DataPro

Since 1995

CORPORATE RATING REPORT

VALENCY AGRO NIGERIA LIMITED

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October, 2025

VALENCY AGRO NIGERIA LIMITED

Long-Term Rating:

A+

Short Term Rating: A1
Previous Rating: A
Rating Outlook: Stable
Trend: UP
Currency: Naira
Date Issued: 31 Oct., 2025
Valid Till: 30 Oct., 2026

Reference:
Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

This report is provided by DataPro subject to the Terms &Condition stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Turnover	343,097,621	171,681,157	88,479,090	64,127,807	45,953,957
Pre-Tax-Profit	19,979,770	9,877,362	4,309,173	1,923,484	1,564,787
Shareholders' Funds	91,537,885	63,278,942	22,884,198	10,803,178	7,188,733
Fixed Assets	85,646,474	66,341,142	17,487,575	9,959,999	6,302,967
Total Assets	328,993,518	192,933,896	85,706,226	74,441,825	39,241,994
Long-term Debt	15,073,699	21,688,644	7,520,833	7,097,902	7,206,656

Rating Explanation

The Short-Term Rating of **A1** indicates ***Good Credit Quality*** and satisfactory capacity for timely payment of financial commitments.

The Long-Term Rating of ***A+*** indicates ***Low Risk***. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by ***DataPro***. This Company, in our opinion, has strong ability to meet its ongoing obligations.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information were obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors

- Experienced Management Team
- Good Liquidity Position
- Good Revenue Profile

Negative Rating Factors

- Environmental Risk Exposure
- Supply Chain Disruption Risk

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

BACKGROUND

Valency Agro Nigeria Limited ("The Company") was incorporated on the 11th of December 2013 as ***Valency Cashew Processing Limited.*** It commenced operations in April 2015 and later changed its name to ***Valency Agro Nigeria Limited*** on the 20th May, 2019.

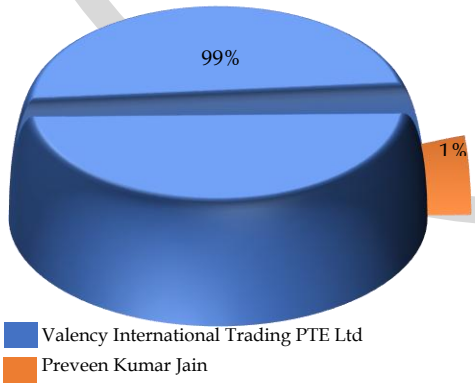
The Company is involved in the processing of raw cashew nuts and sesame seeds, as well as the trading of various agricultural products. It is engaged in buying, selling and exporting cashew kernel, sesame ginger, cocoa, Agro-chemicals, CNSL oil, corn starch, pigeon peas and black eye bean. Additionally, the Company offers its ***Nutrinutz brand*** of edible cashew nuts, available in three (3) variants: ***Nutrinutz Chilli Pepper, Nutrinutz Roasted & Salted*** and ***Nutrinutz Honey-coated***.

It carries out general contracting, trading, marketing as well as sales and distribution of a broad array of goods. This encompasses serving as commission agents, manufacturers' representatives, importers, exporters, general contractors and general merchants.

Leveraging an established global network, the Company has developed sourcing connections directly with farm gate suppliers and manufacturing processors. This strategic positioning enables it to export a variety of commodities, including potatoes, rubber, groundnuts, rice, pepper, cotton, vegetables, palm products, as well as agricultural and mineral resources. It has a trade and supply chain that spans across Africa and Asia.

The Company has enhanced its value chain integration with operations in logistics and warehousing, in addition to proprietary processing facilities.

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: Valency Agro Nigeria Limited

The Company currently operates with a workforce of 1,398. It maintains production and processing facilities in Lagos, Ogun, Kano, Oyo, Nasarawa and Kogi States.

It is significantly owned by ***Valency International Trading PTE Ltd (Parent)*** to the tune of 99%.

