

ROOMI POULTRY 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		Initial	
RATING DATE	09 October 2026		21 July 2025	

Shareholding (5% or More)

Khawaja Muhammad Mohsin Masood – 70.49%

Porcelain B.V – 19.51%

Other Information

Incorporated in 2019

Public Unlisted Company

Chief Executive Officer: Khawaja Muhammad Mohsin Masood

External Auditor: Shinewing Hameed Chaudhury & Co.
Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Rating

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

Rating Scale

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

Rating Rationale

The assigned ratings reflect Roomi Poultry Limited's growing scale, improving profitability and integrated position across the poultry value chain. Net sales increased by 87% in FY26, driven by higher egg production, increased outsourced volumes and stronger exports. Improved operating performance supported expansion in gross and net margins. The integrated business model, encompassing feed manufacturing, layer farming, egg production and trading, provides operational diversification and supports greater control across the value chain. Financial risk remains a key rating consideration. Gearing increased at end-FY26, reflecting higher short-term borrowings to support working capital and expansion. Nonetheless, stronger earnings translated into improved internal cash generation, with FFO increasing to PKR 1.3bn and DSCR improving to 3.89x. Liquidity remained adequate while aging of receivables remained satisfactory. Going forward, continued expansion in exports and planned investments in downstream infrastructure, including the Egg Hub is expected to enhance storage, handling and processing capacity, while the planned feed mill expansion should support further scale-up. The proposed IPO, if executed as planned, is expected to strengthen the equity base and materially improve gearing and financial flexibility. The ratings remain sensitive to sustained improvement in profitability and cash generation, disciplined working capital management, timely execution of planned expansions and improvement in the leverage profile.

Company Profile

The project was established under Roomi Foods Pvt Ltd in 2013. After a demerger, Roomi Poultry Limited ("RPL" or "the Company") was established in 2019. RPL is now the parent entity of the Iqbal Group of Companies and operates as a fully integrated poultry enterprise in Pakistan. Headquartered in Lahore, Punjab, RPL is engaged across the poultry value chain, encompassing feed manufacturing, egg production, and egg strategic trading. The Company is progressively developing a diversified business structure to support operations across multiple verticals and enhance operational synergies.

RPL has made strategic investments in subsidiaries to broaden its business footprint. Avilac Solutions (Pvt.) Limited, a wholly owned subsidiary, is engaged in the trading of imported feed additives. FieldFusion Corp. (Pvt.) Limited, also wholly owned, focuses on the export of agri-based products. Additionally, Poultry Links (Pvt.) Limited, in which RPL holds a 99.94% equity stake, operates in broiler farming, breeder operations, and allied poultry businesses.

The Company's feed manufacturing operations are supported by an in-house feed mill with an installed capacity of 1.2 million bags per annum. To supplement internal consumption and meet market demand, an additional volume ranging from 50,000 bags to 100,000 bags per month are produced through rented facilities. Egg production is carried out through four environmentally controlled automated layer houses with a cumulative bird population of approximately 400,000, yielding around 360,000 eggs per day. RPL supplies eggs to both local and international markets and supplements volumes through procurement from 2,000-layer farms available across Punjab. Seasonal supply-demand mismatches are managed through cold storage facilities.

Investments in subsidiaries			
(Rs in millions)	FY24	FY25	FY26M
Avilac Solutions (Private) Limited	-	49.99	49.99
Fieldfusion Corporation (Private) Limited	-	49.99	49.99
Poultry Links (Private) Limited	-	3.25	4.99

Management and Governance

Roomi Poultry Limited ("RPL") has a concentrated ownership structure. Following recent changes, Mr. Khawaja Muhammad Mohsin Masood holds approximately 70.49% of the Company's shareholding, Porcelain B.V. holds approximately 19.51%, while Jibran Bashir and Yasir Ghaffar each hold 5.00%. Previously, the Company was majority owned by Masood Spinning Mills Limited. Mr. Mohsin also maintains an affiliation with the Mahmood Group through personal shareholdings in group companies. The Company's Board comprises eight directors. In line with management's plans to undertake an initial public offering (IPO) and seek listing on the Pakistan Stock Exchange, enhancements in governance practices are expected. These are anticipated to strengthen board oversight, disclosures, and internal controls in line with regulatory requirements applicable to listed entities. M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, serves as the external auditor and is placed in Category 'B' on the State Bank of Pakistan's panel of auditors. The auditor expressed an unqualified opinion on the FY25 financial statements.

