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Effect of Non-Current Assets on Shareholders' Value of Information Communication and Technology Firms in Nigeria

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Abstract

The study investigated the effects of non-current assets on the shareholders' value of information communication and technological (ICT) firms in Nigeria. The independent variable was non-current asset proxied by property, plant and equipment (PPE), intangible asset (INTA) and investment property while the dependent variable was share price. Using multiple regression analysis, the study analysed the impact of property, plant and equipment, intangible asset and investment property on share price of ICT firms. The results revealed that Property, plants and equipment has a statistically significant negative effect on share price of ICT firms in Nigeria, with a p-value of 0.0183 and co-efficient of -0.644293, Intangible assets have a statistically significant negative effect on share price of ICT firms in Nigeria, with a p-value of 0.0006 and co-efficient of -0.760810 while investment property has a statistically non-significant positive effect on share price of ICT firms in Nigeria with a p-value of 0.7078, 0.075715 and a t-statistics of 0.378575. The implication of the findings was that ICT firms being service oriented firms are to be pragmatic in the investment in non-current assets, especially PPE and INTA, due to the negative effect on their performance, share price and ultimately shareholders' value. The researcher recommended the ICT firms should strategically evaluate their investments in PPE, ensuring that these investments align with their core technological and operational strategies. The firms should also develop robust strategies for the effective utilization and commercialization of intangible assets, such as patents and trademarks, to drive revenue growth. And further ensure that their investment properties are strategically aligned with the firm's goals and provide stable returns

Keywords: **Non-Current Assets, Shareholders Value, Information Communication**

1.0 INTRODUCTION

1.1 Background of the Study

Organizations going concern is highly dependent on their capability to procure and manage their assets, especially the non-current assets which are veritable tools for organization's operational efficiency and value creation that ultimately affects the shareholder's value

The importance of Information Communication and Technology (ICT) to different sectors of the Nigerian economy cannot be overstressed and it is one sector that has distinguished itself. Apart from contributing hugely to the country's Gross Domestic Product (GDP) at 18.4 per cent as at the end of the Quarter four(Q4), 2023, its sub-arm,telecoms have remained a "star performer", according to the Nigeria Bureau of Statistics (NBS).

The services provided by ICT firms are of utmost importance in managing the business flow in Nigeria, as they stimulate the global

market and overall shift in economic growth. This development is known as 'digitalization' and is now a veritable tool for trade globalization (Nlerum & Eleje 2022).Nigeria like many developing countries is yet to gain its full potential due to numerous challenges which include but not limited to digital infrastructure base mainly, the non-current assets.

Prior to 2019, the country's technological prowess is abysmally low with only seven (7) ICT firms (Courteville Business Solutions, CWG, NCR Nigeria, Tripple Gee and Company, Chams, E-Tranzact International) listed in the Nigeria Exchange Group. Nigeria has consistently, in the last seven years, ranked lowest in the Global Innovation Index (GII) and had not fared better even before then by maintaining a GII position of 114 of the 129 economies graded. In 2019, the listing of MTN Nigeria Communication and Airtel Nigeria on the NSE injected new life into the ICT sector of the stock market, positioning it as one of the most highly capitalized sectors on the stock exchange. With this development, the ICT sector on the Nigerian Stock Exchange (NSE) grew by N3.01 trillion bringing the sector market capitalization close at N3.282 trillion in 2019 from N27.153 billion in 2018, thus increasing the market capitalization of Nigeria Exchange Group from N11.728 trillion in 2018 to N12.971 trillion in 2019.In 2023 this growth continued with the ICT sector been ranked as the most valuable sector in the Nigerian stock market with a valuation of N11.74 trillion representing 28.69 % of Nigeria Exchange capitalization of N40.92 trillion.

Despite the strides made in the ICT sector, Nigeria faces numerous challenges mainly Infrastructure Deficit (Inadequacy of assets especially the non-current assets)that impede its full potential. This challenge's effect is shown from the global ranking of Nigeria ICT sector by GII to a position of 115 out of 219 economies.Efficient management of non-current assets is particularly important for a business because it increases shareholders' value. The increment is attainable if the firm's management will carefully analyse the options in deciding on the amount of investment needed on non-current assets in its business operations. (Razman et al 2021)

1.2 Statement of the Problems

One of the greatest challenges to be met in business is determining what drives share prices, and hence, shareholder value. In the pursuit of optimal business performance, it is vital to know what the drivers of wealth creation are and to manage them well. (Johannes H.V.2004)

Executives have developed tunnel vision in their pursuit of shareholder value, focusing on short-term performance at the expense of investing in long-term growth. Leaders should make strategic decisions and acquisitions and carry assets that maximize expected value, even if near-term earnings are negatively affected as a result. (Alfred Rappaport, 2006)

Adika, (2015) opined that the inappropriate representation of non-current assets leads to their underestimation by investors-in the stock market resulting to the question whether the stock market of Nigeria values non-current assets of intensive firms like ICT. Due to qualitative nature of some NCA like patent or goodwill detailed information about them is usually not available to the public during trading. As a result, it is very much difficult to establish a direct association between non-current assets and firm performance as well as shareholder's value.

