

# TANMIAH

## Investor Presentation – 9M 2021

November 2021



التنمية  
TANMIAH



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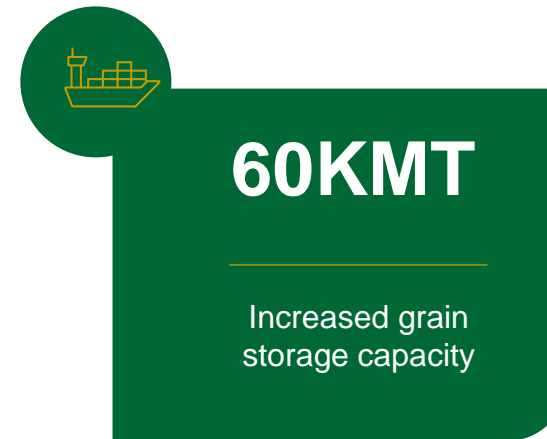
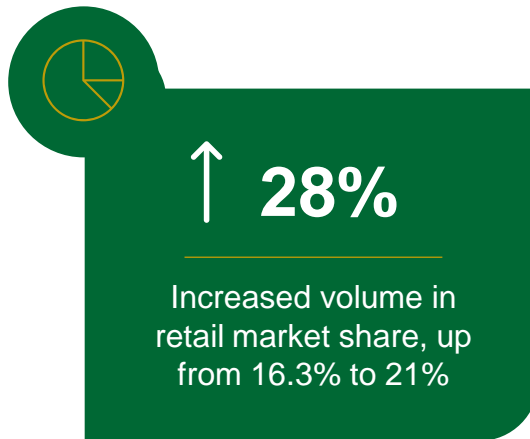
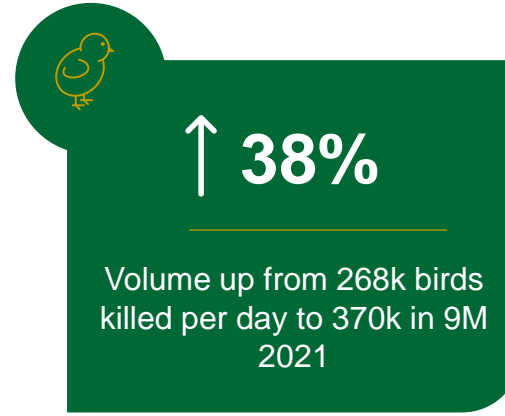
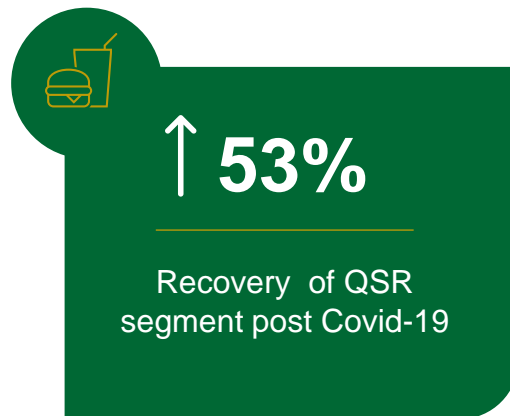
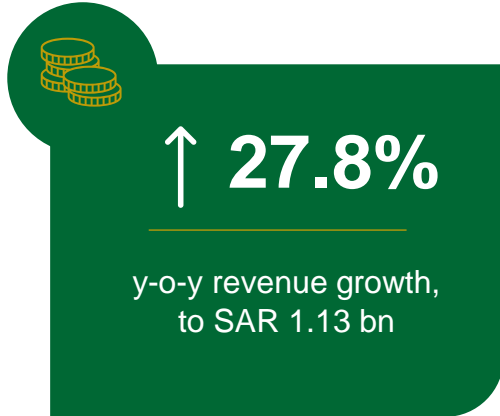
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# 9M Highlights

