The Oil & Gas Valve Industry in Italy

Business Structure, Trends and Outlook

Edition 2025

The oil & gas valve industry in Italy

Executive Summary (1/5)

Background: The Italian Oil & Gas Valves Sector: Market Leadership, Regional Strength … and the pivotal role of Bergamo

- ***The Italian Oil & Gas valves industry is a vital segment of the country's manufacturing sector,*** *comprising 139 enterprises, employing around 10,000 people, and generating an annual turnover of €3.4 billion. Accounting for 36.6% of total European production (latest estimations), Italy stands as a leading player in the Oil & Gas valves market, with particular specialization in Ball and Plug valves, Butterfly valves, and Parts and Components. The Lombardy region serves as the industry's core, contributing nearly two-thirds of national output, with Bergamo emerging as a key industrial hub.*

- *Within a 100 km radius of Bergamo, over 100 specialized enterprises generate more than 90% of national turnover in the Oil & Gas valves sector. With €1.9 billion in revenue—55% of the industry total—and over 6,000 employees, this industry is key to Lombardy's leading role in Italian manufacturing.*

2024: A Brilliant Year for Italy's Oil & Gas Valves Export (90%+ of production)

- ***In 2024, Italian Oil & Gas (O&G) valves exports surged by 16.9%,*** *significantly outpacing the global trade growth of 8.5% and narrowing the export gap that had widened over the past five years. Italy has secured a robust market position across Western Europe and the Middle East, achieving market shares that exceed these regions' relative importance in global imports. Overall, Italian exports grew at least in line with import demand in 62 countries, accounting for ~80% of Italy's total O&G valve exports. Italy maintained its 3rd position globally as an exporter of O&G valves in 2024. The top exporters, China and Germany, held their ranks too, while Japan dropped two positions, overtaken by South Korea and India.*

The oil & gas valve industry in Italy

Executive Summary (2/5)

2024: A Brilliant Year for Italy's Oil & Gas Valves Trade …

- ***A key driver of the Italian post-pandemic export rebound has been the expansion of the MENA region**, which played a critical role in offsetting headwinds in Western Europe, Asia, and North America, particularly in 2024: among the top five countries contributing to 2024 Italian O&G Valves export growth, four are indeed located in the Middle East. Italy outperformed competitors in 5 out of the 10 top destinations within the MENA market (which collectively represent 85% of regional inbound flows) including Saudi Arabia, where Italian exports grew at twice the pace of competitors, especially in the Ball & Plug valve segment (four times faster growth). Overall, Italian companies capitalized fully on the exceptional growth of the region, with exports to the region soaring by over 60%, far exceeding the overall market growth of 27%.*

- ***Saudi Arabia emerged as a standout market in 2024**. This surge is driven by significant investments in O&G infrastructure, primarily Liquefied Natural Gas (LNG) infrastructures and natural gas upstream projects as KSA's National Oil Company ARAMCO partially retrenched from oil field development. Beside hydrocarbons projects aligned with KSA's "Vision 2030" plan (large-scale desalination projects above all) contributed boosting demand for industrial valves. KSA market share on overall Italian valves sales abroad increased by ~6 percentage points, and accounted for nearly 50% (€267 billion out of €566 billion) of the total growth of Italian Valves exports in 2024.*

… whose astonishing growth rate "normalized" in 2025-I

- ***After a record-breaking 2024, Italian exports of oil & gas (O&G) valves showed signs of normalization in the first quarter of 2025**. Total exports declined 6.8% compared to the previous quarter, although they remained approximately 10% above Q1 2024 levels and nearly 25% above the four-year average. At product level, the ball and plug valve, while still performing well over a Y-o-Y basis, contributed the most to the overall decline in valves export on Q-o-Q basis. On a country basis, the GCC region accounted for most of the overall Q-o-Q contraction observed in 2025-I. Decline is particularly evident in Saudi Arabia, where imports from ITA fell 29% Q-o-Q following a record-high in Q4 2024. Nevertheless, they still posted a robust 30% Y-o-Y increase*

The oil & gas valve industry in Italy

Executive Summary (3/5)

Energy Investments: Between Market Slowdown… and Heightened Focus on Energy Security

- ***Global oil consumption growth slowed markedly in 2024****, rising by just 0.7% (+720,000 barrels per day), influenced by lower industrial growth, increased electric mobility adoption, and the diminishing effects of the post-pandemic rebound. Conversely, natural gas markets returned to structural growth, expanding by 1.8% (+112 billion cubic meters), primarily driven by rising electricity demand in Asian economies.*

- ***Following a sluggish 2024, the beginning of 2025 showed little improvement.*** *The Trump's "Liberation Day" coincided with anticipated increased output from OPEC countries, triggering a sustained decline in oil prices, which was only temporarily interrupted by the outbreak of the "12-Days War." Gas prices exhibited a similar trajectory, declining sharply in spring 2025 due to weakening growth prospects and improved weather conditions, before experiencing a temporary recovery in mid-June. It is worth noting that, despite two consecutive years of decline, gas prices remain elevated, whereas oil prices result comparatively lower.*

- ***Oil and gas investment: navigating between lower returns… and a renewed focus on energy security****. Still robust activity in the Middle East and North Africa has been offset by a decline in investment in North America, resulting (following a 3-years long expansion) in flat year-on-year global drilling growth. Two diverging drivers shaped the Oil & Gas Landscape: on one hand, US producers demonstrated notable operational flexibility, quickly adjusting (downward) their drilling activity in response to price decline. On the other hand, geopolitical dynamics have intensified the global focus on energy security, highlighting the critical importance of oil and gas investments and encouraging investment, particularly in regions less sensitive to price volatility, where National Oil Companies constitute the majority of players.*

- ***Meanwhile, global clean energy investments reached unprecedented levels****, continuing the upward trend that began post-pandemic: the global energy landscape in 2024 continued to prioritize renewable energy sources as governments, investors, and corporations intensified efforts to address climate change and reduce carbon emissions. Clean energy investments now exceeding fossil fuel investments by a factor of 2.*

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The oil & gas valve industry in Italy

Executive Summary (4/5)

Revenues Decline cloud the 2025–26 O&G Industry Spending outlook …

- ***Amid a weaker market environment, Oil & Gas industry revenues declined by 5.0% year-on-year in 2024**. A detailed analysis of financial statements from 285 companies operating in the Oil & Gas sector reveals that the industry was significantly impacted by lower oil prices in 2024. While overall revenues fell by approximately 5%, the industry's revenue base remains resilient, still about 23% above pre-pandemic levels. Operational margins presented a more nuanced picture: EBITDA for Integrated Oil & Gas companies declined further in 2024. In contrast, margins in the Exploration & Production (E&P) segment rebounded after a dip in 2023, while the Services segment sustained healthy profitability.*
- ***Overall industry debt rose in 2023–24**, notably within the downstream segment, as many firms leveraged on debt to fund capital expenditures, investor returns, and strategic acquisitions. Nevertheless, debt levels remain low relative to historical norms, particularly compared to pre-2016 cycles. Investor returns remained exceptionally strong, supported by robust dividends and ongoing share buybacks, underscoring the sector's commitment to returning capital and sustaining investor confidence amid macroeconomic uncertainty and volatile energy prices.*
- ***Capital expenditure (CapEx) increased in 2024**, albeit at a slower pace after two consecutive years of robust year-on-year increases. It is worth noting that once adjusted for inflation, total 2024 CapEx remains close to its 2019 average levels. Despite nominal increases, real investment in the sector has then just returned to pre-pandemic norms, highlighting a cautious and disciplined investment approach by producers.*
- ***The outlook for 2025-'26 capital expenditure in the Oil & Gas sector is subdued**. Assuming crude oil benchmark prices average $72 per barrel in 2025 and $68 per barrel in 2026, other things unchanged Capital Expenditure from Core Oil & Gas operations—including Integrated Companies, Refining & Marketing, and Exploration & Production—are projected to return close to 2019 levels by 2026, falling by a cumulative 15% over the 2025–2026 period.*

The oil & gas valve industry in Italy

Executive Summary (5/5)

… but bright spots remain for the Italian O&G valves industry

- ***Global investment in the Oil & Gas sector is projected to decline by approximately 3.4% in 2025*** *as the industry adapts to a declining revenues and margins environment. Despite this overall downward trend, Italy's Oil & Gas valves industry position presents a more nuanced dynamic. This is because Italy's exports of Oil & Gas valves are predominantly directed toward regions that, at least in 2025, are expected to maintain positive investment growth.*
- ***Indeed, continued investment in Oil & Gas infrastructure is expected in many emerging markets as well as most parts of Europe, Asia, and the Middle East. These regions are prioritizing energy security and infrastructure modernization, which sustains demand for specialized equipment such as valves****. Italy's valve exporters are well-positioned to benefit from these pockets of growth, leveraging their technological expertise and established trade relationships. In contrast, the United States, despite being one of the largest Oil & Gas markets globally, is forecasted to experience the most significant investment decline in 2025. However, Italy's exports of Oil & Gas valves to the USA represent a relatively small share (11% as of 2024, in line with the whole Italian manufacturing) of the sector overall exports.*
- ***This divergence suggests that the negative investment outlook in the U.S.****(and, more broadly, the potential for a tariff war between Washington and Brussels)* ***may result in a direct impact on Italy's valve industry broadly in line with the average effect on the whole manufacturing sector****. In summary, while the global Oil & Gas investment climate is tightening, Italy's Oil & Gas valve industry benefits from its export orientation toward regions with more favourable investment trajectories, mitigating the potential risks posed by less promising markets like the United States.*

The Italian industry of tapes and valves

With 139 enterprises, over €3.4 billion in turnover, and more than 10k employees (as of 2023), the O&G Valves sector represents a core component of Italy's IM&E (Industrial Machinery & Equipment) industry

	Enterprises (#)	**Production value** (€ blns)	**Employees** (#)
Oil & Gas valves	139	3.4	10.000+
Oth. industrial valves*	385	5.4	15.000+
Household taps	256	1.9	7.000-
TOTAL Tapes & Valves	780	10.8	32.000+

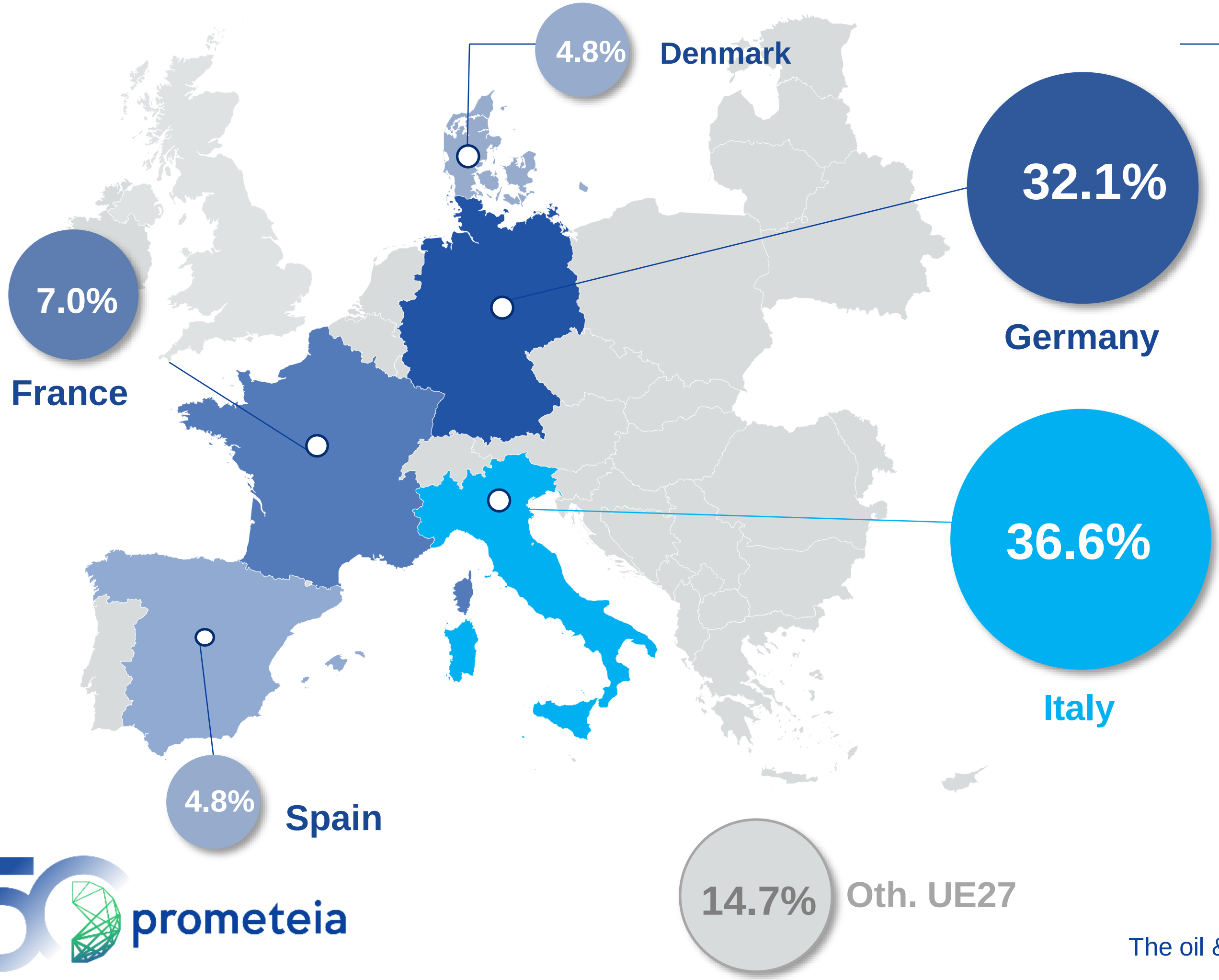
** Hydraulic valves, valves for food & beverage industry, valves for pharmaceutical industry, etc.*

Source: Prometeia's calculation on ISTAT data and Companies balance sheets

The O&G valve industry in Europe

Italy is the leading European manufacturer of oil and gas (O&G) valves, accounting for nearly ~37% of total EU production

The main European production countries sold production value*
% share on total, €, average 2021, 2022, 2023



total UE27

8.3 € blns

** Production value generated at national production plants*

EU27 valves production by type and country

Italy’s specialization in Ball & Plug valves significantly surpasses that of its competitors. Additional strengths lie in Butterfly and Gate valves, and Parts and Components

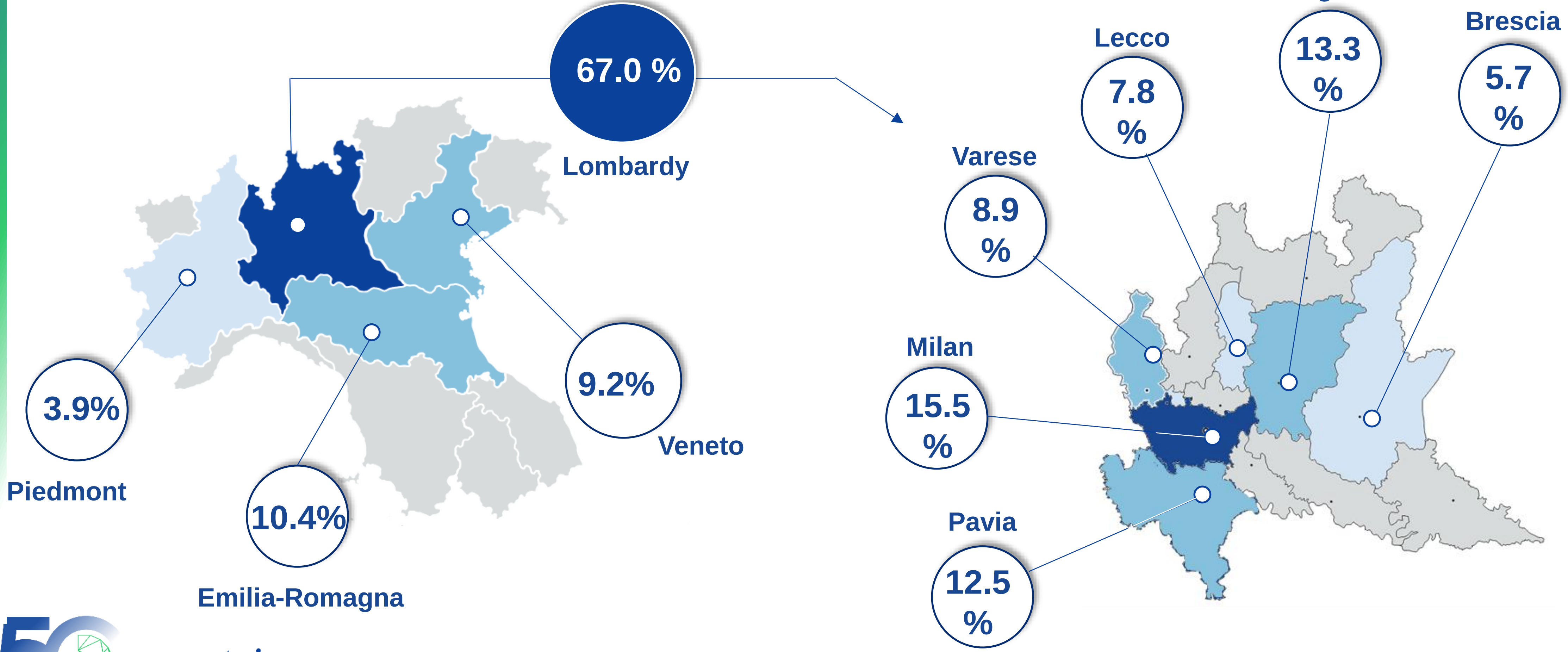
Main European countries / sold production value by country and product*
% share of EU valves sales, €, average 2021-2022-2023

	Italy	Germany	France	Spain	Denmark	EU 27 Others	EU 27
Check valves	2.1	2.3	0.8	0.2	0.1	0.9	6.5%
Gate valves	3.4	0.9	1.3	0.3		1.0	6.7%
Globe valves	1.1	7.5	0.6	0.1	1.5	0.8	12.0%
Ball and plug valves	15.1	5.8	0.7	1.7	0.5	2.5	23.0%
Butterfly valves	5.0	2.6	1.5	0.9	0.2	1.3	10.2%
Parts for tap, cocks, and valves	13.0	12.0	2.1	1.2	2.2	6.7	41.5%
EU 27	36.6%	32.1%	7.0%	4.8%	4.8%	14.7%	100% [8.3 €BL]

The O&G valve industry in Italy

Over 65% of Italy's valve and component production is concentrated in the Lombardy region, with the Milan and Bergamo areas alone accounting for nearly one-third of the national total

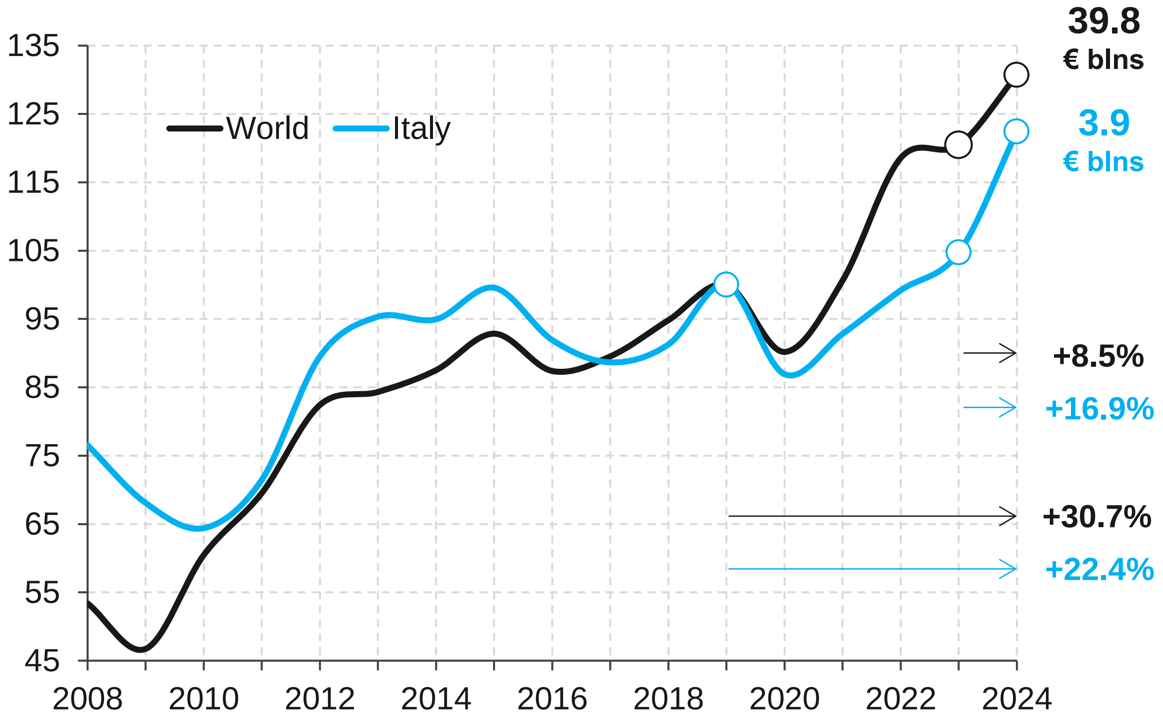
The map of territorial specialization
% share of the Italian production value (2023)



Italy in O&G valves global trade: Structure & Trends (1/6)

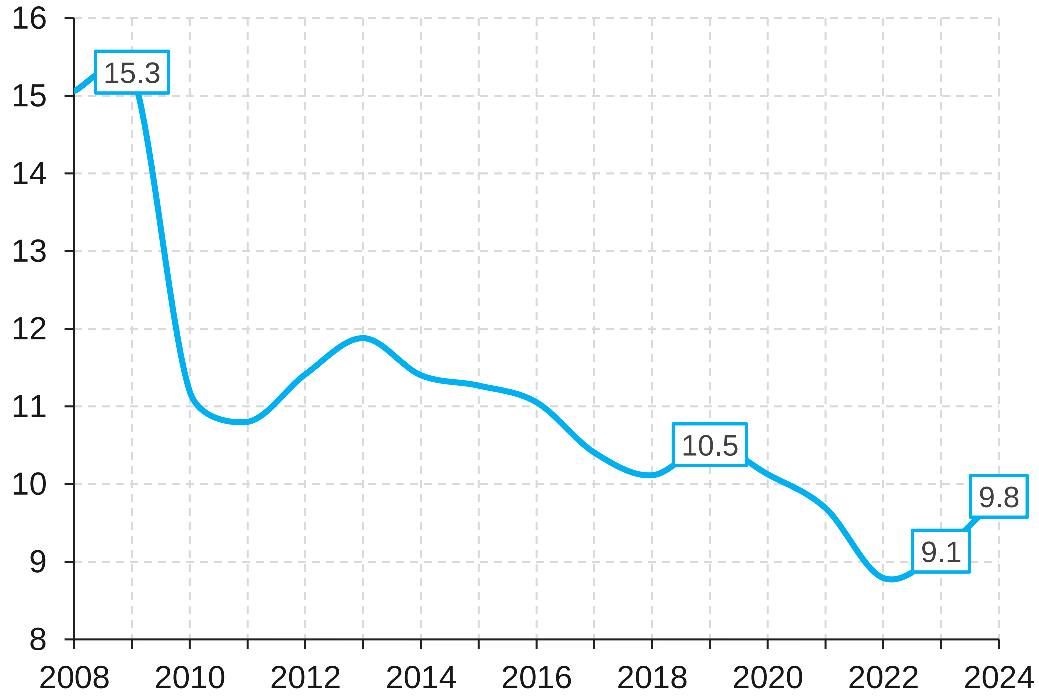
In 2024, Italian O&G Valves exports rose sharply by 16.9%, outpacing global trade growth (+8.5%) and narrowing the gap that had emerged in the last 5 years

World imports and Italian exports of O&G valves
Indexes (2019=100) in € at current prices



2024 proved a favourable for Italian exports of O&G valves, which grew by 16.9%, significantly outperforming the global trade growth rate of 8.5%. Despite the strong rebound, Italian exports have not yet fully closed the positive growth gap (of approximately 8 p.p.) that remains compared to 2019 levels ...

