

# Namibia Breweries Limited

## FY25 Initial Impression: *Tapping Into Growth*

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Current Price (c)

3,031

Year End 30 June	FY21	FY22	FY23	FY24	FY25	Recommendation*	HOLD
Revenue (N\$ m)	3,406	3,929	4,265	5,693	6,024	NSX Code	NBS
Operating Profit (N\$ m)	613	668	421	586	830	Market Cap (N\$ m)	6,262
HEPS (c)	178	262	163	205	298	Shares in Issue (m)	206.5
HEPS growth (%)	42	47	-38	26	45	Free Float (%)	50
PE	17	16	2	14	9	52-Week High (c)	3035
DPS (c, ordinary)	109	0	2,635**	202	306.1	52-Week Low (c)	2888
DY	4	0	72	7*	10		

\*18months

\*\* Special Dividend

Source: Namibia Breweries Limited, IJG Securities

## FY25 Results

Namibia Breweries Limited (“NBL” the “the Group”) reported a solid set of results for the year ended 31 December 2025 (FY25). Revenue increased by 5.8% y/y to N\$6.02bn, reflecting steady demand across its product portfolio. Operating profit rose sharply by 41.7% y/y to N\$830.3m, driven by improved margins following the localisation of cider and wine production, as well as associated productivity gains.

Profit after tax (PAT) surged by 46.6% y/y to N\$632.2m, supported not only by stronger operating performance but also by disciplined cost management and lower finance costs. The latter was largely due to the repayment of a revolving credit facility during the year, which contributed to a 55.0% decline in cash and cash equivalents.

As a result of the improved earnings performance, return on equity (ROE) strengthened significantly, rising from 19.4% in the prior year to 26.4% in FY25, highlighting enhanced shareholder value creation.

## Expiry of Minimum Supply Arrangement with Heineken Beverages South Africa

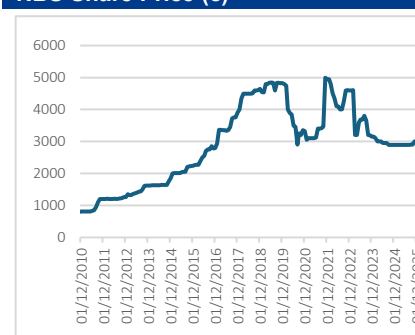
NBL and Heineken Beverages South Africa have operated under a long-term supply agreement, originating from their December 2015 joint venture, which included a minimum off-take commitment of 450,000 hectolitres per annum. This minimum volume arrangement is set to expire on 30 April 2026 in line with the original contractual terms. In FY25, NBL supplied approximately 365,000 hectolitres under the agreement. While the commercial relationship will continue beyond this date, it will do so without a minimum volume commitment, with NBL having already implemented strategic initiatives, such as portfolio diversification and expanded redistribution agreements, to reduce reliance on this arrangement. Management disclosed sensitivity analysis that indicates potential EPS reductions between 7.2% and 18.9% under lower-volume scenarios.

## Revenue and Profitability Performance

NBL reported revenue of N\$6.0bn, representing a 5.8% increase compared to the prior period. NBL deliberately avoided excessive price escalation in order to protect brand equity and maintain affordability, particularly in mainstream beer and wine categories. Operating margin gains were supported by productivity improvements across the business, strict cost discipline, and the benefits of strategic investments made in prior years. The strong operating performance translated into a significant improvement in shareholder returns. On a 12-month like-for-like basis, basic earnings per share (EPS) increased by 46.6% to 306.1 cents, while headline earnings per share (HEPS) rose by 45.8% to 298.2 cents.

The growth in earnings outpaced revenue growth, indicating improved operational leverage and margin efficiency across the business. However, taxes remain a material consideration for the Group, as NBL has historically benefited from manufacturing allowances that reduce taxable income and support local production. The expected cessation of these manufacturing allowances is likely to increase the effective tax charge in future periods, potentially placing pressure on post-tax profitability despite strong operating performance. In addition, heightened geopolitical tensions, including the war involving Iran, pose a risk of increased inflation through higher energy and transport costs, which could place further pressure on operating margins if sustained.

