
Welcome to Chevron's third quarter 2024 earnings conference call and webcast. I'm Jake Spiering, Head of Investor Relations. Our Chairman and CEO, Mike Wirth, and CFO, Eimear Bonner, are on the call with me today.

We will refer to the slides and prepared remarks that are available on Chevron's website.

# 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 images and statements relating to Chevron's lower carbon strategy and 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," "advances," "commits," "drives," "aims," "forecasts," "projects," "believes," "approaches," "seeks," "schedules," "estimates," "positions," "pursues," "progress," "may," "can," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on track," "goals," "objectives," "strategies," "opportunities," "poised," "potential," "ambitions," "aspires" and similar expressions, and variations or negatives of these words, are intended to identify such forward looking statements, but not all forward-looking statements include such words. These statements are not guarantees of future performance and are subject to numerous 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 the company's 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; technological advancements; changes to government policies in the countries in which the company operates; public health crises, such as pandemics and epidemics, and any related government policies and actions; disruptions in the company's global supply chain, including supply chain constraints and escalation of the cost of goods and services; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic, market and political conditions, including the military conflict between Russia and Ukraine, the conflict in Israel and the global response to these hostilities; changing refining, marketing and chemicals margins; the company's ability to realize anticipated cost savings and efficiencies associated with enterprise structural cost reduction initiatives; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; development of large carbon capture and offset markets; the results of operations and financial condition of the company's suppliers, vendors, partners and equity affiliates; 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 undertaken or required by existing or future environmental statutes and regulations, including international agreements and national or regional legislation and regulatory measures related to greenhouse gas emissions and climate change; the potential liability resulting from pending or future litigation; the risk that regulatory approvals and clearances related to the Hess Corporation (Hess) transaction are not obtained or are obtained subject to conditions that are not anticipated by the company and Hess; potential delays in consummating the Hess transaction, including as a result of the ongoing arbitration proceedings regarding preemptive rights in the Stabroek Block joint operating agreement; risks that such ongoing arbitration is not satisfactorily resolved and the potential transaction fails to be consummated; uncertainties as to whether the potential transaction, if consummated, will achieve its anticipated economic benefits, including as a result of risks associated with third party contracts containing material consent, anti-assignment, transfer or other provisions that may be related to the potential transaction that are not waived or otherwise satisfactorily resolved; the company's ability to integrate Hess' operations in a successful manner and in the expected time period; the possibility that any of the anticipated benefits and projected synergies of the potential transaction will not be realized or will not be realized within the expected time period; 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, taxes and tax audits, tariffs, sanctions, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; higher inflation and related impacts; material reductions in corporate liquidity and access to debt markets; changes to the company's capital allocation strategies; 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 20 through 26 of the company's 2023 Annual Report on Form 10-K and in 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.

As used in this presentation, the term "Chevron" and such terms as "the company," "the corporation," "our," "we," "us" and "its" may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

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 26 through 27 of Chevron's 2023 Supplement to the Annual Report available at chevron.com.

This presentation is meant to be read in conjunction with the Third Quarter 2024 Transcript posted on Chevron.com under the headings "Investors," "Events & Presentations."

Before we begin, please be reminded that this presentation contains estimates, projections and other forward-looking statements. A reconciliation of non-GAAP measures can be found in the appendix to this presentation.

Please review the cautionary statement on Slide 2.

Now, I will turn it over to Mike.

## Higher returns, lower carbon

### 3Q24 highlights

- Returned record $7.7 billion cash to shareholders
- Achieved Anchor first oil
- Received Hess FTC clearance
- Announced $7 billion of divestments
- Awarded Australia $CO_2$ storage assessment permit





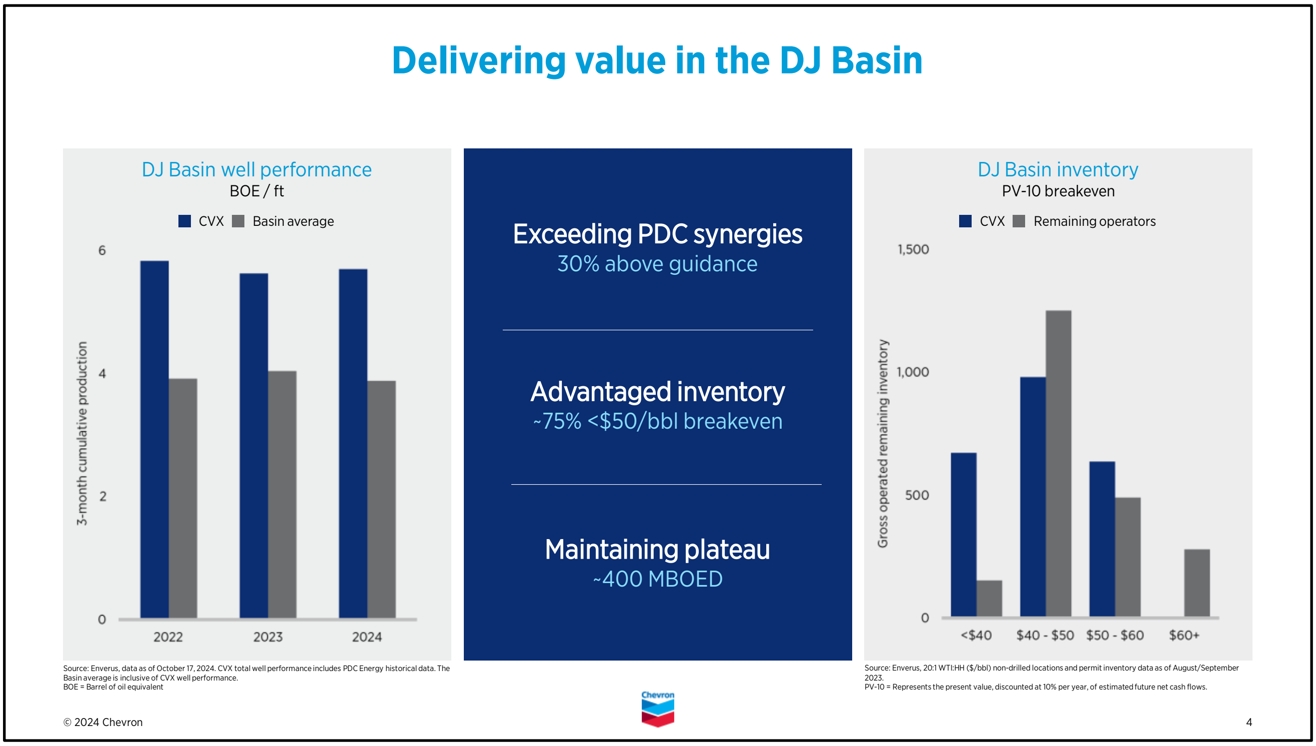
This quarter, Chevron delivered strong financial and operational results, returned record cash to shareholders and achieved project milestones that are expected to deliver production and cash flow growth over the coming years.

