

INVESTOR EDUCATION | 2026

Inside the Dangote Refinery IPO: Valuation, Opportunity and Risks

Understanding the opportunity and how to participate



FSDH Capital Ltd

Part of FSDH Group



01

Economy & Business Environment

- Growth, FX, inflation and the macro backdrop
- Energy, refining and the business environment
- Implications for Nigeria
- Implications for Africa's Energy Markets

02

The IPO & Subscription Details

- The Dangote Refinery offer and why it is listing
- Price, size, timeline and key subscription details
- Key risks and mitigants

03

Key Valuation Framework and Assumptions

- Refining Economics - H1 financial performance
- Valuation methodology - DCF, EV/EBITDA and P/E
- Forecast assumptions and outputs

04

Taking Part in the Transaction

- How to subscribe - web portal and mobile app
- Why FSDH Capital, products and open Q&A

01

Nigerian Economy & Business Environment

Macro Overview

Nigeria pairs scale with a strengthening growth path



POPULATION

230m+

Africa's largest; indicating potential market size that could be unlocked

NOMINAL GDP SIZE

₦441trn

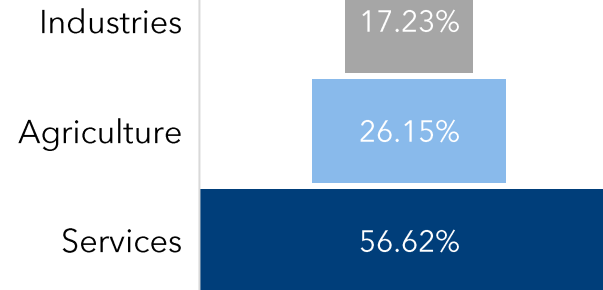
c.US\$326.6bn
Third largest in Africa (2025)

PER CAPITA GDP

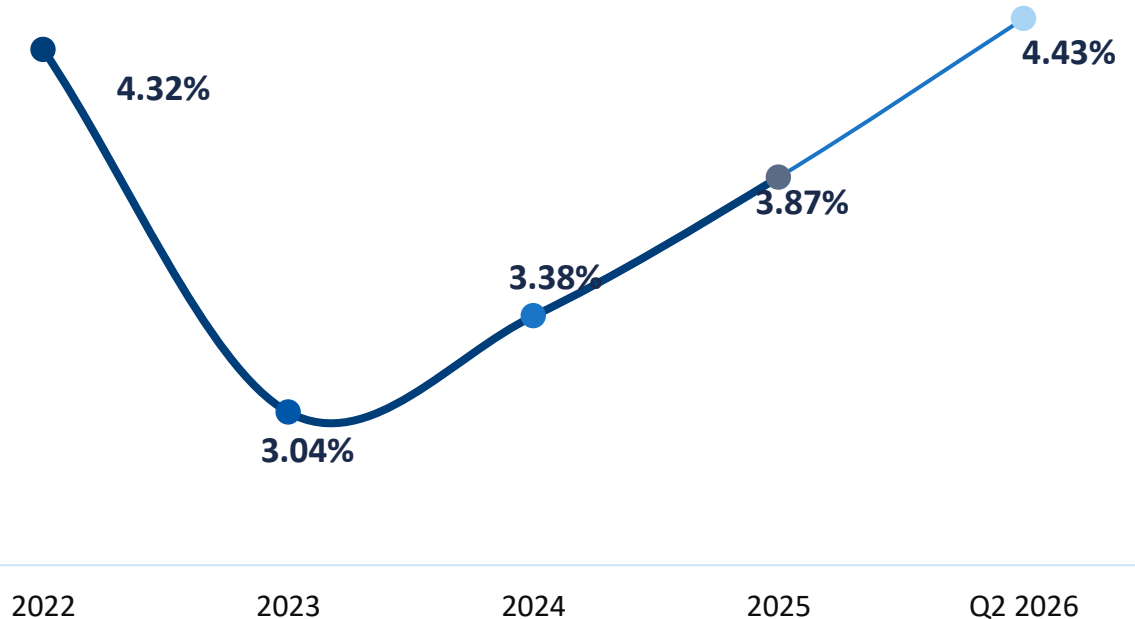
\$1,224.3

Gradually recovering from Multi-decade low of \$1,084 in 2023

SECTORAL GDP WEIGHT



REAL GDP GROWTH



Momentum has rebuilt across three consecutive readings.

FX Reserves

\$54.6bn

↑ Up 20.0% YTD

Exchange Rate

₦1,329.15/\$

↑ Gained 8.02% YTD

Inflation Rate

15.35%

↑ Up 24bps YTD

Trade Surplus

₦20.1trn

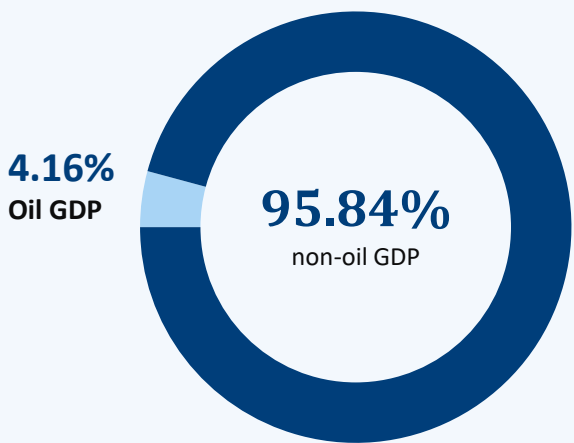
↑ Up from ₦16.9trn in 2024

Share of Refined Petroleum Product in Imports

4.4% (H1:26)

