

A Financial Analysis and Valuation of Total Energies

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Abstract: The paper provides a comprehensive analysis of Total Energies (TTE)'s growth strategy, development status, and competitive market advantage. TTE, with a strong global presence in energy and chemicals, has shown remarkable strategic transformation and market performance. Historically, the company has been a leader in the global energy sector. It is now shifting from traditional petrochemical operations to renewable energy and low-carbon power, aiming for a diversified energy network. TTE's carbon neutrality strategy targets 40% natural gas and 40% electricity by 2050 to achieve net-zero emissions. In the international market, TTE's adaptable business strategy, technological innovation, and talent development have ensured growth and customer trust. The company is expanding overseas, achieving significant results, and maintaining social responsibility by promoting sustainable energy development. Despite challenges in its carbon neutrality efforts, TTE remains influential and competitive, being a top global natural gas supplier. The article details TTE's basic information, business, and earnings, highlighting its competitive advantages in product structure, technological innovation, and international development. It also examines TTE's strategic analysis, financial position, and risk assessment. The study assesses TTE's specific businesses in energy and chemicals, exploring internal and external challenges, risk factors, and the impact of technological innovation and energy transformation on competitiveness. The article concludes with countermeasures for identified problems and suggestions for future risks.

Keywords: Total Energies, SWOT Analysis, Financial Valuation

1. Introduction

Total Energies (TTE) operates in the energy sector. The Company is a diversified energy business that manufactures and sells a variety of energy products worldwide, including, but not limited to, oil, biofuels, natural gas, green natural gas, renewable energy, and electricity. The company has 105,000 employees who are committed to providing greener, more economical, and more stable energy that is easily accessible to more people. To this end, French energy giant TTE has entered into a green hydrogen supply agreement with German gas company VNG, under which VNG will supply environmentally friendly hydrogen to the Leuna refinery managed by TTE, thereby reducing CO₂ emissions by up to 80,000 tons per year [1]. As one of the world's largest refiners, TTE has always been committed to producing high-quality oil products for customers around the world. The company has expanded to more than 130 different countries and geographies around the world. TTE covers the entire energy value chain, including energy production, conversion, marketing and distribution.

Globally, the company focuses on the exploration and production of oil and gas, as well as the research and development of renewable energy. TTE is one of the world's largest suppliers of natural gas. TTE's energy resources include not only abundant oil and gas, but also a wide range of renewable energy sources such as wind and solar. In terms of energy conversion, TTE is able to convert primary energy sources such as oil and gas into secondary energy sources such as liquefied natural gas, renewables, electricity and biomass. The company is mainly engaged in energy supply and management services, and is also actively developing clean alternative energy and new energy. In addition, the company has also ventured into refining, chemicals and blending, supplying its customers with a wide range of energy products. In the marketing and distribution of energy, TTE provides the sale of biofuels, fuels, lubricants, polymers and chemicals to individual and commercial customers, as well as energy storage services and a variety of energy efficiency services.

TTE is one of the world's largest multinational integrated energy companies, with a global presence. Europe has always been TTE's main market, with its headquarters in France and its exploration, production, refining and marketing activities for oil and gas in several European countries. In recent years, TTE has increased its investment in the Middle East and North Africa region. In North America, particularly in the United States and Canada, TTE is expanding its commercial activities through the exploration and production of oil and gas, as well as the manufacture and export of liquefied natural gas. TTE operates in everything from oil and gas to refined products. In Africa, especially in West and North Africa, TTE has a strong commercial foothold in the field of oil and gas exploration and production, which is one of its main markets. TTE is involved in several large-scale oil development projects in the Middle East. TTE's core activities include oil and gas exploration, production, refining and chemicals, as well as research and development of renewable energies. Currently, Mobil Oil is one of the world's largest oil producers. In addition to having a significant presence in the refining and chemical industries, TTE has also established an extensive global retail network specializing in the sale of a wide range of petroleum products and related services.

