NIGERIAN BREWERIES PLC

...Resilient Growth

June 01, 2026.

Earnings Note

Highlights

- Total assets declined by 6% from ₦1.06 trillion in FY 2024 to ₦1.07 trillion in FY 2025.
- Total liabilities declined by 25% from ₦674.33 in FY 2024 to ₦505.90 billion for FY 2025.
- Shareholders' fund increased by 21% from ₦463.94 billion in FY 2024 to ₦560.22 billion in FY 2025.
- Total revenue grew by 35% from ₦1.08 trillion in FY 2024 to ₦1.47 trillion in FY 2025
- The Company returned to profitability from a ₦144.88 billion loss to a ₦99.10 billion profit.

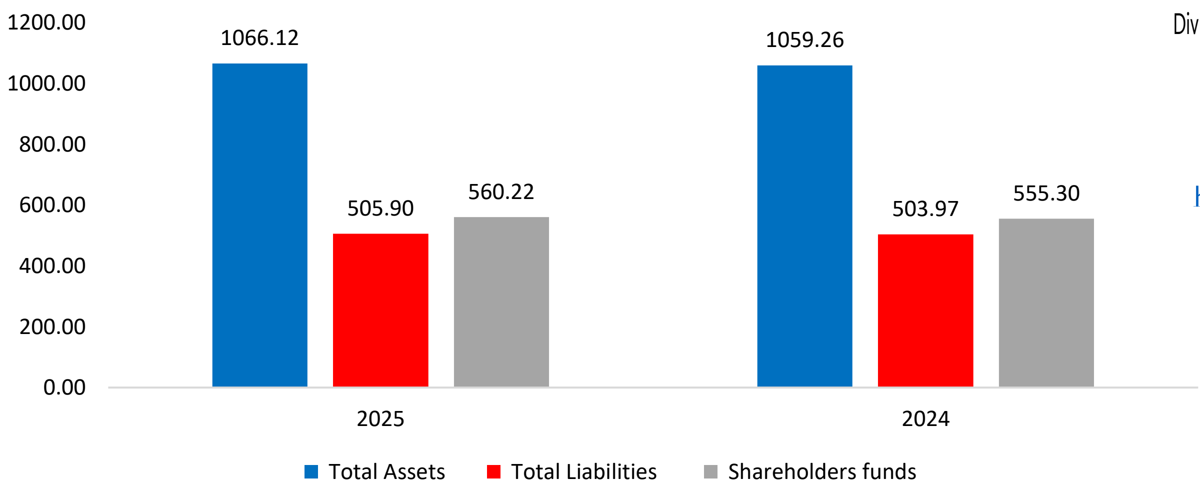
Statement of Financial Position

Nigerian Breweries' total assets declined by 6% year-on-year to ₦1.07 trillion in FY 2025, from ₦1.14 trillion in FY 2024. The movement was largely driven by changes in liquidity and debt position. A closer look shows that cash and cash equivalents declined by 59% to ₦61.14 billion, from ₦150.59 billion in the prior year. This suggests that the company deployed a significant portion of its cash during the year, particularly towards debt reduction and operational needs.

This is further reflected in the company's debt profile. Nigerian Breweries fully repaid its long-term debt of ₦40.00 billion in FY 2025, while short-term borrowings declined by 65% to ₦59.71 billion, from ₦169.05 billion in FY 2024. This is likely a deliberate effort by management to ease financing pressure, especially after the strain experienced in the prior year.

On the equity side, shareholders' funds increased by 21% to ₦560.22 billion, from ₦463.94 billion in FY 2024. This was on the back of the return to profitability as the retained losses significantly reduced by 57% to ₦72.17 billion from ₦169.80 billion in FY 2025.

