

Chevron Corporation (CVX)

\$151.13 (Stock Price as of 11/28/2025)

Price Target (6-12 Months): **\$127.00**

Long Term: 6-12 Months

Zacks Recommendation: Underperform

(Since: 11/24/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: B

Growth: C

Momentum: A

Summary

Chevron Corporation continues to post solid operational gains driven by the Hess acquisition and sustained momentum in the Permian Basin and Gulf of America, yet weaker liquids pricing keeps upstream segment earnings under pressure. California's shifting regulatory landscape adds further uncertainty as refinery rationalization and rising import reliance tighten margins. The energy supermajor's renewed push into frontier exploration introduces added risk in a volatile oil market, while a premium valuation limits upside even with strong cash returns and a sturdy balance sheet. Chevron's slower progress on energy transition goals also leaves it trailing peers at a time when strategic clarity matters more. Overall, the risk-reward profile remains tilted to the downside. Chevron stock is currently Underperform.

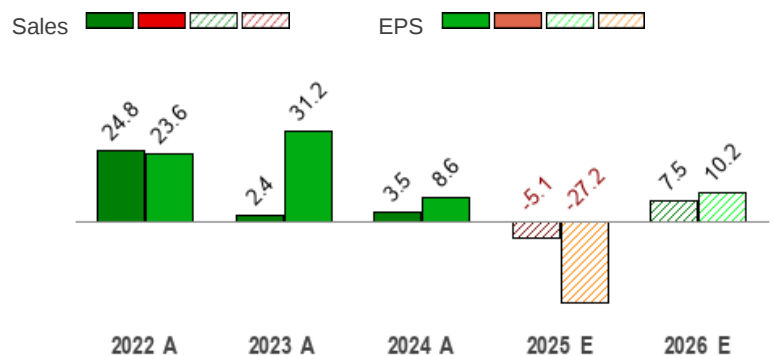
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$168.96 - \$132.04
20 Day Average Volume (sh)	8,083,271
Market Cap	\$304.3 B
YTD Price Change	4.3%
Beta	0.68
Dividend / Div Yld	\$6.84 / 4.5%
Industry	Oil and Gas - Integrated - International
Zacks Industry Rank	Bottom 36% (155 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	11.5%
Last Sales Surprise	-7.2%
EPS F1 Est- 4 week change	3.2%
Expected Report Date	01/30/2026
Earnings ESP	0.0%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					206,878 E
2025	47,610 A	44,822 A	49,726 A		192,484 E
2024	48,716 A	51,181 A	50,669 A	52,226 A	202,792 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					8.07 E
2025	2.18 A	1.77 A	1.85 A		7.32 E
2024	2.93 A	2.55 A	2.51 A	2.06 A	10.05 A

*Quarterly figures may not add up to annual.

P/E TTM	19.2
P/E F1	11.5
PEG F1	-1.1
P/S TTM	1.6

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 11/28/2025.

(2) The report's text and the price target are as of 11/25/2025.

