



BALADNA Q.P.S.C.

Q1 2024

Financial Results Presentation

25 April 2024

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Table of contents

| | |
|-----------------------------------|---------|
| Key messages | 4 - 6 |
| Operational and commercial update | 7 - 12 |
| Financial performance | 13 - 20 |
| Shareholder information | 21 - 22 |
| Management outlook 2023 | 23 - 24 |
| Appendix | 25 - 30 |



Key Messages



Key Messages



- During the three months period ended 31 March 2024, Baladna managed to effectively grow its top line and achieved a revenue of QAR 313 million compared to QAR 254 million for the same period last year, representing a remarkable revenue growth of 23%. This was achieved through an increase in sale volumes by capitalizing the improved market conditions. Additional days of Ramadan in Q1 2024 comparing to Q1 2023 also boosted the revenue
- Net profit climbed to QAR 48 million in comparison with QAR 20 million for same period last year with an outstanding growth of 141%. The reported growth in net profit was mainly attributable to increase in revenues, reduction in finance cost through effective negotiations and strategic and efficient cost control efficiency measure throughout entire value chain
- Baladna is strategically refining its product portfolio while actively exploring opportunities to innovate and introduce new offerings. Notable developments in the quarter include the production of Evaporated milk to bolster the country's food security, the launch of Mango Greek Yogurt and Breakfast Cream Lite, and the relaunch of Juices with improved flavours and new look aimed at enhancing the consumer experience. These initiatives underscore Baladna's commitment to delivering quality products and meeting evolving consumer preferences
- Baladna is making significant progress on its upcoming project in Algeria targeting large-scale of milk production facilities, anticipating significant shareholder value creation, and marking key milestone in Baladna's global growth journey
- Baladna continues to be committed to its vision and mission by delivering superior products and expanding its dairy and juice portfolio to become the most trusted brand of nutritional foods and healthy beverages in Qatar, as well as delivering shareholder value

Key Messages

Key investment highlights

| Market leader in the Dairy and Beverages sector in Qatar | Excellent product innovation track record and access to consumer insights | Strong financial performance and Cash flow management | Strategic and dedicated shareholder support | Continuous identification of growth enablers | | | | | | | | |
|---|--|---|---|--|-----|-----|---------|---------|----|----|--|--|
| <p>Leading position across 6 out of 8 product categories...</p> <p>Number 1 position across 6 categories...</p> <p>...remains a significant growth opportunity across other categories</p> | <p>Continuously enhancing the product portfolio management...</p> <p>Highly appreciated brand names created</p> <p>Diverse range of product offerings</p> <p>SKUs 251</p> | <p>Strong increase in revenue and EBITDA increased due to increase in sales volumes...</p> <p>Revenue <i>QARm</i></p> <table border="1"> <tr> <td>Q1 2023</td> <td>Q1 2024</td> </tr> <tr> <td>254</td> <td>313</td> </tr> </table> <p>EBITDA</p> <table border="1"> <tr> <td>Q1 2023</td> <td>Q1 2024</td> </tr> <tr> <td>77</td> <td>96</td> </tr> </table> | Q1 2023 | Q1 2024 | 254 | 313 | Q1 2023 | Q1 2024 | 77 | 96 | <p>Strategic & founding shareholders account for 52% of shareholding...</p> <p>Strategic shareholders</p> <p>Strengthening food security and self-sufficiency in Qatar, backed by Government support</p> | <p>Continuously assessing value accretive opportunities and projects</p> <ul style="list-style-type: none"> ✓ Strengthening strategic alliance in Egypt holding significant 15% stake in largest dairy producer in Egypt, Juhayna Food Industries ✓ Positive advancement in the upcoming Algerian project targeting milk production facilities |
| Q1 2023 | Q1 2024 | | | | | | | | | | | |
| 254 | 313 | | | | | | | | | | | |
| Q1 2023 | Q1 2024 | | | | | | | | | | | |
| 77 | 96 | | | | | | | | | | | |
| <p>...complemented with a strong operational infrastructure</p> <p>Diversification initiatives</p> <p>Moved to detergent business under E-life Detergent Factory</p> <p>Strategic partnerships</p> <p>Producing The Laughing Cow® spreadable cheese for Bel Group and selected products under ALBADIA brand</p> | <p>...complemented by an excellent reach of retail and Horeca clients</p> <p>No. of sales routes 139</p> <p>No. of customers 3,537</p> | <p>...ability to achieve profitability margins and Free cash flow</p> <ul style="list-style-type: none"> ▪ Significant increase in net profit by 141% over Q1 23 ▪ Increase in FCFF from QAR (7m) in Q1 23 to QAR 153m in Q1 24 | <p>...supporting Baladna to continue its growth</p> <p>Growth at the heart of Baladna's management</p> <ul style="list-style-type: none"> ▪ Continuously assessing horizontal or vertical expansion ▪ Unwavering dedication to visions and mission | <p>...with strong operational capacity to capitalize on optimization initiatives</p> <ul style="list-style-type: none"> ▪ 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