DIRECTORS' PROFILE

The following served as Directors during the year under review: ***Praveen Kumae Jain-****Chairman*; ***Basba Nand Balodi****- Managing Director*; ***Ituah Ighodalo, Uchechukwu Wigwe, Bose Amit, Ojha Triochan, Nath Ude Madu, Sethia Shiv*** and ***Jain Sumit.***

The Directors' profile is as follow:

1. **Name:** Praveen Kumar Jain
   Position: Chairman
   Education:
   - B. Sc Commerce
   - Chartered Accountant from the institute of chartered accountants in India

   Years of Experience: Over 38 years
   Job Experience:
   - Valency international Trading pte Ltd
   - Swiss Singapore Overseas Enterprises PTE Ltd Singapore

2. **Name:** Basba Nand Balodi
   Position: Managing Director
   Years of Experience: 36 years
   Job Experience:
   - Swiss Singapore Overseas Enterprises Pte Ltd
   - Valency Agro Nigeria Ltd

3. **Name:** Trilochan Ojha
   Position: Executive Director
   Education:
   - M.Sc Agriculture

   Years of Experience: Over 30 years
   Job Experience:
   - Walcot Limited
   - African Argo multichem Fertilizer

4. **Name:** Ituah Olajide Ighodalo
   Position: Non-Executive Independent Director
   Education:
   - B. Sc - University of Ibadan
   - M. Sc – University of Hull
   - Harvard Business School
   - Institute of Chartered Accountants of Nigeria

   Years of Experience: Over 21 years
   Job Experience:
   - PricewaterhouseCoopers
   - Ighodalo & Co.
   - Valency Agro Nigeria Ltd

5. **Name:** Uchechukwu Wigwe
   Position: Non-Executive Independent Director
   Years of Experience: 21 years
   Job Experience:
   - Wigwe & Partners
   - Valency Agro Nigeria Ltd

6. **Name:** Nath Ude Madu
   Position: Non-Executive Director
   Education:
   - MBA – the University of Bangor

Job Experience:
- First City Monument Bank
- Union Bank of Nigeria
- Nova Merchant Bank Limited

7. **Name:** Amit Bose
   Position: Non-Executive Independent Director
   Education:
   - Chartered Accountant

   Years of Experience: Over 17 years
   Job Experience:
   - Olam - India
   - ITC Limited
   - KPMG
   - Valency Agro Nigeria Ltd

SECTOR REVIEW

Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the ***National Bureau of Statistics (NBS)*** recently rebased the country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019. Following this adjustment, nominal GDP for 2024 was estimated at ₦372.82 trillion, positioning Nigeria as the fourth-largest economy in Africa. It is ranked as the second-largest in Africa by purchasing power parity.

The country's real GDP expanded by 4.23% year-on-year in Q2 2025, an improvement on the 3.48% growth recorded in Q2 2024. In terms of share of the GDP, the Industrial sector contributed more to the aggregate GDP in the second quarter of 2025 at 17.31% compared to the corresponding quarter of 2024 at 16.79%.

According to the ***Food and Agriculture Organization (FAO),*** Agriculture remains the backbone of Nigeria's economy, providing livelihoods for the majority of Nigerians and generating millions of jobs. Along with crude oil, the country heavily relies on agricultural exports to generate the majority of its national revenue. The Agricultural Sector includes four sub-sectors: crop production, livestock, forestry and fishing.

Nigeria has a total agricultural land area of 70.8 million hectares, including 34 million hectares of arable land, 6.5 million hectares dedicated to permanent crops and 30.3 million hectares of meadows and pastures.

The Nigerian Government is actively working to transform the Sector through policies such as the ***Agricultural Promotion Policy (APP),*** which aims for self-sufficiency and export growth by providing incentives, tax exemptions and financing options for investors. Initiatives also focus on infrastructure development (roads and irrigation), improving access to inputs such as fertilizer (e.g., the Presidential Fertilizer Initiative), and promoting sustainable practices through programs like the ***National***

Agricultural Development Fund to boost productivity and address climate vulnerabilities.

