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SEPLAT ENERGY PLC
FY 2025

Earnings Report Update

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Company Overview

Seplat Energy Plc is Nigeria's leading indigenous energy company, dual-listed on the NGX and LSE. Following its acquisition of Mobil Producing Nigeria Unlimited, Seplat operates eleven oil and gas blocks in the Niger Delta, along with export terminals and major gas processing plants, reinforcing its position as a key supplier of natural gas for domestic power generation.

GUIDANCE

Seplat Energy raised its 2026 outlook, narrowing production guidance upward to 135–155 kboepd while increasing capex guidance to $360-440 million.

CEO's Commentary

"Roger Brown, Chief Executive Officer, said, "In 2025 we clearly illustrated our ability to operate at scale. We benefitted from successful execution of several key offshore activities that kick-started life for Seplat as an offshore operator, while at the same time delivering onshore production performance that was the strongest in recent memory."
"

Revenue/Profitability Summary			
Billions NGN(₦), except EPS	**FY 2025**	**Q4 2025**	**YOY**
Revenue	4,135.38	779.19	150.39%
Gross profit	1,372.27	16.27	163.18%
Operating profit	1,024.62	-71.58	111.98%
Profit before taxation	755.51	-123.48	91.43%
Profit for the year	241.58	94.94	16.22%
Earnings per share	409.92	169.74	9.38%

Cost/Expenses Summary			
Billions NGN(₦)	**FY 2025**	**Q4 2025**	**YOY**
Cost of sales	2,763.10	762.92	144.49%
General & administrative	378.53	116.65	75.52%
Impairment loss on financial assets	23.86	10.20	52.54%
Fair value loss	32.72	7.51	200.87%
Finance costs	281.21	57.72	102.75%
Income tax expense	513.93	-218.43	175.12%

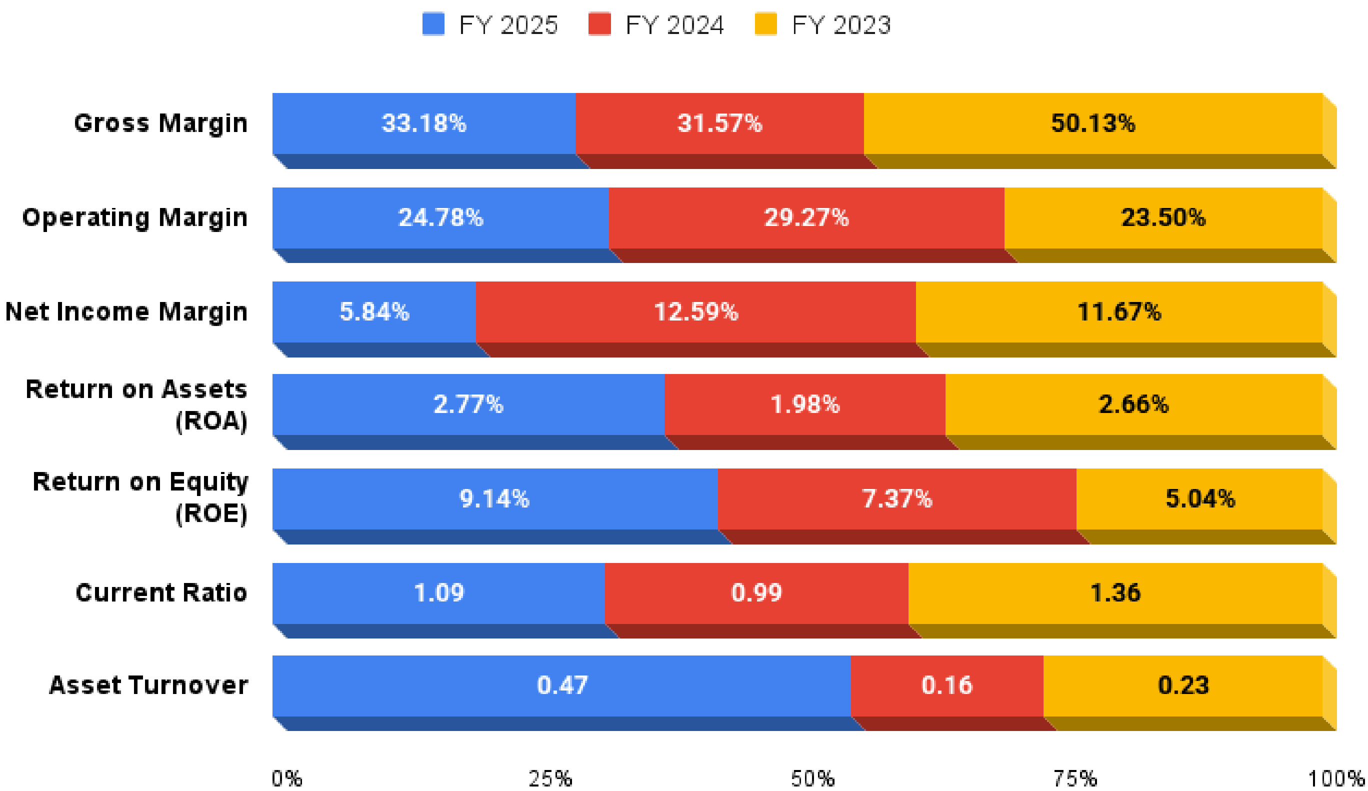
Cash Flow Summary		
Billions NGN(₦)	**FY 2025**	**YOY**
Net cash from operations	1,768.27	285.49%
Net cash from investing	-909.56	8.90%
Net cash from financing	-1,073.21	-277.08%
Cash balance	476.97	-33.88%

