



BALADNA Q.P.S.C.

H1 2024

Financial Results Presentation

28 July 2024

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Key Messages



Key Messages



- During the six months period ending 30 June 2024, Baladna achieved a revenue of QAR 595 million compared to QAR 517 million for the same period last year, representing a significant revenue growth of 15%. This growth was primarily driven by increased sales volumes across all channels, favourable market conditions observed during the period and continued market share gains
- Net profit reached to QAR 100 million in comparison with QAR 42 million for same period last year with an outstanding growth of 137%. The reported growth in net profit was mainly attributable to increase in revenues, reduction in finance cost through effective negotiations, strategic and efficient cost control measure and operational efficiency across the entire value chain
- During the second quarter of 2024, Baladna achieved a revenue of QAR 282 million and net profit of QAR 52 million. This represents a revenue growth of 7% and substantial net profit growth of 134%, compared to the second quarter of 2023
- Baladna is strategically enhancing its product portfolio while actively exploring opportunities for innovation and introducing new offerings. Baladna entered in the high protein milk market and successfully expanded Greek Yogurt portfolio as the key developments in the first half of the year. The company relaunched its juice portfolio with a refreshed appearance and new flavours aiming to enhance the consumer experience. Furthermore, the “Awafi” product range has been revitalized and refreshed with a distinct brand proposition of 'Every Day Value, Every Day Quality', featuring a new packaging identity across the entire portfolio
- With regards to Algeria Project, Baladna is progressing according to the plan. Groundbreaking activities are expected to commence in the near future. This project aims to generate significant shareholder value and marking a crucial milestone in Baladna's global growth strategy
- Along with delivering shareholder value, Baladna continues to stay committed to its vision and mission of delivering superior products and expanding its dairy and juice portfolio to become the most trusted nutritional and healthy Food and beverages brand in Qatar

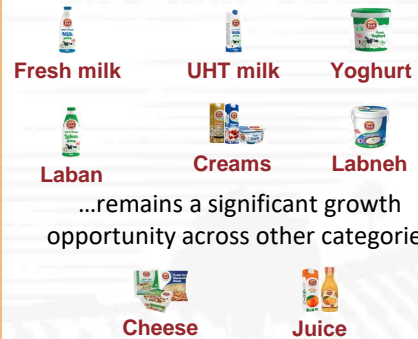
Key Messages

Key investment highlights

Market leader in the Dairy and Beverages sector in Qatar

Leading position across 6 out of 8 product categories...

Number 1 position across 6 categories...



...remains a significant growth opportunity across other categories

...complemented with a strong operational infrastructure

Diversification initiatives

Moved to detergent business under E-life Detergent Factory



Strategic partnerships

Producing The Laughing Cow® spreadable cheese for Bel Group and selected products under ALBADIA brand



Excellent product innovation track record and access to consumer insights

Continuously enhancing the product portfolio management...

Highly appreciated brand names created



Diverse range of product offerings

SKUs 255

...complemented by an excellent reach of retail and Horeca clients

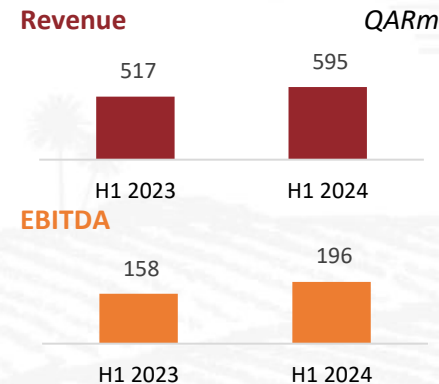
No. of sales routes 139

No. of customers 3,625



Strong financial performance and Cash flow management

Strong increase in revenue and EBITDA increased due to increase in sales volumes...



...ability to achieve profitability margins and Free cash flow

- Significant increase in net profit by 137% over H1 23
- Increase in FCFF from QAR 146m in H1 23 to QAR 198m in H1 24

Strategic and dedicated shareholder support

Strategic & founding shareholders account for 52% of shareholding...

Strategic shareholders



Strengthening food security and self-sufficiency in Qatar, backed by Government support

...supporting Baladna to continue its growth

Growth at the heart of Baladna's management

- Continuously assessing horizontal or vertical expansion
- Unwavering dedication to visions and mission

Continuous identification of growth enablers

Continuously assessing value accretive opportunities and projects

- ✓ Approaching the groundbreaking activities of Algeria project, targeting significant shareholder value creation
- ✓ Strengthening strategic alliance in Egypt holding significant 15% stake in largest dairy producer in Egypt, Juhayna Food Industries

...with strong operational capacity to capitalize on optimization initiatives

- Assessment of strategic integration opportunities to have own feed farms to meet internal demand
- Potential to further support self sufficiency and the certainty of the supply and quality of feed



