

**"Financial Performance and Financial Position Analysis of Reckitt
Benckiser (Bangladesh) PLC"**

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor's in Business Administration

BRAC Business School

BRAC University

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

Pritu Bhowmick

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Supervisor's Full Name & Signature:

Dr. Faruk Bhuiyan

Assistant Professor

BRAC University

Letter of Transmittal

Dr. Faruk Bhuiyan

Assistant Professor

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: "Financial Performance and Financial Position Analysis: A Study on Reckitt Benckiser (Bangladesh)"

Dear Sir,

With due respect and humble submission, it is my honor to work with you and I would also like to thank you for giving me the opportunity of doing my internship report on my selected topic **"Financial Performance and Financial Position Analysis: A Study on Reckitt Benckiser (Bangladesh)"**

This report represents the study of the financial performance analysis of Reckitt Benckiser (Bangladesh) PLC which is based on my 3-month long internship period. Working with the dynamic team of the Finance department, the knowledge and experience that I gathered will greatly help me a lot to perform my job responsibilities effectively in the future.

I have made every effort to make this report informative and hoping all my hard work reflects on this paper and pray that you will cordially receive my Internship Report

Lastly, I would like to express my gratitude for your kindness and your valuable instructions for completing this report successfully.

Sincerely yours,

Pritu Bhowmick

ID: 18104037

BRAC Business School

BRAC University

9-10-2022

Non-Disclosure Agreement

This is to notify that I was an intern at the Reckitt Benckiser (Bangladesh) PLC. I don't have any agreement between me and Reckitt Benckiser (Bangladesh)PLC.

Acknowledgment

To begin, I would like to show my appreciation to the Almighty God for granting me the opportunity to finish this internship report. During the past three months, I have been preparing this report. The title of my internship report is "Financial Performance and Financial Position Analysis: A Study on Reckitt Benckiser (Bangladesh) PLC." I have worked hard and put lots of effort toward learning; however, I could not have successfully finished my report without the support and encouragement of the people around me.

I want to use this golden opportunity to show my gratitude to BRAC University for providing me with the opportunity to give me a chance. First, I would like to convey my sincere appreciation to my academic supervisor, Mr. Faruk Bhuiyan, an assistant professor at BRAC University, for his valuable time and support in completing my internship report. He is a lecturer at BRAC Business School and BRAC University. The production of this report appears to be almost impossible without his assistance and cooperation. Furthermore, a special word of gratitude goes to my co-supervisor, who assisted me in acquiring the knowledge necessary to continue my journey while maintaining a high level of inspiration. This report could not have been conducted successfully without their direction. Their helpful instruction and orientation in the right direction throughout each stage of this project were a massive help to me in finishing the report correctly.

The staff of Reckitt Benckiser (Bangladesh) PLC, who assisted me in every stage of the creation of this report, deserve more thanks than they will receive here because they were helpful and kind with their expertise throughout the program. My cordial gratitude goes to Natalia Khan, who supervised me throughout my internship. Each member of my finance team assisted me and gave me valuable time to provide the information and sources of the information included in this report.

My internship with Reckitt Benckiser (Bangladesh) PLC was a fantastic opportunity for personal growth and career advancement. I gained a lot of valuable experience during my time there. Because of this, I consider myself very lucky that I was allowed to participate. I am also thankful that I was allowed to interact with such a beautiful variety of individuals and seasoned professionals throughout my internship.

Lastly, I appreciate the help of everyone who had any part in my successful project completion.

Thank you.

Executive Summary.

My internship report is titled "Financial Performance and Financial Position Analysis: A Study on Reckitt Benckiser (Bangladesh) PLC."

The primary purpose of this report is to provide a clear vision of life at Reckitt Benckiser Bangladesh PLC based on my five months of employment there. This report will also show a picture of the company's financial health.

Reckitt Benckiser (Bangladesh) PLC is one of the country's most admired multinational corporations and the dominant market leader in this FMCG.

The history of the organization and its establishment in Bangladesh are detailed in the reports. In the report's first section, I provide a comprehensive overview of the organization, covering its origins, goals, and guiding principles. Next, I provided a high-level overview of the business's organizational structure.

In the second part of the report, I discussed the functions of finance and planning, the brains of the operation. Next, the report presents a time series ratio analysis of Reckitt Benckiser's financials. Finally, at the conclusion, the report provides a brief overview of its results and a set of suggestions for enhancing Reckitt Benckiser in various ways.

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List of Acronyms

VAT- Value Added Tax
VDS - VAT Deducted at Source
TDS - Tax Deducted at Source
PLC - Public Limited Company
RB - Reckitt Benckiser
WPPF- Workers' Profit Participation Fund
DSO - Days' Sales Outstanding
EPS- Earnings Per Share
ROA- Return on assets
ROE – Return on Equity
ROI – return on investment

Chapter 1

Introduction of the report

1.1 Background Information:

An internship report is a fundamental and essential part of the BBA program. Internship reports enhance the practical knowledge and practical life experiences of a student.

I am doing my internship at Reckitt Benckiser (Bangladesh) PLC. My respective supervisor at the organization advised me to make an internship report on "Financial Performance and Financial Position Analysis of Reckitt Benckiser Bangladesh PLC." During my internship, I saw how important it is for a company to have solid financial strength and shared performance, which is considered one of the vital tasks for an organization. Therefore, to identify the core financial strength of Reckitt, I will analyze the financial statement and prepare some charts and graphs to better understand and compare the financial position of Reckitt Benckiser (Bangladesh) in the industry.

1.2 Objectives of the Study:

Broad objective:

The broad objective of this report is to analyze the Financial Performance of Reckitt Benckiser (Bangladesh).

Specific objective

- To analyze the performance of the company over the years.
- To comprehend Reckitt's ability to generate profits based on their annual sales.
- To assess Reckitt's ability to meet debt and the efficiency of the firm's assets to determine borrowing capacity
- To analyze its share performance in the DSE to describe its core financial strength.
- To provide information on how the company conducts finance and planning activities.

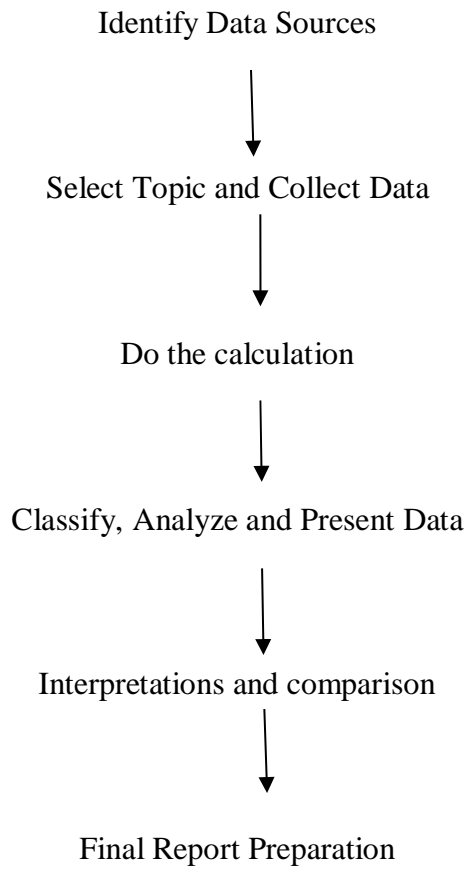
1.3 Scope & Limitations of the report

The study details the many well-known products that Reckitt Benckiser Bangladesh PLC manufactured. A detailed examination of the company's financial statements is included as well. This report isn't complete without a thorough analysis and assessment of Reckitt Benckiser's business and financial results. Reckitt Benckiser's management can use the findings of this study to evaluate and appraise the entity's operations. After then, the company's leadership can formulate and implement new strategies. The result will be an improvement in the entity's present performance.

It was challenging to learn about the company's central financial system as there was a lack of information and opportunities, and the most important barrier was time limitation. Nevertheless, the report has successfully served its goal, even though many company details have been kept secret.

1.4 Methodology

A researcher can use a variety of information sources for academic research purposes. But I was able to finish my report by using both first-hand information, like what I saw and heard in other offices, and second-hand information, like websites and the company's annual report. First, I found out about the organization's policies, organizational structure, and board of directors by talking to other employees and researching the company using its annual report and website. This section is finished with my observations and what I've learned from talking to my colleagues. I will give an overview of their different departments and how they discuss their roles at Reckitt. Secondary data is used to verify the report and make it useful. This report's financial information came from the company's annual reports over time (2017–2021). The public can find these annual reports on the company's website. The company's income statement, balance sheet, and other financial statements are used to determine its finances.



(Flowchart for methods of data collection)

1.5 Significance of the Study

An internship is a very important part of a student's education. This internship program allowed me to work in one of the best corporate environments and helped me learn a lot about how a pioneer in the FMCG industry works. Reckitt's fast-paced work environment has made me more confident and better at communicating. I've also learned how a company's costs work from beginning to end.

Through this internship report, we will see how well Reckitt Benckiser is doing in the business world and how well they are doing overall. This study will give a detailed overview of Reckitt Benckiser by looking at its financial statements, liquidity, activity, debt ratios, and profitability ratios. It will also give a lot of information about its well-known brands. The main objective of this report was to understand how ratio analysis and financial statements work on a basic level. The financial statements of a company make it easy to see immediately how it is doing financially. These statements show information about the company's operations, performance, and cash flow. Financial statements are important for any business because they show how much a company makes, how much it spends, how profitable it is, and how much debt it has. It is important to know how much money an organization has. The shareholders put their money into a business that is not their own, so they don't know what goes on inside the business. Financial statements are very important because through them we can find out how much revenue a company makes, how much it spends, how profitable it is, and how much debt it has.

