

## PRESS RELEASE<sup>1</sup>

### Regulated Information

Lagos, September 2023 – Nigerian Exchange Group Plc (“NGX Group” or “The Group”) announces its unaudited results for nine months ended 30 September 2023.

### Group Financial Highlights<sup>2</sup>

Income statement			
In millions of naira	Sep-23	Sep-22	% Change
Revenue	5,949.1	4,974.7	19.6%
Other income	913.7	733.6	24.5%
<b>Gross earnings</b>	<b>6,862.8</b>	<b>5,708.3</b>	<b>20.2%</b>
Personnel expenses	(2,270.7)	(2,875.2)	21.0%
Operating expenses	(1,856.6)	(1,639.4)	-13.2%
<b>EBITDA</b>	<b>2,735.5</b>	<b>1,193.8</b>	<b>129.1%</b>
Depreciation and Amortization	(299.9)	(395.2)	24.1%
<b>EBIT</b>	<b>2,435.5</b>	<b>798.6</b>	<b>205.0%</b>
Interest expense on borrowings	(2,000.3)	(1,689.3)	-18.4%
<b>Total expenses</b>	<b>(6,427.5)</b>	<b>(6,599.1)</b>	<b>2.6%</b>
Operating (loss)/Profit	435.3	(890.8)	148.9%
Share of profit-equity accounted investees	1480.2	1355.2	9.2%
<b>Profit before income tax</b>	<b>1,915.5</b>	<b>464.4</b>	<b>312.5%</b>
<b>Profit /(loss) for the year</b>	<b>1,219.3</b>	<b>172.7</b>	<b>606.2%</b>
Balance sheet			
In millions of naira	Sep-23	Dec-22	% Change
Cash and cash equivalent	5,188.5	4,749.7	9.2%
Long-term investment securities	16,470.5	16,330.1	0.9%
Investment in associates	28,455.0	29,711.2	-4.2%
Property, plant and equipment	3,698.8	3,827.4	-3.4%
Total assets	55,397.8	57,063.2	-2.9%
Total equity	37,442.2	36,807.3	1.7%
Total liabilities	17,955.6	20,255.9	-11.4%
Returns on average equity (ROAE)	3.3%	0.5%	600.1%
Return on average assets (ROAA)	4.3%	1.4%	209.5%
EBITDA margin	39.9%	20.9%	90.6%
Operating profit margin	6.3%	-15.6%	-140.6%
Profit after tax margin	17.77%	3.02%	487.4%

Commenting, Mr. Oscar N. Onyema (OON), the Group Managing Director/Chief Executive Officer, said:

*“Amid the diverse economic challenges and opportunities that characterised the year, NGX Group has demonstrated remarkable resilience by achieving a 7-fold increase in profit after tax, reaching an impressive N1.2 billion. This outstanding performance is a testament to our unwavering commitment to bolstering the growth and stability of the Nigerian capital market. It also reflects the positive sentiment prevailing within the ecosystem, in light of the pro-market stance of the new administration. As we diligently monitor both global and domestic economic shifts, our adaptability equips us to effectively navigate the complex financial markets landscape. At NGX Group, we remain committed to*

<sup>1</sup> Numbers in this press release are subject to rounding errors.

*driving growth, implementing cutting-edge technological solutions, and providing essential resources for successful cross-border engagements, not only within Africa but also on a global scale”.*

