



## **Rating Rationale**

**Perfect Presentation for Commercial Services Company  
(Closed Joint Stock Company)**

**October 2022**

## 1.1 TASSNIEF Opinion:

<i>Perfect Presentation for Commercial Services Company (2P) – Entity Rating</i>	
<i>Domicile</i>	<i>Saudi Arabia</i>
<i>Long-Term Rating</i>	<i>BBB+</i>
<i>Outlook</i>	<i>Stable</i>
<i>Short-Term Rating</i>	<i>T-3</i>
<i>Rating Watch</i>	<i>No</i>
<i>Action Type</i>	<i>Upgrade from BBB/T-4</i>
<i>Last Rating Action</i>	<i>December 2020</i>

Tassnief has upgraded the long-term entity rating from "BBB" (Triple B) to "BBB+" (Triple B plus) and the short-term entity rating from "T-4" to "T-3" to Perfect Presentation for Commercial Services Company. The outlook on the rating is "Stable."

## 1.2 Rating Rationale:

The assigned ratings incorporate the Company's strong business risk profile and improving financial profile & corporate governance framework. Assessment of business risk profile incorporates a diverse range of product and services portfolio with business segments comprising Contact/Call Centers, Software Development Services, and Operation & Maintenance (O&M) Services. Moreover, broad-based growth across all three segments has resulted in a healthy increase in revenue profile. Overall operational sustainability is supported by satisfactory business diversity in client and project concentration and adequate order book position.

Ratings also incorporate Company's improving profitability profile and cash flow generation, which has been supported by healthy revenue growth and sustained margins. Tassnief expects the profitability profile to sustain over the rating horizon, given the enhanced focus on margins and the current order book position. In addition, the overall working capital cycle is extended, given that over four-fifths of revenues have been generated from public sector clients. Given the growth in revenues, an increasing proportion of public sector clients, and a higher proportion of software development services in revenues, working capital requirements have increased. Resultantly, leverage indicators have increased but remain within manageable levels.

The overall governance framework is sound and is supported by board composition being in line with best practices and effective board oversight through the functioning board and board committees. Comfort is also drawn from satisfactory internal controls and a stable and professional management team. Strategic planning is structured, and a functioning authority matrix governs decision-making.

### **1.3 Rating Triggers**

The ratings depend on the Company's ability to sustain its order book position, margins, profitability, and efficient management of the working capital cycle. In addition, maintaining leverage indicators within prudent levels is also essential.

### **1.4 About the Company**

Perfect Presentation for Commercial Services Company (2P) was established in Riyadh, KSA, in December 2004 as a limited liability company (with CR no. 1010203693); however, its legal status was changed to a 'closed joint-stock company' in December 2021. 2P has a branch in Riyadh (CR # 1010260349), established in 2010, and operated 2 PMO offices in Makkah and Al-Jazan. The company serves both private and public sector clients. The company is in the process of listing on Tadawul, which is expected to be completed in the last quarter of 2022.

## **RELATED CRITERIA AND METHODOLOGY**

Rating Methodology for Corporate (v.2. 2019) can be found on the website:

[www.tassnief.com](http://www.tassnief.com)

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