

TANMIAH FOOD COMPANY

1Q2023 Presentation



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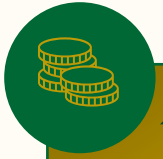
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01 | 1Q2023 Highlights

1Q2023 highlights

Revenues continue on upward trend, driven by fresh poultry, whilst food franchise operations record historical sales



↑ **42%**

YoY revenue growth,
to SAR 484 mn



↑ **37%**

Fresh Poultry revenue
growth



↑ **49%**

Animal Feed and Veterinary
Services revenue growth



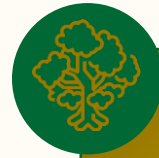
↑ **1,263%**

YoY net profit* growth,
to SAR 21 mn



POPEYES

6 new stores opened in 1Q,
with 26 in total.



325K

Number of planted trees to
date, as part of 1 million tree
initiative



475,000 bpd

+19% YoY growth in daily
capacity in fresh poultry



Tanmiah Life

New nutritious fresh
poultry line, enriched with
Omega-3



SAR 3.5 DPS

Board recommendation for
dividend payment for FY22

**Net Profit attributable to owners of
the company, SAR 24 million is the
total net profit*

Committed to sustainability through our Giving, Earning, Sustaining model

ESG initiatives

- ❖ Commitment to sustainability is built on 3 key pillars: Sustaining People, Sustaining the Planet and Sustaining Agriculture
- ❖ Established ESG Board Committee in 2022
- ❖ ESG framework under development – already conducted benchmarking and materiality assessment
- ❖ One million tree initiative – Up to 325K trees planted to date; trees planted on seasonal basis
- ❖ Green houses under construction – to be irrigated by wastewater from hatcheries
- ❖ Solid waste converted to compost from hatcheries to be used as fertilizer or sold
- ❖ Increased focus on energy efficiency to minimize resource waste and carbon emissions
- ❖ Key focus area of ESG Committee in 2023 will be to adopt a suitable international ESG reporting framework, to provide meaningful and measurable disclosures about Tanmiah’s ESG activities, with appropriate third-party verification.

Community initiatives

- ❖ Hiring and training of orphans with the support of Kayan NGO and People of determination in collaboration with Sa3ee Association
- ❖ Women Enablement Program, a specialized training and recruitment program, where around 200 Saudi female workers were hired for the company

Awards and qualifications



Sustaining
Sustainability initiatives designed
to create long term value

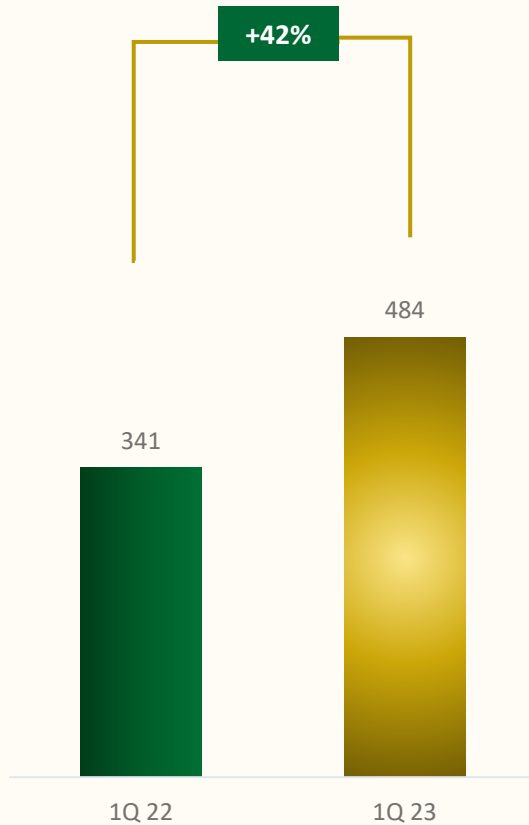


02 | 1Q2023 Financial Overview

1Q2023 financial performance – top line

Robust revenue performance continues, primarily led by fresh poultry

Revenues (SAR mn)

