

## Oando

### AGM resolutions passed; operating progress

Oando's shareholders approved all resolutions at its September AGM, including authority to pursue additional stock-exchange listings. More importantly, management reiterated its funding plans and 40–50kboepd 2026 exit-rate production guidance. Strong H126 cost performance supports the revised production opex target of below US\$18/boe, while the planned increase to five rigs by end-2027 should accelerate development. Oando continues to trade at a significant reserve-based discount. Delivering the development programme and reducing the interest burden remain central to the investment case.

At the 2026 AGM, management reiterated its plan to raise up to NGN500bn in two tranches, expected by Q426 and Q127, and noted that the rights issue application has been filed with the Commission. The balance sheet transformation plan also includes a US\$300m debt-to-equity conversion and a multi-instrument issuance programme of up to US\$1.5bn to refinance or restructure a significant portion of existing borrowings. Management targets completion of the restructuring by end-Q127. The aim is to eliminate the retained earnings deficit, restore covenant headroom and extend debt maturities. The company maintains its 2026 exit-rate production guidance of 40–50kboepd, with capex of approximately US\$100m. The 18% reduction in production opex to US\$16.8/boe in H126 provides a strong base for the revised FY26 target of below US\$18/boe (against prior guidance of US\$18–20/boe). A third rig is expected by end-2026 or Q127, with two further rigs due by end-2027, taking the fleet to five to support an accelerated development programme.

Our August [note](#) highlighted that Oando's significant reserve-based discount to Nigerian peers reflects its smaller current earnings base and higher leverage. Following Seplat's recent re-rating, Oando trades at c US\$2.1/boe of end-2025 2P reserves (US\$2.0/boe excluding treasury shares) versus Seplat's US\$7.7/boe, a 73% discount. On consensus forecasts, Oando's EV/EBITDA moves from 10.4x (10.0x) in FY26e, compared with Seplat's 4.1x, to near parity in FY28e at 5.3x (5.1x) versus 4.9x. This assumes substantial earnings growth from Oando's upstream programme. H126 production growth, lower unit costs and stronger operating cash flow generation provided initial evidence of progress. Delivery of the development programme, higher gas sales and a lower interest burden remain key to a sustained re-rating. We plan to initiate coverage and introduce our estimates and valuation shortly.

#### Historical financials and consensus estimates

| Year end | Revenue (NGNm) | EBITDA (NGNm) | PBT (NGNm)  | EV/EBITDA (x) |
|----------|----------------|---------------|-------------|---------------|
| 12/24    | 4,086,651.0    | 640,924.0     | 383,820.0   | 4.0           |
| 12/25    | 3,180,090.0    | 339,802.0     | 135,760.0   | 7.6           |
| 12/26e   | 3,506,918.0    | 248,792.0     | (103,527.0) | 10.4          |
| 12/27e   | 3,950,443.0    | 252,321.0     | (19,864.0)  | 10.2          |
| 12/28e   | 4,409,452.0    | 489,221.0     | 206,351.0   | 5.3           |

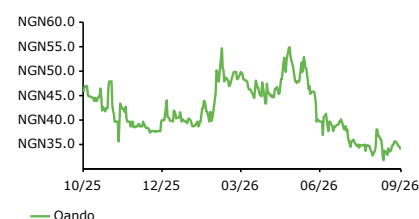
Note: Historical EBITDA is operating profit plus DD&A. Forecasts are the average of two published broker estimates; US dollar forecasts are translated at NGN1,331/US\$. EV uses the full issued share count and H126 net debt.

Oil &amp; gas

30 September 2026

**Price** **NGN34.50**  
**Market cap** **NGN428,884m**

#### Share price performance



#### Share details

|                                                  |                   |
|--------------------------------------------------|-------------------|
| Code                                             | OANDO             |
| Listing                                          | XNSA              |
| Shares in issue, including c 3bn treasury shares | 12,431.4m         |
| Net cash/(debt) at H126                          | NGN(2,156,717.0)m |

#### Business description

Oando is an African-focused integrated energy company listed on the Nigerian Exchange (NGX) and Johannesburg Stock Exchange (JSE), 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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