

DANGOTE PETROLEUM REFINERY & PETROCHEMICALS FZE (DPRP)

The People's IPO

DPRP operates a 700kbpd nameplate refinery in the Lekki Free Zone. This is one of the world's largest integrated energy complexes. At a Nelson Complexity Index (NCI) of 11.5 (vs. Global peer average of 9.7) which implies higher conversion capability to sustain high Gross Profit Margins (GPM) (avg. GPM of c. 21.3% FY26-28E vs. 2% GPM in FY25) and enhance ROAE to 45.0% in FY26E (vs. FY25A: -14.3%). DPRP has transformed Nigeria's economy from a net importer to a net exporter of refined petroleum products making it a systemically important institution for the nation. As such, we initiate coverage of DPRP with a fair value range of USD 53.89bn - USD 62.09bn (USD 0.45 - USD 0.52 or NGN 593.5 - NGN 683.8/share). The fair value range is based on scenario assumptions around the commissioning of the Phase 2 refinery from 2028–2031, derived from a 7-year DCF and benchmarked against a global refining peer average of 7.7x FY26E EV/EBITDA, compared with 10.01x – 11.5x for DPRP. On a post-IPO proforma basis, incorporating the enlarged share count following the IPO, our fair value range is USD 57.11bn - USD 65.44bn (USD 0.46 – USD 0.53 or NGN 608.20 – NGN 696.94/share).

Value creation via world-scale, low-cost conversion...

DPRP's edge is structural, not cyclical. Converting 92% of every barrel into clean transport fuels, cash operating costs below USD 3.0/bbl and with a near-term ambition of USD 2.4/bbl, places it among the lowest-cost refiners globally. DPRP earns import-parity pricing on domestic sales while capturing the freight and logistics premium importers once retained. This explains its H126 EBITDA margin of 18.7% and net margin of 13.1%, delivered at an average 83.6% utilisation in H126. Margin strength in H126 also reflects a temporary widening of crack spreads earlier in the half following the disruption to Middle Eastern exports in the US–Iran conflict, rather than structural cost advantage alone.

...and a proven, repeatable path to scale

DPRP has crossed its earnings inflection: H126 EBITDA of USD 2.60bn was almost five times full-year FY25A of USD 545.3mn and reversed the FY24A loss, as the Gross Refining Margin (GRM) rose to USD 24.5/bbl in H126 from USD 13.7/bbl in FY25. Refined transport fuels (PMS, ATF, AGO) remain the dominant contributors to revenue. Phase 2 expansion will double capacity to 1,400kbpd and lifts polypropylene to 2.4mmtpa at a cost of USD 12.4bn which will be financed by the IPO proceeds. Replicating the proven configuration on the same site lowers execution risk relative to a conventional greenfield project. Separately, DPRP's ability to remain operational between Dec-25 and Jan-26 while the Crude Distillation Unit (CDU) was shut down for maintenance demonstrates operational resilience rather than execution risk: downstream units already operate independently of the CDU during turnarounds, providing partial output continuity, with management citing up to 95kbpd of alternative PMS production during Residual Fluid Catalytic Cracker (RFCC) downtime. Phase 2's second train further enhances this resilience by adding full parallel processing capacity. We forecast FY26 EBITDA of c. USD 5.38bn, building unlevered FCF (FCFF) to c. USD 6.6bn by FY30E and a net cash position of c. USD 4.8bn by FY30E.

Initiation of coverage

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Report date: 07 September 2026

Lead to value creation and premium valuation multiples ...

At 10.01x – 11.5x FY26E EV/EBITDA, DPRP sits at a 29.8% - 49.3% premium to the c. 7.7x peer weighted average, which we regard as reasonable for a world-scale, low-cost asset with growth potential from its planned expansion. On our forecasts, EBITDA compounds at a c. 14% CAGR from FY26E to FY32E as Phase 2 lifts earnings onto a larger base.

Risks are understood — and, we believe, well mitigated...

The principal risks are single-train and RFCC reliability until Phase 2 introduces a second refining train, execution risk on the expansion, domestic crude-supply policy, naira volatility and the cyclical nature of refining margins. We see these as meaningfully mitigated by improving operational reliability, diversified crude sourcing, long-term domestic supply arrangements, a growing export portfolio and DPRP's structurally low-cost base, leaving scale, complexity, strategic location and a visible growth pipeline as the dominant drivers of value.

In USD, unless otherwise stated	2025A	2026E	2027E	2028E
Revenue	12,330	28,147	25,767	23,512
Cost of Sales	(12,101)	(22,972)	(19,785)	(18,247)
Gross Profit	229	5,175	5,981	5,265
EBITDA	545	5,382	6,375	5,826
EBIT	147	4,796	5,626	4,904
PBT	(476)	4,187	4,954	4,256
Tax	-	(578)	(909)	(580)
PAT	(476)	3,609	4,044	3,676
Throughput	432	618	650	650

Source: Company data, Renaissance Capital Africa estimates

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Executive Summary

Investment thesis

DPRP is a rare downstream asset: the world's largest single-train refinery, purpose-built inside the structurally short market it serves, and now beyond its operational inflection point, where earnings and cash generation are beginning to reflect the asset's underlying economics.

The clearest evidence of that inflection is H126, when DPRP generated EBITDA of USD 2.60bn at an average 83.6% utilisation, almost five times FY25A EBITDA of USD 545.3mn and a decisive reversal from the FY24A loss, as post-pit-stop RFCC stability lifted the GRM to USD 24.5/bbl from USD 13.7/bbl a year earlier. Utilisation climbed through the half, from c. 45% in January to full CDU utilisation by Q226, and we expect further operating leverage as utilisation sustains near design rates, taking FY26 EBITDA to c. USD 5.38bn.

This is a structurally low-cost asset rather than a cyclically fortunate one. A 700kbpd complex with a NCI of 11.5 converts approximately 92% of every barrel into clean transport fuels, while a cash operating cost of below c. USD 3.0/bbl positions DPRP as one of the industry's most cost-competitive refineries. Newly commissioned units, single-site scale and a merchant model that directs each barrel to its highest netback combine to create a cost and margin advantage embedded in the asset rather than dependent on the crack-spread cycle. This should allow DPRP to remain profitable across a broader range of refining margin environments, supporting more resilient earnings and free cash flow through the cycle.

Demand provides a structural tailwind. Nigeria consumes approximately 67mn litres per day of transport fuels and remained import-dependent for decades despite its domestic crude wealth. DPRP has already displaced a significant share of those imports at import-parity pricing, capturing value previously retained by imported supply through freight, logistics and trading margins. Beyond the domestic market, Africa's persistent refined-product deficit provides a deep regional export opportunity, with West Africa representing the natural first destination given DPRP's Atlantic location and freight advantage. In addition, global refined product markets have tightened alongside Africa's, as refinery closures in Europe and the US and disruption to Russian and Chinese product exports have kept diesel and jet fuel crack spreads elevated, widening the export opportunity available to DPRP beyond the domestic and West African market.

Phase 2 represents the next leg of DPRP's earnings growth. The USD 12.4bn expansion doubles nameplate refining capacity to 1,400kbpd and increases polypropylene capacity to 2.4mmtpa, further shifting the product mix toward higher-margin petrochemicals. Because it replicates the existing, proven configuration on the same site, execution risk is materially lower than a greenfield development while simultaneously eliminating the single-train concentration risk of the current configuration. Combined with the Free Trade Zone tax framework, which shelters export income, the expansion supports a step-change in free cash flow to c. USD 6.6bn (unlevered FCF/FCFF) by FY30E and progressive deleveraging to a net cash position of c. USD 4.8bn already in FY30E.

DPRP business model as a merchant refinery

Profitability informs the product mix

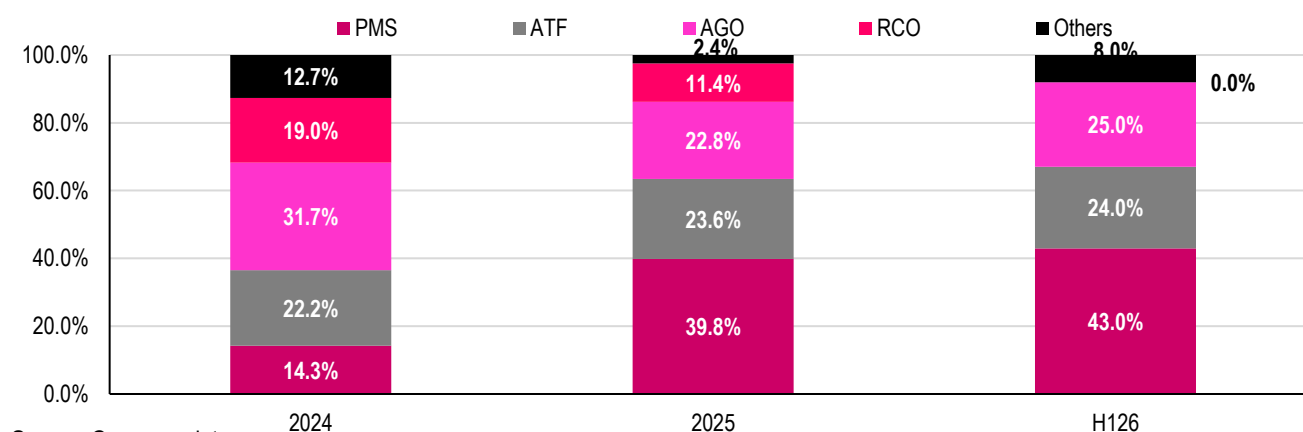
DPRP is a merchant refiner: potential netback across products and markets determines its production and feedstock slate in the first instance, and it then sells the resulting output wherever the netback is highest to maximise its margins. Most of its crude is sourced domestically (c. 70%), of which c. 30-35% is supplied under NNPC Limited's long-term Crude-for-Naira agreement and a further c. 30-35% is sourced via spot purchases of other Nigerian crude grades; the balance (c. 30%) is imported, predominantly WTI-priced US barrels. The crude is processed through a 700kbpd single-train complex with an NCI of 11.5 that converts 92% of every barrel into clean transport fuel. Output placement follows a single commercial rule: highest netback wins. Free of captive offtake obligations, DPRP allocates production in real time between the domestic market and exports to more than 20 countries based on netback optimisation, with West Africa, Europe and North America providing the demand depth that keeps this optionality genuine.

We view the Phase 2 programme as more than a capacity expansion. It reinforces the structural advantages that underpin DPRP's business model in three important ways.

- **First, it strengthens unit economics.** Refining is a fixed-cost-intensive business, and a two-train configuration allows shared infrastructure, including utilities, marine facilities and distribution networks, to be utilised across substantially higher throughput, reducing operating costs per barrel and reinforcing DPRP's position on the lower end of the global refining cost curve.
- **Second, it reduces operational risk.** The expansion largely replicates the existing processing configuration on the current site using proven technology, lowering execution risk relative to a conventional greenfield project, while the addition of a second processing train removes the remaining single-train concentration risk by allowing one train to undergo maintenance while the other continues operating uninterrupted. This materially enhances operational resilience compared with the current configuration, under which downstream units can sustain only partial output during CDU or RFCC turnarounds.
- **Third, it further strengthens DPRP's competitive position.** Upon completion, DPRP would become the world's largest refining complex by crude processing capacity, reinforcing its ability to supply a structurally undersupplied African market and supporting long-term utilisation, earnings growth and cash flow generation.

DPRP produces a diversified slate of seven refined products and petrochemicals: Premium Motor Spirit (PMS/petrol), Automotive Gas Oil (AGO/diesel), Aviation Turbine Fuel (ATF/jet fuel), Reduced Crude Oil (RCO), Polypropylene, Carbon Black Feedstock (CBFS) and Sulphur. As DPRP's conversion units have stabilised, product yields have shifted increasingly towards higher-value transportation fuels, materially improving the revenue mix. PMS, ATF and AGO collectively accounted for approximately 86% of FY25A revenue, at approximately 92% of revenue in H126, as the successful commissioning of the RFCC contributed to higher yields of premium products.