Based on the most recent year's balance sheet data, the TTE revenue for the year ended December 31, 2023 reached 218,945,000 (In USD Thousands). These figures show that TTE has made significant progress in revenue this year and is well positioned to meet the challenges ahead. (1) As global demand for oil continues to rise, TTE has benefited in the near term, which is expected to boost his sales and profitability. (2) On new investment strategies: The company may unveil its new investment plans aimed at increasing production capacity or entering new markets, which will undoubtedly boost earnings. However, the price of raw materials has risen: (1) Due to the instability in the Middle East, the supply of oil has been significantly hit, and the increase in crude oil prices may lead to supply disruptions or price instability, which will adversely affect corporate profits. (2) According to media reports, TTE has recently encountered a series of environmental problems that may involve leaks, environmental pollution or other forms of environmental problems related to the company's operations, which could lead to legal prosecution, fines or reputational damage to the company.

2. SWOT Analysis

2.1. Strength

TTE has excelled in diversifying his energy investments, not only in the traditional oil and gas industry, but also in renewable energy, such as solar and wind. This diverse product portfolio allows the company to flexibly adapt to changes in the market, meet the different needs of a variety of customers, and ensure that it remains competitive in the global energy transition. TTE has a global diversification strategy that includes sectors such as oil, gas, coal and hydropower. TTE has not only

a global presence, but also a presence in more than 130 different countries and regions, establishing a vast network of markets and resources. In TTE's view, profitability can only be achieved better by operating globally, that is, by using limited capital where it matters most. Such a global strategy helps to reduce risk and identify market opportunities in various regions. In addition, TTE's internationalization strategy is one of the important factors for the success of globalization. In addition, TTE has excellent R&D capabilities and invests heavily in R&D every year.

TTE has also partnered with PetroChina on a series of demonstration projects. In the area of CCUS technology, the two companies plan to deepen their joint research and work on the development of new technological means, and TTE announced that it has signed a framework agreement with Abu Dhabi National Oil Company to pursue opportunities for joint R&D and deployment in the CCUS field, including carbon capture technologies, sequestration solutions, and enhanced field development projects based on CO₂ recovery [2]. Especially when it comes to energy efficiency and renewable energy technologies. The two companies are making progress in their efforts to improve energy efficiency and reduce greenhouse gas emissions. This ensures that it is always at the forefront of new technology development and practical application. This is mainly due to its great potential in the oil extraction industry.

TTE has significant capabilities in the field of global oil exploration, and TTE has extensive exploration capabilities worldwide. Over the past few years, TTE has successfully achieved its goal of transforming from a traditional oil company to a modern oil company. In 2022, for example, TTE detected abundant light oil and associated natural gas resources at the Venus 1-X prospect off Namibia, West Africa, adding up to 667 million tonnes of oil equivalent, making it the largest case of global oil and gas discovery that year. At the same time, it has achieved real-time perception and analysis of well location information through cooperation with other companies, thereby helping managers quickly identify potential faults [3]. TTE has also made significant breakthroughs in the field of intelligent exploration. For example, the ARGOS robot, developed by TTE and PetroChina, is capable of monitoring and maintaining offshore oil rigs under extreme conditions and performing high-risk and time-consuming oil and gas field tasks. The application of this intelligent exploration technology not only improves the efficiency of exploration, but also reduces the risk in the exploration process.

