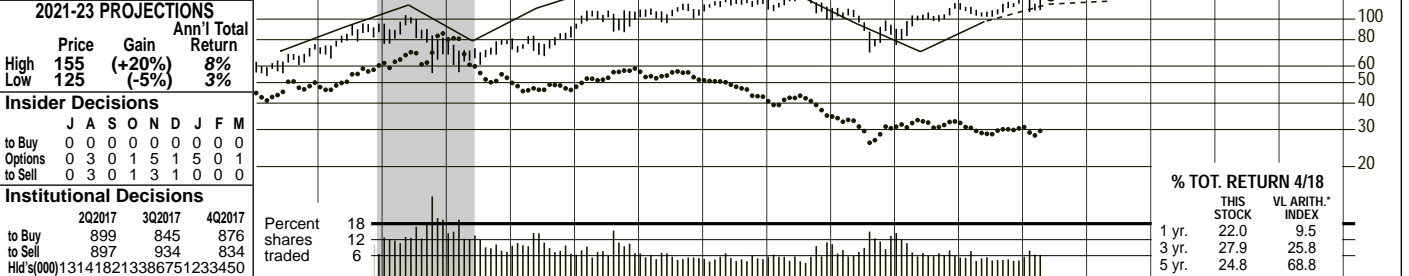


CHEVRON CORP. NYSE-CVX

RECENT PRICE **128.23** P/E RATIO **17.3** (Trailing: 30.0 Median: 11.0) RELATIVE P/E RATIO **0.96** DIV'D YLD **3.5%** VALUE LINE

TIMELINESS 3 Lowered 2/9/18	High: 95.5 104.6 79.8 92.4 110.0 118.5 127.8 135.1 113.0 119.0 126.2 133.9	Target Price Range 2021 2022 2023
SAFETY 1 Raised 1/4/91	Low: 65.0 55.5 56.1 66.8 86.7 95.7 108.7 100.1 69.6 75.3 102.6 108.0	
TECHNICAL 3 Raised 6/1/18	LEGENDS 7.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession	
BETA 1.20 (1.00 = Market)		



2021-23 PROJECTIONS		© VALUE LINE PUB. LLC 21-23																				
Price	Gain	Ann'l Total Return	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	21-23	
High 155	(+20%)	8%	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	74.41	81.65	83.55	Sales per sh ^A	101.30
Low 125	(-5%)	3%	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	13.93	16.80	17.40	"Cash Flow" per sh	21.45
			.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	3.79	7.40	7.50	Earnings per sh ^B	10.00
			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	4.48	4.56	Div'ds Decl'd per sh ^C	5.00
			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	7.04	10.00	10.50	Cap'l Spending per sh	12.50
			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	77.77	80.55	83.30	Book Value per sh	94.40
			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	1904.7	1911.0	1915.0	Common Shs Outst'g ^D	1925.0
			74.4	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	--	29.4			Avg Ann'l P/E Ratio	14.0
			4.06	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	1.98	--	1.48			Relative P/E Ratio	.80
			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%	3.9%			Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 3/31/18		© VALUE LINE PUB. LLC 21-23																		
Total Debt \$39655 mill. Due in 5 Yrs \$21350 mill.		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	21-23
LT Debt \$31054 mill. LT Interest \$900 mill.		273005	171636	204928	253706	241909	228848	211970	138477	114472	141722	156000	160000	Sales (\$mill) ^A	195000					
(Total interest coverage: over 25x)		19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	15.3%	20.4%	24.5%	25.0%	Operating Margin	25.0%					
(17% of Cap'l)		9528.0	12110	13063	12911	13413	14186	16793	21037	19457	19349	18000	19000	Depreciation (\$mill)	23000					
		23931	10483	19024	26895	26179	21423	19241	4587.0	d497.0	7175.0	14125	14375	Net Profit (\$mill)	19250					
		44.3%	43.4%	40.7%	43.5%	40.3%	38.3%	5.3%	21.4%	28.0%	28.0%	Income Tax Rate	28.0%							
		8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	5.1%	9.1%	9.0%	Net Profit Margin	9.9%					
		4447.0	11005	19829	19634	21508	17232	10306	8883.0	d2166	823.0	1100	1500	Working Cap'l (\$mill)	5000					
		6083.0	10130	11289	9812.0	12065	20057	24028	33664	35286	33571	31000	31000	Long-Term Debt (\$mill)	40000					
		86648	91914	105081	122181	137832	150427	156191	152716	145556	148124	153900	159500	Shr. Equity (\$mill)	181750					
		26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	NMF	4.2%	7.5%	7.5%	Return on Total Cap'l	9.0%					
		27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	3.0%	NMF	4.8%	9.0%	9.0%	Return on Shr. Equity	10.5%					
		21.7%	5.6%	12.7%	17.0%	14.0%	9.3%	7.2%	NMF	NMF	NMF	3.5%	3.5%	Retained to Com Eq	5.5%					
		22%	51%	30%	23%	26%	35%	41%	NMF	NMF	113%	61%	61%	All Div'ds to Net Prof	50%					

