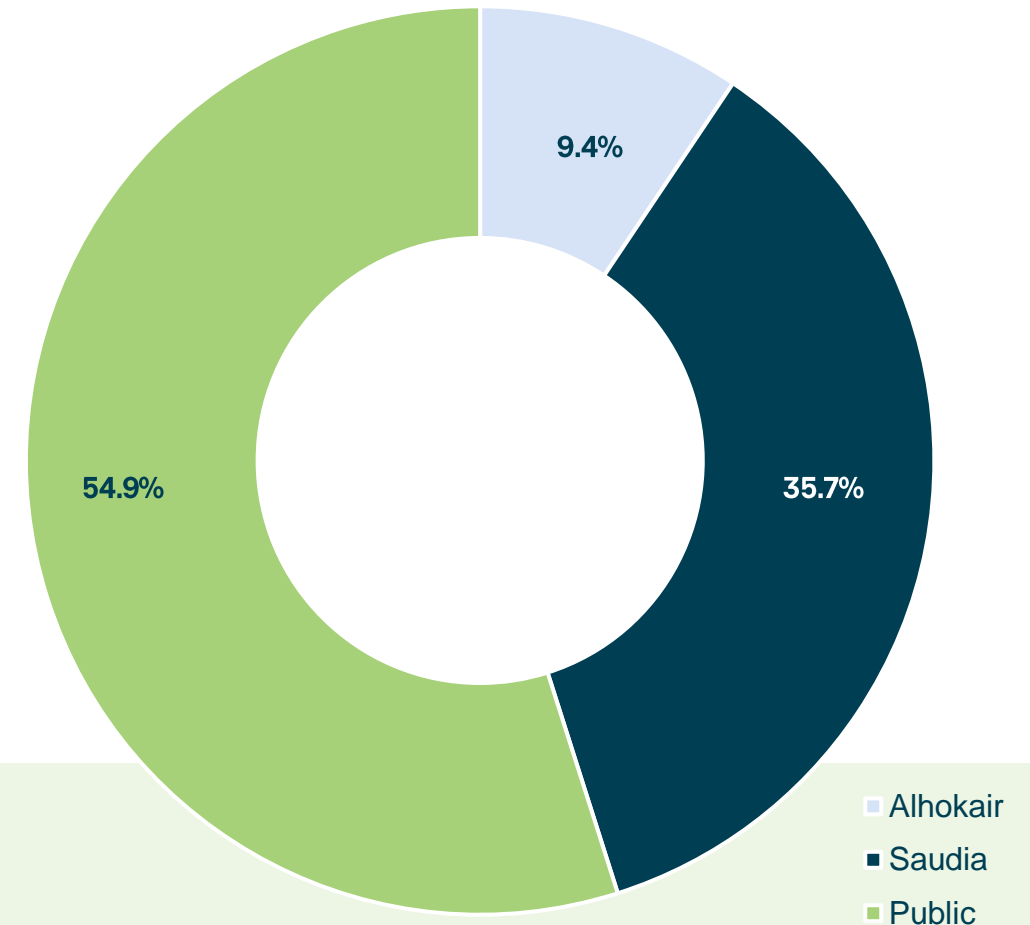


# SHAREHOLDING STRUCTURE

Market	Tadawul, Saudi Arabia
Currency	SAR
Listing date	2012
Financial year-end	30 Sep
Market capitalization (SAR bn)	8.4
Issued shares	82,000,000
Paid Capital (SAR)	820,000,000
Closing price (SAR)	103
52-week Low / High (SAR)	69.60 / 120.80

**\* As per 30<sup>st</sup> Sep 2023**

We continue to maintain a strong and strategic relationship with our major shareholder (Saudia), which continues to be the major contributor to our total revenue base, at 55% at the end of Q3 2023



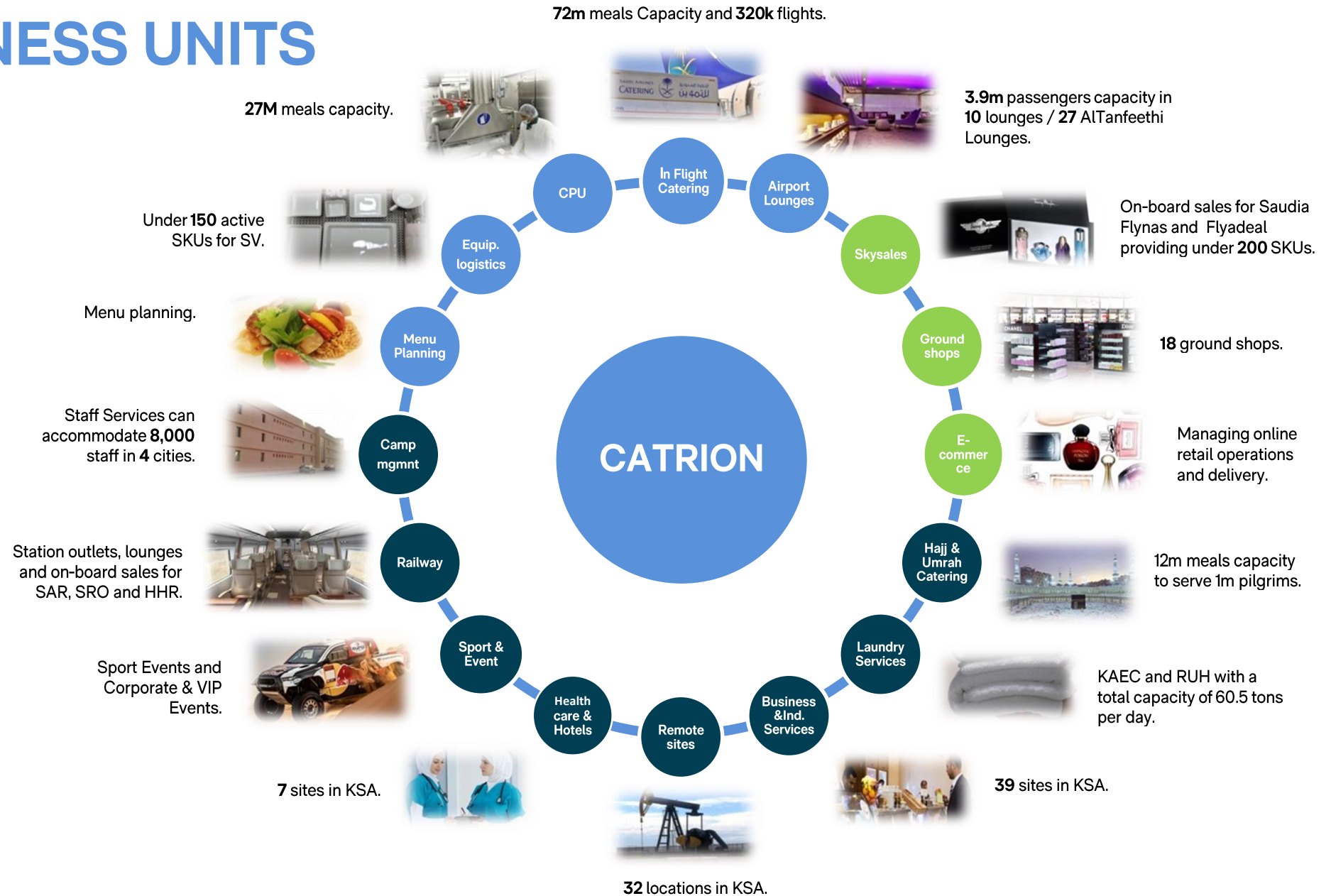




# BUSINESS MODEL & SEGMENT



# BUSINESS UNITS



- In Flight Catering
- Retail
- Catering & Facilities



# IN-FLIGHT CATERING



# IN-FLIGHT CATERING

## Our Airlines Catering Services Cover:



On-board Meals



Chefs On-board



Menu Planning



Equipment Management

- Our core business is based on **scale, quality and consistency** – working to world-class standards of health and safety in food production.
- Our **internationally-trained chefs** lead the way in innovation, both in the air and on the ground.
- They **design menus with the quality, detail and authenticity** that meet the standards of the most selective palates, while being sensitive to local trends, ingredients and flavors.
- We ensure **quality matches the traditional customs of each route and occasion**, in order to satisfy the guests' experience.