2.2. Weakness

Although TTE is a strong multinational energy company that spans multiple business sectors such as oil, gas and renewables, it still has some significant shortcomings. In terms of energy mix, TTE is currently focused on the oil and gas sector. Although it relies primarily on traditional energy sources, its core business covers oil and gas, the extraction and application of which have a profound impact on the environment. At present, TTE is carrying out a series of reforms to adapt to the challenges of the new situation. Given the growing global demand for environmental protection and sustainable development, TTE urgently needs to accelerate the transformation of its energy mix to reduce its dependence on fossil fuels. In addition, due to the frequent price fluctuations in the global oil market, TTE is also exposed to significant risks. As an energy company that relies heavily on oil and gas, TTE faces greater environmental challenges and pressures, especially when it comes to tackling climate change and reducing carbon emissions. As a global energy giant with oil at its core, TTE's earnings and earnings are largely dependent on oil prices [4]. Oil prices are closely related to the world economy. Global supply and demand conditions, geopolitical dynamics, and other macroeconomic factors can all affect the volatility of oil prices. Africa is one of the most important components of the global oil and gas market and is also the region with the highest concentration of oil and gas exploration and development activities. In recent years, Africa has increasingly been influenced and infiltrated by Boko Haram, ISIS and Al-Qaida. The political turmoil in these countries

has exacerbated international concerns about the security of oil and gas supplies. In addition, Africa's resource countries face the challenges of political instability and inadequate governance capacity. These countries are potential customers for international oil companies, but their domestic political instability also poses certain risks to Africa. This leaves foreign investors in Africa still exposed to a high degree of risk [5].

TTE is one of the world's largest non-oil and gas companies, primarily engaged in the exploration, development and sale of petroleum and the trading of petroleum products, as well as mineral exploration and engineering services. At present, there are increasing tensions between oil-producing countries, which can lead to supply disruptions or price instability, which can have a negative effect on TTE's business activities. TTE is the world's largest non-OPEC oil producer and one of the most important international energy companies, as well as the second largest oil producer in the Middle East. In recent years, there has been a marked decline in the investment climate in Iraq, which has made the high security risks facing Iraq a serious problem. Due to the increased uncertainty of the war in Iraq and the sanctions imposed by the Iraqi government, TTE faces enormous challenges in Iraq. In recent years, the Islamic State has emerged as a major security concern. Subsequently, clashes between Iranian-backed Shiite militias and U.S. forces posed a huge security threat to foreign investors. In addition, TTE is under pressure from other oil companies as well as from the government [6]. In the second quarter of 2023, for example, the company's net profit decreased by 49% year-on-year due to the decline in oil prices. As a result, TTE will continue to maintain its leadership position in energy and infrastructure for years to come. Such fluctuations in performance may adversely affect the long-term development of the company and investor confidence. Over the past few years, TTE has seen a gradual decline in market share in the global oil and gas sector, which has put him under competitive pressure from rivals such as Shell and ExxonMobil. TTE has invested relatively heavily in capital, which may hinder his further development and expansion in the new energy industry.

2.3. Opportunities

In terms of future opportunities, TTE faces the following important opportunities.

Global energy transition: As global climate change and environmental issues become more prominent, more countries are trying to shift their energy models to a greener and low-carbon direction. As a global oil company, TTE is committed to providing customers with cleaner and more efficient energy technologies and services to help them meet increasing environmental challenges. TTE launched his energy transition plan at an early stage, especially in the field of renewable energies, which created a huge market potential for him [7].

In the context of continuous technological progress, digitalization and intelligence are gradually regarded as the core development direction of various industries. As an established oil company, TTE has a strong foundation and experience in digitalization. Leveraging advanced technologies that are digital and intelligent, TTE is able to improve its efficiency and product quality in all aspects of exploration, production, processing and transportation. With the most advanced equipment and tools in the world, TTE is able to offer a variety of solutions to meet the needs of different customers for high-quality services. TTE has always been a leader in the oil and gas industry, particularly in terms of its stand-alone exploration technology, its ability to operate large gas and LNG, and its deepwater and ultra-deepwater operations [8]. Reduce operating expenses and increase profitability potential.

In response to climate change and environmental challenges, governments around the world have launched a series of policy measures aimed at supporting the development of renewable and low-carbon energy. Large energy companies such as TTE are also actively involved in energy conservation and emission reduction actions around the world. These strategies have created a broader scope for growth for TTE and other energy companies, especially in the renewable energy sector.

