



Mainsheet  
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## Oil & Gas Sector

Performance Analysis of a Sample of Listed  
Oil & Gas Companies

August 2019

**Mainsheet Capital is a corporate strategy and corporate advisory firm that specialises in working across engineering, construction, mining, oil & gas, utilities, transport and industrial services sectors.**

- Mainsheet Capital routinely conducts a review of the performance of companies across the engineering, construction, infrastructure management, mining services and O&G services sectors to identify and understand the prevailing competitive and value creation dynamics.
- Within these sectors there are companies with a wide array of different sizes, capabilities and business models.
- It can be challenging to select the best context within which to analyse performance of this range businesses, however, we have conducted analysis of performance by:
  - Company
  - Sector
  - Business model
  - Capability
  - Technical domain
  - Size (number of employees and revenues)
  - Asset intensity
- This document sets out the analysis we have conducted in relation to a sample of listed O&G companies. Analysis of engineering, construction, infrastructure management and mining services companies and sectors is available on Mainsheet Capital's website:  
<https://www.mainsheet.com.au/economic-performance-and-value-creation-analysis/>

**Mainsheet Capital is experienced in assisting companies to position themselves to maximise their growth potential and value creating performance by addressing issues such as those outlined below.**

- Have you got clear and fact-based strategic plan to guide your direction and key decisions?
- Have you got all of the operational and technical capabilities to match new customer needs?
- Have you got the right geographic and sector footprint?
- Do you have the optimal business size and shape?
- Have you got the right capital structure and asset base to achieve your goals?
- Should you be considering mergers or acquisitions in order to best achieve your goals?
- Do you have a formal growth and long term value creation/exit strategy for the business?

**Mainsheet has a demonstrable track record of assisting companies to successfully address the key strategic, operational, financial and transactional issues and opportunities they face.**

# 3yr Average Capital Employed vs. 3yr Average Excess Returns

## 3yr Average Capital Employed vs. 3yr Average Excess Returns

FY16 – FY18

(\$m, %)

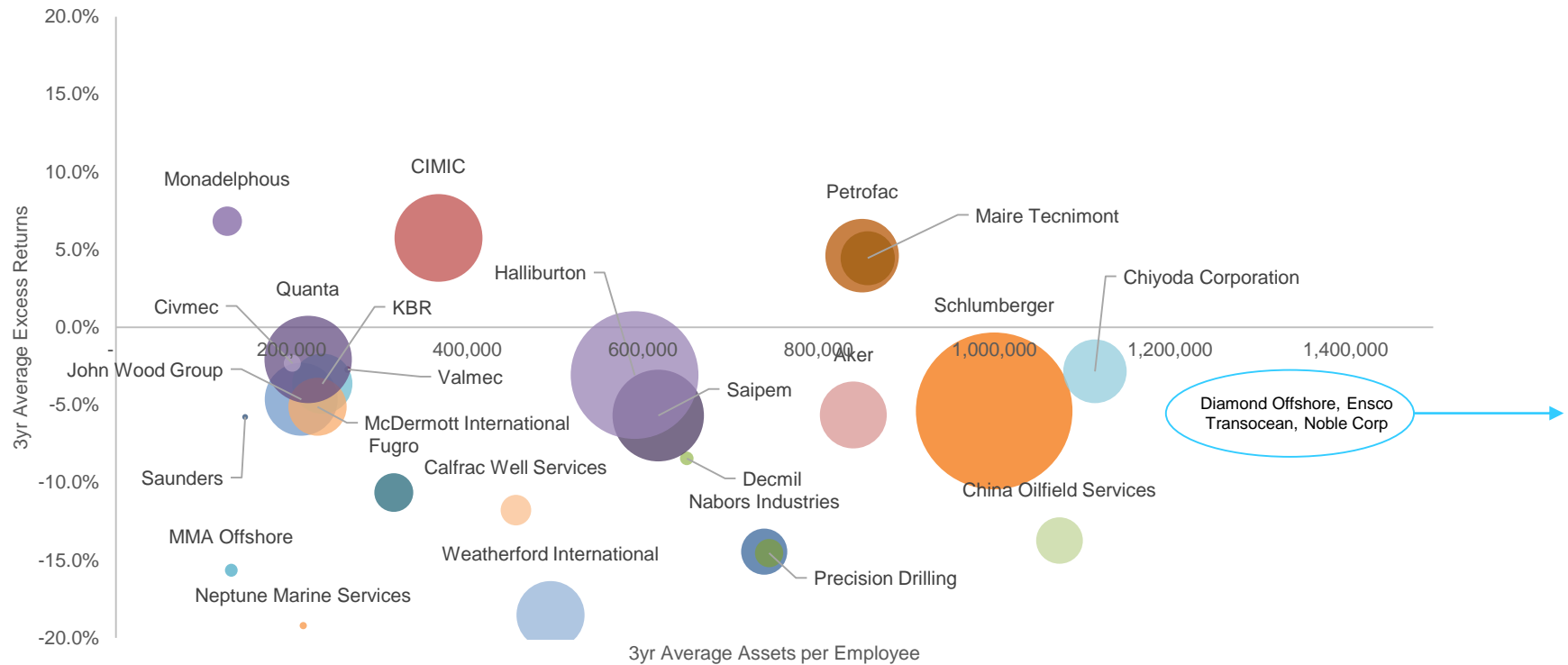


Note: Three Year Average include FY16-FY18 data  
 Source: Capital IQ, Company Websites

## 3yr Average Assets per Employee vs. 3yr Average Excess Return vs. Revenue

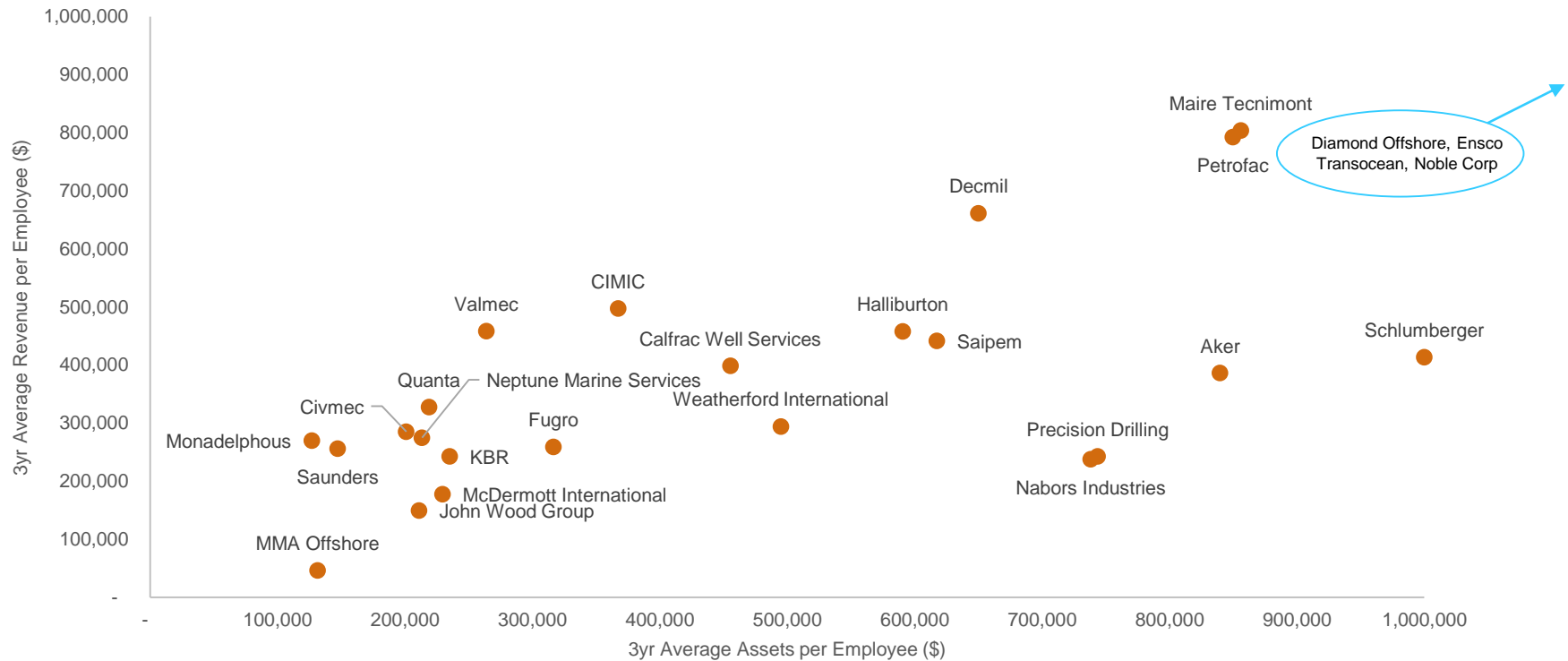
FY16 – FY18

(\$, %)



Note: Three Year Average include FY16-FY18 data, size of bubble denotes comparative revenue  
 Source: Capital IQ, Company Websites

**3yr Average Assets per Employee vs. 3yr Average Revenue per Employee**  
 FY16 – FY18  
 (\$, \$)



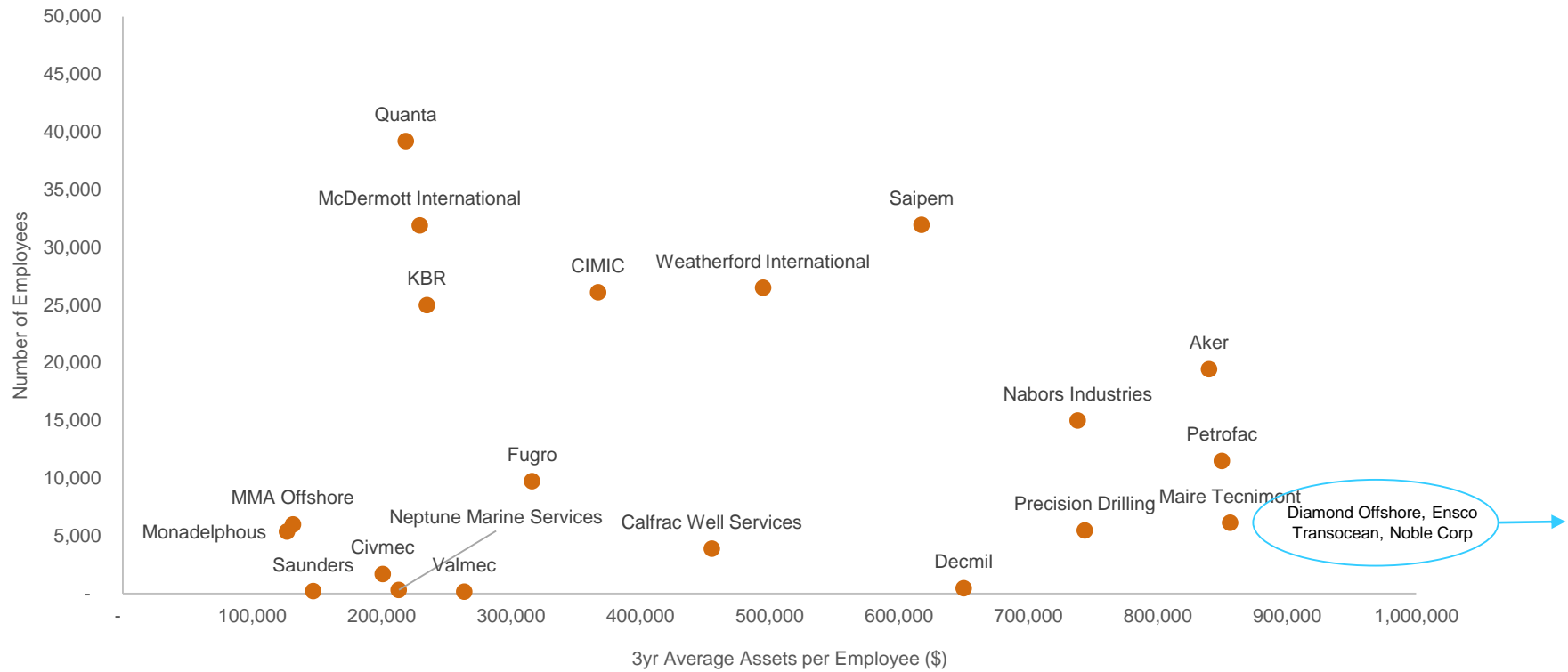
Note: Three Year Average include FY16-FY18 data  
 Source: Capital IQ, Company Websites

# 3yr Average Assets per Employee vs. Number of Employees

## 3yr Average Assets per Employee vs. Number of Employees

FY16 – FY18

(\$, units)



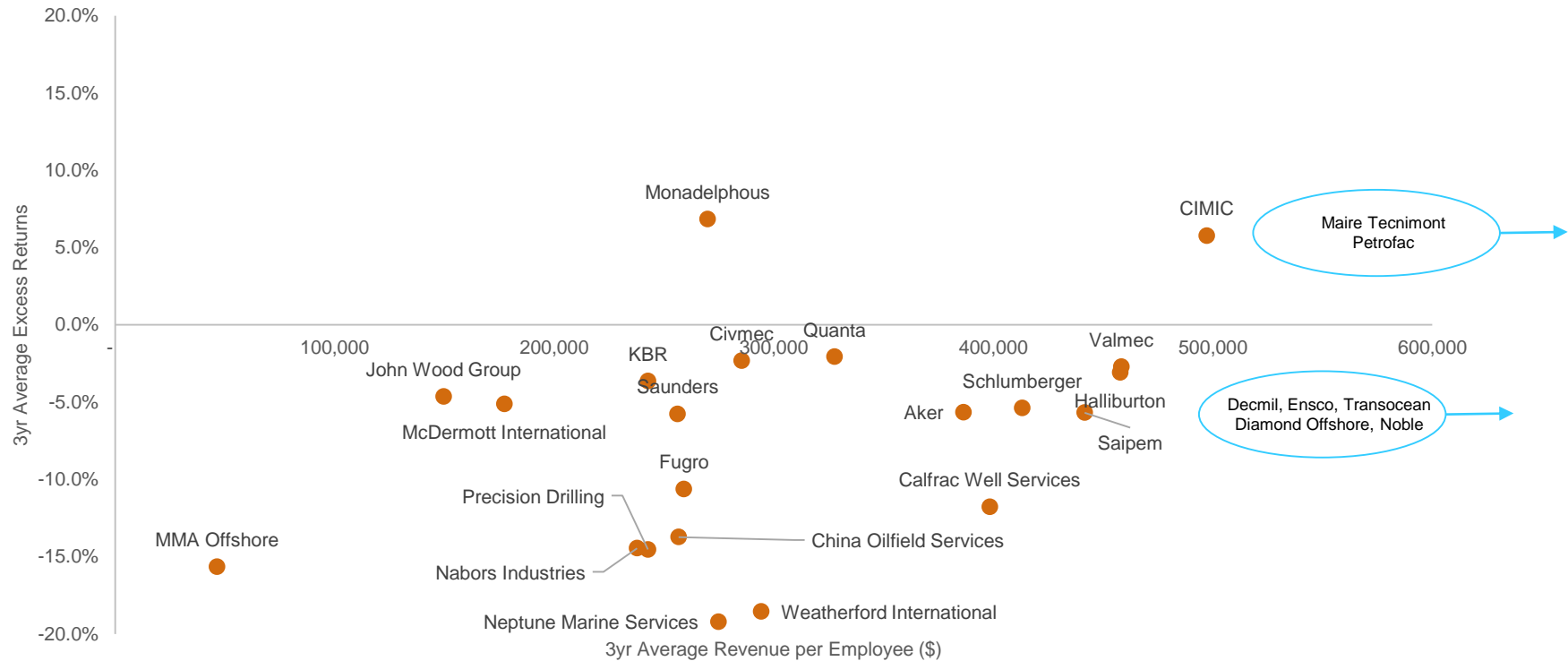
Note: Three Year Average include FY16-FY18 data  
 Source: Capital IQ, Company Websites

