

# Exxon Mobil Corp

**S&P Capital IQ Recommendation** **HOLD** ★★☆☆☆  
**S&P Capital IQ Equity Analyst S. Glickman, CFA**

**Price** \$95.09 (as of Nov 14, 2014 4:00 PM ET) **12-Mo. Target Price** \$100.00 **Report Currency** USD **Investment Style** Large-Cap Blend

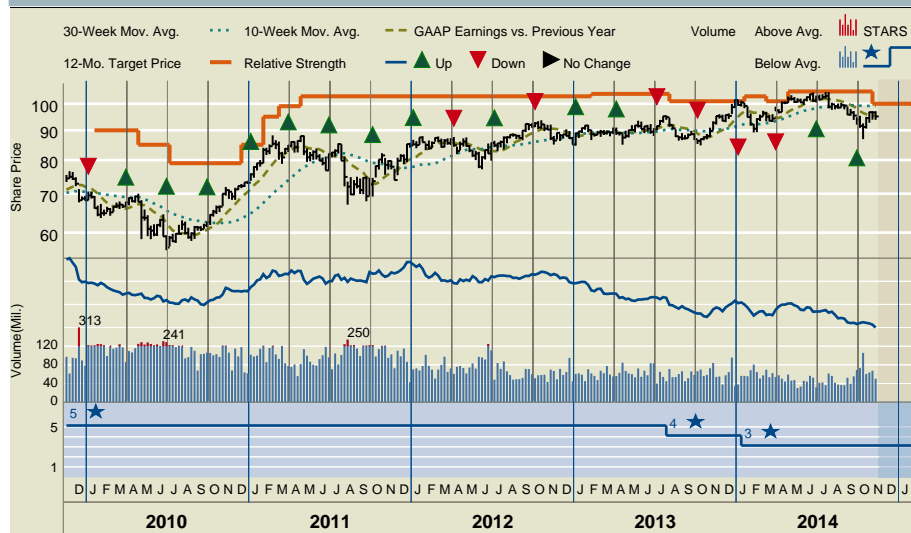
**GICS Sector** Energy  
**Sub-Industry** Integrated Oil & Gas

**Summary** XOM, formed through the merger of Exxon and Mobil in late 1999, is the world's largest publicly owned integrated oil company.

**Key Stock Statistics** (Source S&P Capital IQ, Vickers, company reports)

52-Wk Range	<b>\$104.76–86.91</b>	S&P Oper. EPS 2014E	<b>7.18</b>	Market Capitalization(B)	<b>\$402.661</b>	Beta	<b>0.88</b>
Trailing 12-Month EPS	<b>\$7.95</b>	S&P Oper. EPS 2015E	<b>6.90</b>	Yield (%)	<b>2.90</b>	S&P 3-Yr. Proj. EPS CAGR(%)	<b>-2</b>
Trailing 12-Month P/E	<b>12.0</b>	P/E on S&P Oper. EPS 2014E	<b>13.2</b>	Dividend Rate/Share	<b>\$2.76</b>	S&P Quality Ranking	<b>A</b>
\$10K Invested 5 Yrs Ago	<b>\$14,954</b>	Common Shares Outstg. (M)	<b>4,234.5</b>	Institutional Ownership (%)	<b>51</b>		

**Price Performance**



Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **S. Glickman, CFA** on Nov 02, 2014 09:50 PM, when the stock traded at **\$96.71**.

**Highlights**

- In March, XOM updated its production outlook over the medium term (through 2017). We note that annual production targets have been ratcheted back, such that by 2017, annual production is anticipated to hit 4.3 mboe/d, down 0.5 mboe/d from last year's forecast for 2017. We think XOM has pared back its assumptions for U.S. natural gas fundamentals, resulting in less production to come from gas-directed activity. Longer term, we still think U.S. natural gas has secular demand drivers, such as LNG exports and U.S. chemical industry expansion, but in the near-to-medium term we remain cautious.
- Third quarter production averaged 3.83 million barrels of oil equivalent per day (MMboe/d), down 0.9% from the Capital IQ projection of 3.87 MMboe/d. However, profitability per barrel was up by roughly \$3.00 per barrel year over year (\$21/b vs. \$18/b). We think XOM is executing well on its plan to high-grade its portfolio towards higher-margin barrels, with the tradeoff that production volume growth is likely to be limited.
- We see operating EPS of \$7.18 in 2014, dropping to \$6.90 in 2015.

