



# Fourth quarter 2020 earnings call

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**January 29, 2021**

# Cautionary statement

## CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation contains forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words or phrases such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “positions,” “pursues,” “may,” “could,” “should,” “will,” “budgets,” “outlook,” “trends,” “guidance,” “focus,” “on schedule,” “on track,” “is slated,” “goals,” “objectives,” “strategies,” “opportunities,” “poised,” “potential” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices and demand for our products, and production curtailments due to market conditions; crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries; public health crises, such as pandemics (including coronavirus (COVID-19)) and epidemics, and any related government policies and actions; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; changing refining, marketing and chemicals margins; the company's ability to realize anticipated cost savings, expenditure reductions and efficiencies associated with enterprise transformation initiatives; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of the company's suppliers, vendors, partners and equity affiliates, particularly during extended periods of low prices for crude oil and natural gas during the COVID-19 pandemic; the inability or failure of the company's joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company's operations due to war, accidents, political events, civil unrest, severe weather, cyber threats, terrorist acts, or other natural or human causes beyond the company's control; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant operational, investment or product changes required by existing or future environmental statutes and regulations, including international agreements and national or regional legislation and regulatory measures to limit or reduce greenhouse gas emissions; the potential liability resulting from pending or future litigation; the company's ability to achieve the anticipated benefits from the acquisition of Noble Energy; the company's future acquisitions or dispositions of assets or shares or the delay or failure of such transactions to close based on required closing conditions; the potential for gains and losses from asset dispositions or impairments; government mandated sales, divestitures, recapitalizations, industry-specific taxes, tariffs, sanctions, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; material reductions in corporate liquidity and access to debt markets; the receipt of required Board authorizations to pay future dividends; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; the company's ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and the factors set forth under the heading “Risk Factors” on pages 18 through 21 of the company's 2019 Annual Report on Form 10-K, as updated by Part II, Item 1A, “Risk Factors” in the company's subsequently filed Quarterly Reports on Form 10-Q, and in other subsequent filings with the U.S. Securities and Exchange Commission. Other unpredictable or unknown factors not discussed in this presentation could also have material adverse effects on forward-looking statements.

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Terms such as “resources” may be used in this presentation to describe certain aspects of Chevron's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, this and other terms, see the “Glossary of Energy and Financial Terms” on pages 54 through 55 of Chevron's 2019 Supplement to the Annual Report available at [chevron.com](http://chevron.com).

**This presentation is meant to be read in conjunction with the Fourth Quarter 2020 Transcript posted on [chevron.com](http://chevron.com) under the headings “Investors,” “Events & Presentations.”**



