

Earnings Presentation

9M2024



التنمية
TANMIAH



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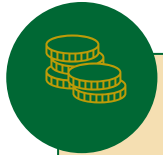




01 | Key Highlights



3Q24



+23%

YoY revenue growth,
to **SAR 657 mn**



26%

Gross Profit Margin; +350
bps YoY



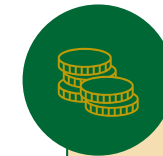
+40%

YoY net profit growth,
to **SAR 24 mn**



Launch of
[2023 Sustainability
Report](#)

9M24



+24%

YoY revenue growth,
to **SAR 1,879 mn**



25%

Gross Profit Margin; +270
bps YoY



+16%

Fresh Poultry revenue
growth



+39%

YoY net profit growth,
to **SAR 69 mn**



POPEYES

+63%

Revenue growth;
67 total outlets



535,000 bpd

+7% YTD growth in daily
poultry production
capacity

Tanmiah has launched its 2023 Sustainability Report. This is Tanmiah's *First Assured Sustainability report*, published in accordance with GRI Standards, SASB guidelines, UNGC principles and UNSDGs.



Independent limited assurance report

To the management of Tanmiah Food Company ("TANMIAH") (continued)

Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

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KPMG Professional Services



10.5%
reduction
in electricity
consumption

**Poultry
bio-waste
to generate
5.2 MWh of
renewable
energy.**

80%
reduction in
GHG emissions
by Popeyes'
eco-system
technology.

46.2%
increase in
wastewater
recycled.



| | MSCI Focus Area | Initiatives |
|---|--|---|
| 1 | Risk Management | The newly published report covers a comprehensive overview of our risk management practices overseen by both our Board of Directors and management team. Our risk management framework, supported by governance and regularly reviewed policies, ensures disciplined control through training and standards. Board subcommittees oversee strategic, operational, financial, compliance, ESG, and people-related risks, providing expert guidance to effectively identify and mitigate them. The board receives quarterly updates on key risks and mitigation plans. |
| 2 | Independence of Internal Audit | The report further highlights how Internal Audit independently assures the Audit Committee on controls, operations, financial reporting, whistle-blowing, and ethics policies; with the entire team trained in enhanced ESG expertise by completing ICAEA training. |
| 3 | Cyber Security | We prioritize cybersecurity through a comprehensive strategy, including proactive vulnerability management, enhanced email security, strengthened access control, and improved threat detection. Employee awareness programs and compliance efforts have led to zero data breaches, enhancing operational resilience and investor confidence. |
| 4 | GRI reporting through ESG Software Integration | Acquired services from Spehra, a world renowned ESG software to catapult our ESG data and reporting measures. |
| 5 | Sustainable Agricultural Practices | <ul style="list-style-type: none"> • Partnered with RDI (Responsive Drip Irrigation) for conservation water usage in plantation of our poultry feed crops. • Partnered with Soyl (previously MAWARID – Desert Control) for liquid-nano-clay agricultural practices transforming deserts into cultivable lands. • Partnered with KAUST research team to develop non-conventional sustainable feed practices by introducing algae-based feed solutions. |
| 9 | Sustainable Raw Material Sourcing | Registered Moringa Oleifera with SFDA as a key source of sustainable poultry feed enhancing protein and vitamin intake of chickens. |





