



Berger Paints Bangladesh Limited

DSE: BERGERPBL | Category: Miscellaneous

Stock Rating: AAA, ST-1 | Stock Category: A

Industry: Paints & Coating

Valuation Update: Feb 7, 2025

BUY

Target Price: **BDT 2,370.8**

Current Price: BDT 1,805.9

Upside: **31.28%** | Total HRP: **33.76%**

Target Holding Period: **13 months**



**LDC Graduation in 2026 by
complying all three criteria –
Per Capita GNI, HAI, EVI.**

2,784

Per Capita GNI



41%

Urbanization Rate



75%

Remittance Goes in
Housing Sector



25%

Gen Z Population



33%

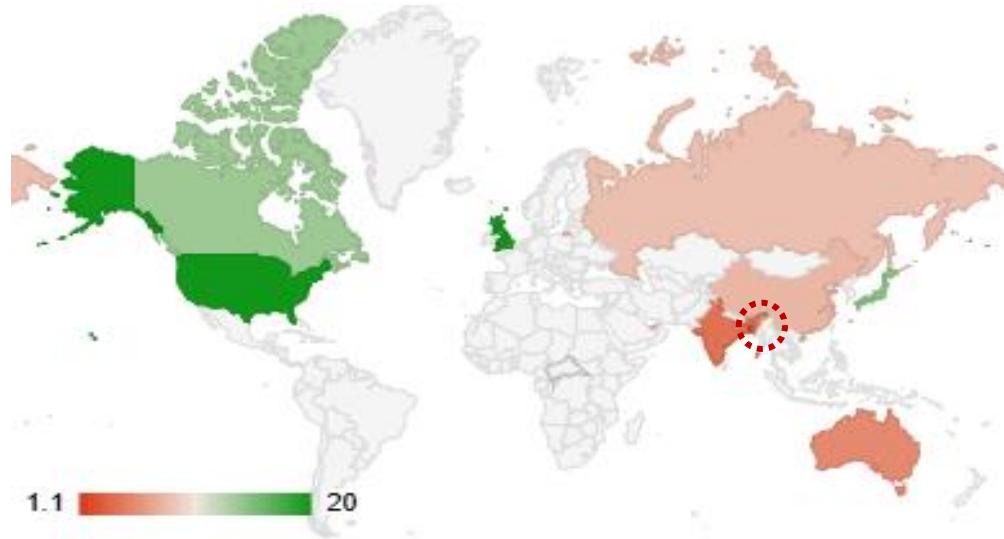
MAC to Grow 2030e

Bangladesh Paints Industry is Geared for High Growth

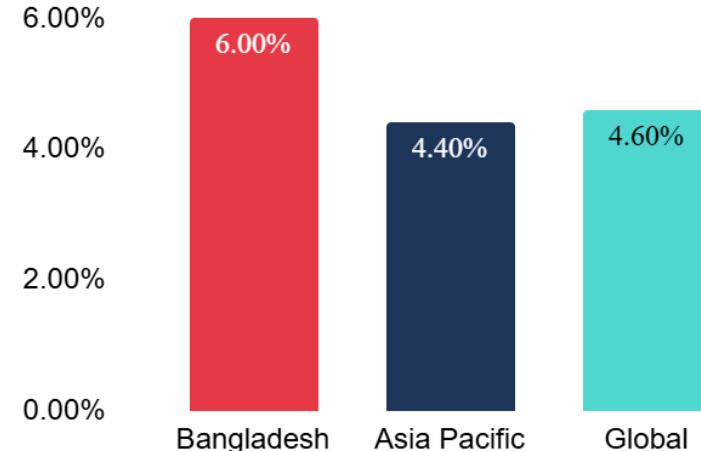
Bangladesh's per capita paints consumption is only **1.1 kg**. Paints market size **BDT 50 bn** with expected YOY growth rate **12%**.

The global paints & coating market valued **USD 206.56 bn** in 2023 and is projected to reach **USD 303.97 bn** by 2032.

Per Capita Paint Consumption World Wide



CAGR: World Vs Bangladesh



50
Local Players

85%
Met by Local Supply

7-10 kg
ASEAN Countries

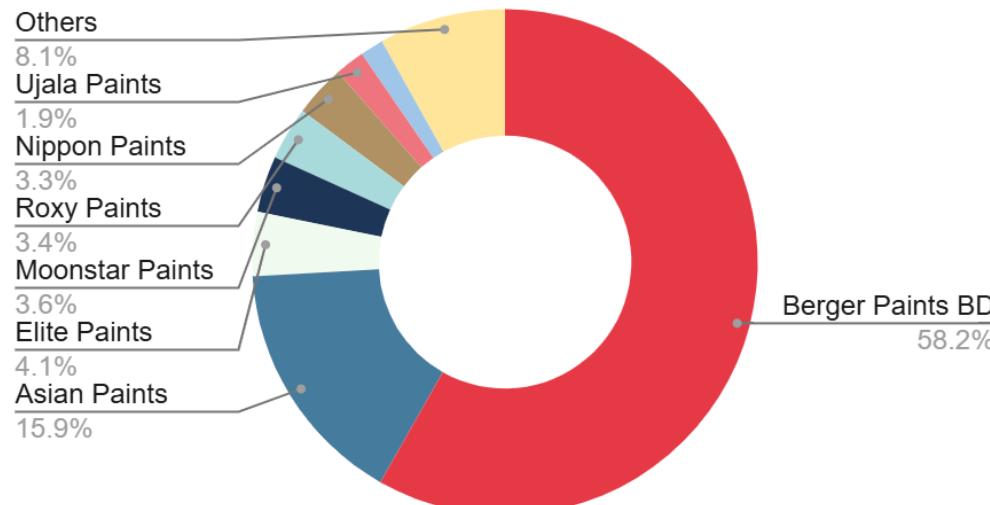
4.6%
Global CAGR

Business Overview

Berger Is Well Positioned To Capitalized Industry Growth

Berger, a subsidiary of J&N(Asia) Ltd, holds **58% of domestic market share**.

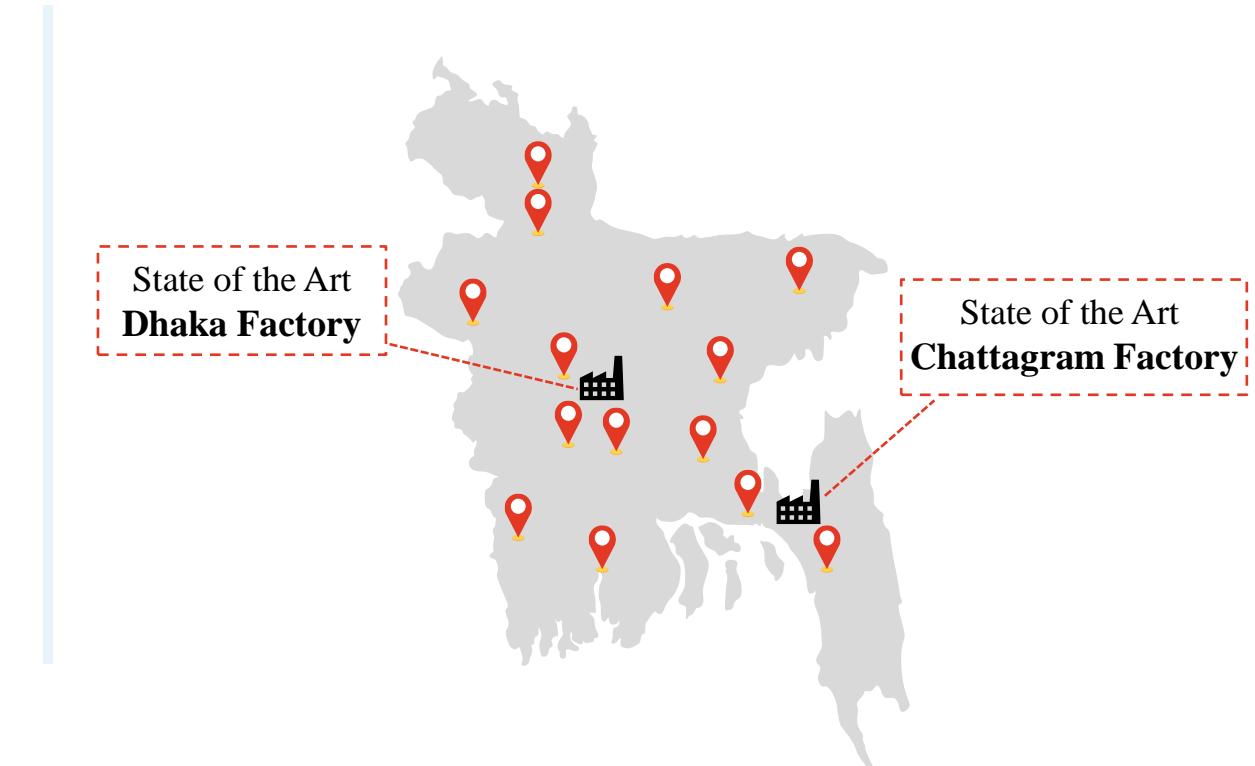
Ensure **competitive MOAT** through strategic positioning & **forward-backward linkage** of subsidiaries & associates.



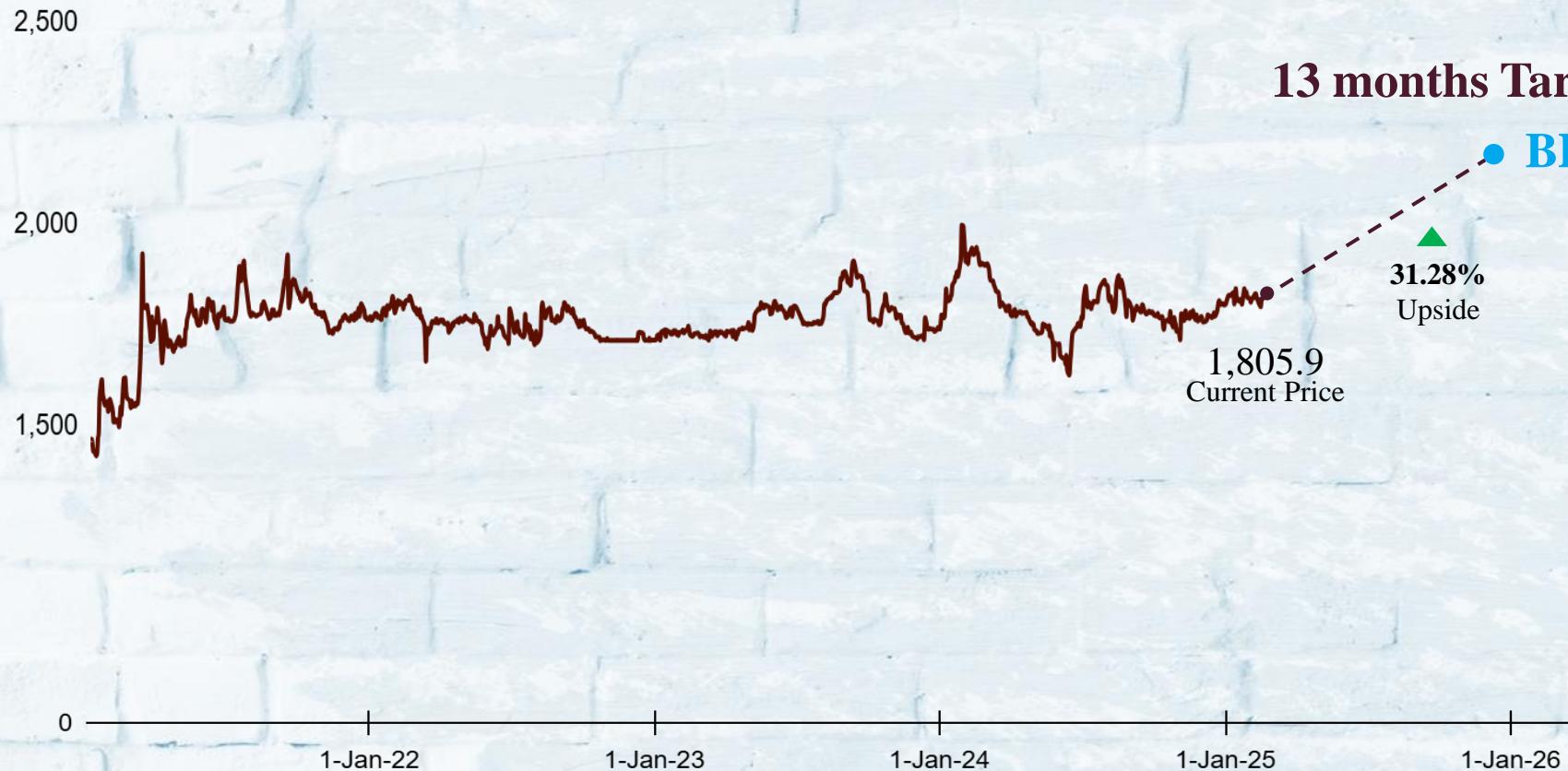
2
Outsource Companies

2
Associates & Subsidiaries

3
Manufacturing Plants



RECOMMENDATION



13 months Target Price:

BDT 2,370.8

BUY

Target Price: **BDT 2,370.8**

Current Price: **BDT 1,805.9**

Target Holding Period: **13 Months**

Upside Potential: **31.28%**

Dividend Yield: **2.48%**

Total HRP: **33.76%**

BERGER's Full Fledged Potential is Yet to be reflected in its Price

1

Berger Market Dominance Unlock Substantial Pricing Potential, Securing Stable Revenue Growth

2

Enhancement In Management Efficiencies Has Boosted Operating Margins

3

Industry Leading ROIC Ensuring Sustainable Economic MOAT

4

Unlocking Sustainable Growth through Optimized Cash Management and Resilient Dividends

5

A Once-in-a-Decade Opportunity for High Yield and Growth

BUY RECOMMENDATION

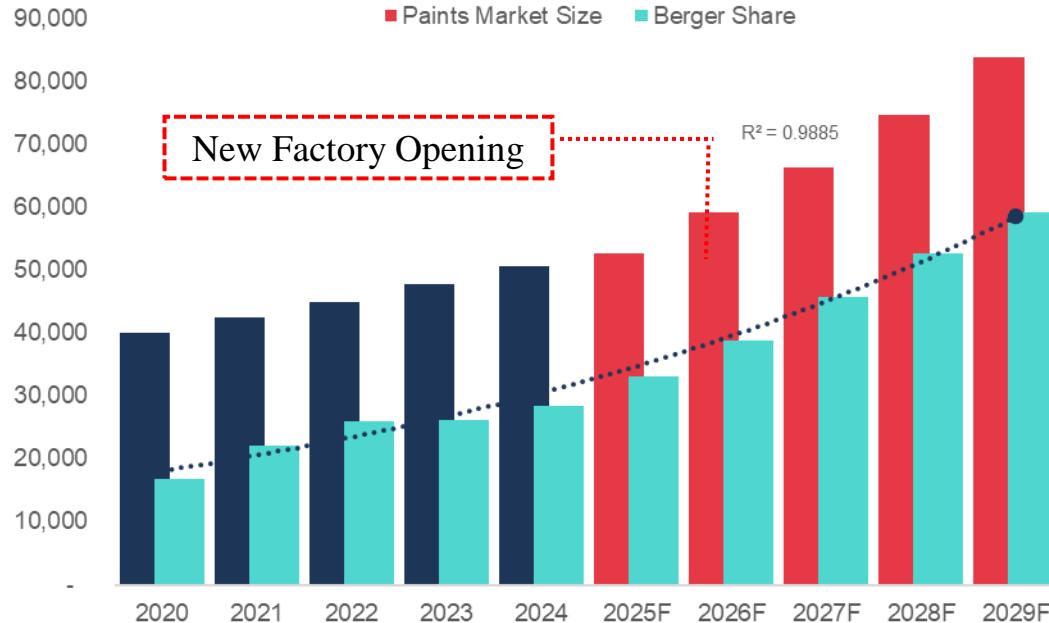


1

Berger Market Dominance Unlock Substantial Pricing Potential, Securing Stable Revenue Growth.

Investment Thesis #1

Market Dominance Unlocks Pricing Potential, Securing Superior Revenue Growth



Sales effort boost fueled by the next year new factory inauguration.



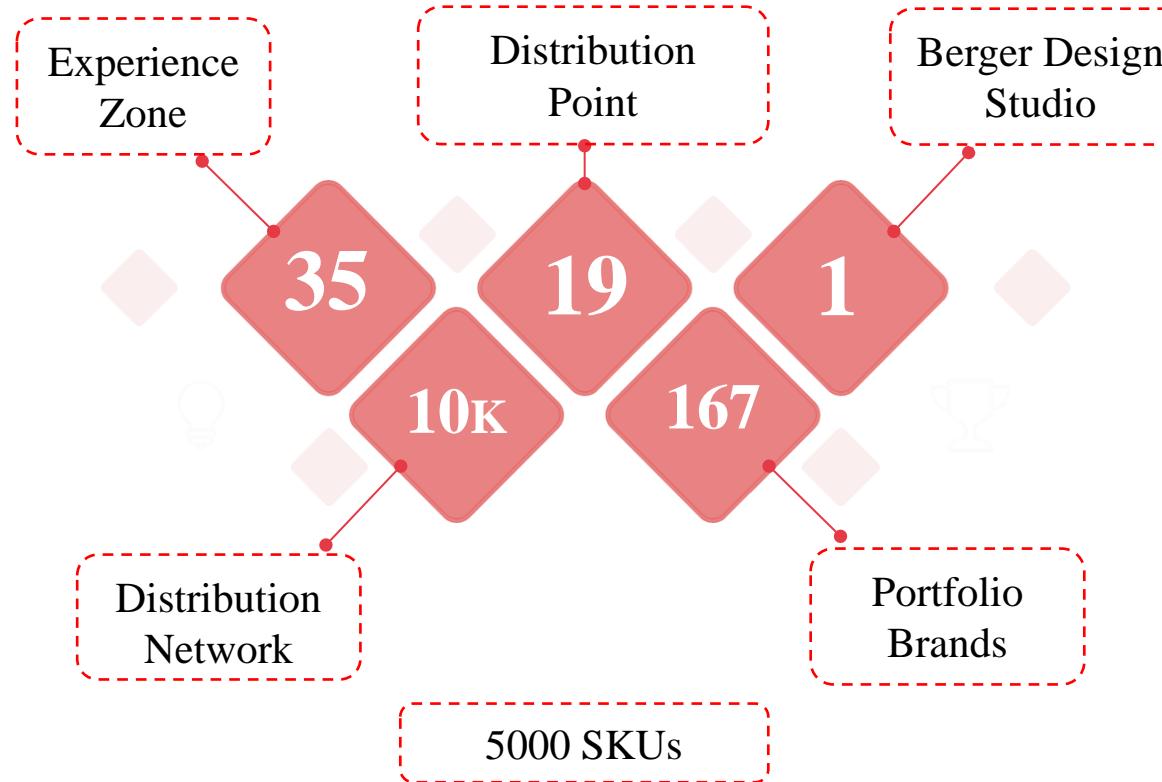
Dealer app streamlines the processes & ensuring demand is always fulfilled



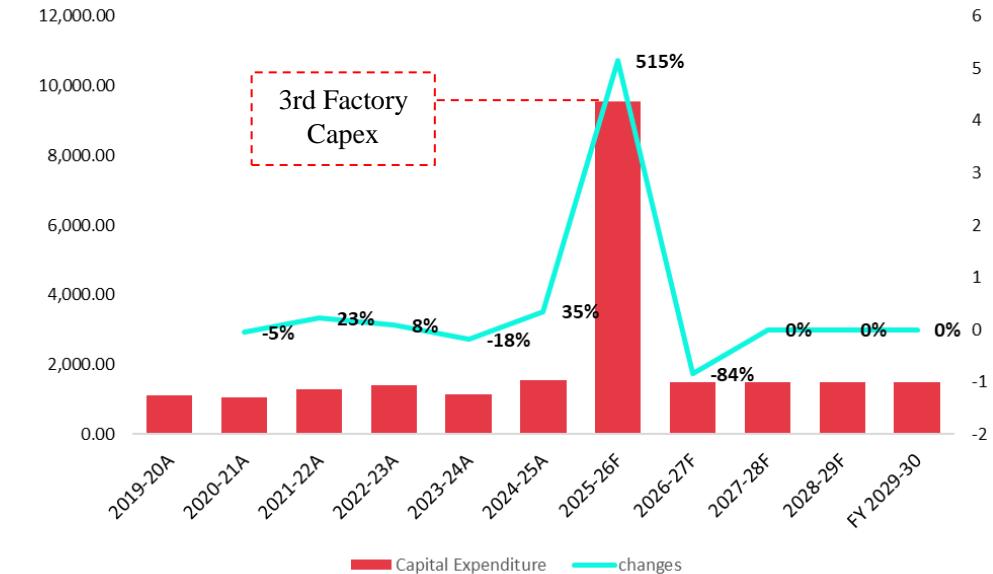
Market projected to grow 12% per annum. Berger's share is likely to capture 70% market share by 2030.

Investment Thesis #1

Sophisticated Distribution Network & Strategic CAPEX for Sustainable Market Expansion



Berger is perfectly positioned to capture increasing demand with its extensive distribution network.