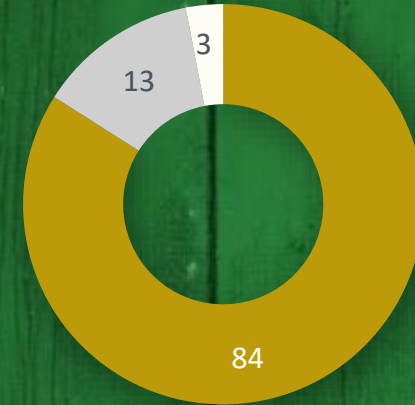


- 1Q2023 revenues increased 42% YoY, as a result of:

- continued popularity of our products, which resulted in an increase in sales volumes of fresh poultry
- increase in our animal health and feed revenues, due to higher demand
- sustained expansion of food franchise operations



Revenue contribution by segments (%)



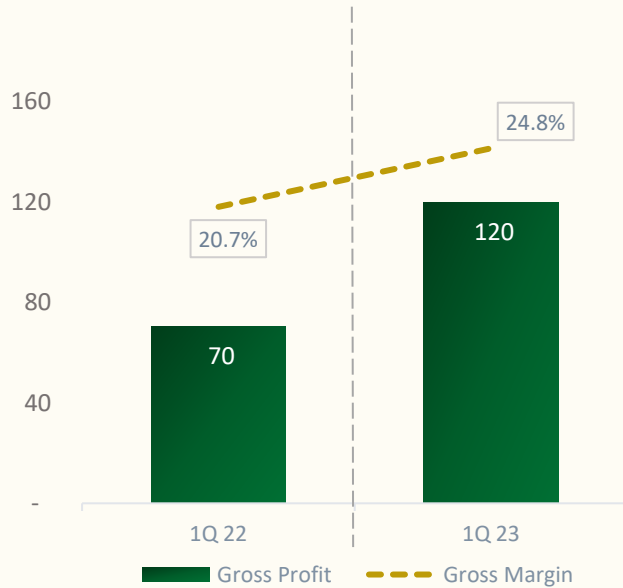
■ Fresh Poultry ■ Animal Feed and Vet ■ Food franchise operator

- Fresh poultry** revenues increased 37%, supported by transformative government initiatives, capacity expansion and increasing sales volumes
- Feed and animal health** revenues improved 49% YoY, as demand for animal health products and equipment continued to rise
- Food franchise operations continued to expand**, with 6 new Popeyes stores opened in 1Q, for a total of 26 operational stores in the Kingdom

1Q2023 financial performance – bottom line

Tanmiah achieved better margins, with sales volumes gaining traction during the period

Gross Profit and Gross Margin

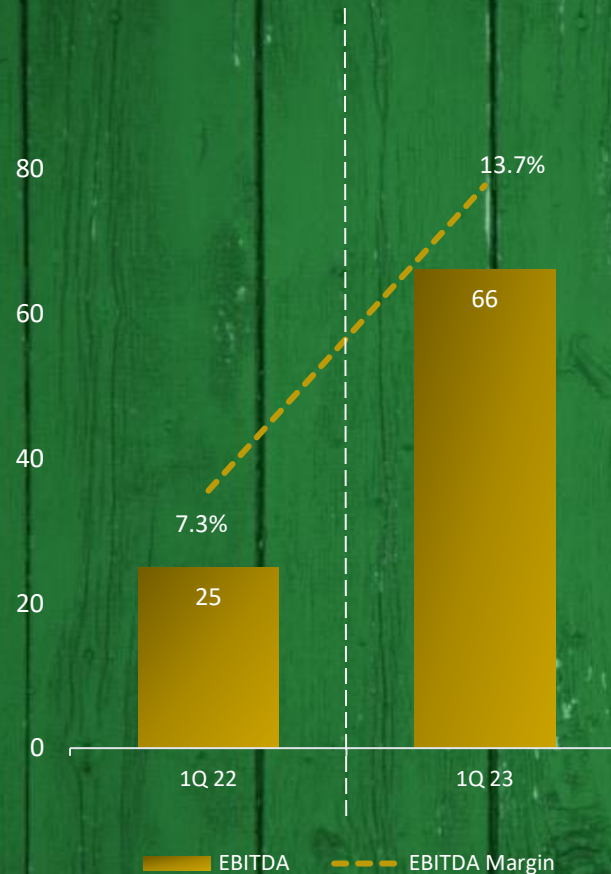


- Gross margin witnessed a marked improvement from 20.7% in 1Q 22 to 24.8% in 1Q 23, due to:
 - dual effect of increase in sales volumes and production capacity
 - enhanced utilization of company assets
 - continued focus on increasing operational efficiencies
 - one-off subsidy on grains

