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DANGOTE PETROLEUM REFINERY & PETROCHEMICALS FZE

The People's IPO

Renaissance Capital Africa Research | 9 September 2026

From commissioning to cash generation: scale and margins underpin the investment case

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USD0.47

Fair value per share (DCF)
WACC 13.3%, TGR 2.6%

USD5.38bn

FY26E EBITDA
vs USD545mn in FY25A

700kbpd

Single-train capacity
Nelson Complexity 11.5

45.0%

FY26E ROAE
vs -14.3% in FY25A

Valuation Summary	USD 'mn	USD 'mn
Enterprise Value		57,647
Gross debt	5,666	
Cash equivalent	(4,267)	
Net debt as at H1		1,398
Equity Value		**56,248**
NPV/share (USD)		*0.47*

Source: Company data, Renaissance Capital Africa estimates

The World's Largest Single-Train Refinery

DPRP operates a 700kbpd nameplate refinery in the Lekki Free Zone, one of the world's largest integrated energy complexes.

A Nelson Complexity Index of 11.5 (global peer average 9.7) converts 92% of every barrel into clean transport fuels.

A 7-year DCF Across Phase 2 Scenarios

The fair value range is derived from a 7-year DCF across Phase 2 commissioning scenarios spanning 2028–2031.

On a post-IPO pro-forma basis, the range is USD 57.11bn–65.44bn (USD 0.46–0.53, NGN 608.20–696.94/share) and inclusive of the greenshoe option, our fair value range is USD 58.45bn – USD 66.82bn (USD 0.47 – USD 0.53 or NGN 616.25 – NGN 704.47/share).

A world-scale merchant refinery with structural advantages across supply, scale and quality

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- DPRP's merchant refinery model gives it the flexibility to source crude competitively and sell refined products into the most attractive markets, irrespective of proximity.

1

FEEDSTOCK SUPPLY

c. 73%

of crude sourced domestically under NNPC and spot agreements

2

CONVERSION COMPLEXITY

11.5

NCI Score: 700kbpd single-train complex outperforming EM peers

3

MARKET REACHED

5

Continents served whilst closing import need in the domestic market

4

CAPACITY

~2x

Two times the size of the next largest refinery in Africa – Skikda, Algeria

5

QUALITY

92%

Clean marketable fuel meeting modern fuel-quality specifications (Euro V)

6

EXPANSION TARGET

1,400 kbbls

Set to be double refining capacity by 2028 *(Management forecast)*

Source: Company data, Renaissance Capital Africa estimates

DPRP is reducing Nigeria's import dependence while emerging as a regional supply hub

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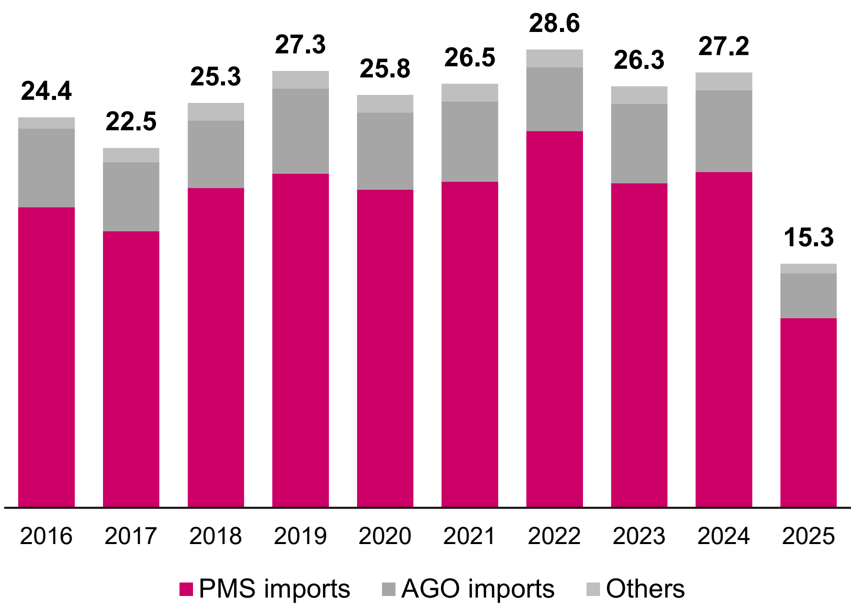
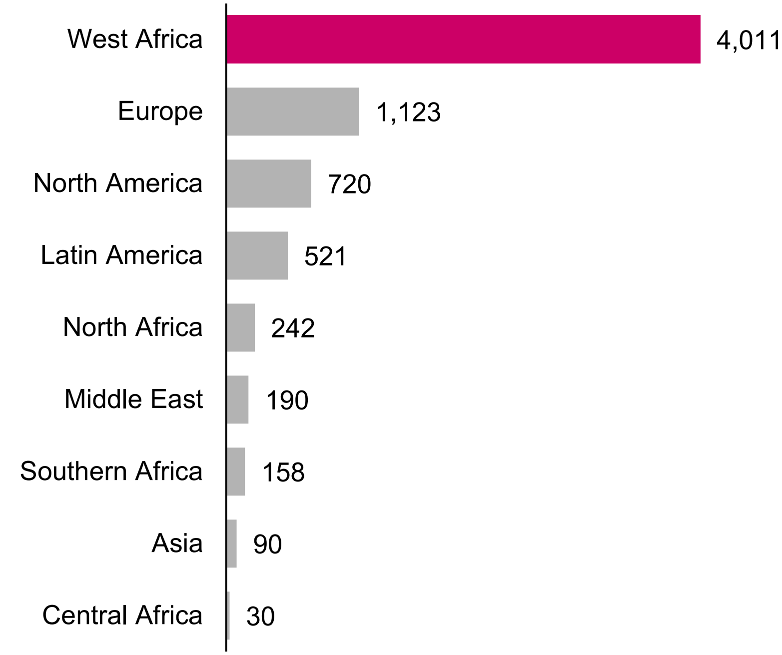
NIGERIA HISTORICAL PETROLEUM PRODUCT IMPORT (Billion liters)



FY 2025 EXPORT DESTINATIONS (kt)



- Rising domestic PMS and AGO imports through 2024 highlight the scale of Nigeria's historical import dependence, which DPRP is now helping to structurally reduce.
- DPRP is increasingly serving markets beyond Nigeria, with West Africa accounting for the largest regional destination and exports extending across Europe, North America and other markets.