# Delivered on post-COVID promised actions

**Maintain safe and reliable operations**



**Reduce short-cycle capital**



**Drive operating costs savings**



**Guard balance sheet**



**Preserve long-term value**



# Maintain safe and reliable operations

## People

One of the safest years on record

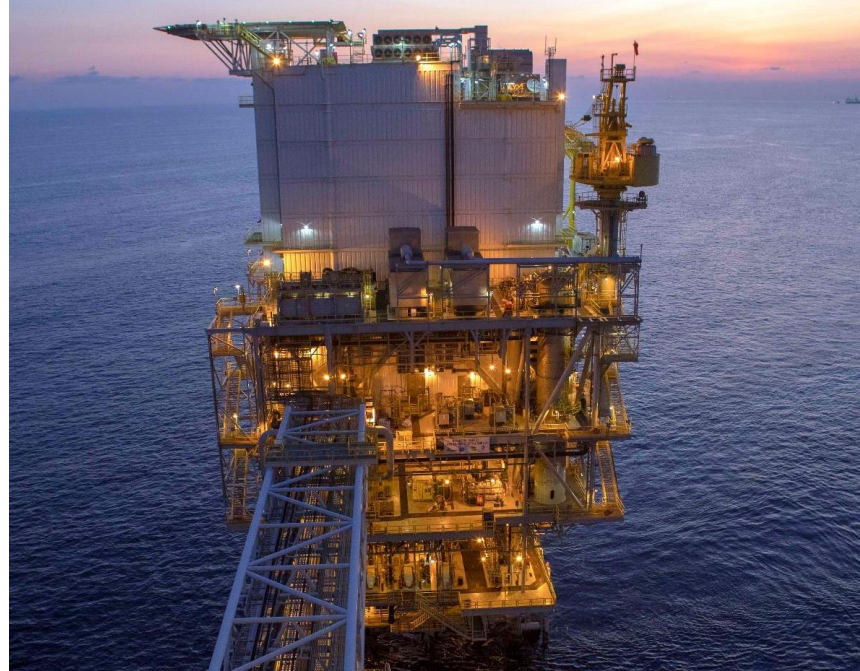
\$30MM in pandemic contributions



## Upstream

>3 MMBOED in net production

Swift reduction in rigs and activity



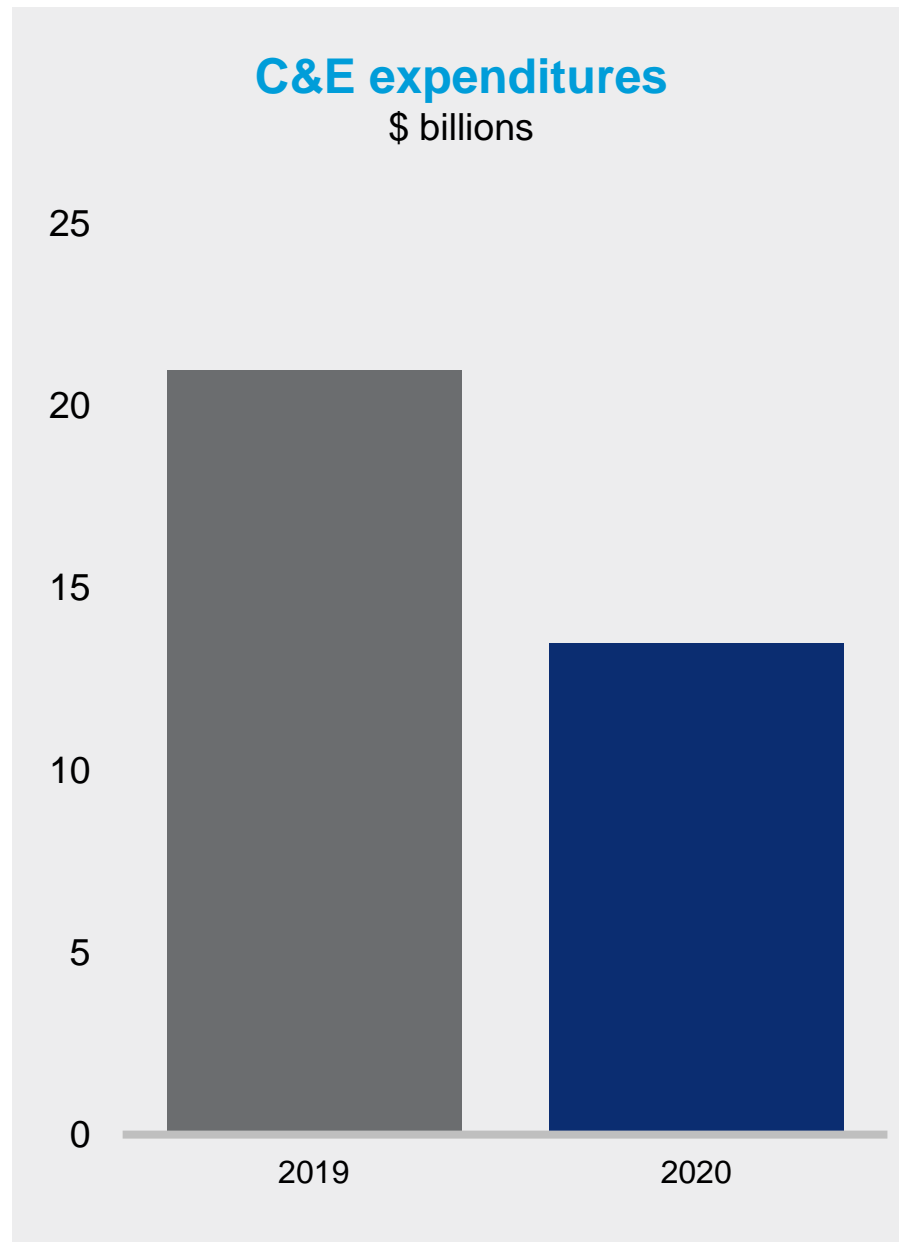
## Downstream

>95% availability

Minimized jet production



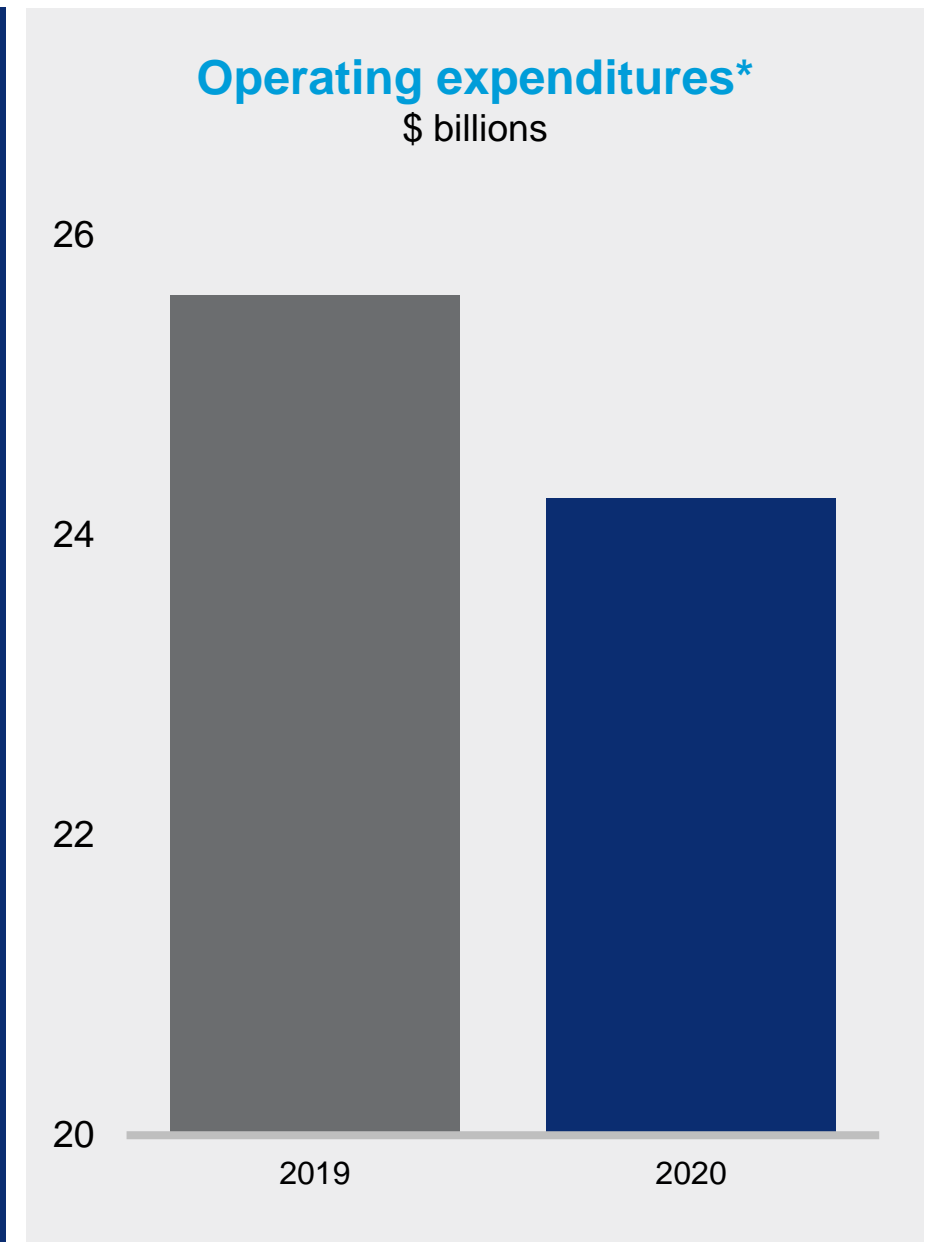
# Reduce capital and drive operating cost savings



**2020 C&E  
35% lower than 2019**

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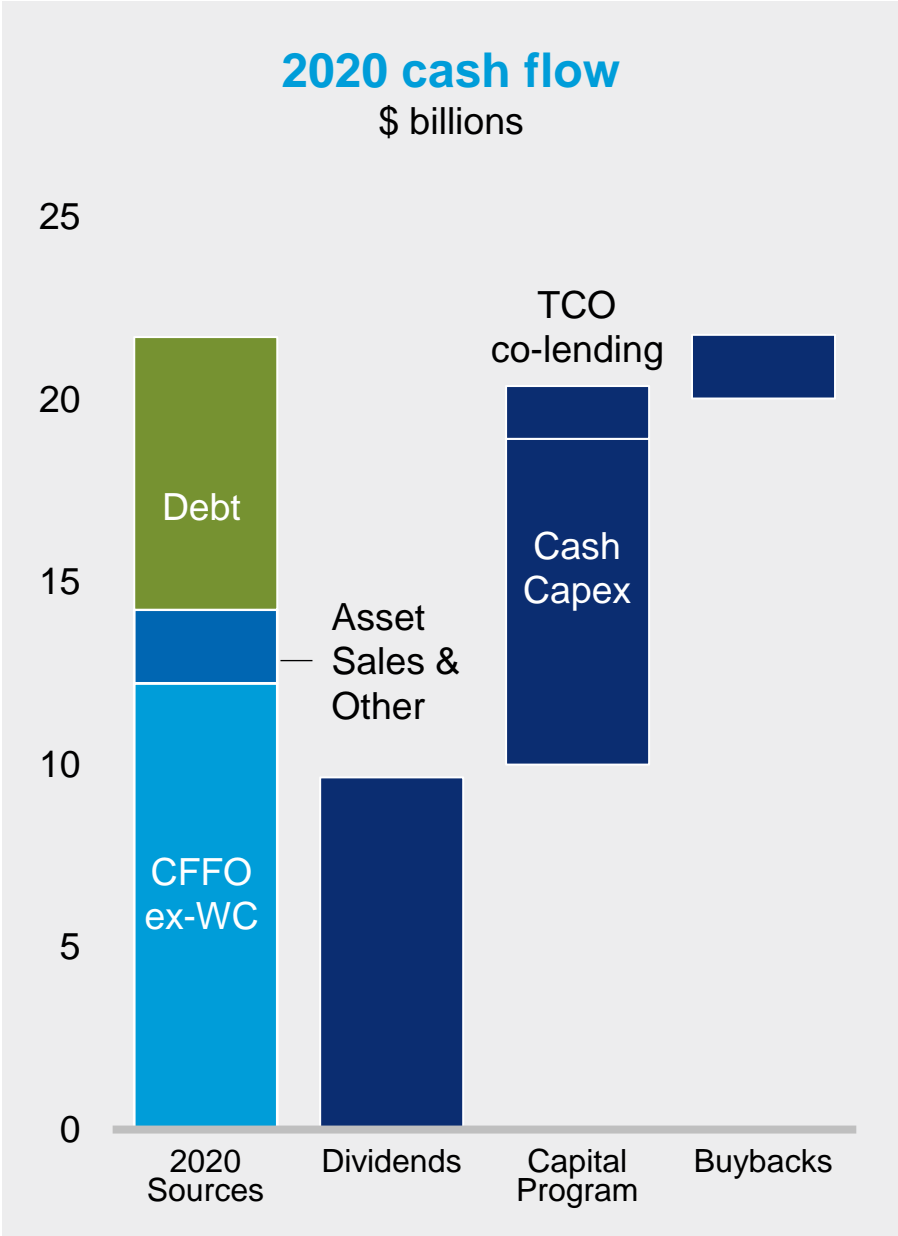
**2020 opex  
>\$1B lower than 2019**



\* Excludes special items. Reconciliation of non-GAAP measures can be found in the appendix.