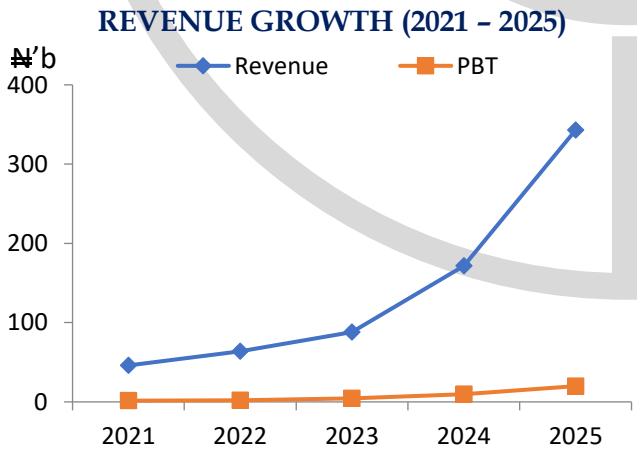
The Agro-Allied Sector presents significant opportunities for economic growth, food security and employment by transforming raw agricultural materials into a diverse range of products. It supports economic diversification, reducing dependence on Oil and promotes rural development by stimulating economic activities. The Sector also generates Foreign Exchange through exports and aims to reduce poverty by enhancing livelihoods and ensuring access to food.

Despite these opportunities, the Sector faces numerous challenges, including poor infrastructure, limited access to finance and credit, technological issues, climate change and environmental degradation, ineffective government policies, insecurity, limited market access and high production costs.

Notwithstanding, the Sector continues to present immense potential for economic growth, job creation and food security. Supported by Government initiatives, increasing private sector participation and rising investment inflows, the industry is undergoing a steady transformation. As Nigeria advances the development of its Agro-Allied industries, there is strong potential for sustainable development, rural empowerment and economic diversification across the country.

FINANCIAL PERFORMANCE

- **EARNINGS PROFILE**



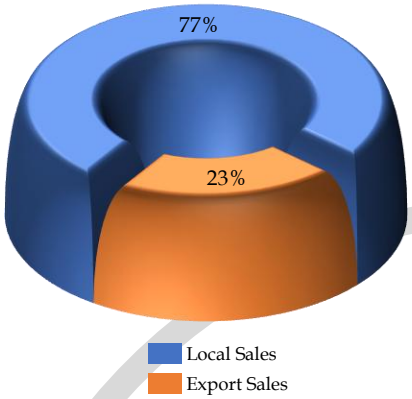
Source: Valency Agro Nigeria Limited

In the audited financial statements for the year ended March 31, 2025, the Company reported Revenue from core activities amounting to ₦343.1b. This indicated a significant 100% increase compared with the preceding year's figure. It also marked the strongest Revenue growth within the five years (2021-2025).

In the financial year 2025, Domestic Sales constituted 77% of the overall Revenue, while Export Sales accounted for the remaining 23%. This highlights the significant reliance on local markets for Revenue generation.

Costs directly associated with the processing of raw materials up to the point of sale and other direct expenditures totaled ₦288.8b (Yr. 25) as against ₦144.8b (Yr. 24).

COMPOSITION OF REVENUE



Source: Valency Agro Nigeria Limited

Notably, Cost of Goods Sold represented the predominant portion of the Direct Costs, constituting 99%. Gross Profit reported a significant increase of 102% (Yr. 25). However, Gross Profit Margin remained relatively static at 16% in both years 2024 and 2025.

Additionally, Earnings from ancillary sources rose slightly from ₦95.7m (Yr. 24) to ₦97.9m (Yr. 25). This included profit on sale of assets and investment income.

