Equity ResearchReport - ExxonMobil

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Investments

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February 25, 2024

Snapshot	
Market Cap (m)	412,349
Share Price	$104.76
Share Outstanding (m)	3971
52 week High	$120.70
52 week Low	$ 95.77
Target Price	$120.21
Upside	15%
Beta	0.92
Dividend Yield	3.66%

Figure: 1

Source: Own Analysis, Pitchbook

BRIEF

Exxon Mobil Corporation, established through the merger of Exxon and Mobil in 1999, is one of the largest international oil and gas companies. With its headquarters in Irving, Texas, the company operates in exploration, extraction, refining, and selling of oil and gas products.

INVESTMENT SUMMARY

We issue a BUY recommendation for ExxonMobil with a one-year target price of $120 with a potential upside of 15% from its 22 February 2024 closing price. Our analysis utilizes a Discounted Cash Free model and is supported by Relative Valuation and to some extend NAV that allows for a better understanding of the Oil and Gas industry.

While Oil and Gas may be phased out eventually but it is unlikely to happen any time soon and with its industry counterparts are shifting their investments

Figure 2, Source; Yahoo! Finance

toward renewable energies to meet carbon reduction goals, ExxonMobil continues to prioritize its oil and gas ventures.

Key Ratios	
Revenue (mil)	$ 344,582
Profit Margin	11.16%
EBITDA Margin	22.19%
EPS	2.48
ROE	18.73%
P/E	11.4
PEG	-0.35

Figure 3, Source: Own Analysis

Integrating Operations

ExxonMobil has implemented significant spending reductions, focusing on high-value projects with the potential for robust returns. This disciplined capital allocation strategy is particularly evident in the company's portfolio shift towards liquids, as the company slashes costs, grows production, and increases sales of chemicals, lower emission fuels and performance lubricant, anticipating a decline in gas volumes as new oil projects begin production. Notable developments in the Permian Basin and Guyana exemplify ExxonMobil's strategic investments in regions with high production potential and attractive cash margins. This aim to reduce costs have already seen a decline in costs by planning to cut costs by $6 billion by the end of 2027. The oil giant also expects oil and gas production to be about 3.8 million oil-equivalent barrels per day in 2024, and then rise to 4.2 million bpd by 2027 driven by growth in the Permian Basin and Guyana. Exxon's focus on high-return areas like Guyana and the Permian Basin, where investments can yield 10% returns even at sub $50 oil prices, signals potential for higher incremental returns on new capital.

Acquired	Price (mil)
Denbury	$ 4,900
PIONEER NATURAL RESOURCES	$ 59,500

Figure:4, Source: Company Website

Acquisitions

Exxon Mobil has been actively pursuing strategies to strengthen its portfolio through acquisitions and significant discoveries, particularly focusing on expanding its presence in key areas and enhancing its resource base. Exxon acquired Pioneer Natural Resource for The merger is an all-stock transaction valued at $59.5 billion, or $253 per share, based on ExxonMobil’s closing price on October 5, 2023, and Denbury Resources for in an all-stock transaction valued at $4.9 billion, or $89.45 per share, based on ExxonMobil’s closing price on July 12, 2023. The two companies will increase Exxon's ability to supply the world with low-cost energy. This will allow them to reduce costs, which has been a major objective of the firm. The merger with Pioneer will more than double Exxon's acreage position in the low-cost Permian Basin, growing the oil giant's recoverable resources to 16 billion BOE. The deal will also more than double Exxon's production from the region to 1.3 million BOE per day. Given its position, Exxon expects to grow its combined output in the Permian to 2 million BOE per day by 2027.

The Denbury makes ExxonMobil now has the largest owned and operated CO_2 pipeline network in the U.S. – adding more than 1,300 miles, including nearly 925 miles of CO_2 pipelines in Louisiana, Texas and Mississippi – located in one of the largest U.S. markets for CO_2 emissions. The company also has access to more than 15 strategically located onshore CO_2 storage sites.

Net liquids production of ExxonMobil from 2014 to 2022
(in 1,000 barrels per day)

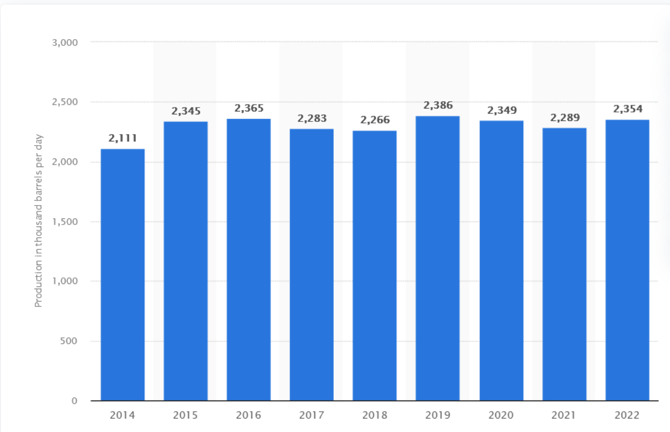


Figure 5, Source: Statista

Discovery

Exxon has made multiple world-class oil discoveries at the Stabroek Block, located off shore of Guyana. The Stabroek Block is 6.6 million acres (26,800 square kilometres). ExxonMobil affiliate holds 45% interest. The total amount of recoverable oil and natural gas resources is estimated at 11 billion barrels. These new projects have had a wider positive impact as it continues to drive investment in Guyana's growing economy. More than 5,000 Guyanese are now employed in supporting activities in the country. Discoveries Mediterranean and Angola and point to the possibility of transforming those regions.

The discoveries in Guyana and the holdings in Permian Basin give Exxon a reserve of 17.7 billion. By far the biggest of any publicly held companies.

Business Description

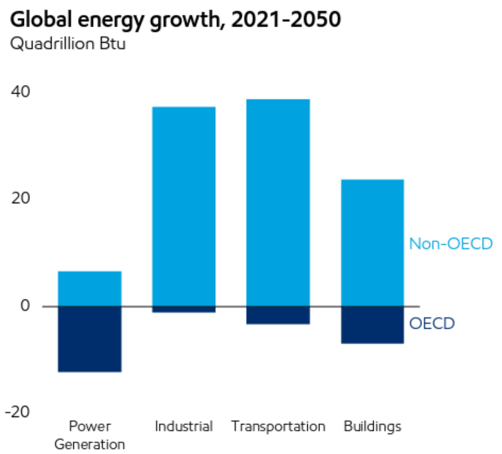


Figure 6, Source: Company Website

ExxonMobil, one of the world's premier integrated energy companies, traces back to the late 19th century, marking its beginnings with the formation of Standard Oil Company by John D. Rockefeller and partners in 1870. Through a series of mergers, acquisitions, and evolutions, Exxon and Mobil, two offshoots of Standard Oil, merged in 1999 to form ExxonMobil, creating one of the largest publicly traded oil and gas companies globally. It is headquartered in Irving, Texas. Exxon directly employs 62,300 workers as of its latest report. It is headed by Chairman and CEO Darren W. Woods.

