PROVIDING ENERGY. IMPROVING LIVES.

# Fourth Quarter 2022

## CONFERENCE CALL

Billings Refinery
BILLINGS, MT

# 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 news release 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: the effects of any widespread public health crisis and its negative impact on commercial activity and demand for refined petroleum products; the inability 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 like the renewable fuel standards program, low carbon fuel standards and tax credits for biofuels; fluctuations in NGL, crude oil, and natural gas prices, and petrochemical and refining margins; our ability to consummate the pending acquisition of all of the outstanding public common units of DCP Midstream, LP (DCP Midstream) and the timing and cost associated therewith; our ability to achieve the expected benefits of the integration of DCP Midstream and from the pending acquisition, if consummated; the diversion of management's time on transaction and integration-related matters; unexpected changes in costs for constructing, modifying or operating our facilities; 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; the inability to comply with governmental regulations or make capital expenditures to maintain compliance; 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 governmental policies relating to NGL, crude oil, natural gas, refined petroleum products, or renewable fuels pricing, regulation or taxation, including exports; 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.

This presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the "Investors" section of our website.

This presentation also includes the term "adjusted EBITDA," which, as used in this presentation, is a forward-looking non-GAAP financial measure. 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. Adjusted EBITDA estimates depend on future levels of revenues and expenses, including amounts that will be attributable to noncontrolling interests, which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected adjusted EBITDA to consolidated net income or segment income before income taxes 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, prior period results 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

# 2022 Investor Day Priorities

**Deliver Shareholder Returns**
- $2.4 B shareholder distributions 2H 2022
- On track to meet $10 B - $12 B by YE 2024

**Improve Refining Performance**
- Executed 2022 peak planned turnarounds below cost guidance

**Capture Value from Wellhead to Market**
- Acquire DCP public common units 2Q 2023
- Expected uplift of $1.3 B adjusted EBITDA

**Execute Business Transformation**
- >$300 MM annualized cost savings in 2022
- $200 MM sustaining capital reduction

**Maintain Financial Strength and Flexibility**
- Advancing EBITDA growth strategy
- 24% net-debt-to-capital ratio

**Drive Disciplined Growth and Returns**
- Disciplined capital program
- CPChem FID on two world-scale projects

# 2022 Overview

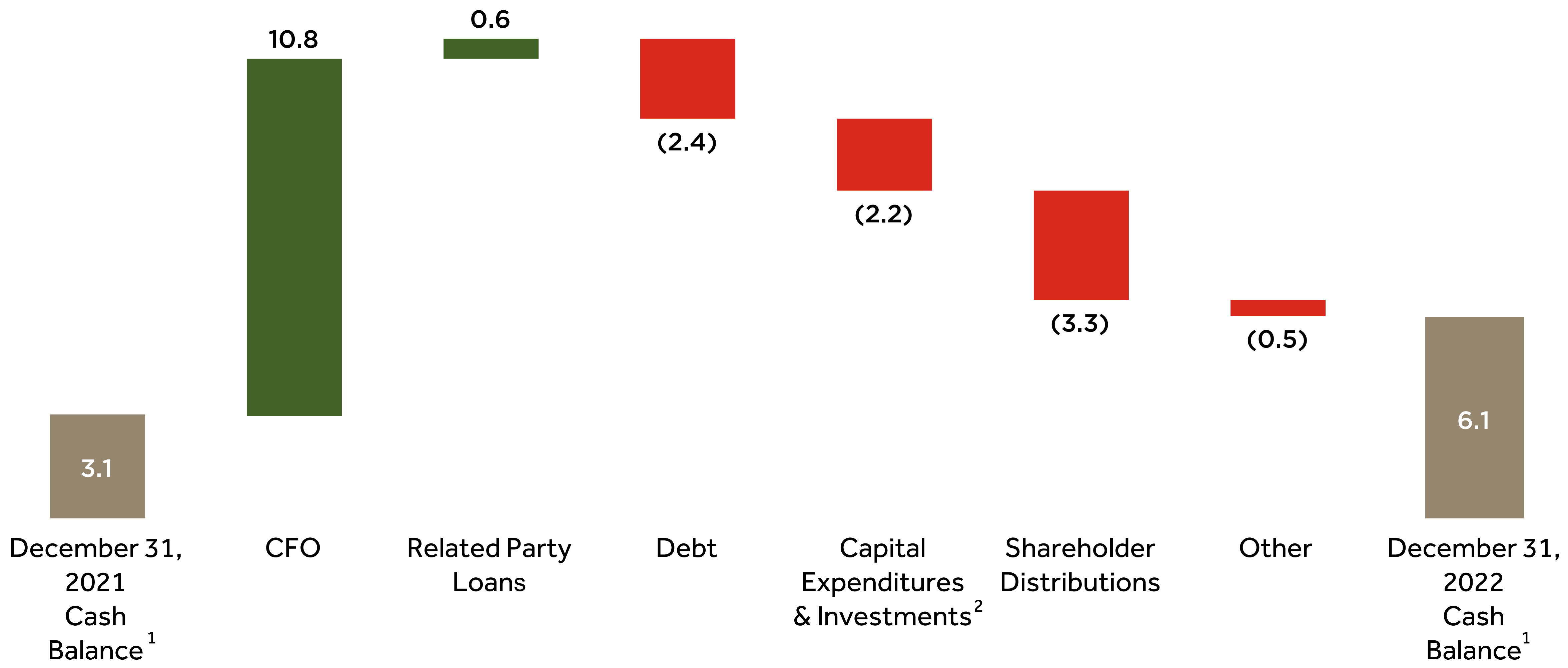
## $MM (UNLESS OTHERWISE NOTED)

| | |
|---|---|
| Adjusted earnings | $8,901 |
| Adjusted EPS[1] | 18.79 |
| Operating cash flow | 10,813 |
| Capital expenditures and investments | 2,194 |
| Shareholder distributions | 3,306 |
| Common shares outstanding at December 31 | 466 MM |
| Net debt-to-capital ratio | 24% |
| Adjusted ROCE[2] | 22% |


1) Represents dollars per share. 2022 is based on weighted-average diluted shares of 474 million.
2) After-tax

# 2022 Cash Flow

$B




1) Includes cash and cash equivalents
2) Net of cash acquired

# 4Q 2022 Overview

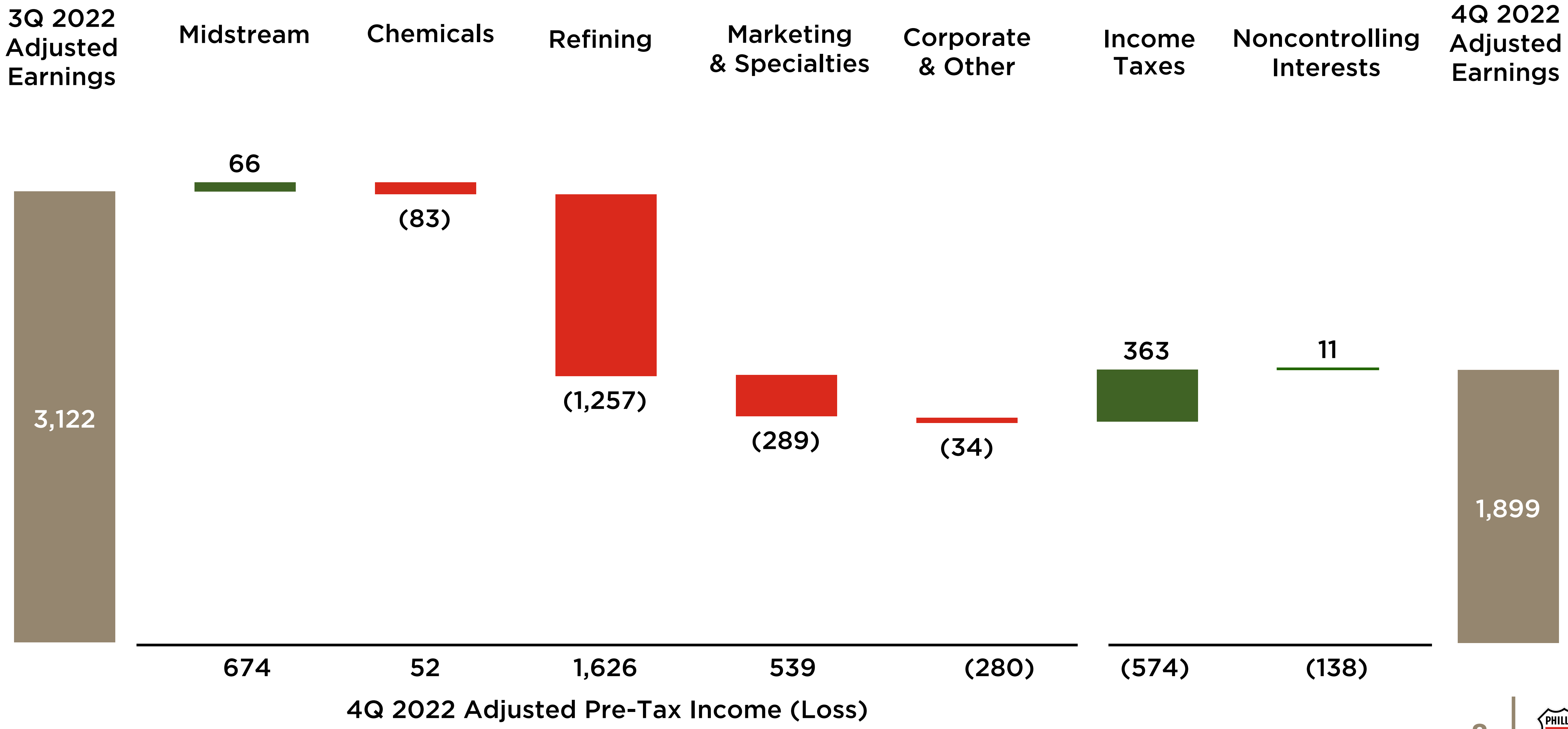
## $MM (UNLESS OTHERWISE NOTED)

| | | |
|---|---|---|
| Adjusted earnings | $1,899 | |
| Adjusted EPS[1] | 4.00 | |
| Operating cash flow | 4,750 | |
| Capital expenditures and investments | 713 | |
| Shareholder distributions | 1,209 | |
| Common shares outstanding at December 31 | 466 | MM |


1) Represents dollars per share. Q4 2022 is based on weighted-average diluted shares of 474 million.

