

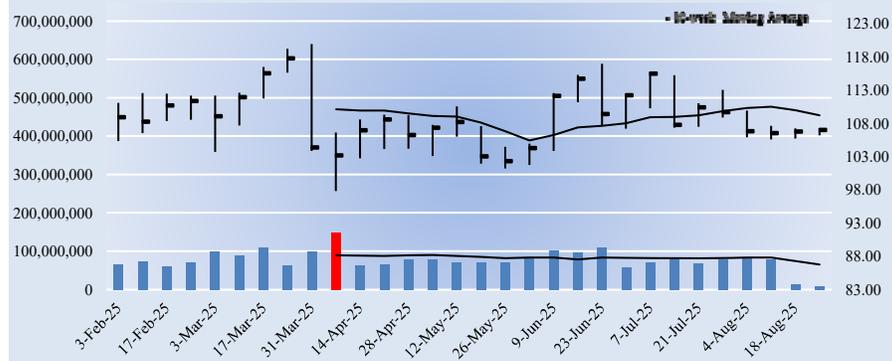
Exxon Mobil XOM FAIRLY VALUED

Buying Index™ 3
 Value Rating

Economic Castle Attractive	Estimated Fair Value \$108.00	Fair Value Range \$86.00 - \$130.00	Investment Style MEGA-CAP VALUE	Sector Energy	Industry Oil & Gas Complex
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Exxon Mobil is one of our favorite ways to play energy. The firm has a nice dividend yield.

Stock Chart (weekly)



The week with the highest trading volume out of the last 30 weeks was a week of heavy selling, or distribution (red bar).

Company Vitals

Market Cap (USD)	\$457,458
Avg Weekly Vol (30 wks)	77,231
30-week Range (USD)	97.8 - 119.91
Valuentum Sector	Energy
5-week Return	-3.6%
13-week Return	3.1%
30-week Return	0.3%
Dividend Yield %	3.7%
Dividends per Share	3.96
Forward Dividend Payout Ratio	58.3%
Est. Normal Diluted EPS	8.38
P/E on Est. Normal Diluted EPS	12.8
Est. Normal EBITDA	71,592
Forward EV/EBITDA	7.6
EV/Est. Normal EBITDA	6.7
Forward Revenue Growth (5-yr)	0.1%
Forward EPS Growth (5-yr)	5.1%

NMF = Not Meaningful; Est. = Estimated; FY = Fiscal Year

Returns Summary

	3-year Historical Average
Return on Equity	21.8%
Return on Assets	11.6%
ROIC, with goodwill	17.2%
ROIC, without goodwill	17.2%

ROIC = Return on Invested Capital; NMF = Not Meaningful

Leverage, Coverage, and Liquidity

In Millions of USD	
Total Debt	41,710
Net Debt	18,681
Total Debt/EBITDA	0.6
Net Debt/EBITDA	0.3
EBITDA/Interest	67.4
Current Ratio	1.3
Quick Ratio	0.9

NMF = Not Meaningful

Investment Highlights

- Exxon Mobil is an integrated oil & gas company. Its asset base includes exploration and production operations, pipelines, storage facilities, oil refineries, petrochemical plants, LNG export and import facilities, retail operations, and a sizable marketing division. Exxon Mobil had ~19.9 billion BOE of total proved reserves at the end of 2024.

- Exxon Mobil is looking to revive its upstream production base by investing heavily in Guyana, the Permian Basin, and Brazil. It also owns economic interests in major growth developments in Kazakhstan. Exxon Mobil has exited the Russian market.

- In the wake of the recovering global energy complex, Exxon Mobil took advantage of its strong free cash flow generating abilities to aggressively pare down its net debt load. Now Exxon Mobil is focused on buying back sizable chunks of its stock while continuing to invest in the business and further improve its cost structure.

- Exxon Mobil carries a large net debt load which weighs negatively on its Dividend Cushion ratio. If raw energy resources pricing were to remain subdued for an extended period, its operations would face considerable pressure. Exxon Mobil continued to make good on its dividend obligations during COVID-19.

- Exxon Mobil's Guyana operations are top-tier and represent a major growth opportunity. The company, along with its partners, discovered vast amounts of crude oil off Guyana's coast in 2015 and production operations had commenced by 2019.

Structure of the Oil & Gas (majors) Industry

The global oil and gas industry is dominated by state-owned firms, including member nations of OPEC, which have a large influence on pricing. Public constituents are not small, however, as firms in this group make up a large portion of the energy sector's market cap. Oil and gas prices are the key profit driver and largely reflect supply/demand dynamics, though it is not uncommon for speculative/geopolitical price premiums to occur. A firm's estimated reserve life and cost for exploration and development should be monitored closely. We're neutral on the structure of the majors, given their commoditized product.

Investment Considerations

DCF Valuation	FAIRLY VALUED
Relative Valuation	NEUTRAL
ValueCreation™	EXCELLENT
ValueRisk™	LOW
ValueTrend™	NEGATIVE
Cash Flow Generation	STRONG
Financial Leverage	LOW
Growth	MODEST
Technical Evaluation	BEARISH
Relative Strength	WEAK
Money Flow Index (MFI)	NEUTRAL
Upside/Downside Volume (U/D)	BEARISH
Near-term Technical Resistance, 10-wk MA	109.00

DCF = Discounted Cash Flow; MFI, U/D = Please see glossary. MA = Moving Average

Business Quality

ValueRisk™	ValueCreation™			
	Very Poor	Poor	Good	Excellent
Low				
Medium				
High				
Very High				

Firms that generate economic profits with little operating variability score near the top right of the matrix.

Relative Valuation

	Forward P/E	PEG	Price / FV
Chevron	18.7	NMF	98.3%
Enterprise Product Partners	11.6	NMF	97.4%
Occidental Petroleum	17.7	NMF	92.5%
Schlumberger	11.3	NMF	89.6%
Peer Median	14.6	NMF	94.9%
Exxon Mobil	15.8	NMF	99.0%

Price / FV = Current Stock Price divided by Estimated Fair Value

Financial Summary

	Actual			Projected
	Dec-23	Dec-24	Dec-25	
Revenue	338,293	343,391	322,410	
Revenue, YoY%	-15.7%	1.5%	-6.1%	
Operating Income	50,643	44,283	41,541	
Operating Margin %	15.0%	12.9%	12.9%	
Net Income	36,010	33,680	29,026	
Net Income Margin %	10.6%	9.8%	9.0%	
Diluted EPS	8.89	7.84	6.79	
Diluted EPS, YoY %	-33.0%	-11.8%	-13.4%	
Free Cash Flow (CFO-capex)	33,450	30,716	24,254	
Free Cash Flow Margin %	9.9%	8.9%	7.5%	

In Millions of USD (except for per share items)

Exxon Mobil XOM FAIRLY VALUED**Buying Index™ 3****Value Rating**

Economic Castle Attractive	Estimated Fair Value \$108.00	Fair Value Range \$86.00 - \$130.00
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Investment Style MEGA-CAP VALUE

Sector Energy

Industry Oil & Gas Complex

Economic Profit Analysis**ValueCreation™****EXCELLENT**

The best measure of a firm's ability to create value for shareholders is expressed by comparing its return on invested capital (ROIC) with its weighted average cost of capital (WACC). The gap or difference between ROIC and WACC is called the firm's economic profit spread. Exxon Mobil's 3-year historical return on invested capital (without goodwill) is 17.2%, which is above the estimate of its cost of capital of 9.4%. As such, we assign the firm a ValueCreation™ rating of EXCELLENT. In the chart to the right, we show the probable path of ROIC in the years ahead based on the estimated volatility of key drivers behind the measure. The solid grey line reflects the most likely outcome, in our opinion, and represents the scenario that results in our fair value estimate.

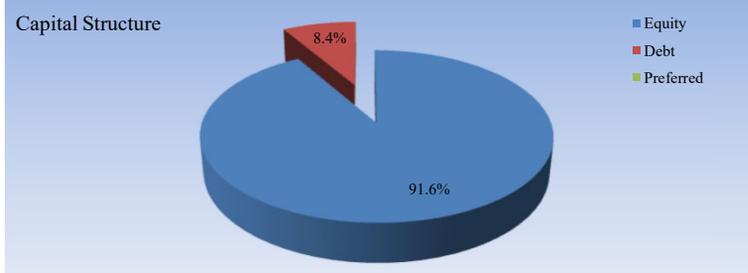
ROIC - WACC Spread, 3-year historical average	7.8%
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ROIC - WACC Spread, 5-year projected average	1.9%
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These spreads equal the firm's annual average ROIC (excluding goodwill) less its WACC.

ValueTrend™**NEGATIVE**

Exxon Mobil receives a ValueTrend™ rating of NEGATIVE, which is based on the company's trailing three-year performance. The firm's ROIC (excluding goodwill) fell to 11.5% last year from its trailing 3-year average of 17.2%. We expect ROIC (excluding goodwill) to be in the ballpark of about 13% by the end of our discrete forecast period, with downside risk to about 6% over that time period.

Weighted Average Cost of Capital (WACC)**Cost of Equity**

Risk Free Rate Assumption	4.3%
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Fundamental Beta (ERP multiplier)	0.9
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Estimated Equity Risk Premium	6.5%
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Cost of Equity Assumption	9.8%
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After-tax Cost of Debt

Risk Free Rate Assumption	4.3%
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Synthetic Credit Spread	1.18%
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Cost of Debt Assumption	5.5%
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Cash Tax Rate Assumption	25.0%
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After-tax Cost of Debt Assumption	4.1%
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Cost of Preferred Stock

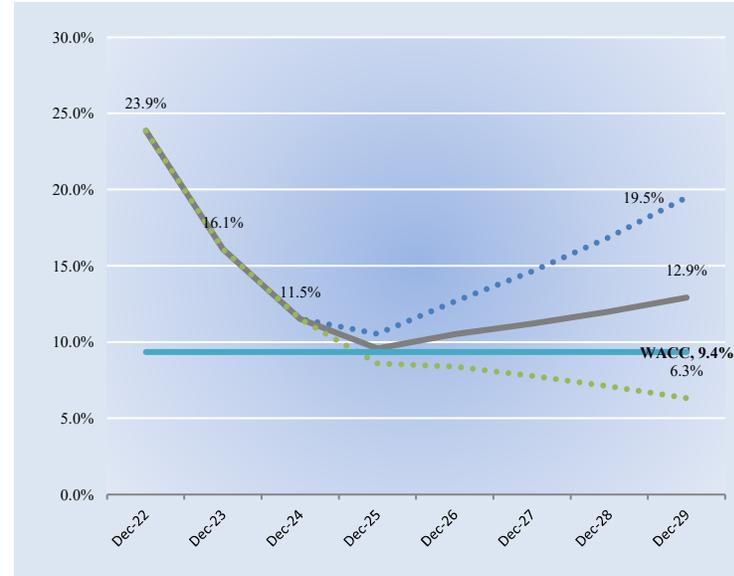
Preferred Dividends	0
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Value of Preferred Stock	0
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Cost of Preferred Assumption	NA
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Weighted Average Cost of Capital (WACC)	9.4%
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ERP = Equity Risk Premium

Return on Invested Capital (ROIC)

The graph above shows the firm's ROIC (excluding goodwill) compared with historical averages and its WACC.

