




NASCON ALLIED INDUSTRIES PLC FY 2025

Earnings Report Update

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Company Overview

Nascon Allied Industries Plc is a leading Nigerian manufacturer of refined edible and industrial salt, operating across Salt and Seasoning segments. Its core businesses include table and industrial salts, seasoning cubes, spices, tomato paste, and vegetable oil. The company distributes products nationwide under the Dangote and Dan Q brands through established retail channels.

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Aderemi Saka, Managing Director of Nascon Allied Industries Plc, stated that 2025 performance reflects resilience and strategic discipline, delivering historic earnings growth. Revenue rose 27% to ₦152.7 billion, while Profit After Tax surged 115% to ₦33.5 billion. He highlighted asset expansion, CNG truck investments, stronger liquidity, and a proposed ₦6.00 dividend, expressing confidence in sustained growth.

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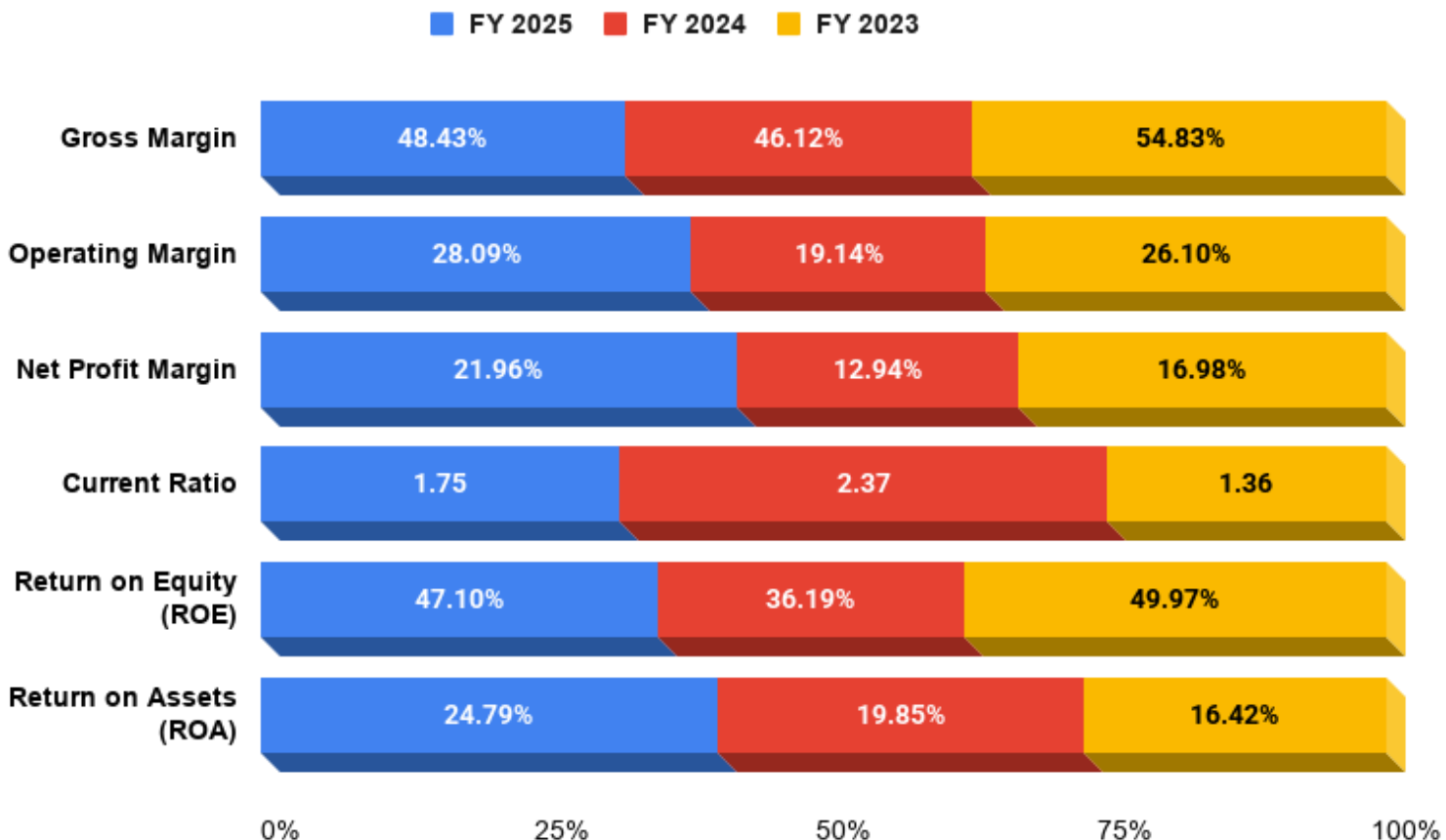
CEO's Commentary

