



# BALADNA Q.P.S.C.

## Financial Results Presentation



For the Period  
From  
2 December 2019  
(Establishment Date)  
To  
31 March 2020



# Business Performance

## **PURPOSE**

To deliver sustainable, self-sufficient, food security in Qatar..

## **OUR MISSION**

To ensure consumers' wellness by providing natural, nutritious and tasty foods and beverages, while maintaining the most rigorous food safety and biosecurity protocols.

## **OUR VISION**

To be the most trusted brand of nutritional foods and healthy beverages in Qatar and to expand to new markets.



## Company Highlights

- Qatar has become a model for developing a food security and self sufficiency program. Baladna has showcased how this can be done over an extremely short period of time and attracted the attention of many governments worldwide.
- Number one priority remains the contribution to the Qatar food security program and satisfying the domestic market. In addition, we now look forward to broadening the current portfolio, exploring adjacent categories and new export markets leveraging our excess capacities.
- In terms of new products, we continue to have a very ambitious innovation plan to launch new products to meet consumer needs by leveraging our deeper understanding of consumer insights.
- Baladna has and will continue to invest in the latest technologies, allowing us to drive quality and productivity improvements through the entire value chain. This begins with the breakthrough technology deployed in our farming division allowing Baladna to deliver the highest quality and ever-increasing milk yield despite the extremely challenging climatic conditions.
- Our processing facilities houses state-of-art equipment, highly automated minimizing human intervention and technology plays an ever-increasing role in our sales delivery model.



## Company Highlights

- At Baladna, it is important that there is a close brand association with healthy products and active living/lifestyle, helping to positively support the health of the nation.
- Building a high performing team, driving the fundamentals, better understand our consumers and their needs, highest quality (superior) products that delight our consumers, most cost-efficient manner ensuring our product is readily available in all stores across Qatar
- Demand for local produced goods is growing, supporting local businesses by buying locally sourced products is an emerging trend. We are building a distinctive value proposition (assortment, branding, pricing, promotions) generating deeper consumer insights.
- Strong Government support to the company including QR 1.27B over the period of 10 years started from 2018.
- Business continuity risk minimized by having two separate Farms for herd, two production facilities (factories) and strategic storage.





## Market Update

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- Core fresh dairy category growth momentum continues, +2.4% annual.
- Long life dairy & creams category also growing, +2.2% annual.
- Cheese category demonstrating positive trend, +4.1% annual.
- Juice segment experiencing strong YoY increase, +11.9%.

## COVID-19 Impact on Business

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- No interruption of supply of dairy and juice products to the local market
- After disruption to Doha industrial area, transferred distribution facilities to Alkhor ensuring continuous supply of dairy & juice products across all areas
- Increased safety stocks to ensure business continuity
- Implemented controls to minimize interruption risks to business
- Improved performance in retail channel, softer sales in HORECA channel due to closure of restaurants, cafes, etc.
- Strengthening capability in e-commerce channel

*\*Growth rate is for twelve months period ending Feb' 20*





# Product Portfolio



FRESH DAIRY

LONG LIFE DAIRY & CREAMS

JUICES

CHEESE

AWAFI





## New Products Fueling Growth

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- As Baladna continues to focus on creating value, the role of innovation is critical in capturing growth opportunities.
- Ongoing commitment to innovation ensures Company strengthens its leadership position. Through product portfolio expansion, the Company is able to delight more consumers, across more consumption occasions, on a more frequent basis.
- In addition to launching popular products for the retail channel, we are also progressively building a sustainable platform to provide better solutions for our food service partners.
- Our rigorous innovation process successfully launched 34 new SKU's during the period of 4 months from Dec to March. Our total portfolio expands from 157 SKU's to 191.
- The new product development pipeline balances the necessity to protect and grow our core fresh dairy business as well as rapidly drive market share in categories such as cheese, creams and juice.