↓ Down from over 30.0% historically

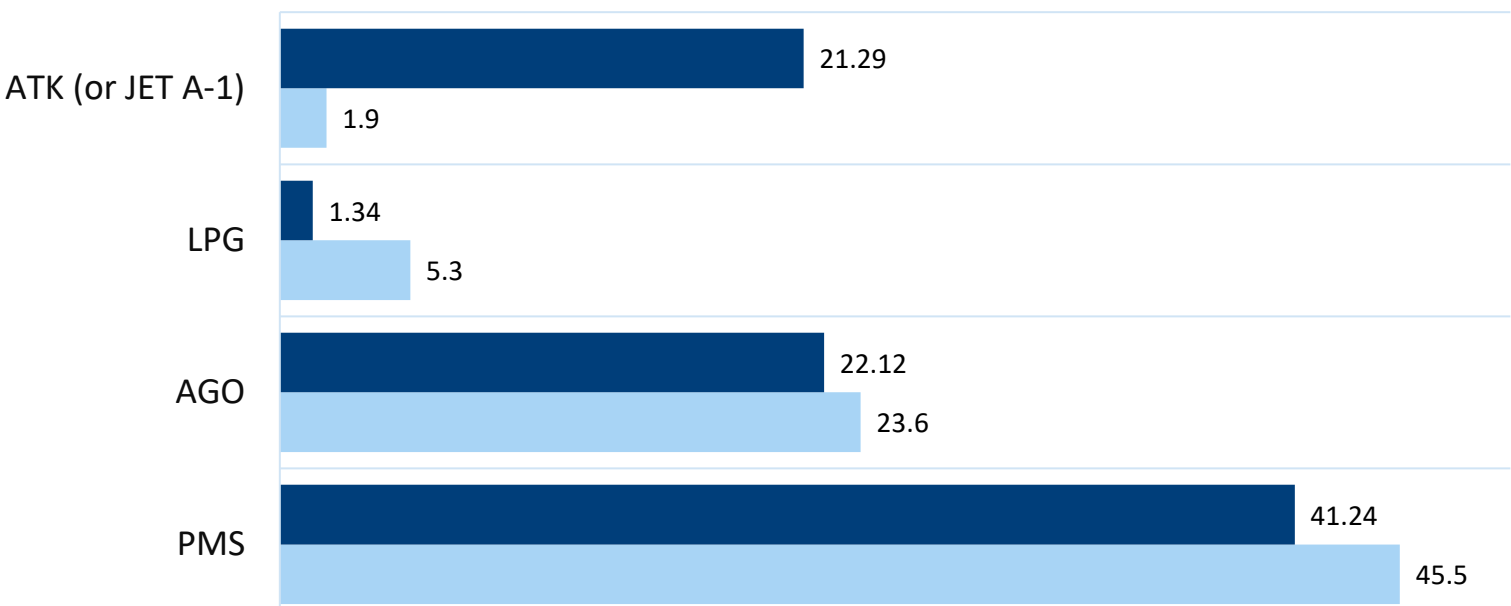
Refining scale has transformed the downstream balance



>80% of merchandise exports Earnings comes from crude and refined oil outputs.

DAILY PRODUCT VOLUME — MILLION LITRES

■ Dangote output ■ Demand upper bound



*Dangote output data are estimate based on reported average product yield in H1:2026, while domestic demand upper band reflects NMDPRA July 2026 reported numbers

37.01bn

barrels proven reserves

1.72mbpd

average daily production capacity

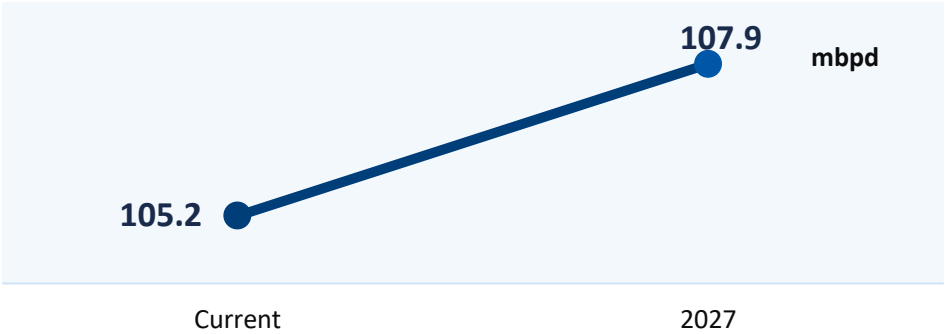
<10%

pre-Dangote, modular supply significantly trailed local demand

2023

sector liberalization

GLOBAL CRUDE DEMAND



Drivers: population growth • deeper industrialization • high per capita upfront cost of cleaner energy

CLEANER ENERGY LEAD AVOCATE SCORECARD (Renewable as % of Final Energy)

EU	2030 Target	2025 Actual	Baseline (2020)
	42.5%	26.2%	22.0%

Drivers: Geopolitical tensions, fiscal constraints, and permitting bottlenecks have materially slowed clean-energy transition progress.

SSA IMPORT GAP

120m tonnes
~\$90bn annual cost

68–70%
of consumption
served by imports

MARKET CONDITIONS

Flexible pricing

Nigeria’s oil & gas sector has been liberalized since 2023.

DANGOTE ADVANTAGE

- **Scale** Large-volume refining changes regional supply economics.
- **Location** Strategic access to Nigeria and export markets.
- **Integration** Refining, logistics and an expansion pathway reinforce control.

