

Daily production in 2018: oil, 2.3 mil. barrels (flat vs.'17); natural gas, 9.4 billion cubic feet (-4% vs. '17). On an oil-equivalent basis, total production fell 4% in '18. Daily refinery runs, 4.3 million barrels (flat vs. '17); product sales, 5.5 mill. bbls (flat vs. '17). Chemical sales, 26.9 mill. tonnes (+6% vs. '17). Proved reserves (12/31/17):

nies account for 25% of reserves. Owns 69.6% of Imperial 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.

Past Est'd '15-'17 **ANNUAL RATES** Past 10 Yrs. -0.5% -1.0% -7.5% 5 Yrs. -8.0% of change (per sh) to '22-'24 6.5% 7.5% Sales "Cash Flow" -6.5% -17.0% 14.0% Earnings Dividends Book Value

6646

47134

36796

17390 3045 57231

41416

22549

13830

11259

47638

**Current Assets** 

Accts Payable Debt Due

Current Liab.

53975

41714 19413

4161

65288

Cal-	QUARTERLY SALES (\$ mill.)A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2016	48707	57694	58677	61016	226094
2017	58522	58142	61184	66515	244363
2018	68211	73501	76605	71895	290212
2019	67000	71000	73500	73500	285000
2020	75000	77000	78000	80000	310000
Cal-	EARNINGS PER SHARE B Full				
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2016	.43	.41	.63	.41	1.88
2017	.95	.78	.93	.58	3.24
2018	1.09	.92	1.46	1.41	4.88
2019	1.00	1.00	1.15	1.10	4.25
2020	1.10	1.15	1.25	1.25	4.75
Cal-	QUARTERLY DIVIDENDS PAID C=†				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2015	.69	.73	.73	.73	2.88
2016	.73	.75	.75	.75	2.98
2017	.75	.77	.77	.77	3.06
2018	.77	.82	.82	.82	3.23
2010	1				

Exxon Mobil is shaking up operations as part of an ambitious attempt to double earnings and cash flow by 2025. The major integrated oil company is streamlining its upstream organization by reducing the number of divisions to three from as many as seven. We figure most of the benefits will serve to enhance efficiency, although there could be some incremental volume gains. The changes are set to become effective April 1st.

Even if Exxon achieves its goals, bottom-line results likely won't respond uniformly. Assumptions for doubling profits by mid-decade assume a pricing environment based on earlier, higher realizations. But earnings may pull back in 2019 as a result of lower crude oil prices. We look for bottom-line improvement in 2020 and beyond on the expectation that a firmer tone to market conditions develops. Currently, the stock price reflects the less bullish near-term prospects for the oil market, with downside support from the high dividend yield.

Investors would like to see rising oil **production.** There were favorable indications as 2018 moved along that oil-

pumping capabilities were on the rise as the company develops Texas properties in a big way. Sustaining that progress would probably boost sentiment here.

Exxon is using its financial strength to bring along large-scale projects more so than many of its peers.

Domestic natural gas production hasn't proved a big winner lately, owing to oversupply. But that could change over time as the export markets perk up. To that end, the company is retrofitting a facility originally designed to import gas to ship cargoes internationally instead. Meanwhile, the abundance of oil and natural gas from shale reservoirs is driving the expansion of Gulf Coast refineries and chemicals plants, as inexpensive feedstock boosts profit opportunities. Overall, the scope of Exxon's initiatives is impressive, if dependent to a degree on outside factors, including economic growth and oil prices.

These blue-chip shares remain a core energy holding. Top-ranked Exxon Mobil stock offers a compelling dividend yield and very good 3- to 5-year total return potential for such a high-quality holding. Robert Mitkowski March 1, 2019

(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 mid-April.
(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++ 90 Price Growth Persistence 10 **Earnings Predictability** 45