Delivered double digit sales growth and strengthened market position





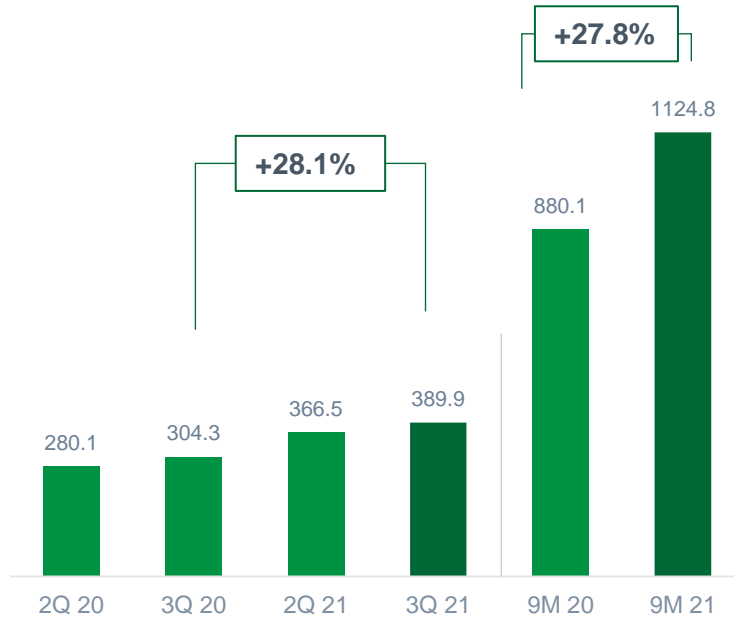
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**9M21 and 3Q21 Financial Highlights**

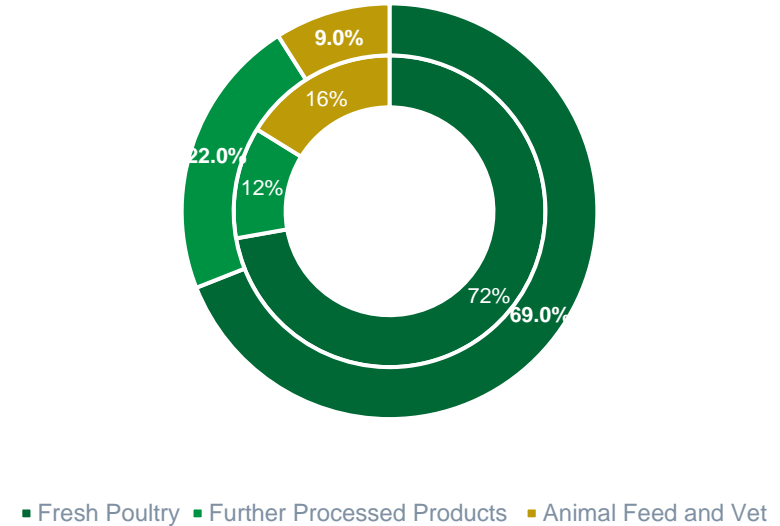
# Financial Performance

Tanmiah recorded strong revenue growth amid resurgence in consumer spending

Revenues (SAR mn)



Revenue contribution – Business units



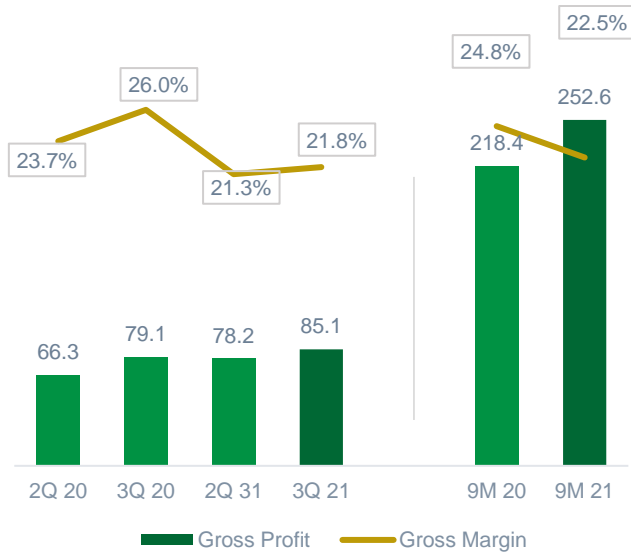
- 9M revenues up 27.8% y-o-y
- Revenue growth across fresh poultry and further processing segments
- Resurgence of consumer spending drove growth
- Strong demand for fresh and domestically produced chicken meat
- Key accounts represent 55% of sales, followed by food services at 36%

- Fresh poultry largest contributor to revenues, 22% growth y-o-y due to increased capacity and volumes
- Further processed products grew by 89% y-o-y following easing of lockdown restrictions and increased HORECA demand