Previous studies on the effect of non-current assets on shareholders' value of ICT has been grossly inadequate. The only related empirical studies were the studies of Adams & Brynjoifsson,(2016) on Valuing Information Technology related Intangible Assets in Nigeria, Ajewole, et al (2023)on the

Nexus between tangible and intangible Asset and profitability of Telecommunication Firms in Nigeria and Akpan, (2021) who studied the effect of Intangible asset disclosure and market value added of ICT firms in Nigeria.Though these studies are related, none proffered or recommended solution to the Infrastructure Deficit, the major challenge facing Nigeria ICT firms and the consequent low global position of 115 out 219 economies. This Infrastructure Deficit which constitutes Non-Current Asset has necessitated the researcher to carry out this study on the effect of non-current assets on shareholders' value of ICT firms in Nigeria. This study will to an extent unravel the reasons for low performance of the ICT globally.

1.3 Objectives of the Study

The main objective of the study is to examine the effect of non-current assets on shareholders' value of ICT firms in Nigeria.
The specific objectives are to:

i. Evaluate the effect of property, plant and equipment on share price of information and communication technology (ICT) firms in Nigeria.
ii. Appraise the effect of intangible assets on share price of information and communication technology (ICT) firms in Nigeria.
iii. Examine the effect of investment property on share price of information and communication technology (ICT) firms in Nigeria.

1.4 Research Questions

The following research questions were formulated to guide this study:

i. What are the effects of property, plant and equipment on share price of ICT firms in Nigeria?
ii. How do intangible assets affect share price of ICT firms in Nigeria?
iii. What are the effects of investment property on share price of(ICT) firms in Nigeria?

1.5 Hypotheses

The following hypotheses guided the study;
Ho: Property, plant and equipment does not have significant effect on share price of information and communication technology (ICT) firms in Nigeria.
Ho: Intangible assets do not have significant effect on share price of information and communication technology (ICT) firms in Nigeria.
Ho: Investment property does not have significant effect on share price of information and communication technology (ICT) firms in Nigeria.

1.6 Significance of the Study

The study will be of significance to a number of stakeholders of ICT firms in Nigeria among which include

1.6.1 ICT Firm Managers: This will help them in making the right decision on the huge investment in non-current assets that will enhance performance.

1.6.2 Software And Equipment Manufacturers: The study will enable manufactures to focus on the required equipment to manufacture in the right quantity to avoid obsolesce.

1.6.3 Public Investors:The study will also be of significance to public investors of ICT firms. It will assist them in making sound investment decision in the ICT sector.

1.6.4 Economic Planners: It will be of immense importance in the planning of the economy.

1.6.5 Academic Researchers: The study will increase the horizon for further studies.

1.7 Scope of the Study

The study focused on the effect of non-current assets on shareholders' value of ICT firms in Nigeria with particular reference to E-

transact, Computer Warehouse Group (CWG) Plc and Courteville Business Solution Plc for a period of eleven (11) years (2013 to 2023). The independent variables of the study are property plant and equipment, investment property and intangible assets while the dependent variable is shareholders' value proxied by share price. The base year of 2013 was chosen because it was the period most of the ICT were performing abysmally with share prices less than their initial public offer (IPO). This is the period their performance was categorized as Below Listing Requirement (BLR), as a result of their low performance.

2.0 REVIEW OF RELATED LITERATURE

2.1 Conceptual Framework

2.1.1 Property, Plants and Equipment Growth

Property, plant and equipment (PP&E) is a term that describes an account on the statement of financial position. The PP&E account is a summation of all a company's purchases of property, plants and pieces of equipment to that point in time, less any depreciation. Depreciation is used to devalue an asset as the asset is used, and it measures the economic value of the asset throughout its useful economic life. The balance in this account is premeasured every reporting period due to the depreciation, which is deducted from the historical or acquisition costs to give the balance displayed on the statement of financial position land is not depreciated (Lee,2018).

2.1.2 Intangible Assets

An intangible asset is an asset that is not physical in nature. Goodwill, brand recognition and intellectual property, such as patents, trademarks, and copyrights, are all intangible assets. In contrast, financial assets such as stocks and bonds, which derive their value from contractual claims, are considered tangible assets(Garanina & Pavlova, 2011).

Garger, (2010) opined that an intangible asset can be classified as either indefinite or definite. A company's brand name is considered an indefinite intangible asset because it stays with the company for as long as it continues operations. An example of a definite intangible asset would be a legal agreement to operate under another company's patent, with no plans of extending the agreement. Intangible properties, like design concepts, song lyrics, books, and screenplays, are categorized as intellectual properties. Even though these are not physical in nature, they may carry significant value.

2.1.3 Investment property

Investment property is land or a building or both that is: held to earn rentals or for capital appreciation or both; not owner-occupied; not used in production or supply of goods and services, or for administration; and. not held for sale in the ordinary course of business. International Accounting Standard(IAS) 40 defined Investment property is property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both. Examples include automotive vehicles, industrial equipment, furniture, and real estate/real property.

Investment property can be valued using GRM, the gross rent multiplier approach which is one of the simplest ways to determine the fair market value of a property. To calculate GRM, the current property market value or purchase price is divided by the gross annual rental income: Gross Rent Multiplier = Property Price or Value / Gross Rental Income

2.1.4 Shareholders' Value

Shareholders' value is the value delivered to the equity owners of a corporation due to management's ability to increase sales, earnings, and free cash flow, which leads to an increase in dividends and capital gains for

the shareholders. Shareholder value is a business term, sometimes phrased as shareholder value maximization or as the shareholder value model, which implies that the ultimate measure of a company's success is the extent to which it enriches shareholders. (Hecking, 2012).