2.4. Threats

Although ExxonMobil has a modest investment in renewable energy, its strong oil and gas business strength and market share as one of the world's largest oil and gas companies have challenged TTE. As one of the world's largest privately owned oil and gas companies, Shell competes fiercely with TTE in a variety of industries, including oil, gas and renewables. TTE has a leading edge in the development and production of oil and gas resources, which is in indirect competition with Shell [9]. Shell's significant market presence in the LNG industry poses a direct risk to TTE's commercial activities in this sector. Shell is another important multinational energy group that has an indirect impact on TTE's market share in this sector. Shell is also actively driving the energy transition, investing heavily in renewables and power, and competing with TTE in the new energy market. Chevron has leading technology and scale in shale gas extraction, and forms indirect competition with TTE. Chevron is a globally influential company in the energy sector, competing with TTE in oil, gas and renewable energy. TTE is an established multinational energy company with operations around the world, but in recent years it has encountered competition from many countries and regions on a global scale. Chevron has deep experience and technological superiority in the field of oil and gas exploration and production, and has formed a direct market competition with TTE. Chevron has also made plans in its energy transition strategy, and its investment in renewable energy and low-carbon technologies may pose a hidden danger to TTE's market share in the new energy industry. British Petroleum (BP) is a globally renowned energy company with a wide overlap in its business areas. The company also attaches great importance to the energy transition and sustainable development, actively invests in renewable energy and low-carbon energy technologies, and competes fiercely with TTE in the field of new energy.

3. Valuation

3.1. Financial Performance

For TTE's financial situation, it can be analyzed from several specific angles.

TTE is a globally renowned energy company with a wide range of activities in the oil, gas and clean energy sectors. TTE's business consists of three main segments: refining, petrochemicals and chemicals. This is followed by a financial assessment based on recent earnings data. TTE is the largest independent oil producer in the United States, with exploration and development operations and the sale and distribution of refining and petrochemical products. In the first quarter of 2024, TTE's revenue reached \$51.883 billion, a decrease of 10.90% compared to the previous year. TTE's performance declined over the past year due to factors such as rising crude oil prices and falling natural gas prices. This means that in the context of the global energy market, TTE's revenue has suffered to some extent. Despite a significant drop in revenue, TTE's net profit still achieved double-digit growth. In the first quarter of 2024, TTE's net profit attributable to its parent reached \$5.721 billion, an increase of 2.95% compared to the previous year. The increase in revenue was due to TTE's better performance in the first half of the year. While revenue has decreased, the company's net income growth does reflect its efforts in cost management and operational efficiency.

In addition, after adjusting for the first quarter of 2024, TTE's net profit reached \$5.1 billion, a decrease of 22% compared to the same period last year, which may be closely related to market conditions, fluctuations in oil prices and the company's investment strategy. Under the double blow of the global financial crisis and the sharp drop in oil prices, TTE's profitability declined in the first quarter of this year, but it still achieved its full-year performance target. Compared with other major oil companies, TTE shows both similarities and obvious differences in its response strategies. Compared with traditional energy companies, TTE has a higher technological innovation capability.

One thing in common is that they have all implemented strategies to reduce costs, increase efficiency, and reduce spending; The difference is that TTE is not reducing investment efficiency while cutting spending, but improving investment efficiency by optimizing resource allocation. It is worth noting that although the company has cut expenses and adopted a cautious investment strategy, it has not reduced its investment in the new energy and low-carbon business areas. Instead, it has successfully coped with a variety of pressures, from various renewable energy generation to battery and energy storage businesses, to R&D efforts on e-mobility and CCUS [10]. Taking into account the price and market value of the stock, as of the most recent trading day, TTE closed at \$71.52, giving it a market value of about \$171.3 billion. It was also the largest deal in TTE's history. TTE's share price continues to climb, reflecting the public's expectation and trust in his future performance.