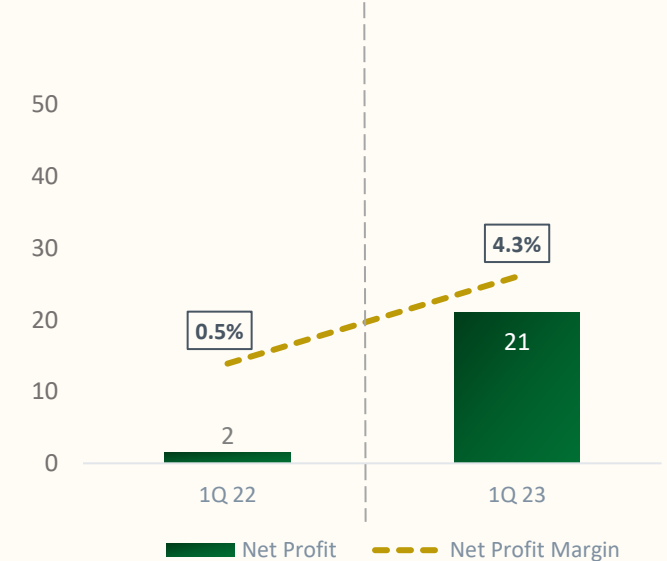
As reported in the financial statements

*Net Profit attributable to owners of the company

EBITDA and EBITDA Margin



Net Profit* and Net Profit Margin



- EBITDA continued its upward trend, driven by the solid revenue performance during the quarter, and outpaced the 26% rise in SG&A expenses.
- SG&A expenses increased due to:
 - continued expansion of Tanmiah's sales and distribution network including fresh chicken and franchise business.
 - ongoing efforts to capture additional market share with increased marketing and promotion efforts

Fresh poultry segment analysis

Growth supported by rising popularity for Tanmiah's products and leading market positioning



PPL



Feed mills



Hatcheries



Farms

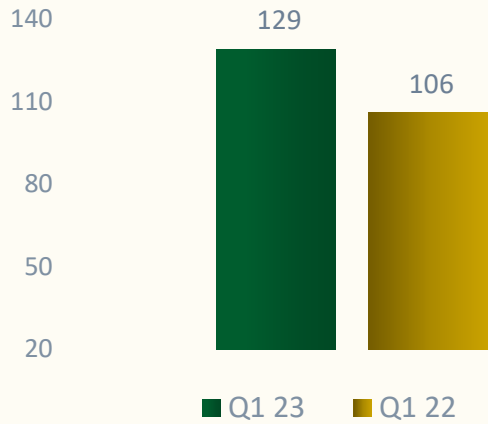
	1Q2022	1Q2023	% Change
Sales volume	24.8 million birds	31.5 million birds	27%
Processing capacity	400,000 bpd	475,000 bpd	19%
Distribution routes	265	293	11%
Marketing spend	SAR 4.6 million	SAR 6.3 million	37%



Focus on strategic expansion agenda

Tanmiah remains dedicated to the execution of its capex program, with the goal being to achieve long-term sustainable growth

