

REPORT OF THE DIRECTORS

The Directors of the Company are pleased to present the audited financial statements of the Company for the year ended 31 December 2024 and report that:

PRINCIPAL ACTIVITIES

Our culture is our foundation. Our logo, which reflects our purpose, fight, compass and behavior. Our leadership behaviors are making an impact. Employees are encouraged to own, create, deliver and care. We are inspired by our purposeful brands, and our efforts for a healthier planet and a fairer society.

During 2024, there were no major changes in the principal activity of the Company. Reckitt continued manufacturing and marketing of Household (Hygiene), Toiletries and Pharmaceutical (Health) products. Your company also continued to invest behind the major brands to drive business growth.

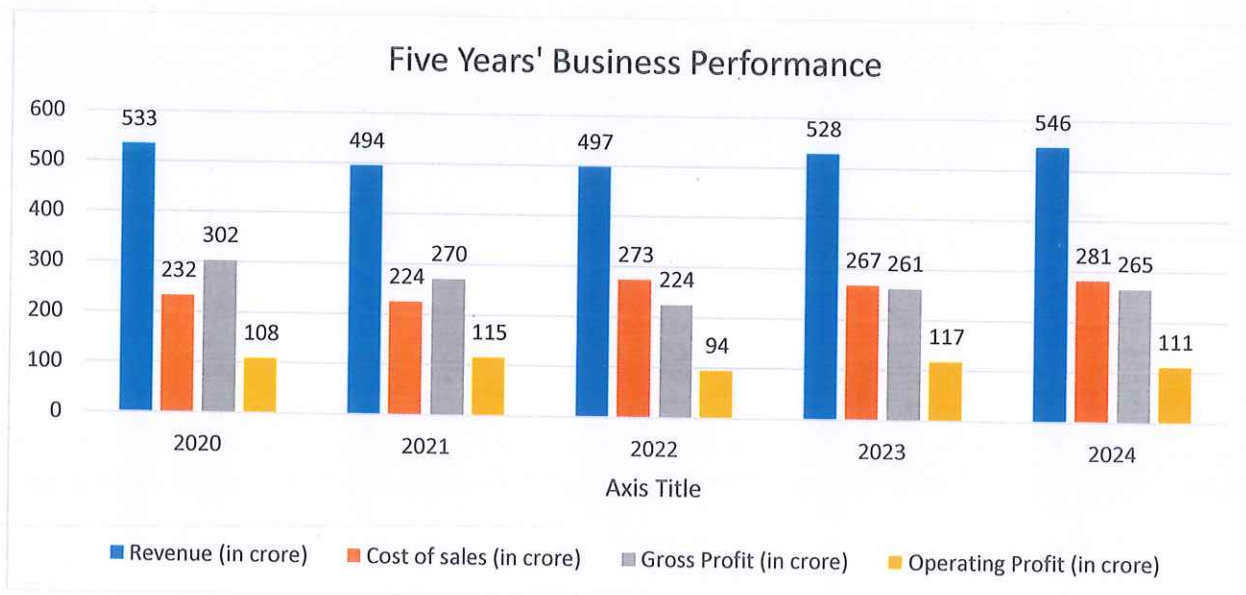
ECONOMIC HIGHLIGHT

In 2024, the global macroeconomic landscape posed several challenges, including fluctuating market conditions, inflationary pressures, currency depreciation and supply chain disruptions.

Closer home in Bangladesh, the persistence of elevated inflation posed challenges for monetary policy and has affected consumer purchasing power. The devastating floods have further exacerbated the operating environment for businesses worsening supply chain, transportation networks as well as infrastructural destructions. Additionally, the political landscape in Bangladesh has been marked by significant transition in 2024 which added a period of uncertainty to the economy.

BUSINESS HIGHLIGHTS

Despite the numerous headwinds we faced, including political uncertainties as well as broader macroeconomic turmoil, your Company has managed to deliver a revenue growth of 3.36% in 2024 when compared to previous year. This growth is a testament customer loyalty, brand loyalty, deep-rooted strength of your Company and operational agility in a volatile market. Your Company has focused on maintaining a strong market presence and continuing to meet customer demand with quality products. This growth is largely driven by our commitment to innovation and expanding product offerings, which have enabled us to capture market share even in a tightening economic environment.



