Baladna (BLDN)

Recommendation	MARKET PERFORM	Risk Rating	R-4
Share Price	QR1.281	Target Price	QR1.400
Implied Upside	9.3%	Old Target Price	QR1.310

2Q Headline Beat Masks GP Margin Miss; Greenfield Spend Now Supports Upside; MP

Baladna's 2Q2026 headline profit beat was again driven by its investment portfolio, while the underlying operating print was softer than our expectations. Attributable net profit reached QR303.1mn (+11.1% YoY, +392.9% QoQ), 12.0% above our QR270.6mn estimate, supported by QR254.5mn of fair-value gains (FVTPL). Excluding FVTPL and dividend income, earnings were QR48.7mn (+16.6% YoY, -20.9% QoQ), 13.1% below our forecast. **Revenue was in line at QR329.4mn (+5.6% YoY, -0.2% QoQ; +0.2% vs. estimate), led by 7.0% YoY growth in dairy sales. However, gross profit of QR88.0mn missed by 10.0%, with GPM falling to 26.7% from 32.2% in 1Q and below our 29.7% estimate.** Management attributed the sequential compression to a weaker product mix: lower-margin evaporated milk gained weight while high-margin UHT demand normalized after 1Q stocking. Management expects margins to recover in 2H. **The commercial picture remains constructive but mixed. The renewed evaporated milk tender is expected to generate QR110–120mn in 2026 versus QR108mn in 2025; ~QR35mn had been recognized in 1H, implying a meaningful 2H skew.** Ice cream is an emerging option, with management estimating a QR30–50mn annual revenue opportunity, although near-term availability is constrained by regional supply issues. Retail remained the engine of growth, while HoReCa was broadly stable. The key thesis is therefore unchanged: **BLDN's domestic franchise is still expanding its addressable market, but quarterly profitability remains difficult to read through large FVTPL and, to some extent, product-mix swings. We raise our 12-month TP to QR1.400 (post-rights) from the QR1.310 (post-rights) after valuing greenfield investments (Algeria & Syria) using capital deployed-to-date (CDTD) rather than an ROIC-based DCF.** Our revised SoTP assigns QR1.140/share to the Qatari operations including normalized fair-value gains, down from QR1.310 previously (primarily due to higher capex, incremental debt levels and some GPM erosion than previously modeled), QR0.250/share to Algeria at 0.8x invested capital and QR0.010/share to Syria at 0.2x invested capital. We note there has been execution progress by recognizing capital deployed to date at risk-adjusted multiples but assign no positive NPV premium until the projects demonstrate returns above their respective costs of capital. The 2Q operating miss tempers enthusiasm around the domestic margin trajectory, but we believe the updated greenfield treatment creates a more realistic and balanced approach in assessing economic SoTP value. **The revised QR1.400 PT is anchored to ~QR0.94bn of identifiable *Algeria and Syria* CDTD, of which ~QR0.69bn is recognized in our SOTP after applying the respective 0.8x and 0.2x risk-adjusted multiples.** In the meantime, the rights issue strengthens funding capacity but creates a near-term per-share earnings drag before Algeria and Syria begin contributing, which could possibly take ~2 years from now. **In our revised valuation the quality of the upside remains dependent on execution, converting book capital into returns above the cost of capital, and may require a longer investment horizon than the formal 12-month PT.** The higher PT reflects recognition of risk-adjusted greenfield value rather than a lower risk assessment; we retain our Market Perform recommendation and R-4 risk rating given the elevated execution and country risks around international expansion.

Highlights

- **Headline profit beat, but investment gains did the heavy lifting.** Attributable profit of QR303.1mn beat by 12.0%, driven by QR254.5mn in FVTPL gains. Underlying earnings of QR48.7mn missed by 13.1%, illustrating the continuing disconnect between reported and operating performance.
- **Stable revenue; dairy offsets weak juice.** Revenue rose 5.6% YoY to QR329.4mn and was broadly in line with our estimate. Dairy sales increased 7.0% YoY, a slight 0.7% beat, while juice fell 15.6% YoY and missed by 6.8%.
- **The 1Q margin high-water mark did not hold.** GPM fell 5.5ppts QoQ to 26.7% and missed our estimate by 3.0ppts, reflecting lower-margin evaporated milk and normalization of the higher-margin UHT mix after 1Q stocking. Management expects a 2H recovery.