# 4Q 2022 Adjusted Earnings

## 4Q 2022 VS. 3Q 2022 ($MM)



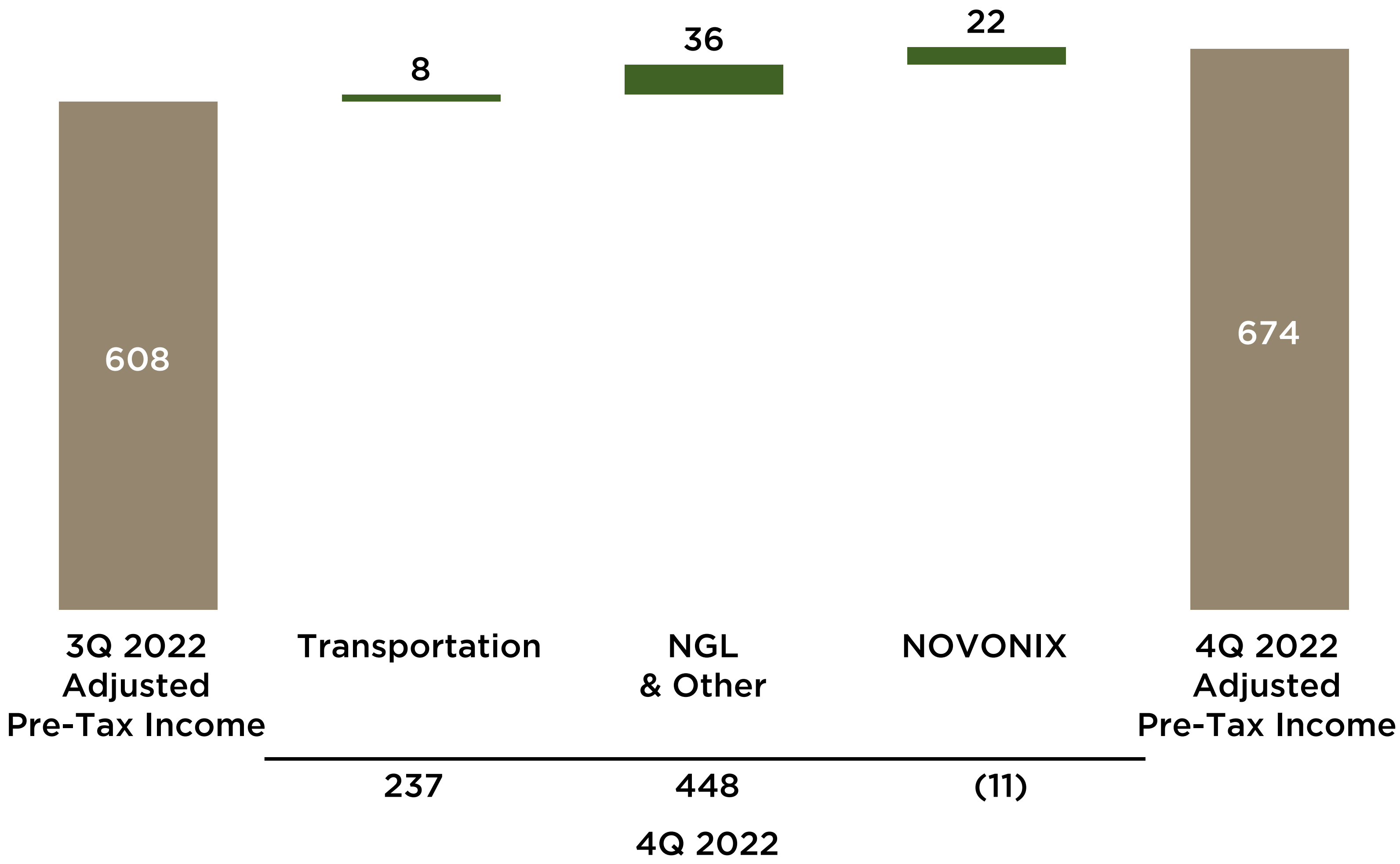
# 4Q 2022 Midstream Adjusted Pre-Tax Income

## 4Q 2022 VS. 3Q 2022 ($MM)

Record LPG cargos

Record NGL fractionated volumes

Full quarter of results for DCP Midstream, Sand Hills Pipeline and Southern Hills Pipeline



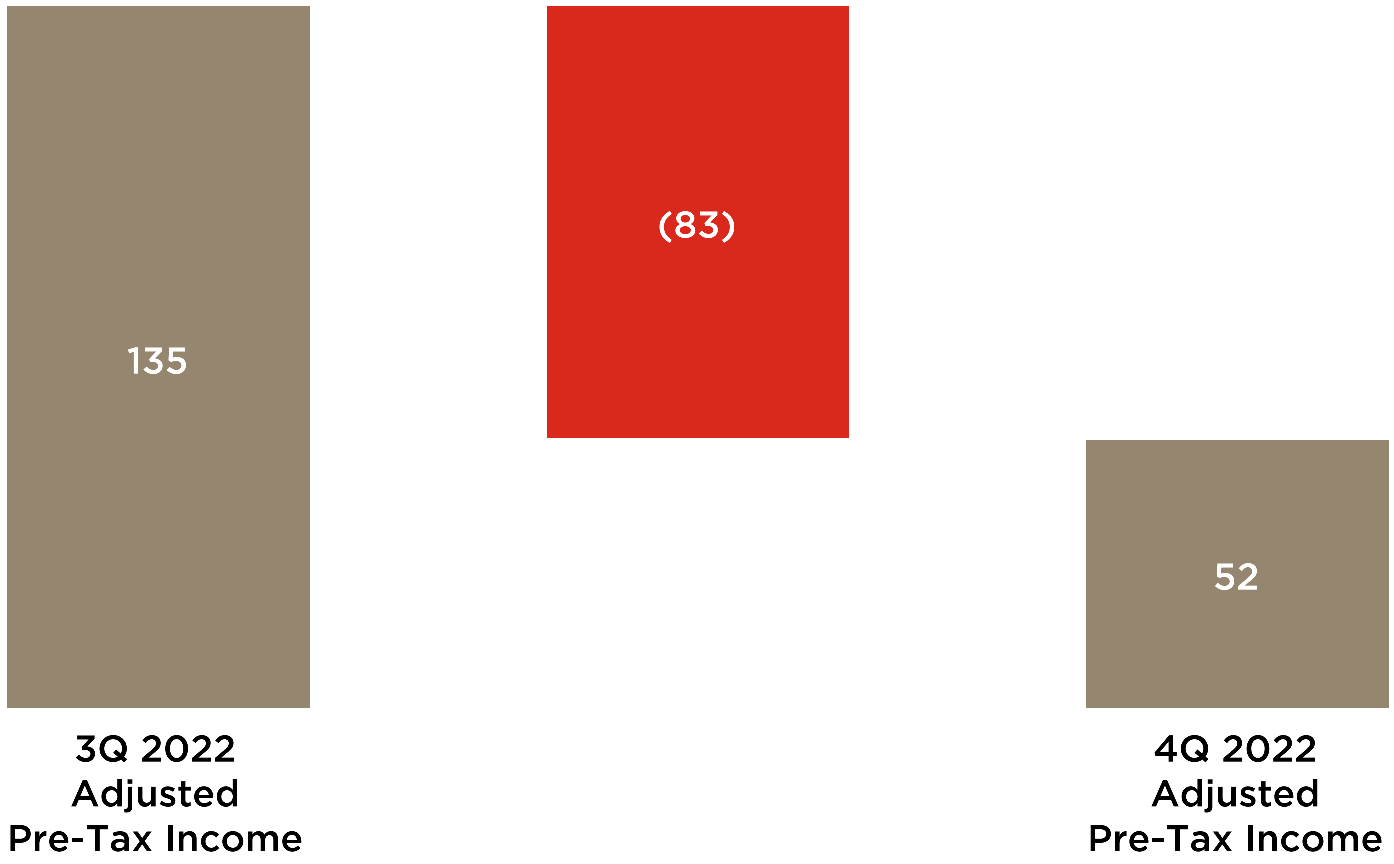
# 4Q 2022 Chemicals Adjusted Pre-Tax Income

## 4Q 2022 VS. 3Q 2022 ($MM)

Lower margins

83% O&P utilization

FID reached on integrated polymers facilities on U.S. Gulf Coast and in Ras Laffan



# 4Q 2022 Refining Adjusted Pre-Tax Income

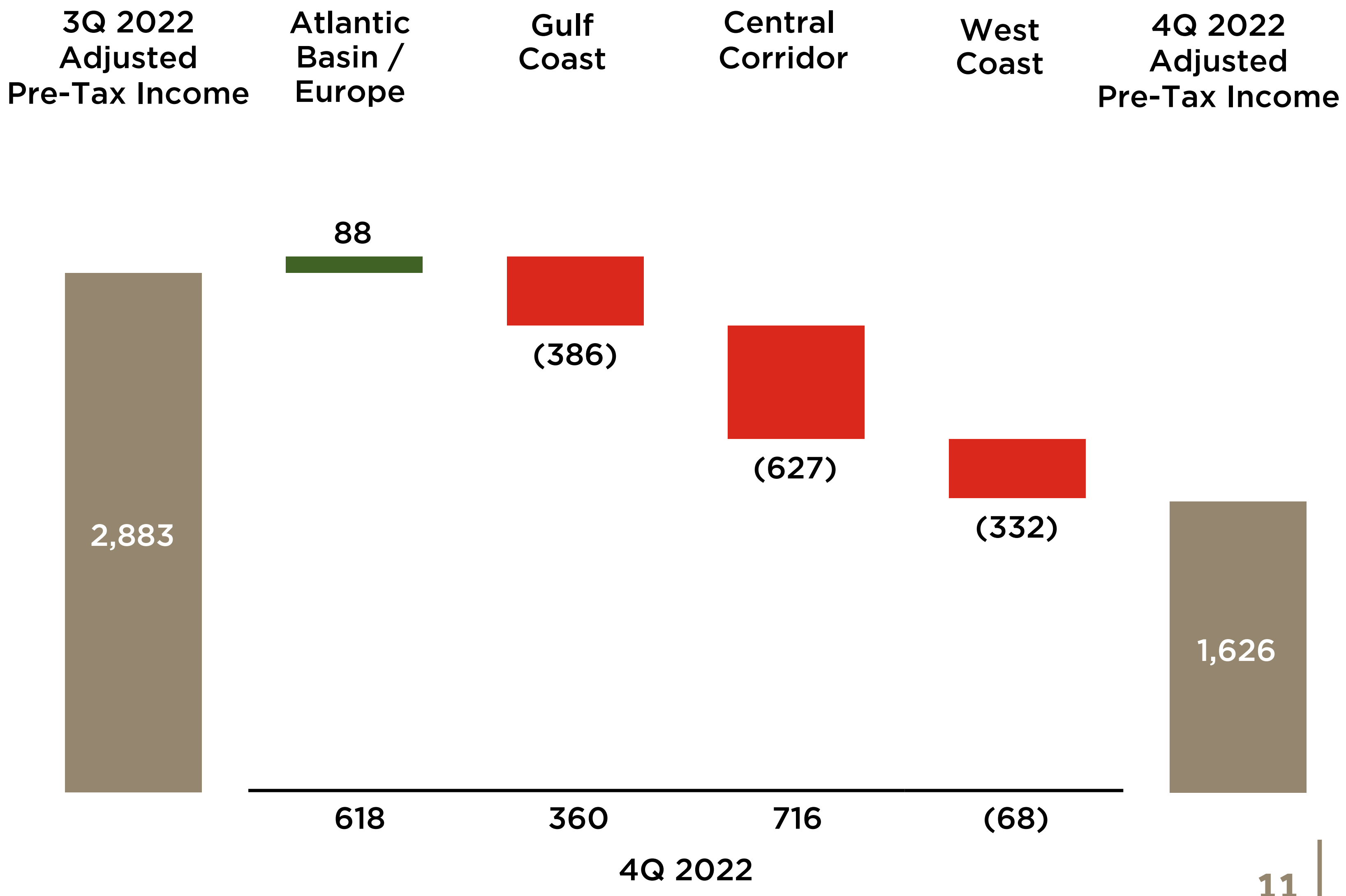
## 4Q 2022 VS. 3Q 2022 ($MM)

