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ExxonMobil

ExxonMobil Announces Corporate Plan

Company Expects to Double Earnings and Cash Flow Potential by 2027, Increases Investments in Lower-Emissions Efforts

- Approximately $17 billion for lower-emission initiatives through 2027; an increase of nearly 15%
- Annual capital investments remain at $20-$25 billion through 2027
- Earnings and cash flow growth expected to double by 2027, compared to 2019
- Share-repurchase program expanded up to $50 billion through 2024, including $15 billion in 2022

IRVING, Texas--(BUSINESS WIRE)-- ExxonMobil today announced its corporate plan for the next five years, with a sizeable increase in investments aimed at emission reductions and accretive lower-emission initiatives, including its Low Carbon Solutions business. The corporate plan through 2027 maintains annual capital expenditures at $20-$25 billion, while growing lower-emissions investments to approximately $17 billion. This disciplined approach prioritizes high-return, low-cost-of-supply assets in the Upstream and Product Solutions businesses and supports efforts to reduce greenhouse gas emissions intensity from operated assets, as well as those emitted from other companies.

The plan is expected to double earnings and cash flow potential by 2027 versus 2019 and supports the company's strategic priorities, which include leading the industry in safety, shareholder returns, earnings and cash flow growth; cost and capital efficiency; and reductions in greenhouse gas emissions intensity.

"Our five-year plan is expected to drive leading business outcomes and is a continuation of the path that has delivered industry-leading results in 2022," said Darren Woods, chairman and chief executive officer. "We view our success as an 'and' equation, one in which we can produce the energy and products society needs – and – be a leader in reducing greenhouse gas emissions from our own operations and also those from other companies. The corporate plan we're laying out today reflects that view, and the results we've seen to date demonstrate that we're on the right course."

Corporate Plan Calls for Strong Growth from High-Return Projects

Investments in 2023 are expected to be in the range of $23 billion to $25 billion to help increase supply to meet global demand. The company also remains on track to deliver a total of approximately $9 billion in structural cost reductions by year-end 2023 versus 2019.

Upstream earnings potential is expected to double by 2027 versus 2019, resulting from investments in high-return, low-cost-of-supply projects. More than 70% of capital investments will be deployed in strategic developments in the U.S. Permian Basin, Guyana, Brazil, and LNG projects around the world. By 2027, Upstream production is expected to grow by 500,000 oil-equivalent barrels per day to 4.2 million oil-equivalent barrels per day with more than 50% of the total to come from these key growth areas. Approximately 90% of Upstream investments that bring on new oil and flowing gas production are expected to have returns greater than 10% at prices less than or equal to $35 per barrel, while also reducing Upstream operated greenhouse gas emissions intensity by 40-50% through 2030, compared to 2016 levels.

Near-term Upstream investments are projected to keep production at approximately 3.7 million barrels of oil equivalent per day in 2023 assuming a $60 per barrel Brent price, offsetting the impact of strategic portfolio divestments and the expropriation of Sakhalin-1 in Russia.

ExxonMobil Product Solutions expects to nearly triple earnings by 2027 versus 2019. These growth plans are focused on high-return projects that are anticipated to double volumes of performance chemicals, lower-emission fuels, and high-value lubricants. The company continues to leverage its industry-leading manufacturing scale, integration, and technology position to upgrade its portfolio and reduce costs.

Increased cash flow and earnings enable further net debt reduction and increased shareholder distributions.

The company announced an expansion of its $30 billion share-repurchase program, which is now up to $50 billion through 2024. It also recently increased its annual dividend payment for the 40th consecutive year. By year-end 2022, ExxonMobil expects to distribute approximately $30 billion to shareholders, including $15 billion in dividends and $15 billion in share repurchases.

Growing the Low Carbon Solutions Business

ExxonMobil has allocated approximately $17 billion on its own emission reductions and accretive third-party lower-emission initiatives through 2027, an increase of nearly 15%. Nearly 40% of these investments is directed toward building our lower-emissions business with customers to reduce their greenhouse gas emissions with a primary emphasis on large-scale carbon capture and storage, biofuels, and hydrogen. These lower-emissions technologies are recognized as necessary solutions to help address climate change and closely align with ExxonMobil's existing competitive advantages and core capabilities. The balance of the capital will be deployed in support of the company's 2030 emission-reduction plans and its 2050 Scope 1 and 2 net-zero ambition. In the Permian, the company is on track with its goal to reach net-zero Scope 1 and 2 emissions from its operated unconventional assets by 2030.

"We're aggressively working to reduce greenhouse gas emissions from our operations, and our 2030 emission-reduction plans are on track to achieve a 40-50% reduction in upstream greenhouse gas intensity, compared to 2016 levels," added Woods. "We will continue to advocate for clear and consistent government policies that accelerate progress to a lower-emissions future. At the same time, we'll continue to work to provide solutions that can help customers in other industries reduce their greenhouse gas emissions, especially in higher-emitting sectors of the economy like manufacturing, transportation and power generation."

Supporting materials for this press release are available on the Investor Relations page of ExxonMobil.com.

About ExxonMobil

ExxonMobil, one of the largest publicly traded international energy and petrochemical companies, creates solutions that improve quality of life and meet society's evolving needs.

The corporation's primary businesses - Upstream, Product Solutions and Low Carbon Solutions - provide products that enable modern life, including energy, chemicals, lubricants, and lower-emissions technologies. ExxonMobil holds an industry-leading portfolio of resources, and is one of the largest integrated fuels, lubricants and chemical companies in the world.

