



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

*Petroleum and Liquid Fuels Markets Team  
September 2023*

## Key findings for second-quarter 2023 (2Q23)

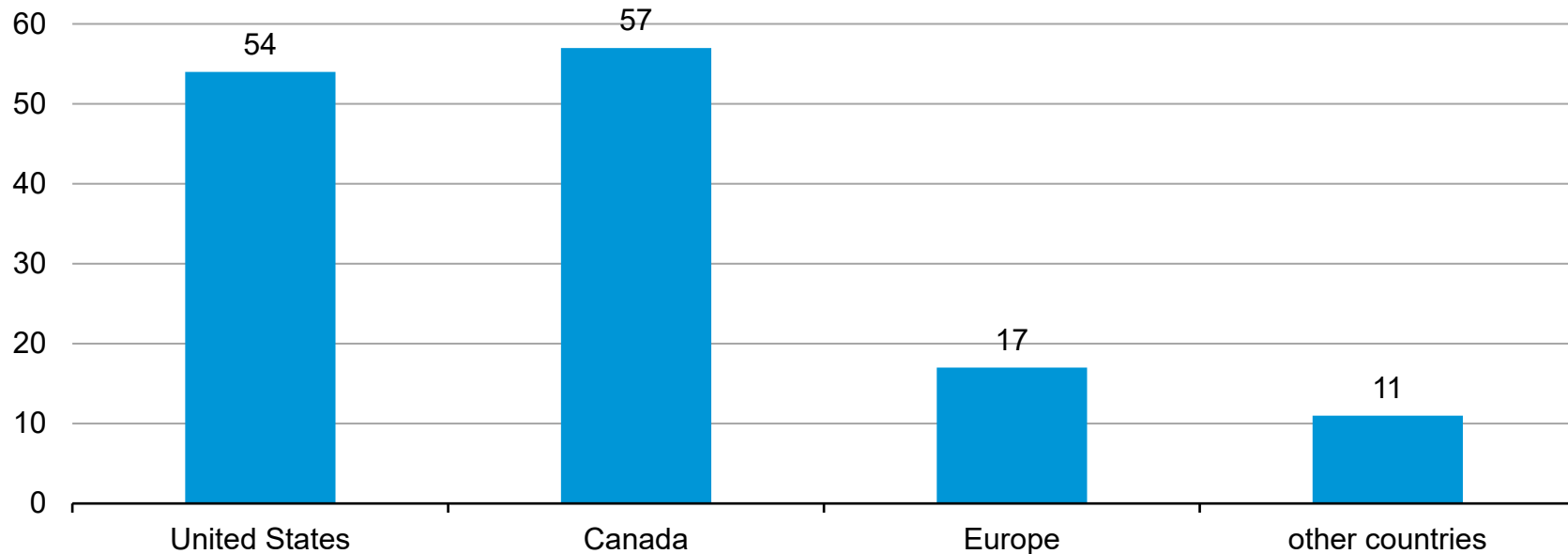
- The Brent crude oil daily average price was 31% lower in 2Q23 than in 2Q22 and averaged \$78 per barrel. The Henry Hub daily average price was 69% lower over the same period and averaged \$2.32 per million British thermal units.
- For the 139 energy companies in our study, combined petroleum liquids production increased 5.7%, and natural gas production decreased 2.5% year over year.
- In 2Q23, distributions to shareholders via dividends and share repurchases increased as a share of cash from operations to 53%, the highest in the 2018–23 period.
- Companies reporting positive free cash flow decreased to 61%, the lowest since 2Q20.
- Return on equity for the companies declined for the first time in over two years, to 21%.

Note: The 139 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 21.