Catalysts

- ***(1)** 2H GPM recovery **(2)** Evaporated milk tender ramp-up **(3)** Ice cream rollout and eventual local manufacturing **(4)** Upside from FVTPL gains/dividends **(5)** Algeria execution, including the November cattle airlift **(6)** Syria construction and IFC-related supply-chain work & de-risking.*

Recommendation, Valuation and Risks

- **Recommendation and Valuation:** ***We maintain our Market Perform rating but raise our 12-month PT to QR1.400 post-rights from QR1.310 post-rights.*** Our weighted valuation implies 9.3% upside: QR1.140/share core Qatari operations plus QR0.260/share risk-adjusted value for capital deployed in Algeria and Syria. **Note:** Our PT could change depending on the outcome of the rights issue.
- **Rights issue solves funding, not the timing gap.** The 25% capital increase raises ~QR536mn net (@ 100% subscription) and supports Qatar/Syria growth, but near-term EPS is diluted before international projects begin contributing. Because Algeria and Syria are unlikely to make meaningful earnings contributions within the market's typical 6–12-month horizon, per-share earnings dilute before the growth assets begin to generate returns. We therefore treat rights-issue proceeds as capex, which, for now, is not allocated positive NPV premium. **However, over the longer term, share prices tend to follow per-share earnings power. If the international platforms earn returns above their cost of capital, the initial dilution should be overtaken by incremental earnings and economic profit.** Until the return profile becomes visible, the stock is likely to trade between near-term dilution and longer-term optionality.
- ***Key risks*:** **(1)** Price controls **(2)** Volatile soft commodity prices **(3)** Government support/tender risk **(4)** Higher funding costs and elevated leverage **(5)** Rights-issue dilution & elevated funding requirements **(6)** Animal disease outbreak **(7)** Execution risk in Algeria and Syria **(8)** Dairy alternatives.

Key Data

Current Market Price	QR1.281
Dividend Yield (%)	0.0
Bloomberg Ticker	BLDN QD
ADR/GDR Ticker	N/A
Reuters Ticker	BLDN.QA
ISIN	QA000T98R9J4
Sector*	Consumer Goods
52wk High/Low (QR)	1.538/1.107
3-m Average Vol. (mn)	18.4
Mkt. Cap. ($ bn/QR bn)	0.8/2.7
EV ($ bn/QR bn)	1.3/4.7
Shares O/S (mn)	2,144.0
FO Limit* (%)	49.0
FO (Institutional)* (%)	5.1
1-Year Total Return (%)	-14.3
Fiscal Year-End	December 31

Source: Bloomberg (as of August 18, 2026), *Qatar Exchange (as of August 18, 2026); Note: FO is foreign ownership; *We used post-rights issue implied number of shares outstanding (2.68bn) to arrive at PT.*

Key Financial Data and Estimates

Group	2025a	2026e	2027e
EPS (QR)	0.061	0.079	0.095
P/E (x)	20.85	16.20	13.49
EV/EBITDA (x)	10.82	9.62	8.39
DPS (QR)	-	-	-
DY (%)	0.0%	0.0%	0.0%

Source: Company data, QNBFS Research; Note: *For estimates, the number of shares outstanding has been adjusted to reflect rights issue impact*; These estimates may not reflect the most recent quarter

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Financial Statements and Forecasts

2Q2026 Condensed Income Statement vs. Estimates (QR)

Income Statement	2Q2025	1Q2026	2Q2026	2Q26e	YoY	QoQ	Vs. Est.
Revenue	**311,987,371**	**329,984,593**	**329,437,760**	**328,822,216**	**5.6%**	**-0.2%**	**0.2%**
Dairy Sales	279,053,103	300,390,976	298,463,985	296,444,830	7.0%	-0.6%	0.7%
Juice Sales	18,562,205	15,716,019	15,674,261	16,815,686	-15.6%	-0.3%	-6.8%
Other Sales	14,372,063	13,877,598	15,299,514	15,561,699	6.5%	10.2%	-1.7%
Gross Profit	79,510,948	106,280,856	88,011,512	97,815,755	10.7%	-17.2%	-10.0%
GP M	*25.5%*	*32.2%*	*26.7%*	*29.7%*			
Operating income	61,748,243	80,013,251	63,668,858	73,057,533	3.1%	-20.4%	-12.9%
EBIT M	*19.8%*	*24.2%*	*19.3%*	*22.2%*			
Attributable Earnings	**272,779,129**	**61,495,616**	**303,118,424**	**270,588,246**	**11.1%**	**392.9%**	**12.0%**
Earnings ex. FVG	41,728,834	61,495,616	48,664,476	59,269,330	16.6%	-20.9%	-17.9%
Earnings ex. FVG+Div. Inc.	41,728,834	61,495,616	48,664,476	55,968,921	16.6%	-20.9%	-13.1%