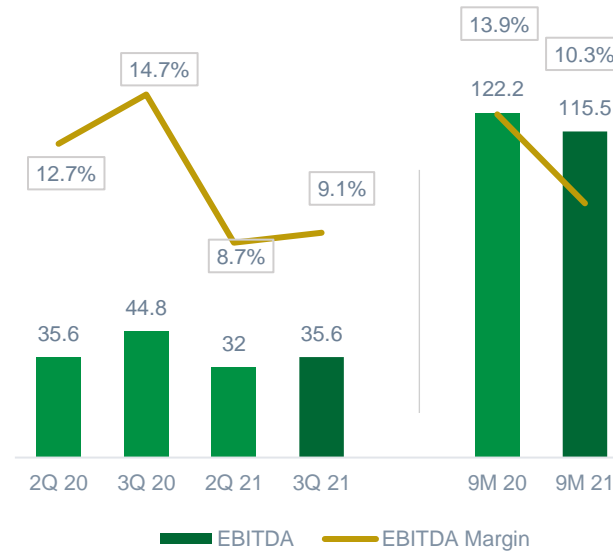
# Financial Performance –9M 2021

Pressure on margins due to high grain pricing in global markets

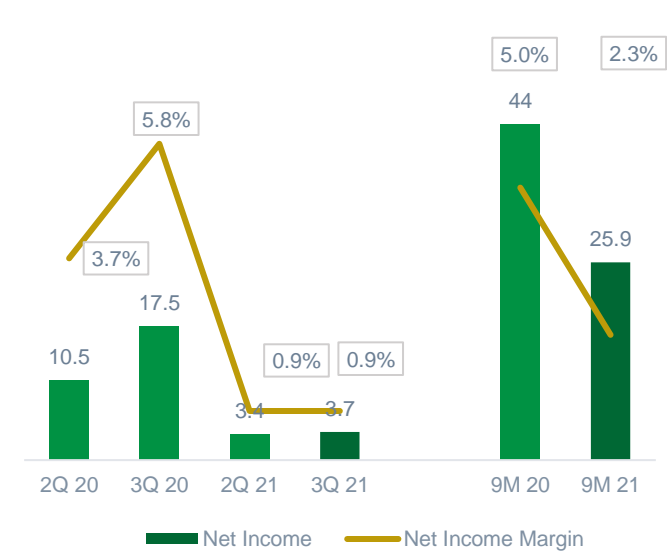
## Gross Profit and Gross Margin



## EBITDA and EBITDA Margin



## Net Income and Net Income Margin

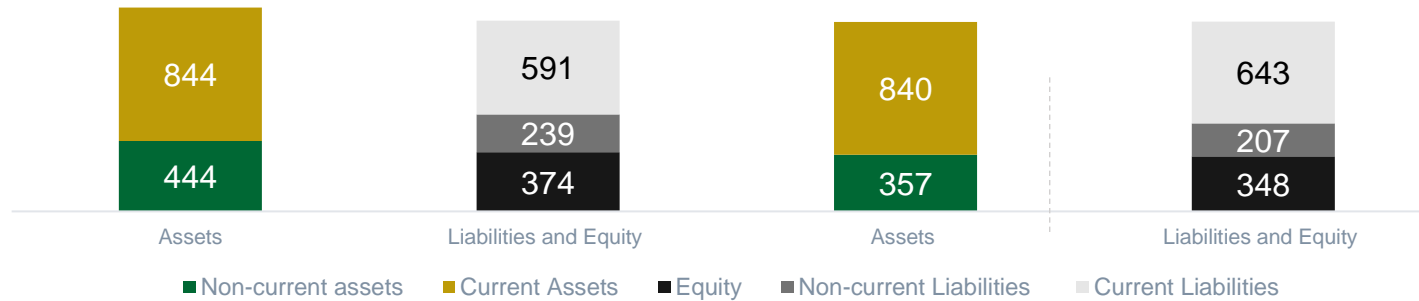


- Gross margin decreased in 9M 21 due to:
  - The rise in the commodity (grain) prices in the international market.
  - Lower recoveries of subsidies
  - cost of unutilized capacity due to the push for increased capacity

- Our NI and EBITDA margins were affected mainly due to:
  - Increase costs associated with the ramp up of our sales network through out the kingdom
  - Increased spending on advertisement and marketing.