Figure 1: Product mix as a % of Revenue, 2024A–H126A

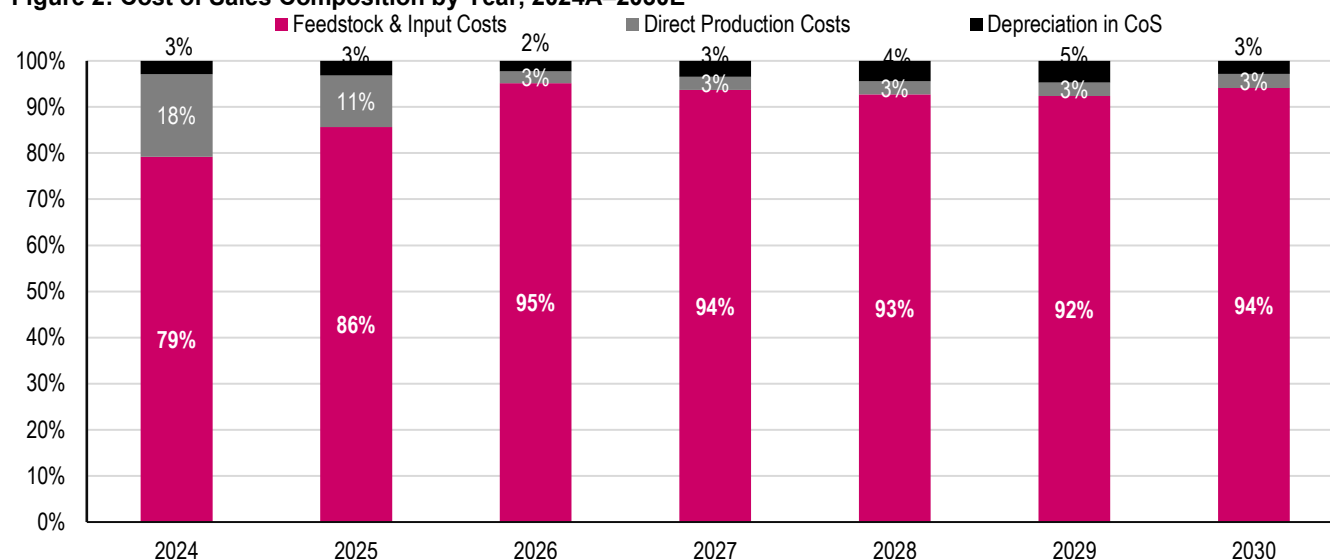


Source: Company data

Cost efficiency enhances DPRP returns

DPRP's cost base is dominated by feedstock: crude represented c.79% of Cost of Sales in FY24A, rising to 92–95% from FY26E as direct production costs compress to low single digits with utilisation approaching design capacity. This is consistent with peers, for whom crude typically represents c.94% of Cost of Sales, and reflects the cost profile of a mature, fully utilised refinery, in which margins are driven by the crude-to-product spread.

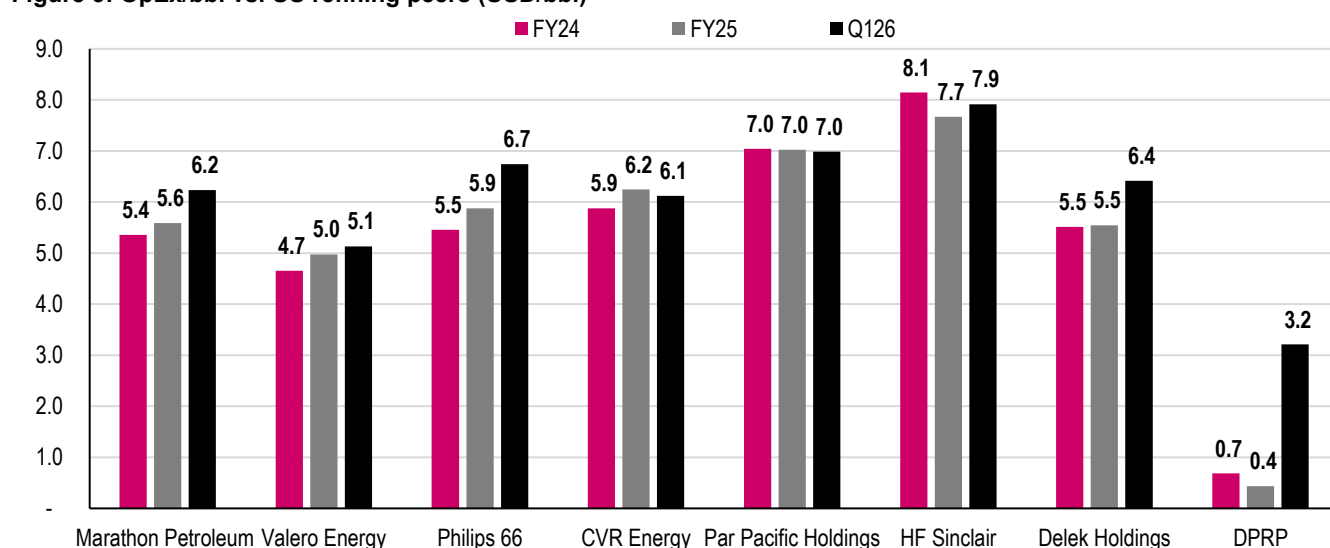
Figure 2: Cost of Sales Composition by Year, 2024A–2030E



Source: Company data, Renaissance Capital Africa estimates

The cost discipline is evident in DPRP's direct production cost structure translates into a clear competitive advantage when benchmarked against some US independent refiners. Figure 3 compares DPRP's targeted controllable cash operating cost against the most recent disclosed figures for Marathon Petroleum, CVR Energy, Valero, HF Sinclair, Par Pacific, and Phillips 66, all measured on a consistent basis excluding depreciation and amortisation.

Figure 3: OpEx/bbl vs. US refining peers (USD/bbl)



Source: Company filings

We view DPRP's cost advantage over North American refining peers as structural rather than cyclical. Unlike temporary benefits arising from favourable crude differentials or unusually strong crack spreads, DPRP's lower operating cost base is embedded in the economics of its asset and operating environment.

Durable competitive advantage

DPRP was commissioned in 2024 as a purpose-built greenfield facility incorporating current-generation refining technology, resulting in materially lower maintenance requirements than those of many North American refineries. A significant proportion of US refining capacity dates from the mid-20th century: the newest US refinery with significant downstream conversion capacity, Marathon's Garyville facility, came online in 1977, and no major greenfield refinery has been built in the United States since the mid-1970s, leaving the operating fleet of c.131 refineries with an average age in excess of 50 years. While these assets have been progressively modernised through debottlenecking and unit upgrades, ageing infrastructure carries inherently higher maintenance intensity: most US refineries operate on a three-to-five-year turnaround cycle involving multi-week full or partial outages, and the fleet remains exposed to unplanned outage risk from equipment at or beyond original design life. By contrast, DPRP operates newly commissioned units built to current international codes, with a scheduled 40-day turnaround maintenance only once every four years and no legacy equipment base.

Scale further reinforces this advantage. DPRP processes its entire 700kbpd capacity from a single integrated site, allowing management, maintenance, insurance and administrative costs to be spread across one of the world's largest refining complexes. By contrast, many North American peers operate multiple refineries, each carrying its own fixed cost base. This results in structurally lower fixed operating costs per barrel for DPRP.

We do not expect DPRP's structural cost advantage to narrow materially over our forecast horizon. We believe they position DPRP to generate structurally higher EBITDA margins and free cash flow than many global refining peers, supporting our view that the business warrants a valuation premium relative to simpler, lower-complexity refining assets.

Valuation summary

We use a DCF valuation to estimate DPRP's fair value, reflecting the long-duration, capital-intensive nature of its refining and petrochemical cash flows and the material step-change in earnings expected once the Phase 2 expansion is commissioned.

Our base case assumes Phase 2 commissioning by end-FY30, more conservative than management's stated FY28E target, and yields a fair value of USD 0.47 per share (equity value of USD 49,597mn). Bringing commissioning forward to management's own FY28E (bull case) timeline lifts fair value to USD 0.52 per share, as the earnings step-change and terminal value are captured a year earlier and discounted less. Conversely, each year of delay compresses value materially: a one-year slip to FY31 (bear case) reduces fair value to USD 0.45 per share. This progression underscores that Phase 2 execution timing is one of the most significant single drivers of our valuation.

Table 1: DCF valuation summary, USD'mn

	Bull	Base	Bear
Enterprise Value	63,485.8	57,646.8	55,291.7
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

Source: Renaissance Capital Africa estimates

Downside risks to our valuation:

Potential downside risks to our valuation are primarily centred on refining margin normalisation and operational execution during DPRP's ramp-up phase. Our valuation assumes DPRP progressively achieves high utilisation rates and operates near steady-state capacity over the forecast period. Any delays in reaching targeted throughput due to operational bottlenecks, unplanned maintenance, catalyst performance, or commissioning challenges would reduce product volumes and dilute operating leverage, resulting in lower EBITDA and free cash flow than our base-case estimates.

- 1. Regulatory policy:** Although DPRP benefits from its strategic location and proximity to Nigerian crude supply under the Domestic Crude Oil Supply Obligation (DCSO), our forecasts assume continued access to adequate crude volumes at commercially competitive terms.

Any deterioration in domestic crude availability, higher reliance on imported feedstock, or a widening of crude premiums relative to Brent would compress GRM. Similarly, adverse regulatory intervention, including mandatory domestic supply obligations, fuel price controls, changes to crude supply arrangements (c.30-35% of total feedstock is already sourced via spot purchases of Nigerian crude outside NNPC's term contract, exposing this portion of the slate to spot-market price volatility and availability risk beyond what the NNPC allocation is structured to mitigate), or the reintroduction of fuel subsidies, could weaken profitability and constrain DPRP's ability to fully capture prevailing market economics.

2. **Deterioration in domestic crude availability** resulting in higher reliance on imported feedstock, or a widening of crude premiums relative to Brent would compress GRM.
3. **Cyclical weakness in global refining fundamentals.** A sustained decline in product crack spreads, driven by lower demand growth, increased global refining capacity, or falling product prices relative to crude, would compress refining margins and reduce earnings.
4. In addition, higher financing costs, foreign exchange volatility, or slower-than-expected growth in domestic and regional fuel demand could weigh on cash flow generation and delay deleveraging, limiting upside to equity value and expansion of its valuation multiples.

Upside prospects to our valuation:

1. **Timely execution of expected expansion.** Our valuation could benefit materially if DPRP ramps up to nameplate capacity faster than anticipated. Earlier-than-expected achievement of sustained full-capacity operations would accelerate earnings growth and support a higher valuation than currently reflected in our base case.
2. **Higher utilisation rates** would significantly improve operating leverage by spreading fixed costs across greater production volumes, while stronger operational reliability would enhance product yields and cash generation. Earlier-than-expected achievement of sustained full-capacity operations would accelerate earnings growth and support a higher valuation than currently reflected in our base case.
3. **Stronger refining margin environment** and favourable feedstock economics. Continued underinvestment in global refining capacity, coupled with resilient demand for refined products across Africa, could sustain elevated crack spreads above historical averages for longer than anticipated. In addition, improved freight and logistics efficiency from the NNPC crude offtake arrangement (DPRP pays full market premiums on Nigerian crude rather than a preferential price, but benefits from shorter voyage distances and enhanced supply security) would strengthen GRM, reinforcing DPRP's cost advantage relative to imported refined products and competing regional refiners.
4. **Strategic optionality:** Increased export penetration across West and Central Africa, expansion into higher-value petrochemical and specialty product markets and continued import substitution within Nigeria could materially increase earnings over the medium term.

Valuation – anchored on phase 2 expansion delivery

Valuation methodology and assumptions

We value DPRP using a discounted cash flow approach, which we consider the most appropriate methodology given the asset's long-duration cash flow profile and the material step-change in earnings expected at Phase 2 commissioning. Our explicit forecast period runs from 2026 to 2032, capturing the full Phase 2 construction cycle and the first two years of two-train steady-state operations before applying a terminal value on a normalised free cash flow basis.

Key assumptions used in our valuation methodology are:

1. 2.6% TGR in line with Nigerian 20-year historic dollar GDP growth rate
2. 13.3% WACC
3. 51/49 Debt/Equity capital structure

Discounted cash flows at USD0.47/share

The free cash flow profile reflects the capital intensity of the expansion programme. Unlevered FCF (FCFF) remains positive throughout the forecast period, though at reduced levels of USD 968mn, USD 746mn and USD 455mn in 2026-28E given the higher capex requirement of USD 12.4bn to expand DPRP's capacity. From 2029, as construction completes and the two-train asset base reaches steady state, FCFF accelerates sharply to USD 3,717mn and continues compounding to USD 10,361mn by 2032. With the key assumptions, we derive an enterprise value of USD 57,647mn; after deducting net debt of USD 1,398mn as at H126, our implied fair value is USD 56,248mn, or USD0.47 per share. On a post-IPO pro forma basis, incorporating the enlarged share count following the IPO, this DCF-derived valuation equates to a fair value of USD0.48 per share (NGN 633.89/share).

Table 2: DPRP base case DCF valuation, USD'mn (Unless otherwise stated)

Year	2026E	2027E	2028E	2029E	2030E	2031E	2032E
EBIT	4,796	5,626	4,904	4,145	8,308	9,467	11,559
Tax on EBIT	(624)	(736)	(275)	(33)	(835)	(1,220)	(1,947)
Add: Depreciation & Amortisation	585	749	922	948	986	987	989
Less: Capex	(2,300)	(4,914)	(5,200)	(1,412)	(1,105)	(60)	(70)
Less: change in working capital	(1,490)	21	104	69	(768)	(89)	(171)
Unlevered FCF	968	746	455	3,717	6,586	9,085	10,361
Discount factor	0.88	0.78	0.69	0.61	0.54	0.47	0.42
PV	854	581	313	2,256	3,529	4,296	4,325
Terminal value							41,493
							NPV
Enterprise Value							57,647
Net debt as at H1							1,398
Equity Value							56,248
NPV/share(USD)							0.47

Source: Renaissance Capital Africa estimates

With the terminal value constituting c. 72% of DPRP's total fair value, our estimate is highly sensitive to the WACC and TGR assumptions. Table 3 presents our fair value range across a spectrum of these key variables.