Source: Company data, Renaissance Capital Africa estimates

Investment thesis: Scale, structural cost advantage and demand underpin earnings growth (1/2)

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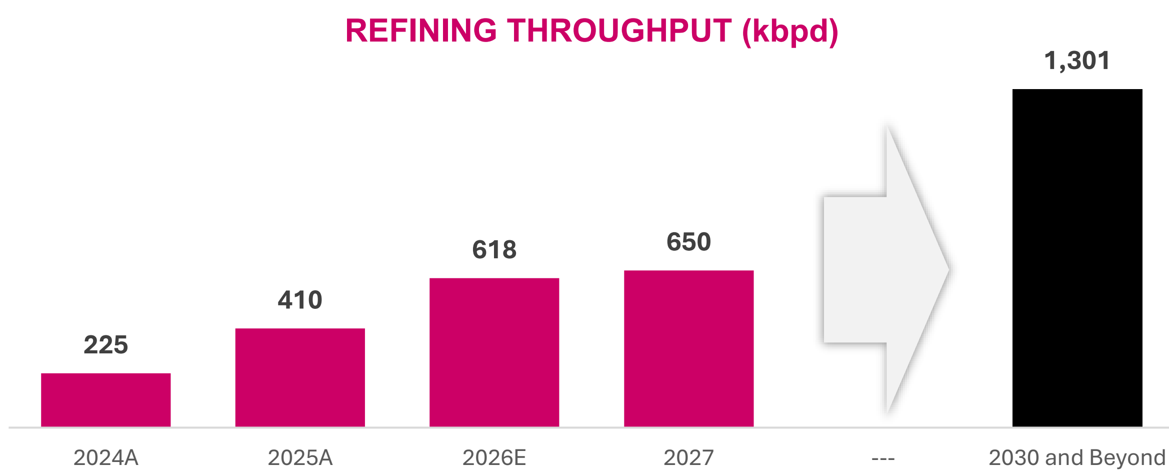
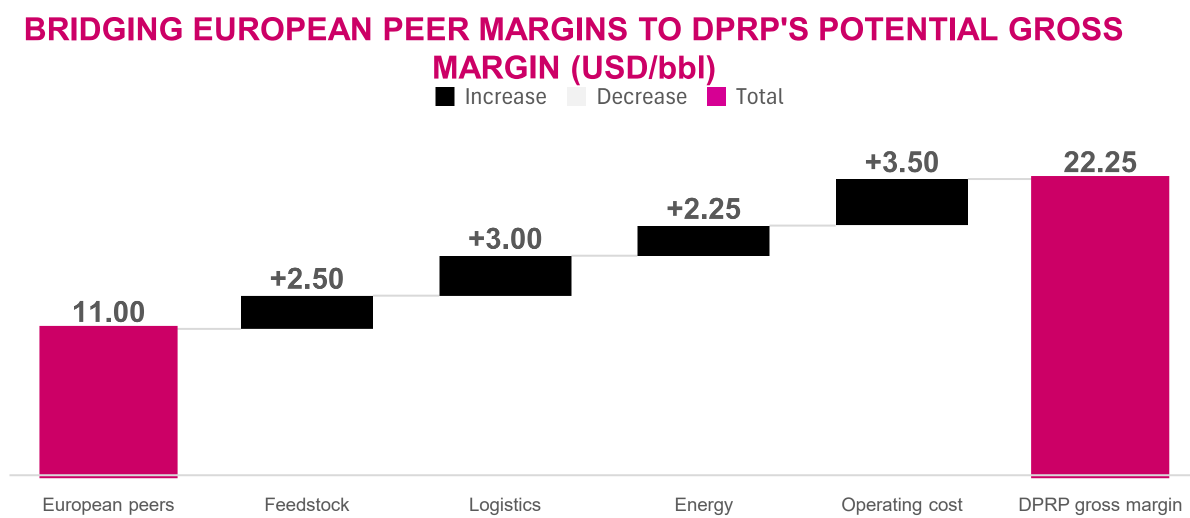
1

A proven, repeatable path to scale



2

Structural, not cyclical, cost advantage

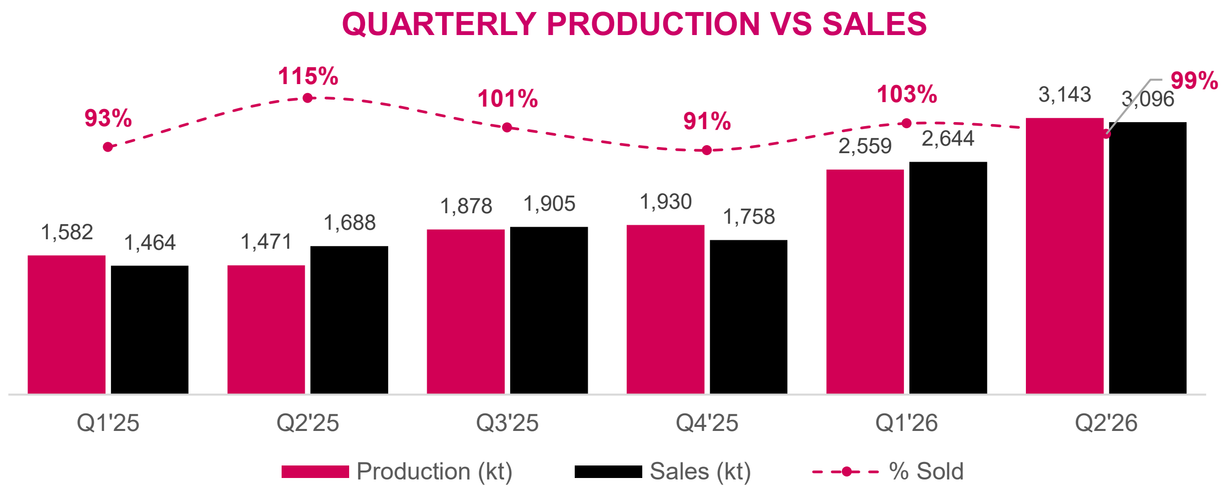


Source: Company data, Renaissance Capital Africa estimates

Investment thesis: Scale, structural cost advantage and demand underpin earnings growth (2/2)

