

TIMELINESS <b>2</b> Raised 6/15/18	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		
SAFETY <b>1</b> 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	2021	2022	2023
TECHNICAL <b>2</b> Raised 8/31/18	<b>LEGENDS</b> — 7.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession														
BETA 1.20 (1.00 = Market)															

<b>2021-23 PROJECTIONS</b>													% TOT. RETURN 7/18																																																									
Price	Gain	Ann'l Total Return											THIS STOCK	VL ARITH. INDEX																																																								
High <b>160</b>	<b>(+35%)</b>	<b>11%</b>											1 yr. 20.1	15.0																																																								
Low <b>130</b>	<b>(+10%)</b>	<b>6%</b>											3 yr. 61.8	37.8																																																								
<b>Insider Decisions</b>													5 yr. 22.1		64.7																																																							
<table border="1"> <tr> <th></th> <th>O</th> <th>N</th> <th>D</th> <th>J</th> <th>F</th> <th>M</th> <th>A</th> <th>M</th> <th>J</th> <th colspan="4"></th> </tr> <tr> <td>to Buy</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td colspan="4"></td> </tr> <tr> <td>Options</td> <td>1</td> <td>5</td> <td>1</td> <td>5</td> <td>0</td> <td>1</td> <td>1</td> <td>6</td> <td>10</td> <td colspan="4"></td> </tr> <tr> <td>to Sell</td> <td>1</td> <td>3</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>1</td> <td>6</td> <td>1</td> <td colspan="4"></td> </tr> </table>														O	N	D	J	F	M	A	M	J					to Buy	0	0	0	0	0	0	0	0	0					Options	1	5	1	5	0	1	1	6	10					to Sell	1	3	1	0	0	0	1	6	1						
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2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC		21-23
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	<b>89.25</b>	<b>94.45</b>	Sales per sh <sup>A</sup>	<b>105.40</b>	
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	<b>17.20</b>	<b>18.55</b>	"Cash Flow" per sh	<b>21.90</b>	
.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	<b>7.90</b>	<b>8.50</b>	Earnings per sh <sup>B</sup>	<b>10.00</b>	
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	<b>4.48</b>	<b>4.56</b>	Div's Decl'd per sh <sup>C</sup>	<b>5.00</b>	
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	<b>10.00</b>	<b>10.50</b>	Cap'l Spending per sh	<b>12.50</b>	
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	<b>80.25</b>	<b>83.65</b>	Book Value per sh	<b>96.50</b>	
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	<b>1905.0</b>	<b>1885.0</b>	Common Shs Outst'g <sup>D</sup>	<b>1850.0</b>	
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	<b>29.4</b>	<b>29.4</b>	Avg Ann'l P/E Ratio	<b>14.5</b>	
4.06	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	1.98	--	1.48	<b>1.48</b>	<b>1.48</b>	Relative P/E Ratio	<b>.80</b>	
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%	<b>3.9%</b>	<b>3.9%</b>	Avg Ann'l Div'd Yield	<b>3.6%</b>	