- **PROFITABILITY**

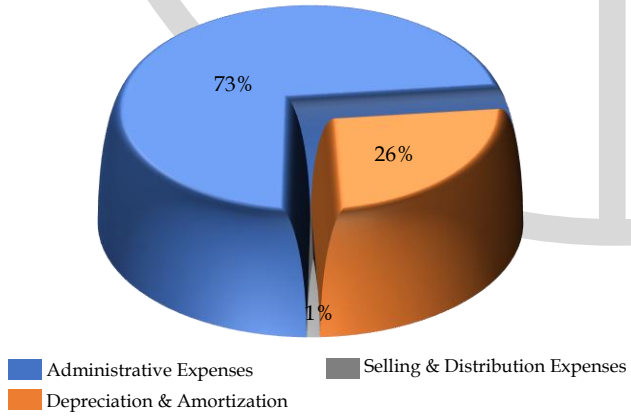
Item	2025 ₦'000	2024 ₦'000
Gross Profit	54,272,530	26,881,191
Operating Expenses	(9,460,762)	(4,422,381)
Finance Cost	(25,837,928)	(14,365,678)
Profit Before Tax	19,979,770	9,877,362

Source: Valency Agro Nigeria Limited

Operational Costs increased by 53% during the reviewed period. This was attributable to the increased spending across key expense categories, including Depreciation, Selling and Distribution as well as Administration.

Administrative Expenses amounted to ₦6.9b and accounted for 73% of Total Operating Costs in the year 2025.

COMPOSITION OF OPERATING COST



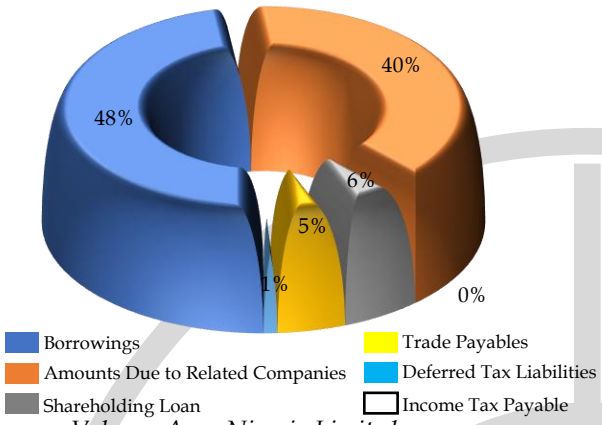
Source: Valency Agro Nigeria Limited

Finance Costs heightened from ₦14.4b (Yr. 24) to ₦25.8b (Yr. 25). This was primarily driven by Interest Expenses associated with various Bank Loans and Leased Assets.

The significant rise in Revenue partially mitigated the adverse effect of higher Finance Costs during the period. As a result, Profit Before Tax grew from ₦9.9b in the year 2024 to approximately ₦20b in the year 2025. However, the increase had no impact on the Net Profit Margin which remained stable at 6% (Yr. 25).

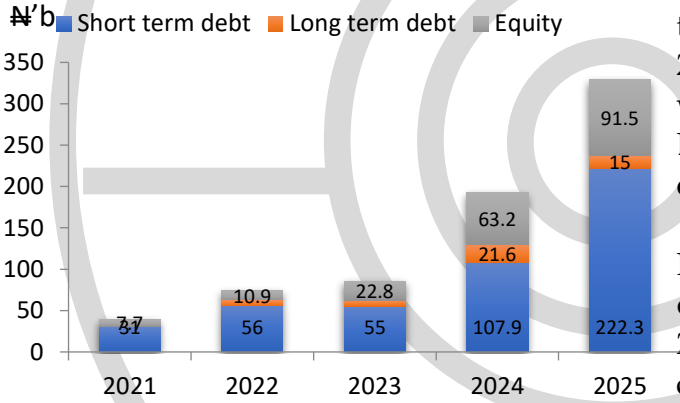
• CAPITALIZATION

COMPOSITION OF TOTAL LIABILITIES



Source: Valency Agro Nigeria Limited

FUNDING OF OPERATIONS



Source: Valency Agro Nigeria Limited

The Company's Equity was augmented by Revaluation Reserve and Retained Earnings in the financial year. Revaluation Reserve increased to ₦47.7b (Yr. 25) from ₦37b (Yr. 24), while Revenue Reserves grew by 90% (Yr. 25).

