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Seplat Energy

3Q/9M26 results – Heading for a stellar year

Nigeria's leading independent energy company

Despite some headwinds, Seplat reported a strong set of results for the period to September and is on track for a stellar year. Production continues to increase quarter-on-quarter with production guidance narrowed up to 145-155kboed, at the upper end of the previous guidance range (135-155kboed). Despite a substantial underlift and negative working capital, net debt was reduced to US$234.9m and leverage cut to 0.14x with the Advance Payment Facility subsequently paid off and cancelled, meaning all debt raised to acquire MPNU in 2024 has now been repaid. The company announced a total dividend for the quarter of 19.0 cents, up 58% QoQ, taking the total announced dividend for the year to 40.0 cents against the guided full year target of 45.0 cents. In addition, Seplat expects to return around half the proceeds of the disposal of a 10% stake in SEPNU to NNPC which is expected to complete this quarter, representing a further 23.3 cents in prospective dividends. We increase our FY26 Brent price assumption to US$93/bbl (from US$80/bbl) and raise our forecast for net profit by 25% to US$422.8m.

Seplat reported production for 9M26 of 145.0kboed, up 7% YoY; production in 3Q26 averaged 155.8kboed (Figures 1 and 2) driven by an excellent performance from the onshore Western Assets, and the continuing ramp up at ANOH, notwithstanding a delay in the restart of the offshore Yoho platform which is now expected to come back online this quarter, following repairs to the export pipeline.

Seplat continued to benefit from a significant premium to Brent generating an average oil price realisation of US$96.19/bbl (9M25 US$71.93/bbl) which, together with the strong production performance, resulted in reported revenue of US$2,763.5m for 9M26 up 27% YoY despite an underlift in the quarter of over US$100m. That drove a 50% increase in operating profit to US$1,067.4m with net profit up 174% to US$260.2m and a similar increase in EPS to US$0.42. Net cash generation was impacted by negative working capital, particularly in 3Q26, and higher cash taxes resulting in a 9% reduction in net cash generation for 9M26 to US$922.1m. Despite those headwinds, Seplat was still comfortably free cash flow positive, net of lower than budgeted capex.

The planned offshore drilling programme has been delayed as the rig was not available to mobilise and Seplat is pursuing alternatives in addition to the Shelf Drilling Odyssey which is due to arrive in early 2027. On a more positive note, Seplat discovered in place resources of just under 50mmboe (Seplat 40% interest) with its Aku-01 exploration well, including an unexpected oil leg which has de-risked four adjacent properties and which is currently being completed as a potential future production well.

Besides narrowing up production guidance, Seplat has cut capex guidance to Us$280m-US$340m (from US$360m-US$440m), mainly associated with the delay in commencing drilling offshore, raised opex guidance by US$1/boe to US$15.5-US$16.5/boe mainly associated with the delay in restart at Yoho and expects to pay cash taxes in FY26 of US$650m-US$700m, assuming an average realised oil price of US$95/bl. We have raised our FY26 Brent price assumption to US$93/bbl and made additional adjustments to reflect company guidance, resulting in an increase in our forecast for net profit by 25% to US$422.8m and putting the company on course for a stellar year.

At a Glance (Yr. to Dec)	Production (kboed)	Revenue (US$m)	Adj EPS (US$)	DPS[1] (US$)	P/E[2]	Yield[1, 2]	Debt Adj CF[2]
FY24A	52.9	1,116	0.10	0.17	13.4x	7.3%	6.5x
FY25A	131.5	2,726	0.30	0.25	5.8x	8.2%	2.1x
FY26E	145.8	4,008	0.72	0.68	8.8x	6.4%	3.7x
FY27E	166.8	3,217	0.45	0.30	14.1x	2.8%	5.1x
FY28E	179.7	3,405	0.59	0.40	10.7x	3.7%	4.2x

Source: Bloomberg, Seplat, CAG Research. 1) Includes special dividend. 2) Uses annual averages for historic share price and EV data.

