

BERGER PAINTS JAMAICA LIMITED
AUDITED FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2019

DIRECTORS' STATEMENT

Berger Paints Jamaica Ltd (BPJL) continues to drive our long-term strategies whilst maintaining focus on talent development, customer centricity, community development and driving strong financial and operational performance.

The 2019 financial year was challenging for the Jamaican manufacturing sector in general. Major challenges in 2019 included: Increased volatility in the foreign exchange market, where the Jamaican dollar devalued on average 3.2%, reaching a low of \$142 to 1 USD\$ in November 2019, massive disruptions due to extensive roadworks across the island adversely impacting our direct customers and consumers within key trading territories, and inclement weather in Q4 presented disruptions to project schedules and coating products.

In light of these factors, for the year ended December 31, 2019, BPJL recorded revenues of \$2,525 million, being 93% of the comparative period revenues of \$2,715 million with profit before tax of \$41.4 million.

Despite the challenges, 2019 was also a year of many successes. In September, BPJL implemented a new ERP system which provides a fully integrated manufacturing and financial platform. I am pleased to advise that, barring the normal teething issues, the system has settled and is providing the required details and analytics to drive the business into the future. The introduction of a new automotive line (Roberlo) has been added to our portfolio and will deepen BPJL's reach into the automotive market. With continued focus on our workforce, 2019 also brought to close two outstanding collective agreements, and in driving a strengthened culture around health, safety and the environment, BPJL has brought on a full time HSE Officer, to ensure continued focus on employee and community wellbeing.

Berger Paints Jamaica Limited remains profitable with strong liquidity, generating cash in surplus of normal trading obligations. The Company remains committed to its Shareholders and under the stewardship of new management, the Board of Directors are confident that there is a strong foundation for even more positive results in 2020.

Strategic Direction and Outlook

While fluctuations in the Jamaican dollar remain a concern, Jamaica's other major economic indicators are trending in a positive direction: an upgrade in its credit ratings, achieving wage to GDP target of 9% and debt to GDP ratio falling below 100%.

With the strategic foundations now in place, and revenue initiatives and cost efficiencies being aggressively pursued, Berger Paints Jamaica Limited is poised for transformational performance in 2020 and future years. Year to date February 2020, performance indicators are ahead of 2019 with signs of a positive trajectory.

On behalf of the Board


Adam N. Sabga
Chairman