



# Financial Review of the Global Oil and Natural Gas Industry: First-Quarter 2023

*Petroleum and Liquid Fuels Markets Team*  
*July 2023*

## Key findings for first-quarter 2023 (1Q23)

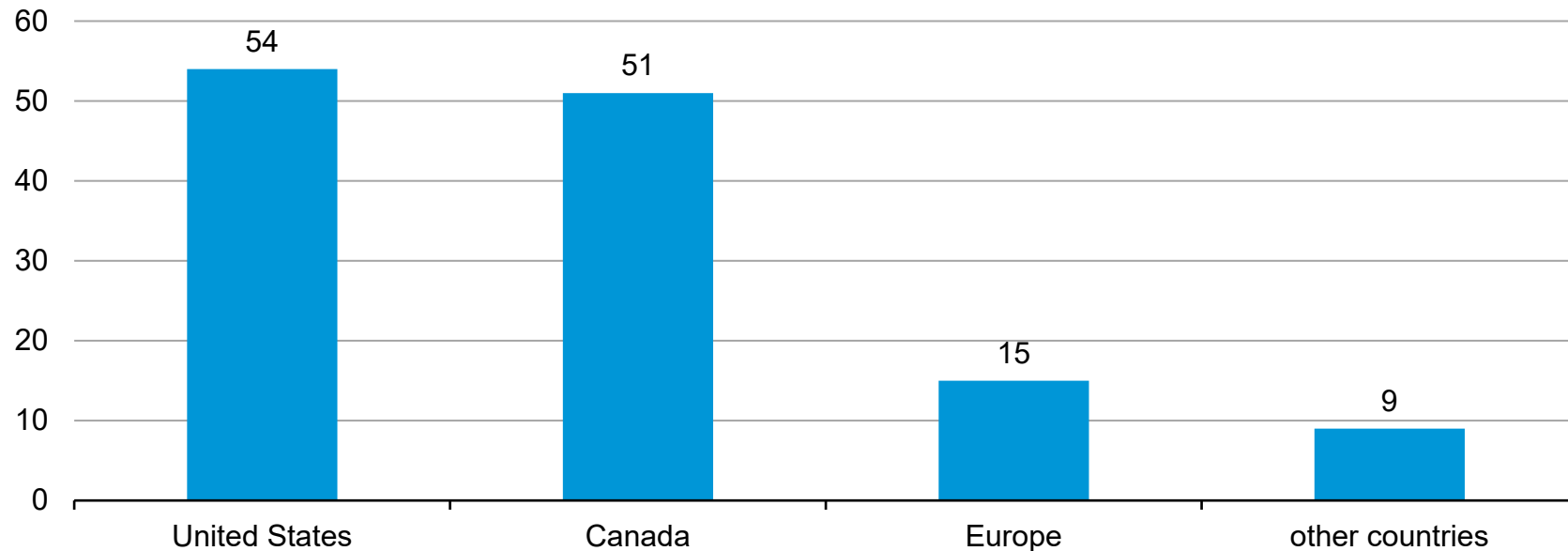
- Brent crude oil daily average prices were 16% lower in 1Q23 than in 1Q22 and averaged \$82 per barrel. Henry Hub daily average prices were 40% lower when comparing the same quarters and averaged \$2.74 per million British thermal units.
- For the 129 energy companies in our study, combined petroleum liquids production increased 2.7%, and natural gas production decreased 2.5% year over year.
- Companies reporting positive free cash flow decreased to 63%, the lowest since 2Q20.
- Distributions to shareholders via dividends and share repurchases reached \$73 billion as a four-quarter average ending in 1Q23, the highest in the 2018–23 period.
- The companies' return on equity increased to 27%, the highest in the 2018–23 period.

Note: The 129 companies analyzed in this study publish publicly available financial statements. A full list of the companies included and a glossary of terms begin on slide 20.

# Most company headquarters included in our study were in North America

## Geographic distribution of global oil and natural gas company headquarters

number of companies



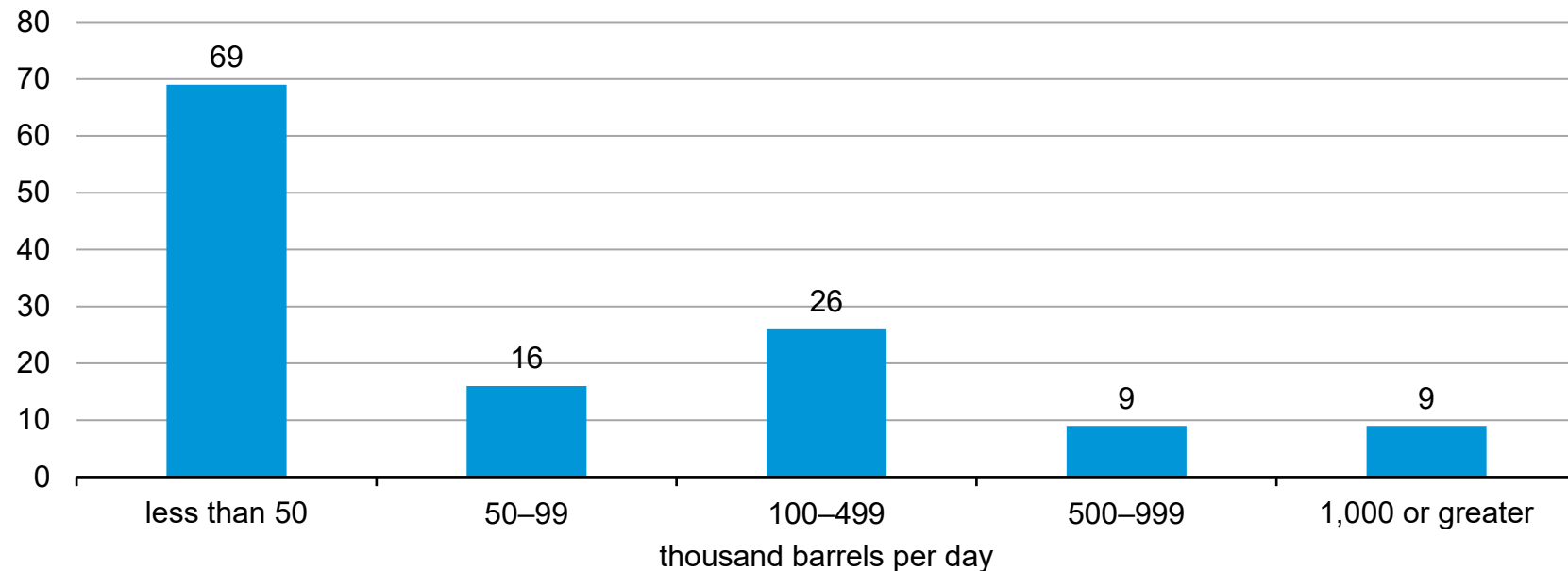
Data source: Evaluate Energy

Note: *Other countries* includes Argentina, Brazil, Chile, China, Colombia, and Nigeria.

