

FORM-25

Ref: ILP/PSX/24/2025

Date: 06/08/2025

The General Manager
Pakistan Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: **VIS Reaffirms Entity Ratings of Interloop Limited**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

The VIS Credit Rating Company Ltd. (VIS), a 'Full Service' rating agency providing independent rating services in Pakistan in its Press Release of August 04, 2025 has reaffirmed the entity ratings of 'AA-/A1' (Double A minus/A one) assigned to Interloop Limited (ILP). The copy of the above mentioned Press Release is attached. Please use below link to see the complete report.

https://docs.vis.com.pk/RatingReports/OP_01053101005_00010531.pdf

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

For **INTERLOOP LIMITED**



(Rana Ali Raza)
Company Secretary

Cc: Executive Director / HOD -for information
Offsite-II Department, Supervision Department
Securities & Exchange Commission of Pakistan
63, NIC Building, Jinnah Avenue, Blue Area,
Islamabad

Press Release

VIS Reaffirms Entity Ratings of Interloop Limited

Karachi, August 04, 2025: VIS Credit Rating Company Limited (VIS) reaffirms entity ratings of Interloop Limited at 'AA-/A1' (Double A minus/A one). Medium to long term rating of 'AA-' indicates High credit quality; Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions. Short term rating of 'A1' indicates Strong likelihood of timely repayment of short-term obligations with excellent liquidity factors. Outlook on the assigned ratings remain 'Stable'. Previous rating action was announced on July 18, 2024.

Interloop Limited ('ILP' or 'the Company') is a vertically integrated textile composite specializing in hosiery, denim, knitted apparel, seamless activewear, and yarns, supported by a well-diversified export base and long-standing relationships with major international retailers. The Company employs 37,000+ individuals from 15 nationalities, operating across 6 countries. This includes an extensive industrial infrastructure base in Pakistan, an associate manufacturing facility in Sri Lanka, a manufacturing facility and sourcing office in China, and marketing services offices in USA, Europe and Japan. The Company's registered office is located at 15-A Peoples Colony No. 1, Faisalabad.

The assigned rating reflects ILP's strong market position, integrated operations, and stable revenue scale. The Company is actively pursuing capacity expansion and product diversification, particularly in the denim and apparel segments. While the hosiery division continues to generate stable earnings, consolidated profitability has been impacted by margin compression in the apparel segment, which remains in its ramp-up phase. Ongoing capital expenditure has kept capitalization metrics constrained, although gradual improvements in gearing are evident. Liquidity remains adequate; however, cash flow-based coverage indicators have weakened due to reduced profitability.

The rating is supported by management's focus on operational efficiency, particularly in apparel segment, its commitment to capping debt levels, and long-term cost savings through sustainability initiatives, including the planned expansion of solar energy capacity. However, external risks persist, most notably the potential impact of fluctuations in global cotton prices and changes in U.S. tariff policies, will remain a key challenge.

For further information on this ratings announcement, please contact on 021-35311861-64 or email at info@vis.com.pk.



Applicable Rating Criteria:

Industrial Corporates

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

VIS Issue/Issuer Rating Scale

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

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