# Prudent balance sheet management

Balance sheet (SAR mn)



			9M 2021	Dec 2020
<b>Profitability</b>	RoIC	%	10%	12%
	RoE	%	15%	21%
<b>Activity</b>	NWC-to-Sales <sup>(1)</sup>	%	24%	16%
	Trade receivables <sup>(1)</sup>	Days of Sales	50.4	49
	Biological assets	Days of Sales	19.6	25
	Inventory	Days of COS	52.9	56
	Trade payables	Days of COS	51.0	65
<b>Solvency</b>	Current Ratio	x	1.3	1.3
	D/(D+E)	%	46%	47%
	Net debt-to-EBITDA	x	0.5	1.3

(1) Excluded amounts due from related parties





**03**

**Strategy and Outlook**

# Strong Foundation For Future Growth

*We are confident of achieving our aim of becoming a leading producer and distributor of food products, including poultry and meat products in the MENA region*

## Our pathway to further rapid expansion rests on solid ground

01

**Asset-light model** means we lease our farms and primary processing facilities, which will enable us to bring on new ones quickly **without major Capex** and in the locations that we prefer

02

Our **excellent financial position** and **successful listing** put us in a strong position to finance expansion that does not require Capex. For this we expect to **rely on our own resources and debt financing**

03

Our **integrated business model** of farming, production and distribution **supports streamlined operations, cost efficiencies** and **quality control**

04

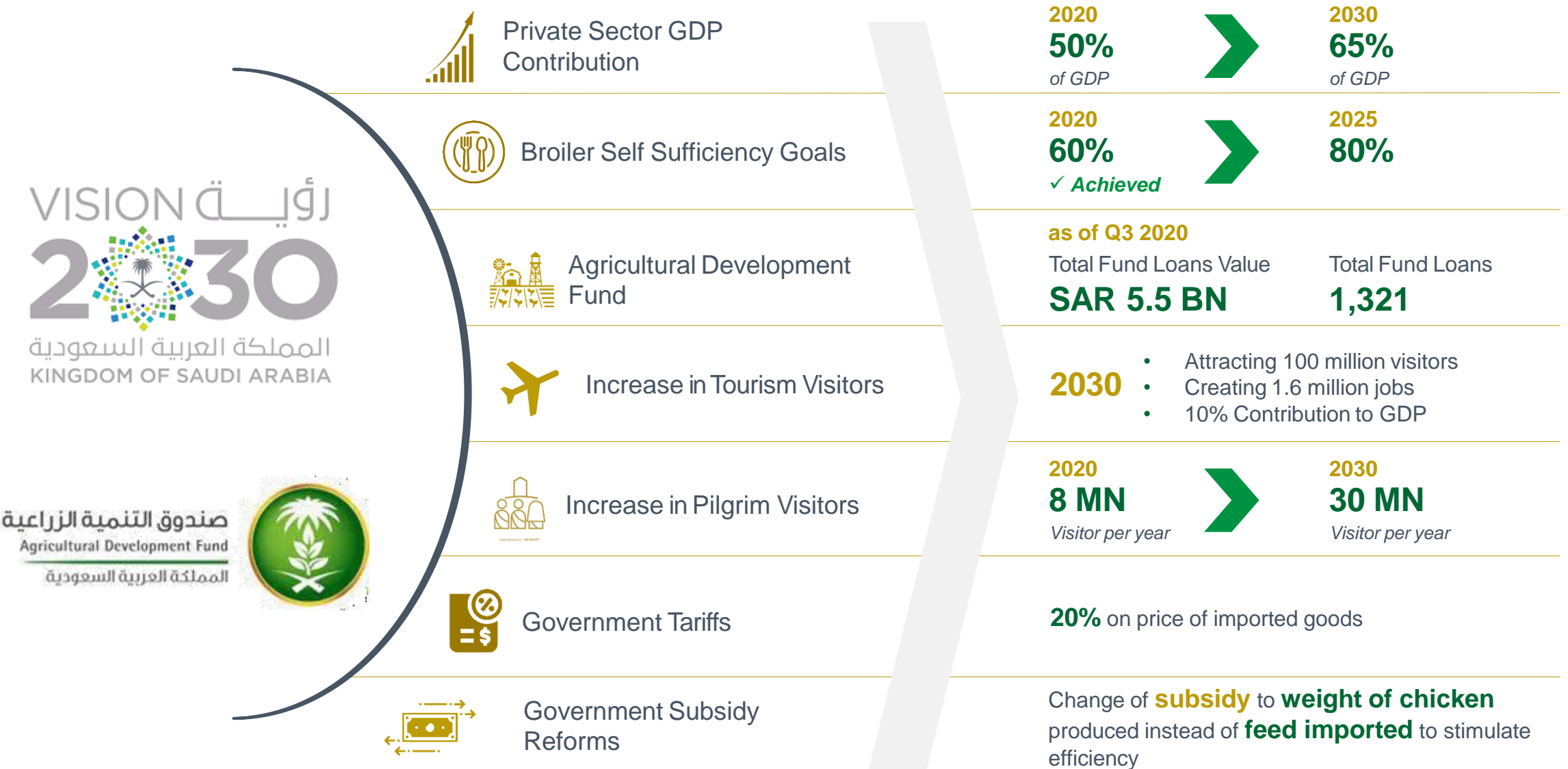
The market for our products is **growing**, supported by an **expanding population, rising consumer spending** and the **growing popularity of fresh chicken with consumers**

