**Our Choices:**

1. **Return on Capital Employed(ROCE):** ROCE is a financial ratio that measures a company’s profitability and the efficiency with which its capital is employed. It is crucial for evaluating how effectively a company is using its capital to generate profits. A high ROCE indicates efficient use of capital. Almost all companies, such as BP, Saudi Aramco, ExxonMobil, and Chevron, highlight various financial KPIs.
2. **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) Margin:** The EBITDA Margin is calculated by dividing EBITDA by total revenue. This metric provides insight into a company's operational profitability by excluding the effects of financing and accounting decisions, allowing comparisons against peers.
3. **Operational Efficiency:** This KPI involves metrics like the Operating Cost per Barrel of Oil Equivalent (BOE) and Production Efficiency. Lower operational costs and higher production efficiency typically indicate that the company is able to produce oil and gas more profitably and efficiently.
4. **RRR:** The Reserve Replacement Ratio (RRR) is a key metric in the oil and gas industry, and it indicates the ability of an oil and gas company to replace depleted reserves with new reserves. It is especially important for the sustainability of companies in the sector because it provides insight into whether the company is able to find new reserves to replace those that have been extracted. RRR = (New Reserves Added/Amount of Production)x100%
5. **Health, Safety, and Environment (HSE) Compliance and Performance:** Ensuring safe operations and compliance with regulations is vital in the oil and gas industry due to the potential risks and strict regulatory environment. The KPIs used such as: GHG emissions/GHG emission reductions, Upstream carbon intensity, Tier 1 and Tier 2 Process Safety Events, and Total recordable case frequency.

**Universal KPIs Summary:**

* Sales and other operating revenues, Total revenue and other incomes, profit before taxation, profit after taxation, profit per ordinary share, profit per ADS, profit for the year attributable to shareholders, Total net cash flow,
* Gross Profit Margin, Operating Margin, Net Profit Margin, Return on Equity(ROE), Return on Investment(ROI), Debt-to-Equity Ratio, Current Ratio, Quick Ratio, Inventory Turnover, Days Sales Outstanding(DSO), EBITDA, Dividend Yield, P/E Ratio, Cash Conversion Cycle, Book Value, Operating Cash Flow Ratio, Gross Burn Rate, Current Accounts Receivable (AR) Ratio, Current Accounts Payable (AP) Ratio, Accounts Payable (AP) Turnover, Days Payable Outstanding (DPO), Accounts Receivable (AR) Turnover, Days Inventory Outstanding (DIO), Sales Growth Rate, Fixed Asset Turnover Ratio, Interest Coverage, Selling, General and Administrative (SG&A) Ratio, Return on Assets(ROA), Earnings per Share(EPS), Return on Capital Employed(ROCE or ROACE)
* Oil Related Summary: GHG emissions reductions, Reductions in other areas, barrels of oil production capacity, methane intensity, carbon intensity, Total hydrocarbon production, total liquid production, net refining capacity

**Company Key KPI Terms Extracted From Annual Reports:**

Bp:

* Strategic: Upstream unit production costs, barrels of oil equivalent(upstream production), retail sites, electrical vehicle charge points, strategic convenience sites, developed renewables to FID, bp-operated upstream plant reliability, bp-operated refining availability
* Safety: Tier1 and Tier 2 process safety events, Reported Recorded Injury Frequence(RIF) (# of workers’ incidents per 200,000 hour worked)
* Financial: underlying replacement cost(RC) profit, Operating Cash Flow, Total Shareholder Returns(ADS basis, Ordinary share basis), Return on average capital employed(ROACE)
* Sustainable Operations: Refining availability, Major project delivery, Upstream Plant Reliability, Upstream unit production costs
* Non-financial: Greenhouse gas emissions, Methane Intensity, Sustainable GHG emissions reductions, Diversity and inclusion, Employment Engagement

MPC:

* Oil Related: Barrels per Calendar Day of Crude Oil Refining Capacity, BARRELS PER DAY OF NATURAL GAS LIQUID FRACTIONATION CAPACITY, Refining Utilization %, barrels of terminal storage capacity, Gallons of renewable fuel delivered
* Sustainable Operations: GHG emissions reductions, reduction in air pollutants, reduction in water used annually

ExxonMobil:

* Earnings, Cash flow from operations, structural cost savings, total shareholder return, % ROCE with $23B in capex. % change in global refinery throughput, recycling capacity, metric tons CO2 per year of storage
* Sustainable Operations: Reduction in methane intensity/greenhouse intensity

Chevron:

* barrels net oil-equivalent proved reserves, dividend growth, Earnings by major operating area

Saudi Aramco:

* Financial Highlights: Net Income, EBIT, Gearing, ROACE, Free Cash Flow, Dividends paid per share, Average Realized Crude Oil Price, Capital Expenditures, Net cash provided by operating activities, Dividends Paid, EPS
* Operational Highlights: MSC(mmbpd), Total hydrocarbon production(mmboed), Total liquid production(mmbpd), net refining capacity, net chemicals production capacity, reliability, upstream carbon intensity, flaring intensity, total recordable case frequency

Shell:

* Performance Indicators: Cash flow from operating activities, selling lower-carbon products, Reducing operational emissions(CO2), EV charge points
* Performance Indicators(Operational Excellence): Upstream controllable availability, Midstream availability, Refinery and Chemical Plant availability, Project delivery on schedule, project delivery on budget, customer satisfaction index, brand preference
* Safety: Personal Safety, Process Safety

Sinopec: non-special

PetroChina: non-special

Valero:

* Ethanol Production Capacity, DDG Production Capacity, Corn Processing Capacity

Total Energies:

* Financial Indicators: Gearing %, ROE, ROACE, Operating cash flow before working capital changes w/o financial charges (DACF), pre-dividend organic cash breakeven, net investment including 4G$ in low-carbon energies, Net income, ordinary and special dividend per share
* Non-Financial Indicators: Total recordable injury rate, Greenhouse gas emission scope 1+2, Share of women among senior executives, Share of nonFrench nationals among senior executives
* Operational Performance: Gross installed power generation capacity, portfolio of renewable power generation capacities, net power production, power sales, gas sales, LNC sales volume and LNC production, hydrocarbon proved reserves, crude oil refining capacity, refinery throughput, petrochemical production, hydrocarbon production, production of biofuel

Source: [30 Financial Metrics and KPIs to Measure Success in 2023 | NetSuite](https://www.netsuite.com/portal/resource/articles/accounting/financial-kpis-metrics.shtml),Oil Company Annual Report Financial Statement