



**OXY 8.500% 15 Jul 2027 Corp (USD)
[NYSE:OXY]**

Position: Overweight



Luca Johnson
Portfolio Manager



Moksh Rajput
Senior Analyst



Arman Arya
Investment Analyst



Paul Rhee Jr.
Investment Analyst



Dhruv Arya
Investment Analyst

Section	Page
1. Executive Summary	4
2. Variant Thesis and Market View	5
3. Industry Overview	6
4. Company Overview	9
5. Key Drivers	13
6. Financials	17
7. Valuation	21
8. Risks and Mitigants	25
9. Appendix	26
A. Revenue Build Details	27
B. DCF Build	28

Valuation Summary

Target Price:	\$65.47
2027 (5Yr.) Revenue Projection:	\$29.24 Bn
WACC:	12.14%
Terminal Growth:	0.5%
Assumed Exit Multiple:	4.0x

Key Statistics

Current Stock Price (10/5/23):	\$59.50
52 Week High:	\$76.11
52 Week Low:	\$55.51
LTM Revenue:	\$36,253 MM
LTM EBITDA:	\$20,294 MM
P/E:	13.76x
EV/Revenue:	2.7 x

3 Yr. Price History



Key Drivers

- Key Driver 1: Demand & Supply** - Since 2010, U.S. oil production has risen, lessening energy reliance and enhancing Oxy's leading position. While the U.S. and global demand grew, supply frequently lagged, driving up oil prices.
- Key Driver 2: Oil Price Forecasts** - Based on six reports, Brent Oil's projected price from 2023 to 2027 ranges between \$70 and \$105, safeguarding the \$40 dividend support price. The EIA anticipates a Brent crude stockpile, reducing market supply and raising prices.
- Key Driver 3: Company Position** - Occidental has tapped into its enhanced production capabilities across a diversified portfolio, setting records with advanced drilling technology. They're utilizing this tech extensively in the U.S. and abroad, especially in the Middle East and North Africa. Potentially to their extensive Oman portfolio of over 6 MM acres.
- Key Driver 4: Company Expansion** - U.S. drilling is ramping up in the New Delaware Basin JV and Midland Basin. Oxy's focus is shifting to the international and GoM regions. Exploration is active in Oman, Algeria, Abu Dhabi, and GoM, with potential production sites in Algeria and Oman, and initial outputs from GoM, Oman, and Abu Dhabi.

Our View



In addition to the Street, GIS believes in additional drivers:

- 1. Increased demand for oil and gas:** The International Energy Agency (IEA) forecasts that global oil demand will increase by 2.2 million barrels per day in 2023, driven by economic growth and increased travel.
- 2. Limited supply of oil and gas:** The IEA also forecasts that global oil supply will grow by just 1.5 million barrels per day in 2023, due to underinvestment in new production projects and the impact of sanctions on Russia.
- 3. Chemical business:** OXY is growing its chemical business, which is less cyclical than its oil and gas business. The company is investing in new chemical plants and expanding its product offerings.
- 4. Carbon credits:** Diversifies revenue by selling to 3rd parties

The Street View



The Street is overall Bullish on the stock:

- 1. Rising oil and gas prices:** OXY is well-positioned to benefit from rising oil and gas prices. The company's production costs are relatively low, so it can generate significant profits even when oil and gas prices are low.
- 2. Debt reduction:** OXY is taking steps to reduce its debt burden. The company has paid down over \$10 billion in debt since 2020.
- 3. Improved balance sheet:** OXY's balance sheet is improving. The company has a net debt-to-EBITDA ratio of less than 1.0, which is considered to be a healthy level.
- 4. Experienced management team:** OXY has an experienced management team with a proven track record of success.

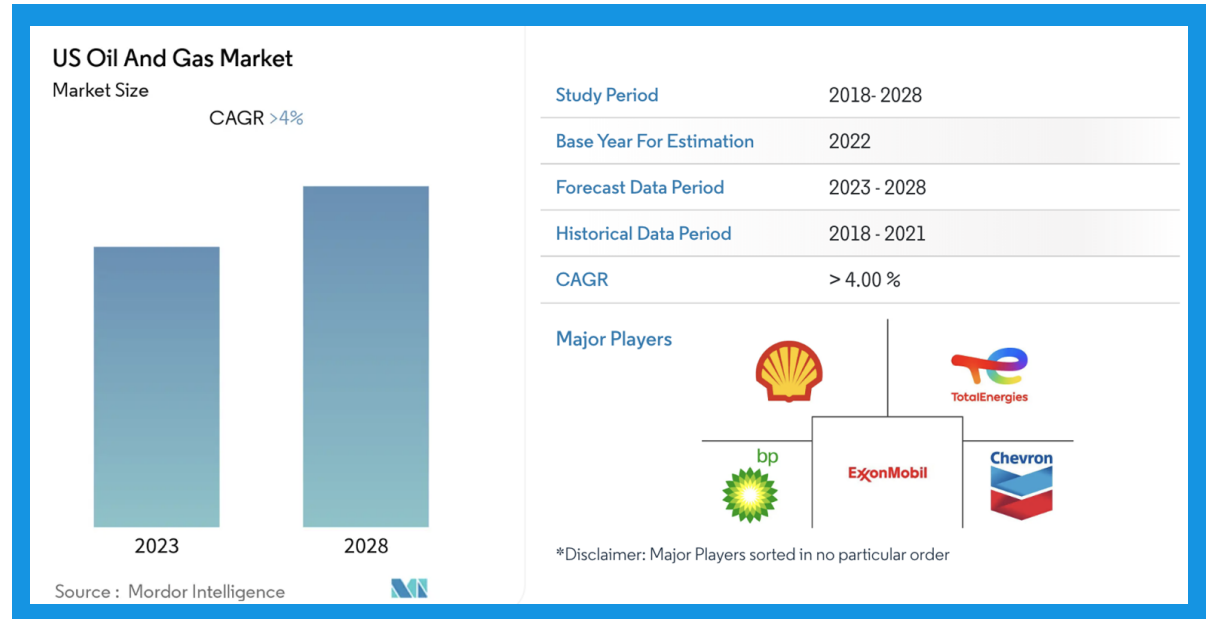
<https://seekingalpha.com/article/4640667-occidental-petroleum-take-me-down-to-45q-funkytown>

Oil & Gas

- The Global Oil and Gas Exploration and Production industry has had a Compound Annual Growth Rate (CAGR) of 9.6% the last five years. However is currently struggling after the COVID-19 pandemic which led to higher interest rates and a 19.8% decline in the industry in 2023.
- The U.S. emerged as a dominant force, transitioning from a energy reliant nation to becoming the largest global producer, contributing 19.8% of global oil production and 23.9% of global gas production in 2023.
- The Middle East is projected to be a stalwart in the industry in 2023, contributing an anticipated 32.5% to global oil and 18.1% to global gas production, spearheaded by Saudi Arabia and Oman as the paramount producers of oil and gas.
- The top 5 publicly traded conglomerates like Exxon Mobil, Chevron, BP, and Royal Dutch Shell, represent less than 15% of the industry's revenue in 2023. Leaving opportunities for smaller entrants to compete in the market.

IBISWorld - B0531-GL (Global Oil & Gas Exploration & Production)

Industry Market Size Projection



- The U.S. oil and gas market is set to expand at a CAGR of over 4%, fostered by reduced drilling costs and the incorporation of innovative production technologies
- Despite crude oil price volatility and higher operational expenses, the market is hopeful with the increased production capabilities in the Permian Basin and pivotal projects like BP PLC's Herschel Expansion and ConocoPhillips's GMT-2.

Volatility and Geopolitical Influence

- The global oil and gas industry is highly susceptible to volatility, primarily driven by geopolitical events and macroeconomic changes. For instance, the COVID-19 pandemic led to an unusual slump in revenue due to its adverse effects on international oil demand and prices. Similarly, events like the 1970s oil crisis, resultant of the OPEC oil embargo, triggered considerable volatility in the market. Furthermore, diplomatic tensions and conflicts can also induce volatile swings in industry revenue.

Competition and Market Concentration

- The industry is dominated by major multinational companies, but there is still room for smaller players and new entrants. In 2023, the top five companies represented less than 15.0% of the industry's revenue. However, the industry faces intense competition from renewable energy sources and nuclear power. Additionally, buyers have significant power due to low switching costs and the commoditized nature of the industry's products.

Technological Advancements & Sustainability Focus

- The industry is increasingly adopting advanced technologies such as artificial intelligence, machine learning, and big data analytics to enhance efficiency, reduce costs, and minimize environmental impact. This technological adoption is set to revolutionize industry practices. Moreover, the rising global focus on environmental conservation is leading to an increased shift from fossil fuels to renewable energy sources, challenging the oil and gas industry to innovate and adapt to ensure their sustainability and relevance in the energy sector.

IBISWorld - B0531-GL (Global Oil & Gas Exploration & Production)



Pioneer Natural Resources

Market Capitalization: \$53.13 Billion
LTM Revenue: \$20.34 Billion
LTM Revenue Growth: -7.00%
Gross Margin: 52.61%
Key Products: Oil & Gas Development, Exploration & Production

Company Description:

Pioneer Natural Resources Company operates as an independent oil and gas exploration and production company in the United States. The company explores for, develops, and produces oil, natural gas liquids (NGLs), and gas. It has operations in the Midland Basin in West Texas.

Pioneer Natural Resources Company was founded in 1997 and is headquartered in Irving, Texas.

Source: CAPIQ



EOG Resources, Inc.

Market Capitalization: \$79.3 Billion
LTM Revenue: \$25.23 Billion
LTM Revenue Growth: -14.00%
Gross Margin: 64.43%
Key Products: Oil & Gas Development, Exploration & Production

Company Description:

EOG Resources, Inc., together with its subsidiaries, explores for, develops, produces, and markets crude oil, and natural gas and natural gas liquids. Its principal producing areas are in New Mexico and Texas in the United States; and the Republic of Trinidad and Tobago. The company was formerly known as Enron Oil & Gas Company.

EOG Resources, Inc. was incorporated in 1985 and is headquartered in Houston, Texas.



