

# FIRST QUARTER 2020 RESULTS

5.1.20



**STEPHEN LITTLETON**  
VICE PRESIDENT, INVESTOR RELATIONS AND SECRETARY

**ExxonMobil**

# CAUTIONARY STATEMENT

- Statements of future events or conditions in this presentation or the subsequent discussion period are forward-looking statements. Actual future results, including financial and operating performance; demand growth and mix; the impacts of the COVID-19 pandemic on ExxonMobil's business and results; planned capital and operating expense reductions; cash flow, dividends and shareholder returns; ExxonMobil's volume/production growth and mix; the total amount and mix of capital expenditures; resource recoveries; production rates; rates of return; development costs; project plans, timing, costs, and capacities; drilling programs and efficiency improvements; product sales and mix; cash and debt balances; corporate and financing expenses; accounting effects resulting from market developments and ExxonMobil's responsive actions; the impact of technology, including impacts on capital efficiency, production and greenhouse gas emissions, could differ materially due to a number of factors including global or regional changes in oil, gas, petrochemicals, or feedstock prices, differentials, or other market or economic conditions affecting the oil, gas, and petrochemical industries and the demand for our products; the outcome of government policies and actions, including actions taken to address COVID-19 and to maintain the functioning of national and global economies and markets; the severity, length and ultimate impact of COVID-19 on people and economies; reservoir performance; the outcome and timing of exploration and development projects; timely completion of construction projects; war and other political or security disturbances, including shipping blockades or harassment; changes in law or government regulation, including trade, sanctions, tax and environmental regulations; the outcome of commercial negotiations; the impact of commercial terms; the impact of company actions to protect the health and safety of employees, vendors, customers, and communities; actions of competitors and commercial counterparties; the ability to access short- and long-term debt markets on a timely and affordable basis; the actions of consumers; opportunities for and regulatory approval of investments or divestments that may arise; the actions of competitors and customers; the outcome of future research efforts; unexpected technological developments and the ability to bring new technology to commercial scale on a cost-competitive basis, including large-scale hydraulic fracturing projects; unforeseen technical difficulties; and other factors discussed here and under the heading "Factors Affecting Future Results" in the Investors section of our web site at [exxonmobil.com](http://exxonmobil.com). All forward-looking statements are based on management's knowledge and reasonable expectations and we assume no duty to update these statements as of any future date.
- Forward-looking statements in this release regarding future earnings, cash flows, returns, project timing and project returns, volumes, new projects, capital and operating expense reductions, market strategies, divestments, plans, or key milestones refer to plans outlined at ExxonMobil's press release dated April 7, 2020 outlining capital spending reductions and cash operating expense reductions for 2020. Forward-looking statements contained in our Investor Day held on March 5, 2020 were based on different capital plans prior to the impacts of the COVID-19 pandemic, governments responses to the pandemic, and other market factors on ExxonMobil's business. These forward-looking statements from Investor Day should not be relied upon to represent ExxonMobil's future business plans or results of operations. Updates on the timing of some projects have been provided, but are not meant to represent a complete view of all projects where timing could be impacted by the current pandemic, the government responses to the pandemic, or other market factors. All forward-looking statements, including project timing, may be further impacted by the continuation of the COVID-19 pandemic, government responses to the pandemic, or other market factors.
- Reconciliations and definitions of non-GAAP measures and other terms are provided in the text or in the supplemental information accompanying these slides.

# DEVELOPMENTS SINCE **FOURTH QUARTER 2019**

## UPSTREAM

Liquids realizations fell ~55% through first quarter  
Highest quarterly liquids production since 2016; up 2% from 4Q19 (Permian liquids +15%)  
Record Kearn production in first quarter  
Brazil – Uirapuru discovery

## DOWNSTREAM

Refining margins decreased to 1Q19 levels; ~10-year lows  
Refinery utilization essentially flat with lower maintenance offset by reduced demand

## CHEMICAL

Improved margins from lower liquids feedstock prices  
Maximized production of critical raw materials for masks, gowns, and hand sanitizer

## CORPORATE

Helping to redesign and accelerate production of reusable face masks and shields for COVID-19  
Reconfigured manufacturing operations in Baton Rouge area to produce hand sanitizer for donation

# RESULTS 1Q20 VS. 4Q19

	U/S	D/S	CHEM	C&F	TOTAL
4Q19 GAAP Earnings / (Loss)	6.1	0.9	(0.4)	(1.0)	5.7
Norway divestment	3.7	-	-	-	3.7
Tax item	0.3	-	-	-	0.3
<b>4Q19 Earnings / (Loss) ex. Identified Items</b>	<b>2.2</b>	<b>0.9</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>1.8</b>
Price, margin, and forex	(1.5)	0.9	0.5	0.1	0.0
Absence of year-end LIFO impacts	-	(0.5)	-	-	(0.5)
Base business	0.4	0.1	0.3	0.2	1.0
<b>1Q20 Earnings / (Loss) ex. Identified Items</b>	<b>1.2</b>	<b>1.3</b>	<b>0.5</b>	<b>(0.7)</b>	<b>2.3</b>
Non-cash inventory valuation	(0.3)	(1.6)	(0.2)	-	(2.1)
Impairments	(0.4)	(0.3)	(0.1)	-	(0.8)
1Q20 GAAP Earnings / (Loss)	0.5	(0.6)	0.1	(0.7)	(0.6)

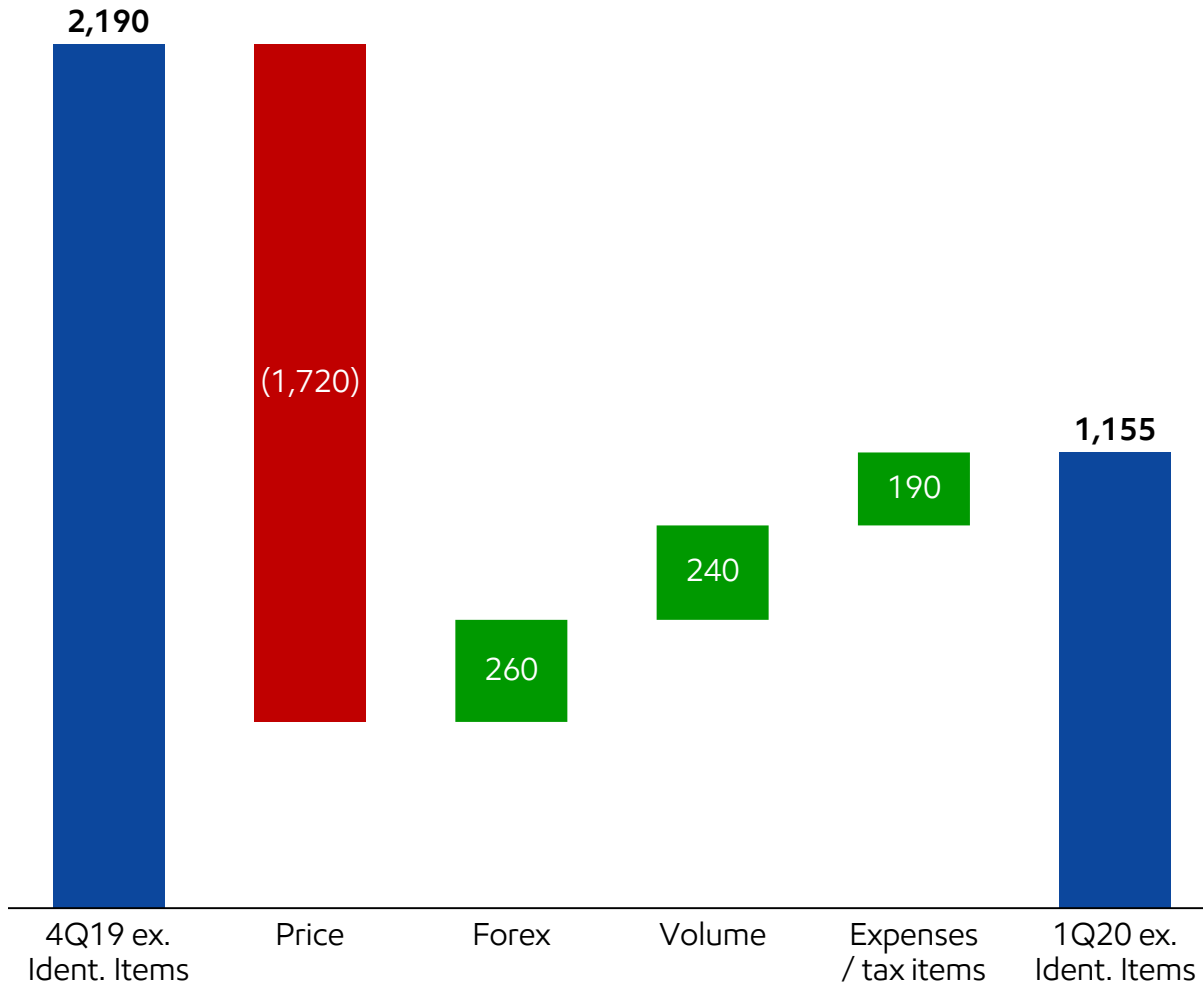
Billions of dollars unless specified otherwise