91% crude utilization

86% clean product yield

$19.73/BBL realized margin

$236 MM turnaround costs



# 4Q 2022 Refining Margins – Market vs. Realized

## WORLDWIDE REFINING ($/BBL, UNLESS OTHERWISE NOTED)


Avg Market Crude: $86.12

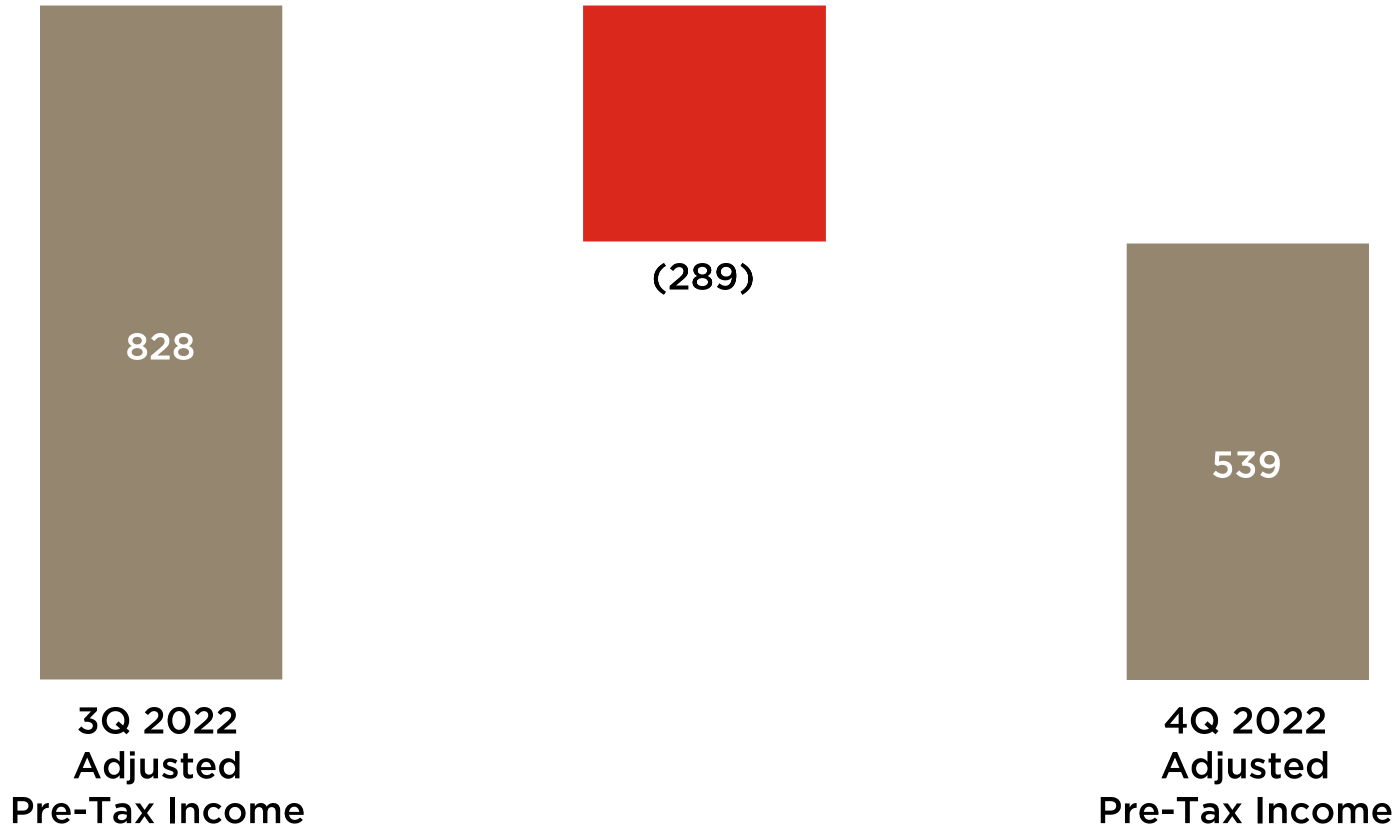
84% RIN-Adjusted Market Capture

# 4Q 2022 Marketing & Specialties Adjusted Pre-Tax Income

4Q 2022 VS. 3Q 2022 ($MM)

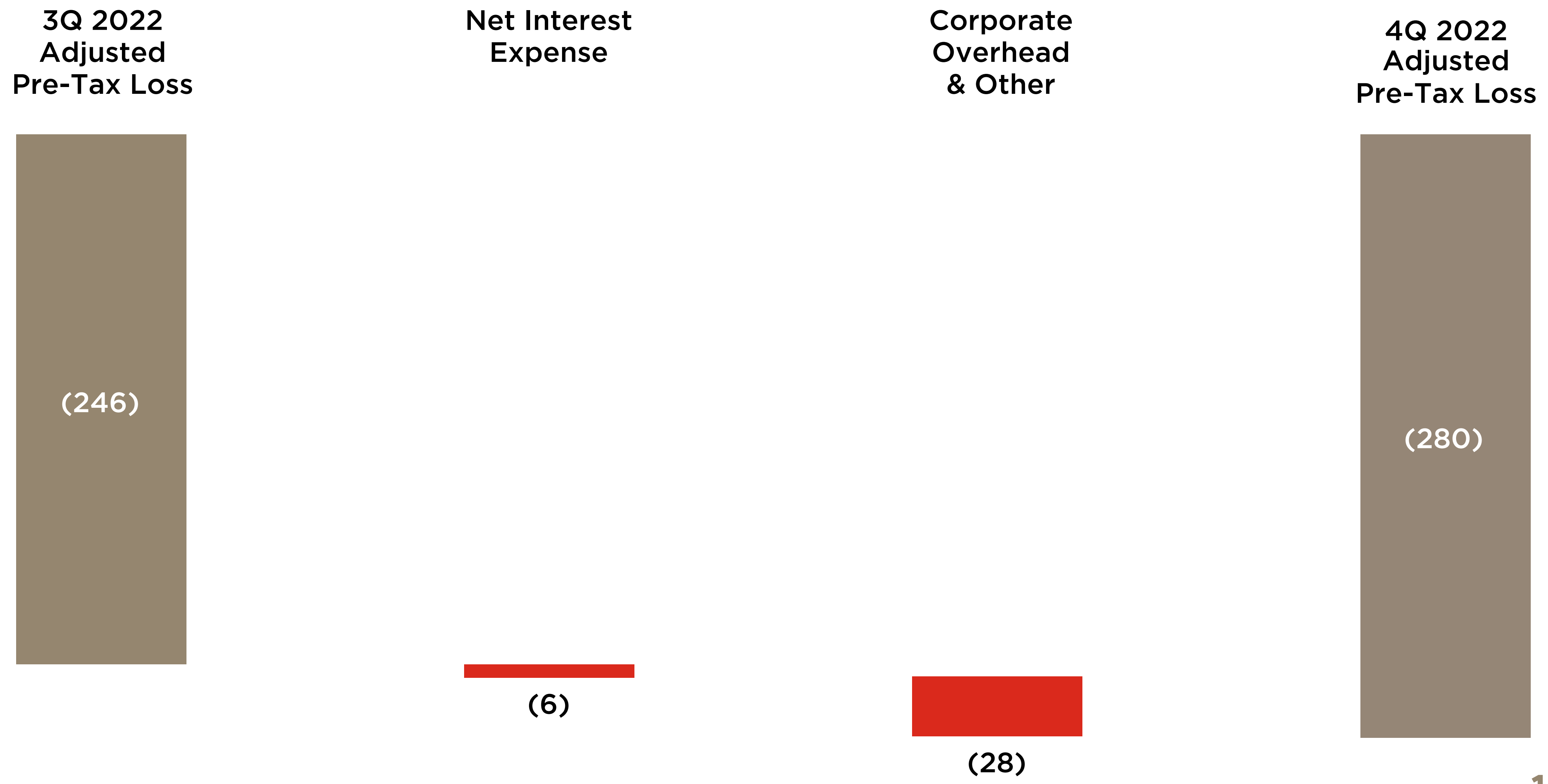
Lower domestic margins

Lower international margins



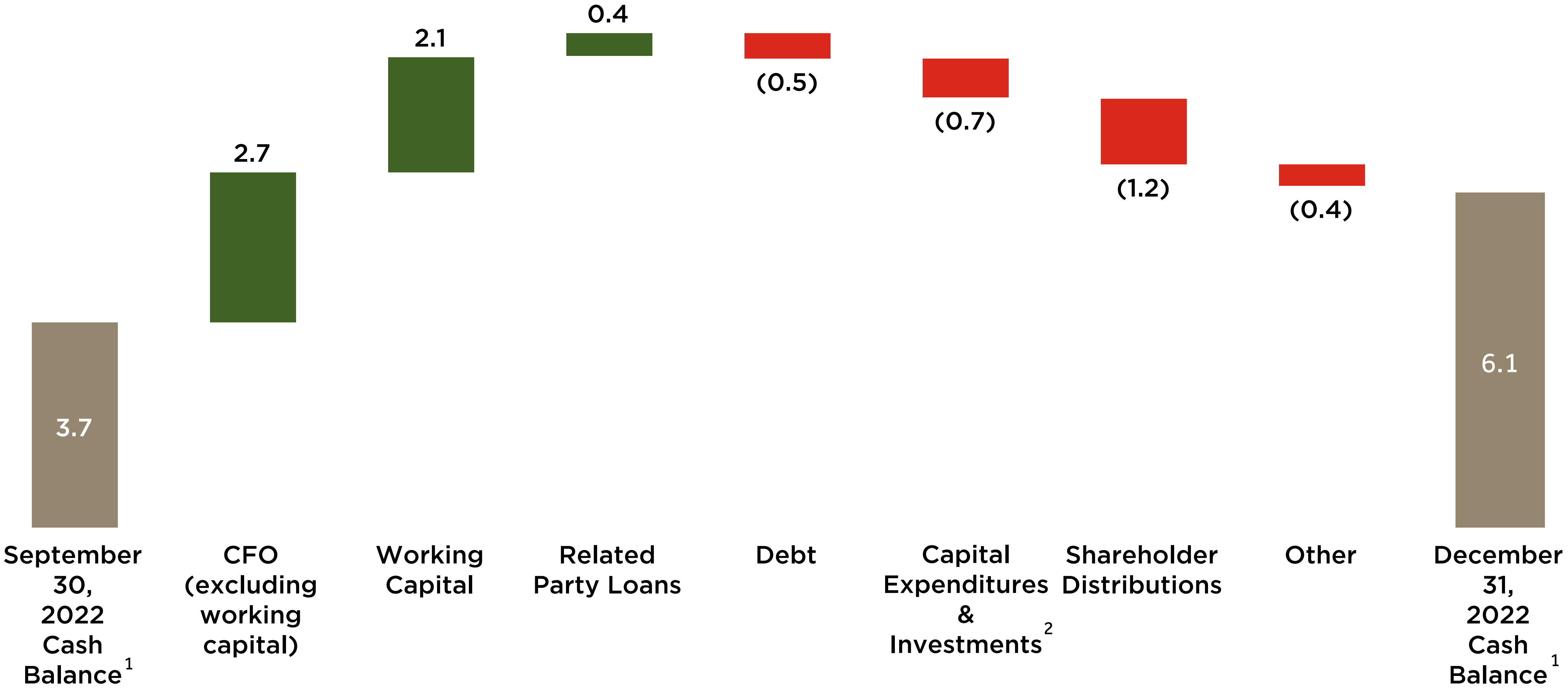
# 4Q 2022 Corporate & Other Adjusted Pre-Tax Loss