Operational and Commercial Update



Operational and Commercial Update



Key operational highlights

		June 2023	June 2024	YoY growth	
1	<div>Overall market share</div> <div></div>	52.5%	54.1%	▲ 1.6%	▪ Increase in market share driven by a growth in sale volumes across the majority of product categories
		Source: AC Nielsen	Market share reflects MAT 12 months		
2	<div>Total no. of SKUs</div> <div></div>	259	255	▼ -1.5%	▪ The rationalization program continues to review product portfolio to maximise returns
3	<div>No. of customers</div> <div></div>	3,500	3,625	▲ 3.6%	▪ Focus is on enhancing relationships with existing clients and attracting new customers

Operational and Commercial Update

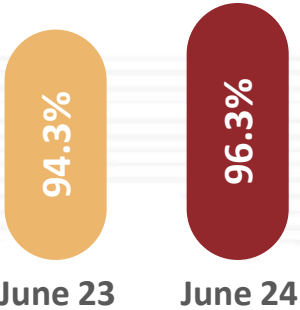
Market Segmentation (1/3)



Fresh milk

96.3%

Market share



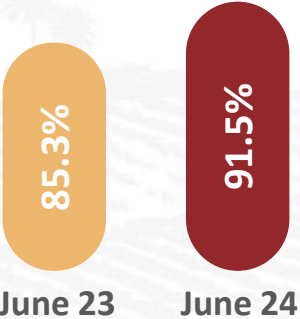
- YoY market share growth: **+2.0%**
- Retained strong #1 position




UHT milk

91.5%

Market share



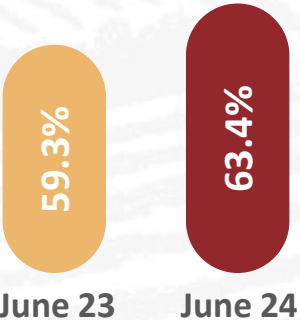
- YoY market share growth: **+6.2%**
- Retained strong #1 position



Laban

63.4%

Market share



- YoY market share growth: **+4.1%**
- Retained strong #1 position

Source: AC Nielsen

Market share reflects MAT 12 months

Operational and Commercial Update

Market Segmentation (2/3)



Yoghurt

48.6%

Market share

46.7%

June 23

48.6%

June 24

- YoY market share growth: **+1.9%**
- Retained strong #1 position



Labneh

40.1%

Market share

44.3%

June 23

40.1%

June 24

- YoY market share growth: **-4.2%**
- Retained the market leadership



Cheese

25.7%

Market share

25.0%

June 23

25.7%

June 24

- YoY market share growth: **+0.7%**
- Remains a significant growth opportunity

Operational and Commercial Update



Market Segmentation (3/3)



Creams

62.0%

Market share

60.4%

June 23

62.0%

June 24

- YoY market share growth: **+1.6%**
- Retained strong #1 position



Juice

18.3%

Market share

20.0%

June 23

18.3%

June 24

- YoY market share growth: **-1.7%**
- Remains a significant growth opportunity

Operational and Commercial Update

Introduction of 25 new SKUs in H1 2024



Juice re-launch



"Awafi" packaging revamp



- Baladna is constantly looking to enhance its product mix by introducing new products and augmenting its portfolio
- In H1 2024, Baladna has introduced 25 new products, relaunched the Juices portfolio and revamped the Awafi range
- A key highlight is the entry into a new segment of High Protein with the launch of Baladna Hi-Protein Milk in two delicious flavors



Financial Performance



Financial Performance for H1 2024






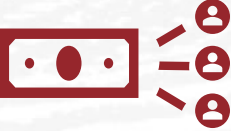
Key Financial Highlights

		H1 2023	H1 2024	YoY growth	
1	Revenue 	QAR 517m	QAR 595m	▲ 15%	Increase in sales volumes across both HORECA and Retail channels due to capitalization of improved market conditions and gain in market share across key product categories resulted in growth in revenue by 15%
2	EBITDA 	QAR 158m <i>EBITDA margin</i> 30.6%	QAR 196m 33.0%	▲ 24%	Increase in revenue and savings through operational efficiency across entire value chain led Baladna to increase its EBITDA by 24%
3	Net profit* 	QAR 42m <i>NP margin</i> 8.2%	QAR 100m 16.9%	▲ 137%	Along with the factors mentioned above, saving in finance cost resulted to increase in net profit by 137%
4	EPS 	QAR 0.022	QAR 0.053	▲ 137%	Increase in net profit resulted in a 137% increase in Earnings Per Share