Statement of Financial Position (₦'Billion)

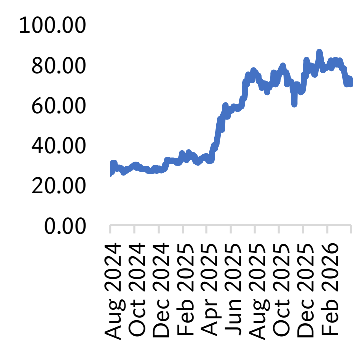


Source: Company accounts, WSTC Research

Fair Value Estimate: ₦104.92

Stock Data	
Current price (N)	83.60
Shares Outstanding (mn)	30,983
Market Cap (N'mn)	2,590,181
52-week high (N)	103.00
52-week low (N)	55.40
Trailing EPS (N)	(4.68)
Forward EPS (N)	3.20
Forward PE (X)	26.13
Justified PE Multiple (X)	18.54

Price Movement



Stock Data	FY 2025	FY 2025	FY 2026F
P/E	N/A	4.68x	2.65x
P/BV	1.92x	0.83x	0.65x
PBT Margin	-17%	11%	14%
PAT Margin	-13%	7%	10%
RoE	-55%	19%	27%
Dividend Yield	0%	0%	3%

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Statement of Financial Performance

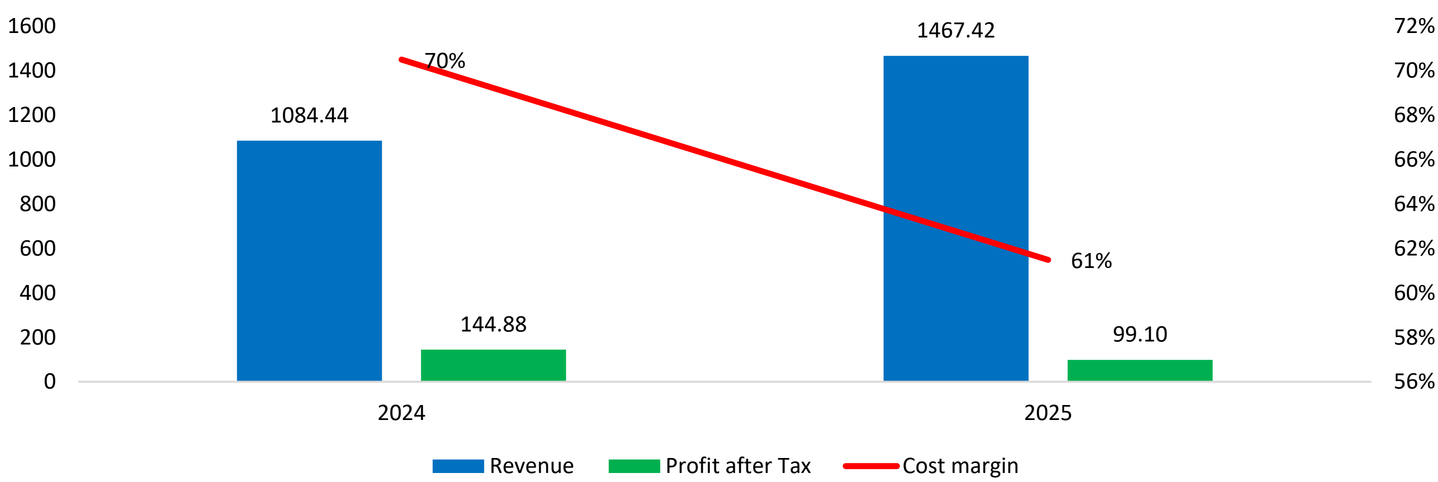
Revenue increased by 35% year-on-year from ₦1.08 trillion in FY 2024 to ₦1.47 trillion in FY 2025. The Nigerian market remained the major contributor (99.83%). This growth was largely driven by price adjustments and product innovation.

Cost of sales margin declined from 70% in FY 2024 to 61% in FY 2025. This is attributable to the disinflation trend in the global input prices and a stable exchange rate environment that helped cushion the negative impact. As a result, gross profit grew by 76% from ₦319.92 billion in FY 2024 to ₦565.18 billion in FY 2025. Operating expenses increased by 43% to ₦364.14 billion (FY 2024: ₦254.05 billion). This was on the back of 37% increase in marketing and distribution and 68% in administrative expenses. Despite the rise in operating expenses, operating profit increased by 194% to ₦205.20 billion (FY 2024: ₦69.90 billion).

