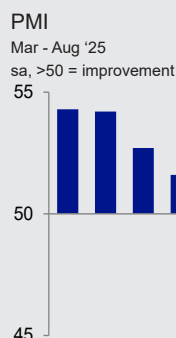


Stanbic IBTC Bank Nigeria PMI®

New order growth hits 19-month high

54.2

NIGERIA PMI
AUG '25



Improving customer demand supports sharp rise in new business

Rate of job creation remains muted

Slowest rise in selling prices since April 2020

Growth in the Nigerian private sector continued to gain momentum during August as customer demand improved and inflationary pressures softened. Sharper increases in output and new orders were recorded, although rates of expansion in purchasing activity and employment eased. Meanwhile, business confidence softened but firms remained optimistic that output will increase over the coming year.

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.

At 54.2 in August, the headline PMI was above the 50.0 no-change mark for the ninth month running, signalling a sustained improvement in the health of the Nigerian private sector. Moreover, the latest reading was up from 54.0 in July, pointing to a solid strengthening of

business conditions and one that was the most pronounced since April.

The rise in the headline index primarily reflected sharper expansions in output and new orders, with rates of growth hitting four- and 19-month highs respectively. Panellists reported stronger customer demand and a greater willingness among clients to commit to new projects.

Output increased across three of the four broad sectors covered by the survey, the exception being manufacturing.

While firms continued to expand staffing levels in response to higher new orders, the rate of job creation was only slight and softer than that seen in July. Companies were nonetheless able to deplete outstanding business for the first time in five months.

A slower increase in purchasing activity was also registered in August. Nonetheless, input buying rose

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

markedly in response to improving customer demand, with positive expectations for the future also encouraging firms to accumulate inventories.

Expectations for output growth over the coming year reflected predictions of higher new orders, the opening of new branches and advertising activity. Sentiment eased for the second month running, however, and was relatively muted.

Inflationary pressures waned midway through the third quarter. The pace of increase in purchase prices slowed for the fourth consecutive month and was

the weakest since March 2020.

Meanwhile, the pace of staff cost inflation eased to a three-month low. Where wages increased, panellists linked this to incentives for faster project delivery and cost-of-living payments.

In line with the picture for input costs, the pace of output price inflation also eased in August, slowing for the fourth month running to the weakest in almost five-and-a-half years. The latest rise was also softer than the series average, despite remaining marked as companies passed higher costs through to their customers.

Comment

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

"Business activity increased further in August and has remained above 50 points for the ninth consecutive month. The increase in business activity was driven by sharper increases in output and new orders. Notably, output (56.8 points vs July: 56.1 points) increased in line with customers' willingness to commit to new projects, while the growth in new orders (58.3 points vs July: 57.3 points) quickened to a 19-month high amid reports of increasing customer demand. Given these higher new orders, firms expanded their staffing levels for the third consecutive month. The opening of new branches and marketing plans are also supporting firms' optimism that output will increase over the coming year.

Elsewhere, input cost eased to its lowest level since March 2023 even as the latest increase is still above the series average. In line with this, the rate of increase in output prices moderated for the fourth consecutive month in August and the slowest since April 2020. The continued moderation of input and output prices still suggests that inflation is likely to remain soft in the near term, and may incentivize the MPC of the CBN to switch to an

accommodative monetary policy by September from the current neutral stance. Indeed, we estimate headline inflation to moderate further in August to 21.45% y/y – 21.63% y/y, and possibly settle at 17.19% y/y – 17.92% y/y by November. Accordingly, we still expect up to 150 bps cumulative rate cut in 2025.