The market combines structural demand with a clearer pricing regime and a scaled local leader.

Implications for Nigeria

Nigerian Economy & Business Environment



Beyond company economics, the Refinery reshapes Nigeria's energy balance, trade position and industrial base.

1

FX Conservation

Nigeria's FX reserves grew from US\$32.9bn in 2023 to US\$51.7bn by Q2 2026, as displaced refined-product imports eased pressure on the Naira.

2

Energy Security

Domestic refining capacity reduces exposure to global supply disruptions and episodes of fuel scarcity.

3

Industrial Multiplier

Petrochemicals feedstock unlocks downstream manufacturing in plastics, fertiliser and packaging.

4

Fiscal & Trade Balance

Quarterly refined-product imports fell from US\$3.7bn (Q4 2023) to US\$0.4bn (Q1 2026), an 84% reduction as DPRP supply scaled.

5

Jobs & Skills Transfer

Tens of thousands of direct and indirect jobs, with technical skills built across refining and petrochemicals.

6

Policy Alignment

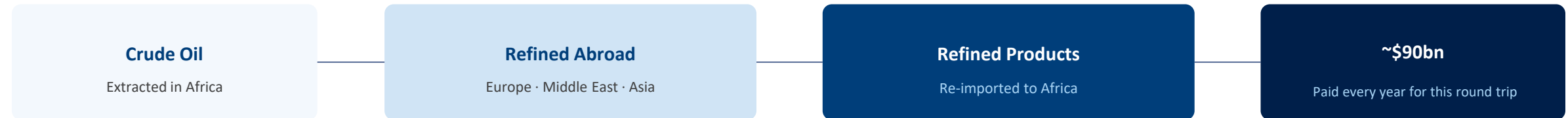
National strategic importance increases alignment with government energy and industrialisation policy.

Implications for Africa's Energy Markets

A Continental Inflection Point In Refining Capacity



Africa consumes an estimated ~4.1m barrels a day of refined products against only ~1.8m barrels a day of installed refining capacity, exporting crude and re-importing the refined product, paying someone else's margin every time.



HOW S.S.A SOURCES ITS REFINED FUEL TODAY

Imported: 68–70%

Refined in Africa: 30%

1

Closing the Import Gap

Africa imports most of its fuel from refiners in the Middle East and Asia. At scale, Dangote Refinery closes that gap, giving African buyers, including in East Africa, a source closer to home.

2

Price & Supply Competitiveness

Dangote Refinery already out-ships rivals to Europe, which is a longer, costlier route than reaching East Africa. If it can win that far away, it can compete and price even better in Africa.

3

A Catalyst for Regional Investment

Demonstrates the case for large-scale private capital in African refining, informing planned capacity elsewhere on the continent, including East Africa.

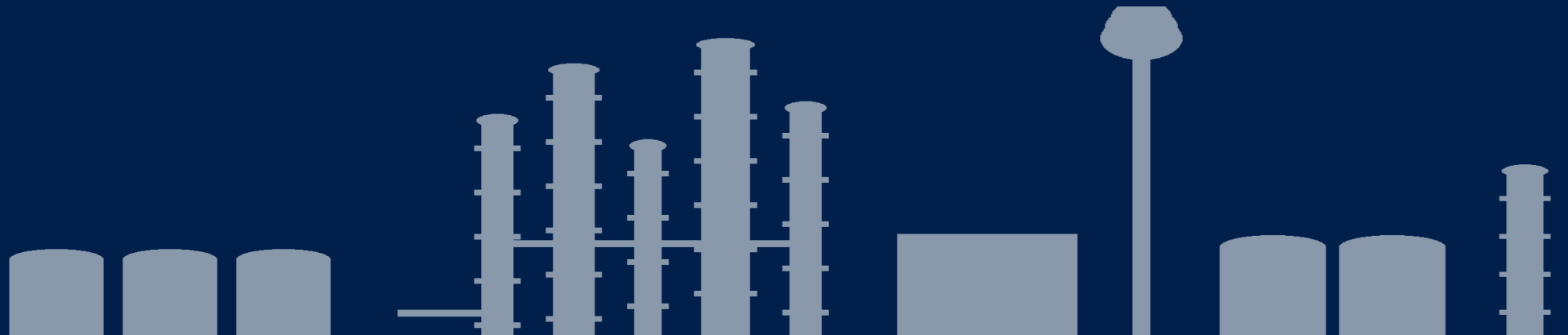
4

Strengthening Continental Trade

Supports the African Continental Free Trade Area's ambition for greater intra-African, value-added trade in energy products.

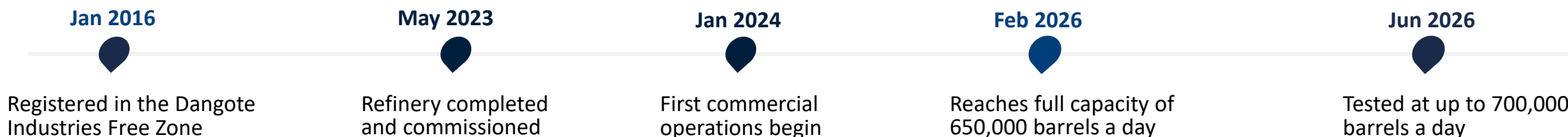
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The Dangote Refinery and Petrochemicals IPO



Dangote Petroleum Refinery

- **Integrated Refining & Petrochemicals Platform:** Dangote Refinery converts crude oil into petrol, diesel, jet fuel and polypropylene, generating earnings from the margin between crude acquisition costs and refined product sales.
- **Significant Capital Investment:** Total investment to date is approximately US\$19.0 billion, making the Refinery one of the largest private-sector industrial investments undertaken in Africa.
- **Operational & Scaling Asset:** The Refinery is fully operational and reached its current 650,000 barrels-per-day capacity in February 2026. Capacity is expected to more than double to 1.4 million barrels per day by 2029, with IPO proceeds supporting the expansion.
- **Experienced Board & Management:** The Refinery is governed by an experienced Board, with C.E.O. David Bird leading the management team with deep international experience across refining, oil & gas, petrochemicals, project development, finance and large-scale industrial operations.