# 3yr Average Revenue per Employee vs. 3yr Average Excess Returns

## 3yr Average Revenue per Employee vs. 3yr Average Excess Returns

FY16 – FY18

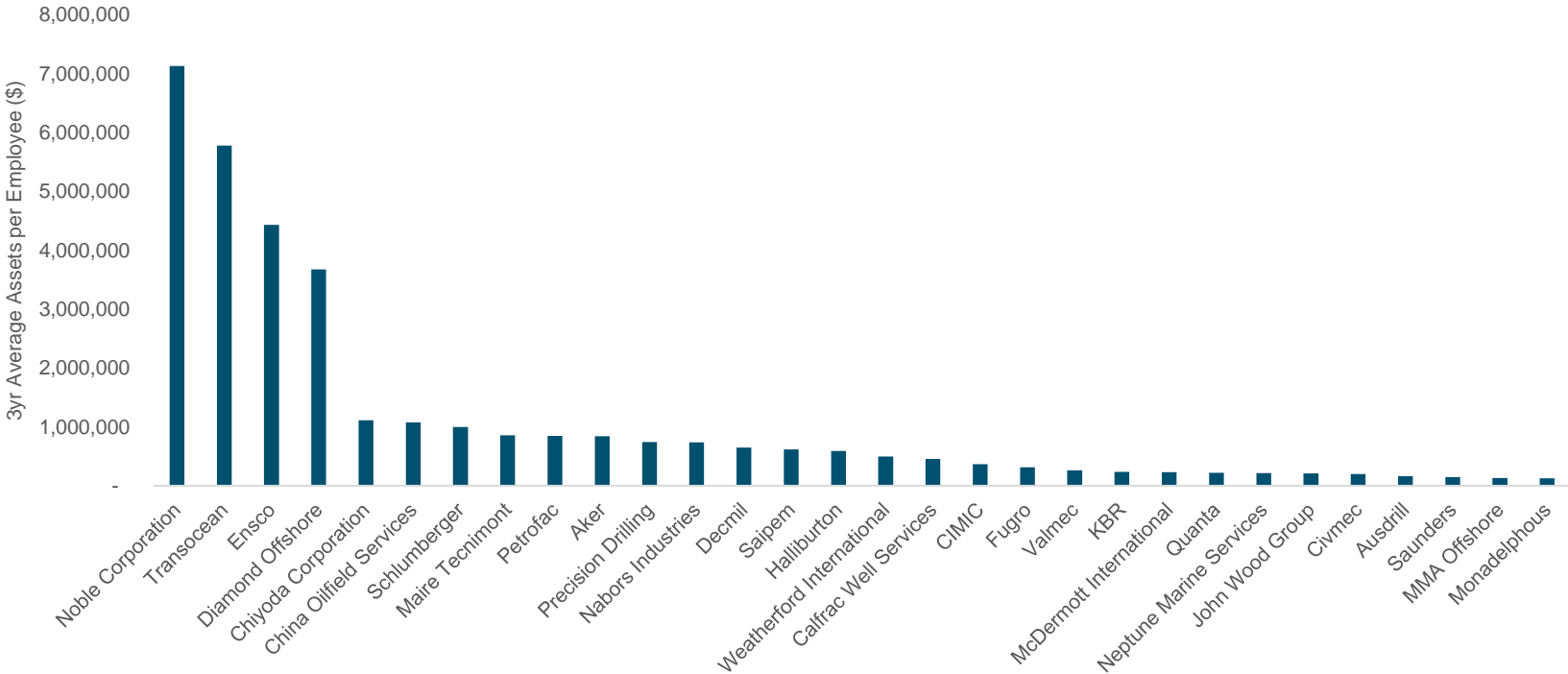
(\$, %)



Note: Three Year Average include FY16-FY18 data  
 Source: Capital IQ, Company Websites

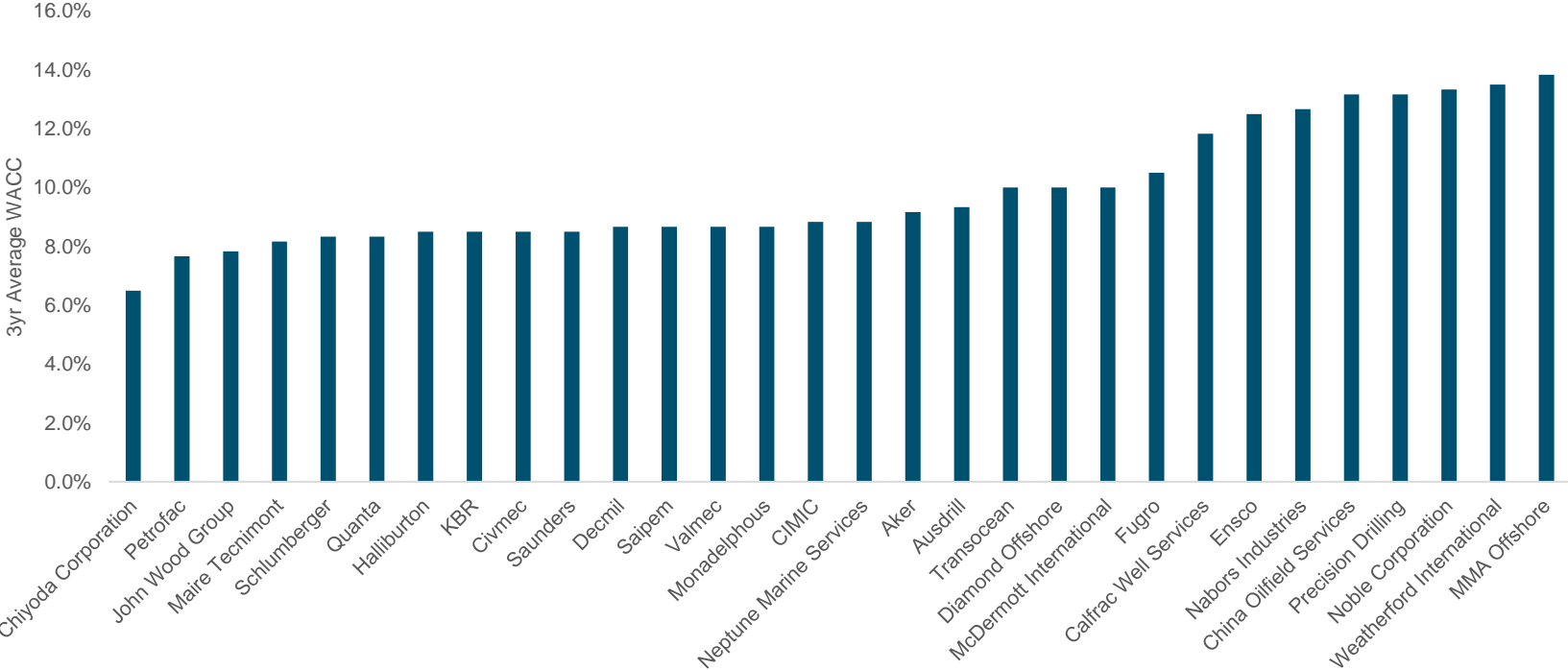


## 3yr Average Assets per Employee FY16 – FY18 (\$)



Note: Three Year Average include FY16-FY18 data  
Source: Capital IQ, Company Websites

**3yr Average WACC**  
 FY16 – FY18  
 (\$)



Note: Three Year Average include FY16-FY18 data  
 Source: Capital IQ, Company Websites

# Summary Data



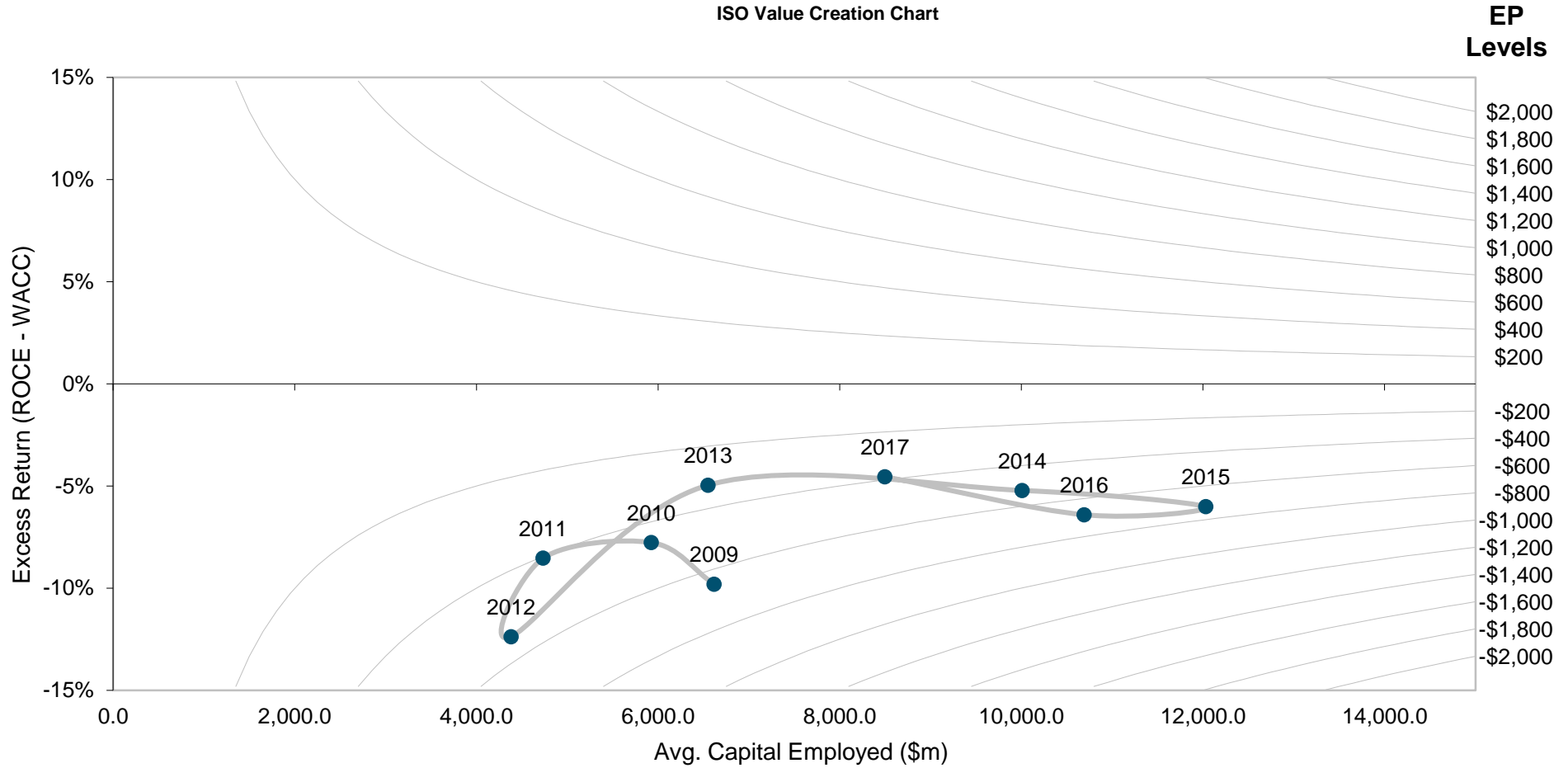
Company Name	Location	Average Revenue (3yr, AUD\$m)	Average EBIT (3yr AUD\$m)	Number of Employees	Average Economic Profit (3yr AUD\$m)	Average WACC (3yr)	Average Excess Return (3yr)	Average Revenue per Employee (3yr, AUD\$m)	Average Assets per Employee (3yr)	Average Capital Employed per Employee (3yr, AUD\$m)	Last FY D/E Ratio	Average D/E Ratio (3yr)
Schlumberger	United States	41,329	3,810	100,000	-4,466	8.3%	-5.4%	413,286	999,995	828,353	48.7%	48.3%
Halliburton	United States	27,471	2,451	60,000	-984	8.5%	-3.1%	457,844	590,641	531,280	109.6%	123.9%
Saipem	Italy	14,109	493	31,942	-714	8.7%	-5.7%	441,706	617,553	393,233	73.1%	70.2%
CIMIC	Australia	12,984	912	26,109	262	8.8%	5.8%	497,316	367,457	174,458	22.4%	28.2%
Quanta	United States	12,850	621	39,200	-129	8.3%	-2.1%	327,806	218,870	158,722	30.7%	19.7%
Petrofac	Jersey	9,115	704	11,500	216	7.7%	4.6%	792,598	849,744	408,272	107.7%	181.3%
John Wood Group	United Kingdom	8,938	321	59,700	-397	7.8%	-4.6%	149,708	211,159	143,083	63.7%	54.9%
Weatherford International	Switzerland	7,799	-907	26,500	-2,212	13.5%	-18.5%	294,286	495,052	449,981	-	-
Aker	Norway	7,515	463	19,444	-589	9.2%	-5.7%	386,485	839,771	535,229	70.2%	107.2%
Chiyoda Corporation	Japan	6,809	73	4,989	-54	6.5%	-2.8%	1,364,774	1,114,805	380,154	6.3%	6.0%
KBR	United States	6,071	285	25,000	-133	8.5%	-3.6%	242,833	235,071	146,149	73.4%	69.3%
McDermott International	United States	5,660	290	31,900	-208	10.0%	-5.1%	177,427	229,630	127,007	332.1%	136.4%
Ausdrill	Australia	802	60	7,502	-54	9.0%	-5.1%	106,914	164,645	141,326	52.2%	59.9%
Civeo	United States	567	-74	2,200	-189	11.8%	-15.8%	257,706	571,729	543,141	70.3%	68.8%

Note: Three Year Average include FY16-FY18 data  
Source: Capital IQ, Company Websites

# Summary Data

Company Name	Location	Average Revenue (3yr, AUD\$mm)	Average EBIT (3yr AUD\$mm)	Number of Employees	Average Economic Profit (3yr AUD\$mm)	Average WACC (3yr)	Average Excess Return (3yr)	Average Revenue per Employee (3yr, AUD\$mm)	Average Assets per Employee (3yr)	Average Capital Employed per Employee (3yr, AUD\$mm)	Last FY D/E Ratio	Average D/E Ratio (3yr)
Maire Tecnimont	Italy	4,936	252	6,140	64	8.2%	4.4%	803,834	856,092	235,898	185.9%	232.9%
Transocean	Switzerland	4,528	821	5,900	-2,601	10.0%	-8.1%	767,508	5,778,959	5,472,251	76.1%	62.5%
China Oilfield Services	China	3,665	-138	14,274	-1,924	13.2%	-13.7%	256,726	1,074,330	981,084	80.5%	86.0%
Nabors Industries	Bermuda	3,567	-294	15,000	-1,445	12.7%	-14.5%	237,818	738,249	666,047	113.7%	117.3%
EnSCO	United Kingdom	2,873	382	4,400	-2,003	12.5%	-10.9%	652,918	4,431,773	4,188,648	61.9%	60.1%
Fugro	Netherlands	2,525	-3	9,744	-265	10.5%	-10.6%	259,121	316,471	255,601	104.3%	83.4%
Noble Corporation	United Kingdom	2,039	249	2,000	-1,653	13.3%	-12.1%	1,019,328	7,130,822	6,812,368	83.3%	72.8%
Diamond Offshore	United States	1,824	217	2,300	-712	10.0%	-8.5%	792,893	3,677,839	3,621,858	55.1%	54.3%
Calfrac Well Services	Canada	1,554	1	3,900	-186	11.8%	-11.8%	398,452	455,487	405,726	192.7%	189.4%
Monadelphous	Australia	1,452	88	5,378	27	8.7%	6.8%	269,962	126,932	74,217	5.3%	4.6%
Precision Drilling	Canada	1,328	-81	5,471	-582	13.2%	-14.5%	242,740	743,715	731,205	109.5%	100.8%
Civmec	Australia	485	20	1,700	-5	8.5%	-2.3%	285,412	200,958	129,076	57.8%	37.7%
Decmil	Australia	306	1	463	-21	8.7%	-8.4%	661,207	650,174	530,464	0.4%	1.5%
MMA Offshore	Australia	279	-22	6,000	-132	13.8%	-15.7%	46,496	131,497	140,110	79.7%	88.0%
Neptune Marine Services	Australia	89	-8	325	-12	8.8%	-19.2%	274,934	213,361	196,063	0.8%	0.8%
Valmec	Australia	76	2	165	-1	8.7%	-2.7%	458,382	263,996	168,731	30.7%	48.3%
Saunders	Australia	54	1	212	-1	8.5%	-5.8%	256,291	147,280	98,346	1.8%	4.8%
Mitchell Services	Australia	49	-3	350	-6	10.5%	-18.2%	139,022	130,450	91,159	94.8%	95.8%

