

**Company:** QNB Financial Services Co.  
**Conference Title:** Baladna (BLDN) Q4 2020 Results Conference Call  
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**Date:** Wednesday, 24<sup>th</sup> March 2021  
**Conference Time:** 12.00 Doha Time

Mehmet Aksoy: Hi, good afternoon, ladies and gentlemen, this is Mehmet Aksoy from QNB financial services. I want to welcome everyone to Baladna's fourth quarter 2020 financial results conference call. On this call from Baladna we have Mr. Malcolm Jordan, who is the Chief Executive Officer and Mr. Saifullah Khan who is the Chief Financial Officer. We will conduct this conference first with three brief comments on the presentation followed by the question-and-answer session. I will now hand the call over to Mr. Jordan to get us started. Mr. Jordan, please go ahead.

Malcolm Jordan: Thank you, Mehmet, thank you for the introduction. I'd like to add my welcome to everyone. Thank you for taking the time to join the call. I'm going to jump right to slide four, for those of you who are following the deck. Of course 2020 was an exceptionally challenging year for us all, and while it did impact to some extent on our business, I'm very pleased to share with you today our strong performance in 2020. I think that it's worth noting and fair to say that we worked tirelessly as a team through the year with whatever challenges that were thrown at us by the pandemic. And we'll talk about that more as we move through the presentation. But I think that we were able to overcome most and almost all of the challenges that presented themselves.

If I just take a second on Q4. And you'll note from the deck that the revenue in Q4 was QR 191 million, and net profit was QR 39 million which was up significantly in Q4 versus Q3. Saifullah is going to take us through some more financial information in a bit to cover that in more detail. I think it's worth noting that what we saw in Q4 was still very soft demand in retail. So, we didn't see the back to school pick up in

September, and we continue to see that tremendous softness in retail as we moved through the remainder of 2020. What we did see, however was actually a strong uptake in performance in Horeca. Now we know that when we went into the start of the pandemic, the portfolio of products that we were able to offer our customers in Horeca was much smaller than it was when we came out and as the market opened up, we were able to take advantage of this and improve the portfolio.

We also were working quite hard for some time on developing tailor-made products for some customers and that also bore fruit. So, a tough Q4, but very positive versus Q3 and rounding off the year with QR 815 million in revenue, an increase of 68% from 2019 and a net profit margin of 19%. We would have challenged ourselves to do a little better, but all things considered, I think that was a strong performance. We've focused on, and have spoken about it on a few of the earlier calls for those of you who've joined those calls, our innovation program, and we continue to work hard to launch products that make sense in this market. But we also understand that not every product that we launch is going to be a success and we would then need to consider what we do with that, such as de-list, and we've also streamlined our portfolio in other areas to make sure that the overall portfolio continues to make sense. We will talk about numbers of SKUs as we go forward.

In terms of dividends, the Board of Directors proposes a final dividend of QR 0.053 per share bringing our combined dividend to QR 0.074 which is 7.4% of the nominal value per share. And again, that's something that Saifullah will talk to you about in a little bit more detail. Needless to say, at the end of that, we continue our strategic focus and it remains very clear that first and foremost, we are a key component of the food security and self-sufficiency program in Qatar. We recognize that the market continues to evolve. We need to make sure that we work hard on the fundamentals,

continue to build our brand, get our efficiencies across the value chain, and continue to launch new and exciting products that consumers are telling us they're looking for. And we'll talk again more about that at the end of the presentation.

We expect that there will be continued short-term volatility in the market caused mainly by the pandemic, and we are ready to react to that and whatever that comes our way. I think that we've proven that our being here and being agile allows us to manage that in the best possible way. We can move on to slide number five which is summary of what I've just said. We offer 235 SKUs as part of our portfolio, generating QR 815 million in revenue. EBIT stands at QR 194 million and we generated QR 152 million in net profit. I believe this represents a strong financial performance, with Q4 improving significantly over Q3.