# Guard the balance sheet



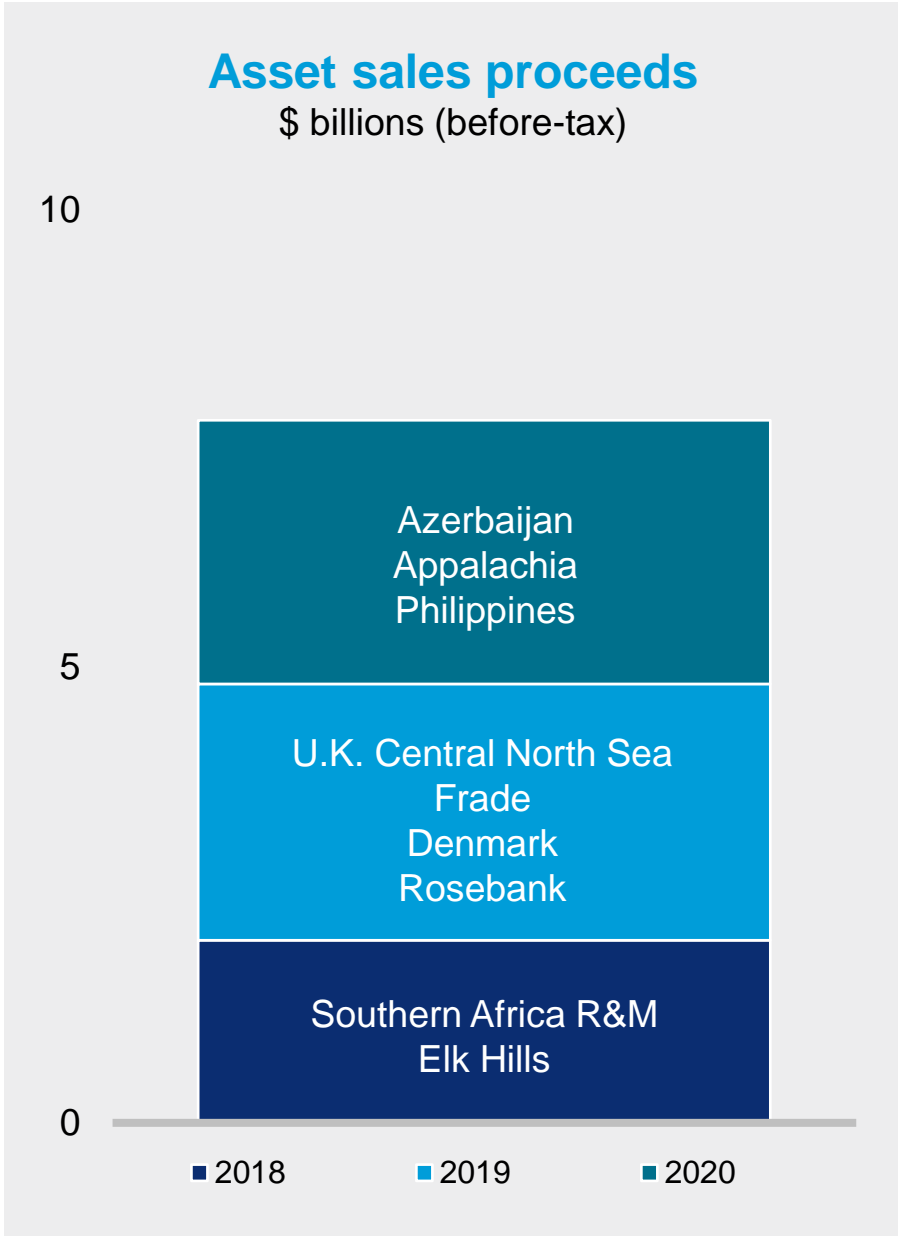
**22.7%**  
net debt ratio\*

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**\$11.4B**  
shareholder distributions

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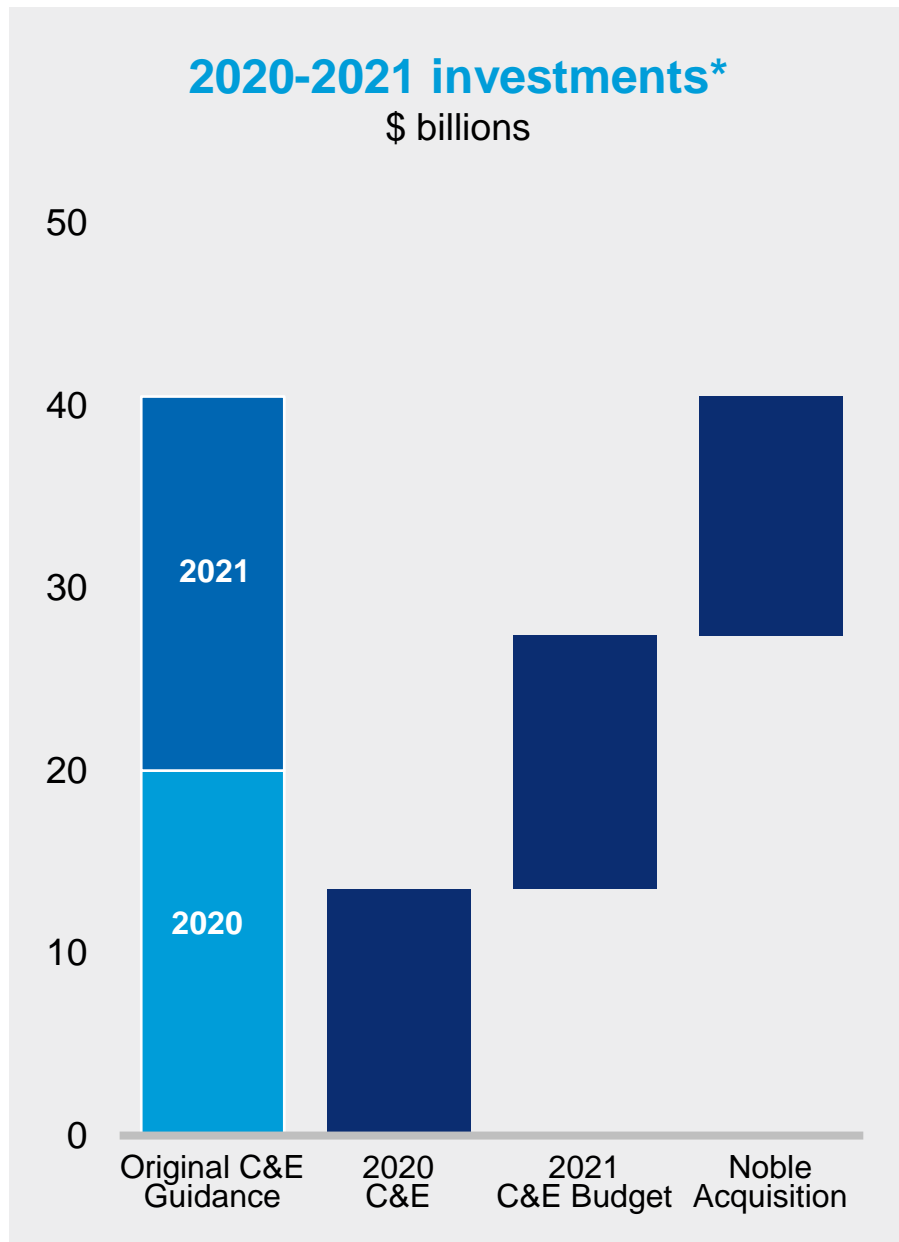
**\$7.7B**  
asset sales in 2018-2020



\* As of 12/31/20. Net debt ratio is defined as debt less cash, cash equivalents, marketable securities and time deposits divided by debt less cash, cash equivalents, marketable securities and time deposits plus stockholders' equity. Reconciliation of non-GAAP measures can be found in the appendix.



# Preserve long-term value



**Acquired and integrated  
Noble Energy**

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**Completed fabrication  
for TCO FGP-WPMP**

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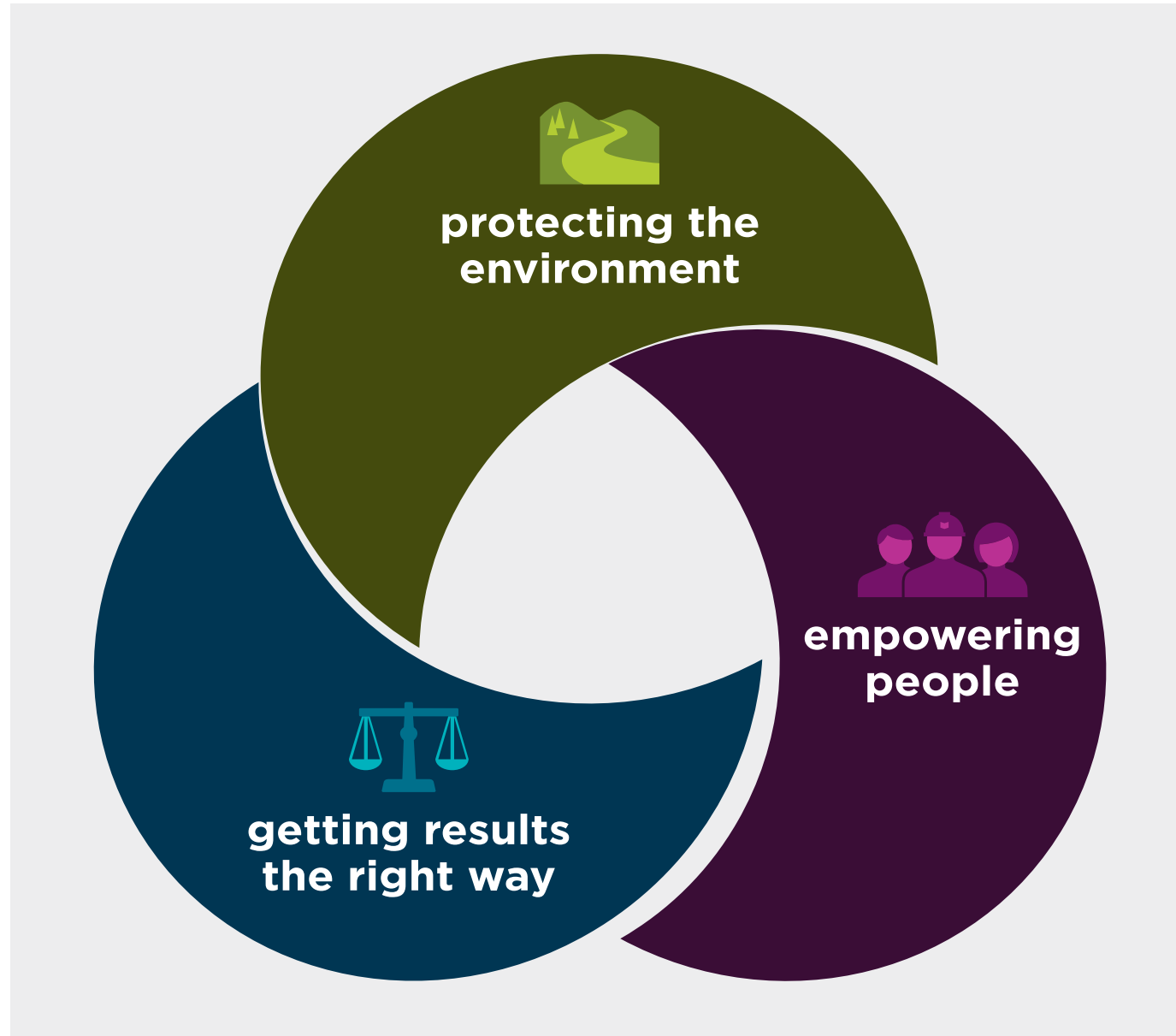
**Preserved capability  
in Permian Basin**



\* Original C&E guidance based on 2020 Budget and average of \$19-\$22B 2021 guidance range as of March 3, 2020. Noble Acquisition based on \$13 B enterprise value.