Assessment of Company Dividend Strategy**Key Strengths**

Exxon Mobil is focused on improving its cost structure through work process simplification initiatives, the optimization of its logistics and supply chain operations, and through workforce reductions. While Exxon Mobil operates in a capital-intensive business and must contend with sizable capital expenditure requirements, management has placed a greater emphasis on better managing the company's capital investment programs in recent years. The integrated nature of Exxon Mobil's business model supports its cash flow outlook, as weakness at its upstream business can at times be offset by strength at its chemical and downstream businesses.

Potential Weaknesses

Exxon Mobil has seen its upstream production base dwindle over the past decade, largely due to meaningful natural decline rates. The company is investing heavily in its assets in Guyana, the Permian Basin, and Brazil to revive its upstream production growth trajectory. Exxon Mobil carries a large net debt load which weighs negatively on its Dividend Cushion ratio and ability to push through sizable dividend increases. While the outlook for energy markets and raw energy resources pricing has improved considerably since early 2021, the outlook for energy markets can change quickly. Exxon Mobil's financial and operational flexibility is limited.

Note: Valuentum may provide an adjusted ROIC measure to better reflect the economic substance of a company's operations, as in the case of companies with negative invested capital.

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Growth Analysis

Revenue Growth MODEST

		Last Fiscal Year Revenue	3-year Historical CAGR	5-year Projected CAGR
Exxon Mobil	USD	343,391	7.4%	0.1%
Chevron	USD	195,568	8.0%	1.8%
Enterprise Product Partne	USD	56,219	11.3%	1.9%
Occidental Petroleum	USD	26,725	1.0%	2.9%
Schlumberger	USD	36,289	16.5%	2.6%
Peer Median			9.7%	2.2%
Industry Median			7.0%	1.9%

Exxon Mobil's revenue expansion has trailed the median of its peer group but has been greater than that of its industry group during the past three years. We expect the firm's pace of revenue growth to fall below the median of both its peer group and industry group during the next five years. Our growth assessment of each firm is based on the firm's 5-year forward revenue CAGR. Exxon Mobil's future pace of revenue growth is MODEST, in our opinion.

EBITDA Growth

		Last Fiscal Year EBITDA	3-year Historical CAGR	5-year Projected CAGR
Exxon Mobil	USD	67,117	14.9%	3.9%
Chevron	USD	40,081	6.0%	5.3%
Enterprise Product Partne	USD	9,548	6.4%	2.4%
Occidental Petroleum	USD	12,964	-0.4%	0.0%
Schlumberger	USD	8,254	22.7%	0.6%
Peer Median			6.2%	1.5%
Industry Median			6.4%	2.4%

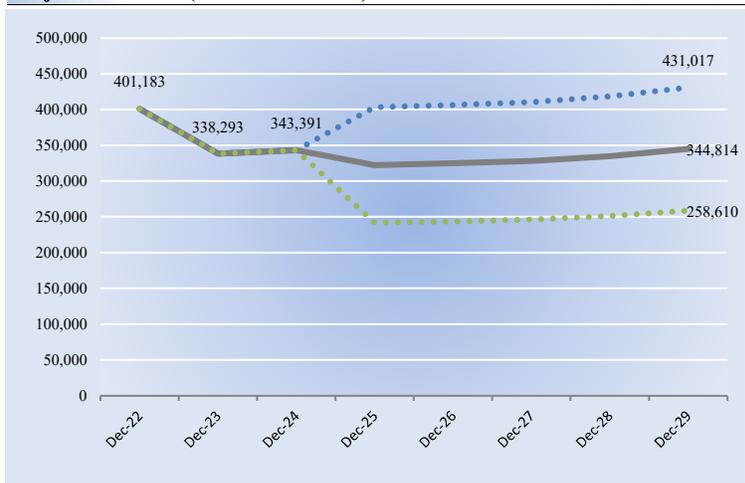
Exxon Mobil's EBITDA expansion has been greater than that of both its peer group and industry group during the past three years. We expect the firm's EBITDA expansion to outpace its peer group and industry group during the next five years. Chevron sports the highest expected EBITDA growth rate among peers.

Net Income Growth

		Last Fiscal Year Net Income	3-year Historical CAGR	5-year Projected CAGR
Exxon Mobil	USD	33,680	13.5%	4.6%
Chevron	USD	17,661	4.2%	7.3%
Enterprise Product Partne	USD	5,901	8.4%	1.3%
Occidental Petroleum	USD	2,918	10.1%	6.1%
Schlumberger	USD	4,461	33.4%	1.8%
Peer Median			9.2%	3.9%
Industry Median			4.6%	4.9%

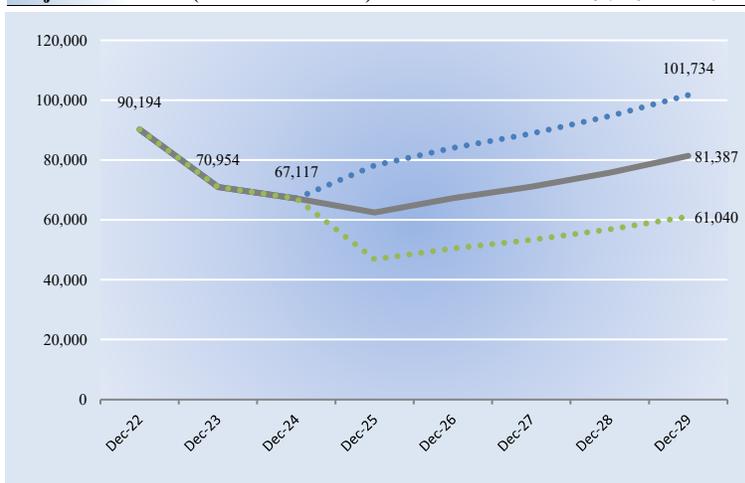
Exxon Mobil's net income expansion has been greater than that of both its peer group and industry group during the past three years. We expect the firm's net income to outpace its peer group but trail that of its industry group during the next five years. Chevron sports the highest expected net income growth rate among peers.

Projected Revenue (in millions of USD) Source: Company Filings, Valuentum Projections



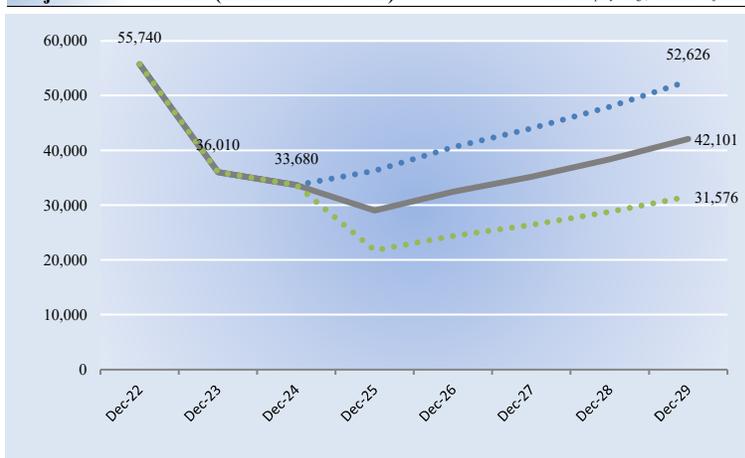
In the chart above, we show our baseline forecast for revenue as well as potential upside and downside cases.

Projected EBITDA (in millions of USD) Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for EBITDA as well as potential upside and downside cases.

Projected Net Income (in millions of USD) Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for net income as well as potential upside and downside cases.

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Valuentum **Buying Index™ 3**

Valuentum **Value Rating** ●

Economic Castle
Attractive

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\$86.00 - \$130.00

Investment Style
MEGA-CAP VALUE

Sector
Energy

Industry
Oil & Gas Complex

Cash Flow and Financial Leverage Analysis

Cash Flow Generation

STRONG



The bars above show the firms operating cash flow, capital expenditures, and free cash flow, respectively.

Firms that generate a free cash flow margin (free cash flow divided by total revenue) above 5% are usually considered cash cows. Exxon Mobil's free cash flow margin has averaged about 11.1% during the past 3 years. As such, we think the firm's cash flow generation is relatively **STRONG**. The free cash flow measure shown above is derived by taking cash flow from operations less capital expenditures and differs from enterprise free cash flow (FCFF), which we use in deriving our fair value estimate for the company. For more information on the differences between these two measures, please visit our website at Valuentum.com. At Exxon Mobil, cash flow from operations decreased about 28% from levels registered two years ago, while capital expenditures expanded about 32% over the same time period.

Cash Flow from Operations

	Last Fiscal Year CFO	3-year Historical CAGR	5-year Projected CAGR
Exxon Mobil	USD 55,022	4.6%	2.7%
Chevron	USD 31,492	2.6%	5.3%
Enterprise Product Partnc	USD 8,115	-1.6%	2.3%
Occidental Petroleum	USD 11,439	3.1%	-0.7%
Schlumberger	USD 6,602	12.4%	0.8%
Peer Median		2.8%	1.6%
Industry Median		5.0%	2.3%

Exxon Mobil's cash flow from operations expansion has been greater than that of its peer group but has trailed that of its industry group during the past three years. We expect the firm's cash flow from operations expansion to outpace its peer group and industry group during the next five years. Chevron sports the highest expected cash flow from operations growth rate among peers.