Table 3: NPV/Share (USD) sensitivity to WACC and TGR

		TGR						
		0.5%	1.0%	2.0%	2.6%	3.0%	4.0%	4.5%
WACC	10.3%	0.57	0.59	0.65	0.72	0.82	0.86	0.93
	11.3%	0.50	0.52	0.56	0.62	0.69	0.72	0.76
	12.3%	0.44	0.46	0.49	0.53	0.59	0.61	0.64
	13.3%	0.40	0.41	0.44	0.47	0.51	0.53	0.55
	14.3%	0.36	0.37	0.39	0.41	0.44	0.46	0.48
	15.3%	0.32	0.33	0.35	0.37	0.39	0.40	0.42
	16.3%	0.29	0.30	0.31	0.33	0.35	0.36	0.37

Source: Renaissance Capital Africa estimates

Peer Comps: EV/EBITDA at 10.01x -11.5x

Our valuation yields a 10.01x – 11.5x EV/EBITDA multiple to FY26E EBITDA of USD 5.38bn, a c. 29.8% - 49.3% premium to the global peer weighted average of 7.7x. We regard this premium as appropriate given DPRP's structural strengths, its large-scale, high-complexity configuration, integrated refining and petrochemical platform, favourable geographic position and exposure to Africa's structural refining deficit, while recognising the risks associated with its emerging-market operating environment, Phase 2 execution and limited trading liquidity.

Table 4: DPRP vs. global refinery peer comps

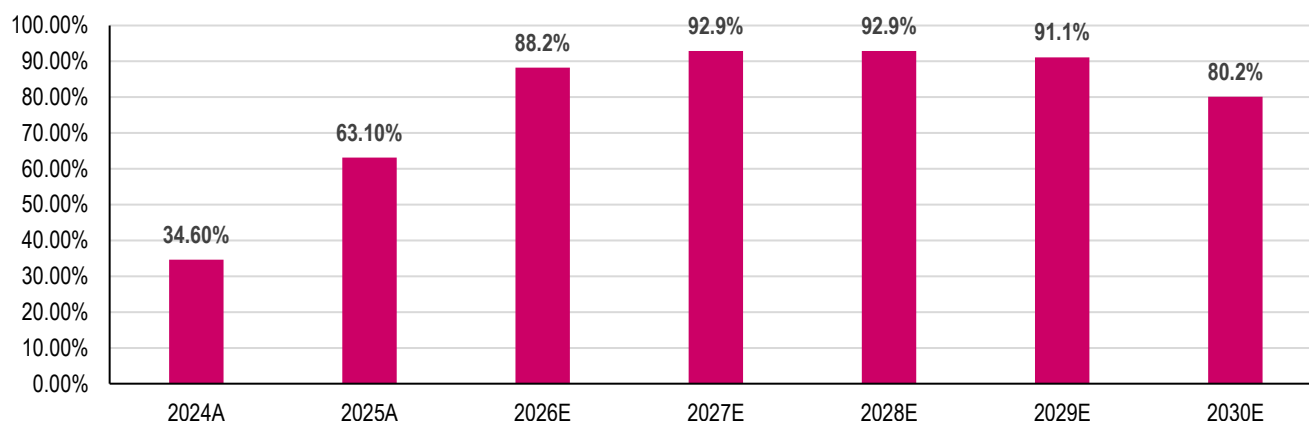
Country	Company	BBG ticker	Enterprise value (USD'000)	EBITDA (USD'000)	EV/EBITDA(x)
USA	Valero Energy	VLO.US	113,473,800	13,379,000	8.5x
USA	Marathon Petroleum	MPC.US	142,045,570	15,397,000	9.2x
USA	Phillips 66	PSX.US	119,277,670	9,925,000	12.0x
South Korea	SK Innovation	SKI.KS	45,076,300	6,209,055	7.3x
South Korea	HD Hyundai	HDHY.KS	30,506,100	8,780,176	3.5x
USA	HF Sinclair	DINO.US	20,103,800	3,206,000	6.3x
South Korea	S-Oil Corporation	SSOIL.KS	18,791,500	2,506,829	7.5x
USA	Delek Holdings	DK.US	7,474,500	1,063,000	7.0x
Thailand	Thai Oil Public Company Limited	TOP.TB	7,161,500	1,683,594	4.3x
Philippines	Petron Corporation	PCOR.PM	4,521,600	827,544	5.5x
USA	Par Pacific Holdings	PARR.US	5,092,800	1,281,656	4.0x
Thailand	IRPC Public Company Limited	IRPC.TB	2,966,600	759,327	3.9x
India	Chennai Petroleum Corporation	CHPC.IN	2,336,600	686,516	3.4x
USA	CVR Energy	CVI.US	5,662,100	771,000	7.3x
Thailand	Star Petroleum Refining	SPRC.TB	1,685,900	732,705	2.3x
Malaysia	Hengyuan Refining Company	HENGYUAN.MK	530,100	363,223	1.5x
Vietnam	Petrovietnam Refining	BSR.VN	3,594,600	875,785	4.1x
Australia	Viva Energy Group	VEA.AU	7,256,900	1,006,480	7.2x
Japan	SALA Corporation	SALA.JP	748,600	103,382	7.2x
Market-weighted average					7.7x

Source: CapIQ, Renaissance Capital Africa estimates, 03 September 2026

Financial analysis and forecast

H126 is the clearest signal available: across the half-year DPRP averaged 83.6% utilisation, climbing from c. 45% in January to full CDU utilisation by Q226. DPRP generated USD 13,909.5mn in Revenue, USD 2,495.3mn in Gross Profit (Gross Margin 17.9%), USD 2,601.5mn of EBITDA (EBITDA margin 18.7%), and USD 1,820.5mn of Net Income (Net Profit Margin 13.1%).

Figure 4: Refinery utilisation rate, 2024A–2030E



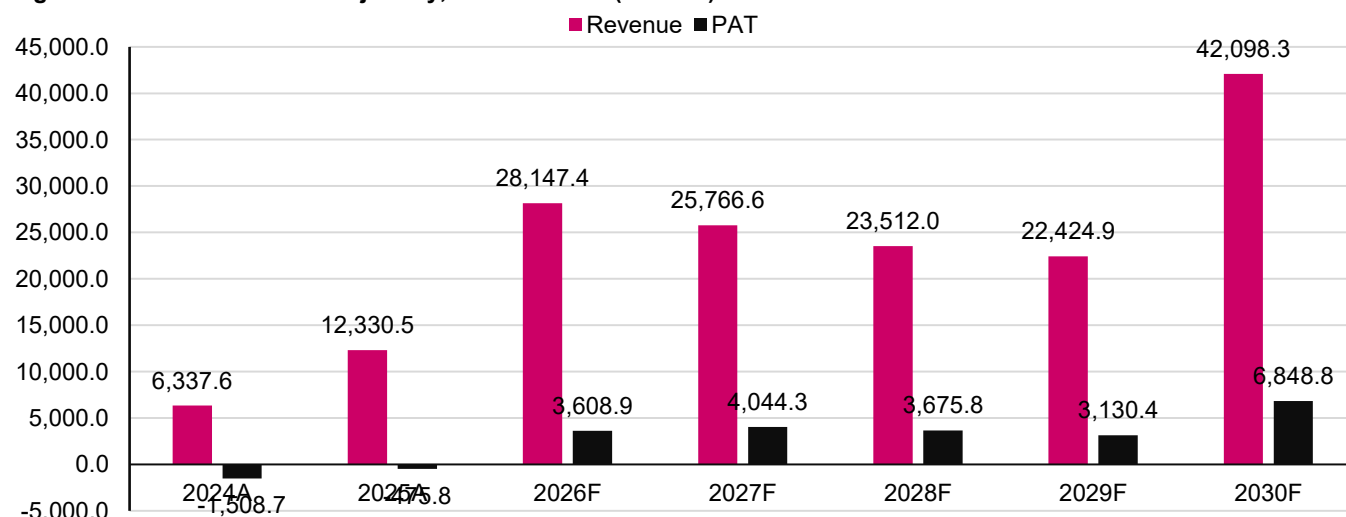
Source: Company data, Renaissance Capital Africa estimates

This half-year performance alone exceeded the entirety of FY25A EBITDA (USD 545.3mn) and was generated at an average utilisation of 83.6% — still below design capacity, underscoring further upside as utilisation approaches full run-rates. The H126 GRM of USD 24.5/bbl compares to USD 13.7/bbl for full-year FY25A and USD 10.7/bbl for FY24A, a tripling of the per-barrel margin in 18 months, driven by post-RFCC stabilisation, product mix improvement, and the phase-out of low-value RCO output.

The financial inflection point - from loss-making to profitability

The speed of the financial transformation is extraordinary by any comparator in global industrials. FY24A Revenue of USD 6,337.6mn at 34.6% utilisation generated a Gross Loss of USD 599.8mn and negative EBITDA of USD 425.1mn, ramp-up economics at sub-scale throughput. FY25A Revenue of USD 12,330.5mn at 63.1% utilisation inflected to Gross Profit of USD 229.3mn.

Figure 5: Revenue and PAT trajectory, 2024A–2030E (USDmn)

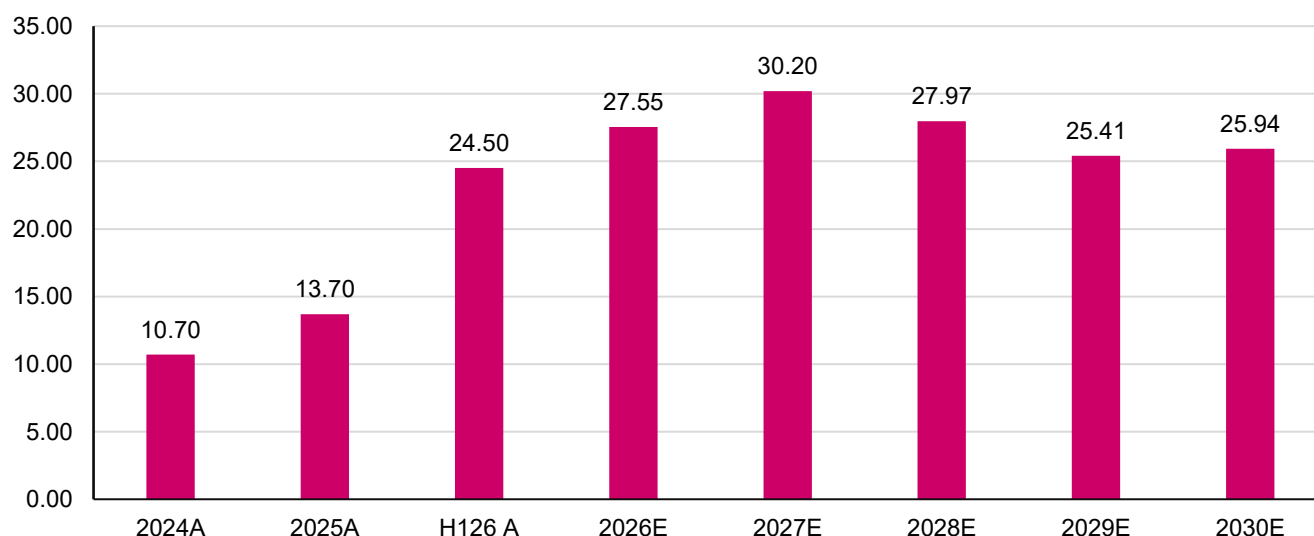


Source: Company data, Renaissance Capital Africa estimates

DPRP's GRM reflects the spread between the realised price of its refined product slate and the all-in cost of crude feedstock. As Figure 6 shows, the GRM trajectory tells a clear story: USD 10.7/bbl in FY24A as DPRP ramped up at sub-scale utilisation with a heavy RCO output weighting, improving to USD 13.7/bbl in FY25A as throughput scaled and the product mix began shifting toward higher-value distillates, before rising further to USD 24.5/bbl in H126A as post-RFCC stabilisation and the broader product mix shift took hold across the half-year (Q126A alone peaked higher, at USD 33.7/bbl, before moderating through Q226 as crack spreads normalised from their conflict-elevated highs).

Forward GRM is USD 27.55/bbl in FY26E, rising to USD 30.20/bbl in FY27E before easing to USD 27.97/bbl in FY28E, a c. USD 28-30/bbl range that sits above, not below, the H126A level of USD 24.5/bbl. On our calculations, the H126A blended GRM of USD 24.5/bbl and the Q126A GRM of USD 33.7/bbl imply a Q226 GRM of approximately USD 18/bbl, a sharper within-half normalisation than the H126A average alone suggests. Reconciled against our FY26E full-year assumption of USD 27.55/bbl, this in turn implies an H226 GRM of approximately USD 29-30/bbl, i.e. a renewed strengthening of margins in the second half rather than a continuation of the Q226 normalisation; we flag this as a key assumption underpinning our FY26E forecast. The GRM sensitivity in Table 5 confirms USD 27.55/bbl as the FY26E base case, with the corresponding FY26E EBITDA of USD 5,382mn matching our model EBITDA. Even so, the c. USD 28-30/bbl forward range remains materially above the FY24A (USD 10.7/bbl) and FY25A (USD 13.7/bbl) levels, consistent with a structural improvement in operating configuration post-RFCC stabilisation rather than a purely cyclical margin.