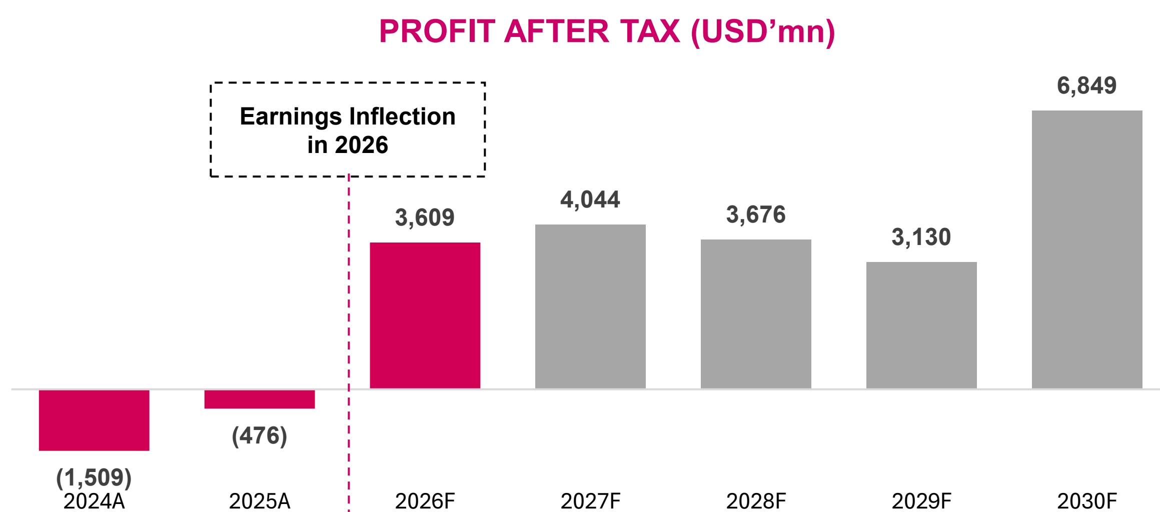
3

Demand is a structural tailwind



4

Earnings inflection already crossed



Source: Company data, Renaissance Capital Africa estimates

DPRP: Nigeria's refining giant with world-class complexity

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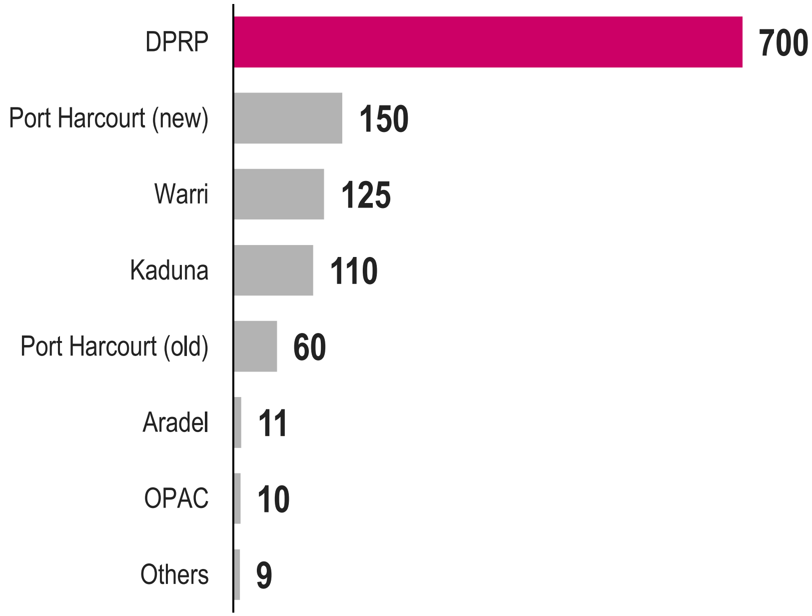
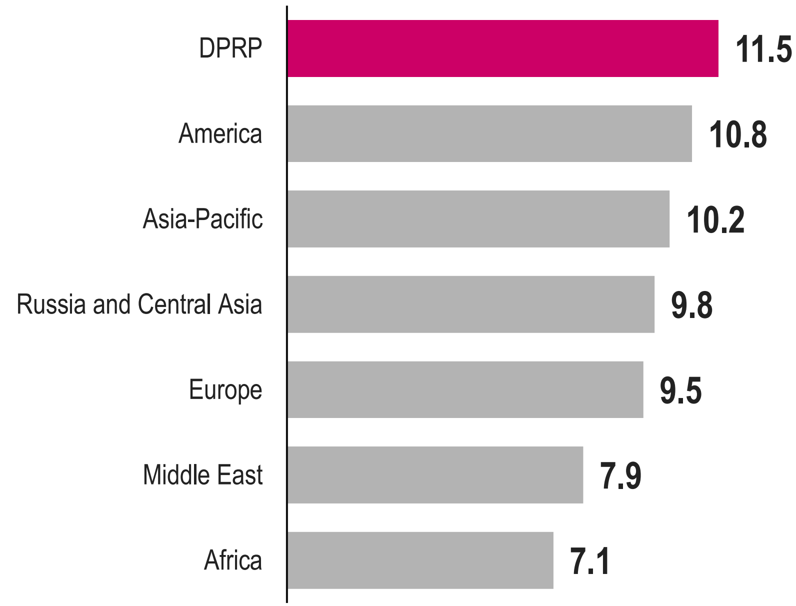
NIGERIAN REFINING CAPACITY (KBPD)



NELSON COMPLEXITY INDEX: DPRP VERSUS REGIONAL BENCHMARKS



- **DPRP's 700 kbpd capacity is nearly 5x the next largest refinery in Nigeria and larger than all other domestic refineries.**
- **Its 11.5 Nelson Complexity Index tops every global region, enabling superior cost efficiency and product flexibility to drive sustained earnings growth.**

