

CHEVRON CORP. NYSE-CVX

RECENT PRICE **101.68** P/E RATIO **NMF** (Trailing:NMF Median: 9.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS **3** Lowered 8/12/16
 SAFETY **1** Raised 1/4/91
 TECHNICAL **1** Raised 9/2/16
 BETA 1.15 (1.00 = Market)

High: 66.0 76.2 95.5 104.6 79.8 92.4 110.0 118.5 127.8
 Low: 49.8 53.8 65.0 55.5 56.1 66.8 86.7 95.7 108.7

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

2019-21 PROJECTIONS

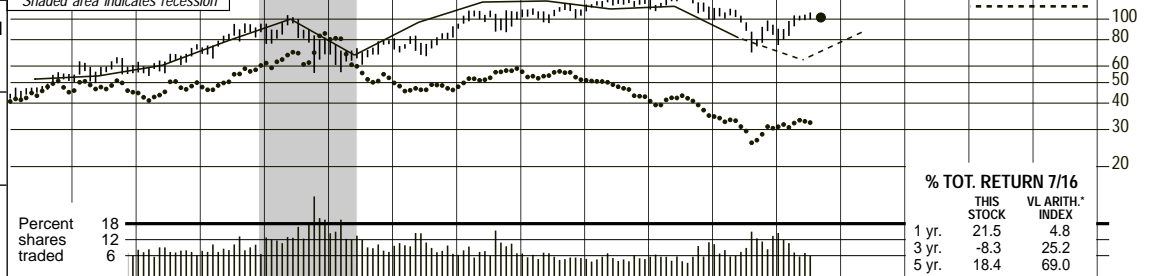
	Price	Gain	Ann'l Total Return
High	140	(+40%)	12%
Low	115	(+15%)	7%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	2	2	3	0	1	0	0	9	0
to Sell	0	2	0	0	0	0	0	0	1

Institutional Decisions

	3Q2015	4Q2015	1Q2016
to Buy	742	766	958
to Sell	934	916	741
Hlds(000)	1165562	1171375	1219023



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
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	73.55	50.35	63.50	Sales per sh ^A	97.35
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	13.61	10.65	14.80	"Cash Flow" per sh	22.35
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	2.45	.05	4.00	Earnings per sh ^B	9.75
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	4.28	4.32	Div'ds Decl'd per sh ^C	4.80
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	15.67	13.50	11.50	Cap'l Spending per sh	13.25
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	81.11	76.70	76.25	Book Value per sh	85.05
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	1882.8	1887.0	1890.0	Common Shs Outst'g ^D	1900.0
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	39.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.69	1.48	NMF	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	1.99			Relative P/E Ratio	.85
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%	4.4%			Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 6/30/16

Total Debt \$45017 mill. Due in 5 Yrs \$20214 mill.
 LT Debt \$39487 mill. LT Interest \$422.7 mill.
 (Interest not earned)

(21% of Cap'l)

Leases, Uncapitalized Annual rentals \$846 mill.
Pension Assets-12/15 \$14.4 bill. **Oblig.** \$18.9 bill.

Pfd Stock None
Common Stock 1,886,520,448 shs.

MARKET CAP: \$192 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2014	2015	6/30/16
Cash Assets	13215	11332	9084
Receivables	24234	23489	13490
Inventory (LIFO)	10144	9763	6427
Other	7098	7056	3470
Current Assets	54691	51640	32471
Accts Payable	23965	25108	13416
Debt Due	2087	488	5530
Other	10867	10817	5981
Current Liab.	36919	36413	34927

210118	220904	273005	171636	204928	253706	241909	228848	211970	138477	95000	120000	Sales (\$mill) ^A	185000
19.1%	18.5%	19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	17.0%	23.0%	Operating Margin	25.0%
7506.0	8708.0	9528.0	12110	13063	12911	13413	14186	16793	21037	20000	20500	Depreciation (\$mill)	24000
17138	18688	23931	10483	19024	26895	26179	21423	19241	4587.0	100	7500	Net Profit (\$mill)	18500
46.4%	41.9%	44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	38.3%	NMF	NMF	NMF	Income Tax Rate	40.0%
8.2%	8.5%	8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	6.3%	Net Profit Margin	10.0%
7895.0	5579.0	4447.0	11005	19829	19634	21508	17232	1030672	8883.0	d2500	1000	Working Cap'l (\$mill)	21000
7679.0	6070.0	6083.0	10130	11289	9812.0	12065	20057	24028	33664	40000	40000	Long-Term Debt (\$mill)	45000
68935	77088	66848	91914	105081	122181	137832	150427	156191	152716	144750	144100	Shr. Equity (\$mill)	161600
22.7%	22.6%	26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	NMF	4.0%	Return on Total Cap'l	9.5%
24.9%	24.2%	27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	3.0%	NMF	5.0%	Return on Shr. Equity	11.5%
26%	26%	22%	51%	30%	23%	26%	35%	41%	NMF	NMF	NMF	All Div'ds to Net Prof	49%