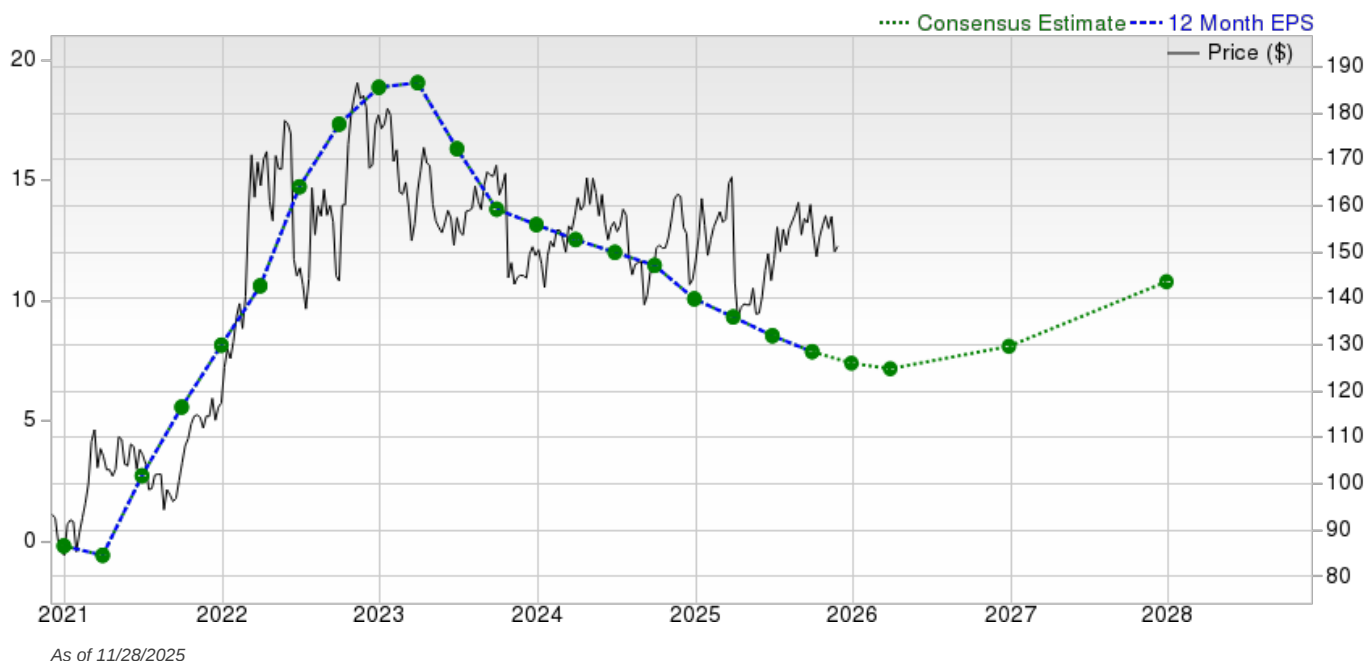
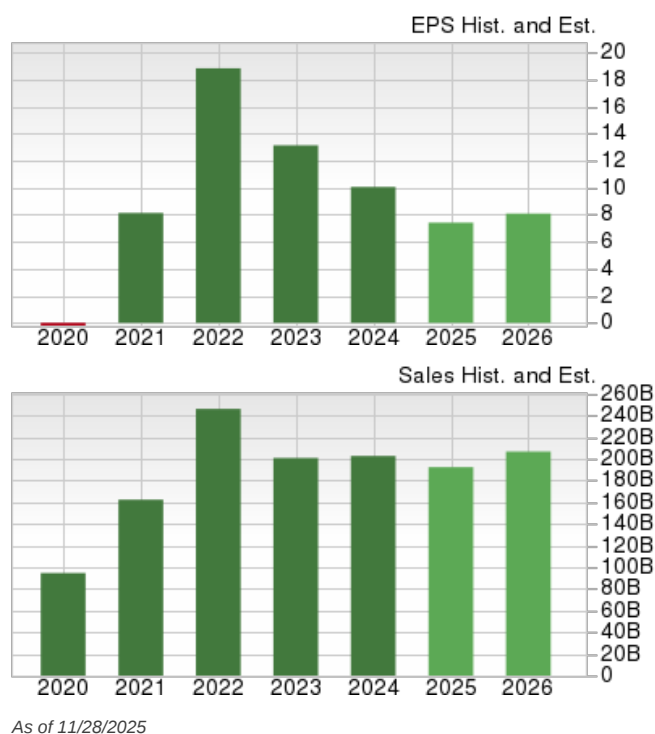
Overview

Chevron is one of the largest publicly traded oil and gas companies in the world with operations that span almost every corner of the globe. The only energy component of the Dow Jones Industrial Average, San Ramon, CA-based Chevron is fully integrated, meaning it participates in every aspect related to energy – from oil production, to refining and marketing. The company generates more than \$200 billion in annual revenues and produces over three million barrels per day of oil equivalent. Chevron currently churns out oil and natural gas at a 59/41 ratio. As of the end of 2024, the company had proved reserves of approximately 9.8 billion barrels of oil-equivalent.