| | Q1 2023 | Q1 2024 | YoY growth | |
|--|---------|---------|------------|---|
| 1 <div style="border: 1px solid #8B4513; padding: 5px; margin-top: 5px;"> Overall market share  </div> | 52.5%* | 54.1% | ▲ 1.6% | <ul style="list-style-type: none"> Increase in market share driven by a growth in sale volumes across the majority of product categories |
| 2 <div style="border: 1px solid #8B4513; padding: 5px; margin-top: 5px;"> Total no. of SKUs  </div> | 256 | 251 | ▼ -2.0% | <ul style="list-style-type: none"> Portfolio efficiency provides platforms for profitable growth. Baladna introduced 4 SKUs during Q1 2024 while relaunching chilled juices The rationalization program continues to review product portfolio to maximise returns |
| 3 <div style="border: 1px solid #8B4513; padding: 5px; margin-top: 5px;"> No. of customers  </div> | 3,540 | 3,537 | ▼ -0.1% | <ul style="list-style-type: none"> Focus is on enhancing relationships with existing clients and attracting new customers Increased focus on HORECA customers |

Source: AC Nielsen

Market share reflects MAT 12 months

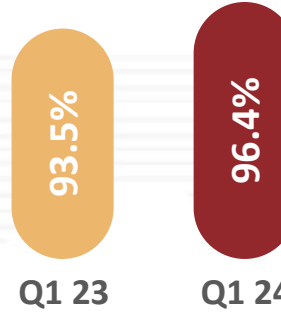
* Comparative percentage of overall market share has been adjusted based on back data correction done by AC Nielsen

Operational and Commercial Update

Market Segmentation (1/3)



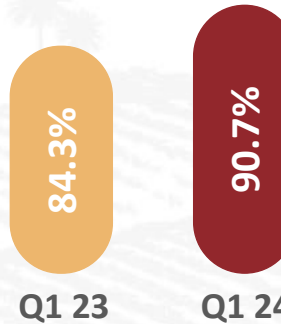
Fresh milk
96.4%
Market share



- YoY market share growth: **+2.9%**
- Retained strong #1 position



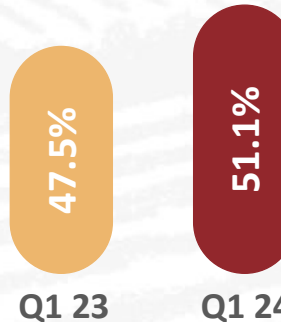
UHT milk
90.7%
Market share



- YoY market share growth: **+6.4%**
- Retained strong #1 position



Laban
51.1%
Market share



- YoY market share growth: **+3.6%**
- Retained strong #1 position

Operational and Commercial Update

Market Segmentation (2/3)



Yoghurt
48.5%
Market share



Q1 23



Q1 24

- YoY market share growth: **+2.5%**
- Retained strong #1 position



Labneh
41.5%
Market share



Q1 23



Q1 24

- YoY market share growth: **-5.7%**
- Retained the market leadership



Cheese
25.7%
Market share



Q1 23



Q1 24

- YoY market share growth: **-0.6%**
- Remains a significant growth opportunity

Operational and Commercial Update

Market Segmentation (3/3)



Creams

58.4%

Market share



Q1 23



Q1 24

- YoY market share growth: **-5.3%**
- Retained strong #1 position



Juice

19.0%

Market share



Q1 23



Q1 24

- YoY market share growth: **-1.3%**
- Remains a significant growth opportunity

Operational and Commercial Update

Introduction of 4 new SKUs over Q1 2024 and re-launched the chilled Juices



- Baladna is constantly looking to enhance its product mix by adding additional products and optimizing its portfolio
- Over the course of Q1 2024, Baladna has introduced 4 new products and re-launched the chilled juices to further enhance the consumer experience







