ExxonMobil First Quarter 2025 Earnings Call Transcript

This transcript presents ExxonMobil's first quarter 2025 earnings call held on May 2, 2025

Jim Chapman: Good morning, everyone. Welcome to ExxonMobil's first-quarter 2025 earnings call. Today's call is being recorded. We appreciate your joining us today. I'm Jim Chapman, Vice President, Treasurer and Investor Relations, and I'm joined by Darren Woods, Chairman and Chief Executive Officer, and Kathy Mikells, Senior Vice President and Chief Financial Officer.

This quarter's presentation and prerecorded remarks are available on the Investors section of our website. They are meant to accompany the first-quarter earnings news release, which is posted in the same location.

We also published a new Company Overview presentation, which is posted alongside our earnings materials. This document provides some new financial and other perspectives on ExxonMobil.

During today's presentation, we'll make forward-looking comments, including discussions of our long-term plans, which are subject to risks and uncertainties. Please read our cautionary statement on slide two. You can find more information on the risks and uncertainties that apply to any forward-looking statements in our SEC filings on our website. Note that we also provided supplemental information at the end of our earnings slides, which are also posted on the website.

And now, I'll turn it over to Darren for opening remarks.

Darren Woods: Good morning, and thanks for joining us.

I'll begin with some comments on the current market and policy environment, especially in light of the ongoing uncertainty in tariffs.

It’s clear that this uncertainty is weighing on economic forecasts, causing significant volatility and raising the prospects of slower growth. Coupled with the threats of increased OPEC supply, we are seeing significant downward pressure on prices and margins.

In this environment, it’s more important than ever to focus on what we can control and this company’s track record of delivery. The work we’ve done over the past eight years should make one thing clear: We’re ready for this.

Our strategy has led to an advantaged portfolio with low cost of supply … a strong balance sheet, with a 7% net-debt-to-capital ratio that leads large-cap industrials and all IOCs … and a lean cost base. We’ve taken $12.7 billion of structural costs out of the business since 2019. Think about that … almost $2.5 billion a year for the past 5 years. No other IOC even comes close.

Our organization has planned for this. We pressure test our plans and the financial outcomes with scenarios that are more severe than our COVID experience. For us, success isn’t defined in the good times, but in the hard times.

That’s also when our competitive advantages in people, scale, technology, integration and execution excellence really stand out. Today, we’re prepared and better positioned than others to respond to market challenges and, in fact, take advantage of the opportunities they present.

Looking past this, the longer-term fundamentals underpinning our businesses are robust.

The world will continue to need reliable and affordable energy and our portfolio of products that support modern living. We’ll continue to invest in advantaged projects for both our existing and new businesses to profitably meet these needs.

And when we get to 2030, I'm confident we will have delivered on our plan – $20 billion more in earnings and $30 billion more in cash assuming constant prices and margins … and significantly greater value for shareholders.

Turning to our current performance, we delivered another strong quarter thanks to the hard work of our people executing our strategy. Our earnings were $7.7 billion, up 4% sequentially, excluding identified items. We generated $13 billion of cash flow from operations, which led all IOCs.

As I noted, to improve efficiency, we continued to take expense out of the business with an industry-leading program of structural cost savings. To further high-grade our portfolio, we sold $1.8 billion of assets in the quarter, driven by divestments in the Upstream. We've also completed the $5 billion of incremental divestments we laid out at the Corporate Plan Update in December, and we'll continue to actively manage our portfolio and evaluate opportunities to further high grade where it makes sense. Since 2019, we've sold $24 billion of non-core assets, strategically reshaping our portfolio and growing earnings power.

Taken together, the strategic choices and investments we've made since 2019 have strengthened our quarterly earnings power by $4 billion at current prices and margins. Our ongoing transformation to become a more efficient company, with a lower cost of supply, is driving lower breakevens … with firm plans to improve them to $35 per barrel by 2027 and $30 per barrel by 2030.

Importantly, we're lowering breakevens the right way, by growing earnings power and cash flow, not slashing capital investments, which are the foundation for value growth in our business. Prudently investing in advantaged opportunities – across price cycles - was key to doubling earnings since 2019, and is critically important to growing cash flow $30 billion by 2030.

Our ability to successfully deliver large-scale, attractive investments at or below cost and often ahead of schedule positions us well in difficult market conditions. We are seeing that in China, where we recently commenced operations at our world-scale chemical plant. This is one of the largest, most complex projects we've ever done, and we delivered it ahead of schedule and under budget. We will competitively supply high-value chemical products for the China market – protected from tariffs – with attractive long-term growth.

We're starting up our second advanced recycling unit at Baytown, using proprietary technology to recycle plastic waste at a much lower cost than alternative processes. Like our first advanced recycling unit, the new one will have capacity to process 80 million pounds a year for a growing market of certified circular polymers.

We're bringing on two new FPSOs at our deepwater projects offshore Guyana and Brazil. We expect to start up both later this year.