Below operating profit, Finance income dropped by 58% to ₦1.79 billion (FY 2024: ₦4.24 billion). This is likely attributable to the drop in the cash balances as the Company recorded a lower interest income. At the same time, the finance cost dropped by 53% to ₦46.69 (FY 2024: ₦99.46 billion). A lower interest expense was recorded during the year as about ₦40.00 billion was repaid during the year. Also, a ₦752 million FX was recorded compared to a loss of ₦157.60 billion in the prior year. This was underscored by the relatively stable FX environment during the year.

At the bottom line, Profit before tax moved by 188% from a loss of ₦182.92 billion in FY 2024 to a profit of ₦161.06 billion in FY 2025, while Profit after tax increased by 168% to ₦99.10 billion (FY 2024: ₦145.00 billion).

Statement of Financial Performance (₦'Billion)



Source: Company accounts, WSTC Research

Statement of Cashflow statement

Cash generated from operating activities increased by 338% to ₦228.18 billion, compared to about ₦52.04 billion in FY 2024. This was driven by the company's return to profitability and improved ability to convert earnings into cash.

Despite this strong operating performance, the company recorded a net cash outflow from investing activities of ₦123.31 billion, compared to ₦140.58 billion in FY 2024. The outflow was mainly driven by continued investment in property, plant and equipment, which stood at over ₦123 billion during the year (FY 2024: ₦120.48 billion).

On the financing side, Nigerian Breweries recorded a net cash outflow of ₦196.11 billion, compared to a net inflow of ₦215.31 billion in FY 2024. This reversal was largely due to significant repayment of borrowings (₦317.86 billion) and interest payments (₦43.78 billion) during the year.

As a result of these movements, cash and cash equivalents declined by 59%, from ₦150.59 billion to ₦61.14 billion.

Statement of Cashflow statement

Cash Flows	2025	2024	Change
Net Operating Cash Flows	228.18	52.04	
Net Investing Cash Flows	(123.31)	(140.58)	
Net Financing Cash Flows	(196.11)	215.31	
Cash & Cash Equivalents	61.14	150.59	

Source: Company accounts, WSTC Research

Outlook

Nigerian Breweries has moved past the difficult phase, as was observed in FY 2025. On the revenue side, growth should remain positive, but at a slower pace. The heavy price increases seen in 2025 are likely to ease as inflation begins to moderate. This means revenue growth will depend more on a gradual recovery in volumes, as consumer purchasing power improves.

On the cost side, there should be some relief. Easing inflation, better local sourcing, and a more stable operating environment are expected to help manage input costs. While operating expenses will still rise, the pace should be more controlled, allowing margins to improve gradually. Overall, Nigerian Breweries is positioned well for FY 2026.

FY 2025 Financial Performance

Income Statement (N'mn)	FY 2025	FY 2024	(%)
Revenue	**1,467,422**	**1,084,436**	**35%**
Cost of sales	(902,240)	(764,520)	18%
Gross profit	**565,182**	**319,916**	**77%**
Other income	4,159	4,029	3%
Operating income	**569,341**	**323,945**	**76%**
Marketing and distribution expenses	(278,928)	(203,239)	37%
Administrative expenses	(85,214)	(50,809)	68%
Operating expense	**(364,142)**	**(254,048)**	**43%**
Operating profit	**205,199**	**69,897**	**194%**
Non-operating profit/(loss)	**(44,137)**	**(252,814)**	**-83%**
Finance income	1,778	4,242	-58%
Finance cost	(46,668)	(99,462)	-53%
Net loss on foreign exchange transactions	752	(157,595)	100%
Loss before tax	**161,062**	**(182,917)**	**188%**
I ncome tax	(61,962)	38,034	263%
Profit after tax	**99,100**	**(144,883)**	**168%**

