

Agriculture Sector Report- Palm Oil Industry



2025

EXECUTIVE SUMMARY

Nigeria’s palm oil industry is gaining renewed attention as demand continues to outpace local supply, creating strong fundamentals for the country’s two largest listed producers, Okomu Oil and Presco Plc. With consistent earnings growth, increasing processing capacity, and increasing relevance in both domestic and export markets, these companies are well-positioned to benefit from structural imbalances in Nigeria’s food and industrial supply chains. Their integrated business models offer resilience amid inflationary pressures and rising input costs.

Okomu Oil, with a 33,000+ hectare plantation base and dual milling capacity, posted NGN130.21 billion in revenue for FY2024, reflecting a 73.36% y/y increase, driven by a significant increase in rubber (+183.26%) and palm oil (+60.42%) segments. Profit after tax increased by 58.27% to NGN35.5 billion. Okomu's equity base now stands at NGN55.48 billion, backed by improved asset turnover, moderate capital structure, and RSPO certification that positions it for global trade compliance. At NGN524.70 as of the 5th May 2025, the stock offers a 66.12% upside to its 12M target price of NGN871.62, with a trailing P/E of 10.74x and ROE of 37.67%. Our rating: BUY.

Presco Plc delivered a stellar FY2024 performance as well, with profit before tax rising 128.74% y/y to NGN113.22 billion and profit after tax jumping 140.45% to NGN77.80 billion. Despite a decline in ROE to 36.84% due to a larger equity base from retained earnings and the GOPDC acquisition, the fundamentals remain strong. The company’s EBIT interest cover stood at 9.8x, well above solvency thresholds. Technically, the stock is trading at NGN850.20 as of the 8th May 2025, the stock offers a 52.39% upside to its 12M target price of NGN1,295.64, supported by bullish momentum across all key moving averages.

Global palm oil production is set to rebound to 79.63 MMT in 2025, but structural issues, EU traceability mandates, and tighter export balances from Indonesia and Malaysia create pricing power for compliant producers. Nigeria’s palm oil consumption (1.85 MMT) continues to outpace local production (1.5 MMT), with 87% of demand tied to inelastic food use.

Okomu and Presco, with scale, sustainability certifications, and export readiness, remain key players in Nigeria’s agro-commodity sector. Both stocks offer strong upside, making them strategic buys for frontier-market portfolios.

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Global Palm Oil

Palm oil remains the world’s most widely used vegetable oil, accounting for approximately 36% of global edible vegetable oil production. Derived from the fruit flesh and seeds of the oil palm, palm oil and palm kernel oil serve as vital ingredients in food products, personal care items, and biofuels. A breakdown of sectoral consumption shows that 60% is used in food, 27% in industrial applications, and 5% in bioenergy.

Palm oil cultivation benefits from a long economic lifespan of 25 to 30 years, with fruit production occurring year-round under favourable climate conditions.

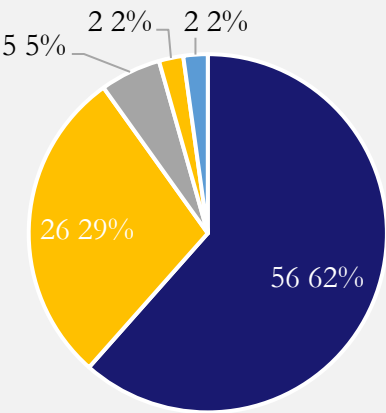
According to the USDA, global palm oil production in 2023/2024 reached approximately 76.26 million metric tons, reflecting a 0.48% year-on-year decline from 76.63 million metric tons in 2022/2023. This slight dip was attributed to seasonal monsoon fluctuations and a temporary reduction in output. Looking forward to 2025, production is projected to rise to 79.63 million metric tons, with Indonesia expected to contribute 47 million metric tons and Malaysia’s output anticipated to increase slightly to 19.8 million metric tons.

Indonesia remains the leading producer, accounting for 56% of total output, followed by Malaysia at 26%. Other key producing countries, including Thailand, Colombia, and Nigeria, continue to contribute to global supply at smaller scales.

76.26 million metric tons

Global Palm Oil Production in 2023/2024

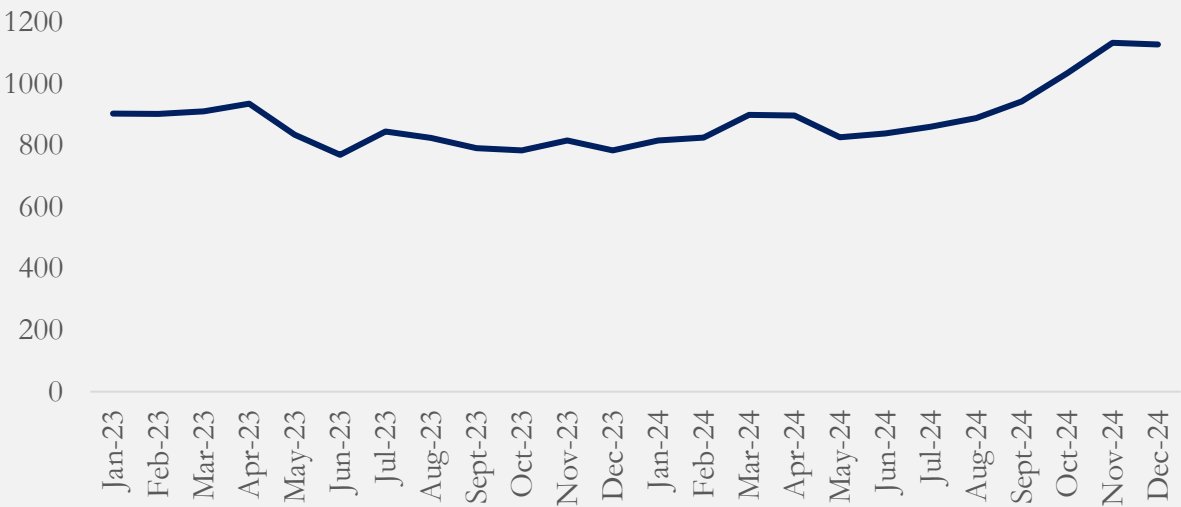
Chart 1: Top Five Oil Palm Producing Countries in 2024



■ Indonesia ■ Malaysia ■ Thailand ■ Colombia ■ Nigeria

Source; USDA, Capital Bancorp

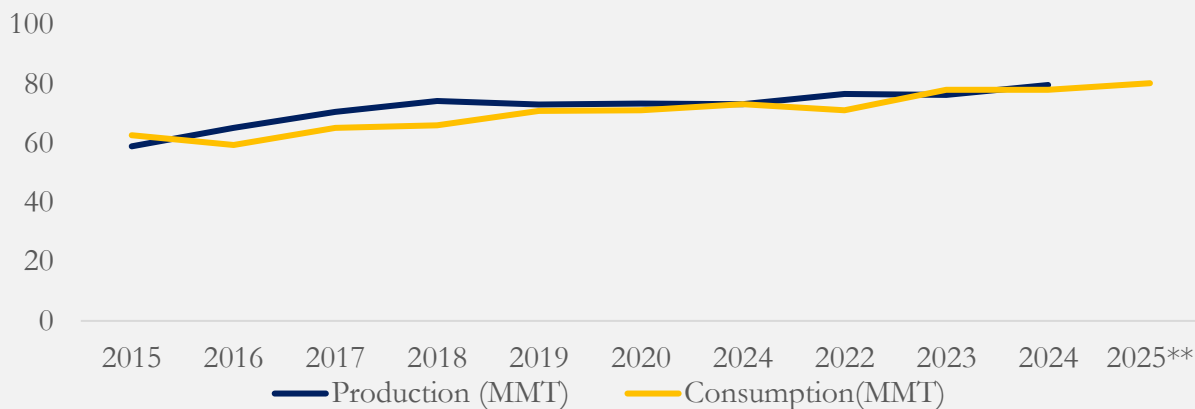
Chart 2: Global Palm Oil Price (Jan'23 – Dec'24)



Source; IMF, FRED, Capital Bancorp

Global Palm Oil

Chart 3: Global Production vs Consumption Trends (2015-2024)



Source; USDA, Statista, Capital Bancorp

Market pricing has also been a significant focus, following the sharp fall from \$1,322 per metric ton in June 2022 to \$887.10 per metric ton in Dec 2022. The market has been regaining stability, closing 2024 with a 43.96% year-on-year growth from \$783.34 per metric ton in Dec 2023 to \$1,127.78 per metric ton in Dec 2024. Several critical factors drove this significant increase:

- 1. Rising Biodiesel Demand:** Indonesia's implementation of the B40 biodiesel mandate has significantly boosted domestic palm oil consumption. This policy supports renewable energy initiatives but also reduces export volumes, thereby tightening global supply and elevating prices.
- 2. Higher Prices of Competing Vegetable Oils:** The rise in soybean and sunflower oil prices, driven by lower global production and geopolitical disruptions, shifted demand toward palm oil. With limited substitutes at competitive prices, buyers turned to palm oil, intensifying upward pressure on prices.

In 2025, we expect volatility in prices driven by key factors such as;

- 1. Supply Constraints:** Unfavourable weather patterns, particularly the effects of El Niño, have impacted key producing regions such as Indonesia

and Malaysia, leading to lower-than-expected yields. Labor shortages and logistical disruptions have further contributed to supply challenges.

2. Regulatory Changes: The European Union's deforestation-free regulation, set to take effect on December 30, 2025, will require palm oil producers to ensure full traceability and compliance with deforestation-free supply chains. Compliance will be necessary for exporters to maintain market access, prompting many industry players to shift toward Certified Sustainable Palm Oil (CSPO).