Five years' Business Performance



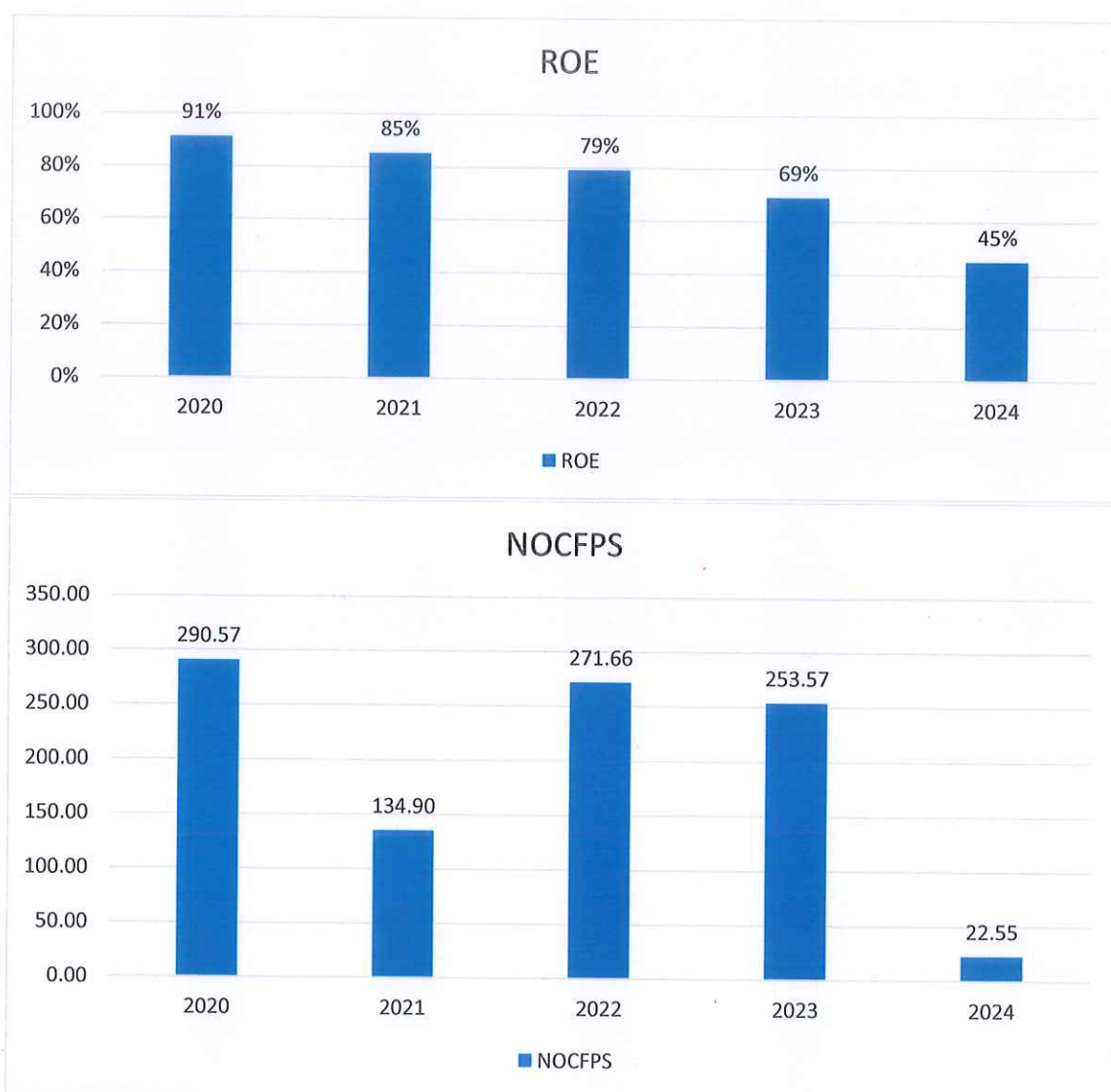



COST OF GOOD SOLD, GROSS PROFIT MARGIN, NET PROFIT MARGIN

Your Company generated a gross profit margin and operating profit margin of 48.52% and 20.30% respectively in 2024. There was a drop of 0.90% in the gross profit margin given the steep rise in raw material costs, driven by both global supply chain disruptions and domestic inflationary pressures as well as currency depreciation. This, combined with higher transportation and energy expenses, has led to an increase in overall cost. Your Company has tried to offset these pressures via taking calibrated price increases wherever possible and maximizing benefits from its world class productivity program. Being a responsible corporate citizen, the price increases in most cases lagged the input cost inflation your Company has witnessed.

