



## Entaj Reports Double Digit Revenue Growth in FY 2024 Following the Company's Debut on Tadawul; Ongoing Strategic Expansion Initiatives as Entaj Invests for the Future

- Strong full year financial results following successful IPO on Tadawul on 17 March 2025
- Revenue growth primarily driven by growing poultry sales as Entaj captures a greater share of the market
- Continued focus on channel and product mix optimization and operational excellence
- Significant investment for the future; future benefits from significant capacity increase completed at the end of 2024
- Strategic focus on increasing self-sufficiency in line with Saudi Vision 2030

Arabian Company for Agricultural and Industrial Investment, one of Saudi Arabia's leading integrated poultry producers known for its fresh, frozen, cut poultry products and table eggs, today announced its financial results for the twelve-month and three-month periods ending December 31 2024 ("FY 2024" and "Q4 2024"). This marks the Company's first financial update since its successful listing on the Saudi Exchange ("Tadawul") on 17 March.

**Raja M. Alharbi**, CEO commented: "We are excited to begin our journey as a listed company in the Kingdom, announcing strong topline growth that highlights the resilience of our business and the success of our strategic investments. The growth in our poultry sales demonstrates our commitment to high-quality products which is driving our growing market share. Our expansion initiatives, aligned with Saudi Vision 2030, will enable us to meet growing demand and support the country's goal of increasing food security."

"As a high-growth company, we are focused on scaling production, expanding our distribution network, and improving operational efficiencies to meet the rising demand for fresh, locally produced poultry. By 2025, we expect to more than double our production capacity, filling local supply gaps and increasing the availability of high-quality added value poultry products across Saudi Arabia. We are committed to unlocking the full potential of these investments, delivering value to customers, achieving sustainable growth, and generating sustainable, long-term shareholder value, while contributing to Vision 2030's goals of food security and local production."

### Double-Digit Solid Revenue Growth and Ongoing Capacity Expansion

**Revenue:** For FY 2024, Entaj reported Revenue of SAR 1,244.9 million, up by 13.2% year-on-year (YoY), a clear indication of increased market penetration driven primarily by growing poultry sales. The business commenced a campaign of growth into new geographical areas within the Kingdom notably the South, in addition to enhanced presence in the West. In tandem with this, a renewed and sharper focus on the key Modern Trade helped to drive positive growth supported by investment in additional logistics capabilities and a strengthening of the sales resource in this channel. During Q4 2024, Entaj also saw continued YoY revenue growth of 2.8%.

Poultry sales, the key contributor to Entaj's Revenue (96%), increased 14.3% YoY in FY 2024 to SAR 1,195.5 million. Table eggs revenue (3% of FY 2024 Revenue) grew significantly by 56.5% YoY to SAR 37.5 million. The growth was primarily driven by increased volumes, as Entaj's products gained greater popularity among consumers, coupled with the expansion of the company's production capacity.

**Profitability:** In FY 2024, Entaj continued to focus on additional operational efficiencies, optimizing distribution strategies and product mix, as well as driving capacity expansions. While revenue trends were positive, profit margins were partially impacted by the increased costs due to ongoing operational expansion related costs.

Cost of Sales increased by 20.5% YoY to SAR 1,047.1 million in FY 2024, reflecting the rise in production and sales volumes. A significant portion of this increase was driven by higher operational overheads and expenses associated with expanding production capacity, including increased manpower investments in the new organizational structure to futureproof the business and support the growth plans.

Gross profit for FY 2024 amounted to SAR 197.7 million, with a margin of 16%, compared to 21% in FY 2023. Profit from Operations for FY 2024 stood at SAR 51.8 million, with a margin of 4.2%. The margin compression was primarily due to an increase in the cost of sales due to increased depreciation (SAR 25 million impact) due to capacity expansion, further exacerbated by supply-demand imbalances particularly in Q4, which has led to the sale of higher-cost frozen stock as well as higher waste due to market returns in the fresh category. Excluding depreciation impact, FY 2024 EBITDA reached SAR 127.2 million, a 3.7% increase compared to the previous year.