2.2 Theoretical Framework

The researcher reviewed two theories with regards to their relevance to the study. The two theories are Agency theory and Constraint theory were used to support this study.,.

2.2.1 The Agency Theory

Agency theory was initially put forward by Adolf A. Berle and Gardiner Means in 1932 in their book titled the 'Modern Corporation and Private Property', assumes that both the principal and the agent are utility maximizers with different interests and because of information asymmetry the agent will not always act in the best interests of the principal. They argued that the structure of corporate law in the United States in the 1930s enforced the separation of ownership and control because the corporate person formally owns a corporate entity even while shareholders own shares in the corporate entity and elect corporate directors who control the company's activities. They opined that agency problem stemmed from the separation of ownership and control in modern corporations resulting to information asymmetry between managers and shareholders. Later, other notable author like, Adam Smith (1972), Ross Stephenand Mitnick Barry (1972) and Fama and Michael C. Jensen (1983) contributed to the development of the study. While Stephen Ross viewed the theory from the economic perspective (compensation for the agent), Mitnick Barry came from the angle of institutional theory of agency. Both stated that as a result of agent-client relationships, there is tendency for conflicts of interest, when their views, interests, opinions, risk aversion and expectations are not in alignment.

Jensen and Meckling (1976)argues that agency conflicts arise from the possible divergence of interests between shareholders (principals) and managers (agents) of firms. The primary duty of managers is to manage the firm in such a way that it generates returns to Shareholders thereby increasing the profit figures and cash flow. Due to a non-rational and opportunistic behavior of agents (the interests and decisions of managers are not always aligned to the shareholders' interests, resulting in agency costs or agency problems. The relevance of this theory to the study is that shareholders' value of ICT firms cannot the maximized if appropriate incentives are not effective enough to restrain firm managers from using their own discretion to maximize their own benefits. The theory assumes that with adequate compensation to agents, shareholders value will be maximized shareholders' value

2.2.2 Financing Constraint Theory

This theory was propounded by Eliyahu M. Goldratt in 1990. The theory is based on the assumption that investors are risk-averse, that is, they can scale back the number of risks for a given level of return.Goldratt contends that organizations which don't make profit, does not have a support to contribute and won't have the capacity to back their development or possibly their supportability, and will at long last vanish. The financing constraints theory (FCT) is the study of the impact of financial frictions on the firm's investment. It constitutes one of the most important cornerstones of corporate finance. It refers to the limitations faced by firms in accessing external financing, hindering their optimal investment decisions. It impacts firm growth significantly and hence shareholders' value. Wagen Voort (2013) expressed that little firms will confront more financial misery, hampering the development of firms.

This theory is criticized because it only affects the ability of a firm to borrow in order to

invest and improve its production capacity and does not take into cognizance the appropriate investment that will be of value to the firms' managers and the shareholders.

Based on the fact that Agency Theory proffers solution to the agency problems, which motivates the firm managers to invest in line with the shareholders interest for value maximization, study is therefore, anchored Agency Theory.

2.3 Empirical Review

2.3.1 Property Plant & Equipment and Share Price

Ajewole, (2023) on the Nexus between Tangible and Intangible Asset and profitability of Telecommunication Firms in Nigeria. Using secondary data collection and multiple regression analysis, the result showed that tangible assets positively and significantly affect ROA, while intangible asset negatively and significantly affect ROA and ROE

Okwo, et al (2012) examined the effect of investment in non current assets on productivity utilizing firms in Nigerian Brewery Industry. A cross sectional information were gathered from the yearly reports of an example of four firms from the business for a time of 1995 to 2009. The study found out that the level of investment in non-current assets does not unequivocally and essentially effect on the level of revealed benefit of Breweries in Nigeria.

2.3.2 Intangible assets and share price

Adam and Brynjolfsson (2016) in a study of valuing information technology related intangible assets using a panel of 127 firms over the period 2003–2006, replicated and extended the finding from Brynjolfsson, et al (2002) that $1 of computer hardware is correlated with more than $10 of market value, while the "missing $9" correlate with capitalized software which include all purchased and internally developed software, other internal IT services, IT consulting, and IT-related training (whether or not it is capitalized by the firm). Further results suggest that the "invisible" IT not accounted for on balance sheets is being priced into the market value of firms. The result further showed that there is a 45% to 76% premium in market value for the firms with the highest organizational IT capabilities (based on separate measures of human resource practices, management practices, internal IT use, external IT use, and Internet capabilities), as compared to those with the lowest organizational IT capabilities.

Akpan (2021) carried out a study on the evaluation of the effect of intangible asset on market value added of listed ICT firms in Nigeria from 2011 to 2019, adopting hierarchical regression technique. The results revealed that market related and technology-based intangible assets have positive significant effects on market value added, while human efficiency has insignificant effect on market value added of ICT firms in Nigeria. The author concludes that intangible assets have significant effects on market value added of ICT firms in Nigeria and that a company maximizes its value by investing and disclosing intangible assets in the financial statements.

Darya, et al. (2022) studied the Impact of Intangible Assets on the Market Value of Companies: Cross-Sector Evidence,using panel data regression models. Although the results show the positive impact of intangible assets on the companies' market value, the researchers suggested that investors still assess companies based on their profitability rather than considering the information on intangible assets the enterprises disclose in their financial statements

Chiarello, et al, (2014) led an examination to evaluate financial performance, intangible assets and value creation in Brazilian and Chilean Information Technology Companies from 2012 to 2018.Enlightening insights investigation, t-test and Pearson's connection affirmed that Chilean organizations uncover

more intangible assets and make more prominent value through achieving great outcomes in financial performance.