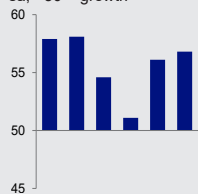
Nigeria's rebased economy shows real GDP increasing by 3.13% y/y in Q1:25 - slower than the 3.76% y/y revised growth in Q4:24 – and also the lowest since Q1:24 when the economy grew by 2.27% y/y. At 78.6%, relative to 70.0% in Q4:24, services contributed the most to GDP growth in Q1:25, but agriculture shrank to 0.5% in Q1:25, from 19.7% in Q4:24. Industries in Q1:25 contributed an impressive 20.9%, from 10.4% in Q4:24, in line with our long-held view that industries should start contributing more to real GDP growth from 2025 amid the structural shift introduced into the sector by the operations of Dangote Refinery. Overall, the Nigerian economy is still on track to grow by 3.5% y/y in 2025 from 3.4% y/y growth seen in 2024 supported by softer inflation, improvement in FX liquidity conditions, and structural reforms."



Output and demand

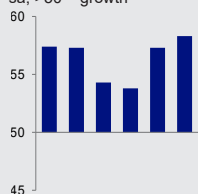
Output Index

Mar - Aug '25
sa, >50 = growth



New Orders Index

Mar - Aug '25
sa, >50 = growth



Output

Nigerian companies responded to higher sales by expanding their business activity again in August. Output has now risen in each of the past nine months. Moreover, the pace of growth was the fastest since April as firms noted a greater willingness among customers to commit to new projects. Three of the four broad sectors signalled a rise in output, the exception being manufacturing.

New orders

The rate of growth in new orders quickened for the second month running in August and reached a 19-month high. New business increased sharply, amid reports of improving customer demand. New orders have risen in each month since November 2024.

Output Index

sa, >50 = growth since previous month



New Orders Index

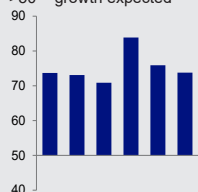
sa, >50 = growth since previous month



Business expectations

Future Output Index

Mar - Aug '25
>50 = growth expected



Although firms remained optimistic that output will increase over the coming year, sentiment eased from July and was below the series average. Around 48% of respondents predicted an expansion in activity amid expected improvements in new business. The opening of new branches and marketing plans were also central to the optimistic outlook.

Future Output Index

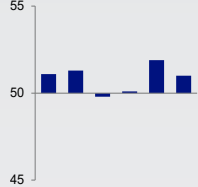
>50 = growth expected over next 12 months



Employment and capacity

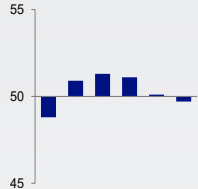
Employment Index

Mar - Aug '25
sa, >50 = growth



Backlogs of Work Index

Mar - Aug '25
sa, >50 = growth



Employment

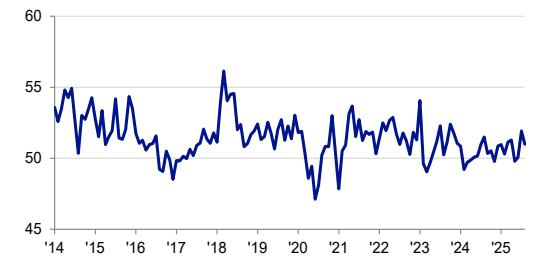
Firms responded to higher new orders by expanding their staffing levels during August, the third month running in which job creation has been registered. That said, the latest rise was only slight and softer than that seen in July. Modest improvements in workforce numbers were recorded across all four monitored sectors.

Backlogs of work

Backlogs of work decreased in August, thereby ending a four-month sequence of accumulation. A number of respondents indicated that they had been able to clear all outstanding business during the month. That said, the reduction in backlogs was only marginal as some firms faced delays linked to shortages of materials and staff, while others noted customer payment delays.

