LAFARGE AFRICA PLC

... Strong Volume Growth Drives Strong Financial Performance

March 27, 2026.

Earnings Note

Highlights

- *Total dividend ₦10.00 (Final dividend of ₦6.00) per share, a 733% increase year-on-year from ₦1.20 per share (FY 2024).*
- *Balance sheet grew by 22%, from N990.5 billion (FY 2024) to N1.2 trillion (FY 2025).*
- *Shareholders' equity grew 38% YoY from ₦504.6 billion (FY 2024) to ₦693.9 billion (FY 2025).*
- *A 53% increase in revenue YoY from ₦696.8 billion (FY 2024) to ₦1.07 trillion (FY 2025).*
- *Earnings grew by 173% from a ₦100.1 billion (FY 2024) to ₦273.1 billion (FY 2025).*

Statement of Financial Position

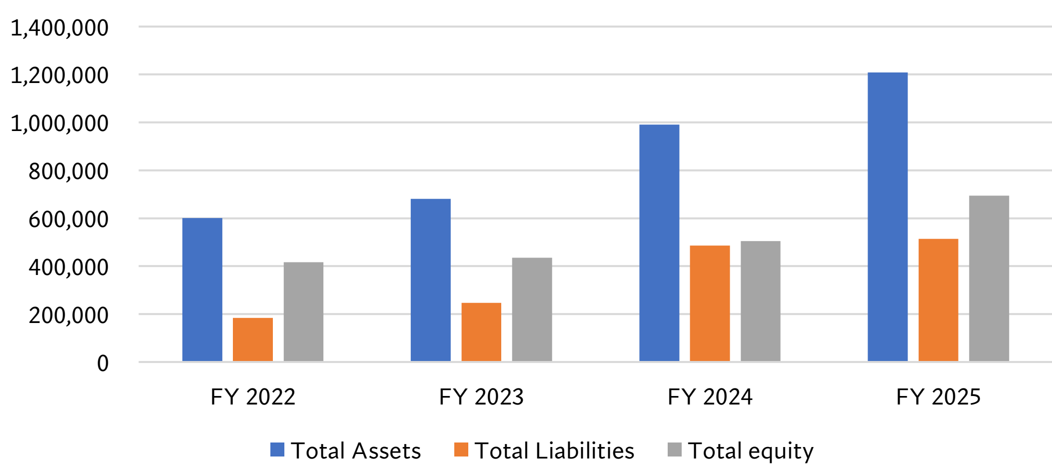
Lafarge Africa Plc (The Group) closed the year on a positive note by growing their total assets by 22% from N990.5 billion (FY 2024) to N1.2 trillion (FY 2025). This impressive balance sheet growth was fueled largely by a 60% surge in retained earnings, as bottom-line performance climbed sharply and reinforced the company's earnings strength.

Building on this solid foundation, Property, Plant and Equipment rose by 9%, reflecting strategic investment in capacity expansion, most notably the launch of the Freedom Plant, a new ready-mix facility designed to support future growth.

Cash and cash equivalents grew YoY by ₦152.2 billion, a 63% increase YoY from ₦237.9 billion (FY 2024) to ₦388.1 billion (FY 2025). The funds were placed in interest bearing instruments to grow asset base prior to the payment being made.

The firm continued to add value to its shareholders as retained earnings increased YoY by 60% from ₦315.6 billion (FY 2024) to ₦504.9 billion

Statement of Financial Position (N'millions)



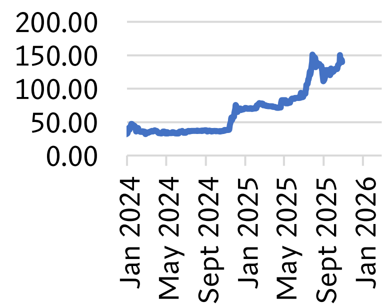
Source: Company Accounts, WSTC Research

Fair Value Estimate: N241.24

Total Return: +15%

Stock Data	
Current price (N)	224.00
Shares Outstanding (mn)	16,108
Market Cap (N'mn)	3,608,146
52-week high (N)	229.30
52-week low (N)	65.90
Trailing EPS (N)	16.96
Forward EPS (N)	27.63
Forward PE (X)	8.11
Justified PE Multiple (X)	8.73

Price Movement



Stock Data	FY 2024	FY 2025	FY 2026F
P/E	5.87x	13.21x	8.11x
P/BV	1.13x	2.14X	3.69X
PBT Margin	22%	39%	41%
PAT Margin	14%	26%	28%
RoE	21%	46%	53%
Dividend Yield	3%	11%	7%

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Statement of Financial Performance