ConocoPhillips

Market Capitalization: \$143.9 Billion
LTM Revenue: \$68.78 Billion
LTM Revenue Growth: -14.64%
Gross Margin: 47.53%
Key Products: Explore, produce, transport and market crude oil, natural gas, natural gas liquids, liquefied natural gas and bitumen

Company Description:

ConocoPhillips explores for, produces, transports, and markets crude oil, bitumen, natural gas, liquefied natural gas (LNG), and natural gas liquids in the United States and internationally. The company's portfolio includes conventional assets in North America, Europe, Asia, and Australia; various LNG developments; oil sands assets in Canada; and an inventory of global exploration prospects.

ConocoPhillips was founded in 1917 and is headquartered in Houston, Texas.

4. Company Overview

OXY 8.5% Corp. Due 2027



Key Statistics

Valuation

Market Capitalization: \$58.0 Bn
EV / Sales: 2.69x
P / E: 11.04x

Income

LTM Revenue: \$31,536.0 MM
2024E Revenue: \$28,946.2 MM
LTM Revenue Growth: -8.21%
LTM EBITDA: \$16,304.0 MM
2024E EBITDA: \$15,207.12 MM
LTM EBITDA Growth: -6.73%
LTM Net Income: \$6,796.12 MM
LTM NI Growth: -48.92%

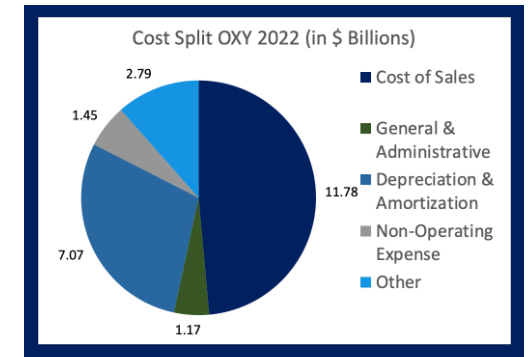
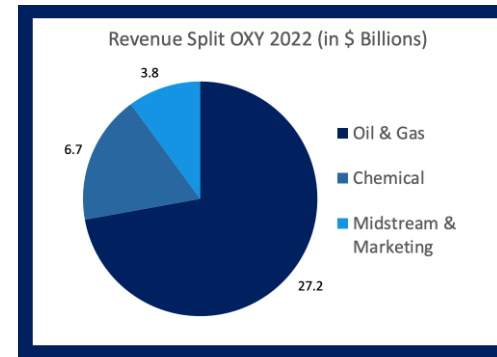
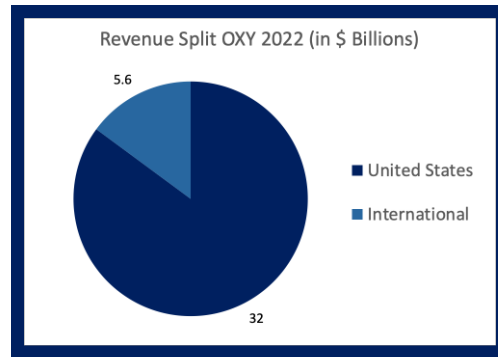
Profitability

Gross Margin: 63.6%
EBITDA Margin: 51.7%
Net Income Margin: 21.5%

Business Model Overview

Occidental Petroleum Corporation, headquartered in Houston, Texas, is an international energy company established in 1920, with principal assets in the United States, Middle East, North Africa, and Latin America. The company operates through three main segments: Oil and Gas, Chemical, and Midstream and Marketing. The Oil and Gas segment focuses on exploration, development, and production of oil, condensate, natural gas liquids (NGLs), and natural gas. The Chemical segment manufactures and markets basic chemicals and vinyls, including chlorine, caustic soda, and polyvinyl chloride, among others. The Midstream and Marketing segment is engaged in the purchase, marketing, transportation, and storage of oil, NGLs, natural gas, carbon dioxide (CO₂), and power, while also investing in low-carbon technologies and carbon capture projects through its Low-Carbon Venture Businesses (OLCV) to reduce greenhouse gas emissions. Each segment collaboratively works to support the company's overall business model of acquiring, exploring, and developing energy resources, providing an integrated approach to energy solutions with a significant focus on low-carbon and sustainable practices.

Revenue and Cost Mix



Revenue & Cost Mix Based on 2022 Figures. Source: [AlphaSpread](#)



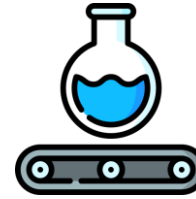
Oil & Gas

Quick Description: Occidental Petroleum explores and produces oil, NGL, and natural gas in the US, Middle East, and North Africa, leveraging advanced recovery techniques and CO2 management.

Customer Profile: Refineries and Chemical Plants, Utility Companies, Industrial Users & Other energy producers

Product Description

- Occidental's pivotal Oil and Gas segment engages in the exploration, development, and production of oil, NGLs, and natural gas, with a geographical concentration in the United States, Middle East, and North Africa.
- Focused on securing a consistent supply of vital energy resources, the segment endeavors to meet global demand by efficiently managing and developing energy sources.
- Focused on securing a consistent supply of vital energy resources, the segment endeavors to meet global demand by efficiently managing and developing energy sources.



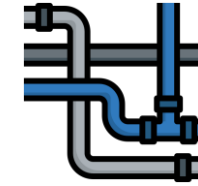
Chemical

Quick Description: Occidental Petroleum's Chemicals segment, commonly known as OxyChem, is a leading North American manufacturer of basic chemicals, vinyls, and performance chemicals.

Customer Profile: Various manufacturers that require chemicals as raw materials or for industrial processes.

Product Description

- OxyChem, a notable entity in the chemical industry, produces key items like caustic soda, chlorine, and PVC resins, which find application in varied sectors such as water treatment and pharmaceuticals manufacturing.
- Known for delivering consistently high-quality products and maintaining reliable operations, OxyChem has secured its status as a preferred supplier across diverse businesses necessitating chemical products.
- Known for delivering consistently high-quality products and maintaining reliable operations, OxyChem has secured its status as a preferred supplier across diverse businesses necessitating chemical products.



Midstream & Marketing

Quick Description: The Midstream segment encompasses marketing and trading, gathering, processing, transporting, and storing crude oil, natural gas, and natural gas liquids (NGLs).

Customer Profile: Oil & Gas Producers, Refineries, Marketers, Local Distribution Companies, and Industrial end-users require transportation and storage solutions for oil, gas, and NGLs.

Product Description

- Through pipelines and storage facilities, Occidental Petroleum's Midstream ensures a streamlined supply chain, managing the movement of crude oil, natural gas, and NGLs from production sites to consumers.
- Providing marketing, trading, and logistical solutions, the Midstream segment extends pivotal support, linking upstream producers to downstream refiners and marketers in the hydrocarbon sector.
- Focused on mitigating commodity price fluctuations and amplifying product value through strategic investments and astute asset management, the Midstream business remains committed to operational excellence and ensuring customer satisfaction.

4. Company Overview – Customer Profile OXY 8.5% Corp. Due 2027

Key Customers

Key Customers					
Customer Name	Industry	Mkt Cap	Relationship Size	% Cost	Cost Category
Avient Corp	Oil & Gas Producers	3,063.95	-	-	-
Minnkota Power Cooperative Inc	Chemicals	-	25.08	0.06%	COGS
Zhejiang Jiahua Energy Chemical Ir	Electric Utilities	1,602.11	-	-	-
Natural Resource Partners LP	Chemicals	955.68	-	-	-
Fieldwood Energy Inc	Metals & Mining	-	-	-	-
Armstrong Flooring Inc	-	0.44	-	-	-
Sisecam Resources LP	Home Construction	-	-	-	-
Amazon.com Inc	Metals & Mining	1,320,259.39	-	-	-
Artkore Inc	E-Commerce Discretionary	5,451.38	-	-	-
Grupo Pochteca SAB de CV	Electric Equipment	55.48	-	-	-
Orbia Advance Corp SAB de CV	Chemicals	3,929.68	-	-	-
King Ranch Inc	Chemicals	-	-	-	-
Empresas Copec SA	Food	8,693.87	-	-	-
Shanghai Chlor-Alkali Chemical Co	Oil & Gas Producers	1,114.00	-	-	-
SK Innovation Co Ltd	Chemicals	10,380.10	-	-	-
ANA Holdings Inc	Oil & Gas Producers	9,965.50	-	-	-
Entergy Corp	Transportation & Logistics	19,451.80	-	-	-

Geo-Exposure				
Country/Region	# of Company Facilities	% Facilities	Customer Facilities	% Customer Facilities
United States	27	71.05%	561	47.62%
Chile	5	13.16%	4	0.34%
Oman	5	13.16%	4	0.34%
Canada	1	2.63%	30	2.55%
Total	38	100.00%	599	50.85%

Source: Bloomberg Terminal

Key Suppliers

Key Suppliers						
Supplier Name	Industry	Mkt Cap	Relationship Size	% Cost	Cost Category	% Supplier's Rev
Pioneer Natural Resources Co	Oil & Gas Producers	55,354.70	2,876.76	14.01%	COGS	12.00%
Tenaris SA	Oil & Gas Producers	18,271.26	299.56	4.55%	CAPEX	1.84%
Schlumberger NV	Steel	79,160.06	286.67	4.91%	CAPEX	17.30%
Texas Pacific Land Corp	Oil & Gas Services & Equip	13,570.59	115.3	0.56%	COGS	17.30%
MRC Global Inc	Industrial Support Services	827.52	74.48	1.13%	COGS	2.14%
Now Inc	Oil & Gas Services & Equip	1,225.13	54.06	0.28%	COGS	2.31%
Natural Gas Services Group Inc	Oil & Gas Services & Equip	168.40	35.63	0.79%	CAPEX	41.00%
Chart Industries Inc	Industrial Intermediate Prod	6,460.45	34.11	0.88%	CAPEX	2.59%
Diamond Offshore Drilling Inc	Oil & Gas Services & Equip	1,388.51	32.81	0.73%	CAPEX	3.90%
ITT Inc	Diversified Industrials	8,049.90	17.25	0.09%	COGS	0.54%
Saipem SpA	Oil & Gas Services & Equip	2,994.68	13.09	0.20%	CAPEX	0.11%
Subsea 7 SA	Oil & Gas Services & Equip	3,858.98	9.96	0.16%	CAPEX	0.19%
Flowserve Corp	Machinery	4,941.27	5.91	0.15%	CAPEX	0.17%
Natural Resource Partners LP	Metals & Mining	955.68	4.41	0.02%	COGS	1.38%
Permianville Royalty Trust	Oil & Gas Producers	72.93	2.7	0.01%	COGS	18.00%
Spindletop Oil & Gas Co	Oil & Gas Producers	20.32	0.08	0.00%	COGS	0.93%



4. Company Overview - Management

OXY 8.5% Corp. Due 2027



Vicki Hollub
Chief Executive Officer & President

Serving over 40 years at Oxy, Vicki Hollub is the current President and CEO, having held pivotal roles in the US, Russia, Venezuela, and Ecuador. A University of Alabama alumna with a BS in Mineral Engineering, she sits on boards at Lockheed Martin and the American Petroleum Institute.