We continue to see strong performance in the Permian and executed major turnarounds at TCO and Gorgon ahead of schedule. Worldwide production increased by 7% from the prior year and set a third quarter record.

We started up the high-pressure Anchor project and began water injection to boost production at the Jack/St. Malo and Tahiti fields. These projects, combined with additional project start-ups through 2025, are expected to grow Gulf of Mexico production to 300 thousand barrels per day by 2026.

We've expanded our $CO_2$ storage portfolio, adding over 2 million acres offshore Western Australia.

In September, the FTC completed its review of the company's merger with Hess. We also recently announced several asset sales as part of our ongoing portfolio optimization efforts.

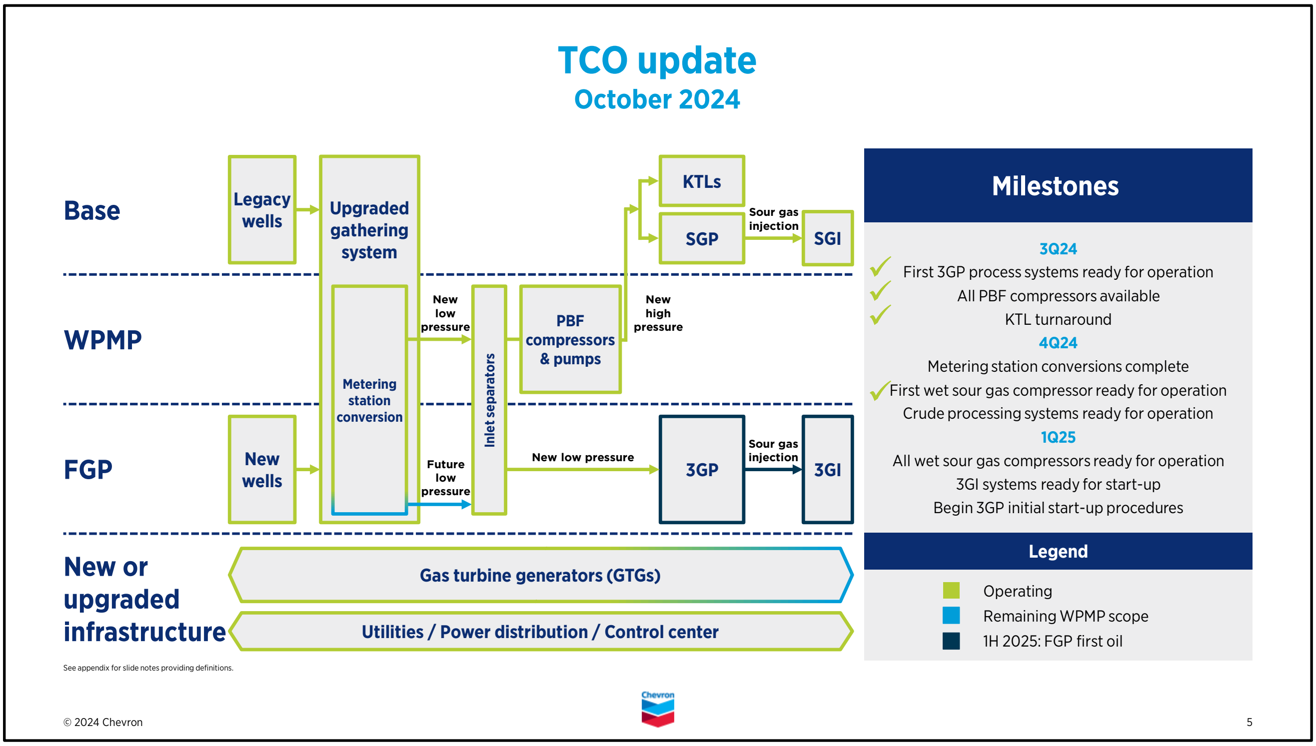



This quarter marked the one-year anniversary of the PDC Energy acquisition. We've successfully combined the two companies, taking best practices from both and applying them across our shale and tight portfolio.

We've exceeded our guidance of $500 million in combined capital and cost synergies by more than 30 percent and have delivered more than $1 billion incremental free cash flow since acquiring PDC.

Chevron's well performance is 40 percent better than the DJ basin average and we continue to optimize development plans. We have advantaged inventory, with around 75 percent of locations at a breakeven below $50 per barrel. We expect to hold production at a plateau around 400 thousand barrels of oil equivalent per day through the end of the decade.

Our operations in Colorado are among the lowest carbon intensity assets in the industry, benefitting from tankless production facilities that lower greenhouse gas emissions by 90 percent compared to older designs. Where possible, we utilize grid-powered rigs that reduce more than 60 percent of our on-site greenhouse gas emissions from drilling.

