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Analysis of Income, Profits and Costs

FIGURES OF CONSOLIDATED INCOME STATEMENT OF THE WORLD'S LEADING PUBLICLY TRADED OIL AND GAS CORPORATIONS

Oleg V. SHIMKO

Center for Innovative Economics and Industrial Policy,
Institute of Economics of Russian Academy of Sciences (IE RAS),
Balashikha, Moscow Oblast, Russian Federation
shima_ne@mail.ru
https://orcid.org/0000-0002-0779-7097

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Abstract

Subject. The article considers the main figures of consolidated income statements of twenty five leading listed oil and gas companies from 2006 through 2018.

Objectives. The purpose is to determine the current values of the main components of consolidated income statements of leading publicly traded oil and gas companies, to identify key trends in their change during the studied period, and to establish the factors that led to changes.

Methods. The study draws on methods of comparative and financial-economic analysis, as well as generalization of materials of consolidated income statements.

Results. The paper determines dynamics of changes in the value of key indicators and their correlation in the structure of income statements in the stock market sector of the industry, establishes the main factors that contributed to this transformation, based on the results of a comprehensive analysis of annual reports of 25 oil and gas companies. It shows a decrease in the sectoral level of net income of shareholders within the framework of the studied period, which occurred against the background of an increase in net revenue from core activities. The main factor behind such changes in the structure of the income statement was the increase in operating expenses outpacing revenue, primarily due to depreciation, depletion and amortization of assets. The strengthening of the role of interest expenses occurred in the stock market sector after the sectoral crisis. The overall reduction in income tax burden is a positive development. A return to the previous structure is possible only with a significant increase in oil prices, a reduction in operating costs, and a decrease in excises, duties and all other taxes not related to income tax.

Conclusions. Net income of companies in the stock market sector of the oil and gas industry is decreasing due to an increase in expenses for core activities, which are faster than the growth of the corresponding revenue.

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Introduction

The relevance of the study is due to several circumstances. It is required to highlight among them the fact that the oil and gas sector still prevails in the structure of industrial output and export of goods in Russia. Moreover, the proceeds from the sale of oil, gas, and products from their processing, form a significant part of the revenue component of the country's budget. The oil and gas sector is one of the leaders in terms of capitalization among all sectors of the stock market sector of the world economy, and dominates in Russia at all. Nevertheless, many of the world's major fields are gradually being depleted, and maintaining the current level of production requires tangible capital expenditures. Meanwhile, the oil and gas sector has felt negative manifestations of global financial and industrial crises in the current millennium, accompanied by a sharp drop in oil prices.

However, over time, oil quotes approximately have returned to the level of values that existed in the industry even before the global financial shock. Undoubtedly, the characteristic relationship between the main components in the structure of the income statement of oil and gas companies at the current moment for the stock market sector is of considerable interest, because it allows assessing the impact of each of component on the formation of the final result in the form of net income or loss of shareholders. In addition, those changes are important that have occurred during the studied period, as well as what served as the main reason for the transformation. All of the above factors make it possible to draw conclusions about the trends that are taking place in the stock market sector of the oil and gas industry.

The topic of the profit statement is touched upon in the domestic scientific literature. Issues related to the role [1], principles of formation [2], and the analysis of the reporting itself [3] are studied in particular. Sufficient attention is paid to the various components of the income statement of publicly traded oil and gas corporations. Components such as revenue [4], depreciation, depletion and amortization [5], income tax [6], export duty [7] and excise taxes [8] are included in a very extensive list. Various intermediate characteristics of a company's profit or loss are mentioned, including operating profit [9], earnings before income tax (EBT) [10], earnings before income tax and interest (EBIT) [11], earnings before interest payments, payments on income tax and depreciation and amortization (EBITDA) [12], and net income [13].

Various indicators of the income statement are widely used in the analysis of the ratio of the results of financial activities of publicly traded oil and gas companies [14]. Thus, these indicators are components of profitability ratios [15], turnover ratios [16], financial stability ratios [17], ratios for the market valuation of companies [18], and specific ratios [19] of oil and gas corporations.

