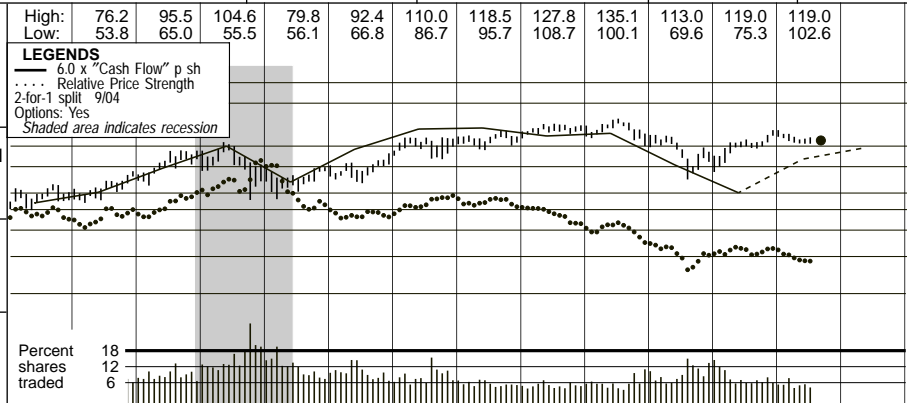


# CHEVRON CORP. NYSE-CVX

RECENT PRICE **106.36** P/E RATIO **29.6** (Trailing: 34.5 Median: 10.0) RELATIVE P/E RATIO **1.57** DIV'D YLD **4.1%** VALUE LINE

**TIMELINESS** 3 Raised 6/30/17  
**SAFETY** 1 Raised 1/4/91  
**TECHNICAL** 3 Lowered 8/11/17  
**BETA** 1.20 (1.00 = Market)



Target Price Range	2020	2021	2022
200			
160			
100			
60			
50			
40			
30			
20			

% TOT. RETURN 7/17	THIS STOCK	VL ARITH. INDEX
1 yr.	10.9	14.4
3 yr.	-4.3	26.9
5 yr.	20.7	95.3

**2020-22 PROJECTIONS**

	Price	Gain	Ann'l Total Return
High	145	(+35%)	11%
Low	120	(+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	1	2	3	1	1	1	1	0	0
to Sell	0	3	1	0	1	1	0	0	0

**Institutional Decisions**

	3Q2016	4Q2016	1Q2017
to Buy	840	909	890
to Sell	818	863	940
Hlds(000)	1160594	1203258	1322206

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	60.52	<b>71.25</b>	<b>73.80</b>	Sales per sh <sup>A</sup>	100.00
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	10.02	<b>14.45</b>	<b>16.45</b>	"Cash Flow" per sh	21.85
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	d.27	<b>3.95</b>	<b>5.15</b>	Earnings per sh <sup>B</sup>	9.50
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	4.29	<b>4.32</b>	<b>4.40</b>	Div'ds Decl'd per sh <sup>C</sup>	5.00
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	9.57	<b>10.50</b>	<b>11.00</b>	Cap'l Spending per sh	13.00
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	76.95	<b>77.05</b>	<b>77.75</b>	Book Value per sh	85.25
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	1891.5	<b>1895.0</b>	<b>1897.0</b>	Common Shs Outst'g <sup>D</sup>	1900.0
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	--	<b>Bold figures are Value Line estimates</b>	--	Avg Ann'l P/E Ratio	14.0
1.48	NMF	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	1.98	--	--	--	Relative P/E Ratio	.90
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%	4.3%	--	--	Avg Ann'l Div'd Yield	3.6%

**CAPITAL STRUCTURE as of 6/30/17**

Total Debt \$42771 mill. Due in 5 Yrs \$23086 mill.  
 LT Debt \$33989 mill. LT Interest \$796 mill.  
 (Total interest coverage: 7.4x)

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

Pfd Stock None  
 Common Stock 1,895,002,689 shs.

**MARKET CAP: \$202 billion (Large Cap)**

CURRENT POSITION (\$MILL.)	2015	2016	6/30/17
Cash Assets	11332	7001	4775
Receivables	12860	14092	13168
Inventory (LIFO)	6334	5419	6075
Other	4821	3107	2608
Current Assets	35347	29619	26626
Accts Payable	13516	13986	12057
Debt Due	4928	10840	8782
Other	8020	6959	7117
Current Liab.	26464	31785	27596