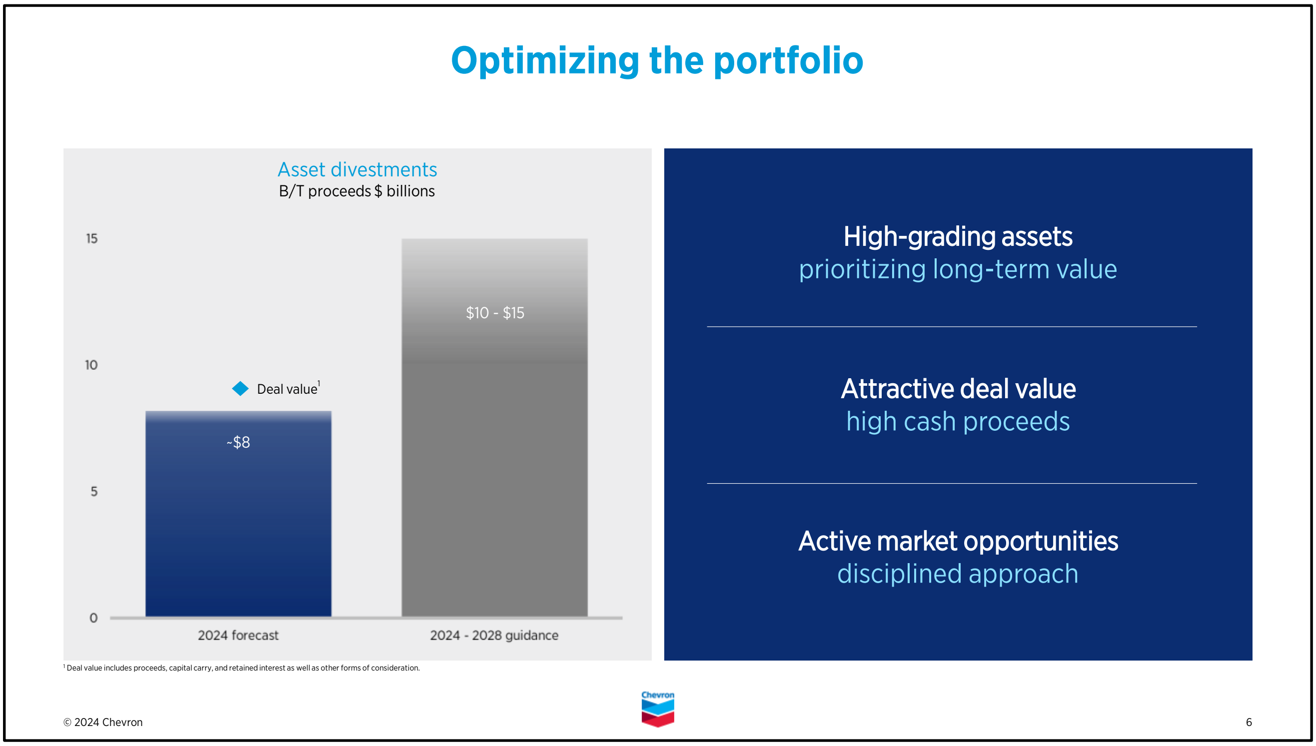



At TCO, the team continues to deliver consistent progress on project milestones.

All four pressure boost facilities are now online and operating with high reliability. All production is flowing through these facilities which allows optimization of existing plants, and enabled the highest daily production in the field's 31 years of service.

Remaining metering stations are all under conversion and we're confident in the incremental well capacity that will feed FGP. We've initiated final leak testing for the wet sour gas compressors and are preparing the crude processing systems for operation.

Complex commissioning activities will continue over the coming months, leading into initial start-up activities in the first quarter of 2025.




We continue to divest non-core positions at significant value. We've announced asset sales in Canada, Alaska and Congo that will contribute before tax proceeds of approximately $8 billion. Pending regulatory approvals, we expect to close these transactions in the fourth quarter.

In Canada, we received a compelling offer for our Kaybob Duvernay shale position and non-operated interest in the Athabasca Oil Sands Project. Both are good assets and we have a long history there, but they are a better fit for a reputable counterparty at an attractive deal value for Chevron.

Now, I'll turn it over to Eimear to discuss the financials.

# Financial highlights

| | 3Q24 |
|---|---|
| Earnings / Earnings per diluted share | $4.5 billion / $2.48 |
| Adjusted earnings / EPS[1] | $4.5 billion / $2.51 |
| Cash flow from operations / excl. working capital[1] | $9.7 billion / $8.3 billion |
| Total capex / Organic capex | $4.1 billion / $4.0 billion |
| ROCE / Adjusted ROCE[1,2] | 10.1% / 10.2% |
| Dividends paid | $2.9 billion |
| Share repurchases | $4.7 billion |
| Debt ratio / Net debt ratio[1,3] | 14.2% / 11.9% |

[1] Reconciliation of special items, FX, and other non-GAAP measures can be found in the appendix.
[2] Calculations of ROCE and Adjusted ROCE can be found in the appendix.
[3] As of 9/30/2024. 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.

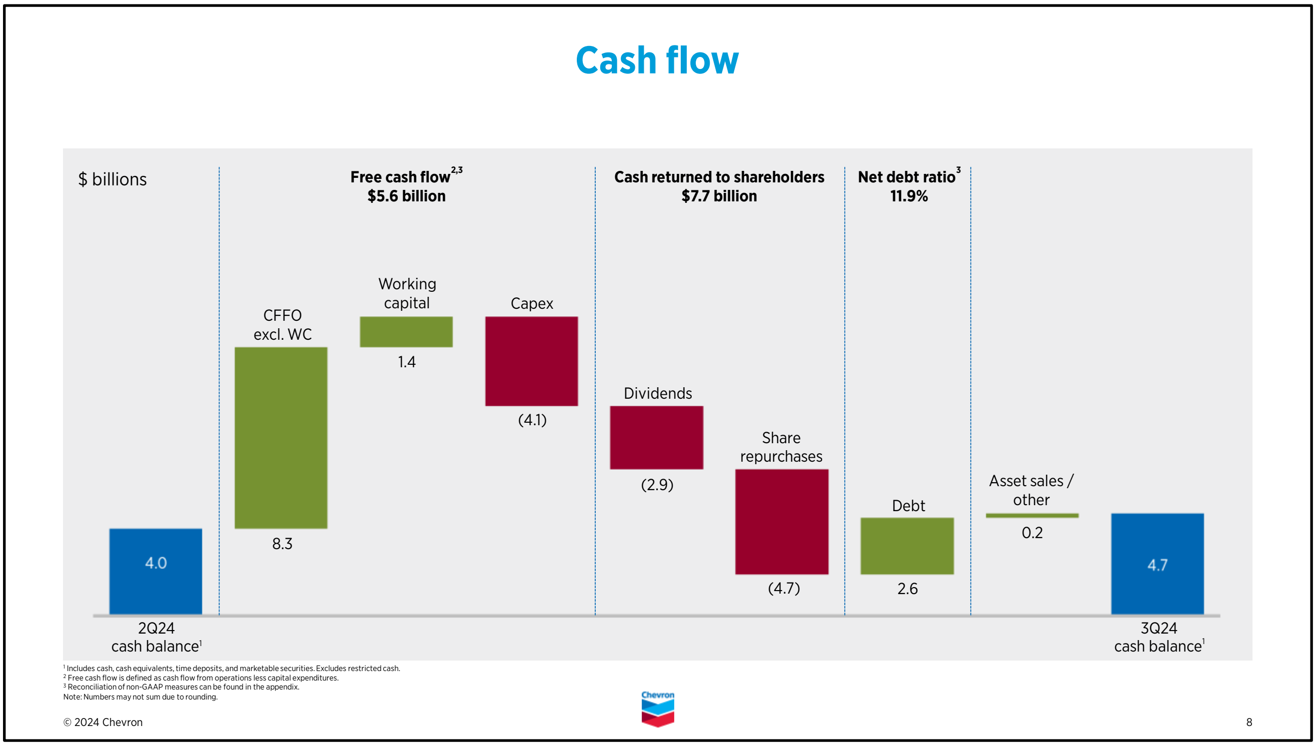




We reported third quarter earnings of $4.5 billion, or $2.48 per share. Adjusted earnings were $4.5 billion, or $2.51 per share.

