



PROVIDING ENERGY. IMPROVING LIVES.

Third Quarter 2023

CONFERENCE CALL



[phillips66gas.com](https://www.phillips66gas.com)

Phillips 66 Flagship Service Station
HOUSTON, TX

Cautionary Statement

This presentation contains forward-looking statements within the meaning of the federal securities laws. Words such as “anticipated,” “estimated,” “expected,” “planned,” “scheduled,” “targeted,” “believe,” “continue,” “intend,” “will,” “would,” “objective,” “goal,” “project,” “efforts,” “strategies” and similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements included in this presentation are based on management’s expectations, estimates and projections as of the date they are made. These statements are not guarantees of future performance and you should not unduly rely on them as they 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: fluctuations in NGL, crude oil, refined petroleum product and natural gas prices, and refining, marketing and petrochemical margins; changes in governmental policies or laws that relate to NGL, crude oil, natural gas, refined petroleum products, or renewable fuels that regulate profits, pricing, or taxation, or other regulations that limit or restrict refining, marketing and midstream operations or restrict exports; the effects of any widespread public health crisis and its negative impact on commercial activity and demand for refined petroleum products; our ability to timely obtain or maintain permits necessary for capital projects; changes to worldwide government policies relating to renewable fuels and greenhouse gas emissions that adversely affect programs including the renewable fuel standards program, low carbon fuel standards and tax credits for biofuels; our ability to achieve the expected benefits of the integration of DCP Midstream, LP (DCP), including the realization of synergies; the success of the company’s business transformation initiatives and the realization of savings and cost reductions from actions taken in connection therewith; unexpected changes in costs for constructing, modifying or operating our facilities; our ability to successfully complete, or any material delay in the completion of, asset dispositions or acquisitions that we may pursue; unexpected difficulties in manufacturing, refining or transporting our products; the level and success of drilling and production volumes around our midstream assets; risks and uncertainties with respect to the actions of actual or potential competitive suppliers and transporters of refined petroleum products, renewable fuels or specialty products; lack of, or disruptions in, adequate and reliable transportation for our NGL, crude oil, natural gas, and refined products; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; failure to complete construction of capital projects on time and within budget; our ability to comply with governmental regulations or make capital expenditures to maintain compliance with laws; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets, which may also impact our ability to repurchase shares and declare and pay dividends; potential disruption of our operations due to accidents, weather events, including as a result of climate change, acts of terrorism or cyberattacks; general domestic and international economic and political developments including armed hostilities (including the Russia-Ukraine war), expropriation of assets, and other political, economic or diplomatic developments; international monetary conditions and exchange controls; changes in estimates or projections used to assess fair value of intangible assets, goodwill and property and equipment and/or strategic decisions with respect to our asset portfolio that cause impairment charges; investments required, or reduced demand for products, as a result of environmental rules and regulations; changes in tax, environmental and other laws and regulations (including alternative energy mandates); political and societal concerns about climate change that could result in changes to our business or increase expenditures, including litigation-related expenses; the operation, financing and distribution decisions of equity affiliates we do not control; and other economic, business, competitive and/or regulatory factors affecting Phillips 66’s businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 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.

Non-GAAP Measures— This presentation includes non-GAAP financial measures, including terms “average adjusted EBITDA,” “adjusted earnings,” “adjusted pre-tax income (loss),” “adjusted pre-tax costs,” “adjusted earnings per share,” “realized refining margin per barrel,” “average adjusted YTD ROCE,” “net debt-to-capital ratio” and “adjusted operating and SG&A expenses.” These are non-GAAP financial measures that are included to help facilitate comparisons of operating performance across periods and to help facilitate comparisons with other companies in our industry. Where applicable, these measures exclude items that do not reflect the core operating results of our businesses in the current period or other adjustments to reflect how management analyzes results. You can find reconciliations to, or further discussion of, the most comparable GAAP financial measures within or at the end of the presentation materials. References in the presentation to earnings refer to net income attributable to Phillips 66. References in the presentation to shareholder distributions refers to the sum of dividends paid to Phillips 66 stockholders and proceeds used by Phillips 66 to repurchase shares of its common stock.

This presentation also includes the terms “sustaining capital,” “net debt-to-capital ratio,” “shareholder distributions,” “adjusted EBITDA,” “mid-cycle adjusted EBITDA,” and “adjusted operating and SG&A expense,” which, as used in certain places herein, are forward looking non-GAAP financial measures. Sustaining capital is a component of total capital expenditures, which is the most directly comparable GAAP financial measure. Net debt to capital ratio represents the ratio between total debt and total equity, exclusive of total cash. Shareholder distributions refers to the sum of dividends paid to Phillips 66 stockholders and proceeds used by Phillips 66 to repurchase shares of its common stock. EBITDA is defined as estimated net income plus estimated net interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as estimated EBITDA plus the proportional share of selected equity affiliates’ estimated net interest expense, income taxes, depreciation and amortization less the portion of estimated adjusted EBITDA attributable to noncontrolling interests. Net income is the most directly comparable GAAP financial measure for the consolidated company and income before income taxes is the most directly comparable GAAP financial measure for operating segments. Mid-cycle adjusted EBITDA is defined as the average adjusted EBITDA targeted over a complete economic cycle. Adjusted EBITDA, mid-cycle adjusted EBITDA and adjusted operating and SG&A expenses are estimates that depend on future levels of revenues and/or expenses, including amounts that will be attributable to noncontrolling interests or related to joint ventures, which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected adjusted EBITDA and mid-cycle adjusted EBITDA to consolidated net income or segment income before income taxes, or a reconciliation of projected adjusted operating and SG&A expenses to consolidated or segment operating expenses or consolidated or SG&A expenses, without unreasonable effort.

Basis of Presentation— During the fourth quarter of 2022, we changed the internal financial information reviewed by our chief executive officer to evaluate results and allocate resources to reflect the realignment of certain businesses between segments and business lines. We determined this realignment resulted in a change in the composition of our operating segments. Accordingly, results in the third quarter of 2022 and the nine-month period ended September 30, 2022, have been recast for comparability. The primary effects of this realignment included moving the results of certain processing assets at our Sweeny and Lake Charles refineries, located in the Gulf Coast region, from the Midstream segment (NGL and Other) to the Refining segment. Additionally, commissions charged to the Refining segment by the Marketing and Specialties segment related to sales of specialty products were eliminated and the costs of the sales organization were reclassified from the Marketing and Specialties segment to the Refining segment. Additionally, we no longer present disaggregated business line results for our Chemicals and Marketing and Specialties segments.

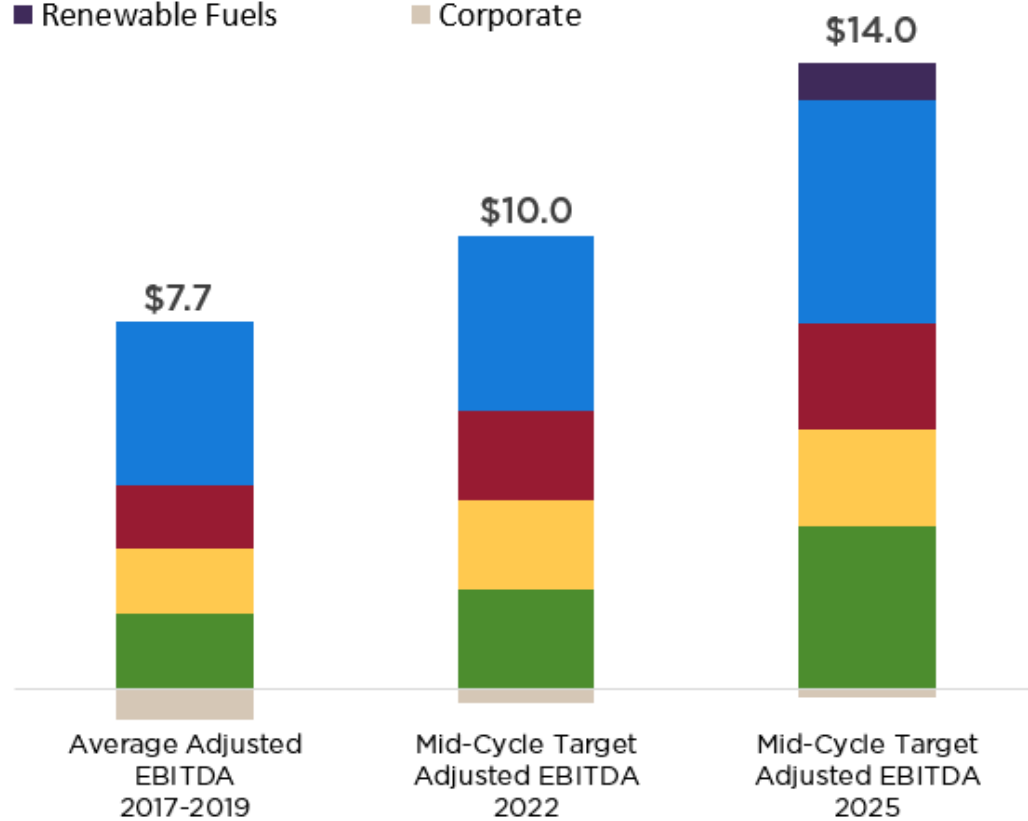
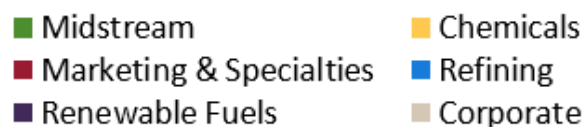
Executing the Strategy



