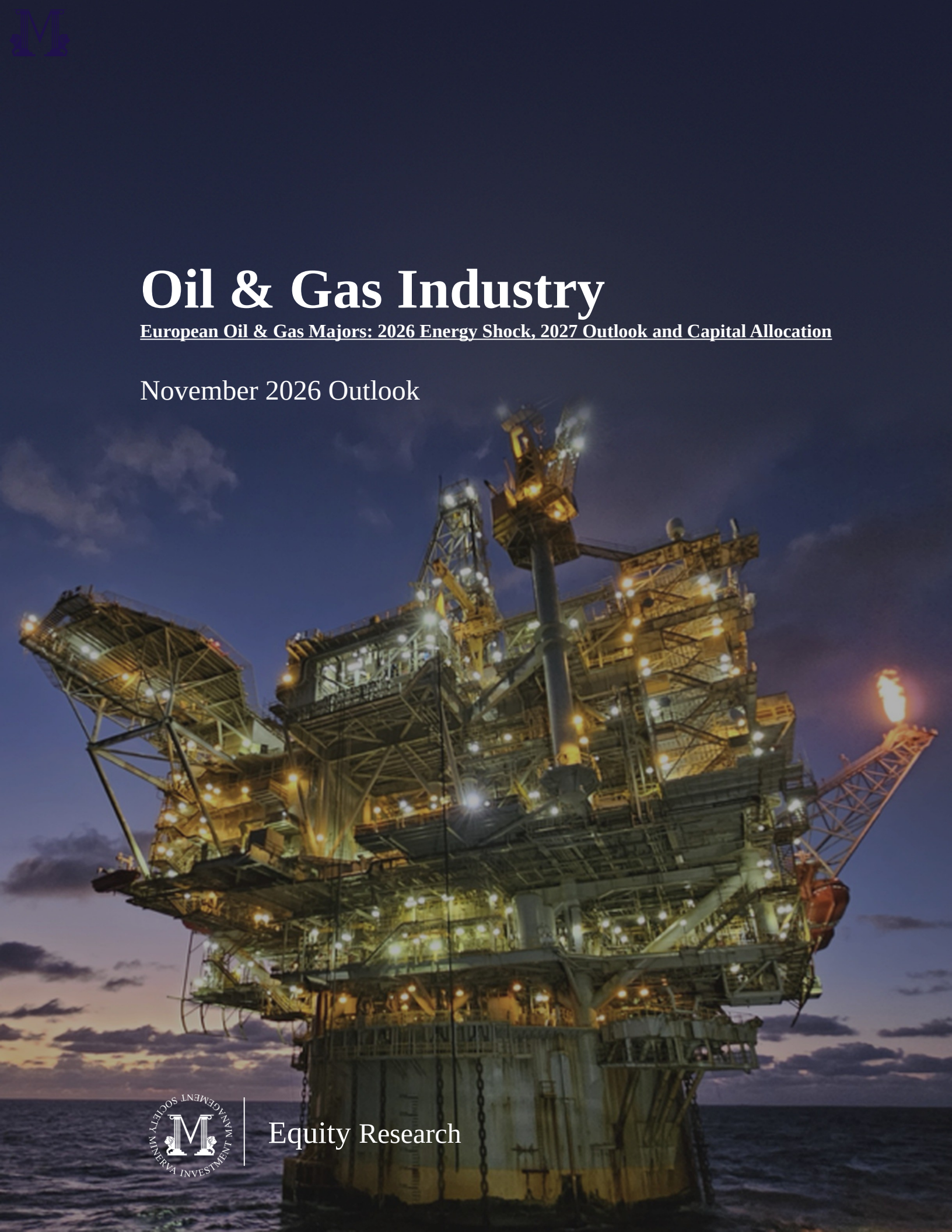
Oil & Gas Industry

European Oil & Gas Majors: 2026 Energy Shock, 2027 Outlook and Capital Allocation

November 2026 Outlook



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Executive Summary

The European oil and gas industry, led by seven integrated majors (Shell, TotalEnergies, BP, Equinor, Eni, Repsol and Galp), is going through **one of its most favourable periods of recent years** as the 2026 energy shock has brought higher prices and cash flows, especially from oil and gas production, LNG and refining.

Behind the shock there is the war in the Middle East, which has disrupted traffic through the Strait of Hormuz, the route for about a fifth of the world's oil and LNG. European majors are making the most of this phase with **operating cash flow rising by a 33% on average in the current year**. Capex stayed broadly flat while shifting back towards upstream and LNG, and **most of the extra cash went to repaying debt**, which fell by about a fifth in nine months. Renewables, meanwhile, still play a marginal role, accounting for **no more than 12% of segment earnings in 2025**.[1]

The current windfall is, however, cyclical. Once the Strait of Hormuz reopens, supply is expected to recover faster than demand and **prices should ease**, while windfall taxes and high inflation remain key risks.

Looking ahead, strategies are becoming more divergent, and so is the position of each player. **Shell and TotalEnergies stand out**, being the two largest LNG sellers and refiners in the European landscape, both rated A+ by S&P, which leaves them best placed for a period of easing prices. BP, the third large integrated player, is going back to the core and still puts its balance sheet first. Equinor and Eni earn almost all of their profits upstream, so their results depend most on oil and gas prices, while Repsol and Galp rely more on refining and keep expanding in renewables.

[1] Company annual reports 2025; Minerva Investment Management Society elaboration (Section 1, Figure 5).

1. Industry Overview

The oil and gas industry supplies fuels for transport, power generation and heating, and the raw materials for many everyday products. Oil and gas are still the world's main sources of energy, which gives the industry an influential role in the global economy. Producing and distributing them is complex and capital-intensive, and requires advanced technology. In Europe, the industry is led by the seven integrated majors listed on page 1, which operate across the entire value chain. A few years ago they set out to expand into renewable power, but most of them are now scaling back those ambitions.

The sector has traditionally attracted investors seeking reliable returns, and its resilience can also appeal to those pursuing both income and growth, despite its exposure to market volatility. Long-term global energy demand remains the key driver of its profitability, although high prices are currently weighing on consumption (Section 2), while lower investment in exploration and production can constrain supply and support prices.

The European Environment

Europe plays a limited role in global oil and gas production and relies heavily on imports. Even Norway, by far the largest European producer, covers only around 2% of global crude oil demand and about 3% of global natural gas demand. Within Europe, however, Norway accounts for about 63% of oil production and almost 59% of gas production (Figures 1 and 2).[2] Almost all Norwegian output is exported, and Norwegian gas exports are equal to more than 30% of the gas consumed in the EU and the United Kingdom.[3] Elsewhere, domestic supply is shrinking. In the Netherlands, production at the Groningen field, once the EU's largest gas field, was permanently halted by law in April 2024 after years of earthquakes caused by extraction.[4] In the United Kingdom, North Sea output is in structural decline, and crude production is expected to roughly halve between 2021 and 2030.[5]

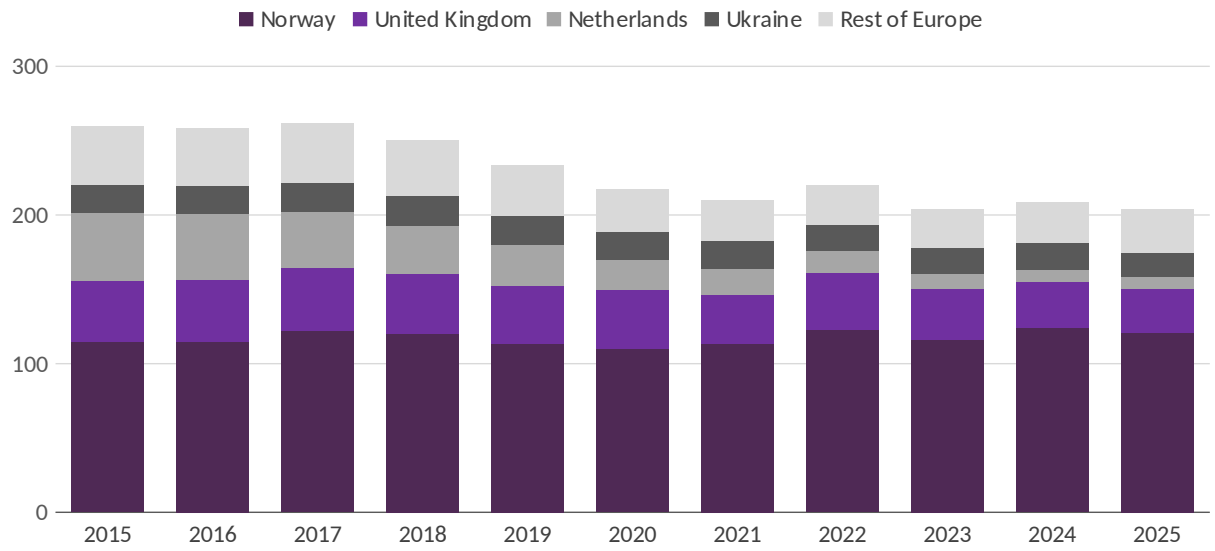
[2] Energy Institute, Statistical Review of World Energy 2026; Minerva Investment Management Society elaboration.

[3] Norsk Petroleum, "Exports of oil and gas".

[4] Government of the Netherlands, "Wet sluiting Groningenveld gaat per 19 april in" (18 April 2024); JPT, "Groningen gas field to shut down for good".

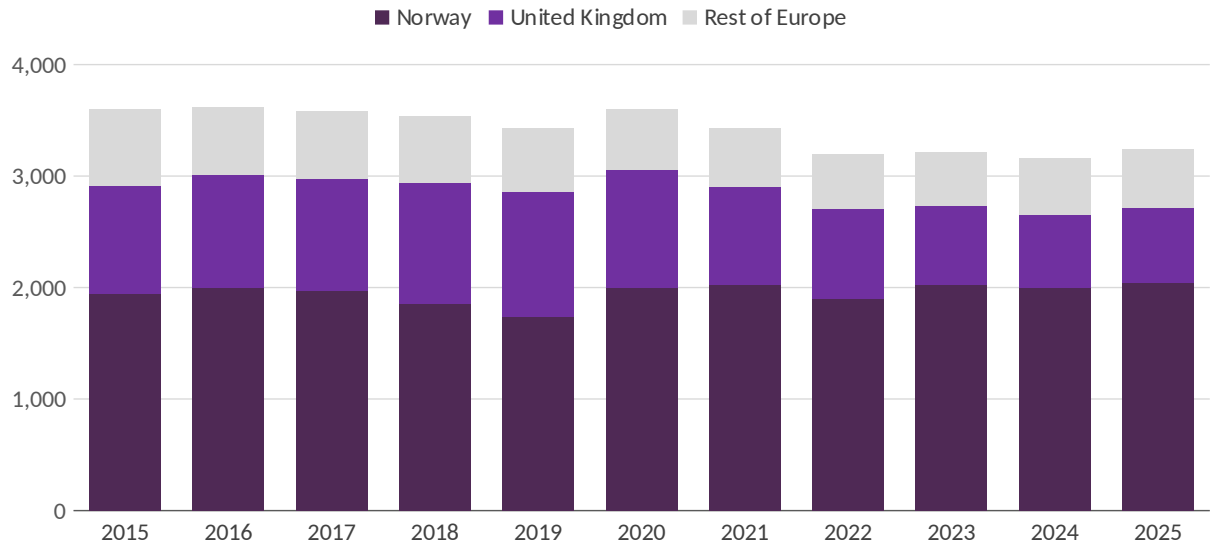
[5] North Sea Transition Authority production projections, via Rigzone (27 March 2025).

