Aradel Holdings Plc Q1 2026 23 June 2026

MPR: 26.50%
May'26 Inflation Rate: 15.93
Q1 2026 Real GDP: 3.89%

FINANCIAL PERFORMANCE

Aradel Holdings Plc carried the momentum of its transformational 2025 into the first quarter of 2026, posting a revenue figure that reflects the full weight of its enlarged operational scale. Revenue surged 264.50% to ₦728.5 billion from ₦199.9 billion in Q1 2025, a comparison that is heavily flattered by the fact that the acquired assets were not yet consolidated in the prior year period.

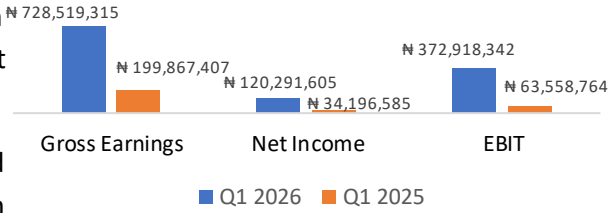
Cost of sales rose 290.35% to ₦472.2 billion, outpacing revenue growth and nudging the COGS margin higher to 64.8% from 60.5%. Gross margin consequently compressed to 35.2% from 39.5%, and while gross profit still surged 224.86% to ₦256.3 billion. The operating line, however, received a significant boost from other income of ₦208.9 billion up from a negligible ₦614 million, which more than offset a 478.54% jump in administrative expenses to ₦92.2 billion. Profit from operating activities consequently leapt 486.73% to ₦372.9 billion, with operating margin widening to 51.2% from 31.8%.

Furthermore, finance costs surged 1,774.74% to ₦101.8 billion, reflecting the full debt servicing burden of the acquisition financing now running through the income statement. Net finance costs ballooned to ₦89.1 billion from just ₦1.2 billion. Income tax also jumped 395.93% to ₦163.5 billion. The combined effect pulled profit after tax to ₦120.3 billion, which is still a 251.76% improvement year-on-year, with earnings per share rising 96.14% to ₦15.24.

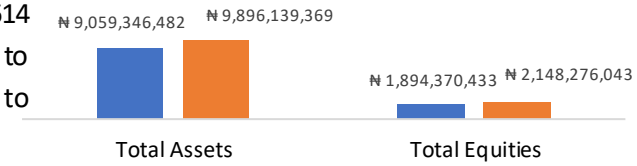
On the balance sheet, borrowings declined 11.18% to ₦1.779 trillion and total liabilities fell 7.52%. Cash grew modestly to ₦1.600 trillion. The debt-to-equity ratio held steady at 93.9%, and shareholders' equity declined 11.82% to ₦1.894 trillion, partly reflecting the heavy tax and finance cost burden of the quarter.

At ₦1,750 per share and a P/E of 114.83x, the market is pricing in a long runway of earnings growth.

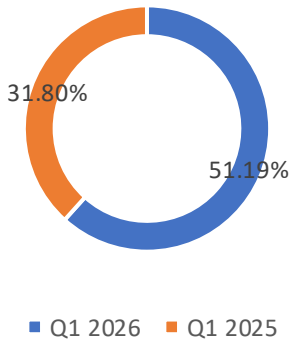
Snapshot of P & L (N'Bn)



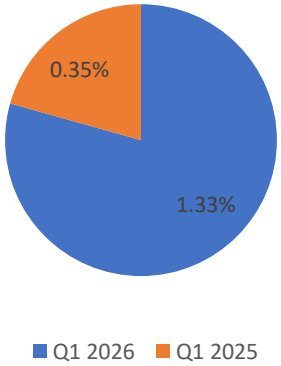
Snapshot of Balance Sheet (N'Bn)



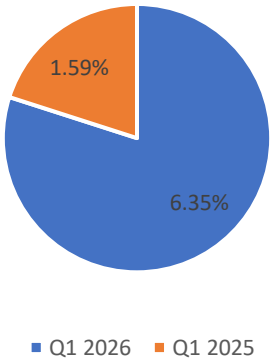
Operating Margins



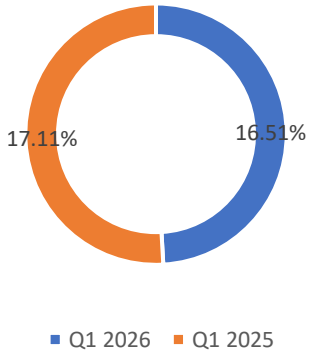
Return on Asset



Return on Equity



Net Income Margins



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Aradel Holdings Plc	Q1 2026	Q1 2025	% Change
Statement of Profit or Loss	**(N'000)**	**(N'000)**	
Revenue	728,519,315	199,867,407	264.50%
Cost of Sales	(472,239,174)	(120,978,380)	290.35%
Gross Profit	**256,280,141**	**78,889,027**	**224.86%**
Other income	208,883,032	614,070	33916.16%
Administrative expenses	(92,244,831)	(15,944,333)	478.54%
Profit from operating activities	**372,918,342**	**63,558,764**	**486.73%**
Finance income	12,745,174	4,185,528	**204.51%**
Finance costs	(101,825,703)	(5,431,469)	1774.74%
Net Finance Costs	**(89,080,529)**	**(1,245,941)**	**7049.66%**
Share of profit of an associate	-	4,861,340	
Loss/Profit before tax	**283,837,813**	**67,174,163**	**322.54%**
Income tax	(163,546,208)	(32,977,578)	395.93%
Loss/Profit after tax	**120,291,605**	**34,196,585**	**251.76%**
Basic Earnings per Share (Naira)	15.24	7.77	**96.14%**

Balance Sheet as of 31 March, 2026	**31-Mar-2026**	**31-Dec-2025**	
Cash and cash equivalents	1,600,354,850	1,504,676,469	6.36%
Trade and other receivables	1,056,455,306	1,730,680,210	38.96%
Inventories	89,365,872	82,898,380	7.80%
Property Plant and Equipment	4,946,298,857	5,127,749,808	3.54%
Other Assets	1,366,871,597	1,450,134,502	5.74%
Total Assets	**9,059,346,482**	**9,896,139,369**	**8.46%**
Trade and other payables	2,119,823,765	2,397,511,299	11.58%
Current Tax liabilities	315,723,376	288,521,135	9.43%
Contract liabilities	7,622,813	870,039	776.15%
Borrowings	1,779,442,129	2,003,406,714	11.18%
Other Liabilities	2,942,363,966	3,057,554,139	3.77%
Total Liabilities	**7,164,976,049**	**7,747,863,326**	**7.52%**
Total shareholders' equity	**1,894,370,433**	**2,148,276,043**	**11.82%**

Key Ratio	**Q1 26**	**Q1 25**
COGS Margin	64.8%	60.5%
Gross Margin	35.2%	39.5%
Operating Margin	51.2%	31.8%
Net Profit Margin	16.5%	17.1%
Debt/Equity Ratio	93.9%	93.3%
Asset Turnover	0.08x	0.02x

Financial Statistics	
Share price	₦1,750.0
52 Wk. H/L	N2024/500
Shares Outs. (Mn)	4,344.8
Market Cap (Bn)	7,603.5
P/E Ratio	114.83x
Earnings Yield	0.87%
P/B Ratio	0.40x
Return on Assets	1.3%
Return on Equity	6.3%

Corporate Actions	
Interim Dividend	N/A
Bonus	N/A
Qualification Date	N/A
Closure Date	N/A
Payment Date	N/A
AGM Date	N/A

Source: Company Financials, Cowry Research

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