

# EXXON MOBIL NYSE:XOM

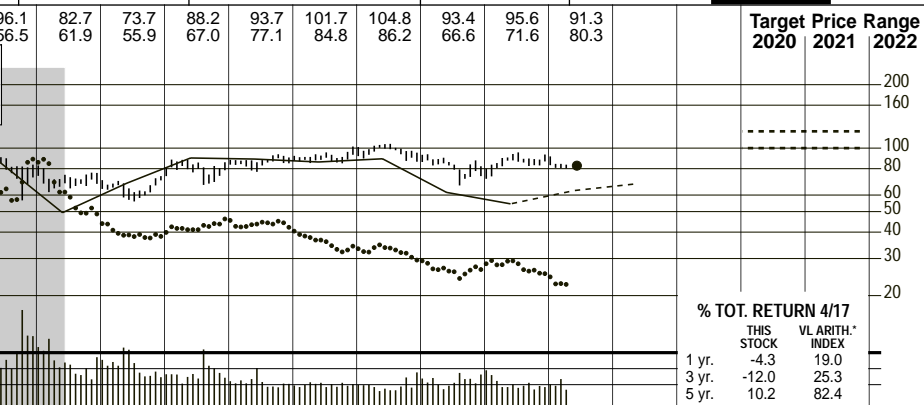
RECENT PRICE **82.58** P/E RATIO **20.4** (Trailing: 34.4 Median: 12.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **3.7%**

**VALUE LINE**

**TIMELINESS** 2 Lowered 4/28/17  
**SAFETY** 1 Raised 6/30/95  
**TECHNICAL** 5 Lowered 6/2/17  
**BETA** .95 (1.00 = Market)

High: 79.0 95.3 96.1 82.7 73.7 88.2 93.7 101.7 104.8  
 Low: 55.8 69.0 56.5 61.9 55.9 67.0 77.1 84.8 86.2

LEGENDS  
 --- 7.5 x "Cash Flow" p sh  
 ... Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession



**2020-22 PROJECTIONS**

Price	120	Gain	(+45%)	Ann'l Total Return	13%
High	120	Low	100	Gain	(+20%)

**Insider Decisions**

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	1	2	1	1	1
to Sell	0	1	0	0	2	6	0	0	0

**Institutional Decisions**

	202016	3Q2016	4Q2016
to Buy	929	875	943
to Sell	972	1016	1053
Hlds	10276620849552142856		

Percent shares traded: 15, 10, 5

% TOT. RETURN 4/17  
 THIS STOCK: 1 yr. -4.3, 3 yr. -12.0, 5 yr. 10.2  
 VL ARITH. INDEX: 19.0, 25.3, 82.4

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
27.54	26.70	32.12	41.24	53.52	58.49	66.63	85.42	58.30	68.60	91.58	93.45	90.02	86.83	56.98	54.51	67.25	73.15	Sales per sh <sup>A</sup>	106.15
3.39	2.88	3.97	5.48	7.19	8.82	9.82	11.58	6.60	9.08	11.97	11.83	11.48	8.23	7.27	8.40	9.10	8.40	"Cash Flow" per sh	13.70
2.18	1.61	2.56	3.89	5.35	6.55	7.28	8.69	3.98	6.22	8.42	8.09	7.37	7.60	3.85	1.88	4.05	4.50	Earnings per sh <sup>B</sup>	8.50
.91	.92	.98	1.06	1.14	1.28	1.37	1.55	1.66	1.74	1.85	2.18	2.46	2.70	2.88	2.98	3.06	3.14	Div's Decl'd per sh <sup>C†</sup>	3.50
1.47	1.71	1.96	1.87	2.26	2.70	2.86	3.88	4.76	5.40	6.54	7.61	7.77	7.84	6.37	3.90	4.50	5.75	Cap'l Spending per sh	7.00
10.74	11.13	13.69	15.90	18.13	19.87	22.62	22.70	23.39	29.49	32.61	36.84	40.14	41.51	41.10	40.34	42.30	43.65	Book Value per sh	53.90
6809.0	6700.0	6568.0	6401.0	6133.0	5729.0	5382.0	4976.0	4727.0	4979.0	4734.0	4502.0	4335.0	4201.0	4156.0	4148.0	4237.5	4238.0	Common Shs Outst'g <sup>D</sup>	4240.0
18.9	23.4	14.1	11.7	10.9	10.0	11.4	9.5	17.8	10.5	9.5	10.7	12.3	12.8	21.5	45.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.97	1.28	.80	.62	.58	.54	.61	.57	1.19	.67	.60	.68	.69	.67	1.08	2.40			Relative P/E Ratio	.80
2.2%	2.4%	2.7%	2.3%	2.0%	2.0%	1.6%	1.9%	2.3%	2.7%	2.3%	2.5%	2.7%	2.8%	3.5%	3.5%			Avg Ann'l Div'd Yield	3.2%

**CAPITAL STRUCTURE as of 3/31/17**  
 Total Debt \$43607 mill. Due in 5 Yrs \$15732 mill.  
 LT Debt \$25124 mill. LT Interest \$585 mill.  
 (Total interest coverage: 18.6x)  
 Incl. \$1.2 bill. of capitalized leases

**Leases, Uncapitalized** Annual rentals \$1.1 bill.  
**Pension Assets-12/16** \$31.8 bill.  
**Obligation** \$45.2 bill.