## Operating Six Food Production Units Located In:

Saudi Arabia



- Jeddah
- Medina
- Dammam
- Riyadh (CPU)
- Neom

(all located at the international airports)

Egypt



- Cairo

(located at Cairo international airport)





# CENTRAL PRODUCTION UNIT

Utilizing the latest technology of using air-liquid nitrogen to freeze meals hard up to (-18 degrees Celsius) in compliance with the International Standard of Food & Safety Manual and HACCP.

## Frozen Meals & Goods Supply

Offering the production of:



**Frozen Meals**  
75k Meals/Day



**Pre-cut Vegetables**  
200 Kg/Hour



**Smoked Products**  
13.3 Tons/Month





# HOSPITALITY

ALFURSAN | WELCOME LOUNGE | ALTANFEETHI | AM1 BUILDING  
SAUDI ROYAL AVIATION | LOUNGE CAFÉ | DELAYED FLIGHT SERVICES





# INFLIGHT CATERING (HOSPITALITY)



## Airport Lounges

Our Hospitality Services are vertically integrated in providing unique hospitality services and BOM (built/operate /manage) operations. They cover Airline & Non-airline Lounges.

5

صالة الفرسان  
ALFURSAN LOUNGE

First & Business Class in Riyadh, Jeddah, Dammam and Cairo.

4

Wellcome<sup>®</sup>  
lounge

In Riyadh, Medina and Jeddah.

27

التنفيذي  
ALTANFEETHI

In RUH, JED, DMM, MED, AHB, TIF, ABT, GIZ, ELQ, HAS, ULH, AJF, RAE, TUU, YNB, BHH, EAM, SHW, DWD, WAE, RAH, AQI, HOF, URY, TUI and EJH.

1

Prime Class Medina.

7

Delayed Flight Svcs. Saudia Delayed Flight & Foreign Delayed Flight in JED, RUH, DMM & MED.

3

Building Services: Flynas, Saudia & Amad in RUH.



# CATERING & FACILITIES

BUSINESSES & INDUSTRIES | REMOTE SITES | RAILWAY | HAJJ & UMRAH  
HOSPITALITY & EVENTS | LAUNDRY SERVICES | CAMP MANAGEMENT  
DARZAN MOTEL SUITES | ADDED VALUE PRODUCTS





# CATERING & FACILITIES

We started the **Non-Airline Catering Services in 2008** to offer a wide range of catering solutions of local and international dishes of food varieties that our chefs **smartly design and innovate** according to the requirements of each contract and which achieve the client's budget and meet their needs.



**Business, Industries & Institutions**  
(Cooking on site or delivery) Business headquarters, factories and administrations.



**Hajj & Umrah**  
Buffets, coffee breaks, individual meals, utilizing our mobile serving trucks.



**Sports & events management**  
Lifestyle events, sport events and corporate & VIP events.



**Healthcare & Hotel Industry**  
Hospitals, clinics and hotels.



**Laundry Services**  
Services to hotels, hospitals & industries from our plant in Jeddah & Riyadh.



**Remote Sites**  
Cooking on site – Oil, gas & petrochemical industries.



**Add value products (offering the production of ready to eat or ready to cook products)**

- Frozen meals
- Pre-cut vegetables
- Chilled meals
- Smoked product



**Railway Catering**  
On-board & in railway stations.  
**Railway Lounges**  
11 lounges include first & business class.



# RETAIL

ON-BOARD | GROUND SHOP | E-COMMERCE



# RETAIL

Our retail operations started back in 1985 when Saudia handed us its prestigious in-flight retail service “SkySales”.

Our retail services have grown ever since to cover the following:

- On-board
- Ground Shop
- E-Commerce

## On-board:

In-flight shopping services managed by our retail team for three different airlines



## E-Commerce:

Managing online retail operations that deliver to homes and offices across KSA

[www.skysalesonline.com](http://www.skysalesonline.com)

## Ground Shop:

We manage multiple on-ground retail outlets at various locations under multiple brand names



# MAJOR CLIENTS





# Health, Security & Standards Control

HSSC aims to develop, implement, maintain and continuously improve the standards and systems related to the relevant area of specializations:



## Food Safety & Hygiene

ISO 22000, HACCP, HALAL (SFDA)



## Occupational Safety & Health

ISO 45001, GACA R 151



## Security

National Security Program requirements, GACA Internal services



## Medical Services

Preventive, Curative, Therapeutic Internal services



## Enterprise Risk Management & BCMS

COSO, ISO 31000, ISO 22301



## Quality Management

ISO 9001, ISO14001, Mowaamah



## Research & Laboratories

ISO 17025:2017 Accreditation



## Process Excellence

Optimization, Performance Enhancement & Standardization



## Sustainability

Environmental, Social & Economical



## Local Content

Baseline measurement Vision 2030





# STRATEGY AND OUTLOOK





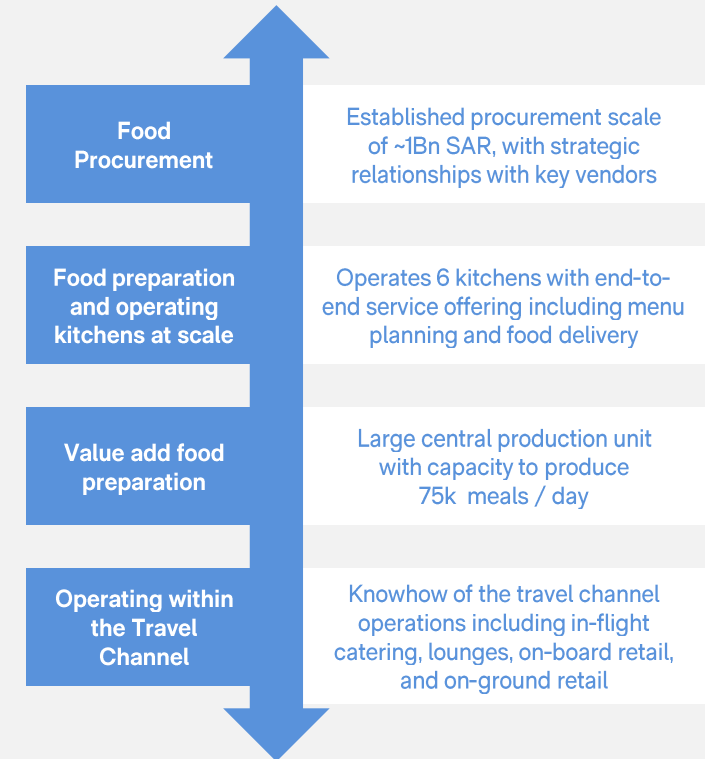
# BUSINESS STRATEGY 2021 - 2023

The business strategy was reviewed to define a 3-year business plan focusing on business growth and a diversification.