If you look at the net profit margin in Q4, it increased to 21%, and the annual net profit margin achieved was 19%. So, there has been some progress on the efficiency side of the business too. Moving to slide number six, we have talked about this briefly around the market appetite. We have had to increase our marketing investment and our communication. We are working hard to make sure that at any store we have the right space and the right visibility, to produce the right impact onto our consumers, and that work continues. And as I mentioned, Horeca witnessed strong performance in Q4, and we will build on that as we move forward. We are also doing a considerable amount of work for the deli counter which we also see as an opportunity going forward.

We did have some interruptions. We had some projects that were delayed either because we couldn't bring in the necessary capital equipment, or we couldn't get the engineering teams here to commission, and install some of this equipment. So, we're working on that now and we've had to move some of those projects, and we

will see those launching as we move through Q2. We did have additional costs as a result of COVID, issues around our strategic stocks, making sure that we manage the safety of our people and team driving performance improvement around them, cash to cash converging cycles, and making sure that our cashflow management was as it should be.

We got used to remote working, which we still do today and will most likely be, at least in some part, the way of the future. So, I'm pleased to say that the automation and the digitalization of many of our processes allowed us to do that properly. On slide seven, in terms of key investment highlights, I don't think anything has fundamentally changed, we've increased our market leadership position in every category. We continue to review our business when it comes to our facilities. We're very conscious of business risk and business continuity and we make sure that from our asset and technology-base we have that covered. We have our value chain end to end which supports the agility that we have within the organization. Innovation remains critical for us as we continue to develop and grow. Our strong financial performance can be measured by the 24% EBIT margin. In the long term, it is important to note the support of our strategic shareholders who represent 53% of our shares.

In terms of operational and commercial updates, we move to slide number nine, just to show you a little bit of how things within the business are progressing. Our herd size has increased quite substantially as we continue to grow the herd and grow the milk base. And on top of the herd growing our daily yields are also growing, which means our overall pool of milk as a combination of both of those growth factors continues to increase. We talked about our range extending to 235 SKUs, but also our customer base is also increasing. We have started to approach some customers

directly when previously in some cases, we would approach some customers through some wholesalers.

Moving on to slide number 10, it gives you an overview of the market share. Normally, we share this as a quarterly performance over the last quarter. What we've tried to do for you today is to share MAT '19 versus MAT '20, just to give you a year-on-year perspective and how we've grown. What does 2020 look like at a total share level over 2019? You can see here that on milk we've maintained our high share of around 85%. Our UHT milk share has grown from 57.6% to 78.0%. Of course, that was partly in due to the fact that 2019 was not annualized. We launched UHT part of the way through 2019. The Laban is interesting because Laban, we did have all the way through 2019, and you can see that we've grown our share by more than 8 MAT points. That's quite significant in real terms, I think that anybody growing the market share eight points at a MAT level, that's a really good achievement.

When we look at our most recent monthly shares, when those shares are higher than our MAT shares, then the future continues to remain positive. In juice, we obviously launched into long life just last year, which helped move our share from 9.6% to 18.7%. But I think that what that highlights to us, and this comes up from time to time that, where does your growth come from? So, this is a very significant category in terms of size. And we have a relatively modest share at just under 19%. So, I think that's very clear where, the growth can come from. And in that regard, when we look at yogurt, it's a very similar situation to Laban where we've gained five or six share points at MAT level over the period of the year. Significant jumps in Labneh was made partly due to an annualization. Cheese has increased from 5.0% to 18.9%, again a very significant category with almost QR 300 million in value where we have 18.9%. On cream, we have increased in market share from 1.8% to 12.5%. To give you a little bit of a flavour for growth, our last whipping cream market share was

above 25%. So, again, very sort of positive information about what the future will hold there. What we will note, of course, is that some of the markets, at least in the short term in retail are suffering somewhat, and we can see that there is a slight reduction in MAT for, in value and in volume for these markets, not all, but in milk and in UHT, laban and juice, we see some challenges around the staples. In some of them will have value added products like cheese, and in creams the market is reasonably robust, and that's also the case with labneh and we have plans to strongly grow our shares in those categories. And that's really kind of where I would leave it for the moment. I'm sure I'll be talking to you directly with any questions you might have, but I'd like to hand over to Saifullah who will take us through the financial performance in more detail.