Source: Company data, QNBFS Research

QNB FS Estimates Revision (QR)

INCOME STATEMENT	2025a	2026e			2027e			2028e		
	Current	Current	Previous	▲	Current	Previous	▲	Current	Previous	▲
REVENUE	**1,267,847,003**	**1,321,033,129**	**1,327,880,391**	-0.5%	**1,353,095,338**	**1,369,143,386**	-1.2%	**1,377,817,050**	**1,403,142,767**	-1.8%
Dairy Sales	1,132,924,050	1,198,538,869	1,192,749,852	0.5%	1,204,741,086	1,221,120,577	-1.3%	1,221,386,106	1,247,092,982	-2.1%
Juice Sales	70,699,654	60,755,735	70,147,587	-13.4%	77,618,319	77,618,319	0.0%	81,657,661	81,657,661	0.0%
Other Sales	64,223,299	61,738,524	65,973,786	-6.4%	70,735,933	70,404,491	0.5%	74,773,283	74,392,124	0.5%
GROSS PROFIT	329,778,016	386,874,562	419,588,704	-7.8%	438,078,746	443,340,379	-1.2%	459,684,221	468,259,420	-1.8%
OTHER INCOME	89,932,764	69,622,222	69,358,808	0.4%	54,035,622	54,035,622	0.0%	5,983,464	5,983,464	0.0%
EBITDA	394,590,021	430,236,217	458,989,799	-6.3%	487,606,980	465,074,276	4.8%	460,286,884	439,292,712	4.8%
OPERATING PROFIT	243,022,792	272,147,533	311,702,101	-12.7%	315,443,963	322,693,418	-2.2%	290,074,647	298,729,505	-2.9%
PORTFOLIO FV GAINS	408,007,466	254,453,948	211,318,916	20.4%	-	-	-	-	-	-
NET PROFIT	**539,736,320**	**466,420,675**	**439,848,592**	6.0%	**256,013,547**	**252,022,608**	1.6%	**236,683,635**	**236,113,864**	0.2%

Source: Company data, QNBFS Research

- **We trim 2026e revenue by 0.5% and GPM assumptions more materially, lowering 2026e gross profit by 7.8%, EBITDA by 6.3% and operating profit by 12.7%. We nevertheless raise 2026e net profit by 6.0% to QR466.4mn because our fair-value gain assumption rises to QR254.5mn**. For 2027e and 2028e, where we assume no FVTPL gains, net profit estimates rise only 1.6% and 0.2%, respectively. This divergence reinforces why we continue to focus on operating earnings rather than reported profit.

Condensed Income Statement (QR)

INCOME STATEMENT	2025a	2026e	2027e	2028e	2029e
REVENUE	**1,267,847,003**	**1,321,033,129**	**1,353,095,338**	**1,377,817,050**	**1,401,319,087**
Dairy Sales	1,132,924,050	1,198,538,869	1,204,741,086	1,221,386,106	1,237,699,696
Juice Sales	70,699,654	60,755,735	77,618,319	81,657,661	85,750,806
Other Sales	64,223,299	61,738,524	70,735,933	74,773,283	77,868,585
GROSS PROFIT	329,778,016	386,874,562	438,078,746	459,684,221	467,963,563
OTHER INCOME	89,932,764	69,622,222	54,035,622	5,983,464	5,983,464
EBITDA	394,590,021	430,236,217	487,606,980	460,286,884	464,807,420
OPERATING PROFIT	243,022,792	272,147,533	315,443,963	290,074,647	296,626,773
PORTFOLIO FV GAINS	408,007,466	254,453,948	-	-	-
NET PROFIT	**539,736,320**	**466,420,675**	**256,013,547**	**236,683,635**	**255,136,401**

Source: Company data, QNBFS Research

Condensed Cash Flow Statement (QR)

