

9th SURVEILLANCE CREDIT RATING REPORT McDONALD STEEL BUILDING PRODUCTS LIMITED



Ref. no.: FR/2023/033225

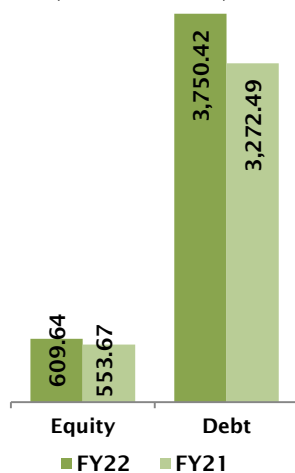
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Key Snapshot:

Particulars	Tk. in million	
	FY22	FY21
Revenue	1,240.5	1,219.07
EBIT	281.85	233.10
Net Profit	55.97	52.36
Total Assets	4,360.0	3,826.16
Total Equity	609.64	553.67
Debt	3,750.4	3,272.49
Net Profit Margin (%)	4.5%	4.3%
CCC (Days)	101	156
ICR (X)	1.38	1.51

Capital Structure (BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A	ST 3	Stable	30 August 2023	29 June 2024

Name of the Bank	Mode of Investment/Account	Tk. in million	
		Amount Sanctioned	Outstanding Amount
Southeast bank limited	Term	923.44	736.77
	OD	120.00	0.36
	Time Loan	120.00	19.58
	BG	100.00	83.73
	Cor- Work order	1,766.95	326.37
United Commercial Bank PLC (27.06.2023)	Time Loan (General)	613.51	454.47
	LC Cash	32.06	32.06
	BG	1304.82	174.69
	Acceptance	13.39	13.39
	LC	7.55	7.55
Dhaka Bank Limited (21.08.2023)	Term Loan (con.)	237.75	237.75
	Term Loan (Local Mach.)	50.39	50.39
	Term Loan (mach.)	208.05	208.05
	LC	53.41	53.41
	OD	226.33	226.33
	TMLN-1	34.50	34.50
	TMLN-2	92.38	92.38
	Rev. LC	150.00	9.06
	Sub LTR	(138.75)	-
	Rev LC	(50.00)	-
	Rev Sub TL	(47.50)	-
	Sub Time Lon	(50.00)	-
	OD	50.00	50.49

*blr: Bank Loan Rating

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

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

RATING RATIONALE

WCRCL has upgraded 'A' (pronounced as Single A) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to McDonald Steel Building Products Limited (hereinafter referred to as 'MSBPL' 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 reaffirmed "blr ST 3" (pronounced as Bank Loan Rating Short Term Three) rating to the short term loan limit and blr A' (Pronounced as Bank Loan Rating Single A) rating for long term loan outstanding. The above ratings have been assigned based on the fundamentals of the company which include good market reputation, experienced and skilled Management, good infrastructural Arrangement, equipped with power backup, having own crane, sustainable growth rate, and moderate ICR position. However, the above factors are constrained to operational bottleneck due to high levered capital structure, irregular loan repayment history, liquidity in stress position, long CCC which directly impact on cash generation, dependency on imported raw materials, low net profit margin, and low value-to-loan ratio.

The long term rating implies that the entity is above average credit quality. The short term rating implies that average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that MSBPL 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.

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