At the same time, the topic devoted to the comprehensive analysis of the main components of income statement across the entire stock market sector of the oil and gas industry is essentially not touched upon by the Russian scientific school. Solving such a problem requires significant efforts related to collection and processing of an impressive array of data. Meanwhile, only this approach allows one to judge the changes that are taking place in the entire stock market sector of the global oil and gas industry.

The object of the study is oil and gas corporations, which were relatively stable among the world's leading publicly traded companies in terms of market capitalization in the Financial Times Global 500 list that was published up to 2015 and the Forbes Global 2000 rating over the entire period of study. These requirements are quite satisfied by twenty-five companies, which form a set of the largest publicly traded oil and gas corporations. These include ExxonMobil, Chevron, ConocoPhillips, Occidental Petroleum, Devon Energy, Anadarko Petroleum, EOG Resources, Apache, Marathon Oil, Imperial Oil, Suncor Energy, Husky Energy, Canadian Natural Resources, Royal Dutch Shell, BP, TOTAL, Eni, Equinor (Statoil), PetroChina, Sinopec, CNOOC, Petrobras, PAO Gazprom, PAO NK Rosneft, and PAO LUKOIL.

Dynamics of changes in revenue and net income of shareholders

The key components of the income statement of any publicly traded oil and gas corporation are the revenue received by the company for the period and generated financial result in the form of net income or loss from company activities, to shareholders. Therefore, it is not surprising that these indicators themselves are included in the largest number of multipliers from various groups of financial analysis coefficients among all components of the income statement.

It should be noted that there is no generally accepted methodology for generating an income statement within the stock market sector of the oil and gas industry. Consequently, even each company can report its own metric as revenue. The US industry corporations generally do not include royalty payments as part of their revenue, while Canadian companies only started doing this a decade ago. However, Canadian oil and gas corporations often do not recognize in revenue and costs all other fees, excise and taxes that are not related to income tax. In contrast, large domestic oil and gas companies include export duties and excise taxes in their revenues. Transformations in approaches to the presentation of income statement are taking place even at the level of individual corporations. For example, ExxonMobil has stopped including sales taxes in costs since 2017, and, therefore, has cleared its revenue from this component.

Moreover, some companies in the industry are limited only to sales revenue, which is often divided into the sale of their own products and the marketing resale of purchased goods, and any remaining profits are reported as other income. Other oil and gas corporations aggregate operating revenues and other receipts, such as gains from sale of assets or income from equity interest in subsidiaries.

In this case, such an indicator must be used as revenue for a proper analysis of the components of income statement already at the level of the entire stock market sector of the industry, which can be easily determined for any large oil and gas corporation.

The study revealed that such revenue should be cleared of all payments of royalties, excise taxes, duties and other taxes not related to income tax. In addition, it is advisable to include in the revenue only that part of the proceeds that is directly related to the main activity.

It should be noted that this approach has a number of advantages. They are connected with the fact that the proceeds are cleared of funds not intended for the company itself and receipts not typical for the operating activities of corporations in the industry. Thus, the oil and gas sector is characterized by tangible differences in the tax legislation of individual countries, which largely affects what part of the total sales amount remains at the disposal of the publicly traded company itself. In addition, such one-time events as the sale of a noticeable share of its own assets can have a rather serious impact on the total amount of receipts of oil and gas corporations.

Consequently, this share of the revenue remains of the total revenue that is directly related to operating activities and is attributable to the oil and gas company itself. The indicator essentially expresses the net proceeds from the main activities of the oil and gas company. Thus, the analysis revealed that this particular indicator is the most appropriate for use in the analysis at the level of the entire stock market sector of the oil and gas industry.

The growth of net revenue from core activities was established for the entire studied period (*Table 1*) based on the results of studying the dynamics of changes in the average value of this indicator of the leading publicly traded oil and gas companies. The drop in revenue was observed at the height of the global financial and industrial crises, which is quite consistent with the data on average annual prices for major brands of oil (*Table 2*). Moreover, the increase in net revenue from core activities of all companies for the period covered by the study is in line with the total increase in average prices for Brent and WTI crude oil.

