



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

*Petroleum and Liquid Fuels Markets Team
December 2023*

Key findings for third-quarter 2023 (3Q23)

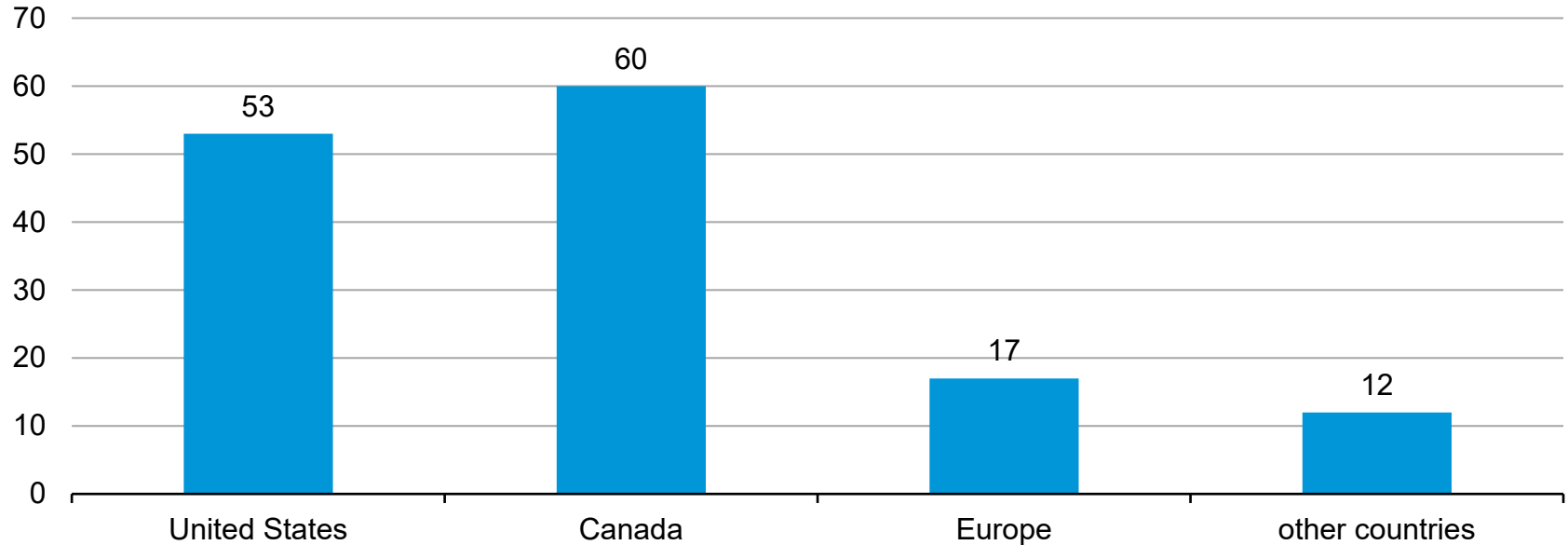
- The Brent crude oil daily average price was 12% lower in 3Q23 than in 3Q22 and averaged \$86 per barrel. The Henry Hub daily average price was 67% lower over the same period and averaged \$2.66 per million British thermal units.
- For the 142 energy companies in our study, combined petroleum liquids production increased 4.8%, and natural gas production decreased 1.2% year over year. Petroleum liquids production by these companies was at its highest since 1Q20.
- Distributions to shareholders via dividends and share repurchases remain well above the pre-pandemic level, averaging \$67 billion over the last four quarters.
- The energy companies' combined market capitalization rose to a five-year high, at \$2.54 trillion.

Note: The 142 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



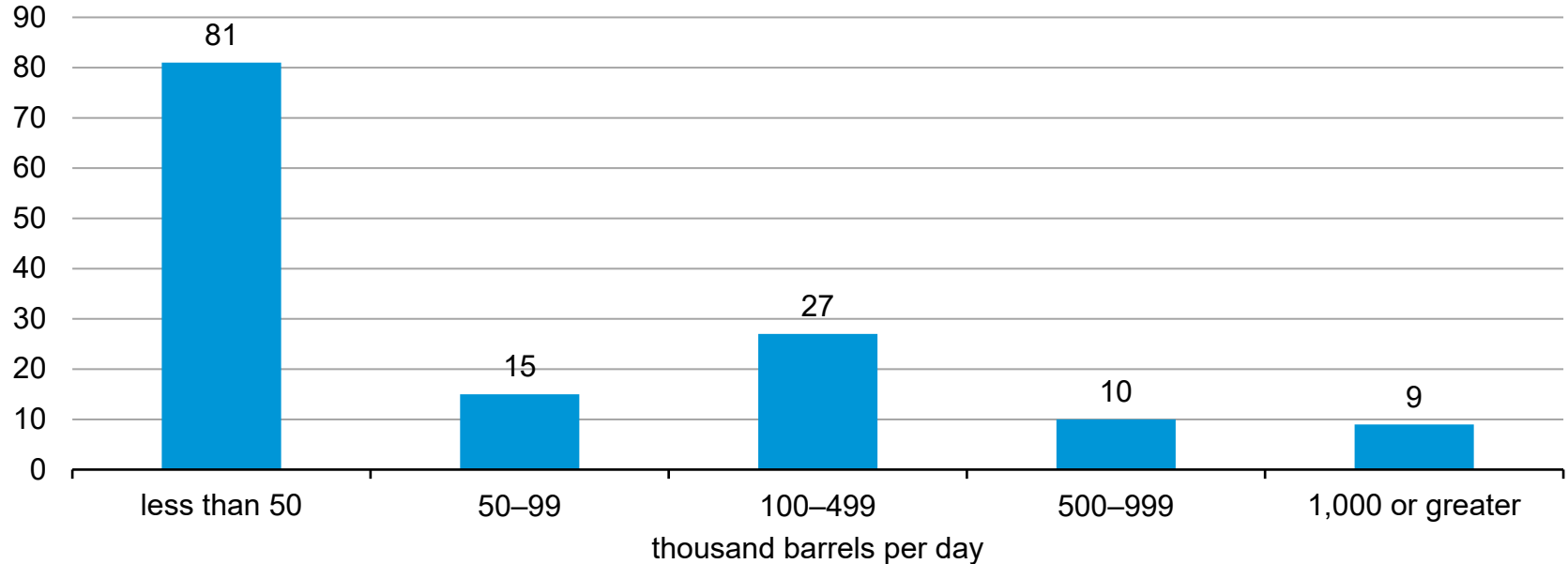
Data source: Evaluate Energy

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

About 57% of the companies we included produced less than 50,000 barrels per day in 3Q23