Major Capital Expenditure In FY 2025-26 In Mirsarai Economic Zone Plant to Open in 2026



Berger shifting its production towards more eco-friendly water-based paints production



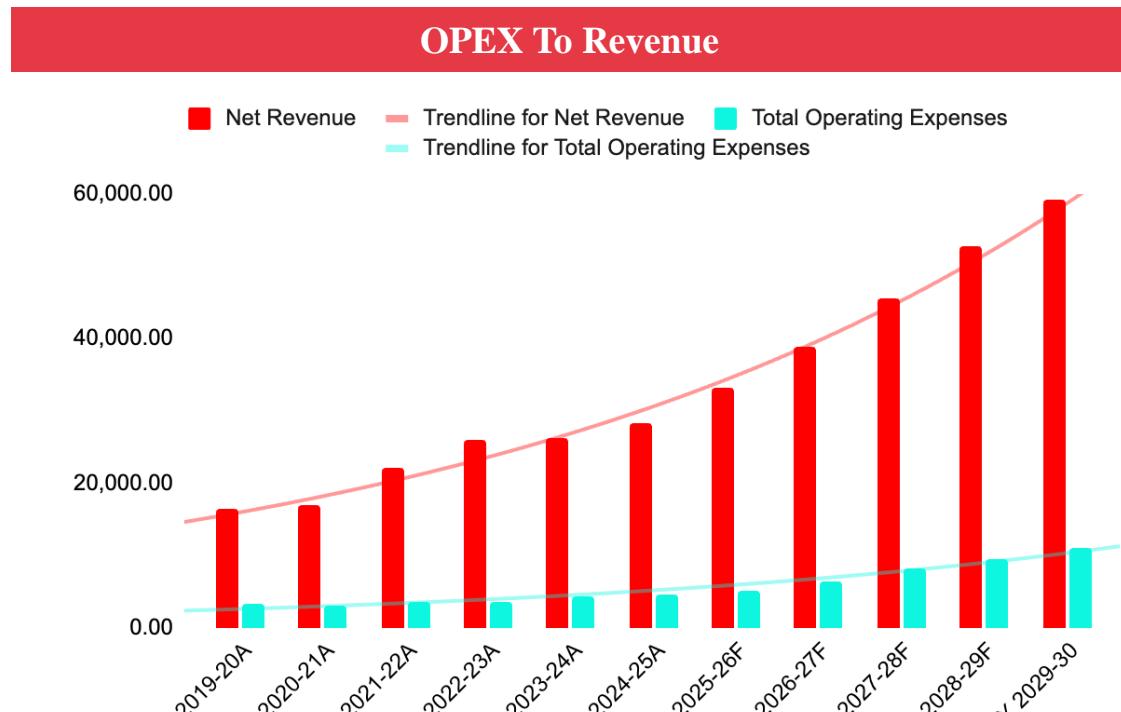
2

Enhancement in Management Efficiencies Has Boosted Operating Margins

Investment Thesis #2

Operational Efficiency Drives Sustainable Margin Growth Amid Oil Price Fluctuations

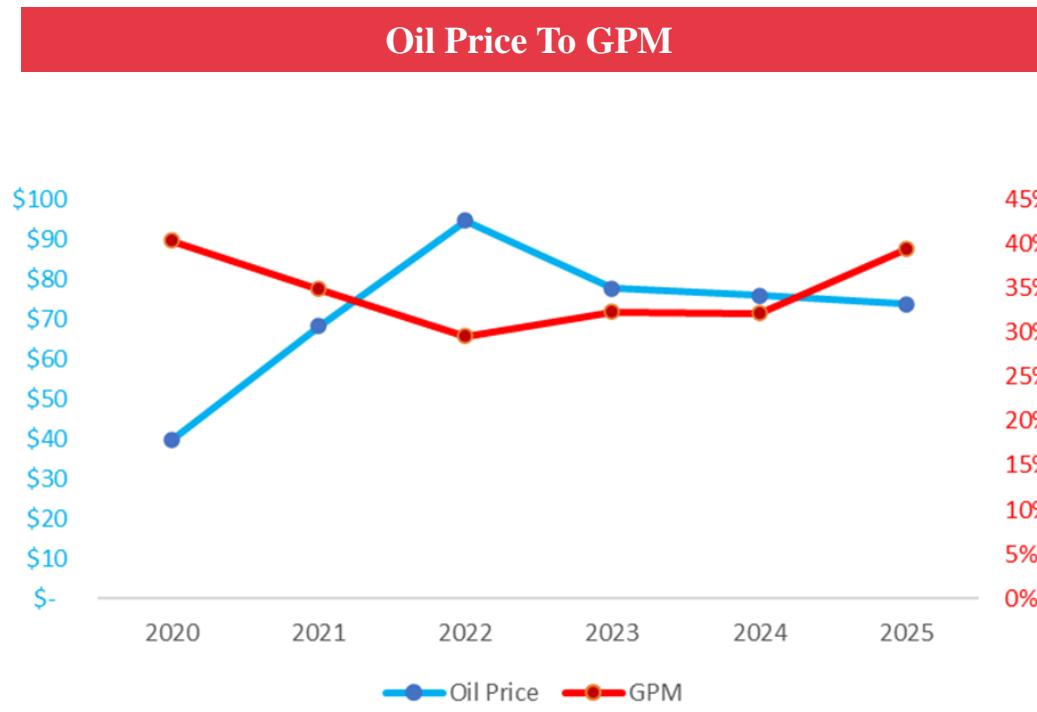
Revenue is growing at a rate outpacing operating expenses



11.68% ACTUAL CAGR
OF REVENUE

15.83% FORCASTED
CAGR OF REVENUE

Oil Price Fluctuations: Falling Prices Boost Profitability

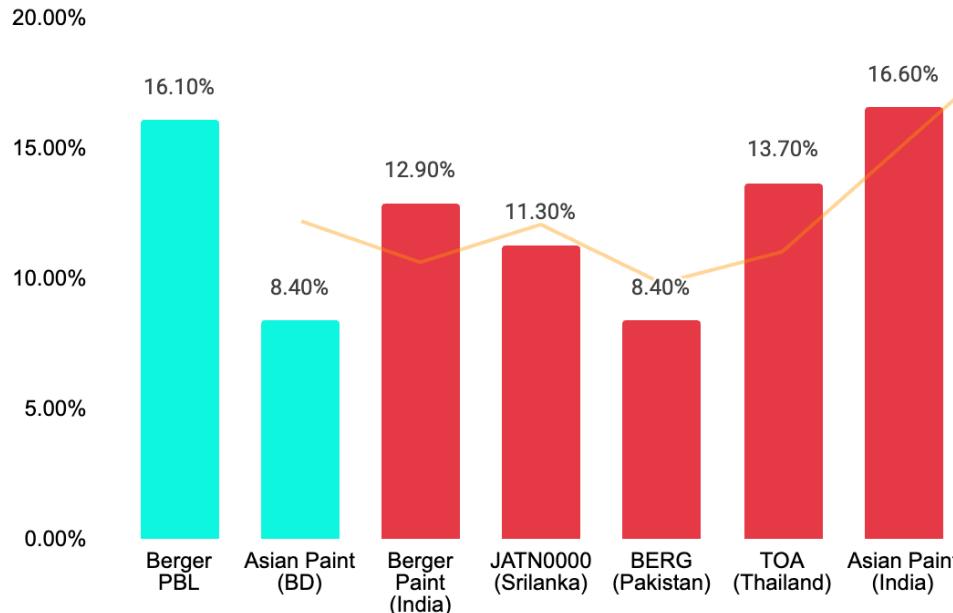


WB Projection to Decline Commodity Price To Boost
Berger's GPM

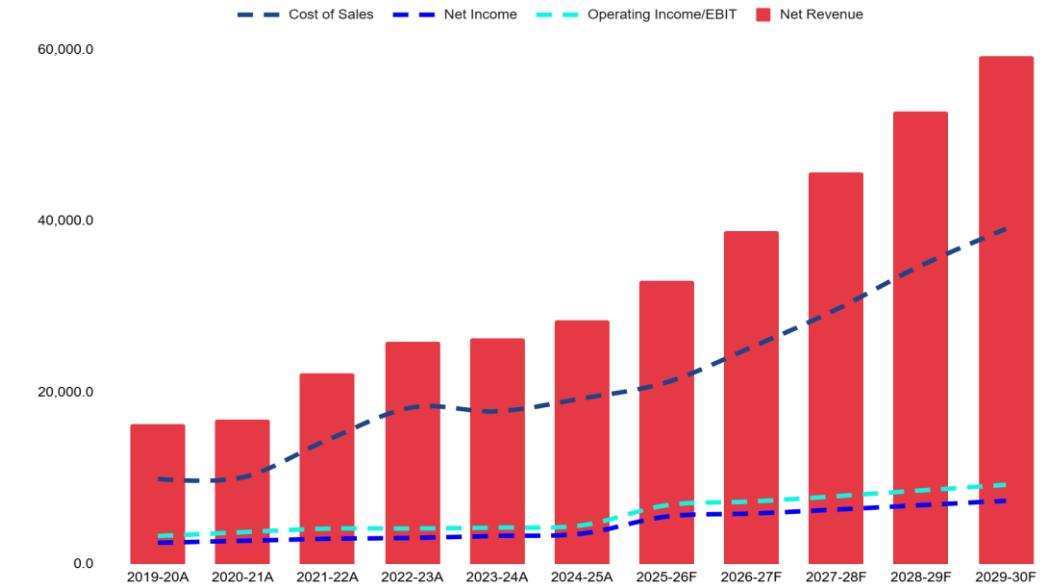
Investment Thesis #2

Global leadership in Profitability and Prudent Operating Expense Control

OPM (LTM): Berger vs Peers



Profit Stability Over the Years



Holds 2nd position in Region and top in BD in terms of OPM (LTM)

Increasing NI & COGS, but , relatively stable EBIT & Net Income.



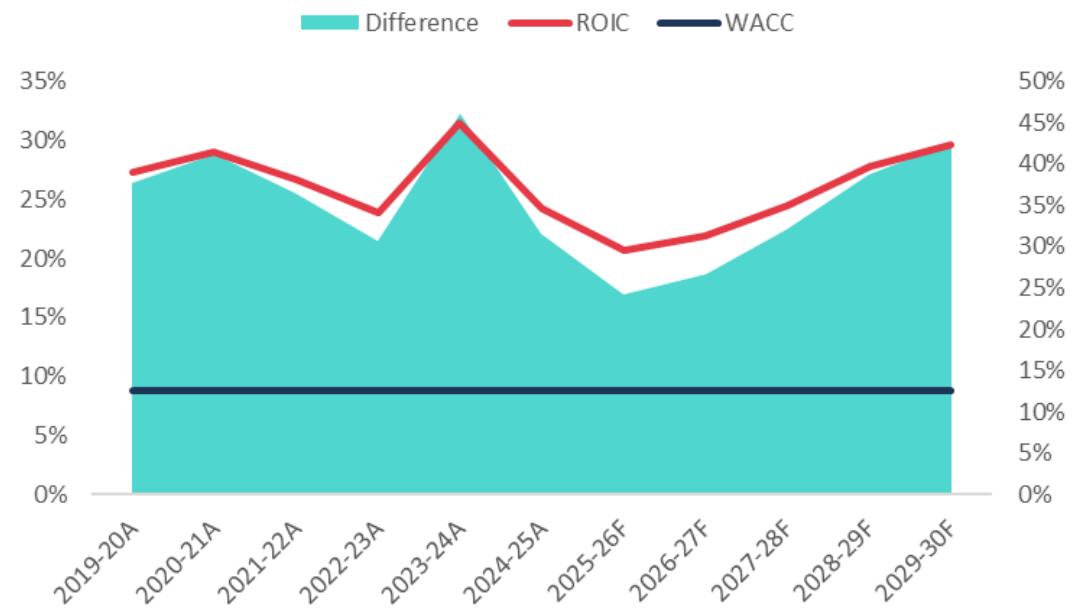
3

Industry Leading ROIC Ensuring Sustainable Economic MOAT

Investment Thesis #3

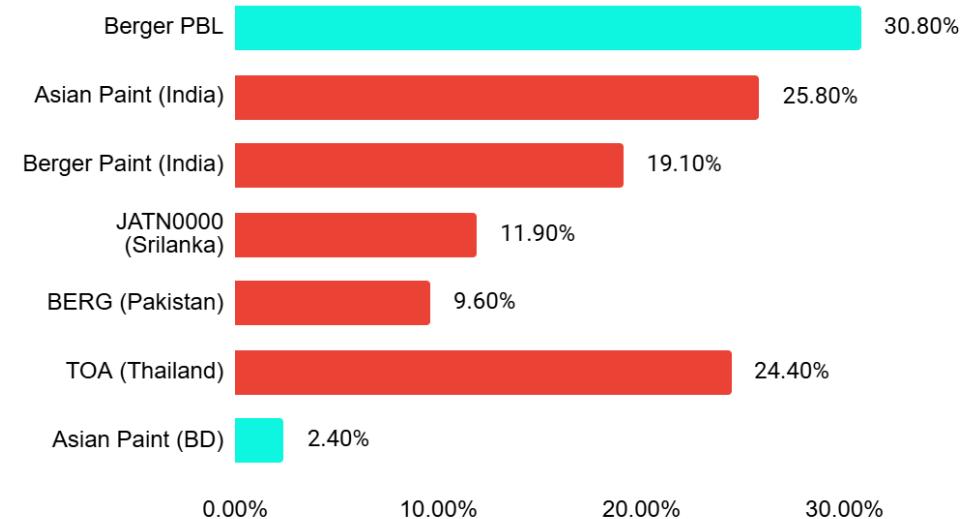
Superior ROIC Surpassing WACC Positions Berger for Sustainable Financial Strength Over Peers

Gap between ROIC and WACC



ROCI Beating WACC Opens The Window For Further Financing

ROIC Comparison Among Peers (LTM)



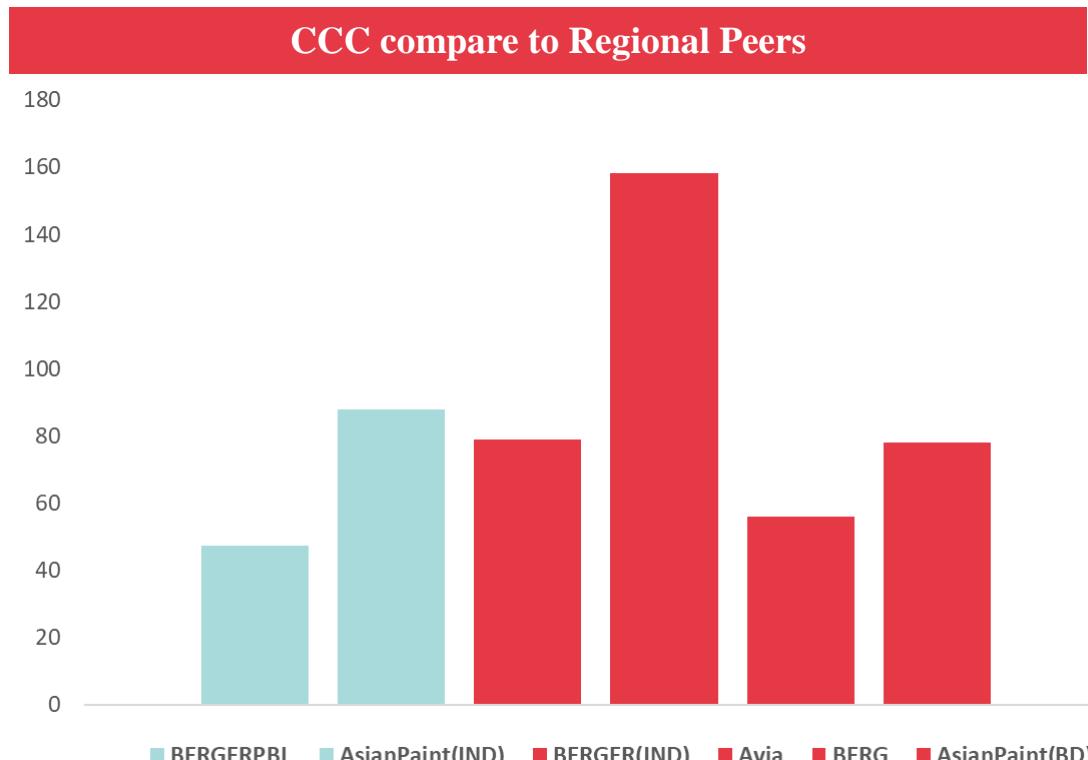
Regional Leader In ROCI Showcasing Excellent Return Generating Capability Compare To Peers



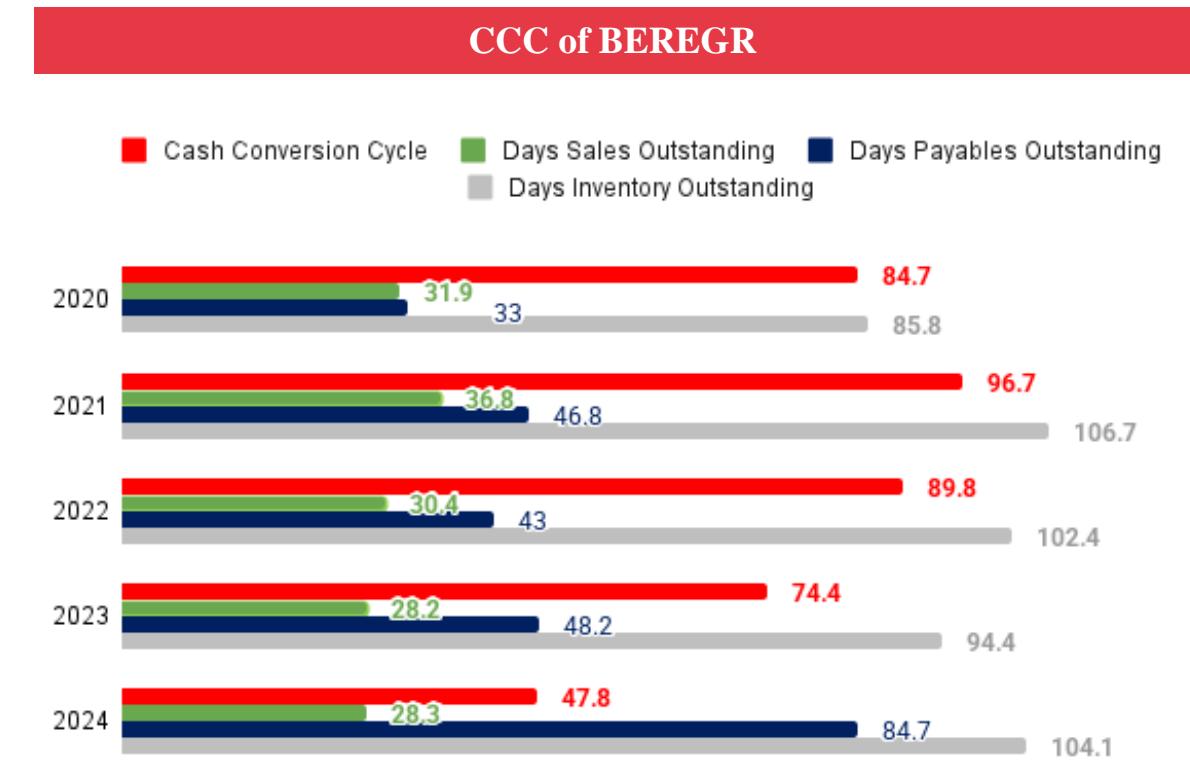
4 Unlocking Sustainable Growth through Optimized Cash Management and Resilient Dividends

Investment Thesis #4

Dominant position in CCC over Regional Peers



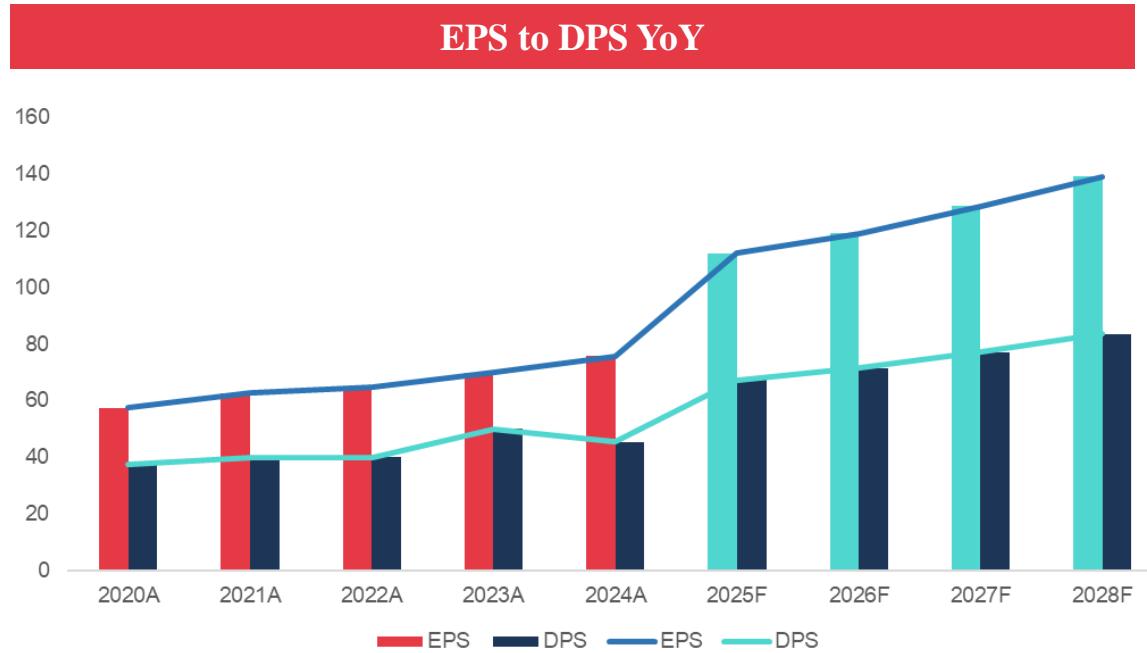
Lowest CCC among regional peers exhibit better cash management competency



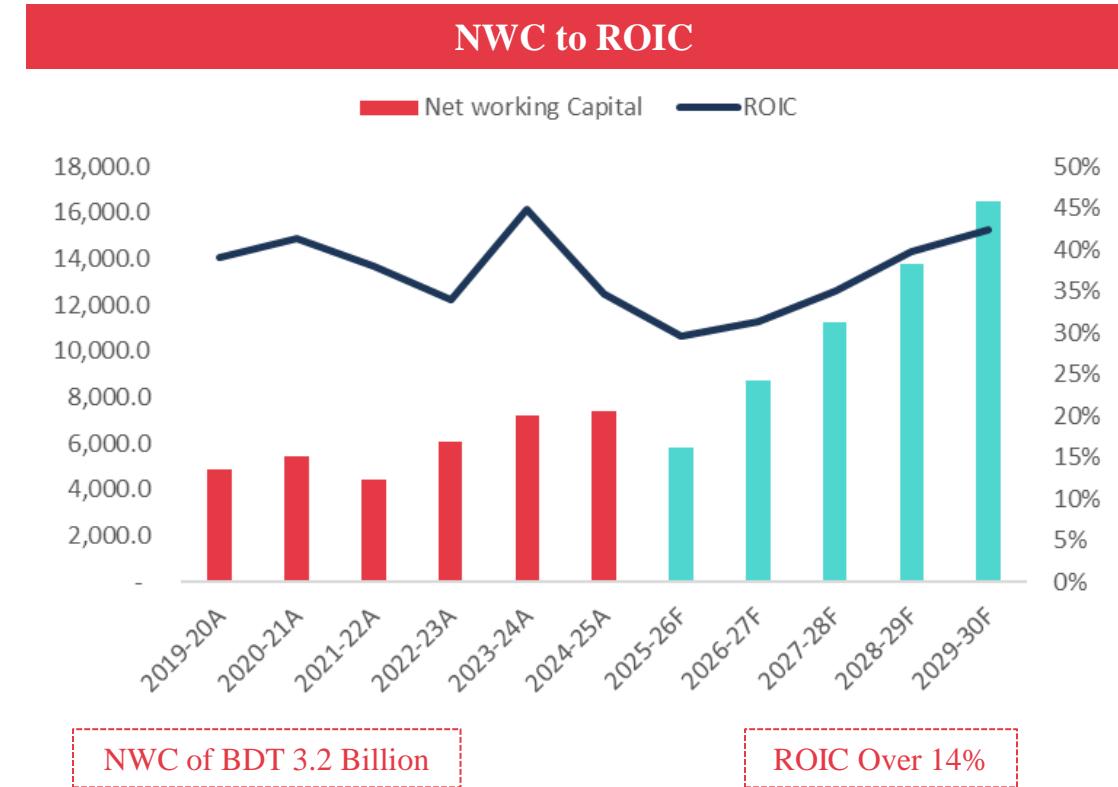
Shorter CCC signifies BERICER's strong bargaining power against its suppliers

Investment Thesis #4

Achieving Operational Efficiency through Sustainable Profitability and Ensuring Consistent Dividends



Sustainable & Robust Earnings Flow Enables To Maintain Committed Dividend Payout Ratio