**Pfd Stock** None  
**Common Stock** 4,327,265,503 shares

**MARKET CAP: \$357 billion (Large Cap)**

**CURRENT POSITION** 2015 2016 3/31/17 (\$MILL.)

Cash Assets	3705	3657	4897
Receivables	13243	21394	21842
Inventory (LIFO)	16245	10877	14873
Other	9430	5488	1519
Current Assets	42623	41416	43131
Accts Payable	24836	31191	32069
Debt Due	18762	13830	18483
Other	10378	2815	2822
Current Liab.	53976	47638	53374

358600	425071	275564	341578	433526	420714	390247	364763	236810	226094	285000	310000	Sales (\$mill) <sup>A</sup>	450000
19.2%	18.1%	13.8%	16.1%	16.1%	15.6%	14.7%	14.1%	13.1%	13.6%	16.5%	17.5%	Operating Margin	19.0%
12250	12379	11917	14760	15583	15888	17182	17297	18048	22308	18500	19500	Depreciation (\$mill)	22000
40610	45220	19280	30460	41060	37380	32580	32520	16150	7840.0	17175	19100	Net Profit (\$mill)	36000
42.4%	44.7%	43.5%	40.7%	42.4%	43.6%	42.0%	34.9%	24.7%	NMF	35.0%	40.0%	Income Tax Rate	40.0%
11.3%	10.6%	7.0%	8.9%	9.5%	8.9%	8.3%	8.9%	6.8%	3.5%	6.0%	6.2%	Net Profit Margin	8.0%
27651	23166	3174.0	d3649	d4542	321.0	d12416	d11723	d11353	d6222	d8000	d6000	Working Cap'l (\$mill)	d5000
7183.0	7025.0	7129.0	12227	9322.0	7928.0	6891.0	11653	19925	28932	27500	28500	Long-Term Debt (\$mill)	31500
121762	112965	110569	146839	154396	165863	174003	174399	170811	167325	179250	185000	Shr. Equity (\$mill)	228500
31.6%	37.9%	16.8%	19.4%	25.3%	21.7%	18.2%	17.7%	8.5%	4.1%	8.5%	9.0%	Return on Total Cap'l	14.0%
33.4%	40.0%	17.4%	20.7%	26.6%	22.5%	18.7%	18.6%	9.5%	4.7%	9.5%	10.5%	Return on Shr. Equity	16.0%
26.9%	32.6%	9.9%	14.8%	20.6%	16.3%	12.3%	11.9%	2.4%	NMF	2.5%	3.0%	Retained to Com Eq	9.5%
19%	19%	43%	29%	23%	28%	34%	36%	75%	NMF	76%	70%	All Div's to Net Prof	41%

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 of change (per sh) to '20-'22

Sales	2.5%	-2.0%	8.0%
"Cash Flow"	2.5%	-	7.0%
Earnings	-1.5%	-6.5%	11.5%
Dividends	9.5%	10.5%	3.5%
Book Value	8.5%	7.5%	4.5%

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	94344	98287	96047	76085	364763
2015	59228	65395	59866	52321	236810
2016	48707	57694	58677	61016	226094
2017	63287	68000	74000	79713	285000
2018	73500	74000	79000	83500	310000

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	2.10	2.05	1.89	1.56	7.60
2015	1.17	1.00	1.01	.67	3.85
2016	.43	.41	.63	.41	1.88
2017	.95	.95	1.05	1.10	4.05
2018	.95	1.10	1.20	1.25	4.50

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.57	.63	.63	.63	2.46
2014	.63	.69	.69	.69	2.70
2015	.69	.73	.73	.73	2.88
2016	.73	.75	.75	.75	2.98
2017	.75	.77			

**EXXON MOBIL IS CLEARLY IN RECOVERY MODE, HELPED BY BETTER OIL MARKET CONDITIONS.** Earnings are much improved with oil in the \$50-a-barrel range, after briefly falling below \$30 in early 2016. Significant cost reductions also are providing a major assist to the bottom line. We figure those trends will broadly persist for the remainder of 2017, and boost earnings per share notably.

**Assuming a modestly improved business backdrop, we look for about a 10% share-net gain in 2018.** Lately, there have been concerns that supplies of oil would outpace demand. That has kept a lid on sentiment toward the stock. But our estimates assume an adequate level of industry production discipline that, combined, with steady demand growth, will allow for reasonably profitable oil quotations and some earnings progress next year.

**Long term, the company can probably perform well even if oil price gains are subdued.** We don't expect crude oil to trade at \$100 a barrel out to 2020-2022 now that shale reserves in North America have become a factor. But stable market conditions, with oil holding in its current

range and perhaps moving toward \$60 a barrel over time, could make for a favorable environment. That is particularly the case given the company's broad exposure to oil refining and chemicals manufacturing. Steady market conditions in those lines would likely allow for modest volume growth that, together with efficiency enhancements, could contribute to notably higher earnings by early next decade. Certainly, the drilling business is being geared to be profitable at lower oil prices.

**The long-term strategy of going where the oil is remains intact.** In recent years, that has meant buying back into domestic assets, where oil and natural gas from shale are competitive on a global basis. We don't look for much in the way of volume gains from the pumping division without a major pricing incentive, though. Instead, the focus is more on productivity to ensure optimal project paybacks.

**These timely (Rank: 2) shares offer long-term conservative appeal as a core energy holding.** The stock offers attractive 3- to 5-year total return potential, particularly in view of its top quality.

*Robert Mitkowski*  
 June 2, 2017

(A) Net of gasoline excise taxes through 2015. (B) Based on diluted shares. Excludes non-recurring gains (losses): '01, 3c; '02, 7c; '03, 67c; '05, 36c; '06, 7c; '12, \$1.61. Next earnings report due late July. (C) Dividends historically paid in the second week of March, June, Sep., and Dec. (D) In mill., adjusted for split. Company's Financial Strength A++ Stock's Price Stability 95 Price Growth Persistence 25 Earnings Predictability 50