Saifullah Khan: Thank you, Malcolm. Good afternoon everyone. You are welcome to the Baladna's annual conference call. I start with our financial highlights, Baladna's full first year after IPO, is robust and exhibits strong growth across all the indicators. If you see our revenue generation continues and maintains solid market share positions with year on year and quarter on quarter growth. You can see our quarter-on-quarter growth is 5% from Q3 to Q4 and year on year 68% growth. Thanks to the product addition which continued quarter on quarter, and we are increasing our market share each category. If you see our EBIT, we achieved 26% growth in quarter on quarter and 62% year on year, that is strong EBIT margin. And even with the headwinds due to COVID and its impact of FMCG business, still we are still maintaining healthy EBIT.

If you see a 26% quarter on quarter, it is very clearly showing that Baladna is getting operational efficiency across the value chain. Net profit increased by 36% quarter on and 152% by year on year with QR 152 million net profit. We can say our net profit margin from EBIT we have better arranged with the financial institution. We are getting funding costs less as compared to market rate. And if you see our earnings

per shares is increasing quarter on quarter to 36%. Full year earnings per share, we achieve QR 0.082 and if you see dividends, we paid in Q1 QR 0.021 per share and the final dividend QR 0.053 per share and total dividends becomes 7.4% of the nominal value of the share.

So, comes to the next slide, financial performance quarter on quarter. You can see overall performance of Baladna how the growth and seasonality across the business happened during the year. Revenue remained strong throughout the year as Baladna continues to dominate in the market share across several categories, adding new product line and adding total 96 new SKUs. Key categories contributing significant revenue was fresh milk, UHT milk and cheese. Quarterly net profit margins have remained above 15% across all the quarters throughout the year which reflects Baladna's robust operation, despite setback experience during the COVID and ongoing effects of COVID pandemic. But still, we are able to generate strong net profit margin more than 19% for the full year of 2020.

The next slide, number 15, shows the revenue composition and growth year on year. So, if you see all categories, there's amazing growth. This is due to the product range that we have increased from 167 to 235 products with NPD programs and its continuous monitoring. We are developing new products as per the market desire and reassessing the existing distribution network and enhancing the quality of existing client relationship while getting new customers. Our sales team is continuously enhancing the distribution line, especially in Horeca as Malcolm mentioned. So, we are increasing our share across new customers, and we are setting the new contracts with the Horeca clients. Growth across all categories with significant year on year specifically within UHT, cheese, cream, and the juices. These are the key contributors to overall growth of 68%. And you can see that this composition across different categories is changing and the important things to drive

our top line performance. Farm performance was significantly improved in the form of higher yield and herd size each by 15% year on year.

Come to the cashflow management, we can say healthy cash flow across the business due to efficient management of working capital. You can see, we have addition in our capex. This is due to a continuous improvement in our facility and infrastructure, and some new NPD programs to drive that. We pay dividend of QR 32 million out of QR 40 million. During the year we increased our safety stock levels to six months to ensure the business continuity during the pandemic. Overall, this is the cash flow showing healthy position of the company.

On the financial position slide, you can see that of QR 3.62 billion of Company's total assets, QR 2.7 billion represents property, plant, and equipment. QR 320 million is trade and other receivables, this is mainly due to the compensation receivable from government. We hold QR 220 million inventories and this is due to the increase in our strategic stocks. And QR 187 million is biological assets. So, as you can see, we have a strong asset base, primarily funded by equity. Equity includes QR 201 million of the acquisition reserve. You can see QR 2.24 billion is equity out of QR 3.6 billion total equity and liabilities.

