



# BALADNA Q.P.S.C.

Q3 2024

Financial Results Presentation

29 October 2024

# Disclaimer

This presentation is made only to, and is directed only at, persons to whom such a presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents

Information contained in this presentation is subject to change without prior notice and it may not contain all the material information related to the Company. Neither Baladna Q.P.S.C., its subsidiaries, its Directors or management make any representation regarding, and assume no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein

Nothing in the presentation shall form the basis of any contract or commitment whatsoever. This presentation is furnished to you solely for your information. You may not redistribute it to any other person

This presentation may contain forward looking statements that are made on the basis of current knowledge and assumptions. Various factors could cause future results, performance or events to differ materially from those mentioned in the presentation. The company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements



# Table of contents



<b>Key Messages</b>	<b>4-6</b>
---------------------	------------

<b>Financial performance</b>	<b>7-14</b>
------------------------------	-------------

<b>Operations and commercial update</b>	<b>15-20</b>
---	--------------

<b>Shareholder Information</b>	<b>21-22</b>
--------------------------------	--------------

<b>Management outlook</b>	<b>23-24</b>
---------------------------	--------------

<b>Appendix</b>	<b>25-32</b>
-----------------	--------------





## Key Messages

---



# Strengthening our market leadership through exceptional financial performance and strategic expansion

5

## Financial Highlights

### YTD Revenue

QAR **859mn**

▲ +11%

YoY

### YTD Net Profit

QAR **141mn**

▲ +118%

YoY

### Q3 Revenue

QAR **264mn**

▲ +3%

YoY

### Q3 Net Profit

QAR **41mn**

▲ +82%

YoY

## Strategic Highlights



**Continued expansion** of the dairy and juice portfolio, strengthening Baladna's position as Qatar's leading nutritional brand



Secured **QAR ~100 million government contract in Qatar** for the production and supply of evaporated milk for 2025



**Commenced preliminary works** including exploratory drilling on the integrated dairy farming project in Algeria



**Signed a shareholder agreement** with the Algerian National Investment Fund, securing a **51% stake** in the company that will establish to execute the Algeria project



Advancing plans to **establish an infant milk production project** in Algeria, complementing its milk powder production initiative

# Building long-term value through innovation, operational excellence and strategic partnerships

6

## Market leader in the Dairy and Beverages sector in Qatar

### # 1 position across 6 categories...



...with solid growth opportunity across the other 2 categories

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

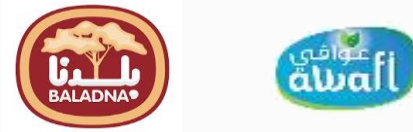
No. of sales routes **139**

No. of customers **3,599**



## Excellent product innovation track record and access to consumer insights

### Highly appreciated brand names created



Diverse range of product offerings

SKUs **269**

...complemented with a strong operational infrastructure

### Diversification initiatives

Moved to detergent business under E-life Detergent Factory



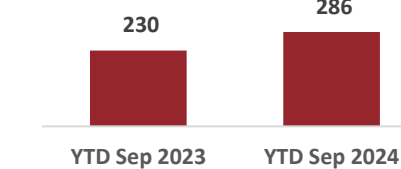
### Strategic partnerships

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

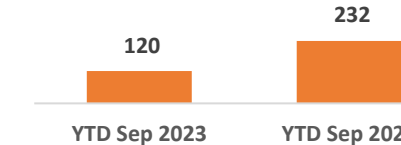


## Strong financial performance and Cash flow management

### EBITDA



### Free Cash Flow to Firm (FCFF)



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

- ✓ Assessing strategic opportunities to develop feed farms to meet internal demand
- ✓ Enhancing self-sufficiency by ensuring consistent supply and quality of feed

## Continuous identification of growth enablers

- ✓ Significant progress in Algeria's dairy project, aimed at creating strong shareholder value
- ✓ Strengthened strategic alliance in Egypt with a 15% stake in Juhayna, Egypt's largest dairy producer

...with strategic and dedicated shareholder support

**52% strategic & founder shareholding**



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









## Financial Performance

---



# Financial Performance for YTD September 2024

## Key Financial Highlights





	YTD Sep 2024	YTD Sep 2023	YOY growth	Key Insights
 <b>Revenue</b> (QAR)	859m	773m	▲ 11%	<ul style="list-style-type: none"><li>○ <b>Sales volumes increased</b> across HORECA and Retail channels, capitalizing on favorable market conditions and <b>increased market share</b> in key product categories, driving <b>11% revenue growth</b></li></ul>
 <b>EBITDA</b> (QAR)	286m	230m	▲ 24%	<ul style="list-style-type: none"><li>○ <b>Operational efficiencies</b> across the value chain, alongside revenue growth, resulted in a <b>24% rise in EBITDA</b></li></ul>
 <b>Net Profit*</b> (QAR)	141m	65m	▲ 118%	<ul style="list-style-type: none"><li>○ Significant <b>savings in finance costs</b> and increase in profit from international activities contributed to a remarkable <b>118% increase in net profit</b></li></ul>
 <b>EPS</b> (QAR)	0.074	0.034	▲ 118%	<ul style="list-style-type: none"><li>○ Increase in net profit resulted in a <b>118% increase in Earnings Per Share</b></li></ul>