Due to rounding, numbers presented above may not add up precisely to the totals indicated

- Absence of 4Q19 identified items, including Norway divestment
- Identified items in 1Q20 results include:
  - Inventory valuation impact of \$2.1 billion resulting from lower commodity prices
  - Impairments of \$0.8 billion related to reduced market value of goodwill / equity companies
- Base business improved with liquids growth and lower operating expenses

# UPSTREAM EARNINGS 1Q20 VS. 4Q19

CONTRIBUTING FACTORS TO CHANGE IN EARNINGS  
Million USD

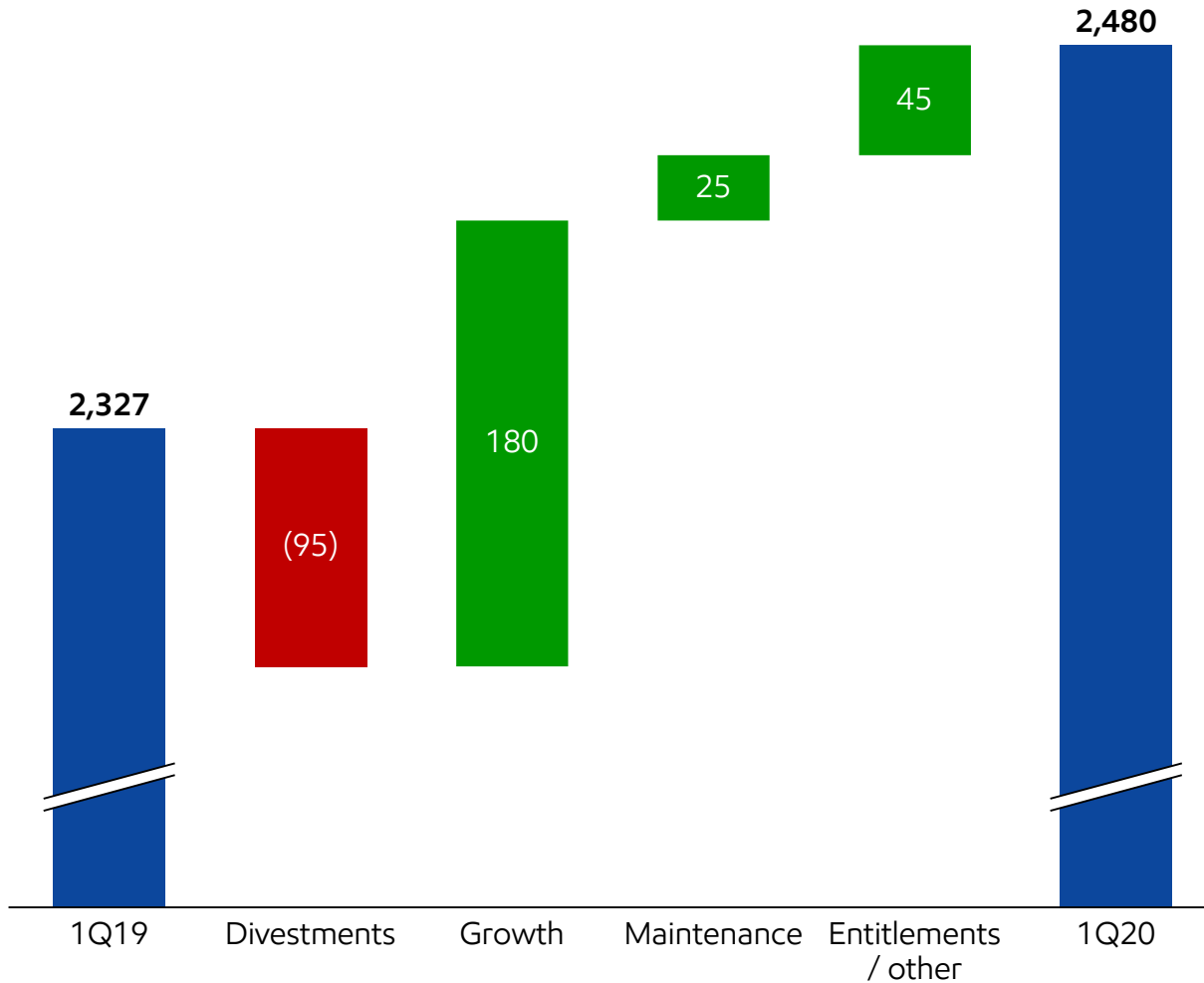


- Lower liquids and gas realizations
- Favorable foreign exchange impacts
- Volumes growth driven by Permian and Guyana, partly offset by divestments
- Lower expenses and favorable tax items

