

# SECOND QUARTER 2020 RESULTS

7.31.20

**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 and current industry oversupply conditions on ExxonMobil's business and results; price and margin recovery; planned capital and operating expense reductions and efficiencies; future cash flows, dividends, cash and debt balances, and capital allocation; corporate and financing expenses; 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 improvements; product sales and mix; accounting and financial reporting effects resulting from market developments and ExxonMobil's responsive actions; and 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 and the timing and pace of regional and global economic recovery; the ability to access short- and long-term debt markets on a timely and affordable basis; the ability to realize efficiencies within and across our business lines and to maintain cost reductions without impairing our competitive positioning; the impact of company actions to protect the health and safety of employees, vendors, customers, and communities; reservoir performance; the outcome and timing of exploration and development projects; timely completion of construction projects; war and other security disturbances, including shipping blockades or harassment; political factors including changes in local, national, or international policies affecting our business; or changes in law or government regulation, including trade sanctions, tax and environmental regulations; the outcome of commercial negotiations and impact of commercial terms; actions of competitors and commercial counterparties; actions of consumers; opportunities for and regulatory approval of investments or divestments that may arise; the outcome of research efforts and the ability to bring new technology to commercial scale on a cost-competitive basis; the development and competitiveness of alternative energy and emission reduction technologies; unforeseen technical or operating 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 at the time of this presentation and we assume no duty to update these statements as of any future date.
- Forward-looking statements in this release regarding project timing, returns, and results; targeted capital and operating expense reductions; market strategies; capital allocation; and other future plans, targets or key milestones refer to plans outlined in ExxonMobil's press release dated April 7, 2020 and subsequent public disclosures including our first quarter earnings press release and conference call on May 1, 2020 and annual shareholders' meeting on May 27, 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 **FIRST QUARTER 2020**

## UPSTREAM

Liquids realizations fell ~50% versus 1Q; production curtailments of ~330 Koebo  
Maintained operations performance despite global travel and supply chain disruptions  
Guyana: Phase 1 demonstrated full capacity, Phase 2 FPSO topsides integration progressing  
Permian: Started up Delaware central processing and exporting facility (Cowboy)

## DOWNSTREAM

Refining margins decreased from 1Q levels; 50% below ~10-year annual lows  
Refinery sparing at ~30% with reduced demand; utilization improved through 2Q

## CHEMICAL

Margins sustained versus 1Q with product realizations moving in line with composite feedstock cost  
Impact from COVID-19 moderated by resilient demand for packaging and hygiene

## CORPORATE

Supported COVID-19 response efforts through manufacturing and donations of products and resources  
Commenced project to reduce methane emissions with new network of detection technology

# RESULTS **2Q20 VS. 1Q20**

	U/S	D/S	CHEM	C&F	TOTAL
1Q20 GAAP Earnings / (Loss)	<b>0.5</b>	<b>(0.6)</b>	<b>0.1</b>	<b>(0.7)</b>	<b>(0.6)</b>
Non-cash inventory valuation	(0.3)	(1.6)	(0.2)	-	(2.1)
Impairments	(0.4)	(0.3)	(0.1)	-	(0.8)
<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>
Price, margin, and forex	(3.0)	(2.2)	-	(0.1)	(5.3)
Demand / volume	(0.2)	(0.2)	(0.2)	-	(0.6)
Other base business	0.2	0.4	0.1	(0.1)	0.6
<b>2Q20 Earnings / (Loss) ex. Identified Items</b>	<b>(1.9)</b>	<b>(0.6)</b>	<b>0.4</b>	<b>(0.9)</b>	<b>(3.0)</b>
Non-cash inventory valuation	0.2	1.6	0.1	-	1.9
2Q20 GAAP Earnings / (Loss)	(1.7)	1.0	0.5	(0.9)	(1.1)

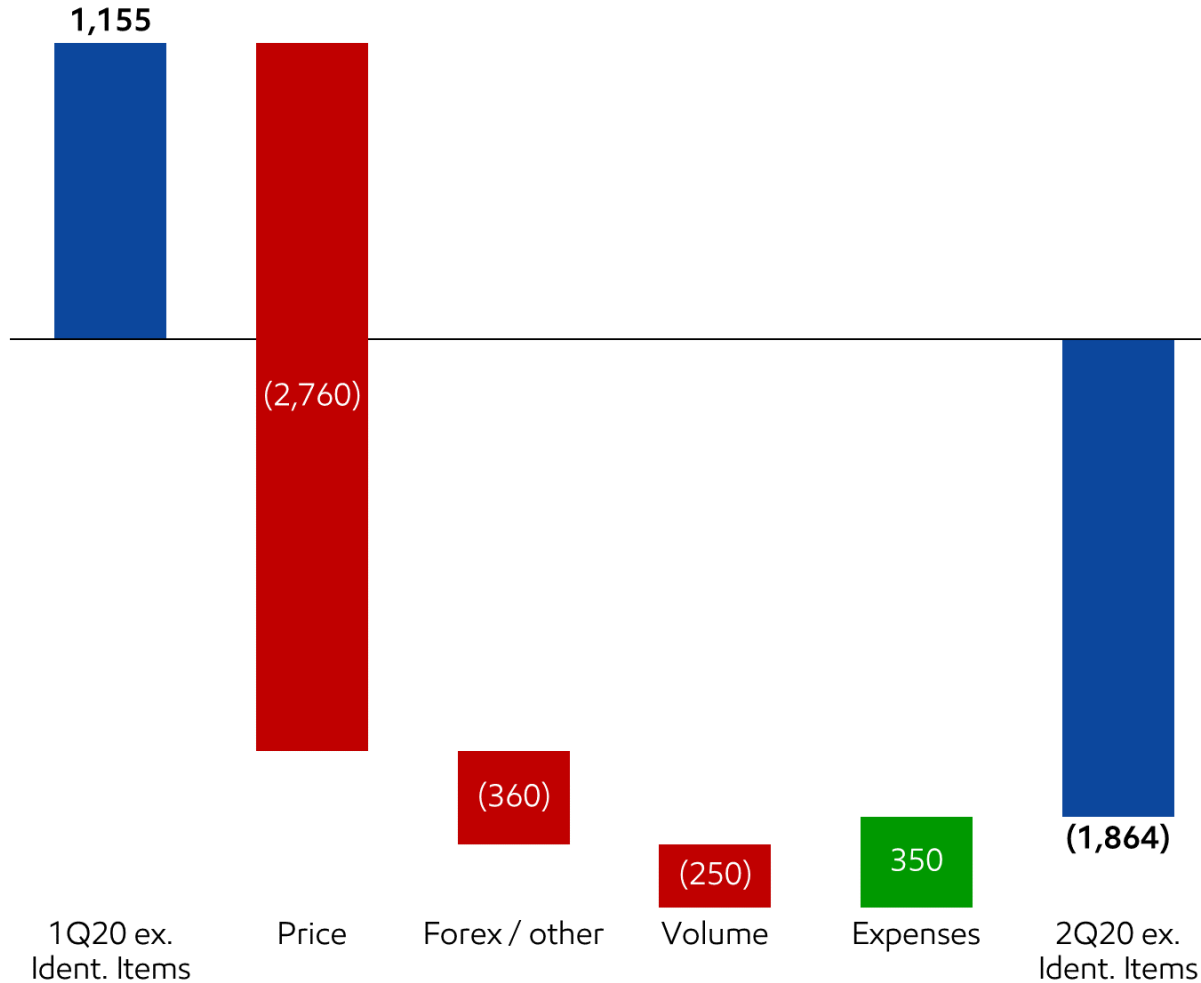
- Improvement during 2Q from April lows
- Lower volumes related to COVID-19 demand impacts
- Earnings benefit from reduced expenses across all businesses of \$0.8 billion
- Positive inventory valuation impact from higher commodity prices

*Billions of dollars unless specified otherwise  
Due to rounding, numbers presented above may not add up precisely to the totals indicated*