Leases, Uncapitalized Annual rentals \$693 mill.
Pension Assets-12/17 \$14.7 bill. **Oblig.** \$19.1 bill.
Pfd Stock None
Common Stock 1,910,956,734 shs.
MARKET CAP: \$245 billion (Large Cap)

BUSINESS: Chevron Corp. is the one of the world's largest oil companies, based on proven reserves. Daily production in 2017: oil, 1.7 mill. barrels (flat vs. '16); natural gas, 6.0 bill. cubic feet (+15% vs. '16). Daily refinery input, 1.7 million barrels (flat vs. '16). Daily sales of refinery products, 2.7 million barrels (flat vs. '16). Proved reserves at 12/31/17: 11.7 billion barrels of oil equivalent, 56% liquids, 44% gas. (Affiliated companies account for 20% of total reserves.) Owns 50% interest in ChevronPhillips Chemical Co. Has approx. 51,900 employees. Vanguard owns 6.9% of stock; BlackRock, 6.4%; State Street, 6.2% (4/18 proxy). Chairman and CEO: Michael K. Wirth, 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 '15-'17 to '21-'23
of change (per sh)				
Sales	-3.0%	-10.0%	6.5%	
"Cash Flow"	1.5%	-8.0%	9.5%	
Earnings	-12.5%	-30.5%	NMF	
Dividends	8.0%	6.5%	2.5%	
Book Value	9.5%	5.0%	3.0%	

QUARTERLY SALES (\$ mill.) ^A		Full Year			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	34558	40357	34315	29247	138477
2016	23553	29282	30140	31497	114472
2017	33421	34480	36205	37616	141722
2018	37764	39500	39500	39236	156000
2019	40000	40500	40000	39500	160000

EARNINGS PER SHARE ^B		Full Year			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.58	3.79
2018	1.90	1.90	1.80	1.80	7.40
2019	1.90	1.90	1.85	1.85	7.50

QUARTERLY DIVIDENDS PAID ^C		Full Year			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.08	4.32
2018	1.12				

Chevron is headed for a strong year of profits, assuming the swing toward higher oil quotations proves sustainable. The company is geared toward the upstream end of the petroleum business, with oil and gas pumping making up more than 80% of productive assets. That being the case, higher crude oil prices flow nicely to the bottom line. We now look for earnings per share to surpass \$7.00 in 2018, and a similar level seems likely next year. That is premised on continued strong demand for oil products and output restraint on the part of OPEC.

The company's success in the field is also contributing to performance. Combined oil and natural gas production rose 6.3% in the year's first three months. That is a solid gain, particularly for a large, integrated oil company, such as Chevron. A number of competitors have had difficulty posting any increases. The higher production was largely attributable to output from a pair of liquefied natural gas (LNG) ventures ramping up in Australia and development of shale properties in the U.S. Permian Basin. Prospects are good for mid-single-digit annual oil and

gas production gains for another couple of years, which is an uplifting outlook. **Downstream operations are more of a sideline these days, but over time provide a hedge to oil price movements.** Refining and marketing profits may be flat to lower this year, as higher oil prices crimp margins. This line provides a cushion when oil prices fall, though. Meanwhile, one notable expansion is taking place in chemicals manufacturing, where a major upgrade to a Louisiana facility should help lift profits.

What to do with excess cash flow is a nice problem to have. For now, we look for some debt reduction to occur and for another healthy increase in the dividend in 2019. Share repurchases might be further down the road, assuming oil prices remain near recent levels, but we won't project any until they are announced.

High-quality Chevron stock is suitable for conservative investors stressing income and dividend growth. But, barring further strength in oil prices, the shares do not stand out for performance (Timeliness: 3)
Robert Mitkowski June 1, 2018