# UPSTREAM VOLUMES **1Q20 VS. 1Q19**

## CONTRIBUTING FACTORS TO CHANGE IN LIQUIDS VOLUMES

Koebd

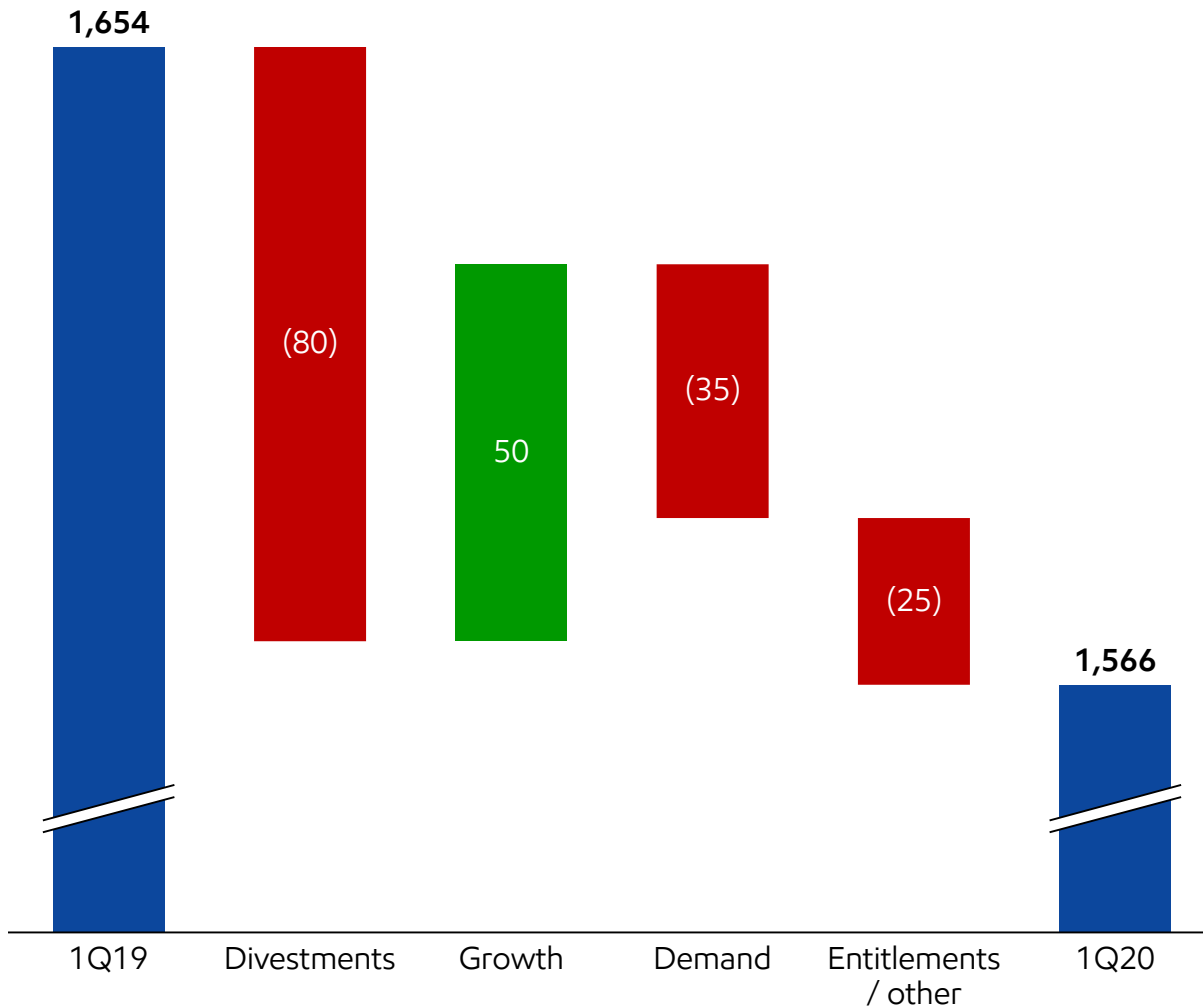


- Norway divestment
- Liquids production up 7% from 1Q19 driven by:
  - Permian growth
  - Guyana Phase 1 ramp up
  - Kearl and Hebron ramp up
  - Upper Zakum project
- Permian production of 352 Koebd, up 56%

# UPSTREAM VOLUMES 1Q20 VS. 1Q19

## CONTRIBUTING FACTORS TO CHANGE IN NATURAL GAS VOLUMES

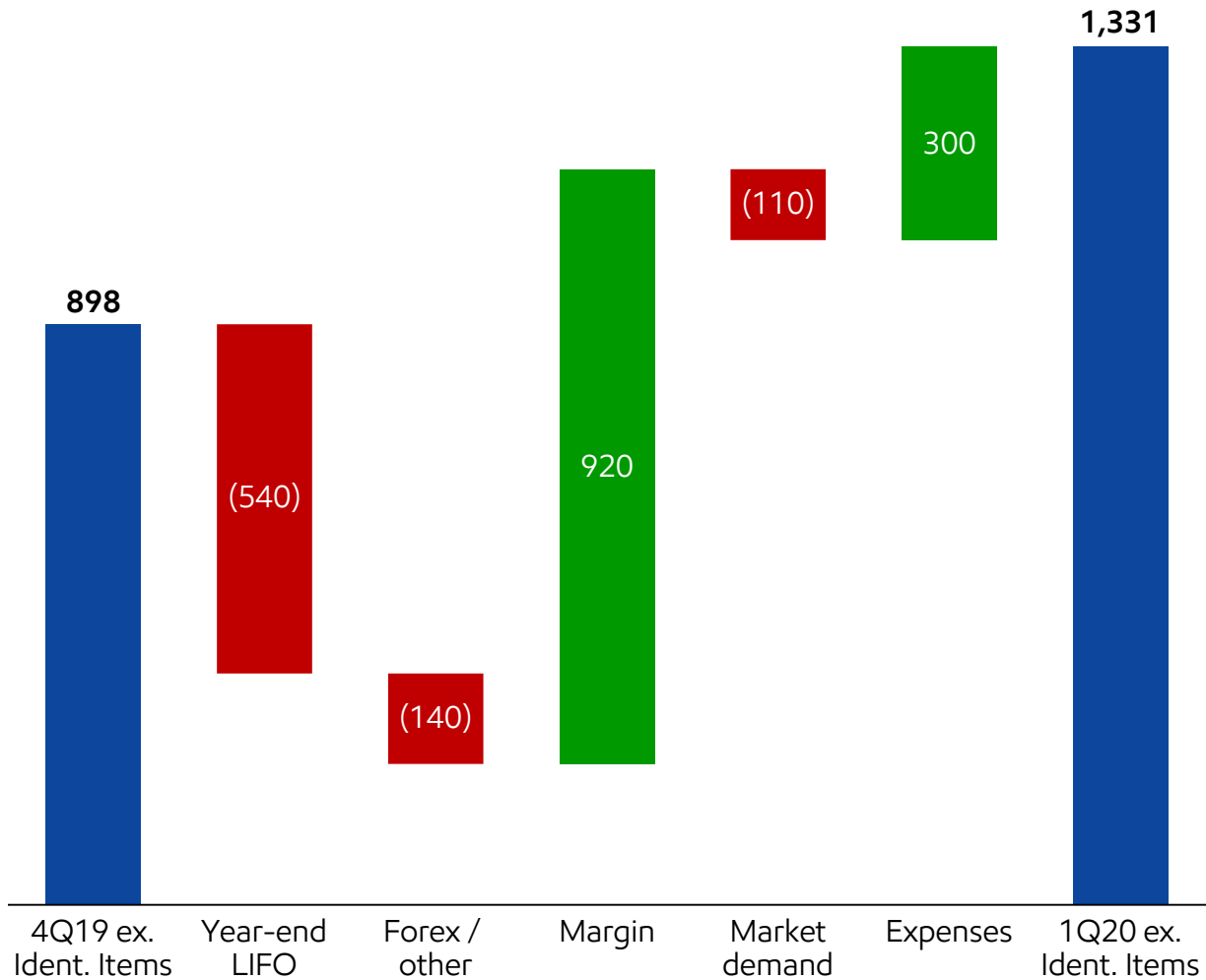
Koebd



- Norway divestment
- Liquids production up 7% from 1Q19 driven by:
  - Permian growth
  - Guyana Phase 1 ramp up
  - Kearl and Hebron ramp up
  - Upper Zakum project
- Permian production of 352 Koebd, up 56%
- Lower natural gas volumes driven by divestments and demand