# UPSTREAM 2Q20 VS. 1Q20

## CONTRIBUTING FACTORS TO CHANGE IN EARNINGS

Million USD

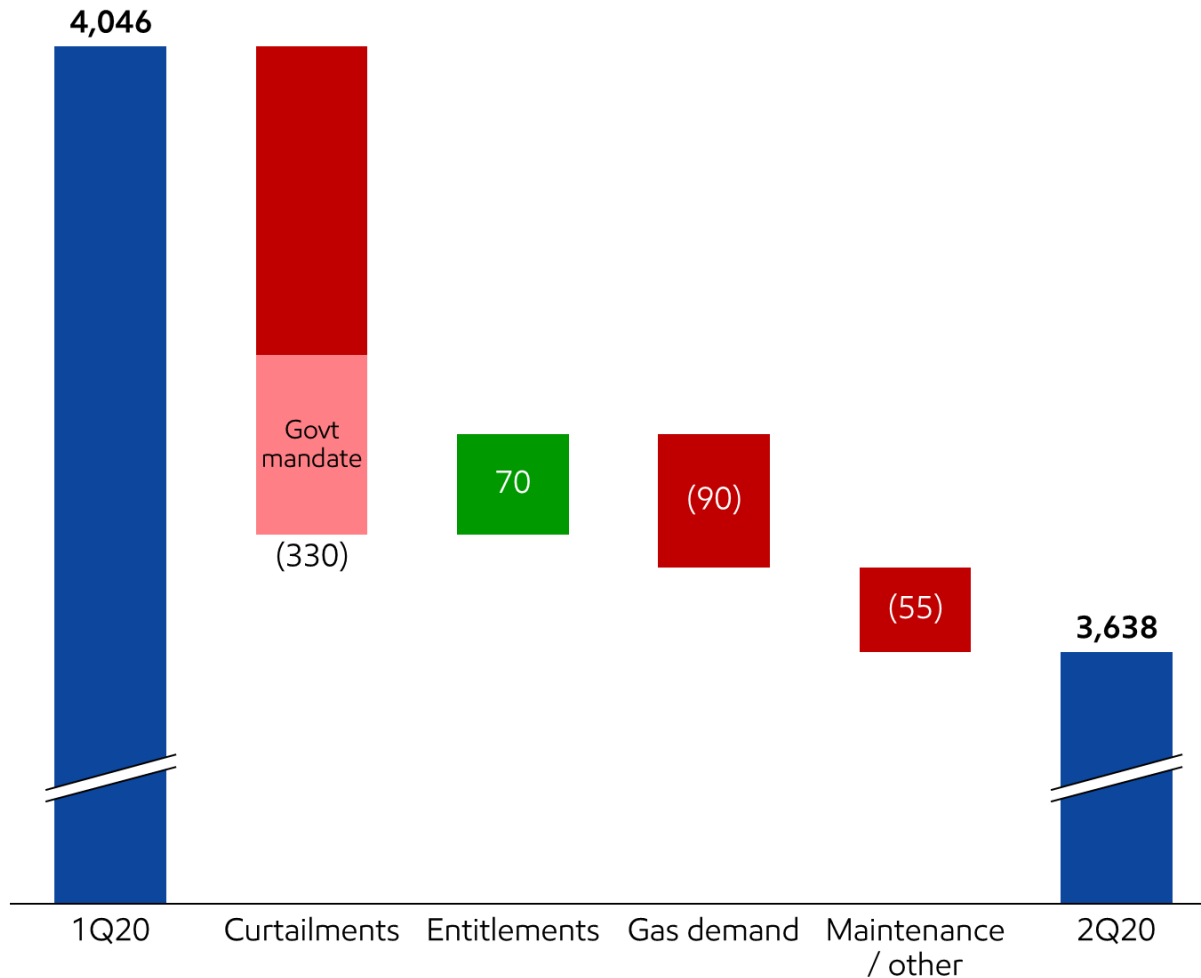


- Liquids realizations down ~50%, gas realizations down 25%
- Volume impacts driven by scheduled maintenance and lower seasonal gas demand
- Lower expenses from efficiencies, reduced unconventional and exploration activities, and market-related savings

# UPSTREAM VOLUMES 2Q20 VS. 1Q20

## CONTRIBUTING FACTORS TO CHANGE IN VOLUMES

Koebd

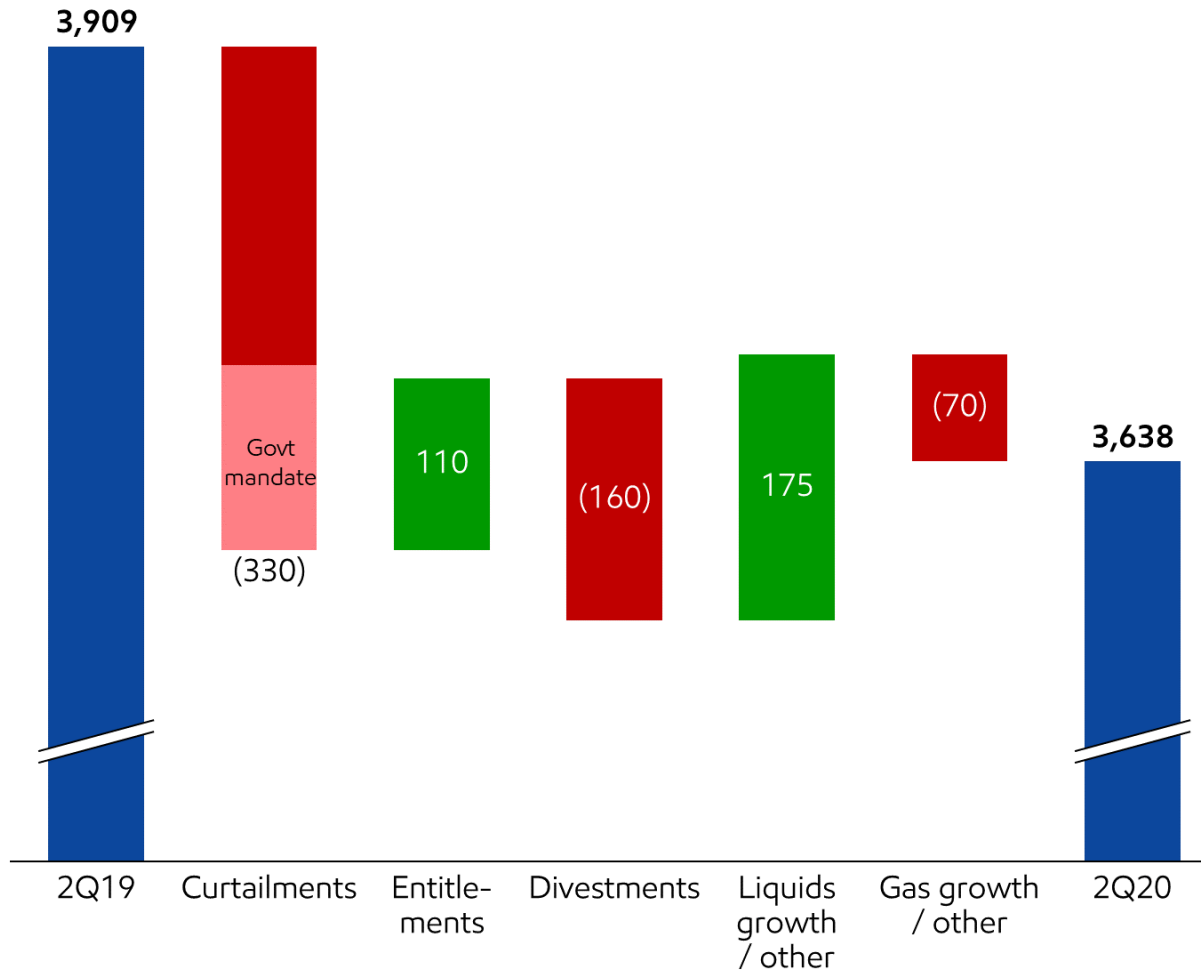


- Economic curtailments in unconventional and heavy-oil
- Government-mandated reductions implemented in May
- Lower seasonal gas demand in Europe
- Scheduled maintenance timing, mainly LNG

# UPSTREAM VOLUMES 2Q20 VS. 2Q19

## CONTRIBUTING FACTORS TO CHANGE IN VOLUMES

Koebd

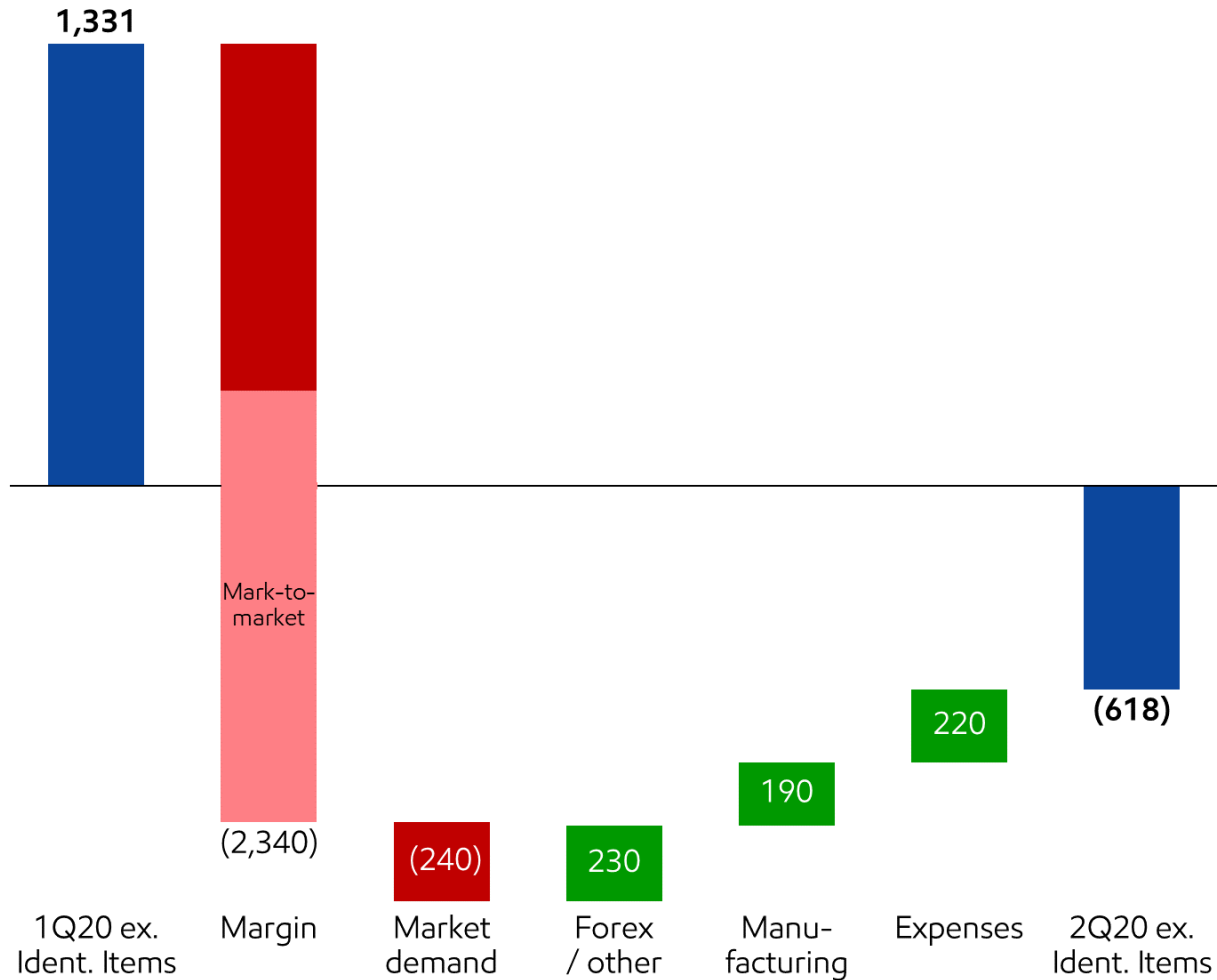


- Economic curtailments in unconventional and heavy-oil
- Government-mandated reductions implemented in May
- Norway divestment
- Liquids growth driven by Permian, Abu Dhabi, Guyana, and lower maintenance

