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OVERVIEW:

Company Summary

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Don Baldridge *Phillips 66 - Executive Vice President, DCP Midstream LP*

Kevin Mitchell *Phillips 66 - Chief Financial Officer, Executive Vice President*

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Neil Mehta *Goldman Sachs Group Inc - Analyst*

PRESENTATION

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

All right. We'll get here started on for what is always a highlight of this conference, is to have the leadership team from Phillips 66 here. Mark, Kevin, Don, Jeff, thank you so much for being here and so much to talk about.

QUESTIONS AND ANSWERS

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And Mark, we'll kick off before we get into the macro with an important announcement yesterday on the midstream side with a $2 billion acquisition of EPIC. Do you want to talk to us about why this makes sense and what you want us to know about it as an investment community?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Sure, Neil. First of all, thanks for inviting all of us to be here. This is always a great way to start the new year. Actually, we got to escape freezing temperatures in Houston to come to Miami, believe it or not.

But really, the transaction really fits directly into our whole position to be a leading integrated downstream energy provider. We believe that we're developing a more compelling investment opportunity as we move forward. So we've got the midstream business that you saw the announcement yesterday that we're growing, refining, marketing, specialties, renewables in our chemicals business and we believe that that combination of assets allow us to optimize across the platform, drive value enhancement and really generate attractive returns across the cycle.

And the capital discipline that you're seeing in midstream is driven by our commitment to return at least 50% of our operating cash flow to investors and we've been optimizing assets to support these acquisitions. And so the EPIC acquisition that we announced yesterday, Don can get into the details more but from an industrial logic, it was a great fit for us. It really is analogous to the Pinnacle acquisition that we did last year where we can go and find high value assets that we can generate more value than the incumbent could because of our existing system.

We rolled in DCP a couple of years ago to create this wellhead-to-market position in NGLs. And now we're looking for opportunities to fill that out and to create an even stronger position. And if you've seen in the press release and the charts that we have online that this pipeline that EPIC has flows right into our Sweeny Complex. And so we've got a great position on the Gulf Coast now, both from fractionation capacity as well as transportation assets and delivering clean, pure products.

And every transaction that we've done, every transaction we look at has to enhance. Don's ROCE, it has to create value, and we have to find transactions that can deliver both cost synergies and commercial synergies. And this -- we were clearly the natural owner for these assets, and we are committed to finding and extracting that value as we continue to fill out our midstream position.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Thanks, Mark. Don, we'd love your perspective on the asset. How should we think about the multiple that was paid for and there was some growth on that asset as well and so I would think that the implied multiple compresses. Talk about the strategic logic of the asset too.

Don Baldridge - *Phillips 66 - Executive Vice President, DCP Midstream LP*

Sure, Neil. And as Mark mentioned, when we think about these type of bolt-on acquisitions, they got to be accretive to ROCE and they also got to be scalable and afford us the ability to do some advantaged expansions. And like Pinnacle, EPIC has some of those similar attributes where it has a very cost-effective, cost-efficient pipeline expansion program that is just now in flight. That's going to add capacity over this year and next.

I mean right now, it's about 175,000 barrels a day pipeline system growing to 225,000 barrels later this year and then 350,000 barrels by next year in '26. All of that is a very accretive growth for us. And when you think about our supply portfolio, and as Mark mentioned, bringing in DCP from a gathering and processing and be able to have this NGL supply system from the wellhead to the market, the EPIC transaction really gives us that growth running room to continue to expand in the Permian.

With Pinnacle, we've already announced a follow-on plant expansion. That will come online later this year. So this Pinnacle system -- or the EPIC system really gives us additional downstream capacity that we'll be able to fill with volumes that we're growing through our organic opportunities as well as volumes that we're continuing -- right now flowing on third party systems that we'll be able to bring into the EPIC system.

The other part that we like about EPIC was it has a fractionation complex there in Corpus and it is really well situated for a follow-on train fractionation facility to be placed next to the existing one. We think that is a very robust organic growth opportunity. That's going to be available to us post close, something that we're not committed to today, but something that we certainly think will be available to us post close, probably a 2027-type start up if we were to execute on that.

