

ROOMI POULTRY LIMITED

Analyst:

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RATING DETAILS

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RATINGS CATEGORY	CURRENT RATING
	SHORT-TERM
INSTRUMENT (STS-1)	A1 (plim)
RATING ACTION	Preliminary
RATING DATE	February 20, 2026

Shareholding (5% or More)

Khawaja Muhammad Mohsin Masood - 80.49%
Porcelain BV - 19.5%

Other Information

Incorporated in 2019
Public Limited Company
Chief Executive Officer: Khawaja Muhammad Mohsin Masood
Director: Julien Sleutjes
External Auditor: Shinewing Hameed Chaudhury & Co.
Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology - Corporates Ratings
<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>
Instrument Rating
(<https://docs.vis.com.pk/Methodologies-2025/IRM-Apr-25.pdf>)

Rating Scale

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

Rating Rationale

Roomi Poultry Limited ('RPL' or 'the Company') is a public limited company operating as an integrated poultry enterprise engaged in feed manufacturing, egg production, and egg strategic trading. RPL has demonstrated strong revenue growth, supported by rising domestic demand and expanding exports. Profitability has improved on the back of increasing margins, with export-led growth underscoring the strategic importance of the foreign investor's participation. Enhanced earnings have translated into improved debt coverage metrics, while liquidity remains sound, albeit with higher working capital requirements in line with business expansion.

The rating incorporates RPL's ongoing expansion strategy, including a planned fourfold increase in feed mill capacity and the establishment of a 2-million egg box cold storage facility by 2026. The largely debt-funded CAPEX and incremental working capital is expected to temporarily weaken capitalization and leverage indicators during FY26-FY27. However, these investments are viewed as a bridge to scaling operations and strengthening the topline. Successful execution of the expansion, achievement of projected sales volumes, and maintenance of debt coverage and capitalization ratios will remain key sensitivities.

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. First Avilac Solution (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 65% 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 100,000 bags to 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
Avilac Solutions (Private) Limited	-	50.0
Fieldfusion Corporation (Private) Limited	-	50.0
Poultry Links (Private) Limited	-	3.2

Proposed Short Term Sukuk

RPL plans to issue a privately placed Short-Term Sukuk (STS-1) amounting to Rs 700 million (inclusive of Rs 200 million green shoe option) with 6 months tenure, to finance increasing working capital needs. The Sukuk carries single bullet repayment of principal at maturity, with profit payable alongside the principal amount. The profit rate is yet to be finalized. The proposed Sukuk will be secured against ranking charge over company current assets with 25% margin. In addition, a dedicated Sukuk Payment Account (SPA) which the Company will maintain and fund as follows:

- 10% of the total issue amount to be funded 30 days before maturity
- 50% of the total issue amount to be funded 15 days before maturity
- 100% of the total issue amount to be funded 7 days before maturity

Additional comfort is drawn from availability of working capital lines (total projected ~Rs 5,000m) additional approvals in pipeline.

Management and Governance

Roomi Poultry Limited (“RPL”) has a concentrated ownership structure. Following recent changes, Mr. Khawaja Muhammad Mohsin Masood holds approximately 80.49% of the Company’s shareholding, while the remaining 19.5% is held by a foreign investor. Previously, the Company was majority owned by Masood Spinning Mills Limited; however, this stake has since been restructured. Mr. Mohsin also maintains an affiliation with the Mahmood Group through personal shareholdings in group companies. The Company’s Board comprises four directors. During the period, RPL transitioned from a private limited company to an unlisted public limited company. 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.

Business Risk

INDUSTRY

The Pakistan poultry sector maintains a Medium to High business risk profile, characterized by a mix of resilient demand and, volatility in production costs and policies. While the industry contributes roughly 1.3% to the national GDP and accounts for 40% of national meat consumption as an affordable staple protein, it faces significant pressure from reliance on imported soybean that exposes producers to foreign exchange fluctuations and health and treatment costs related to commercial poultry. The market remains highly fragmented with approximately 15,000 broiler farms, a factor that limits pricing power and margin flexibility, particularly for smaller players burdened by high energy costs and a heavy reliance on short-term debt. Despite these challenges, major vertically integrated groups like Sadiq Group, which controls 30–40% of the market, K&N’s, Sabir Group, Jadeed Group and Asia Poultry group, lead the organized sector, benefiting from a recovery in demand in FY24 and recent breakthroughs in high-value exports to the US and Middle Eastern markets. RPL holds a modest market share of 2.4% in the eggs and 1.5% market share in feed market in Pakistan. RPL was the first Pakistani firm to export table eggs to the US. While no major disruptions were observed in FY25, policy inconsistency remains a key sensitivity. High working capital intensity continues, with short-term borrowings forming a significant portion of sector debt. Although gradual monetary easing provides some relief, elevated energy and operating costs continue to pressure margins, particularly for smaller producers.