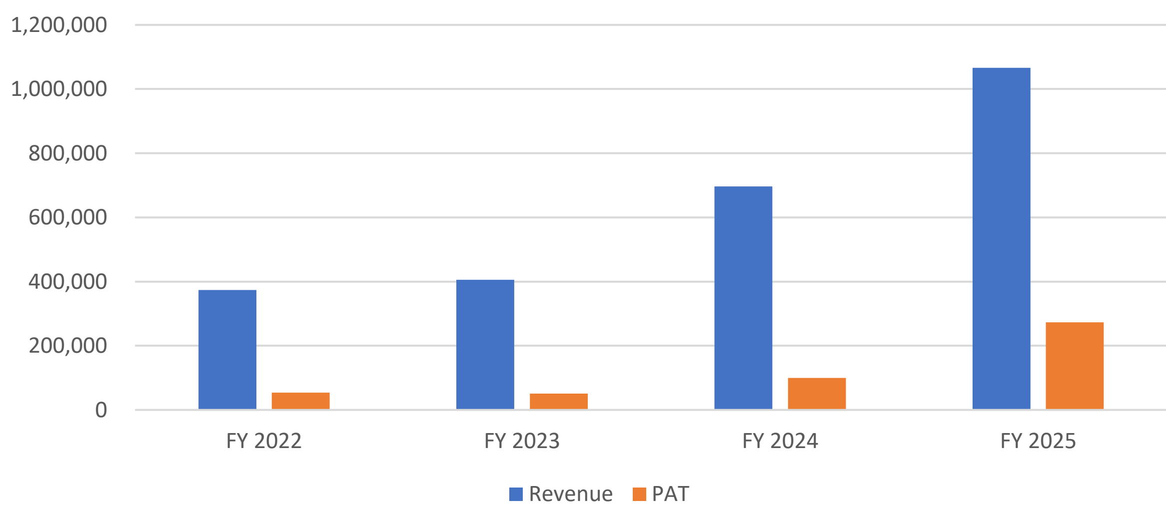
The Group grew revenue to exceed ₦1 trillion revenue benchmark for the first time. Revenue grew by 53% from ₦696.8 billion (FY 2024) to ₦1.07 trillion (FY 2025). This growth can be accredited to increase in volumes sold, a more efficient distribution network and product innovation.

The Group launched new products during the year, and their impact is reflected in the 53% revenue growth. The new offerings, ECOCrete (Nigeria's first low-carbon ready-mix concrete) and ECOPlanet, expanded Lafarge's product portfolio and strengthened its ability to increase market share.

The Group's gross margin increased year-on-year from 50% in FY 2024 to 58% in FY 2025. This improvement reflects the benefits of economies of scale, as the Group's cost margin dropped to 42% from 50%, despite a 78% increase to N448.9 billion.

Furthermore, a reduction in financing expenses from interest-bearing debt and a recovery from foreign exchange loss (stability in the local currency) in the previous year has led to a 74% reduction in finance cost to ₦11 billion (FY 2025). Taken together, this led to a 173% increase in Profit After Tax (PAT) from ₦100.1 billion (FY 2024) to ₦273.1 billion (FY 2025).

Statement of Financial Performance (N'millions)



Source: Company Accounts, WSTC Research

Cash Flow

The Group recorded a 36% (₦80.6B) increase YoY on its net cashflow from operational activities. It increased from ₦214.1 billion (FY 2024) to ₦292.6 billion (FY 2025). Primary driver for this improvement stems from the core operations of the company as it recorded a PBT (Profit Before Tax) growth of 170% from ₦152.5 billion to ₦411.3 billion.

Net cash flows from investing activities remained negative. However, net outflows declined by 31%, from ₦71.3 billion in FY 2024 to ₦49.3 billion in FY 2025. This improvement was largely driven by higher interest income of ₦25.1 billion in FY 2025 compared to ₦2.1 billion in FY 2024.

Net cash flows from financing activities were negative, with an increase of 25% YoY, from ₦74.9 billion(FY 2024) to 93.3 billion (FY 2025), due to higher dividend payments to shareholders as the Group returned value to shareholders in form of dividend with a dividend per share of ₦10 (FY 2025), ₦1.20 (FY 2024),₦1.90(FY 2023). This can also be taken as a signal in management's confidence of the group's ability to strengthen its earnings over several years.

Taken together, these movements culminated in a net cash position of N150.06 billion, more than doubling the N67.9 billion recorded in FY 2024, and underscoring a year marked not only by profit growth but by solid cash generation and improved financial stability.

Outlook

Lafarge Africa plc intends to expand its Ashakacem Plant in Gombe and Sagamu Plant in Ogun state to a total capacity of 2MT and 3.5MT respectively. We believe that this strategic move will help with capacity stabilisation and increased volume produced as designed.