Business Segments

ExxonMobil operates through three primary business segments: Upstream, Downstream, and Chemical.

- The Upstream segment engages in the exploration, development, and production of crude oil and natural gas. With operations in over 40 countries, ExxonMobil's Upstream portfolio includes significant assets in the Permian Basin, Guyana, and Brazil, contributing to a production output of approximately 3.8 million oil-equivalent barrels per day in recent years.
- The Downstream segment focuses on refining crude oil into petroleum products and marketing of these products. ExxonMobil's Downstream operations boast a refining capacity of over 4.8 million barrels per day across its refineries worldwide, making it one of the largest refiners and marketers of petroleum products.
- The Chemical segment produces and markets petrochemicals with a wide range of applications, from industrial uses to consumer goods. This segment leverages innovation and scale, operating manufacturing facilities in over 17 countries.

In addition to these core segments the company has forayed into Low Carbon Solutions opportunities in carbon capture and storage, hydrogen and lower-emission fuels and also seeks to entry the lithium battery sector with drilling its first lithium well in Arkansas, US and aims to be a leading supplier for electric vehicles by 2030.

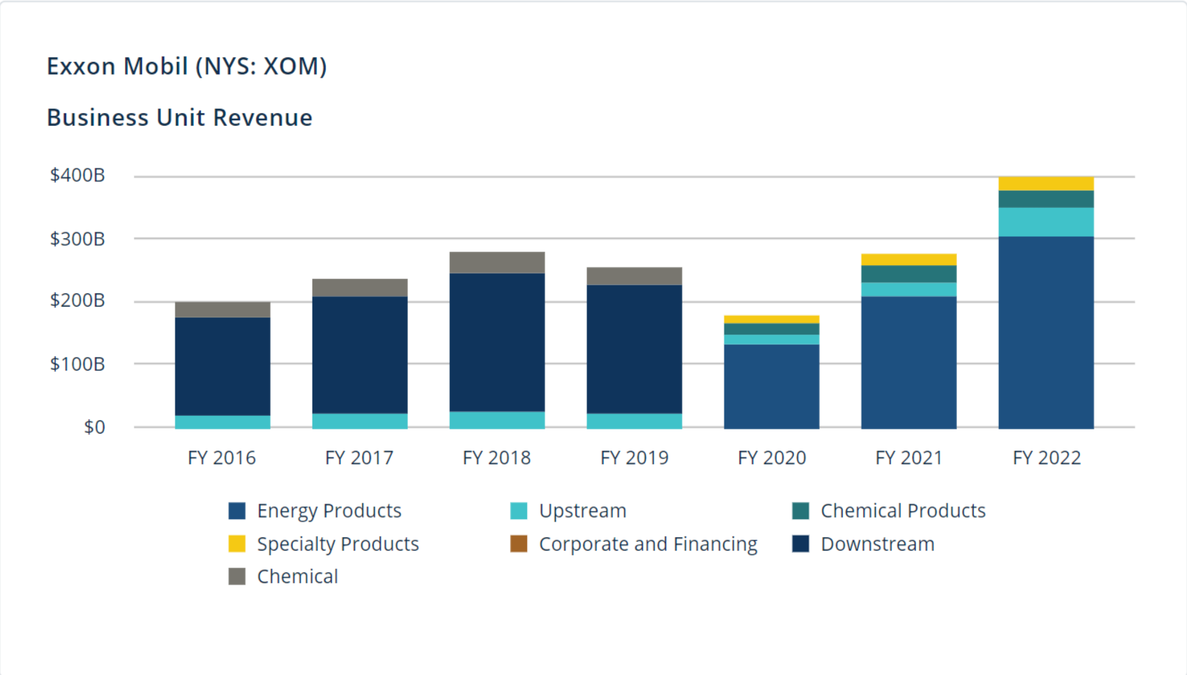


Figure 7, Source: Pitchbook

The reserves of ExxonMobil, totaling 17.7 billion barrels of oil equivalent, with a 65% composition of liquids, highlight the company's strategic resource management and its long-term vision for energy production. This vast repository of energy resources ensures ExxonMobil's ability to sustain its production levels and contribute to global energy security.

Business Model

ExxonMobil's business model is characterized by its extensive involvement across the energy value chain, from upstream exploration and production to downstream refining and chemical manufacturing. This integrated approach allows for a high degree of operational efficiency and market adaptability, ensuring the company's resilience in the face of fluctuating market conditions and regulatory environments. The company's revenue streams are diversified across these segments, with profitability driven by its ability to leverage scale, technological innovation, and operational excellence.

