the human energy company™ Chevron

Fourth quarter 2021 earnings call

Mike Wirth
Chairman of the Board and Chief Executive Officer

Pierre Breber
Vice President and Chief Financial Officer

Roderick Green
General Manager, Investor Relations

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Welcome to Chevron's fourth quarter 2021 earnings conference call and webcast. I'm Roderick Green, GM of Investor Relations. Our Chairman and CEO, Mike Wirth, and CFO, Pierre Breber are on the call with me.

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 statements relating to Chevron's operations and energy transition plans 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," "may," "can," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on track," "goals," "objectives," "strategies," "opportunities," "poised," "potential," "ambitions," "aspires" 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 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 (including coronavirus (COVID-19)) and epidemics, and any related government policies and actions; disruptions in the company's global supply chain, including supply chain constraints; 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; 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, particularly 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 undertaken or 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 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; 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 23 of the company's 2020 Annual Report on Form 10-K 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.

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.

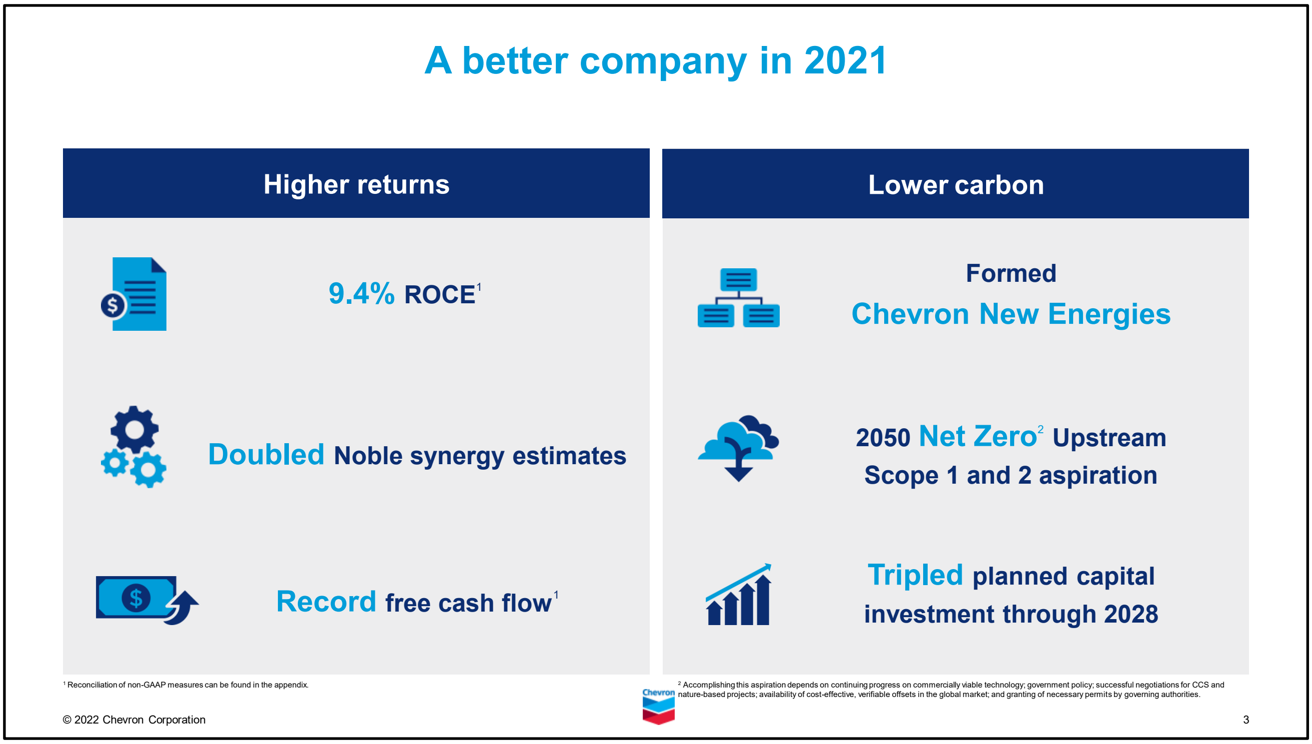
Terms such as "resources" may be used in this presentation to describe certain aspects of Chevron's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, this and other terms, see the "Glossary of Energy and Financial Terms" on pages 54 through 55 of Chevron's 2020 Supplement to the Annual Report available at chevron.com.

This presentation is meant to be read in conjunction with the Fourth Quarter 2021 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.

Please review the cautionary statement on Slide 2.

Now, I will turn it over to Mike.



Thanks Roderick.

After the challenges of 2020, we began last year clear-eyed about the economic realities we faced, and at the same time optimistic about an eventual recovery.