1.6 Literature review

Through a company's financial statements, we can easily investigate its financial performance analysis. The goal is to figure out how the company makes money (or loses money) and how it spends, invests, and uses its money in general. Performance analysis looks at a company's performance during a certain time, usually the most recent quarter or year. Financial performance is a measurement of how well a company can use the assets of its main business to bring in money. It is also a general way to measure how well a company has done over a certain period and can be used to compare it to other companies in the same industry.

This paper looks at the performance and standing of a leading FMCG company by looking at Reckitt Benckiser's financial statements from 2017 to 2021.

One of the biggest parts of Bangladesh's economy is the fast-moving consumer goods (FMCG) sector. In the last few years, Bangladesh's fast-moving consumer goods (FMCG) industry has grown a lot. The market has been tough for the FMCG industry in the past few years. In some categories, brands that used to be popular are no longer available or are stuck between category leaders and cheaper brands (Ullah & Prince, 2012). Reckitt Benckiser (Bangladesh) has been doing a little better than its main competitors in FMCG, COVID and PDMA, as they sell mostly hygienic products. However, it is still behind its competitors, with less consistency in its market growth. RB must increase its promotional efforts to increase market share. Rb got the highest profit in the years 2020 and 2021 as the pandemic made everyone concerned about their health, but its sales performance isn't consistent. To close the performance gaps, RB needs to pay close attention to the holes that keep its products from reaching their full potential and spend a lot of money on promotional activities. RB can improve its overall performance by taking the right steps at the correct time. (Smith, G. (2012).

Chapter-2

Overview of Internship and Overview of the Company

2.1 Student Information

Name: Pritu Bhowmick

Student ID: 18104037

Program: Bachelor's in business administration

Major: Accounting,

Minor: Finance

2.2 Internship Information

2.2.1 Company Information

Company Name: Reckitt Benckiser (Bangladesh) PLC

Department: Finance

Team: Core Finance

Address: The Glass House, 9th & 10th Floors, Plot-2, Block-SE (B),
38 Gulshan Avenue, Dhaka1212.

Period: Five months.

2.2.2 Supervisor Information

- Name: Natalia Sharmin Khan
- Post: Senior Officer- (Project Lead & Finance Analyst)

2.3 Job Scope

I started working as an intern in my company's finance department, which is located on the 9th floor of Gulshan Glasshouse. My employment has been a source of satisfaction for me from day one. It is indeed a great pleasure to say that the Core Finance team at Reckitt Benckiser (Bangladesh) PLC treated me as more than just an intern; they valued my contributions to the team and the company. There is a wide range of responsibilities handled by the core financial team. So that I may learn about and participate in all aspects of the Core Economic Team's operations, our team leader and company secretary have divided my responsibilities among three supervisors, one of whom is the head supervisor.

2.4 My job responsibilities and contributions

A significant part of my internship at Reckitt Benckiser (Bangladesh) PL Involved assisting the Core Finance team. During my internship, I was responsible for a wide range of duties that ultimately benefited the organization. Because of the company's size, Reckitt Benckiser (Bangladesh) PLC receives monthly deliveries from a vast array of suppliers. Working with the Core Finance group, I was responsible for issuing VDS and TDS certificates to our suppliers. Part of my job description also included working with the AMC consultant the company had hired to assist with VAT and tax certificate creation from the start, per my supervisor's directions. In addition, I was responsible for processing vendor invoices and obtaining necessary approvals from senior staff. Since the office had been closed for so long because of the epidemic, there was a tremendous backlog of work when I arrived for my internship. My superiors appreciated having an intern because it allowed them to delegate me more menial jobs so they could focus on more pressing matters. I did everything in my power to quickly master the assignments provided to me and lighten my team's workload.

2.5 My learnings and difficulties I have faced

My internship with Reckitt Benckiser (Bangladesh) PLC has greatly benefited my professional development. My time as an intern gave me insight into the inner workings of a multinational corporation. This internship gave me a hands-on understanding of how a business's financial department operates. In addition, I was able to learn about and acclimatize to the culture of a multinational corporation. Having the chance to learn from three different people in charge of various aspects of the Core Finance team was a significant benefit of working under three distinct supervisors. I learned about the ins and outs of the financial department's VAT & Tax, Payables, Legal, and Compliance operations. In addition, my superiors assigned me specific special projects that went beyond the scope of my regular work, and I was able to finish them successfully, providing me with valuable experience that will motivate me in the coming years.

My time at Reckitt Benckiser (Bangladesh) PLC was a career highlight. This internship gave me an excellent opportunity to gain experience in various areas. The management team was friendly and helpful as they directed me through the procedure. My only challenge during that period was juggling multiple tasks at once. There were sometimes conflicts between my duties because I had to report to three managers. The number of employees also wasn't sufficient to deal with the volume of work. Finally, it could become tedious and repetitive to enter a large amount of data or handle many bills.

2.6 Observation

A career with Reckitt Benckiser Bangladesh (PLC) is gratifying. The staff here is diligent and intelligent. Insightful information was gained from them. The following are some of the things I've noticed about the company's work environment:

- Friendly and helpful coworkers create a positive work environment. And workers are enthusiastic and focused on their tasks. The best thing I have found about them is that no one in my team leaves their desk without an absolute necessity.
- Though the office is closed on Saturdays, there are periods when it is open to handle peak work, and if work is excessive, every team member is required to come on weekdays.
- . The regular workday consists of 9 a.m.–6 p.m. It's not uncommon for workers to stay later than that to get everything done on their to-do lists. And my team has worked mostly lately because of the volume of work.
- The duties specified by GM are followed and completed per each person's allocated responsibilities.
- Everyone is accommodating towards each other.

2.7 My recommendation

Reckitt Benckiser's internship program was above average, although there was room for improvement. Before bringing on an intern, it's essential to have a clear vision of what the company wants to accomplish together. The intern's potential won't be realized if this doesn't happen. Furthermore, the internship's expected duties and obligations should be specified. While gaining valuable experience in the field, the intern's daily working hours should be stated explicitly and strictly enforced so that the intern of the department does not feel exploited by working overtime.

2.8 Overview of the Company



Figure 1: Reckitt Benckiser Logo

2.9 Reckitt Benckiser history

Reckitt Benckiser (Bangladesh) PLC is a multinational consumer products firm in Slough, England. The corporation is a British public limited company that produces health, hygiene, and household products. The British firm Reckitt & Colman PLC and the Dutch company Benckiser N.V. merged to form the corporation in March 1999. This resulted in the formation of the company we know today. The business has a rich history dating back over two centuries. The year 1819 sees the construction of the Maud Foster mill by Thomas and Isaac Reckitt.

On the other hand, Johann A. Benckiser established Benckiser in 1823 as an industrial chemical company in Germany. Benckiser was initially based there. Reckitt & Sons amalgamated with J. & J. Colman in 1938, resulting in the formation of Reckitt & Colman in Germany. Benckiser was initially based there. Reckitt & Sons amalgamated with J. & J. Colman in 1938, resulting in the formation of Reckitt & Colman. Reckitt combined with Benckiser in 1999 to become the company Reckitt Benckiser, half a century after it had merged with J & J Colman to form the company J & J Colman.

2.10 Reckitt Benckiser in Bangladesh and overview

Reckitt Benckiser (Bangladesh) Plc is one of the most well-known multinational corporations doing business in Bangladesh. The establishment of the company's presence in the nation predates the country's independence. On April 15, 1961, Reckitt Benckiser was formally established within the borders of Bangladesh. The business was initially established in this region under Robinson Foods (E.P.) Limited. The only product that the company produced at the time was Robinson's Patent Barley. After Bangladesh attained its autonomy from Pakistan, the name of the company was modified from Robinson's Food (Pakistan) Limited to Robinson's Food (Bangladesh) Limited. The company changed its name again in 1978 to Robinson's (Bangladesh) Limited. Because of the merger that took place in 1985 between Reckitt and J. & J. Colman, the company's name was once again altered to Reckitt & Colman (Bangladesh) Limited. Eventually, on November 9, 2000, the company was renamed Reckitt Benckiser (Bangladesh) Limited because of the acquisition that took place on December 3, 1999, between Reckitt & Colman PLC (U.K.) and Benckiser N.V. The combination took place with both Reckitt & Colman PLC (U.K.) and Benckiser N.V. (Netherlands). Reckitt Benckiser (Bangladesh) Limited changed its ownership from a limited to a public limited company in June 2022. It is now Reckitt Benckiser Bangladesh PLC.

Since the company's beginning, it has experienced growth thanks to the strong image and brand equity built up through the years. The company's primary focus remains on providing definitive answers to the challenges faced by customers. To this end, it maintains a commitment to the ongoing development of existing products, the launch of new ones, the cultivation of new media opportunities, the enhancement of communication systems, the expansion of distribution networks, and the development of novel concepts. And all these tasks are carried out by a group of exceptionally skilled and talented workers who approach their work with a proactive mindset. As a result, distributors play a significant role in Reckitt Benckiser (Bangladesh) PLC's overall revenue generation.

Even though the company has a strong management team to ensure the highest quality distribution, these managers have no direct influence over the company's sales. The distribution channel is operating well thanks to a robust strategic marketing plan and the support coming from other departments. However, if they adhere to the practices suggested in the section labeled "suggestions," they will be able to improve the effectiveness of their distribution and see an increase in the number of sales they make each day.

The date of incorporation for the company was April 15, 1961, and it took place in the territory that is now known as Bangladesh.

Robinson Foods (E.P.) Limited was the predecessor to Reckitt Benckiser (Bangladesh) PLC when it first began doing business in Bangladesh in 1962. During that period, the sole item that was produced was Robinson's Patent Barley.

However, to fulfill the demands of the customer, goods such as barley, cherry blossoms, and robin, among others, are being brought in from other countries.