The energy sector's revival from the pandemic-induced lows have significantly buoyed Chevron's stock price and it is currently the 26-largest company in the S&P 500 Index. With its relatively low-risk energy business structure, robust financial health, and ample free cash flows, Chevron remains well positioned to navigate the volatility in oil and gas prices.

Being an integrated firm engaged in all aspects of the oil and gas business, Chevron often finds itself in the crossfire of political debates over climate change policy. Notwithstanding these distractions, Chevron has improved its cash from operations, allowing management to raise the dividend regularly. One of only two energy stocks on the list of Dividend Aristocrats, the supermajor's balance sheet is reasonably healthy indicating that the dividend should remain safe going forward.

Chevron has a market cap of more than \$300 billion and divides its operations into two main segments: Upstream (exploration & production) and Downstream (refining). In 2024, the Upstream unit reported a profit of \$18.6 billion, while the Downstream segment generated earnings of \$1.7 billion. Chevron's other activities include transportation (pipelines, shipping) and chemicals (handled by Chevron Phillips Chemicals Company, a 50/50 joint venture with partner Phillips 66). Chevron's current oil and gas development project pipeline is among the best in the industry, which grew its output by around 7% year over year in 2024. This production growth will primarily come from Chevron's showpiece Permian Basin assets, where it has substantial holdings of 2.2 million net acres.



Reasons To Sell:

- ▼ While Chevron's upstream production reached a record 4,086 MBOE/d in Q3, earnings from the segment declined 28% year over year. Lower liquids realizations were the main culprit, with U.S. crude prices falling more than 10% to \$48.12 per barrel, and international prices slipping 11% to \$63.16. Despite improved natural gas pricing, especially in the United States, the drag from crude remains significant.
- ▼ Chevron's downstream operations face growing uncertainty in California, where refinery closures and regulatory changes are tightening supply and reshaping the local fuel market. CEO Mike Wirth noted that the policy-driven refinery rationalization has made California a "short" market increasingly reliant on imports. This shift raises logistics costs and exposes Chevron to margin volatility as it navigates evolving environmental policies and fuel standards. The long permitting timelines and regulatory hurdles for new infrastructure, such as pipelines, could limit Chevron's ability to efficiently supply this market, posing downside risk to downstream profitability.
- ▼ Chevron plans to increase frontier exploration spending after years of restraint, targeting new entries in Namibia, Suriname, Brazil, and Nigeria. While this move could yield high-impact discoveries, it introduces additional risk and potential capital strain, particularly if exploration outcomes disappoint or oil markets weaken further.
- ▼ Chevron's current P/E ratio is significantly higher than most of its peers, except ExxonMobil. Despite strong financial performance, the elevated valuation indicates that Chevron is expensive relative to other major oil companies, especially the European ones. This high valuation, combined with market volatility, suggests limited upside potential and increased risk for investors.
- ▼ While Chevron has said that it "aspired" to achieve net-zero greenhouse gas emissions in its operations by 2050, there is no doubt that the company has been a laggard compared to its European peers to jump into the clean energy bandwagon. Therefore, it will have a lot of catching up to do to neutralize all greenhouse gas emissions by the middle of this century.

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Risks⁽²⁾ (to the Underperform recommendation)