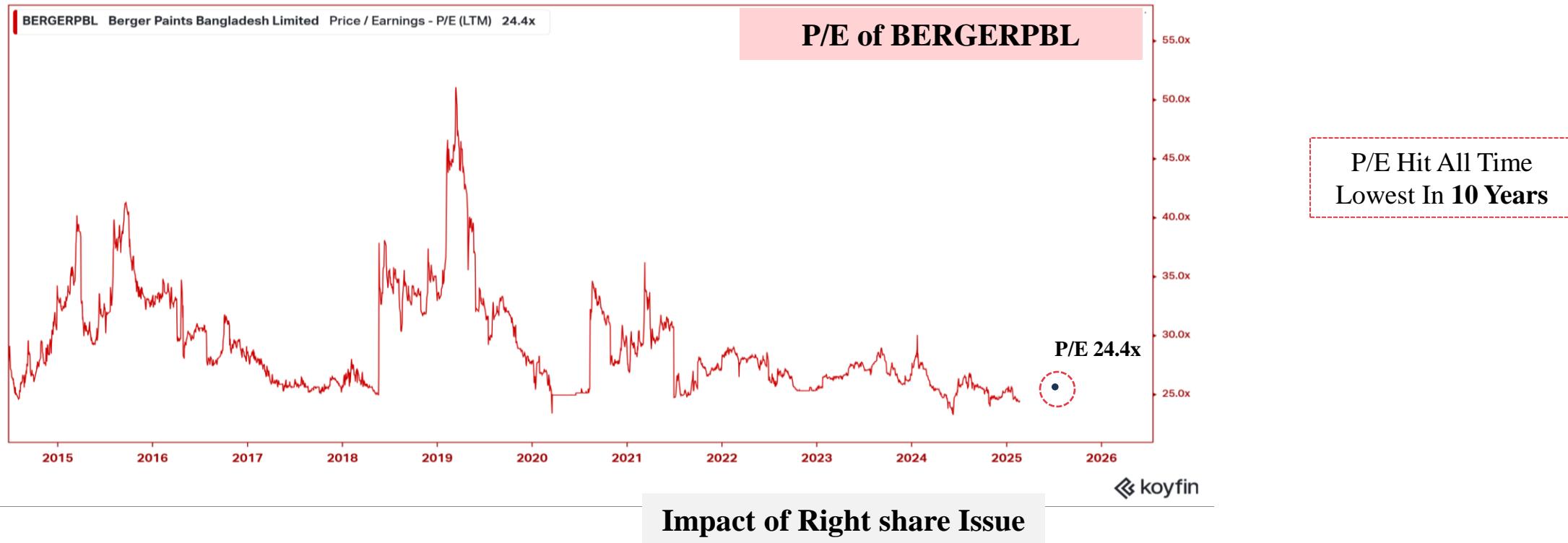
Improved Profitability with Growing Working Capital, Sustainable Growth, Operational Efficiency



A Once-in-a-Decade Opportunity for High Yield and Growth

Investment Thesis #5

Low P/E Valuation Positions Berger for High Upside Potential Post-Rights Issue



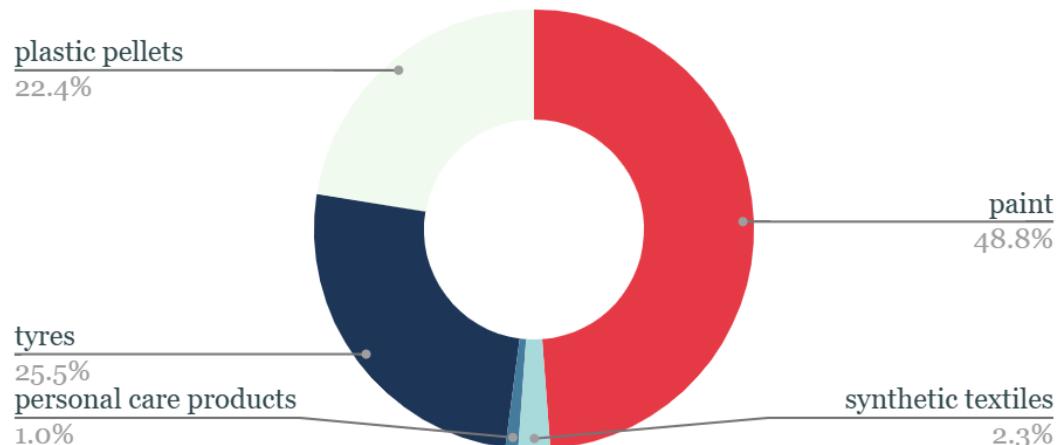
	PRE-RIGHT	FREE FLOAT	POST RIGHTS	FREE FLOAT
Per Share Value	1,805	5%	1,465	10%
Upside Potential	31.28%		61.83%	



Environmental, Social and Governance of Berger Paints

THE COLOR OF THE ENVIRONMENT

Global Release of Primary Microplastics into the Ocean 2023



Impact of Paint Industry on Microplastic Release

Sustainable Practices & Environmental Initiatives



Water based paints with low VOC



ISO 14001:2018 (environmental management system) certified



Leed certified building in 3rd factory



Embracing 3-R Philosophy – Reduce, Reuse, Recycle



WTP ensuring water recycling & Zero Liquid Discharge Program



ETP and STP for waste management

THE SOCIAL FRIEND-“We shall remain a socially committed ethical company”



DIE (Diversity, Equity, Inclusion)
Champion of the Year in 2023



Asia's Best Employer Brand 2023 by
the World HRD Congress

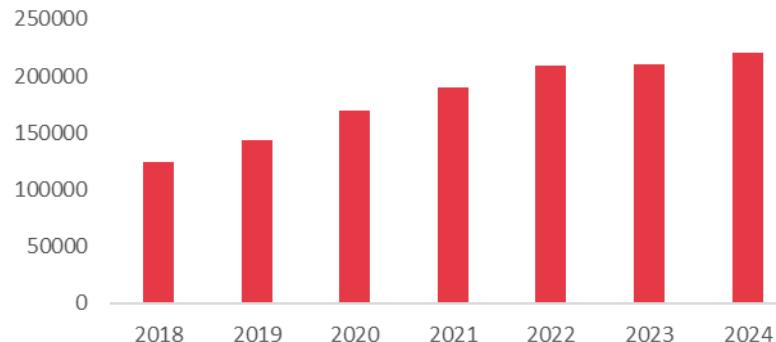


Received the Most Loved Brand
award in 2023

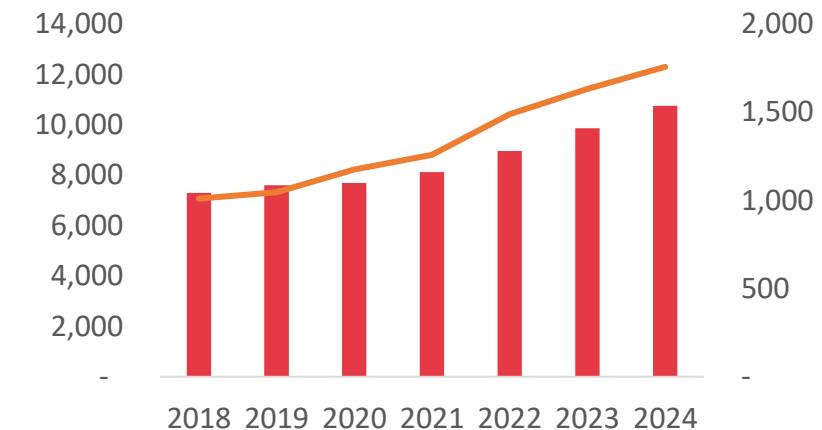


Two SDG awards for pioneering
female painting service in 2024

WPPF contribution Per Year



Salaries, Other Benefits and Value Added

Beneish M-score Of **-3.28**

Criterion	Result
M-Score < -2.2	No Manipulation
M-Score > -2.2	Manipulation

Planning to increase CSR budget to 1% of net profit of the preceding year by 2030.

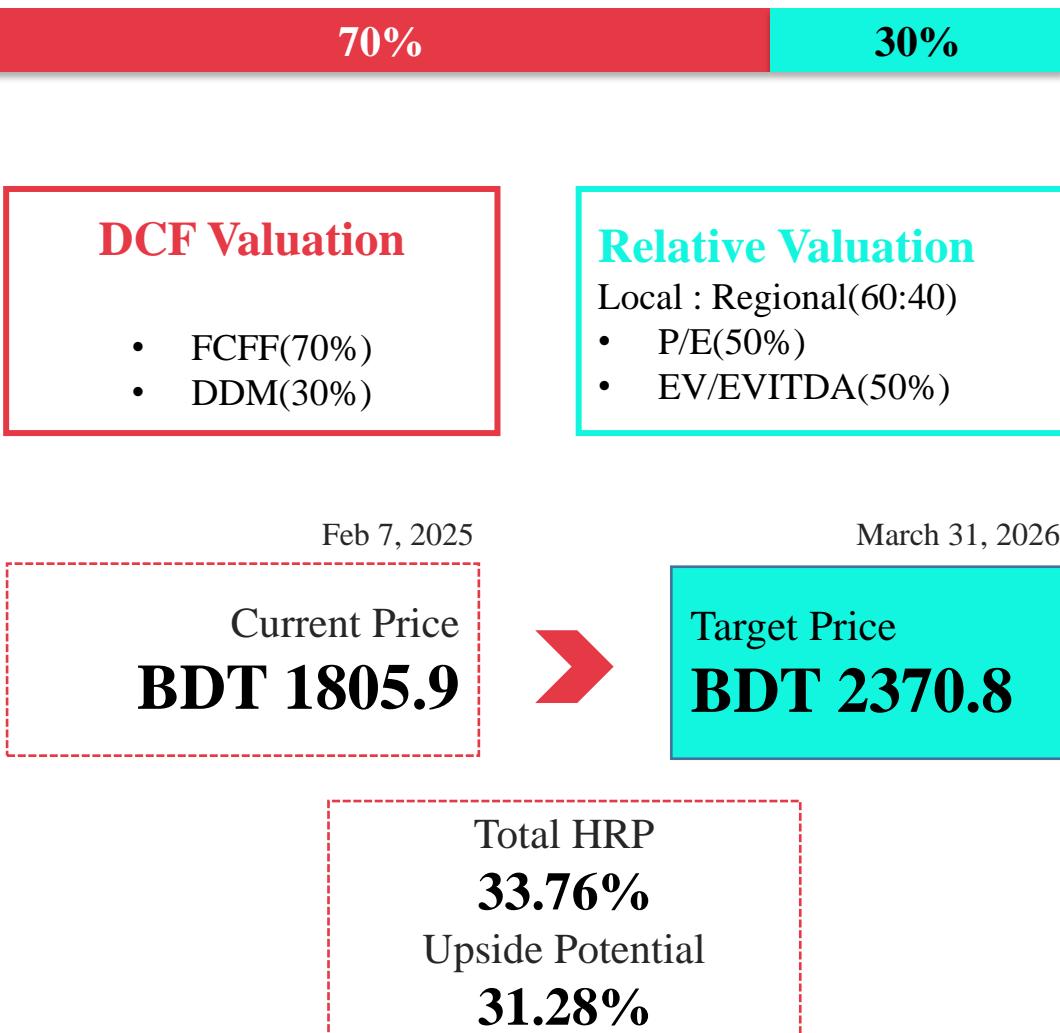
Average Experience of the Board of Directors **26 years**

57% of the directors attended all 4 board meetings, others except one attended at-least 3.

Audited Report on Corporate Governance Code Compliance and satisfactory



Valuation



Valuation Methods	Weights	Estimated Price (BDT)
Absolute Valuation		
Discounted Cash Flow Valuation		
FCFF	0.70	1,990.7
DDM	0.30	3,054.5
Absolute Valuation Weight & Price	0.70	2,309.9
Relative Valuation		
Relative Valuation (Local)		
P/E	0.50	2,031.3
EV/EBITDA	0.50	1,919.0
Weighted Average	0.10	1,975.1
Relative Valuation (Regional)		
P/E	0.50	2,601.5
EV/EBITDA	0.50	2,543.9
Weighted Average	0.90	2,572.7
Relative Valuation Weight & Price	0.30	2,513.0
Target Price (March 31, 2026)		2,370.79

Valuation

Both DCF and Relative Valuation Is Used in a Ratio of 70:30

Drivers of DCF

12.58%
WACC

4.65%
Cost Of Debt

13.12%
Cost Of Equity

5%

LT GDP Growth Rate

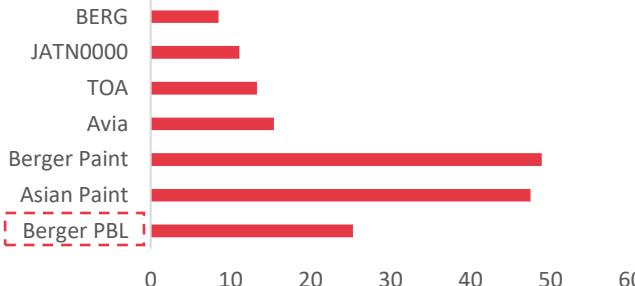
3%

LT Inflation Rate

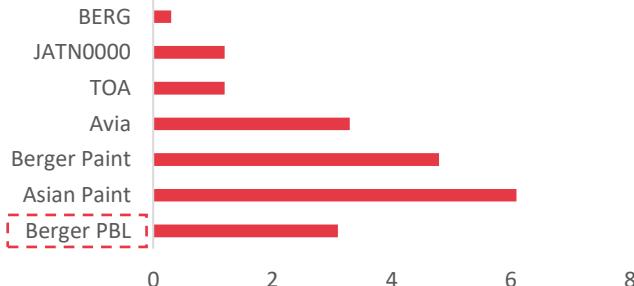
Terminal Growth Rate **8%**



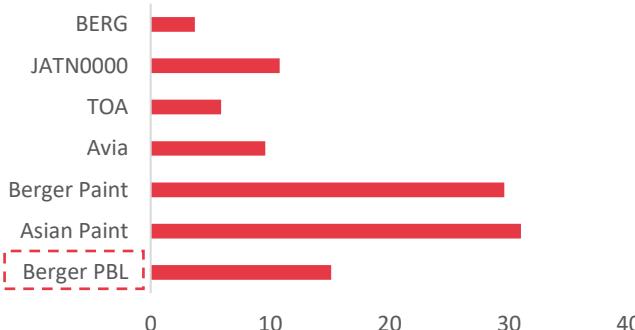
P/E(LTM)



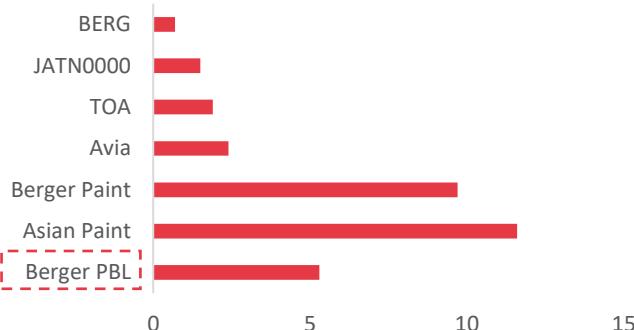
P/S(LTM)



EV /EBITDA (LTM)



P/B (LTM)



Relative Valuation

All Three Scenarios Show Berger Is Underpriced

 Bull	BDT 2,994.25
 Base	BDT 2,370.79
 Bear	BDT 1,734.83

Sensitivity Analysis (FCFE)						
Terminal GR	WACC					
	1,990.7	10.58%	11.58%	12.58%	13.58%	14.58%
	6.00%	2262.1	1837.8	1543.6	1328.1	1163.7
	7.00%	2739.1	2121.9	1727.2	1453.4	1252.7
	8.00%	3585.4	2564.7	1990.7	1623.5	1368.8
	9.00%	5500.1	3350.0	2401.4	1867.9	1526.4
Terminal Growth	10.00%	13970.4	5126.9	3129.9	2248.6	1752.8
	Sensitivity Analysis (DDM)					
	Cost of Equity					
	3054.5	11.12%	12.12%	13.12%	14.12%	15.12%
	4.00%	2,204.81	1,958.42	1,766.08	1,611.77	1,485.23
	5.00%	2,546.46	2217.4	1969.5	1775.9	1,620.64
	8.00%	4,881.24	3746.1	3054.5	2588.9	2,254.05
	7.00%	3,727.86	3039.2	2575.8	2242.6	1,991.58
	8.00%	4,887.36	3,749.66	3,056.76	2,590.48	2,255.25



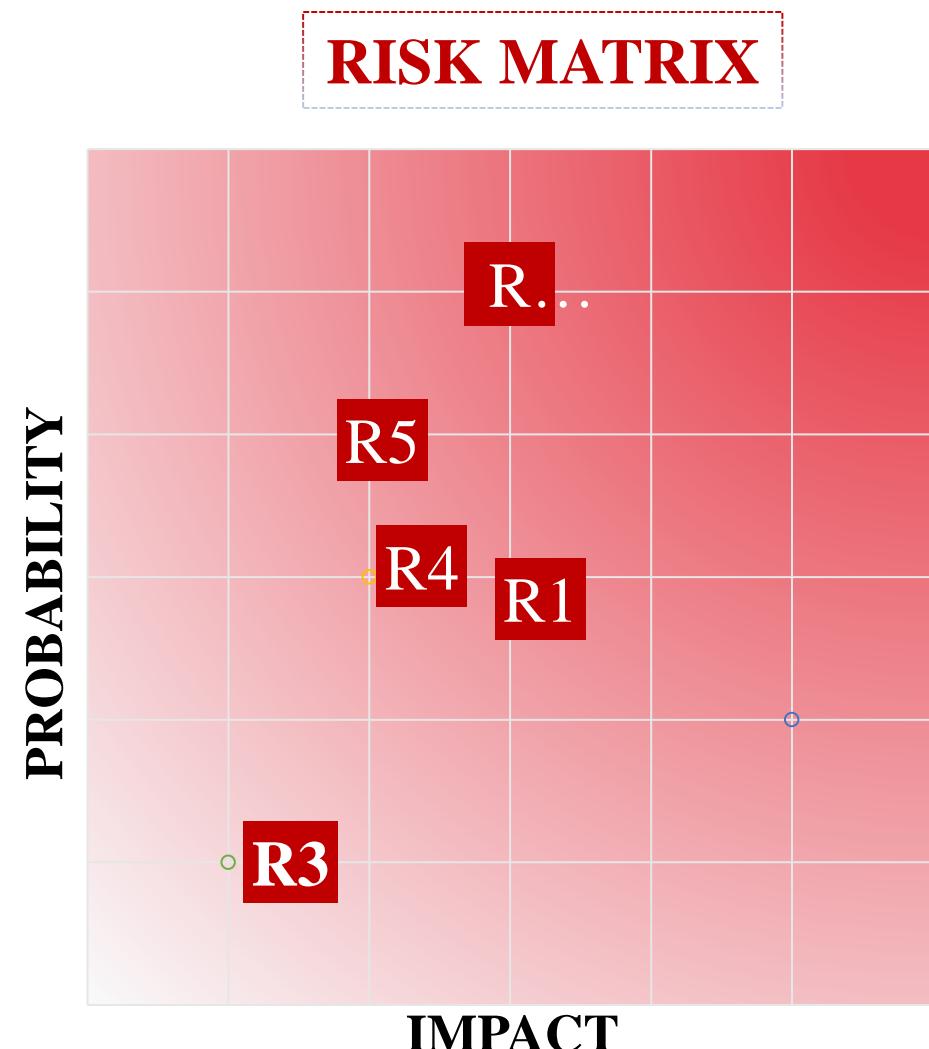
Prices Are quite Sensitive To Both Changes In Terminal Growth Rate And Cost Of Equity



Investment Risk

Risk Exist In Manageable Manner

- 1 Raw Materials Risk
- 2 Currency Volatility & LC Issue
- 3 Customer Concentration Risk
- 4 Increase in Supplementary Duty (SD)
- 5 Share Liquidity Issue



Berger Is Working to Mitigate the Risks



CUSTOMER
CONCENTRATION



LC ISSUES

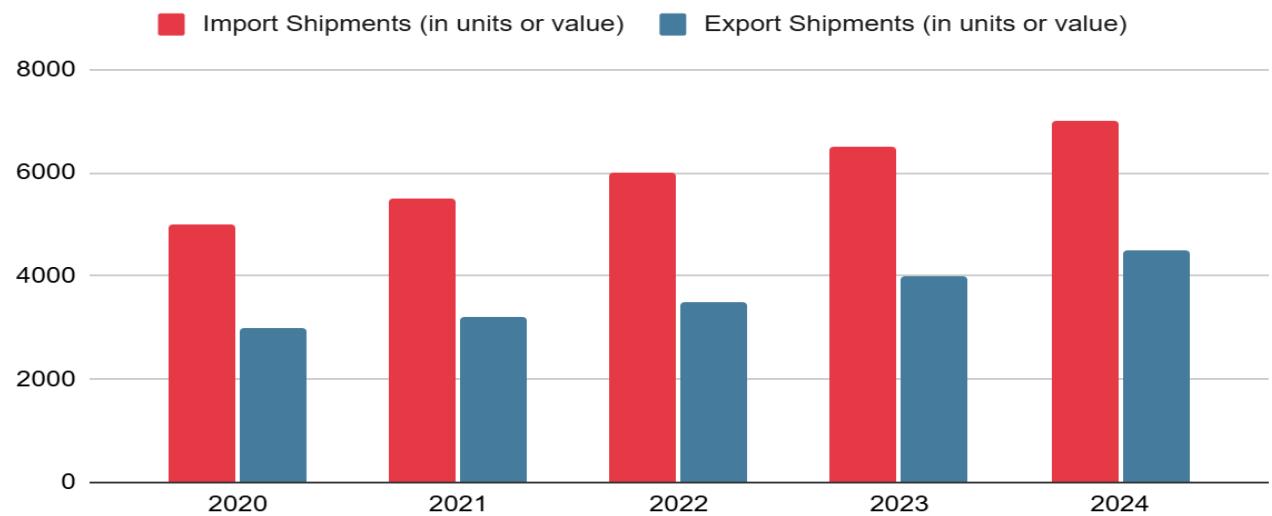


SD & VAT



RAW
MATERIALS

Almost 85% of BERGERPBL's raw materials are imported



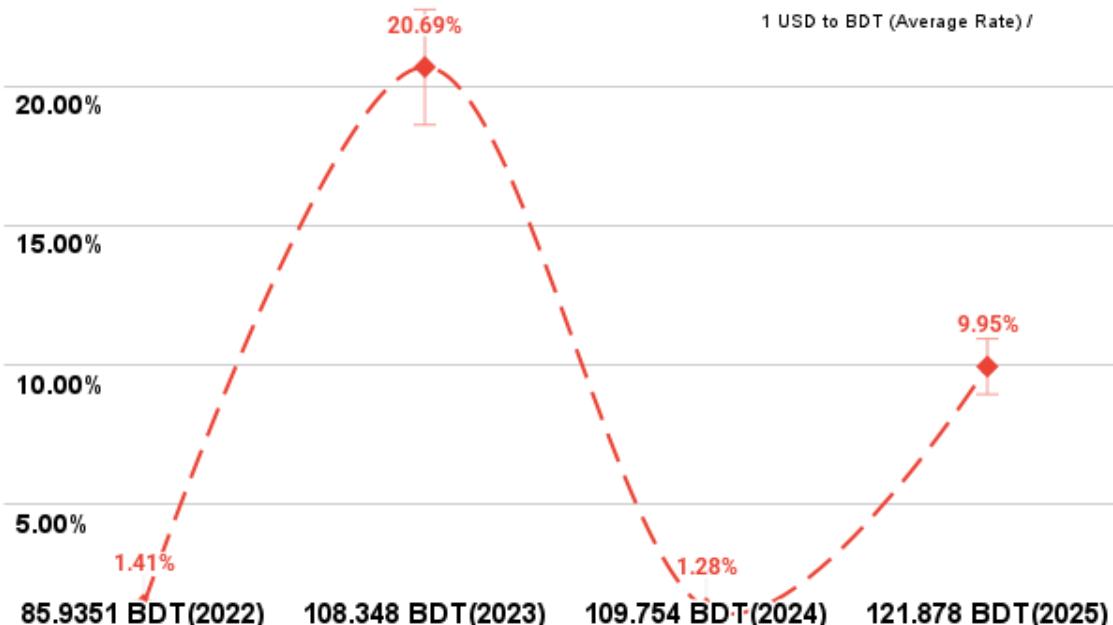
Investment Risk

Financial Risks - Currency Volatility & Liquidity

Currency Volatility

Depreciation of the BDT led to forex losses of BDT **336.4 million** in FY 2023-24.