## 4Q 2022 VS. 3Q 2022 ($MM)



# 4Q 2022 Cash Flow

$B




1) Includes cash and cash equivalents
2) Net of cash acquired

# Outlook

| | |
|---|---|
| <u>1Q 2023</u> | |
| Global Olefins & Polyolefins utilization | Mid-90% |
| Refining crude utilization | Mid-80% |
| Refining turnaround expenses | $240 MM - $270 MM |
| Corporate & Other costs | $230MM - $260 MM |
| <u>2023</u> | |
| Refining turnaround expenses | $550 MM - $600 MM |
| Corporate & Other costs | $1.0 B - $1.1 B |
| Depreciation and amortization | $2.0 B |
| Effective income tax rate | 20-25% |

# Questions and Answers

# Appendix


Phillips 66 Branded Marketing Site
ST. LOUIS, MO

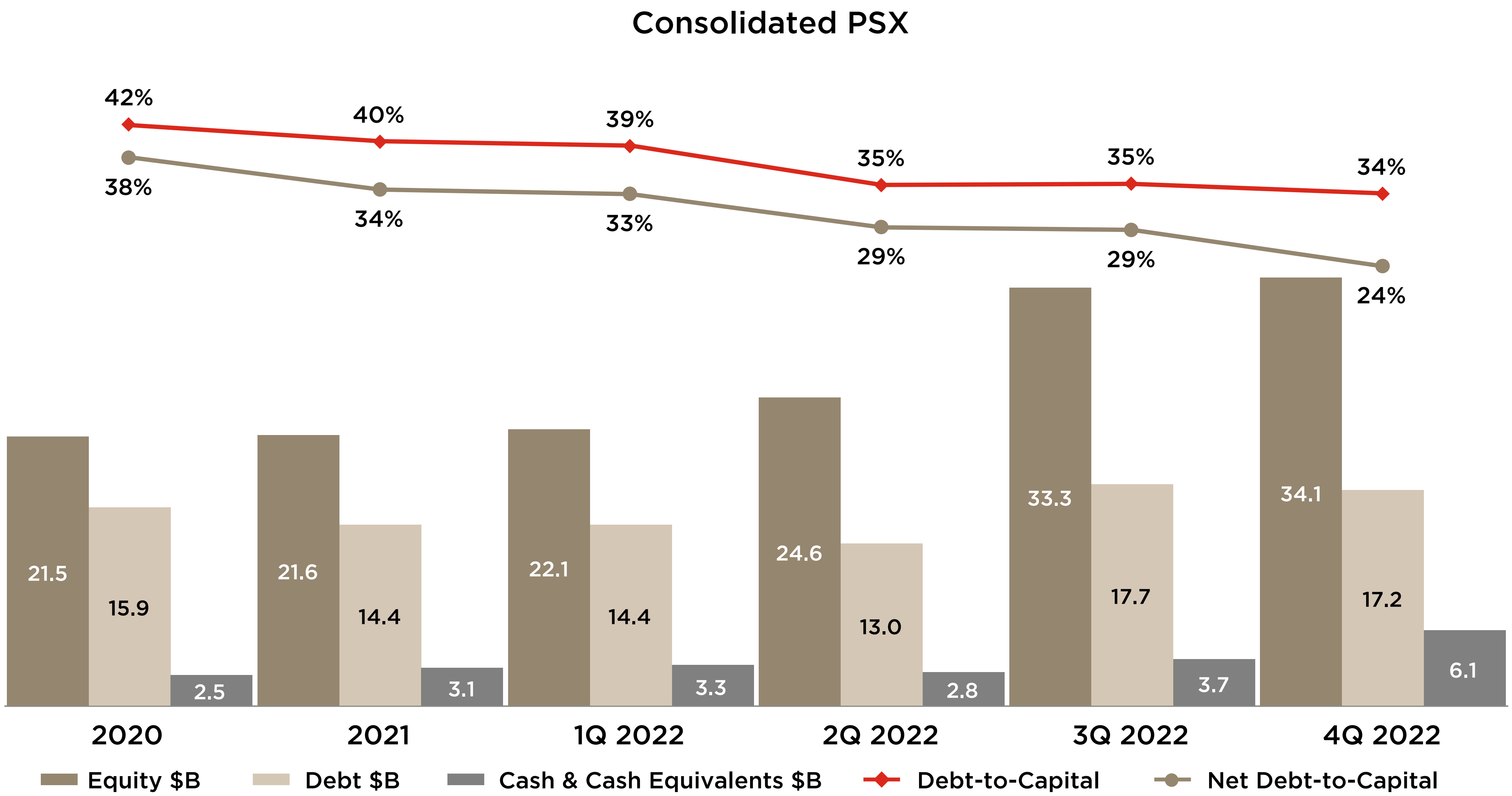
# 2023 Estimated Sensitivities

| | Annual Adjusted EBITDA $MM [1] |
|---|---|
| **Midstream - DCP (net to Phillips 66)** | |
| 10¢/Gal Increase in NGL price | 45 / 85 [2] |
| **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 below are independent and are only valid within a limited range

(2) Annualized sensitivity of $45 MM based on current 43% economic interest and $85 million based on economic interest of 87% post the pending acquisition of all public common units of DCP Midstream LP.

# Capital Structure



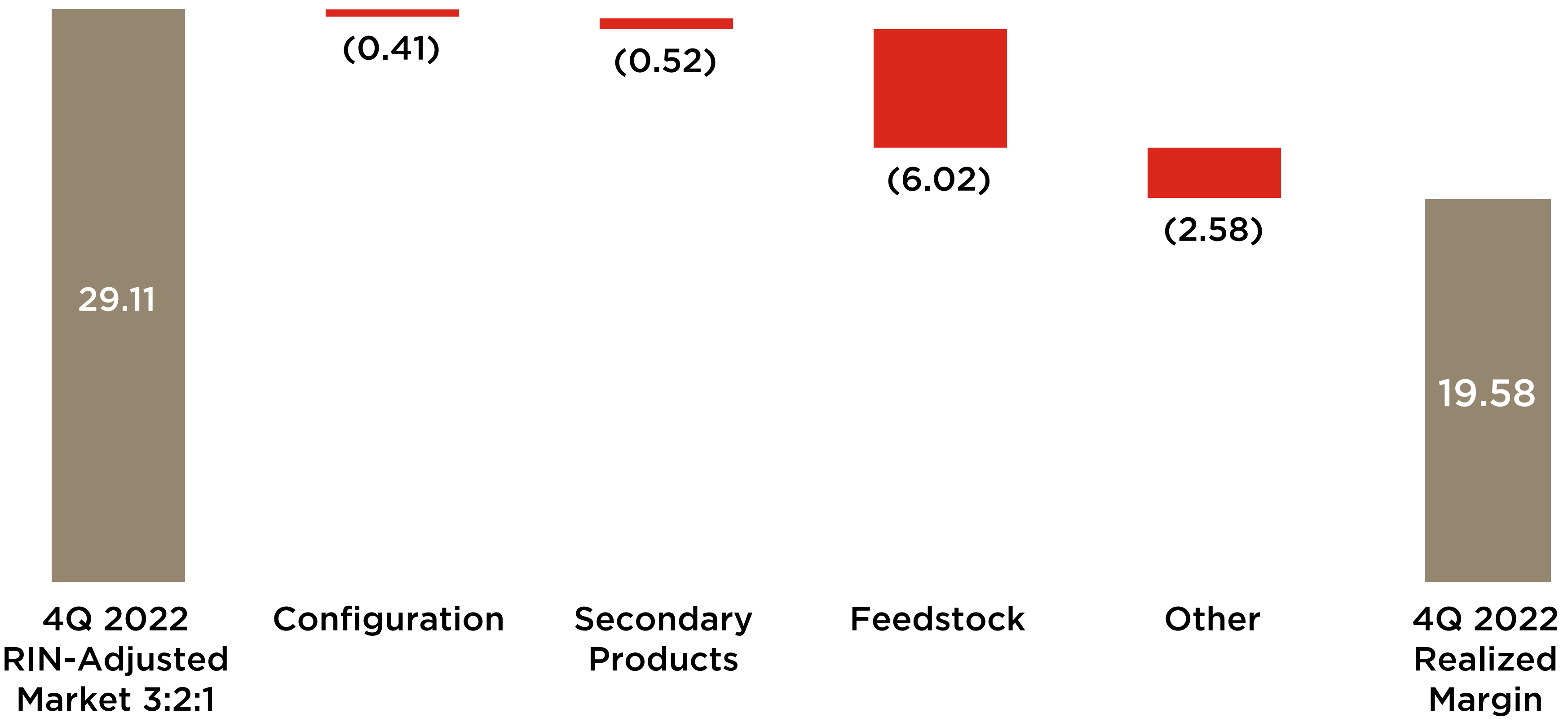
# 4Q 2022 Refining Margins – Market vs. Realized