Italy's share of World O&G valves market
ITA export as % of World imports, €



… Italy's share of the global oil and gas valves market increased substantially, reaching approximately 10% in 2024 (a gain of 6/10 percentage points compared to 2023). Nonetheless, the figure remains 0.8 percentage points below pre-pandemic and over 5 percentage points lower than the peak observed in 2009

Prometeia calculation on TDM, ITC data

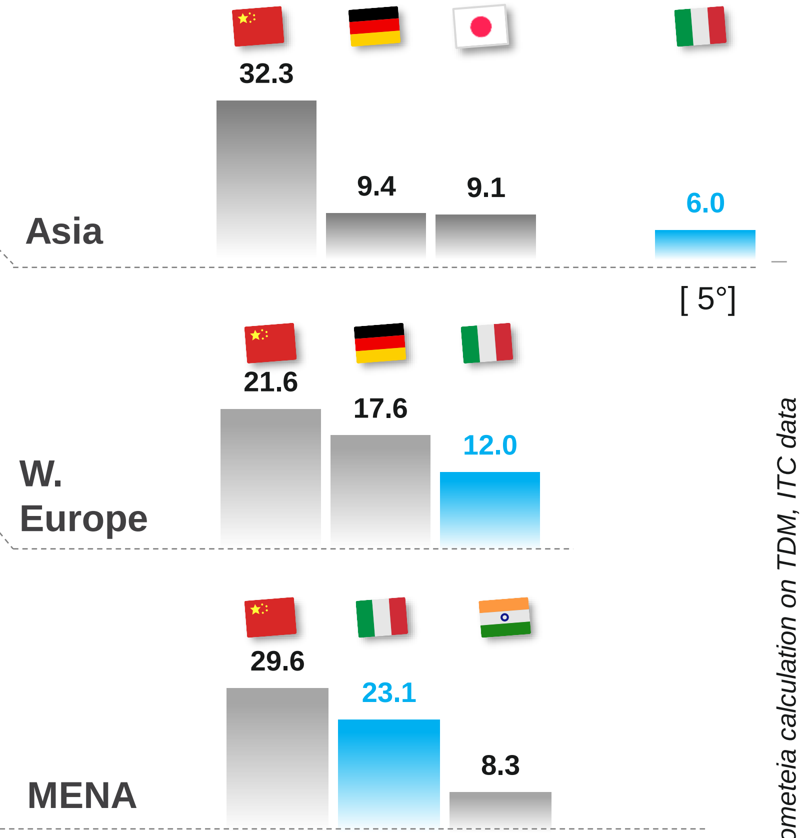
Italy in O&G valves global trade: Structure & Trends (2/6)

Italy holds a strong market position in Western Europe/Middle East, achieving market shares that surpass these regions' relative importance in global imports

Geographic Framework of O&G valves sales
in €, current prices, 2024

	WORLD EXPORT (%)	*ITALY EXPORT (%)*
Asia	*26.1%*	*16.0%*
Western Europe	*24.2%*	*29.4%*
NAFTA	*21.4%*	*13.0%*
MENA	*11.3%*	*26.6%*
RoW	*15.0%*	*15.0%*
	100%	***100%***

Top exporters in selected regions: podiums
Mkt. share, €, 2024



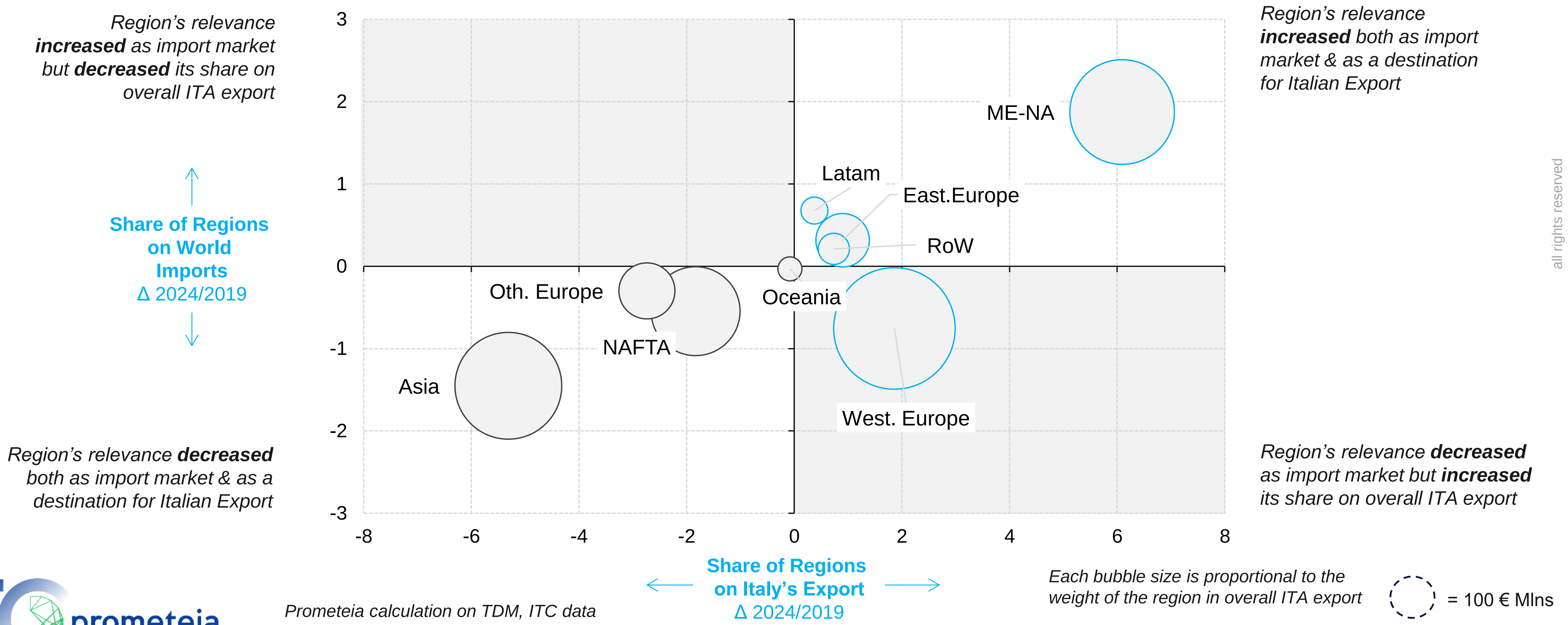
memo
NAFTA 6.0 [6°]

Prometeia calculation on TDM, ITC data

Italy in O&G valves global trade: Structure & Trends (3/6)

The post-pandemic expansion of the MENA region played a critical role in driving the post-pandemic recovery of Italian exports, partially offsetting market headwinds in Western Europe, Asia and North America

Geographic Framework of O&G valves sales in the post pandemic (2024-2019)
World Regions and Italian export breakdown, **Δ points of share**

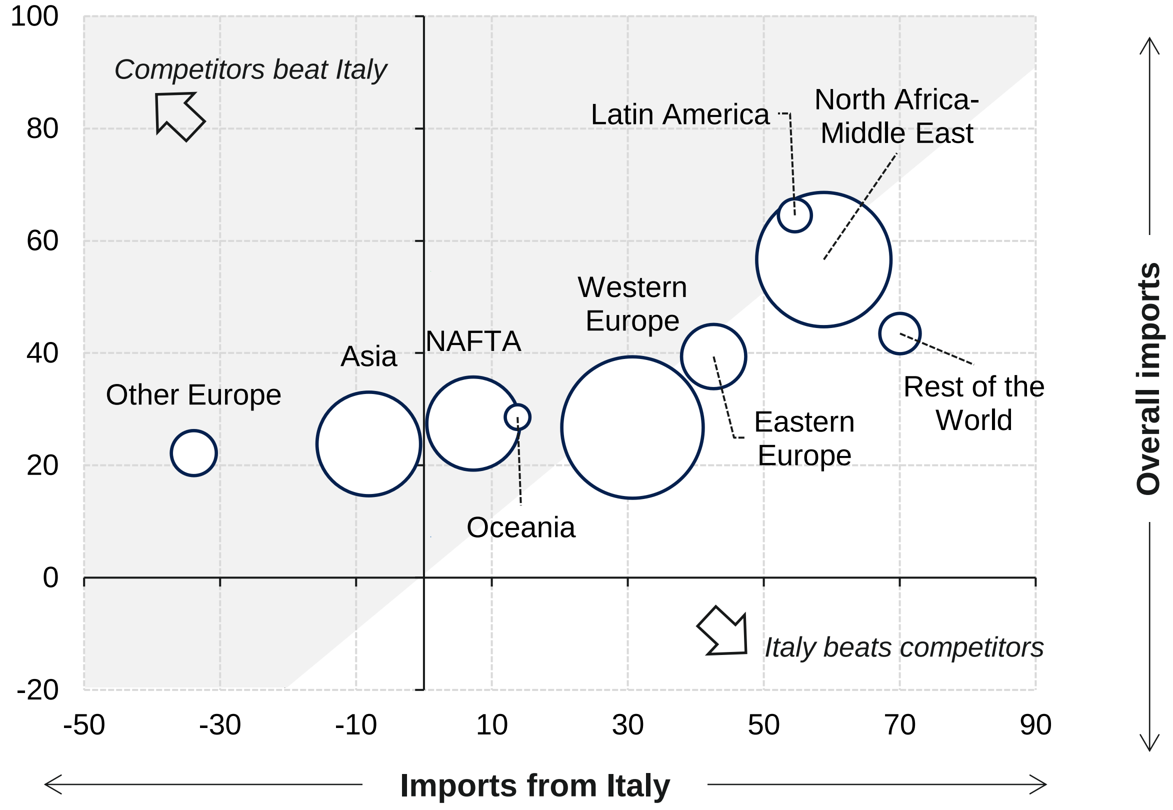


Prometeia calculation on TDM, ITC data

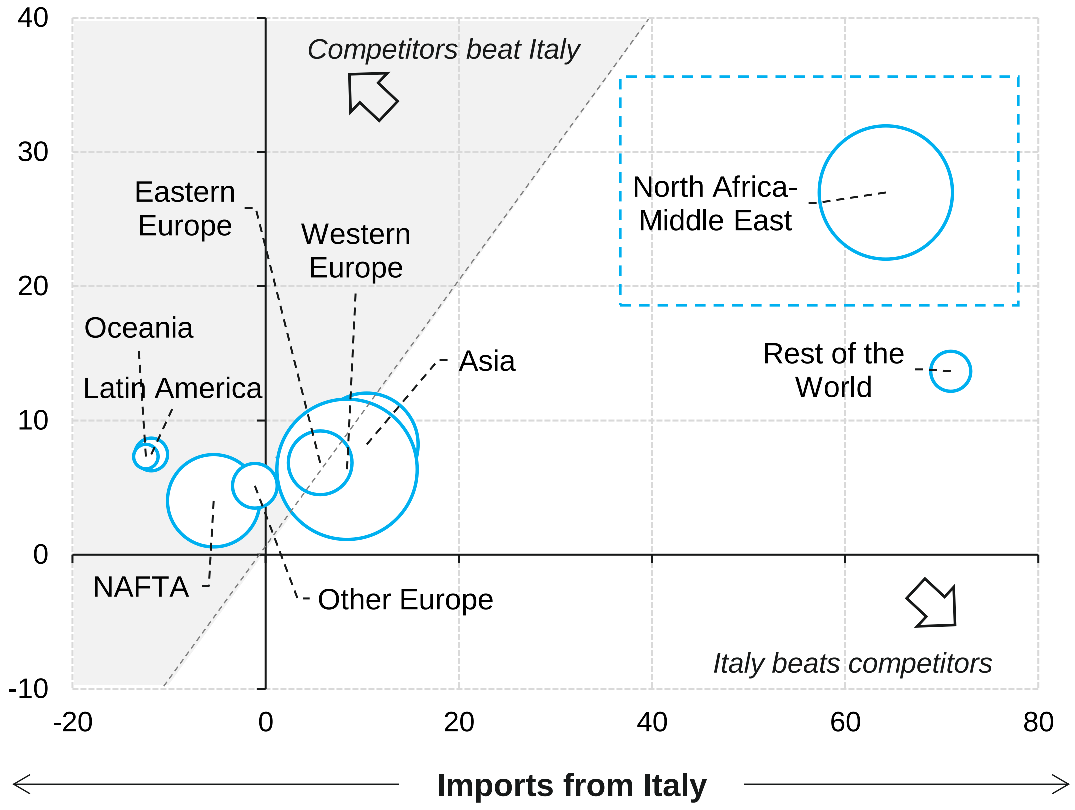
Italy in O&G valves global trade: Structure & Trends (4/6)

Italian companies have fully leveraged the exceptional growth of MENA region throughout 2024 as exports to the region grew by over 60%, far outpacing the overall market growth (+27%)

World imports and Italian exports: post pandemic (2019-2024)
Imports from Italy and from the World, 2024 / 2019 % chg. (€)



World imports and Italian exports: 2024
Imports from Italy and from the World, 2024 / 2023 % chg. (€)



Prometeia calculation on TDM, ITC data

Each bubble size is proportional to the weight of the region in overall ITA export = 250 € Mlns

Italy in O&G valves global trade: Structure & Trends (5/6)

Saudi Arabia (consistently ranked 4th until 2023) surged ahead to displace the USA as the leading destination for Italian O&G valves in 2024, with market share increasing by almost 6 percentage points

Italian O&G Valves export: geographical breakdown
in €, ranking and mkt share

Rank	2019	2021	2022	2023	2024
1	*USA 12.0%*	*USA 12.0%*	*USA 12.0%*	*USA 12.0%*	*KSA 12.0%*
2	*DEU 8.2%*	*CHN 8.2%*	*DEU 8.2%*	*DEU 8.2%*	*USA 8.2%*
3	*KSA 7.8%*	*DEU 7.8%*	*CHN 7.8%*	*CHN 7.8%*	*DEU 7.8%*
4	*CHN 6.1%*	*KSA 6.1%*	*KSA 6.1%*	*KSA 6.1%*	*CHN 6.1%*
	Top-4: 34.1%	Top-4: 38.6%	Top-4 37.6%	Top-4 38.1%	Top-4 39.3%

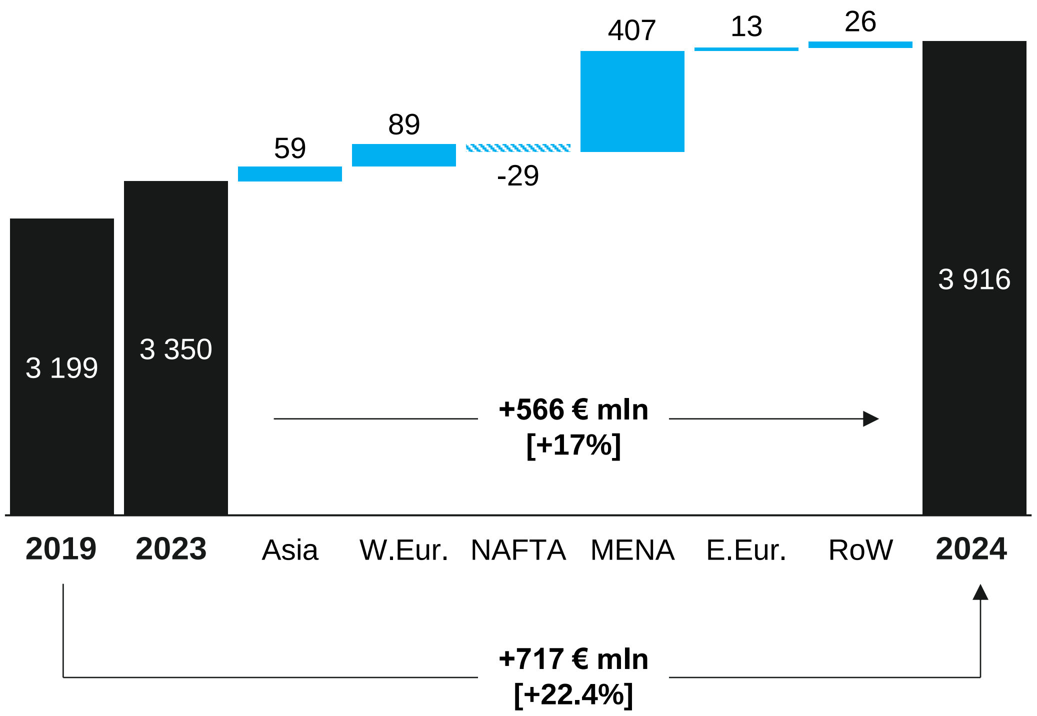
Prometeia calculation on TDM, ITC data

Recent Trends in O&G Valves Trade

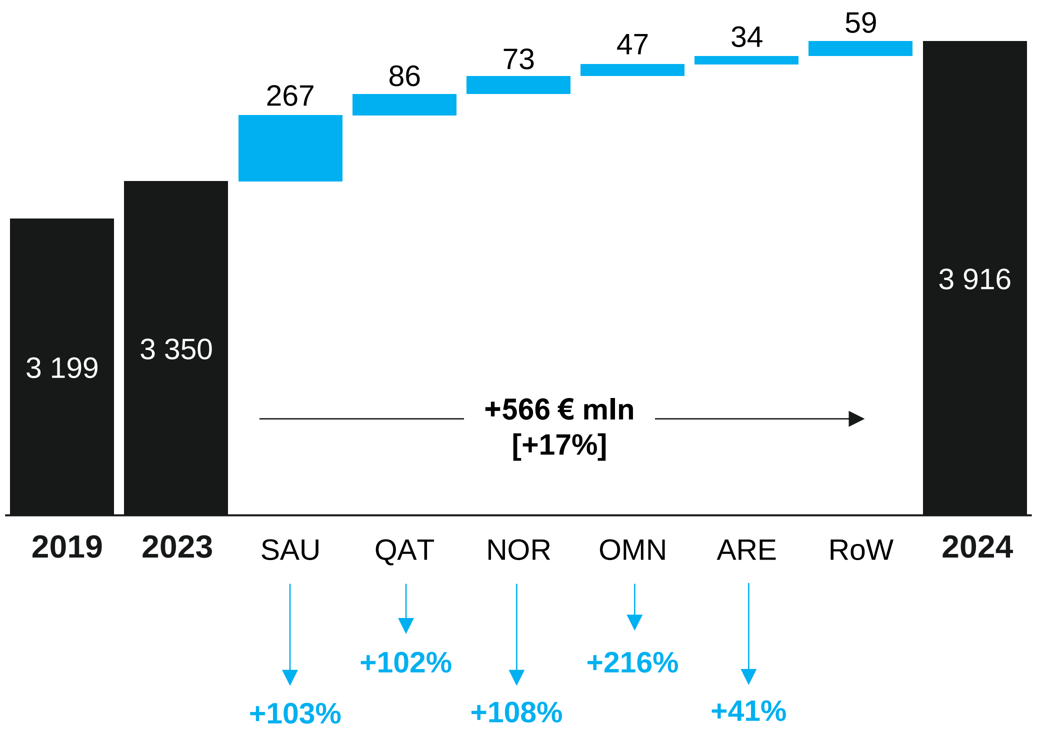
Italy in O&G valves global trade: Structure & Trends (6/6)

Saudi Arabia alone accounted for nearly 50% (267 over 566 € blns) of the total growth in Italian exports in 2024. Among the top 5 countries by growth contribution, 4 are located in the Middle East (the other being Norway)

Italian export of O&G valves (regional breakdown)
Regional contribution to growth, Δ 2024 / 2023 in € mlns and Y-o-Y % chg.