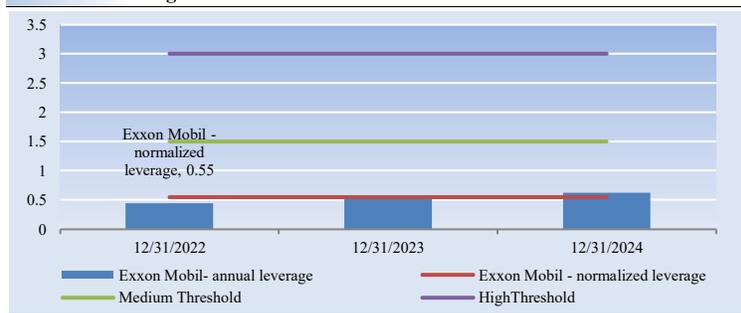
Free Cash Flow (CFO-capital expenditures)

	Last Fiscal Year FCF	3-year Historical CAGR	5-year Projected CAGR
Exxon Mobil	USD 30,716	-5.2%	3.3%
Chevron	USD 15,044	-10.7%	9.5%
Enterprise Product Partnc	USD 7,448	-2.7%	3.3%
Occidental Petroleum	USD 4,092	-18.5%	0.7%
Schlumberger	USD 4,188	11.3%	0.2%
Peer Median		-6.7%	2.0%
Industry Median		-0.7%	0.7%

Exxon Mobil's free cash flow expansion has been greater than that of its peer group but has trailed that of its industry group during the past three years. We expect the firm's free cash flow expansion to outpace its peer group and industry group during the next five years. Chevron sports the highest expected free cash flow growth rate among peers.

Financial Leverage

LOW

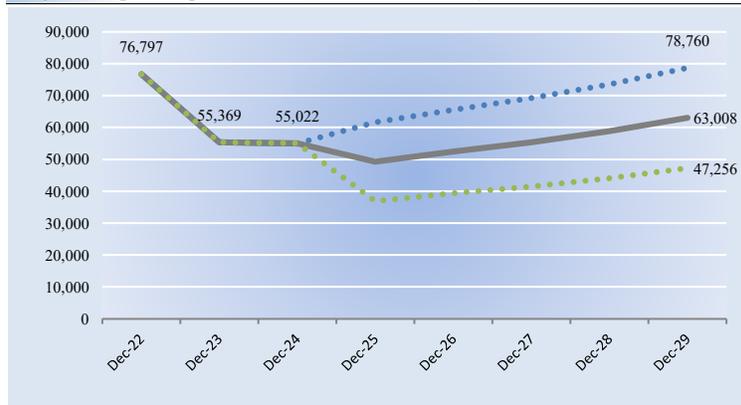


The bars above show the firm's annual debt-to-EBITDA. The red line shows the firm's normalized measure.

Firms that exhibit high leverage tend to be more risky than firms with relatively low debt loads, all else equal. We measure financial leverage by taking a firm's current total debt load and dividing it by the firm's trailing average 3-year annual EBITDA. Firms that are over 3 for this metric, we rate as having high leverage. Companies that have less than 1.5 turns of leverage (or a measure below 1.5), we rate as having low leverage. Exxon Mobil's normalized debt-to-EBITDA measure of about 0.55 puts it in the **LOW** camp.

Projected Operating Cash Flow (in millions of USD)

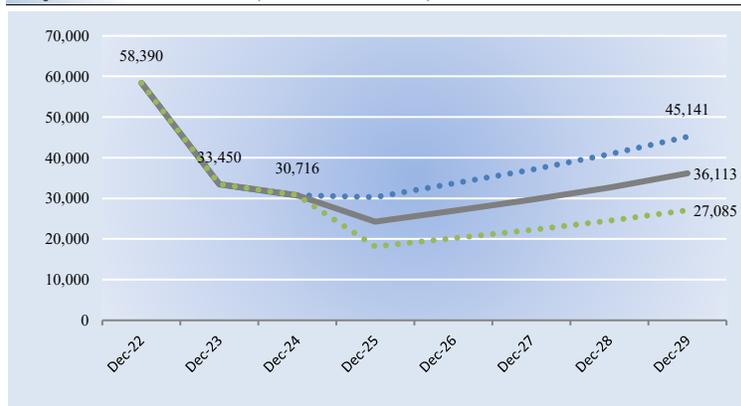
Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for CFO as well as potential upside and downside cases.

Projected Free Cash Flow (in millions of USD)

Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for free cash flow as well as potential upside and downside cases.

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Value Rating

Economic Castle
Attractive

Estimated Fair Value
\$108.00

Fair Value Range
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Investment Style
MEGA-CAP VALUE

Sector
Energy

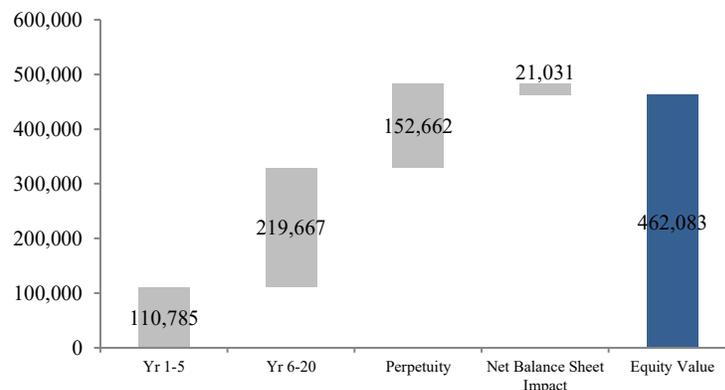
Industry
Oil & Gas Complex
Valuation Analysis**Valuation Assumptions**

In Millions of USD (except for per share items)

	5-year Projections	
Revenue CAGR %	0.1%	
Avg. EBIT Margin %	15.1%	
Avg. Cash Tax Rate %	25.0%	
Earnings Before Interest CAGR %	6.6%	
Earnings Per Share CAGR %	5.1%	
Free Cash Flow to the Firm CAGR %	-7.0%	
Earnings before interest = Net operating profits less adjusted taxes		
	Long-term Projections	
Phase II --> III FCF CAGR %	3.2% (II)	3% (III)
Cost of Equity %	9.8%	
After-tax Cost of Debt %	4.1%	
Discount Rate (WACC) %	9.4%	
Synthetic credit spread = 1.18%		
	Results	
Phase I Present Value	110,785	
Phase II Present Value	219,667	
Phase III Present Value	152,662	
Total Firm Value	483,114	
Net Balance Sheet Impact	-21,031	
Total Equity Value	462,083	
Diluted Shares Outstanding	4,276.5	
Fair Value per Share	\$108.00	

Valuation Breakdown

In the chart below, we show the build up to our estimate of total enterprise value for Exxon Mobil and the break down to the firm's total equity value, which we estimate to be about 462.08USD billion. The present value of the enterprise free cash flows generated during each phase of our model and the net balance sheet impact, which considers the firm's pension, is displayed. We divide total equity value by diluted shares outstanding to arrive at our \$108 per share fair value estimate.



In addition to the firm's cap structure, the net balance sheet impact considers the funded status of the firm's pension (-2350). In Millions of USD

DCF Valuation Summary

We think Exxon Mobil is worth \$108 per share with a fair value range of \$86.00 - \$130.00. The margin of safety around our fair value estimate is driven by the firm's LOW ValueRisk™ rating, which is derived from an evaluation of the historical volatility of key valuation drivers and a future assessment of them. Our near-term operating forecasts, including revenue and earnings, do not differ much from consensus estimates or management guidance. Our model reflects a compound annual revenue growth rate of 0.1% during the next five years, a pace that is lower than the firm's 3-year historical compound annual growth rate of 7.4%. Our model reflects a 5-year projected average operating margin of 15.1%, which is below Exxon Mobil's trailing 3-year average. Beyond year 5, we assume free cash flow will grow at an annual rate of 3.2% for the next 15 years and 3% in perpetuity. For Exxon Mobil, we use a 9.4% weighted average cost of capital to discount future free cash flows.

Enterprise Free Cash Flow

	Fiscal Year End:		
	12/31/2022	12/31/2023	12/31/2024
Earnings before Interest	52,671	35,686	30,337
+ Depreciation	19,540	20,311	22,834
- Capital Expenditures	18,407	21,919	24,306
- Change in Working Capital	8,402	-977	-22,161
- Acquisitions	0	0	0
Enterprise Free Cash Flow (FCFF)	45,402	35,055	51,026

In Millions of USD

Our future forecasts for key valuation drivers result in a future free enterprise cash flow stream. Above, we show how we calculate enterprise free cash flow and the historical performance of the metric for Exxon Mobil. Over the next five years, we expect the firm's enterprise free cash flow to expand at about a -7% compound annual growth rate. During years 6 through 20, we expect the measure to grow at a 3.2% rate. Beyond year 20 (in perpetuity), we grow the firm's free cash flow at inflation (3%).

Source: Company Filings, Valuentum Projections

Company Metrics versus Peer and Industry Medians

Company Name	Valuentum Buying Index™	Forward Price-to-Earnings	P/E on Est. Normal Diluted EPS	Price/Earnings-to-Growth (PEG), 5-year	Forward EV/EBITDA	EV/Est. Normal EBITDA	5-year Forward Earnings per Share CAGR	3-year Hist Avg ROIC, without goodwill	Dividend Yield %	Stock Price / Fair Value Estimate
Exxon Mobil	3	15.8	12.8	NMF	7.6	6.7	5.1%	17.2%	3.7%	99.0%
Chevron	6	18.7	13.7	NMF	8.3	6.6	7.1%	13.9%	4.5%	98.3%
Enterprise Product Partn	4	11.6	10.9	8.9	10.6	9.5	1.3%	13.3%	7.0%	97.4%
Occidental Petroleum	6	17.7	13.3	1.2	6.9	6.2	5.2%	9.7%	2.2%	92.5%
Schlumberger	4	11.3	10.5	3.4	7.4	6.8	1.3%	36.0%	3.4%	89.6%
Peer Median	5.0	14.6	12.1	NMF	7.8	6.7	3.3%	13.6%	4.0%	94.9%
Industry Median	4.0	13.0	10.9	2.1	7.4	6.6	5.2%	17.2%	3.8%	97.4%

View back of report for a full list of industry constituents covered by Valuentum. VBI: Valuentum's ranking for the attractiveness of this investment at the date of the report.

