



Q4 2023 Energy Services Industry Report

Whitehorn Merchant Capital Inc.'s Energy Services Industry Report includes performance trends and transaction activity observed in this sector in Canada. All financial data has been sourced from Refinitiv Eikon.

News Updates

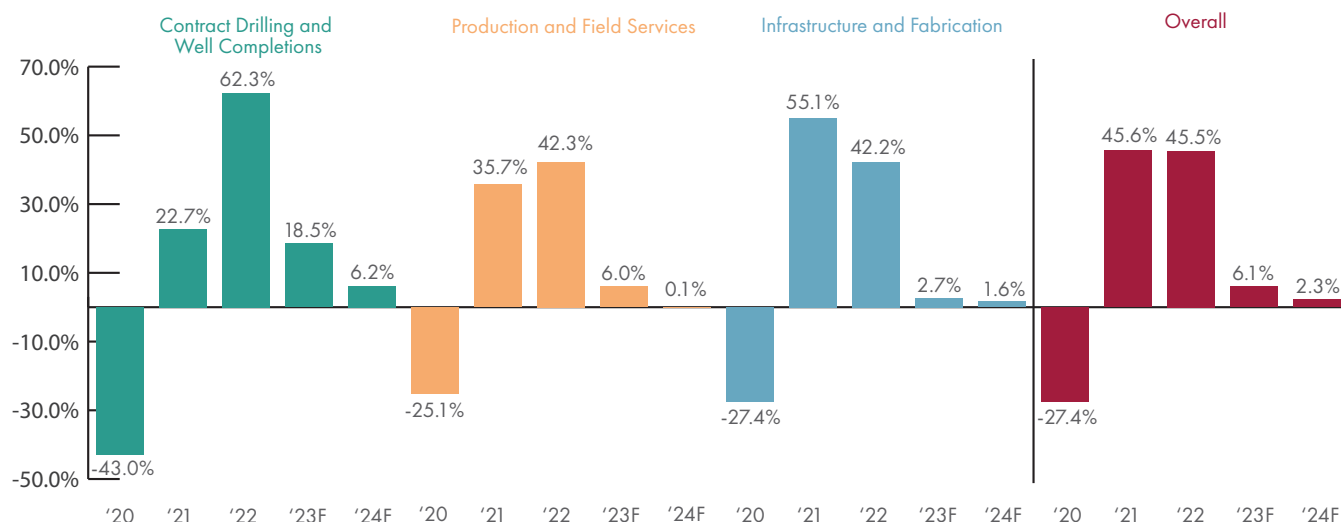
November 24 - The Canadian Association of Energy Contractors (CAOEC) forecasted 6,229 wells to be drilled in Western Canada in 2024, an 8.3 per cent increase from the 2023 forecast. Most of the growth is expected to happen in Q2 2024.

December 1 - Wolverine Energy and Infrastructure (TSXV:WEII) filed for CCAA protection. EY has been appointed monitor.

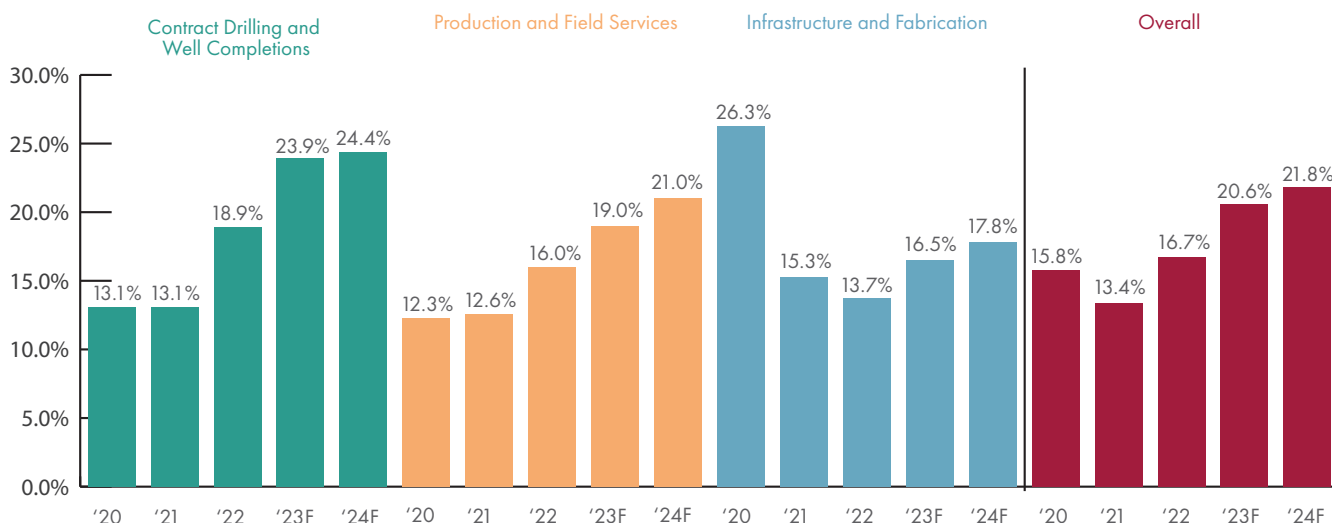
December 7 - The federal government introduced a framework to cap greenhouse gas pollution from the oil and gas sector, aimed at capping 2030 emissions at 35-38 per cent below 2019 levels.