\*Net profit excludes the non-controlling interest



# Financial Performance for Q3 2024

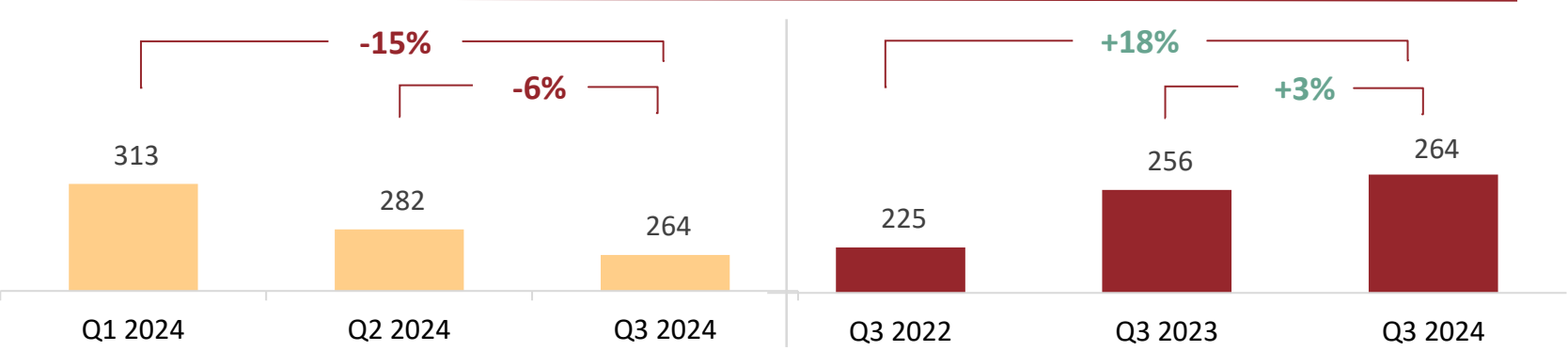
## Key Financial Highlights

	Q3 2024	Q3 2023	YOY growth	Key Insights
 <b>Revenue</b> (QAR)	264m	256m	▲ 3%	○ Increase in sales volumes across both HORECA and Retail channels and <b>gain in market share</b> across key product categories resulted in <b>growth in revenue by 3%</b>
 <b>EBITDA</b> (QAR)	90m	72m	▲ 24%	○ Increase in revenue and savings through <b>operational efficiency</b> across entire value chain led Baladna <b>increase its EBITDA by 24%</b>
<i>Margin</i>	33.9%	28.3%	5.6%	
 <b>Net Profit*</b> (QAR)	41m	22m	▲ 82%	○ Along with the factors mentioned above increase in profit from international activities resulted to <b>increase in net profit by 82%</b>
<i>Margin</i>	15.4%	8.7%	6.7%	
 <b>EPS</b> (QAR)	0.021	0.012	▲ 82%	○ Increase in net profit resulted in an <b>82% increase in Earnings Per Share</b>

\*Net profit excludes the non-controlling interest

# Financial Performance Quarter-on-Quarter and Year-on-Year

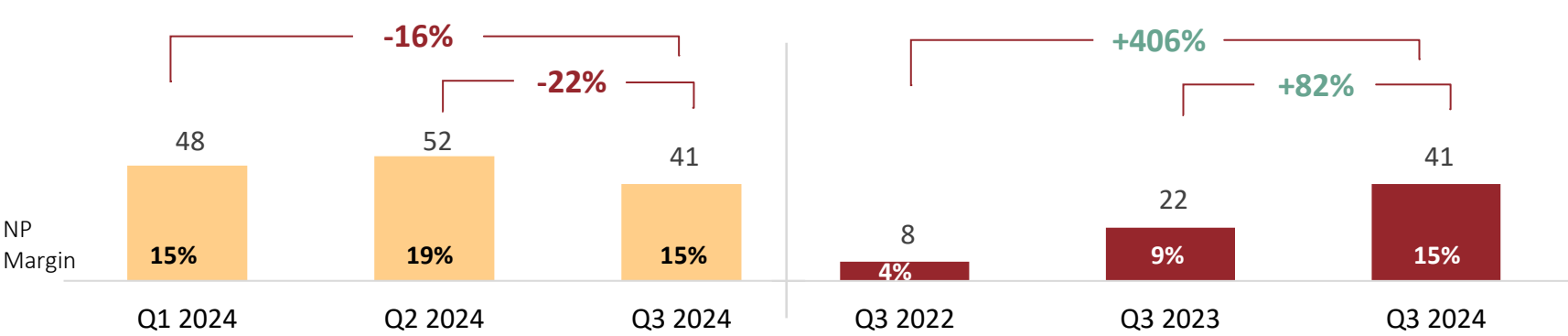
Revenue (QAR m)



Key Insights

- Quarter-on-Quarter performance impacted due to **seasonality**
- **Year-on-year revenue growth** driven by increased sales volumes and **market share gains** across key product categories
- Year-on-year net profit increase due to **enhanced efficiency across the value chain, cost control measures, and finance cost savings**, alongside **increase in profit from international activities**