As a result, Total Equity stood at ₦91.5b as at March 31, 2025, reflecting a 45% growth when compared with the previous year.

Total Liabilities utilized in the financial year increased significantly to ₦237.5b (Yr. 25) from ₦129.7b (Yr. 24). The majority of these Liabilities were Short-term. Current Borrowings represented 48% (Yr. 25) of the overall Liabilities.

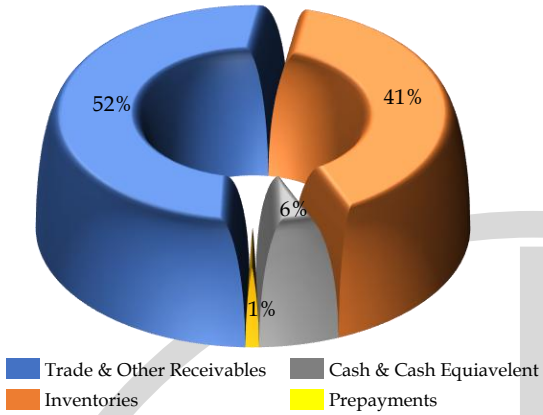
Equity financing of operations decreased by 4% to 28% in the year 2025. Therefore, the Company's capital structure remains predominantly liability-driven, with Debt accounting for 72% of Total Assets. A significant portion of these obligations is Short-term, indicating a potential refinancing risk in the near term.

• ASSET UTILITY

The Company has one of the largest cashew processing facilities in Nigeria, with operations spanning six states: ***Lagos, Ogun, Oyo, Ondo, Benue*** and ***Kano***. As at March 31, 2025, the Total value of Assets utilized for operations reached ₦329b. This reflected a substantial 71% increase compared with the previous year.

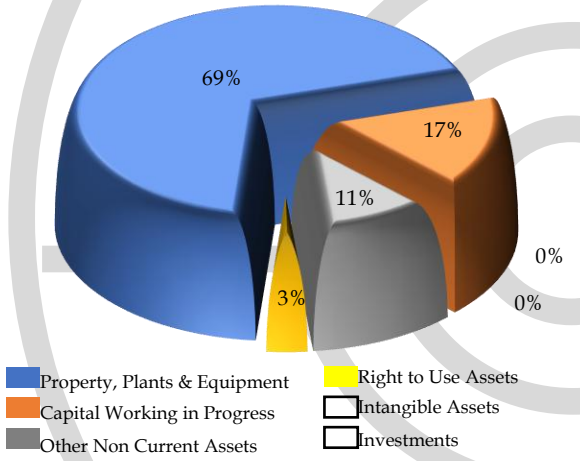
The Non-Current portion of Total Assets increased to ₦85.6b (Yr. 25), up from ₦66.3b (Yr. 24). This growth was largely driven by the revaluation of Land and Building, alongside the rise in Capital Work in Progress (CWIP).

COMPOSITION OF CURRENT ASSETS



Source: Valency Agro Nigeria Limited

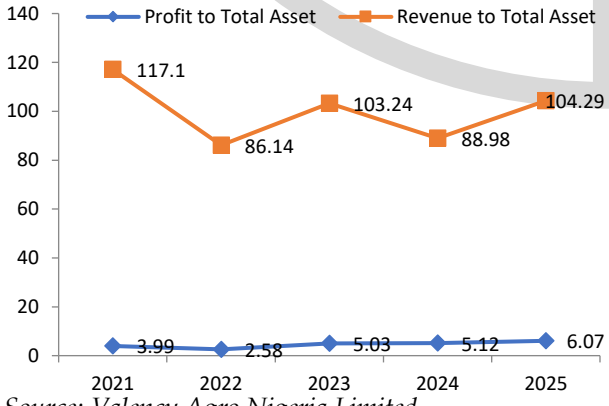
COMPOSITION OF NON-CURRENT ASSETS



Source: Valency Agro Nigeria Limited

This growth was largely attributable to the rise in Inventories and Receivables. Collectively, they amounted to ₦226.8b and accounted for 93% of Current Assets in the reviewed year. Inventories included Raw Materials, Work in Progress, Finished Goods, Packaging Materials and Goods in Transit.