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

**Brent: $88.71**

**101% crude utilization**

**67% RIN-adjusted market capture**




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

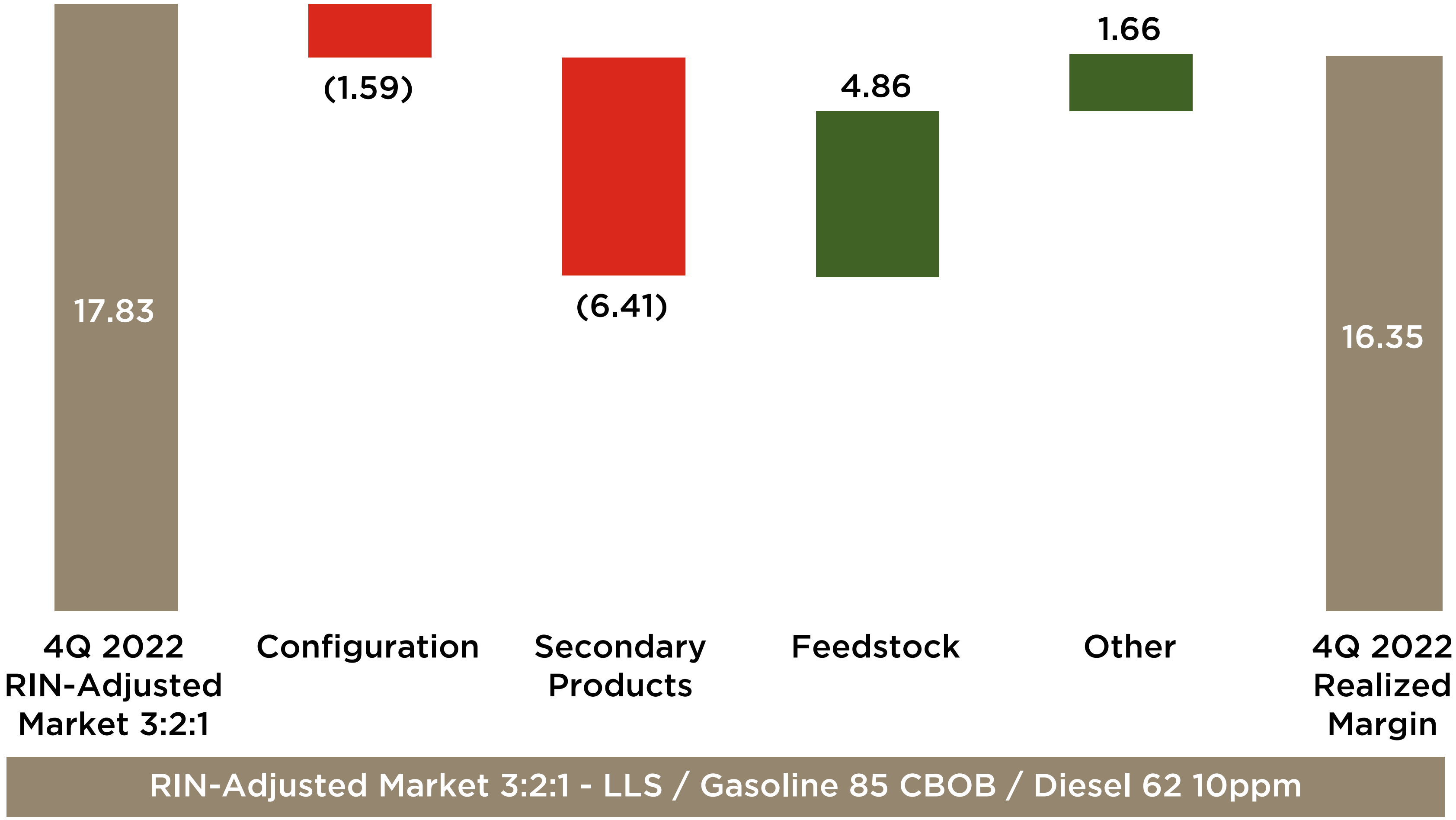
# 4Q 2022 Refining Margins – Market vs. Realized

GULF COAST ($/BBL, UNLESS OTHERWISE NOTED)

LLS: $85.50

89% crude utilization

92% RIN-adjusted market capture



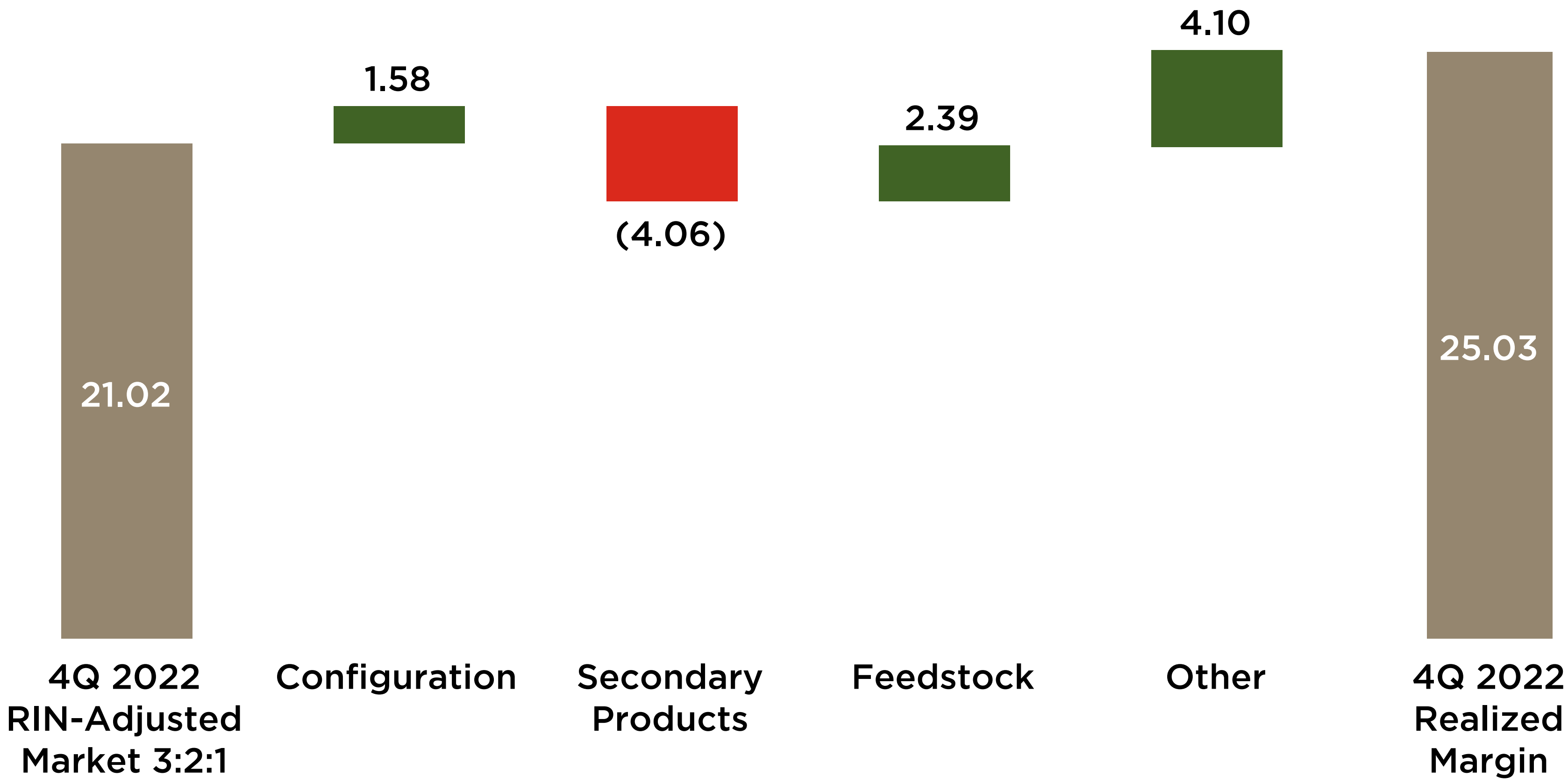
# 4Q 2022 Refining Margins – Market vs. Realized

CENTRAL CORRIDOR ($/BBL, UNLESS OTHERWISE NOTED)

WTI: $82.85

94% crude utilization

119% RIN-adjusted market capture




RIN-Adjusted Market 3:2:1 - WTI / Gasoline Unl Sub Octane Group 3 / ULSD Group 3

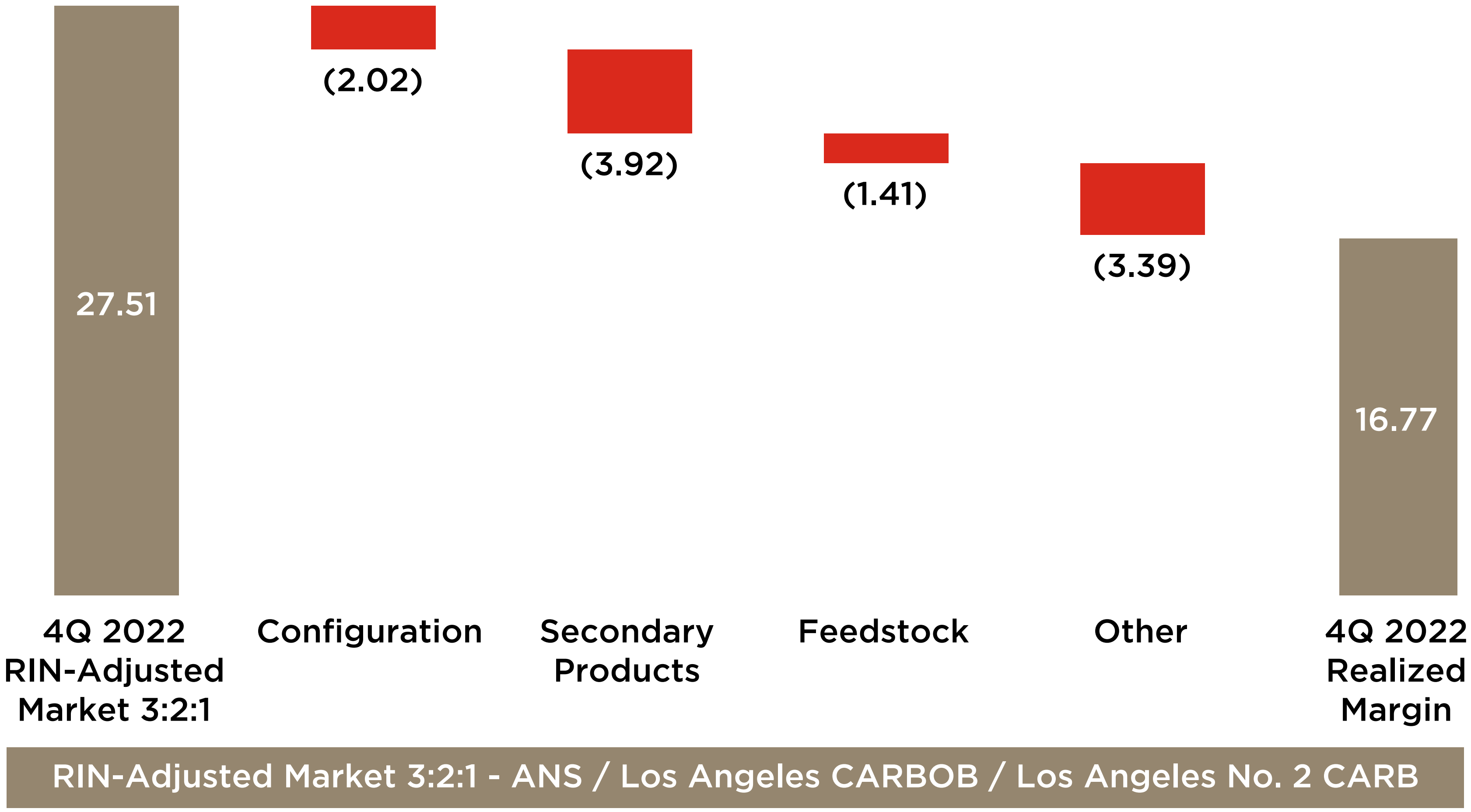
# 4Q 2022 Refining Margins – Market vs. Realized

