

ConocoPhillips Analyst & Investor Meeting Outlines Durable, Returns-Focused Value Proposition with Compelling Plan

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ConocoPhillips (NYSE: COP) is hosting an Analyst & Investor Meeting today to outline details of a compelling operating and financial plan that features durable returns and cash flow growth for decades to come, while further describing the company's valued role in the energy transition.

"Today I'm pleased to once again share a 10-year plan that provides a combination of industry-leading returns and cash flow growth, driven by our deep, durable and diverse portfolio. Our continued focus on capital discipline and investing in low cost of supply opportunities allows us to share a plan that keeps getting better and differentiates us from our peers," said Ryan Lance, ConocoPhillips chairman and chief executive officer. "We remain committed to our Triple Mandate and our foundational principles and priorities. And we continue to position our company for the energy transition, accelerating our emissions reduction initiatives and expanding our global LNG business."

The plan is based on a \$60 per barrel WTI mid-cycle price. Highlights of the 10-year plan include:

- Greater than \$115 billion of free cash flow (FCF) available for distributions, representing greater than 90% of market cap, as of March 31, 2023.
- Durable cash flow growth with projected cash from operations (CFO) and FCF compounded annual growth rate (CAGR) of approximately 6% and 11%.
- WTI FCF breakeven price of approximately \$35 per barrel.
- Capital expenditures expected to average approximately \$10 billion annually, resulting in 4 to 5% production CAGR at an average reinvestment rate of approximately 50%.
- Return on capital employed (ROCE) increasing over 1 percentage point annually.
- A strong balance sheet with gross debt reduction on track to meet previously announced \$5 billion reduction target by 2026.
- Resource base of approximately 20 billion barrels of oil equivalent at less than \$40 per barrel WTI, representing a resource life of more than 30 years at current production levels.
- An acceleration in the company's greenhouse gas (GHG)-intensity reduction target through 2030 from 40-50% to 50-60%, using a 2016 baseline.

The ConocoPhillips Analyst & Investor Meeting will begin at 8:30 a.m. Eastern time and is expected to be two and a half hours in duration, including a question-and-answer session. A link to the live webcast and slide deck will be available on the ConocoPhillips Investor Relations website, www.conocophillips.com/investor, approximately 30 minutes prior to the start of the webcast. The event will also be archived and available for replay later in the day, with a transcript posted shortly afterward.

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About ConocoPhillips

ConocoPhillips is one of the world's leading exploration and production companies based on both production and reserves, with a globally diversified asset portfolio. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 13 countries, \$94 billion of total assets and approximately 9,500 employees at Dec. 31, 2022. Production averaged 1,738 MBOED for the 12 months ended Dec. 31, 2022, and proved reserves were 6.6 BBOE as of Dec. 31, 2022. For more information, go to www.conocophillips.com.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release contains forward-looking statements as defined under the federal securities laws. Forward-looking statements relate to future events, plans and anticipated results of operations, business strategies, and other aspects of our operations or operating results. Words and phrases such as "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words can be used to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to be reasonable at the time such forward-looking statement is made based on management's good faith plans and objectives under the following assumptions: an oil price of \$60/BBL West Texas Intermediate in 2022 dollars, escalating at 2.25% annually; an oil price of \$65/BBL Brent in 2022 dollars, escalating at 2.25% annually; a gas price of approximately \$3.75/MMBTU Henry Hub in 2022 dollars, escalating at 2.25% annually; an international gas price of \$8/MMBTU Title Transfer Facility & Japan Korea Marker in 2022 dollars, escalating at 2.25% annually; cost and capital escalation in line with price escalation; planning case at \$60 WTI assumes de-escalation from levels observed in 2022; inclusion of carbon tax in the cash flow forecasts for assets where a tax is currently assessed. If no carbon tax exists for the asset, it is not included in the cash flow forecasts. In addition, cost of supply includes carbon tax where carbon policy exists and a proxy carbon price for assets without existing carbon policies. Please refer to the cost of supply definition in Other Terms below for additional information on how carbon costs are included in the cost of supply calculation.

