

# Storyboard

- Aligned with updated storyline
- Need to align what is the most impactful and simple content **to support the message (from existing materials)**
- Need to align what new content would be useful to support the message
- Once we have alignment on content we will work on most effective visuals for audience

## Key milestones

Apr 4

Apr 9

May 3

May 16

May 22

Kick off Storyboard

Draft slides

Draft slides Final slides

ExxonMobil

2018 Analyst Meeting

Exxon Mobil Esso Mobil

CONFIDENTIAL

EM-HCOR3-00002391

# High level storyline/ outline

- What we do is vitally important. We help provide the energy that's critical to economic progress and raising standards of living. As we look forward, the needs and challenges remain high: growing economies and depletion. We have to continue doing what we do, even as the world transitions to lower carbon economies. Our business is robust and needed for foreseeable future. Energy and Carbon Summary demonstrates this. We are managing significant uncertainty. 5 Mins
- Our consistent and increasingly unique philosophy and approach to running our business provides significant competitive advantages and positions us well for the future – across all potential scenarios. Focus on: integrated value chains, technology, discipline investments, ops and project excellence and workforce works across the evolving energy landscape (continuously changing demand, supply, price and regulatory environment) as it always have. Today we are producing much different resources, making different products, advancing different technologies, etc. 5 Mins
- Our strategies have led to competitively advantaged businesses and industry leading financial strength. We continue to leverage these strengths to make strategic investments in projects that grow our advantage vs. our peers/ competitors – growing our world-class portfolio and creating value across all three businesses. Can share examples that demonstrate resilient value proposition across the three businesses and work we are doing in technology – base business and climate related. 20 Mins
- All this adds up to strong earnings, cash flow and ROCE growth in a range of price environments that drives long term shareholder value and supports our commitment to a reliable and growing dividend. 5 Mins

**ExxonMobil**

2018 Analyst Meeting

**Exxon Mobil**  **Mobil** 

CONFIDENTIAL

EM-HCOR3-00002392

# Opening slide - Storyline

Opening slide on key messages

- What we do is vitally important for foreseeable future
- Uncertainties are significant (demand, supply, climate change risk, technology, price, policies, depletion), but also create opportunities
- Unique long standing fundamentals, a significant competitive advantage, enables... capturing those opportunities, adapting and evolving
- Growing value of the business by leveraging our fundamentals while addressing future risk including climate change
- Reliably growing earnings, cash, return on capital
- Growing dividends and sharing success

ExxonMobil

2018 Analyst Meeting

4

Exxon Mobil Esso Mobil

EM-HCOR3-00002393

CONFIDENTIAL

# Energy vital for human progress

By 2040 ...