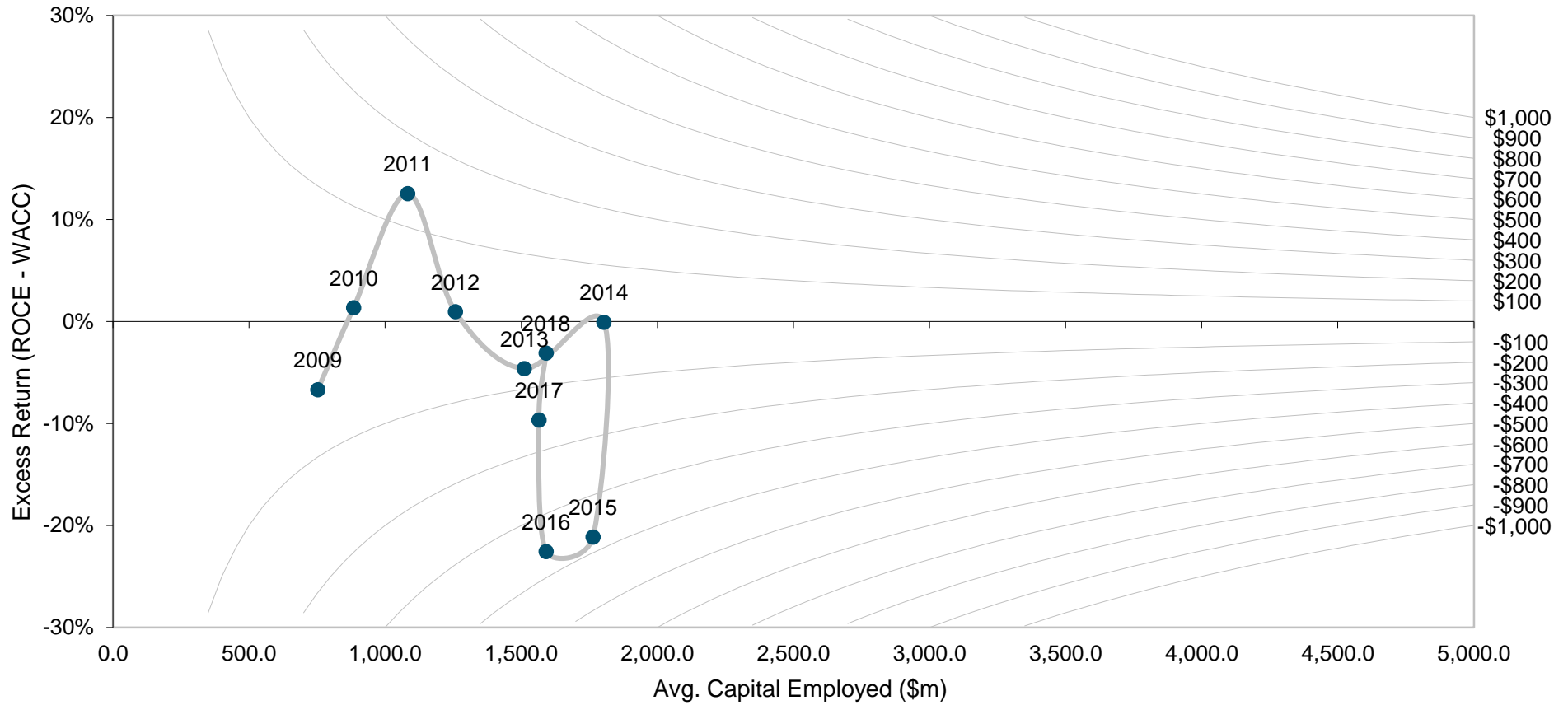
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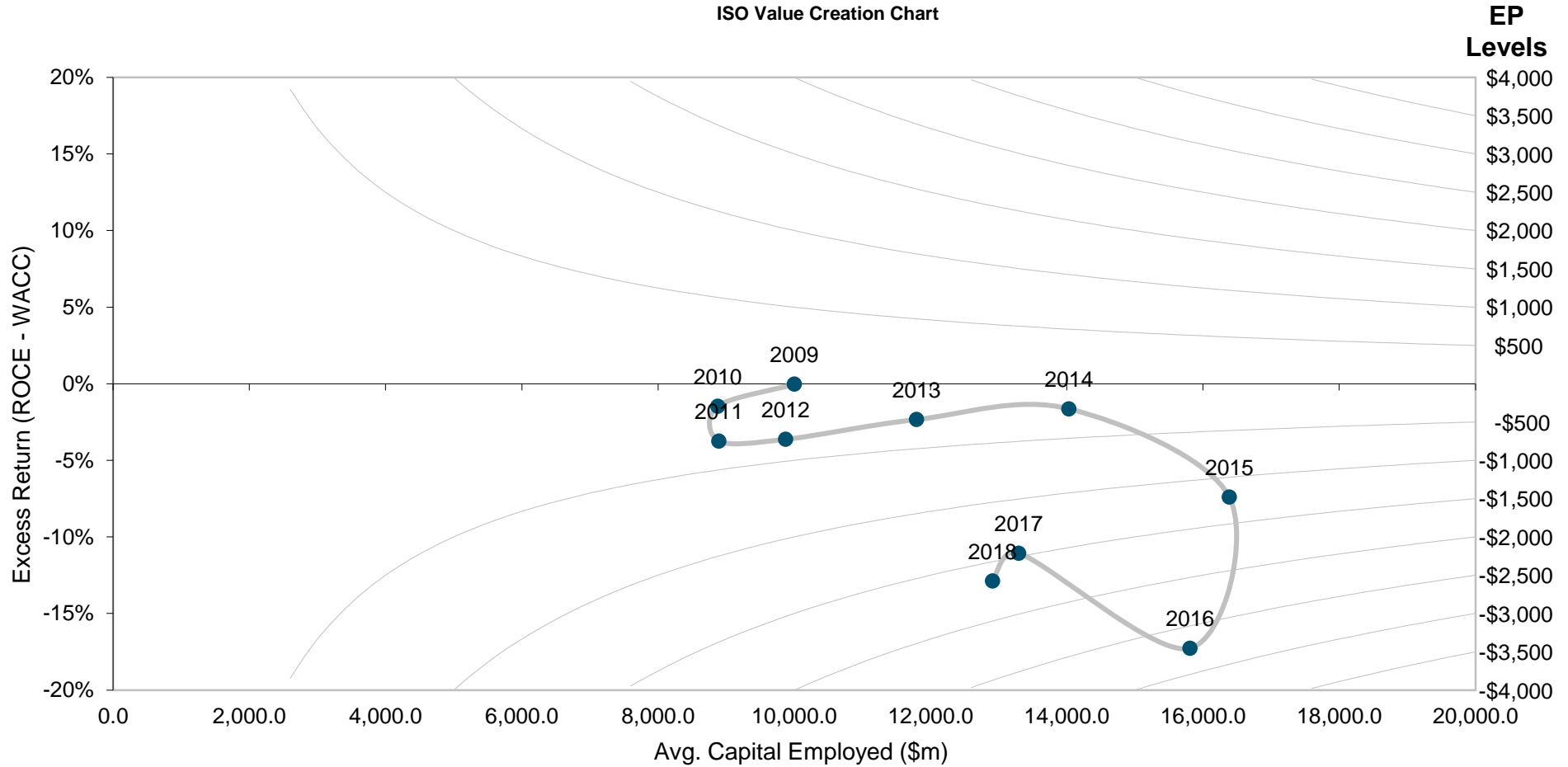
Source: Capital IQ

ISO Value Creation Chart

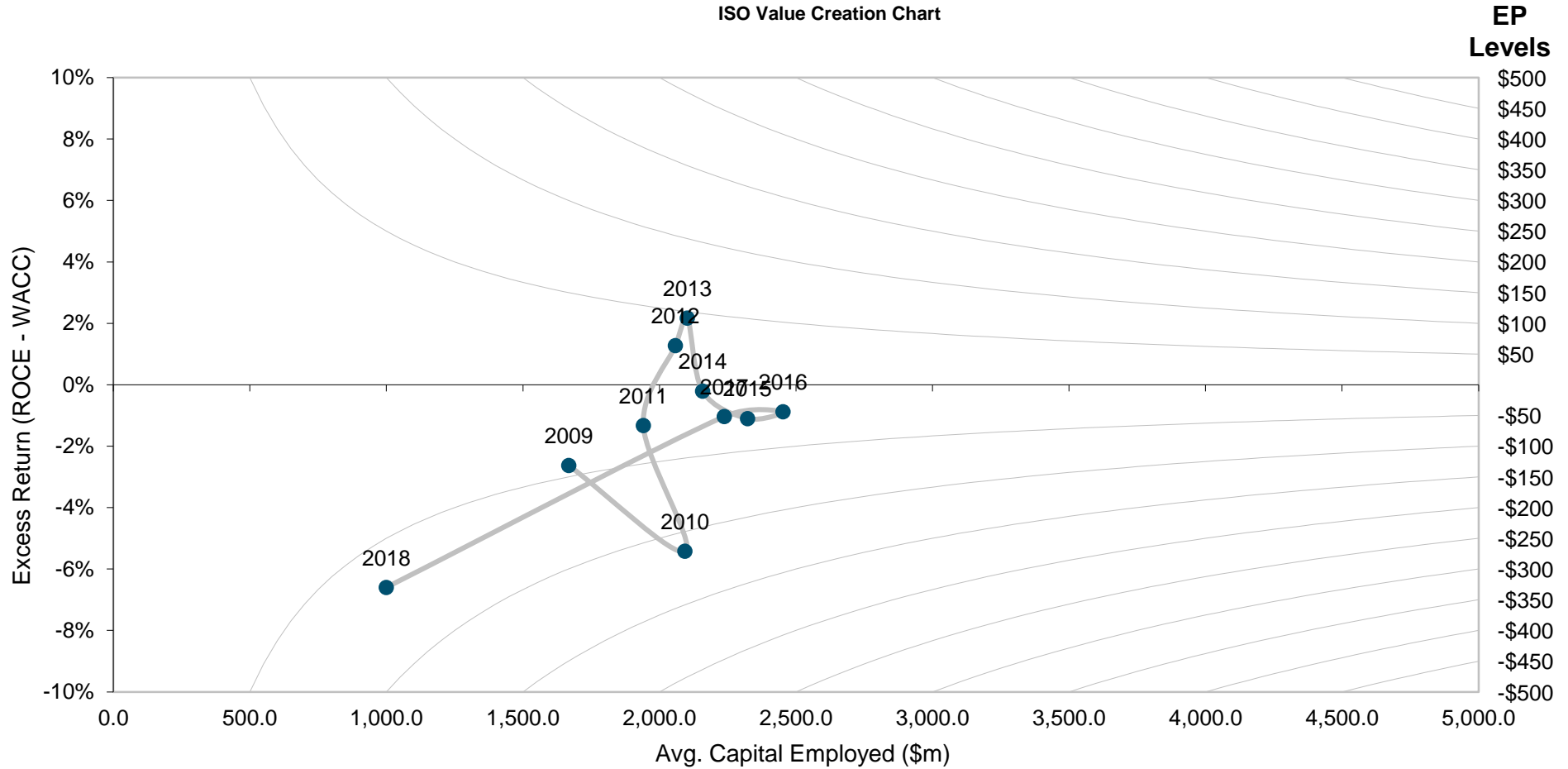
EP  
Levels



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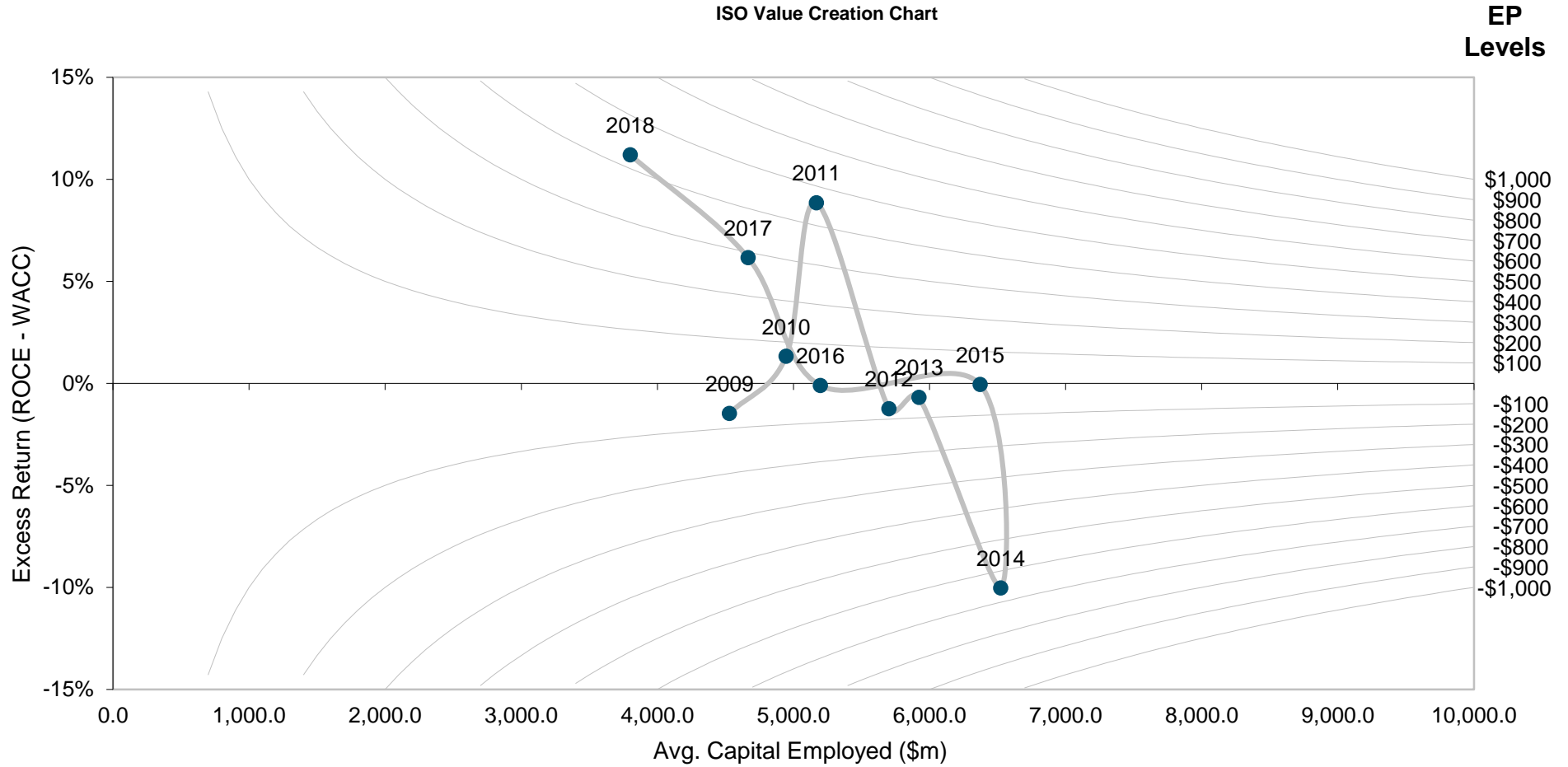


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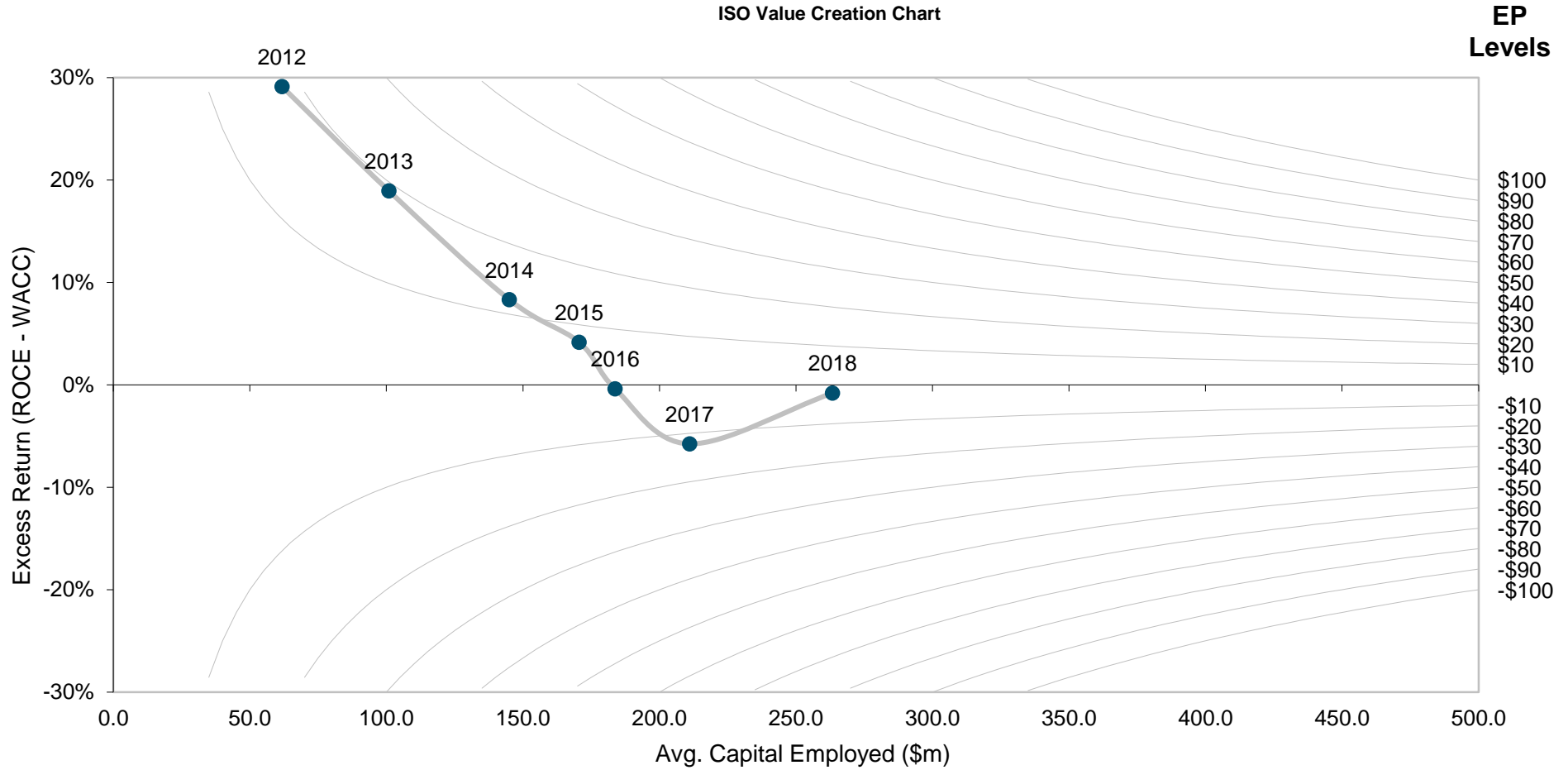