# About 53% of the companies we included produced less than 50,000 barrels per day in first-quarter 2023

## Distribution of companies by volume of petroleum liquids produced

number of companies

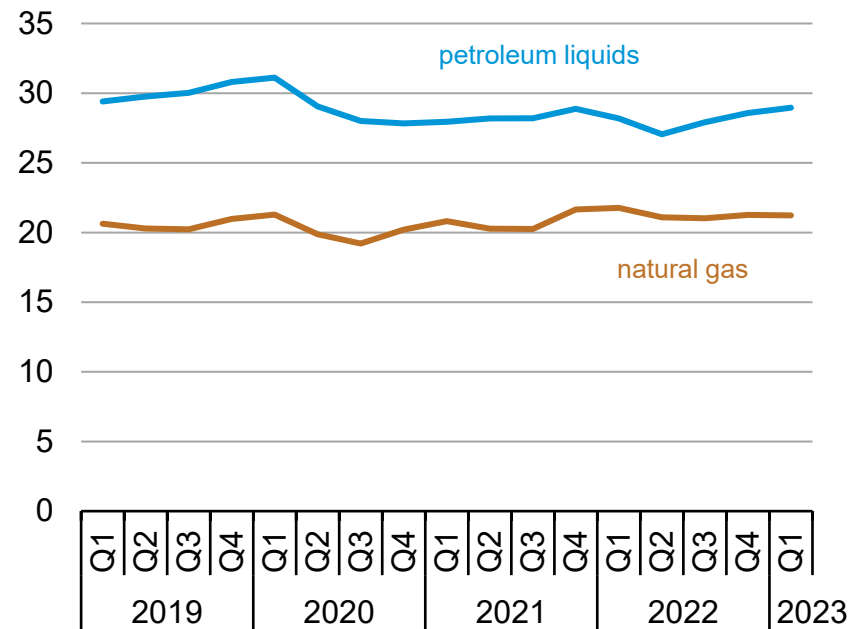


Data source: Evaluate Energy

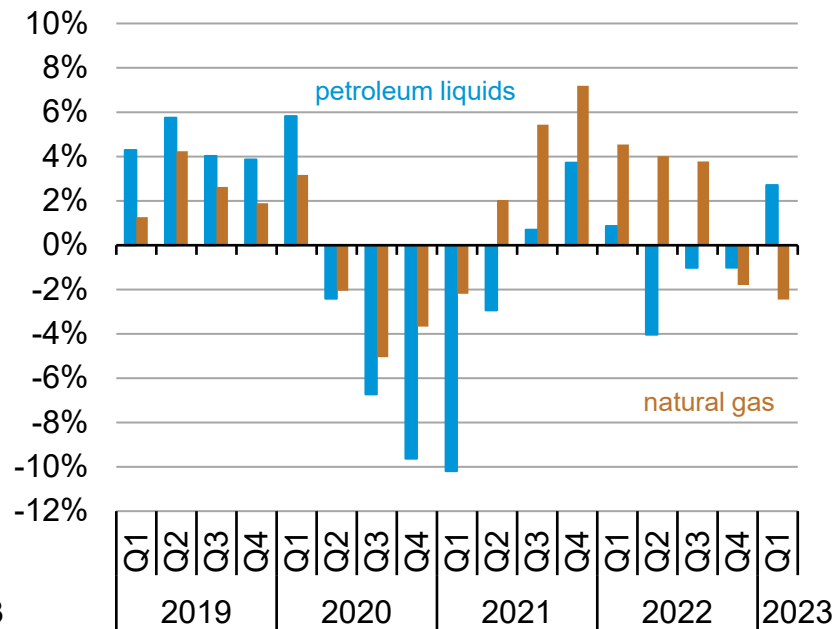
# In first-quarter 2023, global petroleum liquids production increased 2.7%, and natural gas production decreased 2.5% year over year

## Petroleum liquids and natural gas production, 2019–23

million barrels of oil equivalent per day



year-over-year percentage change



Data source: Evaluate Energy

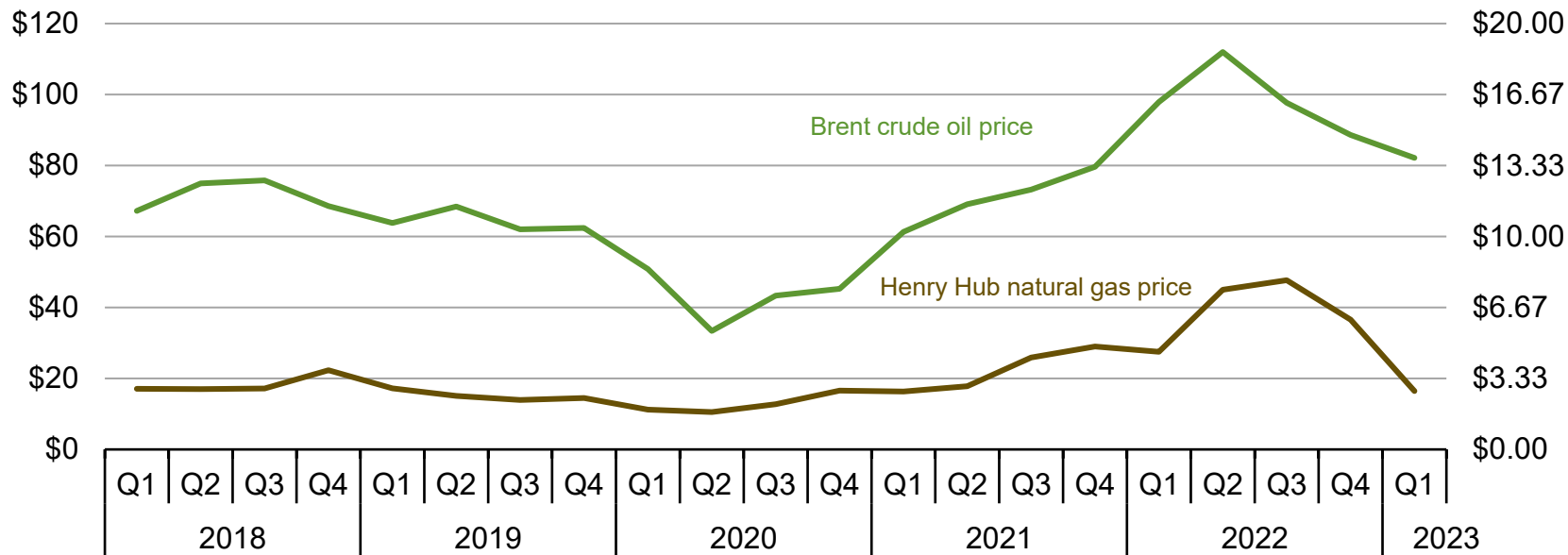
# First-quarter 2023 crude oil prices were 16% lower than in first-quarter 2022, and natural gas prices were 40% lower year over year