# New Product Development (NPD)





# Market Share



Source: Nielsen data Feb '20





# Financial Performance



# Performance Highlights

Financial Highlights

Revenue



EBITDA



EBIT



Net Profit



Operating  
Cash Flows



Operational Highlights

191

Total # of SKUs

34

# of New SKUs

106

# of Sales Routes

20,846

Total # of Herd

37.2  
Liters

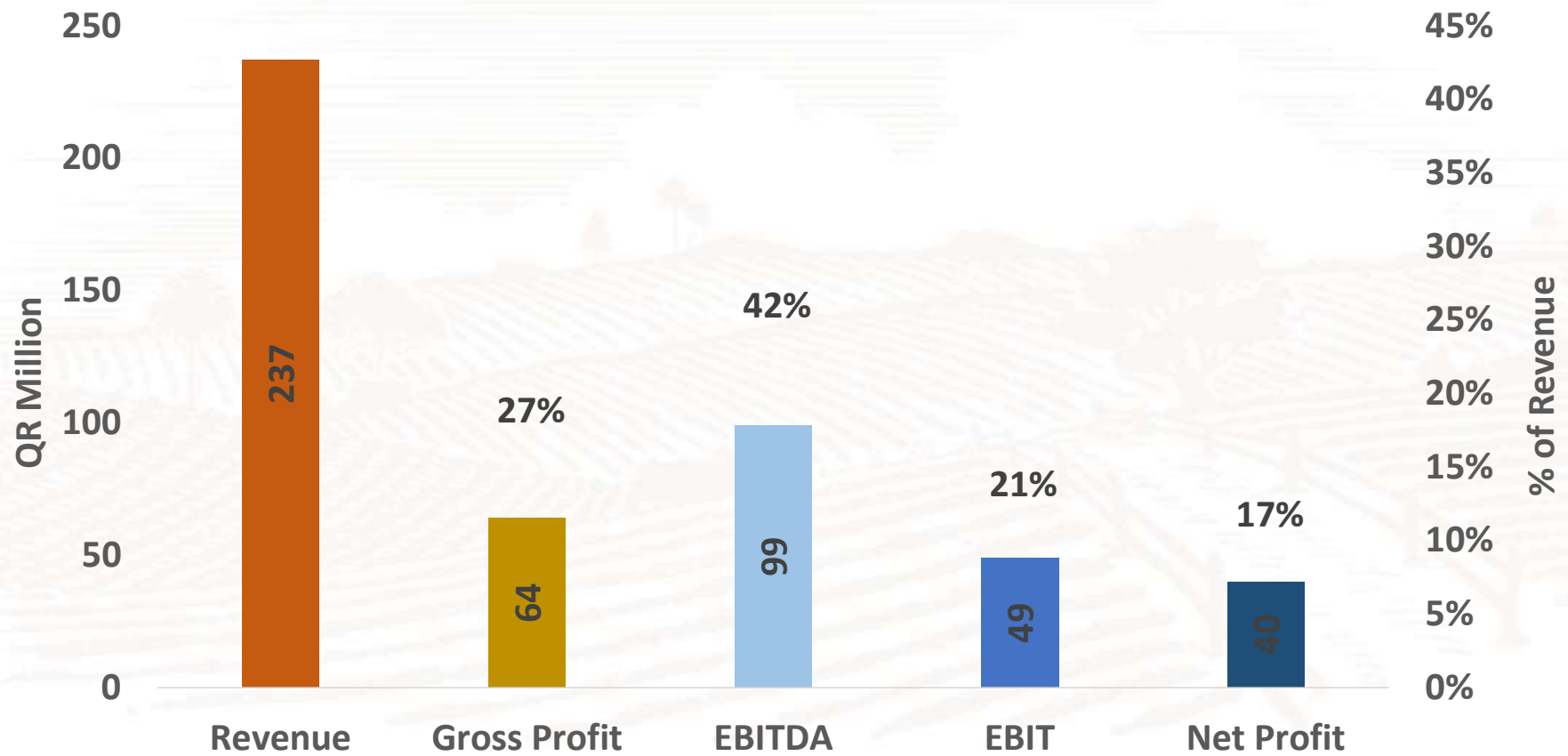
Avg. Milk  
Yield/Cow/Day



## Profit and Loss Statement

QR Million	<i>For the period from Establishment Date to 31 March 2020)</i>
<b>Revenue</b>	<b>236.8</b>
Cost of revenue	(173.0)
<b>Gross profit</b>	<b>63.8</b>
Other income	60.6
Selling and distribution expenses	(26.4)
General and administrative expenses	(49.7)
<b>Operating profit for the period</b>	<b>48.3</b>
Finance costs and bank charges	(8.6)
<b>Profit for the period</b>	<b>39.7</b>
Other comprehensive income	-
<b>Total comprehensive income for the period</b>	<b>39.7</b>
<b>Basic and diluted earnings per share</b> <i>(Expressed in QR per share)</i>	<b>0.063</b>

