

1st CREDIT RATING REPORT MODERN HOLDINGS LIMITED



Ref. no.: CRAR-15237/2023

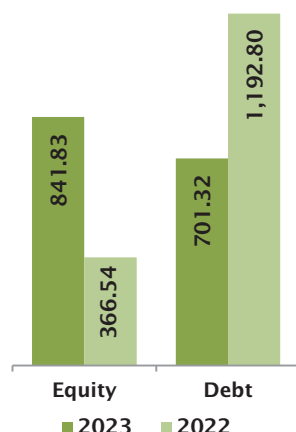
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Key Snapshot:

| BDT. in million | | |
|-----------------------|-------|--------|
| Particulars | 2023 | 2022 |
| Revenue | 369.9 | 296.18 |
| EBIT | 201.4 | 147.37 |
| Net Profit | 130.2 | 90.24 |
| Total Assets | 1,543 | 1,559 |
| Total Equity | 841.8 | 366.54 |
| Debt | 701.3 | 1,192 |
| Net Profit Margin (%) | 35.2% | 30.5% |
| CCC (Days) | 545.2 | 501.10 |
| ICR (X) | 9.21 | 7.98 |

Capital Structure
(BDT. in million)



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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME4 | Stable | 12 December 2023 | 11 December 2024 |

| BDT. in million | | | | |
|-----------------|--------------------|-------------------|--------------------|---------------------|
| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
| EXIM Bank Ltd. | Bai-Muajjal | 240.00 | 262.20 | 30.11.2023 |

Financial Based on-Unaudited financial statements up to 30 June 2023

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Medium Enterprise Four) rating under the SME Rating to **Modern Holdings Limited** (hereinafter referred as "MHL" 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 enterprise which includes:

- Experienced and proactive management
- Financial and operational flexibility arising from Modern Group
- Profitable financial performance
- Good interest coverage position
- Comfortable security arrangement against loan
- Satisfactory banking relationship

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

- Management prepared financial statement does not support high level of authentication
- Market saturation or high competition
- High levered in the capital structure
- Stressed liquidity position with long cash conversion cycle
- Significant debt burden
- Exposed to utility connection risk

The SME rating implies that the Enterprise has Average Credit Quality.

WCRCL also viewed the Enterprise with "Stable" outlook and believes that MHL 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.