Distribution of companies by volume of petroleum liquids produced

number of companies

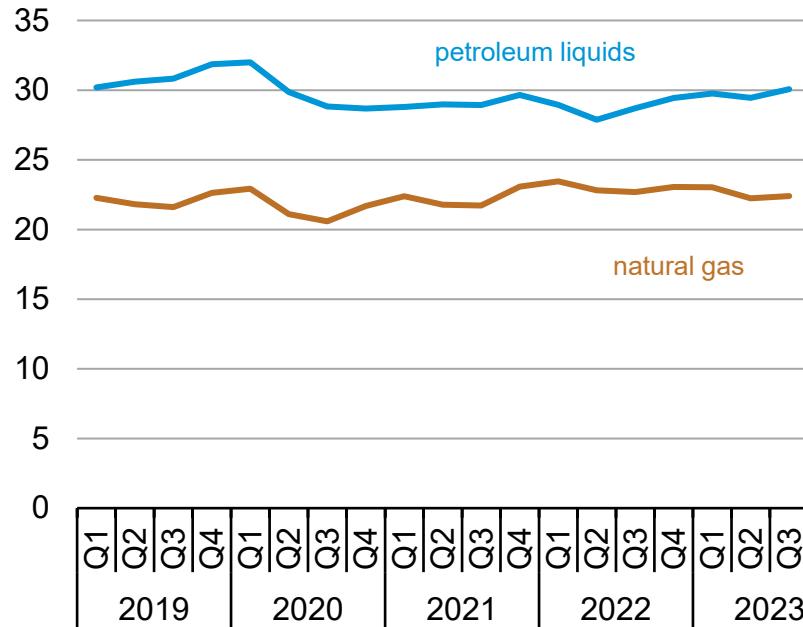


Data source: Evaluate Energy

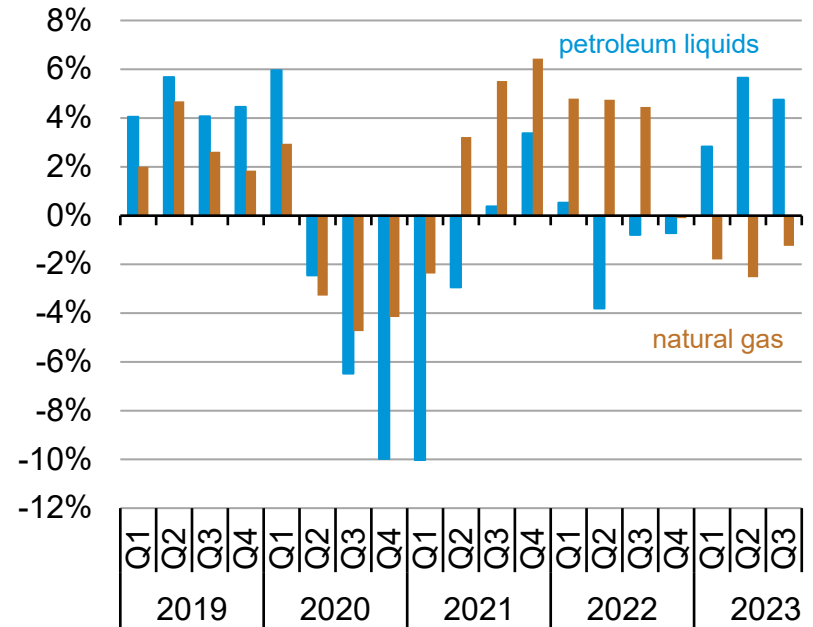
In 3Q23, the companies' global petroleum liquids production increased 4.8% and natural gas production decreased 1.2% year over year

Petroleum liquids and natural gas production, 2019–23

million barrels of oil equivalent per day



year-over-year percentage change



Data source: Evaluate Energy

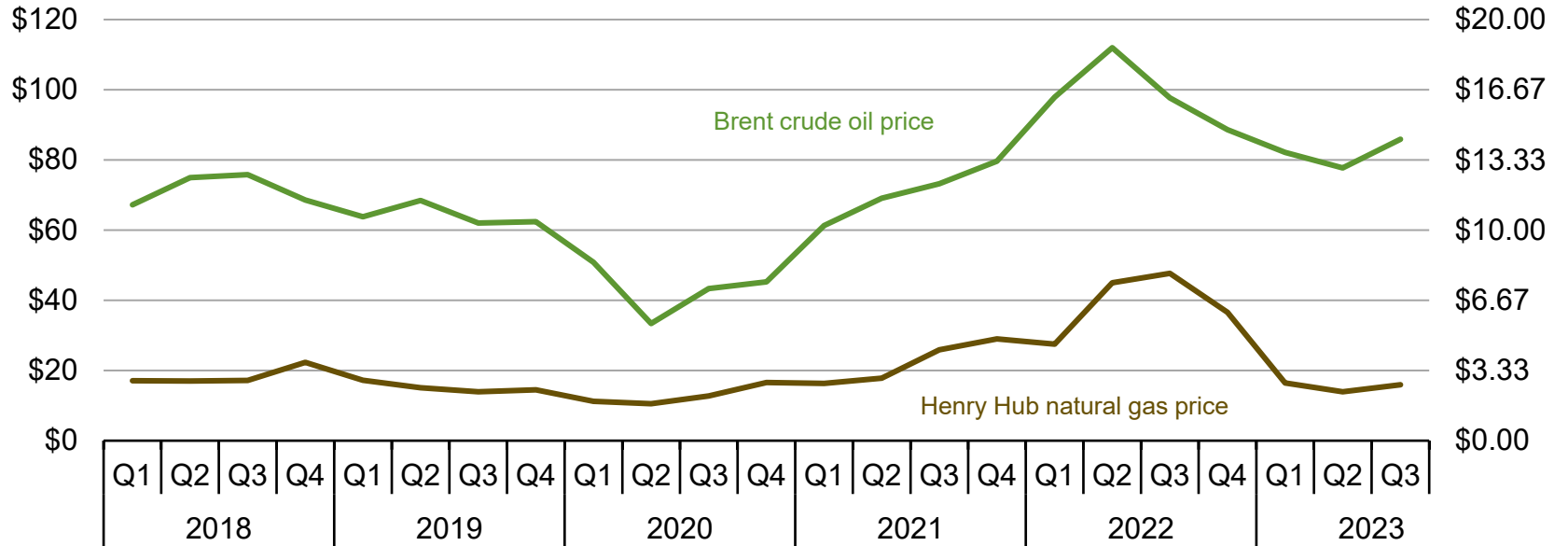
Third-quarter 2023 crude oil prices were 12% lower and natural gas prices were 67% lower than in 3Q22

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

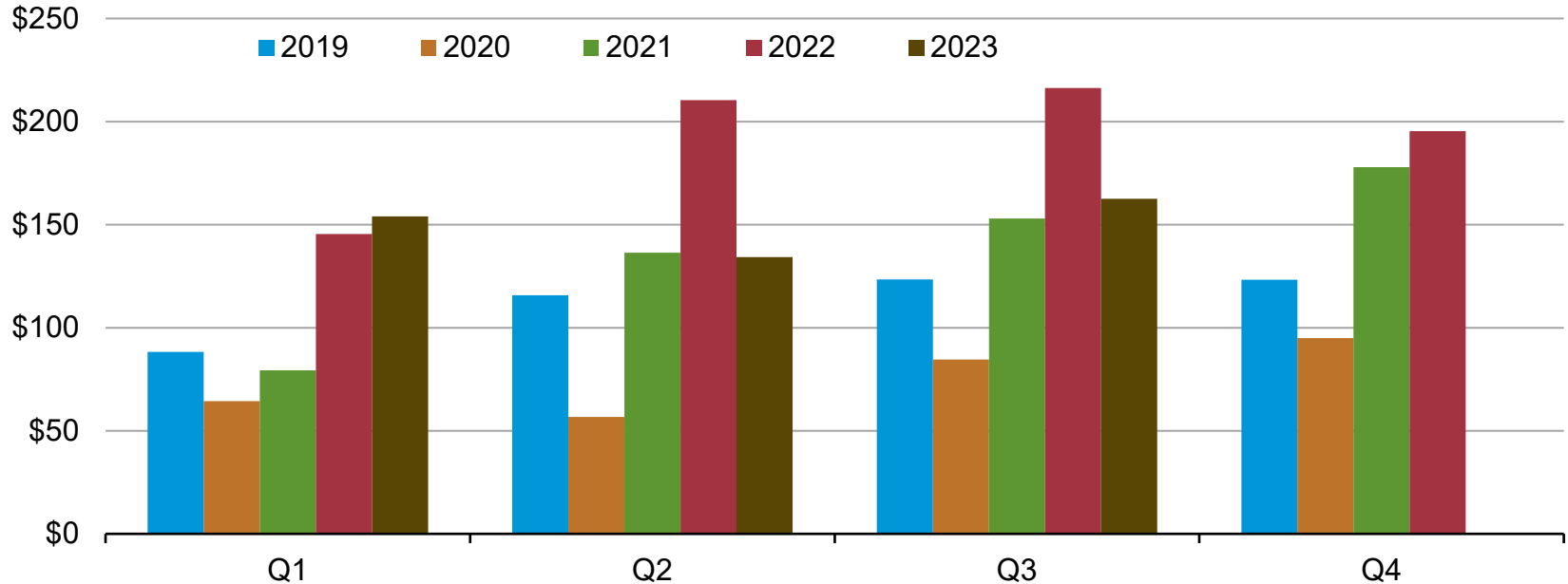


Data source: Bloomberg L.P.