Italian export of O&G valves (top-5 contributors)
Country contribution to growth, Δ 2024 / 2023 in € mlns and Y-o-Y % chg.

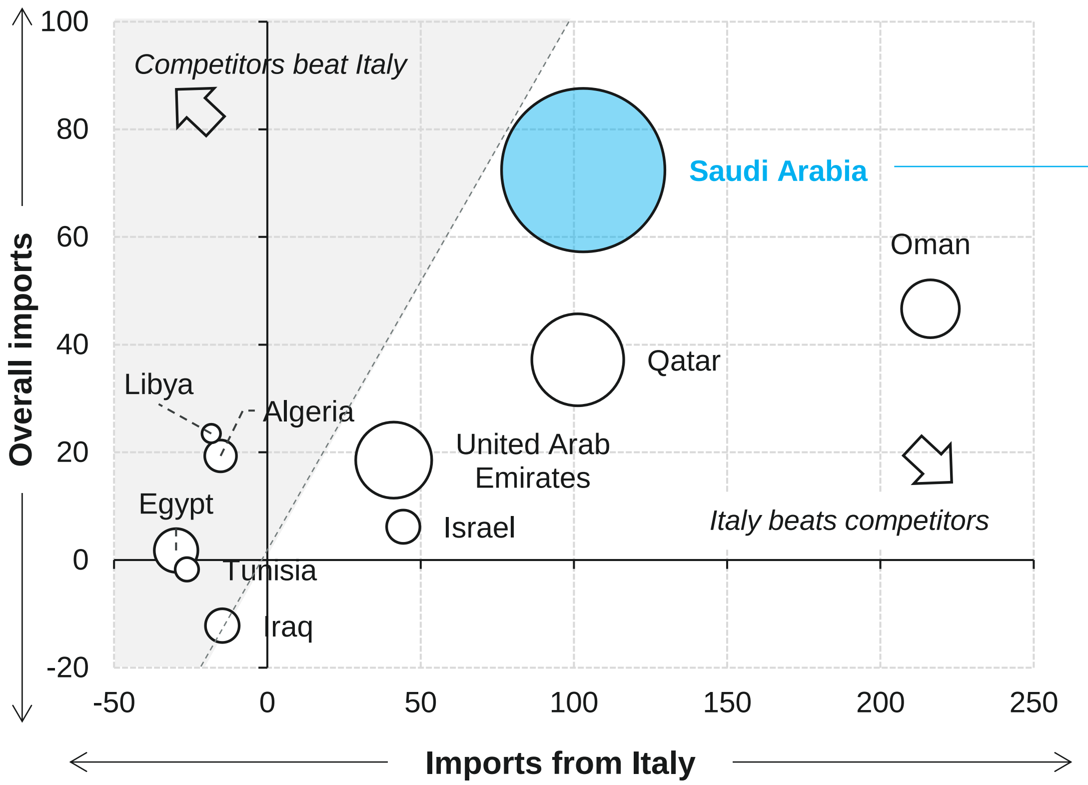


Prometeia calculation on TDM, ITC data

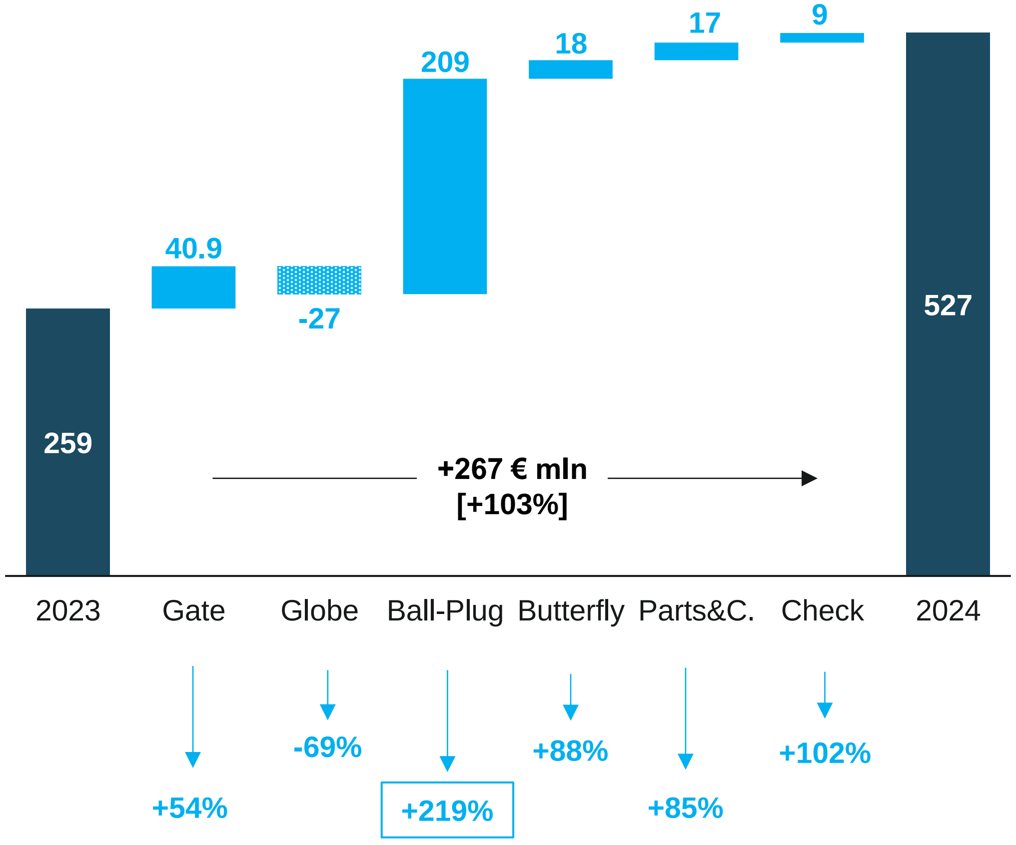
In depth: Saudi Arabia (1/2)

Italy outperformed competitors in 5/10 destinations in the MENA market (which collectively account for 85% of inward flows) including KSA, where exports grew at twice the pace of competitors (4x in the Ball & Plug segment)

MENA markets: World imports and Italian exports (2024)
Imports from Italy and from the World, 2024 / 2023 % chg. (€)



Italy: export of valves to KSA, by type of valve
Contribution to growth, Δ 2024 / 2023 in € mlns and Y-o-Y % chg.

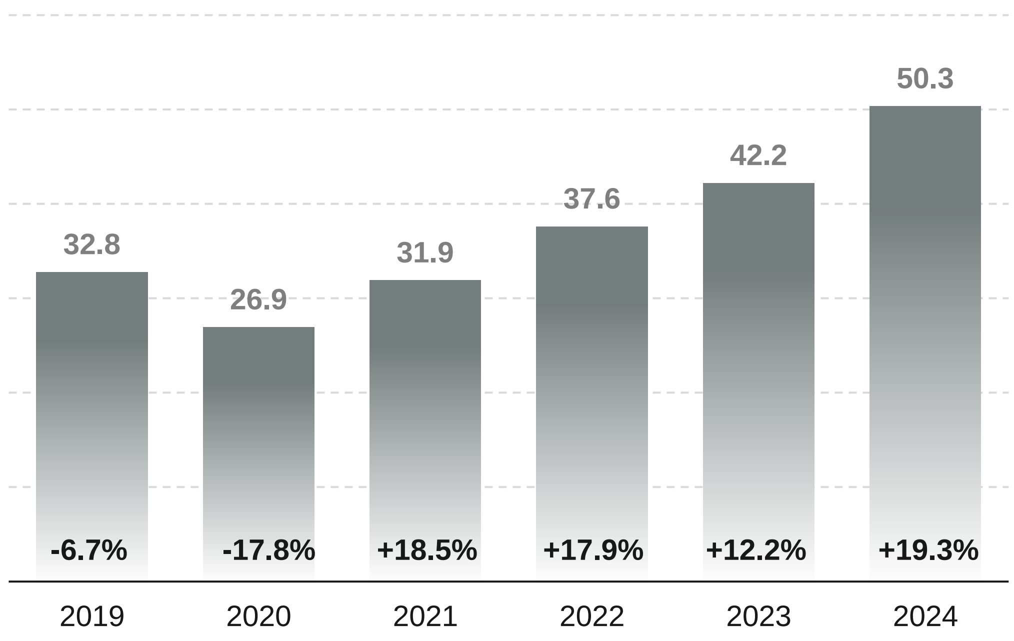


Prometeia calculation on TDM, ITC data

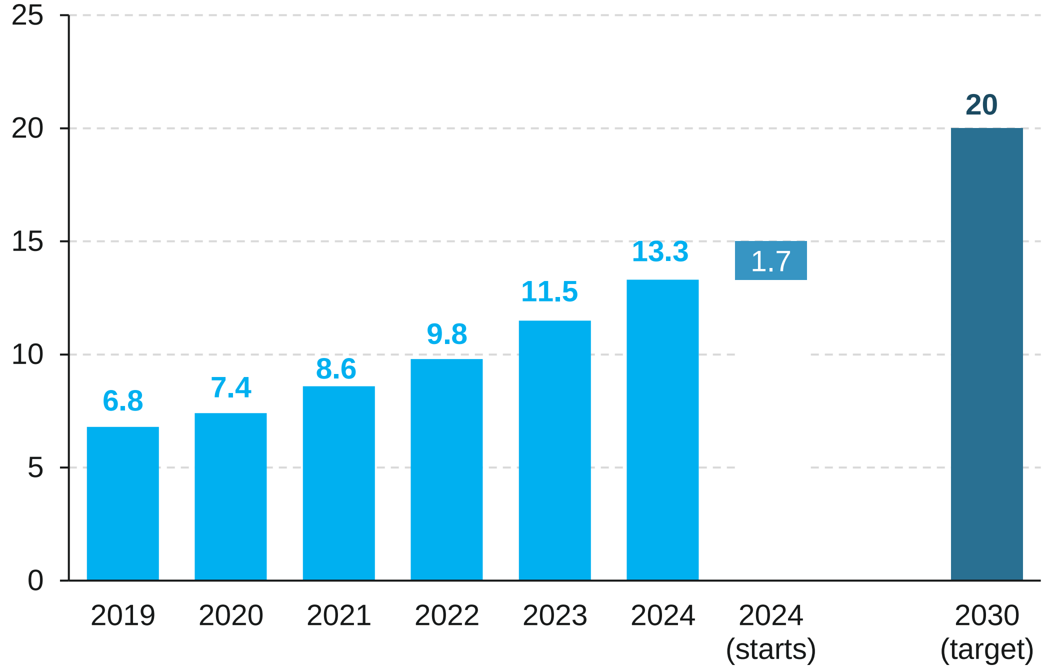
In depth: Saudi Arabia (2/2)

Investment in Gas Infrastructure and fields, plus Saudi Arabia's "Vision 2030" ongoing projects are among the most relevant drivers of industrial valves demand in the Kingdom

Saudi ARAMCO, Organic CapEx
In billions $ / Year



Saudi Water Desalination Capacity
In millions m³/day and 2030 target



Prometeia calculation on ARAMCO balance sheet, Saudi Vision 2023, Saudi Water Authority and others

In 2024, Saudi Aramco significantly accelerated its focus on natural gas, marking a strategic shift from its traditional emphasis on oil development. In 2024, Aramco allocated a substantial portion towards upstream gas projects. The company plans to maintain a similar investment level in 2025, focusing on gas and downstream sectors …

… besides hydrocarbons, another key growth driver for industrial valves is the expansion of Saudi Arabia's (and other GCC countries) water desalination capacity. In line with the Kingdom's Vision 2030 development plan, substantial investments are being made in desalination infrastructure to address chronic water scarcity and reach the 2030 target of 20 millions m³/day of capacity

Italy in O&G valves global trade: Performance (1/2)

Italian exports grew at least in line with the import markets in 62 countries (45 better + 17 in line), representing 55.7% and 23% respectively of the total ITA export of valves for O&G

Italian performance in O&G Valves Markets
2024/2023 growth in € (top-100 countries)

Number of Countries % Share on total

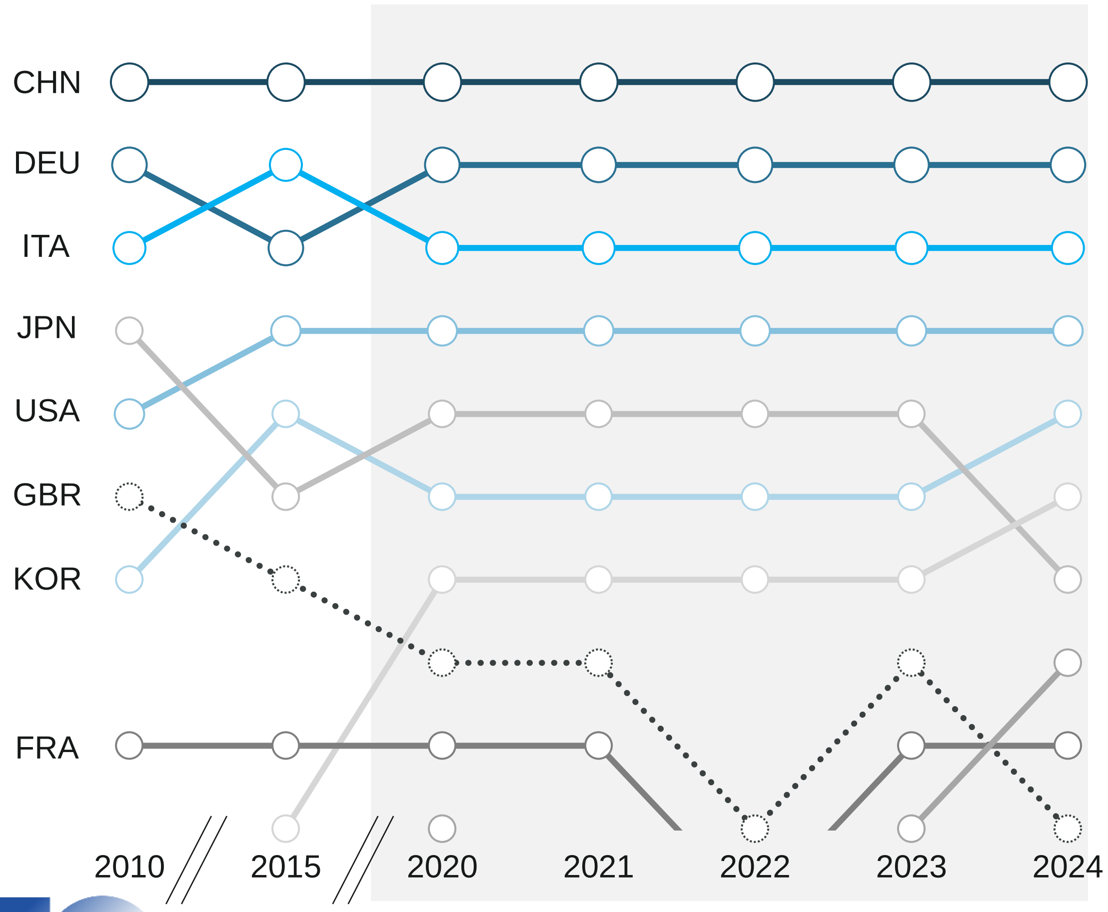
Markets (import % growth 2023/2024, in €)

	BETTER #	BETTER %	IN LINE #	IN LINE %	WORSE #	WORSE %	TOTAL #	TOTAL %
Hi-grow (>10%)	18	25.3	3	2.8	13	5.5	34	33.5
Growing (>0% <10%)	5	3.2	5	7.4	11	13.4	21	24.0
Declining (<0% >10%)	13	25.1	7	12.8	8	1.6	28	39.5
Dropping (<-10%)	9	2.1	2	0.4	6	0.6	17	3.0
TOTAL	45	55.7	17	23.3	38	21.0	100	100

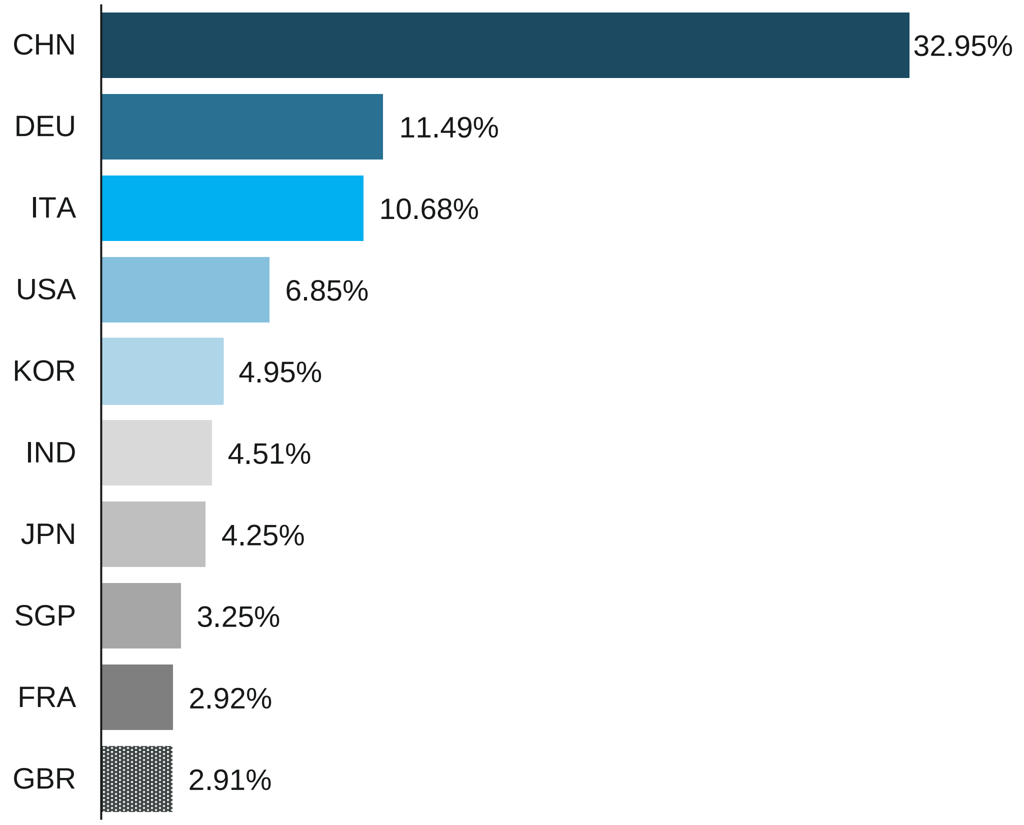
Italy in O&G valves global trade: Performance (2/2)

ITA maintained its 3rd position as a global exporter of O&G valves in 2024. Similarly, the top exporters, CHN and DEU, held steady in the rankings, while JPN dropped two positions, overtaken by KOR and IND

World top-10 exporters of O&G valves (€)
Position in global ranking (2015-2024)



World top-10 exporters of O&G valves (€)
World market share (2024)