Robert Peterson
Executive Vice President of
Essential Chemistry

Robert Peterson oversees OxyChem and Oxy's Direct Air Capture plants as the Executive Vice President of Essential Chemistry. With a BS in Mechanical Engineering and an MBA from the University of Florida, he has held pivotal roles at Oxy since 1996, including CFO and President of OxyChem.



Sunil Mathew
Senior Vice President & CFO

Sunil Mathew serves as the Senior Vice President and CFO at Oxy, managing various key functions with over 25 years in the oil and gas field. A graduate from Manipal Institute of Technology and T.A. Pai Management Institute in India, Sunil climbed the ranks at Oxy since 2004 after working with Schlumberger in Asia and the Middle East.



Richard Jackson
President, U.S. Onshore Resources
and Carbon Management

Leading Oxy's U.S. onshore operations, Richard Jackson integrates Low Carbon Ventures technologies and drives innovation. With a 20-year career and a BS in Petroleum Engineering from Texas A&M, he has held key roles at Oxy and ExxonMobil, contributing significantly to global project development and low-carbon initiatives.



Kenneth Dillon
Senior VP and President of
International Oil & Gas Operations

Kenneth Dillon oversees international operations at Occidental Oil and Gas, managing assets in the Middle East, North Africa, South America, and the Gulf of Mexico. With a 30-year tenure at Oxy and a Chemical Engineering degree from Strathclyde University, he has held varied roles, contributing to global projects and serving on boards of Dolphin Energy and ADNOC Sour Gas.



Jeff Bennett
President, U.S. Onshore Resources
and Carbon Management

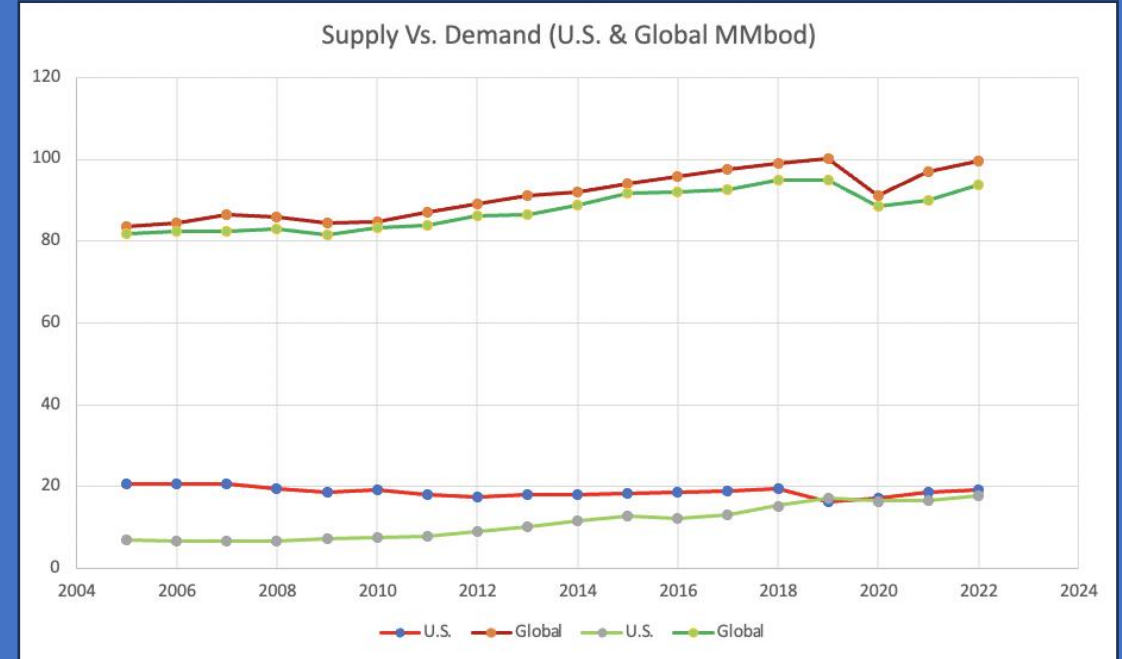
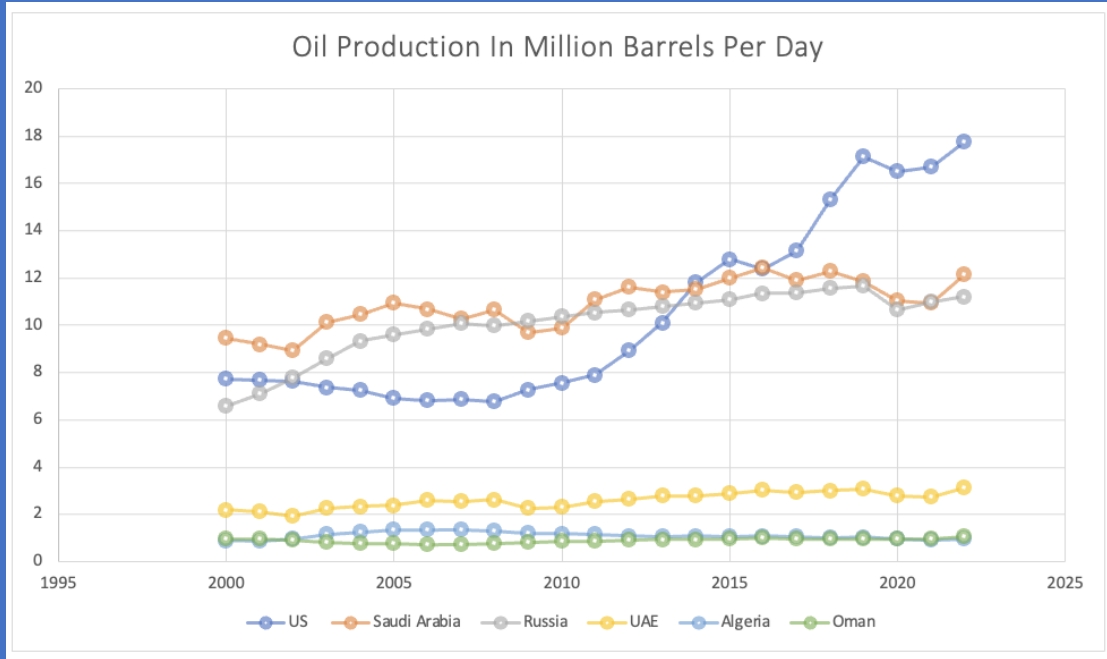
Jeff Bennett, leading Commercial Development for U.S. Onshore Resources and Carbon Management at Oxy, directs strategic and capital initiatives. With a BBA from LSU and an MBA from Pepperdine, and 30 years in the industry, he's significantly enhanced Oxy's productivity in the Permian Basin and Rockies since joining in 2004, also serving on Western Midstream Partners' Board.



5. Key Driver: Demand & Supply

OXY 8.5% Corp. Due 2027

Since 2010, U.S. oil production has risen, lessening energy reliance and enhancing Oxy's leading position. While the U.S. and global demand grew, supply frequently lagged, driving up oil prices.



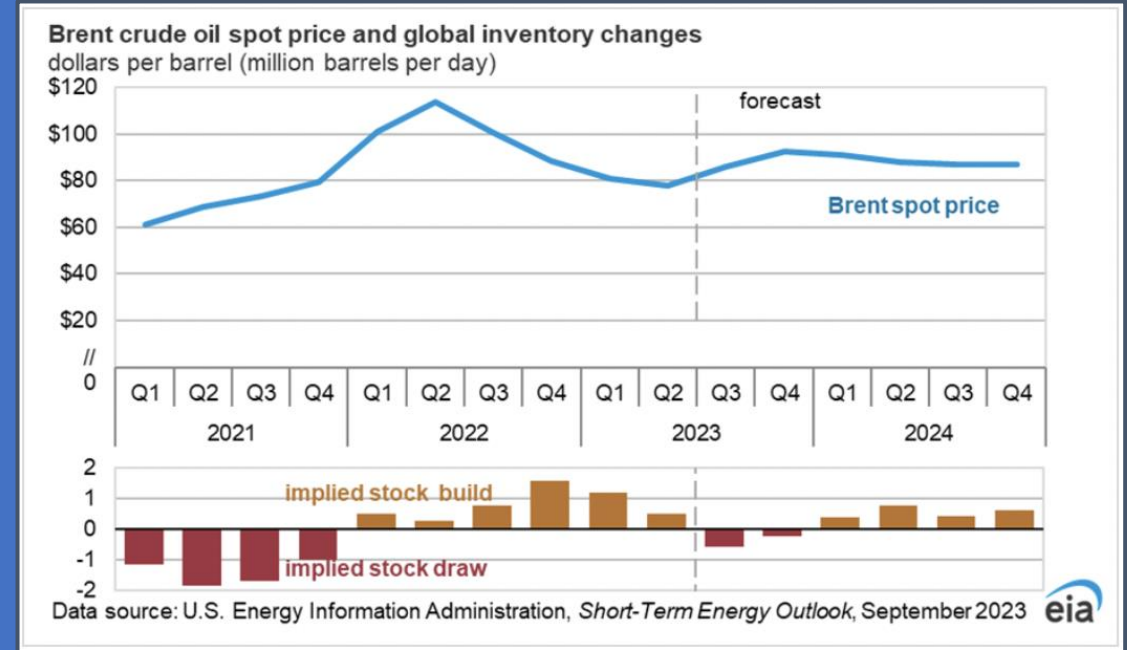
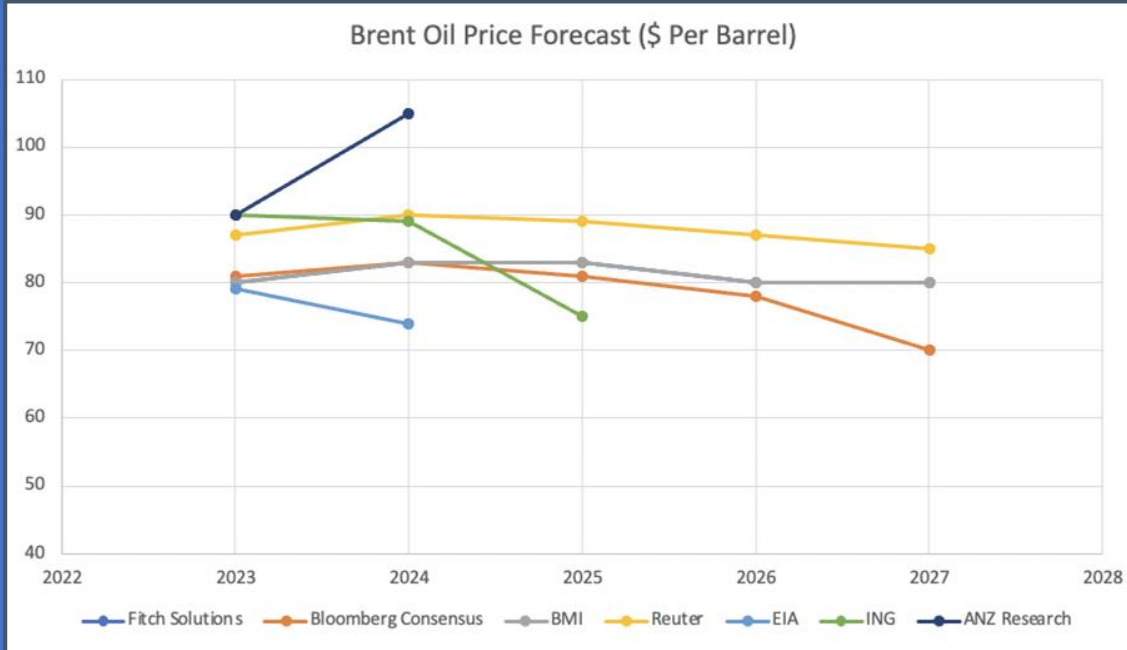
U.S.: Rapidly Increasing Production Since 2010
 Russia, Saudi Arabia, UAE: Increased Production
 Top 3: Dominate 43% - 48% Tot Prod. (46.67%)