**Investment Rationale/Risk**

- We see upstream growth opportunities (deepwater, Arctic and Black Sea, LNG, unconventional), but projections have been pushed further out than previously forecast. We think XOM's project development capabilities have provided a strong pipeline of long-lived upstream assets with improving decline rates, and the downstream unit should benefit over the long term from its complex large refineries. We see further expansion of activities in global LNG and frontier regions and targeted divestments across businesses. We think XOM will remain active in M&A markets.
- Risks to our recommendation and target price include deterioration in economic, industry and operating conditions, such as difficulty replacing reserves and increased production costs.
- Our 12-month target price of \$100 reflects a forward EBITDA multiple of 6.4X, above XOM's 5-year average forward multiple, and a premium to supermajor oil peer Chevron (CVX Buy 118). We estimate 2015 ROIC of 10.7%, above CVX and above the E&P peer average. We see 2015 operating cash flow considerably in excess of capital spending, raising flexibility for returns to shareholders.

**Analyst's Risk Assessment**

<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>
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Our risk assessment reflects our view of the company's diversified and strong business profile in volatile, cyclical and capital-intensive segments of the energy industry. We consider ExxonMobil's earnings stability and corporate governance practices to be above average.

**Revenue/Earnings Data**

**Revenue (Million U.S. \$)**

	1Q	2Q	3Q	4Q	Year
2014	95,331	100,545	96,760	--	--
2013	108,807	106,469	112,372	100,207	438,255
2012	119,189	112,745	111,554	109,635	482,295
2011	114,000	125,486	125,330	113,119	486,429
2010	90,250	92,490	95,300	105,190	383,221
2009	64,028	74,457	82,260	89,841	310,586

**Earnings Per Share (U.S. \$)**

	2014	2013	2012	2011	2010	2009
2014	2.10	2.05	1.89	E1.60	E7.18	
2013	2.12	1.55	1.79	1.91	7.37	
2012	2.00	3.41	2.09	2.20	9.70	
2011	2.14	2.18	2.13	1.97	8.42	
2010	1.33	1.60	1.44	1.85	6.22	
2009	0.92	0.81	0.98	1.27	3.98	

Fiscal year ended Dec. 31. Next earnings report expected: Late January. EPS Estimates based on S&P Capital IQ Operating Earnings; historical GAAP earnings are as reported in Company reports.

**Dividend Data**

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.630	Jan 29	Feb 6	Feb 10	Mar 10 '14
0.690	Apr 30	May 9	May 13	Jun 10 '14
0.690	Jul 30	Aug 11	Aug 13	Sep 10 '14
0.690	Oct 29	Nov 7	Nov 12	Dec 10 '14

Dividends have been paid since 1882. Source: Company reports.

Past performance is not an indication of future performance and should not be relied upon as such.

**Please read the Required Disclosures and Analyst Certification on the last page of this report.**

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**Exxon Mobil Corp****Business Summary** November 02, 2014

**CORPORATE OVERVIEW.** In late 1999, the FTC allowed Exxon and Mobil to reunite, creating Exxon Mobil Corp. ExxonMobil's businesses include oil and natural gas exploration and production (79% of 2013 segment earnings versus 64% in 2012); refining and marketing (10% versus 28%); chemicals (11% versus 8%); and other operations, such as electric power generation, coal and minerals.

Including non-consolidated equity interest, proved oil and gas reserves grew 0.2% in 2013, to 25.2 billion BOE (53% liquids; 66% developed). Oil and gas production fell 1.5%, to 4.18 million barrels of oil equivalent per day (BOE/d; 53% liquids). XOM expects production, ex-divestitures, to remain flat at about 4.0 million BOE/d in 2014, but rise to 4.3 million BOE/d by 2017. XOM replaced 103% of its 2013 production, down from 115% in 2012. Using data from IHS Herold, we estimate XOM's three-year (2010-2012) reserve replacement at 150%, versus the peer average of 161%; three-year finding and development costs at \$24.78 per BOE, above the peer average of \$18.48; proved acquisition costs at \$7.81 per BOE, below the peer average of \$9.42; and its reserve replacement costs at \$18.24 per BOE, above the peer average of \$17.27.

At year-end 2013, XOM had an ownership interest in 31 refineries with 5.29 million barrels per day (b/d) of atmospheric distillation capacity (U.S. 37%, Europe 31%, Asia Pacific 20%, Canada 8%, and Middle East/Latin America/Other 6%). The marketing operations sell products and services throughout the world. Exxon, Esso and Mobil brands serve customers at over 19,000 retail service stations.

XOM's Chemical segment manufactures and sells petrochemicals, supplying olefins, polyolefins, aromatics, and a wide variety of other petrochemicals. At year-end 2013, XOM had a chemicals complex capacity of 23.6 million metric tons per year.

**MARKET PROFILE.** Based on a blend of oil and gas assets and production volumes, we estimate that XOM is the largest publicly traded integrated oil company in the world, serving customers in over 200 countries. XOM maintains the largest portfolio of proved reserves and production in North America, and is the biggest net producer of oil and gas in Europe. Through wholly owned ExxonMobil Canada Ltd. and its 69.6%-owned affiliate Imperial Oil, XOM is one of the largest oil and gas producers in Canada and is building the Kearl oil sands project.

