



# FIRST QUARTER 2018 EARNINGS CALL AND WEBCAST

April 27, 2018

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# CAUTIONARY STATEMENT

This presentation includes forward-looking statements. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements relating to Phillips 66 Partners (including our joint venture operations) are based on management’s expectations, estimates and projections about the Partnership, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include the continued ability of Phillips 66 to satisfy its obligations under our commercial and other agreements; the volume of crude oil, refined petroleum products and NGL we or our joint ventures transport, fractionate, process, terminal and store; the tariff rates with respect to volumes that we transport through our regulated assets, which rates are subject to review and possible adjustment by federal and state regulators; fluctuations in the prices for crude oil, refined petroleum products and NGL; liabilities associated with the risks and operational hazards inherent in transporting, fractionating, processing, terminaling and storing crude oil, refined petroleum products and NGL; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; and other economic, business, competitive and/or regulatory factors affecting Phillips 66 Partners’ businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 Partners is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

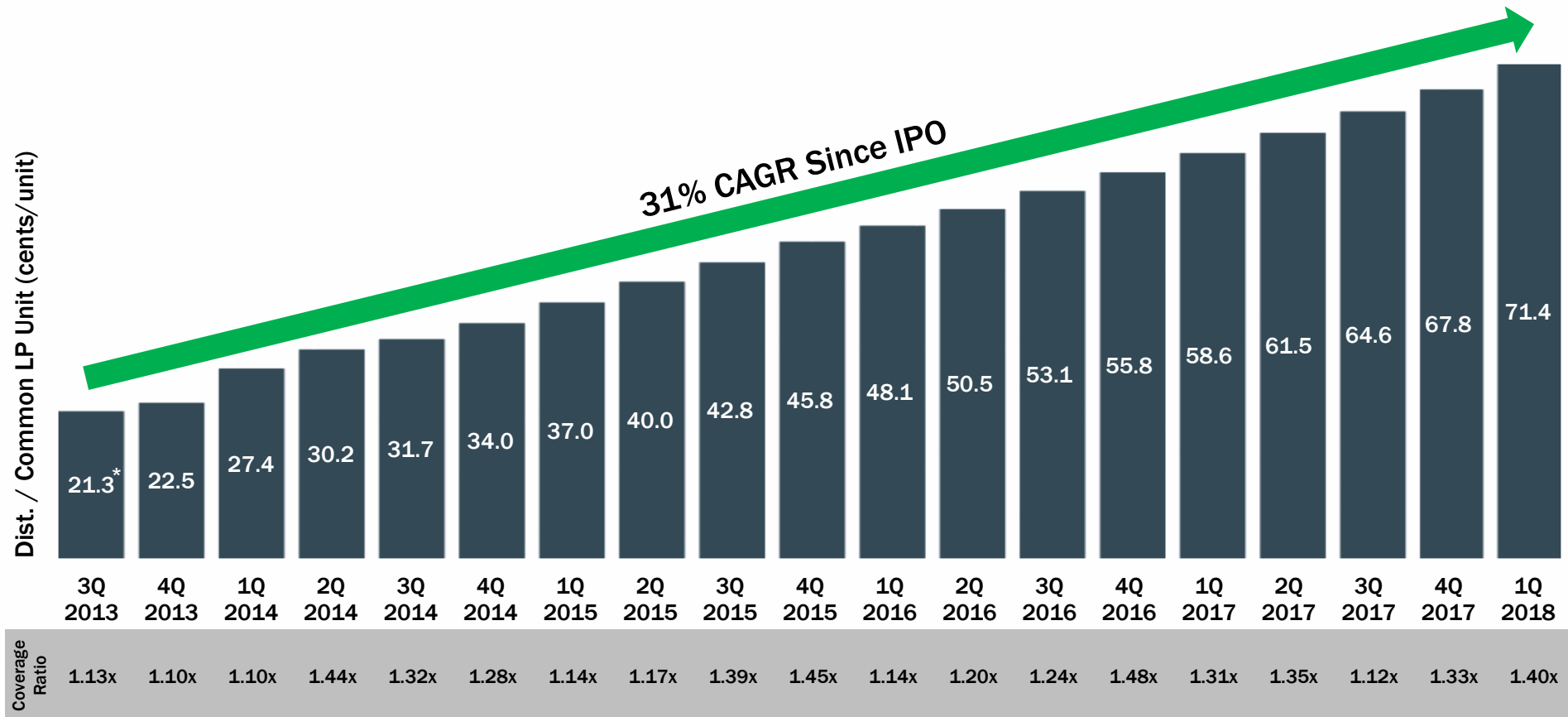
**Use of Non-GAAP Financial Measures.** Today’s presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Financial Information” section of our website.