Financial
Performance



Financial Performance for Q1 2024

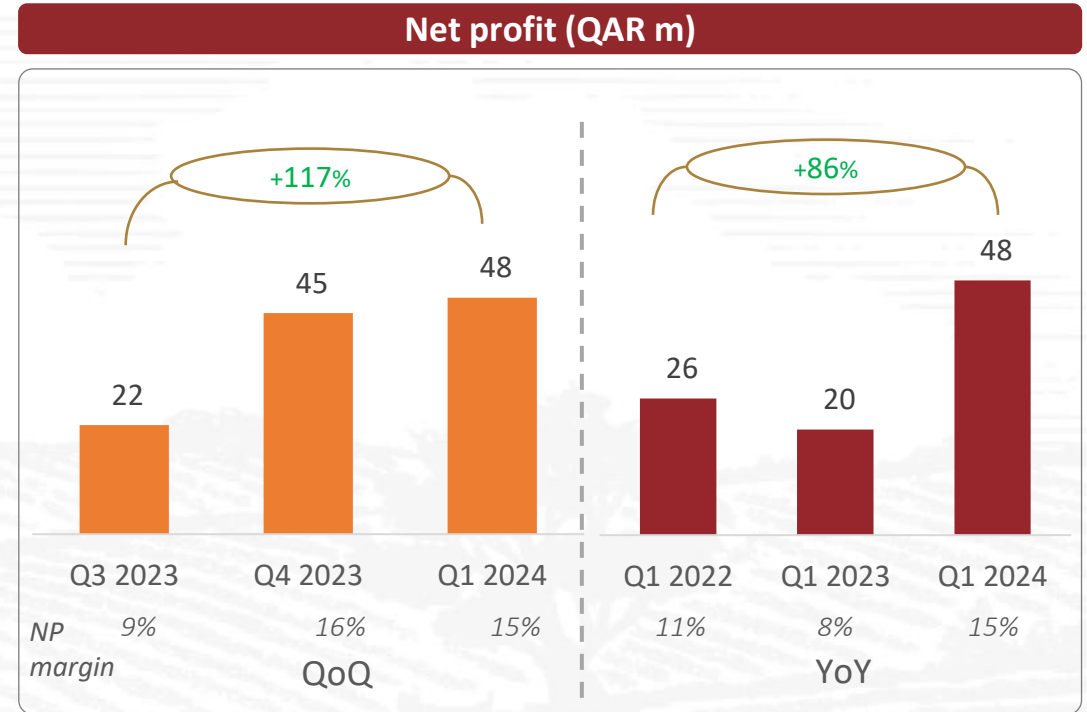
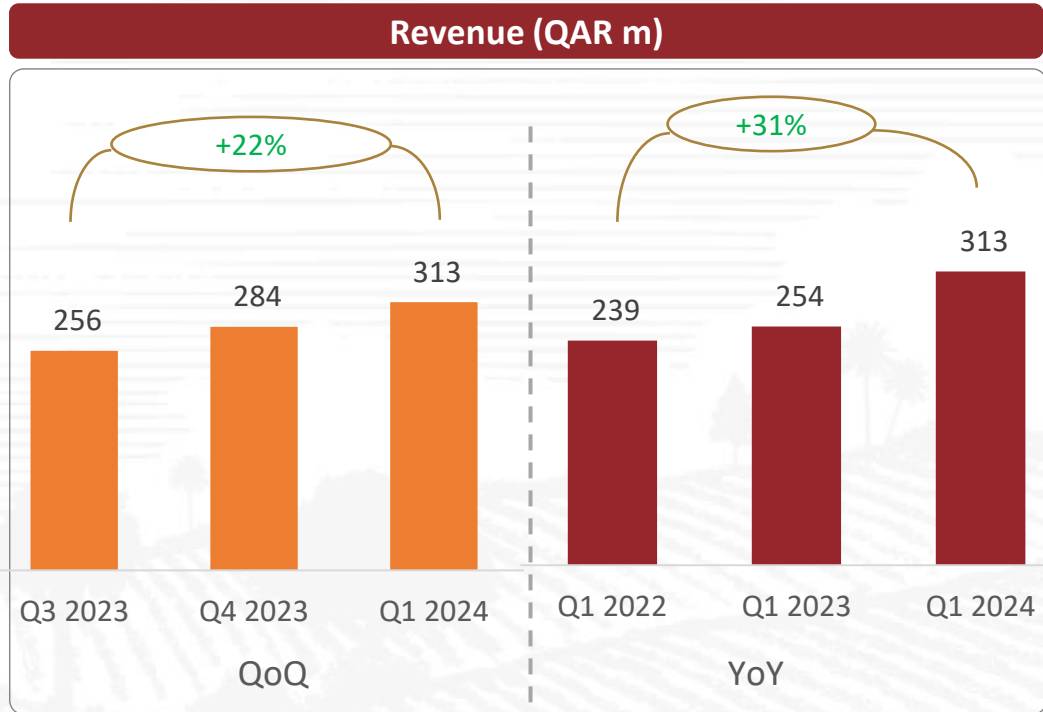
Key Financial Highlights