Source: IEA, ENI World Oil Review 2025, Renaissance Capital Africa

DPRP's rapid utilisation ramp and scale-up drive a step-change in revenue

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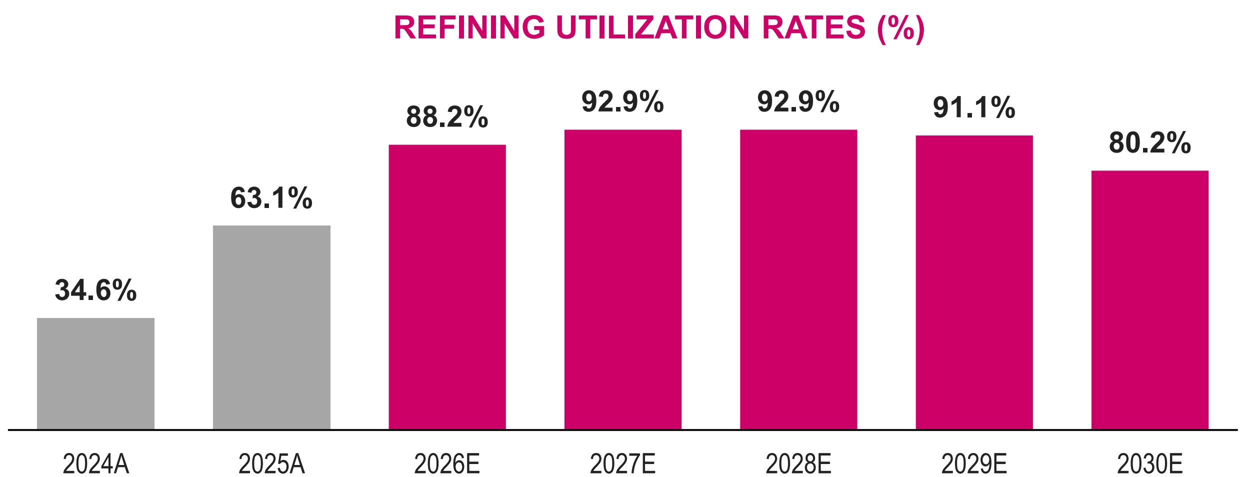
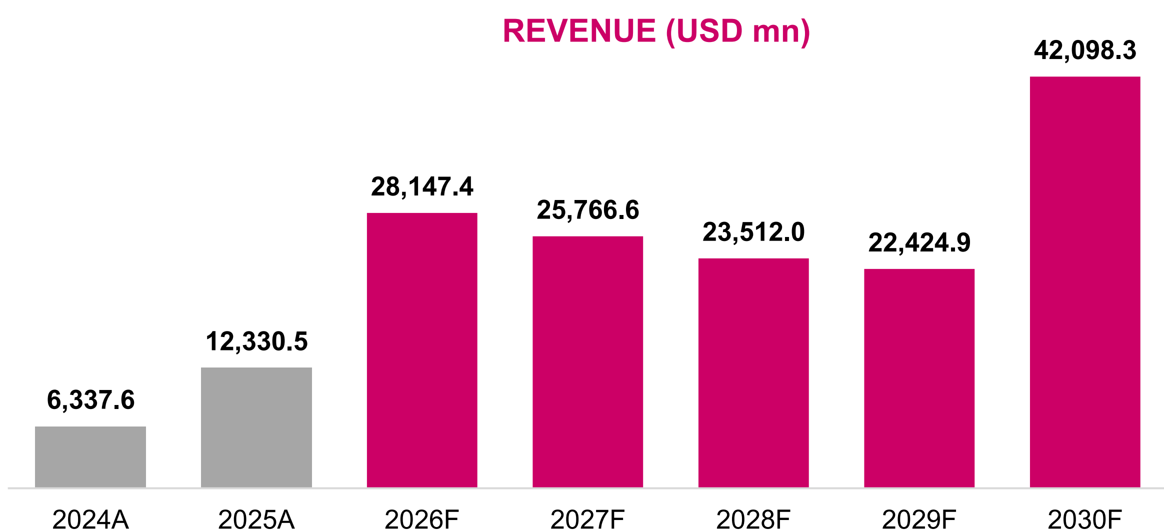


- Utilisation is approaching steady state, rising from 63.1% in FY25A to 88.2% in FY26E and c.93% from FY27E.
- Sustained utilisation above 90% from FY27E provides a strong platform for DPRP to capture the earnings potential.



- Revenue more than doubles to USD28.1bn in FY26E on the utilisation ramp-up.
- Phase 2 commissioning lifts revenue from FY29E, while lower oil prices drive the moderation to USD42.1bn by FY30E.

