التنمية
TANMIAH
Tanmiah Food Company شركة التنمية الغذائية

Earning Release

9M

2025

Tanmiah Delivers 9M 2025 Revenue Growth and Sustained Volume Expansion Amid Challenging Market Conditions

- 9M 2025 revenue grew 3.3% YoY, supported by Tanmiah's diversified business model and driven by revenue growth in Restaurant Operations and Animal Feed.
- Fresh Poultry capacity expansion progressing, with daily production volumes reaching 594k birds in 9M 2025 (+11.0% YoY), supporting sustained volume growth.
- Inaugurated two new state-of-the-art facilities in Saudi Arabia, including the first purpose-built large-bird processing plant and feed mill.
- Gross profit and EBITDA saw a modest YoY decline in 9M 2025, primarily due to higher input costs and pricing pressure, yet delivered a 23.7% and a 12.7% margin, respectively.
- Net profit reduction reflects continued investment in capacity expansion and resilience-building initiatives, amid persistent market headwinds, inflationary cost pressures, and higher financing costs.

Riyadh, Saudi Arabia, 09 November 2025 - 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 the nine-month period ending 30 September 2025 ("9M 2025"), reporting a 3.3% year-on-year ("YoY") growth in revenues to reach SAR 1,940.8 million. Revenue growth was supported by Tanmiah's diversified business model and driven by revenue growth in Restaurant Operations and Animal Feed, partially offset by continued challenging market conditions and pricing pressure in Fresh Poultry. EBITDA decreased 4.2% YoY to SAR 245.5 million in 9M 2025, with an EBITDA margin of 12.7%, compared to 13.6% in 9M 2024. Net profit reduced by 94.8% YoY to SAR 3.6 million in 9M 2025, primarily impacted by continued pricing pressures, increased fuel and utilities costs, and higher financing expenses.

Zulfiqar Hamadani CEO of Tanmiah Group, commented:

"While the quarter continued to reflect pricing pressure and margin headwinds, Tanmiah maintained operational discipline and progressed steadily on its strategic priorities. We are in an important transition phase as new facilities are in the process of coming online, which will strengthen our long-term foundation for efficiency and scale.

As these facilities are assimilated to the mainstream production and ramp up, we expect a meaningful reduction in production costs and margin improvement through enhanced processes and capacity utilization. Over time, this will translate into lower production costs, positive cashflows, and a stronger balance sheet. We remain confident that Tanmiah's diversified business model coupled with forward-looking investments will position the Company to capture growth momentum as market conditions normalize.

Looking ahead, we remain committed to creating sustainable shareholder value by advancing our growth strategy, maintaining financial discipline, and accelerating our ESG priorities, all of which support Tanmiah's position as a trusted name in the regional food ecosystem."

Summary Financial Highlights

SAR million	Q3-25	Q3-24	% Change YoY	9M-25	9M-24	% Change YoY
Revenue	614.2	657.4	-6.6%	1,940.8	1,878.6	+3.3%
Gross Profit	137.8	167.4	-17.7%	459.1	476.0	-3.6%
EBITDA	70.2	96.1	-26.9%	245.5	256.3	-4.2%
Net Profit (Loss) attributable to owners of the Company	(15.8)	24.1	-165.5%	3.6	69.1	-94.8%

Segmental Revenue Analysis

Fresh Poultry continued to be the key contributor to total revenue, constituting approximately 76% in 9M 2025. Segment revenue remained relatively stable at **SAR 1,468.4 million**, reflecting a 10.3% increase in sales volumes to 121.5 million birds, and reaching 594K birds per day (11.0% volume increase YoY). This volume growth was offset by lower selling prices in the quarter, primarily driven by ongoing higher chicken supply in Saudi Arabia.

Revenue in the **Animal Feed and Health Products** segment increased **by 4.1% YoY** to **SAR 327.5 million** in 9M 2025, driven by continued improvement in product and customer mix, as well as our Joint Venture with MHP which scaled up during the period.

Restaurant Operations continued their strong momentum, with revenue increasing **46.8% YoY** to **SAR 144.9** million in 9M 2025, reflecting strong organic growth and new store openings. In Q3 2025, revenues rose 26.7% YoY to SAR 49.5 million, with no new outlets opened in the third quarter following multiple new openings in the first two quarters. The total network of operational outlets remains at 88, as of 30 September 2025 across major GCC markets.

Income Statement Analysis

Cost of Sales increased **5.6% YoY** to **SAR 1,482.0 million** in 9M 2025, primarily driven by higher fuel and utilities costs, and Popeyes® store expansion related costs, partially offset by operational efficiencies and cost optimization initiatives. Gross profit reduced by **3.6% YoY** to **SAR 459.1 million**, with the Gross Profit margin at 23.7%, compared to 25.3% in 9M 2024, due to persistent pricing pressures from higher chicken supply in Saudi Arabia.

