

# Seplat Energy

## 3Q25 results – strong quarter, special dividend

### Nigeria's leading independent energy company

**Results for 3Q25 bounced back QoQ and the results for the year to September further highlight the transformative impact of the SEPNU offshore acquisition, coupled with a strong performance from the legacy onshore operations. For 9M25, production jumped 185% YoY to 135.6kboed driving a 169% increase in net profit to US\$95.1m, despite a 13% reduction in the realised oil price. Very strong cash generation saw net debt reduced to US\$385.9m with leverage down to just 0.27x. That performance saw the company declare a US\$2.5 special dividend in addition to the new US\$5.0 quarterly base dividend level under the new dividend policy. FY25 guidance was narrowed up. We have made modest changes to our forecasts but these look likely to be conservative, despite some headwinds in 4Q25. Based on consensus estimates, Seplat is trading on attractive ratings versus peers.**

For 9M25, revenue trebled to US\$2,176.6 while profit before tax jumped 133% to US\$570.1m driving a 129% increase in EPS to US\$16/share. Net cash generated from operations was stronger still, up 183% to over US\$1bn, helped by a positive working capital inflow of US\$248.8m. On a quarterly basis, EPS leapt to US\$12 for 3Q25 (US\$12 2Q25) (Figure 1 and Figure 2).

Gross debt was reduced by US\$130m QoQ to under US\$1bn and the Westport Senior Reserve Based Lending facility was refinanced on improved terms reflecting the strength of the balance sheet and forward cash position.

Production guidance was narrowed up to 130kboed-140kboed (from 120kboed-140kboed) despite production issues at Yoho which will impact 4Q25 as will the planned downtime for the installation of the new Inlet Gas Exchanger at the East Area Project. The company remains on track to complete 50 offshore well work-overs and drill 13 onshore wells. Capex guidance was narrowed down to US\$270m-US\$290m (from US\$260m-US\$320m) and unit opex guidance was reiterated at US\$14.0boe-US\$15.0boe. ANOH is expected to start gas exports to Nigeria LNG in 4Q25.

At its recent Capital Markets Day (CMD), Seplat set out a new dividend policy of at least a 40% payout of free cash flow (FCF) through cycle with a target of 40%-50%, underpinned by a minimum US\$5 quarterly dividend. While we have adjusted our forecast to a US\$7.5 dividend in 4Q25 to match 3Q25, that level would represent a full-year distribution of under 40% of our current forecast for FCF.

Based on consensus estimates, Seplat is trading on below average one-year forward ratings on EV/EBITDA or EV/net cash generation, particularly against larger cap peers, and carries an attractive dividend yield, particularly after allowing for a special dividend. Moreover, in terms of valuation per barrel of oil equivalent, Seplat is on the lowest valuation of the peer group. As Seplat delivers on the ambitions set out at the CMD, we expect markets to become increasingly enthusiastic about its valuation.

30 October 2025

**Price**

303p

**TICKER**

[SEPL](#)

**Market Cap**

£1,815m

**Net Debt (30 Sep 2025)**

US\$385.9m

**Free Float**

48%

**3mo Av. Daily Volume**

166k

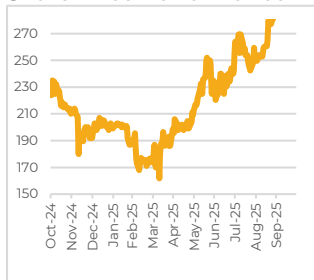
**Brokers**

Citi, Investec Bank

**Index**

FTSE Small Cap

**Share Price Performance**



Source: Bloomberg

**Seplat is a leading oil and gas producer in the Niger Delta region and completed the transformational MPNU acquisition late last year. It is now the leading processed gas supplier to the burgeoning Nigerian domestic market with start-up of the large ANOH gas project due shortly. The company focuses on onshore & shallow water offshore assets.**

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At a Glance (Yr. to Dec)	Production (kboed)	Revenue (US\$m)	EPS (US\$)	DPS** (US\$)	P/E* (x)	Yield* * (%)	Debt Adj CF* (x)
FY23A	47.8	1,061	0.16	0.15	5.8	10.3%	2.4
FY24A	52.9	1,116	0.14	0.17	10.0	7.3%	6.5
FY25E	131.8	2,787	0.14	0.24	16.8	6.4%	2.9
FY26E	148.9	3,065	0.23	0.20	10.5	5.3%	2.4
FY27E	156.6	3,273	0.33	0.20	7.4	5.3%	1.7

Source: Bloomberg, Seplat, CAG Research. \* Uses annual averages for historic share price and EV data.

\*\*FY23, FY24, and FY25 include special dividend.