# Maintained commitment to ESG priorities



**Increased** actions to advance a lower carbon future

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**Sustained** investments in our people and communities

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**Continued** strong governance over COVID response, strategy and shareholder interests



# Financial highlights

	4Q20	2020
Earnings / Earnings per diluted share	<b>\$(0.7) billion / \$(0.33)</b>	<b>\$(5.5) billion / \$(2.96)</b>
Adjusted Earnings / EPS <sup>1</sup>	<b>\$(0.0) billion / \$(0.01)</b>	<b>\$(0.4) billion / \$(0.20)</b>
Cash flow from operations / excl. working capital <sup>1</sup>	<b>\$2.2 billion / \$3.9 billion</b>	<b>\$10.6 billion / \$12.2 billion</b>
Total C&E / Organic C&E	<b>\$3.2 billion / \$3.2 billion</b>	<b>\$13.5 billion / \$13.1 billion</b>
ROCE / Adjusted ROCE <sup>1</sup>		<b>(2.8)% / 0.2%</b>
Dividends paid	<b>\$2.5 billion</b>	<b>\$9.7 billion</b>
Share repurchases	<b>--</b>	<b>\$1.75 billion</b>
Debt ratio / Net debt ratio <sup>2</sup>		<b>25.2% / 22.7%</b>

<sup>1</sup> Reconciliation of special items, FX, and other non-GAAP measures can be found in the appendix.

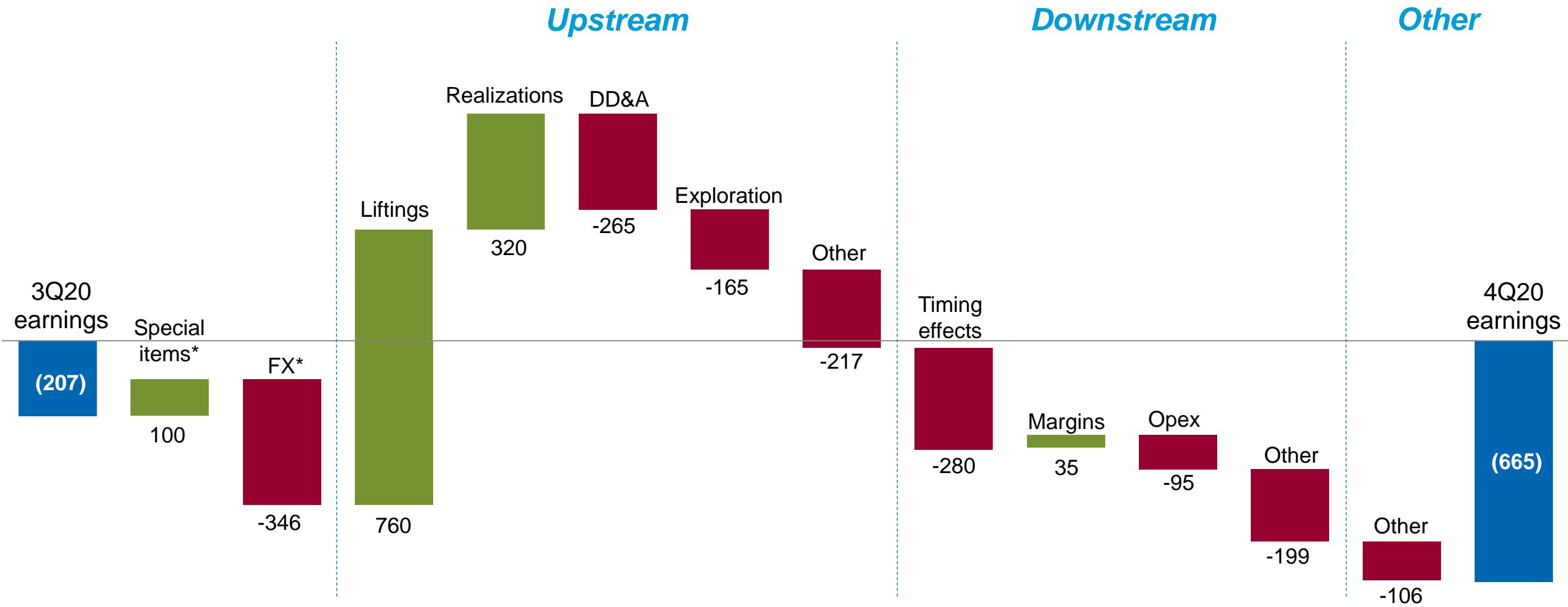
<sup>2</sup> As of 12/31/2020. Net debt ratio is defined as debt less cash equivalents, marketable securities and time deposits divided by debt less cash equivalents, marketable securities and time deposits plus stockholders' equity.



# Chevron earnings

## 4Q20 vs. 3Q20

\$ millions

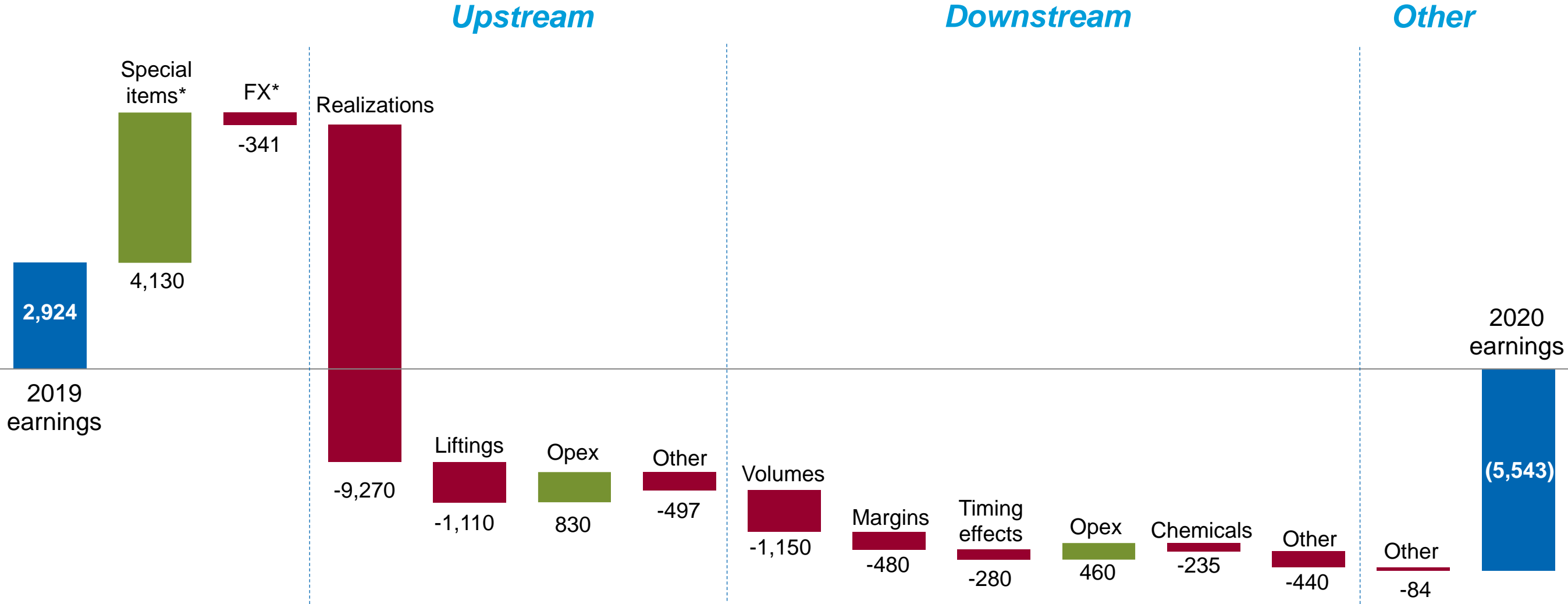


\* Reconciliation of special items and FX can be found in the appendix.



