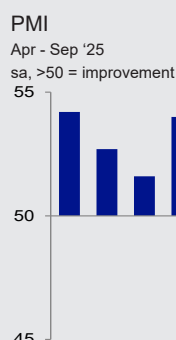


Stanbic IBTC Bank Nigeria PMI®

Marked rise in output as cost pressures cool

53.4

NIGERIA PMI
SEP '25



Softest rise in purchase costs in five-and-a-half years

Continued growth of output and new orders

Rate of job creation at 23-month high

The Nigerian private sector remained comfortably inside growth territory as the third quarter of the year came to an end. Further marked improvements in output and new orders were recorded, while the pace of job creation quickened to the fastest in almost two years. Companies were helped by the recent alleviation of inflationary pressures, which largely continued into September. In fact, firms' purchase costs increased at the slowest pace in five-and-a-half years.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI®). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI posted above the 50.0 no-change mark for the tenth month running in September to signal a sustained improvement in the health of the Nigerian private sector. Although

falling to 53.4 from 54.2 in August, the PMI again pointed to a solid strengthening of business conditions.

New business increased markedly in September amid improvements in customer demand and the launch of new products. In line with the headline index, however, the rate of growth eased to a three-month low.

The rise in new orders fed through to a sharp expansion of business activity, with increases seen across each of the four broad sectors covered by the report.

Higher output requirements encouraged firms to expand their operating capacity in September, with both employment and purchasing activity raised.

Staffing levels increased modestly, but at the sharpest pace since October 2023. Meanwhile, the rate of growth in input buying remained sharp and fed through to an accumulation of

Stanbic IBTC Bank Nigeria PMI
sa, >50 = improvement since previous month



Contents

- Overview and comment
- Output and demand
- Business expectations
- Employment and capacity
- Purchasing and inventories
- Prices
- International PMI
- Survey methodology
- Further information

inventories. Respondents indicated that stocks of purchases had been raised to cater for current and future demand, as well as to facilitate new product development.

Suppliers' delivery times shortened markedly again, and to the largest degree in five months.

Companies continued to see a general easing of inflationary pressures in September. Overall input prices increased at the slowest pace in two-and-a-half years amid weaker rises in both purchase prices and staff costs. In fact, the rate of purchase price inflation was the softest since March 2020.

Input costs continued to rise at a marked pace overall, however, and companies thereby increased their own selling prices accordingly. Despite ticking up from August, the pace of output price inflation was still the second-slowest in more than five years.

Efforts to increase staffing levels and build inventories were among more general business expansion plans which are set to support growth of business activity over the coming year. Firms remained optimistic regarding the 12-month outlook, but sentiment eased slightly to a four-month low and was weaker than the series average.

Comment

Muyiwa Oni, Head of Equity Research West Africa at Stanbic IBTC Bank commented:

"Nigeria's business conditions ended the quarter on a strong note, although the pace of strengthening moderated relative to August. Specifically, the headline PMI settled at 53.4 points in September from 54.2 in August buoyed by improvement in output and new orders while inflationary pressures also continued to soften. Notably, the rate of expansion in output (56.1 points vs August: 56.8 points) remained strong despite easing slightly when compared to August, linked to improving customer demand and better availability of materials which enabled the firms to boost activity. Based on this, businesses were able to launch new products, thereby supporting an increase in new orders (55.4 points vs August: 58.3 points) which remained above the 50-point growth threshold for the 11th consecutive month even as the rate of growth eased to a three-month low.

The Nigerian economy grew by 4.23% y/y in Q2:25, from 3.13% y/y in Q1:25, taking H1:25 real GDP growth to 3.69% y/y, from a revised average 2.88% y/y in H1:24. Robust growth in Q2 was driven primarily by the agricultural (2.82% y/y vs Q1:25: 0.07% y/y) and oil

(20.46% y/y vs Q1:25: 1.87% y/y) sectors, which jointly contributed 35.6% to the real GDP growth; they are the only two sectors whose contribution to real GDP growth rate increased from the quarter before. Other sectors which supported GDP growth in Q2:25 were ICT (6.61% y/y vs Q1:25: 7.40% y/y); finance & insurance (16.13% y/y vs Q1:25: 15.03% y/y); real estate (3.79% y/y vs Q1:25: 4.61% y/y); and trade (1.29% y/y vs Q1:25: 1.78% y/y).

