SEPLAT ENERGY PLC

Operational Expansion Supports Earnings Resilience

April 8, 2026.

Earnings Note

Highlights

- Seplat declared dividend of US5 cents and Special Dividend US3.3 cents
- Production expanded to 131,507 boepd from 52,948 boepd due to successful restoration of 49 idle wells (adding 48,600 boepd)
- Revenue increased 149% year-on-year to ₦4.14 trillion from ₦1.66 trillion in 2024.
- Profit after tax grew 16% YoY to ₦241.6 billion
- Aggressive deleveraging undertaken - ₦1.03 trillion in loan repayments exceeded ₦675 billion in new borrowings

Statement of Financial Position

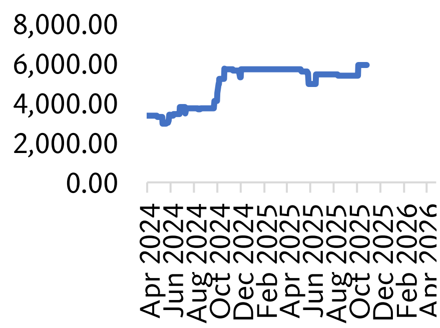
Total assets declined by 21% to 8.30 trillion from ₦10.48 trillion in 2024. This contraction was driven primarily by reductions in non-current assets, which fell by 13% year-on-year. Oil and gas properties declined by 10%, while intangible assets and other property, plant and equipment fell by 20% and 22% respectively. In essence, while production volumes expanded significantly, the reported asset base did not increase in tandem, pointing to improved asset utilisation efficiency following the restoration of idle wells.

The contraction was more pronounced within current assets, which declined by 44% to ₦1.51 trillion from ₦2.70 trillion in 2024. Trade and other receivables fell by 41%, a notable development in the context of sharply higher revenue. Cash declined by 75%, reflecting capital deployment and financing activity during the year, while inventories recorded a modest 7% reduction.

Fair Value Estimate: ₦9,734.83

Stock Data	
Current price (N)	9,099.90
Shares Outstanding (mn)	599.94
Market Cap (N'mn)	5,459,394
52-week high (N)	9,100.00
52-week low (N)	5,610.00
Trailing EPS (N)	402.67
Forward PE (X)	12.30x
Justified PE Multiple (X)	13.16x

Price Movement



Stock Data	2024	2025	2026F
P/E	10.58x	14.54x	12.30x
P/BV	0.81x	1.26x	1.81x
PBT Margin	24%	18%	20%
PAT Margin	13%	6%	8%
ROE	14%	28%	37%
ROA	4%	8%	12%
Dividend Yield	6%	7%	5%

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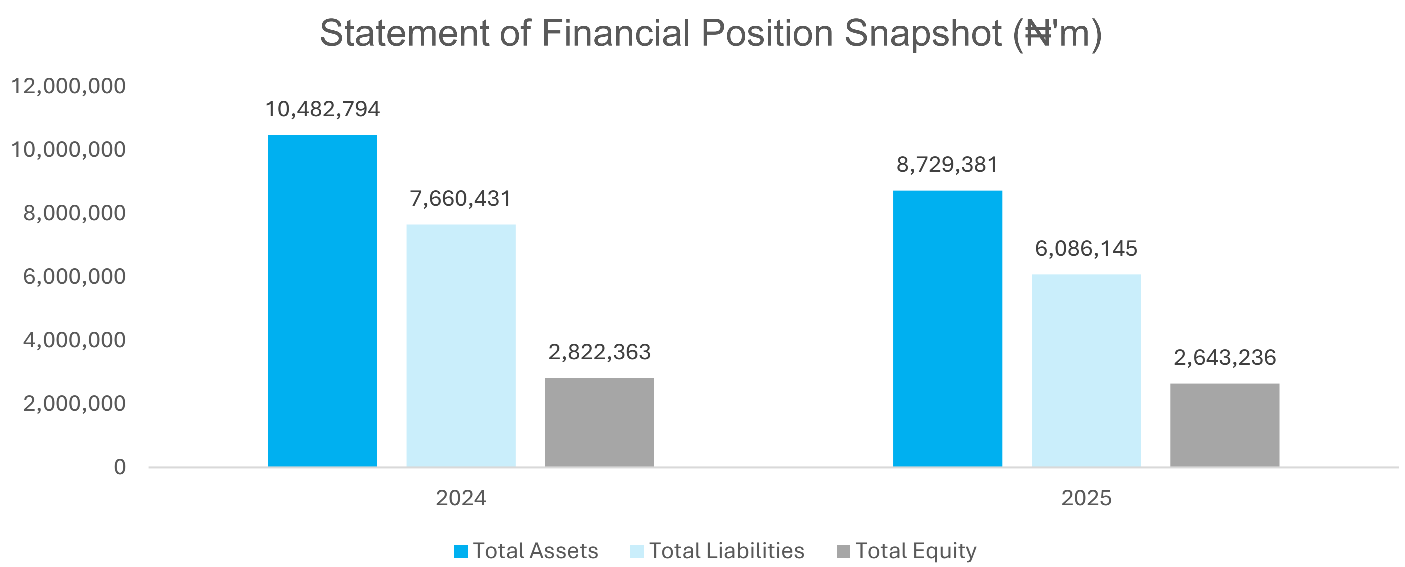
On the liability side, total liabilities declined by 21% to ₦6.09 trillion. The most significant movement occurred within current interest-bearing borrowings, which fell by 85%, drastically lowering short-term refinancing exposure.