In 2021, ExxonMobil announced Scope 1 and 2 greenhouse gas emission-reduction plans for 2030 for operated assets, compared to 2016 levels. The plans are to achieve a 20-30% reduction in corporate-wide greenhouse gas intensity; a 40-50% reduction in greenhouse gas intensity of upstream operations; a 70-80% reduction in corporate-wide methane intensity; and a 60-70% reduction in corporate-wide flaring intensity.

With advancements in technology and the support of clear and consistent government policies, ExxonMobil aims to achieve net-zero Scope 1 and 2 greenhouse gas emissions from its operated assets by 2050. To learn more, visit exxonmobil.com, the Energy Factor, and ExxonMobil's Advancing Climate Solutions.

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Cautionary Statement

Statements of future events, conditions, or expectations in this release are forward-looking statements. Actual future results, including financial and operating performance; potential earnings, cash flow, and rates of return; total capital expenditures and mix, including allocations of capital to low carbon solutions; realization and maintenance of structural cost reductions and efficiency gains, including the ability to offset inflationary pressures; ambitions to reach Scope 1 and Scope 2 net zero from operated assets by 2050, to reach Scope 1 and 2 net zero in Upstream Permian Basin unconventional operated assets by 2030, to eliminate routine flaring in-line with World Bank Zero Routine Flaring, to reach near-zero methane emissions from its operations, to meet ExxonMobil's emission reduction plans and goals, divestment and start-up plans, and associated project plans as well as technology efforts; success in or development of future business markets like carbon capture, hydrogen or biofuels; maintenance and turnaround activity; drilling and improvement programs; price and margin recovery; shareholder distributions; planned 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, or other market or economic conditions affecting the oil, gas, and petrochemical industries and the demand for our products; government policies supporting lower carbon investment opportunities such as the U.S. Inflation Reduction Act or policies limiting the attractiveness of investments such as the European Solidarity Tax; policy and consumer support for emission-reduction products and technology; the outcome of competitive bidding and project wins; regulatory actions targeting public companies in the oil and gas industry; changes in local, national, or international laws, regulations, and policies affecting our business including with respect to the environment; taxes, trade sanctions, and actions taken in response to pandemic concerns; the ability to realize efficiencies within and across our business lines and to maintain cost reductions without impairing our competitive positioning; the outcome and timing of exploration and development projects; decisions to invest in future reserves; reservoir performance, including variability in unconventional projects; timely completion of construction projects; war and other security disturbances; expropriations, seizures, and capacity, insurance or shipping limitations by foreign governments or international embargoes; changes in consumer preferences; opportunities for and regulatory approval of investments or divestments that may arise; 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 Annual Report on Form 10-K and under the heading "Factors Affecting Future Results" available through the Investors page of our website at exxonmobil.com. All forward-looking statements are based on management's knowledge and reasonable expectations at the time of this release 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.

Forward-looking statements contained in this release regarding the potential for future earnings, cash flow, shareholder distributions, returns, structural cost reductions, capital and exploration expenditures, and volumes, including statements regarding future earnings potential and returns in the Upstream and Product Solutions segments and in our lower-carbon investments, are not forecasts of actual future results. These figures are provided to help quantify for illustrative purposes management's view of the potential future results and goals of currently-contemplated management plans and objectives over the time periods shown, calculated on a basis consistent with our internal modeling assumptions. For all price point comparisons, unless otherwise indicated, we assume $60/bbl Brent crude prices and $3/mmbtu Henry Hub gas prices. Unless otherwise specified, crude prices are Brent prices. These are used for clear comparison purposes and are not necessarily representative of management's internal price assumptions. All crude and natural gas prices for future years are adjusted for inflation from 2022. Energy, Chemical, and Specialty Product margins reflect annual historical averages for the 10-year period from 2010—2019 unless otherwise stated. Lower-emission returns are calculated based on current and potential future government policies based on ExxonMobil projections. These assumptions are not forecasts of actual future market conditions. Capital investment guidance in lower-emissions investments is based on plan, however actual investment levels will be subject to the availability of the opportunity set and focused on returns. This work does not attempt to model potential future COVID-19 outbreaks or recoveries.

ExxonMobil reported emissions, including reductions and avoidance performance data, are based on a combination of measured and estimated data. Calculations are based on industry standards and best practices, including guidance from the American Petroleum Institute (API) and Ipieca. Emissions reported are estimates only, and performance data depends on variations in processes and operations, the availability of sufficient data, the quality of those data and methodology used for measurement and estimation. Emissions data is subject to change as methods, data quality, and technology improvements occur, and changes to performance data may be updated. Emissions, reductions and avoidance estimates for non-ExxonMobil operated facilities are included in the equity data and similarly may be updated as changes in the performance data are reported. ExxonMobil's plans to reduce emissions are good faith efforts based on current relevant data and methodology, which could be changed or refined. ExxonMobil works to continuously improve its approach to identifying, measuring and addressing emissions. ExxonMobil actively engages with industry, including API and Ipieca, to improve emission factors and methodologies, including measurements and estimates.

The term "flowing gas" as used in this release refers gas available for sale that is not marketed as liquefied natural gas. The term "performance chemicals" as used in this release refers to Chemical products that provide differentiated performance for multiple applications through enhanced properties versus commodity alternatives and bring significant additional value to customers and end-users. The term "project" as used in this release can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

This release summarizes highlights from ExxonMobil's December 8, 2022 update for its corporate plans. For more information concerning the forward-looking statements, defined terms, and other information contained in this release, please refer to the complete presentation (including important information contained in the Cautionary Statement and Supplemental Information sections of the presentation) on the Investors section of our website at exxonmobil.com. Definitions and additional information concerning certain terms used in this release are also provided in the Frequently Used Terms available on the Investor page of our website at www.exxonmobil.com under the heading News & Resources.

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