Currency Volatility (BDT To USD)



Liquidity Risks

Last **52 weeks'** average daily volume is **1,870** & last **65 days** average volume is **407** only.

Right Share Issue

Free Float Increase
 $5\% \rightarrow 10\%$

Safe Zone

Altman Z-Score of **3.1**

Criterion	Result
$Z < 1.81$	Distress Zone
$1.81 < Z < 2.99$	Grey Zone
$Z > 2.99$	Safe Zone

Summary

We Issue A **Buy** Recommendation with A **31.28%** Upside Potential with A Total HRP Of **33.76%**



Berger Market Dominance Unlock Substantial Pricing Potential,
Securing Stable Revenue Growth



Enhancement in Management efficiencies has boosted operating margins



Industry Leading ROIC Ensuring Sustainable Economic MOAT



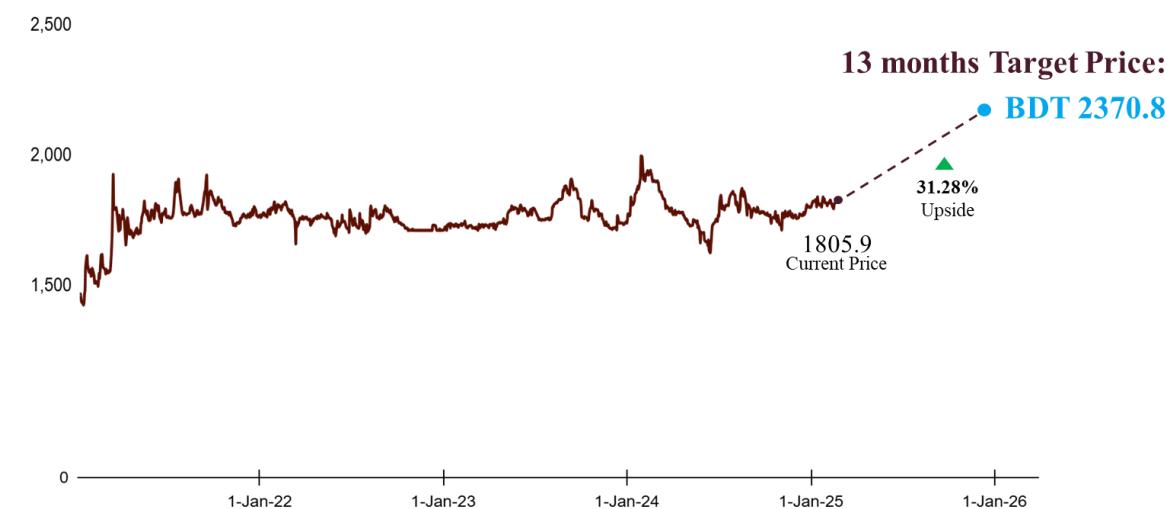
Unlocking Sustainable Growth through Optimized Cash Management
and Resilient Dividends



A Once-in-a-Decade Opportunity for High Yield and Growth



Resilient Business Model Ensures Stability Against Macroeconomic
Volatility with Zero Bankruptcy Risk



BUY RECOMMENDATION

Appendix Network

Appendix Network

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- [1.1- Inflation Rate, Terminal Growth Rate, WACC](#)
- [1.2- Right Share Issue](#)

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- [2.3: Balance Sheet](#)
- [2.4: Commonsized Balance Sheet](#)
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APPENDIX 1: Assumption

Berger Business Contribution	%
Decorative Paints	85.7%
Industrial Paints	3.40%
Marine Paints	3.10%
Printing Ink	1.90%
Wood Coating	1.70%
Others	4.20%
Total	100%

(Company
Source)

Revenue Driver Growth Estimates	
Decorative Industry Growth Rate	6.4%
Industrial Paints Growth Rate	5.8%
Marine Paints Growth Rate	5.0%
Printing Paints Growth Rate	3.1%
Wood Paints Growth Rate	4.8%
Others Growth Rate	7.2%

(Mordor Intelligence)

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(6W Research)

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Capex Financing	Million BDT
Right share	3
Internal Finance	5
Total	8

Berger Market Share Breakdown

Paint market size in 2020 (BDT mn)	40,035
Paint market size in 2024 (BDT mn)	46,835
Berger market share	58.20%
Revenue size	28067.38
Berger Market Size	48,225.73

Cost of Debt	
Effective interest rate of shareholder's loan	4.00%
Remaining effective lease interest's cost	8.00%
Average Kd	
	6.00%

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Industry size	52,610.08	59,096.90	66,383.55	74,568.64	83,762.95
Berger Market Capture	62%	65%	68%	70%	70%
Berger Revenue	32,618.2	38,413.0	45,140.8	52,198.0	58,634.1
Growth	16.2%	17.8%	17.5%	15.6%	12.3%

WACC

Market Return is determined by adding 4.5% premium along with the historical return.

Risk free rate is taken of the last 10 years monthly average yield of govt. treasury bond.

Blume Adjusted beta is used to determine Cost of Equity

Expected long term inflation of BD	7.83%
Expected Industry Growth Rate in BD	4.50%(6W Research, The Business Standard)
Total BD Paints Market Growth Rate Annually	12.33%

APPENDIX 1: Assumption

1.1- Inflation Rate, Terminal Growth Rate, & WACC Calculation

Year	Inflation Rate (%)
2005	7.05%
2006	6.77%
2007	9.11%
2008	8.90%
2009	5.42%
2010	8.13%
2011	11.40%
2012	6.22%
2013	7.53%
2014	6.99%
2015	6.19%
2016	5.51%
2017	5.70%
2018	5.54%
2019	5.59%
2020	5.69%
2021	5.55%
2022	7.70%
2023	9.88%
2024	10.89%
2025	10.70%
2026	9.60%
2027	9.00%
2028	8.50%
2029	8.00%
2030	7.50%
2031	7.00%
2032	6.50%
2033	6.00%
2034	5.50%
Average	7.83%

(IMF)

Terminal Growth Rate	8.00%
Size Premium	1.70%
Year	GDP Growth Rate (%)
2010	5.57%
2011	6.46%
2012	6.52%
2013	6.01%
2014	6.06%
2015	6.55%
2016	7.11%
2017	6.59%
2018	7.32%
2019	7.88%
2020	3.45%
2021	6.94%
2022	7.10%
2023	5.78%
2024	5.10%
Average	6.30%

(IMF)

WACC	
Rm	16.46%
Rf	8.56%
ERP	7.90%
Beta	0.58
Cost of Equity	13.12%
Cost of Debt	6.00%
Equity	15588.28
Debt	1052.31
We	0.94
Wd	0.06
Tax Rate	22.50%
WACC	12.58%

APPENDIX: Assumption

1.2- Rights offerings

	PRE-RIGHT		POST RIGHT	
TOTAL SHARE	46,377,880		49,105,991	
SPONSOR DIRECTOR	44,058,986	95.0%	44,058,986	89.7%
INSTITUTIONS	1,887,580	4.1%	4,638,034	9.4%
FOREIGN	92,756	0.2%		0.0%
GP	338,559	0.7%		0.0%
EMPLOYEE	0		408,971	0.8%

OFFER PRICE	1,110
AMOUNT	3,028,203,210
RIGHT OFFER	16:17
RIGHT SHARE	2,728,111.00
J&N Investments (Asia) LIMITED	-
OTHER SH	2,319,140
EMPLOYEE	408,971

	PRE-RIGHT PRICE	FREE FLOAT	POST RIGHTS	FREE FLOAT
PER SHARE PRICE	1800		1,700	
CURRENT MARKET CAP	83,480,184,000	4,174,009,200	83,480,184,000	7,847,137,296
GP SHARE HOLDING	17		33	
MKT CAP	30,600		48,360	
PER SHARE VALUE	1,800		1,465	

EQUITY VALUE	83,675,400,000
PER SHARE VALUE	1,704
RETURN	16%

APPENDIX 2: Historical and Forecasted Financial Statements

2.1-Income Statement

APPENDIX 2: Historical and Forecasted Financial Statements

2.2- Commonsize Income Statement

Income Statement Amounts in millions BDT	Historical						Forecasted				
	Mar-31	Apr-01									
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Net Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	60.6%	59.7%	65.1%	70.4%	67.7%	67.9%	64.0%	65.0%	65.0%	66.0%	66.0%
Gross Revenue	39.4%	40.3%	34.9%	29.6%	32.3%	32.1%	36.0%	35.0%	35.0%	34.0%	34.0%
Selling, Distribution & Warehouse Expense	16.9%	15.8%	14.3%	11.8%	12.5%	12.7%	13.0%	14.0%	15.0%	15.0%	15.5%
Administrative & General Expenses	3.4%	3.3%	2.8%	2.7%	3.2%	3.2%	3.1%	3.0%	3.5%	3.5%	3.7%
Other Operating Expenses	0.7%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Foreign Exchange Loss	0.0%	0.0%	0.0%	0.0%	1.3%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating income	1.3%	1.3%	1.2%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Total Operating Expenses	19.7%	18.5%	16.5%	13.7%	16.2%	16.3%	15.4%	16.3%	17.7%	17.8%	18.4%
Operating Income/EBIT	19.7%	21.8%	18.4%	15.9%	16.0%	15.8%	20.6%	18.7%	17.3%	16.2%	15.6%
Finance Costs	0.0%	0.2%	0.4%	0.1%	0.9%	1.5%	0.4%	0.4%	0.3%	0.3%	0.2%
Investment Income	1.2%	0.7%	0.6%	0.3%	1.5%	2.2%	2.0%	1.7%	1.5%	1.3%	1.2%
Net Finance Income	1.1%	0.4%	0.2%	0.2%	0.7%	0.7%	1.6%	1.4%	1.2%	1.0%	1.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Non-Operating Income	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Share of Profit of Associates	0.2%	0.2%	0.2%	0.0%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
Income Before WPPF & Tax	21.2%	22.6%	19.0%	16.1%	17.0%	16.8%	22.5%	20.3%	18.7%	17.5%	16.8%
Workers' Profit Participation & Welfare Fund (WPPF)	1.0%	1.1%	0.9%	0.8%	0.8%	0.8%	1.0%	0.9%	0.9%	0.8%	0.8%
Net Income before Tax/EBT	20.1%	21.4%	18.0%	15.3%	16.1%	16.0%	21.5%	19.4%	17.9%	16.7%	16.0%
Current Tax Expenxes	5.1%	6.0%	4.9%	3.7%	4.0%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Deffered Tax Income/(Expenses)	-0.1%	0.3%	0.0%	0.0%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	14.9%	15.8%	13.1%	11.6%	12.4%	12.4%	16.6%	15.0%	13.8%	13.0%	12.4%

APPENDIX 2: Historical and Forecasted Financial Statements

2.3- Balance sheet Total Asset portion

Balance Sheet Amounts in millions BDT							Forecasted					
	Mar-31 FY 2019-20	Mar-31 FY 2020-21	Mar-31 FY 2021-22	Mar-31 F' 2022-23	Mar-31 FY 2023-24	Mar-31 FY 2024-25	Mar-31 FY 2025-26	Mar-31 FY 2026-27	Mar-31 FY 2027-28	Mar-31 FY 2028-29	Mar-31 FY 2029-30	Apr-01
Assets												
Property, Plant and Equipment	4,516.6	4,955.2	5,361.1	5,759.5	6,030.9	6,460.4	14,473.7	14,568.6	14,665.6	14,739.9	14,874.3	
Capital Work-In-Progress	612.9	755.3	1,012.6	1,273.8	1,581.0	1,814.3	2,082.0	2,389.3	2,741.8	3,146.5	3,610.8	
Right-of-use Assets	629.2	572.6	536.1	531.8	431.1	440.2	449.5	459.0	468.6	478.5	488.6	
Intangible Assets	60.1	54.5	47.2	61.2	67.2	53.6	43.2	41.6	52.0	61.5	62.4	
Term Deposit-Long Term Portion	-	100.0	204.4	204.7	204.4	204.4	204.4	204.4	204.4	204.4	204.4	
Inter company Loan	-	-	-	-	110.0	110.0	110.0	110.0	110.0	110.0	110.0	
Investment In Associates	240.0	343.3	344.6	318.6	420.4	458.8	529.4	581.6	650.0	751.5	844.3	
Loan Receivables	-	-	40.0	130.0	-	-	-	-	-	-	-	
Total Non-current Assets	6,058.9	6,780.9	7,546.0	8,279.6	8,845.0	9,541.5	17,892.1	18,354.4	18,892.3	19,492.2	20,194.7	
 Inventories												
Inventories	2,462.0	3,346.7	4,670.3	4,754.2	5,266.8	6,599.4	8,071.9	9,872.8	12,075.6	14,769.9	18,065.3	
Trade and Other Receivables	1,708.3	1,818.9	1,984.1	2,193.9	2,199.3	2,270.4	2,621.9	3,011.2	3,204.3	3,528.8	3,939.1	
Advances, Deposits and Prepayments	262.7	351.4	304.9	896.3	1,126.9	1,067.8	1,191.4	1,350.9	1,450.8	1,624.4	1,821.8	
Cash and Cash Equivalent	3,392.5	4,125.3	2,441.7	3,876.9	7,665.0	6,167.0	431.9	2,096.8	3,434.8	4,309.6	4,262.6	
Total Current Assets	7,825.5	9,642.3	9,401.1	11,721.3	16,257.9	16,104.7	12,317.0	16,331.7	20,165.5	24,232.7	28,088.8	
Total Assets	13,884.3	16,423.2	16,947.1	20,000.8	25,103.0	25,646.2	30,209.1	34,686.1	39,057.9	43,724.9	48,283.4	

APPENDIX 2: Historical and Forecasted Financial Statements

2.3- Balance Sheet Liabilities and Shareholder's Equity

Income Statement Amounts in millions BDT	Historical						Forecasted				
	Mar-31 FY 2019-20	Mar-31 FY 2020-21	Mar-31 FY 2021-22	Mar-31 FY 2022-23	Mar-31 FY 2023-24	Mar-31 FY 2024-25	Mar-31 FY 2025-26	Mar-31 FY 2026-27	Mar-31 FY 2027-28	Mar-31 FY 2028-29	Apr-01 FY 2029-30
	Share capital	463.8	463.8	463.8	463.8	463.8	491.1	491.1	491.1	491.1	491.1
Retained Earnings	9,006.6	10,331.9	10,082.0	12,511.7	13,891.5	15,124.5	17,650.8	20,398.7	23,344.2	26,607.0	30,302.6
Equity Attributable to The Company's Equity Holders	9,470.3	10,795.7	10,545.8	12,975.5	14,355.3	15,588.3	21,142.8	23,890.7	26,836.2	30,099.0	33,794.6
Shareholder's Loan	-	-	-	-	492.8	540.0	591.8	648.5	710.7	778.9	853.6
Deffered Tax Liabilities	326.4	271.8	267.6	234.3	156.0	118.3	155.1	166.9	174.4	188.6	214.7
Lease Obligation-Non Current Portion	509.9	491.5	494.1	480.1	395.7	393.8	491.3	651.5	656.9	696.0	762.6
Provision for Employees Retirement Gratuity	-	-	20.2	23.5	26.3	23.8	23.5	24.3	24.5	24.0	24.1
Total Non-current Liabilities	836.7	763.6	782.2	738.2	1,070.9	1,076.0	1,261.6	1,491.2	1,566.5	1,687.5	1,854.9
Lease Obligation-Current Portion	61.8	76.4	72.9	99.4	106.2	118.5	127.1	179.8	183.0	188.7	209.9
Trade and Other Payables	2,877.0	4,115.1	4,878.3	5,539.2	8,964.5	8,613.1	7,344.6	8,777.8	10,095.8	11,358.8	12,037.1
Provision for Royalty	285.4	296.8	321.9	440.7	566.2	371.3	494.4	532.4	585.8	636.3	694.4
Provision for Current Tax	326.4	349.0	335.0	115.0	(22.9)	(166.2)	(204.0)	(232.3)	(260.9)	(303.5)	(361.7)
Provision for Employees Retirement Gratuity	17.1	14.8	5.2	88.4	59.8	42.2	37.9	41.4	45.8	52.6	46.6
Dividend Payable	9.8	12.0	6.1	4.7	3.1	3.1	4.6	5.0	5.6	5.5	7.6
Liability for Unclaimed IPO Application Money	0.1	0.1	-	-	-	-	-	-	-	-	-
Total Current Liabilities	3,577.7	4,864.2	5,619.4	6,287.4	9,677.0	8,982.0	7,804.7	9,304.2	10,655.2	11,938.4	12,633.9
Total Liabilities	4,414.4	5,627.8	6,401.6	7,025.6	10,747.8	10,058.1	9,066.3	10,795.4	12,221.7	13,625.9	14,488.8
Total Equity and Liabilities	13,884.8	16,423.5	16,947.3	20,001.1	25,103.1	25,646.3	30,209.1	34,686.1	39,057.9	43,724.9	48,283.4
Contingent Liabilities	767.6	-	-	764.5	1,189.6	-	-	-	-	-	-
Net Asset Value Per Share(NAVPS) TK	204.2	232.8	227.4	279.8	309.5	336.1	430.6	486.5	546.5	612.9	688.2

APPENDIX 2: Historical and Forecasted Financial Statements

2.4- Commonsize Balance sheet Total Asset portion

APPENDIX 2: Historical and Forecasted Financial Statements

2.4- Common size Balance Sheet Total Liabilities and Shareholder's Equity portion

BERGER Trusted Worldwide	Income Statement Amounts in millions BDT	Historical						Forecasted				
		Mar-31 FY 2019-20	Mar-31 FY 2020-21	Mar-31 FY 2021-22	Mar-31 FY 2022-23	Mar-31 FY 2023-24	Mar-31 FY 2024-25	Mar-31 FY 2025-26	Mar-31 FY 2026-27	Mar-31 FY 2027-28	Mar-31 FY 2028-29	Apr-01 FY 2029-30
Share capital		3.3%	2.8%	2.7%	2.3%	1.8%	1.8%	1.5%	1.3%	1.2%	1.1%	1.0%
Retained Earnings		64.9%	62.9%	59.5%	62.6%	55.3%	59.0%	55.7%	58.1%	58.0%	57.7%	59.1%
Equity Attributable to The Company's Equity Holders		68.2%	65.7%	62.2%	64.9%	57.2%	60.8%	66.2%	67.6%	66.4%	65.3%	66.0%
Shareholder's Loan		0.0%	0.0%	0.0%	0.0%	2.0%	2.1%	1.8%	1.8%	1.7%	1.6%	1.5%
Deffered Tax Liabilities		2.4%	1.7%	1.6%	1.2%	0.6%	0.5%	0.3%	0.3%	0.2%	0.2%	0.2%
Lease Obligation-Non Current Portion		3.7%	3.0%	2.9%	2.4%	1.6%	1.5%	1.2%	1.0%	1.0%	0.8%	0.6%
Provision for Employees Retirement Gratuity		0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Total Non-current Liabilities		6.0%	4.6%	4.6%	3.7%	4.3%	4.2%	3.4%	3.2%	3.0%	2.7%	2.3%
Lease Obligation-Current Portion		0.4%	0.5%	0.4%	0.5%	0.4%	0.5%	0.4%	0.4%	0.4%	0.3%	0.4%
Trade and Other Payables		20.7%	25.1%	28.8%	27.7%	35.7%	33.6%	28.8%	27.5%	28.8%	30.2%	29.7%
Provision for Royalty		2.1%	1.8%	1.9%	2.2%	2.3%	1.4%	1.5%	1.6%	1.7%	1.7%	1.8%
Provision for Current Tax		2.4%	2.1%	2.0%	0.6%	-0.1%	-0.6%	-0.5%	-0.4%	-0.4%	-0.3%	-0.3%
Provision for Employees Retirement Gratuity		0.1%	0.1%	0.0%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Dividend Payable		0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liability for Unclaimed IPO Application Money		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Current Liabilities		25.8%	29.6%	33.2%	31.4%	38.5%	35.0%	30.4%	29.2%	30.6%	32.0%	31.6%
Total Liabilities		31.8%	34.3%	37.8%	35.1%	42.8%	39.2%	33.8%	32.4%	33.6%	34.7%	34.0%
Total Equity and Liabilities		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

APPENDIX 2: Historical and Forecasted Financial Statements

2.5- Cashflow statement

Cash Flow Statement	Historical						Forecasted					
	Mar-31 FY 2019-20	Mar-31 FY 2020-21	Mar-31 FY 2021-22	Mar-31 FY 2022-23	Mar-31 FY 2023-24	Mar-31 FY 2024-25	Mar-31 FY 2025-26	Mar-31 FY 2026-27	Mar-31 FY 2027-28	Mar-31 FY 2028-29	Mar-31 FY 2029-30	Apr-01
Cash Flows From Operating Activities												
Net Income	2,422.1	2,669.2	2,907.0	3,010.4	3,242.9	3,509.1	4,374.9	4,758.6	5,100.8	5,650.3	6,399.8	
Add: TAX	851.2	950.6	1,092.8	954.6	989.7	1,039.2	1,390.6	1,486.8	1,560.3	1,679.9	1,900.8	
Profit Before Tax	3,273.3	3,619.7	3,999.7	3,965.1	4,232.6	4,548.3	5,765.5	6,245.4	6,661.1	7,330.2	8,300.6	
Non-cash Items Adjustments:												
Depreciation & Amortization	613.2	600.4	753.7	826.6	883.9	918.4	1,552.3	1,610.5	1,673.4	1,738.7	1,806.6	
Actuarial gain/(loss) on defined benefit plan	-	-	(5.2)	(150.9)	(45.1)	(93.3)	(73.6)	(90.7)	(75.7)	(83.3)	(80.8)	
Others	-	-	-	-	(115.2)	-	-	-	-	-	-	
Other Non-operating Income:												
Investment (Finance) Expenses	3.6	36.0	80.1	40.5	235.0	435.9	247.3	305.8	406.6	482.6	477.2	
Income on sale of PP&E	(9.7)	(13.0)	(20.0)	(12.5)	(3.0)	(19.4)	(13.0)	(13.5)	(13.6)	(12.5)	(12.5)	
Share of Profit of Associates	(38.0)	(38.8)	(45.9)	2.4	(67.2)	(73.7)	(63.3)	(65.8)	(73.5)	(82.5)	(109.2)	
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	
Other Income	-	(3.5)	(1.4)	(0.1)	(3.3)	-	-	-	-	-	-	
Changes in Operating Assets & Liabilities:												
(Increase)/Decrease in Trade & Other Receables	(3.8)	(110.6)	(165.2)	(209.8)	(5.4)	(183.6)	(351.5)	(389.3)	(193.1)	(324.5)	(410.2)	
(Increase)/Decrease in Inventories	(298.6)	(884.7)	(1,323.6)	(83.8)	(512.6)	(1,156.0)	(1,472.4)	(1,801.0)	(2,202.8)	(2,694.3)	(3,295.4)	
Increase/(Decrease) in Trade & Other Payables	818.9	1,236.2	763.3	660.9	3,236.0	(788.5)	(1,268.5)	1,433.2	1,318.0	1,263.0	678.3	
(Increase)/Decrease Advance, Deposits & Prepaymen	219.8	(88.8)	46.5	(591.3)	(230.6)	(731.0)	(123.6)	(159.5)	(100.0)	(173.6)	(197.3)	
Increase/(Decrease) in Provision for Royalty	(24.5)	11.4	25.1	118.9	125.5	(181.6)	123.2	38.0	53.4	50.4	58.2	
Increase/(Decrease) in Provision for Gratuity	(26.4)	(2.3)	10.6	86.5	(25.8)	(52.8)	(4.2)	3.5	4.4	6.8	(6.0)	
Income Tax Paid	(695.8)	(983.2)	(1,109.7)	(1,174.0)	(1,195.8)	(1,105.2)	(1,390.6)	(1,486.8)	(1,560.3)	(1,679.9)	(1,900.8)	
Interest Paid on Lease Obligation	(33.6)	(35.2)	(71.4)	(32.3)	(32.9)	(31.1)	(41.9)	(57.6)	(59.9)	(57.3)	(64.7)	
Net working Capital	4,886.7	5,450.9	4,449.9	6,082.7	7,187.3	7,373.1	4,845.2	7,374.0	9,886.7	12,685.2	15,841.7	
Net Cash Flow from Operating Activities	3,798.5	3,343.6	2,936.4	3,445.9	6,476.3	1,486.5	2,885.7	5,572.2	5,837.9	5,763.7	5,243.8	

