

Company: ExxonMobil	Ticker: XOM	Price: \$100.44	Industry: Energy
Target Price: \$134.25 Stop Loss: \$90.00 52 Week High/Low: \$120.70/\$98.02	TTM P/E: 9.97x Forward P/E: 14.39x EPS (FY23): \$6.98	Beta (5Y): 1.08 Credit Rating: AA- Rating Outlook: Stable	Market Cap: 4.025B Avg. Vol: 24.580M Dividend Yield: 3.83%

Company Background:

ExxonMobil is a world-leading integrated oil company that operates in more than 60 countries with 21,000+ retail locations. XOM is constantly seeking solutions to meet society’s evolving needs. They operate in three business units, upstream business, Product Solutions business (downstream), and Low Carbon Solutions Business. XOM is known for its expertise, manpower, and its long history of developing technology to address societal demand.

Industry Outlook:

According to the EIA, IEA, and OPEC, we expect an increase in the consumption of oil and natural gas until 2040. We expect that the commercial production of gasoline will drive ExxonMobil’s revenue for the foreseeable future. Oil displacement as a result of electric vehicles has only displaced ~700,000 barrels of oil per day as compared to the 122.15 million barrels of oil consumed on a day-to-day basis in 2022. Thus, we feel as though commercial dependence on oil and natural gas will help oil and natural gas progress into the future. While we recognize the government and political goals on environmental action, these goals are long-term, which makes it harder to evaluate. However, we believe renewables will be an increasingly more important source of energy in the future. This will most likely impact Upstream-dependent businesses such as Halliburton, as compared to an integrated company like Exxon.

Investment Thesis:

Exxon Mobil is a strong investment choice due to its smart capital deployment and responsible spending. With a 36% payout ratio, the company ensures financial stability while strategically growing its business. With a bearish outlook on the energy sector, Exxon stands out by transforming into an "Energy Solutions" business, reducing risks and staying adaptable. The company's focus on technology and operational excellence, along with its successful efforts to cut emissions by over 10% since 2016, makes it a leader in the evolving energy landscape. In essence, Exxon Mobil is a smart investment with a solid financial foundation, strategic vision, and a commitment to environmental responsibility.

Risks & Mitigants

ExxonMobil is tackling the risk of rising demand for renewable energy by diversifying and aligning its strategies with the future energy market. The company is investing in technologies like Carbon Capture and Storage (CCS) through its capital expenditures, demonstrating a commitment to sustainability and adaptability in the evolving energy sector. XOM also manages the risk associated with oil price fluctuations by remaining integrated and diversified allowing XOM to hedge themselves. ExxonMobil faces geopolitical unpredictability, operating in countries with challenging political conditions. However, the company has mitigated some risk as European unrest, triggered by the Ukrainian invasion, led to the exclusion of Russian oil from the EU, positioning American oil as the primary exporter to Europe.

ESG

Exxon Mobil is deeply committed to Environmental, Social, and Governance (ESG) principles. Environmentally, the company has reduced greenhouse gas emissions by over 10% since 2016 and aims for a 40% reduction by 2030, particularly in the Permian Basin. In social aspects, Exxon prioritizes safety, achieving an industry-leading Lost Time Incident Rate (LTIR) of 0.02 per 200,000 work hours. The company aligns with the U.N.'s Declaration on the Rights of Indigenous Peoples and the Guiding Principles on Business and Human Rights, emphasizing human rights and inclusivity. Governance-wise, Exxon follows industry standards with executive payments and leadership changes during acquisitions. The Nominating and Governance Committee is annually evaluated, reflecting the company's commitment to transparent and compliant corporate governance.

5-Year Financial Performance:



DCF Valuation:

Item	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
Revenue	\$ 282,122	\$ 244,752	\$ 281,522	\$ 285,402	\$ 428,632	\$ 465,522	\$ 574,262	\$ 675,262	\$ 775,262	\$ 875,262	\$ 975,262	\$ 1,075,262	\$ 1,175,262	\$ 1,275,262	\$ 1,375,262	\$ 1,475,262	\$ 1,575,262	\$ 1,675,262	\$ 1,775,262	\$ 1,875,262	\$ 1,975,262	\$ 2,075,262	\$ 2,175,262	\$ 2,275,262	\$ 2,375,262	\$ 2,475,262	\$ 2,575,262	\$ 2,675,262	\$ 2,775,262	\$ 2,875,262	\$ 2,975,262	\$ 3,075,262	\$ 3,175,262	\$ 3,275,262	\$ 3,375,262	\$ 3,475,262	\$ 3,575,262	\$ 3,675,262	\$ 3,775,262	\$ 3,875,262	\$ 3,975,262	\$ 4,075,262	\$ 4,175,262	\$ 4,275,262	\$ 4,375,262	\$ 4,475,262	\$ 4,575,262	\$ 4,675,262	\$ 4,775,262	\$ 4,875,262	\$ 4,975,262	\$ 5,075,262	\$ 5,175,262	\$ 5,275,262	\$ 5,375,262	\$ 5,475,262	\$ 5,575,262	\$ 5,675,262	\$ 5,775,262	\$ 5,875,262	\$ 5,975,262	\$ 6,075,262	\$ 6,175,262	\$ 6,275,262	\$ 6,375,262	\$ 6,475,262	\$ 6,575,262	\$ 6,675,262	\$ 6,775,262	\$ 6,875,262	\$ 6,975,262	\$ 7,075,262	\$ 7,175,262	\$ 7,275,262	\$ 7,375,262	\$ 7,475,262	\$ 7,575,262	\$ 7,675,262	\$ 7,775,262	\$ 7,875,262	\$ 7,975,262	\$ 8,075,262	\$ 8,175,262	\$ 8,275,262	\$ 8,375,262	\$ 8,475,262	\$ 8,575,262	\$ 8,675,262	\$ 8,775,262	\$ 8,875,262	\$ 8,975,262	\$ 9,075,262	\$ 9,175,262	\$ 9,275,262	\$ 9,375,262	\$ 9,475,262	\$ 9,575,262	\$ 9,675,262	\$ 9,775,262	\$ 9,875,262	\$ 9,975,262	\$ 10,075,262	\$ 10,175,262	\$ 10,275,262	\$ 10,375,262	\$ 10,475,262	\$ 10,575,262	\$ 10,675,262	\$ 10,775,262	\$ 10,875,262	\$ 10,975,262	\$ 11,075,262	\$ 11,175,262	\$ 11,275,262	\$ 11,375,262	\$ 11,475,262	\$ 11,575,262	\$ 11,675,262	\$ 11,775,262	\$ 11,875,262	\$ 11,975,262	\$ 12,075,262	\$ 12,175,262	\$ 12,275,262	\$ 12,375,262	\$ 12,475,262	\$ 12,575,262	\$ 12,675,262	\$ 12,775,262	\$ 12,875,262	\$ 12,975,262	\$ 13,075,262	\$ 13,175,262	\$ 13,275,262	\$ 13,375,262	\$ 13,475,262	\$ 13,575,262	\$ 13,675,262	\$ 13,775,262	\$ 13,875,262	\$ 13,975,262	\$ 14,075,262	\$ 14,175,262	\$ 14,275,262	\$ 14,375,262	\$ 14,475,262	\$ 14,575,262	\$ 14,675,262	\$ 14,775,262	\$ 14,875,262	\$ 14,975,262	\$ 15,075,262	\$ 15,175,262	\$ 15,275,262	\$ 15,375,262	\$ 15,475,262	\$ 15,575,262	\$ 15,675,262	\$ 15,775,262	\$ 15,875,262	\$ 15,975,262	\$ 16,075,262	\$ 16,175,262	\$ 16,275,262	\$ 16,375,262	\$ 16,475,262	\$ 16,575,262	\$ 16,675,262	\$ 16,775,262	\$ 16,875,262	\$ 16,975,262	\$ 17,075,262	\$ 17,175,262	\$ 17,275,262	\$ 17,375,262	\$ 17,475,262	\$ 17,575,262	\$ 17,675,262	\$ 17,775,262	\$ 17,875,262	\$ 17,975,262	\$ 18,075,262	\$ 18,175,262	\$ 18,275,262	\$ 18,375,262	\$ 18,475,262	\$ 18,575,262	\$ 18,675,262	\$ 18,775,262	\$ 18,875,262	\$ 18,975,262	\$ 19,075,262	\$ 19,175,262	\$ 19,275,262	\$ 19,375,262	\$ 19,475,262	\$ 19,575,262	\$ 19,675,262	\$ 19,775,262	\$ 19,875,262	\$ 19,975,262	\$ 20,075,262	\$ 20,175,262	\$ 20,275,262	\$ 20,375,262	\$ 20,475,262	\$ 20,575,262	\$ 20,675,262	\$ 20,775,262	\$ 20,875,262	\$ 20,975,262	\$ 21,075,262	\$ 21,175,262	\$ 21,275,262	\$ 21,375,262	\$ 21,475,262	\$ 21,575,262	\$ 21,675,262	\$ 21,775,262	\$ 21,875,262	\$ 21,975,262	\$ 22,075,262	\$ 22,175,262	\$ 22,275,262	\$ 22,375,262	\$ 22,475,262	\$ 22,575,262	\$ 22,675,262	\$ 22,775,262	\$ 