So that type of growth avenue that the EPIC system affords us we think is very strategic. As Mark mentioned, it fits us like a glove. When you look at the map, we already have multiple connectivity both in the Permian Basin but also down in the Gulf Coast. We take some of the Y-Grade and some of the propane off that system today. So we already have a lot of familiarity with that team and with the operations. We think we are best suited to maximize the value of those assets when you combine them with our overall NGL value chain setup that we have today.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Kevin and Jeff, do you want to talk about the financials of the transaction in terms of transaction multiples and then also the financing of it? There's been discussion about what the optimal capital structure is and one of the tricky things that we were talking about that last night is as the business increasingly becomes a midstream-oriented business and less of a refining-oriented business, the capacity of the organization to take on a little bit more debt is there. But it's always tough to talk about that evolution with the market. So your perspective on that too.

Kevin Mitchell - *Phillips 66 - Chief Financial Officer, Executive Vice President*

Yeah, Neil. So in the context of financing around the transaction, you're absolutely right that we have a significant portion of our EBITDA that is not refining and not subject to the volatility of refining margins. And while we have -- we've laid out objectives to reduce balance sheet debt and we still have those plans, we absolutely have the flexibility and capability to execute on a transaction like this without causing any undue challenges from a balance sheet or leverage standpoint.

And I do think it's important for folks to acknowledge that the proportion of EBITDA that's coming from the midstream business, the marketing business, which on a standalone basis, those kind of businesses would support quite substantial leverage levels, way higher than what we have as a corporation. And so we feel very comfortable that we can execute on this.

I'd also remind everyone that we have proceeds from asset dispositions that will be received this year. These are previously announced dispositions. We still have other dispositions that we are working and are in progress. And so in the context of 2025, our capital allocation decisions are really not just around the operating cash flow the business generates but also a significant inflow by way of dispositions. So we feel very good about that.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Thanks, Kevin. Let's start a little bit on macro and refine, we'll come back to midstream and some of the other segments here in a moment. But Mark, I'm curious on your perspective on the refinance set up as we go into the new year. Where are we relative to your view of mid-cycle cracks? And certainly, the year started off strong a year ago, but it faded pretty hard. So I think a look back on what changed and how does that change the way that you're thinking about the path forward?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Yeah. Certainly, Neil. Obviously, the crack spreads are under intense pressure right now. I think that was a buildup of a number of things going all the way back at the COVID and no one was able to do turnarounds, maintain things that they would like to maintain things. And then the economy surged coming out of COVID. Refineries couldn't keep up because we had to all go in and do turnarounds and fix everything with a healthy workforce. And so that created some tightness.

And it also created conditions where everybody had their assets in prime operating shape. Everybody was hitting the ground, running coming off of these strong margins and still had a little bit of a heavier turnaround activity early this year that supported things, but then the stars aligned, and everybody is running extraordinarily well. And I think that created just enough overhang that and demand was moderately good but not great that you created the conditions to have margin compression.

I think that those operating rates as an industry are not sustainable. You'll go back to a more routine kind of maintenance cycle. That will have things coming in and out on a more routine basis. And then you also have some pretty substantial rationalizations on deck coming up from next year, ours included. We're taking our LA refinery permanently offline late next year. But I think about 1 million barrels a day of refining capacity globally is coming out next year. You're seeing maybe 1.5 million of new capacity coming in and demand is growing by 1 million barrels a day.

So demand is outstripping the net additions. And so it's I guess a little bit darkest before the dawn right now. The margins are compressed, but we see over the mid to longer term, really, the macro conditions improving for refining and seeing that uptick.

And the interesting thing is a lot of times, in downturns, you see a buildup of inventory that has to be worked off before you see any recovery. There's really not any excess inventory out there today. So it's kind of a strange combination of really, really tight cracks, high operating rates and not any excess inventory out there.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And Mark, what you're painting is a refining softness driven largely by a supply situation. Are you seeing any evidence, and maybe it's a question for Jeff as well, in your system -- in your wholesale system of demand weakness?