PRODUCTION PROFILE

Eggs production and feed bags production increased 33.4% and 10.9% respectively in FY25 to meet higher local demand and export demand.

Description	Unit	2024	2025
Laying house	Number	4	4
Birds capacity in 04 layer houses	Layer birds	400,000	400,000
Eggs laying capacity	Boxes (per year)	340,000	340,000
Eggs produced during the year	Boxes	205,159	273,646
Utilization		60%	80%
Rearing house	Number	1	1
Birds rearing capacity	Number (one time)	105,000	105,000
Feed production capacity	Bags (per year)	1,284,800	1,284,800
Feeds produced during the year	Bags	894,887	993,224
Utilization		70%	77%
Eggs - outsourced production	Boxes	73,173	273,212

While bird capacity and in-house production are expected to remain stable, the Company is focusing on enhancing cold storage and processing capabilities to capitalize on high-value egg exports through outsourced procurement. This shift toward international markets is designed to mitigate local offtake risks, driving the decision to prioritize storage expansion over owned production. Consequently, management expects to scale egg storage to 1.2m boxes by FY26 and 1.38m boxes by FY27. Similarly, feed mill capacity is projected to reach 200,000 bags (50kg) per month in FY26, split equally between owned and rented facilities and by FY27, it is planned to reach 375,000 bags per month, with owned expended of feed mill.

Expansion

Roomi Poultry Limited (RPL) plans to expand its feed mill capacity from 100,000 to 400,000 bags per month by installing new pellet lines, automation systems, warehouses, and silos. The expansion aims to meet rising market demand, enhance feed quality and consistency, and support in-house poultry operations. The total project cost is estimated at Rs. 4,500 million, including Rs. 1,500 million CAPEX and ~Rs. 3,000 million working capital, financed through a planned Rs. 1,200 million term finance, Rs. 3,000 million working capital lines, and Rs. 300 million sponsors equity. Post-expansion, 25,000 bags will serve in-house requirements, with 375,000 bags for market sales. Completion is targeted by 31st December 2026.

Feed Mill Segment				
Year	FY2025	1HFY26	Proj-FY2026	Proj-FY2027
Sales turnover	5,814,274,853	3,854,438,207	11,063,948,789	19,361,910,381
Cost of goods sale	5,112,123,928	3,466,681,723	9,722,292,300	17,004,417,460
Gross profit	702,150,925	387,756,484	1,341,656,489	2,357,492,921
GP%	12.08%	10.06%	12.13%	12.18%

Another planned expansion is the Egg Hub Project which encompasses a central warehousing and processing facility to enhance the cold-chain infrastructure and support export market expansion. With a total capital requirement of Rs. 820.5m, the project will include a cold storage capacity for 2,000,000 egg boxes and is expected to be operational by 4QFY26. The facility will focus on stabilizing supply and reducing wastage through the development of value-added processed egg products. The project has an expected payback period of 2.6 years.

Egg Hub Segment				
Year	FY 2025	1HFY26	Proj-FY2026	Proj-FY2027
Sales Turnover	4,222,956,979	5,592,025,531	9,729,995,343	11,748,969,377
Cost of goods sale	3,410,577,276	4,781,266,422	7,929,419,818	9,440,599,719
Gross Profit	812,379,703	810,759,109	1,800,575,525	2,308,369,658
GP%	19.24%	14.50%	18.51%	19.65%

Future business investment opportunities have been identified in the areas of solvent extraction, chicken meat processing, and manure composting, though no timelines or capital commitments have been formally announced for these segments.

SALES & PROFITABILITY

Between FY21 and FY25, RPL's revenue increased at a CAGR of 64%, primarily reflecting higher volumetric sales in both egg and feed segments amid favorable demand conditions. In FY25, net sales grew 43%, to Rs. 10.04b (FY24: Rs. 7.03b). Egg segment revenue increased by 84% while feed revenue improved by 23% in FY25 from preceding year.