ASSET UTILIZATION TREND (2021 – 2025)



Source: Valency Agro Nigeria Limited

Property, Plants and Equipment (PPE) closed at ₦58.9b and constituted 69% of the Non-Current Assets in the year 2025. CWIP represented Plant and Machinery as well as Processing and Factory Equipment acquired during the year, but not yet available for use. This Asset category was strengthened from ₦1b (Yr. 24) to ₦14.8b (Yr. 25).

The Company reported a Non-Current Asset of ₦9b (Yr. 25), recognized as a separate line item. This arose from advance payments made to suppliers for the construction of a multi-seed/multi-oil project at its new factory.

Other elements of Non-Current Assets included Right-of-Use Assets as well as Investments in Subsidiary and Shares.

In the year 2025, Current Assets represented 74% of Total Assets. It reflected a substantial increase from ₦126.6b (Yr. 24) to ₦243.3b (Yr. 25).

In the year 2025, Assets that were yet to become operational amounted to ₦23.9b, representing 28% of Non-Current Assets and 10% Total Assets. Notwithstanding, the Company demonstrated improved efficiency in asset utilization, with its Asset Turnover Ratio rising from 89% (Yr. 24) to 104% (Yr. 25). Additionally, Return on Assets (ROA) marginally grew to 6% (Yr. 25) as against 5% in the previous year.

- **LIQUIDITY**

Current Liabilities formed 94% of the Company's Debt profile in the financial year. It included Borrowings, Amounts Due to Related Companies and Payables. In total, they amounted to ₦222.4b (Yr. 25) as against ₦108b (Yr. 24). This growth was largely driven by a rise in Borrowings, comprising various Bank Loans obtained to finance working capital requirements. The Loans were secured against the Company's Land, Buildings and other Assets.

Non-Current Liabilities were predominantly Shareholders' Loan which totaled ₦12.7b (Yr. 25), dropping from ₦21.7b (Yr. 24). It represented a reclassification from the amount due to ***Valency International PTE Ltd.***

The Company's Liquid Assets sufficiently covered its Short-Term obligations. This resulted in a Current Ratio of 109% and indicated a Liquidity Surplus of ₦21b in the year 2025.