# DOWNSTREAM 2Q20 VS. 1Q20

## CONTRIBUTING FACTORS TO CHANGE IN EARNINGS

Million USD



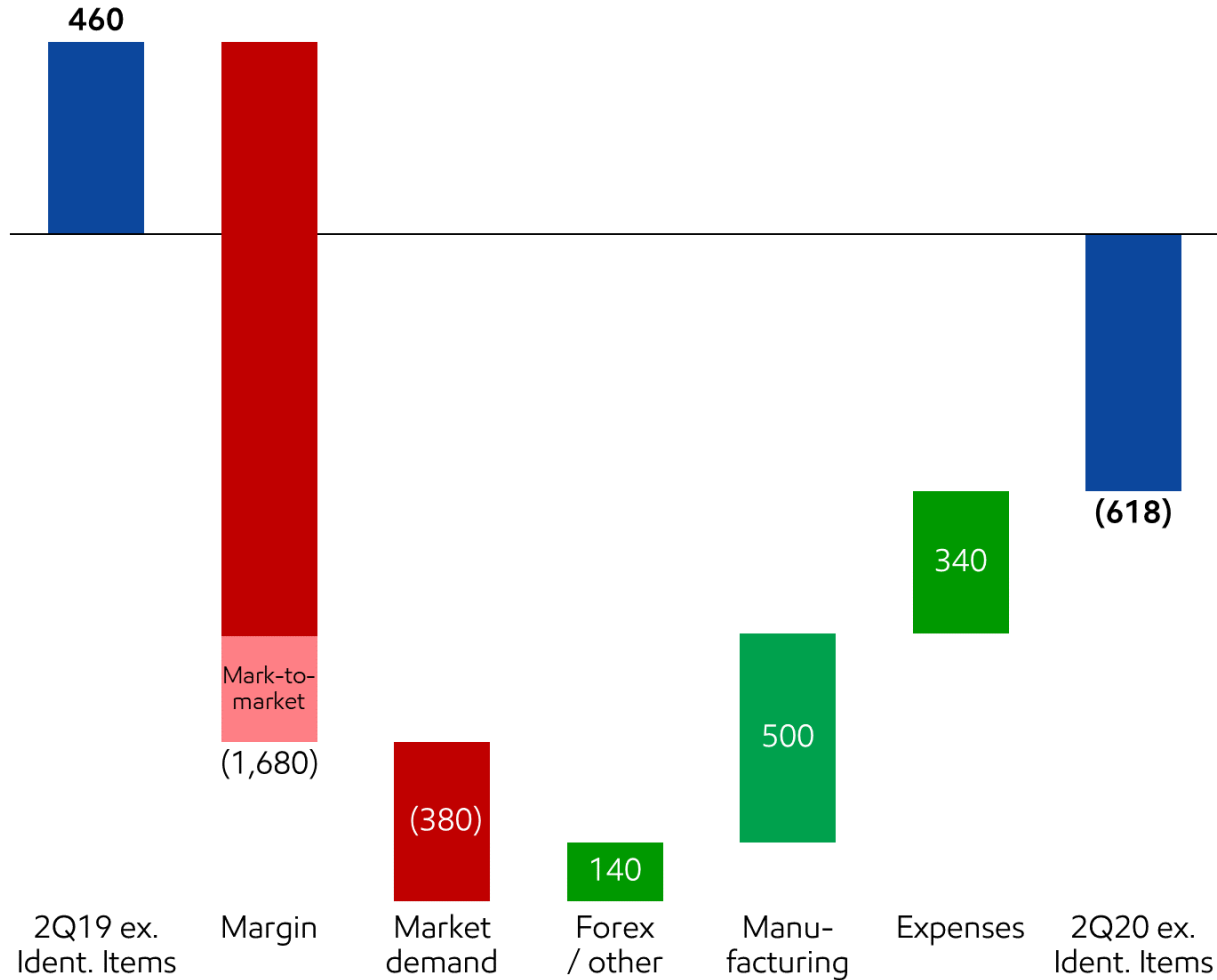
- Lower margins and demand impacts driven by COVID-19
  - Absence of 1Q favorable mark-to-market impact of \$1.1 billion and 2Q impact of (\$0.2) billion
- Lower manufacturing turnaround activity
- Reduced expenses from logistics optimization, efficiencies, and market-related savings



# DOWNSTREAM 2Q20 VS. 2Q19

## CONTRIBUTING FACTORS TO CHANGE IN EARNINGS

Million USD

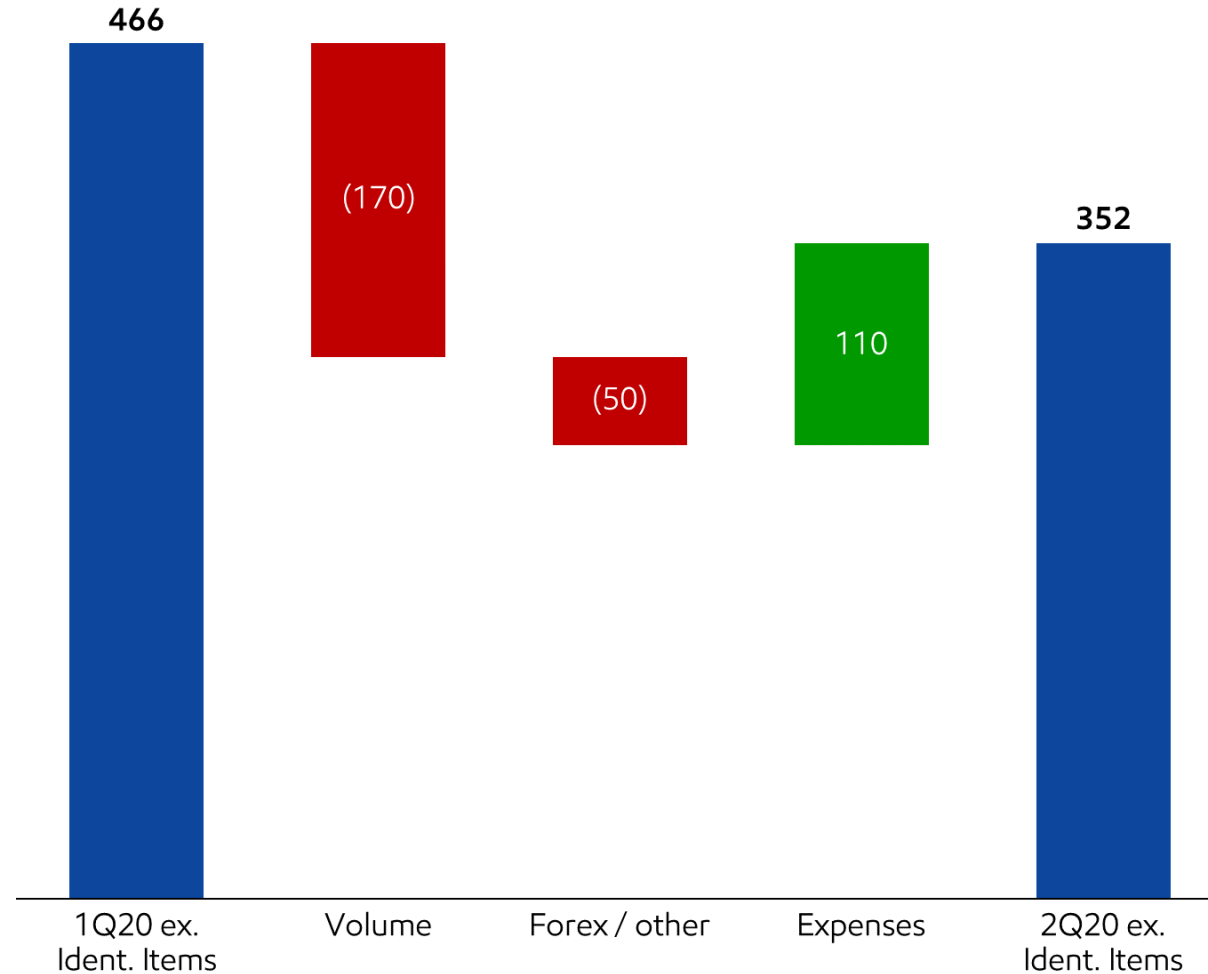


- Lower margins and demand impacts driven by COVID-19
- Lower manufacturing turnaround activity
- Reduced expenses from logistics optimization, efficiencies, and market-related savings