Nevertheless, the dynamics of changes in net revenue from the core activities of a number of individual corporations significantly stands out against the general background. It is enough to pay attention to the US oil and gas sector. Indeed, net revenues ultimately declined for ExxonMobil, Chevron, Occidental Petroleum, Devon Energy, and Apache. It is noteworthy that even a fairly large deal on the acquisition of XTO Energy did not help ExxonMobil increase its revenue. In addition, a separate emphasis should be placed on Marathon Oil and ConocoPhillips, which went on to split the business in 2011 and 2012, respectively. The net revenues of these companies collapsed approximately fourfold after the removal of the entire refining segment from their structure. This difference is due to the fact that the products of oil refining and petrochemicals are usually several times more expensive than oil and natural gas per barrel. Net revenue from core activities also decreased for Eni for the period, except for the mentioned US companies.

In contrast, EOG Resources, Suncor Energy, Canadian Natural Resources, PetroChina, Sinopec, CNOOC, PAO NK Rosneft, and PAO LUKOIL stand out for their impressive growth in net revenue from core activities over the time covered. It turns out that corporations from China have taken the leading positions in this indicator in the stock market sector, while companies from Russia and Canada have improved their position. Only Royal Dutch Shell saw a tangible increase among European companies, which was facilitated by the takeover of BG Group. But almost all the leading US corporations were unable to increase their net revenue from core activities, with the exception of EOG Resources that focused on implementing a strategy to purchase highly liquid oil assets.

Undoubtedly, net revenue from core activities acts as the fundamental component, on the basis of which the entire structure of the income statement of a publicly traded oil and gas company is formed. And the final component for such reporting is the net income or loss of the corporation's shareholders. Such a high significance of the indicator lies in the fact that the specified component of the report expresses the financial result that is formed for the owners of the company after covering all expenses and paying income tax, and, therefore, can be reinvested in development and directed to the payment of dividends to shareholders.

It is important to note that an obvious decline in the net profit of shareholders took place in the stock market sector over the period under study, in contrast to revenue, which was largely due to the industry crisis. Meanwhile, the global financial turmoil has not had such a severe impact on the leading publicly traded oil and gas companies. Thus, only ConocoPhillips, Devon Energy, and Anadarko Petroleum experienced a net loss to shareholders at their height. But the situation in the industry began to improve with the rise in raw material prices. And even BP's net loss in 2010 was caused by the aftermath of a major accident at the Deepwater Horizon platform. Then, when quotes for Brent crude exceeded $ 100 per barrel, the industry's net income even surpassed the level it had before the crisis. But the important thing is that Devon Energy and Anadarko Petroleum recorded a net loss to shareholders from time to time, also during such a favorable period for the entire industry. To be sure, all of the leading publicly traded companies in the industry have faced difficulties since the onset of a protracted industry crisis, most of which have periodically reported net losses to shareholders. The situation in the industry began to change in 2017, but even then ConocoPhillips, Anadarko Petroleum, Marathon Oil, and Petrobras were unable to achieve net income for their shareholders at the end of the year. All the companies studied avoided a net loss to shareholders only in the next year. And only Devon Energy, Sinopec, CNOOC, PAO NK Rosneft, and PAO LUKOIL managed to improve their performance over the entire period under review. Therefore, a thorough analysis of the remaining indicators of income statement is required to determine the factors that led to a drop in net income for shareholders with an increase in net revenue from the core activities of the leading oil and gas corporations in the stock market sector.

Impact on the formation of the net income of shareholders of the main groups of income and expenses

Another component of the total net income and loss, which is related to minority shareholders (*Table 3*), is of considerable interest in assessing the change in the significance of various indicators of the income statement in the formation of the final financial result. It should be noted that this component is not a mandatory reporting indicator, and, therefore,ch companies as EOG Resources, Imperial Oil, Husky Energy, Canadian Natural Resources and CNOOC. In addition, Suncor Energy reported net income of minority shareholders only in 2016, this component appeared in Marathon Oil in 2006–2007, and such a component appeared in Occidental Petroleum, Devon Energy, and Apache only from time to time.