| | Q1 2023 | Q1 2024 | YoY growth | | |
|---|--|---------------------------------------|------------------|--------|--|
| 1 | Revenue  | QAR 254m | QAR 313m | ▲ 23% | Increase in sales volumes across both HORECA and Retail channels due to capitalization of improved market conditions, additional days of Ramadan and gain in market share resulted in growth in revenue by 23% |
| 2 | EBITDA  | QAR 77m <i>EBITDA margin</i> 30.2% | QAR 96m 30.8% | ▲ 25% | Increase in revenue and savings through operational efficiency led Baladna to maintain industry leading EBITDA margins |
| 3 | Net profit*  | QAR 20m <i>NP margin</i> 7.9% | QAR 48m 15.4% | ▲ 141% | Along with the factors mentioned above saving in finance cost resulted to increase net profit by 141% |
| 4 | EPS  | QAR 0.011 | QAR 0.025 | ▲ 141% | Increase in net profit resulted in a 141% increase in Earnings Per Share |

*Net profit excludes the non-controlling interest

Financial Performance

Financial performance development



- Strong YoY and QoQ revenue growth mainly driven by the consistent volume growth coming from increased population and market share gains across most product categories along with increase in selling prices
- Increase in net profit YoY and QoQ mainly driven by the increase in revenues, savings through operational efficiency, reduction in finance cost through effective negotiations along with strategic and efficient cost control measures

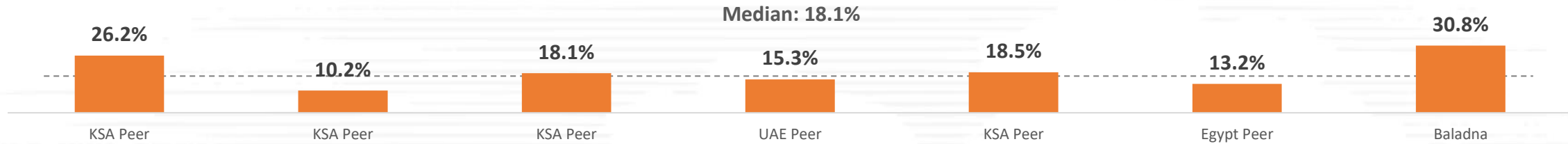
*Net profit excludes the non-controlling interest



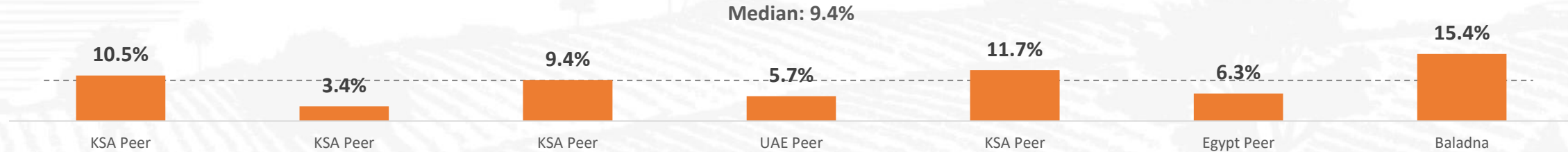
Increase in sales volumes, selling price increase, material cost saving and saving in finance cost resulted to increase the profitability margins

Margins positioning compared to regional peers

Q1 2024 EBITDA margin



Q1 2024 net profit margin



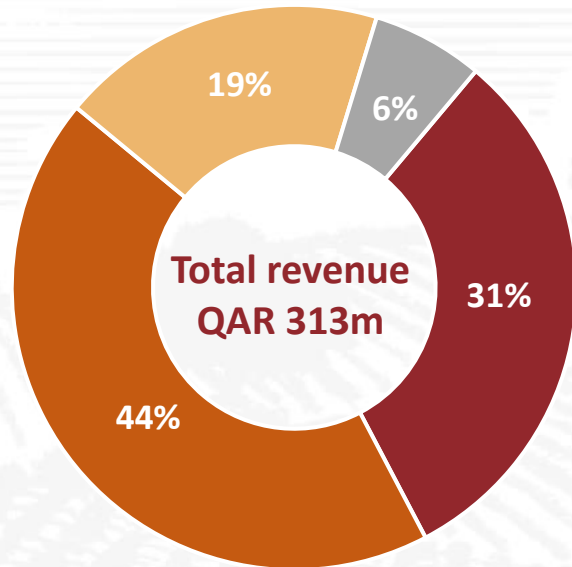
- Baladna achieved an EBITDA margin of 30.8% for the Q1 2024, which remains industry leading among regional peers
- Baladna recorded a net profit margin of 15.4% which is higher than industry average mainly attributable to saving in finance cost