After 1971, the corporation began gradually building its own facility and stopped importing any other products. Harpic, Dettol, Robin Blue, Mortein Liquid, Mortein Aerosol, and a few other common household plants began to take root and grow over time. under joint-venture agreements. New items such as Mortein Coil, Dettol Soap, and Robin Fabric Products Care have been released.

Reckitt Benckiser has a presence in each of the worldwide core product categories discussed earlier. On the other hand, not every product that falls under each category can be found in the Bangladesh market.

The tastes and preferences of Bangladeshi consumers are considered while selecting which international brands from various categories to offer them. This corporation operates primarily according to the principles of a globally local strategy, and its marketing methods are backed up by locally established patterns of customer behavior in addition to global plans.

Even though Reckitt is present in all the primary product categories, the most important contributions to N.R. are made by pest control, lavatory care, antiseptics, and analgesics.

2.11 Brands:



Figure 2: Brand names of Reckitt

Three primary classifications may be applied to the Reckitt Benckiser brands. These are things related to health, cleanliness, and the home. Recently, the corporation expanded its product line to include a new category that they call "nutrition." As a result, every single one of RB's brands is in a one-of-a-kind position from which it can effect positive change in the globe. Individuals, families, and communities all have an easier time living cleaner and healthier lives due to the ground-breaking products developed by RB. The following is a list of RB's several brand names:

1. Dettol
2. Veet
3. Air Wick
4. Durex
5. Calgon
6. Cleanasil
7. Enfo
8. Cillit Bang
9. Finish
10. Gaviscon
11. Lysol
12. Harpic
13. Woo lite
14. Vanish
15. Scholl
16. Strepisils
17. Nurofen
18. Nutramigen
19. Mucinex
20. Mortein

2.12 Company profile

Reckitt Benckiser, which uses the slogan "Protect, heal, and nurture," is the leading company in the FMCG industry worldwide. a company that manufactures cleaning products for the home; this one is a genuine worldwide corporation with no single country of origin. It is one of the market leaders in Bangladesh and has a dominant culture. The company works primarily for the government. Management at Reckitt Benckiser is very mobile and adaptable. Their exceptional products are focused on health, cleanliness, and the home. Performances, managerial strategy, and the firm's belief that integrating brilliant people with varied backgrounds will produce better results Reckitt has a true competitive edge because of their professional and cultural experiences in the context of action-oriented terms. Benckiser concentrates on the five product categories listed above and is highly serious about upholding its reputation. Reckitt has standards for the quality of its goods.

They operate their business with a specific goal in mind: to guarantee that the group's management, as well as all its employees, have a solid comprehension of the group's beliefs and ethical standards, which the company is committed to maintaining.

2.13 Mission and vision

This company, like all other companies, has set its vision and goal, and it is followed by this company as well. Reckitt Benckiser is driven by a desire to provide superior solutions to the company's consumers and customers. They remarked that a world in which people are happier and healthier and live longer is the aim. And how they want to accomplish this is by providing individuals with cutting-edge solutions that will make their lives and homes happier and healthier. The vision encompasses the entire organization and articulates Reckitt Benckiser's purpose and value as a business. Dedication to product quality and safety, customer service, innovative products, worldwide expansion, and corporate social responsibility.

2.14 Corporate Values:

"At RB, we desire to see everyone enjoy greater health and longer lives." According to Rakesh Kapoor (Chief Executive Officer).

2.14.1 Corporate Values:

"At RB, we desire to see everyone enjoy greater health and longer lives." According to Rakesh Kapoor (Chief Executive Officer).

2.14.2 Our Purpose:

We exist to protect, heal, and nurture in the relentless pursuit of a cleaner and healthier world. We fearlessly innovate in this pursuit across our Hygiene, Health, and Nutrition businesses.

2.14.3 Our Fight:

We have a fight on our hands. A fight to make access to the highest quality hygiene, wellness and nourishment a right and not a privilege. Information and products that promote good health and hygiene are daily necessities for us all.

2.14.4 Our Compass

Our compass guides us. We use it to navigate the way we need to behave as individuals, as teams, and as a company. Our culture builds on what has made us successful; and equips us for sustainable growth so that we may continue to protect, heal, and nurture the generations to come.

2.15 Reckis departments and employments

2.15.1 Departments

There are three primary divisions inside the organization. And these segments are

1. Finance
2. Marketing
3. Human Resources

The finance departments also have three segments, and these 3 departments work individually as a team. The departments are

1. Commercial Finance
2. Core Finance
3. Supply Finance

2.15.2 Board of Directors:

Reckitt Benckiser (Bangladesh) PLC's board of directors consists of

1. Managing director
2. A chairperson,
3. four directors,
4. two independent members.
5. Company secretary

2.15.3 Hierarchy

The hierarchy maintained for each department in the company is given below:



Figure 4 Hierarchy of Reckitt Benckiser

2.15.4 Effective Methods of Human Resources

The HR division's top priority is staffing the organization with enough competent people to keep operations running smoothly.

Below is a list of what the HR department is responsible for:

1. The Training and Improvement Process
2. The Process of Hiring New Employees
3. Employee interactions.
4. upholding the company's ethos
5. administration of compensation and perks
6. Manage workplace safety measures and disciplinary actions

Employees' needs and well-being are top priorities at Reckitt Benckiser (Bangladesh) PLC. The workplace is kept very secure and clean by the organization. The organization also has high requirements when it comes to sustaining the company culture.

2.15 Methods of Marketing

The product offerings from Reckitt Benckiser (Bangladesh) Plc are extensive. The firm markets and distributes a wide range of items in Bangladesh. The business uses digital media and marketing platforms for product promotion.

1. The internal marketing team's primary responsibilities include Brand definition and management.
2. Campaigning for a wide range of companies in marketing
3. Creating internal communications.
4. Acting as a media liaison.
5. Gathering market and customer data.
6. Managing third-party service providers and advertising firms

2.17 Financial performance and Accounting Methods

The organization's core functions are in the finance division. The company's financial resources, including money and the people who handle it, as well as the future use of those resources, are the purview of the finance department. The finance team is responsible for ensuring sound financial management and control. Reckitt Benckiser (Bangladesh) PLC is a massive corporation with a vast network of external suppliers serving its many divisions. These suppliers range from marketing agencies and human resources consultancies to chartered accounting practices and raw material distributors. The company's internal finance team manages all payments to and receipts from external suppliers.

Here are a few more of the finance division's responsibilities:

1. Accurate record-keeping is essential for effective cash flow management.
2. Budgeting and forecasting Tax and Value-Added Tax Administration
3. Investment management for the company
4. Reporting and analysis of financial data

2.18 Supply Service Management

The supply services are critical to the success of the company's production process. The company's supply services group handles all aspects of the supply chain, from the procurement of raw materials to the final stages of production and distribution.

It is the responsibility of supply services to do the following: Monitor the flow of raw materials.

Communicating with Raw Material Providers

When making a purchase, it is important to predict how much merchandise will be needed.

Maintaining effective industrial resource management, consistent logistics, and a steady stream of information.

2.19 Environmental Policy

To this purpose, Reckitt pledges to plan and carry out all of its operations sustainably, focusing on maximizing the efficiency with which resources are used and minimizing the likelihood of any adverse effects on the natural world.

The company has adopted the following environmental policies:

to ensure appropriate treatment of all effluents before release and to save natural resources like water and energy for sustainable development and environmentally safe procedures.

Maintain open lines of contact with stakeholders inside and outside the organization regarding environmental concerns.

Raise the profile of environmental concerns among our staff and external partners.

Maintain technological innovation to guarantee eco-friendly trash disposal.

2.20 Competitive and industry analysis

The Reckitt Benckiser Group operates in over 60 countries, with product distribution in nearly 200 more. As a business, this one has already made its impact on the international scene. The firm is well-respected not only internationally but also in Bangladesh. Therefore, the firm has a great deal of strength and can make good use of a great deal of opportunity. However, the worldwide nature of the business means that the company must compete with other global giants if it is to keep its position. Below is a SWOT analysis of Reckitt Benckiser, outlining the company's current strengths, weaknesses, opportunities, and threats:

2.21 Strengths, Weaknesses, Opportunities, and Threats (SWOT)

Reckitt Benckiser's SWOT is broken out into detail, along with the company's opportunities and threats. One of Bangladesh's most successful businesses is Reckitt. Because of this, a SWOT analysis should be conducted. The SWOT analysis is a strategic method of analyzing the positives and negatives of a company. Factors within an organization influence its strengths and shortcomings. Each company faces opportunities and threats that are beyond its control. What follows is a brief overview of Reckitt Benckiser's SWOT analysis findings:

2.21.1 Strengths

- Has a good brand value of promoting health and wellness to its clientele.
- Has an efficient distribution and supply system.
- Featuring an impressive array of reliable items and labels.
- Provides room for employee initiative, fostering creativity and new ideas.
- Possess a highly trained work force.
- Has a variety of products and a large business.

2.21.2 Weaknesses

- There should be more specialization at distribution and service hubs.
- Continues to charge excessive prices, resulting in dwindling sales.
- Customers lack knowledge about the product range.
- Fewer investors will be interested in a company with a low profit margin.
- Extreme reliance on well-known brands, which stifles innovation for new products.
- A recent event in South Korea has harmed the company's reputation.

2.21.3 Opportunities

- The need for FMCGs is on the rise.
- Has a ton of expansion room in emerging markets.
- Capable of engaging in mergers and acquisitions to expand operations.
- Possibility of expanding into other markets, hence boosting earnings.
- More than 60 states around the world benefit from it.
- Boosting Economic Growth and Market Activity.

2.21.4 Threats

- Other Recognizable Consumer-Goods Companies
- Hygienic Essential items and equipment are subject to strict government guidelines.
- The level of rivalry in the sector is rising steadily.
- Product demand may fall during an economic downturn.
- Instability in product demand is more pronounced in developing economies.
- Products that are both more affordable and of higher quality in other brands.

