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Phillips 66 (PSX)

J.P. Morgan Energy, Power & Renewables Conference

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MANAGEMENT DISCUSSION SECTION

Phil Gresh
Analyst, JPMorgan Securities LLC

All right. Well, good afternoon. Thank you, everyone, for joining me here, the afternoon of the first day of the conference. Our next fireside chat is with Phillips 66 management team including Chairman and CEO Greg Garland; President and Chief Operating Officer Mark Lashier; and Vice President of Investor Relations Jeff Dietert.

Gentlemen, thank you so much for taking the time to be with me here today to have this discussion. And I know we always have a lot to talk about. So if you're okay with that, I'm going to jump straight in.

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66

That's good for us.

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QUESTION AND ANSWER SECTION

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Okay. Great. Well, let's start with the Refining side. This is top of area everyone is asking about right now. Crack spreads have been softening recently. I think the expectation was we grind higher April, May, June; smooth sailing in the summer, but we've seen some softening on a RIN-adjusted margin basis. So maybe you could start by talking about what are you seeing from a demand perspective in your own system relative to what we're seeing from a utilization standpoint right now?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66

A

Great. So I'll start and Jeff and Mark can chime in on this. So I think you think about the story of Transportation pull demand has really followed COVID vaccination rates and reopening of economies. And clearly, as we've come into the summer, we've seen demand improve. There's no question that there's been strong fundamentals. Probably on gasoline side, we're starting approach 2019 levels. This level, we're probably at 2019 levels. Air travel is still down relative to 2019, although domestic travel is up particularly for recreation. Business travel is still off some, as you would say. And then, when you think about international air travel, that's still off. And so, you think through each one of those segments.

But as we're coming into the summer season, I think our expectation was operating rates would improve as demand improved and pulled those rates up, and indeed we've seen that. So we're watching inventory balances. We're running about where the DOEs were, so, call it, kind of the low-90% utilization at PSX. And we're not seeing inventories really stack up. But when you get back down and you look at the margins, clearly, they're stuck in this kind of $8 to $10 adjusted – RIN-adjusted basis.

And we thought as we climbed over that 90% capacity utilization wall, Phil, that we'd start to see that daylight in that RIN-adjusted crack. And we still think that that's going to happen. As California just opened up and states on the East Coast were starting to open up, and we think there's still a lot of pent-up demand for travel in the US. So we think that as we come into the middle part of the summer back half and into the fall that we'll get to something approaching, something closer to a mid-cycle range.

Jeff, I'll let you fill in some of the gaps I left in terms of the demand side.

Jeff Dietert
Vice President-Investor Relations, Phillips 66

A

I think you covered it well, unless, Phil, you have additional questions.

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

I guess, just on the import side of the equation, just because it's been coming up in all of our prior discussions, maybe worth elaborating the utilization versus the import situation. What's going to cause that to course correct back to the spot? Because it does seem like the domestic – the consensus feedback is that domestic supply-demand picture is actually reasonably snug. It's the imports that are really weighing the market down. But you could point out any different aspect; curious how you think about it.

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Jeff Dietert
Vice President-Investor Relations, Phillips 66

A

Yeah. I think we've had some recent kind of one-time influences with the cap line being down for a period of time that opened that arb and brought more European gasoline into the East Coast. We've been surprised there hasn't been more refinery shutdowns in Europe. We think there are a number of them that are vulnerable. We did see – Saint Croix just announced last night that it's going to be shutting down. And we think there's more rationalization in front of us. So some of the weaker refineries that are holding on are likely to fold we think.

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Yeah.

Jeff Dietert
Vice President-Investor Relations, Phillips 66

A

Exports. We've seen some recovery there. In some of the Latin American countries, there were COVID cases that increased in the spring that reduced exports into parts of Latin America. But those are improving now, and we're seeing exports come around and look favorable.