Source: Company data, Renaissance Capital Africa estimates

DPRP lowest cost box in the peer group, and crude is 95% of the bill

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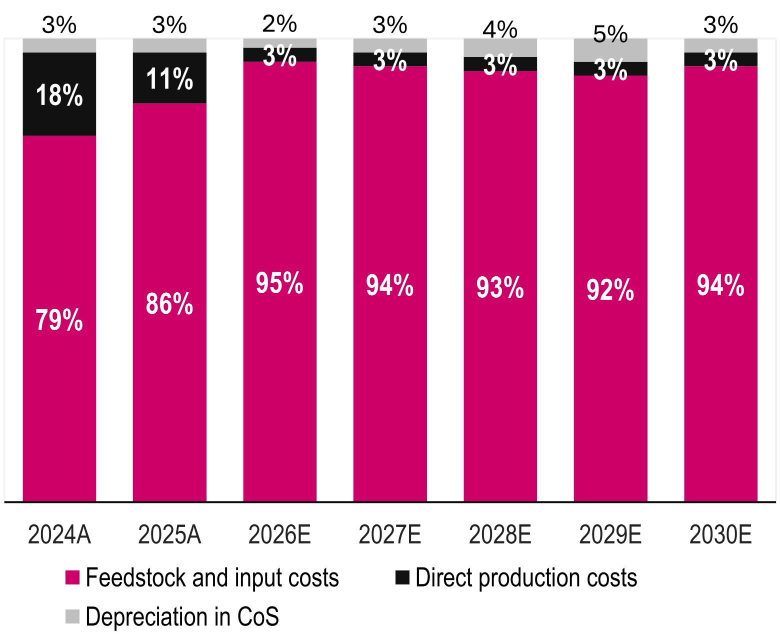
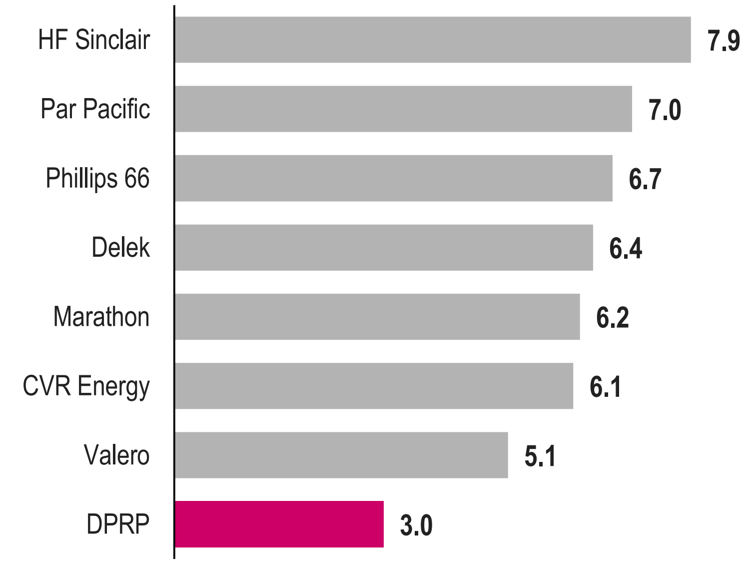
CASH OPERATING COST PER BARREL, Q126 (USD/BBL)



COST OF SALES COMPOSITION, 2024A–2030E (% OF COS)

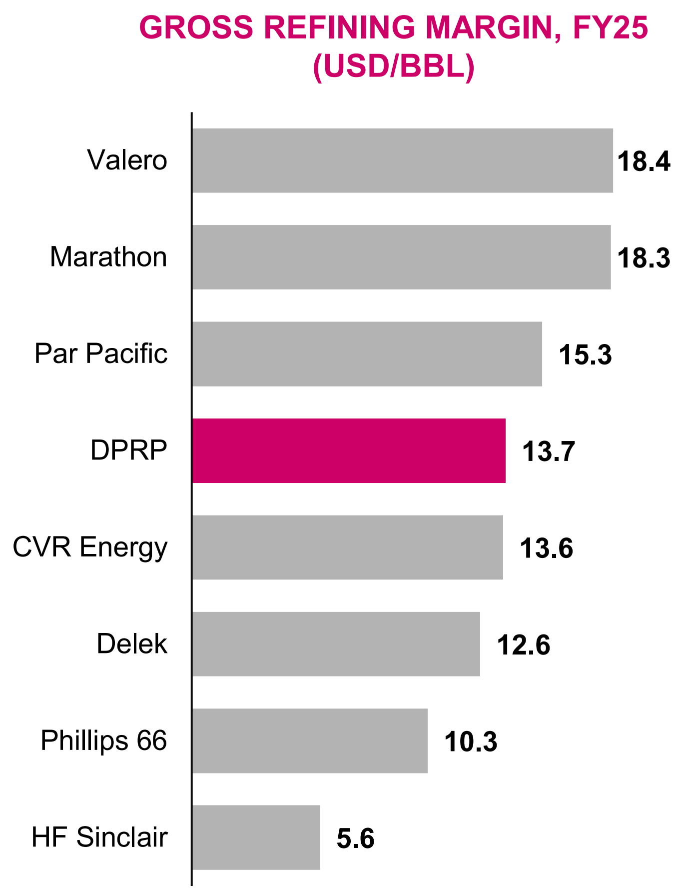


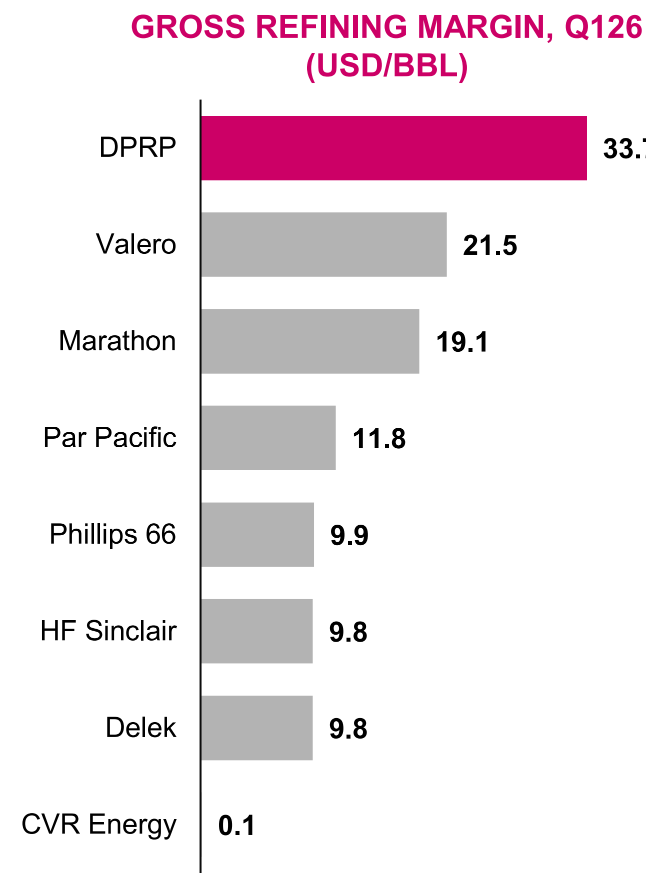
- **Feedstock dominates DPRP's cost base at 95%**, while direct production costs are only c.3%, highlighting the refinery's low operating-cost structure.

- **DPRP has the lowest cost of sales at below USD3.0/bbl**, roughly half the US peer average, providing a structural cost advantage.
- **The low cost base leaves DPRP's margins primarily driven by the crude-to-product spread**, rather than high operating costs.

