

General information

Ticker	NYSE:XOM
Company	Exxon Mobil Corporation
Industry	Energy
Primary	Integrated Oil and Gas

Price chart

Actual price:	93.6	Avg. price 3Y:	91.4
52-week low:	86.4	Avg. price 5Y:	83.6
52-week high:	104.4	Avg. price 10Y:	77.8

XOM currently trades at its long-term resistance at about USD 87. Before that this level acted as barrier back from Jan 2011. The stock took a deep dive on the back of the plunging oil price, coming from USD 104 to USD 86, from where it bounced back the last days. Compared to other oil majors, XOM stock price depreciated less than its peers showing once again its superior resistency.

Dividend Yield & Payout Ratio

Actual yield:	2.9%	Avg. yield 5Y:	2.6%
Target yield:	3.0%	Div. CAGR 5Y:	10.0%
Payout ratio:	33%	Chowder Rule:	12.9%

Current dividend yield of 3.2% is attractive, well above its 5-year average yield. My target yield is 3% to be achieved at a price of USD 92. XOM's BoD is committed to pay a reliable and growing dividend (32 years now). Payout ratio of 33% is very safe, providing substantial security in case earnings fall. Chowder score at 13% above hurdle rate. All but one growth criteria are fulfilled. L5Y EPS growth was only 3.1%.

Valuation (FY1 EV/EBITDA)

Actual FY1 EV/EBITDA:	6.1x
Avg. FY1 EV/EBITDA 5Y:	4.9x
Avg. FY1 EV/EBITDA 10Y:	5.2x

FY1 EBITDA valuation is volatile recently potentially resulting from changes in analyst estimates (FY1). I consider a FY1 EBITDA of 5.0x as fair value, which XOM did not pass, however, was pretty close. XOM's current EV/EBITDA however, has coming down in line with the drop in stock price to 5.2x, which is c. in line with ist 5-year valuation average. Given that, I can justify a buy.

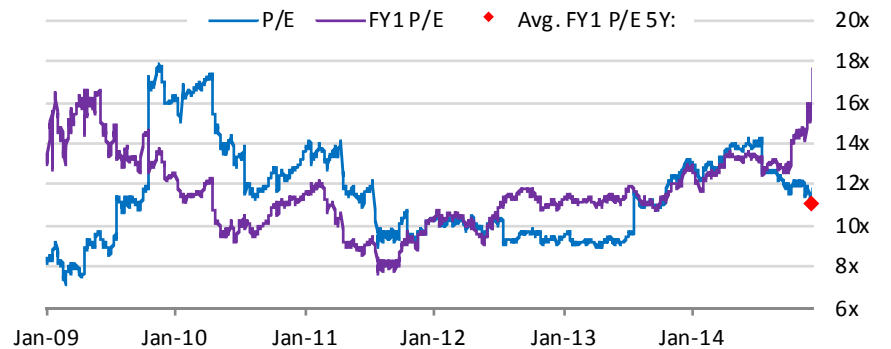
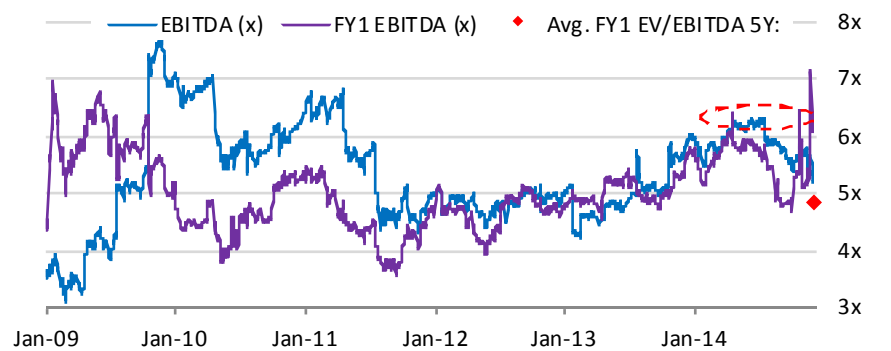
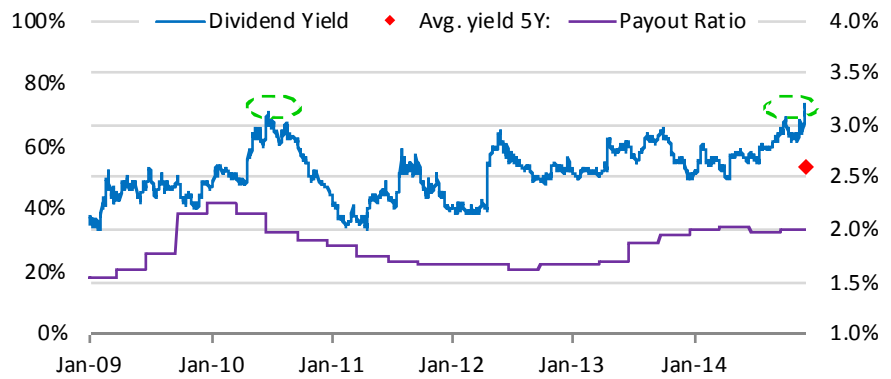
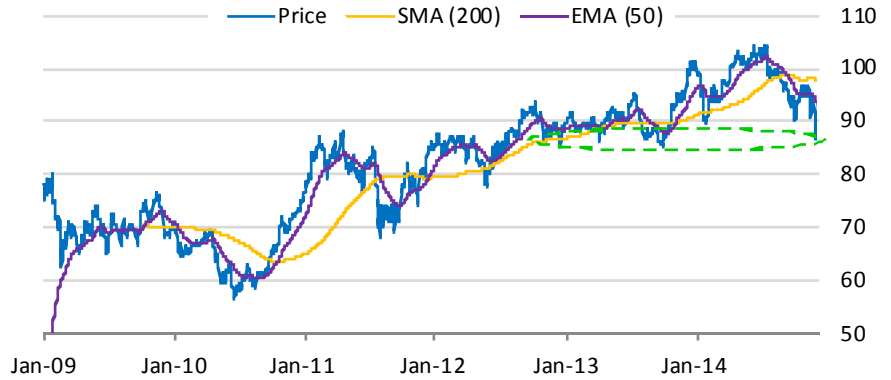
Valuation (FY1 P/E)

Actual FY1 P/E:	17.7x
Avg. FY1 P/E 5Y:	11.2x
Avg. FY1 P/E 10Y:	11.5x

XOM currently trades on its 5-year average current P/E ratio at around 11.0x, indicating a fair valuation. Recently, FY1 EBITDA abnormally spiked to nearly 18.0x. This is a clear warning sign of overpriced stock. As all my other measures signal a PASS, I believe that current earnings expectations are downward biased and pot. normalize when the dust settles.

Fulfillment of investment criteria

1. Dividends streak	PASS	5. Growth	FAIL
2. Price / Yield	PASS	6. Valuation	FAIL
3. Chowder Score	PASS	7. RSI	PASS
4. Payout ratio	PASS		



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