



التنمية
TÄNMIAH

شركة التنمية الغذائية Tanmiah Food Company

Earning Release

Full Year

2025

Tanmiah Delivers FY 2025 Revenue Growth of 3.5%, with New Strategic Priorities Set for 2026 Amid Challenging Market Conditions

- FY 2025 revenue grew 3.5% YoY amid challenging market conditions, underpinned by the Company's diversified operating platform, led by a 41.8% YoY increase in Restaurant Operations and a 1.3% YoY increase in the Agribusiness segment.
- Fresh Poultry total sales volume increased to 168 million birds in 2025, representing 12.4% YoY growth, with average daily production reaching 584 thousand birds during the fourth quarter.
- Two new facilities were commissioned in Saudi Arabia, including the Kingdom's first dedicated large-bird processing plant and a new feed mill.
- FY 2025 Gross Profit and EBITDA were impacted by higher input costs and sustained pricing pressure, while margins remained at 22.8% and 11.8%, respectively.
- FY 2025 profitability weakened YoY, with net losses reflecting continued investment in capacity build-out and operational resilience, against a backdrop of challenging market pricing conditions, higher inflation, higher financing cost and depreciation.
- Executing a refreshed strategic framework focused on customer and product innovation, core asset optimization, margin-accretive growth, disciplined capital allocation, and digitally enabled people to drive sustainable long-term value creation.

Riyadh, Saudi Arabia, 15 February 2026 - Tanmiah Food Company ("Tanmiah" or the "Company", 2281 on the Saudi Exchange), established in 1962, one of the Middle East's leading providers of fresh poultry, processed proteins, animal feed, health products and restaurants operator, announced its results for year-ended 31 December 2025 ("FY 2025"), reporting a 3.5% year-on-year ("YoY") growth in revenues to reach SAR 2,653.5 million. FY 2025 revenue performance benefited from the Company's diversified operating model, with growth led by Restaurant Operations and higher Fresh Poultry average daily production. Profitability was impacted during the year amid a challenging pricing environment in Fresh Poultry, with EBITDA declining 13.1% YoY to SAR 313.5 million versus SAR 360.5 million and EBITDA margin contracting to 11.8% from 14.1% in FY 2024.

Zulfiqar Hamadani CEO of Tanmiah Group, commented:

"FY 2025 marked a year of continued progress for Tanmiah as we expanded our modern, scalable production capacity and strengthened our ability to grow volumes and deliver high-quality products that meet rising customer demand. We also broadened our distribution footprint into new areas and regions, including a new expansion into Kuwait earlier in the year.

While the Fresh Poultry segment faced a temporary cycle of market pressure driven by sustained pricing challenges and an oversupply of imported frozen products in the Saudi market, our diversified operating model continued to demonstrate resilience, underpinned by volume growth across Agribusiness and exceptional topline performance in Restaurant Operations. We remain confident in the strength of market fundamentals and in the underlying demand for our products, with no planned reductions in production. Our integrated platform is well positioned to continue generating growth across multiple verticals, even in a challenging operating environment.

Looking ahead, while we continue to grow our production through organic and M&A opportunities, our primary focus will be to enhance efficiencies and extract maximum value from our existing infrastructure. Following significant investment in recent years, our priority is to improve unit economics through disciplined asset optimization, operational efficiency, and stronger execution across the existing footprint. These efforts will enable us to better serve our customers, deliver quality products, and continue advancing innovation and sustainability across the business.”

Summary Financial Highlights

| SAR million | Q4-25 | Q4-24 | % Change YoY | FY-25 | FY-24 | % Change YoY |
|--|--------|-------|--------------|---------|---------|--------------|
| Revenue | 712.7 | 684.9 | 4.1% | 2,653.5 | 2,563.5 | 3.5% |
| Gross Profit | 144.8 | 178.4 | -18.8% | 603.8 | 654.4 | -7.7% |
| Gross Profit Margin | 20.3% | 26.1% | -580bps | 22.8% | 25.5% | -270bps |
| EBITDA | 68.0 | 104.2 | -34.7% | 313.5 | 360.5 | -13.0% |
| EBITDA Margin | 9.5% | 15.2% | -567bps | 11.8% | 14.1% | -225bps |
| Net Profit (Loss) attributable to Shareholders of the Company | (22.4) | 26.8 | -183.7% | (18.8) | 95.8 | -119.7% |

Segmental Revenue Analysis

The **Agribusiness** segment, comprising Fresh Poultry and Animal Feed and Health Products, is the core contributor to revenue, **accounting for approximately 92% of total revenue in FY 2025**. **Fresh Poultry** generated revenue of SAR 2,018.2 million, up 2.3%, reflecting sales volumes of 168 million birds, up 12.4% and reaching 584K average birds per day (6.1% volume increase YoY). This volume growth was offset by lower selling prices in FY 2025 compared to FY 2024, primarily driven by ongoing higher frozen and fresh chicken supply in Saudi Arabia. Revenue in the **Animal Feed and Health Products segment** declined by **3.4% YoY to SAR 434.8 million** in FY 2025, primarily due to softer demand for equipment and medicine amid a slower agriculture market environment driven by temporary headwinds, despite the **12.9% YoY** growth in feed supplement sales.

