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The world is now facing an unprecedented calamity. While it is a time of crisis, it is also an opportunity for each of us to bring out the best in us. It is a unique opportunity to make a positive impact on society. Perhaps never before has this mission been more relevant.

The economic crisis will be dramatic almost everywhere in the world. We need to move and act decisively in order to restart and energize the economy as soon as we can. The resumption in activity is likely to be gradual as different sectors of the economy resume at different stages.

Companies today are being judged by governments and society on their responses to this crisis. We are very aware of our social mission in terms of how we treat our employees and customers, while also engaging in efforts to aid the health response. In Flame Tree Group we are making all efforts to keep employment and support so many families that depend on us, keep our commitments with suppliers and with our investors while providing best services and products to our clients and the society at large.

We have developed specific products targeting the control of this pandemic: sanitizing cabins, hand-washing stations, hand sanitizer, dust bins to separate medical or potentially infectious waste. Further to assist with this pandemic at large we have donated many water tanks, sanitizing cabins, hand sanitizers & hand-washing stations, as we collaborate with the Government in any request and enforce compliance of all recommended measures, contributing to educate our staff and clients in best practices to avoid the spread of the virus.

In these weeks of almost global confinement we are at a defining moment, where leadership is needed, supported by a sense of hope and remaining positive while confronting problems.

With almost all sectors affected by Covid-19, businesses are facing extremely tough situations and like other companies and institutions we had to make critical decisions in a relatively short period of time in order to ensure the viability of our companies: a moratorium of several months agreed with our main bankers, budget cuts and cost control measures, postponement of projects that were to start in Q1 & Q2. We will remain focused on innovation to capture any new market opportunity.

We have experienced during the months of Q1 2020 some positive short-term effects of Covid19: increase of sales of our hand-washing stations, increase of sales of hand sanitizers, decrease of the price of plastic raw materials in the international market, following the drastic drop of fuel prices.

Flame Tree Group is financially strong and Management is confident to be able to weather this storm. Being a Regional Group, it is however subject to the measures taken by each government in each jurisdiction to fight the pandemic which is outside the control of the Company. Nonetheless, we are already in the right path: our performance in 2019 has shown a growth in profit before tax of +118%, with higher margins, lower indirect costs and great improvement in working capital management. Many important investments have been already done in the past 2 years: machines, equipment, vehicles and a new factory in Ethiopia. This will allow us to grow in the future without having any restriction in production capacity. We have a new banking partner, that is supporting us on the achievement of our Strategic Plan and even more so through this pandemic: we are proud of the agreement we signed with SBM, and the confidence they have put in our Group. This has increased our funding capacity by 60%.

Our debt ratios continue to be low and our net assets have grown by 30% in the last year alone, boosted by positive results and higher asset values.

Looking ahead FTGH is focused on innovation and increasing sales in our markets of operation and by increasing significantly the value of our exports to other African countries, especially in the cosmetics Division.

We remain hard at work.

Warm regards and best wishes to all,  
Heril Bangera - CEO