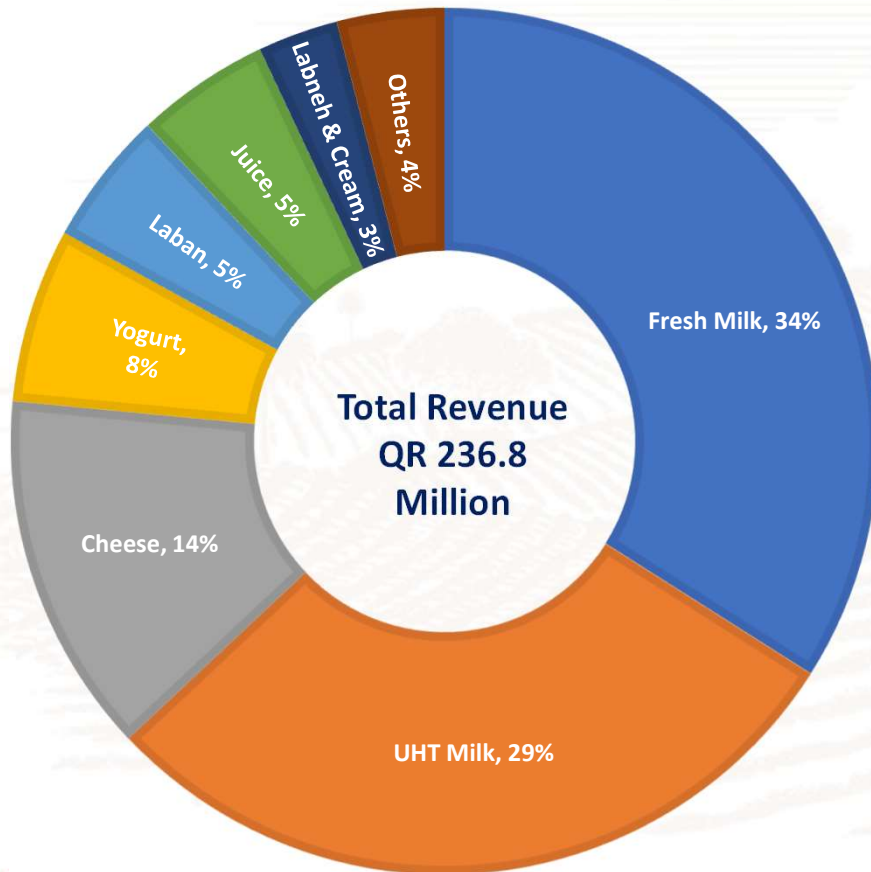
# FINANCIAL PERFORMANCE



EBITDA includes Govt. compensation



# REVENUE COMPOSITION

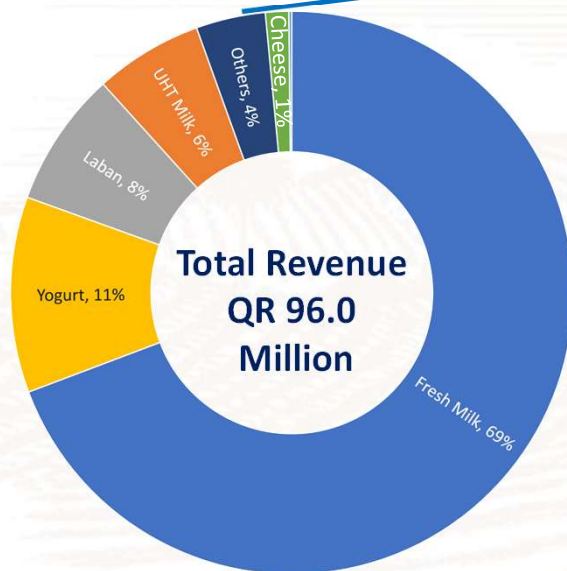


- ❖ Out of the total product portfolio, Fresh milk is the highest contributor to revenue followed by UHT, Cheese, Yogurt and Laban etc.
- ❖ Juice represents 5% of total revenue
- ❖ Others include livestock, compost and plastic external sales



