

INITIAL CREDIT RATING REPORT ABDULLAH ENTERPRISE



Ref. no.: FR/2022/28379

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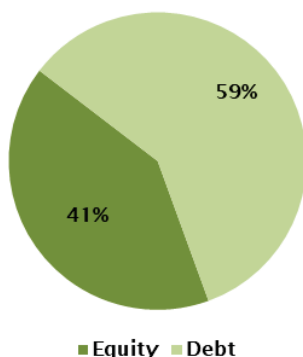
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Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	35.20	35.00
EBIT	2.90	2.70
Net Profit	1.10	1.01
Total Assets	28.94	29.77
Total Equity	11.86	13.07
Total debt	17.09	16.70
Net Profit Margin (%)	3.1%	2.9%
CCC (Days)	224	229
ICR (X)	1.61	1.59

Capital Structure
(BDT. in million)



Analysts:

Moni Khondoker
moni@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	27 December 2022	26 December 2023

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 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 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Abdullah Enterprise (hereinafter referred as "AE" 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 business network
- Maintained sound business relation with supplier & buyer
- Sales revenue was in increased trend

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
- Low interest coverage ratio
- Poor banking relationship
- Loan reschedule history
- Rating may downgrade in future if banking repayment behavior doesn't improve

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

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