

INITIAL CREDIT RATING REPORT ACCORD HOLDINGS LIMITED



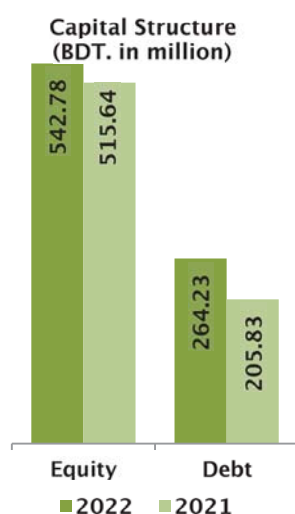
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	385.76	364.09
EBIT	37.16	41.15
Net Profit	27.14	33.61
Total Assets	807.01	721.47
Total Equity	542.78	515.64
Total debt	264.23	205.83
Net Profit Margin (%)	7.0%	9.2%
CCC (Days)	632	612
FFO (In Million)	27.14	33.61



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	25 September 2024

Financial Based on—audited financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has assigned ‘**WCRSME3**’ (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Accord Holdings Limited** (hereinafter referred as “AHL” or “The Company”) 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 company which includes:

- Experienced directors and proactive management
- Equity based capital structure
- Good business and financial performance
- Average liquidity
- Good franchise value
- Satisfactory banking relationship
- Adequate security coverage against loan

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

- Poor disclosure of financial statements
- Apartment handover risk
- Utility supply risk
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Change in government policy

The rating implies that the enterprise has an above average credit quality.

WCRCL also viewed the company with “Stable” outlook and believes that AHL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.