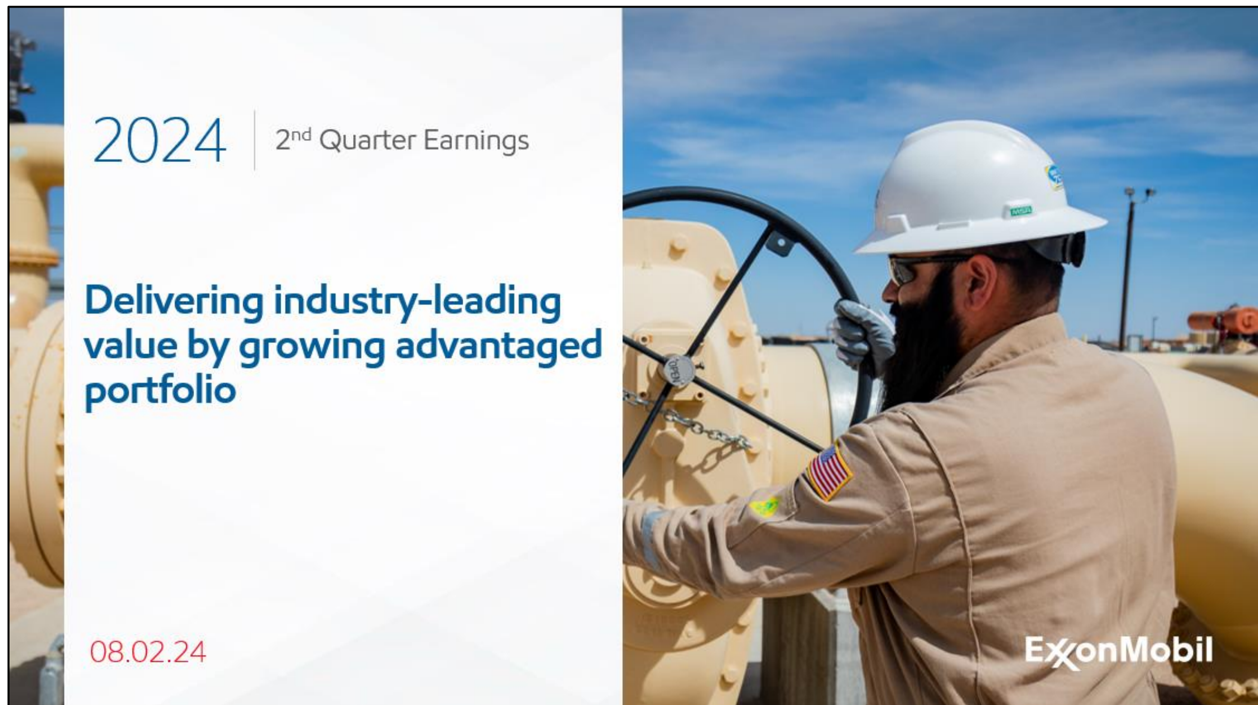

Jim Chapman

Good morning, everyone. Welcome to ExxonMobil's second-quarter 2024 earnings call. We appreciate your joining us. I'm Jim Chapman, Vice President, Treasurer and Investor Relations. I'm joined by Kathy Mikells, Senior Vice President and CFO.

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

Cautionary statement

FORWARD-LOOKING STATEMENTS. Statements of future events, conditions, expectations, plans, potential addressable markets, ambitions, or results in this presentation or the subsequent discussion period are forward-looking statements. Similarly, discussions of future carbon capture, transportation, and storage, as well as biofuels, hydrogen, ammonia, direct air capture, and other plans to reduce emissions and emission intensity of ExxonMobil, its affiliates, or third-parties are dependent on future market factors, such as continued technological progress, policy support and timely rule-making and permitting, and represent forward-looking statements. Actual future results, including financial and operating performance; potential earnings, cash flow, dividends or shareholder returns, including the timing and amount of share repurchases; total capital expenditures and mix, including allocations of capital to low carbon investments; realization and maintenance of structural cost reductions and efficiency gains, including the ability to offset inflationary pressures; plans to reduce future emissions and emissions intensity; ambitions to reach Scope 1 and Scope 2 net zero from operated assets by 2050, to reach Scope 1 and 2 net zero in heritage Upstream Permian Basin unconventional operated assets by 2030 and Pioneer Permian assets by 2035, to eliminate routine flaring in-line with World Bank Zero Routine Flaring, to reach near-zero methane emissions from operated assets and other methane initiatives, to meet ExxonMobil's emission reduction plans and goals, divestment and start-up plans, and associated project plans as well as technology advances, including in the timing and outcome of projects to capture and store CO_2, produce hydrogen and ammonia, produce biofuels, produce lithium, create new advanced carbon materials, and use plastic waste as feedstock for advanced recycling; maintenance and turnaround activity; drilling and improvement programs; price and margin recovery; planned Pioneer or Denbury integration benefits; resource recoveries and production rates; and product sales levels and mix could differ materially due to a number of factors. These include global or regional changes in oil, gas, petrochemicals, or feedstock prices, differentials, seasonal fluctuations, or other market or economic conditions affecting the oil, gas, and petrochemical industries and the demand for our products; new or changing government policies supporting lower carbon and new market investment opportunities such as the U.S. Inflation Reduction Act or policies limiting the attractiveness of investments such as European taxes on energy and unequal support for different methods of carbon capture; consumer preferences including for emission-reduction products and technology; variable impacts of trading activities; the outcome of competitive bidding and project awards; regulatory actions targeting public companies in the oil and gas industry; the development or changes in local, national, or international laws, regulations, and policies affecting our business including with respect to the environment, taxes, and trade sanctions; the ability to realize efficiencies within and across our business lines and to maintain current cost reductions as efficiencies without impairing our competitive positioning; decisions to invest in future reserves; reservoir performance, including variability and timing factors applicable to unconventional projects and the success of new unconventional technologies; the level, outcome, and timing of exploration and development projects and decisions to invest in future resources; timely completion of construction projects; war, civil unrest, attacks against the company or industry, and other political or security disturbances; expropriations, seizures, and capacity, insurance or shipping limitations by foreign governments or international embargoes; opportunities for and regulatory approval of investments or divestments; the outcome of our or competitors' 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 including the need for unplanned maintenance; and other factors discussed here and in Item 1A. Risk Factors of our Form 10-K and under the heading "Factors Affecting Future Results" available through the Investors page of our website at www.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. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or re-affirmation of these figures as of any future date. Any future update of these figures will be provided only through a public disclosure indicating that fact.

Reconciliations and definitions of factors, non-GAAP, and other terms are provided in the text or in the supplemental information accompanying these slides beginning on page 23.

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During today's presentation, we'll make forward-looking comments, including discussions of our long-term plans and integration efforts which are still being developed and which are subject to risks and uncertainties. Please read our cautionary statement on slide 2. 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, please turn to slide 3 for Kathy's remarks.