APPENDIX 2: Historical and Forecasted Financial Statements

2.5- Cashflow statement

Cash Flow Statement	Historical						Forecasted					
	Mar-31	Apr-01										
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
Investment in BFL,BTCL	-	(64.6)	-	(2.5)	-	-	-	-	-	-	-	-
Capital Expenditure	(1,103.8)	(1,046.4)	(1,290.7)	(1,398.0)	(1,152.8)	(1,553.0)	(9,552.9)	(1,700.6)	(1,765.6)	(1,806.8)	(1,933.5)	
Investment (Finance) expenses	(4.2)	(0.8)	(8.7)	(25.4)	(193.5)	(394.7)	(255.5)	(184.1)	(500.3)	(590.3)	(508.5)	
Term deposit	401.2	(100.0)	(104.4)	(0.2)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Proceeds from Disposal of Assets	13.1	13.0	20.0	12.5	9.3	(13.8)	9.0	8.4	7.6	5.5	4.3	
Dividend income	-	22.3	22.3	23.5	27.4	21.8	23.5	23.7	24.0	24.1	23.4	
Other income	-	3.5	1.4	0.1	3.3	-	-	-	-	-	-	
Inter Company Loan	-	-	-	-	20.0	10.0	15.0	12.5	13.8	13.1	13.4	
Loan Receivable	-	-	(40.0)	(90.0)	-	-	-	-	-	-	-	
Net Cash Used in Investing Activities	(693.7)	(1,172.9)	(1,400.1)	(1,479.9)	(1,286.0)	(1,929.3)	(9,760.5)	(1,839.8)	(2,220.2)	(2,354.1)	(2,400.4)	
Payment of lease liabilities	(62.3)	(71.5)	(85.4)	(84.5)	(108.1)	(315.3)	(109.6)	(130.0)	(202.0)	(229.7)	(271.3)	
Divident Paid	(1,555.1)	(1,366.0)	(3,136.5)	(465.1)	(1,856.7)	(830.5)	(1,848.6)	(2,010.7)	(2,155.3)	(2,387.5)	(2,704.2)	
Shareholder's Loan	-	-	-	-	492.8	47.3	47.3	47.3	47.3	47.3	47.3	
Net Cash Used in Financing Activities	(1,617.3)	(1,437.5)	(3,221.9)	(549.7)	(1,472.1)	(1,098.5)	1,117.3	(2,093.4)	(2,310.1)	(2,569.9)	(2,928.2)	
Increase/(Decrease) in Cash & Cash Equivalents	1,487.4	733.3	(1,685.5)	1,416.4	3,718.2	(1,541.3)	(5,757.5)	1,639.0	1,307.6	839.7	(84.8)	
Exchange (gain)/loss	0.6	(0.5)	1.9	18.8	69.9	43.3	22.3	26.0	30.4	35.1	37.8	
Openning Cash & Cash Equivalents	1,904.5	3,392.5	4,125.3	2,441.7	3,876.9	7,665.0	6,167.0	431.9	2,096.8	3,434.8	4,309.6	
Closing Net Cash & Cash Equivalents	3,392.5	4,125.3	2,441.7	3,876.9	7,665.0	6,167.0	431.9	2,096.8	3,434.8	4,309.6	4,262.6	

APPENDIX 3: Ratio Analysis and DuPont Analysis

3.1- Ratio Analysis

BERGER Trusted Worldwide	Historical						Forecasted					
	Mar-31	Apr-01										
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
Profitability Ratio												
Gross Profit Margin	39%	40%	35%	30%	32%	32%	35%	34%	33%	33%	33%	33%
Operating Margin	20%	22%	18%	16%	16%	16%	18%	18%	17%	17%	17%	18%
Net Profit Margin	15%	16%	13%	12%	12%	12%	14%	14%	14%	14%	14%	14%
Return on Asset (ROA)	18%	16%	17%	15%	13%	14%	14%	14%	13%	13%	13%	13%
Return on Equity (ROE)	26%	25%	28%	23%	23%	23%	21%	20%	19%	19%	19%	19%
Total Asset Turnover (TA)	118%	103%	131%	129%	105%	111%	103%	98%	96%	96%	97%	
Return on Capital Employed	31%	32%	36%	30%	27%	27%	25%	24%	23%	23%	23%	23%
ROIC - Core Business	539%	615%	684%	687%	341%	346%	408%	420%	425%	442%	473%	
Liquidity Ratio												
Current Ratio	2.19	1.98	1.67	1.86	1.68	1.79	1.58	1.76	1.89	2.03	2.22	
Quick Ratio	1.50	1.29	0.84	1.11	1.14	1.06	0.54	0.69	0.76	0.79	0.79	0.79
Cash Ratio	0.95	0.85	0.43	0.62	0.79	0.69	0.06	0.23	0.32	0.36	0.34	
Leverage Ratio												
Debt-Equity Ratio	0%	0%	0%	0%	3%	3%	3%	3%	3%	3%	3%	3%
Debt-Capital Ratio	0%	0%	0%	0%	2%	2%	2%	2%	2%	2%	2%	2%
Debt-Asset Ratio	0%	0%	0%	0%	2%	2%	2%	2%	2%	2%	2%	2%

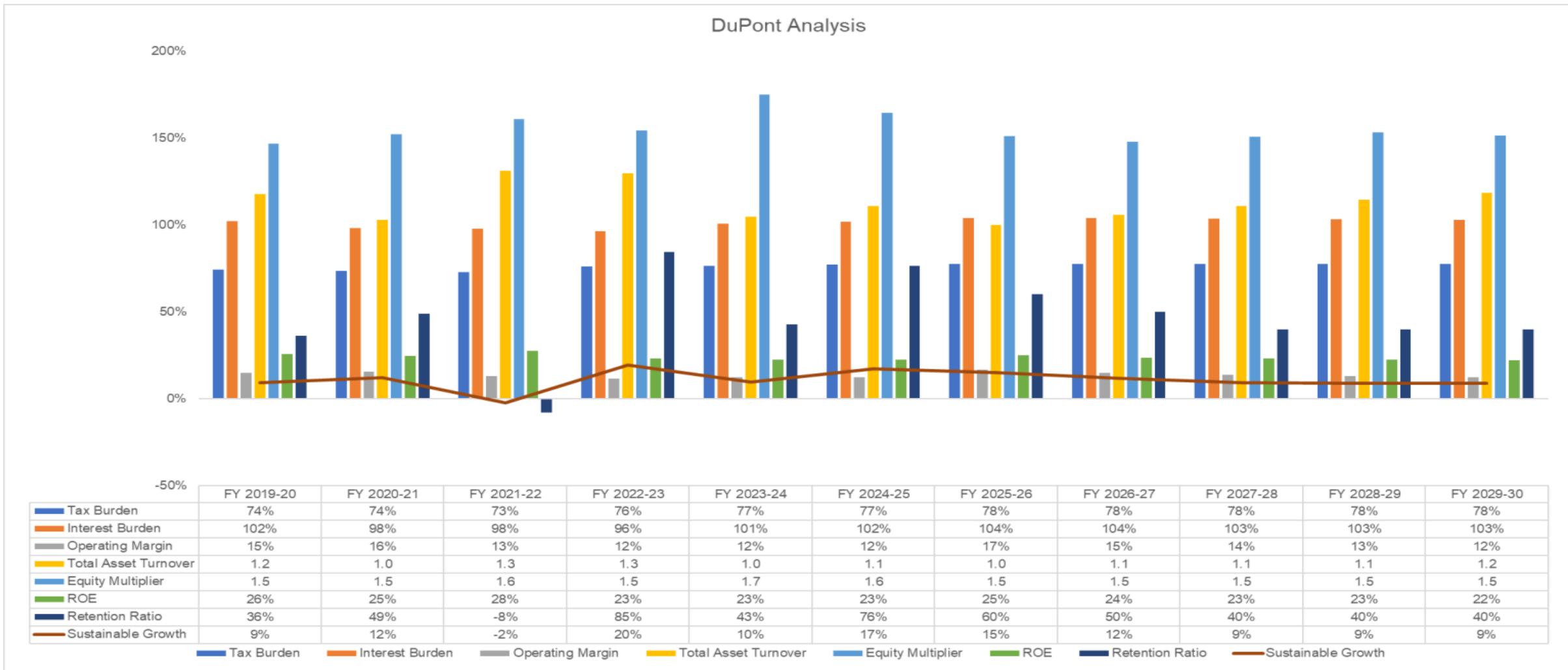
APPENDIX 3: Ratio Analysis and DuPont Analysis

3.1- Ratio Analysis

BERGER Trusted Worldwide	Historical						Forecasted					
	Mar-31 FY 2019-20	Mar-31 FY 2020-21	Mar-31 FY 2021-22	Mar-31 FY 2022-23	Mar-31 FY 2023-24	Mar-31 FY 2024-25	Mar-31 FY 2025-26	Mar-31 FY 2026-27	Mar-31 FY 2027-28	Mar-31 FY 2028-29	Mar-31 FY 2029-30	Apr-01
	Coverage Ratio											
Interest Coverage Ratio	1,055	101	52	190	18	10	13	14	15	16	18	
Asset Coverage Ratio	2.32	2.04	1.76	1.94	1.43	1.65	2.47	2.35	2.32	2.33	2.46	
Efficiency Ratio												
Inventory Turnover Ratio	4	3	4	4	4	3	3	3	2	2	2	
Payables Turnover Ratio	3	3	3	4	2	2	3	3	3	3	3	
Receivable Turnover Ratio	10	10	12	12	12	13	13	12	12	12	13	
Days Sales Outstanding (DSO)	38	38	31	29	31	29	29	30	30	29	29	
Days Inventory Outstanding (DIO)	91	105	101	94	103	112	132	146	159	174	192	
Days Payable Outstanding (DPO)	106	127	114	104	149	166	144	131	136	139	137	
Cash Conversion Cycle	23	17	19	20	(15)	(25)	17	45	52	64	84	
Operating Cycle	129	143	133	124	133	141	161	176	189	203	221	
Working Capital Turnover	4	4	6	5	4	4	7	5	4	3	3	
Fixed Asset Turnover	3	2	3	3	3	3	2	2	2	2	2	
Asset Turnover Ratio	1	1	1	1	1	1	1	1	1	1	1	
Avg account receivables	1,708	1,764	1,902	2,089	2,197	2,235	2,446	2,817	3,108	3,367	3,734	
Avg account payables	2,877	3,496	4,497	5,209	7,252	8,789	7,979	8,061	9,437	10,727	11,698	
Avg inventories	2,462	2,904	4,009	4,712	5,010	5,933	7,336	8,972	10,974	13,423	16,418	

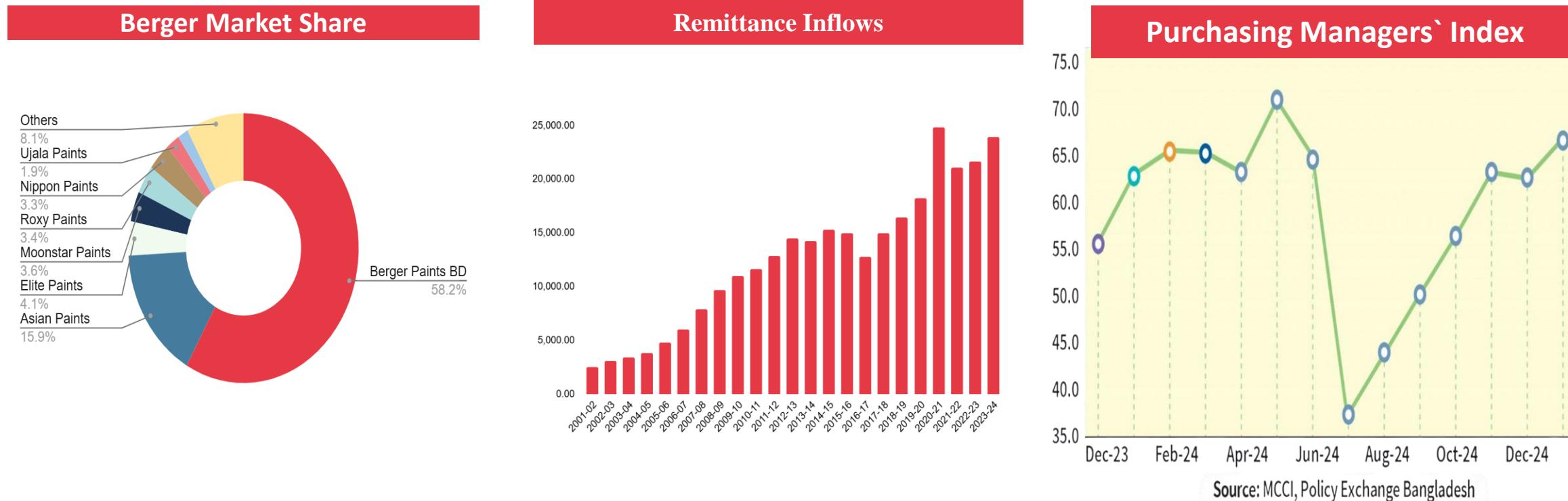
APPENDIX 3: Ratio Analysis and DuPont Analysis

3.2- DuPont Analysis



APPENDIX 4: Industry Overview

Market Participants



APPENDIX 4: Industry Overview

PESTEL Analysis and Porter's 5 Forces Analysis

Political: Government investments in infrastructure projects such as Padma Bridge and metro rail have increased demand for construction materials, including paints. Policies encouraging industrial growth and tax incentives for manufacturers have further supported the sector.

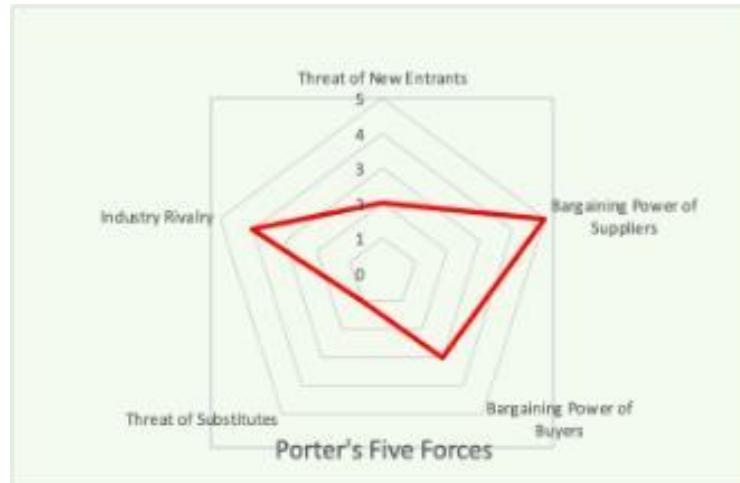
Economic: Bangladesh's GDP growth of 5.78% (2023) and urbanization rate of 36.4% have significantly contributed to the paint industry's growth. Real estate, contributing 7.93% to GDP, remains a major driver for paint demand.

Social: With 34 million middle-income earners projected by 2025, demand for premium decorative paints is increasing. Rising awareness of home aesthetics also supports industry growth.

Technological: The adoption of advanced manufacturing processes and digital marketing strategies, such as e-commerce platforms for paints, are reshaping the industry.

Environmental: Stringent environmental regulations are pushing for eco-friendly and VOC-free products. Berger's Green Label-certified Breathe Easy Emulsion exemplifies this trend.

Legal: Compliance with international standards for safety and environmental impact is mandatory, encouraging innovations in product formulations.



Threat of New Entrants: Low. High capital investment and brand loyalty act as barriers, but local players add competitive pressure.

Bargaining Power of Suppliers: High. Over 85% of raw materials, such as titanium dioxide, are imported, making costs volatile.

Bargaining Power of Buyers: Moderate. While consumers remain price-sensitive, brand loyalty towards Berger and other premium players mitigates this.

Threat of Substitutes: Low. Paints have no direct substitutes in construction and renovation.

Industry Rivalry: High. Major players like Berger (58.20% market share), Asian Paints (15.90%), and Kansai Nerolac (1.5%) drive intense competition.

APPENDIX 5: Business Overview

1

BERGERPBL has 1 Berger Design Studio (BDS)

19

BERGERBPL has 19 Distribution Points
Including 14 Sales Offices to distribute its products
efficiently. 3000+ Dealers in the whole country
10 Experience Zone

10,000+

More than 10,000 dealers, sub-dealers and institutions
are in the Supply Chain of BERGERPBL. With the help
of them, the company has the Widest distribution reach
up to union level .

35

BERGERPBL has 35 dedicated
experience zones for customer service

167

BERGERPBL has 167 brands in its portfolio and more
than 5,000 SKUs .

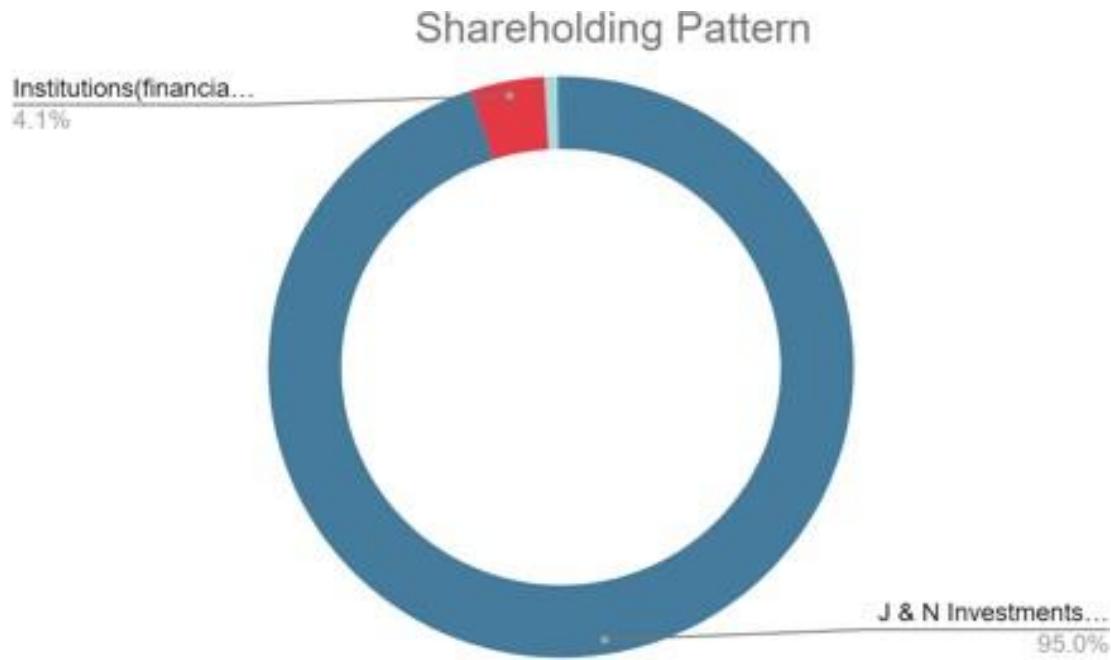
Superior Supply Chain Management ensures economic Moat

Customer Service Level (CSL): 99%

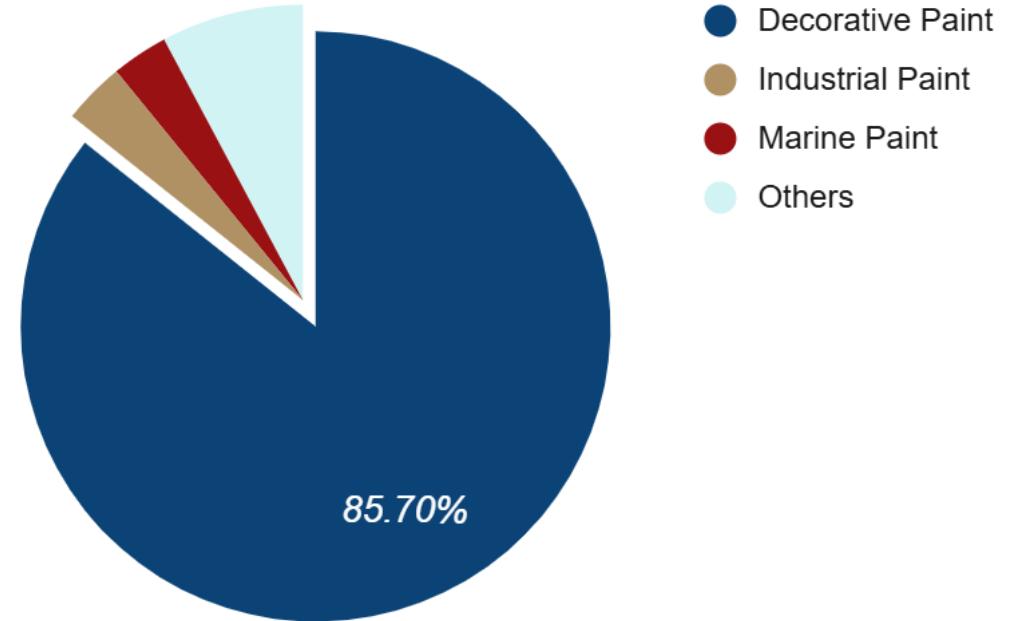
APPENDIX 5: Business Overview

5.1- Business Description

Shareholding Pattern of BPBL

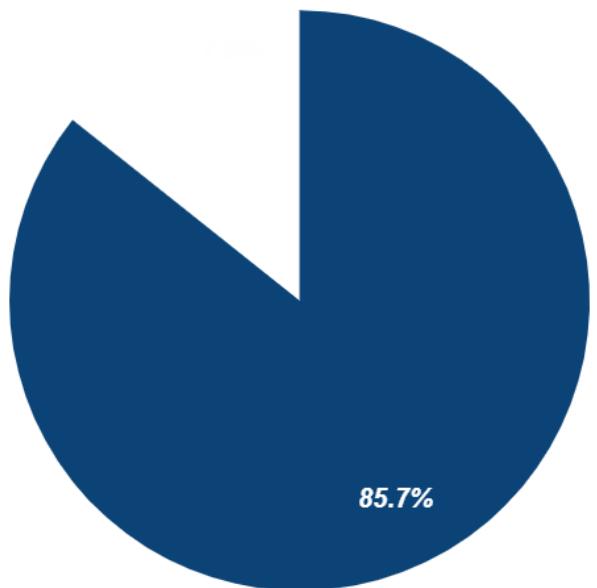


Revenue Breakdown of Berger PBL



APPENDIX 5: Business Overview

5.2- Revenue Breakdown of Berger PBL



58.9 % of Domestic
Market Share

Margin Power –
High Brand Value &
Loyal Customer Pool

Customer Pool
Are shock Proof

APPENDIX 5: Business Overview

5.2- Revenue Breakdown of Berger PBL



Industrial Paint



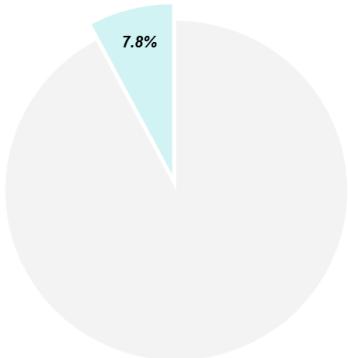
A large pool of industrial coating to cater to the industrial needs.