By the end of 2021, we had one of our most successful years ever with:

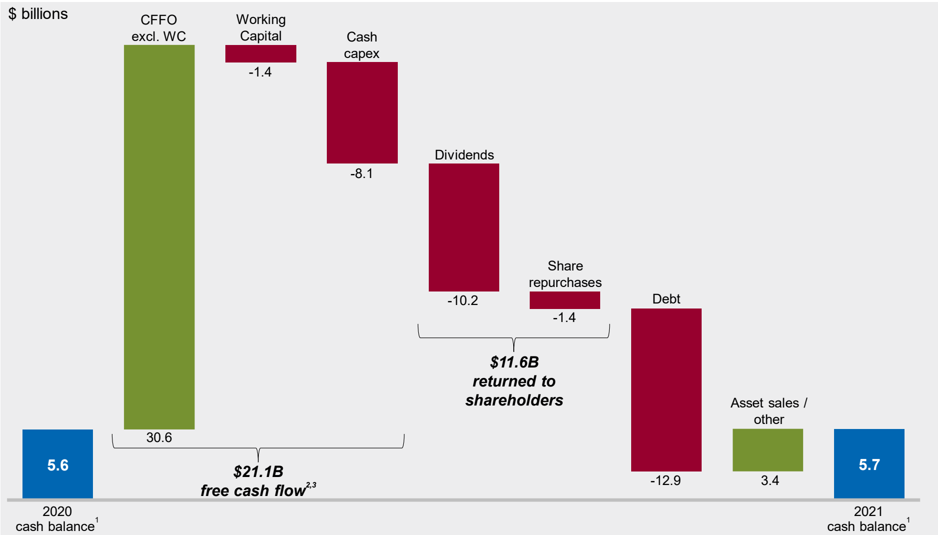
- Return on Capital Employed approaching 10% – our highest since 2014.
- The successful integration of Noble Energy – while more than doubling initial synergy estimates.
- And record free cash flow – 25% greater than our previous high.

2021 was also the year when Chevron accelerated our efforts to advance a lower carbon future by:

- Forming Chevron New Energies – an organization that aims to grow businesses in hydrogen, carbon capture and offsets.
- Introducing a 2050 net zero aspiration for Upstream Scope 1 and 2 emissions – and establishing a Portfolio Carbon Intensity target that includes Scope 3 emissions.
- And more than tripling our planned lower carbon investments.

Chevron is an even better company today than we were just a few years ago. We're showing it through our actions and our performance, which we expect to drive higher returns and lower carbon. And we intend to keep getting better.

2021 aligned with financial priorities



~4% quarterly dividend per share increase

>15% below C&E budget

<16% net debt ratio[3]

~$3B annual pace of share buybacks

[1] Includes cash, cash equivalents, marketable securities, and time deposits. Excludes restricted cash.
[2] Free cash flow is defined as cash flow from operations less cash capital expenditures.
[3] Reconciliation of non-GAAP measures can be found in the appendix.
Note: Numbers may not sum due to rounding.

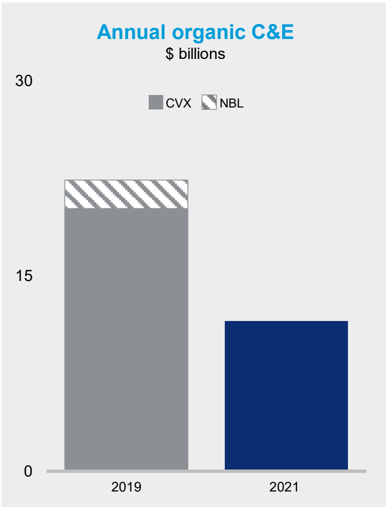
Our record free cash flow enabled us to strongly address all four of our financial priorities in 2021.

- A higher dividend for the 34th consecutive year
- A disciplined capital program, well below budget
- Significant debt paydown with a year-end net debt ratio comfortably below 20%
- And another year of share buybacks, our 14th out of the past 18 years

I expect 2022 will be even better for cash returned to shareholders, with another dividend increase announced this week and first quarter buybacks projected at the top of our guidance range.

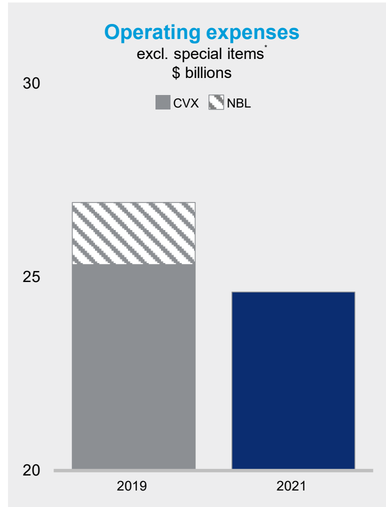
We’re optimistic about the future … focused on continuing to reward our shareholders … while investing to grow our businesses … and maintaining a strong balance sheet.