Cash from operations in 3Q23 was \$163 billion, 25% lower than in 3Q22

Cash from operations, 2019–23

billion dollars

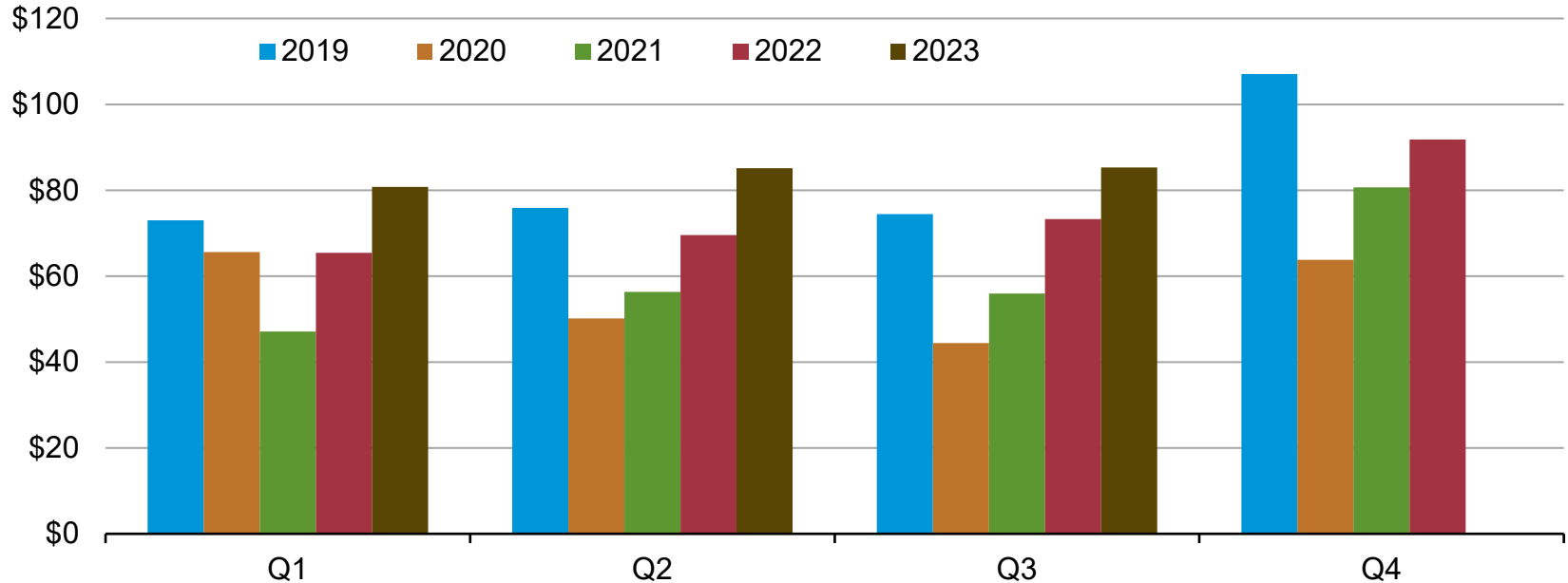


Data source: Evaluate Energy

Capital expenditure in 3Q23 was \$85 billion, 16% higher than in 3Q22

Capital expenditure, 2019–23

billion dollars

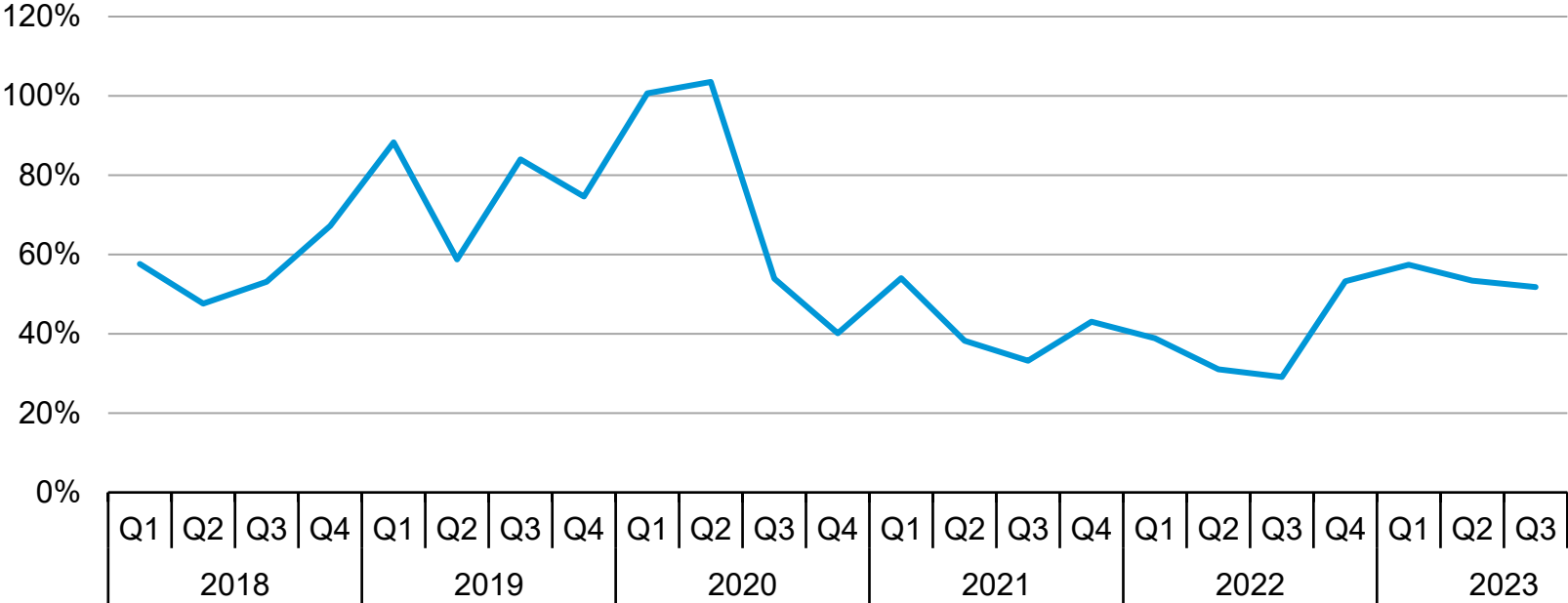


Data source: Evaluate Energy

In the first three quarters 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