U.S.: Supply Significantly Increased 2005 - 2015
 (2022 1.077 D/S) (5 year AVG 1.094 D/S)
 Global: U.S. Is Becoming Less Reliant On Foreign Oil
 (2022 1.061 D/S) (5 year AVG 1.053 D/S)

5. Key Driver: Oil Price Forecast

OXY 8.5% Corp. Due 2027

2023 - 2027 Based on six reports, Brent Oil's projected price from 2023 to 2027 ranges between \$70 and \$105, safeguarding the \$40 dividend support price. The EIA anticipates a Brent crude stockpile, reducing market supply and raising prices.



Reuters (Survey 1000 Energy Market Professionals)
 Brent Oil Average Price Forecast:
 2023: \$87, average expect prices range \$80 - \$95
 90% Of Responses Fall In Between : \$70 - \$105

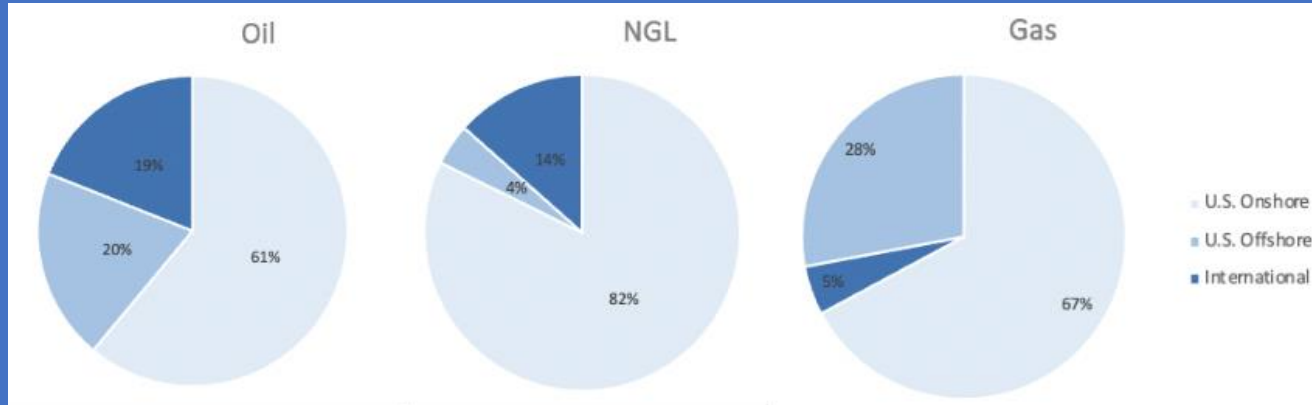
EIA Projections: Brent Prices Range \$80-\$100 from 2023 - 2024

Prices expected to average ~\$90 from 2024 to 2027 slight downward skew

5. Key Driver: Company Position

OXY 8.5% Corp. Due 2027

Occidental has tapped into its enhanced production capabilities across a diversified portfolio, setting records with advanced drilling technology. They're utilizing this tech extensively in the U.S. and abroad, especially in the Middle East and North Africa. Major developments happening to Oxy's massive Oman land portfolio of over 6 MM acres.



Oil
81% Domestic 19% International
(\$17.84 B) (St.d \$2.18 B)

Domestic Oil
Permian 58.8% (47.6% Tot Prod.)
GOM 24.6% (20% Tot Prod.)

International Oil
Oman 43.1% (8.2% Tot Prod.)
Algeria 40.5% (7.7% Tot Prod.)
Domestic Acres: 4.8 MM Acres

International Acres: 9 MM Acres

- Record production rates at Al Hosn and Oman Block 9
- Record for Lateral Footage Drilling in Delaware Basin and Midland Basin

NGL
86% Domestic 14% International

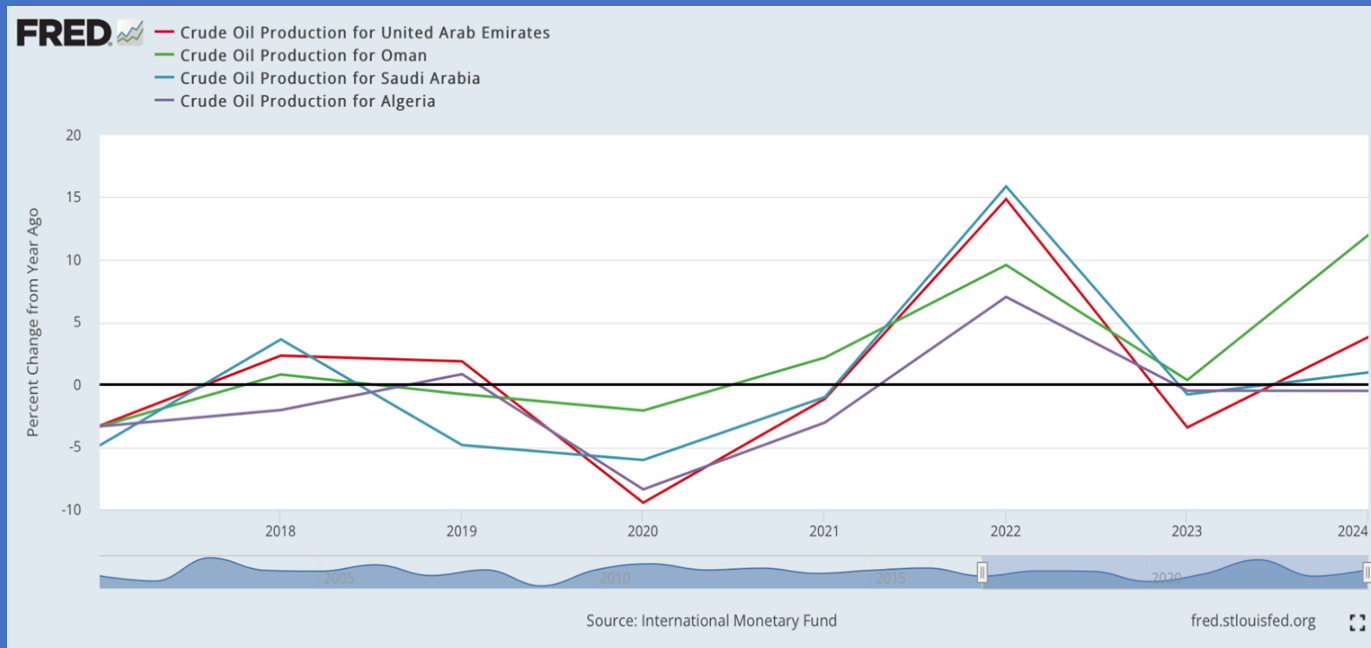
Gas
72% Domestic 28% International

OXY Position	2Q 2022					
Category	Place	Oil (Mbod)	NGL (Mbbld)	Gas (MMcfd)	Total (Mboed)	Acres (MM)
U.S. Onshore	Permian	291	114	528	493	2.8
U.S. Onshore	Rockies & Other	82	100	582	279	1.2
Total Onshore	U.S.	373	214	1110	772	4
U.S. Offshore	Gulf of Mexico	122	11	81	147	0.8
Total Domestic Production	U.S.	495	225	1191	919	4.8
International Onshore	Algeria & Other	47	4	13	53	0.5
International Onshore	Abu Dhabi	13	23	237	76	1.25
International Onshore	Qatar	6	8	141	37	1.25
International Onshore	Oman	50	0	71	62	6
Total International Production	North Africa & Middle East	116	35	462	228	9
Total Production		611	260	1653	1147	13.8

5. Key Driver: Company Expansion

OXY 8.5% Corp. Due 2027

U.S. drilling is ramping up in the New Delaware Basin JV and Midland Basin. Oxy's focus is shifting to the international and GoM regions. Exploration is active in Oman, Algeria, Abu Dhabi, and GoM, with potential production sites in Algeria and Oman, and initial outputs from GoM, Oman, and Abu Dhabi.