- The completed acquisition of Hess significantly boosts Chevron's long-term production and free cash flow profile. It adds premium assets in Guyana, Bakken, and the Gulf of America, increasing Chevron's resource base and operating leverage in key basins. This move diversifies its upstream portfolio and positions the company to deliver stable output growth through the end of the decade — even under moderate price scenarios.
 - Chevron's U.S. operations delivered an impressive 27.1% year-over-year production increase in Q3, fueled primarily by the Hess acquisition and higher output from the Permian Basin and Gulf of America. The Permian remains Chevron's crown jewel — an unmatched portfolio of high-quality assets that continues to drive peer-leading organic growth. Over the past five years, the company has achieved a 12% organic CAGR from this basin, supported by efficient tie-ins, strong well performance, and disciplined development.
 - As the largest mineral owner in the Permian, Chevron benefits from significant operational flexibility and lower royalty burdens, enhancing its ability to scale production efficiently. The basin's low-cost, high-margin profile provides a durable structural advantage, enabling superior returns — the highest among its peers. This combination of scalability, capital efficiency, and long-term resource depth makes the Permian a key engine of sustainable value creation for Chevron.
 - Chevron delivered \$4.9 billion in free cash flow in Q3 2025, supported by strong production and resilient refining margins despite lower oil prices. This solid performance enabled the company to return \$6 billion to shareholders — including \$3.4 billion in dividends and \$2.6 billion in buybacks. Backed by \$7.7 billion in cash, \$41.5 billion in total debt, and a modest 18% debt-to-capital ratio, Chevron maintains financial strength and an AA S&P credit rating. Looking ahead, it expects to add \$12.5 billion in annual free cash flow by 2026, fueled by growth in the Permian Basin, Gulf of America, and the Future Growth Project (FGP) at Tengiz.
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Last Earnings Report

Chevron Q3 Earnings Beat Estimates as Production Hits Record

Chevron Corporation reported adjusted third-quarter earnings per share of \$1.85, beating the Zacks Consensus Estimate of \$1.66. The outperformance stemmed from higher-than-expected production in the company's key upstream segment. The company's output of 4,086 thousand oil-equivalent barrels per day (MBOE/d), a record, came in above the consensus mark of 3,928 MBOE/d. Healthy gains in refined product margins also played a role.

However, the bottom line came well below the year-ago adjusted profit of \$2.51, primarily due to lower crude oil prices, severance-related charges and transaction costs tied to the Hess acquisition.

The company generated revenues of \$49.7 billion. The sales figure missed the Zacks Consensus Estimate of \$53.6 billion and decreased 1.9% year over year.

CVX's board of directors declared a quarterly cash dividend of \$1.71 per share to its common shareholders of record on Nov. 18, 2025. The payout, which is unchanged from the previous quarter, will be made on Dec. 10, 2025.

During the quarter, Chevron achieved record worldwide and U.S. net oil-equivalent production. The recently completed Hess acquisition contributed 495 MBOE/d, while legacy Chevron operations added another 227 MBOE/d. Growth was driven by higher output from the Permian Basin, as well as the continued ramp-up of projects at CVX's Tengizchevroil LLP ("TCO") affiliate and in the Gulf of America.

Segment Performance of CVX

Upstream: Chevron's production of crude oil and natural gas — at 4,086 MBOE/d — rose 21.5% year over year. The latest volume statistics primarily reflect higher volumes from the Permian Basin, Gulf of America and Kazakhstan.

The U.S. output increased 27.1% year over year to an all-time high of 2,040 MBOE/d and the company's international operations (accounting for 50.1% of the total) also increased 16.3% to 2,046 MBOE/d.

Despite overall volumes improving from last year, Chevron's third-quarter 2025 upstream segment profit fell 28% to \$3.3 billion. This was primarily due to lower liquid realizations. To some extent, this was offset by higher natural gas sales prices.

At \$48.12 per barrel, Chevron's average realized liquids prices in the United States were more than 10% below the year-earlier levels. Prices overseas decreased 10.5% to \$63.16 per barrel. Natural gas prices surged 221.8% in the United States, while falling 7.8% across international markets.

Downstream: Chevron's downstream segment recorded a profit of \$1.1 billion, up 91.1% from last year's income of \$595 million. The gain primarily underlined higher product sales margins.

CVX's Cash Flows, Capital Expenditure

The company recorded \$9.4 billion in cash flow from operations compared with \$9.7 billion in the year-ago period. Chevron's free cash flow for the quarter was \$4.9 billion.

