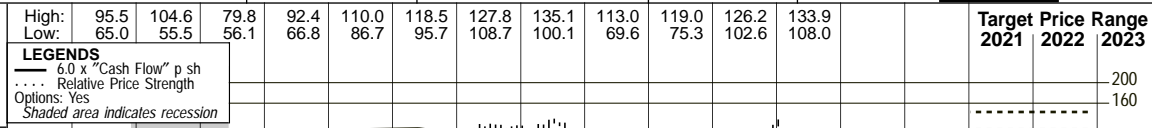


# CHEVRON CORP. NYSE-CVX

RECENT PRICE **110.98** P/E RATIO **23.0** (Trailing: 29.3 Median: 10.0) RELATIVE P/E RATIO **1.20** DIV'D YLD **4.0%** **VALUE LINE**

**TIMELINESS** 3 Lowered 2/9/18  
**SAFETY** 1 Raised 1/4/91  
**TECHNICAL** 2 Raised 3/2/18  
**BETA** 1.20 (1.00 = Market)



**2021-23 PROJECTIONS**

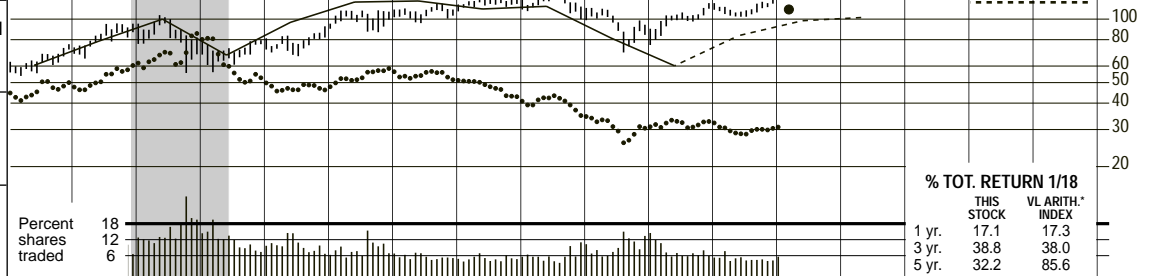
Price	145	Gain	(+30%)	Ann'l Total Return	10%
Low	120		(+10%)		6%

**Insider Decisions**

	A	M	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0
Options	0	0	10	0	3	0	1	5
to Sell	0	0	0	0	3	0	1	3

**Institutional Decisions**

	1Q2017	2Q2017	3Q2017
to Buy	890	899	845
to Sell	940	897	934
Hlds(000)	13222061	13141821	1338675



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
46.37	56.94	73.70	88.77	86.02	105.67	136.21	85.50	102.85	128.06	124.27	119.61	112.74	73.55	60.52	<b>74.40</b>	<b>81.70</b>	<b>83.55</b>	Sales per sh <sup>A</sup>	101.30
2.98	5.90	8.67	8.96	10.09	13.11	16.69	11.26	16.10	20.09	20.34	18.61	19.17	13.61	10.02	<b>13.90</b>	<b>16.40</b>	<b>17.00</b>	"Cash Flow" per sh	21.45
.54	3.48	6.28	6.54	7.80	8.77	11.67	5.24	9.48	13.44	13.32	11.09	10.14	2.45	d.27	<b>3.79</b>	<b>5.80</b>	<b>6.05</b>	Earnings per sh <sup>B</sup>	9.50
1.40	1.43	1.54	1.75	2.01	2.26	2.53	2.66	2.84	3.09	3.51	3.90	4.21	4.28	4.29	<b>4.32</b>	<b>4.48</b>	<b>4.56</b>	Div'ds Decl'd per sh <sup>C</sup>	5.00
3.56	2.63	2.99	3.90	5.65	7.98	9.81	9.89	9.84	13.38	15.89	19.85	18.83	15.67	9.57	<b>9.50</b>	<b>10.00</b>	<b>10.50</b>	Cap'l Spending per sh	12.50
14.79	16.97	21.47	28.07	28.22	36.88	43.23	45.79	52.74	61.67	70.80	78.62	83.07	81.11	76.95	<b>77.75</b>	<b>79.00</b>	<b>80.25</b>	Book Value per sh	89.35
2136.3	2138.3	2107.1	2232.7	2442.7	2090.4	2004.2	2007.4	1992.5	1981.2	1946.7	1913.3	1880.2	1882.8	1891.5	<b>1905.0</b>	<b>1910.0</b>	<b>1915.0</b>	Common Shs Outst'g <sup>D</sup>	1925.0
74.4	10.2	7.6	8.8	8.1	9.4	7.3	13.4	8.2	7.5	8.1	10.9	11.9	39.4	--	29.4	<b>29.4</b>	<b>29.4</b>	Avg Ann'l P/E Ratio	14.0
4.06	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	1.98	--	1.44	<b>1.44</b>	<b>1.44</b>	Relative P/E Ratio	.80
3.5%	4.0%	3.2%	3.0%	3.2%	2.7%	3.0%	3.8%	3.6%	3.1%	3.3%	3.2%	3.5%	4.4%	4.3%	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	Avg Ann'l Div'd Yield	3.8%

**CAPITAL STRUCTURE as of 9/30/17**  
 Total Debt \$41880 mill. Due in 5 Yrs \$23086 mill.  
 LT Debt \$33983 mill. LT Interest \$796 mill.  
 (Total interest coverage: 7.4x)  
 (19% of Cap'l)