# CHEMICAL 2Q20 VS. 1Q20

## CONTRIBUTING FACTORS TO CHANGE IN EARNINGS

Million USD

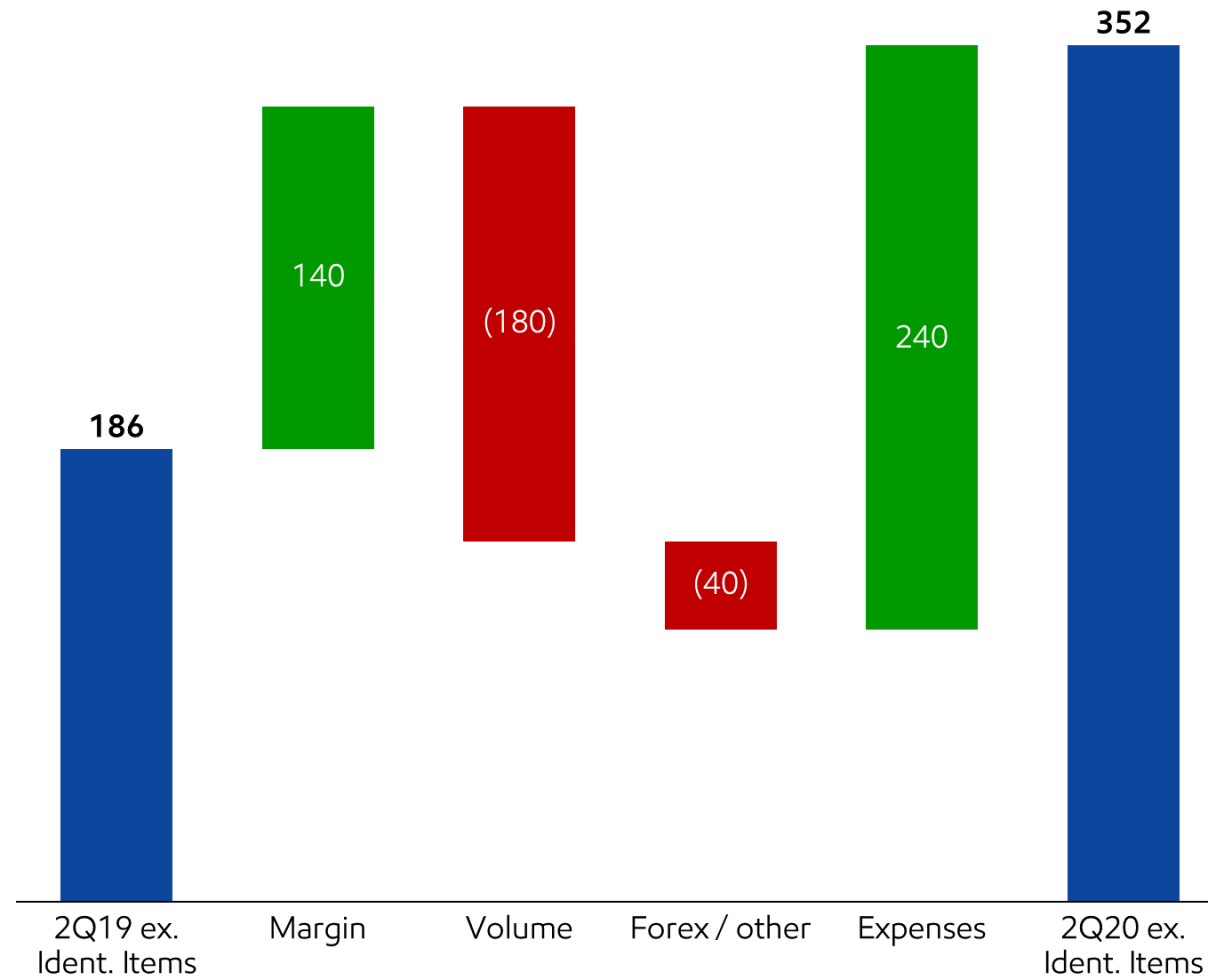


- Margin impact flat with 1Q
- Lower volumes with COVID-19 demand impacts
- Optimized pacing of projects, turnaround and maintenance efficiencies, and supply chain savings reduced expenses

# CHEMICAL 2Q20 VS. 2Q19

## CONTRIBUTING FACTORS TO CHANGE IN EARNINGS

Million USD

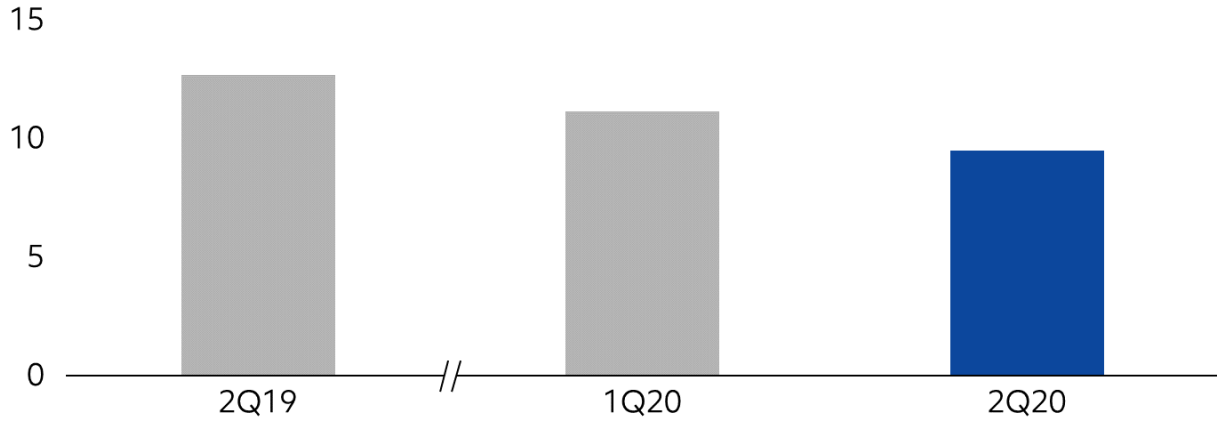


- Margins benefited from lower feed costs
- Lower volumes with COVID-19 demand impacts
- Optimized pacing of projects, turnaround and maintenance efficiencies, and supply chain savings reduced expenses

# DRIVING EFFICIENCIES

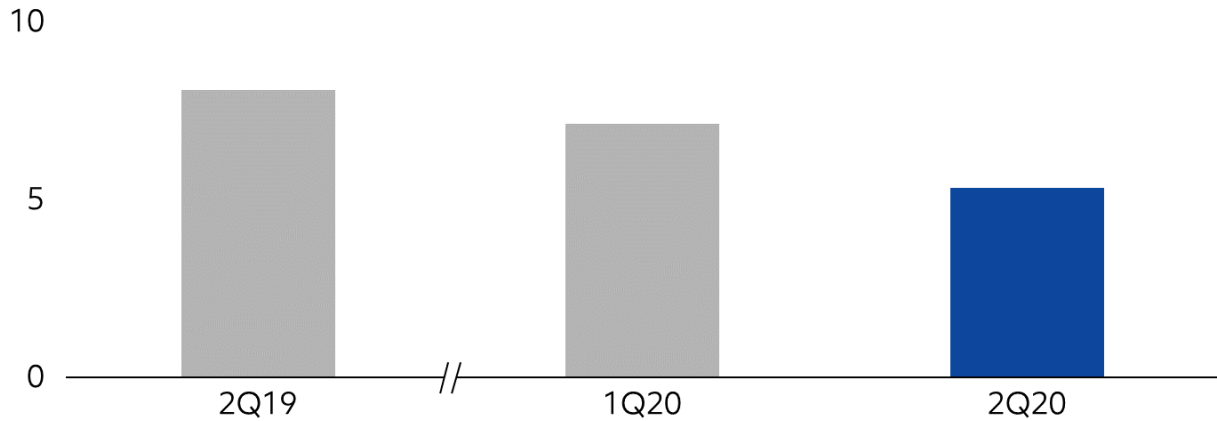
## CASH OPERATING COSTS<sup>1</sup>

Billion USD



## CAPEX

Billion USD



<sup>1</sup>See Supplemental Information

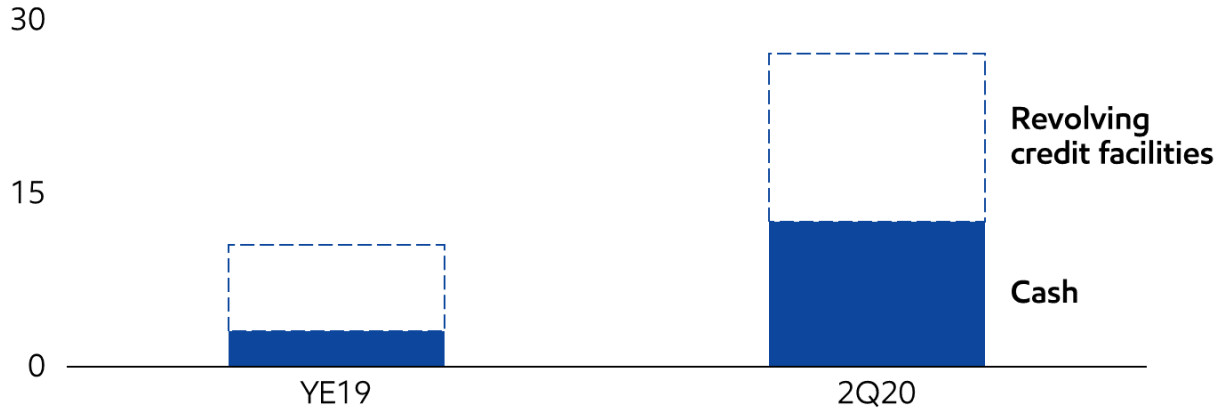
- On track to meet or exceed full-year capital spending and cost-reduction targets
- Pacing investments while preserving long-term value
- Options to ramp up short-cycle investments based on market conditions