Why is Dangote Refinery coming to the Market?

01

FUND THE NEXT LEG OF EXPANSION

Proceeds will support the programme to increase refining capacity to approximately 1.4 million barrels per day and fund related growth initiatives.

02

BROADEN OWNERSHIP

The “People’s IPO” creates an opportunity for retail, institutional and other investors to participate in the ownership of a landmark Nigerian industrial asset.

03

ENABLE PRICE DISCOVERY & LIQUIDITY

Listing on Nigerian Exchange establishes a continuous, transparent market price and a liquid, tradable instrument for the shares.

Key Subscription Details

SECTION 2



₦525

Offer price per share

₦2.15tn

Target raise (~US\$1.6bn)

₦65.22tn

Post-Offer Market
Capitalisation

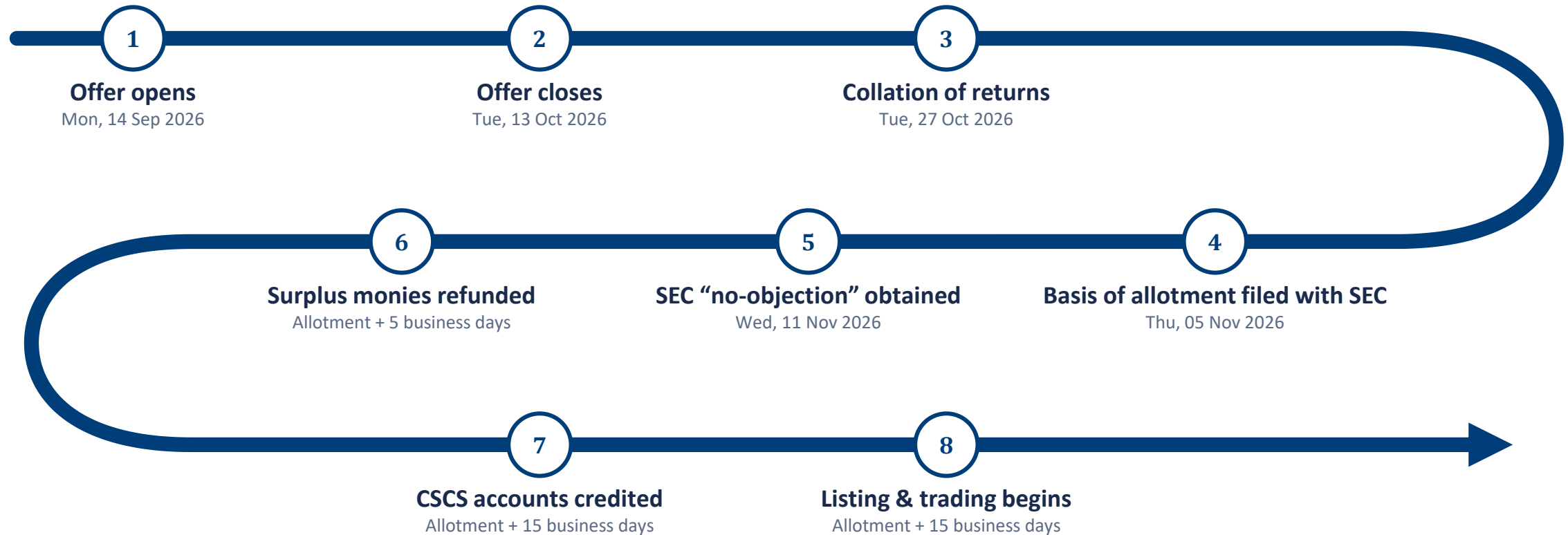
14 Sep–13 Oct

Subscription window
(2026)

Item	Details
Issuer	Dangote Petroleum Refinery & Petrochemicals FZE
Offer Opens	Monday, 14 September 2026
Offer Closes	Tuesday, 13 October 2026
Now being Offered	4,100,000,000 Ordinary Shares of US\$0.000013 each
Offer Price	₦525 per Share
Minimum Subscription	10 Shares (₦5,250) and multiples of 10 Shares thereafter
Gross Proceeds	₦2.15 Trillion
Post-Offer Market Capitalisation	₦65.22 Trillion
Use of Proceeds	To support the refinery's expansion programme, increasing refining capacity to approximately 1.4 million barrels per day and supporting long-term growth initiatives
Listing Venue	Nigerian Exchange Limited

Indicative Timeline

SECTION 2



IF THE OFFER IS OVERSUBSCRIBED

The Prospectus provides that “in the event of an over-subscription, the Issuer may absorb up to 30% of the Offer subject to the approval of the SEC.” Demand beyond that level would be prorated — bids scaled back to the shares available, with surplus application monies refunded to investors.

Why Should Investors Consider this IPO?

SECTION 2



1

Unique Currency Hedge

Investors subscribe in Naira, while the Refinery's earnings are effectively dollar-linked through export-parity product pricing — “Naira in, Dollars out.”