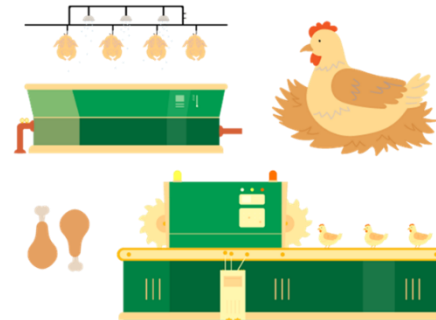
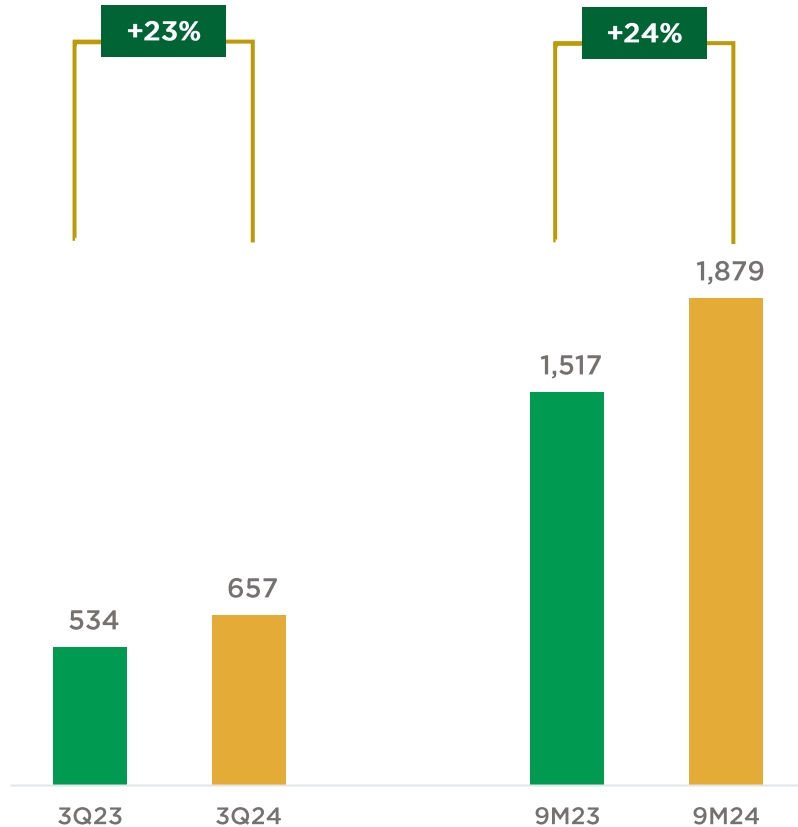
02 | Financial Overview



Financial performance – top line

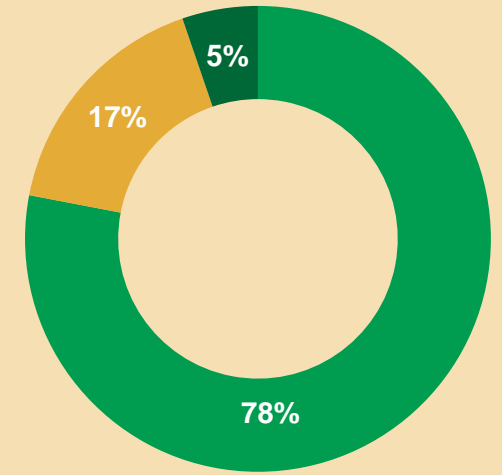
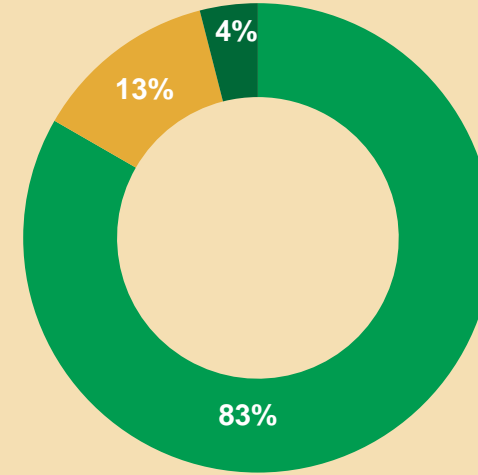
Solid top line performance, with growth across all business segments

Revenues (SAR mn)



9M23

9M24



■ Fresh poultry ■ Animal Feed and Vet ■ Franchising

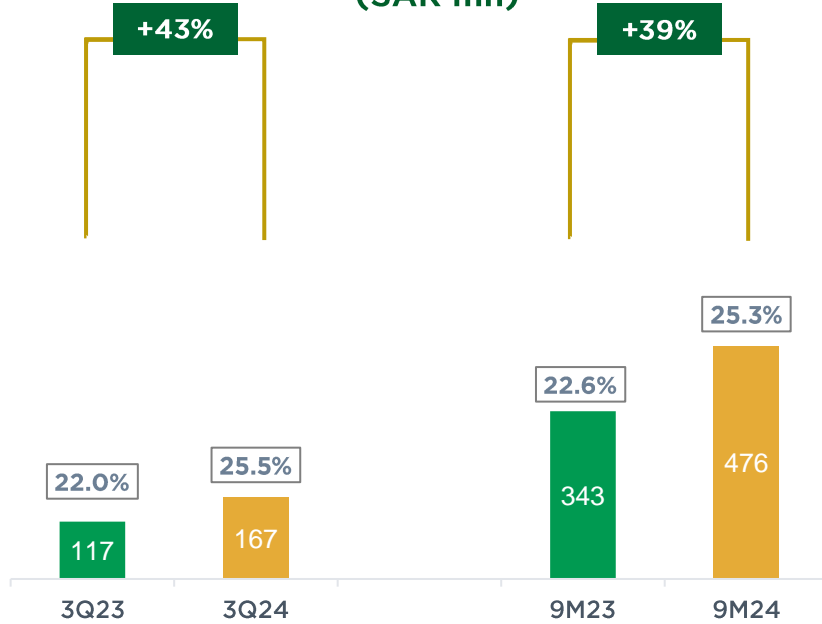
- Fresh poultry revenues increased 16% YoY, supported by capacity expansion and rising sales volumes.
- Feed and animal health revenues were up 63% YoY, with a continued rise in demand for animal health products and equipment.
- Food franchise operations sustained positive trajectory, increasing 63% YoY, with a total of 67 Popeyes® outlets in operation.