29 October 2026

Price
825p

TICKER
SEPL

Market Cap
£4,950m

Net Debt (30 Jun)
US$235m

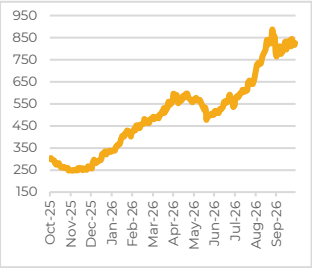
Free Float
53%

3mo Av. Daily Volume
1.7m

Brokers
Canaccord Genuity, Citi, Peel Hunt

Index
FTSE Small Cap

Share Price Performance



Source: Bloomberg

Seplat is a leading oil and gas producer in Nigeria and the leading processed gas supplier to the burgeoning Nigerian gas market where exports from the large ANOH project have now commenced. The company focuses on onshore and shallow water offshore assets

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Figure 1: 9M26 vs 9M25

Item	Unit	9M26	9M25	Delta
Reported revenue	US$m	2,763.5	2,176.6	27%
Revenue excluding (over)/underlift	US$m	2,803.6	2,180.5	29%
Gross profit	US$m	1,188.3	879.5	35%
Adjusted EBITDA	US$m	1,529.9	1,111.9	38%
Operating profit	US$m	1,067.4	711.0	50%
Profit before tax	US$m	982.6	570.1	72%
Net profit	US$m	260.2	95.1	174%
Net cash generated from ops	US$m	922.1	1,010.8	-9%
Diluted EPS	US$	0.42	0.16	173%
Dividend	US$	0.400	0.167	140%
Net debt	US$	234.9	385.9	-39%
Working interest production	kboed	145.0	135.6	7%
Volumes lifted	mmbbl	25.7	27.9	-8%
Average realised oil price	US$bbl	96.19	71.93	34%
Average realised gas price	US$mcf	3.18	2.95	8%

Source: Seplat, CAG Research.

Figure 2: Quarterly progression

Item	Unit	1Q26	2Q26	3Q26
Reported revenue	US$m	840.7	979.3	943.5
Revenue excluding (over)/underlift	US$m	748.7	1,004.3	1,050.6
Gross profit	US$m	370.5	445.5	372.4
Adjusted EBITDA	US$m	371.3	567.3	591.3
Operating profit	US$m	213.5	442.4	411.5
Profit before tax	US$m	165.6	409.4	407.7
Net profit	US$m	37.9	126.1	96.2
Diluted EPS	US$	0.06	0.21	0.16
Dividend	US$	0.090	0.120	0.190
Net debt	US$	531.6	370.7	234.9
Net cash generated from operations	US$m	243.4	392.8	285.9
Working interest production	kboed	129.8	149.1	155.8
Volumes lifted	mmbbl	8.7	8.7	8.4
Average realised oil price	US$bbl	86.16	102.59	100.44
Average realised gas price	US$mcf	3.10	3.10	3.33

Source: Seplat, CAG Research.

Summary financial statements

December year end, US$m	FY24A	FY25A	FY26E	FY27E	FY28E
Brent price (US$/bbl)	79.9	68.2	93.0	70.0	70.0
Production (kboed)	52.9	131.5	145.8	166.8	179.7
Adjusted EBITDA	539.0	1,275.4	2,258.0	1,679.3	1,840.2
Profit & loss					
Revenue	1,116.2	2,725.9	4,008.2	3,217.1	3,404.8
Cost of sales	(763.8)	(1,821.3)	(2,008.5)	(1,910.8)	(1,989.7)
Gross profit	**352.4**	**904.5**	**1,999.7**	**1,306.3**	**1,415.1**
Other (loss)/income	137.9	57.5	5.5	5.5	5.5
G&A	(145.7)	(249.5)	(270.0)	(230.0)	(230.0)
Impairment/fair value	(17.9)	(37.3)	(47.1)	(40.7)	(42.2)
Operating profit	**326.7**	**675.2**	**1,688.1**	**1,041.1**	**1,148.3**
Net finance	(80.5)	(173.1)	3.2	5.0	8.6
Share of JV	20.6	(4.2)	-	-	-
Profit before taxation	**266.7**	**497.8**	**1,691.3**	**1,046.0**	**1,156.9**
Income tax	(126.2)	(338.8)	(1,268.4)	(784.5)	(809.9)
Net profit	**140.5**	**159.1**	**422.8**	**261.5**	**347.1**
Non-controlling interests	(8.6)	(1.1)	8.0	8.0	8.0
Attributable profit	**149.0**	**160.1**	**414.8**	**253.5**	**339.1**
Adjusted attributable profit	**61.3**	**178.4**	**429.8**	**268.5**	**354.1**
Basic reported EPS (US$)	0.25	0.27	0.69	0.42	0.57
Diluted reported EPS (US$)	0.25	0.27	0.69	0.42	0.57
Basic adjusted EPS (US$)	0.10	0.30	0.72	0.45	0.59
Diluted adjusted EPS (US$)	0.10	0.30	0.72	0.45	0.59
Dividend[1] (US$)	0.165	0.250	0.683	0.300	0.400

Source: Seplat, CAG Research. 1) Includes special dividend.