Figure 6: GRM, FY24A–FY30E (USD/bbl)



Source: Company data, Renaissance Capital Africa estimates

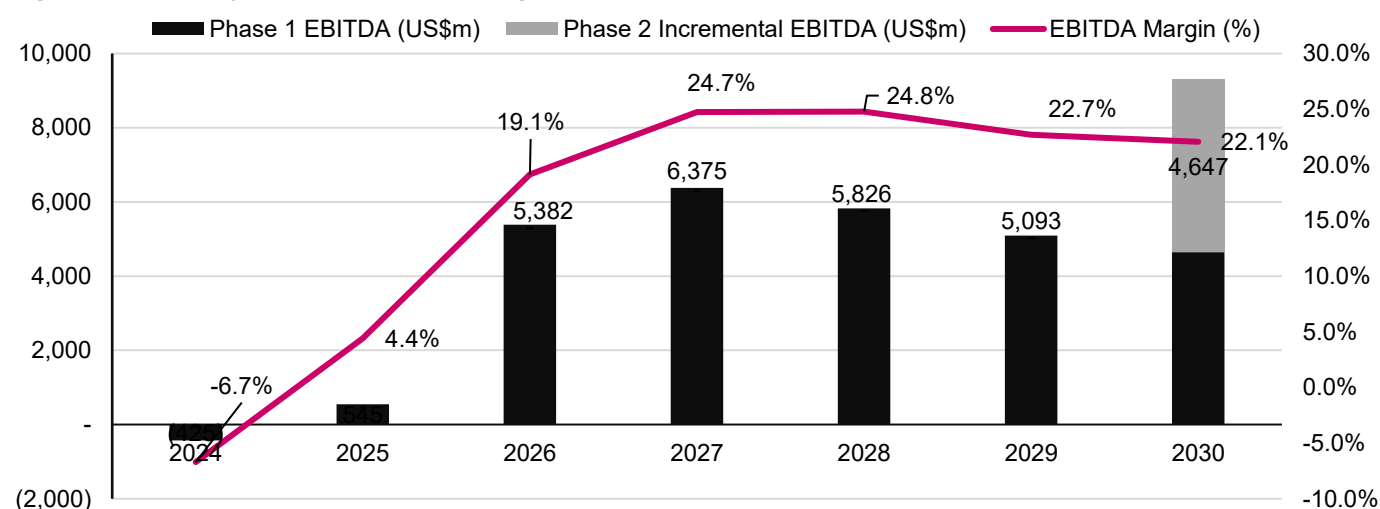
The Phase 2 expansion to double capacity, and transform earnings profile

The years immediately following full Phase 1 commissioning should be viewed as an investment period rather than a peak earnings phase. DPRP is simultaneously operating its first refining train at commercial scale while advancing the construction of an entirely new processing train alongside it. Our forecasts between FY26 and FY29 therefore reflect a business funding its next stage of growth rather than one operating at steady state, with the payoff arriving from FY30E onwards as Phase 2 commissioning layers incremental EBITDA onto a mature Phase 1 base.

Importantly, our timing assumption of Phase 2 commissioning in FY30E is more conservative than management's own guidance of 2028 commissioning (at 75% utilisation), reaching full capacity by 2030. This provides an analytical buffer against execution risk on a project of this scale, while creating credible upside optionality should management deliver on its stated timeline.

Despite the operational complexity of building alongside a live refinery, EBITDA remains remarkably resilient. We forecast EBITDA of c. USD 6.38bn in FY27, USD 5.83bn in FY28 and USD 5.09bn in FY29E, with EBITDA margins of 24.7% in FY27E and 24.8% in FY28E before easing to 22.7% in FY29E as Phase 2 construction volumes weigh on the cost base ahead of commissioning. This stability reflects the quality of DPRP's operating model: high conversion capability, favourable product yields, and disciplined cost control that largely offset temporary volume constraints associated with the expansion.

Figure 7: EBITDA by phase and EBITDA Margin, 2024A–2030E (USD mn)



Source: Company data, Renaissance Capital Africa estimates

The step-change from FY29E into FY30E is the key visual takeaway: Phase 2 EBITDA is additive rather than replacement, with the mature Phase 1 asset continuing to generate a rising earnings base underneath it. The full earnings power of the combined complex only becomes visible from FY30E–FY32E as Phase 2 reaches steady-state utilisation.

Our EBITDA forecasts assume a through-cycle GRM in the mid-high USD 20s per barrel, consistent with management guidance. GRM calculations are derived by the value of refined products – cost of crude/feedstock.

Table 5: Scenario analysis of GRM at different levels of EBITDA (FY26E–30E)

		EBITDA scenario analysis				
		2026E	2027E	2028E	2029E	2030E
Gross margin (USD/bbl)	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	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

Source: Renaissance Capital Africa estimates

Our scenario analysis reflects the significant operating leverage inherent in DPRP's business model, where changes in GRM are applied across large processing volumes while much of the operating cost base remains relatively fixed. Based on the throughput assumptions underlying Table 5, each USD 5/bbl movement in through-cycle GRM translates into c. USD 1.1–1.2bn of EBITDA impact in the Phase 1-only years (FY26E–FY29E), rising to c. USD 2.05bn from FY30E once Phase 2 contributes, derived directly from the scenario analysis table rather than a smaller illustrative per-barrel base. As illustrated in the scenario analysis table above, at our base-case USD 27.55/bbl GRM, we estimate FY27E EBITDA of c. USD 5.75bn. As Phase 2 doubles refining capacity, this earnings sensitivity becomes more pronounced: in FY30E, EBITDA ranges from c. USD 5.86bn at the USD 17.55/bbl downside scenario to c. USD 9.95bn at our USD 27.55/bbl base case and c. USD 14.05bn at the USD 37.55/bbl upside scenario. Importantly, even under the downside USD 17.55/bbl scenario, the low end of our sensitivity range, FY30E EBITDA remains c. USD 5.86bn, providing sufficient cash generation to service debt, fund maintenance capital expenditure and support ongoing operations. While refining margins are the single most important earnings variable, our analysis indicates that the investment case remains robust across a broad range of margin assumptions, with Phase 2 continuing to generate substantial incremental value.

Polypropylene and specialty chemicals to support Revenue growth

While transportation fuels will remain DPRP's principal source of revenue and earnings, the expansion of its petrochemical business enhances the quality and resilience of the overall earnings profile by extracting greater value from DPRP's existing hydrocarbon stream.

Polypropylene commands materially higher realised prices than transportation fuels while requiring limited incremental feedstock cost, as the propylene input is already produced within DPRP's existing refining process. Although polypropylene accounts for only c. 2.3% of product yield today (c. 830ktpa of capacity), Phase 2 lifts this to c. 3.3% of a much larger throughput base (c. 2.4mmtpa of capacity), roughly a threefold increase in absolute terms, so the percentage-point move understates the scale of the expansion. Rather than creating an entirely new business line, the expansion allows DPRP to monetise a higher-value product from feedstock that would otherwise be sold lower down the value chain, slightly improving profitability.

The planned 400ktpa Linear Alkyl Benzene (LAB) facility further broadens the business into specialty chemicals used in detergent and household cleaning products. While petrochemicals will remain a complementary rather than dominant contributor to earnings, they diversify revenue sources, reduce dependence on transportation fuel margins and strengthen the resilience of the integrated downstream platform.

The demand backdrop further supports this strategy. Africa remains structurally short of polypropylene, with regional production capacity well below consumption. DPRP's expansion positions it as one of the continent's largest suppliers, replacing imports into Nigeria while serving growing industrial demand across West and Southern Africa. The regional supply deficit should support high utilisation of the expanded petrochemical facilities and reinforce the long-term earnings contribution of the segment.

Tax treatment reshaped by the new Minimum Effective Tax Rate

DPRP's tax position has changed materially following the introduction of a Minimum Effective Tax Rate (METR) under Nigeria's new tax act. Notwithstanding DPRP's Free Zone Enterprise (FZE) status and the pioneer status incentive obtained on commencement of commercial operations in February 2024, management has confirmed the METR now applies to multinational companies with income generated in Nigeria, and the Company provided for tax at c. 15% of pre-tax profit from FY26 onward as a result. Management regards this as an unintended consequence of the new legislation, given DPRP's substantial investment was predicated on the tax benefits of free-zone status, and continues to lobby government for a reversion to the original free-zone tax treatment; absent a reversal, the 15% METR on pre-tax profit is expected to continue to apply.

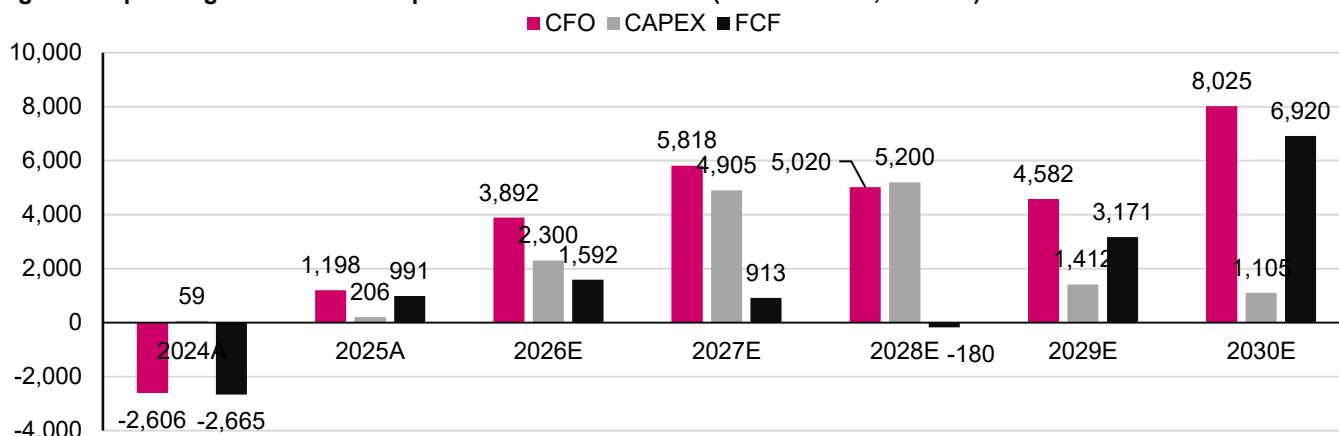
Because DPRP is a merchant refiner with a substantial export mix, only Nigeria-sourced income is directly exposed to the METR, while export income should in principle retain the benefit of free-zone exemption under the Nigerian Export Processing Zones Act; management guidance implies a blended effective tax rate of c. 6–7% on this basis. In practice, however, H126 results showed an effective tax rate of c. 13.6%, above this blended guidance, and our model reflects effective tax rates of c. 13.6–18.4% across FY26E–FY28E — consistent with the more conservative provisioning basis management has adopted pending the outcome of its lobbying efforts.

We have therefore removed the tax-holiday assumption that underpinned our prior pioneer-status cash flow estimates and instead model tax on a basis consistent with the METR as currently applied. Should management's lobbying succeed in restoring full free-zone tax exemption, this would represent a meaningful upside to our free cash flow and valuation estimates that is not currently captured in our base case.

Operating cash flow to support funding phase 2 expansion

The combination of resilient EBITDA and a favourable tax structure allows DPRP to fund one of Africa's largest industrial expansion programmes primarily through internally generated cash flow — a defining feature of the investment case.

Figure 8: Operating cash flow vs. Capex vs. Net free cash flow (2024A–2030E, USDmn)



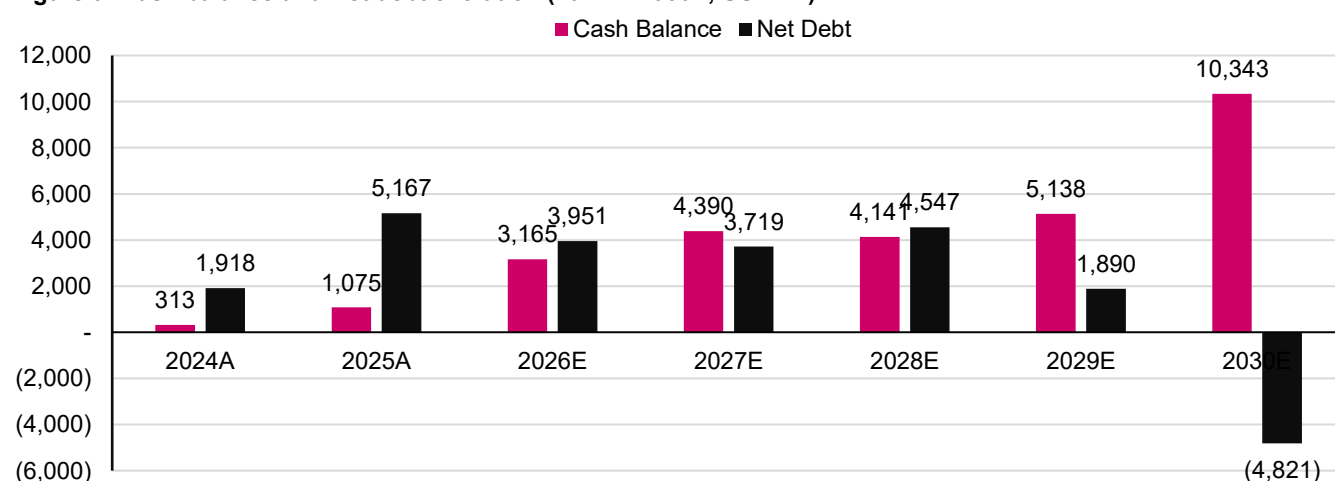
Source: Company data, Renaissance Capital Africa estimates

At the peak of construction in FY28E, operating cash flow falls modestly short of annual capital expenditure, resulting in negative free cash flow (operating cash flow less capex) of c. USD 180mn; FY26E and FY27E each remain free cash flow positive (c.USD 1,592mn and c. USD 904mn respectively) despite the elevated capex programme. Under our base case, free cash flow troughs in FY28E before turning positive again and accelerating sharply from FY29E, as Phase 2 begins full commercial operation and growth CapEx normalises.