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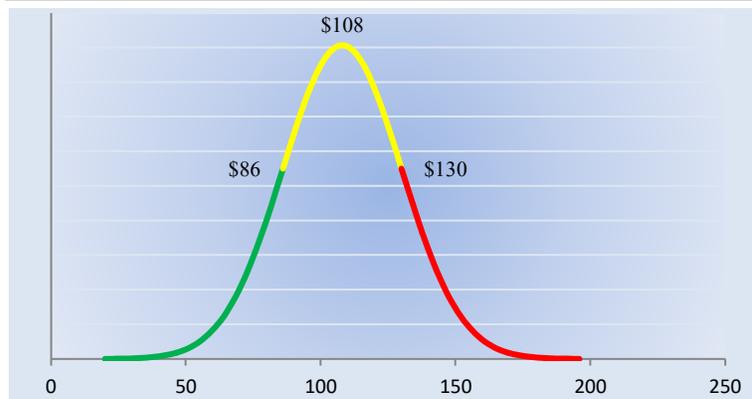
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Margin of Safety Analysis**Range of Potential Outcomes**

Our discounted cash flow process values each firm on the basis of the present value of all future free cash flows. Although we estimate the firm's fair value at about \$108 per share, every company has a range of probable fair values that's created by the uncertainty of key valuation drivers (like future revenue or earnings, for example). After all, if the future were known with certainty, we wouldn't see much volatility in the markets as stocks would trade precisely at their known fair values. Our ValueRisk™ rating sets the margin of safety or the fair value range we assign to each stock. In the graph above, we show this probable range of fair values for Exxon Mobil. We think the firm is attractive below \$86 per share (the green line), but quite expensive above \$130 per share (the red line). The prices that fall along the yellow line, which includes our fair value estimate, represent a reasonable valuation for the firm, in our opinion.

ValueRisk™**LOW**

Exxon Mobil receives a ValueRisk™ rating of LOW based of the historical volatility of key drivers of economic value creation. The fair value range sets the margin of safety around our fair value estimate of the firm's shares.

Revenue Volatility	14.8%
Gross Margin Volatility	17.7%
Earnings (EBI) Volatility	40.8%
Cash Flow (FCFF) Volatility	18.0%
Fair Value Range	20.0%

The Fair Value Range sets the premium or discount on our estimate of the firm's fair value.

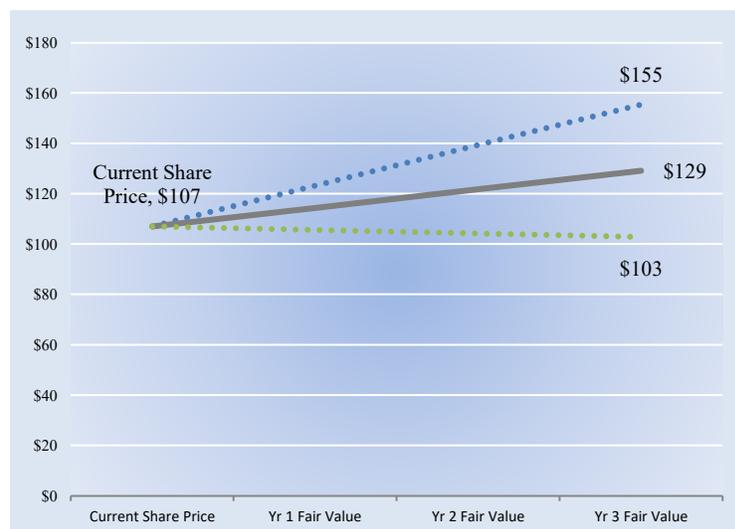
Upside and Downside Probabilities

Probability (fair value < \$0)	Less than 0.1%
Probability (fair value > 2x current share price)	0.00%

We strive to answer a few questions that investors often ask: 1) What are the chances of a total loss of investment in this company? and 2) What is the chance that the company is really worth twice what I paid for it? The probability (fair value < 0) strives to answer the first question. It indicates the chance that the firm may encounter insolvency based on the characteristics of its cash flow stream, capital structure, and risk profile. The probability (fair value > 2x current share price) strives to answer the second question. It is our best estimate of whether investors are participating in a half-off sale by buying the company's shares at current prices.

Future Path of Fair Value

We estimate Exxon Mobil's fair value at this point in time to be about \$108 per share. As time passes, however, companies generate cash flow and pay out cash to shareholders in the form of dividends. The chart to the right compares the firm's current share price with the path of Exxon Mobil's expected equity value per share over the next three years, assuming our long-term projections prove accurate. The range between the resulting downside fair value and upside fair value in Year 3 represents our best estimate of the value of the firm's shares three years hence. This range of potential outcomes is also subject to change over time, should our views on the firm's future cash flow potential change. The expected fair value of \$129 per share in Year 3 represents our existing fair value per share of \$108 increased at an annual rate of the firm's cost of equity less its dividend yield. The upside and downside ranges are derived in the same way, but from the upper and lower bounds of our fair value estimate range.



The graph above shows the expected future fair value of the firm's shares relative to its current stock price.

Exxon Mobil XOM FAIRLY VALUED

Buying Index™ 3

Value Rating

Economic Castle
Attractive

Estimated Fair Value
\$108.00

Fair Value Range
\$86.00 - \$130.00

Investment Style
MEGA-CAP VALUE

Sector
Energy

Industry
Oil & Gas Complex

Technical Analysis

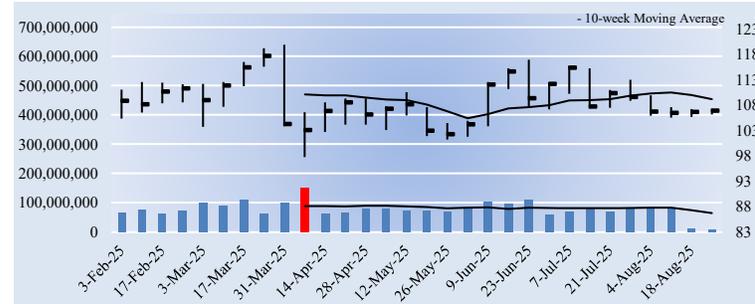
Technical Evaluation

BEARISH



The firm's near-term moving average (5-week, grey line) and medium-term moving average (13-week, red line) are shown in the chart above. Typically, when a shorter-term moving average crosses a medium- or longer-term moving average from below, it represents a bullish signal. If the short-term moving average crosses from above, traders often view this as bearish. Exxon Mobil's 5-week moving average is below its 13-week measure, indicating a BEARISH trend. This activity further confirms the company's 30-week downtrend.

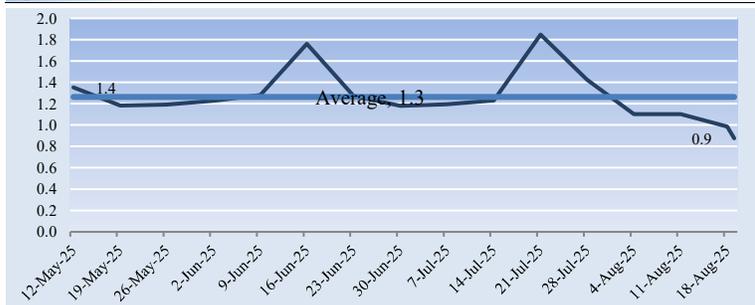
30-week Price and Volume Chart (weekly)



In the chart above, we pinpoint the heaviest accumulation or distribution week of the firm, determined by the week with the highest trading volume during the past 30 weeks. A heavy accumulation (buying) or distribution (selling) week often determines the future near-term direction of the firm's share price, as money managers continue to move in or out of the stock in the days and weeks ahead driving the stock up or down, respectively. For Exxon Mobil, the week with the highest trading volume out of the last 30 weeks was a week of heavy selling, or distribution (red bar). Such market activity could indicate a reversal of an uptrend or further confirmation of a downtrend.

Upside/Downside Volume

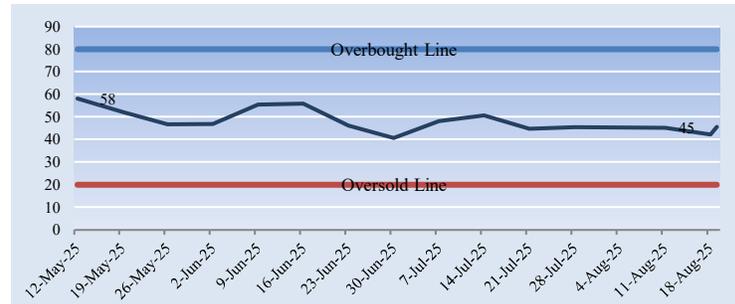
BEARISH



The level and trend of the Upside/Downside (U/D) volume ratio reveals whether institutional participation has been bullish or bearish as of late. Exxon Mobil's U/D volume ratio of 0.9 is not only less than 1 but also is lower than its trailing average, indicating BEARISH institutional interest during the past several weeks.

Money Flow Index (MFI)

NEUTRAL



The Money Flow Index (MFI) is an oscillator that uses price and volume to measure buying and selling pressure. Chartists often look for overbought (above 80) and oversold (below 20) levels to warn of unsustainable near-term price extremes. Exxon Mobil's MFI of 45 (green line) is neutral, suggesting the firm's stock is neither overbought nor oversold at this time. However, a score below 50 tends to favor bears. The MFI can also be used to gauge the strength or weakness of a firm's price trend. In Exxon Mobil's case, its stock price and money flow neither reveals a bullish nor bearish divergence, further supporting our neutral view on its money flow action.

Relative Price Strength

WEAK

A firm's relative price strength can be assessed over any number of time horizons. We show the firm's performance over the past 5 weeks, 13 weeks, and 30 weeks below. In arriving at our relative strength rating for each company, we assess the past 13 weeks, which includes the market's reaction to the firm's most recently reported quarter, where applicable, and other more recent economic events. During the past 13 weeks, Exxon Mobil's shares returned 3.1%, while the market benchmark returned 8.1%. We think Exxon Mobil's 13-week relative price performance is WEAK.

5-week Company Performance	-3.6%
5-week Market Benchmark Performance	2.0%
5-week Relative Performance vs. Market Benchmark	-5.6%
13-week Company Performance	3.1%
13-week Market Benchmark Performance	8.1%
13-week Relative Performance vs. Market Benchmark	-5.0%
30-week Company Performance	0.3%
30-week Market Benchmark Performance	5.8%
30-week Relative Performance vs. Market Benchmark	-5.5%

Timeliness Matrix™

Equity Valuation

Relative Strength	Overvalued	Fairly Valued	Undervalued
Strong			
Neutral			
Weak			

Firms that are undervalued and currently showing near-term pricing strength score near the top right of the matrix.

