NIGERIAN CAPITAL MARKETS REVIEW

DANGOTE GROUP

Industrial Powerhouse, Unequal Investment Opportunities

A Comprehensive Equity Research Valuation & Analysis of Dangote Cement Plc, Dangote Sugar Refinery Plc, NASCON Allied Industries Plc, and Dangote Petroleum Refinery & Petrochemicals FZE.

DANGCEM	NASCON	DANGSUGAR	REFINERY IPO
₦1,034	₦160	₦70	₦525
ACCUMULATE ON WEAKNESS	ACCUMULATE ON WEAKNESS	SPECULATIVE	SELECTIVE SUB

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Market Focus: Nigerian Exchange (NGX)

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EXECUTIVE INVESTMENT DASHBOARD

DANGCEM ₦1,034.00

RAML VIEW: ACCUMULATE / BUY ON WEAKNESS | RISK: MEDIUM

Core Thesis: Strong earnings compounding, balance sheet transformation to Net Cash (₦215.2bn in H1 2026), 55Mtpa Pan-African capacity, and an expanding dividend profile (₦45 in FY2025).

Target Range: ₦1,150 – ₦1,250

NASCON ₦160.00

RAML VIEW: ACCUMULATE | RISK: MEDIUM

Core Thesis: Exceptional consumer compounding, robust operating margins (31% EBITDA), debt-free balance sheet (~₦46.1bn cash), and accelerated dividend growth (₦6.00 in FY2025).

Target Range: ₦185 – ₦220

DANGSUGAR ₦70.00

RAML VIEW: SPECULATIVE ACCUMULATE | RISK: VERY HIGH

Core Thesis: Operational turnaround underway following H1 2026 PAT recovery (+₦41.51bn) and 2-for-3 Rights Issue deleveraging. However, dividend remains suspended and structural FX risks persist.

Target Range: ₦75 – ₦90

DANGOTE REFINERY ₦525.00 (IPO)

RAML VIEW: SELECTIVE SUBSCRIBE | RISK: HIGH

Core Thesis: Unmatched 700k bpd strategic asset swinging to $1.82bn H1 2026 PAT. Outstanding potential offset by initial valuation (~₦65.22tn equity value) and refining-cycle margin volatility.

Sensitivity Range: ₦396 – ₦715

RAML CONVICTION RANKING & CONTEXT

1. **Dangote Cement Plc (DANGCEM):** Best-in-class earnings quality, balance-sheet strength, and dependable dividend yield.
2. **NASCON Allied Industries Plc (NASCON):** Premier high-margin consumer growth play with surplus net cash.
3. **Dangote Petroleum Refinery & Petrochemicals (IPO):** High-growth macro-transformational asset with valuation sensitivity.
4. **Dangote Sugar Refinery Plc (DANGSUGAR):** High-turnaround potential but unproven long-term margin stabilization.

Rankings reflect RAML's quantitative assessment of earnings quality, balance-sheet leverage, dividend coverage, valuation multiple, and execution risk as of 15 September 2026.

KEY INVESTMENT CONCLUSIONS & UNIVERSE OVERVIEW

WHY DANGOTE MATTERS

- **Industrial Dominance:** Core driver of Nigerian industrialization, building materials, and food security.
- **Import Substitution:** Unrivalled ability to generate FX earnings and reduce national foreign exchange import burden.

WHAT INVESTORS MUST NOT IGNORE

- **Macro Sensitivity:** High vulnerability to NGN FX depreciation, interest rates, and foreign debt obligations.
- **Ownership Concentration:** Deep controlling stake by Dangote Industries Limited requiring minority protections.
- **Cyclical Spreads:** Global refining margin compression and raw sugar input price volatility.

- **Pan-African Scale:** Manufacturing assets positioned across 11 key sub-Saharan African markets.
- **Infrastructure Integration:** Proprietary captive power, port facilities, logistics, and distribution networks.
- **Valuation Discipline:** Distinction between strategic operational quality and short-term equity overvaluation.