Awa, et al (2021) conducted a research on the effect of Intangible Assets on Corporate Performance of Selected Commercial Banks in Nigeria (2012-2018). Ex post Facto research design was employed, while panel data technique was used to test the effect of intangible assets on corporate performance using data from the audited accounts of nine commercial banks for the period of 2012-2018. The result of the findings revealed that Goodwill (GW) and Computer Software (CWS) had statistically significant effect on the return on assets (ROA).

Okoye, et al(2019) carried out a study on the effect of Intangible Assets on Performance of Quoted Companies in Nigeria. *Ex- post facto* research design was employed. Descriptive statistics, correlation analysis and ordinary least Square regression were employed in analysing the data. The study found out that employee benefit expenses has no significant effect on return on capital employed, while research and development cost have a significant effect on return on capital employed. Also goodwill has a significant effect on return on capital employed

Onyekwelu, et al (2017) assessed impact of intellectual capital on financial performance of Banks in Nigeria. The exploration utilized the value -added intellectual coefficient (VAIC) for the study. The investigation demonstrates that IC has a positive and critical impact on banks' financial performances of the banks however some are not huge. It likewise demonstrates that the saves money with high IC additionally indicate high financial performance.

2.3.3 Investment property and share price

Nwala, et al (2020) studied the Effect of investment in information and communication
technology on financial performance of listed insurance companies in Nigeria

Secondary data in the form of panel data are used for this study. Based on the result of the Hausman specification test, the study adopted the Random effect regression and it revealed that Investment in ICT Hardware and software have significant positive effect on financial performance of listed insurance companies in Nigeria.

2.5 Gap in literature

The review of literatures indicated that many related studies have been conducted in this area. However, most of the existing studies like Awa et all 2021, Akpa 2021,Adams & Brynjoifsson ,(2016) and Ajewole, (2023) used mainly Intangible asset as their variables to proxy Non-current Assets. This study to the best of the researcher's knowledge holistically used the three variables of PPE, Intangible asset and Investment Property as proxies for Non-current asset and Share Price as proxy for shareholders' value.

3.0 METHODOLOGY

3.1 Research Design

The study adopted *ex post facto* research design which provides an empirical solution to research problems by using data which are already in existence. The study was therefore based on published financial statements of the sampled ICT firm in Nigeria.

3.2 Area of Study

The study was conducted in Nigeria and focused on the Nigeria Information Communication and Technology (ICT) Firms listed on Nigeria Exchange group (NSE) for a period of eleven years (2013 to 2023).

3.3 Method of Data Collection

The method of data collection was through secondary method from published annual reports and accounts of Information Communication and Technology

3.4 Population of the Study

The population of the study comprised of seven ICT firms (Chams Holdings Nig, Courtville Business Solution Plc, Computer Warehouse Group (CWG) Plc, eTransact, NRC -NIG Plc, Omatek Ventures Plc and Triple Gee & Coy Plc) listed in the Nigeria Exchange group as at 31st December, 2023.

3.5 Determination of Sample Size

The study employed purposive sampling technique in selecting the sample size of three (3) ICT firms (eTransact, Computer Software Group (CWG) Plc and Courville Business Solution Plc)
listed in Nigeria Exchange Group. This is because these are the firms with the complete three (3) variables of Property Plant & Equipment, Intangible asset and Investment Property in their Annual Accounts.

3.6 Model Specification

The study adopted multiple regression model as it has the capacity to ascertain the effect of non-current asset on shareholders' value of Information Communication and Technology in firms in Nigeria. It tests both the direction and magnitude of the effect by regressing share price against the other variables of PPE, INGA and IP. The regression model was specified as:

$SP= \beta_0+ \beta_1(PPE) + \beta_2(INTA) + \beta_3(INVP) +\varepsilon$

Where:

SP= Share Price
PPE = Property, Plants and Equipment
INTA = Intangible Asset
INVP = Investment Property
β = Beta
ε = error term
$\beta1, \beta2, \beta3, \beta4$ = proportionate change in dependent due to change in independent variables

3.7 Methods of Data Analysis

Multiple regression analysis was used as the main tool of analysis for test of hypotheses formulated for the study and supported by coefficient. The purpose of the analysis is to test the effect of independent variables Non-Current Asset proxied by-Property plant and equipment, investment property and intangible assets on the dependent variable shareholder's value proxied by share price.

4.0 DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

The data for the study are contained in appendix A

4.2 Panel Data Analysis

Table 4.2.1: Descriptive Statistic for the Variables Under Study

	SP	PPE	INTA	INVP
Mean	0.224479	5.846813	5.305050	5.517052
Median	0.442480	5.794072	5.241208	5.810177
Maximum	0.919078	6.182162	5.966471	5.905796
Minimum	-0.677781	5.208310	4.157547	4.710803
Std. Dev.	0.493789	0.234761	0.433598	0.388179
Skewness	-0.483391	-0.338849	-0.249161	-0.476884
Kurtosis	1.711769	2.781454	2.813182	1.650952
Jarque-Bera	3.567032	0.697178	0.389435	3.753206
Probability	0.168046	0.705683	0.823067	0.153109
Sum	7.407791	192.9448	175.0666	182.0627
Sum Sq. Dev.	7.802497	1.763615	6.016236	4.821865

Observations	33	33	33	33

Source: Researcher's Computation, 2024 (Eviews 10.0 Statistical Software)

To assess the normality of the distribution for each variable, we can examine the skewness and kurtosis values, as well as conduct a Jarque-Bera test.