3.2. Ratio Analysis

TTE's net profit increased by 2.95% compared to last year, which shows his excellent performance in terms of profitability. In addition, due to the company's greater efforts to control costs, the company's profit growth rate is significantly higher than the average level of the same industry. However, given that revenues are decreasing, companies still need to focus on cost management and go-to-market strategies. In order to evaluate performance more accurately, it has selected Walmart, Amazon, and Alibaba as the three main competitors based on a reasonable assessment of market value, as detailed in Table 1.

Table 1: Market capitalization of TTE and its competitors.

Company Code	Market capitalization (\$billion)
TTE	169.815
XOM	456.166
COP	138.344
CVX	291.458

From Table 2 presented, it is clear that the TTE NTM PE and TTM PE values are the lowest, while the NTM PE values are significantly lower than ConocoPhillips' NTM PE (13.79), and the TTM P/E values are also significantly lower than ExxonMobil's TTM PE (14.27). From the perspective of the company as a whole, the company's overall valuation is at a reasonable level. In terms of inputs: TTE has the lowest price-to-earnings ratio, so the investment per unit profit is relatively small.

Table 2: P/E ratios of TTE and its competitors.

	TTE	XOM	COP	CVX
TTM P/E	11.55	14.27	9.36	8.12
NTM P/E	11.92	12.32	13.79	7.81

Compared to other companies, TTE's earnings per share are relatively low, so its profitability is also relatively weak (see Table 3). Oil and gas extraction companies with higher earnings per share. In addition, EPS is growing at a relatively slow pace, and its earnings growth potential is not as good as that of other companies. TTE is a multinational oil and gas company that provides crude oil extraction services on a global scale, from upstream to downstream. TTE estimates that earnings growth in 2024 will be around 2.14%, which is slightly lower than the 2% in the U.S. oil and gas consolidation industry. 92% average growth rate, and also significantly lower than the U.S. market 9.12%. Expected growth rate of 12%. In the case of the global economic downturn and low international oil prices, TTE still maintains a stable development trend. Oil companies' earnings and earnings are

largely influenced by oil prices, which have experienced sharp fluctuations due to a combination of politics and supply and demand, resulting in a 16% reduction in the TTE revenue of the four companies compared to last year. In terms of operating costs, all four companies have decreased. The overall decline is relatively small, so it has a certain degree of comparative superiority.

Table 3: Expected growth ratios of TTE and its competitors.

	TTE	XOM	COP	CVX
EPS growth rate	1.25%	15.0%	2.2%	18.86%
Expected gross revenue	2.14			
Revenue Growth Rate	-15.85%	-16.05	-28.48%	-16.46%
EPS	\$8.86	\$8.16	\$9.06	\$10.87

Regarding to TTE's ROE, its lower ROE means that the company invests more money in profitability, or only a portion of it, and thus makes less profit than other companies, which is not only detrimental to attracting shareholders, but can also adversely affect financing. Therefore, it should focus on the asset quality of a company. From the perspective of operating profit margin, it describes the ratio between a company's operating profit and its operating income. If the operating margin is higher, it indicates that the company is more profitable. This demonstrates a company's earning potential in the process of manufacturing and selling products or services. From the earnings per share, it can be found that the company will invest a lot of money in the process of operation to maintain operations, which makes the company's operating performance worse than that of listed companies in the same industry. Overall, TTE has a high operating margin, which indicates that it is able to manage costs more efficiently and increase profitability. From the perspective of PEG ratio, TTE has the lowest PEG ratio as Table 4 shown, which results in its share price being relatively undervalued, while the current share price is also the lowest, which provides a large margin for its future earnings potential and magnitude.

Table 4: PEG and profit ratios of TTE and its competitors.