Chapter 3

Project Part: "Financial Performance and Financial Position Analysis"

3.1 Introduction

Reckitt Benckiser Bangladesh PLC's (the company's) financial performance is the primary focus of this project. The purpose of this report is to examine and analyze the company's financial records. Ratio analysis is a useful method for assessing the strengths and weaknesses of a business or organization. Understanding the profitability position and the strengths and weaknesses of a firm is essential, which is why ratio analysis is so important. The following will be calculated from the financial statements:

1. Vertical Balance Sheet
2. Vertical income statement
3. Horizontal balance sheet
4. Horizontal income statements
5. Liquidity Ratio
6. Asset management ratios
7. Debt management ratios
8. Profitability Ratio
9. Stock market ratios

3.2. Objectives of this Report's Analysis

- Analyze Reckitt Benckiser Bangladesh PLC's financial strength and financial position.
- by analyzing financial statements, liquidity, activity, debt ratios, and profitability ratios of Reckitt Benckiser
- Analyze its share performance in the DSE to describe its core financial strength.
- Provide information on how the finance and planning activities are conducted by the Company.

3.3 Methodology of this Ratio Analysis

This study is comprehensive and credible because it relies solely on secondary sources. This report's financial information comes from the firm's 2018–2021 annual reports. The company's yearly reports are posted on the company website for easy access by the public. In addition, financial statements, including the balance sheet and income statement, are mined for the firm's economic data.

Table number: 1
 Here are the ratios we'll be working for Year 2017- 2021

Liquidity Ratios		
	Current Ratio	Current Assets / current liabilities
	Acid Test Ratio / Quick Ratio	(Current Assets – Inventory) / Current Liabilities
Efficiency Ratio/ Asset Management Ratio		
	Inventory Turnover Ratio	Sales / Inventory
	Total Assets Turnover Ratio	Sales / Total Assets
	Fixed Asset Turnover Ratio	Sales / Fixed Assets
	Days Sales Outstanding	Accounts Receivables / (Sales / 360)
Debt Management Ratio		
	Debt to Asset Ratio	Total Debts / Total Assets
Profitability Ratio		
	Gross Profit Margin	Gross Profit / Sales
	Operating Profit Margin	Earnings Before Interest and Tax / Sales
	Net Profit Margin	Net Profit after Tax / Sales

	Return on Asset	Net Profit after Tax / Total Asset
	Return on Equity	Profit after Tax / Total Common Equity
	Return on Investment	Net Profit after Tax / Total Investment
Stock Market Ratio		
	Earnings per Share	Net Profit after Tax / Number of Common Shares Outstanding
	Price to Earnings Ratio	Market Price per Share / Earnings per Share

3.4 Findings and analysis

Table number 2:

Vertical balance sheet of Reckitt Benckiser (Bangladesh) PLC (December 31, 2021)

	2018	2019	2020	2021
Assets				
Property plant and equipment	22.82%	21.36%	16.89%	18.63%
Right of use assets (ROU)	3.57%	1.61%	5.46%	5.07%
Deferred tax assets	0.84%	0.53%	0.89%	0.36%
Non-current assets	23.65%	21.89%	23.24%	24.05%
inventories	16.62%	18.92%	19.16%	19.07%
Trade and other receivables	4.68%	1.84%	0.79%	2.25%
Advance deposits and payments	2.64%	1.11%	1.66%	1.49%
Cash and cash equivalents	52.41%	56.24%	55.15%	53.13%
Current assets	76.35%	78.11%	76.76%	75.95%
Total assets	100.00%	100.00%	100.00%	100.00%
Equity				
Share capital	2.61%	1.98%	1.46%	1.54%
Retained earnings	18.67%	26.28%	23.44%	29.38%
Total equity	21.28%	28.26%	24.90%	30.92%
Liabilities				
Employee benefits	5.26%	5.80%	5.28%	2.30%
Lease liabilities	0.00%	0.53%	4.60%	5.01%
Non-current liabilities	5.26%	6.34%	9.88%	7.30%
Trade and other payables	65.66%	56.75%	56.65%	54.33%
Employee benefits	0.21%	0.39%	0.97%	0.91%
Lease liabilities	0.00%	0.68%	0.56%	0.33%
Current tax liabilities	7.21%	7.55%	6.77%	6.11%
Unclaimed dividend	0.38%	0.04%	0.27%	0.10%
Current liabilities	73.46%	65.40%	65.22%	61.77%
Total liabilities	78.72%	71.74%	75.10%	69.08%
Total equity and liabilities	100.00%	100.00%	100.00%	100.00%

Source: Reckitt Benckiser Annual report 2021, p. 25

Interpretations

Vertical analysis, also known as common-size analysis, is a useful tool for assessing business health. Each account's percentage of Reckitt Benckiser (Bangladesh) P'C's total assets is shown in the vertical balance sheet. In this table, we can see the drastic change in ratios of Reckitt Benckiser's assets and liabilities and get a clear vision of how much market position this company holds. There were ups and down in company's total current and noncurrent assets. Where the company shows steady growth in company equity from the year 2018 to 2021, which is positive for the company, and the liability rate also decreases over the year, which is also a good sign.

Table 3

Vertical income statement of Reckitt Benckiser Bangladesh plc (31 December 2021)

	2018	2019	2020	2021
Revenue	100.00%	100.00%	100.00%	100.00%
Cost of sales	-49.29%	-45.52%	-43.45%	-45.42%
Gross profit	50.71%	54.48%	56.55%	54.58%
Other income	0.11%	0.02%	0.01%	0.05%
Operation expense	-35.94%	-33.21%	-36.27%	31.29%
Impairment loss reversal on trade receivables	0.02%	0.01%	0.00%	0.00%
Operation Profit	14.89%	21.31%	20.29%	23.34%
Finance income	0.60%	1.12%	1.14%	0.29%
Finance costs	0.00%	-0.05%	-0.21%	-0.23%
Profit before contribution to WPPF	15.50%	22.38%	21.22%	23.40%
Contribution to WPPA	-0.74%	-1.07%	-1.01%	-1.11%
Profit before tax	14.76%	21.32%	20.21%	23.40%
Income tax expense	-5.44%	-6.31%	-6.35%	-5.94%
Profit for the year	9.31%	15.01%	13.85%	16.35%
Other comprehensive income	0.00%	0.00%	0.00%	0.00%
Remeasurement of defined benefit liability	-0.24%	-0.01%	-0.36%	-0.16%
Related tax	0.06%	0.00%	0.09%	0.04%
Other comprehensive income/loss for the year, Net of tax	-0.18%	-0.01%	-0.27%	-0.13%
Total comprehensive income for the year	9.13%	15.00%	13.58%	16.22%
EPS	0.0000020%	0.0000032%	0.0000029%	0.0000035%

Source: Reckitt Benckiser Annual report 2021, p. 25

Interpretations

On a vertical income statement, the sales or revenues figure are assumed to be 100%, and all other components are expressed as a percentage of sales. By dividing Reckitt Benckiser (Bangladesh) P’C’s sales or revenue by each account’s respective total, the Vertical Income Statement provides a percentage for each line item. From the vertical income statement analysis, we can see the company had rapid growth in terms of sales and profits through the year 2018- 2021. The increase in profit is very significant, and in the year 2021, Reckitt earned the maximum profit.

Table 4
Horizontal balance sheet of Reckitt Benckiser Bangladesh plc (31 December 2021)

	2018	2019	2020	2021
Assets				
Property plant and equipment	123.76%	152.45%	164.05%	170.96%
Right of use assets (ROU)	100.00%	-40.64%	173.43%	139.91%
Deferred tax assets	85.79%	71.31%	162.43%	61.48%
Non-current assets	121.85%	148.37%	214.32%	209.63%
inventories	109.61%	164.21%	226.27%	212.88%
Trade and other receivables	65.06%	33.66%	19.55%	52.90%
Advance deposits and payments	71.96%	39.93%	81.17%	68.78%
Cash and cash equivalents	132.97%	187.77%	250.46%	228.06%
Current assets	116.68%	157.09%	209.98%	196.36%
Total assets	117.86%	155.09%	210.97%	199.40%
Equity				
Share capital	100.00%	100.00%	100.00%	100.00%
Retained earnings	131.96%	244.37%	296.52%	351.24%
Total equity	126.99%	2021.91%	265.95%	312.15%
Liabilities				
Employee benefits	108.54%	157.57%	195.12%	80.18%
Lease liabilities		100.00%	1171.90%	1205.06%
Non- current liabilities	108.54%	172.08%	365.15%	255.03%
Trade and other payables	113.99%	129.64%	176.03%	159.58%
Employee benefits	102.73%	253.01%	859.56%	758.47%

Lease liabilities		100.00%	112.26%	62.17%
Current tax liabilities	146.52%	201.82%	246.26%	209.96%
Unclaimed dividend	73.71%	9.58%	94.11%	32.40%
Current liabilities	116.16%	136.08%	184.59%	165.25%
Total liabilities	115.61%	138.65%	197.44%	171.64%
Total equity and liabilities	117.86%	155.09%	210.97%	199.40%

Source: Reckitt Benckiser Annual report 2021, p. 23

Interpretation

We can revise a company's financial statements of multiple years using horizontal analysis, and the percentage growth of a company over the year is shown here. A company's development and financial standing can be compared to those of rivals through a horizontal analysis. Horizontal analysis also susceptible to manipulation since it allows for the selection of periods of bad performance from the past to be used as a comparator, so making the current time look better.

The table shows there is clearly a growth in companies profit net assets and equity which indicated the company is expanding its market and the total number of their business over the last 4 years.

