

SEPLAT return to profitability records 20.47% growth in net profit margin.

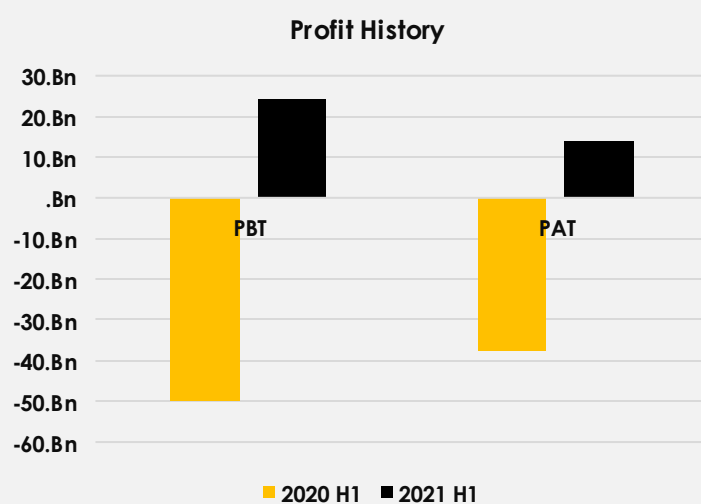
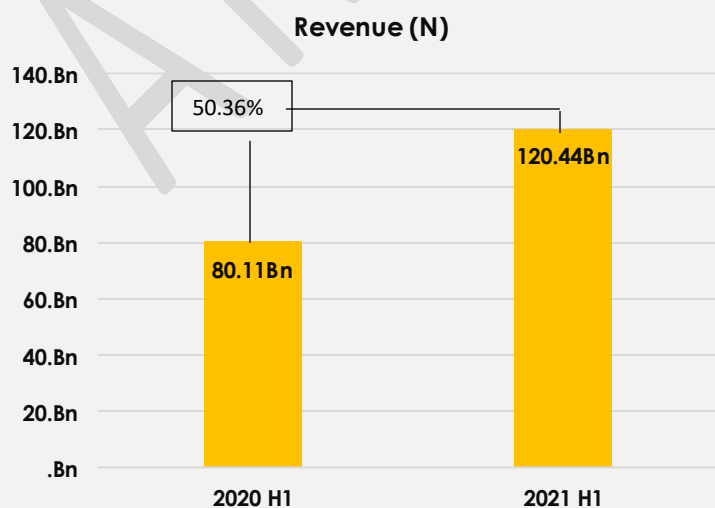
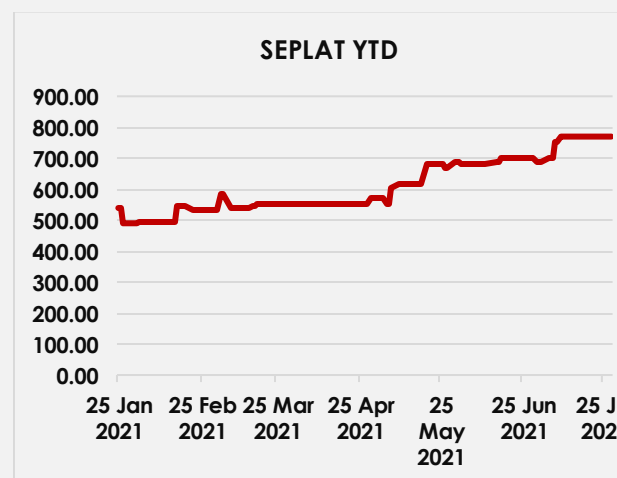
After a difficult 2020 for the oil industry owing to the global Covid-19 pandemic, SEPLAT has recovered nicely by improving profitability as revenue topped the N120Bn mark. The oil giant recorded a Profit-After-Tax of N14.11 bn from a loss of N37 Bn in H1-2020 after growing revenue by 50.36% to N120.44 Bn in H1-2021

Meanwhile, the company's impressive performance can be attributed to revenue growth and reduced operating cost, as proceeds from gas operations accounted for 98% of the oil company's profits, which is N13.02 Bn. While operating expenses declined by 75.34%, from N71.52 Bn in 2020 H1 to N17.63 Bn in 2021 H1.

SEPLAT returned to delivering returns to investors giving them little to cheer about after it recorded a 2.08% return on equity in 2021 H1, better than the 6.27% investors lost on their investment in 2020 H1. The oil company grew assets to N1.41 Tr in 2021 H1 from N1.09 Tr in 2020 H1 and borrowings, slightly by 7.34%.

However, as oil prices continue to soar currently above the \$70 per barrel mark amid improved demand and oil production cuts, we expect a potential upside of 11.69% as oil demand continues to improve globally, owing to increasing covid-19 inoculations and economic activities both locally and internationally.

Company Valuation	SEPLAT	
	2020 H1	2021 H1
EPS	-64.26	24.01
BVPS	1,024.93	1,156.09
P/E	-10.74	32.07
P/BV	0.67	0.67
Current Price	690.00	770.00
Key Metrics		
ROA	-3.44%	1.00%
ROE	-6.27%	2.08%
Debt to Equity	0.48	0.46
Current Ratio	1.52	1.59
Net Profit Margin	-62.22%	20.11%
Asset Turnover	0.07	0.08
Shares Statistics		
Yr Hi	₦770.00	
Yr Low	₦282.00	
YTD Return	42.59%	
Shares Outstanding	588,444,561.00	
Market Cap	453,102,311,970.00	



Financial Highlights (NGN Millions) SEPLAT 2021 H1

Profit & Loss Account	2020 H1	2021 H1	y/y Growth
Revenue	80,106.00	120,444.00	50.36%
Cost of Sales	(67,189.00)	(85,764.00)	27.65%
Gross Profit	12,917.00	34,680.00	168.48%
Operating Expenses	(71,523.00)	(17,638.00)	-75.34%
Operating Profit	(38,712.00)	42,700.00	
Investment Income	601.00	4.00	-99.33%
Finance Cost	(12,536.00)	(18,519.00)	47.73%
PBT	(49,838.00)	24,226.00	148.61%
Tax Expenses	12,056.00	(10,108.00)	
PAT	(37,782.00)	14,118.00	137.37%
Balance Sheet	2020 H1	2021 H1	
Inventories	28,764.00	30,315.00	5.39%
Trade and Other Receivables	117,863.00	97,062.00	-17.65%
Cash and Cash Equivalent	123,678.00	122,559.00	-0.90%
Property Plant and Equipment	573,448.00	661,581.00	15.37%
Current Assets	278,666.00	256,602.00	-7.92%
Total Assets	1,098,420.00	1,417,310.00	29.03%
Shareholders Fund	602,660.00	679,783.00	12.80%
Trade and Other Payables	135,109.00	120,567.00	-10.76%
Loans and Borrowings	288,579.00	309,762.00	7.34%
Current Liabilities	183,504.00	161,722.00	-11.87%
Total Liabilities	495,760.00	737,527.00	48.77%

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