



Earnings Release

First Quarter 2024



Tanmiah reports 20% growth in revenues in 1Q2024, with strong profitability

- **Revenues and gross profit continued to improve during the period, driven by fresh poultry segment**
- **Strong financial position underpins Tanmiah's strategic expansion plans**
- **Food franchise operations on sustained growth trajectory, with 54 outlets in operation**
- **Board recommends distribution of SAR 1.90 per share in cash dividends for FY2023**

Riyadh, Saudi Arabia, 12 May 2024 - Tanmiah Food Company ("Tanmiah" or the "Company", 2281 on the Saudi Exchange), a market-leading provider of fresh and processed poultry and other meat products, animal feed and health products, and a foods brand franchise operator, today announced its results for the first quarter ending 31 March 2024, reporting a robust 20% year-on-year (YoY) growth in revenues to SAR 581.4 million, primarily due to an 18% rise in fresh poultry sales. EBITDA witnessed an increase of 17.8% to SAR 78.0 million, while net profit attributable to owners of the Company remained unchanged at SAR 21.0 million in 1Q2024.

Zulfiqar Hamadani CEO of Tanmiah, commented:

"Tanmiah has initiated the year with a solid performance across all the segments of the business, witnessing a substantial improvement in revenues during the quarter. With fresh poultry continuing to lead this growth, we are also delighted by the ongoing success of our food franchise operations across the Kingdom.

In line with our strong commitment to adopting the highest standards of food safety and quality, we are pleased to be the first poultry producer in Saudi Arabia to have achieved the highest BRCGS AA+ International Quality Certification. This remarkable milestone is a testament to the hard work and dedication of our team, and Tanmiah's uncompromising focus on food safety and operational excellence in everything we do.

Looking ahead, the strength and agility of our business model, complemented with key collaborations with best-in-class companies worldwide are set to chart the course for further growth and development for Tanmiah, within the region and beyond."

We remain on track to achieving our growth objectives across our different business segments while continuing to play a key role in strengthening the Kingdom's position as a global halal hub, through key partnerships that foster innovation and sustainability, empower local talent, and grow the global halal market

The path ahead of us is indeed promising as we remain steadfast in exploring further avenues of growth for Tanmiah whilst reinforcing our pioneering role in supporting the fundamental objectives of food security and self-sufficiency under the agenda of the Kingdom's Vision 2030."

Summary Financial Highlights

SAR million	1Q2024	1Q2023	% Change
Revenue	581.4	484.5	20.0%
Gross Profit (Loss)	144.5	120.0	20.4%
EBITDA	78.0	66.2	17.8%
Net Profit attributable to owners of the Company	21.0	21.0	0.0%

Ahmed bin Sharaf Osilan, Executive Board Member and Managing Director of Tanmiah, said:

"We are witnessing yet another solid quarter for Tanmiah, where our progressive growth within the food sector remains, as we continue to make strides towards our strategic goal of becoming the number one global halal sustainable healthy protein Company by 2030. This is largely supported by our unwavering focus on fostering innovation, enhancing operational excellence, and driving sustainable food production across all stages of the value chain."

Revenue Analysis

Tanmiah announced revenues of SAR 581.4 million in 1Q2024, up 20.0% YoY from SAR 484.5 million. This was predominantly the result of a continued growth in sales volumes, particularly fresh poultry, wider geographical coverage, focused marketing, and enhanced channel expansion.

Fresh Poultry sales, the key contributor to Tanmiah's revenues (83%), increased 18.3% YoY in 1Q2024 to SAR 480.4 million. This positive performance is supported by an improvement in sales volumes, on the back of an expansion in Tanmiah's production capacity, from 475,000 birds per day as of 31 March 2023 to 500,000 birds per day as of 31 March 2024.

Animal Feed and Health revenues grew 17.7% YoY to SAR 72.5 million from SAR 61.5 million, due to the sustained increase in demand for animal health products and equipment.

Food franchise operator revenues increased 67.5% to SAR 28.5 million in 1Q2024, from SAR 17.0 million in 1Q2023. During the quarter, Tanmiah opened 2 POPEYES® stores across the Kingdom, bringing the total to 54 operational outlets as of 31 March 2024.

Income Statement Analysis

Cost of Sales increased 19.9% YoY to SAR 436.9 million in 1Q2024, from SAR 364.5 million, driven by the Company's sustained expansion of fresh chicken production capacity, a rise in sales volumes, and the increase in the number of Popeyes stores. Gross profit increased 20.4% YoY to SAR 144.5 million from SAR 120.0 million in 1Q2023.

EBITDA witnessed an improvement of 17.8% to SAR 78.0 million in 1Q2024, compared to SAR 66.2 million in 1Q2023, in line with the robust revenue performance.

Net Profit attributable to the owners of the company remained largely unchanged at SAR 21.0 million in 1Q2024, but it is worth mentioning that net profit for 1Q2023 included a one-off subsidy amounting to SAR 15.29 million

Balance Sheet Analysis

Tanmiah ended the period with SAR 158.7 million in **cash and cash equivalents**.