BUSINESS: Chevron Corp. is the world's fourth-largest oil company based on proven reserves. Daily production in 2015: oil, 1.7 mill. barrels (+2% vs. '14); natural gas, 5.3 bill. cubic feet (+2% vs. '14). Daily refinery runs, 2.7 million barrels (+0.7% vs. '14); product sales, 2.7 mill. barrels (+1% vs. '14). Reserves at 12/31/15: 11.2 billion barrels of oil equivalent, 58% liquids, 44% gas. (affiliated companies account for 23% of total reserves.) Owns 50% interest in ChevronPhillips Chemical Co. Has about 61,500 empls. Off. & Dir. own 0.8% of stock; Vanguard, 6.3%; BlackRock, 6.0%; State Street, 5.8% (4/16 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.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '13-'15 to '19-'21

Sales	3.5%	-1.0%	-1.0%
"Cash Flow"	8.0%	3.0%	4.5%
Earnings	4.0%	-2.0%	3.5%
Dividends	10.0%	9.0%	2.5%
Book Value	14.0%	11.5%	1.0%

QUARTERLY SALES (\$ mill.) ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	56818	57369	58503	56158	228848
2014	53265	57938	54679	46088	211970
2015	34558	40357	34315	29247	138477
2016	20206	24871	24500	25423	95000
2017	27500	30000	32500	30000	120000

EARNINGS PER SHARE ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.09	d.31	2.45
2016	d.39	d.78	.50	.72	.05
2017	.95	.90	1.05	1.10	4.00

QUARTERLY DIVIDENDS PAID ^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.07	4.28
2016	1.07	1.07			

Chevron is still working its way through a tough stretch in the oil patch. The company posted a loss for the first half of 2016, partly owing to recent asset writedowns. (Excluding impairment charges, second-quarter earnings per share would have been \$0.35.) We look for modest profits over the balance of 2016. Broadly, the oil price recovery that began in February is proving choppy. But there is promise for earnings improvement, based on the assumption that quotations will trend higher in 2017 and beyond. **Meanwhile, next year should see an accelerated decline in capital spending, as major projects are completed.** Chevron has been bringing along two major liquefied natural gas facilities in the Asia/Pacific area that have incurred a high level of expenditures to get up and running. One of those (Gorgon) is largely completed, and the other (Wheatstone) is due to come on line by mid-2017. These ventures, which pick up on the long-term shift to natural gas from coal, should contribute to modestly higher combined oil and gas production in the coming years. Notably, corporate cash flow should be enhanced,

with sales boosted by production from the new facilities and reduced spending requirements. That raises the chances for a modest dividend hike, possibly next year. **The sanctioning of a multibillion oil development venture indicates confidence in the future.** The oil business requires continual investment in new fields to replace reserves and meet rising global demand. Chevron and its partners are addressing these realities with the planned \$37 billion expansion project at the Tengiz field in Kazakhstan. To make it happen, spending would ramp back up toward decade's end but, by then, we figure oil prices will be more accommodative. Moreover, our projections are for oil in the low to mid \$60-a-barrel range to lift share net out to 2019-2021. **The high-yielding stock offers attractive 3- to 5-year risk-adjusted total return possibilities, pending a further comeback in crude oil quotations.** In the meantime, the company's strong balance sheet should see it through to better days. The shares are currently only ranked 3 (Average) for Timeliness, though. *Robert Mitkowski, Jr. September 2, 2016*

(A) Net of excise taxes, beginning in 2016. (B) Based on diluted shares. Includes non-recurring loss of \$1.41 in '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	75
Price Growth Persistence	40
Earnings Predictability	25