



# TotalEnergies SE (TTE)

Updated May 15<sup>th</sup>, 2026 by Aristofanis Papadatos

## Key Metrics

<b>Current Price:</b>	\$91	<b>5 Year CAGR Estimate:</b>	5.9%	<b>Market Cap:</b>	\$194 B
<b>Fair Value Price:</b>	\$138	<b>5 Year Growth Estimate:</b>	-6.0%	<b>Ex-Dividend Date:</b>	6/30/2026
<b>% Fair Value:</b>	66%	<b>5 Year Valuation Multiple Estimate:</b>	8.7%	<b>Dividend Payment Date:</b>	7/2/2026
<b>Dividend Yield:</b>	4.3%	<b>5 Year Price Target</b>	\$101	<b>Years Of Dividend Growth:</b>	4
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Energy	<b>Rating:</b>	Hold

## Overview & Current Events

On June 12<sup>th</sup>, 2021, Total SA (TOT) changed its name to TotalEnergies SE (TTE) to emphasize its efforts to transform in the changing energy landscape. TotalEnergies is the fifth-largest oil and gas company in the world based on its market capitalization of \$194 billion. Like the other oil and gas super majors, it is a fully integrated company. TotalEnergies operates in four segments: upstream, downstream (mostly refining), marketing & services and gas, renewables & power.

On April 26<sup>th</sup>, 2022, TotalEnergies reported a significant discovery of oil and gas offshore Namibia. According to a report, the find could exceed 13 billion barrels and thus it could be the largest deep-water oil field in the world. If the share of TotalEnergies is at least 6 billion barrels, it will be worth at least \$100 billion, which is 52% of the market cap of the stock. The stock could have significant upside.

In late April, TotalEnergies reported (4/29/26) financial results for the first quarter of fiscal 2026. Its organic production grew 4% over the prior year's quarter thanks to start-up and ramp-up of some fields. In addition, the price of oil surged due to the crisis in the Middle East. As a result, earnings-per-share grew 34%, from \$1.83 to \$2.45. The company nearly doubled its net debt year-over-year due to a large capital expenditure program. TotalEnergies has repeatedly stated that its dividend is sustainable at Brent prices around \$40 and its breakeven oil price is below \$25. The price of oil has surged near a 4-year high lately due to the closure of Hormuz Straits amid the crisis in Iran. We view this tailwind as temporary but we expect it to result in a great increase in earnings this year. We have raised our forecast for earnings-per-share in 2026 from \$6.70 to \$11.50.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$2.52	\$4.12	\$5.05	\$4.38	\$1.43	\$6.68	\$13.94	\$9.40	\$7.77	\$6.89	<b>\$11.50</b>	<b>\$8.44</b>
<b>DPS</b>	\$2.72	\$2.72	\$2.87	\$2.90	\$3.02	\$3.07	\$2.83	\$3.14	\$3.33	\$3.64	<b>\$3.92</b>	<b>\$4.12</b>
<b>Shares<sup>1</sup></b>	2419.8	2520.6	2637	2618	2645	2644	2522	2387	2282	2214	<b>2180</b>	<b>2100</b>

Like most of its peers, TotalEnergies failed to grow its production during 2010-2014 but grew its output 8% in 2018 and 9% in 2019. However, TotalEnergies reduced its output -5% in 2020 due to the pandemic and has failed to grow its production meaningfully since then, primarily due to the end of some projects. However, we expect the company to return to growth mode in the upcoming years thanks to some new growth projects. Nevertheless, due to the high comparison base formed by the nearly all-time high expected earnings this year, we expect a -6% average annual decrease in earnings-per-share over the next five years.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>Avg. P/E</b>	18.6	15.5	11.8	12.3	27.7	7.0	3.8	6.7	8.5	8.9	<b>7.9</b>	<b>12.0</b>
<b>Avg. Yld.</b>	5.8%	5.2%	4.8%	5.4%	7.6%	6.6%	5.4%	5.0%	5.0%	6.0%	<b>4.3%</b>	<b>4.1%</b>

<sup>1</sup> In millions.