# Most companies included in our study are headquartered in North America

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

number of companies



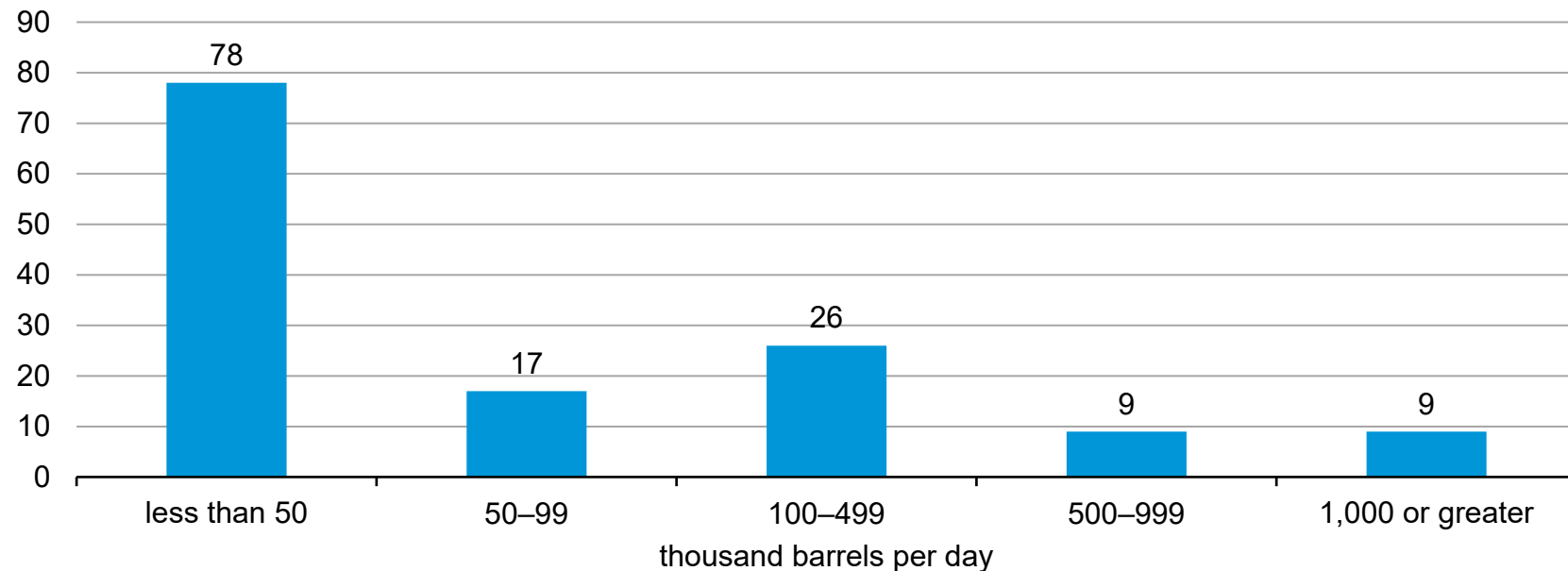
Data source: Evaluate Energy

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

# About 56% of the companies we included produced less than 50,000 barrels per day in 2Q23

## Distribution of companies by volume of petroleum liquids produced

number of companies

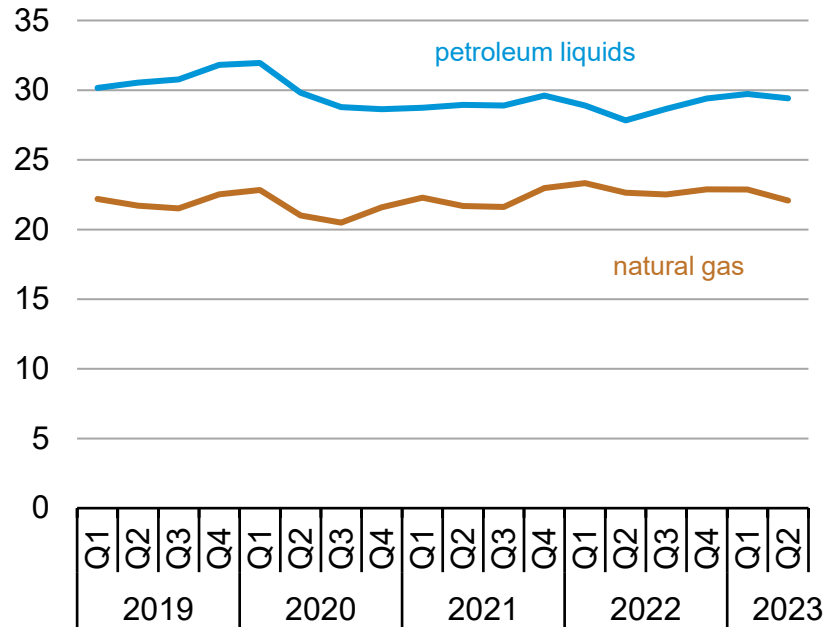


Data source: Evaluate Energy

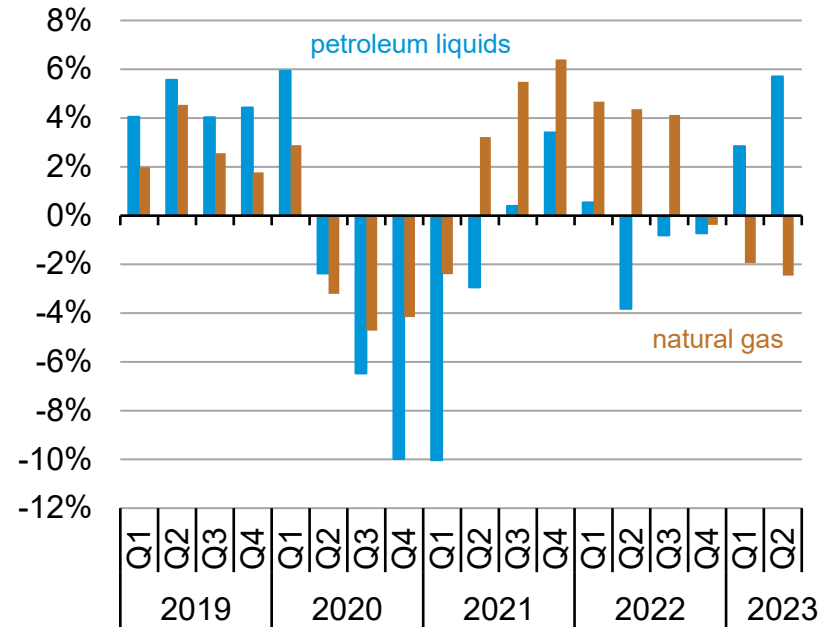
# In 2Q23, the companies' global petroleum liquids production increased 5.7% and natural gas production decreased 2.5% year over year

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

million barrels of oil equivalent per day



year-over-year percentage change



Data source: Evaluate Energy

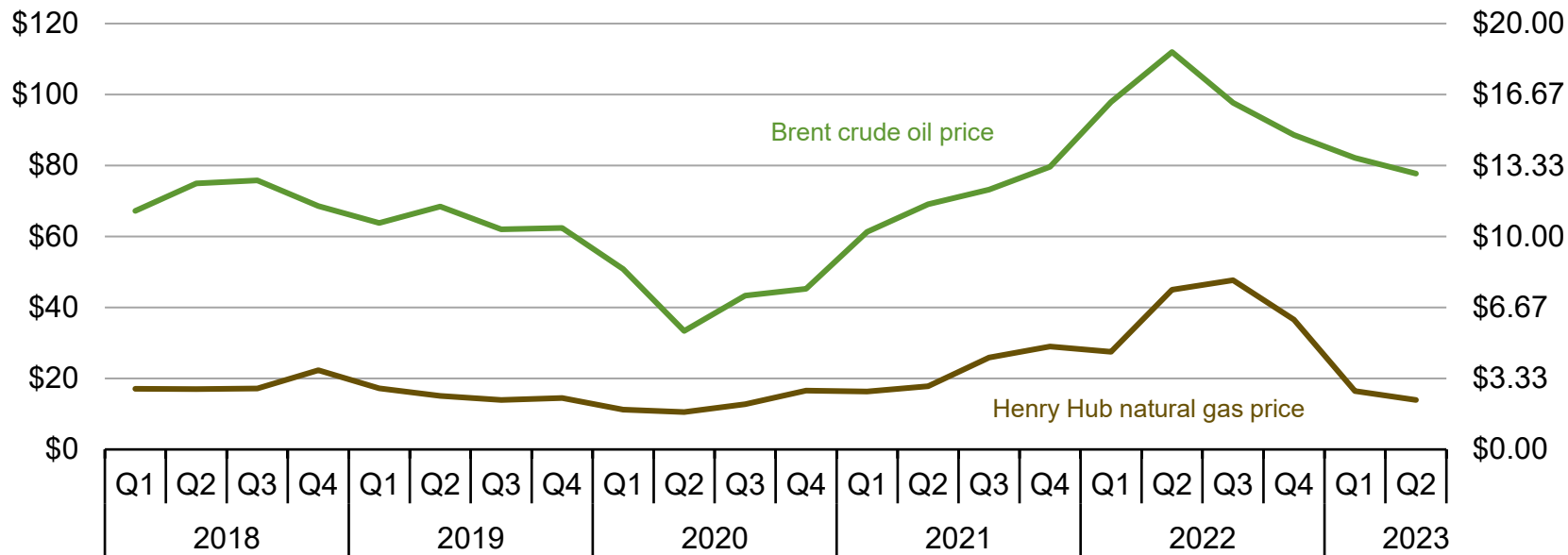
## Second-quarter 2023 crude oil prices were 31% lower and natural gas prices were 69% lower than in 2Q22

**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

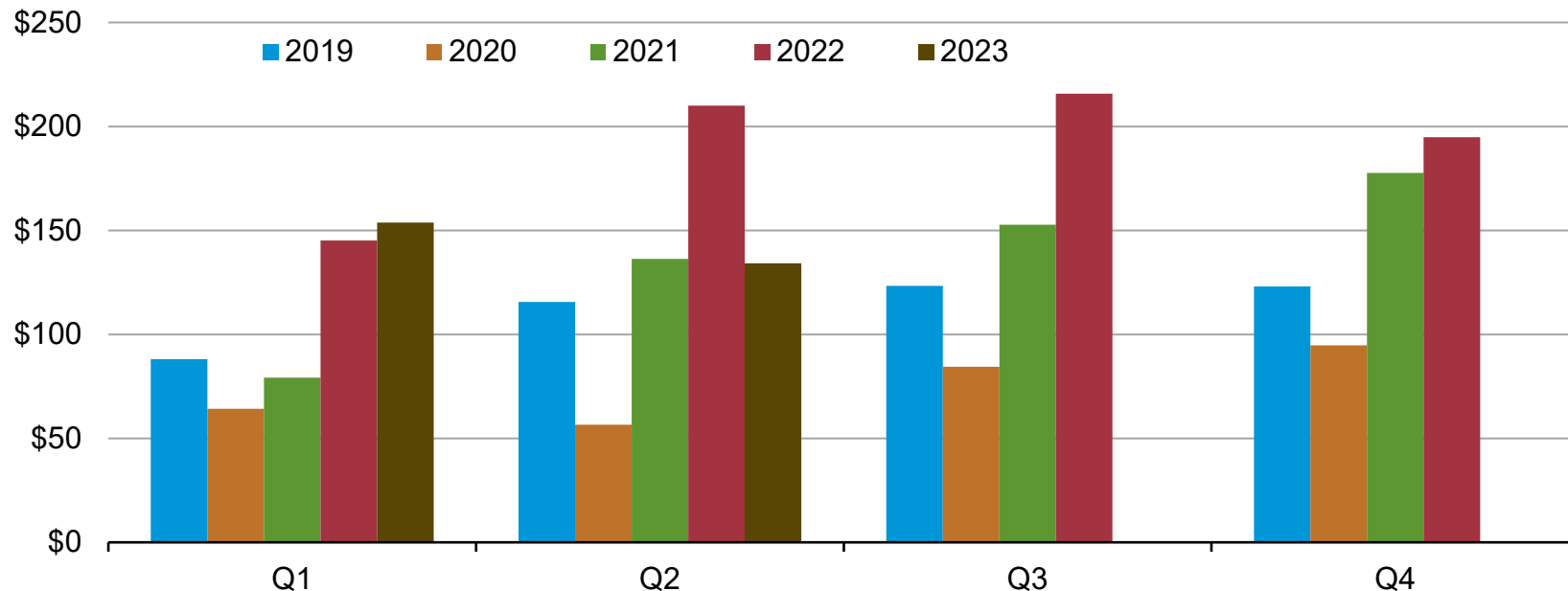


Data source: Bloomberg L.P.