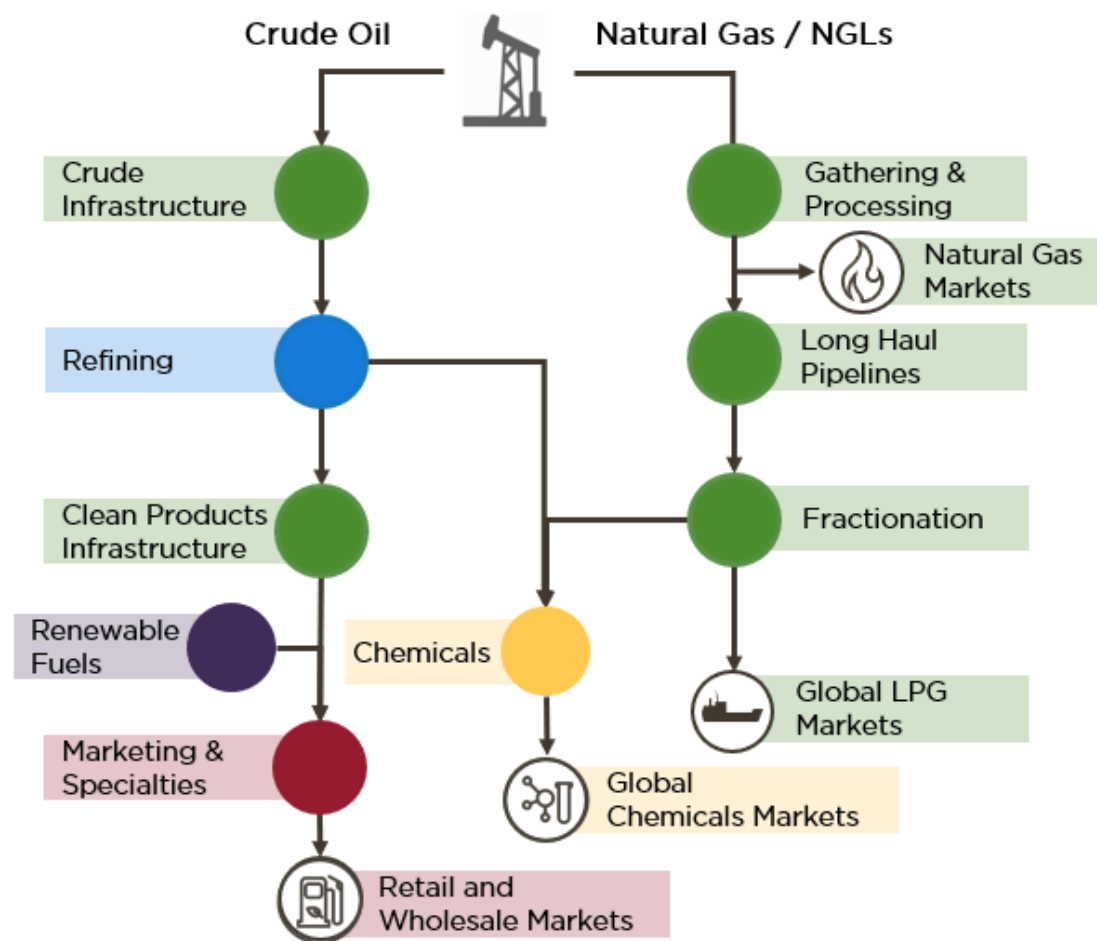
Lake Charles Refinery
WESTLAKE, LA

A Diversified Energy Company

More than Refining: Adjusted EBITDA by Segment (\$B)



Our Integrated Downstream Participation



Updated Commitments to Shareholders

Raising the Bar

\$4 B

increasing mid-cycle
adjusted EBITDA target
by 2025

\$1.4 B

increasing business
transformation target
from \$1 B

Increasing Shareholder Distributions

\$13-15 B

new range for shareholder
distributions by the end of 2024

>50%

return of operating cash flow
to shareholders

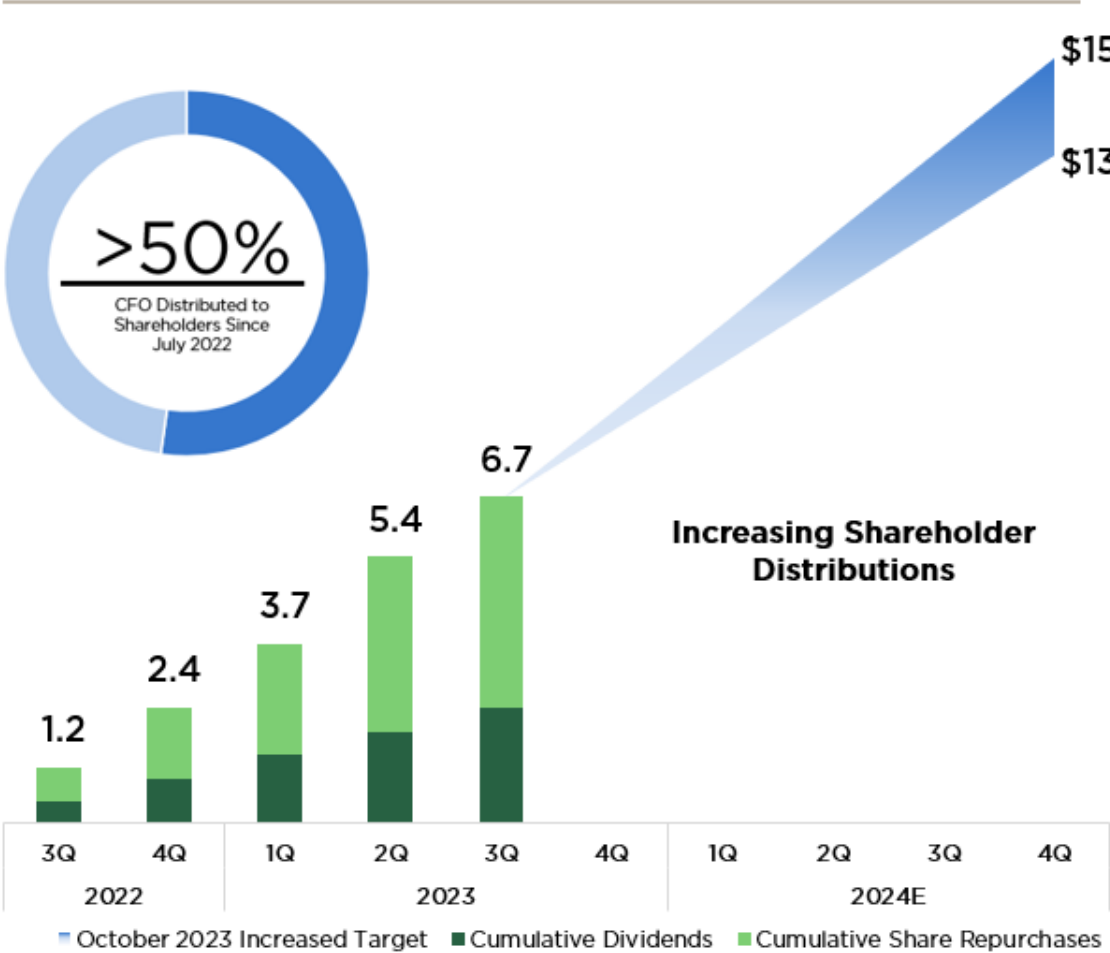
Optimizing the Portfolio

>\$3 B

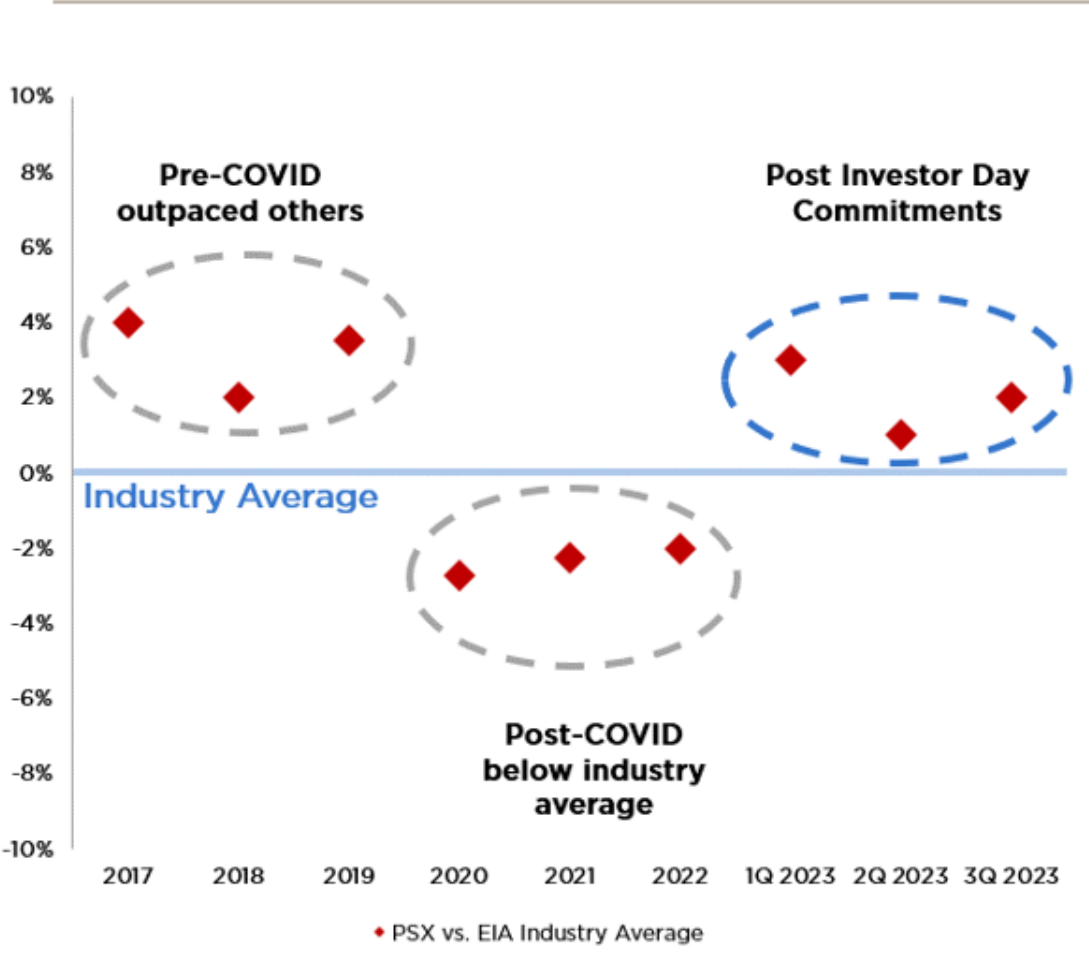
expected proceeds from
sale of non-core assets

Delivering Shareholder Distributions & Improving Refining

Cumulative Distributions to Shareholders
Since July 2022 (\$B)

