

ECONOMIC UPDATE

A Publication of United Capital Research

March 02, 2026

GDP Growth Accelerates to 4.07% Amid Improved Sectoral Performance

Bottomline:

Nigeria's economy grew by 4.07% year on year in Q4 2025, bringing full-year growth to 3.87% and confirming a steady recovery momentum. Growth remains largely driven by the services and non-oil sectors, signaling improving economic diversification and resilience. This suggests expanding transaction volumes, stronger corporate earnings potential, and emerging opportunities across capital markets and advisory services. For United Capital Research, this data justifies a transition from defensive capital preservation to aggressive asset allocation across information, communication & technology (ICT), financial services, real estate, agriculture, consumer goods and construction.

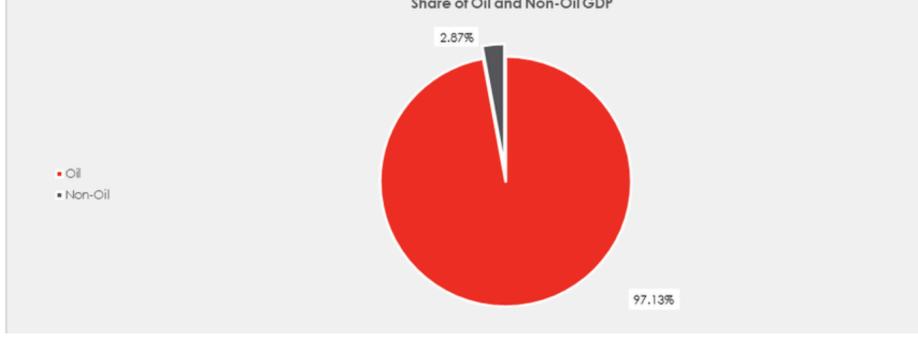
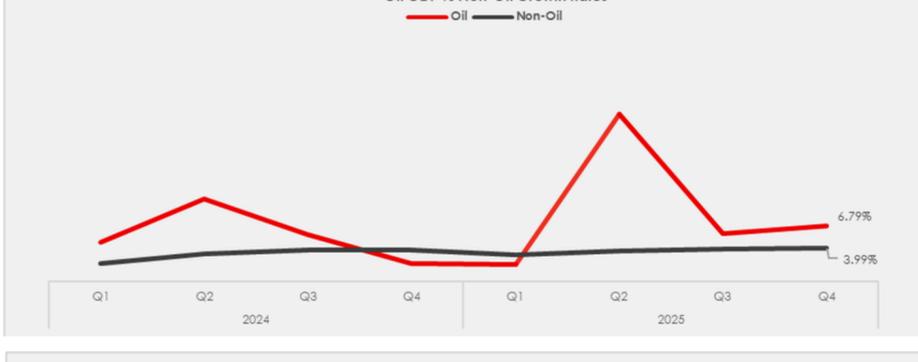
GDP Growth Strengthened in Q4 2025

Nigeria's real Gross Domestic Product (GDP) strengthened in Q4 2025, recording a growth rate of 4.07% year on year (y/y), higher than the 3.76% posted in Q4 2024 and reinforcing the economy's upward trajectory. The outturn lifted full year GDP growth to 3.87%, supported by improved non-oil activity, stronger transport and mining performance, and a rebound in oil production. United Capital Research projected real GDP growth of 4.59% for Q4 2025, 4.02% for full year 2025 and 5.45% for full year 2026, reflecting expectations of sustained resilience.



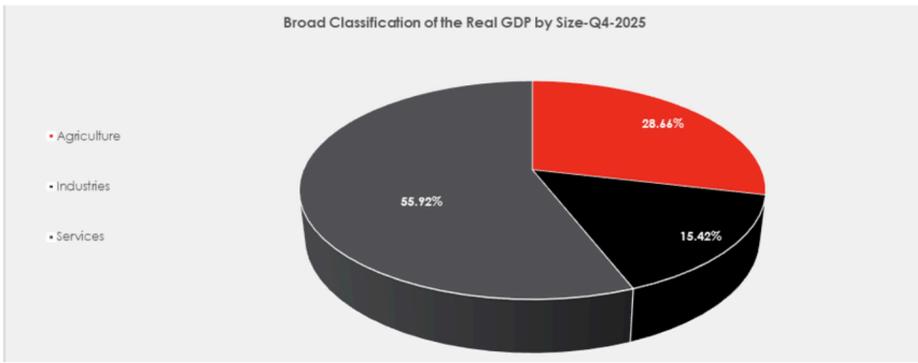
Oil vs. Non-Oil: A Two Engine Finish to the Year

The oil and non-oil segments delivered a dual engine finish to the year, with the oil sector expanding by 6.79% y/y in Q4 2025 on the back of improved crude output at 1.58 mbpd, even though its share of contribution to real GDP remained modest at 2.87%. The Non-Oil economy accounted for a substantial 97.13% contribution to real GDP and it grew by 3.99% y/y, reflecting broad based resilience across agriculture, services, construction, and transport activities. Together, these dynamics provided a balanced foundation for the economy and supported a steady hand off into 2026.