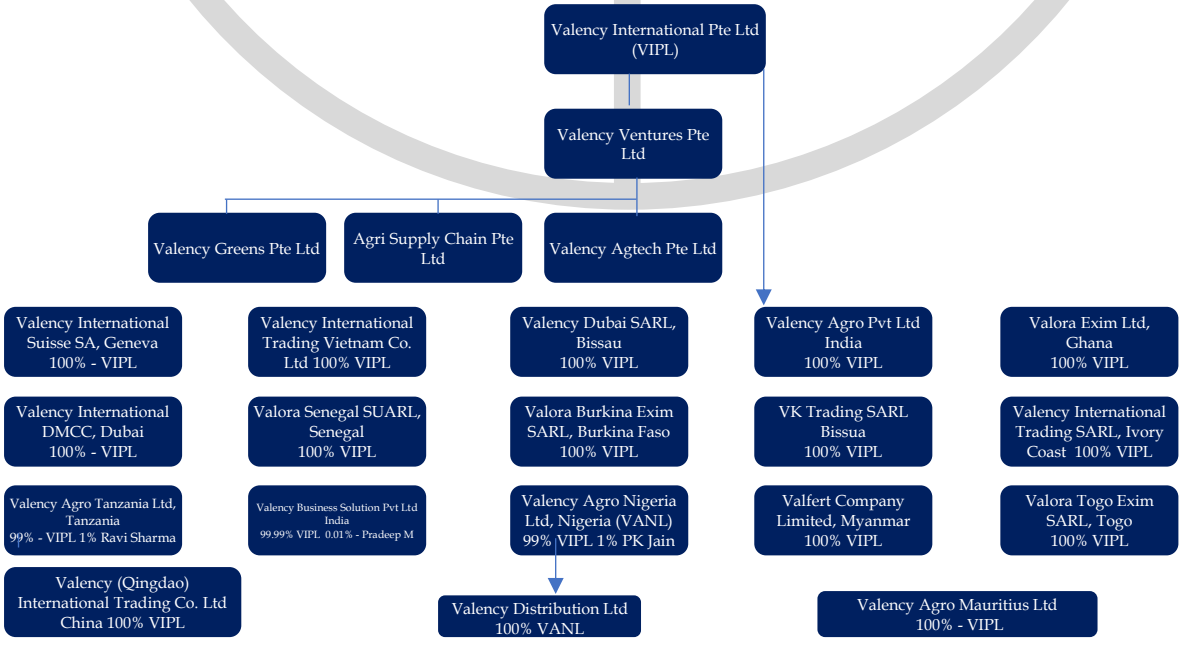
A Net Operating Cash Flow of ₦11.1b was reported from operations in the financial year. This can be attributed to a favorable net position in Trade Payables and Amounts due to related parties.

CORPORATE GOVERNANCE & RISK MANAGEMENT

The Company's affairs are directed by its Board comprising of the Chairman, two (2) Executive Directors and four (4) Non-Executive Directors, three of whom are Independent.

Its corporate organogram is as highlighted.

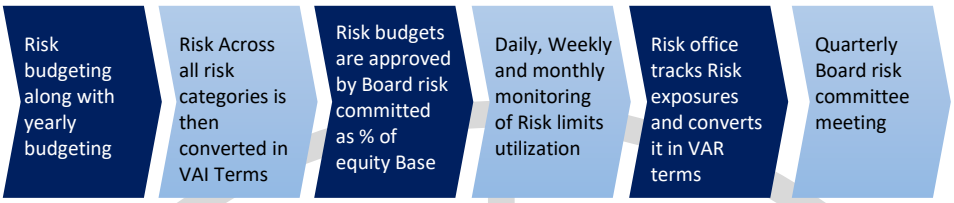
ORGANIZATION STRUCTURE



Source: Valency Agro Nigeria Limited

The Company recognizes its exposure to various risks, including Liquidity and Credit. Its risk management procedure is as presented.

RISK APPROVAL PROCESS



Source: *Valency Agro Nigeria Limited*

RISK FACTORS

In the course of our review, we observed the following significant risks.

- **LEGAL RISK**

This is the risk that the Company will be exposed to legal actions that may lead to paying of significant fees.

In the course of our review, we did not come across any litigation in which the Company is involved as a party.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honour their obligations as and when due.

A significant amount of ₦127.3b, representing 39% of the Company's Total Assets is concentrated in third parties as at the year-end 2025. Therefore, the inability of Receivables to pay their debt will impact profitability.

- **LIQUIDITY RISK**

This is the risk arising from the inability of the Company to pay obligations as and when due.

Based on our review, the Company maintained a Current Ratio of 109% (Yr. 25). This is above the benchmark of 100%.

- **EXCHANGE RATE RISK**

This is the risk arising from adverse movement in Exchange Rate between the Naira and other currencies of the Company's operations.

The Company sources 100% of its production inputs locally and exports 23% of its products. Therefore, adverse movement in Foreign Exchange may affect profitability.

- **HAZARD RISK**

This is the risk that the Company may be exposed to unfavorable Climate Change, Disease, Natural Disaster and Forest Fires.

The Company remains exposed to this risk due to the nature its business.

