

Management Discussion & Analysis

Dear Fellow Shareholders,

Assalamualaikum

On behalf of the management of the company, I would like to welcome you all to the 38th Annual General Meeting of Kohinoor Chemical Company (Bangladesh) Limited. It is an honor for me to present to all of you about the performance of our Company during the financial year 2024-2025.

Economic scenario of the world and the country

Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026. The forecast for 2025 is 0.2 percentage point higher than that in the reference forecast of the April 2025 World Economic Outlook (WEO) and 0.1 percentage point higher for 2026. Risks to the outlook are tilted to the downside, as they were in the April 2025 WEO. A rebound in effective tariff rates could lead to weaker growth. Elevated uncertainty could start weighing more heavily on activity, also as deadlines for additional tariffs expire without progress on substantial, permanent agreements.

Geopolitical tensions could disrupt global supply chains and push commodity prices up. Larger fiscal deficits or increased risk aversion could raise long-term interest rates and tighten global financial conditions. Combined with fragmentation concerns, this could reignite volatility in financial markets. On the upside, global growth could be lifted if trade negotiations lead to a predictable framework and to a decline in tariffs. Policies need to bring confidence, predictability, and sustainability by calming tensions, preserving price and financial stability, restoring fiscal buffers, and implementing much-needed structural reforms.

Bangladesh has a strong track of growth and development, even in times of elevated global uncertainty. Bangladesh's real GDP growth for FY 2025 is estimated to be around 3.9% to 4.0%, according to recent reports from the Asian Development Bank (ADB) and other sources, a slowdown from the previous fiscal year. This slower pace is attributed to factors such as high inflation, weaker domestic demand, political transition, and potential risks from natural disasters and industrial unrest.

Bangladesh's cosmetics and toiletries market reached a value of over BDT 350 billion in 2025, marked by a significant shift towards local brands that are replacing imports by offering quality products at lower prices. This growth is fueled by an expanding middle and affluent class prioritizing self-grooming, a trend exacerbated by a decline in cosmetic imports and a focus on herbal and eco-friendly products.

Guiding Principles

Dear shareholders, the preparation and presentation of the Financial Statements and the relevant disclosures therein have been made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Stock Exchanges as applicable and relevant International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Company Performance

Dear shareholders, below is a comparative analysis of the financial performance and financial position of our company over the last five years:

	2024-25	2023-24	2022-23	2021- 22	2020- 21
BDT in thousand' 000					
OPERATIONAL RESULT					
Net Sales Revenue	6,469,742	5,789,043	5,357,546	4,705,165	4,167,165
Gross Profit	1,827,492	1,534,715	1,188,262	912,019	802,974
Operating Profit	877,555	746,398	523,072	348,312	301,769
Net Profit before Tax	874,014	705,061	525,497	400,620	297,639
Net Profit after Tax	632,018	509,532	377,264	317,226	234,004
FINANCIAL POSITION					
Shareholders' equity	2,415,657	2,033,868	1,821,687	1,493,647	1,233,938
Total Assets	3,432,300	2,961,789	3,418,869	2,907,417	2,542,959
Total Current Assets	3,118,807	2,677,153	3,120,755	2,601,156	2,235,994
Total Current Liabilities	654,104	564,792	1,019,619	1,031,915	932,812
FINANCIAL RATIOS					
Current Ratio (times)	4.77	4.74	3.06	2.52	2.39
Debt Equity Ratio (times)	0.42	0.46	0.88	0.95	1.06
Return on Total Assets (%)	19.77	15.97	11.03	11.62	10.23
Inventory Turnover (times)	3.43	2.99	2.97	3.38	3.46

Now let us take a look at the peer industry scenario and have a comparison with them in regards to our performance. If we look at the industry, we will find that there are many competitors but also see that the productlines of many of the listed companies do not match with those of ours. We can go for comparisons with Marico Limited. Below is the five year's trend of ratios:

Year	2023-2024		2022-23		2021-22		2020-21		2019-20	
Ratio	KCCL	Marico	KCCL	Marico	KCCL	Marico	KCCL	Marico	KCCL	Marico
Current Ratio (times)	4.74	1.76	3.06	1.25	2.52	1.34	2.39	1.03	2.63	1.21
Return on Total Assets (%)	15.97	27.25	11.03	33.28	11.62	50.43	10.23	53.65	8.31	52.84
Net Assets Value per Share	54.86	260.64	54.05	113.85	58.49	85.37	55.58	51.95	49.34	44.05
Earnings per Share (BDT)	13.74	146.23	11.19	122.93	12.41	112.82	10.84	98.69	8.32	84.01

Future Plan

The Company always formulates strategies keeping in mind about providing the best quality to give utmost satisfaction to the customers. In this regard, we have already been able to successfully establish ourselves as one of the top companies in the local market. I would like to end my speech here by expressing sincere thanks to the management team and all employees for their efforts and performance to improve our Company. And I should also like to thank all of you for your continued confidence in us. I am closing my report with the expectation of your continued support and trust in us.

Thank you,



Rezaul Karim
Managing Director