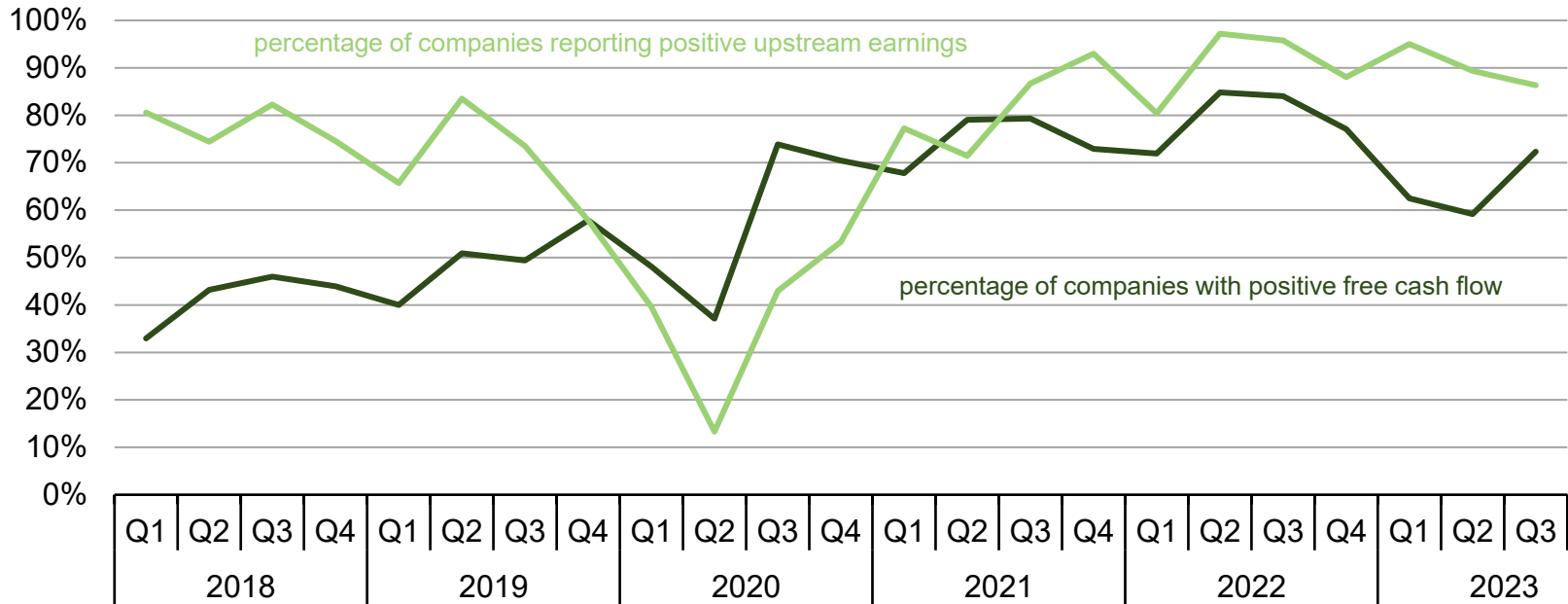


Data source: Evaluate Energy

About 72% of companies had positive free cash flow, and 86% of companies reported positive upstream earnings in 3Q23

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

percentage



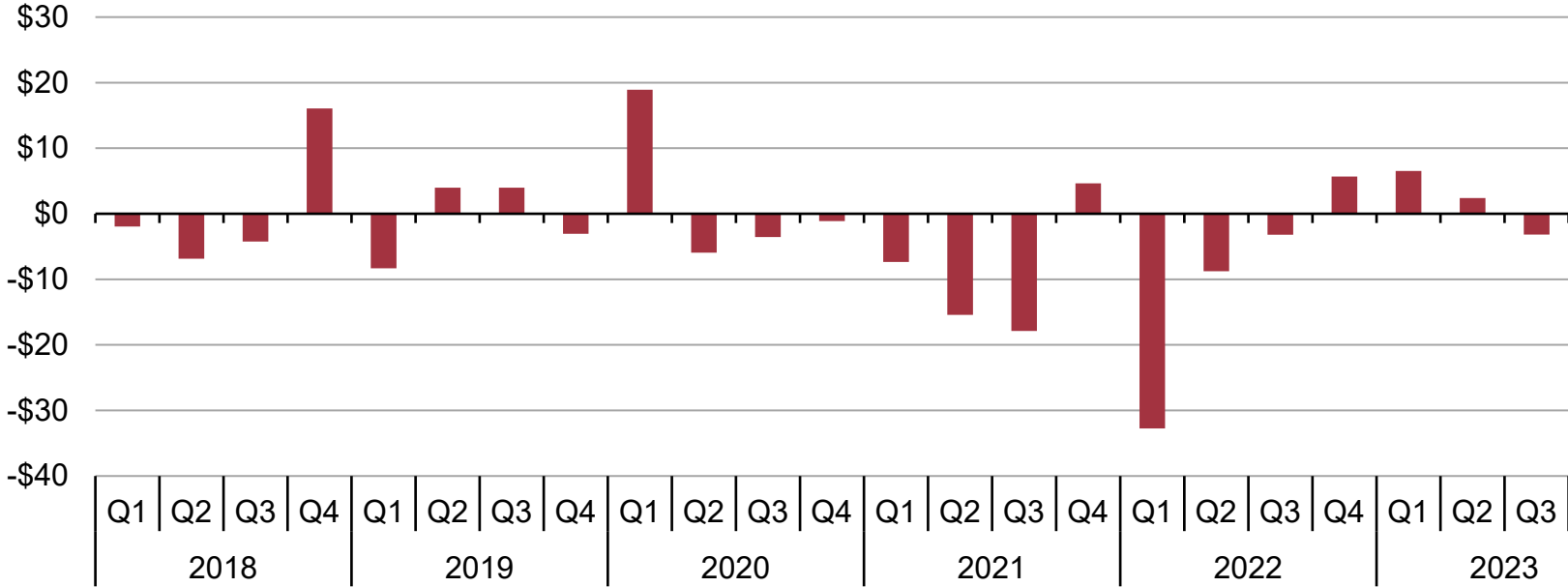
Data source: Evaluate Energy

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

Net losses from hedging derivatives were \$3.2 billion in 3Q23

Net gain or loss from hedging derivatives, 2018–23

billion dollars



Data source: Evaluate Energy

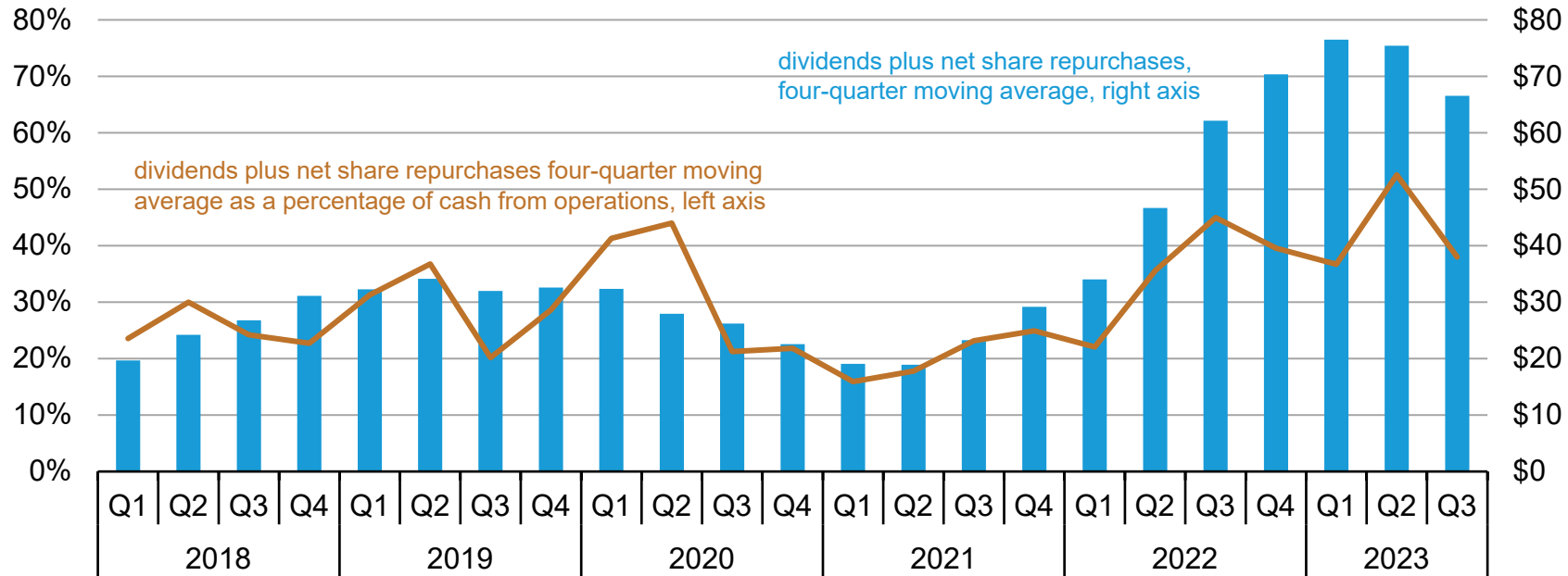
Note: Includes realized and unrealized gain or loss.

