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Sector Research Report

Industrial Goods

Table of Contents

pg.

01 Executive Summary

pg.

02 Sector Overview & Outlook

pg.

06 Sub Sector

pg.

09 Company Analysis

pg.

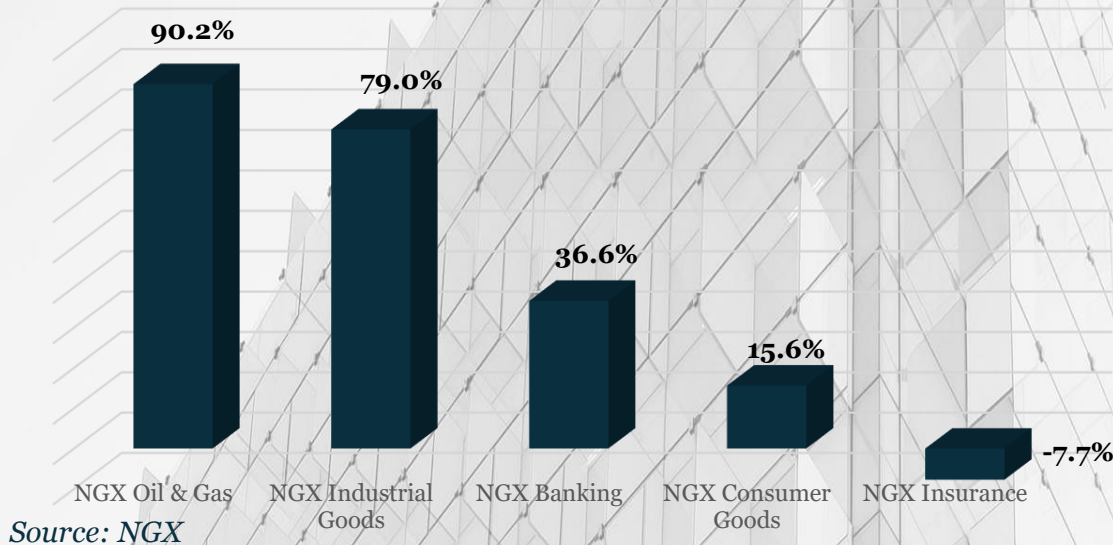
15 Disclosures

Executive Summary

We expect a favorable outlook for Nigeria's industrial goods sector, following the strong H1 2026 performance across its subsectors, supported by moderating inflation, rising foreign exchange reserves, and relative stability in the Naira.

Industrial goods stocks listed on the Nigerian Exchange Group (NGX) delivered strong returns in H1 2026, with the NGX Industrial Goods Index significantly outperforming the NGX All-Share Index (ASI). The NGX Industrial Index posted a 79% return in H1, well ahead of the ASI's 46.8% gain.

This outperformance was mainly driven by Berger Paints, which posted a 207.5% gain, and Premier Paints, which returned 204% gain over the same period. Beyond these two companies, the sector's gains were also broadly supported by the cement manufacturers, HBM Nigeria Plc, Dangote Cement Plc and BUA Cement Plc, as investors accumulated shares on the back of resilient earnings and expectations of increased capacity expansions.



We expect the Building Materials Sub-Sector to strengthen further, supported by the Nigerian Industrialization Policy and a gradually improving macroeconomic and financial environment.

Public infrastructure spending remains the single biggest catalyst for cement consumption heading into the second half of the year and housing also remains a significant demand driver, driven by the estimated 28-million-unit housing deficit.

Within the sector, we expect Dangote Cement, HBM Nigeria Plc, BUA Cement, Beta Glass Plc, CAP Plc, and Berger Paints to remain among the sector's strongest performers, supported by strong brand equity, healthy balance sheet and capital structures, and extensive distribution networks.

Overall, we expect the major driver of earnings in H2 2026 to be margin expansion driven by price increment, moderate volume demand and efficient cost optimization.

Sector Overview & Outlook

SECTOR OVERVIEW

The Industrial goods sector encompasses companies operating across the following sub-sectors:

- Building materials
- Electronic/Electrical materials
- Packaging/Containers

The sector currently comprises 11 companies with a combined market capitalization of ₦34.13 trillion, with the entire sector concentrated in the Building Materials sub-sector which is equally dominated by the cement manufacturers, Dangote Cement Plc, BUA Cement Plc and HBM Nigeria Plc.

H1 2026 Performance

The sector's operating environment improved notably in H1 2026 as macroeconomic conditions showed signs of stabilization across key indicators. The moderation in inflationary pressures and relative stability in the foreign exchange market also ensured stable performance for companies across the sector. However, cost pressures remained elevated, while weak consumer purchasing power continued to constrain demand across companies in the sector.

The 11 companies in the sector generated a combined N2.1 trillion in revenue in H1 2026, with more than 95% generated by the Building Materials sub-sector. This highlights the sector's significant concentration in Building Materials, particularly cement manufacturing, with Dangote Cement Plc, BUA Cement Plc and HBM Nigeria Plc accounting for a substantial share of sector activity. The strong contribution from the sub-sector reflects the scale of the major cement producers relative to the other companies in the other sub-sectors.

Despite the improved macroeconomic backdrop with the country's GDP rising to 4.43% in H1 2026, volume growth across the sector remained uneven.

Consequently, the sector's H1 2026 performance was driven not only by changes in demand, but also by pricing, cost management and operational efficiency.

Key Growth Drivers

❑ Increase in Product pricing

Rising prices have been a central driver of the sector's H1 2026 performance, most notably amongst the cement manufacturers in the Building Materials sub-sector.

Manufacturers raised price to offset elevated costs even as volume growth remained uneven and consumer purchasing power weakens.