Figure 1: Norway's share of European gas output rose from 44% to 59% in ten years
European natural gas production by country, billion cubic metres



Source: Energy Institute, Statistical Review of World Energy 2026; Minerva Investment Management Society elaboration

Figure 2: Norway produces about 63% of Europe's oil
European oil production by country, thousand barrels a day



Source: Energy Institute, Statistical Review of World Energy 2026; Minerva Investment Management Society elaboration

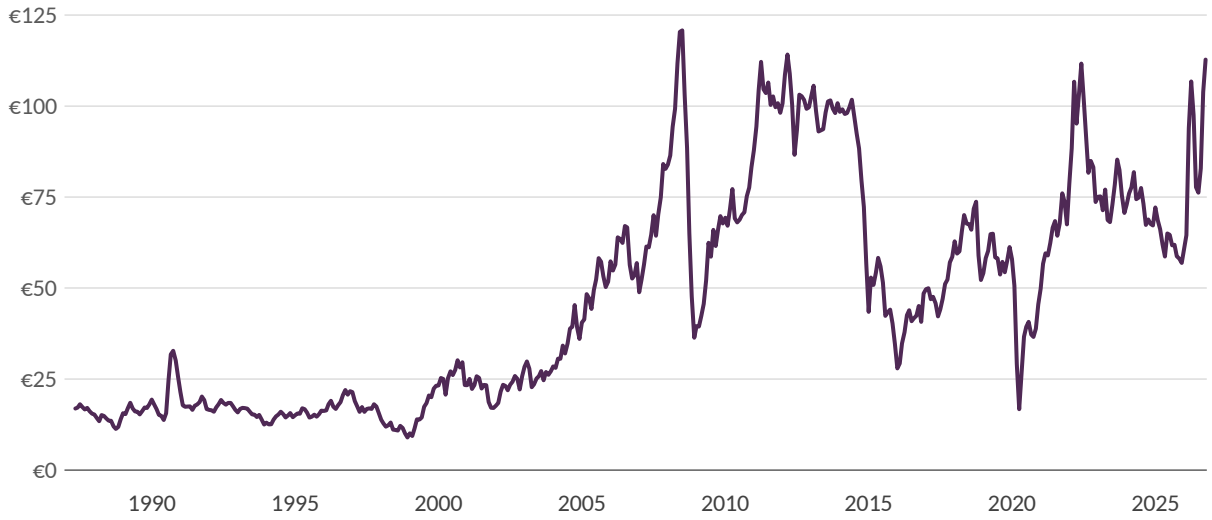
Brent: The European Benchmark

Brent is the price benchmark for up to two-thirds of the world's crude oil. It is produced offshore and loaded directly onto tankers, so it can easily be shipped anywhere, and decades of trading have given it deep market acceptance. Landlocked crudes such as the American WTI, on the other hand, can have their prices distorted by local pipeline or storage constraints, whereas Brent reflects global supply and demand,

which makes it a reliable reference.[6] Figure 3 also shows how much it moves: at today's exchange rate, the monthly average peaked at about €120 in mid-2008 and fell below €20 in April 2020, before the 2026 spike described in Section 2.[7]

Figure 3: Brent reached €113 in October 2026, its highest monthly average since 2012

Brent crude oil price, monthly average, € per barrel (converted at $1.0989 per euro)



Source: EIA, Europe Brent Spot Price FOB (monthly average); Minerva Investment Management Society elaboration

Business Leaders

The European oil and gas sector is highly concentrated, although even its largest players remain small on a global scale: national oil companies account for more than half of global oil and gas production and close to 60% of reserves, while the seven largest international majors hold less than 13% of global Oil production[8]. Among the European majors, Shell and TotalEnergies together account for about 60% of the group's market value (Figure 4). Two of the seven have the state as their main shareholder: the Norwegian government owns 67.0% of Equinor, while the Italian state is Eni's reference shareholder with a 31.8% stake.[9]

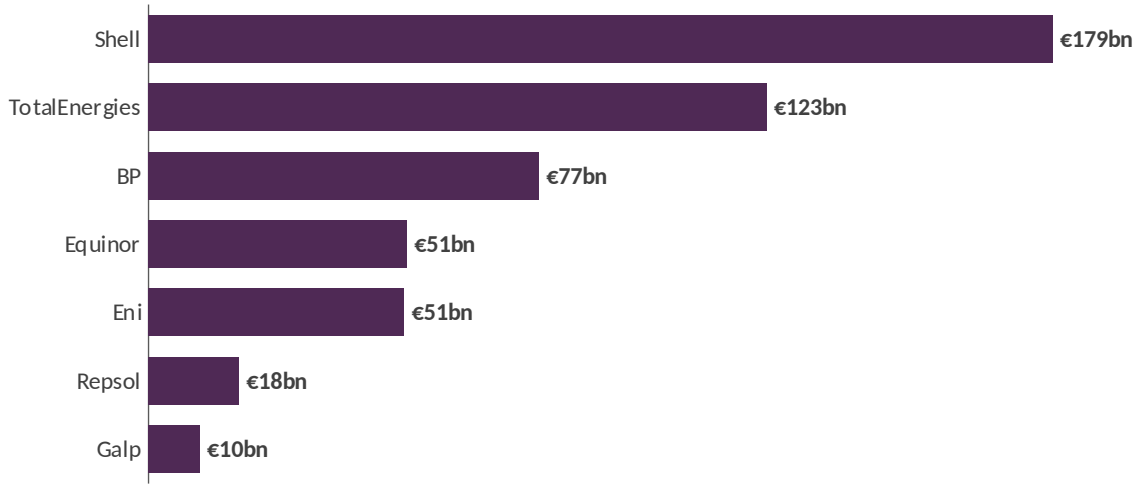
[6] ICE, "Brent Crude"; S&P Global Commodity Insights, "Platts Dated Brent Price Assessment"; Reuters, "Explainer: Will WTI Midland's inclusion in Dated Brent affect oil markets?", via Kitco (25 April 2023).

[7] EIA, Europe Brent Spot Price FOB, monthly averages.

[8] International Energy Agency (IEA), "The Oil and Gas Industry in Net Zero Transitions" (2023).

[9] Equinor, Annual Report 2025, p. 283; Eni, Annual Report 2025, p. 425.

Figure 4: Shell and TotalEnergies make up about 60% of the majors' market value
Market value of the European majors, 31 December 2025, € billion



Source: FactSet; Minerva Investment Management Society elaboration

Business Models

Companies in the oil and gas industry follow different business models, which differ mainly in ownership, objectives and coverage of the value chain (Table 1). Integrated international oil companies (IOCs) are investor-owned and typically operate across the entire value chain, from exploration and production to refining and marketing, often on a global scale. National oil companies (NOCs) are entirely or majority owned by governments: they often enjoy privileged access to their country's reserves and pursue energy security and state revenue alongside profit. Finally, specialised operators focus on a single segment of the value chain. Independent exploration and production companies, such as Vår Energi and Aker BP in Norway, have no refining or marketing activities, while midstream operators such as Gassco, the state-owned company that runs the Norwegian gas pipelines, manage transport infrastructure.[10]

Table 1: Business models in the oil and gas industry

Business model	Ownership	Value chain coverage
Integrated majors (IOCs)	Investor-owned, listed	Upstream, midstream and downstream; increasingly power
National oil companies (NOCs)	Entirely or majority state-owned	Privileged access to national reserves
Specialised operators	Private, listed or state-owned	Single segment of the value chain

Sources: Umbrex; Equinor, Annual Report 2025; Petoro, Annual Report 2024

Beyond size and ownership, the seven majors also differ in how they are positioning themselves for the energy transition. All of them were built on oil and gas, but in recent years they have taken increasingly

[10] Umbrex, "How the Oil & Gas Exploration and Production Industry Works"; S&P Global, "North Sea companies scale up to stay alive, or leave" (December 2024); Gassco, "Facts about Gassco".

different paths, between staying focused on hydrocarbons and becoming broader integrated energy companies.

From Integrated Oil & Gas to Integrated Energy Companies

In line with developments in energy markets, large integrated oil companies increasingly define themselves as integrated energy companies (Total, for example, changed its name to TotalEnergies in 2021) and have broadened their business, with growing emphasis on cutting emissions from their own upstream operations.[11] However, the oil and gas industry remains a marginal player in the clean energy transition: oil and gas producers account for only 1% of global clean energy investment, and more than 60% of this comes from just four companies. At the same time, demand for fossil fuels has not peaked. As Barclays Research notes, citing the IEA's Global Energy Review 2026, oil, natural gas and coal consumption all reached record levels in 2025, because the transition is proving to be one of "energy addition, not substitution".[12] The third-quarter 2026 results show that the largest European majors are scaling back their exposure to renewables: BP has launched the sale of Lightsource bp, Shell is selling its European onshore renewables, and TotalEnergies and Eni are increasingly funding their power businesses through farm-downs, that is, by selling stakes in projects to other investors (Section 4). Smaller players such as Galp and Repsol, on the other hand, keep expanding their renewable portfolios.[13] Oil and gas therefore remain at the core of the integrated model, as the analysis of the business segments shows.

Segmentation

The oil and gas industry is usually divided into three main segments that together form the value chain from resource to end product: upstream, midstream and downstream. LNG, renewables and power, and carbon capture and storage (CCS) are additional segments (Table 2). Many large integrated companies operate in all three main segments, which helps them balance risk.

Table 2: Segmentation of the European oil and gas industry

Segment	Activity
Downstream	Crude oil refining; petrochemicals; fuel marketing and retail; lubricants
Midstream	Transport and storage of oil and gas: pipelines, terminals, tankers, storage
Upstream	Exploration, development and production of oil and gas fields
LNG	Gas liquefaction, shipping, regasification and LNG trading
Renewables & Power	Wind and solar generation; power trading and retail; EV charging
CCS	Capture, transport and storage of CO_2

Sources: company annual reports 2025; Minerva Investment Management Society elaboration

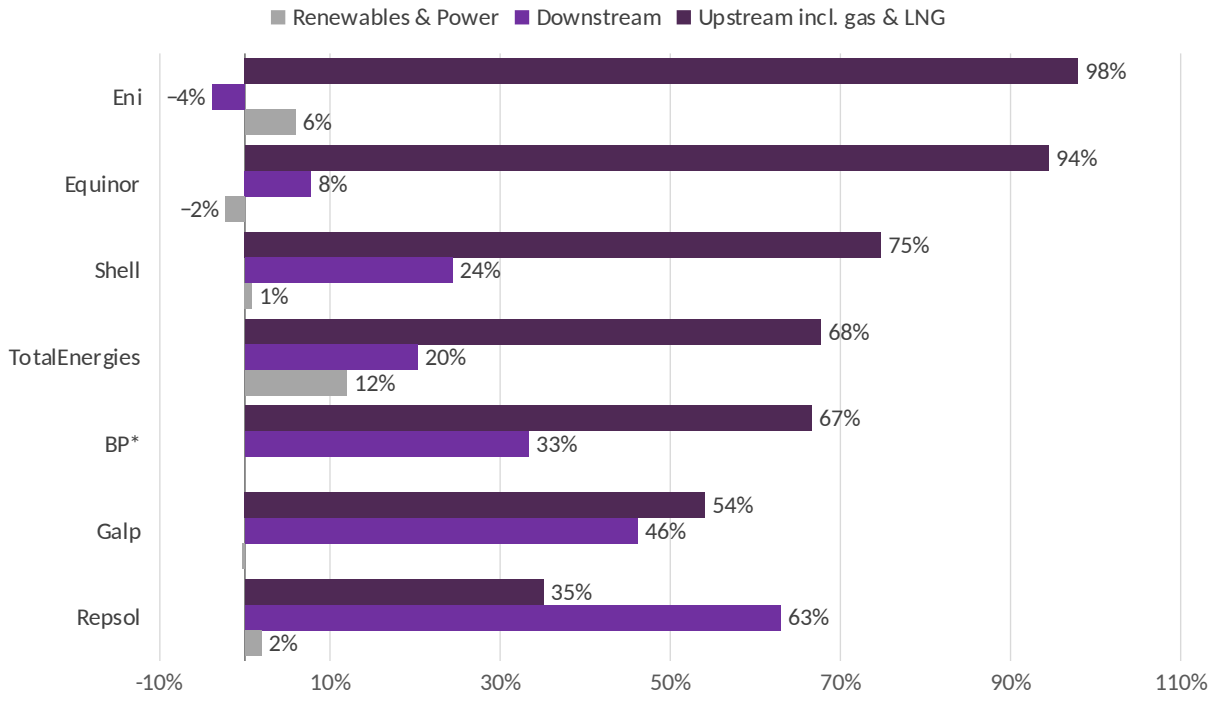
[11] Norwegian Offshore Directorate (Sodir), Resource Report 2022; TotalEnergies, "Total is transforming and becoming TotalEnergies" (May 2021).

