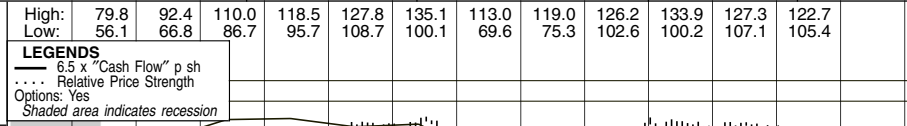


# CHEVRON CORP. NYSE-CVX

RECENT PRICE **110.24** P/E RATIO **NMF** (Trailing: 18.3; Median: 13.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **4.7%** **VALUE LINE**

**TIMELINESS** 3 Lowered 6/14/19  
**SAFETY** 1 Raised 1/4/91  
**TECHNICAL** 3 Lowered 2/28/20  
**BETA** 1.20 (1.00 = Market)



Target Price Range	2023	2024	2025
200			
160			
100			
80			
60			
50			
40			
30			
20			

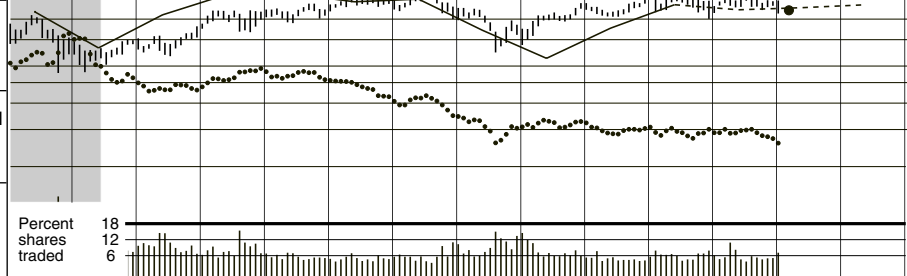
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$93-\$142 \$118 (5%)

**2023-25 PROJECTIONS**

	Price	Gain	Ann'l Total Return
High	150	(+35%)	12%
Low	120	(+10%)	7%

**Institutional Decisions**

	1Q2019	2Q2019	3Q2019
to Buy	1155	1207	1104
to Sell	996	965	1039
Hld's(000)	12472	17126	66191



**% TOT. RETURN 1/20**

	THIS STOCK	VL ARITH. INDEX
1 yr.	-2.8	7.1
3 yr.	8.1	19.9
5 yr.	28.1	41.0

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
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	87.42	77.75	82.65	85.80	Sales per sh	102.70
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	17.05	17.45	18.00	"Cash Flow" per sh	22.00
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	1.54	6.75	7.00	Earnings per sh <sup>A</sup>	9.00
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	5.16	5.36	Div'ds Decl'd per sh <sup>B=C</sup>	5.85
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	7.50	8.00	8.50	Cap'l Spending per sh	10.00
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	81.22	76.50	78.05	79.55	Book Value per sh	85.40
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	1902.8	1885.0	1875.0	1865.0	Common Shs Outst'g <sup>C</sup>	1850.0
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	NMF	NMF	NMF	Avg Ann'l P/E Ratio	15.0
.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	1.98	--	1.48	.84	NMF	NMF	NMF	Relative P/E Ratio	.85
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%	4.0%	4.0%	4.0%	Avg Ann'l Div'd Yield	4.2%

**CAPITAL STRUCTURE as of 9/30/19**  
 Total Debt \$32851 mill. Due in 5 Yrs \$21350 mill.  
 LT Debt \$25056 mill. LT Interest \$900 mill.  
 (Total interest coverage: over 23.5x)  
 (14% of Cap'l)

**Leases, Uncapitalized** Annual rentals \$693 mill.  
**Pension Assets-12/17** \$14.7 bill. **Oblig.** \$19.1 bill.

**Pfd Stock** None  
**Common Stock** 1,890,872,188 shs.

**MARKET CAP: \$208 billion (Large Cap)**

**CURRENT POSITION (SMILL.)**

	2017	2018	9/30/19
Cash Assets	4822	10345	11755
Receivables	15353	15050	12966
Inventory	5585	5704	5951
Other	2800	2922	3316
Current Assets	28560	34021	33988
Accts Payable	14565	13953	13230
Debt Due	5192	5754	7795
Other	7980	7464	9208
Current Liab.	27737	27171	30233