# FINANCIAL CAPACITY

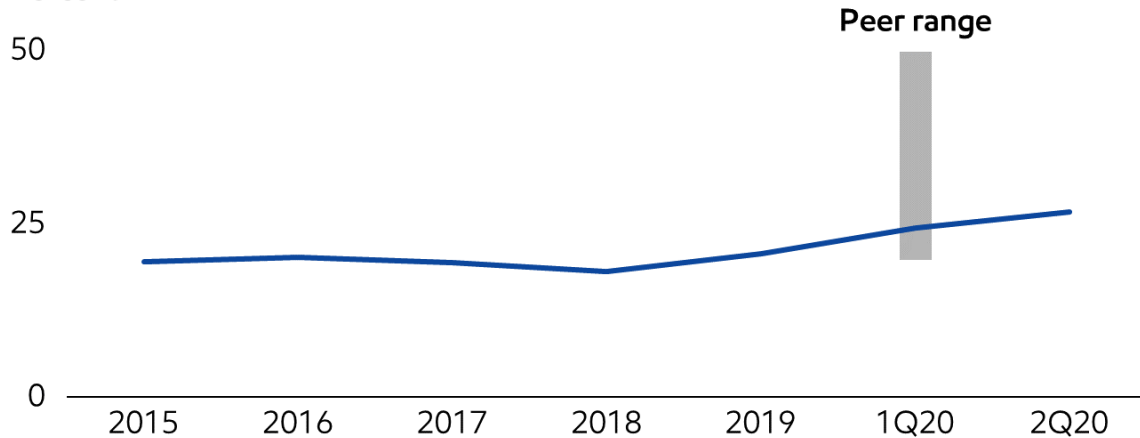
## SOURCES OF LIQUIDITY<sup>1</sup>

Billion USD



## MOODY'S DEBT / BOOK CAPITALIZATION<sup>2</sup>

Percent



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

- Preserving financial capacity by reducing near-term Capex and lowering cash operating costs
- Leveraged competitive access to capital markets
  - Issued ~\$15 billion of term debt in 2Q

# SECOND QUARTER 2020 **CASH PROFILE**

	2Q20	1Q20
<b>Beginning Cash</b>	<b>11.4</b>	<b>3.1</b>
Earnings / (Loss)	(1.1)	(0.6)
Depreciation	4.9	5.8
Non-cash Inventory Adjustment <sup>1</sup>	(2.1)	2.2
Working Capital / Other	(1.8)	(1.2)
<b>Cash Flow from Operating Activities</b>	<b>0.0</b>	<b>6.3</b>
Proceeds Associated with Asset Sales	0.0	0.1
<b>Cash Flow from Operations and Asset Sales</b>	<b>0.0</b>	<b>6.4</b>
Shareholder Distributions	(3.7)	(3.7)
PP&E Adds / Investments and Advances <sup>2</sup>	(5.1)	(6.5)
Debt / Other Financing	10.0	12.1
<b>Ending Cash</b>	<b>12.6</b>	<b>11.4</b>

Billions of USD

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

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

- Cash flow from operating activities in line with anticipated COVID-19 demand impacts / oversupply
- Non-cash inventory adjustment with increased inventory value from higher commodity prices
- Working capital / other driven by seasonal reduction in payables and inventory build
- Short-term increase in cash balance to manage market volatility / uncertainty

# THIRD QUARTER 2020 **OUTLOOK**

## UPSTREAM

Reduced economic production curtailments averaging ~60 Koebd  
Government-mandated curtailments averaging ~140 Koebd in line with public announcements

## DOWNSTREAM

Anticipate refinery crude runs increasing in third quarter; margins remain weak  
Scheduled maintenance down slightly from second quarter

## CHEMICAL

Demand improvement anticipated in key durable and automotive sectors  
Scheduled maintenance in line with first quarter

## CORPORATE

Corporate and financing expenses expected to be ~\$800 million  
Continued improvements in cost reductions / efficiencies consistent with announced targets



# MANAGEMENT PERSPECTIVES



NEIL CHAPMAN  
SENIOR VICE PRESIDENT

ExxonMobil



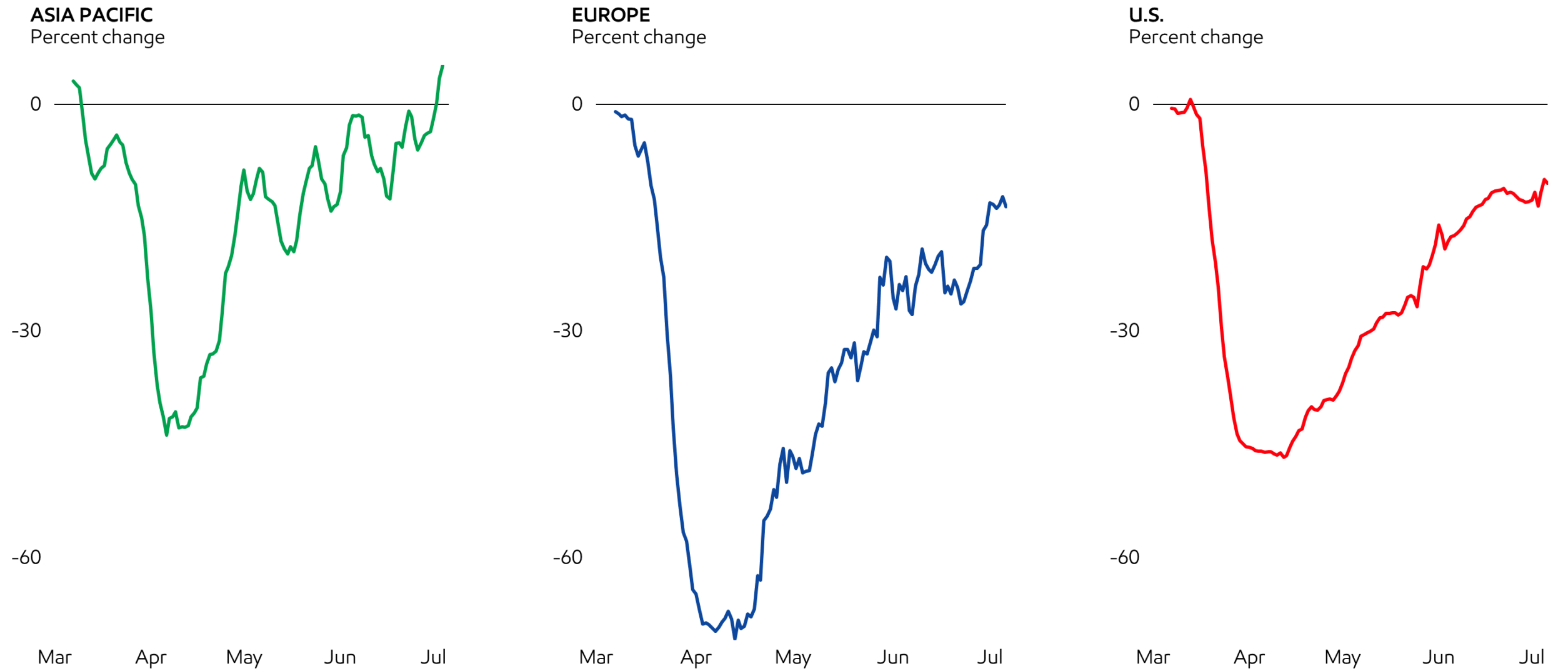
# KEY MESSAGES

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Decisive response to unprecedented COVID-19 impact while preserving long-term value

- Safely maintained continuity of operations in challenging environment
  - Optimized production in response to market conditions
  - Significantly reducing costs and pacing investments without compromising safety and integrity
  - Increased liquidity in line with business needs and price environment
  - Rapidly increased production of raw materials for hand sanitizers and medical garments
-

