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

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to AL-Fahad Bricks (hereinafter referred as "AFB" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

BDT. in million

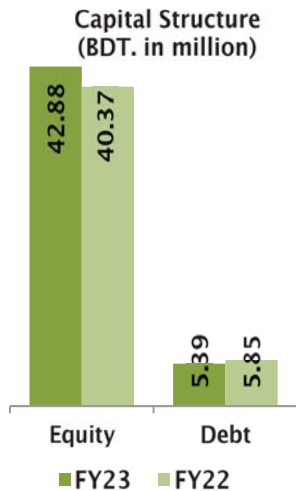
Particulars	FY23	FY22
Revenue	60.76	55.23
EBIT	5.75	5.16
Net Profit	5.23	4.76
Total Assets	48.26	46.22
Total Equity	42.88	40.37
Total debt	5.39	5.85
Net Profit Margin (%)	8.6	8.6
CCC (Days)	203	208
ICR (X)	11.21	12.89

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
- Using zig-zag kiln technology, which is environment friendly
- 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
- Inventory holding risk
- Expired environment certificate license
- Market saturation or high competition
- Price volatility of the raw materials
- Lack of disclosure in the financial statements



The SME rating implies that the enterprise has average credit quality.

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