Retained earnings increased by 10% in line with profitability; however, net assets declined by 6% to ₦2.64 trillion. The decline was primarily driven by a reduction in the foreign currency translation reserve following the appreciation of the Naira during the year, as well as an increase in treasury shares resulting from share buy-back activity, rather than any deterioration in operating performance.



Source: Company accounts, WSTC Research

Statement of Financial Performance

The 2025 performance of Seplat Energy Plc is best understood through the lens of operational scale. Despite lower oil prices ($70.29 in 2025 vs $80.04 in 2024) revenue expanded by an exceptional 149% year-on-year, rising to ₦4.14 trillion from ₦1.66 trillion in 2024. Crude oil sales made up 91% of revenue, gas sales, 7% and natural gas liquid, 2%.

Total production increased to 131,507 boepd, up from 52,948 boepd in 2024. This represents an addition of approximately 48.6kboepd to average daily output. The oil segment expansion was primarily enabled by the successful restoration of 49 idle wells, each with an estimated capacity of 1,000 boepd.

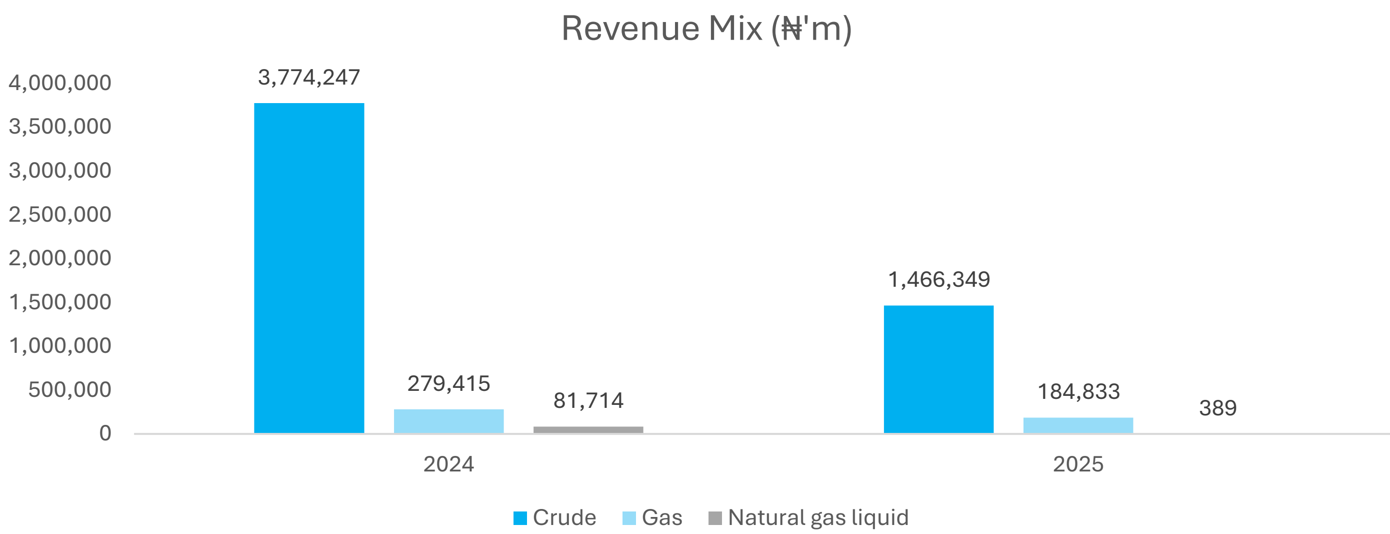
On the gas side, performance was supported by the successful turnaround maintenance at the Oben Gas Plant, which improved operational uptime and gas production with average daily working interest production of 121.1 MMscfd.

Cost of sales increased significantly to ₦2.76 trillion (2024: ₦1.13 trillion), in line with the expanded production volume, bringing gross margin to 33% while gross profit increased by 163% to ₦1.37 trillion in 2025 from ₦521.42 billion in 2024.