Driving industry-leading results by investing in growing array of high-return, advantaged opportunities and reducing structural costs

- **Pioneer acquisition fundamentally transforms our Upstream portfolio**
  - Added industry-leading, undeveloped, high-quality unconventional inventory
  - Increased portfolio liquid mix to highest level since Exxon and Mobil merger
  - Expanded lower cost-of-supply, more flexible short-cycle U.S. production
- **Establishing new businesses built on innovative low carbon products and services**
  - Leveraging proprietary technology to create new high-value products from lower value fuel molecules; entering new markets with Proxxima™ and developing carbon materials applications
  - Signed second CCS agreement with CF Industries, increasing total contracted CO_2 offtake up to 5.5 MTA[1]
  - Announced agreement with Air Liquide that enables access to well-located existing hydrogen transportation network
  - Signed MOU with SK On to supply up to 100 Kt of Mobil™ Lithium for U.S. battery production
- **Industry-leading 2Q24 earnings of $9.2 billion driven by advantaged portfolio and strong operational performance**
  - Record production across heritage Permian, Pioneer, and Guyana
  - Grew high-value products by 5% vs. 1Q24 and 10% vs. YTD'23
  - On track to achieve incremental ~$5 billion in structural cost efficiencies by 2027 vs. 2023

See page 8 and Supplemental information for footnotes, definitions, and reconciliations.

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Kathy Mikells

ExxonMobil delivered industry-leading results which continue to showcase the differentiated strengths of our portfolio and our improved earnings power. As you will hear from Darren on the earnings call this morning, we had many records this quarter. We delivered record production in Guyana and the Permian basin, record performance products sales in our chemical business, and record sales of our flagship Mobil 1™ motor oil. And we did all of this while continuing to drive efficiencies across the business.

The unmatched value that we are creating is the direct result of a durable strategy we put in place more than five years ago, and our differentiated capabilities including excellence in execution.

To achieve these industry-leading results, we are deploying our capital to advantaged investments that generate very attractive returns. In terms of financial discipline, this is job number one, and we take this responsibility entrusted to us by our shareholders seriously. Real capital discipline is not about spending less; it's about spending on the right things. This is what drives leading returns and enables the business to profitably grow over the long term. It's why our industry-leading return on capital employed is such a critical metric to our current and future success.

The merger with Pioneer is a great example of making an advantaged investment with high expected returns enabled by at least $2 billion of annual synergies on average over the next decade. I'd like to extend a warm welcome to both the people of Pioneer and to Pioneer

shareholders who joined the ExxonMobil family when we closed the transaction in May. We are very happy to have you on board.

As you know, Pioneer transforms our Upstream portfolio, more than doubling our Permian footprint. We are now the largest producer in both the Permian basin and the entire United States with a business that has the largest high-return U.S. unconventional inventory.

The bottom line is that this acquisition has enabled us to further distance ourselves from the rest of the industry both strategically and financially.

The value creation runway that we are creating at ExxonMobil extends long into the future. The opportunities we see are fueled by what has been a core competitive advantage since our founding: technology. This is the bedrock of the Pioneer synergies and the new businesses we are building.

Our expertise in managing molecules enables new high value products like Proxxima™ – a uniquely strong, lightweight and corrosion resistant resin made from low-value gasoline components. In March, we rolled out the automotive value-generative uses of Proxxima™ at the world's leading international composites exhibition in Paris. This adds to the rebar products already being marketed. We see the total addressable market potential for Proxxima™ at 5 million tons and 30 billion dollars by 2030, with demand growing faster than GDP and returns above 15%. Based on this, we're progressing projects in Texas, with startups planned in 2025, that will significantly expand our production of Proxxima™.

Similarly, in our carbon materials venture, we see a sizable opportunity to transform the molecular structures of low-value, carbon-rich streams from our refining processes into high-value products for a range of applications. We're targeting market segments with margins of several thousand dollars per ton and growth rates outpacing GDP. These include carbon fiber, polymer additives, and battery materials.

Importantly, while these products have a lower carbon footprint, the economics are simply based on the value in use from the efficiencies these products create for our customers. The lower carbon footprint is icing on top of the cake.

This focus on molecules, combined with our long-held, deep understanding of the subsurface, also positions us exceptionally well for our carbon reduction-focused businesses like CCS, virtually carbon-free hydrogen – with approximately 98% of CO_2 removed – and lithium.

We recently announced the second CO_2 offtake agreement with CF Industries bringing the total CO_2 we've contracted to store up to 5.5 million tons annually. No other company has announced CCS agreements of this magnitude.

We also entered into an agreement with Air Liquide to enable further advantage for our virtually carbon-free hydrogen plant planned in Baytown. Air Liquide will provide us access to

their regional hydrogen pipeline network enabling efficient transportation, and it will supply the plant with key industrial gases needed to produce hydrogen and ammonia.

This quarter, we also progressed our lithium business by signing an MOU with SK On of South Korea to supply up to 100 thousand metric tons of Mobil™ Lithium for their EV battery manufacturing operations in the United States.

Good progress building new businesses which enhance our returns and further extend our value creation runway.

Strong execution of our strategy is delivering industry-leading performance

GAAP earnings

$9.2 B

Leading peers; includes $0.5 billion earnings from Pioneer operations[1]

Cash flow from operations

$10.6 B

$15.2 billion cash flow from operations ex. working capital[2]

Advantaged Upstream growth

38 %

Advantaged asset production growth vs. 1Q24 driven by record production in Guyana and Permian

Debt-to-capital

14 %

Net debt-to-capital 6%[3]

Dividends

$4.3 B

Leading peers; second largest dividend payer in the S&P 500[4]

Share buybacks

$5.2 B

Leading peers; increased annual pace immediately following Pioneer transaction[5]

[1] Pioneer operations contributed $0.5 billion to consolidated earnings post-close (May-June), which excludes $0.2 billion of one-time items related to the acquisition.
See page 8 and Supplemental information for footnotes, definitions, and reconciliations.

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I'll hit on a few financial highlights for the quarter. Earnings of $9.2 billion in the second quarter were industry-leading and $1 billion higher than the last quarter, driven by our advantaged investments. This was our second highest second quarter result in a decade – both in earnings and earnings per share – as we are reaping the benefits of investments that we have made over the past several years.

We generated $10.6 billion of cash flow, or $15.2 billion excluding working capital changes, which included some $3 billion of seasonal tax payments, in line with our prior guidance.

Closing the Pioneer merger was a huge accomplishment and added more than $500 million to our earnings in the quarter. Pioneer also reported record production, helping to bring our quarterly production from advantaged Upstream assets to record highs of 2.3 million oil-equivalent barrels per day, a 38% increase versus last quarter.

Our strong financial performance enabled us to further improve our already strong balance sheet by bringing our debt-to-capital ratio down to 14%, including repayment of $2.9 billion of debt during the quarter.

We distributed $4.3 billion in dividends in the quarter, making us the second highest dividend payer in the S&P 500, and we repurchased $5.2 billion of shares.

As I'll discuss throughout this presentation, this was a quarter of many accomplishments demonstrating the disciplined execution of our strategy which positions the company to generate profitable growth for many years to come.

I also want to take a moment to thank our people. These strong results would not be possible without their dedication and commitment. More recently, many people's lives, including many of our employees', were disrupted by events such as Hurricane Beryl in the Gulf Coast and tornados that crisscrossed the country including one that impacted our Joliet refinery in the Midwest. I'm proud of how our people navigated these events as they always do – with a strong commitment to safety, operational excellence, and community support.

