

OLYMPIA OILS (PVT.) LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Medium to Long-term	Short-term	Medium to Long-term	Short-term
ENTITY	A-	A2	A-	A2
RATING OUTLOOK/WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	May 18, 2026		March 26, 2025	

Shareholding (5% or More)

Muhammad Humayun Monnoo- 30.30%
Muhammad Shakeel Monnoo-19.33%
Muhammad khursheed Monnoo -16.27%
Muhammad Nasir Monnoo-15.83%
Muhammad Omer Monnoo-11.70%

Other Information

Incorporated in 2003
Private Limited Company
Chief Executive Officer/ Board Chairman: Mr. Nasir Monnoo
External Auditors: Aslam Malik and Co Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings
<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

Assigned ratings take into account Olympia Oil (Pvt.) Limited's ('OOL' or 'the Company')'s association with the Olympia Group, a family-owned conglomerate led by the Monnoo family, which provides strategic and operational support through vertical integration, access to key resources, and a stable supply chain, supported by its diversified presence across multiple sectors.

Performance improved following the lifting of the GMO soybean seed ban, driving topline growth that continued into 1HFY26. Gross margins contracted in FY25 due to lower average selling prices but recovered in 1HFY26, while net margins strengthened on the back of reduced finance costs and lower debt. Liquidity, debt coverage, and capitalization indicators have also improved, aided by reduced short-term borrowings and stronger offtake.

Going forward, geopolitical tensions in the Middle East and rising palm oil prices may pressure profitability. Despite recent improvements, ratings remain constrained by the inherent risks of the edible oil industry—heavy reliance on imports, exposure to commodity and currency volatility, regulatory uncertainty, and intense competition. Sustaining debt coverage, liquidity, and capitalization will be critical to ratings stability.

Company Profile

Olympia Oils (Pvt.) Limited ('OOL' or the 'Company') was established in 2003 as a private limited company and commenced commercial production in 2005. The Company is primarily engaged in the production and sale of edible oil and oil meal using solvent extraction process. The Company's registered office is in Lahore and the Mill is situated in Sheikhpura. Furthermore, the Company also has offices in Islamabad, Karachi and Quetta.

Group Profile

OOL is part of the Olympia Group ('The Group'), a family-owned business with the Monnoo family as the principal sponsors and `Board representation. The Group provides strategic support to the Company through vertical integration and access to key resources. Additionally, the presence of poultry-related companies within the group ensures a stable supply chain and a reliable customer base.

The Group operates as a diversified conglomerate with interests across multiple sectors, including synthetic yarn, carpets, textile (spinning), chemicals (soda ash and sodium bicarbonate), detergents, solvent extraction and edible oil refining, poultry feed manufacturing, poultry processing, day-old chicks and poultry farming, as well as fruit and agricultural farming.

Management and Governance

OOL is a family-owned company, with shareholding concentrated within Monnoo family. The largest shareholder of Company is Mr Muhammad Humayun Monnoo (30.30%), followed by Muhammad Shakeel Monnoo (19.33%), Muhammad Khursheed Monnoo (16.27%), Muhammad Nasir Monnoo (15.83%) and Muhammad Omer Monnoo (11.70%).

Mr. Nasir Monnoo serves as the Chief Executive Officer (CEO). Mr. Nasir has over 30 years of experience in related industries. He has also served as the director of Olympia Textile Mills Limited. As a private limited company, it currently does not have any board committees. However, the inclusion of independent and female directors, the formation of board committees, and the establishment of an independent internal audit function may significantly strengthen its overall corporate governance.

Business Risk

INDUSTRY

The edible oil industry in Pakistan is a highly competitive sector, shaped by consumer demand and significant reliance on imports. Due to its staple nature, consumption remains steady throughout the year, even during economic downturns. However, external factors such as import dependencies and weather conditions introduce periodic instability, particularly for palm and soybean oils. While barriers to entry are low, regulatory compliance and economies of scale favor established players.

Capital intensity is low, as most businesses focus on importing, processing, and packaging rather than large-scale production. Technological advancements are gradually improving efficiency, but high costs and limited access hinder widespread adoption. Regulatory policies, including tariffs and food safety standards, significantly impact pricing and profitability, while abrupt policy shifts can disrupt market stability.

Overall, while the industry benefits from steady demand supported by population growth and rising food consumption, its business risk profile remains elevated. This is primarily due to high dependence on imported raw materials, vulnerability to global commodity price fluctuations and exchange rate movements, and exposure to abrupt regulatory changes. These factors, coupled with intense competition, continue to weigh on the industry, despite gradual efficiency gains and technological improvements.

