



**MAY AND BAKER NIG. PLC**

## **2022 NEW YEAR MESSAGE BY THE MD/CEO.**

My dear colleagues,

I am very delighted to wish you all a happy new year in 2022. I am glad that many of you who traveled during the festive period have safely returned to your destinations. For those who are yet to return, I pray for journey mercies when you so do. I am optimistic that your families are doing well and that you had a restful holiday. My prayer is that this year will be very fruitful and rewarding for all of us and our company, as we once again get back to our beats with dedication and motivation.

Let me at this point ask that you join me to appreciate some of our colleagues who had to stay back to ensure we closed the business of 2021 on a good note and prepare for 2022. I believe resounding applause to appreciate these great colleagues is in order.

Today marks my first anniversary of this meeting, and what an amazing year it has been (***I know many of you have said it looks like I have been here for ages; it's all because of you all and I am grateful***). When at last year's meeting I spoke about the warm camaraderie of many of the colleagues and the support of the Board, I spoke mostly in hope that it will be more than just love at first sight. After one year of actively working with all of you and through several interactions with the members of the Board both at Board meetings and other communications on the business of the company, I must say that you all have exceeded my expectations, and I am truly grateful. I have seen a great improvement in motivation and commitment in most of you; month on month, our interactions have been with mutual respect even when our opinions may differ in some subjects, and we always end up finding a common ground for the good of the business. The support of our Chairman and indeed the Board has been wonderful, coming to help on the business side each time we needed them. We say a big thank you to our Chairman and the Board.

2021 has been more challenging than many expected, with COVID-19 still wreaking havoc around the world, springing many surprises in its wake – from Delta to Omicron, second, third and fourth waves. Our business was also impacted as many others as possible, by the disruptions of COVID-19. The price of raw materials in most cases have more than doubled, the scarcity and high cost of Forex and the delays in the global supply chain with the attendant costs were the headwinds we had to deal with in 2021. We have had to adapt our operations to respond to these challenges by carefully managing our costs, planning more efficiently, prioritizing our marketing spend and being more aggressive in the marketplace to ensure improvement in our market share.

## **STATE OF THE BUSINESS.**

Despite the challenges of 2021, our business has kept a good trajectory quarter on quarter. We have maintained a double-digit growth both in revenue and profit for each of the quarters where we have submitted our results as required by regulations. Although the final numbers for Q4 are not yet out, preliminary figures show that we have kept this growth trajectory till the end of the year. I am therefore glad to announce that we ended the 2021 financial year with a revenue of N11.9b representing 95% of the budget and 27% growth over last year. The tentative result of PBT shows we are likely to deliver 95% of the budget and a growth of about 16%. This I believe is a very good result given the conditions under which we operated and even more reassuring as much of the growth recorded is organic. I am sure the audited results will be published sometime in Q1, 2022.

Our performance has been helped significantly by proper management of our operating expenses both at the factory level and field operations, hence despite the increases in the cost of input materials, we were still able to end the year at 95% of the budgeted GM%. We will need to do more of these balancing activities knowing that it's not always easy to pass all the cost increases to the consumers who already are challenged with dwindling resources and low purchasing power.

In 2021 we achieved a few remarkable milestones; sometimes setting new records and breaking them. We achieved the highest sale in a single month (N1.5b) in March and in October we broke that to record N1.8b. In my speech last year, I shared the vision of a banner going up in October when we cross the N10b mark. Yes, we didn't achieve that at the end of October, but in the first week of November; at the back of that stellar performance in October, that dream was realized. It took a lot of effort and belief by the team to accomplish that. So, at the end of the year, we have set a new record of revenue achievement and possibly profit as well. The challenge for us in 2022 is to break these records and set new ones as we work hard to make this company the pride of the industry.

## **STAFF WELFARE.**

In my speech last year, one of my cardinal objectives was to ensure improvement in the welfare of staff. I did mention that as long as the business was doing well, I will ensure that our staff will also do well. I am sure you all can agree that within the limits of our resources, we have tried to improve some of the welfare schemes that have hitherto remained unattended to. I hope that the business will perform even better in 2022 so we can continue to address other areas of staff welfare that I believe still need more improvement.

We have also made some improvements in our work tools to ensure we continue to deliver quality in our daily engagements. Thanks to the funds from the CBN intervention, we have finished our state-of-the-art Herbal manufacturing line and thus transitioned our manufacture

of Niclovix from Abuja to the Pharmacentre in Ota. We have made improvements in our logistics, added new forklifts, expanded our warehouse capacity at the Paracetamol plant, etc. We have started taking delivery of some of the new liquid lines that are billed to come into operation this year. We will continue to make investments in machines and work tools that will make our jobs more efficient and ensure we maintain our legacy of quality. We have also invested more in training for staff and some of you already know that some of these trainings are compulsory as HCD must achieve the set targets for completion of the training plans, and moreover, we know these trainings will help us to perform our roles better.

## **2022 BUSINESS.**

At the last Board meeting on November 25<sup>th</sup>, 2021, we presented our business plan and 2022 budget to the Board. The board approved the budget and the business plan, noting that the plans are well articulated and clear. They however challenged us to put a definite timeline on the plan to extend our reach to other markets outside Nigeria. To this end, management agreed that by half-year 2022, we would have visited a few of these countries to begin active plans to launch our products in some West African markets. This is a significant aspect of achieving our vision of becoming a ***“Leading Healthcare Brand in Sub-Saharan Africa”*** so we need to actively work towards achieving that important milestone in 2022.

It is in the light of the foregoing that the Management has chosen the theme for 2022 as ***“Breaking New Frontiers”*** This theme obviously underscores the need for us to engage in other business development initiatives in addition to the expected growth of our current business. We will need to plan better, compete more aggressively and be intentional about growing the business beyond where it is now. Together and by the grace of God, we will achieve the 2022 budget, working as a team with renewed commitment and determination. I encourage each head of department to share the details of our 2022 approved business plan with your team as it applies to them to ensure adequate engagement and alignment. I will also demand that we all ensure we develop our work plans immediately to ensure they are reviewed and approved by the end of January 2022.

Finally, let me once again thank all of you for your contributions in 2021 which was necessary in helping us achieve the result, we achieved last year. As we look forward to another fruitful year; despite what the economic statistics say, I challenge us to treat every obstacle we meet as a steppingstone to get us to the next level in our quest to becoming the best performing business in our sector and Breaking New Frontiers in the process.

Thank you so much and welcome to a new year of amazing possibilities.