PULSE OF THE INDUSTRY

GLOBAL

-8% Expected drop in World GDP in Q2 2020

-6% Expected decline in global energy demand in 2020

-8% Expected decline in global CO2 emissions in 2020

-22% Price decline of EU carbon allowance futures contracts YTD

1.2 out of 4B Number of people expected to go out of lockdowns in May

FINANCIALS

Oil Price -38% Price drop of Brent 12-month futures contracts YTD

Market Cap -$1.6T Market cap drop based on +100 public companies YTD

CAPEX $127B Capex cuts announced by +180 oil and gas companies for 2020

Cashflows -14% OFSE median profit margin in Q1 2020 based on 64 public company

Debt Default Risk +14% Year-over-year increase in leverage ratio based on Q1 2020

OPERATIONS

Production Cuts June 2020 vs December 2019

22% -12M bpd

34% -11%

Demand Drop June 2020 vs December 2019

26% -14M bpd

25% -11%

Inventories

100 days Days of forward OECD demand covered by inventories

3.8M bpd Expected stock draw in H2 2020

Job Losses

>1M Oilfield service jobs to be cut in 2020

90K US cuts in drilling, refining since March

Bankruptcies

27 US exploration and production and OFSE companies filed for bankruptcy

533 US exploration and production companies bankruptcies by end 2021 in a $20 oil environment

Upstream

# of projects canceled/delayed 128

2.6M bpd equivalent

Midstream

# of projects canceled/delayed 42

10,500 km of pipelines equivalent

Downstream

# of projects delayed/canceled 104

6.2M Refining throughout fall in 2020 YoY in bpd

Volume lost

OECD

Others Non-OECD

Note: (*) Others include Eurasia (i.e. former URSS) and other OECD and Non-OECD countries

Sources: (1) Accenture Research (2) IEA (3) Global Data (4) Median based on Accenture analysis over +85 public companies, Thomson Reuters (5) Rystad (6) EIA (7) Thomson Reuters as of May 10th (8) BW Research (9) Accenture analysis from EIA May STEO based on OECD inventories and consumption as of April 31st (11) Haynes and Boone, Capital IQ

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