# RECOVERING TRANSPORTATION FUELS DEMAND

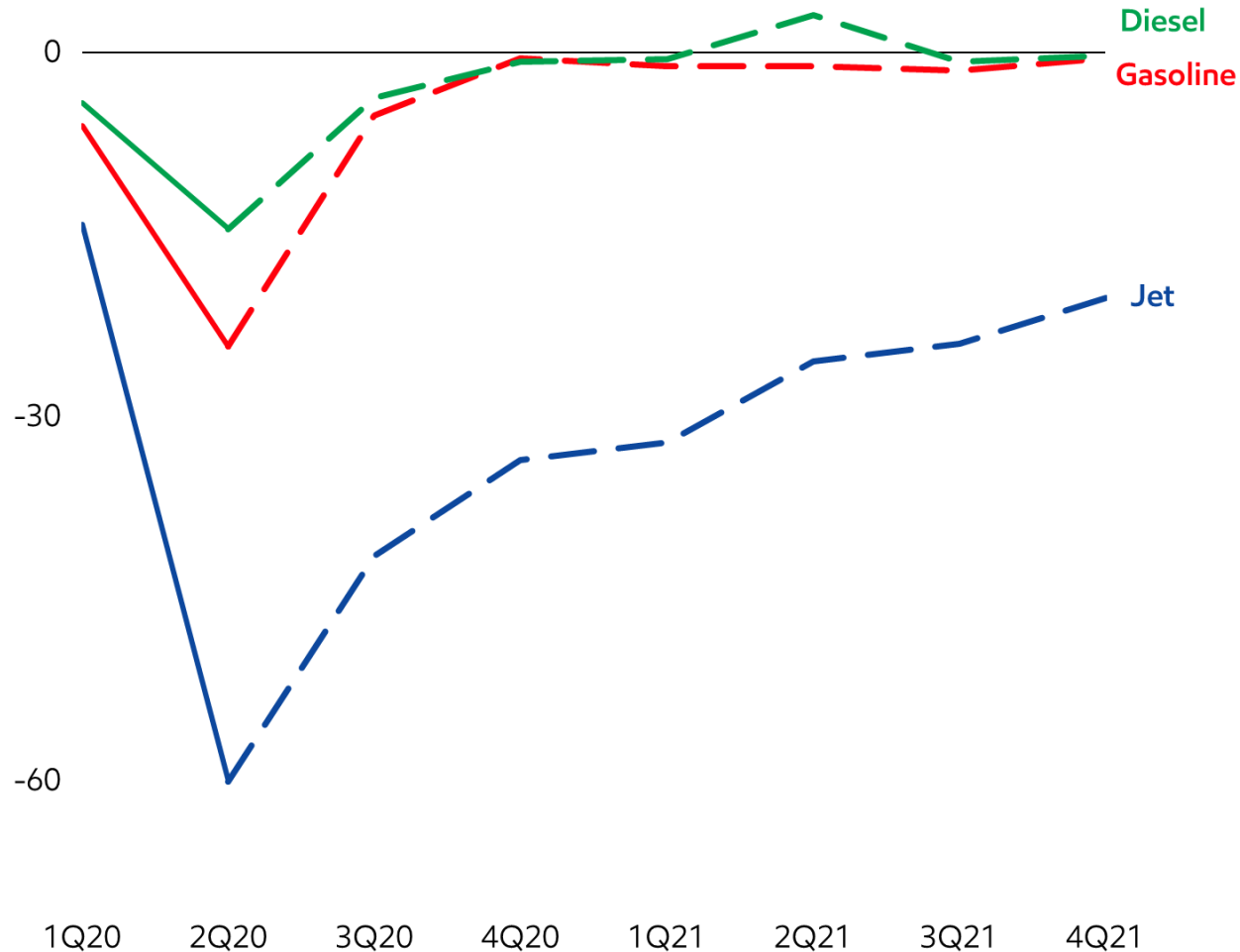


<sup>1</sup>See Supplemental Information

# TRANSPORTATION FUELS DEMAND **OUTLOOK**

## YEAR-ON-YEAR PRODUCT DEMAND IMPACT<sup>1</sup>

Percent



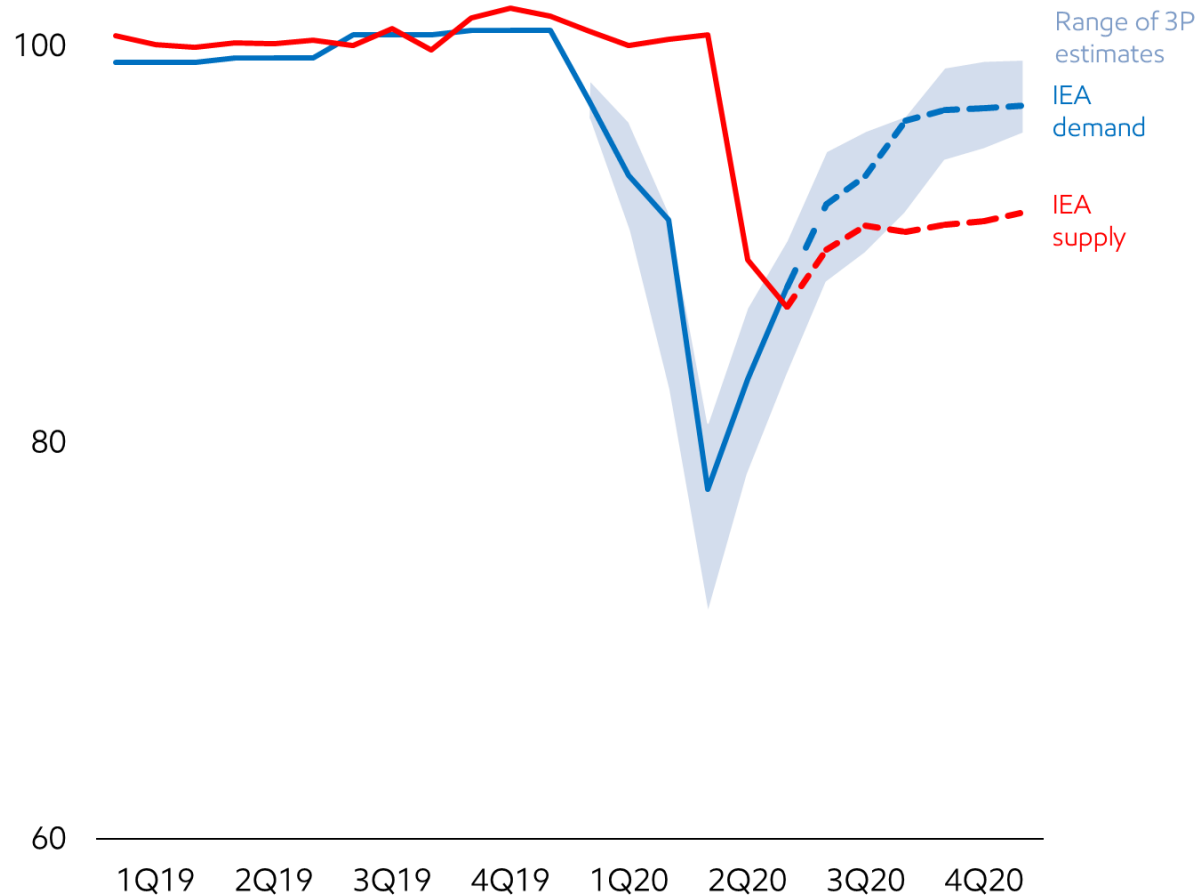
<sup>1</sup>See Supplemental Information

- 4Q20 road transportation fuels demand projected to be similar to 4Q19 levels
- Slowest recovery expected for jet fuel
- 2Q20 global refinery crude throughput ~15% below 2019

# LIQUIDS SUPPLY/DEMAND BALANCE **RECOVERING**

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

Millions of barrels per day



- 2Q20 demand down 20% versus 2Q19
- Unprecedented industry supply cuts
  - OPEC+ down ~11 Mbd
  - North America production shut-ins

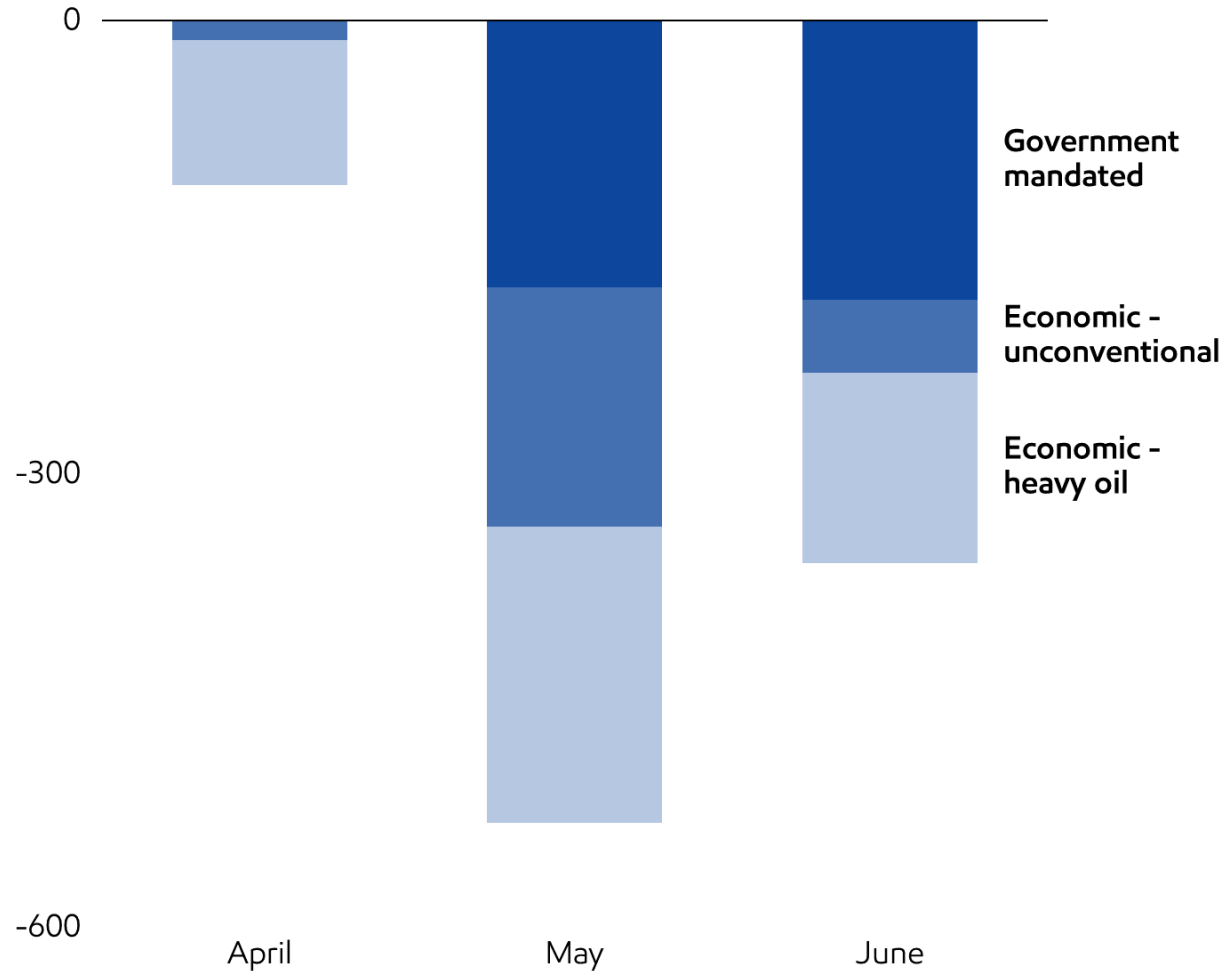
<sup>1</sup>See Supplemental Information