**Figure 1: 1H25 vs 1H24**

Item	Unit	9M25	9M24	Delta
<b>Reported revenue</b>	US\$m	2,176.6	715.3	204%
<b>Revenue excluding over/underlift*</b>	US\$m	2,180.5	723.5	201%
<b>Gross profit</b>	US\$m	879.5	355.0	148%
<b>Adjusted EBITDA</b>	US\$m	1,111.9	383.0	190%
<b>Operating profit</b>	US\$m	711.0	274.8	159%
<b>Profit before tax</b>	US\$m	570.1	245.0	133%
<b>Net profit</b>	US\$m	95.1	35.3	169%
<b>Diluted EPS</b>	US\$	0.16	0.07	129%
<b>Dividend</b>	US\$	0.167	0.096	74%
<b>Net debt</b>	US\$	385.9	270.4	43%
<b>Net cash generated from operations</b>	US\$m	1,010.8	357.8	183%
<b>Working interest production</b>	boed	135.6	47.5	185%
<b>Volumes lifted</b>	mmbbl	27.9	7.5	270%
<b>Average realised oil price</b>	US\$bbl	71.93	82.89	-13%
<b>Average realised gas price</b>	US\$mcf	2.95	3.18	-7%

Source: Seplat, CAG Research.

**Figure 2: Quarterly split**

Item	Unit	1Q25	2Q25	3Q25
<b>Reported revenue</b>	US\$m	809.3	588.4	779.0
<b>Revenue excluding (over)/underlift*</b>	US\$m	755.8	684.5	740.2
<b>Gross profit</b>	US\$m	353.0	131.6	394.9
<b>Adjusted EBITDA</b>	US\$m	400.6	334.4	376.9
<b>Operating profit</b>	US\$m	238.1	149.7	323.2
<b>Profit before tax</b>	US\$m	207.4	85.5	277.2
<b>Net profit</b>	US\$m	23.3	4.1	67.7
<b>Diluted EPS</b>	US\$	0.03	0.01	0.12
<b>Dividend</b>	US\$	0.046	0.046	0.075
<b>Net debt</b>	US\$	747.0	676.3	385.9
<b>Net cash generated from operations</b>	US\$m	216.6	270.3	524.0
<b>Working interest production</b>	boed	131.7	137.2	137.9
<b>Volumes lifted</b>	mmbbl	9.9	7.9	10.1
<b>Average realised oil price</b>	US\$bbl	76.42	67.35	70.65
<b>Average realised gas price</b>	US\$mcf	3.01	2.98	2.91

Source: Seplat, CAG Research.

## Summary financial statements

December year end, US\$m	FY23A	FY24A	FY25E	FY26E	FY27E
Brent price (US\$/bbl)	82.2	79.9	70.0	72.5	75.0
Production (kboed)	47.8	52.9	131.8	148.9	156.6
Adjusted EBITDA	447.9	539.0	1,387.0	1,590.4	1,732.8
<b>Profit &amp; loss</b>					
Revenue	1,061.3	1,116.2	2,786.7	3,064.8	3,273.3
Cost of sales	(529.3)	(636.3)	(1,792.5)	(1,918.4)	(2,010.4)
<b>Gross profit</b>	<b>532.0</b>	<b>479.9</b>	<b>994.2</b>	<b>1,146.4</b>	<b>1,262.9</b>
Other (loss)/income	(121.9)	123.1	5.5	5.5	5.5
G&A	(143.6)	(147.2)	(260.0)	(260.0)	(260.0)
Impairment/fair value	(17.1)	(17.9)	(5.0)	(5.0)	(5.0)
<b>Operating profit</b>	<b>249.4</b>	<b>437.9</b>	<b>734.7</b>	<b>886.9</b>	<b>1,003.4</b>
Net finance	(59.6)	(79.1)	(115.9)	(62.4)	0.0
Share of JV	1.5	20.6	-	-	-
<b>Profit before taxation</b>	<b>191.2</b>	<b>379.4</b>	<b>618.8</b>	<b>824.5</b>	<b>1,003.5</b>
Income tax	(67.3)	(234.6)	(525.9)	(680.2)	(802.8)
<b>Net profit</b>	<b>123.9</b>	<b>144.8</b>	<b>92.8</b>	<b>144.3</b>	<b>200.7</b>
Non-controlling interests	40.7	(8.6)	8.0	8.0	8.0
<b>Attributable profit</b>	<b>83.1</b>	<b>153.4</b>	<b>84.8</b>	<b>136.3</b>	<b>192.7</b>
<b>Adjusted attributable profit</b>	<b>94.9</b>	<b>81.7</b>	<b>84.8</b>	<b>136.3</b>	<b>192.7</b>
Basic reported EPS (US\$)	0.14	0.26	0.14	0.23	0.33
Diluted reported EPS (US\$)	0.14	0.26	0.14	0.23	0.33
Basic adjusted EPS (US\$)	0.16	0.14	0.14	0.23	0.33
Diluted adjusted EPS (US\$)	0.16	0.14	0.14	0.23	0.33
Dividend <sup>1</sup> (US\$)	0.150	0.165	0.242	0.200	0.200

Source: Seplat, CAG Research. 1) FY23 and FY24 include special dividend.