And, in our new technology-enabled businesses, market interest continues to grow. With our Proxxima™ business, we showcased a new high-strength EV battery case at the world's leading composites trade show in March. Our solution improves the efficiency of the vehicle manufacturing process, reduces the overall weight, and can't be replicated by other composites.

We also announced a collaboration with Nordex Group, a leading wind turbine manufacturer, to use Proxxima™ resin as a more durable solution for the company's blades. We'll hit multiple Proxxima™ milestones this year, including more than doubling our production capacity.

All together, the 10 advantaged projects we're starting up this year are expected to generate more than $3 billion of earnings in 2026 at constant prices and margins.

Our capital-allocation priorities remain unchanged: invest in profitable growth, maintain financial strength, and share our success with shareholders. To generate strong cash flows years into the future, we must invest today. It's hard to consistently grow free cash flow in a capital-intensive business over the long term. But we are doing it.

Reducing attractive investments to increase near-term free cash flow weakens the business over the long term. Compromising the future is a high price to pay for pleasing a few short-term investors.

Our cash flow grows consistently throughout our plan horizon of 2030. And while our total cash capex grows to between $28-and-$33 billion per year through 2030, our reinvestment rate declines from 50% to 40% of cash flow over the plan period. We're putting capital to its highest and best use, to further strengthen the earnings power of the company.

In the Upstream, we're focused on growing volumes of our most profitable barrels. We're on track for more than 60% of our production to come from advantaged assets by 2030, with an increase in per-barrel profit from $10 a barrel last year to $13 a barrel in 2030.

In Product Solutions, advantaged projects are accelerating our shift to a more profitable mix of products. We're on track for 80% growth of high-value products by 2030, which will bring them to more than 40% of total Product Solutions earnings.

In Low Carbon Solutions, we expect to generate $1 billion of earnings by 2030 in businesses that are insulated from commodity price cycles.

We know that shorter-term investors want lower capex and higher cash distributions. I suspect with today's level of market uncertainty, the call for this will be even stronger. That's shortsighted. We play the long game. We are rewarding shareholders today with investments made in the past, when we faced similar circumstances and a lot of criticism for staying the course.

The passage of time demonstrated the value in this approach. We know that the advantaged investments we're making today are critical in growing shareholder returns and distributions in the future.

Having said this, we are focused on value. If changes in market conditions present opportunities to improve the NPV of our investments by pivoting or inventorying opportunities, we'll take them. The flexibility of our investment portfolio gives us this option.

Today, more than a third of our Upstream production comes from short-cycle assets where activity and spend can be quickly adjusted in response to market conditions. And as we discussed in detail at the Corporate Plan Update, in our newer businesses and for projects that have not yet reached FID, if the necessary policy support or market developments are not sustained or do not materialize, we'll defer investments.

Our focus on the fundamentals, our strategy and the resulting investments, and the strength of our advantages are growing earnings and generating cash, allowing us to create leading value for shareholders.

In the quarter, we distributed $9.1 billion of cash, more than any other IOC. This included $4.8 billion of share buybacks. We've now repurchased roughly a third of the shares we issued to complete our transformational Pioneer acquisition, which closed a year ago tomorrow. As of the quarter-end, we delivered a three-year total shareholder return of 60%, for a compound annual growth rate of 17%. That's well above any other IOC.

It's also well above the broader set of large-cap industrial companies, with average TSR compound annual growth rate of 14%. We also outpace the large-cap industrials as a cash engine. Over the past three years our total free cash flow equaled over 25% of our current market cap. Theirs averaged less than 10%.

The strong value we've created for shareholders has not gone unnoticed. We're receiving positive feedback in our engagements with investors, which we've ramped up significantly over the past five years.

Later this month is our Annual Meeting. Since our last one a year ago, leaders from the company – including members of our Board of Directors – have met with roughly 75% of our institutional investors.

This year, for the first time since 1958, we have zero shareholder proposals in our proxy. We believe this is a result of two things: our financial and operating results, which exceed all integrated oil companies on almost any measure, and our willingness to challenge actions that undermine the value of our company and abuse legitimate processes.

Last year we took legal action against activists seeking to shrink our business by repeatedly submitting shareholder proposals that, in their own words, were trojan horses for their activist agenda. This is in direct contrast to our efforts to expand engagements with investors who want to hear more about how we're growing the value of our company.

Our lawsuit against the European Union when it implemented an unjustified profits tax, and the California attorney general when he falsely accused us of misrepresenting the benefits of advanced-plastic recycling, are two other examples of fighting to retain the value we're generating for our shareholders.

That's our focus and our commitment, to grow and protect shareholder value.

With that, we'd be happy to take your questions.

Jim Chapman: Thank you, Darren. Before we move to Q&A, I want to highlight that we published our 2025 Advancing Climate Solutions Report this week … detailing all of our progress on solving the "and" equation: meeting demand and reducing emissions … as well as our latest Sustainability Report.