**CORPORATE STRATEGY.** XOM's capital spending peaked at \$42.5 billion in 2013. For 2014, XOM plans to reduce capital spending to \$39.8 billion, and to level out below \$37.0 billion, on average, for the period 2015-2017. A total of 21 major oil and gas projects will begin production between 2014 and 2017, including 10 major startups in 2014. XOM anticipates adding over 1 million BOE/d by 2017. This includes the Kearl oil sands project in Canada and the Papua New Guinea LNG project.

**IMPACT OF MAJOR DEVELOPMENTS.** In August 2011, XOM and Russia's Rosneft executed a Strategic Cooperation Agreement under which the companies plan to undertake joint exploration and development of hydrocarbon resources in Russia, the U.S. and other countries throughout the world, and commence technology- and expertise-sharing activities. The agreement includes approximately US\$3.2 billion to be spent funding exploration in the Kara Sea and Black Sea, among the most promising and least explored offshore areas globally. The agreement provides Rosneft with an opportunity to gain equity interest in a number of XOM's exploration opportunities in North America, including the deepwater Gulf of Mexico and tight oil fields, as well as additional opportunities in other countries. The companies also agreed to conduct a joint study of developing tight oil resources in Western Siberia, and will create an Arctic Research and Design Center for Offshore Developments.

On June 25, 2010, XOM purchased XTO Energy, Inc. in an all-stock deal valued at \$40.5 billion (including \$10.0 billion of long-term debt). The deal added 2,471 million BOE (84% natural gas) at an implied value of \$11.51 per proved BOE. We believe XOM's technical expertise will unlock additional XTO resource potential in the coming years.

**FINANCIAL TRENDS.** As of December 31, 2013, XOM had a cash balance of \$4.6 billion, compared with long-term debt of \$6.9 billion. We believe XOM has enjoyed above-average returns versus peers. Return on capital employed was 17.2% in 2013 and has averaged 22.3% for the three year period 2011-2013.

XOM has continued its share repurchases, and appears to be using them to balance its cash use. XOM's common stock repurchases totaled \$16 billion in 2013, versus about \$11 billion in cash dividends. We believe that share repurchases will continue, but will be treated as a use of excess cash flow after capital spending needs are met and after dividends are paid. XOM has reduced its share count to 4.4 billion shares outstanding, down from 7 billion shares after the Exxon/Mobil merger in 1999 and 5.1 billion after the XTO acquisition in 2010.

**Corporate Information****Investor Contact**

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**Website**<http://www.exxonmobil.com>**Officers****Chrmn, CEO & Pres**

R.W. Tillerson

**Secy**

J.J. Woodbury

**SVP & CFO**

A.P. Swiger

**General Counsel**

S.J. Balagia

**Treas**

R.N. Schleckser

**Board Members**

M. J. Boskin

U. M. Burns

J. S. Fishman

K. C. Frazier

S. J. Palmisano

R. W. Tillerson

P. Brabeck-Letmathe

L. R. Faulkner

H. H. Fore

W. W. George

S. S. Reinemund

W. C. Weldon

**Domicile**

New Jersey

**Founded**

1870

**Employees**

75,000

**Stockholders**

466,674

# Exxon Mobil Corp

## Quantitative Evaluations

<b>S&amp;P Capital IQ Fair Value Rank</b>	3+	1	2	3	4	5
		LOWEST				HIGHEST
		Based on S&P Capital IQ's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).				

**Fair Value Calculation** **\$96.00** Analysis of the stock's current worth, based on S&P Capital IQ's proprietary quantitative model suggests that XOM is fairly valued

<b>Investability Quotient Percentile</b>	100
	LOWEST = 1 HIGHEST = 100
	XOM scored higher than 100% of all companies for which an S&P Capital IQ Report is available.

<b>Volatility</b>	LOW	AVERAGE	HIGH
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**Technical Evaluation** **NEUTRAL** Since November, 2014, the technical indicators for XOM have been NEUTRAL.

<b>Insider Activity</b>	UNFAVORABLE	NEUTRAL	FAVORABLE
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For further clarification on the terms used in this report, please visit [www.standardandpoors.com/stockreportguide](http://www.standardandpoors.com/stockreportguide)

## Expanded Ratio Analysis

	2013	2012	2011	2010
Price/Sales	1.02	0.83	0.85	0.93
Price/EBITDA	NA	6.09	5.93	6.52
Price/Pretax Income	7.75	5.09	5.64	6.76
P/E Ratio	13.73	8.92	10.06	11.76
Avg. Diluted Shares Outstg (M)	4,419.0	4,628.0	4,875.0	4,897.0

Figures based on calendar year-end price

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	-9.13	4.02	3.29	3.69
Net Income	-27.41	2.95	3.47	1.38

