



Earnings Release

9 Months 2024



Tanmiah delivers robust 9M2024 underpinned by capacity expansion, cost optimization, and operational efficiencies

- **Fresh poultry remains the key contributor to the performance, as volumes grow**
- **Cost optimization and operational efficiencies help to sustain improvement in margins**
- **Growth of food franchise operations continues, with Popeyes expansion reaching 67 outlets**

Riyadh, Saudi Arabia, 03 November 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 nine months ending 30 September 2024, reporting a strong 39.3% year-on-year (YoY) growth in net profit attributable to shareholders to SAR 69.1 million. For 3Q24, Tanmiah reported a 40.0% YoY growth in its net profit attributable to shareholders to SAR 24.1 million. The bottom-line growth was supported by a 23.8% YoY growth in revenue to reach SAR 1,878.6 million, primarily due to a 16.0% YoY increase in fresh poultry sales. Meanwhile, for 3Q24, Tanmiah reported a rise of 23.2% YoY in revenues, amounting to SAR 657.4 million.

Zulfiqar Hamadani CEO of Tanmiah, commented:

"Our strong performance for the first nine months reflects our continued focus and commitment to delivering value to our expanding consumer base. Our performance improvement is driven by expanding our fresh poultry capacity as we remain fully committed to our strategic growth plans. Our Popeyes® footprint is also growing, with 67 operational outlets and revenues increasing by more than 1.5 times compared to the prior year.

Tanmiah's solid performance across all fronts, including operationally, strategically, and financially, is a testament to the dedication and hard work of the team as we continue to invest in our core capabilities while ensuring the adoption of the highest standards of quality and efficiency.

I am also proud to share the release of Tanmiah's 2023 Sustainability Report, reflecting our deep-rooted commitment to creating lasting positive change for our business and the environment, our communities, and future generations. In this report, we reflect on the progress we have made and the road ahead in aligning our efforts with the Kingdom's Vision 2030. We are dedicated to building a healthier, more resilient planet for all by reducing our environmental impact and embracing innovative, sustainable practices."

Summary Financial Highlights

SAR million	3Q-24	3Q-23	% Change	9M-24	9M-23	% Change
Revenue	657.4	533.7	23.2%	1,878.6	1,516.9	23.8%
Gross Profit (Loss)	167.4	117.4	42.5%	476.0	343.3	38.7%
EBITDA	96.1	65.0	47.8%	256.3	184.2	39.2%
Net Profit attributable to owners of the Company	24.1	17.2	40.0%	69.1	49.6	39.3%

Revenue Analysis

Tanmiah reported revenues of SAR 1,878.6 million in 9M24, up 23.8% YoY from SAR 1,516.9 million. During the quarter, revenues were up 23.2% YoY, reaching SAR 657.4 million. Increased sales volumes of fresh poultry, focused marketing, product, channel mix optimization, and Popeyes store expansions supported the improved topline performance.

Fresh Poultry sales, the key contributor to Tanmiah's revenues (78%), increased 16.0% YoY in 9M24 to SAR 1,465.4 million. This was primarily driven by sustained demand and is supported by the expansion of Tanmiah's production capacity to 535,000 birds per day as of 30 September 2024, from 500,000 birds per day as of 31 December 2023.

Animal Feed and Health revenues grew by a substantial 63.3% YoY to SAR 314.5 million, due to the continued strong demand for animal health products and equipment, increased market penetration, and better customer and product mix.

Food franchise operator revenues increased by 63.3% YoY to SAR 98.7 million in 9M24, from SAR 60.5 million in 9M23, as Tanmiah continues to focus on expanding the footprint of POPEYES®. Tanmiah opened 15 new stores in 9M24, bringing the total to 67 operational outlets, as of 30 September 2024.

Income Statement Analysis

Cost of Sales increased 19.5% YoY to SAR 1,402.6 million in 9M24, from SAR 1,173.6 million, in line with the rise in sales volumes, fuel cost increases and store expansions at Popeyes®. Meanwhile, gross profit increased 38.7% YoY to SAR 476.0 million from SAR 343.3 million in 9M23 as Tanmiah focused on cost optimization measures.

EBITDA increased 39.2% from SAR 184.2 million in 9M23 to SAR 256.3 million in 9M24, supported by the continued improvement in the topline performance and enhanced margins.

Net Profit attributable to the shareholders of the Company improved by a significant 39.3%, reaching SAR 69.1 million in 9M24 from SAR 49.6 million.