International & GoM Goals/Updates:

1) Project Update:

2023: GoM, Oman, Abu Dhabi, Algeria
2024: Oman, Abu Dhabi, Algeria

2) 1st Production:

2023: GoM, Oman, Abu Dhabi

2024: GOM, Oman

- Resumed drilling in Algeria (Q1 2023)
- Oman lateral 12,000 acres

3) Seismic:

2023: Oman, Algeria

2024: Algeria

4) Exploration:

2023: GoM, Oman, Abu Dhabi, Algeria

2024: GoM, Oman, Abu Dhabi, Algeria

- 25 year contract extension for Algeria (Q2 2023)

United States: Project Update: New Delaware Basin JV development of 20,000 net acres
DJ Basin lateral at over 15,000 net acres, 1st 15,000 acres development in Midland Basin
1st oil from Horn Mountain West field (GoM)

Income Statement Highlights

Occidental Petroleum's income statement highlights have shown strong growth over the past five years, driven by higher oil and gas prices, increased production volumes, and operating leverage.

- **Revenue:** Occidental Petroleum's revenue has increased from \$17.8 billion in 2018 to \$36.6 billion in 2022, a compound annual growth rate (CAGR) of 17.5%. This growth has been driven by both higher oil and gas prices, as well as increased production volumes.
- **Operating margin:** Occidental Petroleum's operating margin has increased from 26% in 2018 to 37% in 2022. This improvement in operating margin reflects the company's operating leverage, as well as its ability to control its costs.
- **EBITDA:** Occidental Petroleum's EBITDA has increased from \$8.7 billion in 2018 to \$20.6 billion in 2022. This growth has been driven by higher revenue and lower operating expenses.

Overall, Occidental Petroleum's income statement highlights show that the company has been able to offset the negative impact of COVID on demand with higher oil prices. As a result, the company's financial performance has been strong in recent years.

Source: CapIQ

5 Years of IS Results

OXY	Income Statement				
\$ in Millions	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	17,824	20,911	17,809	25,956	36,634
%YoY Growth		17.32%	-14.83%	45.75%	41.14%
Cost of Goods Sold	6,568	8,387	8,468	9,659	12,063
% of Revenue	37%	40%	48%	37%	33%
Gross Profit	11,256	12,524	9,341	16,297	24,571
% Margin	63%	60%	52%	63%	67%
Operating Expenses	6,555	9,777	17,676	11,936	10,906
% of Revenue	36.78%	46.76%	99.25%	45.99%	29.77%
EBIT	4,701	2,747	-8,335	4,361	13,665
% Growth		-41.57%	-403.42%	-152.32%	213.35%
Operating Margin	26%	13%	-47%	17%	37%
Net Interest Expense	-220	-663	-1,734	-1,326	-560
Income/(Loss) from Affiliates	331	373	370	631	793
Other Non-Operating	-178	-1,104	5	-	-
Unusual Items	974	-999	-6,011	39	219
Pre-Tax Income	5,608	354	-15,705	3,705	14,117
% Growth		-93.69%	-4536.44%	-123.59%	281.03%
Income Taxes	1,477	861	-2,172	915	813
Minority Interest	0	160	1,298	468	0
Net Income	4,131	-667	-14,831	2,322	13,304
EBITDA	8,678	8,887	-238	12,808	20,591
EBIT	4,701	2,747	-8,335	4,361	13,665
D&A Expense	3,977	6,140	8,097	8,447	6,926

Balance Sheet Highlights

Occidental Petroleum's balance sheet highlights have shown significant improvement over the past five years, driven by strong cash flow generation and debt reduction.

- **Net Debt:** Net debt decreased from \$55.3 billion in 2018 to \$18.8 billion in 2022, reducing the company's financial leverage and making it less risky for investors.
- **Debt-to-Equity:** Debt-to-equity ratio decreased from 3.3 in 2018 to 0.6 in 2022, demonstrating the company's growing financial stability and reduced reliance on debt.
- **Cash:** Cash and short-term investments increased from \$3.0 billion in 2018 to \$4.5 billion in 2022, providing the company with greater financial flexibility and the ability to weather downturns in the oil and gas market.

These improvements have strengthened the company's financial position and made it more resilient to economic shocks. This enhanced financial position gives the company more flexibility to invest in new growth opportunities and return capital to shareholders.

Source: CapIQ

5 Years of BS Results

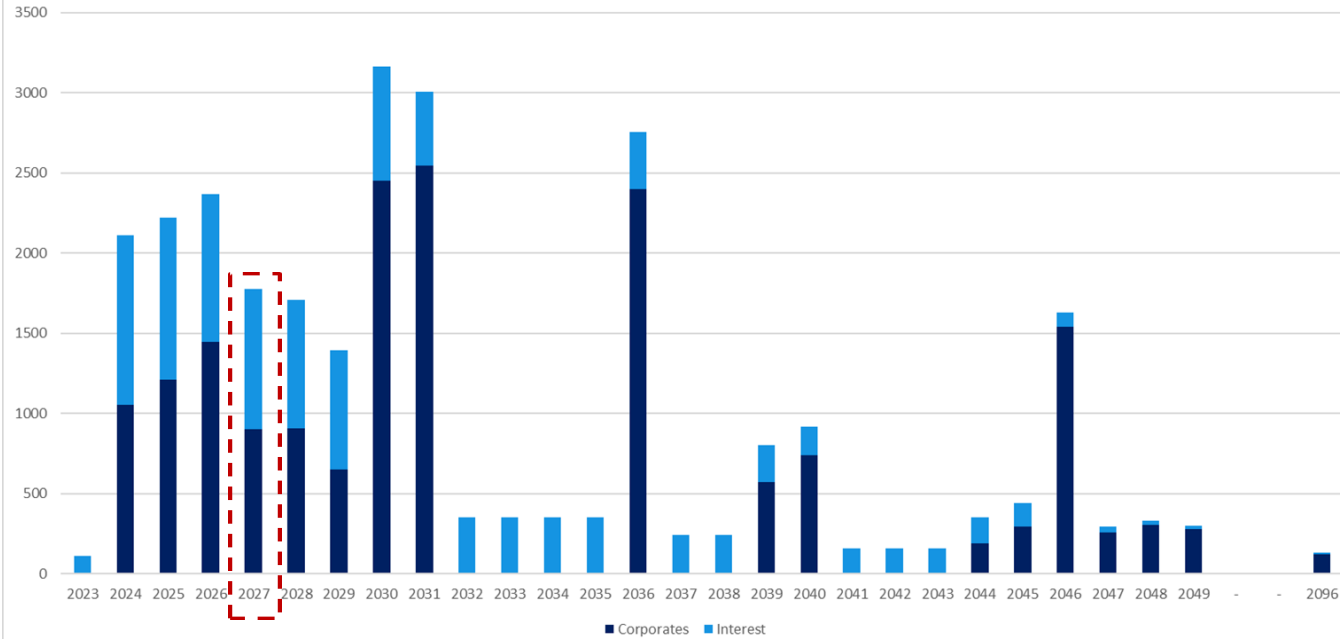
OXY \$ in Millions	Balance Sheet				
	Historical				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Assets					
Current Assets					
Cash	3,033	3,037	2,008	2,764	984
Accounts Receivable	4,961	4,319	2,225	4,313	4,561
Restricted Cash	-	485	170	-	-
Inventory	1,260	1,581	1,898	1,846	2,059
Other Current Assets	678	5,211	2,518	1,288	1,282
Total Current Assets	9,932	14,633	8,819	10,211	8,886
Property Plant & Equipment	31,437	83,641	66,951	60,656	59,287
Long Term Investments	1,680	6,394	3,250	2,938	3,176
Goodwill	-	1,200	-	-	-
Other Long-Term Assets	805	1,322	1,044	1,231	1,260
Total Assets	43,854	107,190	80,064	75,036	72,609
Liabilities					
Current Liabilities					
Accounts Payable	4,885	4,910	2,987	3,899	4,029
Accrued Expenses	1,604	3,539	2,121	3,052	2,778
Curr. Port. of LT Debt	116	657	1,334	416	22
Curr. Port. of Leases	-	630	515	271	416
Other Current Liabilities	807	2,969	1,266	686	512
Total Current Liabilities	7,412	12,705	8,223	8,324	7,757
Long Term Debt	10,201	38,966	36,251	29,363	19,124
Long-Term Leases	-	1,219	957	1,089	1,203
Other Non-Current Liabilities	4,911	20,068	16,060	15,933	14,440
Total Liabilities	22,524	72,958	61,491	54,709	42,524
Shareholder's Equity					
Pref. Stock, Redeemable	-	9,762	9,762	9,762	9,762
Common Stock	179	209	216	217	220
Additional Paid In Capital	8,046	14,955	16,552	16,749	17,181
Retained Earnings	23,750	20,180	2,996	4,480	16,499
Treasury Stock	-10,473	-10,653	-10,665	-10,673	-13,772
Comprehensive Inc. and Other	-172	-221	-288	-208	195
Total Shareholder's Equity	21,330	34,232	18,573	20,327	30,085
Total Liabilities & Shareholder's Equity	43,854	107,190	80,064	75,036	72,609

