



DataPro

CORPORATE RATING REPORT

WEMY INDUSTRIES LIMITED

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October, 2025

WEMY INDUSTRIES LIMITED

Long-Term Rating:

BBB-

Short Term Rating: A2

Rating Outlook: Evolving

Trend: Even

Currency: Naira

Date Issued: 25 Oct., 2025

Valid Till: 24 Oct., 2026

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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EXECUTIVE SUMMARY

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Turnover	10,329,717	6,565,486	6,359,040	3,611,828	4,940,177
Pre-Tax-Profit/(Loss)	(229,399)	(643,490)	137,435	40,240	347,510
Shareholders Fund	1,328,706	2,122,521	2,707,911	2,625,908	(171,977)
Non-Current Assets	7,307,446	6,041,988	5,799,421	5,695,039	5,785,555
Total Assets	14,225,368	7,979,209	8,826,519	9,110,010	8,957,348

Rating Explanation

The Short-Term Rating of **A2** indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of **BBB-** indicates *Slight Risk*. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by **DataPro**. This Company, in our opinion, has an ability to meet current obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors

- Strong Brand Presence
- Good Earnings Profile

Negative Rating Factors

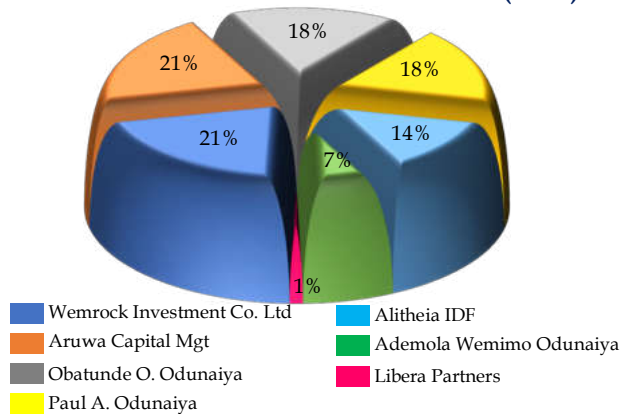
- Low Asset Utilization
- Macroeconomic Constraints

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BACKGROUND

Wemy Industries Limited ("The Company") was incorporated on 25th October, 1978 and commenced operations in March 1980. The Company is the foremost indigenous and pioneer manufacturer of baby diaper in Nigeria.

SHAREHOLDING STRUCTURE (2025)



Source: Wemy Industries Limited

The principal activity of the Company is the manufacturing and distribution of baby and adult care products such as diapers, sanitary pads, wipes, face masks and related hygiene products under the Dr. Brown's and Nightingale brands.

The Company's manufacturing site and head office are located in Lagos. Total number of employees as at 31st March, 2025 was 337.

DIRECTORS' PROFILE

The following served on the Board in the year 2025; *Mr. Adedoyin Paul Odunaiya - Managing Director; Mr. Obatunde Oluwatosin Odunaiya; Mr. Oloye Oluwaseun Toluwani; Mrs. Adesuwa Okunbo-Rhodes; Mrs. Ishmael Tokunboh Oluyomi and Mr. Alex Goma.*

The Directors' profile is as follows:

- Name:** Mr. Adedoyin Paul Odunaiya

Position: Managing Director/CEO

Years of Experience: Over 25 years

Education:
 - Professional Accountancy Certificate (PAC)- ICAEW
 - B.Sc. - University of Buckingham

Job Experience:
 - Wemy Industries Limited
 - Alfa Energy
 - eSupport UK limited
 - DICUS Limited
 - Thomas Charles & Co.
 - KHANS Chartered Accountants
 - The Listening Company

Board Membership: Since 2022

- Name:** Mr. Obatunde Oluwatosin Odunaiya

Position: Executive Director

Years of Experience: Over 15 years

Education:

- Massachusetts Institute of Technology (MIT)
- MBA- University of Bridgeport
- B.Sc.- Northern Illinois University

Job Experience:

- Wemy Industries Limited
- Sprint-Nextel, INC

3. **Name:** Mr. Oloye Oluwaseun Toluwani

Position: Non-Executive Director

Profession: Chartered Accountant and Economist

Years of Experience: Over 20 years

Education:

- Chartered Institute of Economists
- Nigeria Institute of Management (NIM)
- Chartered Institute of Taxation of Nigeria (CITN)
- Institute of Chartered Accountants of Nigeria (ICAN)
- Rufus Giwa Polytechnic