# DOWNSTREAM EARNINGS 1Q20 VS. 4Q19

CONTRIBUTING FACTORS TO CHANGE IN EARNINGS  
Million USD

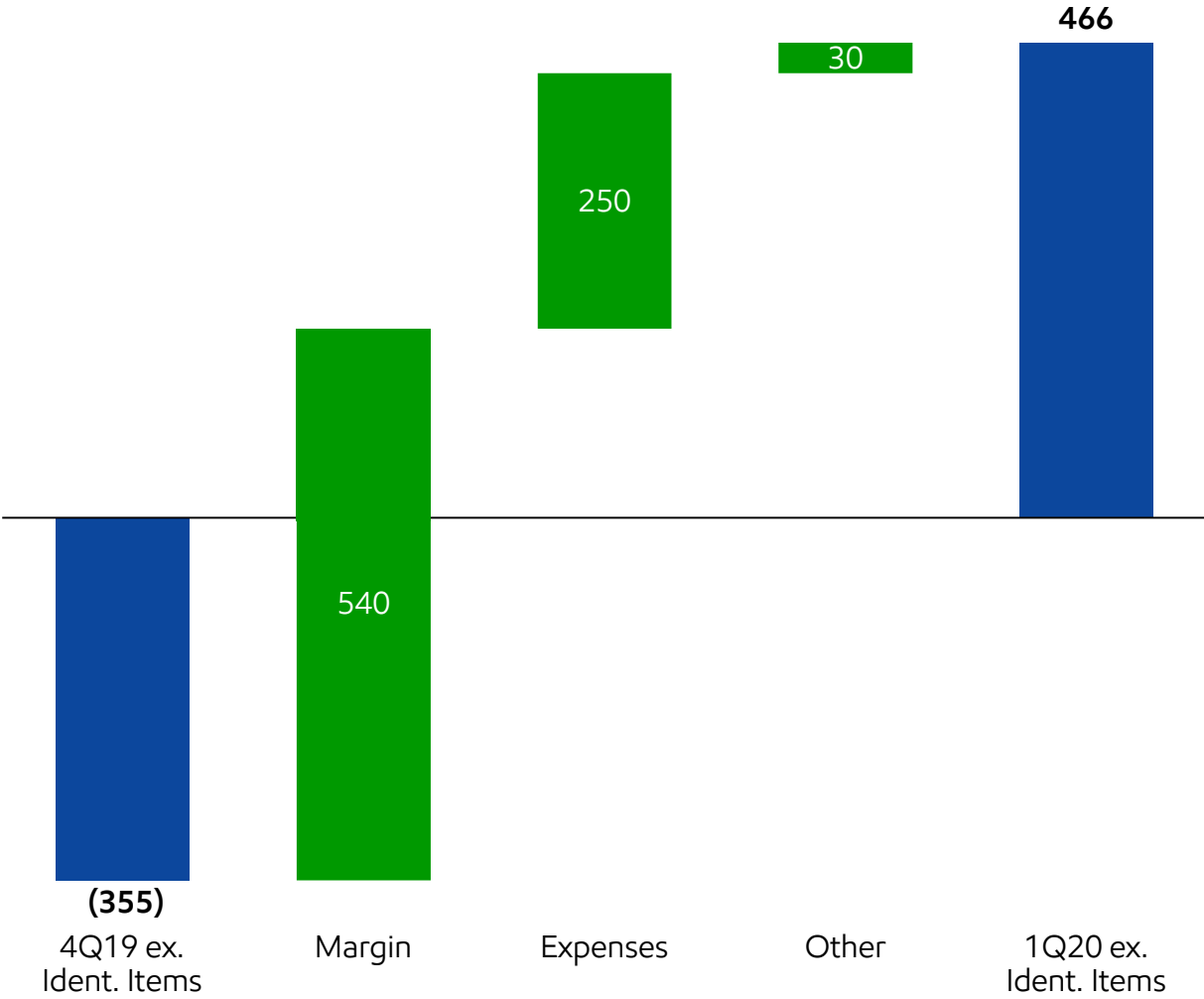


- Absence of favorable year-end LIFO
- Positive mark-to-market derivative impacts
- Lower refining industry margins
- Demand impacted by COVID-19
- Significantly lower expenses



# CHEMICAL EARNINGS 1Q20 VS. 4Q19

CONTRIBUTING FACTORS TO CHANGE IN EARNINGS  
Million USD



- Stronger margins with lower feed costs
- Lower expenses from efficiencies and reduced maintenance activity

# FIRST QUARTER 2020 **CASH PROFILE**

	1Q20	4Q19
<b>Beginning Cash</b>	<b>3.1</b>	<b>5.4</b>
Earnings / (Loss)	(0.6)	5.7
Depreciation	5.8	4.9
Non-cash Inventory Adjustment	2.2	-
Working Capital / Other	(1.2)	(4.3)
<b>Cash Flow from Operating Activities</b>	<b>6.3</b>	<b>6.4</b>
Proceeds Associated with Asset Sales	0.1	3.1
<b>Cash Flow from Operations and Asset Sales</b>	<b>6.4</b>	<b>9.4</b>
Shareholder Distributions	(3.7)	(3.7)
PP&E Adds / Investments and Advances <sup>1</sup>	(6.5)	(7.4)
Debt / Other Financing	12.1	(0.6)
<b>Ending Cash</b>	<b>11.4</b>	<b>3.1</b>

Billions of USD

Due to rounding, numbers presented above may not add up precisely to the totals indicated

<sup>1</sup>See Supplemental Information

- Cash flow from operating activities reflects improved operating performance offset by industry market conditions
- Non-cash inventory adjustment related to lower of cost or market impacts
- Significantly reducing near-term spend, with accelerating reductions over year
- Leveraging financial capacity through the cycle; retain competitive access to debt markets
- Increased cash balance with recent market volatility / uncertainty

# SECOND QUARTER 2020 **OUTLOOK**

## UPSTREAM

Economic shut-ins and market curtailments as result of COVID-19; ~400 Koebd  
Lower seasonal demand in Europe impacting natural gas volumes; ~100 Koebd

## DOWNSTREAM

Continued pressure on refining margins; sparing ~25% of capacity  
Scheduled maintenance in line with 1Q

## CHEMICAL

Anticipate continued margin support from lower liquids feed costs  
Scheduled maintenance in line with 1Q

## CORPORATE

Corporate and financing expenses expected to be ~\$900 million  
Progressing spending reductions in line with recent announcements

# MANAGEMENT PERSPECTIVES

DARREN WOODS  
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

ExxonMobil

# KEY MESSAGES

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Long-term fundamentals remain strong, supported by growing population and energy demand

Conserving cash while preserving value; deep portfolio of opportunities provides optionality

Remain committed to capital allocation priorities

Selectively progressing advantaged investments to capture value throughout the cycle and in the upswing

Focus remains on safety of people and facilities, supporting response efforts where we operate

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# COVID-19 RESPONSE **PROTECTING HEALTH AND SAFETY**

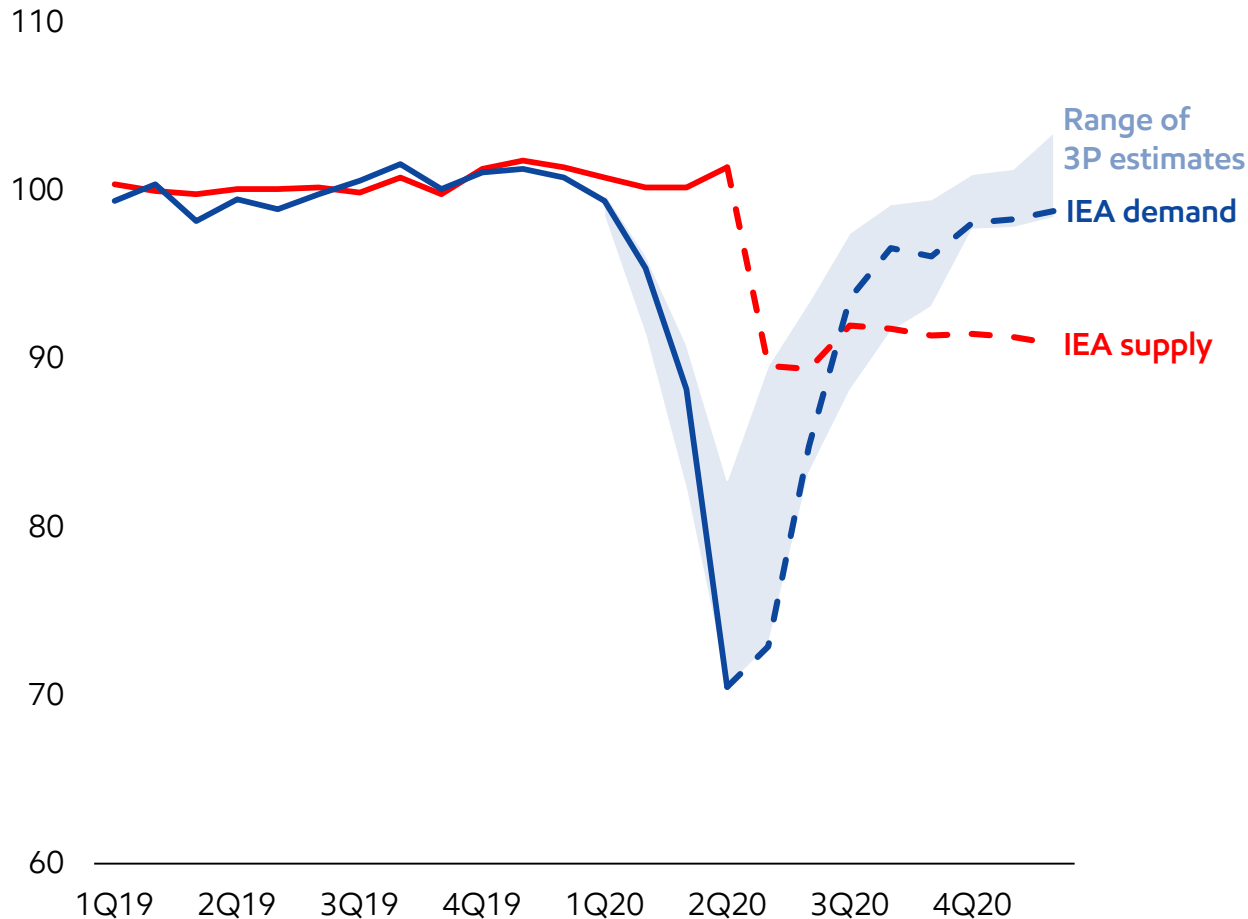


- Protocols in place for workforce health and safety
  - Enhanced cleaning, social distancing, working from home
  - Enables continuous operations for critical activity
- Maximizing isopropyl alcohol and polypropylene production
  - Enough IPA for 50 million bottles of hand sanitizer monthly
  - Polypropylene for 200 million medical masks / 20 million gowns monthly
- Reconfigured operations to produce hand sanitizer for donation
- Technical support for reusable face masks to alleviate shortages
- Providing fuel, meals, and medical masks for health care workers and first responders