Jeff Dietert - *Phillips 66 - Vice President, Investor Relations*

Yeah. I think we're seeing strong consumer activity across the economy and within gasoline holding up better than distillate demand. Diesel, much more industrially driven and that's been a little softer side of the economy. But the economy in the US surprising to the upside and so we're optimistic as we look into 2025.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And we've seen a tick up in European gas prices which has certainly moved into the distillate crack on the Gulf Coast in particular.

Jeff Dietert - *Phillips 66 - Vice President, Investor Relations*

Yes. So it's US has about a $3.50 and $3.75 a barrel advantage on utilities with higher natural gas prices in Europe. We've got $4 to $5 a barrel advantage on crude cost relative to Europe. And so we see Europe continuing to be kind of the marginal supplier and where we could see more pressure for rationalization.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Yeah. And sticking on refining, let's talk about California. Phillips 66 made a decision to seize operations in Los Angeles.

Jeff Dietert - *Phillips 66 - Vice President, Investor Relations*

Correct.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

When you think about the outlook for that market, what should we be mindful of and how should we contextualize the West Coast with all this renewable supply coming online?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Absolutely. Neil. Well, I think that there's been a lot of moving parts in California that have put pressure on refiners there. When you think about our evolution, the first step was converting our San Francisco refinery at Rodeo to Renewable Energy Complex. And so we stopped processing crude oil, we're processing renewables now. It's fully up and operational. And selling renewable diesel out to retail outlets and we introduced sustainable aviation fuel last year and that's been successful as well.

And the next step was we had a challenged asset at LA refinery. If you look at the stack of refiners there, it was -- from a competitive position, it was impaired. It was two older refineries that historically had been combined. So there wasn't a lot of heat integration. It had a lot of competitive challenges.

And so we made the tough decision to shut it down permanently this year and look for opportunities to redevelop the property. It will substantially impact our cost structure in a positive way on an average across the fleet and those activities are well underway. We're working with experts in redeveloping properties like that to make sure that we can maximize the value of the property once we rationalize the asset.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And then --

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

And there's -- and I also want to make sure that everyone understands that we have a solid plan. We've already resupplied Northern California with the gasoline because when we took Rodeo offline to convert to renewable diesel, we ceased producing gasoline there. And so we've got a resupply plan based on imports. We're doing something similar in Southern California. We're taking some of the assets that would be useful for terminaling, for importing CARB gasoline into Southern California. The plans have been well received by the California authorities. They are very supportive of what we have underway and our plans and they're helping us enable what we're doing.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Mark, when you came in two years ago, you said one of your primary focuses was improving operational reliability --

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Yeah.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And capture rates at the refining business. Where do you think we are in that journey?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

You can see the improvement in our numbers. You've seen our utilization rates improve. Over the last I think seven quarters, we've been above average utilization rates at around 94%. I think the rest of the industry's average is about 92%. And honestly, we still see room to improve our reliability. We are grinding away and enhancing our reliability in our systems to make sure that we're getting the most value out of every asset that we have. We've done a lot of work and improved our turnaround capability.

Our intervals through turnarounds. We've used a lot of innovative technologies to make sure that we're only opening up the equipment that needs to be opened up and then that allows us to shorten the length of our turnarounds and to enhance the length of time between turnarounds. We've been able to move some things out in a very fortuitous way. And so in the clean product make you're seeing in addition to the enhanced utilizations, you're seeing higher clean product, better market capture.

Now the margins aren't really there today, but we're going to continue to work away at those small kind of projects that allow us to produce more jet fuel and cleaner products to enhance the value of what we do. And we've got every employee's mind wrapped around to drive, to create value with every decision that we make every day.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Yeah. Last one on refining, Canada, it's obviously a very dynamic environment. We're dealing with a little bit of tighter diffs post TMX, but there's a lot of uncertainty also around tariffs. As you read the tea leaves of what's happening in Washington, do you think common sense prevails? How do you think about (multiple speakers)

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Tea leaves as in Trump leaves? That's the implication there. I think that certainly, the President-elect is certainly, I think, actively positioning himself for some key negotiations. That's clear. And we take seriously what he says, but I think that you've got to do, read the tea leaves to not take literally everything he says. And we hope that he makes the best decisions for the US economy. And there's certainly economic impact on the US economy for any kind of adverse tariff activities on crude oil coming into the country.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

We'll see how this evolves. But let's talk on -- let's pivot back to midstream because this is becoming an increasingly important part of the business. And Don, it's great to have you here. What -- talk big picture about how you envision this business looking five years from now.

