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Tanmiah Food Company شركة التنمية الغذائية

# Earning Release

# Q1

# 2025

## Tanmiah maintains robust Q1 2025 growth and financial performance despite challenging market conditions

- Capacity expansion progressing, with daily processing volumes reaching 560k birds in Q1 2025, supporting sustained volume growth
- Popeyes® regional rollout continues, including Tanmiah’s debut in Kuwait with the opening of two new outlets
- More than 16% YoY Revenue growth driven by growing consumer demand
- Gross Profit and EBITDA improved YoY, underscoring the success of Tanmiah’s growth initiatives and operational discipline

**Riyadh, Saudi Arabia, 15 May 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, today announced its results for the three-month period ended 31 March 2025 (“Q1 2025”), reporting a solid 16.5% year-on-year (“YoY”) growth in revenues to SAR 677.1 million, and a 20.5% YoY growth in EBITDA with a robust 13.9% EBITDA margin.

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

*“Our first-quarter performance once again demonstrates Tanmiah’s ability to deliver healthy, resilient growth, even against the backdrop of temporary sector headwinds that marked the early part of 2025. We achieved record-high first-quarter revenues, maintained strong gross profit margins, and expanded both our EBITDA and EBITDA margin, underscoring the success of our growth initiatives, financial discipline and operational excellence.*

*As we continue to advance our ambitious growth strategy, we are scaling up efficient capacity, increasing our vertical integration, and maintaining a focus on cost control and operational efficiencies. These efforts, combined with the steady expansion of our Popeyes® network, have helped preserve our margin profile, albeit challenging market dynamics.*

*Looking ahead, we remain committed to creating long-term sustainable value for our shareholders by balancing growth with prudent leverage, progressing our ESG agenda, and building on Tanmiah’s reputation as a trusted regional partner.”*

### Summary Financial Highlights

SAR million	Q1-25	Q1-24	% Change YoY
<b>Revenue</b>	677.1	581.4	+16.5%
<b>Gross Profit (Loss)</b>	168.4	144.5	+16.5%
<b>Margin</b>	24.9%	24.9%	Flat
<b>EBITDA</b>	94.0	78.0	+20.5%
<b>Margin</b>	13.9%	13.4%	+50bps
<b>Net Profit attributable to owners of the Company</b>	18.9	21.0	-10%

### Segmental Revenue Analysis

Tanmiah delivered revenues of **SAR 677.1 million** in Q1 2025, marking a significant 16.5% YoY increase. This topline growth was underpinned by higher volume of sales across Fresh Poultry, Animal Feed and Health Products, enhanced product and channel mix, targeted marketing initiatives, and the ongoing expansion of the Popeyes® restaurant footprint.

**Fresh Poultry** continued to be the primary driver, contributing approximately 74% of total revenues. Segment sales rose 4.0% YoY to reach SAR 499.7 million, driven by expansion of distribution network in KSA and GCC, an increase in value-added sales through innovation, and growing consumer demand for Fresh Poultry products. The growth in Fresh Poultry was further reinforced by the expansion of production capacity to 560k birds per day during Q1 2025, up from 500k birds per day in Q1 2024.

In the **Animal Feed and Health Products** segment, revenues more than doubled, increasing by 84.8% YoY to SAR 133.9 million. This strong performance was driven by rising demand, greater market reach, and an improved product and customer mix. Momentum was also supported by the scaling up of the MHP joint venture launched in FY 2024, which significantly increased feed and hatching-egg production capacity.

**Restaurant Operations** continued to build momentum, with revenues growing 52.9% year-on-year to SAR 43.5 million in Q1 2025. Tanmiah's focus on expanding the Popeyes® brand remains a key growth driver, with 4 new outlets opened during the quarter, bringing the total network to 85 operational outlets as of 31 March 2025. Q1 2025 also marked Tanmiah's first-time entry into Kuwait with the opening of two new outlets.

### Income Statement Analysis

**Cost of Sales** increased 16.5% YoY to SAR 508.8 million in Q1 2025, in line with sales volume increase, fuel cost increase and store expansions at Popeyes®. Despite fuel cost hike and higher imported chicken inventory in Saudi Arabia, disciplined product and channel mix optimization and operational efficiency increased Gross Profit by 16.5% YoY to SAR 168.4 million.

**EBITDA** increased 20.5% YoY to SAR 94.0 million in Q1 2025, with the margin improving to 13.9% from 13.4% in Q1 2024, supported by strong topline growth and operational margin enhancements.

**Net Profit attributable to the shareholders** of the Company reduced by 10%, reaching SAR 18.9 million, primarily due to fuel cost, pricing pressure on fresh local chicken due to a higher level of imported frozen chicken. Finance costs rose SAR 7.2 million YoY as Tanmiah utilized project facilities to support its capacity expansion, but 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 266.5 million in Q1 2025, >240% increase 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.

### Outlook and Way Forward

Looking ahead, Tanmiah's management maintains a resilient outlook for 2025 as the Company is well-positioned to navigate potential sector headwinds. Backed by its extensive scale, strong operations, and upcoming capacity expansions, the Company is poised for sustained growth. By focusing on ready-to-eat, value-added offerings, such as Taste Secrets, Tanmiah is able to command premium pricing 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.

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 protects 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.

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

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 31 March 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](http://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.



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