Strong cash generation to gradually de-leverage balance sheet

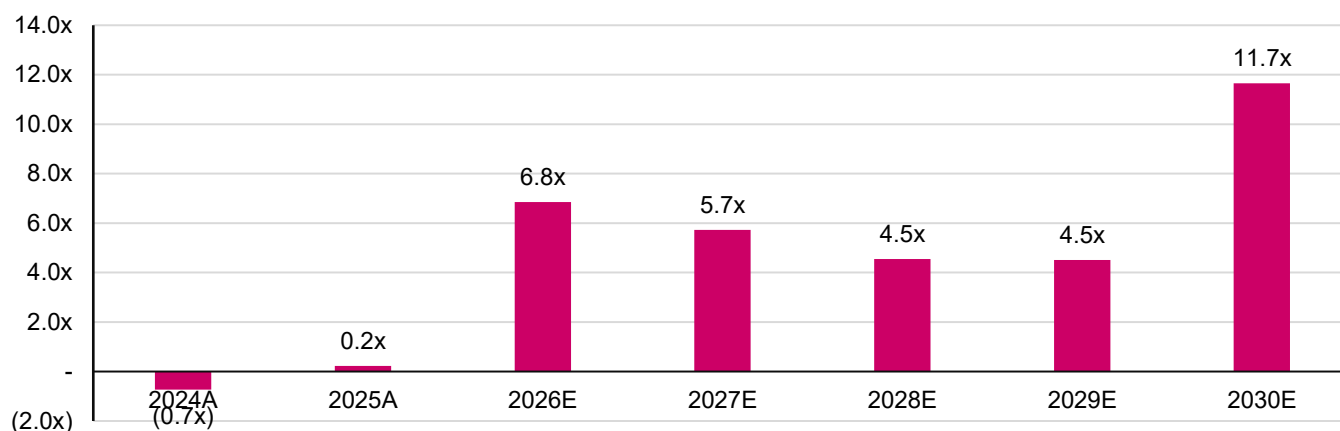
Strong operating cash flow allows DPRP to progressively de-leverage its balance sheet throughout the expansion cycle, transitioning from an elevated but well-supported leverage profile toward a net cash position as Phase 2 comes online.

Figure 9: Cash balance and Net debt evolution (2024A–2030E, USDmn)



Source: Company data, Renaissance Capital Africa estimates

Cash balances build steadily through the construction period despite elevated capital expenditure, before accelerating from FY30E as Phase 2 begins contributing to earnings. By FY30E, we forecast gross cash balances of c. USD 10.3bn, with further material accumulation likely in FY31E–FY32E as Phase 2 reaches full utilisation.

Figure 10: Interest coverage ratio (2024A–2030E)


Source: Company data, Renaissance Capital Africa estimates

Although leverage remains elevated during the construction period, EBITDA generation comfortably supports debt servicing throughout: interest coverage hovers around 5.0x in every forecast year, well above the 2.0x threshold typically associated with financial stress in the refining sector. While this remains modest relative to established US refiners at c. 8x through-cycle, that comparison is not directly analogous: DPRP is simultaneously funding a doubling of capacity through internally generated cash, whereas US refiners are in a mature capital return phase. Following Phase 2 commissioning in FY30E, accelerating free cash flow drives a rapid reduction in net debt, with the business already reaching a net cash position in FY30E (c. USD 4.8bn), building further to c. USD 13.4bn by FY31E and c. USD 24.4bn by FY32E under our base case (Tables 6 and 7).

Table 6: DPRP financial summary, 2024–28E (USDmn, unless otherwise stated)

USD	2024A	2025A	2026E	2027E	2028E
Income statement					
Revenue	6,337.6	12,330.5	28,147.4	25,766.6	23,512.0
Cost Of Sales	(6,937.4)	(12,101.2)	(22,972.1)	(19,785.3)	(18,247.3)
Gross Profit	(599.8)	229.3	5,175.2	5,981.4	5,264.7
Admin expense	(56.2)	(65.5)	(287.5)	(263.9)	(269.5)
EBITDA	(425.1)	545.3	5,381.6	6,374.6	5,825.8
Depreciation	(200.5)	(387.1)	(585.4)	(748.8)	(922.1)
EBIT	(635.6)	146.5	4,796.2	5,625.8	4,903.7
Pre-tax income	(1,508.7)	(475.8)	4,186.8	4,953.7	4,255.6
Net income	(1,508.7)	(475.8)	3,608.9	4,044.3	3,675.8
EPS			0.03	0.03	0.03
Diluted shares			120,129	120,129	120,129
Return data					
ROACE		1.9%	32.6%	28.7%	20.2%
ROAE		(14.3%)	45.0%	33.8%	23.2%
Balance sheet and cash flow					
Shareholder' equity	575.2	6,099.4	9,942.3	13,986.6	17,662.4
Net debt	1,918.0	5,167.3	3,951.0	3,719.4	4,547.5
Total debt	2,230.8	6,242.5	7,116.1	8,109.5	8,688.0
Cash flow from operations	(2,605.9)	1,197.6	3,891.7	5,817.8	5,020.0
Capital expenditure			(2,300.0)	(4,914.1)	(5,200.0)
Free cash flow			1,591.7	903.7	(180.0)
Valuation and leverage metrics					
EV/EBITDA			10.7x	9.0x	9.9x
Total debt/capital	0.8x	0.5x	0.4x	0.4x	0.3x
Total debt/equity	3.9x	1.0x	0.7x	0.6x	0.5x
Net debt/EBITDA	(4.5x)	9.5x	0.7x	0.6x	0.8x
Selected operating metrics					
Refining throughput (kbpd)			617.8	650.0	650.0
Refining gross margin (USD/bbl)			27.55	30.20	27.97
Refining EBITDA (USD/bbl)			23.87	26.87	24.55

Source: Company data, Renaissance Capital Africa estimates

Table 7: DPRP financial summary, 2024-28E (NGNm, unless otherwise stated)

NGN	2024A	2025A	2026E	2027E	2028E
Income statement					
Revenue	10,266,923	19,297,154	39,406,320	37,876,904	36,290,768
Cost Of Sales	(11,238,572)	(18,938,364)	(32,160,970)	(29,084,319)	(28,164,639)
Gross Profit	(971,648)	358,790	7,245,350	8,792,585	8,126,130
Admin expense	(91,033)	(102,490)	(402,477)	(387,972)	(415,925)
EBITDA	(688,662)	853,395	7,534,300	9,370,712	8,992,148
Depreciation	(324,834)	(605,743)	(819,628)	(1,100,745)	(1,423,322)
EBIT	(1,029,727)	229,318	6,714,672	8,269,967	7,568,826
Pre-tax income	(2,444,078)	(744,644)	5,861,497	7,281,972	6,568,510
Net income	(2,444,078)	(744,644)	5,052,487	5,945,151	5,673,571
EPS			42	49	47
Diluted shares			120,129	120,129	120,129
Return data					
ROACE		1.9%	32.6%	28.7%	20.2%
ROAE		-14.3%	45.0%	33.8%	23.2%
Balance sheet and cash flow					
Shareholder' equity	931,784	9,545,512	13,919,204	20,560,315	27,261,901
Net debt	3,107,134	8,086,776	5,531,389	5,467,475	7,018,997
Total debt	3,613,919	9,769,559	9,962,607	11,920,911	13,409,964
Cash flow from operations	(4,221,582)	1,874,294	5,448,364	8,552,205	7,748,369
Capital expenditure			(3,220,000)	(7,223,727)	(8,026,200)
Free cash flow			2,228,364	1,328,478	(277,831)
Valuation and leverage metrics					
EV/EBITDA	-	-	10.7x	9.0x	9.9x
Total debt/capital	0.8x	0.5x	0.4x	0.4x	0.3x
Total debt/equity	3.9x	1.0x	0.7x	0.6x	0.5x
Net debt/EBITDA	(4.5x)	9.5x	0.7x	0.6x	0.8x
Selected operating metrics					
Refining throughput (kbpd)			618	650	650
Refining gross margin (NGN/bbl)			38,568	44,398	43,165
Refining EBITDA (NGN/bbl)			33,414	39,495	37,900

Source: Company data, Renaissance Capital Africa estimates

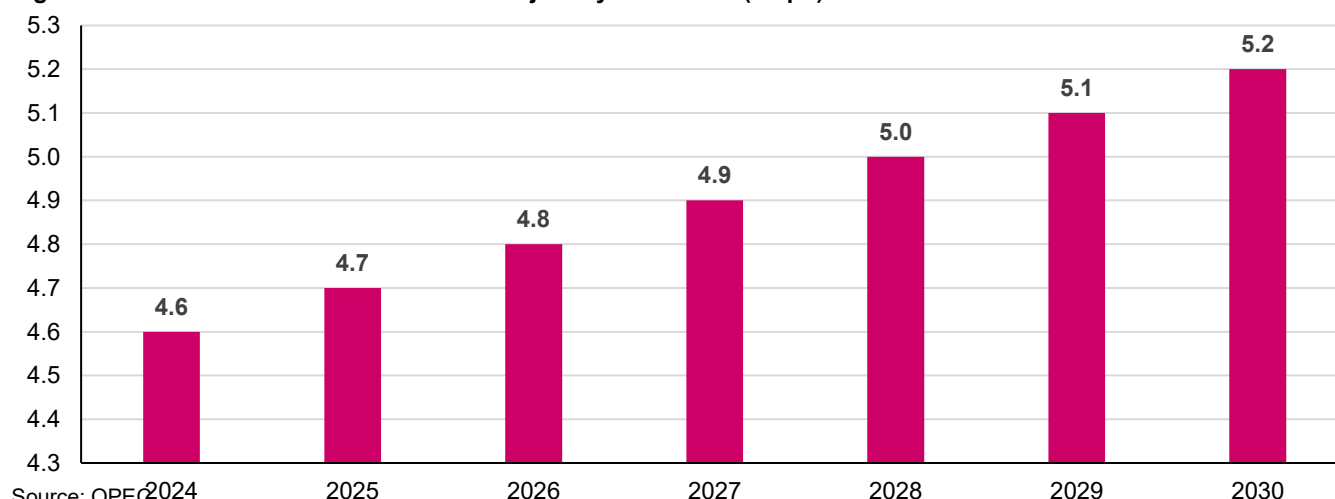
DPRP's addressable market

Refined product markets have tightened globally, not only in Africa. Diesel and jet fuel crack spreads remained elevated through 2026, driven by refinery closures in Europe and the US and disruptions to Russian and Chinese product exports. Africa's refined product demand is projected to increase from c.4.6mbpd in 2024 to 5.2mbpd by 2030, with further growth expected over subsequent decades as energy consumption continues to expand across the continent.

Crucially, refining capacity is not expected to keep pace with demand. Industry forecasts indicate that Africa will remain structurally dependent on imported refined products for many years, even after new capacity additions. This creates a durable regional market for competitive exporters capable of supplying transportation fuels at scale.

DPRP is uniquely positioned to capture this opportunity. Its Atlantic coastline location, deep-water port infrastructure, large-scale production capacity and cost-competitive operations provide natural access to West Africa and other regional markets that continue to rely on imported fuels. As domestic demand becomes increasingly satisfied, surplus production can be directed toward export markets without requiring a significant change in DPRP's operating model. Its global reach is already evident: per Kpler data, DPRP was Europe's largest single jet fuel supplier for the second consecutive month in July 2026.

Figure 11: Africa medium-term oil demand trajectory 2024–2030 (mbpd)

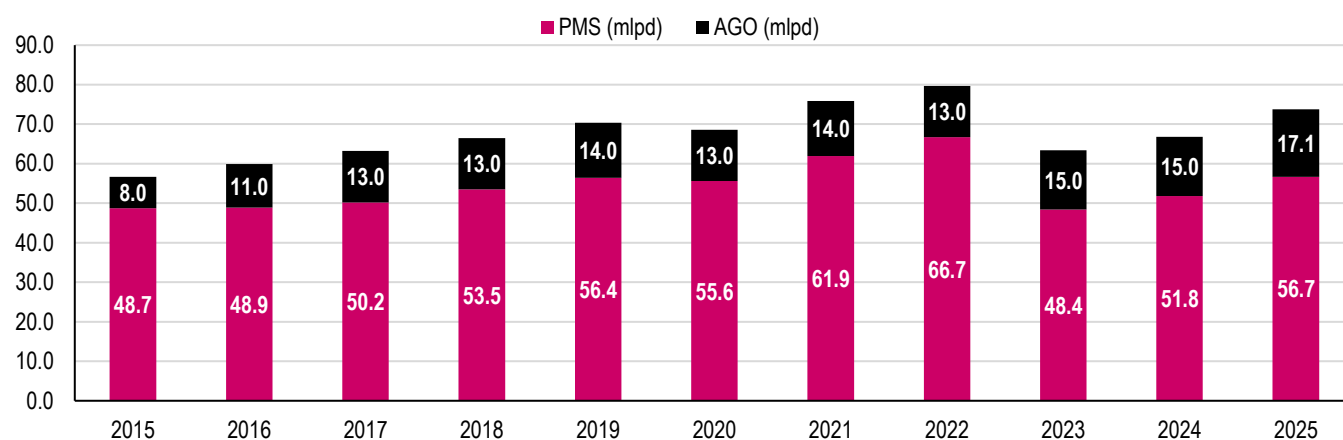


Most refineries chase markets whereas DPRP was built inside one. Nigeria is Africa's largest refined petroleum market and, despite being one of the continent's largest crude oil producers, has historically remained heavily dependent on imported transportation fuels. This structural imbalance created a deep and persistent domestic supply deficit long before DPRP commenced operations.