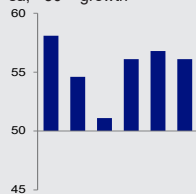
Positively, the non-oil sector's growth should remain strong into 2026 amid a likely reduction in interest rates and low inflation, both of which should support aggregate demand and private investment. Further, a likely lessening in exchange rate volatility in 2025 and 2026 based on our current estimates should support growth across trade, manufacturing, real estate, and construction. The PMI over Q3:25 and crude oil production in the period suggests the oil and non-oil sectors may grow by 14.3% y/y and 4.4% y/y respectively, translating into overall GDP growth of 4.5% y/y in Q3:25. We now lift our 2025 growth forecast to 4.0% y/y, from 3.5% y/y, after fully accounting for the impact of GDP rebasing, and after surprisingly good Q2:25 GDP growth."



Output and demand

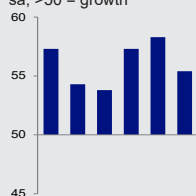
Output Index

Apr - Sep '25
sa, >50 = growth



New Orders Index

Apr - Sep '25
sa, >50 = growth



Output

As has been the case in each month since December 2024, business activity increased in the Nigerian private sector during September. The rate of expansion remained sharp, despite easing slightly since August. Panellists generally linked higher output to improving customer demand, with some indicating that better material availability had enabled them to boost activity. Output increased across all four monitored sectors.

New orders

In line with the picture for business activity, new orders increased at a softer pace in September, albeit one that was marked nonetheless. The launch of new products and stronger client demand were reportedly behind the latest rise in new business, which was the eleventh in as many months.

Output Index

sa, >50 = growth since previous month



New Orders Index

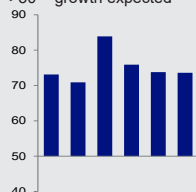
sa, >50 = growth since previous month



Business expectations

Future Output Index

Apr - Sep '25
>50 = growth expected



Nigerian companies were optimistic that output will increase over the coming year, with positive sentiment linked to business expansion plans. In particular, firms noted efforts to increase staffing levels and build inventories. Confidence was broadly in line with that seen in August, remaining weaker than the series average.

Future Output Index

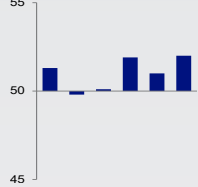
>50 = growth expected over next 12 months



Employment and capacity

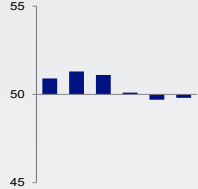
Employment Index

Apr - Sep '25
sa, >50 = growth



Backlogs of Work Index

Apr - Sep '25
sa, >50 = growth



Employment

Efforts to improve business capacity meant that companies increased their staffing levels for the fourth consecutive month in September. The rate of job creation was modest, but quickened to the fastest in just under two years. All four sectors saw employment rise, led by services.

Backlogs of work

Outstanding business decreased fractionally for the second month running in September as capacity improvements enabled firms to keep on top of workloads. A number of respondents indicated that all backlogged work had been completed. This was despite a further marked increase in new orders and reports from some panellists of shortages of both funds and workers.