Revenue/Profitability Summary				
Million (₦), except EPS	FY 2025	Q4 2025	YOY	
Total revenue	152,686.97	35,341.81	26.83%	
Gross profit	73,948.14	16,764.66	33.17%	
Operating profit	42,896.10	9,653.54	86.20%	
Finance income	6,006.20	2,026.29	234.82%	
Profit before taxation	48,243.24	11,562.56	103.98%	
Profit for the year	33,529.28	9,201.39	115.16%	
Earnings per share (Kobo)	1,241.00	41.00	115.08%	
Cost/Expenses Summary				
Million (₦)	FY 2025	Q4 2025	YOY	
Cost of sales	78,738.84	18,577.15	21.40%	
Distribution costs	20,706.80	4,476.94	-12.55%	
Administrative expenses	8,961.65	2,222.42	29.35%	
Finance costs	659.07	117.28	-44.18%	
Taxation	14,713.96	2,361.17	82.40%	
Cash Flow Summary				
Million (₦)	FY 2025	QOQ	YOY	
Net cash from operations	43,906.07	81.62%	954.26%	
Net cash from investing	-17,870.90	-831.13%	-3078.13%	
Net cash from financing	-9,207.25	-4.10%	-118.33%	
Cash balance	41,632.24	-1.98%	68.55%	
Key Items of Financial Position Summary				
Million (₦)	Dec 2025	Sep 2025	QOQ	YOY
Non-current assets	36,972.80	15,496.63	138.59%	127.91%
Current assets	98,293.16	96,981.40	1.35%	45.90%
Total assets	135,265.96	112,478.03	20.26%	61.82%
Non-current liabilities	7,808.75	9,074.03	-13.94%	20.87%
Current liabilities	56,277.32	41,425.56	35.85%	13.33%
Total liabilities	64,086.07	50,499.59	26.90%	14.19%
Equities	71,179.89	61,978.44	14.85%	159.10%
Segment Performance				
Million (₦)	FY 2025	% Revenue	YOY	
Salt	141,170.95	92.46%	24.97%	
Seasoning	11,516.02	7.54%	55.15%	

Geographic Performance

Million (₹)	FY 2025	% Revenue	YOY
East	8,554.90	5.60%	26.19%
West	28,403.95	18.60%	18.64%
North	115,728.13	75.79%	29.07%

Margin and Efficiency Analysis



Performance Highlights

- Nascon Allied Industries Plc delivered a significant revenue growth in fiscal year 2025, driven by volume recovery and pricing actions across its core product lines. Growth was broad-based but primarily anchored on the Salt segment, which remains the dominant revenue contributor.
- Segmentally, Salt revenue increased 25.0% to ₦141.17 billion (92% of total revenue), while Seasoning revenue surged 55.2% to ₦11.52 billion, reflecting improved market penetration and brand traction. Gross profit expanded 33.2% to ₦73.95 billion, with gross margin improving to 48.4% from 46.1%, supported by operating leverage and moderated input cost pressures relative to topline growth.
- Cost of sales rose 21.4%, below revenue growth of 26.8%, reflecting improved efficiency, as raw materials (88% of costs) increased 24.4% and employee costs grew 8.9%, while lower right-of-use asset depreciation (-27.9%) supported margin expansion. Administrative expenses climbed to ₦8.96 billion, but operating costs overall lagged revenue growth, reinforcing positive operating leverage.
- Operating profit rose 86.2%, materially outpacing revenue growth, as operating margin improved to 28.1% from 19.1%. This was driven by stronger gross margins and a 12.6% decline in distribution costs, particularly a 15.8% reduction in delivery expenses, partially offset by a 29.3% increase in administrative expenses.
- Geographically, revenue growth was strongest in the North, which accounted for 75.8% of total revenue and grew 29.1%, while the West expanded 18.6% and the East grew 26.2%. This indicates sustained regional dominance with incremental penetration across key distribution corridors.
- Finance income surged by 234.8%, reflecting improved treasury yields and higher cash balances, while finance costs declined 44.1% to ₦659 million due to reduced borrowings. Consequently, profit before tax doubled, rising 104.0% to ₦48.24 billion, highlighting the combined effect of stronger operations and improved net finance position.
- Net profit increased 115.2%, despite an 82.4% rise in tax expense. Net margin expanded significantly to 22.0% from 12.9%, while earnings per share more than doubled to 1,241 kobo from 577 kobo, reflecting enhanced shareholder value creation.
- On the balance sheet, total assets grew 72.3%, largely driven by a 200.9% increase in property, plant and equipment to ₦33.50 billion, reflecting ₦23.72 billion in capital expenditure aimed at capacity expansion. Cash and cash equivalents increased 68.6% to ₦41.63 billion, strengthening liquidity.
- Operating cash flow surged 954.4%, reflecting stronger earnings conversion, despite higher investing outflows from expansionary capex, while ₦9.21 billion in financing outflows covered debt repayments and dividends. Equity grew 65.3% to ₦71.18 billion on retained earnings expansion, with the company remaining ungeared and in a negative net debt position of ₦4.15 billion.

Concerns Raised

- Receivables concentration risk has intensified, with approximately 91% of trade receivables attributable to a related party. The 322.7% increase in related party balances raises counterparty and working capital concentration risks despite existing credit controls.
- The significant capital expenditure cycle, while growth-accretive, introduces execution and utilisation risks. Returns on the expanded asset base must materialise to justify the 200.9% increase in property, plant and equipment.
- Foreign exchange exposure remains relevant despite moderated sensitivity. A 10% Naira movement could impact profit by approximately ₦173 million, and structural FX sourcing challenges for imported inputs may disrupt production continuity in adverse macroeconomic conditions.

OUR INSIGHT

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Nascon Allied Industries Plc reported a materially stronger FY2025 performance, with revenue growth of 26.8% and profit after tax increasing 115%, driving broad-based margin expansion (gross margin 48.4%, operating margin 28.1%, net margin 22.0%). Return on equity improved to 47.1%, reflecting enhanced earnings quality and capital efficiency, while robust operating cash flow underpins dividend sustainability. Over the long term, growth prospects remain supported by capacity expansion and distribution scale, though receivables concentration and working capital discipline warrant close monitoring.

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