

Robust earnings for Q3'25

Okomu Oil Palm PLC (NGX: OKOMUOIL, TP: UR*) sustained its strong earnings trajectory in 9M'25, with EPS rising by 58.1% YoY to N63.25, underpinned by robust turnover growth and tamer operating cost growth, which offset an uptick in net finance costs.

Revenue growth was predictably robust, with a 52.4% YoY growth for Q3'25, augmenting the already impressive H1'25 performance. This led to a 67.3% YoY growth for 9M'25 to N174.0 billion and was likely buoyed by elevated CPO prices along with decent volume turnout. Q3'25, despite being the weakest quarter of the year historically due to the lean season saw a revenue growth of 82.9% YoY for the CPO segment, which helped offset softer performance for the rubber segment (-21.0% YoY) during the period.

Cost growth was tamer (compared to revenue), with net general expenses for 9M'25 growing by 40.0% YoY to N87.8 billion, underscoring the slowing inflation and operational efficiency, even though material and services costs remained elevated. This led to a 9.9 ppt growth in EBIT margin to 49.5%.

Despite net finance cost increasing by 3.9x over the review period, a strong operating performance meant PBT margin still expanded by 9.2 ppts to 48.3%. The effective tax rate was slightly lower (-2.1 ppts YoY to 28.3%), and this further supported profitability, resulting in a 7.4 ppts YoY increase in Net Profit Margin to 34.7% for 9M'25. ROAE* and ROAA* printed at 136.5% (+47.7ppts YoY) and 63.7% (+27.3ppts YoY) respectively for 9M'25, underscoring the impressive returns on investments for the period.

The company also declared an additional interim dividend of N10.00 per share, to augment the N30.00 per share declared for H1'25, bringing the total interim dividend to N40.00 in 9M'25 (N10.00 in total for 9M'24).

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*UR – Under Review

*ROAE and ROAA were computed using the annualized figure for net income

9M'25 Earnings breakdown

Income Statement, N'million	9M'25	9M'24	YoY	FY'25E	% of FY'25E
Revenue	173,951	103,949	67.3%	221,907	78.4%
Net General Expenses	(87,849)	(62,758)	40.0%	(112,471)	78.1%
Operating profit	86,102	41,191	109.0%	109,437	78.7%
Net finance costs	(2,003)	(510)	292.8%	(5,181)	38.7%
PBT	84,099	40,682	106.7%	104,256	80.7%
Tax	(23,766)	(12,343)	92.5%	(31,277)	76.0%
Net Income	60,333	28,339	112.9%	72,979	82.7%
EPS (Naira)	63.25	40.00	58.1%	76.50	82.7%
Ratios	9M'25	9M'24		FY'25E	
EBIT Margin	49.5%	39.6%		49.3%	
PBT Margin	48.3%	39.1%		47.0%	
Effec. Tax Rate	28.3%	30.3%		30.0%	
Net Profit Margin	34.7%	27.3%		32.9%	
ROAE	136.5%	88.8%		97.3%	
ROAA	63.7%	36.4%		53.5%	
EV/EBITDA	9.1x				
P/E	13.5x				
10 year average EV/EBITDA	6.8x				
10 year average P/E	10.7x				

Q3'25 Earnings breakdown

Income Statement, N'million	Q3'25	Q3'24	YoY
Revenue	44,117	28,941	52.4%
Net General Expenses	(26,415)	(18,241)	44.8%
Operating profit	17,702	10,700	65.4%
Net finance costs	(657)	712	NM
PBT	17,045	11,412	49.4%
Tax	(4,250)	(3,270)	30.0%
Net Income	12,795	8,143	57.1%
EPS (Naira)	13.41	8.54	57.1%
Ratios	Q3'25	Q3'24	
EBIT Margin	40.1%	37.0%	
PBT Margin	38.6%	39.4%	
Effec. Tax Rate	24.9%	28.6%	
Net Profit Margin	29.0%	28.1%	

Source: S&P CapitalIQ, Company financials, Cardinalstone Research

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