Outstanding start to Pioneer integration with record 2Q production

- Closed Pioneer quickly, ~50% faster than similar deals in recent years[1]
- Integration and synergy execution exceeding expectations
  - Starting to leverage advanced cube development technology to drive recovery and efficiency
  - Integrating heritage Pioneer production with Gulf Coast refining
  - Capturing cost efficiencies ahead of plan
- Achieved record production levels
  - 792 Koebd in June
  - 782 Koebd in second quarter[2]
- Earnings contribution of $0.5 billion from two months of operations excluding $0.2 billion of one-time items, primarily transaction costs
  - 522 Koebd contribution to ExxonMobil's full quarter production from two months of operations since transaction closed[3]

See Supplemental information for footnotes and reconciliations.

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As I mentioned earlier, the merger with Pioneer fundamentally transforms our Upstream portfolio.

Thanks to the exceptional efforts from our combined transition teams, we were able to close the transaction quickly. Across industries, the average time it has taken to complete similar transactions over the last several years is more than 11 months. We got it done in six.

This is important because it enabled us to quickly commence our integration and value capture activities, and as you can see, we delivered record production in the quarter.

We hit the ground running and our integration activities and synergy execution programs are exceeding our expectations. We're confident that more synergies will be realized than we initially estimated.

For example, in our synergy estimations we didn't account for the fact we would be applying learnings from Pioneer to the heritage ExxonMobil business despite knowing that the Pioneer team would bring a lot to the table. And they are absolutely delivering on that. We are using Pioneer's remote logistics operations center in our own Drilling and Completions operations to improve supply chain efficiency. We are also leveraging Pioneer's water infrastructure network - the largest in the Permian - to serve the combined asset base at the lowest cost.

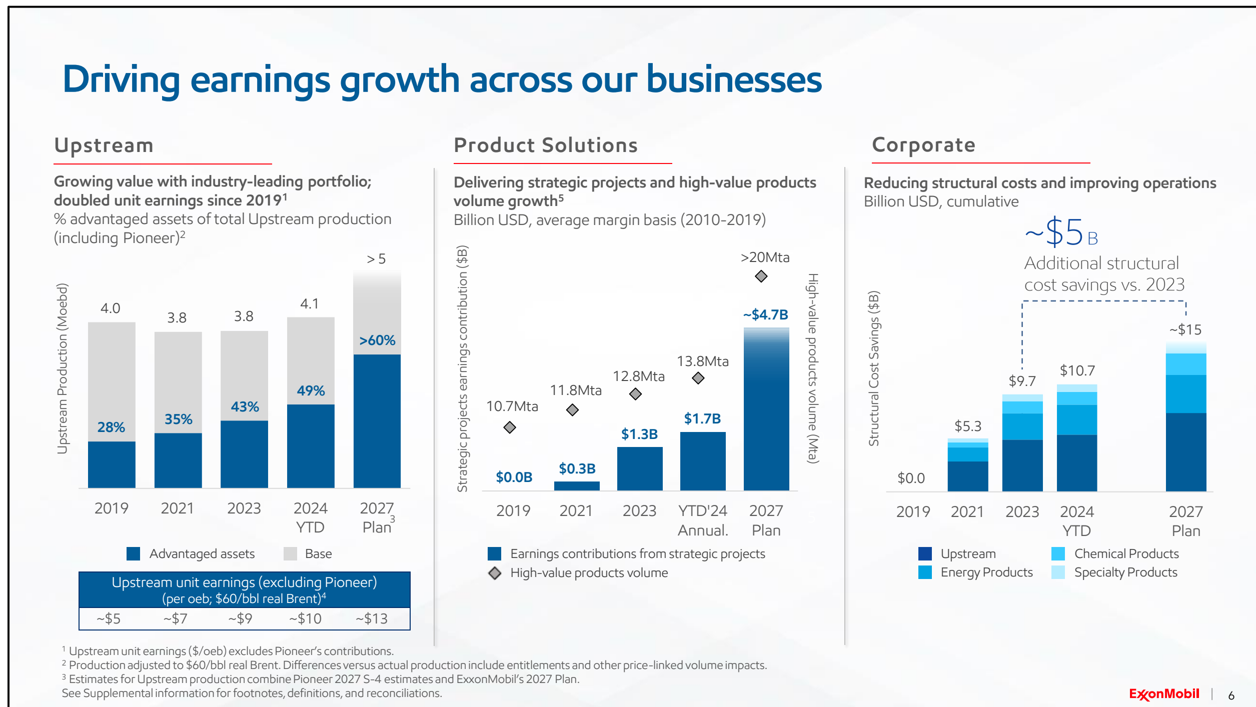
We have started leveraging our advanced cube development technology to drive higher recovery and capital and operating efficiencies on Pioneer acreage. We are harmonizing specification requirements for materials and services, which provide simplification and scale,

enabling both procurement synergies and supply chain efficiencies. We are capturing drilling and completion improvements by taking the best operational practices from each organization. We are also integrating Pioneer's high-value, light Permian crude with ExxonMobil's premier refinery and chemical footprint on the U.S. Gulf Coast.

Early results have been impressive. The heritage Pioneer organization delivered record production of more than 790,000 oil-equivalent barrels per day in June and record production through the quarter of more than 780,000 oil-equivalent barrels per day from April through June 2024. The incremental production attributable to ExxonMobil for the quarter was more than 520,000 oil-equivalent barrels per day, reflecting the two months since we closed the merger.

The contribution to second quarter operating earnings from the Pioneer acquisition was $540 million, excluding $230 million of other expenses driven by one-time transaction-related costs which are reported in our Upstream and Corp & Fin segments. Pre-tax depreciation was $930 million for the two months, including $390 million higher depreciation resulting from the step-up in value of the assets associated with purchase accounting.

While it's still early days, we're off to a great start and confident in the value this merger will unlock. The combined team is hard at work fine tuning our plans which we will share with you during our December event to discuss our Corporate Plan as well as a detailed spotlight on our Upstream business.



We continue to make good progress driving earnings growth. Whether through organic or inorganic investments, we're committed to investing in competitively advantaged, low-cost-of-supply, high-return opportunities. These investments enable profitable volume growth and a more profitable product mix. We are also getting more efficient, achieving additional structural cost reductions. It's a pretty powerful combination.

As introduced last quarter, we're including data in our quarterly earnings presentation to demonstrate progress in the key drivers of our earnings power growth. As a reminder, we expect a further $12 billion in earnings improvement from 2023 through 2027 at constant prices and margins which would be a CAGR of more than 10%. Pioneer just adds to this growth.

In the Upstream, between 2019 and year-to-date 2024, we've pruned the portfolio of non-strategic assets, including U.S. flowing gas, and have focused on developing our advantaged assets: Guyana, the Permian, and LNG.

Including Pioneer, our Permian production volumes have more than tripled since 2019. In Guyana, we started 2019 with zero production and we've grown to an average of 633,000 barrels per day gross in the second quarter. These successes continue to improve our Upstream volume mix. With Pioneer, we now expect more than 60% of our production will be generated from competitively advantaged assets by 2027. We've also grown the current share of liquids in our Upstream portfolio to approximately 70% - the highest it's been since Exxon and Mobil merged almost 25 years ago. Given that 80% of our LNG sales are under long-term contracts indexed to crude prices, more than 80% of our total production volumes are now driven by liquids prices.