Organic capex was $4.0 billion for the quarter, in line with our budget.

Our balance sheet remains one of the strongest in the industry, ending the quarter with a net debt ratio under 12%.

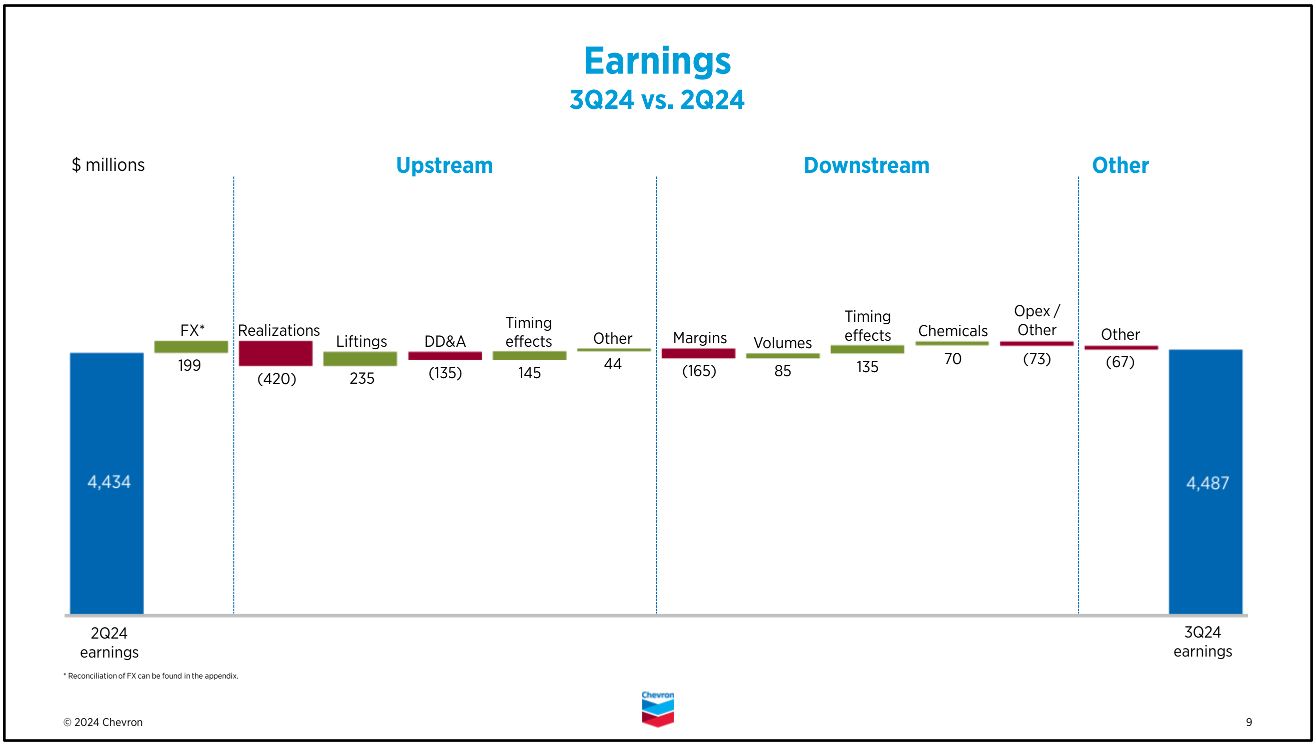



Cash flow in the third quarter was the highest for the year despite lower oil prices.

Working capital decreased by $1.4 billion on lower inventory levels.

Share repurchases were a record $4.7 billion, at the top end of our quarterly guidance range.

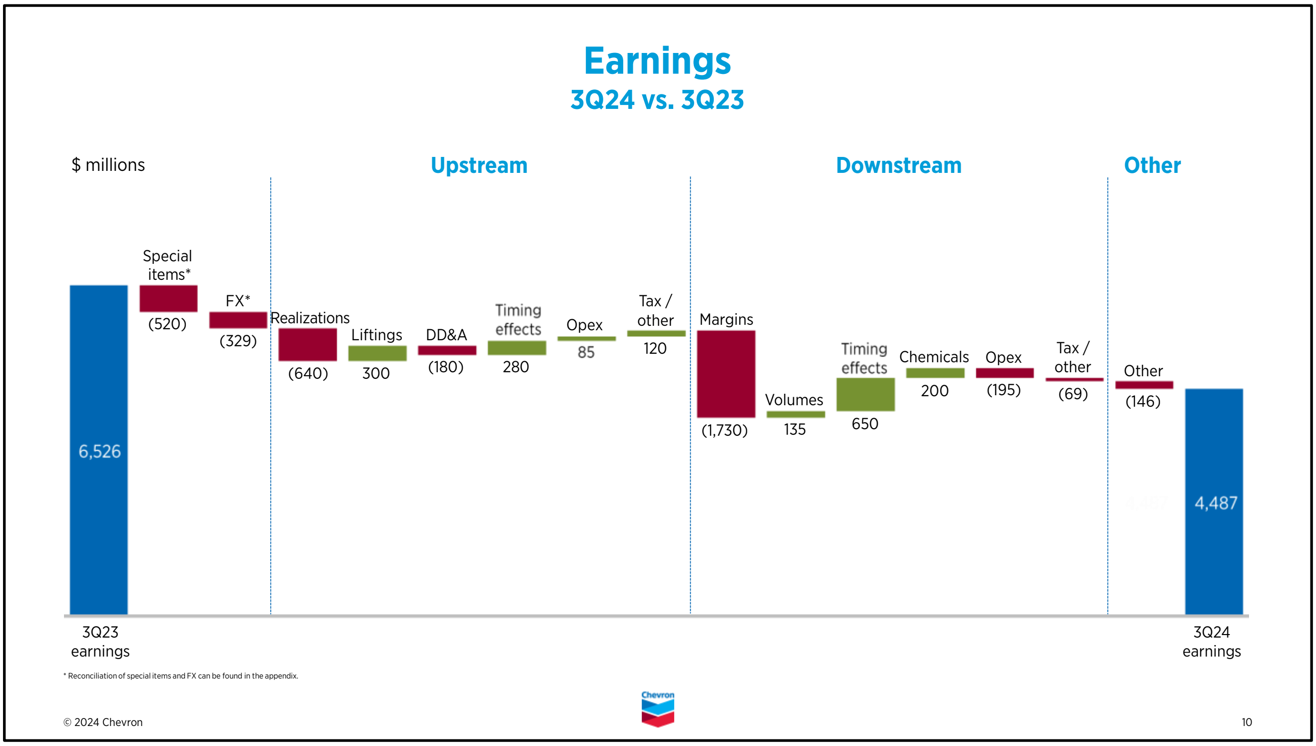
Our financial priorities are unchanged, and we plan to use our strong balance sheet to reward shareholders consistently through commodity cycles.