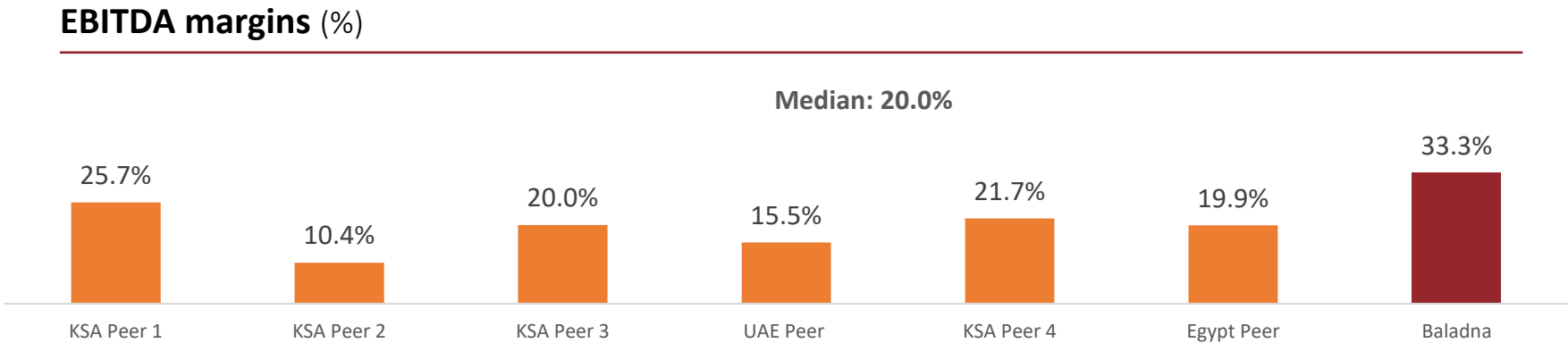
Net profit (QAR m)



\*Net profit excludes the non-controlling interest

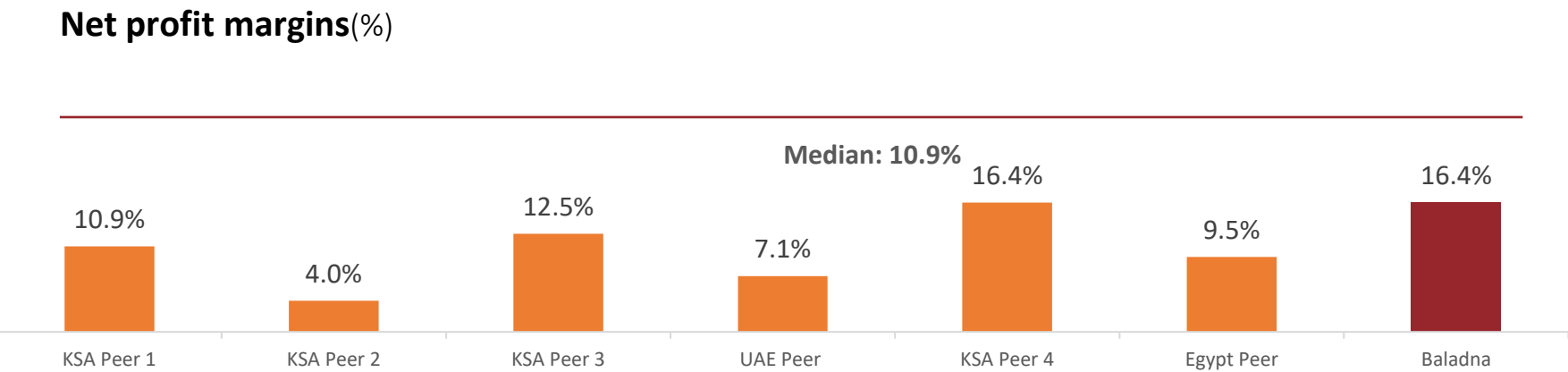
■ QoQ      ■ YoY

# Baladna outperforms its peers' in term of profitability margins



**Key Insights**

- Baladna achieved an **EBITDA margin of 33.3%** for the YTD Sep 2024, which remains **industry leading among regional peers**



- Baladna recorded a net **profit margin of 16.4%** which remains **industry leading among regional peers**

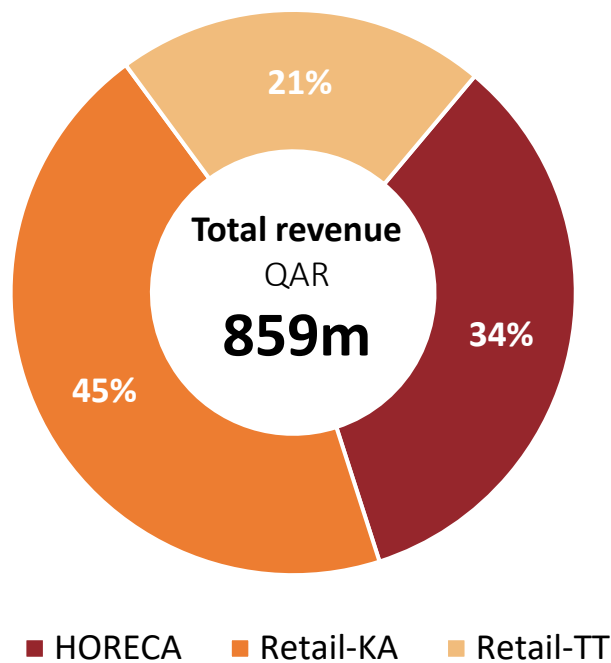
Source: REFINITIVE as of 20 October 2024  
Baladna margins represented Q3 2024 results (For the nine-months period ended 30 October 2024)