3. Trade Dynamics: Ongoing trade tensions, such as the U.S.-China trade war, have the potential to influence global palm oil demand. For instance, previous tariffs on U.S. soybeans led China to increase palm oil imports as an alternative, benefiting producers in countries like Indonesia and Malaysia. However, any escalation in trade disputes could introduce market volatility.

Looking ahead, the global palm oil industry is set for continued expansion, supported by rising demand and strategic policy initiatives. However, navigating the complexities of environmental regulations, market volatility, and sustainability concerns will be crucial for long-term success

Nigeria Palm Oil Industry

The Nigerian agricultural sector remains a fundamental element of the nation's economy, serving as a key growth driver. As Africa's most populous country, Nigeria possesses vast agricultural resources, including expansive arable land, fertile tropical soils, rainforests in the south, and savannas in the north. These conditions position the sector as a major component of the economy, granting Nigeria significant influence within African and global markets.

Agriculture has long been the backbone of the economy, directly impacting food prices and overall economic stability. The sector remains highly relevant, employing approximately 30.1% of the labour force and contributing around 18.54% to the nation's GDP. Nigeria's agricultural landscape features a dual system, where smallholder farmers, who constitute about 80% of the farming population, operate alongside an expanding commercial farming sector, reinforcing the industry's importance.

The Nigerian agricultural industry has four subsectors: fishing, crop production, livestock, and forestry. Crop production dominates, accounting for 90% of the sector's output. Staple grains such as maize, millet, sorghum, cassava, and rice serve as dietary staples, while cash crops like palm oil, cocoa, and cashews contribute to export earnings.

PALM OIL INDUSTRY

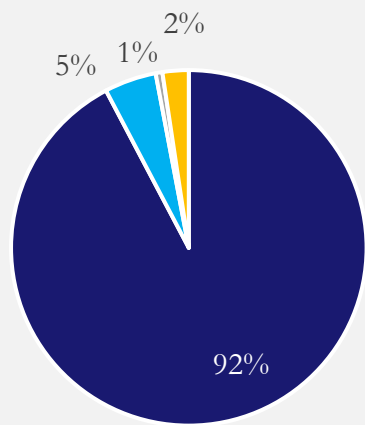
The Nigerian palm oil industry is divided into large-scale and small-scale farmers. However, small-scale farmers dominate the market, controlling about 80% of production, which has led to slow growth within the industry. The two largest producers, Okomu Oil and Presco, hold significant market shares in value terms due to their combined capacity, far surpassing small-scale farmers.

Local farmers contribute roughly 80% of total production, utilizing approximately 1.6 million hectares of land. However, their dominance has resulted in lower-than-potential output due to outdated manual harvesting techniques, which cause significant wastage.

1.5 million metric tons

Palm Oil Production in 2023/2024

Chart 4: Size Distribution of Agricultural Segments



■ Crop Production ■ Live Stock ■ Forestry ■ Fishing

Source; NBS, Capital Bancorp

Nigeria Palm Oil Industry

A lack of investment in palm oil extraction technology, inadequate technical expertise, and poor management of plantations have hindered industry growth, leading to the shutdown of some operations. Despite these challenges, Nigeria remains the fifth-largest producer of palm oil globally, accounting for 2% of the world market share. In 2023/24, palm oil production grew by 7.14% year-on-year (y/y) to 1.5 million metric tons (MMT), up from 1.4 MMT in 2022/23.

With increasing numbers in the nation’s population, Nigeria remains one of the largest consumers of fats and oil in Africa, with palm oil accounting for a significant share. In the 2023/2024 period, Nigeria's total palm oil consumption was estimated at 1.85 million metric tons (MMT), reflecting an increase of 4.19% y/y from 1.79 MMT the previous year. Households drive the bulk of demand, with approximately 87% of total consumption directed toward food use, while industrial applications account for the remaining 13%.

Palm oil demand in Nigeria is primarily influenced by population growth, urbanization, and shifting consumer preferences. Despite economic challenges such as inflation and declining disposable incomes, demand has remained resilient due to the inelastic nature of edible oils in household consumption.

Industry Challenges

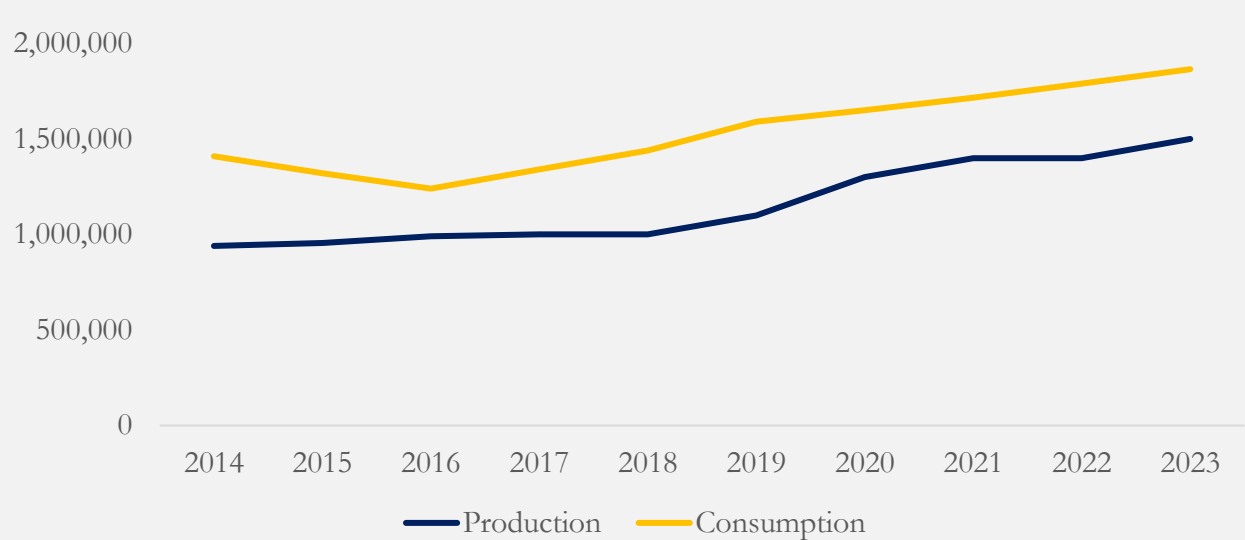
The sector continues to grapple with several challenges, including:

- Infrastructure deficits: Poor road networks and inadequate storage facilities contribute to post-harvest losses.
- High land rental costs: The expense of securing land for plantations remains a major barrier.
- Financing constraints: High interest rates on borrowed funds.

Palm Oil in the Equities Market

The Nigerian stock market features two major publicly traded palm oil producers—Presco and Okomu Oil—both of which dominate the industry. While Ellah Lakes has previously mentioned oil palm in its business report, it has yet to generate revenue from the segment.

Chart 5: Nigeria Production vs Consumption Trends (2014-2023)



Nigeria Palm Oil Industry

Outlook for 2025... Factors to Shape the Nigerian Oil Palm Industry



Biofuel and Green Energy Adoption

The global shift toward sustainable energy presents an opportunity for Nigeria’s palm oil sector, as government policies increasingly support biofuel production. Rising crude oil prices make biofuel a viable alternative for energy security and economic diversification. Nigeria’s ability to meet international sustainability standards, such as RSPO certification, will determine its success in entering premium markets in Europe and North America. Locally, biofuel can serve as a cost-effective energy source for rural areas, reducing reliance on fossil fuels.

International Partnerships and Strategic Investment

Due to its vast land resources and rising demand, Nigeria’s oil palm industry is drawing increased foreign investment, particularly from leading producers like Malaysia and Indonesia. These partnerships will facilitate the transfer of modern agricultural technology, improve processing capabilities, and enhance market access through collaborations with global food, cosmetics, and biofuel companies. Additionally, infrastructure investments in roads, storage, and processing plants will increase efficiency and reduce post-harvest losses.

Global Demand Trends and Trade Policies

Demand for palm oil remains strong, particularly in China and India, presenting an opportunity for Nigeria’s exports. Additionally, the growing preference for plant-based and healthier fats shapes demand across food, cosmetics, and pharmaceutical industries. Regional trade agreements like AfCFTA provide Nigeria with opportunities to strengthen intra-African palm oil trade and reduce reliance on distant markets.

Pestel Analysis

P

- The Nigerian government policies to boost local palm oil production, such as the Central Bank of Nigeria's Oil Palm Development Initiative, which offers low-interest loans to farmers and incentives for large-scale plantation expansions.
- In 2015, the government imposed import tariffs and restrictions on foreign palm oil to protect domestic producers. However, in October 2023, the CBN lifted the foreign exchange restrictions on 43 items, including palm oil products.

E

- Rising inflation has significantly pushed up the cost of farming inputs, making it increasingly difficult for farmers to afford quality fertilisers and machinery
- Foreign exchange volatility due to macroeconomic pressure has raised the cost of importing palm oil and essential inputs, increasing financial strain on both producers and consumers.

S

- The palm oil industry is a significant source of employment in Nigeria, particularly in rural areas. It provides livelihoods for millions, from cultivation to processing stages.
- Expansion of palm oil plantations competes with food crop farming, sometimes leading to tensions in local communities.

T

- Many producers still use traditional or semi-mechanized methods, reducing productivity. Modern mechanization can improve efficiency and quality.
- NIFOR has developed high-yield palm varieties, boosting output, but limited funding and outdated infrastructure slow full sector modernization.