EBITDA reached SAR **245.5 million** in 9M 2025 compared to SAR 256.3 million in 9M 2024, with the EBITDA margin at 12.7% compared to 13.6% in 9M 2024.

Net Profit attributable to the shareholders of the Company reduced by **94.8% YoY** to **SAR 3.6 million** in 9M 2025, reflecting the impact of higher fuel and utilities costs, continued pricing pressure in the Fresh Poultry segment, increased distribution expenses, higher financing costs, and new facilities ramp up costs, partially offset by cost savings initiatives. As the new facilities ramp up, finance costs are expected to gradually decline, supported by higher volumes, improved cash generation, and progressive debt reduction.

Strategic Expansion & Capital Expenditure Program

Tanmiah remains committed to its multiyear growth plan, channeling capital toward expansion of primary-processing, feed milling, farming and hatching capacities, and scaling up the Popeyes® network across the GCC.

Capital expenditure, was reported at **SAR 379.6 million** in 9M 2025, an increase of **98.3%** YoY to fuel Tanmiah's growth. Tanmiah's growth and capital investments are funded through operating cash flow and project-finance facilities. The newly inaugurated, state-of-the-art processing plants are designed to enhance efficiency and significantly lower production costs. The inauguration of the Majmaah 2 poultry plant and Dahna feed mill, under the patronage of the Ministry of Environment, Water and Agriculture (MEWA), marks a key milestone in Tanmiah's expansion strategy. With a daily processing capacity of 270,000 birds and feed production of 40 metric tons per hour, Tanmiah continues to strengthen its vertically integrated business model, aligned with the Kingdom's broader food security objectives.

Outlook and Way Forward

Looking ahead, Tanmiah is well-positioned to navigate sector headwinds, underpinned by its diversified business model, robust operating platform, ongoing capacity expansion program, and strong government support. The Company remains focused on sustaining growth momentum while enhancing profitability through a continued shift toward higher-margin, value-added products such as Taste Secrets. These offerings strengthen pricing resilience in a softer market environment, cater to the Kingdom's evolving consumer preferences, and reinforce Tanmiah's pivotal role in advancing Saudi Arabia's food-security ambitions under Vision 2030.

In 2026, growth will be driven by the activation of new processing and feed capacities, and operational excellence across Tanmiah's business segments. Disciplined capital deployment remains central to Tanmiah's strategy, as major projects transition from construction to contribution phases. At the same time, the Company continues to closely monitor global trade dynamics, confident that its integrated value chain and diversified sourcing model provide strong protection against near-term market volatility.

ESG Commitments

Tanmiah continues to advance its strategic and integrated approach to sustainability, built on the 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.

During Q3 2025, Tanmiah made significant progress across its environmental and social focus areas. The Company's large-scale tree planting program has now reached 545,000 trees across Saudi Arabia, contributing to the sequestration of approximately 114,800 tons of CO_2. The commissioning of the Majmah water treatment plant, with a capacity of 6,000 m^3 per day, further strengthens Tanmiah's circular water use strategy, with treated water now being used to irrigate moringa trees in nearby areas.

In line with Tanmiah's energy transition goals, the company is conducting trials on diesel-based boilers and incinerators to operate on liquefied petroleum gas (LPG). This initiative is expected to replace 48 million liters of diesel by 2027, reducing carbon emissions by 55,000-60,000 tons annually and generating annual savings of up to 20 million SAR. These steps reflect the growing emphasis on renewable energy adoption and carbon reduction.

On the social front, Tanmiah signed a landmark Memorandum of Understanding to advance food safety standards in Saudi Arabia using Natural Phage technology. This partnership with the National Livestock and Fisheries Development Program (NLFDP), Portalis Capital Investments LLC, and Microes Food Safety B.V. (Phageguard) will strengthen salmonella prevention and enhance consumer protection across the poultry sector.

Tanmiah's leadership in sustainability has also continued to gain recognition. CEO Zulfiqar Hamadani was named among Forbes Middle East Sustainability Leaders 2025, and the Company's Farm Automation Project received the Middle East Technology Excellence Award in the Agritech category. In addition, the Company maintained its "BBB" MSCI ESG Rating, marking the second consecutive upgrade since 2024 reaffirming Tanmiah's position among leading food companies committed to responsible and transparent practices.

Looking ahead, Tanmiah remains focused on deepening its impact through resource efficiency, renewable energy expansion, animal welfare enhancement, and sustainable packaging solutions, as we continue to build a more resilient and sustainable food system for Saudi Arabia and beyond.

– ENDS –

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 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 30 September 2025, Tanmiah operates 149 farms as well as seven hatcheries, four feed mills, and four 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.

Earning Release 9M 2025

TANMIAH

Tanmiah Food Company شركة التنمية الغذائية

Investor Relations & Media Enquiries

+966 114775912
ir@tanmiah.com

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