# Chevron earnings 2020 vs. 2019

\$ millions

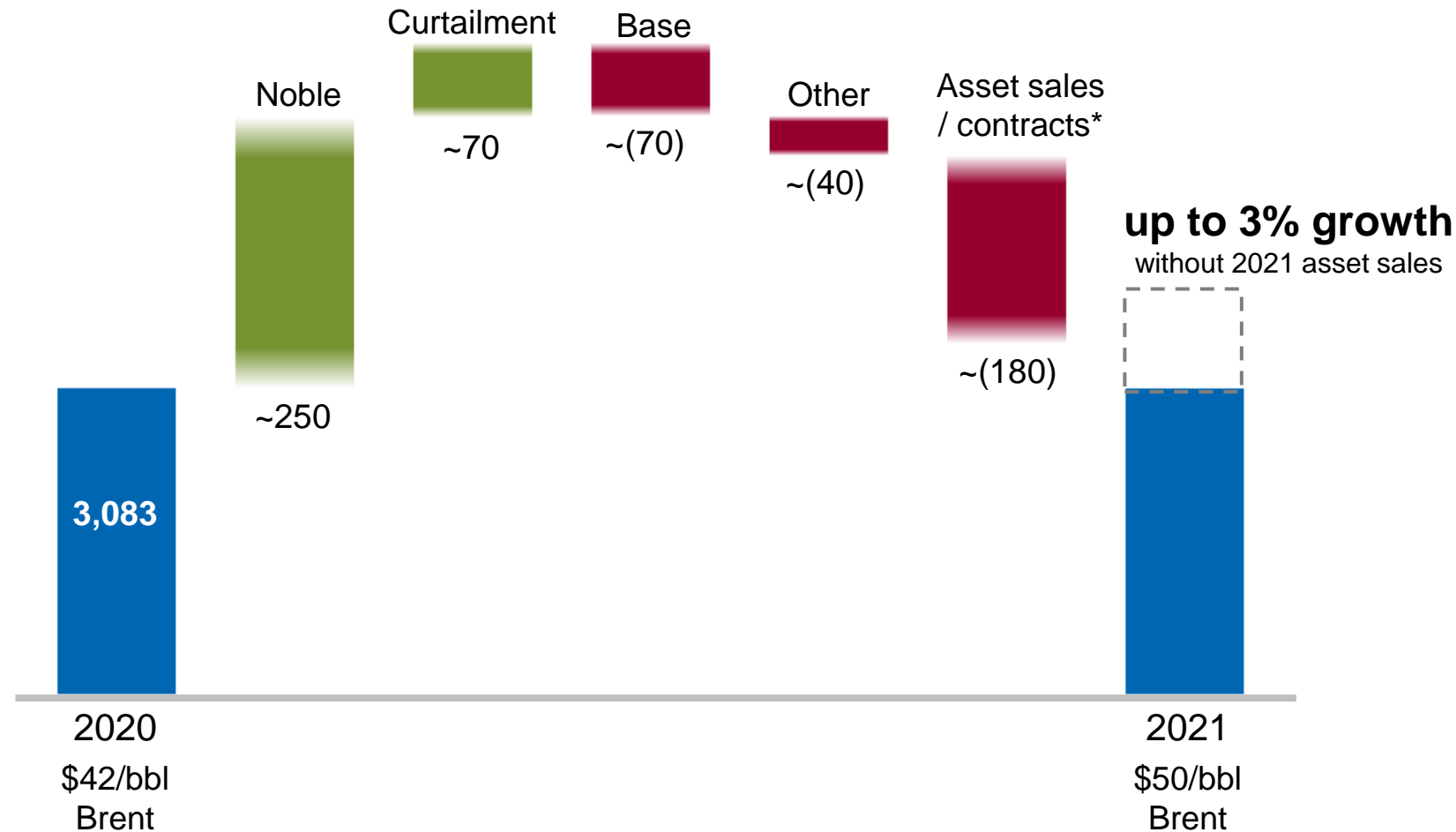


\* Reconciliation of special items and FX can be found in the appendix.



# 2021 Production outlook

MBOED



**Full-year of Noble**

**Lower curtailments**

**Base declines due to reduced 2020 capital**

**Entitlement effects and Venezuela**

**2020 asset sales and contract expiration impacts**

\* 2020 asset sales and contract expiration in Indonesia and Thailand  
 Note: \$50/bbl nominal Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.



# Looking ahead

	1Q2021 outlook	Full-year 2021 outlook
Upstream	Turnarounds/Downtime: ~60 MBOED Curtailments: ~40 MBOED Indonesia cost recovery entitlement: ~(75) MBOED vs 4Q TCO project personnel: ~26,000 by end 1Q	Production growth (excl. 2021 asset sales): Up to 3% TCO co-lending: \$1 - \$2B
Downstream	Refinery turnarounds: \$(100) - (200)MM A/T earnings	
Corporate		“Other” segment earnings: ~\$(2.5)B Distributions less affiliate income: \$0 - \$(0.5)B B/T asset sales proceeds: \$2 - \$3B Pension contributions: Flat vs 2020 (\$1.2B)  <u>Sensitivities:</u> \$400MM A/T earnings per \$1 change in Brent \$500MM A/T cash flow per \$1 change in Brent ~25 MBOED per \$10 change in Brent



# Higher returns, lower carbon



**Advantaged portfolio**

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**Unmatched financial strength**

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**Capital discipline**

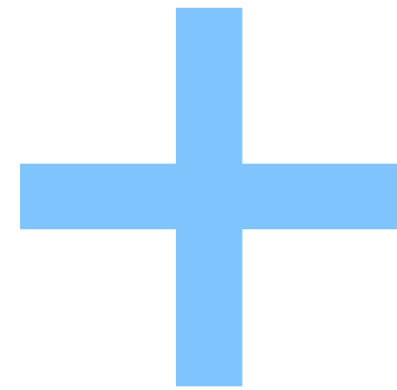
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**Superior distributions to shareholders**

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**Advancing a lower carbon future**

questions



answers

# Appendix: reconciliation of non-GAAP measures

## Reported earnings to adjusted earnings

	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20
<b>Reported earnings (\$ millions)</b>							
Upstream	(6,734)	2,576	2,920	(6,089)	235	501	(2,433)
Downstream	672	2,481	1,103	(1,010)	292	(338)	47
All Other	(548)	(2,133)	(424)	(1,171)	(734)	(828)	(3,157)
<b>Total reported earnings</b>	<b>(6,610)</b>	<b>2,924</b>	<b>3,599</b>	<b>(8,270)</b>	<b>(207)</b>	<b>(665)</b>	<b>(5,543)</b>
Diluted weighted avg. shares outstanding ('000)	1,872,317	1,895,126	1,865,649	1,853,313	1,853,533	1,910,724	1,870,027
<b>Reported earnings per share</b>	<b>(\$3.51)</b>	<b>\$1.54</b>	<b>\$1.93</b>	<b>(\$4.44)</b>	<b>(\$0.12)</b>	<b>(\$0.33)</b>	<b>(\$2.96)</b>
<b>Special items (\$ millions)</b>							
UPSTREAM							
Asset dispositions	1,200	1,200	240	310	-	-	550
Impairments and other*	(10,350)	(10,170)	440	(4,810)	(130)	(20)	(4,520)
Subtotal	(9,150)	(8,970)	680	(4,500)	(130)	(20)	(3,970)
DOWNSTREAM							
Asset dispositions	-	-	-	-	-	-	-
Impairments and other*	-	-	-	(140)	-	-	(140)
Subtotal	-	-	-	(140)	-	-	(140)
ALL OTHER							
Impairments and other*	-	310	-	(230)	(90)	(100)	(420)
Subtotal	-	310	-	(230)	(90)	(100)	(420)
<b>Total special items</b>	<b>(9,150)</b>	<b>(8,660)</b>	<b>680</b>	<b>(4,870)</b>	<b>(220)</b>	<b>(120)</b>	<b>(4,530)</b>
<b>Foreign exchange (\$ millions)</b>							
Upstream	(226)	(323)	468	(262)	(107)	(384)	(285)
Downstream	(32)	17	60	(23)	(49)	(140)	(152)
All other	2	2	(14)	(152)	(32)	(10)	(208)
<b>Total FX</b>	<b>(256)</b>	<b>(304)</b>	<b>514</b>	<b>(437)</b>	<b>(188)</b>	<b>(534)</b>	<b>(645)</b>
<b>Adjusted earnings (\$ millions)</b>							
Upstream	2,642	11,869	1,772	(1,327)	472	905	1,822
Downstream	704	2,464	1,043	(847)	341	(198)	339
All Other	(550)	(2,445)	(410)	(789)	(612)	(718)	(2,529)
<b>Total adjusted earnings (\$ millions)</b>	<b>2,796</b>	<b>11,888</b>	<b>2,405</b>	<b>(2,963)</b>	<b>201</b>	<b>(11)</b>	<b>(368)</b>
<b>Adjusted earnings per share</b>	<b>\$1.49</b>	<b>\$6.27</b>	<b>\$1.29</b>	<b>(\$1.59)</b>	<b>\$0.11</b>	<b>(\$0.01)</b>	<b>(\$0.20)</b>

\* Includes asset impairments, write-offs, tax items, Anadarko termination fee, and other special items.





# Appendix: reconciliation of non-GAAP measures

## Cash flow from operations excluding working capital

### Operating expenses excluding special items

### Net debt ratio

\$ millions	4Q20	FY 2020
Net Cash Provided by Operating Activities	2,237	10,576
Net Decrease (Increase) in Operating Working Capital	(1,631)	(1,652)
<b>Cash Flow from Operations Excluding Working Capital</b>	<b>3,868</b>	<b>12,228</b>

\$ millions	2019	2020
Operating expenses*	25,945	25,416
Less: Special items	345	1,038
<b>Operating expenses ex-special items</b>	<b>25,600</b>	<b>24,378</b>

\*Includes operating expense, selling, general and administrative expense, and other components of net periodic benefit costs.