Table 5

Horizontal income statement of Reckitt Benckiser Bangladesh plc (31 December 2021)

	2018	2019	2020	2021
Revenue	97.06%	112.44%	145.35%	134.67%
Cost of sales	102.39%	109.54%	13%5.17	130.92%
Gross profit	92.40%	114.99%	154.29%	137.97%
Other income	100.00%	25.51%	14.61%	64.68%
Operation expense	91.75%	98.19%	138.64%	110.82%
Impairment loss reversal on trade receivables	100.00%	78.82%	16.10%	-6.78%
Operation Profit	94.82%	157.15%	193.42%	206.12%
Finance income	205.39%	445.19%	581.43%	139.01%
Finance costs		100.00%	511.62%	515.60%
Profit before contribution to WPPF	96.84%	162.04%	198.57%	202.93%
Contribution to WPPA	96.84%	162.04%	198.57%	202.93%
Profit before tax	96.84%	162.04%	198.57%	202.93%
Income tax expense	119.82%	160.88%	209.49%	181.32%
Profit for the year	87.08%	162.54%	193.93%	212.11%
Other comprehensive income	0.00%	0.00%	0.00%	0.00%
Remeasurement of defined benefit liability	132.41%	4.60%	296.78%	124.43%
Related tax	100.00%	3.48%	224.14%	84.58%
Other comprehensive income/loss for the year, Net of tax	99.31%	3.45%	222.59%	96.44%
Total comprehensive income for the year	86.87%	165.31%	193.44%	214.12%
EPS	87.09%	162.54%	193.95%	212.12%

Source: Reckitt Benckiser Annual report 2021, p. 24

Interpretation

By comparing precise financial data from one accounting period with that of other periods, horizontal analysis provides insight into financial statements. Time series analysis is a type of horizontal analysis that looks at data trends and shifts through time. The horizontal comparison of enterprises enables the identification of growth trends, cyclicity, etc. Reckitt A horizontal examination reveals that, except for 2018, Reckitt's revenue, gross profit, and EBIT were flat. The above table represents the total income condition from the years 2018–2021 and it is obvious that the company is doing quite well over the last 4 years and the net profit and earnings per share have increased by almost 200%.

3.5 Ratio analysis

Liquidity Ratios

To gauge whether a debtor can satisfy their present debt responsibilities without resorting to additional borrowing, financial indicators known as "liquidity ratios" are used. Indicators like the current ratio, quick ratio, and operating cash flow ratio are used to determine a company's liquidity and thus its safety margin. The purpose of calculating financial ratios is to assess how well a company can satisfy its immediate cash obligations. These ratios try to ascertain whether a company can avoid financial difficulties soon. The Current Ratio and the Quick Ratio are the two most crucial measures of liquidity (Besley & Brigham, 2007).

Ratio	2017	2018	2019	2020	2021
Liquidity Ratios					
Current Ratio	1.035	1.039	1.194	1.170	1.230
Quick Ratio	0.795	0.813	0.905	0.884	0.921

Table 6: List of Liquidity Ratios

Current Ratio

To determine the Current Ratio, Current Assets must be divided by Current Liabilities. One common measure of liquidity is the current ratio. It reveals whether the corporation has the current assets to meet its near-term debts. It is a helpful predictor of future cash flow since it evaluates a company's capacity to satisfy its short-term liabilities using its short-term resources. The timeliness of cash flows is not considered by the current ratio, which is its main flaw.

Reckitt's current assets in 2017 were 1.035 of current liabilities, and the rate in 2021 was 1.230%. This is their best current ratio for the years included in the analysis (2017–2021) in 2021, Reckitt's current ratio has improved from year 2017 to 2021. Even though the company is expanding, the company does not have sufficient liquid cash to fully fulfill its current debts.

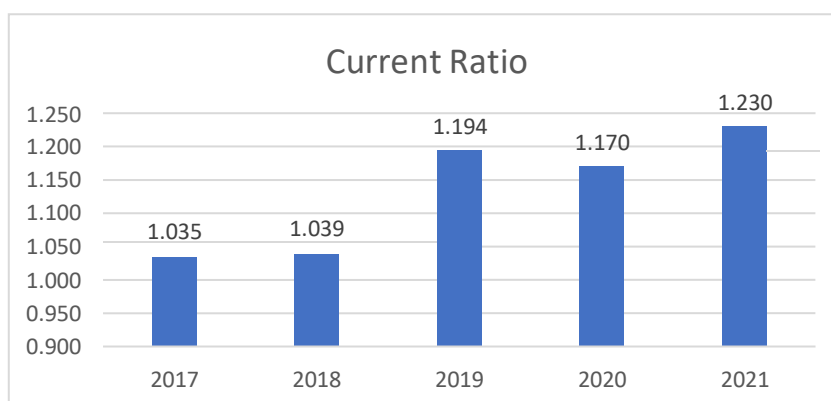


Figure 5 Current Ratio Analysis for the year 2017- 2021

Quick Ratio

The Quick Ratio takes into account the fact that many businesses have illiquid Inventories. If the company needed to sell these stocks quickly to fulfill an order, it may have problems doing so and would probably need to do so at a significant discount from the item's realistic market value (Besley & Brigham, 2007). A stricter measure of a company's ability to meet its short-term obligations without liquidating its assets. This is the "acid test" since it evaluates a corporation based solely on its largest liquid assets (cash and short-term investments, not inventories). A company's capacity to satisfy its short-term liabilities using its most available funds can be measured using a metric known as the quick ratio.

The quick ratio of Reckitt Benckiser has increased from 2017 to 2021, but it's important to remember that this isn't necessarily indicative of its financial health as a whole because large investments made in anticipation of future expansion or the sale of unused assets can have a dramatic impact on its liquidity very quickly. 2021 is their best year ever for current ratios. The Quick Ratio for Reckitt Benckiser (Bangladesh) Plc in 2021 was 0.921, meaning that Current Liabilities were covering Assets by that amount. During the years (2017-2021), this was their highest. This ratio. In 2017, the percentage was lower than typical for the industry which was only 0.795.

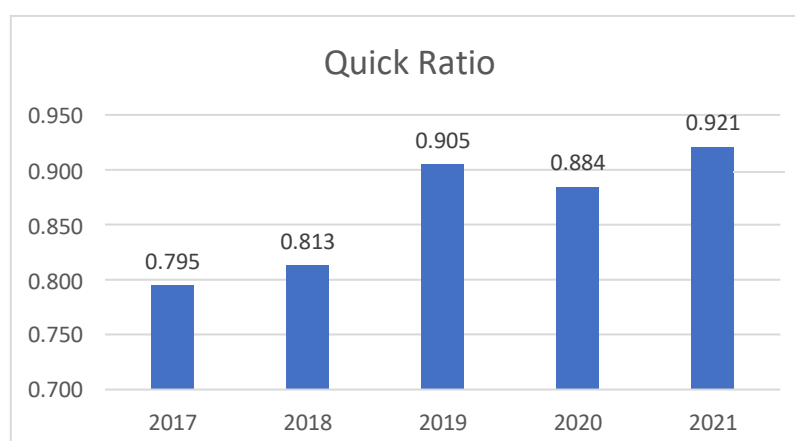


Figure 6 Quick Ratio Analysis for the year 2017- 2021

Asset Management Ratios

The purpose of asset management ratios is to evaluate the effectiveness of a company's management of its assets in closing deals. These statistics can shed light on topics like the effectiveness of the company's credit strategy and stock administration, to name a couple. Activity or Turnover Ratios are another name for these measurements (Besley & Brigham, 2007).

Ratio	2017	2018	2019	2020	2021
Asset Management Ratios					
Inventory Turnover	13.357	11.828	9.146	8.581	8.450
Total Assets Turnover	2.386	1.965	1.730	1.633	1.612
Fixed Assets Turnover	10.984	8.614	8.101	7.074	8.652
Day's Sales Outstanding	12.797	8.577	3.831	1.721	5.027

Table 7 List of Asset Management Ratios

Inventory Turnover Ratio:

Inventory turnover is a financial ratio that measures how frequently a business must get new stock to keep up with sales. This is indicative of effective manufacturing and supply chain management. When the ratio is high, goods are moving swiftly and there is little slack stock or inventory shortage

It's a sign of stockpiling, obsolescence, or sales problems if the ratio is lower than the average. So far in 2021, Reckitt Benckiser (Bangladesh) Plc has turned over their inventory 9.146 times. The company's inventory turnover ratio in 2017 was an impressive 13.357. In 2021, the ratio was higher than typical for the industry.

Stock turnover at Reckitt has slowed from 2017 to 2021, and a low inventory turnover ratio is an indicator of insufficient liquidity, overstocking, and maybe obsolescence, as well as poor sales performance or surplus inventory.

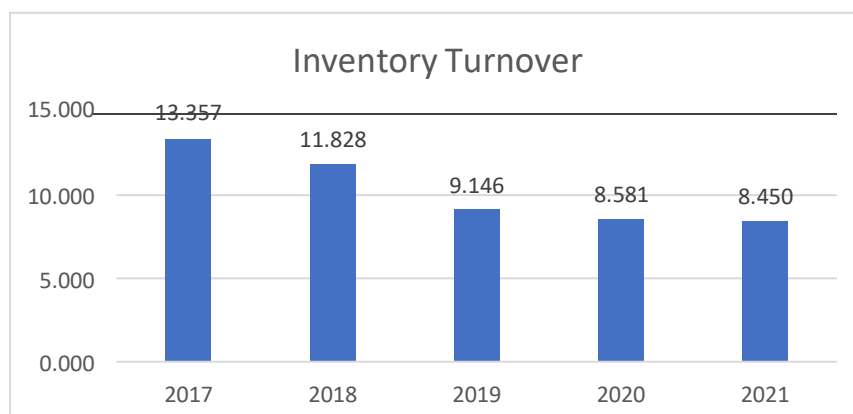


Figure 7 Inventory turnover Ratio Analysis for the year 2017- 2021

Total Assets Turnover

With the assets turnover a company can easily measure how much revenue they generate by selling their products and their productivity of their total investments. The formula for this ratio is sales divided by total assets.