## Ratio Analysis (Annual Avg.)

	2013	2012	2011	2010
Net Margin (%)	7.43	8.39	7.87	8.78
% LT Debt to Capitalization	3.47	4.29	5.07	4.89
Return on Equity (%)	19.17	24.83	23.10	28.61

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (U.S. \$)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tangible Book Value	40.14	36.84	32.61	29.49	23.39	22.70	22.62	19.87	18.13	15.90
Cash Flow	11.26	13.13	11.62	9.43	6.44	11.08	9.48	8.89	7.34	5.38
Earnings	7.37	9.70	8.42	6.22	3.98	8.69	7.28	6.62	5.71	3.89
S&P Capital IQ Core Earnings	7.74	9.17	8.47	6.48	4.36	8.64	7.40	6.75	5.72	4.01
Dividends	2.46	2.18	1.85	1.74	1.66	1.55	1.37	1.28	1.14	1.06
Payout Ratio	33%	22%	22%	28%	42%	18%	19%	19%	20%	27%
Prices:High	101.74	93.67	88.23	73.69	82.73	96.12	95.27	79.00	65.96	52.05
Prices:Low	84.79	77.13	67.03	55.94	61.86	56.51	69.02	56.42	49.25	39.91
P/E Ratio:High	14	10	11	12	21	11	13	12	12	13
P/E Ratio:Low	12	8	8	9	16	7	9	9	9	10

## Income Statement Analysis (Million U.S. \$)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenue	438,255	482,295	486,429	383,221	310,586	477,359	404,552	377,635	370,680	298,035
Operating Income	NA	65,769	69,687	54,882	38,159	78,669	69,905	68,355	59,255	45,639
Depreciation, Depletion and Amortization	17,182	15,888	15,600	14,760	11,917	12,379	12,250	11,416	10,253	9,767
Interest Expense	9.00	327	247	259	548	673	957	654	496	638
Pretax Income	57,711	78,726	73,257	52,959	34,777	81,750	71,479	68,453	60,231	42,017
Effective Tax Rate	42.0%	39.4%	42.4%	40.7%	43.5%	44.7%	41.8%	40.8%	38.7%	37.9%
Net Income	32,580	44,880	41,060	30,460	19,280	45,220	40,610	39,500	36,130	25,330
S&P Capital IQ Core Earnings	34,206	42,420	41,327	31,732	21,109	44,959	41,250	40,263	36,164	26,089

## Balance Sheet & Other Financial Data (Million U.S. \$)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cash	4,644	9,582	12,664	7,827	10,862	32,007	34,500	32,848	28,671	18,531
Current Assets	59,308	64,460	72,963	58,984	55,235	72,266	85,963	75,777	73,342	60,377
Total Assets	346,808	333,795	331,052	302,510	233,323	228,052	242,082	219,015	208,335	195,256
Current Liabilities	71,724	64,139	77,505	62,633	52,061	49,100	58,312	48,817	46,307	42,981
Long Term Debt	6,516	7,497	9,062	11,923	6,761	7,025	7,183	6,645	6,220	5,013
Common Equity	174,003	165,863	154,396	146,839	110,569	112,965	121,762	113,844	111,186	101,756
Total Capital	188,045	180,182	173,237	170,787	123,037	144,274	156,126	141,340	138,284	131,813
Capital Expenditures	33,669	34,271	31,000	26,871	22,491	19,318	15,387	15,462	13,839	11,986
Cash Flow	49,762	60,768	56,660	46,158	31,197	57,599	52,860	50,916	46,383	35,097
Current Ratio	0.8	1.0	0.9	0.9	1.1	1.5	1.5	1.6	1.6	1.4
% Long Term Debt of Capitalization	3.5	4.2	5.2	7.0	5.5	4.9	4.6	4.7	4.4	3.8
% Return on Assets	9.6	13.5	13.0	11.4	8.4	19.2	17.6	18.5	17.9	13.7
% Return on Equity	19.2	28.0	27.3	23.7	17.3	38.5	34.5	35.1	33.9	26.4

Data as originally reported in Company reports.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Exxon Mobil Corp

## Sub-Industry Outlook

Our fundamental outlook for the integrated oil & gas sub-industry for the next 12 months is positive. We look for integrations to benefit from superior earnings, cash flow and dividend quality. We think M&A activity will remain focused onshore U.S. Integrated oils continue to restructure and downsize downstream operations. Production growth has been difficult, but we think project start-ups and natural gas and LNG growth, particularly in Asia, will drive growth over the next five years.

The International Energy Agency (IEA) estimates that global oil demand should rise by 0.9 million barrels per day (MMb/d) in 2014 to 92.6 MMb/d, and by a further 1.2 MMb/d to 93.8 MMb/d in 2015. With non-OPEC production on the rise, projected at about 1.6 MMb/d in 2014, the IEA expects OPEC to produce slightly more than 30 MMb/d of crude oil through 2015. According to the IEA, OPEC spare production capacity stood at 3.07 MMb/d in August 2014, with Saudi Arabia comprising about 89% of that spare capacity.