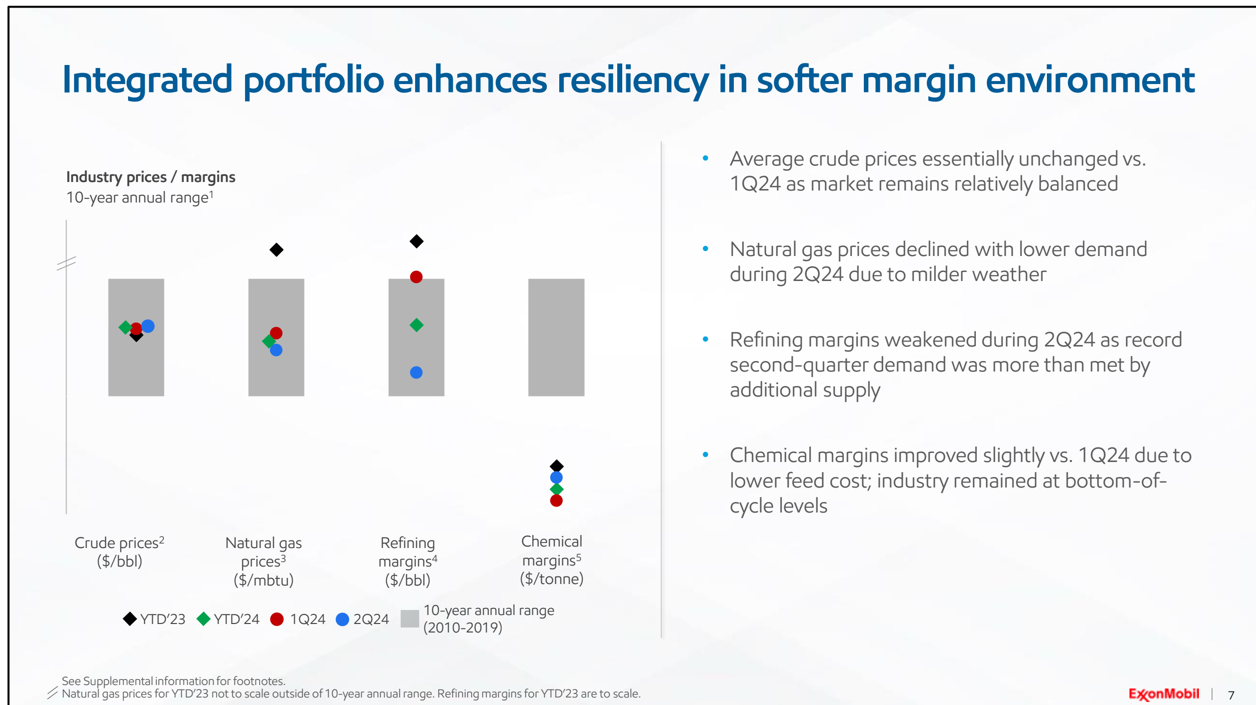
Our growth in advantaged production has driven a huge improvement in unit profitability: at flat real prices, we have doubled unit earnings from $5 per oil-equivalent barrel in 2019 to $10 as of year-to-date 2024, excluding Pioneer.

In Product Solutions, we're delivering strategic projects and significantly growing our high-value products. Both are key to driving earnings power growth. We're on pace for $1.7 billion in earnings from strategic projects in 2024. This reflects contributions from our Advanced Hydrocracker in Rotterdam, the Beaumont expansion, the Permian Crude venture, as well as chemical projects in Corpus Christi, Baton Rouge, and Baytown. We expect to see even more earnings contributions through 2027 with our China Chemical Complex, Singapore Resid Upgrade project, and Strathcona renewable diesel projects all remaining on track to start up in 2025.

We're also growing earnings by improving our product mix – upgrading lower-value molecules into higher-value products, such as performance chemicals and performance lubricants, and leveraging our global manufacturing footprint to produce low-emission fuels through co-processing and repurposing units. By 2027, we expect to double high-value product sales to more than 20 million tons per year. We've grown year-to date sales of high-value products by 10% vs. this time last year, to nearly 7 million tons.

We're also focused on permanently taking cost out of our businesses. Maintenance transformation activities, such as centralized assessments of optimal routine equipment maintenance, employing a consistent global turnaround planning framework, and more widely applying best practices are all examples of activities that reduce cost, while enabling higher utilization at our sites.

With $10.7 billion of structural cost savings achieved to-date versus 2019, we have a proven track record of capturing efficiencies. We're confident in our plan to achieve an additional $5 billion in efficiencies by 2027 versus 2023 levels. I'll highlight our progress in these areas in the earnings bridges for each business segment on the upcoming slides.



Before detailing our strong financial results, I want to provide a market update to frame the industry context that sets the stage for our performance. Despite some headwinds this quarter, we continue to see a constructive market environment for most of our businesses – with crude and natural gas prices as well as refining margins remaining within the historical 10-year range.

If you look at year-to-date versus last year, you can see energy prices and refining margins normalizing versus recent historical highs, while chemical margins remain well below the 10-year range as demand growth has continued to be met with robust supply additions.

During the quarter, crude and natural gas prices remained near the middle of the 10-year range. European gas prices and Henry Hub are down versus the first quarter, with milder weather contributing to high inventory levels. Refining margins weakened sequentially as record second-quarter global demand was more than met by higher supply.

Chemical margins improved this quarter thanks to lower feed costs but remain at bottom-of-cycle conditions.

2Q24 vs. 1Q24

Advantaged volume growth and cost savings driving earnings improvements

	U/S	EP	CP	SP	C&F	TOTAL
1Q24 GAAP Earnings / (Loss)	$5.7	$1.4	$0.8	$0.8	($0.4)	$8.2
1Q24 Earnings / (Loss) ex. identified items (non-GAAP)	$5.7	$1.4	$0.8	$0.8	($0.4)	$8.2
Price / margin	0.2	(1.1)	0.2	(0.0)	-	(0.7)
Advantaged volume growth	0.8	(0.0)	0.0	0.0	-	0.9
Base volume	(0.0)	(0.1)	(0.1)	(0.0)	-	(0.3)
Structural cost savings	0.1	0.1	0.0	0.0	-	0.2
Expenses	(0.1)	0.0	(0.1)	(0.1)	-	(0.3)
Other	0.3	0.1	(0.0)	0.0	0.1	0.5
Timing effects	0.1	0.6	-	-	-	0.7
2Q24 Earnings / (Loss) ex. identified items (non-GAAP)	$7.1	$0.9	$0.8	$0.8	($0.3)	$9.2
2Q24 GAAP Earnings / (Loss)	$7.1	$0.9	$0.8	$0.8	($0.3)	$9.2

Billions of dollars unless specified otherwise.
Due to rounding, numbers may not add.
See Supplemental information for definitions.

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Turning to more detail on earnings in the quarter, I'll start with a high-level review of sequential earnings. Additional details by segment are in the back-up to this presentation. I'll then move to discuss our earnings on a year-to-date basis, which better showcases the progress we're making to improve the earnings power of our businesses.

Second-quarter earnings were $9.2 billion, an increase of $1 billion sequentially. There were no identified items in either period.