Delivering capital and cost efficiency



Capital spend
~50% lower
than 2019

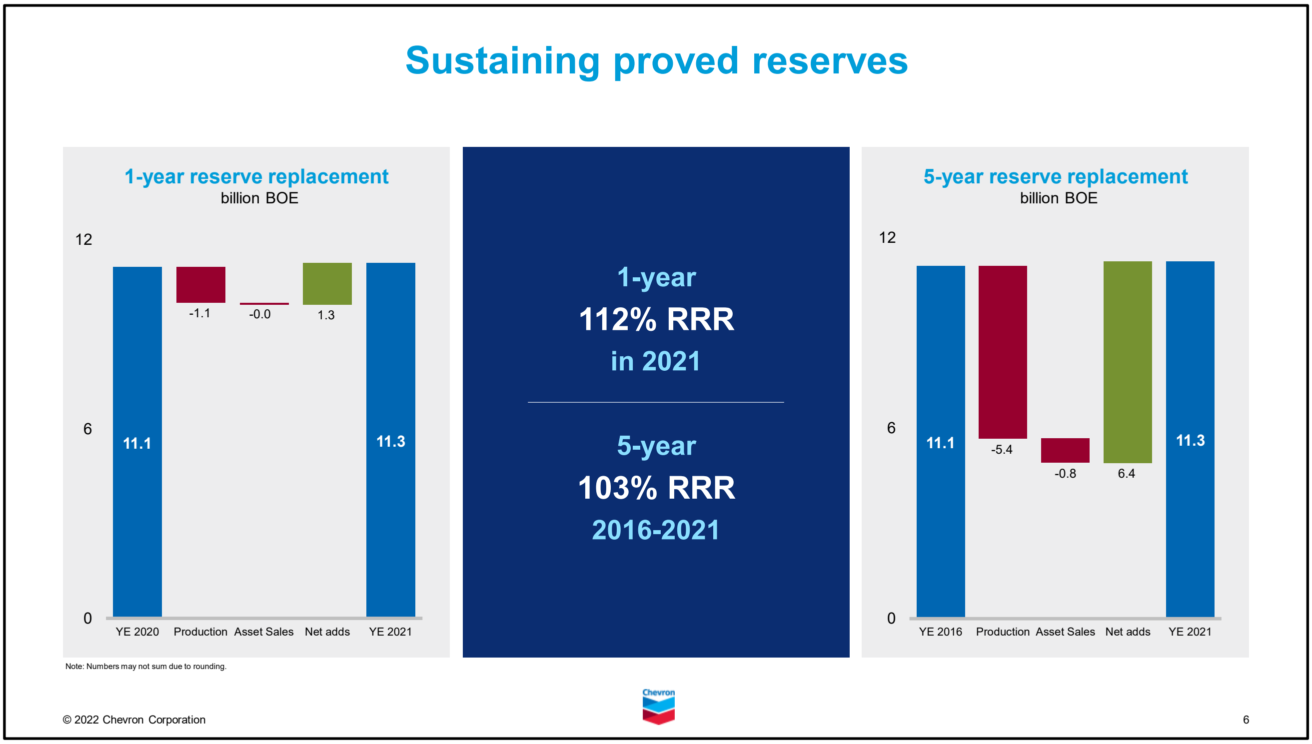
Operating expense
~9% lower
than 2019



* Reconciliation of non-GAAP measures can be found in the appendix.

We've made the most of this challenging period, transforming Chevron through a well-timed acquisition and an enterprise-wide restructuring into a leaner and more productive company.

In just two years, capex was reduced by almost half from Chevron and Noble's pre-covid total, and operating expenses for the combined company in 2021 were lower than for Chevron on a stand-alone basis in 2019.



The Noble acquisition and increasing capital efficiency enabled us to maintain a 5-year reserve replacement ratio above 100%.

And 2021 was very consistent with that longer-term performance … driven primarily by additions in the Permian, Gulf of Mexico, and Australia ... partly offset by lower reserves in Kazakhstan, mostly due to higher prices and their negative effect on our share of reserves.

For more on our strong financial performance, over to Pierre.

Financial highlights

	4Q21	2021
Earnings / Earnings per diluted share	$5.1 billion / $2.63	$15.6 billion / $8.14
Adjusted Earnings / EPS[1]	$4.9 billion / $2.56	$15.6 billion / $8.13
Cash flow from operations / excl. working capital[1]	$9.5 billion / $9.4 billion	$29.2 billion / $30.6 billion
Total C&E / Organic C&E	$3.7 billion / $3.6 billion	$11.7 billion / $11.6 billion
ROCE / Adjusted ROCE[1]		9.4% / 9.4%
Dividends paid	$2.6 billion	$10.2 billion
Share repurchases	$750 million	$1.4 billion
Debt ratio / Net debt ratio[1,2]		18.4% / 15.6%

[1] Reconciliation of special items, FX, and other non-GAAP measures can be found in the appendix.
[2] As of 12/31/2021. 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.

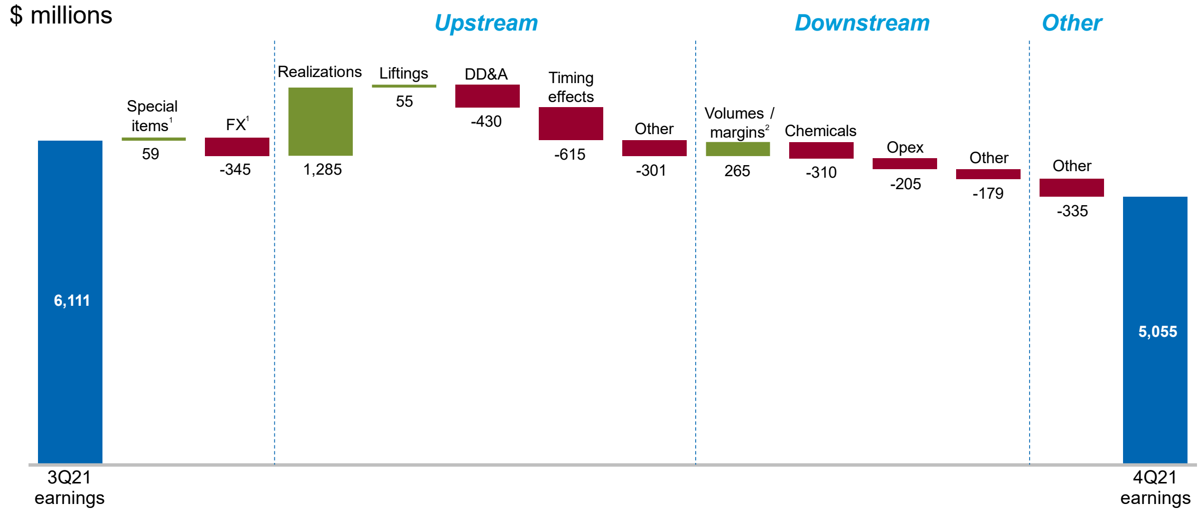
Thanks, Mike.