\$ millions	2020
Short term debt	1,548
Long term debt*	42,767
<b>Total debt</b>	<b>44,315</b>
Less: Cash and cash equivalents	5,596
Less: Time deposits	-
Less: Marketable securities	31
<b>Total adjusted debt</b>	<b>38,688</b>
Total Chevron Corporation Stockholder's Equity	131,688
<b>Total adjusted debt plus total Chevron Stockholder's Equity</b>	<b>170,376</b>
<b>Net debt ratio</b>	<b>22.7%</b>

\* Includes capital lease obligations / finance lease liabilities.

Note: Numbers may not sum due to rounding.



# Appendix: reconciliation of non-GAAP measures

## ROCE

### Adjusted ROCE

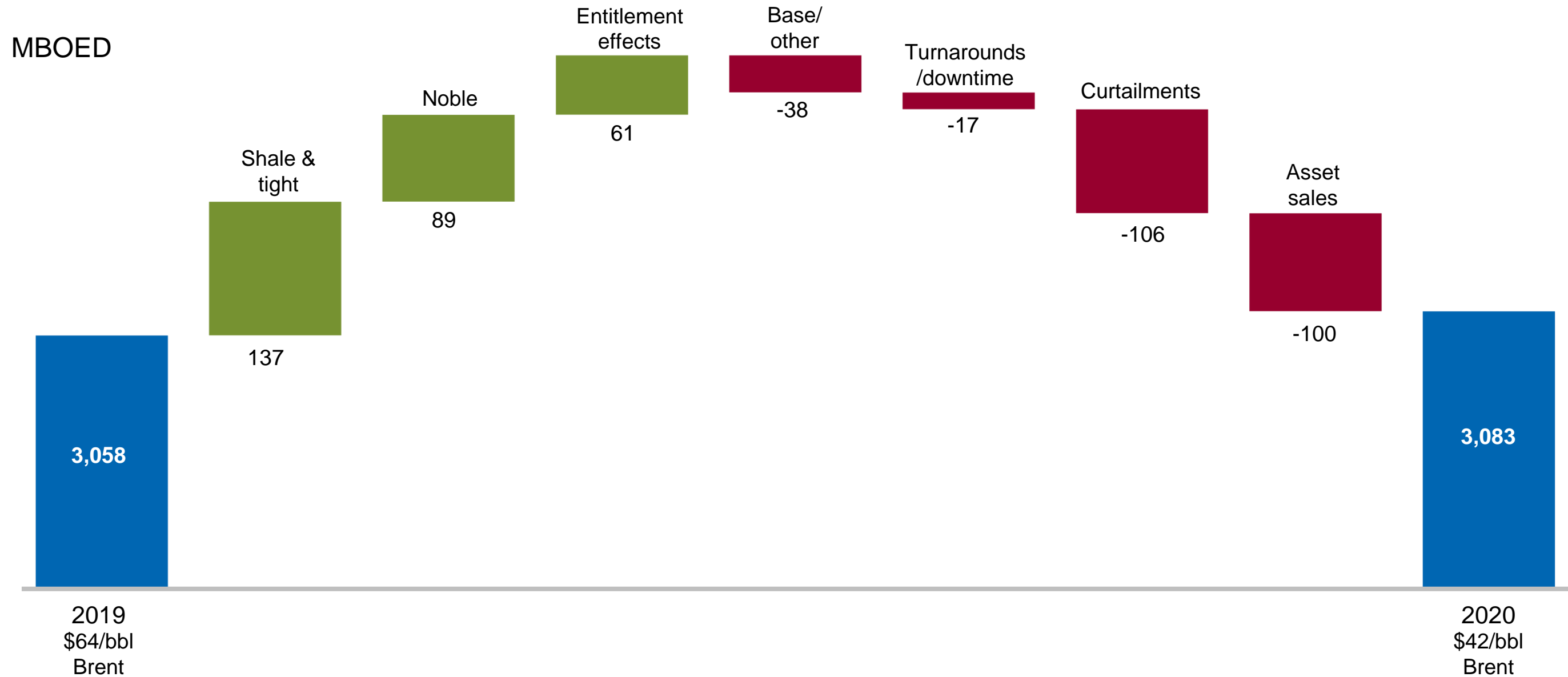
<b>\$ millions</b>	<b>FY 2020</b>
Total reported earnings	-5,543
Non-controlling interest	-18
Interest expense (A/T)	658
ROCE earnings	-4,903
Average capital employed*	174,611
<b>ROCE</b>	<b>-2.8%</b>

<b>\$ millions</b>	<b>FY 2020</b>
Adjusted earnings	-368
Non-controlling interest	-18
Interest expense (A/T)	658
Adjusted ROCE earnings	272
Average capital employed*	174,611
<b>Adjusted ROCE</b>	<b>0.2%</b>

\* Capital employed is the sum of Chevron Corporation stockholders' equity, total debt and noncontrolling interests. Average capital employed is computed by averaging the sum of capital employed at the beginning and the end of the year  
 Note: Numbers may not sum due to rounding.



# Worldwide net oil & gas production 2020 vs. 2019

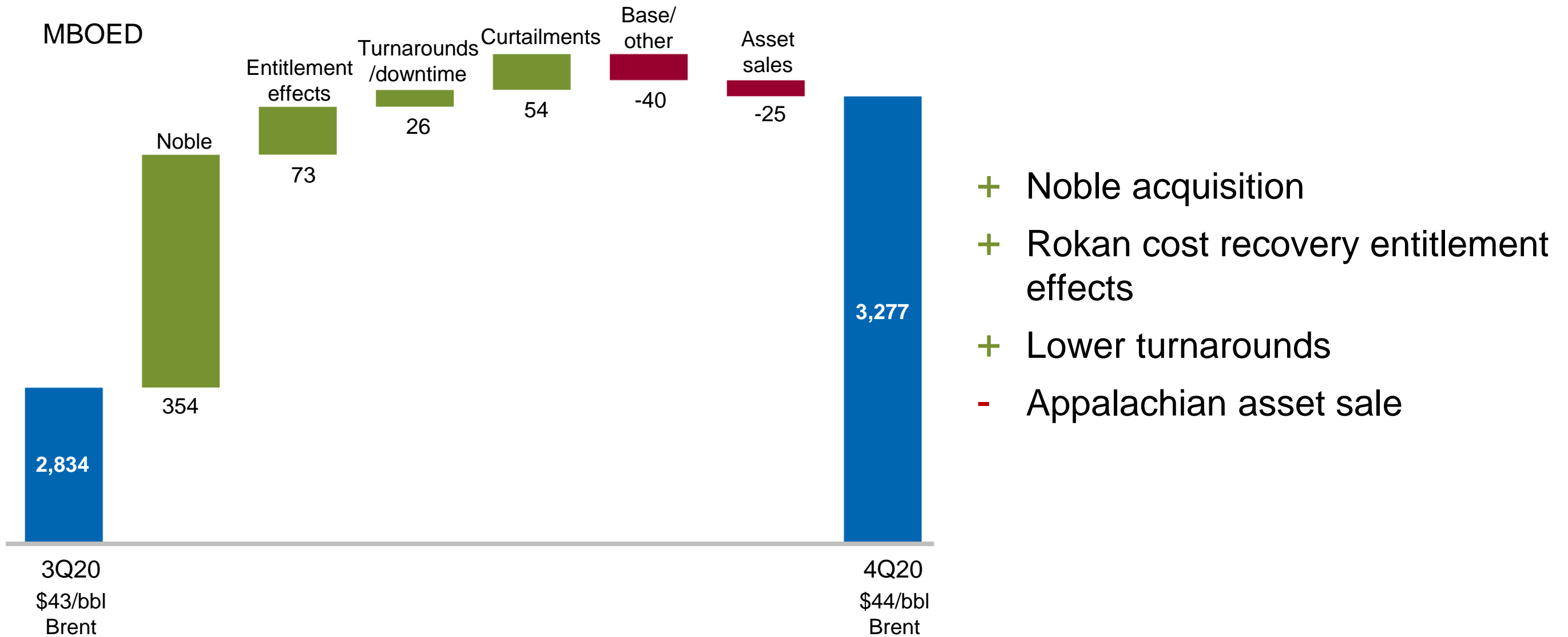


Note: Numbers may not sum due to rounding.



