Oando

Lower costs, stronger cash flow drive deleveraging

Oando's 9M26 results showed continued improvement across the upstream business, with higher production, lower unit costs and reduced leverage. Average production increased 14% year-on-year to 43.0kboepd, while production opex declined 22% to US$15.4/boe, implying a materially lower Q3 run-rate. Facility uptime increased to 96.1%, while revenue rose 9% to NGN2.78tn, adjusted EBITDA turned positive at NGN182bn and cash generated from operations swung to NGN285bn. Total borrowings declined 20% from FY25 to NGN2.16tn and net debt fell to NGN1.99tn. Management narrowed FY26 production guidance to 40–45kboepd, maintained US$90–100m capex guidance and reiterated its previously reduced 22–26mmbbl crude trading target.

Upstream performance continued to improve through Q3. Production from OMLs 60–63 averaged 40.0kboepd in 9M26, up 16% year-on-year, supported by new wells, workovers and higher facility availability. Production opex declined to US $15.39/boe in 9M26 from US$19.67/boe in 9M25 and US$16.83/boe in H126. Based on reported volumes, this implies Q3 opex of c US$12.6/boe, around 25% below H126, versus a prior FY26 target of sub-US$18/boe and the company's c US$15/boe medium-term target. The reduction reflects savings across transport, logistics, services and ICT, together with higher production over a largely fixed field-cost base. Facility uptime reached 96.1% in 9M26 versus 85% in 9M25, while NGL delivery reached a five-year high and gas supply to the Okpai IPP increased 80%. With the final well scheduled to spud in December, the seven-well FY26 programme remains on track and is expected to add a total of c 16–20kboepd gross.

Financial performance increasingly reflected the upstream recovery. In 9M26, E&P external revenue increased 58% to NGN554bn, while Trading revenue was broadly flat at NGN2.22tn. Q3 showed a further increase in upstream earnings, with E&P external revenue rising to NGN209bn from NGN82bn and reported operating profit to NGN134bn from NGN51bn, equivalent to a reported c 64% operating margin. At group level, 9M gross profit increased to NGN175bn from NGN30bn and operating profit reached NGN160bn versus a NGN110bn loss in 9M25. Reported PAT declined 47% to NGN106bn, primarily reflecting the absence of substantial non-recurring finance income recorded in the prior period.

Cash generation remained strong in Q3, with net operating cash flow of c NGN108bn and capex of c NGN29bn. Oando also accelerated debt repayment, with c NGN461bn repaid during Q3 against only c NGN20bn of new proceeds. As a result, total borrowings declined from NGN2.70tn at H126 to NGN2.16tn at 9M26. Cash declined from NGN545bn to NGN176bn over the same period, partly funding the repayments, while net debt fell by c NGN170bn to NGN1.99tn. The broader balance-sheet restructuring remains targeted for completion by end-Q127. The company narrowed FY26 production guidance from 40–50kboepd to 40–45kboepd, and maintained the previously reduced 22–26mmbbl crude trading target.

Historical financials

Year end	Revenue (NGNm)	EBITDA (NGNm)	PBT (NGNm)	EV/EBITDA (x)
12/24	4,086,651.0	640,925.0	383,820.0	3.7
12/25	3,180,090.0	339,802.0	135,760.0	7.0

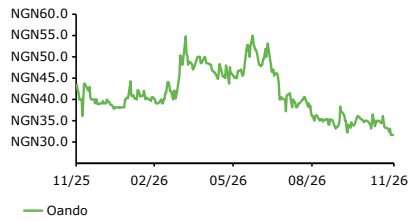
Note: Historical EBITDA is operating profit plus DD&A. EV uses the full issued share count and 9M26 net debt.

Oil & gas

3 November 2026

Price	**NGN31.50**
Market cap	**NGN391,589m**

Share price performance



Share details

Code	OANDO
Listing	XNSA
Shares in issue, including c 3bn in treasury shares	12,431.4m
Net cash/(debt) at 9M26	NGN(1,986,325.0)m

Business description

Oando is an African-focused integrated energy company listed on the Nigerian Exchange and Johannesburg Stock Exchange, with material upstream oil and gas production, strategic gas and petroleum trading infrastructure, and an energy transition platform spanning power and clean energy solutions.

Bull points

- Large reserve and resource base.
- Production recovery and lower unit costs.
- Deleveraging and gas-monetisation upside.

Bear points

- High leverage and interest burden.
- Drilling and restructuring execution risk.
- Oil price, FX and Nigerian operating exposure.

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