FUTURE OUTLOOK

The Company's strategic projections over a three-year horizon commencing in 2025 include several key initiatives:

- Expansion of its cashew processing plant.
- Establishment of a Biochar production facility for sustainable bio-fuel and cocoa drying and cleaning operation.
- Development of cashew warehouse.
- Formulation of Agrochemicals.
- Production and manufacturing of Fast-Moving Consumer Goods (FMCG).

These initiatives are projected to significantly enhance the Company's Revenue and Profit Before Tax.

CONCLUSION

The Rating of the Company is supported by its strong Earnings Profile, Good Profitability, Experienced Management Team and Good Liquidity Position.

Consequently, we assigned a Rating of *"A+"*

FINANCES

Financial Position as at

	Mar., 2025 ₦	Δ%	Mar., 2024 ₦	Δ%	Mar., 2023 ₦
ASSETS/LIABILITIES					
Property, Plants & Equipment	58,898,984,080	18.23	49,816,157,961	489.56	8,449,755,384
Other Non-Current Assets	26,747,490,328	61.86	16,524,984,283	82.84	9,037,820,178
Net Current Liabilities	20,965,109,842	12.56	18,626,443,453	44.20	12,917,456,778
TOTAL ASSETS/Liabilities	**106,611,584,250**	25.11	**84,967,585,697**	178.97	**30,405,032,340**
Financed By					
Share Capital	6,759,465,012	0.00	6,759,465,012	-	6,759,465,012
Revaluation Reserve	47,705,347,402	28.79	37,040,123,492	467.82	6,523,272,585
Retained Earnings	37,073,072,717	90.32	19,479,353,183	102.88	9,601,461,231
Shareholder's Funds	**91,537,885,131**	50.28	**63,278,941,687**	49.03	**22,884,198,828**
Non Current Liabilities	15,073,699,119	-30.50	21,688,644,010	188.38	7,520,833,512
Total Equity and Liabilities	**106,611,584,250**	25.11	**84,967,585,697**	178.97	**30,405,032,340**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	343,097,621,413	99.85	171,681,156,643	94.04	88,479,090,889
Profit beofre taxation	19,979,770,154	102.28	9,877,361,645	129.22	4,309,173,115
Tax Written Back/ (Expenses)	(352,108,171)	221.03	(109,682,416)	(149.11)	223,350,469
Profit after taxation	**19,627,661,983**	100.94	**9,767,679,229**	115.50	**4,532,523,584**

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 31st October, 2025

For and on behalf of:
DataPro Limited
Ground Floor, Foresight House
By Marina Water Front
163/165 Broad Street, Lagos Island, Lagos.
Tel: 234-1-4605395, 4605396
Cell: 0805-530-3677
Email: info@datapronigeria.net,dataprong@gmail.com
Website: www.datapronigeria.net

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USER GUIDE

DataPro's credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our ***short-term*** ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or –. With + representing slightly less risk than –. Such suffixes are not added to the 'AAA' long –term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

LONG-TERM RATING

Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	*(Superior)* Assigned to companies which have superior financial strength, operating performances and profile when compared to the standards established by *DataPro Limited.* These companies, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	*(Excellent)* Assigned to companies which have excellent financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	*(Very Good)* Assigned to companies which have very good financial strength, operating performance And profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	*(Fair)* Assigned to companies which have fair financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion, have an ability to meet their

current obligations, but their financial strength is vulnerable to adverse changes in economic conditions.

Non-Investment Grade

Indicator	Meaning	Explanation
BB	Moderate Risk	*(Marginal)* Assigned to companies which have, marginal financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	*(Weak)* Assigned to companies which have, weak financial strength, operating performance and profile when compared to the standard established by *DataPro Limited*. These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	*(Poor)* Assigned to companies, which have poor financial strength, operating performance and profile when compared to the standards established *DataPro Limited*. These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	*(Very Poor)* Assigned to companies, which have very poor financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added "+" to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non-investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.