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TotalEnergies is currently trading at a price-to-earnings ratio of 7.9. This earnings multiple is lower than the 10-year average of 12.1 of the stock. TotalEnergies has historically traded for a price-to-earnings ratio of 10 or lower during periods of high oil prices. We assume a price-to-earnings ratio of 12.0 as a fair valuation level. If the stock trades at its fair valuation in five years, it will enjoy an 8.7% annualized gain.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	108%	81.0%	56.8%	66.2%	211%	46.0%	20.3%	33.4%	42.9%	52.8%	<b>34.1%</b>	<b>48.8%</b>

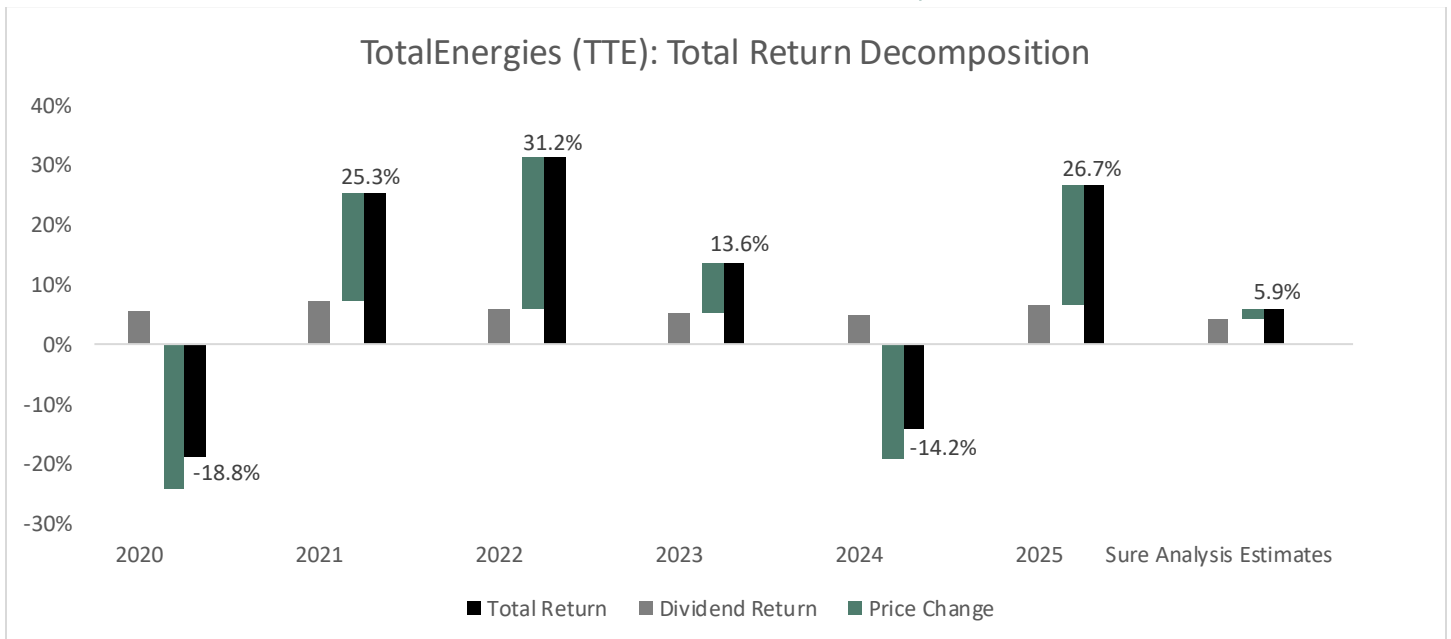
TotalEnergies exhibited much better performance than its peers during the 3-year downturn of the oil market that began in 2014. During that period, in which the price of oil fell up to -70%, the earnings-per-share of TotalEnergies fell only -49% whereas those of Exxon Mobil fell -75% and Chevron and BP posted losses in 2016. The key behind the resilience of TotalEnergies was its superior refining segment. During the rough years of refining (2008-2013), upstream segments were generating ~90% of the total earnings of all the oil majors. Consequently, the other oil majors sold many of their refineries during that period, which were hedges against a fall of the price of oil. TotalEnergies maintained almost all its refineries and hence it reaped the full benefit from high refining margins in 2014-2019.

TotalEnergies has another competitive advantage when compared to its American peers. It produces only a minor portion (less than 10%) of its natural gas in the U.S. and hence its average selling price of gas is much higher than the price of Henry Hub. Moreover, while all the oil producers have drastically cut their production costs over the last decade, TotalEnergies has managed to reduce this cost to 5.5 \$/bbl, which is much lower than the production cost of most of its peers. Overall, TotalEnergies is the most resilient oil major during downturns or periods of suppressed oil prices. To be sure, TotalEnergies is the only oil major that remained profitable in 2020, during the coronavirus crisis.

