

## COMPANY INSIGHT

Market Price	3367.4
52 Wk Price Range	3,159.50 - 3,700.00
Market Cap (BDT mn)	15,898.68
Category	A
Sector	Pharmaceuticals & Chemicals
Year End	December
Paid Up Capital (mn)	47.25
Reserve & Surplus (mn)	1,638.9
EPS	BDT 172.93
Company P/E	20.57
Sector Median P/E	21.19
NAV	BDT 187.58
Free Float %	17.04%
Free Float Share	805,140

## Shareholding (%)

Sponsor/Director	82.96%
Government	3.77%
Institutions	6.80%
Foreign	0.01%
Public	6.46%

## PRODUCTION CAPACITY

Line of Business	Unit	Cap.	2025	2024
H&T (Liquids)	Th. Litre	42,575	32.1%	31.5%
H&T (Solid/Powder)	Metric Ton	16,316	43.0%	44.5%
Pharmaceuticals	Th. Litre	1,806	45.9%	40.5%
Trading Imports - MT	Metric Ton	-	152	198
Trading Imports - Liq	Th. Litre	-	99	57

## SEGMENT REVENUE (BDT mn)

Segment	2023	2024	2025	YOY
H&T	4,999	5,251	5,439	+3.6%
Pharmaceuticals	282	208	224	+7.8%
<b>Total Revenue</b>	<b>5,282</b>	<b>5,460</b>	<b>5,664</b>	<b>+3.8%</b>
H&T % of Total	94.7%	96.2%	96%	--
Pharma % of Total	5.3%	3.8%	4.0%	--

## COMPANY BACKGROUND

Date of Incorporation: 15 April 1961 | Registered Office: Glass House, 38 Gulshan Avenue, Dhaka-1212

Reckitt Benckiser (Bangladesh) PLC is Bangladesh's premier household hygiene and consumer health company, incorporated on 15 April 1961 as Robinson's Foods (Pakistan) Limited. A publicly listed subsidiary of Reckitt Benckiser Ltd., UK (82.96% parent stake), traded on DSE and CSE under Category A. The company manufactures and markets Dettol, Harpic, Lysol, Mortein, Veet, Trix, Vanish, Airwick and Mr. Brasso (Household & Toiletries), and Dettol pharmaceutical formulations. Manufacturing at Nasirabad Industrial Area, Chittagong.

## INDUSTRY OVERVIEW

The household hygiene and consumer health products sector in Bangladesh is undergoing structural transformation driven by rising health-consciousness post-COVID-19, urbanization, and a growing middle class. Per-capita hygiene consumption remains significantly below regional peers, offering a multi-year volume growth runway. The market is estimated at BDT 30+ billion annually, dominated by multinational subsidiaries (Reckitt, Unilever) and domestic players.

Reckitt Bangladesh holds dominant positions: toilet care (Harpic), surface disinfection (Dettol, Lysol), insect control (Mortein), hair removal (Veet), fabric care (Vanish), surface polish (Trix, Brasso), and air fresheners (Airwick). The Pharmaceuticals segment manufactures Dettol antiseptic formulations.

Key sector tailwinds: (1) Government public health & sanitation initiatives; (2) Rising retail penetration via modern trade and e-commerce; (3) Growing pharma exports to 40+ countries including the USA, UK and EU under WHO GMP compliance. Key headwinds: raw material price inflation, BDT depreciation risk on ~26% imported inputs, and intensifying private-label competition in value segments.

## RECENT QUARTER PERFORMANCE

Particulars	Q1 2026	Q1 2025
Turnover (BDT mn)	1,326.07	1,473.38
Operating Profit (BDT mn)	160.69	217.876
Net Profit (BDT mn)	109.92	153.35
EPS	23.26	32.45
NAV	210.85	187.58

## 5-YEAR PERFORMANCE HIGHLIGHT

Particulars	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Turnover (BDT mn)	5,664.35	5,459.23	5,281.57	4,969.36	4,942.05
Growth (%)	+3.8%	+3.4%	+6.3%	-0.5%	N/A
Gross Profit	2,740.92	2,648.91	2,610.34	2,284.83	2,697.19
Growth (%)	+3.5%	+1.5%	+14.2%	-15.3%	N/A
Operating Profit	1,154.43	1,108.26	1,170.37	987.52	1,153.25
Growth (%)	+4.2%	-5.3%	+18.5%	-14.4%	N/A
Net Profit (BDT mn)	817.09	752.08	820.50	659.14	808.12
EPS	172.93	159.17	173.65	139.50	171.03
NAV	187.58	350.64	252.69	176.80	200.65
Current Ratio	1.11	1.54	1.19	1.11	1.23
ROA	27.1%	19.5%	18.3%	19.4%	26.4%
ROE	92.2%	45.4%	68.7%	78.9%	85.2%
Debt to Equity	2.40	1.33	2.76	3.07	2.23
Dividend per Share	173(P)	333	55	N/A	N/A