**Brent crude oil front-month  
futures price, 2018–23**

dollars per barrel

**Henry Hub natural gas front-month  
futures price, 2018–23**

dollars per million British thermal units

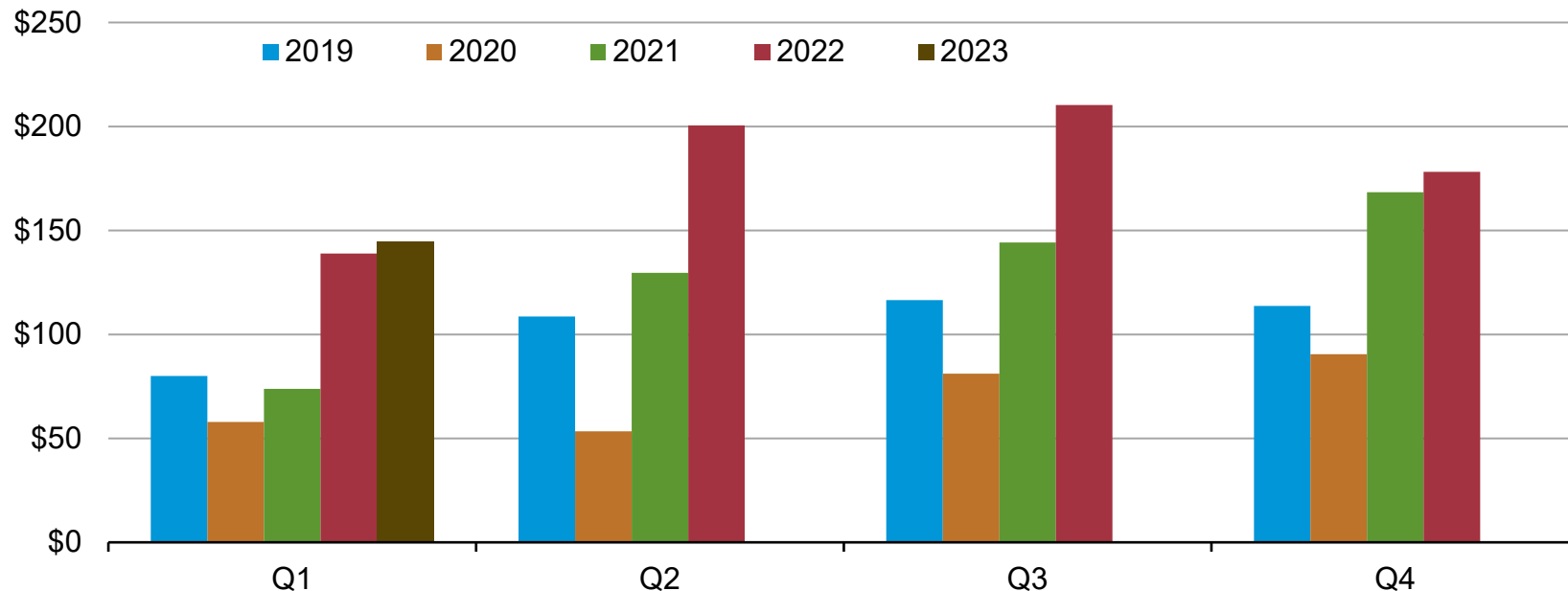


Data source: Bloomberg L.P.

# Cash from operations in first-quarter 2023 totaled \$145 billion, 4% higher than in first-quarter 2022

## Cash from operations, 2019–23

billion dollars

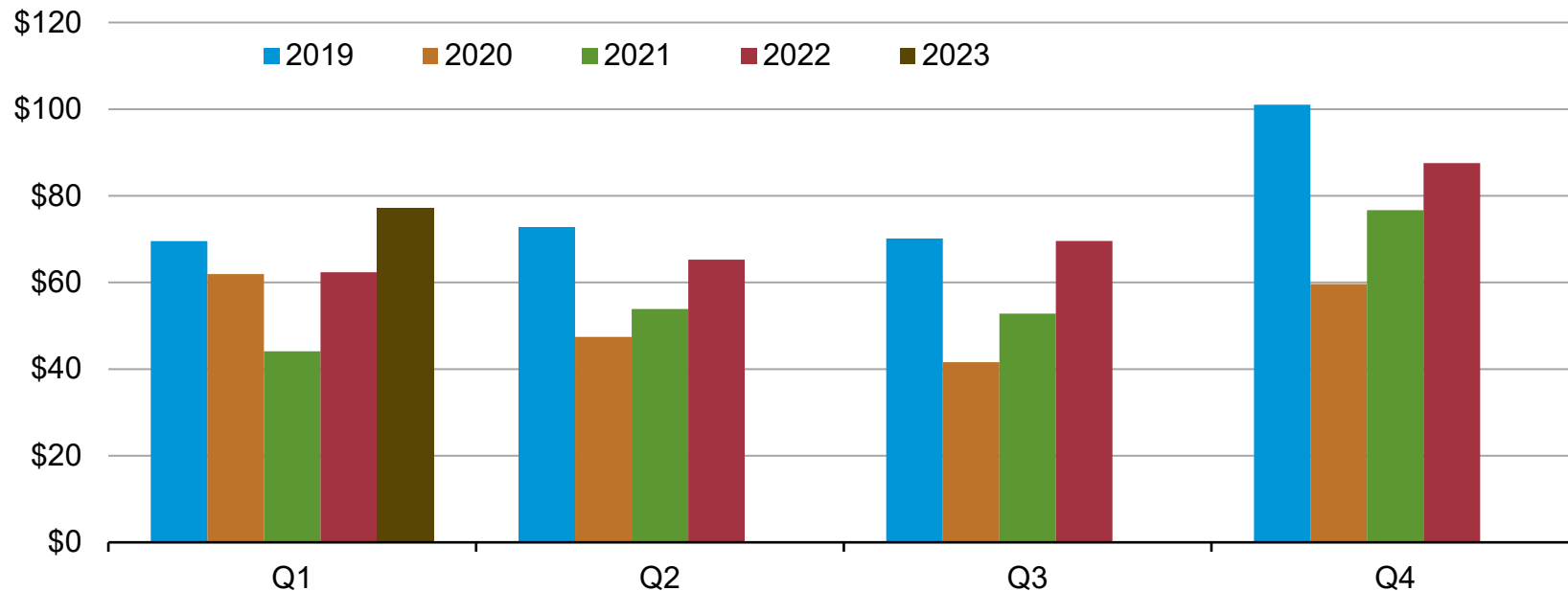


Data source: Evaluate Energy

# Capital expenditure in first-quarter 2023 totaled \$77 billion, 24% higher than in first-quarter 2022

## Capital expenditure, 2019–23

billion dollars



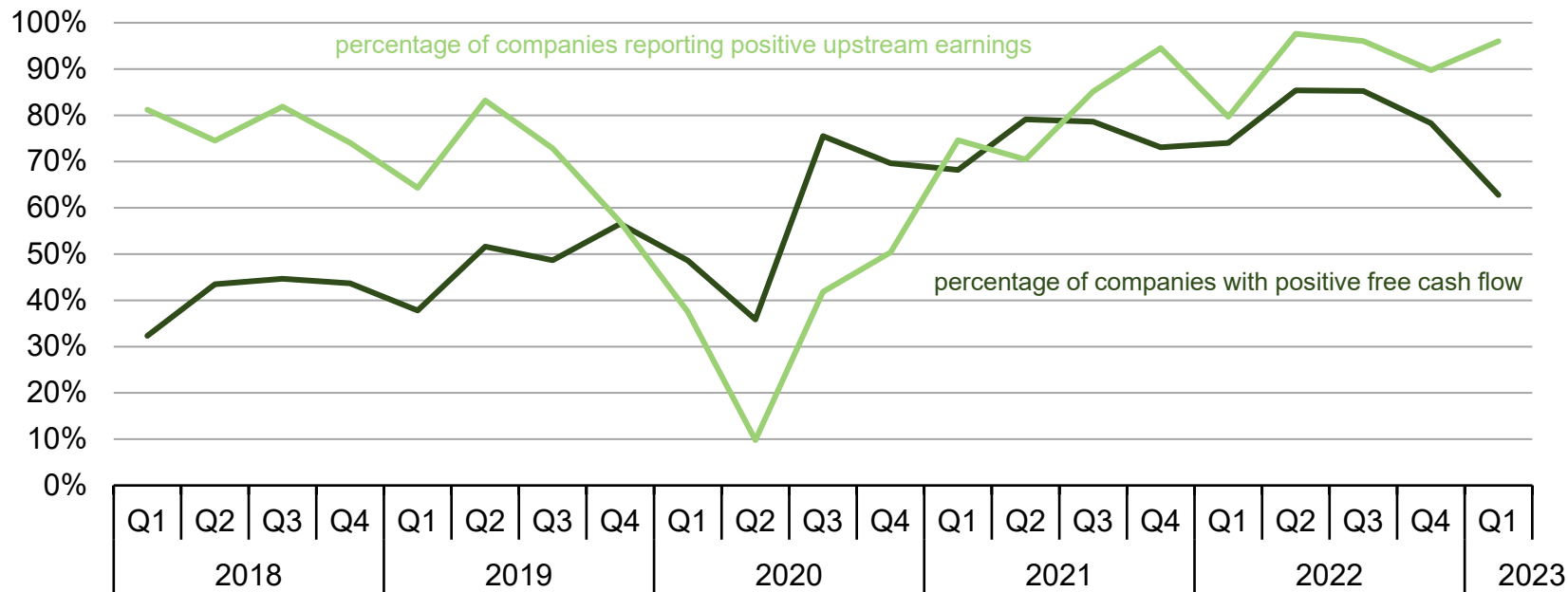
Data source: Evaluate Energy



# About 63% of companies had positive free cash flow, and 96% of companies reported positive upstream earnings in first-quarter 2023

