Rating Summary Report

CATRION Catering Holding Company

(Saudi Joint Stock Company)

December 2025

1.1 TASSNIEF Opinion

CATRION Catering Holding Company – Entity Rating	
Domicile	*Saudi Arabia*
Long-Term Entity and Sukuk Rating	*A-*
Outlook	*Stable*
Short-Term Rating	*T-3*
Rating Watch	*No*
Action Type	*Initial*
Initial Rating	*July 2022*
Relationship	*Solicted*
Methodology Deviation	*None*

*Tassnief has assigned long-term entity of **'A-' (Single A Minus)** and short-term entity rating of **'T-3'** assigned to **CATRION Catering Holding Company.** The outlook on the rating is **'Stable'.***

About the Company: CATRION Catering Holding Company (CATRION or the Company), formerly Saudi Airlines Catering Company (SACC), is a listed Saudi Joint Stock Company that began in 1981 as the catering division of Saudi Arabian Airlines. It has since evolved into a leading hospitality and catering provider, operating through two core segments—In-Flight Catering (IFC) and Integrated Hospitality (IH). The 2023 rebranding to CATRION from SACC marked its transformation into a diversified market leader.

1.2 Rating Rationale

The rating is primarily driven by the Company's established operational track record and sponsor support. These factors, combined with large-scale operations, dominant market share in aviation catering in KSA and a strategically expanding footprint, support the expectation of a growing revenue base. Financially, the profile is strong, evidenced by sizeable cash flow generation, very low leverage, and healthy capital buffers, all overseen by a structurally sound corporate governance framework aligned with CMA best practices.

Aviation catering remains the primary revenue driver, while the company strategically expands into non-aviation sectors, including hospitality, healthcare, tourism, and Vision 2030 giga-projects, with a focus on facilities management. Competitive advantages stem from centralized production and on-site capabilities. Business risk is mitigated by increasing air traffic trends, which offer a supportive outlook for medium-term growth, and robust revenue visibility from long-term contracts. IFC segment, core to operations, serves Saudia and a growing base of other airlines like Flynas and Riyadh Air. IH segment diversifies the revenue base through catering and facility management across various sectors, significantly strengthening its footprint with 10 new hospital contracts and securing two 20-year, SAR 9bn agreements with Red Sea Global in 2023, the financial impact of which is anticipated from 2025 onwards.

Following the 2020 downturn, both domestic and international flight operations have recovered, with total movements rising ~26% since 2022, exceeding pre-pandemic levels. Domestic traffic has grown steadily, while international flights rebounded sharply, supported by global travel recovery and Saudi Arabia's Aviation Strategy 2030. Rising air traffic, Hajj demand, and expanding international routes are expected to drive future growth and profitability. Revenue stability is supported by a strong market position, underpinned by long-term contracts with local and select international carriers and near-complete market share in outbound flight catering. Contracts typically span five to ten years with high client retention, while further growth is anticipated from new airline partnerships and expansion beyond aviation.

Financial risk profile is supported by a strong revenue recovery to pre-pandemic levels, improving profit margins, and cash flows. Liquidity improved markedly, driven by strong cash generation and efficient working capital management, although trade receivables aging remains an area to monitor. Capital buffers remain healthy, underpinned by low leverage, consistent equity growth, and prudent debt management, with strong cash balances further supporting the balance sheet. Internal cash generation has also improved coverage metrics, providing financial flexibility to support future growth initiatives.

CATRION's corporate governance framework is structurally sound, demonstrating alignment with CMA regulations and established best practices. The nine-member Board of Directors provides oversight, featuring one-third independent members. The Board's effectiveness is supported by three specialized sub-committees (Audit, Nomination and Remuneration, and Executive). Furthermore, the Internal Audit function operates independently, which is essential for maintaining robust control and transparency. Key governance strengths include experienced leadership, formal reporting structures, effective performance oversight, ISO certifications, and reliable IT systems.

1.3 Rating Trigger

- Diversification efforts focus on reducing client concentration and increasing operational scale to strengthen cash flow generation and reduce business risk.
- Successful execution of the stated business strategy.
- Decline in earnings or deterioration in key risk metrics could exert downward pressure on ratings.

RELATED CRITERIA AND METHODOLOGY

Rating Methodology for Corporate (v.2. 2024) can be found on the website: *www.tassnief.com*

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- This rating has not been amended following disclosure to the rated entity or its related party(ies). All analyses related to the rating report are merely opinions of TASSNIEF on the rating date.
- This credit rating herein was determined was determined using the above-mentioned methodology which is available on our website at www.tassnief.com. This methodology, including any significant adjustments or deviations from standard procedures, was applied to arrive at the rating.
- The rating scale, meaning of each rating category, default or recovery definitions, and relevant risk warnings – including a sensitivity analysis of key assumptions – are also available on our website.
- TASSNIEF confirms that all rating activities related to this credit rating were not outsourced to any third party.