*Net profit excludes the non-controlling interest

Financial Performance for Q2 2024

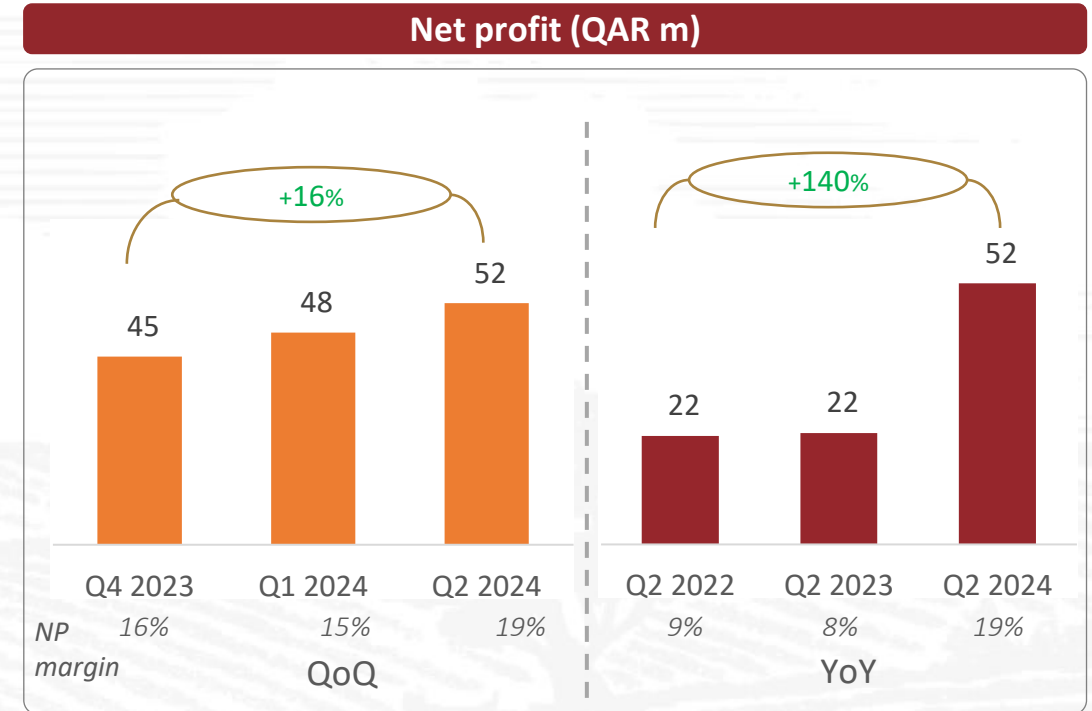
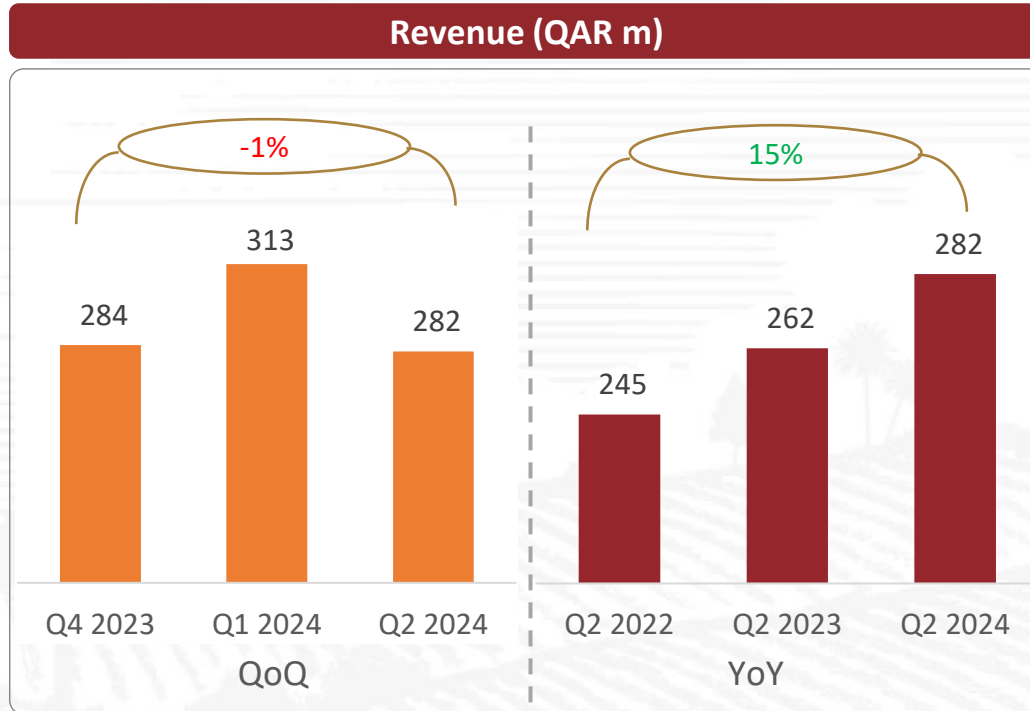
Key Financial Highlights

		Q2 2023	Q2 2024	YoY growth	
1	<div>Revenue</div> 	QAR 262m	QAR 282m	▲ 7%	Increase in sales volumes across both HORECA and Retail channels due to capitalization of improved market conditions and gain in market share across key product categories resulted in growth in revenue by 7%
2	<div>EBITDA</div> 	<div>QAR 81m</div> <div>EBITDA margin 30.9%</div>	<div>QAR 100m</div> <div>35.5%</div>	▲ 23%	Increase in revenue and savings through operational efficiency across entire value chain led Baladna to increase its EBITDA by 23%
3	<div>Net profit*</div> 	<div>QAR 22m</div> <div>NP margin 8.5%</div>	<div>QAR 52m</div> <div>18.5%</div>	▲ 134%	Along with the factors mentioned above saving in finance cost resulted to increase in net profit by 134%
4	<div>EPS</div> 	QAR 0.012	QAR 0.027	▲ 134%	Increase in net profit resulted in a 134% increase in Earnings Per Share