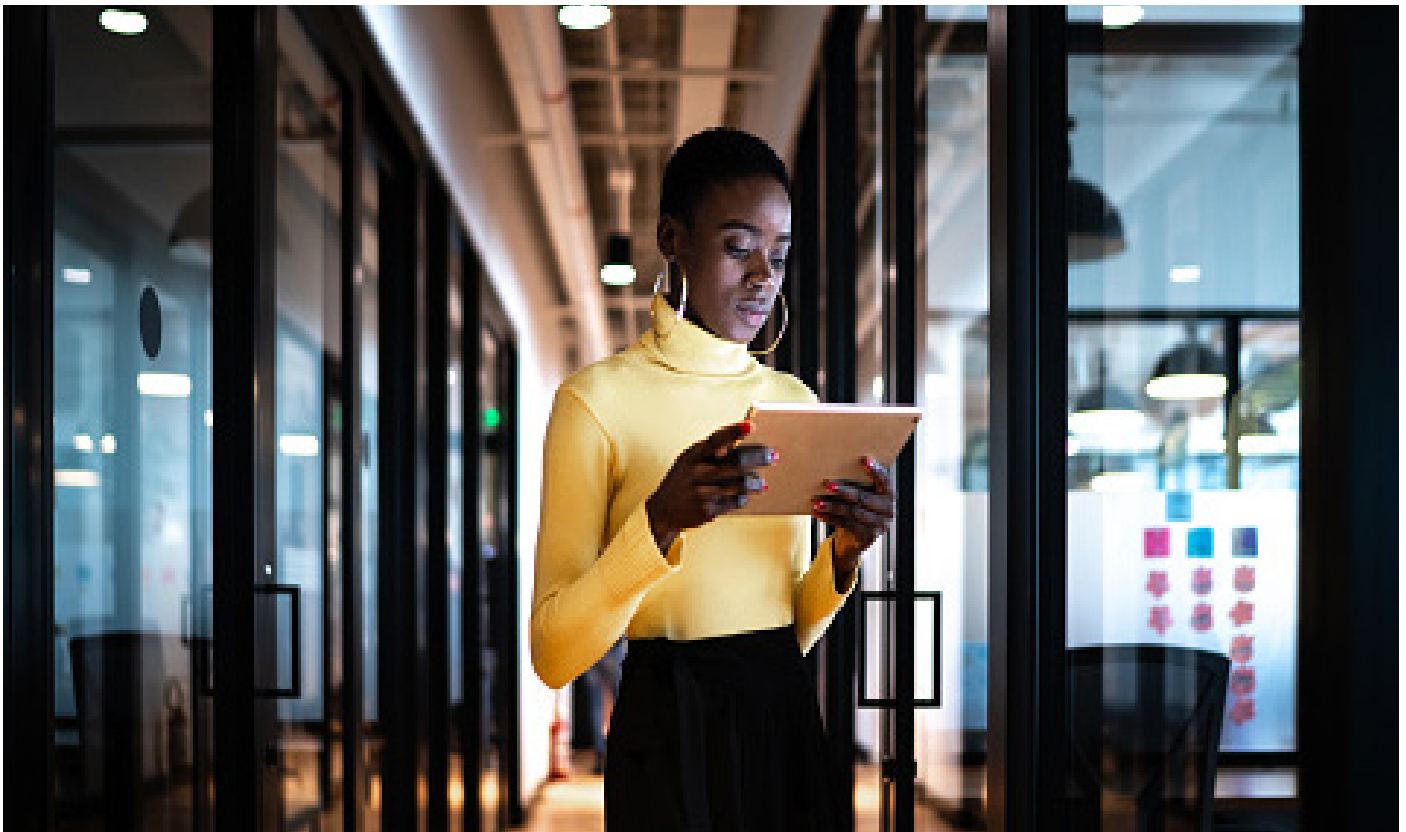
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

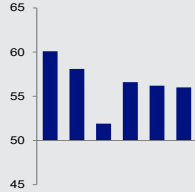
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Apr - Sep '25
sa, >50 = growth



Quantity of purchases

Companies in Nigeria recorded a tenth successive monthly increase in purchasing activity at the end of the third quarter. The rate of expansion remained sharp, but eased slightly for the second month running. Anecdotal evidence suggested that rising input buying was a response to improving customer demand.

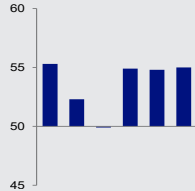
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Apr - Sep '25
sa, >50 = faster times

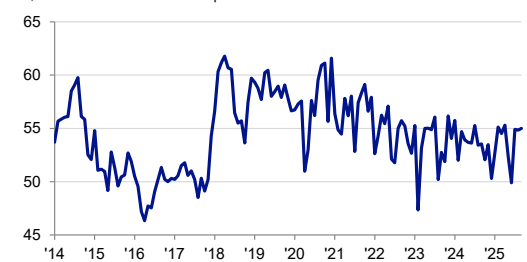


Suppliers' delivery times

Competition among suppliers and prompt payments contributed to a further shortening of vendor lead times in September. Supplier performance has now improved in three consecutive months. The latest shortening of delivery times was marked and the most pronounced since April.