Distributions to shareholders via dividends and share repurchases was \$67 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

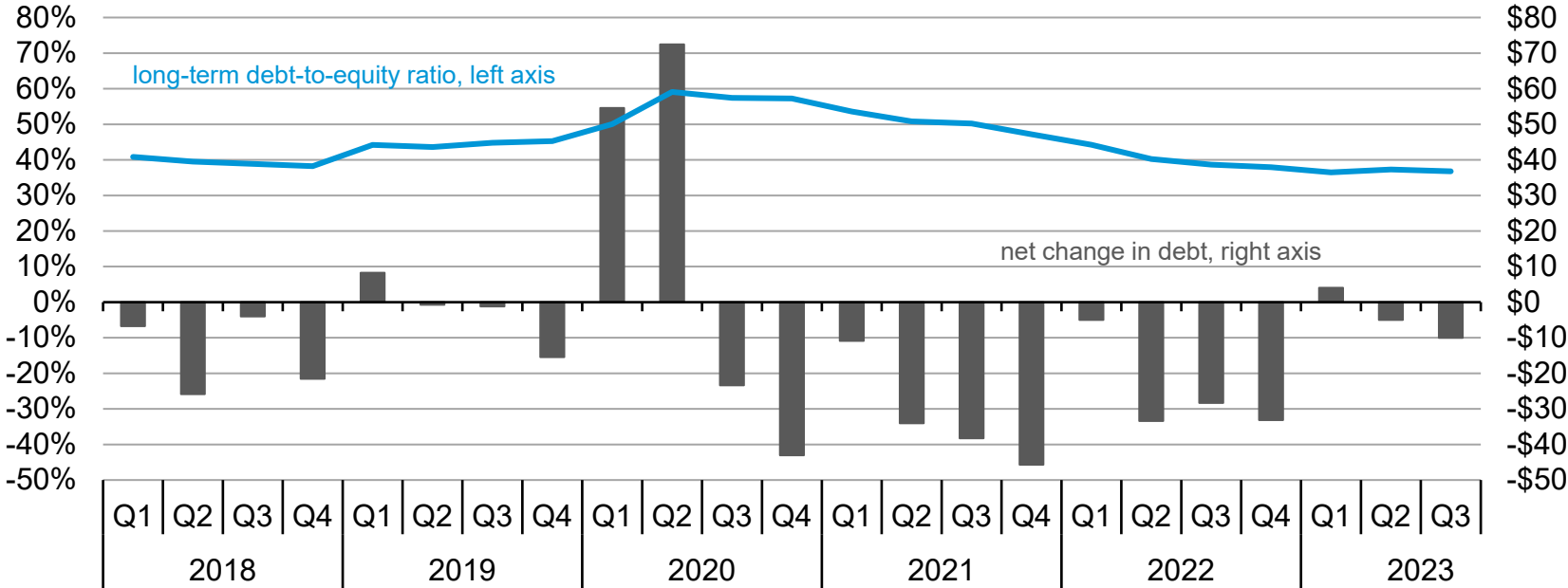
The companies decreased debt by \$10 billion in 3Q23, and the long-term debt-to-equity ratio stayed the same, at 37%

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

percentage

Net change in debt, 2018–23

billion dollars

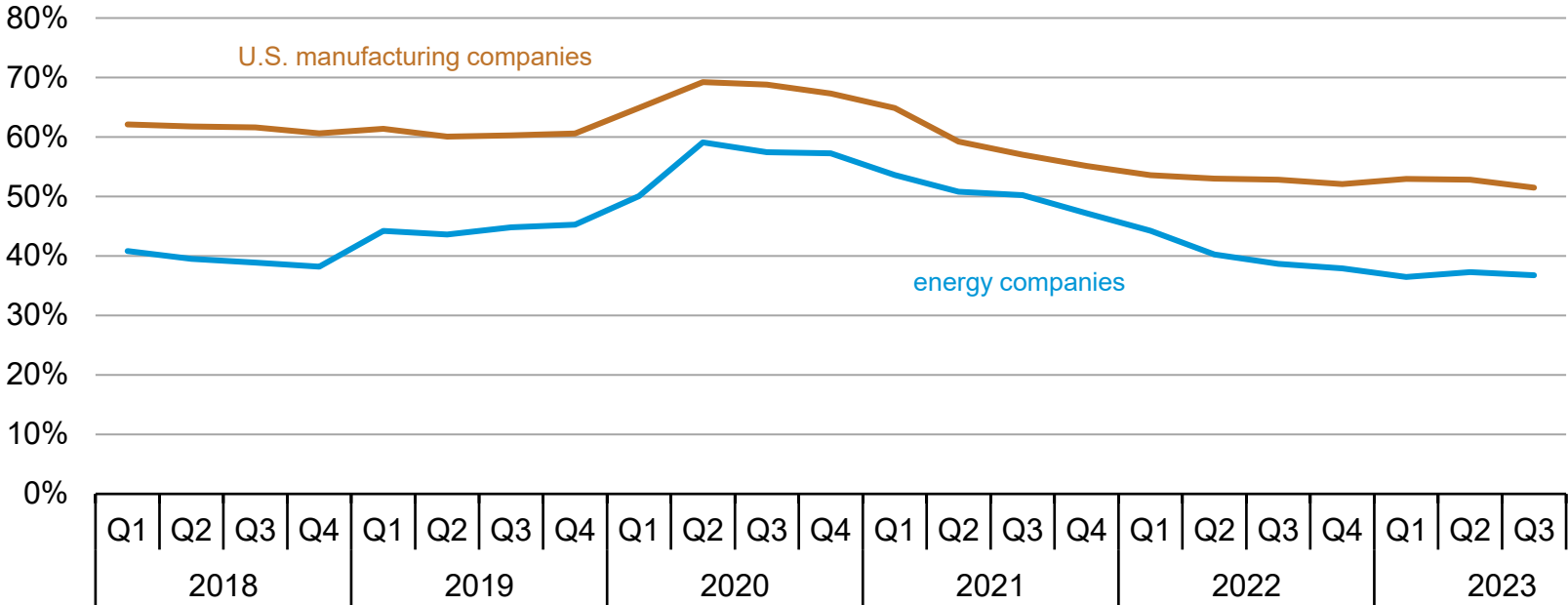


Data source: Evaluate Energy

In 3Q23, the long-term debt-to-equity ratio was 37% for the energy companies and 51% for U.S. manufacturing companies