And, just as a reminder, we mentioned in our prepared remarks, that we published a new Company Overview presentation.

All these documents are linked on this page and can be found on the Investor Relations portion of our website. We encourage you to take a look.

And with that, let's move to Q&A. Operator, we'll ask you to please open the line for our first question.

Operator: Thank you, the question and answer session will be conducted electronically. If you would like to ask a question, please do so by pressing the star key, followed by the digit one on your telephone.

The first question comes from Betty Jiang of Barclays.

Betty Jiang: Good morning. Thank you for taking my question. I have to say, we're hearing this loud and clear about the resilience of the portfolio. We're fully cognizant that for Exxon any response is a function of choice, and you're playing the long game. But earlier, you also talked about the flexibility in the portfolio and that you will reconsider plans if you can improve NPV of investment. So, I just want to better understand, under what market condition would warrant exercising that flexibility and then how would you balance that decision versus the operational momentum you're seeing across the businesses?

Darren Woods: Yeah. Good morning, Betty, and thank you for the question. I think you've touched on really critical elements of where we stand and how we're thinking about the business.

The first point is, we don't have to do anything in this environment. It's all an option of choice, and then making decisions with the flexibility we have to maximize NPV is a function of where does the market go today, how does that compare with where we think the market will be in the future, and fundamentally, what's the long-term marginal cost of supply, and where do current prices sit with respect to that. We've also got to factor in your point, which is the momentum that we've got, making sure we're continuing to drive a lot of the technology advances. So, we don't want to compromise the good progress that we're making there, and frankly, a very strong portfolio of opportunities that we're prosecuting.

We've also got to factor in where costs go, where the cost of supply is, what the contractors are doing. So there's a number of variables that go into this. Our unconventional business, in particular, is paying attention to all of those things. We've got a very rigorous process for evaluating the trade-offs and coming up with what we think is an optimum investment rate and approach going forward, which fundamentally is going to be driven by how low the market goes. And I think there are opportunities in a low price environment that we want to make sure we're prepared to take advantage of. So it's not a black and white answer, unfortunately, for you. But I would just tell you, you should have a lot of confidence that we understand the variables, are paying very close attention to them and assessing what's the best way to maximize the value of company.

Betty Jiang: That makes sense. Full confidence ahead. Thank you.

Darren Woods: Thank you, Betty.

Operator: The next question is from Devin McDermott of Morgan Stanley.

Devin McDermott: Hey. Good morning. Thanks for taking my question.

Darren Woods: Good morning.

Devin McDermott: So Darren, I want to spend a little bit of time on Chemicals. So, the China Chemicals project, as you highlighted, gives you a large domestic supply source at a time when we're seeing rising trade barriers. We're watching one of the key strategic benefits of this project, I think, play out in real-time. So, I was wondering if you could talk a little bit more about how recent market developments, like slowing global growth, U.S.-China tariffs were impacting performance at that facility and also your chemicals business more broadly?

Darren Woods: Sure. So I think maybe to start with the big picture and then zoom into the specifics of our China complex. I think we've been, the industry has been in essentially a long position from a supply standpoint for quite some time. And the margins that we're seeing, industry margins that we're seeing across the world are well below what our past experience in history has been. And that's really a function of really good demand, strong demand, but even more supply and stronger growth in supply, which is creating this market glut. And so that's been the challenge, I think, we've been facing in the industry, everyone in the industry has been facing for quite some time.

We, with the work that we've been doing and the focus on one, advantage projects, cutting the cost out of our business and growing high-value products are continuing to deliver very sound results in this very challenging market.

And so our expectation, that's going to be with us for quite some time. The world will continue to grow, will eventually, with time, grow out of the excess supply condition. I'm sure there will be some plants that don't – some facilities that don't survive the market and drop out, and those balances will shift as we go forward. We're very focused on what we can control, which is making products that have a high value in use, and therefore, justify a premium in the marketplace, running very reliably, running at a low cost, and being competitive in what's a challenging market. As we've said, and Betty just alluded to, we've been building our business for this, and so we feel very comfortable with where we're at.

On China, I think you touched on it, we had a very long-term view. It's an important market.

We recognize we're going to go through geopolitical cycles and different external perturbations, and having a strong presence in an important market underpinned a lot of the thinking behind that investment. It is a very large investment, a complex one. I'm very pleased to say that we built that facility well below the incremental cost of supply coming on that you'd see anywhere else in the world. We even beat what I would say are the Chinese markers for low-cost capital investment. We did it at a very – on a very fast schedule, and that team has started that facility up very, very smoothly and got on to on-spec production faster than any other start-up we've had.

So, it's just been, I think, a testament to the capability of our people. Our entire organization have come together, brought the whole weight of ExxonMobil to making that project successful in getting it up and running. It's an advantaged project. So, we expect to be well positioned within this difficult market. We're going to ramp that facility up through the year. And so, for the most of this year, it will be in start-up and going through grade wheels and making sure that we're really breaking that facility and then our expectation is 2026 will be up and running and blowing and going with the facilities. So feel good about where we're at and the potential that we've got there.

