SEPLAT ENERGY PLC

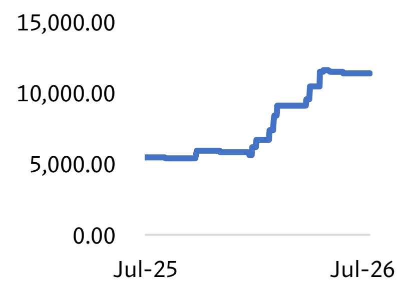
Operational Expansion Supports Earnings Resilience

September 4, 2026. Earnings Note

Fair Value Estimate: ₦14,107.33

Stock Data	
Current price (N)	13,552.60
Shares Outstanding (mn)	599.94
Market Cap (N'mn)	8,130,747
52-week high (N)	13,552.60
52-week low (N)	5,610.00
Trailing EPS (N)	402.67
Forward PE (X)	16.05x
Justified PE Multiple (X)	16.71x

Price Movement



Stock Data	2024	2025	2026F
P/E	10.58x	14.54x	16.05x
P/BV	0.81x	1.26x	2.95x
PBT Margin	24%	18%	33%
PAT Margin	13%	6%	10%
ROE	14%	28%	63%
ROA	4%	8%	20%
Dividend Yield	6%	7%	7%

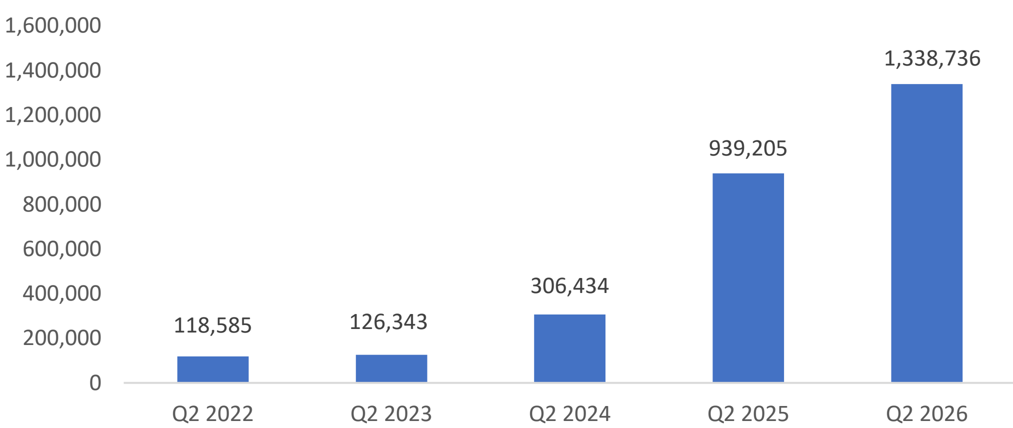
Highlights

- Revenue grew by 43% Year-on-Year (YoY) from ₦939.21 billion to ₦1.34 trillion.
- Gross Profit grew by 182% YoY from ₦215.81 billion to ₦609.06 billion.
- Profit after tax rose by 2,324% YoY, from ₦7.14 billion to ₦172.97 billion.
- Operating profit increased by 153% YoY to ₦606.33 billion in Q2 2026.
- Declared interim dividend of US5 cents and Special dividend of US7 cents.

Income Statement

Seplat Energy's working interest production averaged 149,070 barrels of oil equivalent per day in Q2 2026, up 9% YoY and 15% Quarter-on-Quarter from 129,841 boepd in Q1 2026, driven largely by the idle well restoration programme, which brought 15 additional wells onstream during the quarter and added 16.0 kbopd of gross production capacity, alongside a near-tripling in output at ANOH to 9,695 boepd from 3,347 boepd in Q1. This stronger production base, combined with a continued pricing premium of over $7 per barrel to Brent, drove revenue up 43% YoY to ₦1.34 trillion from ₦939.21 billion.

Revenue Trend (Nm)



Source: Company Financials, WSTC Research

Breaking this down further, crude oil sales, which made up 91% of the total and rose in step with production, up 43% to ₦1.22 trillion from ₦852.21 billion. Meanwhile, gas sales were flat at ₦79.21 billion, and NGL sales jumped to ₦44.34 billion from ₦7.83 billion, consistent with the stronger NGL output reported for the offshore portfolio.