Operating expense rose by 76% to ₦378.53 billion from ₦215.66 billion in 2024 mainly from general and administrative cost. Despite higher operating expenses, operating profits grew by 206% leveraging the elevated gross margins.

On the bottom line, finance cost rose sharply by 103% to ₦281.20 billion due to an increase in drawn facilities used to finance SEPNU offshore assets acquisitions and higher interest rates on newly issued Eurobonds.

Profit before tax stood at ₦755.50 billion, while profit after tax came to ₦241.58 billion after accounting for Income tax of 69%. Earnings per share was ₦402.67 and the company declared dividend of 8 cents and bonus of 3.3 cents.



Source: Company accounts, WSTC Research

Statement of Cashflow

Cash flow from operations before working capital adjustments stood at ₦2.02 billion, more than double of ₦699.03 billion in 2024, driven by stronger profitability and a substantial rise in non-cash charges, particularly depletion, depreciation and amortisation, which grew from ₦295.79 billion in 2024 to ₦847.78 billion as asset utilisation intensified with higher production volumes.

Working capital movements further strengthened liquidity. While 2024 recorded a ₦131.58 billion outflow, 2025 delivered a ₦516.80 billion inflow, largely due to improved receivables collections of ₦402.94 billion, alongside positive payables of ₦95.26 billion. As a result, cash generated from operating activities rose to ₦2.54 trillion from ₦567.46 billion. After tax payments and other operating adjustments, net cash inflow from operating activities stood at ₦1.77 trillion, representing a substantial improvement compared to 458.71 billion in 2024.

Investing outflows moderated slightly to ₦909.56 billion, with ₦396.14billion deployed into oil and gas properties, reaffirming continued upstream investment without a disproportionate increase in capital intensity.

Financing activities recorded a net cash outflow of ₦1.07trillion contrasts with a ₦606.06 billion inflow in 2024. Loan repayments of ₦1.56trillion exceeded new borrowings of ₦1.02 trillion, indicating aggressive debt reduction during the year. Despite strong operating cash generation, investment spending and substantial debt reduction led to a net cash decrease of ₦214.50billion, with year-end cash at ₦476.97 billion.

Cashflows (Nm)	2025	2024	Change
Net Operating Cashflow	1,768,266	458,711	⬆
Net Investing Cashflow	(909,562)	(998,411)	⬇
Net Financing Cashflow	(1,073,205)	606,063	⬇
Cash & Cash Equivalents	229,044	924,368	⬇

Source: Company accounts, WSTC Research

Outlook

Our outlook for Seplat Energy Plc is supported by clear production-led catalysts already underway. Following the sharp scale-up in 2025, growth in 2026 is expected to come from incremental restoration and gas expansion. The Company plans to restore 50 additional idle wells in 2026, with an estimated contribution of roughly 1,000 boepd per well. More significantly, Yoho production is scheduled to resume in Q2 2026, with an expected contribution of approximately 20,000 boepd, providing a significant uplift to oil production.

On the gas front, the ANOH Gas Plant recorded first gas in January 2026 and is expected to deliver steady supply to Indorama, strengthening domestic gas revenue visibility. The OSO BRT Phase 1 project is projected to double gas production capacity from 120 mmscf to 240 mmscf, reinforcing the expansion of the gas portfolio. In addition, the commencement of LPG sales in Sapele introduces further commercialisation of gas output.

Together, these developments point to continued revenue growth driven by higher production volumes and expanded gas capacity. Given the strong operating cash flow recorded in 2025, the significant debt reduction undertaken, and improved output could translate into enhanced returns to shareholders, provided capital discipline is sustained.

FY 2025 Financial Performance

Income Statement (N'mn)	FY 2025	FY 2024	(%)
Revenue	**4,135,376**	**1,651,571**	**150%**
Cost of sales	(2,763,104)	(1,130,149)	**144%**
Gross profit	**1,372,272**	**521,422**	**163%**
Operating income	**1,372,272**	**521,422**	**163%**
General and administrative expense	(378,532)	(215,659)	76%
Other income	87,459	54,955	59%
Operating expenses	**(291,073)**	**(160,704)**	**81%**
Operating profit	**1,081,199**	**360,718**	**200%**
Non-operating loss	**(325,694)**	**33,969**	**-1059%**
Fair value loss	(32,720)	(10,857)	201%
Gain on bargain purchase	0	149,153	-100%
Impairment loss on financial assets	(23,857)	(15,640)	53%
Finance income	18,532	19,525	-5%
Finance expense	(281,207)	(138,694)	103%
Share of profit/(loss) from joint venture	(6,442)	30,482	-121%
Profit before tax	**755,505**	**394,687**	**91%**
Tax	(513,925)	(186,800)	175%
Profit after tax	**241,580**	**207,887**	**16%**