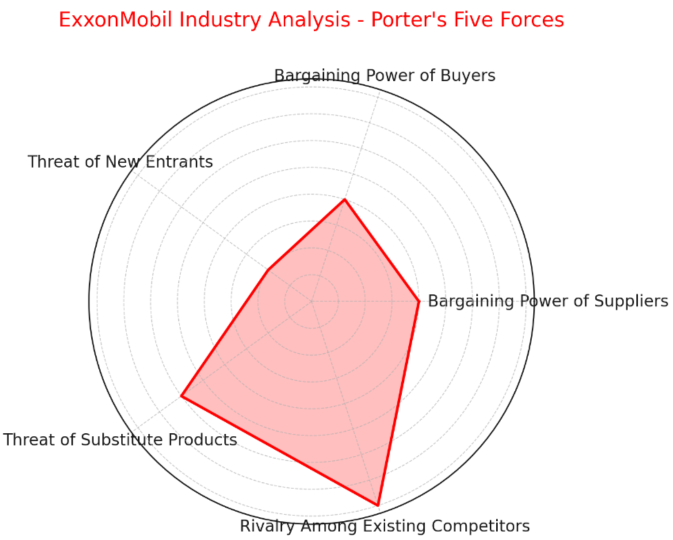


Figure 8, Source: Own Analysis

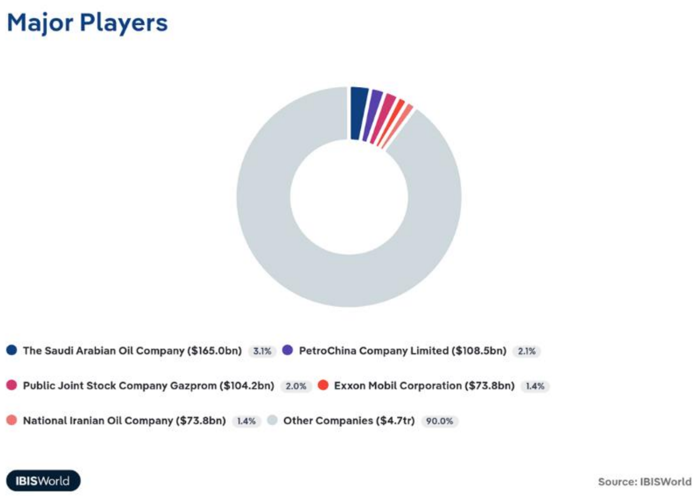
In 2022, it produced 2.4 million barrels of liquids and 8.3 billion cubic feet of natural gas daily, with reserves totalling 17.7 billion barrels of oil equivalent, 65% of which were liquids. It is the world's largest refiner, with a global refining capacity of 4.6 million barrels of oil per day, and one of the world's largest manufacturers of commodity and specialty chemicals.

ExxonMobil is committed to hydrocarbon, responding to environmental concerns with measured investments in low-carbon technologies while maintaining oil and gas production at its core. This approach, underpinned by the company's belief in the enduring demand for oil and gas, particularly natural gas due to its relatively lower emissions intensity and role in supplementing renewable power, guides its investment strategy aimed at delivering superior returns.

The company invests over $1 billion annually in research and development, focusing on breakthrough technologies such as carbon capture and storage (CCS), biofuels, and advanced materials.

Exxon is also pursuing energy trading business which can give it a massive boost given the large information network it can leverage to its advantage. Exxon's trading unit delivered more than $1 billion in gains in this past quarter. It has all the tools need but would need to shed its conservative nature

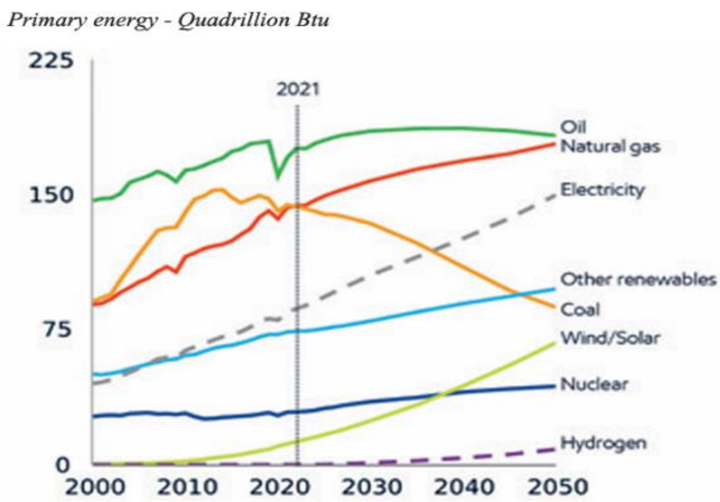
Industry Overview



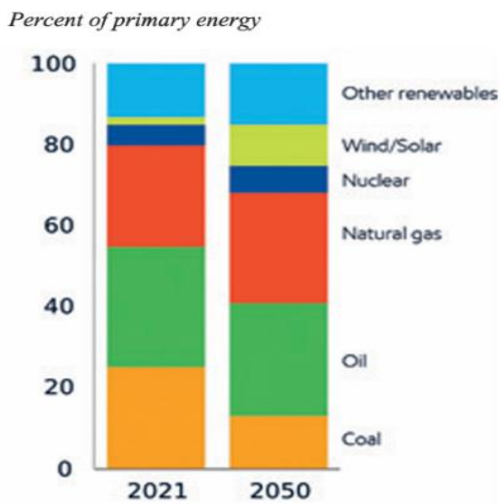
The industry has seen significant fluctuations, with revenues reaching all-time highs in 2022, following a steep decline in 2020 due to the impacts of COVID-19. The pandemic not only disrupted macroeconomic activities but also led to a revaluation of energy consumption patterns worldwide. Despite these challenges, the industry has shown resilience, with a compound annual growth rate (CAGR) of 9.6% to $5.3 trillion over the past five years.

The competitive landscape of the oil and gas industry is fiercely contested by giants such as Chevron, Royal Dutch Shell, BP, and TotalEnergies, each vying for dominance in exploration, production, refining, and distribution. ExxonMobil, however, has managed to maintain a leading position, underpinned by its integrated business model, which spans the entire value chain of the oil and gas industry.

ExxonMobil's technological expertise is a critical pillar of its competitive advantage. The company was among the first to leverage 3D seismic imaging technology, significantly improving the efficiency and effectiveness of oil and gas exploration. This focus on innovation extends to its refining and chemical

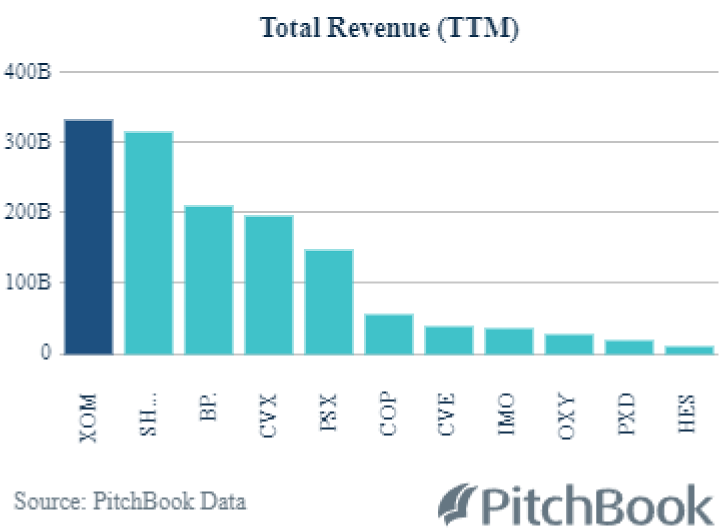


Source: ExxonMobil 2022 Outlook for Energy



Source: ExxonMobil 2022 Outlook for Energy operations, where it has developed proprietary technologies to produce cleaner-burning fuels and reduce environmental impact.