Marine Paint



Partnership with top marine paint manufacturer **Chugoku Marine Paints, Ltd** to produce & sell their paint.



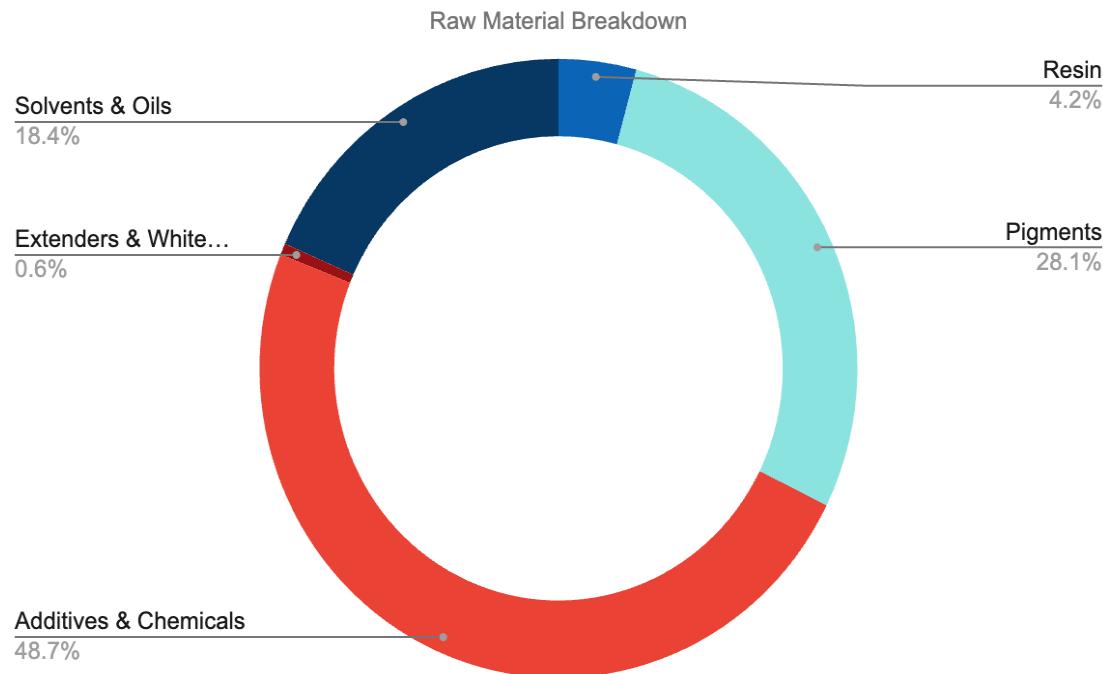
Others



This Segment consists with Printing Ink, vehicle Refinish, Adhesive, Powder Coatings, Wood Coatings, etc.

APPENDIX 5: Business Overview

5.3- Raw Material Breakdown of BERGERPBL



Raw materials	% Total RM
Resin	4.2%
Pigments	28.1%
Extenders and white cements	0.6%
Solvents and oils	18.4%
Additives and chemicals	48.7%
Total	100.0%

Best of the best suppliers

BERGERBPL imports raw materials from ExxonMobil, DuPont, BASF, BYK, Cristal, and Shell. This helps BERGERPBL ensure the high-quality raw materials required for its finest-quality paint for its loyal customer base.

APPENDIX 5: Business Overview

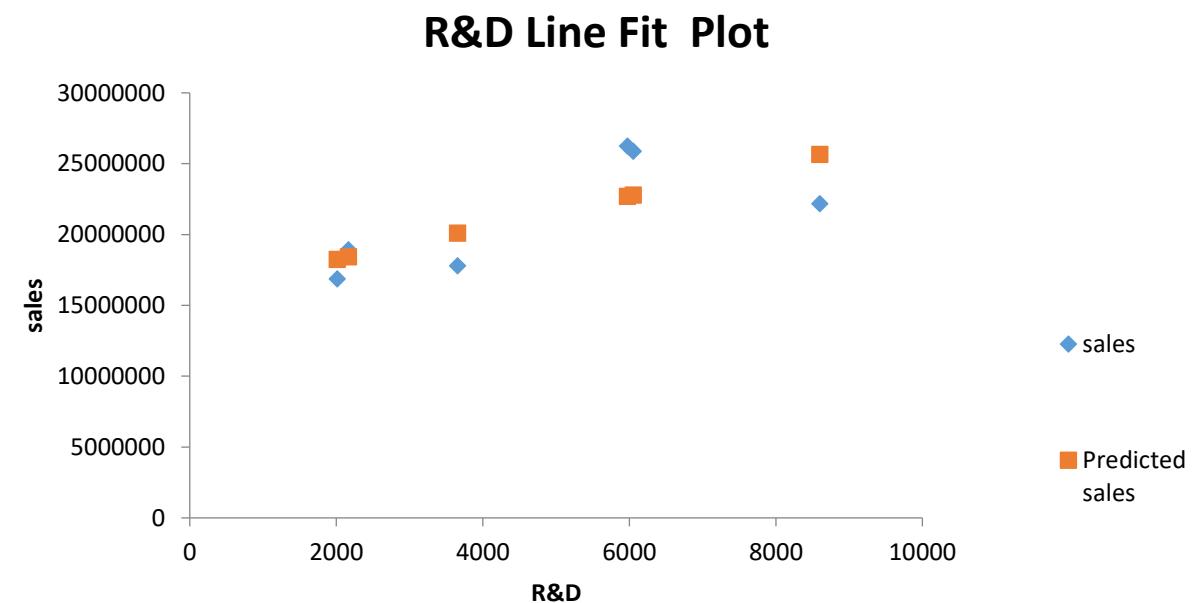
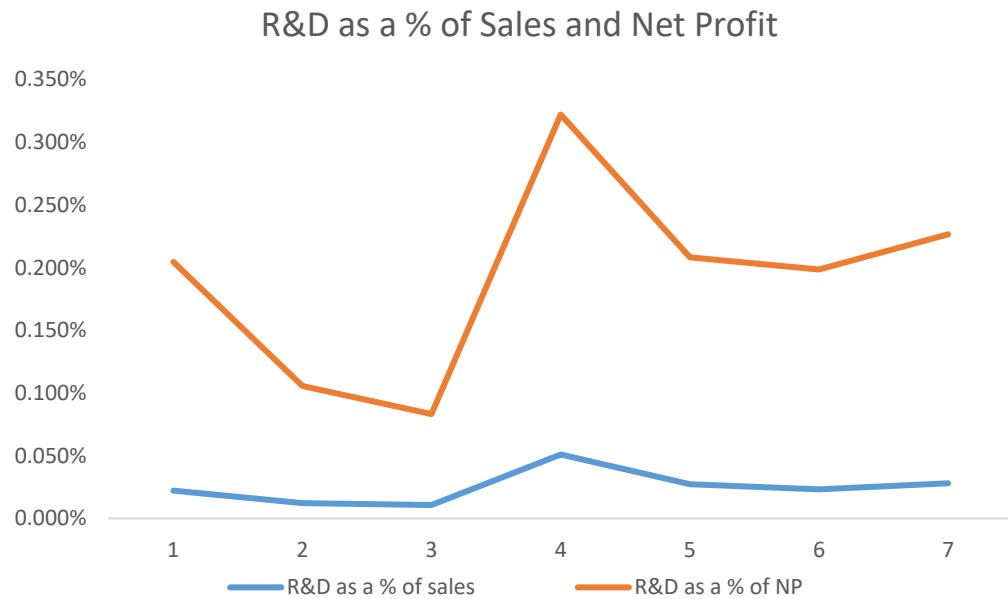
5.4- Connecting Research and Development to Sales

Regression Analysis								
SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.709682062							
R Square	0.503648629							
Adjusted R Square	0.379560787							
Standard Error	3226291.599							
Observations	6							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	4.2248E+13	4.2248E+13	4.058807202	0.114192106			
Residual	4	4.16358E+13	1.0409E+13					
Total	5	8.38838E+13						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	15985838.06	2959592.914	5.401363809	0.00568704	7768690.796	24202985.32	7768690.796	24202985.32
R&D	1125.572029	558.6940947	2.014648158	0.114192106	-425.6114555	2676.755513	-425.6114555	2676.755513

A moderately strong positive linear relationship between R&D expense and sales of the succeeding year. Approximately 50% of the variability in sales can be explained by variability in R&D expense. But there are other significant factors at play.

APPENDIX 5: Business Overview

5.4- Connecting Research and Development to Sales



APPENDIX 5: Business Overview

5.5- SWOT Analysis

STRENGTHS

Strong Brand Recognition: Berger is a well-established and recognized brand in Bangladesh, fostering customer trust and loyalty.

Extensive Distribution Network: They possess a wide distribution network, reaching both urban and rural areas, which is crucial in a country like Bangladesh.

Wide Product Range: Berger offers a diverse portfolio of decorative, industrial, and other specialized paints, catering to various customer needs.

Market Leadership: It holds a powerful market share within the Bangladesh paint market.

Experience in the Bangladesh Market: They have a long history of operating in the region, giving them valuable market insights.

WEAKNESSES

Dependence on Raw Material Prices: Fluctuations in raw material costs can significantly impact profitability.

Competition: The paint industry is competitive, and Berger faces challenges from both local and international competitors.

Perceived Premium Pricing: In some rural or semi-urban areas, Berger products might be perceived as premium-priced, potentially limiting market penetration.

OPPORTUNITIES

Growing Construction and Real Estate Sector: The expanding construction and real estate industries in Bangladesh create increased demand for paints.

Urbanization: Rapid urbanization drives the need for housing and infrastructure development, boosting paint consumption.

Increasing Disposable Incomes: Rising disposable incomes allow consumers to invest more in home improvement and aesthetics.

Product Diversification: There's potential to introduce new and innovative paint products, such as eco-friendly or specialized coatings.

Expansion into Rural Markets: Further expansion into the growing rural markets.

THREATS

Intense Competition: The paint industry is highly competitive, with both established and emerging players.

Economic Fluctuations: Economic downturns can affect consumer spending and construction activities, impacting paint sales.

Raw Material Price Volatility: Unstable raw material prices can squeeze profit margins.

Regulatory Changes: Changes in government regulations related to manufacturing and environmental standards can pose challenges.

New Entrants: The threat of new local and international paint companies entering the market.

APPENDIX 6: Investment Thesis 1

Pricing Power & Market Leadership

BERGERPBL leverages its dominant market position to set premium prices. Strong brand loyalty ensures a resilient customer base, minimizing price sensitivity.



Asian Paint 1L
Royal luxury
Emulsion
Shyne(BR.
White)

BDT 619



Berger 1L
Luxury
Super Silk
Emulsion

BDT 880



Rainbow1L
Feather Silk
Emulsion Off
White

BDT 660

APBL massively undercut(By 20 – 25%) its product in FY18 to achieve volume driven growth. On the other hand BERGERBD moderately increased its price.

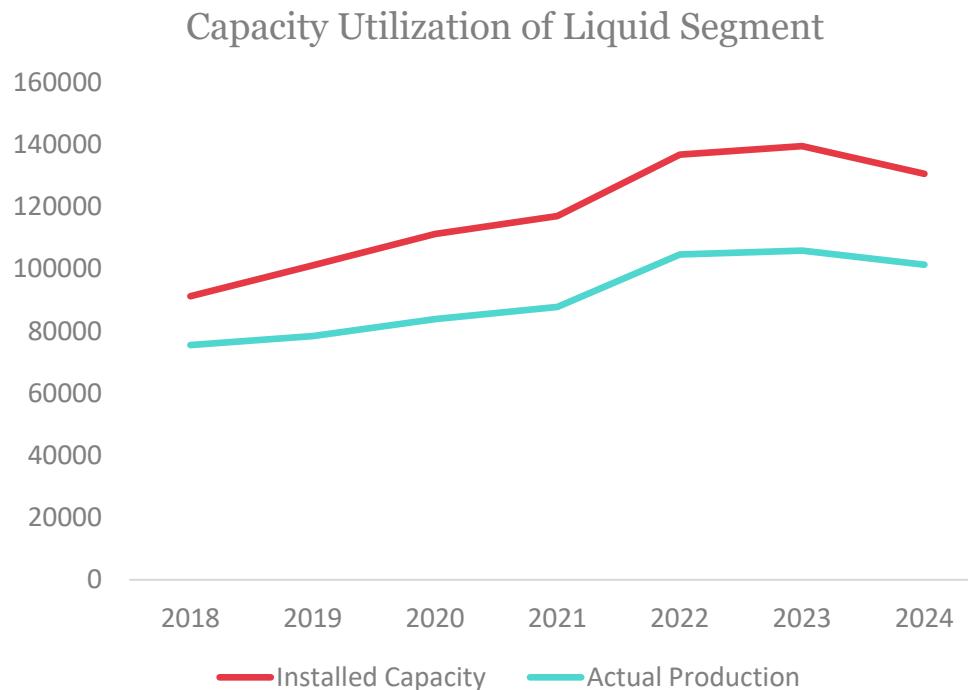


Thus Berger is quite immune to the recent macro economic instability & the increased Vat on Raw Materials Import.

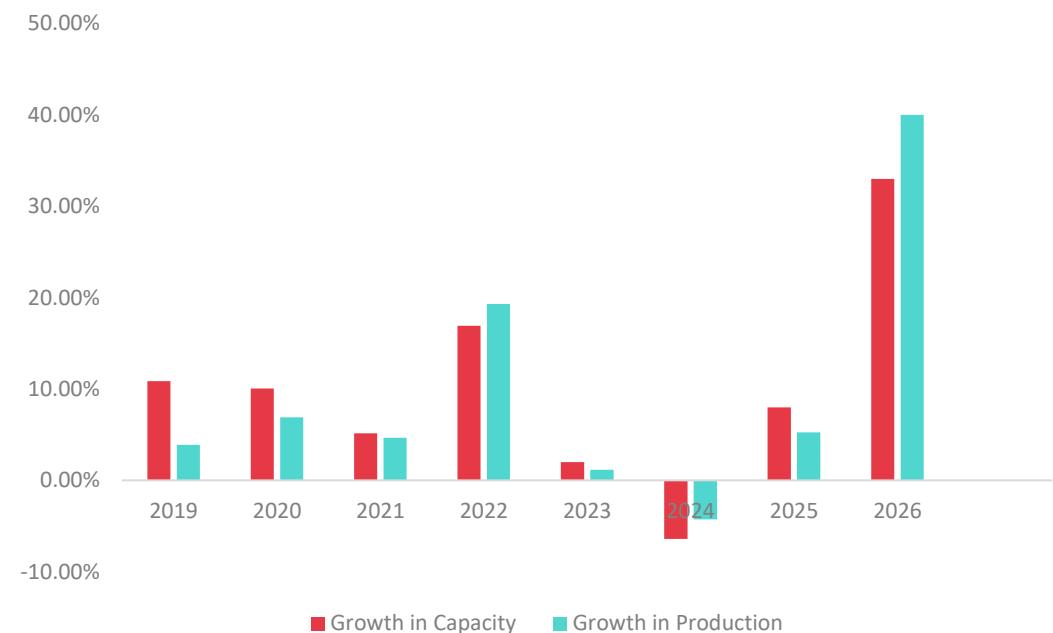
Berger has a loyal customer pool, who ask the dealers for the Berger Paint. As Berger's customer pool are shock proof they enjoy the price advantage & can push the cost to its customers.

APPENDIX 6: Investment Thesis 1

Capacity utilization and growth probability For Liquid segment



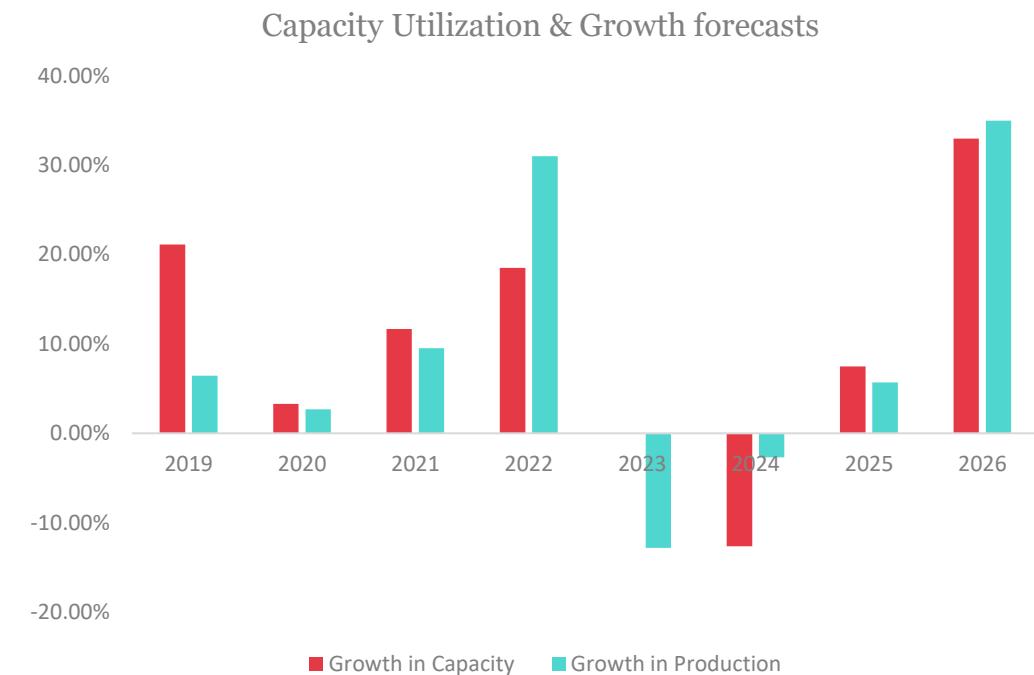
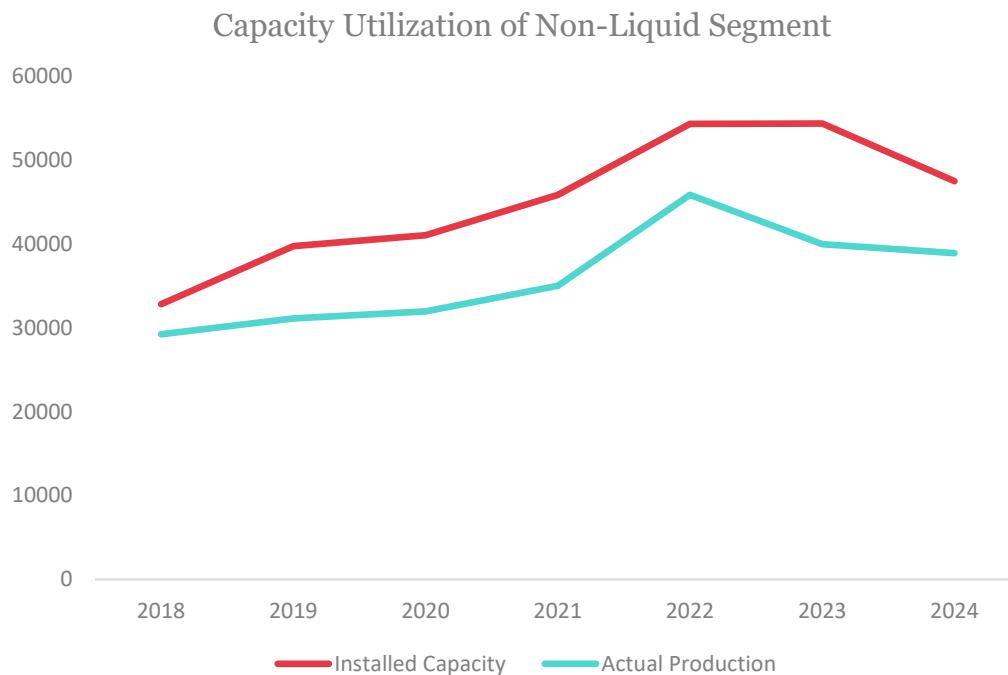
Capacity Utilization Growth & Forecast



The new Mirsarai plant is expected to increase production capacity by **one-third** upon commencement of operation probably in April 2026

APPENDIX 6: Investment Thesis 1

Capacity utilization and growth probability For Non-Liquid segment



The new Mirsarai plant is expected to increase production capacity by **one-third** upon commencement of operation probably in April 2026

APPENDIX 6: Investment Thesis 1

1000

813

750

500

250

0



170



60



Berger Paints Bangladesh

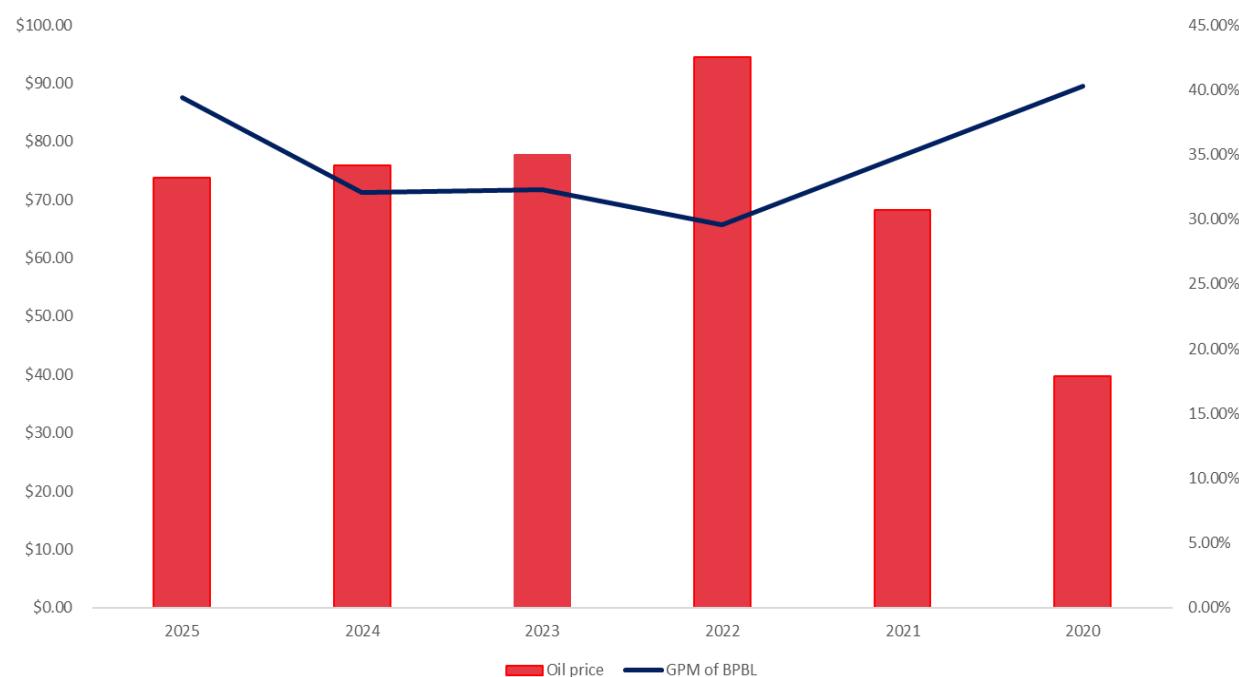
Asian Paints Bangladesh

Kansai Nerolac Bangladesh

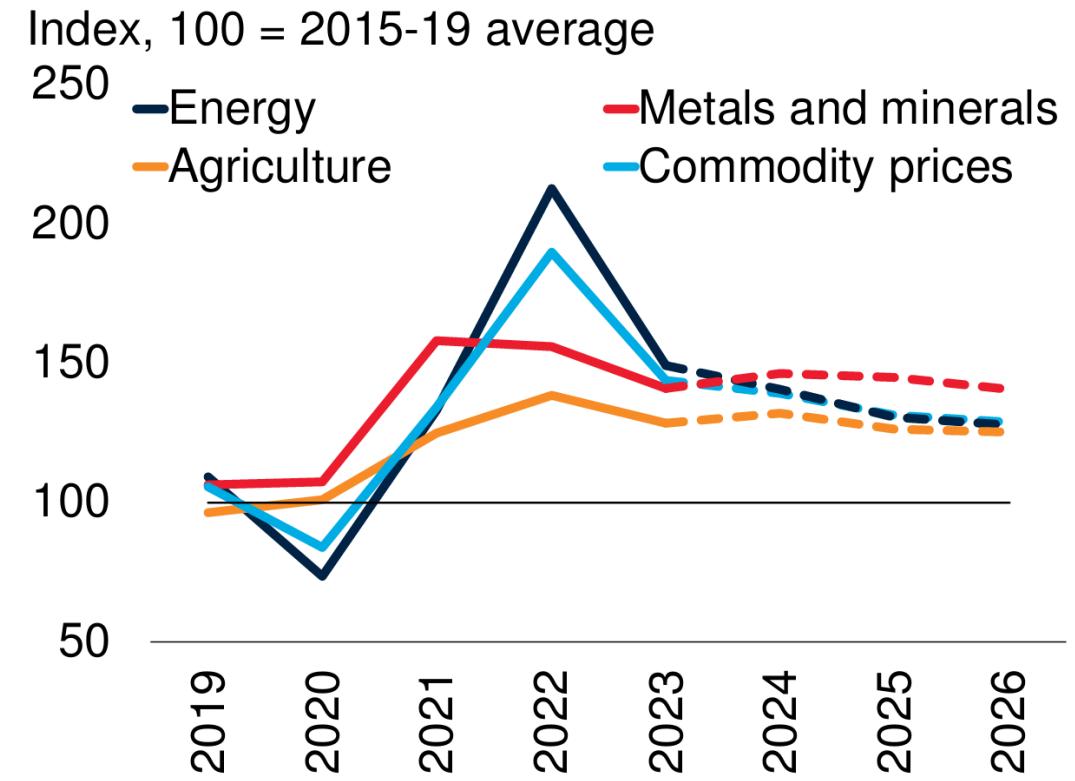
Recent Capex Investment by Berger & Peers

