

BERGER PAINTS JAMAICA LIMITED
2023 AUDITED FINANCIAL STATEMENTS DIRECTORS' STATEMENT

Q4

Berger Paints Jamaica Limited (BPJL) delivered increased revenues to close at \$1.13B in Q4 2023 compared to \$1.11B in Q4 2022, a 1% increase. Gross profit margins in 2023 were 45% higher versus 2022, closing at 36%. Cost of Goods Sold in Q4 2023 was \$726M, 24% less than the \$899M recorded in Q4 2022. We continue to face challenges with margins as we experience pressure at the economy end of the market and are proactively deploying programs through our dynamic portfolio, in defense of our market share.

Manufacturing and Operating expenses for Q4 2023 totaled \$321M compared with \$306M in Q4 2022, an increase of \$15M. The increase is associated with expenses in keeping with our strategic initiatives to improve our customer engagement and consumer experience.

We are encouraged that planned initiatives over the period are bearing fruit as shown in the recorded profit of \$9M in Q4 2023 compared to a loss of \$24M in Q4 2022.

Full Year

Revenues improved in 2023 by \$64M from \$3.3B to JD\$3.4B, a 2% improvement vs 2022.


Cost of Goods Sold declined by 1% or \$19M as we continued to rein in product related costs across the business and optimised operations. This effort aided in delivering a 2% improvement in Gross Profit margin in 2023 vs 2022 to close at 33%. Total expenses grew by 35% in 2023 to \$1.3B, driven heavily by foreign exchange losses, increases in our security and information systems costs, filling of critical vacancies and advertising and promotional costs.

The year closed at a loss before taxes of \$235M.

Outlook

We are positive about the future as we continue in our drive to retool the business and implement at scale and pace the strategies required to deliver significantly stronger performance in 2024. We have invested in infrastructure, people and improved processes over the latter part of Q4 and are confident these investments in our future will result in improved performance for 2024 and beyond.

On behalf of the Board of Directors and Management of Berger Paints Jamaica Limited, a heartfelt thank you to our loyal customers, dedicated staff, suppliers, and all other stakeholders for your ongoing and continued support.


Adam N. Sabga
Chairman