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

percentage

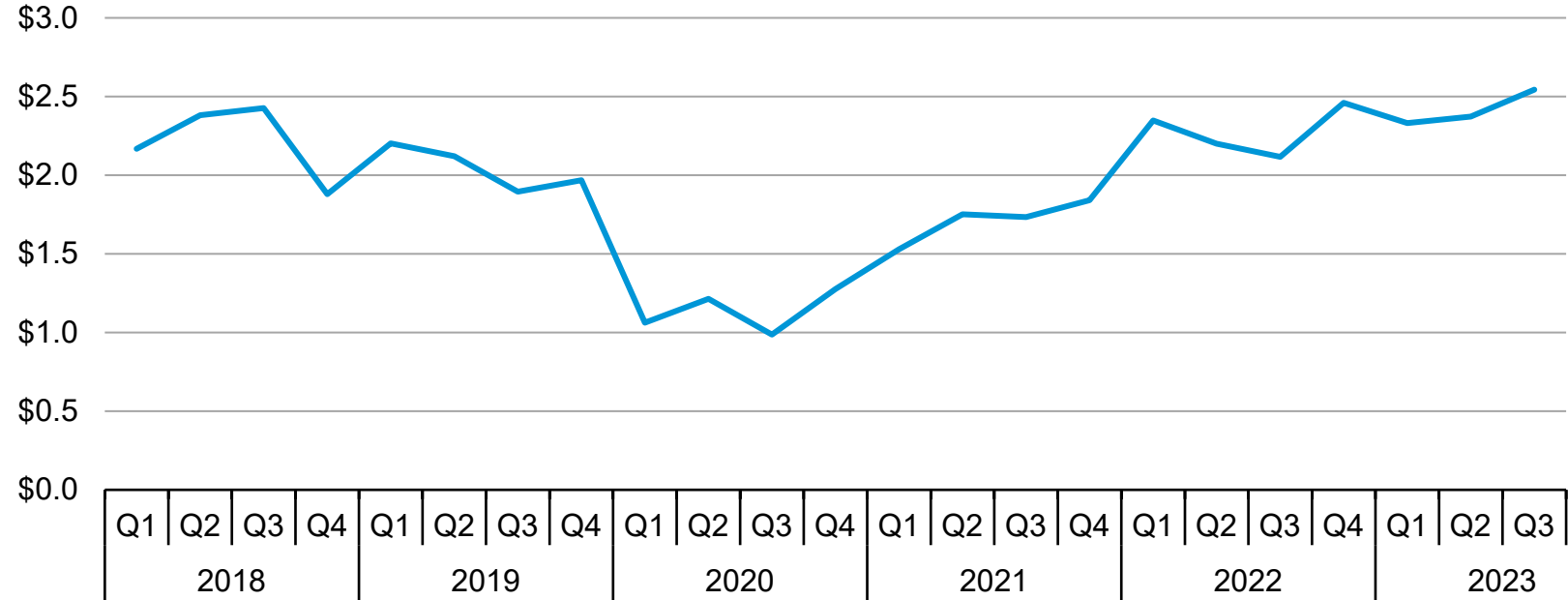


Data source: Evaluate Energy and U.S. Census Bureau

The energy companies' combined market capitalization in 3Q23 increased 20% from 3Q22 to its highest level in the last five years

Combined market capitalization, 2018–23

trillion dollars

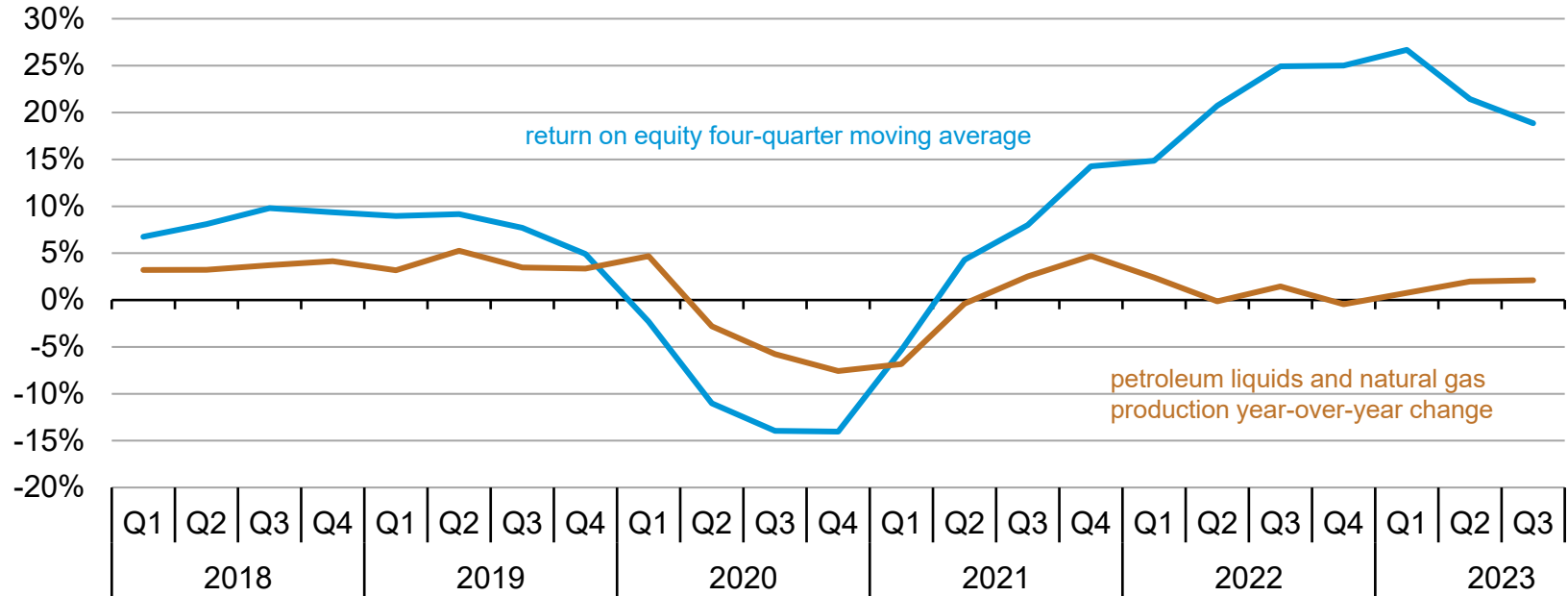


Data source: Evaluate Energy

The energy companies' return on equity was 19% in 3Q23

Return on equity and production, 2018–23

percentage

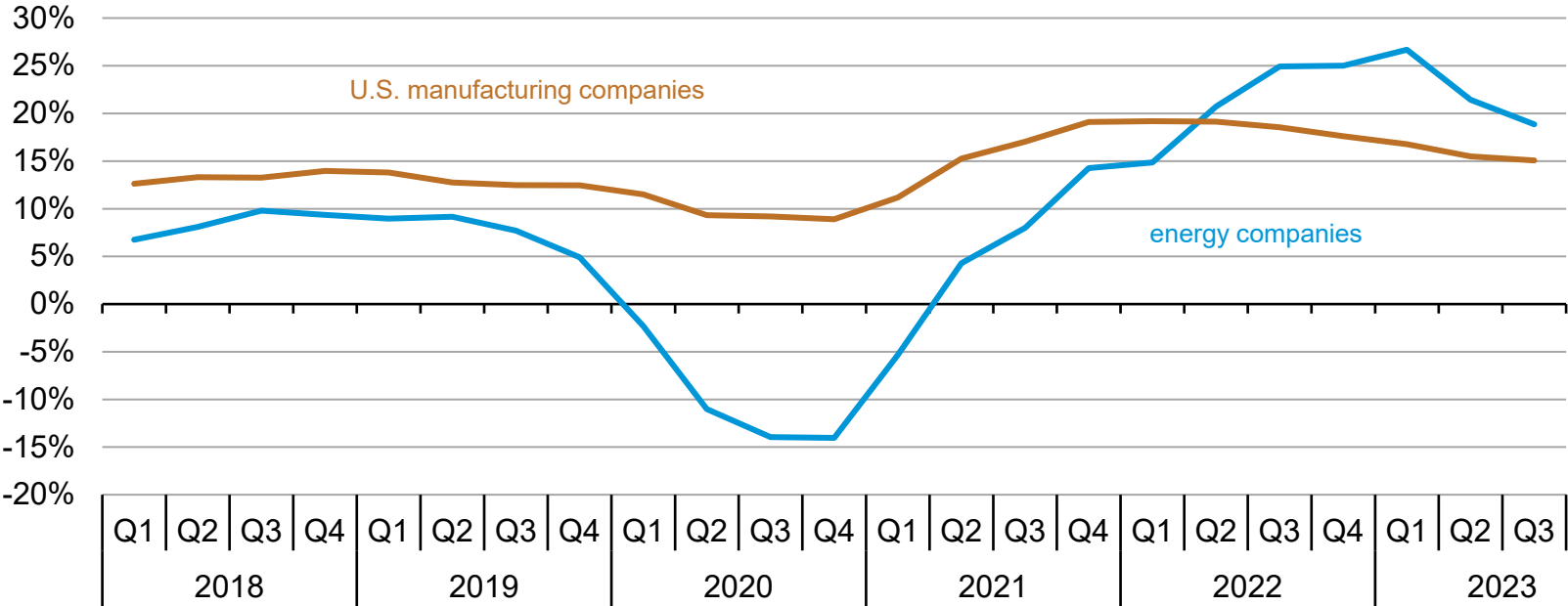


Data source: Evaluate Energy

The return on equity for the energy companies was higher than U.S. manufacturing companies' returns in 3Q23