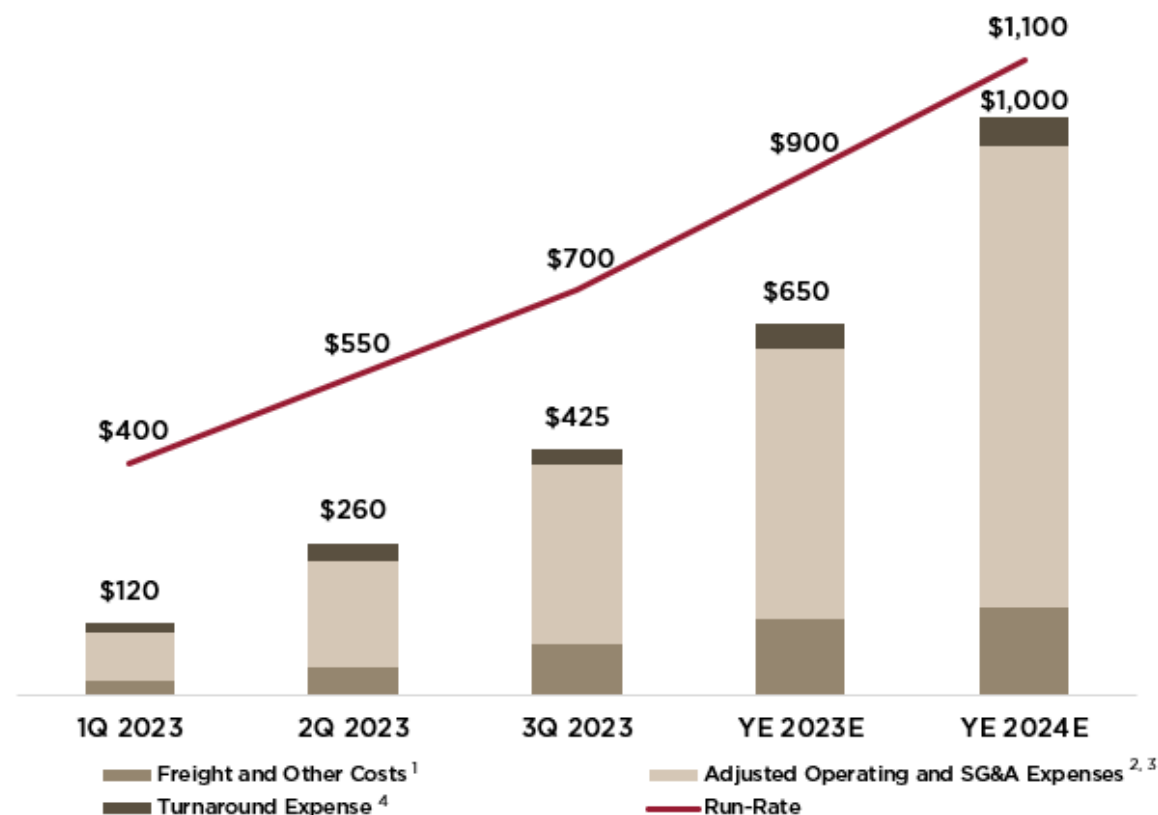


Refining Crude Capacity Utilization
vs. Industry Average

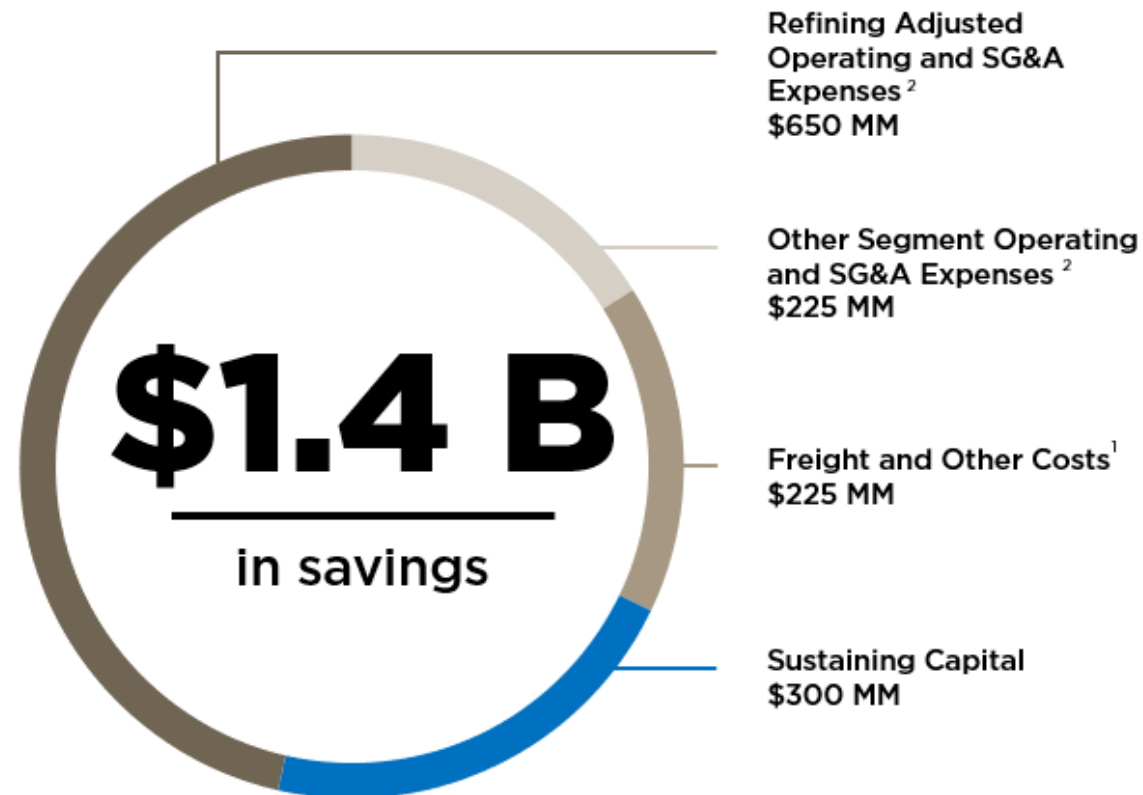


Business Transformation

Cost Reductions (\$MM)



Increased Target



Historical and projected savings presented above are cumulative

(1) Savings related to Freight and Other costs are a component of purchased crude oil and product costs, which is a component of segment realized margins.

(2) Includes our share of cost savings of an operated, unconsolidated equity affiliate. Savings on costs attributed to this equity affiliate are reported as a component of equity in earnings of affiliates and not as part of our consolidated operating and SG&A expenses.

(3) Excludes turnaround expense, which is reported as a component of our operating expenses

(4) Turnaround expense is reported as part of our operating expenses. Turnaround expense savings are measured against the Solomon benchmark.

Enhanced Strategic Priorities

		Original Commitments November 2022	Increased Commitments October 2023
	Deliver Shareholder Returns	\$10 B - \$12 B shareholder distributions by year-end 2024	\$13 B - \$15 B shareholder distributions by year-end 2024
	Improve Refining Performance	98% mechanical availability +5% improvement to market capture \$0.75/BBL cost reduction	~\$1/BBL cost reduction
	Capture Value from Wellhead to Market	\$1 B adjusted EBITDA uplift from DCP transaction >\$300 MM in synergy capture	>\$400 MM in synergy capture
	Execute Business Transformation	\$800 MM cost reductions \$200 MM sustaining capital efficiencies \$1 B total business transformation	\$1.1 B cost reductions \$300 MM sustaining capital efficiencies \$1.4 B total business transformation
	Maintain Financial Strength and Flexibility	\$3 B mid-cycle adjusted EBITDA growth 25-30% net debt-to-capital ratio	\$4 B mid-cycle adjusted EBITDA growth >\$3 B non-core asset dispositions
	Drive Disciplined Growth and Returns	Rodeo Renewed startup in 1Q 2024	Increase commercial supply and trading contribution

3Q 2023 Overview

\$MM (UNLESS OTHERWISE NOTED)

Adjusted earnings	\$2,070	
Adjusted EPS ¹	4.63	
Operating cash flow	2,685	
Capital expenditures and investments	855	
Shareholder distributions ²	1,217	
Net Debt-to-Capital	33	%
Annualized adjusted YTD ROCE ³	17	%



Ponca City Refinery
PONCA CITY, OK

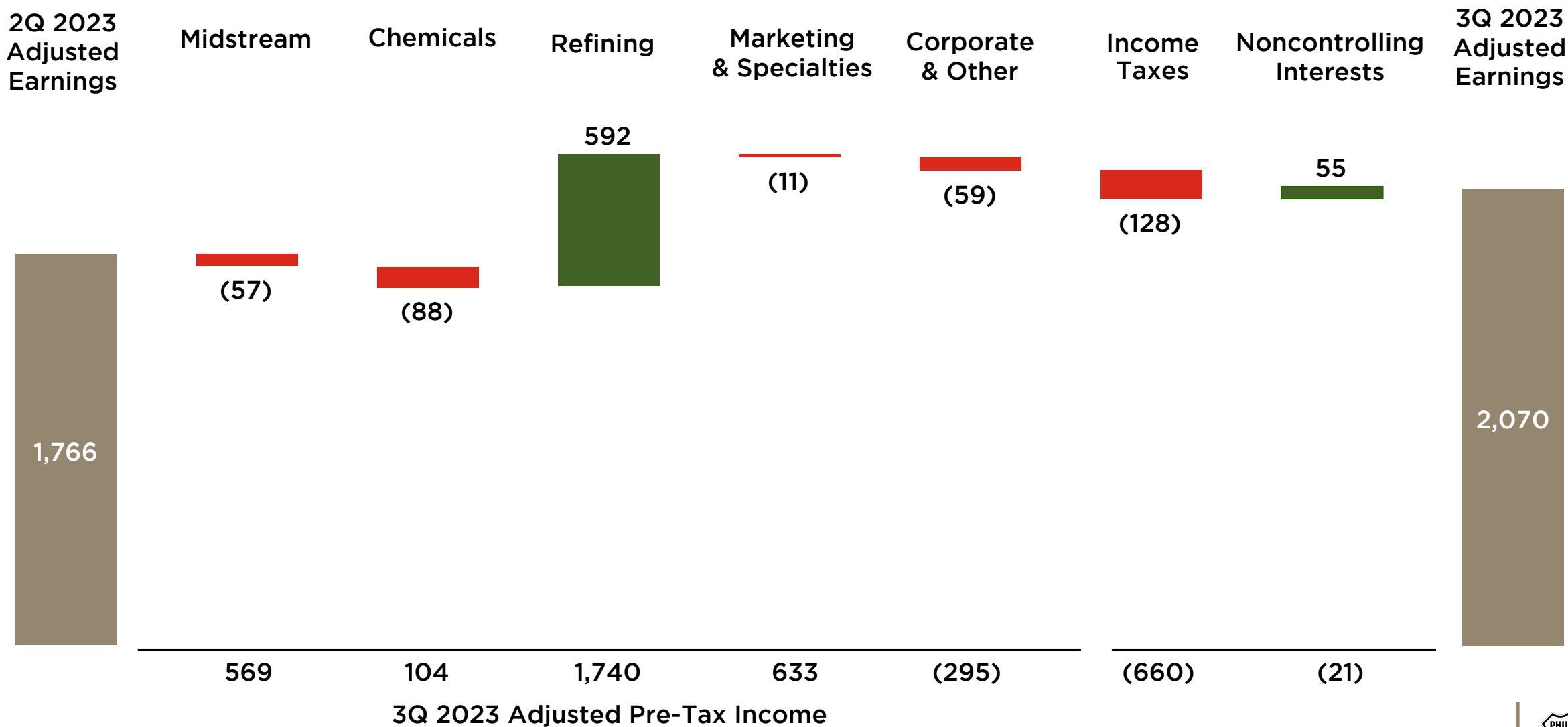
1) Represents dollars per share. 3Q 2023 is based on weighted-average diluted shares of 447 million.