Percentage of companies with positive free cash flow and with positive upstream earnings, 2018–23

percentage



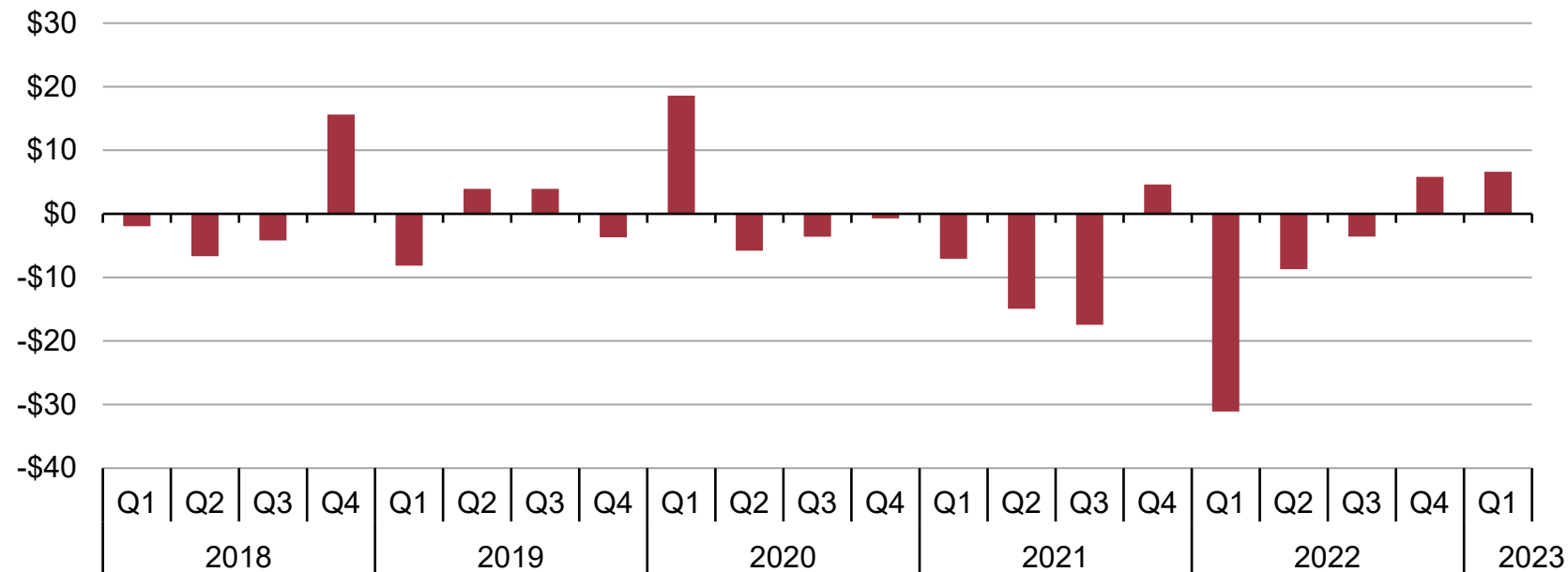
Data source: Evaluate Energy

Note: Free cash flow=cash from operations minus capital expenditures.

# Net gains from hedging derivatives were \$6.6 billion in first-quarter 2023

## Net gain or loss from hedging derivatives, 2018–23

billion dollars



Data source: Evaluate Energy

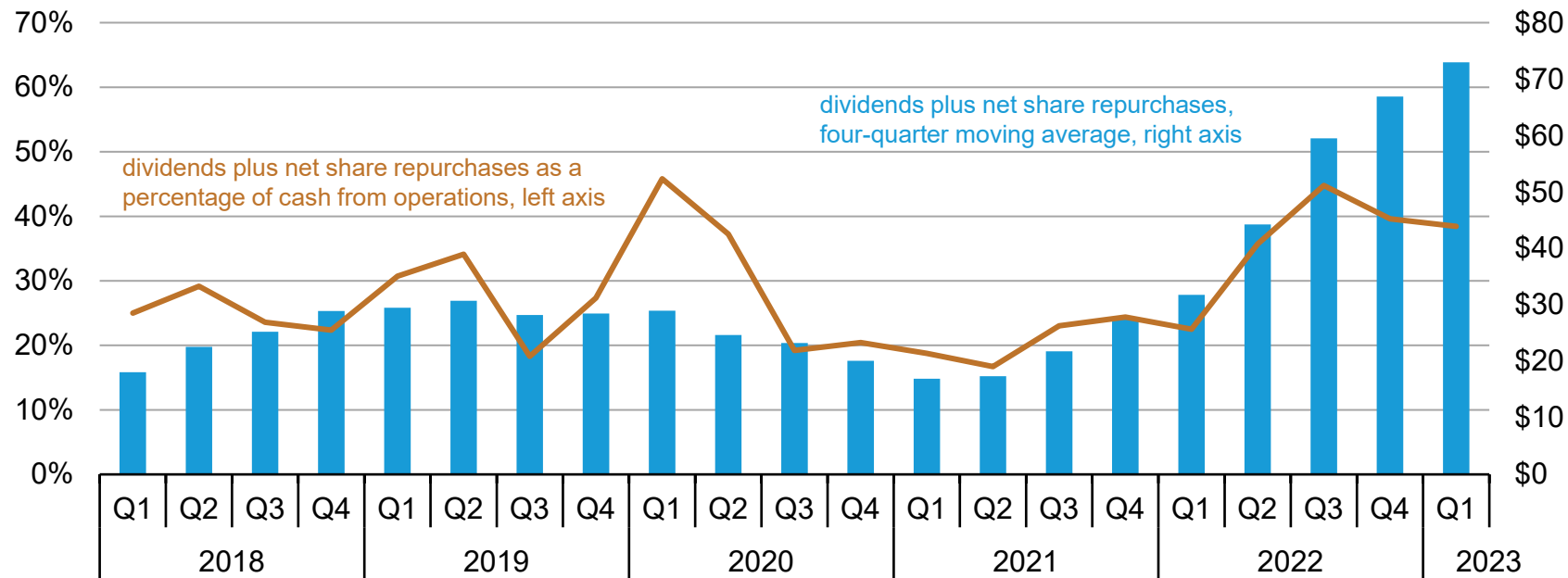
Note: Includes realized and unrealized gain or loss.

# Distributions to shareholders via dividends and share repurchases reached \$73 billion, the highest four-quarter average in the 2018–23 period

