MULLER & PHIPPS PAKISTAN (PRIVATE) LIMITED

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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+	A1	A+	A1
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	13-11-2026		24-10-2025	

Shareholding (5% or More)	Other Information
The Getz Corporation – 58.71%	Incorporated in 1949
	Private Limited Company
	Chief Executive Officer: Kamran Nishat
	External Auditor: M/s Grant Thornton Anjum Rahman, Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Rating
https://docs.vis.com.pk/Methodologies-2026/Corporate-Rating-2026.pdf

Rating Scale

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

Rating Rationale

Muller & Phipps Pakistan (Private) Limited ('M&P' or 'the Company'), a leading player in Pakistan's distribution sector, benefits from an established market presence spanning over several years, an extensive nationwide distribution network and longstanding relationships with reputed principals. The ratings also draw support from its diversified operations across pharmaceutical, healthcare, consumer goods and telecommunications segments, alongside exposure to relatively resilient product categories, underpin its business risk profile.

Revenue growth remained satisfactory, with net sales increasing by 12.2% during CY25, driven primarily by volume expansion across key divisions. Growth momentum continued during HY26, supported by sustained demand and portfolio diversification. The financial risk profile reflects higher working capital investment to support business growth, with borrowings and capitalization indicators rising accordingly. Debt servicing capacity has improved from CY23 to CY26. Going forward, the ratings remain sensitive to sustained revenue growth, preserved profitability, effective working capital management and disciplined leverage control.

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Company Profile

M&P, incorporated in September 1949 and headquartered in Karachi, has a long-standing presence in Pakistan's logistics and distribution sector. The Company is a leading national distributor, offering integrated logistics and distribution services across Pakistan, including warehousing, cold chain management, sales, marketing, and after-sales support. It maintains longstanding relationships with established principals across the pharmaceutical, telecommunications, and consumer goods sectors.

M&P has investments representing about 15.8% of the total assets in subsidiaries and associates operating across complementary business segments. Its subsidiaries include M&P Express Logistics (Private) Limited, Tech Sirat (Private) Limited, and Mulphico Technologies (Private) Limited, with aggregate investments of Rs. 3.97b at end-CY25, unchanged from the previous year. Investments in associates increased to Rs. 7.93b (end-CY24: Rs. 6.68b), primarily reflecting unrealized fair value gains on its 13.5% shareholding in AGP Limited, recognized through FVOCI. Additionally, the Company holds an investment of Rs. 225m in HugoBank Limited, a digital bank under pilot operations.

Management and Governance

The Company's parent company, Getz Group, is a US-based multinational conglomerate holding a 58.71% equity stake in M&P. The Company's Board of Directors comprises three members including two foreign nationals. M&P is headed by Mr. Kamran Nishat, Chief Executive Officer (CEO), while Mr. Muhammad Tariq Khan serves as the Chief Financial Officer (CFO) and Company Secretary.

The Company's external auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants, are classified in Category 'A' on the State Bank of Pakistan's panel of auditors.

Business Risk

INDUSTRY

Pakistan's distribution industry plays an important role in the country's retail and consumer ecosystem, facilitating the movement of goods across pharmaceuticals, consumer products, telecommunications, and other essential sectors. During FY26, Pakistan's economy recorded growth of 3.65%, while the services sector expanded by 3.81%. Within the services sector, wholesale and retail trade grew by 2.37%, while transport and storage activities recorded growth of 3.23%. Meanwhile, large-scale manufacturing recorded growth of 4.98% during July–June FY26, although pharmaceutical manufacturing contracted by 8.87%, reflecting mixed performance across major industries served by distributors. Despite improving economic activity, the distribution industry continues to face challenges arising from its high-volume, low-margin business model, substantial working capital requirements, and exposure to fluctuations in fuel prices and financing costs. These pressures are particularly significant for distributors operating under fixed-margin agreements, where increases in operating expenses may not be immediately passed on to principals. Taxation remains another key industry challenge, with the minimum turnover tax rate for qualifying distributors and wholesalers of specified goods increasing from 0.25% to 0.5% under the Finance Act 2026. Going forward, the demand of essential consumer products and increasing adoption of digital payment systems are expected to support the sector's risk profile however, elevated transportation costs, financing requirements, taxation-related pressures, and limited flexibility in contractual margins remain key challenges. Overall, industry risk is assessed as Medium.

