

# 10<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT MCDONALD BANGLADESH (PVT.) LIMITED



Ref. no.: FR/2023/031913

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A2	ST-3	Stable	12 June 2023	14 March 2024

Tk. in Million

Name of the Bank	Mode of Investment	Amount Sanctioned	Amount Outstanding	Bank Loan Rating
Dhaka Bank Limited (01.06.2023)	L/C Stimulus	800.00	133.59	blr ST-3

\*blr: Bank Loan Rating

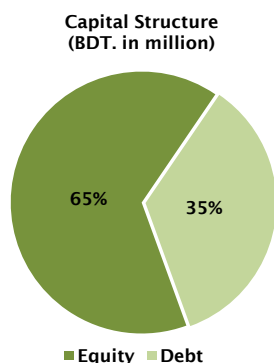
Financial Based on-Unaudited financial statements up to 30 June 2022.

Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## Key Snapshot:

Tk. in million

Particulars	FY22
Revenue	1,474.57
EBIT	66.69
Net Profit	45.31
Total Assets	1,200.77
Total Equity	429.42
Debt	771.35
Net Profit Margin (%)	3.1%
CCC (Days)	138
ICR (X)	34.00



## RATING RATIONALE

WCRCL has upgraded 'A2' (pronounced as Single A Two) rating for the Long Term and reaffirmed 'ST-3' (pronounced as Short Term Three) rating for Short Term to McDonald Bangladesh (Pvt.) Limited (hereinafter referred to as 'MBL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance. WCRCL has also upgraded 'blr A2' (Pronounced as Bank Loan Rating Single A Two) rating for long term loan outstanding and 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term loan limit. The above ratings have been assigned based on the fundamentals of the company which include financial flexibility arises from McDonald Group, positive business trend, optimal number of depot offices to support the distribution procedures, good relationship with the distributors, good infrastructure arrangement, have insurance coverage i.e. low operational risk, and good position in Interest Coverage Ratio. However, the above factors are constrained to operational bottleneck due to stocks left in the inventory for much longer time, levered capital structure, long cash conversion cycle, and moderate quality of financial statements.

The long term rating implies that the company is subject to upper medium grade and subject to low credit risk. 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.

## Analysts:

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