*Net profit excludes the non-controlling interest

Financial Performance

Financial performance development



- Strong YoY revenue growth mainly driven by the consistent volume growth coming from continued increase in market share across most product categories. QoQ revenue slightly decline due to seasonality variation
- Increase in net profit YoY and QoQ mainly driven by the increase in revenues, savings through operational efficiency across entire value chain, reduction in finance cost through effective negotiations along with strategic and efficient cost control measures

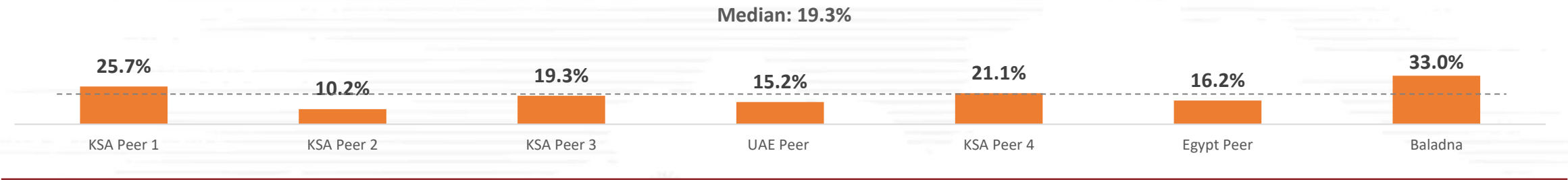
*Net profit excludes the non-controlling interest

Increase in sales volumes, market share gains, operational efficiency across entire value chain and saving in finance cost resulted to increase the profitability margins

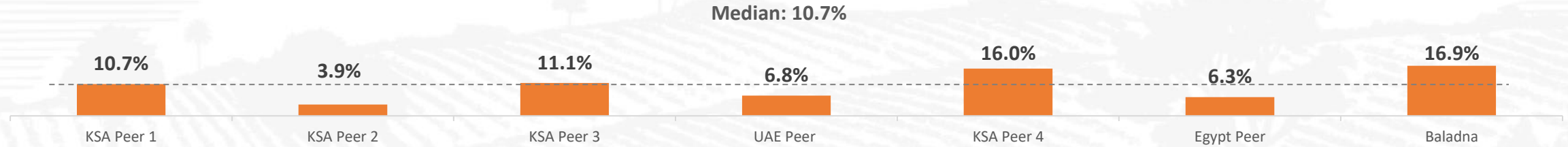


Margins positioning compared to regional peers

H1 2024 EBITDA margin



H1 2024 net profit margin



- Baladna achieved an EBITDA margin of 33.0% and net profit margin of 16.9% for the H1 2024, which remains industry leading among regional peers

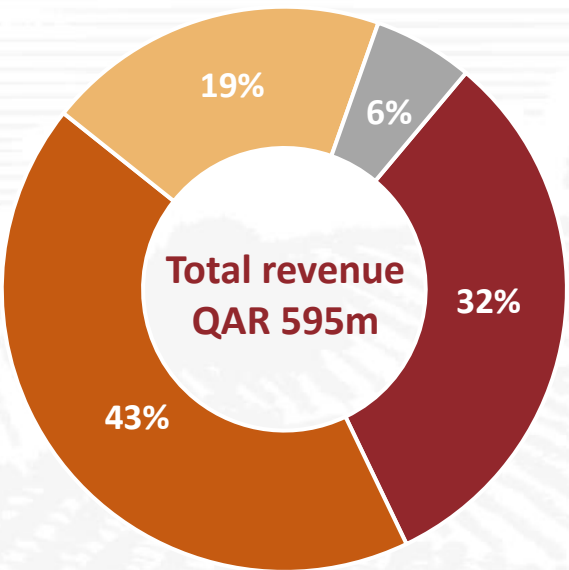
Source: REFINITIVE as of 22 July 2024
Baladna margins represented H1 2024 results (For the six-months period ended 30 June 2024)

Revenue by channel

Growth recorded in all channels

Contribution by Channel (H1 2024)