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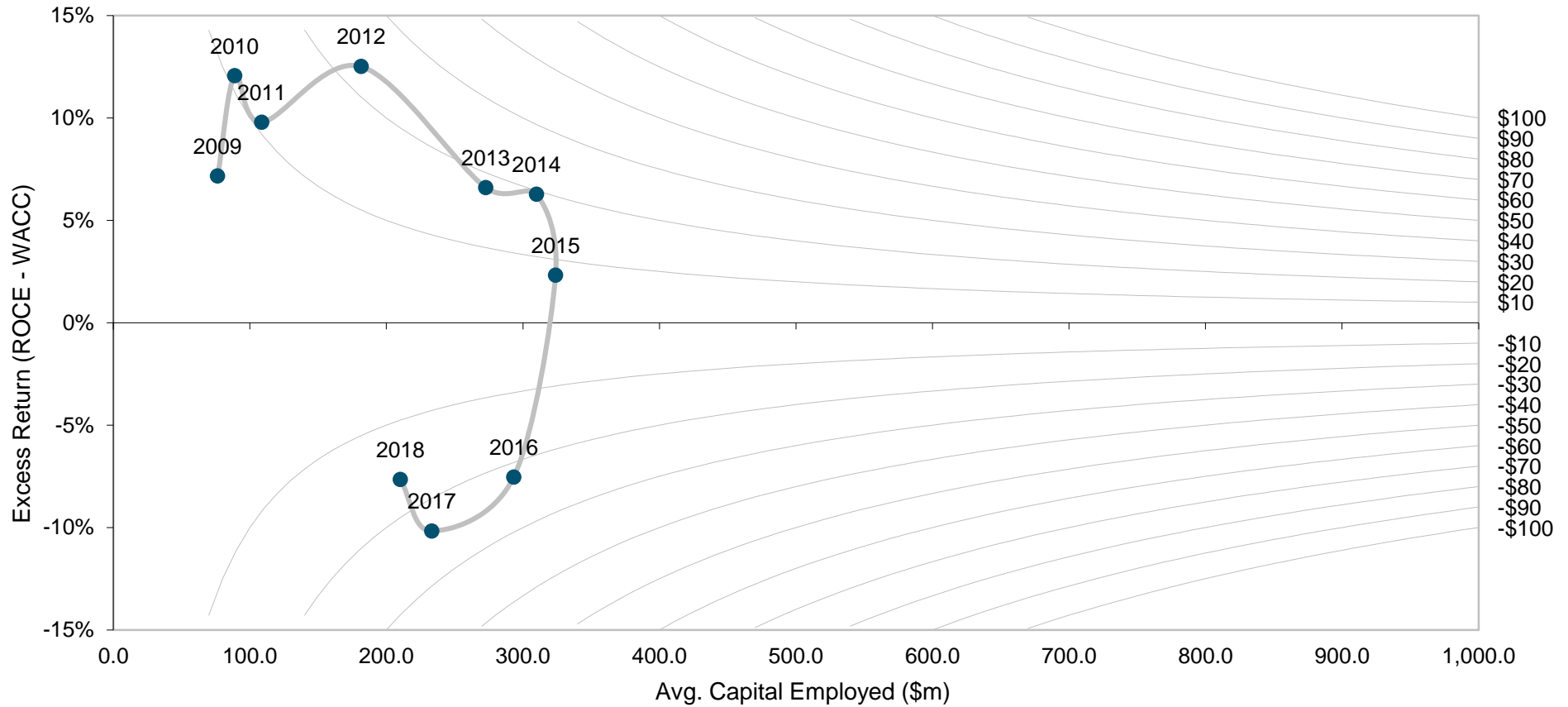
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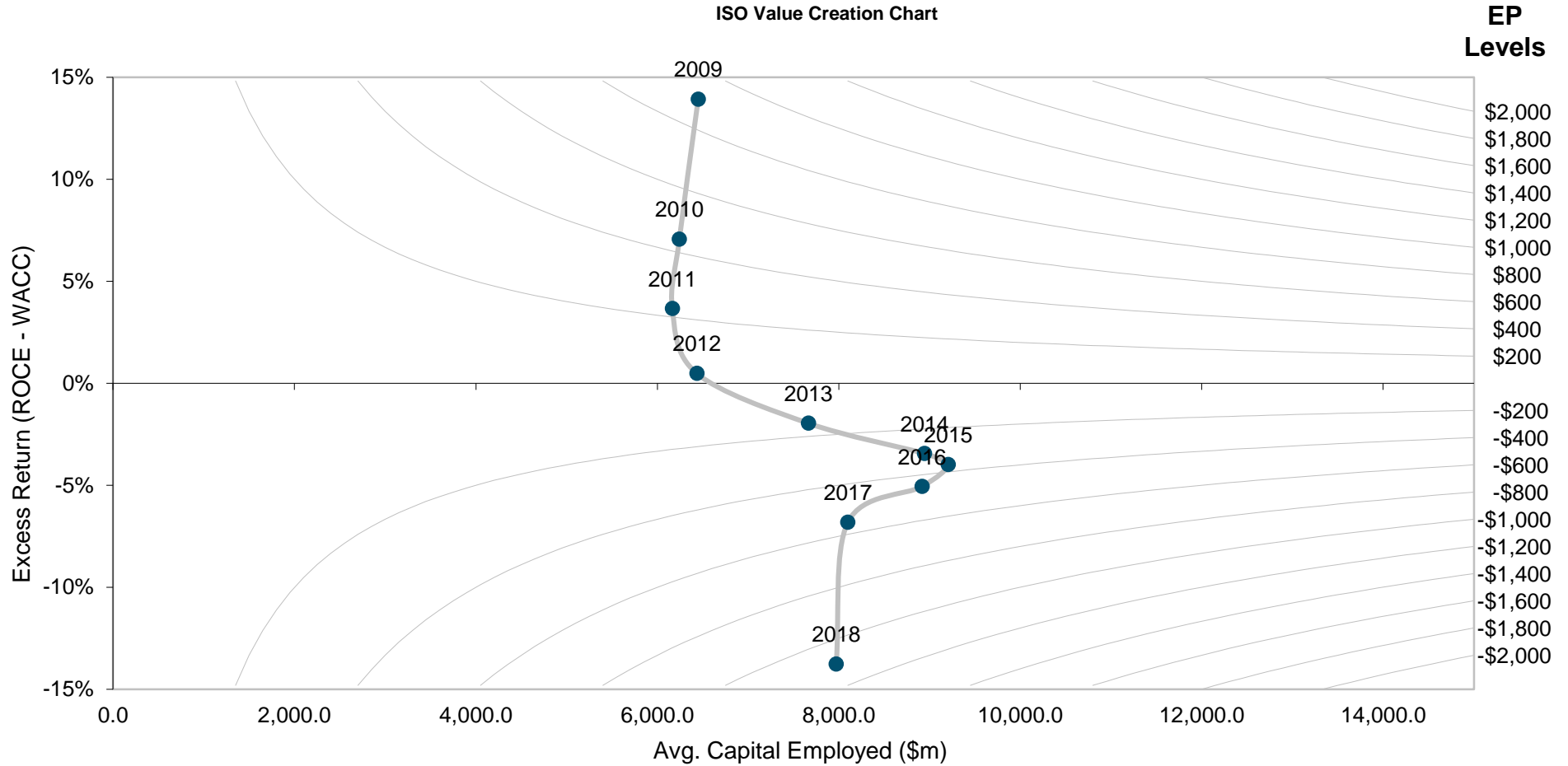
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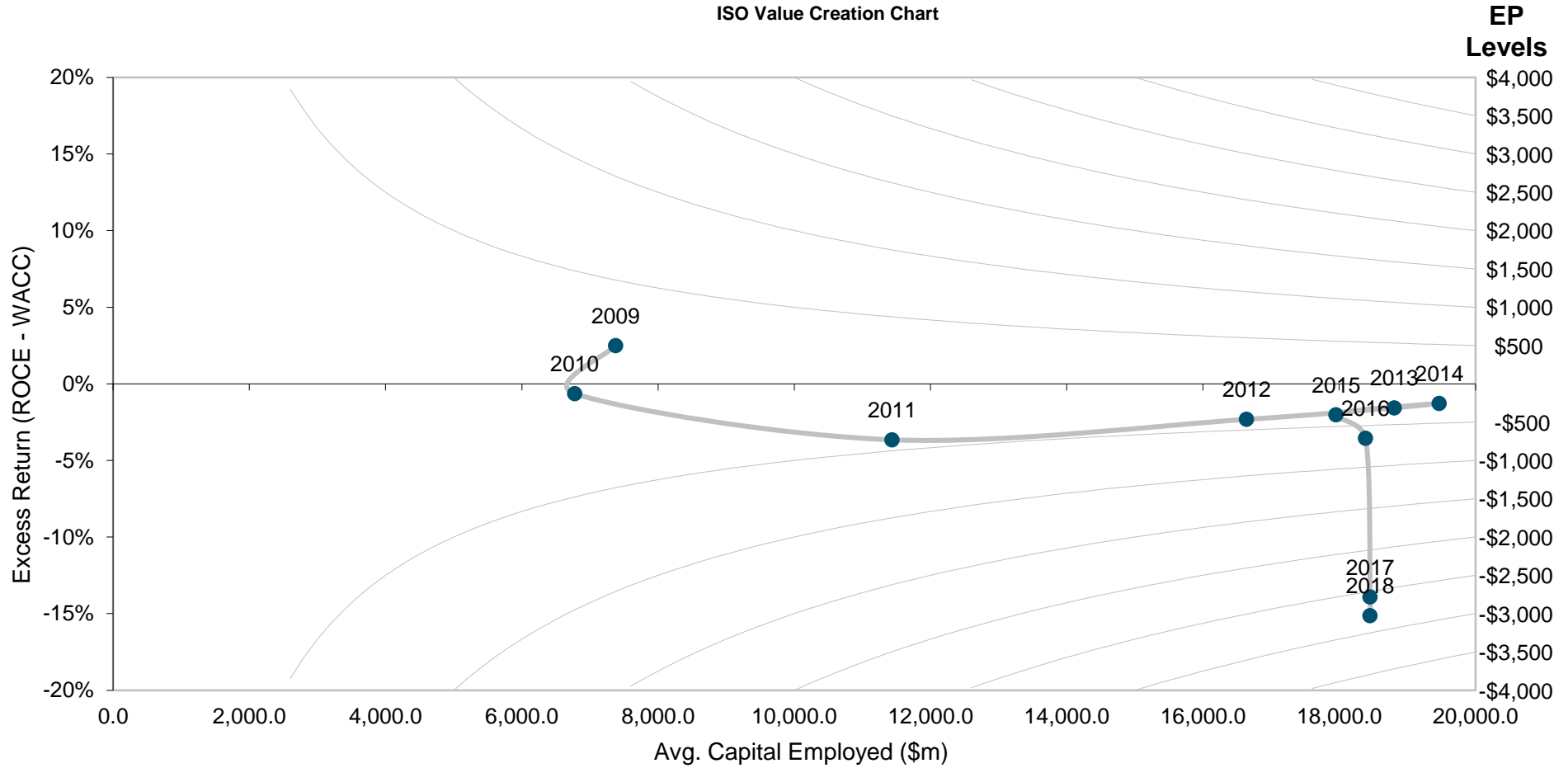
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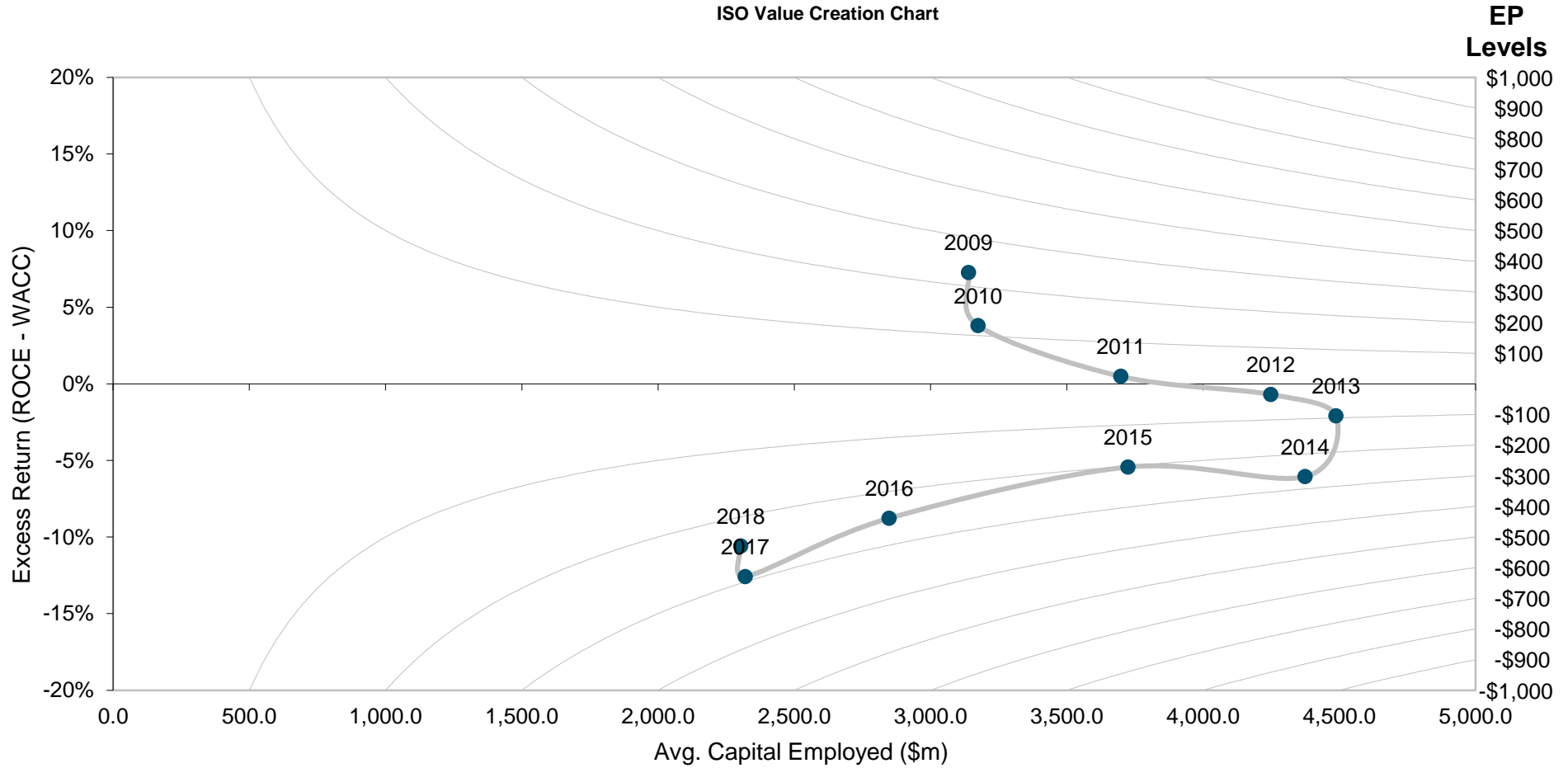
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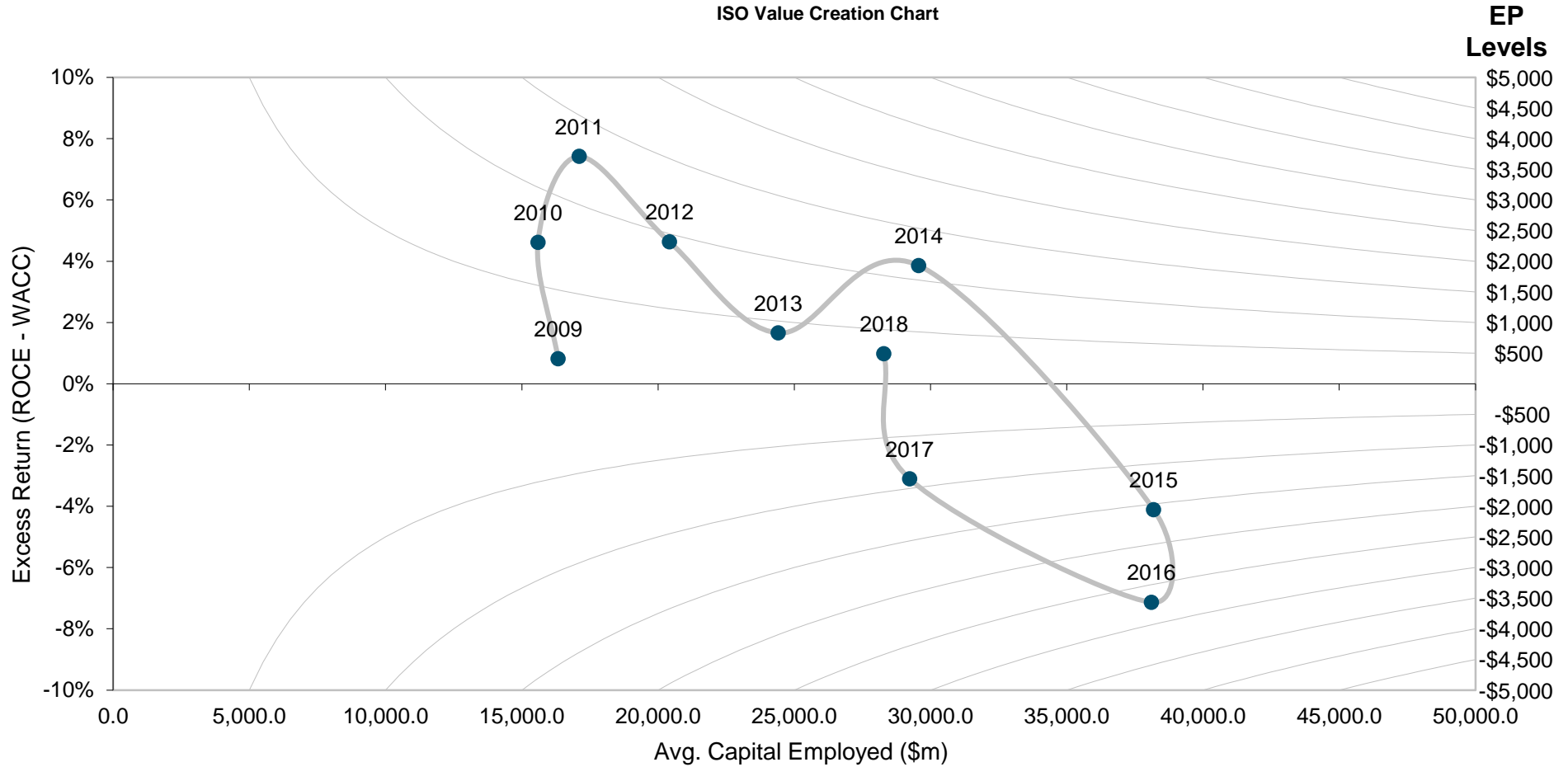
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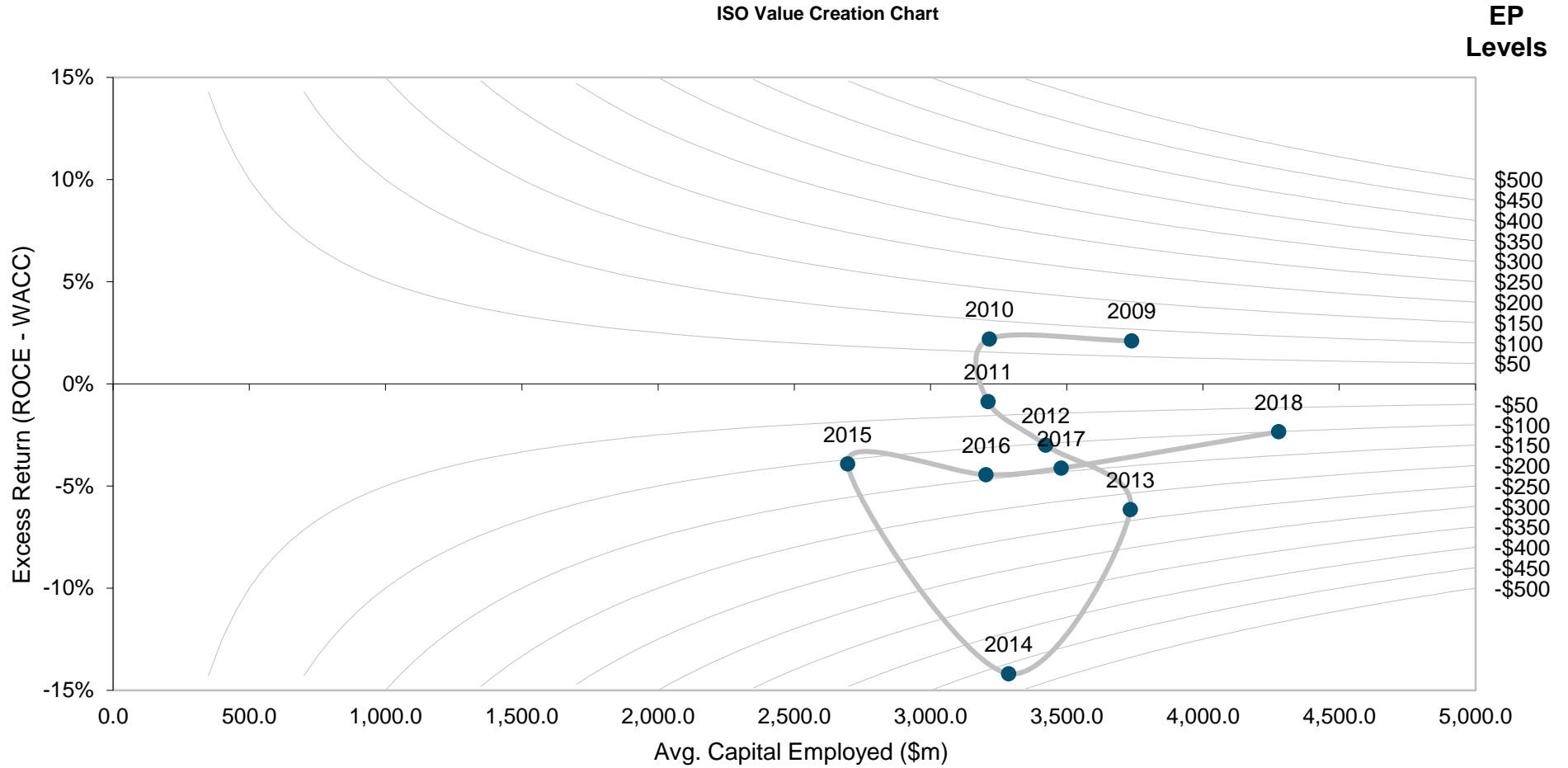
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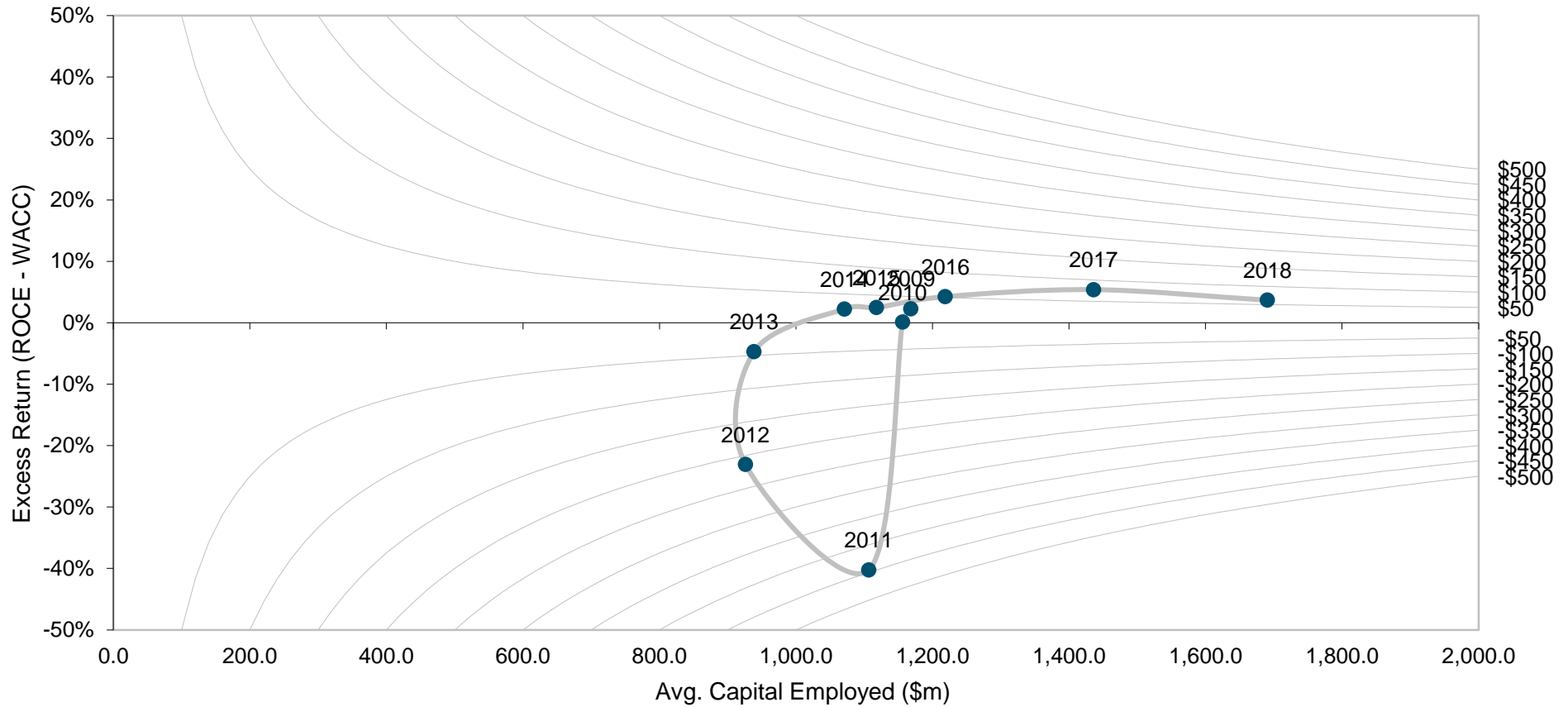