2

World-Class Refinery

A Nelson Complexity Index of 11.5 places the Refinery among the most sophisticated, highest-yield facilities globally.

3

Modern Plant, Lower Costs

A newly built, modern plant lowers operating and maintenance costs relative to older, regional refineries.

4

Sustainable High Margins

Scale and complexity support sustainably high gross profit margins across the product slate.

5

Experienced Management Team

Led by CEO David Bird and a team with deep international experience across refining, oil & gas and large-scale industrial operations.

6

Growth Potential

Capacity is set to more than double to 1.4 million barrels per day by 2029, funded in part by proceeds of this offer without materially increasing leverage.

Key Risks · Weights · Mitigants

The risk profile is supported by natural hedges

RISK	WEIGHT	MITIGANT
Feedstock supply	● HIGH	Foreign crude supply arrangement and accelerated backward integration.
Regulatory	● MEDIUM	National importance increases alignment with policymakers.
Foreign exchange	● MEDIUM	Product exports provide a natural FX hedge.
Technical operational disruption	● MEDIUM	Continued investment in modern assets and manpower training.
Refining margin volatility	● MEDIUM	Scale and integration provide in-built operating resilience.
Energy transition risk	● LOW	The mid-term pathway of Africa to a significant cleaner energy adoption remains unclear.

03

KEY VALUATION FRAMEWORK AND ASSUMPTIONS

Key Valuation Framework And Assumptions

SECTION 3 - REFINING ECONOMICS



700k

Total processing capacity (barrels) at full peak operations per day

11.5 NCI

Capable of processing low-cost discounted crudes.

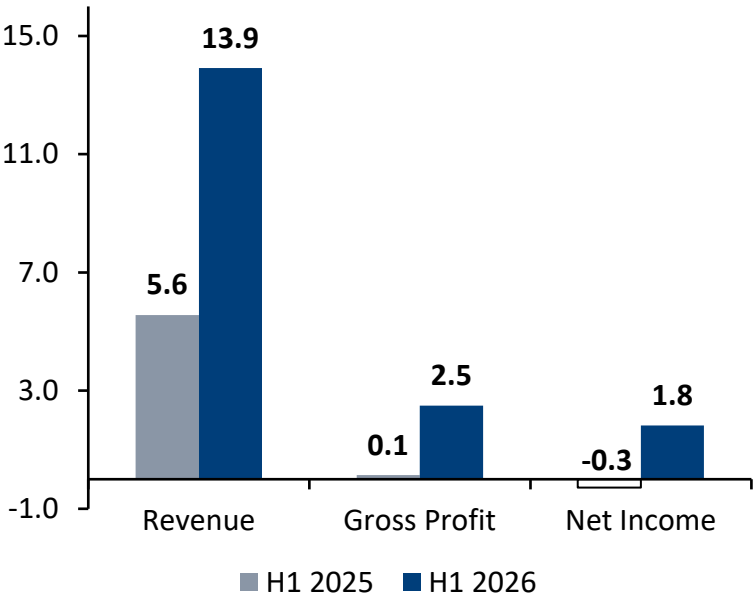
100%+

CDU utilisation rate as at August 2026

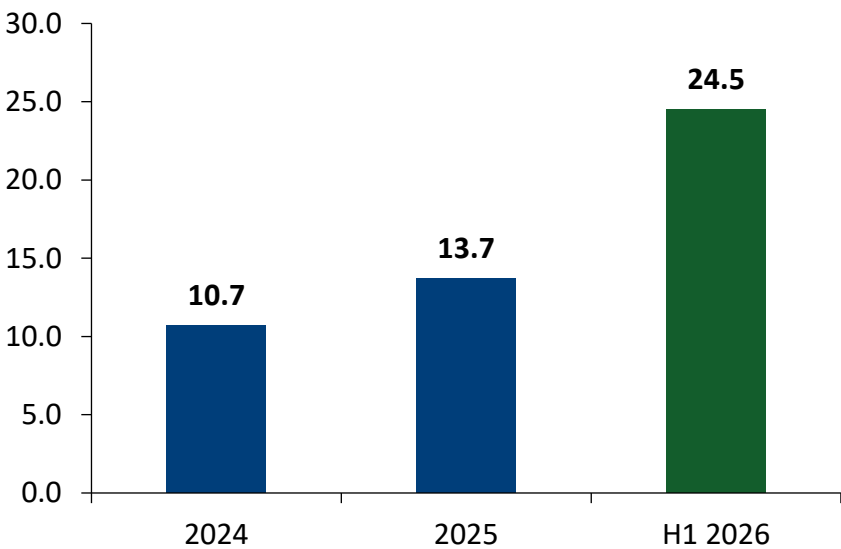
92.0%

clean fuel production capacity

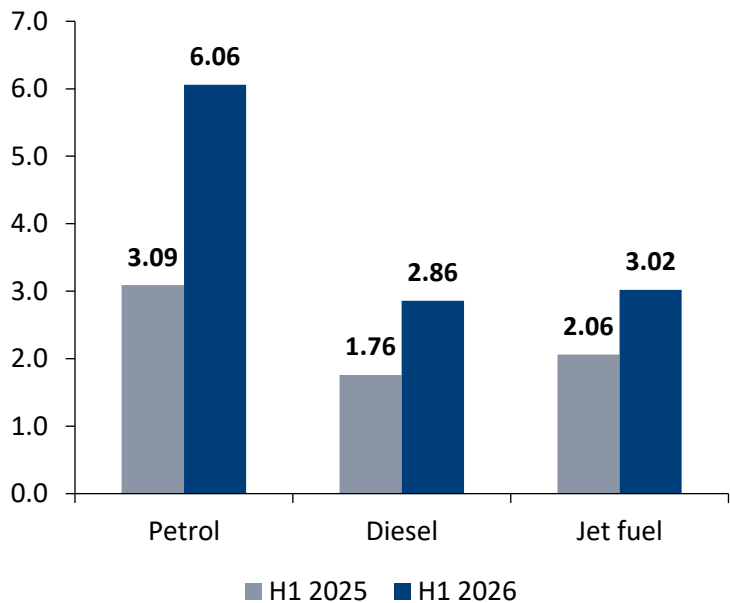
H1 FINANCIAL PERFORMANCE (\$'bn)



