

CHEVRON CORP. NYSE-CVX

RECENT PRICE **114.72** P/E RATIO **26.0** (Trailing: 33.4 Median: 10.0) RELATIVE P/E RATIO **1.31** DIV'D YLD **3.8%**

VALUE LINE

TIMELINESS 3 Raised 6/30/17
SAFETY 1 Raised 1/4/91
TECHNICAL 3 Raised 12/1/17
BETA 1.20 (1.00 = Market)

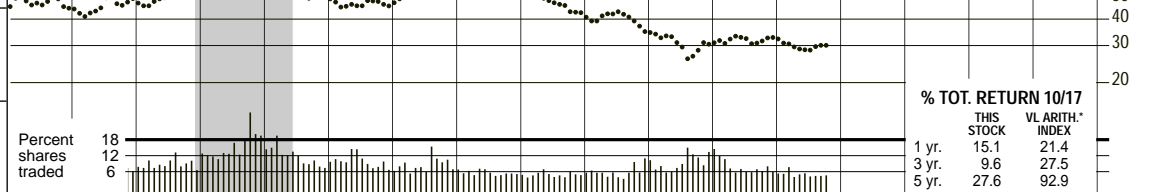
High: 76.2 95.5 104.6 79.8 92.4 110.0 118.5 127.8 135.1 113.0 119.0 120.9
 Low: 53.8 65.0 55.5 56.1 66.8 86.7 95.7 108.7 100.1 69.6 75.3 102.6

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

2020-22 PROJECTIONS
 Price 145 (+25%)
 Gain (+5%)
 Ann'l Total Return 9%
 High 145
 Low 120

Insider Decisions
 J F M A M J J A S
 to Buy 0 0 0 0 0 0 0 0 0
 Options 1 1 1 0 0 1 0 3 0
 to Sell 0 1 1 0 0 0 0 3 0

Institutional Decisions
 4Q2016 1Q2017 2Q2017
 to Buy 909 890 899
 to Sell 863 940 897
 Hlds(000) 120325813222061314182



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	74.20	79.45	Sales per sh ^A	102.65
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	14.80	16.55	"Cash Flow" per sh	21.60
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	4.25	5.15	Earnings per sh ^B	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	4.32	4.40	Div'ds Decl'd per sh ^C	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	10.00	10.00	Cap'l Spending per sh	12.50
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	77.35	78.15	Book Value per sh	86.05
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	1900.0	1900.0	Common Shs Outst'g ^D	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	--	Bold figures are Value Line estimates	--	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 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: \$218 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2015	2016	9/30/17
Cash Assets	11332	7001	6654
Receivables	12860	14092	14124
Inventory (LIFO)	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

22090.4	27300.5	171636	204928	253706	241909	228848	211970	138477	114472	141000	151000	Sales (\$mill) ^A	195000
18.5%	19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	15.3%	21.5%	24.5%	Operating Margin	27.5%
8708.0	9528.0	12110	13063	12911	13413	14186	16793	21037	19457	20000	21500	Depreciation (\$mill)	23000
18688	23931	10483	19024	26895	26179	21423	19241	4587.0	d497.0	8100	9800	Net Profit (\$mill)	18000
41.9%	44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	38.3%	5.3%	NMF	20.0%	35.0%	Income Tax Rate	40.0%
8.5%	8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	5.7%	6.5%	Net Profit Margin	9.2%
5579.0	4447.0	11005	19829	19634	21508	17232	10306	8883.0	d2166	1500	2500	Working Cap'l (\$mill)	7000
6070.0	6083.0	10130	11289	9812.0	12065	20057	24028	33664	35286	34000	35000	Long-Term Debt (\$mill)	40000
77088	86648	91914	105081	122181	137832	150427	156191	152716	145556	146000	148500	Shr. Equity (\$mill)	163500
22.6%	26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	NMF	4.5%	5.5%	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	5.5%	6.5%	Return on Shr. Equity	11.0%
18.0%	21.7%	5.6%	12.7%	17.0%	14.0%	9.3%	7.2%	NMF	NMF	NMF	10.0%	Retained to Com Eq	5.0%
26%	22%	51%	30%	23%	26%	35%	41%	NMF	NMF	NMF	102%	All Div'ds to Net Prof	53%

BUSINESS: Chevron Corp. is the world's fourth-largest oil company based on proven reserves. Daily production in 2016: oil, 1.7 mill. barrels (-1% vs. '15); natural gas, 5.3 bill. 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%	4.0%
"Cash Flow"	4.5%	-2.0%	7.0%
Earnings	-5.0%	-15.0%	15.0%
Dividends	9.0%	8.5%	2.5%
Book Value	12.0%	8.5%	1.0%

QUARTERLY SALES (\$ mill.) ^A

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	36205	36894	141000
2018	37000	37500	38000	38500	151000

EARNINGS PER SHARE ^B

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	1.03	1.04	4.25
2018	1.10	1.25	1.35	1.45	5.15

QUARTERLY DIVIDENDS PAID ^C

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	1.08		

Chevron looks to be finishing 2017 in fine fashion. Higher crude oil prices are a major plus, of course. But the company is also pumping more oil and natural gas on a combined basis. Demand for petroleum products is on the upswing, too, owing to gains in the global economy. For the full year, we estimate a 20%-25% rise in sales, and it is clear that a significant bottom-line turnaround is in progress.

A new chief executive is set to take over early in 2018. Effective February 1st, Michael Wirth will become CEO. His background in pipelines and refineries, where cost controls are strongly emphasized, points to a continued focus on internal efficiency. That is a sign of the times in the oil business, which is still recovering from a deep slump in price realizations. Meantime, Chevron remains in a controlled spending mode following the completion of a sizable expansion phase.

Momentum appears set to proceed into the new year. Production growth is in full swing as a couple of giant liquefied natural gas (LNG) plants in Australia ramp up. The development of wells in the Permian Basin should also make a mate-

rial contribution to pumping volume. Overall, combined oil and gas output has the potential to increase by up to 10% in 2018, not counting an undetermined amount of asset sales. Out to 2020-2022, volume growth ought to be in the neighborhood of 5%-6% annually, underpinning the steady earnings advances we envision.

Rising cash flow should allow for more-generous dividend expansion. The company last raised the payout by a penny a share in 2016. That kept the string of year-to-year increases intact with a minimum of expense. But with the large upfront costs of the major LNG initiatives in the past, capital spending requirements are less at a time when oil prices are recovering to an extent. We figure the uptick in cash available will lead to heftier dividend hikes in the coming years.

These top-quality shares offer good current income and risk-adjusted total return possibilities. Chevron is well positioned to benefit from a rising production profile, as well as any further gains in oil prices. The stock is only neutrally ranked (3) for Timeliness, though.

Robert Mitkowski
 December 1, 2017

(A) Based on diluted shares. Includes non-recurring loss of \$1.41 in '01. Next earnings report due late January.
 (B) Dividends historically paid on or about 10th of March, June, September, and December. Dividend reinvestment plan available.
 (C) In millions, adj. for stock split.

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Company's Financial Strength	A++
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	5

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