22090.4	27300.5	171636	204928	253706	241909	228848	211970	138477	114472	<b>135000</b>	<b>140000</b>	Sales (\$mill) <sup>A</sup>	190000
18.5%	19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	15.3%	<b>21.5%</b>	<b>25.0%</b>	Operating Margin	26.0%
8708.0	9528.0	12110	13063	12911	13413	14186	16793	21037	19457	<b>20000</b>	<b>21500</b>	Depreciation (\$mill)	23500
18688	23931	10483	19024	26895	26179	21423	19241	4587.0	d497.0	<b>7400</b>	<b>9750</b>	Net Profit (\$mill)	18000
41.9%	44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	38.3%	5.3%	NMF	<b>20.0%</b>	<b>32.0%</b>	Income Tax Rate	40.0%
8.5%	8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	<b>5.5%</b>	<b>7.0%</b>	Net Profit Margin	9.5%
5579.0	4447.0	11005	19829	19634	21508	17232	10306	8883.0	d2166	<b>1500</b>	<b>2500</b>	Working Cap'l (\$mill)	7000
6070.0	6083.0	10130	11289	9812.0	12065	20057	24028	33664	35286	<b>34000</b>	<b>35000</b>	Long-Term Debt (\$mill)	40000
77088	86648	91914	105081	122181	137832	150427	156191	152716	145556	<b>146000</b>	<b>147500</b>	Shr. Equity (\$mill)	162000
22.6%	26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	NMF	<b>4.5%</b>	<b>5.0%</b>	Return on Total Cap'l	9.0%
24.2%	27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	3.0%	NMF	<b>5.0%</b>	<b>6.5%</b>	Return on Shr. Equity	11.0%
18.0%	21.7%	5.6%	12.7%	17.0%	14.0%	9.3%	7.2%	NMF	NMF	<b>NMF</b>	<b>1.0%</b>	Retained to Com Eq	5.0%
26%	22%	51%	30%	23%	26%	35%	41%	NMF	NMF	<b>NMF</b>	<b>85%</b>	All Div'ds to Net Prof	53%

**CHEVRON CORP.** is the world's fourth-largest oil company based on proven reserves. Daily production in 2016: oil, 1.7 million barrels (-1% vs. '15); natural gas, 5.3 billion cubic feet (flat vs. '15). Daily refinery input, 1.7 million barrels (-1% vs. '15). Daily sales of refinery products, 2.7 million barrels (-2% vs. '15). Reserves at 12/31/16: 11.1 billion barrels of oil equivalent, 57% liquids, 43% 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.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-'22

Sales	--	-5.0%	3.5%
"Cash Flow"	4.5%	-2.0%	7.5%
Earnings	-5.0%	-15.0%	15.0%
Dividends	9.0%	8.5%	2.5%
Book Value	12.0%	8.5%	1.0%

**Chevron looks to have fully turned the page from the loss-generating period from late-2015 to the first half of 2016.** The company recorded earnings per share of \$0.77 for the June quarter, putting in the past the last negative bottom-line comparison. It took a substantial amount of belt-tightening by the company to lower its break-even point for a given level of oil prices. But that is what was called for in this era of quotations at half of the value of a few years earlier. **That said, we are reducing our near-term estimates as momentum in crude oil prices has stalled.** We now look for share net of \$3.95 in 2017 and \$5.15 in 2018, each year down \$0.60, owing to this year's pullback in oil prices. Clearly, the dependence on price realizations affects the stock's performance. The issue's price is not that much different than five years earlier, while its price-earnings ratio is significantly higher. That suggests the shares are drawing support from their good dividend yield, and that investors may well be expecting better times ahead. **Our 3- to 5-year earnings projection of just under \$10 a share remains intact.**

In conjunction with more efficient operations, our long-term assumption is that crude oil prices will be somewhat higher, possibly in the \$60-a-barrel range in a few years. Reductions in oil-well investments now occurring could support higher realizations down the road. Of course, there is a degree of uncertainty with long-range pricing forecasts, but that goes with the territory when considering oil-related shares, such as Chevron. **The company is well-positioned to weather the current off-peak environment.** Corporate finances are strong, and are more focused on generating cash from shorter-duration projects these days. Note that Chevron just got past a period of major long-term investments in LNG ventures in Australia that are starting to deliver on their promise. Even so, dividend growth may remain slower than in the past until profits perk up. **These high-quality shares are suitable for patient, conservative investors on the basis of solid total return potential.** The stock does not stand out for the year ahead, though (Timeliness: 3).

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	53265	57938	54679	46088	211970
2015	34558	40357	34315	29247	138477
2016	23553	29282	30140	31497	114472
2017	33421	34480	<b>33750</b>	<b>33349</b>	<b>135000</b>
2018	<b>35000</b>	<b>35000</b>	<b>35000</b>	<b>35000</b>	<b>140000</b>

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.68	.22	d.27
2017	1.41	.77	.85	.92	<b>3.95</b>
2018	<b>1.05</b>	<b>1.30</b>	<b>1.35</b>	<b>1.45</b>	<b>5.15</b>

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.07	1.08	4.29
2017	1.08	1.08			

**Robert Mitkowski** September 1, 2017

**Company's Financial Strength** A++  
**Stock's Price Stability** 75  
**Price Growth Persistence** 25  
**Earnings Predictability** 10

(A) Based on diluted shares. Includes non-recurring loss of \$1.41 in '01. Next earnings report due late October. (B) Dividends historically paid on or about 10th of March, June, September, and December. (C) In millions, adj. for stock split. Dividend reinvestment plan available. © 2017 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product. To subscribe call 1-800-VALUELINE