Share Price (SP): The skewness for SP is -0.483391, indicating a slight negative skew. This suggests that the distribution has a longer left tail, meaning there are more instances of lower share prices than higher ones. The kurtosis value of 1.711769 is below 3, indicating a platykurtic distribution, which is flatter than the normal distribution and has thinner tails. The Jarque-Bera test statistic is 3.567032 with a probability of 0.168046. Since this probability is greater than 0.05, we fail to reject the null hypothesis of normality, indicating that the SP distribution approximates normality despite the slight negative skew and lower kurtosis.

Property, Plant, and Equipment (PPE): The skewness for PPE is -0.338849, also indicating a slight negative skew. The distribution is somewhat symmetrical with a slight tilt towards lower values. The kurtosis of 2.781454 is close to 3, suggesting that the distribution is near normal with regard to its peak and tails. The Jarque-Bera test statistic for PPE is 0.697178 with a probability of 0.705683. This high p-value, well above 0.05, indicates that the null hypothesis of normality cannot be rejected, affirming that the PPE distribution closely approximates normality.

Intangible Assets (INTA): INTA has a skewness of -0.249161, indicating a slight negative skew but very close to zero, which suggests a distribution that is nearly symmetrical. The kurtosis value of 2.813182 is also close to 3, pointing to a distribution that is close to normal in terms of its peakedness and tail thickness. The Jarque-Bera test statistic for INTA is 0.389435 with a probability of 0.823067. The high p-value strongly supports the null hypothesis of normality, confirming that the distribution of INTA approximates normality very well.

Investment Property (INVP): The skewness for INVP is -0.476884, showing a slight negative skew. This means the distribution leans slightly towards lower values. The kurtosis value of 1.650952 indicates a platykurtic distribution, flatter than a normal distribution with thinner tails. The Jarque-Bera test statistic for INVP is 3.753206 with a probability of 0.153109. As this probability is greater than 0.05, we fail to reject the null hypothesis of normality. Thus, despite the slight negative skew and lower kurtosis, the distribution of INVP is considered to approximate normality.

Table 4.2.2: Multiple Regression Result (Dependent Variable: SP)

Variable	Coefficient	Standard Error	t-Stat	p-Value
PPE	-0.644293	0.257557	-2.501552	0.0183
INTA	-0.760810	0.196598	-3.869875	0.0006
INVP	0.075715	0.199999	0.378575	0.7078
C	7.609950	1.368810	5.559536	0.0000

R^2 = 0.684, Adjusted R^2 = 0.652, F-Stat = 20.99377, Prob(F-stat) = 0.000000, D.W. Stat. = 1.15

Source: Researcher's Computation, 2024 (Eviews 10.0 Statistical Software)

The multiple regression analysis in Table 4.2.2 examines the effect of non-current assets—Property, Plant, and Equipment (PPE), Intangible Assets (INTA), and Investment Property (INVP)—on the Share Price (SP) of ICT firms in Nigeria. The dependent variable is SP, while the independent variables are PPE, INTA, and INVP.

PPE: The coefficient for PPE is -0.644293, with a standard error of 0.257557. The negative coefficient indicates that an increase in PPE has a negative effect on SP. The t-statistic is -2.501552 with a p-value of 0.0183, which is less than 0.05, indicating that this effect is statistically significant. This suggests that higher investments in PPE lead to a decrease in share price, potentially due to over-investment in physical assets or inefficiencies in their utilization.

INTA: The coefficient for INTA is -0.760810, with a standard error of 0.196598. Similar to PPE, the negative coefficient shows that an increase in INTA has a negative effect on SP. The t-statistic is -3.869875 with a p-value of 0.0006, which is highly significant ($p < 0.01$). This indicates a strong negative effect, suggesting that higher investments in intangible assets might not be translating into higher share prices, potentially due to challenges in leveraging these assets for market value.

INVP: The coefficient for INVP is 0.075715, with a standard error of 0.199999. The positive coefficient indicates a positive effect on SP, but the t-statistic is 0.378575 with a p-value of 0.7078, which is not statistically significant ($p > 0.05$). This suggests that investment in property does not have a meaningful effect on the share price of ICT firms in the sample period studied.

Model Fit:

R-Squared (R^2): The R^2 value is 0.684, meaning that approximately 68.4% of the variability in share price is explained by the independent variables in the model. This indicates a strong explanatory power of the model.

Adjusted R-Squared: The adjusted R^2 is 0.652, which adjusts for the number of predictors in the model. This value is slightly lower than R^2 but still indicates that the model explains a substantial portion of the variance in SP.

F-Statistic: The F-statistic is 20.99377 with a p-value of 0.000000, indicating that the overall regression model is highly significant. This means that the independent variables, taken together, significantly explain the variation in the dependent variable.

Durbin-Watson Statistic: The D.W. statistic is 1.15, which is below the threshold of 2, suggesting potential positive autocorrelation in the residuals. This indicates that there might be patterns in the residuals that could be further examined for model improvement.

