

Seplat Energy

1Q25 results – Dividend hiked 28% to US\$4.6, QoQ

Nigeria's leading independent energy company

This was Seplat's first set of quarterly results including the acquired ExxonMobil offshore assets (SEPNU) for a full quarter. Revenue jumped 350% YoY, or by 220% excluding over/underlift on production up 167% to 132kboed, despite lower realisations, with a near sextupling in oil volumes lifted to 9.9mmbbl. That drove a tripling in profit before tax to US\$207.4m, generating EPS of US\$0.03 (1Q24 US\$0.00). Strong cash flow generation saw a reduction in net debt to US\$747.1m with leverage at 0.6x (YE24 US\$897.7, 0.7x). In a clear mark of the company's confidence in its outlook, the quarterly dividend was hiked 28% QoQ to US\$4.6 and up 53% YoY, putting the full year dividend on-track for US\$18.4, up 12% on the FY24 dividend, which included US\$3.3c of special dividend. Guidance for FY25 was firmly maintained.

Seplat reported production for 1Q25 of 131,561kboed including a particularly strong performance from onshore of 56,196boed, up 14% YoY, together with 75,365boed from SEPNU, in line with expectations. Total production was marginally above the mid-point of FY25 guidance of 120-140kboed. Net cash generation for the quarter hit US\$216.6m (1Q24 US\$14.9m) while net cash invested was a relatively modest US\$43.3m (1Q24 US\$32.5m), and below the run-rate for full-year guidance of US\$260m-US\$320m. The results also benefitted from a low unit opex of US\$12.6/boe which compares with FY25 guidance of US\$14-15/boe anticipating an increase in maintenance and well work-over activity later in the year.

During the quarter, Seplat refinanced the US\$650m notes expiring 2026, with an equivalent value of 2030 notes priced at 9.125%, inside the Nigerian sovereign rating, for the first time. That triggered an automatic extension of the company's US\$350m revolving credit facility to December 2026, of which US\$250m was also repaid, given the company's strong net cash generation, reducing gross debt by 21% to US\$1.08bn.

The ANOH gas plant will shortly introduce dry gas for commissioning. Given continuing delay in completion of the OB3 trunk line, the AGPC IJV has agreed preliminary heads-of-terms for delivery of gas into the export market through the Nigeria LNG terminal with work ongoing on pipeline modifications to enable gas sales to commence in 3Q25.

Mr. Bello Rabiou and Mr. Babs Omotowa, both Independent Non-Executive Directors (INEDs), resigned from the Board following their appointment to the Board of NNPC Ltd. Mrs Bashirat Odunewu has been appointed Senior INED, replacing Mr Rabiou in that role.

Overall, Seplat delivered a strong performance in 1Q25, demonstrating the impact of the SEPNU acquisition and emphasised by a further substantial increase in the quarterly dividend, notwithstanding the subsequent weakening in oil prices. The performance in 1Q25, confirms the transformational nature of the SEPNU acquisition; we expect to reinstate forecasts shortly.

28 April 2025

Price

193p

TICKER

[SEPL](#)

Market Cap

£1,138m

Net Debt (31 Mar 2025)

US\$747m

Free Float

48%

3mo Av. Daily Volume

287k

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.

Colin Smith

+44 20 7082 5522

[Email the Analyst](#)

At a Glance (Yr. to Dec)	Production (kboed)	Revenue (US\$m)	EPS (US\$)	DPS** (US\$)	P/E* (x)	Yield* (%)	Debt Adj CF* (x)
FY22A	44.1	952	0.11	0.15	6.5	11.3%	2.1
FY23A	47.8	1,061	0.14	0.15	5.5	10.3%	2.4
FY24A	52.9	1,116	0.26	0.165	8.6	7.4%	n/a

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

**FY22, FY23 and FY24 include special dividend.

Figure 1: IQ25 highlights

Item	Unit	IQ25	IQ24	Delta
Reported revenue	US\$m	809.3	179.8	350.0%
Revenue excluding over/underlift*	US\$m	755.7	236.2	219.9%
Gross profit	US\$m	353.0	42.7	726.4%
Adjusted EBITDA	US\$m	400.6	123.3	224.9%
Operating profit	US\$m	238.2	81.9	190.7%
Profit before tax	US\$m	207.4	69.3	199.4%
Net profit	US\$m	23.3	(1.9)	n/a
Diluted EPS	US\$	0.03	0.00	n/a
Dividend	US\$	0.046	0.030	53.3%
Net debt	US\$	747.1	385.4	93.9%
Cash generated from operations	US\$m	306.5	16.8	1721.0%
Working interest production	boed	131,561	49,258	167.1%
Volumes lifted	mmbbl	9.9	1.8	465.7%
Average realised oil price	US\$bbl	76.42	86.17	-11.3%
Average realised gas price	US\$mcf	3.01	3.11	-3.2%

Source: Seplat, CAG Research.

Copyright 2023 Capital Access Group Ltd ("CAG")

This document is a marketing communication which is designed to educate and inform investors about the subject company. The subject company pays CAG a fee to cover the costs of research production and distribution. This report has been commissioned by the subject company and prepared and issued by CAG for publication in the United Kingdom only. The research has not been prepared in accordance with regulatory requirements designed to promote the independence of investment research. This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. Any comments in this report regarding the valuation of a financial security are based on comparisons with similar securities; they are not forecasts of a likely share price. CAG does not undertake to provide updates of any matters discussed in this document.

This document is not an offer to buy or sell, or a solicitation of an offer to buy or sell, the securities mentioned. Capital Access Group does not buy or sell shares, nor does it conduct corporate finance transactions, nor does it undertake investment business either in the UK or elsewhere. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. CAG does not make investment recommendations. Capital Access Group is not regulated by the Financial Conduct Authority ("FCA"). CAG does not offer any investors the ability to trade securities. Our publications are not, therefore, an inducement under MiFID II regulations.

CAG does not hold any positions in the securities mentioned in this report. However, CAG's directors, officers, employees, and contractors may have a position in any or related securities mentioned in this report.

The information contained in this document has been compiled from sources believed to be reliable, but no guarantee whatsoever is given that the information is complete or accurate, or that it is fit for a particular purpose.

This document was issued by Capital Access Group Ltd without legal responsibility and is subject to change or withdrawal without notice. By reading this document, you confirm that you have read and understand the above, and that you shall not hold Capital Access Group Ltd or any of its members and connected companies liable for any loss that you may sustain should you decide to buy or sell any of the securities covered.



Capital Access Group

32 Cornhill

London

EC3V 3SG

www.capitalaccessgroup.co.uk