Devin McDermott: Great. Great to see the strong results. Thanks, Darren.

Darren Woods: Thank you, Devin.

Operator: The next question is from Doug Leggate of Wolfe Research.

Doug Leggate: Thank you. Good morning, Darren. It's interesting to watch everyone talk about share buybacks, and you guys in terms of what the flexibility might be and so on, you guys have reiterated your $20 billion pace, one day before the anniversary of when you closed Pioneer. So, my question is this, there's a lot of benefits to ExxonMobil for buying in the stock beyond just the cash return aspect, specifically reducing the dividend burden on the equity you issued on Pioneer. So my question is simply, given the volatility in the market, would you continue this pace regardless of the commodity within reason, and leading your balance sheet to ensure that those Pioneer shares are essentially bought back in?

Darren Woods: Yes. Good morning, Doug. I think, you've touched on certainly one of the objectives that we had when we acquired Pioneer. We recognize that the valuation, the differential valuation in our stocks presented an opportunity to do a stock transaction, but at the same time, recognize that issuing more stock put an additional burden on us and additional obligation. And we were very focused on making sure that we manage that obligation and brought that obligation back down again. And that's part of the thing that's underpinned the increase in the buybacks and the pace that we're keeping. And so that's very much in mind. We're very focused on continuing to do that and feel like this is a good time to continue doing it.

Frankly, you know our stock price is heavily correlated with crude and crude price. I don't believe that truly reflects the value of the company. And so as it moves down with crude prices in my mind, that's a great buying opportunity for the stock. And so, we're committed to continuing to do that. And I think, the market conditions we're in today are reasonable. We'll obviously keep an eye on that going forward. Our priority continues to , making sure that we can invest in the advantaged projects that frankly are going to lay the foundation for all the growth that we see coming through 2030 and beyond, maintaining a strong balance sheet to give us the foundation we need to take advantage of any opportunities that might come in a challenged market, is really important, but then obviously addressing the obligation of dividend and sharing our success with our shareholders is pretty critical. Anything you want to add to that, Kathy?

Kathy Mikells: Yes. I think the only thing I would add is, we tried to make a point in our December Corporate Plan disclosure to show some sensitivities, including a sensitivity at $55 oil, where we showed over the next six-year kind of period, 2025 through 2030, we'd still throw off surplus cash flow of $110 billion. That included a little bit of excess cash, but we ran those numbers in the sensitivity to just demonstrate how resilient we are even in a lower commodity price environment. So we really focused on making sure we built up a strong balance sheet to hold us in good stead in times like this.

Doug Leggate: Thank you. I wonder if I could squeeze a quick follow up, Darren, but just very quickly on the 10 projects you have this year, one specifically. What is the current status or expected timing of the start-up of Golden Pass, and I'll leave it there? Thank you.

Darren Woods: Yes. That project, along with the others that, I think I gave some pretty specific perspective on the last call, continues to be progressing at the pace that we had anticipated, look to have first LNG by the end of this year, potentially slipping into early next year. But right now we think we're going to deliver at the back end of this year.

Doug Leggate: Great. Thank you so much.

Darren Woods: You bet. Thank you.

Operator: The next question is from Neil Mehta of Goldman Sachs.

Neil Mehta: Yes. Good morning, Darren, and team. Darren, you mentioned in your comments you want to make sure that you take advantage of opportunities that a low-cost environment can present. And certainly you talked about how you're doing that from a cost perspective. How does M&A potentially fit into that framework? And if you could just give us your latest thoughts on whether there are any gaps in the portfolio, or how you're thinking about continuing to consolidate given the strength of the balance sheet?

Darren Woods: Sure. Thank you, and good morning, Neil. I would just say, maybe stepping back fundamentally how we think about acquisitions is the equation that we've talked about in past of one plus one has to equal three. And that three comes from taking all the advantages that we've been very focused on strengthening over the last eight years, and I think are certainly demonstrating through the Pioneer acquisition the real value of those advantages along with the other projects that we're delivering, that if we take those advantages and look for opportunities where we can apply those to other companies, other assets so that we can grow the value of that beyond what either of us could do independent of one another.

And so, that fundamental approach to thinking about acquisitions and leveraging our advantages and core capabilities keeps us on the lookout constantly for where we can find those opportunities. When we get into a low price environment, where potentially some companies don't have the same foundations that we do, the same strengths, the same capability to ride out some of the low points of the cycle, that could present opportunities we want to be responsive to those opportunities. So, I wouldn't tell you that the emphasis or the focus changes in a low price environment, but we're cognizant that there may be more opportunities that materialize. We're not counting on them. We certainly don't need them in the base portfolio that we've got and the growth profile that we've laid out, but we want to make sure that we're taking advantage of any of the opportunities that we see out there.

Neil Mehta: Very clear. Thanks, Darren.