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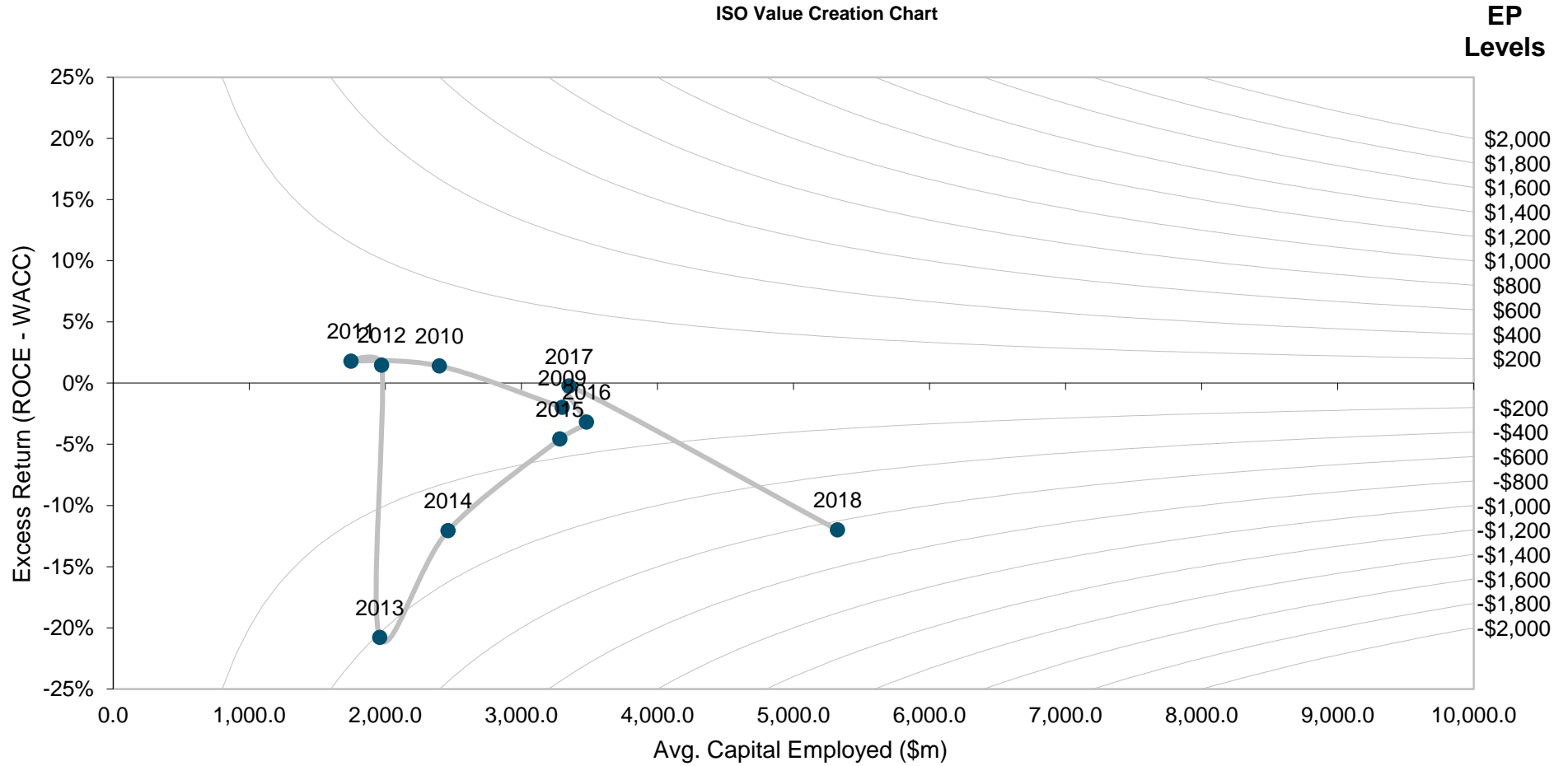