05

Saudi **government policies** are **favorable** for Tanmiah including the drive for more poultry self-sufficiency and subsidies

# Supported by Government Initiatives

The Saudi government continues to support the Food sector directly and indirectly as part of the 2030 vision initiatives and programs

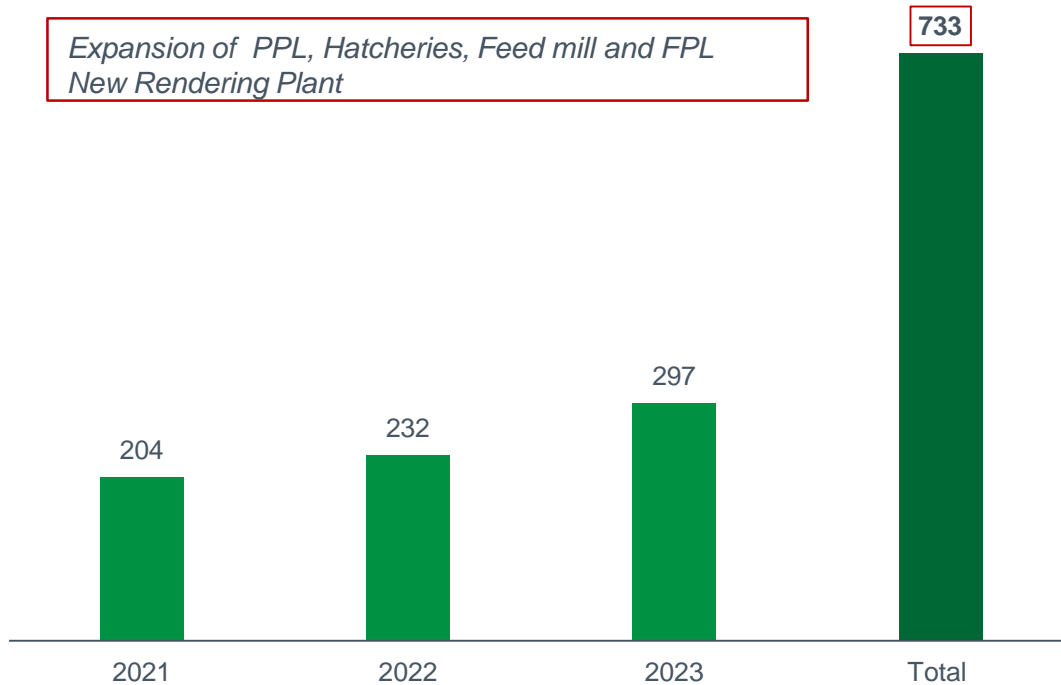


Sources: Vision 2030, Agricultural Development Fund Media Center, Export.gov, International Trade Administration, the Company