[12] IEA, "The Oil and Gas Industry in Net Zero Transitions" (2023); Barclays Research, Impact Series 15, "The global energy race" (September 2026), p. 8.

[13] Third-quarter 2026 results: BP (p. 10), Shell (p. 8), TotalEnergies earnings call (p. 17), Eni (p. 16), Galp (p. 10) and Repsol (p. 8).

The earnings mix by segment of each major (Figure 5) shows the relative importance of each segment. Eni and Equinor earn almost all of their profits upstream, while Galp and Repsol earn a much larger share in the downstream, from refining and marketing. The renewable business plays a small part for all of them: the Renewables & Power segment, which covers more than renewables alone, accounts for between −2% and 12% of segment earnings (BP excluded, as it does not report this segment separately). This confirms its marginal role, despite the majors' announced transition to integrated energy companies.

Figure 5: Upstream earns most of the profits; renewables and power earn little
Earnings mix by segment, FY2025, % of segment earnings



Sources: company annual reports 2025; Minerva Investment Management Society elaboration. Negative values are segment losses.

Downstream

Among the seven majors, TotalEnergies has the largest refining capacity, 1.76 million barrels a day (mb/d), which is the amount of crude oil its refineries can process each day. It is followed by BP (1.56 mb/d) and Shell (1.36 mb/d) (Figure 6). Refining can be highly profitable when conditions are favourable. In 2025, TotalEnergies' Refining & Chemicals segment reported a return on average capital employed (ROACE) of 37.8%, the highest of its businesses. ROACE measures the profit a business makes on the capital invested in it: 37.8% means about 38 cents of profit a year for every euro of capital. The company's CEO recently described the downstream as a "super cash cow".[14] The short-term outlook remains supportive. Refinery closures and war damage reduced global refinery output by an estimated 4.5 mb/d in the second quarter of 2026, which pushed refining margins to record levels: BP's refining indicator margin reached €42 a barrel in the third quarter of 2026, against €14 a year earlier (Section 2).[15]

[14] TotalEnergies, Universal Registration Document 2025; TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

[15] Barclays Research, Impact Series 15, "The global energy race" (September 2026), pp. 6–8; BP, "Third Quarter 2026 Results Presentation".

Midstream

Unlike the other segments, midstream is not reported as a stand-alone business by the majors: its activities are generally included in other segments (for example, Equinor's Marketing, Midstream & Processing), and no common metric is disclosed by all seven companies. Its importance for Europe is nonetheless significant: around 95% of Norwegian gas reaches European markets through subsea pipelines.[16] The renewed focus on energy security is also increasing the need for new infrastructure, such as LNG import terminals, pipeline links between countries and strategic storage.

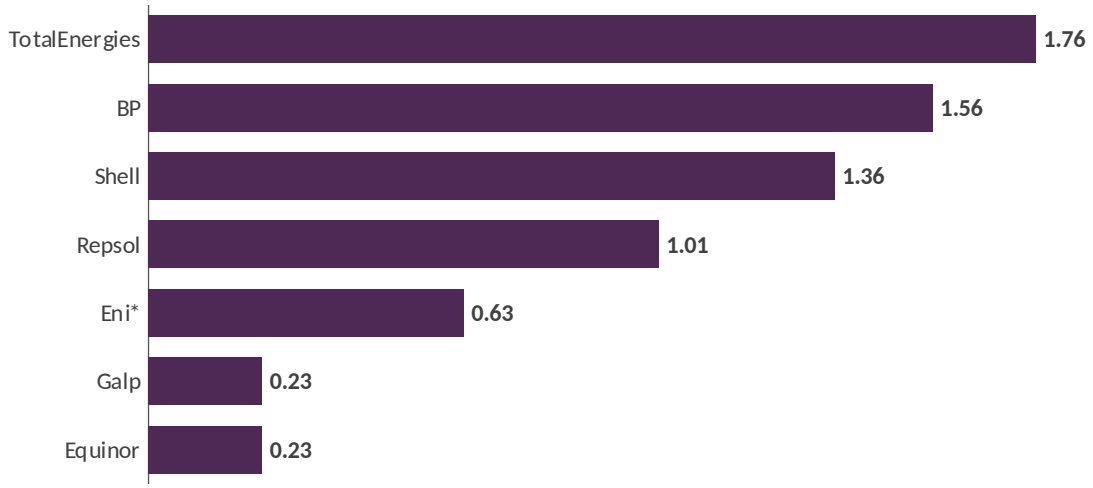
Upstream

The upstream segment remains the core of the majors' business. Shell is the largest producer of the seven, with 2.80 million barrels of oil equivalent a day (mboe/d), a unit that adds oil and gas together by converting gas into the barrels of oil that would give the same energy. It is followed by TotalEnergies (2.53 mboe/d) and BP (2.31 mboe/d) (Figure 7).

Looking ahead, the segment needs constant investment just to keep production flat. According to the IEA, if all investment in existing fields stopped, global oil production would fall by around 5.5 mb/d every year, roughly the combined output of Brazil and Norway.[17] The majors themselves have kept total capex broadly flat since 2022, although a growing share of it is going to upstream (Section 4).

Figure 6: TotalEnergies, BP and Shell have the largest refining capacity

Refining capacity, end of 2025, million barrels a day



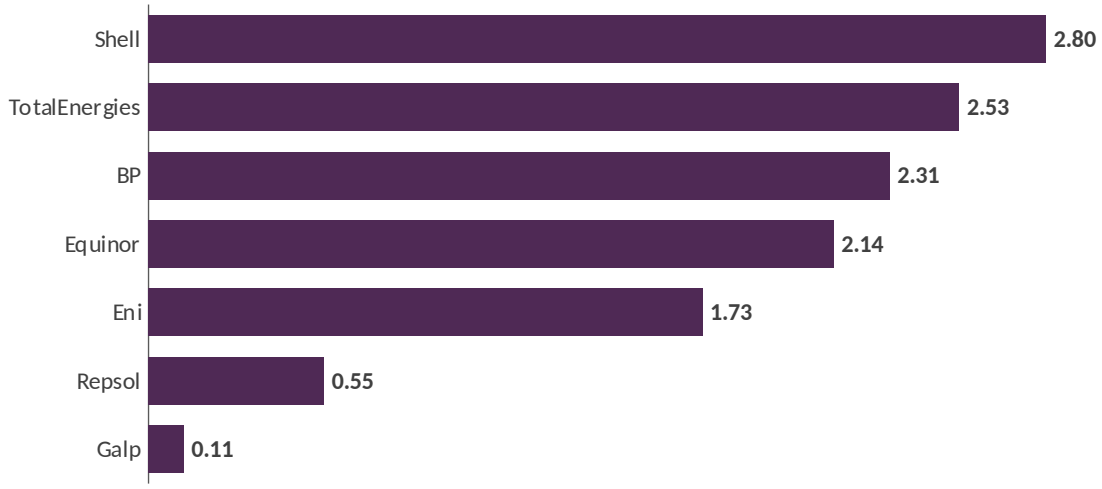
Sources: company annual reports 2025; Minerva Investment Management Society elaboration. *Eni: implied value (throughputs / utilisation rate).

[16] Norsk Petroleum, "Exports of oil and gas"; Gassco, "Facts about Gassco".

[17] IEA, "The Implications of Oil and Gas Field Decline Rates" (September 2025).

Figure 7: Shell is the largest oil and gas producer of the seven

Oil and gas production, FY2025, million barrels of oil equivalent a day



Sources: company annual reports 2025; Minerva Investment Management Society elaboration. Bases differ slightly by company.

LNG

Liquefied natural gas (LNG) is gas cooled into a liquid so that it can be transported by ship rather than by pipeline. Shell is the largest LNG player among the European majors, with LNG sales of 72.9 million tonnes (Mt) in 2025, followed by TotalEnergies with 43.9 Mt.[18] LNG has become central to Europe's energy supply after the shift away from Russian pipeline gas: in 2025, the United States supplied 56% of the EU's LNG imports by value.[19] The majors continue to invest in the segment: Shell aims to grow its LNG sales by 4–5% a year until 2030 and took the final investment decision on LNG Canada Phase 2 in 2026.[20]

Renewables & Power

TotalEnergies has by far the largest installed renewable capacity among the seven majors (19.0 GW), about as much as the other five that disclose it combined, followed by Repsol (5.9 GW) and Eni (5.8 GW) (Figure 8). The segment's contribution to earnings, however, remains limited (Figure 5). While BP and Shell retreat, others keep growing: Galp raised its installed capacity to 2.7 GW in the third quarter of 2026 (+64% on a year earlier), Eni's Plenitude exceeded 6 GW and 23,300 EV charging points, and TotalEnergies increased its net power generation by 25% in the first nine months of 2026.[21]

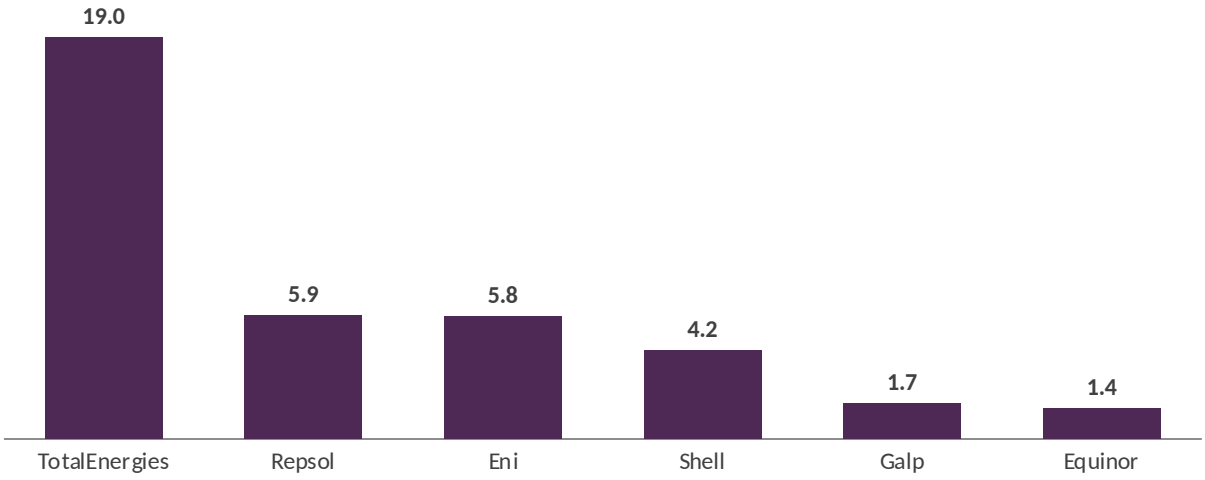
[18] Shell, Annual Report and Accounts 2025; TotalEnergies, Universal Registration Document 2025.