Darren Woods: Thank you, Neil.

Operator: The next question is from Stephen Richardson of Evercore ISI.

Stephen Richardson: Hey, good morning. Darren, I was wondering, you've been really consistent on policy frameworks and incentives and what you all need to see to make some of the investments certainly in some of the low carbon areas. So, I was wondering if you could give us an update on your current thoughts on Baytown? And are you likely to move ahead based on what you see today, and if not, what else needs to happen for you to get to FID?

Darren Woods: Sure. Thank you, Steve, and good morning. So you're right, we've been, we entered into that business with the recognition that, frankly, the world needs to find ways to reduce emissions. We think that objective is an important one and a long-term one that society needs to find a constructive, thoughtful, rational path in achieving. Our view was that we, as a company, have capabilities that we can bring to that challenge and meet that demand, but markets need to form, policy needs to be in place to support that in the early stages of the development of this new industry, frankly. We're pushing very hard, though, to make sure that society finds a way, governments find a way to introduce market mechanisms to engage the forces of market, to engage competition, drive technology innovations.

And so while we're looking to invest and take advantage of some of the government support and policy that's out there, we're also working very hard to try to drive more robust, holistic policy, establish a true framework for carbon accounting so that we can begin to really understand where the sources of emissions are and can then start to calculate true carbon intensities and the cost of carbon reduction. And so longer term, we need a better system to manage emissions across the globe. The Baytown blue hydrogen was an attempt to take advantage of the desire to drive into reductions fast in areas that we believe are fundamental to long-term emissions reductions. Low carbon hydrogen is certainly one of those building blocks that we think at some point in time is going to play an important role.

We needed to find an economic way to build a project so that we generated returns that were competitive in our portfolio. We had to work with the administration to make sure there was solid policy in place that supported that investment. And we needed to develop a customer base that we're signing offtake agreements and committing to buy the products that we produce. I think we've got a good project in hand that we think is very competitive and that will drive very competitive returns, and certainly has a good place in our portfolio. I think the policy that's in place, certainly there's some debate today with the Trump administration. Our expectation is, while some of that policy may change, it will be done in a very thoughtful way, and our expectation is that things that we need to drive low-carbon hydrogen will probably stay in place, but we have to see that manifested.

And the third piece that we're working on is the sales commitments and having the offtake agreements. I'd say right now, that's probably the long pole in the tent with respect to driving this. And so, when those two things come together, and we're confident that we have what we need to generate the returns that it's going to be required to justify the investments we'll move forward. Hopefully, that's later this year. But as we've been saying all along, it's very much a function of locking those things down, so we're confident that we'll generate the returns on those investments.

Stephen Richardson: Thanks so much.

Darren Woods: You bet. Thank you.

Operator: The next question is from John Royall of JP Morgan.

John Royall: Hi. Good morning. Thanks for taking my question. So my question is on Pioneer. You're hitting the one-year anniversary of closing the transaction. I was just hoping for an update on how you're tracking in the various buckets of synergies today. And particularly on the production side, the improved recoveries you've talked about, I know it was a little longer dated, but just any commentary on how those efforts are tracking.

Darren Woods: Yes, sure. Thank you John. Appreciate the question, and good morning. I would tell you, across all the areas where we saw opportunities to add value by combining what were two great organizations, independent organizations, are frankly finding more value opportunities than we anticipated. So at the Corporate Plan Update, I know that we upped the annual average synergies we expect to see over the first 10 years from $2 billion to $3 billion. Our view today is that number is even bigger. And so we're making really good progress. I think, everybody who's working in that resource, that business that we have, whether you're heritage ExxonMobil, whether you're heritage Pioneer, are really excited by the opportunity.

It has been truly a best of both approach, and the value that the people of Pioneer brought to this effort and the enthusiasm ExxonMobil folks brought to this is just really paying off in spades. So, I don't think we have finished mining the value that we see in this combination. So, I'm very optimistic. I think, as we head to the back of the year, you'll continue to see the improvements and the value manifest themselves and the data that comes out, and my expectation is, we'll continue to grow the synergy values going forward, and would expect to update that with you when we share our Corporate Plan Update at the end of this year. But basically full steam ahead, everything is looking very, very good, and we're exceeding our own expectations.

John Royall: Thank you.

Darren Woods: Thank you.

Operator: The next question is from Biraj Borkhataria with RBC.

Biraj Borkhataria: Hi. Thanks for taking my question. I just wanted to go back to your capex plans. When you presented your plans in December, there was a sort of a wedge of capex that was policy dependent, things you would like to do, provided the right environment was there. And would it be fair to assume in the near term, at least, given the amount of uncertainty we see, that capex gets pushed to the right. And I'm thinking of things like the Baytown project, given the uncertainty on the policy and the tariffs. And then second question is just specific one on Mozambique. It's my understanding that you sold out of the floating development, Coral North in exchange for a higher interest in the onshore development in a swap? Just wanted to confirm that and understand your rationale of that deal and how you expect that project to progress going forward. Thank you.

