

"Time for Action": Kimmeridge Releases Letter to the Future Board of Devon Energy

28.04.2026 | [PR Newswire](#)

Kimmeridge, a private investment firm focused on the energy sector, today released an open letter to the future Board of [Devon Energy](#) ahead of the closing of its merger with Coterra (CTRA), expected on May 4th, 2026.

"The merger of Devon and Coterra represents a compelling strategic combination that brings together high-quality assets, operational scale and the potential for durable free cash flow," said Mark Viviano, Managing Partner at Kimmeridge. "The company has a clear opportunity to close an unwarranted valuation gap, provided it acts decisively from day one."

Open Letter to the Board of Devon Energy Inc. (NYSE: DVN)

Kimmeridge has long been a constructive shareholder in Devon, and we support the strategic rationale behind the proposed combination with Coterra. However, with the expected closure of that transaction, Devon now stands at a critical inflection point that demands a more decisive, shareholder-focused strategy.

We believe the current market environment presents a unique opportunity for Devon to refocus its portfolio and materialize returns to shareholders. As we have previously discussed with Devon's management, the company's valuation continues to trade at a conglomerate discount, driven in part by a lack of clarity around capital allocation priorities and the persistence of non-core assets within the portfolio.

Avoid the "Transition Trap"

History shows that newly formed boards and management teams often face a period of inertia following a major merger. Complexity, governance resets, and the natural inclination to "observe before acting" can delay necessary decisions. In a commodity environment, that delay comes with a cost, particularly to shareholders. This Board cannot afford paralysis.

Devon must clearly articulate its post-merger strategy consistent with the vision that drove the parties to come together. Investors will expect clarity on strategic direction, capital allocation, and performance metrics immediately upon closing. Investors need to understand not just what assets the company owns, but why it owns them, how capital will be allocated, and what return metrics will guide decision-making.

Devon has assembled a high-quality set of core positions, particularly in the Delaware Basin. However, the company continues to allocate capital and management attention to assets that dilute shareholder returns and obscure the underlying value of the acreage. We strongly encourage the Board to initiate an accelerated program of non-core asset divestitures.

A streamlined portfolio focused on high-margin, scalable assets will not only improve capital efficiency but also position Devon as a best-in-class operator that is deserving of a premium valuation multiple. Scale alone does not create value, but disciplined execution do.

A Blank Sheet for Executive Compensation

Moments of transformation create rare opportunities to reset incentives. This merger is one of them. In articulating a new business model, Kimmeridge has spent years engaging across the sector on executive compensation, advocating for structures that better align management decision-making with long-term shareholder value creation. We encourage the Board to take a completely refreshed approach to compensation design based on the principles laid out in our 2020 white paper, "Bring Alignment and Accountability to the E&P Sector".

In the white paper, we advocate for 100% performance-based long-term incentives, deemphasizing relative TSR in favor of long-term financial measures and ensuring meaningful downside accountability alongside upside participation. Under the existing plan, only 60% of long-term incentives are performance based. Those incentives are singularly tied to relative TSR of a narrow peer group and inexplicably still reward poor performance. As noted in Devon's 2025 proxy, the 2022 performance bonus was paid out at 75% of target despite the company only achieving the eighth highest TSR out of a twelve-company and index.

group. Investors have no patience for bottom-tier performance, and neither should the Board.

Closing Perspective

This merger has the potential to set a new standard for the sector. But that outcome is not guaranteed. It will depend on the willingness of this Board to act with clarity, discipline, and urgency from day one.

Kimmeridge stands ready to engage constructively as a long-term investor committed to the success of this combined company.

The opportunity is significant. So is the responsibility.

About Kimmeridge

Founded in 2012 by Ben Dell, Dr. Neil McMahon and Henry Makansi, Kimmeridge is an alternative asset manager focused on the energy sector. The firm is differentiated by its direct investment approach, deep technical knowledge, active portfolio management, proprietary research, and data gathering. Public engagement is one of the firm's core strategies, launched in early 2020 to engage with the public E&P sector and generate differentiated returns. Since inception, the platform has outperformed the S&P 500 and relevant indices 2x on an annualized basis, under the direction of Managing Partner, Mark Viviano. Prior to joining Kimmeridge, Viviano spent nearly two decades at Wellington Management, responsible for firm-wide equity research coverage of the American and international E&P sectors, as well as co-portfolio manager for the Global Natural Resources and the Select Energy Opportunity strategies. www.kimmeridge.com

Media Contact:

Kekst-Kimmeridge@kekstcnc.com

Cautionary Statement Regarding Forward-Looking Statements

This press release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and is not intended to state to any person. The information herein contains "forward-looking statements". Specific forward-looking statements are identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "potential," "targets," "forecasts," "seeks," "contemplates," "should" or the negative of such terms or other variations on such terms or comparable terminology. Similarly, statements that describe our objectives, plans or goals are forward-looking. Forward-looking statements are subject to various risks, uncertainties and assumptions. There can be no assurance that any idea or assumption herein is, or will be proven, correct or that all of our objectives, plans or goals stated herein will ultimately be undertaken or achieved. If one or more of such risks or uncertainties materialize, or if Kimmeridge's underlying assumptions prove to be incorrect, the actual results may vary materially from those indicated by these statements. Accordingly, forward-looking statements should not be regarded as a representation by Kimmeridge that the future plans, estimates or expectations contemplated will ever be achieved.

View original content to download

multimedia:<https://www.prnewswire.com/news-releases/time-for-action-kimmeridge-releases-letter-to-the-future-board-of-devon-energy>

SOURCE Kimmeridge

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/731573--Time-for-Action--Kimmeridge-Releases-Letter-to-the-Future-Board-of-Devon-Energy.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).