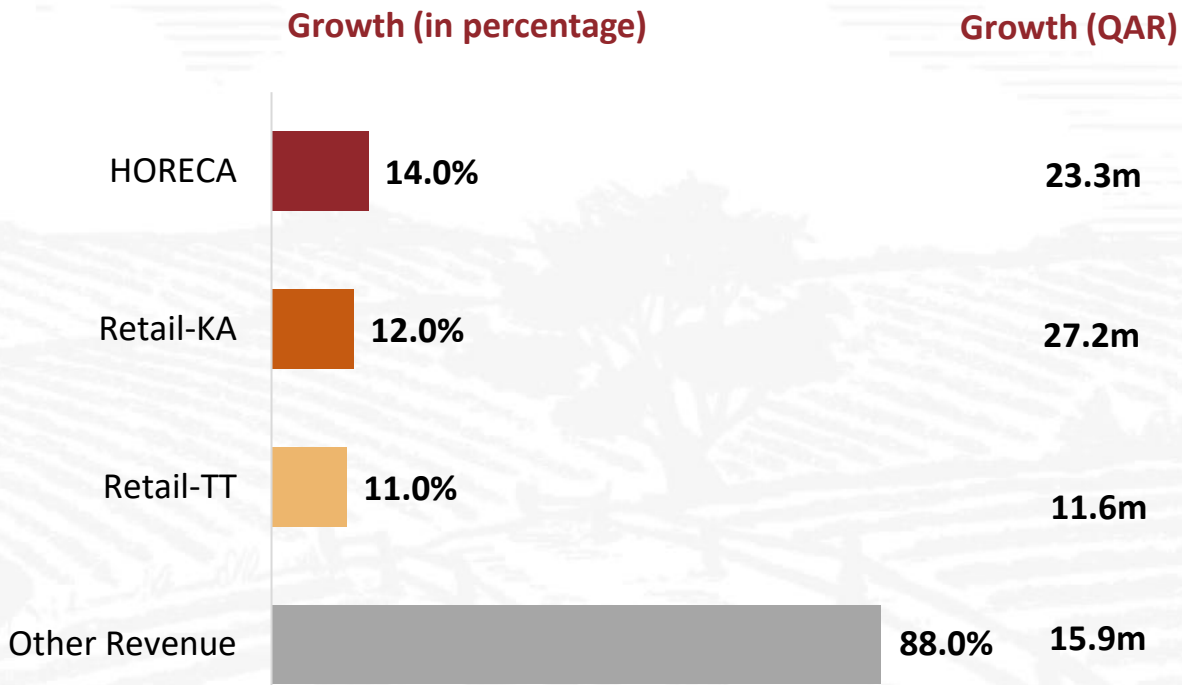
Channel wise revenue contribution (in percentage)



■ HORECA ■ Retail-KA ■ Retail-TT ■ Other Revenue

Growth by Channel

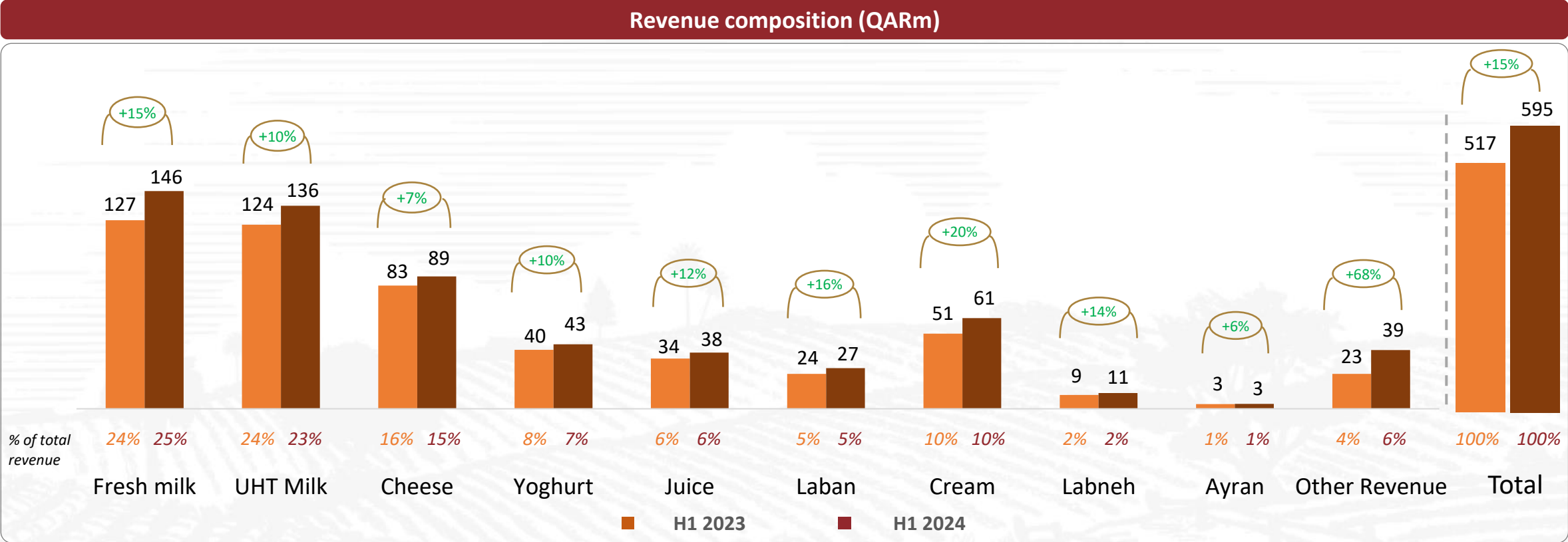
H1 2024 channel wise growth (vs H1 2023)