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Operational Update

M&P maintains an extensive distribution network across Pakistan, reaching a wide base of pharmacies, telecom outlets, and healthcare unit (HCU) touchpoints.

On the technology front, M&P utilizes Oracle Fusion for enterprise resource planning, alongside its internally developed order management system which is integrated with Oracle. Furthermore, management has undertaken initiatives to increase digital collections, with the Company utilizing cash management services from approximately 19 banks.

Going forward, continued expansion of the distribution network, and ongoing digitalization initiatives, is expected to support M&P's operational scalability and efficiency.

SALES & PROFITABILITY

Net sales increased by 12.2% during CY25 primarily driven by higher sales in the pharmaceutical and telecom divisions. The pharmaceutical division remained the largest revenue contributor, followed by telecom, consumer products, and healthcare products during CY25. During HY26, the Company maintained its sales momentum, with pharmaceutical products continuing to dominate the revenue mix, followed by telecom, consumer products, and healthcare products.

While margins remained largely stable, absolute profitability has increased in last two years. During CY25, gross profit increased while gross margin decreased slightly. The decline in margin was primarily driven by rising inventory procurement costs, in a characteristically thin-margin distribution sector. Meanwhile, net margin improved slightly during CY25, primarily supported by a reduction in finance costs, which offset the impact of higher operating expenses. During HY26, gross and net margins remained relatively stable.

Going forward, profitability is expected to be supported by sustained revenue generation and effective management of distribution expenses, with the Company's high-volume business model providing a solid platform for scale.

Financial Risk

CAPITAL STRUCTURE

The Company's equity base strengthened further at end-CY25, primarily supported by profit retention, alongside unrealized gains on the remeasurement of long-term investments. A lower dividend payout in CY25 supported internal capital accretion. Borrowings increased to support the working capital needs of a growing business, largely through short-term financing, with gearing and leverage high. Going forward, prudent debt management, efficient working capital management and healthy retained earnings are expected to support the Company's financial risk profile.

DEBT COVERAGE & LIQUIDITY

Funds from Operations (FFO) grew meaningfully during CY25, reflecting improved profitability. While the benefit of higher internal cash generation was partly absorbed by the growth in borrowings, debt servicing capacity strengthened, with DSCR improving on lower finance cost payments. This improvement continued during 6MCY26, indicating adequate coverage of scheduled debt servicing obligations. Liquidity indicators remained supported by a broadly stable current ratio throughout the review period. Trade receivables grew in line with business expansion, while the ageing profile remained sound, with the vast majority of outstanding receivables either not past due or overdue by up to 90 days. The cash conversion cycle extended modestly,

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mainly due to the growing contribution of telecom products, which entail higher working capital deployment as the business scales. Going forward, the Company's ability to sustain debt servicing capacity is expected to be supported by translating earnings into operating cash flows, managing the working capital cycle and ensuring timely recovery of receivables. Strengthening internal cash generation and maintaining adequate liquidity buffers will further reinforce the Company's position.

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REGULATORY DISCLOSURES — Appendix I

Name of Rated Entity	Muller & Phipps Pakistan (Private) Limited
Sector	Logistics and Distribution
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				
13-11-26	**A+**	**A1**	**Stable**	**Reaffirmed**
24-10-25	A+	A1	Stable	Reaffirmed
09-09-24	A+	A1	Stable	Reaffirmed
14-06-23	A+	A1	Stable	Reaffirmed
18-04-22	A+	A1	Stable	Reaffirmed
15-01-21	A+	A1	Stable	Reaffirmed
31-12-19	A+	A1	Stable	Reaffirmed
31-12-18	A+	A1	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
Tariq Khan	CFO & Company Secretary	19-10-2026
Ghufran Dilawar	GM Finance	
Atif Azim	Sr. Manager Financial Services and Credit Controller	
Imran Tariq	Manager Finance	
Noman Yousuf	Manager Receivables	

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