E

- Climate change is affecting palm oil production as irregular rainfall patterns and prolonged dry seasons reduce yields, especially in states like Edo and Ondo, where palm trees require consistent moisture. Farmers struggle with lower production, impacting local supply and pricing.
- Deforestation due to palm oil expansion is causing biodiversity loss, particularly in Cross River State.

L

- There is increasing enforcement of laws aimed at preventing deforestation and promoting sustainable practices in palm oil production. Compliance is essential to avoid legal penalties and to meet both local and international market standards.
- Land tenure issues and regulatory enforcement on deforestation impact large-scale palm oil investments, making compliance crucial for long-term market access.

Swot Analysis

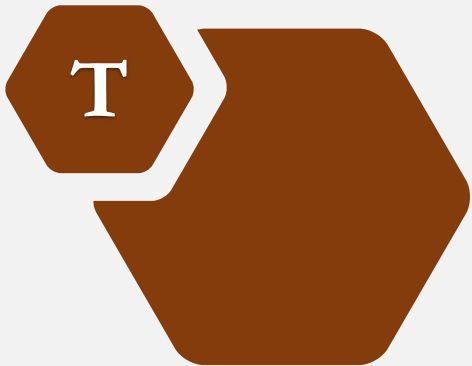
STRENGTHS

- Increasing reliance on the crop
- Multi-usage of products
- Improving market transparency and pricing mechanisms
- Inelastic demand



WEAKNESSES

- Low productivity
- Limited access financing
- Inadequate infrastructure
- Insecurity



OPPORTUNITIES

- Growing Population
- Huge Demand Deficit
- Export potential-increasing biofuel market.
- Favourable Government policies.

THREATS

- Growing competition from Cheaper Imports.
- Unpredictable climate changes and pest outbreaks.
- Price volatility.
- Negative global perception due to health and environmental concerns.

Company Profiling- Dashboard

PRESCO

26,459 hectares(22,658 matures), actively expanding, with a \$125 million acquisition to boost output.

OKOMU OIL

19,045 hectares, producing 69,563 metric tons of palm oil in 2023, with plans to expand to 80,000 metric tons annually.

PRODUCTION
CAPACITY

785,000,000,000

MARKET
CAPITILIZATION

511,295,760,000

1,000,000,000

SHARES
OUTSTANDING

953,910,000

NGN 198,155,818,000

REVENUE- FY'24

NGN 130,060,979,000

NGN 128,041,429,000

NOPAT- FY'24

NGN 130,060,979,000

6.73x

TRAILING P/E
RATIO

10.74x

4.93x

P/B RATIO

6.48x

Company Profiling- Okomu Oil

OKOMU OIL PALM COMPANY PLC was established in 1976 as a Federal Government pilot project to boost palm oil production in Nigeria. The company was later privatized and incorporated as a public limited liability company in December 1990. Okomu Oil is primarily engaged in the cultivation of oil palm and rubber plantations, as well as the processing and sale of palm oil, palm kernel oil, and rubber. Its operations cater to both the Nigerian market and international customers.

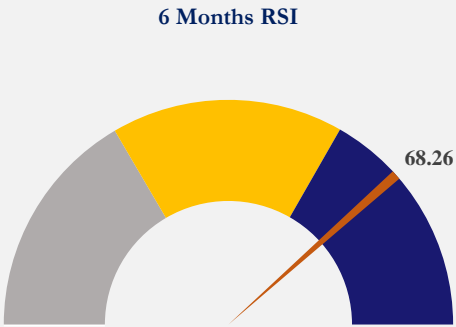
The company manages approximately 33,113 hectares of land across its plantations in Edo State. The main estate covers 15,580 hectares, with 12,500 hectares designated for cultivation and the remainder preserved for conservation. Extension 1 spans about 6,000 hectares, while Extension 2, the newest plantation, adds 11,400 hectares. These plantations primarily support large-scale oil palm cultivation, alongside a smaller rubber plantation.

OKOMUOIL operates two oil mills with a combined processing capacity of 125 MT/h. The company processes a substantial volume of Fresh Fruit Bunches (FFB) annually, with the majority sourced from its plantations and a smaller percentage procured from third-party smallholder farmers. Its palm oil products—including Crude Palm Oil (CPO), Palm Kernel Oil (PKO), and Palm Kernel Cake (PKC)—are sold mainly in the domestic market for both food and industrial applications. Meanwhile, its rubber production, branded as NOKO10, is processed at a 2.5 MT/h rubber factory and exported to international buyers such as Michelin and Goodyear.

In line with its commitment to sustainability and operational excellence, OKOMUOIL has obtained the Roundtable on Sustainable Palm Oil (RSPO) certification, reinforcing its position as a leading sustainable palm oil producer in Edo State. This certification enhances the company’s reputation and is expected to drive demand for its products at a premium price in the local market.

To expand its production capacity, OKOMUOIL commissioned the first of two new 30 MT/h oil mills at Extension 2, with the second line under construction.

Ticker	OKOMU OIL
SUB-SECTOR	CROP PRODUCTION
Share Price(05.05.2025)	N524.70
12M Target Price	N871.62
Float	953,910,000.00
Market Cap.	500,516,577,000
12M Trailing EPS(NGN)	48.87
12M Trailing PE(x)	10.74
Rating	BUY
Upside(%)	66.12
52 Weeks high	545.2
52 Weeks Low	255.7



Company Profiling- Okomu Oil

Once fully operational, these investments are projected to increase CPO production to approximately 80,000 MT per annum. The expansion, alongside sustainability initiatives and efficiency improvements, positions the company for long-term growth and reinforces its leadership in Nigeria’s agro-industrial sector.

The company was listed on the Nigerian Stock Exchange in 1991. Socfinaf S.A., a Luxembourg-based firm, holds a 62.94% stake, while the remaining 37.06% is owned by a mix of Nigerian and International institutional and individual investors. Okomu Oil remains a key player in Nigeria’s palm oil sector, focusing on sustainability, innovation, and value creation.

ANALYSIS OF THE FINANCIALS

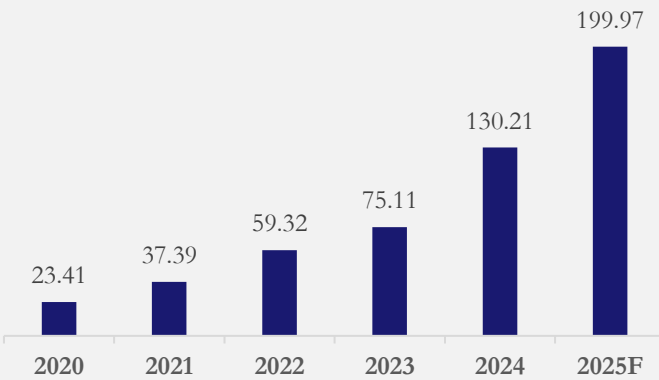
OKOMU OIL PALM has maintained a positive revenue growth trend over the last four years, supported by increased global demand for palm oil. The company's revenue grew from NGN23.41 billion in 2020 to NGN130.21 billion in its audited full-year 2024 results, reflecting a 4-year CAGR of 53.57% and a year-on-year (y/y) growth of 73.36%. The strong performance was driven by a 183.26% increase in rubber sales, 60.42% growth in palm oil production, and a 24.36% rise in palm oil processing. In 2024, domestic sales accounted for 82.68% of total revenue, while export sales contributed 17.31%.

The cost of sales increased by 81.09% in 2024, rising from NGN12.52 billion in 2023 to NGN22.67 billion, which contributed to a 71.82% growth in gross profit. Additionally, Operating expenses grew by 123.81% to N40.06 billion from N17.90 billion in 2023, driven by an increase in employee benefits expenses and a realized foreign exchange loss of 527.64%.

Overall, profit before tax grew by 58.27% y/y, reaching NGN53.5 billion from NGN33.8 billion in 2023. With a 3% increase in tax expenses, profit after tax increased by 93.53% to NGN39.96 billion.

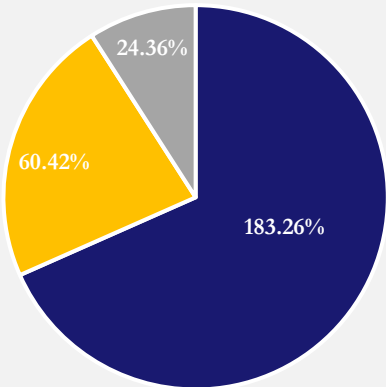
OKOMU OIL PALM has recorded strong profitability in recent years. The company’s Return on Equity (ROE) increased significantly from 72.28% in 2023 to 84.69% in

Trend in Revenue(NGN billions)



Source: Company Data, Capital Bancorp Research

Revenue Breakdown by Segment



■ Rubber Sales ■ Palm Oil Produce ■ Palm Oil Processing

Source: Company Data, Capital Bancorp Research

Company Profiling- Okomu Oil

ANALYSIS OF THE FINANCIALS

2024, reflecting improved earnings efficiency relative to shareholder capital. Similarly, Return on Assets (ROA) rose from 21.71% in 2023 to 37.67% in 2024, indicating more efficient use of the company’s asset base in generating net income.

CAPITAL STRUCTURE

OKOMU's Total Equity grew from NGN28.63 billion in 2020 to NGN55.48 billion in 2024, representing a 4-year CAGR of approximately 18.14%. On a year-on-year basis, total equity increased by 42.71% in 2024 compared to 2023. The company’s total assets stood at NGN117.04 billion in 2024, up from NGN95.10 billion in 2023, indicating a 23.05% year-on-year increase.

The capital structure is largely equity-driven. In 2024, equity financed 47.40% of total assets, while liabilities accounted for 52.60%. The debt ratio (Total Liabilities / Total Assets) declined marginally from 59.13% in 2023 to 52.60% in 2024, suggesting reduced reliance on external funding.

