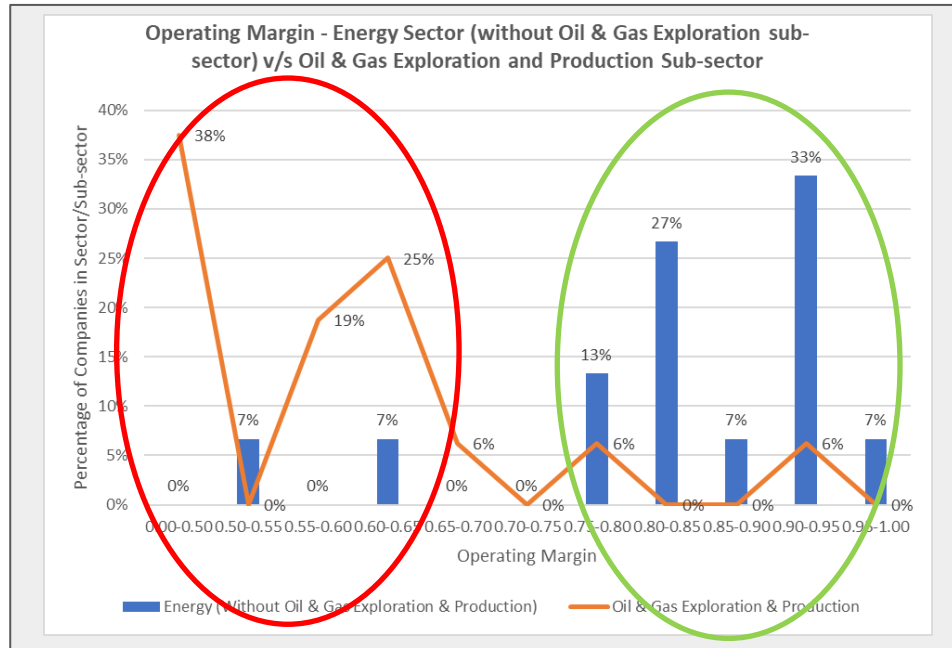


How does the operating margin of the Oil & Gas Exploration & Production sub-sector compare to the rest of the Energy sector in the period ending in 2014?



The Energy sector has 5 sub-sectors - Oil & Gas Equipment & Services, Integrated Oil & Gas, Oil & Gas Drilling, Oil & Gas Refining & Marketing & Transportation and Oil & Gas Exploration & Production. However, half of the companies in the Energy sector(31) are in the Oil & Gas Exploration & Production sub-sector (16). The average operating margin of the energy sector without the Oil & Gas Exploration & Production sub-sector in 2014 is 0.83. However, for the Oil & Gas Exploration & Production sub-sector the average operating margin is much lower, 0.56. The same situation plays out for their medians with the median operating margin for the Oil & Gas Exploration & Production sub-sector being 0.57 and that of the rest of the energy sector being 0.85.

I chose the combo-chart showing the percentage of companies in each sector/sub-sector because it provides a succinct representation of the differences between the two groups. As we can see from the combo-chart, 82% of companies in the Oil & Gas Exploration & Production sub-sector have an operating margin below 0.65 (red circle) while 86% of companies in the rest of the Energy sector have an operating margin above 0.75 (green circle).

The operating margin of the companies in the Oil & Gas Exploration & Production sub-sector is more spread out compared to the rest of the energy sector. This can be seen both by their standard deviations (0.17 for the Oil & Gas Exploration & Production sub-sector against 0.12 for the rest of the energy sector) as well as their ranges (0.77 for the Oil & Gas Exploration & Production sub-sector against 0.45 for the rest of the Energy sector).

In the end, we can conclude that the Oil & Gas Exploration & Production sub-sector has a lower operating margin than the rest of the Energy sector in the period-ending in 2014.