So, we have long-term loans with QNB worth QR 1 billion. You can see this represents 27% of QR 3.6 billion total liability. So, current ratio is 1.95 indicate Baladna ability to cover all its short-term liabilities and demonstrates its efficient working capital management. So, net debt to total capital ratio stands 34.5% which shows sound equity base for the company. So, this is overall financials. Then next slide you can see our shareholder information. On slide number 19 can see we have total shareholdings, of which individuals represent 32%. We have a strategic representation of 28%, founders representing 25% and corporate is 15%. If you see



other than founders, strategic investors represent 28% and include GRSIA, Hassad Foods, Almeera, Mwani, Widam and some other pension funds.

The next slide, shareholder value creation, you can see overall year share price performance of Baladna on Qatar Stock Exchange with our overall share performance increase 79% compared to at the time of IPO. Compared to QE index, which increased by 1%. So, if you see the dividend, we paid interim dividend of 0.021 per share where we paid in Q1. The final dividend, we are proposing which is approved by our board for 0.053 per share. So, total dividend will be a 7.4% nominal value.

So, if we come to our short term future outlook in 2021, it shows what Baladna management is looking for in 2021. 2020 was significant year in terms of progress, in terms of transforming Baladna into the market leader in food and beverage business, and we are delighted to have delivered our targets as we committed at the time of IPO. In terms of 2021, Baladna remains highly confident in our ability to accelerate growth and intends to continue to focus on our successful core business and categories. And we are working on the intent to improve, explore further opportunities including the new products and categories. In terms of short term, we expect continuation in terms of demand as Malcolm mentioned, for our products, we are confident that through business planning and company agility, Baladna is well positioned to continue its growth plan in 2021, to see our mid-term and long-term, we are intended to continue assessing opportunities for geographic expansion leveraging our existing asset base to develop an export business, as well as transferring our experience and knowledge business model to South Asia. For example, Malaysia project is one of the JV which right now is under consideration with Felcra and FGV.

Baladna is fully dedicated to fulfilling its role as a market leader to contribute national food security program. And we will maintain a close collaboration with different committees, but we still over core objective to create more shareholder value for investors to some of our customer and to the best of our ability. So, in nutshell we believe in 2021 is expected to be an exciting year during which Baladna will continue to prepare to meet the demand and dynamics for 2022 FIFA world cup and how the market will grow. We are working on this continuously.

Overall, our presentation is finished. Now I will open the session for question and answer. Please feel free if you have any questions, please.

Operator: Thank you. If you would like to ask a question, please signal by pressing star one on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Again, that's star one to ask a question, we'll pause for a moment to allow everyone an opportunity to signal for questions.

Mehmet Aksoy: Hi, it's Mehmet again and while you are calling for questions. If I can start off with a question of my own. Can you please give us some information about the perspective Malaysia project? Are they in developments on that front? Thank you very much.

Saifullah Khan: Thank you Mehmet for your question. For Malaysia project, we continue to make excellent progress with our partners Felcra and FGV and we are expecting some delegation from Malaysian Government to visit Baladna that's where we have a COVID impact. Most of the delegation and visa issues where it's got a little bit delayed but overall progress in line and we are expecting they will be there in April. And then we are looking forward that we will be establishing Joint Venture company between the parties

from the government of Malaysia and the Baladna after that visit. So, overall progress is in a very excellent mode.

Mehmet Aksoy: Thank you very much for the update.

Operator: And we'll now take our first question. It comes from Satema Aldoseri from Sico.

Satema: Hi. Thanks for the call. I just have two questions. One is regarding the government support you have received in 2020, if you can just give us an idea of the nature of the support and how they calculated and the second question is regarding the SKU is what do you have planned for 2021, or do you want the number to reach? Thanks.

Saifullah Khan: Thank you for your question. The government support was very clearly elaborated in our prospectus document. This is the support to test in the state-of-the-art facility in Qatar, the government supported to the company to have a 10 year long-term agreement a year-on-year support. And this year we, in this financial statement, we recorded QR 164 million compensation. So, next 2021, we are expecting QR 120 million total compensation.

Satema: Sorry, just the SKUs that you're planning on launching?