GROSS REFINING MARGIN (\$/bbl)



SALES VOLUME (million tonnes)



Source: Bloomberg, Company Financials, FSDH Research

Key Valuation Framework And Assumptions

SECTION 3 - VALUATION FRAMEWORK



VALUATION LOGIC

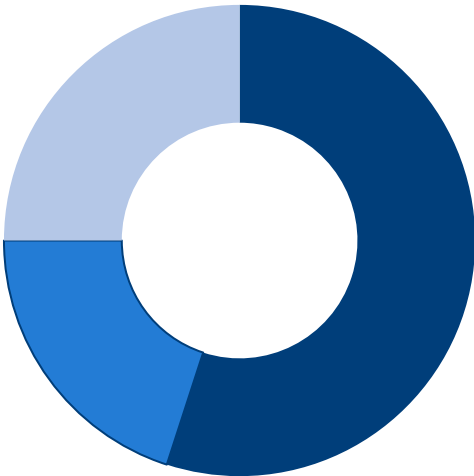
- 01

BLEND THE METHODS
Combine DCF with EV/EBITDA and P/E to triangulate the refinery’s implied equity value.
- 02

BUILD THE PEER SET
Use five international refiners selected for similarity in operations, capacity and utilisation.
- 03

GROUND THE FORECAST
Anchor FY:2026 estimates and the forward forecast in audited H1:2026 results.

VALUATION WEIGHTS



- 55%

DCF
Discounting five years of future earnings
- 20%

EV/EBITDA
Operating performance + cash generation
- 25%

P/E
Earnings cross-check

COMPARABLE MULTIPLES AND ADJUSTMENTS								
COMPANY	MARKET	RF	ERP	EXPECTED EMR	EV/EBITDA (x) RAW → ADJ.	EV/SALES (x) RAW → ADJ.	P/E (x) RAW → ADJ.	CR DISCOUNT
RELIANCE IN Equity	India	6.90%	7.08%	13.97%	9.23x → 7.35x	1.91x → 1.520x	23.31x → 18.55x	20.40%
BPCL IN Equity	India	6.90%	7.08%	13.97%	3.61x → 2.88x	0.34x → 0.271x	5.28x → 4.20x	20.40%
IOCL IN Equity	India	6.90%	7.08%	13.97%	3.75x → 2.98x	0.40x → 0.322x	4.48x → 3.57x	20.40%
PSX US Equity	US	4.67%	4.46%	9.13%	7.39x → 7.20x	0.56x → 0.545x	15.90x → 15.50x	2.52%
VLO US Equity	US	4.67%	4.46%	9.13%	6.17x → 6.02x	0.59x → 0.572x	14.29x → 13.93x	2.52%
MEDIAN					6.17x → 6.02x	0.56x → 0.545x	14.29x → 13.93x	—

Source: Bloomberg, FSDH Research

KEY VALUATION FRAMEWORK AND ASSUMPTIONS

SECTION 3 - VALUATION FRAMEWORK



EV/EBITDA APPROACH (\$'000)	
Median Value	
2026E EBITDA	4,899,440.62
Enterprise Value	29,490,197.20
Interest-Bearing Debt	6,448,044.00
Cash	1,075,361.00
Equity Value	24,117,514.20
Fully Diluted Shares Outstanding	124,228,915.90
Fair Price	\$0.19
Weight	0.40

P/E APPROACH (\$'000)	
Median Value	
2026E Net Income	3,663,565.43
Equity Value	51,022,459.18
Fully Diluted Shares Outstanding	124,228,915.90
Fair Price	\$0.41
Weight	0.60

FAIR VALUE CONVERSION			
COMPARABLE	USD	FX RATE	NGN
EV/EBITDA	\$0.19	₦1,400	₦271.49
P/E	\$0.41	₦1,400	₦575.00

Source: Bloomberg, FSDH Research

Key Valuation Framework And Assumptions

SECTION 3 - VALUATION OUTPUT

DCF ASSUMPTIONS

Risk-free rate	4.74%
Cost of debt	8.00%
Equity risk premium	11.76%
Implied market return	16.50%
Beta	0.75
Cost of equity	13.56%
Tax rate	14.67%
Equity / debt	65.8% / 34.2%
WACC	11.3%
Terminal growth	2.0%

TERMINAL VALUE & EQUITY BRIDGE (\$'000)

Terminal-year FCFF	7,748,084.0
Terminal FCFF (N+1)	7,903,045.6
Terminal value	85,372,720.7
PV of terminal value	50,081,839.5
PV of explicit FCFF	22,216,203.6
Enterprise value	72,298,043.2
Equity value	70,899,565.2
Shares outstanding	124,228,915.9
Implied value / share	\$0.57

OPERATING FORECAST (\$'000)