## DIVERSIFY & ACCELERATE

Strategic Objective/ Target	Market leadership in the catering space in KSA, whilst protecting partnership with Saudia Airlines. Enter B2C e-commerce and foodservice through partnerships		
What	<b>Grow Catering &amp; Facilities</b> <ul style="list-style-type: none"><li>Grow profitably existing C&amp;F sectors</li><li>Turnaround and exit challenging businesses</li><li>Enter inorganically Healthcare and Government sectors</li></ul>	<b>Optimize In-Flight Catering</b> <ul style="list-style-type: none"><li>Optimize IFC cost structure (e.g., labour, procurement)</li><li>Optimize Welcome lounge cost structure</li><li>Exit lounge Café concept</li></ul>	<b>Transform Retail</b> <ul style="list-style-type: none"><li>Enhance on-board offering</li><li>Exit unprofitable stores</li><li>Focus on main &amp; large regional airports</li><li>Adopt focused marketplace model</li></ul>
How	Explore New-New Opportunities (Strategic BD) <ul style="list-style-type: none"><li>Supply value add fresh food products to restaurants and hotels</li><li>Sell to end consumers fresh-food products (including ready-to-cook/ eat meals) through e-commerce</li><li>Partner with established brands to operate franchise restaurants and cafes</li></ul>		
	<ul style="list-style-type: none"><li><b>Enhance</b> cost competitiveness/ operational efficiency across Bus (e.g., food and labor cost for C&amp;F)</li><li><b>Restructure</b> the organization and inject needed capabilities (e.g., business development, category management, marketing and branding, data analytics)</li><li><b>Pursue</b> inorganic growth opportunities in Healthcare &amp; Government; explore JVs where needed</li></ul>		

## BUILDING ON EXISTING CAPABILITIES



# POSITIVE IMPACT INITIATIVES

## OUR ENVIRONMENT

- Launched project to assess carbon footprint of meal ingredients, to find ways to reduce environmental impact
- Company-wide digitization drive has reduced use of paper by 30% since Q2 2021
- Retrofitting of AC system in head office in progress to reduce energy use
- Replaced 50 ICE lorries with electric vehicles to reduce emissions and lessen our impact on the environment
- Diverted raw materials to avoid wastage

## OUR PEOPLE & SOCIETY

### OUR PEOPLE

- Support of new regulations on Saudisation of key roles and functions
- Renewed gold status Mowaamah certificate for disability-friendly work environments

### OUR SOCIETY

*Commitment to have a sound community and social responsibility programs that include but not limited to:*

- Prince Sultan Bin Abdulaziz Development Fund to support young entrepreneurs.
- Qadroon to streamline and support the environment for People with disability within SACC (Secure Gold Status).
- MOU with Eta'am to support in reducing the food waste
- Sponsor visit for people with autism during World Autism Awareness Day.

## OUR GOVERNANCE

- Implementation of Sustainability function, to set a comprehensive sustainability strategy covering environment, society and governance.
- Implementation of corporate governance framework
- Implementation of Enterprise Risk Management framework
- Business Continuity Initiative in place.
- Clear role of board members, audit committee, remuneration and compensation committee.
- Established SACC management responsibilities with approved DOA matrix.
- Whistleblower policy in place.



# GROWTH DRIVERS



## International Flight

Passenger travel showed sustained recovery during this quarter with noticeable improvement year on year and surpassed the 2019 levels.



## Domestic Flight

Within KSA, domestic air movements nearly approached pre-pandemic levels with a marked increase in number of passengers but not yet reaching the 2019 levels.



## International Air Travel

International air travel gathered pace in the latest quarter with the passenger numbers flying to and from the Kingdom continuing to increase to reach pre-pandemic levels.



## Saudi Economy

Rising confidence in the Saudi economy has led many companies to bring forward their expansion plans for major corporate activities, conferences and projects.



# OUTLOOK & PRIORITIES FOR FY23



## Leverage Positive Market Dynamics Driven By Vision 2030

- C&F pursuing further opportunities with government & Healthcare clients, remote events & sports activities
- Expanding digitization & automation initiatives including in lounges & ordering items to plane passenger seats
- Exploring sale of fresh food to consumers, restaurants and hotels, as well as operate franchise restaurants
- Inorganic growth via M&A where the target complements SACC's activities



## Maximize Strategic Business Initiatives

- Investment and development of Human Capital
- Digitization, innovation and automation of services to complement e-experience across the business lines
- Diversification of portfolio through new segments in C&F division and in the e-commerce segment
- Positive social impact initiatives
- Inorganic growth through exploring strategic M&As
- Investment in Giga projects - red Sea, NEOM, Sindalah Island, Ras Al Khair





# Q3 2023 FINANCIAL PERFORMANCE HIGHLIGHTS

# Q3 2023 FINANCIAL HIGHLIGHTS

**Revenues** continued upward trajectory (+13% YoY), underpinned by non-aviation growth by 38% and an increase in Inflight catering by 15%.

**Cost of Sales increased** YoY due to volume growth in both aviation and non aviation operation

**Operating profit** improved by 14% from last year mainly due to the additional sales

**Net profit after ZAKAT** achieved of 92M'SAR compared to net profit of 72M'SAR in prior year as a result of travel recovery and diversified revenue streams.



Revenue

**566 M'SAR**

Up 13% from Q3 2022



Cost of Sales

**410 M'SAR**

Up 16% from Q3 2022



Operating Profit

**96 M'SAR**

84 MSAR  
in Q3 2022



Operating Margin

**17%**

Up 16.8% from Q3 2022



Net Profit after  
Zakat & Tax

**92 M'SAR**

72 MSAR  
in Q3 2022



EPS

**1.13**

0.87 profit per  
share in Q3 2022

# Q3 REVENUE HIGHLIGHTS



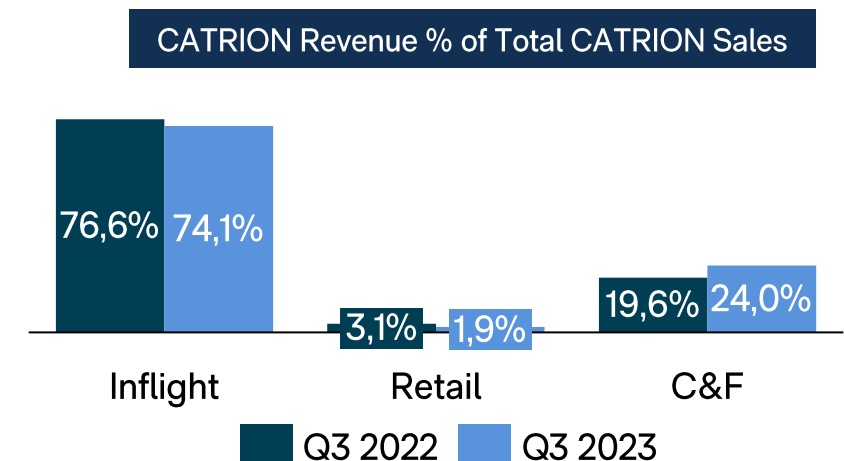
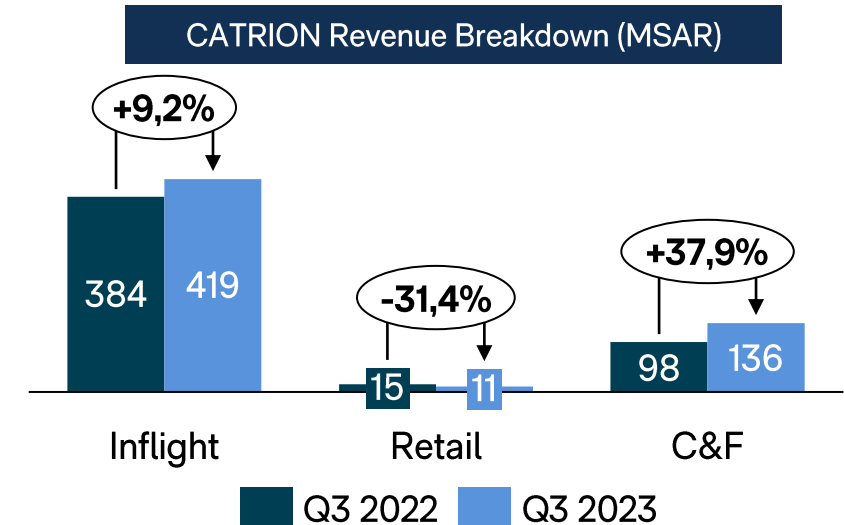
Marked increase in the number of international flights served and increase in the number of meals served.