Malcolm Jordan: Sure. Hi, it's Malcolm, look, the plan that we have at the moment that's locked in is in the region of 40 more across all of the different categories that we operate in today. And a range all retail branded products and also a number of quite important products for some of our strategic food service customers. So, it will be in the region of around 40 and I expect over the same period that we will continue to challenge the range that we have, and most likely we'll consider a de-list of certain products where that makes sense.

Satema: Okay. Thank you.

Operator: Our next question comes from Meet Bhatt of Axience. Please go ahead.

Meet Bhatt: Hi, thanks for the call and thank you for that presentation. I have one question with regards to the competition that is shaping in Qatar post the removal of blockade. So, what I understand is, since the blockade has been removed, products from Almarai and other related companies from the GCC might come into Qatar and there could be some price competition due to that. So, can you please throw some light on this aspect? How will you see, you know, competition shaping up and how, what will the impact on Baladna's operation due to this? Thank you.

Malcolm Jordan: Okay. Meet Bhatt. Thanks, it's Malcolm. I'll try and give you the most comprehensive answer that I can, you know, I think before I get into some specifics, may be just a little, a couple of comments that I'd like to make. You know, as a result of what happened almost four years ago, the Qatari government strengthened its efforts to increase its self-sufficiency program and reduce its dependency. Right? So, irrespective of lifting the blockade, that fundamentally remains a key pillar of 2030 vision. So, I think that's wildly of note, and I think it's something that you just need to kind of factor into the discussion. I think number two, the kind of legal framework and trade provisions that will be reinstated you know, are remain a little bit unclear. So, that's something that we still have to figure out what is really going to happen.

But that said, you know, I think what's important is that we focus on what we've actually achieved in the last few years and the brand that we've actually built and the equity that we've built with consumers and the quality of the products that we have in relation to the competition that will come from elsewhere at some point, perhaps, you know, and when we, when we do a lot of work around these products we are looking at superiority against

competitive sets and that competitive set is wider to be fair than just the competition that we have in Qatar today, you know, we've also built a lot of relationships and long-term contracts with companies in Qatar, including Qatar Airways you know, that some of these contracts extend five years there are tailor made products for them.

The products are on their doorstep, they're delivered daily and so on. So, we think that we've done an awful lot of things, you know, that are right to be able to compete when something does change. I think the other part of that is that, you know, at that point you know, we also would see that, and we will continually assess opportunities for further geographical expansion. So, it's not a one-way street. You know, I think that it's a two-way street and that we will look very carefully, are looking very carefully at what would happen, and what we will do using our strong asset base and our reputation to expand, you know the nearby markets. So, it's a very topical question. You can imagine that I've been asked that many times. I mean, that's pretty much what I can tell you right now. I don't know if that answers your question fully or you want to come back.

Meet Bhatt: That's that was insightful. That's it from my side for now.

Operator: Thank you. Our next question comes from Zohaib Pervez of Al Rayan investment.

Zohaib Pervez: Thank you for the presentation, gentlemen. I have two questions, firstly you've paid an interim dividend last year, and then you've paid a final dividend. Can we see this repeating in 2021? Are you going to pay an interim dividend and final dividend in 2021 or that interim dividend that you paid at the start of last year was, you know, related to the 2019 or probably the IPO? That's my first question. The second question is on the competition, we see that the number of other people coming into the milk and juice segment. How do you see competition locally panning out for yourself? Thank you.

Saifullah Khan: Okay. Zohaib, you have a two part of the question. One I will answer, and second Malcolm will answer you. So, your first question regarding dividend, the board and the executive management team believe dividend has one of the key factors to provide return to our shareholders because we are well funded for our working capital requirements and any plant expansion board has decided to propose a higher pay-out ratio. Then our general guidance what we provided at the time of IPO, Baladna is in a very solid financial position as has access to external funding, if required for any non-budgeted plan, and we will decide on any future pay-out ratio and as we deemed in the best interests of the shareholders and appropriate. And so, I think, I hope I answered your question on this side.