## Final Thoughts & Recommendation

TotalEnergies has surged 40% this year thanks to the sky-high prices that have resulted from the crisis in Iran. The stock could still offer a 5.9% average annual return over the next five years thanks to its 4.3% dividend and an 8.7% valuation tailwind, partly offset by a -6% decrease in earnings-per-share. The stock maintains its hold rating.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue (\$B)</b>	143.42	127.93	149.10	184.11	176.25	119.70	184.63	263.3	218.9	195.6	182.9
<b>Gross Profit</b>	28,698	30,681	33,393	44,073	44,031	19,611	52,456	81,641	63,142	55,921	21,024
<b>Gross Margin</b>	20.0%	24.0%	22.4%	23.9%	25.0%	16.4%	28.4%	31.0%	28.8%	28.6%	11.5%
<b>Operating Profit</b>	1,849	4,592	7,019	15,262	15,352	(7,265)	24,822	50,553	32,150	25,062	21,024
<b>Op. Margin</b>	1.3%	3.6%	4.7%	8.3%	8.7%	-6.1%	13.4%	19.2%	14.7%	12.8%	11.5%
<b>Net Profit</b>	5,087	6,196	8,631	11,446	11,267	(7,242)	16,032	20,526	21,384	15,758	13,398
<b>Net Margin</b>	3.5%	4.8%	5.8%	6.2%	6.4%	-6.0%	8.7%	7.8%	9.8%	8.1%	7.3%
<b>Free Cash Flow</b>	-5,186	-1,585	8,552	7,623	12,875	4,039	18,067	31,677	22,957	15,945	10,422
<b>Income Tax</b>	1,653	970	3,029	6,516	5,872	318	9,587	22,242	13,301	10,775	9,120

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets (\$B)</b>	224.48	230.98	242.63	256.76	273.29	266.13	293.46	303.86	283.7	285.5	291.1
<b>Cash &amp; Equivalents</b>	23269	24597	33185	27907	27,352	31,268	21,342	33,026	27,263	25,844	29,534
<b>Acc. Receivable</b>	10629	12213	14893	17270	18,488	14,068	21,983	24,378	23,442	19,281	18,559
<b>Inventories</b>	13116	15247	16520	14880	17,132	14,730	19,952	22,936	19,317	18,868	16,663
<b>Goodwill &amp; Int.</b>	14549	15362	14587	28922	33,178	33,528	32,484	31,931	33,083	34,238	37,345
<b>Total Liab. (\$B)</b>	129.08	129.40	128.59	138.65	153.99	160.0	178.46	189.3	164.2	165.2	173.5
<b>Accounts Payable</b>	20928	23227	26479	26134	28,394	23,574	36,837	41,346	41,335	39,932	38,065
<b>Long-Term Debt</b>	56952	56987	52436	53435	61,390	76,096	64,547	60,766	50,068	53,557	48,995
<b>Total Equity (\$B)</b>	92.49	98.68	111.56	115.64	116.78	103.70	111.74	111.72	116.8	117.9	114.9
<b>LTD/E Ratio</b>	0.62	0.58	0.47	0.46	0.53	0.73	0.58	0.54	0.43	0.45	0.53

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	2.2%	2.7%	3.6%	4.6%	4.3%	-2.7%	5.7%	6.9%	7.3%	5.5%	4.6%
<b>Return on Equity</b>	5.6%	6.5%	8.2%	10.1%	9.7%	-6.6%	14.9%	18.4%	18.3%	13.1%	11.3%
<b>ROIC</b>	3.4%	4.0%	5.3%	6.8%	6.4%	-4.0%	8.9%	11.7%	12.6%	9.3%	7.6%
<b>Shares Out.</b>	2336.1	2419.8	2520.6	2637	2618	2645	2644	2595	2452	2338	2214
<b>Revenue/Share</b>	62.24	53.53	59.77	68.68	67.32	46.00	68.52	101.47	89.28	83.67	82.61
<b>FCF/Share</b>	-2.25	-0.66	3.43	2.84	4.92	1.55	6.71	12.21	9.36	6.82	4.71

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Disclaimer

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