Balance Sheet	FY 2025	FY 2024	(%)
Assets			
Oil and gas properties	4,477,741	4,983,767	-10%
Deferred tax assets	289,581	353,954	-18%
Investment in subsidiary	372,835	374,641	0%
Inventories	489,087	525,978	-7%
Trade and other receivables	683,086	1,156,593	-41%
Restricted cash	181,347	202,983	
Cash cash equivalents	476,970	721,385	-34%
Others	1,758,734	2,163,493	-19%
Total Assets	**8,729,381**	**10,482,794**	**-17%**
Liabilities			
Loans & Borrowings	1,443,289	2,099,750	-31%
Trade Payables	1,310,242	1,790,227	-27%
Deferred tax liabilities	1,742,201	2,176,045	-20%
Others	1,590,413	1,594,409	0%
Total Liabilities	**6,086,145**	**7,660,431**	**-21%**
Net Assets	**2,643,236**	**2,822,363**	**-6%**

Source: Company Accounts, WSTC Research

Financial Projections

Income statement (NGN mn)	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Revenue	1,651,571	4,135,376	6,391,910	8,093,785	8,887,912	10,336,482	12,249,427	14,632,738	16,967,951
EBITDA	650,151	1,968,345	2,444,484	2,764,298	2,730,712	2,785,823	2,919,972	3,013,072	3,005,511
EBIT	345,078	1,057,342	1,453,738	1,712,078	1,686,367	1,765,069	1,840,465	1,909,180	1,872,332
Profit before taxation	394,669	755,505	1,274,792	1,501,596	1,488,712	1,603,864	1,689,641	1,742,472	1,663,626
Net profit	207,869	241,580	545,459	762,632	785,863	894,765	1,027,100	1,067,928	1,024,595
EPS (₦)	353.25	402.67	909.18	1,271.17	1,309.89	1,491.41	1,711.99	1,780.04	1,707.82
DPS (₦)	244.20	379.27	590.54	825.66	850.81	968.71	1,111.98	1,209.54	1,279.92

Balance sheet (NGN mn)	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Cash	924,368	229,044	2,129,503	2,930,678	2,945,750	2,862,834	3,302,925	3,595,933	3,727,441
Other current assets	1,777,918	1,284,024	1,777,592	2,225,078	2,437,747	2,820,482	3,333,970	3,970,233	4,593,814
Non-current assets	7,780,503	6,787,040	6,302,769	5,959,582	5,689,091	5,587,300	5,576,986	5,749,161	6,098,387
Total assets	10,482,789	8,300,108	10,209,865	11,115,339	11,072,588	11,270,616	12,213,882	13,315,327	14,419,641
Current liabilities	2,714,658	134,948	2,338,065	2,740,375	2,654,267	2,698,744	2,924,947	3,284,497	3,753,746
Non-current liabilities	4,876,563	4,320,889	4,816,766	4,920,416	4,679,715	4,457,375	4,738,290	5,088,280	5,431,206
Total liabilities	7,591,221	4,455,837	7,154,831	7,660,791	7,333,982	7,156,118	7,663,237	8,372,777	9,184,952
Shareholders' equity	2,822,363	2,643,966	3,054,876	3,454,390	3,738,449	4,114,340	4,550,488	4,942,393	5,234,532

Cash flow statement (NGN mn)	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Cash from operating activities	458,711	1,768,266	1,648,917	1,860,229	1,721,622	1,635,820	1,984,114	1,967,345	1,783,192
Cash from investing activities	(998,411)	(909,562)	(560,833)	(650,369)	(712,038)	(851,147)	(992,718)	(1,188,608)	(1,383,066)
Cash from financing activities	606,063	(1,073,205)	407,360	(449,518)	(1,080,283)	(949,583)	(603,371)	(538,473)	(312,353)
Net increase/ (decrease) in cash	66,363	(214,501)	1,512,408	818,361	15,395	(84,695)	449,531	299,293	134,329

Ratio analysis	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
EBITDA margin	39%	48%	38%	34%	31%	27%	24%	21%	18%
Operating margin	21%	26%	23%	21%	19%	17%	15%	13%	11%
ROE	14%	28%	45%	46%	41%	41%	39%	37%	33%
ROA	4%	8%	14%	14%	13%	14%	14%	14%	12%
Dividend payout ratio	69%	94%	65%	65%	65%	65%	65%	70%	70%

Source: Company Accounts, WSTC Research

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- Hold Rating: estimated change in price is between -10% and 19% of current market price.
- Sell Rating: estimated change in price is ≤ -10% of current market price.

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