CHEVRON CORP. NYSE-CVX

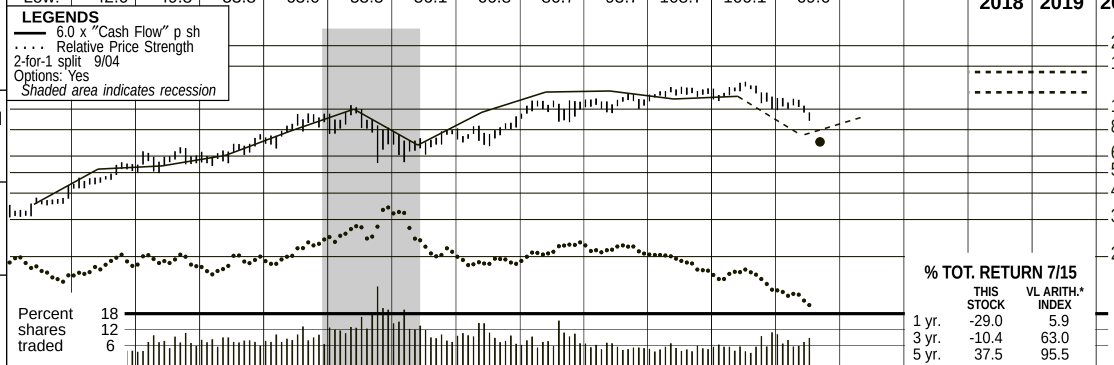
RECENT PRICE **70.02** | P/E RATIO **17.0** (Trailing: 9.8 / Median: 8.5) | RELATIVE P/E RATIO **1.02** | DIV'D YLD **6.1%** | **VALUE LINE**

TIMELINESS	3	Raised 8/14/15
SAFETY	1	Raised 1/4/91
TECHNICAL	3	Raised 9/4/15

BETA 1.10 (1.00 = Market)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:					56.1	66.0	76.2	95.5	104.6	79.8	92.4	110.0	118.5	127.8	135.1	113.0	
Low:					42.0	49.8	53.8	65.0	55.5	56.1	66.8	86.7	95.7	108.7	100.1	69.6	

LEGENDS
6.0 x "Cash Flow" p sh
. . . . Relative Price Strength
2-for-1 split 9/04
Options: Yes
Shaded area indicates recession



Target Price Range

2018	2019	2020

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+115%)	25%
Low	120	(+70%)	19%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	1	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2014	4Q2014	1Q2015
to Buy	746	905	882
to Sell	824	799	829
Hld's(000)	1206819	1192093	1183461

% TOT. RETURN 7/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-29.0	5.9
3 yr.	-10.4	63.0
5 yr.	37.5	95.5

1999	2000	2001	2002	2003	2004	2005[A]	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
27.87	40.63	50.11	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	*83.20*	*87.85*	Sales per sh [A]	*127.80*
3.76	6.26	4.88	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	*12.50*	*15.45*	"Cash Flow" per sh	*22.85*
1.57	3.99	1.55	.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	*4.00*	*6.80*	Earnings per sh [B]	*13.50*
1.24	1.30	1.33	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*	*4.44*	Div'ds Decl'd per sh [C]■	*5.20*
3.33	2.85	4.58	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	*15.15*	*16.50*	Cap'l Spending per sh	*20.20*
13.52	15.53	16.02	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	*83.45*	*85.40*	Book Value per sh	*94.95*
1312.7	1283.1	2120.2	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	*1867.0*	*1885.0*	Common Shs Outst'g [D]	*1870.0*
28.6	10.6	28.8	NMF	10.2	7.6	8.8	8.1	9.4	7.3	13.4	8.2	7.5	8.1	10.9	11.9	*Bold figures are*		Avg Ann'l P/E Ratio	*10.0*
1.63	.69	1.48	NMF	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	*Value Line*		Relative P/E Ratio	*.65*
2.8%	3.1%	3.0%	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%	*estimates*		Avg Ann'l Div'd Yield	*3.9%*

CAPITAL STRUCTURE as of 6/30/15
Total Debt $31923 mill. **Due in 5 Yrs** $463 mill.
LT Debt $31460 mill. **LT Interest** $388.5 mill.
Includes $243 million capitalized leases.
(17% of Cap'l)

Leases, Uncapitalized Annual rentals $398.9 mill.
Pension Assets-12/14 $6.17 bill. **Oblig.** $8.43 bill.