Zohaib Pervez: Just a follow up on the same for this one, this is the strategy for now, for last year was there were two dividends. And so, it is going to be the same, or is it going to be one dividend a year? How does this happen next year?

Saifullah Khan: We will be not having the interim dividend and the 2021 will be only final dividend. Because that was a first year of the company and you know at the time of IPO and there were different expectations from the shareholders that we just try to bring that something for attraction for the investors. That's why we paid interim dividend.

Zohaib Pervez: Okay, thank you.

Malcolm Jordan: Zohaib, on a question around competition, a pretty short answer, you know, I think competition and choice for consumers is really really important. And I think you know, but I think also for Baladna, competition is also really important. And I think that that is, you know, it keeps us very focused on what we need to do and making sure that all of the leavers that we need to have in place keep us ahead. But I think that it's great to see that the really healthy, you know, local market competition in Qatar, and has actually evolved

over the last couple of years you know, and you know, we're really pleased to see that. And I think that gives us something that we can continue to consider and make sure that we're moving ahead regardless of that. But I think the short answer is it's very, very positive.

Zohaib Pervez: Thank you gentlemen for that. On the competition how many new competitors have increased coming to the second half of 2020?

Malcolm Jordan: Yeah, look, I'm sure that you see them in the market that are some that have been, some of our competition have all just been around for, you know, longer than we have. And that's right. And then, you know, there are probably two or three I would say local competitors who have made you know, you can find on the, you know, the shelves of the retailers today and they're also working hard to develop their brand and to develop their product range and continued to compete for space you know, where we would want to have that space for us. So, and that creates that healthy sort of environment that I think is in the end, what's best for consumers. And that benefits us all right. So, I think that's our view on that.

Zohaib Pervez: Thank you.

Operator: Thank you. Our next question comes from Waruna Kumarage of Sico bank.

Waruna Kumarage: Hi good afternoon. I have two questions. The first one is on the, your cost of revenue. I just want to get a clarification on there's a deduction on, based on the fair value gain on milk. So, if you could kindly explain the basis on that and how can we see that going forward? And secondly, my question is on the potential for the like post COVID when the market opens, what kind of growth can we expect under

normal scenario from current levels as far as the milk market is concerned? Thank you.

Saifullah Khan: Okay Kumarage. Answer for the first question. You said the fair value gain on milk produce, it's the part of in the first reading dating and packaging material. So, here you are just seeing the internally when you recode the milk, you consider it has an inventory and just an internal relocation. So, when a farm produce milk, it generates milk and it's farm revenue, and then dairy consume it become a part of daily milk cost. The part of daily milk is a first line QR 468 million, this QR 355 million fair value which you are seeing it is already considered here. So, this is just to meet the IFRS requirement to internally we have our own mechanism. So, there is no fair value gain recorded. When we recorded it you already considered cost as well.

Waruna Kumarage: So, that's a net. So, we should consider that net value right now, the actual cost that.

Saifullah Khan: So, it's net zero impact.

Waruna Kumarage: Okay. Thank you. And if you could comment on the potential for the market, how much can the market grow if the economy opens up the movement restrictions, everything is lifted in Qatari dairy market. How much can it grow in from 2020 levels?

Saifullah Khan: I will give to Mr. Malcolm and he can comment on this.

Malcolm Jordan: Thanks for the question. Not a particularly easy one to answer, you know, we are optimistic that the market will bounce back post COVID and that we will move and these categories that we talked about will move into positive territory. I imagine on



some of the more the staples, you know, will moved back into, I guess, single digit growth for that of course will be quite largely dictated by, you know, population and what happens on the run-up to the 2022 program.

So, I think that, you know, we're optimistic. I don't have a number for you because I think it will depend on many different things. It is still not clear to us right now, but I think that as we move out of COVID, strong bounce back into positive territory and in some categories, you know, like milk, any of the staples really very much dependent on what happens with both population and sentiment that we expect will also return, but in some of these other categories, we would continue to see this steady, strong, double digit growth, as we experience today. And that will only, I think, accelerate over time.