Catering and Facilities revenue increased 37.9% YoY, as a result of an increase in B&I by 39.6% & Remote by 31.8%, Laundry by 25% & Railways by 65%.



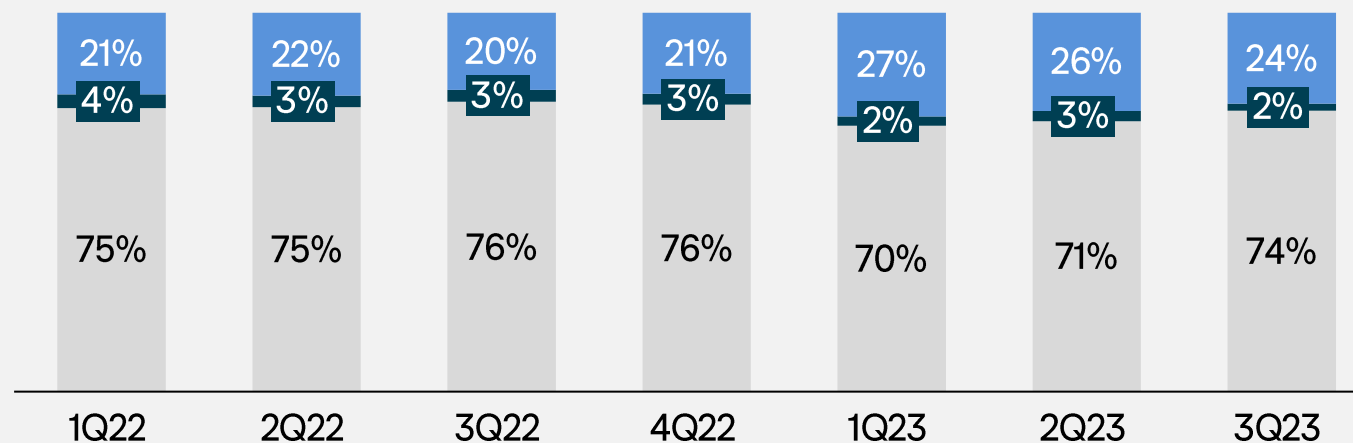
Retail revenue decreased by -31.4%, primarily driven by slow down in sales and closer of two locations in Jeddah.





# QUARTERLY SEGMENT SALES

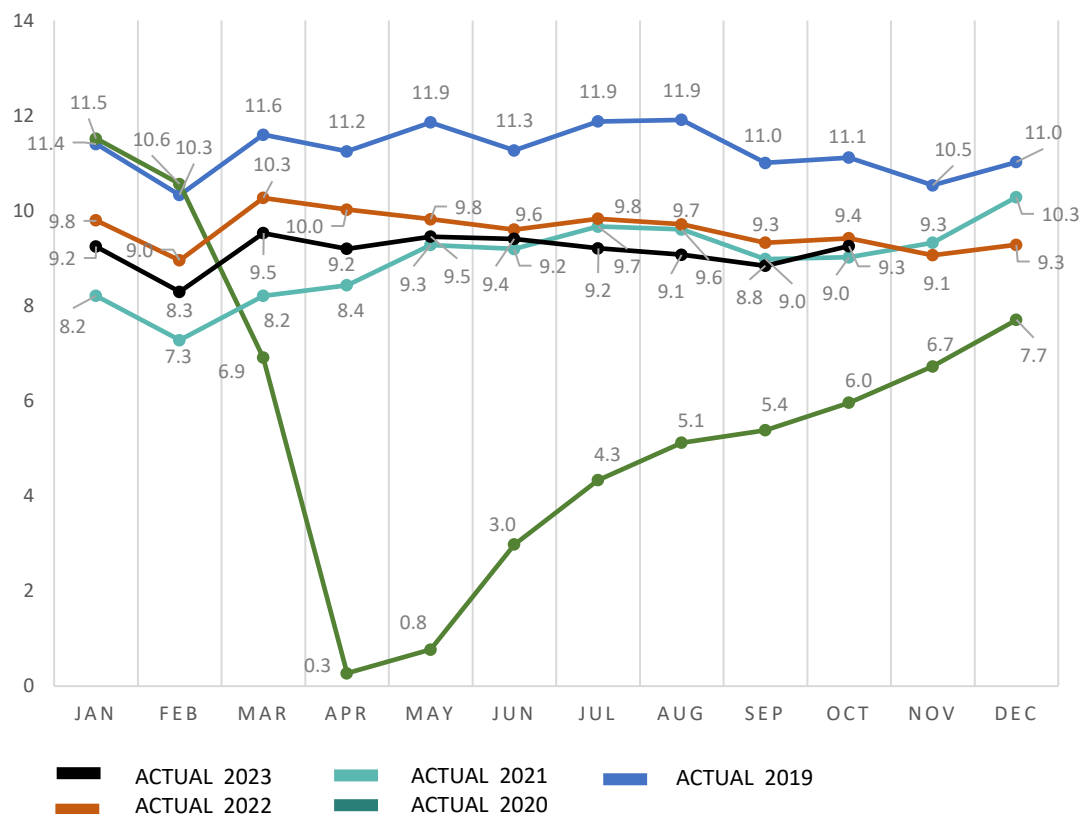
(SAR million)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Inflight	295.3	310.3	384.0	384.9	366.2	354.8	419.5
Retail	14.4	12.7	16.0	14.6	12.9	13.2	10.6
C&F	84.8	90.5	102.0	108.5	142.5	129.2	135.7
<b>Total</b>	<b>394.6</b>	<b>413.4</b>	<b>502.0</b>	<b>508.0</b>	<b>521.6</b>	<b>497.0</b>	<b>565.8</b>