	TTE	XOM	COP	CVX
PEG	1.76	4.03	2.73	2.36
Operating profit margin	15%	13%	26%	13%
ROE	10%	11%	20%	11%

3.3. Profitability Analysis

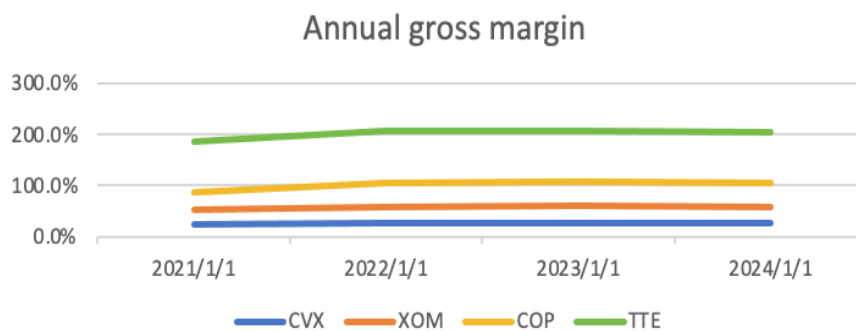


Figure 1: Annual gross margin of TTE and its competitors (Photo/Picture Credit: Original).

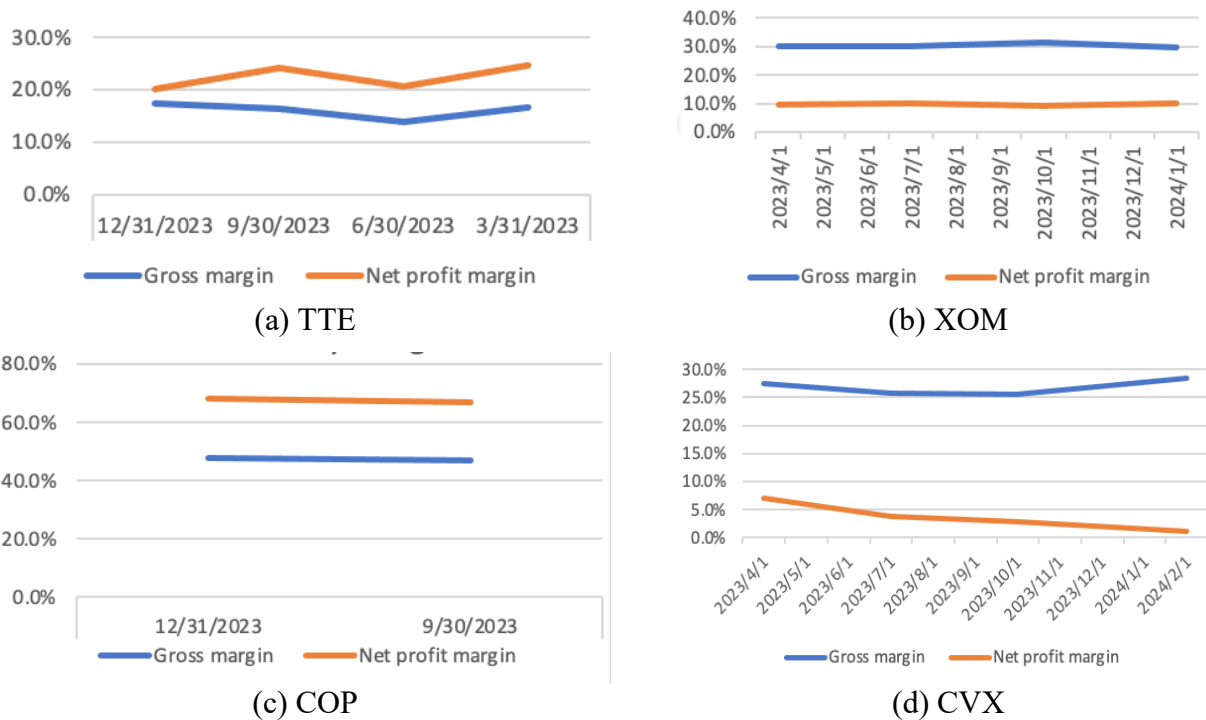


Figure 2: Quarterly profit margin of TTE and its competitors (Photo/Picture Credit: Original).