Darren Woods: Yes. On the capex, you're right that we did break it out to be clear on what was base spend that was needed to kind of continue to drive and manage the growth in our base business. We had a bucket that was early stage projects where we had in that forecast going forward put in some capital spend based on successfully FIDing those projects. Those had not been decisions made yet, but we made room for them in our base plan. And then obviously, things that were dependent upon policy, and you'll remember, we had Proxxima™ and carbon material ventures, which we continue to feel very good about with respect to the value and use in the applications, and those are growing. But as you build, introduce new products into new markets, you can't be completely sure of those, and so we wanted to make sure there was a clear line of sight to those buckets that were dependent upon achieving success. And I would say, at this stage, all of those buckets are basically on track. The policy question, I think, early stages, we'll have that answer here as we go through the third quarter, I suspect, and so I don't anticipate at this stage tariffs or uncertainty delaying anything that we're doing with respect to that. As I mentioned earlier, probably the biggest challenge on our Baytown blue hydrogen project is signing up the customers and getting the offtake, which we've got a good line of sight to. We've got some very solid discussions that we're having in there. So I hope to see that come through. So right now, I wouldn't suggest that we're going to see a lot of capital slipping out of the planned horizon. But year-to-year, you may see some movement, but frankly, right now, from what we can tell, we're on track with the longer-term plans that we've laid out. Go ahead.

Kathy Mikells: Yeah. I would just add to that. If you look at our low-carbon investments, probably the biggest thing we're investing in this year is CCS, and we'll be bringing on our first customer in that CCS business. And so that's progressing really well. We have the permanent storage. We've drilled the wells. We've got the monitoring put in place, and so we're feeling very good about how that business is progressing. So we did carve out ... it was $30 billion of our total capex from 2024 through 2030 ... it's about 10% of our total capex. But if you look at all the different projects we have in a low-carbon space, they're progressing pretty well right now.

Darren Woods: Yes. And then with respect to Mozambique, I won't get into any of the specifics on what we've been doing there, other than to say, as a philosophy, we're absolutely convinced that, with respect to developing large projects, large, complicated projects, that we bring a huge advantage to those efforts. The strength that we have in our global projects organization, I think, frankly, is hard for any other company to replicate. And we want to make sure that as we deploy that advantage, that we've got the right-sized stake in our developments to justify the effort. And I would say, that's just a general philosophy that we're taking across our entire portfolio.

Biraj Borkhataria: Okay. Thank you.

Darren Woods: You bet.

Operator: The next question is from Jean Ann Salisbury with Bank of America.

Jean Ann Salisbury: Good morning. A bit of a follow up to an earlier question. But at your Investor Day in December you showcased a new coke proppant that you believe could be a big contributor to raising EURs by 15%. Now, with four more months of well data, is that province still performing to that expectation, even exceeding the expectation?

Darren Woods: Yes. Good morning. Yes, I would tell you, we have been progressing that deployment of the low weight proppant, setting up the supply chain and logistics systems to support that. I would tell you that today we're as enthusiastic, if not more, associated with the value opportunity that we're seeing there with the ongoing results of the wells that we've already deployed that technology to. So that's, I think, going forward, going to continue to be a critical part of the portfolio. And frankly, like a lot of the technical advances that we make in the company, we generally surprised ourselves with the improvements that we make over time as we gain experience through deployment. And my expectation is, we'd see something similar there, but the 15% that we talked about is still a very good number, good solid base.

Jean Ann Salisbury: Great. Thank you.

Darren Woods: You bet.

Operator: The next question is from Alastair Syme of Citi.

Alastair Syme: Hi. Thanks for the opportunity. Darren, just because you mentioned it in your prepared remarks, but the litigation against the European Union on windfall tax, I think that was originally filed back in 2022. Where does this process currently sit, and what do you think the timeline is on resolution?

Darren Woods: Good morning, Alastair. Thanks for the question. I would just maybe put that in the category of a number of the lawsuits that we've been involved in over the years. The wheels of justice turn slow. So my expectation, and I don't have a good timeline for that, but my expectation is that will be like a lot of these legal cases, that will wind its way through the procedural legal process, and we'll see where we get to on that. But I don't have an update on that today.

Alastair Syme: Okay. Thank you.

Darren Woods: You bet.

Operator: The next question is from Roger Read of Wells Fargo.

Roger Read: Good morning.

Darren Woods: Good morning, Roger.

Roger Read: I'd like to come back to kind of your – thanks, good morning, Darren – some of your, well, the end of your opening comments about kind of – I believe it's $12 billion of cost savings achieved so far, $18 billion target by the end of the decade. When you previously kind of talked about the next stage of cost savings, it seems to have been logistics focused. Nothing really said this time. So I'm just curious, some update as we think about the incremental $6 billion, is that logistics and procurement, or has that grown as well or expanded in terms of the scope of things you're looking to cut costs on?