## NBS Share Price (c)



## Dividends

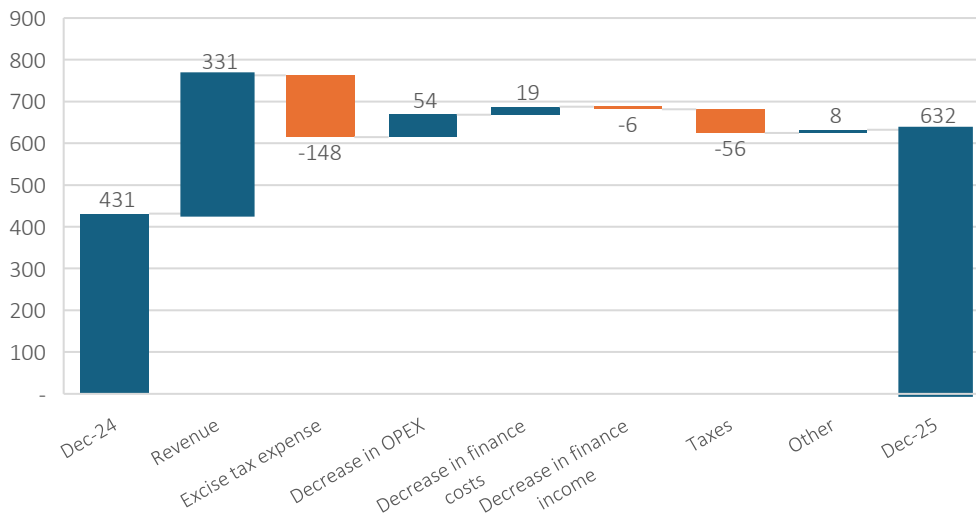
NBL announced an ordinary dividend of 209.84cps. This follows an ordinary dividend of 96.29cps for the previous interim period.

- Last Day to Trade: 10 April 2026
- Ex-Dividend Date: 13 April 2026
- Record Date: 17 April 2026
- Payment Date: 18 May 2026





**PAT Growth Breakdown**



Source: NBL, IIG Securities

**Portfolio Performance**

Beer remained the core contributor, with Namibian beer volumes increasing by 8.0%, driven by the continued strength of the Windhoek brand portfolio, including Windhoek Lager and Windhoek Draught. Beyond beer, cider was a standout performer, recording volume growth of 60.0%, supported by localised production of key brands such as Savanna and Hunter’s. Spirits volumes grew by 4.0%, led by strong performance in premium offerings, while the mainstream wine category experienced a modest decline of 5.0% due to affordability pressures.

**Evolving Consumer Preferences**

NBL has observed a clear shift in consumption patterns among Generation Z, with increasing preference for low- to non-alcoholic beverages driven by health awareness and more conscious lifestyle choices. This trend is reflected in the strong performance of Windhoek Non-Alcoholic Lemon, which has more than doubled its volumes, underscoring growing demand in this category. In response, NBL has deliberately competed through relevance, availability, quality, and value, ensuring its offerings align with evolving consumer expectations. This focused strategy has enabled the company to strengthen its position in the market and gain market share.

**Conclusion**

In conclusion, NBL’s performance in 2025 reflects a successful transition from a period of structural change and heavy investment to one of optimisation, profitability, and strategic focus. The Group’s ability to grow revenue while delivering improved operating profit and earnings underscores the effectiveness of its disciplined financial management and well-balanced portfolio strategy. By responding proactively to shifting consumer preferences, particularly the growing demand for low- and non-alcoholic options, while strengthening its core beer and cider offerings through localisation and operational efficiency, NBL has reinforced its relevance in a competitive and price-sensitive market. The upcoming expiry of the minimum supply agreement with Heineken Beverages South Africa presents a degree of volume uncertainty. Nonetheless, the Group remains well positioned to mitigate this risk, underpinned by strategic initiatives aimed at diversifying its portfolio, strengthening local production, and reducing dependence on the agreement. Overall, NBL enters the next phase of its strategic journey with a resilient financial foundation, a focused growth strategy, and strong alignment between commercial performance, responsible consumption, and long-term value creation.



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