



## Saudi Airlines Catering Co. announces its Annual financial results for the period ending on 31-12-2018

Item	Current Year	Previous Year	%Change
Sales/Revenue	2,035.8	1,952.6	4.26%
Gross Profit (Loss)	696.5	722.8	-3.64%
Profit (Loss) Operational	505.6	535.4	-5.57%
Net Profit (Loss) after Zakat and Tax	459.3	481.7	-4.65%
Total Comprehensive Income	463.9	468.8	-1.05%
Total Share Holders Equity	1,301.5	1,282.9	1.44%
Profit (Loss) per Share	5.60	5.87	-4.65%

All figures are in (Millions) Saudi Arabia, Riyals

Announcement Details	Justification
Reason for increase (decrease) in net profit for current year compared to last year	<p>The net profit was 4.7% below 2017, mainly due to challenges met in Retail sector. However, performance of In Flight sector compensated the majority of decline. The cost of sales increased by 8.9% or MSR 109.5, mainly due to related personnel cost &amp; rents. Other income increased by MSR 5.3. Loss on associate decreased by MSR 4.7. Zakat and income tax decreased by MSR 4.6, re-measurement of defined benefit liability decreased by MSR 17.6.</p> <p>Sales increased by MSR 83.2 mainly due to an increase in Inflight Catering sales.</p>
Type of the external auditor's opinion	Un-modified opinion
External auditor's report containing reservation	
Reclassifications in annual financial results	Items, elements and notes of the comparatives Consolidated Financial Statements have been redisplayed, regrouped and reclassified to meet with the applied accounting policies, which have been prepared according to



the International Financial Reporting Standards (IFRS), which are endorsed in the Kingdom of Saudi Arabia for the current period.

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Effective 01 January 2018, the Company has adopted IFRS 15 (Revenue from contracts with customers) and IFRS 9 (Financial Instruments).

- 1) The Company has applied IFRS 15 using the retrospective approach as at 1 January 2017. Under IFRS 15, there is a change in focus from risk and rewards to a control based approach in determining whether an entity is acting as an agent or principal in an arrangement. Under IFRS 15, the Company was deemed an agent concerning Airline Equipment sales. The revenue from Airline Equipment business has been retrospectively recorded on a net basis. This does not have an impact on the profit for the year.
- 2) The Company has started to adopt IFRS 9 for the first time from the period started January 1, 2018. This standard replaces IAS 39 Financial Instruments Recognition and Measurement. Under IFRS9, using an 'expected credit loss' (ECL) model, credit losses are recognized earlier than IAS 39 required. The adoption of IFRS 9 has not had a significant impact on the Company.