Business Risk

INDUSTRY

The poultry sector retains a Medium to High business risk profile, reflecting persistent cost volatility, high working capital intensity, and policy sensitivities despite resilient domestic protein demand, accounting for over 40% of national meat consumption and roughly 1.3% of GDP in FY26. Input pressures eased moderately following the licensing renewals for imported genetically engineered soybean meal through late FY26, stabilizing supply pipelines alongside gradual monetary policy rate cuts that lowered short-term borrowing costs. However, the industry remains heavily fragmented with approximately 15,000 broiler farms, limiting pricing power for smaller unintegrated players facing elevated energy and transport expenses. Conversely, major integrated groups such as Sadiq Group with 30–40% market share, K&N's, Sabir Group, Jadeed Group, Asia Poultry Group, and Roomi Poultry Limited, continue to consolidate market position and drive high-value table egg and processed meat exports to Gulf countries and US markets. RPL maintains a modest footprint with 2.4% and 1.5% share table eggs and poultry feed, respectively in FY26.

PRODUCTION PROFILE

RPL maintains an integrated presence across the poultry value chain, with operations spanning layer farming, egg production and trading, and feed manufacturing. During FY26, operating activity increased materially, particularly in eggs, supported by higher production and export volumes.

Particulars	UOM	FY26M	FY25	FY24
Capacity				
Layer bird capacity	Birds	400,000	400,000	400,000
Bird capacity utilized	%	100%	100%	—
Egg laying capacity	Boxes/year	360,000	360,000	340,000
Rearing houses	Number	1	1	1
Bird rearing capacity	Birds	105,000	105,000	105,000
Feed production capacity	Bags/year	1,209,600	1,209,600	1,284,800
Production				
Eggs – Self	Boxes	347,248	273,646	205,159
Eggs – Outsourced/Traded	Boxes	1,121,656	273,212	73,173
Total Eggs Handled	Boxes	1,468,904	546,858	278,332
Feed – Self	Bags	1,154,780	1,147,487	894,887
Feed – Outsourced	Bags	140,531	63,021	—
Total Feed Handled	Bags	1,295,311	1,210,508	894,887
Egg capacity utilization – Self	%	96.50%	76.00%	60.30%
Feed capacity utilization – Self	%	95.50%	94.90%	69.70%

Own egg production increased to 347,248 boxes in FY26 from 273,646 boxes in FY25, with capacity utilization improving to 96.5% in FY26 from 76.0%. Feed production also increased to 1.15m bags from 1.15m bags, taking utilization to 95.5% from 94.9%. A significant increase was also recorded in outsourced egg volumes, which rose to 1.12m boxes in FY26 from 0.27m boxes in FY25, reflecting the higher scale of egg trading and export activity. Feed outsourcing of 140,531 bags was also undertaken during FY26. RPL continues to pursue expansion across its poultry value chain, with planned investments focused on strengthening its egg-handling

and processing infrastructure, expanding cold-chain capacity, and subsequently increasing feed production capacity. The Company is currently expanding its Egg Hub Project, comprising a central warehousing, cold-storage and processing facility. While initially targeted for completion by 4QFY26, completion is now expected during FY27. The facility is expected to enhance egg handling and storage capacity, reduce wastage, support export growth and facilitate seasonal inventory management.

In line with its strategy to move further downstream into value-added products, RPL, through its 70%-owned subsidiary IGOvo Foods (Pvt.) Limited, has recently entered into a joint-venture agreement with Denmark-based Ovodan Egg Group to establish an egg-processing facility in Pakistan. The partnership is expected to introduce international processing technology and expertise, facilitate the development of value-added processed egg products and support the Company's longer-term export ambitions.

The Company also plans to undertake a major expansion of its feed mill capacity, although this is expected to follow the Egg Hub investment. RPL intends to increase monthly production capacity from approximately 100,000 bags to 300,000 bags through the installation of additional pellet lines, automation systems, warehouses and silos.