❑ Stable Foreign Exchange and Finance Cost

Relative stability in the foreign exchange market also supported the sector's H1 2026 performance. The USD/NGN exchange rate appreciated from ₦1,430.85 in January to ₦1,368.26 by the end of the H1 2026, representing a 4.4% decline.

The appreciation of the Naira reduced the costs of imported raw materials, spare parts and other foreign-currency denominated inputs.

Lower finance costs, supported by debt reduction across several companies in the sector, also contributed to the earnings growth in H1 2026.

❑ Population Growth and Urbanization

Rapid population growth and urbanization also continue to provide a structural growth driver for the Industrial Goods sector, particularly the Building Materials sub-sector.

A growing population increases the demand for housing and infrastructure, while the migration of people to urban centres further increases the need for residential and commercial construction.

❑ Nigerian Industrialization Policy

The sector's growth is further supported by the Nigerian Industrialization Policy (NIP), which was launched to promote industrial growth and reduce reliance on import.

The policy's focus on manufacturing and infrastructure spending is expected to support industrial activity, hence creating additional demand for Building Materials.

Sector Overview & Outlook

SECTOR H2 OUTLOOK

1. Industrialization and infrastructure spending to sustain demand growth

We expect demand for the Industrial Goods sector, particularly the Building Materials sub-sector, to remain strong into H2 2026 and beyond, supported by the Federal Government of Nigeria's renewed industrialization drive and continued investment in infrastructure. The recently launched Nigeria Industrial Policy (NIP) provides a long-term framework for strengthening domestic production and improving Nigeria's competitiveness as a manufacturing hub.

The policy targets increasing manufacturing's contribution to GDP to 25% by 2030 and identifies infrastructure, energy, financing and skills development as key enablers for the industrial expansion. The NIP also envisages substantial industrial-development financing, including the proposed recapitalization of the Bank of Industry to N3 trillion and expansion of sector-specific intervention funds, which could support private sector investment in productive capacity if successfully implemented.

For the Industrial Goods sector, particularly the Building Materials sub-sector, the significance of the NIP extends beyond manufacturing output. Industrialization requires physical infrastructure and power infrastructure; hence, the expansion of productive capacity would create a broader construction pipeline, providing an additional source of demand for cement, aggregates and other building materials.

Within the road infrastructure programme, major projects including the Lagos-Calabar Coastal Highway and Sokoto-Badagry Superhighway are expected to remain important sources of construction activity.

However, we believe the sector's earnings outlook will depend more on projects execution than on budgetary allocations alone; hence, we view the pace of the project execution as a key monitorable for the sector through H2 2026 and beyond.

Manufacturers in the sector have demonstrated a clear ability to defend margins through a combination of pricing discipline and cost optimization. Despite uneven volume growth and continued pressure on consumer purchasing power, manufacturers in the sector, particularly in the building materials sub-sector, raised prices during H1 2026 to offset elevated energy, transportation and other input costs.

2. Cost optimization and pricing discipline to support margins

We expect pricing to remain supportive in H2, although the scope of further increases appears limited by weak consumer purchasing power.

However, with further price increase likely to face greater resistance and volume growth expected to remain moderate, we expect cost efficiency to become increasingly important to margin preservation. Manufacturers' ability to optimize energy consumption and manage logistics and other operating costs should therefore be critical in sustaining profitability in H2 2026.

The relative stability of naira is expected to provide some relief from foreign-currency-linked costs, particularly for imported raw materials, spare parts and other production inputs. However, the extent of margin preservation will ultimately depend on manufacturers' ability to sustain price realizations without materially weakening already uneven volumes.

Sector Overview & Outlook

SECTOR H2 OUTLOOK

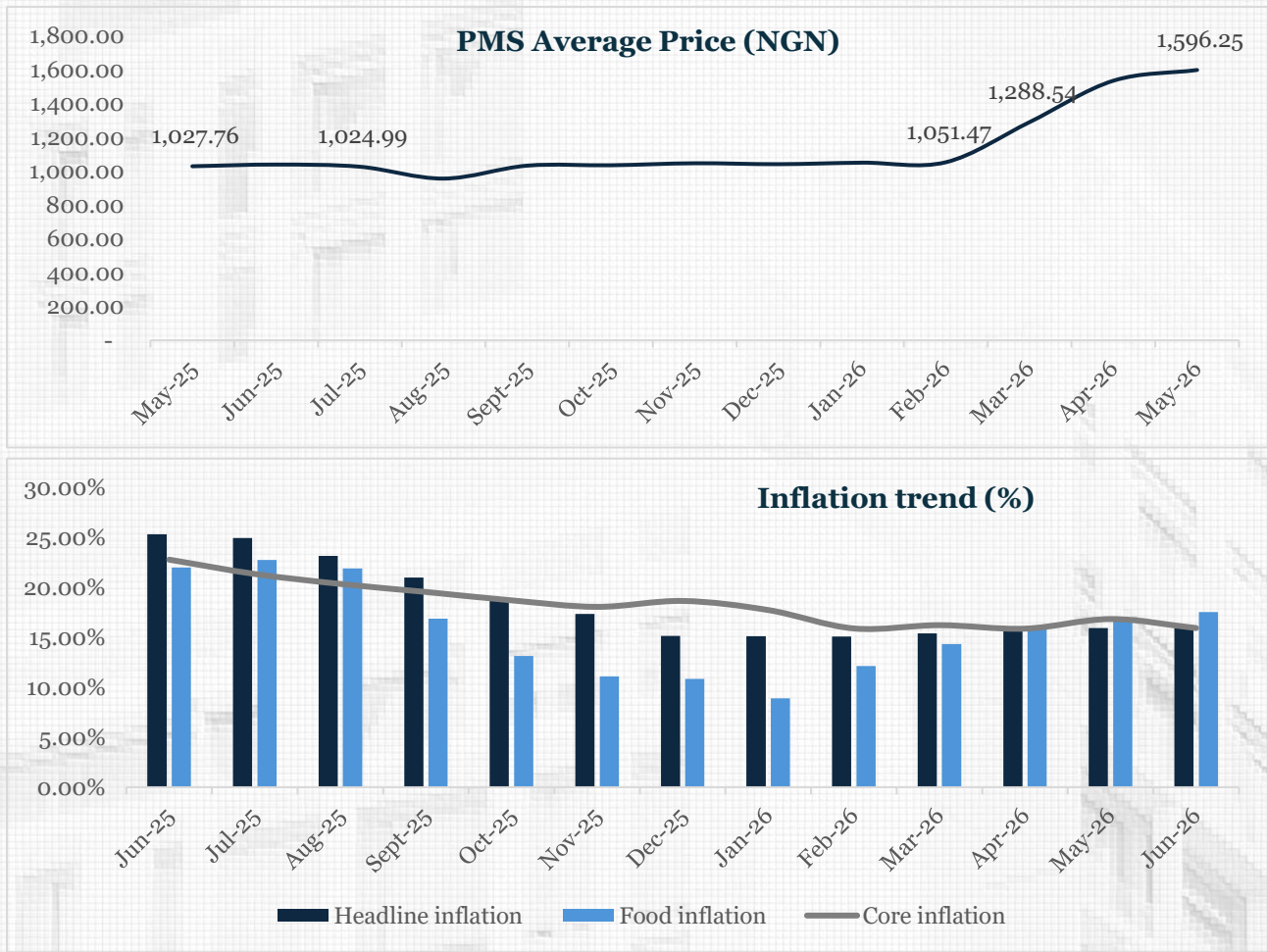
3. Rising energy costs to weigh on production costs