In 2024 alone, Nigeria spent NGN 15.4tn (c.USD 11.5bn) importing refined petroleum products, according to the NMDPRA. This occurred despite the country having 1,125kbpd (DPRP refinery included) of installed refining capacity, as legacy refineries operated at less than 2% effective throughput before DPRP's commissioning. Rather than competing to create demand, DPRP entered a market where substantial consumption already existed, but domestic supply was largely absent, providing a natural outlet for production and reducing reliance on export markets to sustain utilisation.

Nigeria's petroleum product consumption is dominated by Premium Motor Spirit (PMS), which accounts for c. 82% of total transportation fuel demand. As Figure 12 shows, the NMDPRA's 2026 benchmark projects daily demand of 50mn litres for PMS, 14mn litres for Automotive Gas Oil (AGO) and 3mn litres for Aviation Turbine Fuel (ATF), implying a domestic market of c. 67mn litres per day across the country's principal transport fuels. This represents the structural demand floor into which DPRP operates.

Figure 12: Nigeria average daily PMS and AGO consumption 2015–2025 (million litres/day)



Source: NMDPRA

At 650kbpd nameplate capacity in FY25, DPRP was able to produce c. 55mn litres of PMS per day directly from crude processing, with blending capability increasing potential output to c. 75mn litres per day. This positions DPRP to meet Nigeria's entire benchmark PMS demand while continuing to produce meaningful volumes of diesel, jet fuel and other refined products, providing a substantial domestic demand base capable of supporting high utilisation.

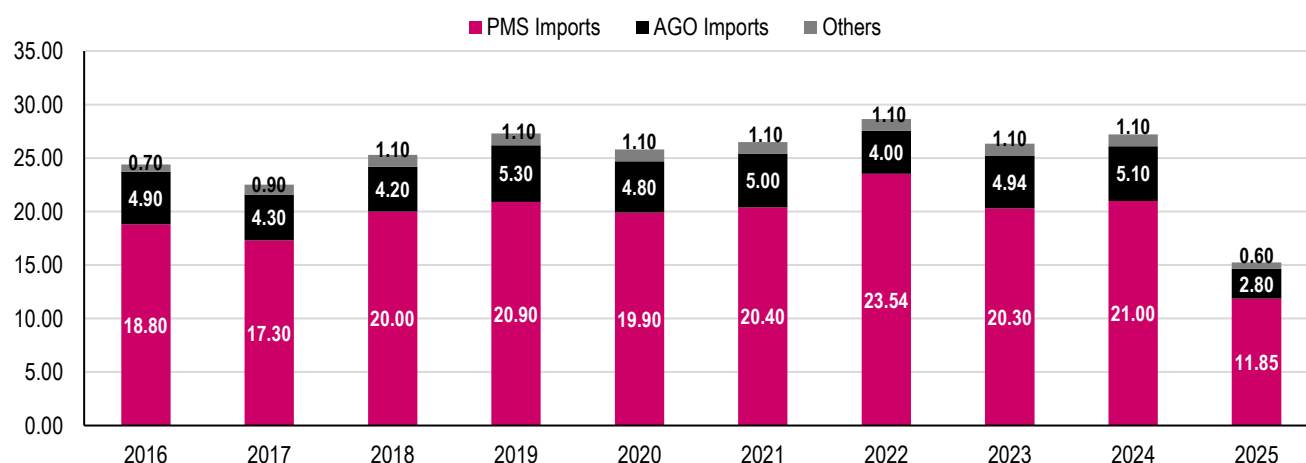
Concerns that the removal of Nigeria's petrol subsidy in 2023 would permanently impair fuel consumption have so far proven unfounded. Following an initial adjustment period, PMS demand recovered to an average of 56.7mn litres per day by October 2025 and reached 74.2mn litres per day in December 2025, exceeding the NMDPRA's 2026 benchmark, while AGO demand similarly recovered to c. 17mn litres per day.

Nigeria's structural fuel deficit and resilient domestic demand provide DPRP with high utilisation visibility. Sustained high utilisation enhances operating leverage by spreading fixed costs across larger production volumes, strengthening unit economics, refining margins and long-term cash flow generation.

Import substitution – opportunity in the addressable market

Nigeria's long-standing dependence on imported refined petroleum products represents DPRP's largest near-term growth opportunity. Between 2016 and 2022, the country imported c. 25–28bn litres of refined products annually, peaking at 28.6bn litres in 2022. Since DPRP commenced commercial production, imports have fallen to 15.3bn litres in 2025, a 47% decline, reflecting DPRP's growing role in displacing imported supply.

Figure 13: Nigeria petroleum product imports 2016–2025 (billion litres)



Source: NBS

DPRP's market penetration has accelerated alongside this decline. By March 2026, DPRP supplied 40.1mn litres of PMS per day, equivalent to 72.3% of Nigeria's domestic consumption, up from 50.3% a year earlier. Diesel production has already exceeded domestic demand, enabling surplus volumes to be exported while maintaining local market leadership.

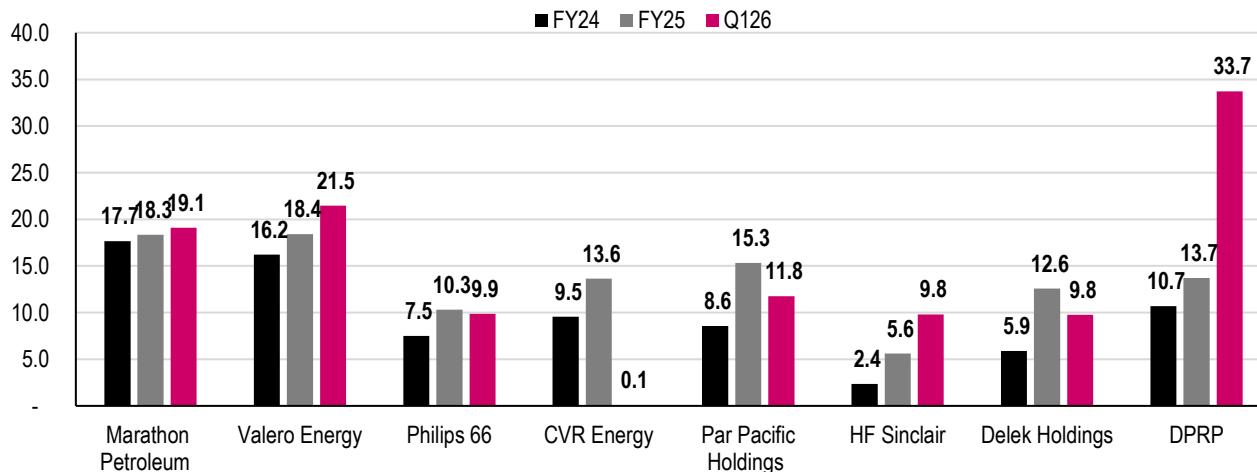
Crucially, higher domestic market share does not come at the expense of pricing. Nigerian fuel prices are anchored to import parity, allowing DPRP to realise prices linked to imported products while avoiding the overseas refining, freight and logistics costs embedded in imported supply. This structural cost advantage enables DPRP to compete effectively against importers while preserving superior margins.

Africa's most advanced refining and petrochemical complex

DPRP stands alongside a select group of the world's highest-quality refining assets, combining scale, complexity and location advantages that allow it to extract more value from each barrel of crude than any African peer.

DPRP's Q126 GRM of USD 33.7/bbl materially exceeded both its historical performance and that of global refining peers, marking a significant step change in profitability. The improvement reflects more than a favourable refining cycle. Following the completion of the planned pit-stop in February 2026, RFCC stability improved materially, allowing DPRP to increase premium product yields, eliminate low-value Reduced Crude Oil (RCO) from the product slate, and operate much closer to its intended conversion profile. These operational gains coincided with a sharp widening in diesel and jet fuel crack spreads following the disruption of Middle Eastern exports, enabling DPRP's merchant model to capture substantially higher realised margins.

Figure 14: GRM for DPRP and US refining peers (USD/bbl)



Source: Company financials

Built at a scale no African refinery can match

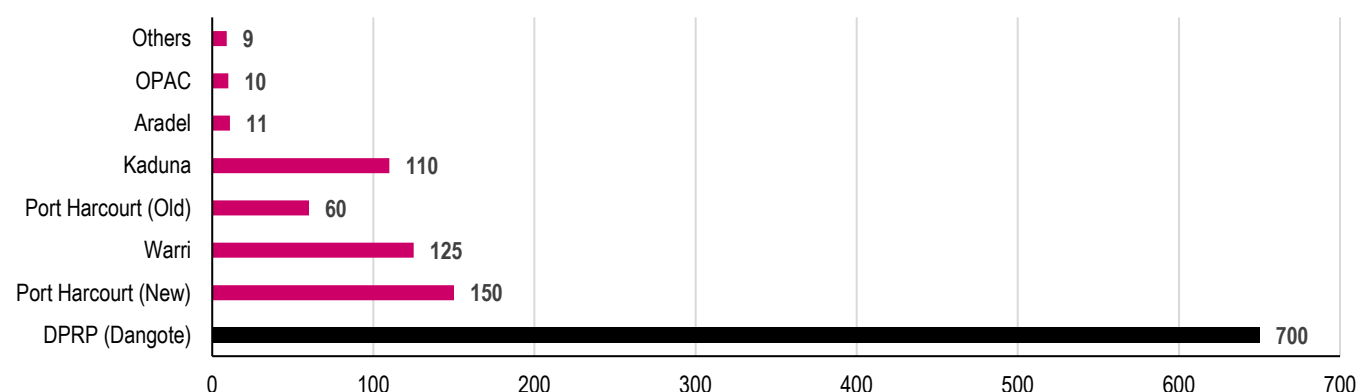
DPRP's nameplate crude distillation capacity of 700,000 bpd makes it Africa's largest refinery. Already tested at throughput of up to 700kbpd and with expansion capacity targeted at 1,400kbpd by 2028, DPRP processes more crude than the combined operational output of every other refinery on the African continent at effective utilisation, placing it in a league of its own.

This scale extends beyond capacity alone. Nigeria's state-owned refineries absorbed more than USD 18bn in rehabilitation spending over two decades without achieving sustained production. By contrast, DPRP was constructed from the ground up, commenced commercial operations in February 2024 and, following its planned pit-stop, averaged 93.2% daily utilisation by March 2026, demonstrating an ability to operate consistently at levels rarely achieved across the region.

DPRP occupies a 2,635-hectare site within the Lekki Free Zone along Nigeria's Atlantic coastline, providing direct access to export markets and placing it within a day's sail of c. 3mbpd of West African crude production. The size of the site also provides substantial room for future capacity expansion and downstream integration, reducing the physical constraints that typically limit the development of large-scale refining and petrochemical assets.

Beyond its physical footprint, DPRP's scale creates structural economic advantages that smaller refiners are unlikely to replicate. Higher throughput allows fixed operating costs to be spread across significantly larger production volumes, improving unit economics while strengthening procurement leverage, crude sourcing flexibility, logistics efficiency and product optimisation. Within Nigeria alone, DPRP's nameplate capacity exceeds the combined capacity of every other domestic refinery, reinforcing a competitive position built not only on size but on the ability to operate at a scale that supports lower costs, stronger margins and sustained long-term cash flow generation.

Figure 15: DPRP vs. Nigerian refineries capacity (kbpd)



Source: IEA

Strategic location and complexity index maximise the value of every barrel

DPRP's NCI of 11.5 gives it a high absolute complexity by global standards: broadly in line with the American average (c.10.8) and above both the Asia-Pacific (c.10.2) and European (c.9.5) averages. A higher NCI enables DPRP to convert a greater proportion of lower-value residual streams into premium transportation fuels and petrochemical feedstocks, improving product yields, increasing crude processing flexibility and supporting structurally higher GRM than less complex peers.

While refining complexity is an important driver of profitability, it is not the sole determinant of returns. Realised margins also depend on feedstock optionality, logistics, market access and operational execution. DPRP's Atlantic location, proximity to West African crude production, access to one of Africa's largest domestic fuel markets and ability to export into higher-netback international markets complement its high conversion capability, strengthening its competitive position beyond what its NCI alone would suggest.