# Sustained revenue growth driven by strong performance across all key channels

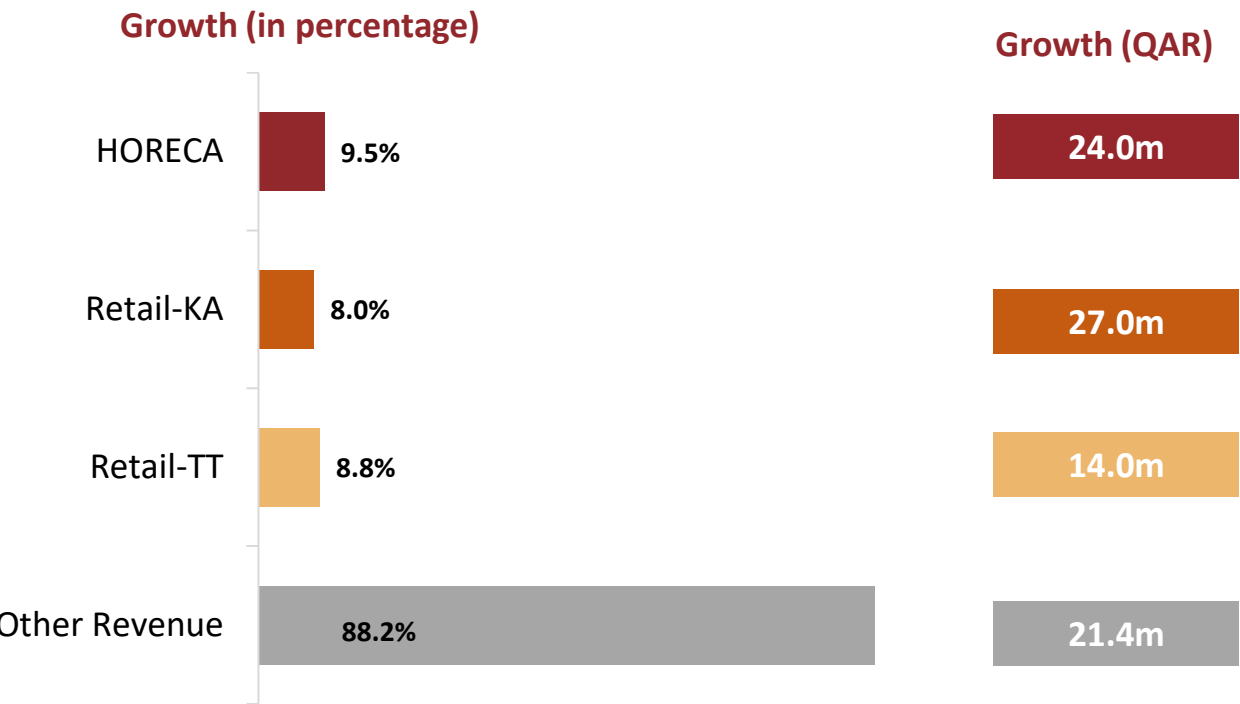
## Channel wise revenue contribution

YTD Sep 2024



## Growth by Channel

YTD Sep 2024 vs YTD Sep 2023

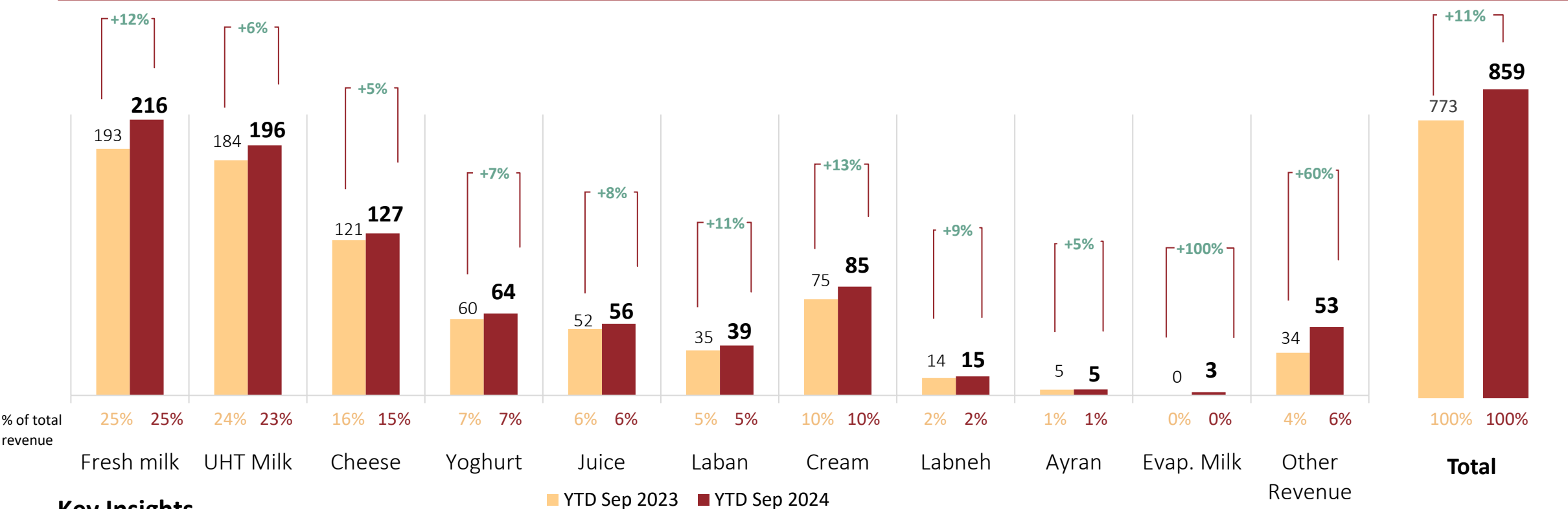


**Note:** Other revenue of QAR 46m included in total revenue of QAR 859m

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

# Outstanding revenue growth in all product categories

Revenue composition and growth (QARm)