The entire stock market sector is characterized by an increase in the indicator in absolute terms, its share in total net income also increased, which was mainly due to PetroChina, Sinopec, and PAO NK Rosneft. Moreover, the change in the net income of shareholders and minorities did not always coincide in dynamics. Thus, often the net loss of minority shareholders took place with a positive value for the share of shareholders of Royal Dutch Shell, TOTAL, Eni, Equinor, Sinopec, Petrobras, PAO Gazprom, and PJSC NK Rosneft. Therefore, although it was found that the increase in the share of minority shareholders in the industry had a negative impact on the net income of shareholders, the impact itself was not so significant.

In turn, information on income tax precedes net income in the structure of the income statement. It is noteworthy that the profit tax burden in the stock market sector of the oil and gas industry decreased much more significantly than the net income of shareholders for the period studied. A serious transformation began during the favorable period of high oil prices, shortly before the industry crisis, and the income tax benefits of the leading companies in the stock market sector, albeit insignificantly, nevertheless exceeded similar expenses after the collapse in oil prices.

This downturn was mainly driven by the results of US companies. For example, the benefits received by Devon Energy and Apache in 2015 exceeded the income tax paid by any other company studied. Moreover, income tax benefits were reported by ExxonMobil, Chevron, Suncor Energy, Husky Energy, Canadian Natural Resources, and Petrobras that year. In addition, CNOOC with assets in Canada, as well as Royal Dutch Shell and BP, which have significant assets in the United States, but belong to corporations from Europe, were included in this list. At the same time, such expenses of ExxonMobil and Chevron during periods of high oil prices significantly exceeded the expenses of integrated companies in China and Russia, which consistently paid income tax throughout the covered period. This indicates that there are significant differences in the taxation systems of different countries.

Net income and income tax are components of another important metric, which is a corporation's EBT. It is quite clear that the industry level of EBT declined much more compared to net income to shareholders for the entire period. The global financial crisis had a negative impact on the pre-tax earnings of oil and gas companies, but negative values were recorded by ConocoPhillips, Devon Energy, and Anadarko Petroleum. However, the ensuing industry shock resulted in pre-tax losses for most of companies in the industry studied, with the exception of ExxonMobil, Imperial Oil, TOTAL, and the integrated corporations of China and Russia.

It is also noteworthy how much of EBT is then spent on income tax payments. Thus, they accounted for about 40% of EBT in the industry before the global financial crisis, this level fell sharply to 2% already at the height of the industry crisis, but gradually returned to the level of 30%. It is important that the most stable and lowest values are typical for companies from China and Russia, as well as Petrobras. The highest proportion of income tax on EBT belongs to corporations from Europe, especially Equinor. It is natural that the established reduction in the burden of income tax has become a positive factor for the net income of shareholders of the stock market sector companies of the industry.

Special attention is paid to interest income and expenses in the formation of earnings before tax in the structure of income statement of any publicly traded company. It is important to keep in mind that the total is reduced by the amount capitalized in the case of interest expense. Publicly traded oil and gas corporations use the opportunity not to pay immediately, but to transfer all or part of interest expenses to the category of their principal debt, if necessary, like all other companies, which must be taken into account when determining this indicator. It should be noted that interest expenses of the leading publicly traded oil and gas companies doubled over the period studied, and the main growth occurred after the onset of the industry crisis, which was facilitated by the combined data of Petrobras, Royal Dutch Shell, PetroChina, BP, Equinor, and PAO NK Rosneft.

Meanwhile, the weight of interest income in the structure of income statement of the leading oil and gas companies is not high compared with the corresponding expenses. Moreover, not all large publicly traded companies in the industry have interest income. This component occurs periodically in the reports of Devon Energy, Anadarko Petroleum, Husky Energy, and Canadian Natural Resources, and is completely absent in the reports of ExxonMobil, EOG Resources, Imperial Oil, and TOTAL during the period studied. The low significance of this indicator leads to the fact that interest income is not always singled out as an independent component of reporting, but can be included in the structure of other income, as is the case with Occidental Petroleum.

The balance of such income and expenses is characterized by a net loss in the stock market sector of the industry and represents the part of interest expenses that are not capitalized and not covered by the corresponding income. The most impressive growth was in Royal Dutch Shell, BP, PetroChina, Petrobras, and PAO NK Rosneft. On the contrary, interest income outweighed such expenses for Chevron most of the time, and a similar picture was observed for PAO Gazprom and CNOOC for quite long periods. Meanwhile, net interest expenses, in general, increased more than three times in the stock market sector over the entire period, and, therefore, it can be concluded that this factor had a negative impact on the net income of shareholders.