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Got it. Okay. Maybe just shifting to the Chemicals side of the equation. There's some interesting dynamics in the different regional market, so I'd love to hear your opinion on US versus Europe versus Asia. And export business for PSX is also very important vis-à-vis the domestic margin environment. So maybe perhaps, Mark, this would be a good one for you just to talk about what you're seeing on the Chemicals side?

Mark E. Lashier
President and Chief Operating Officer, Phillips 66

A

Yeah. Phil, the story around Chemicals, particularly the polyethylene chain, really goes all the way back to late 2019. We had hurricanes that impacted the inventory levels then. And, of course, then we roll into 2020 and COVID hits and we didn't know what to expect.

But really the unanticipated happened. We had supply strong, demand even stronger. So we had really, our supply-demand balance, a really strong year in 2020. The whole industry in North America deferred a lot of turnarounds from 2020 into 2021 because we didn't want people coming in to the facilities and putting them at risk with COVID infections and continue to see strong demand throughout the year.

And then, again, another round of hurricanes at the end of 2020, just about the time we needed to start building inventory for 2021 to support those shutdowns to do the turnaround work. And on top of that, Winter Storm Uri hits and takes out the whole Gulf Coast complex and drove inventories in ethylene and polyethylene, polypropylene down to zero levels and throughout the supply chain. I'm not talking about just pellets; I'm talking about things all the way out to plastic containers and canoes and kayaks, things like that.

And as the world, particularly North America, is coming out of COVID and the economies are surging, that added another layer of demand growth on top of that.

So you combine the need to rebuild this long inventory chain and you've got growing demand, based on recovering economies, you really have put together some great elements for strong margins that we're seeing

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now. And it's classic with polyethylene. It takes a while for all these price increases that you see announced to get baked into the numbers. But they're there now and we're seeing really, really robust strong margins in North America.

Also a pretty good situation in Europe as well that the prices there are supported by higher oil prices because of it's being primarily a naphtha-based economy. And Latin America is also a good export location for CPChem as well. Things are a little softer in Asia. There's been capacity coming on in China that has kept a lid on prices there. But we've got the good opportunity at CPChem to really optimize where we're exporting to, Asia versus Europe versus Latin America. We can source from U.S. Gulf Coast or we can source from our Middle East facilities as well. And typically, they have a logistic advantage into the Far East versus our US source material. So we optimize that all the time and so we're able to flex to where we can generate the greatest average netback across the system.

And so we're doing that today, but certainly, by far the strongest margin condition is here in North America. And we don't think that's sustainable at the current levels. We see some seasonality coming in later in the year. There's more capacity coming on in North America that will take the edge off that, but if you look at all the capacity additions around the planet, it's really only enough to meet the demand growth increment that we're seeing now and into 2022. So I think you'll continue to see things re-balance and the good, robust, mid-cycle, maybe above mid-cycle margins should continue on into 2022 as well.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Got it. Okay. And then anything else to think about just on the export piece and just relative to the, I guess, the domestic margins being excess of the export margins, I guess, caps a little bit the upside relative to your own internal sensitivities, I would guess, but any...

Mark E. Lashier
President and Chief Operating Officer, Phillips 66
A

Correct.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

...color there?

Mark E. Lashier
President and Chief Operating Officer, Phillips 66
A

I think everybody has got their mix of domestic and export and so, yeah, you would see that at CPChem, for sure, that the export piece is not going to command with the kinds of margins and it depends on the export destinations as well, whether it's Europe or Latin America or the Far East. And again, we work to optimize that or CPChem works to optimize that every day. And again, we're still seeing a very robust margin environment on average for CPChem.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Right.

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Mark E. Lashier
President and Chief Operating Officer, Phillips 66

A

The other element is, I think, that logistics supply and demand is very tight too; and you see that in the news in China, you see that in the news at Long Beach, and so we also had to factor in logistics. And I think that's some of the things that you see limiting anybody taking advantage of the higher-margin environment, the higher pricing environment in North America. It's pretty tough to import pellets into North America to take advantage of that.