We reported fourth quarter earnings of $5.1B, or $2.63 per share. Adjusted earnings were $4.9B, or $2.56 per share.

The quarter's results included three special items: asset sale gains of $520 million, primarily on sales of mature conventional assets in the US; losses on the early retirement of debt of $260 million, which will result in significant future interest cost savings; and pension settlement costs of $82 million. A reconciliation of non-GAAP measures can be found in the appendix of this presentation.

Full year earnings were over $15 billion – the highest since 2014.

Chevron earnings
4Q21 vs. 3Q21



[1] Reconciliation of special items and FX can be found in the appendix.
[2] Renewable fuel and carbon credit costs are included in the “Margins” vs. “Other” category to reflect the net margin variance, effective with 1Q21 reporting.

Compared with 3Q, adjusted 4Q earnings were down $770 million.

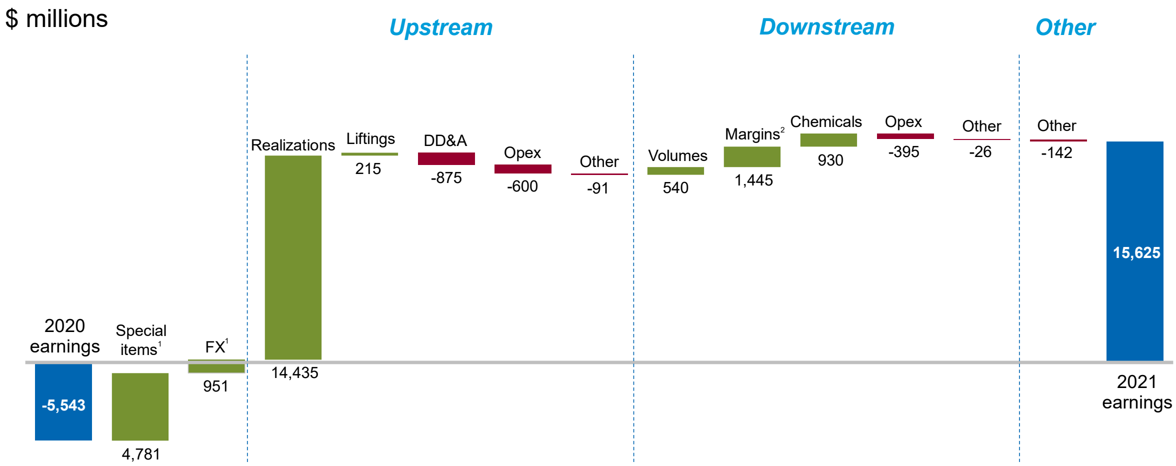
Adjusted Upstream earnings were flat, with higher realizations offset primarily by negative LNG trading timing effects and higher DD&A. DD&A increased on catch-up depreciation for our interest in Northwest Shelf, which no longer meets asset-held-for-sale criteria, and impairments of certain late in life assets triggered by updated abandonment estimates. Other items include additional taxes and royalties related to higher prices under certain international contracts.

Adjusted Downstream earnings were down with lower chemicals margins and volumes at CPChem and GS Caltex, in addition to year-end inventory charges.

The All Other segment declined due to tax charges.

Across all segments, operating expenses increased in part due to higher accruals for employee bonuses and stock-based compensation.

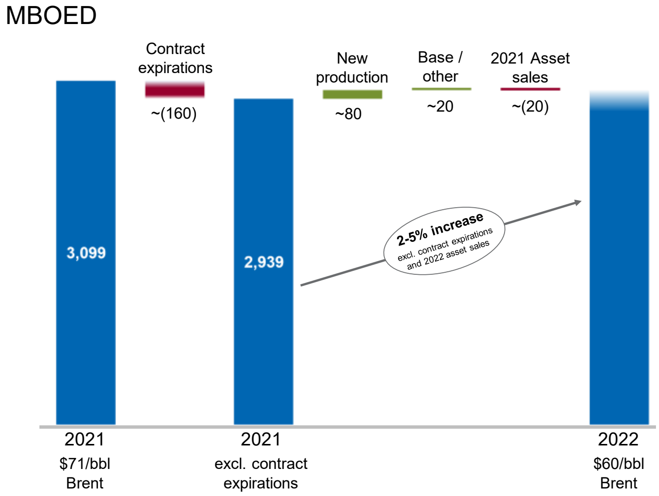
Chevron earnings
2021 vs. 2020



[1] Reconciliation of special items and FX can be found in the appendix.
[2] Renewable fuel and carbon credit costs are included in the “Margins” vs. “Other” category to reflect the net margin variance, effective with 1Q21 reporting.