Energy costs remain a structural challenge across the industrial sector, spanning cement, paints and coatings, cooling/HVAC and electrical equipment. Reliance on self-generated power, diesel and gas exposes manufacturers to higher production and logistics costs.

The escalation of Middle East geopolitical tensions has amplified these pressures through higher global crude oil prices.

Moreover, headline inflation rose to 15.93 YoY in May 2026, reversing eleven consecutive months of disinflation, while average Premium Motor Services (PMS) prices increased from ₦1,051/litre in February to ₦1,596/litre in May. Higher fuel prices raise the production, transportation and distribution costs of companies in the sector due to the structural demands of their production process.

We therefore expect elevated energy and logistics costs to remain a key margin bottleneck for the companies in this sector, with earnings sensitivity highest among energy-intensive manufacturers and companies with significant imported-input exposure.



Source: National Bureau of Statistics (NBS)

Sector Overview & Outlook

SECTOR H2 OUTLOOK

The sector enters H2 2026 with a relatively resilient balance sheet position, although financial strength remains uneven across the 11 companies in the sector. Several leading players like Dangote Cement Plc, HBM Nigeria Plc, Berger Paints Plc, Chemical and Allied Products Plc and Meyer Paints Plc hold substantial cash buffers relative to interest-bearing debt, providing flexibility to fund operations and capital expenditure internally.

4. Reduced financial leverage to sustain H2 earnings growth

At the other end of the spectrum, leverage remains more pronounced among some companies such as Bua Cement Plc, Triple Gee Plc, Betaglass Plc and Cutix Plc, as they hold significantly more debt than cash. This divergence highlights the importance of balance sheet strength as a competitive advantage, particularly in an environment of elevated financing and energy costs.

Stronger liquidity support continued investment in production capacity and operational efficiency and reduces reliance on expensive external financing. This is particularly relevant for capital-intensive subsector such as cement and glass, where expansion and maintenance require significant funding.

We therefore expect balance-sheet strength and disciplined capital allocation to remain important differentiators for sector earnings resilience and future growth.

<i>in millions of naira</i>	CASH	INTEREST BEARING DEBT
HBM Nigeria Plc	330,642.3	1,232.6
BUA Cement Plc	303,562.9	663,210.4
Dangote Cement Plc	796,276.0	581,044.0
Betaglass Plc	12,308.6	36,126.5
Triple Gee Plc	39.7	5,097.4
Austin Laz Plc	2.0	0.0
Berger Paints Plc	628.9	141.5
Premier Paints Plc	0.0	189.8
Meyer Paints Plc	2,139.2	1.8
Cutix Plc	183.9	1,723.1
Chemical and Allied Products Plc	9,542.1	8.7

Source: NGX, Companies' H1 2026 Financials

Sub-sector

BUILDING MATERIALS

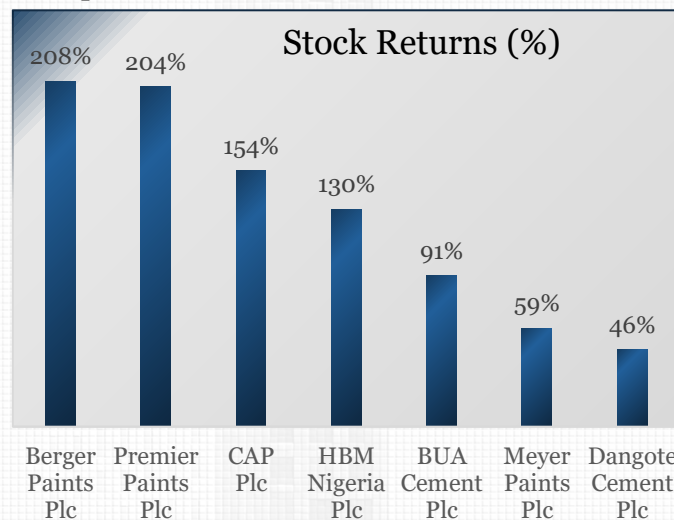
We expect a positive outlook on Nigeria's Building materials sub-sector in H2 2026 and beyond. The sub-sector was a key contributor to the NGX Industrial Goods Index's standout 79% return in H1 2026, comfortably outperforming the NGX All-share Index's 46.8% gain over the same period. It also accounts for over 90% of the Industrial Goods sector's total market capitalisation, underscoring its importance to overall sector performance. Based on NGX classification, the sub-sector comprises seven listed companies across the cement and paints and coatings segments.