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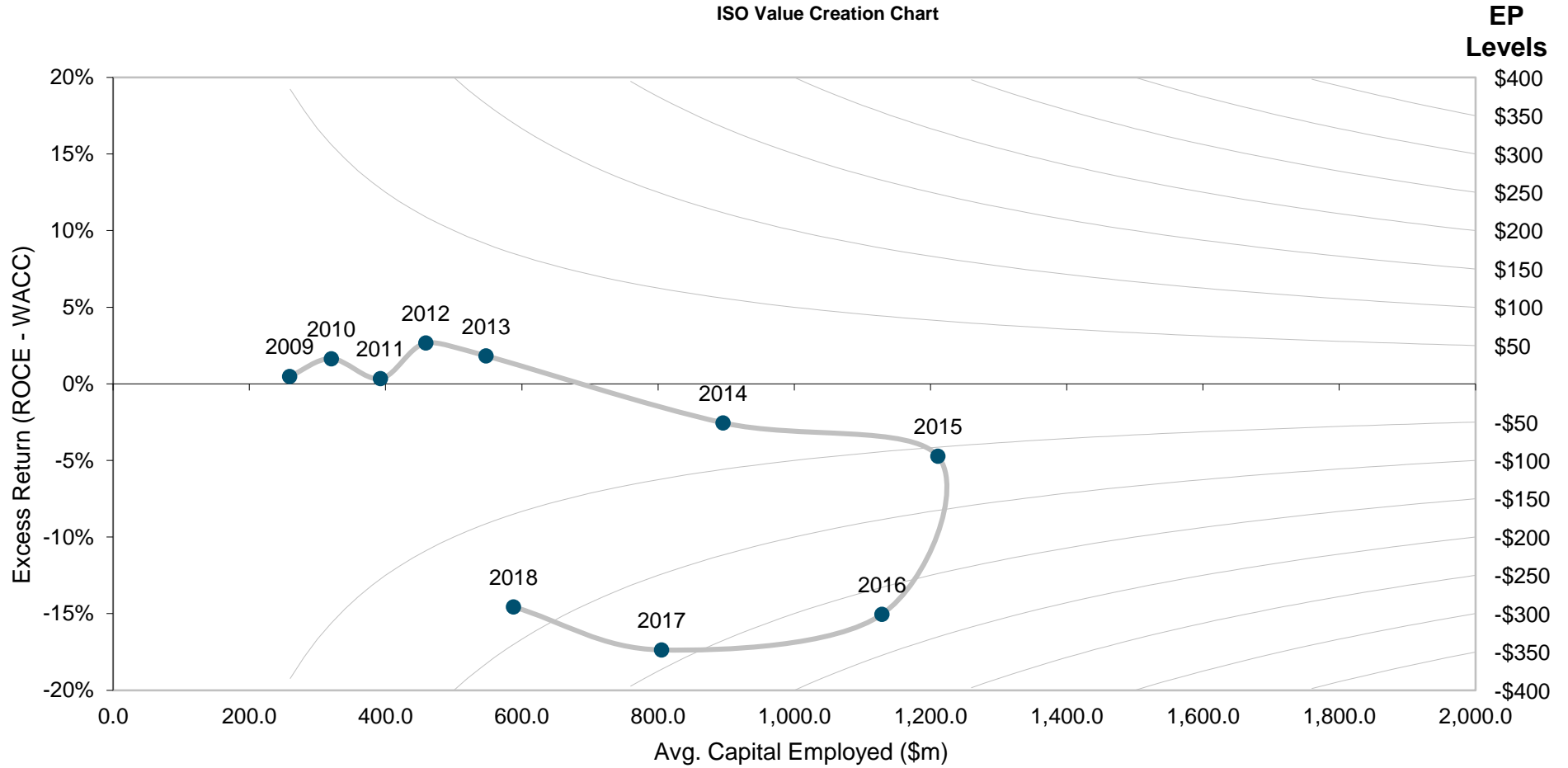
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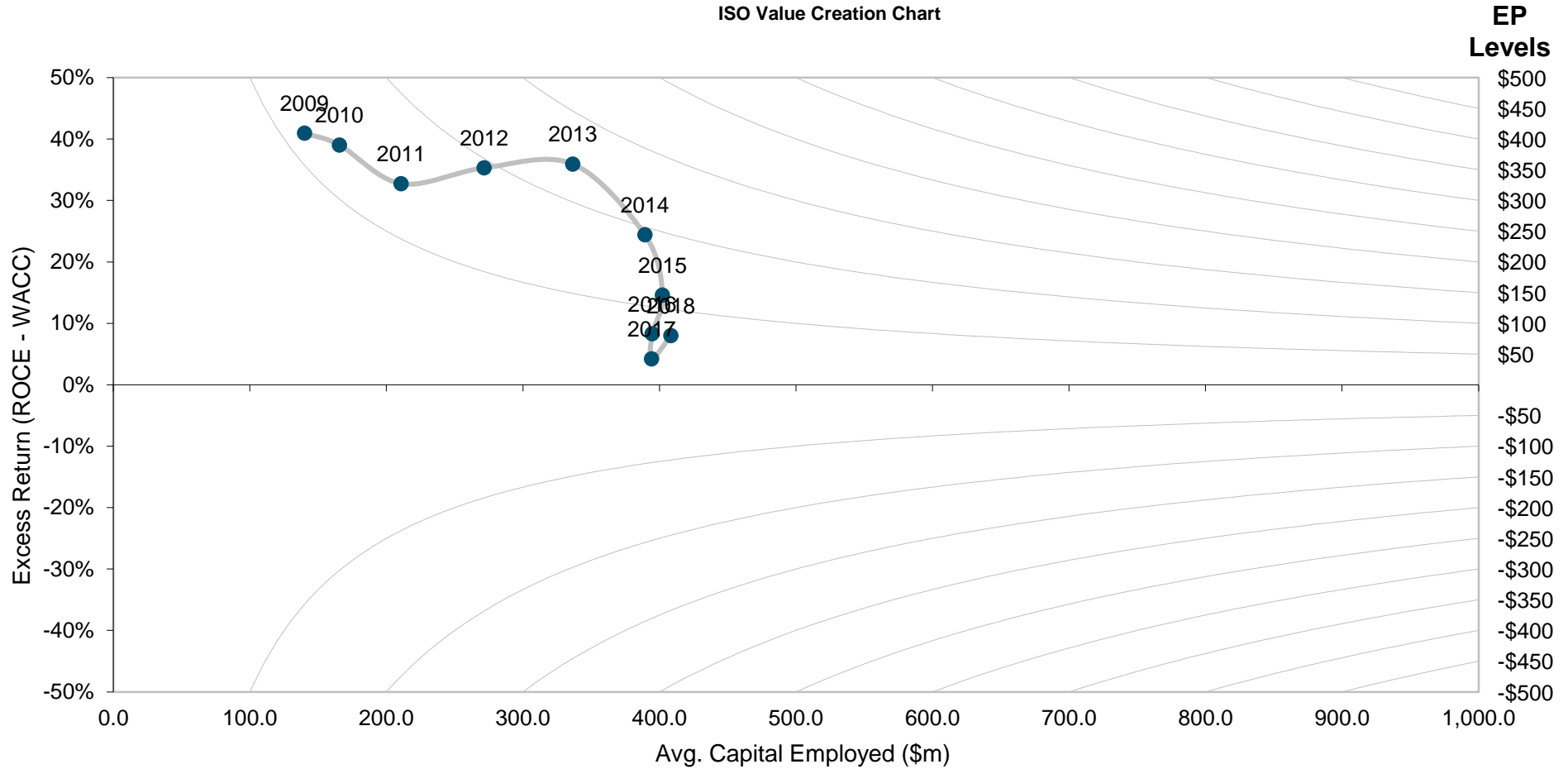
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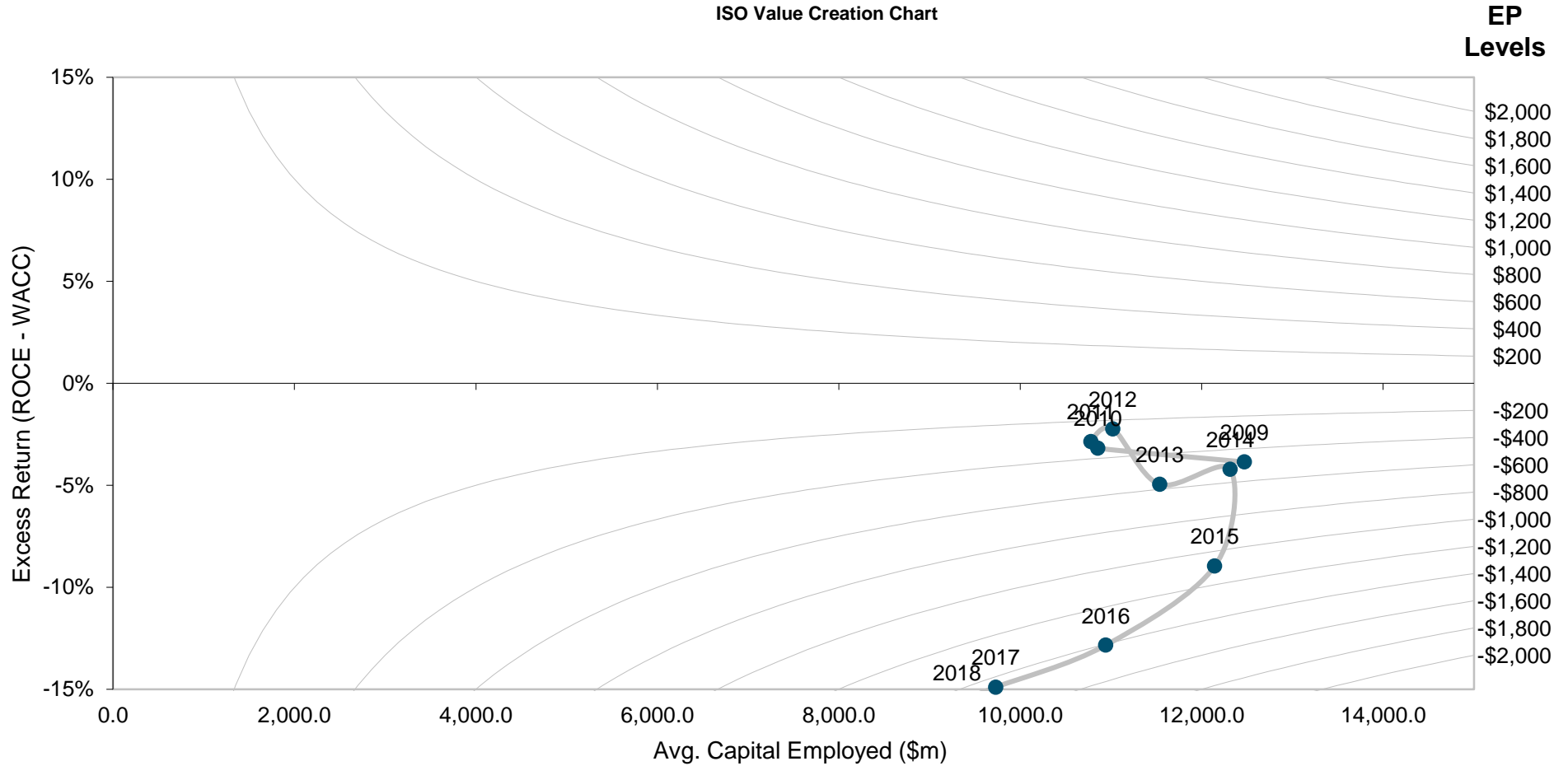
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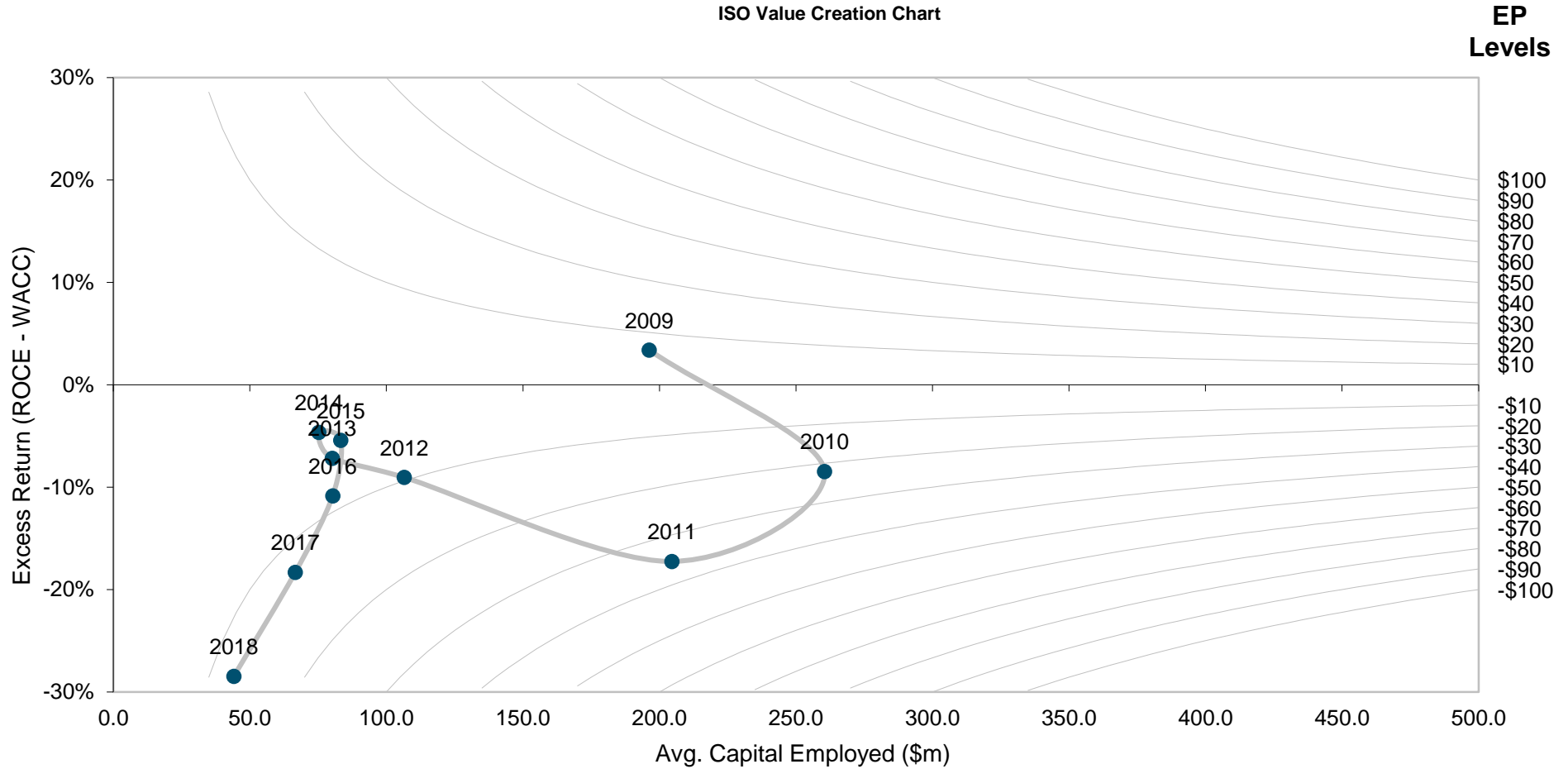
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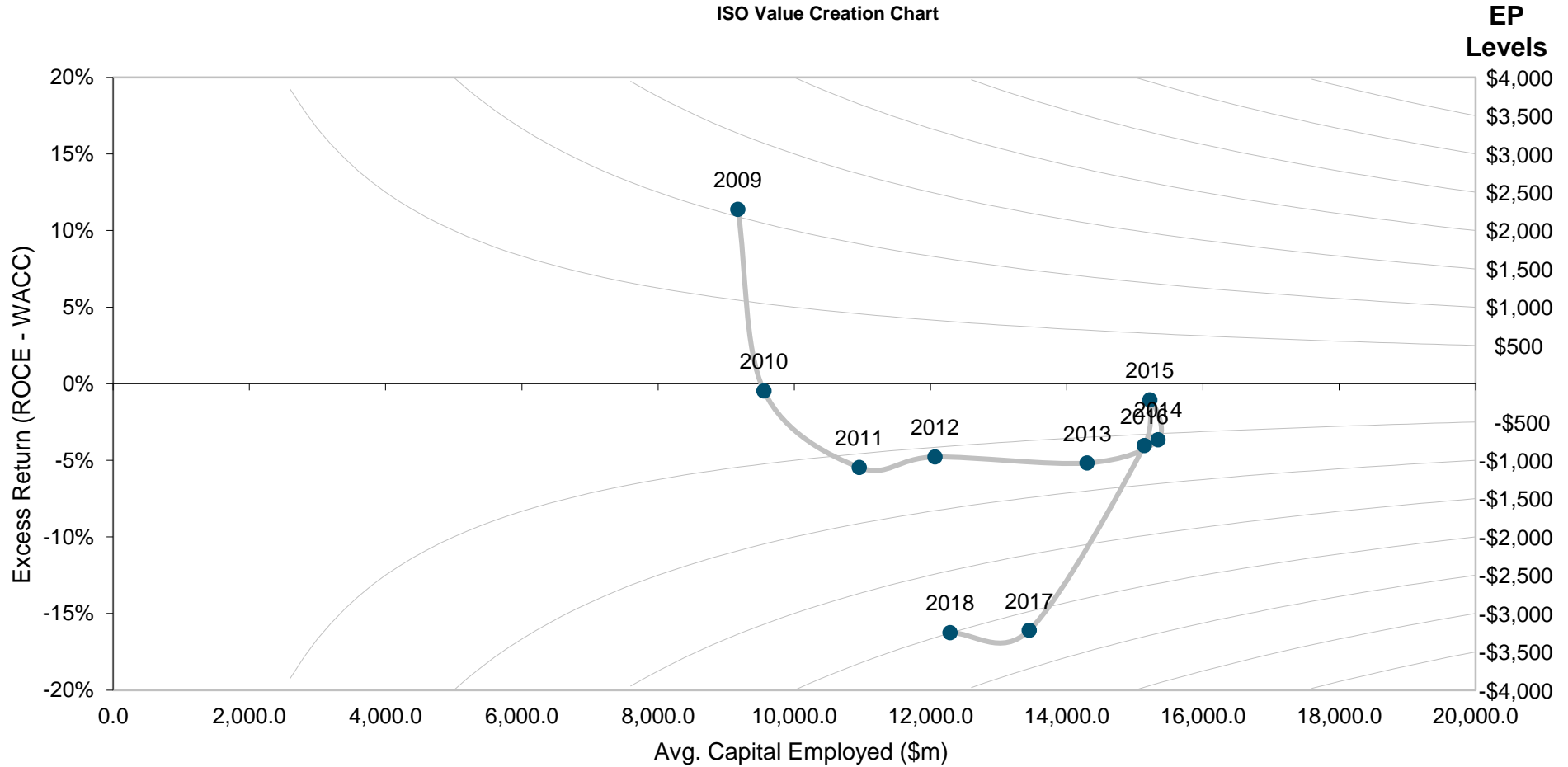
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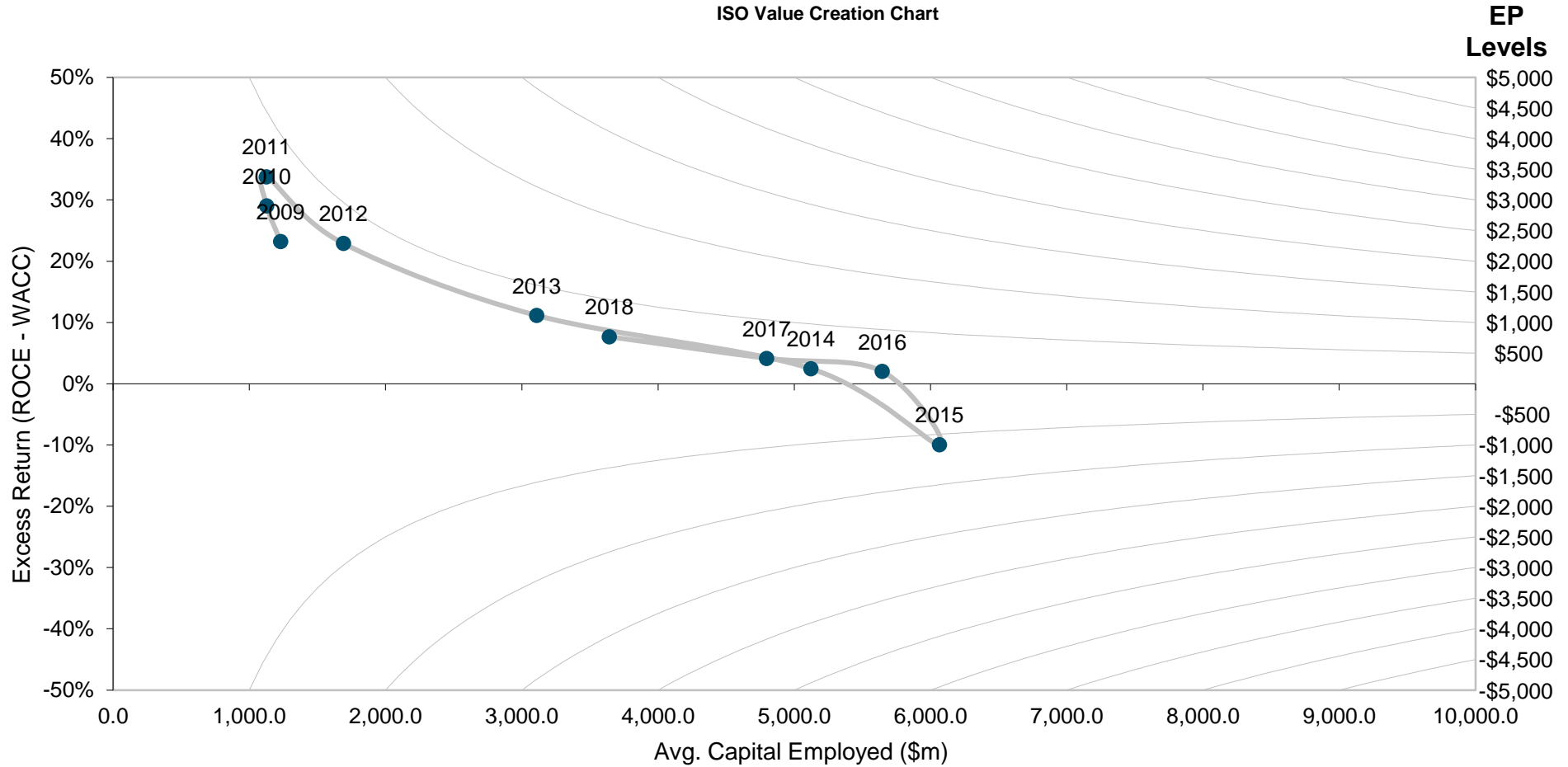
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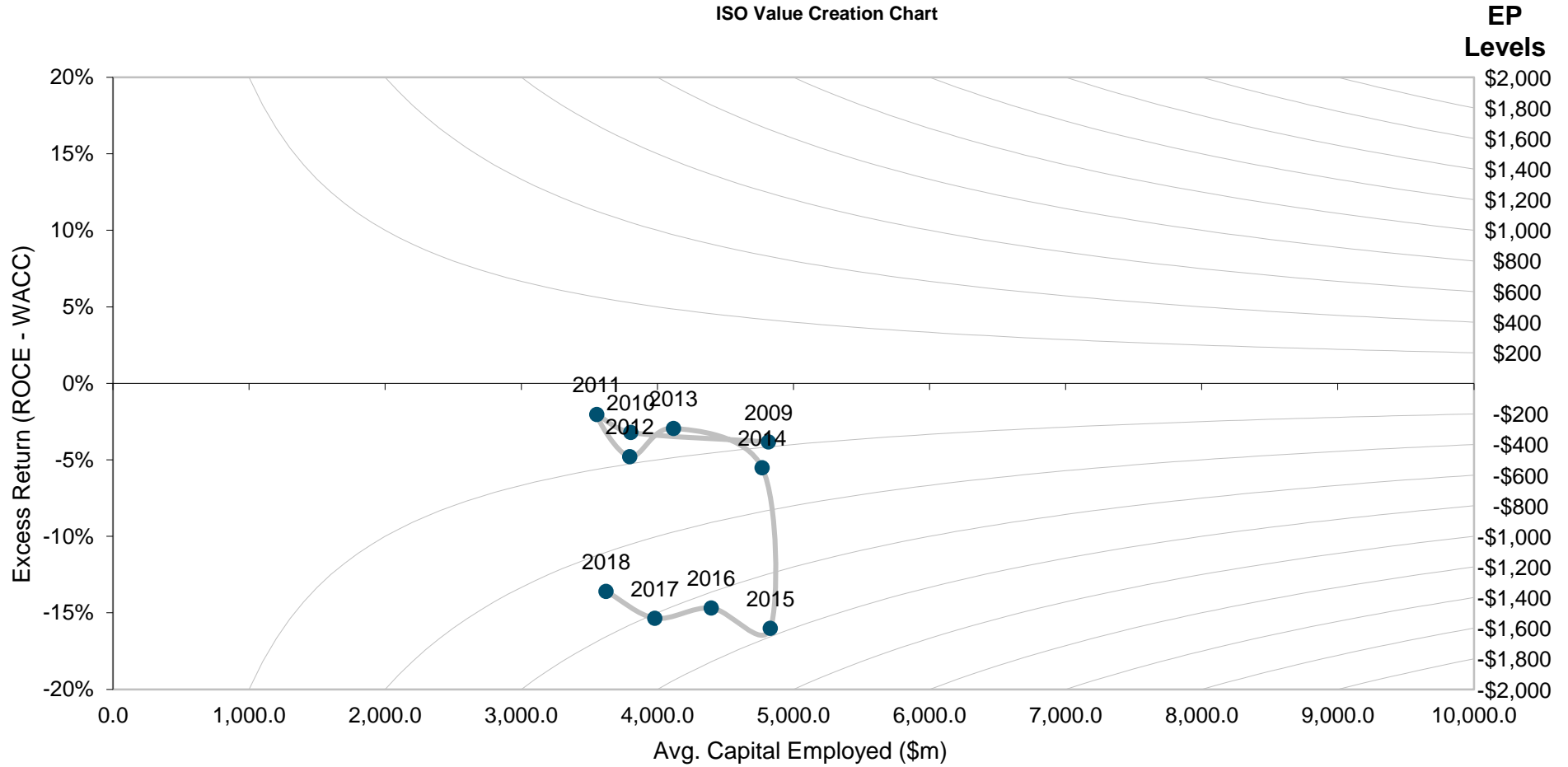