## Dividends and net share repurchases, 2018–23

percentage of cash from operations

billion dollars



Data source: Evaluate Energy

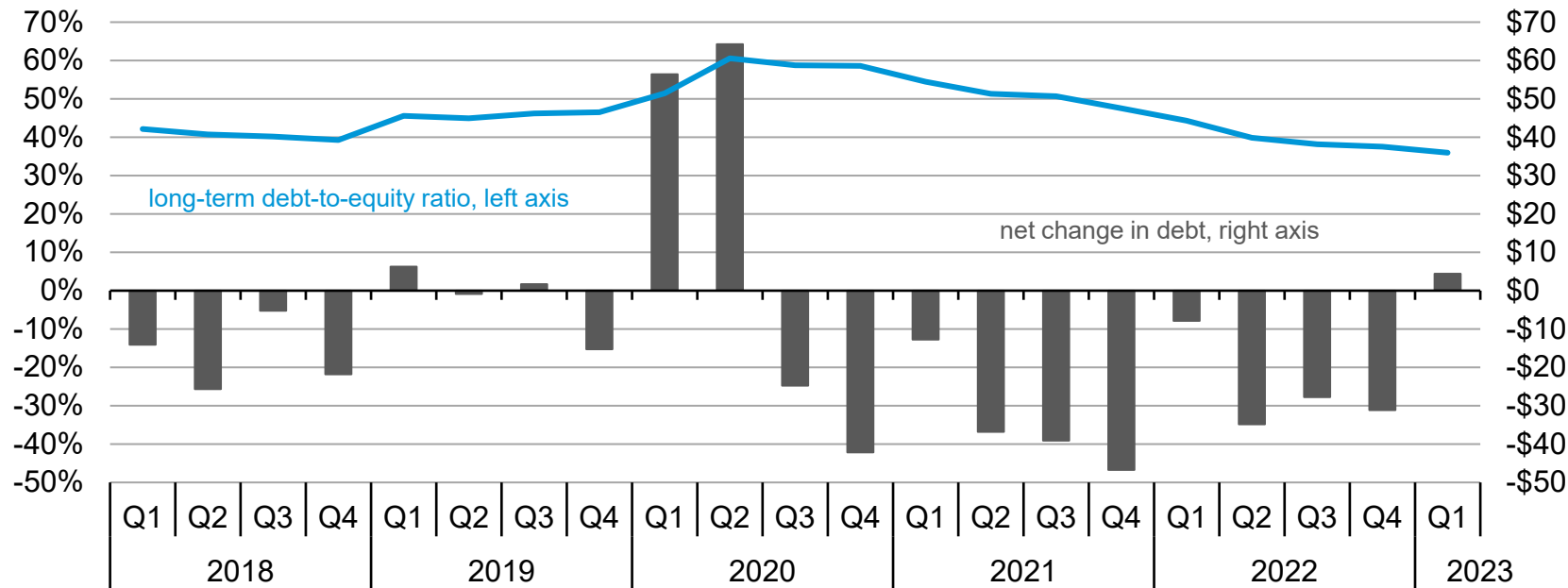
# The companies increased debt by \$4.4 billion in first-quarter 2023, and the long-term debt-to-equity ratio decreased to 36%

**Long-term debt-to-equity ratio, 2018–23**

percentage

**Net change in debt, 2018–23**

billion dollars

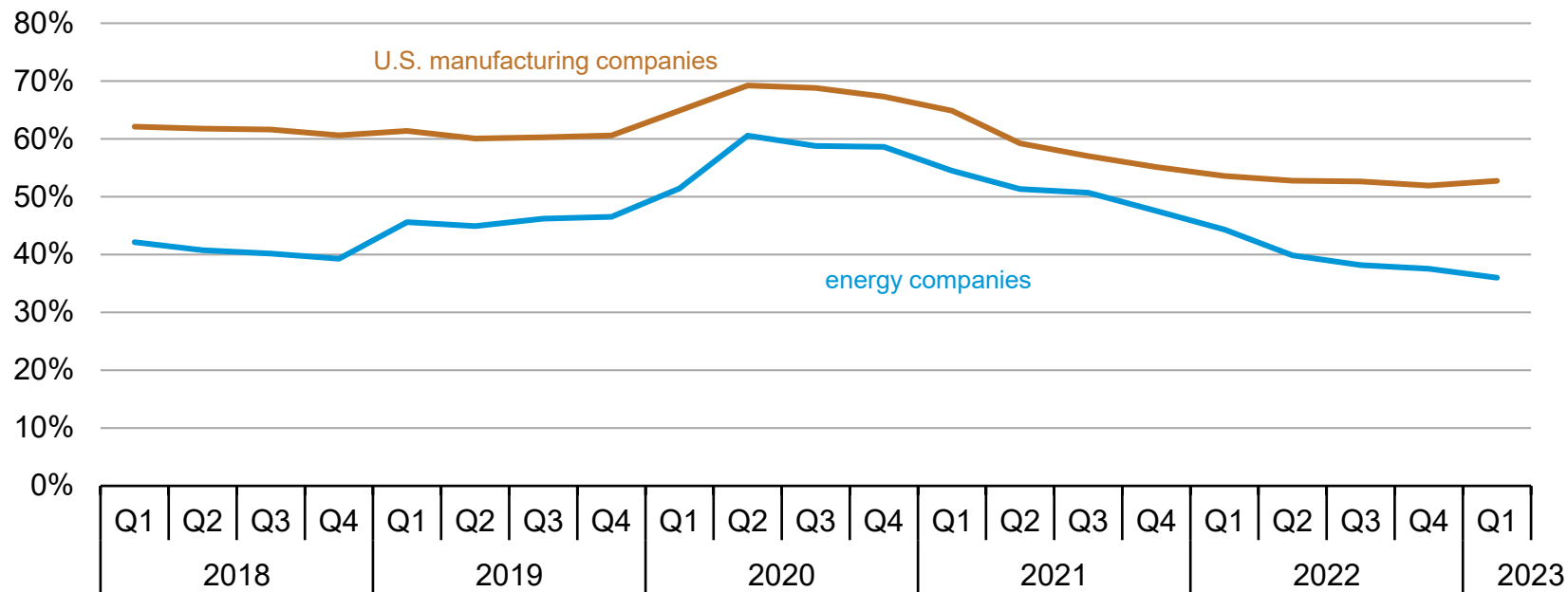


Data source: Evaluate Energy

In first-quarter 2023, the long-term debt-to-equity ratio was 36% for the energy companies and 53% for U.S. manufacturing companies

**Long-term debt-to-equity ratio, 2018–23**

percentage

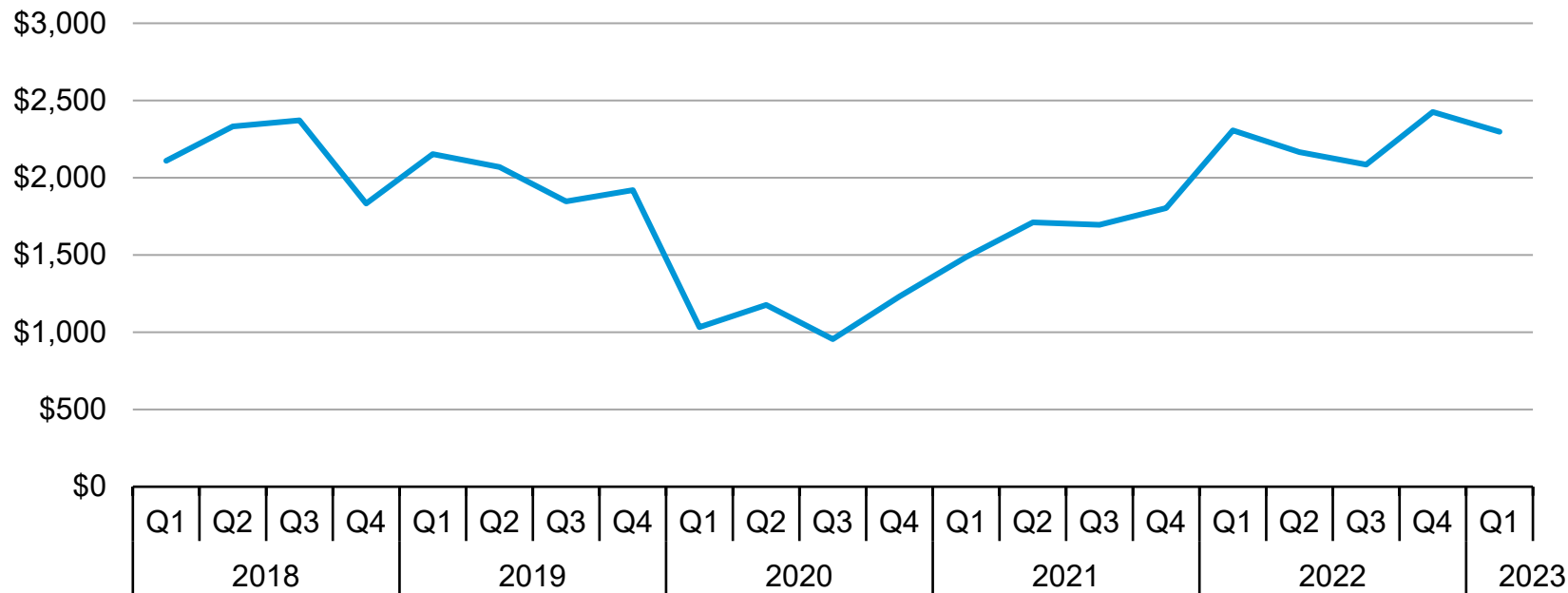


Data source: Evaluate Energy and U.S. Census Bureau

# The energy companies' combined market capitalization in first-quarter 2023 decreased less than 1% from first-quarter 2022