204928	253706	241909	228848	211970	138477	114472	141722	166339	146516	155000	160000	Sales (\$mill)	190000
22.3%	24.0%	24.9%	22.2%	23.2%	19.7%	15.3%	20.4%	24.5%	24.0%	25.0%	25.0%	Operating Margin	25.0%
13063	12911	13413	14186	16793	21037	19457	19349	19419	29218	20000	20500	Depreciation (\$mill)	24000
19024	26895	26179	21423	19241	4587.0	d497.0	7175.0	14824	2924	12700	13100	Net Profit (\$mill)	16500
40.7%	43.5%	43.5%	40.3%	38.3%	5.3%	--	21.4%	27.8%	48.6%	28.0%	28.0%	Income Tax Rate	28.0%
9.3%	10.6%	10.8%	9.4%	9.1%	3.3%	NMF	5.1%	8.9%	2.0%	8.2%	8.2%	Net Profit Margin	8.7%
19829	19634	21508	17232	10306	8883.0	d2166	823.0	6850.0	4000	5000	6500	Working Cap'l (\$mill)	7500
11289	9812.0	12065	20057	24028	33664	35286	33571	28733	26000	27000	30000	Long-Term Debt (\$mill)	30000
105081	122181	137832	150427	156191	152716	145556	148124	154554	144213	146325	148400	Shr. Equity (\$mill)	158000
16.6%	20.6%	17.7%	12.8%	11.0%	2.8%	.0%	4.2%	8.3%	2.0%	7.5%	7.5%	Return on Total Cap'l	9.0%
18.1%	22.0%	19.0%	14.2%	12.3%	3.0%	NMF	4.8%	9.6%	2.0%	8.5%	9.0%	Return on Shr. Equity	10.5%
12.7%	17.0%	14.0%	9.3%	7.2%	NMF	NMF	NMF	4.1%	NMF	2.0%	2.0%	Retained to Com Eq	4.0%
30%	23%	26%	35%	41%	NMF	NMF	113%	57%	NMF	76%	77%	All Div'ds to Net Prof	65%

**BUSINESS:** Chevron Corp. is the one of the world's largest oil companies, based on proven reserves. Daily production in 2019: oil, 1.9 mill. barrels (+5% vs. '18); natural gas, 7.1 bill. cubic feet (+4% vs. '18). Daily refinery input, 1.6 million barrels (flat vs. '18). Daily sales of refinery products, 2.6 million barrels (-3% vs. '18). Proved reserves at 12/31/18: 12.1 billion barrels of oil equivalent, 56% liquids, 44% gas. (Affiliated companies account for 19% of total reserves.) Owns 50% interest in ChevronPhillips Chemical Co. Has approx. 51,900 employees. Vanguard owns 8.1% of stock; BlackRock, 6.8%; State Street, 6.0% (4/19 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 '16-'18 to '23-'25
Sales	-4.0%	-10.0%	5.0%
"Cash Flow"	0.5%	-6.5%	6.5%
Earnings	-9.0%	-21.5%	13.5%
Dividends	7.0%	4.5%	4.5%
Book Value	8.0%	2.5%	1.0%

**CHEVRON IS GENERATING MIDDLING RESULTS, PROMPTED BY AN UNIMPRESSIONING OPERATING ENVIRONMENT.** Measures such as returns on capital have been subpar, owing to lackluster oil prices of late. That was true in 2019 even if a large \$6.6 billion fourth-quarter charge to write off natural gas properties in the United States is excluded. Essentially, the fear that the drilling industry would create surplus supplies of crude oil and natural gas now that technology has unlocked highly productive shale reservoirs has come true. The ensuing adverse effect on pricing may well keep a lid on earnings per share for a couple of more years.

Street has been cool towards the stock, given unexciting profit prospects. **Downstream operations are also forging ahead.** Last year's purchase of a refinery in Texas and the pending acquisition of a network of terminals and service stations in Australia are pluses for that line. The expansion of chemical facilities stateside and in Qatar will boost volume capabilities, too. Presumably, industry margins will bounce back to a large degree and lift profits materially by 2023-2025. **The company's business expertise shined through when it opted not to get into a bidding war for Anadarko a year earlier.** Weaker operating conditions could still push some financially strapped drillers with good assets into Chevron's arms. Importantly, the chance of overpaying seems low.

**QUARTERLY SALES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	33421	34480	36205	37616	141722
2018	37764	42236	43987	42352	166339
2019	35200	38850	36116	36350	146516
2020	37000	39000	39000	40000	155000
2021	38000	40000	40000	42000	160000

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.41	.77	1.03	.58	3.79
2018	1.90	1.78	2.11	1.95	7.74
2019	1.39	2.27	1.36	d3.51	1.54
2020	1.60	1.70	1.70	1.75	6.75
2021	1.70	1.75	1.75	1.80	7.00

**QUARTERLY DIVIDENDS PAID <sup>B=C</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.19	1.19	1.19	4.76
2020	1.29				

**The company is nevertheless in good position internally, having completed a major overseas expansion.** Chevron has addressed the industry theme of providing fuel to expanding markets in Asia through the construction of a pair of liquefied natural gas facilities in Australia. Add-ons to those plants, coupled with the major development push in the oil fields of Texas, are helping to boost combined oil and gas production (+4% in 2019) in a cost-effective manner. Even so, Wall

**This blue-chip stock provides high, secure income and solid comeback potential.** Chevron's strong finances should see it through to better days. Therefore, conservative, dividend-oriented investors might look closer. But the shares are only neutrally ranked for Timeliness. *Robert Mitkowski February 28, 2020*

(A) Based on diluted shares. Excludes non-recurring gain of \$1.06 in '17. Next earnings report due mid- to late April. (B) Dividends historically paid on or about 10th of March, June, September, and December. (C) In millions, adj. for stock split. Dividend reinvestment plan available.