



FINANCIAL PERFORMANCE

Seplat Energy Nigeria Plc delivered a mixed but ultimately resilient financial performance for the first quarter ended March 31, 2026, navigating a challenging operating environment marked by rising costs and subdued production revenues. Revenue declined by 5.22% year-on-year to ₦1.163 trillion from ₦1.228 trillion in Q1 2025. Despite the top-line contraction, the company demonstrated commendable cost discipline as cost of sales fell by 5.97% to ₦650.8 billion, slightly outpacing the decline in revenue and resulting in a marginal improvement in gross margin to 44.1% from 43.6% in Q1 2025. Gross profit consequently came in at ₦512.7 billion, down 4.25% from ₦535.4 billion.

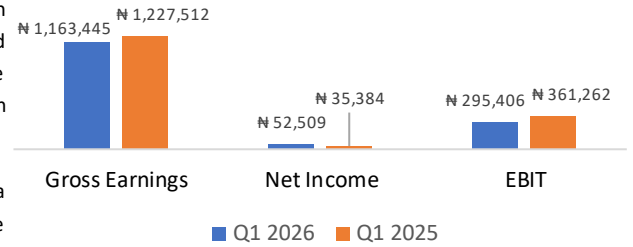
Profitability at the operating level came under more pronounced pressure. Other income swung to a net loss of ₦126.4 billion from a loss of ₦67.3 billion in Q1 2025, reflecting a combination of fair value losses of ₦19.1 billion (up 150.06% year-on-year) and a dramatic 830.37% surge in impairment losses on financial assets to ₦7.5 billion from just ₦810 million. These charges weighed heavily on operating performance, causing profit from operating activities to decline by 18.23% to ₦295.4 billion from ₦361.3 billion. Operating margin narrowed to 25.4% from 29.4%. On the positive side, general and administrative expenses were cut sharply by 34.80% to ₦64.2 billion from ₦98.4 billion.

Below the operating line, net finance costs worsened by 32.72% to ₦60.5 billion, driven by a 30.25% increase in finance costs to ₦64.5 billion as the cost of debt servicing rose. The company's share of losses from its joint ventures also deteriorated significantly, swinging to a loss of ₦5.8 billion from ₦1.1 billion in Q1 2025. Collectively, these pressures drove profit before tax down 27.19% to ₦229.1 billion from ₦314.6 billion. The standout positive of the quarter, however, emerged at the bottom line as income tax expense declined sharply by 36.76% to ₦176.6 billion from ₦279.3 billion, providing significant relief and enabling profit after tax to jump 48.40% to ₦52.5 billion from ₦35.4 billion. Earnings per share consequently rose 49.50% to ₦77.95 from ₦52.14, meaning shareholders earned considerably more per share despite the weaker pre-tax performance.

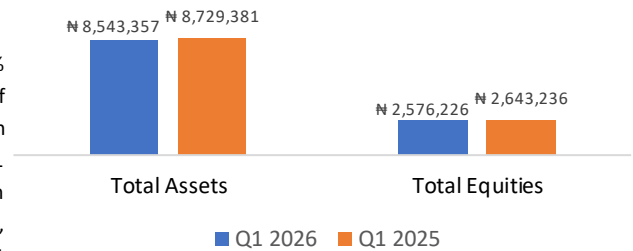
Looking at key metrics, performance was decidedly mixed. Net profit margin improved to 4.5% from 2.9%. Return on equity came in at 2.0% and return on assets at just 0.6%. The debt-to-equity ratio improved marginally to 53.4% from 54.6%, while asset turnover remained flat at 0.14x. On the balance sheet, total assets contracted slightly by 2.13% to ₦8.543 trillion from ₦8.729 trillion in December 2025, driven largely by a 5.32% decline in property, plant and equipment to ₦4.730 trillion, reflecting depreciation and depletion of the asset base. On the positive side, cash and cash equivalents surged 24.20% to ₦817.6 billion from ₦658.3 billion, pointing to strong cash generation in the period. Total liabilities declined by 1.96% to ₦5.967 trillion, while shareholders' equity edged lower by 2.54% to ₦2.576 trillion.

Investors have responded with measured indifference so far, as the share price holds steady at ₦10,450 with no meaningful movement in either direction. The market appears to be taking its time to fully assess the results, with discerning investors looking beyond the headline earnings beat to scrutinise the quality of the underlying numbers that drove it.