## Combined market capitalization, 2018–23

billion dollars

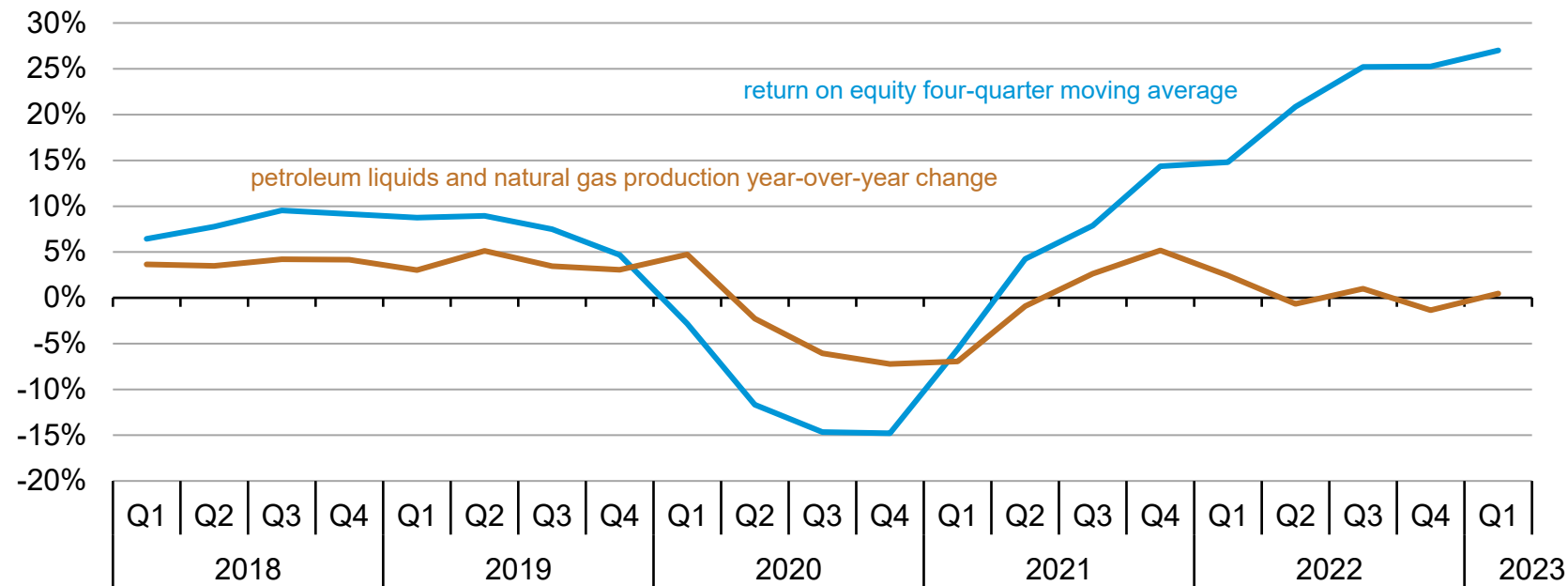


Data source: Evaluate Energy

# The energy companies' return on equity was 27% in first-quarter 2023, the highest in the 2018–23 period

## Return on equity and production, 2018–23

percentage

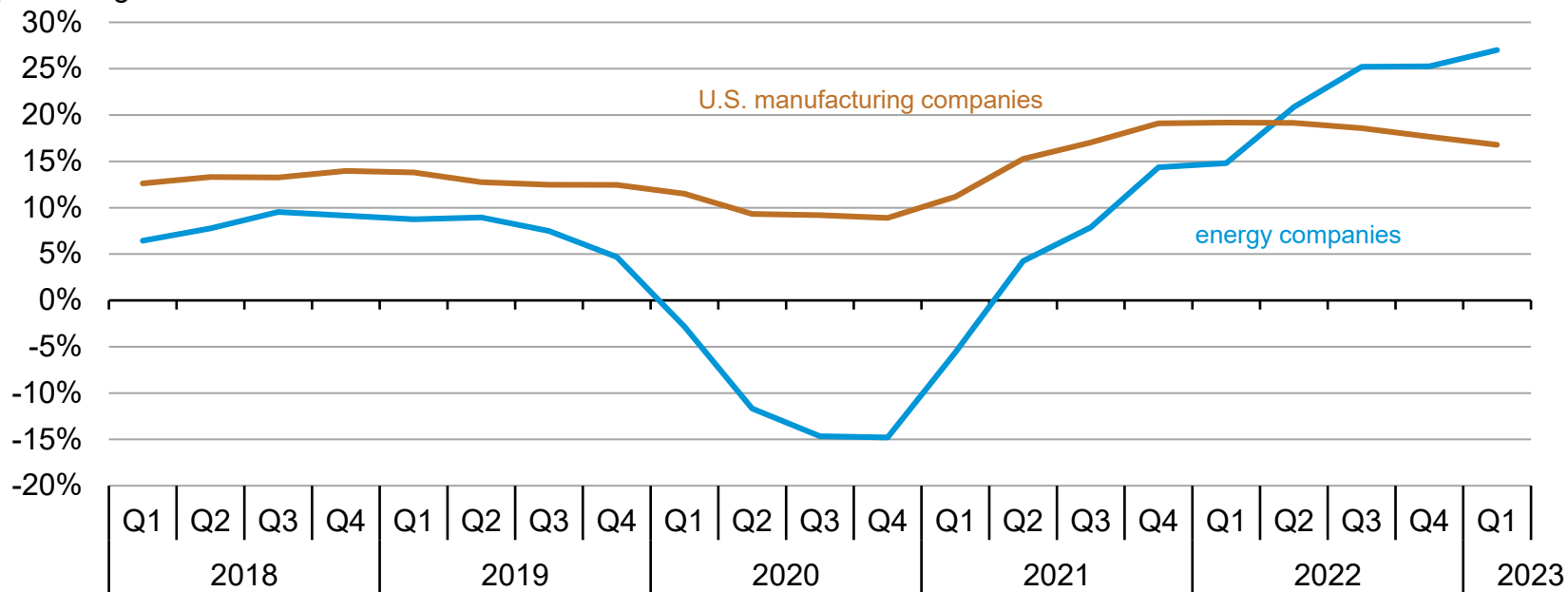


Data source: Evaluate Energy

# The return on equity for the energy companies remained higher than U.S. manufacturing companies' returns in first-quarter 2023