The ratio of a company's entire assets being turned over for new business includes all forms of income, such as invoices, cash payments, and other sales. The total asset turnover ratio is a measure of the value of sales to consumers over a given period, often one year. How well a company turns its assets into hard dollars. If the ratio goes up, that means the company is getting more use out of its resources.

Each taka in total assets at Reckitt Benckiser (Bangladesh) Plc resulted in 1.612 in sales for the company in 2021. With a total assets turnover ratio of 2.386 in 2017. Decline in Assets turnover indicates the company is inventing more and earning revenue less than the previous years. So, it is to say in spite of generating higher profit compared to the previous years the assets turnover rate of Reckitt is falling.

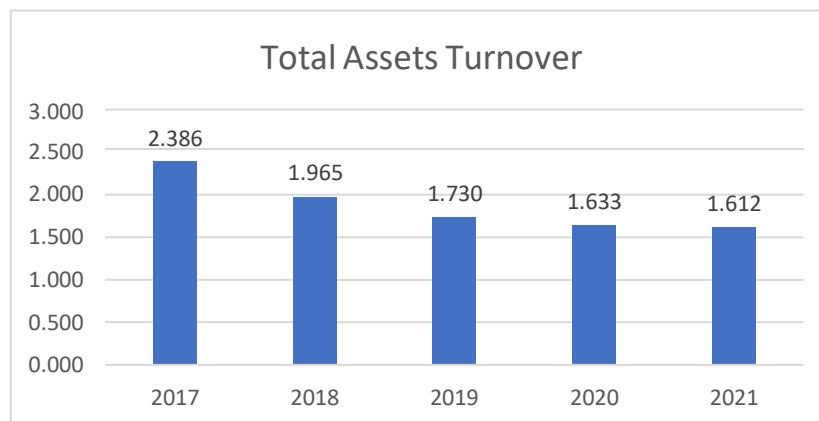


Figure 8 Total Asset Turnover Ratio Analysis for the year 2017- 2021

Fixed Assets Turnover

How effectively a business turns its fixed assets into revenue is measured by the fixed asset turnover ratio. If the ratio is high, then means the company is making good use of its fixed assets.

There isn't an ideal number or range that can tell you how well a company has been successful at earning revenue from capital investment, although a higher turnover ratio is indicative of more efficiency in this regard. Because of this, it is essential for analysts and shareholders to compare the most up-to-date ratios of a firm to both its own

historical proportions and the ratio values of its industry peers and perhaps the average ratios for the company's industry.

A high FAT ratio provides little insight into whether a company can sustainably turn a profit or create positive cash flow. Reckitt Benckiser (Bangladesh) Plc saw an increase in revenue of 8.652 taka for every taka invested in fixed assets in 2021. The turnover of the firm's fixed assets was very high in 2017, at 10.984 times In 2019.

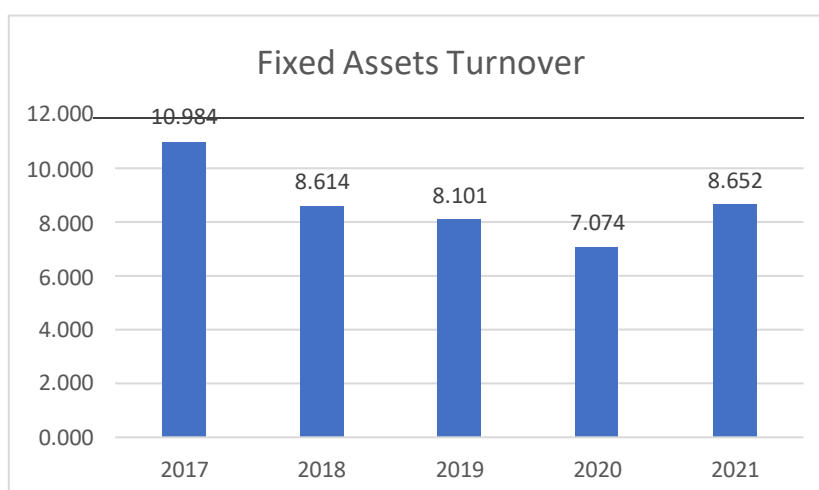


Figure 9 Fixed Assets Turnover Ratio Analysis for the year 2017- 2021

Day's Sales Outstanding

Day's sales outstanding is a statistic that indicates how long it typically takes a business to collect payments when the sale has been completed. Day sales outstanding that are on the lower end of the spectrum indicate that it takes less time for the company to recover money owed to it from customers. If a company's Day sales outstanding is high, it means it is selling products on credit and is taking too long to get paid by those clients.

The average number of days it took Reckitt Benckiser (Bangladesh)Plc to collect payments from consumers in 2017 was 12.797. In 2019, the Reckitt's DSO falls short. In 2021, the ratio got higher to 5.027.

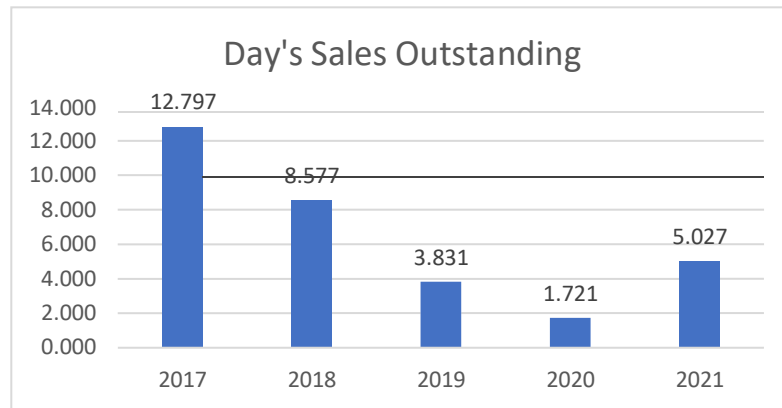


Figure 10 Days Sales Outstanding Ratio Analysis for the year 2017- 2021

Debt Management Ratios

Ratio	2017	2018	2019	2020	2021
Debt Management Ratios					
Debt to Asset Ratio	0.802	0.787	0.717	0.753	0.691

Table no 8 Debt Management Ratios

Debt to Asset Ratio

The debt ratio measures how much of an organization's assets are financed by debts of various kinds. It's a representation of how a company's finances are set up. When a company's debt ratio increases, it exposes itself to greater financial risk. During the last five years, the debt-to-income ratio has been relatively steady, yet the debt-to-income ratio decreased by by 0.111 percentage points over the five years as the percentage decreasing over in the last five years, which is a very positive sight the business.

For Reckitt Benckiser (Bangladesh)Plc,2017 sees a greater debt ratio of 0.802 percent compared to 2021's 0.691 percent. According to this, debt is financing only 0.691 percent of the asset debt accounted for total assets. Debt as a percentage of total value has been going down lately which is good for the company.

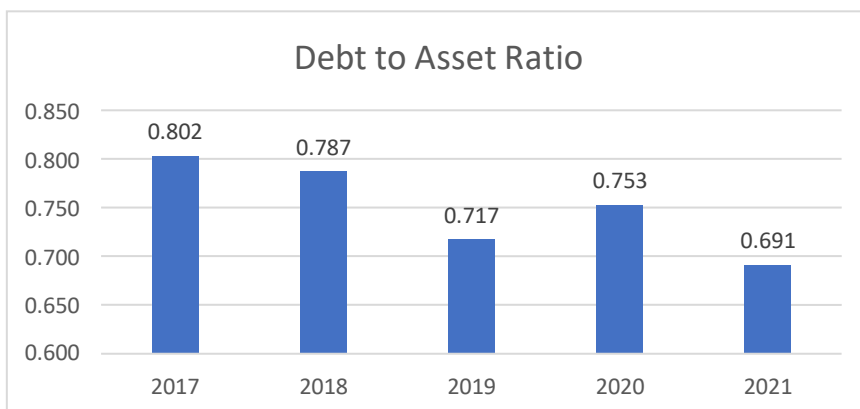


Figure 11 Debt to asset Ratio Analysis for the year 2017- 2021

Profitability Ratios

Ratio	2017	2018	2019	2020	2021
Profitability Ratios					
Gross Profit Margin	53%	51%	54%	57%	55%
Operating Profit Margin	15%	15%	21%	20%	23%
Net Profit Margin	10%	9%	15%	14%	16%
Return on Assets (ROA)	24%	18%	26%	22%	26%
Return on Equity (ROE)	123%	84%	92%	90%	85%
Return on Investment (ROI)	22%	19%	33%	31%	36%

Table no 9 list of Profitability Ratios

Gross Profit Margin

The gross profit margin shows how much money was made before any costs were deducted. The bigger the margin, the more efficient the company's management is in turning a profit. The gross profit margin can be calculated by contrasting the entire revenue with the direct expenses of the period. It decreased dramatically between 2017 and 2018, but then increased slightly between 2019 and 2021 as selling expenses rose.

Time series analysis shows that Reckitt's rising gross profit is due to rising sales: for every BDT 100 in revenue, the company earned BDT 55 in 2021. There is fluctuation in their earnings ratios throughout the year. The gross profit margin for Reckitt Benckiser (Bangladesh) PLC in 2017 was 53 taka for every 100 taka in sales. The 2020 ratio was higher which 57 taka which again fell in 2021 was.

