

3rd SURVEILLANCE CREDIT RATING REPORT CONTINENTAL MOTORS



Ref. no.: CRAR-7626/2023

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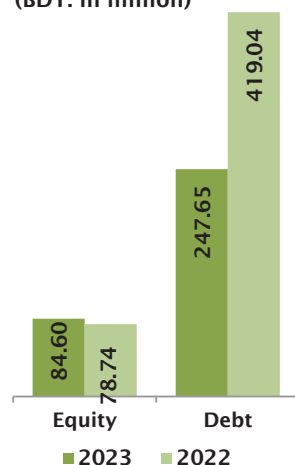
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	242.02	333.17
EBIT	7.82	28.83
Net Profit	5.86	21.60
Total Assets	332.25	497.78
Total Equity	84.60	78.74
Debt	247.65	419.04
Net Profit Margin (%)	2.4%	6.5%
CCC (Days)	132	76.00
ICR (X)	1,054.09	924.11

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 December 2023	25 December 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
United Commercial Bank PLC	LC	90.00	21.95	
	LTR	35.00	--	24.12.2023
	Time Loan	25.00	--	

Financial Based on-*unaudited financial statements up to FY23.*

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Continental Motors (hereinafter referred as "CM" 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
- Satisfactory banking relationship
- Good business network
- Have backward linkage
- Good 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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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