# Worldwide net oil & gas production

## 4Q20 vs. 3Q20



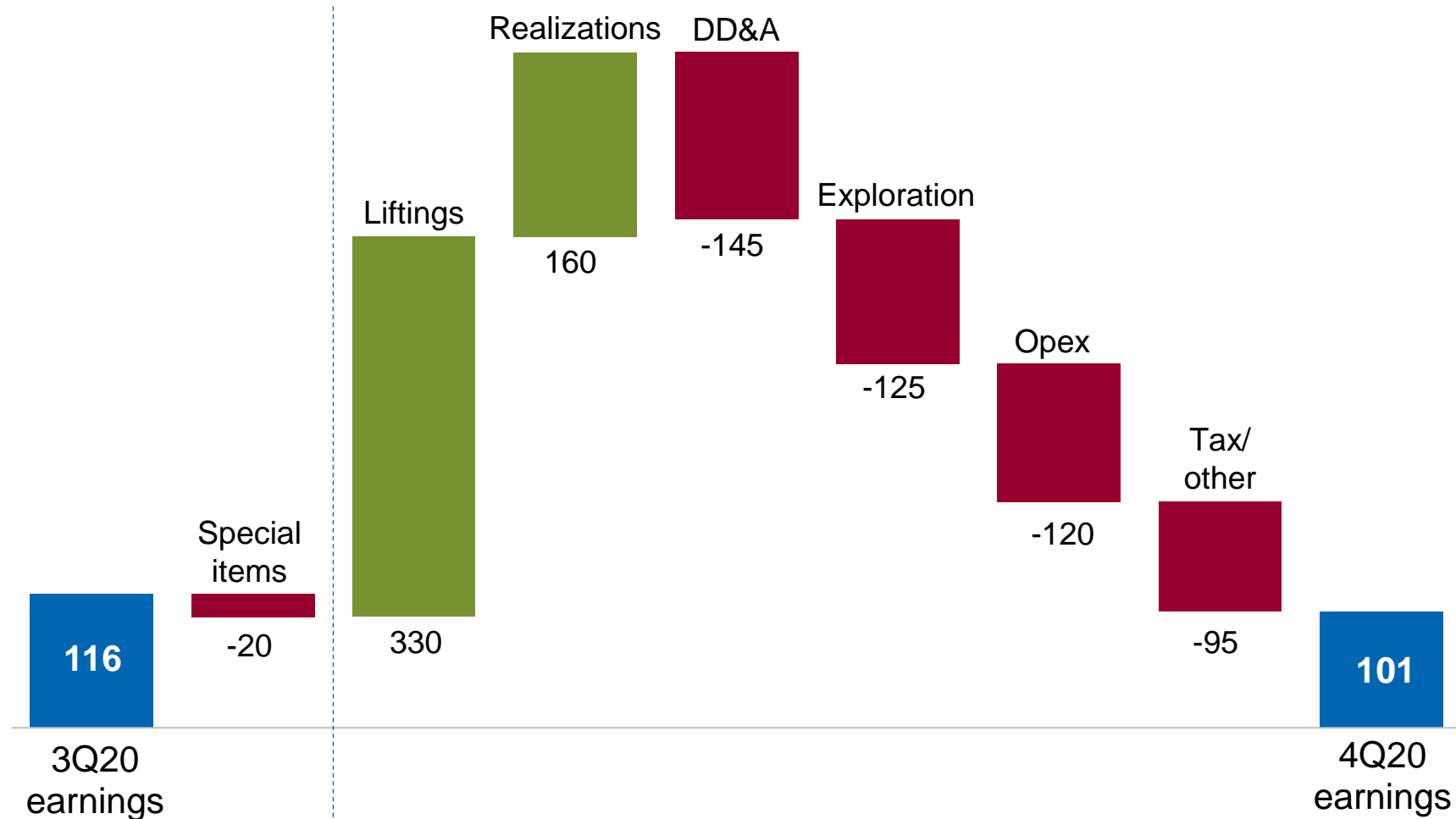
Note: Numbers may not sum due to rounding.



# Appendix

## U.S. upstream earnings: 4Q20 vs. 3Q20

\$ millions



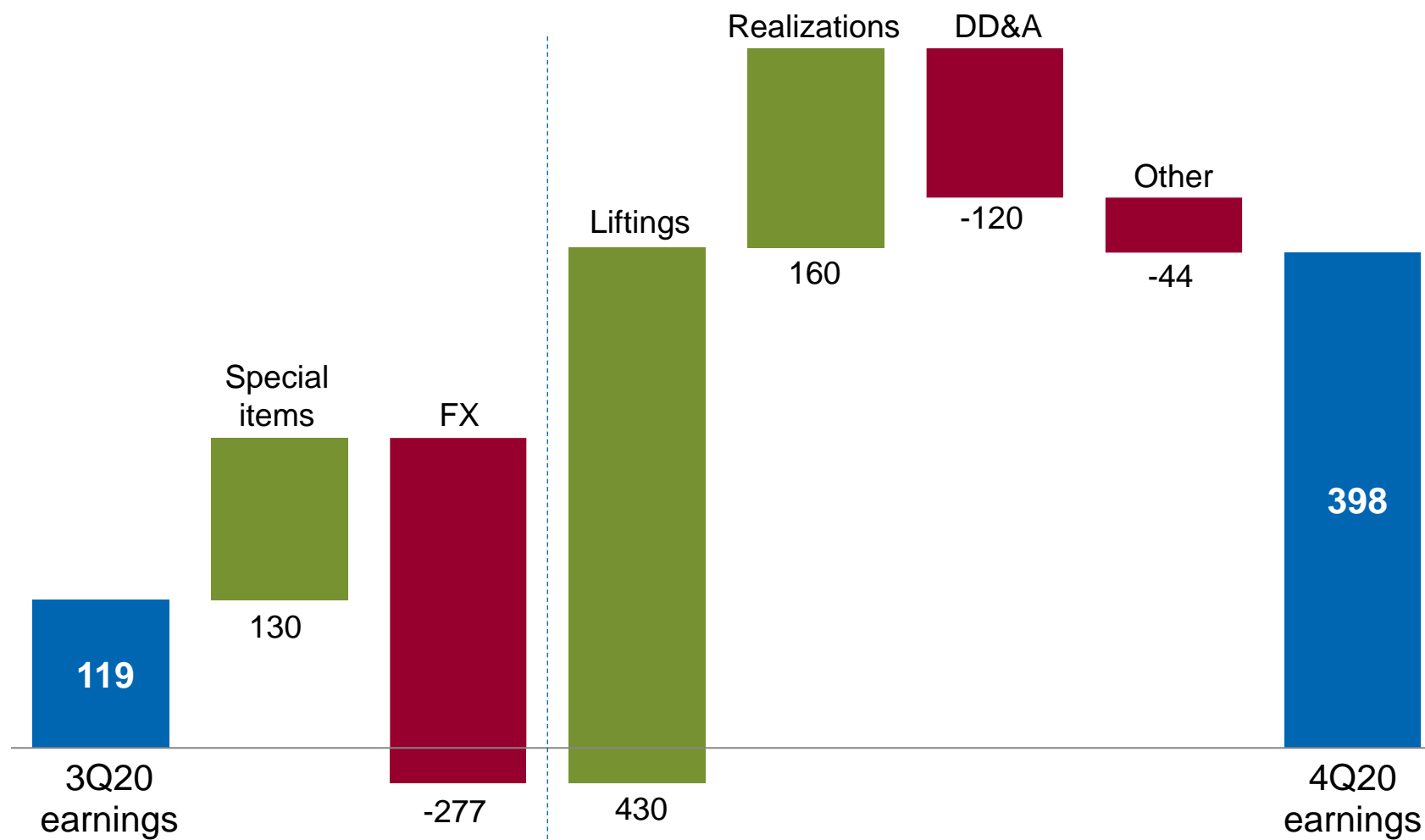
- Higher production, DD&A, and Opex due to Noble acquisition



# Appendix

## International upstream earnings: 4Q20 vs. 3Q20

\$ millions



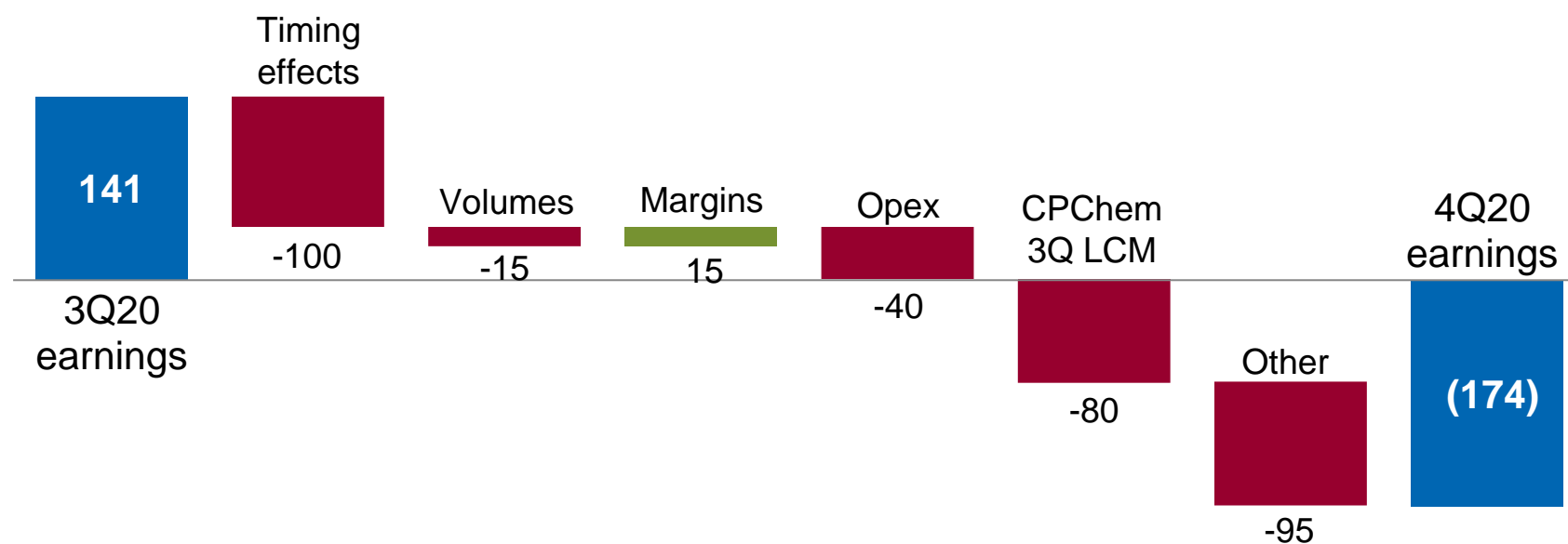
- Absence of 3Q20 tax item
- Higher production and DD&A due to Noble acquisition



