

CVX/XOM

# Raising PTs and Updating Estimates

We update our forecasts post earnings and are above consensus on EPS but below on CFPS. We raise our PTs and see slightly more upside to XOM. We forecast XOM's FCF/EV yield at a 1-1.5% premium to CVX through 2025. Even with our buyback assumptions significantly ramping, both companies approach 0% net debt by 2026 on strip.

## CVX

- **Q2'22 EPS above consensus, but CFPS and production below.** At strip, our Q2'22 EPS is 6% above consensus while CFPS is 8% below. See [within](#) for further discussion on the moving pieces for CFPS. We are 3% below consensus on both oil and total Q1'22 production, which likely reflects higher sequential maintenance, PSC roll-off impacts, and our estimate of a slight decline in reported Permian production. See [Figure 1](#) and [Figure 3](#).
- **Quarterly affiliate distribution assumptions.** We are updating our affiliate earnings and distribution estimates to be on a quarterly basis. See [Figure 2](#) for details. For Q2'22, we forecast a modest distribution increase to \$702mm from \$644mm. For the full year, our \$4bn distribution estimate includes an assumed \$1.25bn TCO distribution in Q4'22 and implies full year earnings in excess of distributions of ~\$5bn. Our FY'22 distribution estimate of \$4bn exceeds the high-end of the \$2-3bn guidance range.

## XOM

- **EPS above consensus, but CFPS slightly below.** Our updated Q2'22 EPS is 5% above consensus while our CFPS is 4% below. On production, our estimates are 1% below street for both oil and total production. See [Figure 4](#).
- **Permian update.** We forecast Q2'22 Permian production of 576mboe/d vs. the reported March rate of 560 MBOE/d, and FY'22 avg. Permian production also at 576mboe/d or in-line with guidance of ~575 MBOE/d. We reduce our estimated Permian oil percentage to 55% from 60% previously, which is more aligned with the US liquid production breakdown provided in XOM's 10-K. See [Figure 6](#) for our annual Permian estimates for total production and net completions.

**Estimates suggest a yield premium for XOM; buyback forecast.** A combination of CVX out performance and strengthening refining margins (which disproportionately benefits XOM) since mid-February has driven our forecasted XOM yields above CVX by 1.5% for 2022 and 1.3% on avg. between 2022 and 2025 on an EV basis (strip pricing). See [Figure 8](#) for a comparison of our 2022-2025 FCF/EV yields and XOM's yield premium. Also, see [Figure 9](#) and [Figure 10](#) for our annual buyback assumptions through 2027.

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Please see analyst certifications and important disclosures beginning on page 13 .

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| CORE

U.S. Integrated Oil &amp; E&amp;P

**POSITIVE**

Unchanged

**U.S. Integrated Oil & E&P**
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**Ratings and price targets.** For CVX, we reiterate our OW rating and raise our PT to \$196 from \$183 driven by a reduction in the baseline SPY yield, to which we apply CVX's 2010 - 2019 dividend yield premium average. For XOM, we reiterate our OW rating and raise our PT to \$111 from \$98 PT driven by a reduction in the baseline SPY yield, to which we apply a 75bp premium to XOM's 2010 - 2019 dividend yield premium average, which is down from our prior 1% premium assumption.

**Summary of our Ratings, Price Targets and Earnings Changes in this Report (all changes are shown in bold)**

	Rating		Price	Price Target			EPS FY1 (E)			EPS FY2 (E)		
Company	Old	New	27-May-22	Old	New	%Chg	Old	New	%Chg	Old	New	%Chg
U.S. Integrated Oil & E&P	Pos	Pos										
<a href="#">Chevron Corporation (CVX)</a>	OW	OW	178.28	183.00	<b>196.00</b>	7	14.73	<b>16.88</b>	15	11.13	<b>11.35</b>	2
<a href="#">Exxon Mobil Corporation (XOM)</a>	OW	OW	97.59	98.00	<b>111.00</b>	13	9.75	<b>10.27</b>	5	7.26	<b>7.54</b>	4

Source: Barclays Research. Share prices and target prices are shown in the primary listing currency and EPS estimates are shown in the reporting currency. FY1(E): Current fiscal year estimates by Barclays Research. FY2(E): Next fiscal year estimates by Barclays Research. Stock Rating: OW: Overweight; EW: Equal Weight; UW: Underweight; RS: Rating Suspended Industry View: Pos: Positive; Neu: Neutral; Neg: Negative

## Valuation Methodology and Risks

### U.S. Integrated Oil & E&P

#### Chevron Corporation (CVX / CVX)

**Valuation Methodology:** Our \$196 12-month price target assumes CVX dividend yield is in-line with its historical delta vs. the S&P given line of sight to ~0% net debt/cap and measurable progress on renewables with RNG and biofuels, and implies \$196/share.

**Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target:** Risks to our price target include lower than anticipated commodity prices, operational issues associated with long lead time, highly technical development projects, and contract risk associated with production sharing contracts and licenses with sovereign governments.

#### Exxon Mobil Corporation (XOM / XOM)

**Valuation Methodology:** Our \$111 price target is based on application of a 75 basis point premium to XOM's 2010 - 2019 1.3% yield premium to the S&P 500, or a total implied 3.4% dividend yield on estimated 2023 dividend of \$3.7/sh dividend.

**Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target:** Risks to our price target include lower than anticipated commodity prices, operational issues associated with long lead time, highly technical development projects, and contract risk associated with production sharing contracts and licenses with sovereign governments.

Source: Barclays Research

## Chevron

### *Updated Q2'22 estimates; EPS above, CFPS and production below consensus*

Our updated 2Q'22 EPS of \$4.83 is 6% above consensus likely at least partially due to current strip natural gas prices and QTD refining margin strength. However, our \$5.69 CFPS forecast is 8% below consensus. See [Figure 1](#) for a comparison of Barclays vs. consensus estimates.

Regarding, CFPS we note that our estimate is based on pre-working capital CFO of \$11.7bn while consensus may be based on a post-working capital number that includes some reversal of Q1'22's \$937mm working capital build. As discussed below, we assume a marginal increase in Q2 affiliate distributions (\$702mm in Q2'22 vs. \$644mm in Q1'22). Our FY'22 distribution forecast of \$4bn assumes a \$1.25 TCO distribution in Q4'22 and is \$1bn above the high-end of the company's original \$2-3bn guidance range and roughly in-line with company commentary on its Q1'22 conference call. See [Figure 2](#) for details of our 2022 and 2023-2025 affiliate distributions. To the extent consensus reflects an annualized affiliate distribution estimate, Q2'22 may represent an over-estimation of the quarterly distribution. Our pre-working capital CFO estimate assumes US cash tax is added back at the ratio implied by Q1'22 reported deferred tax, which is then reversed as an increase in working capital per company commentary on its Q1'22 conference call.

### *Production below consensus, likely reflecting PSC and maintenance impacts*

Our Q2'22 oil and total production estimates are each 3% below consensus, and likely reflect the combined impact of higher maintenance (120 MBOE/d sequentially) and the Rokan PSC roll-off (50 MBOE/d). In addition, our Permian production forecast is slightly down in Q2'22 to 679 MBOE/d due to depletion of excess DUCs and assumed absence of non-ratable joint venture volume bookings that boosted both Q4'21 and Q1'22 production, before ramping in H2'22 and driving FY'22 growth 14%.

**FIGURE 1. CVX estimates: at strip pricing, our Q2'22 EPS is 6% above while CFPS is 8% below consensus**

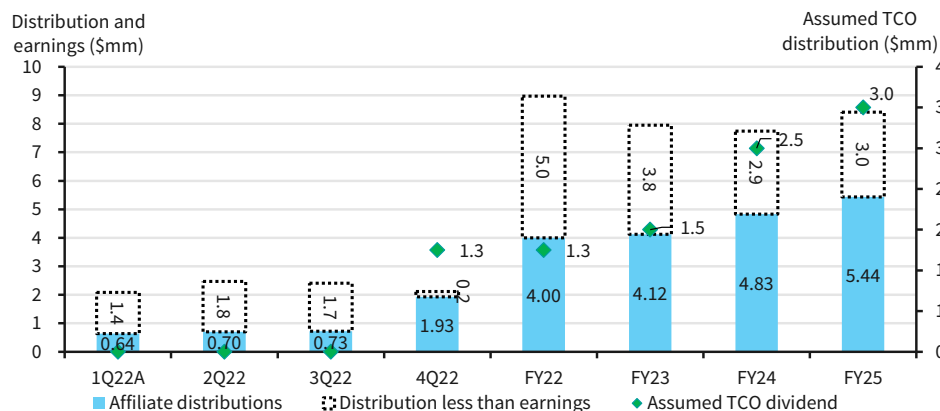
CVX	2Q22			3Q22			2022		
	Barclays	Consensus	Delta	Barclays	Consensus	Delta	Barclays	Consensus	Delta
Liquids Production (MBO/d)	1706	1758	-3%	1752	1819	-4%	1741	1788	-3%
Total Production (MBOE/d)	2889	2976	-3%	2967	3052	-3%	2969	3044	-2%
Capex (\$mm)*	3,256	2,969	10%	3,103	2,934	6%	10,878	11,767	-8%
Barclays Price Deck									
EPS	4.79	4.50	6%	5.35	4.42	21%	18.11	15.73	15%
CFPS	6.04	6.60	-8%	6.32	6.52	-3%	23.37	23.70	-1%
Pre- Dividend FCF (\$mm)	8,462	9,685	-13%	9,051	9,441	-4%	34,154	31,990	7%