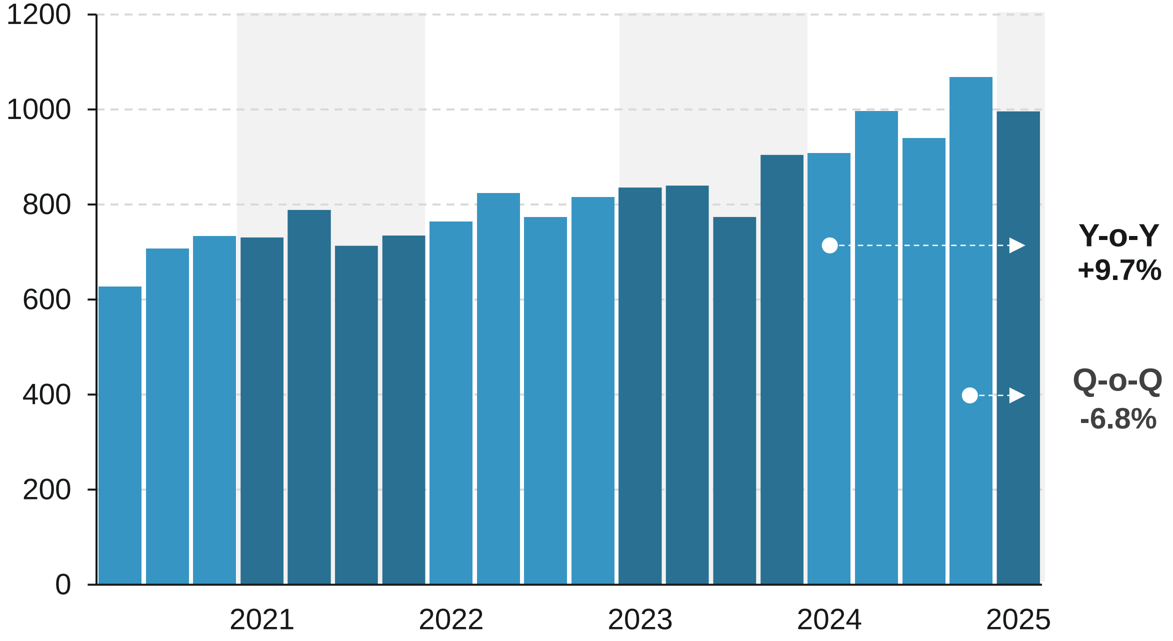


Prometeia calculation on TDM, ITC data

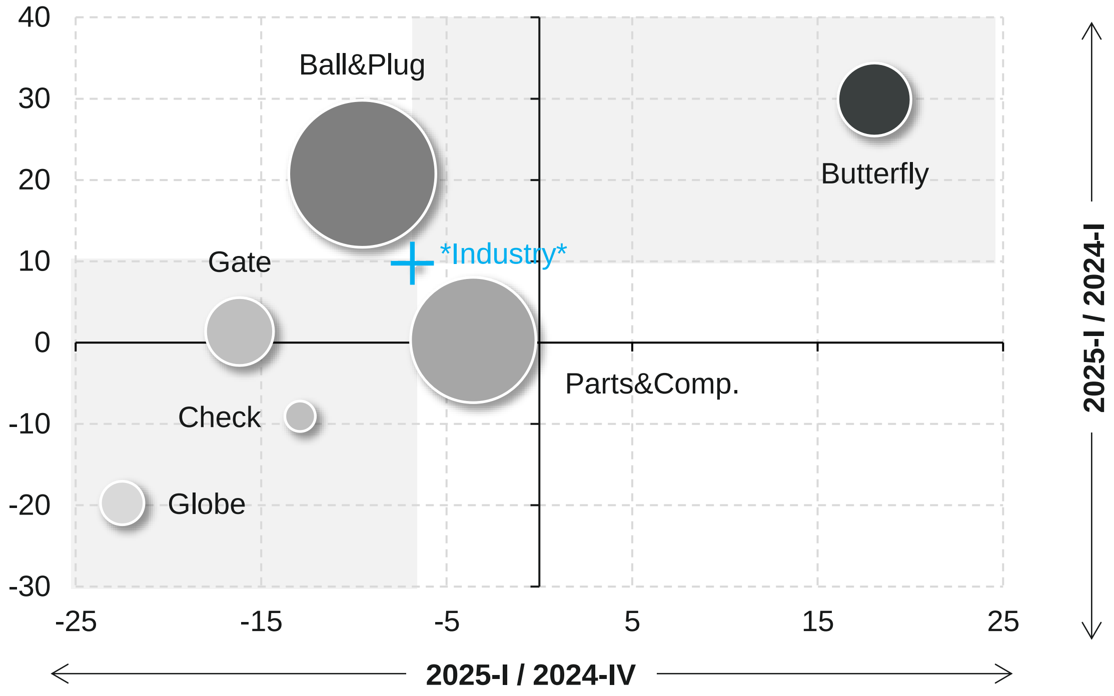
Italy in O&G valves global trade: Snapshot 2025 (1/2)

After an unprecedented growth ITA O&G valves export stabilized (Y-o-Y) in the first quarter of 2025, and fell almost 7% on Q-o-Q basis. Ball&Plug contributed most to the 2024 surge… and to 2025-I correction

Italian exports of O&G valves
in € mlns at current prices (quarterly data), Y-o-Y and Q/Q % chg.



Italian exports of O&G valves: detail by valve type
in € at current prices, Y-o-Y and Q/Q % chg.

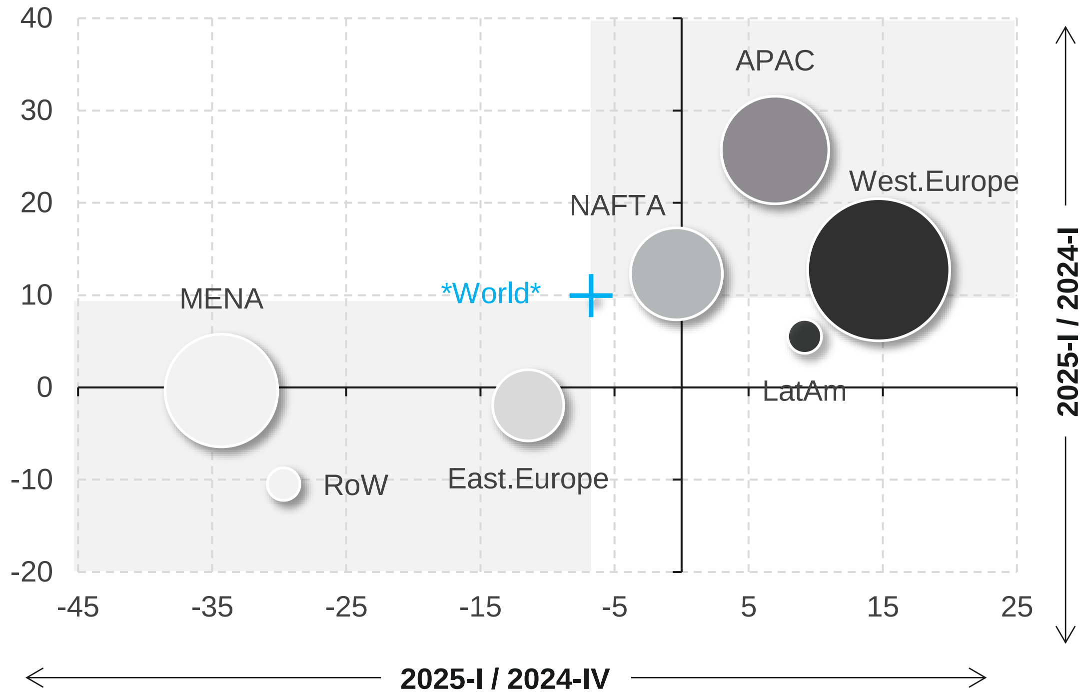


After a record-breaking start in early 2024, Italian exports of oil & gas (O&G) valves showed signs of normalization in the first quarter of 2025. Total exports declined by 6.8% with respect to the previous quarter (Q-o-Q), albeit remaining approx. 10% above the 2024-I (Y-o-Y) levels (and almost 25% above the 4-years average). The ball and plug segment, while still performing well over a Y-o-Y basis, contributed the most to the overall decline in valves export on Q-o-Q basis (–9.5% Y-o-Y in Q1 2025). In contrast, butterfly valves continued to outperform, standing out as the most dynamic export segment bot on Y-o-Y and Q-o-Q basis

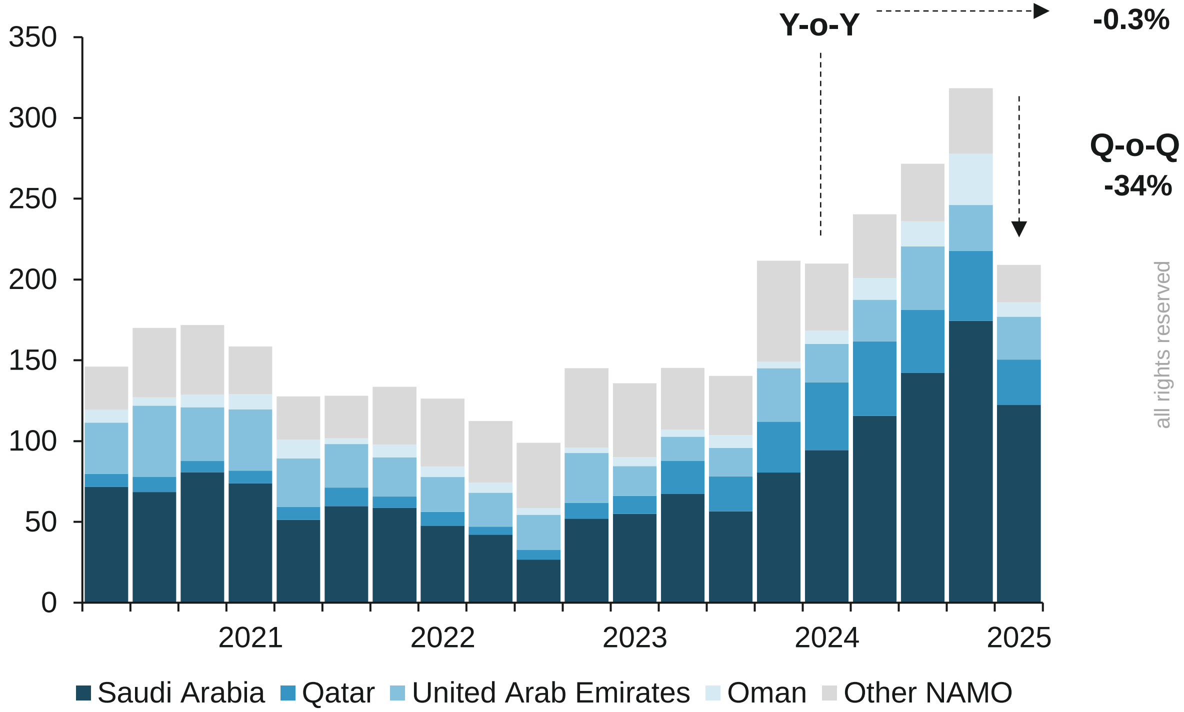
Italy in O&G valves global trade: Snapshot 2025 (2/2)

Pendulum shifting back towards W.Europe (and APAC), as both regions posted double-digit Q-o-Q increases. In contrast, MENA experienced an abrupt reversal, from strong growth in 2024 to a sharp Q-o-Q correction in 2025-I

Italian exports of O&G valves (regional detail)
in € at current prices, Y-o-Y and Q/Q % chg.



Italian exports of O&G valves to MENA Market
in € mlns at current prices



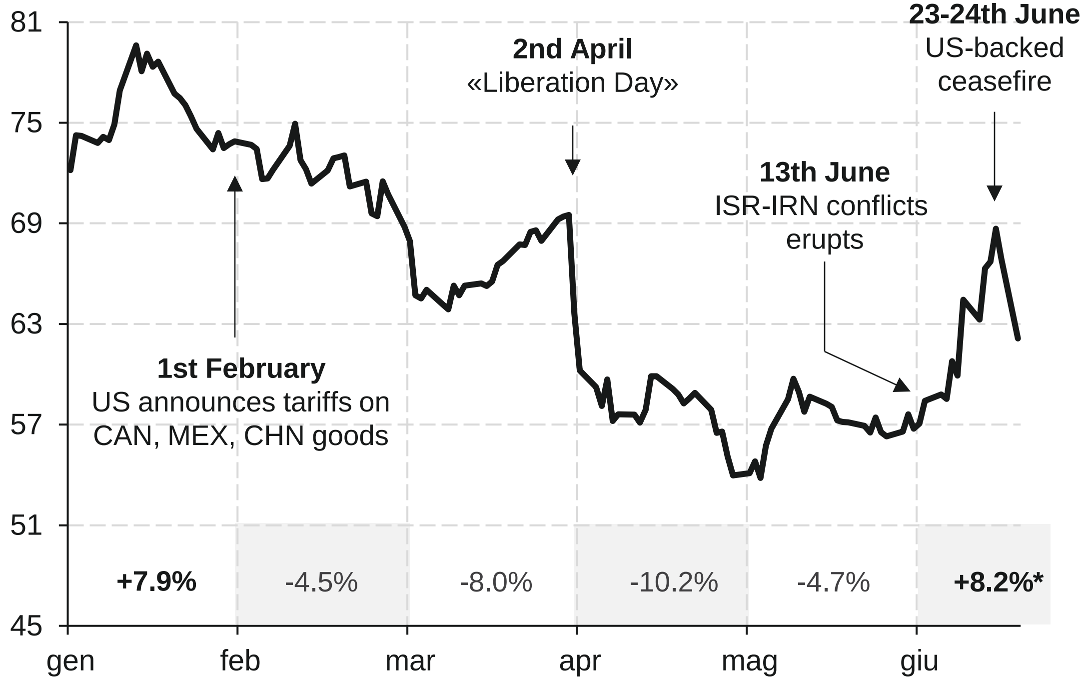
The overall sales figures in MENA mask a sharp correction experienced by KSA, which, after a record-breaking Q4 2024, imported nearly 30% fewer valves in the first quarter of 2025 (though it still posted a strong 29% Y-o-Y increase). Other key GCC markets such as Qatar (–35.3%), UAE (–6.0%), and Oman (–71.7%) also faced significant Q-o-Q contractions. Among the top contributors to growth in Q1 2025, China emerged as a standout market, with exports rising +22.0% Q-o-Q and an impressive +40.3% Y-o-Y. Norway showed even more pronounced short-term momentum, recording a remarkable +92.2% increase Q-o-Q and a solid +35.8% rise Y-o-Y reflecting robust activity in North Sea energy projects and maintenance cycles.

Recent developments in **Oil** Markets

Trump's "Liberation Day" coincided with expectations of increased output from OPEC countries, triggering a downward trend in oil prices that persisted until it was (temporarily) halted by the outbreak of the "*12-Days War*"

Crude Oil, Brent in 2019-2025
Month ahead, daily quotes and Y-o-Y % change, €/brl

Crude Oil, Brent in 2025
Month ahead, daily quotes and m-o-m % change, €/brl



Source: Prometeia-APPIA MP database

Brent fluctuated within a narrow €70–80 per barrel range for most of 2024. This relative calm was underpinned by a balanced global supply-demand dynamic as disciplined OPEC+ production management offset rising non-OPEC output and economic headwinds in China/Europe tempered any significant upside…

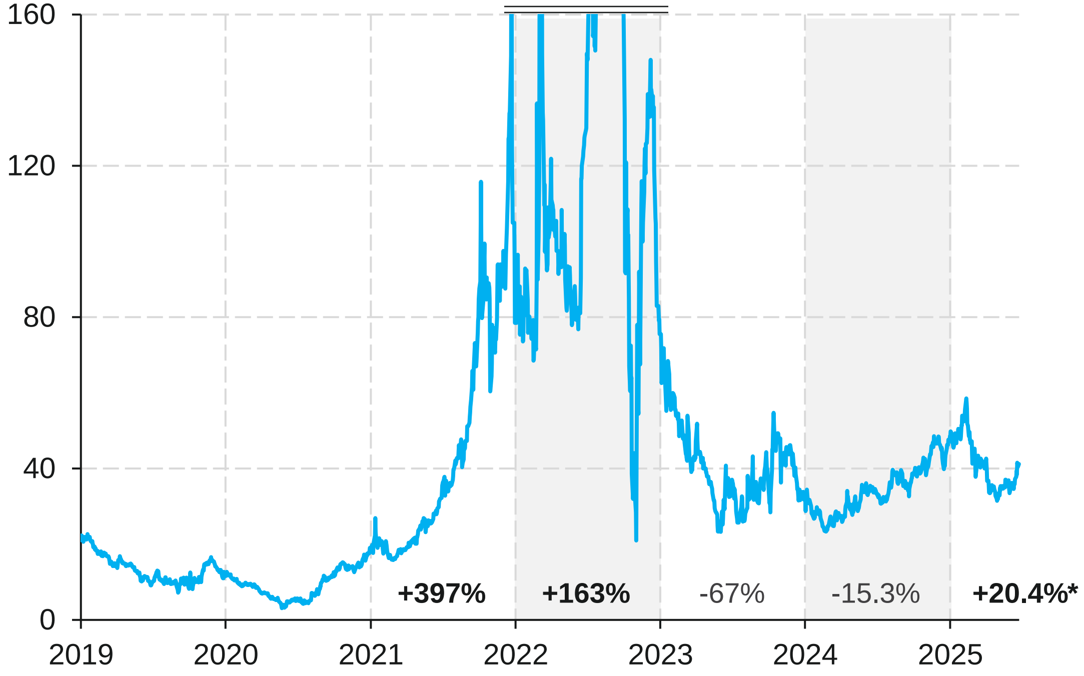
… situation in 2025 has been markedly different on waning cohesion within OPEC+ and an increasingly uncertain economic outlook (driven by the "Tariff War"). Brent crude then recovered most of the previous months' losses amid escalating geopolitical tensions in the Middle East, culminating in the outbreak of the "12-Days War."

Prometeia APPIA-MP, June 2025

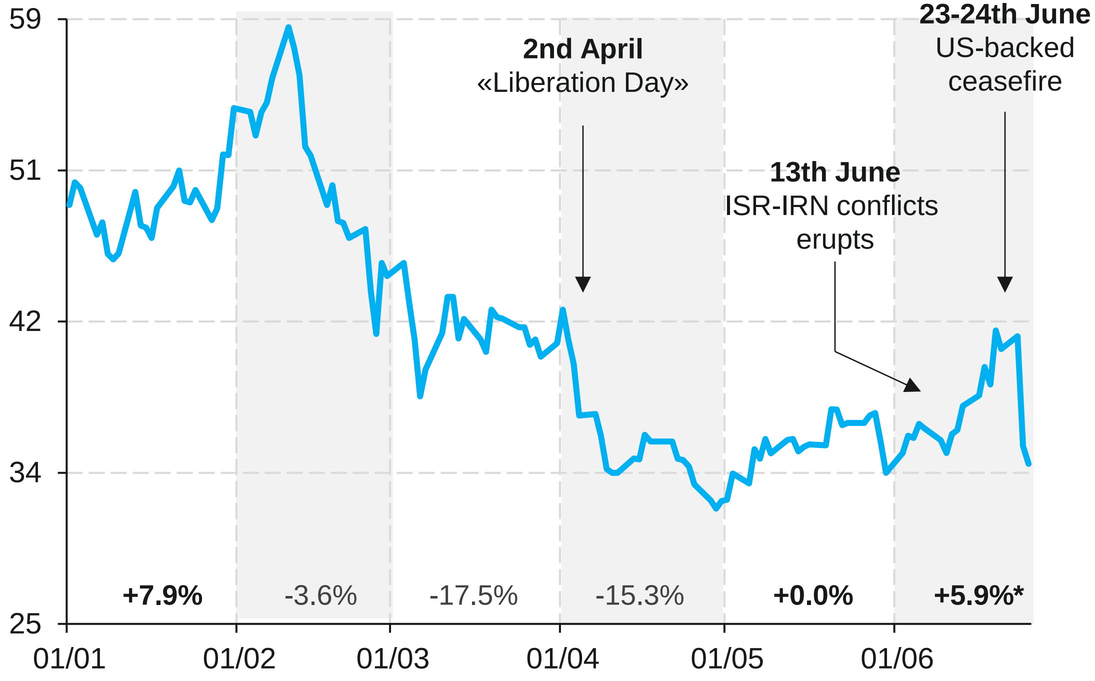
Recent developments in **Natural Gas** Markets

Gas prices followed a similar pattern to that of oil, declining significantly in the spring of 2025 amid weakening growth prospects + improving weather conditions, before (temporarily) recovering in mid-June

Natural Gas TTF price in 2019-2025
Day-Ahead, daily quotes and Y-o-Y % change, €/MWh



Natural Gas TTF price in 2025
Day-Ahead, daily quotes and Y-o-Y % change, €/MWh



Source: Prometeia-APPIA MP database

In sharp contrast with oil, European natural gas prices — as reflected in TTF benchmarks — experienced significant swings. A harsh winter, reduced Russian pipeline flows, and intensified competition for LNG cargoes from Asia triggered a price rebound in the second half of 2024, which extended into early 2025…

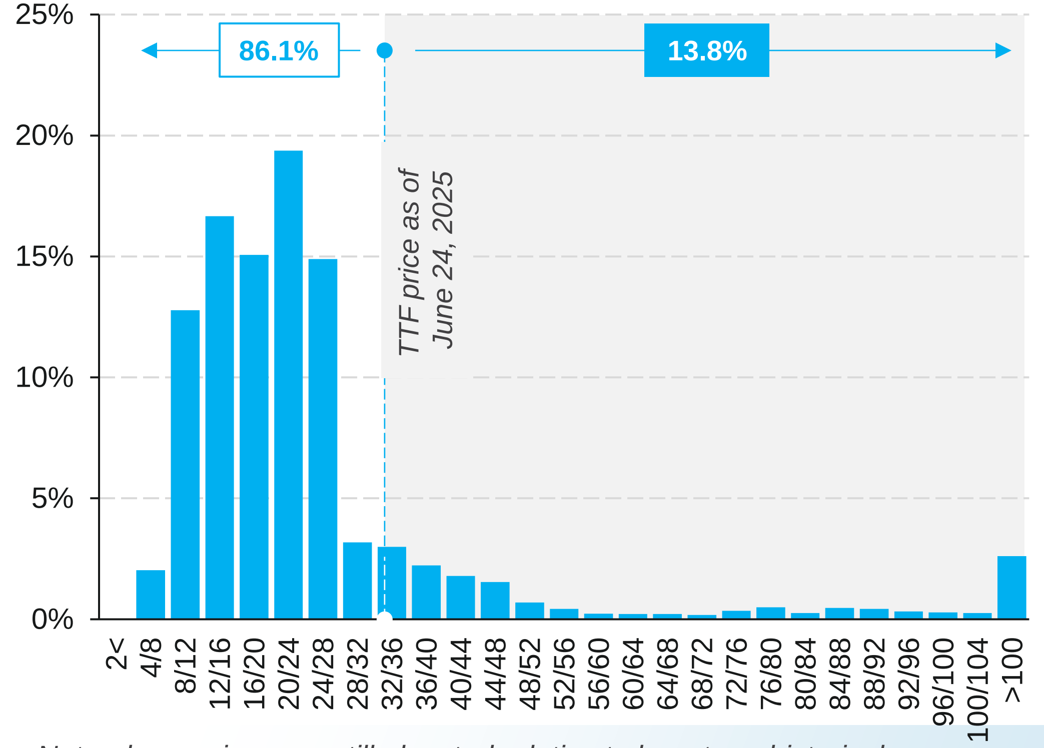
… although prices retreated slightly into early 2025, they remained elevated by historical standards, highlighting the structural tightness and ongoing supply risks in the European gas market