# PRODUCTION CURTAILMENTS

## EXXONMOBIL PRODUCTION CURTAILMENTS

Koebd



- 2Q economic and government-mandated production curtailments ~330 Koebd
  - Government mandated ~120 Koebd
  - Unconventional ~75 Koebd
  - Heavy oil ~130 Koebd
- Early life unconventional wells shut in at low prices
  - Majority of wells back online in July
- Advanced planned maintenance work at Kearl with sequential line shut downs
- Anticipate total 3Q volume impact ~200 Koebd

# PERMIAN UPDATE

## PERMIAN PRODUCTION

Koebd, net

400

200

0

2018

2019

2020

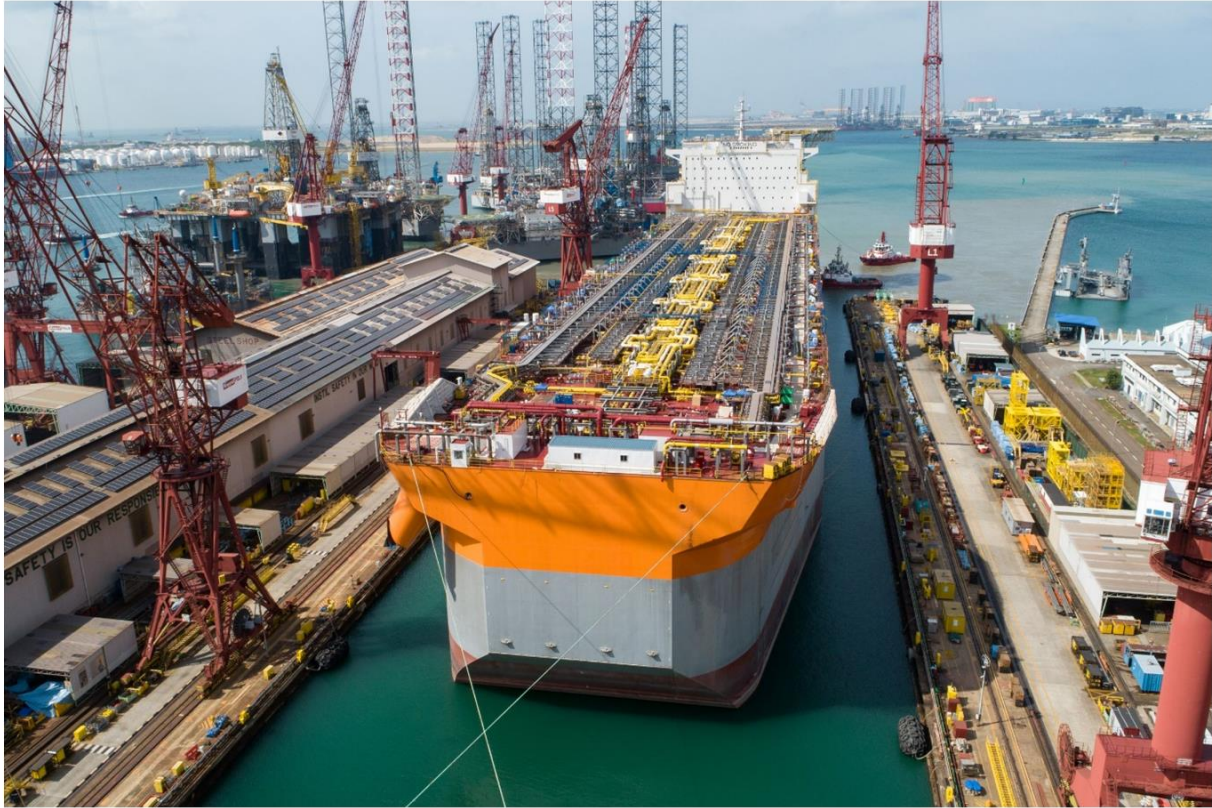


June YTD

Volumes shown on a net basis

- 2Q production of 298 Koebd
  - Up 9% vs. 2Q19 despite curtailments
- Anticipate 2020 production ~345 Koebd
  - Down ~15 Koebd vs. Investor Day
- Significant reduction in Capex
  - Permian rig count reduced to 30 in 2Q
  - Expect to reduce to 10-15 rigs by year-end
- Delayed flowback of largest-to-date Midland cube until 3Q due to low prices

# GUYANA **UPDATE**

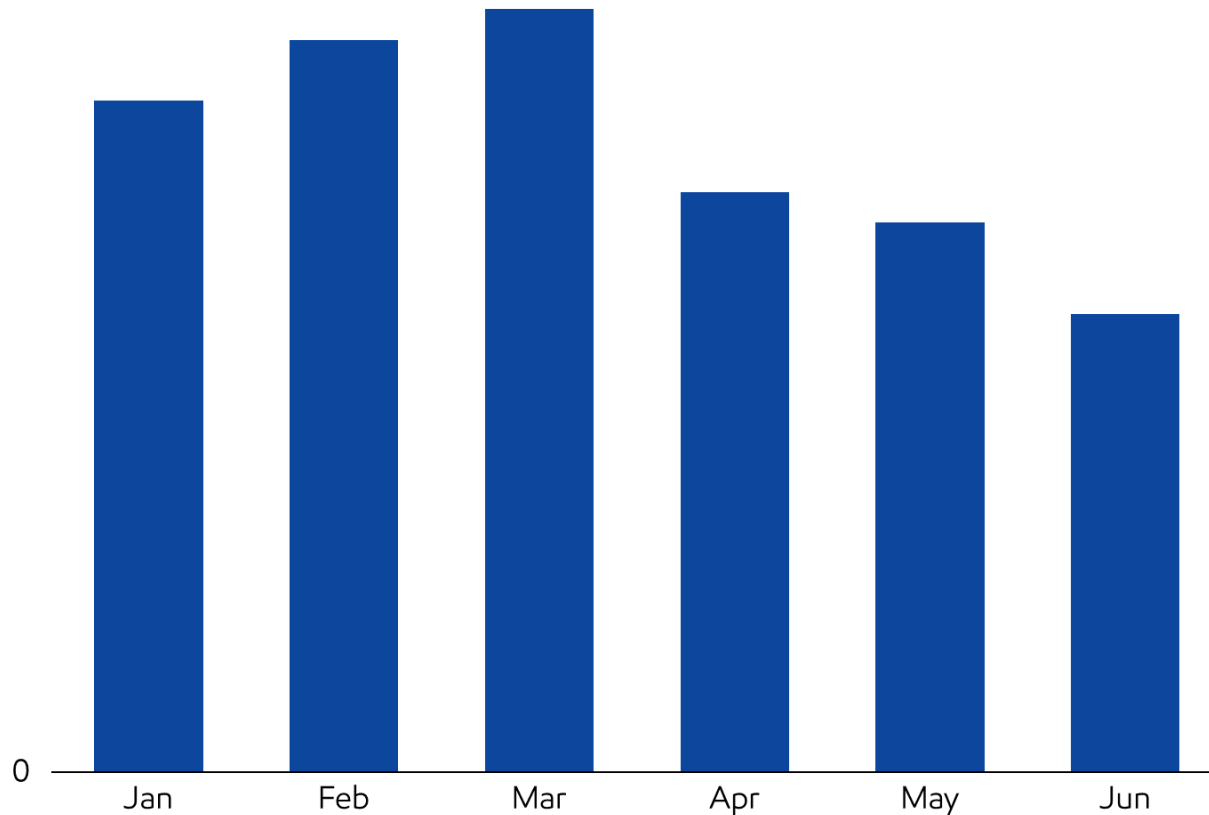


- Liza Phase 1 demonstrated production capacity of 120 Kbd
- Liza Phase 2 development remains on schedule for 2022 start-up
- Four drilling rigs operating in June
  - Exploration, appraisal, and development
  - Yellowtail-2: two additional high-quality reservoirs, one adjacent and one below Yellowtail field
- Payara schedule driven by timing of development plan approval