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

ANS: $87.99

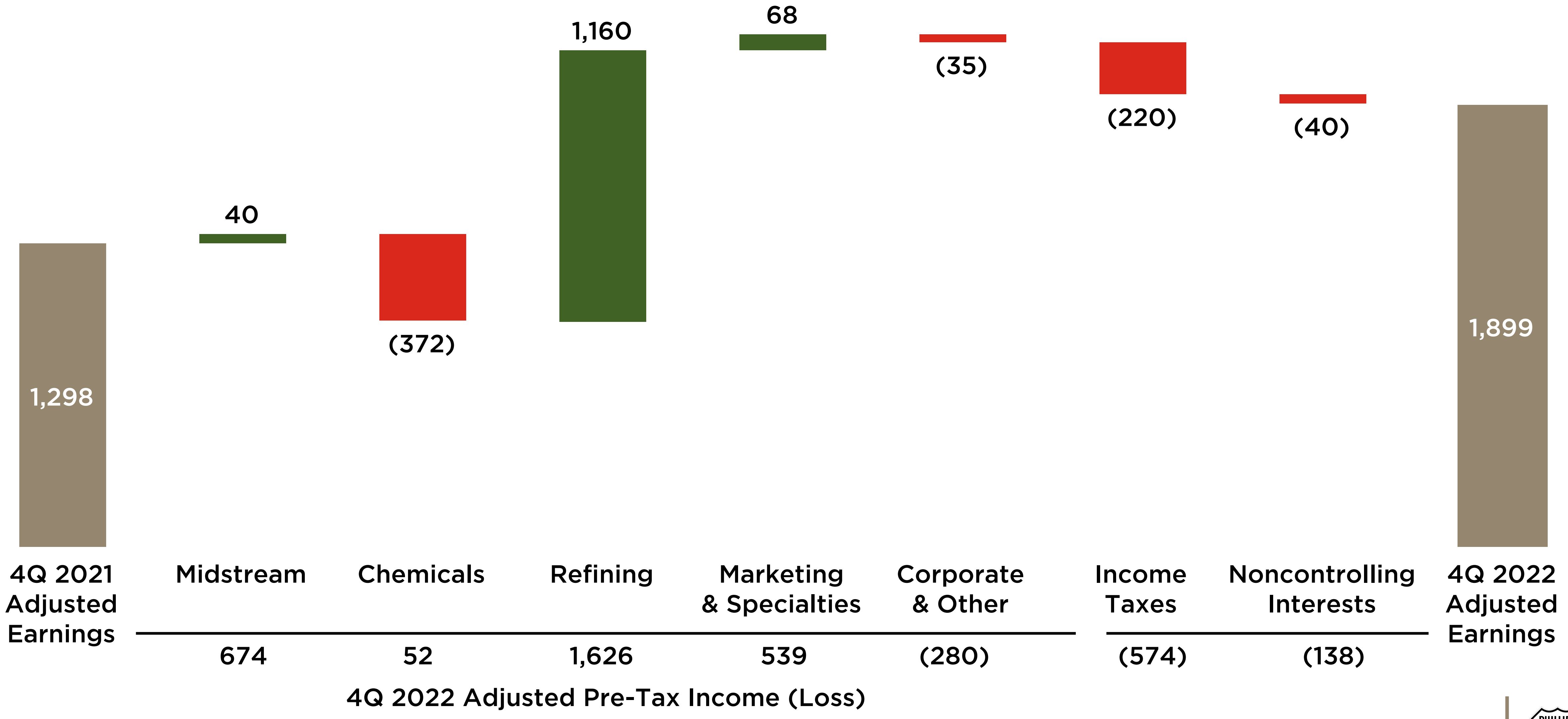
74% crude utilization

61% RIN-adjusted market capture



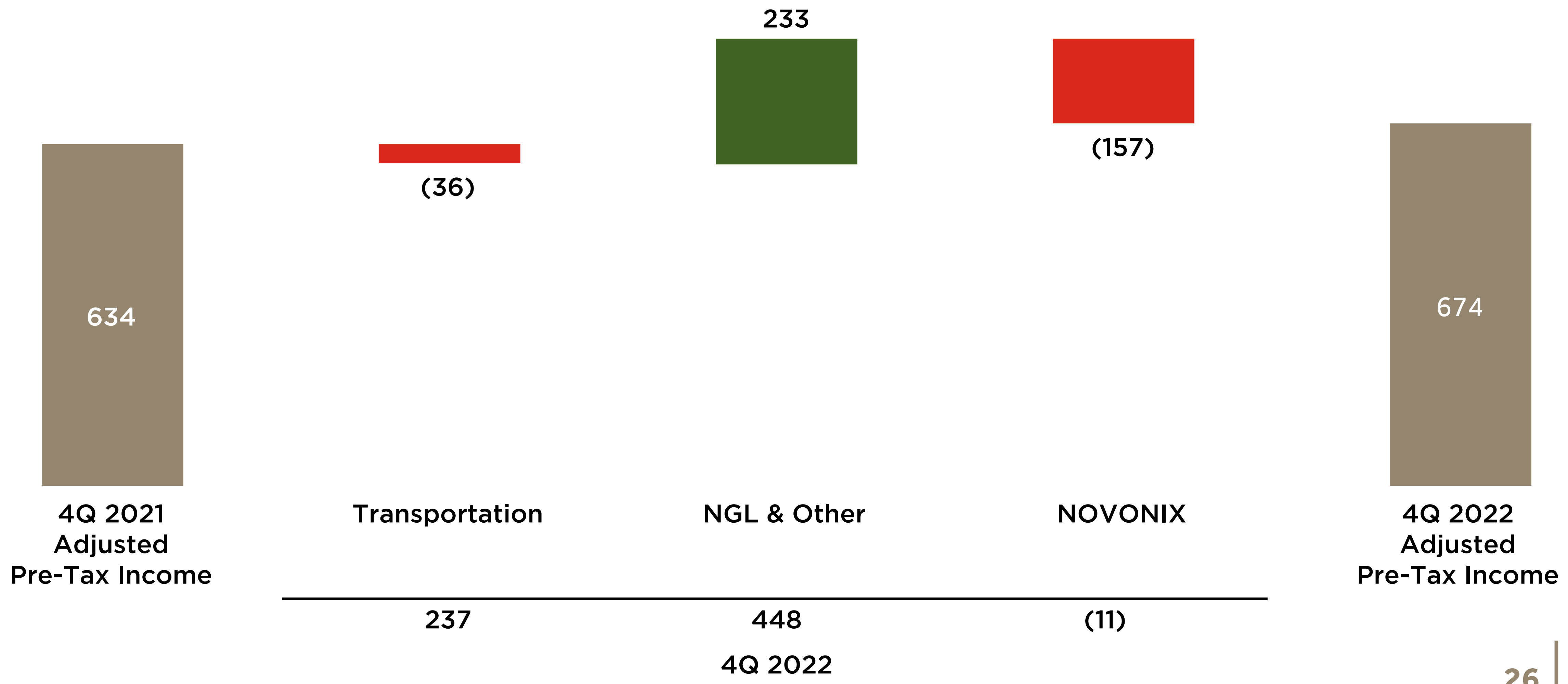
# 4Q 2022 Adjusted Earnings

## 4Q 2022 VS. 4Q 2021 ($MM)



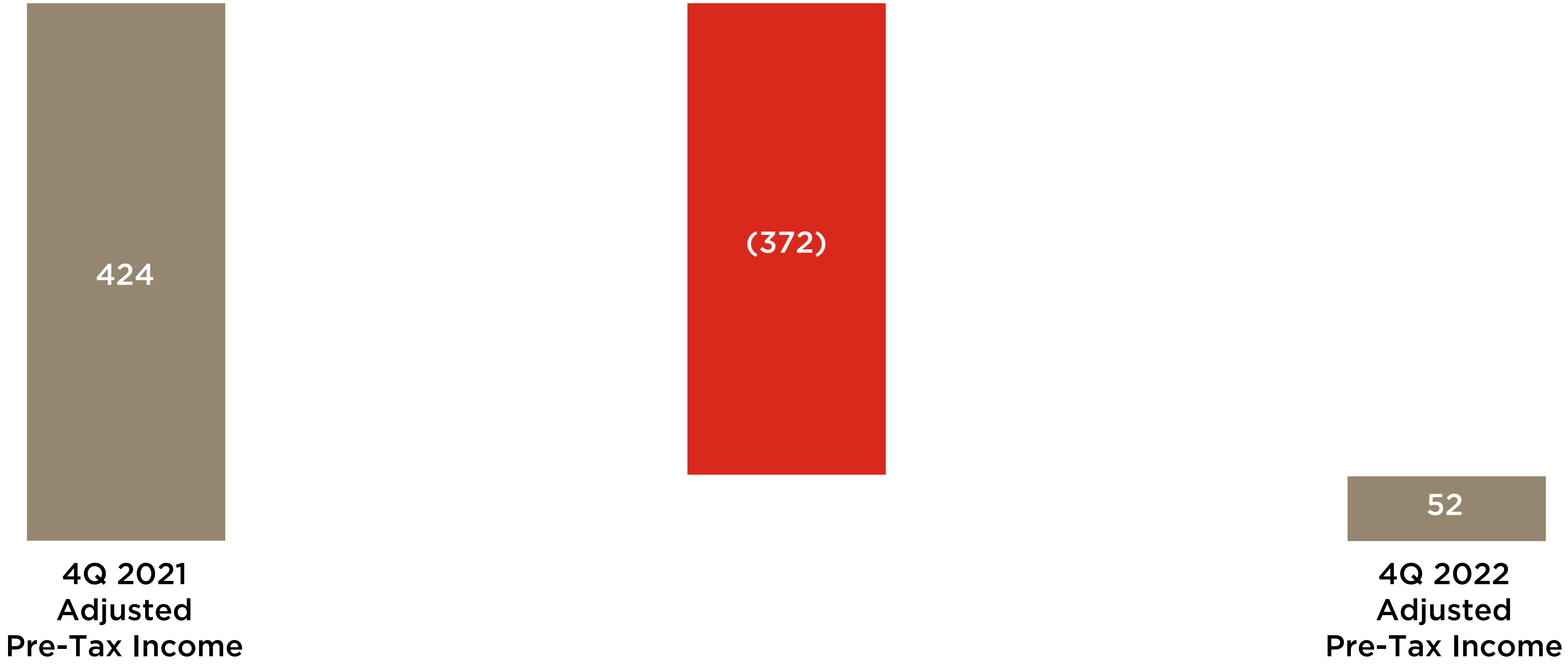
# 4Q 2022 Midstream Adjusted Pre-Tax Income