Once these facilities begin to produce at their new capacity levels it is expected to support the improved margins as economies of scale continue to reflect in the company's financial performance.

With a more effective distribution network, financial prudence and continued debt reduction. Lafarge Africa plc is expected to continue to create value for its shareholders and a good to have in a stock investment portfolio.

FY 2025 Financial Performance

Income Statement (N'mn)	FY 2025	FY 2024	(%)
Revenue	**1,066,305**	**696,758**	**53%**
Cost of sales	(448,937)	(350,047)	28%
Gross profit	**617,368**	**346,711**	**78%**
Other income	4,916	7,188	-32%
Operating income	**622,284**	**353,898**	**76%**
Selling expense	(163,853)	(120,423)	36%
Admin expense	(65,654)	(40,147)	64%
Operating expense	**(229,507)**	**(160,569)**	**43%**
Operating profit	**392,777**	**193,329**	**103%**
Non-operating profit/(loss)	**18,540**	**(40,810)**	**-145%**
Finance income	25,080	2,062	1116%
Finance expense	(5,196)	(18,277)	-72%
FX cost	(667)	(24,271)	-97%
Impairment reversal/(charge) on receivables	(677)	(323)	109%
Profit before tax	**411,317**	**152,519**	**170%**
Tax	(138,196)	(52,374)	164%
Profit after tax	**273,120**	**100,145**	**173%**

Balance Sheet (N'mn)	FY 2025	FY 2024	(%)
Assets			
PP & E	448,580	409,761	9%
Other Asset	198,315	165,079	20%
Inventory	112,117	104,192	8%
Receivables	13,678	9,619	42%
Cash	388,067	237,859	63%
Others	47,266	64,000	-26%
Total Assets	**1,208,024**	**990,510**	**22%**
Liabilities			
Loans & Borrowings	1,308	2,214	-41%
Payables	280,505	394,186	-29%
Others	232,216	89,468	160%
Total Liabilities	**514,029**	**485,869**	**6%**
Net Assets	**693,996**	**504,641**	**38%**

Source: Company Accounts, WSTC Research

Financial Projections

Income statement (NGN mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Revenue	696,758	1,066,305	1,599,457	2,159,267	2,699,084	3,184,919	3,662,657
EBITDA	222,305	426,884	701,990	979,146	1,207,756	1,432,372	1,642,082
EBIT	193,005	392,100	649,208	914,368	1,132,182	1,352,749	1,557,841
Profit before taxation (PBT)	152,519	411,317	654,429	922,928	1,139,205	1,357,627	1,563,696
Net profit (PAT)	100,145	273,120	445,012	627,591	774,660	923,187	1,063,313
EPS (₦)	6.22	16.96	27.63	38.96	48.09	57.31	66.01
DPS (₦)	1.20	10.00	16.58	23.38	28.86	37.25	42.91

Balance sheet (NGN mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Current assets	414,003	559,503	717,784	1,030,641	1,456,523	1,959,220	2,465,430
Non-current assets	576,507	648,521	749,186	817,058	864,170	878,055	897,507
Total assets	990,510	1,208,024	1,466,970	1,847,698	2,320,693	2,837,275	3,362,937
Current liabilities	397,102	417,363	392,423	412,671	487,641	545,968	608,388
Non-current liabilities	88,767	96,666	96,618	96,514	96,433	96,299	96,299
Shareholders' equity	504,641	693,996	977,929	1,338,513	1,736,618	2,195,009	2,658,251
Book value per share (₦)	32.24	43.28	60.71	83.10	107.81	136.27	165.03

Cash flow statement (NGN mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Cash from operating activities	212,011	292,629	386,804	595,091	826,761	999,257	1,134,825
Cash from investing activities	-69,697	-49,300	-105,531	-59,743	-78,875	-77,777	-82,049
Cash from financing activities	-74,863	-93,265	-162,684	-268,129	-377,285	-465,272	-600,071
Net increase/ (decrease) in cash	67,451	150,064	118,588	267,218	370,600	456,208	452,705
Free cash flow to equity	95,994	208,745	273,236	524,872	739,659	915,973	1,046,921

Ratio analysis	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
EBITDA margin	32%	40%	44%	45%	45%	45%	45%
Operating margin	28%	37%	41%	42%	42%	42%	43%
ROE	21%	45%	53%	54%	50%	47%	44%
ROA	12%	25%	33%	38%	37%	36%	34%
Dividend payout ratio (%)	19%	59%	60%	60%	60%	65%	65%

Source: Company Accounts, WSTC Research

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