

Financial Health Analysis of a Target Oil & Gas Company

For an Europe Based Oil & Gas Major

Identified potential funding risks in an oil & gas company

Oil price scenario performance analysis

Debt repayment indicators and mitigation strategies

CLIENT CHALLENGES

- » The client wanted to understand the financial strength of a Russian oil and gas company (a strategic partner) to analyse its debt management capabilities and potential future capex and cash management strategies
- » Analyse the key indicators and parameters of the company's financial strength and performance

OUR APPROACH

- » Conducted an extensive secondary research on the company's business, financial results and key lenders as well as on the consequences of market and industry conditions on its business by going through company filings, investors' material, industry material, regulatory filings, news and databases
- » Analysed the performance of the company's business and its key debt repayment indicators
- » Analysed the debt structure of the company, the debt outstanding over the period and the future cash flow generations to analyse its debt repaying capacities
- » Analysed the impact of low oil price on the company's earnings and on the deals it had undergone with its major strategic partners
- » Analysed the important agreements it made in recent years to repay its high debt outstanding and its obligations to maintain high production levels and high dividend yield
- » Analysed the impact of Western sanctions on the company's business, its capex and debt repayment obligations and the steps that the company needs to take to manage these issues
- » Analysed the situation of Russian lending banks, their lending capacities, their liquidity status and their role in the current market situation

IMPACT DELIVERED

- » Analysed the company's performance under various oil price scenarios
- » Performed sensitivity analysis to see the impact of low revenues on the company's financial and operational obligations
- » Analysed the impact of market conditions on the company's business and issues that can come up in the future
- » Analysed various options through which the company can manage its debt repayment obligations
- » The analysis helped the client understand the financial situation of the company, its capabilities/strategies to repay its debt obligations and maintain high production levels
- » The analysis would helped the client in strategising its plan for further relationship with this company

About Acuity Knowledge Partners

Acuity Knowledge Partners, formerly part of Moody's Corporation, is a leading provider of bespoke research, analytics, staffing and technology solutions to the financial services sector.

Headquartered in London, Acuity Knowledge Partners has nearly two decades of transformation experience in servicing over 300 clients with a specialist workforce of over 2,500 analysts and delivery experts across its global delivery network.

We provide our clients with unique assistance not only to innovate, implement transformation programmes and increase operational efficiency, but also to manage costs and improve their top lines.

These services are supported by our proprietary suite of Business Excellence and Automation Tools (BEAT) that offer domain-specific contextual technology.

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