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Got it. Stepping back, Greg, you at the November 2019 Analyst Day, and even before that, you've talked about a mid-cycle cash flow objective, I think, $8 billion. You've given the breakdown across the businesses. Post-COVID, has anything structurally changed with your view of that normalized type of mid-cycle outlook?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66

A

Yeah, I think – so we laid out $9 billion of 2019 EBITDA. And we had a growth program of about $2 billion of EBITDA. So call it $11 billion by 2022. And as you know, we canceled some projects in Midstream. We deferred some projects in Midstream. But the three biggest we canceled were Red Oak, Liberty and the ACE pipeline, and that's circa $300 million of EBITDA.

So if you just adjust that, so mid-cycle EBITDA probably goes from $9 billion in 2019 to something like $10.5 billion to 2022. That means that cash from operations moved from $6.5 billion to $7.5 billion in round numbers in 2022. So that's fundamentally just the changes in the portfolio from the capital investment program.

And then, you think structurally. Mark did a nice job of clearing Chemicals. Mid-cycle Chemicals has been $2 billion. We're at mid-cycle or better today; certainly well above mid-cycle. Whether that hangs in there, we can talk about do the margins come off a little bit. But our view is that for this year, in 2021, and into 2022, we're going to be above mid-cycle conditions in our Chems business. And so, that'll be a nice add from Chems.

Midstream is $2 billion of mid-cycle EBITDA. That's what it was in last year. During the pandemic, that's kind of what we expect this year out of Midstream. Our Marketing and Specialties business is kind of perennial $1.5 billion EBITDA business. It did $1.6 billion last year during the pandemic. So it was hitting on all cylinders. And, certainly, we believe we're at mid-cycle in our Marketing and Specialties business today.

So that really leads to Refining, and that's the open question, I think. In terms of Refining, mid-cycle for Refining is $4 billion of EBITDA. I think we've got to get back to a RIN-adjusted 3:2:1 crack that's something in the $12 range, 70% market capture, and then we can generate that $4 billion of EBITDA coming out of the Refining business.

I think the other piece that we talked about was really AdvantEdge66. And we laid out that $1.2 billion program translating into kind of $600 million to $700 million, hitting the bottom line of that. The $500 million-ish was really around general interest decision-making and permissive mid-cycle. So we think if we get back to mid-cycle, we'll have captured that. We've got about $300 million of cost efficiencies laid in. We think we captured that. We had $100 million-ish of purchasing activities, and we've captured that. The challenge, I think, in an inflationary market is going to be able to hang onto that as we move forward, certainly.

And then other things like digital operations, we got close to $200 million laid in for that and we feel good about capturing all those. So the real question is when do we get back to mid-cycle. And for AdvantEdge66, we've put a

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1.0 on it. We're actually talking about 2.0 now and how do we continue to move the portfolio forward, and how do we drive transformation, and how do we use the tools that we're developing to be smarter, agile and more efficient across an entire portfolio?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

And so...

Jeff Dietert
Vice President-Investor Relations, Phillips 66
A

The only thing I'd add, if I could, is we're looking at spending on Frac 4. We had delayed that and pulling that into this year. And it has the potential to contribute to 2023. Greg kind of went through what happens through 2022. So the Frac 4 could be incremental in 2023, and then the Rodeo Renewed incremental in 2024.

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Yeah.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Right. So, yeah, my next question was the emerging energy segment that has this $2 billion-target, $1 billion of which would be Rodeo, I believe. So do you see this $2 billion as fully incremental to the prior normalized guidance? I'm particularly thinking about Rodeo since it's a conversion. And then, outside of Rodeo, maybe you can just talk about the initiatives you have underway for the other $1 billion that may not be cut as tied to a specific project at this point.

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Yeah. So I think – I mean, certainly, we laid that out there as kind of the end-of-a-decade type of target, $2 billion where emerging energy stands alongside Midstream and our Chemicals business and another leg, if you will, of value creation for Phillips 66 company.

Clearly, the easiest to see is that right in front of us, which is the renewables. And with what we have going on at Humber and with Ryze Renewables and Rodeo, I think, we feel comfortable with that $1 billion number that you floated out there. And maybe I said that, too. But anyway, I still think that that's a pretty good target around renewables.