Summary financial statements (cont)

December year end, US$m	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before taxation	266.7	497.8	1,691.3	1,046.0	1,156.9
DD&A	199.9	558.8	535.9	607.4	663.7
Depreciation of right of use assets	6.3	41.7	19.0	15.8	13.2
Impairments, net	10.6	15.7	15.0	15.0	15.0
(Gain) on bargain purchase	(100.8)	-	-	-	-
(Profit)/loss on disposal	0.2	-	-	-	-
Net finance	71.3	135.9	-	-	-
(Profit)/loss on derivatives	13.2	2.6	-	-	-
FX	(30.4)	(18.7)	-	-	-
Share based payments	20.4	26.3	70.0	20.0	20.0
Share of JV	(20.6)	4.2	-	-	-
ANOH dividend	-	-	-	12.5	27.3
Other adjustments	30.7	32.3	9.0	9.0	9.0
Net cash from operations before WC	**472.4**	**1,331.5**	**2,340.2**	**1,725.7**	**1,905.2**
Movement in working capital	(88.9)	340.7	-	-	-
Net cash from operating activities	**383.5**	**1,672.2**	**2,340.2**	**1,725.7**	**1,905.2**
Tax paid	(68.0)	(422.5)	(702.1)	(569.5)	(571.6)
Other adjustments	(5.5)	(84.1)	(12.0)	(12.0)	(12.0)
Net cash from operating activities	**310.0**	**1,165.6**	**1,626.1**	**1,144.2**	**1,321.6**
Acquisition of oil & gas properties	(202.6)	(261.0)	(320.0)	(639.1)	(723.4)
Acquisition of intangible assets	-	-	-	-	-
Acquisition of other PP&E	(5.6)	(5.8)	(25.0)	(25.0)	(25.0)
Net cash paid on MPNU acquisition	(489.6)	(326.2)	-	-	-
Other investment	8.5	(18.6)	-	-	-
Proceeds from disposals	17.1	-	10.0	10.0	10.0
Other movements[1]	13.2	12.2	-	-	-
Net cash outflow from investing	**(658.9)**	**(599.4)**	**(335.0)**	**(654.1)**	**(738.4)**
Net loan proceeds/(repayment)	611.5	(355.3)	-	-	-
Dividend paid	(91.4)	(140.2)	(282.3)	(294.9)	(210.0)
Payments on leases	(7.0)	(33.5)	(19.0)	(15.8)	(13.2)
Shares purchased for employees	(19.5)	(30.9)	(4.0)	(4.0)	(4.0)
Other finance charges[1]	(21.5)	(46.8)			
Interest (paid)/received[1]	(62.5)	(100.6)	3.2	5.0	8.6
Other financing	-	-	-	-	-
Net cash from financing	**409.6**	**(707.4)**	**(302.1)**	**(309.8)**	**(218.6)**
Implied delta net debt (IAS 17)	**592**	**(218)**	**(989)**	**(180)**	**(365)**

1) Forecast interest received and other finance charges are incorporated in interest (paid)/rcd.

Summary balance sheet					
Total non-current assets	5,067.7	4,728.8	4,416.6	4,361.6	4,343.1
Net assets	1,838.3	1,841.7	2,046.2	2,026.8	2,177.9
Total equity	1,838.3	1,841.7	2,046.2	2,026.8	2,177.9
Net (cash)/debt (IAS 17)	**897.8**	**673.3**	**(315.7)**	**(496.1)**	**(860.7)**
Net (cash)/debt (IFRS 16)	**972.8**	**740.3**	**(267.7)**	**(464.0)**	**(841.8)**

Source: Seplat, CAG Research.

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