**Return on equity, four-quarter moving average, 2018–23**

percentage



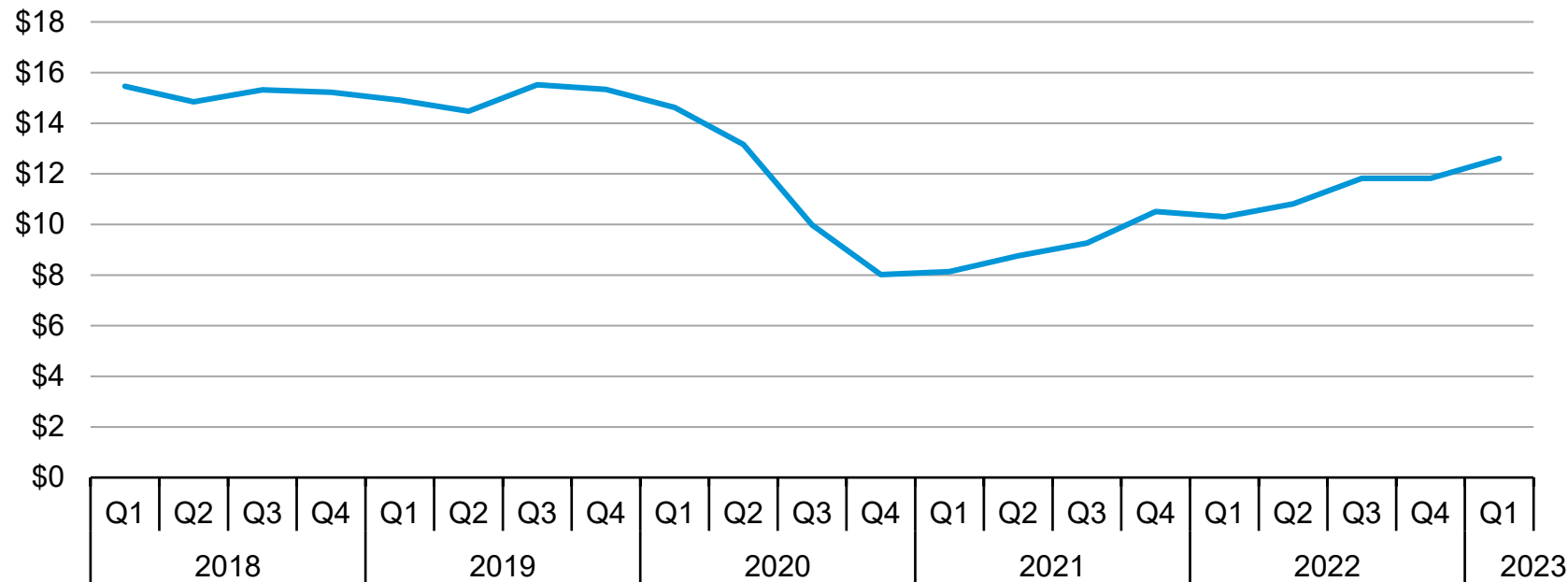
Data source: Evaluate Energy and U.S. Census Bureau



# Upstream capital expenditures on a per-barrel basis averaged \$12.61/BOE in first-quarter 2023

## Upstream capital expenditure per BOE produced, 2018–23

dollars per BOE, four-quarter moving average



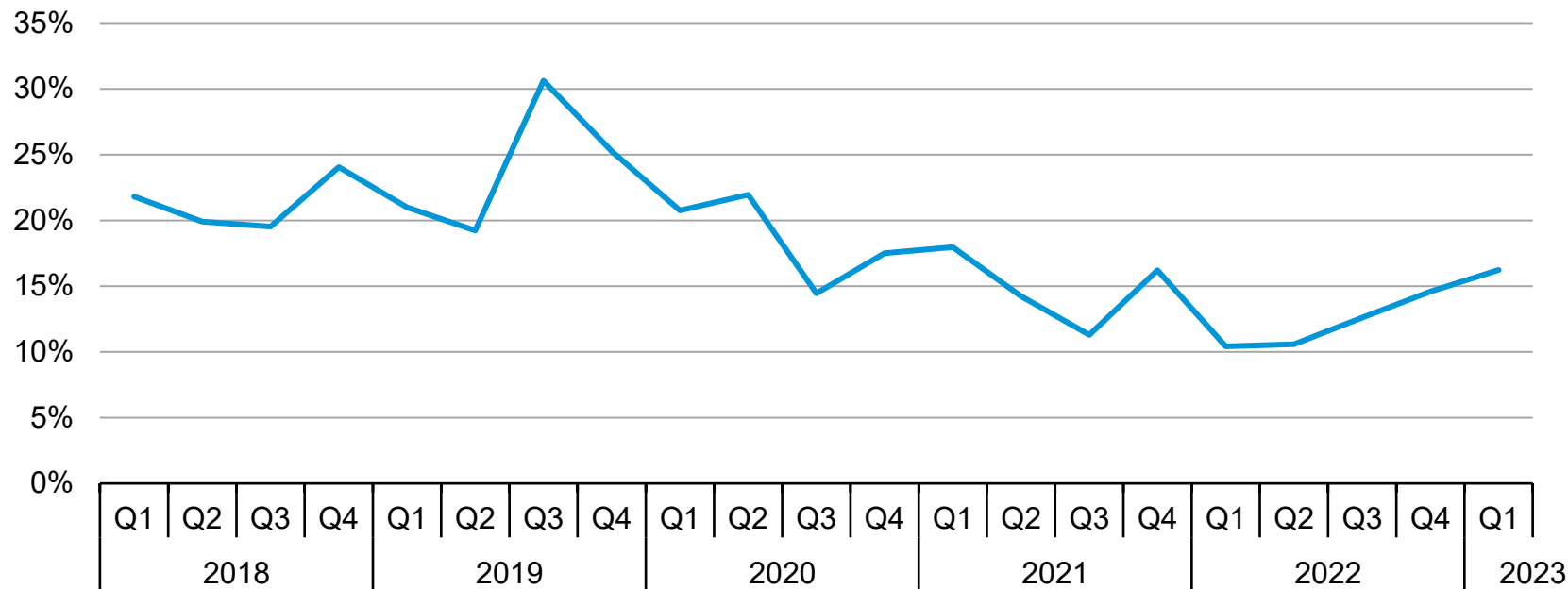
Data source: Evaluate Energy

Note: BOE=barrel of oil equivalent

# Upstream capital expenditures per barrel of oil equivalent were 16% of crude oil prices in first-quarter 2023

**Ratio of upstream capital expenditure per BOE to Brent price, 2018–23**

percentage



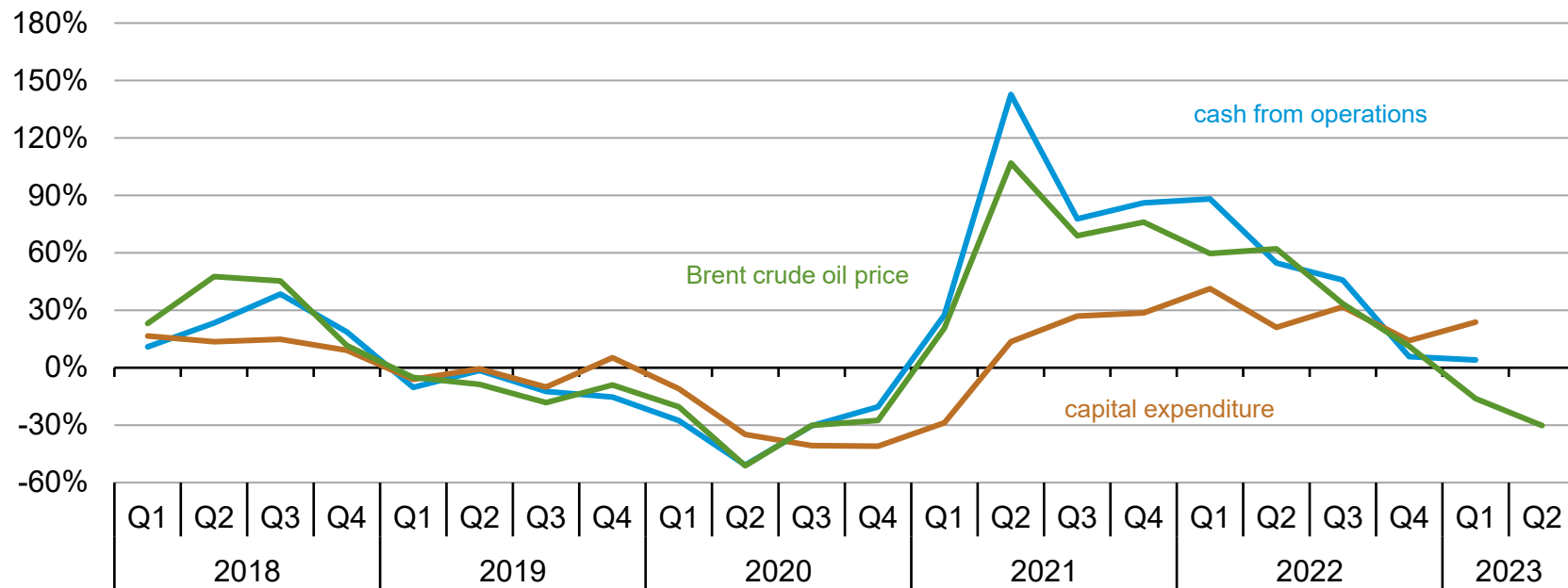
Data source: Evaluate Energy

Note: BOE=barrel of oil equivalent

# Crude oil prices decreased year over year in the first half of 2023, indicating future decreases in cash from operations

## Cash flow items and Brent prices, 2018–23

year-over-year percentage change



Data source: Evaluate Energy and Bloomberg L.P.

