

FAST CABLES LIMITED

Analysts:

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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		Upgrade	
RATING DATE	13-Feb-26		21-Nov-24	

Shareholding (5% or More)

Mian Ghulam Murtaza Shaukat - 41.44%

Muhammad Shahzad Amin - 16.01%

Rubina Shaukat - 16.34%

General Public - 14.45%

Other Information

Incorporated in 2008

Public Listed Company

CEO: Kamal Mahmood Amjad Mian

Chairman: Ghulam Mustafa Kausar

External Auditor: Crowe Hussain Chaudhury & 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**

Fast Cables Limited's ("FCL" or "the Company") ratings reflect its established position in Pakistan's organized wires and cables industry, underpinned by a diversified product portfolio, a nationwide distribution network, and proven execution capability, as evidenced by the successful commissioning of recent capacity expansion projects. The completion of key capex initiatives, primarily funded through equity, with all incremental capacities now fully operational, provides meaningful headroom for volume growth once demand conditions improve. The operating environment for Pakistan's wires and cables industry remained challenging during FY25, characterized by volatility in global copper and aluminum prices, persistent domestic cost pressures, elevated energy tariffs, and subdued construction activity. These factors collectively weighed on industry margins and demand dynamics.

FCL's performance in FY25 was impacted by weaker demand and higher input prices, however debt coverage metrics remained sound. Liquidity was impacted due to increased working capital pressures. In 1QFY26, topline, profitability and debt coverage showed improvement. Going forward, performance will remain closely

linked to the pace of recovery in large-scale manufacturing and construction activity, while sustained improvement in financial metrics will be a key consideration for the ratings.

Company Profile

Fast Cables Limited ('FCL' or 'the Company') was incorporated in Pakistan in 2008 as a public listed company and is engaged in the manufacturing and sale of electric wires, cables, and conductors. The Company operates manufacturing facilities at Harbanspura and Raiwind, Lahore, catering to residential, commercial, industrial, and institutional customers through a nationwide distribution network. FCL's product portfolio comprises low, medium, and high voltage power cables, control and instrumentation cables, aerial bundled cables, copper and aluminum conductors, solar cables, and LED lighting products marketed under the Fast Lights brand. The Company holds a differentiated market position, being the first local manufacturer to introduce CCV technology for medium-voltage cables and the sole domestic producer of AAAC conductors.

Management and Governance

CHAIRMAN/CEO PROFILE:

Mr. Ghulam Mustafa Kausar, Chairman of Fast Cables Limited, is a retired Major General with extensive leadership experience across public and private sector organizations. He has held senior management and board-level positions in various corporate and welfare institutions, contributing strategic oversight, governance discipline, and organizational leadership to the Company. His background in administration and institutional management supports effective board supervision and policy formulation.

Mr. Kamal Mahmood Amjad Mian, Chief Executive Officer, has over two decades of experience across industrial, corporate, and financial sectors. He possesses an international academic background in law and finance and has been associated with Fast Cables in senior leadership roles for several years. Under his leadership, the Company has expanded its manufacturing footprint, diversified its product portfolio, and executed major capacity enhancement initiatives, including the recent commissioning of new production lines and infrastructure.

During FY25, there was a change in the finance department as Mr. Usman Ahmad, with over two decades of experience in financial management, was appointed as Chief Financial Officer in June 2025. He replaced Mr. Muhammad Sharjeel.

BOD's & COMMITTEE:

FCL's Board comprises a mix of executive, non-executive, and independent directors, maintaining an appropriate balance of skills, experience, and independence. The presence of independent directors with backgrounds in finance, accounting, and business management enhances oversight and objectivity, while female representation is also present on the Board. Governance responsibilities are supported through formally constituted board committees, including an Audit Committee and a Human Resource & Remuneration Committee, operating under approved terms of reference. The external audit for FY24 and FY25 was

conducted by Crowe Hussain Chaudhury & Co., Chartered Accountants. They appear on SBP's List of Auditors as A rated, and hold valid QCR status. Overall, the governance framework reflects compliance with applicable regulatory requirements and supports effective board-level oversight and decision-making.