Don Baldridge - *Phillips 66 - Executive Vice President, DCP Midstream LP*

Sure. When you think about starting in '23 when we brought in a DCP and really built out this platform of a wellhead-to-market, captured over $400 million in synergies and bringing that in. And it really set us up for what you're seeing us execute today, which is just a methodical process of continuing to grow and build out our value chain from the scale and scope. Obviously, we're very focused in the Permian because that's where we see a lot of follow-on growth opportunities. Organically, we're doing some of that with post our Pinnacle acquisition building a second processing train there.

We see more opportunities like that for additional growth and really continuing to aggregate our NGL supply, feeding our downstream system where we think we have an advantage set up with our Sweeny Complex and our Freeport Export market there, which is a great location. You package that all with what Phillips has from a capability are really a worldwide commodity managing type company where we have trading offices in Singapore, Calgary, London, where really we are managing commodities across the globe and you bring midstream in and have that kind of volume and that kind of supply portfolio, it really affords us a lot of opportunities.

So we see continued growth coming out of the midstream segment. It's an important part of our growth story for Phillips 66. With this transaction, we've updated our mid-cycle guidance from $3.8 billion to $4 billion. We think, like I said, EPIC affords us a nice expansion opportunity around the fractionation facilities in Corpus. We see additional organic growth in the Permian.

We think that $4 billion continues to grow with those type of opportunity sets that we have in front of us. These are very straightforward in terms of their execution, well within our wheelhouse. In terms of M&A and acquisitions, those are really just if they're enhancements, if they are strategic, do they give us scale? Do they improve our ROCE? Those are things that we'll think about from a growth standpoint. So we see we have a platform and a portfolio that is going to continue to generate opportunities of growth, continue to generate investment opportunities that are accretive.

So we're very excited with where this goes over the next several years. This is I think really going to be important part of where Phillips 66 ends up from a growth trajectory.

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

And that $4 billion of earnings is very consistent, low volatility earnings, high quality earnings. And it really sets a base load that it protects our dividend. It protects our sustaining capital. It really positions us well to return to shareholders as well.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

$4 billion is a very meaningful number. It's become a large part of the business. I guess the question we often get is can you get full credit for the value of a midstream business that should deserve a much higher multiple embedded in a diversified company that's often perceived to be a refining company. And so how do you evolve the narrative -- the investor narrative to understand that the business mix is changing?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Well, we've had great narratives today in this conference with the announcement. I think the announcement of EPIC really demonstrates our commitment to the NGL midstream business and how we can go out and proactively capture value and enhance the value of that business and be accretive and do it in a very disciplined way, a very focused way. There's lots of opportunities to grow in midstream, but we're doing it very focused, very deliberate and it's getting a lot of positive attention.

We've had new investors come in over the last couple of years based on what they saw us doing in midstream. And we want to share that gospel with everyone out there that we are committed to that business. We are very disciplined and we're going to generate attractive returns that support our returns to shareholders. And it's a big part of our story. We're not just a refining company. We shouldn't be viewed just through a refining lens, whether it's our balance sheet or whether it's our earnings and earnings volatility. We are diversified on purpose.

We believe that we offer a unique investment opportunity and we're going to show and demonstrate again and again through conversations and through our financial performance and our operating performance that we do have advantages because of the way that we are integrated and the platforms that we have.

Kevin Mitchell - *Phillips 66 - Chief Financial Officer, Executive Vice President*

We will continue with that messaging and enhancing that messaging around the portfolio, the portfolio construct and the magnitude of the non-refining business. What's also important as part of that is to demonstrate that there's real integration value from having the different businesses that we are in.