# Appendix: List of companies

Advantage Energy Ltd.	Cimarex Energy Co.	ExxonMobil	Maverick Natural Resources, LLC	PHX Minerals Inc.	Stone Energy Corporation
Africa Oil Corp.	Civitas Resources, Inc.	FieldPoint Petroleum Corporation	MEG Energy Corp.	Pioneer Natural Resources Company	Suncor Energy Inc.
Aker BP ASA	Clearview Resources Ltd.	Frontera Energy Corporation	Mesquite Energy, Inc.	Prairie Provident Resources Inc.	Surge Energy Inc.
Alvopetro Energy Ltd.	CNX Resources Corporation	Gastar Exploration Inc.	Mid-Con Energy Partners, LP	PrimeEnergy Resources Corporation	T-Rex Oil, Inc.
Amplify Energy Corp.	Comstock Resources, Inc.	Gear Energy Ltd.	Midstates Petroleum Company, Inc.	QEP Resources Inc	Tamarack Valley Energy Ltd.
Anadarko Petroleum Corp.	Concho Resources Inc	GeoPark Limited	MOL Group	Questerre Energy Corporation	Tenaz Energy Corp.
Antero Resources Corporation	ConocoPhillips	Gran Tierra Energy Inc.	Murphy Oil Corporation	Range Resources Corporation	Tethys Petroleum Limited
APA Corporation	Contango Oil and Gas Company	Grizzly Energy LLC	National Fuel Gas Company	Ranger Oil Corporation	TotalEnergies SE
Approach Resources Inc	Continental Resources, Inc.	Gulfport Energy Corporation	Newfield Exploration Company	Razor Energy Corp.	Touchstone Exploration Inc.
ARC Resources Ltd.	Coterra Energy Inc.	Headwater Exploration Inc.	Noble Energy Inc.	Repsol	Tourmaline Oil Corp.
Athabasca Oil Corporation	Crescent Energy Company	Hemisphere Energy Corporation	Northern Oil & Gas, Inc	Resolute Energy Corporation	TransAtlantic Petroleum Ltd.
Barnwell Industries Inc.	Crescent Point Energy Corp	Hess Corporation	Obsidian Energy Ltd.	Revenir Energy Inc.	TransGlobe Energy Corporation
Battalion Oil Corporation	Crown Point Energy Inc.	HighPoint Resources Corporation	Occidental Petroleum Corporation	Ring Energy Inc	Triangle Petroleum Corporation
Baytex Energy Corp.	Denbury Inc.	Husky Energy Inc.	OMV Group	ROK Resources Inc.	Unit Corporation
Birchcliff Energy Ltd.	Devon Energy Corporation	INA Group	Ovintiv Inc.	Rosehill Operating Company, LLC	Vaalco Energy Inc
Black Stone Minerals LP	Diamondback Energy Inc.	InPlay Oil Corp.	Pampa Energia SA	RSP Permian Inc	Vermilion Energy Inc.
BlueNord ASA	DNO ASA	International Petroleum Corporation	Panoro Energy ASA	Sabine Oil & Gas Corporation	Vital Energy, Inc. (formerly Laredo)
Bonterra Energy Corp.	Earthstone Energy, Inc.	Jagged Peak Energy Inc.	Paramount Resources Ltd.	SandRidge Energy, Inc.	W & T Offshore, Inc.
BP Plc.	Ecopetrol S.A.	Jones Energy, Inc.	Parsley Energy Inc.	Saturn Oil & Gas Inc.	Whitecap Resources Inc.
Brazos Valley Longhorn, L.L.C.	Energen Corporation	JX Energy Ltd.	PDC Energy, Inc.	Seplat Energy Plc	Whiting Petroleum Corporation
California Resources Corporation	Enerplus Corporation	Kelt Exploration Ltd.	PEDEVCO Corp.	Seven Generations Energy Ltd.	Wintershall Dea GmbH
Callon Petroleum Company	ENI S.p.A.	Kiwitohk Energy Corp.	Pengrowth Energy Corporation	Shamran Petroleum Corp.	WPX Energy, Inc.
Canadian Natural Resources Limited	EOG Resources, Inc.	Kosmos Energy Ltd.	Permian Resources Corporation	Shell Plc	Yangarra Resources Ltd.
Canadian Overseas Petroleum Limited	EP Energy Corporation	Lilis Energy Inc.	Perpetual Energy Inc.	SilverBow Resources, Inc.	YPF Sociedad Anonima
Cardinal Energy Ltd.	Epsilon Energy Ltd.	Linn Energy, Inc.	Petrobras (IFRS US\$ Current)	Sinopec Corp.	Yuma Energy, Inc.
Carrizo Oil & Gas, Inc	EQT Corporation	Lonestar Resources US, Inc.	PetroChina Company Limited	SM Energy Company	Yuma Energy, Inc. (Pre Davis)
Cenovus Energy Inc.	Equinor ASA	Lucero Energy Corp.	PetroQuest Energy, Inc	Southern Energy Corp.	
Chesapeake Energy Corporation	Erin Energy Corporation	Magnolia Oil & Gas Corporation	PetroRio S.A.	Southwestern Energy Company	
Chevron Corporation	Evolution Petroleum Corporation	Marathon Oil Corp.	Petrus Resources Ltd.	Spartan Delta Corp.	
Chord Energy Corporation	Extraction Oil & Gas, Inc.	Matador Resources Company	Peyto Exploration & Development Corp.	SRC Energy Inc.	

Data source: Evaluate Energy

Note: Some companies merged, closed, or delisted before third-quarter 2022. A total of 129 companies existed in first-quarter 2023.

## Background

- This analysis focuses on the financial and operating trends of 129 global oil and natural gas companies (the *energy companies*).
- The data come from the public financial statements each company publishes, which a data service (Evaluate Energy) aggregates.
- If an energy company was acquired by another energy company in the group after first-quarter 2018, it remained in this analysis.
- We collected U.S. manufacturing industry data from the U.S. Census Bureau's *Quarterly Financial Report*.

## Brief description of terms

- *Cash from operations* is a measure of income from regular business activities.
- *Investing activities* include capital expenditure net of asset sales.
- *Capital expenditure* represents cash used to purchase property, plant, and equipment.
- *Financing activities* measure inflows and outflows in debt or equity markets, including dividends, share issuances and repurchases, and debt issuances and repayments.
- *Return on equity* is a measure of the profit a company earns on money that shareholders have invested.
- *Market capitalization* is the total value of all of a company's outstanding, publicly traded shares.

## Brief description of terms

- *Net income* is profits after taxes and depreciation.
- *Asset impairments* occur when a company lowers the estimated value of a property to reflect current market value, which may result from losing production potential or declining oil prices.
- *Upstream activities* are crude oil exploration, production, and other operations that occur before refining.
- *Downstream activities* are refinery operations, product sales, and marketing at the wholesale and retail levels.