Job Experience:

- Wemy Industries Limited
- Toluwani Oloye & Co.
- Starcom Media Services Limited
- OMS Consult

4. **Name:** Mrs. Adesuwa Okunbo-Rhodes

Position: Non-Executive Director

Profession: Investment Professional

Years of Experience: Over 14 years

Education:

- B.Sc.- University of Bristol

Job Experience:

- Aruwa Capital Management
- Yikodeen Company Limited
- MDaaS Global
- OmniRetail Africa
- Wemy Industries Limited

5. **Name:** Mrs. Ishmael Tokunboh Oluyomi

Position: Non-Executive Director

Years of Experience: Over 20 years

Education:

- Yale University
- MBA - London Business School
- NYU Stern School of Business
- M.Sc.- Queen Mary University of London
- B.Sc.- Obafemi Awolowo University

Job Experience:

- Alitheia IDF
- African Private Equity and Venture Capital Association (AVCA)
- Avante Capital
- Aureos Capital
- Sussex Place Ventures
- Salomon Smith Barney
- BSG Consulting

- Citibank
- Amerada Hess

6. Name:	Mr. Alex Goma
Position:	Non-Executive Director
Years of Experience:	Over 35 years
Education:	•LL.B.- University of London •B.Sc.- University of Port Harcourt
Job Experience:	•Globacom •Grand Cereals Limited •British American Tobacco •Procter & Gamble •Leventis Stores •Highland Bottling Company Limited

SECTOR REVIEW

Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the *National Bureau of Statistics (NBS)* recently rebased the country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019. Following this adjustment, nominal GDP for 2024 was estimated at ₦372.82 trillion, positioning Nigeria as the fourth-largest economy in Africa.

The country's real GDP grew by 4.23% (year-on-year) in Q2 2025, its highest quarterly growth rate since Q2 2021, driven largely by a sharp rebound in the oil sector. This is a significant improvement compared to 3.48% recorded in Q2 2024 and 3.13% recorded in Q1 2025. The real GDP growth in the manufacturing sector in the second quarter of 2025 was 1.60% (year-on-year), higher than the same quarter of 2024 and lower than the preceding quarter by 0.47% points and 0.09% points respectively.

Manufacturers in Nigeria are confronted with lack of basic infrastructure, poor electricity supply, insecurity, inflation, inconsistent government policy and inability to access funds for business expansion. There were several incentives to boost manufacturing in Nigeria. However, the sector remains highly underperforming as manufactured goods have constituted the biggest imports in Nigeria since the 1980s.

In the year 2024, Manufacturing investment saw a significant dip of 35.3, highlighting a critical economic challenge. Due to the severe operating environment, hundreds of Companies shut down in 2023 and 2024, with more at risk. The Manufacturers Association of Nigeria (MAN) has called for urgent government action to address these issues and prevent further decline.

Foreign Exchange has negatively impacted Nigerian Manufacturing Companies by increasing production costs, limiting access to imported raw materials & machinery, and creating financial instability. The depreciating currency makes imports more expensive, putting pressure on profit margins. The Central Bank of Nigeria (CBN)

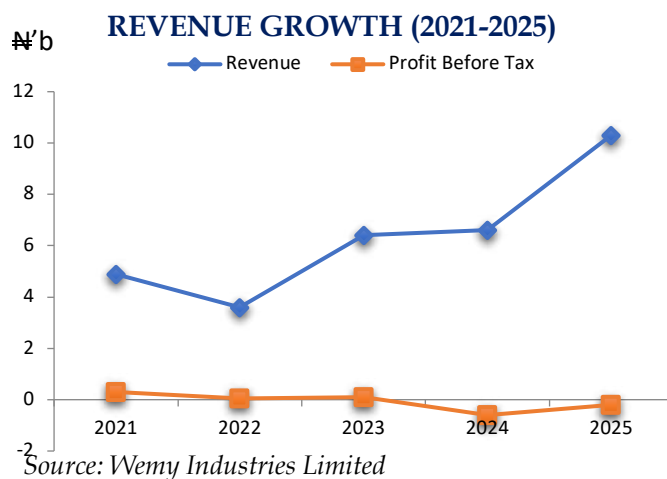
unified the Foreign Exchange market and floated the Naira in June 2023. Consequently, the local currency experienced significant devaluation. As at 20th October, 2025, the Naira was trading at N1,465 in the official market and N1,480/\$1 at the parallel market.