And we need to be able to demonstrate that, investors need to be able to see that, it needs to be visible and understandable because that's how we create the value proposition that the company we have today with the portfolio of businesses we have is value accretive versus the typical standalone refining entity, midstream entity and so on. So we need to continue on that messaging and demonstrate that integration value.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Kevin or Mark, can you talk about one or two examples of that integration value that would help to bring it to light?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

I think the clearest example is our Sweeny Complex. And by the way, EPIC will tie directly into the Sweeny Complex, and we will have this bidirectional freeway from Mont Belvieu to the Sweeny Complex down to Corpus Christi and back that allows us to optimize across the entire Gulf Coast with the purity products that the Don's fractionators will produce or exports. We can export out of multiple locations now, but Sweeny itself, we've got an outstanding refinery there that has -- is co-located with four fractionators. We've got incredible storage platform at our Clemens storage terminal, underground salt dome Clemens.

They're all directly connected to both to Mont Belvieu as well as the Freeport terminal and CPChem as a massive presence at Sweeny that we capture integration value there. We can support their operations as well as our operations. And this complex on the Gulf Coast, you think about CPChem up at Cedar Bayou east of Houston and they're building a new project out in near Orange with the Qataris. Our system can reach out and supply all the way across that Gulf Coast and help them optimize as well.

So the whole network creates a great competitive system that would be impossible to duplicate, replicate in this environment going forward.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Last one on midstream is, do you view a lot of these transactions, whether it's Pinnacle or EPIC have been more bolt-on in nature? DCP, a little bit, I'll characterize it as mid-scale. Do you see the potential if the currency is there to do, which is probably trickier now in light of what some of these midstream companies have done and the refining macro but over time to be a large-scale midstream consolidator?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Yeah. I think that that's always a potential out there, but the metrics have to make sense, Neil. It's -- yeah, we are focused entirely on value creation, enhancing the value of what we do. If there's a compelling story, we will pursue it. But as you noted, the valuations are pretty astronomical now. Those companies have done a great job of generating value. And we hope to recognize similar value for the midstream position that we've built out. And I think that if the planets align some day and there's opportunities to consolidate, sure, that would be of interest. But I think that we have a lot to bring to that table.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Mark, you are a chemicals ninja. You so much about the space and you've taught us a lot about it. Where are we in the cycle and how do we them get back to mid cycle?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Yeah. Well, I think we saw the green shoots of improvement last year. The seasonality comes in as it does every year in petrochemicals and compress things a bit. I think you continue to see both domestic growth and North American growth in demand for certainly high-density polyethylene, the sweet spot for CPChem. And you continue to see global demand increases. They've made inroads in Europe as European competitors lose market share.

CPChem is unique in its cost position because of the ethane positions established in North America and the Middle East. And while the industry is running at 60% rates, they're running flat out because they've got the cost position to do that. So we've been resilient. And so as those margins do return, you will see there, they'll just -- they'll be able to stride right into that. I think you'll see continued improvement in petrochemical margins going through the year. The wild card out there is always China.

Now you're seeing a lot of -- CPChem's business historically has been importing into China and re exporting out of China. They've reduced their exposure to China because a lot of that re-export business has moved elsewhere and it's more of a question in China around what their domestic demand is versus that re-export. So the rest of the globe continues to grow demand for high density polyethylene. And long term, we see the fundamentals are strong there. And so we're going to see a long slow climb out of what probably last year was the cyclical low.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And you've talked about $0.3 a pound being your view of mid-cycle. Has that evolved at all?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

I think that's still our view. And we were creeping up on that last year and then softness -- the typical seasonal softness hit. And so I think you can see -- you'll see that coming back -- coming into this year.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Let's finish off on capital allocation. It's been a big part of the strategy to return capital to shareholders in the form of buybacks and dividend growth. How should we think about that in 2025 in light of a softer refining cash flow environment?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

When you think about our cash flow, the first $1 billion goes to sustaining our assets, to make sure we have that reliability that we want. And then a couple of billion dollars goes to a secure, competitive and sustainably growing dividend. And our share repurchase plan has supported our ability to grow the dividend per share without increasing that outlay. In fact, it's dialed back a little bit while we still grow the dividend. And so we're absolutely committed to the dividend.