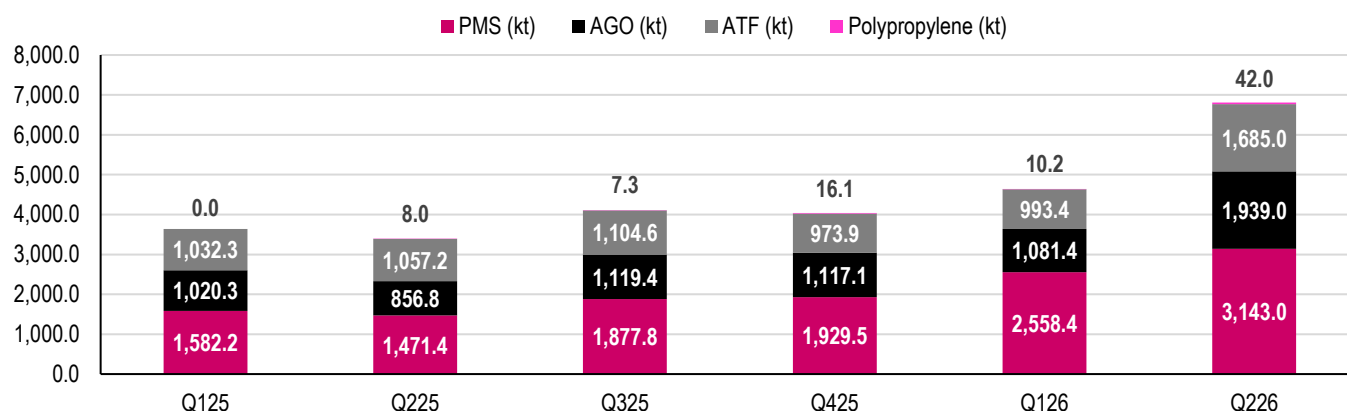
Figure 16: Nelson Complexity Index: DPRP vs. Peer Benchmarks



Source: ENI World Oil Review 2025

The product mix emerging from this conversion architecture is increasingly aligned with this competitive advantage. As the RFCC has stabilised and post-pit-stop performance has been restored, the PMS contribution increased from 43.5% in Q125 to 55.1% in Q126, before moderating to 46.2% in Q226 as AGO and ATF volumes scaled disproportionately faster. At the same time, RCO—a low-value residual product indicative of incomplete conversion—has been eliminated from the product slate, confirming that the conversion units are progressively operating at design intent. Total production volumes increased from 3,635kt in Q125 to 4,643kt in Q126 (+27.7% y/y), before accelerating further to 6,809kt in Q226, a 100.6% y/y increase and a 46.6% q/q increase, as CDU utilisation reached its first full-quarter run at design rates. The continued step-up in absolute volumes across AGO and ATF alongside PMS confirms that the improved conversion profile is broad-based rather than confined to a single product line, and the shift toward higher-value transportation fuels overall should continue to support stronger realised margins and cash flow generation.

Figure 17: Quarterly production volumes and product mix (Kilo tonnes)

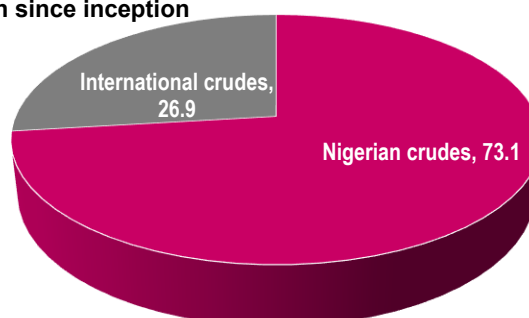


Source: Company data

DPRP sources c. 70% of its crude domestically, comprising both NNPC Limited's long-term Crude-for-Naira supply agreement (c.30-35% of total feedstock, with a portion settled in Naira) and spot purchases of other Nigerian crude grades (c.30-35% of total feedstock). This reduces foreign exchange exposure on DPRP's highest operating cost while providing a stable and diversified domestic supply base beyond a single counterparty. The balance of crude is sourced internationally, and by December 2025 DPRP had successfully processed 28 crude grades from seven countries, demonstrating a level of feedstock flexibility that few regional refiners possess.

This flexibility is economically significant. While Nigerian sweet crude remains DPRP's preferred feedstock, management expects the share of imported crude to increase over time as operating experience expands, and processing constraints are progressively removed. A broader crude slate allows DPRP to optimise feedstock procurement by arbitraging price differentials across global crude markets, sourcing the most economically attractive barrels while remaining within DPRP's technical operating limits. Combined with its high conversion capability, this optionality should support lower feedstock costs, stronger refining margins and greater resilience across commodity price cycles.

Figure 18: Crude sourcing mix by origin since inception



Source: Company data

The commercial advantage, however, lies not in maximising imported crude, but in optimising the crude slate. DPRP's economics are driven by its ability to identify the lowest-cost barrel that can still be processed efficiently into high-value transportation fuels. As operating experience broadens, DPRP's procurement team gains greater flexibility to widen this optimisation window, creating an additional and often underappreciated lever for GRM expansion.

That optionality nevertheless operates within clearly defined technical and economic boundaries. DPRP is designed primarily around a Nigerian sweet crude diet, with only a measured proportion of heavier and sourer grades incorporated into the blend. Beyond these thresholds, conversion efficiency declines, higher volumes of low-value residual products are generated, and GRM begin to compress. Feedstock selection therefore represents an active value-maximisation exercise rather than a procurement decision, with management continuously balancing crude acquisition costs against conversion yields, product value realisation and EBITDA per barrel.

Viewed together, DPRP's feedstock strategy provides a structural competitive advantage. The combination of secure domestic supply, growing access to international crude markets and disciplined optimisation of the crude slate allows DPRP to capture procurement savings without sacrificing operational efficiency. As crude flexibility expands over time, this capability should become an increasingly important driver of earnings quality, cash flow resilience and long-term returns on invested capital.

Built to capture higher spreads across markets

Unlike refiners that commit production to fixed markets, DPRP operates a merchant model, dynamically allocating volumes between domestic and export markets based on prevailing netbacks. This provides significant commercial flexibility, allowing DPRP to direct cargoes toward markets offering the highest realised margins while responding quickly to changes in regional crack spreads and freight economics.

The benefits of this model were evident during the disruption to Middle Eastern product exports in early 2026. As Atlantic Basin crack spreads widened, particularly for jet fuel and diesel, DPRP's Atlantic location, predominantly domestic crude sourcing and unconstrained export strategy enabled it to capture materially higher refining margins without experiencing the feedstock disruptions affecting Gulf exporters.

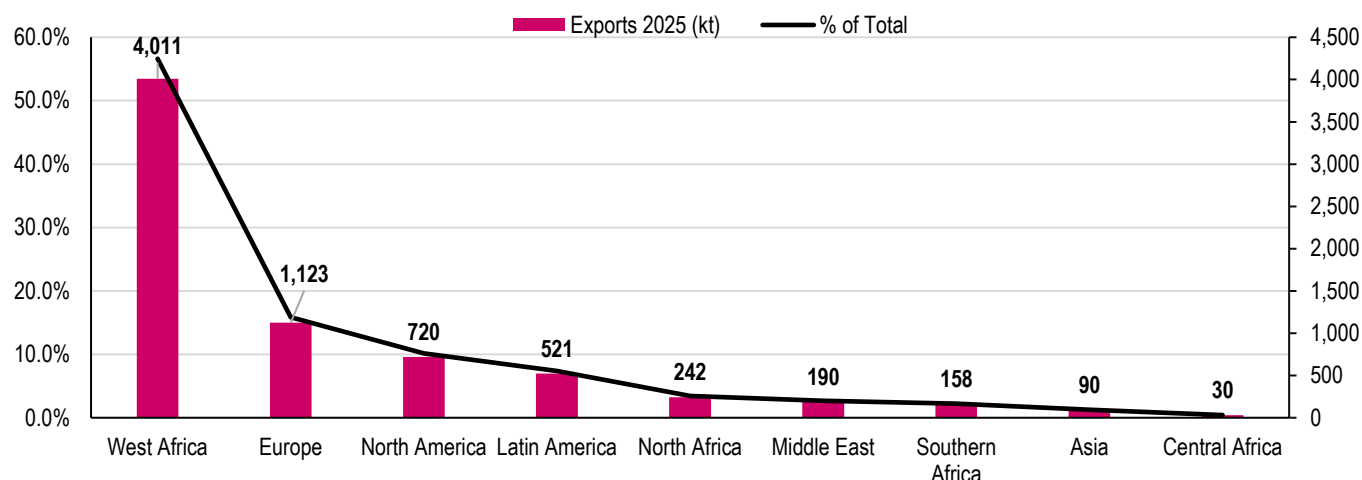
Table 8: Product crack spreads, July 2025 vs. July 2026 (USD/bbl)

European markets	Jul-25	Jul-26	Change, %
Gasoline (PMS)	20.76	55.88	169%
Jet fuel (ATF)	23.76	66.46	180%
Gasoil (Diesel)	28.31	72.45	156%
US market			
Gasoline (PMS)	27.62	68.49	148%
Jet fuel (ATF)	24.29	63.81	163%
Gasoil (Diesel)	21.78	62.77	188%

Source: OPEC MOMR

We expect DPRP to remain well positioned to capture elevated crack spreads, given its merchant model and flexibility to direct volumes towards the most attractive markets. With product cracks remaining materially above 2025 levels, a sustained higher crack environment should continue to support DPRP's refining margins and cash generation.

Figure 19: DPRP export destinations (FY25, MT)



Source: Company data

Over the longer term, West Africa represents DPRP's natural export market. Before DPRP commenced operations, the region relied heavily on imported refined products, primarily from Europe. DPRP's proximity to these markets, deep-water marine infrastructure and large-scale production capacity provide a structural freight advantage over overseas suppliers. In FY25, West Africa accounted for 56.6% of international exports, with Europe and the Americas providing additional outlets as market conditions warranted.

Beyond West Africa, the Phase 2 capacity doubling is being accompanied by a parallel build-out of distribution infrastructure that extends DPRP's reach further across the continent. Management plans a jetty expansion to support higher export capacity, multi-product pipelines traversing several countries in the region, and a truck fleet scaling from 4,000 to 10,000 compressed natural gas-powered units, alongside a near-doubling of combined crude and refined storage capacity to 6.9mn m³. Investment in strategic storage and distribution assets is already underway in Namibia and Zambia, with active commercial engagement in Cameroon and Ghana. This positions DPRP to deepen its presence in Southern Africa, into which it sold c.158kt of product in 2025, as well as across Central Africa. Over time, management intends to transition from opportunistic spot exports towards longer-term Pan-African supply agreements, with Cote d'Ivoire, Ghana, Cameroon and, potentially, Angola identified as strategic anchor markets. This distribution build-out reinforces the merchant model, widening the range of markets across which each incremental barrel from the enlarged complex can be placed on a highest-netback basis.

Merchant refinery model supports superior profitability to European peers

DPRP's location, scale, energy infrastructure and integrated logistics network provide a structural cost advantage. Management estimated USD8.5–14/bbl of cumulative advantages across feedstock, logistics, energy and operating costs. Management illustrated how these advantages support DPRP's superior profitability with an estimated gross refining margin in mid-USD 20s compared to European refining-peer gross refining margins of USD 10–12/bbl. We view these estimates as illustrative rather than as guidance or forecast inputs but believe the underlying sources of cost advantage are relevant to assessing DPRP's earnings resilience as refining margins normalise.

Feedstock advantage: USD 2–3/bbl, according to management. DPRP benefits from proximity to crude supply, which should reduce landed feedstock costs relative to imported crude, while its deep-water jetty allows access to VLCC and ULCC cargoes. Flexible sourcing also provides scope to optimise the crude slate according to relative crude economics. Given crude is the largest input cost in refining, a structural feedstock advantage should translate directly into stronger refinery margins.

Logistics advantage: USD 2–4/bbl, according to management. DPRP's proximity to its core domestic market provides a delivered-cost advantage over imported products, while its integrated logistics infrastructure enables product to be evacuated directly to depots, marketers and industrial customers. This should reduce exposure to domestic transportation bottlenecks and support DPRP's competitiveness in the Nigerian market, while export optionality provides an additional outlet when international netbacks are more attractive.