## FINANCIAL PERFORMANCE

Particulars	Q1 2026	FY 2025	FY 2024	FY 2023	FY 2022
<b>INCOME STATEMENT</b>					
Turnover	1,326.07	5,664.35	5,459.23	5,281.57	4,969.36
COGS	713.96	2,923.43	2,810.32	2,671.23	2,684.53
<b>Gross Profit</b>	<b>612.12</b>	<b>2,740.92</b>	2,648.91	2,610.34	2,284.83
<b>Operating Profit</b>	<b>160.69</b>	<b>1,154.43</b>	1,108.26	1,170.37	987.52
Net Financial (Exp)/Income	7.12	-12.41	-29.52	-14.36	-50.02
Other Income/Expenses	1.92	10.99	8.45	7.43	2.43
<b>Net Profit</b>	<b>109.92</b>	<b>817.09</b>	752.08	820.50	659.14
<b>EPS</b>	<b>23.26</b>	<b>172.93</b>	159.17	173.65	139.50
<b>BALANCE SHEET</b>					
Property, Plant & Equip.	577.01	597.53	609.42	607.33	577.88
Account Receivable	134.33	140.09	128.35	135.56	60.21
Inventories	729.98	828.80	707.51	591.00	580.08
Current Asset	2434.78	2,199.95	3,064.94	3,715.32	2,650.14
<b>Total Asset</b>	<b>3,218.69</b>	<b>3,015.71</b>	3,858.53	4,492.15	3,395.90
Paid Up Capital	47.25	47.25	47.25	47.25	47.25
Retained Earnings	949.01	839.09	1,609.53	1,146.71	788.14
<b>Shareholders' Equity</b>	<b>996.26</b>	<b>886.34</b>	1,656.78	1,193.96	835.39
Long term Lease Liabilities	122.33	143.82	109.14	132.65	150.41
Short Term Lease Liabilities	38.92	38.94	21.22	37.70	36.94
Loans & Borrowings	0.00	0.00	69.33	30.99	0.00
Current Liabilities	2091.85	1,985.55	1,992.15	3,121.20	2,377.07
<b>Total Liabilities</b>	<b>2222.43</b>	<b>2,129.37</b>	2,201.75	3,298.19	2,560.51
<b>NAV</b>	<b>210.85</b>	<b>187.58</b>	350.64	252.69	176.80
Dividend		173	333	55	165
<b>RATIOS</b>					
Turnover Growth (YoY)	<b>-10%</b>	<b>+3.8%</b>	<b>+3.4%</b>	<b>+6.3%</b>	<b>-0.5%</b>
Gross Profit Margin	46.15%	48.39%	48.52%	49.42%	45.98%
Operating Profit Margin	12.12%	20.38%	20.30%	22.16%	19.87%
Net Profit Margin	8.28%	14.43%	13.78%	15.54%	13.26%
Return on Asset	3.41%	27.10%	19.50%	18.30%	19.40%
Return on Equity	11.03%	92.20%	45.40%	68.70%	78.90%
Current Ratio	1.16	1.11	1.54	1.19	1.11
Debt-To-Equity Ratio	2.23	2.40	1.33	2.76	3.07
<b>EPS</b>	<b>23.26</b>	<b>172.93</b>	159.17	173.65	139.50

## INVESTMENT INSIGHTS

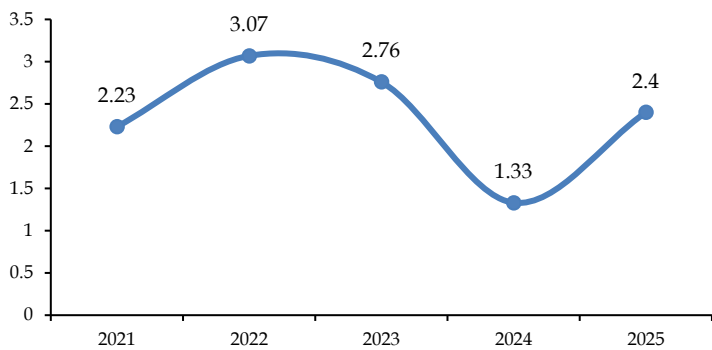
### INVESTMENT POSITIVES

- **Market Leader in Household Hygiene:** Dominant positions in toilet care (Harpic), disinfection (Dettol/Lysol), insect control (Mortein) and hair removal (Veet). Strong brand loyalty supports consistent 3-6% annual revenue growth.
- **Zero Interest-Bearing Debt (FY2025):** Full repayment of interest-bearing debt has been achieved, significantly reducing the company's financial obligations and interest burden.
- **Profitability Recovery :** FY2025 Operating Profit BDT 1,154.4 mn (6-year high). Net profit +8.6% to BDT 817.1 mn; EPS BDT 172.93 (+8.6%); EBITDA margin steady at 23.7%.
- **Strong OCF Recovery:** Operating cash flow surged to BDT 806.4 mn (+657% YoY). FCF ~BDT 667 mn comfortably covers capex (BDT 139 mn) and dividend obligations.