And then the ultimate commitment is to return at least 50% of our cash -- our operating cash flow to shareholders. So you top that up for share repurchases. We've been more in the range of 60% plus for the last couple of years. And those efforts and the acquisition opportunities in our capital allocation have been supported by the asset dispositions. We've -- we came out, we said, look, we're going to monetize at least $3 billion of assets. We've done that. You're going to see most of those proceeds show up this year.

We've got other opportunities out there that we're still working on that will take us above that level. And so that supports both the acquisitions as well as ongoing share repurchases and balance sheet opportunities that we may have along the way.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

And then mid-cycle number, Kevin, you spent a lot of time talking to the market about it in the $14 billion. How -- in light of the refining environment and the chemicals environment and some of the M&A and divestitures, there's a lot of moving pieces, how would you help -- how should we think about that number?

Kevin Mitchell - *Phillips 66 - Chief Financial Officer, Executive Vice President*

So in overall terms, it doesn't change much, right? So clearly, we're not in a mid-cycle refining environment. We're not in the mid-cycle chemicals environment, but our view of mid-cycle has not changed. And in fact, as you -- as Mark talked earlier about the refining macro, we expect to be in a very healthy refining environment in the not-too-distant future. And so our views of mid-cycle have not changed.

The changes that we're seeing around mid-cycle impacts are specific in the midstream as you look at some of the dispositions we've done and now acquisition activity. And so we're seeing that number increment up slightly. So with the materials we put out on the acquisition, we've moved the mid-cycle midstream EBITDA from $3.8 billion to $4 billion. Pretty small change in the context of a $14 billion total. But in aggregate, we're still pretty confident that that number around about $14 billion is a good way to think about our mid-cycle EBITDA generation -- generating capability.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

The -- Kevin, when you look at the differences and Jeff, this could be a good question for you as well, the difference if it's between Wall Street and that $14 billion, where do you think the biggest deltas still are? Are they -- is it chems, is it --

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Jeff Dietert - *Phillips 66 - Vice President, Investor Relations*

The biggest delta is in refining and well below mid-cycle refining environments baked into the '25, '26 outlook. Chemicals is also below mid-cycle from what's baked into sell side consensus. And those are the two big elements.

Kevin Mitchell - *Phillips 66 - Chief Financial Officer, Executive Vice President*

And to be clear, the '25 number, mid-cycle number we put out, it was never our projection for '25 because our internal number for '25 is a lot significantly lower than mid-cycle as well because of that dynamic.

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

And on that refining mid-cycle number, we've been more prescriptive based on our market indicator of what our market indicator has to be when we view. Because we get a lot of questions. Well, what have you been like in mid-cycle and refining? And so we use that as the marker. So it's crystal clear what we mean.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Yeah. So I'll finish with you, Mark. You've got -- the business has got an interesting peer set. Of course, they're the large cap refiners, but also, it's looked at in the context of other integrated oils. It's looked at in the context of midstream companies increasingly. Why do you think that the investment community at this conference should be focused on PSX in 2025 relative to those pure play alternatives?

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Yeah. I think we are focused on downstream and so we don't have the complexities and the cycle of investment that an upstream company has. And the set of businesses that we have are much more similar, refining petrochemicals, midstream renewables, very focused on molecule management and optimizing across platforms. And when you look at the way we're set up particularly in the mid-continent and the Gulf Coast, we've got the crude value chain, we've got the NGL value chain, and we've got interconnections between those value chains that we are optimizing every day.

We can optimize across refineries. We can optimize out into our marketing network, export platforms. And you can see how this EPIC transaction fits right into that. And so we believe, as Kevin said, that because of our ability to optimize those molecules, those barrels, those gallons across that system to make better decisions faster and trade around that with the information flow that we have at our fingertips on a global basis that we can deliver value greater than the apparent sum of our parts.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

All right. Thank you all for being here. It's always a highlight to have Phillips 66 at the conference and you gave us something exciting to talk about this morning.

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Glad to do it.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Thank you.

Mark Lashier - *Phillips 66 - Chairman of the Board, President, Chief Executive Officer*

Thanks, Neil.

Neil Mehta - *Goldman Sachs Group Inc - Analyst*

Thank you.