Compared with last quarter, adjusted earnings were down around $150 million.

Adjusted Upstream earnings were down mainly due to lower liquids realizations and higher DD&A at TCO, and partly offset by higher liftings.

Adjusted Downstream earnings increased primarily due to favorable timing effects and higher U.S. volumes. This was partially offset by lower U.S. refining margins.




Adjusted third quarter earnings were down $1.2 billion versus the same quarter last year.

Adjusted Upstream earnings were flat – lower liquids realizations and higher DD&A were mostly offset by higher liftings and timing effects.

Adjusted Downstream earnings decreased mainly due to lower refining margins.

All Other was down primarily due to interest expense.

# Worldwide net oil & gas production

## 3Q24 vs. 2Q24


- Permian production growth
- Gulf of Mexico hurricane activity

Note: Numbers may not sum due to rounding.

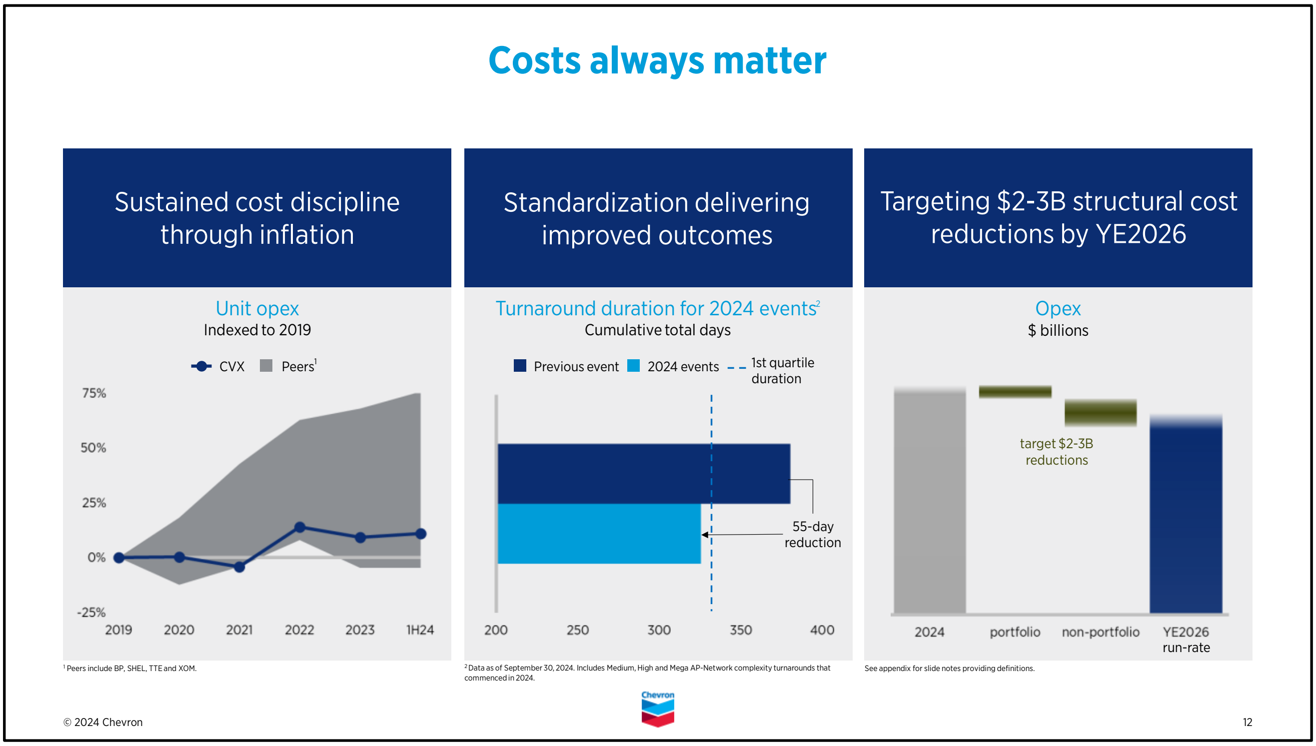




Third quarter oil equivalent production was up around 70 thousand barrels per day from last quarter.

Strong performance in the Permian, primarily in our company-operated New Mexico assets, was the main driver.

We expect full-year average production growth to finish at the top end of our guidance range of 4-7%.




Costs always matter in a commodity business.  We have a track-record of managing unit costs well below inflation while successfully integrating several acquisitions.

Higher returns require competitive costs and safe and reliable operations.  Executing turnarounds on-budget and on-schedule is a key performance driver and we've delivered outstanding performance in 2024.  Our teams have collaborated across Upstream and Downstream to standardize the approach to these complex maintenance events, increasing the days our facilities are online and lowering unit costs.

While we anticipate significant volume growth in the years ahead, we also expect to deliver $2-3 billion in structural cost reductions by the end of 2026.

These cost savings will largely come from optimizing the portfolio, leveraging technology to enhance productivity, and changing how and where work is performed, including the expanded use of global capability centers.