The Investable Dangote Universe

Company	Ticker	Sector	Status	Price / Offer	Investment Profile
Dangote Cement Plc	DANGCEM	Industrial Goods	Listed (Premium)	₦1,034.00	Core institutional anchor / Dividend growth
NASCON Allied Industries Plc	NASCON	Consumer Goods	Listed	₦160.00	High-margin consumer compounder / Cash rich
Dangote Sugar Refinery Plc	DANGSUGAR	Consumer Goods	Listed	₦70.00	Turnaround equity / Capital restructuring
Dangote Petroleum Refinery	IPO Active	Oil & Gas / Refining	IPO (Sept 2026)	₦525.00	High-growth megaproject / Margin sensitive

1. DANGOTE CEMENT PLC (DANGCEM) — INSTITUTIONAL ANCHOR

Current Price: ₦1,034.00
Group Capacity: 55.0Mtpa
Shares Outstanding: 16,752,154,537
Nigeria Capacity: 32.25Mtpa
Market Capitalization: ~₦17.31 Trillion
Footprint: 11 African Countries

Five-Year Financial Performance & Dividend Trajectory

Metric (NGN Billions)	FY2021	FY2022	FY2023	FY2024	FY2025	H1 2026
Revenue	1,383.6	1,618.3	2,208.1	3,580.6	4,306.7	2,514.0
EBITDA	684.6	708.2	886.0	1,472.0	1,981.3	1,188.0
Profit After Tax (PAT)	364.4	382.3	455.6	503.2	1,014.9	638.5
Earnings Per Share (NGN)	₦21.41	₦22.27	₦26.86	₦29.67	₦59.86	₦38.22
Dividend Per Share (NGN)	₦20.00	₦20.00	₦30.00	₦30.00	₦45.00	—

> **Balance Sheet Transformation:** DANGCEM has achieved a structural deleveraging trajectory. Net Debt dropped from **₦2.062tn in FY2024** to **₦682.9bn in FY2025**, reaching a Net Cash position of **₦215.2bn in H1 2026**.

DANGCEM — Valuation & Scenario Analysis

BULL CASE

- Domestic pricing power remains robust.
- Pan-African volume expansion (+6.0Mt).
- Export gas/clinker hedges FX risk.
- Dividend grows toward ₦55 - ₦60/ share.

BASE CASE

- Stable infrastructure demand in Nigeria.
- EBITDA margin stabilizes around 47.0%.
- Balance sheet remains in Net Cash territory.
- Dividend payout sustained above 70%.

BEAR CASE

- Severe slowdown in public capital spending.
- Substantial energy/haulage cost spikes.
- Currency devaluation across regional operations.
- Compression in trading multiples.

RAML Indicative Analytical Valuation Range: ₦1,150 – ₦1,250 (Not a guaranteed price target).

2. NASCON ALLIED & 3. DANGOTE SUGAR REVIEW

NASCON Allied Industries Plc (NASCON) — Quality Compounder

Price: ₦160.00 | Market Cap: ~₦432.4bn | FY2025 PAT: ₦33.5bn | H1 2026 PAT: ₦19.6bn (EPS ₦14.51)

NASCON Metric (NGN Bn)	FY2021	FY2022	FY2023	FY2024	FY2025	H1 2026
Revenue	33.28	58.79	80.83	120.39	152.69	81.20
EBITDA	6.80	11.20	21.50	28.40	46.40	24.10
PAT	2.97	5.47	13.73	15.58	33.53	19.60
Dividend Per Share (NGN)	₦0.40	₦1.00	₦1.00	₦2.00	₦6.00	—

> **Key Insight:** NASCON's H1 2026 EPS of ₦14.51 has already surpassed its full-year FY2025 EPS (₦12.41), highlighting exceptional earnings momentum backed by ~₦46.1bn in net cash reserves.