Geopolitical tensions and international sanctions, notably involving major players like Russia and the in the Middle East, significantly impact the industry. Additionally, the industry is witnessing a shift in product dynamics, with dry natural gas usurping crude oil in global sales, reflecting changing market demands and energy consumption patterns. Global tensions have led to Exxon focusing on its West operations where it is in an optimal position with massive reserves in Permian Basin and Guyana. This will provide an alternate to the more traditional sources. Following the Pioneer deal, about 45% of Exxon's production will come from the U.S., up from roughly 31%.



Oil and gas prices remain highly volatile, influencing investment and operational decisions. The Oil barrel price is forecasted to remain between $70 to $100. OPEC+ have announced voluntary cuts to keep recently to keep the barrel prices around $80. They will need to keep it around that to fund its economic demands. The recent decline in prices is mostly due to the rise in US production and not due to a lack of demand as excepted.

The breakeven price for, as per the most recent Dallas Fed energy survey, the average breakeven prices for existing and new wells are $34 and $60, respectively. Given Exxon's holding and acquisition of Pioneer, its well poised to capitalize.

The sector is increasingly adopting advanced technologies such as big data analytics and machine learning to improve exploration and production efficiency. These innovations not only enhance profitability but also reduce the environmental impact, signalling a shift towards more sustainable practices. The rising global focus on environmental conservation is challenging the industry to innovate and adapt, with a growing shift from fossil fuels to renewable energy sources. This transition is crucial for ensuring the industry's sustainability and relevance in the evolving energy landscape.

Continuous innovation and research are critical for staying competitive and addressing environmental concern. Renewable energy sources and nuclear power are increasingly viable substitutes, challenging the industry's long-term viability.

Strategic Mergers and Acquisitions are also key strategies for growth, diversification, and enhancing competitiveness within the rapidly evolving energy landscape and the recent acquisitions have allowed it to consolidate.

Compliance with these regulations is essential for industry players to mitigate environmental impacts and ensure sustainable practices. Looking forward, the industry must navigate challenges such as market volatility, evolving consumer demands, and the transition towards renewable energy sources. Despite these challenges, the sector has the potential for growth, particularly through technological advancements and expansion in emerging markets

ENVIRONMENT SOCIAL & GOVERNANCE

Scorecard	
MorningStar	Severe
Sustainalytics	Severe
Yahoo! Finance	Significant

ExxonMobil has faced significant scrutiny over its environmental policies and has acknowledged the need for sustainable and socially responsible practices. Over the years, the company has taken steps to address environmental concerns, launching various initiatives aimed at reducing greenhouse gas emissions, improving energy efficiency, and investing in lower-emission technologies.

Environment

ExxonMobil has planned to achieve net zero greenhouse gas emissions for operated assets by 2050. The 2030 emission-reduction plans are expected to achieve World Bank Zero Routine Flaring by 2030 and reduce absolute greenhouse gas emissions by an estimated 30% for the company’s upstream business and 20% for the entire corporation. Similarly, absolute flaring and methane emissions are expected to decrease by 60% and 70%, respectively by 2030. The plan includes net-zero plans for the Permian Basin by 2023.

ExxonMobil is one of the world’s largest operators of carbon capture and storage facilities, with a capacity to capture about 9 million metric tons of CO_2 annually. This is equivalent to eliminating the annual greenhouse gas emissions from over 1.9 million passenger vehicles, according to EPA estimates. In addition to the massive facilities provided by the acquisition of Denbury.

In the area of biofuels, ExxonMobil is conducting research on algae-based fuels with the potential to produce up to 2,000 gallons of fuel per acre per year.

Through operational improvements and technological advancements, ExxonMobil has improved its energy efficiency by approximately 10% in its refining operations and 8% in its chemical plants since 2000. These improvements have contributed to a reduction in CO_2 emissions and enhanced the overall sustainability of its operations.

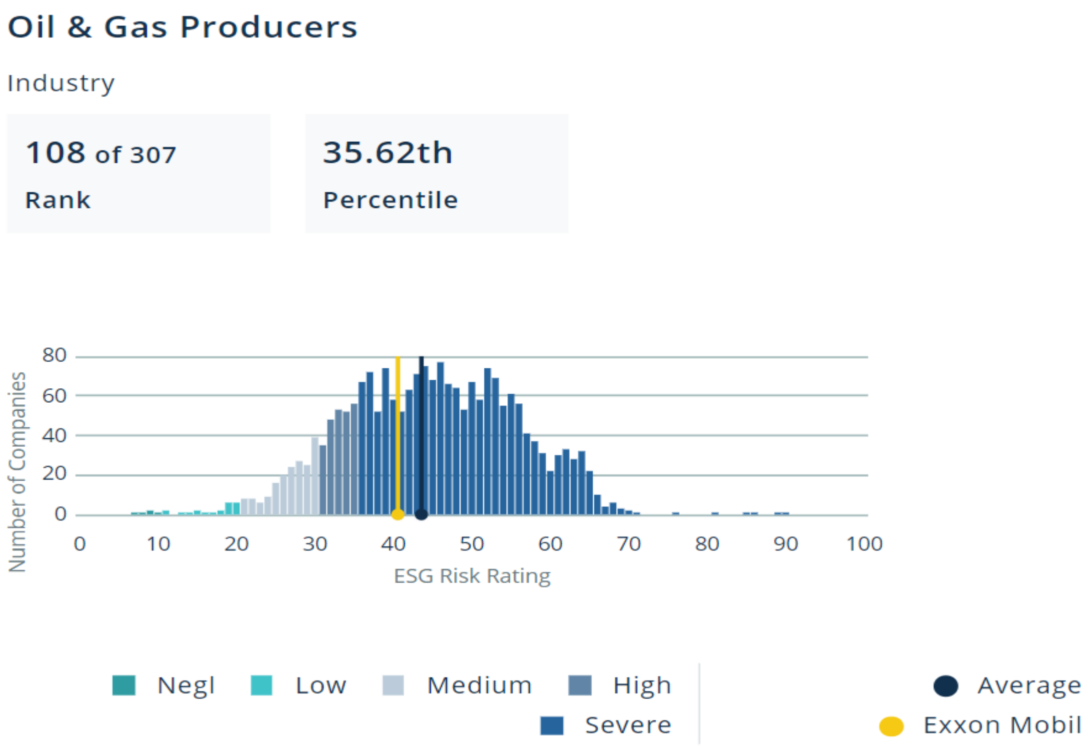


Figure 11, Source: Pitchbook

ExxonMobil has voiced support for the Paris Agreement and advocates for a carbon tax as a way to address global carbon emissions effectively. The company has also joined the Oil and Gas Climate Initiative, which is a CEO-led consortium that aims to accelerate the industry's response to climate change.

