



# Earnings Release

First Half 2024



# Tanmiah delivers a strong first half, driven by capacity expansion and operational excellence

- **Capacity expansion and robust performance across all business segments drive Tanmiah to the highest single-quarter topline performance to date**
- **Margins improve as progress continues on strategic growth plans**
- **Continued store expansion of food franchise operations, with Popeyes marking its entry into Bahrain during the period**

**Riyadh, Saudi Arabia, 11 August 2024** - Tanmiah Food Company ("Tanmiah" or the "Company", 2281 on the Saudi Exchange) today announced its results for the first half ending 30 June 2024, reporting a robust 24% year-on-year (YoY) growth in revenues to reach SAR 1,221.2 million. This is driven mainly by an 18% YoY increase in fresh poultry sales. In Q2-24, Tanmiah reported an increase of 28% YoY (10% QoQ) in its revenues to SAR 639.8 million. In comparison, net profit attributable to shareholders of the Company grew 39% YoY to SAR 45.0 million in 1H24. For the quarter, net profit grew 111% YoY to SAR 24.0 million (+14% QoQ).

**Zulfiqar Hamadani CEO of Tanmiah**, commented:

*Tanmiah has successfully delivered a robust set of results during the first half of the year, with remarkable improvements in both the top and bottom-line performance. Our fresh poultry segment continues to be our flagship offering, driving our growth, as we continue to focus on operational excellence with a range of commercial and cost-optimization initiatives. We are very pleased with our food franchise operations, which continue to make great strides, with POPEYES® marking its debut in Bahrain this quarter.*

*We have sustained a positive momentum for the company by tactically strengthening our value proposition and fueling our growth further. This was primarily achieved by strategically allocating investments across several facets of our business, including expanding our fresh poultry capacity, which has now reached 535,000 birds per day. Furthermore, in line with our pioneering role in supporting the Kingdom's food security and self-sufficiency objectives, we continue to relentlessly work on executing our expansion plans to deliver long-term and sustainable growth for our shareholders.*

## Summary Financial Highlights

SAR million	2Q-24	2Q-23	Change %	H1-24	H1-23	Change %
Revenue	639.8	498.7	28.3%	1,221.2	983.1	24.2%
Gross Profit (Loss)	164.1	106.0	54.8%	308.5	225.9	36.6 %
EBITDA	82.2	53.0	55.3%	160.3	119.2	34.5 %
Net Profit attributable to owners of the Company	24.0	11.4	110.5%	45.0	32.4	38.9%

## Revenue Analysis

Tanmiah announced revenues of SAR 1,221.2 million in 1H24, up 24% YoY from SAR 983.1 million in 1H23. During the quarter, revenues were up 28% YoY (10% QoQ) to SAR 639.8 million. The topline growth was driven by improved sales volumes in fresh poultry, broader geographical coverage, focused marketing, and enhanced channel expansion.

**Fresh Poultry** sales, the key contributor to Tanmiah's revenues (80%), increased 18% YoY in 1H24 to SAR 971.4 million. This increase was due to robust market demand and is supported by the expansion of Tanmiah's production capacity to 535,000 birds per day as of 30 June 2024, from 500,000 birds per day as of 31 December 2023.

**Animal Feed and Health** revenues grew by a substantial 58% YoY to SAR 190.2 million from SAR 120.5 million, due to strong market demand, increased market penetration, and better customer and product mix.

**Food franchise operator** revenues increased by 61% YoY to SAR 59.6 million in 1H24, from SAR 37.0 million in 1H23, which aligns with our store development. During the period, Tanmiah opened its first POPEYES® store in Bahrain and eight new stores across the Kingdom in 1H24, bringing the total to 61 operational outlets, as of 30 June 2024

## Income Statement Analysis

**Cost of Sales** increased 21% YoY to SAR 912.6 million in 1H24, from SAR 757.2 million, due to the expansion of Tanmiah's fresh chicken production capacity, a rise in sales volumes, and the increase in the number of Popeyes stores. Gross profit increased 37% YoY to SAR 308.5 million from SAR 225.9 million in 1H23.

**EBITDA** increased 34.5% from SAR 119.2 million in 1H23 to SAR 160.3 million in 1H24, supported by solid topline performance and improved margins.

**Net Profit attributable to the shareholders of the Company** improved substantially by 39%, reaching SAR 45.0 million in 1H24, from SAR 32.4 million.

## Balance Sheet Analysis

**Tanmiah** ended the period with SAR 100.1 million in cash and cash equivalents.

**Total borrowings** decreased to SAR 389.0 million as of 30 June 2024, from SAR 410.6 million at the end of 2023.

**Capex** increased from SAR 71 million in 1H23 to SAR 117 million in 1H24. 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 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 for TFC. 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. Complete details are available in our inaugural Sustainability Report.

