



NIGERIAN EXCHANGE GROUP PLC FY 2025

Earnings Report Update

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Company Overview

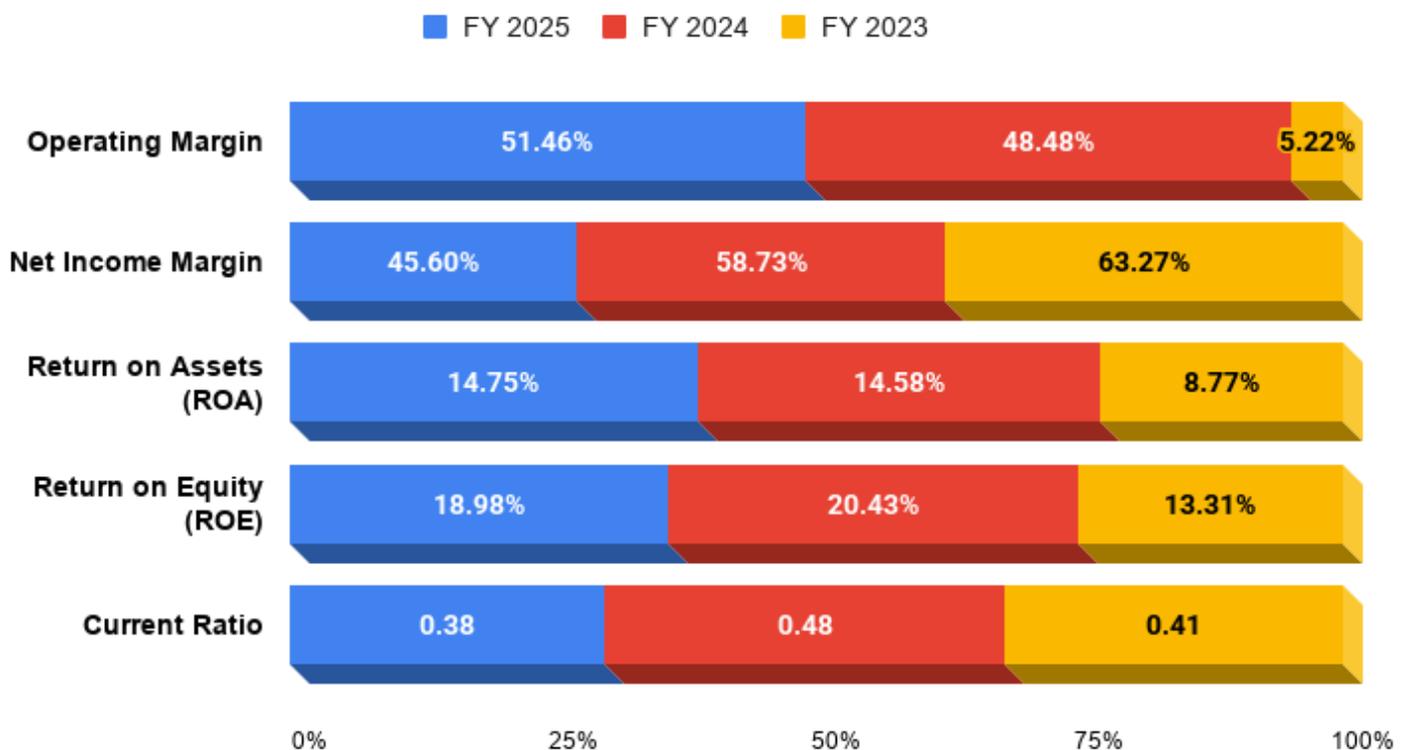
Nigerian Exchange Group Plc operates Nigeria's primary securities exchange, providing core capital market infrastructure for the listing, trading, clearing, and settlement of equities, bonds, and other financial instruments. The group also delivers regulatory services, market data, and licensing solutions, supporting stockbrokers, issuers, and investors while facilitating efficient capital formation and market transparency.

