



التنمية  
TÄNMIAH

شركة التنمية الغذائية Tanmiah Food Company

# Earning Release

## Q1

## 2026

## Tanmiah Delivers 8.0% Revenue Growth in Q1 2026, Demonstrating Strong Operational and Commercial Execution, and Long-Term Capital Allocation Discipline

- Q1 2026 revenue grew 8.0% YoY despite a continued challenging market environment, driven by a 5.6% YoY increase in Agribusiness and a 42.2% YoY increase in the Restaurant Operations segment.
- Fresh Poultry total sales volume increased to 43.2 million birds in Q1 2026, representing 8.6% YoY growth, with average daily production reaching 604 thousand birds during the first quarter.
- Continued ramping production at new facilities, added six farms to support capacity utilization and remain on track for H2 2026 commissioning of the new mega hatchery and feed mill.
- Q1 2026 Gross Profit and EBITDA were impacted by higher input costs and lower revenues in select segments within the Animal Feed and Health business, while margins remained at 22.8% and 12.1%, respectively.
- Q1 2026 profitability declined YoY, with net losses driven by higher diesel and utility costs, increased distribution expenses, as well as elevated financing and ramp-up costs associated with new assets and stores.
- Advanced on FY 2026 strategic priorities in Q1 2026, delivering disciplined operational and commercial execution across all pillars; focusing on higher-margin product offerings, optimizing the asset base, driving cost efficiencies, and accelerating digital and people capabilities to build long-term, resilient shareholder value.

**Riyadh, Saudi Arabia, 10 May 2026** - 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, announced its results the three-month period ended 31 March 2026 (“Q1 2026”), reporting a 8.0% year-on-year (“YoY”) growth in revenues to reach SAR 731.2 million reflecting continued momentum across both Agribusiness and Restaurant Operations, despite a challenging market backdrop, seasonality, and geopolitical disruptions during March. Profitability was impacted during the period, with the Animal Feed and Health segment weighing on performance alongside elevated cost pressures, resulting in EBITDA declining 5.9% YoY to SAR 88.5 million and EBITDA margin contracting to 12.1% from 13.9%. The decline is expected to narrow over time as the asset network continues to be strengthened and optimized to support more efficient operations and sustained performance.

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

*“Q1 2026 reflects disciplined and agile execution in a challenging external environment, as we continued to operate effectively despite ongoing geopolitical tensions and supply chain complexity. Our diversified platform and proactive approach enabled us to maintain operational continuity, secure critical inputs, and deliver solid revenue growth across both Agribusiness and Restaurant Operations. In Agribusiness, we saw increased volumes and improved efficiencies, while taking decisive actions to optimize our asset base and enhance cost competitiveness. Restaurant Operations progressed in line with our business plan around disciplined growth, prioritizing targeted campaigns and portfolio enhancements that drove strong customer engagement and supported revenue growth.*

*We have also made meaningful progress in our strategic priorities, including strengthening our core operations, advancing operational efficiency, optimizing our asset network, and exercising prudent capital allocation in line with our long-term priorities. As we move forward, our focus remains on disciplined execution, maximizing returns from our recent investments, and reinforcing our role in supporting food security in the Kingdom, while positioning the business for improved profitability as market conditions evolve.”*

## Summary Financial Highlights

SAR million	Q1-26	Q1-25	% Change YoY	Q4-25	% Change QoQ
Revenue	731.2	677.1	8.0%	712.7	2.6%
Gross Profit	166.8	168.4	-1.0%	144.8	15.2%
Gross Profit Margin	22.8%	24.9%	-206bps	20.3%	249bps
EBITDA	88.5	94.0	-5.9%	68.0	30.1%
EBITDA Margin	12.1%	13.9%	-178bps	9.5%	255bps
Net Profit (Loss)	1.1	23.2	-95.4%	(26.2)	104.0%
Net Profit (Loss) attributable to Shareholders of the Company	(1.1)	18.9	-106.0%	(22.4)	95%

## Segmental Revenue Analysis

The **Agribusiness** segment, comprising Fresh Poultry and Animal Feed and Health Products, is the core contributor to revenue, **accounting for approximately 92% of total revenue in Q1 2026**. Fresh Poultry revenue increased 10.4% YoY to SAR 551.9 million, driven by higher volumes of 43.2 million birds (+8.6% YoY) with average daily production reaching 604K birds (+7.8% YoY), alongside improved average selling prices and strong sales execution. Revenue in the **Animal Feed and Health Products segment** declined by **12.3% YoY to SAR 117.4 million** in Q1 2026 reflecting softer market conditions that weighed on feed, medication and vaccine sales, partially offset by feed additives and the DOC segment.

**Restaurant Operations** revenue increased **42.2% YoY to SAR 61.9 million** in Q1 2026, driven by successful marketing campaigns boosting in-store transactions. Performance remained robust across key metrics, with campaigns driving higher customer engagement with Ramadan performance significantly exceeding prior year levels. The total network of operational outlets stands at 94, as of 31 March 2026; 85 in Saudi Arabia, 4 in Bahrain and 5 in Kuwait.

## Income Statement Analysis

**Cost of Sales** rose **10.9% YoY to SAR 564.4 million** in Q1 2026, reflecting higher fuel, utility and logistics costs, as well as increased depreciation from newly commissioned facilities, partially offset by operational efficiencies and cost optimization measures. Gross profit declined 1.0% YoY to SAR 166.8 million, with gross margin contracting to 22.8% from 24.9%, with softer performance in the Animal Feed and Health segment further impacting margins.

