

6th SURVEILLANCE CREDIT RATING REPORT POPULAR SPECIALIZED HOSPITAL LIMITED



Ref. no.: FR/2023/029264

Report Contents:

| Particulars | Page |
|--------------------------------------|------|
| Rating Rationale | 01 |
| Corporate Profile | 02 |
| Group Profile | 02 |
| Management Evaluation | 03 |
| Analysis of Industry Dynamics | 03 |
| Business Analysis | 05 |
| Financial Strength Analysis | 06 |
| Credibility and Banking Relationship | 08 |
| Risk Factor Analysis | 08 |
| Rating Observation | 08 |

| Entity Rating | Long Term | Short Term | Outlook | Date of Declaration | Date of Expiration |
|---------------|-----------|------------|---------|---------------------|--------------------|
| | BBB2 | ST-3 | Stable | 16 January 2023 | 15 January 2024 |

| Bank Name | Mode of Investment | Limit Amount | Outstanding as on 05.12.2022 | Bank Loan Rating |
|---------------------|--------------------|--------------|------------------------------|------------------|
| Jamuna Bank Limited | SOD (G) | 350.00 | 329.99 | blr ST-3 |

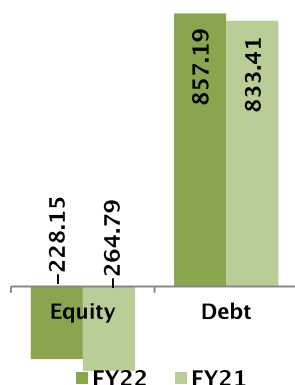
Financial Based on- Audited Financial Statements up to 30 June 2022.

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

Key Snapshot:

| Particulars | FY22 | FY21 |
|-----------------------|---------|---------|
| Revenue | 1036.15 | 882.40 |
| Net Profit | 36.65 | 7.08 |
| Total Asset | 629.04 | 568.62 |
| Total Equity | -228.15 | -264.79 |
| Total Debt | 857.19 | 833.41 |
| Net Profit Margin (%) | 3.54 | 0.80 |
| Current Ratio (X) | 0.15 | 0.12 |
| Debt/Equity (X) | -3.76 | -3.15 |
| ICR (X) | 1.63 | 1.18 |

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed **BBB2** (pronounced as Triple B Two) rating for the Long Term and **ST-3** (pronounced as Short Term Three) rating for Short Term to **Popular Specialized Hospital Limited** (hereinafter referred as "PSHL" or "The Company" or "The Hospital") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed **blr ST-3** (Pronounced as Bank Loan Rating Short Term Three) rating to the short term limit. The above ratings have been assigned based on the fundamentals of the company which include financial and operational flexibility arising from "**Popular Group**", experience of promoter in healthcare and pharmaceuticals industries, strong brand image "**Popular**", large pool of professionals, significantly increased sales revenue, increasing profitability ratios, most transactions are in cash and satisfactory banking relationship. However, the above factors are constrained to operational bottleneck due to tight liquidity position i.e. low current and quick ratio, highly levered capital structure, low Coverage position and moderated disclosure of the financial statements.

The long term rating implies that the company has subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

WCRCL also viewed the company with "Stable" outlook and believes that Popular Specialized Hospital Limited will be able to maintain its good fundamentals in the foreseeable future.

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