Revenue by channel

Growth recorded in all channels

Contribution by Channel (Q1 2024)

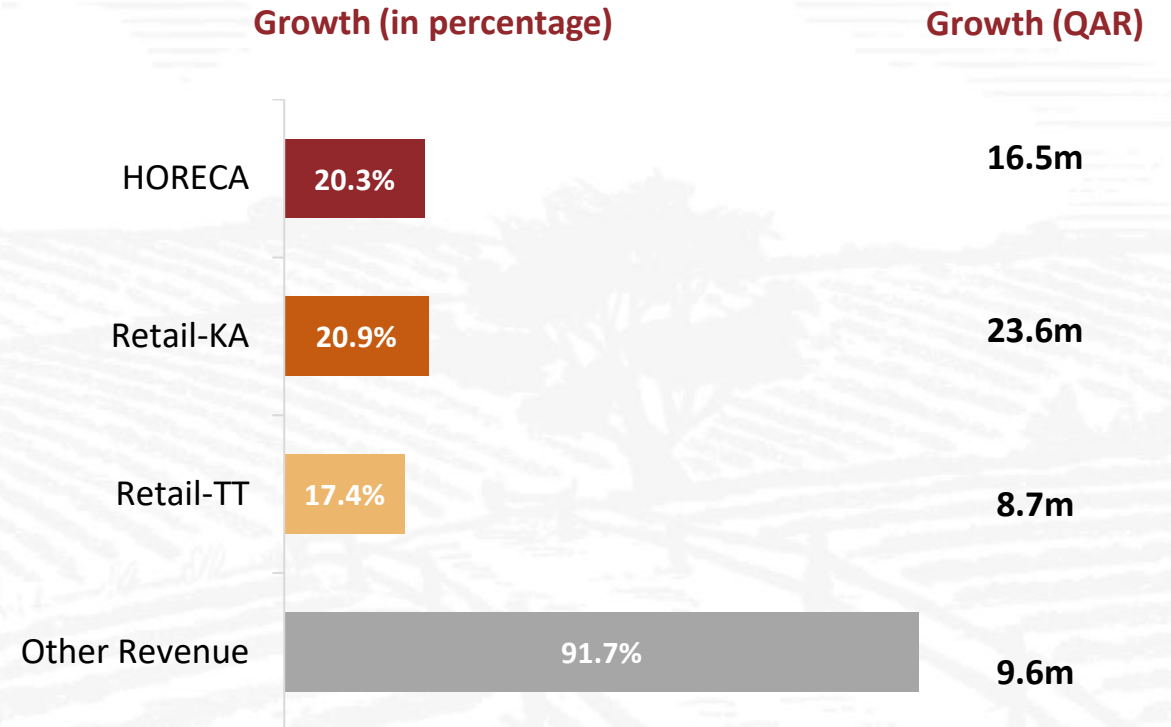
Channel wise revenue contribution (in percentage)



