

**Company** : QNB Financial Services Co. WLL  
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**Moderator** : Shahan Keushgerian  
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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, please press star followed by the number one on a telephone keypad.

I'd like to hand the call over now to Shahan. Please go ahead.

**Shahan Keushgerian:** Thank you, and hello everyone. I want to welcome you to Baladna's Fourth Quarter and Fiscal Year 2025 Financial Results Conference Call.

So on this call from management, we have Saifullah Khan, the Group CFO. So as usual, we will conduct this call with first management reviewing the Company's results, followed by a Q&A session.

I will turn the call over now to Saifullah. Please go ahead.

**Saifullah Khan:** Thank you, Shahan. Good afternoon, ladies and gentlemen. We are here to discuss Baladna results for the full year and the fourth quarter ended 31st December 2025.

My name is Saifullah Khan. I serve as the Group CFO of Baladna. Thank you all for taking time to join us today. The presentation material we have shared in advance and are also available on our website if you didn't get it.

Before we begin, please note that today's discussion may include forward-looking statements based on current expectations and assumptions. Actual results may differ due to various factors.

2025 was an exceptional and defining year for Baladna. We delivered record financial results and made significant progress across our international expansion strategy with an increasing contribution from our strategically diversified investment portfolio and overseas initiatives.

This performance reflects the strength of our integrated business model and the impact of strategic decisions taken over recent years to expand beyond the domestic market and build a diversified international platform. Our geographic and sectoral diversification strategy is now clearly translating into a tangible financial results. We closed the year with strong momentum and entered the next phase of growth with confidence and enhanced international feasibility.

Let me now take you through our financial performance for the full year. Revenue reached QR 1.27 billion, representing 11% growth year-on-year. Growth was driven by high volume across key channels led by the HoReCa segment, which delivered 30% growth during this year. Profitability improved materially. EBITDA reached QR 770 million, with a margin at 60%. This reflects revenue growth alongside strong returns from the strategically diversified investment portfolio and increasing contributions from our international investment and overseas operations, implemented as part of our geographic and sectoral diversification. Net profit reached QR 540 million, increasing 192% year-on-year basis with a margin of 42.6%, marking the highest level achieved by the Company to date. Earnings per share increased to QR 0.252 compared to QR 0.086 in prior year. Overall, full-year performance highlights the strength of our core operations combined with the growing financial impact of our international expansion strategy.

Turning specifically to the fourth quarter, which closed the year on a very strong note. Q4 revenue increased by 14% on a year-on-year basis to QR 326 million, supported by high contribution from HoReCa segment, increased economic and visitor activity linked to the FIFA Cup in 2025 in Qatar, and stable demand across core dairy categories. Profitability in Q4 was particularly strong. Q4 EBITDA increased 127% year-on-year basis, with EBITDA margin reaching 66%, driven by strong operational performance alongside continued return from a strategically diversified investment portfolio. Q4 net profit increased by 260% on a year-on-year basis, driven by higher sales volumes and investment returns. Quarter-on-quarter movement reflects normalization of investment gains compared to prior quarters, while underlying operating performance remains solid.

Moving to cash flows and our balance sheet position. Baladna continues to generate strong operating cash flows during the year, supported by high profitability and contributions from diversification initiatives. Operating cash flows enable the Company to fund capital expenditures, strategic investments, and finance costs, while maintaining a solid liquidity position. Cash utilization primarily reflects investment activity aligned with international expansion projects and long-term growth initiatives. Overall, the balance sheet remains strong and provides flexibility to support the continued execution of our international growth strategy.

Let me briefly touch on our operational performance across the business during the year. Operationally, performance remained steady. During the year, we expanded 267 SKUs and increased our sales reach to more than 149 routes, reinforcing our leading market position in Qatar and supporting broader commercial growth.

The HoReCa channel was a key growth driver, particularly in the second half of the year, benefiting from the increased activity and the strong relationship with the hotels, restaurants, and catering customers. Of course, the domestic business demand in the fourth quarter was supported by increased activity associated with the FIFA Arab Cup 2025, alongside continued portfolio development across core dairy and juice categories.