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 Tammiah Food Company

Tammiah 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 product, 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 Tammiah Food Company. Tammiah'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 2024, Tammiah operates 126 farms as well as six hatcheries, two feed mills, and four primary processing plants (slaughterhouses), Tammiah 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 Tammiah, with initiatives including planting a million trees, using wastewater from its facilities, and turning waste products into fertilizer. For more information, visit [www.tammiah.com](http://www.tammiah.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 JUNE 30, 2024**

	Notes	June 30, 2024 SR (Unaudited)	December 31, 2023 SR (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	619,036,055	525,170,688
Right-of-use assets	6	451,490,649	422,692,509
Intangible assets		7,934,511	6,768,411
Financial assets at fair value through other comprehensive income		773,983	773,983
Investment in an associate	7	82,206,392	80,866,666
<b>Total non-current assets</b>		<b>1,161,441,590</b>	<b>1,036,272,257</b>
<b>Current assets</b>			
Inventories	8	314,546,179	262,778,704
Biological assets	9	179,226,226	143,431,624
Prepayments and other receivables		203,520,064	238,824,218
Contract assets		36,168,831	21,922,970
Trade receivables and other debtors		304,716,751	198,120,137
Cash and cash equivalents		100,113,660	111,032,670
<b>Total current assets</b>		<b>1,138,291,711</b>	<b>976,110,323</b>
<b>TOTAL ASSETS</b>		<b>2,299,733,301</b>	<b>2,012,382,580</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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		309,667,019	302,692,574
<b>Equity attributable to owners of the Company</b>		<b>625,798,696</b>	<b>618,824,251</b>
Non-controlling interests		62,699,392	61,450,234
<b>Total equity</b>		<b>688,498,088</b>	<b>680,274,485</b>
<b>Non-current liabilities</b>			
Employee benefit obligations		108,334,146	98,735,875
Lease liabilities	6	370,749,054	330,127,184
Borrowings	10	250,761,700	122,512,600
<b>Total non-current liabilities</b>		<b>729,844,900</b>	<b>551,375,659</b>
<b>Current liabilities</b>			
Borrowings	10	138,213,686	288,081,444
Trade payables, accruals and other liabilities		654,153,494	400,993,331
Lease liabilities	6	80,344,659	80,315,540
Provision for zakat and income tax	11	8,678,474	11,342,121
<b>Total current liabilities</b>		<b>881,390,313</b>	<b>780,732,436</b>
<b>Total liabilities</b>		<b>1,611,235,213</b>	<b>1,332,108,095</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,299,733,301</b>	<b>2,012,382,580</b>



**TANMIAH FOOD COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	Notes	For the three months period ended June 30,		For the six months period ended June 30,	
		2024 SR	2023 SR	2024 SR	2023 SR
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	15	639,804,502	498,657,726	1,221,166,712	983,137,477
Cost of sales		(475,732,568)	(392,713,766)	(912,631,314)	(757,243,434)
<b>Gross profit</b>		<b>164,071,934</b>	<b>105,943,960</b>	<b>308,535,398</b>	<b>225,894,043</b>
Selling and distribution expenses		(83,622,940)	(63,152,640)	(155,876,694)	(123,013,791)
General and administrative expenses		(39,584,790)	(23,605,805)	(75,070,246)	(49,385,489)
Impairment loss on financial assets		(1,581,022)	(1,350,000)	(2,806,022)	(3,450,000)
Other income		3,562,977	3,644,130	7,533,696	7,881,669
<b>Operating profit</b>		<b>42,846,159</b>	<b>21,479,645</b>	<b>82,316,132</b>	<b>57,926,432</b>
Finance costs		(11,769,025)	(5,187,419)	(23,554,259)	(13,634,512)
<b>Profit before share of result from associate and zakat and income tax</b>		<b>31,077,134</b>	<b>16,292,226</b>	<b>58,761,873</b>	<b>44,291,920</b>
Share in net results of an associate		1,017,204	(1,044,767)	1,339,726	(1,453,686)
<b>Profit before zakat and income tax</b>		<b>32,094,338</b>	<b>15,247,459</b>	<b>60,101,599</b>	<b>42,838,234</b>
Zakat and income tax		(4,257,770)	(2,060,105)	(7,127,996)	(5,144,469)
<b>PROFIT FOR THE PERIOD</b>		<b>27,836,568</b>	<b>13,187,354</b>	<b>52,973,603</b>	<b>37,693,765</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Re-measurements of employee benefit obligations		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>27,836,568</b>	<b>13,187,354</b>	<b>52,973,603</b>	<b>37,693,765</b>
<b>Profit for the period and total comprehensive income for the period attributable to:</b>					
Owners of the Company		24,019,430	11,412,766	44,974,445	32,400,449
Non-controlling interests		3,817,138	1,774,588	7,999,158	5,293,316
		<b>27,836,568</b>	<b>13,187,354</b>	<b>52,973,603</b>	<b>37,693,765</b>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic and diluted earnings per share	14	1.20	0.57	2.25	1.62





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