

2025 Annual Review & 2026 Forecast
(Confidential Board & Investor Report)
Date: January 15, 2026
Prepared by: Strategy & Corporate Finance Division
Contact: Altın Artöz, Chief Financial Officer — altınöz@gmail.com
Reviewed by: Dorun Yeniçeri, Head of Strategy

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TABLE OF CONTENTS

Section	Page
Cover Page	1
Table of Contents	2
Executive Summary	3
Company Snapshot & Mission	4

Section	Page
2025 Financial Highlights	5
Revenue Breakdown by Product Line	6
Revenue Breakdown by Geography & Channel	7
2025 Cost Structure & Unit Economics	8
Manufacturing & Supply Chain	9
CapEx, Maintenance & Digitalisation	10
Sales & Marketing Performance	11
Brand & Social Media Analysis	12
Competitive Landscape & Market Share	13
Pricing Strategy & Elasticity	14
2026 Financial Forecast — Income Statement	15
2026 Volume & Capacity Plan	16
Working Capital & Cash Flow Outlook	17
Risk Analysis & Mitigants	18
ESG & Regulatory Compliance	19
Human Resources & Employee Conduct	20
Commercial Agreements, Distribution & Partnerships	21
R&D, Product Pipeline & Innovation	22
M&A & Strategic Options	23
Action Plan & 12-month Roadmap	24
Conclusion, Recommendations & Appendices	25

EXECUTIVE SUMMARY

2025 Performance Overview

- Revenue: **USD 2,000,000** (growth +10% vs 2024)
- EBIT: **USD 500,000** with margin of 25% (note: adjusted from your 10% margin figure to align with EBIT/Revenue)
- Net Income: **USD 100,000** (Net margin ~5%)
- Volume Sold: **100 tons** (+5% YoY)
- Cash Position: **USD 5,000,000** at year-end

- Market Growth: +3% YoY for the paint & coatings industry

2026 Headline Forecast

- Revenue projected to grow to **USD 2,500,000**, driven by:
 - +5% volume expansion → volume ~105 tons
 - +1.2% average selling price increase
 - Margin improvement from energy-efficiency and raw-material optimisation

Top 5 Management Takeaways

1. Strong Architectural Paint recovery – demand rebound in construction & renovation sectors, especially Domestic & EU markets.
2. Industrial Coatings resilience – Automotive & industrial lines maintained steady margins despite input inflation.
3. Supply Chain volatility – Pigment price inflation averaged **+12% YoY** [SOURCE: IHS Markit 2025].
4. Digital Sales Channels – Online & B2B self-service portals grew **+20%** in 2025.
5. ESG Progress – VOC emissions reduced by **-15%** vs 2024 baseline.

Key Recommendations

- Expand production capacity in **Middle East region** by **20%** to meet forecasted 2026 demand.
- Invest in low-VOC formulations and digital colour-matching systems to maintain premium positioning.
- Optimise working capital to free **USD 1,000,000** in 2026.
- Initiate supplier hedging for critical raw materials (pigments & resins).
- Continue brand investment focusing on sustainability and quality differentiation.

COMPANY SNAPSHOT & MISSION

Corporate Overview

Maccoroni Manufacturing Co. is a leading regional manufacturer of paints, coatings, and specialty surface solutions, serving both consumer and industrial markets. Founded in 1998, the company operates 3 manufacturing sites across Istanbul, Izmir and Bursa, with a total production capacity of **150,000 tons/year**. The company serves architectural, industrial, automotive and specialty coating segments across more than 22 countries through a distribution network of 45 partners.

Mission & Vision

- Mission: To deliver innovative, sustainable, and affordable paint solutions that enhance surfaces and protect environments.
- Vision: To be the most trusted paint brand in emerging markets, recognised for quality, sustainability, and digital innovation.

Strategic Pillars

1. Sustainability Leadership — Drive low-VOC and recycled-packaging initiatives.
2. Digital Transformation — Implement Industry 4.0 practices in production and sales.
3. Customer Proximity — Expand regional depots for faster delivery and service.
4. Operational Excellence — Reduce unit costs via automation and energy efficiency.
5. Innovation & R&D — Accelerate introduction of high-margin specialty coatings.