[19] Eurostat, "EU imports of energy products decreased again in 2025" (25 March 2026).

[20] Oil & Gas Journal, "Shell increases shareholder returns, LNG sales projections while cutting spending" (25 March 2025); Shell, "Q3 2026 Results Presentation", pp. 8–9.

[21] Galp, "3Q26 Results", p. 10; Eni, "Third Quarter 2026 Results", pp. 4 and 15; TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

Figure 8: TotalEnergies has about as much renewable capacity as the other five combined
Installed renewable capacity of the European majors, end of 2025, gigawatts



Sources: company annual reports 2025; Minerva Investment Management Society elaboration. BP does not disclose renewable capacity.

Carbon Capture and Storage (CCS)

Several majors are developing CCS projects that use their geological expertise and existing infrastructure. In 2026, Eni installed the new Douglas CCS platform in Liverpool Bay and secured EU Innovation Fund support for Ravenna Phase 2, while Shell's portfolio includes the Quest and Polaris projects and the Atlas Carbon Storage Hub in Canada. Equinor, Shell and TotalEnergies also stored the first CO_2 at Northern Lights, their joint venture in the Norwegian North Sea, in 2025.[22] However, the business remains at an early stage: investment is focusing on transport and storage, while capture is spreading slowly because of high costs and weak demand.

Demand is weak because, for most emitters, paying for CO_2 is still cheaper than capturing it. Under the EU Emissions Trading System (ETS), companies must hold an allowance for each tonne they emit, which costs around €83, while capturing, transporting and storing that tonne costs about €121 to €222 depending on the industry.[23] Heavy industry also still receives many allowances for free, and proposed changes to the ETS would extend this, which has already lowered expected carbon prices.[24]

Demand therefore depends on regulation, and two EU rules should raise it over time. First, the Net-Zero Industry Act sets an EU target of at least 50 Mt a year of CO_2 storage capacity by 2030 and requires EU oil and gas producers to contribute to it in proportion to their output.[25] Second, free allowances for industries such as cement, steel and fertilisers are being phased out between 2026 and 2034, while the Carbon Border Adjustment Mechanism (CBAM) applies the same carbon cost to imports of these goods, so producers cannot simply move abroad.[26] As free allowances disappear, capture becomes worth considering for these plants.

[22] Eni, "Third Quarter 2026 Results"; Shell, "Q3 2026 Results Presentation"; Offshore Magazine, "First CO2 stored in Northern Lights North Sea reservoir" (25 August 2025).

[23] IEEFA, "Europe's potential carbon capture and storage project pipeline is losing steam" (11 June 2026).

[24] IEEFA, "Polluter pays or taxpayer pays? Weaker EU carbon prices widen the carbon capture funding gap" (November 2026).

[25] European Commission, "EU's 2030 carbon storage target" (Net-Zero Industry Act, Article 23).

[26] European Commission, "Carbon Border Adjustment Mechanism (CBAM)"; CMS, "CBAM implementation package published and proposals for future expansion" (December 2025).

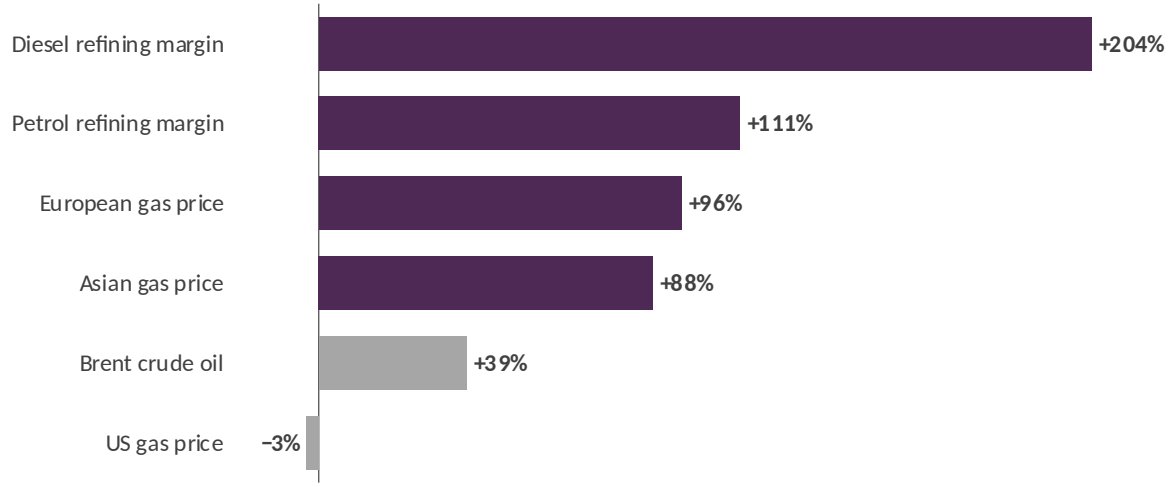
Having outlined the structure of the industry and the position of its main players, the next section looks at how the 2026 energy shock has changed the environment in which they operate.

2. Macroeconomic Environment and Market Outlook

The war between the United States, Israel and Iran began on 28 February 2026, and within days tanker traffic through the Strait of Hormuz almost stopped. This narrow passage between Iran and Oman is the only sea route out of the Gulf, and before the war about a fifth of the world's oil supply and a fifth of its liquefied natural gas (LNG) trade passed through it.[27] As a result, a market that had more oil than it needed in 2025 was suddenly short of it.

For the seven majors this meant higher prices and much higher cash flows. For Europe, which imports more than half of the energy it uses,[28] it meant higher inflation and slower growth. However, as Figure 9 shows, the shock was uneven. In one year crude oil rose by 39%, the European gas price almost doubled and the margin that refineries earn on diesel tripled. Asia competes with Europe for the same LNG cargoes, so its gas price rose almost as much. The United States, on the other hand, produces its own gas, and therefore its price basically did not move.

Figure 9: Diesel margins tripled and gas doubled, while crude oil rose 39%
Change in average price, third quarter of 2026 against third quarter of 2025. Dark bars rose faster than crude oil.



Sources: Galp, 3Q26 Results (Platts prices); EIA (Brent); BP, Q3 2026 results (US gas); Minerva Investment Management Society elaboration

Growth, Inflation and Interest Rates

Energy is behind Europe's three economic problems this winter: weak growth, high inflation and rising interest rates. The International Monetary Fund (IMF) expects the euro area to grow by 1.1% in 2026 and 1.2% in 2027, about a third of the pace of the world economy.[29] Inflation, meanwhile, has moved the other

[27] EIA, "The Strait of Hormuz is the world's most important oil transit chokepoint" (21 November 2023), figures for 2022; US Energy Information Administration (EIA), "Short-Term Energy Outlook" (10 November 2026).

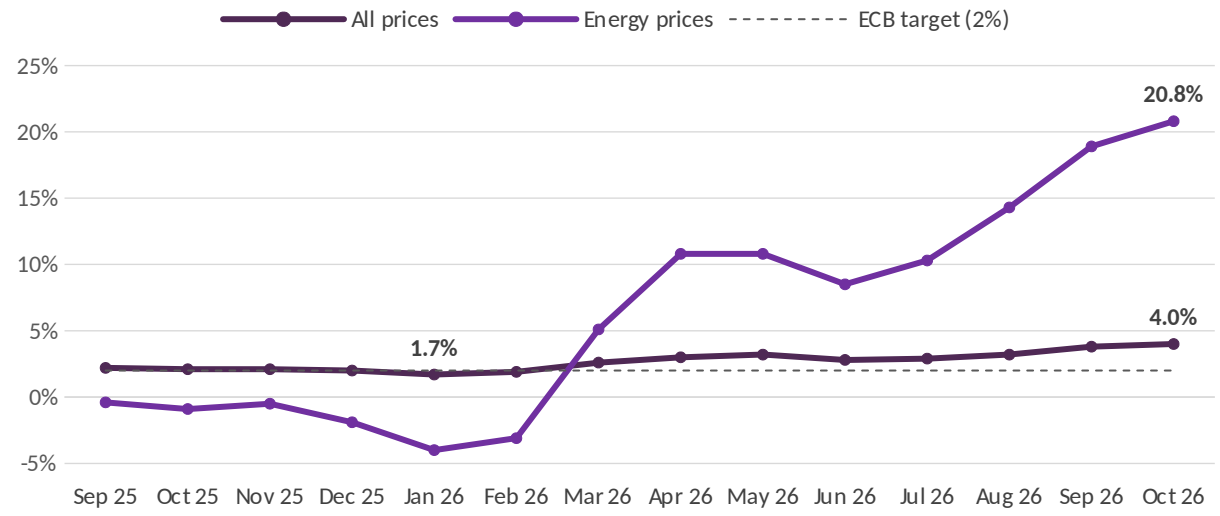
[28] Eurostat, "EU energy import dependency" (18 March 2026).

[29] International Monetary Fund, "World Economic Outlook" (October 2026), as reported by Euronews and Reuters.

way. In January it stood at 1.7%, below the 2% target of the European Central Bank (ECB). By October it had reached 4.0%, mainly because energy cost almost 21% more than a year earlier (Figure 10). To this the ECB responded in June and again in September by raising its deposit rate from 2.00% to 2.50% over these two steps.[30]

The rising interest rates matter in two ways. The first is investment. An LNG plant or an offshore oil field costs billions before it produces anything, and earns the money back over decades. When rates rise, loans cost more and shareholders ask for a higher return, so companies use less debt or approve fewer projects. Partly for this reason, the International Energy Agency (IEA) expects investment in oil production to fall in 2026 for the third year in a row.[31] The majors, however, feel this less at the moment, because their 2026 cash flows cover their investments and still leave room to repay debt (Section 4). The second is demand. Higher rates slow the economy, so households and companies use less energy. In fact, research on past ECB decisions finds that a rate rise lowers oil and energy prices mainly through this effect.[32] In 2026, interest rates and high prices therefore push in the same direction.

Figure 10: Energy pushed euro-area inflation from 1.7% in January to 4.0% in October 2026
Consumer prices in the euro area, % change on a year earlier



Sources: Eurostat; Minerva Investment Management Society elaboration

Oil: From Surplus to Shortage

In 2025 the world produced more oil than it used, and Brent averaged €63 a barrel. The war reversed this. In May, at the worst point, about 11 million barrels a day of Middle East production could not reach the market, around a tenth of the 106 million total world supply. Exporters then found ways around the Strait, mainly by moving oil from ship to ship off the coast of Oman, which cut the lost volume to 2.5 million barrels a day by October.[33]

[30] Eurostat, "Euro area annual inflation up to 4.0%", flash estimate (4 November 2026); European Central Bank, "Monetary policy decisions" (10 September 2026) and "Key ECB interest rates".

[31] International Energy Agency (IEA), "World Energy Investment 2026" (May 2026).