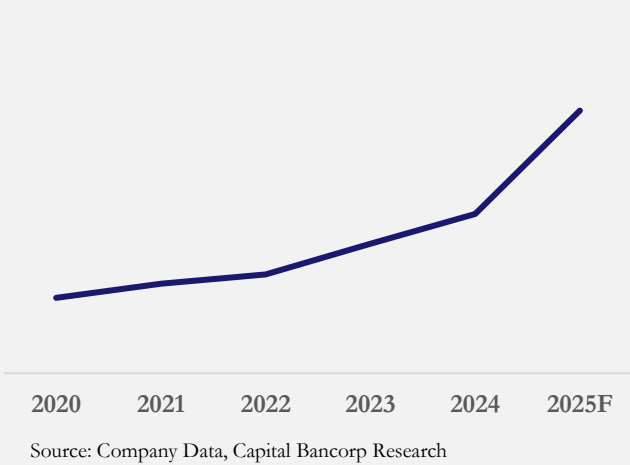
Working capital stood at NGN9.80 billion in 2024, improving from NGN1.98 billion in 2023. This 393.94% increase reflects a stronger short-term liquidity position, driven largely by a 59.6% increase in current assets and a more moderate 30.86% increase in current liabilities.

LIQUIDITY

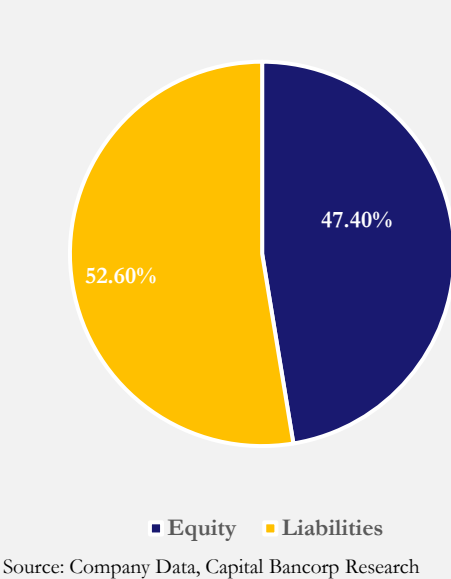
Total current assets rose from NGN25.09 billion in 2023 to NGN40.05 billion in 2024, representing a year-on-year increase of 59.6%. This growth was led by higher inventories, prepayments, and cash balances. Meanwhile, current liabilities rose from NGN23.12 billion in 2023 to NGN30.24 billion in 2024, up by 30.86%.

The current ratio improved to 1.32x in 2024 from 1.09x in 2023, indicating an enhanced ability to meet short-term obligations. Similarly, the acid-test ratio (excluding inventories and prepayments) increased from 0.63x in 2023 to 0.77x in 2024, reflecting a more comfortable liquidity buffer.

Trends in Total Assets (NGN billions)



Funding Mix



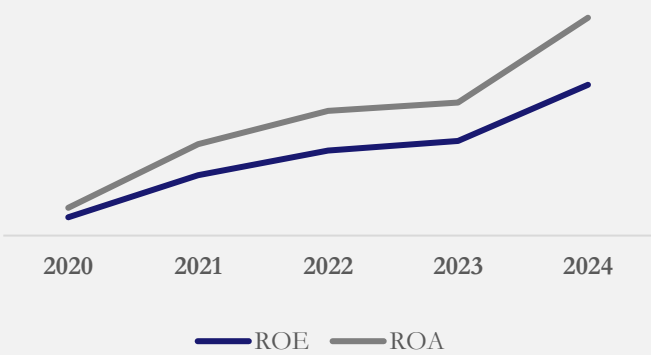
Company Profiling- Okomu Oil

ANALYSIS OF THE FINANCIALS

EFFICIENCY ANALYSIS

OKOMU OIL PALM has continued to improve operational efficiency, as reflected in its asset turnover and fixed asset utilization metrics. The asset turnover ratio (Revenue / Average Total Assets) improved from 0.79x in 2023 to 1.22x in 2024, indicating the company is generating more revenue per naira of asset employed. This efficiency is also seen in the fixed asset turnover, which improved from 1.17x in 2023 to 1.83x in 2024 (calculated as Revenue / Average Net Fixed Assets). The revenue growth outpaced the increase in property, plant, and equipment, indicating more productive use of fixed assets.

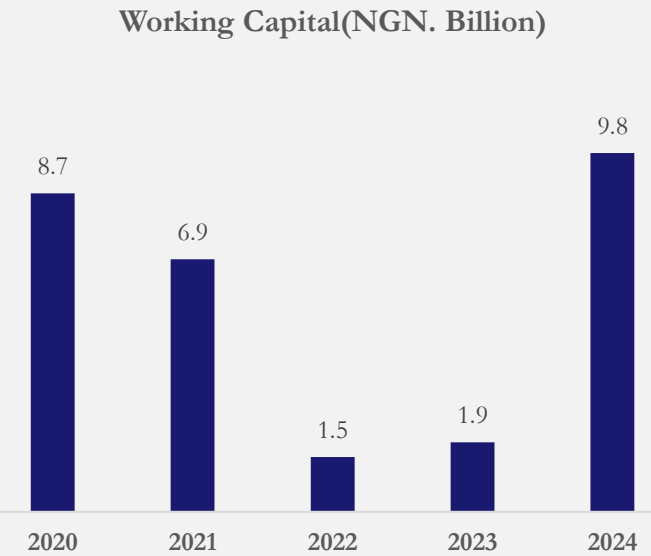
The improvement in efficiency ratios reflects OKOMU’s ability to optimise its asset base amid increasing domestic and export demand for palm oil and rubber products.



Source: Company Data, Capital Bancorp Research

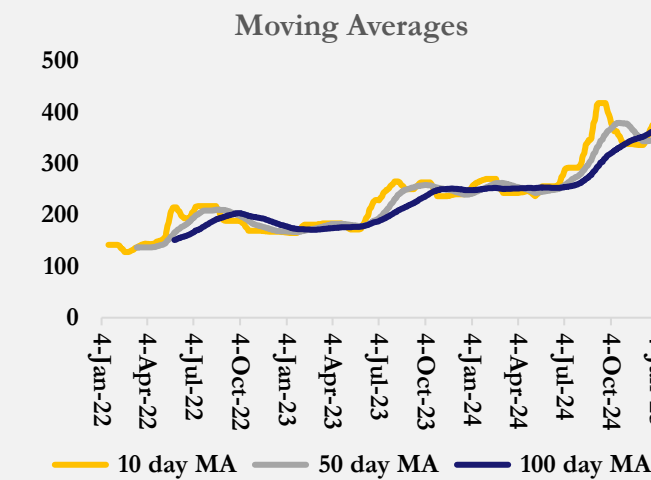
TECHNICAL ANALYSIS

The technical outlook for OKOMU OIL PALM PLC suggests the stock is currently in a consolidation phase, with the price hovering around NGN524.70. It is trading below its 10-day moving average (NGN539.05), 12-day EMA (NGN537.10), 26-day EMA (NGN539.42), and 50-day MA (NGN541.92). This cluster of resistance levels above the current price reflects continued short-term selling pressure.



Source: Company Data, Capital Bancorp Research

However, the price remains above the 100-day MA (NGN487.44), indicating that the long-term uptrend remains intact. This level may act as a strong dynamic support if the current pullback continues. Momentum indicators also confirm weakness. The MACD stands at -2.32, below the signal line of 0.76, with a negative histogram of -3.09, confirming a bearish crossover and fading momentum.



Additionally, the 6-month Relative Strength Index (RSI) of 68.26 indicates the stock is approaching overbought territory, but not yet in extreme zones.

Company Profiling- Okomu Oil

ANALYSIS OF THE FINANCIALS

In its latest unaudited Q1 2025 results, OKOMU delivered a strong financial performance, underpinned by robust topline growth, firm cost control, and a healthy balance sheet position. The company reported a 39.81% year-on-year increase in profit before tax (PBT) to NGN32.20 billion, up from NGN23.03 billion in Q1 2024, reinforcing its resilience amid a challenging macroeconomic backdrop.

Revenue for the quarter printed at NGN58.11 billion, up 33.64% YoY, driven by higher volumes and favourable pricing in both its palm oil and rubber segments. Local sales remained the dominant contributor, accounting for NGN50.7 billion (87.3%) of total revenue, while export sales added NGN7.3 billion, reflecting the company’s growing diversification into foreign markets.

Despite facing elevated input costs, direct costs rose by 50.08% YoY to NGN15.50 billion. Nonetheless, gross profit grew by 28.52% to NGN42.61 billion, indicating sustained pricing power and operational efficiency. Operating expenses increased by a more modest 15.12% to NGN9.59 billion, as the company maintained tight cost discipline, resulting in a 33.02% YoY growth in operating profit to NGN33.02 billion.

Net Operating Profit After Tax (NOPAT) rose by 44.14% to NGN21.74 billion, reflecting improved operating leverage. Although finance income declined sharply to NGN66.7 million, mainly due to a 97.59% drop in foreign exchange gains, this was partially offset by a substantial reduction in finance costs to NGN886.7 million, from NGN4.5 billion in the same period last year.

Overall, the Q1 2025 performance reflects strong execution across core segments and underscores Okomu’s ability to navigate cost pressures while delivering earnings growth.