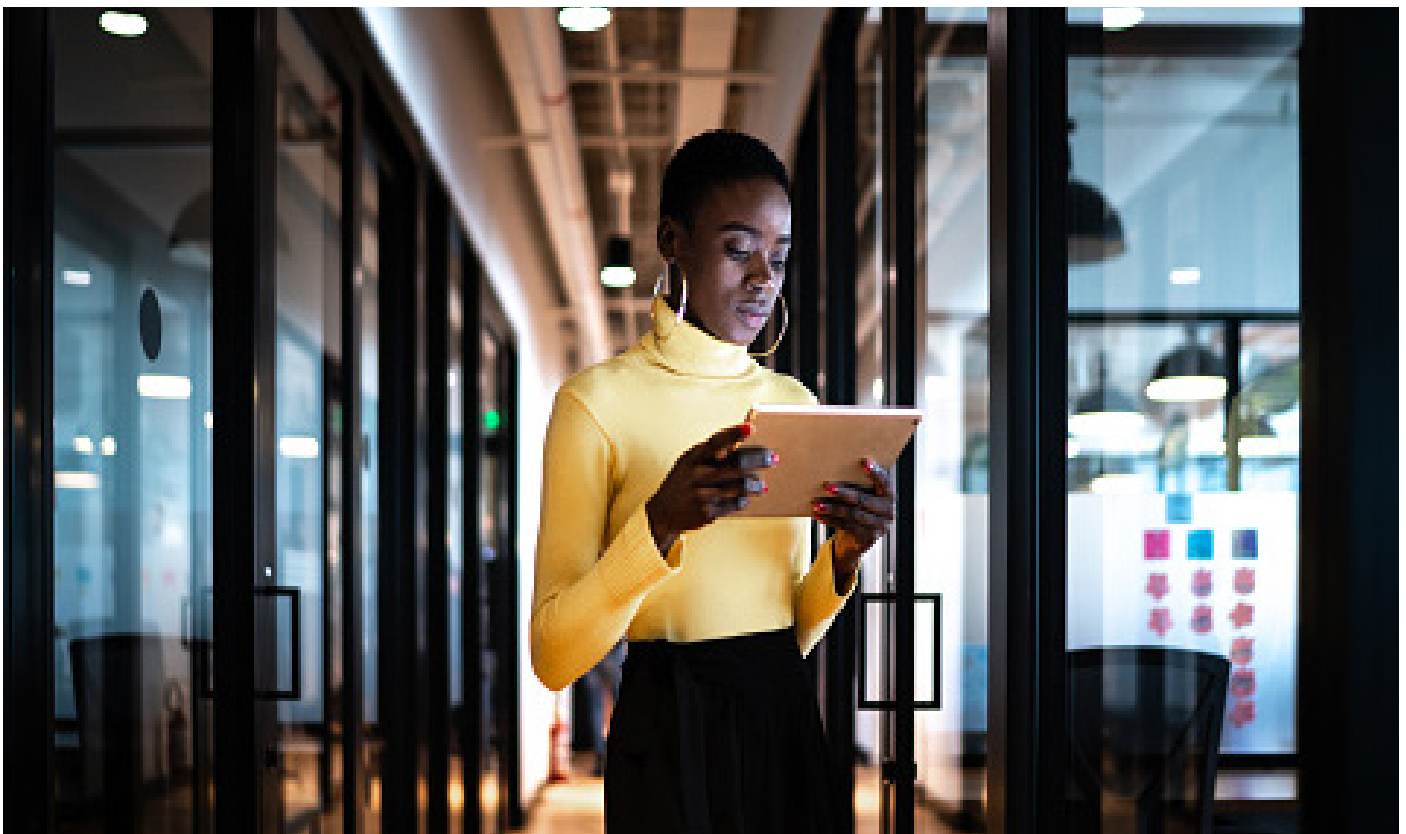
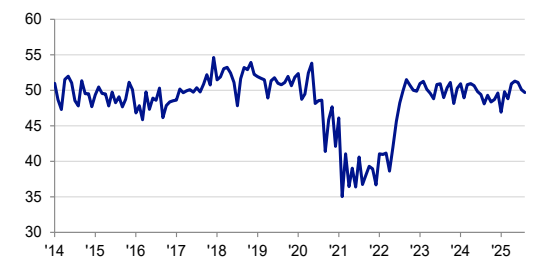
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

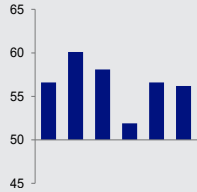
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Mar - Aug '25
sa, >50 = growth



Quantity of purchases

As has been the case in each month since December last year, Nigerian companies increased their purchasing activity during August. Input buying rose sharply, albeit to a slightly lesser extent than in July. Those firms that expanded their purchasing activity generally linked this to improving customer demand.