# Cash from operations in 2Q23 was \$134 billion, 36% lower than in 2Q22

## Cash from operations, 2019–23

billion dollars

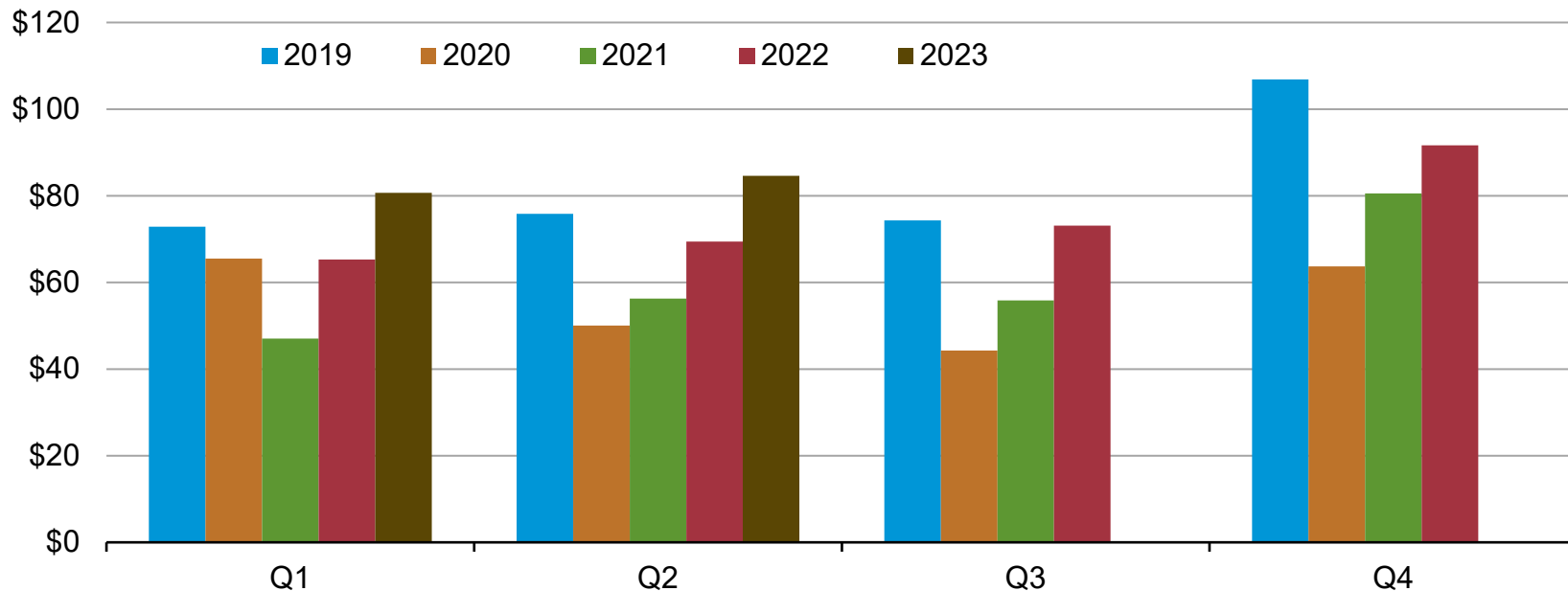


Data source: Evaluate Energy

# Capital expenditure in 2Q23 was \$85 billion, 22% higher than in 2Q22

## Capital expenditure, 2019–23

billion dollars

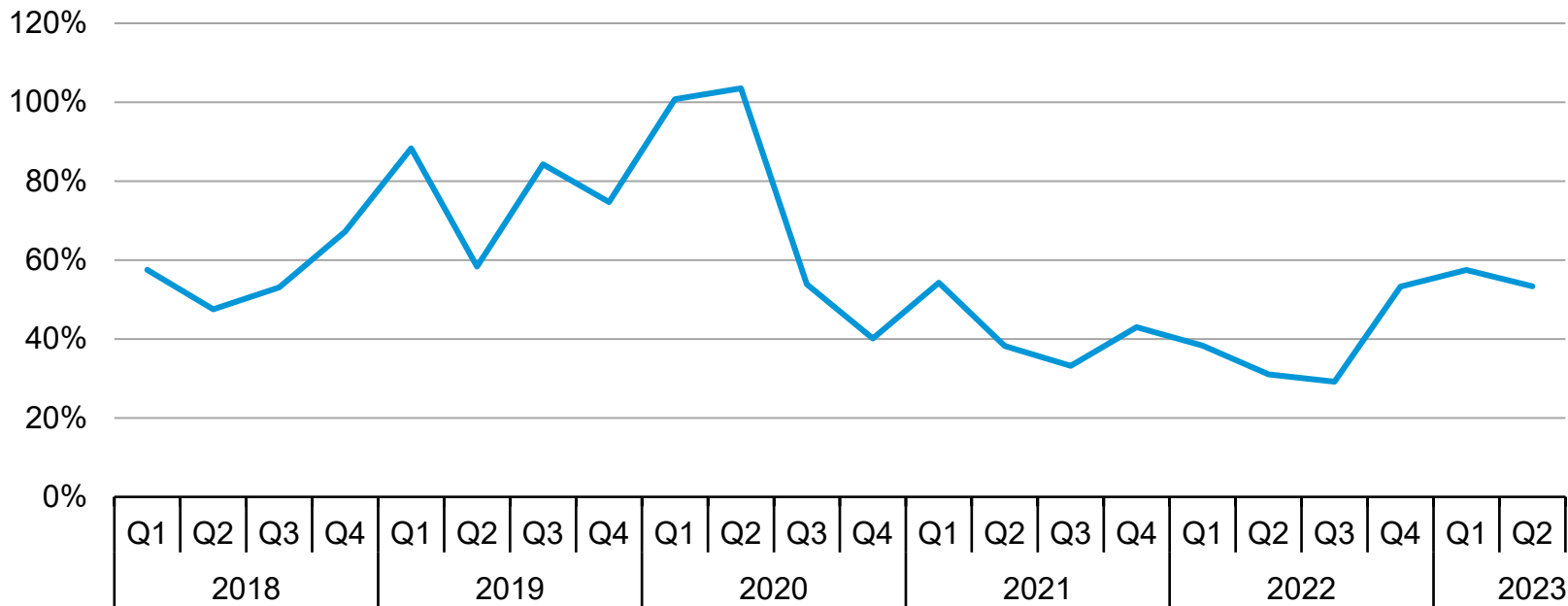


Data source: Evaluate Energy

# In the first half of 2023, investing activities as a percentage of cash from operations was higher compared with the past two years