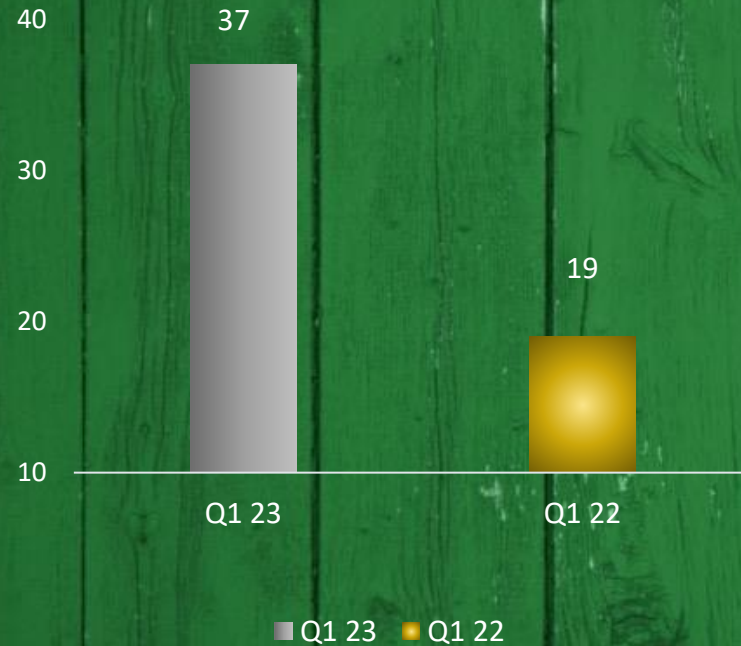
Capex Commitments (SAR mn)



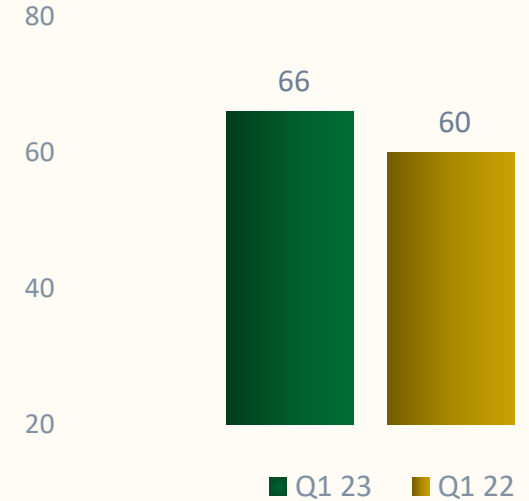
Fresh poultry

- Continued to expand farming and processing capacities, with a total of 114 farms now in operation, additional processing capacity of 6,000 birds per hour and 20 MT feedmill.
- Assets under construction & Capex Commitments:
 - 40 MT per hour additional feed mill capacity
 - additional processing capacity of 13,500 birds per hour
 - additional hatchery capacity of 140 mn egg setting capacity
 - waste management systems covering wastewater at the new processing plant

Capex Additions (SAR mn)



Lease Additions (SAR mn)

