| CHEVRON CORP: nyse-cvx |  |  |  |  |  |  |  | $\begin{aligned} & \text { RECENT } \\ & \text { PRICE } \end{aligned} 1 \mathbf{1 9 , 3}$ |  | $\begin{aligned} & \text { P/E } \\ & \text { RATIO } \\ & 16.6\binom{\text { Trailing: } 15.4}{\text { Median: } 11.0} \end{aligned}$ |  |  |  | $\begin{aligned} & \text { RELATIVE } 0.96 \\ & \text { P/E RATIO } 0.96 \end{aligned}$ |  | $\begin{array}{ll} \text { DIV'D } \\ \text { YLD } & 4.0 \% \end{array}$ |  |  | $\begin{aligned} & \text { VALUE } \\ & \text { LINE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TIMELIN |  | Raised 2 |  | High: Low: | $\begin{array}{r} 104.6 \\ 55.5 \end{array}$ | $\begin{array}{r} 79.8 \\ 56.1 \\ \hline \end{array}$ | 92.4 66.8 | $\begin{array}{r} 110.0 \\ 86.7 \end{array}$ | $\begin{array}{r} 118.5 \\ 95.7 \end{array}$ | $\begin{aligned} & 127.8 \\ & 108.7 \end{aligned}$ | $\begin{aligned} & \hline 135.1 \\ & 100.1 \end{aligned}$ | $\begin{array}{r} \hline 113.0 \\ 69.6 \end{array}$ | $\begin{array}{r} 119.0 \\ 75.3 \end{array}$ | $\begin{aligned} & 126.2 \\ & 102.6 \end{aligned}$ | $\begin{aligned} & 133.9 \\ & 100.2 \end{aligned}$ | $\begin{aligned} & 120.4 \\ & 107.1 \end{aligned}$ |  |  | Target Pric $2022 \mid 202$ | Range 2024 |
| SAFETY <br> TECHNICA | CAL | Raised 1 <br> Lowered |  | LEGENDS <br> - $7.0 \times$ "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $-200$ |
| BETA | $20 \quad(1.00=$ | Market) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -160 |
|  | $2-24 \text { PRC }$ | ECTIO |  |  |  |  |  |  |  |  |  |  |  | , | Tr |  |  |  |  | -100 |
|  |  |  | 'l Total |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -80 |
| High |  | $\begin{aligned} & \text { in } \\ & 0 \% \end{aligned}$ |  | 川 |  | +110 |  |  |  |  |  |  |  |  |  |  |  |  |  | 60 |
| Low | 30 | \%) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 50 |
| Insider Decisions |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 40 |
|  | A M J | J A S | N D |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 30 |
| $\begin{array}{\|l\|l} \text { to Buy } \\ \text { Options } \end{array}$ | $\begin{array}{llll}0 & 0 \\ 1 & 610\end{array}$ | $\begin{array}{llll}0 & 0 & 0 \\ 1 & 0 & 1\end{array}$ | $\begin{array}{llll}0 & 0 & 0 \\ 1 & 0 & 8 \\ 1 & 0\end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  | \% TOT. RETURN $1 / 19$ |  | -20 |
| to Sell | 161 | 101 | 101 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Institutional Decisions |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | THIS VLARITH. |  |
|  |  | 202018 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $\begin{array}{cc}\text { STOCK } & \text { INDEX } \\ -5.0 & -4.5\end{array}$ |  |
| to Buy to Sell | 1006 | 1001 | 983 | shares traded |  |  |  |  |  |  |  |  |  |  |  |  |  | 3 yr . | $49.5 \quad 46.9$ |  |
| Hld's (000) 1 | 237268 | 2506641 | 42573 |  |  |  |  |  |  |  |  |  |  | \||岒|1 |  |  | 5 yr . | $25.3 \quad 40.8$ |  |  |
| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | $\bigcirc$ | LINE PUB.L | 2-24 |
| 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 | 87.30 | 89.70 | 92.85 | Sales p | sh A | 102.70 |
| 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 | 18.00 | 17.80 | 18.75 | "Cash | low" per sh | 21.40 |
| 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 | 7.74 | 7.25 | 8.00 | Earning | per sh ${ }^{\text {B }}$ | 9.50 |
| 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 | 4.76 | 4.95 | Div'ds D | ecl'd per sh C- | 5.50 |
| 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 | 7.25 | 8.00 | 8.50 | Cap'IS | ending per sh | 11.00 |
| 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 | 81.65 | 83.95 | 86.80 | Book Va | ue per sh | 97.85 |
| 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 | 1905.0 | 1895.0 | 1885.0 | Commo | Shs Outst'g D | 1850.0 |
| 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 | 15.5 | Bold figures are Value Line estimates |  | Avg Ann'I P/E Ratio Relative P/E Ratio Avg Ann'I Div'd Yield |  | 15.0 |
| . 58 | . 40 | . 47 | . 44 | . 50 | . 44 | . 89 | . 52 | . 47 | . 52 | . 61 | . 63 | 1.98 |  | 1.48 | . 84 |  |  | . 85 |  |