Financial performance – profitability

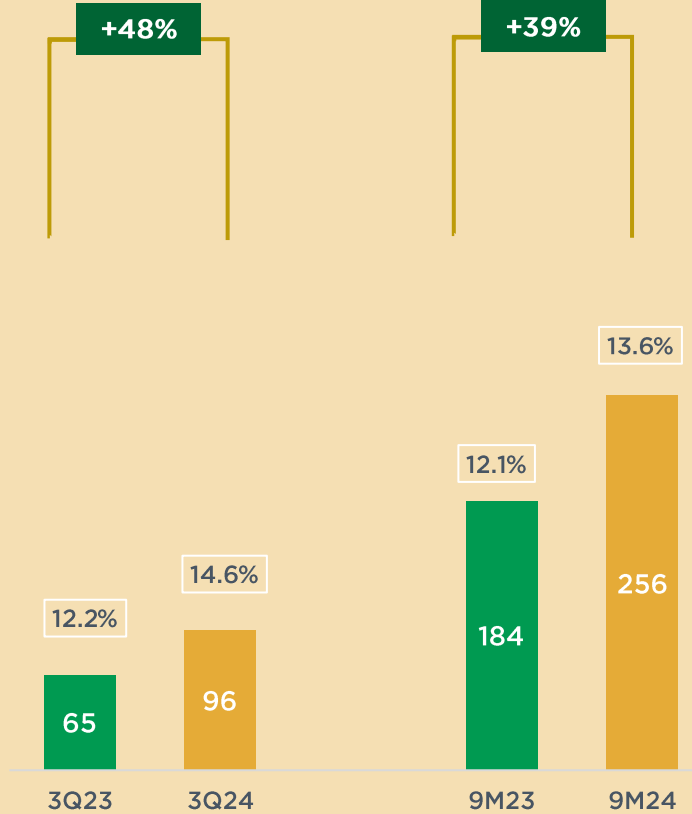
Sustained recovery in margins during the period

Gross Profit and Gross Profit Margin (SAR mn)

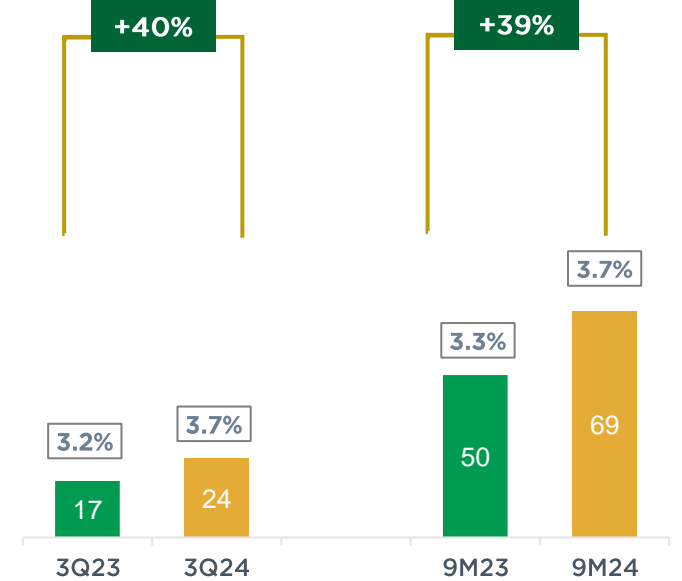


- **Gross profit margin witnessed growth, as a result of:**
 - improved sales volumes
 - rise in production capacity
 - cost optimization and efficiency measures