METRIC	2026E	2027E	2028E	2029E	2030E
Refinery Name Plate (bpd)	700,000	700,000	700,000	950,000	1,400,000
Capacity utilisation	85%	95%	98%	90%	85%
Average PMS Price (\$/bbl)	93	85	83	80	78
Revenue	27,364,003.5	27,952,476.7	28,156,711.5	33,824,845.8	45,900,909.2
EBITDA	4,899,440.6	5,004,804.9	5,041,372.6	6,056,234.5	8,218,416.5
PAT	3,663,565.4	3,742,351.8	3,769,695.3	4,528,560.1	6,145,335.6
FCFF	9,599,357.6	4,373,246.1	3,781,839.7	4,234,548.5	7,748,084.0
PV of FCFF	8,628,084.7	3,533,038.5	2,746,121.9	2,763,732.7	4,545,225.9

BLENDED EQUITY VALUE

~~N#~~637.50

WEIGHTED FAIR PRICE

~~N#~~525.00

Offer price

21.43%

Upside

METHOD	USD/SH.	NAIRA/SH.	WT.
DCF	0.57	799.00	55%
P/E	0.41	575.00	25%
EV/EBITDA	0.19	271.49	20%

04

Taking Part

How to subscribe step by step — on the web and in the app — and why investors choose FSDH Capital.

Subscription Channels We Offer

SECTION 4 - TAKING PART



Investors can subscribe to the Offer through four (4) channels.

1

Web Portal

ipos.fsdhcapital.com

Subscribe in a browser on any device — sign in, complete the form and pay by transfer.

2

Mobile App

FSDH Capital — iOS & Android

The same journey on the go, with support for top-ups and applications for dependants/minors.

3

Application Form

Paper-based

Paper applications for large subscriptions of 50,000 units and above (₦26.25m+).

4

NEW

Global Investor Portal

ipo-global.fsdhgroup.com

New dedicated channel for Nigerians in the diaspora and international investors, in USD, GBP or EUR.

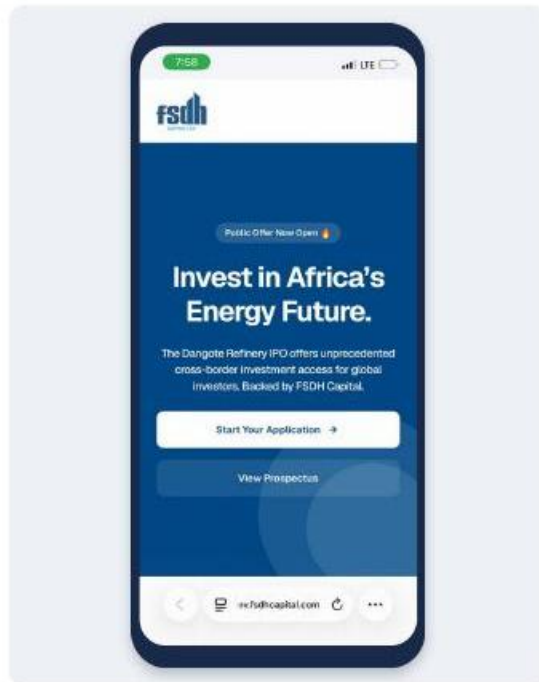
Minimum subscription on every channel is 10 units (₦5,250), in multiples of 10 thereafter. **The global investor portal carry no upper or lower restriction beyond that minimum.**

Reaching the Diaspora

SECTION 4 - TAKING PART

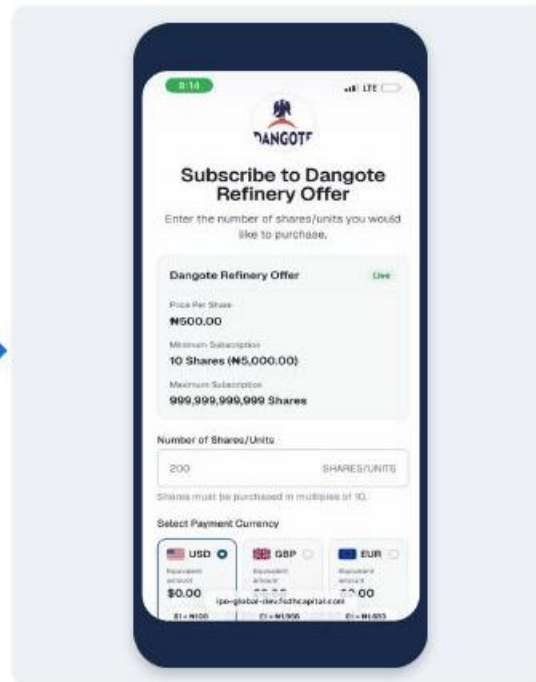
Follow these steps at ipo-global.fsdhgroup.com to subscribe from anywhere in the world, in USD, GBP or EUR.

1 Start & Verify



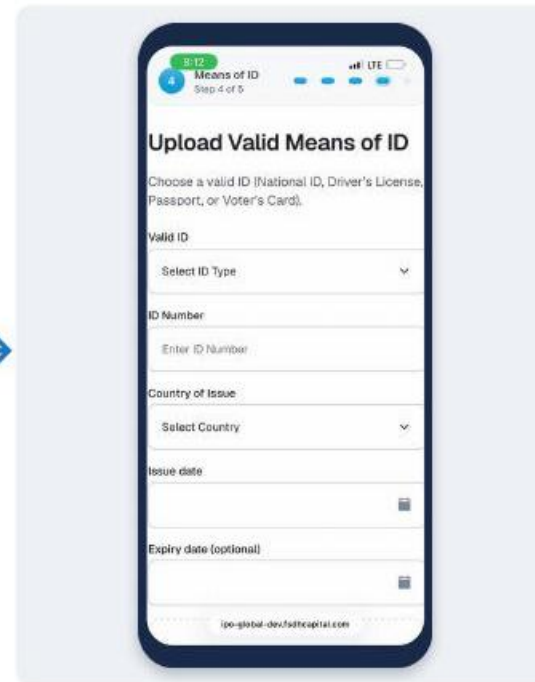
Select “Start Your Application,” then create and verify your account.