# CHALLENGING MARKET ENVIRONMENT

## CRUDE SUPPLY / DEMAND<sup>1</sup>

Millions of barrels per day

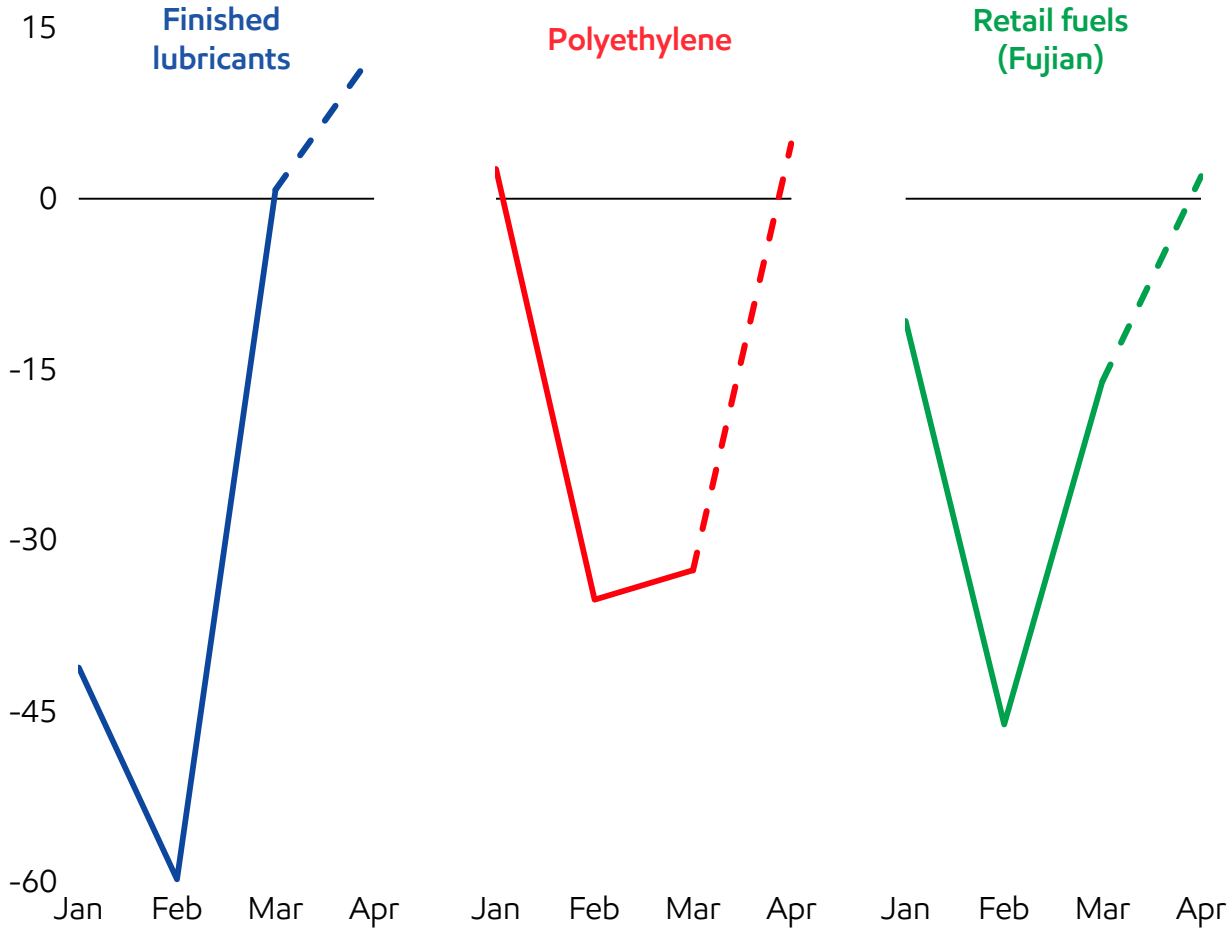


- Wide range of coronavirus industry demand scenarios
- Current estimates for full year liquid demand contraction range from 4 to 12 Mbd versus 2019
- Most significant impacts on gasoline and jet demand
- Magnitude and duration depends on speed of economic recovery and consumer confidence

<sup>1</sup>See Supplemental Information

# CHALLENGING MARKET ENVIRONMENT

**EXXONMOBIL CHINA SALES<sup>1</sup>**  
Percent change, year-over-year



- Early into China “recovery”
- Initial sales data limited but encouraging
- Additional time required to evaluate sustainability and relevance

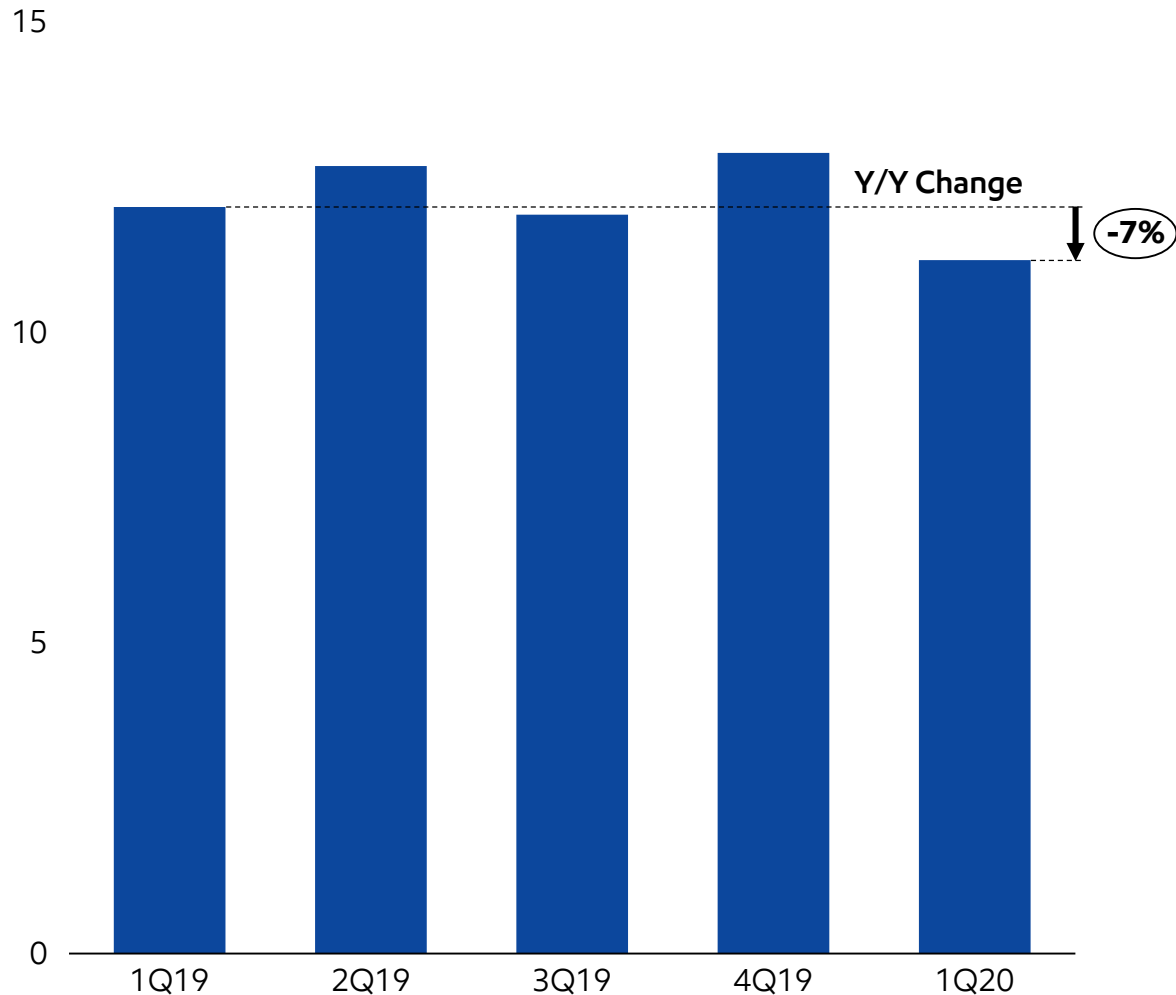
<sup>1</sup>See Supplemental Information