APPENDIX 6: Investment Thesis 2

Oil Price Movement & Gross Profit Margin of BERGERBPL

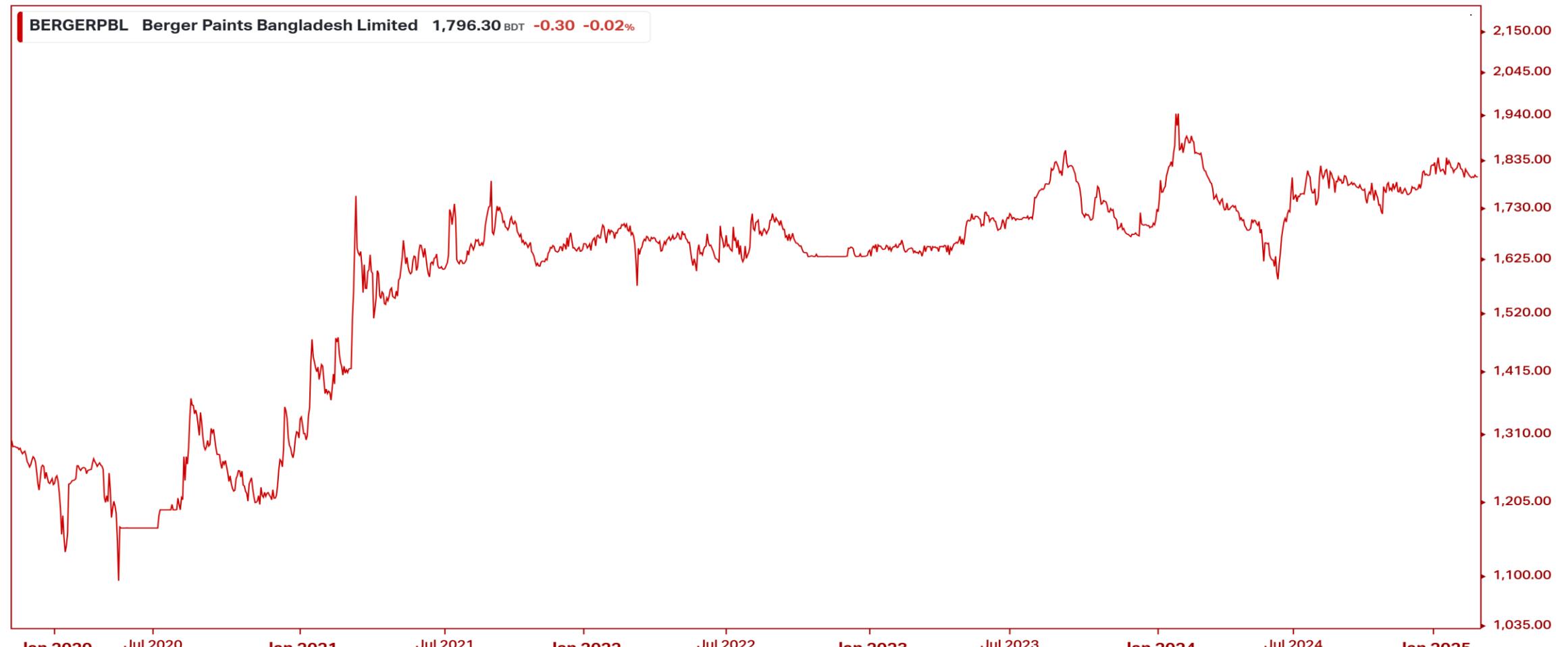


Commodity price projections



APPENDIX 6: Investment Thesis

Performance of BERGERPBL in Tough Situations.



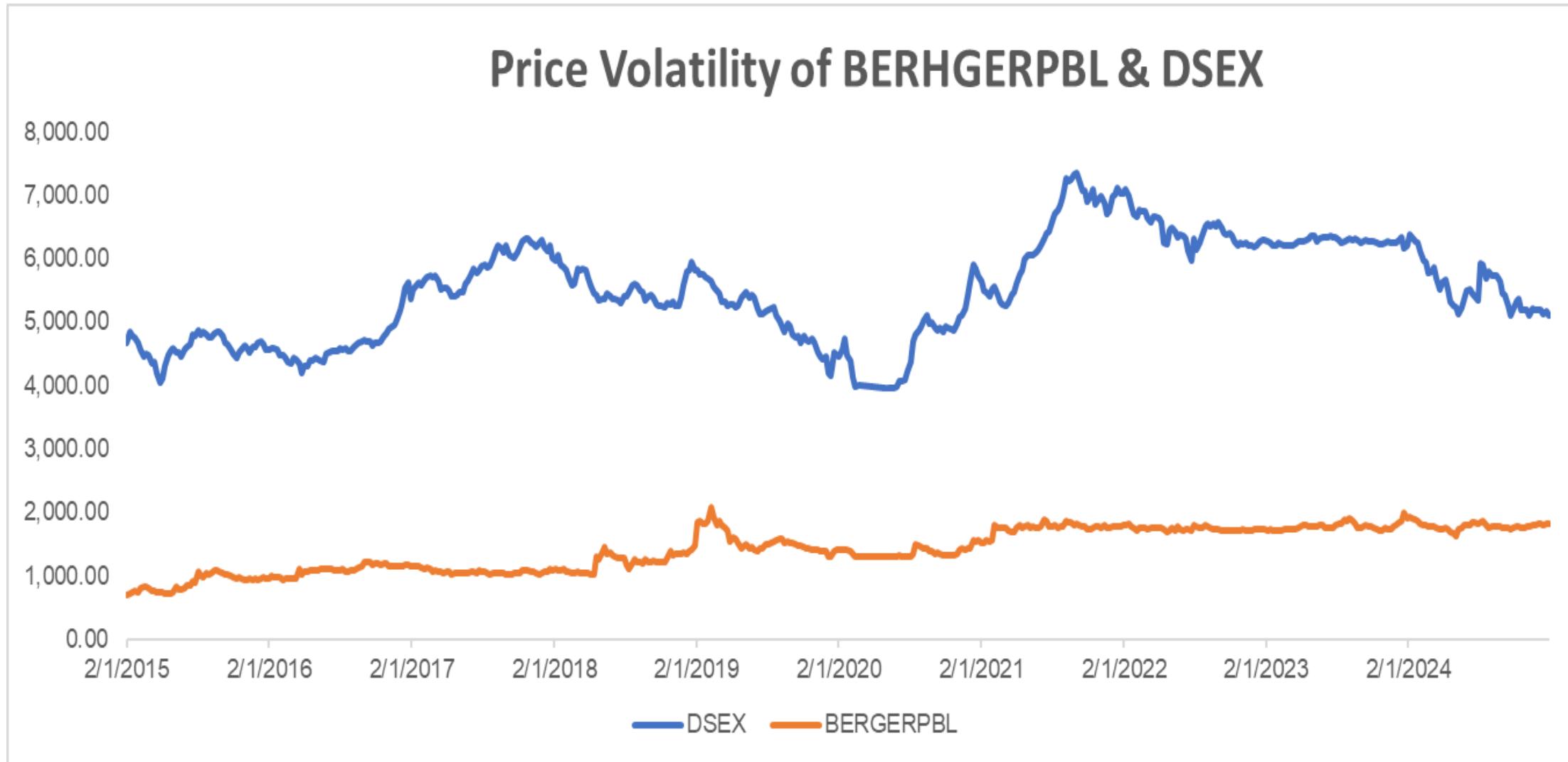
APPENDIX 6: Investment Thesis

P/E of BERGERPBL

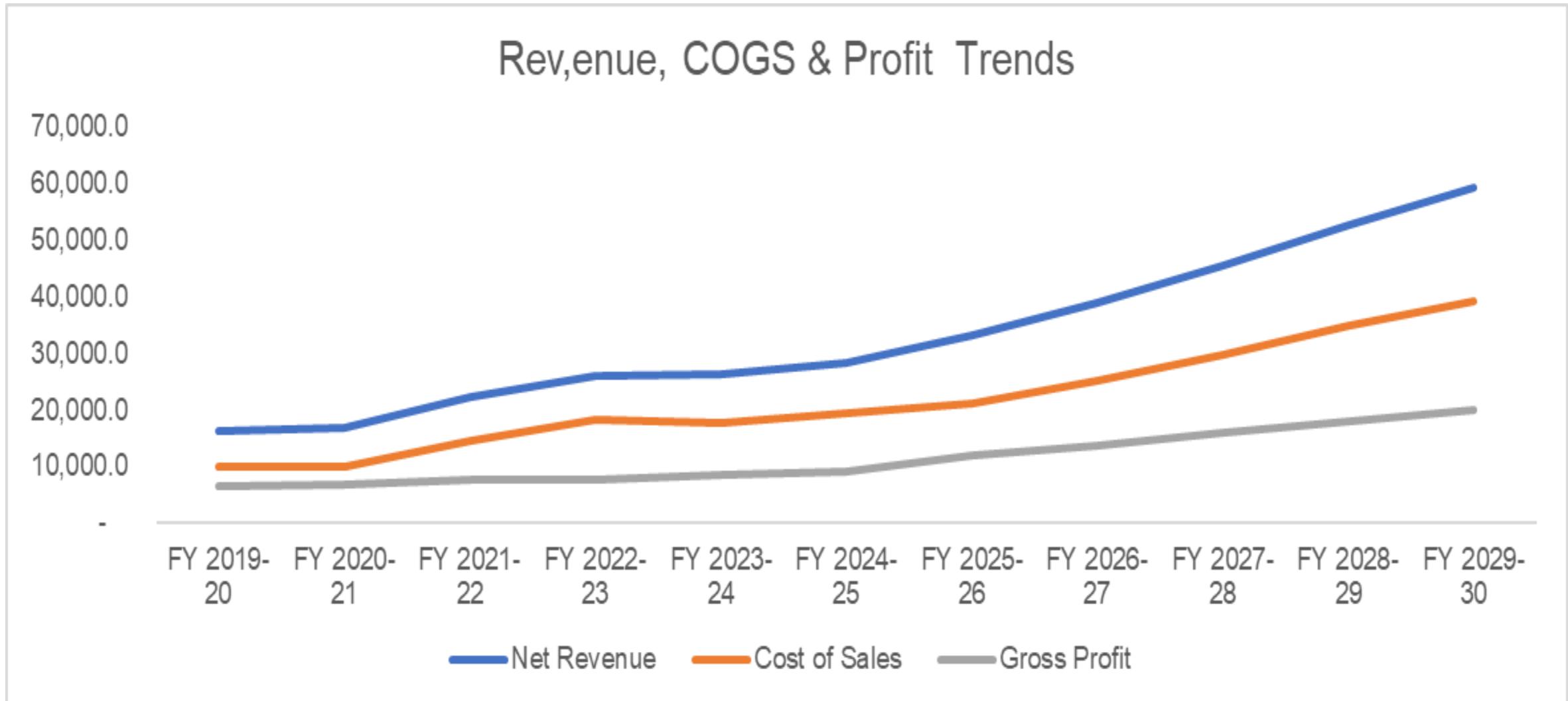


Ratio Comparision of Peers									
	Berger PBL	Asian Paint (India)	Berger Paint (India)	PT Avia Avian Tbk (Indonesia)	JATN0000 (Srilanka)	BERG (Pakistan)	TOA (Thailand)	Asian Paint (BD)	
Gross profit margin (LTM)	32.4%	42.1%	39.4%	52.7%	30.0%	20.9%	34.7%	30.9%	
Operating Margin(LTM)	16.1%	16.6%	12.9%	23.4%	11.3%	8.4%	13.7%	8.4%	
Net Profit Margin	12.4%	13.1%	10.2%	22.9%	10.9%	3.3%	9.3%	2.5%	
Asset Turnover	1.1	1.2	1.3	0.6	0.8	1.2	1.1	1.0	
ROA	17.2%	17.0%	13.0%	14.7%	9.0%	4.0%	9.8%	2.4%	
ROE	26.3%	27.6%	24.0%	16.5%	13.5%	8.3%	14.1%	9.8%	
ROIC	30.8%	25.8%	19.1%	33.6%	11.9%	9.6%	24.4%	2.4%	
Inventory Turnover Ratio	2.7	3.2	3.0	2.2	2.3	4.0	4.5	4.2	
Receivables Turnover	13.0	7.6	6.7	5.9	3.4	3.8	6.6	6.5	
Payables Turnover	3.2	4.9	3.7	5.5	3.9	3.0	3.5	5.1	
Cash Conversion Cycle	48.8	87.8	79.0	158.2	175.7	67.5	33.9	78.0	
Capex to Depreciation Ratio	110.0%	230%	100%	140%	370%	100%	100%	150%	
Operating Cycle	161.4	162.4	176.3	224.9	269.2	188.0	137.4	—	
Relative Multiples									
Company	Country	Revenue	Earnings	P/E(LTM)	P/S(LTM)	EV /EBITDA (LTM)	P/B (LTM)	EV/ Sales (LTM)	Similarity Score [highest (1), lowest (5)]
Berger PBL	Bangladesh	BDT 26.94B	BDT 69.9	25.3	3.1	15.1	5.3	3	1
Asian Paint	India	347.8 B INR	47.66 INR	47.5	6.1	31	11.6	6.1	3
Berger Paint	India	112.7B INR	9.83 INR	48.9	4.8	29.6	9.7	4.8	3
Avia	Indonesia	7.26 T IDR	27.08 IDR	15.4	3.3	9.6	2.4	2.6	3
TOA	Thailand	21.628 THB	1 THB	13.3	1.2	5.9	1.9	1	4
JATN0000	Sri Lanka	LKR 11.21B	LKR 2	11.1	1.2	10.8	1.5	1.4	3
BERG	Pakistan	PKR 8.59B	PKR 10.6	8.5	0.3	3.7	0.7	0.4	4

APPENDIX 6



Revenue, COGS & Profit Trends of BPBL



APPENDIX 7: Investment Risks

Beneish-M score and Altman Z-score

Beneish M-Score		
Particulars	Variable	Coefficient
DSRI	0.98897780	0.92
GMI	0.91594009	0.53
AQI	0.89803348	0.40
SGI	1.01361771	0.89
DEPI	0.98180242	0.12
SGAI	1.07971440	0.17
TATA	-0.12880442	4.68
LVGI	1.30189266	0.33

Verdict -> **No Manipulation in FSs** -3.28

Criterion	Result
M-Score < -2.2	No Manipulation
M-Score > -2.2	Manipulation

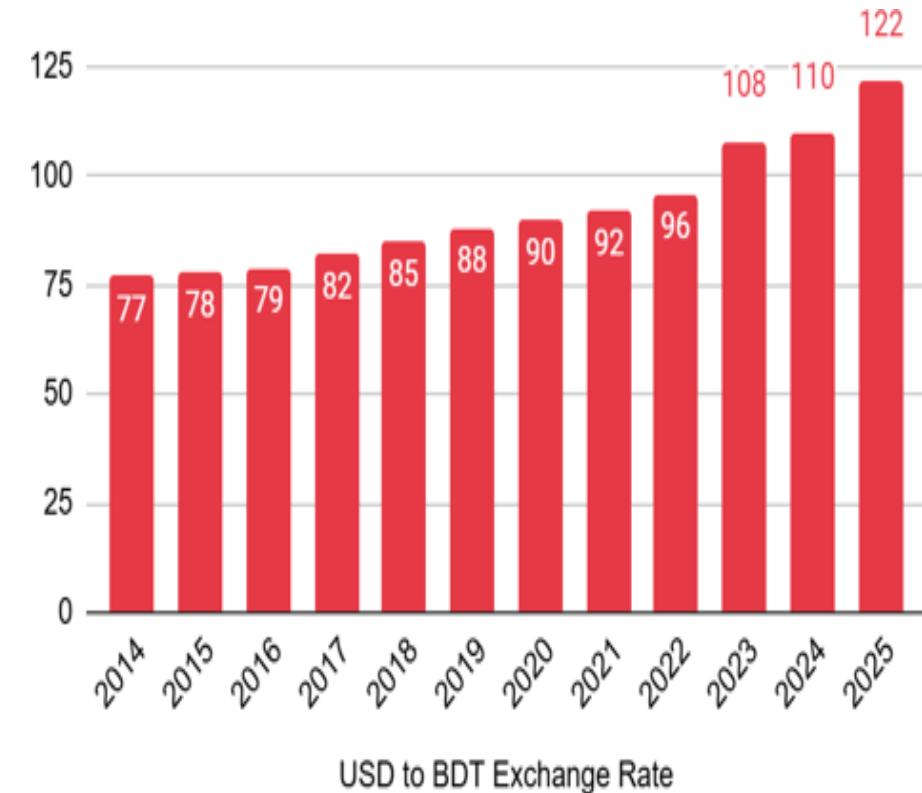
Altman Z-Score		
Particulars	Variable	Coefficient
X1	0.60499115	1.20
X2	0.55338150	1.40
X3	0.16764695	3.30
X4	0.00333641	0.60
X5	1.04574885	1.00

Verdict -> Safe Zone 3.10

Criterion	Result
Z < 1.81	Distress Zone
1.81 < Z < 2.99	Grey Zone
Z > 2.99	Safe Zone

For FY 2023-2024, BERGERPBL's Z score is 3.10 which falls in the 'Safe Zone', indicating the company faces low risk of bankruptcy.

Currency Depreciation Causing risks



APPENDIX 7: Valuation

7.1- Calculating Risk-free Rate

APPENDIX 7: Valuation

7.2- FCF Calculation

Valuation period							1	2	3	4	5	5	
	Discount Factor						0.89	0.79	0.70	0.62	0.55	0.55	
FCFF (BDT Million)		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Beyond 29-30
EBIT		3,226	3,681	4,093	4,110	4,208	4,476	6,822	7,261	7,879	8,551	9,209	
Tax		22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	
EBIT (1-Tax)		2,500	2,853	3,172	3,185	3,262	3,469	5,287	5,627	6,106	6,627	7,137	
Capex		1,104	1,046	1,291	1,398	1,153	1,553	9,553	1,500	1,500	1,500	1,500	
Change in NWC			564	-1,001	1,633	1,105	186	-1,569	2,918	2,540	2,548	2,686	
D&A		613	600	754	827	884	918	1,991	1,949	1,931	1,700	1,700	
FCF		2,010	1,842	3,636	981	1,888	2,648	-706	3,157	3,997	4,279	4,651	
Terminal value using H Model													149,315
PV of FCFF													82565
PV of FCFF in Stage 1		9,902											
Terminal Value using H Model		149,315											
													Stage 1 Growth Rate 15.83%

FREE CASH FLOW TO FIRM (FCFF)	
Enterprise value	92,466
Cash & cash equivalents	6,250
Total debt	959
Equity value	97,757
Shares outstanding	49,105,991
BERGERPBL Closing price (February 1, 2025) BDT	1,815
Intrinsic value/share	1,990.7

Sensitivity Analysis (FCFE)					
WACC					
1,990.7	10.58%	11.58%	12.58%	13.58%	14.58%
6.00%	2262.1	1837.8	1543.6	1328.1	1163.7
7.00%	2739.1	2121.9	1727.2	1453.4	1252.7
8.00%	3585.4	2564.7	1990.7	1623.5	1368.8
9.00%	5500.1	3350.0	2401.4	1867.9	1526.4
10.00%	13970.4	5126.9	3129.9	2248.6	1752.8

APPENDIX 7: Valuation

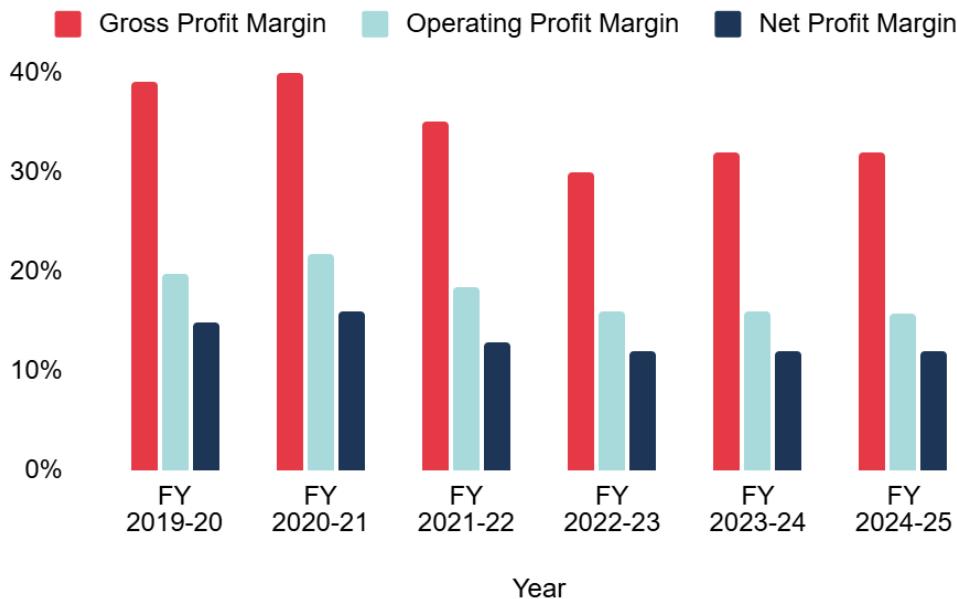
7.3- DCF Calculation

Valuation Period		1	2	3	4	5
DIVIDEND DISCOUNT MODEL (DDM)						
Particulars		2025-26F	2026-27F	2027-28F	2028-29F	2029-30F
Effective Dividend Payout Ratio		40%	50%	60%	60%	60%
Dividend Payment		44.8	59.5	77.2	83.5	89.7
Growth %			33%	30%	8%	7%
PV Factor		0.84	0.71	0.59	0.50	0.42
PV of Dividend Payment		38	42	46	42	38
PV of DDM Stage 1 From 2025-26 to 2029-30	205.2	Stage 1 GR				18.91%
PV of DDM stage 2 (Terminal Value)	2849.3	Terminal GR				8.00%
		Target Price (BDT)				3,054.5
Sensitivity Analysis (DDM)						
Cost of Equity						
Cost of equity	13.12%	3054.5	11.12%	12.12%	13.12%	14.12%
Stage 1 growth rate	18.91%	4.00%	2,204.81	1,958.42	1,766.08	1,611.77
Terminal Growth Rate	8.00%	5.00%	2,546.46	2217.4	1969.5	1775.9
		8.00%	4,881.24	3746.1	3054.5	2588.9
		7.00%	3,727.86	3039.2	2575.8	2242.6
		8.00%	4,887.36	3,749.66	3,056.76	2,590.48
						2,255.25
Terminal Growth						