Q1 2026 **EBITDA** amounted to **SAR 88.5 million**, down from SAR 94.0 million in the prior year, with the EBITDA margin declining to **12.1%** from 13.9% in Q1 2025.

The Company recorded a **Net Loss Attributable to Shareholders of SAR 1.1 million** in Q1 2026, compared to a net profit of SAR 18.9 million in Q1 2025. Agribusiness (Fresh Poultry and Animal Feed and Health Products) generated a net profit of SAR 10.8 million, which was more than offset by a net loss of SAR 11.9 million in Restaurant Operations. Performance in Restaurant Operations was further impacted by higher reliance on aggregators during Ramadan and geopolitical-related pressures in certain markets. No additional Popeyes® stores are planned for 2026, other than replacements or relocations. The YoY decline reflects continued market challenges, higher diesel and utility costs, increased distribution expenses, elevated financing costs, and ramp-up costs for new facilities, partially offset by cost optimization

initiatives and higher production volumes. In addition, aggregator-related cost pressures in Kuwait and Bahrain weighed on performance within the Restaurant Operations segment.

Q1 2026 **capital expenditure** amounted to **SAR 37.4 million, down 81.6% YoY**, reflecting a transition beyond peak capex as the Company shifts its focus toward optimizing utilization and generating returns from recently commissioned assets.

## Strategic Execution and Outlook

Tanmiah has made solid progress in Q1 2026 against its refreshed strategic framework, **advancing key initiatives across its four strategic priorities**.

- 1. Customer-focused commercial excellence and value-added growth**  
The business delivered continued commercial momentum, expanding across the GCC, enhancing its product mix, and strengthening distribution while progressing additional initiatives to support higher-margin growth.
- 2. Strengthening the core and optimizing the asset base**  
Core operations advanced with lower production costs and added farming capacity, alongside steady progress on commissioning new facilities and supporting infrastructure.
- 3. Operational excellence, liquidity management, and cost optimization**  
Operational discipline remained strong, with secured input materials, reduced financing costs, and ongoing execution of key efficiency projects, including alternative energy solutions such as solar and LPG conversions.
- 4. Digital, data and people are the main enablers**  
Digital and organizational initiatives continued to progress, with e-commerce expansion underway and SAP 4HANA deployment planned for H2 2026.

Tanmiah expects progressive improvement over the course of 2026 with market conditions showing early signs of moving toward a more balanced supply-demand environment, supported by gradually improving pricing dynamics and a more rational competitive landscape. The Company remains focused on increasing utilization of recently commissioned assets, advancing cost optimization and operational efficiency initiatives, expanding value-added and higher-margin product categories, and strengthening its route-to-market and customer engagement capabilities. While near-term risks persist, including cost inflation and ongoing supply chain complexity linked to geopolitical developments, Tanmiah's integrated operating model, strong biosecurity, and disciplined execution position it well to benefit from improving market conditions and deliver sustainable profitability over the medium term.

## ESG Commitments

Tanmiah continues to advance its strategic and integrated approach to sustainability, founded on its Omnipreneurship philosophy of giving, earning, and sustaining. The Company's ESG governance framework remains strong, guided by the Board ESG Committee and supported by a cross-functional ESG Committee at management level to ensure alignment between strategy and on-ground execution. The focus remains on driving progress across key areas aligned with the Kingdom's Vision 2030 and the United Nations Sustainable Development Goals.

Tanmiah is executing a comprehensive portfolio of sustainability initiatives with an estimated total EBITDA impact of approximately SAR 100 million, of which SAR 35 million was realized in 2025. The Company's decarbonization program continues to advance, with diesel-to-LPG conversions progressing for

incinerators and boilers across farms and processing facilities. On renewable energy, the Haradh solar project is on track for completion in July 2026, and approval has been secured for four additional solar sites. The geothermal cooling pilot was successfully implemented in February 2026, with the Company now awaiting three months of operational data to assess efficiency gains before broader rollout.

The Company's waste management program at one of our primary processing facilities and ongoing waste valorization in meat processing are advancing circular economy objectives, while a new Recyclee pilot at Popeyes stores is converting food waste into resources, with plans to expand to five stores following successful results. In parallel, Tanmiah is advancing its trials on alternative feed solutions through Moringa trials, aiming to improve feed conversion and reduce reliance on conventional feed inputs. Feed reformulation initiatives using enzyme and Panbonis technologies are in preparation to further enhance sustainability outcomes.

Looking ahead, Tanmiah remains focused on completing its decarbonization and renewable energy projects, scaling successful pilots, and advancing innovative feed technologies to support long-term value creation and a more sustainable food system in Saudi Arabia and the region.

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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 Exchange Main 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 2026, Tanmiah operates 163 farms as well as seven hatcheries, six feed mills, and six 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, reflected in its initiatives such as planting a million trees, using treated wastewater from its facilities, and converting waste products into useful byproducts. In 2023, Tanmiah introduced its first sustainability strategy, establishing a clear framework to advance its long-term vision. Built around three core pillars—Sustaining People, Sustaining Agriculture, and Sustaining Planet—the strategy focuses on the issues most material to Tanmiah's business and stakeholders.

Tanmiah's ESG journey continues to gain recognition. The Company's MSCI ESG Rating improving from B in 2023 to BB in 2024 and BBB in 2025, positioning it among a select group of food companies globally with advanced ESG practices. Group CEO Zulfiqar Hamadani was recognized as one of The Middle East's Sustainability Leaders 2025 by Forbes Middle East, and the Farm Automation Project received the 2025 Middle East Technology Excellence Award in Agritech.

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 in 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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