2) Shareholder distributions include dividends and share repurchases.

3) After-tax

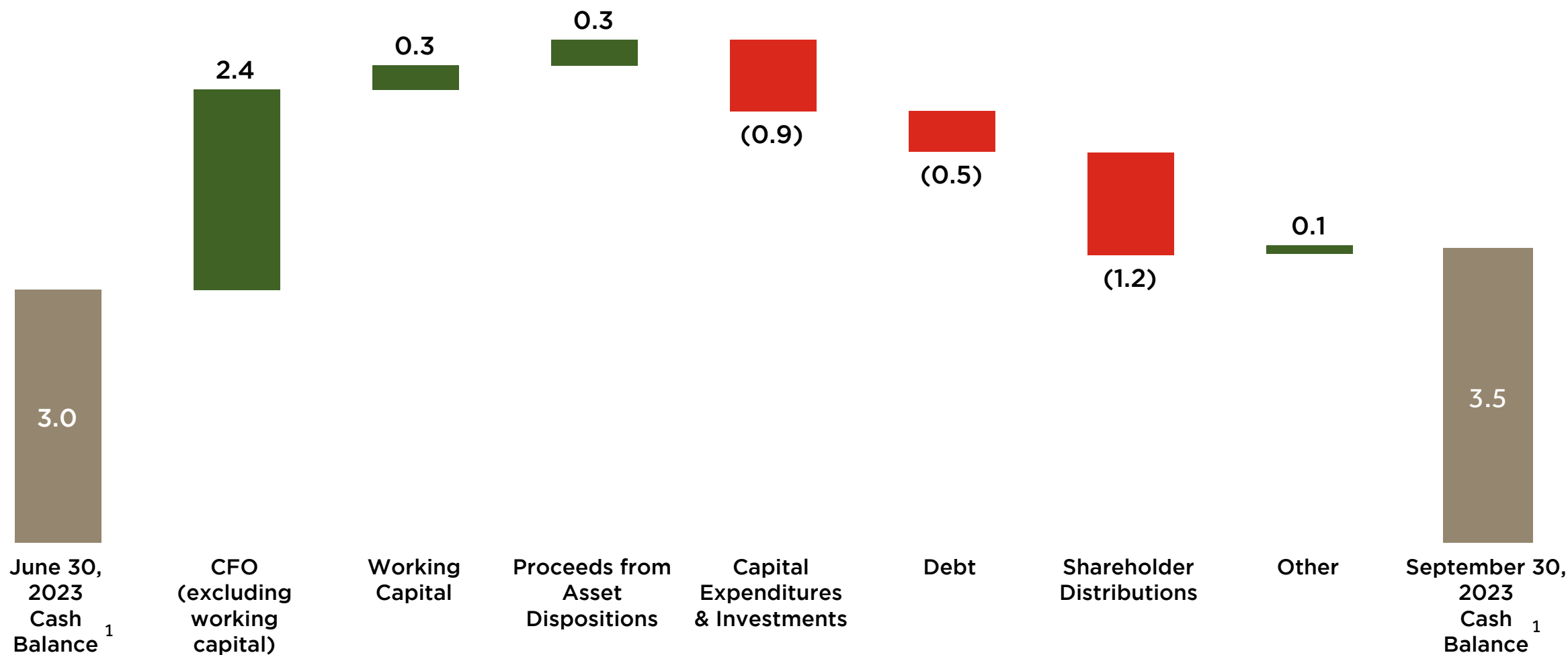
3Q 2023 Adjusted Earnings

3Q 2023 VS. 2Q 2023 (\$MM)



3Q 2023 Cash Flow

\$B



1) Includes cash and cash equivalents

Outlook

4Q 2023

Global Olefins & Polyolefins utilization	Mid-90%
Refining crude utilization	Low-90%
Refining turnaround expenses	\$90 MM - \$110 MM
Corporate & Other costs	\$280MM - \$300 MM





Questions and Answers





Appendix



2023 Estimated Sensitivities

	Annual EBITDA \$MM ⁽¹⁾
Midstream ⁽²⁾	
10¢/Gal Increase in NGL price	100
10¢/MMBtu Increase in Natural Gas price	6
\$1/BBL Increase in WTI price	5
Chemicals - CPChem (net to Phillips 66)	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	65
Worldwide Refining	
\$1/BBL Increase in Gasoline Margin	320
\$1/BBL Increase in Distillate Margin	285
Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:	
\$1/BBL Widening WTI / WCS Differential (WTI less WCS)	100
\$1/BBL Widening LLS / Maya Differential (LLS less Maya)	75
\$1/BBL Widening LLS / WTI Differential (LLS less WTI)	25
\$1/BBL Widening WTI / WTS Differential (WTI less WTS)	30
10¢/MMBtu Increase in Natural Gas price	(15)

1) Sensitivities shown above are independent and are only valid within a limited range

2) Midstream includes 13% economic interest attributable to noncontrolling interest in DCP Midstream, LP

3Q 2023 Strategic Priorities Update



Deliver Shareholder Returns

- \$6.7 B shareholder distributions since July 2022
- On track to meet new \$13 B to \$15 B target by YE 2024



Improve Refining Performance

- Highest crude utilization since 2019 at 95%
- >\$400 MM run-rate cost reductions as of Sept 30



Capture Value from Wellhead to Market

- \$250 MM run-rate synergy capture as of Sept 30
- >\$400 MM synergy target by YE 2025



Execute Business Transformation

- \$700 MM run-rate cost reductions as of Sept 30
- \$200 MM sustaining capital efficiencies



Maintain Financial Strength and Flexibility

- Increasing EBITDA growth to \$4 B by 2025
- 33% net debt-to-capital ratio

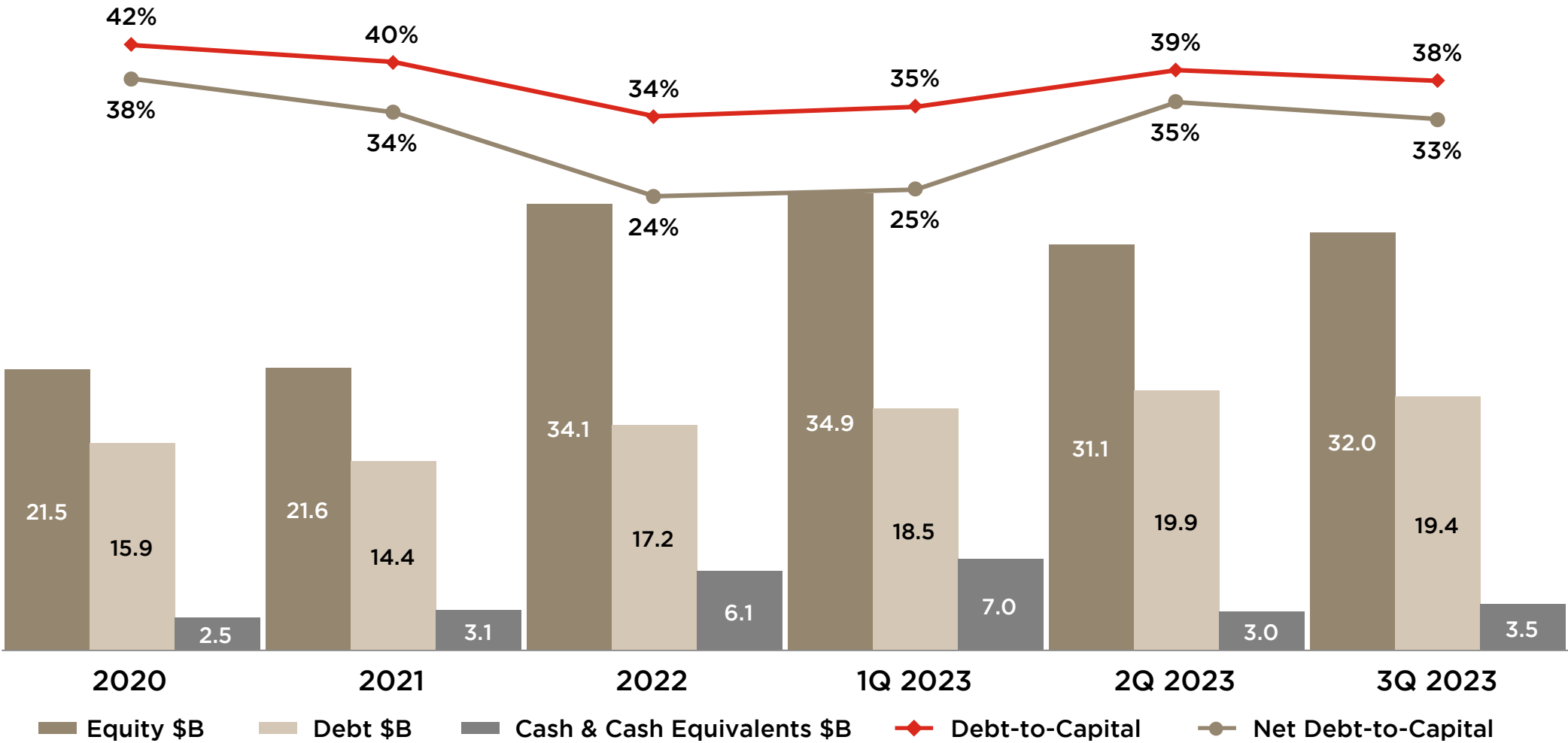


Drive Disciplined Growth and Returns

- \$1.8 B capital expenditures Sept YTD
- Rodeo Renewed on track for 1Q 2024 startup
- \$370 MM proceeds from dispositions Sept YTD