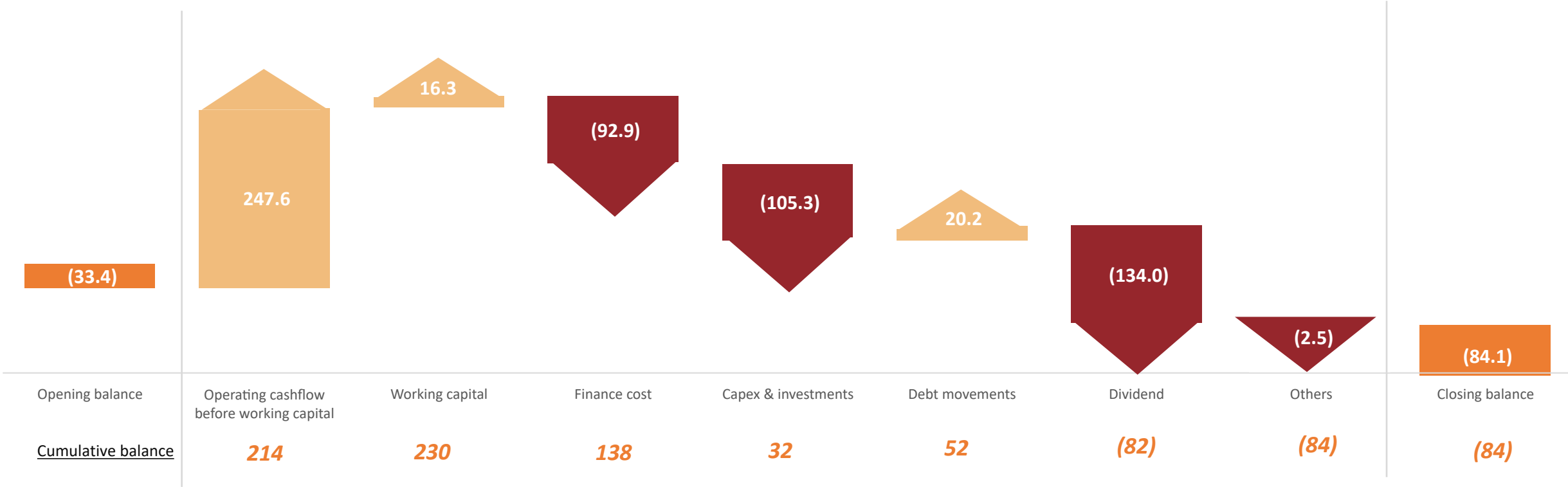


## Key Insights

- Revenue growth in all product categories backed by market share growth across most product categories
- Continuing to enhance existing client relationships while targeting new customers in all channels
- Strong revenue growth maintained in largest segments, while all other segments remain positive
  - Fresh milk** **12%**
  - UHT Milk** **6%**

**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

# Effective cash flow management supporting dividend payout and growth



Key Insights

- 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 YTD Sep 2024
- Through its strong operating cashflows, Baladna distributed QR 133Mn dividend for the year 2023








## Operations and Commercial Update



# Operational and Commercial Update

## Key Operational Highlights

	Sept 2024	Sept 2023	YoY growth	Key Insights
 <b>Overall Market Share</b>	54.4%	52.7%	▲ 1.7%	<ul style="list-style-type: none"><li>○ <b>Increase in dairy market share</b> driven by a <b>growth in sale volumes</b> across the majority of dairy segments</li></ul>
<div>Source: Nielsen</div> <div>Market share reflects MAT 12 months (July Data)</div>				
 <b>Total Number of SKUs</b>	269	255	▲ 5.5%	<ul style="list-style-type: none"><li>○ Significant NPD roll-out across multiple segments has driven total number of SKUs to record high</li></ul>
 <b>Number of Customers</b>	3,599	3,540	▲ 1.7%	<ul style="list-style-type: none"><li>○ Focus is on <b>enhancing relationships</b> with existing customers and attracting new profitable clients</li></ul>

# Operational and Commercial Update

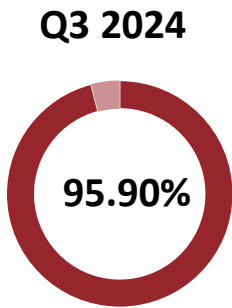
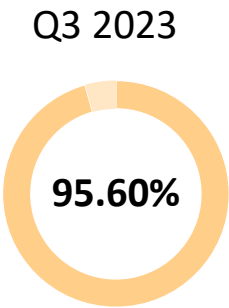
## Market Segmentation (1/3)