Furthermore, there was an incremental SAR 8 million impact for bio-assets related primarily due to fair-value remeasurement as well as impairment on day old chicks. Net profit registered a 56.8% YoY decrease, down from SAR 62.7 million in FY23, to reach SAR 27.1 million in FY24. This decline was due to higher revenues offset primarily by higher costs detailed above and higher finance costs due to lower interest capitalization impact (SAR 9 million impact).

Entaj anticipates a recovery in margins starting 2025 as the benefits of its investments materialize. Additionally, efficiencies are starting to be realized from reduced hatching egg and bird-related costs, driven by upgrades and expansion in Entaj managed farms and improvements in the supply chain.

**Capital Expenditure:** Total CAPEX was SAR 119.2 million in FY 2024, representing 9.6% of Revenue. The Company continues to progress its expansion initiatives, which include expansion of the poultry processing and broiler plants, farms and cold storage facilities as well as other routine maintenance CAPEX.

| SAR million            | FY-24   | FY-23   | % Change |
|------------------------|---------|---------|----------|
| Revenue                | 1,244.9 | 1,099.3 | 13.2%    |
| Gross Profit           | 197.7   | 230.3   | -14.1%   |
| Profit from Operations | 51.8    | 75.1    | -31.0%   |
| EBITDA                 | 127.2   | 122.6   | 3.7%     |
| Profit for the Period  | 27.1    | 62.7    | -56.8%   |

### FY 2024 Strategic Highlights – Operational Excellence and Capacity Expansion

Entaj's strategy is aligned with Saudi Vision 2030, focusing on filling supply gaps in the Kingdom and enhancing its competitive position through significant capacity expansion. These investments span new farms, hatcheries, and processing plants, all aimed at increasing production efficiency and meeting growing market demand. The Company has made substantial investments since 2023 to significantly enhance its production capacity to >200 million birds and >200 million eggs annually. Entaj's integrating processing plant has also significantly expanded its capacity to >600k chicken products being processed daily.

The Company is dedicated to achieving cost efficiency and improving overall performance. The Company is continually investing and exploring new product developments to ensure an optimized product / margin mix. Additionally, Entaj is strengthening its distribution channels and implementing targeted marketing campaigns to bolster brand awareness across the Kingdom

### ESG Commitments

Entaj is committed to integrating environmental, social, and governance (ESG) principles throughout its operations. The Company focuses on sustainability by advancing automation to improve efficiency, ensuring food security through sustainable practices, and promoting local products to strengthen market

competitiveness. Entaj is dedicated to creating job opportunities for Saudi citizens, expanding community outreach, and supporting employee volunteerism and diversity initiatives. These efforts align with the Company's broader mission to enhance animal welfare, reduce resource consumption, and drive positive social impact.

## Outlook

Looking ahead, Entaj is optimistic about its future prospects, underpinned by substantial investments in infrastructure and production capacity, the benefits of which will begin to be realized in 2025, will ensure long-term sustainability and strengthen its market position in the Kingdom's poultry sector. A key milestone in this strategy is the shift towards self-sustained egg production, reducing reliance on external growers by growing its own breeder farms. Over the next few years, the business will further enhance primary processing, broiler, breeder and hatching capacities, setting the stage for continued growth.

In addition, Entaj is optimizing its channel and product mix as well as expanding distribution and consistently lowering its cost per kilogram, with improved margins and profitability expected to materialize starting in 2025. Moving forward, the company will focus on expanding its fresh and processed poultry offerings, which deliver higher margins compared to frozen products. This approach will not only support long-term sustainability but also solidify Entaj's leadership in the Kingdom's poultry sector.

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## About Entaj

Entaj Food Company, established in 2011 by ARASCO, its parent company, is one of the leading poultry producers in Saudi Arabia, known for its fresh, frozen, and cut poultry products as well as table eggs. With an annual production capacity of over 200 million birds, Entaj is one of the fastest-growing companies in the Kingdom's poultry sector and continues to expand its production facilities and market share as part of its long-term growth strategy. Entaj is publicly listed on the Saudi stock market.

For more information, visit [www.entaj.com](http://www.entaj.com).

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