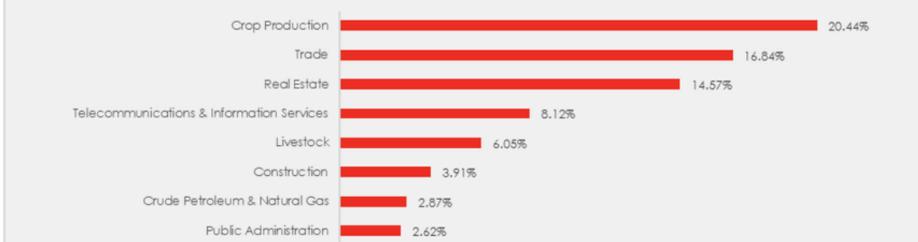
Services Remain on Top; Agriculture and Industry Provide Depth

Services maintained dominance in Q4 2025, accounting for 55.92% of real GDP, while Agriculture accounted 28.66% and Industry accounted for 15.42%, providing essential depth to overall output. This structure reinforces Nigeria's service led growth pathway, supported by strong activity in telecommunications, financial services, and trade. At the same time, seasonal gains in crop production and renewed momentum in construction and mining strengthened the goods producing sectors, highlighting the importance of continued investment in productivity enhancing infrastructure and sectoral linkages as the economy transitions into 2026.



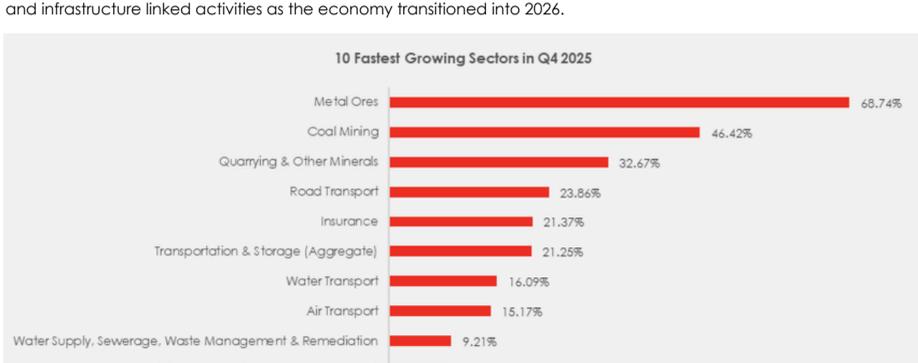
Top 10 Contributing Sectors to Real GDP in Q4 2025

Nigeria's growth profile in Q4 2025 was shaped by a concentrated mix of high impact sectors, with Crop Production (20.44%), Trade (16.84%), and Real Estate (14.57%) forming the core pillars of real GDP. These were complemented by strong contributions from Telecoms & Information Services (8.12%), Livestock (6.05%), Construction (3.91%), and Crude Petroleum & Gas (2.87%), while Public Administration (2.62%), Food, Beverage & Tobacco (2.61%), and Professional/Scientific/Technical Services (2.43%) provided additional breadth. Together, these top ranking sectors underpinned domestic demand, employment, and formal sector income flows, reinforcing output stability as the economy transitioned into 2026.



10 Fastest Growing Sectors in Q4 2025

Nigeria's growth momentum in Q4 2025 was amplified by exceptional performance across several high growth industries, led by Metal Ores (+68.74%), Coal Mining (+46.42%), and Quarrying & Other Minerals (+32.67%), reflecting renewed activity in extractive industries. Transport related sectors also posted strong gains, with Road Transport (+23.86%), Air Transport (+15.17%), and Water Transport (+16.09%) signaling improved mobility and logistics conditions, while Insurance (+21.37%) and the broader Transportation & Storage sector (+21.25%) highlighted expanding service sector dynamism. Rounding out the top performers were Water Supply, Sewerage & Waste Management (+9.21%) and the aggregate Mining & Quarrying sector (+8.90%), underscoring broad based recovery across both industrial and infrastructure linked activities as the economy transitioned into 2026.



Strategic Insights for Business Units

- Strong growth in services could signal potential deal flow in capital raising for telecoms, real estate, logistics, and agro processing.
- Non-oil sector dominance (97% contribution) reinforces long-term prospects for diversified funds away from hydrocarbons. Positions in ICT, agriculture value chain, real estate, and financial services may outperform.
- GDP growth could foster trust arrangements, bond trusteeships, securitisation structures, and collective investment schemes. Consequently, Demand for structured corporate debt, real estate investment structures, and infrastructure-linked trusts may grow.

Strategic Recommendations:

- Increase exposure to services-driven sectors (ICT, financial services, real estate).
- Expand thematic funds around agriculture and food security.
- Target mid-sized firms in trade, agribusiness, and construction for advisory and capital-raising opportunities.
- Strengthen ESG and sustainability offerings, given non-oil sector expansion.
- Proactively engage state governments and large corporates planning 2026 infrastructure projects.

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