Darren Woods: Sure. I'll hand it over to Kathy here in a minute for some more specifics. But I would just say, first of all, it's close to $13 billion through the first quarter. Those dollars are hard to come by. So I don't want to shortchange the organization. I think $12.7 billion is where we're at, at the end of this quarter, which I just think, putting that in context, if you go back since 2019, the organization is delivering on average almost $2.5 billion of structural cost savings per year. And we've got a good clip and momentum going where I would tell you the organization that we have in place today is as excited about finding opportunities to get more efficient as they are about finding ways to get more effective and deliver more value. And so, I think we're in a really good place as an organization that recognizes the critical importance of being on the low side of the cost of supply curve, of being a very efficient producer, and that there's a lot of energy and momentum to finding that.

When you couple that with the opportunity set that we're finding by bringing together centralized organizations, and really for the first time in the company's history, being able to take organizations that are very focused on a specific piece of value creation and have them look across the entire portfolio, all of our businesses, all of our assets all around the globe, and find opportunities to leverage their expertise in a particular area of the value chain, you can imagine the opportunity set there for somebody who's as big as we are, that hasn't really had the opportunity to sit and look across everything and find the common denominators and extract value. When you then couple that with the work that we're doing with the new enterprise system to get all the data that has historically been distributed across our organization centralized, organized in a consistent way, frankly, I think, the opportunity set is enormous, and we're making good progress on that, and in a lot of different areas, and I'll let Kathy kind of touch on some of the specifics.

Kathy Mikells: Yes. And so if you think about the go-forward plan. A large amount of the cost savings that we expect to achieve is going to come from these newer centralized organizations. And so you mentioned logistics, and then you kind of tied that with procurement. I would say, procurement is alive and well at ExxonMobil, and they're constantly looking to make sure that they're really leaning into the full scale and integrated approach at ExxonMobil in terms of how we drive our cost down. But if you think about logistics, it's as much trying to get at reducing the number of movements we have in logistics and making sure that we have full containers, both outbound and return, and not just kind of cost of a container or cost of a movement.

A great example would be something like Guyana, where the number of ships we have moving every day just to supply the drilling campaign as well as FPSOs is huge. And so just taking and using better data and information to actually reduce the number of trips is where we get a big bang for our buck, not just in reducing trip costs itself. And one of the things that we're seeing all of our centralized organization be able to better and better do is use the full dataset of the corporation, as we look to get more efficient with everything we do across the corporation. I'd also tell you, as we look forward, just trying to use technology to basically drive our efficiency, reduce our overhead costs by doing things in a more automated fashion is still an area where we have a significant opportunity.

We recently did a larger implementation of a software platform called BlackLine that we use in the accounting space, and it's literally enabled us to save tens of thousands of hours of what was very manually intensive work because we can now automate it. But a lot of this detail is in the data and being able to have cleaner data at a corporate-wide level so that we can get better insights from the data, we can improve our automation, and we can get both more efficient and more effective. We've talked a lot about the savings we've been able to achieve and expect to continue to raise the bar on in the maintenance space, and that's driving both faster and lower-cost big turnarounds, but it's also driving faster and lower cost day-to-day maintenance, as again, we're using that data set from across the corporation to really make sure we're instilling best practices across our entire circuit.

So as we look forward, I'd say, you're going to see more and more savings being driven from those centralized organizations. And importantly, this is sustainable cost savings. It isn't just, hey, we're trying to get people to sort of do the same amount of work with fewer people. This is really driving sustainable cost savings. And the program, if you think about what we've done today, $12.7 billion in savings versus 2019, that's bigger than all our other competitors savings programs kind of put together. So we're not scraping around the edges at this. I think we have a tried and true track record here that we feel really good about, and it's something that all our organizations really take on the accountability for and just drive every single day.

Roger Read: I appreciate that. And I had no intention Darren and Kathy of shorting of $700 million maybe just a rounding number in my own mind. Thank you.

Darren Woods: Yes. No problem, Roger. We like to round up when it's $12.7 billion.

Roger Read: Fair enough.

Operator: The next question is from Bob Brackett of Bernstein Research.

Bob Brackett: Good morning. A question around tariffs and how they relate to your project organization. So how should we think about moving modules, equipment into maybe U.S. projects, and what did tariffs do to that, and what does the project organization do to make sure you hit your capex numbers and deliver on time?

Darren Woods: Sure. Thank you, Bob. Good morning. I'd say, it's a projects organization activity as well as procurement and our supply chain. So, it is a whole corp. effort in terms of managing the specifics of the tariffs how they manifest themselves. I would say, generally speaking, for the things that are in flight where we've got work going on and contracted, things we've FID'd think the way we've structured those contracts and the position where we're at with each of those, we're pretty well shielded from the impacts of tariffs. What's really, I think, has more exposure is the things, the new things that are coming down the pipe. And how the tariffs play out will drive the impact it potentially has on those projects.