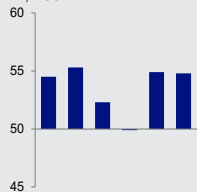
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Mar - Aug '25
sa, >50 = faster times



Suppliers' delivery times

Suppliers' delivery times shortened markedly in August, with the rate of improvement in vendor performance broadly in line with that seen in the previous month. Respondents linked quicker deliveries to a range of factors, including competition among suppliers, prompt payments and good road conditions.

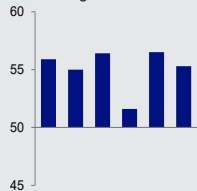
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Mar - Aug '25
sa, >50 = growth

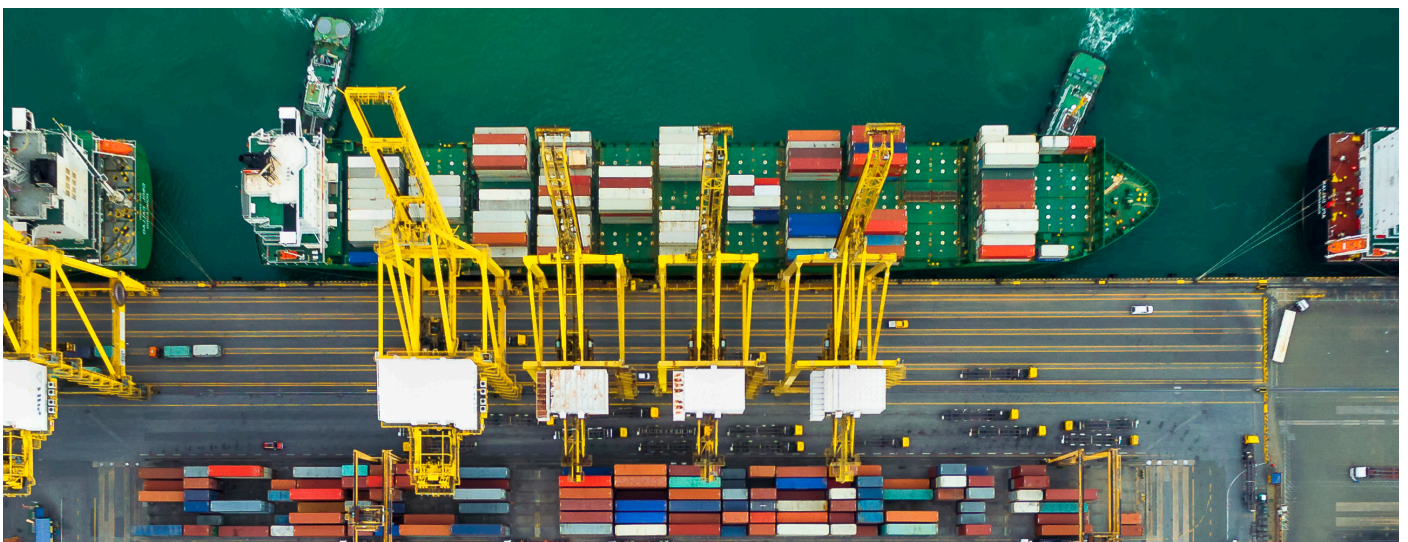


Stocks of purchases

Nigerian companies increased their stocks of purchases for the ninth consecutive month in August. The rise was sharp, albeit slightly weaker than in July. Panellists reported that inventories had been accumulated in response to higher new orders and positive expectations regarding customer demand in the months ahead.