Run-rate adjusted EBITDA is a forecast of future EBITDA, and is based on the Partnership’s projections of annual adjusted EBITDA inclusive of both currently owned assets (\$1 billion) and future potential acquisitions and organic growth by the Partnership (\$1.1 billion). Run-rate adjusted EBITDA is included to demonstrate the historical growth of the Partnership through the first quarter of 2018, as well as management’s intention of future growth through acquisitions and organic projects. We are unable to present a reconciliation of run-rate adjusted EBITDA to net income, which is the nearest GAAP financial measure, because certain elements of net income, including interest, depreciation and taxes, were not used in the forecasts and are therefore not available. Together, these items generally result in run-rate EBITDA being significantly greater than net income.

<b>Adjusted EBITDA</b>	<b>\$247 MM</b>
<b>Net Income</b>	<b>\$172 MM</b>
<b>Distributable Cash Flow*</b>	<b>\$194 MM</b>
<b>Distribution per Common LP Unit</b>	<b>\$0.714</b>

*\*Distributable cash flow is net of distributions to Series A Preferred equity*

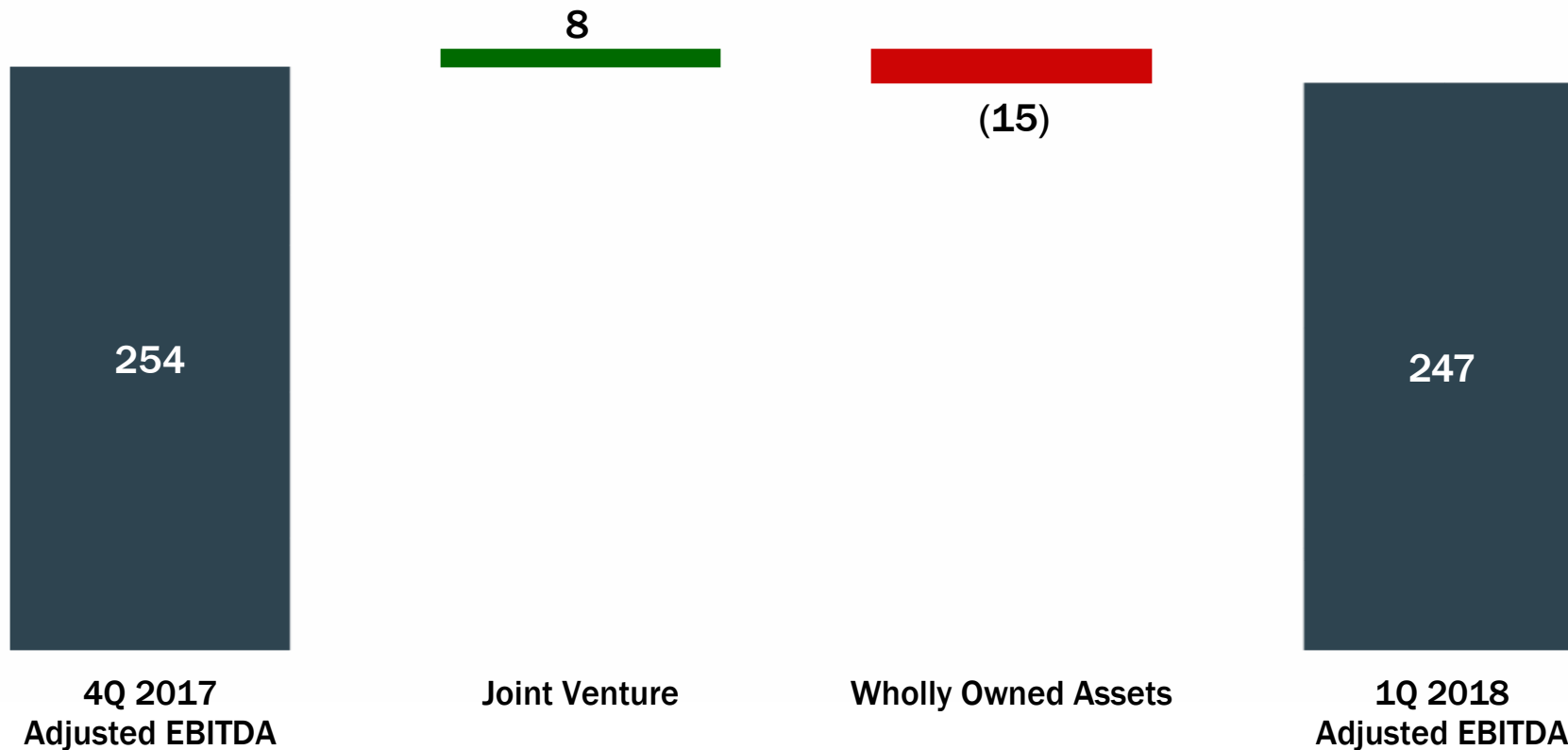
# DISTRIBUTION GROWTH



\* Represents the minimum quarterly distribution for 3Q 2013, actual distribution of 15.48 cents equal to MQD prorated

# FINANCIAL HIGHLIGHTS

\$MM



# FINANCIAL FLEXIBILITY AND LIQUIDITY

<b>\$MM</b> <i>(unless otherwise noted)</i>	<b>1Q 2018</b>
Cash and cash equivalents	167
Total assets	5,386
Total liabilities	3,152
Revolving credit facility availability	750
Debt to EBITDA ratio*	3.1x