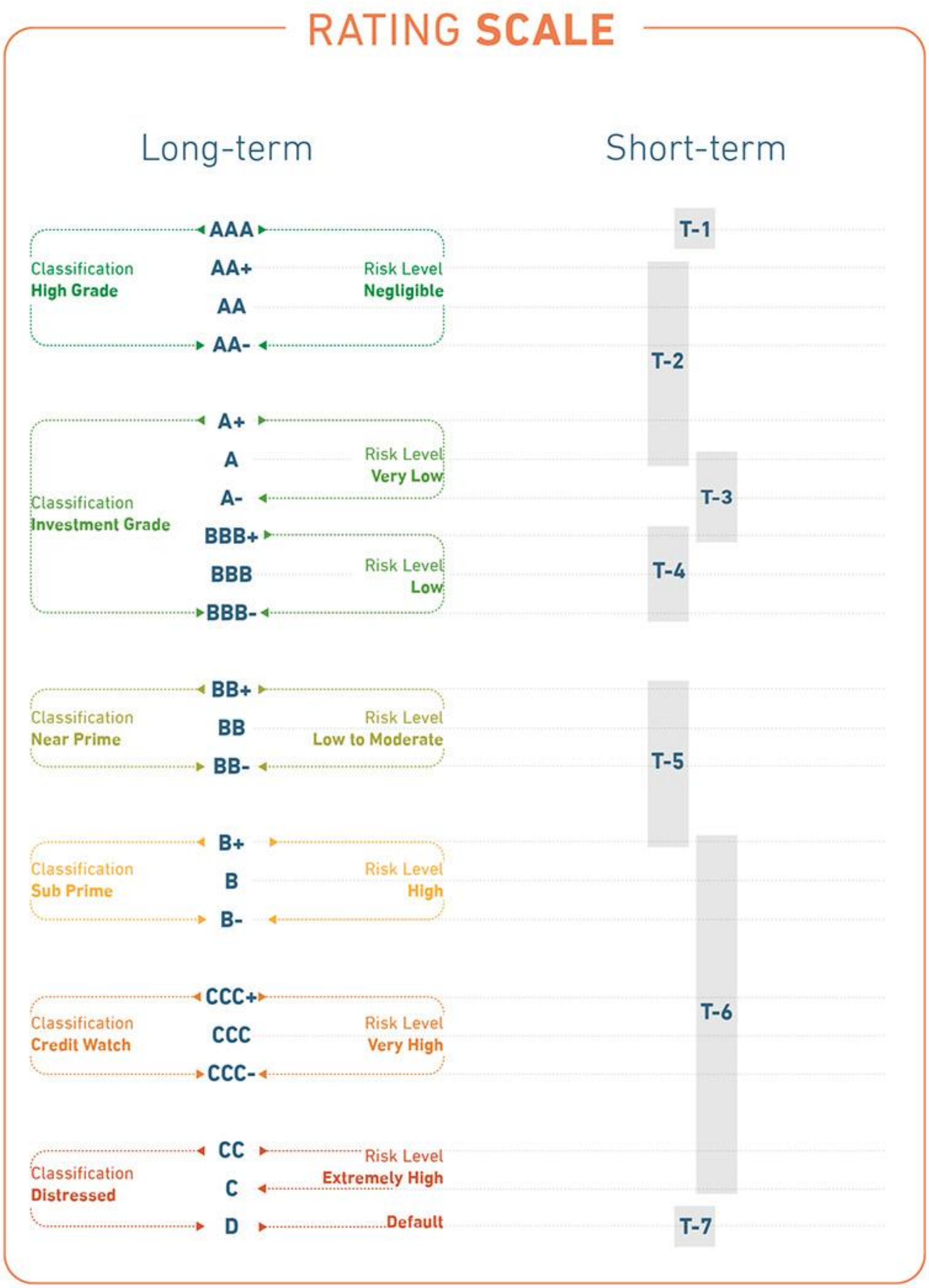
ANALYST:

Muhammad Tabish
Rating Analyst
011 409 6685
mtabish@tassnief.com

ANALYST:

Jazib Ahmed, CFA
Senior Rating Analyst
011-250 2030
jahmed@tassnief.com

TASSNIEF's Long-term & Short-term Rating Scale



Long-Term Rating Scale	Definitions
AAA	**Extremely Robust**; Tassnief considers the rated issuer or issuance hold the **highest creditworthiness**, thus **negligible credit risk**
AA+ **AA** **AA-**	**Very Robust**; Tassnief considers the rated issuer or issuance hold **very high creditworthiness**, thus **minimal credit risk**. Risk profile may vary slightly with changes in economic / sector conditions
A+ **A** **A-**	**Robust**; Tassnief considers the rated issuer or issuance hold **high creditworthiness**, thus **very low credit risk**. Risk profile may vary with changes in economic / sector conditions
BBB+ **BBB** **BBB-**	**Moderate**; Tassnief considers the rated issuer or issuance hold **adequate creditworthiness**, thus **low credit risk**. Risk profile may exhibit moderately high variation with changes in economic / sector conditions
BB+ **BB** **BB-**	Tassnief considers the rated issuer or issuance hold **low to moderate credit risk**. Risk profile may exhibit wide variation with changes in economic / sector conditions.
B+ **B** **B-**	Tassnief considers the rated issuer or issuance hold **very low creditworthiness**, thus **high credit risk**
CCC+ **CCC** **CCC-**	Tassnief considers the rated issuer or issuance hold **extremely low creditworthiness**, thus **very high credit risk**
CC **C**	**Highly speculative credit profile**, and the default is imminent
D	Tassnief considers the rated issuer or issuance have **defaulted or may default soon.**

****End of Report****