22,875,262	\$ 22,975,262	\$ 23,075,262	\$ 23,175,262	\$ 23,275,262	\$ 23,375,262	\$ 23,475,262	\$ 23,575,262	\$ 23,675,262	\$ 23,775,262	\$ 23,875,262	\$ 23,975,262	\$ 24,075,262	\$ 24,175,262	\$ 24,275,262	\$ 24,375,262	\$ 24,475,262	\$ 24,575,262	\$ 24,675,262	\$ 24,775,262	\$ 24,875,262	\$ 24,975,262	\$ 25,075,262	\$ 25,175,262	\$ 25,275,262	\$ 25,375,262	\$ 25,475,262	\$ 25,575,262	\$ 25,675,262	\$ 25,775,262	\$ 25,875,262	\$ 25,975,262	\$ 26,075,262	\$ 26,175,262	\$ 26,275,262	\$ 26,375,262	\$ 26,475,262	\$ 26,575,262	\$ 26,675,262	\$ 26,775,262	\$ 26,875,262	\$ 26,975,262	\$ 27,075,262	\$ 27,175,262	\$ 27,275,262	\$ 27,375,262	\$ 27,475,262	\$ 27,575,262	\$ 27,675,262	\$ 27,775,262	\$ 27,875,262	\$ 27,975,262	\$ 28,075,262	\$ 28,175,262	\$ 28,275,262	\$ 28,375,262	\$ 28,475,262	\$ 28,575,262	\$ 28,675,262	\$ 28,775,262	\$ 28,875,262	\$ 28,975,262	\$ 29,075,262	\$ 29,175,262	\$ 29,275,262	\$ 29,375,262	\$ 29,475,262	\$ 29,575,262	\$ 29,675,262	\$ 29,775,262	\$ 29,875,262	\$ 29,975,262	\$ 30,075,262	\$ 30,175,262	\$ 30,275,262	\$ 30,375,262	\$ 30,475,262	\$ 30,575,262	\$ 30,675,262	\$ 30,775,262	\$ 30,875,262	\$ 30,975,262	\$ 31,075,262	\$ 31,175,262	\$ 31,275,262	\$ 31,375,262	\$ 31,475,262	\$ 31,575,262	\$ 31,675,262	\$ 31,775,262	\$ 31,875,262	\$ 31,975,262	\$ 32,075,262	\$ 32,175,262	\$ 32,275,262	\$ 32,375,262	\$ 32,475,262	\$ 32,575,262	\$ 32,675,262	\$ 32,775,262	\$ 32,875,262	\$ 32,975,262	\$ 33,075,262	\$ 33,175,262	\$ 33,275,262	\$ 33,375,262	\$ 33,475,262	\$ 33,575,262	\$ 33,675,262	\$ 33,775,262	\$ 33,875,262	\$ 33,975,262	\$ 34,075,262	\$ 34,175,262	\$ 34,275,262	\$ 34,375,262	\$ 34,475,262	\$ 34,575,262	\$ 34,675,262	\$ 34,775,262	\$ 34,875,262	\$ 34,975,262	\$ 35,075,262	\$ 35,175,262	\$ 35,275,262	\$ 35,375,262	\$ 35,475,262	\$ 35,575,262	\$ 35,675,262	\$ 35,775,262	\$ 35,875,262	\$ 35,975,262	\$ 36,075,262	\$ 36,175,262	\$ 36,275,262	\$ 36,375,262	\$ 36,475,262	\$ 36,575,262	\$ 36,675,262	\$ 36,775,262	\$ 36,875,262	\$ 36,975,262	\$ 37,075,262	\$ 37,175,262	\$ 37,275,262	\$ 37,375,262	\$ 37,475,262	\$ 37,575,262	\$ 37,675,262	\$ 37,775,262	\$ 37,875,262	\$ 37,975,262	\$ 38,075,262	\$ 38,175,262	\$ 38,275,262	\$ 38,375,262	\$ 38,475,262	\$ 38,575,262	\$ 38,675,262	\$ 38,775,262	\$ 38,875,262	\$ 38,975,262	\$ 39,075,262	\$ 39,175,262	\$ 39,275,262	\$ 39,375,262	\$ 39,475,262	\$ 39,575,262	\$ 39,675,262	\$ 39,775,262	\$ 39,875,262	\$ 39,975,262	\$ 40,075,262	\$ 40,175,262	\$ 40,275,262	\$ 40,375,262	\$ 40,475,262	\$ 40,575,262	\$ 40,675,262	\$ 40,775,262	\$ 40,875,262	\$ 40,975,262	\$ 41,075,262	\$ 41,175,262	\$ 41,275,262	\$ 41,375,262	\$ 41,475,262	\$ 41,575,262	\$ 41,675,262	\$ 41,775,262	\$ 41,875,262	\$ 41,975,262	\$ 42,075,262	\$ 42,175,262	\$ 42,275,262	\$ 42,375,262	\$ 42,475,262	\$ 42,575,262	\$ 42,675,262	\$ 42,775,262	\$ 42,875,262	\$ 42,975,262	\$ 43,075,262	\$ 43,175,262	\$ 43,275,262	\$ 43,375,262	\$ 43,475,262	\$ 43,575,262	\$ 43,675,262	\$ 43,775,262	\$ 43,875,262	\$ 43,975,262	\$ 44,075,262	\$ 44,175,262	\$ 44,275,262	\$ 44,375,262	\$ 44,475,262	\$ 44,575,262	\$ 44,675,262	\$ 44,775,262	\$ 44,875,262	\$ 44,975,262	\$ 45,075,262	\$ 45,175,262	\$ 45,275,262	\$ 45,375,262	