

BALADNA achieves net profit of QAR 48 MILLION for the first half of 2022

- Increased market share for the majority of product categories through an increase in sale volumes
- Optimization of the product portfolio through the introduction of value accretive products



بلادنا ش.م.ع.ق.
BALADNA Q.P.S.C.

TOTAL SHAREHOLDERS 32,806

Qatari Individuals	31,699	
Qatari Corporates	172	
Strategic Shareholders	6	
Foreign Investors	929	



Baladna Q.P.S.C. (Baladna) yesterday announced its results for the six months period ended 30th June 2022 (H1 2022).

• Revenue of QAR 484 million (27% growth year-on-year) and net profit of QAR 48 million (45% decline year-on-year) for first 6 months of the year 2022 (H1 2022), compared to QAR 381 million of revenue and QAR 86 million net profit for the same period of last year (H1 2021).

- Increased market share for the majority of product categories through an increase in sale volumes
- Optimization of the product portfolio through the introduction of value accretive products and de-listing of lower performing SKUs

Baladna was able to effectively grow its top line in Q2 2022 and achieved a revenue of QAR 245 million compared to QAR 239 million revenue in Q1 2022. At the same time, net profit for Q2 2022 was recorded at QAR 22 million compared to QAR 26 million in Q1 2022. Higher global commodity prices especially feed, raw material and packaging material largely impacted our profitability margins, and will worsen during Q3 and Q4, as now we are still using previously procured stocks of raw material purchased at low prices.

Baladna is currently in the process of receiving the Ministerial approval to increase our selling prices. All peers in the region have already received 2 or 3 price increases.

In order to minimize the impact of the increase in material prices on our profitability, Baladna focused on increasing sales volumes across both the retail and horeca channels. Furthermore, Baladna managed to increase efficiencies and maintain overhead cost controls.

Baladna was able to achieve a higher milk yield of 38.9 liters per day per cow in H1 2022 compared to 38.3 liters in H1 2021. Furthermore, a reduction in sales wastage, increased manufacturing efficiencies

and overhead cost controls supported profitability margins.

Baladna managed to earn dividends of QAR 11 million in H1 2022 from its investment portfolio which is valued at QAR 210 million as of 30th June 2022 (the dividends contributed QAR 11 million to the income in H1 2022). An unrealized loss for H1 2022 from the investments was recorded at QAR 11 million (Baladna had previously recorded an unrealized gain of QAR 10 million in FY 2021 on those investments).

As previously highlighted, the construction of the evaporated milk processing factory is progressing well, and the facility is expected to be completed by the end of year 2022. Commercial production is expected to start from the beginning of year 2023. With the scheduled FIFA World Cup Qatar 2022™, Baladna is expecting robust revenue growth. The World Cup will drive opportunities in both retail and horeca channels. Plans have been developed to effectively manage and monetize the additional demand expected from the FIFA World Cup Qatar 2022™.

Baladna's strategic focus remains on shareholder value creation and further strengthening the food security and self-sufficiency in the State of Qatar by delivering superior products, expanding the product portfolios, and focusing on efficiency across the entire value chain.

Key Operating Highlights

Milk yield per cow/per day



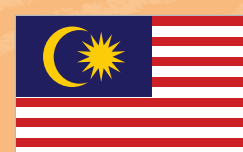
38.9 L



Evaporated milk factory is progressing and commercial production is expected in 2023



Increasing sales volumes across both the retail and horeca channels



Shareholder agreement to develop an integrated dairy farm in Malaysia