NET ASSET, LIABILITY AND EQUITY AND NET OPERATING CASHFLOW

We maintained 45%+ ROE for the year, our Net Operating Cash flow per share stood at Tk 22.55 per share from Tk. 253.57 of last year.






SEGMENT WISE PERFORMANCE

The company has two operating segments based on two strategic business divisions i.e. **Health and Hygiene**. Furthermore, we have categorized **health** in two different segments i.e. toiletries and pharmaceutical. These divisions offer different products and are managed separately as they require different technology and marketing strategies. These are:

Reportable segments	Operations
Hygiene	
Household	Manufacturing and trading of hygiene and home care products.
Health	
Toiletries	Manufacturing and trading of health care products.
Pharmaceuticals	Manufacturing of anti-septic products

These two operating segments are the strategic business units of the company and are managed separately based on the Company's management and internal reporting structure. For the year 2024, 60% of the total turnover came from **Toiletries and Pharmaceutical (Health)** products and 40% from **Household (Hygiene)** products.

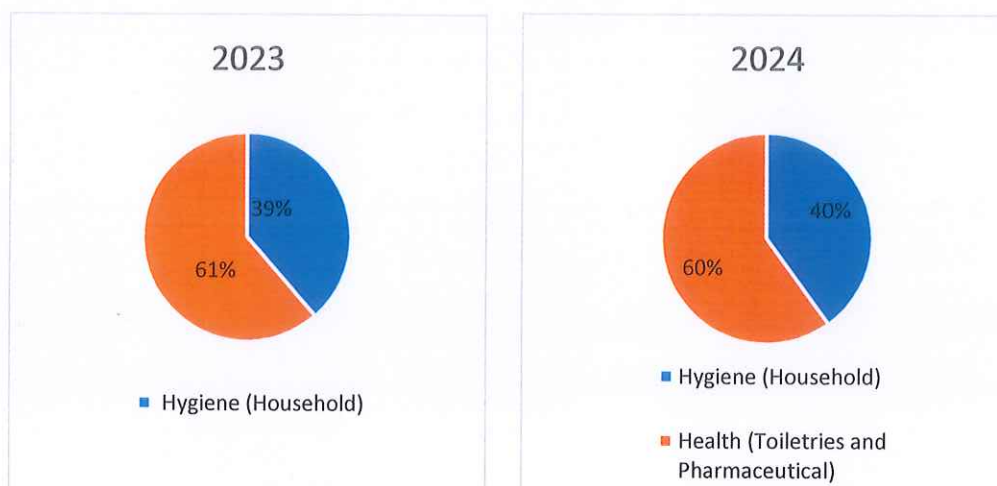


Figure: Composition of health and hygiene on turnover

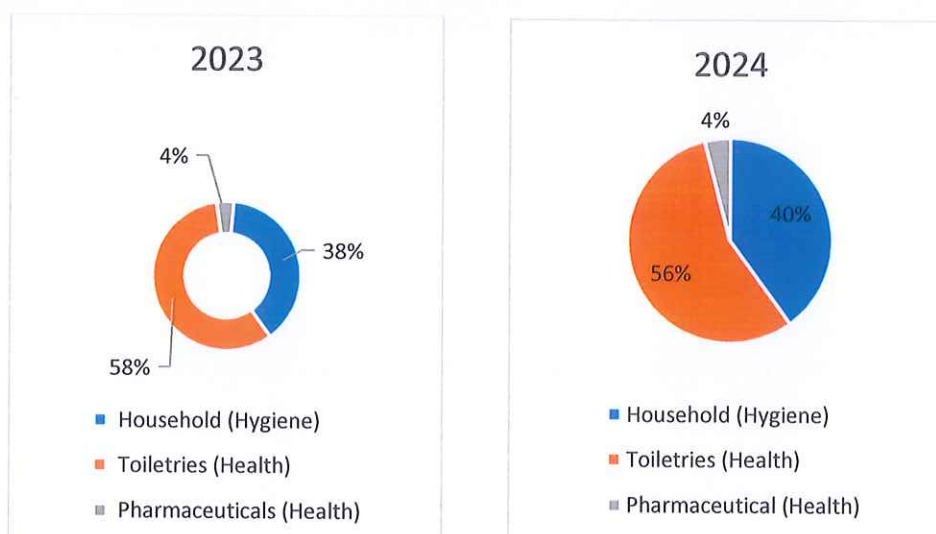


Figure: Composition of all segments and sub-segments on turnover





Detail information reportable for each segment has been demonstrated in note no. 15 of the Notes to the Financial Statements.