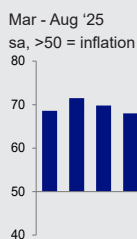
Stocks of Purchases Index

sa, >50 = growth since previous month



Prices

Input Prices Index



Input prices

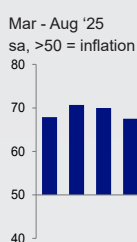
The rate of overall input cost inflation eased to the lowest in almost two-and-a-half years during August. That said, the latest increase was still sharp and above the series average. Underlying data pointed to slower rises in both purchase prices and staff costs.

Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

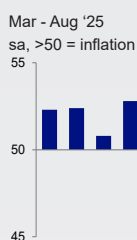
Purchase prices continued to rise sharply during August, but the pace of inflation eased for the fourth successive month to the weakest since March 2020. Around 30% of panellists reported an increase in purchase costs, linked to higher raw material costs and general inflationary pressures across the economy.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index



Staff costs

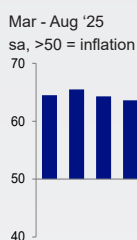
Incentives for faster project delivery and efforts to help staff with higher living costs resulted in a further increase in labour expenses in Nigeria's private sector during August. Staff costs rose modestly over the month, with the pace of inflation easing to the softest since May.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index



Output prices

In line with the picture for input costs, the pace of output price inflation eased in August. In fact, the rate of increase in charges slowed for the fourth successive month and was the weakest since April 2020. Output prices continued to rise sharply, however, as firms passed on higher input costs to their customers.

Output Prices Index

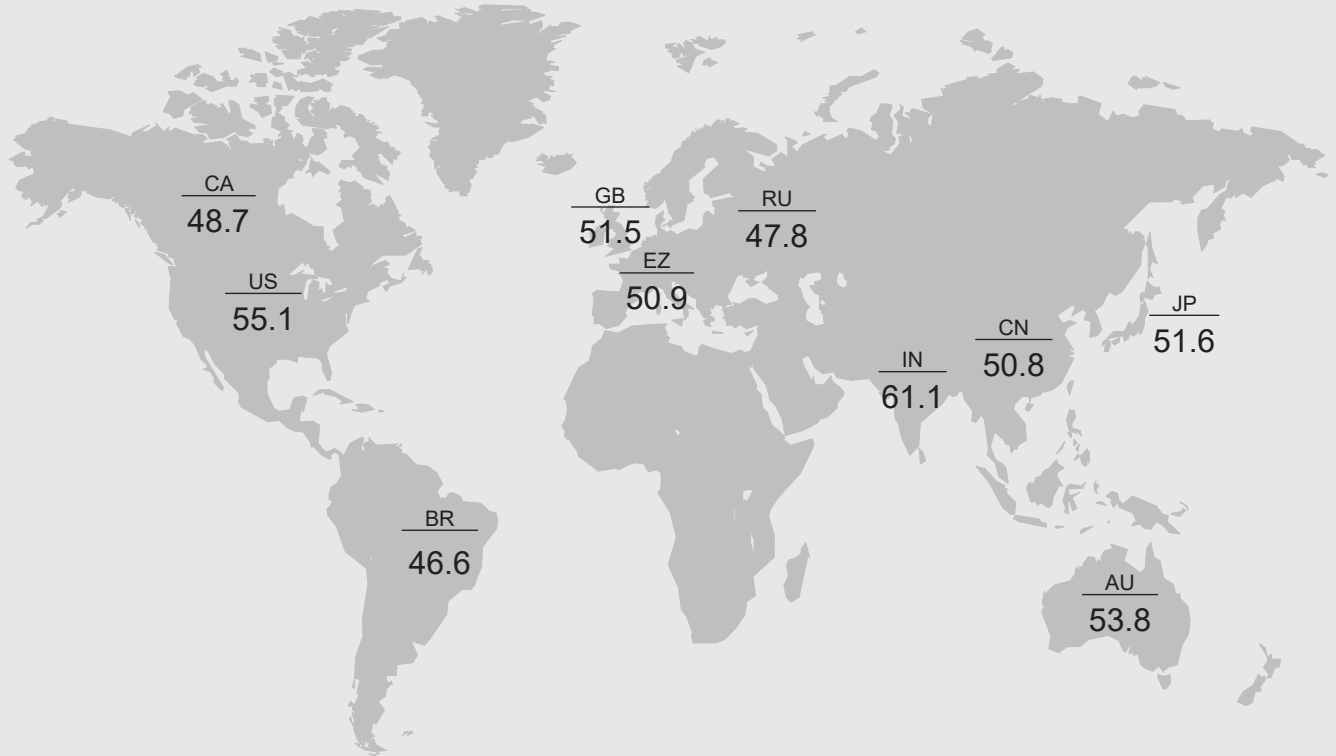
sa, >50 = inflation since previous month