Restaurant Operations delivered another year of robust growth, with FY 2025 revenue reaching **SAR 200.5 million**, up **41.8% YoY**, driven by continued network expansion during the year. In Q4 2025, revenues rose 30.3% YoY to SAR 55.6 million, supported by seven new openings during the quarter and improved like-for-like performance. The total network of operational outlets stands at 95, as of 31 December 2025; 87 in Saudi Arabia, 4 in Bahrain and 4 in Kuwait.

Income Statement Analysis

Cost of Sales rose **7.4% YoY to SAR 2,049.7 million** in FY 2025, reflecting higher fuel and utilities expenses, increased depreciation from new facilities, alongside incremental costs associated with the expansion of Popeyes® stores. These increases were partially mitigated by operational efficiencies and cost optimization measures. As a result, gross profit declined 7.7% YoY to SAR 603.8 million, with gross margin contracting to 22.8% from 25.5%, primarily due to continued pricing pressure stemming from elevated chicken supply in the Saudi market, along with ramp-up costs associated with new assets in the fourth quarter.

FY 2025 **EBITDA** amounted to **SAR 313.5 million**, down from SAR 360.5 million in the prior year, with the EBITDA margin declining to **11.8%** from 14.1% in FY 2024.

The Company recorded a **Net Loss Attributable to Shareholders** of **SAR 18.8 million** in FY 2025, compared with a Net Profit of SAR 95.8 million in FY 2024. Of the SAR 18.8 million net loss, SAR 37.0 million in net profit was generated by the Agribusiness segment, which includes Fresh Poultry and Animal Feed and Health Products, while Restaurant Operations reported a net loss of SAR 55.9 million. Popeyes® performance reflects higher operating and ramp-up costs, alongside softer revenues in select outlets. The YoY decline reflects higher fuel and utilities costs, increased distribution expenses, sustained pricing pressure in the Fresh Poultry segment, elevated financing costs, and costs associated with the ramp-up of new facilities, including depreciation. As capacity utilization improves, financing and other fixed costs are expected to ease over time, supported by higher volumes, stronger cash generation, and ongoing debt reduction. Tanmiah remains firmly focused on delivering superior customer value and driving operational excellence, as the Company transitions from building new state-of-the-art capabilities and technologies to extracting greater value from its integrated platform.

FY 2025 **capital expenditure** reached **SAR 418.3 million, up 40.4% YoY**, as Tanmiah advanced its growth and capacity expansion agenda. The year marked the commissioning of advanced processing infrastructure aimed at driving efficiency gains and lowering unit costs. The inauguration of the Majmaah 2 poultry facility and the Dahna feed mill, under the patronage of MEWA, represents a key step in scaling Tanmiah's vertically integrated platform.

Strategy Outlook and Way Forward

Tanmiah enters FY 2026 with a refreshed strategic framework and **four clearly defined strategic priorities**, reflecting a focused reset aimed at strengthening performance, enhancing profitability and delivering sustainable shareholder value.

1. **Customer-focused commercial excellence and value-added growth** is being advanced by Tanmiah in parallel, sharpening its focus on higher-margin products, customers and channels. This is expected to drive increasingly margin-accretive growth through the continued scaling of value-added and prepared foods, deeper strategic partnerships with key customers, and selective expansion into new geographies and adjacencies to enhance diversification and reduce concentration risk. For Popeyes®, prioritized initiatives include strengthening brand awareness, enhancing localized menu offerings, and elevating guest experience, supported by a continued focus on operational excellence across the network.
2. **Strengthening the core and optimizing the asset base** remains central to the Company's focus, as Tanmiah continues to leverage its new state-of-the-art capabilities and integrated platform. This year's capital expenditure plan focuses on extracting maximum value from our hybrid assets model, supported by a continued emphasis on improving efficiency, reliability, and execution discipline across the value chain, alongside proactive optimization, repurposing or rationalization of underperforming assets to unlock value.
3. **Disciplined capital allocation** continues to be one of Tanmiah's main priorities, with investment tightly aligned to returns. This includes selective, performance-led investments that enhance cash generation and long-term shareholder value. The Company will prioritize upgrading critical assets and selectively expanding capacity where returns are compelling, while maintaining balance sheet strength and optimizing financing costs to protect cash flows and investor returns.
4. **Digital, data and people are the main enablers** to the execution of Tanmiah's strategy, with accelerated investment in automation and modernized enterprise systems to drive productivity, resilience and scalability. Tanmiah will also continue to build organizational capability through leadership development, succession planning and HR digitalization, ensuring the platform, talent

and culture required to deliver sustainable long-term value creation.