Prometeia APPIA-MP, June 2025

Gas prices still at high level, following 2+ consecutive years of decline

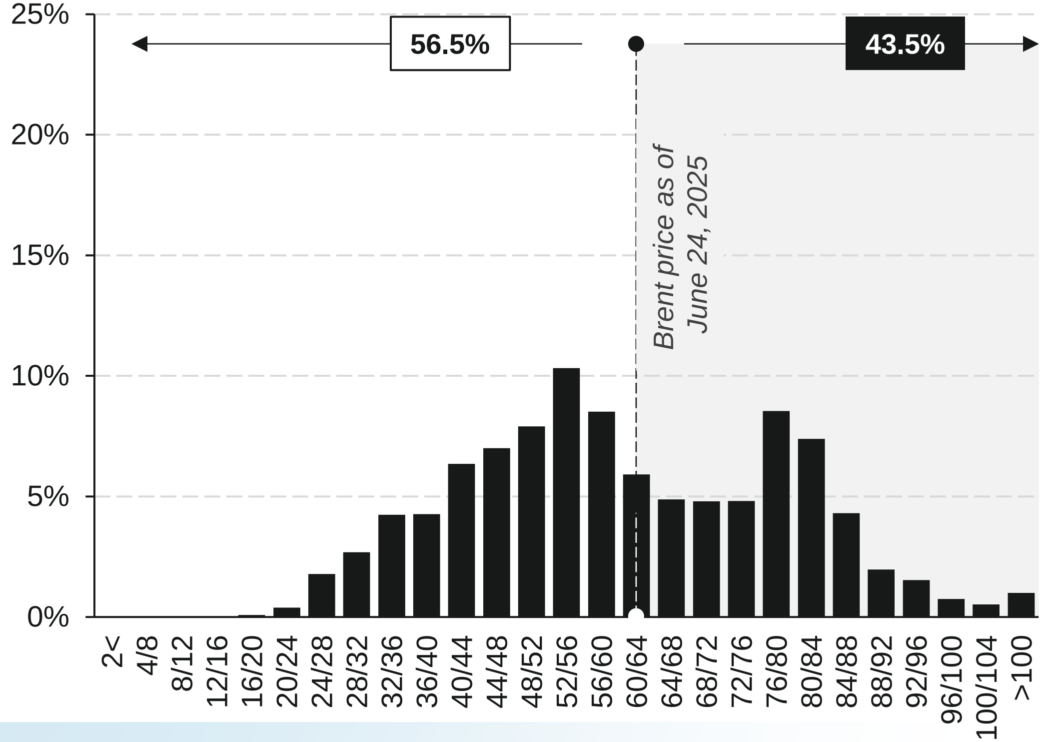
... while Oil prices are comparatively lower. In fact, over the past two decades, natural gas has traded above the current price level only in ~14% of the time… compared to 43.5% for oil

Natural Gas, TTF, distribution of daily prices, 2004-2024
Price distribution in the last 20 years, €/MWh



Natural gas prices are still elevated relative to long-term historical averages. An analysis of the 20-year distribution of TTF prices indicates that, over the past two decades, market prices have exceeded current levels in just ~14% of recorded instances (shaded area) …

Crude Oil, Brent, distribution of daily prices, 2004-2024
Price distribution in the last 20 years, €/b.



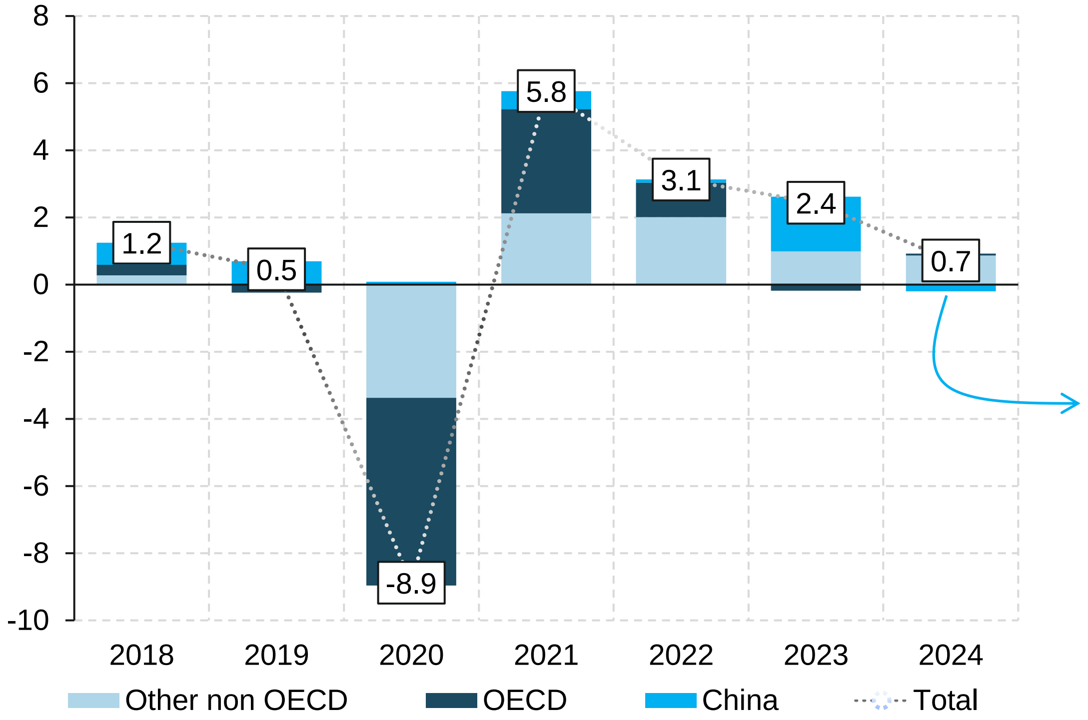
... by contrast, oil prices currently fluctuate at relatively contained levels, close to long-term historical averages. Over the past 20 years, Brent crude has traded above current levels in more than 43% of recorded instances (shaded area).

Prometeia APPIA-MP, June 2025

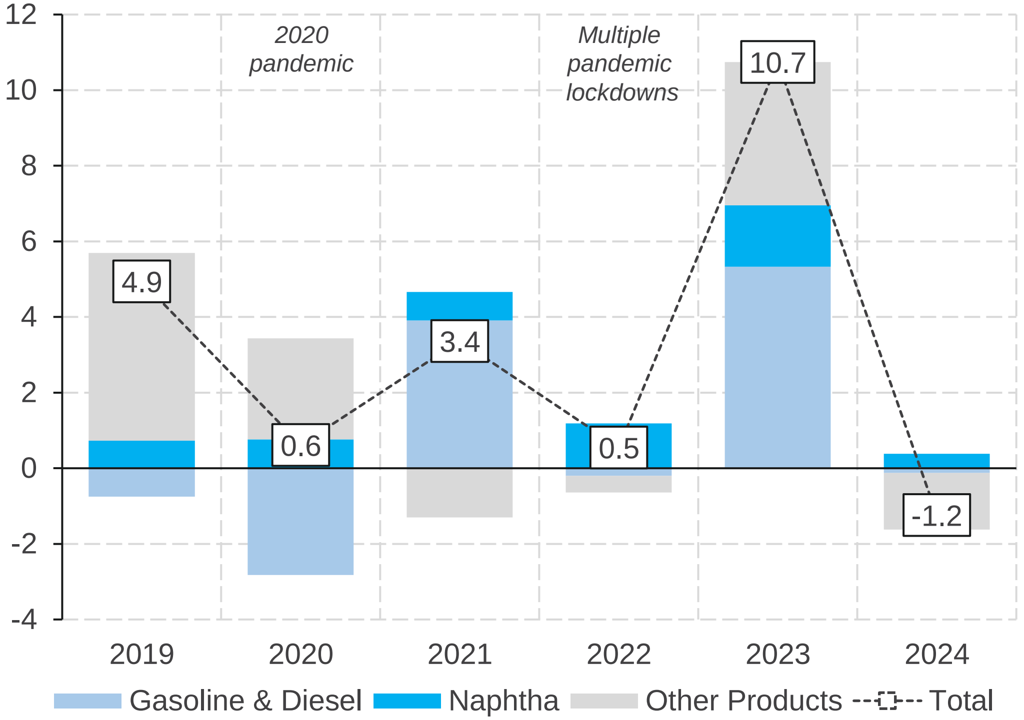
Oil consumption growth **slowed in 2024** amid structural, economic headwinds …

Global oil consumption growth decelerated sharply in 2024 (+0.7%, or +720k barrels/day) on lower industrial growth, increased adoption of electric mobility (and fading impact of post pandemic rebound)

Global Oil Consumption Growth
Contribution, by aggregate, Y-o-Y % change.



Chinese Oil Consumption Growth
Contribution, by fuel, Y-o-Y % change.



Global oil demand grew by approx. 0.7 million barrels per day in 2024, a significant slowdown from the +2.4 million barrels per day seen in 2023 on the combination of high interest rates, weaker economic activity —particularly in Europe— and structural shifts, such as the electrification of transport…

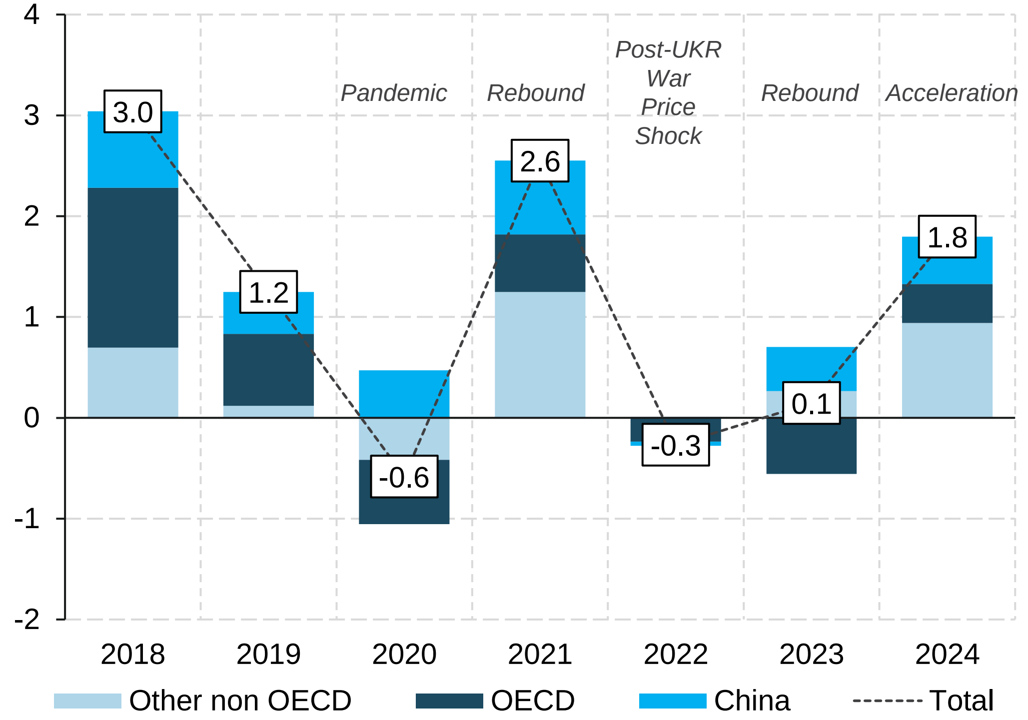
…particularly in China. 2024 China's oil consumption growth has been mostly driven by naphtha instead of transportation fuels, reflecting both the petrochemical manuf. growth in the country and the seemingly unstoppable penetration rate of EV cars

Prometeia calculations based on IEA, EIA and E.I. World Energy Outlook 2025

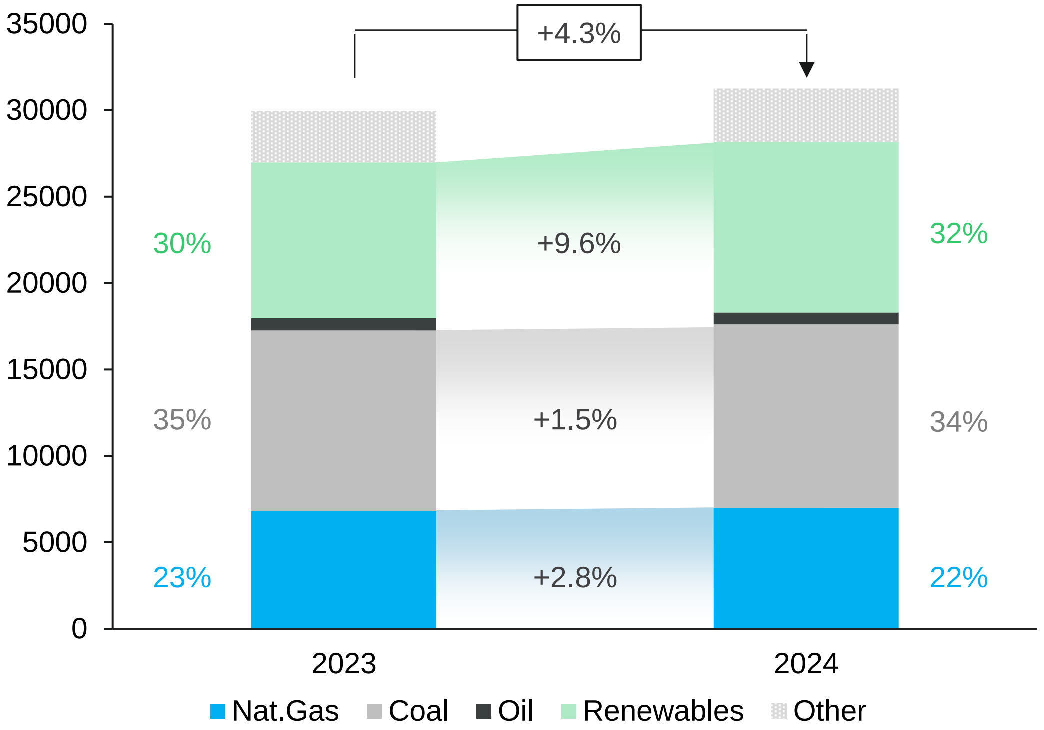
… as, on the opposite, **natural gas consumption accelerated**

Natural gas markets returned towards structural growth in 2024, increasing 1.8% (+112 bcm) mostly on stronger electricity demand in Asian economies

Global Natural Gas Consumption Growth
Contribution, by aggregate, Y-o-Y % change.



Global Electricity Generation, by Source
Contribution, by aggregate, Y-o-Y % change.



In contrast to the moderation observed in oil markets, global natural gas consumption accelerated in 2024, marking a return to structural growth. After a period of subdued demand driven by the global energy crisis and high prices in 2022–2023, gas consumption rose by 1.8% (or +112 billion cubic meters)...

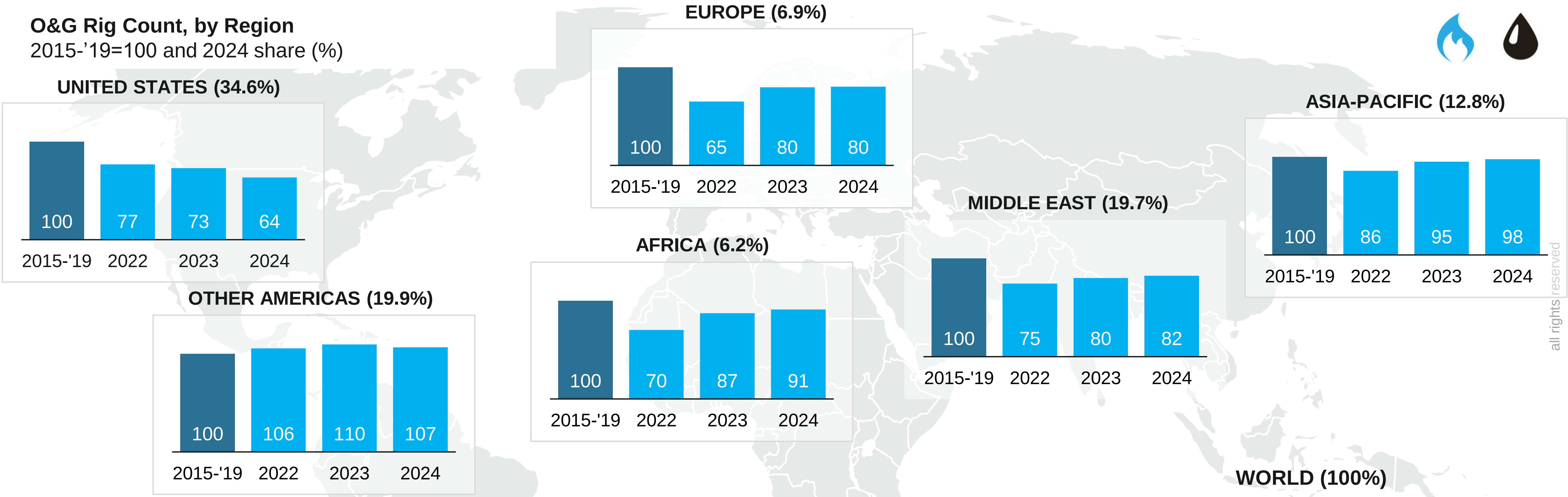
… largely fuelled by a recovery in electricity demand (particularly in fast-growing Asian economies) where natural gas continues to play a key role in balancing power systems and supporting industrial activity

Prometeia calculations based on IEA, EIA and E.I. World Energy Outlook 2025

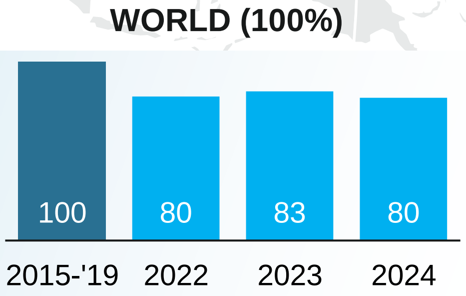
Slowing consumption + falling prices **impacted on 2024 O&G E&P decisions**

Following a 3-years expansion, reduced investments in North America have been partly counterbalanced by robust activity in the Middle East, APAC and Northern Africa, resulting in slight Y-o-Y decline in new drilling

O&G Rig Count, by Region
2015-'19=100 and 2024 share (%)



*A notable slowdown in North America — driven by capital discipline among shale producers — was offset by robust exploration activity in the Middle East, Africa, APAC and parts of Western Europe, where **national oil companies and state-backed firms continued to invest aggressively**. As a result, overall exploration activity remained broadly flat on a year-over-year basis, masking a **growing divide between price-sensitive, market-driven producers and state-led investment strategies**.*

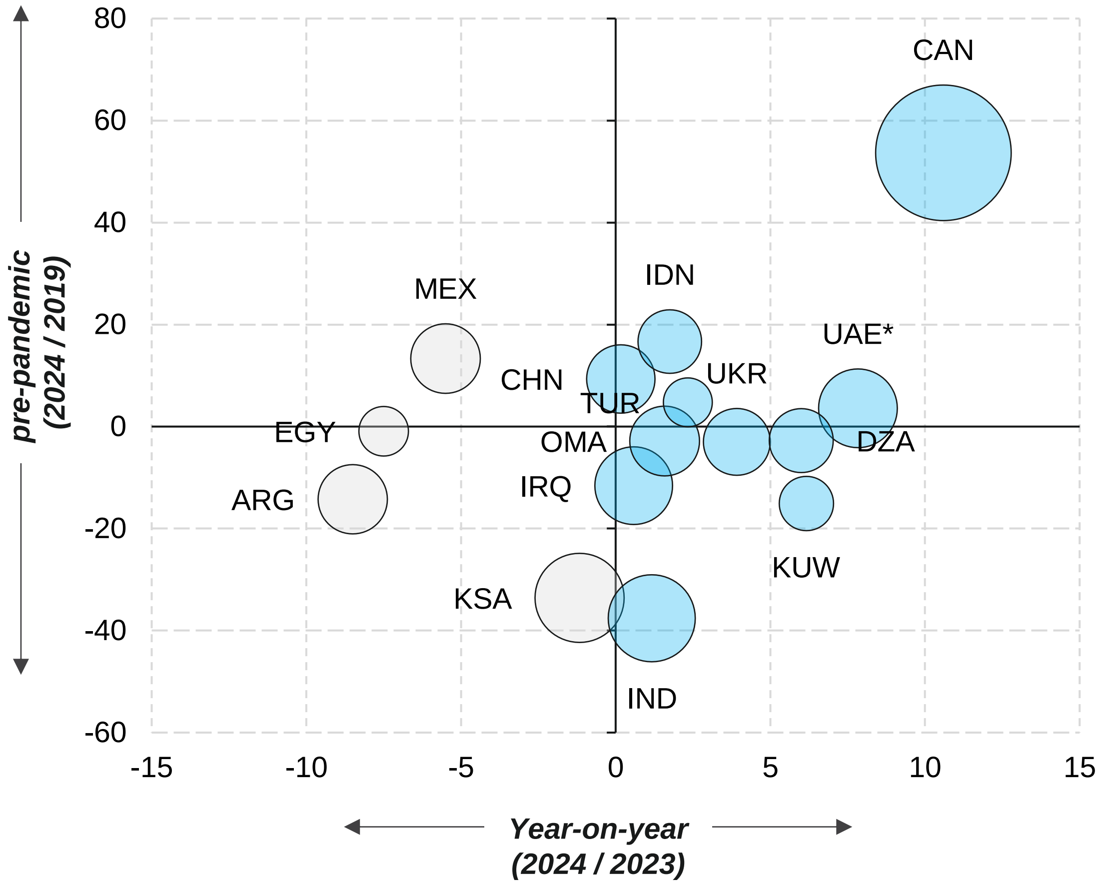


Prometeia calculations based on Baker Hughes data

Non-US **drilling activity increased in most regions**, declined across Americas…

