

INITIAL CREDIT RATING REPORT SELIM ENTERPRISE



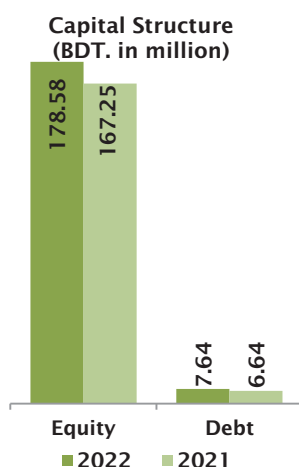
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	506.76	460.69
EBIT	48.71	41.74
Net Profit	47.83	40.86
Total Assets	186.22	173.90
Total Equity	178.58	167.25
Total debt	7.64	6.64
Net Profit Margin (%)	9.4%	8.9
CCC (Days)	74	78
ICR (X)	1,022.39	876.08



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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME2	Stable	25 July 2023	24 July 2024

WCRSME2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on audited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME2' (pronounced as WASO Credit Rating Small and medium Enterprise Two) rating under the SME Rating to Selim Enterprise (hereinafter referred as "SE" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Low management information system (MIS)

The SME rating implies that the enterprise is adjudged to Above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SE 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.