4.3 Test of Hypotheses

The hypotheses were tested using the following decision rule:

Statement of Decision Criteria

According to Gujarati and Porter (2009), the decision rule involves accepting the alternate hypothesis (H_1) if the sign of the coefficient is either positive or negative, the modulus of the t-Statistic > 2.0, and the P-value < 0.05. Otherwise, accept H_0 and reject H_1

4.3.1 Hypothesis One

Restatement of the Hypothesis in Null and Alternate Forms

H_0: Property, plants and equipment has a non-significant effect on share price of ICT firms in Nigeria.
H_1: Property, plants and equipment has a significant effect on share price of ICT firms in Nigeria.

Presentation of Test Results
Table 4.2.2: Multiple Regression Result is used to test the above-stated hypothesis.

Decision: Since the p-value (0.0183) is less than 0.05, we reject the null hypothesis. Therefore, PPE has a significant effect on the share price of ICT firms in Nigeria.

4.3.2 Hypothesis Two

Restatement of the Hypothesis in Null and Alternate Forms
H_0: Intangible assets have a non-significant effect on share price of ICT firms in Nigeria.
H_1: Intangible assets have a significant effect on share price of ICT firms in Nigeria.

Presentation of Test Results
Table 4.2.2: Multiple Regression Result is used to test the above-stated hypothesis.

Decision: Since the p-value (0.0006) is less than 0.01, we reject the null hypothesis. Therefore, INTA **has a significant effect on the share price of ICT firms in Nigeria.**

4.3.3 Hypothesis Three

Restatement of the Hypothesis in Null and Alternate Forms

H_0: Investment property has a non-significant effect on share price of ICT firms in Nigeria.
H_1: Investment property has a non-significant effect on share price of ICT firms in Nigeria.

Presentation of Test Results
Table 4.2.2: Multiple Regression Result is used to test the above-stated hypothesis.

Decision: Since the p-value (0.7078) is greater than 0.05, we fail to reject the null hypothesis. Therefore, INVP has a non-significant positive effect on the share price of ICT firms in Nigeria.

4.4 Discussion of Findings

4.4.1 Effect of Property, Plants and Equipment on Share Price of ICT Firms in Nigeria

PPE has a significant negative effect on the share price of ICT firms in Nigeria with a p-value 0.0183 less than 0.05 and coefficient of -0.64429. The findings is in tandem with the study of Okwo, et al (2012) which showed that investment in non-Current asset has no revealed benefit in breweries in Nigeria. It does not flow with the findings of Ubesie and Ogbonna (2013) which showed that non-current asset positively but non-significantly affect ROA.

One possible reason for the significant negative effect of PPE on the share price of ICT firms in Nigeria could be over-investment in physical assets that do not directly contribute to the firm's core operations or profitability. In the ICT sector,

rapid technological advancements and the shift towards digital and software-based solutions may render heavy investments in physical infrastructure less effective. As firms allocate substantial resources to maintain or expand their physical assets, they may experience diminishing returns, leading to a perception of inefficient capital use among investors, which could negatively impact the share price.

Again, high depreciation costs associated with PPE. ICT firms often require state-of-the-art equipment to remain competitive, which can be expensive and depreciate quickly. Depreciation expenses can reduce net income, resulting in lower profitability and hence a decline in share price. Investors might perceive high PPE levels as a sign of poor asset management and strategic misalignment with the industry's digital focus, further depressing the share price.

Lastly, liquidity issues may come up as large investments in physical assets can tie up significant amounts of capital, reducing a firm's liquidity and flexibility to invest in more profitable, agile ventures. In the fast-paced ICT sector, firms need to be nimble and responsive to market changes. Locking up capital in illiquid PPE, limits the firm's ability to pivot quickly, potentially missing out on new opportunities, thus negatively impact investor sentiment and, consequently, the share price.

4.4.2 Effect of Intangible Assets on Share Price of ICT Firms in Nigeria INTA has a significant negative effect on the share price of ICT firms in Nigeria with a p-value of 0.0006 is less than 0.05 and coefficient of -0.760810. This finding agrees the study of Okoye et al (2019) which found out that employee benefit has non-significant effect on ROCE and misaligns with the study of Onyekwelu et al (2017) which found out that intellectual capital has positive and critical impact in banks financial performance.

The significant negative effect of intangible assets on the share price of ICT firms in Nigeria may be attributed to the challenges in effectively leveraging these assets to generate value. Intangible assets such as patents, trademarks, and goodwill require effective utilization to translate into revenue growth and profitability. If firms fail to commercialize their intangible assets or protect their intellectual property adequately, the expected returns may not materialize, leading to a decline in financial performance and, subsequently, share price.

There is also the reason of the difficulty in valuing intangible assets accurately. Unlike tangible assets, the valuation of intangibles is more subjective and prone to fluctuations based on market conditions and competitive dynamics. Investors may perceive high levels of intangible assets as risky, especially if there is uncertainty about their future economic benefits. This perception can lead to lower investor confidence and a decline in share price, as investors may be wary of the firm's ability to monetize these assets effectively.

Additionally, high intangible assets might signal excessive investment in areas like research and development (R&D) or marketing without corresponding revenue growth. In the ICT sector, while R&D is crucial for innovation, it is also costly and carries the risk of unsuccessful projects. If firms invest heavily in R&D without generating proportional revenue from new products or services, it can lead to negative financial performance. This misalignment between investment in intangibles and financial returns can negatively impact investor sentiment, leading to a lower share price.