\$ 45,475,262	\$ 45,575,262	\$ 45,675,262	\$ 45,775,262	\$ 45,875,262	\$ 45,975,262	\$ 46,075,262	\$ 46,175,262	\$ 46,275,262	\$ 46,375,262	\$ 46,475,262	\$ 46,575,262	\$ 46,675,262	\$ 46,775,262	\$ 46,875,262	\$ 46,975,262	\$ 47,075,262	\$ 47,175,262	\$ 47,275,262	\$ 47,375,262	\$ 47,475,262	\$ 47,575,262	\$ 47,675,262	\$ 47,775,262	\$ 47,875,262	\$ 47,975,262	\$ 48,075,262	\$ 48,175,262	\$ 48,275,262	\$ 48,375,262	\$ 48,475,262	\$ 48,575,262	\$ 48,675,262	\$ 48,775,262	\$ 48,875,262	\$ 48,975,262	\$ 49,075,262	\$ 49,175,262	\$ 49,275,262	\$ 49,375,262	\$ 49,475,262	\$ 49,575,262	\$ 49,675,262	\$ 49,775,262	\$ 49,875,262	\$ 49,975,262	\$ 50,075,262	\$ 50,175,262	\$ 50,275,262	\$ 50,375,262	\$ 50,475,262	\$ 50,575,262	\$ 50,675,262	\$ 50,775,262	\$ 50,875,262	\$ 50,975,262	\$ 51,075,262	\$ 51,175,262	\$ 51,275,262	\$ 51,375,262	\$ 51,475,262	\$ 51,575,262	\$ 51,675,262	\$ 51,775,262	\$ 51,875,262	\$ 51,975,262	\$ 52,075,262	\$ 52,175,262	\$ 52,275,262	\$ 52,375,262	\$ 52,475,262	\$ 52,575,262	\$ 52,675,262	\$ 52,775,262	\$ 52,875,262	\$ 52,975,262	\$ 53,075,262	\$ 53,175,262	\$ 53,275,262	\$ 53,375,262	\$ 53,475,262	\$ 53,575,262	\$ 53,675,262	\$ 53,775,262	\$ 53,875,262	\$ 53,975,262	\$ 54,075,262	\$ 54,175,262	\$ 54,275,262	\$ 54,375,262	\$ 54,475,262	\$ 54,575,262	\$ 54,675,262	\$ 54,775,262	\$ 54,875,262	\$ 54,975,262	\$ 55,075,262	\$ 55,175,262	\$ 55,275,262	\$ 55,375,262	\$ 55,475,262	\$ 55,575,262	\$ 55,675,262	\$ 55,775,262	\$ 55,875,262	\$ 55,975,262	\$ 56,075,262	\$ 56,175,262	\$ 56,275,262	\$ 56,375,262	\$ 56,475,262	\$ 56,575,262	\$ 56,675,262	\$ 56,775,262	\$ 56,875,262	\$ 56,975,262	\$ 57,075,262	\$ 57,175,262	\$ 57,275,262	\$ 57,375,262	\$ 57,475,262	\$ 57,575,262	\$ 57,675,262	\$ 57,775,262	\$ 57,875,262	\$ 57,975,262	\$ 58,075,262	\$ 58,175,262	\$ 58,275,262	\$ 58,375,262	\$ 58,475,262	\$ 58,575,262	\$ 58,675,262	\$ 58,775,262	\$ 58,875,262	\$ 58,975,262	\$ 59,075,262	\$ 59,175,262	\$ 59,275,262	\$ 59,375,262	\$ 59,475,262	\$ 59,575,262	\$ 59,675,262	\$ 59,775,262	\$ 59,875,262	\$ 59,975,262	\$ 60,075,262	\$ 60,175,262	\$ 60,275,262	\$ 60,375,262	\$ 60,475,262	\$ 60,575,262	\$ 60,675,262	\$ 60,775,262	\$ 60,875,262	\$ 60,975,262	\$ 61,075,262	\$ 61,175,262	\$ 61,275,262	\$ 61,375,262	\$ 61,475,262	\$ 61,575,262	\$ 61,675,262	\$ 61,775,262	\$ 61,875,262	\$ 61,975,262	\$ 62,075,262	\$ 62,175,262	\$ 62,275,262	\$ 62,375,262	\$ 62,475,262	\$ 62,575,262	\$ 62,675,262	\$ 62,775,262	\$ 62,875,262	\$ 62,975,262	\$ 63,075,262	\$ 63,175,262	\$ 63,275,262	\$ 63,375,262	\$ 63,475,262	\$ 63,575,262	\$ 63,675,262	\$ 63,775,262	\$ 63,875,262	\$ 63,975,262	\$ 64,075,262	\$ 64,175,262	\$ 64,275,262	\$ 64,375,262	\$ 64,475,262	\$ 64,575,262	\$ 64,675,262	\$ 64,775,262	\$ 64,875,262	\$ 64,975,262	\$ 65,075,262	\$ 65,175,262	\$ 65,275,262	\$ 65,375,262	\$ 65,475,262	\$ 65,575,262	\$ 65,675,262	\$ 65,775,262	\$ 65,875,262	\$ 65,975,262	\$ 66,075,262	\$ 66,175,262	\$ 66,275,262	\$ 66,375,262	\$ 66,475,262	\$ 66,575,262	\$ 66,675,262	\$ 66,775,262	\$ 66,875,262	\$ 66,975,262	\$ 67,075,262	\$ 67,175,262	\$ 67,275,262	\$ 67,375,262	\$ 67,475,262	\$ 67,575,262	\$ 67,675,262	\$ 67,775,262	\$ 67,875,262