As of September 2014, using S&P Capital IQ estimates based on data from IHS Global Insight, West Texas Intermediate (WTI) spot oil prices were projected to average \$91.30/bbl in 2015. The price differential for WTI versus Brent narrowed to under \$2/bbl. in 2013, but the spread has been very volatile and stands near \$6/bbl. as of mid September.

For U.S. natural gas, we look for weak U.S. gas drilling activity, although the recent cold winter drove up prices such that some pockets of incremental demand (such as in the Marcellus) may emerge. According to the EIA, natural gas production is expected to rise 4.9% in 2014 and 2.0% in 2015. Natural gas working inventories, as of August 29, 2014, were 15% below the five-year average, but have recently gotten significantly

closer to parity than earlier in the year, when cold winter weather caused inventories to plummet. As of September 2014, based on data from IHS Global Insight, S&P Capital IQ expected Henry Hub spot prices to average \$4.59 per million Btu in 2014, dropping to \$3.99 in 2015.

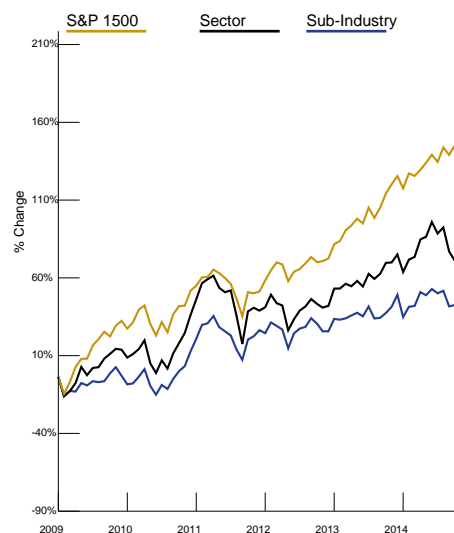
Year to date to September 12, the S&P Integrated Oil & Gas Sub-Industry Index was down 2.9%, versus a 7.0% gain in the S&P 1500 Composite Index. In 2013, the sub-industry index was up 18.1%, versus a 30.1% advance for the 1500.

--Stewart Glickman, CFA

## Industry Performance

**GICS Sector: Energy**  
**Sub-Industry: Integrated Oil & Gas**

Based on S&P 1500 Indexes  
Five-Year market price performance through Nov 15, 2014



**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Past performance is not an indication of future performance and should not be relied upon as such.

## Sub-Industry : Integrated Oil & Gas Peer Group\*: Supermajor Integrated Oil & Gas

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>Exxon Mobil</b>	<b>XOM</b>	<b>402,661</b>	<b>95.09</b>	<b>104.76/86.91</b>	<b>0.88</b>	<b>2.9</b>	<b>12</b>	<b>96.00</b>	<b>A</b>	<b>100</b>	<b>7.4</b>	<b>3.5</b>
BG Group plc ADR	BRGYY	55,959	16.41	22.25/16.00	1.27	1.8	14	19.70	NR	57	11.5	34.8
BP p.l.c. ADS	BP	124,945	40.94	53.48/39.45	1.88	5.9	7	42.30	NR	88	6.0	22.9
Chevron Corp	CVX	220,884	116.32	135.10/106.65	1.10	3.7	11	118.90	A	99	9.4	11.7
China Petrol & Chem ADS	SNP	96,660	82.83	105.88/73.99	0.62	4.2	9	NA	NR	75	2.4	17.9
ENI S.p.A. ADS	E	72,934	40.85	55.70/39.78	1.46	5.5	18	41.20	NR	18	4.4	24.9
Ecopetrol S.A. ADS	EC	51,005	24.81	43.26/24.14	0.72	9.4	7	NA	NR	64	19.6	21.9
Imperial Oil Ltd	IMO	40,704	48.00	54.09/40.20	1.26	1.0	11	62.00	A+	99	8.6	NA
Occidental Petroleum	OXY	67,199	86.66	105.64/82.30	1.51	3.3	12	83.50	B+	98	24.2	13.8
Petroleo Brasileiro S.A. ADS	PBR	64,896	9.95	20.94/9.51	1.87	4.9	7	17.20	NR	5	7.5	40.4
Royal Dutch Shell 'A' ADS	RDS.A	219,251	69.38	83.42/65.58	1.24	4.6	14	73.50	NR	93	3.6	16.1
Royal Dutch Shell 'B' ADR	RDS.B	98,516	72.61	88.13/68.29	1.23	5.2	9	73.60	NR	88	8.3	7.1
Statoil ASA ADS	STO	70,271	22.10	31.95/21.33	1.41	5.0	9	22.30	NR	27	6.2	30.7
Suncor Energy	SU	50,909	35.05	43.49/31.07	1.70	2.8	18	37.00	A-	52	9.7	19.7
Total 'B' ADS	TOT	130,322	57.28	74.22/53.32	1.42	4.7	11	60.10	NR	84	5.0	25.1