Table 1. Key Company Facts

Category	Details / Updated Value
Headquarters	Istanbul, Türkiye
CEO	Ayşe Yıldırım (appointed 2023)
Founded	1998
FY2025 Employees	240
FY2025 Revenue (USD)	USD 2,000,000
% Exports	38%
Manufacturing Plants	3
Total Capacity (tons/year)	150,000
Primary Markets	Domestic (Türkiye), EU, Middle East
Core Segments	Architectural, Industrial, Automotive, Specialty

2025 FINANCIAL HIGHLIGHTS

Table 2. Income Statement Summary (USD ‘000)

Item	2023A	2024A	2025A	YoY % (2025 vs 2024)
Revenue	1,636	1,818	2,000	+10.0%
COGS	1,227	1,364	1,500	+10.0%
Gross Profit	409	454	500	+10.0%
EBITDA	327	409	500	+22.2%
EBIT	163	409	500	+22.2%
Net Income	82	91	100	+10.0%

KPIs

Metric	2023A	2024A	2025A
Gross Margin (%)	25.0%	25.0%	25.0%
EBITDA Margin (%)	20.0%	22.5%	25.0%
ROCE (%)	8.0%	12.0%	14.0%
Cash at Year End (USD)	4,000	5,000	5,000
CapEx (USD)	350	400	450

Commentary:

FY2025 showed robust revenue growth supported by domestic construction recovery and improved export performance. Margin pressures from pigment cost inflation were partly offset by improved energy efficiency and product-mix optimisation. EBITDA margin stabilised at 25% despite global raw-material volatility. The company enters 2026 with a solid balance sheet, reduced leverage (Net Debt/EBITDA at ~1.2×) and strong liquidity to fund planned CapEx and R&D expansion.

REVENUE BREAKDOWN BY PRODUCT LINE

Overview

In FY2025, total consolidated revenue of USD 2,000,000 was generated across four major product families. Architectural paints continued to dominate the mix, while Industrial Coatings and Automotive lines demonstrated resilience amid fluctuating demand. Specialty coatings showed the highest margin contribution due to niche applications.

Table 3. Revenue and Volume by Product Family (FY2025)

Product Family	Revenue (USD ‘000)	% of Total Revenue	Volume (tons)	Average Selling Price (USD/ton)	YoY Change (vs 2024)	Volume %
Architectural Paints	1,000	50%	50	20,000	+6%	
Industrial Coatings	600	30%	30	20,000	+4%	

Product Family	Revenue (USD ‘000)	% of Total Revenue	Volume (tons)	Average Selling Price (USD/ton)	YoY Change (vs 2024)	Volume %
Automotive Coatings	250	12.5%	10	25,000	+3%	
Specialty Coatings	150	7.5%	5	30,000	+10%	
Total	2,000	100%	95	~21,053	+5% (volume)	

Bar Chart Description — Revenue by Product Line (2023–2025)

Product	2023	2024	2025
Architectural	820	940	1,000
Industrial	510	550	600
Automotive	190	240	250
Specialty	116	136	150

Insights

- Architectural segment accounted for ~50% of 2025 sales, reflecting sustained renovation and infrastructure demand.
- Specialty coatings grew by ~10% YoY, fuelled by niche applications in marine and high-performance flooring.
- Industrial and automotive coatings faced headwinds due to delayed OEM orders, though margin retention was strong through price adjustments.

REVENUE BREAKDOWN BY GEOGRAPHY & CHANNEL

Regional

Maccoroni Manufacturing Co. operates across diverse markets with strong domestic positioning and a growing export footprint. In 2025 exports accounted for 38% of total revenue, up ~5 pp YoY.

Overview

Table 4. Revenue by Region and Sales Channel (USD ‘000)

Region	Revenue % of Total		Top Channel	Top Product
Domestic	1,240	62%	Retail/DIY	Architectural
European Union	380	19%	B2B/OEM	Industrial
Middle East	160	8%	Wholesale	Architectural
Africa	120	6%	Distributor	Industrial
Asia	60	3%	B2B	Specialty
Americas	40	2%	Export	Automotive
Total	2,000	100%	—	—

Pie Chart Description — Revenue by Channel (FY2025)

Channel % of Total Revenue

Wholesale 20%

Retail/DIY 45%

B2B/OEM 25%

Export 10%

Map Call-out — Top 5 Export Markets (FY2025):

1. Germany — USD 120k
2. Iraq — USD 80k
3. Egypt — USD 70k
4. Azerbaijan — USD 60k
5. USA — USD 50k

Insights

- EU exports increased ~8% YoY, supported by distributor expansion.
- Domestic revenue still anchors performance (~62%).
- Retail/DIY channels outperformed due to renovation trends and online promotions.
- Further diversification toward Asian specialty markets recommended for 2026.

2025 COST STRUCTURE & UNIT ECONOMICS

Table 5. Cost of Goods Sold Breakdown (FY2025)

Component	Total Cost (USD ‘000)	% of COGS	Cost per Ton (USD)	YoY Change %
Pigments	300	20%	3,158	+12%
Resins	225	15%	2,368	+8%
Solvents	150	10%	1,579	+7%
Additives	75	5%	789	+5%
Energy	150	10%	1,579	+6%
Packaging	150	10%	1,579	+4%
Labor	150	10%	1,579	+3%
Freight	150	10%	1,579	+9%
Total COGS	1,500	100%	~15,789	+10%

Note: Based on volume of 95 tons → cost per ton ~USD 15,789.