Adjusted earnings increased over $15B compared to the prior year, primarily due to increased realizations in Upstream, as well as improved refining and chemicals margins. Costs were up primarily on the acquisition of Noble Energy that closed in 4Q2020, higher fuel costs, and an unfavorable swing in accruals for employee benefits.

2022 Production outlook



Note: $60/bbl nominal Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.

Indonesia & Thailand contract expirations

Ramp-up in Permian

Lower turnaround activity

2022 production is expected to be flat to down 3%, due to expiration of contracts in Indonesia and Thailand. These contracts are not being extended as we were unable to do so on terms competitive with our alternatives.

Excluding contract expirations and 2022 asset sales, we expect a 2-5% increase in production led by the Permian and lower turnaround activity in TCO and Australia. We re-affirm our prior long-term guidance of a 3% production CAGR through 2025, and we'll share more about our long-term outlook at our upcoming Investor Day.

Looking ahead

	1Q2022 outlook	Full-year 2022 outlook
Upstream	Turnarounds/Downtime: ~(40) MBOED	Production outlook (excl. 2022 asset sales): Flat to down 3%
Downstream	Refinery turnarounds: $(250) - $(350)MM A/T earnings	
Corporate	2007-2011 Federal Income Tax Refund: ~$400MM Share repurchase: $1.25B Dividend increase of $0.08/share	Adjusted "All Other" segment earnings*: ~$(2.2)B Affiliate dividends: $2 - $3B B/T asset sales proceeds: $1 - $2B Share repurchases: $3 - $5B <u>Sensitivities:</u> $400MM A/T earnings per $1 change in Brent 10 - 15 MBOED per $10 change in Brent $425MM A/T earnings per $1 change in Henry Hub $100 - $150MM A/T earnings per $1 change in Int'l LNG

* Excludes special items.

I'll call out a few items on slide 11.

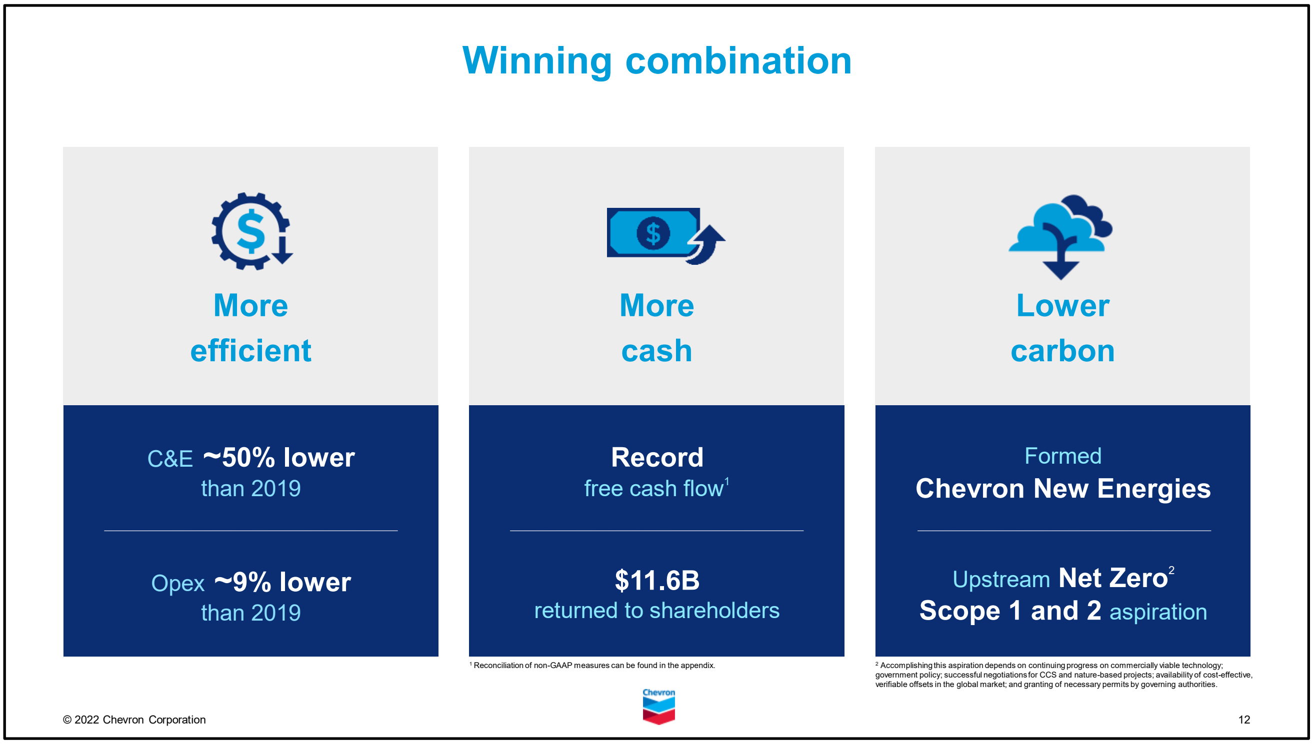
Full-year guidance for the All Other segment excludes special items such as pension settlement costs. The All Other segment can vary quarter-to-quarter and year-to-year.

Affiliate dividends are expected to be between $2 and $3 billion depending primarily on commodity prices and margins. We do not expect any additional lending or loan repayments this year at TCO. Finally, asset sale proceeds are expected to be in line with historical averages.