# RESPONDING TO **PRESERVE VALUE**

## CASH OPERATING COSTS<sup>1</sup>

Billion USD



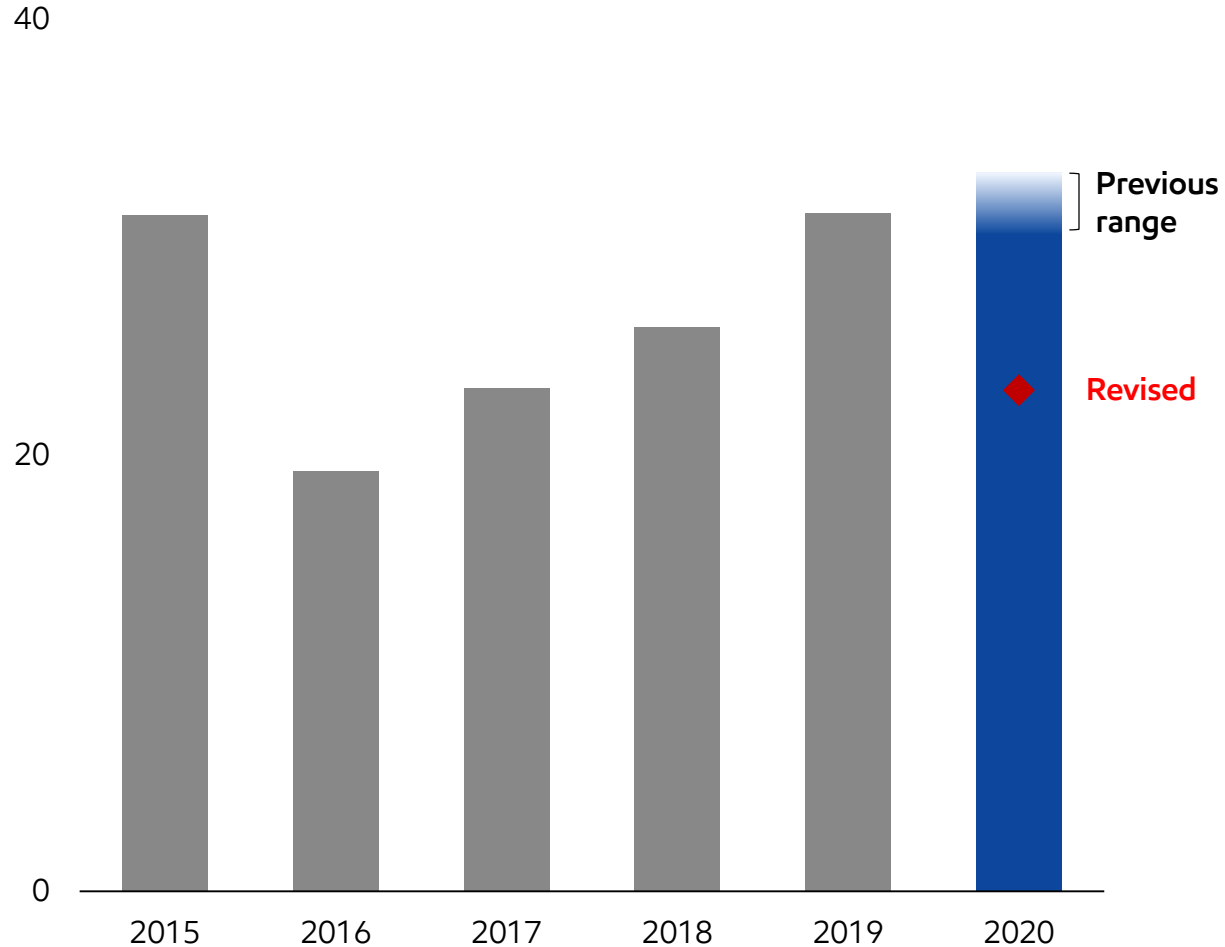
- Reducing 2020 cash Opex by 15%
  - Suspended discretionary activities
  - Capturing market savings and lower costs
- 1Q20 down 7% relative to 1Q19
- Reductions ramp as year progresses
- Maintaining focus on safety and operational integrity
- Preserving organizational capacity to capture upswing

<sup>1</sup>See Supplemental Information

# RESPONDING TO **PRESERVE VALUE**

## CAPEX

Billion USD

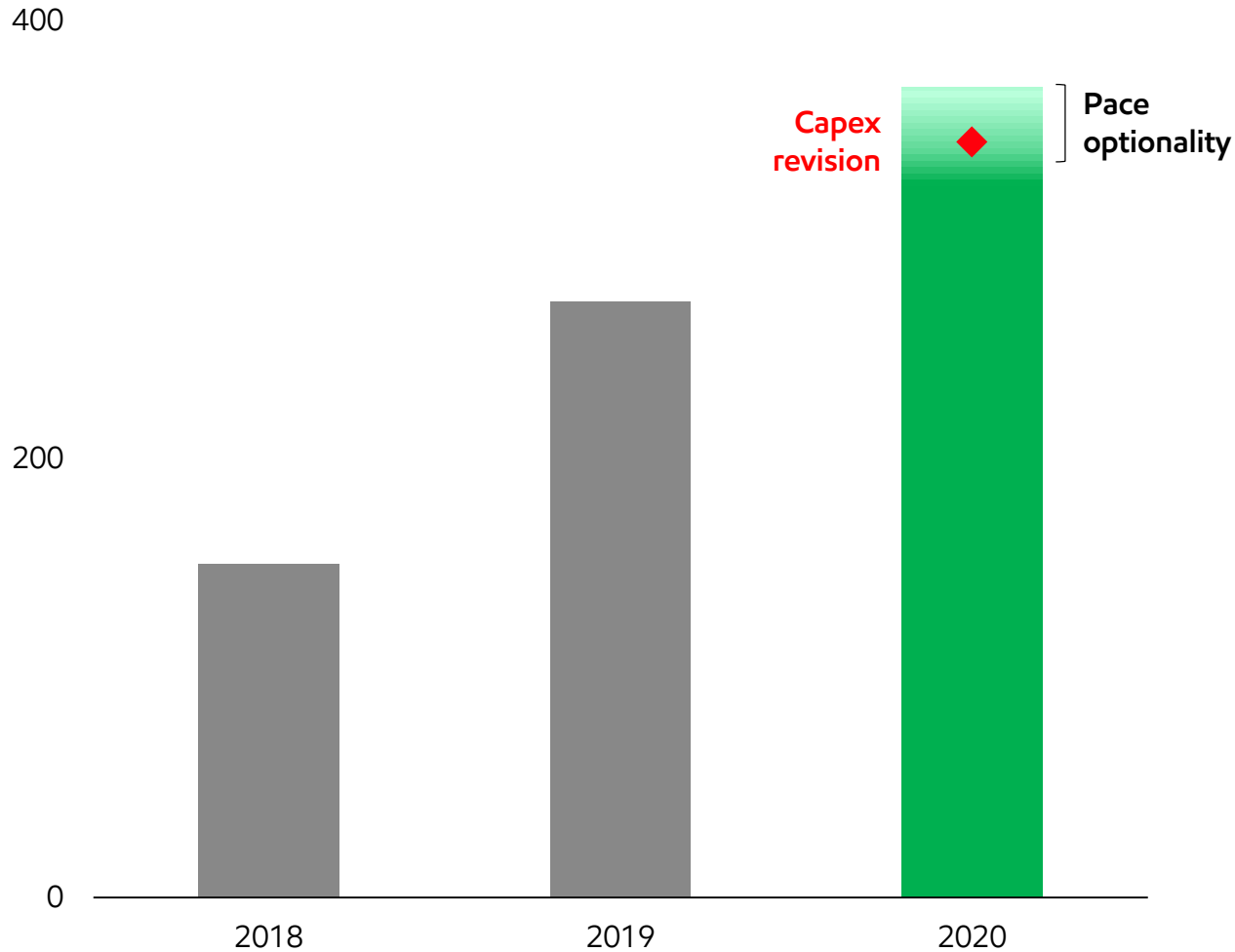


- Reducing 2020 Capex 30% to ~\$23 billion
- Reductions ramp as year progresses
- Extensive collaboration with partners, contractors, and resource holders
- Deferral costs offset with efficiencies and market savings
- Maintaining optionality and adjusting pace of projects in line with market