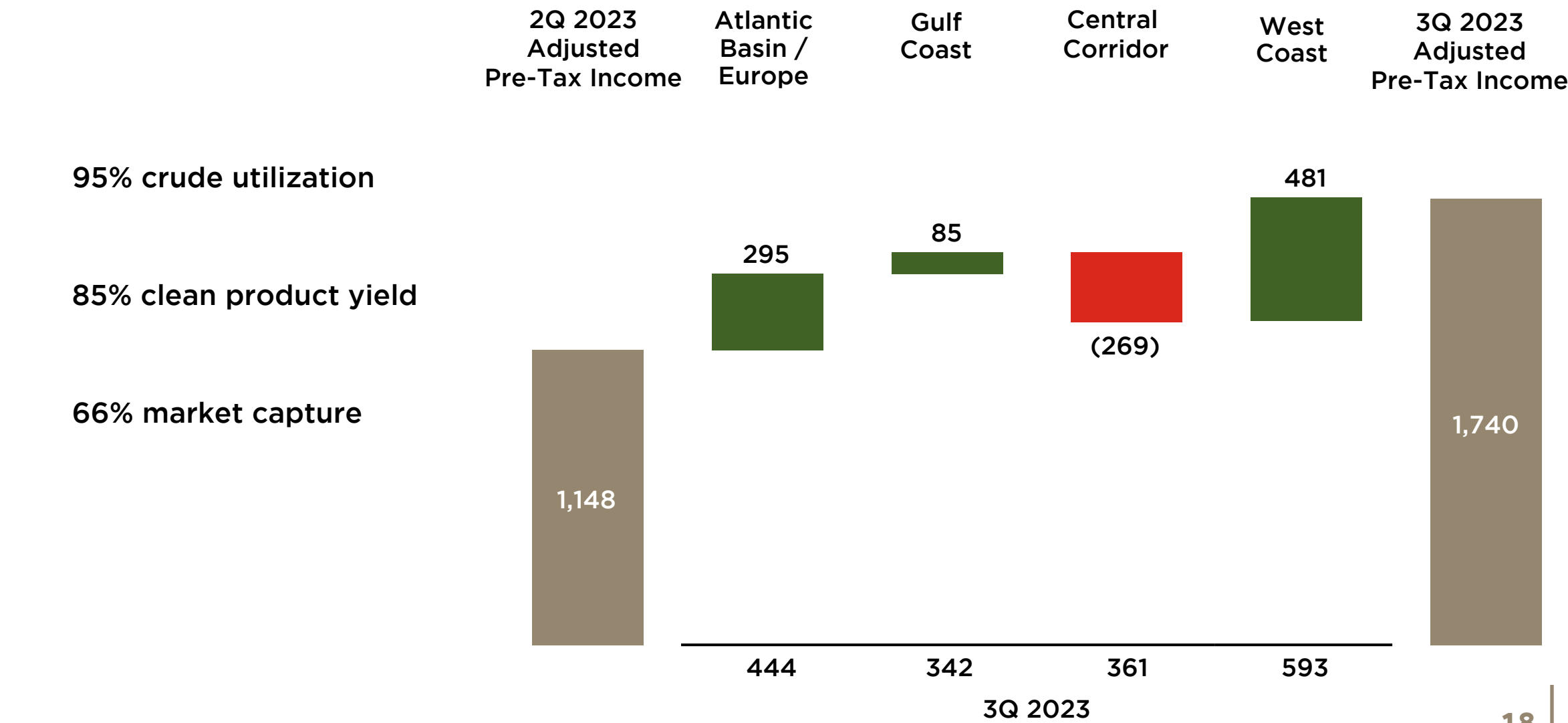
Capital Structure





3Q 2023 Refining Adjusted Pre-Tax Income

3Q 2023 VS. 2Q 2023 (\$MM)



3Q 2023 Refining Margins – Market vs. Realized

(\$/BBL, UNLESS OTHERWISE NOTED)

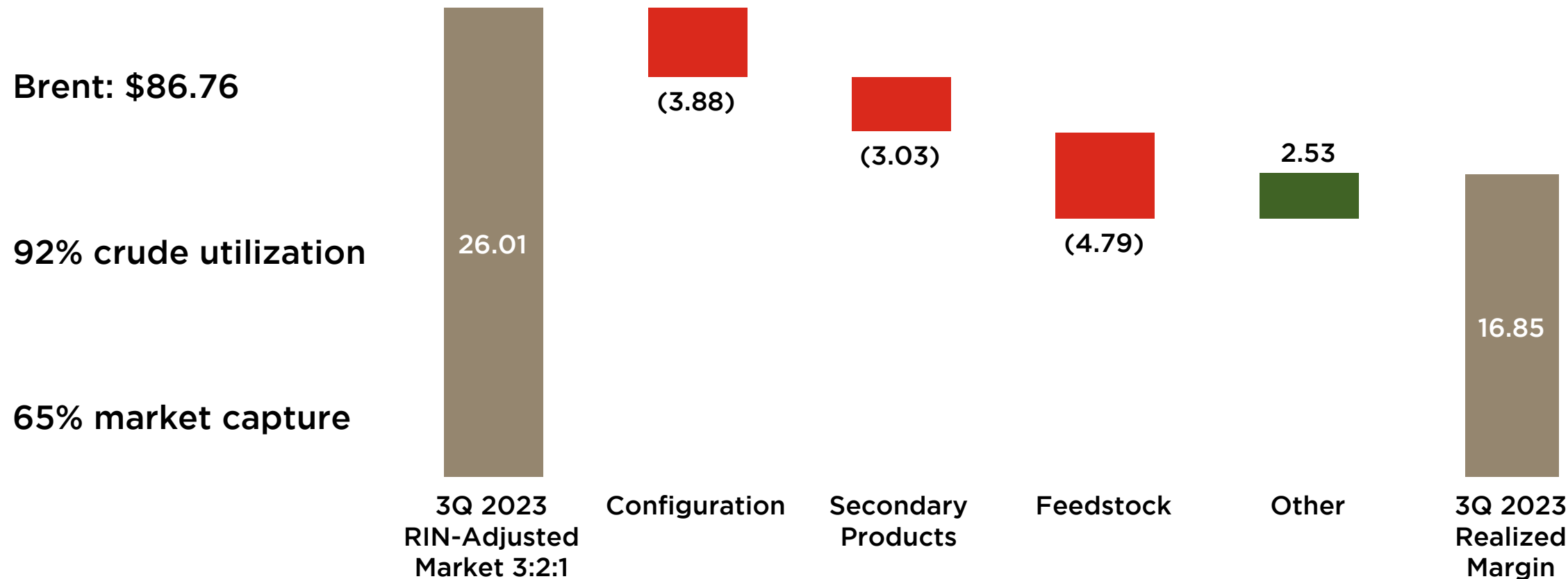


Avg Market Crude: \$85.24

66% RIN-Adjusted Market Capture

3Q 2023 Refining Margins – Market vs. Realized

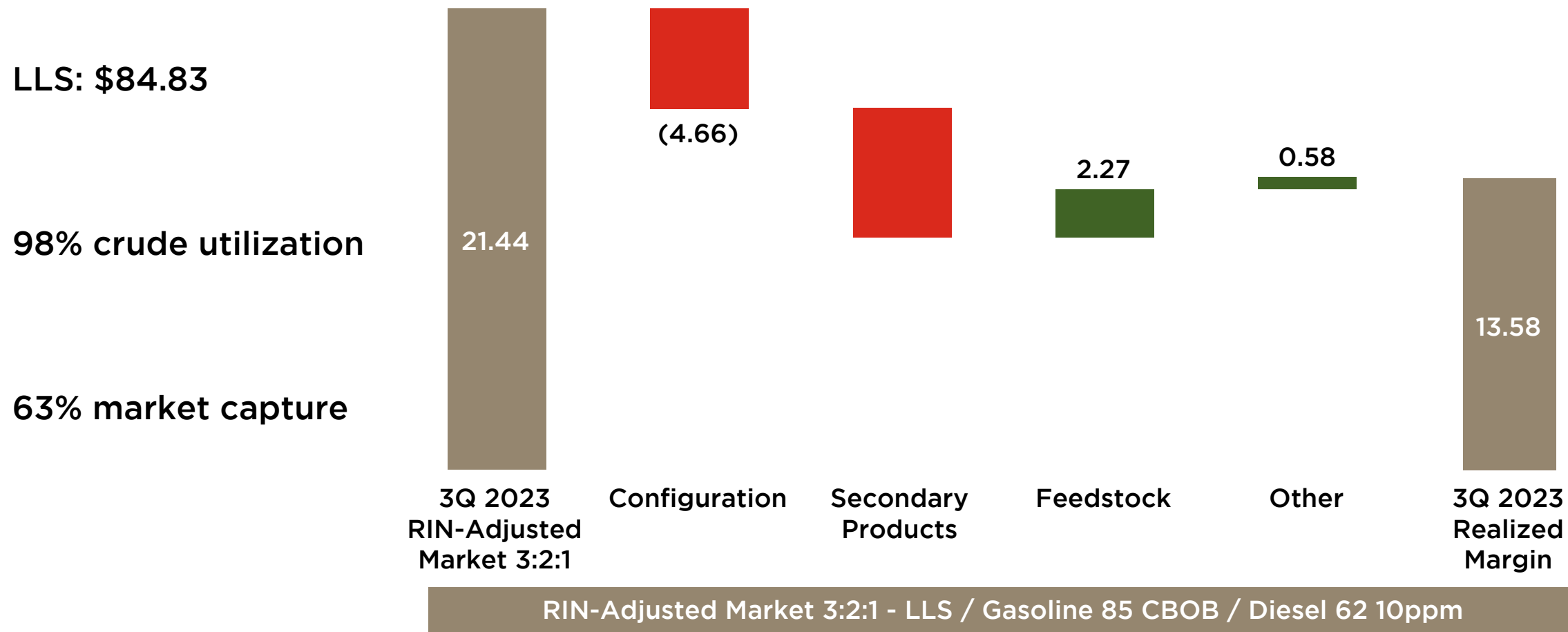
ATLANTIC BASIN / EUROPE (\$/BBL, UNLESS OTHERWISE NOTED)