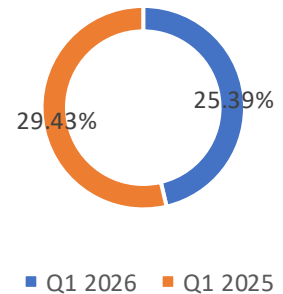
Snapshot of P & L (N'Bn)



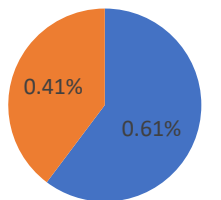
Snapshot of Balance Sheet (N'Bn)



Operating Margins

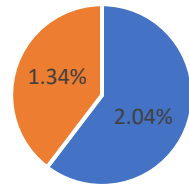


Return on Asset



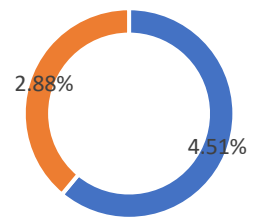
■ Q1 2026 ■ Q1 2025

Return on Equity



■ Q1 2026 ■ Q1 2025

Net Income Margins



■ Q1 2026 ■ Q1 2025



Seplat Energies Nigeria Plc	Q1 2026	Q1 2025	% Change			
Statement of Profit or Loss	(N'mn)	(N'mn)				
Revenue	1,163,445	1,227,512	5.22%			
Cost of Sales	(650,794)	(692,079)	5.97%	Key Ratio	Q1 2026	Q1 2025
Gross Profit	512,651	535,433	4.25%	COGS Margin	55.9%	56.4%
Other income/loss	(126,407)	(67,293)	87.85%	Gross Margin	44.1%	43.6%
Impairment (loss) on financial assets	(7,536)	(810)	830.37%	Operating Margin	25.4%	29.4%
Fair value loss	(19,137)	(7,653)	150.06%	Net Profit Margin	4.5%	2.9%
General & Administrative expenses	(64,165)	(98,415)	34.80%	Debt/Equity Ratio	53.4%	54.6%
Profit from operating activities	295,406	361,262	18.23%	Asset Turnover	0.14x	0.14x
Finance income	4,047	3,968	1.99%			
Finance costs	(64,507)	(49,524)	30.25%			
Net Finance Costs	(60,460)	(45,556)	32.72%	Financial Statistics		
Share of profit/(loss) from JV	(5,842)	(1,060)	451.13%	Share price	₦10,450.0	
Loss/Profit before tax	229,104	314,646	27.19%	52 Wk High/Low	N10450/N4964.4	
Income tax	(176,595)	(279,262)	36.76%	Shares Outs. (Mn)	599.9	
Loss/Profit after tax	52,509	35,384	48.40%	Market Cap (Bn)	6,269.4	
Basic Earnings per Share (in Naira)	77.95	52.14	49.50%	P/E Ratio	134.06x	
				Earnings Yield	0.75%	
				P/B Ratio	2.43x	
Balance Sheet as of 31 March, 2026	31-Mar-2026	31-Dec-2025		Return on Assets	0.6%	
Cash and cash equivalents	817,597	658,317	24.20%	Return on Equity	2.0%	
Trade and other receivables	831,547	683,086	21.73%			
Inventories	465,694	489,087	4.78%	Corporate Actions		
Deferred tax assets	228,457	289,581	21.11%	Interim Dividend	N/A	
Property Plant and Equipment	4,729,725	4,995,256	5.32%	Qualification Date	N/A	
Prepayments	58,628	70,191	16.47%	Closure Date	N/A	
Financial Investments	354,244	372,835	4.99%	Payment Date	N/A	
Other Assets	1,057,465	1,171,028	9.70%	AGM Date	N/A	
Total Assets	8,543,357	8,729,381	2.13%	Dividend Yields	N/A	
Trade and other payables	1,348,344	1,310,242	2.91%			
Current Tax liabilities	350,580	307,756	13.91%			
Provision for decom. obligation	1,142,098	1,168,622	2.27%			
Borrowings	1,376,861	1,443,289	4.60%			
Other Liabilities	1,749,248	1,856,236	5.76%			
Total Liabilities	5,967,131	6,086,145	1.96%			
Total shareholders' equity	2,576,226	2,643,236	2.54%			