Balance Sheet Analysis

Tanmiah ended the period with SAR 134.2 million in **cash and cash equivalents**.

Total borrowings increased to SAR 572.7 million as of 30 September 2024, from SAR 410.6 million at the end of 2023.

Capex increased from SAR 125.8 million in 9M23 to SAR 191.4 million in 9M24. In the next five years, planned capital expenditure will focus on ramping up primary processing, feed milling and hatching capacities and expanding food franchise operations, thus enabling the company to continue on its growth path.

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. Tanmiah Food Company has published its first audited Sustainability Report for 2023, highlighting our success and unrelenting commitment to sustainability. The complete details are available [here](#).

Tanmiah has undertaken a double-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.



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, animal feed and health products, and fast-food franchise operations. 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 2024, Tanmiah operates 128 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 SEPTEMBER 30, 2024

	Notes	September 30, 2024 SR (Unaudited)	December 31, 2023 SR (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	682,107,802	525,170,688
Right-of-use assets	6	529,818,374	422,692,509
Intangible assets		8,135,868	6,768,411
Financial assets at fair value through other comprehensive income		773,983	773,983
Investment in an associate	7	83,562,049	80,866,666
Total non-current assets		1,304,398,076	1,036,272,257
Current assets			
Inventories	8	326,150,214	262,778,704
Biological assets	9	192,714,797	143,431,624
Prepayments and other receivables		274,312,818	198,120,137
Contract assets		35,543,618	21,922,970
Trade receivables and other debtors		307,690,115	238,824,218
Cash and cash equivalents		134,249,856	111,032,670
Total current assets		1,270,661,418	976,110,323
TOTAL ASSETS		2,575,059,494	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		333,785,799	302,692,574
Equity attributable to owners of the Company		649,917,476	618,824,251
Non-controlling interests		92,889,453	61,450,234
Total equity		742,806,929	680,274,485
Non-current liabilities			
Employee benefit obligations		111,648,414	98,735,875
Lease liabilities	6	451,671,380	330,127,184
Borrowings	10	330,761,700	122,512,600
Total non-current liabilities		894,081,494	551,375,659
Current liabilities			
Borrowings	10	241,918,391	288,081,444
Trade payables, accruals and other liabilities		607,444,158	400,993,331
Lease liabilities	6	76,674,093	80,315,540
Provision for zakat and income tax	11	12,134,429	11,342,121
Total current liabilities		938,171,071	780,732,436
Total liabilities		1,832,252,565	1,332,108,095
TOTAL EQUITY AND LIABILITIES		2,575,059,494	2,012,382,580



TANMIAH FOOD COMPANY
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

	Note	For the three months period ended September 30,		For the nine months period ended September 30,	
		2024 SR	2023 SR	2024 SR	2023 SR
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	15	657,436,886	533,735,407	1,878,603,598	1,516,872,884
Cost of sales		(490,001,700)	(416,370,588)	(1,402,633,014)	(1,173,614,022)
Gross profit		167,435,186	117,364,819	475,970,584	343,258,862
Selling and distribution expenses		(82,739,025)	(60,421,100)	(238,615,719)	(183,434,891)
General and administrative expenses		(37,347,146)	(27,642,413)	(112,417,392)	(77,027,902)
Other income		3,616,506	3,408,489	11,150,202	11,290,158
Impairment loss on financial assets		(2,850,000)	(650,000)	(5,656,022)	(4,100,000)
Operating profit		48,115,521	32,059,795	130,431,653	89,986,227
Finance costs		(17,687,717)	(8,514,041)	(41,241,976)	(22,148,553)
Profit before share of results from associate and zakat and income tax		30,427,804	23,545,754	89,189,677	67,837,674
Share in net results of an associate		1,355,657	(830,963)	2,695,383	(2,284,649)
Profit before zakat and income tax		31,783,461	22,714,791	91,885,060	65,553,025
Zakat and income tax		(4,284,689)	(2,550,745)	(11,412,685)	(7,695,214)
PROFIT FOR THE PERIOD		27,498,772	20,164,046	80,472,375	57,857,811
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		27,498,772	20,164,046	80,472,375	57,857,811
Profit for the period and total comprehensive income for the period attributable to:					
Owners of the Company		24,118,780	17,171,196	69,093,225	49,571,645
Non-controlling interests		3,379,992	2,992,850	11,379,150	8,286,166
		27,498,772	20,164,046	80,472,375	57,857,811
Earnings per share attributable to owners of the Company:					
Basic and diluted earnings per share	14	1.21	0.86	3.45	2.48



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