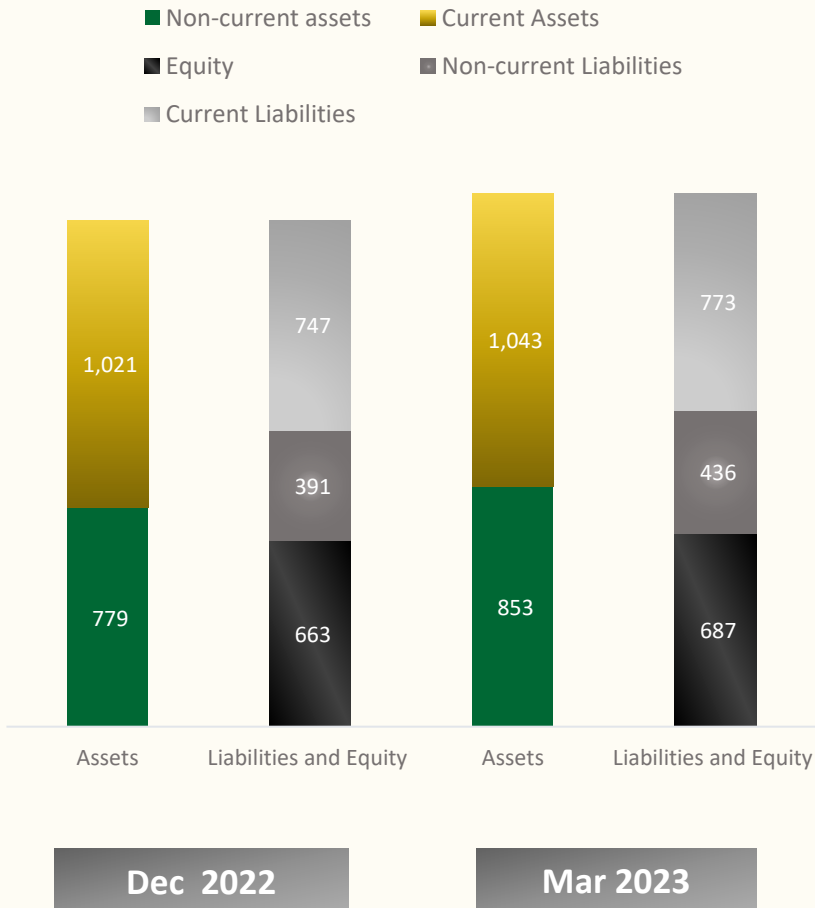


Popeyes

- Capital commitments include the kitchen equipment and furniture for new stores

Prudent balance sheet management

Balance sheet (SAR mn)



			Dec 2022	Mar 2023
Profitability	RoIC	%	9.5%	11.2%
	RoE	%	11.3%	14.8%
Activity	NWC-to-Sales ⁽¹⁾	%	17%	18%
	Trade receivables ⁽¹⁾	Days of Sales	34	34
	Biological assets	Days of Sales	27	26
	Inventory	Days of COS	80	74
	Trade payables	Days of COS	67	56
	Current Ratio	x	1.4	1.3
Solvency	D/(D+E)	%	32%	32%
	Net debt-to- EBITDA	x	0.19	0.29

(1) Excluding amounts due from related parties

03 | Outlook and Key Takeaways

Strong foundation to capture future growth

Well-positioned to become an important producer and distributor of food products, including poultry and other meat products in the MENA region and beyond

Our pathway to further rapid expansion rests on solid ground

Asset-light model allows us to lease farms and other facilities, which enables us to scale up by adding new ones quickly **without major CAPEX** and in the locations that we prefer

Our **robust financial position** and **underlying fundamentals** have solidly positioned us to fund the expansion of our business. Our capital structure is currently distributed between internal resources and debt financing

Our **fully integrated business model** of farming, production and distribution supports **streamlined operations, cost efficiencies and quality control** across all stages of the value chain.

Tanmiah operates in a **defensive sector** which is crucial to the **food security goals** of the Kingdom and the **market for our products is growing rapidly**.

Saudi Government policies are supportive of the **acceleration of Tanmiah's growth**, including the objective of achieving greater poultry **self-sufficiency**.



Supported by Government Initiatives

Continued support for the food sector, both directly and indirectly, as part of Vision 2030 initiatives and programs



Private Sector GDP Contribution

2020

50%
of GDP



2030

65%
of GDP



Broiler Self Sufficiency Goals

2020

60%
✓ *Achieved*



2025

80%



Agricultural Development Fund

A range of measures to incentivize food production, finance imports and help ensure food security in the Kingdom



Increase number of tourists

2030

- Targeting to attracting 100 million visitors
- 10% contribution to GDP



Increase number of Pilgrims

2020

8 MN
Visitors per year



2030

30 MN
Visitors per year



Government Measures

Tariffs of **20%** on the goods price



Government Subsidy Reforms

Change of **subsidy** on **weight of chicken** produced instead of **feed imported** to stimulate efficiency

رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

صندوق التنمية الزراعية
Agricultural Development Fund
المملكة العربية السعودية



1Q23 Key Takeaways



Revenues maintained upward trend, driven by fresh poultry sales



Tanmiah on track to achieving strategic expansion plans, with 19% YoY increase in production capacity



Product innovation continues, with the launch of “**Tanmiah Life**,” a nutritious new fresh poultry line enriched with Omega-3



Focus on expanding sales & distribution network and workforce to cater to increasing demand



Operational efficiencies remain at the forefront for the company



Continued expansion of food franchise operations, with the opening 6 additional stores



Returning value to shareholders following Tyson transaction, with board recommendation of SAR 3.5 dividend per share



Saudi government initiatives continue to play a key role in accelerating our growth plans

THANK YOU

Investor Relations & Media Queries

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