### Group Financial Performance Review (First Nine Months ending September 2023)

- **Gross Earnings:** In the first nine months, we recorded a significant 20.2% growth in gross earnings, elevating the value to N6.86 billion from N5.71 billion as of September 2022. This uptick is credited to increases in both the revenue and other income categories.
- **Revenue Insights:** Revenue surged by 19.6% to reach N5.95 billion, up from N4.97 billion in September 2022, influenced by:
  - A decrease of 5.9% in treasury investment income, constituting 24.2% of the revenue, resulted in N1,442.2 million. This is down from N1,533.1 million during the same period in 2022, attributed to a reduction in our naira-denominated investment instruments.
  - A robust 33.2% growth in transaction fees (60.8% of the revenue) to N3,615.3 million, spurred by heightened trading activities in Nigerian Exchange Limited (NGX).
  - A 25.5% boost in listing fees (11.9% of revenue) to N705.8 million, reflecting the superior listing services provided to domestic corporates.
  - Rental income from NGX Real Estate's office spaces rose by 37.4% to N106.9 million.
  - Other fees, however, saw a 9.8% decrease, tallying up to N79 million.
- **Other Income Breakdown:** Other income, representing 13.3% of gross earnings, expanded by 24.5%. This growth was fueled by:
  - A 28.8% enhancement in Market data income (54.6% of other income) at N499.2 million.
  - A 22.4% increment in other operating income (36.3% of other income) which amounted to N331.8 million.
- **Expense Analysis:** Total expenses for the period saw a marginal 2.6% reduction to N6.43 billion. This change was primarily driven by:
  - A rise of 13.2% in operating expenses to N1.86 billion.
  - A spike in finance costs associated with a term loan facility.
  - A notable 21% downturn in personnel expenses, leading to a figure of N2.27 billion.
- **Profit Metrics:**
  - The operating profit showcased a striking turnaround with an increase of 148.9%, registering N435.3 million. This contrasts with the loss of N890.8 million noted in September 2022.
  - Profit before income tax experienced a 313% increase, culminating in N1.92 billion of profit. This was propelled by the improved revenue and contained personnel expenses.
  - After-tax profit soared by 606% to N1.22 billion, with the after-tax margin now standing at an impressive 17.77%.
- **Balance Sheet Highlights:**
  - Total assets for the period underwent a 2.9% reduction to N55.40 billion, primarily due to a 34.6% decrease in trade and other receivables. However, this was moderated by a 9.24% uplift in cash and cash equivalents.
  - Total liabilities receded by 11.4% to N17.96 billion, largely driven by significant drops in other liabilities and deferred tax liabilities.

These results for the nine months ending September 2023 underscore our steadfast commitment to progress, operational acumen, and delivering enhanced value to our stakeholders.

## Contact Information

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## Notes to Editors

Nigerian Exchange Group Plc (NGX Group) is a leading integrated market infrastructure provider in Africa. We service the largest economy in Africa and are strengthening the competitiveness of African economies to achieve global prosperity. As a key player in the continent's financial markets, we take an active role in shaping the future of the markets through our investment in business innovation and technology.

NGX Group provides a wide range of services including listing and trading securities, licensing, market data solutions, ancillary technology, regulation, real estate, and more through its wholly-owned subsidiaries – NGX Exchange, NGX REGCO, and NGX RELCO. The Group is also involved in the financial infrastructure space with investments in NG Clearing Limited, Central Securities and Clearing Systems (CSCS), OTC platforms and three (3) fintech companies.

Nigerian Exchange Group is committed to the highest international standards. To support this commitment, NGX Group belongs to a number of international and regional organisations that promote the development and integration of global best practices.

NGX Group continues to evolve to meet the needs of its valued customers and to achieve the highest level of competitiveness.

For further information, please refer to our website [www.ngxgroup.com](http://www.ngxgroup.com)

### Consolidated and separate statement of comprehensive income

<i>In millions of naira</i>	Sep-23	Sep-22
Revenue	5,949.1	4,974.7
Other income	913.7	733.6
<b>Gross earnings</b>	6,862.8	5,708.3
Personnel expenses	(2,270.7)	(2,875.2)
Depreciation and Amortization	(299.9)	(395.2)
Operating expenses	(1,856.6)	(1,639.4)
<b>Total expenses</b>	(6,427.5)	(6,599.1)
<b>Operating profit/(loss)</b>	435.3	(890.8)
Finance Cost	(2,000.3)	(1,689.3)
Profit/(Loss) before investee income	435.3	(890.8)
Share of profit of equity accounted investees (net of income tax)	1,480.2	1,355.2
<b>Profit before minimum taxation</b>	1,915.5	464.4
Minimum tax	-	-
<b>Profit before income tax</b>	1,915.5	464.4
Income tax expense	(696.4)	(291.7)
<b>Profit for the year</b>	1,219.2	172.7

