

Exxon Mobil Corporation

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Exxon Mobil and Chevron miss 2Q profit and revenue estimates while Phillips 66 beats forecasts

Shares in Exxon Mobil Corp (NYSE:XOM) slipped in the pre-market session after the world's biggest public oil producer's second-quarter profit and revenue missed Wall Street's forecasts, due partly to maintenance outages.

The company reported net income of US\$3.95bn or 92 cents per share, up from US\$3.35bn or 78 cents per share, in the year-ago quarter. Its revenue, meanwhile, came in at US\$73.5bn.

The results failed to live up to the expectations of Wall Street analysts who had expected the oil producer would earn US\$1.27 per share on revenue of US\$74.15bn.

Investors were also unimpressed, sending Exxon Mobil shares 4% lower to US\$80.85.

"Second quarter results were primarily impacted by significant scheduled maintenance undertaken to support operational integrity," said Darren Woods, Exxon's chairman and CEO. "In addition, while we were pleased with the return of full production following the PNG earthquake, extended recoveries from first quarter operational incidents in the Downstream were disappointing."

Crude prices strengthened in the second quarter while natural gas prices were mixed as they were hit by lower seasonal demand in Europe, the company said.

Exxon's oil-equivalent production came in at 3.6 million barrels per day, down 7% from the year-ago period.

Natural gas volumes produced also fell 10%, due partly to downtime in Qatar, Australia and Papua New Guinea.

Exxon invests internationally

The company made considerable investments across Brazil, the US Permian Basin and Indonesia in the quarter, with its capital and exploration expenditures soaring 69% from last year to US\$6.6bn.

But its international downstream business took a hit in the quarter, reporting a profit of just US\$29m, which fell short of the more than US\$1bn it earned in the year-ago quarter. Profits from its global refining and marketing business were also down sharply from last year at US\$724m.

Depreciation in the euro and British pound relative to the US dollar also weighed on Exxon's results in the quarter.

Chevron also falls short of Street's predictions

Shares in Chevron Corp (NYSE:CVX), the second-biggest listed oil and gas firm, also slipped in the pre-market session after the oil company missed analysts' estimates for second-quarter profit and revenue as it revealed a US\$3bn share

Price: 39.21

Market Cap: \$165.94 billion

1 Year Share Price Graph



Share Information

Code: XOM

Listing: NYSE

52 week High Low
83.49 30.11

Sector: Oil & Gas

Website: www.corp.exxonmobil.com

Company Synopsis:

Exxon Mobil is a manufacturer and marketer of commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a range of specialty products. It also has interests in electric power generation facilities and is a major oil and gas exploration and production player.

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buyback plan.

On the whole, however, Chevron's results looked impressive as its second-quarter net income more than doubled to US\$3.4bn on the back of the renewed strength of oil prices.

"Second quarter earnings were up significantly from a year ago," said CEO Michael Wirth. "Results in 2018 benefited from higher crude oil prices, strong operations and higher production."

But Chevron earned US\$1.78 per share on revenue of US\$42.24bn, which fell short of analysts' estimate of US\$2.09 per share on revenue of US\$45.59bn.

Chevron's average sales price per barrel of crude oil and natural gas liquids was US\$59 in the second quarter, up from US\$41 a year earlier. Its global net oil-equivalent production, meanwhile, was 2.83 million barrels per day in the quarter, compared with 2.78 million barrels per day in the year-ago quarter.

Chevron's upstream exploration and production business drove its earnings in the quarter at a time when the price of crude oil averaged more than US\$70 a barrel in the quarter.

In the US, its upstream operations earned US\$838mln in the second quarter, compared with a loss of US\$102 million in the year-ago quarter. Its international upstream operations, meanwhile, earned US\$2.46bn in the quarter, compared with US\$955 mln in the year-ago quarter.

While ExxonMobil's and Chevron's results failed to please investors, other oil groups performed better in the quarter.

Read: Investors play the oil patch as Chevron, Cabot, Imperial get the thumbs-up and Exxon, Phillips disappoint Phillips 66 beats the Street

Shares in Phillips 66 (NYSE:PSX) climbed in the pre-market session after the Houston-based oil refiner surpassed the Street's estimate on both its second-quarter revenue and profit.

The company's results received a boost from the cheaper price of crude oil, which boosted the margins for its refining business.

Phillips 66 reported that earnings from refining, its largest business, jumped to US\$910mln in the quarter, up from US\$224mln in the year-ago quarter.

On an adjusted basis, the company reported second-quarter profit of US\$2.80 per share on revenue of US\$29.74bn, which trumped Wall Street's estimate of US\$2.19 per share on revenue of US\$29.13bn.

Phillips 66 is a downstream energy company and its businesses include refining and marketing as well as midstream and chemicals.

Phillips 66 shares were up 3.6% in the pre-market session at US\$120.20.

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