These statements are not guarantees of future performance and involve certain risks and uncertainties and are subject to change as management is continually assessing factors beyond our control that may or may not be currently known. Given the foregoing and the extended time horizon of this presentation, actual outcomes and results will likely differ from what is expressed or forecast in the forward-looking statements and such differences may be material. Factors that could cause actual results or events to differ materially from what is presented include changes in commodity prices, including a prolonged decline in these prices relative to historical or future expected levels; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas, including changes resulting from any ongoing military conflict, including the conflict between Russia and Ukraine, and the global response to such conflict, security threats on facilities and infrastructure, or from a public health crisis or from the imposition or lifting of crude oil production quotas or other actions that might be imposed by OPEC and other producing countries and the resulting company or third-party actions in response to such changes; insufficient liquidity or other factors, such as those listed herein, that could impact our ability to repurchase shares and declare and pay dividends such that we suspend our share repurchase program and reduce, suspend, or totally eliminate dividend payments in the future, whether variable or fixed; changes in expected levels of oil and gas reserves or production; potential failures or delays in achieving expected reserve or production levels from existing and future oil and gas developments, including due to operating hazards, drilling risks or unsuccessful exploratory activities; unexpected cost increases, inflationary pressures or technical difficulties in constructing, maintaining or modifying company facilities; legislative and regulatory initiatives addressing global climate change or other environmental concerns; public health crises, including pandemics (such as COVID-19) and epidemics and any impacts or related company or government policies or actions; investment in and development of competing or alternative energy sources; potential failures or delays in delivering on our current or future low-carbon strategy, including our inability to develop new technologies; disruptions or interruptions impacting the transportation for our oil and gas production; international monetary conditions and exchange rate fluctuations; changes in international trade relationships or government policies, including the imposition of price caps, or the imposition of trade restrictions or tariffs on any materials or products (such as aluminum and steel) used in the operation of our business, including any sanctions imposed as a result of any ongoing military conflict, including the conflict between Russia and Ukraine; our ability to collect payments when due, including our ability to collect payments from the government of Venezuela or PDVSA; our ability to complete any announced or any future dispositions or acquisitions on time, if at all; the possibility that regulatory approvals for any announced or any future dispositions or acquisitions will not be received on a timely basis, if at all, or that such approvals may require modification to the terms of the transactions or our remaining business; business disruptions following any announced or any future dispositions or acquisitions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced or any future dispositions in the manner and timeframe we anticipate, if at all; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation, including litigation related directly or indirectly to our transaction with [Concho Resources Inc.](#); the impact of competition and consolidation in the oil and gas industry; limited access to capital or insurance or significantly higher cost of capital or insurance related to illiquidity or uncertainty in the domestic or international financial markets or investor sentiment; general domestic and international economic and political conditions or developments, including as a result of any ongoing military conflict, including the conflict between Russia and Ukraine; changes in fiscal regime or tax, environmental and other laws applicable to our business; and disruptions resulting from accidents,

extraordinary weather events, civil unrest, political events, war, terrorism, cybersecurity threats or information technology failures, constraints or disruptions; and other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, ConocoPhillips expressly disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors - The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We may use the term "resource" in this news release that the SEC's guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the ConocoPhillips website.

Use of Non-GAAP Financial Information - This news release contains certain financial measures that are not prepared in accordance with GAAP, including cash from operations, free cash flow, reinvestment rate and return on capital employed (ROCE).

The company believes that the non-GAAP measure cash from operations is useful to investors to help understand changes in cash provided by operating activities excluding the timing effects associated with operating working capital changes across periods on a consistent basis and with the performance of peer companies. The company believes free cash flow is useful to investors in understanding how existing cash from operations is utilized as a source for sustaining our current capital plan and future development growth. Free Cash Flow is defined as cash from operations net of capital expenditures and investments. Free cash flow is not a measure of cash available for discretionary expenditures since the company has certain non-discretionary obligations such as debt service that are not deducted from the measure. The company believes that reinvestment rate is useful to investors in understanding the company's disciplined and returns-focused capital allocation strategy. Reinvestment rate is defined as total capital expenditures divided by CFO. The company believes that ROCE is a good indicator of long-term company and management performance. ROCE is a measure of the profitability of ConocoPhillips' capital employed in its business. ConocoPhillips calculates ROCE as a ratio, the numerator of which is historically reported or forecasted net income plus after-tax interest expense and the denominator of which is average total equity plus total debt. The company believes that the above-mentioned non-GAAP measures, when viewed in combination with the company's results prepared in accordance with GAAP, provides a more complete understanding of the factors and trends affecting the company's business and performance. The company's Board of Directors and management also use these non-GAAP measures to analyze the company's operating performance across periods when overseeing and managing the company's business.

Each of the non-GAAP measures included in this news release has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of the company's results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the company's presentation of non-GAAP measures in this news release and the accompanying supplemental financial information may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. The company may also change the calculation of any of the non-GAAP measures included in this news release and the accompanying supplemental financial information from time to time in light of its then existing operations to include other adjustments that may impact its operations.

Any non-GAAP measures related to current period included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure at the end of this news release. For forward-looking non-GAAP measures, we are unable to provide a reconciliation to the most comparable GAAP financial measures because the information needed to reconcile these measures is dependent on future events, many of which are outside management's control as described above. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with our accounting policies for future periods is extremely difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions.

Other Terms - This press release also includes the terms resource life, cost of supply, and free cash flow breakeven. Resource life is calculated as total resource divided by current year production. Cost of supply is the WTI equivalent price that generates a 10% after-tax return on a point-forward and fully burdened basis. Fully burdened includes capital infrastructure, foreign exchange, price-related inflation, G&A and carbon tax (if currently assessed). If no carbon tax exists for the asset, carbon pricing aligned with internal energy scenarios are applied. All barrels of resource in the Cost of Supply calculation are discounted at 10%. Free

cash flow breakeven is the WTI price at which cash from operations equals capital expenditures and investments. Also referred to as capital breakeven.

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