Business Risk

INDUSTRY

The cables and wires industry in Pakistan continued to face a challenging operating environment during FY25, shaped by volatility in global copper and aluminum prices and persistent domestic cost pressures. LME (London Metal Exchange) copper and aluminum prices increased by 8% and 12%, respectively, amid strong global demand, supply constraints, new US tariffs, and sanctions on Russian metals, directly elevating input costs for local manufacturers. In 1QFY26, the LME copper and aluminum prices witnessed a rise of 25% and 14%, respectively. At the same time, high energy tariffs, elevated interest rates, and subdued construction activity kept margins under pressure. Demand prospects remain moderate, supported by ongoing investments in telecom tower expansion, grid modernization, and renewable energy integration; however, macroeconomic uncertainty and continued commodity price volatility are likely to influence sector performance in the near term.

OPERATIONAL UPDATE

Installed capacity increased to 29,400 MT in FY25 (FY24: 22,200 MT), with all new lines operational by end-FY25; however, utilization remained moderate at around 55%. Plant and machinery upgrades funded through IPO proceeds were completed, alongside the commissioning of a new warehouse facility. Off the total IPO proceeds of Rs 3.13b, Rs. 2.50b had been utilized at end-FY25. The remaining balance of IPO proceeds is expected to be deployed in FY26.

Energy sourcing remains predominantly grid-based, with around 80% reliance on WAPDA and 20% sourced from solar power; management plans to increase the solar contribution to 30% over the medium term. The Company has also increased focus on export markets, particularly the Middle East and Gulf region. Going forward, utilization of available capacity will remain linked to demand recovery and overall macroeconomic conditions.

SALES & PROFITABILITY

Sales performance weakened in FY25, with net sales declining by 11.6% YoY to PKR 31.9bn (FY24: PKR 36.0bn), reflecting subdued construction activity and a slowdown in large-scale manufacturing amid challenging macroeconomic conditions. The contraction was primarily driven by lower demand from Institutional clients, whose revenue contribution declined to 20.3% in FY25 from 36.9% in FY24. In contrast, the Commercial and Industrial segment remained the largest revenue contributor, accounting for 56.4% of total sales (FY24: 44.1%).

Following the FY25 downturn, a recovery trend became evident in 1QFY26, with net sales increasing by 20% from SPLY, supported by improved demand conditions.

Gross margins compressed to 16.9% in FY25 (FY24: 18.7%) due to elevated input costs. Despite a declining interest rate environment, finance costs increased to PKR 1.6bn (FY24: PKR 1.4bn), primarily owing to higher reliance on short-term borrowings. The Company partially offset margin pressures through effective cost control, while other income improved mainly due to unrealized gains on short-term investments.

As a result, net profit declined to PKR 1.3bn in FY25 from PKR 1.9bn in FY24, representing a 33% YoY decrease, largely driven by margin compression and higher finance costs. However, profitability showed a notable improvement in 1QFY26, with profit after tax rising to PKR 388m (1QFY25: PKR 207m), supported by higher sales volumes and a partial recovery in margins. Going forward, the ongoing recovery in the large-scale manufacturing sector is expected to support topline growth, while margins are anticipated to remain stable.

Financial Risk

CAPITAL STRUCTURE

Tier-1 equity strengthened to PKR 11.5bn at end-FY25 (FY24: PKR 10.9bn), supported by partial profit retention. At the same time, total debt increased to PKR 11.8bn (FY24: PKR 8.6bn), primarily reflecting higher short-term borrowings to meet working capital requirements. As a result, gearing rose to 1.02x in FY25 from 0.79x in FY24 and further increased to 1.16x by end-1QFY26. Despite the higher borrowings, lower trade payables helped keep overall leverage broadly stable at 1.78x at end-FY25 (end-FY24: 1.77x), although it edged up to 1.85x by end-1QFY26. Going forward, maintenance of leverage metrics will remain important for ratings.

DEBT COVERAGE & LIQUIDITY

Debt coverage indicators weakened during FY25, primarily reflecting lower profitability and elevated finance costs. Funds from operations (FFO) declined on a year-on-year basis, albeit debt servicing coverage ratio (DSCR) and FFO to long-term debt remained sound at 1.55x (FY24: 2.15x) and FY25: 3.51x (FY24: 6.77x), respectively. Improvement was witnessed in 1QFY26, with FFO-to-long-term debt at 4.76x and DSCR of 1.75x, supported by higher profitability. Going forward, debt coverage metrics are projected to strengthen, reflecting expected recovery in profitability.

The liquidity position remained broadly stable in 1QFY26, with the current ratio largely unchanged at 1.32x; however, the cash conversion cycle extended to ~160 days, indicating pressure on working capital primarily due to slower inventory turnover and extended receivable collection periods. Going forward, improved demand conditions and normalization in operating cycles are expected to support liquidity metrics.