Operations near protected areas are routinely screened the locations of our major operating facilities using the World Database of Protected Areas. This information into our facility environmental business plans as we continuously work to enhance protective measures and emergency response plans.

Social

ExxonMobil's efforts in enhancing its social ratings are underscored by its multifaceted approach to corporate social responsibility (CSR), which includes significant initiatives in diversity, equity, and inclusion (DEI), employee welfare, environmental stewardship, and community engagement.

The company has invested over $1 billion in educational programs over the past decade, supporting various initiatives designed to inspire and educate the next generation of scientists and engineers. One notable program is the ExxonMobil Bernard Harris Summer Science Camp, which provides free, two-week residential camps for middle school students to engage in hands-on science, technology, engineering, and math (STEM) activities.

Since 2000, the company has dedicated more than $170 million to programs that combat malaria, benefiting over 125 million people worldwide. This funding supports a range of activities, from the distribution of insecticide-treated bed nets and antimalarial medications to research and development of new treatments, through partnerships with organizations like the Global Fund and Malaria No More.

ExxonMobil has invested over $120 million in programs supporting women in more than 90 countries.

The Board of Directors has adopted and oversees the administration of Standards of Business Conduct, which include foundation policies covering environment, health, safety, product safety, customer relations, equal employment opportunity, and harassment in the workplace. These policies and standards define the ethical conduct of ExxonMobil including our values on important matters like human rights, labour, the environment, and anti-corruption.

In Guyana, more than 5,000 Guyanese are now employed in supporting activities in the country. ExxonMobil Guyana and its key contractors are also utilising the services of nearly 1,000 unique local Guyanese suppliers and additionally taken steps to ensure the environmental responsibility.

Environment, Social and Governance (ESG) Risk Ratings

Total ESG Risk Score	Environmental Risk Score
41.6 93rd percentile Severe	23.1
Social Risk Score	**Governance Risk Score**
10.0	8.5

ESG Risk Score for Peers

Name	Total ESG Risk score	E	S	G
CNC.SW CNC.SW	42	20	11	11
533278.BO 533278.BO	42	25	12	6
XOM Exxon Mobil Corporation	42	23	10	8
STOSF SANTOS LIMITED	42	25	10	8
OXY Occidental Petroleum Corporatio	42	25	10	7

Furthermore, ExxonMobil emphasizes employee development through enhanced stock programs, promoting internal mobility via job rotations, and providing specialized training to foster skill growth. The company is committed to building a diverse talent pipeline, with a particular focus on supporting STEM education initiatives to prepare the next generation for future industry challenges. These measures reflect ExxonMobil's strategic approach to leveraging diversity and inclusion as key drivers for innovation and business success.

Governance

ExxonMobil's corporate governance and ethical conduct are central to its operational ethos, significantly influencing its ISS ESG corporate governance and business ethics score. The company's commitment to shareholder democracy, transparent executive compensation schemes, and comprehensive code of business ethics and compliance procedures underpins its approach to corporate governance.

ExxonMobil places a strong emphasis on shareholder rights, ensuring that investors have a voice in significant corporate decisions. This includes practices such as allowing shareholders to vote on executive compensation packages, which promotes transparency and accountability.

The company discloses detailed information regarding the compensation of its CEO and executive management team. This transparency is critical for shareholders to assess the alignment between executive pay and company performance. ExxonMobil's compensation policies are designed to incentivize long-term, sustainable growth, aligning the interests of executives with those of shareholders.

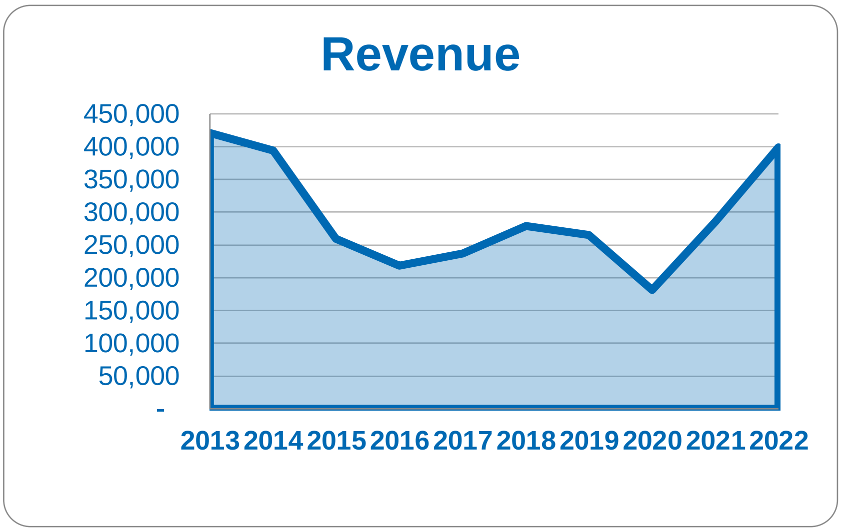
A comprehensive code of business ethics and robust compliance procedures. These policies are designed to ensure that all employees, including the executive team, adhere to the highest standards of ethical conduct and compliance with laws and regulations, reinforcing the company's commitment to ethical business practices.

The ownership structure of Exxon Mobil (XOM) stock is a mix of institutional, retail and individual investors. Approximately 51.13% of the company's stock is owned by Institutional Investors, 0.81% is owned by Insiders and 48.06% is owned by Public Companies and Individual Investors.

The biggest shareholders are Vanguard Group Inc. and Blackrock Inc. with 9.80% and 8.80% respectively. State Street Corporation, FMR and Geode Capital follow them as the largest shareholders.

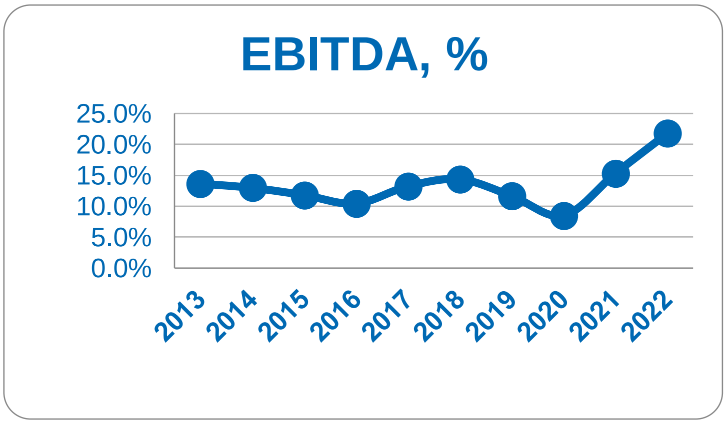
FINANCIAL ANALYSIS

Given the industry XOM operates in, the forecasting depends much more on macro-economic factors. As we have previously discussed the macro-economic factors and geopolitical issue, XOM main growth is dependent on external factors such as the revenue depends on market conditions and the sale price. As we looked at the industry factors, we believe that XOM will continue to grow and that the adoption of more sustainable and renewable sources will be slower than anticipated.