Source: Company filings, Renaissance Capital Africa

DPRP with USD33.7/bbl now outperforms every US independent on refining margins





DPRP's Q1'26 gross refining margin of USD33.7/bbl surpassed every compared US independent, well ahead of Valero at USD21.5/bbl with a step-up from USD13.7/bbl in FY25.

Source: Company data, Renaissance Capital Africa estimates

EBITDA remains resilient through ramp-up, with Phase 2 driving the next earnings leg

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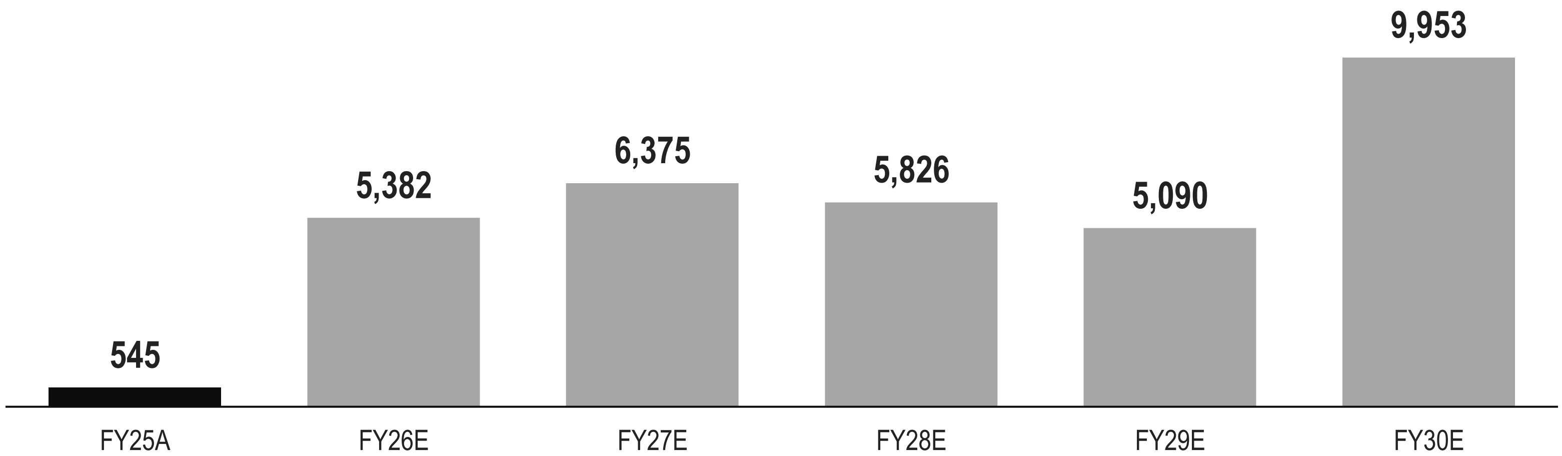
EBITDA, FY25A–FY30E (USD'mn)



EBITDA SENSITIVITY TO THROUGH-CYCLE GRM (USD'mn)

GRM (USD/bbl)	2026E	2027E	2028E	2029E	2030E
17.55	3,127	3,373	3,355	3,265	5,858
22.55	4,255	4,559	4,541	4,428	7,906
27.55 (base)	**5,382**	**5,745**	**5,727**	**5,590**	**9,953**
32.55	6,509	6,932	6,913	6,752	12,001
37.55	7,637	8,118	8,100	7,915	14,049

- **EBITDA stays above USD5bn through FY26E-FY29E**, despite the refinery build-out and varying throughput.
- **Phase 2 drives a sharp FY30E step-up to USD10.0bn**, while the sensitivity shows meaningful returns across the refining margin range.

Source: Company data, Renaissance Capital Africa estimates

Phase 2: USD12.4bn of capex unlocks significant incremental capacity

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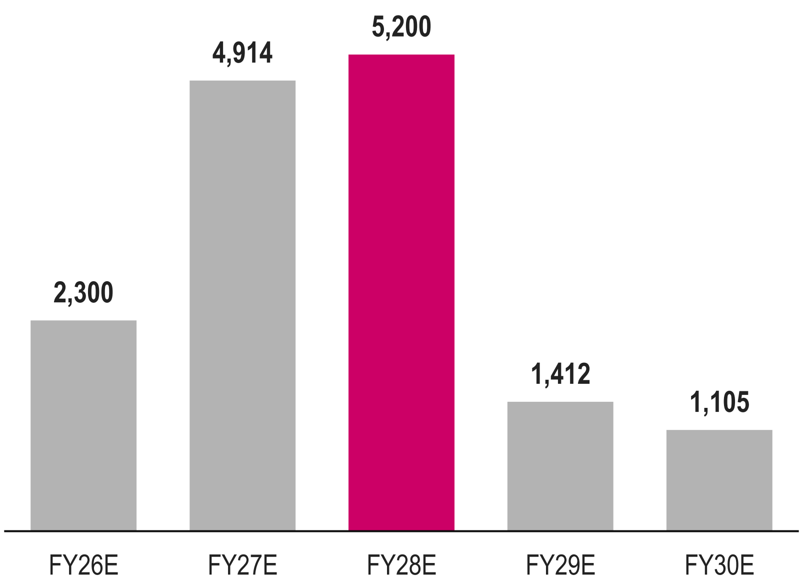
- USD12.4bn of Phase 2 capex doubles refining capacity to 1.4m bpd, while also expanding polypropylene, storage and logistics infrastructure.
- The investment builds on the proven Phase 1 configuration, enabling substantial incremental capacity with lower execution risk and a more attractive capital efficiency profile.