All these indicators enable to assess what happened to the EBIT of the leading publicly traded oil and gas companies. EBIT in terms of its dynamics of change resembled EBT at the level of the entire stock market sector of the industry, although the overall decline in the indicator was less significant, which was quite obvious based on the data on net interest expense. However, tangible discrepancies have been observed at the individual company level from time to time. Petrobras stands out among them, with interest payments reaching high levels against the background of other publicly traded corporations after the outbreak of a corruption scandal and the emerging industry crisis.

Another critical component that needs to be given special attention in the reporting of any oil and gas company is the indicator of depreciation, depletion and amortization of the corporation's assets. Extractive assets account for a key share in them. This is clearly confirmed by the data of Marathon Oil and ConocoPhillips before and after the withdrawal of the entire refining segment from their structure, which they carried out in 2011 and 2012, respectively. That is why the difference between depreciation, depletion and amortization expenses of assets of independent and integrated corporations with similar production levels is not so significant. It should be noted that similar expenses in the stock market sector of the industry more than doubled, despite even a slight decline in recent years, and the main growth fell on Anadarko Petroleum, EOG Resources, Suncor Energy, PetroChina, Sinopec, CNOOC, Petrobras, and PAO NK Rosneft.

A separate mention should be made of the beginning of a sharp increase in the cost of depreciation, depletion and amortization at Apache, which began to grow sharply in 2012 and reached a value of $ 29,372 million in 2015. This value exceeded similar costs even for almost all the largest publicly traded integrated corporations, which surpassed the company in terms of production and proved reserves many times over. A certain surge in depreciation, depletion and amortization costs was observed in most of the leading publicly traded companies in the industry with the onset of the industry crisis.

The cost of depreciation, depletion and amortization of assets combined with EBIT makes it possible to form another key indicator of income statement of the leading publicly traded companies in the industry, which is EBITDA. The industry crisis has had the greatest impact on the overall level of publicly traded oil and gas corporations, in the midst of which EBITDA even reached negative values for Occidental Petroleum, Anadarko Petroleum, EOG Resources, and Devon Energy. Meanwhile, only Devon Energy reported such results during the global financial turmoil. It should be noted that EOG Resources, Suncor Energy, PetroChina, Sinopec, CNOOC, and PAO NK Rosneft managed to significantly increase EBITDA over the period, while ConocoPhillips, Marathon Oil, BP, TOTAL, and Eni significantly reduced the indicator. But the most important circumstance is that the EBITDA value of the leading publicly traded companies in the industry returned to the initial level for the entire studied period, in contrast to EBIT and EBT. Consequently, depreciation, depletion and amortization costs were one of the factors, contributing to the decline in net income for corporate shareholders.

The next parts of income statement of oil and gas corporations, which are not part of EBITDA in its classical presentation, but require special attention, are the costs associated with impairment, revaluation, and write-down of assets. These costs of companies are very close in nature to the costs of depreciation, depletion and amortization, but there is a fundamental difference. Thus, the costs caused by the impairment, revaluation, and write-off of assets are not directly related to operating activities, and, therefore, are not found in the structure of income statement of all the leading publicly traded companies in the industry, they do not always appear in it on an ongoing basis either. Such expenses are consistently recorded only in the reports of EOG Resources, BP, and CNOOC. In addition, costs incurred due to impairment, revaluation, and write-off of assets are often encountered by ConocoPhillips, Occidental Petroleum, Devon Energy, Anadarko Petroleum, Marathon Oil, Petrobras, and PAO LUKOIL.