## Investing activities, 2018–23

percentage of cash from operations

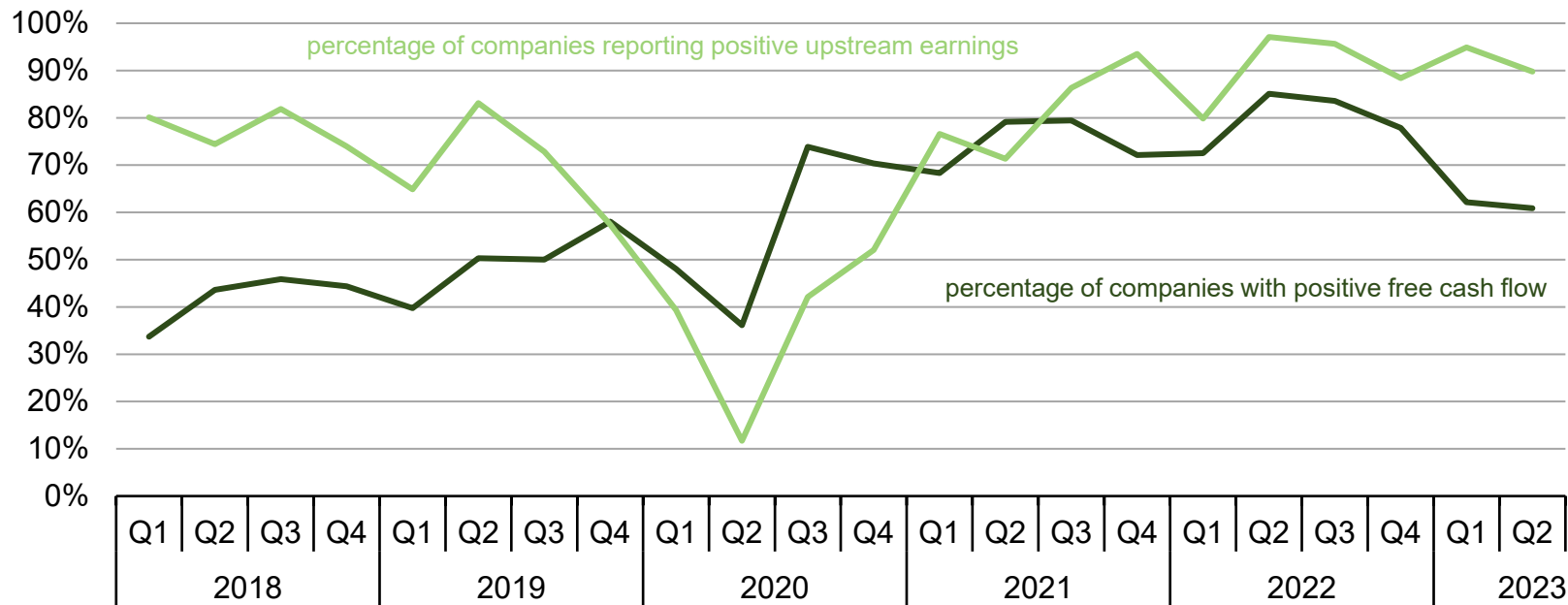


Data source: Evaluate Energy

# About 61% of companies had positive free cash flow, and 90% of companies reported positive upstream earnings in 2Q23

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

percentage



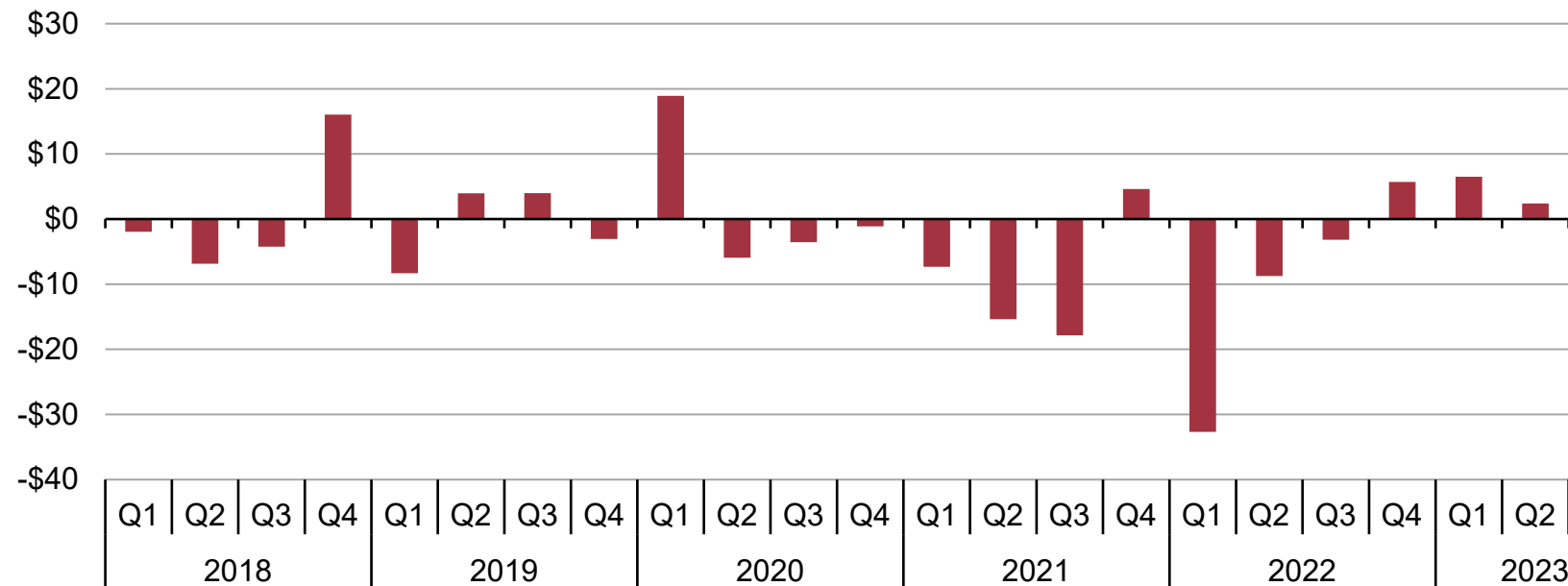
Data source: Evaluate Energy

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

# Net gains from hedging derivatives were \$2.4 billion in 2Q23

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

billion dollars



Data source: Evaluate Energy

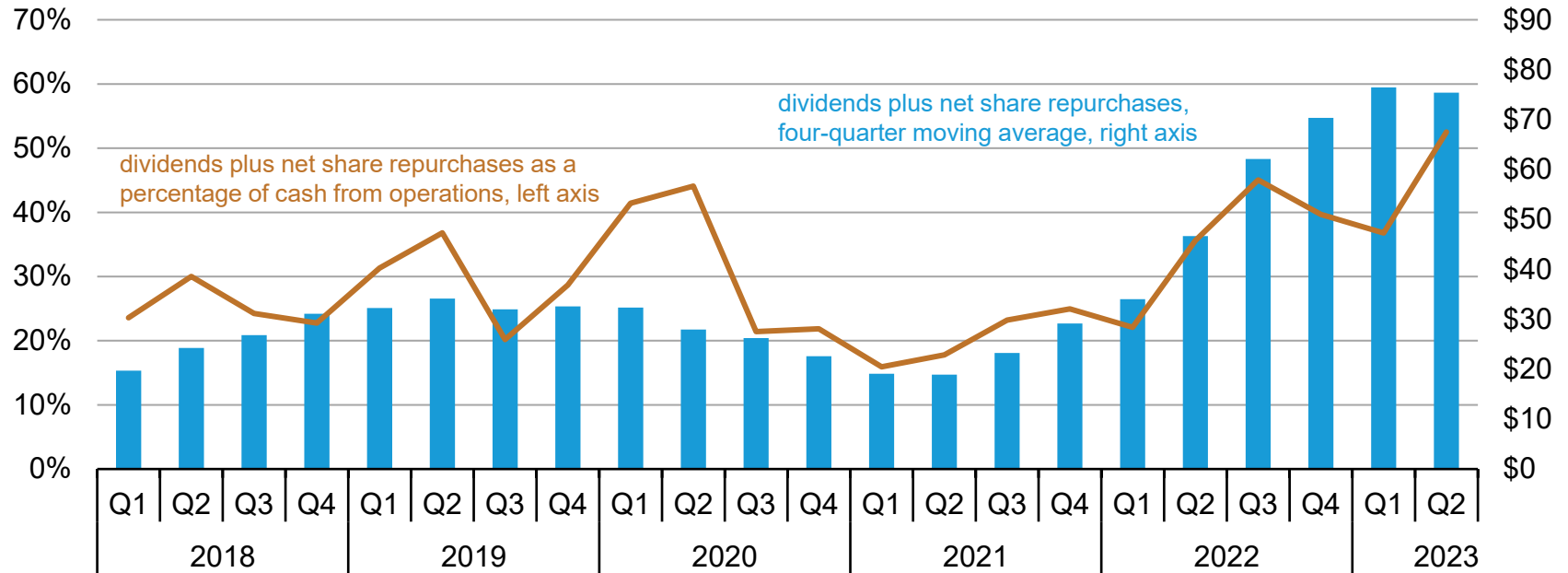
Note: Includes realized and unrealized gain or loss.