Companies that are undervalued and showing near-term relative price strength could represent timely buys, as the stock may be attractive to both value and momentum investors. A cross section of the firm's equity valuation and its relative share price strength is shown in the matrix above. We tend to prefer undervalued stocks that have strong pricing momentum, also called Valuentum stocks.

Exxon Mobil XOM FAIRLY VALUED

Buying Index™ 3

Value Rating 

Economic Castle Attractive	Estimated Fair Value \$108.00	Fair Value Range \$86.00 - \$130.00	Investment Style MEGA-CAP VALUE	Sector Energy	Industry Oil & Gas Complex
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Pro Forma Income Statement

	----- Historical -----			----- Projected -----	
In Millions of USD (except for per share items)	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
Total Revenue	401,183	338,293	343,391	322,410	324,957
Cost of Goods Sold	268,502	227,227	239,063	224,486	222,875
Selling, General and Administrative Expenses	10,107	10,140	10,097	9,481	9,413
Other Operating Expenses	51,920	50,283	49,948	46,902	46,566
Operating Income	70,654	50,643	44,283	41,541	46,103
Unusual items	0	0	0	0	0
Operating Income, including unusual items	70,654	50,643	44,283	41,541	46,103
Interest Expense	(798)	(849)	(996)	(996)	(996)
Other Non-operating Income	7,897	2,989	5,586	0	0
Pre-tax Income	77,753	52,783	48,873	40,545	45,107
Income Taxes	20,176	15,429	13,810	10,136	11,277
Income after tax	57,577	37,354	35,063	30,409	33,830
Minority Interest and Equity Income	(1,837)	(1,344)	(1,383)	(1,383)	(1,383)
Net Income, excluding extra items	55,740	36,010	33,680	29,026	32,447
Income Available to Common, excluding extra items	55,740	36,010	33,680	29,026	32,447
Diluted Earnings per Share, excluding extra items	13.26	8.89	7.84	6.79	7.63
Diluted Weighted Shares Outstanding	4,205.0	4,052.0	4,298.0	4,276.5	4,255.1

Source: Company Filings, Xignite, Valuentum Projections

Note: Pro forma data in discounted cash-flow valuation may reflect significant adjustments from GAAP accounting data, including cash (not effective) tax rates and other analytical adjustments on a backward-looking and forward-looking basis. No individual data, by itself, found in this report should be used to make any investment decision.

Exxon Mobil XOM FAIRLY VALUED

Buying Index™ 3

Value Rating 

Economic Castle Attractive	Estimated Fair Value \$108.00	Fair Value Range \$86.00 - \$130.00	Investment Style MEGA-CAP VALUE	Sector Energy	Industry Oil & Gas Complex
--------------------------------------	---	---	---	-------------------------	--------------------------------------

Pro Forma Balance Sheet

	----- Historical -----			----- Projected -----	
In Millions of USD (except for per share items)	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
Assets					
Total Cash (including marketable securities)	29,640	31,539	23,029	28,049	45,320
Inventory	24,435	25,120	23,524	22,122	21,995
Accounts Receivable	41,749	38,015	43,681	40,623	40,551
Other Current Assets	1,807	1,935	1,756	1,756	1,756
Total Current Assets	97,631	96,609	91,990	92,550	109,622
Gross Fixed Assets	479,144	494,234	494,234	519,269	544,805
(Accumulated Depreciation)	(268,001)	(272,445)	(199,916)	(220,873)	(241,995)
Net Property, Plant, and Equipment	211,143	221,789	294,318	298,397	302,810
Goodwill, Net	0	0	0	0	0
Intangibles, Net	0	0	0	0	0
Other Long-term Assets	60,293	57,919	67,167	67,167	67,167
Total Assets	369,067	376,317	453,475	458,113	479,599
Liabilities					
Accounts Payable	33,169	31,249	61,297	55,152	53,024
Other Current Liabilities	35,311	30,072	4,055	4,664	5,090
Current Portion of Long-term Debt	565	3,995	4,955	4,955	4,955
Total Current Liabilities	69,045	65,316	70,307	64,771	63,069
Long-term Debt	39,170	35,662	36,755	36,755	46,755
Other Long-term Liabilities	65,803	70,537	82,708	82,708	82,708
Total Liabilities	174,018	171,515	189,770	184,234	192,532
Preferred Stock	0	0	0	0	0
Shareholders' Equity					
Common Stock and Additional Paid in Capital	15,752	17,781	46,238	46,238	46,238
Retained Earnings	432,860	453,927	470,903	484,377	500,851
Other Equity	(253,563)	(266,906)	(253,436)	(256,735)	(260,022)
Total Shareholders' Equity	195,049	204,802	263,705	273,880	287,067
Total Liabilities and Shareholders' Equity	369,067	376,317	453,475	458,113	479,599

Source: Company Filings, Xignite, Valuentum Projections

Note: Pro forma data in discounted cash-flow valuation may reflect significant adjustments from GAAP accounting data, including cash (not effective) tax rates and other analytical adjustments on a backward-looking and forward-looking basis. No individual data, by itself, found in this report should be used to make any investment decision.

Exxon Mobil XOM FAIRLY VALUED

Buying Index™ 3

Value Rating


Economic Castle Attractive	Estimated Fair Value \$108.00	Fair Value Range \$86.00 - \$130.00	Investment Style MEGA-CAP VALUE	Sector Energy	Industry Oil & Gas Complex
--------------------------------------	---	---	---	-------------------------	--------------------------------------

Pro Forma Cash Flow Statement

	----- Historical -----			----- Projected -----	
In Millions of USD (except for per share items)	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
Cash from Operations					
Net Income	55,740	36,010	33,680	30,409	33,830
Depreciation and Amortization	19,540	20,311	22,834	20,957	21,122
Deferred Income Taxes	0	0	0	0	0
Operating Gains Or Losses	1,517	(952)	(1,492)	(1,000)	(1,000)
Changes in Working Capital	0	0	0	(1,076)	(1,503)
Cash Flow from Operations	76,797	55,369	55,022	49,289	52,449
Cash from Investing					
Purchase of Property, Plant, Equipment	(18,407)	(21,919)	(24,306)	(25,035)	(25,536)
Other Investing Cash Flows	(485)	(7,661)	4,368	0	0
Cash Flow from Investing	(18,892)	(29,580)	(19,938)	(25,035)	(25,536)
Cash from Financing					
Issuance (Retirement) of Stock	(15,155)	(17,748)	(19,629)	(2,299)	(2,287)
Issuance (Retirement) of Debt	(7,220)	(239)	(5,012)	0	10,000
Dividends Paid	(14,939)	(14,941)	(16,704)	(16,935)	(17,356)
Other Financing Cash Flows	(1,800)	(1,369)	(1,444)	0	0
Cash Flow from Financing	(39,114)	(34,297)	(42,789)	(19,234)	(9,643)
Foreign Exchange	(78)	105	(676)	0	0
Net Change in Cash	22,863	1,903	(8,381)	5,020	17,270

Source: Company Filings, Xignite, Valuentum Projections

Note: Pro forma data in discounted cash-flow valuation may reflect significant adjustments from GAAP accounting data, including cash (not effective) tax rates and other analytical adjustments on a backward-looking and forward-looking basis. No individual data, by itself, found in this report should be used to make any investment decision.

Exxon Mobil XOM FAIRLY VALUED

Buying Index™ 3

Value Rating 

Economic Castle
Attractive

Estimated Fair Value
\$108.00

Fair Value Range
\$86.00 - \$130.00

Investment Style
MEGA-CAP VALUE

Sector
Energy

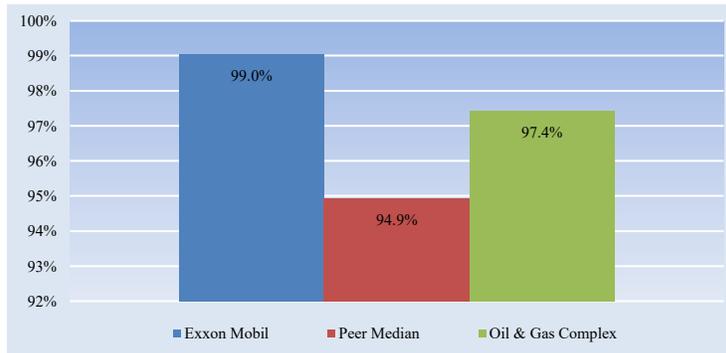
Industry
Oil & Gas Complex

Oil & Gas Complex

Oil & Gas Complex

FAIRLY VALUED

We think the Oil & Gas Complex industry is fairly valued at this time. The industry's market cap is trading between 80% and 120% of our estimate of its fair value based on our DCF process. Although we use a firm-specific ValueRisk™ measure to determine whether a firm is undervalued or overvalued based on our DCF process, we consider an industry to be undervalued if it is trading below 80% of our estimate of its fair value and overvalued if it is trading at over 120% of our estimate of its fair value. We think these fair value ranges are appropriate given the diversification benefits of holding a basket of stocks. Although there may be individual opportunities within the Oil & Gas Complex industry, we don't find the industry as a whole attractive based solely on valuation.



The above bar chart reveals the price/fair value of the company, its peers, and the industry as a whole.

Shaded blue denotes that the firm has earned the highest rating for that respective category.