The significance of such expenses in the overall structure of income statement remained at the level of interest income as a result, despite their fourfold growth for the leading oil and gas companies over the period under review. Nevertheless, the costs due to impairment, revaluation, or write-off of assets can reach high levels and have a serious impact on the bottom line of oil and gas corporations during protracted periods of low oil prices, which is clearly confirmed by the data on the overall level of the indicator in the midst of the industry crisis. It was during this period that the peak of impairment, revaluation, or write-off of assets of ConocoPhillips, Occidental Petroleum, Devon Energy, Anadarko Petroleum, and EOG Resources fell. Suffice it to point out that in 2015 such costs for Occidental Petroleum and Devon Energy reached the values of $ 10,239 million and $ 20,820 million, respectively. It is necessary to highlight Petrobras, around which a colossal corruption scandal erupted amid the industry crisis. This led to a two-month delay in the publication of annual financial statements and a revaluation of part of company assets, as a result of which their balance sheet value dropped by $ 35,315 million over three years.

Adjusted for impairment, revaluation, or write-down EBITDA is of considerable interest. Adjusted EBITDA is not used in the standard presentation of income statement, but it does find its way into the annual accounts of individual companies. In addition, it is required to take into account the fact that oil and gas corporations can use completely different sets of components when adjusting EBITDA, and, therefore, it is important to preliminarily clarify the methodology for compiling the indicator itself. It turns out that this indicator expresses the income that remains with the company before interest payments, settlement of income tax, depreciation, and revaluation of assets.

The dynamics of changes in the adjusted indicator common for all the studied corporations is quite consistent with EBITDA in the classical view. Nevertheless, the drop in the value of this component during the sectoral crisis was predictably not so pronounced. It is noteworthy that the negative value of the adjusted EBITDA of the studied companies was observed only twice over the entire period. Thus, Devon Energy noted such a result in 2009, and Marathon Oil had a negative value in 2017. It turns out that the key production costs did not exceed the revenue received by the companies from core activities and the balance of non-interest financial income and expenses even at the height of the crises. Overall, impairment, revaluation, or write-off costs had a significant impact on the sectoral level of net income for shareholders only during a protracted period of low oil prices.

The final component among the most important and requiring special attention parts of income statement of publicly traded oil and gas companies is the profit from core activities. This type of profit expresses the difference between revenue and expenses from core activities. It is required to separately clarify that core activity costs include operating, selling, management, and transportation costs. It also includes expenses for the acquisition of hydrocarbons, exploration, amortization, depreciation, depletion, impairment, revaluation, and write-off of assets, duties, excises and various taxes, excluding income tax. Such expenses are also cleared from duties, excises and other taxes not related to income tax, when using the net revenue from core activities in the calculations.

The industry indicator of profit from core activities resembles EBIT in terms of value and dynamics of change. The indicator differs from EBIT only by the amount of proceeds from non-core activities, which usually includes gains from joint ventures and associates and sale of assets, and by the amount of non-interest finance income and expenses, such as foreign exchange gain or loss. However, this situation takes place due to the fact that these incomes and expenses usually do not play a significant role in the income statement structure of the leading publicly traded oil and gas corporations, even in total. Meanwhile, the drop in profits from core activities typical for the industry occurred with a rather tangible final increase in the corresponding revenue in the industry. Consequently, the main reason for the decrease in the level of net income for shareholders was the increase not only in the costs of depreciation, depletion and amortization of assets, but also other costs associated with the core activities of companies.

Conclusions

The analysis made it possible to formulate a number of conclusions about the proportions between the key indicators that have developed in the structure of income statement of the leading publicly traded oil and gas companies at the moment. In addition, the conducted research enables to identify the main trends observed in the process of transformation of ratios between different components of reporting, as well as to establish those key factors that contribute to the ongoing changes.

The most important components of income statement are revenue and net income to shareholders of the company. It is important that the analysis of the report structure at the industry level is possible only on the basis of the indicator of net revenue from core activities, which does not take into account excises, duties and other taxes not related to income tax paid by companies. The growth in such revenues was quite comparable with the increase in average annual oil prices for the period, while the net income of shareholders decreased significantly. The key reason for the transformation of the income statement structure was the increase in the share of costs associated with core activities, including depreciation, depletion and amortization of assets. The role of impairment, revaluation, and write-off of assets intensified during the prolonged industry crisis. In addition, a prolonged period of low oil prices contributed to an increase in the share of interest expenses. Even a reduction in the burden of income tax could not overcome the consequences of the impact of these factors on the net income of shareholders.