In 2022, Exxon Mobil reported revenues of $413.68 billion, which is expected to decrease to $340.97 billion in 2023. However, for 2024, revenues are projected to slightly decrease further to $334.67 billion, indicating a stabilization in the company's revenue streams. We forecast that the company will be able to 4.5% growth rate just close to the industrial forecast of 3%. This number is based on the historical growth rate of the past ten years and the industry outlook. This may vary depending on the demand and the oil price in the market. The current oil barrel price is about $80 per barrel while we assume a more conservative $65 per barrel. This would still produce phenomenal returns. The revenue remains highest of all Oil and Gas companies and the revenue growth has outperformed its competitors.

The company has been spectacular with its capital allocation that would produce huge cash surplus that was generate despite the heavy capital expenditure investment. In 2022 the cash was $30 billion and in 2023 it was $32 billion. We project that by 2028 XOM could potential have a cash surplus of about $50 billion.



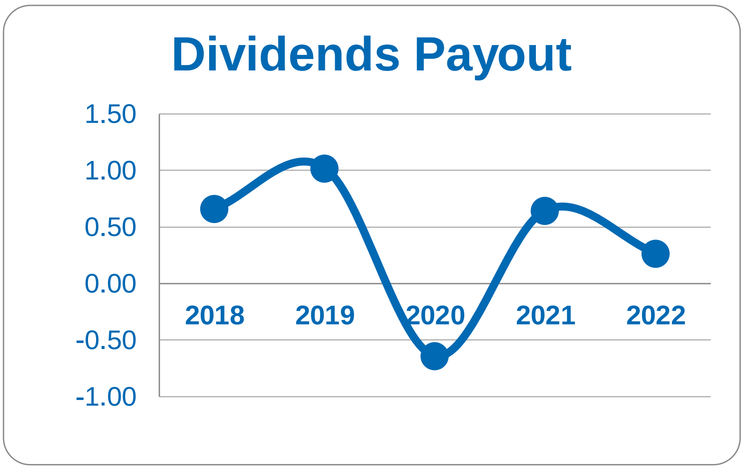
The operating income shows a forecasted decline from $79.03 billion in 2022 to $51.22 billion in 2023, with a slight increase projected in 2024 to $52.92 billion. Much of this due to a decrease in per barrel price.

EBITDA forecasts follow a similar pattern, is $67.97 billion in 2023, before a minor increase to $72 billion in 2024. Exxon Mobil's earnings per share (EPS) are projected to decrease in 2023 to $9.18 from $13.37 in 2022, before slightly recovering to

$9.48 in 2024. This fluctuation reflects the impact of market dynamics on Exxon's profitability.

Given the industry, Capital Expenditure remains an important factor. The could be replacing older machinery or expanding new one. The company's strategic focus on maintaining robust capital expenditure levels underscores its commitment to future growth. XOM has always been able to invest its cash into capex which has allowed it to expand. We forecast on the basis of the past 10 years that XOM will continue to invest heavily. With about $25 billion in 2025, part of which will be invested in the new project in Guyana, which could potentially give a 250k barrel daily, which is led by consortium of which XOM hold 45% of the ownership.

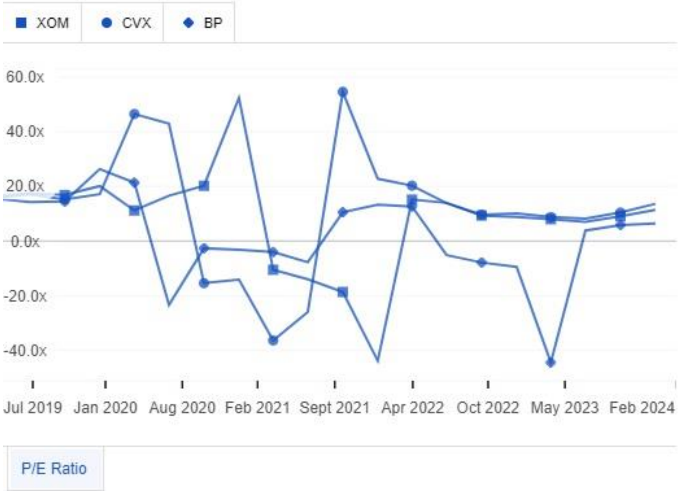
Exxon has a debt of $41.57 billion and given how large the cash flow is the revenue is, this shows that the company is in a healthy position. Most of Exxon’s financing comes from its earnings.



The company managed to maintain its dividend payments during the challenging year of 2020 by leveraging its balance sheet, which resulted in an increase in gross debt from $46.9 billion at the end of 2019 to $67.6 billion at the end of 2020. Despite this increase in debt, Exxon Mobil successfully reduced its total debt to $47.7 billion by the end of 2021, bringing its debt/capital ratio to 22%, which is within its targeted range of 20%-25%. This demonstrates the company's strong commitment to its dividend policy, even when faced with financial pressure.

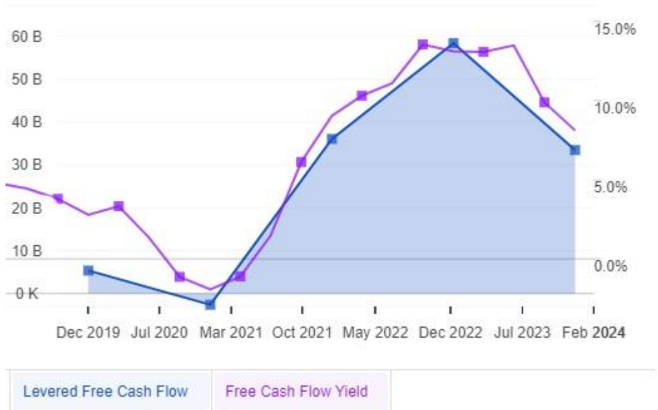
Exxon has utilized share repurchases to return excess cash to shareholders, a strategy that has seen varying levels of success depending on oil prices and share price valuations at the time of repurchase. Currently, Exxon has resumed share repurchases. Exxon Mobil's strategic focus on maintaining a robust dividend policy as a key aspect of its shareholder value proposition, demonstrating the company's commitment to shareholders through careful capital management and strategic financial planning

VALUATION



We issue a BUY recommendation with a target price of $120 per share with in the 12 months representing a potential upside of 15%. Our recommendation is based on a Discounted Cash Flow model and Relative valuation with its peers. Given the asset centred nature of the industry and the volatility of the prices, a net asset value was also kept in mind.