| 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\% | 3.7\% |  |  | 3.9\% |  |
| CAPITAL STRUCTURE as of $9 / 30 / 18$ Total Debt $\$ 35975$ mill. Due in 5 Yrs $\$ 21350$ mill. LT Debt $\$ 29854$ mill. LT Interest $\$ 900$ mill. (Total interest coverage: over 25x) <br> (16\% of Cap') |  |  |  |  |  | 171636 | 204928 | 253706 | 241909 | 228848 | 211970 | 138477 | 114472 | 141722 | 166339 | 170000 | 175000 |  |  | Sales | nill) A | 190000 |
|  |  |  |  |  |  | 18.2\% | 22.3\% | 24.0\% | 24.9\% | 22.2\% | 23.2\% | 19.7\% | 15.3\% | 20.4\% | 24.0\% | 23.5\% | 24.0\% |  |  | Operating | M Margin | 25.0\% |
|  |  |  |  |  |  | 12110 | 13063 | 12911 | 13413 | 14186 | 16793 | 21037 | 19457 | 19349 | 19419 | 20000 | 20250 | Deprec | tion (\$mill) | 22000 |
|  |  |  |  |  |  | 10483 | 19024 | 26895 | 26179 | 21423 | 19241 | 4587.0 | d497.0 | 7175.0 | 14824 | 13750 | 15000 | Net Pro | (\$mill) | 17600 |
|  |  |  |  |  |  | 43.4\% | 40.7\% | 43.5\% | 43.5\% | 40.3\% | 38.3\% | 5.3\% |  | 21.4\% | 28.0\% | 28.0\% | 28.0\% | Income | ax Rate | 28.0\% |
| Leases, Uncapitalized Annual rentals $\$ 693$ mill. Pension Assets-12/17 $\$ 14.7$ bill. Oblig. $\$ 19.1$ bill. |  |  |  |  |  | 6.1\% | 9.3\% | 10.6\% | 10.8\% | 9.4\% | 9.1\% | 3.3\% | NMF | 5.1\% | 8.9\% | 8.1\% | 8.6\% | Net Pro | Margin | 9.3\% |
|  |  |  |  |  |  | 11005 | 19829 | 19634 | 21508 | 17232 | 10306 | 8883.0 | d2166 | 823.0 | 6000 | 4000 | 3000 | Workin | Cap'I (\$mill) | 5000 |
| Pfd Stock NoneCommon Stock 1,910,774, 369 shs |  |  |  |  |  | 10130 | 11289 | 9812.0 | 12065 | 20057 | 24028 | 33664 | 35286 | 33571 | 30000 | 30000 | 30000 | Long-Te | $m$ Debt (\$mill) | 35000 |
|  |  |  |  |  |  | 91914 | 105081 | 122181 | 137832 | 150427 | 156191 | 152716 | 145556 | 148124 | 155554 | 159100 | 163650 | Shr. Equ | ty (\$mill) | 181000 |
| Common Stock 1,910,774,369 shs |  |  |  |  |  | 10.6\% | 16.6\% | 20.6\% | 17.7\% | 12.8\% | 11.0\% | 2.8\% |  | 4.2\% | 8.5\% | 7.5\% | 8.0\% | Return | Total Cap'l | 8.5\% |
| MARKET CAP: \$228 billion (Large Cap) |  |  |  |  |  | 11.4\% | 18.1\% | 22.0\% | 19.0\% | 14.2\% | 12.3\% | 3.0\% | NMF | 4.8\% | 9.5\% | 8.5\% | 9.0\% | Return | Shr. Equity | 9.5\% |
| CURRENT POSITION (\$MILL.) |  |  | 2016 | 2017 | 9/30/18 | $\begin{gathered} 5.6 \% \\ 51 \% \end{gathered}$ | $12.7 \%$ | $\begin{array}{r} \hline 17.0 \% \\ 23 \% \end{array}$ | $\begin{array}{r} 14.0 \% \\ \hline 06 \% \end{array}$ | $\begin{aligned} & 9.3 \% \\ & 35 \% \end{aligned}$ | $\begin{gathered} 7.2 \% \\ 41 \% \end{gathered}$ | $\begin{aligned} & \text { NMF } \\ & \text { NMF } \end{aligned}$ | $\begin{aligned} & \text { NMF } \\ & \text { NMF } \end{aligned}$ | $\begin{gathered} \text { NMF } \\ 113 \% \end{gathered}$ | $\begin{aligned} & 4.0 \% \\ & 58 \% \end{aligned}$ | $3.0 \%$ | $3.5 \%$ | Retain | to Com Eq | $4.0 \%$ |
| Cash Assets Receivables |  |  | 7001 | $\begin{array}{r} 4822 \\ 15353 \\ 5585 \\ 2800 \end{array}$ | $\begin{array}{r} 9746 \\ 16788 \\ 6029 \\ 3020 \end{array}$ | BUSINESS: Chevron Corp is the one of the world's largest oil |  |  |  |  |  |  |  | 113\% | 58 | 66\% | 62\% | All Div | to Net Prof | 58\% |
|  |  |  | 140925419 |  |  | BUSINESS: Chevron Corp. is the one of the world's largest oil companies, based on proven reserves. Daily production in 2018: oil, 1.8 mill. barrels ( $+3 \%$ vs. '17); natural gas, 6.9 bill. cubic feet ( $+14 \%$ vs. '17). Daily refinery input, 1.7 million barrels (flat vs. '17). Daily sales of refinery products, 2.7 million barrels (flat vs. '17). Proved reserves at 12/31/17: 11.7 billion barrels of oil equivalent, <br> $56 \%$ 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. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Inventor Other |  |  | 3107 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Current Assets |  |  | 9619 |  | 28560 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $35583$ |
| Accts Payable |  |  | 3986 | 14565 5192 | $\begin{array}{r} 15335 \\ 6121 \end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Current | Liab. |  | 785 | 27737 | $\underline{7727}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |


| ANNUAL RATES | Past | ${ }^{\text {Past }}$ | Est'd '15-'17 |
| :---: | :---: | :---: | :---: |
| Sales | -3.0\% | -10.0\% | 5.5\% |
| "Cash Flow" | 1.5\% | -8.0\% | 8.0\% |
| Earnings | -12.5\% | -30.5\% | 25.0\% |
| Dividends | 8.0\% | 6.5\% | 3.5\% |
| Book Value | 9.5\% | 5.0\% | 3.0\% |


| CaI- <br> endar | QUARTERLY SALES (\$ mill.) A |  |  | Full |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Mar.31 | Jun.30 | Sep. 30 | Dec.31 | Year |  |
| 2016 | 23553 | 29282 | 30140 | 31497 | 114472 |
| 2017 | 33421 | 34480 | 36205 | 37616 | 141722 |
| 2018 | 37764 | 42236 | 43987 | 42352 | 166339 |
| 2019 | 41500 | 42000 | 43000 | 43500 | 170000 |
| 2020 | 42500 | 43000 | 44000 | 45500 | 175000 |
| Cal- | EARNINGS PER SHARE B |  |  |  | Full |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |
| 2016 | d.39 | d.78 | .68 | .22 | d.27 |
| 2017 | 1.41 | .77 | 1.03 | .58 | 3.79 |
| 2018 | 1.90 | 1.78 | 2.11 | 1.95 | 7.74 |
| 2019 | 1.55 | 1.80 | 1.90 | 2.00 | 7.25 |
| 2020 | 1.90 | 1.95 | 2.00 | 2.15 | 8.00 |
| Cal- | QUARTERLY DIVIDENDS PAID | c. | Full |  |  |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec. 31 | Year |
| 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 | 1.12 | 1.12 | 4.48 |
| 2019 | 1.19 |  |  |  |  |

Projected lower average oil prices
probably mean Chevron's profits will
take a step back. It is still early in the year, but if oil quotations remain in their current, lower range, we figure the company will earn around $\$ 7.25$ a share in 2019. That would be about $15 \%$ less than we looked for in our late-November report, when per-barrel prices were higher. Our initial estimate for 2020 assumes the company will make up the lost ground, based on expectations for steady economic growth that includes rising petroleum product consumption.

## Near-term fluctuations aside, the com-

pany is set up well for the long term. (LNG investments in liquefied natural gas (LNG) facilities in Australia are paying off with higher production. The units are expandable, and support the familiar theme of serving developing markets in Asia. Combined with rising production from Texas fields, Chevron should be able to boost annual oil and gas production moderately for the next few years. That would be a good showing for an industry that has had a tough time boosting output. The higher volume, in turn, should lift the bot-
tom line three to five years hence, assuming margins improve modestly.
Good reserve replacement lifts drilling potential. Early indications are that success in the field led to a $136 \%$ reserve replacement rate in 2018. That supports the case for rising production and improved profits over time. Most of the gains stemmed from assets in Australia and the Permian Basin of Texas.

## The company raised the dividend by a

 healthy percentage. A $6.3 \%$ hike in the March payout was a favorable development for shareholders. Strong cash generation from pumping operations and the refining business support the move. The petroleum industry leader has a lengthy track record of increasing the dividend. Consequently
## We recommend these high-quality

 shares for income-oriented investors. Chevron's top-notch finances and prospects for high levels of cash flow underpin the distribution. The stock is also favorably ranked (2) for Timeliness. Good possibility for a recovery in oil quotations ought to help performance.Robert Mitkowski
March 1, 2019

[^0]
[^0]:    (A) Based on diluted shares. Excludes non- of March, June, September, and December.
    recurring gain of $\$ 1.06$ in '17. Next earnings Dividend reinvestment plan available. report due mid- to late April.