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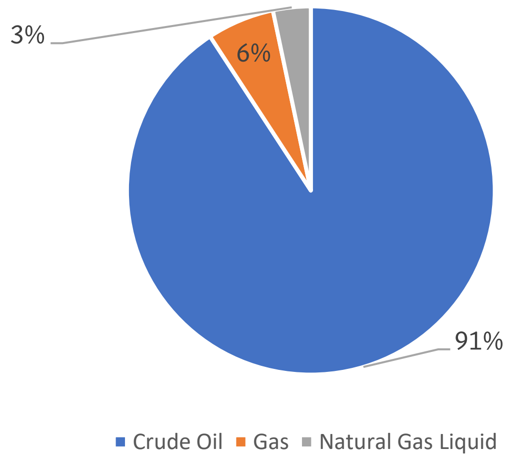
Revenue Mix



Source: Company Financials, WSTC Research

However, cost of sales rose slightly by 1% YoY to ₦729.68 billion despite the 9% increase in production, as higher royalties, up 20% to ₦232.22 billion in line with the higher volumes, were largely offset by a 22% decline in depletion, depreciation and amortisation to ₦201.59 billion. This allowed gross margin to rise sharply, from 23.0% in Q2 2025 to 45.5% in Q2 2026.

Further down the income statement, other income declined by 41% YoY from ₦146.36 billion to ₦86.42 billion. A much smaller gain from operational under lifting during the quarter just ended; a gain of ₦35.17 billion, down from ₦147.22 billion Q2 2025. This gain offset higher foreign exchange gains and other income items in the quarter.

Similarly, general and administrative expenses declined 8.0% YoY to ₦102.20 billion, as a sharp fall in depreciation and amortisation (down 89% to ₦1.45 billion) offset higher employee and share-based benefits, which rose on stronger headcount and share price performance.

On the financing side, finance costs fell 49% to ₦51.63 billion from ₦101.03 billion, consistent with the Company's repayment of $200 million of its APF debt during the period, equivalent to about 20% of gross debt. Finance income rose modestly to ₦5.09 billion, leaving net finance cost down 52% to ₦46.54 billion from ₦96.72 billion. A ₦1.52 billion share of profit from the Company's joint venture, against a ₦3.74 billion loss a year earlier, added a further modest tailwind.

Taken together, these movements lifted profit before tax (PBT) by 302% YoY to ₦561.31 billion from ₦139.47 billion. The tax charge, however, rose 193% to ₦388.34 billion from ₦132.33 billion, largely on account of the New Tax Act of 2026, though the effective tax rate still declined to approximately 69% from 95% a year earlier. Consequently, PAT growth outpaced PBT growth by a wide margin, rising 2,324% YoY from ₦7.14 billion to ₦172.97 billion.

Outlook

WSTC Research expects revenue and operating profit to remain strong through H2 2026 as we expect continued increase in production from the idle well restoration programme taking place at ANOH ramp-up, and the return of NGL processing following pipeline repairs. This is expected to impact earnings positively. Oil prices remain a key determinant of revenue growth. The higher the price, the larger the expected revenue.

A few key macro-economic variables can serve as potential tailwinds for Seplat Energy Plc, e.g. an increase in OPEC quota for the Nigerian state, or a sustained risk premium tied to global supply disruptions.

WSTC Research expects Seplat Energy Plc to maintain strong operating performance across all our simulated different oil price scenarios, supported by higher production volumes, continued debt reduction, and its diversified onshore and offshore asset base.

Overall, our view on Seplat Energy Plc is this: a strong candidate for capital gains in one's portfolio. However, the volatility tied to macroeconomic variables and commodity prices in the short term should be understood. For a long-term investor, this is an ideal candidate to have in one's portfolio.

Q2 2026 Performance

Income Statement (N'mn)	Q2 2026	Q2 2025	(%)
Revenue	**1,338,736**	**939,205**	**43%**
Cost of sales	(729,675)	(723,394)	1%
Gross profit	**609,061**	**215,811**	**182%**
Operating income	**609,061**	**215,811**	**182%**
General and administrative expense	(102,195)	(111,027)	-8%
Other (expense)/income	86,420	146,363	-41%
Operating expenses	**(15,775)**	**35,336**	**-145%**
Operating profit	**593,286**	**251,147**	**136%**
Non-operating loss	**(31,975)**	**(111,682)**	**-71%**
Fair value loss	(1,872)	(7,313)	-74%
Impairment reversal/(loss) on financial assets	14,912	(3,908)	-482%
Finance income	5,086	4,307	18%
Finance expense	(51,625)	(101,025)	-49%
Share of profit from joint venture	1,524	(3,743)	-141%
Profit before tax	**561,311**	**139,465**	**302%**
Tax	(388,342)	(132,330)	193%
Profit after tax	**172,969**	**7,135**	**2324%**

Source: Company Accounts, WSTC Research

FY 2025 Financial Performance

Income Statement (N'mn)	H1 2026	H1 2025	(%)
Revenue	**2,502,181**	**2,166,717**	**15%**
Cost of sales	(1,380,469)	(1,415,473)	-2%
Gross profit	**1,121,712**	**751,244**	**49%**
Operating income	**1,121,712**	**751,244**	**49%**
General and administrative expense	(166,360)	(209,442)	-21%
Other (expense)/income	(39,987)	79,070	-151%
Operating expenses	**(206,347)**	**(130,372)**	**58%**
Operating profit	**915,365**	**620,872**	**47%**
Non-operating loss	**(124,950)**	**(166,761)**	**-25%**
Fair value loss	(21,009)	(14,966)	40%
Impairment reversal/(loss) on financial assets	7,376	(4,718)	-256%
Finance income	9,133	8,275	10%
Finance expense	(116,132)	(150,549)	-23%
Share of profit from joint venture	(4,318)	(4,803)	-10%
Profit before tax	**790,415**	**454,111**	**74%**
Tax	(564,937)	(411,592)	37%
Profit after tax	**225,478**	**42,519**	**430%**