EBITDA and EBITDA Margin (SAR mn)



Net Profit and Net Profit Margin (SAR mn)

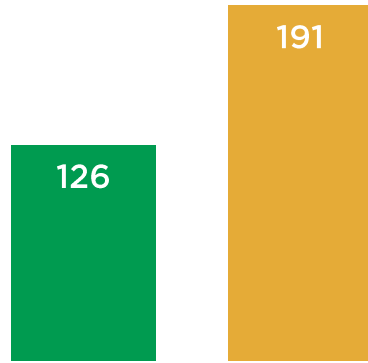


- **Net profit attributable to shareholders increased 40% YoY in 9M24 to SAR 69 mn**
- **continued expansion of Tanmiah's sales and distribution network, including fresh poultry and food franchise operations**

Focus on strategic expansion agenda

Tanmiah continues to make good progress on its capex program

Capex Additions
(SAR mn)

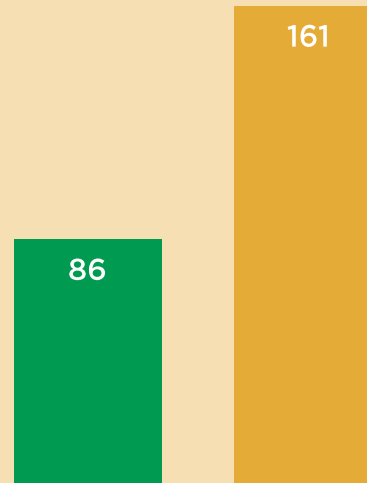


■ 9M23 ■ 9M24

▪ **Assets under construction & Capital Commitments**

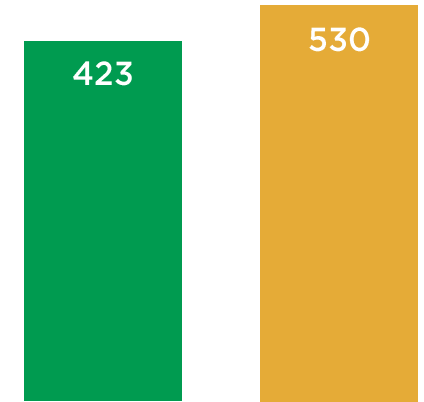
- 40 MT per hour additional feed mill capacity
- processing capacity of 13,500 birds per hour
- additional hatchery capacity of 140 mn egg setting capacity
- waste management systems covering wastewater at the new processing plant

Capex Commitments
(SAR mn)



■ 9M23 ■ 9M24

Right to use Assets
(SAR mn)