# Distributions to shareholders via dividends and share repurchases was \$75 billion, on average, over the last four quarters

## Dividends and net share repurchases, 2018–23

percentage of cash from operations

billion dollars



Data source: Evaluate Energy

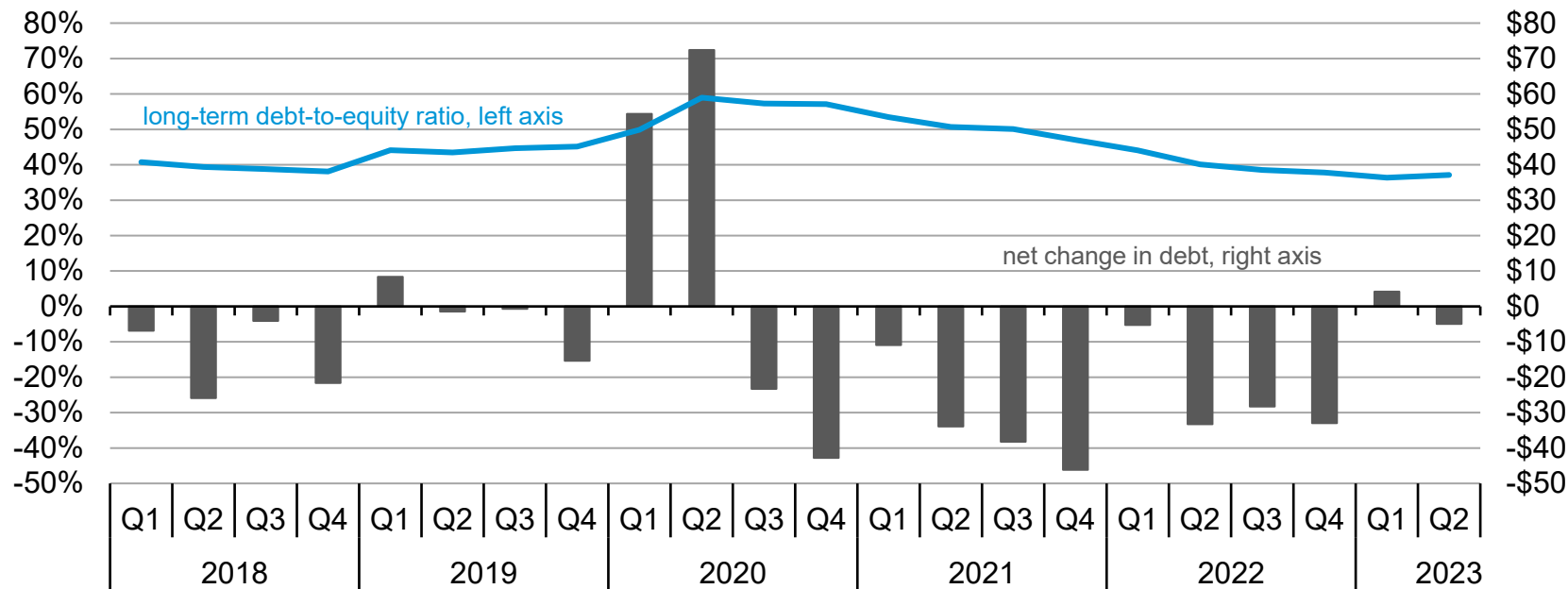
# The companies decreased debt by \$5.0 billion in 2Q23, and the long-term debt-to-equity ratio increased slightly to 37%