Source: Barclays research, Bloomberg; \*Barclays capex estimates represent cash capex and includes \$600mm related to the Bunge JV agreement;

### Affiliate distribution estimates

Given CVX's significant affiliate ownership, particularly through CPCChem and TCO, the timing and size of payouts has been a source of cash flow variance between our estimates and consensus as the commodity rebound has increased the relevance of affiliate distributions. Below we show our formalized estimates for affiliate earnings and distributions on a quarterly basis (compared to previously we only estimated on an annual basis) along with our TCO distribution assumptions.

We estimate 2022 affiliate earnings of \$9.0bn and affiliate distributions of \$4.0bn, inclusive of a \$1.25bn dividend from TCO in Q4'22. See the Figure 2 below.

**FIGURE 2. We model total 2022 affiliate distributions of ~\$4bn, or \$1bn above the high end of the 2022 guidance range (\$2-3bn)**

Source: Company reports, Barclays Research

### Downstream coming on strong

As shown in Figure 7, we model sequential margin improvement of \$13, \$9, and \$10 in CVX's key Gulf Coast, California, and Asia downstream regions, respectively, and assume an essentially flat environment through the remainder of the quarter. For the year, while our estimates reflect a slight softening, the dynamic of reduced Russian product and feedstock exports plus elevated European refinery operating costs on top of already anemic distillate inventories are likely to force gasoline to compete with diesel into the summer thereby sustaining refining margins through Q3.

Outside of core margin improvement, our Q2'22 downstream forecasts assume a 65% capture of *incremental estimated refining margins* related to lagging secondary product prices and crude/product backwardation. Although it's not possible to determine margin capture on an absolute basis for the majors, we note that Valero (VLO, covered by Theresa Chen) captured 89% and 77% of company calculated Gulf Coast index margins in 2021 and Q1'22, respectively, and 76% and 69% of West Coast margins respectively. In addition, our estimates reflect the absence of Q1'22's \$405mm/\$252mm int'l/US timing headwinds, which are offset by a more modest estimated \$50mm headwind in Q2'22 as well as a modest 7% improvement in earnings contribution from CPChem.

**FIGURE 3. Sequential earnings and financial estimates: CVX**

	Q1'22A	Q2'22E	Delta (\$mm)	% Change
US Upstream	3,238	3,960	722	22%
Int'l Upstream	3,840	4,343	503	13%
US Downstream	486	1,172	686	141%
Int'l Downstream	(178)	458	636	357%
Corporate	(843)	(575)	268	-32%
<b>Total (\$mm)</b>	<b>6,543</b>	<b>9,358</b>	<b>2,815</b>	<b>43%</b>
CFO (ex WC)	8,992	11,814	2,822	31%
Post dividend FCF (cash capex)	4,281	5,799	1,518	35%
Net Debt	17,662	14,802	(2,860)	-16%
Net share buyback	(3,386)	2,500	5,886	na

Source: Barclays research; \*Q1'22 share buybacks are net of stock issued related to share based compensation and represent \$1,255mm of gross share buybacks during the quarter

## ExxonMobil

### ***Updated Q2'22 estimates: EPS 5% above, CFPS and production slightly below consensus***

Our updated Q2'22 EPS of \$3.01 is 5% above consensus and likely at least partially reflects current strip natural gas prices and QTD refining margin strength. However, our \$4.03 CFPS forecast is 4% below current consensus. We note that our CFPS estimate is based on pre-working capital CFO of \$16.9bn. See [Figure 4](#) for a comparison of Barclays vs. consensus estimates.

### ***Production estimates slightly below consensus***

Our Q2'22 total production estimate of 3,762 MBOE/d is up 2% sequentially, and our oil and total production estimates are each 1% below consensus. Our model does assume a negative 14 MBOE/d impact related to TCO production downtime, but that Sakhalin-2 volumes remain through Q3'22. In the 'Other Americas' segment we forecast 18% sequential volume growth due to return of weather-related Kearl downtime from Q1'22, the impact of the Liza-1 de-bottlenecking in Guyana, and ramp-up of Liza-2. Lastly, in the Permian we estimate Q2'22 production of 577 MBOE/d vs. the Q1'22 March rate of 560 MBOE/d, and FY'22 at 576 MBOE/d.