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

Growth by Channel

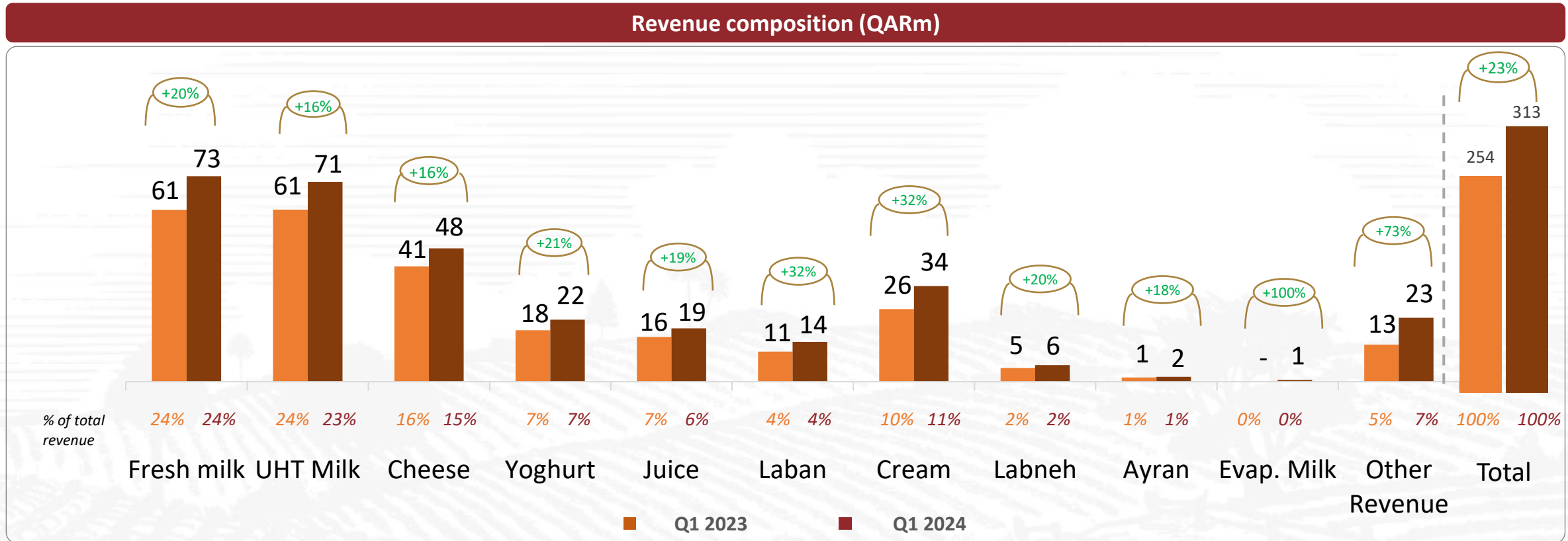
Q1 2024 channel wise growth (vs Q1 2023)



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

Financial Performance

Revenue composition and growth – Year-on-year

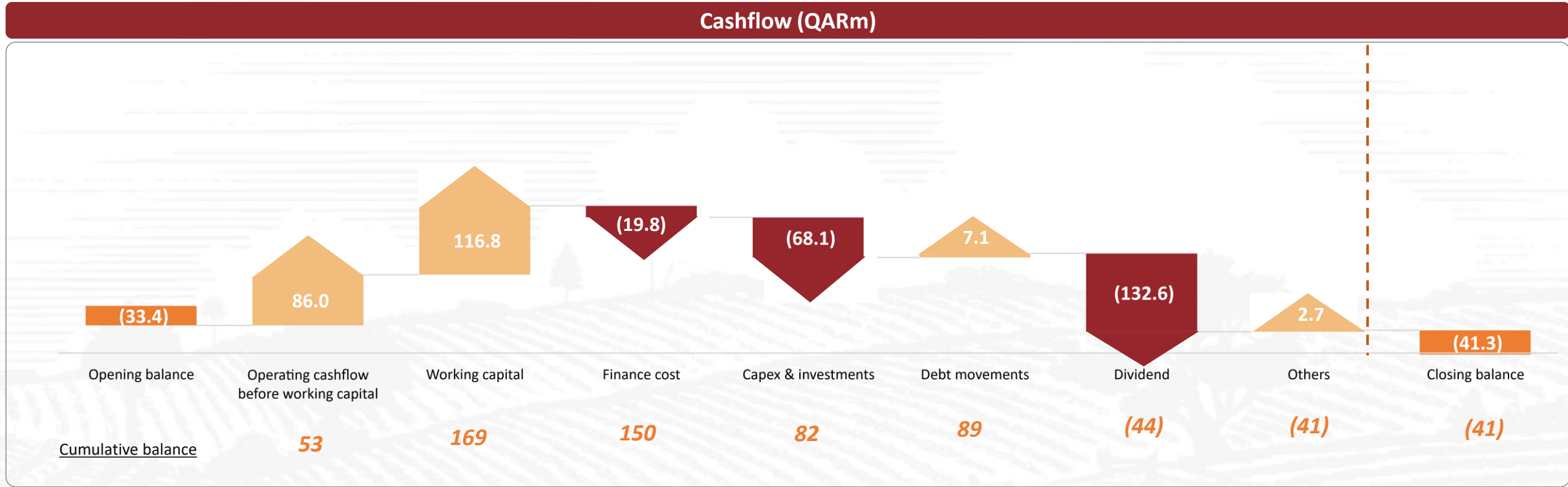


- Revenue growth in all product categories backed by increase in population and market share growth across most product categories
- Continuing to enhance existing client relationships while targeting new customers in all channels
- Considerable revenue growth within Cream(32%), Laban (32%) and Yoghurt (21%) 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 Q1 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 strong operating cash flow during the Q1 2024
- Through its strong operating cashflows, Baladna distributed QR 133Mn dividend in Q1 2024