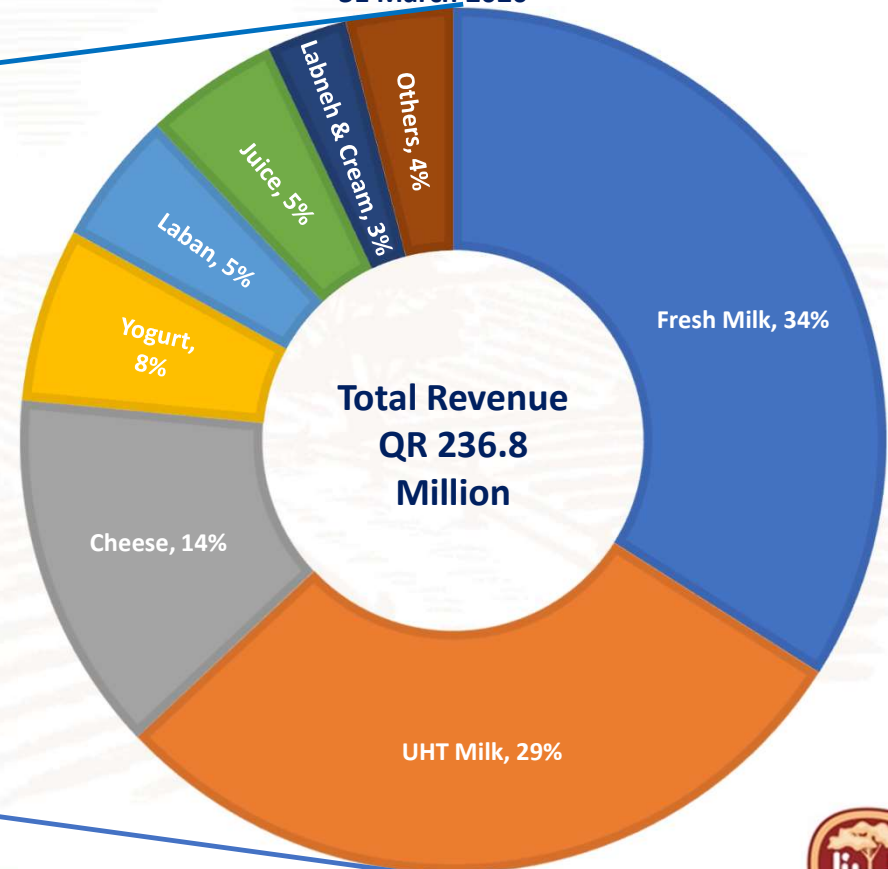
# REVENUE GROWTH

From 02 December 2018 to  
31 March 2019



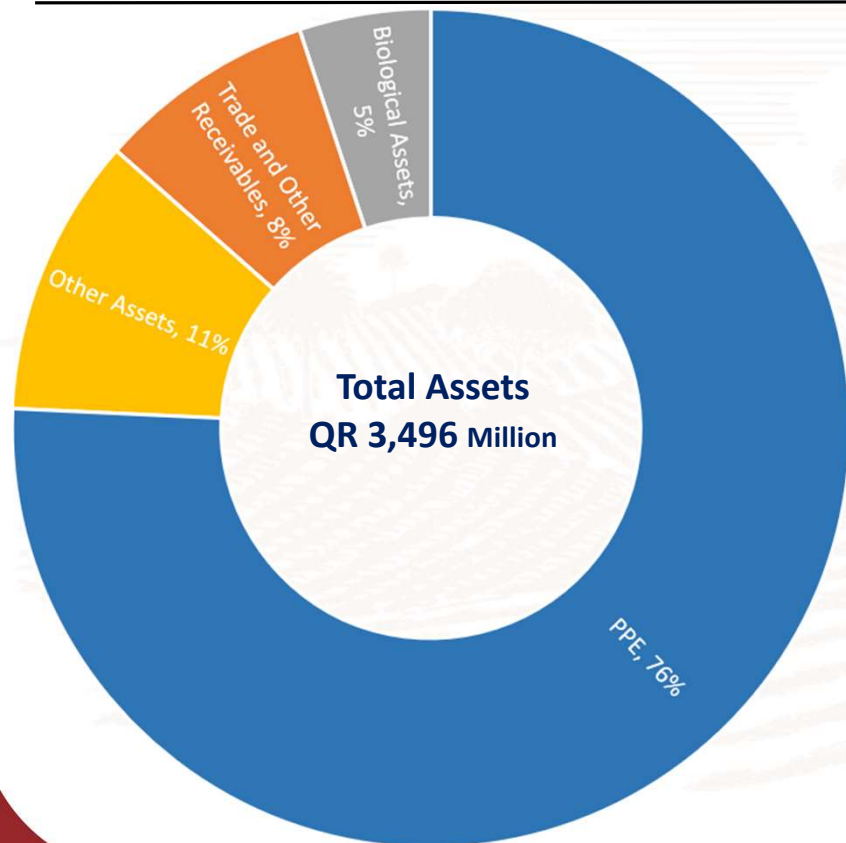