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

percentage

**Net change in debt, 2018–23**

billion dollars

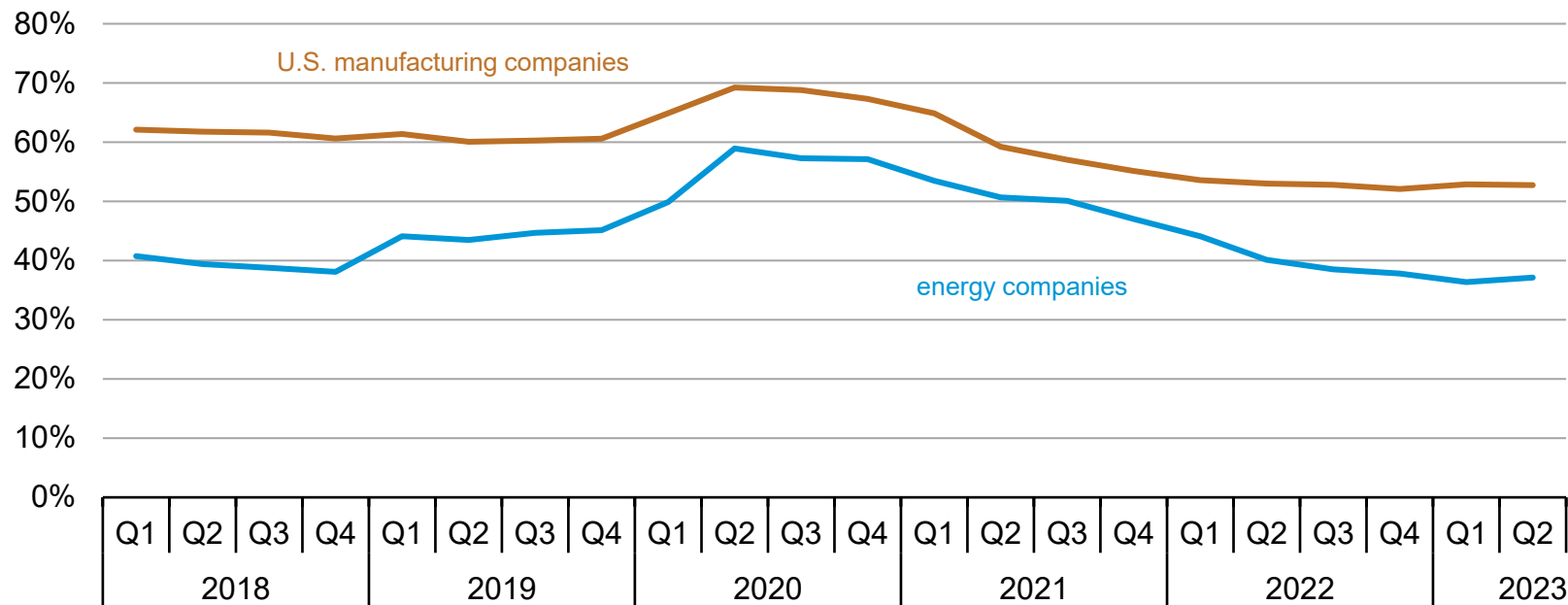


Data source: Evaluate Energy

# In 2Q23, the long-term debt-to-equity ratio was 37% for the energy companies and 53% for U.S. manufacturing companies

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

percentage

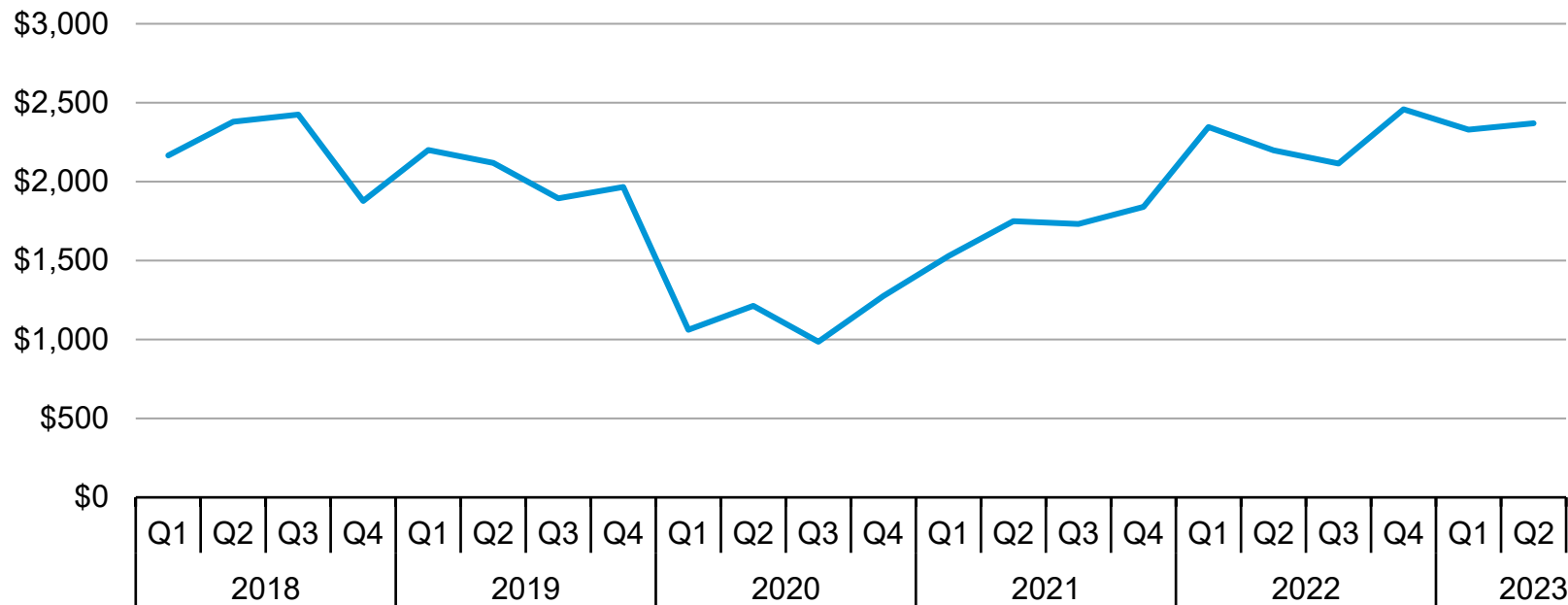


Data source: Evaluate Energy and U.S. Census Bureau

# The energy companies' combined market capitalization in 2Q23 increased 8% from 2Q22

## Combined market capitalization, 2018–23

billion dollars

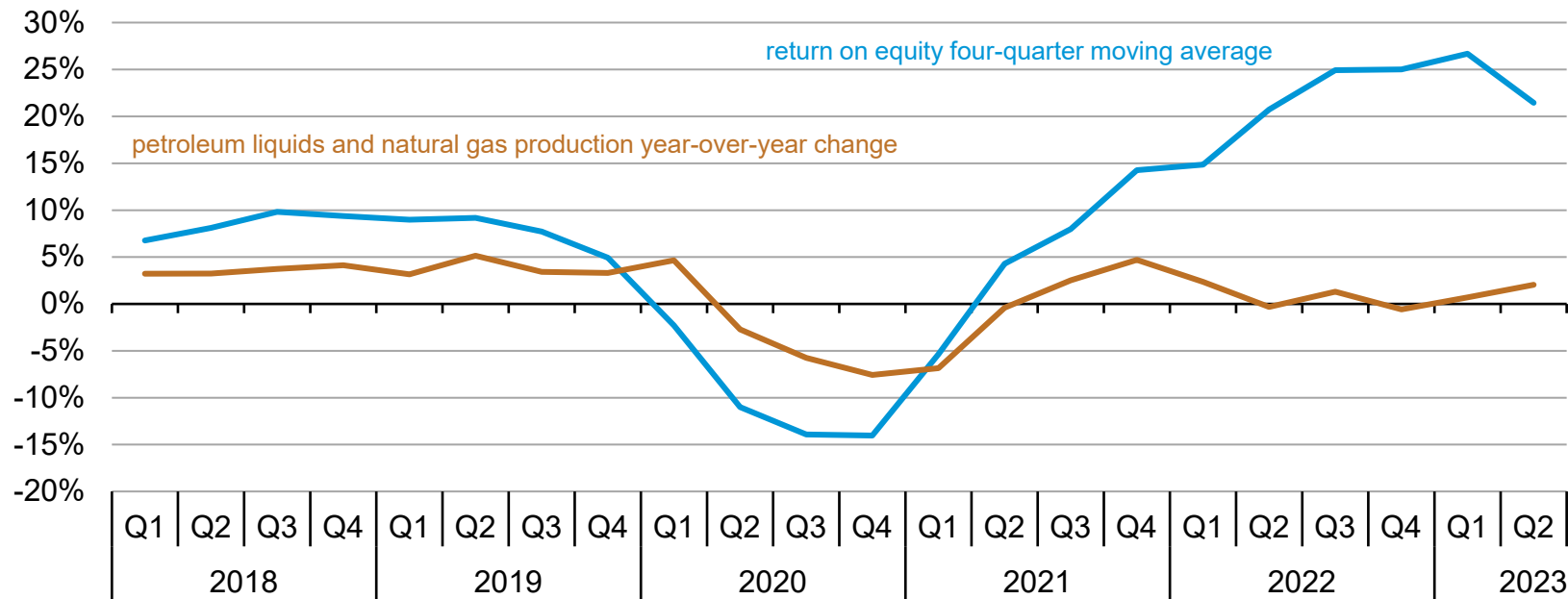


Data source: Evaluate Energy

# The energy companies' return on equity was 21% in 2Q23, declining quarter over quarter for the first time in over two years