Balance Sheet	H1 2026	H1 2025	(%)
Assets			
Oil and gas properties	4,154,118	4,742,257	-12%
Deferred tax assets	232,456	341,034	-32%
Investment in subsidiary	353,938	398,949	-11%
Inventories	487,133	754,961	-35%
Trade and other receivables	590,972	754,961	-22%
Restricted cash	180,402	203,454	-11%
Cash & cash equivalents	598,347	641,282	-7%
Others	1,643,603	1,518,673	8%
Total Assets	**8,240,969**	**9,355,571**	**-12%**
Liabilities			
Loans & Borrowings	1,196,359	1,706,026	-30%
Trade Payables	1,289,972	1,682,906	-23%
Deferred tax liabilities	1,539,182	1,455,726	6%
Others	1,651,160	1,738,998	-5%
Total Liabilities	**5,676,673**	**6,583,656**	**-14%**
Net Assets	**2,564,296**	**2,771,915**	**-7%**

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	5,096,935	5,447,891	5,852,898	6,390,520	6,904,668	7,508,631	8,125,384
EBITDA	650,151	1,968,345	2,739,266	2,773,158	2,917,604	3,060,348	3,236,140	3,422,110	3,633,727
EBIT	345,078	1,057,342	1,949,241	2,064,914	2,229,878	2,429,267	2,627,651	2,855,659	3,091,085
Profit before taxation	394,669	755,505	1,690,714	1,856,967	2,038,116	2,259,370	2,473,799	2,746,026	3,031,356
Net profit	207,869	241,580	506,465	556,267	610,531	676,809	741,043	822,590	908,063
EPS (₦)	353.25	402.67	844.19	927.20	1,017.65	1,128.12	1,235.19	1,371.11	1,513.58
DPS (₦)	244.20	379.27	970.81	1,019.92	1,068.53	1,128.12	1,235.19	1,234.00	1,362.22

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	591,510	923,458	812,735	641,843	518,678	47,638	(313,772)
Other current assets	1,777,918	1,284,024	1,358,189	1,441,612	1,544,749	1,678,423	1,809,999	1,962,688	2,118,767
Non-current assets	7,780,503	6,787,040	6,374,360	6,167,403	6,018,432	5,976,248	6,003,728	6,129,094	6,335,273
Total assets	10,482,789	8,300,108	8,324,059	8,532,473	8,375,916	8,296,513	8,332,405	8,139,420	8,140,267
Current liabilities	2,714,658	134,948	1,607,387	1,609,183	1,556,809	1,488,836	1,531,757	1,566,513	1,525,077
Non-current liabilities	4,876,563	4,320,889	3,960,162	3,921,345	3,818,527	3,771,299	3,699,953	3,390,560	3,264,896
Total liabilities	7,591,221	4,455,837	5,567,549	5,530,528	5,375,336	5,260,136	5,231,710	4,957,073	4,789,973
Shareholders' equity	2,822,363	2,643,966	2,756,353	3,001,787	3,000,423	3,036,221	3,100,537	3,182,190	3,350,137

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	1,264,182	1,272,106	1,213,470	1,133,140	1,261,672	1,214,536	1,133,301
Cash from investing activities	(998,411)	(909,562)	(445,843)	(463,726)	(501,703)	(547,100)	(591,088)	(642,760)	(695,712)
Cash from financing activities	606,063	(1,073,205)	(1,033,644)	(614,746)	(995,689)	(937,471)	(988,932)	(1,270,920)	(1,025,101)
Net increase/ (decrease) in cash	66,363	(214,501)	(57,271)	331,521	(110,580)	(170,673)	(123,007)	(470,434)	(360,945)

Ratio analysis	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
EBITDA margin	39%	48%	54%	51%	50%	48%	47%	46%	45%
Operating margin	21%	26%	38%	38%	38%	38%	38%	38%	38%
ROE	14%	28%	63%	64%	68%	75%	81%	87%	93%
ROA	4%	8%	20%	22%	24%	27%	30%	33%	37%
Dividend payout ratio	69%	94%	115%	115%	115%	115%	115%	70%	70%

Source: Company Accounts, WSTC Research

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WSTC uses a 3-tier recommendation system for stocks under coverage: Buy, Hold, and Sell.

- Buy Rating: estimated fair value is ≥20% above current market price.
- 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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