

Seplat Petroleum Development Company Q1 2020 Earnings Highlight

US\$'000	Q1 2020	Q1 2019	y/y	Q1 2020	Q4 2019	q/q
Revenue	130,493	159,517	-18.2%	130,493	202,897	-35.7%
Cost of Sales	(97,387)	(78,078)	24.7%	(97,387)	(71,821)	35.6%
<b>Gross Profit</b>	<b>33,106</b>	<b>81,439</b>	<b>-59.3%</b>	<b>33,106</b>	<b>131,076</b>	<b>-74.7%</b>
Other Income	48,141	(16,395)	-393.6%	48,141	(6,415)	-850.4%
General & Administrative Expenses	(31,994)	(20,445)	56.5%	(31,994)	(16,061)	99.2%
Impairment losses on financial assets	(145,453)	144	-101109.0%	(145,453)	(8,445)	1622.4%
Fair value gain/(loss)	19,158	(12,230)	-256.6%	19,158	626	2960.4%
<b>Operating Profit</b>	<b>(77,042)</b>	<b>32,513</b>	<b>-337.0%</b>	<b>(77,042)</b>	<b>100,781</b>	<b>-176.4%</b>
Finance Income	1,067	2,834	-62.4%	1,067	4,302	-75.2%
Finance Costs	(21,364)	(15,922)	34.2%	(21,364)	2,756	-875.2%
<b>Net Finance Income/(Cost)</b>	<b>(20,297)</b>	<b>(13,088)</b>	<b>55.1%</b>	<b>(20,297)</b>	<b>7,058</b>	<b>-387.6%</b>
Share of profit from joint venture accounted for using the equity method	1,607	-		1,607	318	405.3%
<b>Profit before Tax</b>	<b>(95,732)</b>	<b>19,425</b>	<b>-592.8%</b>	<b>(95,732)</b>	<b>108,157</b>	<b>-188.5%</b>
Income Tax (Expense)/Credit	(10,819)	13,251	-181.6%	(10,819)	(25,731)	-58.0%
<b>Profit from continued operations</b>	<b>(106,551)</b>	<b>32,676</b>	<b>-426.1%</b>	<b>(106,551)</b>	<b>82,426</b>	<b>-229.3%</b>
Profit from discontinued operations	-	-	n/a	-	9,984	-100.0%
<b>Profit for the period</b>	<b>(106,551)</b>	<b>32,676</b>	<b>-426.1%</b>	<b>(106,551)</b>	<b>92,410</b>	<b>-215.3%</b>
<b>Other Key Inputs</b>						
	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>y/y</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>q/q</b>
Basic Earnings Per Share	(0.19)	0.06	-426.5%	(0.19)	0.16	-215.5%
Diluted Earnings Per Share	(0.18)	0.06	-428.9%	(0.18)	0.16	-216.3%
EBITDA	(47,195)	56,610	-183.4%	(47,195)	124,450	-137.9%
<b>Margins</b>						
	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>y/y</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>q/q</b>
Gross Margin	25.4%	51.1%	-25.7ppts	25.4%	64.6%	-39.2ppts
EBITDA Margin	-36.2%	35.5%	-71.7ppts	-36.2%	61.3%	-97.5ppts
Operating Margin	-59.0%	20.4%	-79.4ppts	-59.0%	49.7%	-108.7ppts
Net Margin	-81.7%	20.5%	-102.1ppts	-81.7%	40.6%	-122.3ppts
Basic Outstanding Shares	568,497	569,228		568,497	569,228	
Diluted Outstanding Shares	576,703	581,615		576,703	581,615	
Depreciation & Amortisation	29,847	24,097		29,847	23,669	

Source: Company Financials, FSDH Research