

## DWP TECHNOLOGIES (PVT) LIMITED

### Analyst:

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### RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	A-	A2	A-	A2
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	June 24, 2026		July 18, 2025	

### Shareholding (5% or More)

Muhammad Farooq Naseem - 48%

Roohi Farooq Naseem - 27%

Aftab F. Tapal - 6%

### Other Information

Incorporated in 2003

Private Limited Company

Chief Executive: Mr. Muhammad Farooq Naseem

External Auditor: Sarwars 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

The assigned ratings reflect the Company's moderate business risk profile, supported by its presence in the fast-growing IT solutions and services sector, long-standing relationships with leading multinational technology vendors, and a diversified customer base comprising government entities, financial institutions, and telecom operators.

The Company has demonstrated steady growth in revenues and profitability over the years, which remains supported by a healthy order pipeline and favorable demand dynamics driven by increasing digitalization and automation across industries. The financial risk profile remains sound, characterized by a comfortable capitalization, healthy liquidity, and adequate debt servicing capacity.

## Company Profile

DWP Technologies (Pvt) Limited ('DWPTL' or 'the Company') was incorporated February 19, 2003, as a Private Limited Company. The principal activity of the Company is to execute Industrial I.T and Digitalization contracts for public and private sector with major demand from government entities (HEC, FBR, SBP), Banks (HBL, UBL, MEBL) and Telecom (Mobilink, PTCL) sectors.

The head office of the Company is located in Lahore, while a registered office is situated at Mandviwala Chamber, Talpur Road, Karachi.

## Management and Governance

The Company is led by Mr. Muhammad Farooq Naseem, Chief Executive Officer and Founder/Chairman of DWP Group. He holds a Bachelor's degree in Mechanical Engineering from the University of Minnesota, USA, and an MBA from the University of Notre Dame, USA. He is also a Certified Public Accountant (CPA) from the American Institute of Certified Public Accountants, California, USA and brings over 30 years of diversified experience across the electronics, information technology, textile, and agro-based industries.

The Board structure reflects a closely held private limited company, comprising four directors and Chairman, all of whom are sponsor family members.

The financial statements of the Company are audited by Sarwars Chartered Accountants, who appear on category C of the SBP list. The auditor has issued an unqualified opinion on FY25 accounts.

## Business Risk

### INDUSTRY UPDATE

The business model of DWPTL focuses on providing a diverse range of products, services, and solutions, including enterprise computing and storage, networking & information security, data center infrastructure, business process outsourcing, and energy solutions through a contract-based revenue model, with major demand emanating from government entities, banks and telecom sectors.

The Company's business risk profile is assessed as moderate, underpinned by longstanding relationships with industrial clients and partnerships with globally renowned brands, as well as limited local competition mainly from Siemens Pakistan, Wateen Telecom, Mega Tech, and Premier Systems (Pvt) Ltd in different segments. However, the business risk profile is exposed to the project-based revenue model, which inherently carries execution, receivables, and working capital risks.

On the supply side, external factors like currency depreciation, import restrictions, and regulatory delays could create operational challenges. These factors can affect project timelines and cost structures. Despite this, the demand outlook remains positive, driven by the growing need for digitalization, automation, cybersecurity, and data integration across various industries.

### Operational Performance

The Company operates through six strategic business units (SBUs): solutions, network, document technology, power, Mechanical Electrical Plumbing (MEP), and Sustainable Digital Energy (SDE).

DWPTL has established partnerships and affiliations with leading multinational IT companies mainly for supply of hardware, such as Cisco Systems, Inc., DELL, Lenovo, HP, EMC Corporation, VMware, Inc., Huawei Technologies Co. Ltd., and Xerox Corporation, enhancing its competitive position and enabling it to competitively bid for large-scale projects.

### PROFITABILITY

During FY25, the Company recorded a topline of PKR 9.8bn (FY24: PKR 9.9bn), remaining stable YoY due to shipment delays which impacted project timelines. Solutions and network revenue segments remained top contributors to the topline. These segments include contracts pertaining to server setups, data backup and security, hardware setup etc. mainly provided to the banking sector which alongside government institutes and telecom sector remained Company's top clientele.

Gross margin improved to 24.8% (FY24: 20.6%) due to higher margins negotiated on new projects. Consequently, operating margin stood strong at 13.9% (FY24: 12.1%). Lower YoY finance cost due to decline in borrowings, further supported bottomline, however higher effective tax (FY25: 53%, FY24: 34%), constrained net margin recording at 6.2% (FY24: 7.2%).

During 9MY26, DWPTL reported revenue of PKR 8.6bn, indicating strong topline growth. The Company also maintains a healthy order pipeline of approximately PKR 6.0bn, which is expected to support further growth in revenue. Profitability margins remained broadly steady with gross margin standing at 24.1% and net margin at 7.0% supported by lower effective tax. The management expects FY26 revenue to record at PKR 15.8bn, with margins remaining mostly unchanged.

## Financial Risk

### CAPITAL STRUCTURE

DWPTL maintains a comfortable capitalization profile with gearing and leverage recording at 0.53x and 1.42x as of FY25 (FY24: 0.73x and 1.82x), respectively. The improvement in capitalization metrics was recorded due to decline in LC-backed short term debt utilization during the period in line with steady sales. However, as of end-9MFY26 short term borrowings rose to PKR 3.6bn (FY25: PKR 1.7bn) against growth in topline and higher receivables buildup, consequently gearing and leverage showed an uptick to 0.93x and 1.65x, respectively.

### DEBT COVERAGE & LIQUIDITY

Liquidity profile has remained at satisfactory levels with a current ratio of 1.3x and cash conversion cycle of 28 days as of end-FY25. Company's working capital requirements are mainly funded through LC-backed imports and internal cash while receivables are largely tied to milestone-based contract payments.

Coverages have remained strong with FFO to short term and total debt standing at 0.42x and 0.38x, respectively, while DSCR reported at 3.8x (FY24: 3.0x) amidst steady operational cash flow and lower debt levels during FY25. However, liquidity and coverage profile have showed slight weakening by end-9MFY26, due to rise in receivables and short-term debt utilization.

REGULATORY DISCLOSURES					Appendix II
Name of Rated Entity	DWP Technologies (Pvt) Limited				
Sector	Technology				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Outlook / Rating Watch	Rating Action
	<b>RATING TYPE: ENTITY</b>				
	24-June-2026	A-	A2	Stable	Reaffirmed
	18-July-25	A-	A2	Stable	Reaffirmed
	07-June-24	A-	A2	Stable	Reaffirmed
	18-Aug-23	A-	A2	Stable	Reaffirmed
	19-July-22	A-	A2	Stable	Reaffirmed
	30-June-21	A-	A2	Stable	Maintained
	13-July-20	A-	A2	Rating Watch - Developing	Maintained
	28-Feb-19	A-	A2	Stable	Initial
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	S.No.	Name	Designation	Date	
	1.	Mr. Shakeeb Shahzad	Manager Banking	25-May-2026	