SALES & PROFITABILITY

RPL recorded strong growth in FY26, with net sales increasing by 87% to PKR 18.8b (FY25: PKR 10.0b; FY24: PKR 7.0b), primarily driven by higher egg volumes and export activity. The sales mix shifted materially towards eggs during the year, while Pakistan continued to remain the principal market:

Particulars	FY26M	FY25	FY24
Feed	34.10%	60.26%	67.12%
Eggs	65.83%	39.65%	32.67%
Waste	0.07%	0.09%	0.21%
Total	100.00%	100.00%	100.00%

Eggs emerged as the largest revenue contributor during FY26, accounting for 65.8% of sales compared with 39.7% in FY25, while feed contribution declined to 34.1% from 60.3%. Export sales increased to PKR 2.1b (FY25: PKR 1.1b; FY24: PKR 175.9m), with exports accounting for around 11% of total sales during FY26.

Particulars	FY26M	FY25	FY24
Pakistan	89.99%	89.04%	97.28%
Gulf	6.40%	9.34%	—
United States of America	3.50%	0.30%	—
Hong Kong	0.10%	1.43%	2.36%
Africa / Others	0.01%	—	0.35%

Higher sales volumes and an improved revenue mix supported profitability, with gross margin improving to 16.5% (FY25: 15.1%). Operating margin strengthened to 9.5% (FY25: 7.8%), translating into an improved net margin of 4.6% (FY25: 2.9%).

Going forward, management projects FY27 net sales to increase by 16-17%, supported by higher exports, improving market access and completion of the Egg Hub expansion. Margins are expected to benefit from higher export contribution and seasonal procurement of eggs during lower-price summer periods for sale during stronger winter demand.

Financial Risk

CAPITAL STRUCTURE

Total debt increased to Rs. 3.9b by end-FY26 (end-FY25: Rs. 1.5b), primarily driven by higher short-term borrowings to support expansionary activities and working capital requirements. Consequently, gearing weakened to 1.58x (end-FY25: 0.98x). However, leverage remained relatively stable at 2.36x (end-FY25: 2.28x), supported by lower trade creditors and growth in equity to Rs. 2.5b (end-FY25: Rs. 1.5b).

Going forward, the proposed IPO is expected to materially strengthen capitalization through fresh equity injection, with equity projected to increase to around Rs. 5.8b and gearing expected to improve to around 0.66x. The IPO proceeds are also expected to reduce reliance on short-term borrowings and provide funding support for ongoing expansion. The ratings remain sensitive to timely completion of the IPO and subsequent improvement in the Company's leverage profile.

DEBT COVERAGE & LIQUIDITY

Debt coverage remained sound during FY26, supported by improved cash generation. FFO increased significantly to Rs. 1.3b (FY25: Rs. 638.8m), while DSCR improved to 3.89x (FY25: 2.55x) in FY26. However, given the sizeable increase in borrowings, FFO-to-total debt moderated to 33.89% (FY25: 43.62%), while FFO-to-long-term debt stood comfortable at 214.54% (FY25: 406.05%).

Liquidity profile remained adequate, with the current ratio improving to 1.28x (FY25: 1.16x). However, coverage of short-term borrowings through stock-in-trade and trade debts moderated to 1.47x (FY25: 1.97x), primarily reflecting an increase in short-term borrowings. The cash conversion cycle also lengthened to 48 days (FY25: 21 days), driven mainly by a significant increase in receivables as the Company expanded its market reach, resulting in higher working capital requirements. Trade debts increased materially to Rs. 3.6 billion (FY25: Rs. 1.4 billion); nevertheless, the ageing profile remained satisfactory, with approximately 98% of receivables outstanding for less than 60 days.