4.4.3 Effect of Investment Property on Share Price of ICT Firms in Nigeria

INVP has a non-significant positive effect on the share price of ICT firms in Nigeria with a p-value of 0.7078 which is greater than 0.05 and a coefficient of 0.075715. This findings

aligns with the findings of Nwala, et al (2020) that investment property has significant positive effect on share price.

The non-significant positive effect of investment property on the share price of ICT firms in Nigeria suggests that while investment property might add some value, it is not a primary driver of share price in this sector. Investment properties, typically consisting of real estate holdings, may not align closely with the core competencies and strategic focus of ICT firms. As such, these assets do not significantly impact the firms' operational performance or market perception, leading to a statistically non-significant effect on share price.

Another reason for this finding could be the relatively low proportion of investment property in the overall asset structure of ICT firms. ICT firms are more likely to invest in technology, innovation, and digital infrastructure rather than real estate. Hence, investment properties may constitute a small fraction of the total assets, leading to a muted impact on the financial performance and share price. The positive yet non-significant effect indicates that while these properties might generate some rental income or capital appreciation, they are not substantial enough to influence investor behavior significantly.Moreover, the real estate market's performance can vary independently of the ICT sector's dynamics. Investment properties might experience fluctuations in value based on broader economic conditions, real estate market trends, and regulatory changes. These external factors might not directly correlate with the ICT firm's performance, leading to the non-significant effect on share price. Investors might view investment properties as a stable but peripheral component of the firm's asset base, appreciating the diversification but not heavily factoring it into their valuation of the firm's market value.

5.0 Summary of Findings, Conclusion, and Recommendations

5.1 Summary of Findings

The findings are summarized as follows:

i. Property, plants and equipment has a statistically significant negative effect on share price of ICT firms in Nigeria, with a p-value of 0.0183 and a coefficient of -0.644294.

ii. Intangible assets have a statistically significant negative effect on share price of ICT firms in Nigeria, with a p-value of 0.0006 and a .coefficient of -0.760810

iii. Investment Property has a statistically non-significant positive effect on share price of ICT firms in Nigeria with a p-value of 0.7078 and a.coefficient of 0.075715

5.2 Conclusion

The study examined the effect of non-current assets—Property, Plant, and Equipment (PPE), Intangible Assets (INTA), and Investment Property (INVP)—on the share price of information and communication technology (ICT) firms in Nigeria. The findings revealed that both PPE and INTA have statistically significant negative effects on the share price, while INVP has a statistically non-significant positive effect. These results suggest that investments in PPE and INTA might be perceived as inefficient or misaligned with the core operations of ICT firms, potentially leading to reduced investor confidence and lower share prices. Conversely, while INVP shows a positive effect, its non-significance indicates that real estate investments are not substantial drivers of share price in this sector.

5.3 Recommendations

The study made the following recommendations:

i. Property, Plant, and Equipment (PPE): ICT firms should strategically evaluate their investments in PPE, ensuring that these investments align with their core technological and operational strategies. Firms should focus on optimizing the utilization of existing physical assets to enhance operational efficiency and reduce depreciation costs. Additionally, periodic reviews of PPE should be conducted to identify and divest under performing or obsolete assets, thereby freeing up capital for more strategic, high-return investments that directly support innovation and service delivery.
ii. Intangible Assets (INTA): ICT firms need to develop robust strategies for the effective utilization and commercialization of intangible assets, such as patents and trademarks, to drive revenue growth. Enhancing transparency in the valuation of these assets can build investor confidence by clearly demonstrating their expected economic benefits. Firms should balance their investments in R&D with a focus on market-driven innovation, ensuring that projects are aligned with market needs and have clear pathways to revenue generation, thereby improving market perception and shareholder value.
iii. Investment Property (INVP): While maintaining a diversified asset portfolio, ICT firms should ensure that their investment properties are strategically aligned with the firm's goals and provide stable returns. These properties should support operational needs, such as data centers or office spaces. Firms should regularly monitor the performance and market conditions of their investment properties, making informed decisions about retention or divestment based on market trends and firm requirements. This approach will ensure that real estate investments contribute positively, albeit not substantially, to the overall market value of the firm.

5.4 Contribution to Knowledge

The study contributes to knowledge by providing empirical evidence on how different types of non-current assets affect the share price of ICT firms in Nigeria. Specifically, it finds that Property, Plant, and Equipment (PPE) and Intangible Assets (INTA) have significant negative effects on share price, while Investment Property (INVP) has a non-significant positive effect. These findings help ICT firms understand the impact of their asset investments on market value, offering guidance on strategic asset management to improve financial performance and shareholder value.