Global drilling split between expansion and restraint, with growth in Asia-Pacific, the Middle East, and Europe. Canada's expansion continued, while the US pulled back sharply

World Oil & Gas Drilling Activity, 2024
% change in number of active rigs, top-15 countries (ex-USA)



Prometeia calculations based on Baker Hughes data
USA 2024/2023 -12.8%; USA 2024/2019: -36.5%

***NORTH AMERICA**: **Canada** recorded a strong rebound in 2024, with drilling activity rising by about +11% compared to 2023 and marking a significant recovery from 2019 levels. In contrast, **U.S.** activity declined: rigs fell by roughly 13% in 2024 versus 2023 and the overall rig count remains 36%+ below 2019 levels on increased efficiency / lower price incentive.*

***MIDDLE EAST**: In 2024, drilling activity in the Middle East displayed notable divergence, with **Saudi Arabia** scaling back (reflecting the strategic decision to halt its oil capacity expansion and cap output at 12 million barrels per day) while other regional producers accelerated development. Countries like **Kuwait**, **UAE**, and **Oman** maintained or increased their rig counts. Kuwait expanded drilling by 6% amid capacity upgrades, and the UAE saw similar growth (+8%) backed by ADNOC's aggressive production strategy.*

***AFRICA** In 2024, drilling activity in Northern Africa showed overall growing trends. **Libya** experienced a rebound with increased drilling following the easing of political disruptions. **Algeria** showed increased activity supported by ongoing investment in both onshore and offshore projects.. On the opposite, tighter investment conditions and shifting exploration priorities negatively affected **Egypt** drilling activity.*

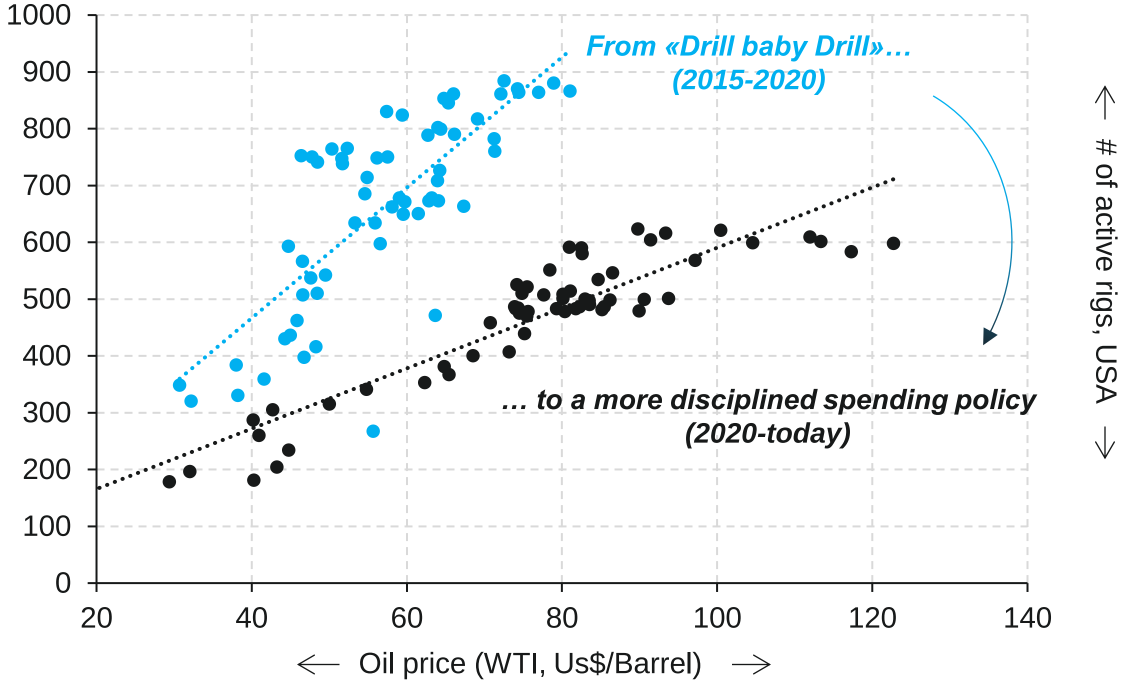
***EUROPE**: Drilling activity remained flat in 2024 as the number of active rigs declined, particularly in the North Sea (**Norway**, **UK**) while activity increased in other areas.*

***APAC**: In 2024, drilling activity increased in **Pakistan**, **Thailand**, and **Indonesia**, driven by growing domestic demand and new exploration projects. **China** activity flattened.*

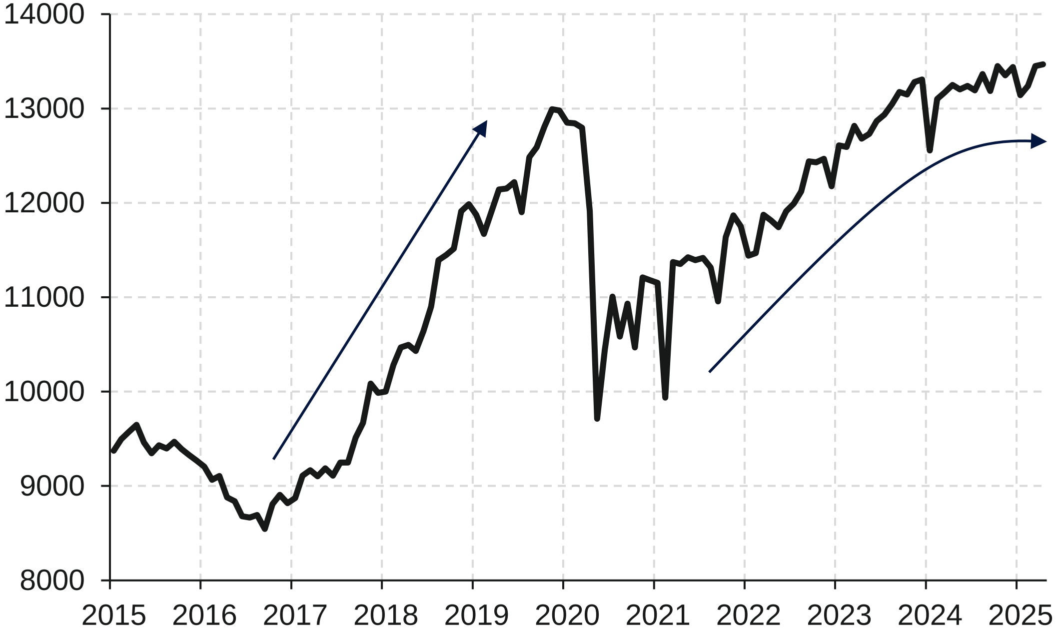
… as new production decisions swung between **concerns over reduced returns …**

US oil producers benefit from unique operational flexibility and show purely market-based decision-making…
… in 2024-'25 they rapidly scaled back drilling activity in response to downward Oil price movements

US Oil Drilling Activity and Oil Price
Correlation, monthly data (activity lagged by 3 months)



US Oil Production
Million barrels/day, monthly data



Albeit lower than in the past, the oil production activity sensitivity to oil prices is still positive. As a consequence, the oil price fall observed in early 2025 is already prompting producers to reassess their output levels and investment plans, eventually leading to a flattening of US oil production growth…

… which, other things being equal, will result in a gradual output decline in the coming months. This reaction underscores that, despite a more disciplined capital spending approach, oil producers remain responsive to market signals, adjusting supply to protect profitability amid price volatility.

Prometeia calculations based on Baker Hughes, EIA, IEA data

… and **increased, strategic focus on energy security …**

Geopolitical conflicts (and the 2024 election of Donald Trump) have significantly shifted global energy perspectives, particularly regarding the critical role of oil and gas investments in ensuring energy security

*"We will definitely need oil and gas in years and years to come, but the issue is **the amount of oil and gas we will need globally will be less and less"***
The Guardian, September **2023**

Fatih Birol, ***Executive Director of the International Energy Agency (IEA)***

"**I want to make it clear **…** there would be a need for investment (…) "**There is a need for oil and gas upstream investments, full stop,"
CERAWeek, **2025**

*"Oil and gas will continue to be essential for Canada's economy and **energy security in the coming decades**, even as the country expands renewable energy capacity." **Canada** Energy Regulator (CER), 2024*

*"We are accelerating renewables and nuclear power, but will still need oil and gas for decades to come – so **let's get more of what we need from within British waters"***
***UK** Chancellor of the Exchequer Jeremy Hunt, 2023*

*"Continued development of new oil and gas fields on the Norwegian Continental Shelf is essential for **securing energy supply** and maintaining Norway's role as a reliable energy provider to Europe"*
***Norway** Minister of Petroleum and Energy Terje Aasland*

***China** is boosting exploration and development in tight gas and deepwater projects, particularly in the South China Sea, as part of a broader push to **reduce its dependency on oil imports**, which still exceed 70% of domestic consumption*

*"We are determined to upgrade the potential in the gas sector to provide **additional quantities of gas** in the national and global markets, particularly **in Europe"***
***Algeria** NOC Sonatrach's CEO Rachid Hachichi, 2024*

*"The U.S. oil and natural gas industry is critical to America's **energy sec**urity and economic strength. Policies that encourage domestic production help reduce dependence on unstable foreign sources" **USA** President Trump, 2023*

*"We have seen that **all progress starts and ends with energy security**. And, as the world's energy leaders, our responsibility in maintaining that energy security has never been more evident" **Abu Dhabi** National Oil Company (ADNOC) CEO Sultan Ahmed Al Jaber*

*Saudi Aramco is significantly expanding its natural gas operations in **Saudi Arabia** as a core pillar of its **energy security** and energy transition strategy. The company plans to increase natural gas production by over 50% by 2030, supporting both domestic energy needs and lower-carbon growth.*

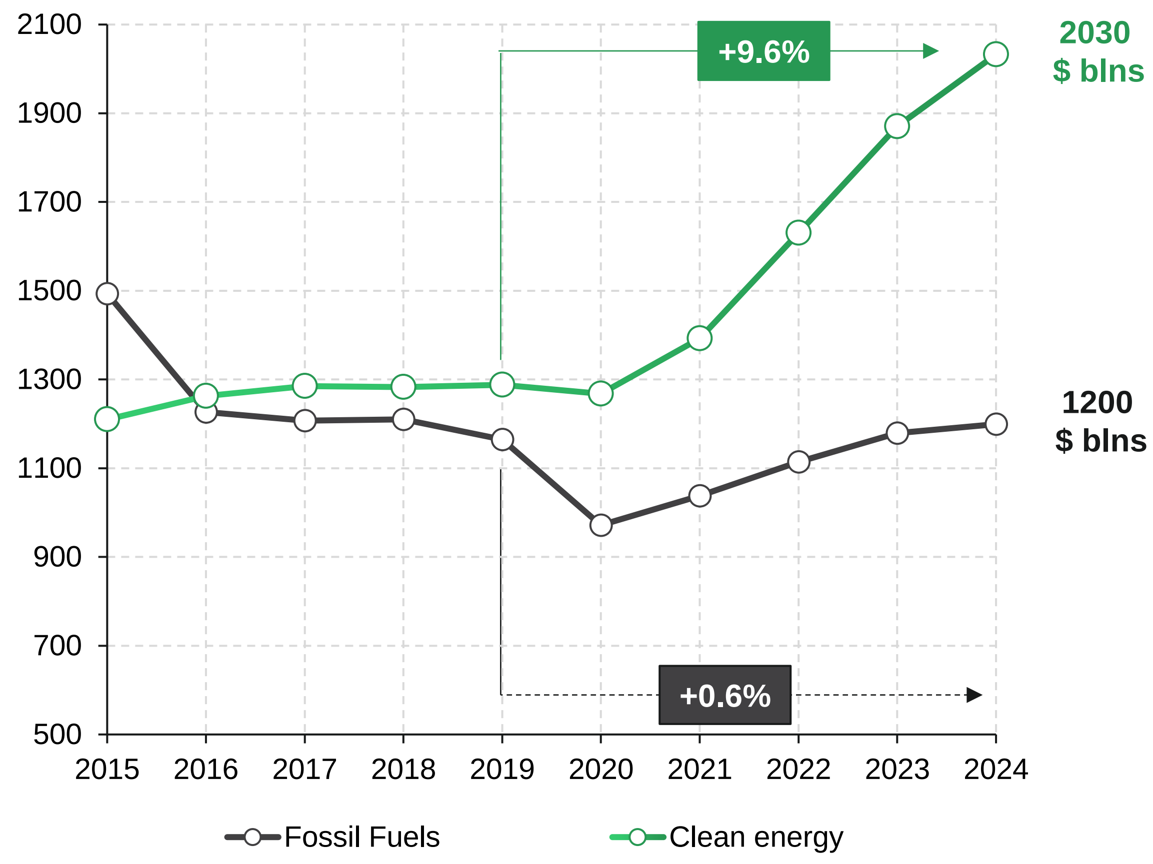
*«If Chevron leaves (Venezuela) **other companies that may not share U.S. interests could fill the gap**» Chevron's CEO Mike Wirth, 2024*

*"We must carefully replenish reserves to avoid **becoming importers again, which is unacceptable**. Exploration efforts must continue and accelerate" "Someone has to finance this transition. Investments in exploration and production are fundamental. You can't talk about transition without mentioning who is going to foot the bill. And it's oil that's going to pay that bill." **Brazil** Petrobras CEO Magda Chambriard*

… in the background of **another step ahead in clean energy investments**

...which is yet another consequence of growing energy security needs. In 2025, global clean energy investments have reached unprecedented levels, continuing the strong upward trend that began in the post-pandemic period

World Energy Investments
in $ blns at current 2024 prices and CAGR 2020-2024



*The global energy landscape in 2024 continued to prioritize renewable energy sources as governments, investors, and corporations intensified efforts to address climate change and reduce carbon emissions. **Clean energy investments now exceeding fossil fuel investments by a factor of 2.***

This sustained growth has been driven by several key factors, including:

- ***Technological advances**: Innovations in solar, wind, battery storage, and hydrogen technologies have improved efficiency and reduced costs, making renewables increasingly competitive with traditional energy sources.*
- ***Investor pressure**: Growing demand from institutional investors and stakeholders for sustainable, ESG-compliant projects has shifted capital flows towards renewables and away from fossil fuel investments.*
- ***Policy and subsidies**: Governments worldwide expanded incentives such as tax credits, subsidies, and feed-in tariffs to accelerate renewable energy deployment and phase out coal and oil dependency.*
- ***Energy security**: Diversification through renewables helps reduce reliance on volatile fossil fuel markets and geopolitics, enhancing national energy security.*

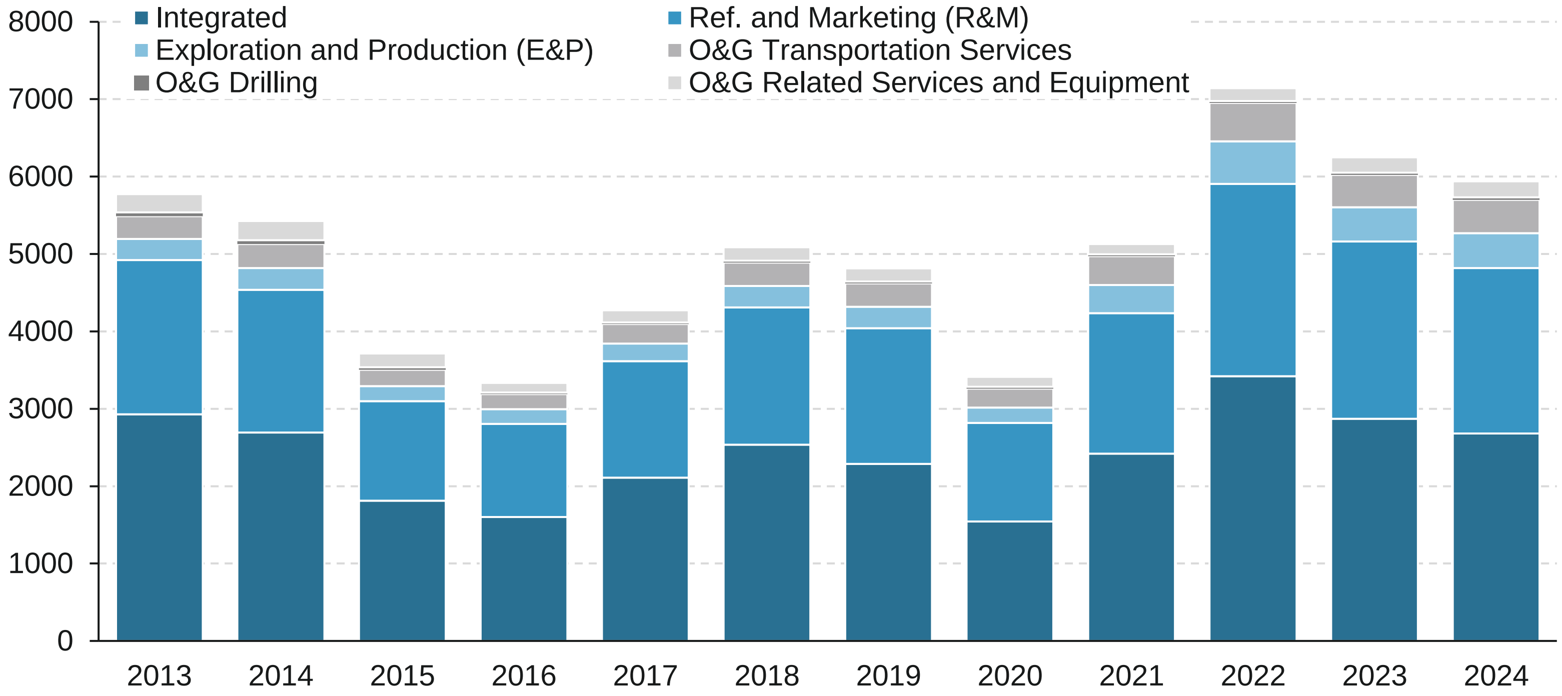
These factors combined have led to a significant increase in renewable energy investments in recent years, allowing renewables to dominate the energy investment landscape. This trend is likely to continue as the world transitions towards a more sustainable and low-carbon energy system.

Prometeia Calculations based on EIA, Energy Investment Outlook, June 2025

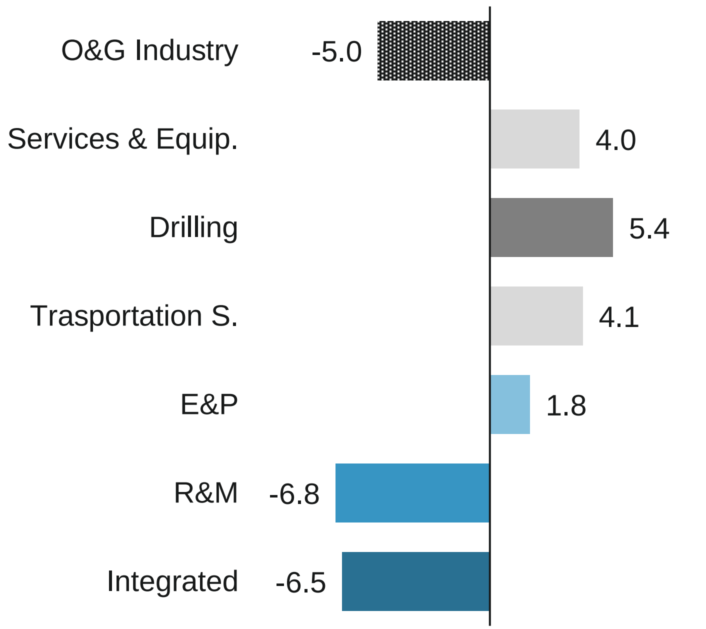
Amid weaker market environment **O&G Industry Revenues declined in 2024…**

Majors and R&M revenues were dragged down by lower oil price, as related services and drilling posted a slight increase. Industry's overall revenue base, albeit declining Y-o-Y (-5.0%) is still robust (~23% above pre-pandemic)

Revenues, World O&G Industry (2013-2024)
in $ blns at current prices



Revenues, World O&G Industry (2024/2023)
Y-o-Y % change



Majors, Refining & Marketing (R&M) segments recorded noticeable declines, driven primarily by lower average oil & products prices compared to 2023. E&P achieved a modest increase in turnover. Weaker price realizations weighed on topline figures despite relatively stable production volumes….