Note: "Other revenue" includes livestock sales, detergent sales, compost and manure sales, plastic sales, feed and other sales

Financial Performance

Revenue composition– Year-on-year

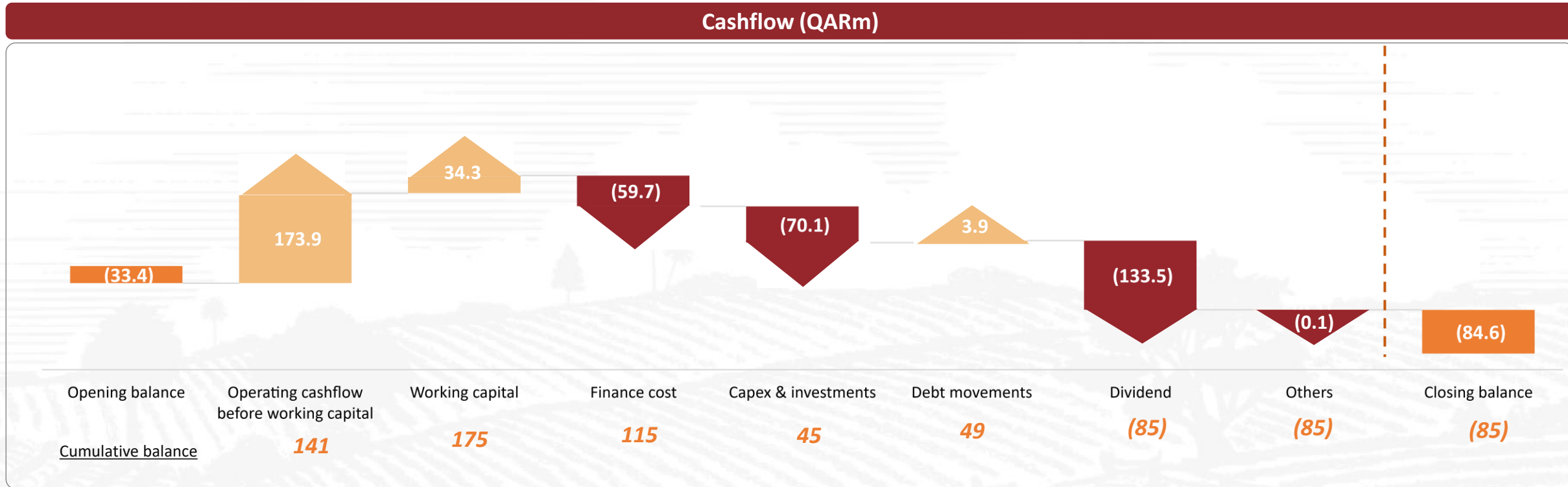


- Revenue growth in all product categories backed by increase in population and market share growth across most product categories
- Continuing to enhance existing client relationships while targeting new customers in all channels
- Considerable revenue growth within Cream(20%), Laban (16%) and Fresh milk (15%) categories

Note: "Other revenue" includes other dairy (i.e. desserts, custard, ghee), livestock sales, detergent sales, compost and manure sales, plastic sales, feed and other sales

Financial Performance

Cashflow management for the H1 2024



- Baladna continues to generate robust cash from operations as a result of the growth in revenues
- Efficient working capital management has contributed to the positive operating cash flow during the H1 2024
- Through its strong operating cashflows, Baladna distributed QR 133Mn dividend in H1 2024

Financial Performance

Financial position as at June 30, 2024

Total assets (QAR million)

	June-24	Dec-23	Growth
Fixed Assets	3,174	3,189	▲ 0%
Biological Assets	176	196	▼ -10%
Investment In Shares	444	372	▲ 19%
Other Non-Current Assets	132	136	▼ -3%
Total Non-Current Assets	3,926	3,893	1%
Trade and Other Debit Balances	408	409	▼ 0%
Inventories	372	400	▼ -7%
Cash and Bank Balances	28	60	▼ -53%
Other Current Assets	78	82	▼ -5%
Total Current Assets	886	951	-7%
Total Assets	4,812	4,844	-1%

Total shareholders' equity and liabilities (QAR million)

	June-24	Dec-23	Growth
Islamic Financing	1,755	1,721	▲ 2%
Other Non-Current Liabilities	125	128	▼ -3%
Total Non-Current Liabilities	1,880	1,849	2%
Trade and Other Credit Balances	237	261	▼ -9%
Bank Facilities	356	361	▼ -1%
Other Current Liabilities	13	15	▼ -15%
Total Current Liabilities	606	637	-5%
Shareholders Equity	2,324	2,356	▼ -1%
Non-Controlling Interest	3	2	▲ 10%
Total Shareholders Equity	2,327	2,358	-1%
Total Equity and Liabilities	4,812	4,844	-1%