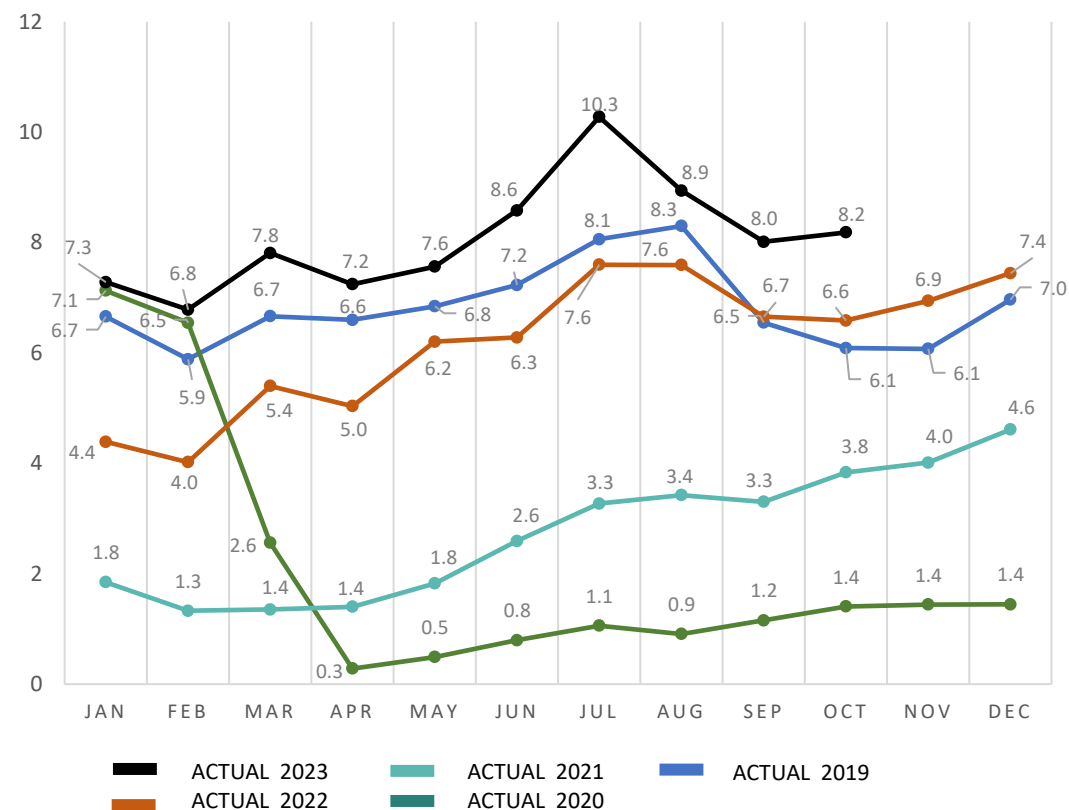
 Inflight  
 Retail  
 Catering & Facility

# IFC - DOM. & INT. Monthly Flights

## DOMESTIC FLIGHTS (IN THOUSANDS)



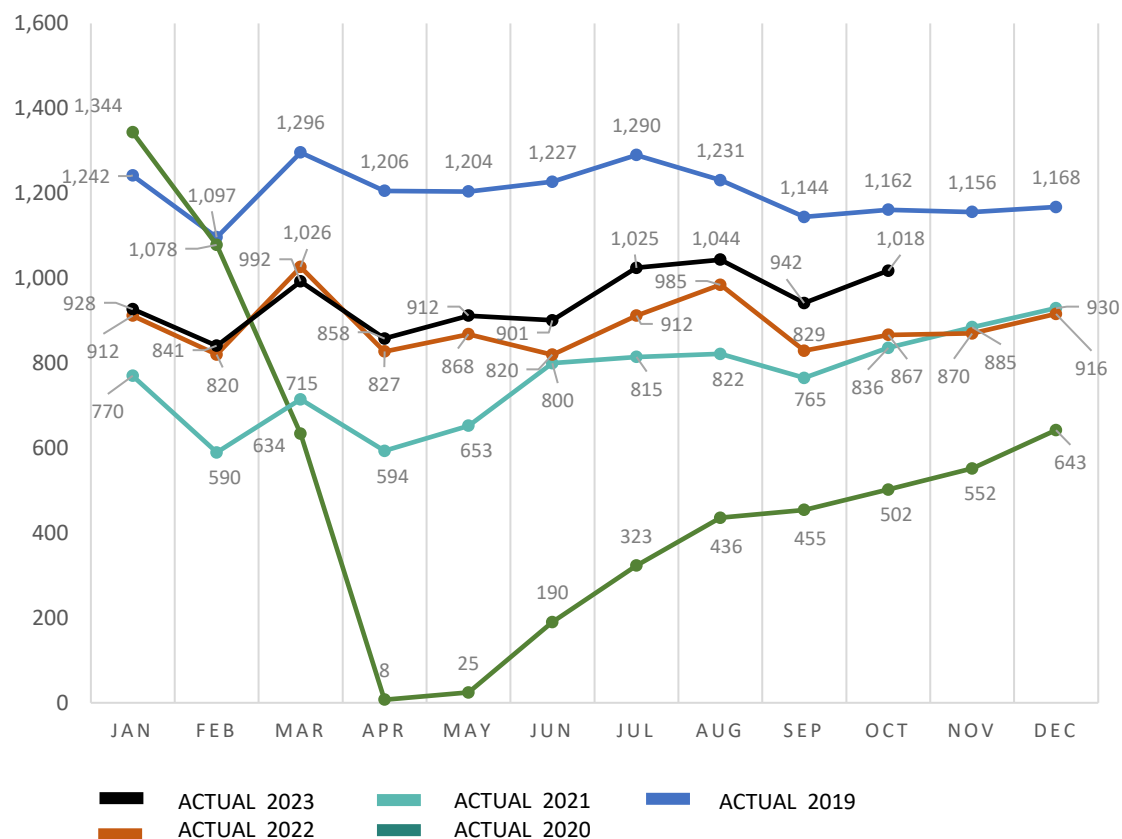
## INTERNATIONAL FLIGHTS (IN THOUSANDS)