TTE has been able to increase the company's overall gross margin by aligning its product line, accelerating the energy transition, and launching more high-margin products (see Figure 1). As the global economy enters a period of deep adjustment, how to achieve low-carbon development has become an urgent issue. In order to achieve the goal of zero carbon, it not only need to make in-depth adjustments to the energy structure and accelerate the construction of a new energy industrial system, but also need to strengthen the clean use of traditional energy and promote the high-quality transformation of energy consumption according to the actual situation of resources [11]. TTE showed a high degree of stability in gross margin growth, ranking first in the list, as Figure 2 shown. At the same time, TTE's quarterly gross margin growth rate was relatively stable. From the perspective of operating income, TTE reached an operating income of \$56.278 billion in the first quarter of 2024, a decrease of 10.1% compared to the previous year. The main reason is due to the rise in production costs caused by the rise in upstream raw material prices and the company's adjustment of future business development strategy. The company's sales are gradually decreasing, which may be related to market conditions or the company's business strategy. However, looking at the net profit data for 2021-2023, the overall growth of net profit shows a solid upward trend, and although it has declined due to various factors in 2023-24, it still holds the top spot. In terms of operating performance, TTE's profits mainly come from non-oil business. During the same time period, TTE's net profit reached \$5.1 billion, an increase of 3% compared to the previous year. While TTE's operating performance continues to improve, it should also note that the company's operating efficiency and profitability have declined to a certain extent. Although the company's operating income decreased, net profit increased, perhaps due to the implementation of effective cost control strategies or the outstanding performance of certain businesses.

Taking into account the annual growth of gross margins, TTE has significantly outpaced other companies in terms of annual growth, showing strong momentum. In terms of operating income growth rate, TTE is also higher than other industries. TTE's expansion in several energy sectors, such as oil, gas, and renewables, may be the reason for this. In the course of TTE's development, it can

find that TTE has strong competitiveness in various industries. Adopt a diversified business strategy. TTE was able to keep costs low while achieving above-average margins. This strategy helps to reduce reliance on a single market and achieve consistent gross margin improvement across a variety of market environments. In addition, TTE can also increase its profitability through mergers and acquisitions. TTE has invested heavily in research and development of new energy, environmental technologies and energy efficiency improvements, and has successfully integrated these innovations into his business, which is expected to generate higher profits for him. In the coming years, TTE's gross profit growth will remain high, but profitability will decline. In contrast, if other companies underinvest or grow slowly in these particular areas, their annual gross profit growth rate may be negatively impacted. In addition, TTE's profitability is constrained by its business model. In the first quarter of 2024, TTE's net profit decreased by 3% year-on-year, while Mobil, Chevron and several others saw more significant year-on-year declines of 28.1% and 16.3%, respectively. TTE also saw a decline in revenue. This means that, in certain areas, TTE may be more adaptable than other options, potentially achieving faster annual gross profit growth.

4. Risk Assessment

TTE is one of the world's leading energy companies, with strong capabilities in oil, gas, biofuels, renewables and electricity. As the world's largest integrated energy supplier and investor, TTE is committed to providing safe, clean and efficient energy solutions to help them realize more value. However, as the global energy sector continues to expand and competition between industries intensifies, TTE also faces many risks and tests.

TTE, as a major oil and gas producer, is heavily influenced by fluctuations in crude oil prices. TTE is one of the world's largest energy companies, and its operations are directly affected by changes in oil market conditions, including rising and falling oil prices. Given the growing tensions between oil-producing countries, which could trigger supply disruptions or price instability, a decline in crude oil prices could reduce a company's earnings and, in turn, its earnings potential. As a result, higher oil prices will put TTE under greater financial pressure. In addition, global climate change and environmental issues are becoming more severe, which also poses the risk of reducing energy demand. Therefore, more and more countries and regions have begun to actively promote the development of clean energy to reduce their dependence on traditional energy sources. Against this backdrop, TTE's market share will shrink. This has the potential to reduce the demand for conventional energy sources, creating market risks for TTE.