Note: Absolute values may differ due to rounding



Shareholder Information



Shareholder Information

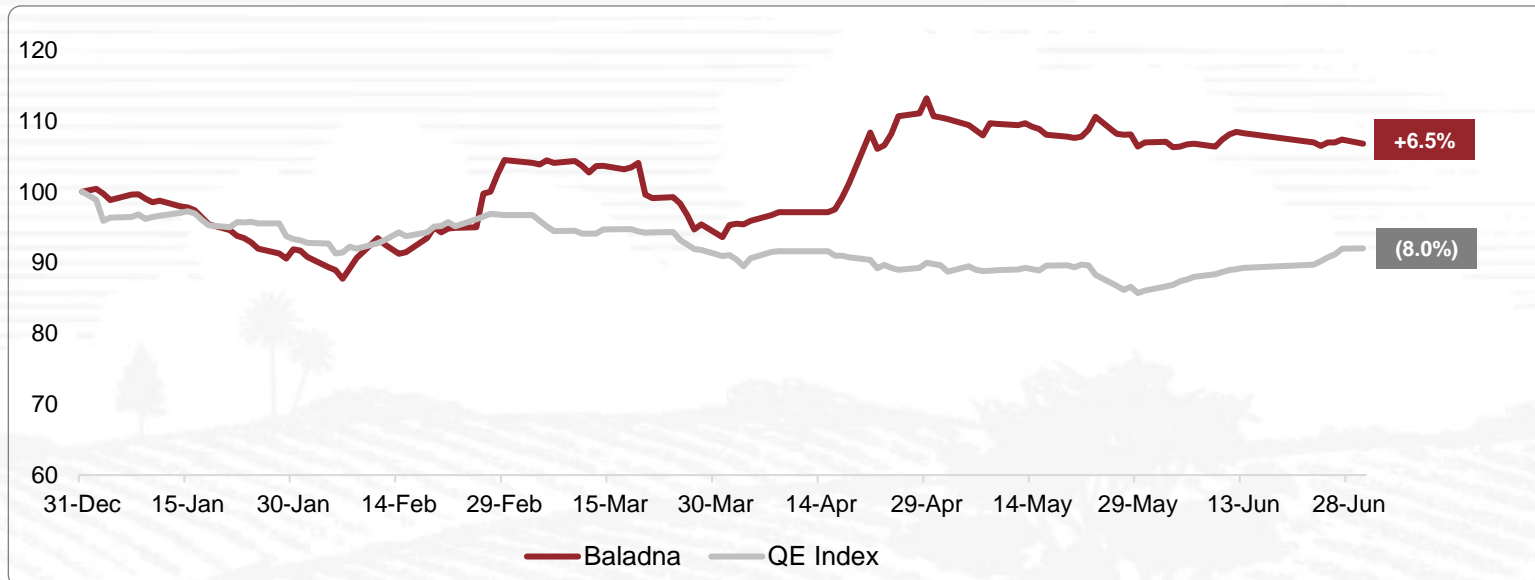
Shareholder information (as at June 30 2024)



General information

- **Company name** **Baladna Q.P.S.C.**
- **Ticker (QE)** **BLDN**
- **Market cap:** **QAR 2.5b**
- **Common shares outstanding** **1.9b**

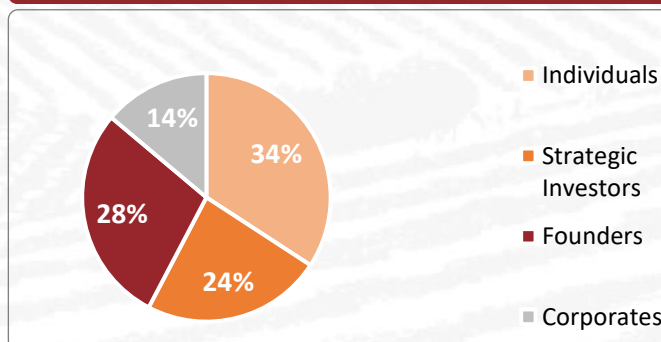
Share price versus QE Index 1 January 2024 to 30 June 2024 (rebased to 100)



Company key stats

- **Spot price:** **QAR 1.303**
- **YTD % change:** **+6.8%**
- **Value creation for IPO investors (Capital appreciation & dividends)** **+49.5%**

Shareholding structure



Investor relations contact

For all IR inquiries, please contact:

ir@baladna.com

For more information, please visit our website:

www.baladna.com



Management Outlook H2 2024



Management Outlook

Management outlook for H2 2024



Product development

Bringing new products to the market is at the heart of Baladna's strategy as we aim to continue product innovation and introduce new products to capture greater market share. We are committed to delivering unmatched excellence across all facets of product quality assurance while meeting ever changing consumer preferences



Market environment

Our overarching priorities are to ensure the national food security and to diversify and develop our business both in and outside Qatar. We will maintain our focus on ensuring constant availability of our high-quality products to consumers, anytime, anywhere. Positive indicators of cost inflation normalization, improving efficiency across the entire value chain along with increased local population presents a promising outlook for a more robust outcome for the rest of the year 2024