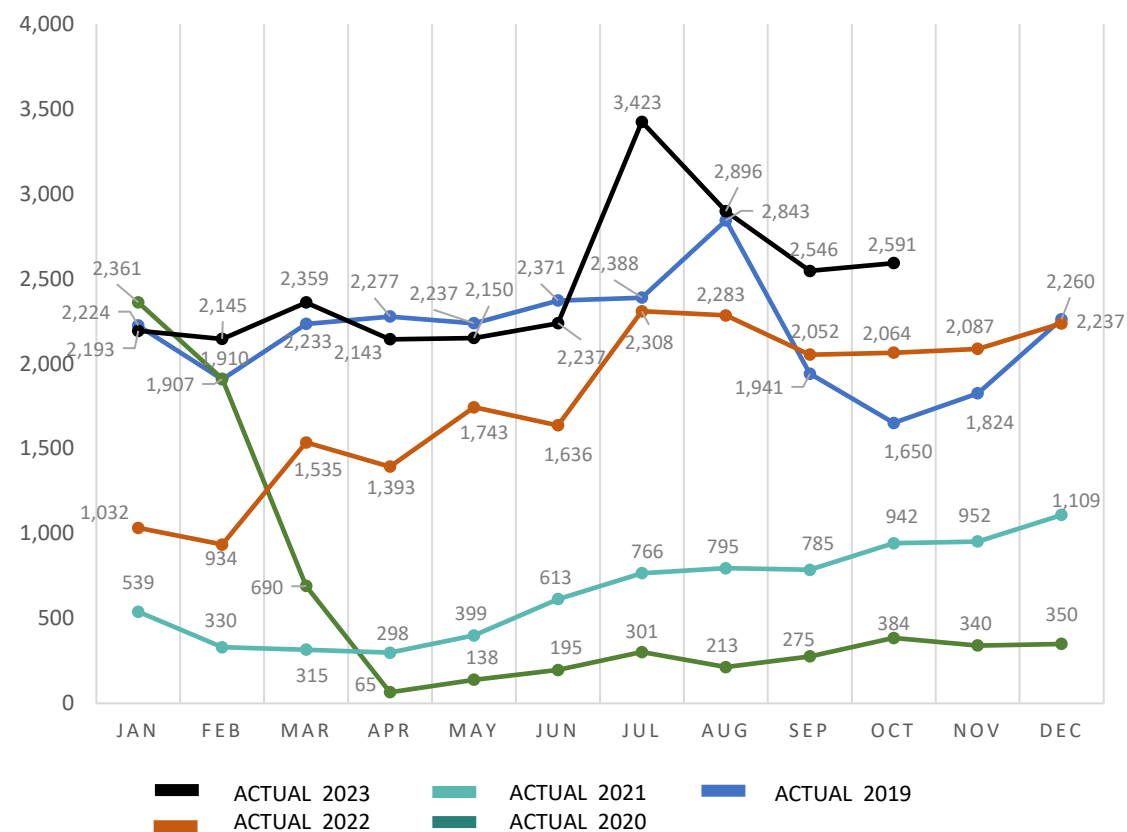


# IFC - DOM. & INT. MONTHLY MEALS

## DOMESTIC MEALS (IN THOUSANDS)



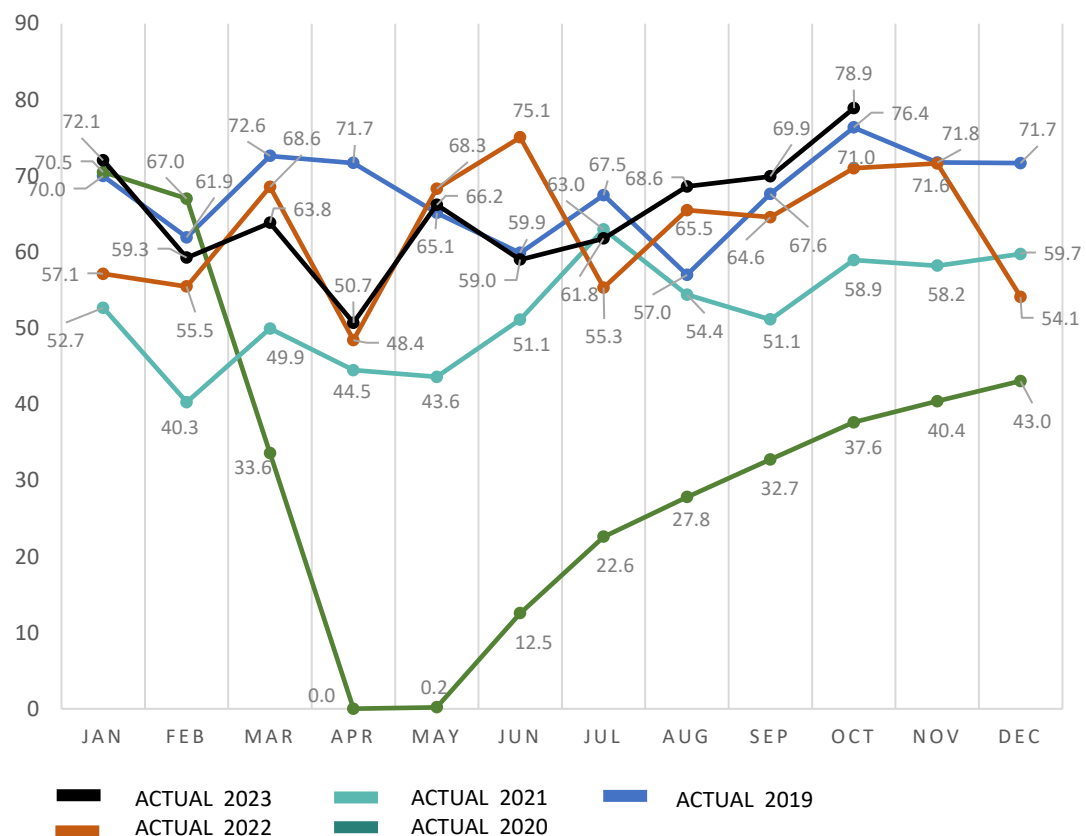
## INTERNATIONAL MEALS (IN THOUSANDS)



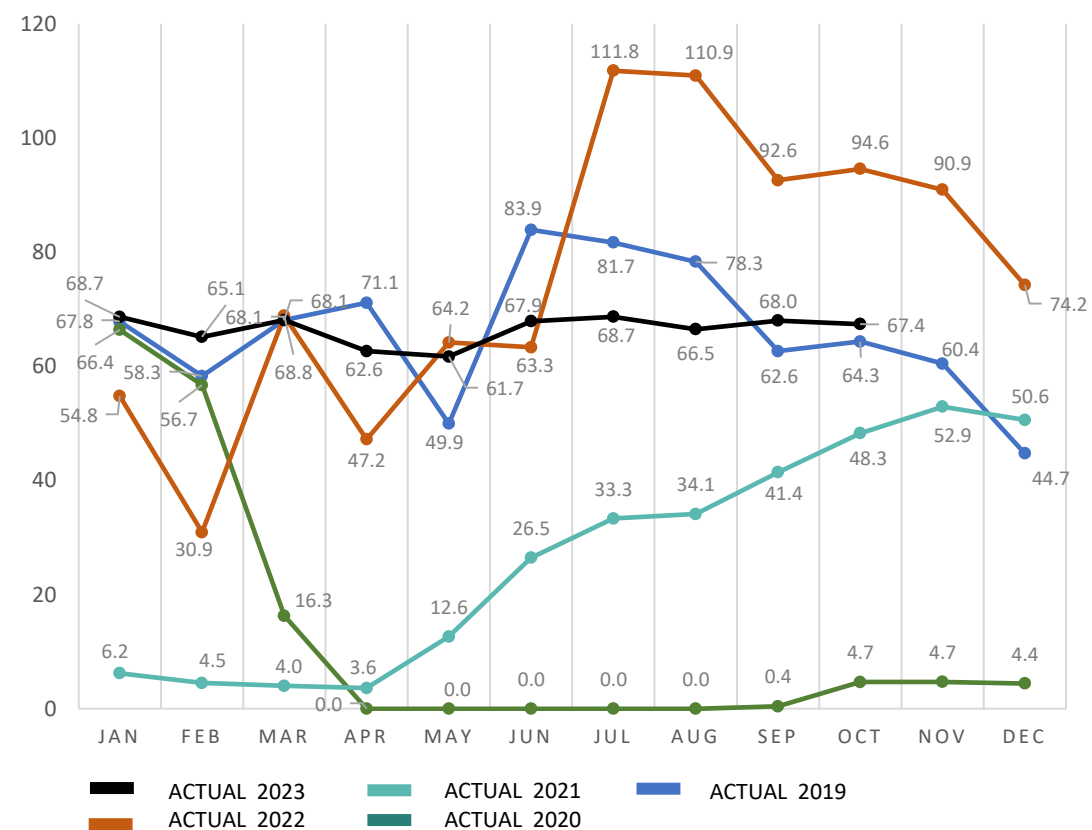


# LOUNGES – DOM. & INT. MONTHLY VISITORS

DOMESTIC LOUNGE VISITORS (IN THOUSANDS)



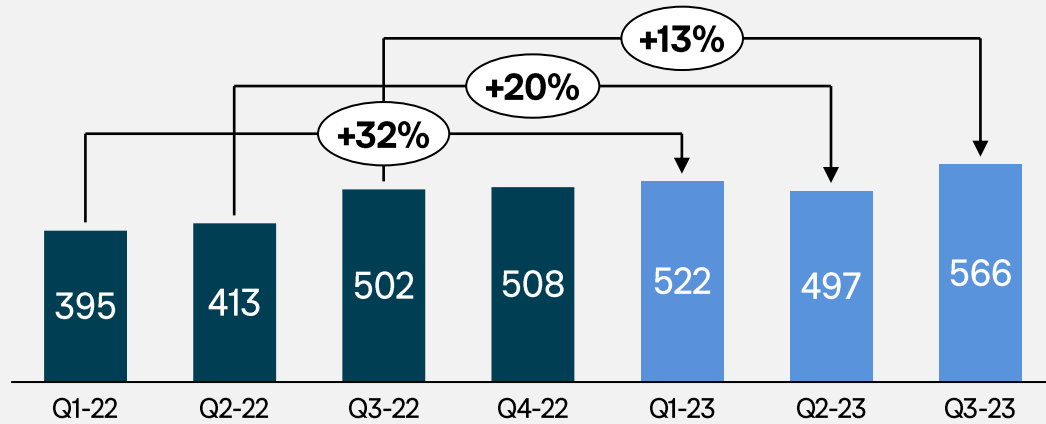
INTERNATIONAL LOUNGE VISITORS (IN THOUSANDS)