We've updated our price sensitivities to include natural gas. Also, our guidance for both earnings and cash flow sensitivities is now the same, as we're likely to consume the remainder of our NOLs and other favorable tax attributes if prices remain higher.

Finally, we did not receive our federal income tax refund last quarter and expect it later this year.

Back to Mike.



Thanks Pierre.

I believe 2021 was a pivotal year for Chevron … where we got better in so many ways.

And we look forward to 2022 and beyond ... confident in our strategy and capabilities that aim to deliver higher returns and lower carbon.

We’ll share more during our Investor Day on March 1st. At this time, we expect to be at the New York Stock Exchange with a limited number of participants. The meeting will be webcast for all to see.

With that, I’ll turn it back to Roderick.

questions + answers

That concludes our prepared remarks. We are now ready to take your questions. Please try to limit yourself to one question and one follow-up. We will do our best to get all your questions answered.

Appendix: reconciliation of non-GAAP measures

Reported earnings to adjusted earnings

	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21
Reported earnings ($ millions)										
Upstream	2,920	(6,089)	235	501	(2,433)	2,350	3,178	5,135	5,155	15,818
Downstream	1,103	(1,010)	292	(338)	47	5	839	1,310	760	2,914
All Other	(424)	(1,171)	(734)	(828)	(3,157)	(978)	(935)	(334)	(860)	(3,107)
Total reported earnings	**3,599**	**(8,270)**	**(207)**	**(665)**	**(5,543)**	**1,377**	**3,082**	**6,111**	**5,055**	**15,625**
Diluted weighted avg. shares outstanding ('000)	1,865,649	1,853,313	1,853,533	1,910,724	1,870,027	1,915,889	1,921,958	1,921,095	1,922,082	1,920,275
Reported earnings per share	**$1.93**	**($4.44)**	**($0.12)**	**($0.33)**	**($2.96)**	**$0.72**	**$1.60**	**$3.19**	**$2.63**	**$8.14**
Special items ($ millions)										
UPSTREAM										
Asset dispositions	240	310	-	-	550	-	-	200	520	720
Pension Settlement & Curtailment Costs[1]	-	-	-	(10)	(10)	-	-	-	-	-
Impairments and other[2]	440	(4,810)	(130)	(20)	(4,520)	-	(120)	-	-	(120)
Subtotal	680	(4,500)	(130)	(30)	(3,980)	-	(120)	200	520	600
DOWNSTREAM										
Asset dispositions	-	-	-	-	-	-	-	-	-	-
Pension Settlement & Curtailment Costs[1]	-	-	-	(6)	(6)	-	-	-	-	-
Impairments and other[2]	-	(140)	-	-	(140)	(110)	-	-	-	(110)
Subtotal	-	(140)	-	(6)	(146)	(110)	-	-	-	(110)
ALL OTHER										
Pension Settlement & Curtailment Costs[1]	(46)	(46)	(139)	(293)	(524)	(241)	(115)	(81)	(82)	(519)
Impairments and other[2]	-	(230)	(90)	(100)	(420)	-	-	-	(260)	(260)
Subtotal	(46)	(276)	(229)	(393)	(944)	(241)	(115)	(81)	(342)	(779)
Total special items	**634**	**(4,916)**	**(359)**	**(429)**	**(5,070)**	**(351)**	**(235)**	**119**	**178**	**(289)**
Foreign exchange ($ millions)										
Upstream	468	(262)	(107)	(384)	(285)	(52)	78	285	(9)	302
Downstream	60	(23)	(49)	(140)	(152)	59	1	123	2	185
All other	(14)	(152)	(32)	(10)	(208)	(9)	(36)	(103)	(33)	(181)
Total FX	**514**	**(437)**	**(188)**	**(534)**	**(645)**	**(2)**	**43**	**305**	**(40)**	**306**
Adjusted earnings ($ millions)										
Upstream	1,772	(1,327)	472	915	1,832	2,402	3,220	4,650	4,644	14,916
Downstream	1,043	(847)	341	(192)	345	56	838	1,187	758	2,839
All Other	(364)	(743)	(473)	(425)	(2,005)	(728)	(784)	(150)	(485)	(2,147)
Total adjusted earnings ($ millions)	**2,451**	**(2,917)**	**340**	**298**	**172**	**1,730**	**3,274**	**5,687**	**4,917**	**15,608**
Adjusted earnings per share	**$1.31**	**($1.56)**	**$0.18**	**$0.16**	**$0.09**	**$0.90**	**$1.71**	**$2.96**	**$2.56**	**$8.13**

[1] Amounts recast to conform with the current presentation of excluding pension settlement costs. For additional information, please refer to the discussion under "Non-GAAP Financial Measures" in the 4Q21 earnings press release.
[2] Includes asset impairments, write-offs, tax items, and other special items.
Note: Numbers may not sum due to rounding. Historical figures have been restated 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	FY 2021
Net Cash Provided by Operating Activities	29,199
Net Decrease (Increase) in Operating Working Capital	(1,361)
Cash Flow from Operations Excluding Working Capital	**30,560**
Net cash provided by operating activities	29,199
Less: cash capital expenditures	8,056
Free Cash Flow	**21,143**
Net Decrease (Increase) in Operating Working Capital	(1,361)
Free Cash Flow Excluding Working Capital	**22,504**

Note: Numbers may not sum due to rounding.

