Shell

3,722p As of Sun 8 Nov 2026, 12:00 UTC

LSE:SHEL	Energy	Ctry United Kingdom	PE (Fwd) 8.443	TSR 10Y CAGR 11.36%	Div yield 3.08%	ROE 17.48%
Oil & Gas Integrated		Beta (5Y) (0.25)	PE TTM 8.654	TSR TTM 35.60%	Mkt cap £212.0B	ROIC 14.09%

SE Grade™	—
Value	★★☆
Quality	★★★
Moat	☆☆☆

Consensus	Reference
4,127p	*4,259p*
10.87%	14.41%

Buy 7|3|9|0|0



	4Q25	1Q26	2Q26	3Q26
Earnings per share				$
	0.72	1.00	1.92	**2.13**
	376.21%	26.58%	219.49%	136.67%
Revenue				$B
	64.09	69.69	94.66	**92.85**
	(3.30%)	0.66%	44.73%	36.23%

Next earnings 29 Oct

TTM	FYE 31 Dec	USD	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	*FY2026E*	Trend	5Y	10Y	Peers
321.3	Revenue	$B	233.6	305.2	388.4	344.9	180.5	261.5	381.3	316.6	284.3	266.9	***350.2***		8.13%	1.49%	87
19.41	*Revenue growth*	*%*	–	*30.65*	*27.26*	*(11.20)*	*(47.65)*	*44.84*	*45.82*	*(16.97)*	*(10.20)*	*(6.13)*	***31.21***		*(6.13)*	*(6.13)*	50
26.93	*Gross margin*	*%*	*18.23*	*18.05*	*17.25*	*18.98*	*21.85*	*24.00*	*25.52*	*24.79*	*25.61*	*25.40*	***21.10***		*25.40*	*22.93*	33
15.25	*Operating margin*	*%*	*1.26*	*5.28*	*8.19*	*6.83*	*(10.09)*	*9.49*	*16.87*	*10.94*	*11.77*	*11.18*	***16.81***		*11.18*	*8.84*	60
10.18	*Net margin*	*%*	*1.96*	*4.25*	*6.01*	*4.59*	*(12.01)*	*7.69*	*11.10*	*6.11*	*5.66*	*6.68*	***10.21***		*6.68*	*5.84*	53
8.654	P/E ratio (avg)	x	41.90	18.04	11.57	15.45	–	7.805	4.697	10.61	13.25	11.67	***7.653***		10.61	11.67	63
6.778	EV/EBIT	x	90.64	18.82	10.19	13.89	–	8.558	3.799	7.219	7.569	8.534	***5.059***		7.569	8.558	57
13.20	*FCF yield (avg)*	*%*	*(0.78)*	*6.32*	*11.13*	*7.85*	*13.04*	*16.64*	*23.05*	*15.19*	*16.45*	*11.49*	***14.06***		*16.45*	*12.26*	70
11.63	*FCF margin*	*%*	*(0.64)*	*4.85*	*7.74*	*5.57*	*9.70*	*9.98*	*12.01*	*9.85*	*12.34*	*8.96*	***10.43***		*9.98*	*9.33*	67
1.142	FCF / Net income	x	(0.328)	1.141	1.288	1.212	(0.808)	1.299	1.083	1.612	2.180	1.341	***1.021***		1.341	1.250	70
14.09	*ROIC*	*%*	*0.96*	*4.54*	*8.28*	*5.83*	*(7.24)*	*7.43*	*18.36*	*8.92*	*8.22*	*8.28*	***14.97***		*8.28*	*7.82*	47
17.48	*Return on equity*	*%*	*2.45*	*6.81*	*11.88*	*8.23*	*(12.69)*	*12.28*	*23.35*	*10.27*	*8.82*	*10.11*	***17.87***		*10.27*	*9.47*	47
7.78	*Return on assets*	*%*	*1.11*	*3.19*	*5.85*	*3.92*	*(5.72)*	*4.97*	*9.55*	*4.77*	*4.15*	*4.82*	***8.44***		*4.82*	*4.46*	47
5.79	EPS	$	0.58	1.56	2.80	1.95	(2.78)	2.57	5.71	2.85	2.53	3.00	***6.54***		3.88%	20.03%	–
133.62	*EPS growth*	*%*	–	*169.73*	*78.88*	*(30.18)*	*(242.41)*	*192.58*	*121.74*	*(50.13)*	*(11.17)*	*18.56*	***107.76***		*18.56*	*18.56*	72
35.11	Bookvalue per sh	$	23.65	23.42	23.79	22.99	19.92	22.03	25.70	27.44	28.02	29.32	***38.88***		8.03%	2.41%	–
6.61	FCF per share	$	(0.19)	1.78	3.60	2.37	2.25	3.34	6.18	4.59	5.51	4.02	***7.04***		12.34%	10.69%	–
1.54	Dividend per sh	$	1.88	1.88	1.88	1.88	0.65	0.89	1.04	1.29	1.39	1.45	***1.56***		17.23%	(2.87%)	–
3.08	*Div yield (avg)*	*%*	*7.74*	*6.66*	*5.81*	*6.23*	*3.79*	*4.45*	*3.87*	*4.28*	*4.15*	*4.13*	***3.12***		*4.15*	*4.36*	31
26.78	*Payout ratio*	*%*	*324.14*	*120.51*	*67.14*	*96.41*	–	*34.77*	*18.17*	*45.39*	*54.94*	*48.20*	***22.64***		*45.39*	*54.94*	31
5.694	Shares (diluted)	B	7.892	8.299	8.349	8.113	7.796	7.807	7.410	6.800	6.364	5.949	***5.185***		(5.26%)	(3.09%)	90
4.31	*Buyback yield*	*%*	–	*(5.16)*	*(0.60)*	*2.83*	*3.91*	*(0.14)*	*5.08*	*8.24*	*6.41*	*6.52*	***12.84***		*6.41*	*3.91*	90
0.381	D/E ratio	x	0.491	0.433	0.379	0.506	0.681	0.508	0.435	0.433	0.428	0.432	***0.375***		0.433	0.434	60
332.1	Enterprise value	$B	266.9	302.9	324.2	327.1	213.8	212.4	244.4	250.0	253.2	254.6	***297.8***		3.55%	(0.52%)	87
67.13	LT debt	$B	82.99	73.87	66.69	81.36	91.11	80.87	74.79	71.63	65.49	66.54	***67.13***		(6.09%)	(2.42%)	90