Growth continued into 1QFY26, with net sales increasing to Rs. 4.81b from Rs. 2.29b in 1QFY25 on the back of higher volumes.

Product wise sales mix as tabled below:

Product wise revenue	FY24	FY25	Y/Y
Feed	67.1%	60.3%	54%
Eggs	32.7%	39.7%	36%
Waste	0.2%	0.1%	-34%

The Company also enhanced its export profile during the review period, with higher shipments to the Gulf states and the United States marginally increasing the export mix and reducing reliance on local sales as exports revenue increased by 5.25x YoY in FY25. Geographic sales break-up is tabulated:

	FY24	FY25
Local	97.5%	89.0%
Exports	2.5%	11.0%
Region wise revenue	FY24	FY25
Pakistan	97.0%	89.0%
Gulf	0.0%	9.3%
Rest of the world	3.0%	1.7%

Supported by expanded feed mill capacity and increased egg boxes storage and growing demand, management expects FY26 sales volumes to surge by 80% for feed and 120% for eggs. This growth is projected to drive net sales to Rs. 20b in FY26, with a further climb to Rs. 31b in FY27. Meeting these sales targets remains crucial from the rating perspective. Projected sales figures are in the table below:

(Amounts in m)	FY25A	FY26E	FY27E
Eggs (boxes)			
Sales volumes	0.55	1.20	1.38
Total sales	4,223.0	9,730.0	11,749.0
Feed (50 Kg bag)			
Sales volumes	0.99	1.80	3.00
Total sales	5,812.3	11,064.0	19,361.9

While margins remain modest, they are vulnerable to adverse movements in raw material prices and finance costs linked with increasing working capital requirements. Over FY21–FY25, the Company sustained average gross margins of 17.6% despite volatility in input costs and pricing dynamics, while absolute gross profit increased in line with revenue expansion. Finance costs decreased in FY25 amid easing policy rates and lower long-term borrowings. Driven by higher gross profit and lower finance costs, net profit increased to Rs. 290.6m (FY24: Rs. 113.8m; FY23: Rs. 86.8m) and net margin improved to 2.90% (FY24: 1.62%, FY23: 1.39%) in FY25. Margins improved further in 1QFY26, with gross margin increasing to 14.1% (1QFY25: 12.4%) and net margin to 4.27% (1QFY25: 2.38%). Profit margins are expected to depict modest improvement in medium-term with the increase in gross profit likely to offset uptick in financial charges.

Financial Risk

CAPITAL STRUCTURE

Tier-1 equity increased to Rs. 1.5b at end-FY25 (FY24: Rs. 766.0m), driven by equity injection from foreign sponsor and retained earnings. Consequently, gearing and leverage improved to 0.98x (FY24: 1.38x) and 2.28x (FY24: 3.18x), respectively. In 1QFY26, gearing rose to 1.35x due to higher short-term borrowings, while leverage improved further amid decrease in trade creditors and other payables. Gearing and leverage are expected to weaken in the near term owing to planned CAPEX and elevated working capital requirements. The assigned rating remains contingent upon maintaining leverage ratios within manageable thresholds post expansion phase.

DEBT COVERAGE & LIQUIDITY

Debt coverage strengthened, supported by higher Funds from Operations (FFO). The Debt servicing coverage ratio (DSCR) improved to 2.17x in FY25 (FY24: 1.66x) and further to 3.21x in 1QFY26. FFO coverage also strengthened, with FFO to long-term debt increasing to 7.16x (FY25: 3.42x; FY24: 1.71x), while FFO to total debt remained sound. However, debt coverage metrics may moderate with higher borrowings and associated interest costs.

Liquidity finds comfort in an improvement in the current ratio (end-1QFY26: 1.22x; end-FY25: 1.16x; end-FY24: 1.02x) and a net operating cycle below 30 days. The aging profile of trade receivables also improved, with 85% recoverable within one month (end-FY24: 65%). Although short-term borrowings increased in line with rapid growth, these remain largely supported by trade receivables and inventory, with the Company maintaining a comfortable coverage buffer (end-1QFY26: 1.34x; end-FY25: 1.97x; end-FY24: 1.96x).