**FIGURE 4. XOM estimates: at strip pricing, our Q2'22 EPS is 5% above while CFPS is 4% below consensus**

XOM	2Q22			3Q22			2022		
	Barclays	Consensus	Delta	Barclays	Consensus	Delta	Barclays	Consensus	Delta
Liquids Production (MBO/d)	2,362	2,388	-1%	2,247	2,377	-5%	2,288	2,378	-4%
Total Production (MBOE/d)	3,762	3,799	-1%	3,593	3,752	-4%	3,663	3,742	-2%
Capex (\$mm)*	4,269	4,518	-6%	4,569	4,590	0%	17,768	18,141	-2%
EPS	2.99	2.85	5%	3.19	2.63	21%	10.96	9.83	12%
CFPS	4.01	4.15	-4%	4.17	3.90	7%	15.22	15.08	1%
FCF (\$mm)**	12,536	12,778	-2%	12,770	12,212	5%	45,928	43,346	6%
FCF Yield (EV)							10%	10%	

Source: Barclays research, Bloomberg; Yield based on current EV

**Downstream estimates**

Please see [Figure 5](#) for our sequential segment earnings estimates and [Figure 7](#) for sequential regional refining margin assumptions. As noted above for CVX, our downstream estimates reflect the absence of negative Q1'22 MTM downstream impacts (\$800mm for XOM in Q1'22) as well as 65% capture of *incremental estimated refining margins* for the quarter. Although its not possible to determine margin capture on an absolute basis for the majors, we note that Valero (VLO, covered by Theresa Chen) captured 89% of company calculated Gulf Coast index margins in 2021 and 77% in Q1'22.

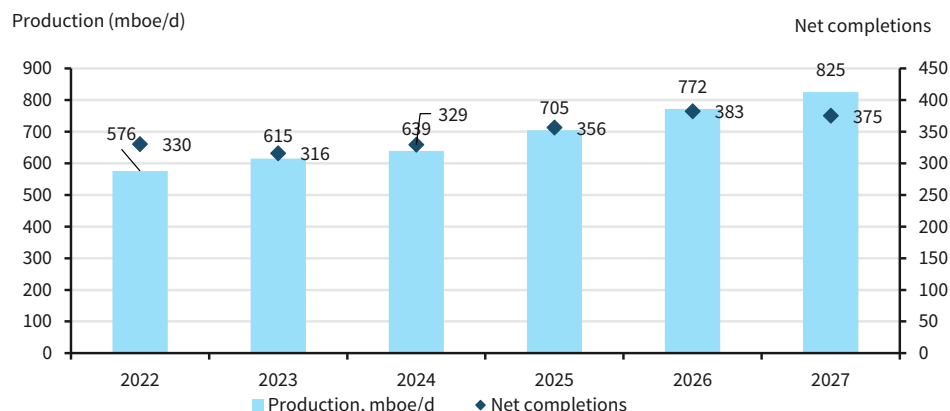
**FIGURE 5. Sequential earnings and financial estimates: XOM**

	1Q'22	2Q'22	Delta (\$mm)	% Change
Total Upstream	7,743	9,606	1,863	24%
Total Downstream	332	2,053	1,721	518%
Total Chemicals	1,354	1,563	209	15%
Corporate	(596)	(597)	(1)	0%
<b>Total Earnings</b>	<b>8,833</b>	<b>12,625</b>	<b>3,792</b>	<b>43%</b>
CFO (ex WC)	13,702	16,892	3,190	23%
<b>FCF (cash capex)</b>	<b>5,550</b>	<b>8,674</b>	<b>3,124</b>	<b>56%</b>
Net Debt	36,463	28,739	(7,724)	-21%

Source: Barclays Research, Company Reports

**Re-calibrating in the Permian**

We are re-calibrating our Permian standalone model to assume a 55% oil cut vs. 60% previously in order to more closely align US production with the liquids product breakdown disclosure in XOM's 10-K. However, from a higher level BOE perspective our estimates are relatively unchanged, with FY'22 production of 576 MBOE/d (in-line with guidance of ~575 MBOE/d). We forecast Permian production increasing to 705 MBOE/d by 2025, which is slightly above the high-end of the 550 - 675 MBOE/d guidance range provided at the company's most recent March analyst day.