Advantaged volume growth contributed almost $1 billion, driven by the two-month contribution from Pioneer, as well as record production in our heritage Permian and Guyana assets. This more than offset the $300 million impact of lower base volume primarily due to higher maintenance activities in Energy Products and the absence of opportunistic sales in Chemical Products.

Structural cost savings provided a $200 million sequential help to earnings.

Expenses were primarily driven by higher maintenance costs.

Other items were a net $500 million help versus last quarter. During the second quarter, we reported $380 million of net favorable items in the Upstream as favorable impacts from divestments were partially offset by one-time expenses associated with the Pioneer transaction close.

Lastly, timing effects were a $700 million favorable impact this quarter, mostly related to the absence of unfavorable unsettled derivatives mark-to-market impacts from last quarter.

YTD'24 vs. YTD'23

Structural improvements enabled strong earnings despite softer market

	U/S	EP	CP	SP	C&F	TOTAL
YTD'23 GAAP Earnings / (Loss)	**$11.0**	**$6.5**	**$1.2**	**$1.4**	**($0.9)**	**$19.3**
Additional European taxes on energy sector	(0.2)	(0.0)	-	-	-	(0.2)
YTD'23 Earnings / (Loss) ex. identified items (non-GAAP)	**$11.2**	**$6.5**	**$1.2**	**$1.4**	**($0.9)**	**$19.5**
Price / margin	0.6	(2.9)	0.1	0.1	-	(2.1)
Advantaged volume growth	1.7	0.1	0.3	0.0	-	2.1
Base volume	(0.4)	(0.6)	0.1	0.0	-	(0.9)
Structural cost savings	0.3	0.3	0.1	0.0	-	0.7
Expenses	(0.5)	(0.6)	(0.1)	(0.1)	-	(1.3)
Other	(0.3)	0.0	(0.0)	(0.0)	0.2	(0.2)
Timing effects	0.2	(0.6)	-	-	-	(0.4)
YTD'24 Earnings / (Loss) ex. identified items (non-GAAP)	**$12.7**	**$2.3**	**$1.6**	**$1.5**	**($0.7)**	**$17.5**
YTD'24 GAAP Earnings / (Loss)	**$12.7**	**$2.3**	**$1.6**	**$1.5**	**($0.7)**	**$17.5**

Billions of dollars unless specified otherwise.
Due to rounding, numbers may not add.
See Supplemental information for definitions.

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Looking at our year-to-date performance versus the same period last year, while a retreat from the very strong market levels of 2023 contributed to lower earnings, overall earnings remain robust. To put that into context, we delivered our second highest second quarter earnings and our third highest first half earnings in the past 10 years. Execution of our strategy is clearly driving value and is reflected in our advantaged volume growth and structural cost savings achieved so far this year.

GAAP earnings were $17.5 billion, down $2 billion versus last year driven by lower industry gas prices and refining margins, as well as higher expenses and lower base volumes.

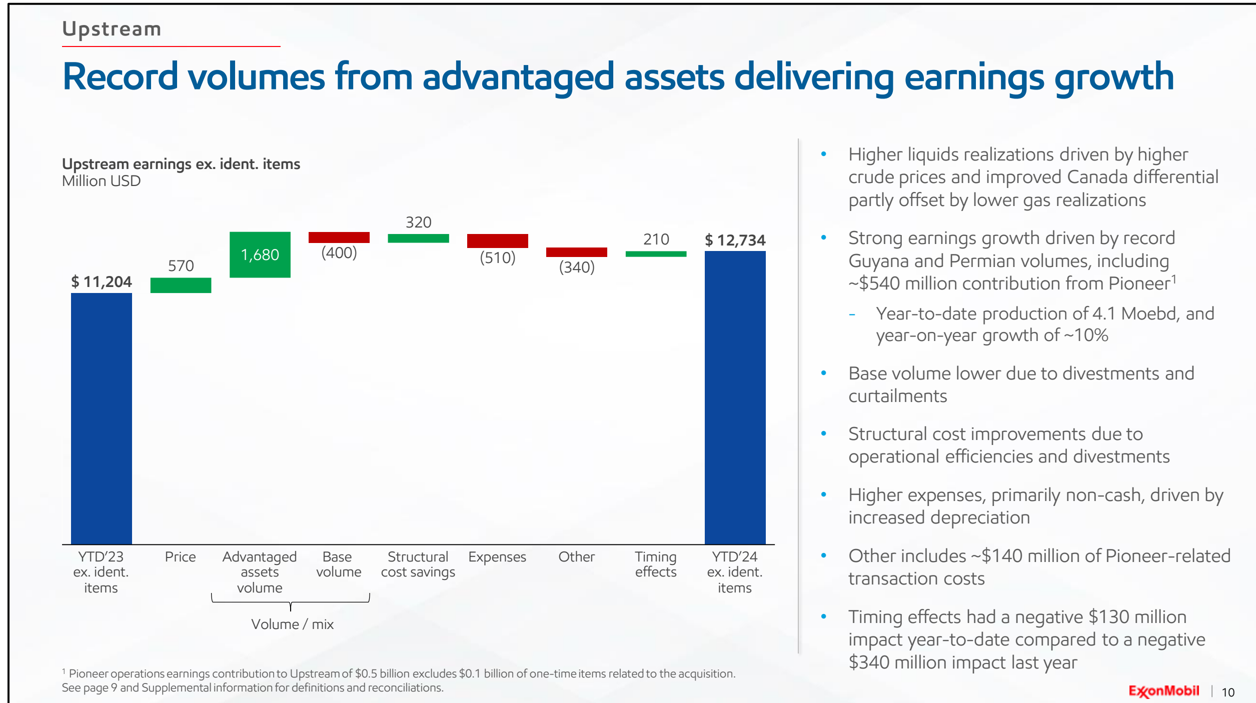
We made good progress improving the underlying earnings power of the business. Advantaged volume growth added $2.1 billion in earnings, with steady improvement driven by Guyana and Permian in the Upstream and by high-value product sales in Product Solutions.

Base volume earnings contribution decreased primarily due to divestments of non-strategic assets in the Upstream and Energy Products segments. Curtailments in the Upstream and planned maintenance in Energy Products also lowered base volumes.

Structural cost savings were an earnings help of more than $700 million versus last year, partially offsetting higher expenses driven primarily by higher non-cash depreciation in the Upstream and increased planned maintenance across Product Solutions.

Timing effects had a nearly $400 million unfavorable impact versus last year, driven primarily by unsettled derivatives mark-to-market impacts. We expect these impacts to unwind over time.

Now let's turn to the segments to dive further into our performance.



Year-to-date, Upstream delivered $12.7 billion in earnings, up $1.5 billion versus the prior-year period.

Higher liquids realizations were partly offset by lower gas realizations, in total adding $570 million to earnings versus the prior-year period.

Our advantaged assets contributed an additional $1.7 billion in earnings, driven by the Guyana Prosperity start-up, the addition of Pioneer, and growth in our heritage Permian assets. Even without the addition of Pioneer, record growth from our advantaged Permian and Guyana assets more than offset the natural decline in our base volumes.

In Guyana, a resource with 11 billion oil equivalent barrels, we delivered record first-half gross production of more than 620,000 barrels per day. That's an improvement of more than 240,000 barrels per day year on year.