Cement remains the dominant segment, led by Dangote Cement Plc, BUA Cement Plc and HBM Nigeria Plc, which collectively account for a significant share of the sub-sector's revenue and market capitalization.

The paint and coating segment comprises Berger Paints Nigeria Plc, Premier Paints Plc, Meyer Plc, Chemical and Allied Products (CAP) Plc, with CAP Plc and Berger Paints Plc leading the segment by market capitalization and operating scale.

Despite the broad-based strength in the sub-sector, stock performance varied considerably across companies in H1 2026 and contrast between company size and share-price performance was very notable. Berger Paints and Premier Paints led the sub-sector in share-price appreciation, returning 207.5% and 204.0%, respectively. CAP Plc followed with a 153.8% gain, while HBM Nigeria Plc led the cement segment with a 130.5% return. BUA Cement Plc gained 90.6%, followed by Meyer Plc at 59.1% and Dangote Cement Plc at 46.3%.

Notably, the strongest share price performances came from the paint and coatings segment, despite the cement producers' substantially larger revenue and market capitalization.



Source: NGX

Key risks in the subsector include:

- Sustained scrutiny of pricing practices, including an active investigation into possible price manipulation by regulatory bodies.
- Further volatility in energy costs.
- Policy execution risk surrounding the Nigerian Industrialization Policy.
- Weaker recovery in consumer purchasing power.
- Persistent naira depreciation and foreign exchange volatility.

Sub-sector

ELECTRONIC/ELECTRICAL MATERIALS

We have a cautious outlook on the Electrical/Electronic sub-sector for H2 2026 and beyond. The sub-sector comprises two listed companies, Cutix Plc and Austin Laz & Company Plc, which collectively account for just 0.06% of the Industrial Goods sector's total market capitalization. Despite its relatively small contribution to sector value, the sub-sector provides exposure to the broader demand for electrical infrastructure and equipment, making its performance closely linked to construction activity, consumer purchasing power and macroeconomic conditions.

The sub-sector recorded a meaningful improvement in earnings in H1 2026, supported by greater exchange rate stability and easing inflation, which helped moderate production and other operating costs. Both companies returned to profitability during the period. Austin Laz & Company Plc recorded a N246,000 profit, compared with a N8.9m loss in H1 2025, following its inactivity throughout FY2025 due to the declining condition of its productive capacity. However, the recovery remains fragile, with the company's earnings partly supported by N15m earned from other income. Similarly, Cutix Plc recorded a N58m profit, reversing a N105m loss in H1 2025. The earnings recovery marks a significant improvement from the disruption experienced between 2022 and 2025, when severe naira depreciation, elevated inflation and weak consumer purchasing power weighed heavily on demand and profitability.

Despite the return to profitability, share price performance remained weak in H1 2026, Cutix Plc's share declined by 13.5% in H1 2026, while Austin Laz fell 22.4% in the same period. The continued weakness, despite the improvement in earnings, suggests that investors remain cautious about the sustainability of the recovery.

<i>in millions of naira</i>	Revenue	Operating profit	Net Income H1 2025	Net Income H1 2026	Cash	Debt	Share Price change in H1 2026
Austin Laz Plc	27.2	31.3	(8.9)	0.3	2.0	0.0	(22.4%)
Cutix Plc	3,704.8	196.6	(105.0)	58.0	183.9	1,723.1	(13.5%)

Source: NGX, Companies' H1 2026 Financials

We therefore expect a gradual recovery rather than a sharp earnings recovery in H2 and beyond. While the return to profitability provides an encouraging signal, the limited scale of earnings and continued share price weakness indicates that the market is yet to gain confidence in the durability of the recovery.

Key risks in the subsector include:

- Revitalization strategy of companies in the sub-sector is contingent on sufficient capital injection.
- Renewed depreciation of naira driving up production costs.
- Weakened balance sheet may limit financial flexibility and increase liquidity risks.
- Weaker-than-expected recovery in demand, production and margins may limit the sustainability of earnings recovery.

Sub-sector

PACKAGING/CONTAINERS

<i>in millions of naira</i>	Revenue	Operating profit/(loss)	Net Income H1 2025	Net Income H1 2026	Cash	Debt	Share Price change in H1 2026
Beta Glass Plc	79,714.7	25,526.9	18,705.3	16,157.6	12,308.5	36,126.5	52.1%
Triple Gee Plc	445.2	(117.9)	(107.90)	(210.1)	15.9	5,203.2	(16.5%)

We have a constructive outlook on the Packaging/Containers sub-sector for H2 2026 and beyond. The sub-sector which comprises of two listed companies, Beta Glass Plc and Triple Gee Plc, contributed approximately 1.01% of the Industrial Goods sector's total market capitalization in H1 2026. While relatively small in market value, the sub-sector remains an important link to activity across the broader manufacturing and consumer goods value chain, with demand for glass and flexible packaging closely tied to beverage, food and other fast-moving consumer goods production.

Despite the overall improvement in macroeconomic conditions and the recovery across the Industrial Goods sector, operating performance remained under pressure in H1 2026. Higher financing and operating costs continued to weigh on margins, while weak consumer purchasing power limited the ability of manufacturers to fully pass higher costs through to customers.