Further, Chevron paid \$3.4 billion in dividends and bought back \$2.6 billion worth of its shares.

This company spent around \$4.4 billion in capital and exploratory expenditures during the quarter compared with the year-ago period's \$4.1 billion, due to spending on legacy Hess assets post-acquisition.

CVX's Balance Sheet

As of Sept. 30, 2025, the only energy component of the Dow Jones Industrial Average had \$7.7 billion in cash and cash equivalents and total debt of \$41.5 billion with a debt-to-total capitalization of about 18%.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 31, 2025
Sales Surprise	-7.18%
EPS Surprise	11.45%
Quarterly EPS	1.85
Annual EPS (TTM)	7.86

Recent News

Chevron Highlights Path to Durable Cash Flow Expansion

In its Investor Day on **November 12**, Chevron highlighted expectations for double-digit annual growth in both adjusted free cash flow and earnings per share at \$70 Brent, while also tightening its capital spending range to \$18–\$21 billion per year. Chevron emphasized that its strengthened portfolio, expanding AI-related power initiatives, and rising Hess synergies position it for durable performance. Management also pointed to Chevron's commitment to maintaining industry-leading shareholder returns as a core pillar of the plan.

Valuation

Chevron shares are up 9.7% in the last six months but down 7.8% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Oil-Energy sector are up 11.1% and 11% in the six-month period, respectively. Over the past year, the Zacks sub-industry and sector are down 1.6% and 1.1%, respectively.

The S&P 500 index is up 16.4% in the six-month period and 12.3% in the past year.

The stock is currently trading at 1.47X forward 12-month sales, which compares to 1.13X for the Zacks sub-industry, 1.19X for the Zacks sector and 5.14X for the S&P 500 index.

Over the past five years, the stock has traded as high as 1.87X and as low as 1.17X, with a 5-year median of 1.38X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$127 price target reflects 1.25X F12M sales.

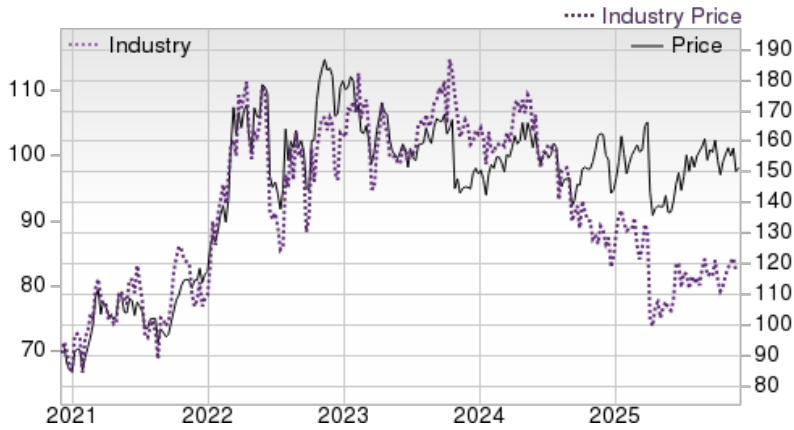
The table below shows summary valuation data for CVX

Valuation Multiples - CVX					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	1.47	1.13	1.19	5.14
	5-Year High	1.87	1.13	1.21	5.5
	5-Year Low	1.17	0.72	0.74	3.83
	5-Year Median	1.38	0.94	0.97	5.04
EV/EBITDA TTM	Current	7.85	4.82	5.35	17.91
	5-Year High	14.42	6.58	6.82	22.4
	5-Year Low	4.33	2.79	2.76	13.87
	5-Year Median	6.24	4.18	4.38	17.95
P/B TTM	Current	1.54	1.44	1.67	8.19
	5-Year High	2.42	1.88	1.92	9.16
	5-Year Low	1.19	1.08	1.15	6.6
	5-Year Median	1.79	1.58	1.66	8.03