Check

6. Financials – Current Capital Structure

OXY 8.5% Corp. Due 2027

Debt Schedule - Oxy Current Capital Structure - FY2022 - \$ in mm



Source: CapIQ

FY22 Capital Structure Summary								(in Millions USD)
Description	Principle Amount	Market Value	Rates	Principal Leverage	Market Leverage	Maturity	Interest Payment	Trading Price
Unsecured Debt								
8.750% Medium-Term Notes Due 2023	22		8.75%			2023	1.93	
6.950% Senior Notes Due 2024	291		6.95%			Jul-01-2024	20.22	
3.450% Senior Notes Due 2024	111		3.45%			Jul-15-2024	3.83	
2.900% Senior Notes Due 2024	654		2.90%			Aug-15-2024	18.97	
5.500% Senior Notes Due 2025	465		5.50%			Dec-01-2025	25.58	
3.500% Senior Notes Due 2025	137		3.50%			Jun-15-2025	4.80	
5.875% Senior Notes Due 2025	606		5.88%			Sep-01-2025	35.60	100.351
7.500% Debentures Due 2026	112		7.50%			Oct-15-2026	8.40	
5.550% Senior Notes Due 2026	870		5.55%			Mar-15-2026	48.29	
3.400% Senior Notes Due 2026	284		3.40%			Apr-15-2026	9.66	
3.200% Senior Notes Due 2026	182		3.20%			Aug-15-2026	5.82	
7.125% Debentures Due 2027	150		7.13%			Oct-15-2027	10.69	
7.000% Debentures Due 2027	48		7.00%			Nov-15-2027	3.36	
3.000% Senior Notes Due 2027	216		3.00%			Feb-15-2027	6.48	
8.500% Senior Notes Due 2027	489		8.50%			Jul-15-2027	41.57	107.345
6.625% Debentures Due 2028	14		6.63%			Jan-15-2028	0.93	
7.200% Senior Debentures Due 2028	82		7.20%			Apr-01-2028	5.90	
7.150% Debentures Due 2028	232		7.15%			May-15-2028	16.59	
6.375% Senior Notes Due 2028	578		6.38%			Sep-01-2028	36.85	
8.450% Senior Notes Due 2029	116		8.45%			Feb-15-2029	9.80	
7.200% Debentures Due 2029	135		7.20%			Mar-15-2029	9.72	
7.950% Debentures Due 2029	116		7.95%			Apr-15-2029	9.22	
3.500% Senior Notes Due 2029	286		3.50%			Aug-15-2029	10.01	
Variable Rate Bonds Due 2030	68		5.93%			2030	4.03	
8.875% Senior Notes Due 2030	1,000		8.88%			Jul-15-2030	88.75	
6.625% Senior Notes Due 2030	1,449		6.63%			Sep-01-2030	96.00	
6.125% Senior Notes Due 2031	1,143		6.13%			Jan-01-2031	70.01	
7.500% Senior Notes Due 2031	900		7.50%			May-01-2031	67.50	
7.875% Senior Notes Due 2031	500		7.88%			Sep-15-2031	39.38	
Zero Coupon Senior Notes Due 2036	673		-			2036	-	
6.450% Senior Notes Due 2036	1,727		6.45%			Sep-15-2036	111.39	
7.950% Senior Notes Due 2039	325		7.95%			Jun-15-2039	25.84	
4.300% Senior Notes Due 2039	247		4.30%			Aug-15-2039	10.62	
6.200% Senior Notes Due 2040	737		6.20%			Mar-15-2040	45.69	
4.500% Senior Notes Due 2044	191		4.50%			Jul-15-2044	8.60	
4.625% Senior Notes Due 2045	296		4.63%			Jun-15-2045	13.69	
6.600% Senior Notes Due 2046	1,117		6.60%			Mar-15-2046	73.72	
4.400% Senior Notes Due 2046	424		4.40%			Apr-15-2046	18.66	
4.100% Senior Notes Due 2047	258		4.10%			Feb-15-2047	10.58	
4.200% Senior Notes Due 2048	304		4.20%			Mar-15-2048	12.77	
4.400% Senior Notes Due 2049	280		4.40%			Aug-15-2049	12.32	
7.500% Debentures Due 2096	60		7.50%			Nov-01-2096	4.50	
7.250% Debentures Due 2096	5		7.25%			Nov-15-2096	0.36	
7.730% Debentures Due 2096	58		7.73%			Sep-15-2096	4.48	
Total Unsecured Debt	17,958			0.9x			1063.07	
<i>Net Unsecured Debt</i>	<i>16,974</i>							
Leases								
Long-term Finance Leases	689							
Operating Leases	930							
Total Debt	19,577			1.0x				
Less: Cash / Cash Equivalents	984	984						
Net Debt	18,593			0.9x				
Market Capitalization	57,400							
Enterprise Value	75,993			3.7x				

Memo Item: FY 2022 EBITDA \$20,591.00

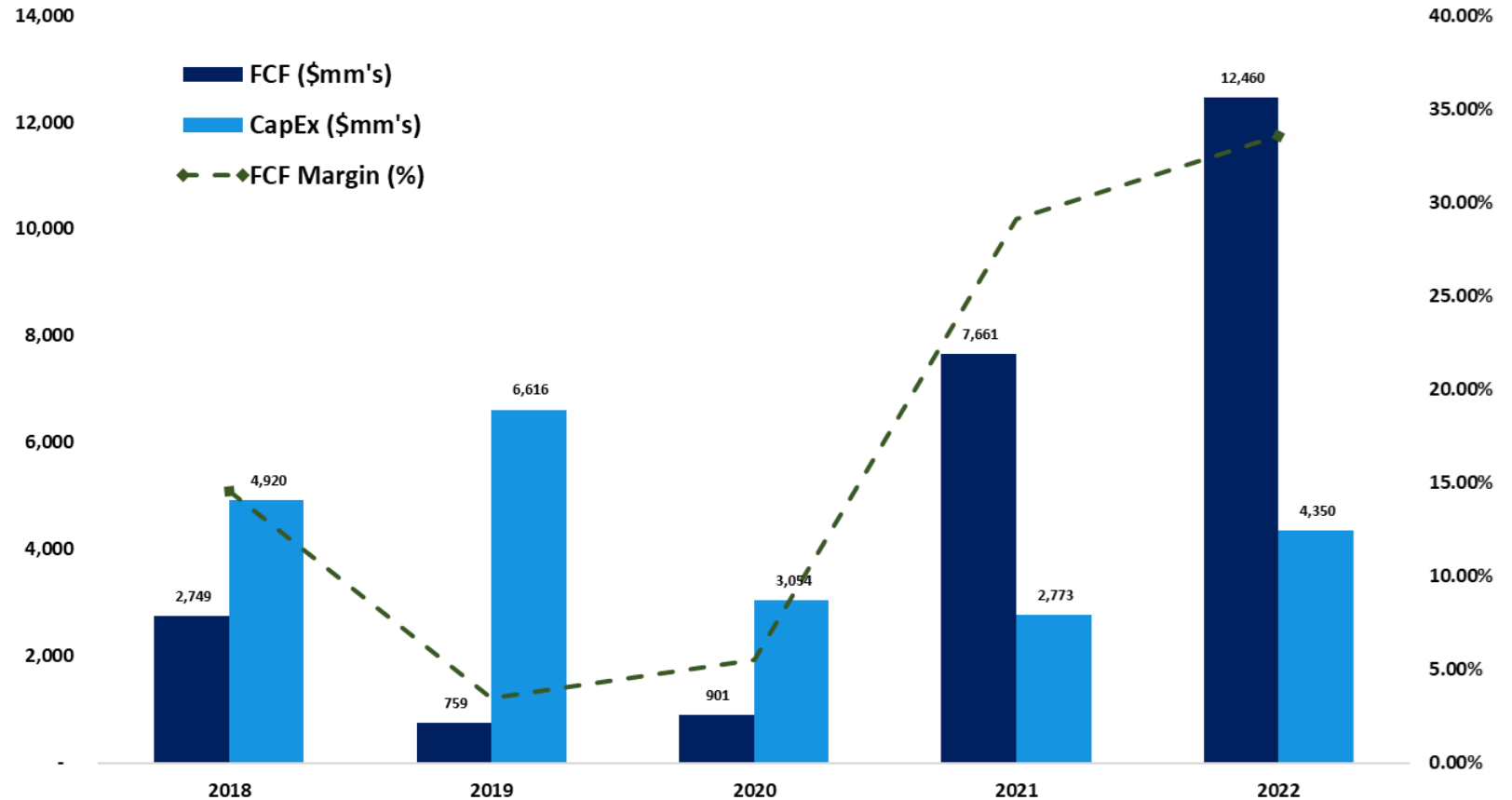


Cash Conversion and Use

- Cash conversion cycle (CCC): -15 days
- CapEx: \$4.3 billion (2022)
 - Drilling and completion: \$2.2Bn
 - Midstream infrastructure: \$0.5Bn
 - Renewables: \$0.3Bn
 - Other: \$1.3Bn
 - OXY's investment in drilling and completion is focused on developing its Permian Basin assets. The company is also investing in midstream infrastructure to support its growing production. OXY's investment in renewables is focused on developing solar and wind power projects.
 - OXY's CapEx is expected to be lower in 2023, at around \$2.0Bn. This is due to a number of factors, including the completion of several major drilling projects in 2022 and the fact that OXY is now generating more free cash flow, which can be used to reduce debt.
- FCF margin: 20%
- OXY is converting its cash quickly, investing heavily in its business, and generating a very good amount of free cash flow.
- These are all signs of a healthy company with a bright future.

Notes

FCF, CapEx, FCF Margin Past 5Y



Key Points

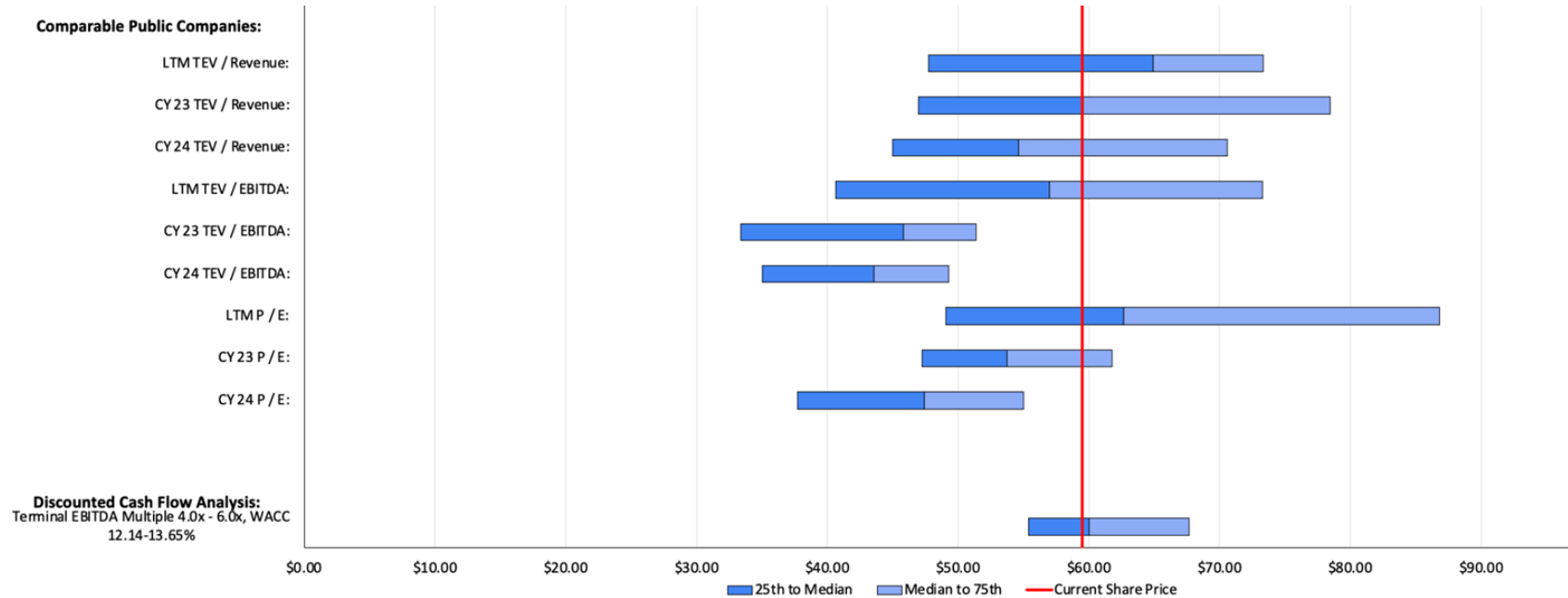
Discounted Cash Flow Analysis

- Final Valuation: \$87.54 Bn, \$65.47 per share
- Premium to Current: 10.0%
- Optimal Cap structure: 0.23 D/E ratio
- WACC: 12.14% (for optimal capital structure)
- Growth Rate: -0.5%
- Exit multiple: 4.0x