Inflation Rate decreased to 18.02% in September, from 20.12% in August of 2025. To address inflation and maintain economic stability, the CBN's Monetary Policy Committee (MPC) has made several adjustments to the Monetary Policy Rate (MPR). As of September, 2025, The Bank reduced the MPR by 50 basis points from 27.5% to 27%.

In spite of these challenges, the hygiene and sanitary product industry is experiencing significant growth, driven by factors such as rapid population expansion, increased public awareness of personal hygiene, and accelerating urbanization. Indigenous manufacturers, notably Wemy Industries, play a pivotal role in shaping the sector's development and meeting rising domestic demand. Encouraging factors in the industry includes reduced competition from international brands which has created space for local producers to thrive. Also new markets across West Africa and beyond present promising avenues for expansion.

FINANCIAL PERFORMANCE

• EARNINGS PROFILE

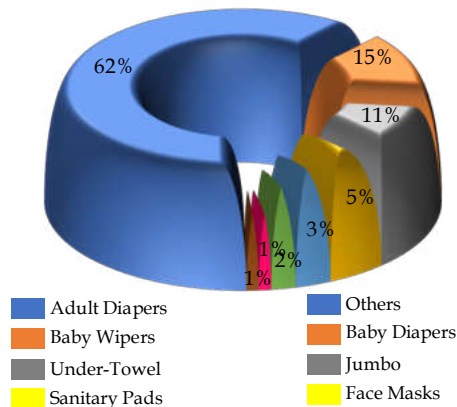


In the year 2025, Revenue was generated across several distinct business segments including: Adult & Baby Diapers, Baby Wipes, Sanitary Pads, Under Pads and Face Masks, amongst others.

The Company derived a bulk of its Revenue from the Adult Diapers segment. Revenue from this source increased from ~~N~~3.2b to ~~N~~6.4b and accounted for 62% of the Total Revenue. Other major segments

include Baby Wipes and Under-Towel which stood at ~~N~~1.6b (Yr.25) and ~~N~~1.1b (Yr.25). It both recorded growth rates of 23% and 7%, accounting for 15% and 11% of Total Revenue, respectively.

COMPOSITION OF REVENUE BY BUSINESS SEGMENTS



Source: Wemy Industries Limited

Revenue from the Jumbo segment, however declined from ₦199.0m (Yr. 24) to ₦93.3m (Yr. 25). In total, Revenue stood at ₦10.3b (Yr. 25), 57% higher than the Sales recorded in the year 2024.

The distribution of the Company's expenses included: Cost of Sales, Selling and Distribution as well as Administrative Expenses. Direct Cost grew by 40% from ₦4.9b (Yr.24)

to ₦6.8b (Yr.25). These comprised; Cost of Raw Materials, Depreciation and manufacturing expenses. The growth in Revenue outweighed the growth in Direct Cost, resulting in an increase in Gross Profit

Item	2025 ₦'000	2024 ₦'000	2023 ₦'000
Gross Profit	3,473,702	1,660,212	1,834,387
Operating Expenses	(2,928,345)	(2,200,520)	(1,779,894)
Other Income	729,254	316,378	720,863
Finance Cost	803,346	419,561	635,797
Profit/(Loss) Before Tax	(229,399)	(643,490)	137,435

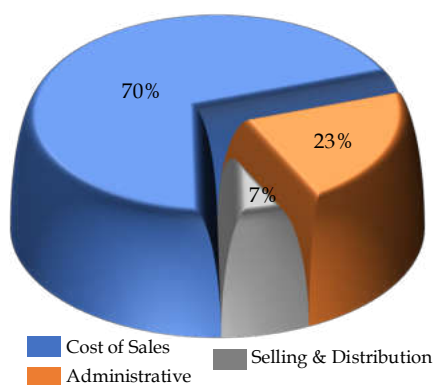
Source: Wemy Industries Limited

from ₦1.7b (Yr.24) to ₦3.5b (Yr.25) and Gross Profit Margin from 25% (Yr.24) to 34% (Yr.25).

Operating Expenses included Selling, Distribution and Administrative Expenses.

These amounted to ₦2.9b (Yr. 25), a 33% increase compared with the preceding year. Administrative Expenses remained the largest component of Operating Expenses and recorded significant increase from ₦1.7b in the year 2024 to ₦2.2b in the year 2025. The increase was related to rise in Employee Costs, Delivery Expenses, Repairs and Motor Vehicle Expenses.