In the quarter, we submitted an application to the Guyanese Environmental Protection Agency for Hammerhead – our proposed 7th FPSO development. While we continue to evaluate and define the scope of Hammerhead, the current expectation of production capacity is between 120,000 to 180,000 barrels per day. The smaller-capacity FPSO is the most capital efficient for developing this specific resource, ensuring maximum resource recovery and economic returns. Larger facilities could be used for future resource opportunities. Hammerhead is expected to start up in 2029, pending Guyanese government approval.

In the Permian, both Pioneer and heritage Permian assets delivered record year-to-date production. Permian volumes inclusive of Pioneer increased to more than 900,000 oil-equivalent barrels per day, and full year Permian production with eight months of Pioneer contribution is now expected to be about 1.2 million oil-equivalent barrels per day.

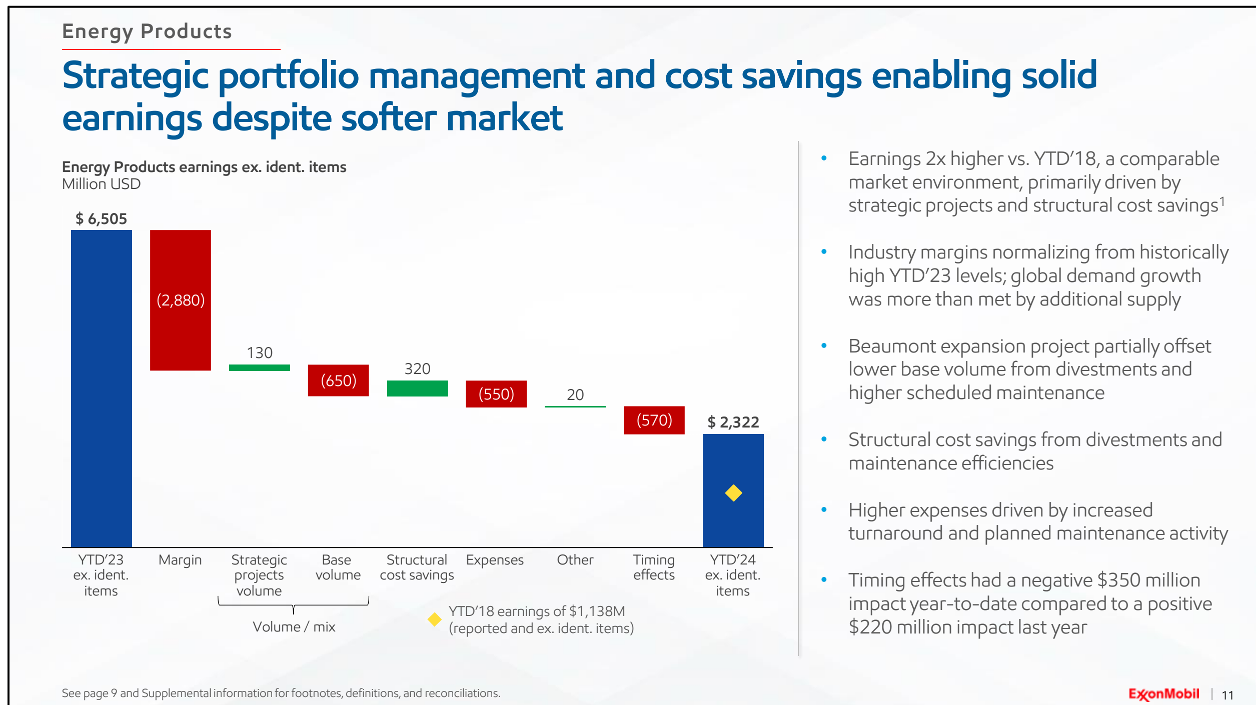
Base portfolio volumes lowered earnings by $400 million versus the prior period due mainly to divestments and curtailments.

Earnings also benefited from $320 million in structural cost savings, which were mainly driven by divestments.

Higher expenses of $510 million were primarily due to an increase in depreciation rates in U.S. Unconventional.

Other includes $140 million of Pioneer-related transaction costs as well as unfavorable tax and foreign exchange impacts that were partially offset by favorable divestment impacts.

Timing effects in the Upstream contributed $210 million as the mark-to-market impact on our derivatives portfolio was much smaller than a year ago.



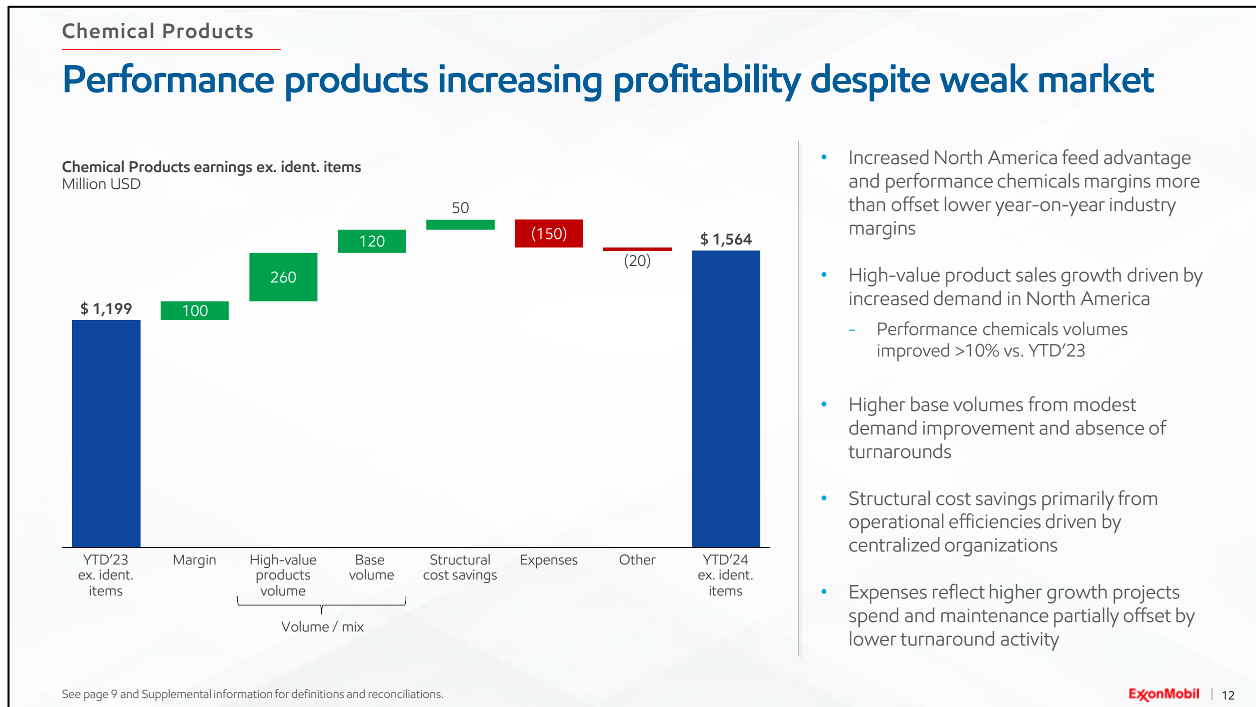
Within Product Solutions, Energy Products delivered earnings of $2.3 billion year-to-date. This is greater than twice the earnings delivered in the first half of 2018, a period with a margin environment resembling the first half of this year. This impressive growth in earnings power is built on the execution of strategic projects and structural cost savings mentioned earlier.

