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Moderator : Phibion Makuwerere
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Operator: Hello, and welcome to Baladna. Please note that this call is being recorded. You will have the opportunity to ask questions to our speakers later on during the Q&A session. If you would like to ask a question by that time, simply press star followed by the number one on your telephone keypad.

I'd like to hand the call over now to our moderator, Phibion. Please go ahead.

Phibion Makuwerere: Thank you, Gail, and good afternoon to you all. I would like to welcome you all to the Baladna's Third Quarter and Nine Month Earnings Conference Call for 2025.

On today's call from Baladna, we have Saifullah Khan, the Group Chief Financial Officer. Saifullah will go over the performance first, and then we have a Q&A session immediately afterwards.

Let me turn it over to Saifullah to begin. Over to you, Saif. Please go ahead.

Saifullah Khan: Thank you, Phibion. Good afternoon, everyone. Thank you for joining us today. It's a pleasure to have you all again as we review Baladna's performance for the third quarter and nine months of this year 2025.

Before we begin, I would like to remind you that today's discussion may include forward-looking statements based on current expectations and assumptions. Actual results could differ materially from those expressed or implied.

Baladna continues to be a Qatar-leading dairy and juice company. We operate a fully integrated model from farms to farm production to packaging and distribution across retail and Horoeke channels. International expansions remain a key focus for Baladna while we continue to strengthen our domestic business and leadership in Qatar. Our focus is on quality, efficiency, and consumer-led innovations that support sustainable growth in National Food Security.

Let us start with the results for the nine months ended 30th September 2025. Baladna delivered a record performance. Revenue reached QR 941 million, up 10% year-on-year, supported by strong evaporated milk demand, continued contribution from yoghurt and UHT milk, and wider distribution. EBITDA rose 94% to QR 554 million, with the EBITDA margin expanding to 59% from 33% last year, driven by revenue growth, low procurement cost, efficiency gains, and returns from a geographically and strategically diversified investment portfolio. Net profit grew by 170% to QR 381 million, with the margin rising 41% compared to 16% in the same period of last year.

Earnings per share stood at QR 0.191, reflecting the stronger profitability achieved during this period.

Moving to the third quarter. Revenue was QR 299 million, up by 13% year-on-year. Dairy business remained a key growth driver in the domestic market. EBITDA rose by 23% to QR 110 million, maintaining a healthy margin of 37%, reflecting ongoing cost efficiency and stable portfolio return. Net profit grew 24% to QR 50 million, with a margin of 17%, broadly in line with last year. Overall, the quarter delivered solid year-on-year growth and demonstrated the resilience of our business and strategic operating model.

Turning to cash flow. Baladna continued to generate robust operating cash flow supported by strong profitability and working capital discipline. Operating cash flow remained healthy, and we saw strengths particularly in collections from the evaporated milk program and horoeka accounts, reflecting improved receivables management. This provides flexibility to reinvest in production upgrades, maintain liquidity buffers, and support consistent shareholder distribution. Our capital allocation remains measured, balancing investment with prudent cash reserves. Operational momentum remains positive across channels and categories. The Horeca segment grew 28% year-on-year, driven by high volume with hotels, restaurants, and catering partners. Retail key accounts contributed positively, while traditional trade remained broadly stable.

During the year, we launched 31 new SKUs across yoghurt, drinkables, flavored milk, juices, and other value-added dairy products. This broadens our range and strengthens our self-presence. Delivery under the evaporated milk government contracts progress on schedule and continues to contribute meaningfully to the top line while supporting capital's food security goals. Yoghurt and UHT milk also has strong contributors to growth and mix reflecting sustained consumer demand and strong in-store execution.

Turning to international initiatives. All projects are progressing in line with plans. In Algeria, Baladna made significant progress in its international expansion, signing initial contracts worth over \$1 billion for Phase 1 of its integrated agri-industry projects. Groundbreaking in Adrar has commenced, with well and land development progressing. Irrigation setup underway, and preparation for initial

cultivation advancing health plans. Dairy farm construction started to host the cows by the end of next year to produce milk by end of 2027.

At the same time, GEA is progressing on manufacturing or processing security target to be operated by start of 2028. The back office in Egypt is now fully deployed. Resources onboarding is currently underway to establish shared services function, enhancing scalability and driving cost efficiency. In Syria, preparatory works continue for the integrated industry complex, covering daily processing, juices, and packaging manufacturing. A land parcel of 150,000 square meters has been selected for acquisition from the government in the industrial area. These initiatives extend Baladna's regional footprint and align with our long-term vision of sustainable and international growth.

In sustainability and the local value creation, we are proud to inform you all that we achieved an In-Country Value Certification, a score of 82.47% under the Tawteen Program reflects our strong localization efforts across procurement, workforce development, and the domestic investment. This high score also strengthens our eligibility and competitiveness in renewing local contracts and government partnerships, reinforcing Baladna's position as a reliable national contributor towards the local economy. We have also been recognized by Forbes Middle East as a sustainability leader for 2025. Water use was reduced by 60% through optimized irrigation. City metric tons of waste were diverted from landfills, and 7.7 metric tons of HDPE were recycled internally through our in-plant loop. Consolidating production reduced transport emissions by 2.7%, while digital workflow enhancements improved traceability and efficiency across operations.