## 4Q 2022 VS. 4Q 2021 ($MM)



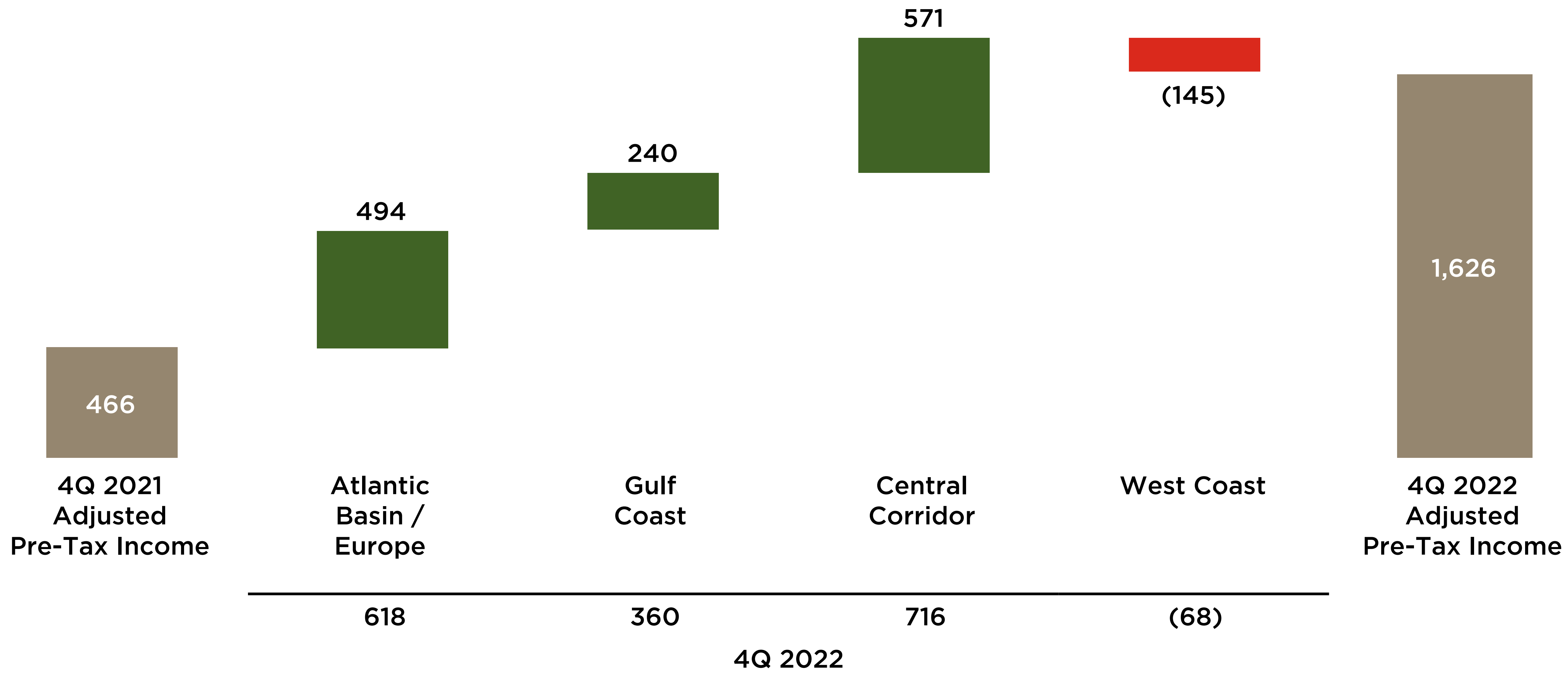
# 4Q 2022 Chemicals Adjusted Pre-Tax Income

## 4Q 2022 VS. 4Q 2021 ($MM)



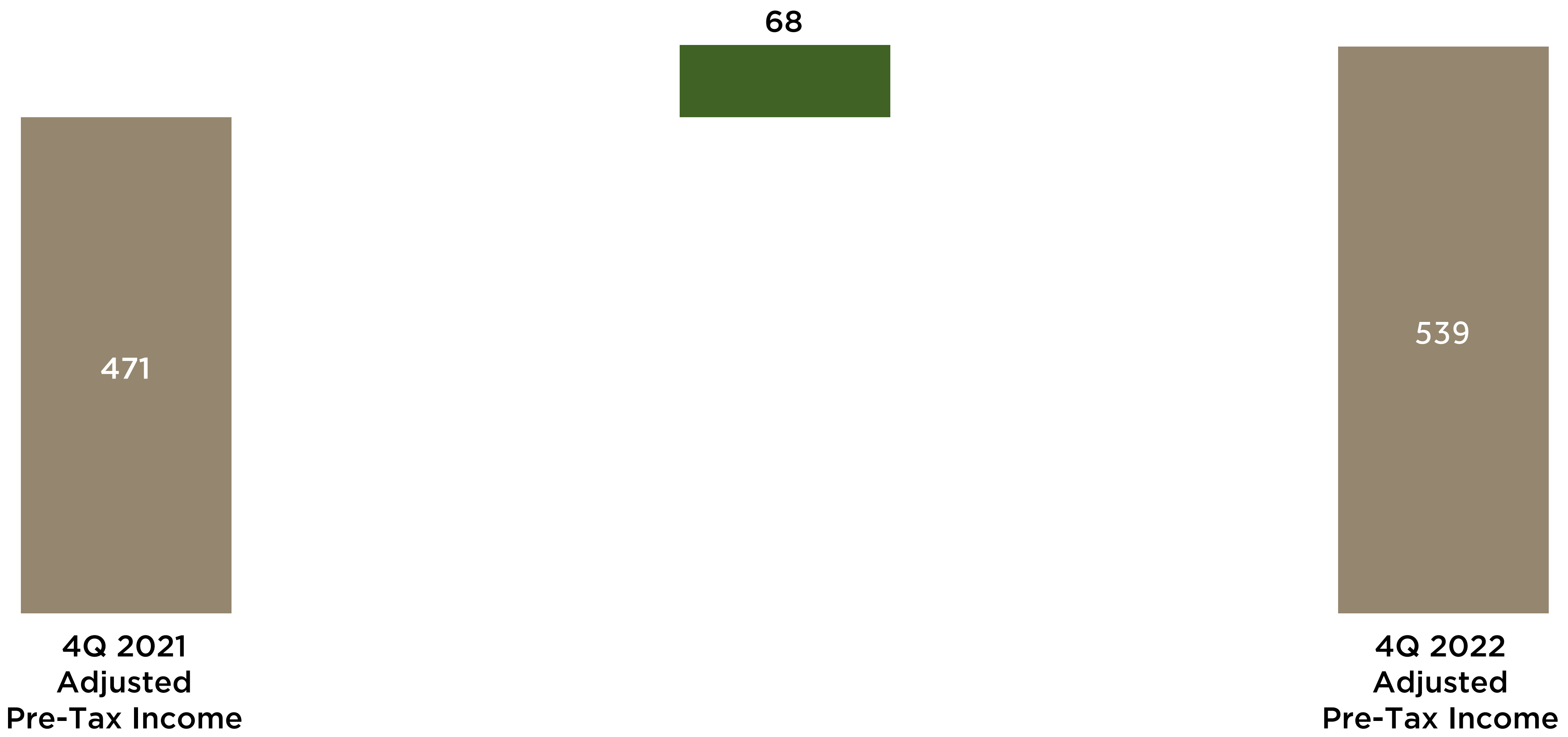
# 4Q 2022 Refining Adjusted Pre-Tax Income

## 4Q 2022 VS. 4Q 2021 ($MM)



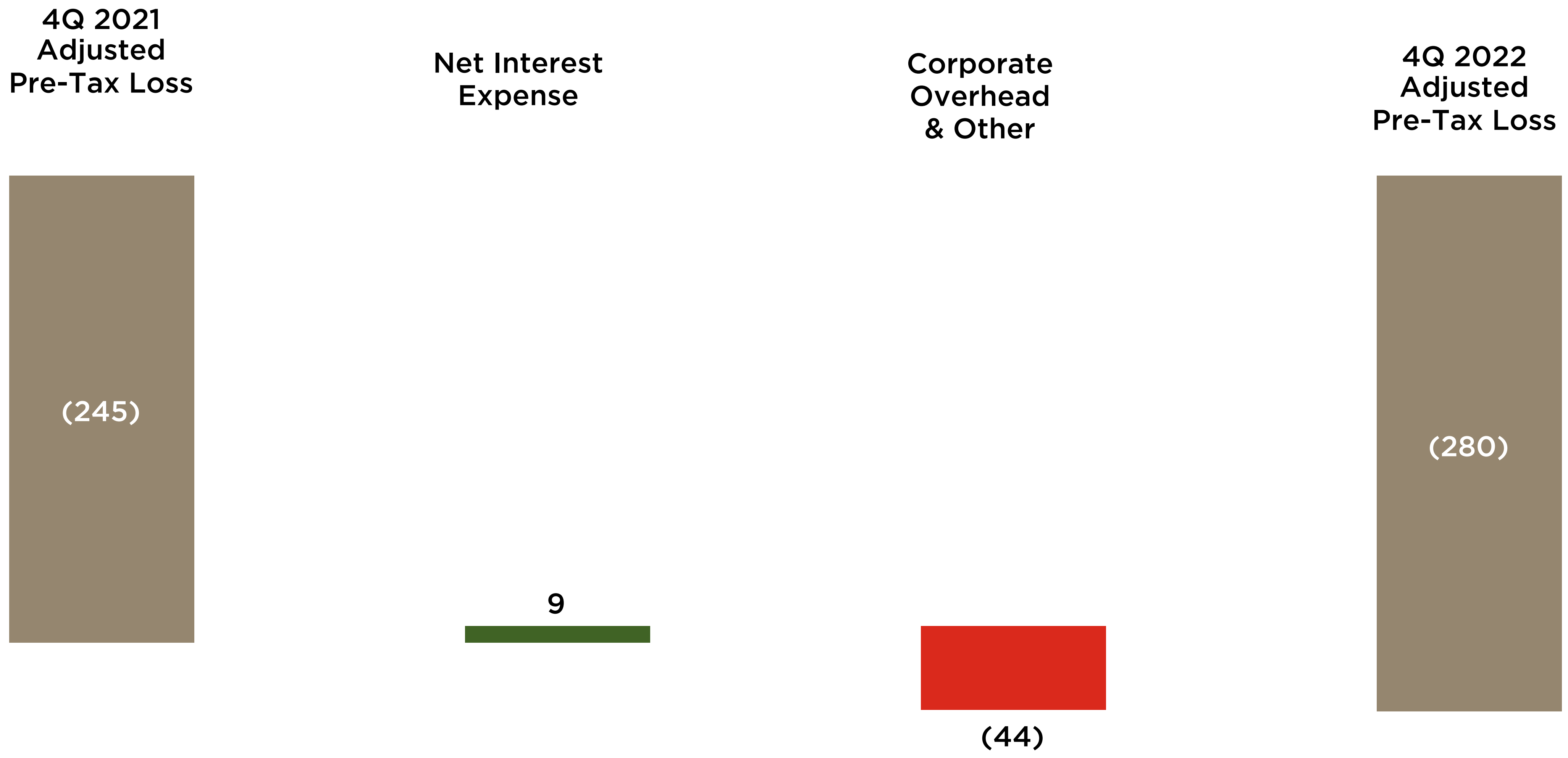
# 4Q 2022 Marketing & Specialties Adjusted Pre-Tax Income

4Q 2022 VS. 4Q 2021 ($MM)