And, frankly, there's other things in the portfolio we're looking at similar to like Humber, where we could co-cross process at sites where we have the spare hydrocracking capabilities. So there may be a little upside to that.

Then you move into the other areas where we're working just beyond the renewable fuels. As you know, we've got a couple of hydrogen fueling stations up and active in Europe. We're going to add two to three a year around hydrogen in Europe. We're working with the Gigastack consortium in the UK for green hydrogen; although that certainly, in my view, is a decade out. There is a lot of technology gaps that we've got to solve there.

Currently, batteries is going to drive value creation. As you know, our supplier to battery anodes today and lithium ion batteries and we see opportunities there. In particularly, as people are interested in bringing supply chains

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closer in Europe and North America and giving the capability we have at the Humber refinery in the UK and our Lake Charles facility here in the US, we'll be part of the supply chains for battery anodes. And so that'll be a value-creation opportunity for us as we move into the back half of that decade.

And then beyond that, we continue to study carbon capture. I think that everyone is thinking about aspirational goals and how do we get to net zero by 2050. And that path is going to be down a path of the carbon capture and storage and hydrogen, probably blue hydrogen. Certainly, the path to green hydrogen is paved through blue hydrogen. And so I think there is good opportunities there for additional value creation. And I think that we should find another $1 billion of value in all those opportunity sets that we have before us, Phil.

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Got it. I guess switching gears to spending. Obviously, your growth budget is quite low for this year and you've historically skewed towards Midstream spending. You do still have Frac 4 under way. But do you see a big shift moving forward of where your capital is going to go, say, away from Midstream, toward emerging energy? Does the emerging energy require a lot of capital as you see it?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66

A

Well, I would say, certainly, as we look at the opportunity set in front of us, if you just take as a given that we're in a more capital discipline model and upstream in the US, we've come through a super cycle of investment in Midstream in the US, and there's plenty of takeaway capacity for long-haul crude pipes, long-haul NGL pipes, maybe there needs to be additional frac capacity, we'll see on that. But in general, I would say, the opportunities to invest in Midstream are going to be more diminished and they're going to be lower relative to what we had in the last eight years. So that does allow us to pivot.

And the Rodeo Renewed will be $800 million investment, albeit, it will be spread over multiple years. And I think we'll find other investable opportunities to help build that out. But I think in the next one years to three years, Phil, we're going to have a portfolio of opportunities. It's going to be $2 billion or less. So $1 billion is sustaining capital, and I would say $500 million to $1 billion of growth capital. And it may well be more focused around emerging energy and what we're going to do in emerging energy and less around Midstream for the next one-year to three-year period, for sure, as we look at those opportunities out there.

The other thing I would say is as you think about a normalized environment, $6.5 billion of cash flow, let's say, that first dollar we're going to spend is going to sustaining capital; that's $1 billion. The next dollar is going to go to our dividend, and that's $1.6 billion. We want to get back to raising that dividend. But then you've got quite a bit of daylight in there to do several things.

And one is we're going to want to have discipline around bringing our debt levels back to something approaching the $12 billion that we started before the pandemic. We took on $4 billion of debt during 2020. We paid out $500 million in the first quarter of this year. In the next one years to three years, we want to be on a glide slope to paying that debt down; not exactly – didn't have to be exactly $12 billion. What we want to do is maintain that BBB+/A3 rating, strong credit rating at our company.

And then we need to get back to share repurchases at a moment in time and I think the gating factor to us is really getting back to mid-cycle cracks and getting back to mid-cycle cash in the Refining business.

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Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Got it. So lots to chew in there. So the $500 million to $1 billion of growth capital would be below your traditional historical $1 billion to $2 billion?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Yeah. We actually lay out $1 billion to $2.5 billion a year ago...

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Yeah.