International PMI

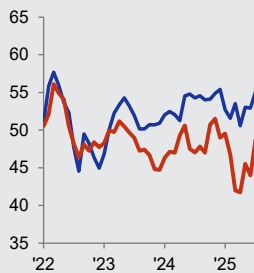
Composite Output Index, Jul '25
sa, >50 = growth since previous month

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

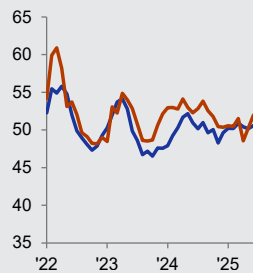


Composite Output Index

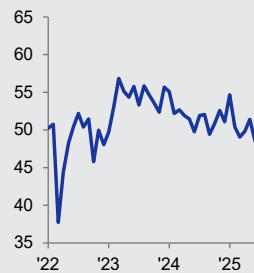
■ USA
■ Canada
sa, >50 = growth



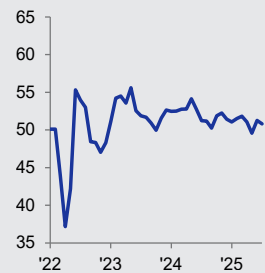
■ Eurozone
■ UK
sa, >50 = growth



■ Russia
sa, >50 = growth



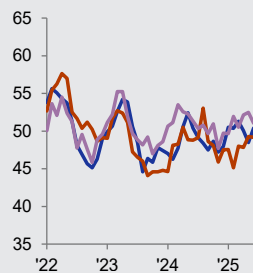
■ China
sa, >50 = growth



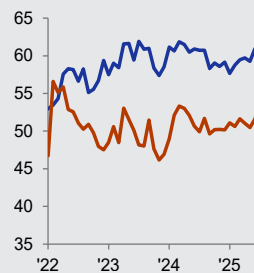
■ Brazil
sa, >50 = growth



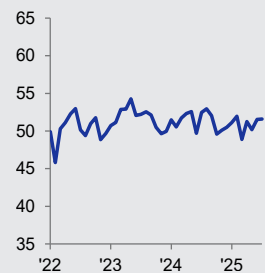
■ Germany ■ Italy
■ France
sa, >50 = growth



■ 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 12-27 August 2025.

Survey questions

Private sector

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

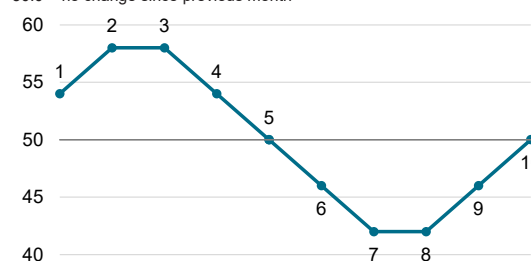
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

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

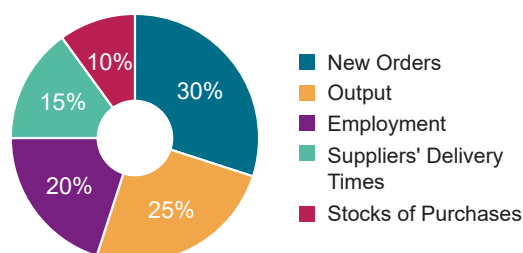
Index interpretation

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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