Snapshot of OKOMU’S Q1 PERFORMANCE

<u>Income Statement</u>		(NGN' thousands)	
	Q1 2025	Q1 2024	% Change
Gross Earnings	58,110,161.00	43,482,839.00	33.64
Core Revenue	58,110,161.00	43,482,839.00	33.64
Direct Costs	(15,496,015.00)	(10,324,982.00)	(50.08)
Operational Expenses	(9,591,361.00)	(8,331,718.00)	(15.12)
Profit Before Tax	32,202,703.00	23,033,214.00	39.81
NOPAT	21,738,172.00	15,080,829.00	44.14
<u>Statement of Financial Position</u>		(NGN' thousands)	
	Q1 2025	Q1 2024	% Change
Total Assets	164,828,007.00	117,037,938.00	40.83
Total Liabilities	87,611,540.00	61,559,643.00	(42.32)
Total Equity	77,216,467.00	55,478,395.00	39.18

Source: Company Data, Capital Bancorp Research

Company Profiling- Valuation

To determine the fair value of OKOMU OIL PALM PLC, we employed a blend of valuation methodologies, including the Discounted Cash Flow (DCF) model, Dividend Discount Model (DDM), Net Asset Valuation (NAV), and comparable multiples.

For the DCF model, we adopted a risk-free rate of 18.98%, based on the yield of Nigeria’s 10-year government bond, and an equity risk premium of 12.10%, derived from the country risk premium and a mature market ERP. Using a historical levered beta of 0.40, we computed a cost of equity of 23.86%. A pre-tax cost of debt of 16.61% and a tax rate of 30% resulted in an after-tax cost of debt of 11.62%. Incorporating OKOMU’s current capital structure, we arrived at a Weighted Average Cost of Capital (WACC) of 23.67%.

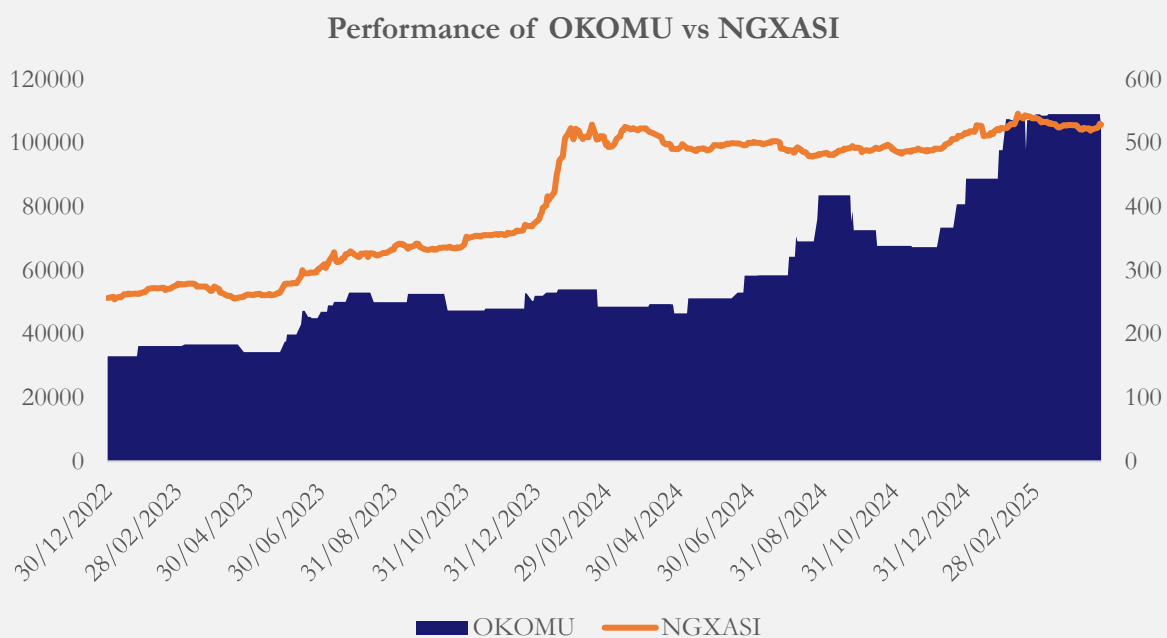
We applied a terminal growth rate of 4.0%, aligned with Nigeria’s long-term GDP growth projections and the structural outlook for the agriculture sector. Using both a weighted average approach (with a heavier emphasis on DCF) and an equal-weight method, our blended fair value estimate for OKOMU was derived at **NGN871.62** per share.

At a current market price of NGN524.70, this implies a potential upside of 66.12%.

Recommendation:

We issue a **BUY** recommendation on OKOMU OIL PALM PLC, underpinned by its strong earnings momentum, robust return profile (ROE: 84.69%), and resilient performance across domestic and export markets. The company's capital structure remains conservative, with improving operational efficiency and solid liquidity.

From a technical standpoint, while the stock is currently consolidating below key short-term resistance levels, the long-term uptrend remains intact, supported by its position above the 100-day moving average.



Result Summary- Okomu Oil

INCOME STATEMENTS(thousand's)

	2020A	2021A	2022A	2023A	2024A	2025E	2026E
Revenue	23,410,680	37,394,507	59,323,723	75,107,842	130,210,665	199,965,323	307,087,982
Raw materials and consumable used	(4,142,330)	(6,961,588)	(11,752,940)	(12,518,349)	(22,669,320)	(36,246,231)	(55,287,111)
Gross Profit	19,268,350	30,432,919	47,570,783	62,589,493	107,541,345	163,719,092	251,800,871
Employee benefits expenses	(1,104,709)	(1,294,000)	(10,331,079)	(13,063,646)	(26,166,161)	(29,176,735)	(53,351,997)
Other expenses	(7,786,884)	(11,766,310)	(10,953,829)	(15,689,264)	(29,233,934)	(46,626,957)	(65,350,060)
Changes in inventories	631,645	315,606	-	-	-	-	-
Other income	864,350	1,790,667	1,777,763	10,851,636	15,336,034	17,002,669	28,962,589
Total Operating expenses	(7,395,598)	(10,954,037)	(19,507,145)	(17,901,274)	(40,064,061)	(58,801,023)	(89,739,468)
EBITDA	11,872,752	19,478,882	28,063,638	44,688,219	67,477,284	104,918,069	162,061,403
Deperecciation and Amortization	(2,366,366)	(2,868,905)	(3,730,938)	(7,270,142)	(9,661,183)	(8,216,533)	(9,751,973)
EBIT	9,506,386	16,609,977	24,332,700	37,418,077	57,816,101	96,701,536	152,309,430
Finance Cost	(868,542)	(671,586)	(1,071,272)	(3,674,128)	(4,598,986)	(2,302,609)	(2,302,609)
Finance Income	7,127	48,915	4,966	5,217	5,287	16,096	7,892
Net gain on valuation of biological assets	49,942	127,472	251,041	89,483	333,056	200,263	218,461
Profit before tax	8,694,913	16,114,778	23,517,435	33,838,649	53,555,458	94,615,286	150,233,173
Taxation	(5,752,445)	(4,575,810)	(7,286,629)	(13,192,122)	(13,597,712)	(24,022,788)	(38,144,150)
Profit after tax	2,942,468	11,538,968	16,230,806	20,646,527	39,957,746	70,592,498	112,089,023

STATEMENTS OF FINANCIAL POSITION(thousand's)

	2020A	2021A	2022A	2023A	2024A	2025E	2026E
Assets							
Non-current assets							
Property, plant and equipment	19,516,703	30,549,557	38,068,029	41,773,448	48,248,391	43,423,552	38,598,713
Bearer's plant	19,395,413	19,109,312	18,399,054	17,677,470	19,519,533	17,567,580	15,615,626
Biological assets	162,051	289,523	536,639	501,883	-	-	-
Right of use assets	190,244	126,830	63,415	10,053,639	9,223,975	8,784,061	8,344,148
Total non-current assets	39,264,411	50,075,222	57,067,137	70,006,440	76,991,899	69,775,193	62,558,487
Current assets							
Inventories	4,420,942	4,717,732	5,729,107	9,200,870	11,966,783	19,133,824	29,185,210
Biological assets	390,501	234,177	630,341	1,011,675	1,793,158	1,793,158	1,793,158
Trade and Other receivables	6,718,318	789,644	1,400,614	3,921,939	3,121,109	4,793,106	7,360,803
Prepayments	140	482	1,833,510	2,508,524	5,830,085	9,321,789	14,218,713
Cash and Cash equivalents	4,569,367	9,955,188	5,837,581	8,450,935	17,334,904	88,091,047	197,657,571
Total Current assets	16,099,268	15,697,223	15,431,153	25,093,943	40,046,039	123,132,923	250,215,455
Total assets	55,363,679	65,772,445	72,498,290	95,100,383	117,037,938	192,908,116	312,773,942
Equity and Liabilities							
Equity							
Share capital	476,955	476,955	476,955	476,955	476,955	476,955	476,955
Share Premium	1,867,096	1,867,096	1,867,096	1,867,096	1,867,096	1,867,096	1,867,096
Retained earnings	27,096,809	31,958,408	31,972,743	36,893,304	53,957,210	124,549,708	236,638,732
Other reserves	(811,189)	(250,502)	(282,928)	(362,825)	(822,966)	(822,966)	(822,966)
Total equity	28,629,671	34,051,957	34,033,866	38,874,530	55,478,295	126,070,793	238,159,817
Liabilities							
Non-current liabilities							
Lease Liabilities	146,580	79,032	-	8,743,738	8,332,891	8,332,891	8,332,891
Interest-bearing loans and borrowings	6,429,277	7,959,534	9,153,938	7,983,938	6,391,411	5,624,442	4,857,473
Post-employment benefits obligations	2,300,422	1,682,398	1,882,958	2,227,844	2,834,962	2,834,962	2,834,962
Government grants	3,587,067	3,303,197	2,047,476	1,062,712	734,853	734,853	734,853
Deferred tax liabilities	6,872,149	9,851,484	11,460,075	13,090,391	13,023,744	13,023,744	13,023,744
Total non-current liabilities	19,335,495	22,875,645	24,544,447	33,108,623	31,317,861	30,550,892	29,783,923
Current liabilities							
Trade and other payables	4,891,312	4,817,004	6,377,222	6,911,991	10,368,540	16,578,375	25,287,332
Lease Liabilities	57,734	67,548	79,032	2,575,140	4,130,691	4,130,691	4,130,691
Interest-bearing loans and borrowings	835,856	935,197	820,682	1,410,505	1,540,744	1,375,558	1,210,372
Government grants	617,992	791,718	706,699	629,247	530,395	530,395	530,395
Current tax payable	995,618	2,233,376	5,936,342	11,590,347	13,671,412	13,671,412	13,671,412
Total current liabilities	7,398,512	8,844,843	13,919,977	23,117,230	30,241,782	36,286,431	44,830,202
Total liabilities	26,734,007	31,720,488	38,464,424	56,225,853	61,559,643	66,837,323	74,614,125
Total equity and liabilities	55,363,678	65,772,445	72,498,290	95,100,383	117,037,938	192,908,116	312,773,942