FINANCIAL SUMMARY

BALANCE SHEET (PKR Millions)	FY23A	FY24A	FY25A	3MFY26M	FY26P	FY27P
Property, plant and equipment	6,052	8,251	9,446	9,535	11,112	10,927
Stock-in-trade	7,666	10,035	10,872	10,682	8,511	10,461
Trade debts	7,984	8,264	7,835	8,983	10,500	12,890
Short-term Investments	0	2,013	1,410	1,319	0	0
Other Receivables	2,247	3,770	4,591	5,816	3,054	1,909
Cash & Bank Balances	969	953	830	587	250	1,068
Other Assets	146	136	25	25	120	112
Total Assets	25,064	33,422	35,009	36,947	33,547	37,367
Trade Payables	8,900	6,509	4,593	5,500	2,997	3,782
Long-term Debt (incl. current portion)	664	287	315	346	80	53
Short-Term Borrowings	4,353	8,344	11,471	13,434	12,016	12,280
Total Debt	5,017	8,631	11,785	13,780	12,095	12,333
Other Payables	3,485	4,240	4,103	2,772	2,235	3,387
Total Liabilities	17,402	19,380	20,482	22,052	17,328	19,502
Paid up Capital	5,009	6,289	6,289	6,289	6,289	6,289
Revenue Reserve	890	4,641	5,240	5,633	6,871	8,550
Equity (excl. Revaluation Surplus)	5,899	10,929	11,529	11,922	13,160	14,838
Equity (excl. Revaluation Surplus)	7,662	14,042	14,527	14,895	16,219	17,865
INCOME STATEMENT (PKR Millions)	FY23A	FY24A	FY25A	3MFY26M	FY26P	FY27P
Net Sales	32,859	36,024	31,859	8,640	40,000	45,000
Gross Profit	5,894	6,733	5,379	1,480	7,000	7,900
Finance Costs	1,043	1,365	1,615	369	1,100	1,000
Profit Before Tax	2,897	3,123	2,142	656	3,216	3,824
Profit After Tax	1,738	1,888	1,274	389	1,645	2,078
RATIO ANALYSIS	FY23A	FY24A	FY25A	3MFY26M	FY26P	FY27P
Gross Margin	17.94%	18.69%	16.88%	17.13%	17.50%	17.56%
Net Margin	5.29%	5.24%	4.00%	4.50%	4.11%	4.62%
Funds from Operation (FFO) (PKR Millions)	2,736	1,944	1,105	411	1,382	1,786
FFO to Total Debt (x)*	0.55	0.23	0.09	0.12	0.11	0.14
FFO to Long Term Debt (x)*	4.12	6.77	3.51	4.76	17.25	33.69
Gearing (x)	0.85	0.79	1.02	1.16	0.93	0.84
Net Gearing (x)	0.69	0.52	0.83	1.00	0.91	0.78
Leverage (x)	2.95	1.77	1.78	1.85	1.32	1.32
Debt Servicing Coverage Ratio* (x)	2.89	2.15	1.55	1.75	2.08	2.46
Current Ratio (x)	1.15	1.39	1.33	1.32	1.39	1.44
(Stock in trade + trade debts) / STD (x)	3.60	2.19	1.63	1.46	1.58	1.90
Return on Average Assets*	7.9%	6.5%	3.7%	4.3%	4.80%	5.56%
Return on Average Equity*	34.5%	22.4%	11.3%	13.3%	13.33%	14.00%
Cash Conversion Cycle (days)*	67	97	160	162	149	155

*Annualized, if required

A - Actual Accounts

M - Management Accounts

P - Projected Accounts

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REGULATORY DISCLOSURES

Appendix I

Name of Rated Entity	Fast Cables Limited				
Sector	Wires and Cables Manufacturing				
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-Feb-2026	A	A2	Stable	Reaffirmed
	21-Nov-2024	A	A2	Stable	Reaffirmed
	04-Dec-2023	A-	A2	Stable	Reaffirmed
	16-Nov-2022	A-	A2	Stable	Reaffirmed
	30-Nov-2021	A-	A2	Stable	Reaffirmed
	28-Dec-2020	A-	A2	Stable	Reaffirmed
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	
	Usman Ahmad	CFO		Jan 7 th , 2026	
	Faiza Jabeen	Head of Treasury			
	Ayesha Hafeez	Sr. Asst. Manager			