**FIGURE 6. Barclays estimates: XOM Permian production and net completions**

Source: Barclays Research, Company Reports

## Quarterly Regional Refining Margin Assumptions

**FIGURE 7. Our models assume slight softening in Q3'22 margins before returning to more normalized levels in Q4'22**

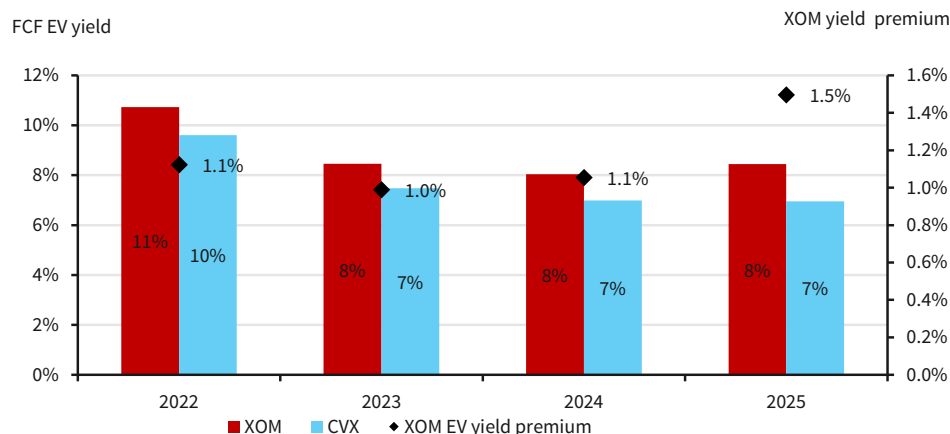
	2Q'22 Sequential margin change	3Q'22 Sequential margin change	4Q'22 Sequential margin change
Gulf Coast	\$12.50	(\$2.00)	(\$14.00)
Midwest	\$14.55	(\$1.84)	(\$16.39)
California	\$8.82	(\$3.09)	(\$13.86)
NW Europe	\$9.28	(\$2.43)	(\$5.89)
Singapore	\$10.28	(\$2.43)	(\$5.89)

Source: Barclays research, company reports

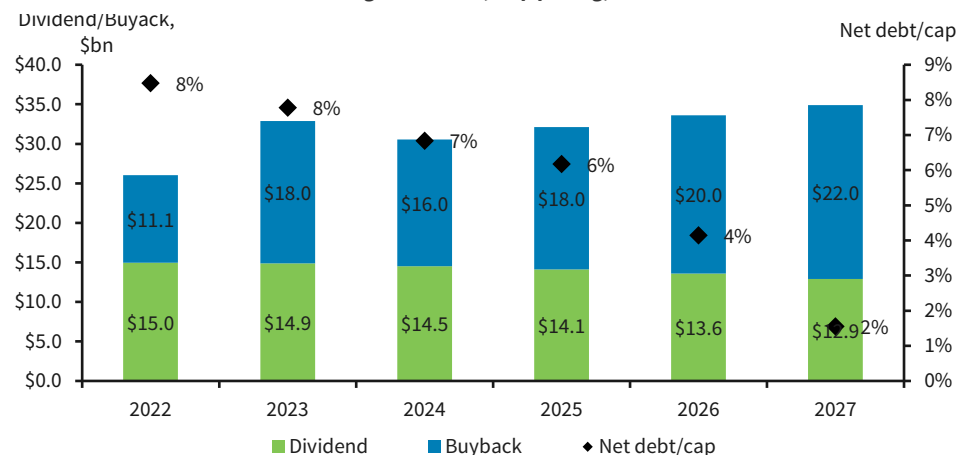
## XOM Yield Premium

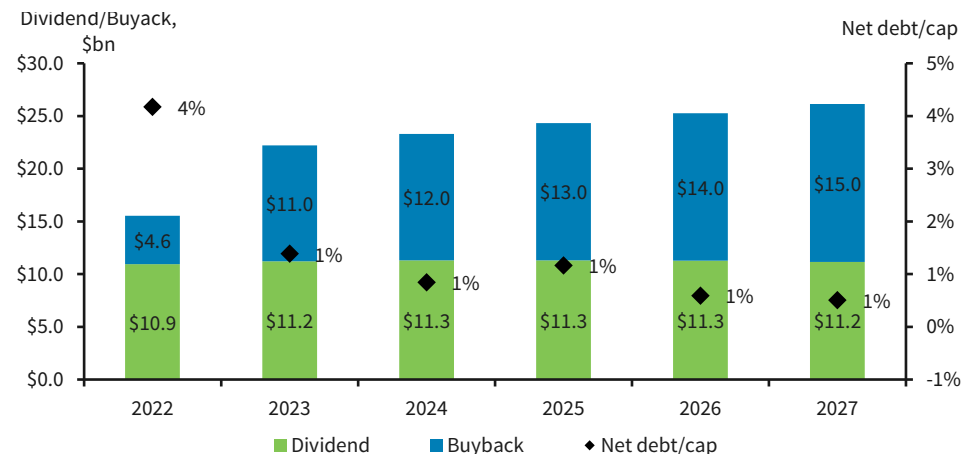
Despite recent out performance vs, CVX (5% over the past week and ~7% in the last month and +6%/19% vs. the S&P), XOM continues to trade at a 1 - 1.5% FCF/EV yield premium to CVX through 2025 based on our updated estimates at strip pricing. The current premium compares to mid-February when the companies traded at roughly equivalent yields and since which time CVX has outperformed XOM by 7% despite the refining margin outlook significantly improving to disproportionately benefit XOM's FCF outlook. While our estimates and buyback outlook continue to suggest a slightly stronger balance sheet for CVX, net debt/cap declines to under 10% for each company by YE'22 at strip and we think yield differentials should also compress assuming continued strength in commodity prices and refining margins.



