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Tanmiah Food Company شركة التنمية الغذائية

# Earning Release

# H1

# 2026

# Tanmiah Delivers 14.6% H1 2026 Revenue Growth and a Strong Return to Profitability in Q2, Driven by Disciplined Execution and Cost Optimization Initiatives

- Revenue increased 14.6% YoY in H1 2026, driven by strong Q2 momentum across the Agribusiness and Restaurant Operations segments.
- Fresh Poultry revenue increased 13.9% YoY to SAR 1,116.8 million in H1 2026, supported by higher sales volumes, improved average selling prices and continued demand across domestic and regional export markets.
- Gross Profit and EBITDA increased 12.2% and 16.5% YoY, respectively, in H1 2026, demonstrating resilient profitability despite higher grain, logistics and insurance costs.
- Q2 2026 net profit increased to SAR 19.0 million from SAR 0.5 million in the prior-year period, reflecting stronger commercial and operational execution across Agribusiness and Restaurant Operations, together with sustained demand for our products and new food solutions.
- Continued execution of strategic priorities included expanding the regional distribution network into Qatar.

**Riyadh, Saudi Arabia, 9 August 2026** - Tanmiah Food Company (“Tanmiah” or the “Company”, 2281 on the Saudi Exchange), established in 1962 and one of the Middle East’s leading providers of fresh poultry, processed proteins, animal feed, animal health products and restaurant operations, today announced its financial results for the six-month period ended 30 June 2026 (“H1 2026”). Revenue increased 14.6% year-on-year (“YoY”) to SAR 1,520.4 million, supported by strong commercial momentum in the second quarter, during which the Company delivered total revenue growth of 21.5% YoY, driven by double-digit growth across both its Agribusiness and Restaurant Operations segments. EBITDA increased 16.5% YoY to SAR 204.2 million in H1 2026, with the EBITDA margin improving by 21 basis points to 13.4%, demonstrating the resilience of the Company's operating model despite a higher-cost operating environment. Net profit declined 8.0% YoY to SAR 17.8 million in H1 2026, primarily reflecting higher financing expenses and ramp-up costs associated with the Company's expansion program, which weighed on both quarters. The benefit of the Company's turnaround initiatives was felt most in the second quarter, with Q2 2026 net profit increasing to SAR 19.0 million from SAR 0.5 million in the prior-year period

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

*“Our H1 2026 results reflect the operational discipline Tanmiah has built. We navigated regional supply-chain disruptions without losing momentum, and the capacity and franchise investments made in recent years supported our return to profitability. The second quarter represented a particularly strong period for the Company, with improved poultry pricing, robust demand for our products across domestic and regional markets, and disciplined commercial execution driving a significant improvement in profitability. We also continued to strengthen our competitive position through ongoing innovation, the expansion of our regional distribution network, and solid progress across Popeyes® initiatives. We are assessing near-term opportunities to expand our store count in targeted locations, as the Restaurant Operations segment continues to improve.*

*Looking ahead, as consistent local production continues, we expect market conditions to normalize as supply and demand become more balanced and commercial conditions improve. Our focus remains on increasing utilization across our expanded production footprint, optimizing our product and channel mix, strengthening our regional market presence, and further enhancing operational efficiency to support sustainable margin expansion. With our vertically integrated business model, strong biosecurity standards, disciplined execution and continued focus on innovation and our customers, we are confident* *that Tanmiah is well positioned to deliver sustainable, profitable growth and create long-term value for our shareholders."*

## Summary Financial Highlights

| SAR million | Q2-26 | Q2-25 | % Change YoY | 1H-26 | 1H-25 | % Change YoY |
|---|---|---|---|---|---|---|
| **Revenue** | 789.2 | 649.5 | 21.5% | 1,520.4 | 1,326.6 | 14.6% |
| **Gross Profit** | 193.6 | 152.9 | 26.6% | 360.3 | 321.2 | 12.2% |
| ***Gross Profit Margin*** | *24.5%* | *23.5%* | *99 bps* | *23.7%* | *24.2%* | *-52 bps* |
| **EBITDA** | 115.7 | 81.3 | 42.3% | 204.2 | 175.3 | 16.5% |
| ***EBITDA Margin*** | *14.7%* | *12.5%* | *214 bps* | *13.4%* | *13.2%* | *21 bps* |
| **Net Profit (Loss)** | 22.6 | 2.4 | 821.0% | 23.6 | 25.7 | -8.0% |
| **Net Profit (Loss) attributable to Shareholders of the Company** | 19.0 | 0.5 | 3,693.2% | 17.8 | 19.4 | -8.0% |