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**S&P Capital IQ Analyst Research Notes and other Company News****October 31, 2014**

11:06 am ET ... S&P CAPITAL IQ KEEPS HOLD OPINION ON SHARES OF EXXON MOBIL CORP. (XOM 95.56\*\*\*): We cut our '14 EPS estimate by \$0.91 to \$7.18, and '15's by \$1.15 to \$6.90. Our 12-month target price of \$100, cut by \$5, implies a 6.4X multiple of enterprise value to projected 2015 EBITDA, a premium to XOM's historical average, but merited, in our view, by a high-graded portfolio that is more exposed to high-margin liquids projects than in past years. Q3 EPS of \$1.89 versus \$1.79 beat the Capital IQ consensus estimate by \$0.17. While overall production was essentially flat versus Q2, XOM is generating higher margins on those produced barrels, partly on improved cost profile. /S. Glickman, CFA

**September 5, 2014**

10:04 am ET ... S&P CAPITAL IQ KEEPS BUY OPINION ON ADSS OF BP PLC (BP 45.401\*\*\*\*): The finding of gross negligence on the part of BP in the '10 oil spill opens the door to a large fine under the Clean Water Act (likely in the range of \$11B - \$18B, depending on whether recovered volumes can partly offset spilled volumes). Still, BP has \$28B in cash, another \$8B in debt capacity, and the appeal process is likely to delay resolution. We see BP with annual production near 60% of that of supermajor oil peer ExxonMobil (XOM 98 Hold), so we think asset sales could be on the table as well. We cut our 12-month target price by \$7, to \$48, on P/E analysis. ADSs yield 5%. /C. Roberts, S. Glickman, CFA

**August 1, 2014**

01:57 pm ET ... UPDATE - S&P CAPITAL IQ KEEPS BUY OPINION ON SHARES OF CHEVRON (CVX 127.51\*\*\*\*): We lift our '14 EPS est. by \$0.25 to \$11.01, but cut '15's by \$0.22 to \$11.45. Our 12-month target price of \$143, raised \$5, reflects a discount to rival Exxon Mobil (XOM 100 Hold). We think CVX's estimate of 3.1 MMBoe/d by '17 depends on its major capital projects coming to fruition. Gorgon nearing completion is a positive, but the decision by its partner Apache (APA 101 Hold) to exit LNG projects adds a degree of execution risk for Wheatstone, which is baked into guidance. Still, we think CVX should be able to find an alternative partner, and we see upside in U.S. shales. /S. Glickman, CFA

**July 31, 2014**

01:34 pm ET ... UPDATE - S&P CAPITAL IQ KEEPS HOLD OPINION ON SHARES OF EXXON MOBIL (XOM 100.33\*\*\*): After a \$0.15 Q2 EPS beat, we lift our '14 EPS est. by \$0.46 to \$8.09, and '15's by \$0.35 to \$8.05. Our 12-month target price of \$105, left unchanged, reflects a 6X multiple of enterprise value to projected '15 EBITDA, above peers, but merited, in our view, by superior return on invested capital. While production fell 2.5% shy of expectations, we think XOM is executing on its stated plan to high-grade its upstream portfolio. Near-term catalysts include ramp-up of CLOV project in Angola, deepwater Gulf of Mexico, and Asia LNG. Shares also yield 2.7% but look fairly valued. /S. Glickman, CFA

**July 31, 2014**

08:36 am ET ... S&P CAPITAL IQ KEEPS HOLD OPINION ON SHARES OF EXXON MOBIL CORP. (XOM 103.25\*\*\*): XOM posts Q2 EPS of \$2.05, vs. \$1.55, beating our estimate by \$0.15 and the Capital IQ consensus by \$0.19. Average daily production, excluding the expiring Abu Dhabi onshore concession expiry, was 2.4% lower year over year, and 2.5% below the consensus Q2 projection, despite liquids production being marginally higher year over year. We estimate that a lower share count helped EPS by about \$0.07. We think the biggest driver of year-over-year EPS gains was international upstream, although downstream fared well too, despite lower margins. We will update after the 11am call. /S. Glickman, CFA

**June 24, 2014**

Exxon Mobil Corporation announced that it will appoint D.G. Wascom as vice president of the corporation, effective August 1, 2014. Wascom, is currently director of refining for North America, ExxonMobil Refining & Supply Company.