Company Name	Ticker	Market Cap (USD-mil)	Investment Style	DCF Valuation	Relative Valuation	ValueCreation™	ValueRisk™	ValueTrend™	Technicals	Relative Strength
Baker Hughes	BKR	43,293	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	NEGATIVE	BULLISH	STRONG
BP	BP	96,220	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	NEGATIVE	BULLISH	STRONG
Chevron	CVX	275,094	MEGA-CAP VALUE	FAIRLY VALUED	NEUTRAL	GOOD	MEDIUM	NEGATIVE	BULLISH	STRONG
ConocoPhillips	COP	106,482	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	NEGATIVE	BULLISH	STRONG
Coterra Energy	CTRA	17,411	LARGE-CAP GROWTH	FAIRLY VALUED	ATTRACTIVE	GOOD	MEDIUM	NEGATIVE	BEARISH	WEAK
Enbridge	ENB	103,300	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	GOOD	MEDIUM	NEGATIVE	BULLISH	WEAK
Energy Transfer	ET	61,364	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	POOR	HIGH	POSITIVE	BEARISH	WEAK
Enterprise Product Partners	EPD	68,347	LARGE-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	GOOD	MEDIUM	NEGATIVE	BEARISH	WEAK
EOG Resources	EOG	66,673	LARGE-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	MEDIUM	NEGATIVE	BEARISH	WEAK
Exxon Mobil	XOM	457,458	MEGA-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	LOW	NEGATIVE	BEARISH	WEAK
Halliburton	HAL	19,073	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	LOW	POSITIVE	BULLISH	STRONG
Kinder Morgan	KMI	57,970	LARGE-CAP VALUE	FAIRLY VALUED	UNATTRACTIVE	GOOD	MEDIUM	NEGATIVE	BEARISH	WEAK
Occidental Petroleum	OXY	42,025	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	GOOD	MEDIUM	NEGATIVE	BULLISH	STRONG
Phillips 66	PSX	50,814	LARGE-CAP VALUE	FAIRLY VALUED	UNATTRACTIVE	GOOD	MEDIUM	NEGATIVE	VERY BEARISH	STRONG
Pioneer Natural Resources	PXD	-	-	-	-	-	-	-	-	-
Royal Dutch Shell	SHEL	226,866	MEGA-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	MEDIUM	NEGATIVE	VERY BEARISH	NEUTRAL
Schlumberger	SLB	47,603	LARGE-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	MEDIUM	POSITIVE	BEARISH	WEAK
Total	TTE	144,979	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	LOW	NEGATIVE	VERY BULLISH	WEAK

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Valuentum's Full Page Stock Report

A DCF Valuation
Shows whether the firm is undervalued, fairly valued, or overvalued based on our DCF process and by how much.

B Valuentum Buying Index (VBI)
Provides insight into the timeliness of an investment opportunity. We rank firms from 1 to 10 based on rigorous financial, valuation, and technical analysis. A 10 represents one of our top picks.

C Valuentum Value Rating (VVR)
Indicates whether we think a firm is undervalued, fairly valued, or overvalued on the basis of our DCF process.



D Investment Considerations
Evaluates firms on 12 different measures, from the firm's growth and cash flow generation to the stock's money flow index and upside/downside volume. We reveal technical support and resistance levels.

E 30-week Price and Volume Action
Displays the last accumulation or distribution week of the stock and historical price and volume action.

Valuentum Retail Equity Research Visit us at www.valuentum.com Ratings as of 26-Oct-2016 Data as of 17-Oct-2016

Apple AAPL UNDERVALUED **A** **Buying Index™** **B** **Value Rating** **C**

Economic Castle Highest Rated Estimated Fair Value \$147.00 Fair Value Range \$121.00 - \$173.00 Investment Style MEGA-CAP VALUE Sector Information Technology Industry Computer Hardware

Apple is as much a brand as it is one of the most innovative companies.

Stock Chart (weekly)

The week with the highest trading volume out of the last 13 weeks was a week of heavy buying, or accumulation (green bar).

Company Vitals	Investment Highlights
Market Cap (USD) \$675,472	<ul style="list-style-type: none"> Apple is as much a brand as it is one of the world's most innovative companies. The firm is no longer known for its iPods and personal computers, as the proliferation of the iPhone over the past several years has been a sight to behold. The company's execution remains top notch, and we expect it to continue to roll out innovative products in iPhones and wearable technology, its most recent major product launch. Criticism over the firm's dependence on sales of the iPhone gained momentum in fiscal 2016, as the second quarter of the fiscal year marked the first quarterly sales decline in 13 years. High levels of demand for the iPhone 7 and multiple safety issues at rival Samsung have eased concerns for the time being. Apple's rollout of future iterations of the iPhone should propel its fundamentals higher. Though we're not embedding another blockbuster hit in our model, we wouldn't be surprised if Apple delivers another one from its pipeline. Perhaps only a dream five years ago, the popularity of the new Apple Watch is now worth watching, though it has yet to catch fire in the eyes of consumers. Investors should pay close attention to the firm's gross margin, which is expected to fall to 37.5%-38% in fiscal 2016 from 40% in fiscal 2015. Pricing and cost pressures may be unavoidable. A slight step back in fiscal 2016 should not be a major concern to investors given Apple's massive cash position and impressive track record. Apple's cash hoard is more than some of the market capitalizations of the largest companies in the S&P 500. The company retains tremendous flexibility in this regard, and we continue to expect dividend increases and share buybacks.
Avg Weekly Vol (30 wks) 180,295	
30-week Range (USD) 89.47 - 118.69	
Valuentum Sector Information Technology	
5-week Return 1.2%	
13-week Return 18.7%	
30-week Return 10.0%	
Dividend Yield % 2.0%	
Dividends per Share 2.28	
Forward Dividend Payout Ratio 27.3%	
Est. Normal Diluted EPS 9.55	
P/E on Est. Normal Diluted EPS 12.2	
Est. Normal EBITDA 83,978	
Forward EV/EBITDA 7.2	
EV/Est. Normal EBITDA 6.4	
Forward Revenue Growth (5-yr) 1.1%	
Forward EPS Growth (5-yr) 3.1%	
NMF = Not Meaningful; Est = Estimated; FV = Fiscal Year	

Relative Valuation	Forward P/E	PEG	Price / FV
BlackBerry	-53.0	NMF	89.2%
Cray	49.4	0.9	77.3%
Hewlett-Packard	9.0	NMF	75.9%
IBM	11.7	2.6	97.6%
Peer Median	10.4	1.8	83.3%
Apple	14.0	2.0	79.3%

Financial Summary	Actual	Projected
	Sep-14	Sep-15
Revenue	182,795	233,715
Revenue, YoY%	7.0%	27.9%
Operating Income	52,503	71,230
Operating Margin %	28.7%	30.5%
Net Income	39,510	53,394
Net Income Margin %	21.6%	22.8%
Diluted EPS	6.45	9.22
Diluted EPS, YoY %	13.6%	42.8%
Free Cash Flow (CFO-capex)	49,900	69,778
Free Cash Flow Margin %	27.3%	29.9%

Business Quality

ValueCreation™	Very Poor	Poor	Good	Excellent
DCF Valuation				Excellent
Relative Valuation				Good
ValueCreation™				Excellent
ValueRisk™				Good
ValueTrend™				Good
Cash Flow Generation				Good
Financial Leverage				Good
Growth				Good
Technical Evaluation				Good
Relative Strength				Good
Money Flow Index (MFI)				Good
Upside/Downside Volume (U/D)				Good
Near-term Technical Support, 10-week MA				Good

Structure of the Computer Hardware Industry **NEUTRAL**

The computer hardware space, which spans the personal computer to the iPhone and iPad, is highly competitive. The industry is characterized by frequent product introductions and rapid technological advances that can cause dramatic market share shifts. Though some firms benefit from a strong brand, participants often price aggressively, pressuring margins. Firms are also subject to potential component shortages/disruptions, which can punish performance. Obsolescence may be an eventuality for some, and services revenue has become critical for others. We're neutral on the space.

Company Vitals

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Forward EPS Growth (5-yr) 3.1%
NMF = Not Meaningful; Est = Estimated; FV = Fiscal Year

Returns Summary 3-year Historical Average

Return on Equity 36.8%
Return on Assets 19.3%
Return on Invested Capital 160.3%
ROIC, without goodwill 183.3%
ROIC = Return on Invested Capital; NMF = Not Meaningful

Leverage, Coverage, and Liquidity In Millions of USD

Total Debt 64,462
Net Debt -141,204
Total Debt/EBITDA 0.8
Net Debt/EBITDA NMF
EBITDA/Interest 112.5
Current Ratio 1.1
Quick Ratio 2.9
NMF = Not Meaningful

Investment Consideration

DCF Valuation UNDERVALUED
Relative Valuation UNATTRACTIVE
ValueCreation™ EXCELLENT
ValueRisk™ LOW
ValueTrend™ POSITIVE
Cash Flow Generation STRONG
Financial Leverage LOW
Growth MODEST
Technical Evaluation BULLISH
Relative Strength STRONG
Money Flow Index (MFI) NEUTRAL
Upside/Downside Volume (U/D) BULLISH
Near-term Technical Support, 10-week MA 112.00
DCF = Discounted Cash Flow; MFL U/D = Please see glossary; MA = Moving Average

Business Quality

ValueCreation™

ValueCreation™	Very Poor	Poor	Good	Excellent
Low				Excellent
Medium				Good
High				Good
Very High				Good

Firms that generate economic profits with little operating instability score near the top right of the matrix.

Relative Valuation

Relative Valuation	Forward P/E	PEG	Price / FV
BlackBerry	-53.0	NMF	89.2%
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Hewlett-Packard	9.0	NMF	75.9%
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Peer Median	10.4	1.8	83.3%
Apple	14.0	2.0	79.3%

Price / FV = Current Stock Price / Estimated Fair Value

Financial Summary

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Company Vitals

Market Cap (USD) \$675,472
Avg Weekly Vol (30 wks) 180,295
30-week Range (USD) 89.47 - 118.69
Valuentum Sector Information Technology
5-week Return 1.2%
13-week Return 18.7%
30-week Return 10.0%
Dividend Yield % 2.0%
Dividends per Share 2.28
Forward Dividend Payout Ratio 27.3%
Est. Normal Diluted EPS 9.55
P/E on Est. Normal Diluted EPS 12.2
Est. Normal EBITDA 83,978
Forward EV/EBITDA 7.2
EV/Est. Normal EBITDA 6.4
Forward Revenue Growth (5-yr) 1.1%
Forward EPS Growth (5-yr) 3.1%
NMF = Not Meaningful; Est = Estimated; FV = Fiscal Year

Returns Summary 3-year Historical Average

Return on Equity 36.8%
Return on Assets 19.3%
Return on Invested Capital 160.3%
ROIC, without goodwill 183.3%
ROIC = Return on Invested Capital; NMF = Not Meaningful

Leverage, Coverage, and Liquidity In Millions of USD

Total Debt 64,462
Net Debt -141,204
Total Debt/EBITDA 0.8
Net Debt/EBITDA NMF
EBITDA/Interest 112.5
Current Ratio 1.1
Quick Ratio 2.9
NMF = Not Meaningful

Investment Consideration

DCF Valuation UNDERVALUED
Relative Valuation UNATTRACTIVE
ValueCreation™ EXCELLENT
ValueRisk™ LOW
ValueTrend™ POSITIVE
Cash Flow Generation STRONG
Financial Leverage LOW
Growth MODEST
Technical Evaluation BULLISH
Relative Strength STRONG
Money Flow Index (MFI) NEUTRAL
Upside/Downside Volume (U/D) BULLISH
Near-term Technical Support, 10-week MA 112.00
DCF = Discounted Cash Flow; MFL U/D = Please see glossary; MA = Moving Average

Business Quality

ValueCreation™

ValueCreation™	Very Poor	Poor	Good	Excellent
Low				Excellent
Medium				Good
High				Good
Very High				Good

Firms that generate economic profits with little operating instability score near the top right of the matrix.