Implied Perpetuity Growth Rate	
Terminal Year FCF	45,816
Discount Rate	9.00%
Terminal Value	862,166
Perpetuity Growth Rate	3.50%

Implied Equity Value and Share Price	
PV of FCF	\$178,570
PV of Terminal Value	\$364,188
Enterprise Value	\$542,758
(-) Debt	\$7,877
(+) Cash and Cash Equivalents	\$29,640
Equity Value	\$564,521
Diluted Shares Outstanding (m)	4,205
Implied Share Price	\$134.25
Current Price	\$100.44
Margin of Safety	25.18%

Comparable Companies Analysis:

Ticker	Company Name	Market Data				Financial Data (TTM)		
		Price (\$/Share)	Diluted Shares Outstanding (M)	Market Cap (\$M)	EV (\$M)	Sales (\$M)	EBITDA (\$M)	EPS (\$)
XOM	EXXON MOBIL CORPORATION (XNYS:XOM)	100.44	4025.00	404271.00	412580.00	413,680	135,510.00	6.98
CVX	CHEVRON CORPORATION (XNYS:CVX)	142.86	1874.00	267719.64	282481.64	235,717	70,836	10.14
SHEL	SHELL PLC (XNYS:SHEL)	64.16	3368.35	216113.34	256583.34	381,314	86525	3.08
BP	BP P.L.C. (XNYS:BP)	35.29	2867.41	101191.06	123515.06	141,392	60747	0.83
COP	CONOCOPHILLIPS (XNYS:COP)	113.14	1196.75	135399.84	145632.84	82156.00	39845.00	6.54
	Average	91.18		224938.98	244158.58	250851.80	78692.60	5.26
	Median	82.30		241916.49	269532.49	308515.50	78680.50	5.03

Ticker	Valuation Metrics				
	EV/Sales x	EV/EBITDA x	P/E x	P/S x	ROE %
XOM	1.00	3.04	14.39	0.98	22.40
CVX	1.20	3.99	14.09	1.14	15.89
SHEL	0.67	2.97	20.83	0.57	15.35
BP	0.87	2.03	42.52	0.72	70.49
COP	1.77	3.65	17.30	1.65	23.33
	1.10	3.01	22.96	1.01	29.49
	0.94	3.01	17.61	0.85	19.14