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

percentage

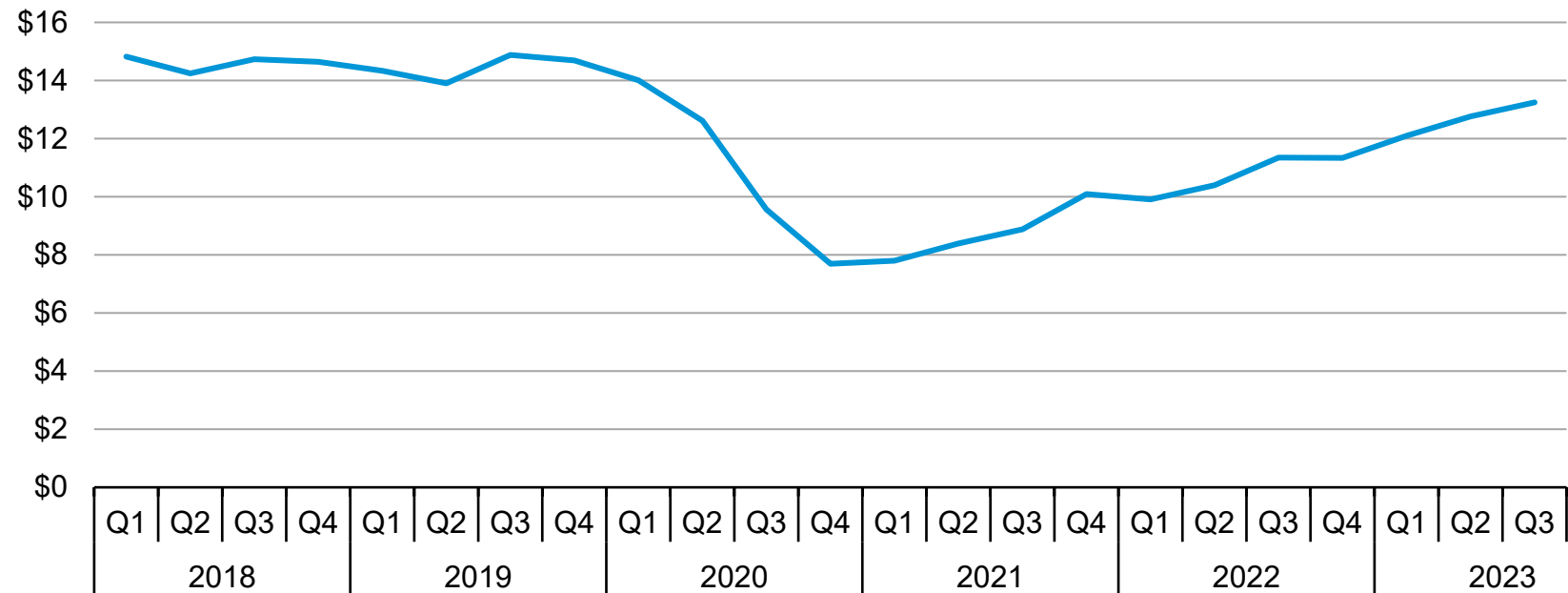


Data source: Evaluate Energy and U.S. Census Bureau

Upstream capital expenditures on a per-barrel basis averaged \$13.25 per barrel of oil equivalent in 3Q23

Upstream capital expenditure per BOE produced, 2018–23

dollars per BOE, four-quarter moving average

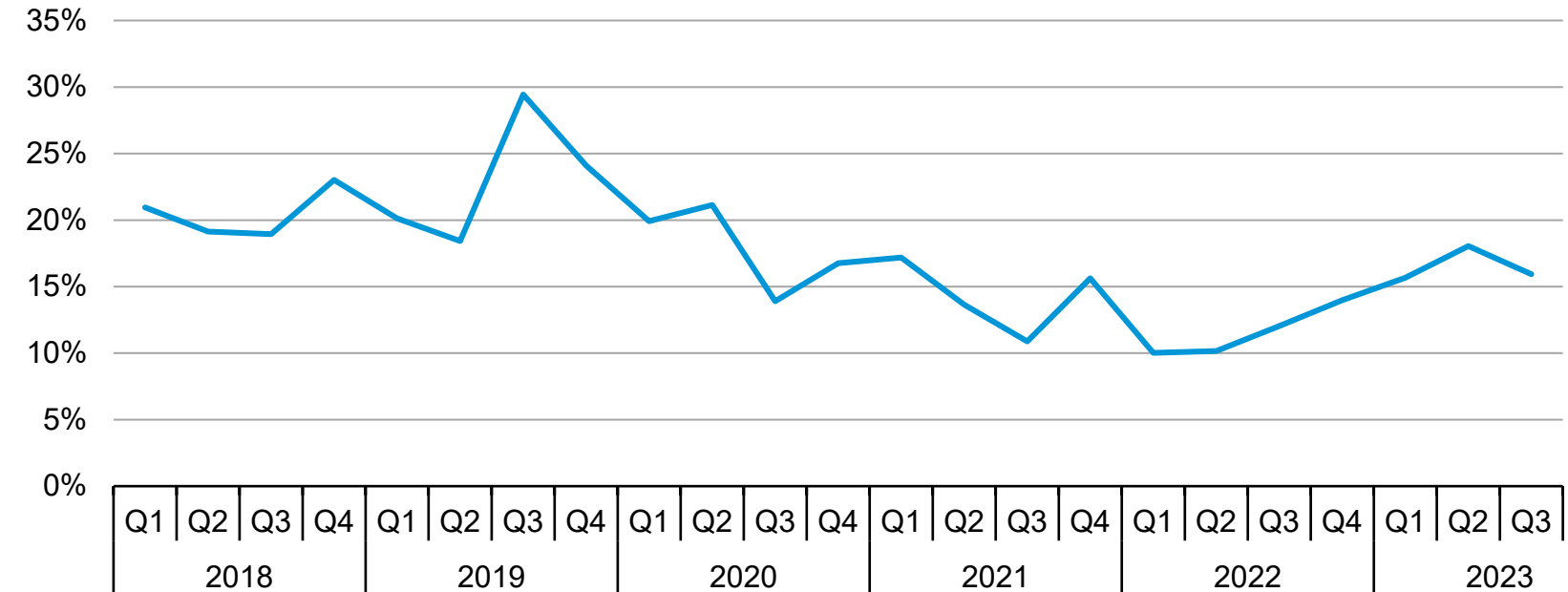


Data source: Evaluate Energy

Note: BOE=barrel of oil equivalent

Upstream capital expenditures per barrel of oil equivalent were 16% of crude oil prices in 3Q23