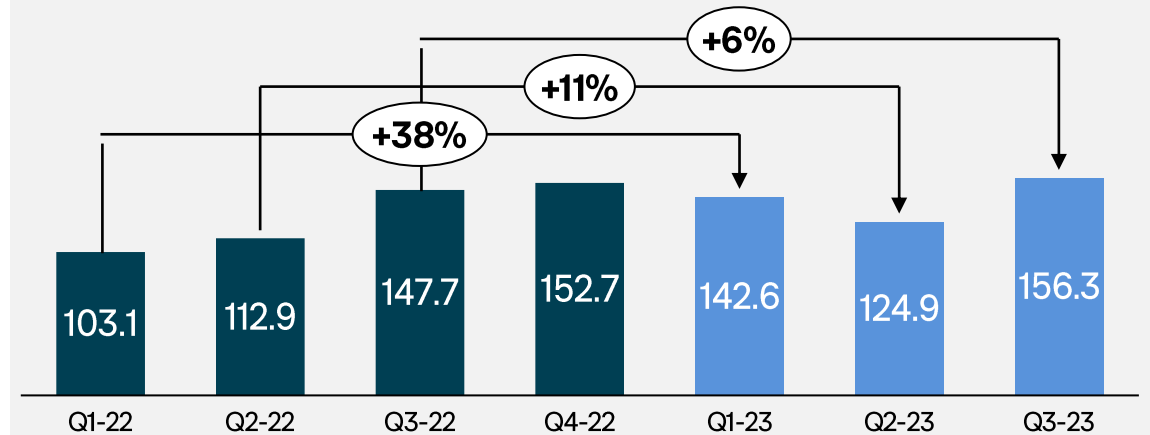


# QUARTERLY FINANCIAL HIGHLIGHTS

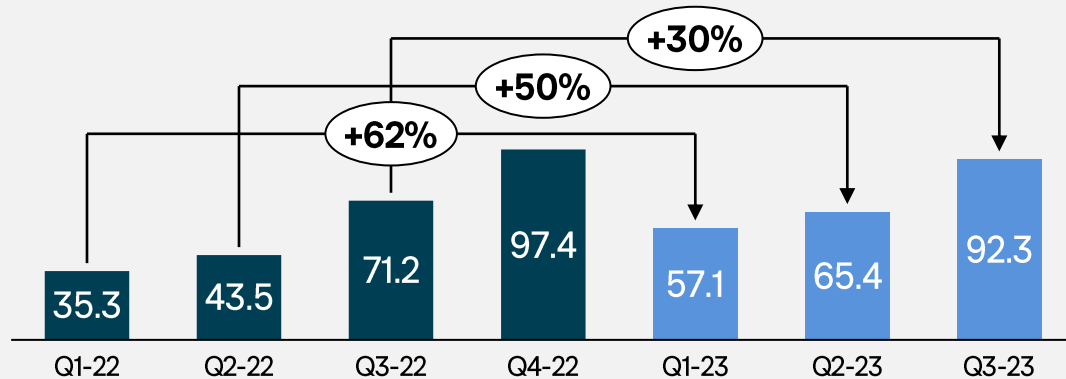
## Sales – Quarterly Movement



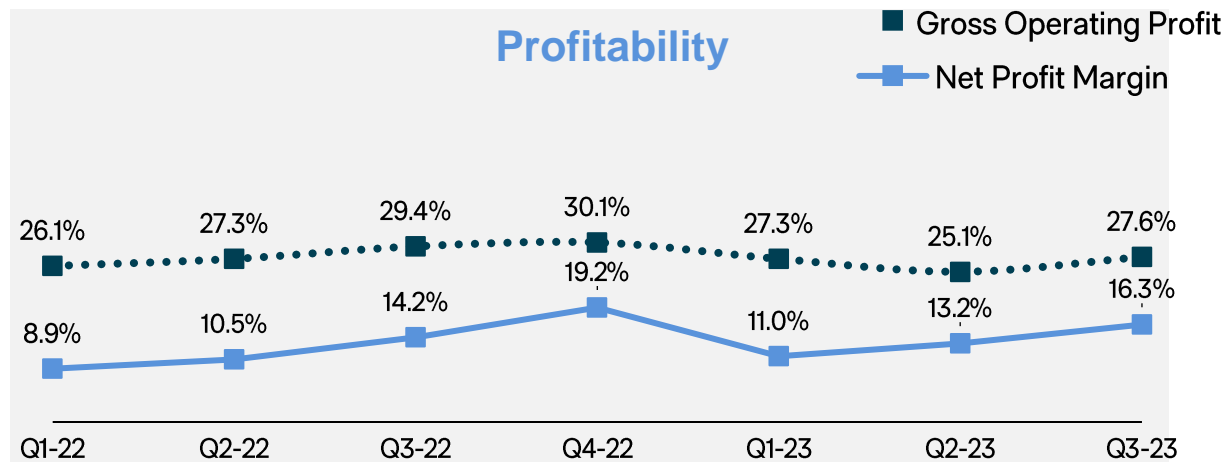
## Gross Profit - Quarterly Movement



## Net Profit/(Loss) - Quarterly Movement



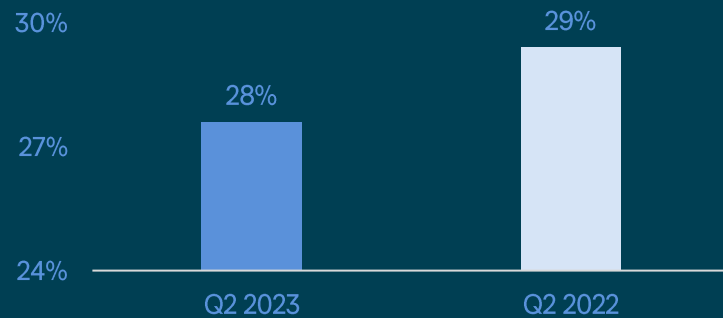
## Profitability



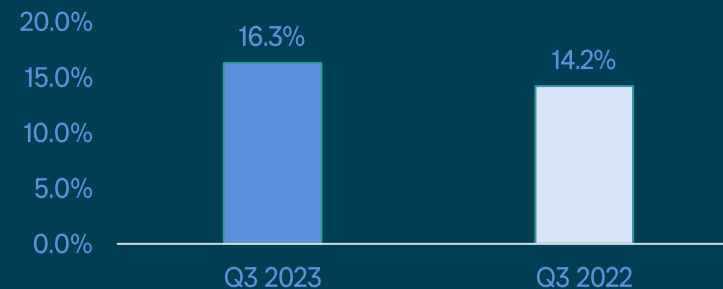


# KEY FINANCIAL RATIOS

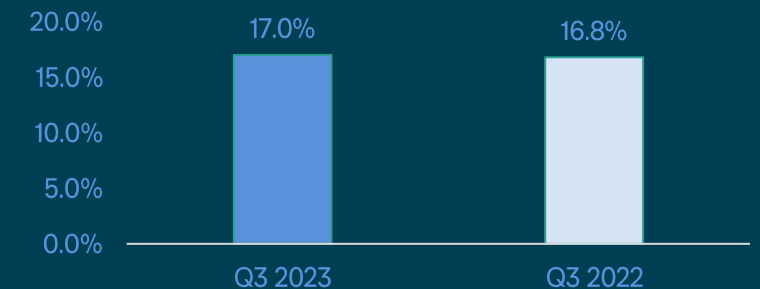
## Gross Margin



## Net profit % after taxes



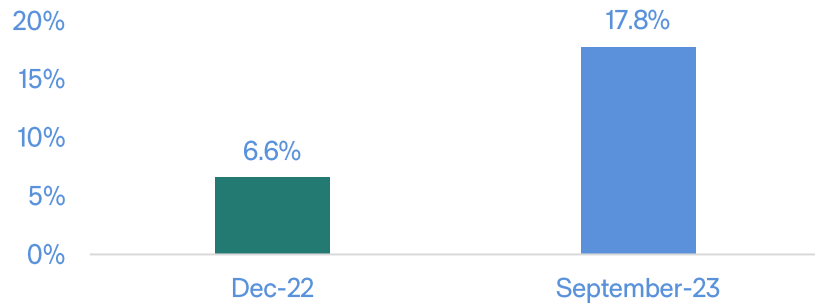
