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TÄNMIAH

شركة التنمية الغذائية Tanmiah Food Company

Earning Release

H1

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Tanmiah delivers H1 2025 Growth on the Back of a Diversified Business Model Amid Poultry Market Headwinds

- 8.6% YoY H1 2025 Revenue growth supported by Tanmiah's diversified business model and driven by continued growth in Fresh Poultry volumes and the Animal Feed and Health Products, despite challenging market conditions, and an expanded store footprint for the Popeyes® restaurant network
- Fresh Poultry capacity expansion progressing, with daily production volumes reaching 588k birds in H1 2025 (10% YoY), supporting sustained volume growth
- Popeyes® regional rollout continues, with the opening of three new outlets, two in KSA and one in Bahrain during the second quarter
- Gross Profit and EBITDA posted YoY growth in H1 2025, reflecting resilient operations amid continued input cost inflation and pricing pressure
- Profits were subdued amidst ongoing capacity-building efforts, compounded by persistent market headwinds and inflationary cost pressures

Riyadh, Saudi Arabia, 10 August 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 first half ending 30 June 2025 ("H1 2025"), reporting a solid 8.6% year-on-year ("YoY") growth in revenues to reach SAR 1,326.6 million. Revenue growth was supported by Tanmiah's diversified business model and driven by customer base growth in Fresh Poultry volumes increase, despite challenging market conditions and pricing pressure, growth in Animal Feed and Health Products, and an expanded store footprint for the Popeyes® restaurant network. EBITDA increased 9.5% YoY to SAR 175.3 million in H1 2025, representing a stable EBITDA margin of 13.2%, compared to 13.1% in H1 2024. Net profit declined by 56.9% YoY to SAR 19.4 million in H1 2025, primarily impacted by pricing pressures, increased fuel and electricity costs, higher financing expenses, decreased subsidies, amidst ongoing capacity-building efforts.

Zulfiqar Hamadani CEO of Tanmiah Group, commented:

" Our H1 2025 performance underscores the resilience of our business and the importance of our diversified growth strategy. Despite a challenging operating environment marked by persistent pricing pressure in fresh poultry and rising input costs affecting the broader industry landscape, our diversified business delivered solid top-line growth in the first half of the year, primarily supported by growth in Animal Feed and Health Products, and continued momentum in our Popeyes® Restaurant Operations.

We've remained proactive in managing costs through targeted initiatives across procurement, energy efficiency, and operational improvements. At the same time, we're laying the foundation for medium and long-term margin expansion through investments in new processing technologies and alternative energy pilots across our facilities and fleet, which we expect to scale in the coming quarters.

As we move forward, we remain firmly focused on 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	Q2-25	Q2-24	% Change YoY	H1-25	H1-24	% Change YoY
Revenue	649.5	639.8	1.5%	1,326.6	1,221.2	+8.6%
Gross Profit (Loss)	152.9	164.1	-6.8%	321.3	308.5	+4.1%
Margin	23.5%	25.6%	-210bps	24.2%	25.3%	-110bps
EBITDA	81.3	82.2	-1.0%	175.3	160.3	+9.5%
Margin	12.5%	12.8%	-30bps	13.2%	13.1%	+10bps
Net Profit attributable to owners of the Company	0.5	24.0	-97.9%	19.4	45.0	-56.9%

Segmental Revenue Analysis

Tanmiah delivered revenues of **SAR 1,326.6 million** in H1 2025, **up 8.6%** compared to H1 2024. Higher revenues were primarily driven by Fresh Poultry volume increase, despite challenging market conditions and pricing pressure, customer base growth in Animal Feed and Health Products, and an expanded store footprint for the Popeyes® restaurant network.

Fresh Poultry continued to be the key driver of total revenue, contributing approximately 74% in H1 2025. Segment revenue remained relatively stable, growing by 0.9% YoY to SAR 980.4 million, reflecting pricing pressures from an increase in overall poultry supply, a combination of higher local production and a sustained high level of imports. The decline in the Average Selling Price ("ASP") was partially offset by an increase of 10% in sales volumes, up from 72.7 million birds to 79.7 million birds in H1 2025, reaching 588k birds per day by the end of the quarter.

Revenue in the **Animal Feed and Health Products** segment increased by 31.9% YoY to SAR 250.9 million in H1 2025. This strong performance was driven by greater market reach and an improved product and customer mix. In Q2 2025, revenues were SAR 117.0 million, down 0.6%, primarily due to challenging market conditions.