Relative Valuation

Relative Valuation	Forward P/E	PEG	Price / FV
BlackBerry	-53.0	NMF	89.2%
Cray	49.4	0.9	77.3%
Hewlett-Packard	9.0	NMF	75.9%
IBM	11.7	2.6	97.6%
Peer Median	10.4	1.8	83.3%
Apple	14.0	2.0	79.3%

Price / FV = Current Stock Price / Estimated Fair Value

Financial Summary

Financial Summary	Actual	Projected
	Sep-14	Sep-15
Revenue	182,795	233,715
Revenue, YoY%	7.0%	27.9%
Operating Income	52,503	71,230
Operating Margin %	28.7%	30.5%
Net Income	39,510	53,394
Net Income Margin %	21.6%	22.8%
Diluted EPS	6.45	9.22
Diluted EPS, YoY %	13.6%	42.8%
Free Cash Flow (CFO-capex)	49,900	69,778
Free Cash Flow Margin %	27.3%	29.9%

Structure of the Computer Hardware Industry **NEUTRAL**

The computer hardware space, which spans the personal computer to the iPhone and iPad, is highly competitive. The industry is characterized by frequent product introductions and rapid technological advances that can cause dramatic market share shifts. Though some firms benefit from a strong brand, participants often price aggressively, pressuring margins. Firms are also subject to potential component shortages/disruptions, which can punish performance. Obsolescence may be an eventuality for some, and services revenue has become critical for others. We're neutral on the space.

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G Company Vitals
Shows sector, industry and other relevant company information.

I Normalized EPS and EBITDA
Estimation of the firm's normalized earnings measures and the corresponding valuation multiples.

L Returns Summary
3-year averages of the firm's key return measures, including return on invested capital, with and without goodwill.

M Leverage, Coverage, and Liquidity
A snapshot of the company's financial health.

N Financial Summary
A summary of the proforma financial statements found in the extended report.

About Valuentum

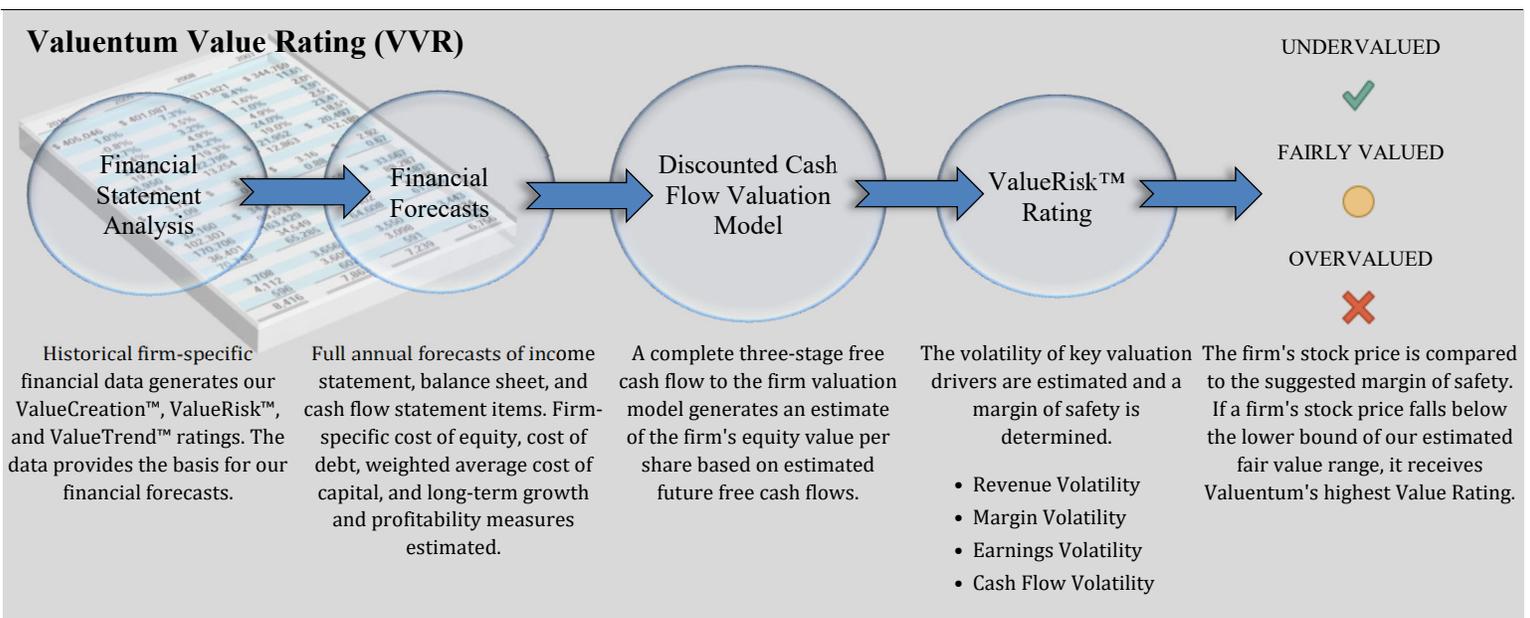
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The core of our process is grounded in rigorous discounted cash flow analysis and incorporates the concept of a margin of safety. We offer a fair value estimate for each company and provide a relative valuation assessment in the context of a company's industry and closest peers. A cross section of our ValueCreation™ and ValueRisk™ ratings provides a financial assessment of a company's business quality, while our ValueTrend™ rating offers insight into the trajectory of a firm's economic profit creation. The Economic Castle rating measures the magnitude of future economic value generation, and the Dividend Cushion ratio assesses the financial capacity of a company to keep raising its dividend.

Our analysis doesn't stop there. We also offer a technical evaluation of the stock as well as other momentum indicators. We not only want to reveal to readers which firms may be undervalued, in our view, but we also want to provide readers with information to help them assess entry and exit points. Most research publishers focus on arriving at a target price or fair value estimate, but may fall short of providing a technical assessment to bolster buy and sell disciplines. We strive to go the distance and provide readers with answers--not half the story.

An explanation of our approach would not be complete if we didn't describe our ideal stock idea. We're looking for companies that are undervalued--both on a DCF basis and versus peers--have strong growth potential, have a solid track record of creating economic profits for shareholders with reasonable risk, are strong cash flow generators, have manageable financial leverage, and are currently showing bullish technical and momentum indicators. For dividend growth ideas, we look for companies that have both the capacity and willingness to keep raising the dividend.

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Methodology for Picking Stocks - Valuentum Buying Index™ (VBI)

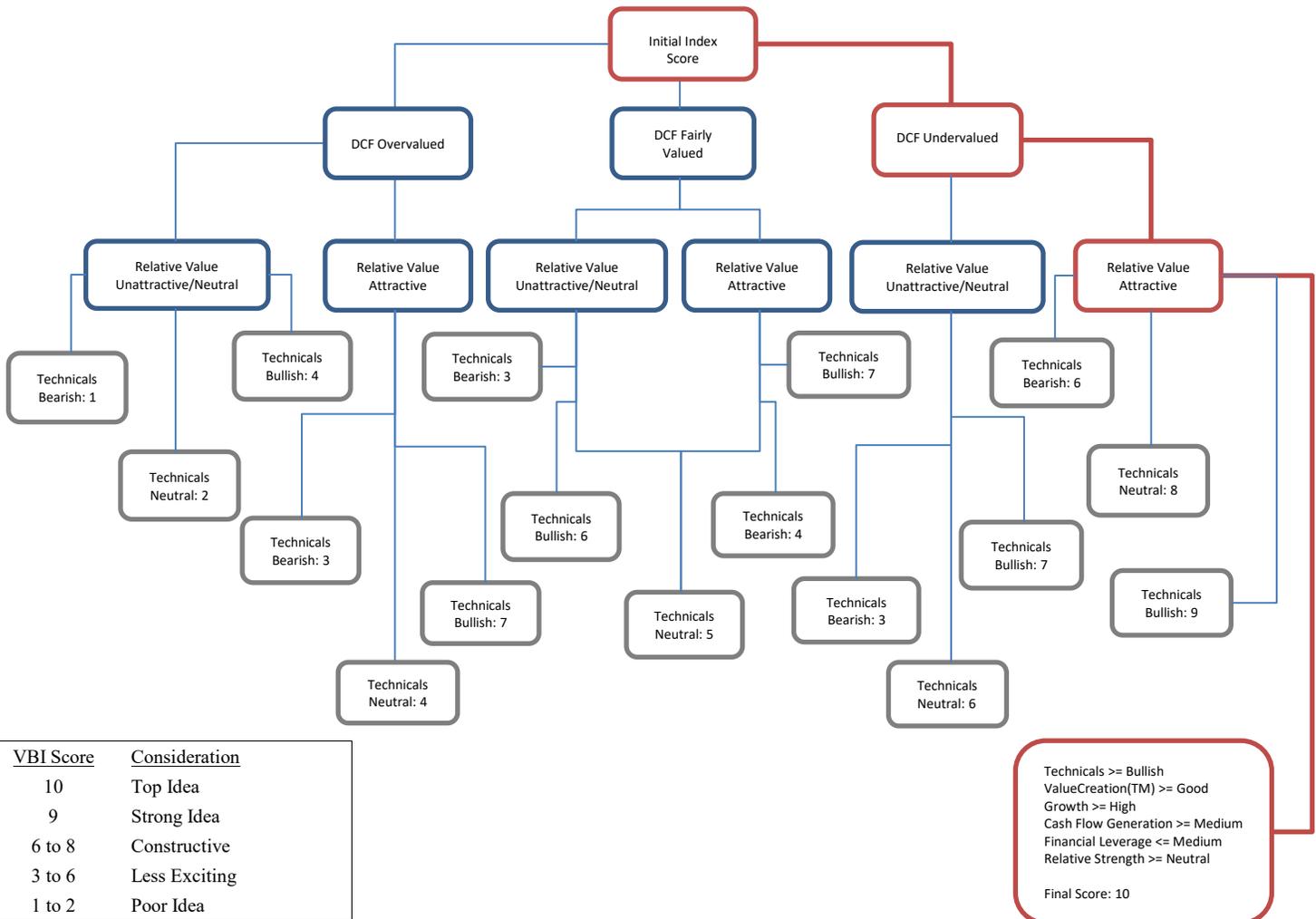
@Valuentum, we like to look at companies from a number of different perspectives. The Valuentum Buying Index (VBI) combines rigorous financial and valuation analysis with an evaluation of a stock's technicals to derive a rating between 1 and 10 for each company. The VBI places considerable emphasis on a company's discounted cash-flow (DCF) valuation, its relative valuation versus peers (both forward PE and PEG ratios), and its technicals in order to help readers assess entry and exit points on the most interesting ideas.