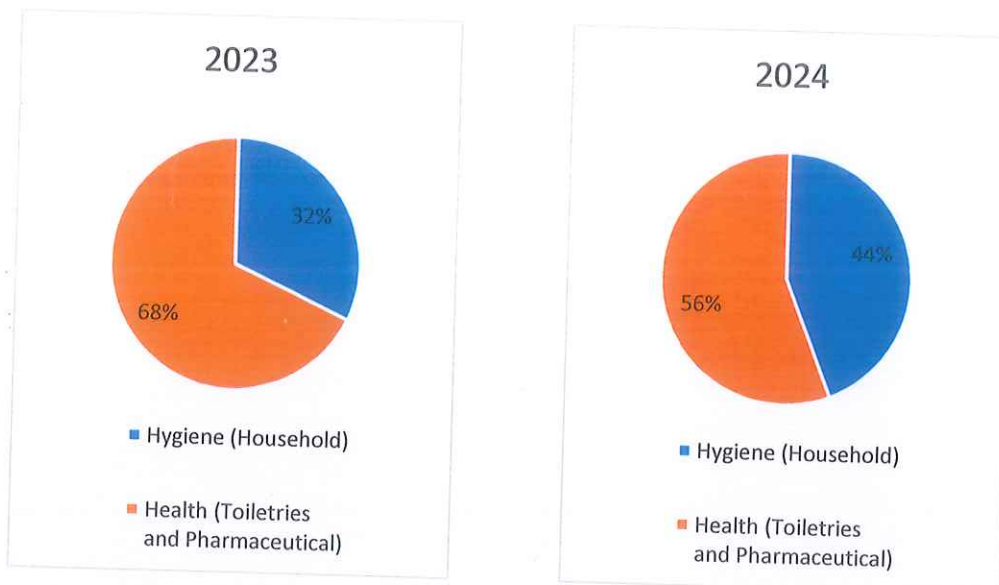


Figure: Composition of health and hygiene on operating profit

RELATED PARTY TRANSACTIONS

During the year the company made transaction with related parties which includes key management personnel, parent's entity and inter group entities. These are for salaries & benefits, royalties, import of finished goods and support services.

The detail statement on transaction, nature and amount are presented in **note no. 26** of the Notes to the Financial Statements.

EXTRAORDINARY GAIN OR LOSS

During the year 2024, there was no extraordinary gain or losses incurred to the business.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL PERFORMANCE

During the year, quarterly revenue was steady. However, cost of sales increased consistently as quarters progressed driven by increase in basic raw material cost and continued depreciation of the Taka against USD. The operating and other expenses witnessed a decrease in 3rd and 4th quarter as your Company consciously controlled these costs in light of increase in direct costs and an uncertain business environment. The aforesaid actions helped deliver a quarter-on-quarter progressive EPS.

Amount in Thousand Taka	Total	Q4	Q3	Q2	Q1
Revenue	5,459,227	1,438,207	1,343,762	1,350,460	1,326,798
Cost of sales	2,810,316	732,125	692,811	694,188	691,192
Operating and other expenses	1,548,917	343,406	322,119	455,307	428,085





Tax expenses	275,279	96,444	76,018	50,511	52,306
Profit for the year	752,084	254,314	203,772	142,308	151,690
Basic earnings per share (Taka)	159.17	53.82	43.13	30.12	32.10

SUMMARY OF FINANCIALS

We are pleased to present the following summarized financials of the Company before you:

Particulars	2024	2023
	Taka	Taka
Profit before taxation (including other comprehensive income/items)	997,971,529	1,102,070,608
Less: Taxation	(275,279,079)	(280,452,819)
Profit after taxation (including other comprehensive income/items)	722,692,450	821,617,789
Add: Un-appropriated profit from previous year	1,146,708,259	788,140,470
Profit available for appropriation	1,869,400,709	1,609,758,259
Less: Final cash dividend paid @ Tk.55 (i.e. 550%) per share for 2023	(259,875,000)	(463,050,000)
Total profit available for appropriation	1,609,525,709	1,146,708,259
Appropriation:		
Proposed Final Cash Dividend @ Tk.333 (i.e. 3330%) per share	(1,573,425,000)	(259,875,000)
Un-appropriated profit *	36,100,709	886,833,259

*After recognition of dividend in the period of appropriation

DIVIDEND

The Board is pleased to recommend final cash dividend of Tk 333/= (3330%) per share amounting to Tk 157.34 crores for the year 2024, (2023: Tk.55 per share i.e. amounting to Tk 25.98 crores), which is out of the accumulated profit as stated in the Financial Statements of 2024.

The above recommendation of dividend is as per the Board approved dividend policy which is disclosed in the "Dividend Distribution Policy" section of the Annual Report 2024 on page -----

EARNINGS PER SHARE

The earnings per share numbers are provided on pages ____, ____ & ____.

SUSTAINABILITY

We continued our sustainability effort towards the environment and society. Trust originates from our safe and effective brands which is reinforced by our attention to wider issues that matter to consumers and society as a whole. Our sustainability commitments, on climate change, plastics, the economy and human rights, resonate




strongly with our consumers and customers. But our sustainability agenda is not just limited to satisfying consumers. Rather, broader considerations inform and infuse our approach, such as the increasing connection between a healthy planet and healthy lives for us all. Our aim is to generate business growth through the positive impact we have on the world. Our progress rests on three main pillars: purpose-led brands, combating climate change for a healthier world and enabling a fairer, more diverse and inclusive society.

We are enthusiastic to help people feel better as we believe, wellness and nourishment is a right and not a privilege.

2024 witnessed significant amplification in our Sustainability efforts. While we continued partnering with Amar Ekushey Boimela as hygiene partner to provide hygiene support to people, in addition to this we have introduced hygiene curriculum for children aging 5 to 10 years, health cards for underprivileged sanitation workers, Kurbani campaign with the households of municipality workers, Lizol Mosque Cleaning activity during Ramadan, Flood Relief Support together with Mastul and Sajida Foundation amongst others.

ENVIRONMENT, HEALTH, AND SAFETY

Our strategy is all about creating positive impact. We want to be a regenerative business that adds value to society and the environment. We are combating climate change with ambitious plans to reduce our own carbon footprint, by reducing energy use, reducing water usage and reducing waste generation. We are taking steps to improve the environmental performance of our products, factories, and suppliers. And all these activities support the planet. By sourcing raw materials, ingredients, and packaging responsibly we protect communities and the ecosystems in which they operate. By respecting colleagues, contractors and suppliers we are encouraging fairness across the value chain. By producing safer, sustainable products, reducing waste, and maximizing recycling and reuse, we enable and promote circular economic principles.

External Recognition and Accomplishments

During the year 2024, your company received several external recognitions on different grounds from various national and international institutions. It is the recognition to our high performing, driven and inspired employees. During the year the following accolades were achieved:

1. Bronze Award from ICAB for Best Presented Annual Report 2023 in Manufacturing Sector;
2. Bronze Award from ICMAB for Best Corporate Award in MNC Manufacturing;
3. HR Excellence Award 2024 in the FMCG Industry Category by FBHRO;
4. Harpic as "The Most Loved Brand" in Toilet Cleaner category for 2024 by Bangladesh Brand Forum;
5. Dettol Soap as "Second Most Loved Brand" in Soap Category for 2024 by Bangladesh Brand Forum;
6. Dettol Bodywash as "Third Most Loved Brand" in Soap Category for 2024 by Bangladesh Brand Forum;
7. Bronze Award for Innovation in Media, Commwards 2024 for "Smart Hawker Campaign" by Bangladesh Brand Forum;
8. Bronze Award for Innovation in Best Creative Strategy, Commwards 2024 for "Mortein On Mosha Gone" campaign by Bangladesh Brand Forum;
9. Most Influential Partner in Amor Ekushey Boi Mela 2025 by Bangla Academy

CORPORATE GOVERNANCE

We would like to confirm that:

- a) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the issuer company have been maintained.

- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- g) There are no significant doubts upon the Company's ability to continue as a going concern.
- h) Significant deviations from last year's operating results of the Company have been highlighted in the report and reasons thereof have been explained.
- i) Key operating and financial data of preceding five years have been provided on page [REDACTED]
- j) During the year five Board meetings were held and the attendance by each director is given on page [REDACTED]
- k) The pattern of shareholding is provided on pages [REDACTED] & [REDACTED]
- l) A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with brief discussion of changes in the financial statements, is provided on page [REDACTED]
- m) Declaration or certification by the CEO and the CFO to the Board as required under condition no. 3(3) of Corporate Governance Code; is provided on page [REDACTED]
- n) In accordance with the requirement of the Bangladesh Securities and Exchange Commission, "Compliance of conditions of Corporate Governance Code as required under condition no. 9" is provided on page [REDACTED]
- o) During the year the company did not pay any remuneration to its non-whole time Directors including Independent Director. Only meeting attendance fees, however, at approved scales were paid to selective non-whole-time directors.

DIRECTORS

Following were members of the Board of Directors of the company during 2024.

1	Ms. Asha Gopalakrishnan	Chairperson
2	Mr. Vishal Gupta	Managing Director
3	Mr. Istiaque Ahmad	Independent Director
4	Mr. Aritra Banerjee	Director & CFO
5	Mr. Sourav Mitra	Director
6	Mr. Sheikh Faezul Amin	Government Nominated Director
7	Mr. Rajesh Kumar Jha	Director
8	Mr. Pradeep Krishnamurthi	Director

Mr. Nazimuddin Chowdhury retired from the Board as Independent Director on 9 August 2024 due to completion of his second tenure.

Ms. Shayema Akter has been appointed as Female Independent Director with effect from 28 January 2025 subject to approval from Bangladesh Securities and Exchange Commission (BSEC) and approval in the 64th Annual General Meeting.

Further, Md. Jakir Hossan has been appointed as Government nominee director in the place of Mr. Sheikh Faezul Amin with effect from 07th April 2025 and require the approval in the 64th Annual General Meeting.

The brief resume of directors, expertise, and directorship to another Company (If any) provided on page

ELECTION OF DIRECTORS

As per Article 118A of the Articles of Association of the Company, Mr. Pradeep Krishnamurthi, Mr. Sourav Mitra, and Mr. Aritra Banerjee will retire from the Board of Directors and being eligible offer themselves for re-election.

The elections of new Directors are subject to approval in the 64th Annual General Meeting.

AUDITORS

The retiring auditors of the Company, Rahman Rahman Huq, Chartered Accountants (Member firm of KPMG) Have expressed their willingness to continue in office and being eligible, offer themselves for reappointment, subject to shareholders' approval in the 64th Annual General Meeting.

CERTIFICATION UNDER COMPLIANCE OF CORPORATE GOVERNANCE CODE

During the year 2024, M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered accountants, have certified the Compliance of the Company under corporate Governance code of BSEC.

Meanwhile, M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, has offered their willingness to be re-appointed as Corporate Governance Auditor of Reckitt Benckiser (Bangladesh) PLC. As recommended by the Audit Committee, the Board recommends M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, to appoint as Corporate Governance Auditor for the year 2025 and continuation till the next AGM.

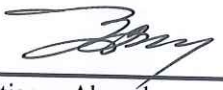
INDEPENDENT SCRUTINIZER FOR THE AGM

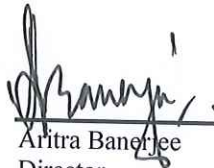
The Board has appointed M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, as Independent Scrutinizer for 64th AGM of Reckitt Benckiser (Bangladesh) PLC.

ACKNOWLEDGEMENT

The Board of Directors reiterate their sincere appreciation and gratitude to all honorable shareholders, business partners, customers, suppliers and other stakeholders in the Company for their confidence and support.

The Directors also take this opportunity to acknowledge with great appreciation the dedication and hard work of the employees which has been the driving force behind the sustained results of the Company.


Istiaque Ahmad
Independent Director


Aritra Banerjee
Director


Vishal Gupta
Managing Director