Balance Sheet (N'mn)	FY 2025	FY 2024	(%)
Assets			
PP & E	585,312	535,271	9%
Inventory	193,789	181,259	7%
Receivables	69,404	52,720	32%
Cash	61,140	150,588	-59%
Others	156,473	218,438	-28%
Total Assets	**1,066,118**	**1,138,276**	**-6%**
Liabilities			
Borrowings	59,711	209,053	-71%
Payables	390,078	435,568	-10%
Others	56,106	29,711	89%
Total Liabilities	**505,896**	**674,332**	**-25%**
Net Assets	**560,222**	**463,944**	**21%**

Source: Company Accounts, WSTC Research

Financial Projection

Income statement (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Revenue	1,084,436	1,084,436	1,467,422	1,773,670	2,039,720	2,243,692	2,423,188	2,617,043	2,826,406
EBITDA	125,220	125,220	282,978	355,592	531,716	577,851	605,778	644,180	672,724
EBIT	69,897	69,897	205,199	269,037	407,517	446,025	473,226	499,307	515,227
Profit before taxation (PBT)	(182,917)	(182,917)	161,062	250,984	390,950	427,346	460,132	487,916	504,970
Net profit (PAT)	(144,883)	(144,883)	99,100	175,346	265,846	290,595	312,890	331,783	343,380
EPS (₦)	-4.68	-4.68	3.20	5.66	8.58	9.38	10.10	10.71	11.08
DPS (₦)	0.00	0.00	0.00	2.83	4.29	4.69	5.05	5.35	5.54
Balance sheet (N'mn)	**FY 2024**	**FY 2025**	**FY 2026F**	**FY 2027F**	**FY 2028F**	**FY 2029F**	**FY 2030F**	**FY 2031F**	**FY 2032F**
Current assets	424,704	424,704	337,771	508,238	649,774	770,623	916,313	1,066,181	1,239,092
Non-current assets	713,572	713,572	728,346	767,390	806,495	846,605	900,585	955,752	1,016,755
Total assets	1,138,276	1,138,276	1,066,118	1,275,628	1,456,269	1,617,228	1,816,898	2,021,933	2,255,847
Current liabilities	624,586	624,586	491,651	502,383	528,181	535,581	572,285	605,313	665,857
Non-current liabilities	49,746	49,746	14,245	49,719	37,702	36,682	34,842	33,873	31,204
Long-term debt	40,000	40,000	0	35,473	23,457	22,437	20,597	19,628	16,958
Shareholders' equity	463,944	463,944	560,222	723,526	890,386	1,044,965	1,209,770	1,382,747	1,558,786
Book value per share (₦)	45.15	14.97	18.08	23.35	28.74	33.73	39.05	44.63	50.31
Cash Flow Statement (N'mn)	**FY 2024**	**FY 2025**	**FY 2026F**	**FY 2027F**	**FY 2028F**	**FY 2029F**	**FY 2030F**	**FY 2031F**	**FY 2032F**
Cash from operating activities	52,041	52,041	228,177	230,550	350,828	439,758	479,995	508,481	551,138
Cash from investing activities	(140,581)	(140,581)	(123,311)	(120,186)	(158,808)	(168,338)	(181,378)	(194,483)	(213,200)
Cash from financing activities	215,312	215,312	(196,111)	11,201	(60,231)	(160,741)	(167,768)	(174,543)	(182,531)
Net increase/ (decrease) in cash	126,772	126,772	(91,245)	121,566	131,789	110,678	130,849	139,455	155,407
Free cash flow to equity	(89,417)	(89,417)	138,071	226,278	243,097	273,779	292,705	317,449	260,761
Ratio analysis	**FY 2024**	**FY 2025**	**FY 2026F**	**FY 2027F**	**FY 2028F**	**FY 2029F**	**FY 2030F**	**FY 2031F**	**FY 2032F**
EBITDA margin	12%	12%	19%	20%	26%	26%	25%	25%	24%
Operating margin	6%	6%	14%	15%	20%	20%	20%	19%	18%
ROE	-55%	-55%	19%	27%	33%	30%	28%	26%	23%
ROA	-13%	-13%	9%	14%	18%	18%	17%	16%	15%
Dividend payout ratio	0%	0%	0%	50%	50%	50%	50%	50%	50%

Source: Company Accounts, WSTC Research

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