

bp
Energy and resources
28 April 2026

Strong Q1, new CEO to accelerate progress

bp reported Q126 underlying replacement cost (RC) profit of \$3.2bn (Q125: \$1.4bn), a beat versus company consensus of \$2.7bn. This was driven by higher customers & products earnings, exceptional oil trading and a lower underlying effective tax rate of 32%. Operating cash flow was flat year-on-year but fell quarter-on-quarter to \$2.9bn (Q425: \$7.6bn) due to a \$6.0bn working capital increase driven primarily by seasonal inventory builds and pricing. Net debt rose to \$25.3bn from \$22.2bn at FY25.

Downstream drives earnings, upstream broadly stable

Customers & products delivered underlying RC PBIT of \$3.2bn (Q425: \$1.3bn), making it the main driver of the group result. Products was the standout area, benefiting from higher throughput and refining margins and an exceptional oil trading contribution. Refining availability was 96.3%, up from 96.0% in Q425 and above bp's 96% target for the fifth consecutive quarter, while throughput at more than 1.5m bbl/d was the highest quarterly figure in over four years. Oil production & operations RC PBIT of \$2.0bn was flat quarter-on-quarter. Upstream production of 2.3m bbl/d was broadly flat, with growth in the Gulf of America and bpx Energy offsetting Middle East disruption and portfolio effects. Gas & low carbon energy delivered \$1.3bn RC PBIT (Q425: \$1.4bn), with higher production offset by lower realisations.

Capital allocation and new CEO comments

bp's priority is a resilient dividend, expected to grow by at least 4% per year. The dividend of 8.320c/share was up 4% y-o-y and flat versus Q425. New CEO Meg O'Neill aims to make bp a simpler, stronger, more valuable company by unlocking growth and improving returns. Her immediate priority is to accelerate progress with a tight focus on operational performance and capital discipline. Capex was \$3.3bn in Q1 (FY26 guidance remains \$13.0–13.5bn). bp reiterated its target of \$14–18bn net debt by end-2027 supported by c \$9–10bn of divestment in FY26, weighted to H2, including c \$6bn from Castrol. The company now plans to reduce corporate hybrid bond financing by c \$4.3bn to c \$9bn by end-2027, subject to market conditions. The agreed Gelsenkirchen refinery sale is expected to lift bp's structural cost-reduction target by \$1bn to \$6.5–7.5bn by 2027.

Guidance now incorporates Middle East disruption

bp expects Q226 upstream production to be lower quarter-on-quarter, reflecting seasonal maintenance and continued Middle East disruption. For FY26, bp expects reported upstream production to be lower due to the Middle East disruption, while underlying upstream production is expected to be broadly flat versus 2025. Guidance for all other metrics remains unchanged.

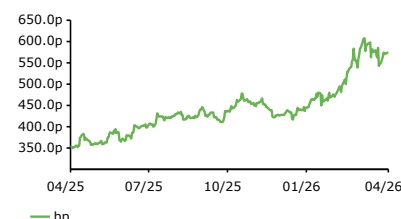
Consensus estimates

Year end	EBITDA (\$m)	Net income (\$m)	EPS (¢)	DPS (¢)	P/E (x)	EV/EBITDA (x)	Yield (%)
12/25	37,615.0	7,485.0	48.00	32.64	16.1	3.9	4.2
12/26e	46,025.0	14,142.0	86.00	34.00	9.0	3.2	4.4

Source: Company data, LSEG Data & Analytics. Note: EPS and net income are adjusted. Realisation and marker prices for FY26: Brent oil: \$81.13/bbl; Henry Hub gas: \$5.05/mmBtu.

Price 572.40p
Market cap £89,908m

Share price performance



Share details

Code	BP
Listing	LSE
Shares in issue	15,707.2m
Net cash/(debt) at Q126	\$(25,309.0)m

Business description

bp is a major global integrated energy company, headquartered in London. Its operations span the energy value chain, with upstream (oil and gas exploration and production, trading, biogas), downstream (refining, biofuels, fuels retail and convenience) and low-carbon energy assets. In 2025, bp announced a strategic pivot back towards its core oil and gas operations.

Bull points

- Increased focus on highest-returning investment opportunities and significant cost reduction production.
- Clear capital allocation strategy.
- Actively pursuing strategic asset sales and debt reduction.

Bear points

- Greater debt weighting compared to peers.
- Potential sector-wide exposure to carbon regulations.
- Commodity price and demand volatility (both upside and downside).

Analysts

Harry Kilby	+44 (0)20 3077 5700
Jonathan Day	+44 (0)20 3077 5700

energyandresources@edisongroup.com
[Edison profile page](#)

**bp is a research client of Edison
Investment Research Limited**

General disclaimer and copyright

This report has been commissioned by bp and prepared and issued by Edison, in consideration of a fee payable by bp. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