During FY25, palm oil imports increased by ~7% to 3.2 million MT (FY24: 3.0 million MT), while soybean oil imports rose to 0.32 million MT (FY24: 0.12 million MT), according to data from the Pakistan Bureau of Statistics. In value terms, palm oil imports amounted to USD 3.39 billion during FY25, compared to USD 2.78 billion in the preceding year, representing an increase of ~22%. The higher import volumes indicate sustained domestic consumption, given the essential nature of edible oil.

During 7MFY26, palm oil imports reached 2.2 million MT, representing an increase of ~16% compared to the corresponding period last year. In value terms, imports amounted to USD 2.22 billion, reflecting a ~6% increase year-on-year, with the comparatively lower growth in value attributable to price movement. The continued rise in import volumes indicate stable domestic demand during the period.

A significant share of palm oil imports originates from Malaysia and Indonesia, which together account for over 75% of global palm oil production. However, factors such as aging plantations, limited replantation activity, and Indonesia's biodiesel mandates may constrain global supply. Any upward movement in international prices, combined with sustained domestic demand, may increase pressure on the

country's import bill. In addition, exchange rate volatility and evolving climatic conditions, which may adversely impact crop yields in key producing regions, continue to pose risks to the industry.

OPERATING PERFORMANCE

Capacity Analysis	FY22	FY23	FY24	FY25
Seed Crushing Capacity (MT)	180,000	180,000	180,000	180,000
Seed Crushing (MT)	91,005	41,496	30,046	39,396
Capacity Utilization	51%	23%	17%	22%

The imposition of a ban on the import of GMO soybeans, one of the Company's key raw materials, adversely impacted capacity utilization, which declined from ~51% in FY22 to ~17% in FY24. However, with the lifting of the ban in October 2024, capacity utilization has shown recovery, improving to ~22% in FY25. Furthermore, as per the management, ~83000 MT were crushed for the period January-December 2025 indicating recovery in production. Going forward, seed crushing volumes and capacity utilization are expected to improve further, supported by increased imports of soybean seeds.

PROFITABILITY

During FY25, the Company's revenue increased by 37% to PKR 8.21b (FY24: PKR 5.99b). The growth was primarily driven by volumetric expansion in soybean meal sales, which accounted for the largest share of the Bulk segment product mix at ~59%, followed by soybean oil at ~30%. The increase in sales is attributable to the lifting of the ban on GMO soybean seeds, which also alleviated the Company's operational constraints. The remaining revenues were generated from soybean hulls, dirt oil, canola oil, and canola meal. Overall, the topline growth reflects higher volumes, despite a decline in selling prices across product range. The Company's sales are predominantly bulk-based, with branded sales contributing only a marginal share of ~12% to revenue.

The decline in average selling prices weighed on the Company's gross margins in FY25 also, which decreased to 7.01% (FY24: 8.75%). In contrast, net margins improved to 2.81% (FY24: 0.05%), supported by lower finance costs amid monetary easing during the period.

During 1HFY26, growth continued, with revenue reaching PKR 8.53b, surpassing the total revenue recorded in the previous fiscal year, driven by sustained volumetric growth along with improved pricing. This resulted in a notable improvement in gross margins to 10.54%, along with a significant increase in net margins to 6.62%.

Going forward, management expects revenue to reach PKR 15b by June-end, primarily supported by demand from the poultry sector for soybean meal. However, profitability remains exposed to downside risks due to potential volatility in raw material prices, particularly amid geopolitical developments in the Middle East, which may impact global palm oil and soybean oil prices if the conflict is prolonged further. Client concentration, although improved, remains elevated, with the top 10 clients accounting for ~47% of total gross revenue (FY24: 59%). Going forward, reduction in concentration risk and sustainability of revenue and profitability margins will remain key rating considerations.

Financial Risk

CAPITAL STRUCTURE

The Company's equity base increased to PKR 3.57b as at Dec'25 (Jun'25: PKR 3.01b; Jun'24: PKR 2.82b), primarily supported by improved profitability. Overall, the Company's capitalization profile has strengthened, with gearing and leverage declining to 0.38x and 0.56x, respectively, as at Dec'25 (Jun'25: 0.77x and 0.97x; Jun'24: 0.82x and 1.04x). This improvement is primarily attributable to the repayment of short-term borrowings, which constitute a major portion of total debt, reflecting improved inventory turnover and stronger sales momentum. Going forward, maintenance of capitalization profile will remain important for the ratings.

DEBT COVERAGE & LIQUIDITY

The Company's liquidity profile strengthened, with the current ratio increasing to 2.16x as at Dec'25 (Jun'25: 1.62x, Jun'24: 1.61x). Similarly, short-term debt coverage also depicted improvement, rising to 1.74x as at Dec'25 (Jun'25: 1.33x, Jun'24: 1.13x). Additionally, the cash conversion cycle saw a significant improvement, declining to 54 days in HFY26 (FY25: 121 days, FY24: 180 days), driven by higher inventory turnover, reflecting improved sales offtake.