As of 11/24/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 36% (155 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Eni SpA (E)	Outperform	3
OMV AG (OMV KY)	Outperform	2
BP p.l.c. (BP)	Neutral	3
Ecopetrol S.A. (EC)	Neutral	3
Petroleo Brasileiro ... (PBR)	Neutral	3
Repsol SA (REPLY)	Neutral	3
Shell PLC Unsponsore... (SHEL)	Neutral	3
Exxon Mobil Corporat... (XOM)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Oil And Gas - Integrated - International

	CVX	X Industry	S&P 500	BP	E	SHEL
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	B	-	-	A	A	A
Market Cap	304.30 B	9.80 B	37.98 B	94.43 B	63.16 B	213.18 B
# of Analysts	8	2	22	9	3	6
Dividend Yield	4.53%	0.00%	1.46%	5.48%	4.28%	3.88%
Value Score	B	-	-	A	A	A
Cash/Price	0.03	0.20	0.04	0.42	0.29	0.20
EV/EBITDA	7.37	4.25	14.48	3.88	2.71	3.82
PEG Ratio	-1.10	1.51	2.21	1.71	NA	1.47
Price/Book (P/B)	1.56	1.02	3.36	1.22	1.02	1.21
Price/Cash Flow (P/CF)	7.64	3.82	14.93	3.82	4.54	4.46
P/E (F1)	11.46	11.05	20.30	11.96	10.88	11.22
Price/Sales (P/S)	1.57	0.78	3.10	0.49	0.66	0.78
Earnings Yield	4.90%	8.87%	4.91%	8.37%	9.19%	8.91%
Debt/Equity	0.19	0.62	0.57	0.70	0.37	0.36
Cash Flow (\$/share)	19.77	4.94	8.99	9.46	8.25	16.55
Growth Score	C	-	-	C	C	C
Hist. EPS Growth (3-5 yrs)	7.50%	22.32%	8.16%	-6.19%	9.55%	30.87%
Proj. EPS Growth (F1/F0)	31.24%	-12.87%	8.18%	-7.36%	-0.86%	-12.50%
Curr. Cash Flow Growth	-15.42%	-15.42%	7.00%	-14.20%	-18.47%	-15.04%
Hist. Cash Flow Growth (3-5 yrs)	-2.87%	4.51%	7.31%	-1.66%	2.51%	2.29%
Current Ratio	1.15	1.26	1.19	1.19	1.16	1.35
Debt/Capital	16.25%	38.86%	38.15%	41.06%	27.07%	26.45%
Net Margin	6.57%	6.21%	12.82%	0.79%	3.20%	5.34%
Return on Equity	8.74%	8.91%	17.00%	9.07%	8.53%	10.49%
Sales/Assets	0.71	0.58	0.53	0.68	0.61	0.71
Proj. Sales Growth (F1/F0)	2.40%	0.00%	5.53%	5.60%	-4.10%	-6.00%
Momentum Score	A	-	-	A	B	C
Daily Price Chg	1.08%	0.48%	0.54%	0.47%	0.84%	0.49%
1 Week Price Chg	-4.85%	-3.15%	3.73%	-1.51%	-2.41%	-3.29%
4 Week Price Chg	-4.18%	0.94%	0.13%	2.76%	1.38%	-1.54%
12 Week Price Chg	-1.65%	3.03%	5.67%	6.40%	9.48%	3.03%
52 Week Price Chg	-6.67%	6.11%	13.54%	23.17%	32.79%	13.95%
20 Day Average Volume	8,083,271	1,022,850	2,762,023	6,852,870	237,531	3,960,453
(F1) EPS Est 1 week change	1.23%	0.00%	0.00%	0.89%	0.00%	0.00%
(F1) EPS Est 4 week change	3.22%	2.02%	0.15%	6.47%	6.61%	0.59%
(F1) EPS Est 12 week change	-4.16%	0.19%	0.60%	10.63%	4.77%	7.93%
(Q1) EPS Est Mthly Chg	2.71%	-1.44%	-0.04%	6.55%	3.68%	-5.38%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	C
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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