# CAPEX PERSPECTIVES

CAPEX  
Billion USD

3

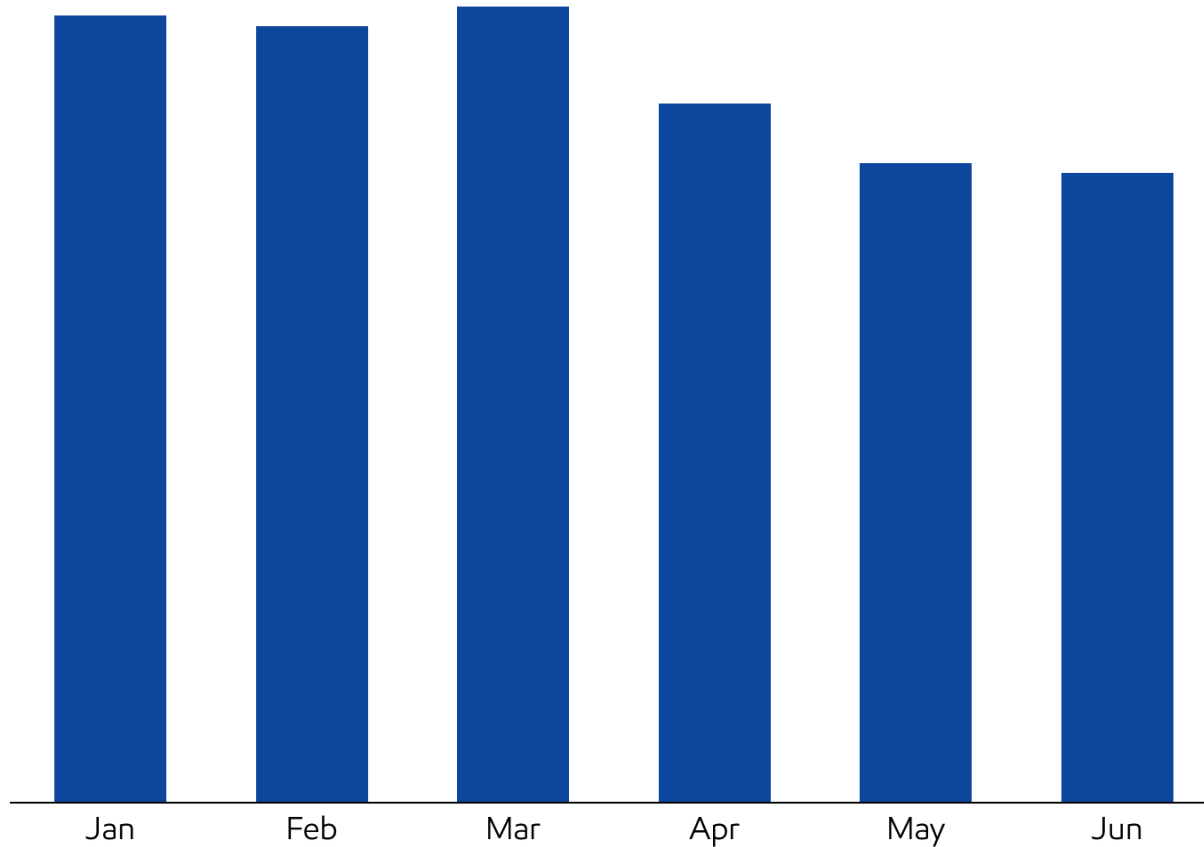


- Reduction in capital spending ahead of revised plan
  - On track to meet or exceed 30% reduction target
- Significant reductions in short-cycle unconventional
- Working closely with contractors, partners, governments
  - Achieve short-term reductions
  - Preserve long-term value
  - Maintain future optionality
- Largely offsetting deferral costs with efficiencies and market savings



# OPEX PERSPECTIVES

## CASH OPEX



- Ahead of pace to achieve 15% reduction target
  - Maintaining safety and operations integrity spend
- Recent reorganizations critical to identification and rapid capture of efficiencies
  - Accelerating implementation of previously discussed plans
- Aggressively pursuing further long-term efficiencies and reductions

# CAPITAL ALLOCATION **PRIORITIES**

- Long-term capital allocation priorities remain unchanged
  - Invest in advantaged projects
  - Maintain strong balance sheet
  - Provide reliable and growing dividend
- Balancing priorities in response to short-term conditions
  - Reducing short-term capital spending by >30%
  - Reducing cash operating expenses by >15%
  - Increased year-to-date debt by \$23 billion
- With COVID-19 demand uncertainties, developing plans to:
  - Further reduce Opex and efficiently defer Capex
  - Hold debt to current level
  - Maintain dividend
- Maintaining flexibility to further adjust priorities as market evolves

# KEY MESSAGES

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Decisive response to unprecedented COVID-19 impact while preserving long-term value

- Sustain focus on employee safety and operational continuity despite ongoing challenges
  - Efficiently recover production leveraging full value chain integration
  - Drive additional cost savings and implement investment pacing plans
  - Manage balance sheet capacity in line with business needs and price environment
  - Continue to support community and medical response
-

# Q&A

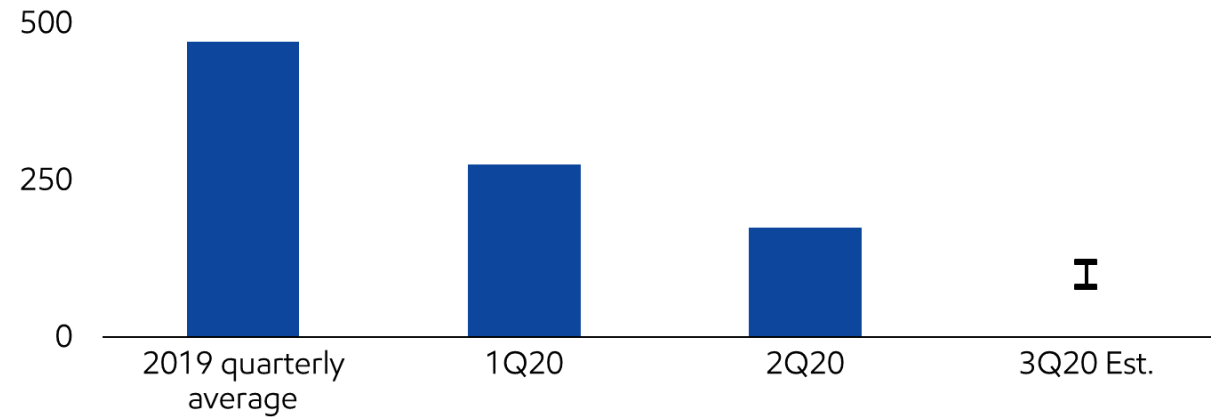




# THIRD QUARTER 2020 **OUTLOOK**

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

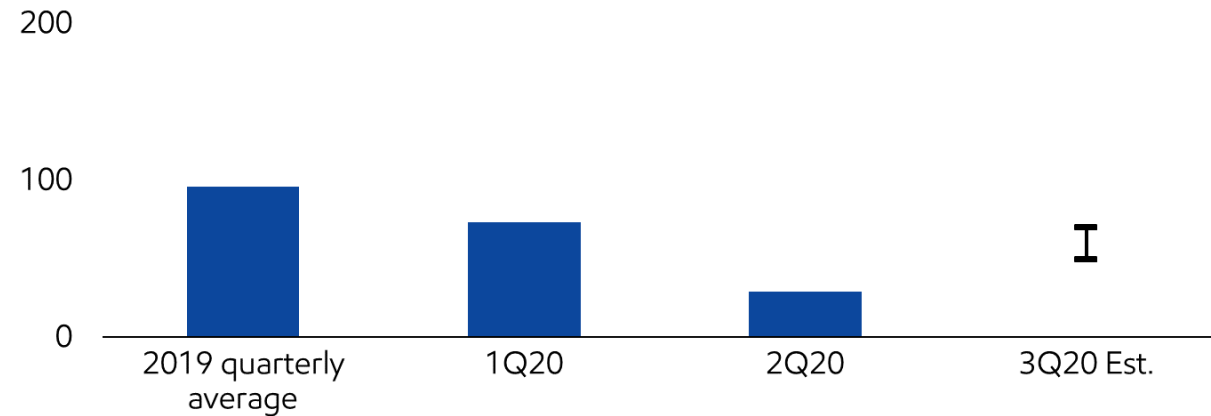
Million USD



- Full year 2020 turnaround activity down from 2019

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

Million USD



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



# SUPPLEMENTAL INFORMATION

“Curtailments,” as used on slides 6 and 7, includes both (1) government mandates and (2) economic curtailments. Government mandates are shown as a separate category below. Economic curtailments are included below as part of the “Demand / Other” category.

UPSTREAM VOLUME FACTOR ANALYSIS			2Q20 vs. 1Q20	2Q20 vs. 2Q19
Prior Period			4,046	3,909
Downtime / Maintenance			-9	+105
Growth / Decline			-8	+98
Entitlement / Divestments			+68	-46
Government mandates			-121	-121
Demand / Other			-338	-307
Current Period			3,638	3,638

# SUPPLEMENTAL INFORMATION

## Slide 12

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

## Slide 13

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

## Slide 14

- 1) Includes noncontrolling interests of \$149M in 1Q20 and (\$147M) in 2Q20
- 2) Includes PP&E Adds of (\$4.4B) and net investments/advances of (\$0.7B)

## Slide 18

- 1) Year-on-year change of ExxonMobil branded gasoline and diesel retail sales (7-day rolling averages)

## Slide 19

- 1) Source: International Energy Agency (IEA)

## Slide 20

- 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 29

- 1) Estimates based on June 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 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. Cash Opex as used on slide 25 is a monthly proxy for this measure that includes equity company cash expenses.

**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.