## Return on equity and production, 2018–23

percentage

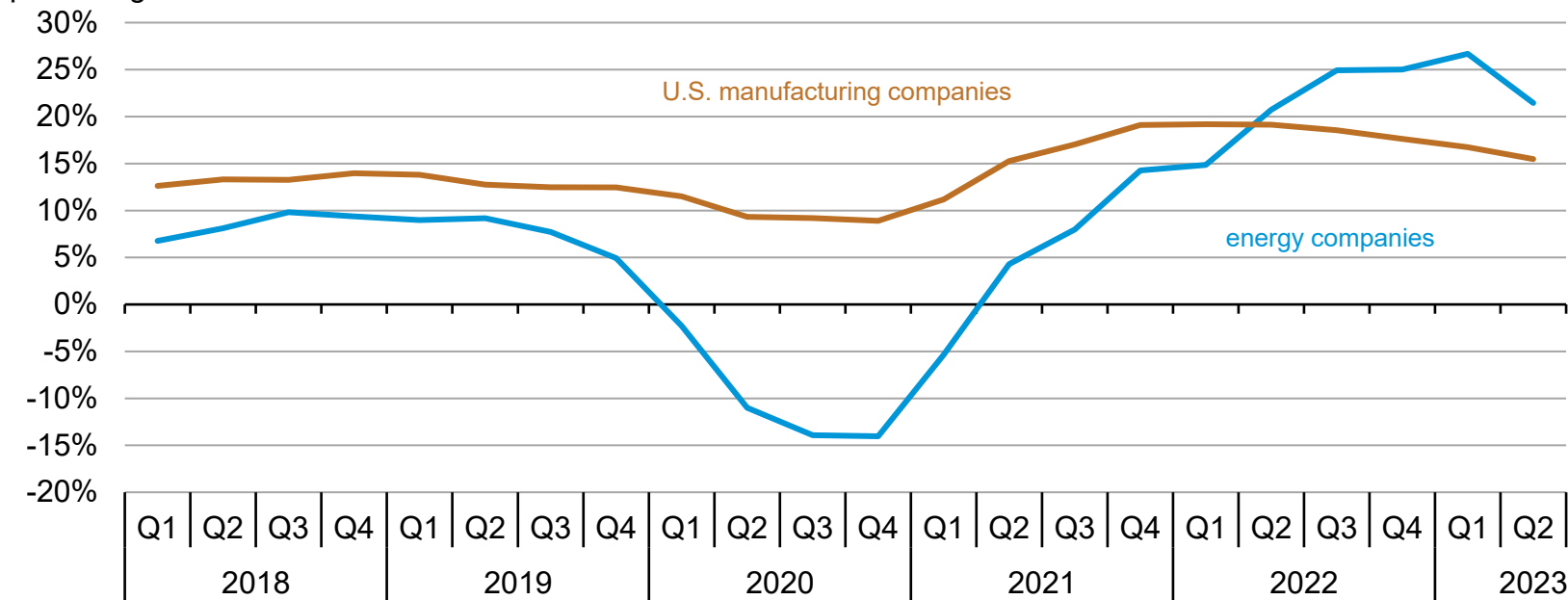


Data source: Evaluate Energy

# The return on equity for the energy companies remained higher than U.S. manufacturing companies' returns in 2Q23

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

percentage

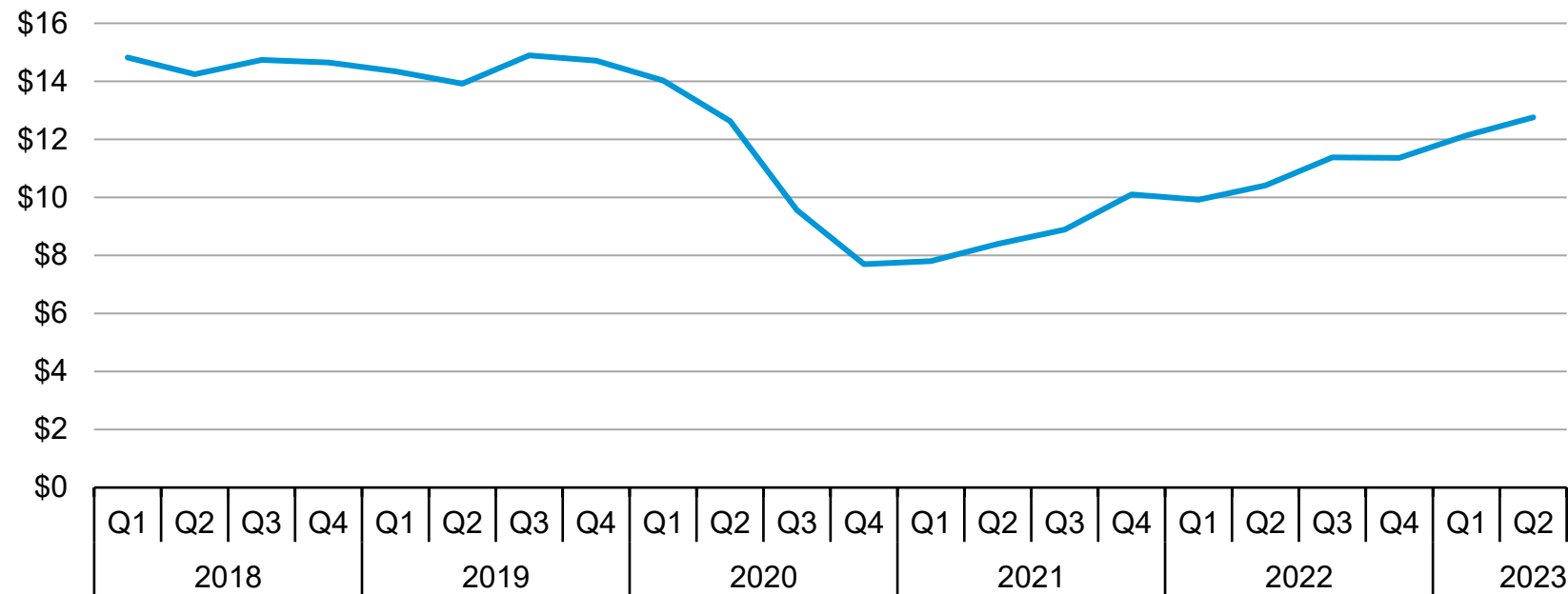


Data source: Evaluate Energy and U.S. Census Bureau

# Upstream capital expenditures on a per-barrel basis averaged \$12.76 per barrel of oil equivalent in 2Q23

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

dollars per BOE, four-quarter moving average

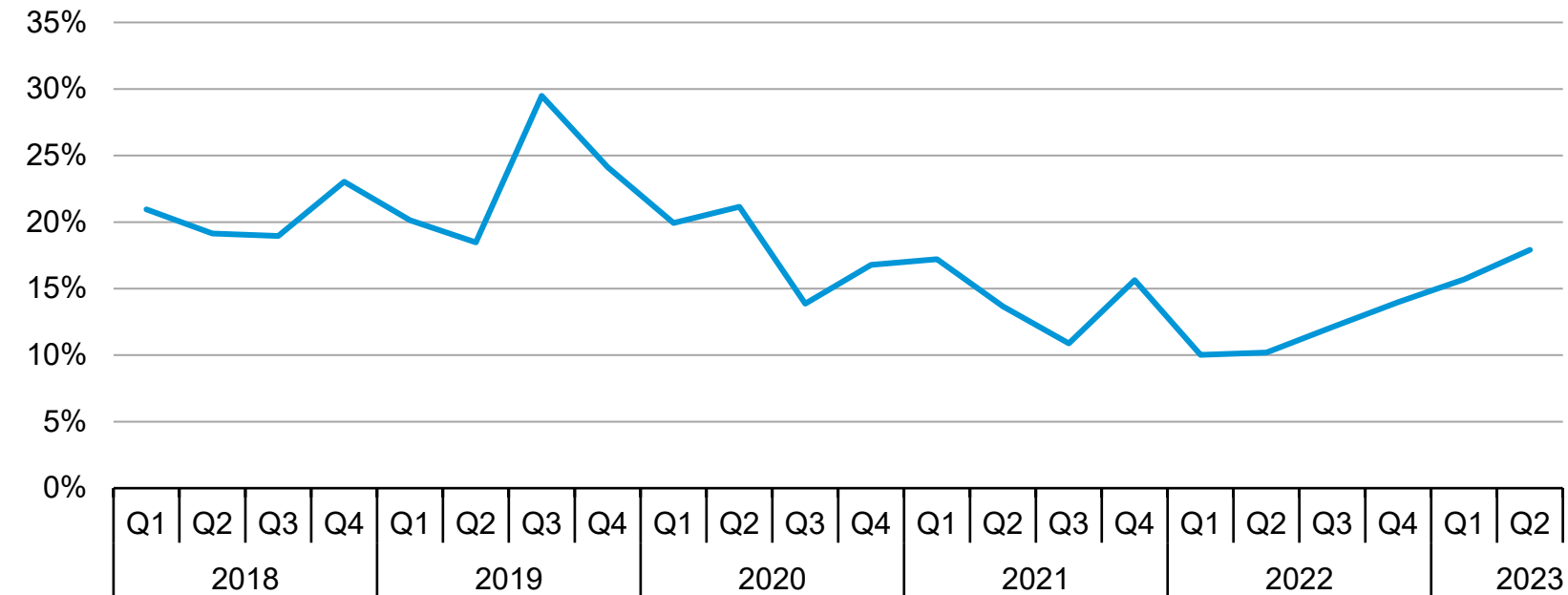


Data source: Evaluate Energy

Note: BOE=barrel of oil equivalent

# Upstream capital expenditures per barrel of oil equivalent were 18% of crude oil prices in 2Q23

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



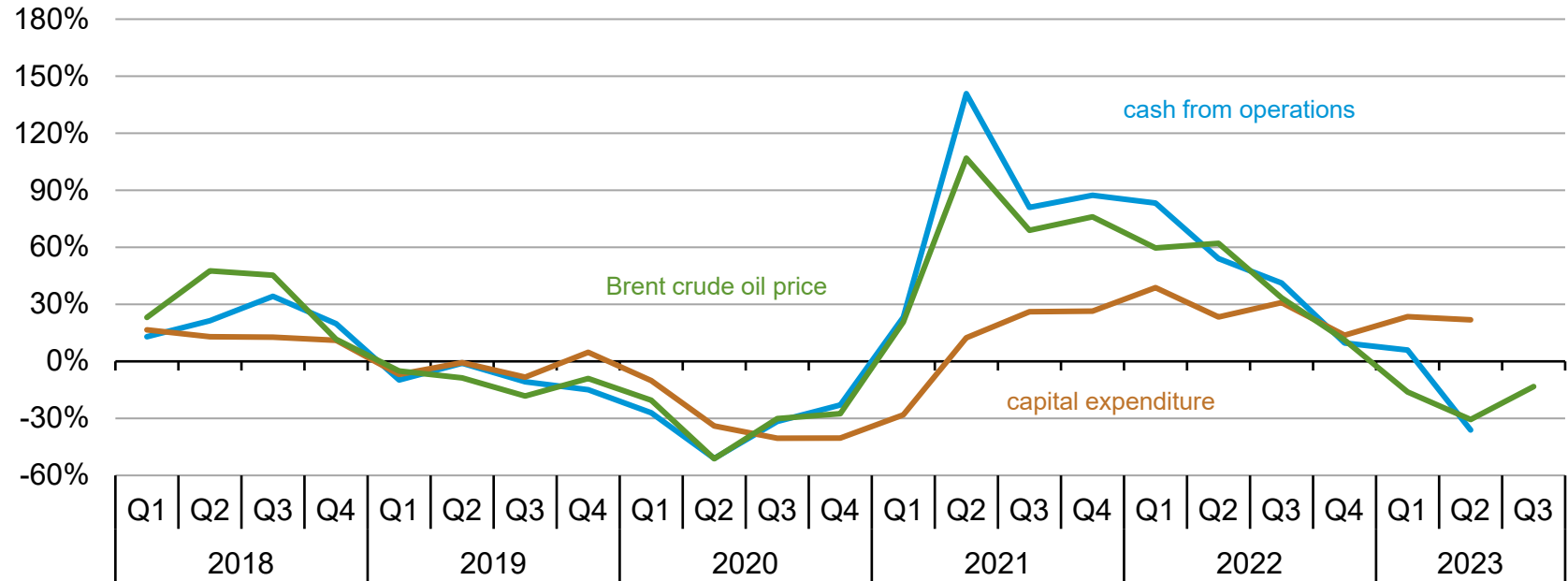
Data source: Evaluate Energy

Note: BOE=barrel of oil equivalent

# Crude oil prices decreased year over year through 3Q23, 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.	Clearview Resources Ltd.	Gear Energy Ltd.	MOL Group	Prairie Provident Resources Inc.	Surge Energy Inc.
Africa Oil Corp.	CNX Resources Corporation	GeoPark Limited	Murphy Oil Corporation	PrimeEnergy Resources Corporation	T-Rex Oil, Inc.
Aker BP ASA	Comstock Resources, Inc.	Gran Tierra Energy Inc.	National Fuel Gas Company	PTT Public Company Limited	Tamarack Valley Energy Ltd.
Alvopetro Energy Ltd.	Concho Resources Inc	Grizzly Energy LLC	Newfield Exploration Company	QEP Resources Inc	Tenaz Energy Corp.
Amplify Energy Corp.	ConocoPhillips	Gulfport Energy Corporation	Noble Energy Inc.	Questerre Energy Corporation	Tethys Oil AB
Anadarko Petroleum Corp.	Contango Oil and Gas Company	Headwater Exploration Inc.	Northern Oil & Gas, Inc	Range Resources Corporation	Tethys Petroleum Limited
Antero Resources Corporation	Continental Resources, Inc.	Hemisphere Energy Corporation	Nostrum Oil & Gas Plc	Ranger Oil Corporation	TotalEnergies SE
APA Corporation	Coterra Energy Inc.	Hess Corporation	NuVista Energy Ltd.	Razor Energy Corp.	Touchstone Exploration Inc.
Approach Resources Inc	Crescent Energy Company	HighPoint Resources Corporation	Obsidian Energy Ltd.	Repsol	Tourmaline Oil Corp.
ARC Resources Ltd.	Crescent Point Energy Corp	Husky Energy Inc.	Occidental Petroleum Corporation	Resolute Energy Corporation	TransAtlantic Petroleum Ltd.
Athabasca Oil Corporation	Crown Point Energy Inc.	INA Group	OMV Group	Revenir Energy Inc.	TransGlobe Energy Corporation
Barnwell Industries Inc.	Denbury Inc.	InPlay Oil Corp.	Ovintiv Inc.	Ring Energy Inc	Triangle Petroleum Corporation
Battalion Oil Corporation	Devon Energy Corporation	International Petroleum Corporation	Pampa Energia SA	ROK Resources Inc.	U.S. Energy Corp.