Total borrowings increased to SAR 423.1 million as of 31 March 2024, from SAR 410.6 million at the end of 2023.

Capex increased from SAR 37.2 million in 1Q2023 to SAR 58.4 million in 1Q2024. Planned capital expenditure in the next five years will focus on ramping up primary processing, feed milling and hatching capacities, in addition to expanding food franchise operations, thus enabling the Company to seize new growth opportunities.





ESG Commitments

Tanmiah implements a strategic and integrated approach to achieving environmental, economic, and social sustainability, underpinned by its Omnipreneurship philosophy of giving, earning and sustaining.

The Company has a Board ESG Committee that a management-level cross-functional committee supports. With a strengthened governance structure, we finalized our ESG roadmap and strategy, with core focus areas aligned to the economic and social goals of the Kingdom's Vision 2030 and the United Nations' Sustainable Development Goals. Complete details are available in our inaugural Sustainability Report.

With a vision to become the number one global halal sustainable healthy protein Company by 2030, the strategy is based on three pillars: Sustaining People, Sustaining Agriculture and Sustaining the Planet.

Tanmiah has undertaken a double-materiality approach to define its sustainability strategy and ensure that it focuses on relevant risk areas where it could create value for both the Company and its stakeholders. Looking ahead, we are further strengthening our sustainability governance, progressing our people agenda, advancing animal welfare, gaining efficiencies in resources and water use, working towards carbon neutrality, and expanding sustainable packaging.

About Tanmiah Food Company

Tanmiah Food Company, established in 1962, is one of the Middle East's leading providers of fresh poultry, processed poultry, and other processed meat products, as well as animal feed and health products. It is a publicly listed Company on the Saudi stock 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 March 2024, Tanmiah operates 126 farms as well as six hatcheries, two feed mills, and four primary processing plants (slaughterhouses), 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 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.



TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		March 31, 2024	December 31, 2023
	Notes	SR	SR
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	571,824,690	525,170,688
Right-of-use assets	6	450,899,207	422,692,509
Intangible assets		7,805,085	6,768,411
Financial assets at fair value through other comprehensive income		773,983	773,983
Investment in an associate	7	81,189,188	80,866,666
Total non-current assets		1,112,492,153	1,036,272,257
Current assets			
Inventories	8	262,190,103	262,778,704
Biological assets	9	155,172,106	143,431,624
Contract assets		24,221,407	21,922,970
Trade receivables and other debtors		254,118,604	238,824,218
Prepayments and other receivables		221,936,090	198,120,137
Cash and cash equivalents		158,722,384	111,032,670
Total current assets		1,076,360,694	976,110,323
TOTAL ASSETS		2,188,852,847	2,012,382,580
EQUITY AND LIABILITIES			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve		42,154,397	42,154,397
Other reserve		73,977,280	73,977,280
Retained earnings		323,647,589	302,692,574
Equity attributable to owners of the Company		639,779,266	618,824,251
Non-controlling interests		65,632,254	61,450,234
Total equity		705,411,520	680,274,485
Non-current liabilities			
Employee benefit obligations		103,220,656	98,735,875
Lease liabilities	6	368,928,683	330,127,184
Borrowings	10	167,512,600	122,512,600
Total non-current liabilities		639,661,939	551,375,659
Current liabilities			
Borrowings	10	255,592,912	288,081,444
Trade payables, accruals and other liabilities		501,398,611	400,993,331
Lease liabilities	6	72,575,518	80,315,540
Provision for zakat and income tax	11	14,212,347	11,342,121
Total current liabilities		843,779,388	780,732,436
Total liabilities		1,483,441,327	1,332,108,095
TOTAL EQUITY AND LIABILITIES		2,188,852,847	2,012,382,580



TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Notes	For the three months period ended March 31	
		2024 SR	2023 SR
		(unaudited)	(unaudited)
Revenue	15	581,362,210	484,479,751
Cost of sales		(436,898,746)	(364,529,668)
Gross profit		144,463,464	119,950,083
Selling and distribution expenses		(72,253,754)	(59,861,151)
General and administrative expenses		(35,485,456)	(25,779,684)
Impairment loss on financial assets		(1,225,000)	(2,100,000)
Other income		3,970,719	4,237,539
Operating profit		39,469,973	36,446,787
Finance costs		(11,785,234)	(8,447,093)
Profit before share of result from associate and zakat and income tax		27,684,739	27,999,694
Share in results of an associate	7	322,522	(408,919)
Profit before zakat and income tax		28,007,261	27,590,775
Zakat and income tax		(2,870,226)	(3,084,364)
PROFIT FOR THE PERIOD		25,137,035	24,506,411
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurements of employee benefit obligations		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		25,137,035	24,506,411
Profit for the period attributable to:			
Owners of the Company		20,955,015	20,987,683
Non-controlling interests		4,182,020	3,518,728
		25,137,035	24,506,411
Total comprehensive income for the period attributable to:			
Owners of the Company		20,955,015	20,987,683
Non-controlling interests		4,182,020	3,518,728
		25,137,035	24,506,411
Earnings per share attributable to owners of the Company:			
Basic and diluted earnings per share	14	1.05	1.05



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