Comparable Companies Analysis

- Compared LTM, FY 23E, and FY 24E figures for 8 comparable companies
- LTM EV/Revenue- 25th to 75th- 2.3x- 3.0x, Median 2.8x
- LTM EV/EBITDA- 25th to 75th- 4.0x- 5.8x, Median 4.9x
- LTM P/E- 25th to 75th- 6.5x- 11.5x, Median 8.3x
- FY 23 EV/Revenue- 2.5x- 3.5x, Median 2.9x
- FY 23 EV/EBITDA- 4.7x- 6.0x, Median 5.6x
- FY 23 P/E- 9.4x- 12.3x, Median 10.7x

Valuation Summary (Football Field) - Range of Implied Share Prices



7. Valuation – Public Comparables

OXY 8.5% Corp. Due 2027

		Market Values			Profitability		Revenue Multiples		EBITDA Multiples		Leverage	Short Term Coverage			
Company	Ticker	Share Price (1)	Equity Market Value (2)	Enterprise Value (2)	Operating Margin (LTM)	EBITDA Margin (LTM)	EV/Revenue (LTM)	EV/Revenue (NTM)	EV/EBITDA (LTM)	EV/EBITDA (NTM)	Total Debt/EBITDA (LTM)	Interest Coverage	Current Ratio	Cash Coverage Ratio	Quick Ratio
Occidental Petroleum	OXY	59.42	52567.8	81693.8	28.9%	51.7%	2.59x	2.8x	4.76x	5.53x	1.24x	9.51	1.04	17.02	0.47
ConocoPhillips	COP	113.42	135819.4	145448.4	30.1%	41.6%	2.11x	2.37x	5.07x	5.37x	0.34x	9.51	1.41	38.46	1.19
EOG Resources	EOG	118.46	68974.6	68359.6	43.8%	58.6%	2.71x	2.77x	4.36x	5.01x	(0.04x)	27.81	2.39	92.34	1.88
Canadian Natural Resources	CNQ	60.35	65798	75285.2	26.7%	47.5%	2.82x	2.71x	2.82x	5.74x	0.75x	14.52	0.7	24.99	0.4
Pioneer Natural Resources	PXD	214.96	50116	55597	36.5%	49.6%	2.73x	2.74x	5.3x	5.37x	0.54x	69.09	0.73	78.99	0.54
Hess Corp.	HES	141.94	43398	51069	29.2%	48.1%	4.85x	4.43x	4.85x	8.31x	1.39x	58.13	1.54	10.26	1.29
Devon Energy Corp.	DVN	42.85	27454	33947	39.6%	55.1%	2.12x	2.22x	3.84x	4.18x	0.72x	6.23	0.98	23.61	0.7
Coterra Energy Inc.	CTRA	26.11	19714.2	21442.2	51.8%	73%	2.79x	3.45x	3.82x	5.08x	0.31x	66.4	1.74	53.93	1.35
Marathon Oil Corp.	MRO	24.24	14681.9	20453.9	37.7%	68.1%	3.06x	2.84x	3.92x	4.15x	1.27x	8.25	0.8	14.91	0.71
Averages												32.49	1.29	42.19	1.01
(Occidental Petroleum)			25th	Median	75th	Std Dev	Chosen Range		Outstanding Shares		Implied Market Capitalization		Implied Enterprise Value		
EV/EBITDA (LTM)			3.82x	4.09x	4.96x	0.5x	4.5x – 6x		884.7 M		\$50 - \$60 billion		\$75.0 – \$90.0 billion		

(1) Price data as of market close on October 5, 2023

(2) Values in \$US million



7. Valuation – DCF Analysis

OXY 8.5% Corp. Due 2027

Gordon Growth

Terminal Value - Perpetuity Growth Method:	
Baseline Terminal FCF Growth Rate:	(0.5%)
Baseline Terminal Value:	\$ 73,601.8
Implied Terminal EBITDA Multiple:	5.5 x
(+) PV of Terminal Value:	41,504.5
(+) PV of UFCFs:	39,793.5
Implied Enterprise Value:	81,298.0
% of Implied TEV from Terminal Value:	51.1%
(+) Cash & Investments:	984.0
(+) Net Operating Losses:	-
(-) Debt & Finance Leases:	(19,835.0)
(-) Preferred Stock:	(9,762.0)
(-) Operating Leases:	-
(-) Noncontrolling Interests:	-
(-) Unfunded Pensions:	-
Implied Equity Value:	52,685.0
Diluted Shares Outstanding:	900.080
Implied Share Price from DCF:	\$ 58.53
Premium / (Discount) to Current:	(1.6%)

Multiples

Terminal Value - Multiples Method:	
Median EV / EBITDA of Comps:	4.1 x
Baseline Terminal EBITDA Multiple:	4.0 x
Baseline Terminal Value:	\$ 53,547.1
Implied Terminal FCF Growth Rate:	(4.5%)
(+) PV of Terminal Value:	47,750.4
(+) Sum of PV of Free Cash Flows:	39,793.5
Implied Enterprise Value:	\$ 87,544.0
% of Implied EV from Terminal Value:	54.5%
(+) Cash & Cash-Equivalents:	\$ 984.0
(+) Equity Investments:	-
(+) Other Non-Core Assets, Net:	-
(+) Net Operating Losses:	-
(-) Total Debt:	(19,835.0)
(-) Preferred Stock:	(9,762.0)
(-) Noncontrolling Interests:	-
(-) Unfunded Pension Obligations:	-
(-) Capital Leases and Contracts:	-
(-) Restructuring & Other Liabilities:	-
Implied Equity Value:	58,931.0
Diluted Shares Outstanding:	900.08
Implied Share Price from DCF:	\$ 65.47
Premium / (Discount) to Current:	10.0%

Discounted Cash Flow Projections

Occidental Petroleum - FCF Projections:	Units	FY19	FY20	FY21	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
Revenue	\$ M	20,911.0	17,809.0	25,956.0	36,634.0	28,355.8	28,803.1	28,947.2	29,091.9	29,237.3
Revenue Growth Rate:	%		(14.8%)	45.7%	41.1%	(22.6%)	1.6%	0.5%	0.5%	0.5%
Operating Income (EBIT)		2,747.0	(1,168.0)	4,361.0	13,665.0	6,521.8	6,691.0	6,791.7	6,893.9	6,997.6
Operating Margin:		13.1%	(6.6%)	16.8%	37.3%	23.0%	23.2%	23.5%	23.7%	23.9%
Growth Rate:			(142.5%)	(473.4%)	213.3%	(52.3%)	2.6%	1.5%	1.5%	1.5%
(-) Taxes, Excluding Effect of Interest		1,023.0	(1,550.0)	1,920.0	2,361.0	1,173.9	1,204.4	1,222.5	1,240.9	1,259.6
Net Operating Profit After Taxes (NOPAT)		1,724.0	382.0	2,441.0	11,304.0	5,347.9	5,486.6	5,569.2	5,653.0	5,738.1
(+) Depreciation & Amortization:		6,140.0	8,097.0	8,447.0	6,926.0	5,954.7	6,109.1	6,201.1	6,294.4	6,389.1
% Revenue:		29.4%	45.5%	32.5%	18.9%	21.0%	21.2%	21.4%	21.6%	21.9%
(-) Net Change in Working Capital:		1,071.0	1,278.0	1,426.0	1,325.0	708.9	720.1	723.7	727.3	730.9
% Change in Revenue:			(14.8%)	45.7%	41.1%	(22.6%)	1.6%	0.5%	0.5%	0.5%
% Revenue:		5.1%	7.2%	5.5%	3.6%	2.5%	2.5%	2.5%	2.5%	2.5%
(-) Capital Expenditures:		6,355.0	2,535.0	2,870.0	4,479.0	1,984.9	2,016.2	2,026.3	2,036.4	2,046.6
% Revenue:		30.4%	14.2%	11.1%	12.2%	7.0%	7.0%	7.0%	7.0%	7.0%
Unlevered Free Cash Flow:	\$ M	438.0	4,666.0	6,592.0	12,426.0	8,608.8	8,859.4	9,020.3	9,183.7	9,349.7
Growth Rate:	%		965.3%	41.3%	88.5%	(30.7%)	(2.9%)	1.8%	1.8%	1.8%

Share Price WACC Sensitivity Analysis

Implied Share Price		Weighted Average Cost of Capital (WACC):						
		10.6%	11.1%	11.6%	12.1%	12.6%	13.1%	13.6%
Terminal EV / EBITDA Multiple	3.00 x	54.6	53.8	53.0	52.2	51.4	50.7	50.0
	3.50 x	61.3	60.5	59.7	58.8	58.0	57.3	56.5
	4.00 x	68.0	67.2	66.3	65.5	64.6	63.8	63.0
	4.50 x	74.8	73.9	73.0	72.1	71.2	70.4	69.6
	5.00 x	81.5	80.6	79.6	78.7	77.9	77.0	76.1