**147% Growth**

From 02 December 2019 to  
31 March 2020

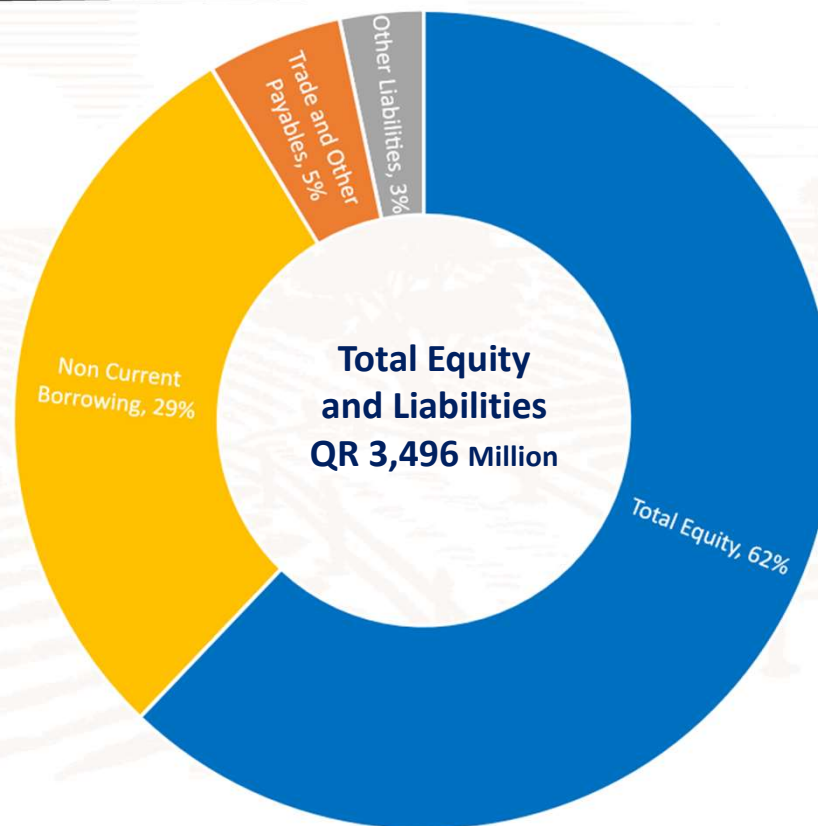


# Financial Position as of 31 March 2020

## Total Assets