[32] G. Ider, A. Kriwoluzky, F. Kurcz and B. Schumann, "Friend, not foe: monetary policy and energy prices", SUERF Policy Brief No. 1541 (August 2026).

[33] EIA, "Short-Term Energy Outlook" (10 November 2026), Tables 1 and 3a.

Prices, however, reacted to events more than to volumes. Brent averaged €94 in the second quarter and €87 in the third. It then jumped to €113 in October, when tankers were attacked in the Gulf and oil stocks kept falling.[34] By early November it had already eased, and the US midterm elections on 3 November pushed it even lower: the Democrats won both chambers of Congress, investors bet on an earlier end to the war, and Brent fell to about €86.[35]

In normal times the oil price is steered by OPEC+, an alliance of the Organization of the Petroleum Exporting Countries (OPEC), led by Saudi Arabia, and other producers led by Russia. The alliance sets a production quota for each member: lower quotas take oil off the market and raise prices, higher quotas do the opposite. Its real strength is spare capacity, oil that members could start producing within 30 days but choose to hold back. As long as this reserve exists, a supply problem elsewhere can be covered and prices stay calm.[36]

The war broke this mechanism. Most spare capacity is in Gulf countries whose exports pass through the Strait, so it could not be used when it was needed most. The US Energy Information Administration (EIA) puts OPEC's spare capacity at only 0.4 million barrels a day in 2026, down from 3.4 million in 2025.[37] The alliance was then weakened further when the United Arab Emirates, one of its largest producers, left on 1 May.[38]

Finally, high prices also reduced demand. The IEA expects the world to use about 2.7 million barrels a day less oil in 2026 than in 2025, the largest fall since 2020.[39]

Gas: Europe's Weak Spot

Gas is where the shock hurts Europe most. The Gulf's LNG exports are still disrupted, so Europe had to compete with Asia for the remaining cargoes and could not fill its storage before winter. In early November, storage was 72% full, against an average of 89% for the time of year. Prices reflect this. The European gas price (the Dutch TTF benchmark) averaged €63 per megawatt-hour in the third quarter, almost double the €32 of a year earlier. In late October it even passed €100 for the first time since 2022, before falling back a bit in November.[40]

On top of this, the European Union has decided to stop buying Russian gas. LNG imports will be banned from the beginning of 2027 and pipeline imports from autumn 2027,[41] so Europe has to replace Russian gas while gas from the Gulf is still missing.

The expensive gas spreads to the rest of the economy, because gas-fired power plants usually set the price of electricity. For consumers this has been bad news. In Italy, for example, wholesale electricity cost 65%

[34] EIA, "Short-Term Energy Outlook" (10 November 2026), Table 2.

[35] The National, "Brent oil slides to $94 on Iran uncertainty after US midterms" (4 November 2026).

[36] EIA, "What drives crude oil prices: Supply – OPEC".

[37] EIA, "Short-Term Energy Outlook" (10 November 2026), Table 3d.

[38] Al Jazeera, "UAE leaves OPEC and OPEC+ in blow to oil cartel during war on Iran" (28 April 2026).

[39] International Energy Agency (IEA), "Oil Market Report – November 2026" (13 November 2026).

[40] Bloomberg, "European gas swings with storage worries countering Iran hopes" (10 November 2026); Galp, "3Q26 Results" (26 October 2026), market indicators; S&P Global, "European gas price tops €100/MWh intraday on ICE" (28 October 2026).

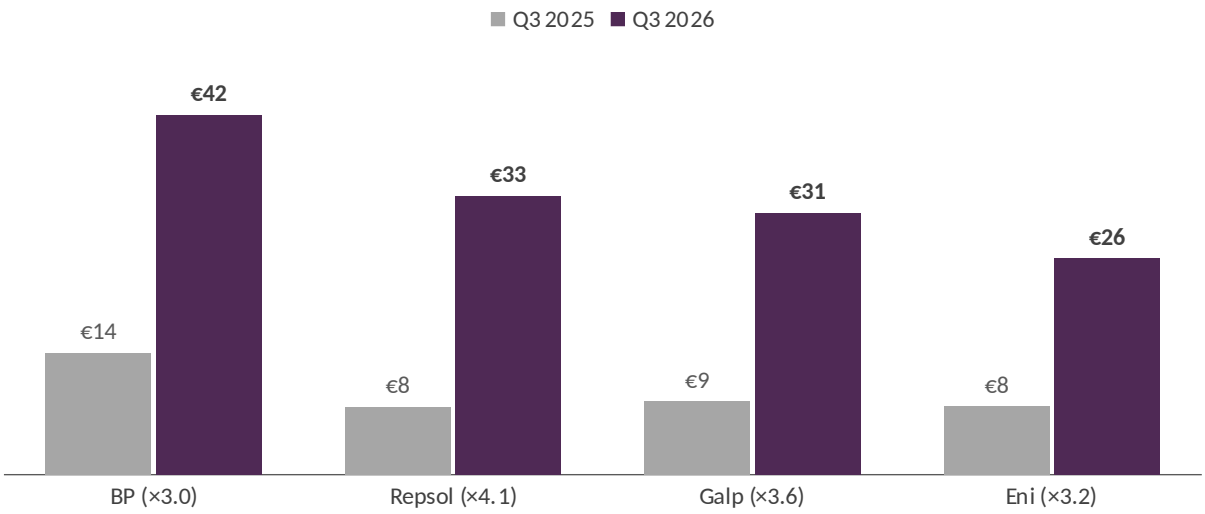
[41] Council of the EU, "Russian gas imports: Council gives final green light to a stepwise ban" (26 January 2026).

more in the third quarter than a year earlier. On the other hand, for the majors that produce gas the effect is positive. For instance, Equinor sold its European gas at a price 75% higher than a year earlier.[42]

Refining: Record Margins

Refining is where the majors gained the most from the shock. As shown in Figure 9, in North-West Europe the market margin on diesel tripled in a year, while the margin on petrol doubled. Since the majors report an average across all the fuels their refineries make, and European refineries make far more diesel than petrol, their refining margins moved closer to the diesel figure. Those of BP (Section 1), Eni, Galp and Repsol rose three to four times in a year, reaching around €26–42 a barrel in the third quarter, depending on the player (Figure 11).

Figure 11: The majors' refining margins rose three to four times in a year
Refining margin reported by each company, € per barrel (Galp: per barrel of oil equivalent). In brackets: increase in a year.



Sources: BP, Eni, Galp and Repsol, Q3 2026 results; Minerva Investment Management Society elaboration. Each company calculates its margin differently, so levels are not directly comparable.

The cause is a shortage of fuels, not of crude oil. Europe uses more diesel than it produces and relies on imports, many of them from refineries in the Gulf. In September these shipments were heading for their lowest level in six years. At the same time, Ukrainian drone attacks put part of Russia's refining capacity out of use, which reduced the supply of diesel worldwide.[43] With less fuel available and demand still strong, fuel prices rose much faster than crude oil, and that gap goes straight into the majors' margins.

During 2026 the world covered the shortage by running down its stocks of diesel and petrol, and these stocks now have to be refilled. TotalEnergies expects European margins to stay strong during the first half of 2027, which fits the IEA's view that diesel stocks will not recover before the second half of that year.[44]

[42] Eni, "Third Quarter 2026 Results" (23 October 2026); Equinor, "Third Quarter 2026 Results", CFO presentation (28 October 2026).

[43] S&P Global, "Middle East diesel exports to Europe head for six-year low in September" (21 September 2026); TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

[44] TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026); IEA, "Oil Market Report – October 2026".

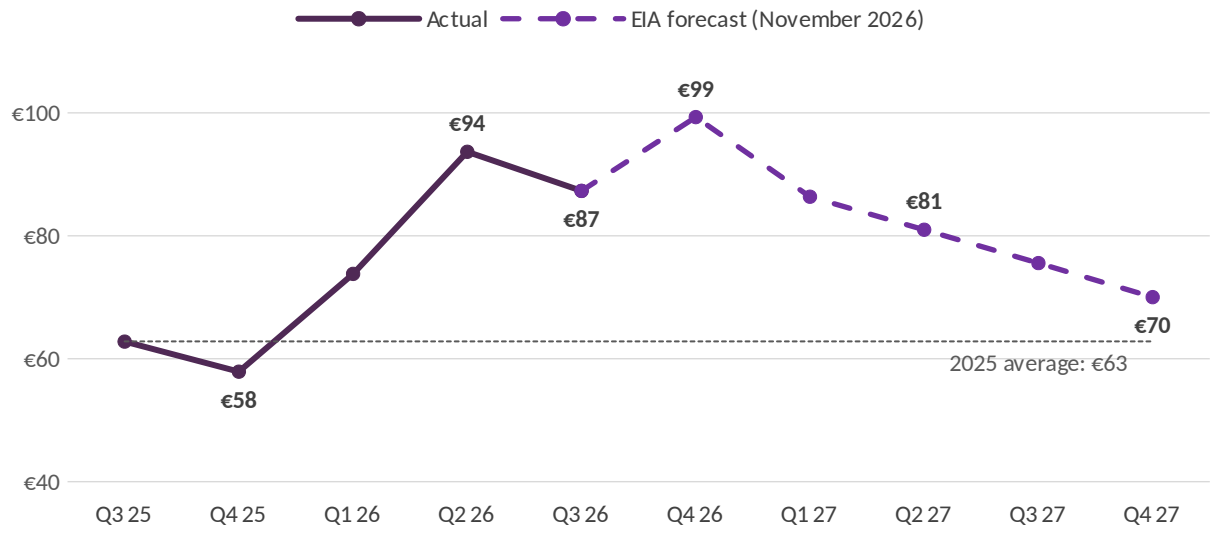
The Political Response

High energy bills and high oil company profits put governments under pressure. In August, six EU governments (Germany, Italy, Spain, Portugal, Poland and Austria) asked the EU to discuss a special tax on the extra profits that oil companies make from high prices. No such tax has been agreed so far. Instead, France has pressured TotalEnergies to cap the price of petrol and diesel for its French customers, and the company has warned that it will lift the cap only if it is hit by such a tax.[45] For investors, however, this is the other side of the windfall: the longer prices stay high, the more of the extra profit governments are likely to take back.

Outlook for 2027

The outlook depends on one question: when will oil and gas move freely through the Strait of Hormuz again? The latest forecast from the EIA, published on 10 November, assumes that most Middle East production returns to pre-war levels by the middle of 2027. If that assumption holds, Brent is expected to average about €99 a barrel in the last quarter of 2026, a figure that still includes the October peak, and then to ease to about €78 over 2027 and about €70 by the end of that year (Figure 12). The IMF expects a similar level for 2027, about €79.[46]

Figure 12: Brent is forecast to fall from €99 in the last quarter of 2026 to €70 a year later
Brent crude oil price, quarterly average, € per barrel (converted at $1.0989 per euro)



Sources: EIA, Short-Term Energy Outlook, November 2026 (Table 2); Minerva Investment Management Society elaboration

Prices are expected to fall because supply should return faster than demand. According to the EIA, world oil production will rise by 6.7 million barrels a day in 2027, from 101.7 million to 108.4 million, while consumption grows by only 2.0 million, to 104.4 million.[47] The world would therefore produce about 4 million barrels a day more than it uses, close to the surplus of about 3.8 million implied by the IEA's

[45] Euronews, "Six EU countries push for windfall tax on oil companies amid surging war profits" (23 August 2026); TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

[46] EIA, "Short-Term Energy Outlook" (10 November 2026), Table 2; IMF, "World Economic Outlook" (October 2026), as above.