Balance sheet check 1

Balance sheet check 2

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Company Profiling- Presco

PRESCO PLC was incorporated in 1991 and has grown into a fully integrated palm oil company, with operations spanning cultivation, processing, refining, and packaging. The company was listed on the Nigerian Stock Exchange in 2002 and operates as a subsidiary of Siat S.A., a Belgian agro-industrial group with deep expertise in tree crops and agro-processing across Africa.

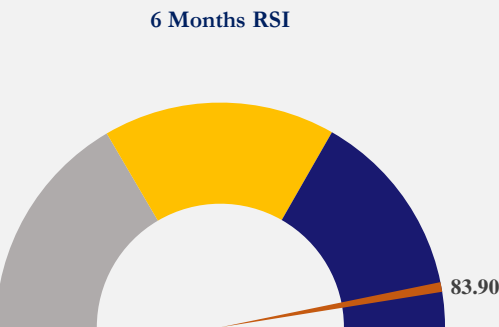
Presco’s operations are anchored on four major estates: Obaretin (6,387 ha), Ologbo (13,545 ha), and Ato (16,797 ha) in Edo State, along with Cowan Estate (2,800 ha) in Delta State. As of 2024, the company manages 26,459 hectares of oil palm plantations, of which 22,658 hectares are classified as mature.

To support its plantation output, Presco operates a robust processing infrastructure, including a 90 MT/hour palm oil mill, a 500 MT/day refinery and fractionation plant, a 350 MT/day palm kernel crushing facility, and a 100 MT/day bottling and packaging plant. These facilities enable the company to produce a complete range of palm oil derivatives, including crude palm oil (CPO), refined, bleached, and deodorized palm oil (RBDO), palm kernel oil (PKO), and palm kernel cake (PKC).

The company is also committed to sustainable agricultural practices. It holds the Roundtable on Sustainable Palm Oil (RSPO) certification, reflecting its compliance with global environmental, social, and governance standards. The company operates a biogas plant to manage palm oil mill effluent and reduce greenhouse gas emissions, further emphasizing its sustainability credentials.

In 2024, Presco disclosed plans to acquire Ghana Oil Palm Development Company (GOPDC) — a strategic move intended to expand its regional footprint, grow its landbank, and scale processing capacity. The company also announced the construction of a new mill at its Ato Estate, with completion targeted for 2025. This is expected to unlock operational efficiencies and enhance throughput capacity over the medium term. More broadly, the GOPDC acquisition provides a potential gateway into export markets, enabling Presco to boost foreign exchange earnings and create a hedge against domestic macroeconomic volatility.

Ticker	PRESCO
SUB-SECTOR	CROP PRODUCTION
Share Price(08.05.2025)	N850.20
12M Target Price	N1,295.64
Float	1,000,000,000.00
Market Cap.	785,000,000,000
12M Trailing EPS(NGN)	48.87
12M Trailing PE(x)	4.93
Rating	BUY
Upside(%)	52.39
52 Weeks high	880.60
52 Weeks Low	286.40



Company Profiling- Presco

With 60% ownership held by Siat S.A. and the remaining 40% distributed among institutional and retail investors, Presco continues to consolidate its position as a leading player in Nigeria’s agro-industrial landscape.

ANALYSIS OF THE FINANCIALS

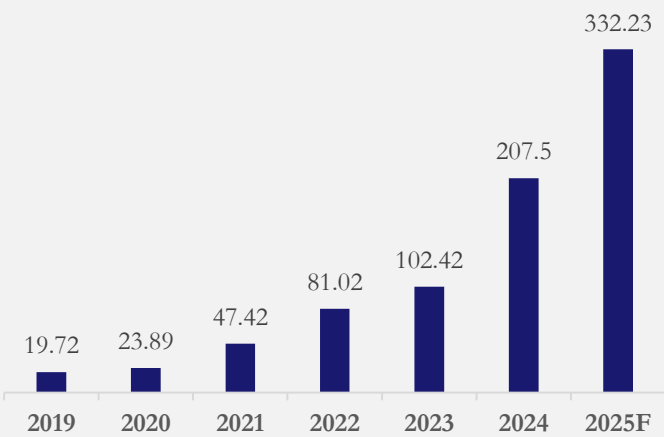
PRESKO PLC has sustained strong top-line momentum, with revenue expanding from NGN19.72 billion in 2019 to NGN207.50 billion in 2024, representing a 5-year compound annual growth rate (CAGR) of 60.11%. On a year-on-year basis, revenue grew by 102.6% in 2024, up from NGN102.40 billion in 2023, primarily driven by a more than 99% increase in the sale of crude and refined palm products. This performance reflects the impact of expanded milling and refining capacity, enhanced distribution logistics, the operational scale-up of the Sakponba estate, and the continued ramp-up of activities at the Ato concession.

We expect revenue growth to remain resilient in 2025, supported by higher domestic crude palm oil (CPO) prices and the full-year consolidation of earnings from the Ghana Oil Palm Development Company (GOPDC). Consequently, we forecast FY’25 Group revenue to increase by 60.1% year-on-year to NGN332.23 billion.

Like other companies operating in an inflationary environment, PRESKO experienced significant cost pressures. Cost of sales rose by 72.92% year-on-year, increasing from NGN37.89 billion in 2023 to NGN65.53 billion in 2024. This was driven by higher milling and refining costs, elevated plantation maintenance expenses, increased fertilizer and labour costs, as well as rising energy and logistics inputs. Operating expenses also increased by 65.25%, largely reflecting higher administrative and distribution expenses.

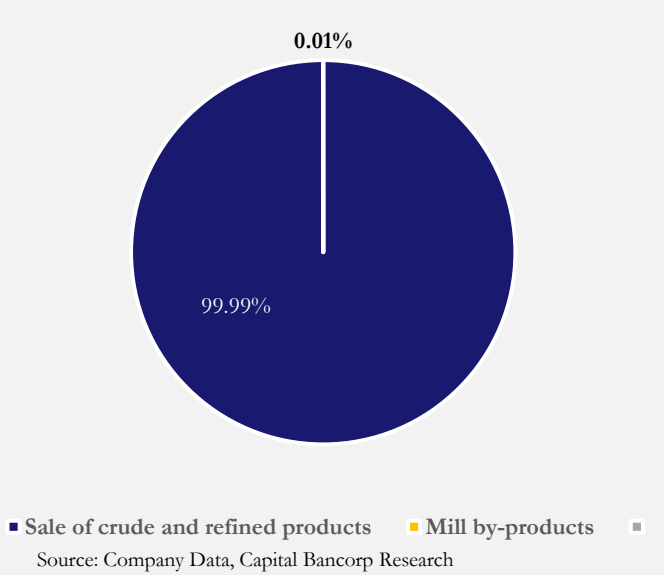
In addition, PRESKO’s finance costs rose by 39.33% to NGN12.8 billion in 2024, reflecting the impact of the prevailing high-interest-rate environment. In December, the company commenced the process to raise NGN100.0 billion under its NGN150.0 billion bond programme, with Series 1 issuance priced at a coupon range of 23.25%–23.75%.

Trend in Revenue(NGN billions)



Source: Company Data, Capital Bancorp Research

Revenue Breakdown by Segment



Source: Company Data, Capital Bancorp Research

Company Profiling- Presco

ANALYSIS OF THE FINANCIALS

The proceeds will be used to finance the GOPDC acquisition and strategic capital projects. Despite the rise in interest expenses, the company maintained a robust earnings buffer. PRESCO's FY'24 interest coverage ratio stood at approximately 9.8x (based on EBIT), underscoring its solid debt-servicing capacity. While we anticipate a moderation in this ratio to around 5.2x in FY'25 post-bond issuance, this remains well above solvency stress levels.

Overall, profit before tax (PBT) increased by 128.74% year-on-year, reaching NGN113.22 billion in 2024, up from NGN49.50 billion in 2023. Despite a tax expense of 106.65%, profit after tax (PAT) grew by 140.45% to NGN77.80 billion.

Although PRESCO's Return on Equity (ROE) declined from 43.77% in 2023 to 36.84% in 2024, and Return on Assets (ROA) moderated from 17.30% to 16.37%, this trend reflects a denominator effect rather than operational underperformance. The drop is primarily attributable to the significant increase in total equity and assets, following substantial retained earnings accumulation, capital investments, and the consolidation of GOPDC-related balances.