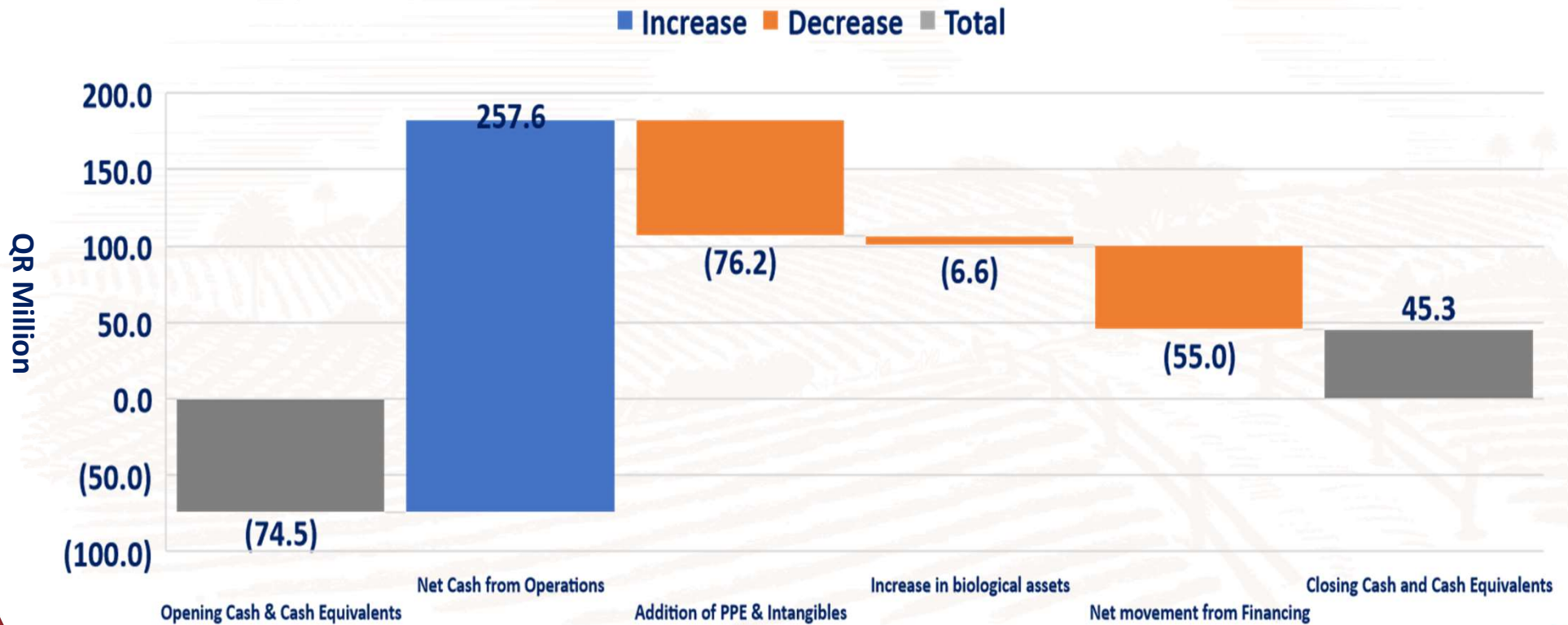


## Total Shareholders' Equity and Liabilities



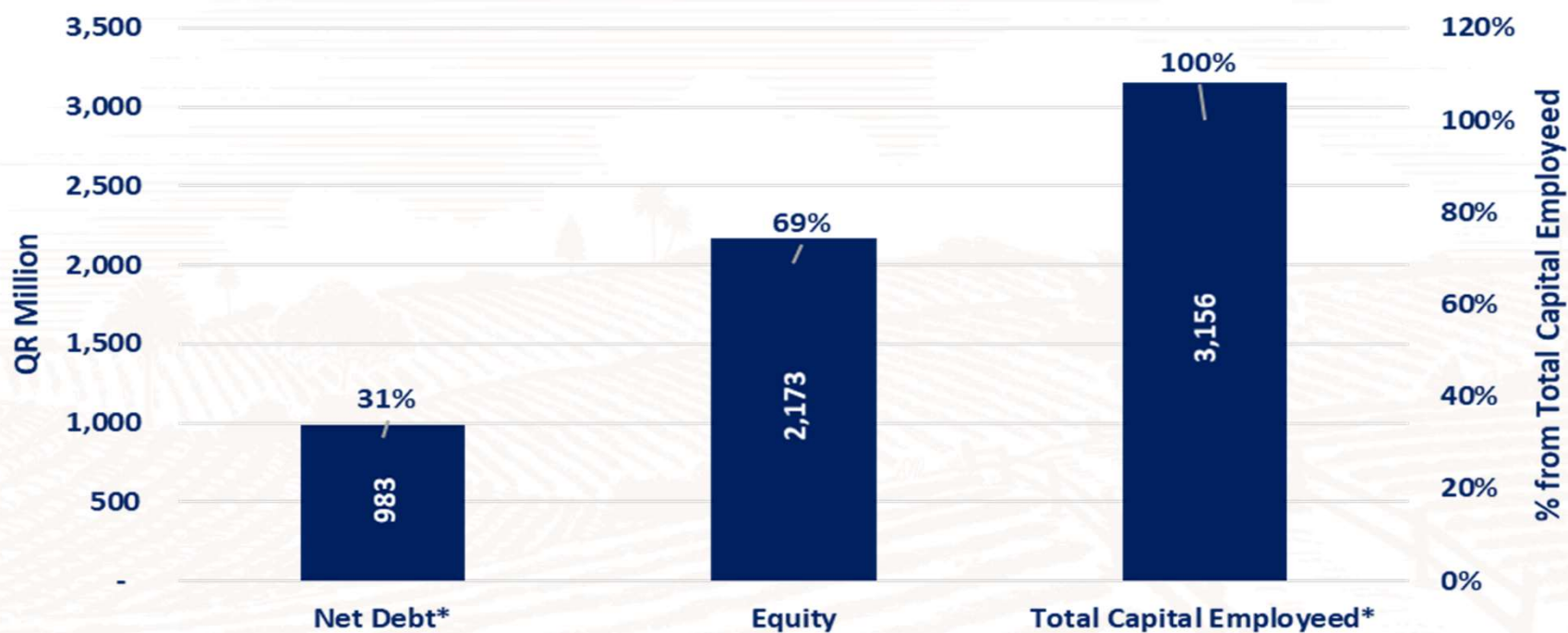
# Cash Flow Management

Cash Flow Bridge for the Period from Establishment Date to 31 March 2020



Cash and cash equivalents is representing net balance of cash and working capital facilities