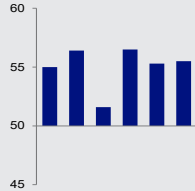
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Apr - Sep '25
sa, >50 = growth

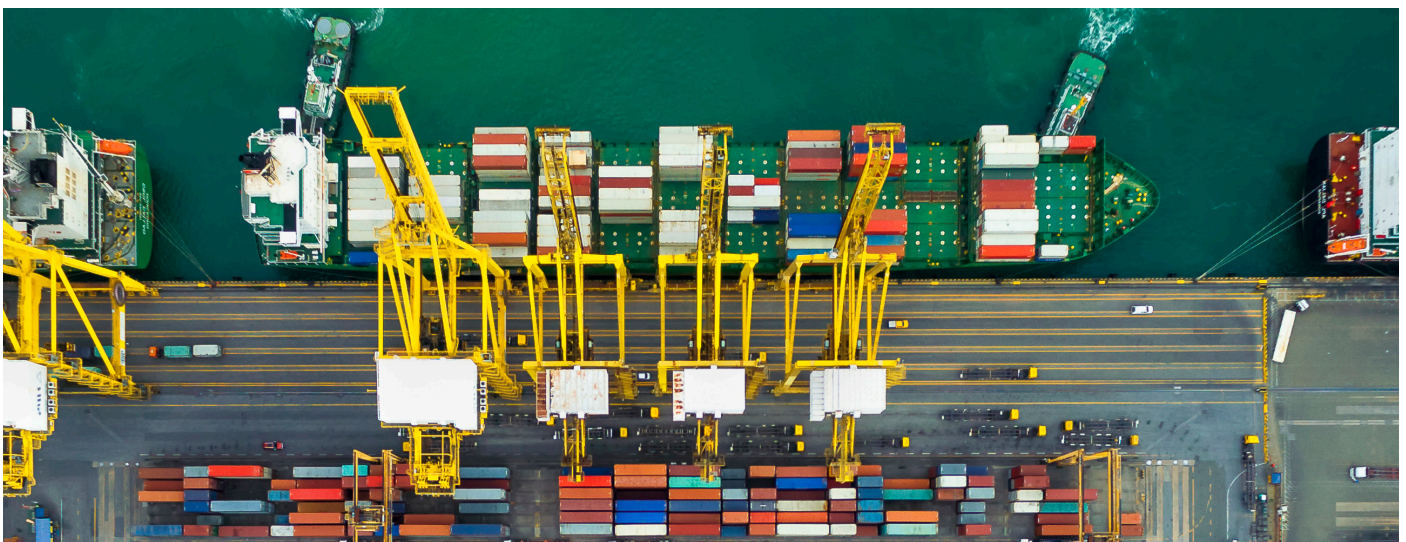
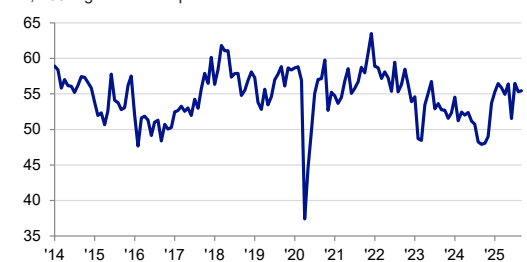


Stocks of purchases

Stocks of purchases increased markedly in September, extending the current sequence of accumulation to ten months. The latest rise was slightly sharper than that seen in August. According to respondents, inventory accumulation took place to cater for both current and future customer demand. Some firms also indicated having stocked up on items as part of work on new products.

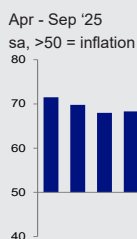
Stocks of Purchases Index

sa, >50 = growth since previous month



Prices

Input Prices Index

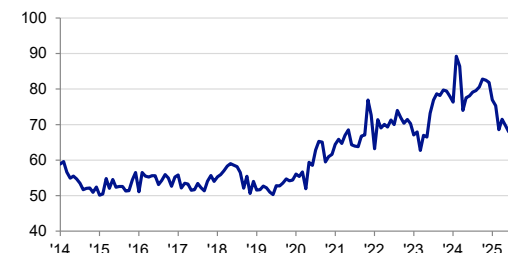


Input prices

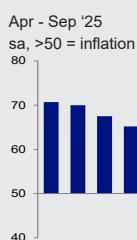
The recent trend of softer rises in overall input costs was continued in September as the rate of inflation eased to the weakest in two-and-a-half years. Both purchase prices and staff costs increased at weaker rates during the month. Manufacturing continued to register the fastest pace of inflation of the four monitored sectors.

Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

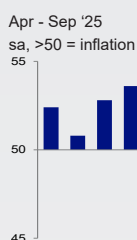
The rate of purchase price inflation slowed for the fifth month in a row during September and was the weakest in five-and-a-half years. The latest rise was also softer than the series average. Those respondents that posted an increase in purchase costs often linked this to higher raw material prices.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index



Staff costs

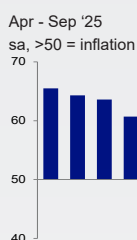
Staff costs increased modestly in September, with the pace of inflation easing to the slowest since May. Some companies continued to make cost-of-living payments to their workers, while others increased pay in order to motivate staff. Wholesale & retail bucked the wider trend, posting a fall in labour expenditure.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index



Output prices

With input costs continuing to rise sharply at the end of the third quarter, Nigerian companies increased their selling prices accordingly. The rate of inflation ticked up from August, but was still the second-weakest in more than five years. The latest increase was also slower than the average since the series began in January 2014.

Output Prices Index

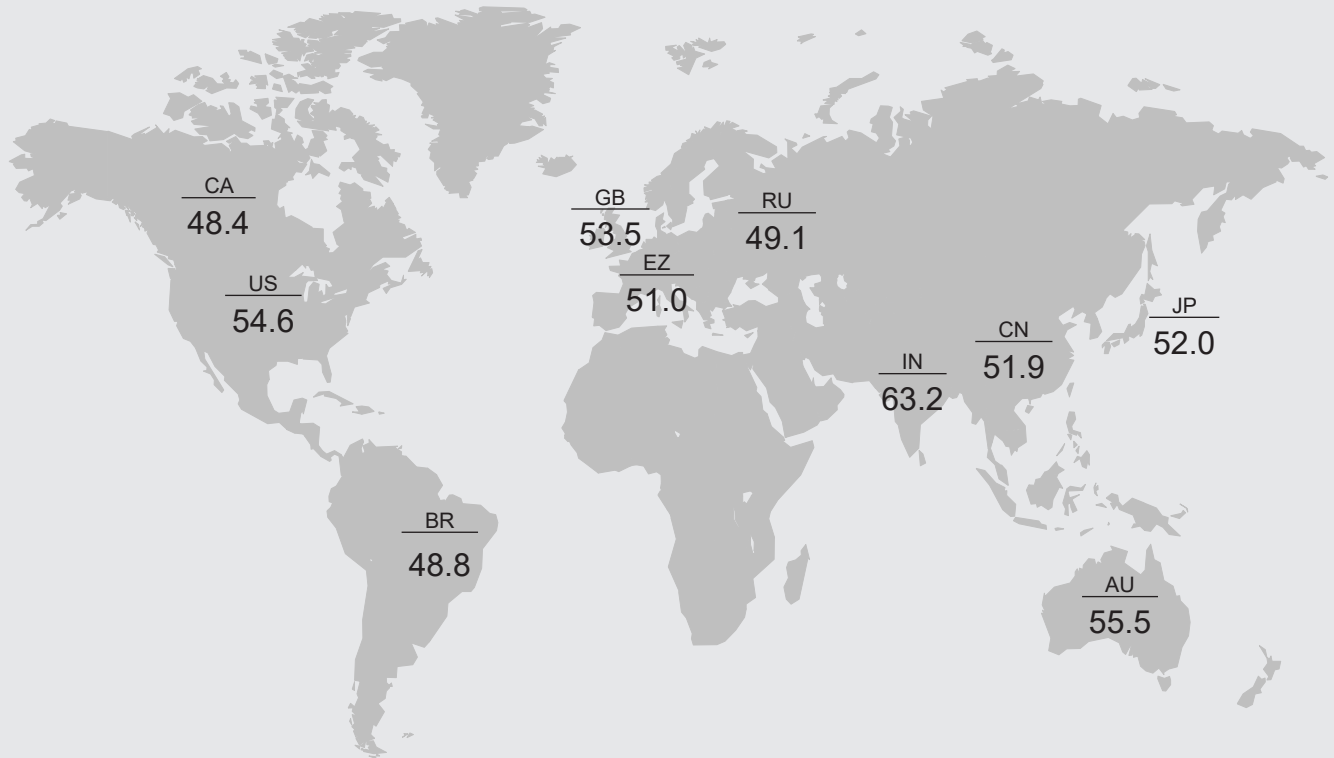
sa, >50 = inflation since previous month