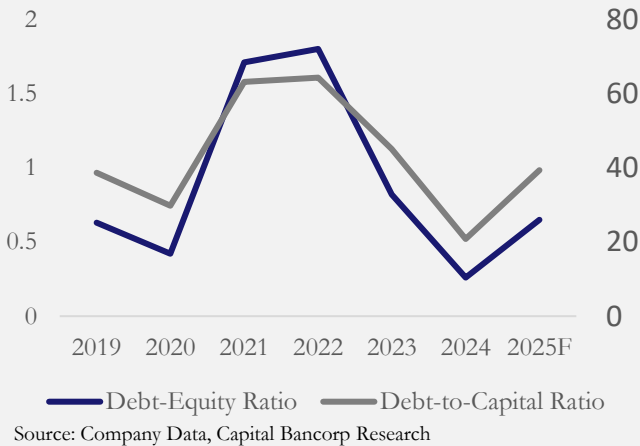
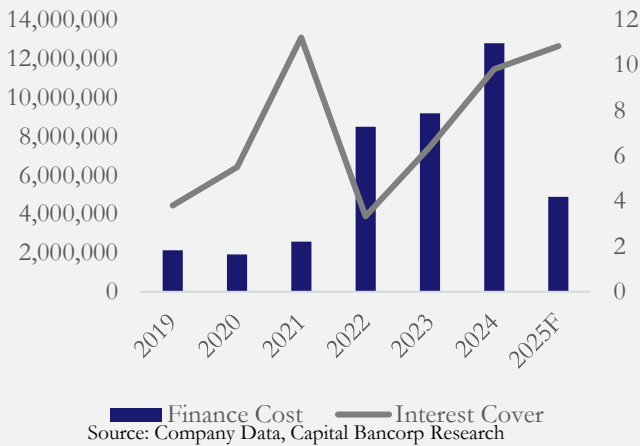
TECHNICAL ANALYSIS

Presco Plc's technical outlook remains firmly bullish, with the stock trading at NGN850.20, comfortably above its 10-day MA (NGN817.08), 12-day EMA (NGN823.61), 26-day EMA (NGN803.73), 50-day MA (NGN791.42), and 100-day MA (NGN678.93). This layered alignment of moving averages below price confirms a well-supported uptrend across all timeframes.

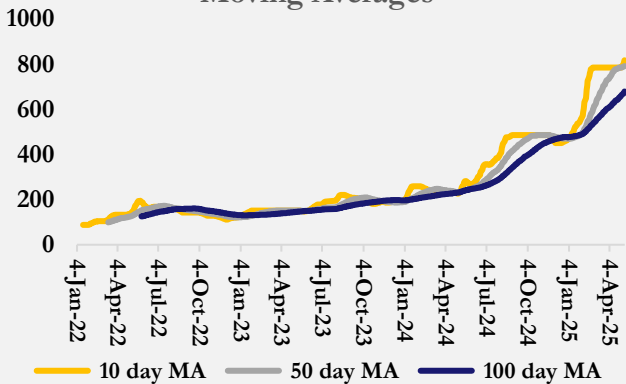
Momentum indicators reinforce this trend. The MACD (19.88) is well above the signal line (11.77), producing a strong positive histogram of 8.11, which reflects persistent buying interest and expanding bullish momentum.

Importantly, the 6-month RSI stands at 83.90. While this reading is elevated, its longer lookback period signals sustained strength rather than short-term overheating, consistent with institutional accumulation patterns.

PRESCO's finance cost and interest cover



Moving Averages



Company Profiling- Presco

ANALYSIS OF THE FINANCIALS

Presco Plc delivered an exceptional Q1 2025 performance, supported by significant topline growth, sustained cost discipline, and robust margin expansion. Profit before tax jumped 97.61% YoY to NGN58.61 billion, up from NGN29.66 billion in Q1 2024, driven by higher revenue and improved cost efficiencies.

Revenue surged by 120.44% year-on-year to NGN93.79 billion, reflecting stronger output volumes and favourable pricing across the edible oil value chain. Gross earnings, which include other income, climbed 94.55% to NGN94.58 billion.

Despite the topline expansion, Presco managed to cut direct costs by 12.53% YoY to NGN7.65 billion, reinforcing its operational leverage. However, operating expenses more than doubled (+120.0% YoY) to NGN17.86 billion, indicating ongoing investments in logistics, marketing, and administrative capacity.

Operating profit still improved significantly, with Net Operating Profit After Tax (NOPAT) rising by 97.78% YoY to NGN47.58 billion. This underscores a strong earnings rebound and efficiency gains across the business.

On the balance sheet, total assets grew by 168.46% to NGN548.85 billion, while total equity more than doubled (+120.35% YoY) to NGN178.97 billion, reflecting retained earnings and a stronger capital base.

Liabilities also expanded sharply (+200.17%) to NGN369.89 billion, likely due to increased financing and working capital requirements to support the Group's scale-up.

Snapshot of PRESCO's Q1 PERFORMANCE

Income Statement		(NGN' thousands)	
	Q1 2025	Q1 2024	% Change
Gross Earnings	94,583,300.00	48,615,368.00	94.55
Core Revenue	93,785,145.00	42,545,419.00	120.44
Direct Costs	(7,651,205.00)	(8,747,474.00)	12.53
Operational Expenses	(17,858,681.00)	(8,117,687.00)	(120.00)
Profit Before Tax	58,606,330.00	29,657,769.00	97.61
NOPAT	47,577,860.00	24,055,586.00	97.78
Statement of Financial Position		(NGN' thousands)	
	Q1 2025	Q1 2024	% Change
Total Assets	548,853,800.00	204,444,635.00	168.46
Total Liabilities	369,887,473.00	123,225,995.00	(200.17)
Total Equity	178,966,327.00	81,218,641.00	120.35

Source: Company Data, Capital Bancorp Research

Company Profiling- Valuation

To determine the fair value of PRESCO PLC, we employed a blend of valuation methodologies, including the Discounted Cash Flow (DCF) model, Dividend Discount Model (DDM), Net Asset Valuation (NAV), and comparable multiples.

For the DCF model, we adopted a risk-free rate of 18.98%, based on the yield of Nigeria’s 10-year government bond, and an equity risk premium of 12.10%, derived from the country risk premium and a mature market ERP. Using a historical levered beta of 0.13, we computed a cost of equity of 20.55%. A pre-tax cost of debt of 21.97% and a tax rate of 30% resulted in an after-tax cost of debt of 15.38%. Incorporating PRESCO’s current capital structure, we arrived at a Weighted Average Cost of Capital (WACC) of 20.24%.

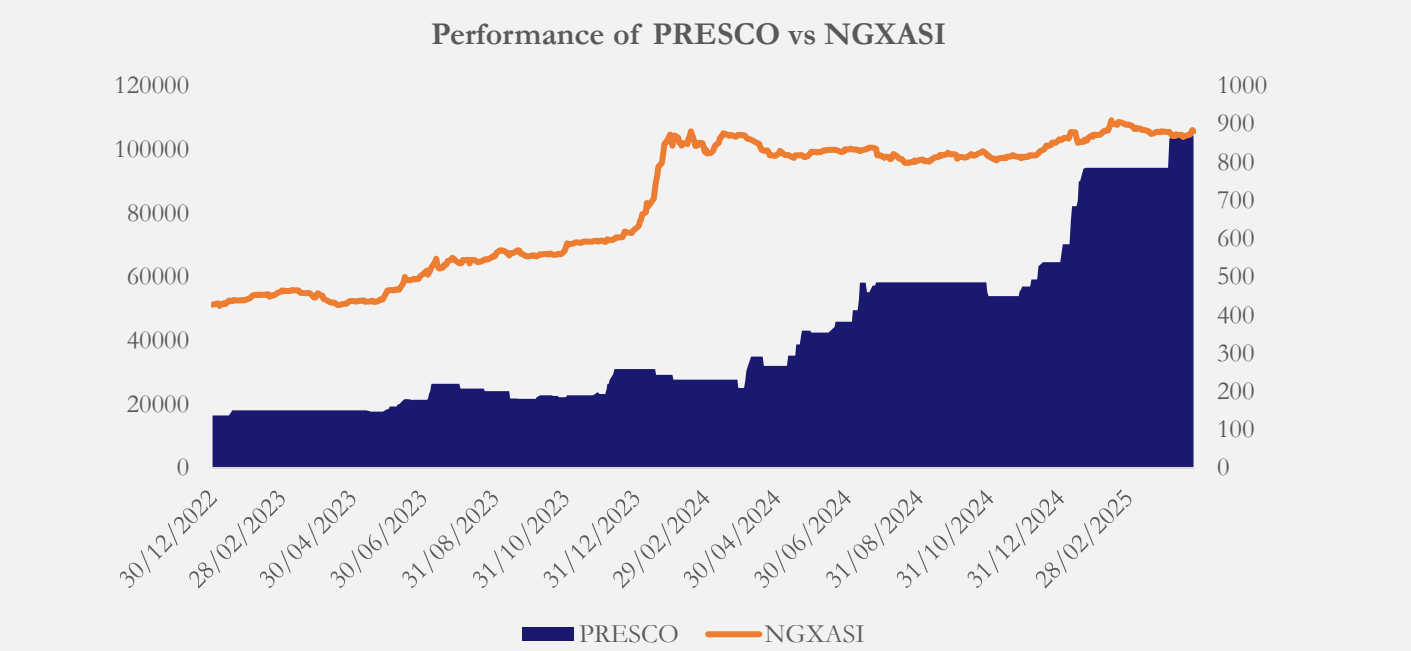
We applied a terminal growth rate of 4.0%, aligned with Nigeria’s long-term GDP growth projections and the structural outlook for the agriculture sector. Using both a weighted average approach (with a heavier emphasis on DCF) and an equal-weight method, our blended fair value estimate for PRESCO was derived at **NGN1,295.64** per share.