Pfd Stock None
Common Stock 1,867,731,056 shs.
as of 7/31/15
MARKET CAP: $131 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
198200	210118	220904	273005	171636	204928	253706	241909	228848	211970	*155315*	*165600*	Sales ($mill) [A]	*239000*
16.1%	19.1%	18.5%	19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	*13.5%*	*16.0%*	Operating Margin	*25.0%*
5913.0	7506.0	8708.0	9528.0	12110	13063	12911	13413	14186	16793	*15900*	*16300*	Depreciation ($mill)	*17510*
14099	17138	18688	23931	10483	19024	26895	26179	21423	19241	*7470*	*12820*	Net Profit ($mill)	*25245*
44.0%	46.4%	41.9%	44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	38.3%	*38.0%*	*40.0%*	Income Tax Rate	*42.0%*
7.1%	8.2%	8.5%	8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	*4.8%*	*7.7%*	Net Profit Margin	*10.6%*
9325.0	7895.0	5579.0	4447.0	11005	19829	19634	21508	16015	17772	*17700*	*18000*	Working Cap'l ($mill)	*21050*
12131	7679.0	6070.0	6083.0	10130	11289	9812.0	12065	20057	24028	*31500*	*31500*	Long-Term Debt ($mill)	*28300*
62676	68935	77088	86648	91914	105081	122181	137832	150427	156191	*153900*	*161000*	Shr. Equity ($mill)	*177600*
19.4%	22.7%	22.6%	26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	*3.5%*	*7.5%*	Return on Total Cap'l	*12.0%*
22.5%	24.9%	24.2%	27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	*5.0%*	*8.0%*	Return on Shr. Equity	*14.0%*
16.5%	18.5%	18.0%	21.7%	5.6%	12.7%	17.0%	14.0%	9.3%	7.2%	*NMF*	*3.0%*	Retained to Com Eq	*8.5%*
27%	26%	26%	22%	51%	30%	23%	26%	35%	41%	*107%*	*65%*	All Div'ds to Net Prof	*39%*

CURRENT POSITION ($MILL.)	2013	2014	6/30/15
Cash Assets	16516	13215	12523
Receivables	21782	24234	25408
Inventory (LIFO)	6809	10144	9831
Other	7134	7098	7045
Current Assets	52241	54691	54807
Accts Payable	23210	23965	24714
Debt Due	2126	2087	463
Other	10890	10867	10991
Current Liab.	36226	36919	36168

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Sales	7.5%	1.5%	*1.0%*
"Cash Flow"	12.5%	7.0%	*3.0%*
Earnings	13.0%	6.0%	*2.5%*
Dividends	10.5%	9.5%	*5.0%*
Book Value	16.0%	13.0%	*3.5%*

Cal-endar	QUARTERLY SALES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	60705	62608	58044	60552	241909
2013	56818	57369	58503	56158	228848
2014	53265	57938	54679	46088	211970
2015	34558	40357	*38640*	*41760*	*155315*
2016	*39000*	*40700*	*42900*	*43000*	*165600*

Cal-endar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	3.27	3.66	2.69	3.70	13.32
2013	3.18	2.77	2.57	2.57	11.09
2014	2.36	2.98	2.95	1.85	10.14
2015	1.37	.30	*.95*	*1.38*	*4.00*
2016	*1.50*	*1.65*	*1.80*	*1.85*	*6.80*