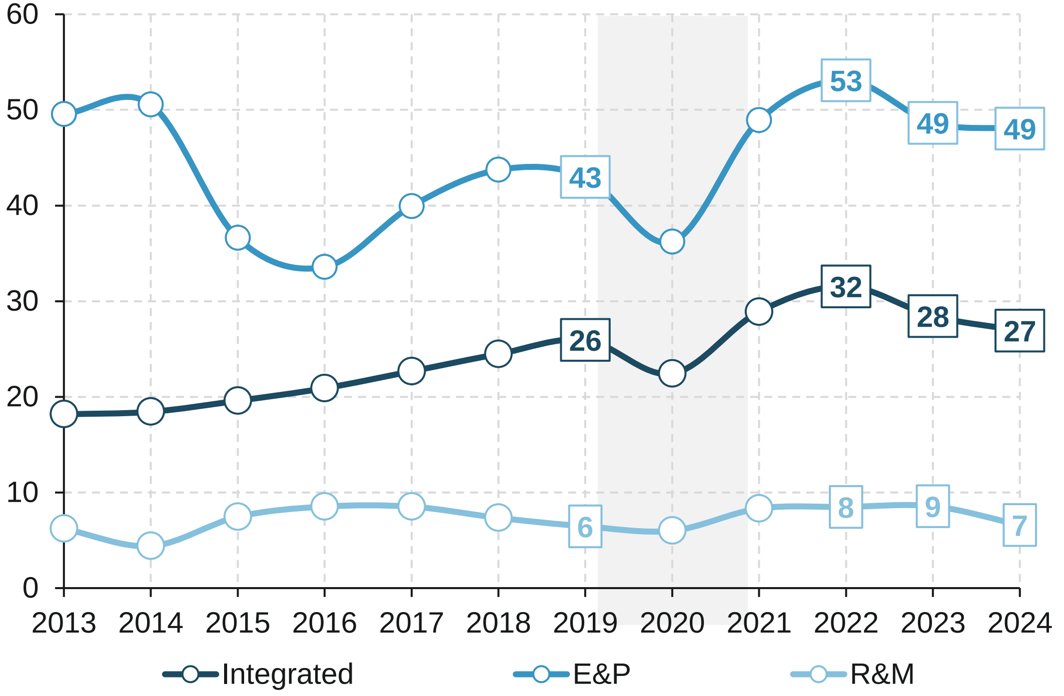
… in contrast, Oil-related Services, Equipment, and Drilling companies posted revenue gains, supported by sustained field activity, ongoing maintenance cycles, and incremental investments in efficiency / technology

Prometeia Calculations based on Companies BS data (cfr. appendix)

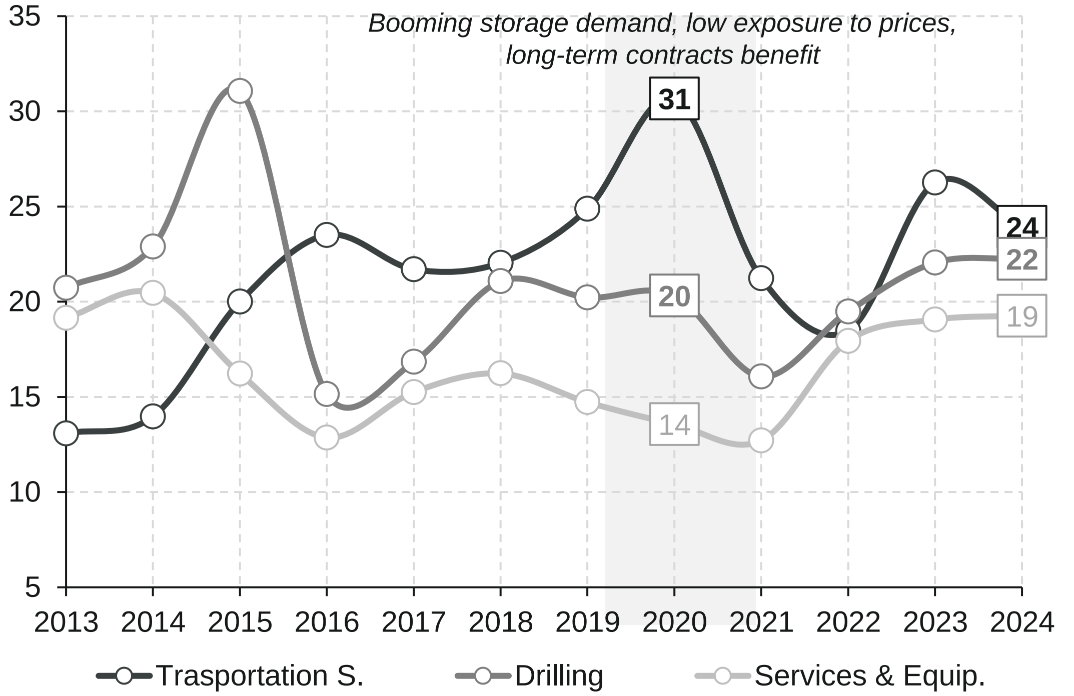
… as core **Operational Margins** posted mixed results…

Despite top-line pressures, EBITDA for O&G majors declined again but remained well above 2019 levels. E&P margins showed a recovery following the dip in 2023. Margins in the Services segment held at healthy levels.

EBITDA ratio, World O&G Industry (2015-2024): Core O&G Operations
At current prices



EBITDA ratio, World O&G Industry (2015-2024): O&G Services
At current prices



Oil majors likely felt the negative spillover of lower profitability in downstream activities (chemicals, refining…) marking a stark contrast with pure-play oil and gas E&P companies, whose EBITDA margins steadied in 2024. Refining and marketing (R&M) confirm the weak spot of the industry…

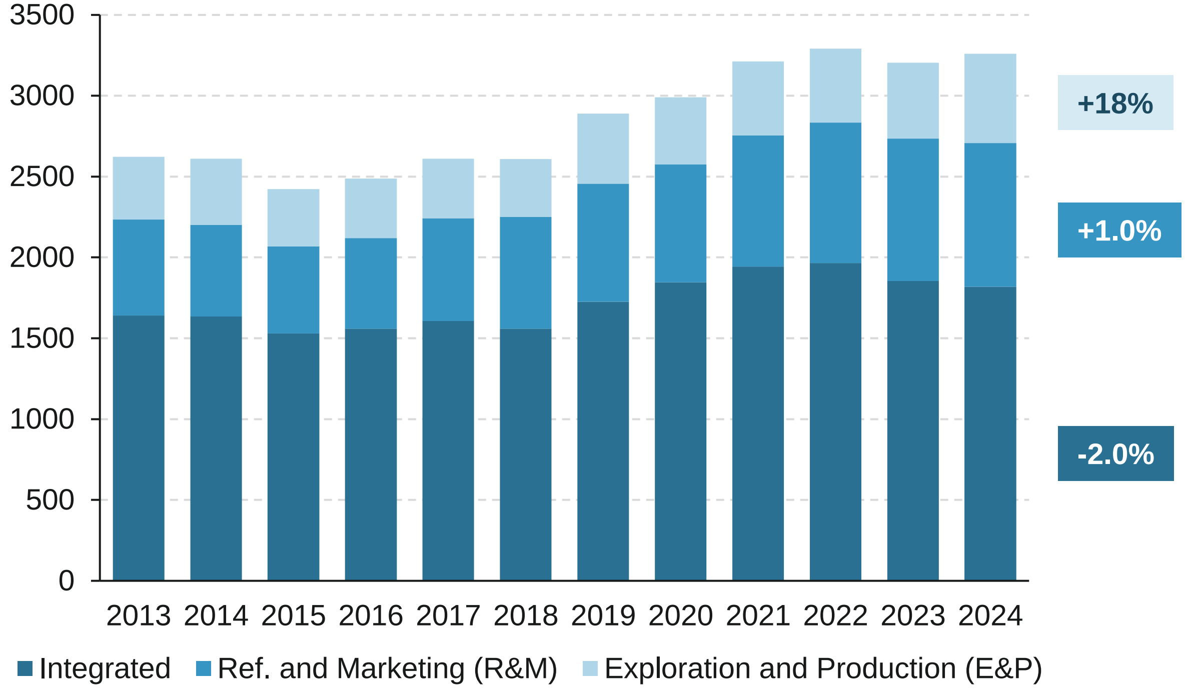
…meanwhile, Services margins held up at relatively high levels, with the exception of transportation services, which likely came under pressure as record vessel deliveries outpaced LNG export growth, suppressing freight rates to multi-year lows

Prometeia Calculations based on Companies BS data (cfr. appendix)

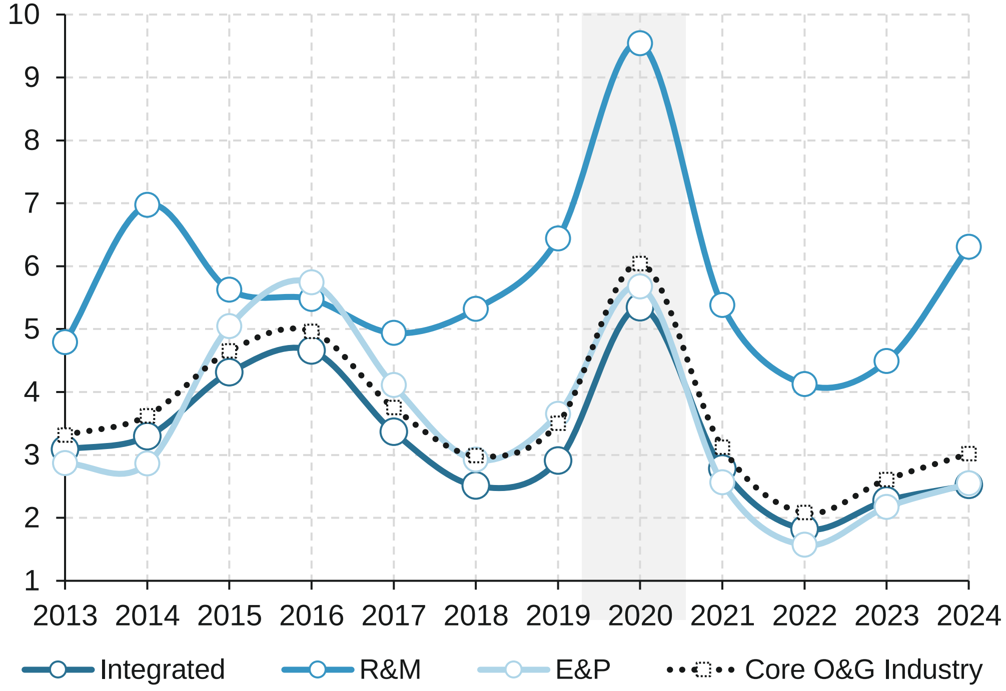
Overall O&G debt increased, with a notable rise in the downstream segment …

Many O&G firms used debt in 2023–24 to fund CapEx, investor returns & strategic deals, but they remain underleveraged by historical standards, especially compared to previous cycle (e.g., pre-2016).

Total Liabilities, O&G Industry (2013-2024). ***Core O&G Operations***
in $ blns at current prices



Total Liabilities/EBITDA. ***Core O&G Operations***
in $ blns at current prices



Industry debt levels increased, led by a notable rise in the E&P segment and, to a lesser extent, in the R&M, on higher financing needs for production activity, asset development, and working capital. In contrast, integrated O&G companies managed to achieve a slight reduction in overall debt...

… nonetheless leverage across the industry remains low by historical standards, reflecting the sector's continued focus on capital discipline, improved cash flow management, and a cautious approach to debt-financed growth (even amid rising investment needs and shareholder commitments)

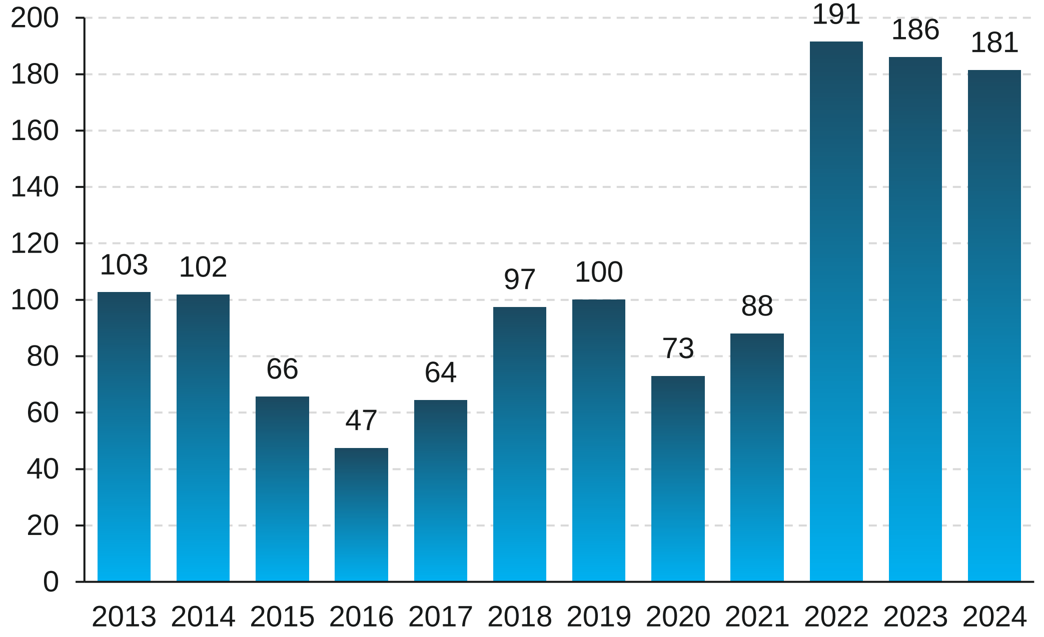
Prometeia Calculations based on Companies BS data (cfr. appendix)

prometeia

… nonetheless, **Investors Returns held up at exceptionally strong levels…**

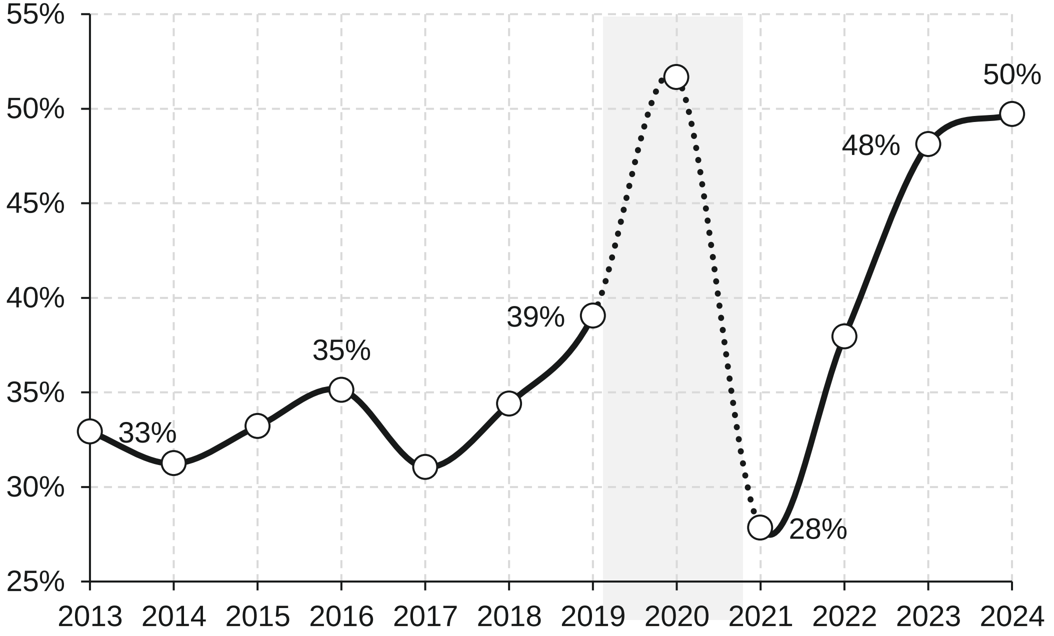
… through robust dividends and ongoing buybacks, underscoring the commitment to return capital to investors and preserve confidence amid an uncertain macro and (short/long term) energy price environment

Dividends and Common Share Buybacks *(selection*)*
Selection of Core O&G Operations* Us$ at current prices, (2019=100)



** Analysis performed on a subselection of 27 Core O&G companies*

Dividends and Common Share Buybacks: % of Op. Cash Flow *(selection*)*
Selection of Core O&G Operations*, Us$ at current prices (2019=100)



** Analysis performed on a subselection of 27 Core O&G companies*

Over the past three years, dividends in the oil and gas industry have increased considerably—outpacing the broader market average—as companies capitalized on strong post-pandemic cash flows and elevated commodity prices to boost shareholder returns…

… in 2024 alone, global oil majors returned approx. 50% of their operating cash flow to dividends and buybacks, reflecting a clear focus on capital discipline and investor appeasement. This trend has helped support equity valuations in a sector seen as structurally challenged by the green transition.

Prometeia Calculations based on Companies BS data (cfr. appendix)

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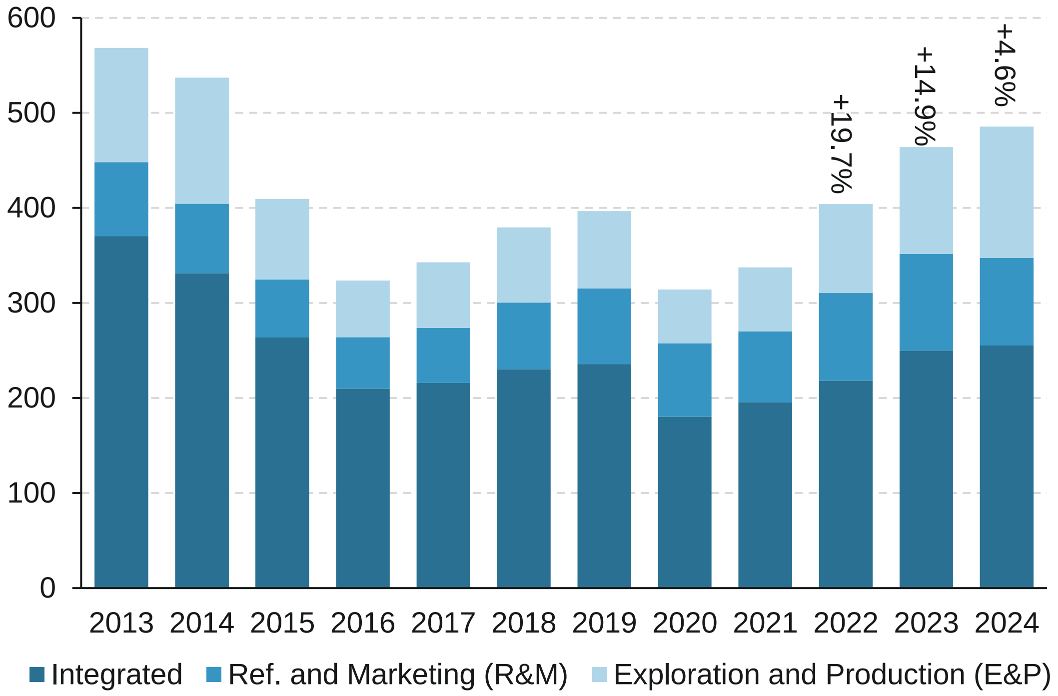
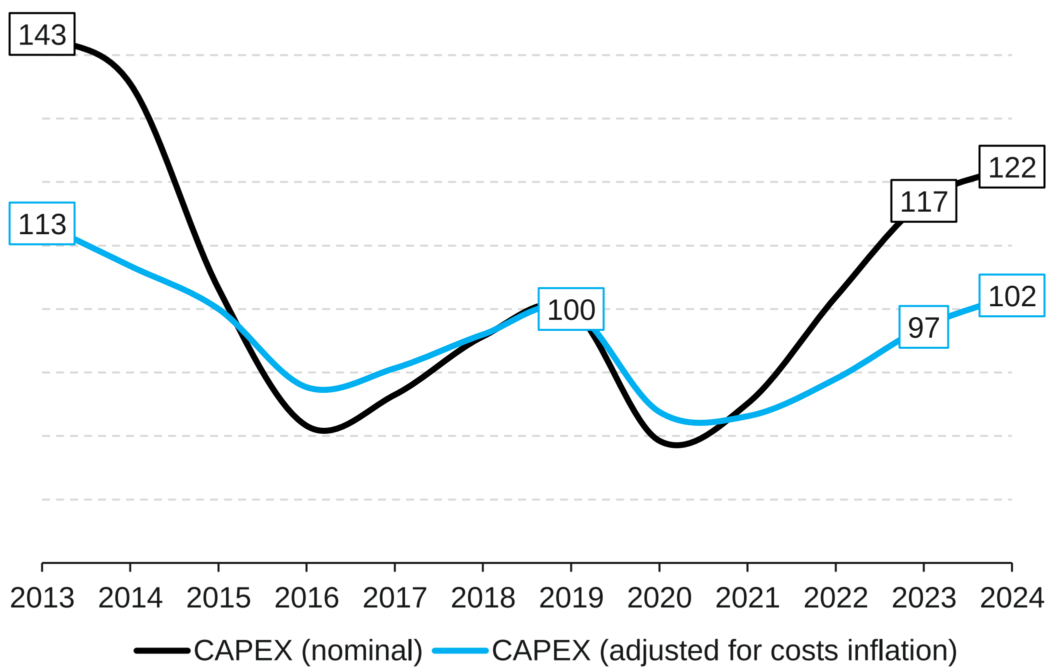
... while **CapEx increased**, it did so **at a considerably lower pace**

… following two consecutive years of Y-o-Y rebound. It is worth noting that, once adjusted for inflation, oil and gas capital expenditure remained close to the 2019 average

CapEx, Core O&G Operations (2013-2024)
Organic CapEx in $ blns at current prices



CapEx, Core O&G Operations (2013-2024)
Organic CapEx in $ blns at nominal and cost-adjusted prices*, 2019=100