## Forward guidance


Permian Basin

| | 4Q24 outlook | |
|---|---|---|
| Upstream | Turnarounds & downtime: | ~(45) MBOED |
| | Asset sales production impact: | ~(45) MBOED |
| Downstream | Turnarounds (A/T earnings): | $(350) – $(400)MM |
| Corporate | Affiliate dividends: | ~$1B |
| | Share repurchases: | $4 – $4.75B |
| | B/T asset sales proceeds: | ~$8B |





Now, looking ahead.

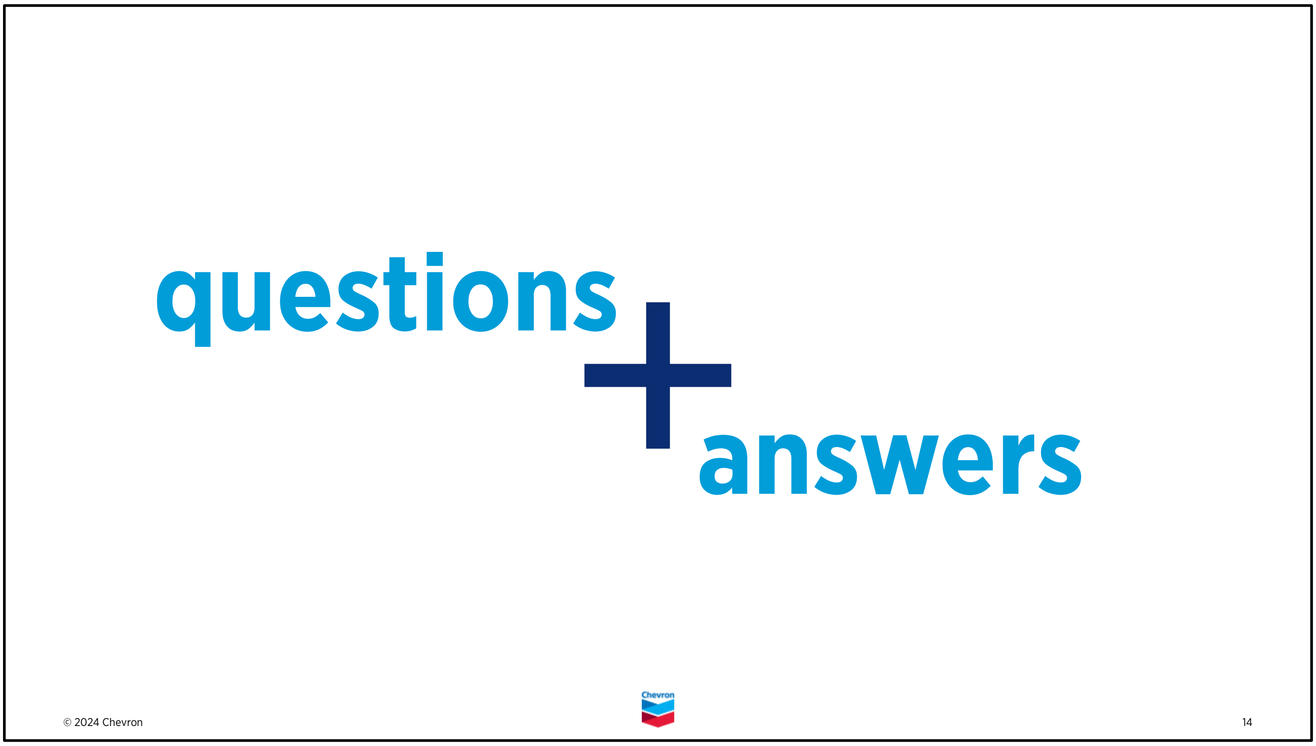
In the fourth quarter, Upstream will have downtime which is expected to be split between U.S. and international operations. Impacts to production from divestments are expected to be around 45 thousand barrels of oil equivalent per day for the quarter.

Downstream will have higher planned maintenance, primarily at El Segundo and Pascagoula. We will also have a shutdown at the Pasadena refinery enabling the Light Tight Oil expansion to come online.

We anticipate affiliate dividends to be around $1 billion this quarter.

Share repurchases are expected to be between $4 – $4.75 billion in the fourth quarter, unchanged from prior guidance. Proceeds from asset sales are expected to be about $8 billion before taxes in the quarter.

Back to you, Jake.




That concludes our prepared remarks.  We are now ready to take your questions.

We ask that you limit yourself to one question.  We will do our best to get all your questions answered.

# Appendix: reconciliation of non-GAAP measures

## Reported earnings to adjusted earnings

| | 1Q23 | 2Q23 | 3Q23 | 4Q23 | FY2023 | 1Q24 | 2Q24 | 3Q24 | YTD 2024 |
|---|---|---|---|---|---|---|---|---|---|
| **Reported earnings ($ millions)** | | | | | | | | | |
| Upstream | 5,161 | 4,936 | 5,755 | 1,586 | 17,438 | 5,239 | 4,470 | 4,589 | 14,298 |
| Downstream | 1,800 | 1,507 | 1,683 | 1,147 | 6,137 | 783 | 597 | 595 | 1,975 |
| All Other | (387) | (433) | (912) | (474) | (2,206) | (521) | (633) | (697) | (1,851) |
| **Total reported earnings** | **6,574** | **6,010** | **6,526** | **2,259** | **21,369** | **5,501** | **4,434** | **4,487** | **14,422** |
| Diluted weighted avg. shares outstanding ('000) | 1,900,785 | 1,875,508 | 1,877,104 | 1,868,101 | 1,880,307 | 1,849,116 | 1,833,431 | 1,807,030 | 1,829,776 |
| **Reported earnings per share** | **$3.46** | **$3.20** | **$3.48** | **$1.22** | **$11.36** | **$2.97** | **$2.43** | **$2.48** | **$7.88** |
| **Special items ($ millions)** | | | | | | | | | |
| UPSTREAM | | | | | | | | | |
| Asset dispositions | - | - | - | - | - | - | - | - | - |
| Pension Settlement & Curtailment Costs | - | - | - | - | - | - | - | - | - |
| Impairments and other* | (130) | 225 | 560 | (3,715) | (3,060) | - | - | - | - |
| Subtotal | (130) | 225 | 560 | (3,715) | (3,060) | - | - | - | - |
| DOWNSTREAM | | | | | | | | | - |
| Asset dispositions | - | - | - | - | - | - | - | - | - |
| Pension Settlement & Curtailment Costs | - | - | - | - | - | - | - | - | - |
| Impairments and other* | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - | - | - | - |
| ALL OTHER | | | | | | | | | |
| Pension Settlement & Curtailment Costs | - | - | (40) | - | (40) | - | - | - | - |
| Impairments and other* | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | (40) | - | (40) | - | - | - | - |
| **Total special items** | **(130)** | **225** | **520** | **(3,715)** | **(3,100)** | **-** | **-** | **-** | **-** |
| **Foreign exchange ($ millions)** | | | | | | | | | |
| Upstream | (56) | 10 | 584 | (162) | 376 | 22 | (237) | 13 | (202) |
| Downstream | 18 | 4 | 24 | (58) | (12) | 56 | (1) | (55) | - |
| All other | (2) | (4) | (323) | (259) | (588) | 7 | (5) | (2) | - |
| **Total FX** | **(40)** | **10** | **285** | **(479)** | **(224)** | **85** | **(243)** | **(44)** | **(202)** |
| **Adjusted earnings ($ millions)** | | | | | | | | | |
| Upstream | 5,347 | 4,701 | 4,611 | 5,463 | 20,122 | 5,217 | 4,707 | 4,576 | 14,500 |
| Downstream | 1,782 | 1,503 | 1,659 | 1,205 | 6,149 | 727 | 598 | 650 | 1,975 |
| All Other | (385) | (429) | (549) | (215) | (1,578) | (528) | (628) | (695) | (1,851) |
| **Total adjusted earnings ($ millions)** | **6,744** | **5,775** | **5,721** | **6,453** | **24,693** | **5,416** | **4,677** | **4,531** | **14,624** |
| **Adjusted earnings per share** | **$3.55** | **$3.08** | **$3.05** | **$3.45** | **$13.13** | **$2.93** | **$2.55** | **$2.51** | **$7.99** |