**June 10, 2014**

06:56 am ET ... EXXON MOBIL CORPORATION (XOM 101.52) UNCHANGED, DEUTSCHE BANK INITIATES COVERAGE ON EXXON MOBIL CORPORATION AT HOLD, ANNOUNCES \$... Deutsche Bank initiates coverage on Exxon Mobil Corporation(NYSE: XOM) with a Hold rating and a \$105.00 price target. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

**June 10, 2014**

08:14 am ET ... EXXON MOBIL CORPORATION (XOM 101.52) UNCHANGED, UPDATE: DEUTSCHE BANK INITIATES COVERAGE ON EXXONMOBIL... In a note released early Tuesday morning, Deutsche Bankanalyst Ryan Todd initiated coverage on ExxonMobil(NYSE: XOM) with a Hold rating and announced a \$105 price target. Todd acknowledged that ExxonMobil has a "renewed shareholder focus" and reduced capital expenditures for 2014, but cautioned that the company has few momentum drivers post-2014, execution risks with recent project starts and is currently valued at a 30 percent premium to peers. Looking at the metrics, Todd anticipates ExxonMobil's free cash flow yield will increase from 2.8 percent in 2...Acquire Media

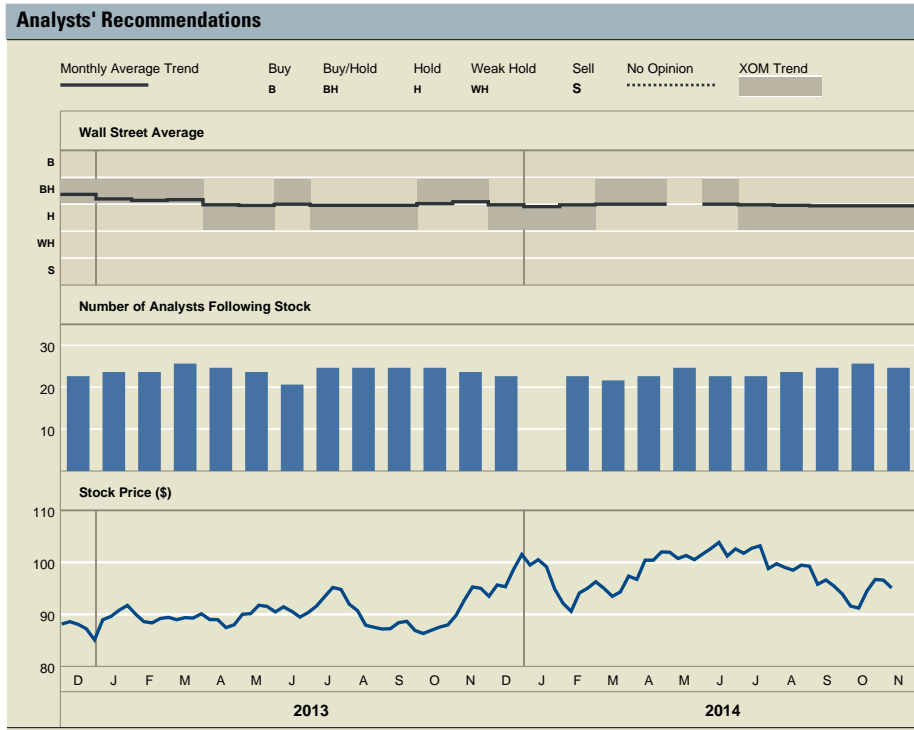
**June 2, 2014**

Exxon Mobil Corporation announced that its board of directors has elected Jack P. Williams and Darren W. Woods to the positions of senior vice president and members of the management committee of the corporation. Williams, 50, currently executive vice president of ExxonMobil Production Company, will also become a vice president of the corporation. Woods, 49, is currently president of ExxonMobil Refining & Supply Company and a vice president of the corporation. Williams and Woods, together with Rex W. Tillerson, chairman and chief executive officer, and senior vice presidents Mark W. Albers, Michael J. Dolan and Andrew P. Swiger, will constitute the corporation's management committee. The elections were made at a meeting of the board of directors on May 28 and are effective June 1. Woods was appointed to his current position in 2012 and previously held positions as vice president of supply and transportation and director of refining for Europe, Africa and the Middle East for ExxonMobil Refining & Supply Company and vice president of ExxonMobil Chemical Company.