CLASSIFICATION OF EXPENSES BY FUNCTION



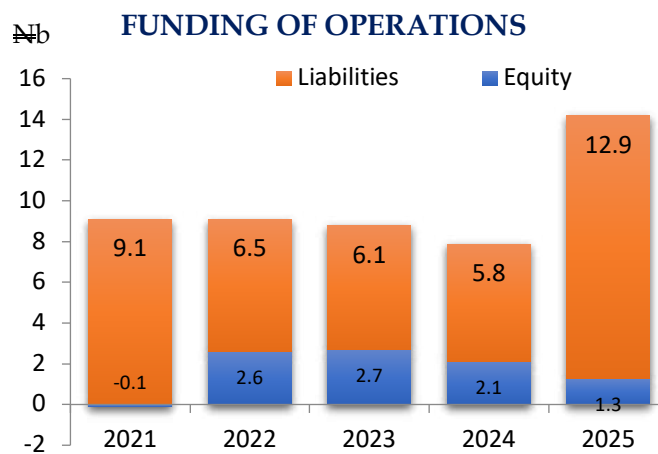
Source: Wemy Industries Limited

Other Income generated from operations included Government Grants (₦336.4m), Loan Waived (₦317.9m) and Interest Received (₦74.9m). Aggregately these grew from ₦226.8m (Yr. 24) to ₦729.3m in the reviewed year. The Company however incurred losses on Disposals, Scrappings and Settlement as well as Net Foreign Exchange Losses. This stood at ₦683.9m (Yr. 25) as against a gain of ₦35.9m recorded in the prior year.

Interest on loans aggregated to ₦803.3m (Yr. 25), notably higher than ₦419.6m incurred in the year 2024. The increase in Losses & Total Expenses continued to impact profitability in the year under review. The Company recorded a Loss Before Tax of ₦229.39m (Yr. 25). This is the second loss in three consecutive years.

• CAPITALIZATION

Shareholders' Fund recorded a 37% decline from ₦2.1b (Yr.24) to ₦1.3b (Yr. 25). This is as a result of the loss accumulated in the year. Components of the Fund comprised Share Capital, Share Premium, Other Reserves and Accumulated Fund. In the year 2025, Share Capital and Share Premium remained unchanged at ₦726.8m and ₦1.6b, respectively. Also, Other Reserves including Deposit for Shares and Convertible Preference Shares amounted to ₦1.6b (Yr. 25).



Source: Wemy Industries Limited

Total Assets stood at ₦14.2b in 2025, representing a significant increase of 78% compared with the prior year. The increase was mainly attributed to the surge in Inventories, Receivables and Cash in the period.

The Company's Liabilities included Payables, Borrowings, Financial Liabilities (Loans), Bank Overdraft, Deferred Income and Deferred Tax Liabilities. Approximately 70% of these obligations were in the long-term. Borrowings and Loans from

Banks and Financial Institutions totaled ₦9.2b (Yr. 25), up from ₦2.2b recorded in the year 2024. These Facilities were majorly in the long-term with maturity period between 3-8 years and interest rates between 4%-19%.

Borrowings and Loans funded 65% of the Company's Operations in the year 2025, as against 28% funding recorded in the year 2024. In total, Liabilities funded a significant portion of 91% of the Total Assets in the year.

• ASSET UTILITY

ITEM	2025 ₦'000	%	2024 ₦'000	%
Current Asset	6,917,922	49	1,937,221	24
Non-Current Asset	7,307,446	51	6,041,988	76
Total Asset	14,225,368	100	7,979,209	100

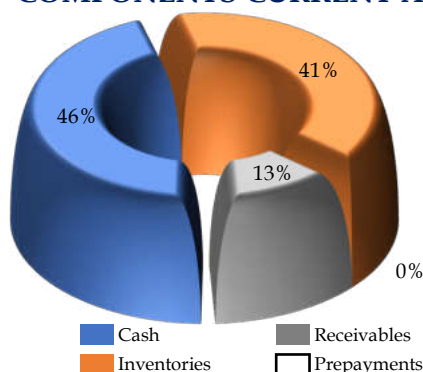
Source: Wemy Industries Limited

The Company's Total Assets for the year 2025 stood at ₦14.2b.

Typical of the Company's operations, Property, Plants and Equipment (PPE) accounted for a bulk of the Assets at 51%. The Company made additions to its Buildings, Plants, Furniture,

Motor Vehicles and Factory Equipment, bringing Total PPE value up to ₦7.3b as at 31st March, 2025.