* Includes impairment charges, write-offs, decommissioning obligations from previously sold assets, severance costs, unusual tax items, and other special items.
Note: Numbers may not sum due to rounding.

# Appendix: reconciliation of non-GAAP measures

## Adjusted ROCE

| $ millions | 3Q24 |
|---|---|
| Total reported earnings | 4,487 |
| Non-controlling interest | 9 |
| Interest expense (A/T) | 146 |
| ROCE earnings | 4,642 |
| | |
| Annualized ROCE earnings | 18,568 |
| Average capital employed* | 183,159 |
| **ROCE** | **10.1%** |

| $ millions | 3Q24 |
|---|---|
| Adjusted earnings | 4,531 |
| Non-controlling interest | 9 |
| Interest expense (A/T) | 146 |
| Adjusted ROCE earnings | 4,686 |
| | |
| Annualized adjusted ROCE earnings | 18,744 |
| Average capital employed* | 183,159 |
| **Adjusted ROCE** | **10.2%** |

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

# Appendix: reconciliation of non-GAAP measures

## Cash flow from operations excluding working capital
## Free cash flow
## Free cash flow excluding working capital

| $ millions | 3Q24 |
|---|---|
| Net cash provided by operating activities | 9,674 |
| Less: Net decrease (increase) in operating working capital | 1,403 |
| **Cash Flow from Operations Excluding Working Capital** | **8,271** |
| | |
| Net cash provided by operating activities | 9,674 |
| Less: Capital expenditures | 4,055 |
| **Free Cash Flow** | **5,619** |
| | |
| Less: Net decrease (increase) in operating working capital | 1,403 |
| **Free Cash Flow Excluding Working Capital** | **4,216** |

Note: Numbers may not sum due to rounding.

# Appendix: reconciliation of non-GAAP measures

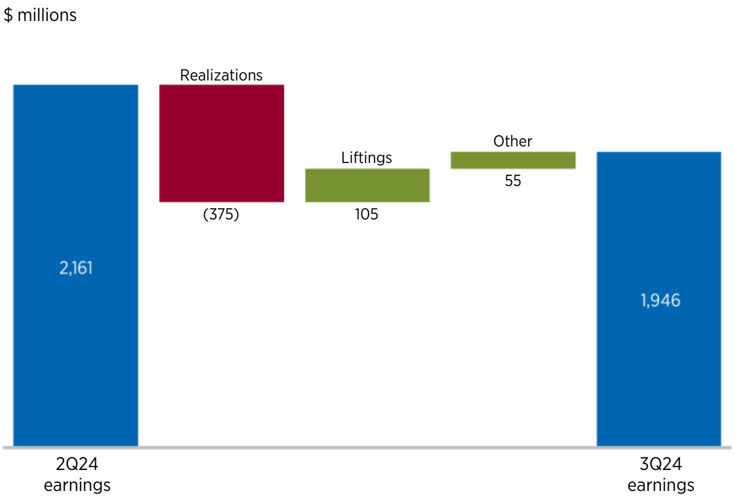
## Net debt ratio

| $ millions | 3Q24 |
|---|---|
| Short term debt | 5,144 |
| Long term debt* | 20,697 |
| Total debt | 25,841 |
| Less: Cash and cash equivalents | 4,699 |
| Less: Time deposits | 4 |
| Less: Marketable securities | - |
| Total adjusted debt | 21,138 |
| Total Chevron Corporation Stockholders' Equity | 156,202 |
| Total adjusted debt plus total Chevron Stockholders' Equity | 177,340 |
| **Net debt ratio** | **11.9%** |

* Includes capital lease obligations due / finance lease liabilities.
Note: Numbers may not sum to rounding.

# Appendix

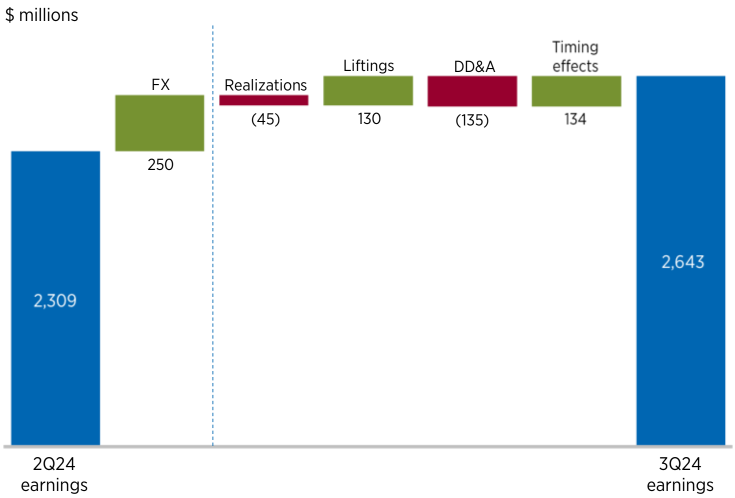
## U.S. upstream earnings: 3Q24 vs. 2Q24