Expansion opportunities

International expansion opportunities, the key for long-term growth and remain the focus area for Baladna. Baladna is advancing its project in Algeria according to the plan. Groundbreaking activities are expected to commence in the near future. This project aims to generate significant shareholder value and marking a crucial milestone in Baladna's global growth strategy



Strong financial performance

The strategies currently in place are anticipated to further enhance our market share growth as we maintain a steadfast focus on expanding all our channels and categories. Coupled with favorable indicators for top-line growth, our ongoing commitment to enhancing efficiency and operational excellence is expected to sustain the growth momentum in our bottom-line performance throughout the rest of the year 2024



Appendix



Appendix

Profit and loss statement – H1 2024

QAR m

	H1 2024		H1 2023		Change
Revenue	594.7	100%	516.7	100%	15%
Cost of revenue	(452.2)	-76%	(414.6)	-80%	9%
Gross profit	142.4	24%	102.0	20%	40%
Other income	55.8	9%	58.9	11%	-5%
Gain from Investment Securities	9.8	2%	2.2	0%	350%
Dividend income	2.2	0%	2.3	0%	-3%
General and administrative expenses	(32.9)	-6%	(38.0)	-7%	-14%
Selling and distribution expenses	(48.5)	-8%	(40.8)	-8%	19%
Operating profit for period	128.9	22%	86.5	17%	49%
Finance costs and bank charges	(27.9)	-5%	(44.2)	-9%	-37%
Profit before income tax	101.1	17%	42.3	8%	139%
Income tax expense	(0.4)	0%	(0.2)	0%	75%
Profit after tax for the period	100.7	17%	42.1	8%	139%
Other comprehensive income	-	0%	-	0%	-
Total comprehensive income for the period	100.7	17%	42.1	8%	139%
Non-controlling interest	0.2	0%	(0.2)	0%	236%
Total comprehensive income attributed to the parent	100.4	17%	42.3	8%	137%
Basic and diluted earnings per share (QAR per share)	0.053		0.022		137%

Appendix

Profit and loss statement – Q2 2024

QAR m

	Q2 2024		Q2 2023		Change
Revenue	281.9	100%	262.2	100%	7%
Cost of revenue	(211.0)	-75%	(210.3)	-80%	0%
Gross profit	70.9	25%	52.0	20%	36%
Other income	27.5	10%	28.9	11%	-5%
Gain from Investment Securities	4.3	2%	1.7	1%	152%
Dividend income	2.2	1%	2.3	1%	-3%
General and administrative expenses	(16.2)	-6%	(19.0)	-7%	-15%
Selling and distribution expenses	(22.3)	-8%	(21.2)	-8%	5%
Operating profit for period	66.4	24%	44.7	17%	48%
Finance costs and bank charges	(14.0)	-5%	(22.5)	-9%	-38%
Profit before income tax	52.4	19%	22.2	8%	136%
Income tax expense	(0.1)	0%	(0.1)	0%	12%
Profit after tax for the period	52.3	19%	22.1	8%	137%
Other comprehensive income	-	0%	-	0%	-
Total comprehensive income for the period	52.3	19%	22.1	8%	137%
Non-controlling interest	0.1	0%	(0.2)	0%	-178%
Total comprehensive income attributed to the parent	52.2	19%	22.3	8%	134%
Basic and diluted earnings per share (QAR per share)	0.027		0.012		134%

Appendix

Company Profile



Our purpose

To ensure healthy, natural food and beverages that delight our customers and contribute to the food security of Qatar.

Who we are

Established in 2014, Baladna is Qatar's leading dairy and beverage company, with a diversified product offering, world-class facilities and a self-sufficient farm with breeding capabilities to accelerate future growth.

What we do

Baladna is an integrated dairy and beverage company, with two large-scale farms, state-of-the-art production lines, processing and packaging facilities, and its own distribution network that delivers over 250 dairy and juice products to customers across Qatar and beyond every day.

Vision

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

Mission

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

Product range



Success story

+3,600

Points of sale

54.1%

Overall market share

255

Products available

+1,800

Employees

Appendix

BoD Members



Moutaz Al-Khayyat

Group Chairman



Ali Hilal Al-Kuwari

Vice Chairman



Ramez Al-Khayyat

*Board Member/
Managing Director*



Abdulaziz Mahmoud Al-Zeyara

Board Member



**Hamad Bin Abdullah Bin
Khalid Al-Attiya**

Board Member



Mazen Alsbeti

Board Member



Aidan Tynan

Independent Board Member

Appendix

Senior Management Team



Ramez Al-Khayyat
Board Member / Managing Director



Malcolm Jordan
Chief Executive Officer



Saifullah Khan
Chief Financial Officer



Paul Kenny
Chief Commercial Officer



Nasser Al Maslamani
Chief Corporate Services Officer



Julian Marcolini
Chief Operations Officer

Appendix

Glossary



EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
HORECA	Hotels, Restaurants and Catering
TT	Traditional Trade
KA	Key Accounts
NP	Net Profit
NPD	New Product Development
SKU	Stock Keeping Unit
UHT	Ultra-High Temperature



Q & A





THANK YOU