

# Shell announces record annual profits of £32.2bn after energy price surge

Shell has announced annual profits of \$39.9bn (£32.2bn), doubling from a year earlier and far exceeding the previous record of \$31bn in 2008.

The London-listed company also posted record fourth-quarter earnings of \$9.8bn (£7.9bn).

The profits – which were even higher than the \$38.17bn (£30.8bn) analysts had expected – came thanks to bumper gas prices as Russia's invasion of Ukraine led countries to wean themselves off Russian fuel imports.

The majority of profits came from Shell's gas operations.

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Wael Sawan discusses Shell's record annual profits.

It is just the latest energy company to announce record profits as prices rose in the wake of the invasion. This week oil and gas company Exxon Mobil recorded net profit in 2022 of \$56bn (£45.25bn), a record high for the entire Western oil industry.

Pressure has mounted on businesses over those profits as consumers struggle with a cost of living crisis, with both the EU and UK announcing a windfall [one-off tax](#) on energy company profits.

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Those taxes will mean Shell faces an estimated \$2.3bn (£1.86bn) in charges for the full year, the firm reported on Thursday.

In January, Shell estimated those tax payments are to hit the company by around \$2bn (£1.7bn) in the final three months of its financial year.

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The UK windfall tax, [announced under Rishi Sunak](#) as chancellor, means [oil and gas firms pay a 25% levy on profits](#) – but [companies will get tax breaks](#) worth 91p for every £1 invested.

Shell chief executive Wael Sawan said: “Our results in Q4 and across the full year demonstrate the strength of Shell's differentiated portfolio, as well as our capacity to deliver

vital energy to our customers in a volatile world.

“We believe that Shell is well positioned to be the trusted partner through the energy transition.”

It follows a year when consumers grappled with spiralling energy costs which has fed into persistent [double-digit inflation](#).

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The average cost of a litre of unleaded was at a record high of 191.5p in July, marking a good year for Shell.

In October, it [reported operating profits of \\$9.5bn](#) for the third quarter, lower than that of the three months before but still more than double the same period in 2021.

A record \$11.5bn profit was [announced for the second quarter](#), more than double the 2021 figure of \$5.5bn (£4.5bn).

The first quarter also saw a [record operating profit](#) of \$9.1bn.