CATRION Catering Holding Co.

August 2, 2026

Regional disruptions drag earnings despite higher revenue, result came below consensus estimates.

Last Price: SAR 69.8 | YoY Performance: -39.7%

2Q26 FIRST TAKE

KEY TAKEAWAYS

- CATRION posted 2Q26 net profit of SAR 47.6 mn, down 27.3% YoY and 40.9% QoQ. The result came 48.6% below our SAR 92.5 mn estimate, as regional disruptions reduced flights and meals, compressing margins despite double-digit topline growth.
- Revenue reported at SAR 688.1 mn, up 20.4% YoY and 3.6% QoQ. Topline came in line with our estimate of SAR 714.5 mn (+3.7% var.). Growth was mainly driven by the non-aviation sector, including the Red Sea Project, and the consolidation of Al Khalejiah Catering Company following completion of the acquisition in March 2026. This was partially offset by lower aviation revenue.
- Gross profit rose 5.3% YoY to SAR 167.6 mn in 2Q26, however declined 10.1% QoQ. Gross margin contracted to 24.4% in 2Q26 from 27.9% in same period last year and 28.1% in 1Q26, as cost of revenue increased 26.3% YoY to SAR 520.6mn, reflecting an unfavorable revenue mix and lower aviation volumes.
- Operating profit was broadly flat YoY at SAR 77.0 mn (-0.5% YoY, -25.4% QoQ), coming in 28.8% below our SAR 108.1 mn estimate. Operating margin down to 11.2% from 13.5% in 2Q25 and 15.5% in 1Q26.
- Net profit stood at SAR 47.6 mn (EPS: SAR 0.58) in 2Q26, down 27.3% YoY and 40.9% QoQ from SAR 65.5 mn in 2Q25 and SAR 80.6 mn in 1Q26. Net margin fell to 6.9% in 2Q26 from 11.4% in 2Q25 and 12.1% 1Q26. The decline was primarily driven by an unfavorable revenue mix, higher finance costs, lower finance income on deposits, a higher expected credit loss provision, and a larger share of losses from associates and joint ventures.
- Based on our last review, we have an Overweight rating with a target price of SAR 119.3/share. Alongside the results, the company announced a 1H26 dividend of SAR 1.0/share.

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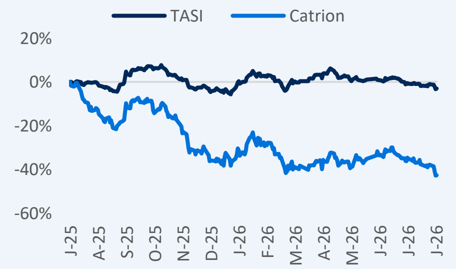
Issuer Information

Bloomberg Code	**CATERING AB**
Last Price (SAR)	**69.8**
No of Shares (mn)	**82.0**
Market Cap bn (SAR/USD)	**5.7 / 1.5**
52-week High / Low (SAR)	**116.0 / 67.5**
12-month ADTV (mn) (SAR/USD)	**16.2 / 4.3**
Free Float (%)	**56.1**
Foreign Holdings (%)	**6.2**

Last price as of July 30th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	688.1	714.5	-3.7	571.5	20.4	664.1	3.6
Cost of Revenues (COGS)	520.6	523.3	-0.5	412.3	26.3	477.7	9.0
Gross Profit	167.6	191.3	-12.4	159.2	5.3	186.3	-10.1
Gross Margin (%)	***24.4***	***26.8***		***27.9***		***28.1***	
Operating Expenses	90.6	83.1	9.0	81.8	10.8	83.1	9.0
Operating Profit	77.0	108.1	-28.8	77.4	-0.5	103.2	-25.4
Operating Margin (%)	***11.2***	***15.1***		***13.5***		***15.5***	
Net Income	47.6	92.5	-48.6	65.4	-27.3	80.4	-40.9
Net Margin (%)	***6.9***	***13.0***		***11.4***		***12.1***	
EPS (SAR)	0.58	1.13		0.80		0.98	
DPS (SAR)	1.00	1.45		1.15		-	

anbc estimate
Source: Company Financials, anbc research

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

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