[47] EIA, "Short-Term Energy Outlook" (10 November 2026), Table 3a; IEA, "Oil Market Report – November 2026".

November report (Section 3). Part of this extra oil will refill the stocks run down in 2026, but how much the rest weighs on prices depends on OPEC+. Once Gulf oil can be shipped freely, the alliance will have to choose: hold production back to support prices, or produce more to win back customers. It chose the latter in both 2014 and 2020, and prices fell sharply each time.

Gas is expected to follow the same path, but later. Europe enters this winter with its storage far below normal and will have to refill it next summer, so prices are likely to stay high well into 2027. Relief should then come from new supply, mainly from the United States, where the EIA expects LNG exports in 2027 to be 26% higher than in 2025.

Table 3: Three scenarios for 2027

	Base case: Strait reopens in the first half of 2027	Prolonged disruption: Strait restricted through 2027	Fast settlement: Strait reopens early in 2027
Brent, 2027 average	About €78 a barrel (EIA)	Around €118 (IMF adverse scenario)	Towards €63, the 2025 average
European gas price	High until storage is refilled, then below the €63 of Q3 2026	Near the 2026 highs of up to €100	Back towards €32, the Q3 2025 level
Refining margins	Strong in the first half, then below €26–42 a barrel	Stay at €26–42 a barrel	Back towards €8–14, the Q3 2025 level
Euro-area economy	Growth 1.2%, inflation 2.8% (IMF)	Weaker growth, inflation near 4.0%, more ECB rate rises	Inflation near 2%, room for ECB rate cuts from 2.50%
Earnings of the majors	Above plan in the first half, then lower	Windfall continues, with more risk of windfall taxes and falling demand	Back towards 2025 pre-war levels

Sources: EIA; IMF; company Q3 2026 results; Minerva Investment Management Society elaboration

3. Industry Tailwinds, Headwinds and Competitive Dynamics

Section 2 described the shock of 2026 and the outlook for 2027. This section looks at the forces behind them in a more structured way: first the main headwinds and tailwinds for the industry, then Porter's Five Forces, a model that assesses how profitable an industry can be by looking at competition between existing players, the power of suppliers and buyers, and the threat of new entrants and substitutes.

Headwinds and Tailwinds

Headwinds

- **Weaker demand.** Demand is under pressure from both cyclical and structural factors: high prices caused the largest fall in oil use since 2020 (Section 2), and electric vehicles (EVs) keep taking a larger share of car sales (see Threat of Substitutes). This weighs mainly on valuations and long-term growth.
- **Oversupply in 2027.** The IEA's November forecasts imply that in 2027 the world will produce about 3.8 mb/d more oil than it uses, because Gulf supply returns much faster than demand

recovers: supply rises by 6.6 mb/d, demand by only 2.0 mb/d.[48] At the same time OPEC+, which would normally cut production to absorb a surplus, is weaker after the UAE's exit (Section 2).

- **Lower prices.** Forecasters therefore expect Brent to fall, to about €78 on average in 2027 (Figure 12),[49] which would hit higher-cost projects hardest.
- **Stagflation risk.** Sustained high energy costs also raise the risk of stagflation in Europe, that is, weak growth combined with high inflation (Section 2).

Tailwinds

- **High prices today.** Throughout 2026 Brent has stayed far above the €43 a barrel that the average new non-OPEC project needs to break even (Figure 3 and Competitive Rivalry).[50] Europe's monthly bill for crude oil imports rose from €17.7bn in 2025 to €27.6bn in the second quarter of 2026 on almost unchanged volumes,[51] a price effect that benefits low-cost producers.
- **Restocking.** Governments will need to refill the emergency stocks released during the crisis (see Bargaining Power of Buyers), which adds demand.
- **Security of supply.** Security of supply is also driving more investment in upstream and LNG. TotalEnergies, for example, plans to grow its LNG sales by 50% between 2024 and 2030.[52]

Porter's Five Forces

Threat of New Entrants – Low

Barriers are high on three levels. Capital: LNG plants and offshore projects need billions of euros upfront and take years to build. Access to reserves: the best acreage is held by NOCs and majors, and the best shale acreage is already taken. Regulation: licences, royalties and local-content rules are set by host governments. In Europe, new supply arrives through imports rather than new domestic production, and it is concentrated. In 2025 the United States was the EU's largest supplier of both LNG (Section 1) and crude oil, and together with Norway and Kazakhstan it provided 42% of the EU's crude imports by value.[53]

Bargaining Power of Suppliers – High

Industrial suppliers (oilfield services, drilling rigs, LNG construction) affect the cost of production: because their sector is concentrated, they raise day rates and project costs when the industry is booming. Governments and NOCs control access to reserves and the economics of producing them through royalties, taxes and production quotas. Their power is greatest when supply is tight: the IEA called the Hormuz episode the largest supply disruption in the history of the global oil market, with flows through the Strait falling from about 20 mb/d to a fraction of that.[54] Gulf producers control volumes, while shippers and insurers earn extra rents on chokepoints.

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[48] IEA, "Oil Market Report – November 2026" (13 November 2026).

[49] US Energy Information Administration (EIA), "Short-Term Energy Outlook" (10 November 2026), Table 2;

[50] EIA, Europe Brent Spot Price FOB.

[51] Euronews, "Europe's oil bill: EU pays €10bn more per month than in 2025" (29 October 2026), based on Eurostat data.

[52] TotalEnergies, Strategy & Outlook 2025 (September 2025).

[53] Eurostat, "EU imports of energy products decreased again in 2025" (25 March 2026).

[54] IEA, "The Middle East and global energy markets".

Bargaining Power of Buyers – Moderate

Crude is interchangeable and priced on global benchmarks, so an individual refiner is a price taker: it cannot negotiate the price, only the discount or premium against Brent. Its leverage depends on the market phase. In a shortage, buyers have almost none: IEA members agreed to release 400 million barrels of emergency stocks, and about 330 million had been released by mid-October, which shows that buyers' only tool was state-held inventory.[55] In oversupply, large buyers such as China and India can switch suppliers and obtain discounts. The surplus expected for 2027 (see Headwinds) therefore shifts power towards buyers. LNG buyers also gain leverage as new export capacity starts up, mainly in the United States (Section 2).

Threat of Substitutes – Moderate

In the near term the threat is limited but growing. EVs displaced about 1.7 mb/d of oil in 2025, and the IEA expects 23 million EV sales in 2026, 28% of all car sales. Under current policies, displacement could reach around 5 mb/d by 2030 and about 10 mb/d by 2035, mostly in China.[56] This weighs on long-term growth and valuations rather than on current earnings. The majors are also scaling back the shift to integrated energy (Section 1): low-carbon investment is 10% of capex or less at BP and Shell (Section 4), and TotalEnergies expects to invest about €2.7bn net in Integrated Power, its low-carbon power business, out of roughly €13.7bn of total net investment in 2026.[57]

Competitive Rivalry – High

Oil is sold at a global benchmark price, so no producer can set it. Companies therefore compete on what they control: costs, reserves and capital discipline. Rystad Energy puts the average breakeven of new non-OPEC projects, the oil price they need to cover all their costs, at €43 a barrel, against €25 for onshore Middle East and €41 for North American shale.[58] High fixed costs keep low-cost barrels flowing even in downturns, which deepens oversupply. OPEC+ is the main coordination mechanism, with about 46% of global crude production in 2025, or closer to 42% without the UAE.[59]

4. Capital Allocation Strategies

How the European majors split their operating cash flow between reinvestment, shareholder distributions and the balance sheet is the clearest expression of their strategy. This section compares the seven majors' cash generation, investment, shareholder returns and financial structure, mainly with FactSet data from 2021 to the twelve months to September 2026.[60]

[55] IEA, "IEA Member countries to carry out largest ever oil stock release amid market disruptions from Middle East conflict" (11 March 2026); S&P Global, "IEA accelerates oil stock release, plans over 20 mil barrels of diesel" (15 October 2026).

[56] IEA, "Global EV Outlook 2026" (May 2026), executive summary and "Outlook for electric mobility".

[57] TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

[58] Rystad Energy, "Shale project economics still reign supreme as cost of new oil production rises further" (1 October 2024).

[59] EIA, "UAE's exit from OPEC+ reduced the group's share of crude oil production and capacity" (23 June 2026).

[60] FactSet; Minerva Investment Management Society elaboration.

Capital Allocation Frameworks

Most of the majors no longer promise fixed amounts to shareholders: they promise a share of their cash flow from operations (CFO). Shell aims to return 40–50% of CFO through the cycle, TotalEnergies 40% and Repsol 30–40% (Table 4). In practice, the dividend is the part that companies protect and grow every year: Shell targets a 4% annual increase, while TotalEnergies raised its dividend by 5.9% and Repsol by 8% this year. Buybacks are the part that moves: they go up when cash flow is strong and come down when it weakens. TotalEnergies has even said it may top up its final dividend if needed to reach its 40% commitment. BP is the clear exception. Its priority is still the balance sheet, so it offers a "committed dividend" but announced no new buyback in the third quarter.[61]

Table 4: Capital allocation frameworks (company-reported, Q3 2026)

Company	Payout framework	Latest dividend	Latest buyback
Shell	40–50% of CFO	€0.36/share	€4.6bn (next 3 months)
TotalEnergies	40% of CFO	€0.90/share	€2.3bn per quarter (Q4 2026 and Q1 2027)
BP	Balance sheet first; "committed dividend"	€0.079/share	None announced
Equinor	Cash dividend + buyback	€0.35/share	Up to €2.7bn (FY2026)
Eni	Dividend + buyback; extraordinary distributions	€1.10/share	€3.8bn FY2026 (from €1.5bn)
Repsol	30–40% of CFO	€1.051/share	€1.8bn FY2026 (from €0.7bn)
Galp	Dividend + buyback (capital reduction)	€253m (total amount)	€250m (to 27 Nov 2026)

Sources: company Q3 2026 results; Minerva Investment Management Society elaboration. Latest dividend is quarterly for Shell, BP and Equinor, the third interim for TotalEnergies and full-year 2026 for Eni and Repsol. Dollar amounts converted at $1.0989 per euro.

Cash Generation and Reinvestment

Cash generation follows commodity prices, but not one-for-one with Brent. Between 2022 and 2025 the seven majors' CFO fell by 43%, from €208bn to €119bn, while Brent fell by a smaller 31%, from €92 to €63 a barrel (Figure 13).[62] Part of the difference is simply currency. The FactSet figures are in euros at each year's exchange rate, and over those years the euro gained against the dollar (from 1.05 to 1.13 on average), so measured in dollars the fall in CFO is 38%. The rest is a reminder that these companies do not live on oil alone: gas prices and refining margins matter too. In the third quarter of 2026, for example, TotalEnergies benefited from higher LNG prices and record refining results.[63] Cash flow is now recovering: it reached €158bn in the twelve months to September 2026. That figure still includes the weak last quarter of 2025, so it does not yet fully show the effect of 2026 prices, with Brent averaging €88 a barrel from January to October.

[61] Third-quarter 2026 results of Shell, TotalEnergies (earnings call), BP, Equinor, Eni, Repsol and Galp.