But I would very quickly say that, to date what we've seen and the work that we've done and the effort of the organization to minimize the impact, we don't today see a material impact on what we're doing in our projects organization that would change the decisions that we're making, change the project portfolio that we're trying to advance, or frankly, change the economics and the returns associated with those projects. So, it's still early days, but I've got a lot of confidence that the organization has got a lot of levers to pull to manage that. I would also tell you that, I think there is a sensitivity by the Trump administration and other governments around the world to not severely impact the energy sector and the products that we produce.

I think there's a very broad recognition of the critical role of the products that we produce in each of their economies that recognize that what we do actually fuels the engines of their economy. And so there's a lot of sensitivity around that. And what we found in discussions around the world is, governments want to understand potential implications and are taking those things into consideration. So I would tell you today, we're certainly not immune to it, but I do believe we're well positioned to manage it. And today, we haven't seen any significant issues or impact or not forecasting any.

Bob Brackett: Very clear. Thank you.

Darren Woods: You bet. Thank you.

Operator: The next question is from Josh Silverstein of UBS.

Josh Silverstein: Good morning, guys. Back of the Upstream spotlight, you highlighted how Exxon was kind of down shifting away from dry gas production. It's probably more related to the Lower 48. But just given the improving demand outlook, do you see any potential shift in the strategy here, or is there just a lot of growth coming from the associated bucket that you can capture enough of the rising demand environment? Thanks.

Darren Woods: Yes. Thank you for the question. No, I don't see a shift in strategy based on what we're seeing today. I mean, obviously, we've got a lot of associated gas, which given the liquids that come along with that have a fairly high value proposition. We have dry gas assets that we think would be competitive in the broader portfolio, but it's not the priority today. I mean, we're obviously paying attention to how the markets develop. But frankly, our investment decisions, the strategies that we've put in place are more anchored to what we think are long-term fundamentals. And we're going to respond and take advantage of short-term dynamics if we believe they're going to stick around long enough to deliver some additional value. But no shift in strategy, no shift in kind of long term how we're thinking about the market development and where our emphasis should be.

Operator: The next question is from Ryan Todd of Piper Sandler.

Ryan M. Todd: Yeah. Thanks. Refining performance, Energy Products performance was very strong in the first quarter. I wonder if you could comment on any particular drivers of that, and how do you see the market evolving from here over the course of the year as you think about supply/demand margins, et cetera?

Darren Woods: Sure. So I would say, what we're delivering out of our Energy Products segment, and the refining business more specifically, is really a reflection of a lot of hard work that's been going on for many years now. First, we've been very focused on making sure we understand the competitive positioning of all of our assets, and where we see a deficiency or an opportunity to improve their competitive positioning, and it justifies an investment that's advantaged we'll make those. And so we've really reconfigured a number of our facilities to bring in higher value, to produce higher-value products to improve the yield profile on those units. So we've got, as a couple of examples, the Rotterdam advanced hydrocracker.

We brought in BLADE (Beaumont Crude Expansion) in the Gulf Coast. We're working on CRISP (Singapore Resid Upgrade), earlier we put a coker in Antwerp. And so I think we've done a lot to improve the earnings power of the refineries that we feel are strategic and form a foundation within our organization. And then there's, for the ones that we didn't feel had the competitive positioning that we wanted, and didn't fit with our strategy, we've been doing a lot of work to high grade our facilities and to sell those assets to companies that saw a better fit with their strategies. And so we've done a really good job of high grading of the portfolio and really concentrating on the important refineries.

And then with our global operations organization, really stepping back and taking the best thinking across the corporation, and the best thinking that we can tap into outside the corporation and outside our industry to think through to: how we better improve the performance of those refineries; how we reduce maintenance that Kathy touched on; how we improve reliability; how we drive safety; how we improve environmental performance. And so I would say, across our entire circuit, a lot of focus on the rigor and the excellence and execution of running refineries. And we've seen huge value and that reliability is up and costs are down. So it's a great combination. So those things, I think, all come together to give us a very high-performing refining business that can weather the ups and downs.

I think going forward, really tough to say exactly how the year is going to play out. There is certainly sufficient refining capacity out there. The demand, I think, difficult to see with all the uncertainty and all the projections being made about exactly where world economies go. And so that supply-demand balance, not clear to me. We're seeing better margins in the second quarter than we experienced in the first quarter. I expect some of that will hold just given the seasonality. But frankly, we're not basing our business on being forecast heroes. We're basing our business and the success of that business on basically driving really sound operations, and I think that strategy is paying off, certainly paid out in the fourth and the first quarter, expected to pay off going forward.

Jim Chapman: All right. Thanks, Ryan. Thanks, everybody, for joining the call and for your questions. We're going to post the transcript of this call to the Investors section of our website by early next week. I hope everyone has a good weekend. And we look forward to connecting again later this month during our Annual Shareholders Meeting, which is on May 28th. And that concludes today's call.