Peers (US$285.2B)	Cap (US$)	PE
BP p.l.c.	116.3B	13.03x
Chevron Corporation	414.9B	15.61x
PetroChina Company…	335.9B	8.789x
TotalEnergies SE	197.6B	8.964x

Capital	TTM	5Y	10Y
Leverage x	0.587	0.717	1.000
EBIT/Int x	9.903	6.988	6.633
Own earn %	–	–	–
Sh yield %	7.39	10.56	8.95

Owners			
Insiders/Inst	%	0.02	66.92
Short interest	%		–
SBC / revenue	%		–

Record	10Y
Profitable years	9/10
Revenue growth years	4/9
EPS growth years	5/9
Dividend streak yrs	4
Op margin range %	-10–17
$1 test x	1.4
Incr. ROIC %	–

Shell's third quarter was carried by trading and refining. Revenue rose 36.2% year on year and diluted EPS rose 136.7%. Management credited strong operations and a trading contribution backed by effective risk management. Refining had a record quarter, with utilisation above 100% outside Rhineland, where low Rhine water levels held output back. Lower marketing margins pulled the other way. The shares look priced below what the cash flows support: SE fair value of £43 is 14.4% above the price.

Management lowered 2026 cash capex guidance to $23 billion-$25 billion, which includes about $4 billion for ARC Resources. It expects a further $5 billion buyback to finish by the fourth-quarter results. Gearing is 17%, and Q4 integrated refining margins could come in lower because of freight rates. Analysts asked whether freight lease valuations reflect the forward curve; management said the rise is an IFRS treatment using spot rates. On Chemicals the CEO said: "We will transact for value." Revenue growth is slowing, while consensus still looks for a strong full year.

Analysts expect EPS growth of 107.8% in FY2026, followed by a 9.4% decline in FY2027. That makes this year's jump look like a high point rather than a new base. Consensus revenue growth for FY2026 is 31.2%, yet the price implies revenue falling 1.3% a year. That gap is where the upside sits: the market is discounting a sharp reversal. Shell beat estimates in 6 of the last 8 quarters, so near-term figures have tended to land at or above expectations.

Returns have weakened over three years. ROE fell from 23.3% in FY2022 to 10.1% in FY2025, and ROIC dropped from 18.4% to 8.3%. Operating margin slid from 16.9% to 11.2% over the same span. Gross margin has held steady at 26.9% against its own history, so the erosion sits below the gross line. What holds Quality back is that falling return profile, which leaves Shell earning only modestly above its cost of capital.

The stock trades at a P/E of 8.7x, against a 10-year own median of 11.7x. SE fair value of £43 is 14.4% above the price, though confidence is low and the estimate is uncertain. The star- and recency-weighted analyst target of £41 sits 10.9% above the price. For the price to hold, revenue needs to do little more than stay flat over a decade. A FY2027 decline steeper than consensus would be the first sign that even that modest bar is at risk.

The SE Score is not rated, because Moat scores zero. Quality earns three stars on the strength of the balance sheet: ROIC of 8% clears a 6.0% cost of capital, free cash flow has run well above net income, and interest is covered nearly ten times. Moat earns no stars because ROIC topped 15% in only one of the last ten years. Value earns two stars, with the earnings multiple sitting well below its own ten-year median and SE fair value above the price.

Q3 2026

Shell plc is an energy and petrochemical company operating in Europe, Asia, Oceania, Africa, the United States and other parts of the Americas, producing and selling liquefied natural gas, GTL fuels, crude oil, natural gas liquids, refined oil products, chemicals, lubricants and biofuels. It serves retail, transport, industrial, aviation, marine, agriculture and construction customers through a retail network and EV charging.

Profit by segment	Profit	Trend	Revenue	Rel margin
Upstream	45.88%		2.20%	-
Integrated Gas	42.86%		16.54%	4.68×
Marketing	9.99%		48.11%	0.38×

Revenue by region	Top 3 79%	Trend
Asia, Oceania, Africa	34.04%	
Other Europe	23.63%	
United States	21.63%	

Reinvestment returns	10Y median	Trend
Reinvestment rate	(9.07%)	
Return on capital	7.82%	
Spread over hurdle	1.84%	

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