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

...in terms of growth capital.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Yeah. Okay. And then so the line of sight, the $12 billion is a consolidated net debt target or gross debt target?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

No. It's a consolidated Phillips 66 target. Yes.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

On a net basis?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Yes.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Okay. And what do you feel is the line of sight to that and thus dividend and buyback thereafter? Do you feel like this is a 6 or 12-month event and just ballpark how you think about it?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

No. I really think about over the next one to three years.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

One to three years?

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Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Yeah. When you think about the debt that we took on, the $4 billion, of course we paid off $500 million already. Between the natural maturity debt profiles in the debt stack that we have and the debt that we took on was structured very flexible, so that we can pay without penalty, we've got a lot of flexibility in determining how and when we choose to pay down that debt.

I think the important point with the rating agencies is going to be to make sure that we're on a glide slope and they can see a clear path over a multi-year period to moving back towards $12 billion, being closer to $12 billion and $15.5 billion let's say.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Right. And you'd rather wait to get closer to that point to consider buybacks?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

No, not at all. I think the gating factor is really around mid-cycle cash flow. We're generating...

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Okay.

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

...$6 billion to $7 billion of mid-cycle cash flows and only spending $2 billion, total CapEx of $1 billion growth and $1 billion of sustaining. We're going to be able to pay down debt, raise the dividend and get back to some level of share repurchases within that $6 billion to $7 billion structure.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Right. Okay. Okay. Just in terms of ESG, I noticed that Phillips 66 at this point does not have explicit targets. I presume that's coming, but so maybe stay tuned, but any thoughts?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Sure. Well, in our proxy this year, we laid out the path to setting targets. And we took the opportunity, while we were there, to really revisit our comp programs. And so, we actually increased the weighting of environmental metrics from 5% to 15%. So we added two metrics.

One is the low carbon priorities, which are really around thinking about the emerging energy and the things we just talked about, with batteries and renewables and all that, and making sure that that pathway is established and we're moving the company towards a lower carbon future.

But the second part of that equation is really around setting targets. And so, this year is a year for Phillips 66 to analyze, evaluate, come to our board this fall with proposed targets, capital plans to meet those targets probably

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within the existing framework that I just laid out, a few billion dollars. So you should fully expect that in this year, we'll go public with targets on Tier-1, Tier-2 emissions and that's already tied and locked in to our comp programs.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

Got it. Okay. Renewable diesel, would love to hear your thoughts on what's happening in this marketplace. I know you are just beginning the process at Rodeo, but the core margins for soybean oil-based feedstocks have been pretty challenged lately. We'd love to hear how you're seeing the market evolve.

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66
A

Sure. Jeff, do you want to take that?

Jeff Dietert
Vice President-Investor Relations, Phillips 66
A

Yeah. Sure. So we have just started up our hydrotreater conversion that will add about 8,000 barrels a day of renewable diesel production at the Rodeo facility. We'll hit that full 8,000 barrels a day sometime next quarter as we get all the infrastructure in place. And then, we're targeting the major project permitting this year, FID early next year, and in service first quarter of 2024. That will include pre-treatment capability that will allow us to utilize any other renewable diesel feedstocks.

We've already got experience with our Humber Refinery, bringing in used cooking oil there to produce renewable diesel. We've got offices in Singapore, London, Houston. We're already active in the renewable diesel feedstock markets around the world. We're bringing in, for this first stage, will be soybean oil into Rodeo. And then, the full feedstock slate later when the pre-treatment becomes available.

We expect to see some volatility in the renewable diesel price in the LCFS, in the RINs, in the Blenders Tax Credit, and we're seeing that now; and I think we'll see the markets adjust. And in the soybean market, we're seeing China coming back into that market as a big buyer. They have reduced purchases last year. And we've had weather events that have limited soybean production as well this year. And then, we're starting to see more renewable diesel purchasing of soybeans as well. And so, rapidly evolving and changing markets.

We are expecting a big harvest season this fall that will help diesel demand on the other side of the equation, but we do expect to see some volatility there. Right now, we see about 3 million barrels a day of global feedstocks available. We do think that that can expand with this new demand component. So it's going to be a volatile market, but there's going to be new supply coming into the market, and we'll have to see how that balances out over time.