RIN-Adjusted Market 3:2:1 - Dated Brent / Gasoline 83.7 RBOB NYH / Diesel 15ppm NYH

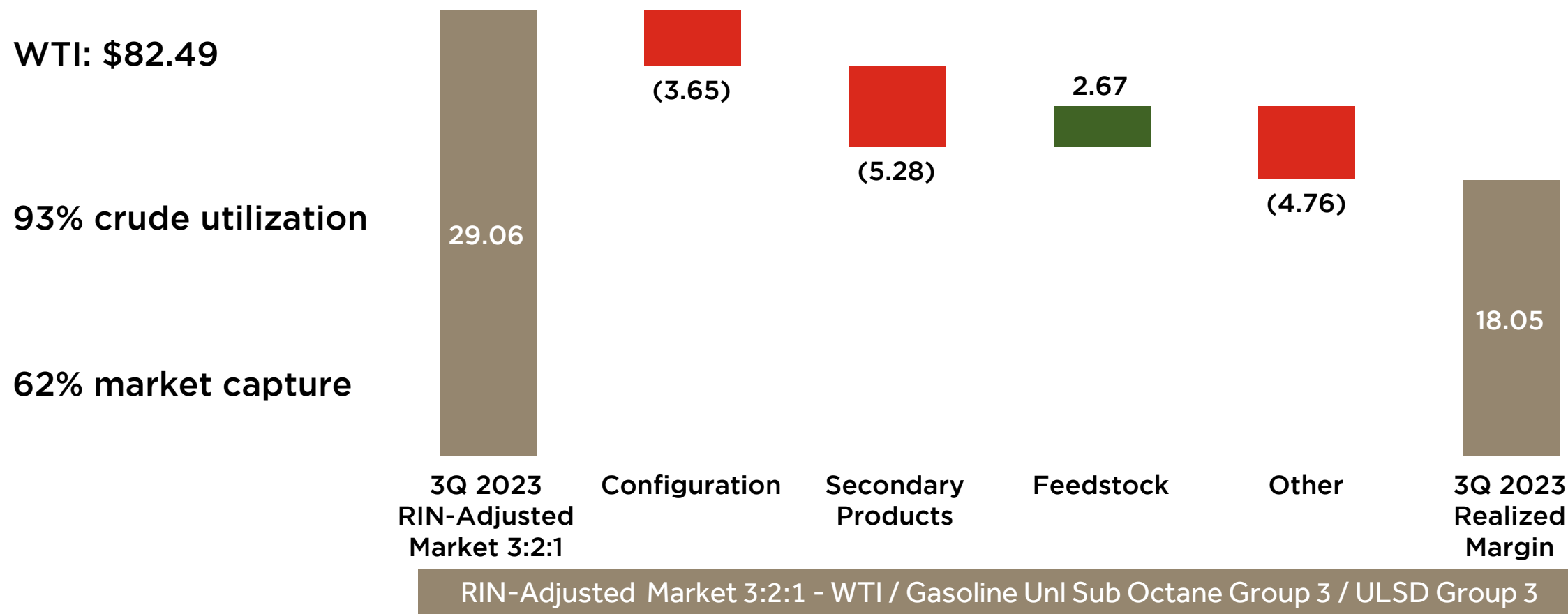
3Q 2023 Refining Margins – Market vs. Realized

GULF COAST (\$/BBL, UNLESS OTHERWISE NOTED)



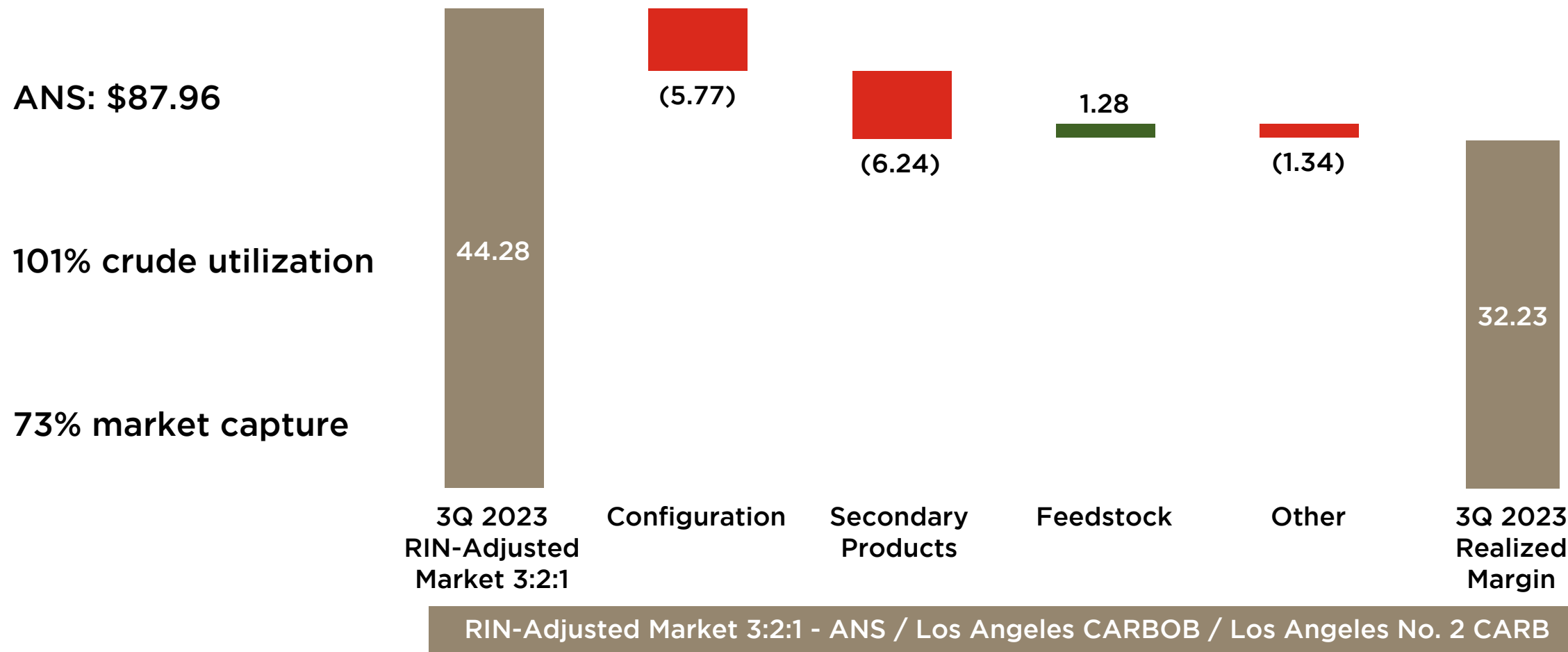
3Q 2023 Refining Margins – Market vs. Realized

CENTRAL CORRIDOR (\$/BBL, UNLESS OTHERWISE NOTED)



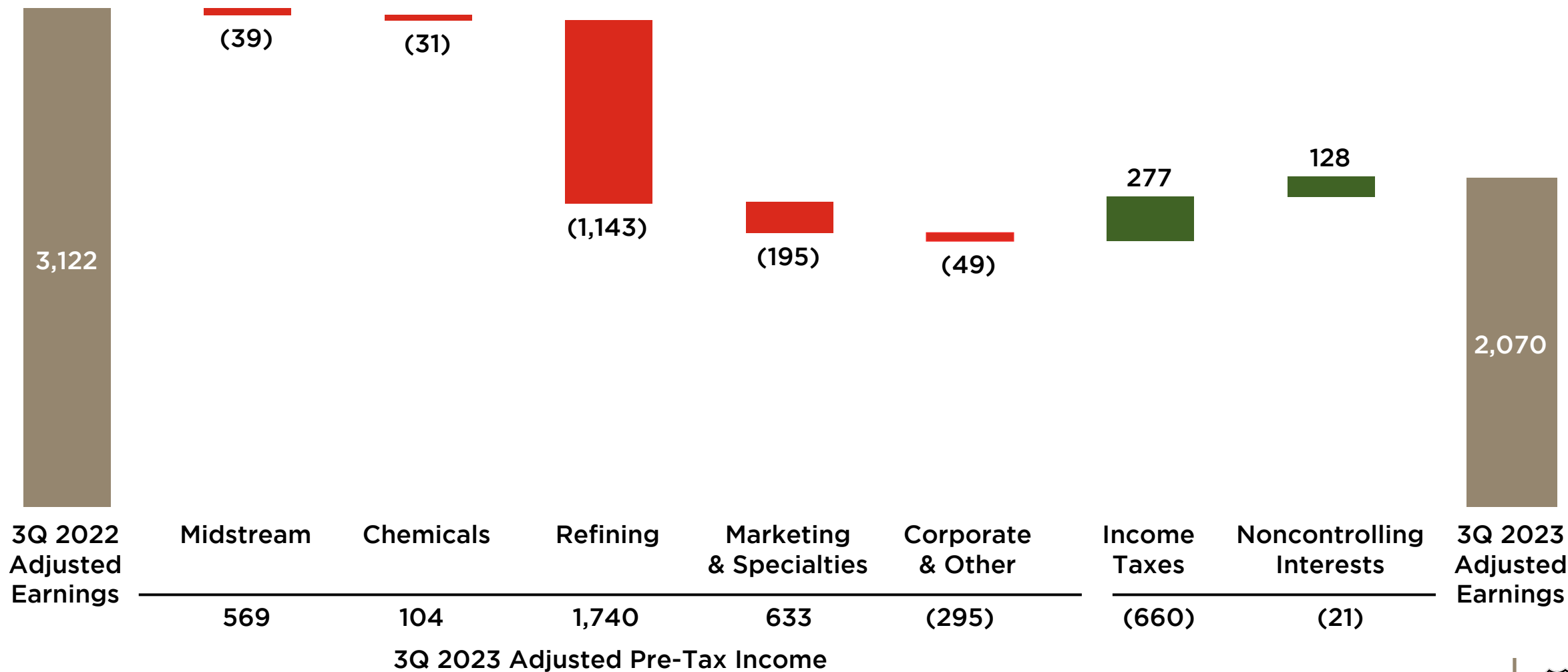
3Q 2023 Refining Margins – Market vs. Realized