## 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 H1 2026**. Fresh Poultry revenue increased 13.9% YoY to SAR 1,116.8 million, driven by higher sales volumes of 85.5 million birds (+7.2% YoY) and improved average selling prices. Volume growth was supported by continued demand across the Kingdom and export markets, including Kuwait, Bahrain and the UAE, alongside the Company's entry into Qatar during the period. Revenue growth was also driven by higher selling prices, together with the Company's continued focus on value-added, higher-margin products and a more favorable sales channel mix.

Fresh Poultry's average daily production remained stable at approximately 604K birds period average, up 9.8% YoY, reflecting management's disciplined approach to capacity ramp-up in response to the regional operating environment. Revenue in the **Animal Feed and Health Products segment increased 10.8% YoY to SAR 278 million** in H1 2026. The segment delivered the highest revenue growth rate within the Agribusiness portfolio during both H1 2026 and Q2 2026, with Q2 revenue increasing 37.2% YoY. The strong performance reflected the Company's focus on commercial and operational excellence, supported by team member engagement, together with a continued focus on higher-margin products, primarily animal health, animal feed, and additives.

**Restaurant Operations** revenue increased **31.8% YoY** to **SAR 125.7 million** in H1 2026, driven by stronger like-for-like sales, the maturation of stores opened during 2025, and improved commercial and operational execution under the Popeyes turnaround strategy. The total network of operational outlets stood at 94 as of 30 June 2026: 85 in Saudi Arabia, 4 in Bahrain and 5 in Kuwait. The Company remains focused on optimizing this network, including through the relocation of selected stores to higher-potential trade areas and premium, high-footfall locations.

## Income Statement Analysis

**Cost of Sales** increased **15.4% YoY to SAR 1,160.1 million** in H1 2026, primarily reflecting higher grain, logistics and insurance costs alongside broader supply-chain disruptions. Gross profit increased 12.2%

YoY to SAR 360.3 million, while gross margin declined to 23.7% from 24.2% in H1 2025, as cost inflation and supply-chain pressures more than offset the benefit of higher average selling prices and the savings delivered through the Company's cost efficiency initiatives.

H1 2026 **EBITDA increased 16.5% YoY to SAR 204.2 million**, resulting in an EBITDA margin of 13.4%, compared to 13.2% in H1 2025. The improvement was supported by higher revenues and continued cost discipline, despite increased grain, logistics and insurance costs, as well as higher selling and distribution expenses associated with the expansion of the Company's regional distribution network, including opening Qatar as a new market.

**Net Profit Attributable to Shareholders amounted to SAR 17.8 million in H1 2026**, compared to SAR 19.4 million in H1 2025, primarily reflecting SAR 16 million in higher financing costs, along with depreciation associated with the Company's expansion program. During the period, Tanmiah benefited from its strongest-ever Hajj and Ramadan season across all business units, while improved poultry pricing, strong regional demand, enhanced product mix and disciplined commercial and operational execution supported a significant improvement in profitability during the second quarter. Restaurant Operations also delivered a markedly stronger performance, reflecting continued progress in the Popeyes® turnaround strategy through enhanced marketing initiatives, improving like-for-like sales and a greater focus on operational profitability. As a result, Q2 2026 Net Profit increased to SAR 19.0 million, compared to SAR 0.5 million in Q2 2025, largely offsetting the weaker first-quarter performance.

H1 2026 **capital expenditure** amounted to **SAR 70.8 million**, **down 76.9%** YoY, reflecting the completion of the Company's peak investment phase and an increasing focus on optimizing asset utilization and generating returns from recently commissioned facilities.

