CAP PLC H1 2026 29 July 2026

MPR: 26.50%
Jun'26 Inflation Rate: 15.91%
FY 2025 Real GDP: 3.89%

FINANCIAL PERFORMANCE

Chemical and Allied Products Plc (CAP) delivered a quiet but dependable performance for the first half ended June 30, 2026. Revenue grew 11.53% to ₦22.4 billion from ₦20.1 billion, a steady topline that reflects the resilience of the company's business in a tough consumer environment.

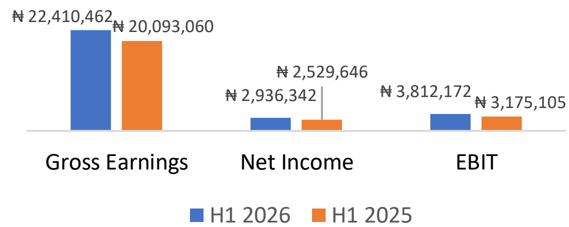
Cost of sales rose 11.90% to ₦12.7 billion, marginally outpacing revenue growth and leaving gross margin nearly flat at 43.2% from 43.4%. Gross profit grew 11.05% to ₦9.7 billion. Selling and marketing expenses rose 14.52% to ₦2.4 billion, reflecting deliberate investment in market presence, while general and administrative expenses were held almost completely flat at ₦3.7 billion, up just 0.95%. The combined effect pushed operating profit 20.06% higher to ₦3.8 billion, with operating margin widening to 17.0% from 15.8%.

The finance line added a further boost, with finance income growing 28.08% to ₦770 million. Net finance income came in at ₦637 million, up 6.05%. One item worth flagging is the dramatic 18,250% surge in finance costs to ₦133 million from ₦726,000 in H1 2025. Profit before tax rose 17.84% to ₦4.4 billion, and after a 21.41% increase in income tax to ₦1.5 billion, profit after tax grew 16.08% to ₦2.9 billion. Earnings per share climbed 15.76% to ₦3.60 from ₦3.11.

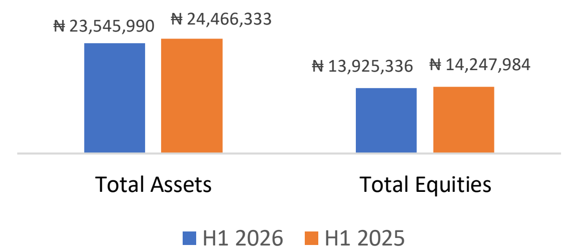
Return on equity stood at 21.1%, return on assets at 12.5%, and net profit margin improved to 13.1% from 12.6%. Cash declined 18.69% to ₦9.5 billion, though the balance sheet remains debt-free on the borrowings line and total liabilities fell 5.85%.

At ₦142.45 per share and a P/E of 39.57x, the stock sits well below its 52-week high of ₦233.70. This offers a potential entry point for investors who believe in the steady earnings CAP continues to deliver.

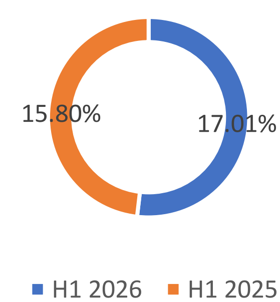
Snapshot of P & L (N'Bn)



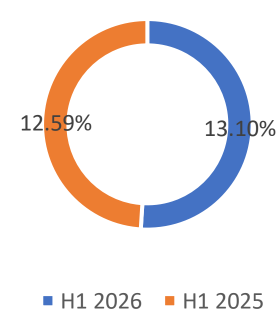
Snapshot of Balance Sheet (N'Bn)



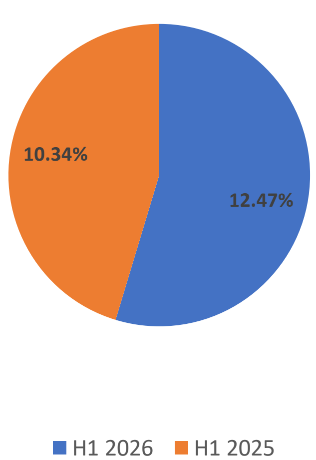
Operating Margins



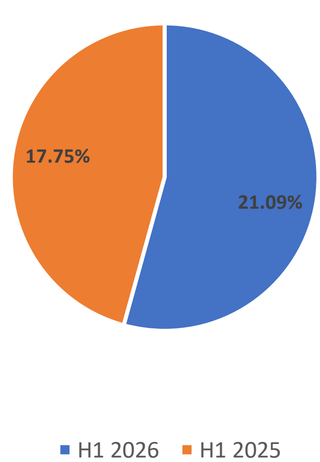
Net Income Margins



Return on Asset



Return on Equity



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Chemical and Allied Products Plc	H1 2026	H1 2025	% Change
Statement of Profit or Loss	**(N'000)**	**(N'000)**	
Revenue	22,410,462	20,093,060	11.53%
Cost of sales	(12,727,493)	(11,373,616)	11.90%
Gross Profit	**9,682,969**	**8,719,444**	11.05%
Other income/(expense)	241,430	224,882	7.36%
Selling and Marketing expenses	(2,430,912)	(2,122,606)	14.52%
General & administrative expenses	(3,681,315)	(3,646,615)	0.95%
Profit from operating activities	**3,812,172**	**3,175,105**	20.06%
Finance Income	770,053	601,212	28.08%
Finance costs	(133,222)	(726)	18250.14%
Net Finance Costs	**636,831**	**600,486**	6.05%
Loss/Profit before tax	**4,449,003**	**3,775,591**	17.84%
Income tax	(1,512,661)	(1,245,945)	21.41%
Loss/Profit after tax	**2,936,342**	**2,529,646**	16.08%
Basic Earnings per Share (Naira)	**3.60**	**3.11**	15.76%

Balance Sheet as of June 30, 2026	**30-Jun-2026**	**31-Dec-2025**	
Cash and cash equivalents	9,542,126	11,735,646	18.69%
Trade and other receivables	1,563,385	1,181,368	32.34%
Prepayments	1,798,467	1,143,193	57.32%
Property Plant and Equipment	3,485,403	3,411,053	2.18%
Inventories	6,889,888	6,720,130	2.53%
Other Assets	266,721	274,943	2.99%
Total Assets	**23,545,990**	**24,466,333**	3.76%
Trade and other payables	4,484,743	4,742,272	5.43%
Current tax liabilities	3,506,068	3,848,770	8.90%
Deferred tax liabilities	423,226	423,226	0.00%
Dividend liability	379,717	379,717	0.00%
Other Liabilities	826,900	824,364	0.31%
Total Liabilities	**9,620,654**	**10,218,349**	5.85%
Total shareholders' equity	**13,925,336**	**14,247,984**	2.26%

Key Ratio	H1 2026	H1 2025
COGS Margin	56.8%	56.6%
Gross Margin	43.2%	43.4%
Operating Margin	17.0%	15.8%
Net Profit Margin	13.1%	12.6%
Asset Turnover	0.95x	0.82x

Financial Statistics	
Share price	₦142.45
52 Week H/L	N233.7/N64.1
Shares Outs (Mn)	814.7
Market Cap (Bn)	116.1
P/E Ratio	39.57x
Earnings Yield	2.53%
P/B Ratio	8.33x
Return on Assets	12.5%
Return on Equity	21.1%

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