- Lower liquids realizations
- Higher liquids liftings
- Timing effects
  - 3Q24: $13
  - Absence of 2Q24: $(2)

# Appendix

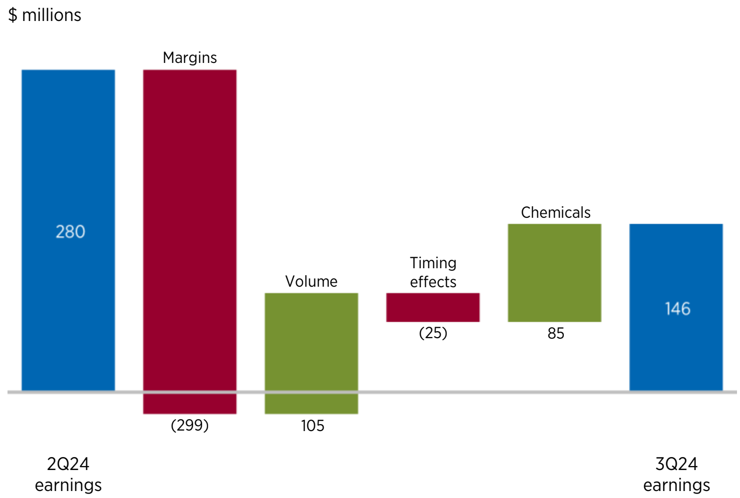
## International upstream earnings: 3Q24 vs. 2Q24




- Lower liquids realizations
- Higher gas realizations
- Higher gas liftings
- Higher TCO DD&A
- Timing effects:
  - 3Q24: $77
  - Absence of 2Q24: $57

# Appendix

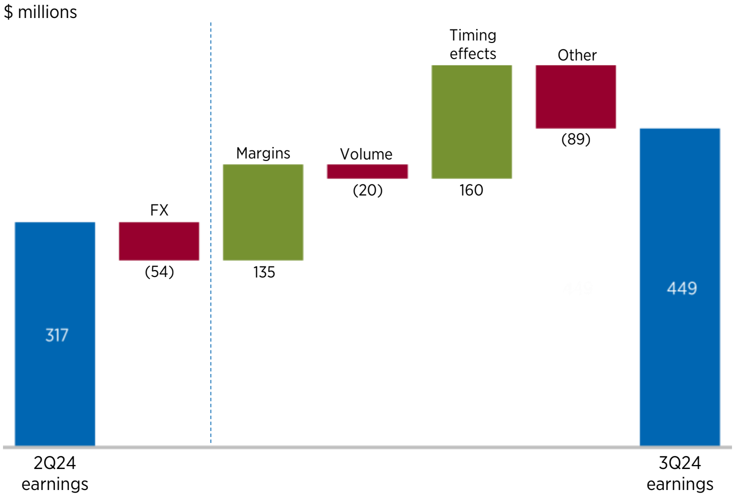
## U.S. downstream earnings: 3Q24 vs. 2Q24




- Lower refining margins
- Higher chemicals margins & volume
- Timing effects:
  - 3Q24: $3
  - Absence of 2Q24: $(28)

# Appendix

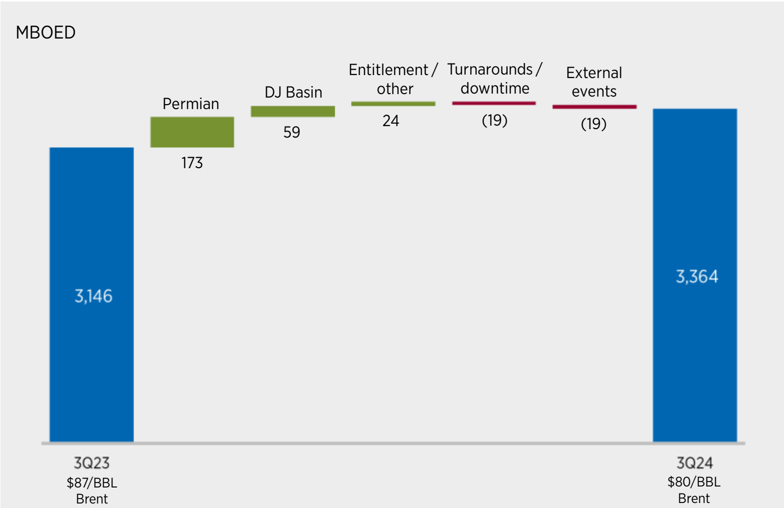
## International downstream earnings: 3Q24 vs. 2Q24




- Higher margins on product mix
- Timing effects:
  - 3Q24: $257
  - Absence of 2Q24: $(97)

# Appendix

## Worldwide net oil & gas production: 3Q24 vs. 3Q23




- Permian growth
- PDC Energy acquisition
- Turnarounds at TCO and in Australia
- Gulf of Mexico hurricane impacts

Note: Numbers may not sum due to rounding.

# Appendix
## Slide notes

Slide 5 – TCO update

- WPMP – Wellhead Pressure Management Project
- FGP – Future Growth Project
- KTL – Complex Technology Line (includes 5 trains)
- GTG – Gas Turbine Generator (includes 5 generators)
- SGP – Second-Generation Plant (includes 1 train)
- SGI – Second-Generation Injection
- 3GP – Third-Generation Plant (includes 1 train)
- 3GI – Third-Generation Injection
- PBF – Pressure Boost Facility (includes 4 PBF compressors)
- Inlet Separators (includes 4 trains)
- WSG – Wet Sour Gas (includes 5 compressors)

Slide 12 – Costs always matter

- Unit opex – Calculated as the sum of operating expenses and selling, general and administrative expenses from the Consolidated Statement of Income, divided by corresponding estimated volumes that include Upstream net production, Refinery throughput and oil-equivalent Chemicals production.
- Structural cost reductions describe decreases in operating expenses as a result of operational efficiencies, divestments, and other cost saving measures that are expected to be sustainable compared with 2024 levels. The total change between periods in underlying operating expenses will reflect both structural cost reductions and other changes in spend, including market factors, such as inflation and foreign exchange impacts, as well as changes in activity levels and costs associated with new operations. YE2026 target reflects targeted annualized savings achieved by the end of 2026 compared to 2024.