Component	Rate	Methodology
Risk-free Rate	4.5%	Take from the 10 Year US Treasury bill
Market Risk Premium	5.0%	The excess returns excepted
Beta	0.92	Calculated in relation to the 5 year return of SPY500
Cost of Equity	9.10%	Using CAPM
Pre-tax Cost of Debt	5.40%	Found with the industy spread
Tax Rate	25.9%	the average rate for the past 5 years
After-tax Cost of Debt	4.00%	
WACC	8.64%	Calculated with a debt to equity of 0.18



The 3% terminal growth rate effective is based upon a weighted average of the expected GDP growth and the forecasted growth in energy demands.

RISK

Exxon Mobil faces several investment risks, which, while part of the broader challenges in the energy sector, are specific in their impact on the company's operations and financial performance. Here are five kinds of investment risks related to Exxon Mobil, their probability, and strategies for mitigation:

Commodity Price Volatility: The prices of oil and natural gas are subject to wide fluctuations due to geopolitical events, supply and demand dynamics, and global economic conditions. This volatility directly impacts Exxon Mobil's revenue and profitability. The probability of this risk is high due to the inherent unpredictability of global markets. Mitigation strategies include diversifying operations across different regions and energy sources, hedging commodity exposure, and maintaining operational flexibility to adjust production levels in response to market conditions.

Regulatory and Policy Risks: With increasing global focus on climate change, there is a risk of stringent regulations, including carbon taxes and emissions trading schemes, which could increase operational costs or constrain market access. The probability is medium to high, given the current trends in environmental legislation. Mitigation involves active engagement in policy development, investment in cleaner energy technologies, and enhancing operational efficiencies to reduce greenhouse gas emissions.

Technological and Market Shift Risks: The transition towards renewable energy sources and the adoption of electric vehicles pose a long-term risk to Exxon Mobil's traditional oil and gas business model. The probability of this risk is medium over the next decade but increases significantly in the longer term. Mitigation strategies include investing in renewable energy projects, developing low-carbon technologies such as carbon capture and storage, and exploring opportunities in the electric mobility ecosystem.

Operational Risks: These include risks of oil spills, accidents, and operational disruptions, which can lead to significant financial losses and damage to reputation. The probability is medium, given the nature of Exxon Mobil's operations. Mitigation involves strict adherence to safety and environmental standards, continuous improvement of operational processes, and maintaining comprehensive insurance coverage.

Geopolitical Risks: Exxon Mobil's operations in politically unstable regions expose it to risks of expropriation, nationalization, and conflict. The probability is medium, varying by region. Mitigation strategies include geopolitical risk assessment in investment decisions, diversification of geographic operations, and maintaining strong relationships with host governments and communities.

In summary, while Exxon Mobil faces significant investment risks, proactive management and strategic planning can mitigate these risks. The company's approach involves diversifying its energy portfolio, enhancing operational safety and efficiency, engaging in policy and regulatory discussions, and investing in technology to reduce its environmental impact.

APPENDIX

Income Statement

Consolidated Statement of Income										
								Forecast		
Year	% of Rev	2019	2020	2021	2022	2023	*2024*	*2025*	*2026*	*2027*	*2028*
Total Revenue	4.5%	$ 264,938	$ 181,502	$ 285,640	$ 413,680	$ 344,582	$ 360,088	$ 376,292	$ 393,225	$ 410,920	$ 429,412
Cost and other Deductions											
Crude Oil and produce purchase	56.00%	$ 143,801	$ 94,007	$ 155,164	$ 228,959	$ 193,029	$ 201,649	$ 210,724	$ 220,206	$ 230,115	$ 240,471
Production and manufacturing expenses	10.00%	$ 36,826	$ 30,431	$ 36,035	$ 42,609	$ 36,885	$ 36,009	$ 37,629	$ 39,323	$ 41,092	$ 42,941
Selling, general and adminstraive expenses	3.00%	$ 11,398	$ 10,168	$ 9,574	$ 10,095	$ 9,919	$ 10,803	$ 11,289	$ 11,797	$ 12,328	$ 12,882
Depreciation and depletion	6.00%	$ 18,998	$ 46,009	$ 20,607	$ 24,040	$ 20,641	$ 21,605	$ 22,578	$ 23,594	$ 24,655	$ 25,765
Interest Expense	0.25%	$ 830	$ 1,158	$ 947	$ 798	$ 849	$ 900	$ 941	$ 983	$ 1,027	$ 1,074
Other Taxes and duties	9.00%	$ 33,029	$ 28,612	$ 32,079	$ 29,426	$ 30,476	$ 32,408	$ 33,866	$ 35,390	$ 36,983	$ 38,647
Total Costs and other deductions		$ 244,882	$ 210,385	$ 254,406	$ 335,927	$ 291,799	$ 303,374	$ 317,026	$ 331,292	$ 346,200	$ 361,779
Income before Taxes	15.00%	$ 20,056	$ (28,883)	$ 31,234	$ 77,753	$ 52,783	$ 54,013	$ 56,444	$ 58,984	$ 61,638	$ 64,412
Income tax expense	4.50%	$ 5,282	$ (5,632)	$ 7,636	$ 20,176	$ 15,429	$ 16,204	$ 16,933	$ 17,695	$ 18,491	$ 19,324
Net Income		$ 14,340	$ (22,440)	$ 23,040	$ 55,740	$ 36,010	$ 37,809	$ 39,511	$ 41,289	$ 43,147	$ 45,088