Triple Gee and Company Plc had a 1% increase in revenue in H1 2026, but this translated into significant deterioration in profitability. Operating profit declined by 322%, while gross profit fell by 31% and net income declined by 95% compared with H1 2025. The deterioration in earnings was also reflected in its share-price performance, with Triple Gee declining 16.5% in H1 2026, indicating continued investor concerns around the company's near-term earnings outlook.

Beta Glass Plc also experienced margin pressure, despite recording a 2% increase in revenue in H1 2026. Gross profit and Operating profit declined by 5%, while net income fell by 14% year-on-year. However, the company's share price increased by 52.1% during H1 2026 signifying continued investors interest in the company despite the decline in its earnings.

Looking ahead, we expect moderating inflation and more stable exchange rate to provide a more supporting operating environment, and a stronger activity across the consumer goods sector to also support demand for packaging products.

We therefore maintain a constructive outlook on the sub-sector but expect earnings recovery to remain very gradual as the sub-sector remains on a recovery path in H2 2026 and beyond.

Key risks in the subsector include:

- Weaker than expected activity across the consumer goods sector to disrupt demand growth.
- Renewed depreciation of naira driving up production costs.
- Instability in foreign exchange rates to drive up financing costs.

Company Analysis

HBM Nigeria Plc – Mid-year Outlook | Ticker: HBMNG | Sector: Industrial Goods

FINANCIAL PERFORMANCE REVIEW

HBM Nigeria Plc delivered a strong H1 2026 performance, following its acquisition by Huaxin Group in FY2025. Revenue increased by 31.2% YoY to ₦678.4billion, from ₦516.9billion in H1 2025, supported by higher selling price and moderate volume demand. Gross profit increased by 42.6% to ₦421.8 billion, as production costs increased by 15.9% over the period. The resulting margin expansion highlights the benefits of pricing, alongside improved cost efficiency.

Operating profit increased by 51.2% YoY to ₦290.9billion, from ₦192.3billion, as strong revenue growth more than offset the moderate increase in SG&A expenses. Net income also rose by 57.0% to ₦208.3billion, from ₦132.7billion in H1 2025, reflecting the company's improved operating leverage and cost optimization efforts.

EPS increased from ₦8.24 to ₦12.93, while the share price rose by approximately 130%, from ₦135.0 in January 2026 to ₦310.0 by June 2026, reflecting strong investor confidence in the company's earnings growth and post-acquisition prospects.

H2 2026 OUTLOOK AND ANALYSIS

We expect HBM Nigeria Plc to sustain its strong operating performance through H2 2026 and beyond, supported by planned capacity expansion, continued pricing discipline and a gradual recovery in volume demand. The implementation of Nigeria's industrialization policies and ongoing urbanization should also provide additional support for cement demand, while the company's expanded production capacity should strengthen its ability to capture future market growth.

HBMNG's strong balance sheet, healthy cash generation and low debt levels provide significant financial flexibility to support its expansion plans. We believe the company is well positioned to fund a meaningful portion of its planned capacity expansion through internally generated cash, reducing its reliance on external financing and limiting exposure to elevated borrowing costs.

VALUATION

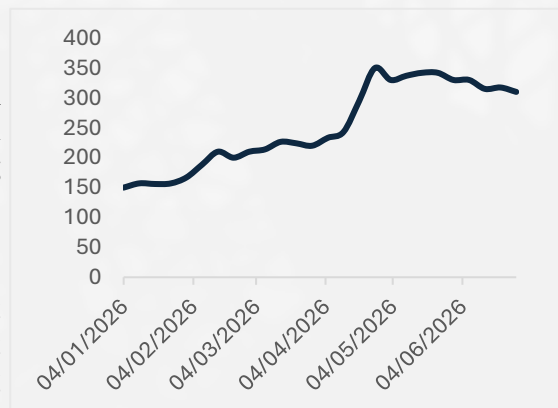
We issue a SELL recommendation on HBMNG Plc with a target price of ₦264.2, implying a downside of 20.90% from the current market price of ₦334.0. Although the company's operating performance remains fundamentally strong, we believe that investors are already pricing in a sizeable portion of future earnings expectation.

Market Snapshot	
Recommendation	SELL
Current Price(13/08/26)	334.00
Target Price	264.20
Downside	-20.90%
52 Weeks High	389.90
52 Weeks Low	103.00

Liquidity	
Market Cap. (N'trn)	5.40
Outstanding Shares ('bn)	16.11
Av. Daily Volume('m)	3.53
30 Day Av. Monthly Volume('m)	16.49

Key Multiples(LTM)	
P/E (x)	15.42
EV/EBITDA (x)	9.57
EV/Revenue (x)	4.11
H1 2026 EPS (₦)	12.93

HBMNG Share price performance for H1 2026



Source: NGX

Company Analysis

Dangote Cement Plc – Mid-year Outlook | Ticker: DANGCEM | Sector: Industrial Goods

FINANCIAL PERFORMANCE REVIEW

Dangote Cement Plc delivered a steady earnings performance in H1 2026, maintaining its position as a leading player in the cement segment. Revenue increased by 21.4% YoY to ₦2.5trillion, from ₦2.0trillion in H1 2025, supported by higher selling price and moderate volume growth. EBITDA increased by 25.8% to ₦1.2trillion, supported by strong reduction in operational cost due to decrease in administrative expenses.

Net income also rose by 22.7% to ₦638.5billion, from ₦520.5billion in H1 2025, reflecting stronger operating performance and continued cost optimization. EPS increased from ₦24.3 to ₦38.2, further demonstrating the improvement in earnings attributable to shareholders.