Fresh milk

**95.9%**

Market Share



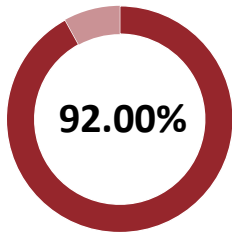
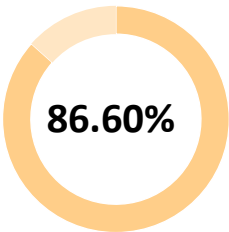
- Key Insights
- Market share growth: **+0.3%**
  - Retained strong #1 position




UHT milk

**92.0%**

Market Share



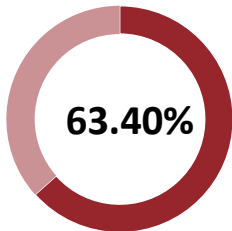
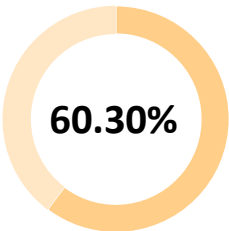
- Market share growth: **+5.4%**
- Retained strong #1 position



Laban

**63.4%**

Market Share


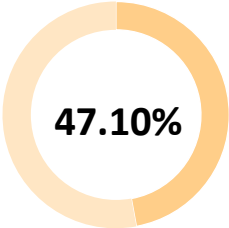
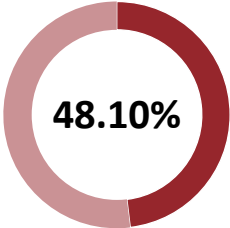

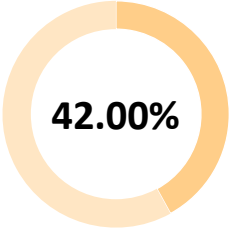
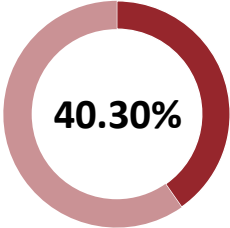

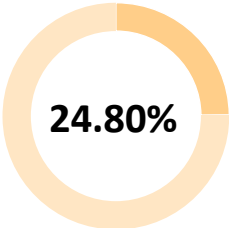
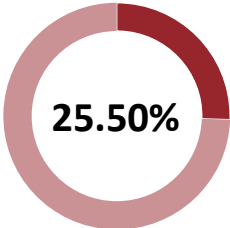


- Market share growth: **+3.1%**
- Retained strong #1 position



# Operational and Commercial Update

## Market Segmentation (2/3)

	Q3 2023	Q3 2024	Key Insights
<div><div><b>Yoghurt</b> <b>48.1%</b> Market Share</div></div>			<ul style="list-style-type: none"><li>○ Market share growth: <b>+1.0%</b></li><li>○ Retained strong #1 position</li></ul>
<div><div><b>Labneh</b> <b>40.3%</b> Market Share</div></div>			<ul style="list-style-type: none"><li>○ Market share growth: <b>-1.7%</b></li><li>○ Retained the market leadership</li></ul>
<div><div><b>Cheese</b> <b>25.5%</b> Market Share</div></div>			<ul style="list-style-type: none"><li>○ Market share growth: <b>+0.7%</b></li><li>○ Remains a significant growth opportunity</li></ul>

# Operational and Commercial Update

## Market Segmentation (3/3)

Q3 2023

Q3 2024

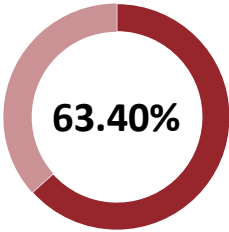
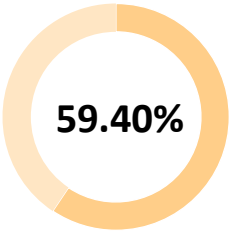
Key Insights



**Creams**

**63.4%**

Market share



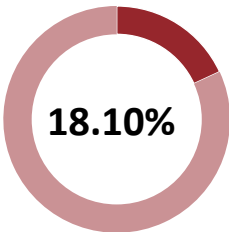
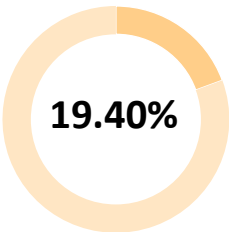
- **Market share growth: +4.0%**
- Retained strong #1 position



**Juice**

**18.1%**

Market share



- **Market share growth: -1.3%**
- Remains a significant growth opportunity

# Operational and Commercial Update

20

Introduction of 40 new SKUs over YTD September 2024



Juice re-launch



Awafi Packaging Revamp



High-protein milk



Greek yoghurt



Triangle Cheese

## Key Insights

- Baladna is constantly looking to enhance its product mix by introducing new products and augmenting its portfolio
- Over the course of YTD Sep 2024, Baladna has introduced 40 new products, relaunched the Juices portfolio and revamped the Awafi product range
- A key highlights are the entry into a new segment of High Protein milk and yoghurt market, expansion of Greek Yogurt portfolio with new flavours and increasing the variety of cheese products



