



Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Neutral	\$49.00	31-Dec-25	\$42.15	16.25%

Occidental Petroleum Corporation explores for, develops, produces, and markets crude oil and natural gas. The Company also manufactures and markets a variety of basic chemicals, vinyls and performance chemicals. Occidental also gathers, treats, processes, transports, stores, trades and markets crude oil, natural gas, NGLs, condensate and carbon dioxide (CO2) and generates and markets power.



Note: All analysts forecasts are as of last note published on 08-Aug-2025

The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

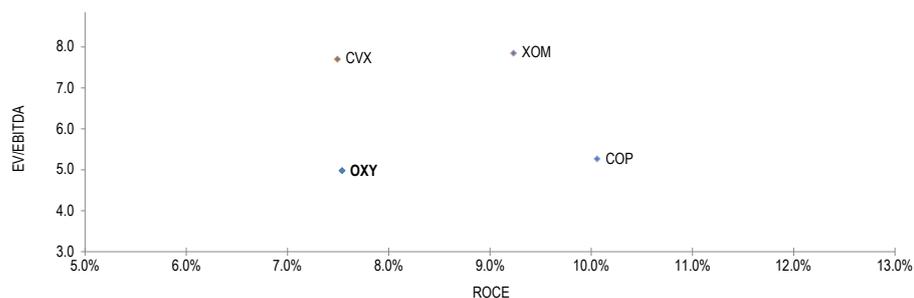
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Key Financials (\$mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	28,918	26,880	27,217	27,828	28,163
EBITDAX	14,146	12,029	13,831	14,285	14,668
EBITDA	13,279	12,964	13,398	13,865	14,248
EBIT	6,840	4,383	5,622	5,971	6,336
Net Profit	3,574	3,366	2,710	2,801	3,215
Cash & Cash Equivalents	1,426	2,132	4,043	5,820	8,645
Total Assets	74,008	85,445	85,152	85,729	87,006
Total Shareholder's equity	21,963	25,872	28,527	30,602	33,019
Net debt / (cash)	18,312	23,984	19,032	15,077	10,749
Capex	(6,270)	(7,018)	(7,315)	(6,834)	(6,504)
Cashflow from Operating Activities	12,308	11,739	11,383	12,198	12,312
Free Cash Flow (to firm)	4,111	3,453	3,104	3,691	4,130
EPS(\$)	3.72	3.48	2.68	2.71	3.10
DPS(\$)	0.72	0.88	0.96	0.96	0.96

Key Ratios	FY23	FY24	FY25E	FY26E	FY27E
EBITDAX Margins	47.4%	49.3%	50.2%	50.8%	51.6%
EBITDA Margin	45.9%	48.2%	49.2%	49.8%	50.6%
EBIT Margins	23.7%	16.3%	20.7%	21.5%	22.5%
Effective Tax Rate	27.0%	28.8%	30.5%	28.4%	27.6%
Net Profit Margins	12.4%	12.5%	10.0%	10.1%	11.4%
Payout ratio	18.3%	35.8%	38.8%	35.4%	31.0%
Reserve/Production (Years)	n/a	n/a	n/a	n/a	n/a
ROA	4.9%	4.2%	3.2%	3.3%	3.7%
ROCE	12.2%	6.7%	7.5%	8.3%	8.8%
ROE	16.9%	14.1%	10.0%	9.5%	10.1%
EV/EBITDAX	4.8x	5.4x	4.9x	4.4x	4.0x
EV/Debt Adjusted Cash Flow	5.1x	5.7x	5.5x	4.8x	4.5x
P/BV	1.7x	1.5x	1.4x	1.4x	1.3x
P/E	11.3x	12.1x	15.7x	15.5x	13.6x

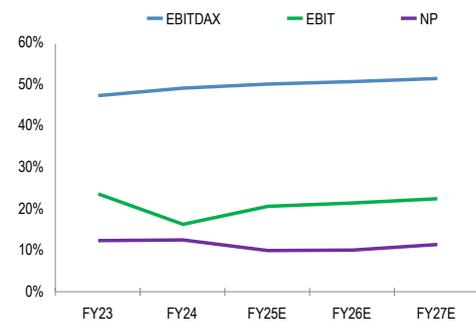
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25E



