2025 Annual Review & 2026 Forecast  
(Confidential Board & Investor Report)  
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## 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 Volume Change % (vs 2024)** |
| --- | --- | --- | --- | --- | --- |
| Architectural Paints | 1,000 | 50% | 50 | 20,000 | +6% |
| Industrial Coatings | 600 | 30% | 30 | 20,000 | +4% |
| 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 Overview**  
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.

**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 Margin (USD/ton)** | **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 ‘000)** | **% of Marketing Budget** | **ROI (Revenue/Spend)** | **YoY 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.

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## 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](https://www.precedenceresearch.com/paints-and-coatings-market?utm_source=chatgpt.com) |
| 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](https://www.fortunebusinessinsights.com/industry-reports/paints-and-coatings-market-101947?utm_source=chatgpt.com) |

**Table 13.2 — Top Competitors (2025)**

| **Competitor** | **Est. Market Share %** | **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:

* 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.