Financial Performance

Financial position as at March 31, 2024

Total assets (QAR million)

| | Mar-24 | Dec-23 | Growth |
|---------------------------------|--------------|--------------|-------------|
| Fixed Assets | 3,232 | 3,189 | ▲ 1% |
| Biological Assets | 180 | 196 | ▼ -8% |
| Investment In Shares | 396 | 372 | ▲ 6% |
| Other Non-Current Assets | 135 | 136 | ▼ -1% |
| Total Non-Current Assets | 3,942 | 3,893 | 1% |
| Trade and other debit balances | 373 | 409 | ▼ -9% |
| Inventories | 352 | 400 | ▼ -12% |
| Cash and Bank Balances | 50 | 60 | ▼ -16% |
| Other Current Assets | 80 | 82 | ▼ -3% |
| Total Current Assets | 854 | 951 | -10% |
| Total Assets | 4,796 | 4,844 | -1% |

Total shareholders' equity and liabilities (QAR million)

| | Mar-24 | Dec-23 | Growth |
|--------------------------------------|--------------|--------------|------------|
| Islamic financing | 1,751 | 1,721 | ▲ 2% |
| Other Non-Current Liabilities | 126 | 128 | ▼ -1% |
| Total Non-Current Liabilities | 1,877 | 1,849 | 2% |
| Trade and other credit balances | 288 | 261 | ▲ 11% |
| Bank Facilities | 342 | 361 | ▼ -5% |
| Other Current Liabilities | 15 | 15 | ▼ -4% |
| Total Current Liabilities | 645 | 637 | 1% |
| Shareholders Equity | 2,272 | 2,356 | ▼ -4% |
| Non-controlling interest | 2 | 2 | — 0% |
| Total Shareholders Equity | 2,274 | 2,358 | -4% |
| Total Equity and Liabilities | 4,796 | 4,844 | -1% |