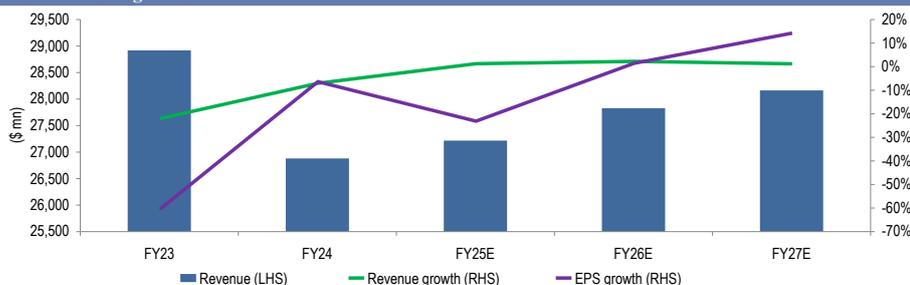
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (OXY)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	37,674
Shares O/S (mn)	894
Float	72.7%
Dividend Yield	2.3%
EPS (\$)	2.68
3M - Avg daily volume (mn)	10.43
52 wk High/Low (\$)	55.24-34.78

WTS EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
2.68	2.71	2.23	2.07

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap (\$mn)	EV/EBITDAX	EV/DACF	P/E	ROE				
							FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Local peers														
Chevron Corp	CVX	2024/12	10-Oct-25	NR	n/a	264,650	7.5x	7.4x	9.3x	8.4x	21.0x	23.5x	9.0%	9.2%
ConocoPhillips	COP	2024/12	09-Oct-25	OW	\$115.00	101,778	5.3x	5.6x	n/a	n/a	13.7x	14.8x	12.4%	11.1%
Exxon Mobil Corp	XOM	2024/12	08-Oct-25	OW	\$124.00	484,112	7.8x	7.3x	9.7x	8.9x	15.9x	14.4x	11.5%	12.3%
Global peers														
BP	BP.L	2024/12	02-Oct-25	N	460p	88,682	3.3x	3.4x	5.6x	4.4x	12.4x	11.5x	9.6%	10.7%
TotalEnergies	TTEF.PA	2024/12	02-Oct-25	OW	€58.50	127,593	4.2x	4.2x	5.5x	5.4x	8.5x	8.2x	12.8%	12.6%
Occidental Petroleum	OXY	2024/12	08-Aug-25	N	\$49.00	37,674	4.9x	4.4x	5.5x	4.8x	15.7x	15.5x	10.0%	9.5%
Median							5.1x	5.0x	5.6x	5.4x	14.7x	14.6x	10.7%	10.9%
Mean							5.5x	5.4x	7.1x	6.4x	14.5x	14.7x	10.9%	10.9%
High							7.8x	7.4x	9.7x	8.9x	21.0x	23.5x	12.8%	12.6%
Low							3.3x	3.4x	5.5x	4.4x	8.5x	8.2x	9.6%	10.7%

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Investment Thesis

OXY has demonstrated good execution and success with its deleveraging program post the APC acquisition. That said, the company is now digesting the ~\$12B CrownRock acquisition, which was financed with a ~15% equity vs. 85% debt mix. The company has established a deleveraging goal, targeting \$15bn of debt, funded by organic FCF generation, asset sales, and the suspension of the share buyback. At recent strip pricing, we do not have OXY reaching its target until 2027, as we do not include potential asset sales in our model. We believe that more work needs to be done on the balance sheet, as we estimate that the company's leverage ratio at the end of 2025 would be higher than the peer group average at strip pricing. Based on our analysis, we think a Neutral rating is warranted given the above-average leverage and lower return of capital yields at peers at strip pricing.

Valuation

Our Dec 2025 price target is based on NYMEX strip pricing. Our NAV methodology begins with a DCF of the company's PDP reserves, adjusted for the company's operating costs, our commodity price assumptions, and balance sheet items. Our undeveloped valuation is based on a future development schedule. Our Dec 2025 price target is based on 90% of our NAV in order to account for our analysis of inventory quality and depth across our E&P coverage group as well as higher leverage than the peer group.

Risks to Rating and Price Target

Common E&P risks: All E&P companies face the same general risks, including commodity price volatility, infrastructure constraints, oil field service cost inflation upon accelerating activity/prices, and unexpected geologic irregularities. Furthermore, type curves and proved reserve/resource potential remain underpinned by numerous assumptions subject to uncertainty that can materially change. Any improvement/degradation in type curves could result in a deviation in the company's stock price relative to our target.

The primary upside risks to our price target and Neutral rating include higher oil prices, faster-than-expected deleveraging of the balance sheet, higher returns of capital to shareholders, production growth exceeding expectations, and better-than-expected performance from Midstream and Chemicals.

The primary downside risks to our price target and Neutral rating include lower oil prices, unexpected challenges in completing the company's asset sales program, a delayed restart of buyback activity, higher-than-expected capex, weaker-than-expected performance from Midstream, and softer global GDP that negatively impacts Chemicals demand and pricing.