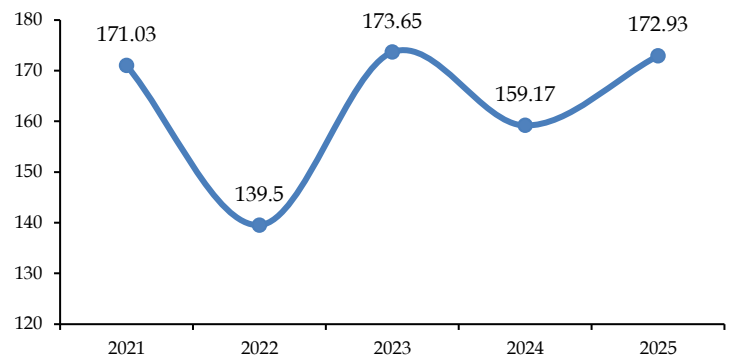
## INVESTMENT NEGATIVES

- Shrinking Balance Sheet:** Asset levels reached BDT 3,015.7 million, a 21.8% decrease—driven primarily by significant dividend payouts. A subsequent 6.73% decline was recorded in the first quarter of 2026.
- Rising Lease Liabilities & Interest Expense Exposure:** Expanded lease liabilities (+40%) drove an 89% increase in associated interest costs to BDT 18.55 million, adding pressure to the company's fixed payment obligations.
- Recent quarter Margin Fragility Under Volume Pressure:** Operating margin collapsed 267bps to 12.1% and net margin fell 212bps to 8.3% in Q1 2026, as fixed manufacturing overhead surged 42% and selling & distribution costs rose in absolute terms despite a 10% revenue decline. The cost structure – rigid factory overheads, locked logistics contracts, and an unavoidable ~5.5% royalty drag, offers minimal flexibility when revenues soften, exposing profits to disproportionate compression.
- Structural Royalty Drain - Critical Risk:** BDT 313.9 mn (38.4% of FY2025 net profit) paid annually as royalties to Reckitt Benckiser Health Ltd. UK (Dettol, Veet) and Reckitt Benckiser (ENA) B.V., Netherlands (Harpic, Airwick, Mortein, Vanish). This recurring related-party transfer structurally caps minority shareholder returns.
- Segment Over-Concentration:** Over 96% of revenue is Household & Toiletries. Any category disruption - private-label competition, regulatory changes, or consumer shifts - creates systemic revenue risk. Pharmaceuticals (4%) is too small to provide meaningful diversification.
- Unsustainable ~100% Dividend Payout:** Proposed FY2025 DPS BDT 173 ~ = 100% of EPS (172.93). Sustained full payout leaves zero retained earnings for reinvestment. Combined with FY2024 exceptional BDT 333/shr, equity collapsed from BDT 1,657 mn to BDT 886 mn - eroding long-term book value.
- FX & Import Cost Vulnerability:** ~26% of raw materials imported; BDT 12.5 mn realized FX losses in FY2025. BDT depreciation or supply-chain disruptions could compress gross margins materially.

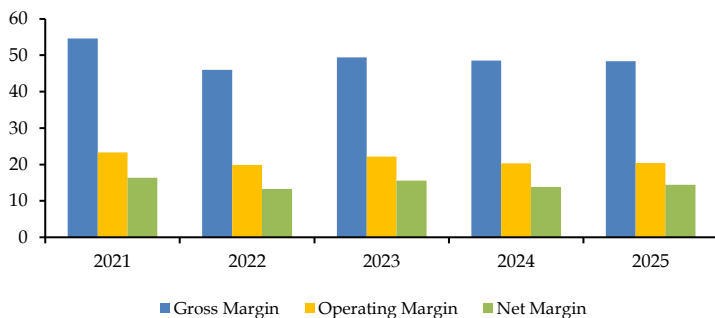
Debt to Equity Ratio



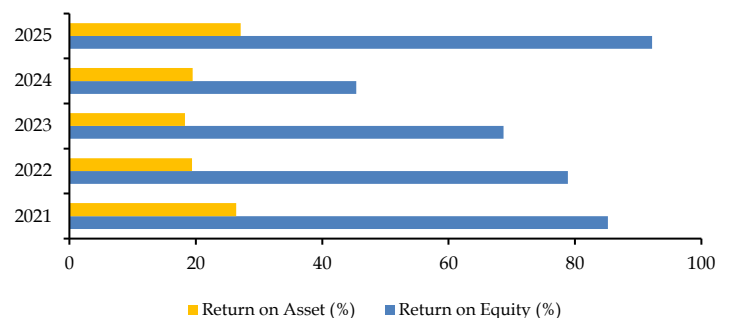
EPS



Gross / Operating / Net Profit Margin (%)



Return on Asset / Return on Equity (%)



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### PREPARED BY

MD. ABDULLAH ABU SYADE, HEAD OF STRATEGY & INVESTMENT

MUNTAHA FERDAUSI, SENIOR ANALYST, RESEARCH  
TANZILA ZAHAN, SENIOR ANALYST, RESEARCH