Appendix: reconciliation of non-GAAP measures
ROCE
Adjusted ROCE

$ millions	FY 2021
Total reported earnings	15,625
Non-controlling interest	64
Interest expense (A/T)	662
ROCE earnings	16,351
Average capital employed*	174,175
ROCE	**9.4%**

$ millions	FY 2021
Adjusted earnings	15,608
Non-controlling interest	64
Interest expense (A/T)	662
Adjusted ROCE earnings	16,334
Average capital employed*	174,175
Adjusted ROCE	**9.4%**

* 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.

Appendix: reconciliation of non-GAAP measures

Operating expenditures excluding special items

Net debt ratio

$ millions	FY 2019	2021
Operating expenses[1]	**25,945**	**25,428**
Adjustment items:		
NBL operating expenses[2]	1,603	-
Special Items[3]	(623)	(819)
Total adjustment items	980	(819)
Operating expenses incl. NBL and excl. special items ($MM)	**26,925**	**24,609**

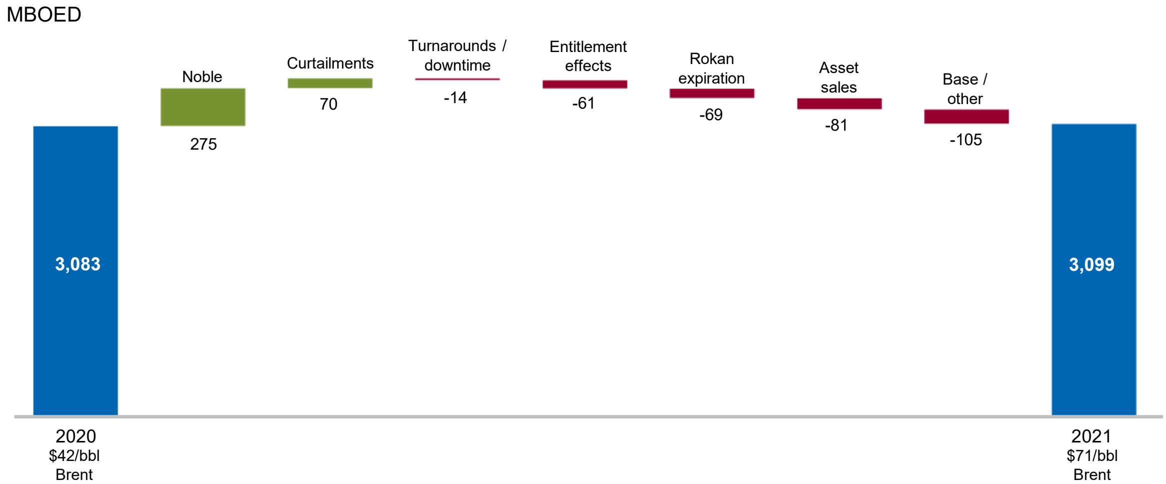
[1] Includes operating expense, selling, general and administrative expense, and other components of net periodic benefit costs.
[2] Estimated Noble Energy operating expenses in accordance with CVX reported operating expenses.
[3] Amounts recast to conform with the current presentation of excluding pension settlement costs. For additional information, please refer to the discussion under "Non-GAAP Financial Measures" in the 4Q21 earnings press release.

$ millions	4Q21
Short term debt	256
Long term debt*	31,113
Total debt	31,369
Less: Cash and cash equivalents	5,640
Less: Time deposits	-
Less: Marketable securities	35
Total adjusted debt	25,694
Total Chevron Corporation Stockholder's Equity	139,067
Total adjusted debt plus total Chevron Stockholder's Equity	164,761
Net debt ratio	15.6%

* Includes capital lease obligations / finance lease liabilities.

Appendix

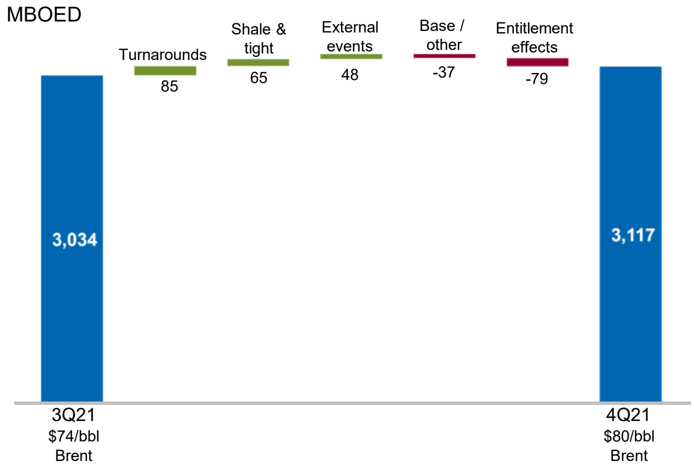
Worldwide net oil & gas production: 2021 vs. 2020



Note: Numbers may not sum due to rounding.