Note: Absolute values may differ due to rounding

Shareholder Information





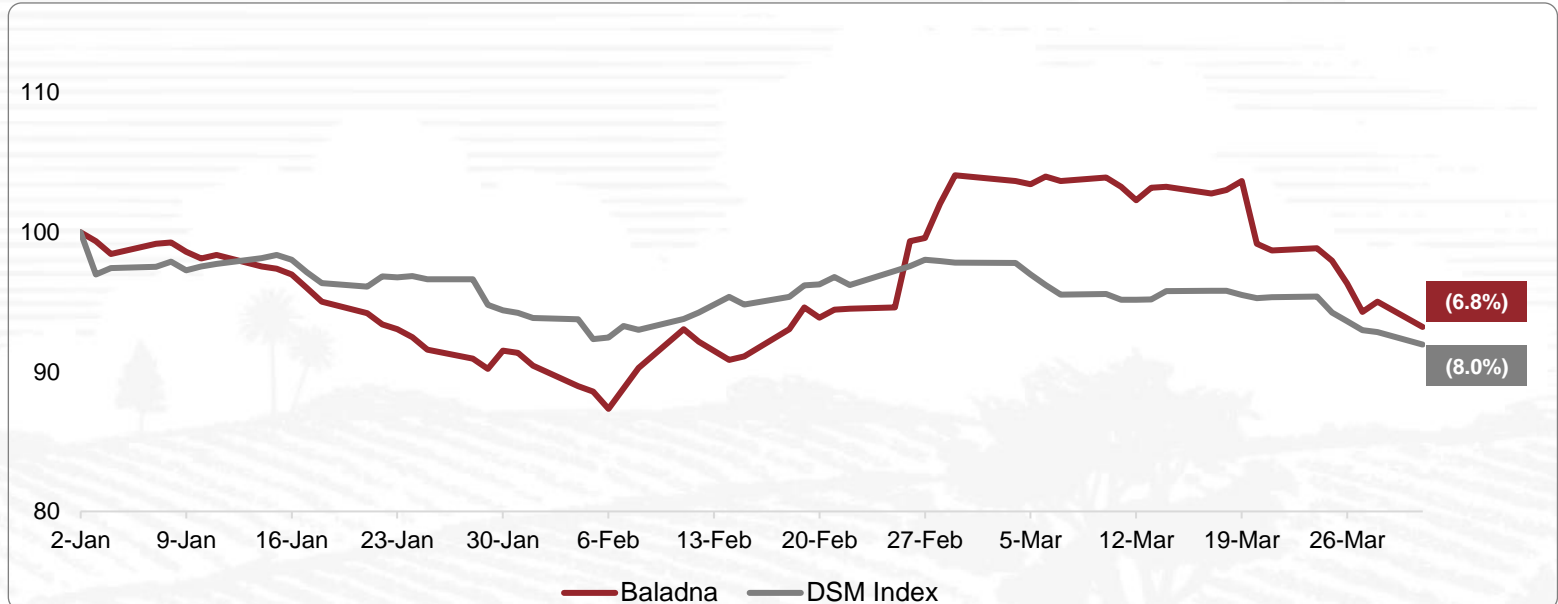
Shareholder Information

Shareholder information (as at March 31 2024)

General information

- **Company name** Baladna Q.P.S.C.
- **Ticker (QE)** BLDN
- **Market cap:** QAR 2.2b
- **Common shares outstanding** 1.9b

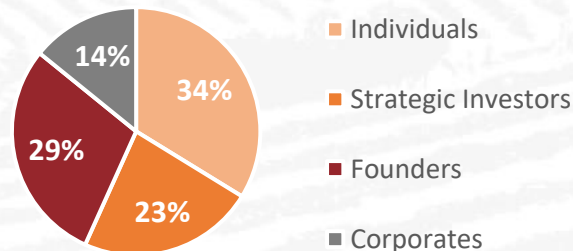
Share price versus DSM 1 January 2024 to 31 March 2024 (rebased to 100)



Company key stats

- **Spot price:** QAR 1.142
- **YTD % change:** -6.8%
- **Value creation for IPO investors (Capital appreciation & dividends)** +33.4%

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 2024



Management Outlook

Management outlook for 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



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. Increasing efficiency from Baladna's operational excellence along with an overall growth in the local population presents a promising outlook for a more robust outcome for the remainder of 2024



Expansion opportunities

International expansion opportunities, the key for long-term growth and remain the focus area for Baladna. Baladna is making significant progress on its upcoming project in Algeria expecting to create significant shareholder value



Strong financial performance

The strategies already in place are expected to deliver higher market shares as we extract further growth through all our channels and categories. Along with the positive indicators for top line growth, and the continuous focus on increasing efficiency and operational excellence are expected to further enhance the bottom-line for rest of year 2024



Appendix



Appendix

Profit and loss statement – Q1 2024

| <i>QAR m</i> | Q1 2024 | | Q1 2023 | | Change |
|--|----------------|------------|----------------|------------|---------------|
| Revenue | 312.8 | 100% | 254.4 | 100% | 23% |
| Cost of revenue | (241.2) | -77% | (204.4) | -80% | 18% |
| Gross profit | 71.6 | 23% | 50.1 | 20% | 43% |
| Other income | 28.3 | 9% | 30.0 | 12% | -6% |
| Gain from Investment Securities | 5.5 | 2% | 0.5 | 0% | 1,057% |
| Selling and distribution expenses | (26.2) | -8% | (19.7) | -8% | 33% |
| General and administrative expenses | (16.7) | -5% | (19.1) | -7% | -13% |
| Operating profit for period | 62.5 | 20% | 41.8 | 16% | 49% |
| Finance costs and bank charges | (13.9) | -4% | (21.7) | -9% | -36% |
| Profit before income tax | 48.7 | 16% | 20.2 | 8% | 141% |
| Income tax expense | (0.3) | 0% | (0.2) | 0% | 107% |
| Profit after tax for the period | 48.4 | 15% | 20.0 | 8% | 142% |
| Other comprehensive income | - | 0% | - | 0% | - |
| Total comprehensive income for the period | 48.4 | 15% | 20.0 | 8% | 142% |
| Non-controlling interest | 0.1 | 0% | - | 0% | 100% |
| Total comprehensive income attributed to the parent | 48.3 | 15% | 20.0 | 8% | 141% |
| Basic and diluted earnings per share (QAR per share) | 0.025 | | 0.011 | | 141% |

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

54.1%
Overall market share

251
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 |
| NP | Net Profit |
| NPD | New Product Development |
| SKU | Stock Keeping Unit |
| UHT | Ultra-High Temperature |



Q & A





THANK YOU