COMPONENTS CURRENT ASSETS



Source: Wemy Industries Limited

Current Assets however surged from ₦1.9b (Yr. 24) to ₦6.9b (Yr. 25). It was majorly responsible for the increase in Total Asset value in the year.

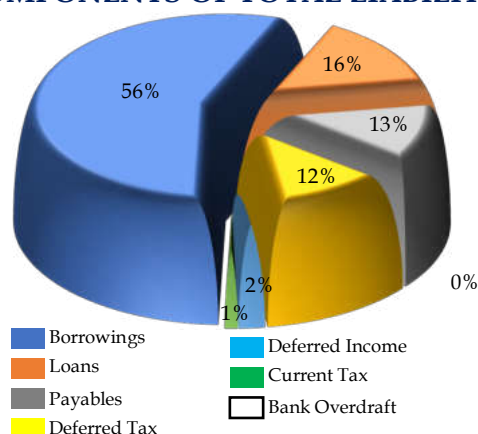
The capacity utilization for its major products such as Adult Diaper, Baby Diaper and Baby Wipes currently stands at 97%, 49% and 67%, respectively. The Company's efficiency in utilizing Assets in generating Revenue dropped from

82% (Yr.24) to 73% in the reviewed year.

• LIQUIDITY

Total Liabilities recorded a substantial increase of 120% in the year 2025. This was driven by additional Loans obtained in the year. These mainly included Loans from Banks with maturity periods falling due between 3 to 8 years. Other Long-term Obligations included Deferred Tax Liabilities, Deferred Income and Director's Current Account. In total, Long-Term Liabilities amounted to ₦9.1b (Yr. 25), 375% higher than the prior year.

COMPONENTS OF TOTAL LIABILITIES



Source: Wemy Industries Limited

Short-Term Liabilities comprised Payables, Borrowings, Loans, Deferred Income and Bank Overdraft. These accounted for approximately 29% of Total Obligations and decreased from ₦3.9b (Yr. 24) to ₦3.8b, in the year 2025.

The Company recorded interest-bearing Loans and Borrowings in the reviewed year. Borrowings were acquired from Nigeria Export-Import Bank (NEXIM), Alitheia IDF (Convertible Notes) and Wema

Bank, which stood at ₦7.1b (Yr. 25), as against ₦530.9m recorded in the prior year. Loans were also acquired from Union Bank, Fidelity Bank, Standard Chartered Bank and Wema Bank in the year. These Loans amounted to ₦2.1b (Yr. 25) and was subsequently taken over by the Bank of Industry (BOI). A total of ₦1.7b (Yr. 25) of these Facilities will be due for maturity in the year under review.

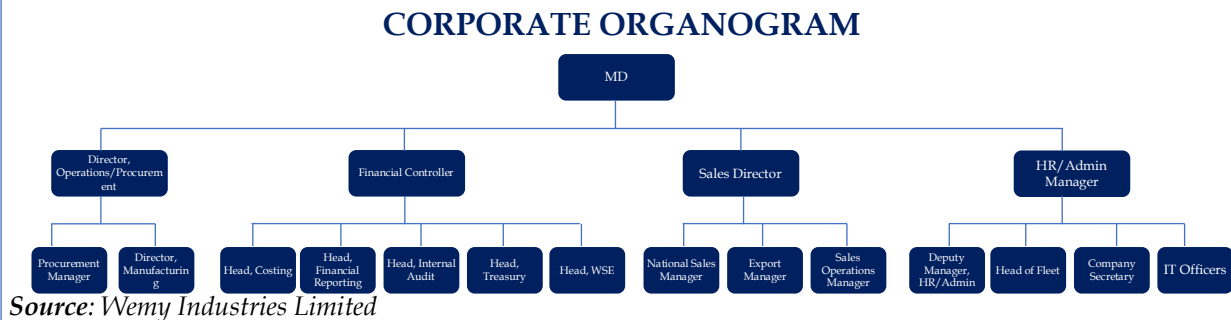
Payables amounted to ~~N~~1.6b (Yr.25) and accounted for 13% of Total Liabilities. These were balances due to trade and non-trade vendors, regulatory bodies as well as accrued professional fees.

In the year 2025, the Company recorded a Working Capital deficit of ~~N~~3.1b, representing the mismatch between its Current Assets and Liabilities. This was significantly higher than the deficit of ~~N~~2.1b recorded in the year 2024. This resulted in a current ratio of 182% in the year 2025 as against 48% attained in the year 2024. Cash generated from operations during the year stood at ~~N~~1.1b (Yr. 25).