**FIGURE 8. Our estimates suggest a 1 - 1.5% FCF/EV yield premium for XOM through 2025 (strip pricing)****Conservative buyback assumptions**

Our dividend and buyback assumptions shown in Figures 9 and 10 are calibrated to maintain a net debt/cap level in the mid-teens through the forecast period for both CVX and XOM on our Barclays price deck (\$100/\$80/\$75/\$70/\$70/\$70 Brent in 2022 - 2027). As can be seen in the figures below, net debt/cap declines to 0%/1% for CVX/XOM at strip Brent pricing of \$101/\$91/\$82/\$80/\$76/\$76 in 2022-2027, which suggests room for significant upside to shareholder returns if the strip comes to fruition.

**FIGURE 9. XOM cash return and leverage forecasts (strip pricing)**

**FIGURE 10. CVX cash return and leverage forecasts (strip pricing)**

Source: Barclays research, Company reports \*CVX buyback estimates are net of shares issued under share based compensation plans, which totaled \$4.6bn in Q1'22. Q1'22 gross buybacks totaled ~\$1.3bn. 2022 buyback guidance is \$5-10bn.

## U.S. Integrated Oil &amp; E&amp;P

POSITIVE

## Chevron Corporation (CVX)

OVERWEIGHT

Income statement (\$mn)	2021A	2022E	2023E	2024E	CAGR
EBITDAX	41,491	61,647	46,728	46,489	3.9%
EBITDAX (adj)	41,474	61,931	46,728	46,489	3.9%
Net income (adj)	15,608	32,541	21,137	19,820	8.3%
EPS (adj) (\$)	8.13	16.88	11.35	11.09	10.9%
Cash flow per share	15.9	22.3	17.4	18.4	5.0%
Diluted shares (mn)	1,919	1,927	1,862	1,787	-2.4%
DPS (\$)	5.33	5.71	6.06	6.36	6.1%
Balance sheet and cash flow (\$mn)	2021A	2022E	2023E	2024E	CAGR
Cash and equivalents	5,640	15,439	8,883	3,858	-11.9%
Total debt	31,369	24,583	19,833	18,833	-15.6%
Shareholders' equity	139,940	156,952	155,932	152,507	2.9%
Discretionary cash flow	30,548	43,053	32,440	32,950	2.6%
Capital expenditure	-8,056	-10,878	-12,693	-13,961	N/A
Dividends paid	-10,215	-10,951	-11,228	-11,317	N/A
Free cash flow	12,277	21,223	8,519	7,672	-14.5%
Valuation and leverage metrics	2021A	2022E	2023E	2024E	Average
P/E (adj) (x)	21.9	10.6	15.7	16.1	16.1
EV/DACF (x)	18.8	13.1	17.1	16.7	16.4
CROIC (%)	18.5	26.4	19.9	20.0	21.2
EV/EBITDAX (adj) (x)	14.2	9.2	12.1	12.1	11.9
Net debt/EBITDAX (adj) (x)	0.6	0.1	0.2	0.3	0.3
Total debt/capital (%)	12.6	10.6	8.7	8.5	10.1
Dividend yield (%)	3.0	3.2	3.4	3.6	3.3
FCF yield (%)	2.1	3.7	1.5	1.4	2.2
Selected operating metrics	2021A	2022E	2023E	2024E	Average
Total production (000 boe/d)	3,074.2	2,972.3	3,044.1	3,198.6	3,072.3
Oil production (000 BO/d)	1,814.3	1,744.5	1,819.7	1,954.3	1,833.2
Natural gas prod (000 000 CF/d)	7,559.3	7,367.3	7,346.4	7,465.4	7,434.6
NGL production (000 B/d)	N/A	N/A	N/A	N/A	N/A
YoY production growth (%)	-0.29	-3.31	2.42	5.07	0.97

Note: FY End Dec

Source: Company data, Bloomberg, Barclays Research

Price (27-May-2022) **USD 178.28**  
 Price Target **USD 196.00**

**Why OVERWEIGHT?**

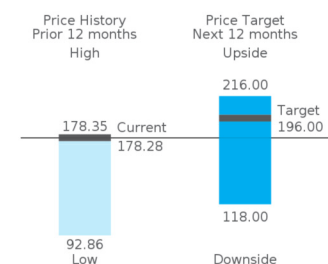
We believe Chevron is well positioned to both grow production and return free cash flow to shareholders through the cycle and its Energy Strategy will begin to be recognized by investors over the coming year as communication increases. Chevron also holds an advantaged royalty position in the Permian basin, and exploration upside in the Eastern Med.