## Strategic Execution and Outlook

Tanmiah has made solid progress in Q2 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 in KSA, including geographic expansion, with GCC growth driving a 56.0% year-on-year increase in revenue outside KSA. The Group entered Qatar retail market, extending its regional footprint alongside Kuwait, Bahrain and the UAE, while a more focused channel approach and optimized route network strengthened distribution and ongoing innovation launches continued to support a higher-margin mix.

2. **Strengthening the core and optimizing the asset base**
   Core operations advanced with higher fresh poultry volumes, supported by newly added farms to further utilize PPL capacity. Popeyes continued to deliver growth in revenue per store, driven by like-for-like sales and transaction gains.

3. **Operational excellence, liquidity management, and cost optimization**
   Operational discipline remained strong, with grains and key input materials secured through continued geopolitical tensions. Cost optimization and route expansion supported EBITDA savings, the cash balance increased to SAR 77.3 million by 30 June 2026, and working capital efficiency improved despite higher grain purchases.

4. **Digital, data and people are the main enablers**
   Digital and organizational initiatives continued to progress, with SAP S/4HANA on track for H2 2026 go-live, intelligent automation and digital retail and CRM capabilities expanding.

Tanmiah expects market conditions to remain challenging throughout the remainder of 2026, despite a more balanced supply-demand environment, improving commercial execution, and continued demand across domestic and regional markets. The Company remains focused on increasing utilization of its expanded production footprint, optimizing its product mix, strengthening its regional distribution network, and enhancing operational efficiency to support sustainable margin expansion. Restaurant Operations are expected to continue improving as the Popeyes® turnaround strategy progresses toward EBITDA breakeven, while the commissioning of two new feed mills in Q2 2026 and ongoing investment in vertically integrated operations are expected to further strengthen operational resilience. Although higher grain, logistics, and insurance costs, together with geopolitical uncertainty, may continue to weigh on the operating environment, Tanmiah's integrated business model, strong biosecurity standards, and disciplined execution position the Company to deliver sustainable, profitable growth and increasing shareholder value 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 continues to execute a comprehensive portfolio of sustainability initiatives, with a number of these delivering realized EBITDA benefits during the first half of 2026. 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 September 2026, and studies are underway to convert four more facilities on solar. The geothermal cooling pilot was successfully implemented in February 2026, with the Company now analyzing operational data to assess efficiency gains before broader rollout.

External recognition during the second quarter validated this progress. In May 2026, Tanmiah won the Cold Chain Logistics category at the Supply Chain Excellence Awards MEA 2026 for a purpose-built, climate-adaptive day-old chick transport solution, developed with Heering and operated by Dorat Al Naqel, which safeguards bird welfare during transport in ambient temperatures exceeding 50°C. In June 2026, in its capacity as an official partner of the Saudi Green Initiative, Tanmiah was recognized as a key contributor to the rehabilitation of the Kingdom's first one million hectares of degraded land, a milestone toward the national target of restoring 40 million hectares, and a direct extension of the Company's One Million Trees initiative. On human capital, Tanmiah signed a cooperation agreement with the Food Industries Polytechnic (FIP) to train and qualify Saudi nationals for specialized technical roles across the food value chain. The partnership strengthens the Company's localization pipeline and workforce readiness in line with Vision 2030 and the national food security strategy.

The Company's waste management program at one of its primary processing facilities and ongoing waste valorization in meat processing are advancing circular economy objectives, while a pilot project with Recyclee at Popeyes stores is digitalizing the waste collection and converting food waste into resources to create maximum value for the company in terms of cost savings and sustainability. These trials remain ongoing and are expected to conclude in Q3 2026, after which expansion across the wider Popeyes network will be assessed. In parallel, Tanmiah is advancing its trials on alternative feed solutions through Moringa feed inclusion trials, aiming to improve feed conversion and reduce reliance on conventional feed raw materials. Feed reformulation initiatives are in progress to further enhance sustainability outcomes, enhance animal welfare and reduce feed cost

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

**– ENDS –**

## 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, Kuwait and Qatar. As of 30 June 2026, Tanmiah operates 163 farms as well as 7 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

## 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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