



## Media Statement

Lagos, 12 April 2024

### **Nigerian Breweries indicates plans for company-wide reorganisation as part of strategic recovery plan.**

Following the recent announcement of its Business Recovery Plan, Nigerian Breweries Plc (Nigerian Breweries or the Company) has indicated plans for a company-wide reorganisation aimed at securing a resilient and sustainable future for its stakeholders. This move comes after the Company recorded a net loss of approximately N106 billion in its 2023 full year results. The loss follows a combination of challenging economic factors ranging from heightened operational costs, continued pressure on consumer disposable income, escalating inflation rates, FX volatility, amongst others.

In letters signed by the Company's Human Resources Director, Grace Omo-Lamai, and addressed to the leadership of the National Union of Food, Beverage & Tobacco Employees (NUFBTE) and the Food Beverage and Tobacco Senior Staff Association (FOBTOB), the Company informed both Unions that its proposed plan would include operational efficiency measures and a company-wide reorganisation that includes the temporary suspension of operations in two of its nine breweries. As a result, and in accordance with labour requirements, the Company invited the Unions to discussions on the implications of the proposed measures.

It would be recalled that the Company recently notified the Market of its plan to raise capital of up to ₦600 billion (Six Hundred billion naira) by way of a Rights Issue, as a means of restoring the Company's balance sheet to a healthy position following the net finance expenses of N189 billion recorded in 2023 driven mainly by a foreign exchange loss of N153 billion resulting from the devaluation of the naira.

Speaking on these developments, Managing Director/CEO Nigerian Breweries Plc, Hans Essaadi described the business recovery plan as strategic and vital in the face of a persistently challenging operating environment.

"The tough business landscape characterised by double digits inflation rates, naira devaluation, FX challenges and diminished consumer spend has taken its toll on many businesses, including ours. This is why we have taken the decision to further consolidate our business operations for efficient cost management. It will also improve our operational and financial stability and help return our business back to profitability, as we work together to secure the business for today and for future sustainable growth", he said.

"We recognize and regret the impact that the suspension of brewery operations in the two affected locations may have on our employees. We are committed to limiting the impact on people as far as possible and providing strong support and severance packages to all affected. We are also committed to supporting our host communities in ways that ensure they continue to feel our presence."

“We remain wholly committed to having a positive impact on our host communities and our consumers; leveraging our strong supply chain footprints; excellent execution of our route to market strategy; and our rich portfolio of brands across the Lager, Stout, Malt, Soft drinks, and Energy drinks categories; and more recently, Wines and Spirits with the acquisition of Distell”, he added.

It would be recalled that Nigerian Breweries recently added to its broad portfolio with the acquisition of an 80% business stake in Distell Wines and Spirits Limited, a local business in the wines and spirits category, as a demonstration of its resilient and forward-thinking strategy to deliver long-term value creation for its shareholders and other stakeholders.

The Nigerian Breweries’ Business Recovery Plan includes a Rights Issue; a review of the Company’s current organisational structure and size as agreed with the Industry Union; the temporary suspension of operations in two of its nine breweries and an optimisation of production capacity in the other seven breweries, some of which have received significant capital investment in recent years.

Nigerian Breweries remains committed to the long-term future of Nigeria and stands as a cornerstone of Nigeria's beverage industry. With over 77 years of operations, the Company continues to demonstrate its enduring commitment to the Nigerian market and its people.

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## **Notes to Editors**

### **About Nigerian Breweries Plc.**

A member of the HEINEKEN Group, Nigerian Breweries Plc is Nigeria's pioneer and largest brewing company. Incorporated in 1946 as "Nigerian Brewery Limited," the company made history in June 1949 when the first bottle of STAR lager beer rolled out of its Lagos brewery bottling line. Today, it has a rich portfolio of 21 high-quality brands, including iconic brands like Heineken, Desperados, Maltina, Life, Amstel Malta, Gulder, Fayrouz, and Legend produced from nine breweries and distributed nationwide.

Nigerian Breweries Plc is also the recipient of several awards and recognition in other areas of its operations, including product quality, marketing excellence, productivity and innovation, health and safety, corporate social responsibility, and sustainability. To learn more, visit the Nigerian Breweries website: [www.nbplc.com](http://www.nbplc.com)

### **Enquiries**



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