



**MAY AND BAKER NIG. PLC**

## **2024 NEW YEAR MESSAGE BY THE MD/CEO.**

I thank the almighty God for seeing us through a very challenging 2023 and into a new year, 2024. I also thank Him for journey mercies for many of you who may have travelled during the holidays and are back. I do hope we had some time to celebrate the Christmas and New Year with family and friends during the short holiday period.

At this point my special thanks go to many of our colleagues who had to work during the holiday to ensure we meet some of the needs of our customers. You all deserve a good applause, and I say thank you so much.

I am sure none of us need to be reminded how tough a year 2023 was, and sadly so. In our plans we prepared for the usually anticipated outcomes of an election year in Nigeria. We planned against disruptions in movements should there be controversies or violence. We had enough stock of key raw materials to cover up to Q2 of 2023 to avoid issues with importation etc. The year started on a good note as we met our budgets right from the beginning of the year and we were headed for a fantastic year despite the stretch targets we set for ourselves.

Unfortunately, things started turning for the worse from the very first speech of the President on May 29, 2023, with that famous quote of “fuel subsidy is gone” While we were yet grappling with the impact of that on the fundamentals of business, as both transport fare and cost of almost every other item increased in proportion with the price of fuel, the government decided to float the naira barely a month after the removal of the fuel subsidy and that definitely brought the economy to its knees especially for us in manufacturing.

### **STATE OF THE BUSINESS.**

Before the decision to float the naira, we were already dealing with unavailability of forex for critical imports. The floating of the naira obviously meant that the

official exchange rate, which used to be around N464/\$ for I&E window now went up to N745/\$ and with unavailability of supply obviously got up to N1150 at some point and parallel market was up to N1300/\$. However, the real challenge was not just the obvious devaluation of the naira but the fact that all unsettled LCs or Form Ms, some dated to 2021, had to be revalued at the new rate. That immediately meant huge losses for companies like ours and obviously much worse for bigger companies.

From the foregoing we can see the reason why we have had to make some tough decisions like take some price increases, reduce costs where necessary and intensify our efforts at driving the revenues to ensure we are able to sustain the huge costs occasioned by the unfolding harsh economic situation of the country. We also know that many companies who could not contain the tough economic climate have already decided to leave the country. GSK was among the first to make an announcement and followed by our contract manufacturing partner Sanofi, and we heard also of P&G “dissolving their Nigerian operations” etc.

It is in the light of these unfolding scenarios that I want to thank God that we are still in business despite the losses. I must appreciate our Board, under the leadership of our able Chairman without whose support our story would have been different. I also want to thank all our management and staff for your support and sacrifices during these trying times. I know many of you had to suspend your leave to ensure we continued operations. Many had to work odd hours and sometimes weekends to ensure steady operations. Thank you so much. I am certain that your sacrifices were not in vain. We were able to realize my ***dream*** of doubling our revenue in three years.

#### **STAFF WELFARE.**

The serious economic challenges enumerated above have dealt a big blow to the average family in the country as the cost of commodities have in some cases gone up 300% and our staff are not left out. As I promised last year, Management is always committed to finding ways of easing the burden on our staff so we can be more focused on delivering quality products to our customers. I obviously want to appreciate the Board for their understanding and support towards staff welfare. Based on that support, and with our impressive performance in the year,

Management made a bold presentation for an economic relief package which was approved by the Board. I want to appreciate you all for the very positive feedbacks we have received and the numerous prayers that you have prayed for me and the company at large. I am committed to making sure that staff welfare and motivation continue to be part of our top priorities, especially as we keep putting in a good performance.

With the prices of items in the market which were more than double what they were the previous year, our usual Christmas rice became a challenge. I am also glad that we were eventually able to give the usual Christmas presents we gave the previous year.

### **2024 OBJECTIVES:**

As usual, we presented our business plan to the Board in our last Board meeting. In line with our current performance trajectory and in consonance with our unfolding strategic plan. As usual we presented an audacious budget but our performance in the last couple of years and the plans we have for new products and capacity expansion speaks to the fact that this is achievable. One thing I am convinced about, as also confirmed by the last three years, is that there is nothing we cannot achieve if we put our minds to it. Most of what we have done in the last three years were what seemed impossible, not only in terms of business performance and capital investments, but also in people development and welfare.

It is with this well-founded awareness and apparent team motivation that many of you participated in making useful suggestions for the theme of the year. From the suggestions received, the EXCOM was able to come up with the theme for 2024, as: **“BOUNDLESS POSSIBILITIES”**. I want to thank all of you that took time to participate in deciding the theme, and of course the EXCOM for doing this at short notice.

I believe this theme speaks for itself because we have by our actions in the last three years, shown that nothing is impossible if we believe. We know that the economic condition of the country is still challenging, but we have plans to address them as we have done especially last year. I am convinced that with our

unrelenting resolve to live out the essence of our vision, we will be able to deliver this budget and possibly exceed it. I therefore ask for your unreserved support to the Management as we continue to steer the ship of our distinguished organization in the right direction with ***Boundless Possibilities***, ahead.

Once again, thank you for your usual support in the last three years and more importantly for your anticipated support and commitment for 2024.

Happy New Year to you all!

God bless you.

PA