The positive earnings performance was also reflected in the stock performance, with the share price increasing by approximately 46%, from ₦609 in January 2026 to ₦891 by June 2026, reflecting continued investor confidence in the company's earnings outlook and growth prospects.

H2 2026 OUTLOOK AND ANALYSIS

We expect Dangote Cement Plc to sustain its strong operating performance through H2 2026 and beyond, supported by continued pricing discipline, increase in volume, and ongoing vision 2030 investment in production capacity as the company gears to achieve an installed capacity of 80 MPTA with new footprints in Botswana and Zimbabwe.

The implementation of Nigeria's industrialization policies and Dangote Cement's extensive production footprints positions the company to benefit from rising domestic and foreign consumption.

The company's financial deleveraging and strong cash generation provide financial flexibility to support continued investment in capacity expansion and operational efficiency.

VALUATION

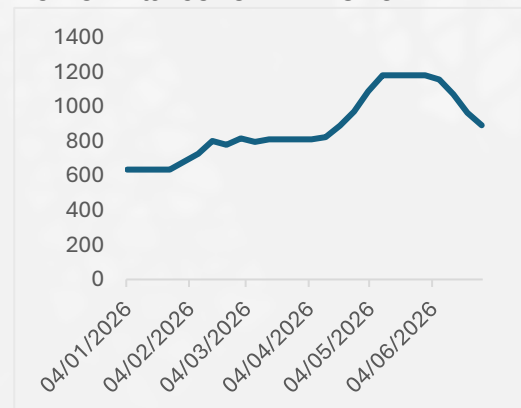
We issue a HOLD recommendation on Dangote Cement Plc with a target price of ₦1,092.0 implying an upside of 5.60% from the current price of ₦1,034.00. While the company continues to deliver strong performance, supported by resilient volumes, pricing discipline and improved cost efficiency, we believe these positive fundamentals are largely reflected in the current share price. As a result, we see limited near-term upside from current levels and maintain a HOLD recommendation.

Market Snapshot	
Recommendation	HOLD
Current Price(13/08/26)	1,034.00
Target Price	1,092.00
Upside	5.60%
52 Weeks High	1,190.00
52 Weeks Low	516.00

Liquidity	
Market Cap. (N'trn)	17.45
Outstanding Shares ('bn)	16.75
Av. Daily Volume('k)	388
30 Day Av. Monthly Volume('m)	8.2

Key Multiples(LTM)	
P/E (x)	15.29
EV/EBITDA (x)	7.73
EV/Revenue (x)	3.62
H1 2026 EPS (₦)	38.20

DANGCEM Share Price Performance for H1 2026



Source: NGX

Company Analysis

BUA Cement Plc – Mid-year Outlook | Ticker: BUACEMENT | Sector: Industrial Goods

FINANCIAL PERFORMANCE REVIEW

BUA Cement Plc delivered a strong earnings performance in H1 2026, supported by robust revenue growth, significant margin expansion and lower financing costs. Revenue increased by 25.6% YoY to ₦728.9billion, from ₦580.3billion in H1 2025, supported by improved pricing and increased contribution from the company's bulk-cement segment, whose revenue rose sharply from ₦40.2 billion from ₦236 million in H1 2025.

Operating profit increased by 51.3% to ₦371.3 billion, while EBITDA rose by approximately 34% to ₦394.0 billion, reflecting stronger operating leverage and improved cost efficiency, while profit after tax rose by 79.6% to ₦324.9 billion, from ₦180.9 billion in H1 2025. The sharp increase in earnings was further supported by an 89.1% reduction in net finance costs, which declined to ₦3.4 billion, alongside a stronger foreign-exchange gain during the period.

EPS increased to ₦9.6 from ₦5.3, while share price rose from ₦178.5 in January 2026 to ₦340.2 in June 2026, representing an increase of approximately 90.6%.

H2 2026 OUTLOOK AND ANALYSIS

We expect BUA Cement Plc to sustain its positive momentum in H2 2026 and beyond, supported by resilient cement demand and growth in its bulk-cement segment. The company's expansion strategy, including the planned 3Mtpa Sokoto production line, should provide additional medium-term capacity increase.

However, we expect margin growth to moderate from H1 2026 levels due to the potential for higher operating and input costs.

VALUATION

We issue a SELL recommendation on BUACEMENT with a target price of ₦225.70, implying a 28.6% downside from current price of ₦316.0. While the company continues to deliver strong operating performance, we believe its current valuation has outpaced its underlying fundamentals.

BUA Cement currently trades at a premium to the peer median of across P/E, EV/EBITDA and EV/Revenue, suggesting that a significant portion of its expected earnings growth and improving operating performance is already reflected in the share price.

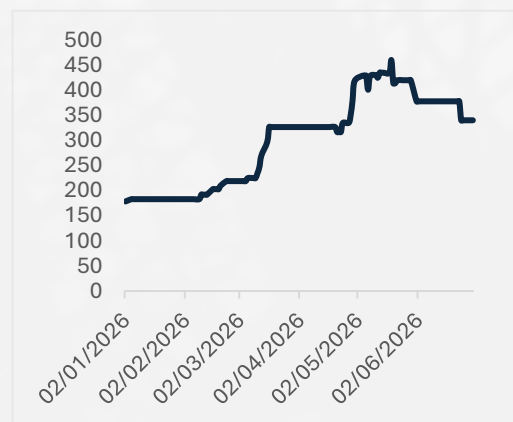
Although company performance remains strong, we believe the current valuation leaves limited room for further upside, and the risk-reward profile is skewed to the downside.