# Strong Foundation For Future Growth

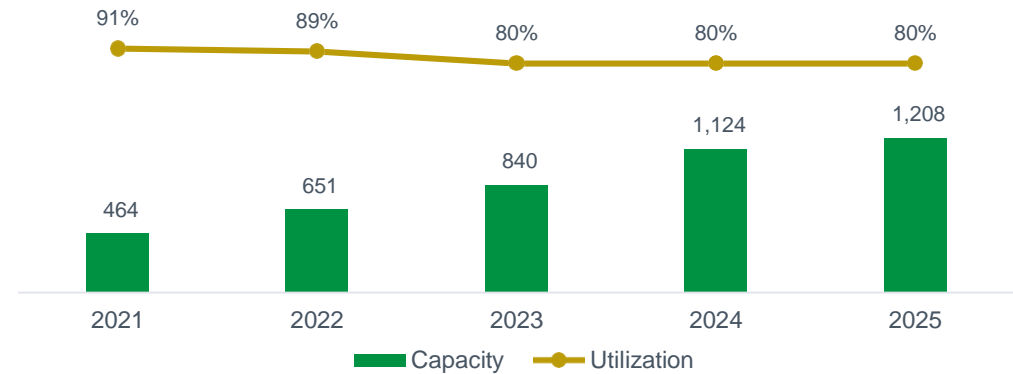
Planned Capex of SAR 733 MN allowing Tanmiah to capture new and emerging growth opportunities. Asset-light business model enables rapid and flexible expansion

## Planned Capital Expenditure (SAR MN)

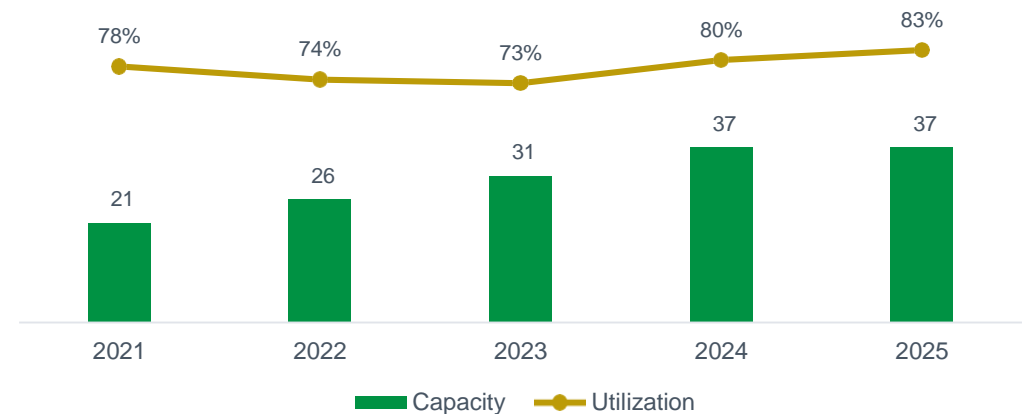


During Q2 2021, shareholders settled due from related party receivables; which resulted in **SAR 310 MN cash inflow**. The settlement will support the Company's expansion plans

## PPL YE Capacity (Bird' 000/ day)



## FPP YE Capacities (KT/ year)



The background features several abstract, organic shapes in shades of sage green and mustard yellow. A large, curved green shape arches from the top right towards the center. Another green shape curves from the bottom left towards the center. A smaller green shape is at the top left, and a yellow shape is at the bottom left. The overall composition is clean and modern.

**04** | **Sustainability**

# Committed to environmental and social sustainability

Tanmiah puts sustainability at the heart of its operations through its Giving, Earning, Sustaining model

## Environmental initiatives



- **Solid and wastewater recycling** – 140+ mega liters of water recycled in Q3 2021
- Soil conservation – **Bio-Char initiative** helps convert desert into cultivable land in addition to renewable energy from waste
- **One million tree initiative** – to be achieved by 2025 up to now 200 K trees planted
- **Green houses** under construction – to be irrigated by wastewater from hatcheries
- **Solid waste** converted to compost from hatcheries to be used as **fertilizer or sold**
- **MoU** signed with King Abdul Aziz City for Science and Technology to collaborate on **sustainable food production**



## Community initiatives

- **Hiring and training of Aytaam** with the support of **Kayan NGO** and People of determination in collaboration with **Sa3ee Association**
- **Expansion of hiring of women across the organization** – with focus on blue collar jobs in hatcheries, packaging, and sales roles
  - Majority of female employees have exited government welfare programs after joining Tanmiah
- Recruitment drive across the Kingdom
  - 170+ female employees hired in Q3 21

## Health and Safety Awards



# THANK YOU

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