

Due Diligence and valuation analysis for an investment bank

Situation



An investment bank was evaluating acquisition target in the oil service industry. The client wanted to have a forecast for well services activity in the region under different scenarios. The client also wanted to understand main drivers for profitability and activity level of oil service companies.

Action



Upstream Oil & Gas Consultants:

- Generated oil and gas production outlooks for each relevant country in the region including fields under production, development, appraisal and future exploration
- Generated a detailed forecast for well drilling activities and rig requirements by type based on oil and gas production outlooks
- Used the outlook to estimate drilling rig day-rates for each scenario and to estimate well service companies' revenues and market share

Result



The client developed a clear understanding of the key drivers of service industry's activity and profitability and their changes across different scenarios. In addition, the client received scenario-specific market value assessment and revenue outlooks for oil service industry in the region of interest.

For more information visit
www.ihs.com/upstream-consulting