	2025a	2026e	2027e	2028e	2029e
Cash Flow from Operating Activities	**273,322,902**	**243,284,274**	**460,856,966**	**395,677,291**	**348,011,192**
Cash Flow from Investing Activities	**(634,686,539)**	**(232,783,640)**	**(417,848,833)**	**53,664,466**	**54,333,065**
Cash Flow from Financing Activities	**662,706,484**	**520,744,564**	**(15,746,812)**	**(184,699,689)**	**(482,057,921)**
Change in Cash	301,342,847	531,245,198	27,261,320	264,642,068	(79,713,664)
Cash Beginning of Period	(92,941,383)	208,202,503	739,447,701	766,709,021	1,031,351,090
Restricted bank balance	145,563,741	145,563,741	145,563,741	145,563,741	145,563,741
Translation Differences	(198,961)	-	-	-	-
Cash End of Period	**208,202,503**	**739,447,701**	**766,709,021**	**1,031,351,090**	**951,637,426**

Source: Company data, QNBFS Research

Balance Sheet (QR)

	2025a	2026e	2027e	2028e	2029e
Non-current asset					
Property and equipment	3,285,605,491	3,442,615,440	3,767,343,282	3,622,508,604	3,479,036,918
Right of use assets	105,276,839	93,451,174	81,625,509	69,799,844	57,974,179
Intangible assets	4,914,015	1,641,047	1,641,047	1,641,047	1,641,047
FVTPL assets	994,476,800	1,248,930,748	1,248,930,748	1,248,930,748	1,248,930,748
Biological assets	193,661,272	175,840,525	158,019,779	140,199,032	122,378,286
Goodwill	6,792,635	6,792,635	6,792,635	6,792,635	6,792,635
Advance to suppliers	372,583,615	372,583,615	372,583,615	372,583,615	372,583,615
Other non-current assets	3,524,427	3,524,427	3,524,427	3,524,427	3,524,427
Total non-current assets	**4,966,835,094**	**5,345,379,612**	**5,640,461,042**	**5,465,979,953**	**5,292,861,855**
Current assets		-	-	-	-
Biological assets	446,200	405,141	364,081	323,022	281,962
Inventories	400,494,534	398,825,039	390,652,658	391,983,089	398,482,191
Accounts receivable and prepayments	336,242,665	398,951,492	307,867,534	257,293,773	266,297,356
Due from related parties	29,457,007	29,457,007	29,457,007	29,457,007	29,457,007
Cash and bank balances	374,789,122	906,034,320	933,295,640	1,197,937,709	1,118,224,045
Total current assets	**1,141,429,528**	**1,733,672,998**	**1,661,636,921**	**1,876,994,599**	**1,812,742,562**
Total assets	**6,108,264,622**	**7,079,052,610**	**7,302,097,963**	**7,342,974,552**	**7,105,604,417**
EQUITY AND LIABILITIES					
Equity	2,143,984,962	2,685,341,164	2,685,341,164	2,685,341,164	2,685,341,164
Legal reserve	120,595,369	167,237,437	192,838,792	216,507,155	242,020,795
Acquisition reserve	201,123,011	201,123,011	201,123,011	201,123,011	201,123,011
Retained earnings	464,569,931	872,688,022	1,096,699,874	1,303,798,055	1,227,042,406
Translation reserves	(198,961)	(198,961)	(198,961)	(198,961)	(198,961)
Common equity	**2,930,074,312**	**3,926,190,673**	**4,175,803,881**	**4,406,570,425**	**4,355,328,415**
Non-controlling interest	390,288,880	384,811,794	378,262,052	370,729,849	362,444,425
Total equity	**3,320,363,192**	**4,311,002,468**	**4,554,065,933**	**4,777,300,273**	**4,717,772,840**
Non-current liabilities					
Islamic financing	1,939,005,167	1,939,005,167	1,939,005,167	1,804,640,442	1,672,069,581
Lease liabilities	87,245,526	66,653,552	50,921,763	35,826,892	21,109,279
Employees' end of service benefits	22,244,706	25,194,705	27,929,951	30,470,836	32,835,931
Total non-current liabilities	**2,048,495,399**	**2,030,853,424**	**2,017,856,881**	**1,870,938,170**	**1,726,014,790**
Current liabilities					
Lease liabilities	83,316	63,651	48,628	34,213	20,159
Due to related parties	7,997,391	7,997,391	7,997,391	7,997,391	7,997,391
Accounts payable and accruals	201,963,875	199,774,227	192,767,680	192,568,734	194,418,856
Islamic financing	508,338,571	508,338,571	508,338,571	473,112,893	438,357,502
Bank overdraft	21,022,878	21,022,878	21,022,878	21,022,878	21,022,878
Total current liability	**739,406,031**	**737,196,718**	**730,175,148**	**694,736,109**	**661,816,786**
Total liabilities	**2,787,901,430**	**2,768,050,143**	**2,748,032,030**	**2,565,674,279**	**2,387,831,576**
Total equity and liabilities	**6,108,264,622**	**7,079,052,610**	**7,302,097,963**	**7,342,974,552**	**7,105,604,417**