Market Snapshot	
Recommendation	SELL
Current Price(13/08/26)	316.00
Target Price	225.70
Downside	-28.56%
52 Weeks High	460.00
52 Weeks Low	151.20

Liquidity	
Market Cap. (N'trn)	10.70
Outstanding Shares ('bn)	33.86
Av. Daily Volume('k)	990
30 Day Av. Monthly Volume('m)	20.8

Key Multiples(LTM)	
P/E (x)	21.40
EV/EBITDA (x)	16.08
EV/Revenue (x)	8.33
H1 2026 EPS (₦)	9.59

BUACEMENT Share Price Performance for H1 2026



Source: NGX

Company Analysis

Chemical and Allied Products Plc – Mid-year Outlook | Ticker: CAP | Sector: Industrial Goods

FINANCIAL PERFORMANCE REVIEW

CAP Plc delivered a positive earnings performance in H1 2026, supported by revenue growth and operating efficiency. Revenue increased by 11.5% to ₦22.4 billion for H1 2026, compared to ₦20.1 billion for H1 2025., while operating profit grew by 20.1% to ₦3.8 billion, indicating improved operating leverage.

Profit after tax increased by 16.1% YoY to ₦2.9 billion, while EPS rose to ₦3.60 from ₦3.11. The stronger bottom-line performance reflects the company's ability to convert moderate revenue growth into stronger earnings through cost management. The company also maintained a strong balance sheet, with approximately ₦9.5 billion in cash and minimal interest-bearing debt, providing the company with adequate financial buffer, hence reducing any balance-sheet risk.

The positive earnings performance was also reflected in the stock performance, with the share price increasing by approximately 154%, from ₦69 in January 2026 to ₦175.1 by June 2026, reflecting investor confidence in the company's earnings outlook and growth prospects.

H2 2026 OUTLOOK AND ANALYSIS

We expect CAP Plc to maintain earnings momentum in H2 2026, supported by pricing discipline, adequate cost management and brand loyalty. CAP's established brand portfolio, particularly Dulux, Sandtex and Caplux, provides a strong competitive position in Nigeria's paints and coatings market. However, weak consumer purchasing power remains a key constraint on demand, particularly in the decorative paints segment.

Painting is largely a discretionary expenditure for households and can be deferred after construction as consumers prioritize essential spending. This risk is particularly relevant to CAP Plc given its exposure to the residential market.

We therefore expect CAP Plc's profitability to remain resilient in H2 2026 and beyond, although the pace of revenue growth could remain moderate amid weak consumer purchasing power.

VALUATION

We issue a BUY recommendation on CAP Plc with a target price of ₦150.66, implying a 30.5% upside from the current price of ₦115.45. Our positive view is underpinned by CAP Plc's steady profitability, strong cash position and limited balance sheet risk.

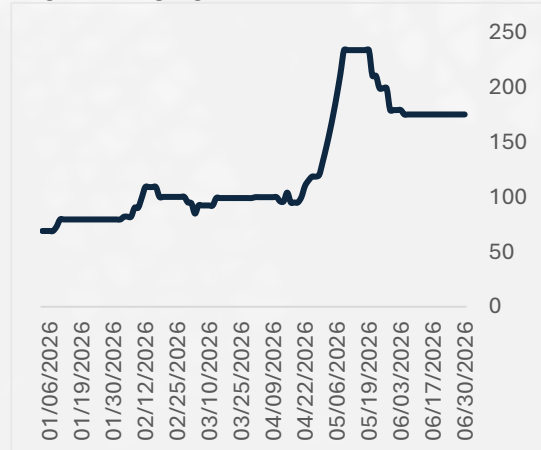
While revenue growth remains moderate, the faster growth in operating profit demonstrates the management's ability to generate earnings through operating leverage and cost discipline.

Market Snapshot	
Recommendation	BUY
Current Price(13/08/26)	115.45
Target Price	150.66
Upside	30.5%
52 Weeks High	233.70
52 Weeks Low	68.00

Liquidity	
Market Cap. (N'bn)	94.06
Outstanding Shares ('mn)	814.75
Av. Daily Volume('k)	36.6
30 Day Av. Monthly Volume('m)	1.3

Key Multiples(LTM)	
P/E (x)	15.29
EV/EBITDA (x)	8.79
EV/Revenue (x)	1.79
H1 2026 EPS (₦)	3.60

CAP Share Price Performance for H1 2026



Source: NGX

Company Analysis

Beta Glass Plc – Mid-year Outlook | Ticker: BETAGLASS | Sector: Industrial Goods

FINANCIAL PERFORMANCE REVIEW

Beta Glass Plc delivered a resilient earnings performance in H1 2026 despite a challenging operating environment. Revenue increased by 1.9% YoY to ₦79.7 billion, from ₦78.2 billion in H1 2025, supported by stronger Q2 performance, with quarterly revenue rising by 13.8% YoY to ₦42.2 billion. Management attributed the improvement to sustained customer demand.

However, profitability slightly moderated during the period, following the current divestment of its parent company to Helios Investment Partners during H1 2026. Gross profit declined by 4.5% to ₦28.1 billion, while operating profit fell by 4.9% to ₦25.5 billion, reflecting pressure from production and operating costs. Net income declined by 13.6% to ₦16.2 billion, while EPS fell to ₦26.93 from ₦31.18.

Despite the reduced profitability, share price rose by 52.1%, signaling continued investors' confidence in the long-term trajectory of the company.

H2 2026 OUTLOOK AND ANALYSIS

We expect Beta Glass Plc to maintain its improving operating momentum in H2 2026, supported by resilient demand from the beverage, food and other FMCG industries, as well as continued contribution from export markets. With the recent completion of major capital expenditure projects such as the furnace rebuild, the management believes it is well-positioned to leverage its enhanced production capacity to meet both domestic and foreign market demands.