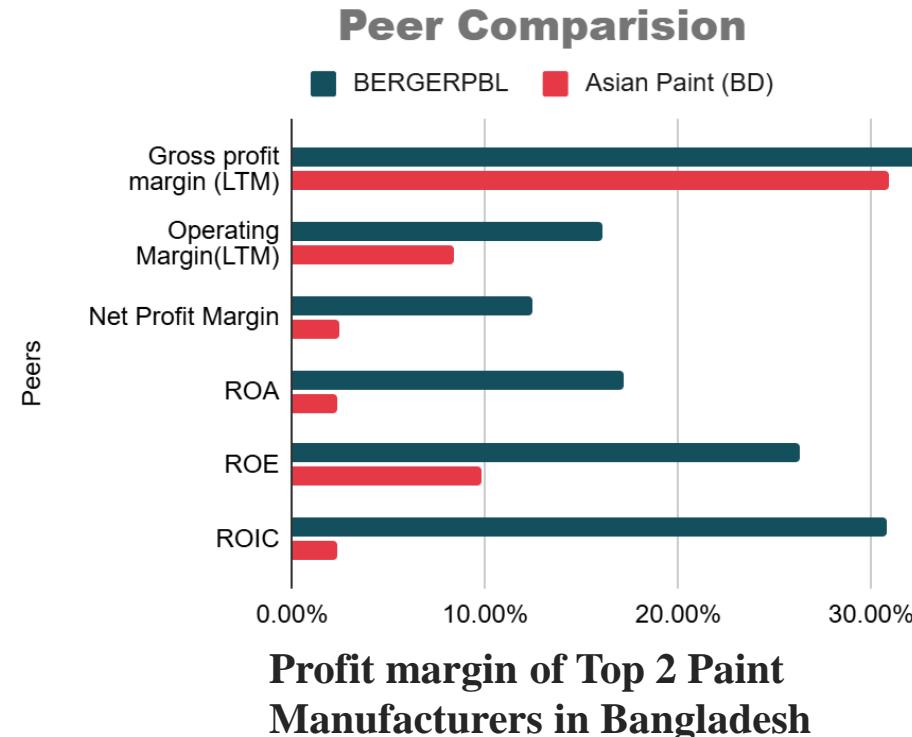
APPENDIX 8: Financial Analysis

REVENUE & PROFITABILITY

Operational excellence of Berger PBL – 16.1% OPM compared to 8.39% OPM of local peers



Profit margin of Berger PBL over the years

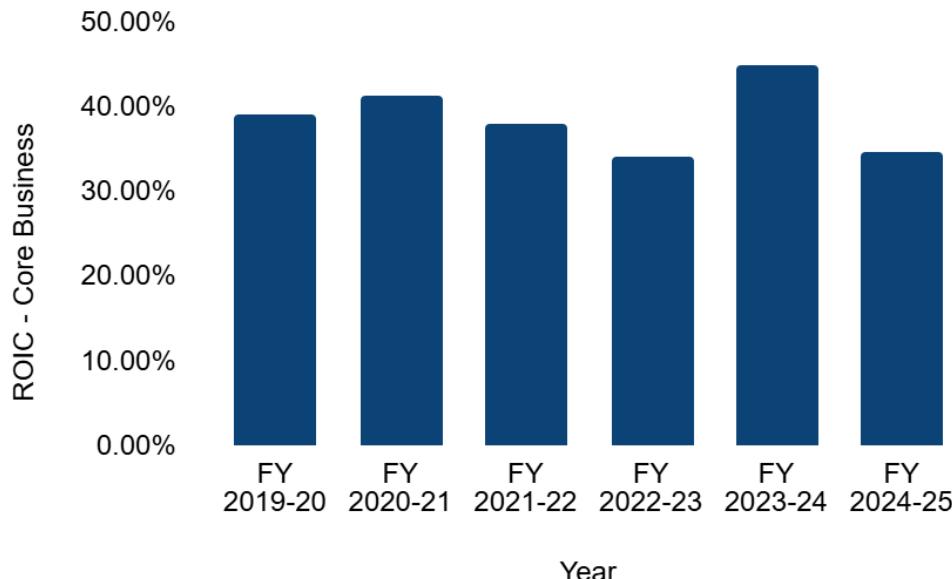


Profit margin of Top 2 Paint Manufacturers in Bangladesh

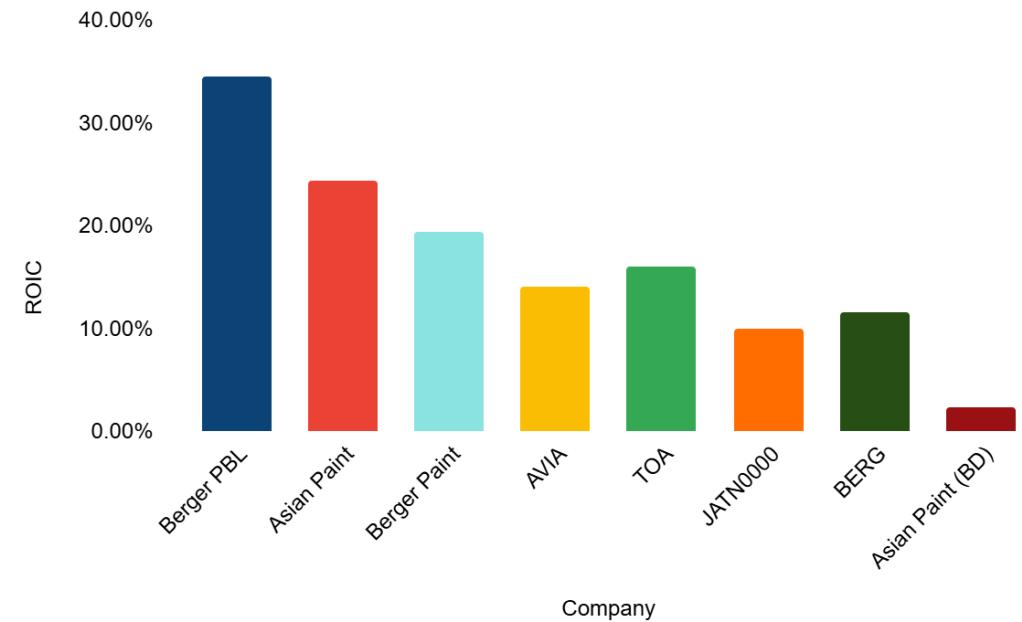
APPENDIX 8: Financial Analysis

REVENUE & PROFITABILITY

Berger PBL is a value creator - ROIC 34.6 % VS WACC 12.59 %



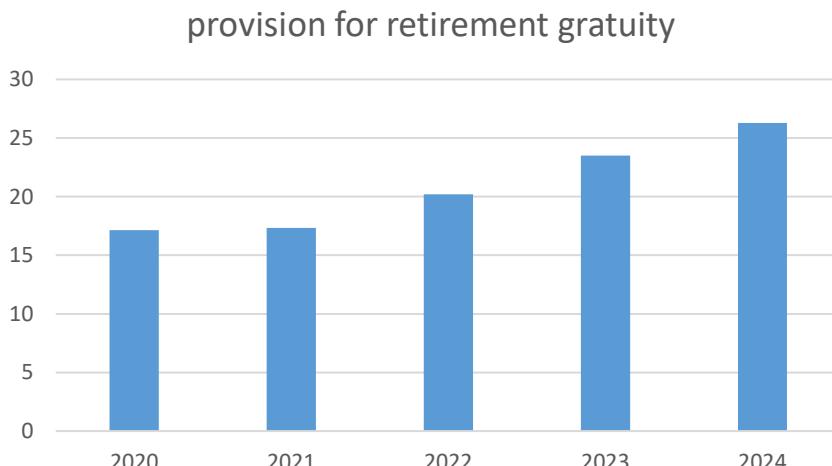
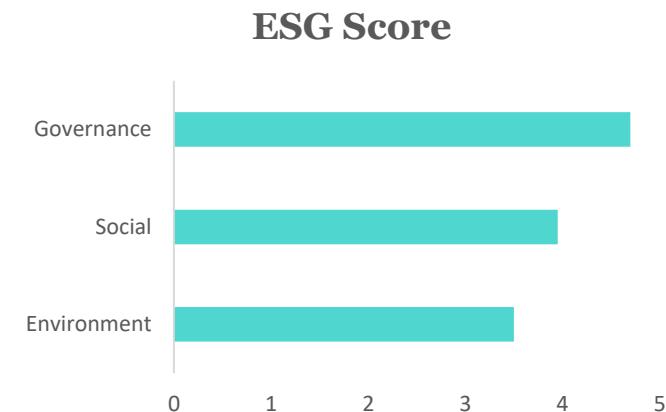
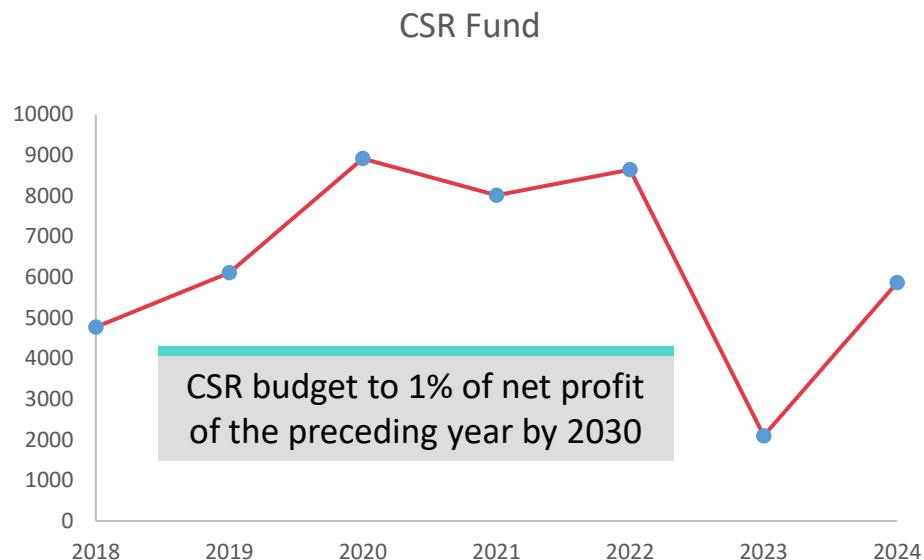
ROIC of Berger PBL over the years



ROIC of Regional & Local Peers

APPENDIX 9: ESG

CSR fund and ESG scoring

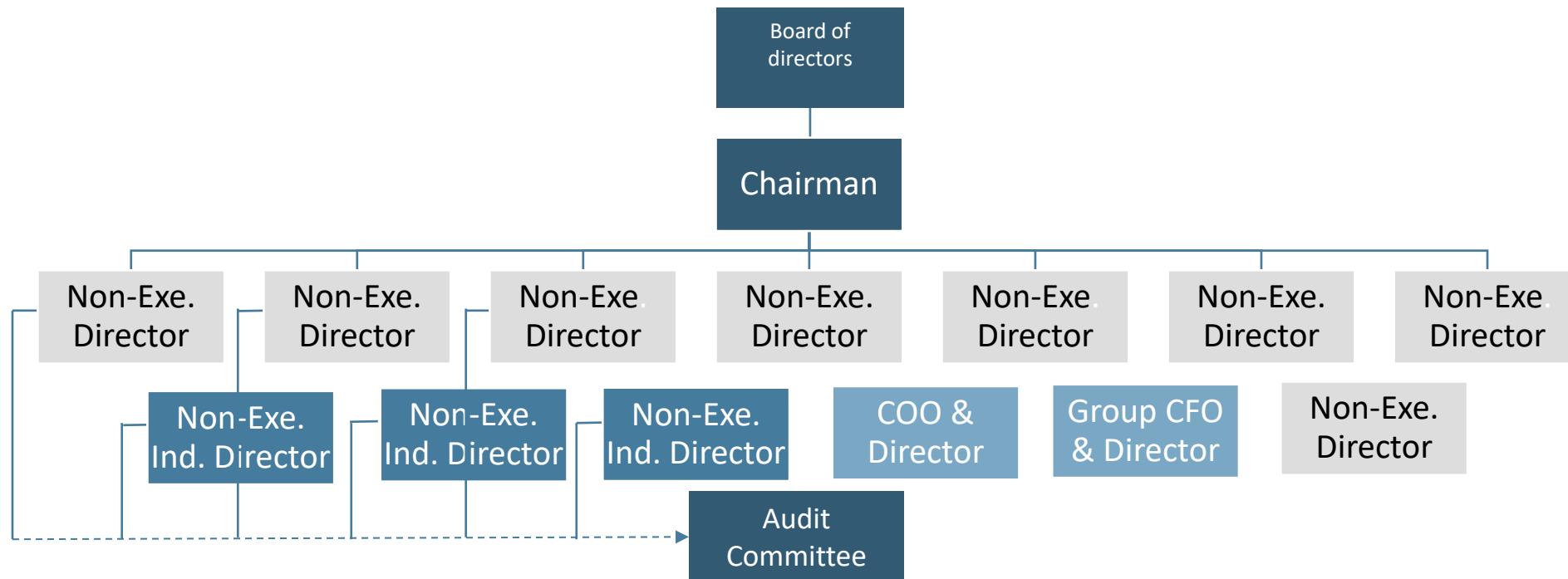


APPENDIX 9: ESG

ESG Scorecard by Team A

Category	criteria	weight		score (out of 5)	Weighted score
Environment	Green Initiatives	0.4	BPBL believes in sustainability and committed to minimize its environmental footprint	3.5	1
	Resource and waste management	0.3	Embracing 3-R philosophy to promoting renewable energy and responsible waste management. Use of ETP, STP, WTP and zero liquid discharge enabling a proper management of resource and waste.	3.5	1
	Product sustainability	0.3	Producing Lead-free products that strive to minimize their environmental impact. Their range of low-VOC and VOC-free paints help to create healthier indoor environments.	3.5	1
Total		1			4
Social	Workforce and development	0.3	Through comprehensive training, risk management, and adherence to global standards, BPBL fostering a work environment maintaining diversity, equality and inclusion.	3.5	1
	Community engagement	0.3	By empowering underprivileged communities, providing educational opportunities, enhancing healthcare access, and supporting disaster-affected areas leaving a lasting positive impact.	5	2
	Human rights, health and safety	0.4	BPBL actively promotes a culture of safety and respect implementing comprehensive health and safety programs. Adhering to ethical labor practices in accordance with human rights principles where everyone feels valued, respected and protected.	3.5	1
Total		1			4
Governance	Board and management	0.4	The board firmly believes in good governance and actively supports. Board of directors leading by a woman with experience of more than 30 years. Out of 14 members 3 are independent directors.	5	2
	Organization culture	0.3	Respecting everyone is at the core of the organization. Extending values and commitments to value chain, BPBL upholds the dignity and rights of all individuals.	4	1
	compensation	0.3	Management and the board receive perquisites along with salaries according to their scale. A significant amount is contributed to the employee benefit plan each year.	5	2
Total		1			5

APPENDIX 9: ESG



APPENDIX 10: Board of Directors



Jerry Adams is a seasoned company director with a distinguished international career. He currently chairs Berger Paints Bangladesh, Bolix SA (Poland), and Jenson & Nicholson (Bangladesh), and serves on the University of Adelaide Business School Advisory Board. His past leadership roles include executive positions at Orica, Box USA, Amcor, and Kraft Foods, as well as consulting at Boston Consulting Group and serving as interim Dean of the University of Adelaide Business School. Educated at Harvard (MBA) and the University of Washington (BA), the US-born Adams (1953) now resides in Australia. Chairman since 2004.



Rupali Haque Chowdhury is the Managing Director of Berger Paints Bangladesh Limited, a position she's held since 2008. An MBA from Dhaka University's IBA and a Chemistry graduate from Chittagong University, she joined Berger in 1990 after six years at Ciba Geigy. She also serves on the boards of several Berger subsidiaries and other companies like Linde Bangladesh and Bata Shoe Company. Chowdhury is President of BAPLC and former President of FICCI and the Bangladesh Paints Manufacturers Association. She is also Vice President of the Bangladesh Economic Zone Investors Association and a Director of SMC EL.



Kuldip Singh Dhingra, a Delhi University science graduate, is a leading figure in the paint industry. A fourth-generation member of a paint business family since 1898, he has over 50 years of experience. He served as Chairman of Berger Paints India Ltd for over 30 years and is now Chairman Emeritus, having led the Berger Group's global expansion to become a major paint producer with a presence in multiple countries. He is a recipient of the EY Entrepreneur of the Year Award (2019). Director since 2018.



Gurbachan Singh Dhingra, a Punjab University graduate, is a fourth-generation member of a family in the paint business since 1898. With over 50 years of experience, particularly in project implementation, manufacturing, and technology, he has played a key role in the Berger Group's global success, alongside K.S. Dhingra. He served as Vice-Chairman of Berger Paints India Ltd for over 30 years and is now Vice-Chairman Emeritus. He is also a recipient of the EY Entrepreneur of the Year Award (2019). Director since 2021.



Anil Bhalla, born in India in 1946, is a Chartered Accountant and Delhi University economics graduate. With 50+ years of professional experience, he leads JC Bhalla & Co., specializing in auditing, tax, and business consulting. A former ICAI council chairman and committee member, he also has experience with other professional organizations. He currently serves on the audit and nomination/remuneration committees of Berger Paints Bangladesh. Director since 1994.



Jean-Claude Loutreuil, born in France in 1945, holds an MBA from the University of Paris and graduated from a pharmaceutical and chemical high school. He has four decades of experience in the pharmaceutical and chemical sectors, including managing director roles at Janssen Pharmaceutica and Shering Plough. He also directed UK Paint's operations in France and Russia. Currently, he works as a consultant. Director since 1998.

APPENDIX 10: Board of Directors



Rishma Kaur, a University of Buckingham business graduate, is Chairman of Berger Paints India Ltd. Formerly Executive Director, she is known for her management skills and successful product launches in the paint industry. She serves on various company boards and committees in several countries and previously chaired CAPEXIL's Paints & Allied Products Panel. Director since 2013.



Kanwardip Singh Dhingra, a chemical engineering graduate from the University of Akron, is Vice-Chairman of Berger Paints India Ltd. Formerly Executive Director, he has extensive experience in the coatings industry, including roles at Rohm & Haas and Sherwin-Williams. His expertise in technology and project management has driven successful projects. Dhingra is also active in the Entrepreneurs' Organization and holds board positions and committee memberships across various companies internationally. Director since 2016.



Abhijit Roy, a mechanical engineering graduate from Jadavpur University and an IIM Bangalore MBA, is the MD and CEO of Berger Paints India Ltd, a position he's held since 2012. He joined Berger in 1996 after starting his career at Asian Paints, progressing through various roles including COO. Under his leadership, Berger India has achieved significant milestones. He is also a senior member of several Indian trade associations, including CII, the Bengal Chamber of Commerce, and the Indian Paint Association. Director since 2017



Sunil Sharma, born in Delhi in 1951, graduated in economics from Shri Ram College of Commerce and earned an MBA from Delhi University's Faculty of Management Studies. With a 50-year career in the paint industry, including 33 years with the Berger Group, he retired as President of British Paints (a Berger SBU) in 2014. He has served on the board of Berger Becker Coatings, India, since its inception. Director since June 2020.



Sazzad Rahim Chowdhury, a Fellow Chartered Accountant, is the Group CFO & Director of Berger Paints Bangladesh Limited since 2020. With nearly 30 years of experience, he has led finance functions at multinational companies, including Novartis (where he was also Company Secretary and CFO for Sri Lanka & Maldives), Citycell, British American Tobacco, Unilever, and KAFCO. He also serves on the boards of several Berger subsidiaries and is a member of the FICCI's Tariff, Taxation, and Regulatory Affairs Committee. He is also a Board Member of Rotary Club of Metropolitan Dhaka.



Md. Mohsin Habib Chowdhury is the COO and Director of Berger Paints Bangladesh Limited, having been with the company for over 29 years. An MBA in Marketing from Dhaka University's IBA, he has held key sales and marketing roles, including Chief Sales and Marketing Officer. His expertise in marketing strategy and product development has been crucial to Berger's success. Chief Operating Officer (COO) and Director since April 2024.

APPENDIX 10: Board of Directors



Parveen Mahmud advises the BFWE and has extensive board leadership experience. Founding Managing Director of Grameen Telecom Trust and a former ACNABIN & Co. partner, she was the first female president of ICAB and a South Asian Federation of Accountants board member. She has chaired numerous organizations and serves on various boards, including Marico Bangladesh. She chairs Berger Paints Bangladesh's Audit and Nomination & Remuneration Committees. Independent Director since 2019.



Reazul Haque Chowdhury is the Group Managing Director of IFAD Group. With extensive experience in general management, sales, and marketing, he has worked for multinational companies in several countries, including British American Tobacco, Unilever, Reckitt Benckiser, and Avery Dennison. He also served as Managing Director & CEO of Runner Automobiles Limited. A Dhaka University graduate with an INSEAD AMP, he is an Independent Director of Unilever Consumer Care and a member of Berger Paints Bangladesh's Audit and Nomination & Remuneration Committees. Independent Director since March 2022.



Mohsin Uddin Ahmed is the CEO of New Zealand Dairy Bangladesh Limited. Formerly MD & CEO of Linde Bangladesh and President (SAARC Cluster) of Emami Group, he has held senior roles at British American Tobacco, Nestle, and Unilever. He has been active in FICCI and BGCCI. A Dhaka University graduate, he is an Independent Director of Singer Bangladesh and a member of Berger Paints Bangladesh's Audit Committee. Independent Director since March 2022.



Sheikh Aminur Islam is the Head of Internal Audit and Compliance (Chief BPRC) at Berger Paints Bangladesh. An ACA, certified Income Tax Practitioner, and ISO 9001:2015 Lead Auditor, he holds an MBA and BBA from Dhaka University. With over 14 years of experience in manufacturing, agriculture, and auditing, he joined Berger in 2013 after working at Getco Agri Technologies and Hoda Vasi & Chowdhury. His expertise includes internal and statutory audit, risk management, SOP development, and financial management. Chief BPRC since 2021.



Khandker Abu Jafar Sadique is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh with BBA and MBA degrees from Dhaka University. He has 17 years of company secretariat experience, joining Berger Paints in 2007 and rising to his current position. His responsibilities include corporate taxation. He is also a member of the Dhaka Taxes Bar Association and the Institute of Chartered Secretaries of Bangladesh's Corporate Laws Review Sub-Committee. Company Secretary since 2015.

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