Source: Company data, QNBFS Research

Ratios

	2025a	2026e	2027e	2028e	2029e
Growth Rates					
Revenue	10.7%	4.2%	2.4%	1.8%	1.7%
Gross Profit	26.7%	17.3%	13.2%	4.9%	1.8%
EBITDA	16.1%	9.0%	13.3%	-5.6%	1.0%
EBIT	18.6%	12.0%	15.9%	-8.0%	2.3%
NP	191.7%	-13.6%	-45.1%	-7.6%	7.8%
FCFF	31.5%	-83.8%	111.7%	578.0%	-12.3%
EPS	191.7%	-30.9%	-45.1%	-7.6%	7.8%
CDPS	N/A	N/A	N/A	N/M	41.1%
CFPS	N/M	41.0%	-94.9%	870.8%	N/M
Operating Ratios					
Gross Margin	26.0%	29.3%	32.4%	33.4%	33.4%
EBITDA Margin	31.1%	32.6%	36.0%	33.4%	33.2%
EBIT Margin	19.2%	20.6%	23.3%	21.1%	21.2%
Net Margin	42.5%	34.9%	18.4%	16.6%	17.6%
Working Capital Ratios					
Inventory Days	156.2	156.2	156.2	156.2	156.2
Average Collection Period	38.5	60.0	38.4	36.8	38.5
Payable Days	33.3	33.3	33.3	33.3	33.3
NWC days	161.5	182.5	160.9	159.4	161.1
Finance Ratios					
Debt-Equity Ratio	99%	73%	68%	61%	57%
Net Debt -Equity Ratio	52%	18%	16%	5%	3%
Net Debt -to-Capital	28%	12%	11%	4%	2%
Net Debt -to-EBITDA	3.86	1.66	1.38	0.48	0.26
Interest Coverage	3.10	4.00	3.74	3.63	4.01
Return Ratios					
ROIC	5.4%	5.7%	6.4%	6.2%	6.6%
ROE	16.2%	10.7%	5.5%	4.8%	5.2%
ROA	8.8%	6.5%	3.4%	3.1%	3.5%
FCF Yield	4.0%	0.2%	1.1%	12.9%	11.6%
Liquidity Ratios					
Current Ratio	1.54	2.35	2.28	2.70	2.74
Quick Ratio	1.00	1.81	1.74	2.14	2.14
Valuation					
EV/Sales	4.15	4.09	3.96	3.56	3.43
EV/EBITDA	10.82	9.64	8.42	7.94	7.64
EV/EBIT	21.65	19.83	16.97	16.91	16.19
P/E	5.09	7.36	13.41	14.50	13.46
P/CF	10.05	14.11	7.45	8.68	9.86
P/BV	0.83	0.80	0.75	0.72	0.73
Dividend Yield	0.00%	0.00%	0.00%	8.74%	12.33%

Source: Company data, QNBFS Research

Addendum: Algeria/Syria Greenfield Investment View

Why invested capital is the appropriate bridge

DCF remains premature for assets that are still under construction and lack disclosed operating assumptions. **For Algeria, we use 0.8x invested capital: the 0.8x multiple recognizes execution progress while applying a 20% discount to capital deployed for pre-operational, completion and return-on-capital risk. For Syria, we apply 0.2x invested capital: the 80% haircut reflects the probability of capital destruction, currency devaluation, geopolitical intervention and execution risk**. This approach preserves future upside. Once either project begins commercial operations and discloses credible pricing, margins, capex, working capital and cash conversion, valuation can migrate from book-value multiples toward earnings or DCF-based methods. Baladna's capital commitments related to domestic and international projects increased to QR2.849bn at 30 June 2026 from QR847.9mn at 31 December 2025. However, **we recognize only verifiable capital deployed, at risk-adjusted multiples.**

Invested Capital in Algeria and Syria (QRmn)

