

BALADNA achieves net profit of QAR 56 MILLION for the first nine months of the year 2022

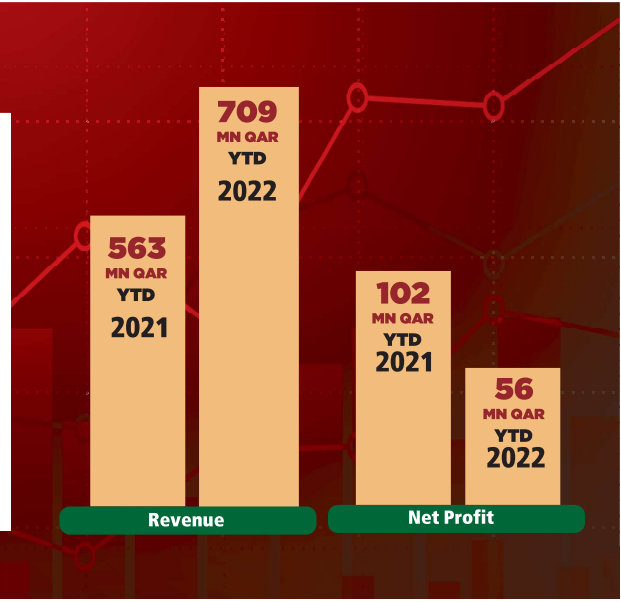


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BALADNA Q.P.S.C.

Revenue
YTD SEPTEMBER 2022 QAR
709 Mn

Net Profit
YTD SEPTEMBER 2022 QAR
56 Mn

TOTAL SHAREHOLDERS 32,297			
SHARE HOLDER CATEGORY	# OF SHAREHOLDERS	# OF SHARES	% OF SHAREHOLDING
QATARI INDIVIDUALS	31,218	1,140,201,210	59.98%
QATARI CORPORATES	169	239,618,552	12.61%
STRATEGIC SHAREHOLDERS	6	410,475,885	21.59%
FOREIGN INVESTORS	904	110,704,353	5.82%
TOTAL	32,297	1,901,000,000	100%



Baladna Q.P.S.C. (Baladna) announced yesterday its interim results for the nine months ended 30 September 2022.

- Revenue of QAR 709 million (26% growth year-on-year) and net profit of QAR 56 million for the 9 months period ended 30 September 2022, compared to QAR 563 million of revenue and QAR 102 million net profit for the same period of last year
- Increased market share across all product categories through an increase in sale volumes
- Optimization of the product portfolio through the introduction of value accretive products
- Optimistic outlook for retail and wholesale channels amid improving market dynamics

Baladna managed to effectively grow its top line in (Q3 2022) and achieved a revenue of QAR 225 million compared to QAR 182 million revenue in (Q3 2021). Net profit for the (Q3 2022) period was recorded at QAR 8 million compared to QAR 16 million in (Q3 2021) with a drop of 50%. Increase in salaries(minimum wages),utilities and finance cost rates,higher global commodity prices especially feed,raw material and packaging material cost largely impacted Baladna's profitability margins.

Baladna achieved an EBITDA margin of 27.7% for the nine months period ended 30 September 2022. In order to mitigate the impact of the increase in raw material prices, Baladna focused on increasing sale volumes across both the retail and wholesale (Hotels, Restaurant and Cafe) channels. This resulted in an increase in sale volumes across all most all the product categories. In addition, Baladna successfully managed to further enhance operational efficiencies and maintain overhead cost

controls. Baladna is continuously assessing opportunities to enhance its product mix by developing additional products and optimizing its portfolio. During the first 9 months of 2022, Baladna has introduced eight new SKUs to optimize and enhance its product portfolio.

Baladna was able to achieve a higher average milk yield of 37.3 liters per day per cow for the 9 months period ended 30 September 2022 compared to 36.7 liters during the same period of last year. Furthermore, a reduction in sales wastage, an increase in manufacturing efficiencies and overhead cost controls supported operational profitability margins.

The construction of the evaporated milk processing factory is progressing well, and the facility is expected to be completed in the first quarter of 2023. Commercial production is expected to start from the beginning the second quarter of next year.

With the scheduled FIFA World Cup Qatar 2022™, Baladna is expecting a robust revenue growth in Q4 2022. The World Cup will drive opportunities in both retail and wholesale (Hotels, Restaurant and Cafe) channels and management have already put the plans in place to capture the expected demand 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.

For the complete financial statements related to Q3 2022, please visit www.baladna.com/investor-relations or email: ir@baladna.com

Key Operating Highlights

Total herd size

24,167 

Total products

248 

- Increasing sales volumes across both the retail and wholesale (Hotels, Restaurant and Cafe) channels during the period ended 30 September 2022
- Evaporated milk factory is progressing, and commercial production is expected in 2023