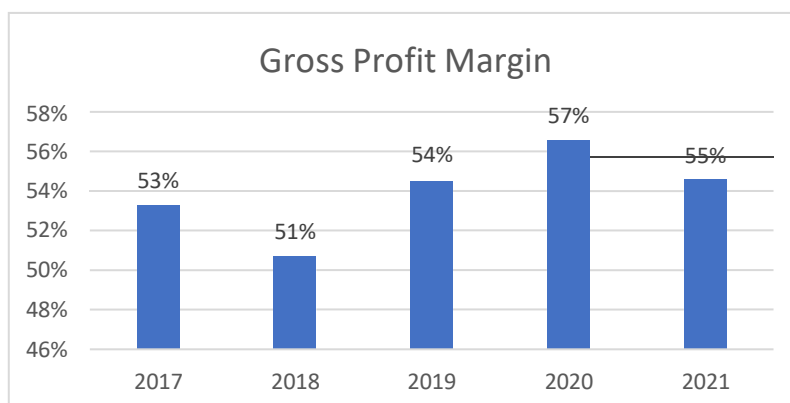


Figure 12 gross profit margin Analysis for the year 2017- 2021

Operating Profit Margin

Profitability and efficiency in the business's core operations is measured by the operating margin. It is calculated as a percentage of sales after variable costs have been deducted but before fixed costs like interest and taxes are deducted (EBIT). In general, higher profit margins are preferred over lower ones, and direct comparisons across businesses in the same industry can be made if the margins are otherwise comparable. We can determine our operating margin by dividing the operating income (profits) by total revenue (revenues). For Every 100 taka in revenue in 2021 resulted in 23 taka in operational profit for Reckitt Benckiser (Bangladesh) Plc. This represents the highest operating profit margin they've seen during the years of 2017 and 2021.

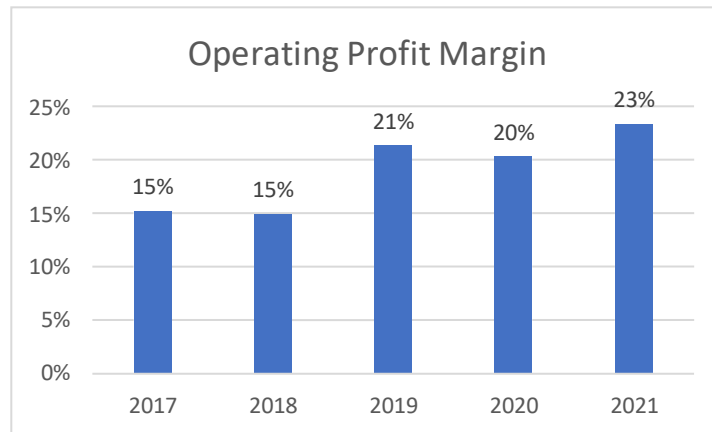


Figure 13 Operating profit margin Analysis for the year 2017- 2021

Net Profit Margin

Measured as a proportion of revenue, net profit margin reveals how much money is made after all expenses have been deducted. It measures how profitable a company or business unit is relative to its total sales. This ratio can be used to gauge a company's profitability. It reveals the percentage of gross sales or revenues that an organization retains as profit.

A large net profit margin is indicative of a company's ability to either keep expenses low or charge high prices for its products and services. Therefore, the following can contribute to a high ratio: Efficiency in administration. Every 100 taka in sales in 2021 resulted in a net profit of 16 taka for Reckitt Benckiser (Bangladesh) Plc. They had their highest net profit margin ever between 2017 and 2021.

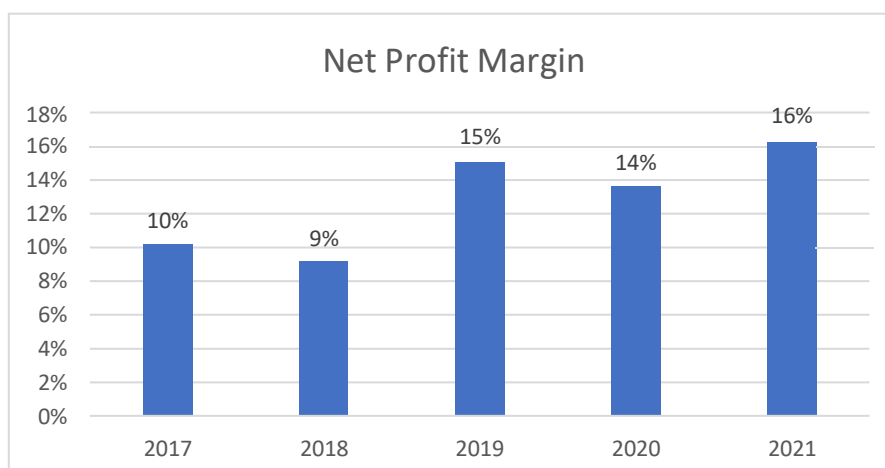


Figure 14 Net profit margin Analysis for the year 2017- 2021

Return on Assets (ROA)

This Return On asset reveals how efficiently a company has made use of its resources. Profitability is measured by return on assets (ROA), where a higher percentage indicates greater efficiency in turning assets into cash flow. Measured by subtracting operating expenses from total assets, we get the return on assets (ROA). Every 100 taka in Reckitt's assets resulted in 26 taka in net profit in 2021. In year 2019 and 2021 they had the highest ROI they'd seen from 2017-2021. As their ROA is increasing, it means the company has made good investments, is spending accordingly, and is in danger.

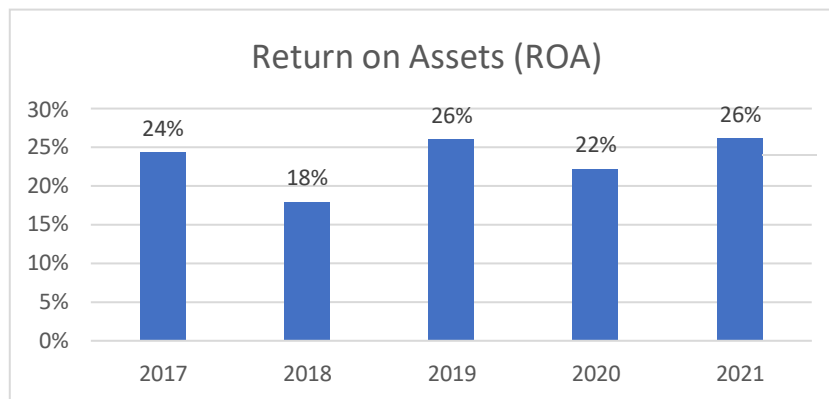


Figure 15 Return on Assets Analysis for the year 2017- 2021

Return on Equity (ROE)

Return on equity quantifies the financial benefit to stockholders from an organization's operations. The greater the proportion, the greater the investors' gains. The common stockholders of Reckitt received 85 taka in profit this year. The return on equity fell in 2018, from 123 in 2017 but it's expected to rise steadily. In 2019, the ratio was higher than last two years now we can observe that Reckitt's efficiency has decreased from 2017- 2021 by comparing their Return on Equity (ROE) to that of other companies. However, it is lower in 2021 than it was in 2017.

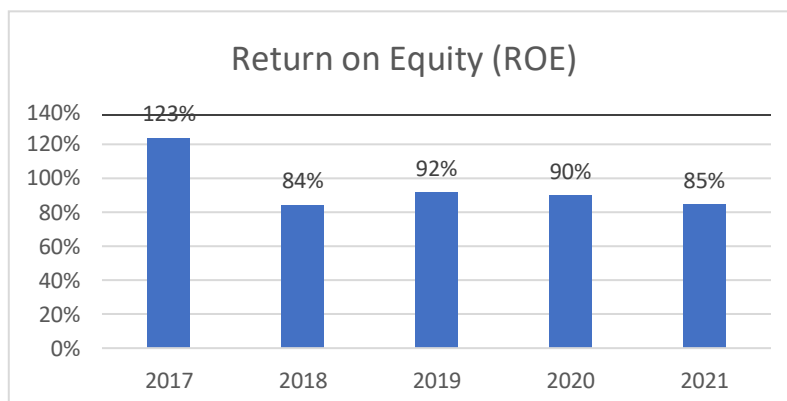


Figure 16 Return on Equity Analysis for the year 2017- 2021

Return on Investment (ROI)

One of the most common ways to measure an investment's success is through its return on investment (ROI). The return on investment (ROI) is a monetary measure of how much money was made back from an initial investment. Comparing and ranking investments across projects or assets is made much simpler with the help of return-on-investment calculations.

For every 100-taka invested in Reckitt in 2021, the company made 36 taka in profit. From 2017-2021, this was their highest ROI. In 2021.

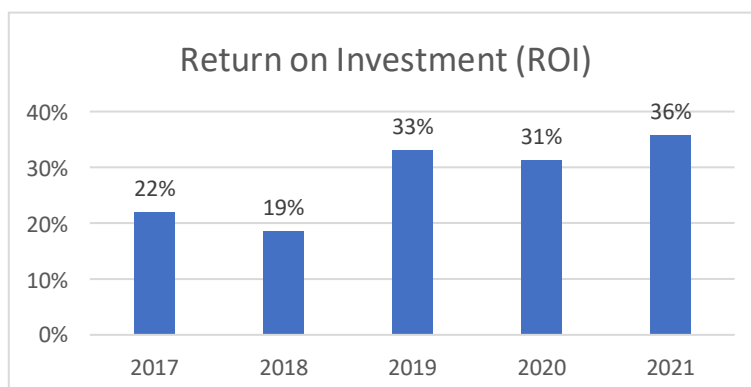


Figure 17 Return on Investment Analysis for the year 2017- 2021

Stock Market Ratios

	2017	2018	2019	2020	2021
Stock Market Ratios					
Earnings Per Share (EPS)	79.255	68.847	131.013	153.308	169.701
Price-Earning (P/E) Ratio	18.99	26.16	16.64	25.58	33.502

Table 10 List of Stock Market Ratios

Earnings per Share (EPS)

EPS measures how much of a company's profit will be distributed to shareholders. The price of a company's stock can be roughly calculated from its EPS. Investor confidence is boosted when earnings per share (EPS) are high, which is good news for stockholders. Due to a loss in 2017 and 2018 Reckitt's earnings per share (EPS) were lower (BDT 79.255 and 68.847) compared to they are now in. However, they have made a tremendous recovery, and their EPS in 2021 was BDT 2169.701. Earnings per share for common shareholders of Reckitt Benckiser (Bangladesh) Plc were 131.013 taka in 2019. This was the company's best EPS in the period 2016-2019. In 2021, earnings per share were higher than previous years.