Let me turn to our international expansion strategy, which remains center to our long-term growth plans. We began the execution of our large-scale international platform in Algeria, which represents the first cornerstone of our expansion beyond Qatar on the ground as a greenfield project. During 2025, the integrated Agri-industrial project in Algeria advanced from the planning phase into active on-ground development, with a strong execution across multiple workstreams. Key milestones, including securing

186 drilling permits, completing 45 wells, installing irrigation and pivot systems, and successfully initiating the first crop cycle. Industrial development also progresses across major infrastructure and engineering components, supporting the phase development plan towards first milk production by the end of 2027. Algeria represents the foundation of our scalable international growth model and a key driver of long-term value creation.

Building on this foundation, we progress into Syria, where preparative activities continue for the planned integrated industrial project, economic encompassing arable farming, dairy, juice processing, plastic packaging, and warehousing. In parallel, exports to a local distribution partner, we have established an on-ground commercial presence, enabling early market entry while developing and planning continue.

Together, Algeria, Syria, and Egypt represent the initial phases of our broader international expansion strategy as we continue to evaluate additional markets in line with our long-term vision of expanding Baladna from Qatar to the world.

Finally, a brief update on our shareholders. During the year, shareholders approved a 24% increase in the Company's paid-off capital through a rights issue subject to regulatory approval. This strengthens our capital base and supports the continued execution of our international expansion strategy.

In summary, 2025 was a record and strategically transformative year for Baladna. We delivered exceptional financial performance, achieved strong profitability and cash generation, and made substantial progress in building our international platform. Looking ahead, our priorities remain clear; we will continue to execute our international projects with discipline, expand our diversified investment platform, and strengthen our position both domestically and across regional markets. With strong momentum and a clearly defined international roadmap, we are confident in Baladna's ability to build on this success and create long-term sustainable value. Thank you for joining today's call. Now I will open the session for questions and answers. Please go ahead.

**Operator:**

At this time, I would like to remind everyone that in order to ask a question, please press star followed by the number one on your telephone keypad. Once again, if you would like to ask a question, please press star followed by the number one on your telephone keypad.

Your first question comes from the line of Mohit C with Lesha Bank. Please go ahead.

**Mohit C:**

Yes. Hi. Thank you for the presentation. I have a couple of questions. First is regarding the a net write off of around QR 36 million. So, if you can just help us understand what that is and where it is coming from?

And second is on the investment portfolio that you have, what is the outlook on that front? Do you foresee continued investments there, or do you see realizing some gains and using that in the core operations? So, these are the two questions from my side. Thank you.

**Saifullah Khan:**

Thank you. For your first question, what you have seen in our P&L on the phase, we write off some past project advances. So, this is related to last five to six years, where Baladna was doing all the business development in different countries. We spend a lot of money on these projects where we were trying to secure, successfully

make this for the company, which can give us some positive, but it couldn't fly that project because we didn't select that project because of many reasons. But these are all related to feasibility, our traveling on the ground study, so these expenses pertaining to that relevant aspect. So now we are entering into a very clean, focused approach in projects like I mentioned in my speech, that all the past projects, we got the opportunity, we have a high profitability from our investments, so we write off during this year to get the opportunity. So, this was one-time transaction. to close all the costs what we have spent on the business development. So, this is the answer to your first question.

Second question, I think as per our strategy, we are exploring other opportunities. And yes, we definitely will be looking into these options to materialize some of the investment and use it in other investments where we can have a high return for our investors. So, this option is under consideration. At this stage, our investments are still giving us positive returns, and we are expecting during this year, some positive returns from these investments. I hope your question is answered.

**Mohit C:** Yes, thank you so much.

**Operator:** Once again, if there are others who would like to ask a question, simply press star followed by the number one on your telephone keypad.

Since there are no further questions, I will turn back the call now to Shahan. Please go ahead.

**Shahan Keushgerian:** Okay, so if there are no more questions, we can wrap up this call, and I want to thank Saifullah for giving us an update for 2025, and we will pick this up again the following quarter. Thank you.

**Saifullah Khan:** Thank you, everyone. Have a good time.

**Operator:** Thank you, everyone, and that concludes today's call. You may now all disconnect. Have a nice day ahead.