



## MARKET SEGMENTATION

### OBJECTIVE

- Streamline our markets and boards for accurate representation of investment instruments.
- Streamline our industry sectors to reflect Nigerian economic sectors.
- Remove restrictions of the current industry sectors to accommodate prospective issuers.
- Provide a concise list of industry sectors that better reflect the listed stocks.
- Conform to global standards, such as GICS, NAICS, SIC, and ANZSIC.
- Introduce market capitalization and stock classifications to drive deeper understanding and inform investor portfolio construction.

### HIGHLIGHTS

- Move from 3 to 2 markets - Equities Market, Bond Market.
- Rebranded Equities Market boards - Main Board, ASeM.
- Rebranded Bond Market boards - Corporate Bonds, Government Bonds-Federal, Government Bonds-State and Local.
- Shift from 33 to 12 industry sectors in the Equities Market.
- Reclassify listed companies within the 12 sectors.
- Introduce Large, Mid and Small Cap classifications, and Growth and Income classifications for equities.

### BENEFITS

#### Issuers (Companies)

- Provide listed companies visibility and access to local and foreign portfolios and indices.
- Facilitate market harmonization of companies performing similar business functions.

#### Broker-Dealers

- Enable the development of tradable indices and opportunities to create new products.
- Facilitate informed retail investing and increased demand for value-added services.

#### Investors

- Create simplicity for investors.
- Increase market and investment knowledge to inform strategic portfolio construction.

#### The Exchange

- Make our market more efficient and attractive.
- Remove unnecessary vulnerabilities from the market.

### OUTCOME

Contribute to improving liquidity in the market, and to renewing investor and issuer confidence, by increasing competitiveness, and creating greater visibility into our capital market for global investors, analysts and data vendors.



Table 1

| STOCK CLASSIFICATION | CRITERIA  |
|----------------------|---|
| Income               | Avg. dividend payout for 5 years $\geq$ 30% of earnings |
| Growth               | Avg. dividend payout for 5 years $<$ 30% of earnings    |

Table 3

| MARKET CAP CLASSIFICATION | MARKET CAPITALIZATION (USD)       |
|---------------------------|-----------------------------------|
| Large Cap                 | $\geq$ 1 billion                  |
| Medium (Mid) Cap          | $>$ 150 million but $<$ 1 billion |
| Small Cap                 | $>$ 150 million                   |

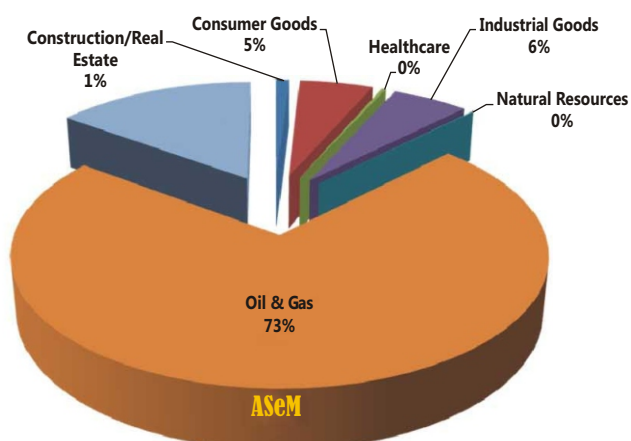
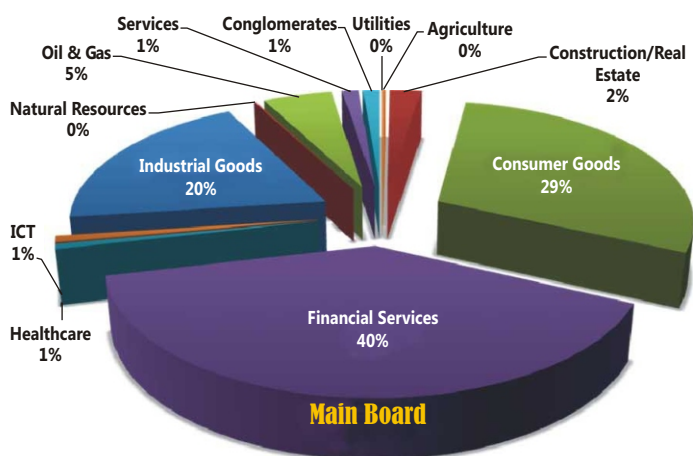
Table 2

| NEW SECTORS  |
|--|
| 1. Agriculture                                     |
| 2. Construction/ Real Estate                       |
| 3. Consumer Goods                                  |
| 4. Financial Services                              |
| 5. Healthcare                                      |
| 6. ICT (Information and Communications Technology) |
| 7. Industrial Goods                                |
| 8. Natural Resources                               |
| 9. Oil & Gas                                       |
| 10. Services                                       |
| 11. Utilities                                      |
| 12. Conglomerates                                  |

## ABOUT THE NSE

The Nigerian Stock Exchange was established in 1960 and services the second largest financial centre in sub-Saharan Africa. Licensed under the Investment Securities Act, for over 50 years, the exchange has been an indispensable vehicle that has contributed to the nation's development.

The exchange provides securities listing services, trading services, market data dissemination services, market indices, and much more. We operate fair, orderly and transparent markets that bring together the best of African enterprises, and the local and global investor communities. The NSE is poised to champion the acceleration of Africa's economic development, and to become **"The Gateway to African Markets"**.



**For more information:** Visit our Web site or email [strategy@nigerianstockexchange.com](mailto:strategy@nigerianstockexchange.com).