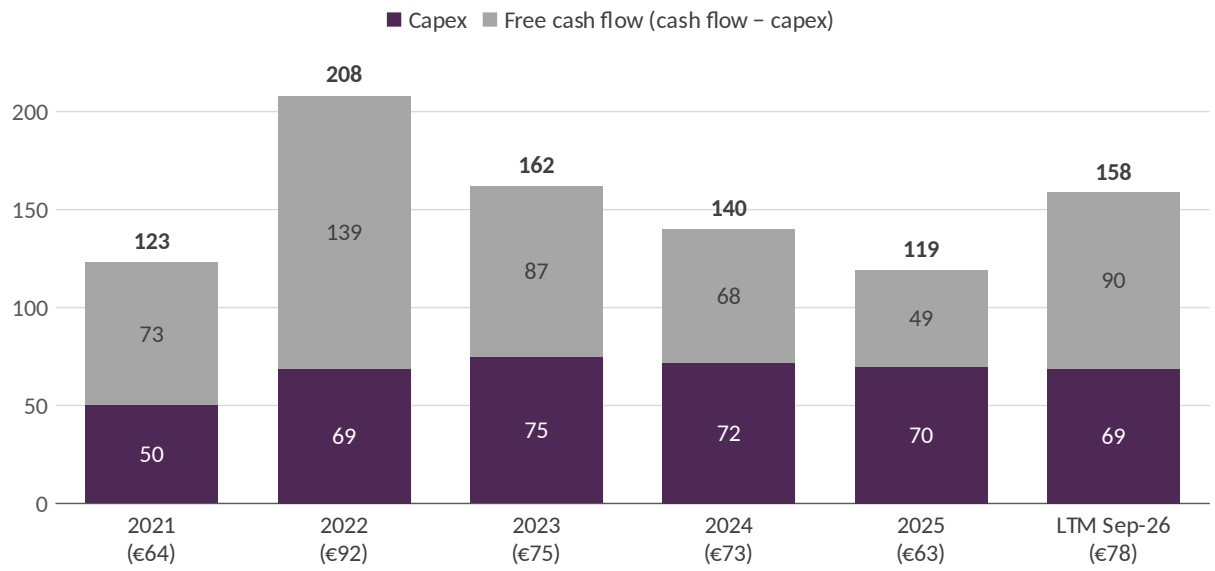
[62] EIA, Europe Brent Spot Price FOB.

[63] TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

Capex tells a very different story. It has hardly moved, staying between €69bn and €75bn every year since 2022, and it was €69bn in the last twelve months. Since investment stays flat while cash flow goes up and down with prices, the share of cash flow that is reinvested moves the opposite way. The median reinvestment rate (capex divided by CFO) rose from 34% in 2022, when prices were high, to 69% in 2025, when they were low, and has already fallen back to 43% in the last twelve months (Figure 14).

Figure 13: Cash flow fell with Brent until 2025 and is now recovering

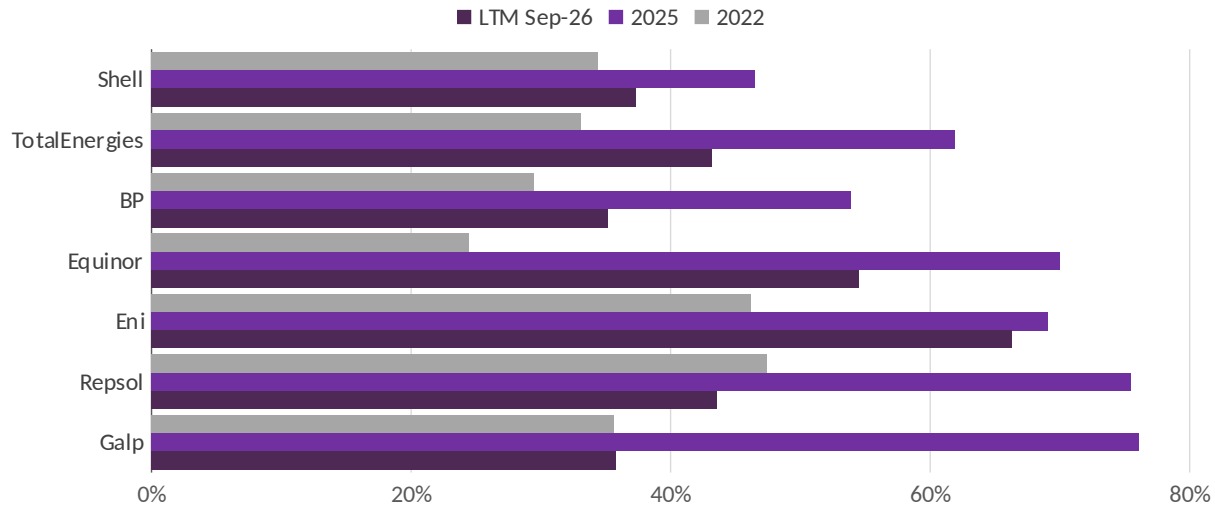
CFO of the seven majors split into capex and free cash flow, € billion. In brackets: Brent, € per barrel



Sources: FactSet; EIA (Brent); Minerva Investment Management Society elaboration

Figure 14: The share of cash flow reinvested rises when prices fall

Reinvestment rate (capex / CFO)



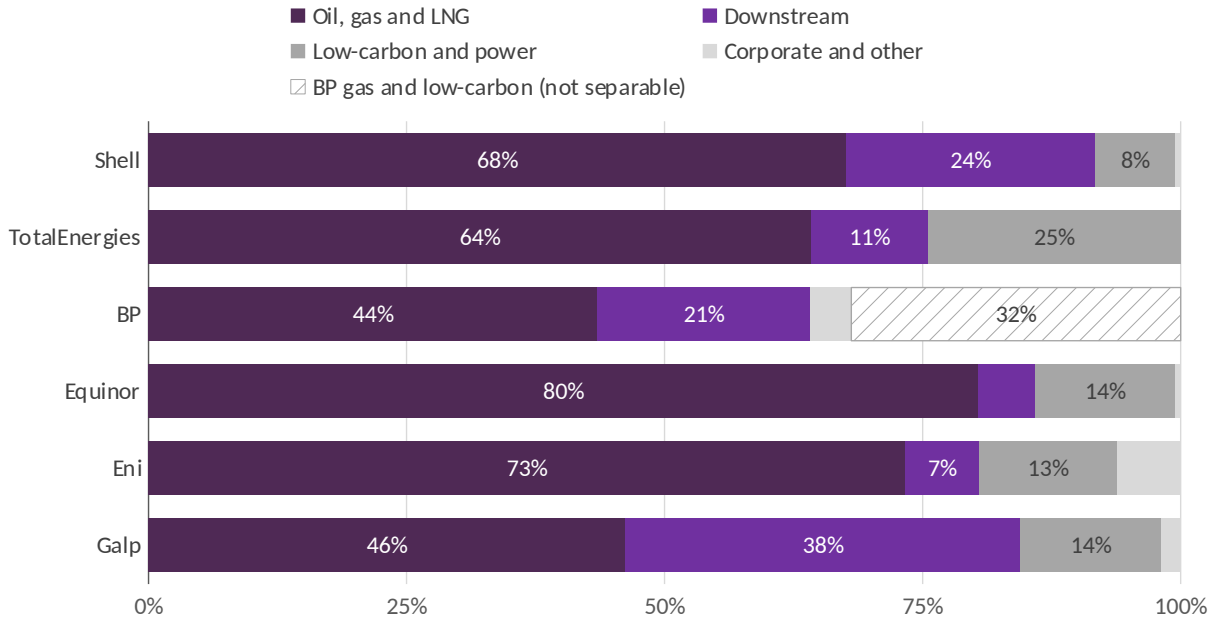
Source: FactSet; Minerva Investment Management Society elaboration

Where the Capital Goes

Within a flat budget, capital is moving back to hydrocarbons. In 2025 upstream and LNG took 64–80% of capex at Shell, TotalEnergies, Equinor and Eni, a higher share than in 2024 at all four (Figure 15). Galp is the exception (46%) because of its large downstream business (38%). Low-carbon investment is small and mostly falling: its share dropped at Shell (from 11.9% to 7.8%), Eni and Galp, was stable at TotalEnergies (about 25%, still the highest) and rose slightly only at Equinor. For BP, FactSet does not separate gas from low-carbon, but its third-quarter results show low-carbon at only about 3% of group capex.[64]

Figure 15: Oil, gas and LNG take most of the capex

Capex mix by business, FY2025, % of segment capex. BP: gas and low-carbon reported together (hatched).



Source: FactSet; Minerva Investment Management Society elaboration

The third-quarter 2026 results point to three different models:

- **Back to the core.** Shell completed the ARC Resources acquisition and is selling its European onshore renewables and Sprng Energy. BP is selling 65% of Castrol, has started sale processes for Lightsource bp and Archaea, and has agreed to buy 70% of Calypso. Equinor's latest move in power is the purchase of a US gas-fired power plant.
- **Self-funded transition.** TotalEnergies keeps the highest low-carbon share, but expects Integrated Power to pay for itself: in 2026 the segment's cash flow (about €2.7bn) should fully cover its net capex (about €2.7bn), helped by the farm-down of almost 2 GW to the investment fund KKR, and from 2027 it should be net cash positive.[65] Eni has deconsolidated Plenitude (enterprise value €13.1bn), and Repsol describes its renewables growth as self-funded.
- **Growth in renewables.** Galp bought two operational wind portfolios in Spain (712 MW, €738m), which took Renewables to 61% of its economic capex in the first nine months of 2026.

[64] Third-quarter 2026 results of Shell, TotalEnergies (earnings call), BP, Equinor, Eni, Repsol and Galp.

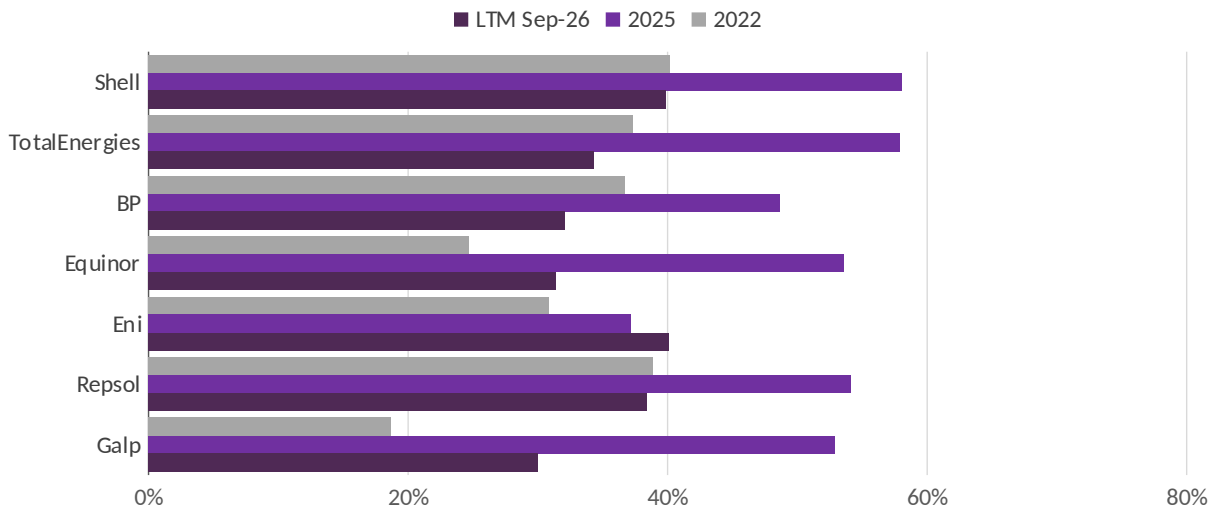
[65] TotalEnergies, "3Q 2026 Earnings Call" transcript (29 October 2026).