Let's follow the red line on the flow chart below to see how a company can score a 10, the best mark on the index. First, the company would need to be 'undervalued' on a DCF basis and 'attractive' on a relative

value basis. The stock would also have to be exhibiting 'bullish' technicals. The firm would need a ValueCreation™ rating of 'good' or 'excellent', exhibit 'high' or 'aggressive' growth prospects, and generate at least a 'medium' or 'neutral' assessment for cash flow generation, financial leverage, and relative price strength.

This is a tall order for any company. Stocks that don't make the cut for a 10 are ranked accordingly, with the least attractive stocks, in our opinion, garnering a rating of 1. Most of our coverage universe registers ratings between 3 and 7, but at any given time there could be large number of companies garnering either very high or very low scores, especially at market lows or tops, respectively.

The Best Ideas Newsletter portfolio puts the VBI into practice.



Glossary

Estimated Fair Value. This measure is our opinion of the fair equity value per share of the company. If our forecasts prove accurate, which may not always be the case, we may expect a firm's stock price to converge to this value within the next 3 years.

Fair Value Range. The fair value range represents an upper bound and lower bound, between which we would consider the firm to be fairly valued. The range considers our estimate of the firm's fair value and the margin of safety suggested by the volatility of key valuation drivers, including revenue, gross margin, earnings before interest, and enterprise free cash flow (the determinants behind our ValueRisk™ rating).

DCF Valuation. We opine on the firm's valuation based on our DCF process. Firms that are trading with an appropriate discount to our fair value estimate receive an UNDERVALUED rating. Firms that are trading within our fair value range receive a FAIRLY VALUED rating, while firms that are trading above the upper bound of our fair value range receive an OVERVALUED rating.

Relative Value. We compare the firm's forward price-to earnings (PE) ratio and its price/earnings-to-growth (PEG) ratio to that of its peers. If both measures fall below the peer median, the firm receives an ATTRACTIVE rating. If both are above the peer median, the firm receives an UNATTRACTIVE rating. Any other combination results in a NEUTRAL rating.

ValueCreation™. This is a proprietary Valuentum measure. ValueCreation™ indicates the firm's historical track record in creating economic value for shareholders, taking the average difference between ROIC (without goodwill) and the firm's estimated WACC during the past three years. The firm's performance is measured along the scale of EXCELLENT, GOOD, POOR, and VERY POOR. Those firms with EXCELLENT ratings have a demonstrated track record of creating economic value, while those that register a VERY POOR mark have been destroying economic value.

ValueRisk™. This is a proprietary Valuentum measure. ValueRisk™ indicates the historical volatility of key valuation drivers, including revenue, gross margin, earnings before interest, and enterprise free cash flow. The standard deviation of each measure is calculated and scaled against last year's measure to arrive at a percentage deviation for each item. These percentage deviations are weighted equally to arrive at the corresponding fair value range for each stock, measured in percentage terms. The firm's performance is measured along the scale of LOW, MEDIUM, HIGH, and VERY HIGH. The ValueRisk™ rating for each firm also determines the fundamental beta of each firm along the following scale: LOW (0.85), MEDIUM (1), HIGH (1.15), VERY HIGH (1.3).

ValueTrend™. This is a proprietary Valuentum measure. ValueTrend™ indicates the trajectory of the firm's return on invested capital (ROIC). Firms that earned an ROIC last year that was greater than the 3-year average of the measure earn a POSITIVE rating. Firms that earned an ROIC last year that was less than the 3-year average of the measure earn a NEGATIVE rating.

Cash Flow Generation. Firms' cash flow generation capacity are measured along the scale of STRONG, MEDIUM, and WEAK. A firm with a 3-year historical free cash flow margin (free cash flow divided by sales) greater than 5% receives a STRONG rating, while firms earning less than 1% of sales as free cash flow receive a WEAK rating.

Financial Leverage. Based on the firm's normalized debt-to-EBITDA metric, we rank firms on the following scale: LOW, MEDIUM, and HIGH. Companies with a normalized debt-to-EBITDA ratio below 1.5 receive a LOW score, while those with a measure above 3 receive a HIGH score.

Upside/Downside Volume. Heavy volume on up days and lower volume on down days suggests that institutions are heavily participating in a stock's upward advance. We use the trailing 14-week average of upside and downside volume to calculate an informative ratio. We rank each firm's U/D volume ratio along the following scale: BULLISH, IMPROVING, DETERIORATING, and BEARISH.

Investment Style. Valuentum uses its own proprietary stock-classification system. Nano-cap: Less than \$50 million; Micro-cap: Between \$50 million and \$200 million; Small-cap: Between \$200 million and \$2 billion; Mid-cap: Between \$2 billion and \$10 billion; Large-cap: Between \$10 billion and \$200 billion; Mega-cap: Over \$200 billion. Blend: Firm's that we think are undervalued and exhibit high growth prospects (growth in excess of three times the rate of assumed inflation). Value: Firm's that we believe are undervalued, but do not exhibit high growth prospects. Growth: Firms that are not undervalued, in our opinion, but exhibit high growth prospects. Core: Firms that are neither undervalued nor exhibit high growth prospects.

Company Vitals. In this section, we list key financial information and the sector and industry that Valuentum assigns to the stock. The P/E-Growth (5-yr), or PEG ratio, divides the current share price by last year's earnings (EPS) and then divides that quotient by our estimate of the firm's 5-year EPS growth rate. The estimated normalized diluted EPS and estimated normalized EBITDA represent the five-year forward average of these measures used in our discounted cash flow model. The P/E on estimated normalized EPS divides the current share price by estimated normalized diluted EPS. The EV/estimated normalized EBITDA considers the current enterprise value of the company and divides it by estimated normalized EBITDA. EV is defined as the firm's market capitalization plus total debt, minority interest, preferred stock less cash and cash equivalents.

Business Quality Matrix. We compare the firm's ValueCreation™ and ValueRisk™ ratings. The box is an easy way for investors to quickly assess the business quality of a company. Firms that generate economic profits with little operating variability score near the top right of the matrix.

Timeliness Matrix. We compare the company's recent stock performance relative to the market benchmark with our assessment of its valuation. Firms that are experiencing near-term stock price outperformance and are undervalued by our estimate may represent timely buys.

Range of Potential Outcomes. The firm's margin of safety is shown in the graphic of a normal distribution. We consider a firm to be undervalued if its stock price falls along the green line and overvalued if the stock price falls along the red line. We consider the firm to be fairly valued if its stock price falls along the yellow line.

Return on Invested Capital. At Valuentum, we place considerable emphasis on return on invested capital (both with and without goodwill). The measure focuses on the return (earnings) the company is generating on its operating assets and is superior to return on equity and return on assets, which can be skewed by a firm's leverage or excess cash balance, respectively.

Technical Evaluation. We evaluate a firm's near-term and medium-term moving averages and money flow index (MFI) to assign each firm a rating along the following scale: VERY BULLISH, BULLISH, NEUTRAL, BEARISH, and VERY BEARISH.

Stock Price Relative Strength. We assess the performance of the company's stock during the past quarter, 13 weeks, relative to an ETF that mirrors the aggregate performance of constituents of the stock market. Firms are measured along the scale of STRONG, NEUTRAL, and WEAK. Companies that have outperformed the market index by more than 2.5% during this 13-week period receive a STRONG rating, while firms that trailed the market index by more than 2.5% during this 13-week period receive a WEAK rating.

Money Flow Index (MFI). The MFI is a technical indicator that measures buying and selling pressure based on both price and volume. Traders typically use this measure to identify potential reversals with overbought and oversold levels. We use a 14-week measure to rank firms along the following scale: EXTREMELY OVERBOUGHT (>90), OVERBOUGHT (80-90), NEUTRAL (20-80), OVERSOLD (10-20), EXTREMELY OVERSOLD (0-10).

Disclosures, Disclaimers & Additional Sources

To send us feedback or if you have any questions, please contact us at valuentum@valuentum.com. We're always looking for ways to better serve your investment needs and improve our research.

XOM Rating History	Price	Fair Value	VBI
19-Aug-25	\$106.97	\$108.00	3
16-May-25	\$108.00	\$109.00	3
12-Feb-25	\$107.96	\$118.00	3
22-Nov-24	\$121.79	\$126.00	6
4-Sep-24	\$114.99	\$116.00	3
13-Jun-24	\$110.22	\$114.00	3
22-Mar-24	\$113.49	\$120.00	6
2-Jan-24	\$102.43	\$108.00	3
27-Oct-23	\$105.55	\$123.00	3
27-Feb-23	\$110.40	\$133.00	3
19-Dec-22	\$104.74	\$107.00	3
14-Oct-22	\$99.19	\$122.00	6
22-Sep-22	\$91.30	\$122.00	3
17-Jun-22	\$86.12	\$105.00	3

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Valuentum uses its own proprietary stock investment style and industry classification systems. Peer companies are selected based on the opinions of the Valuentum analyst team. Research reports and data are updated periodically, though Valuentum assumes no obligation to update its reports, opinions, or data following publication in any form or format. Performance assessment of Valuentum metrics, including the Valuentum Buying Index, is ongoing, and we intend to update investors periodically, though Valuentum assumes no obligation to do so. Not all information is available on all companies. There may be a lag before reports and data are updated for stock splits and stock dividends.

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