Contribution Margin Analysis

Product Family	ASP (USD/ton)	COGS (USD/ton)	Contribution (USD/ton)	Margin	Margin %
Architectural	20,000	15,000	5,000		25.0%
Industrial	20,000	15,500	4,500		22.5%
Automotive	25,000	16,000	9,000		36.0%
Specialty	30,000	17,000	13,000		43.3%

Sensitivity Note:

- A 10% pigment price increase (≈ USD 30k) adds approx USD 30,000 to COGS.
- Overall gross margin would reduce by ~1.5 pp if prices are unchanged.

Operational Insight: Continuous focus on raw-material procurement optimisation and supplier diversification is critical for margin protection in 2026.

MANUFACTURING & SUPPLY CHAIN

Plant Overview

Plant	Location	Capacity (tons/year)	2025 Actual Production	Utilisation %
Plant A	Istanbul	70,000	58,000	83%
Plant B	Izmir	50,000	42,000	84%
Plant C	Bursa	30,000	25,000	83%
Total	—	150,000	125,000	~83%

Key Suppliers & Contracts

Material	Top Supplier	Contract Type	Duration	Annual Value (USD)
Pigments	ChromoChem Ltd	Fixed Price	3 yrs	300k
Resins	ResiTech GmbH	Indexed	2 yrs	225k
Solvents	Solventa Inc	Spot	—	150k
Packaging	PackPro Corp	Framework	4 yrs	150k
Freight	LogiShip Ltd	Annual Tender	1 yr	150k

Inventory & Risk Metrics

- Raw Material Inventory: 45 days coverage
- WIP Inventory: 15 days
- Finished Goods: 30 days
- Lead Time (avg): 20 days

Risk Notes:

- Single-source pigment risk (~35% of total pigment volume)
- Energy dependency on natural-gas (≈40% of energy mix) with high exposure to price spikes
- Mitigation: new vendor qualification initiative and regional buffer stock programme in 2026

CAPEX, MAINTENANCE & DIGITALISATION

Table 6. CapEx by Category (USD ‘000)

Category	2023A	2024A	2025A	2026F (Planned)	ROI (Est. %)	Commissioning Date
Capacity Expansion	150	200	250	300	18%	Q4 2026
Pollution Control	50	60	75	100	12%	Q3 2026
Automation & Digitalisation	100	120	150	180	20%	Q2 2026
R&D & Pilot Lines	40	45	60	80	15%	Q4 2026
Maintenance	30	35	40	45	—	—
Total	370	460	575	705	—	—

Depreciation & Policy Notes

- Depreciation applied on a straight-line basis over 10–12 years for standard assets.
- New digital automation assets depreciated over 5 years.
- CapEx for 2026 includes installation of AI-driven process-control sensors at Plant A.

Digitalisation Highlights

- Implementation of IoT-based predictive maintenance reduced unplanned downtime by ~12%.
- Pilot AI paint-mixing system achieved ~8% reduction in colour-deviation rates.
- 2026 plan includes ERP upgrade to integrate production, inventory and financials.

SALES & MARKETING PERFORMANCE

The sales and marketing teams focused on consolidating market presence, growing B2B partnerships, and expanding digital outreach in 2025. A total marketing budget of USD 120,000 (~6% of revenue) was deployed across trade, digital and promotional channels.

Table 11.1 — Marketing Spend by Channel (FY2025)

Channel	Spend (USD % of Marketing ROI		YoY	
	'000)	Budget	Change %	
Trade Fairs & Events	26	22%	4.5×	+6%
Digital Advertising	42	35%	6.2×	+12%
Promotions & Discounts	24	20%	3.8×	+4%
Retailer Coop Programs	18	15%	5.0×	+8%
Market Research & Brand Tracking	10	8%	2.9×	+3%
Total	120	100%	—	—

Sales Organisation Overview

- Total salesforce: **65** employees.
- Organised by segment: Architectural (40%), Industrial (35%), Export & OEM (25%).
- New CRM adoption improved lead conversion from ~12% in 2024 to ~18% in 2025.

Table 11.2 — Top 10 Customers (Anonymised)

Customer ID	Segment	% of Revenue	Relationship Type
C001	B2B OEM	7.5%	Long-term supply (3 yrs)
C002	Retail	6.0%	Distributor exclusive
C003	Industrial	5.8%	Frame agreement
C004	Export	5.2%	Agent contract
C005	Architectural	4.9%	Retail partner
C006	Export	4.5%	Dealer contract
C007	Automotive	4.2%	OEM supply
C008	Industrial	3.7%	Frame agreement
C009	Retail	3.4%	Chainstore coop
C010	Specialty	3.0%	Projectbased supply

Insight:

Top 10 customers represented ~52% of 2025 revenues, down from ~58% in 2024 — a positive diversification trend.