Waruna Kumarage: And just a small follow-up by how much is the market contracted MAP 2020 Vs. MAP 2019? If I may ask that.

Malcolm Jordan: Yeah, look, you'll get a, in page 10 and 11 of the deck, you'll see by category, what kind of movement we've seen in volume between the two years. So, we see strong you know, small, single digit decreases on things like milk, UHT milk and laban and strong increases in things like creams, cheeses and labneh and so on. So, it's a really a tale of two different paths that information is available for you there. And we can support that with more, if you need, what we're saying is that what we believe that will happen is post COVID the bounce will move these markets back into positive territory. Now, it's fair to say at the same time that markets are declining, we are continuing to take market share. So, it's not necessarily, you know, all bad news. So, well, you know, the cake gets a little bit smaller. Our, you know, we get a larger piece of the pie. So, you know, we are trying to counter in the short term these decreases with share gains and the categories where it's relevant.

Waruna Kumarage: Okay. I sort of just one more thing. I mean, one last question on the cycle on the government support that you mentioned, you said it's going to be around QR 120 million next year, less than this year. So, can we expect these to gradually decline over the coming years?

Saifullah Khan: It's gradually decreasing, but not up to the, what we have seen in last two years, because it will be QR 122 million, QR 110 million, and then in this range and year 2027 will be the last payment QR 48 million.

Waruna Kumarage: And whilst this is entirely phased out, I mean, your profitability, of course, it's supported by what measures do you have in place to offset this? Do you think you could be as profitable? Your net margin could be as the highest, like what you're achieving right now in the long run. There are around 19%.

Saifullah Khan: If you see year on year this number of government support is decreasing. 2019 was QR 248 million, 2020 QR 143 million, more than QR 105 million decrease. But you see our profitability is increasing more in terms of growth. You can see our bottom line, which means the business is capturing efficiency across the value chain and top line also growth have an impact on your bottom line. So, next year our 2021 number. So, our efficiency as top-line growth is more than this, what you are seeing that number decreasing. So, it was at the time of signing this agreement, QR 1.2 billion at that time of IPO, it was designed accordingly, you know, this dairy business initially need more support. It is a worldwide phenomenon, so it needs to develop the market here. And accordingly, you know, the efficiency in the business, your cost of production will be down and itself will be self-sufficient to, you know, the major efficiencies.

Waruna Kumarage: Yeah, that was very, very helpful. Thank you. Thank you so much.

Operator: We'll take our next question. It comes from Meet Bhatt of Axience.

Meet Bhatt: Thank you for the opportunity again, just one question on margins. So, I definitely agree that we are in a ramp up phase right now in terms of operations in terms of production, SKUs and everything. So, over the long term, what is then a sustainable EBITDA margin that the company can achieve?

Saifullah Khan: EBITDA margin. What we are attaining currently we are expecting that it will be a sustainable because our top line growth, it's more toward expansion in our export and export have relatively low margins. It's tight competition and efficiency in operations. You can see now you're almost reaching to maximum, so, where it will be not big room, so we can see that that will be sustainable EBITDA margin, what we have currently.

Meet Bhatt: So, do you see any, do you see any improvement from your own? I mean what the next five or seven years, where do you see the margins moving towards?

Saifullah Khan: For future prediction, I cannot commit on anything. So, what I can commit on by historical numbers, the way the company is achieving the results, top line bottom line. And this is you can predict you know; we are not allowed to discuss five years plan in this call.

Meet Bhatt: Okay. Thank you.

Operator: It appears we have no further questions at this time. I'd like to hand the call back to our speakers for any additional or closing remarks.

Mehmet Aksoy: Hi, this Mehmet Aksoy again, if there are no further questions, then we can wind up the call for today. I would like to thank Baladna for participating in the call. Please do reach out to QNBFS or Baladna if you have any further questions. Thank you.

Saifullah Khan: Thank you.

Operator: This concludes today's call. Thank you for your participation. You may now disconnect.