Phil Gresh
Analyst, JPMorgan Securities LLC
Q

One of my favorite questions on the renewable diesel is how we think about advantage feedstocks moving forward, given it's a smaller supply pool and everybody seems to want to process them. Could we see the advantage feedstocks become less advantaged over time?

Jeff Dietert
Vice President-Investor Relations, Phillips 66
A

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Well, I think what we'll likely to see is currently there's a very small percentage of used cooking oil, for example, that's being recovered. So there's going to be...

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Yeah.

Jeff Dietert
Vice President-Investor Relations, Phillips 66

A

...more and more incentive to recover that feedstock. There's going to be more incentive to produce some of the other vegetable oils as well. And so it's going to be a market that develops both on the supply side as well as on the demand side.

Phil Gresh
Analyst, JPMorgan Securities LLC

Q

Okay. That'll be interesting to see how that evolves. Greg, I think we only have a couple minutes left. What I want to do in the last few minutes is just get your perspective on just what's happened over the past-year-plus with the pandemic. And you've been through so many different business cycles, and Mark, you feel free to chime in as well. What have you learned from this pandemic situation that you'll apply moving forward?

Greg C. Garland
Chairman & Chief Executive Officer, Phillips 66

A

Well, I've learned I don't want to go through another pandemic. How about that for an answer? Maybe if I try to organize my thinking a little bit, I might put it in three buckets. Maybe I'd put a bucket of technology, a bucket of transformation, and a bucket of resilience.

So, in terms of technology, when you think about the pandemic itself, you named that COVID-19. From the moment the genome was sequenced to the time that we had a viable vaccine was about a year. And that's nothing short of amazing. I think that kudos to the scientists and the people that are able to pull that off. But if you think what really happened there, that was 10 years in the making. Companies like Moderna and Pfizer, they had invested a decade or more in the messenger RNA molecule. And it just so happen that happened to be the viable pathway that we could create antibodies. So I translate that to emerging energy and aspirational goals, and there's some big gaps before us, and we need to invest in technology. And so, we need our governments to be supportive of that. Our universities seem to invest in that. As private companies, we need to be investing in technology to move to a lower-carbon future. So I'd say that, that might be less than one that I would say.

The other is transformation. I think that our effort around AdvantEdge66, all things digital, it clearly highlighted the need for us to accelerate that transformation within our own company. And the same is true with emerging energy. Emerging energy was born in the midst of the pandemic, as we saw really the opportunity to move faster and make sure that we're putting the company on the best path forward to create value for our shareholders in the future in a world that's going to be a lower carbon world. And so, that transformation is really number two.

And then I think resilience would be three. Resilience from the balance sheet. It reminded us of the importance of having a strong balance sheet. We're able to go borrow $4 billion at really good rates, no onerous conditions, being able to prepay without a penalty; and I think having that strong balance sheet created us that opportunity to do that and that resilience, if you will, within the portfolio of PSX.

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And then the final comment is really the resilience of the people that went to work every day in our manufacturing operations all throughout Phillips 66 and they provide energy, they improve lives, and they help power our economy through this. And so kudos to those folks for all that they did, for helping us move through the pandemic. But that's true for the doctors and the nurses and the people at the grocery stores and everywhere across the US economy. And I think that the resilience of the American people really has shown through in this pandemic. So, I'll just leave it at that.

Phil Gresh

Analyst, JPMorgan Securities LLC

I knew you'd have good insights. Thank you for your thoughts, Greg. I think we're probably out of time here but, gentlemen, thank you so much for being here today. Again, I hope to do this certainly in person next year and to see you soon.

Greg C. Garland

Chairman & Chief Executive Officer, Phillips 66

Yeah. Mark it down. We'll see you. Take care. Stay well.

Phil Gresh

Analyst, JPMorgan Securities LLC

Thank you.

Mark E. Lashier

President and Chief Operating Officer, Phillips 66

Thanks, Phil.

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