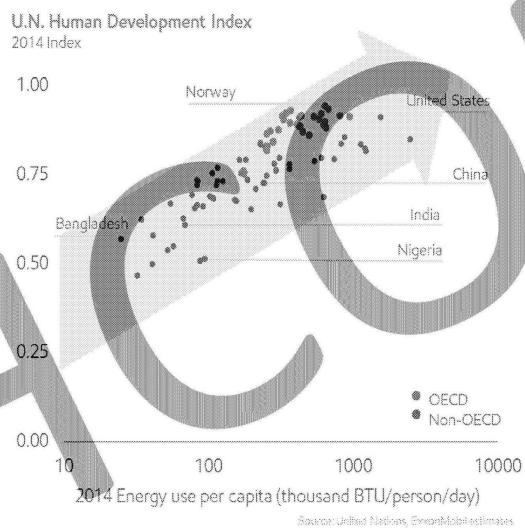
 +1.7 billion People

 2x GDP

 +25% Energy demand

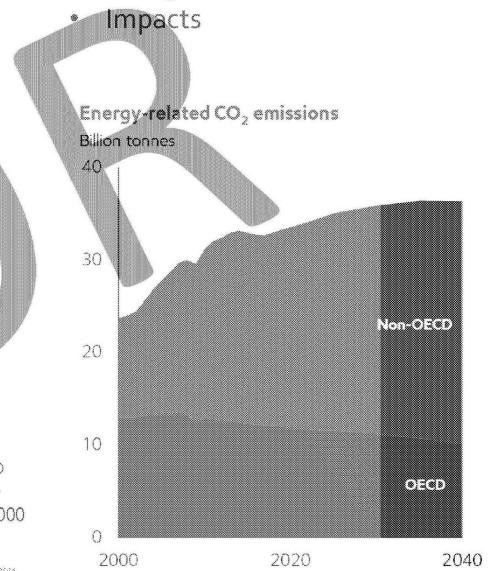
 +10% CO<sub>2</sub> emissions

 -40% CO<sub>2</sub> intensity

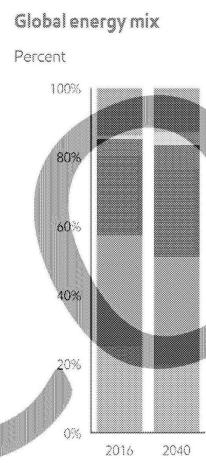
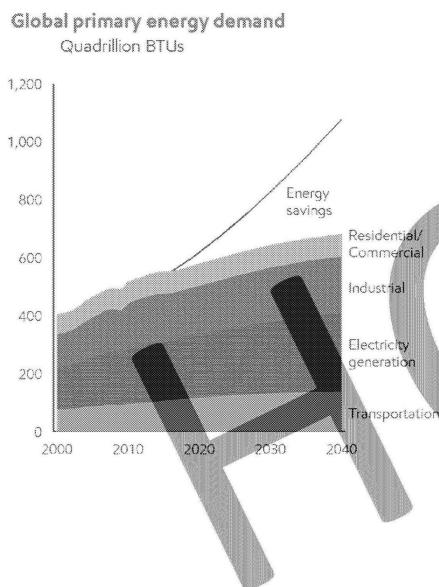


Simplify visuals with key messages

- Growing population/ economies
- Rising demand
- Impacts



# Mix of energy continue to be needed in low carbon future

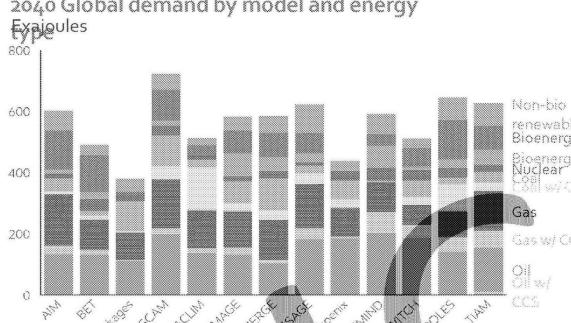


## Incorporate key messages

1. Which sectors/ type of use drive demand
2. As the world transitions to low carbon future why a mix of energy will be needed (emphasize gaps in commercial, electricity, industrial)
3. Exact mix will depend on many factors including policy and technology, but O&G will remain significant in the foreseeable future (transition to ECS)

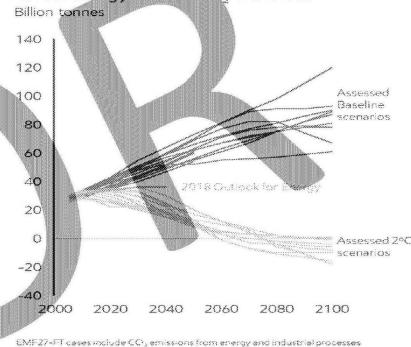
# Oil and gas essential in foreseeable future even in 2C scenarios

2040 Global demand by model and energy



Based on EMF27 full technology / 450 ppm scenarios (Assessed 2°C Scenarios)  
 EMF27 full technology scenarios data downloaded from: <https://secure.lboro.ac.uk/web-apps/ene/ArcDB>