It gives me great pleasure to announce that the Board has proposed one share for 14 shares or a bonus share distribution of QR 142.9 million, subject to AGM approval. This proposal reflects our confidence in Baladna's growth and outlook, and reinforces our commitment to delivering sustainable and consistent shareholder returns.

Looking ahead, our focus remains on sustaining growth in the domestic market while advancing our international expansion pipeline. We will continue to emphasize product innovation, operational excellence, and disciplined financial management. With a diversified portfolio and strong balance sheet, Baladna is well-positioned for the next phase of profitable and sustainable growth.

Thank you for taking the time to attend this call and for your continued interest in Baladna. That concludes my remarks. I now hand over the call to the operator, for any questions and answers.

Operator:

At this time, I would like to remind everyone that in order to ask a question, press star, then the number one on your telephone keypad. We will pause for just a moment to compile the Q&A roster. Once again, if you would like to ask a question, press star, followed by the number one on your telephone keypad.

Okay, so your first question comes from the line of Sarah Alhanaya with SICO Capital. Your line is open.

Sarah Alhanaya:

Hello, am I audible? Hello.

Saifullah Khan:

Yes, we can hear you. Yes, a little bit low, but we can hear.

Sarah Alhanaya:

Okay. Thank you for taking the time today, and the Baladna's Management. I have a few questions. The first one is regarding the possibility of renewing the evaporated milk government contract for next year. Is there a possibility, or any negotiations happening actively now?

Saifullah Khan:

Okay. I think still this Evap tender we have four months, so our delivery is up to January next year, so as per the contract, So, we don't have any official notification regarding this contract, and we have our plan for which we built for evap and other products. So, our plan is to develop more products which we can export and that's under development, especially markets like Africa. I think we are more concentrating on that

market. And the second thing, we are revamping our brand in the local market also, especially on how to get more market share. So, our efforts are already in place. That's how we can maximize from the local market and the international market, regardless of these contracts whether we will continue or not. So, at this stage, we don't have any official notification.

Sarah Alhanaya: Okay. Thank you. Regarding the first stage of the Algerian project, the arable form, are there any updates regarding that?

Saifullah Khan: Yes, and as I mentioned in my speech, the groundwork is already happening. Our first pilot project was on a very priority 50 pivots, which is almost near to complete. And 70- 80% of the wells drilled already been done. And the pivots installation is happening right now. Contracts were already awarded to two companies. So, our priority was to need to put arable as soon as possible on the ground so we can start generating revenues from crop selling to the government because the government is expecting we can grow more than we need for our animals when it comes. So, this is what's happening on the ground.

Second, we have already camped in place for 300 of our early staff. And there is another warehousing work that is going on. And the major construction works related to dairy. It's already been awarded the major contracts. And the work plan is happening right now on the site. And on the other hand, on the processing plants, GEA was already

awarded, and the work is going on that side. And that's also as for the plan, things are moving.

Sarah Alhanaya: Do you expect high growth from this arable farm next year, or do you think revenue growth will continue the same?

Saifullah Khan: Yes, actually, next year we are targeting to start something from this arable, so... at least to produce something to sell to the local market. So, this is our target.

Sarah Alhanaya: Yes, but in terms of revenue contribution, how do you see it adding to revenue?

Saifullah Khan: This is premature because this is where groundbreaking works, this is the first time this desert farming is happening. But our target is to maximize our resources on the ground and build these pivots as soon as possible, and to get more crops, especially in grains, which the government needs. And at this stage, if you ask me the exact number, we can't because this is still very premature.

Sarah Alhanaya: My last question is regarding your investment strategies. Are there any changes to it? Are you planning to focus more on it or your core business?

Saifullah Khan: Yes, I think international expansion is our core priority. And the Qatar business, I think the investment now is only to sustain our current facilities, only what we needed to grow in some categories where we can see the growth. And the NPDs and the R&D are working continuously to ensure that we can maximize our local share in the market. But the core priority is international. So, we are working on Syria, and Syria is also coming very soon in the planning stage. And I said the land was already collected, and other opportunities also under evaluation, and most of the governments are approaching

us in the way of these two examples in Qatar and Algeria. So, we are working with a few other countries also, and we are expecting maybe in the coming few months we will announce that another one, at least one project more.

Sarah Alhanaya: Okay. Thank you so much. That's all from my side.

Operator: At this time, there are no further questions. That's why I would like to pass the call over now to our moderator, Phibion. Please go ahead.

Phibion Makuwerere: Okay. Thanks, Gail. Before we close the call, I've just got a question, a general question around the Algerian operation. Have you thought of how you are going to account for this when it becomes operational? You're going to consolidate, reporters and associates, any discussions around that?

Saifullah Khan: Yes. Basically, Algeria will be 100% consolidated in Baladna because of the management, and we have a 51% shareholding in that company, and we have full operational control. So, it will be fully consolidated, their numbers.

Phibion Makuwerere: Yes, all right. Thanks for clarifying that. If there are no further questions, let's wrap up the call. Thank you all for joining us this afternoon. Please do join us again for the fourth quarter call. And I would also like to thank Saifullah Khan for taking the time to update the market. That brings us to the end of our call. Thank you.

Saifullah Khan: Thank you, Phibion. Thank you, everyone.

Operator: That concludes today's call. Thank you all for joining. You may not disconnect. Have a nice day ahead, everyone. Thank you.