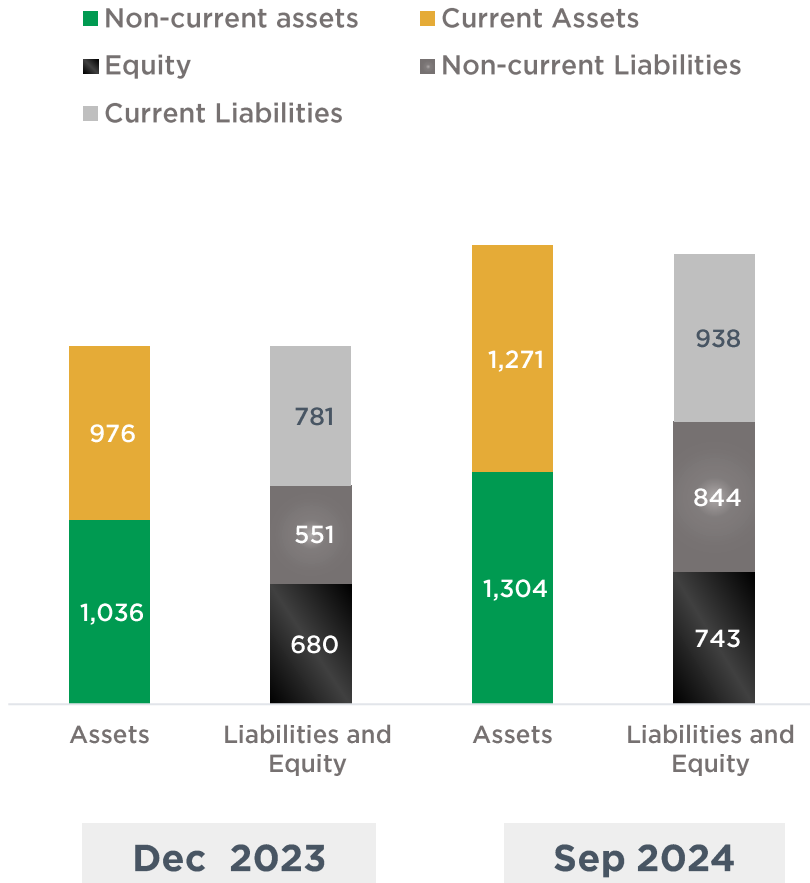
■ 9M23 ■ 9M24

▪ **Stores under construction and commitments include:**

- fit-out at various stages, kitchen equipment, and furniture & fixtures
- 14 stores under construction 4 of them in the GCC

Prudent balance sheet management

Balance sheet (SAR mn)



| | | | Dec 2023 | Sept 2024 |
|----------------------|---|---------------|----------|-----------|
| Profitability | RoIC ^{(1) (2)} | % | 8.1% | 10.3% |
| | RoE ⁽¹⁾ | % | 13.1% | 16.1% |
| Activity | NWC-to-Sales ⁽³⁾ | % | 19% | 16.2% |
| | Trade receivables ⁽³⁾ | Days of Sales | 33 | 36 |
| | Inventory (including biological assets) | Days of COS | 93 | 104 |
| | Trade payables | Days of COS | 46 | 51 |
| | Current Ratio | x | 1.3 | 1.4 |
| Solvency | D/(D+E) | % | 38% | 44% |
| | Net debt - to - EBITDA ⁽⁴⁾ | x | 2.72 | 2.90 |

(1) Return is for controlling shareholders on LTM basis

(2) Invested capital + (4) Index leases

(3) Excluding amounts due from related parties, sales on LTM basis

(4) All calculations are on LTM basis



Fresh Poultry Segment Analysis

Positive momentum supported by strategic expansion, GTM and increased processing capacity



PPL



Feed mills



Hatcherie
s



Farms

9M23

9M24

% Change

Sales volume

99.8 million
birds

110.2 million
birds

10%

Processing
capacity

500,000 bpd

535,000 bpd

7%

Distribution
routes

323

385

19%

Farms

120

128

7%



Innovation
Launching of new
Products as well
upgrading current
ones focused on
consumer needs
growing its
distribution to



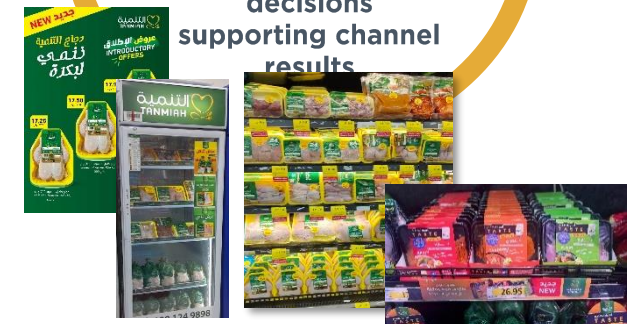
Customer Experience

NEW - Tanmiah - Taste Secrets
New Marinated Tender Breast
line
1st in Saudi to launch such a



Retail & FS
Execution
Growth of Active
Client Base and
smarter product mix
decisions
supporting channel
results

TV/Billboards
Campaigns
campaigns to increase
awareness and
emphasize on building
Tanmiah's brand



سابق الكل

بطعمه .. بجودته .. بسرعته
صدر دجاج طازجة، طرية ومتبله لأول مرة السعودية



متبله بالكامل
Fully Marinated

مقطعة ومُنظفة مسبقاً
Pre-Cut & Cleaned

صدر دجاج فاخرة
Premium Chicken Breast

360 Marketing Campaign



Tanmiah has conducted a 360-campaign in SEP/OCT including TV, OOH, Digital, Social Media, Cross-category Promotion, Brand Talk & Instore Branding.





03 | Outlook and Key Takeaways



Key Takeaways



Revenues and net profit continue their upward trajectory during the period



Continued progress on strategic growth plans, with fresh poultry capacity expansion to 535,000 bpd in 2024; we remain on target to deliver our expansion plans in 2025



Recovery of margins, driven by sustained growth in sales volumes



Expansion of food franchise operations on track, with a total of 67 operational outlets, delivering solid revenues



Launch of 2023 Sustainability Report confirms our efforts on the sustainability front



THANK YOU

Investor Relations & Media Queries

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