# PERMIAN UPDATE

## PERMIAN PRODUCTION

Koebd, net

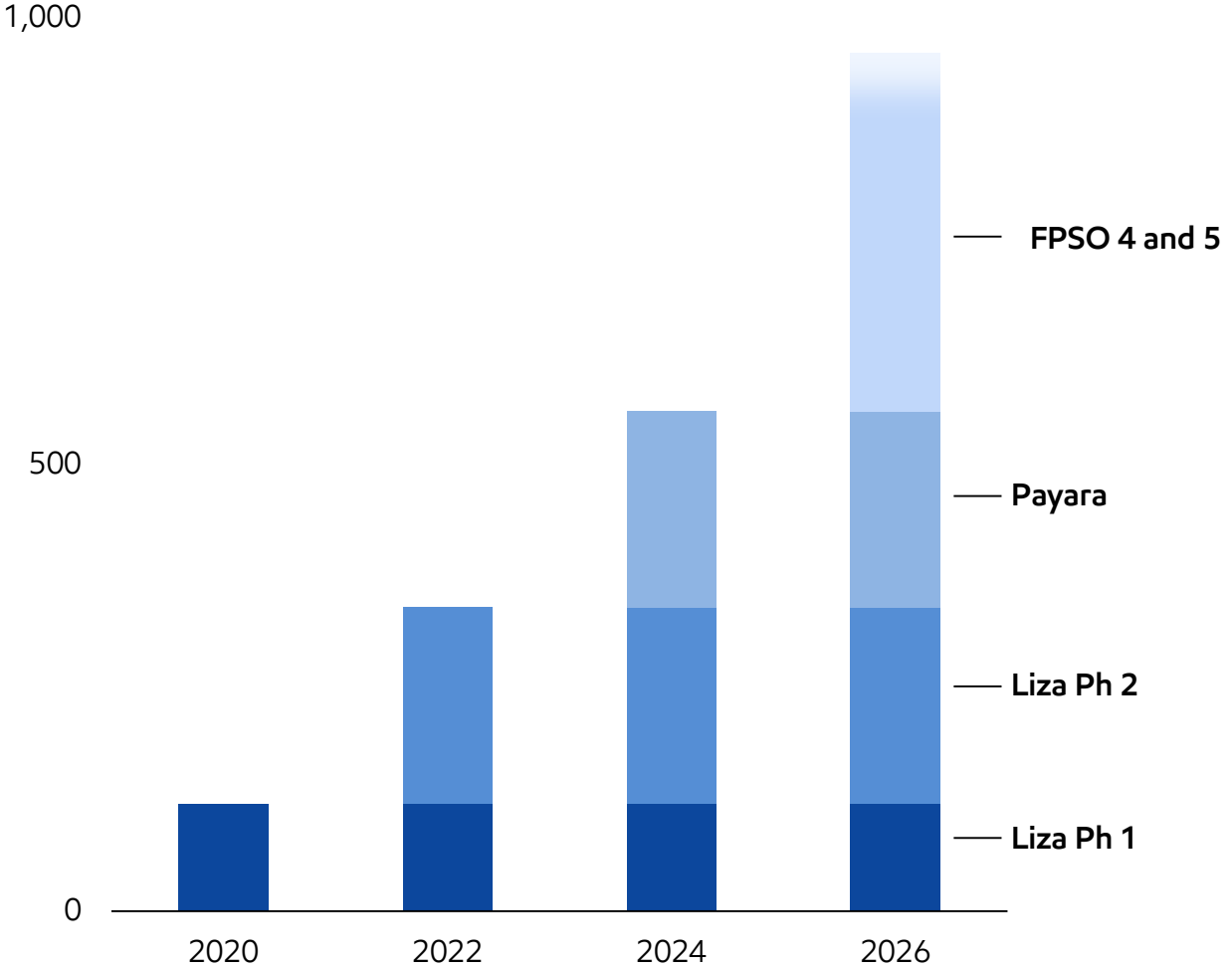


Volumes shown on a net basis

- Adjusting short-cycle without compromising advantages
  - Maintain scale to achieve capital efficiency
  - Progressing cube development
- Impact of Capex reductions on volumes:
  - 2020: ~15 Koebd
  - 2021: 100 - 150 Koebd
- Additional volume reductions with price erosion and economic shut-ins; anticipate ~100 Koebd in 2Q

# GUYANA UPDATE

## CAPACITY Kbd, gross



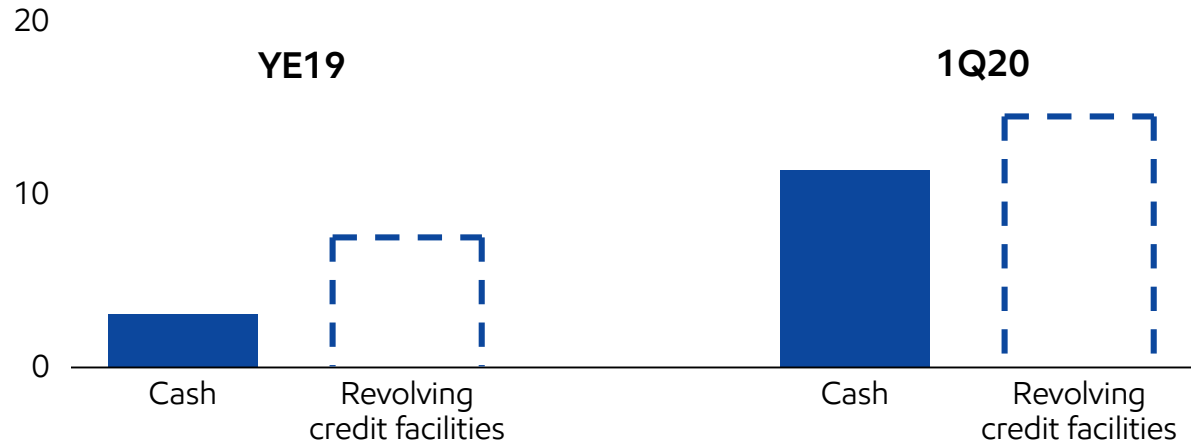
Volumes shown on a gross basis

- Liza Phase 1 production ramp-up ongoing, expected to reach full capacity in June
- Liza Phase 2 development remains on schedule for 2022 start-up
- Working with government on approval of Payara development plan
- Anticipate ~1 year delay in production outlook of >750 Kbd

# FINANCIAL CAPACITY

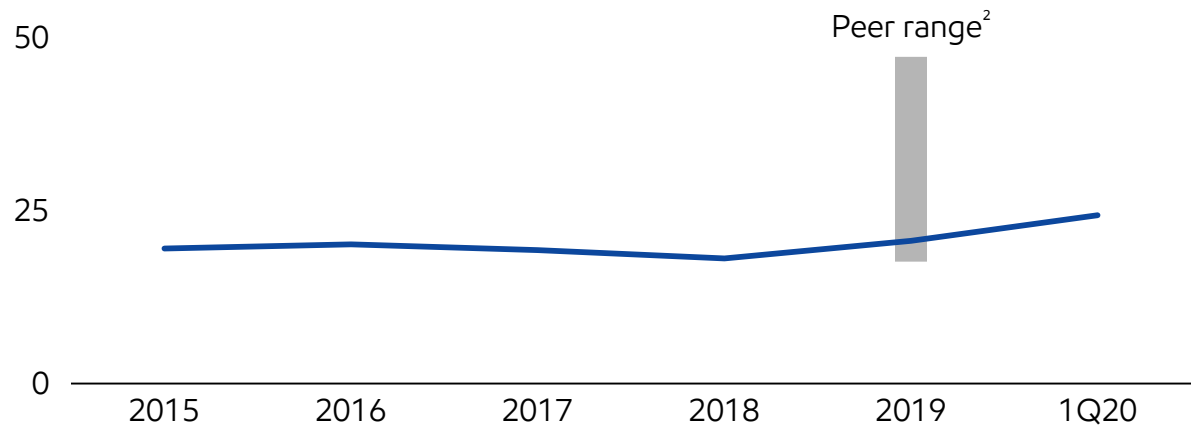
## CASH AND REVOLVING CREDIT FACILITIES<sup>1</sup>