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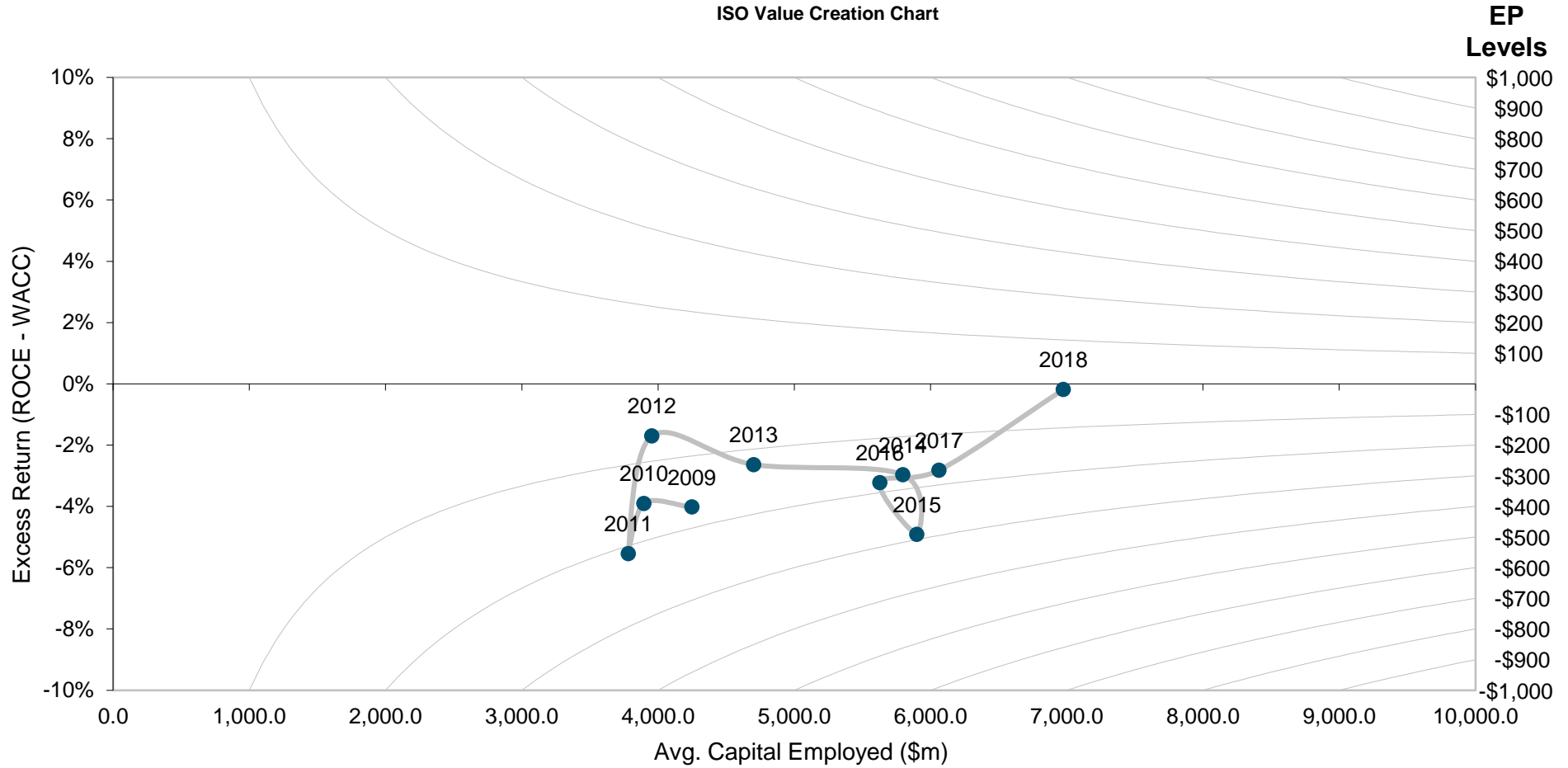


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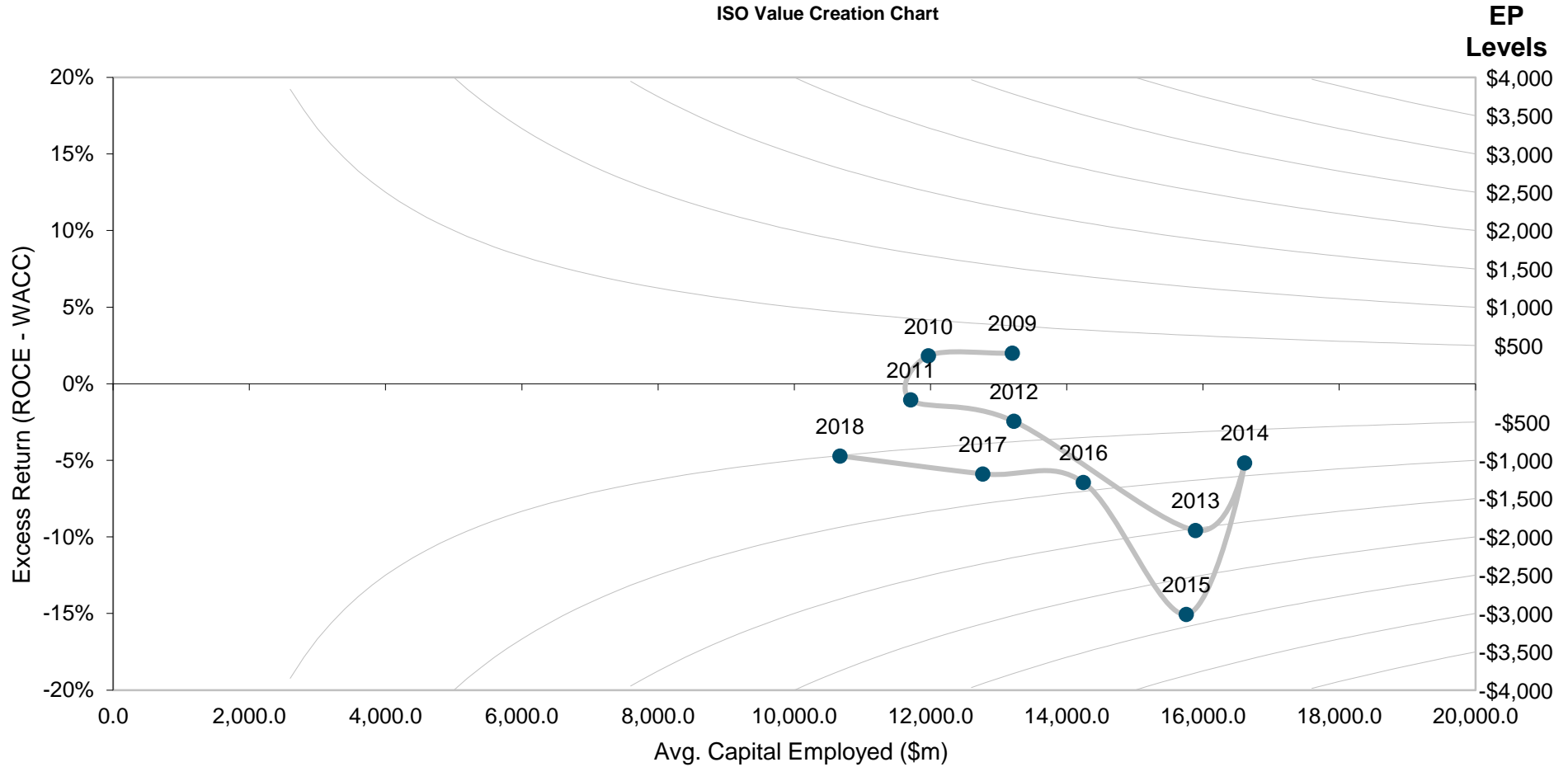