BRAND & SOCIAL MEDIA ANALYSIS

Brand perception improved notably in 2025 due to sustainability-themed campaigns and influencer partnerships. Total online reach increased by 22% YoY, with stronger engagement on visual-heavy platforms.

Table 12.1 — Social Media Metrics (2024–2025)

Platform	Followers 2024	Followers 2025	Growth %	Engagement Rate 2025	Impressions (million)
LinkedIn	12,000	14,400	+20%	8.0%	1.2 m
Instagram	45,000	55,000	+22%	15.0%	3.5 m
Facebook	30,000	35,000	+17%	6.0%	2.0 m
TikTok	10,000	14,000	+40%	18.0%	1.5 m
YouTube	8,000	9,600	+20%	10.0%	0.9 m

Top-performing campaigns:

- “Green Walls, Bright Future” (LinkedIn/Instagram): achieved an 18% engagement rate; strong resonance with sustainability messaging.
- DIY Color Tips series on TikTok: achieved ~1.2 million views in first month.

Content Pillars

1. Sustainability – low-VOC, recycled packaging stories.
2. Innovation – smart colour sensors and AR visualisation tools.
3. Community – local workshops, training painters.
4. Design Inspiration – home interior trends.

Recommendations for 2026

- Increase influencer partnerships by +30% (target ROI ≥ 5×).
- Expand into Pinterest & Reddit communities.

- Launch “Pro Painter Hub” digital loyalty programme.

2026 KPI Targets:

- Engagement rate ≥ 12%.
- Conversion rate from digital campaigns ≥ 6%.
- Social followers +20% YoY.

COMPETITIVE LANDSCAPE & MARKET SHARE

Table 13.1 — Market Overview (2025)

Metric		Value	Source
Total Addressable Market (USD billion)		USD 193.9 billion	Precedence Research+1
Total Market Volume (million tons)		50 million tons (estimate)	Trade statistics (internal)
Company Market Share (by revenue)	0.10%	(USD 2 m revenue / USD 1,939 m market)	Internal Estimate
Market CAGR (2023–2025)		~4.5%	Fortune Business Insights+1

Table 13.2 — Top Competitors (2025)

Competitor	Est. Share %	Market Core Strengths	Weaknesses
Competitor A	18%	Global distribution, brand power	High pricing
Competitor B	12%	Cost efficiency	Limited innovation
Competitor C	9%	Strong export links	Weak domestic presence
Paint Manufacturing Co. (us)	0.10%	Local agility, product breadth	Scale vs global peers

SWOT Analysis

Strengths	Weaknesses
Strong domestic brand equity	Limited capital scale
Broad product portfolio	Dependency on pigment suppliers
Agile supply chain	Moderate export diversification
Opportunities	Threats
Growing green coatings demand	Rawmaterial cost inflation
Regional construction boom	FX volatility, global competition

Chart 13.1 — Market Share Pie Chart: A circular chart with slices for top 4 competitors and “Others.” Paint Manufacturing Co. occupies ~0.1% slice (ranked 3rd domestic niche).

PRICING STRATEGY & ELASTICITY

Average selling prices (ASPs) were adjusted upward in 2025 to offset resin and solvent inflation. Overall blended ASP grew by **+2.0%**.

Table 14.1 — ASP per Product Family (2023–2025)

Product Family	2023 (USD/ton)	2024 (USD/ton)	2025 (USD/ton)	Change 2024-25 %
Architectural	19,500	19,800	20,000	+1.0%
Industrial	19,600	19,950	20,000	+0.3%
Automotive	24,500	24,800	25,000	+0.8%
Specialty	29,500	29,800	30,000	+0.7%
Average blended ASP —	—	—	~20,800	+2.0%

Price	Elasticity	Analysis
Estimated elasticity coefficients derived from 3-year data regression:		
<ul style="list-style-type: none"> Architectural: −0.65 Industrial: −0.45 Automotive: −0.85 Specialty: −0.30 		

Table 14.2 — Price Sensitivity Simulation

Price Change	Expected Volume Change	Revenue Impact	Commentary
+5%	−3%	+2%	Moderate elasticity
−5%	+4%	−1%	Competitive risk limited
+10%	−7%	+3%	Premium line resilience evident

Pricing Levers for 2026:

1. Premiumisation: Continue expansion of eco-friendly “UltraGreen” line.
2. Smaller Packaging: Target low-income & DIY customers.
3. Service Differentiation: Free digital colour consultation & next-day delivery options.