## Shareholder Information

---

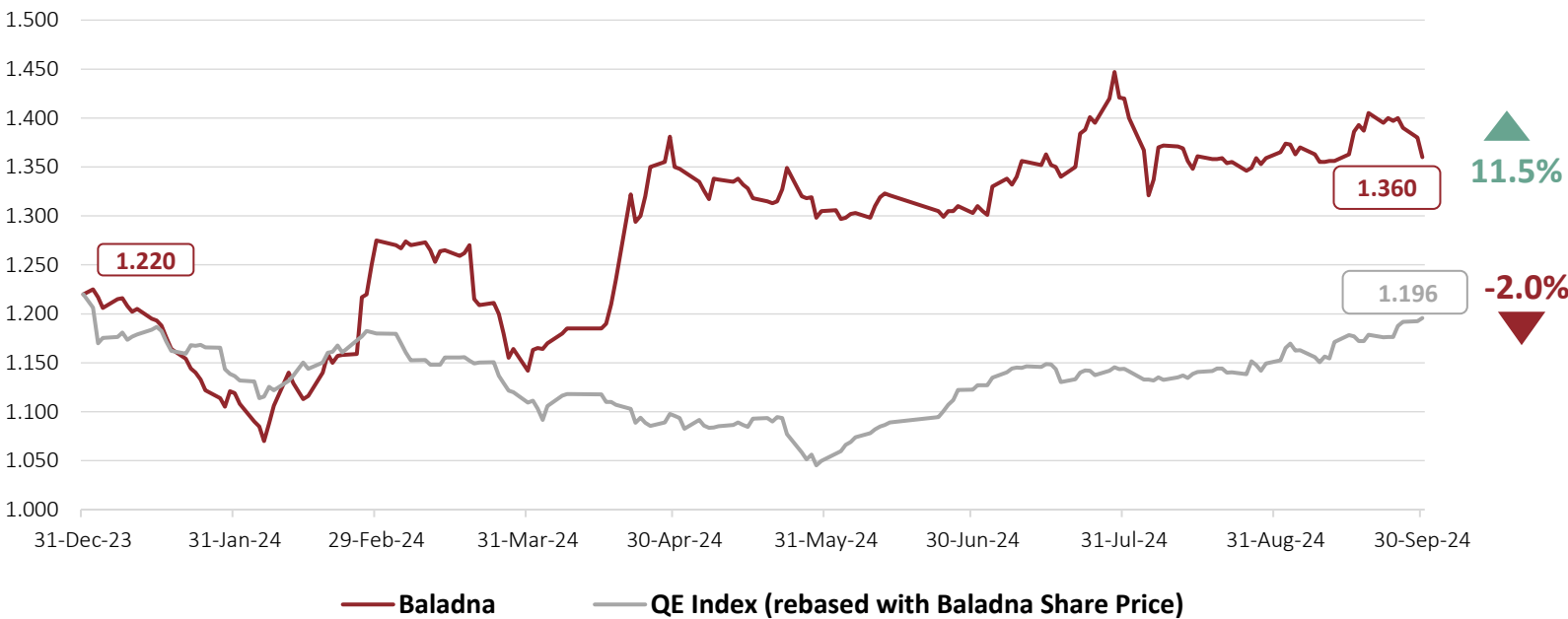




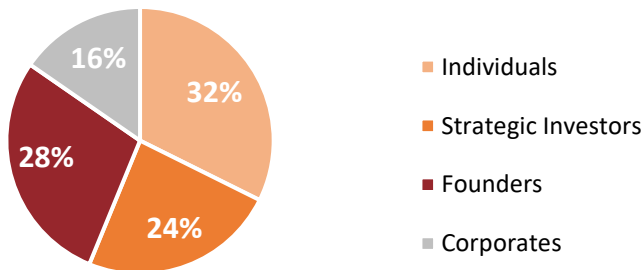
# Shareholder information

As of September 30, 2024

## YTD Share price performance versus QSE – Baladna performed better than market



## Shareholding structure



## General information

Company name	Baladna Q.P.S.C.
Ticker (QE)	BLDN
Market cap	QAR 2.6b
Common shares outstanding	1.9b

## Company key stats

Spot price	QAR 1.360
YTD % change	+11.5%
Value creation for IPO investors (Capital appreciation & dividends)	+55.2%

## Investor relations contact

For all IR inquiries, please contact: [ir@baladna.com](mailto:ir@baladna.com)

For more information, please visit our website: [www.baladna.com](http://www.baladna.com)





## Management Outlook Q4 2024



# Management Outlook for Q4 2024



## Product Development

- Focus on product innovation and introducing new products to capture greater market share
- Commitment to delivering product quality and adapting to consumer preferences



## Market Environment

- Prioritizing national food security and business diversification
- Ensuring constant product availability and operational efficiency for Q4 2024



## Expansion Opportunities

- Progress in international projects, including infant milk and milk powder production in Algeria
- Generating shareholder value through global growth initiatives



## Strong financial performance

- Sustaining growth through operational excellence and cost control
- Focused on expanding channels and categories to drive top-line growth in Q4 2024