Global energy-related CO<sub>2</sub> emissions

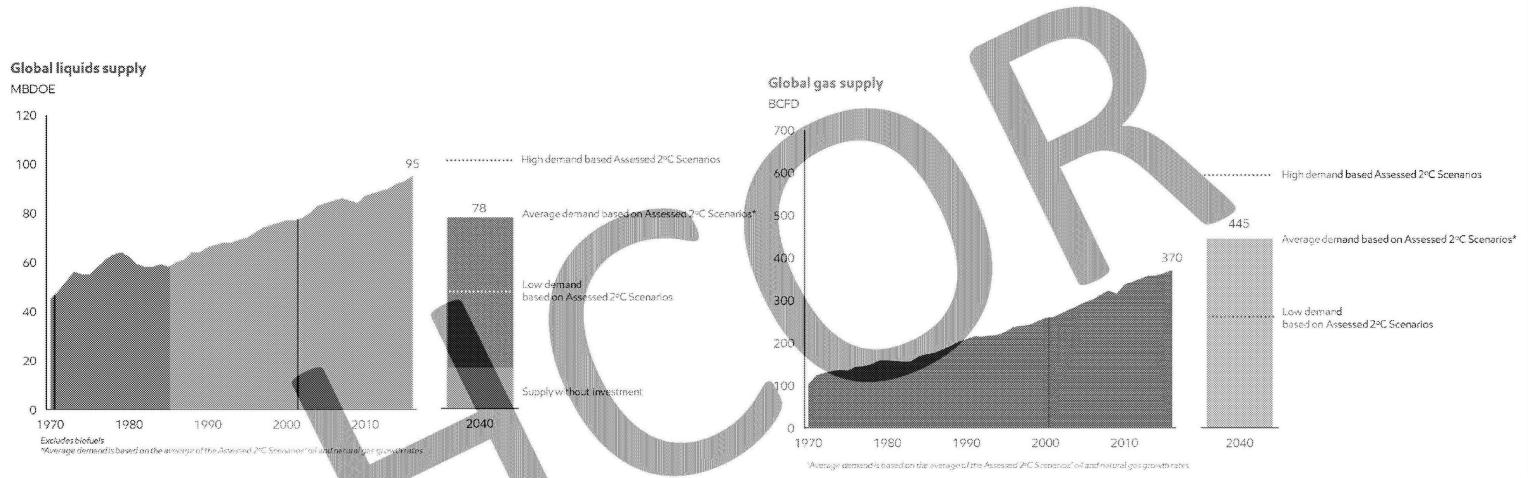


EMF27-FT cases include CO<sub>2</sub> emissions from energy and industrial processes

Baseline and 2°C scenarios based on Stanford EMF27 full technology scenarios

1. Simplify visuals with key messages
2. Position E&C summary:
  - Sensitivity to our EO; always done but not to this extent given significant uncertainties & time frame involved
  - Did this year due to shareholder request
  - uncertainties remain (policy & technology will evolve); however signpost and time of transition provide ability to effectively respond
3. External expert models confirm as we transition to lower carbon economies (to meet 2 degree) O&G will remain vital
4. Show our EO view vs experts

# Significant investment needed to meet demand



1. Simplify visuals with key messages- show assessed 2C (external avg and EO)
2. Explain depletion nature
3. 2 degree scenarios/ EO requires trillions of dollars in investments to meet the energy demand
4. We have to continue doing what we do, even as the world transitions to lower carbon

# Fundamentals drive long-term shareholder value

- Innovative technologies creates unique value
- Integrated businesses capture opportunities across value chain
- Disciplined investments deliver industry-leading portfolio
- Operational and project excellence maximizes asset value
- Financial strength provides unmatched flexibility

## World-class workforce the foundation

### Key messages

1. Unique philosophy and approach to running our business provides significant competitive advantages
2. Positions us well for the future across the evolving energy landscape, as it always have
3. Hence we call them our unique fundamentals
4. Our fundamentals enable us to evolve -Today we are producing much different resources, making different products,

# Fundamentals provide strength to evolve

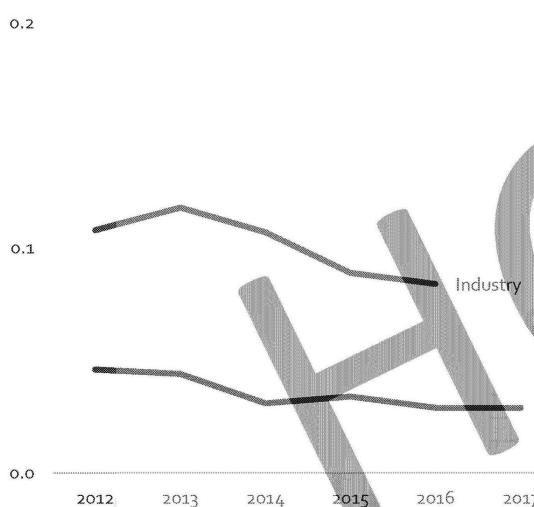
Work with CSP for examples to demonstrate how our business has evolved