Billion USD



## MOODY'S DEBT / BOOK CAPITALIZATION

Percent



- Maintaining capital allocation priorities
- Leveraging debt markets to mitigate demand impacts
- \$15 billion of additional liquidity available through revolving credit facilities
- Continuing to evaluate capital program with market developments

<sup>1,2</sup> See Supplemental Information

# KEY MESSAGES

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Long-term fundamentals remain strong, supported by growing population and energy demand

Conserving cash while preserving value; deep portfolio of opportunities provides optionality

Remain committed to capital allocation priorities

Selectively progressing advantaged investments to capture value throughout the cycle and in the upswing

Focus remains on safety of people and facilities, supporting response efforts where we operate

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Q&A



# FIRST QUARTER IDENTIFIED ITEMS

	U/S	D/S	CHEM	C&F	TOTAL
<b>U.S. GAAP earnings / (loss)</b>	<b>536</b>	<b>(611)</b>	<b>144</b>	<b>(679)</b>	<b>(610)</b>
Inventory Lower of Cost or Market	(263)	(1,603)	(230)	-	(2,096)
Impairments	(356)	(339)	(92)	-	(787)
<b>Earnings / (loss) excluding identified items<sup>1</sup></b>	<b>1,155</b>	<b>1,331</b>	<b>466</b>	<b>(679)</b>	<b>2,273</b>

*Millions of dollars unless specified otherwise*

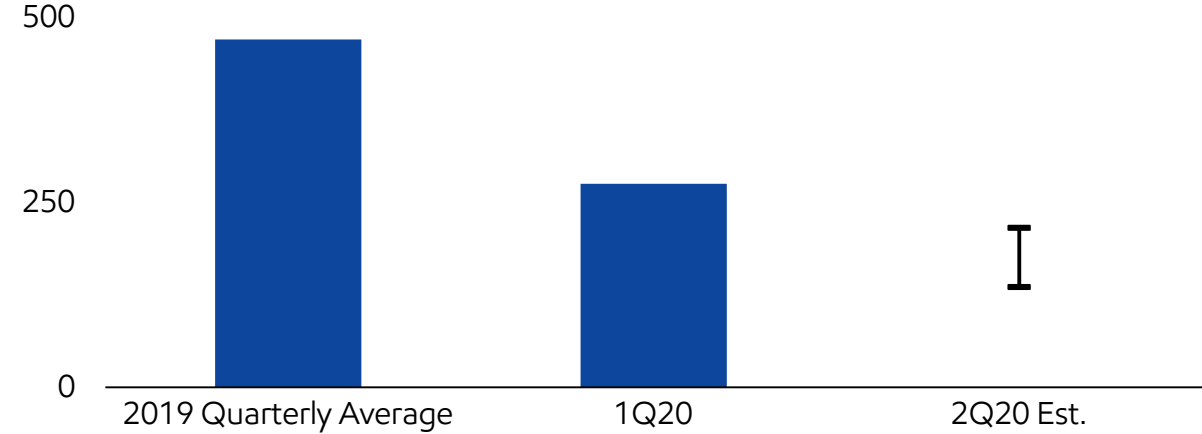
<sup>1</sup>See Supplemental Information



# SECOND QUARTER 2020 **OUTLOOK**

## DOWNSTREAM SCHEDULED MAINTENANCE QUARTERLY EARNINGS IMPACT<sup>1</sup>

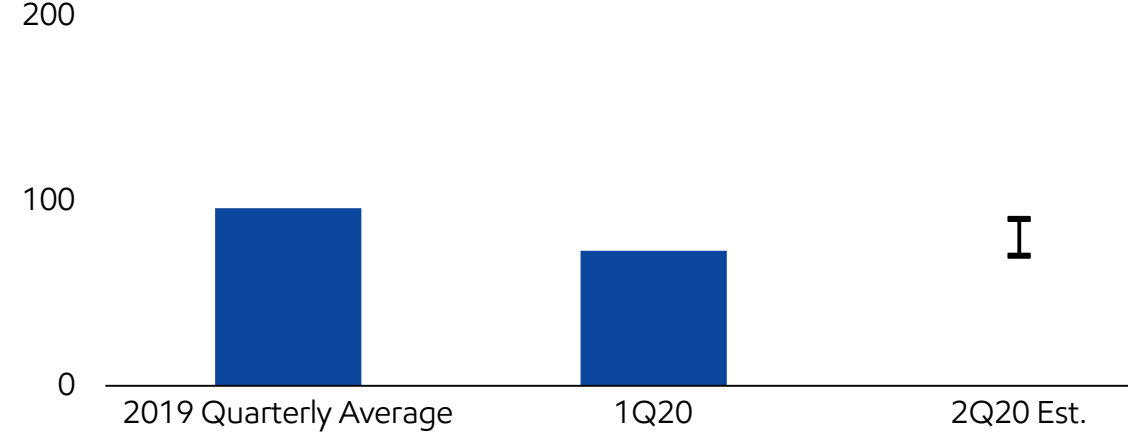
Million USD



- Full year 2020 turnaround activity down from 2019
- Second quarter scheduled maintenance in line with first quarter

## CHEMICAL SCHEDULED MAINTENANCE QUARTERLY EARNINGS IMPACT<sup>2</sup>

Million USD



<sup>1,2</sup> See Supplemental Information

# SUPPLEMENTAL INFORMATION

## Slide 10

- 1) Includes PP&E Adds of (\$5.9B) and net investments/advances of (\$0.5B)

## Slide 15

- 1) Sources: IEA (IEA supply and IEA demand); EIA, S&P Global Platts, IHS Markit, Goldman Sachs, FGE, Energy Aspects, Rystad Energy, Argus, OPEC (range); company analysis of third-party data

## Slide 16

- 1) ExxonMobil sales data and estimates

## Slide 17

- 1) Includes production and manufacturing expenses; selling, general and administrative expenses; exploration expenses, including dry holes. See definitions on following page.

## Slide 21

- 1) Exxon Mobil Corporation revolving credit facilities
- 2) For historical periods, Debt / Book Capitalization is sourced from Moody's Investors Service. 1Q20 is estimated by ExxonMobil on a consistent methodology. Peer group includes CVX, RDS, BP, and TOT.

## Slide 24

- 1) Earnings excluding identified items are earnings excluding significant ( $\geq$  \$250 million) non-operational events. We believe this information is useful to assist investors in assessing the performance of our ongoing business operations.

## Slide 25

- 1) Estimates based on March YTD margins
- 2) Based on operating expenses related to turnaround activities

# SUPPLEMENTAL INFORMATION

## Definitions

**Cash Flow from Operations and Asset Sales.** Cash flow from operations and asset sales is the sum of the net cash provided by operating activities and proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments from the Summary statement of cash flows. This cash flow reflects the total sources of cash from both operating the Corporation's assets and from the divesting of assets.

**Cash Flow from Operations and Asset Sales excluding Working Capital.** This includes cash flow from operations and asset sales less changes in operational working capital excluding cash and debt. This measure is useful when comparing the underlying performance of our business across periods when there are significant period-to-period changes in working capital.

**Cash Operating Costs.** Cash operating costs consist of (1) Production and manufacturing expenses, (2) Selling, general and administrative expenses, and (3) Exploration expenses, including dry holes from ExxonMobil's consolidated statement of income. The sums of these income statement lines serve as an indication of cash operating costs and do not reflect the total cash operating costs of the Corporation. This measure is useful in understanding the Corporation's efforts to conserve cash on hand while progressing planned projects.

**Project.** The term "project" as used in this presentation can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

**Resources, resource base, and recoverable resources.** Along with similar terms, these refer to the total remaining estimated quantities of oil and natural gas that are expected to be ultimately recoverable. ExxonMobil refers to new discoveries and acquisitions of discovered resources as resource additions. The resource base includes quantities of oil and natural gas classified as proved reserves, as well as, quantities that are not yet classified as proved reserves, but that are expected to be ultimately recoverable. The term "resource base" is not intended to correspond to SEC definitions such as "probable" or "possible" reserves. The term "in-place" refers to those quantities of oil and natural gas estimated to be contained in known accumulations and includes recoverable and unrecoverable amounts. "Potential" resource amounts are not currently included in the resource base.

**Returns, investment returns, project returns.** Unless referring specifically to ROCE, references to returns, investment returns, project returns, and similar terms mean future discounted cash flow returns on future capital investments based on current company estimates. Investment returns exclude prior exploration and acquisition costs.