Project / allocation	FY2025	1H2026	Capital deployed-to-date (CDTD)
Algeria – advance allocation	372.6	461.4	833.9
Syria – advance allocation	-	115.3	115.3
Combined greenfields	**372.6**	**576.7**	**949.3**

Source: Company data, QNBFS Research

Algeria: Recognize execution, defer the NPV premium

- **We estimate QR833.9mn of advances allocated (CDTD) to Algeria**. The 1H2026 financial statements also show Algeria segment assets of QR1.425bn and external feed revenue of QR1.1mn, indicating that physical deployment has begun although commercial dairy operations remain ahead. Execution advanced in 1H: arable farming continued, dairy-farm construction commenced, processing facilities moved into equipment supply, and the first US cattle airlift remains scheduled for November 2026 as part of a phased introduction of ~30,000 Holstein cows. These milestones reduce delivery risk but do not yet resolve the key valuation unknowns: realized offtake pricing, steady-state margins, maintenance capex, working capital and dividend repatriation.
- **At 0.8x invested capital, Algeria adds QR0.25/share to our PT**. This is materially more conservative than the prior ROIC-implied option valuation because it gives no credit for future economic profit, the 20-year offtake arrangement or residual value. Upside would require evidence that project ROIC exceeds WACC; downside would emerge from cost overruns, delays or impairment. In our previous reports we highlighted that our valuation model did not incorporate the Algeria and Syria projects, while also noting that Baladna's ability to export its operating model creates "PE-like payoff optionality." That framing remains appropriate, in our view: **The opportunity is potentially material relative to Baladna's current equity value, but the project still lacks enough disclosed pricing, margin, ramp-up and cash-flow detail to support a full DCF with high conviction**.
- Algeria remains the more underwritable of Baladna's two international options. The project entails $3.493bn of total investment, funded by $875mn from Baladna, $840mn from Algeria's National Investment Fund and $1.785bn of subsidized local debt. The 20-year offtake agreement, 20-year bank-payment guarantee and 10-year tax exemption reduce demand, collection and early tax-leakage risks.

Syria: 0.2x invested capital embeds an 80% risk haircut

- **We estimate QR115.3mn has been invested in Syria to date**, based on the allocation of 20% of 1H2026 net advances for investments (CDTD). The 1H2026 accounts explicitly state that non-current advances relate mainly to plant construction in Algeria and Syria, including QR119.1mn paid to a related-party contractor for Syria.
- **Syria contributes only QR0.01/share at 0.2x invested capital**: The valuation recognizes physical progress while heavily discounting sovereign, sanctions, currency, repatriation and contract-enforcement risks. A higher multiple would require better visibility on security, funding, project economics and cash repatriation. The disclosures do not provide the pricing, margin, funding mix, tax, working-capital, repatriation or steady-state cash-flow assumptions needed for a credible DCF. **Under a traditional country-risk framework, the required return could exceed 30%, setting a very high hurdle for value creation. The counterargument is that Syria is recovering from a low base and its risk profile may improve non-linearly**; IFC involvement may also de-risk supply-chain development and future financing. This makes Syria a potentially asymmetric real option, but for now we recognize only 20% of capital deployed, equivalent to QR0.01/share.
- **Syria is progressing from concept to physical execution**. Construction has started at the Adra Industrial City manufacturing facility following design, land-consolidation and environmental approvals; procurement is advancing, and IFC is advising on farmer integration and dairy-supply-chain assessment. The broader concept spans farming, processing, manufacturing, packaging, warehousing and logistics.

Rights Issue: funding flexibility now, return accountability later

Item	Terms / Implication
New shares	535.996mn; one new share for every four existing shares
Subscription price	QR1.01/share
Estimated net proceeds	QR536.356mn
Share-count increase	25%; non-participants face 20% ownership dilution
Use of proceeds	Qatar growth and regional dairy/agriculture opportunities, including Syria
Valuation treatment	Proceeds offset as capex; no positive NPV premium recognized until returns become visible

Source: Company data, QNBFS Research

Recommendations *Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price*		Risk Ratings *Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals*	
OUTPERFORM	Greater than +20%	**R-1**	Significantly lower than average
ACCUMULATE	Between +10% to +20%	**R-2**	Lower than average
MARKET PERFORM	Between -10% to +10%	**R-3**	Medium / In-line with the average
REDUCE	Between -10% to -20%	**R-4**	Above average
UNDERPERFORM	Lower than -20%	**R-5**	Significantly above average

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