Key Items of Financial Position Summary			
Billions NGN(₦)	**31st Dec. 2025**	**QOQ**	**YOY**
Current assets	1,924.73	-28.91%	-28.27%
Non-current assets	6,787.04	7.27%	-12.77%
Total assets	8,729.38	-3.57%	-16.73%
Current liabilities	1,765.26	-21.70%	-34.97%
Non-current liabilities	4,320.89	5.37%	-12.63%
Total liabilities	6,086.15	-4.23%	-20.55%
Total equities	2,643.24	-2.02%	-6.35%

Segment Performance

Billions NGN(₦)	FY 2025	% Revenue	Q4 2025	YOY
Crude oil	3,774.25	91.27%	683.65	157.39%
Gas	279.42	6.76%	64.78	51.17%
Natural gas	81.71	1.98%	30.76	20906.17%

Margin and Efficiency Analysis



Performance Highlights

- Based on its production, Seplat delivered a transformational full year, with Group Working Interest production surging 144% Year-on-Year to 131,506 boepd. Aggregate output of 48.0 Million Barrels of Oil Equivalent (+165% Year-on-Year) reflects the successful consolidation of Midwestern Power Nigeria Unlimited assets.

- Seplat delivered a landmark FY 2025 revenue performance, with total revenue surging to ₦4.135 trillion, primarily driven by a 157% increase in crude liftings and 51% growth in gas sales following the transformational consolidation of Midwestern Power Nigeria Unlimited assets. Crude oil remained the dominant revenue contributor at 91%, reflecting strong offshore liquids volumes, while Gas and Natural Gas Liquids contributed 7% and 2% respectively.

- Fourth Quarter 2025 introduced a near-term headwind, with reported revenue declining 29% Quarter-on-Quarter, driven by the Yoho platform shutdown, elevated offshore maintenance activity and a 7% Quarter-on-Quarter decline in realised oil prices, a transitory setback rather than a structural concern.

- Seplat's revenue base reflects meaningful geographical diversification, with Europe emerging as the largest regional contributor at ₦1.53 trillion, followed closely by Asia at ₦1.36 trillion collectively underscoring the Group's strong international offtake relationships. The Americas contributed ₦438.0 billion, while Africa accounted for ₦453.5 billion, reflecting domestic and regional demand.

- Production costs rose to ₦2.76 trillion with offshore operations accounting for approximately 71% of Group production costs against 58% of Group production volumes: a disproportionate cost skew warranting close monitoring. Unit production costs of $15.7 per barrel of oil equivalent marginally exceeded guidance of $14.0 - $15.0 per barrel of oil equivalent, predominantly attributable to the weaker Fourth Quarter 2025 production outturn.

- Seplat's Full Year 2025 Profit Before Tax rose a robust 91.43% Year-on-Year, reflecting the transformational scale of the consolidated Group. However, net income growth was materially tempered by a 175.12% surge in income tax expense, with Net Income advancing a more modest 16.22% Year-on-Year to ₦241.58 billion and Earnings per share reaching ₦409.92.

- Seplat meaningfully strengthened its balance sheet, repaying all outstanding Revolving Credit Facility and Westport Junior Reserve Based Lending obligations. Post-period, the Revolving Credit Facility was upscaled to $400 million at a 76 basis points lower cost, while the Westport Senior Reserve Based Lending refinancing delivered up to 426 basis points in interest savings.

- Seplat's Board approved a Q4 2025 dividend of 8.3 cents per share, comprising a base dividend of 5.0 cents per share and a special dividend of 3.3 cents per share, bringing total Full Year 2025 proposed dividends to 25.0 cents per share, a compelling 52% increase YoY.

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Concerns Raised

- Commodity price risk remains a material concern for Seplat, given the Group's significant exposure to crude oil price volatility, a risk underscored by the 12% YoY decline in average realized oil prices to $70.29 per barrel in FT 2025, which materially dampened revenue conversion despite record production volumes.

- While the Group prudently maintains the majority of its cash holdings in United States Dollars, its Naira-denominated obligations for General & Administrative expenditure and local operational costs create meaningful currency mismatch risk, particularly given the continued volatility of the Nigerian Naira against the United States Dollar.

- Seplat carries significant customer concentration risk, with Shell Western, ExxonMobil, Chevron and Waltersmith dominating Oil segment revenues, while Geregu Power, Sapele Power and Azura anchor Gas segment receipts. Most critically, the Shell Western off-take agreement expires December 2026.

- With gross debt of $1,005.6 million still outstanding and Westport Reserve Based Lending amortization commencing June 2027, sustained operational performance and disciplined cash flow management remain critical to meeting obligations as they fall due.

OUR INSIGHT

"Seplat Energy's FY 2025 performance was fundamentally enabled by the successful consolidation of Midwestern Power Nigeria Unlimited, which delivered an immediate step-change in production scale, revenue diversification and cash generation capacity. Offshore idle-well recovery, the Sapele Integrated Gas Plant ramp-up, improved pipeline availability and disciplined Operations & Maintenance investment collectively underpinned operational momentum. Strategic debt refinancing at lower borrowing costs enhanced financial flexibility. Near-term risks including commodity price volatility, Yoho restoration and the Shell Western off-take renewal remain key watchpoints. In the long term, investors should closely monitor Seplat's ability to sustain offshore operational efficiency, execute on its Gas segment expansion strategy, and progressively grow dividends."

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