## Summary financial statements (cont)

December year end, US\$m	FY23A	FY24A	FY25E	FY26E	FY27E
Profit before taxation	191.2	379.4	618.8	824.5	1,003.5
DD&A	163.2	196.2	630.7	685.5	714.4
Depreciation of right of use assets	4.1	7.8	21.6	18.0	15.0
Impairments, net	12.7	10.6	-	-	-
(Gain) on bargain purchase	-	(86.0)	-	-	-
(Profit)/loss on disposal	-	0.2	-	-	-
Net finance	52.1	69.9	-	-	-
(Profit)/loss on derivatives	4.9	18.0	-	-	-
FX	27.5	(30.4)	-	-	-
Share based payments	11.8	20.4	20.0	20.0	20.0
Share of JV	(1.5)	(20.6)	-	-	-
ANOH dividend	-	-	-	-	14.8
Other adjustments	9.6	30.7	9.0	9.0	9.0
<b>Net cash from operations before WC</b>	<b>475.5</b>	<b>596.2</b>	<b>1,300.0</b>	<b>1,557.0</b>	<b>1,776.6</b>
Movement in working capital	44.3	(212.7)	155.0	-	-
<b>Net cash from operating activities</b>	<b>519.9</b>	<b>383.5</b>	<b>1,455.0</b>	<b>1,557.0</b>	<b>1,776.6</b>
Tax paid	(62.1)	(68.0)	(400.1)	(420.4)	(461.9)
Other adjustments	(15.8)	(5.5)	(59.0)	(12.0)	(12.0)
<b>Net cash from operating activities</b>	<b>442.0</b>	<b>310.0</b>	<b>995.9</b>	<b>1,124.6</b>	<b>1,302.7</b>
Acquisition of oil & gas properties	(179.0)	(202.6)	(288.6)	(597.7)	(628.7)
Acquisition of intangible assets	-	-	-	-	-
Acquisition of other PP&E	(4.9)	(5.6)	(25.0)	(25.0)	(25.0)
Net cash paid on MPNU acquisition	-	(489.6)	(328.0)	-	-
Other investment	-	8.5	-	-	-
Proceeds from disposals	15.1	17.1	10.0	10.0	10.0
Other movements <sup>1</sup>	9.6	13.2	-	-	-
<b>Net cash outflow from investing</b>	<b>(159.3)</b>	<b>(658.9)</b>	<b>(631.6)</b>	<b>(612.7)</b>	<b>(643.7)</b>
Net loan proceeds/(repayment)	(22.0)	611.5	-	-	-
Dividend paid	(98.8)	(91.4)	(124.5)	(147.8)	(118.2)
Payments on leases	(4.6)	(7.0)	(21.6)	(18.0)	(15.0)
Shares purchased for employees	(1.5)	(19.5)	(4.0)	(4.0)	(4.0)
Other finance charges <sup>1</sup>	(8.1)	(21.5)	-	-	-
Interest (paid)/received <sup>1</sup>	(61.6)	(62.5)	(115.9)	(62.4)	0.0
Other financing	-	-	-	-	-
<b>Net cash from financing</b>	<b>(196.7)</b>	<b>409.6</b>	<b>(266.1)</b>	<b>(232.1)</b>	<b>(137.2)</b>
<b>Implied delta net debt (IAS 17)</b>	<b>(68)</b>	<b>592</b>	<b>(98)</b>	<b>(280)</b>	<b>(522)</b>

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

### Summary balance sheet

Total non-current assets	2,436.7	4,506.8	4,106.9	3,967.3	3,835.0
Net assets	1,793.0	1,842.6	1,824.9	1,835.4	1,931.9
Total equity	1,793.0	1,842.6	1,824.9	1,835.4	1,931.9
<b>Net (cash)/debt (IAS 17)</b>	<b>305.6</b>	<b>897.8</b>	<b>799.6</b>	<b>519.7</b>	<b>(2.1)</b>
<b>Net (cash)/debt (IFRS 16)</b>	<b>307.0</b>	<b>971.3</b>	<b>851.5</b>	<b>553.7</b>	<b>16.9</b>

Source: Seplat, CAG Research.

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