Appendix

Worldwide net oil & gas production: 4Q21 vs. 3Q21

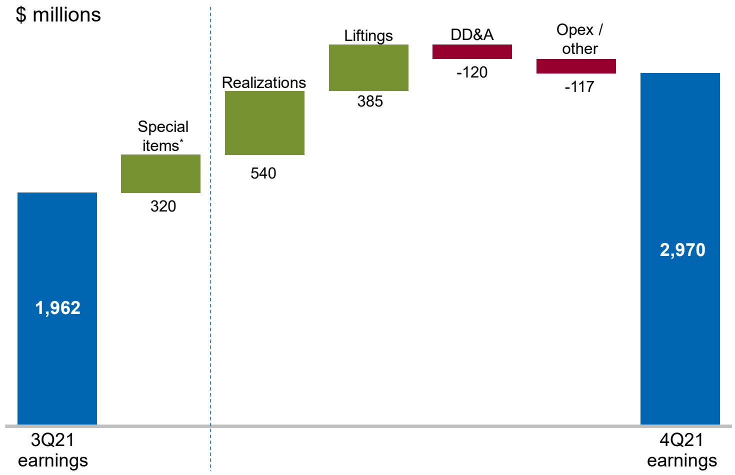


Note: Numbers may not sum due to rounding.

- \+ Absence of TCO turnaround
- \+ Permian growth
- \+ Absence of Hurricane Ida
- \- Absence of Rokan cost recovery

Appendix

U.S. upstream earnings: 4Q21 vs. 3Q21

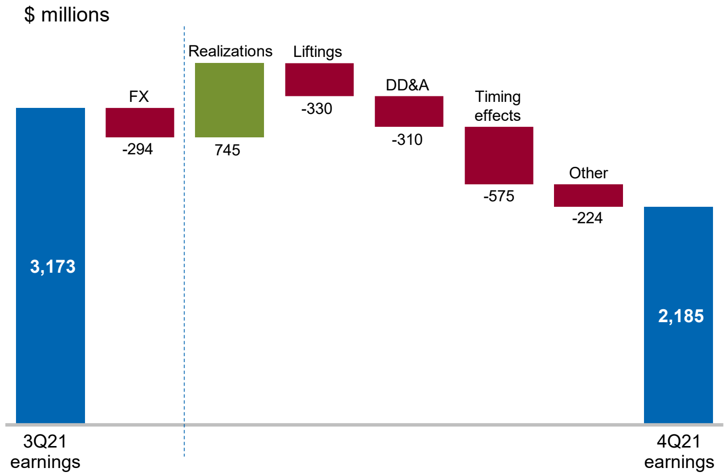


- Gain on sale of Permian & Colorado assets
- Higher realizations
- Higher Permian production
- Absence of Hurricane Ida production impacts

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

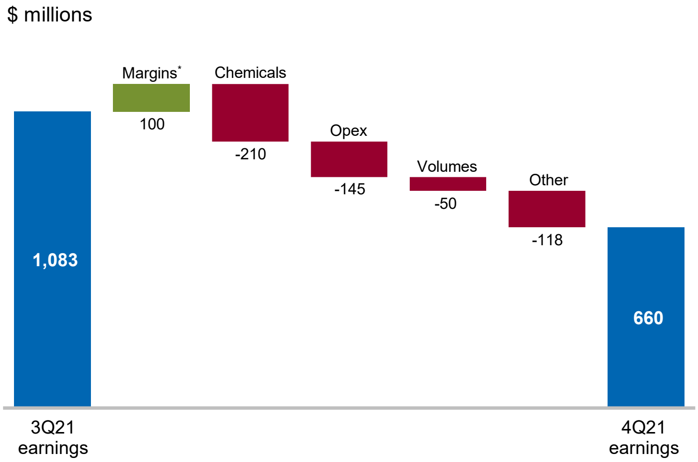
Appendix

International upstream earnings: 4Q21 vs. 3Q21



- Higher realizations
- Non-production related DD&A impacts
- Unfavorable LNG timing effects
- Incremental price sensitive taxes and royalties

Appendix
U.S. downstream earnings: 4Q21 vs. 3Q21

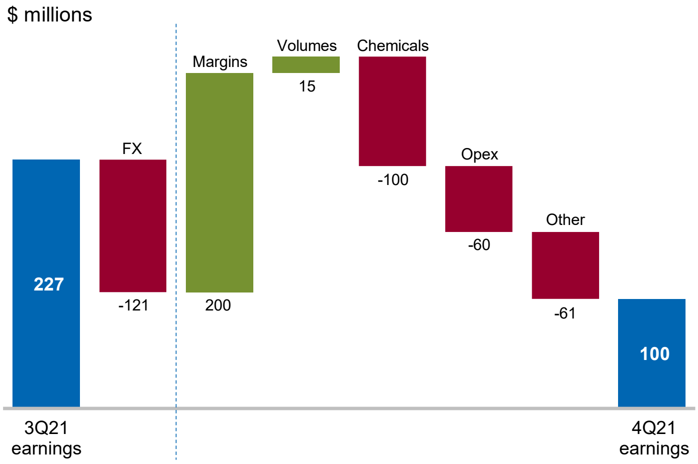


- Higher refining margins
- Lower chemicals margins and volumes
- Timing effects:
  - 4Q21: $23
  - Absence of 3Q21: $(46)

*Renewable fuel and carbon credit costs are included in the "Margins" vs. "Other" category to reflect the net margin variance, effective with 1Q21 reporting.

Appendix

International downstream earnings: 4Q21 vs. 3Q21



- Higher refining & marketing margins
- Timing effects:
  - 4Q21: $75
  - Absence of 3Q21: $49