CAPITAL STRUCTURE as of 6/30/18										2017		2018		2019		Sales (\$mill) <sup>A</sup>		195000						
Total Debt \$38377 mill. Due in 5 Yrs \$21350 mill.										19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	15.3%	20.4%	<b>23.5%</b>	<b>24.0%</b>	Operating Margin	<b>25.0%</b>	
LT Debt \$29779 mill. LT Interest \$900 mill.										9528.0	12110	13063	12911	13413	14186	16793	21037	19457	19349	<b>17800</b>	<b>19000</b>	Depreciation (\$mill)	<b>23000</b>	
(Total interest coverage: over 25x)										23931	10483	19024	26895	26179	21423	19241	4587.0	d497.0	7175.0	<b>15000</b>	<b>16000</b>	Net Profit (\$mill)	<b>18500</b>	
(16% of Cap'l)										44.3%	43.4%	40.7%	43.5%	43.0%	40.3%	38.3%	5.3%	5.3%	21.4%	<b>29.0%</b>	<b>28.0%</b>	Income Tax Rate	<b>28.0%</b>	
Leases, Uncapitalized Annual rentals \$693 mill.										8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	5.1%	<b>8.8%</b>	<b>9.0%</b>	Net Profit Margin	<b>9.5%</b>	
Pension Assets-12/17 \$14.7 bill. Oblig. \$19.1 bill.										4447.0	11005	19829	19634	21508	17232	10306	8883.0	d2166	823.0	<b>2500</b>	<b>3000</b>	Working Cap'l (\$mill)	<b>5000</b>	
Pfd Stock None										6083.0	10130	11289	9812.0	12065	20057	24028	33664	35286	33571	<b>30000</b>	<b>30000</b>	Long-Term Debt (\$mill)	<b>35000</b>	
Common Stock 1,916,147,100 shs.										86648	91914	105081	122181	137832	156191	152716	145556	148124	<b>152900</b>	<b>157700</b>	Shr. Equity (\$mill)	<b>178500</b>		
MARKET CAP: \$226 billion (Large Cap)										26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	NMF	4.2%	<b>8.5%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>9.0%</b>	
CURRENT POSITION										27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	3.0%	NMF	4.8%	<b>10.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>10.5%</b>	
(SMILL.)										22%	51%	30%	23%	26%	35%	41%	NMF	NMF	NMF	<b>4.5%</b>	<b>4.5%</b>	Retained to Com Eq	<b>5.0%</b>	
Cash Assets										7001	4822	7686												
Receivables										14092	15353	16672												
Inventory										5419	5585	6644												
Other										3107	2800	3254												
Current Assets										29619	28560	34256												
Accts Payable										13986	14565	15772												
Debt Due										10840	5192	8598												
Other										6959	7980	7542												
Current Liab.										31785	27737	31862												

**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.

**Chevron is well on its way toward a strong year of earnings performance.** Improved price realizations are spearheading much of the progress, with modestly rising oil and natural gas production providing a supporting role. Overall, we now estimate that earnings will more than double in 2018, to \$7.90 a share. Assuming crude oil prices hold fairly steady, a nice followup profit advance appears on tap for 2019.

**A sign that better times have arrived is the reinstatement of the share-repurchase program.** Chevron is starting to buy back stock to reduce the share count for the first time since 2014, when oil prices were higher. The company is allocating \$3 billion a year for the initiative, which indicates that it is generating sizable free cash flow. At the same time, capital expenditures are likely to remain near their current level through 2019.

**The company is reaping the fruits of past investments.** The ramp-up of a pair of large LNG projects in Australia is chipping in with higher volume, as is increased drilling at Chevron's strong legacy position in the Permian Basin in Texas. In 2019, a pair of undertakings in the Gulf of Mexico should lift combined oil and natural gas production incrementally. The positive takeaway for the pumping business is that production could rise 5% a year for the next couple of years, excluding asset sales.

**Longer term, expansion of the Tengiz field in Kazakhstan offers the most upside.** Completion is slated for 2022, but there are concerns that development costs for the project are rising. Other drilling ventures, in the Gulf of Mexico and west of the Shetland Islands, may also chip in added production. Downstream, Chevron plans to capitalize on low natural gas prices stateside by building up its chemicals manufacturing facilities along the Gulf Coast. In all, we project healthy profit progress to 2021-2023, assuming steadily rising demand for petroleum products.

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
<b>QUARTERLY SALES (\$ mill.) <sup>A</sup></b>					
2015	34558	40357	34315	29247	138477
2016	23553	29282	30140	31497	114472
2017	33421	34480	36205	37616	141722
2018	37764	42236	<b>45000</b>	<b>45000</b>	<b>170000</b>
2019	<b>43500</b>	<b>43500</b>	<b>45500</b>	<b>45500</b>	<b>178000</b>
<b>EARNINGS PER SHARE <sup>B</sup></b>					
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	1.78	<b>2.10</b>	<b>2.12</b>	<b>7.90</b>
2019	<b>2.05</b>	<b>2.10</b>	<b>2.15</b>	<b>2.20</b>	<b>8.50</b>
<b>QUARTERLY DIVIDENDS PAID <sup>C</sup></b>					
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	1.12			

**Blue-chip Chevron shares are now timely (Rank: 2).** The stock should do relatively well under a favorable scenario for oil prices and the economy. The issue's good dividend yield and prospects for growth in the payout also have appeal for conservative, income-oriented investors.

*Robert Mitkowski*  
August 31, 2018