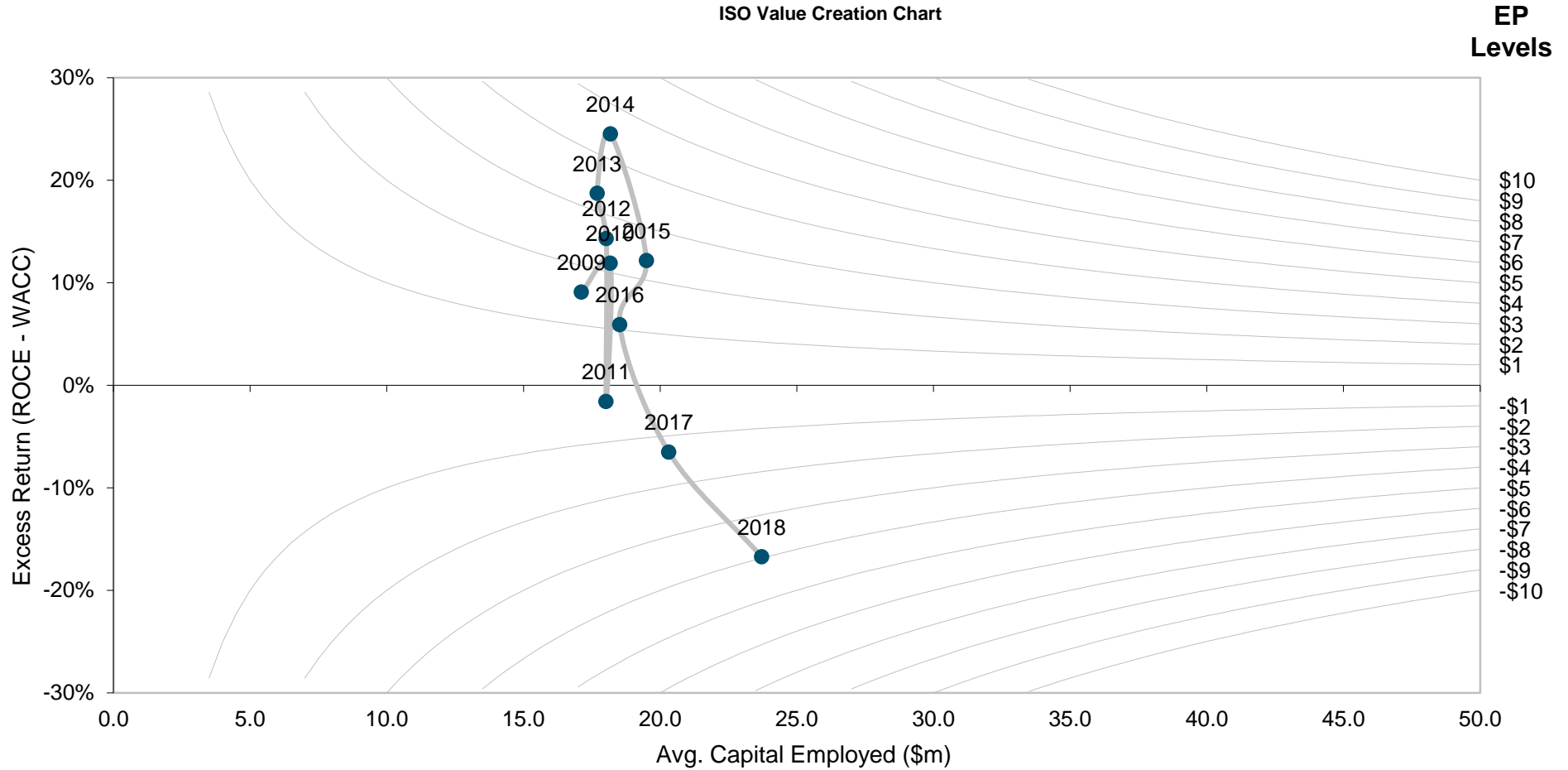
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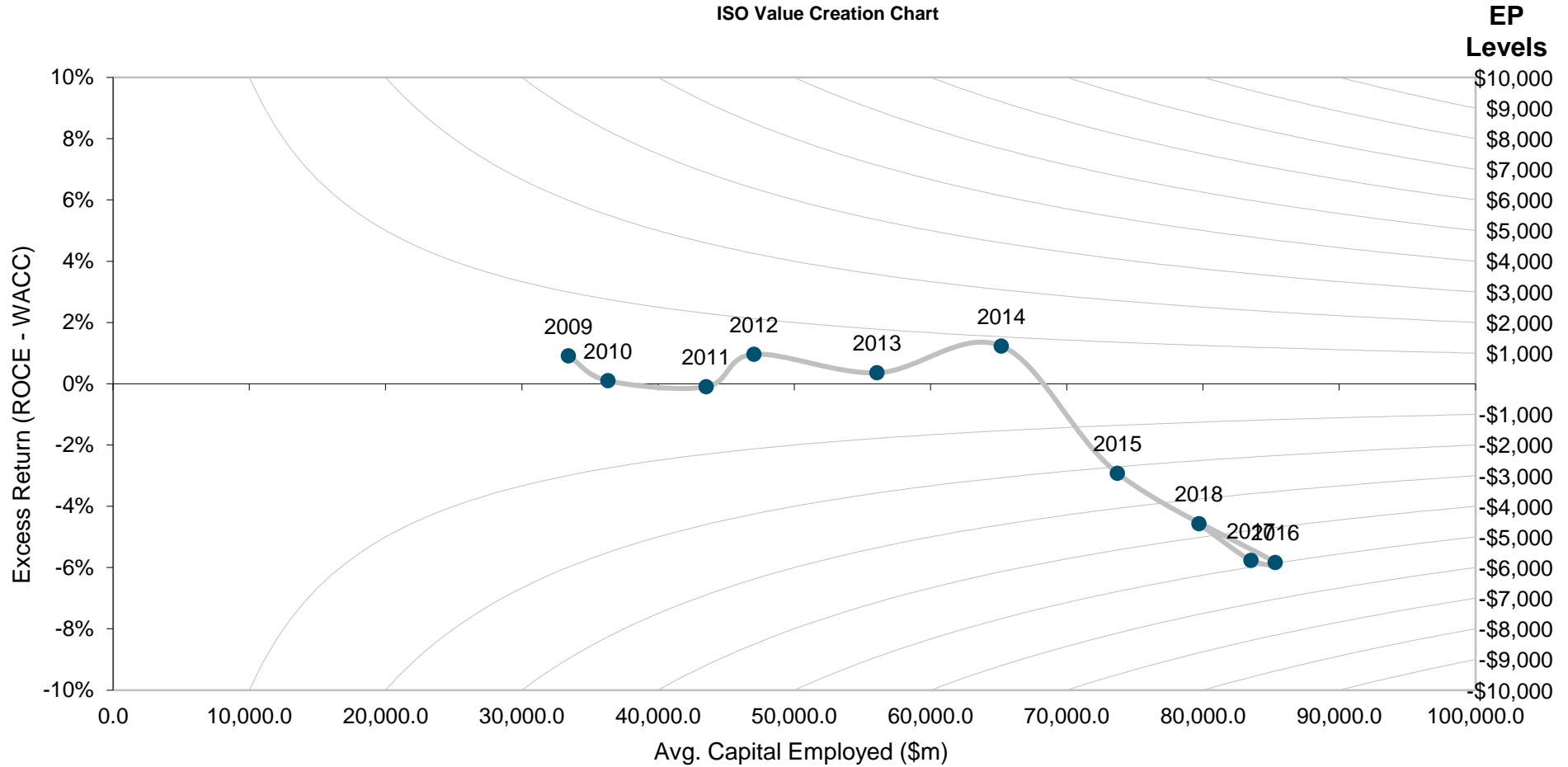
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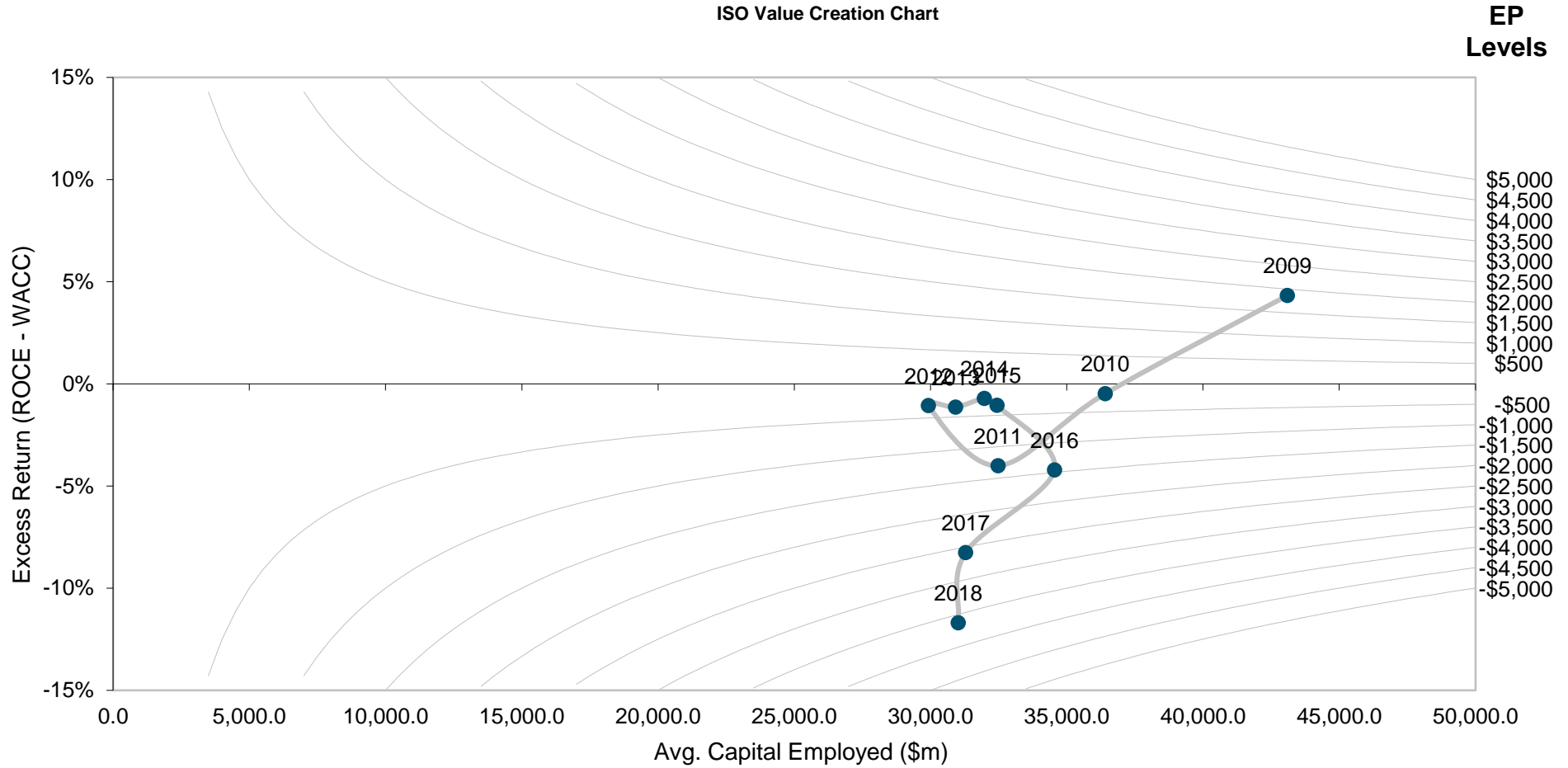
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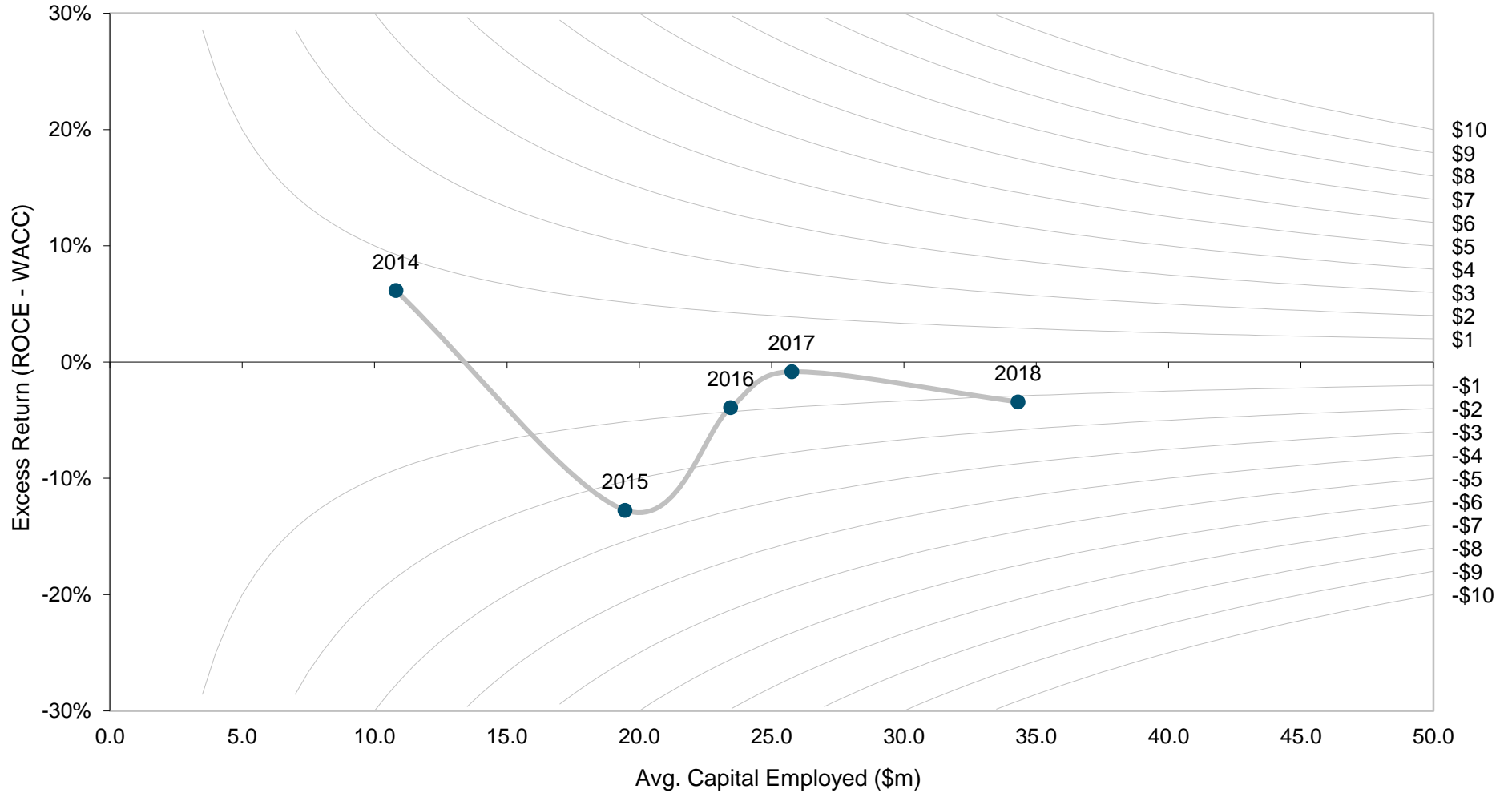


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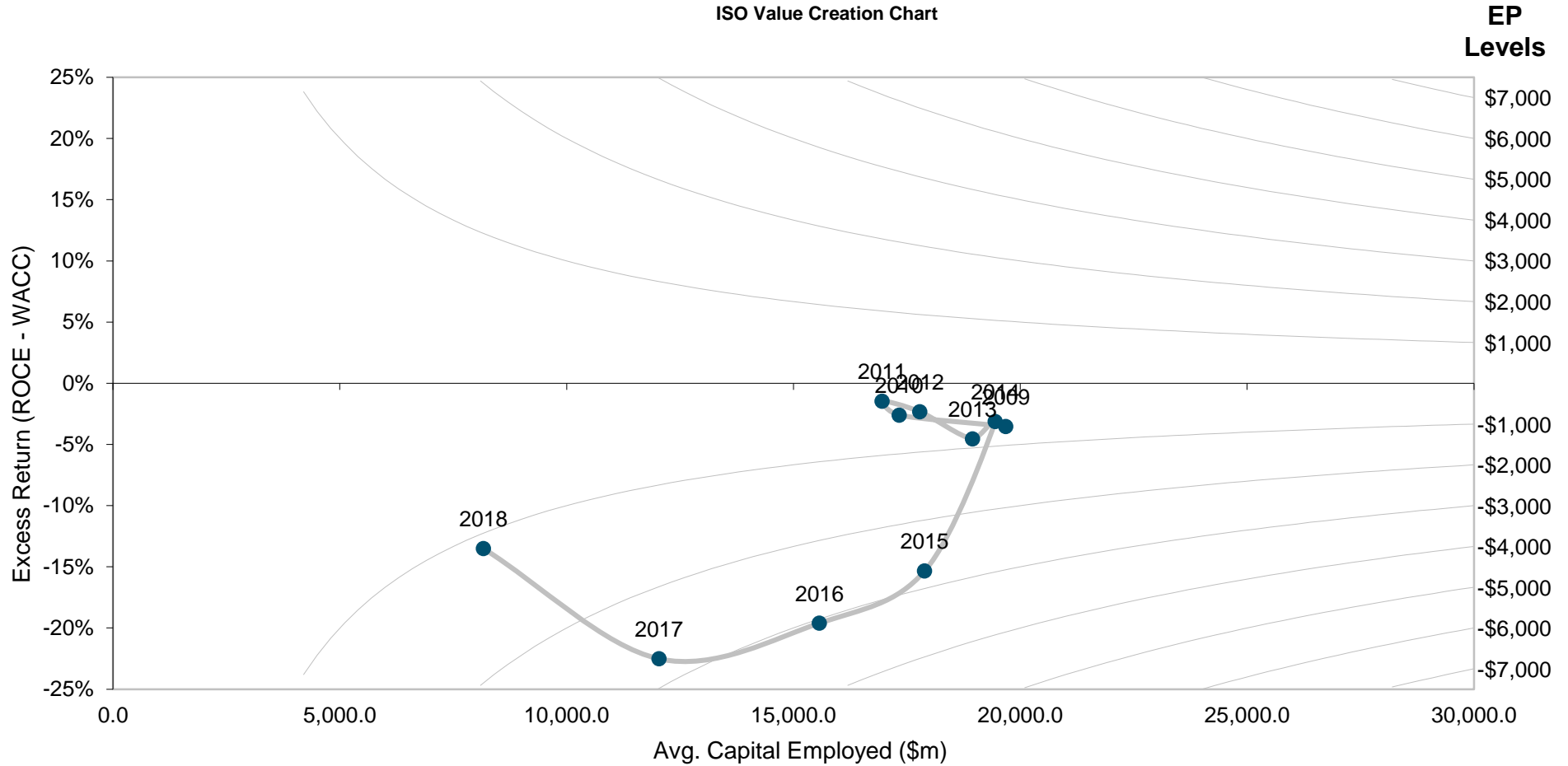


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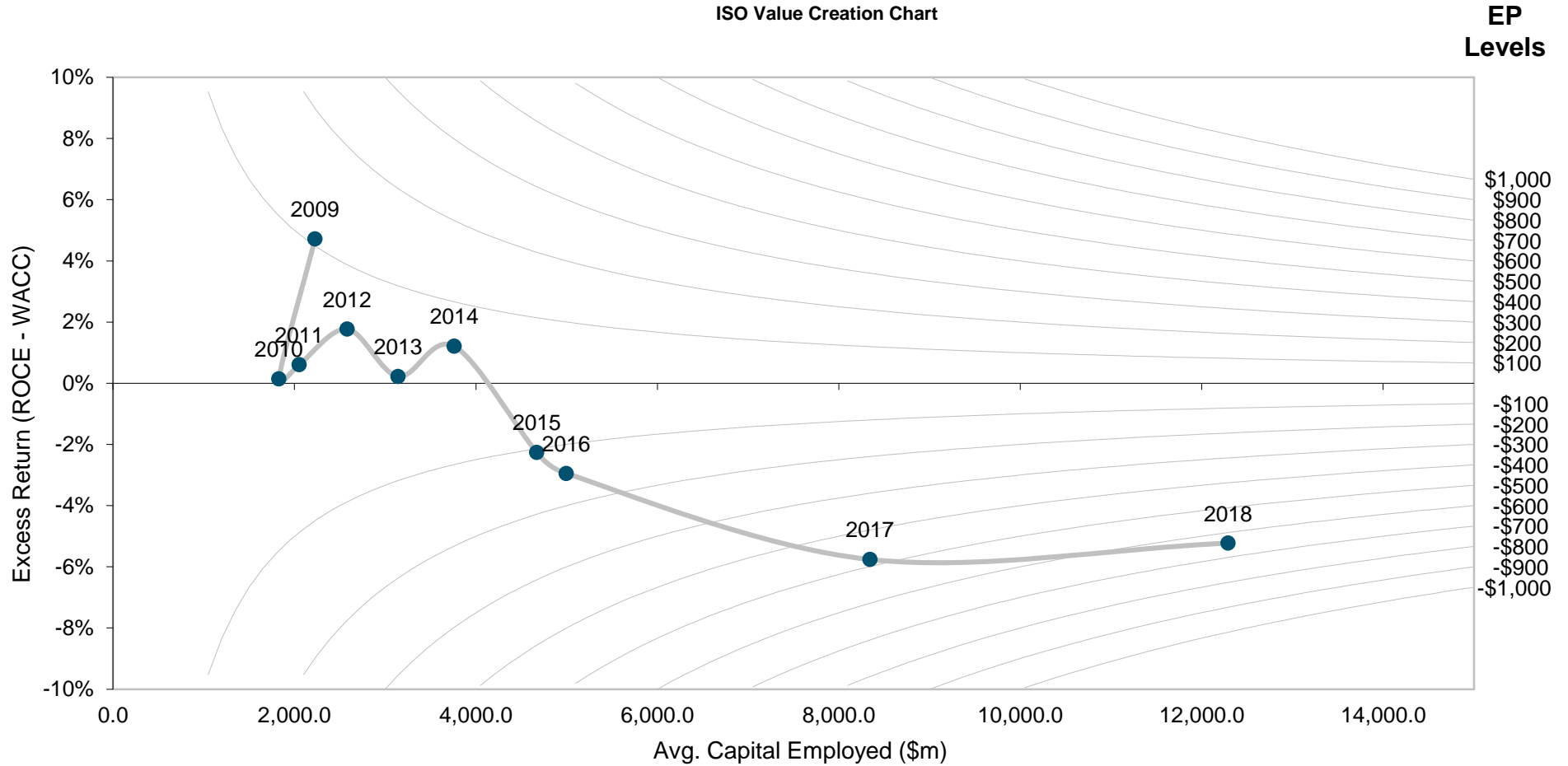


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