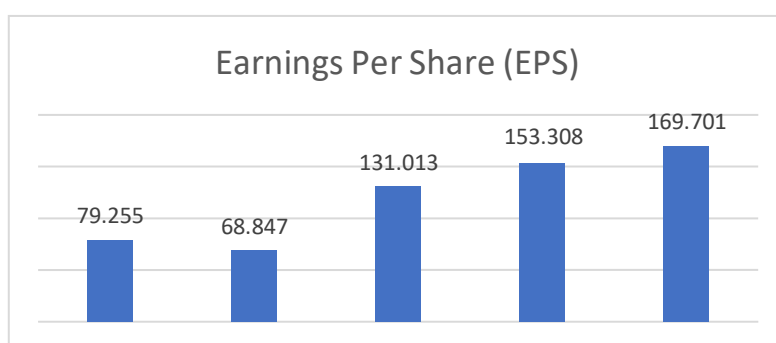


Figure 18 Earnings per Share Analysis for the year 2017- 2021

Price-Earning (P/E) Ratio

The P/E Ratio measures how expensive a company's stock is in comparison to its earnings per share (EPS). Growth stocks tend to be associated with companies that have a high Price Earnings Ratio. As a result, investors are more optimistic about the company's long-term prospects and ready to pay a premium for the stock. If their stock prices are low compared to their underlying value, then they are undervalued.

Reckitt's reported earnings in 2021 were 33.502 taka per share, thus investors expected a return of 1 taka. Price-to-earnings ratio for the company is Highest in 2021 compared with the last 5 years.

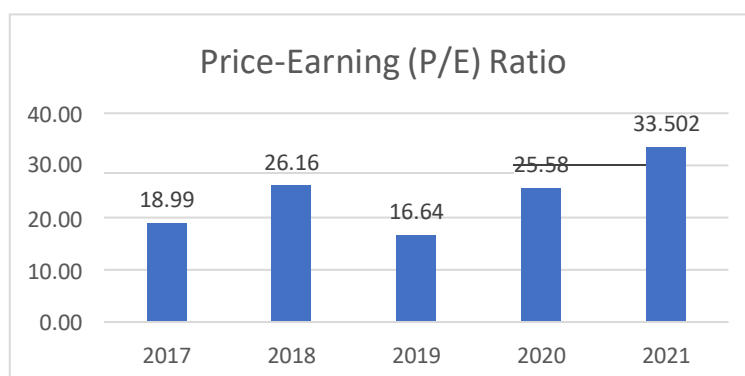


Figure 19 Price Earnings Ratio Analysis for the year 2017- 2021

Chapter 4:

Summary, Recommendation, and conclusion

4.1 Summary

Reckitt Benckiser (Bangladesh) PLC is a well-known multinational corporation in the country. Customers come first in this business. The company's growth has resulted in the introduction of several brands and products that all work to improve society. The corporation values its workers just as much as it does its consumers. The corporation cares about its workers and offers them several perks as a result. The firm's well-defined organizational structure has helped it expand successfully. The company's mission is to safeguard, heal, and nourish people and the environment so that everyone may enjoy a safer and more wholesome environment. When it comes to this goal, the company's Hygiene, Health, and Nutrition divisions all show no fear in terms of innovation.

In terms of money, the firm has been doing fantastically. Over the past Five years, the firm's revenues, gross profits, operating profits, and net profits have all increased by an average of 212%. The company's total assets grew by an average of 199% and its total equity by an average of 312% throughout the period of analysis, while its total liabilities grew by an average of 171%. (2017 – 2021).

The company's profitability ratio is above average in the business world. The company has confirmed a gross profit margin of 55%, an operational profit margin of 23%, a net profit margin of 16%, a return-on-investment margin of 26%, a return on equity margin of 85%, and a return on investment of 36%. The company's asset management ratio is higher than the average in its field.

4.2 Findings and recommendations

We have every reason to be proud of Reckitt, as it is one of the most successful businesses in this FMCG industry in Bangladesh, and as it is striving mightily to meet the needs of millions of people. Reckitt Benckiser, however, has its own set of defaults that must be addressed in the same way they must be in any other system. By analyzing Reckitt.'s financial ratios, I was able to come up with suggestions like:

4. Since of Reckitt Benckiser (Bangladesh) Plc is a growing group, it needs invest in more feasible businesses in order to alleviate its debt concerns.
5. The lower of Reckitt Benckiser (Bangladesh) Plc Days Payable Outstanding (DPO) is, the better the company's relationship will be with its creditors, such as its suppliers, who provide the company with the high-quality raw materials it needs to remain competitive.
6. Although Reckitt is doing business here from long period of time, not all their products are making it to their clients. There are a lot of people out there who aren't aware that products even exist. That being the case, they need to increase the number of trained professionals responsible for dispersing the goods around the country.
7. Although Reckitt is in a financially stable position at present, it would be wise for the company to keep a close eye on its debt management to reduce any potential dangers to its future success.
8. A higher return on investment (ROI) and net profit margin can be achieved by keeping an eye on how assets are managed.
9. Sales on credit should be restricted so that Days Sales Outstanding can be reduced. They need to speed up the conversion of sales into cash by reducing the number of days sales are outstanding (DSO).
10. Reckitt is in good financial standing; the company should increase its working capital investments in new business to increase its financial liquidity.
11. By keeping a closer eye on expenses, the business can perhaps boost its gross profit margins.
12. The corporation can enhance its Liquidity Ratios and Stock Market Ratios.
13. To reduce the burden on the current staff, the company can increase its workforce.
14. There are a lot of mundane jobs being done by hand that might be simply automated with some custom software development. The business should put more effort into automating these currently laborious processes.

4.3 Conclusion

In Bangladesh, Reckitt Benckiser Plc enjoys an excellent reputation as a business. The company's financial operations are running without a hitch. They've been able to keep going because they've done a fantastic job of keeping track of and investing in the company's assets.

To learn about a company and its stock's performance, financial analysis is essential. Reckitt has been found to be financially sound across the board. There is great potential for Reckitt to grow its operations and increase its positive impact on Bangladesh's economy.

Despite some of its some flaws Reckitt Benckiser (Bangladesh) Plc is providing a service that no other FMCG industry in Bangladesh can match. Reckitt's forward-thinking management will help mitigate these innovations' inherent dangers while also bolstering the areas of most need, paving the way for the company to not only gain the loyalty of domestic consumers but also expand its operations internationally.

4.4 Reference and Appendix

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4.5 Appendix

Calculation of Ratio Analysis.

Ratio	2017	2018	2019	2020	2021
Liquidity Ratios					
Current Ratio	1185857331/1 146129599	1383618800/13 31308486	1862813796/15 59699681	2512190047/2 137776295	2328543980/1 894017067
Quick Ratio	(1185857331- 274725678)/11 46129599	(1383618800- 301129697)/13 31308486	(1862813796- 451118392)/15 59699681	(2512190047 -621618191)/ 2137776295	(2328543980 -584823587) 1894017067
Asset Management Ratios					
Inventory Turnover	3669620066/2 74725678	3561898791/30 1129697	4126150222/45 1118392	5333883576/6 21618191	4942046045/5 84823587
Total Assets Turnover	3669620066/1 537664541	3561898791/18 12306673	4126150222/23 84783624	5333883576/3 266160536	4942046045/3 066040010
Fixed Assets Turnover	3669620066/3 34101173	3561898791/41 3497375	4126150222/50 9344345	5333883576/7 53979489	4942046045/5 71184280
Day's Sales Outstanding	130441911/(36 69620066/360)	84863618/(356 1898791/360)	43905926/(412 6150222/360)	25500945/(53 33883576/360)	69006591/(49 42046045/360)
Debt Management Ratios					
Debt to Asset Ratio	1233949599/1 537664541	1426628486/18 12306673	1710819180/23 84783624	2458449688/3 266160536	2117983897/3 066040010

Profitability Ratios						
Gross Profit Margin	1954926485/3669620066	1806260767/3561898791	2247946783/4126150222	3016175839/5333883576	2697182732/4942000000	
Operating Profit Margin	559516141/3669620066	530517876/3561898791	879300441/4126150222	1082205263/5333883576	1153250912/4942046045	
Net Profit Margin	374480277/3669620066	325300745/3561898791	619036257/4126150222	724380404/5333883576	801836265/4942040000	
Return on Assets (ROA)	374480277/1537664541	325300745/1812306673	619036257/2384783624	724380404 / 3266160536	801836265 / 3066040010	
Return on Equity (ROE)	374480277/303714942	325300745/385678187	619036257/673964444	724380404/807719848	801836265 / 948056113	
Return on Investment (ROI)	374480277/1714693581	325300745/1755638024	619036257/1878203439	724380404 / 2317707737	801836265 / 2244863313	
Stock Market Ratios						
Earnings Per Share (EPS)	374480277/4725000	325300745/4725000	619036257/4725000	724380404 / 4725000	801836265 / 4725000	
Price-Earning (P/E) Ratio	1505.1/79.255	1801.3/68.847	2179.79/131.013	3999.9/156.38	5729.9/171.03	

Table 11 Calculation of ratio Analysis