# Appendix

## U.S. downstream earnings: 4Q20 vs. 3Q20

\$ millions

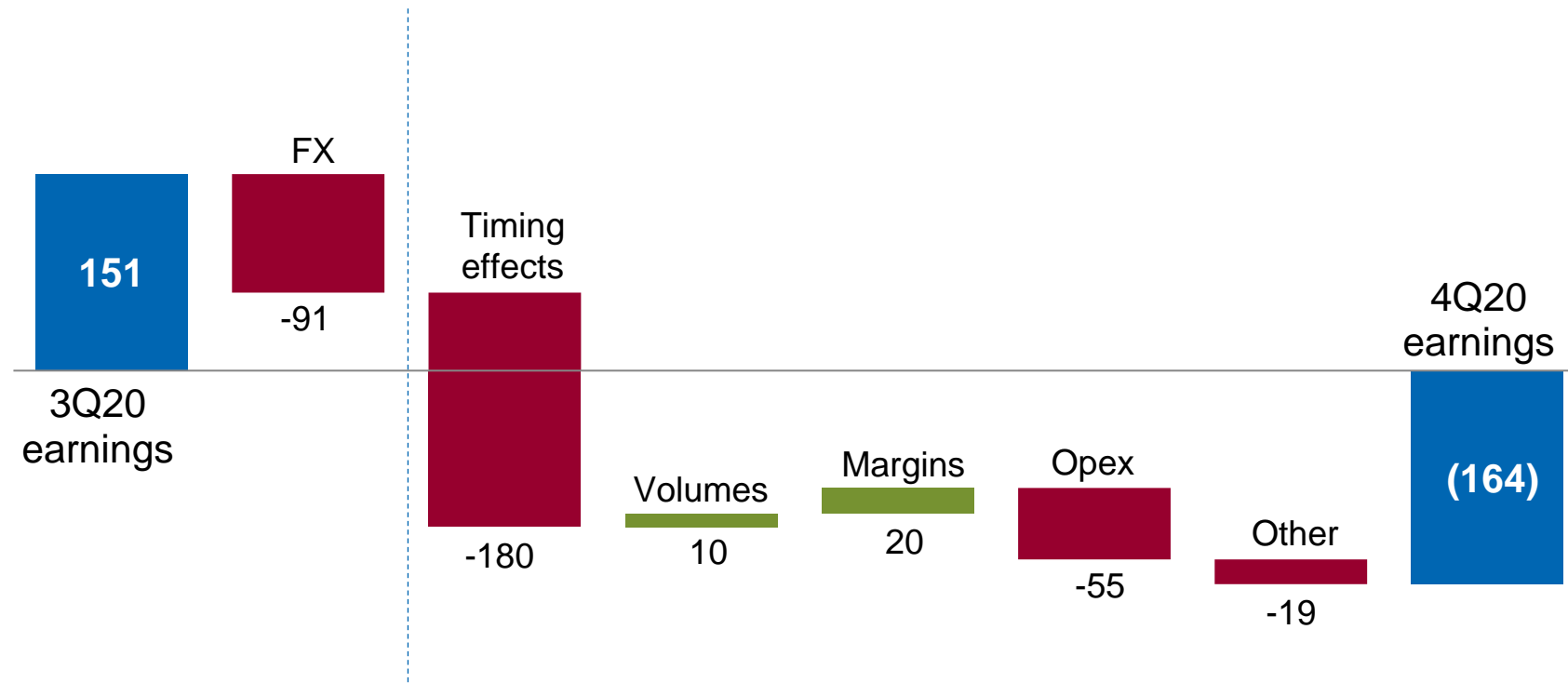


- Unfavorable swing in timing effects:
  - 4Q20: \$(27)
  - Absence of 3Q20: \$(73)
- Higher planned turnaround expense
- Absence of 3Q LCM adjustment at CPChem
- Higher RIN prices

# Appendix

## International downstream earnings: 4Q20 vs. 3Q20

\$ millions



- Unfavorable swing in timing effects:
  - 4Q20: \$(216)
  - Absence of 3Q20: \$36
- Higher maintenance expenses

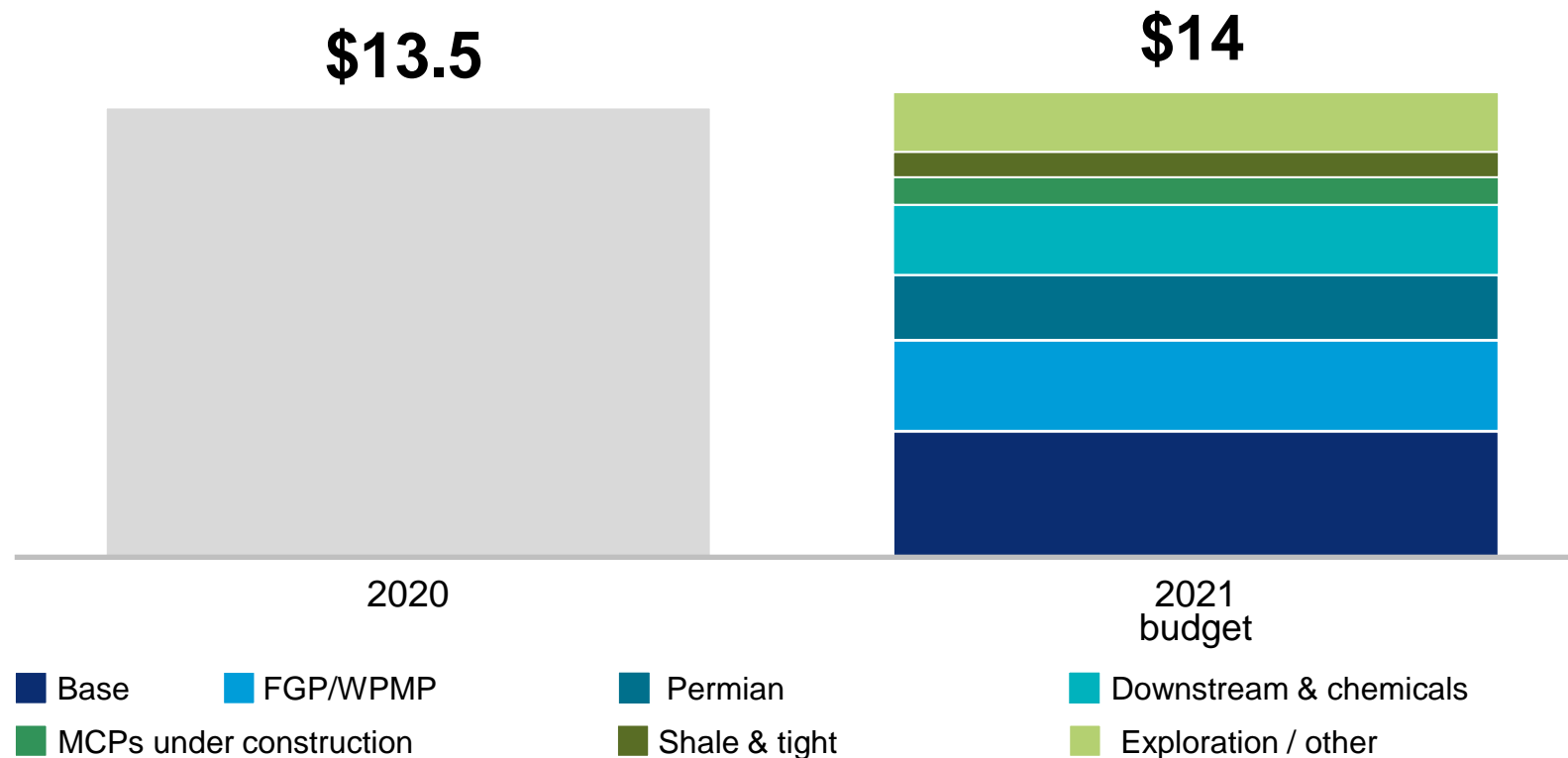


# Appendix

## 2021 capital outlook

### Capital & exploratory expenditures

\$ billions



**Continued capital discipline**

**Includes >\$300MM to advance the energy transition**

**Focused on higher returns, lower carbon**