At a current market price of NGN850.20 as of 8th May 2025, this implies a potential upside of 52.39%.

Recommendation:

We issue a **BUY** recommendation on PRESCO PLC. The company has delivered strong earnings growth, improved balance sheet metrics, and remains fundamentally undervalued. ROE stood at 36.84%, while interest coverage was 9.83x in 2024, indicating strong capital efficiency and earnings stability. Even with the planned bond raise, leverage is expected to remain within healthy limits. From a technical standpoint, PRESCO remains bullish. The stock trades well above its key moving averages, and the MACD and RSI confirm trend strength. The 6-month RSI at 83.90 reflects sustained buying momentum, not just short-term spikes.

With the full-year impact of the GOPDC acquisition, expanding capacity, and strong domestic demand, we believe the current price does not reflect PRESCO’s true value. We expect further upside in both earnings and valuation, and as such, we recommend accumulating the stock at current levels.



Result Summary- Presco

INCOME STATEMENTS(Thousand's)							
	2019A	2020A	2021A	2022A	2023A	2024A	2025E
Revenue	19,723,641	23,891,766	47,426,435	81,029,846	102,419,187	207,504,191	307,161,540
Cost of sales	(5,547,098)	(6,020,782)	(12,986,914)	(26,866,950)	(33,186,207)	(56,431,903)	(82,933,616)
Gross Profit	14,176,543	17,870,984	34,439,521	54,162,896	69,232,980	151,072,288	224,227,924
Administrative expenses	(6,430,911)	(6,815,194)	(9,345,095)	(20,362,614)	(23,627,925)	(38,504,373)	(49,145,846)
Selling and distribution expenses	(382,709)	(318,364)	(747,725)	(1,790,236)	(1,557,532)	(3,114,324)	(5,000,633)
Other Income	2,218,266	1,594,825	7,401,691	587,091	14,926,196	32,973,271	32,848,142
Exchange gain/ losses					4,387,454	5,469,342	4,928,398
Expected credit loss allowance	-	-	(121,335)	(137,525)	(21,117)	(329,745)	(152,431)
Loss on Non-monetary Position						(12,673,574)	(12,673,574)
Total Operating expense	(4,595,354)	(5,538,733)	(2,812,464)	(21,703,284)	(5,892,924)	(16,179,403)	(29,195,944)
EBITDA	9,581,189	12,332,251	31,627,057	32,459,612	63,340,056	134,892,885	195,031,980
Depreciation and Amortization	(1,454,712)	(1,782,466)	(2,686,991)	(4,190,060)	(4,708,661)	(9,095,927)	(29,294,070)
EBIT	8,126,477	10,549,785	28,940,066	28,269,552	58,631,395	125,796,958	165,737,911
Finance cost	(2,133,709)	(1,918,292)	(2,579,982)	(8,491,775)	(9,180,737)	(12,792,168)	(4,896,366)
Finance income	66,915	58,858	18,184	36,864	48,165	218,490	80,426
Profit before tax	6,059,683	8,690,351	26,378,268	19,814,641	49,498,823	113,223,280	160,921,970
Taxation	(2,220,937)	(3,428,422)	(7,058,317)	(6,782,417)	(17,145,191)	(35,430,193)	(48,276,591)
Profit after tax	3,838,746	5,261,929	19,319,951	13,032,224	32,353,632	77,793,087	112,645,379

BALANCE SHEET(Million's)							
Assets	2019A	2020A	2021A	2022A	2023A	2024A	2025E
Non-current assets							
Good will					7,697,204	26,713,999	26,713,999
Intangible assets	121	74	149,755	118,907	87,900	93,453	98,126
Property, plant and equipment	48,211,859	52,109,564	84,568,443	92,652,564	106,767,576	273,735,042	246,361,538
Right od use assets	1,647,846	1,624,456	4,009,859	3,890,117	3,984,273	3,800,850	3,420,765
Total Non-current assets	49,859,826	53,734,094	88,728,057	96,661,588	118,536,953	304,343,344	276,594,427
Current assets							
Inventories	3,290,183	3,549,206	4,195,922	4,127,736	15,877,089	30,747,412	39,677,460
Biological assets	5,092,477	6,937,844	15,236,322	14,341,283	26,584,978	70,505,131	70,505,131
Trade and other receivables	6,832,407	6,962,759	10,081,412	7,134,163	16,274,839	38,097,747	56,394,826
Cash and cash balances	5,934,937	2,585,092	22,364,597	10,104,678	9,793,095	31,402,555	44,831,948
Total current assets	21,150,004	20,034,901	51,878,253	35,707,860	68,530,001	170,752,845	211,409,364
Total assets	71,009,830	73,768,995	140,606,310	132,369,448	187,066,954	475,096,189	488,003,792
Equity and Liabilities							
Equity							
Share capital	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Share premium	1,173,528	1,173,528	1,173,528	1,173,528	1,173,528	1,173,528	1,173,528
Other reserves	(41,737)	(140,088)	113,544	56,311	(1,011,767)	(1,358,019)	(1,358,019)
Acquisition premium on SNL			(17,848,831)	(17,848,831)	-	6,394,235	6,394,235
Retained Earnings	26,256,085	29,518,014	45,843,040	50,279,557	73,250,101	126,729,311	239,374,690
Equity attributable to owners	27,887,876	31,051,454	29,781,281	34,160,565	73,911,862	133,439,055	246,084,434
Non-Controlling Interests	-	-	-	-	-	77,745,546	77,745,546
Total Equity	27,887,876	31,051,454	29,781,281	34,160,565	73,911,862	211,184,601	323,829,980
Liabilities							
Non-current liabilities							
Borrowings	8,487,757	6,810,189	22,373,286	57,853,315	57,661,238	46,544,013	46,260,041
Defined benefirs obligation	694,053	938,705	1,077,797	1,351,271	2,542,923	3,856,611	3,856,611
Deferred tax liabilities	6,784,632	9,055,816	10,946,165	7,312,881	13,970,135	34,618,045	34,618,045
Deferred income	682,697	466365	455,916	412,254	447,368	347,213	347,213
Lease liabilities	186,531	186,529	2,511,775	2,488,220	2,583,805	3,698,240	3,698,240
Total Non-current liabilities	16,835,670	17,457,604	37,364,939	69,417,941	77,205,469	89,064,122	88,780,150
Current Liabilities							
Trade and other payables	8,180,957	11,541,335	32,840,900	12,009,025	14,605,884	135,727,296	36,500,669
Current tax liabilities	1,562,333	628,181	5,397,904	10,525,095	10,440,979	25,863,658	25,863,658
Bank Overdraft	7,093,237	6,364,154	5,655,259	2,235,756	7,282,983	2,918,466	2,918,466
Borrowings	9,155,154	6,425,272	28,685,891	3,589,924	2,765,113	8,902,484	8,675,306
Deferred income	261,097	267,489	826,675	369,936	776,327	1,269,974	1,269,974
Lease Liabilities	33,506	33,506	53,461	61,206	78,337	165,588	165,588
Total current Liabilities	26,286,284	25,259,937	73,460,090	28,790,942	35,949,623	174,847,466	75,393,661
Total Liabilities	43,121,954	42,717,541	110,825,029	98,208,883	113,155,092	263,911,588	164,173,811
Total equity and Liabilities	71,009,830	73,768,995	140,606,310	132,369,448	187,066,954	475,096,189	488,003,792
Balance sheet check 1	-	-	-	-	-	-	-
Balance sheet check 2	OK	OK	OK	OK	OK	OK	OK

Analyst's Certification and Disclaimers

ANALYSTS' CERTIFICATION

We, the undersigned analysts, certify that the views expressed in this report reflect our independent assessments of economic conditions and trends. Our compensation is not influenced by the views or recommendations in this report, which complies with Nigerian SEC regulations and international best practices.

RESEARCH METHODOLOGY

This report is based on:

- **Primary Data:** Sources include the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), and U.S. Department of Agriculture (USDA).
- **Secondary Data:** Reports from the Nigerian Exchange Group (NGX), African Development Bank (AfDB), and Bloomberg Africa.
- **Analysis Tools:** Statistical modelling, historical trend analysis, and forward-looking projections based on key indicators like GDP growth, inflation forecasts, fiscal and monetary policies, and trade balances.

INVESTMENT GUIDE

Capital Bancorp Research applies a three-tier rating system—Buy, Hold, and Sell—for all equities under active coverage.

- A Buy rating is assigned to stocks with strong fundamentals and an expected price appreciation of +20.00% or more from the current market price to the target price.
- A Hold rating is used for stocks with fair upside potential, where expected returns range between +0.00% and +10.50%. These are typically companies with solid fundamentals but limited near-term catalysts.
- A Sell rating is given to stocks that are either significantly overvalued or have weak fundamentals, with expected returns of less than 0.00% from current levels to the analyst's target price.

FREQUENCY OF NEXT UPDATE: We will provide an updated view on the company (or companies) as soon as there are material developments or significant financial disclosures.

CONFLICT OF INTEREST DISCLOSURE: Analysts declare no material conflicts of interest with entities referenced in this report. Any potential conflicts are disclosed in the appendix.

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For more details on company-specific valuation methodologies, upside/downside risks to current valuation, send an email to research@capitalbancorpgroup.com

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