Balance Sheet

Consolidated Balance Sheet											
									Forecast		
Year		2019	2020	2021	2022	2023	*2024*	*2025*	*2026*	*2027*	*2028*
Assets											
Cash and Cash Equivalents	9.0%	$ 3,089	$ 4,364	$ 6,802	$ 29,665	$ 31,568	$ 32,408	$ 33,866	$ 35,390	$ 36,983	$ 38,647
Notes and Accounts Receivable	11.0%	$ 26,966	$ 20,581	$ 32,383	$ 41,749	$ 38,015	$ 39,610	$ 41,392	$ 43,255	$ 45,201	$ 47,235
Inventory	7.0%	$ 18,528	$ 18,850	$ 18,780	$ 24,435	$ 25,120	$ 25,206	$ 26,340	$ 27,526	$ 28,764	$ 30,059
Other Current Assets	0.5%	$ 1,469	$ 1,098	$ 1,189	$ 1,782	$ 1,906	$ 1,800	$ 1,881	$ 1,966	$ 2,055	$ 2,147
Total Current Assets		$ 50,052	$ 44,893	$ 59,154	$ 97,631	$ 96,609	$ 99,024	$ 103,480	$ 108,137	$ 113,003	$ 118,088
Investments, advances and Long-term receivables	14.0%	$ 43,164	$ 43,515	$ 45,195	$ 49,793	$ 47,630	$ 50,412	$ 52,681	$ 55,052	$ 57,529	$ 60,118
Property, plant and equipment	65.0%	$ 253,018	$ 227,553	$ 216,552	$ 204,692	$ 214,940	$ 234,057	$ 244,590	$ 255,596	$ 267,098	$ 279,118
Other assets, including intangibles	5.0%	$ 16,363	$ 16,789	$ 18,022	$ 16,951	$ 17,138	$ 18,004	$ 18,815	$ 19,661	$ 20,546	$ 21,471
Total Assets		$ 362,597	$ 332,750	$ 338,923	$ 369,067	$ 376,317	$ 401,498	$ 419,566	$ 438,446	$ 458,176	$ 478,794
Liabilities											
Notes and loans payable	2%	$ 20,578	$ 20,458	$ 4,276	$ 634	$ 4,090	$ 5,401	$ 5,644	$ 5,898	$ 6,164	$ 6,441
Accounts payable and accured liabilites	17%	$ 41,831	$ 35,221	$ 50,766	$ 63,197	$ 58,037	$ 61,215	$ 63,970	$ 66,848	$ 69,856	$ 73,000
Income tax payable	1%	$ 1,580	$ 684	$ 1,601	$ 5,214	$ 3,189	$ 3,349	$ 3,500	$ 3,657	$ 3,822	$ 3,994
Total Current Liabilities		$ 63,989	$ 56,363	$ 56,643	$ 69,045	$ 65,316	$ 69,965	$ 73,114	$ 76,404	$ 79,842	$ 83,435
Long-Term Debt	10%	$ 26,342	$ 47,182	$ 43,428	$ 40,559	$ 37,483	$ 36,009	$ 37,629	$ 39,323	$ 41,092	$ 42,941
Deferred income tax liabilities	6%	$ 25,620	$ 18,165	$ 20,165	$ 22,874	$ 24,452	$ 21,605	$ 22,578	$ 23,594	$ 24,655	$ 25,765
Other Long Term obligations	10%	$ 47,708	$ 46,910	$ 43,004	$ 34,116	$ 36,528	$ 36,009	$ 37,629	$ 39,323	$ 41,092	$ 42,941
Total Liabilities		$ 163,659	$ 168,620	$ 163,240	$ 166,594	$ 163,779	$ 163,588	$ 170,950	$ 178,642	$ 186,681	$ 195,082
Equity											
Common stock without par value	5%	$ 15,637	$ 15,688	$ 15,746	$ 15,752	$ 17,781	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000
Earnings reinvested		$ 421,341	$ 383,943	$ 392,059	$ 432,860	$ 453,927	$ 485,311	$ 496,261	$ 507,703	$ 519,659	$ 532,153
Accumulated other comprehensive income	-4%	$ (19,493)	$ (16,705)	$ (13,764)	$ (13,270)	$ (11,989)	$ (12,603)	$ (13,170)	$ (13,763)	$ (14,382)	$ (15,029)
Common stock held in treasury	-74%	$ (225,835)	$ (225,776)	$ (225,464)	$ (240,293)	$ (254,917)	$ (260,000)	$ (260,000)	$ (260,000)	$ (260,000)	$ (260,000)
ExxonMobil share of Equity		$ 191,650	$ 157,150	$ 168,577	$ 195,049	$ 204,802	$ 230,708	$ 241,091	$ 251,940	$ 263,277	$ 275,124
Noncontrolling interests	2%	$ 7,288	$ 6,980	$ 7,106	$ 7,424	$ 7,736	$ 7,202	$ 7,526	$ 7,865	$ 8,218	$ 8,588
Total Equity		$ 198,938	$ 164,130	$ 175,683	$ 202,473	$ 212,538	$ 237,910	$ 248,617	$ 259,804	$ 271,495	$ 283,712
Total Liabilities and Equity		$ 362,597	$ 332,750	$ 338,923	$ 369,067	$ 376,317	$ 401,498	$ 419,566	$ 438,446	$ 458,177	$ 478,794

SWOT

Strengths: ExxonMobil has a strong market presence, extensive industry experience, and significant financial resources. Its diversified product range and global operations contribute to resilience against market volatility. Also has large proven reserves.

Weaknesses: The company faces challenges related to environmental regulations and shifting market demands towards renewable energy. Its operations' carbon intensity also poses risks amid increasing climate change concerns.

Opportunities: There are opportunities in expanding into renewable energy sectors, enhancing sustainability practices, and leveraging technology for efficiency gains. Emerging markets present and opportunity.

Threats: ExxonMobil encounters threats from fluctuating oil prices, geopolitical tensions affecting supply chains, and growing competition from both traditional and alternative energy companies.

Porters five forces

Threat of New Entrants: The oil and gas industry has high barriers to entry, including substantial capital requirements, regulatory hurdles, and the need for specialized knowledge. These factors, combined with the dominance of established players like ExxonMobil, result in a low threat of new entrants.

Bargaining Power of Suppliers: In the oil and gas sector, the bargaining power of suppliers is generally low due to the presence of numerous suppliers and the industry's scale. However, the power of suppliers can increase under certain conditions, such as shortages of key inputs.

Bargaining Power of Buyers: Given the essential nature of oil and gas, the bargaining power of buyers is low. These commodities are crucial for various industries, making it challenging for buyers to exert significant influence over pricing or terms.

Threat of Substitute Products or Services: The threat of substitutes, particularly from renewable energy sources and electric vehicles, is growing. The renewable energy market is expanding, and the shift towards electric vehicles is gaining momentum. These trends represent a significant substitute threat to traditional oil and gas products, pushing companies like ExxonMobil to invest in low-carbon solutions and renewable energy projects.

Rivalry Among Existing Competitors: The competition in the oil and gas industry is intense, with several large companies vying for market share. This rivalry can pressure prices and profitability but also drives innovation and efficiency improvements.