## Net Debt and Equity



### Net Debt of the Company

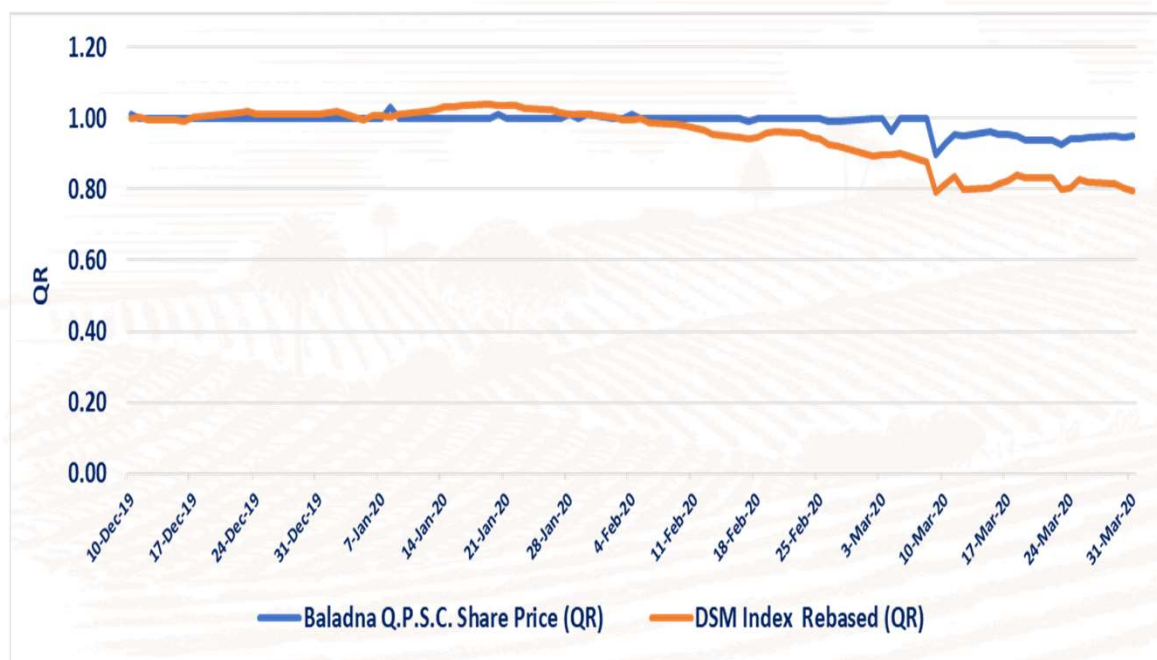
- Net Debt includes long term loan of QR 1.02B which has been re structured after the IPO partial settlement in to Murabaha Islamic loan payable in to 16 years in addition to grace period of 18 months.

*\*Net Debt and Total Capital Employed is net of Cash and Bank Balances*

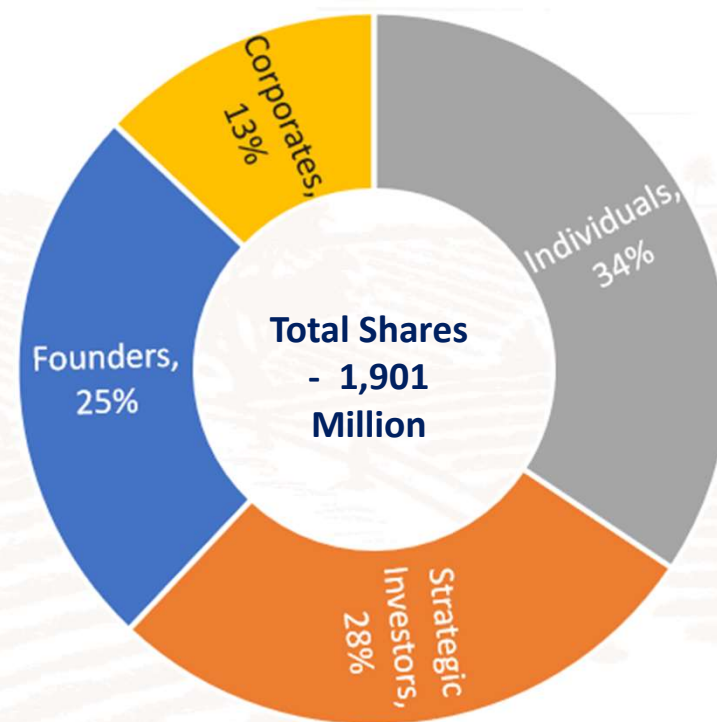


# Key Share Information (As of 31 March 2020)

## Share Price Movement and DSM Index rebased



## Shareholder Structure



Source: Qatar Stock Exchange



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# Q & A