Financial Summary				
Balance Sheet (PKR Millions)	FY23A	FY24A	FY25A	FY26A
Property, plant and equipment	1,089.02	1,093.02	1,170.28	1,804.55
Intangible Assets	5.44	4.59	3.73	2.87
Long-term Investments	0.00	0.00	103.24	104.99
Stock-in-trade	828.87	665.90	1,055.85	1,191.35
Trade debts	680.04	806.29	1,427.63	3,572.25
Short-term Investments	357.81	547.15	0.00	0.00
Cash & Bank Balances	16.35	19.30	54.08	32.59
Other Assets	203.02	242.72	1,269.96	1,817.24
Total Assets	3,180.55	3,378.97	5,084.77	8,525.84
Creditors	1,013.34	1,086.65	1,547.06	780.09
Long-term Debt (incl. current portion)	374.36	265.51	157.32	621.35
Short-Term Borrowings	751.17	789.24	1,307.19	3,312.52
Total Debt	1,125.53	1,054.75	1,464.51	3,933.87
Other Liabilities	214.31	296.38	400.46	1,152.17
Total Liabilities	2,353.18	2,437.78	3,412.03	5,866.13
Paid up Capital	352.00	352.00	418.88	437.31
Revenue Reserve	300.19	414.01	1,078.68	2,047.24
Equity (excl. Revaluation Surplus)	652.19	766.01	1,497.56	2,484.55
Income Statement (PKR Millions)	FY23A	FY24A	FY25A	FY26A
Net Sales	6,229.99	7,029.19	10,037.20	18,776.82
Gross Profit	870.91	1,103.86	1,514.50	3,098.10
Operating Profit	390.41	567.76	780.27	1,786.71
Finance Costs	239.54	381.56	318.67	367.45
Profit Before Tax	150.87	186.20	461.60	1,419.26
Profit After Tax	86.84	113.81	290.63	861.88
Ratio Analysis	FY23A	FY24A	FY25A	FY26A
Gross Margin (%)	13.98%	15.70%	15.09%	16.50%
Operating Margin (%)	6.27%	8.08%	7.77%	9.52%
Net Margin (%)	1.39%	1.62%	2.90%	4.59%
Funds from Operation (FFO) (PKR Millions)	362.86	454.28	638.79	1,333.04
FFO to Total Debt* (%)	32.24%	43.07%	43.62%	33.89%
FFO to Long Term Debt* (%)	96.93%	171.10%	406.05%	214.54%
Gearing (x)	1.73	1.38	0.98	1.58
Leverage (x)	3.61	3.18	2.28	2.36
Debt Servicing Coverage Ratio* (x)	1.60	1.66	2.55	3.89
Current Ratio (x)	1.01	1.02	1.16	1.28
(Stock in trade + trade debts) / STD (x)	2.13	1.96	1.97	1.47
Return on Average Assets* (%)	3.10%	3.47%	6.87%	12.66%
Return on Average Equity* (%)	14.26%	16.05%	25.68%	43.29%
Cash Conversion Cycle (days)	24.06	19.95	21.09	47.67

*Annualized, if required

A - Actual Accounts

P - Projected Accounts

M - Management Accounts

REGULATORY DISCLOSURES						Appendix I
Name of Rated Entity	Roomi Poultry Limited					
Sector	Food and allied products					
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					
	09-Oct-26	A-	A2	Stable	Reaffirmed	
	21-Jul-25	A-	A2	Stable	Initial	
	RATING TYPE: SHORT-TERM SUKUK (STS-1)					
	10-Jul-26		A1		Final	
	20-Feb-26		A1 (plim)		Preliminary	
Instrument Structure	Instrument Name:		Details			
	Nature of Instrument		Short-term Sukuk (STS-1)			
	Tenure of Instrument		Six months from date of issuance			
	Size of the Issue		PKR 700m (inclusive of PKR 200m green shoe option)			
	Principle Redemption Schedule		Bullet			
	Interest Redemption Schedule		Bullet			
	Issue Date		09 July 2026			
	Grace Period		Not applicable			
	Redemption Date		09 January 2027			
	Nature of Security (in case of secured instrument)		Ranking charge over company current assets with 25% Margin. A dedicated SPA (Sukuk payment account) which the Company will maintain and fund as follows: 10% of the total issue amount 30 days before maturity, 50% of the total issue amount 15 days before maturity, 100% of the total issue amount 7 days before maturity			
	Rate		3MK + 1.35% per annum			
	Rating		A1			
	Name of Trustee/Agent		Pak Oman Investment Company Limited/Askari Bank Limited			
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	
	Shahbaz Ali		CFO		07-Sep-26	
	Muhammad Umer Akram		Head of Finance and Accounts			