

gas, 10.2 billion cubic feet (+1% vs. '16). On an oil-equivalent basis, total production fell 2% in '17. Daily refinery runs, 4.3 million barrels (flat vs. '16); product sales, 5.5 mill. bbls (flat vs. '16). Chemical sales, 25.4 mill. tonnes (+2% vs. '16). Proved reserves at

Oil (Canada). Vanguard owns 7.5% of stock; BlackRock, 6.1%; State Street, 5.0% (4/18 Proxy). Employs 71,100. Chrmn., Pres., and CEO: Darren Woods. Inc.: NJ. Addr.: 5959 Las Colinas Blvd., Irving, TX 75039-2298. Tel.: 972-444-1000. www.exxonmobil.com.

3045 57231 **ANNUAL RATES** Past Est'd '15-'17 Past 10 Yrs. -0.5% -1.0% -7.5% 5 Yrs. -8.0% of change (per sh) to '21-'23 9.0% 9.0% 18.5% Sales "Cash Flow" -6.5% -17.0% Earnings Dividends Book Value

6646

47134

36796

17390

41416

22549

13830

11259

47638

**Current Assets** 

Accts Payable Debt Due

Current Liab.

50555

38490

20500

62447

Cal-	QUARTERLY SALES (\$ mill.)A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2015	59228	65395	59866	52321	236810
2016	48707	57694	58677	61016	226094
2017	58522	58142	61184	66515	244363
2018	68211	73501	72000	73288	287000
2019	73000	75000	75000	77000	300000
Cal-	EARNINGS PER SHARE B				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2015	1.17	1.00	1.01	.67	3.85
2016	.43	.41	.63	.41	1.88
2017	.95	.78	.93	.58	3.24
2018	1.09	.92	1.25	1.29	4.55
2019	1.20	1.25	1.25	1.30	5.00
Cal-	QUARTERLY DIVIDENDS PAID C=†				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2014	.63	.69	.69	.69	2.70
2015	.69	.73	.73	.73	2.88
2016	.73	.75	.75	.75	2.98
2017	.75	.77	.77	.77	3.06
2018	.77	.82			

Exxon Mobil now is enjoying muchimproved results, largely on the strength of higher oil prices. The company is on track to earn in the neighborhood of \$4.55 a share in 2018, which would be 40% above the prior-year tally. That would represent its best annual performance since 2014, when crude oil quotations were even higher. Moreover, absent extra refinery maintenance costs incurred in the first half of 2018, quarterly share net of around \$1.25 may be achievable through 2018 under current industry parameters. That would suggest progressively higher earnings next year.

Investors are unimpressed, though. A 7% decline in combined second-quarter oil and gas production versus the year earlier created a sense of vulnerability at the oil giant. In a broader sense, too, the company in recent years has turned to acquisitions to fuel growth and has had to write down assets. Such moves were rare in the past, making it seem like Exxon has come back to the pack after years of being regarded as head-and-shoulders above its peers. Unimpressive returns on capital have also led to a flattish stock price.

Still, we get a sense of long-term value **here.** Beginning with the dividend, the high yield provides good income, with particular appeal for conservative investors, given the company's strong financial profile. Then, too, Exxon is going against the grain in the industry by increasing spending to boost its oil-pumping and chemicals manufacturing capabilities. The goal is to double profits in about five years, and we figure that objective is within reach, assuming global economic growth supports healthy petroleum product demand.

These high-quality shares offer very good total-return possibilities out to 2021-2023, with a reduced level of risk (Safety: 1). Exxon Mobil provides a unique blend of world-class oil producing, refining, and chemicals operations not found elsewhere. True, shares of some smaller oil companies have been rewarded more lately for being nimble, but the scope of Exxon's operations gives the company greater profit potential over time. That may fit the bill for risk-averse investors with a long time horizon. But, in the near term, the stock is not timely (Rank: 3). Robert Mitkowski August 31, 2018

(A) Net of gasoline excise taxes through 2015. (B) Based on diluted shares. Excludes nonrecurring gains (losses): '02, 7¢; '03, 67¢; '05, 36¢; '06, 7¢; '12, \$1.61; '17, \$1.29.

Next earnings report due late October.
(C) Dividends historically paid in the second week of March, June, Sep., and Dec. ■Dividend reinvestment plan available.

† Stock Purchase Plan available w/o broker. (D) In mill., adjusted for split.

Company's Financial Strength Stock's Price Stability A++ 95 Price Growth Persistence 10 **Earnings Predictability** 45