## Appendix



# Appendix

## Profit and loss statement – YTD September 2024

<i><b>QAR m</b></i>	<i><b>YTD Sep 2024</b></i>		<i><b>YTD Sep 2023</b></i>		<i><b>Change</b></i>
Revenue	<b>859.0</b>	100%	<b>772.6</b>	100%	11%
Cost of revenue	(657.3)	-77%	(623.5)	-81%	5%
<b>Gross profit</b>	<b>201.7</b>	23%	<b>149.1</b>	19%	35%
Other income	83.5	10%	87.8	11%	-5%
Gain from Investment Securities	18.4	2%	2.3	0%	686%
Dividend income	2.2	0%	2.3	0%	-3%
General and administrative expenses	(50.0)	-6%	(56.3)	-7%	-11%
Selling and distribution expenses	(70.9)	-8%	(62.6)	-8%	13%
<b>Operating profit for period</b>	<b>185.0</b>	22%	<b>122.7</b>	16%	51%
Finance costs and bank charges	(43.1)	-5%	(58.0)	-8%	-26%
<b>Profit before income tax</b>	<b>142.0</b>	17%	<b>64.8</b>	8%	119%
Income tax expense	(0.6)	0%	(0.4)	0%	53%
<b>Profit after tax for the period</b>	<b>141.3</b>	16%	<b>64.4</b>	8%	120%
Other comprehensive income	-	0%	-	0%	-
<b>Total comprehensive income for the period</b>	<b>141.3</b>	16%	<b>64.4</b>	8%	120%
Non-controlling interest	0.3	0%	(0.2)	0%	-259%
<b>Total comprehensive income attributed to the parent</b>	<b>141.0</b>	16%	<b>64.6</b>	8%	118%
Basic and diluted earnings per share (QAR per share)	0.074		0.034		118%

Source: Q3 2024 financial statements

# Appendix

## Profit and loss statement – Q3 2024

### QAR m

	Q3 2024		Q3 2023		Change
Revenue	264.4	100%	255.9	100%	3%
Cost of revenue	(205.1)	-78%	(208.9)	-82%	-2%
<b>Gross profit</b>	<b>59.3</b>	<b>22%</b>	<b>47.1</b>	<b>18%</b>	<b>26%</b>
Other income	27.7	10%	28.9	11%	-4%
Gain from Investment Securities	8.6	3%	0.2	0%	4995%
Dividend income	-	0%	-	0%	-
General and administrative expenses	(17.2)	-6%	(18.2)	-7%	-6%
Selling and distribution expenses	(22.4)	-8%	(21.7)	-8%	3%
<b>Operating profit for period</b>	<b>56.1</b>	<b>21%</b>	<b>36.2</b>	<b>14%</b>	<b>55%</b>
Finance costs and bank charges	(15.2)	-6%	(13.8)	-5%	10%
<b>Profit before income tax</b>	<b>40.9</b>	<b>15%</b>	<b>22.4</b>	<b>9%</b>	<b>83%</b>
Income tax expense	(0.2)	0%	(0.2)	0%	25%
<b>Profit after tax for the period</b>	<b>40.7</b>	<b>15%</b>	<b>22.2</b>	<b>9%</b>	<b>83%</b>
Other comprehensive income	-	0%	-	0%	-
<b>Total comprehensive income for the period</b>	<b>40.7</b>	<b>15%</b>	<b>22.2</b>	<b>9%</b>	<b>83%</b>
Non-controlling interest	0.1	0%	(0.0)	0%	-416%
<b>Total comprehensive income attributed to the parent</b>	<b>40.6</b>	<b>15%</b>	<b>22.3</b>	<b>9%</b>	<b>82%</b>
Basic and diluted earnings per share (QAR per share)	0.021		0.012		82%



# Appendix

Financial position as at September 30, 2024

28

## Total assets

(QAR million)

	Sep-24	Dec-23	Growth
Fixed Assets	3,175	3,189	▼ 0%
Biological Assets	178	196	▼ -10%
Investment In Shares	466	372	▲ 25%
Other Non-Current Assets	128	136	▲ -5%
<b>Total Non-Current Assets</b>	<b>3,947</b>	<b>3,893</b>	<b>1%</b>
Trade and other debit balances	393	409	▼ -4%
Inventories	421	400	▲ 5%
Cash and Bank Balances	35	60	▼ -42%
Other Current Assets	72	82	▼ -13%
<b>Total Current Assets</b>	<b>921</b>	<b>951</b>	<b>-3%</b>
<b>Total Assets</b>	<b>4,868</b>	<b>4,844</b>	<b>1%</b>

## Total shareholders' equity

and liabilities (QAR million)

	Sep-24	Dec-23	Growth
Islamic financing	1,745	1,721	▲ 1%
Other Non-Current Liabilities	123	128	▼ -4%
<b>Total Non-Current Liabilities</b>	<b>1,869</b>	<b>1,849</b>	<b>1%</b>
Trade and other credit balances	231	261	▼ -11%
Bank Facilities	388	361	▲ 7%
Other Current Liabilities	13	15	▼ -16%
<b>Total Current Liabilities</b>	<b>632</b>	<b>637</b>	<b>-1%</b>
Equity attributable to the parent	2,365	2,356	▲ 0%
Non-controlling interest	3	2	▲ 14%
<b>Total equity</b>	<b>2,367</b>	<b>2,358</b>	<b>0%</b>
<b>Total Equity and Liabilities</b>	<b>4,868</b>	<b>4,844</b>	<b>1%</b>

Source: Q3 2024 financial statements

# 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

**+3,500**  
Points of sale

**54.4%**  
Overall market share

**269**  
Products available

**+1,800**  
Employees



**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

31



**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

<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortization
<b>EPS</b>	Earnings Per Share
<b>HORECA</b>	Hotels, Restaurants and Catering
<b>NP</b>	Net Profit
<b>NPD</b>	New Product Development
<b>SKU</b>	Stock Keeping Unit
<b>UHT</b>	Ultra-High Temperature





Q & A







**THANK YOU**