CORPORATE GOVERNANCE & RISK MANAGEMENT

The Company is governed by its Board comprising two (2) Executive and three (3) Non-Executive Directors.

The Company's Corporate Organogram is as highlighted:



RISK FACTORS

In the course of our review, we observed the following significant risks.

- LIQUIDITY RISK**

This is the risk that the Company will be unable to pay its obligations as and when due.

Based on our review, the Company recorded a Current Ratio of 182% in the year 2025. This is significantly above our threshold of 100%.

- MARKET RISK**

This is the risk that changes in market indices, such as foreign exchange and interest rates will affect the Company's income or the value of its holdings of financial instruments.

The Company is exposed to Foreign Exchange risks arising from the importation of some of its required raw materials for operation. The Company also incurred Interest

Bearing Loans and Borrowings. Therefore, adverse movement in Interest and Foreign Exchange Rates could impair profitability.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honor their obligations as and when due.

The Company's exposure to credit risk was through Trade Receivables. The inability of the primary obligors to honor their obligations may have adverse effect on Company's operation.

CONCLUSION

The Rating of the Company is supported by its Strong Brand Presence and Good Earnings Profile.

Consequently, we assigned a Rating of **"BBB"**

CONCLUSION

	March, 2025		March, 2024		March, 2023	
	₹'000	Δ%	₹'000	Δ%	₹'000	
Assets						
Non-current assets						
Property, plant and equipment	7,304,832	20.97	6,038,775	7.65	5,609,473	
Intangible Assets	2,614	(6.81)	2,805	(98.52)	189,095	
Right of use assets		(100.00)	408	(52.17)	853	
Total non-current assets	7,307,446	5.12	6,041,988	5.12	5,799,421	
Current assets						
Inventories	2,820,166	94.22	1,452,056	(33.66)	2,188,920	
Trade and other receivables	886,155	188.36	307,304	(61.06)	789,156	
Prepayments	27,687	(6.24)	29,530	(8.23)	32,179	
Cash and cash equivalents	3,183,914	2,046.49	148,331	780.67	16,843	
Total current assets	6,917,922	34.20	1,937,221	34.20	3,027,098	
Total assets	14,225,368	34.20	7,979,209	34.20	8,826,519	
Equity and Liabilities						
Ordinary Share Capital	726,773	-	726,773	-	726,773	
Share Premium	1,599,585	-	1,599,585	-	1,599,585	
Revaluation Reserve	1,808,004		1,921,773		1,921,773	
Other Reserve	1,605,780	-	1,605,780	-	1,605,780	
Accumulated Loss	(4,411,436)	18.22	(3,731,391)	18.61	(3,146,000)	
Total Equity	1,328,706	(37.40)	2,122,520	(21.62)	2,707,911	
STATEMENT OF PROFIT OR LOSS						
Revenue	10,329,717	57.33	6,565,486	3.25	6,359,040	
Profit Before Tax	(229,399)	(64.35)	(643,487)	(568.21)	137,435	
Profit for the Year	(680,045)	16.17	(585,390)	(813.86)	82,003	

Signed: 
Name: Oladele Adeoye
Designation: Chief Rating Officer
Date: 22nd October, 2025

For and on behalf of:
DataPro Limited
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USER GUIDE

DataPro's credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our *short-term* ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or -. With + representing slightly less risk than -. Such suffixes are not added to the 'AAA' long -term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

LONG-TERM RATING

Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	(<i>Superior</i>) Assigned to companies which have superior financial strength, operating performances and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	(<i>Excellent</i>) Assigned to companies which have excellent financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	(<i>Very Good</i>) Assigned to companies which have very good financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	(<i>Fair</i>) Assigned to companies which have fair financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have an ability to meet their current obligations, but their financial strength is

vulnerable to adverse changes in economic conditions.

Non-Investment Grade

Indicator Meaning Explanation

BB	Moderate Risk	<i>(Marginal)</i> Assigned to companies which have, marginal financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	<i>(Weak)</i> Assigned to companies which have, weak financial strength, operating performance and profile when compared to the standard established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	<i>(Poor)</i> Assigned to companies, which have poor financial strength, operating performance and profile when compared to the standards established <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	<i>(Very Poor)</i> Assigned to companies, which have very poor financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added “+” to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non-investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.