CAPITAL EXPENDITURE, FY26E–FY30E (USDMN)



WHAT PHASE 2 DELIVERS

Metric	Phase 1	Phase 2
Refining Capacity	700kbpd	1,400kbpd
Polypropylene capacity	830 ktpa	2.4mmtpa
Storage capacity	3.5m m^3	6.9m m^3
CNG truck fleet	4,000 units	10,000 units
Processing trains	1	2

Source: Company data, Renaissance Capital Africa estimates

Financial summary: FY24A to FY30E

Key Financial Highlight In USD, unless otherwise stated		2024A	2025A	2026E	2027E	2028E	2029E	2030E
Income Statement								
Revenue	*USD mn*	6,338	12,330	28,147	25,767	23,512	22,425	42,098
Cost of Sales	*USD mn*	(6,937)	(12,101)	(22,972)	(19,785)	(18,247)	(17,924)	(33,427)
Gross Profit	*USD mn*	**(600)**	**229**	**5,175**	**5,981**	**5,265**	**4,501**	**8,671**
EBITDA	*USD mn*	(425)	545	5,382	6,375	5,826	5,093	9,294
EBIT	*USD mn*	(636)	147	4,796	5,626	4,904	4,145	8,308
PAT	*USD mn*	(1,509)	(476)	3,609	4,044	3,676	3,130	6,849
Throughput	*kbpd*	*410*	*410*	*618*	*650*	*650*	*637*	*1,122*
SOFP and Cashflow								
Total Assets	*USD mn*	15,177	15,473	20,674	25,650	29,379	30,737	38,740
Equity	*USD mn*	575	6,099	9,942	13,987	17,662	20,793	27,642
Net Debt	*USD mn*	1,918	5,167	3,951	3,719	4,547	(5,138)	(10,343)
Cash	*USD mn*	313	1,075	3,165	4,390	4,141	5,138	10,343
Cash from Operations	*USD mn*	(2,606)	1,198	3,892	5,818	5,020	4,582	8,025
CAPEX	*USD mn*	-	-	(2,300)	(4,914)	(5,200)	(1,412)	(1,105)
Metrics								
Gross Profit Margin	*%*	(9.5%)	1.9%	18.4%	23.2%	22.4%	20.1%	20.6%
EBITDA Margin	*%*	(6.7%)	4.4%	19.1%	24.7%	24.8%	22.7%	22.1%
Net Margin	*%*	(23.8%)	(3.9%)	12.8%	15.7%	15.6%	14.0%	16.3%
Net Debt/EBITDA	*x*	nm	9.5x	0.7x	0.6x	0.8x	nm	nm
Interest Coverage Ratio	*x*	nm	0.2x	6.8x	5.7x	4.5x	4.5x	11.7x

Source: Company data, Renaissance Capital Africa estimates

DCF points to USD0.47 base case, with upside to USD0.52 on faster commissioning

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VALUATION SUMMARY BASED ON TIMING OF PHASE 2 COMMISSIONING

In USD mn	Bull	Base	Bear
Enterprise Value	63,485.8	57,646.8	55,291.7
Gross debt	5,665.9	5,665.9	5,665.9
Cash	4,267.4	4,267.4	4,267.4
Net debt	1,398.5	1,398.5	1,398.5
Equity Value	62,087.3	56,248.3	53,893.2
Price per share (USD)	**0.52**	**0.47**	**0.45**

NPV/SHARE (USD) SENSITIVITY TO WACC AND TGR

WACC \ TGR	1.0%	2.0%	2.6%	3.0%	4.0%
11.30%	0.52	0.56	0.62	0.69	0.72
12.30%	0.46	0.49	0.53	0.59	0.61
13.30%	**0.41**	**0.44**	**0.47**	**0.51**	**0.53**
14.30%	0.37	0.39	0.41	0.44	0.46
15.30%	0.33	0.35	0.37	0.39	0.4

Source: Company data, Renaissance Capital Africa estimates

A 33–53% premium to peers, earned on scale and complexity

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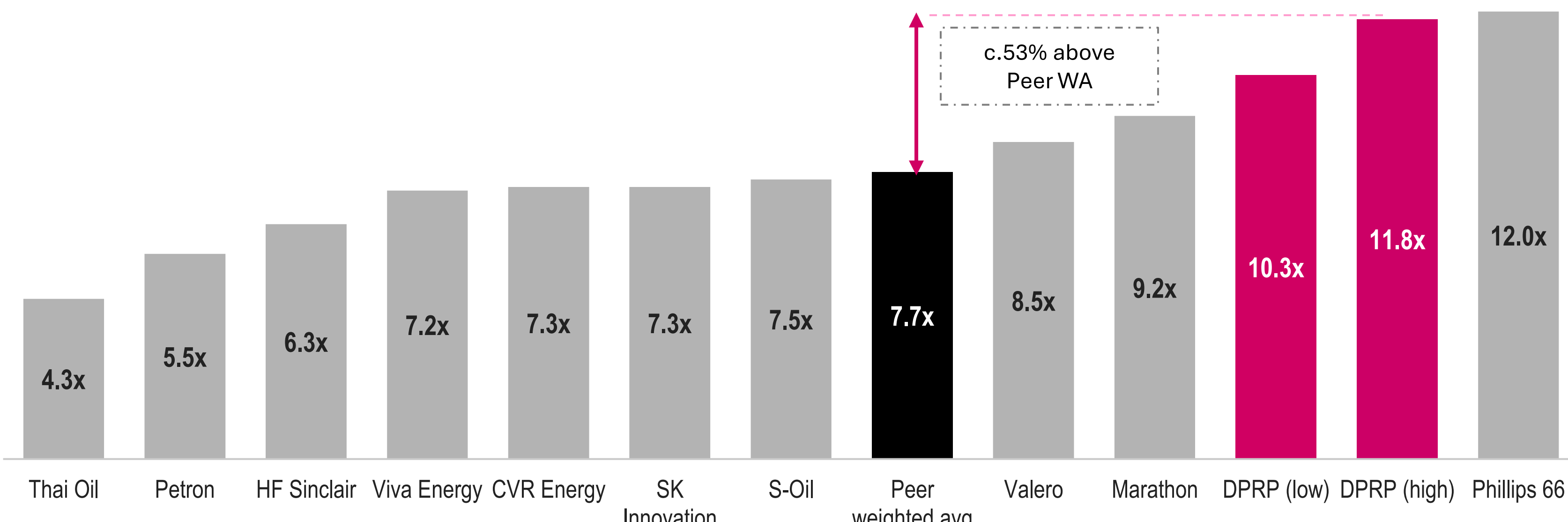
THE CASE FOR DPRP'S PREMIUM

- World-class, single-site 700kbpd complex with a Nelson Complexity Index of 11.5, above the American (10.8), Asia-Pacific (10.2) and European (9.5) averages.
- Cash operating costs below USD3.0/bbl, roughly half the US peer level, with an ambition of USD2.4/bbl.
- Integrated refining and petrochemical platform inside a structurally short market, with Atlantic access to West African, European and American export routes.
- Visible growth: phase 2 doubles capacity to 1,400kbpd and lifts EBITDA at a c.15% CAGR from FY26E to FY32E.
- Offset by emerging-market operating risk, phase 2 execution and limited early trading liquidity.