TTE's financing costs, return on investments, and balance sheet are all affected by interest rate fluctuations. In the long term, changes in interest rates will change TTE's capital structure. When interest rates increase, TTE's earnings potential suffers as it leads to higher funding costs for the company, while lower interest rates can reduce the company's return on investment. As a result, TTE is very sensitive to changes in interest rates. The volatility risk of TTE's financial markets is primarily related to the instability of prices, exchange rates and interest rates for oil, gas and electricity. These risks also exist in all stages of the business activities of enterprises, including production, sales, procurement, finance and other links. These risks are inevitable and inevitable that businesses must face in the course of their day-to-day operations [12].

The energy sector, in which TTE operates, is classified as a high-risk sector. Because the energy industry involves many risk factors, accidents can easily occur in the process of production and operation. If a security incident occurs, this will not only result in personal injury or property damage, but also serious damage to the company's reputation and image. Risks related to environmental policies: With the increasing awareness of environmental protection around the world, many governments have begun to implement stricter environmental protection measures. One of the most important and common of these environmental policies is to require companies to reduce their

emissions. TTE may face a decrease in costs and profitability due to increased environmental investments.

The earnings per share level is relatively low, and its earnings potential is not as good as that of other companies. From the perspective of industry, the growth of listed real estate companies is the best, while the growth of other industries is relatively poor. In addition, the growth rate of EPS is relatively slow, and its profitability is not as good as that of other enterprises, which has a negative effect on the future development of the company and the competition of the entire industry. TTE Energy has operations around the world and its financial receipts and payments may be settled in multiple currencies. Since a company's balance sheet often records amounts in foreign currency, changes in exchange rates can lead to changes in accounting treatments. Due to the volatility of exchange rates, the Company may be exposed to the risk of foreign exchange gains and losses, which may further affect its financial health.

With the growing global focus on climate change issues and the continuous advancement of new energy technologies, the demand for traditional fossil fuels is likely to decrease, which undoubtedly poses business challenges for TTE and other energy companies. In addition, energy companies are exposed to greater risks due to the volatility of international oil prices and the monopoly position of oil majors in the international market. Especially under the influence of unexpected situations such as the Palestinian-Israeli conflict and the Russia-Ukraine conflict, the global energy demand may undergo significant changes, which will further increase the company's operating risks.

TTE uses a wide range of raw materials such as oil and gas on a large scale in its main business activities. The company's operating costs may be directly affected by fluctuations in the prices of these raw materials. In addition, because raw materials are irreplaceable important materials in the production process of products, the fluctuation of raw material prices will have a certain degree of impact on the production cost of products. Due to the conflict between Russia and Ukraine, tensions in the Middle East, and the instability of the global oil supply chain, the price of raw materials has fluctuated, which has further led to an increase in product and operating costs.

5. Conclusion

TTE, a global leader in the energy sector with a large business scale and a considerable market share, is actively responding to the changes and challenges in the energy market in order to achieve its strategic transformation and sustainable development goals. The company invests heavily in technological innovation and research and development with the aim of improving the efficiency of energy conversion and reducing the TTE cost of production. By investing in the new energy industry, it has contributed to national energy conservation and emission reduction. In addition, related technologies have also been introduced into the field of renewable energy and electricity, further promoting the progress of clean energy. TTE has performed well financially, maintaining high earnings potential and excellent performance even in the face of challenges such as global pressures. TTE attaches great importance to risk management and has built a comprehensive financial risk management framework and operating cost control program to reduce operational and market risks. In addition, TTE is also actively facing the issue of carbon emissions and environmental protection, and has implemented a series of strategies aimed at reducing carbon emissions, thereby reducing its negative impact on the environment. Overall, as a global leader in the energy sector, TTE has demonstrated excellent performance in many aspects such as business scale, strategic transformation, technological innovation and risk management, so it has a high market competitiveness and position. Looking ahead, in the face of the continuous evolution of the global energy market and increasing competition, TTE plans to further strengthen its technological innovation and risk management capabilities to better meet the challenges and ensure its leading position in the industry.

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