- Resources – Tight Oil and Gas; Deeper water; LNG
- Products – D/S –Group 2 basestocks, Synthetic lubes, efficient fuels; Chemicals- durable and lighter weight
- Technology – Sub surface modelling, Catalysts, Process, Algae, Fuel Cell

# Relentlessly focused on the fundamentals

Workforce lost-time incident rate<sup>1</sup>

Employee and contractor lost-time incidents per 200K hours



<sup>1</sup>Source: American Petroleum Institute. 2017 industry data not available.

Key message

1. Demonstration on Operational Excellence
2. Safety
3. Other examples?

ExxonMobil

2018 Analyst Meeting

66

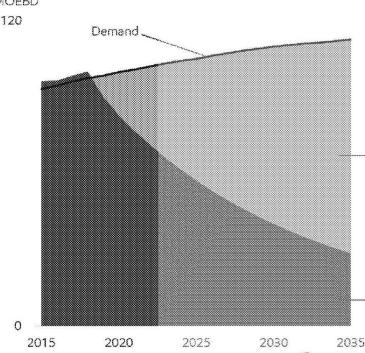
Exxon Mobil Esso Mobil IT

CONFIDENTIAL

EM-HCOR3-00002400

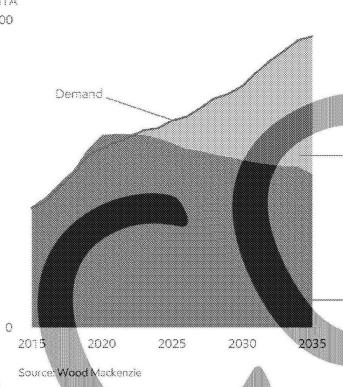
## Meeting demand with advantaged investments to drive value growth

Liquid supply / demand<sup>1</sup>  
MOEBD



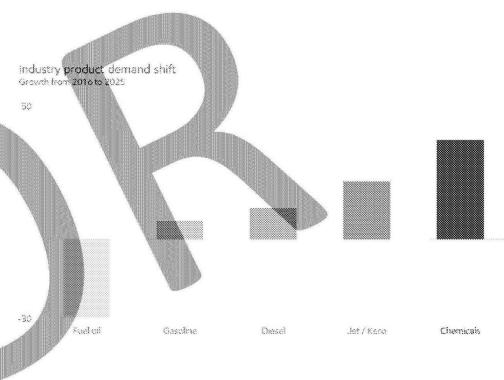
Source: ExxonMobil 2018 Outlook for Energy: A View to 2040  
Excludes biofuels, includes estimated spare capacity

LNG growth  
MTA



Source: Wood Mackenzie

Industry product demand shift  
Growth from 2016 to 2025



Source: ExxonMobil  
2018 Outlook for Energy: A View to 2040,  
Excludes biofuels

### Simplify visuals with key messages

1. Talked about demand growth and changes/ opportunities
2. Many can participate, however winner needs competitive advantages (e.g. lowest cost/ investments)
3. We are leveraging our unique fundamentals to make strategic investments in projects that grow our advantage vs. our peers/ competitors
4. This will enable us to grow our world-class portfolio and create value across all three businesses

# Advantaged investments across 3 world-class businesses

## Upstream opportunities generate long term value (~avg 20% returns)

- 10 BOEB high-value resources added in 2017
- 5 World class value creation opportunities
  - Deepwater- Guyana, Brazil
  - Unconventional- US tight oil
  - LNG – PNG, Mozambique
- 25 start-ups adding net 1 MOEB per day
- Other key acreage- Mexico, Cyprus, Mauritania, Romania/West Africa

Create impactful visuals with key messages

1. Diverse world class portfolio across all three businesses
2. Richest portfolio since merger
3. Investment Portfolio designed for and tested to be robust at different prices
4. Generating industry leading returns

## Downstream opportunities generate long term value (~ avg 20% returns)

- 6 major refinery projects
- Proprietary technology improves project, returns to > 20%
- 20% margin improvement in shift to, higher-value products