**Upside case** **USD 216.00**

Our upside case assumes CVX trades in line with its 10 year yield premium to the S&P.

**Downside case** **USD 118.00**

Our downside case assumes CVX trades in line with the 2020 average yield premium to the S&P.

**Upside/Downside scenarios**

## U.S. Integrated Oil &amp; E&amp;P

POSITIVE

## Exxon Mobil Corporation (XOM)

OVERWEIGHT

Income statement (\$mn)	2021A	2022E	2023E	2024E	CAGR
EBITDAX	54,792	86,363	68,005	67,218	7.1%
EBITDAX (adj)	54,845	89,716	68,005	67,218	7.0%
Net income (adj)	23,013	42,966	30,094	29,931	9.2%
EPS (adj) (\$)	5.38	10.27	7.54	7.92	13.7%
Cash flow per share (\$)	10.29	14.54	11.79	12.58	6.9%
Diluted shares (mn)	4,275	4,184	3,990	3,780	-4.0%
DPS (\$)	3.49	3.57	3.73	3.84	3.3%
Balance sheet and cash flow (\$mn)	2021A	2022E	2023E	2024E	CAGR
Cash and equivalents	6,802	20,179	10,372	4,878	-10.5%
Total debt	47,704	42,263	38,263	36,263	-8.7%
Shareholders' equity	175,683	188,814	186,484	186,352	2.0%
Discretionary cash flow	43,967	60,855	47,051	47,533	2.6%
Capital expenditure	-12,076	-17,768	-18,874	-19,468	N/A
Dividends paid	-15,148	-15,193	-15,128	-14,766	N/A
Free cash flow	14,972	26,879	12,194	12,505	-5.8%
Valuation and leverage metrics	2021A	2022E	2023E	2024E	Average
P/E (adj) (x)	18.1	9.5	12.9	12.3	13.2
EV/DACF (x)	10.2	7.1	9.3	9.3	9.0
CROIC (%)	20.2	29.0	22.4	22.3	23.5
EV/EBITDAX (adj) (x)	8.3	4.9	6.5	6.7	6.6
Net debt/EBITDAX (adj) (x)	0.7	0.2	0.4	0.5	0.5
Total debt/capital (%)	13.7	13.1	12.2	12.0	12.8
Dividend yield (%)	3.6	3.7	3.8	3.9	3.7
FCF yield (%)	3.3	6.1	2.7	2.8	3.7
Selected operating metrics	2021A	2022E	2023E	2024E	Average
Total production (000 boe/d)	3,791.7	3,675.4	3,629.3	3,675.6	3,693.0
Oil production (000 BO/d)	2,290.2	2,295.3	2,303.5	2,402.5	2,322.9
Natural gas prod (000 000 CF/d)	9,008.9	8,280.8	7,954.7	7,638.3	8,220.7
NGL production (000 B/d)	N/A	N/A	N/A	N/A	N/A
YoY production growth (%)	1.0	-3.1	-1.3	1.3	-0.5

Note: FY End Dec

Source: Company data, Bloomberg, Barclays Research

Price (27-May-2022) **USD 97.59**  
Price Target **USD 111.00**

**Why OVERWEIGHT?**

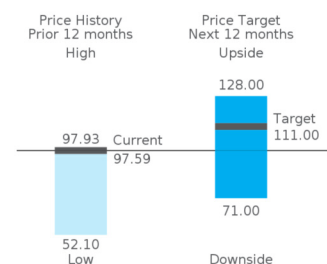
We are Overweight XOM based on rate of change in chemicals and downstream, rapid deleveraging and potential shareholder return in the medium term.

**Upside case** **USD 128.00**

Our upside scenario assumes a long-term oil price deck of \$70/bl Brent in our NAV, 5% service cost inflation, and downstream valuation based our 2022 post recovery EBITDA estimates.

**Downside case** **USD 71.00**

Our downside scenario assumes a long-term oil price deck of \$50/bl Brent in our NAV including 10% service cost deflation.