Implied EV WACC Sensitivity Analysis

Implied EV (\$bn)		Weighted Average Cost of Capital (WACC):						
		10.6%	11.1%	11.6%	12.1%	12.6%	13.1%	13.6%
Terminal EV / EBITDA Multiple	3.00 x	77.8	77.0	76.3	75.6	74.9	74.2	73.6
	3.50 x	83.8	83.0	82.3	81.6	80.9	80.2	79.5
	4.00 x	89.9	89.1	88.3	87.5	86.8	86.1	85.4
	4.50 x	95.9	95.1	94.3	93.5	92.7	92.0	91.2
	5.00 x	102.0	101.1	100.3	99.5	98.7	97.9	97.1

Call Period

- If Occidental Petroleum Corporation calls back the bonds early, investors will miss out on the potential for future interest payments.
- The earliest Par Call Date is January 15, 2027, only six months earlier than maturity
- Due to this, YTW (Yield to Worst) is 6.042% representing a minimal delta to the YTM (Yield to Maturity) of 6.34% at a price of 107

Rise in Interest Rate

- Rising interest rates may cause the bond price to materially decline.
- Mitigants:
- Inflation is expected to come down. The Federal Reserve has been raising interest rates in an effort to combat inflation, which is at a 40-year high. Once inflation begins to come down, the Fed is likely to slow down or stop raising rates altogether.
- The risk of a recession is increasing. The economy is already slowing down, and many economists believe that a recession is likely in the next year or two. If the economy does enter a recession, the Fed is likely to cut interest rates in an effort to stimulate growth.
- Financial markets are already under stress. Higher interest rates have caused a sell-off in stocks and bonds. If interest rates continue to rise, the Fed may be concerned about a financial crisis, which could lead them to slow down or stop raising rates.

Oil / Gas Prices Decline

- Oil and gas prices declining materially will affect the credit worthiness of the bond along with the company.
- Mitigants:
- Prices expected to average ~\$90 from 2024 to 2027 slight downward skew
- In September 2022, OPEC+ agreed to cut production by 100,000 barrels per day in October, and by another 100,000 barrels per day in November. The aim of these cuts is to support oil prices, which have been falling in recent months due to a number of factors, including recession fears and a strong US dollar.
- The transition to renewable energy is underway, but it is a gradual process. In the meantime, the world still relies on oil to meet a significant portion of its energy needs. This means that the transition to renewable energy is not likely to lead to a sharp decline in oil demand in the near future.

Notes

Appendix

Occidental Petroleum - FCF Projections:		Units	FY19	FY20	FY21	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
Revenue Build											
Chemical	\$ M		4,102.0	3,733.0	5,246.0	6,757.0	5,405.6	5,432.6	5,459.8	5,487.1	5,514.5
Revenue Growth Rate:	%			(9.0%)	40.5%	4.0%	-20.0%	0.5%	0.5%	0.5%	0.5%
Oil and Gas			13,941.0	13,066.0	18,941.0	27,165.0	20,373.8	20,781.2	20,885.1	20,989.6	21,094.5
Revenue Growth Rate:				(6.3%)	45.0%	3.3%	-25.0%	2.0%	0.5%	0.5%	0.5%
Midstream and Marketing			4,132.0	1,768.0	2,863.0	4,136.0	3,929.2	3,948.8	3,968.6	3,988.4	4,008.4
Revenue Growth Rate:				(57.2%)	61.9%	3.3%	-5.0%	0.5%	0.5%	0.5%	0.5%
Corporate and Eliminations			(1,264.0)	(758.0)	(1,094.0)	(1,424.0)	(1,352.8)	(1,359.6)	(1,366.4)	(1,373.2)	(1,380.1)
Revenue Growth Rate:				(40.0%)	44.3%	3.3%	-5.0%	0.5%	0.5%	0.5%	0.5%
Revenue	\$ M		20,911.0	17,809.0	25,956.0	36,634.0	28,355.8	28,803.1	28,947.2	29,091.9	29,237.3
Revenue Growth Rate:	%			(14.8%)	45.7%	41.1%	(22.6%)	1.6%	0.5%	0.5%	0.5%

B. Discounted Cash Flow

OXY 8.5% Corp. Due 2027

Occidental Petroleum - FCF Projections:										
	Units	FY19	FY20	FY21	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
Revenue Build										
Chemical	\$ M	4,102.0	3,733.0	5,246.0	6,757.0	5,405.6	5,432.6	5,459.8	5,487.1	5,514.5
Revenue Growth Rate:	%		(9.0%)	40.5%	4.0%	-20.0%	0.5%	0.5%	0.5%	0.5%
Oil and Gas		13,941.0	13,066.0	18,941.0	27,165.0	20,373.8	20,781.2	20,885.1	20,989.6	21,094.5
Revenue Growth Rate:			(6.3%)	45.0%	3.3%	-25.0%	2.0%	0.5%	0.5%	0.5%
Midstream and Marketing		4,132.0	1,768.0	2,863.0	4,136.0	3,929.2	3,948.8	3,968.6	3,988.4	4,008.4
Revenue Growth Rate:			(57.2%)	61.9%	3.3%	-5.0%	0.5%	0.5%	0.5%	0.5%
Corporate and Eliminations		(1,264.0)	(758.0)	(1,094.0)	(1,424.0)	(1,352.8)	(1,359.6)	(1,366.4)	(1,373.2)	(1,380.1)
Revenue Growth Rate:			(40.0%)	44.3%	3.3%	-5.0%	0.5%	0.5%	0.5%	0.5%
Revenue	\$ M	20,911.0	17,809.0	25,956.0	36,634.0	28,355.8	28,803.1	28,947.2	29,091.9	29,237.3
Revenue Growth Rate:	%		(14.8%)	45.7%	41.1%	(22.6%)	1.6%	0.5%	0.5%	0.5%
Operating Income (EBIT)		2,747.0	(1,168.0)	4,361.0	13,665.0	6,521.8	6,691.0	6,791.7	6,893.9	6,997.6
Operating Margin:		13.1%	(6.6%)	16.8%	37.3%	23.0%	23.2%	23.5%	23.7%	23.9%
Growth Rate:			(142.5%)	(473.4%)	213.3%	(52.3%)	2.6%	1.5%	1.5%	1.5%
(-) Taxes, Excluding Effect of Interest		1,023.0	(1,550.0)	1,920.0	2,361.0	1,173.9	1,204.4	1,222.5	1,240.9	1,259.6
Net Operating Profit After Taxes (NOPAT)		1,724.0	382.0	2,441.0	11,304.0	5,347.9	5,486.6	5,569.2	5,653.0	5,738.1
(+) Depreciation & Amortization:		6,140.0	8,097.0	8,447.0	6,926.0	5,954.7	6,109.1	6,201.1	6,294.4	6,389.1
% Revenue:		29.4%	45.5%	32.5%	18.9%	21.0%	21.2%	21.4%	21.6%	21.9%
(-) Net Change in Working Capital:		1,071.0	1,278.0	1,426.0	1,325.0	708.9	720.1	723.7	727.3	730.9
% Change in Revenue:			(14.8%)	45.7%	41.1%	(22.6%)	1.6%	0.5%	0.5%	0.5%
% Revenue:		5.1%	7.2%	5.5%	3.6%	2.5%	2.5%	2.5%	2.5%	2.5%
(-) Capital Expenditures:		6,355.0	2,535.0	2,870.0	4,479.0	1,984.9	2,016.2	2,026.3	2,036.4	2,046.6
% Revenue:		30.4%	14.2%	11.1%	12.2%	7.0%	7.0%	7.0%	7.0%	7.0%
Unlevered Free Cash Flow:	\$ M	438.0	4,666.0	6,592.0	12,426.0	8,608.8	8,859.4	9,020.3	9,183.7	9,349.7
Growth Rate:	%		965.3%	41.3%	88.5%	(30.7%)	(2.9%)	1.8%	1.8%	1.8%
Discount Period:	#				1.00	2.00	3.00	4.00	5.00	6.00
Discount Rate (WACC):	%				12.14%	12.14%	12.14%	12.14%	12.14%	12.14%
Cumulative Discount Factor:					0.892	0.795	0.709	0.632	0.564	0.503
PV of Unlevered FCF:	\$ M				\$ 11,080.8	\$ 6,845.8	\$ 6,282.5	\$ 5,704.1	\$ 5,178.7	\$ 4,701.6
EBITDA:	\$ M	\$ 8,887.0	\$ 6,929.0	\$ 12,808.0	\$ 20,591.0	\$ 12,476.5	\$ 12,800.1	\$ 12,992.8	\$ 13,188.3	\$ 13,386.8
Growth Rate:	%		(22.0%)	84.8%	60.8%	(39.4%)	2.6%	1.5%	1.5%	1.5%
EBITDA Margin:				49.3%	56.2%	44.0%	44.4%	44.9%	45.3%	45.8%

TGR Share Price Sensitivity Analysis

Implied Share Price		Terminal Growth Rate:						
		(3.5%)	(2.5%)	(1.5%)	(0.5%)	0.50%	1.50%	2.50%
Weighted Average Cost of Capital (WACC):	11.1%	54.3	57.7	61.7	66.3	71.9	78.6	86.8
	11.6%	51.4	54.6	58.2	62.4	67.4	73.4	80.7
	12.1%	48.8	51.7	55.0	58.8	63.3	68.7	75.1
	12.6%	46.3	48.9	52.0	55.5	59.5	64.4	70.1
	13.1%	43.9	46.4	49.2	52.4	56.1	60.4	65.6

TGR Implied EV Sensitivity Analysis

Implied EV (\$bn)		Terminal Growth Rate:						
		(3.5%)	(2.5%)	(1.5%)	(0.5%)	0.50%	1.50%	2.50%
Weighted Average Cost of Capital (WACC):	11.1%	77.4	80.5	84.1	88.3	93.3	99.3	106.8
	11.6%	74.9	77.7	81.0	84.8	89.3	94.7	101.2
	12.1%	72.5	75.1	78.1	81.5	85.6	90.4	96.2
	12.6%	70.3	72.7	75.4	78.5	82.2	86.5	91.7
	13.1%	68.2	70.4	72.9	75.7	79.1	83.0	87.6

4. Company Overview – Customer Profile OXY 8.5% Corp. Due 2027

Key Suppliers (Cont.)