ESG Commitments

Tanmiah continues to advance its strategic and integrated approach to sustainability, founded on its Omnipreneurship philosophy of giving, earning, and sustaining. The Company's ESG governance framework remains strong, guided by the Board ESG Committee and supported by a cross-functional ESG Committee at management level to ensure alignment between strategy and on-ground execution. The focus remains on driving progress across key areas aligned with the Kingdom's Vision 2030 and the United Nations Sustainable Development Goals.

In 2025, Tanmiah's ESG journey reached a new level of maturity, reflected in enhanced disclosures, stronger performance, and independent recognition. Over the past three years, Tanmiah's MSCI ESG Rating has improved from B in 2023 to BB in 2024 and BBB in 2025, marking a second consecutive upgrade and positioning the Company among a select group of food companies globally with advanced ESG practices. This trajectory underscores how ESG considerations are now embedded into the Company's core strategy, risk management, and capital allocation decisions. Tanmiah is progressing on a comprehensive carbon inventory across its operations to establish a robust baseline for emissions management and future target-setting. In parallel, the Company is advancing its decarbonization roadmap through fuel switching to liquefied petroleum gas (LPG), piloting solar energy solutions, and assessing geothermal applications to reduce dependence on conventional fuels and enhance energy efficiency. These initiatives build on earlier work to optimize diesel consumption and are expected to support meaningful reductions in greenhouse gas emissions and operating costs over time.

The Company continues to invest in innovative feed alternatives and agri-technologies to improve feed conversion, reduce pressure on land and water resources, and support more sustainable poultry production. Tanmiah's large-scale tree planting program has now reached 573,000 trees across Saudi Arabia, while the Majmaah water treatment plant with a 6,000 m³ per day capacity strengthens the Company's circular water strategy by supplying treated water for irrigation of moringa plantations. Together, these initiatives reinforce Tanmiah's nature-positive approach and alignment with national climate and food security priorities.

Tanmiah's leadership in sustainability and technology continues to gain regional recognition. Group CEO Zulfiqar Hamadani was recognized as one of The Middle East's Sustainability Leaders 2025 by Forbes Middle East, highlighting his role in steering Tanmiah's transition towards low-carbon and resource-efficient operations. In addition, Tanmiah's Farm Automation Project received the 2025 Middle East Technology Excellence Award in the Agritech category, underscoring the Company's focus on deploying advanced technologies to enhance productivity, animal welfare, and biosecurity across its value chain.

Looking ahead, Tanmiah remains focused on deepening its impact through continued decarbonization, expansion of renewable energy solutions, development of innovative feed and farming technologies, and further strengthening of animal welfare and sustainable packaging practices. These priorities are designed to support long-term value creation for shareholders while contributing to a more resilient and sustainable food system in Saudi Arabia and the wider region.

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About Tanmiah Food Company

Tanmiah Food Company, established in 1962, is one of the Middle East's leading providers of fresh poultry, processed proteins, animal feed and health products, and a restaurants operator. It is a publicly listed Company on the Saudi Exchange Main Market. It is worth noting that Al-Dabbagh Holding Group Company is a partner and founding shareholder of Tanmiah Food Company. Tanmiah's fully integrated and highly efficient business model includes production, further processing, and distribution with products sold in Saudi Arabia, the UAE, Bahrain, Oman, Jordan, and Kuwait. As of 31 December 2025, Tanmiah operates 157 farms as well as seven hatcheries, five feed mills, and six primary processing plants, and, through its joint venture operations, it operates four further processing plants. Tanmiah distributes its products through a network of wholesalers, retailers, and food service outlets, as well as online directly to consumers. Sustainability is a core principle at Tanmiah, with initiatives including planting a million trees, using wastewater from its facilities, and turning waste products into fertilizer. For more information, visit www.tanmiah.com

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case, their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal, or economic conditions in Saudi Arabia, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.



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Investor Relations & Media Enquiries

+966 114775912

ir@tanmiah.com

King Fahad Street, Building 7292,
ArRahmaniyah District 4253,
Riyadh 12341, Saudi Arabia.

www.tanmiah.com