**May 2, 2014**

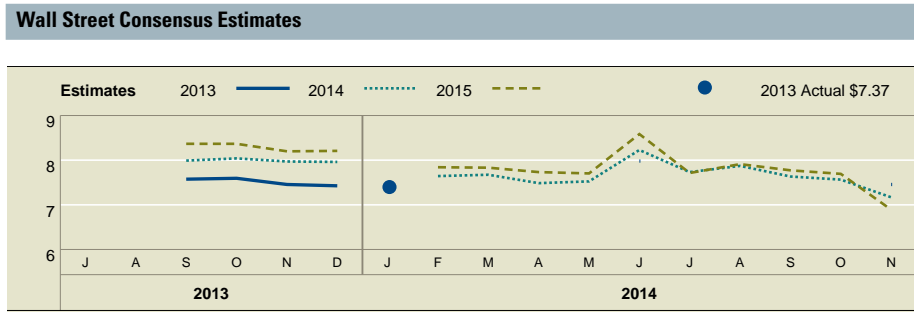
12:32 pm ET ... S&P CAPITAL IQ KEEPS BUY OPINION ON SHARES OF CHEVRON CORPORATION (CVX 124.63\*\*\*\*): We lift our '14 EPS est. by \$0.02 to \$10.76, and '15's by \$0.04 to \$11.67. Our 12-mo. target price of \$138, raised today by \$9, reflects a forward EV-to-EBITDA multiple of 5.2X, higher than previously applied but still at a discount to rival Exxon Mobil (XOM 102 Hold). CVX posts Q1 EPS of \$2.36, vs. \$3.18, \$0.09 below our est. While CVX fell short in our view on international upstream, partly on impairment charges and adverse foreign exchange movement, we still like CVX's prospects through '17, especially for the Gorgon and Wheatstone LNG projects, and deepwater Gulf of Mexico. /Stewart Glickman, CFA

# Exxon Mobil Corp



Of the total 24 companies following XOM, 24 analysts currently publish recommendations.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	5	21	6	6
Buy/Hold	5	21	5	5
Hold	10	42	10	8
Weak Hold	2	8	2	2
Sell	2	8	2	2
No Opinion	0	0	0	0
<b>Total</b>	<b>24</b>	<b>100</b>	<b>25</b>	<b>23</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2015	6.90	6.90	6.90	1	13.8
2014	7.18	7.18	7.18	1	13.2
<b>2015 vs. 2014</b>	<b>▼ -4%</b>	<b>▼ -4%</b>	<b>▼ -4%</b>	<b>0%</b>	<b>▲ 5%</b>

### Wall Street Consensus Opinion

**HOLD**

### Companies Offering Coverage

- Argus Research Company
- BMO Capital Markets, Canadian Equity Research
- Barclays
- BofA Merrill Lynch
- CLSA
- Citigroup Inc
- Cowen and Company, LLC
- Credit Suisse
- Deutsche Bank
- Erste Group Bank AG
- HSBC
- Howard Weil Incorporated
- JP Morgan
- Jefferies LLC
- Morgan Stanley
- Morningstar Inc.
- Oppenheimer & Co. Inc.
- RBC Capital Markets
- Raymond James & Associates
- Simmons & Company International
- Societe Generale Cross Asset Research
- UBS Investment Bank
- Wells Fargo Securities, LLC
- Wolfe Research, LLC.

### Wall Street Consensus vs. Performance

For fiscal year 2014, analysts estimate that XOM will earn US\$ 7.18. For fiscal year 2015, analysts estimate that XOM's earnings per share will decline by 4% to US\$ 6.90.

A company's earnings outlook plays a major part in any investment decision. S&P Capital IQ organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

## Glossary

### S&P Capital IQ STARS

Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has ranked Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P Capital IQ equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

### S&P Capital IQ Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Capital IQ EPS Estimates

S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

### S&P Capital IQ Core Earnings

S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

### S&P Capital IQ 12-Month Target Price

The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Capital IQ Fair Value.

### S&P Capital IQ Equity Research

S&P Capital IQ Equity Research U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as S&P Capital IQ; Standard & Poor's Equity Research Services Asia includes: McGraw-Hill Financial Singapore Pte. Limited, Standard & Poor's Investment Advisory Services (HK) Limited, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

### Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model

EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

### Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

### S&P Capital IQ Qualitative Risk Assessment

Reflects an S&P Capital IQ equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The S&P Capital IQ Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

### STARS Ranking system and definition:

#### ★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

#### ★★★★☆ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

#### ★★★☆☆ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

#### ★★★☆☆ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

#### ★★☆☆☆ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

### Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

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S&P Capital IQ's quantitative evaluations are derived from S&P Capital IQ's proprietary Fair Value quantitative ranking model. The Fair Value Ranking methodology is a relative ranking methodology. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity. Some Quantitative Stock Reports contain Buy, Hold and Sell recommendations. Reports that do not contain a recommendation may or may not contain ranking information. For reports containing a recommendation or ranking information refer to the Glossary Section of this report for more information, including a detailed description of the methodology and definition of S&P Quality Ranking and S&P Fair Value Rank.

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The methodologies used in Stock Reports and Quantitative Stock Reports (collectively, the "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. S&P Capital IQ believes that the methodologies and data used to generate the different types of Research Reports are reasonable and appropriate. Generally, S&P Capital IQ does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. S&P Capital IQ reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

### STARS Stock Reports:

#### S&P Capital IQ Global STARS Distribution as of September 30, 2014

Ranking	North America	Europe	Asia	Global
Buy	37.0%	25.7%	32.9%	34.7%
Hold	51.8%	57.3%	45.3%	52.1%
Sell	11.2%	17.0%	21.8%	13.2%
Total	100%	100%	100%	100%

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# Exxon Mobil Corp

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