International PMI

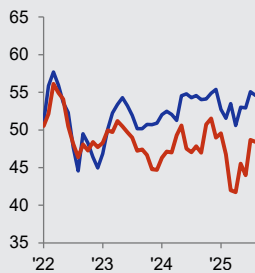
Composite Output Index, Aug '25
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

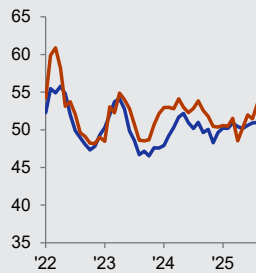


Composite Output Index

■ USA
■ Canada
sa, >50 = growth



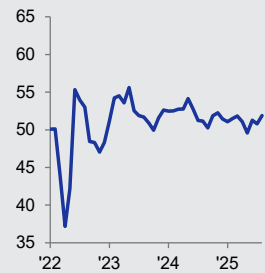
■ Eurozone
■ UK
sa, >50 = growth



■ Russia
sa, >50 = growth



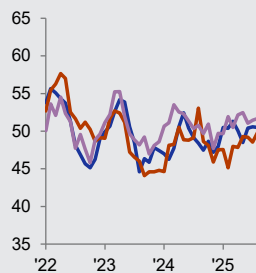
■ China
sa, >50 = growth



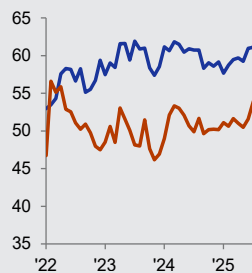
■ Brazil
sa, >50 = growth



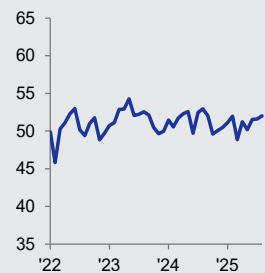
■ Germany ■ Italy
■ France
sa, >50 = growth



■ India
■ Australia
sa, >50 = growth



■ Japan
sa, >50 = growth



Survey methodology

The Stanbic IBTC Bank Nigeria PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Survey dates

Data were collected 11-26 September 2025.

Survey questions

Private sector

Output
New Orders
New Export Orders
Future Output
Employment
Backlogs Of Work
Quantity Of Purchases

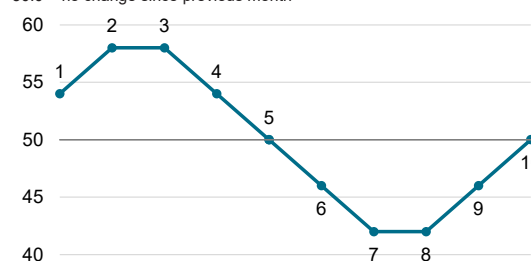
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

$$\% \text{ "Higher"} + (\% \text{ "No change"})/2$$

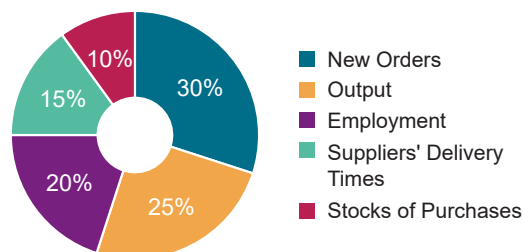
Index interpretation

50.0 = no change since previous month



- | | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

A	Agriculture, Forestry and Fishing	K	Financial and Insurance Activities
B	Mining and Quarrying	M	Professional, Scientific and Technical Activities
C	Manufacturing	N	Administrative and Support Service Activities
F	Construction	P	Education*
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Q	Human Health and Social Work Activities*
H	Transportation and Storage	R	Arts, Entertainment and Recreation
I	Accommodation and Food Service Activities	S	Other Service Activities
J	Information and Communication		

*Private sector

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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

www.spglobal.com/marketintelligence/en/mi/products/pmi

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