A tangible increase in oil prices and a decrease in the burden of excise taxes, duties and all other taxes not related to income tax on companies, which will have a positive impact on net revenue, will be able to reverse the existing trends in the stock market sector of the oil and gas industry. The effect will be brought by the targeted reduction of costs for core activities. These measures only in aggregate will have a positive impact on the final financial result, help overcome existing negative trends and bring the ratio of the main components in the income statement structure of the leading publicly traded oil and gas corporations closer to the proportions that existed before the global financial crisis.

Table 1

Average values of net revenue from core activities and net income of shareholders of 25 leading publicly traded oil and gas corporations in 2006–2018, million USD

Indicator	2006	2007	2008	2009	2010	2011	2012
Net revenue from core activities	86 683	98 037	121 111	85 565	110 202	137 449	136 233
Net income of shareholders	10 463	11 713	10 015	7 099	9 658	13 284	11 472

Continuation of the table

Indicator	2013	2014	2015	2016	2017	2018
Net revenue from core activities	135 783	125 962	81 147	71 854	91 004	108 002
Net income of shareholders	10 528	5 534	–1 394	1 049	4 268	7 205

Source: [20]

Table 2

The average price for WTI and Brent crude oil for 2005–2018, US dollar per barrel

Oil grade	2005	2006	2007	2008	2009	2010	2011
WTI	56.64	66.05	72.34	99.67	61.95	79.48	94.88
Brent	54.57	65.15	72.44	96.94	61.74	79.61	111.26

Continuation of the table

Oil grade	2012	2013	2014	2015	2016	2017	2018
WTI	94.05	97.98	93.17	48.66	43.29	50.80	65.23
Brent	111.63	108.56	98.97	52.32	43.64	54.13	71.34

Source: Authoring, based on U.S. Energy Information Administration data. URL: https://www.eia.gov

Table 3

Average values of the main components of income statements related to the formation of net income of shareholders for 25 leading publicly traded oil and gas corporations in 2006–2018, million USD

Indicator	2006	2007	2008	2009	2010	2011	2012
Minority share in net income	215	277	309	104	291	284	348
Income taxes	6 999	7 452	8 284	4 465	5 786	8 204	7 602
EBT	17 610	19 475	18 449	11 716	15 740	21 931	19 510
Interest expense	516	677	575	549	536	571	660
Interest income	234	329	263	175	159	172	189
Net interest expense	282	348	311	374	377	400	471
EBIT	17 893	19 824	18 761	12 087	16 118	22 332	19 982
Depreciation, depletion and amortization	4 204	5 182	5 879	6 409	7 082	7 366	8 541
EBITDA	22 179	25 142	24 794	18 669	23 329	29 807	28 697
Impairment, revaluation and write-off of assets	62	295	159	145	167	321	509
Adjusted EBITDA	22 240	25 438	24 952	18 814	23 495	30 128	29 206
Profit from core activities	15 716	16 601	18 735	10 682	13 302	19 244	15 939

Continuation of the table

Indicator	2013	2014	2015	2016	2017	2018
Minority share in net income	200	137	63	299	348	410
Income taxes	5 941	4 221	–28	414	1 405	3 691
EBT	17 144	10 035	–1 328	1 778	6 029	11 752
Interest expense	735	820	937	1 170	1 181	1 152
Interest income	164	167	191	221	275	276
Net interest expense	571	653	746	950	905	876
EBIT	17 716	10 688	–582	2 728	6 935	12 628
Depreciation, depletion and amortization	9 650	10 461	11 568	9 863	10 233	9 391
EBITDA	27 543	21 248	11 037	12 607	17 168	22 019
Impairment, revaluation and write-off of assets	353	1 698	2 492	584	497	261
Adjusted EBITDA	27 896	22 946	13 529	13 192	17 665	22 280
Profit from core activities	14 809	8 952	–1 505	1 442	5 365	11 111

Source: [20]

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Conflict-of-interest notification

I, the author of this article, bindingly and explicitly declare of the partial and total lack of actual or potential conflict of interest with any other third party whatsoever, which may arise as a result of the publication of this article. This statement relates to the study, data collection and interpretation, writing and preparation of the article, and the decision to submit the manuscript for publication.