Shareholder Distributions

Shareholder payouts held up much better than cash flow: between 2022 and 2025 dividends and buybacks fell by only 14%, from €73.5bn to €63.4bn, after peaking at €74.0bn in 2023. As a result, the median share of cash flow returned to shareholders rose from 37% to 54% (Figure 16). By 2025 the majors were paying out more than they could afford: all seven distributed more than their free cash flow, with the largest gaps at TotalEnergies (€4.8bn) and Equinor (€4.2bn). Shell and TotalEnergies both returned 58% of CFO on FactSet data, above what their own frameworks promise.

Buybacks are the part of the payout that adjusts. In 2025 they took a median 28% of CFO, more than dividends (24%), and pushed shareholder yields to between 6.8% at Galp and 19.0% at Equinor (Figure 17). Over the last twelve months the trend has reversed: cash flow rebounded while distributions fell to €57bn, so the median payout dropped to 34%. Today six of the seven majors cover their distributions with free cash flow; only Eni does not. The third-quarter announcements suggest that payouts are now starting to catch up: Shell raised its quarterly buyback to €4.6bn, Eni lifted its 2026 programme to €3.8bn and added a €1.3bn extraordinary dividend, and Repsol increased its buybacks to €1.8bn.[66]

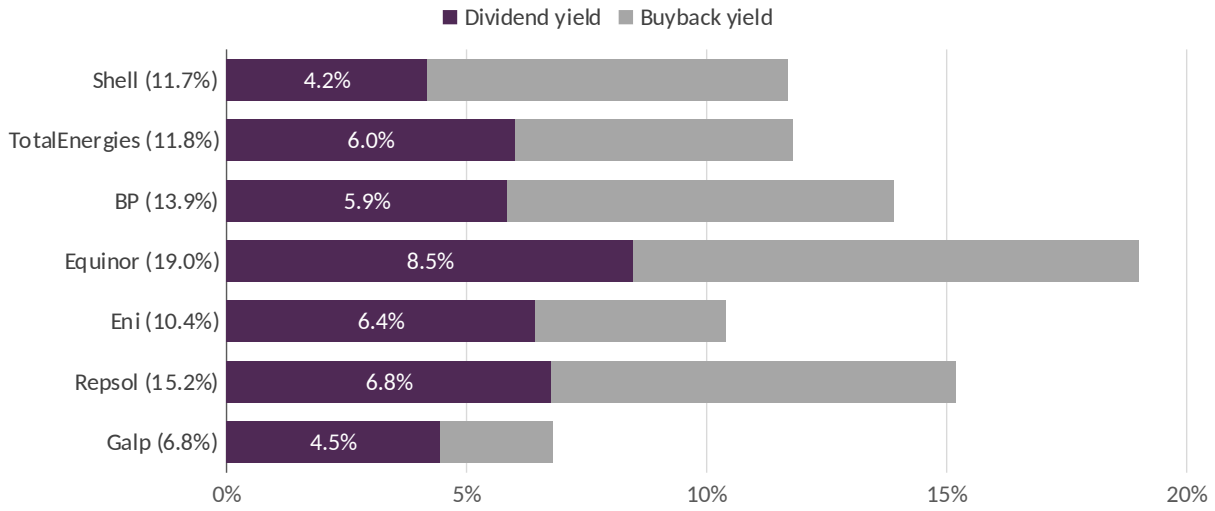
Figure 16: Payouts took a larger share of cash flow in 2025, a smaller one in 2026
Distributions (dividends and buybacks) as % of CFO



Source: FactSet; Minerva Investment Management Society elaboration

[66] Shell, Eni and Repsol, third-quarter 2026 results.

Figure 17: Shareholder yields ranged from 6.8% to 19.0% in 2025
Shareholder yield, FY2025, % of market value



Source: FactSet; Minerva Investment Management Society elaboration

Balance Sheet

Paying out more than free cash flow came at a cost. To cover the gap, the majors took on more debt: total net debt rose from €98bn at the end of 2022 to €141bn at the end of 2025. With EBITDA also lower, median net debt/EBITDA went from 0.6x to 1.0x (Figure 18). At the end of 2025 Eni (1.7x) and Repsol (1.6x) were the most leveraged, Equinor the least (0.3x).

In 2026 this trend has reversed. Higher oil prices brought in extra cash, and the majors have used it mainly to repay debt. In just nine months total net debt fell from €141bn to €114bn. Every company reduced it, with BP (−€7.1bn) and Equinor (−€5.1bn) cutting the most. As a result, median net debt/EBITDA almost halved to 0.55x, also helped by higher EBITDA, and median gearing fell from 27.8% to 20.4% (Table 5). The companies' own figures confirm this. BP's net debt fell from €23.8bn to €12.6bn in one year, already below its end-2027 target range (€12.7–16.4bn),[67] and Repsol's from €5.7bn to €2.0bn. TotalEnergies (9.1%) and Eni (9% pro forma) now report gearing below 10%. These figures are lower than those in Table 5 mainly because each company uses its own definition; TotalEnergies and Eni, for example, exclude leases.

For Eni, however, part of the improvement comes from accounting rather than cash. At the end of the third quarter Eni deconsolidated Plenitude, its renewables and retail business. A capital increase of about €1.6bn, mostly from Ares, brings Eni's stake down from 70% to about 65%, with joint control shared with Ares. This deconsolidation alone drove a €4.6bn fall in Eni's net debt against the second quarter and cut its gearing by 4.0 percentage points.

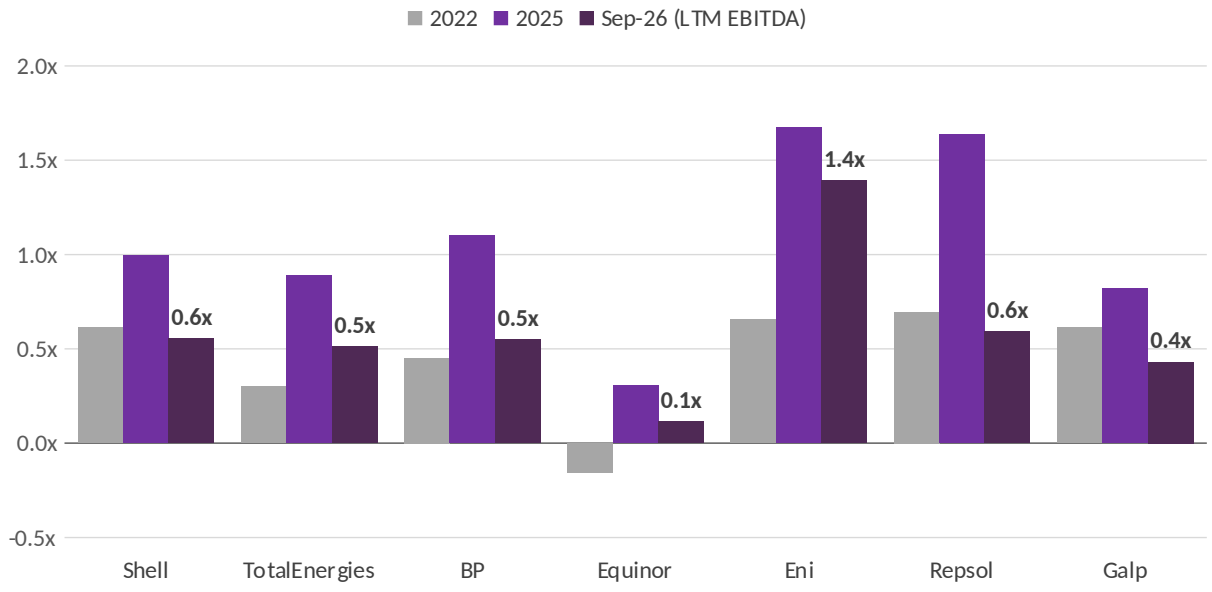
Credit ratings, on the other hand, have not moved. The five majors with an S&P rating in the FactSet data are all investment grade: Equinor is the strongest (AA-), followed by Shell and TotalEnergies (A+), Eni (A-) and Repsol (BBB+). FactSet shows no current S&P rating for BP p.l.c. or Galp. Despite the

[67] BP, "Third Quarter 2026 Results Presentation".

deleveraging, no rating has changed since 31 December 2025. The only movement is in outlooks: Eni's was revised from Negative to Stable on 1 October 2026, and Shell's is Positive.[68]

Figure 18: Leverage rose in 2025 and almost halved in 2026

Net debt / EBITDA (September 2026: on EBITDA of the last twelve months)



Source: FactSet; Minerva Investment Management Society elaboration

Table 5: Net debt, gearing and S&P rating (FactSet definitions, leases included)

Company	Net debt 31/12/25 (€bn)	Net debt 30/09/26 (€bn)	Gearing 31/12/25	Gearing 30/09/26	S&P LT rating (outlook)
Shell	38.7	34.9	20.7%	16.7%	A+ (Positive)
TotalEnergies	27.0	22.2	21.6%	16.0%	A+ (Stable)
BP	30.5	23.4	40.3%	29.9%	n.a.
Equinor	10.1	5.0	22.7%	11.2%	AA- (Stable)
Eni	24.1	19.8	36.0%	26.6%	A- (Stable)
Repsol	8.5	6.5	27.8%	20.4%	BBB+ (Stable)
Galp	2.0	1.9	31.4%	29.0%	Not rated
Total	**141.0**	**113.7**	–	–	–
Median	–	–	**27.8%**	**20.4%**	–

Source: FactSet; Minerva Investment Management Society elaboration. Gearing = net debt / (net debt + equity). Ratings as of 7 November 2026; n.a. = no current S&P rating for BP p.l.c. in FactSet.

[68] FactSet, S&P long-term issuer ratings and outlooks as of 7 November 2026.

Investment Implications

Most of the majors now follow a similar approach: they keep capex flat, direct more of it to oil and gas, and use the remaining cash for shareholder returns and debt reduction. The higher oil price of 2026 has not changed this. Since the end of 2025 the extra cash has gone mainly to debt reduction, not to more investment or higher payouts, and credit ratings are unchanged (Table 6).

Table 6: Key capital allocation indicators, FY2025 against latest

Indicator	FY2025 / 31/12/2025	Latest*
Brent (€ per barrel, EIA average)	62.9	87.7
Peer-group CFO (€bn)	119.4	158.4
Peer-group capex (€bn)	69.9	68.7
Median reinvestment rate (capex / CFO)	69%	43%
Shareholder distributions (€bn)	63.4	56.8
Median distributions / CFO	54%	34%
Aggregate net debt (€bn)	141.0	113.7
Median net debt / EBITDA	1.00x	0.55x
Median gearing	27.8%	20.4%
S&P long-term ratings (five rated majors)	AA- to BBB+	Unchanged

Sources: FactSet; EIA; Minerva Investment Management Society elaboration. *CFO, capex and distributions: twelve months to September 2026; net debt, net debt/EBITDA (on LTM EBITDA) and gearing: 30/09/2026; Brent: January–October 2026 average ($96.3, converted at $1.0989 per euro); ratings: as of 7 November 2026.

Where they differ is in how they fund the energy transition and how much room their balance sheets leave them. Markets also value them very differently: since the end of 2022, total shareholder return ranges from +54% at BP to +149% at Repsol, and the 2026 estimated EV/EBITDA from 1.8x at Equinor to 4.7x at Eni. Three upcoming events will test these choices: BP's strategy and outlook update on 15 December 2026, Shell's Capital Markets Update on 4 February 2027 and TotalEnergies' final dividend decision in February 2027. Finally, consensus expects peer-group CFO of €162bn in 2027, about 13% below its 2026 estimate (€186bn), which will show whether the higher buybacks announced in 2026 can last.

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