Dangote Sugar Refinery Plc (DANGSUGAR) — Turnaround Trajectory

Price: ₦70.00 | Market Cap: ~₦1.397tn | Rights Issue: 8.098bn shares @ ₦60 (2-for-3)

DANGSUGAR Metric (NGN Bn)	FY2021	FY2022	FY2023	FY2024	FY2025	H1 2026
Revenue	276.10	403.20	441.50	665.70	829.20	310.50
PAT	22.10	54.70	**-73.80**	**-192.60**	**-64.10**	**+41.51**
Gross Margin (%)	18.20%	22.50%	14.10%	8.90%	12.01%	23.95%
Dividend Per Share (NGN)	₦1.00	₦1.50	₦0.00	₦0.00	₦0.00	—

4. DANGOTE PETROLEUM REFINERY & PETROCHEMICALS (IPO CASE)

Offer Price: ₦525.00 per share
Shares Offered: 4.1 Billion Ordinary Shares
Minimum Subscription: 10 Shares (₦5,250)
Offer Period: 14 Sept 2026 – 13 Oct 2026

Implied Post-Offer Equity Value: ~₦65.22 Trillion (~US$47.8bn)
Operating Capacity: 700,000 bpd (Target: 1.4mbpd)
H1 2026 PAT: +$1.82 Billion (Inflection Point)
SEC Approval: Formally Approved Sept 2026

Financial Performance & Refining Margin Progression

Refinery Performance Metric	FY2024	FY2025	H1 2026 (Annualized)
Revenue ($ USD)	~$6.34 Billion	~$12.33 Billion	~$13.91 Billion
PAT ($ USD)	**-$1.51 Billion**	**-$475.8 Million**	**+$1.82 Billion**
Average Refining Margin ($/bbl)	$10.70 / bbl	$13.70 / bbl	$24.50 / bbl
CDU Operating Utilisation Rate	~25.0%	~45.0%	83.6%

RAML Analytical Valuation Sensitivity Matrix (Implied Price / Share)

EBITDA Scenario ($ USD)	7.5x EV/EBITDA Multiple	8.5x EV/EBITDA Multiple	9.5x EV/EBITDA Multiple
$5.0 Billion	₦396.00	₦451.00	₦506.00
$5.2 Billion	₦413.00	₦470.00	₦527.00
$5.5 Billion (Base)	₦438.00	**₦498.00**	₦558.00
$6.0 Billion	₦479.00	₦545.00	₦610.00
$6.5 Billion	₦520.00	₦591.00	₦663.00
$7.0 Billion (Bull)	₦561.00	₦638.00	₦715.00

> **Published External Targets vs RAML Perspective:** Transaction-linked research estimates range from ₦608 (RenCap) to ₦688 (CardinalStone) and ~₦665 (Chapel Hill Denham). RAML notes that these higher valuations rely on sustained peak refining margins ($20+/bbl). We recommend a **SELECTIVE SUBSCRIBE** strategy with price discipline.

MACROECONOMIC MATRIX & GOVERNANCE ANALYSIS

Macroeconomic Impact Matrix

Macro Factor	DANGCEM	DANGSUGAR	NASCON	Dangote Refinery
FX Devaluation	Medium Risk (Gas hedges)	**HIGH RISK (Raw Sugar)**	Medium Risk	**Positive / Export Hedge**
Interest Rates	Medium Impact	**HIGH IMPACT (Debt)**	Low Impact	Medium / CaPex Debt
Crude Price Volatility	Medium / Energy Input	Low Impact	Low Impact	**HIGH IMPACT (Margin)**
Consumer Power	Medium Impact	**HIGH IMPACT**	**HIGH IMPACT**	Medium Impact

Governance, Float & Foreign Investor Perspective

Ownership Concentration: Dangote Group equities carry concentrated insider ownership by Dangote Industries Limited. While this ensures long-term strategic execution and infrastructure alignment, institutional investors must monitor related-party transactions, capital allocation mandates, and relatively low public floats across selected listed entities.

Foreign Investor FX Currency Alignment: Returns for international investors are heavily dependent on NGN/USD currency adjustments and dividend repatriation liquidity. Assets with high export/FX earning capacity (DANGCEM, Refinery) offer superior natural hedging compared to pure domestic consumer assets (DANGSUGAR).