Restaurant Operations continued to build momentum, with revenue increasing 60.0% YoY to SAR 95.4 million in H1 2025, reflecting organic growth with a higher number of new stores. In Q2 2025, revenues rose 66.4% YoY to SAR 51.8 million, with 3 new outlets opened during the quarter, two in KSA and one in Bahrain, bringing the total network to 88 operational outlets as of 30 June 2025 across major GCC markets.

Income Statement Analysis

Cost of Sales increased 10.2% YoY to SAR 1,005.4 million in H1 2025, primarily reflecting higher fuel and electricity costs and Popeyes® store expansion-related costs. Despite fuel cost hikes and higher imported chicken inventory in Saudi Arabia, disciplined product and channel mix optimization, operational efficiency, and focused cost savings initiatives drove Gross Profit by 4.1% YoY to SAR 321.3 million, maintaining a margin of 24.2%.

EBITDA increased 9.5% YoY to SAR 175.3 million in H1 2025, with a relatively stable margin of 13.2%.

Net Profit attributable to the shareholders of the Company decreased by 56.9% YoY to SAR 19.4 million in H1 2025, primarily due to rising fuel and electricity costs, pricing pressure on Fresh Poultry, higher Sales & Distribution costs, higher financing costs, and to a lesser extent a decrease in government subsidy. Finance costs rose SAR 20.1 million YoY as Tanmiah utilized project facilities to support its capacity expansion. Finance costs are expected to gradually decline as new capacity comes online, driving volume growth, cash generation, and 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, including right of use assets, was reported SAR 481.4 million in H1 2025, an increase more than 140% YoY to fuel Tanmiah's growth. Tanmiah's growth strategy and related capital expenditure are being financed through operating cash flow and dedicated project-finance facilities. These new processing facilities, equipped with state-of-the-art processing technologies, will substantially reduce production costs and operate with more efficiency, which will serve to mitigate the impact of rising fuel costs.

Outlook and Way Forward

Looking ahead, Tanmiah is well-positioned to navigate potential sector headwinds, supported by its diversified business model, expansive scale, strong operational foundation, and planned capacity expansions. The Company remains poised for sustained growth. By focusing on ready-to-eat, value-added offerings, such as Taste Secrets, Tanmiah is able to defend pricing power even in a soft pricing environment. These innovations not only meet the Kingdom's evolving consumer demand but also reinforce Tanmiah's vital role in advancing Saudi Arabia's food-security objectives under Vision 2030. Tanmiah's expansion strategy is directly shaped by government policy, a priority that is equally reflected across the industry as peers advance initiatives aligned with the national food security agenda.

Key growth drivers for the remainder of the year include the activation of new processing and feed capacities to boost volumes, margin enhancement and the continued regional expansion of Popeyes. Disciplined capital management remains a priority, as major projects are completed and begin generating returns in the medium term. Tanmiah also remains vigilant of international trade developments, confident that its diversified sourcing strategy and integrated business model fully protect the business from any near-term market volatility.

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, providing high-level guidance and directions on sustainability matters. Tanmiah also has a cross-functional ESG Committee at the management level to translate these strategic directions into actions. Tanmiah has finalized its 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. In Q2 2025, Tanmiah received its second consecutive upgrade in the MSCI ESG Ratings, achieving a "BBB" rating—up from "BB" in 2024 and "B" in 2023 under the Food Products Industry ESG Rating model. This recognition underscores the Company's deepening commitment to ESG excellence, backed by robust sustainability practices aligned with global benchmarks.

Tanmiah Food Company has published both its [Annual Report](#) and [Sustainability Report](#) for 2024, highlighting our success and unrelenting commitment to sustainability. The complete details are available on the [IR website](#).

Tanmiah has undertaken a materiality approach to define its sustainability strategy and focus on relevant risk areas where it could create value for the company and its stakeholders. Tanmiah is further strengthening its sustainability governance, progressing our people agenda, advancing animal welfare, gaining efficiencies in resources and water use, working towards carbon neutrality, and expanding sustainable packaging.

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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 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 June 2025, Tanmiah operates 150 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 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.



شركة التنمية الغذائية Tanmiah Food Company

Investor Relations & Media Enquiries

+966 114775912

ir@tanmiah.com

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