

CREDIT RATING REPORT AYON OPTICAL



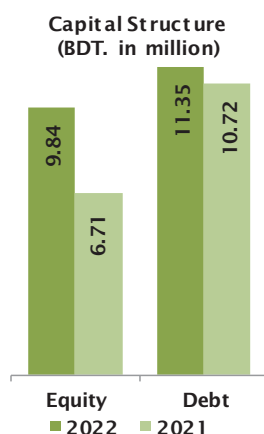
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Key Snapshot:

| BDT. in million | | |
|-----------------------|-------|-------|
| Particulars | 2022 | 2021 |
| Revenue | 27.26 | 23.70 |
| EBIT | 3.93 | 2.94 |
| Net Profit | 3.48 | 2.56 |
| Total Assets | 21.19 | 17.43 |
| Total Equity | 9.84 | 6.71 |
| Total debt | 11.35 | 10.72 |
| Net Profit Margin (%) | 12.8% | 10.8% |
| CCC (Days) | 212 | 205 |
| ICR (X) | 15.16 | 12.13 |



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 11 October 2022 | 10 October 2023 |

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Ayon Optical (hereinafter referred as "AO" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good mortgage security coverage against loan
- Good interest coverage position
- Have insurance coverage

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Medium disclosure of financial statements
- Having overdue including interest
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AO will be able to maintain its good fundamentals in the foreseeable future.