The debt coverage metrics of the Company also denoted improvement, with debt service coverage ratio (DSCR) inclining to 5.39x as at Dec'25 (Jun'25: 1.49x, Jun'24: 0.55x), on the back of higher funds from operations (FFO) in tandem with improved profitability coupled

with lower finance charges paid amid lower policy rate. Going forward, maintenance of liquidity and debt coverage metrics will remain important for the ratings

Financial Summary				Appendix I
Balance Sheet (PKR Millions)	FY23A	FY24A	FY25A	1HY26M
Property, plant and equipment	734.48	736.56	968.71	962.99
Right-of-use Assets	0.00	0.00	0.00	0.00
Intangible Assets	0.00	0.00	0.00	0.00
Long-term Investments	166.59	167.20	167.55	167.55
Stock-in-trade	2,768.90	1,998.09	1,751.96	587.43
Trade debts	393.71	489.32	1,175.05	1,643.54
Short-term Investments	0.00	0.00	0.00	0.00
Cash & Bank Balances	557.30	794.53	281.64	516.33
Other Assets	1,410.21	1,784.68	2,061.48	2,173.97
Total Assets	6,031.19	5,970.38	6,406.39	6,051.81
Creditors	99.14	72.06	179.83	203.87
Long-term Debt (incl. current portion)	37.96	25.93	14.41	0.00
Short-Term Borrowings	2,661.18	2,281.92	2,299.68	1,371.41
Total Debt	2,699.14	2,307.85	2,314.09	1,371.41
Other Liabilities	708.53	538.51	418.08	418.04
Total Liabilities	3,506.81	2,918.42	2,912.00	1,993.32
Paid up Capital	359.09	359.09	359.09	359.09
Revenue Reserve	1,571.95	1,577.52	1,808.90	2,372.99
Other Equity (excl. Revaluation Surplus)	356.41	878.41	838.41	838.41
Sponsor Loan	289.51	811.51	771.51	771.51
Equity (excl. Revaluation Surplus)	2,287.45	2,815.02	3,006.40	3,570.49
Income Statement (PKR Millions)	FY23A	FY24A	FY25A	1HFY26M
Net Sales	9,767.88	5,990.15	8,208.58	8,527.29
Gross Profit	983.03	523.86	575.04	899.07
Operating Profit	865.98	491.43	463.37	773.02
Finance Costs	240.07	413.54	200.67	102.34
Profit Before Tax	625.91	77.89	230.34	564.09
Profit After Tax	442.24	3.01	230.34	564.09
Ratio Analysis	FY23A	FY24A	FY25A	1HFY26M
Gross Margin (%)	10.06%	8.75%	7.01%	10.54%
Operating Margin (%)	8.87%	8.20%	5.64%	9.07%
Net Margin (%)	4.53%	0.05%	2.81%	6.62%
Funds from Operation (FFO)** (PKR Millions)	517.63	-40.86	73.62	551.33
FFO to Total Debt* (%)	19.18%	-1.77%	3.18%	80.40%
FFO to Long Term Debt* (%)	1363.62%	-157.58%	510.90%	
Gearing (x)	1.18	0.82	0.77	0.38
Leverage (x)	1.53	1.04	0.97	0.56
Debt Servicing Coverage Ratio** (x)	2.85	0.55	1.49	5.39
Current Ratio (x)	1.34	1.61	1.62	2.16
(Stock in trade + trade debts) / STD (x)	1.24	1.13	1.33	1.74
Return on Average Assets* (%)	8.36%	0.05%	3.72%	18.11%
Return on Average Equity* (%)	21.39%	0.12%	7.91%	34.31%
Cash Conversion Cycle (days)	108.10	180.34	120.64	53.56

*Annualized, if required

**1HFY26 DSCR and FFO calculated from EBITDA

A - Actual Accounts

P - Projected Accounts

M - Management Accounts

REGULATORY DISCLOSURES					Appendix II
Name of Rated Entity	Olympia Oil Mills (Pvt.) Ltd				
Sector	Vanaspati and Allied Industries				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook/Watch	Rating Action
	RATING TYPE: ENTITY				
	05/18/2026	A-	A2	Stable	Reaffirmed
	03/26/2025	A-	A2	Stable	Reaffirmed
	12/06/2023	A-	A2	Stable	Reaffirmed
	10/11/2022	A-	A2	Stable	Reaffirmed
	11/12/2021	A-	A2	Stable	Upgrade
	09/17/2020	BBB+	A2	Stable	Reaffirmed
	05/31/2019	BBB+	A2	Stable	Reaffirmed
04/12/2018	BBB+	A2	Stable	Initial	
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
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Due Diligence Meetings Conducted	Name	Designation		Date	
	Mr. Sajid Iqbal	Chief Financial Officer		April 24, 2026	