FINANCIAL SUMMARY

Balance Sheet (Rs Millions)	FY23A	FY24A	FY25A	3MFY26M	FY26P	FY27P
Property, plant and equipment	1,089	1,093	1,170	1,151	2,180	3,267
Long-term Investments	0	0	103	103	103	103
Assets Held for Sale	0	0	323	323	0	0
Stock-in-trade	829	666	1,056	1,356	3,323	5,597
Trade debts	680	806	1,428	1,524	1,764	2,870
Short-term Investments	358	547	0	0	0	0
Biological Assets	358	547	632	649	458	481
Cash & Bank Balances	16	19	54	16	1,103	1,786
Total Assets	3,181	3,379	5,085	5,399	9,258	14,505
Creditors	1,013	1,087	1,547	995	1,133	1,819
Long-term Debt (incl. current portion)	374	266	157	145	884	1,833
Short-Term Borrowings	751	789	1,307	2,147	4,002	6,018
Total Debt	1,126	1,055	1,465	2,292	4,886	7,851
Other Liabilities	214	296	400	234	688	1,079
Total Liabilities	2,353	2,438	3,412	3,521	6,707	10,749
Paid up Capital	352	352	419	419	919	919
Revenue Reserve	300	414	1,079	1,284	1,457	2,662
Equity (excl. Revaluation Surplus)	652	766	1,498	1,703	2,376	3,581
Income Statement (Rs Millions)	FY23A	FY24A	FY25A	3MFY26M	FY26P	FY27P
Net Sales	6,230	7,029	10,037	4,813	20,794	31,110
Gross Profit	871	1,104	1,515	679	3,143	4,665
Operating Profit	390	568	780	379	1,845	2,970
Finance Costs	240	382	319	89	610	996
Profit Before Tax	151	186	462	290	1,235	1,974
Profit After Tax	87	114	291	205	754	1,204
Ratio Analysis	FY23A	FY24A	FY25A	3MFY26M	FY26P	FY27P
Gross Margin	13.98%	15.70%	15.09%	14.10%	15.11%	15.00%
Operating Margin	6.27%	8.08%	7.77%	7.87%	8.87%	9.55%
Net Margin	1.39%	1.62%	2.90%	4.27%	3.63%	3.87%
Funds from Operation (FFO) (Rs Millions)	363	454	539	260	1,783	2,321
FFO to Total Debt*	32.24%	43.07%	36.83%	45.37%	36.49%	29.56%
FFO to Long Term Debt*	96.93%	171.10%	342.87%	716.64%	201.70%	126.62%
Gearing (x)	1.73	1.38	0.98	1.35	2.06	2.19
Leverage (x)	3.61	3.18	2.28	2.07	2.82	3.00
Debt Servicing Coverage Ratio* (x)	1.60	1.66	2.17	3.21	3.47	2.60
Current Ratio (x)	1.01	1.02	1.16	1.22	1.20	1.22
(Stock in trade + trade debts) / STD (x)	2.13	1.96	1.97	1.34	1.29	1.43
Cash Conversion Cycle (days)	24	20	21	27	46	68
Return on Average Assets*	3.10%	3.47%	6.87%	15.67%	10.51%	10.13%
Return on Average Equity*	14.26%	16.05%	25.68%	51.35%	38.93%	40.42%

* Annualized, if required

A: Audited accounts

M: Management accounts

P: Projected accounts

REGULATORY DISCLOSURES					Appendix I
Name of Rated Entity	Roomi Poultry Limited				
Sector	Food and allied products				
Type of Relationship	Solicited				
Purpose of Rating	Instrument Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook/Rating Watch	Rating Action
	Rating Type: Short-term Sukuk (STS-1)				
	February 20, 2026		A1 (plim)		Preliminary
	Rating Type: Entity				
July 21, 2025	A-	A2	Stable	Final	
Instrument Structure	Instrument Name:	Details			
	Nature of Instrument	STS-1			
	Tenure of Instrument	Up to 6 months from issue date			
	Size of the Issue	Up to PKR 700m (inclusive of PKR 200m green shoe option)			
	Principle Redemption Schedule	Bullet			
	Interest Redemption Schedule	Bullet			
	Nature of Security	<ul style="list-style-type: none"> Ranking charge over company current assets with 25% Margin. A dedicated SPA (Sukuk payment account) which the Company will maintain and fund as follows: <ul style="list-style-type: none"> 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	Yet to be finalized			
Name of Trustee	Habib Bank Limited (HBL)				
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	
		Mohsin Khawaja	CEO	11-Feb-2026	