# Shell launches share buybacks as first-quarter profits plunge amid falling oil prices



Shell has announced a significant decrease in its first-quarter net profits, primarily attributed to a decline in oil and gas prices. The financial report, released on May 2, 2025, revealed that the fossil fuel giant is facing mounting challenges within its traditional energy segments, alongside losses in its renewables and energy solutions sectors.

In a bid to bolster investor confidence amid these turbulent conditions, Shell has initiated a strategy of share buybacks. This move aims to stabilise the company's share price and reassure shareholders, reflecting a commitment to maintaining shareholder value even as financial performance wavers.

Paddy Gourlay, reporting for Carbon Pulse, highlighted that while the company is grappling with an adverse market environment characterised by fluctuating commodity prices, the buyback programmes are set against a backdrop of strategic decisions intended to shore up the company’s market position.

Shell's proactive approach to capital management, amidst falling profits and weaker global oil demand, underscores the delicate balance that energy companies are attempting to achieve in the current economic landscape. As the market evolves, Shell’s response signifies an ongoing commitment to navigate the complexities of the energy sector while addressing the expectations of its investors.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.reuters.com/business/energy/shell-reports-q1-profit-558-billion-above-expectations-2025-05-02/> - This article reports that Shell's first-quarter net profit decreased by 28% to $5.58 billion, primarily due to falling oil prices and lower refining margins, aligning with the claim of a significant decrease in Shell's first-quarter net profits attributed to a decline in oil and gas prices.
2. <https://www.reuters.com/business/energy/shell-reports-q1-profit-558-billion-above-expectations-2025-05-02/> - The article mentions that Shell maintained its $3.5 billion share buyback program for the next three months, marking its 14th consecutive quarter of at least $3 billion in buybacks, supporting the claim that Shell has initiated a strategy of share buybacks to bolster investor confidence.
3. <https://www.reuters.com/business/energy/shell-reports-q1-profit-558-billion-above-expectations-2025-05-02/> - The article highlights that Shell's CEO, Wael Sawan, emphasized the strategic value of share buybacks, especially when share prices are undervalued, corroborating the assertion that Shell's buyback programs are set against strategic decisions intended to shore up the company’s market position.
4. <https://www.reuters.com/business/energy/shell-reports-q1-profit-558-billion-above-expectations-2025-05-02/> - The article notes that Shell's gas trading remained stable compared to Q4, outperforming BP’s weaker results in the same segment, indicating Shell's proactive approach to capital management amidst falling profits and weaker global oil demand.
5. <https://www.reuters.com/business/energy/shell-reports-q1-profit-558-billion-above-expectations-2025-05-02/> - The article mentions that Shell reaffirmed its reduced annual capital investment target of $20-$22 billion and is continuing to evaluate its chemicals business with decisions expected by the end of the decade, underscoring the delicate balance that energy companies are attempting to achieve in the current economic landscape.
6. <https://www.reuters.com/business/energy/shell-reports-q1-profit-558-billion-above-expectations-2025-05-02/> - The article reports that Shell's shares rose 2.9% following the earnings release, outperforming the broader energy index, reflecting the company's ongoing commitment to navigate the complexities of the energy sector while addressing the expectations of its investors.
7. <https://carbon-pulse.com/393724/> - Please view link - unable to able to access data