

Kimmeridge Publishes Presentation: "Ovintiv: A Track Record of Value Destruction"

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Ovintiv dramatically underperforms peers and the energy sector

Total Shareholder Return of (84.8%) since the current CEO joined in 2013; net debt increased 53% and \$12.7B in impairment charges were recorded; CEO awarded over \$75M in compensation over the same period

CEO and Ovintiv Board own less than 0.2% of shares outstanding(i)

Kimmeridge proposes framework for restoring confidence in Ovintiv by addressing deficiencies in capital allocation, governance and environmental stewardship

NEW YORK, Jan. 14, 2021 - Kimmeridge Energy Management Company, LLC ("Kimmeridge"), a private investment firm focused on upstream energy, with an investment philosophy underpinned by fundamental research, today published an investor presentation titled, "Ovintiv: A Track Record of Value Destruction."

In its presentation, Kimmeridge, a top ten shareholder of [Ovintiv Inc.](#) ("Ovintiv" or the "Company") (NYSE: OVV), highlights the Company's failures of capital allocation, governance and environmental stewardship. Kimmeridge also provides a framework for restoring confidence in Ovintiv, applying the core principles previously outlined in its white papers. Kimmeridge has argued that the E&P sector needs to embrace a new business model focused on:

- Returning capital to shareholders;
- Lowering reinvestment rates;
- Reducing absolute debt;
- Aligning management compensation with the interests of shareholders; and
- Establishing credible environmental targets aligned with the Paris Agreement.

Mark Viviano, Managing Partner and Head of Public Equities at Kimmeridge, said: "As a long-standing investor in the E&P sector, I have witnessed the continued deterioration of investor sentiment towards Ovintiv. Given the quality of its asset base, this company should not have been one of the worst performing E&Ps over the past seven years. However, Ovintiv is emblematic of everything that is wrong with the U.S. shale industry, and the reasons for underperformance are clear; unchecked decision-making, overseen by a board with insignificant equity ownership and inadequate expertise, is a prescription for failure."

Despite Kimmeridge's best efforts to engage in a constructive dialogue with the Board of Directors of the Company, we repeatedly encountered an unreceptive Board that mistakenly believes it has already positioned Ovintiv as a leading E&P company – but the facts suggest otherwise. We believe shareholders deserve better and will be supportive of change."

As further detailed in the presentation, Kimmeridge has identified three main failures at Ovintiv:

1. Failure of Capital Allocation

Ovintiv management appears addicted to taking on debt, demonstrated by a history of acquiring companies at the wrong time for the wrong price. We believe their mistakes are compounded by allocating capital to the wrong areas.

2. Failure of Governance

Ovintiv management has not been held accountable. We believe the Company's compensation structure displays a troubling lack of alignment between pay and performance, compounded by the lowest insider ownership amongst U.S. peersⁱⁱ.

3. Failure of Environmental Stewardship

With one of the highest CO₂e intensities in their U.S. peer groupⁱⁱ, and no targets related to flaring or total

emissions intensity, Ovintiv is an environmental laggard, not a leader.

Mr. Viviano continued, "The combination of poor capital allocation, misaligned incentives and an inferior environmental strategy leaves the Company unprepared for the growing risks associated with the energy transition. More concerning is the degree of complacency around the need for meaningful reform. The magnitude of shareholder value destruction demands a sense of urgency we have yet to witness from the Board and management team. Kimmeridge is prepared to help drive the change that the company desperately needs by nominating directors to the Ovintiv Board at the upcoming annual meeting."

A copy of Kimmeridge's presentation and additional information can be found at www.FixOvintiv.com.

About Kimmeridge

Founded in 2012, Kimmeridge is a private investment firm focused on unconventional oil and gas assets in the U.S. Kimmeridge is differentiated in its direct investment approach, deep technical knowledge, active portfolio management and proprietary research and data gathering. In addition to its New York headquarters, Kimmeridge maintains a fully-staffed, in-house operating and geology team in Denver, with experience across all major upstream functions and disciplines. For additional information on Kimmeridge and its proprietary research, please visit www.kimmeridge.com.

Media:
Kekst CNC
212.521.4800
Kekst-Kimmeridge@kekstcnc.com

Investors:
Bruce H. Goldfarb / Patrick J. McHugh
212.297.0722 / 212.297.0721
bhgoldfarb@okapipartners.com / pmchugh@okapipartners.com

Legend

Kimmeridge Active Engagement, LLC and Kimmeridge Energy Management Company, LLC and certain of their principals and affiliates (collectively, "Kimmeridge") and potential nominees (collectively and together with Kimmeridge, the "Participants") intend to file with the SEC a definitive proxy statement and accompanying form of proxy to be used in connection with the solicitation of proxies from the stockholders of Ovintiv. All Ovintiv stockholders are advised to read the definitive proxy statement and other documents related to the solicitation of proxies by the Participants when they become available, as they will contain important information, including additional information related to the Participants. The definitive proxy statement and an accompanying proxy card will be furnished to Ovintiv stockholders and will be, along with other relevant documents, available at no charge on the SEC website at <http://www.sec.gov/>.

Information about the Participants and a description of their direct or indirect interests by security holdings is contained in the Schedule 14A filed by the Participants with the SEC on January 14, 2021. This document will be available free of charge from the source indicated above.

ⁱ Source: Bloomberg, FactSet, Public Company Financial Reports and Proxy Statements. Total Shareholder Return (TSR) of (84.8)% from 6/10/13 (the last trading day before Douglas Suttles joined OVV) to 11/16/20 (the last trading day before media reports that Kimmeridge was actively seeking changes). Net debt and impairments from Q2'13 to Q3'20. CEO compensation since 2013 from 2020 proxy statement. Beneficial Ownership from Bloomberg as of 12/31/20 for U.S. Peers (APA, CHK, CLR, COG, CXO, DVN, EOG, HES, MRO, MUR, PXD, RRC and XEC)

ⁱⁱ U.S. Peers (APA, CHK, CLR, COG, CXO, DVN, EOG, HES, MRO, MUR, PXD, RRC and XEC)

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