**Leases, Uncapitalized** Annual rentals \$615 mill.  
**Pension Assets-12/16** \$13.7 bill. **Oblig.** \$18.4 bill.

**Pfd Stock** None  
**Common Stock** 1,899,373,928 shs.

**MARKET CAP: \$211 billion (Large Cap)**

CURRENT POSITION	2015	2016	9/30/17
Cash Assets	11332	7001	6654
Receivables	12860	14092	14124
Inventory	6334	5419	5761
Other	4821	3107	2859
Current Assets	35347	29619	29398
Accts Payable	13516	13986	13084
Debt Due	4928	10840	7897
Other	8020	6959	7242
Current Liab.	26464	31785	28223

273005	171636	204928	253706	241909	228848	211970	138477	114472	141722	156000	160000	Sales (\$mill) <sup>A</sup>	195000
19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	15.3%	21.0%	23.0%	23.5%	Operating Margin	25.0%
9528.0	12110	13063	12911	13413	14186	16793	21037	19457	19349	20250	21000	Depreciation (\$mill)	23000
23931	10483	19024	26895	26179	21423	19241	4587.0	d497.0	7175	11075	11600	Net Profit (\$mill)	18300
44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	38.3%	5.3%	5.3%	20.0%	27.0%	28.0%	Income Tax Rate	28.0%
8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	5.1%	7.1%	7.3%	Net Profit Margin	9.4%
4447.0	11005	19829	19634	21508	17232	10306	8883.0	d2166	1500	1800	2500	Working Cap'l (\$mill)	7000
6083.0	10130	11289	9812.0	12065	20057	24028	33664	35286	34000	35000	36000	Long-Term Debt (\$mill)	40000
86648	91914	105081	122181	137832	150427	156191	152716	145556	148124	150850	153700	Shr. Equity (\$mill)	172000
26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	NMF	4.5%	6.0%	6.0%	Return on Total Cap'l	8.5%
27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	3.0%	NMF	5.0%	7.5%	7.5%	Return on Shr. Equity	10.5%
22%	5.6%	12.7%	17.0%	14.0%	9.3%	7.2%	NMF	NMF	NMF	1.5%	2.0%	Retained to Com Eq	5.0%
	51%	30%	23%	26%	35%	41%	NMF	NMF	NMF	77%	75%	All Div'ds to Net Prof	53%

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '21-'23

Sales	--	-5.0%	3.0%
"Cash Flow"	4.5%	-2.0%	6.0%
Earnings	-5.0%	-15.0%	12.5%
Dividends	9.0%	8.5%	2.5%
Book Value	12.0%	8.5%	1.5%

**QUARTERLY SALES (\$ mill.) <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	34558	40357	34315	29247	138477
2016	23553	29282	30140	31497	114472
2017	33421	34480	36205	37616	141722
2018	38000	39500	39000	39500	156000
2019	39000	40500	40000	40500	160000

**EARNINGS PER SHARE <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	1.37	.30	1.09	d.31	2.45
2016	d.39	d.78	.68	.22	d.27
2017	1.41	.77	1.03	.58	3.79
2018	1.25	1.50	1.50	1.55	5.80
2019	1.35	1.55	1.55	1.60	6.05

**QUARTERLY DIVIDENDS PAID <sup>C</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	1.00	1.07	1.07	1.07	4.21
2015	1.07	1.07	1.07	1.07	4.28
2016	1.07	1.07	1.07	1.08	4.29
2017	1.08	1.08	1.08	1.08	4.32
2018	1.12				

**Chevron got off on the wrong foot this year by reporting disappointing results for the final quarter of 2017.** Some of the reasons for the shortfall appear to be transitory, though, including refinery downtime as a result of hurricane damage and weakness in West Coast refining margins. But coupled with a retreat in crude oil prices from their recent highs, the stock's momentum has slowed. **One piece of good news is that the cash dividend has been raised.** We had felt that the payout was due to be hiked now that the company has completed a number of major spending initiatives. Chevron came through with a quarterly increase of 3.7%, to \$1.12. Further annual hikes in that range are possible, too, assuming industry conditions support the earnings gains we project. The shares currently yield a healthy 3.9%.

**The company appears poised for improved performance.** Even though fourth-quarter profits came in short of expectations, the bottom line did make significant progress on a full-year basis. We look for further gains in 2018 mainly on the basis of higher, average oil prices and

gas. (Affiliated companies account for 25% of total reserves.) Owns 50% interest in ChevronPhillips Chemical Co. Has about 55,000 employees. Vanguard owns 6.9% of stock; BlackRock, 6.4%; State Street, 6.2% (4/17 proxy). Chairman and CEO: John S. Watson. Inc.: DE. Addr.: 6001 Bollinger Canyon Rd., San Ramon, CA 94583. Tel.: 925-842-1000. Internet:www.chevron.com.

**a rise in pumping volume.** The completion of a pair of LNG ventures in Australia, plus the ramp-up of Permian Basin operations stateside, augurs well for 4%-7% higher combined annual oil and gas production, excluding asset sales. Overall, we figure that will translate to a sizable earnings advance in 2018.

**Chevron is well-situated for the long term.** A 155% reserve replacement ratio in 2017 supports the notion that modest annual production advances may be possible for a few years. Profits, in turn, could move up if oil prices can hold their recent range. We also are assuming that steady-to-higher petroleum product demand will keep refinery operations nicely profitable. All told, our initial estimate is for share net of \$6.05 in 2019. Further headway is within reach out to 2021-2023, given a stable pricing backdrop.

**The stock has conservative appeal.** Total return potential over the 3- to 5-year horizon is attractive on a risk-adjusted basis. The shares are only neutrally ranked for the coming months, though (Timeliness: 3).

*Robert Mitkowski*  
 March 2, 2018