*\*Leverage ratio estimated on credit facility covenant basis.*



Gray Oak Pipeline project

South Texas Gateway Terminal project

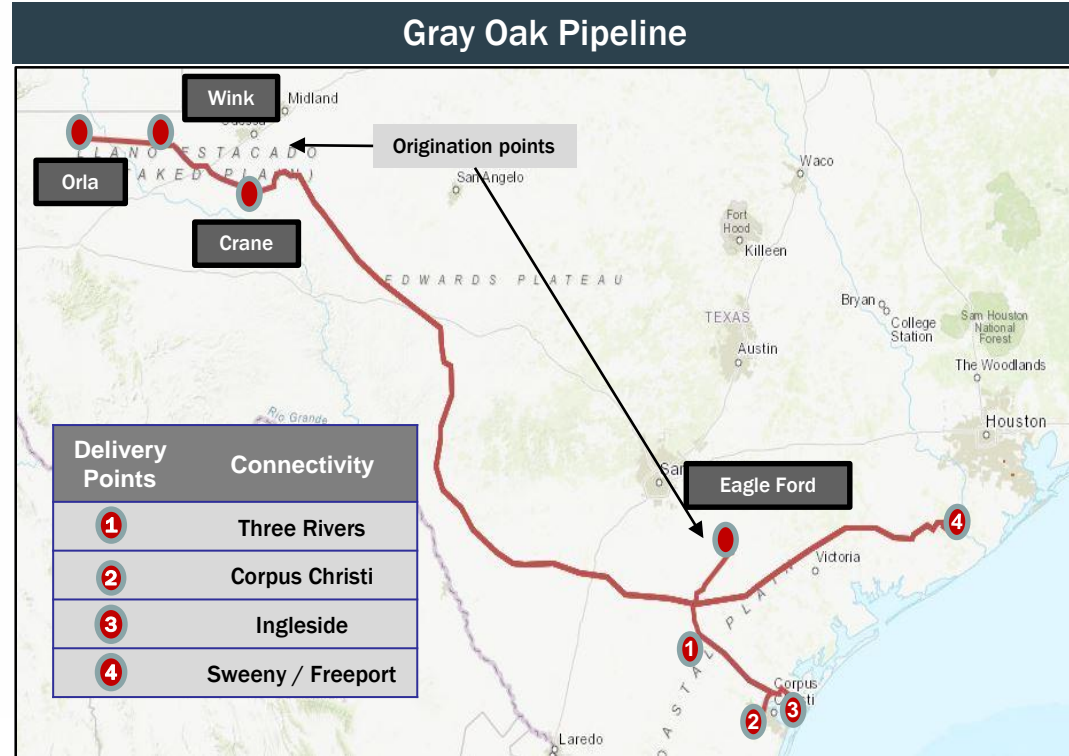
Sand Hills Pipeline expansion

Bayou Bridge Pipeline extension

Lake Charles pipeline project

Lake Charles Isomerization Unit

Sacagawea Gas Pipeline project







# QUESTIONS AND ANSWERS EARNINGS CALL AND WEBCAST

April 27, 2018

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## APPENDIX

# FINANCIAL RESULTS (CONSOLIDATED)

<b>\$MM</b> <i>(unless otherwise noted)</i>	<b>1Q 2018</b>	<b>4Q 2017</b>
Revenues and other income	\$ 355	\$ 331
Costs and expenses	181	165
Income before income taxes	174	166
Income tax expense	2	2
Net Income	172	164
Less: Net income attributable to Predecessors	-	2
Net Income attributable to PSXP	172	162
Adjusted EBITDA	247	254
Distributable Cash Flow	194	172
Quarterly Distribution (cents/unit)	71.4	67.8



# OPERATIONAL HIGHLIGHTS

	1Q 2018	4Q 2017
<b>Wholly Owned Operating Data</b>		
Pipelines		
Pipeline revenue (\$ MM)	\$102	\$110
Pipeline volumes (MBD)		
Crude oil	947	968
Refined products and NGL	798	978
Total	1,745	1,946
Average pipeline revenue per barrel (\$'s)	\$0.65	\$0.62
Terminals		
Terminal revenues (\$ MM)	\$39	\$40
Terminal throughput (MBD)		
Crude oil <sup>(1)</sup>	447	478
Refined products	719	798
Total	1,166	1,276
Average terminaling revenue per barrel (\$'s)	\$0.37	\$0.34
Storage, processing and other revenues (\$ MM)	\$115	\$102
<b>Total operating revenues (\$ MM)</b>	<b>\$256</b>	<b>\$252</b>
<b>Joint-Venture Operating Data<sup>(2)</sup></b>		
Crude oil, refined products and NGL (MBD)	603	559

Note: excludes predecessor results

1. Bayway and Ferndale rail rack volumes included in crude oil terminals