2 Enter Investment



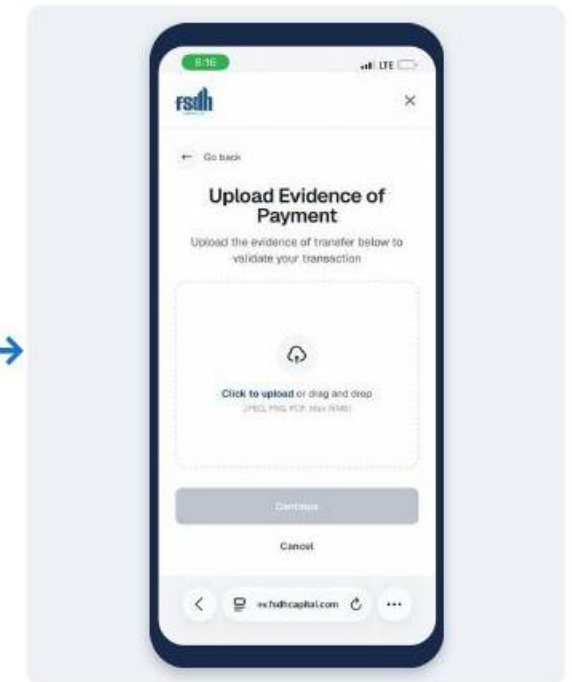
Choose your currency and enter the number of shares to buy.

3 Verify Identity



Upload a valid ID and proof of address matching your profile.

4 Accept & Pay



Accept the mandates, pay, submit and retain your reference.

Extends FSDH's addressable investor base beyond Nigeria — capturing diaspora wealth for a landmark national asset.

Why FSDH Group?

SECTION 4 - TAKING PART



FSDH Holding Company (“FSDH Group”) gives investors access to a broad suite of services across all FSDH platforms...

FC

FSDH Capital Limited

SEC-licensed Broker/Dealer and Issuing House

- Advisory support during and after the Offer.
- Access to sophisticated, reliable, easy-to-use digital subscription solutions.
- Beyond this offer, investors gain access to trading as well as other investment opportunities provided by FSDH Capital Limited.

MB

FSDH Merchant Bank Limited

Receiving Bank

- Acts as a receiving bank for the offer, handling subscription payments securely on behalf of investors.
- Access to custodial services through FSDH Nominees, safeguarding foreign investors’ shareholding records once allotment is complete.

AM

FSDH Asset Management Limited

Digital Access for Existing Clients

- Existing FSDH Asset Management clients can conveniently access and participate in the Offer through the FSDH AM app “AssetWise”.
- Access to the broad suite of services across FSDH AM platforms.

FSDH Group's Products & Services

A financial services holding company in Nigeria that offers a wide range of banking, capital market and asset management services— for every stage of your investing journey.

FSDH CAPITAL LIMITED

licensed and regulated by Securities and Exchange Commission (SEC), Nigeria as a Broker/Dealer and Issuing House/Financial Adviser

INVESTMENT BANKING ARM

Capital Markets

- IPOs, Rights Issues & Private Placements
- Bonds, Commercial Papers & Sukuk
- Offers for Subscription & Offers for Sale

Financial Advisory & M&A

- Mergers, Acquisitions & Divestments
- Business Valuation & Corporate Restructuring
- Balance Sheet Restructuring & Spin-offs

Debt Solutions

- Debt Structuring, Arranging & Leverage Finance
- Acquisition Finance & Asset Securitization
- Bankability & Project Risk Review

STOCKBROKING ARM

Equities Trading (NGX)

- Equities Brokerage & Market Making (NGX)
- Margin Lending & Portfolio Management
- Serving PFAs, Fund Managers, HNIs & Retail

Fixed Income Trading (FMDQ)

- Fixed Income Sales & Trading (FMDQ Exchange)
- Sovereign, Sub-National & Corporate Debt
- Market Making & Margin Lending

Research & Investor Services

- Equity & Fixed Income Research Reports
- CSCS Account Opening & Share Transfers
- e-Dividend Registration & Dividend Tracing

FSDH MERCHANT BANK LIMITED

licensed and regulated by the Central Bank of Nigeria

Corporate Banking

- International Trade Services
- Short Term & Medium to Long Term Facilities
- Bonds & Guarantees

Treasury and Global Markets

- Liquidity Management
- Cash Management
- Foreign Currency Trading

Prestige Banking

- Wealth Management
- Transaction Banking
- Financial Planning

FSDH ASSET MANAGEMENT LIMITED

registered and regulated by SEC, Nigeria

Portfolio and Investment Management

- Discretionary & Advisory Portfolio Management
- Fund Management
- Investment & Advisory Services

Collective Investment Schemes

- FSDH Mutual Funds
- Money Market & Fixed Income Funds
- Equity & Balanced Funds

Wealth & Retirement

- Wealth Advisory & Financial Planning
- Retirement & Trust Solutions
- Managed Accounts for Dependents



Q&A

Thank you for joining us — questions? Reach out to the FSDH Capital team.



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