The first half of 2024 saw lower industry margins compared to the historic highs of early 2023 as record demand was more than met by additional supply from new capacity that came online, mostly in the Middle East.

The earnings contribution from strategic project volumes partially offset the decrease in base volumes driven mainly by divestments of our refining assets in Italy, Thailand, and Billings, Montana. The first half of this year was also a heavy planned maintenance period, which impacted both base volumes and expenses.

Earlier I mentioned how maintenance transformation efforts are taking cost out of the business. To put these benefits into perspective, in the first half of this year we experienced the highest amount of turnaround activity since 2019. Compared to the last time we completed turnarounds on these assets, we reduced cost by approximately $200 million, and significantly improved schedule performance. In Beaumont, for example, our teams reduced downtime on the hydrocracker by 25 days versus the prior cycle, resulting in lower costs and less downtime. Continued maintenance improvements like these, as well as the absence of expenses from divested assets, contributed to the structural cost savings in the period.

Unfavorable timing impacts are consistent with a rising oil price environment year-on-year and are primarily related to the mark-to-market on unsettled derivatives.



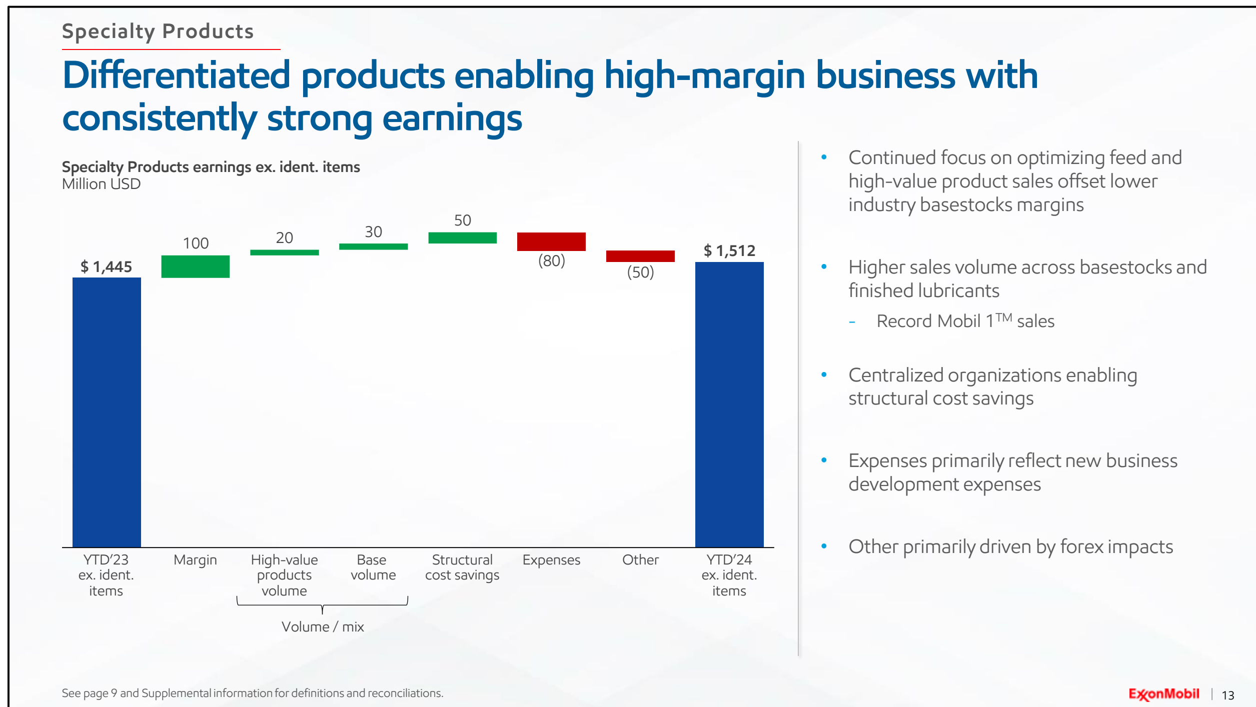
Chemical Products earned nearly $1.6 billion through the first half of this year, an increase of more than $350 million versus the first half of 2023.

Despite a period-on-period decline in global chemical industry margins, we captured a margin benefit from our advantaged North American footprint due to lower feed and energy costs, and from growth in performance product margins.

High-value products volume grew on increased North American demand. The investments we've made in strategic projects continue to pay off – even in bottom-of-cycle conditions. We set a quarterly sales record for performance chemicals in the second quarter and posted double-digit growth in performance chemicals sales volume versus this time last year. These products' superior properties enable a sizeable margin uplift versus commodities, and growing performance products sales is a major contributor to improving our earnings power.

Base volumes are higher with modest demand improvement and absence of prior period turnarounds.

Expenses were higher driven by higher maintenance and preparations for strategic projects start-ups in 2025. This includes our China Chemical Complex, which is on track to start up early next year.



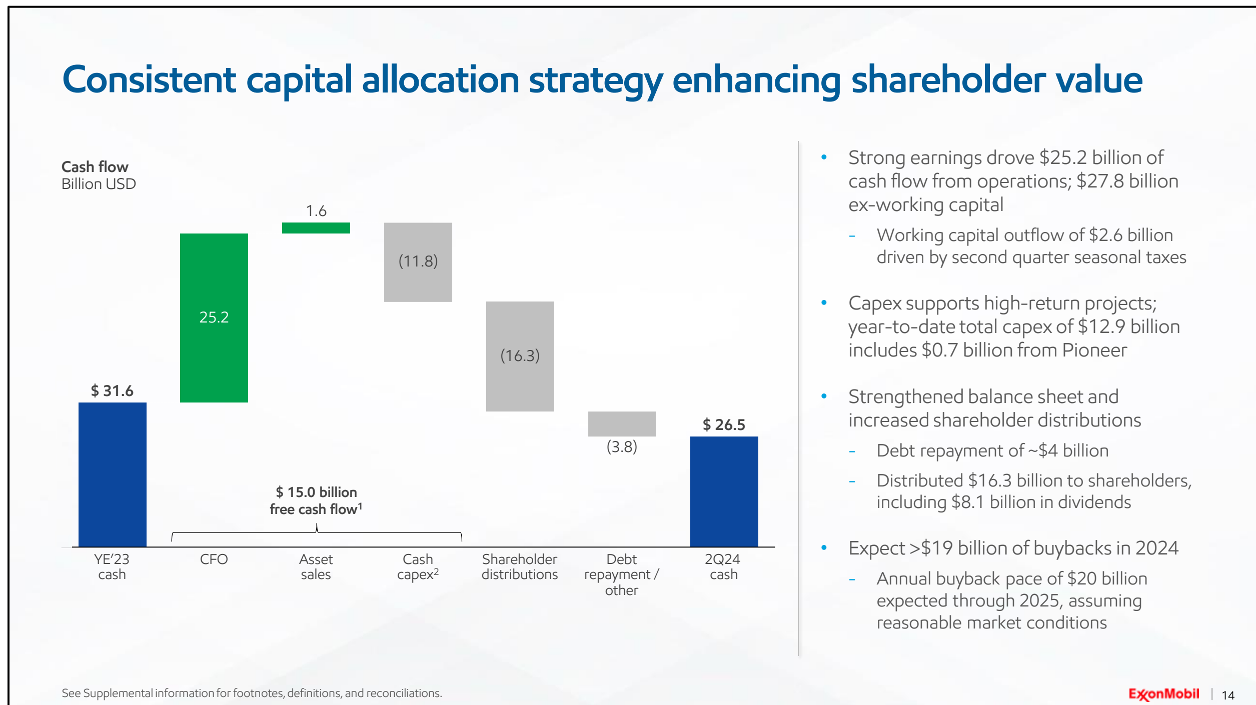
Year-to-date earnings in Specialty Products were $1.5 billion. We delivered $750 million in second quarter earnings on top of the $760 million delivered in the first quarter, reflecting the consistently strong earnings contribution from this segment.