2. Proportional share of total pipeline and terminal volumes of joint ventures consistent with recognized equity in earnings of affiliates

# NON-GAAP RECONCILIATION

	\$MM				
	1Q 2018	4Q 2017	3Q 2017	2Q 2017	1Q 2017
Net income attributable to the partnership	172	162	99	103	97
Plus:					
Net Income attributable to Predecessors	-	2	32	16	13
Net income	172	164	131	119	110
Plus:					
Depreciation	28	28	32	28	28
Net interest expense	29	29	24	23	23
Income tax expense	2	2	1	1	-
EBITDA	231	223	188	171	161
Proportional share of equity affiliates' net interest, taxes and depreciation	15	29	13	12	12
Expenses indemnified by Phillips 66	-	1	4	-	3
Transaction costs associated with acquisitions	1	1	2	-	1
EBITDA attributable to Predecessors	-	-	(36)	(17)	(14)
Adjusted EBITDA	247	254	171	166	163
Plus:					
Deferred revenue impacts*†	5	(3)	1	4	4
Less:					
Equity affiliate distributions less than proportional EBITDA	10	22	3	(4)	8
Maintenance capital expenditures†	10	19	10	10	11
Net interest expense	29	29	23	24	24
Preferred unit distributions	9	9	-	-	-
Distributable cash flow	194	172	136	140	124

\* Difference between cash receipts and revenue recognition

† Excludes MSLP capital reimbursements and turnaround impacts

# NON-GAAP RECONCILIATION

	\$MM				
	1Q 2018	4Q 2017	3Q 2017	2Q 2017	1Q 2017
Net cash provided by operating activities	171	238	195	136	155
Plus:					
Net interest expense	29	29	24	23	23
Provision for income taxes	2	2	1	1	-
Changes in working capital	(17)	-	(19)	8	(19)
Undistributed equity earnings	8	1	(9)	5	4
Deferred revenue and other liabilities	38	(45)	2	-	-
Other	-	(2)	(6)	(2)	(2)
<b>EBITDA</b>	<b>231</b>	<b>223</b>	<b>188</b>	<b>171</b>	<b>161</b>
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