Revenue/Profitability Summary				
Million NGN(₦), except EPS	FY 2025	Q4 2025	YOY	
Revenue	22,980.69	7,818.49	36.04%	
Total Income	26,206.95	8,260.32	9.24%	
Operating profit	11,826.35	3,259.74	44.40%	
Share of profit of equity accounted investees	3,724.18	352.36	-31.28%	
Profit before income tax expense	15,550.53	4,320.94	14.50%	
Profit after tax	10,479.28	2,601.58	5.63%	
Earnings per share (Naira)	4.75	1.18	5.56%	
Cost/Expenses Summary				
Million NGN(₦)	FY 2025	Q4 2025	YOY	
Personnel expenses	5,253.43	960.02	18.02%	
Operating expenses	7,702.72	3,018.84	-12.47%	
Depreciation and amortization	597.37	194.64	23.55%	
Total expenses	14,380.60	5,000.59	-8.99%	
Income tax expense	5,071.24	1,719.36	38.53%	
Key Items of Financial Position Summary				
Million NGN(₦)	31st Dec, 2025	QOQ	YOY	
Current assets	5,038.36	-9.68%	-21.17%	
Non-current assets	66,011.41	6.85%	7.08%	
Total assets	71,049.77	5.48%	4.42%	
Current liabilities	13,194.97	0.39%	-0.43%	
Non-current liabilities	2,651.00	-9.71%	-57.53%	
Total liabilities	15,845.97	-1.45%	-18.71%	
Total equity	55,203.79	7.66%	13.71%	
Segment Performance				
Million NGN(₦)	FY 2025	Q4 2025	% Revenue	YOY
Treasury investment income	2,736.86	596.05	11.91%	-12.17%
Transaction fees	15,126.31	5,388.35	65.82%	91.43%
Listing fees	4,751.70	1,753.55	20.68%	-13.21%
Rental income	129.20	38.71	0.56%	1.70%
Other fees	236.62	41.84	1.03%	-13.42%

Cash Flow Summary

Million NGN(₦)	FY 2025	Q4 2025	YOY
Net cash from operations	2,881.39	2,315.21	-66.93%
Net cash from operations	5,350.85	3,103.74	248.68%
Net cash used in financing	-6,555.37	-5,265.38	39.43%
Closing cash balance	2,552.38	158.32	193.12%

Margin and Efficiency Analysis



Performance Highlights

- Nigerian Exchange Group Plc's revenue growth in FY2025 was driven by improved trading activity, listings, and market services. However, total income expanded more slowly as other income declined significantly compared to the prior year. This indicates that FY2025 earnings were more strongly supported by core operating activities.
- Operating expenses declined during the year, reflecting improved cost discipline across administrative and operational functions. The reduction in expenses allowed the Group to benefit from operating leverage as revenue growth exceeded cost movements.
- Personnel expenses increased during the period, reflecting wage adjustments, workforce expansion, and broader inflation-driven compensation pressures within Nigeria's financial services sector. Despite the rise in staff costs, the overall impact on profitability remained manageable due to strong revenue growth and reductions in other operational expenses across the business.
- Financing costs declined significantly following the full repayment of term borrowings during the year. The reduction in interest expenses reflects the Group's deliberate deleveraging strategy and improved balance sheet management.
- Operating profit expanded significantly during the year, supported by stronger revenue performance and improved cost efficiency. The increase reflects improved earnings conversion from core exchange-related services, including trading activities, listing fees, and market infrastructure operations, which remain central to the Group's operating model.
- Income from equity-accounted associates remained an important contributor to overall earnings. Although associate income declined compared to the prior year, it continues to represent a meaningful component of profitability.
- Profit before tax increased as improved operating performance and reduced financing costs supported earnings expansion. However, the tax burden increased during the year, reflecting higher taxable profits and potential adjustments in tax obligations. Despite this, the Group maintained overall profit growth, demonstrating resilience in its financial performance.
- The Group's balance sheet strengthened during the year, supported by moderate asset growth driven primarily by investment securities and property investments. At the same time, total liabilities declined significantly as borrowings were repaid, improving the company's capital structure and reducing overall financial leverage.
- Operating cash flow declined due to higher tax payments and working capital adjustments. However, investing activities generated positive inflows from dividends and investment income, allowing the Group to end the year with a stronger cash position and improved liquidity.

Concerns Raised

- A substantial portion of the Group's earnings continues to originate from equity-accounted investees. Although associate income remains strong, the 31% decline in FY2025 highlights the sensitivity of profitability to external investment performance, which may introduce volatility in future earnings.
- Other income declined sharply by 54.5% YoY, indicating reduced non-core revenue streams. While core revenue expanded significantly, sustained earnings growth will depend on maintaining strong trading activity and capital market participation rather than relying on episodic ancillary income.
- Operating cash flow declined materially during the year, despite higher profitability. The 66.9% decline suggests increased tax outflows and working capital movements, which may limit internal funding capacity if sustained.
- The 18% increase in personnel expenses signals rising cost pressures within the organization. Continued expansion in staff-related expenses could compress operating margins over time if revenue growth moderates or capital market activity weakens.

OUR INSIGHT

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Nigerian Exchange Group Plc delivered solid operational performance in FY2025, with strong revenue growth driven by increased trading activity, listings, and market services, while improved cost discipline and lower financing costs supported operating profit expansion. The Group's deleveraging and strengthened balance sheet enhance financial stability and position it to benefit from deeper capital market participation and structural growth in Nigeria's financial markets. However, long-term investment prospects remain tied to sustained market activity and continued development of the domestic capital market. Key watchpoints include declining associate income, weaker operating cash flow, rising personnel costs, and reduced contribution from non-core income streams, which could influence earnings sustainability if market conditions soften.

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