**CapEx ha been deflated using the S&P «Upstream Capital Cost Index» ™*

While CapEx in the Core O&G sector continued to rise, the pace of growth slowed considerably in 2025 compared to the rebounds seen in the previous two years. Moderation comes after 2 consecutive years of robust year-on-year increases, driven by the post-pandemic recovery and elevated oil prices

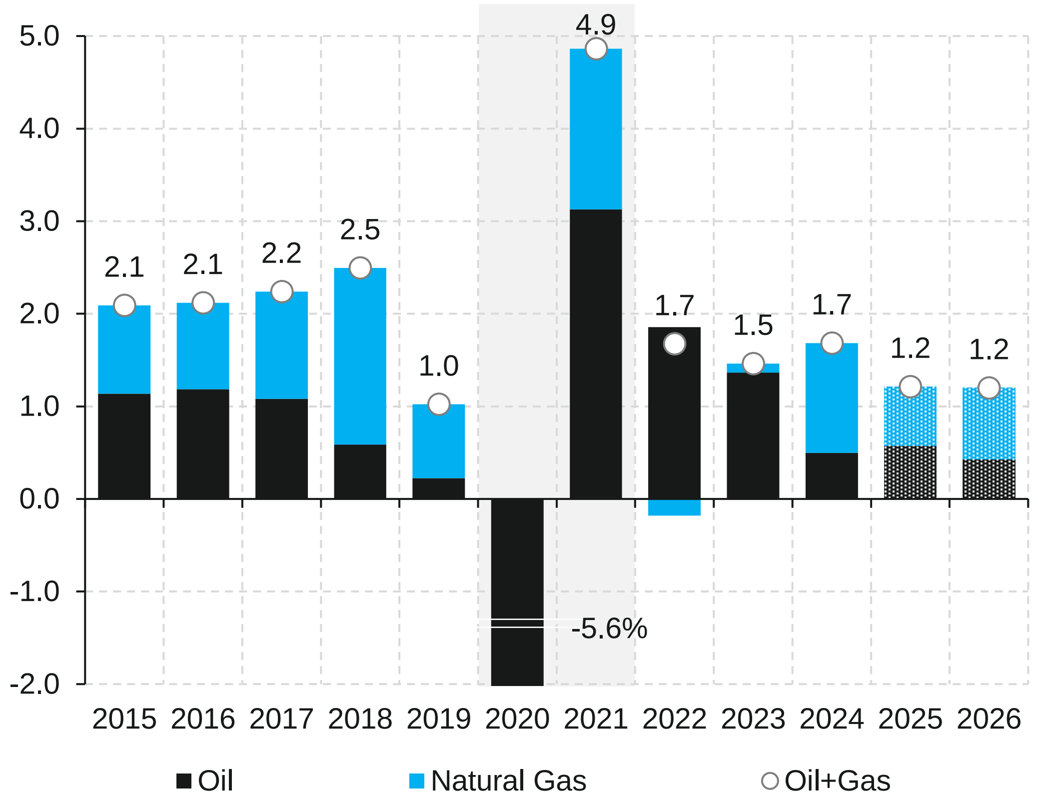
It is worth noting that once adjusted for inflation, total CapEx remains close to its 2019 average levels. This suggests that, despite nominal increases, real investment in the sector has only just returned to pre-pandemic norms, highlighting a cautious and disciplined investment approach by producers

Prometeia Calculations based on Companies BS data (cfr. appendix)

Consumption Outlook: no peak in sight, but **demand growth remains subdued**

Structural shifts and clean energy transitions continue to weigh on consumption outlook. O&G demand will continue rising modestly through 2026, capped by electrification in mobility and clean energy transition

World Oil & Gas Consumption
In EJ, Y-o-Y % change and contribution to growth



Prometeia APPIA-MP, June 2025

Global oil and natural gas demand is expected to continue growing through 2025 and 2026, though at a slower pace than in the recent years.

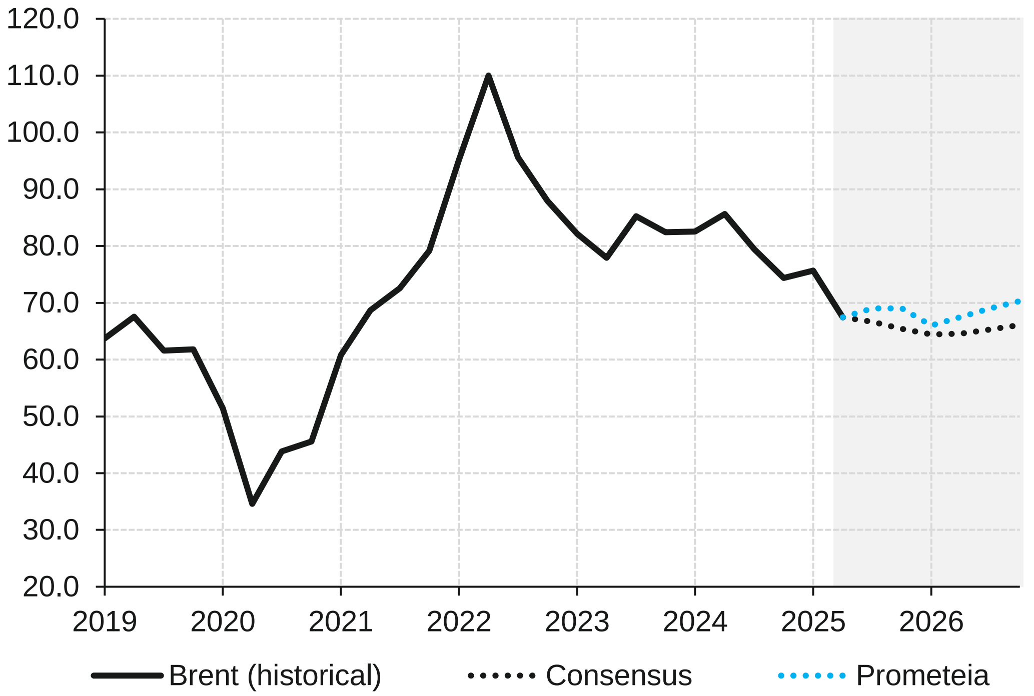
- ***Global natural gas demand** is expected to increase at a faster rate than oil: the bulk of this growth will come from Asia—particularly China, India, and Southeast Asia—driven by industrial expansion, coal-to-gas switching, and rising urban energy needs. In China, continued investment in gas infrastructure and residential heating supports consumption, although accelerating renewable deployment may temper long-term growth. In contrast, demand in Europe is expected to remain flat or decline slightly, reflecting energy efficiency gains, policy-driven decarbonization, and stronger reliance on renewables.*

- ***Global oil demand** is projected to grow at a rate of less than 1% annually in 2025–2026, reaching approximately 106 million barrels per day by the end of 2026. Much of this growth will be concentrated in emerging economies across Asia—particularly in India and Southeast Asia—where rising industrial output, expanding transportation networks, and population growth continue to drive hydrocarbon consumption. In contrast, demand growth in China is expected to moderate as ongoing electrification in the transport sector offsets gains in petrochemical feedstock. Oil demand in OECD economies is expected to remain flat or show only marginal gains, as fuel efficiency improvements, vehicle electrification, and climate policies will weigh more heavily on oil use.*

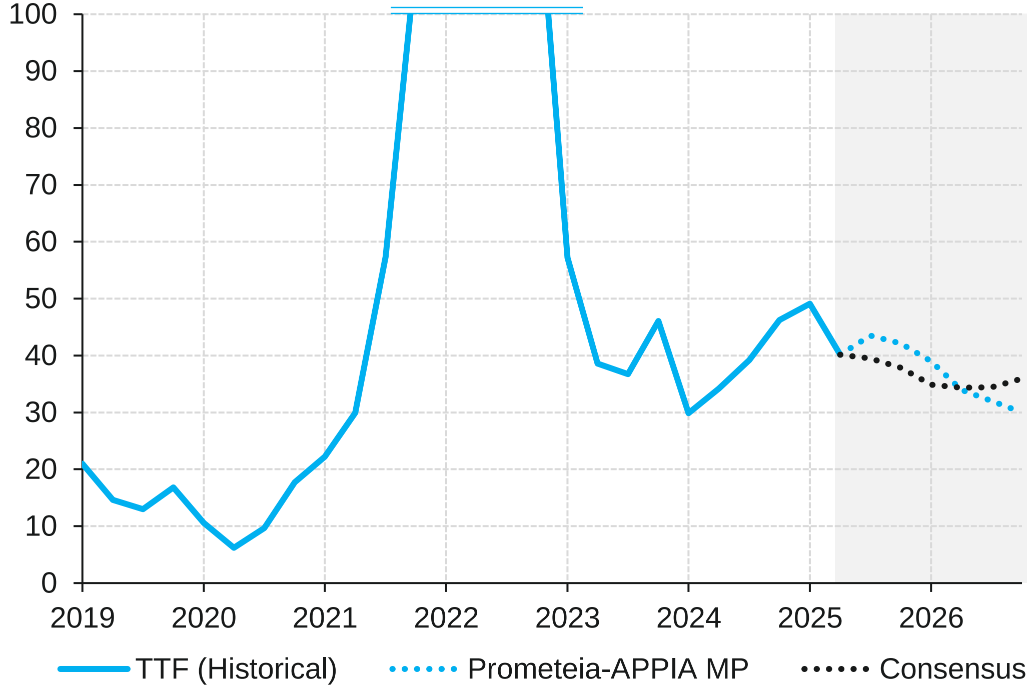
Prices Outlook: Higher supply + tepid demand keeps on **weighting on prices**

Subdued demand (on slowing global economy & energy transition) combined with the reversal of output cuts and the addition of new LNG capacity, is expected to put downward pressure on oil and natural gas prices

Brent Oil Price Outlook (2025-'26)
US$/b., Quarterly average



TTF Gas Prices Outlook (2025-'26)
€/MWh, Quarterly average



Brent crude prices are projected to decline from an average of ~US$80 per barrel in 2024 to ~US$ 65-70 per barrel by late 2026 This downward trend is driven by an anticipated surplus in oil supply, as production cuts are gradually reversed and new output comes online, from both OPEC and non-OPEC sources…

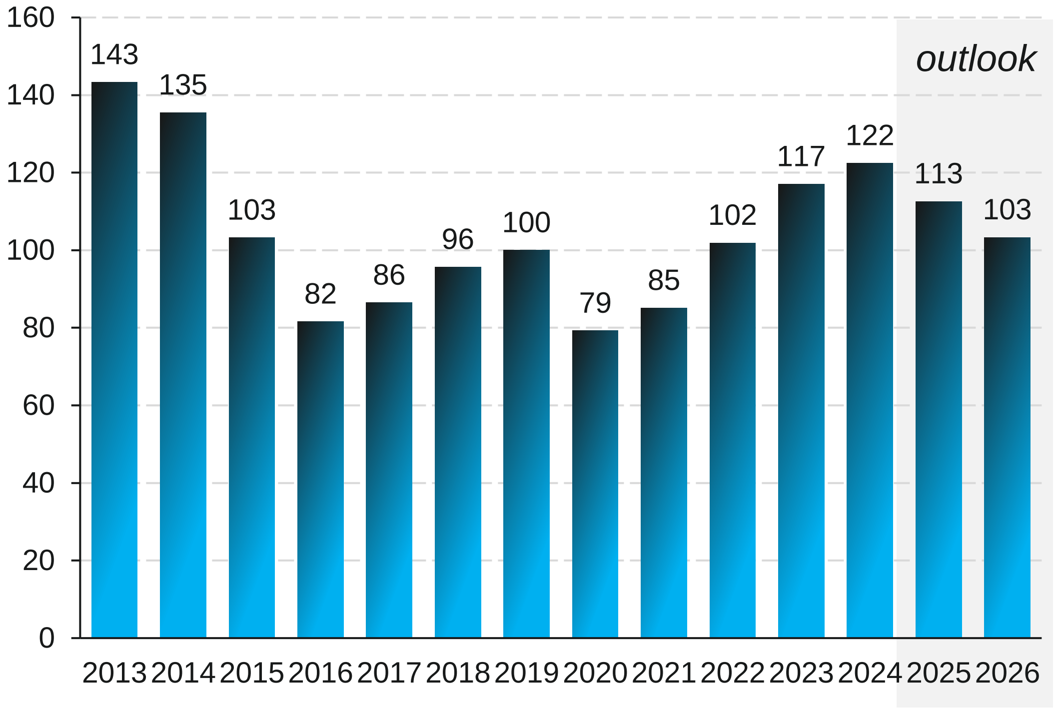
… while global oil demand is expected to lag behind supply. In the natural gas market, new supply from the US, increasing shipping capacity and slowing European and Chinese demand will allow prices to ease, with TTF gas falling from early 2025 40+ €/MWh to approx. 30-35 €/MWh by late 2026

Prometeia APPIA-MP, June 2025
Consensus estimates based on projections of 20+ professional forecasters

O&G CapEx Outlook: winding down of the 2016–2024 spending cycle?

As underlined by the CapEx plans of the O&G Majors, declining O&G prices, which are eroding revenues and margins, are expected to drive companies to cut spending to preserve cash flow and sustain shareholder returns

CapEx, Core O&G Operations: Outlook 2026
2019=100, at current prices



An "exercise" elaborated under a conservative assumption that the capital expenditure-to-revenue ratio remains in line with historical norms shows that (based on our forecast on O&G prices and Operations Revenues) Core O&G CapEx could decline up to 15% between 2024 and 2026…

O&G Majors (selection), Capital Spending Plans
In $ blns, ranges

	bp		TotalEnergies	Chevron	Exxon
2024	16	21	18	16	28
2025	13-15	21	17-17.5	15	27-29
2026	13-15	20-22	16-18	14-16	28-33
2027	13-15	20-22	16-18		28-33
2028	13-15	20-22	16-18		28-33
2029			16-18		28-33
2030			16-18		28-33

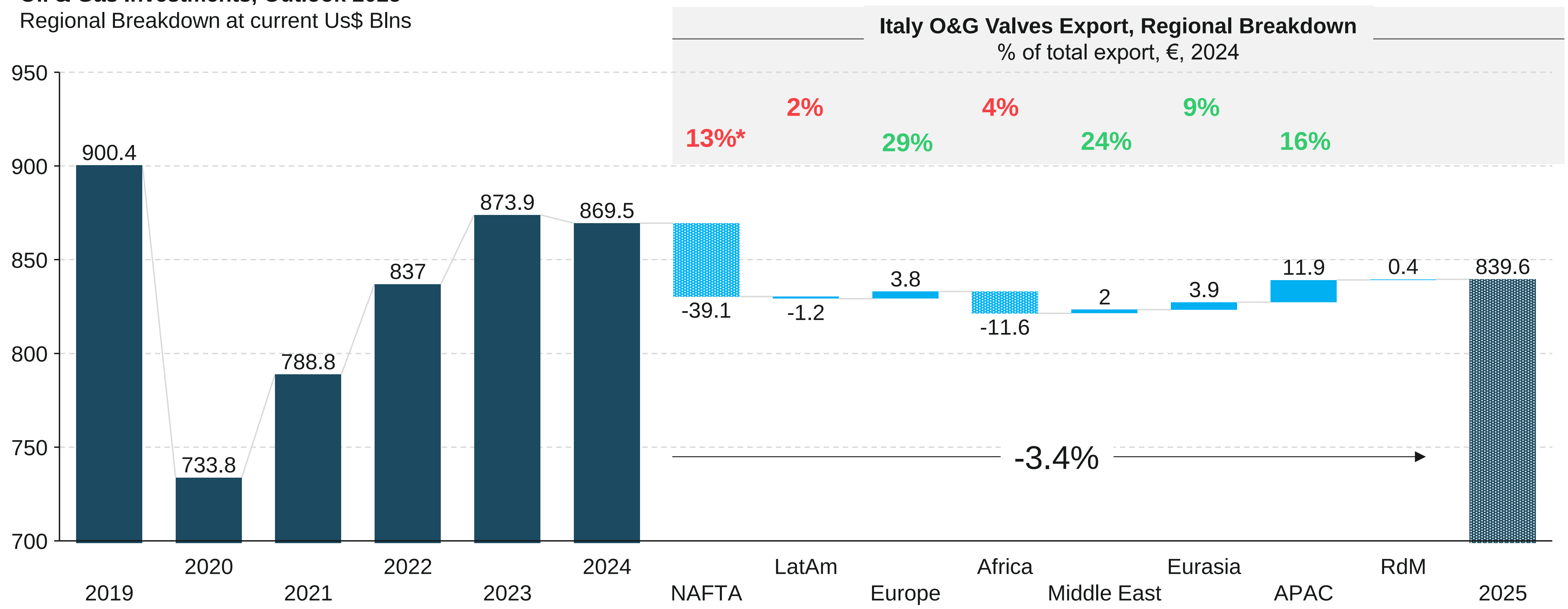
… which is consistent with the overall conservative O&G Majors expenditure long-term plans. Exxon stands out as an exception, benefiting from a dominant position in the Permian and Guyana basins, two of the fastest-growing and lowest-cost regions globally

Prometeia Calculations base on Companies BS
Majors CAPEX plans from Reuters

Overall O&G Investment Outlook: Italian O&G Valve Industry still sees bright spots

Oil & Gas investments in 2025 are set to decline, mostly on reduced contributions from the USA. Notably, approx. 80% of Italian O&G valve sales are generated in regions projected to experience positive growth rates

Oil & Gas Investments, Outlook 2025
Regional Breakdown at current Us$ Blns



** Of which, USA: 11% as of 2024*
International Energy Agency, Oil Investment Outlook Database, 2025

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Methodological Appendix

*The financial analysis of oil & gas companies included in this report was carried out on a sample of **285 active listed firms**, selected based on the availability of financial data and their economic relevance within the global oil & gas sector.*

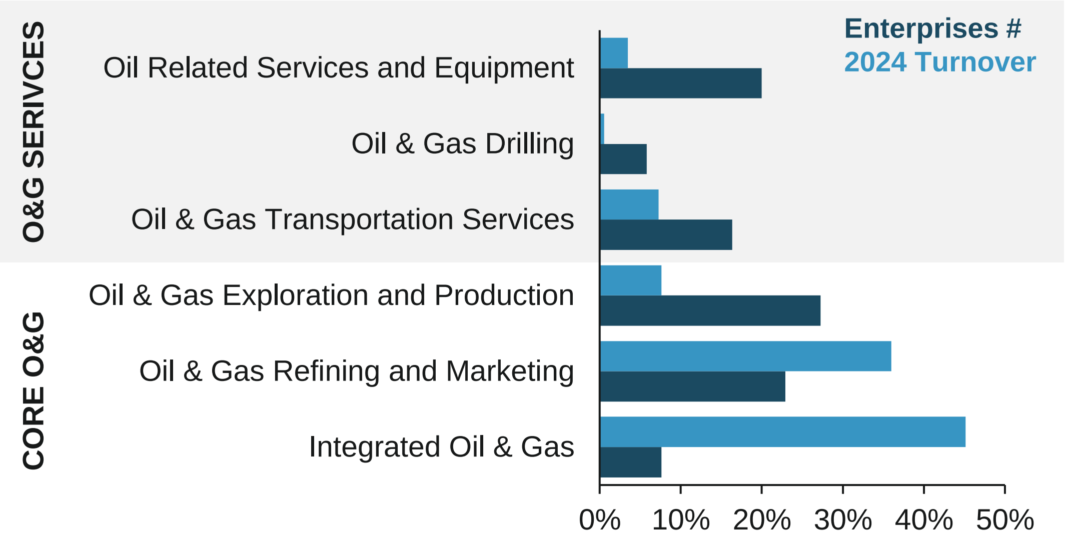
The sample encompasses a diverse set of companies operating across the entire value chain — including upstream exploration and production, midstream transportation and storage, and downstream refining and distribution. This segmentation ensures a comprehensive view of the industry's financial dynamics.

All data used in this analysis have been sourced directly from the official financial statements published by the companies themselves, ensuring a high level of reliability and consistency.

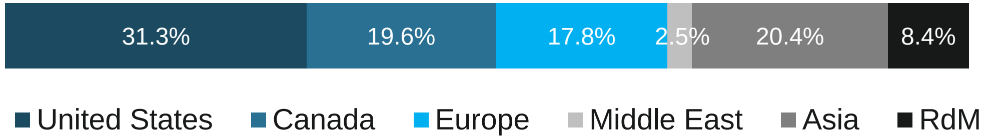
Oil & Gas Investment projections to 2025 (cfr. Slide 47) are from EIA, Energy Investment Outlook, 2025.

The analysis does not imply any responsibility or liability on the part of Prometeia, and is intended solely for informational and analytical purposes

Structure of the Sample
Sub-sector % share on enterprises # and turnover



Geographical composition of the sample
Number of Companies by Headquarter Location (%)



Confidentiality

Contacts

Prometeia

Giuseppe Schirone
Principal

giuseppe.schirone@prometeia.com

Mobile 3351436883

Phone 0516480911

Department Strategie Industriali Territoriali

Location Bologna

Federico Ferrari
Senior Specialist

federico.ferrari@prometeia.com

Mobile 3441434827

Phone 0516480911

Department Strategie Industriali Territoriali

Location Bologna

Francesca Maltempi
Senior Economist

francesca.maltempi@prometeia.com

Mobile 3458844218

Phone 0516480911

Department Strategie Industriali Territoriali

Location Bologna

Confindustria Bergamo

Massimo Longhi
Resp. Studi e Internazionalizzazione

m.longhi@confindustriabergamo.it

Phone 035275284

Location Bergamo

IVS

Luca Pandolfi
Project Manager

l.pandolfi@confindustriabergamo.it

Phone 035275381

Location Bergamo