

Earnings Update: DAAR Communications Plc (Ticker: DAARCOMM)

KEY HIGHLIGHTS FROM THE RESULT

- Revenue increased modestly by 4.38%, from ₦5.25 billion in FY-2024 to ₦5.48 billion in FY-2025, reflecting marginal topline growth. Cost of sales declined by 11.92% to ₦3.32 billion, compared to ₦3.77 billion in the prior year, resulting in a significant 45.98% expansion in gross profit to ₦2.16 billion from ₦1.48 billion. However, other income fell by 23.35% to ₦425.76 million, tempering overall income growth.
- Operating expenses presented a mixed picture. Selling expenses surged sharply by 370.30% to ₦688.77 million, while administrative expenses declined by 23.07% to ₦2.48 billion, indicating cost rationalisation in core overheads. Notably, impairment allowance dropped to nil from ₦969.24 million in FY-2024, providing a relative relief to earnings. Finance charges, however, rose significantly by 314.60% to ₦52.83 million, reflecting higher borrowing costs during the period.
- Despite the improvement in gross margin and lower impairment charges, the company remained loss-making. Loss before tax narrowed by 72.59%, from ₦2.31 billion in FY-2024 to ₦634.21 million in FY-2025. With no tax charge recorded in the current year (compared to ₦27.80 million previously), loss after tax improved by 72.92% to ₦634.21 million, underscoring a substantial reduction in losses, albeit still negative at the bottom line.
- On the balance sheet, total assets declined marginally by 0.67% to ₦27.31 billion. Non-current assets eased by 1.86% to ₦23.91 billion, largely due to a 1.87% reduction in property, plant and equipment. Current assets rose by 8.59% to ₦3.40 billion, supported by a 53.54% increase in cash and cash equivalents to ₦311.69 million and a 6.00% rise in trade receivables.
- Total liabilities reduced overall, driven by a 15.40% decline in current liabilities to ₦8.95 billion, reflecting lower trade payables (-31.00%) and a significant 83.40% drop in tax liabilities. However, non-current liabilities increased by 68.69% to ₦1.22 billion, primarily due to the recognition of a ₦650.48 million bank loan. Total equity strengthened by 5.86% to ₦17.13 billion, reflecting the reduced loss position and improved capital stability.
- From cash flow, net cash generated from operating activities improved by 7.29% to ₦623.50 million, indicating stronger operational cash generation despite accounting losses. Net cash used in investing activities rose sharply by 238.29% to ₦939.40 million, suggesting increased capital expenditure. Financing activities recorded a net inflow of ₦424.59 million, compared to an outflow of ₦230.11 million in FY-2024, largely attributable to new borrowings during the year.

TICKER	DAARCOMM
Price (₦) as of 26 Feb. 2026	2.34
Shares Outstanding	8B
52 Weeks High (₦)	3
52 Weeks Low (₦)	0.54
1 Year Change (%)	271.4%
Market Cap (₦)	17.68B
Price-to-Book	1.1X
EPS – P/E	-0.045 – (-52.0x)
Dividend /Yield (%)	-

Rebased Price Performance of NGX-ASI and DAARCOMM



Source: Investing.com, Parthian Securities Research

www.parthiansecuritiesng.com

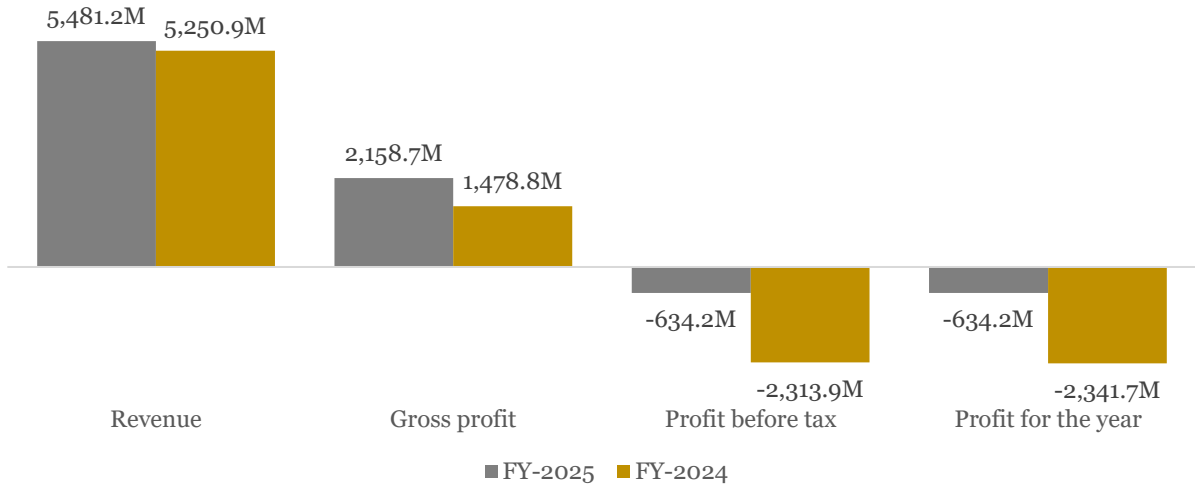
Kindly click [here](#) for the full financial statement.



INCOME STATEMENT	FY-2025 (₹'000)	FY-2024 (₹'000)	Change (%)
Revenue	5,481,169	5,250,947	4.38%
Cost of Sales	(3,322,438)	(3,772,115)	-11.92%
Gross Profit	2,158,732	1,478,832	45.98%
Other Income	425,762	555,431	-23.35%
Selling Expenses	(688,772)	(146,455)	370.30%
Impairment Allowance	0	(969,241)	100.00%
Administration Expenses	(2,477,097)	(3,219,744)	-23.07%
Finance Charges	(52,833)	(12,743)	314.60%
Profit Before Tax	(634,208)	(2,313,920)	-72.59%
Taxation	0	(27,795)	100.00%
Profit/(Loss) for the Year	(634,208)	(2,341,715)	-72.92%
STATEMENT OF FINANCIAL POSITION	FY-2025 (₹'000)	FY-2024 (₹'000)	Change (%)
Property, Plant & Equipment	23,775,933	24,228,373	-1.87%
Other Intangible Assets	37,943	37,943	0.00%
Investment - (Mts & Aitnews24)	97,000	97,000	0.00%
Total Non-Current Assets	23,910,875	24,363,316	-1.86%
Trade Receivables	2,763,778	2,607,282	6.00%
Other Debtors & Prepayments	322,657	318,970	1.16%
Cash & Cash Equivalents	311,688	202,996	53.54%
Total Current Assets	3,398,123	3,129,248	8.59%
Total Assets	27,308,998	27,492,564	-0.67%
Accrued Gratuity	574,494	726,160	-20.89%
Bank Loan	650,481	0	#DIV/0!
Total Non-Current Liabilities	1,224,974	726,160	68.69%
Subordinated Loan	-28,392	144,666	-119.63%
Trade Payables	794,558	1,151,541	-31.00%
Other Payables	8,062,178	8,538,225	-5.58%
Taxation	124,235	748,425	-83.40%
Total Current Liabilities	8,952,579	10,582,857	-15.40%
Total Equity	17,131,444	16,183,547	5.86%
Total Equity and Liabilities	27,308,998	27,492,564	-0.67%
CASH FLOW STATEMENT	FY-2025 (₹'000)	FY-2024 (₹'000)	Change (%)
Net cash generated from operating activities	623,501	581,134	7.29%
Net cash used in investing activities	(939,399)	(277,694)	238.29%
Net cash flows used in financing activities	424,590	(230,106)	-284.52%



Financial Data (₹)



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