**Upside/Downside scenarios**

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**Chevron Corporation** (CVX, 27-May-2022, USD 178.28), Overweight/Positive, CD/CE/D/E/GE/J/K/L/M/N

**Exxon Mobil Corporation** (XOM, 27-May-2022, USD 97.59), Overweight/Positive, CD/CE/D/E/GE/J/K/L/M/N

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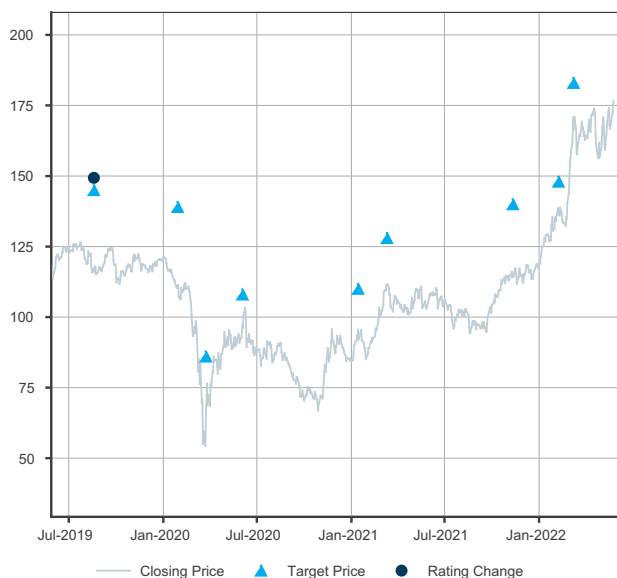
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**Chevron Corporation (CVX / CVX)**Stock Rating: **OVERWEIGHT**Industry View: **POSITIVE****USD 178.28** (27-May-2022)**Rating and Price Target Chart - USD (as of 27-May-2022)**

Currency=USD



Source: IDC, Barclays Research

[Link to Barclays Live for interactive charting](#)

Publication Date	Closing Price*	Rating	Adjusted Price Target
09-Mar-2022	170.53		183.00
08-Feb-2022	138.55		148.00
11-Nov-2021	114.16		140.00
11-Mar-2021	111.19		128.00
14-Jan-2021	95.49		110.00
03-Jun-2020	97.18		108.00
24-Mar-2020	66.55		86.00
29-Jan-2020	110.37		139.00
19-Aug-2019	117.31	Overweight	145.00

Source: Bloomberg, Barclays Research

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**Valuation Methodology:** Our \$196 12-month price target assumes CVX dividend yield is in-line with its historical delta vs. the S&P given line of sight to ~0% net debt/cap and measurable progress on renewables with RNG and biofuels, and implies \$196/share.

**Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target:** Risks to our price target include lower than anticipated commodity prices, operational issues associated with long lead time, highly technical development projects, and contract risk associated with production sharing contracts and licenses with sovereign governments.

## Exxon Mobil Corporation (XOM / XOM)

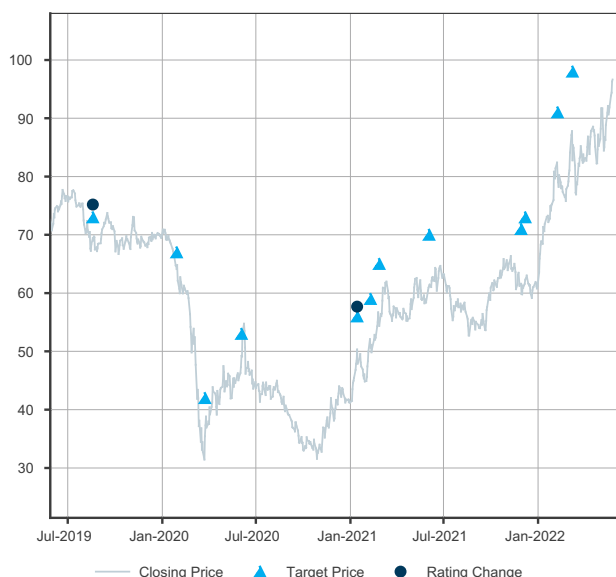
Stock Rating: **OVERWEIGHT**

Industry View: **POSITIVE**

**USD 97.59** (27-May-2022)

### Rating and Price Target Chart - USD (as of 27-May-2022)

Currency=USD



Source: IDC, Barclays Research

[Link to Barclays Live for interactive charting](#)

Publication Date	Closing Price*	Rating	Adjusted Price Target
09-Mar-2022	87.78		98.00
08-Feb-2022	82.39		91.00
07-Dec-2021	62.27		73.00
29-Nov-2021	61.25		71.00
03-Jun-2021	61.18		70.00
26-Feb-2021	54.37		65.00
09-Feb-2021	50.63		59.00
14-Jan-2021	50.31	Overweight	56.00
03-Jun-2020	49.24		53.00
24-Mar-2020	35.44		42.00

29-Jan-2020	64.11		67.00
19-Aug-2019	69.45	Equal Weight	73.00

Source: Bloomberg, Barclays Research

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**Valuation Methodology:** Our \$111 price target is based on application of a 75 basis point premium to XOM's 2010 - 2019 1.3% yield premium to the S&P 500, or a total implied 3.4% dividend yield on estimated 2023 dividend of \$3.7/sh dividend.

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