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



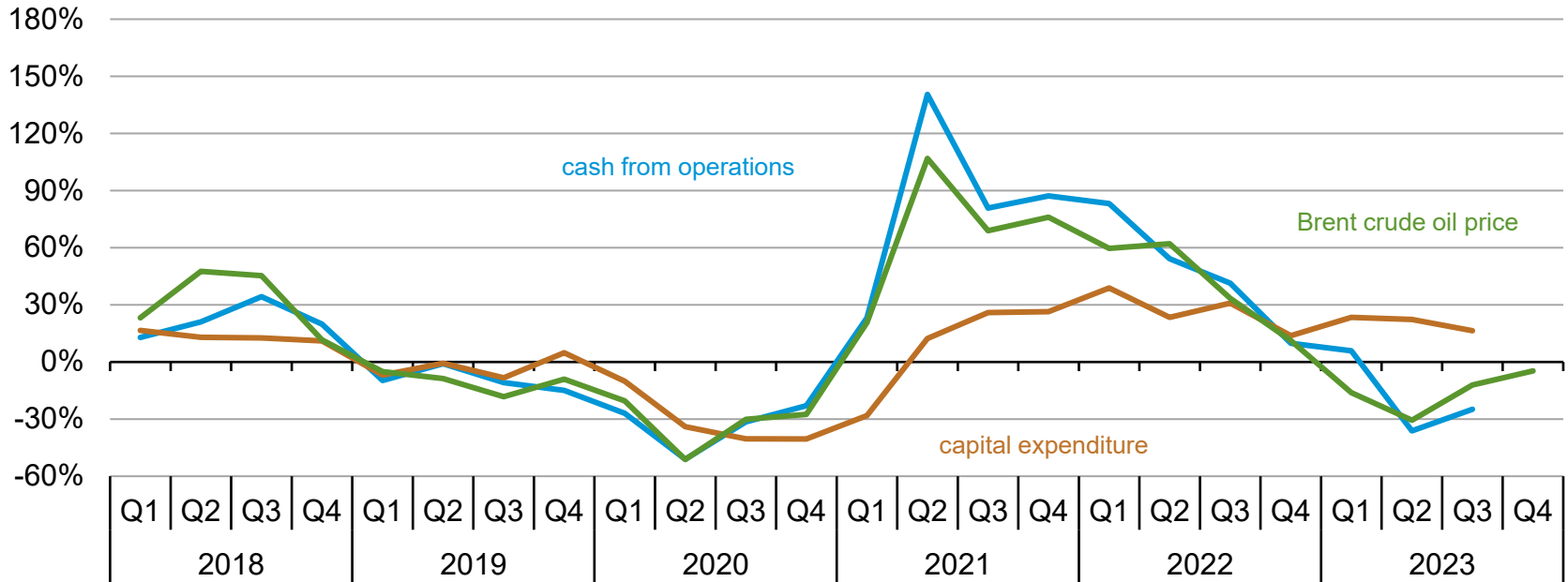
Data source: Evaluate Energy

Note: BOE=barrel of oil equivalent

Crude oil prices decreased year over year in 4Q23, 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.	Civitas Resources, Inc.	Forza Petroleum Limited	MEG Energy Corp.	Peyto Exploration & Development Corp.	Stone Energy Corporation
Africa Oil Corp.	Clearview Resources Ltd.	Frontiera Energy Corporation	Mesquite Energy, Inc.	PHX Minerals Inc.	Suncor Energy Inc.
Aker BP ASA	CNX Resources Corporation	Gastar Exploration Inc.	Mid-Con Energy Partners, LP	Pine Cliff Energy Ltd.	Sunshine Oilsands Ltd.
Alvopetro Energy Ltd.	Comstock Resources, Inc.	Gear Energy Ltd.	Midstates Petroleum Company, Inc.	Pioneer Natural Resources Company	Surge Energy Inc.
Amplify Energy Corp.	Concho Resources Inc	GeoPark Limited	MOL Group	Prairie Provident Resources Inc.	T-Rex Oil, Inc.
Anadarko Petroleum Corp.	ConocoPhillips	Gran Tierra Energy Inc.	Murphy Oil Corporation	PrimeEnergy Resources Corporation	Tamarack Valley Energy Ltd.
Antero Resources Corporation	Contango Oil and Gas Company	Grizzly Energy LLC	National Fuel Gas Company	PTT Public Company Limited	Tenaz Energy Corp.
APA Corporation	Continental Resources, Inc.	Gulfport Energy Corporation	Newfield Exploration Company	QEP Resources Inc	Tethys Oil AB
Approach Resources Inc	Coterra Energy Inc.	Headwater Exploration Inc.	Noble Energy Inc.	Questerre Energy Corporation	Tethys Petroleum Limited
ARC Resources Ltd.	Crescent Energy Company	Hemisphere Energy Corporation	Northern Oil & Gas, Inc	Range Resources Corporation	TotalEnergies SE
Athabasca Oil Corporation	Crescent Point Energy Corp	Hess Corporation	Nostrum Oil & Gas Plc	Ranger Oil Corporation	Touchstone Exploration Inc.
Barnwell Industries Inc.	Crew Energy Inc.	HighPoint Resources Corporation	NuVista Energy Ltd.	Razor Energy Corp.	Tourmaline Oil Corp.
Battalion Oil Corporation	Crown Point Energy Inc.	Husky Energy Inc.	Obsidian Energy Ltd.	Repsol	TransAtlantic Petroleum Ltd.
Baytex Energy Corp.	Denbury Inc.	INA Group	Occidental Petroleum Corporation	Resolute Energy Corporation	TransGlobe Energy Corporation
Birchcliff Energy Ltd.	Devon Energy Corporation	InPlay Oil Corp.	OMV Group	Revenir Energy Inc.	Triangle Petroleum Corporation
Black Stone Minerals LP	Diamondback Energy Inc.	International Petroleum Corporation	Ovintiv Inc.	Ring Energy Inc	U.S. Energy Corp.
BlueNord ASA	DNO ASA	Jagged Peak Energy Inc.	Pampa Energia SA	ROK Resources Inc.	Unit Corporation
Bonterra Energy Corp.	Earthstone Energy, Inc.	Jones Energy, Inc.	Panoro Energy ASA	Rosehill Operating Company, LLC	Vaalco Energy Inc
BP Plc.	Ecopetrol S.A.	Journey Energy Inc.	Paramount Resources Ltd.	RSP Permian Inc	Valeura Energy Inc.
Brazos Valley Longhorn, L.L.C.	Energen Corporation	JX Energy Ltd.	Parex Resources Inc.	SandRidge Energy, Inc.	Vermilion Energy Inc.
California Resources Corporation	Enerplus Corporation	Kelt Exploration Ltd.	Parsley Energy Inc.	Saturn Oil & Gas Inc.	Vital Energy, Inc. (formerly Laredo)
Callon Petroleum Company	ENI S.p.A.	Kiwitoinok Energy Corp.	PDC Energy, Inc.	Seplat Energy Plc	W & T Offshore, Inc.
Canacol Energy Ltd.	EOG Resources, Inc.	Kosmos Energy Ltd.	PEDEVCO Corp.	Seven Generations Energy Ltd.	Whitecap Resources Inc.
Canadian Natural Resources Limited	EP Energy Corporation	Lilis Energy Inc.	Pengrowth Energy Corporation	Shamaran Petroleum Corp.	Whiting Petroleum Corporation
Canadian Overseas Petroleum Limited	Epsilon Energy Ltd.	Linn Energy, Inc.	Permian Resources Corporation	Shell Plc	Wintershall Dea GmbH
Cardinal Energy Ltd.	EQT Corporation	Lonestar Resources US, Inc.	Perpetual Energy Inc.	SilverBow Resources, Inc.	WPIX Energy, Inc.
Carrizo Oil & Gas, Inc	Equinor ASA	Lucero Energy Corp.	Petrobras (IFRS US\$ Current)	Sinopec Corp.	Yangarra Resources Ltd.
Cenovus Energy Inc.	Erin Energy Corporation	Magnolia Oil & Gas Corporation	PetroChina Company Limited	SM Energy Company	YPF Sociedad Anonima
Chesapeake Energy Corporation	Evolution Petroleum Corporation	Marathon Oil Corp.	Petronas	Southern Energy Corp.	Yuma Energy, Inc.
Chevron Corporation	Extraction Oil & Gas, Inc.	Matador Resources Company	PetroQuest Energy, Inc	Southwestern Energy Company	
Chord Energy Corporation	ExxonMobil	Maverick Natural Resources, LLC	PetroRio S.A.	Spartan Delta Corp.	
Cimarex Energy Co.	FieldPoint Petroleum Corporation	Medco Energi International Tbk PT	Petrus Resources Ltd.	SRC Energy Inc.	

Data source: Evaluate Energy

Note: Some companies merged, closed, or delisted before 3Q23. A total of 142 companies existed in 3Q23.

Background

- This analysis focuses on the financial and operating trends of 142 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.