However, elevated input and logistics costs remain a key risk to margins as production costs increased by 5.7% YoY in H1 2026, outpacing revenue growth. Likewise, the company remains exposed to foreign exchange risk due to the importation of raw materials and foreign currency-denominated borrowings.

VALUATION

We issue a BUY recommendation on Beta Glass Plc with a target price of ₦620.3, implying a 10.2% upside from the current price of ₦562.8. While H1 2026 earnings were affected by higher input and logistics cost, we believe the weakness is largely reflective of cost pressures and timing rather than a deterioration in the company's underlying demand.

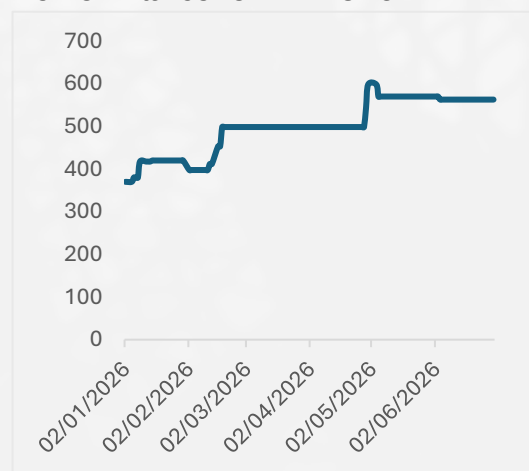
Our positive view is also supported by the company's leading position in the glass-packaging market, as well as management's introduction of a dynamic pricing mode, which it expects to progressively support margin recovery in H2 2026.

Market Snapshot	
Recommendation	BUY
Current Price(13/08/26)	562.8
Target Price	620.3
Upside	10.2%
52 Weeks High	598.0
52 Weeks Low	370.0

Liquidity	
Market Cap. (N'bn)	337.6
Outstanding Shares ('mn)	599.9
Av. Daily Volume('k)	28.0
30 Day Av. Monthly Volume('m)	2.5

Key Multiples(LTM)	
P/E (x)	11.00
EV/EBITDA (x)	6.33
EV/Revenue (x)	2.40
H1 2026 EPS (₦)	26.93

Beta Glass Share Price Performance for H1 2026



Source: NGX

Company Analysis

Berger Paints Nigeria Plc – Mid-year Outlook | Ticker: BERGER | Sector: Industrial Goods

FINANCIAL PERFORMANCE REVIEW

Berger Paints Nigeria Plc delivered a strong earnings performance in H1 2026, supported by higher sales, improved gross margins and stronger operating efficiency. Revenue increased by 13.1% YoY to ₦6.97 billion, from ₦6.16 billion in H1 2025, while gross profit increased by 14.7% to ₦3.12 billion. Operating profit also increased by 18.0% to ₦1.10 billion.

Net income rose by 26.3% to ₦789.1 million and EPS consequently increased to ₦2.72 from ₦2.16. The stronger performance was supported by increase in sales, lower SG&A expenses and higher finance income, although administrative expenses increased during the period.

The balance sheet also strengthened, with cash increased to ₦628.9 million from ₦357.6 million at FY2025, while interest bearing debt stood at approximately ₦141.5 million, providing the company with financial buffer and manageable financial leverage.

H2 2026 OUTLOOK AND ANALYSIS

We expect Berger Paints to maintain positive earnings momentum in H2 2026 and beyond supported by continued demand for paints and allied products and increasing use of locally sourced raw materials.

However, weak consumer purchasing power remains a key constraint. Management has acknowledged that exchange rate fluctuations and higher costs have affected procurement and pricing with real estate and infrastructure activity also affected, especially since painting can be deferred when households face pressure from food and other essential expenditures.

We therefore expect the company's earnings to remain positive in H2 2026, although operating performance may moderate amid weak consumer purchasing power and persistent cost pressures.

VALUATION

We issue a SELL recommendation on Berger Paints Nigeria Plc with a target price of ₦121.5, implying a downside of 17.7% downside from the current share price of ₦147.5.

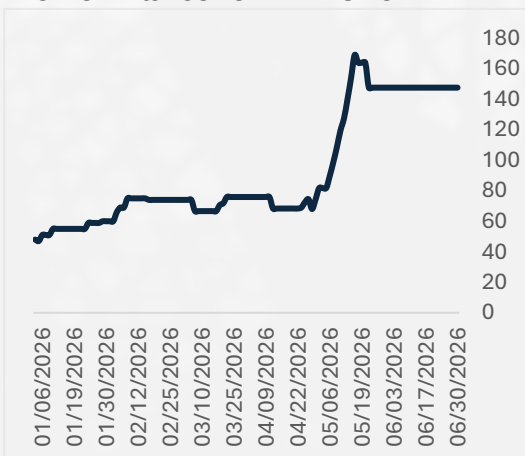
Our negative view is driven primarily by valuation rather than weak fundamentals. The company delivered a strong H1 performance with revenue, operating profit and net income increasing during the period; however, the share price has appreciated by approximately 95% since the start of H1 2026, substantially outpacing the company's underlying earnings growth, leaving limited margin of safety.

Market Snapshot	
Recommendation	SELL
Current Price(13/08/26)	147.6
Target Price	121.5
Downside	-17.7%
52 Weeks High	168.9
52 Weeks Low	35.1

Liquidity	
Market Cap. (N'bn)	42.8
Outstanding Shares ('mn)	289.8
Av. Daily Volume('k)	25.4
30 Day Av. Monthly Volume('m)	1.9

Key Multiples(LTM)	
P/E (x)	24.66
EV/EBITDA (x)	13.97
EV/Revenue (x)	3.07
H1 2026 EPS (₦)	2.72

Berger Paints Plc Share Price Performance for H1 2026



Source: NGX

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