Higher margins were driven by technology-enabled feed optimization that lowered our input costs for finished lubricants while improving product performance. Additionally, revenue management actions helped partially offset lower industry basestocks margins.

Volumes were higher across our lubricants value chain. This includes our flagship product, Mobil 1™, which had record second quarter and first half sales volumes.

Expenses were higher reflecting increased new business development activity to grow Proxxima™ and new carbon materials products.

Other primarily reflects unfavorable foreign exchange impacts.



In the first half of 2024 we continued to execute our capital allocation priorities; investing in projects to profitably grow our business, ensuring we've built a fortress balance sheet during the constructive part of the commodity cycle, and more consistently returning capital to our shareholders.

We generated $25.2 billion of cash flow from operations, or $27.8 billion excluding a $2.6 billion working capital outflow driven by seasonal tax payments in the second quarter. Year-to-date capex came in at $12.9 billion, including $745 million from Pioneer during the two months post-closing.

We paid down nearly $4 billion of debt, ending the quarter with net-debt-to-capital of 6% and debt-to-capital of 14%, and distributed $16.3 billion to shareholders. Consistent with our guidance, we stepped up our annual share buyback pace to $20 billion per year following the Pioneer close. We plan to repurchase just over $19 billion of shares in 2024 and expect to maintain an annual buyback pace of $20 billion through 2025, assuming reasonable market conditions.

Altogether, our cash balance ended the quarter at $26.5 billion, down $5.1 billion from the start of the year due to the working capital change and debt repayment. Excluding working capital, our free cash flow fully covered distributions. In fact, we have covered shareholder distributions with free cash flow excluding working capital every quarter since we restarted the share repurchase program at the beginning of 2022.

Forward guidance

Upstream

- 3Q24 outlook: ~80 Kbd lower gross volumes in Guyana due to scheduled work on Liza Phase 1 and Phase 2 FPSOs to enable the Gas-to-Energy project tie-ins
- 3Q24 outlook: full-quarter Pioneer DD&A expected to be ~$1.4 billion
- Full year 2024 outlook: production, including eight months from Pioneer, expected to be ~4.3 Moebd
  - Full year 2024 total Permian production expected to be ~1.2 Moebd

Product Solutions

- 3Q24 outlook: $200-$300 million earnings impact from tornado-related outage at Joliet refinery
- 3Q24 outlook: lower scheduled maintenance for Energy Products; higher scheduled maintenance for Chemical Products and Specialty Products

Corporate

- 3Q24 outlook: corporate and financing expenses expected to be $300-$500 million
- Full year 2024 outlook: total capex, including eight months from Pioneer, expected to be ~$28 billion

See Supplemental information for definitions.

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Turning to the third quarter outlook items, we expect scheduled work from the temporary shutdown of the Liza Phase 1 and Phase 2 FPSOs to lower Guyana volumes by about 80 Kbd gross.

This shutdown is required to tie the FPSOs into the pipeline for the historic gas-to-energy project, which will further transform Guyana's economy with reliable, affordable power. The work on Liza Phase 2 was completed in mid-July, and Liza Phase 1 is expected to be completed in early August. ExxonMobil's portion of the overall project – the 152-mile natural gas pipeline from the FPSO's – will be finished in the fourth quarter of this year and will be commissioned following the government of Guyana's completion of their 300-megawatt gas-fired power plant.

Third-quarter depreciation from Pioneer is expected to be about $1.4 billion reflecting the first full quarter post close.

We're updating our full-year 2024 production guidance from 3.8 million oil-equivalent barrels per day to 4.3 million oil-equivalent barrels per day, which incorporates eight months of Pioneer volumes. Our 2024 combined Permian production is expected to be 1.2 million oil-equivalent barrels per day. If we added Pioneer production for the first 4 months of the year, we would expect Permian production to be 1.4 million oil-equivalent barrels per day.

Moving to Product Solutions, we're estimating a third quarter earnings impact of between $200 million to $300 million from the tornado that went through our Joliet refinery on July 15th. Fortunately, no one onsite was injured and there was no major damage to main process units. Power has been restored and repair work is underway. In addition, we anticipate scheduled

maintenance in Energy Products to be about $300 million lower in the third quarter, while we expect Chemical Products and Specialty products to see a modest increase.

In the third quarter, we expect corporate and financing expenses to total $300 million to $500 million, and for the full year, we now expect capex of roughly $28 billion. This includes $25 billion for ExxonMobil, which is at the top end of the previously announced guidance range, and about $3 billion for eight months of Pioneer – consistent with their prior guidance.

And finally, the third quarter working capital will not have the high seasonal tax payments that occurred in the second quarter.

Key takeaways

Benefits of strategy accelerating and driving differentiated performance

- **Delivering value through consistent capital allocation and execution excellence**
  - Investing in high-return, advantaged projects to sustain long-term cash flow growth
  - Pioneer boosting low-cost-of-supply production, earnings, and cash flow – with more to come
  - Strategic projects driving high-value products growth – with a slate of new projects coming online next year
  - Maintaining strong balance sheet and growing shareholder distributions
- **Advancing new businesses built on innovative low-carbon products and services**
- **Consistently improving earnings power**
  - Shifting our entire business to higher-value / higher-margin mix
  - Driving structural cost efficiencies; on track to achieve incremental ~$5 billion by 2027 vs. 2023

See Supplemental information for definitions and reconciliations.

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With that, let me close with a few takeaways.

The work we've been doing over the past several years, the investments we've made, and our focus on improving the earnings power of ExxonMobil is generating tremendous value. When you build an advantaged portfolio of assets and combine it with the skills and capabilities of ExxonMobil, you have the ability to deliver industry-leading results across a wide variety of market conditions. And our array of high-return opportunities is enabling us to further distance ourselves from the rest of the industry.

We're making tangible progress across all three of our capital allocation priorities: growing our investments in high-return advantaged projects, ensuring we have a strong balance sheet to manage through the commodity cycle and increasing distributions to shareholders.

Looking ahead, we're not only confident that our actions will enable our base business to create value long into the future, but we're also hard at work continuing to grow our newer technology-driven businesses, all of which ensure that ExxonMobil will thrive no matter the speed of the energy transition.

Our strategy is proven. Our world-class team is delivering execution that's second to none. And the value we're creating for shareholders continues to grow.

Thank you.