COMPARABLES EV/EBITDA (X)



Source: CapIQ, Renaissance Capital Africa estimates, 3 September 2026

Risks are understood, and the offer is priced below our fair value

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Downside risks	Upside prospects	IPO terms
• Single-train and RFCC reliability until the second train arrives with phase 2. • Execution risk on the USD12.4bn expansion programme. • Domestic crude availability, wider crude premiums or a return to price controls. • Cyclical weakness in global crack spreads. • Naira volatility and higher financing costs delaying deleveraging.	• Faster ramp to nameplate capacity than our base case assumes. • Sustained utilisation above 93% lifting operating leverage. • Earlier phase 2 commissioning pulling forward the FY30E step-up. • Polypropylene from 830ktpa to 2.4mmtpa plus a 400ktpa LAB facility. • Pan-African distribution build-out converting spot exports into term supply.	• 4,100,000,000 ordinary shares offered at NGN525.00 per share. • Target issue size NGN2.15trn. • Offer opens 14 September and closes 13 October 2026. • Listing on the Main Board of the Nigerian Exchange. • Up to 30% over-allotment on over-subscription. • Proceeds fund expansion to c.1.4mbpd.

Our base case fair value of USD0.47 per share, c.NGN622, sits above the NGN525 offer price, with the post-IPO proforma range at NGN608–697 per share.

Source: Company prospectus, Renaissance Capital Africa estimates

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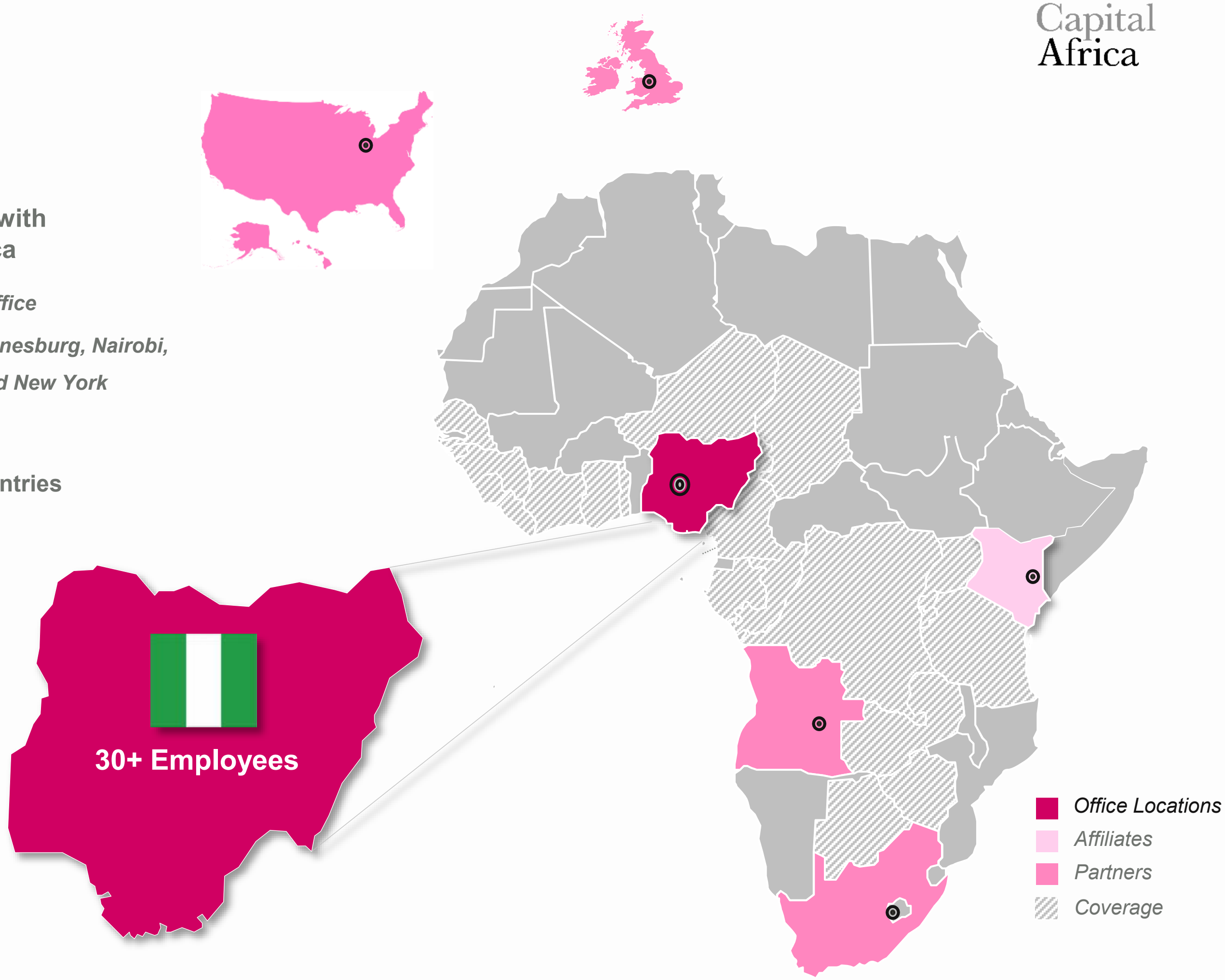
main office in **Lagos** with coverage across Africa

- *Working from our Lagos office*
- *with partnerships in Johannesburg, Nairobi, Luanda, Dubai, London and New York*

Access to over **20** countries on the continent



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