Cal-endar	QUARTERLY DIVIDENDS PAID [C]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.72	.78	.78	.81	3.09
2012	.81	.90	.90	.90	3.51
2013	.90	1.00	1.00	1.00	3.90
2014	1.00	1.07	1.07	1.07	4.21
2015	1.07	1.07	1.07		

BUSINESS: Chevron Corp. is the world's fourth-largest oil company based on proven reserves. Daily 2014 gross production: crude oil & NGLs, 2.609 mill. barrels; natural gas, 5.267 bill. cubic feet. Net proved reserves, 12/14: oil, 6.925 bill. bbls.; natural gas, 23.065 trill. cu. ft. Avg. 5-yr. finding costs: $5.17 a barrel (vs. ind. avg. $4.21). 5-yr. reserve replacement rate: 89% (vs. ind. avg. 95%). Est. pv of reserves: $183.4 bill. Product sales: 2.77 mill. bbls./day. Has 4,067 owned/leased stations, mainly in the U.S. Has about 117,780 emplys. Off. & Dir. own 0.8% of stock; BlackRock, 6.3%; State Street, 5.8%; Vanguard, 5.6% (4/15 proxy). Chairman and CEO: John S. Watson. Inc.: DE. Addr.: 6001 Bollinger Canyon Rd., San Ramon, CA 94583. Tel.: 925-842-1000. www.chevron.com.

Chevron's second-quarter production was up. The supermajor hiked its production by 2%, to 2.60 million barrels of oil equivalent per day (mmboe/d). This was a result of project ramp-ups in the U.S. (in particular the Midland and Delaware basins), as well as production increases in Bangladesh and Argentina. Lower maintenance-related downtime, primarily reflecting the absence of a major turnaround at the Tengizchevroil subsidiary in Kazakhstan, also aided volumes.

But sales and earnings were down. Revenue fell 30%, to $40 billion, and share net dropped to $0.30, from $2.98. This was to be expected, due to the 50%-or-so drop in the price of oil since last June. However, the magnitude of the sales fall on the Upstream (Exploration & Production) side was greater than anticipated, and the stock tacked down. The decline could have been worse but for the fact that profits in the Downstream (Refining & Marketing) division rose from $721 million to $2.56 billion. This was thanks to higher margins on refined products such as gasoline and jet fuel. Costs for the major raw material (oil) were down. In addition, this operation banked a $1.6 billion gain from the sale of its interest in Caltex Australia.

We now look for 2015 sales and earnings of $155 billion and $4.00 a share, respectively. This compares to last year's sales and share earnings of $212 billion and $10.14, respectively. We don't see things changing much in the second half. Crude oil and natural gas prices are likely to stay depressed as production overcapacity has swamped moderate global demand. Moreover, costs associated with curtailing underperforming operations and ramping up the better ones ought to squeeze margins. Production will probably tally 2.63 mmboe/d, compared to 2.52 mmboe/d last year.

This might be a good time to buy this top-quality stock, particularly for the long haul. There's no guarantee oil and gas prices won't fall any further, but we think the stock's upside now outweighs the downside. Furthermore, thanks to strong finances, the dividend should continue to provide generous income. Future hikes in the payout are likely, too, if possibly more modest.

Jeremy J. Butler *September 4, 2015*

(A) Sales exclude (consumer) petroleum & chemicals excise taxes. 2005 sales figures restated to account for UNOCAL merger.
(B) Based on diluted shares. Excl. nonrecur. loss: '98, $0.48. Incl. nonrecur. loss of $1.41: '01. Next earnings report due late October. **(C)** Dividends historically paid on or about 10th of March, June, September, and December. ■ Dividend reinvestment plan available. **(D)** In millions, adj. for stock split.

Company's Financial Strength	A++
Stock's Price Stability	85
Price Growth Persistence	50
Earnings Predictability	60