## Chemical Opportunities generate long term value (~ avg 15% returns)

- Growing capacity in North America and Asia by 40%
- Starting up 13 new world-class facilities
- Performance products delivering 50% earnings growth

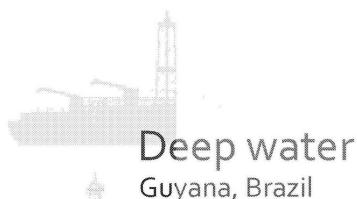
**ExxonMobil** 2018 Analyst Meeting

**Exxon Mobil**  **Mobil** 

CONFIDENTIAL

EM-HCOR3-00002402

# Next-generation assets drive growth



Deep water  
Guyana, Brazil



Unconventional  
U.S. tight oil



LNG  
PNG, Mozambique

- Our strongest portfolio of opportunities since the merger
- Attractive across range of prices
- All producing by 2025



50%

of 2025 Upstream earnings

Highlight in key message

- **Guyana:** Major discovery, rapid pace, huge upside potential, Lowest cost
- **Brazil:** Opportunistic entry, positioned as major player, competitive terms, aggressive exploration
- **U.S. tight oil:** Exceptional, unique competitive position
- **PNG:** Doubling capacity, lowest cost of supply, upside potential through exploration and InterOil acquisition
- **Mozambique:** Large high quality resource, significant development scope.

# U.S. tight oil: Unique competitive position

Slide meant to demonstrate agility and unique fundamentals (Technology, Integration, Execution)

## Key messages

- Leading unconventional portfolio and expertise/capability
- Operated contiguous acreage
- Drives leading capital efficiency and lowest cost development
- Unique integrated position with US Gulf coast refining and chemicals, connected through strategic infrastructure investments
- Cumulative free cash flow of >\$5B ('18 - '25)
- >10% return at \$35/bbl

# Downstream- Upgrading drives value growth

## Product leadership<sup>1</sup>

Lube basestocks	1
Finished lubricants	2
Synthetic lubricants	1

1  
2  
1  
Market position

- Examples
- **Rotterdam:** Advanced hydrocracker based on proprietary technology positions it to be one of the most competitive refineries and only Group II basestock producer in Europe
- **Singapore:** new proprietary technologies to upgrade refinery AND steam cracker resid to low-sulfur diesel and lube basestocks. Estimated to be top profitability quartile refining complex globally

Simplify and create impactful visual

## Key messages

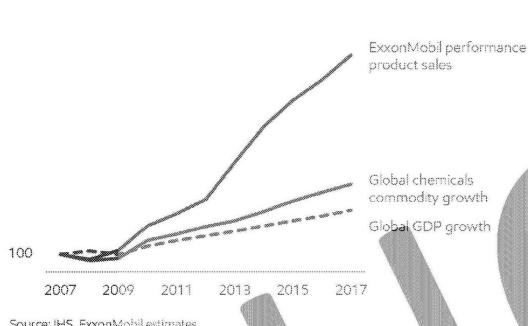
- Capturing value across the Fuels Value Chain and Lubes Value Chain
- Product Leadership and global market access, emerging market product sales grow 20% (e.g. Mexico, Indonesia...)
- Proprietary technology enables manufacturing advantage to upgrade to higher value products
- Unique integrated position, leveraging strong lubricants and chemical integration as well as Upstream (Permian)
- Consistently high grading portfolio

# Chemical- Competitive strengths drive value growth

Simplify and create impactful visual

Performance products sales growth  
Volume, indexed

250



## Examples (Capacity growth)

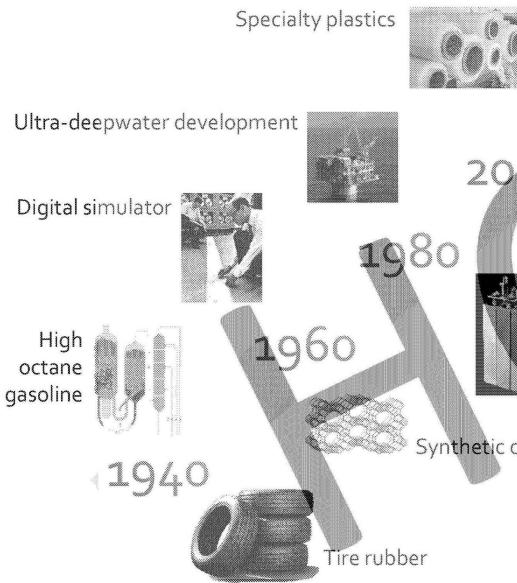
- USGC (~ 60%) – For over half of the capacity growth we have \$300/ton advantage (operating margin) vs. new entrant
- Asia (40%) – mostly Singapore