WEST COAST (\$/BBL, UNLESS OTHERWISE NOTED)



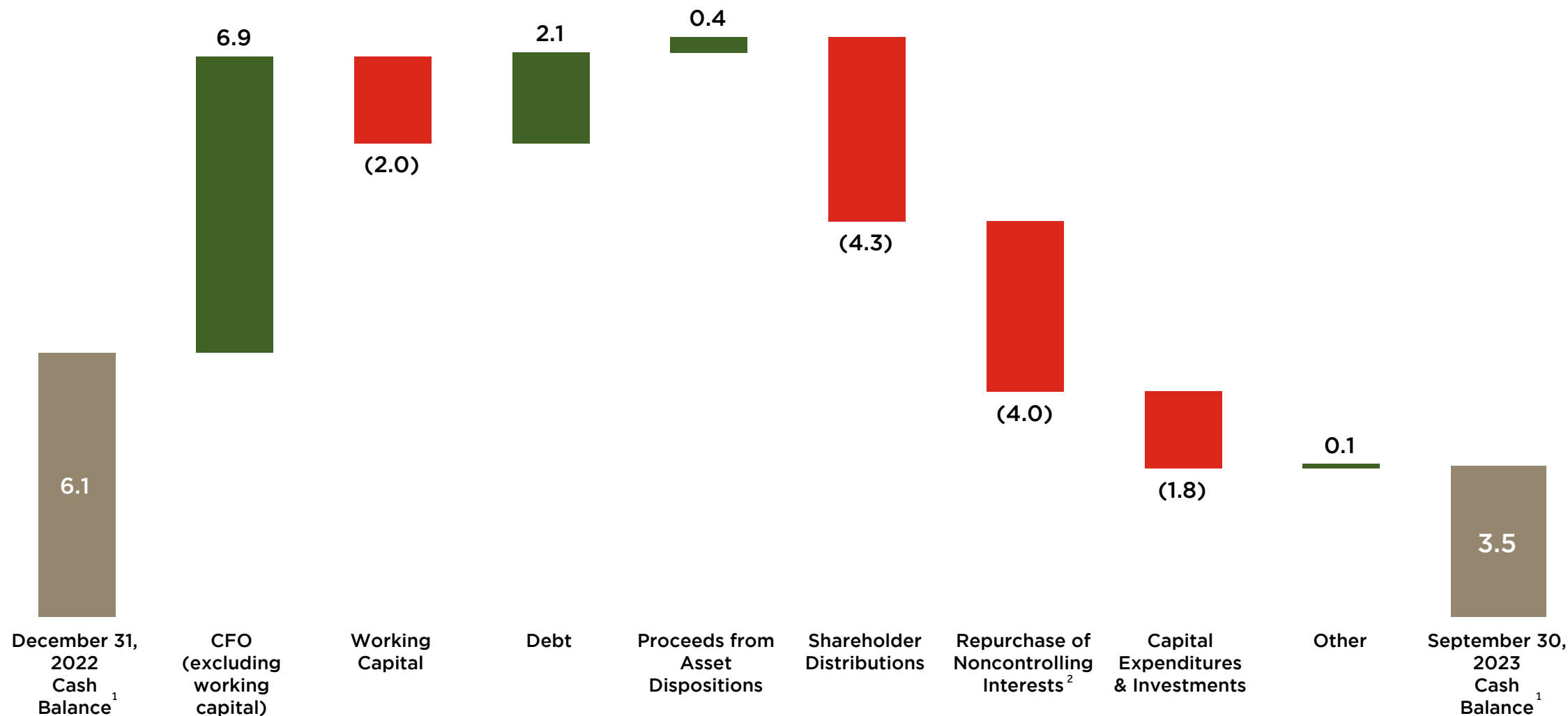
3Q 2023 Adjusted Earnings

3Q 2023 VS. 3Q 2022 (\$MM)



YTD 2023 Cash Flow

\$B



1) Includes cash and cash equivalents

2) Includes \$3.8 B acquisition of DCP Midstream, LP public common units and \$0.2 B redemption of DCP Midstream, LP Series B preferred units

Non-GAAP Reconciliations

	Millions of Dollars				
	Except as Indicated				
	2023			2022*	
	Sep YTD	3Q	2Q	Sep YTD	3Q
Phillips 66					
Consolidated Earnings	\$ 5,755	2,097	1,697	9,140	5,391
Pre-Tax Adjustments:					
Hurricane-related costs	—	—	—	(7)	(24)
Net (gain)/loss on asset disposition	(123)	(101)	14	—	—
Alliance shutdown-related costs ¹	—	—	—	26	—
Regulatory compliance costs	—	—	—	70	—
Legal accrual	30	30	—	—	—
Business transformation restructuring costs ²	127	51	41	99	74
Loss on early redemption of DCP debt	53	—	53	—	—
Merger transaction costs	—	—	—	13	13
Gain on consolidation	—	—	—	(3,013)	(3,013)
Change in inventory method for acquired business	(46)	(46)	—	—	—
DCP integration restructuring costs ³	38	4	22	—	—
Tax impact of adjustments ⁴	(14)	10	(22)	649	681
Other tax impacts	—	—	—	25	—
Noncontrolling interests	(19)	25	(39)	—	—
Adjusted Earnings	\$ 5,801	2,070	1,766	7,002	3,122
Earnings Per Share of Common Stock (dollars)	\$ 12.59	4.69	3.72	19.31	11.16
Adjusted Earnings Per Share of Common Stock (dollars) ⁵	\$ 12.69	4.63	3.87	14.79	6.46

*Earnings and adjusted earnings for the third quarter of 2022 and the nine-month period ended September 30, 2022, have been recast to reflect a change in the composition of the company's segments made in the fourth quarter of 2022. See the Basis of Presentation section above for further information.

¹ Costs related to the shutdown of the Alliance Refinery totaled \$26 million pre-tax in the second quarter of 2022. Shutdown-related costs recorded in the Refining segment include pre-tax charges for the disposal of materials and supplies of \$20 million, and asset retirements of \$6 million recorded in depreciation and amortization expense.

² Restructuring costs, related to Phillips 66's multi-year business transformation efforts, are primarily due to consulting fees and severance costs.

³ Restructuring costs, related to the integration of DCP Midstream, mainly reflect severance costs and consulting fees. A portion of these costs are attributable to noncontrolling interests.

⁴ We generally tax effect taxable U.S.-based special items using a combined federal and state statutory income tax rate of approximately 24%. Taxable special items attributable to foreign locations likewise use a local statutory income tax rate. Nontaxable events reflect zero income tax. These events include, but are not limited to, most goodwill impairments, transactions legislatively exempt from income tax, transactions related to entities for which we have made an assertion that the undistributed earnings are permanently reinvested, or transactions occurring in jurisdictions with a valuation allowance.

⁵ Q3 2023 and Q2 2023 are based on adjusted weighted-average diluted shares of 447,255 thousand and 456,173 thousand, respectively. Q3 2022 is based on adjusted weighted-average diluted shares of 483,035 thousand. Other periods are based on the same weighted-average diluted shares outstanding as that used in the GAAP diluted earnings per share calculation. Income allocated to participating securities, if applicable, in the adjusted earnings per share calculation is the same as that used in the GAAP diluted earnings per share calculation.

Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated				
	2023			2022*	
	Sep YTD	3Q	2Q	Sep YTD	3Q
Midstream					
Pre-Tax Income	\$ 2,018	712	604	4,078	3,608
Pre-Tax Adjustments:					
Net gain on asset disposition	(137)	(101)	—	—	—
Merger transaction costs	—	—	—	13	13
Gain on consolidation	—	—	—	(3,013)	(3,013)
Change in inventory method for acquired business	(46)	(46)	—	—	—
DCP Integration restructuring costs ¹	38	4	22	—	—
Adjusted Pre-Tax Income	\$ 1,873	569	626	1,078	608
Chemicals					
Pre-Tax Income	\$ 494	104	192	804	135
Pre-Tax Adjustments:					
None	—	—	—	—	—
Adjusted Pre-Tax Income	\$ 494	104	192	804	135

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Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated				
	2023			2022*	
	Sep YTD	3Q	2Q	Sep YTD	3Q
Refining					
Pre-Tax Income	\$ 4,452	1,710	1,134	6,176	2,907
Pre-Tax Adjustments:					
Hurricane-related costs	—	—	—	(7)	(24)
Net loss on asset disposition	14	—	14	—	—
Alliance shutdown-related costs ¹	—	—	—	26	—
Regulatory compliance costs	—	—	—	70	—
Legal accrual	30	30	—	—	—
Adjusted Pre-Tax Income	\$ 4,496	1,740	1,148	6,265	2,883
Marketing & Specialties					
Pre-Tax Income	\$ 1,703	633	644	1,863	828
Pre-Tax Adjustments:					
None	—	—	—	—	—
Adjusted Pre-Tax Income	\$ 1,703	633	644	1,863	828
Corporate & Other					
Pre-Tax Loss	\$ (959)	(346)	(330)	(829)	(320)
Pre-Tax Adjustments:					
Business transformation restructuring costs ²	127	51	41	99	74
Loss on early redemption of DCP debt	53	—	53	—	—
Adjusted Pre-Tax Loss	\$ (779)	(295)	(236)	(730)	(246)

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² Restructuring costs, related to Phillips 66's multi-year business transformation efforts, are primarily due to severance costs and consulting fees.

Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated		
	2023		
	Sep YTD	3Q	2Q
Refining - Atlantic Basin / Europe			
Pre-Tax Income	\$ 735	444	149
Pre-Tax Adjustments:			
None	—	—	—
Adjusted Pre-Tax Income	\$ 735	444	149
Refining - Gulf Coast			
Pre-Tax Income	\$ 1,290	342	243
Pre-Tax Adjustments:			
Net loss on asset disposition	14	—	14
Adjusted Pre-Tax Income	\$ 1,304	342	257
Refining - Central Corridor			
Pre-Tax Income	\$ 1,730	361	630
Pre-Tax Adjustments:			
None	—	—	—
Adjusted Pre-Tax Income	\$ 1,730	361	630
Refining - West Coast			
Pre-Tax Income	\$ 697	563	112
Pre-Tax Adjustments:			
Legal accrual	30	30	—
Adjusted Pre-Tax Income	\$ 727	593	112

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Non-GAAP Reconciliations

	Millions of Dollars (Except as Indicated)				
	3Q 2023				
	Atlantic Basin/ Europe	Gulf Coast	Central Corridor	West Coast	Worldwide
Realized Refining Margins					
Income before income taxes	\$ 444	342	361	563	1,710
Plus:					
Taxes other than income taxes	12	28	23	30	93
Depreciation, amortization and impairments	53	61	42	55	211
Selling, general and administrative expenses	9	5	17	8	39
Operating expenses	252	286	223	381	1,142
Equity in (earnings) losses of affiliates	2	(1)	(209)	—	(208)
Other segment (income) expense, net	(7)	—	(4)	1	(10)
Proportional share of refining gross margins contributed by equity affiliates	22	—	394	—	416
Special items:					
None	—	—	—	—	—
Realized refining margins	\$ 787	721	847	1,038	3,393
 Total processed inputs (thousands of barrels)	 46,731	 53,120	 24,242	 32,207	 156,300
Adjusted total processed inputs (thousands of barrels) ¹	46,731	53,120	46,871	32,207	178,929
 Income before income taxes (dollars per barrel) ²	 \$ 9.50	 6.44	 14.89	 17.48	 10.94
Realized refining margins (dollars per barrel) ³	\$ 16.85	13.58	18.05	32.23	18.96

¹Adjusted total processed inputs include our proportional share of processed inputs of an equity affiliate.

²Income before income taxes divided by total processed inputs.

³Realized refining margins per barrel, as presented, are calculated using the underlying realized refining margin amounts, in dollars, divided by adjusted total processed inputs, in barrels. As such, recalculated per barrel amounts using the rounded margins and barrels presented may differ from the presented per barrel amounts.

Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated	
	2023 September YTD	
Numerator		
Net Income	\$	5,954
After-tax interest expense		537
GAAP ROCE earnings		6,491
After-tax special items		65
Adjusted ROCE earnings	\$	6,556
Denominator		
GAAP average capital employed ¹	\$	51,365
2023 Annualized GAAP ROCE		17 %
2023 Annualized Adjusted ROCE		17 %

¹Capital employed is total equity plus total debt



Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated	
	3Q 2023	
Total Debt	\$	19,444
Total Equity		31,989
Debt-to-Capital Ratio		38 %
Total Cash	\$	3,539
Net Debt-to-Capital Ratio		33 %

Non-GAAP Reconciliations

	Millions of Dollars		
	3Q 2023		
	Growth	Sustaining	Total
Capital Expenditures and Investments			
Midstream	\$ 71	89	160
Refining	296	86	382
Marketing & Specialties	275	12	287
Corporate & Other	—	26	26
Capital Expenditures and Investments	\$ 642	213	855

	Millions of Dollars		
	2023 September YTD		
	Growth	Sustaining	Total
Capital Expenditures and Investments			
Midstream	\$ 217	243	460
Refining	697	241	938
Marketing & Specialties	296	27	323
Corporate & Other	—	63	63
Capital Expenditures and Investments	\$ 1,210	574	1,784

Non-GAAP Reconciliations

	Millions of Dollars		
	2017	2018	2019
Reconciliation of Phillips 66 Net Income to Adjusted EBITDA			
Phillips 66 net income	\$ 5,248	5,873	3,377
Plus:			
Income tax expense (benefit)	(1,693)	1,572	801
Net interest expense	407	459	415
Depreciation and amortization	1,318	1,356	1,341
Phillips 66 EBITDA	\$ 5,280	9,260	5,934
Special Item Adjustments (pre-tax):			
Impairments by equity affiliates	64	28	47
Pending claims and settlements	(57)	21	(21)
Certain tax impacts	(23)	(119)	(90)
Gain on consolidation of business	(423)	—	—
Net (gain) loss on asset dispositions	—	—	(17)
Impairments	—	—	853
Lower-of-cost-or-market inventory adjustments	—	—	65
Pension settlement expense	83	67	—
Hurricane-related costs	210	—	—
U.S. tax reform	—	(16)	—
Total Special Item Adjustments (pre-tax)	(146)	(19)	837
Phillips 66 EBITDA, Adjusted for Special Items	\$ 5,134	9,241	6,771
Other Adjustments (pre-tax):			
Proportional share of selected equity affiliates income taxes	105	128	114
Proportional share of selected equity affiliates net interest	128	171	182
Proportional share of selected equity affiliates depreciation and amortization	624	781	799
Adjusted EBITDA attributable to public ownership interest in PSXP	(238)	(369)	(413)
Phillips 66 Adjusted EBITDA	\$ 5,753	9,952	7,453

NOTE: Amounts presented above conform to our current period presentation and may not agree to previously published amounts due to recasts made for changes in the composition of the company's segments or revisions made to our adjusted EBITDA calculation.

Non-GAAP Reconciliations

	Millions of Dollars		
	2017	2018	2019
Reconciliation of Midstream Net Income to Adjusted EBITDA			
Midstream net income	\$ 615	1,088	597
Plus:			
Interest revenue	(1)	—	—
Depreciation and amortization	298	310	291
Midstream EBITDA	\$ 912	1,398	888
Special Item Adjustments (pre-tax):			
Impairments by equity affiliates	—	28	47
Pending claims and settlements	(37)	21	—
Impairments	—	—	853
Pension settlement expense	12	9	—
Hurricane-related costs	10	—	—
Total Special Item Adjustments (pre-tax)	(15)	58	900
Midstream EBITDA, Adjusted for Special Items	\$ 897	1,456	1,788
Other Adjustments (pre-tax):			
Proportional share of selected equity affiliates income taxes	15	4	12
Proportional share of selected equity affiliates net interest	125	133	138
Proportional share of selected equity affiliates depreciation and amortization	189	216	237
Midstream Adjusted EBITDA	\$ 1,226	1,809	2,175

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Non-GAAP Reconciliations

	Millions of Dollars		
	2017	2018	2019
Reconciliation of Chemicals Net Income to Adjusted EBITDA			
Chemicals net income	\$ 716	1,025	879
Plus:			
None	—	—	—
Chemicals EBITDA	\$ 716	1,025	879
Special Item Adjustments (pre-tax):			
Impairments by equity affiliates	64	—	—
Lower-of-cost-or-market inventory adjustments	—	—	65
Hurricane-related costs	175	—	—
Total Special Item Adjustments (pre-tax)	239	—	65
Chemicals EBITDA, Adjusted for Special Items	\$ 955	1,025	944
Other Adjustments (pre-tax):			
Proportional share of selected equity affiliates income taxes	68	100	79
Proportional share of selected equity affiliates net interest	4	38	40
Proportional share of selected equity affiliates depreciation and amortization	317	432	425
Chemicals Adjusted EBITDA	\$ 1,344	1,595	1,488

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Non-GAAP Reconciliations

	Millions of Dollars		
	2017	2018	2019
Reconciliation of Refining Net Income to Adjusted EBITDA			
Refining net income	\$ 2,099	4,628	2,132
Plus:			
Depreciation and amortization	823	849	867
Refining EBITDA	\$ 2,922	5,477	2,999
Special Item Adjustments (pre-tax):			
Pending claims and settlements	(51)	—	(21)
Certain tax impacts	(23)	(6)	—
Gain on consolidation of business	(423)	—	—
Asset dispositions	—	—	(17)
Pension settlement expense	53	43	—
Hurricane-related costs	24	—	—
Total Special Item Adjustments (pre-tax)	(420)	37	(38)
Refining EBITDA, Adjusted for Special Items	\$ 2,502	5,514	2,961
Other Adjustments (pre-tax):			
Proportional share of selected equity affiliates income taxes	1	1	—
Proportional share of selected equity affiliates net interest	(3)	(6)	(3)
Proportional share of selected equity affiliates depreciation and amortization	82	94	97
Refining Adjusted EBITDA	\$ 2,582	5,603	3,055

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Non-GAAP Reconciliations

	Millions of Dollars		
	2017	2018	2019
Reconciliation of Marketing & Specialties Net Income to Adjusted EBITDA			
Marketing & Specialties net income	\$ 1,020	1,556	1,374
Plus:			
Depreciation and amortization	112	114	103
Marketing & Specialties EBITDA	\$ 1,132	1,670	1,477
Special Item Adjustments (pre-tax):			
Certain tax impacts	—	(113)	(90)
Pension settlement expense	11	9	—
Hurricane-related costs	1	—	—
Total Special Item Adjustments (pre-tax)	12	(104)	(90)
Marketing & Specialties, Adjusted for Special Items	\$ 1,144	1,566	1,387
Other Adjustments (pre-tax):			
Proportional share of selected equity affiliates income taxes	21	23	23
Proportional share of selected equity affiliates net interest	2	6	7
Proportional share of selected equity affiliates depreciation and amortization	36	39	40
Marketing & Specialties Adjusted EBITDA	\$ 1,203	1,634	1,457

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Non-GAAP Reconciliations

	Millions of Dollars		
	2017	2018	2019
Reconciliation of Corporate & Other Pre-Tax Loss to Adjusted EBITDA			
Corporate and Other pre-tax loss	\$ (895)	(853)	(804)
Plus:			
Net interest expense	408	459	415
Depreciation and amortization	86	82	80
Corporate & Other EBITDA	\$ (401)	(312)	(309)
Special Item Adjustments (pre-tax):			
Pending claims and settlements	31	—	—
Pension settlement expense	7	6	—
U.S. tax reform	—	(16)	—
Total Special Item Adjustments (pre-tax)	38	(10)	—
Corporate & Other EBITDA, Adjusted for Special Items	\$ (363)	(322)	(309)
Other Adjustments (pre-tax):			
None	—	—	—
Corporate & Other Adjusted EBITDA	\$ (363)	(322)	(309)

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