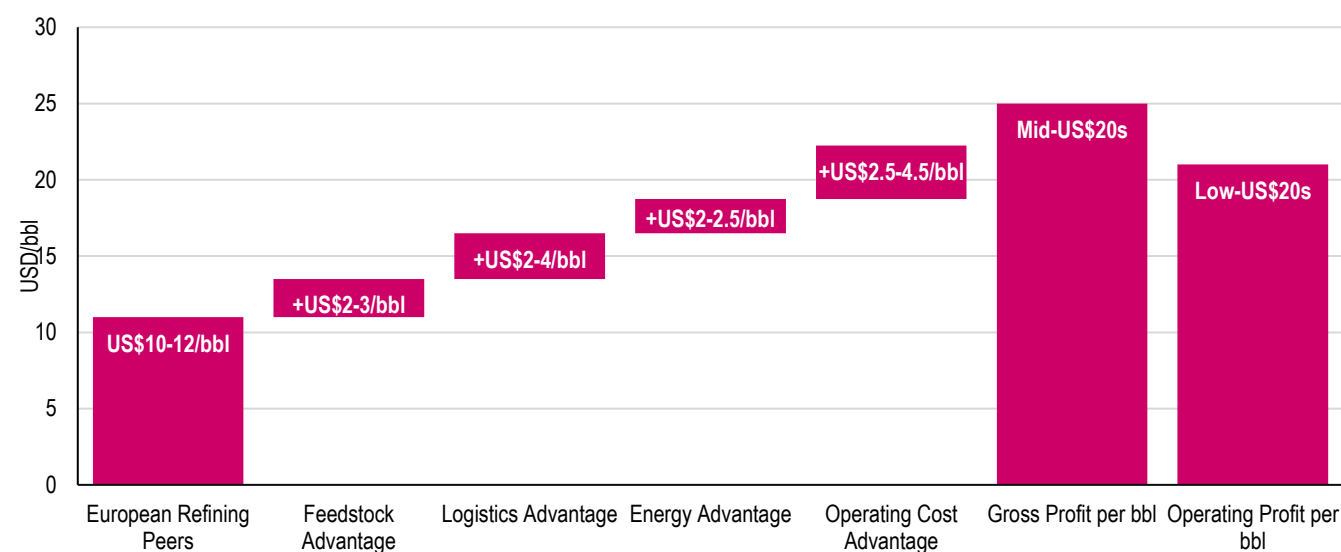
Energy advantage: USD 2–2.5/bbl, according to management. DPRP's long-term domestic gas contracts, which management says are priced below Henry Hub and Saudi gas benchmarks, together with its 570MW captive power plant, provide a relatively self-sufficient energy platform. The use of combined-cycle generation and waste heat recovery should support lower unit energy costs and reduce exposure to grid disruptions. We see this as an important structural advantage given the sensitivity of refining economics to energy costs and operational reliability.

Operating cost advantage: USD 2.5–4.5/bbl, according to management. DPRP's scale, modern configuration and high complexity should support lower unit operating costs through greater fixed-cost absorption and higher-value product yields. Its NCI of 11.5 also provides greater flexibility to process a wider range of crude grades and maximise product value. High utilisation should further strengthen cost absorption as the refinery approaches full capacity.

Integrated distribution infrastructure provides additional support. DPRP's distribution platform includes 4,000 CNG-powered trucks, 11 truck tanker gantries and 94 loading bays, with loading capacity of up to 3,500m³/hour for PMS and 2,500m³/hour for AGO and ATF. The scale of this infrastructure should support rapid product evacuation and reduce reliance on conventional diesel-powered transportation. More importantly, the CNG-powered fleet and integrated distribution network should help reduce transportation cost

Our view: We believe the underlying drivers of DPRP's cost advantage are structural and therefore more important than the precise per-barrel estimates provided by management. DPRP's access to crude, deep-water infrastructure, captive and relatively low-cost energy, high complexity, scale and integrated distribution network should position it towards the lower end of the global refining cost curve. In our view, this should provide greater resilience to earnings and cash generation as refining margins normalise from elevated levels. We have not independently verified management's per-barrel estimates and therefore do not incorporate them directly into our forecasts; rather, we view them as supporting evidence for our bottom-up assessment of DPRP's competitive cost position.

Figure 20: DPRP's structural cost advantages vs. European refining peers (USD/bbl)



Source: Company data

ESG as a competitive advantage

As global fuel specifications tighten, investors are increasingly differentiating between efficient and inefficient refining assets, rewarding operators with modern, compliant infrastructure over those reliant on older or simpler configurations. This is where sustainability becomes a source of competitive advantage rather than simply a compliance requirement: DPRP's modern configuration, energy-efficient design and ability to produce Euro V fuels set it apart from Nigeria's legacy state refineries and a number of ageing global peers, many of which would require significant capital investment to match the same environmental standards. These characteristics position DPRP to preserve access to export markets, long-term financing and regulatory support, reducing transition risk and limiting future retrofit capital expenditure requirements in an increasingly carbon-conscious global energy market.

Beyond environmental performance, DPRP's sustainability strategy strengthens its licence to operate, supports relationships with regulators and host communities, and enhances its attractiveness to banks, development finance institutions (DFIs) and export credit agencies, all of which increasingly incorporate ESG considerations into lending and investment decisions. Sustainability is therefore an important enabler of operational resilience, funding flexibility and long-term shareholder value.

Domestic production to reduce carbon emissions

DPRP has been designed to meet World Bank, US EPA, EU and NMDPRA emission and effluent standards, positioning it among the most environmentally advanced refining assets globally. Compliance with these standards not only reduces regulatory risk but also preserves access to premium export markets where increasingly stringent fuel specifications are becoming the norm. Through its Euro V product slate and modern process technologies, DPRP is structurally better positioned than many ageing global peers, which may require significant capital investment to meet future environmental standards.

The complex incorporates best-available technologies to improve energy efficiency, minimise emissions and optimise resource consumption. Liquid effluent streams are treated through a central effluent treatment plant, while continuous air quality monitoring confirms that sulphur dioxide (SO₂), nitrogen dioxide (NO₂) and particulate matter (PM10) concentrations remain within applicable regulatory thresholds, with SO₂ and NO₂ well below permissible limits. Management estimates that DPRP will reduce carbon emissions by approximately one million tonnes annually by replacing refined-product imports with domestic production, thereby eliminating emissions associated with the export of crude oil and subsequent re-importation of refined products.

These design advantages should contribute to lower operating costs and reduced future compliance expenditure as environmental regulations continue to tighten. Management recognises that reducing greenhouse gas emissions is both an environmental responsibility and an economic imperative. DPRP's decarbonisation roadmap focuses on improving energy efficiency, reducing flaring and methane emissions, expanding energy recovery systems, integrating lower-carbon energy solutions and strengthening emissions measurement and reporting. DPRP reported an Energy Intensity Index (EII) of 109.6 in 2026, above its internal target of 99. We view this gap as consistent with an asset still in its ramp-up phase rather than a structural efficiency concern, though it is a metric worth monitoring as throughput stabilises. Management expects efficiency to improve as operations mature; optimisation initiatives are implemented and newer technologies become commercially viable, which should in turn lower operating costs and support refining margins.

Community engagement with host communities to reduce risk of operational disruption

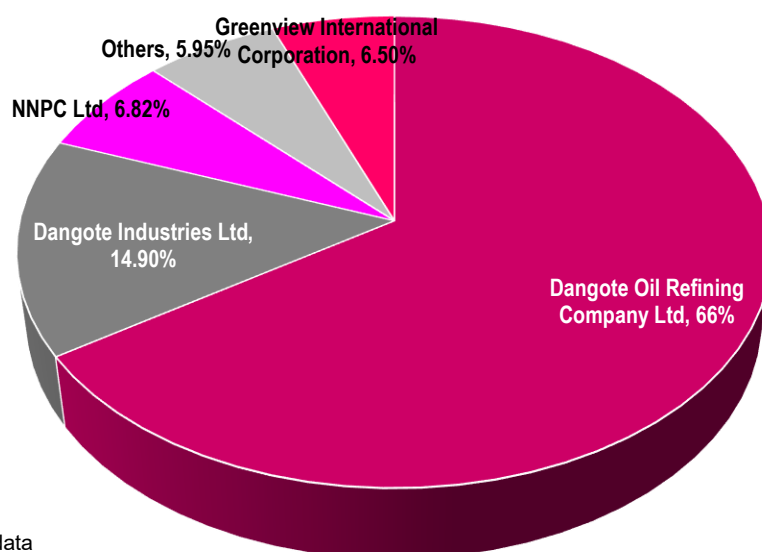
Large-scale industrial assets depend not only on engineering excellence but also on maintaining constructive relationships with surrounding communities. DPRP's Community Development Plan covers 15 host communities through structured programmes focused on livelihoods, infrastructure, education and social development. These initiatives support community engagement and reduce the risk of operational disruption, reinforcing DPRP's licence to operate.

Underpinning this, management continues to invest in workforce development through technical training, graduate programmes and vocational initiatives, building the skilled labour required for long-term operational reliability while contributing to Nigeria's industrial development.

Corporate governance and shareholding structure

DPRP is majority-owned by Dangote Oil Refining Company Limited (70.00%), with Dangote Industries Limited (15.84%), the Nigerian National Petroleum Company Limited (NNPCL, 7.25%) and Greenview International Corporation (6.91%) holding the balance. NNPCL's equity participation creates direct alignment between Nigeria's national oil company and DPRP's commercial success and is reinforced by a long-term crude supply agreement and NNPCL's role as an offtaker of refined products. Management's planned 'People's IPO' is expected to broaden ownership, deepen the Nigerian capital market and transform DPRP into a publicly held national asset with diversified, long-term shareholders.

Figure 21: DPRP shareholding structure, pre-IPO



Source: Company data

DPRP benefits from a highly experienced board with global energy, finance and governance expertise, complemented by an international management team recruited to run the business to global institutional-investor standards. Board sub-committees are being established to ensure these standards are met.

The board comprises two independent non-executive directors (c. 20% of the board), alongside representation from strategic and sovereign shareholders and a professional executive team, which in our view supports the protection of minority interests as the company progresses towards a public listing (Tables 9 and 10).

Table 9: DPRP's Board of Directors, May 2026

Name	Role	Background
Mr. Aliko Dangote, GCON	President/Chief Executive	Founder, Group President and Chief Executive of the Dangote Group. An accomplished entrepreneur and business leader who has built Africa's largest industrial conglomerate across cement, sugar, salt, fertiliser and now refining.
Mr. David Bird	MD/CEO	Global energy executive with over 25 years of international experience leading complex oil and gas operations. Former CEO of OQ8 and Vice President at Shell, with deep expertise in downstream and integrated energy businesses.
Mr. Devakumar Edwin	Non-Executive Director	A Chartered Engineer with vast experience managing strategic projects across Africa. Has held several leadership roles within the Dangote Group, including ED (Industries & Projects), GMD/CEO of Dangote Cement Plc, and currently serves as Group VP (Oil & Gas).
Mrs. Fatima Aliko-Dangote	Non-Executive Director	Provides extensive experience across commercial strategy, brand development and corporate operations. Formerly Executive Director, Commercial at NASCON.
Mr. Viswanathan Shankar	Non-Executive Director	Investment executive with extensive experience across emerging markets; CEO of Gateway Partners, a private equity and alternative investments firm. Former CEO for Europe & Africa at Standard Chartered and ex-CEO & Head of Investment Banking for Asia Pacific at Bank of America.
Mr. Aliyu Suleiman	Non-Executive Director	Seasoned strategic leader with extensive experience in corporate strategy and management consulting. Formerly Associate Principal at McKinsey & Company and Systems Engineer at Shell Nigeria.
Mr. Olakunle Alake	Non-Executive Director	Appointed to the board of Dangote Industries Limited (DIL) in 2001 with over 40 years' industry experience. Brings extensive consulting experience from PwC and has held key management roles within the Dangote Group, including Financial Controller and Head of Strategic Services.
Mr. Abubakar Balarabe Mahmoud, SAN	Independent Non-Executive Director	Senior Advocate of Nigeria with over four decades' experience in law, arbitration, corporate governance and public policy. Former Attorney-General of Kano State and former Chairman, Nigerian Exchange Limited, with board experience at MTN Nigeria and Stanbic IBTC Pensions.
Mr. Mutiu Sunmonu, CON	Independent Non-Executive Director	Distinguished oil and gas executive with over 40 years' experience across upstream operations and corporate leadership. Former Managing Director and Country Chair, Shell Companies in Nigeria.

Source: Company data

Table 10: DPRP's Senior Management, May 2026

Name	Role	Background
Mr. David Bird	MD/CEO	Global energy executive with over 25 years of international experience leading complex oil and gas operations. Former CEO of OQ8 and Vice President at Shell, with deep expertise in downstream and integrated energy businesses.
Mr. Sanjaya Bhatnagar	Chief Operating Officer	Global energy executive with over 25 years of international experience leading complex oil and gas operations, with deep expertise in downstream and integrated energy businesses.
Mr. Bruce Tanner	Chief Financial Officer	Chartered Accountant with over 26 years in the global mining, energy and industrial sectors. Former CFO of Dangote Fertiliser, Petmin and AfriOre, with a strong track record in financial leadership, capital management and operations.
Ms. Gloria Byamugisha	Chief Human Resources Officer	Over 25 years of HR experience across banking, industrials and oil & gas. Non-Executive Director, Absa Bank Uganda, with wide experience across Africa including Nigeria, Kenya and Uganda.
Ms. Lindelani Zondi	Head, Economic Planning & Scheduling	Seasoned downstream executive with 25+ years in refinery economics, production optimisation and energy management, overseeing large-scale refining operations. Previously an Asset Economist at Shell Downstream South Africa.
Mr. Mbulelo Yokwe	Head, HSSEF	Over 35 years of experience in technical, operations and health & safety. Held senior leadership roles at Shell Netherlands, SAPREF and BP South Africa, with broad experience across business development and projects.
Mr. Austin Odumu	Head, Supply Chain	Seasoned supply chain professional with 20+ years of experience. Former supply chain officer at Dangote Cement, IHS Towers and Coca-Cola Hellenic Bottling Company.
Mr. Musa Bala	Head, Administration	Seasoned executive leading corporate services and logistics with 21+ years of experience. Formerly ran the pan-African Corporate Services of the Dangote Foundation, leading the implementation of the foundation's ₦10 billion micro-grants programme.
Mr. John Van Belkum	Head, Business Excellence	Seasoned production and reliability leader with 30+ years of experience in the refining, petrochemical and oil & gas industries, with a proven ability to deliver high-impact, sustainable business improvements.

Source: Company data

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