## Operating Profit Margin



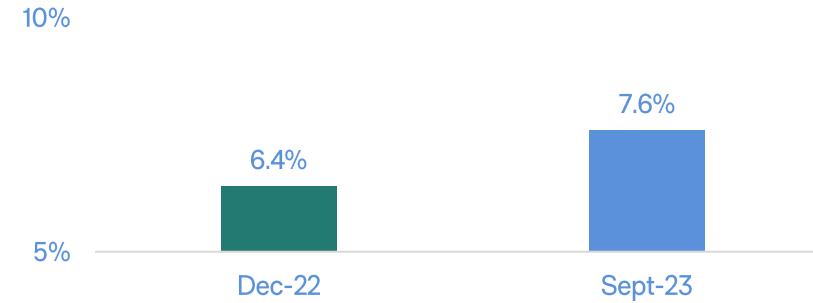


# KEY BALANCE SHEET RATIOS

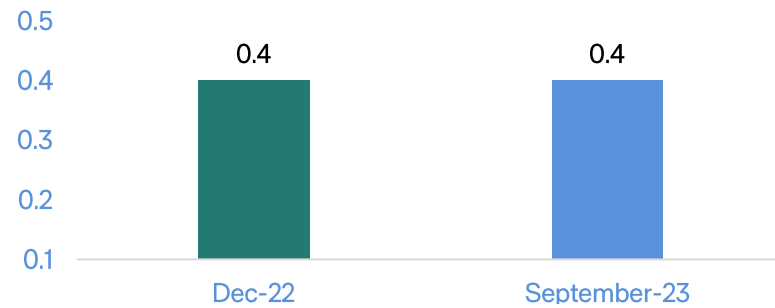
## Accumulated Profit To Share Capital



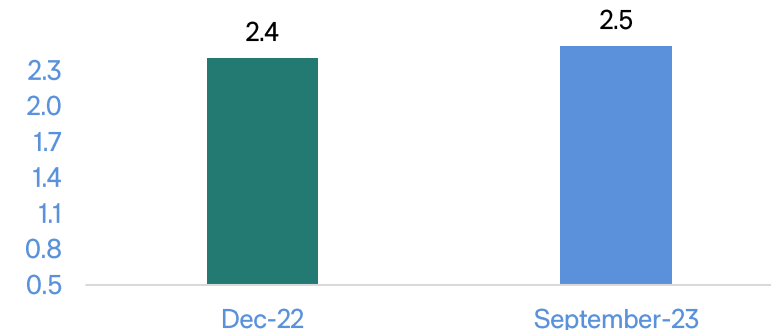
## Return On Equity



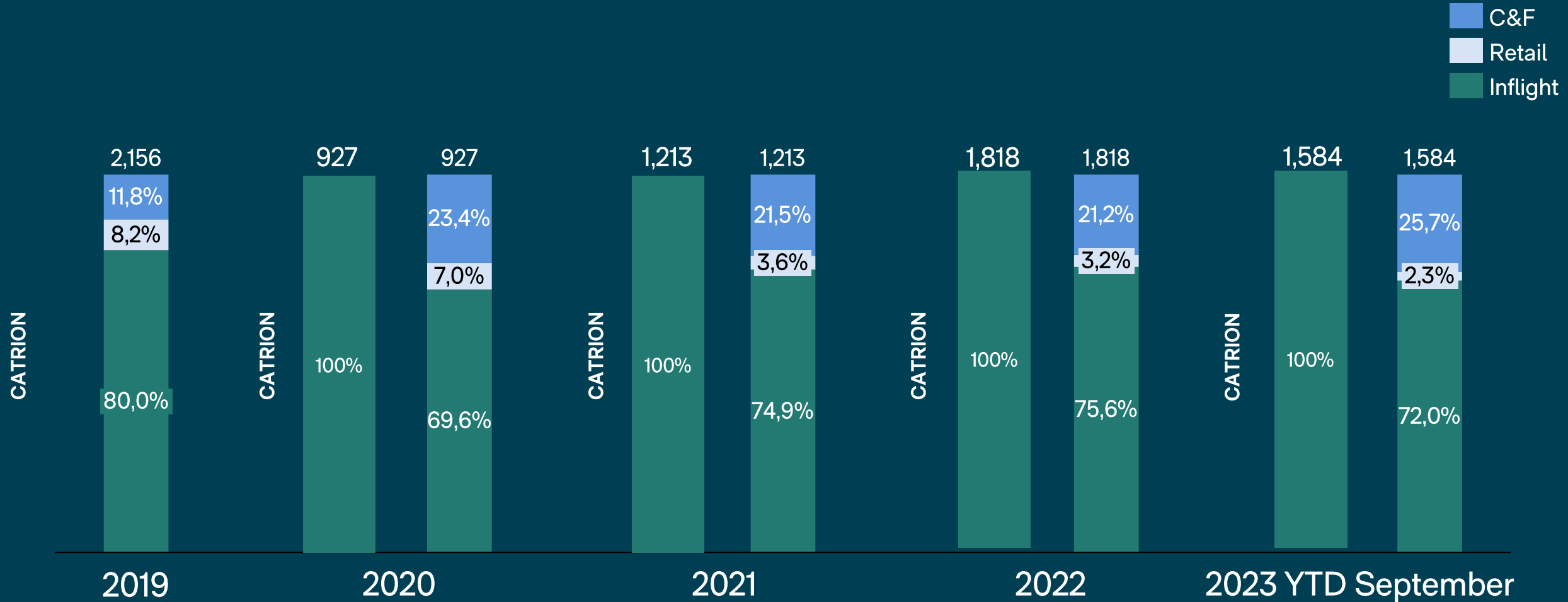
## Net Debt To Equity



## Current Ratio

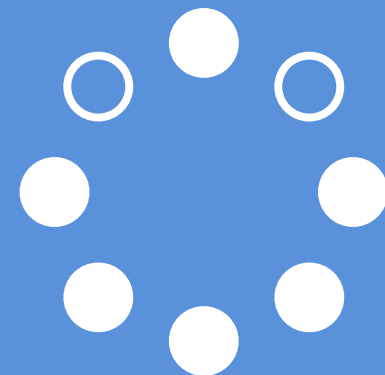


# CATRION REVENUE BREAKDOWN IN MSR





# THANK YOU



CATRI<sup>•••</sup>N