

INITIAL CREDIT RATING REPORT WINNER APPARELS



Ref. no.: FR/2023/32111

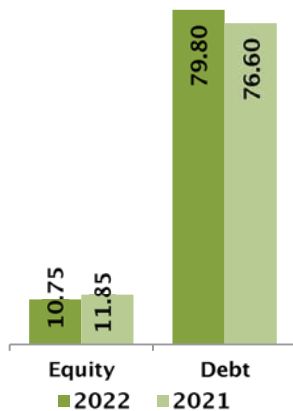
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Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	85.91	67.37	
EBIT	37.77	32.15	
Net Profit	37.02	31.76	
Total Assets	90.55	88.45	
Total Equity	10.75	11.85	
Total debt	79.80	76.60	
Net Profit Margin (%)	43.1	47.1	
CCC (Days)	-201	-275	
ICR (X)	50.76	83.29	

Capital Structure (BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	30 May 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on-*unaudited* 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 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Winner Apparels (hereinafter referred as "WA" 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:

- Long business experiences of the proprietor in the business
- Maintained sound business relation with supplier & buyer
- Good profitability margin
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Low disclosure in the financial statements
- Highly levered capital structure
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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