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APPENDIX

Appendix A: Panel Processed Data Extracted from Annual Reports and Accounts of Sampled Firms

COMPANY	YEAR	SP	PPE	INTA	INVP
E-TRANSACT	2013	0.44248	5.20831	5.357153	5.810177
E-TRANSACT	2014	0.5302	5.513465	5.33688	5.810177
E-TRANSACT	2015	0.482874	5.573703	5.339575	5.810177
E-TRANSACT	2016	0.491362	5.766898	5.333064	5.810177
E-TRANSACT	2017	0.521661	5.747374	5.234892	5.810177
E-TRANSACT	2018	0.69897	5.794072	5.137734	5.810177
E-TRANSACT	2019	0.416641	5.745069	5.241208	5.810177

E-TRANSACT	2020	0.575188	5.828341	5.214187	5.480332
E-TRANSACT	2021	0.579784	5.897134	5.174002	5.136118
E-TRANSACT	2022	0.544068	5.996839	4.980312	5.136118
E-TRANSACT	2023	0.781755	6.171339	4.712969	5.136118
CWG PLC	2013	0.765669	5.819042	5.048562	5.32279
CWG PLC	2014	0.763203	5.742454	4.901791	5.28589
CWG PLC	2015	0.714665	5.680499	5.13158	5.245564
CWG PLC	2016	0.660011	5.626571	5.076728	5.201105
CWG PLC	2017	0.597476	5.665844	4.752648	5.151572
CWG PLC	2018	0.524396	5.609642	4.157547	5.09565
CWG PLC	2019	0.41162	5.711328	5.382919	5.056962
CWG PLC	2020	0.404834	5.650335	5.193328	4.861098
CWG PLC	2021	0.049218	5.655041	4.917164	4.950628
CWG PLC	2022	0.004321	5.738824	4.872681	4.710803
CWG PLC	2023	0.919078	5.790423	4.79386	5.051183
COURTEVILLE	2013	-0.17393	5.870718	5.966471	5.837705
COURTEVILLE	2014	-0.30103	6.127502	5.930906	5.844422
COURTEVILLE	2015	-0.30103	6.182162	5.892167	5.851037
COURTEVILLE	2016	-0.40894	6.14541	5.849631	5.857553
COURTEVILLE	2017	-0.52288	6.094828	5.832956	5.863973
COURTEVILLE	2018	-0.46852	6.06918	5.773948	5.903831
COURTEVILLE	2019	-0.63827	6.118051	5.828926	5.845098
COURTEVILLE	2020	-0.67778	6.116603	5.947606	5.851258
COURTEVILLE	2021	-0.42022	6.10695	5.708696	5.90309
COURTEVILLE	2022	-0.33724	6.094886	5.642007	5.905796
COURTEVILLE	2023	-0.22185	6.085983	5.402547	5.905796

Appendix B:

Panel Raw Data Extracted from Annual Reports and Accounts of Sampled Firms

COMPANY	YEAR	SP	PPE	INTA	INVP
E-TRANSACT	2013	2.77	161551	227590	645917
E-TRANSACT	2014	3.39	326186	217210	645917
E-TRANSACT	2015	3.04	374717	218562	645917
E-TRANSACT	2016	3.1	584653	215310	645917
E-TRANSACT	2017	3.324	558951	171748	645917
E-TRANSACT	2018	5	622404	137320	645917
E-TRANSACT	2019	2.61	555993	174264	645917
E-TRANSACT	2020	3.76	673505	163752	302226
E-TRANSACT	2021	3.8	789103	149280	136810
E-TRANSACT	2022	3.5	992747	95568	136810
E-TRANSACT	2023	6.05	1483676	51638	136810
CWG PLC	2013	5.83	659238	111831	210276
CWG PLC	2014	5.797	552655	79761	193148
CWG PLC	2015	5.184	479180	135388	176021

CWG PLC	2016	4.571	423225	119324	158893
CWG PLC	2017	3.958	463280	56578	141766
CWG PLC	2018	3.345	407045	14373	124638
CWG PLC	2019	2.58	514432	241501	114015
CWG PLC	2020	2.54	447028	156073	72627
CWG PLC	2021	1.12	451899	82635	89254
CWG PLC	2022	1.01	548055	74590	51381
CWG PLC	2023	8.3	617196	62210	112508
COURTEVILLE	2013	0.67	742536	925702	688185
COURTEVILLE	2014	0.5	1341227	852916	698912
COURTEVILLE	2015	0.5	1521115	780130	709639
COURTEVILLE	2016	0.39	1397688	707344	720366
COURTEVILLE	2017	0.3	1244021	680700	731092.8
COURTEVILLE	2018	0.34	1172681	594221	801366
COURTEVILLE	2019	0.23	1312354	674413	700000
COURTEVILLE	2020	0.21	1307986	886351	710000
COURTEVILLE	2021	0.38	1279234	511324	800000
COURTEVILLE	2022	0.46	1244189	438538	805000
COURTEVILLE	2023	0.6	1218942	252666	805000

Appendix C: Data Analysis Results

Dependent Variable: SP
Method: Panel Least Squares
Date: 07/18/24 Time: 14:10
Sample: 2013 2023
Periods included: 11
Cross-sections included: 3
Total panel (balanced) observations: 33

Variable	Coefficient	Std. Error	t-Statistic	Prob.
PPE	-0.644293	0.257557	-2.501552	0.0183
INTA	-0.760810	0.196598	-3.869875	0.0006
INVP	0.075715	0.199999	0.378575	0.7078
C	7.609950	1.368810	5.559536	0.0000

R-squared	0.684719	Mean dependent var	0.224479
Adjusted R-squared	0.652103	S.D. dependent var	0.493789
S.E. of regression	0.291251	Akaike info criterion	0.483948
Sum squared resid	2.459982	Schwarz criterion	0.665343
Log likelihood	-3.985140	Hannan-Quinn criter.	0.544982
F-statistic	20.99377	Durbin-Watson stat	1.146874
Prob(F-statistic)	0.000000		