## Key messages

- Product Leadership, Delivering 30% global sales growth by 2025
- Proprietary technology enables manufacturing advantage to produce performance products
- Global market access through 4 technology centers, 20 world class manufacturing sites and global efficient supply chain
- Unique integrated position

# Technology creating unique business value

## A history of innovation



Today

Update visual with key Messages

1. Business improvements through R&D expertise
2. \$1G annual R&D spend (\$5 value generated for every \$invested)

# Technology enabling lower carbon alternatives



CONFIDENTIAL

# Advantaged investments growing returns

## Key Messages

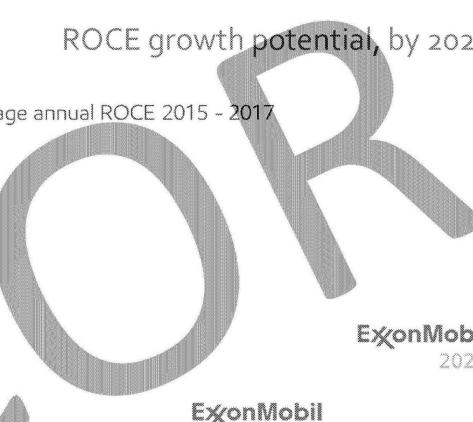
1. Advantaged investments built on fundamentals and robust across prices driving ROCE growth, resilient at \$40/B
2. \$24G investment in '18 and >\$30G in 20-25
3. New project returns of 20%/ 20%/15% @ 60/B

## ROCE growth potential, by 2025

Average annual ROCE 2015 - 2017

%

16



ExxonMobil  
2025

ExxonMobil  
2020

ExxonMobil

TOT

RDS

CVX

BP

35

Average earnings 2015 - 2017 (Billion USD)

Exxon Mobil Esso Mobil

ExxonMobil

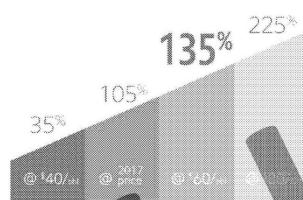
2018 Analyst Meeting

CONFIDENTIAL

EM-HCOR3-00002409

# Strong growth in earnings, cash flow

Earnings potential, by 2025



Cash flow potential, by 2025

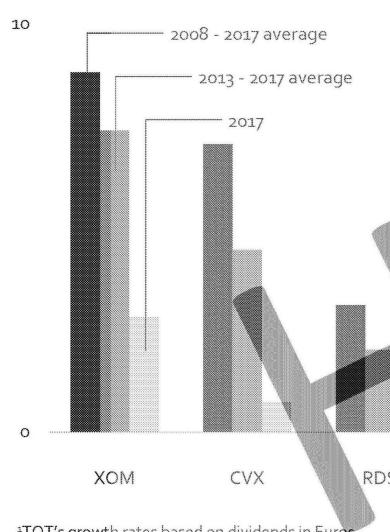


## Key Messages

1. Advantaged investments driving earnings and cash flow growth potential, even in low price environment
2. At different price ranges, expect different results

# Sharing success with our shareholders

Annual dividend growth rate<sup>1</sup>  
%



## Key messages

1. Cash flow provides dividend growth potential
2. Leaders in return to shareholders
  - '13-'17 cum div growth 70% greater than closest competitor
  - ~\$380B returned since merger
  - Dividends grown for 35 consecutive yrs
3. Expect growth consistent with past rates

# Committed to growing shareholder value

- Managing to long-term fundamentals
- Reliably growing cash dividend
- Capturing opportunities across price cycle
- Maintaining financial flexibility
- Returning excess cash to shareholders

Need a closing slide incorporate low carbon positioning