Baytex Energy Corp.	Diamondback Energy Inc.	Jagged Peak Energy Inc.	Panoro Energy ASA	Rosehill Operating Company, LLC	Unit Corporation
Birchcliff Energy Ltd.	DNO ASA	Jones Energy, Inc.	Paramount Resources Ltd.	RSP Permian Inc	Vaalco Energy Inc
Black Stone Minerals LP	Earthstone Energy, Inc.	Journey Energy Inc.	Parex Resources Inc.	Sabine Oil & Gas Corporation	Valeura Energy Inc.
BlueNord ASA	Ecopetrol S.A.	JX Energy Ltd.	Parsley Energy Inc.	SandRidge Energy, Inc.	Vermilion Energy Inc.
Bonterra Energy Corp.	Energen Corporation	Kelt Exploration Ltd.	PDC Energy, Inc.	Saturn Oil & Gas Inc.	Vital Energy, Inc. (formerly Laredo)
BP Plc.	Enerplus Corporation	Kiwitohk Energy Corp.	PEDECO Corp.	Seplat Energy Plc	W & T Offshore, Inc.
Brazos Valley Longhorn, L.L.C.	ENI S.p.A.	Kosmos Energy Ltd.	Pengrowth Energy Corporation	Seven Generations Energy Ltd.	Whitecap Resources Inc.
California Resources Corporation	EOG Resources, Inc.	Lilis Energy Inc.	Permian Resources Corporation	ShaMaran Petroleum Corp.	Whiting Petroleum Corporation
Callon Petroleum Company	EP Energy Corporation	Linn Energy, Inc.	Perpetual Energy Inc.	Shell Plc	Wintershall Dea GmbH
Canadian Natural Resources Limited	Epsilon Energy Ltd.	Lonestar Resources US, Inc.	Petrobras (IFRS US\$ Current)	SilverBow Resources, Inc.	WPX Energy, Inc.
Canadian Overseas Petroleum Limited	EQT Corporation	Lucero Energy Corp.	PetroChina Company Limited	Sinopec Corp.	Yangarra Resources Ltd.
Cardinal Energy Ltd.	Equinor ASA	Magnolia Oil & Gas Corporation	Petronas	SM Energy Company	YPF Sociedad Anonima
Carriizo Oil & Gas, Inc	Erin Energy Corporation	Marathon Oil Corp.	PetroQuest Energy, Inc	Southern Energy Corp.	Yuma Energy, Inc.
Cenovus Energy Inc.	Evolution Petroleum Corporation	Matador Resources Company	PetroRio S.A.	Southwestern Energy Company	Yuma Energy, Inc. (Pre Davis)
Chesapeake Energy Corporation	Extraction Oil & Gas, Inc.	Maverick Natural Resources, LLC	Petrus Resources Ltd.	Spartan Delta Corp.	
Chevron Corporation	ExxonMobil	MEG Energy Corp.	Peyto Exploration & Development Corp.	SRC Energy Inc.	
Chord Energy Corporation	FieldPoint Petroleum Corporation	Mesquite Energy, Inc.	PHX Minerals Inc.	Stone Energy Corporation	
Cimarex Energy Co.	Frontera Energy Corporation	Mid-Con Energy Partners, LP	Pine Cliff Energy Ltd.	Suncor Energy Inc.	
Civitas Resources, Inc.	Gastar Exploration Inc.	Midstates Petroleum Company, Inc.	Pioneer Natural Resources Company	Sunshine Oilsands Ltd.	

Data source: Evaluate Energy

Note: Some companies merged, closed, or delisted before 2Q23. A total of 139 companies existed in 2Q23.

# Background

- This analysis focuses on the financial and operating trends of 139 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.