### Consolidated and separate statement of financial position

<i>In millions of naira</i>	<b>Sep-23</b>	<b>Dec-22</b>
Cash and cash equivalents	5,188.5	4,749.7
Trade and other receivables	696.3	1,064.7
Intercompany receivables	-	-
Prepayment	237.6	592.5
Investment securities	514.0	621.6
<b>Total current assets</b>	<b>6,636.3</b>	<b>7,028.4</b>
Investment securities	16,470.5	16,330.1
Investment in associates	28,455.0	29,711.2
Investment in subsidiaries	-	-
Property and equipment	3,698.8	3,827.4
Intangible assets	63.2	90.4
Right-of-use asset	73.9	75.5
Defined benefit plan asset	0.0	0.2
<b>Total non-current assets</b>	<b>48,761.4</b>	<b>50,034.8</b>
<b>Total assets</b>	<b>55,397.8</b>	<b>57,063.2</b>
<b>LIABILITIES</b>		
Other liabilities	3,188.5	5,286.8
Term borrowings	14,028.3	14,079.0
Income tax liabilities	57.8	93.9
Lease Liabilities	26.8	26.0
Retirement benefit obligation	-	-
<b>Total current liabilities</b>	<b>17,301.4</b>	<b>19,485.6</b>
Retirement benefit obligation	125.8	125.7
Provisions	405.7	405.7
Deferred tax liability	122.7	238.9
<b>Total non-current liabilities</b>	<b>654.2</b>	<b>770.3</b>
<b>Total liabilities</b>	<b>17,955.6</b>	<b>20,255.9</b>
<b>EQUITY</b>		
Share capital	1,102.3	1,102.3
Other reserves	3,389.4	3,973.8
Retained earnings	32,950.4	31,731.2
<b>Total equity</b>	<b>37,442.2</b>	<b>36,807.3</b>
<b>Total liabilities and equity</b>	<b>55,397.8</b>	<b>57,063.2</b>

## Glossary of terms

Operating profit margin is operating profit divided by total revenue.

EBITDA margin corresponds to EBITDA divided by total revenue.

Profit before tax corresponds to EBIT minus net finance (cost)/income and plus share of profit of associates and joint venture using the equity method.

Effective tax is income tax expense divided by profit before income tax.

Profit before tax margin corresponds to profit before tax as a % of revenue.

Return on equity corresponds to net profit reported to total equity.

Return on assets corresponds to net profit reported to total assets.

## Forward-looking statements

Certain statements in this document may constitute forward-looking information or forward-looking statements under applicable law (collectively “forward-looking statements”). Forward-looking statements are statements that relate to future events, including the Company’s future performance, opportunities, or business prospects. Any statements that express or involve discussions with respect to expectations, forecasts, assumptions, objectives, beliefs, projections, plans, guidance, predictions, future events or performance (often, but not always, identified by words such as “believes”, “seeks”, “anticipates”, “expects”, “continues”, “may”, “projects”, “estimates”, “forecasts”, “pending”, “intends”, “plans”, “could”, “might”, “should”, “will”, “would have” or similar words suggesting future outcomes) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements involve assumptions, inherent risks, and uncertainties, many of which are difficult to predict and are usually beyond the control of management, which could cause actual results to be materially different from those expressed by these forward-looking statements. Undue reliance should not be placed on these forward-looking statements because the Company cannot assure that the forward-looking statements will prove to be correct. As forward-looking information addresses future conditions and events, they could involve risks and uncertainties including, but are not limited to, a risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Readers are hereby cautioned to note the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.