Performance Trends

Average Revenue Growth



Average EBITDA Margin



Retrieved from Refinitiv Eikon on December 21, 2023.

Market Dashboard

2023 Returns:

S&P/TSX Composite Index
+7.8%

Whitehorn Energy Services Index (WESI)
+0.3%

S&P/TSX Capped Energy Index
-0.4%

2024 CapEx Budgets

The summary below outlines the CapEx budgets (\$MM) for major Canadian E&P companies based on preliminary guidance as of December 21, 2023. For companies providing a CapEx budget range, the midpoint of the ranges provided are summarized in the table below:

Company	2022A	2023F	2024F	2023% Change	2024% Change
Suncor Energy Inc.	\$5,120	\$5,600	\$6,400	+9%	+14%
Canadian Natural Resources	5,136	5,200	5,400	+1%	+4%
Cenovus Energy Inc.	3,708	4,250	4,750	+15%	+12%
Ovintiv Inc. (formerly Encana)	2,486	2,300	2,764	-7%	+20%
Tourmaline Oil Corp.	1,951	1,675	2,345	-14%	+40%
Arc Resources Ltd.	1,429	1,850	1,800	+29%	-3%
Imperial Oil Ltd.	1,526	1,700	1,700	+11%	0%
Crescent Point Energy Corp.	1,118	1,140	1,540	+2%	+35%
Strathcona Resources	246	1,000	1,300	+307%	+30%
Baytex Energy Corp.	523	613	1,250	+17%	+104%
Whitecap Resources Inc.	695	925	1,100	+33%	+19%
Tamarack Valley Energy Ltd.	463	450	910	-3%	+102%
Paramount Resources Ltd.	801	788	900	-2%	+14%
Vermilion Energy Inc.	1,062	570	613	-46%	+7%
MEG Energy Corp.	376	450	550	+20%	+22%
Total	\$26,638	\$28,510	\$33,322	+7%	+17%

Select Merger & Acquisition Transactions

Date	Acquirer	Acquirer Location	Target	Target Location
November 2023	TerraVest Industries (TSX:TVK)	Toronto, ON	LV Energy Services	Grande Prairie, AB
\$25MM acquisition of frac water heating, water management and other related services provider serving the Western Canadian energy industry with locations in Grande Prairie and Rimbey by partially owned subsidiary, Green Energy Services to enhance market share.				
November 2023	Variperm Energy Services	Calgary, AB	Forum Energy Technologies (NYSE:FET)	Houston, TX
\$150MM acquisition of designer and manufacturer of customized downhole technology solutions including sand and flow control products for heavy oil applications with locations in Leduc, Lloydminster, Provost, Brooks and Swift Current.				
December 2023	Pason Systems (TSX:PSI)	Calgary, AB	Intelligent Wellhead Systems	Calgary, AB
\$88.3MM acquisition of remaining common shares in O&G technology and service company providing engineered controls, data acquisition and software to automate workflows and processes.				
December 2023	Waste Connections (TSX:WCN)	Toronto, ON	Portfolio of Secure Energy Services' (TSX:SES) energy waste treatment and disposal facilities	Calgary, AB
\$1.075B acquisition of 18 treatment, recovery and disposal facilities; six landfills; four saltwater disposal injection wells; and two disposal caverns throughout Western Canada as a result of the Competition Tribunal's mandated divestitures following Secure's merger with Tervita.				

Check out more transactions [here](#)