# 4Q 2022 Corporate & Other Adjusted Pre-Tax Loss

## 4Q 2022 VS. 4Q 2021 ($MM)



# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | | |
|---|---|---|---|---|---|---|
| | | 2022 | | | 2021 | |
| | | Year | 4Q | 3Q | Year | 4Q |
| **Phillips 66** | | | | | | |
| Consolidated Earnings | $ | 11,024 | 1,884 | 5,391 | 1,317 | 1,273 |
| Pre-Tax Adjustments: | | | | | | |
| Impairments | | — | — | — | 1,496 | — |
| Certain tax impacts | | — | — | — | (11) | (11) |
| Pension settlement expense | | — | — | — | 77 | 10 |
| Hurricane-related costs | | (21) | (14) | (24) | 45 | 34 |
| Winter-storm-related costs | | — | — | — | 51 | (14) |
| Alliance shutdown-related costs [1] | | 26 | — | — | 192 | 192 |
| Regulatory compliance costs | | 70 | — | — | (88) | (88) |
| Restructuring costs [2] | | 177 | 78 | 74 | — | — |
| Merger transaction costs | | 13 | — | 13 | — | — |
| Gain on consolidation | | (3,013) | — | (3,013) | — | — |
| Tax impact of adjustments [3] | | 635 | (14) | 681 | (420) | (33) |
| Other tax impacts | | — | (25) | — | (85) | (65) |
| Noncontrolling interests | | (10) | (10) | — | (53) | — |
| Adjusted Earnings | $ | 8,901 | 1,899 | 3,122 | 2,521 | 1,298 |
| Earnings Per Share of Common Stock (dollars) | $ | 23.27 | 3.97 | 11.16 | 2.97 | 2.88 |
| Adjusted Earnings Per Share of Common Stock (dollars) [4] | $ | 18.79 | 4.00 | 6.46 | 5.70 | 2.94 |

[1] Costs related to the shutdown of the Alliance Refinery totaled $192 million pre-tax in the fourth quarter of 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of $91 million recorded in depreciation and amortization expense, and severance and other exit costs of $31 million. Shutdown-related costs in the Midstream segment include asset retirements of $70 million pre-tax recorded in depreciation and amortization expense. 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] Midstream results in the fourth quarter of 2022 included pre-tax restructuring costs of $18 million related to the integration of DCP Midstream, of which $10 million was attributed to noncontrolling interests. Corporate results for the fourth quarter of 2022 included net pre-tax restructuring costs of $60 million related to Phillips 66's multi-year business transformation efforts, which includes a held-for-sale asset impairment of $45 million.

[3] 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.

[4] 2022 and Q3 2022 are based on adjusted weighted-average diluted shares of 473,728 thousand and 483,035 thousand, respectively. 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 | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | | 2021 | |
| | | Year | 4Q | 3Q | Year | 4Q |
| **Midstream** | | | | | | |
| Pre-Tax Income | $ | 4,734 | 656 | 3,608 | 1,500 | 559 |
| Pre-Tax Adjustments: | | | | | | |
| Impairments | | — | — | — | 208 | — |
| Pension settlement expense | | — | — | — | 8 | 1 |
| Hurricane-related costs | | — | — | — | 4 | 4 |
| Winter-storm-related costs | | — | — | — | 2 | — |
| Alliance shutdown-related costs [1] | | — | — | — | 70 | 70 |
| Merger transaction costs | | 13 | — | 13 | — | — |
| Gain on consolidation | | (3,013) | — | (3,013) | — | — |
| Restructuring costs [2] | | 18 | 18 | — | — | — |
| Adjusted Pre-Tax Income | $ | 1,752 | 674 | 608 | 1,792 | 634 |
| | | | | | | |
| **Chemicals** | | | | | | |
| Pre-Tax Income | $ | 856 | 52 | 135 | 1,844 | 436 |
| Pre-Tax Adjustments: | | | | | | |
| Pension settlement expense | | — | — | — | 22 | 2 |
| Hurricane-related costs | | — | — | — | 1 | — |
| Winter-storm-related costs | | — | — | — | 32 | (14) |
| Adjusted Pre-Tax Income | $ | 856 | 52 | 135 | 1,899 | 424 |

[1] Costs related to the shutdown of the Alliance Refinery totaled $192 million pre-tax in the fourth quarter of 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of $91 million recorded in depreciation and amortization expense, and severance and other exit costs of $31 million. Shutdown-related costs in the Midstream segment include asset retirements of $70 million pre-tax recorded in depreciation and amortization expense. 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] Midstream results in the fourth quarter of 2022 included pre-tax restructuring costs of $18 million related to the integration of DCP Midstream, of which $10 million was attributed to noncontrolling interests. Corporate results for the fourth quarter of 2022 included net pre-tax restructuring costs of $60 million related to Phillips 66's multi-year business transformation efforts, which includes a held-for-sale asset impairment of $45 million.

# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | | 2021 | |
| | | Year | 4Q | 3Q | Year | 4Q |
| **Refining** | | | | | | |
| Pre-Tax Income (Loss) | $ | 7,816 | 1,640 | 2,907 | (2,353) | 408 |
| Pre-Tax Adjustments: | | | | | | |
| Impairments | | — | — | — | 1,288 | — |
| Certain tax impacts | | — | — | — | (11) | (11) |
| Pension settlement expense | | — | — | — | 37 | 5 |
| Hurricane-related costs | | (21) | (14) | (24) | 40 | 30 |
| Winter-storm-related costs | | — | — | — | 17 | — |
| Alliance shutdown-related costs [1] | | 26 | — | — | 122 | 122 |
| Regulatory compliance costs | | 70 | — | — | (88) | (88) |
| Adjusted Pre-Tax Income (Loss) | $ | 7,891 | 1,626 | 2,883 | (948) | 466 |
| | | | | | | |
| **Marketing & Specialties** | | | | | | |
| Pre-Tax Income | $ | 2,402 | 539 | 828 | 1,723 | 470 |
| Pre-Tax Adjustments: | | | | | | |
| Pension settlement expense | | — | — | — | 6 | 1 |
| Adjusted Pre-Tax Income | $ | 2,402 | 539 | 828 | 1,729 | 471 |

[1] Costs related to the shutdown of the Alliance Refinery totaled $192 million pre-tax in the fourth quarter of 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of $91 million recorded in depreciation and amortization expense, and severance and other exit costs of $31 million. Shutdown-related costs in the Midstream segment include asset retirements of $70 million pre-tax recorded in depreciation and amortization expense. 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.

# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | 2021 | | |
| | | Year | 4Q | 3Q | Year | 4Q |
| **Corporate & Other** | | | | | | |
| Pre-Tax Loss | $ | (1,169) | (340) | (320) | (974) | (246) |
| Pre-Tax Adjustments: | | | | | | |
| Pension settlement expense | | — | — | — | 4 | 1 |
| Restructuring costs [2] | | 159 | 60 | 74 | — | — |
| Adjusted Pre-Tax Loss | $ | (1,010) | (280) | (246) | (970) | (245) |

[2] Midstream results in the fourth quarter of 2022 included pre-tax restructuring costs of $18 million related to the integration of DCP Midstream, of which $10 million was attributed to noncontrolling interests. Corporate results for the fourth quarter of 2022 included net pre-tax restructuring costs of $60 million related to Phillips 66's multi-year business transformation efforts, which includes a held-for-sale asset impairment of $45 million.

# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | |
|---|---|---|---|---|---|
| | 2022 | | | 2021 | |
| | Year | 4Q | 3Q | Year | 4Q |
| **Midstream - Transportation** | | | | | |
| Pre-Tax Income | $ 1,176 | 237 | 411 | 678 | 203 |
| Pre-Tax Adjustments: | | | | | |
| Impairments | — | — | — | 208 | — |
| Winter-storm-related costs | — | — | — | 1 | — |
| Alliance shutdown-related costs [1] | — | — | — | 70 | 70 |
| Gain on consolidation | (182) | — | (182) | — | — |
| Adjusted Pre-Tax Income | $ 994 | 237 | 229 | 957 | 273 |
| | | | | | |
| **Midstream - NGL & Other** | | | | | |
| Pre-Tax Income | $ 4,000 | 430 | 3,230 | 452 | 210 |
| Pre-Tax Adjustments: | | | | | |
| Pension settlement expense | — | — | — | 8 | 1 |
| Winter-storm-related costs | — | — | — | 1 | — |
| Hurricane-related costs | — | — | — | 4 | 4 |
| Merger transaction costs | 13 | — | 13 | — | — |
| Gain on consolidation | (2,831) | — | (2,831) | — | — |
| Restructuring costs [2] | 18 | 18 | — | — | — |
| Adjusted Pre-Tax Income | $ 1,200 | 448 | 412 | 465 | 215 |

[1] Costs related to the shutdown of the Alliance Refinery totaled $192 million pre-tax in the fourth quarter of 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of $91 million recorded in depreciation and amortization expense, and severance and other exit costs of $31 million. Shutdown-related costs in the Midstream segment include asset retirements of $70 million pre-tax recorded in depreciation and amortization expense. 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] Midstream results in the fourth quarter of 2022 included pre-tax restructuring costs of $18 million related to the integration of DCP Midstream, of which $10 million was attributed to noncontrolling interests. Corporate results for the fourth quarter of 2022 included net pre-tax restructuring costs of $60 million related to Phillips 66's multi-year business transformation efforts, which includes a held-for-sale asset impairment of $45 million.

# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | |
|---|---|---|---|---|---|
| | 2022 | | | 2021 | |
| | Year | 4Q | 3Q | Year | 4Q |
| **Midstream - NOVONIX** | | | | | |
| Pre-Tax Income (Loss) | $ (442) | (11) | (33) | 370 | 146 |
| Pre-Tax Adjustments: | | | | | |
| None | — | — | — | — | — |
| Adjusted Pre-Tax Income (Loss) | $ (442) | (11) | (33) | 370 | 146 |

# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | |
|---|---|---|---|---|---|
| | 2022 | | | 2021 | |
| | Year | 4Q | 3Q | Year | 4Q |
| **Refining - Atlantic Basin / Europe** | | | | | |
| Pre-Tax Income | $ 2,402 | 618 | 530 | 1 | 147 |
| Pre-Tax Adjustments: | | | | | |
| Certain tax impacts | — | — | — | (4) | (4) |
| Pension settlement expense | — | — | — | 5 | 1 |
| Hurricane-related costs | — | — | — | 1 | — |
| Winter-storm-related costs | — | — | — | 1 | — |
| Regulatory compliance costs | 9 | — | — | (20) | (20) |
| Adjusted Pre-Tax (Loss) | $ 2,411 | 618 | 530 | (16) | 124 |
| | | | | | |
| **Refining - Gulf Coast** | | | | | |
| Pre-Tax Income (Loss) | $ 2,091 | 374 | 770 | (1,759) | 1 |
| Pre-Tax Adjustments: | | | | | |
| Impairments | — | — | — | 1,288 | — |
| Certain tax impacts | — | — | — | (7) | (7) |
| Pension settlement expense | — | — | — | 15 | 2 |
| Hurricane-related costs | (21) | (14) | (24) | 39 | 30 |
| Winter-storm-related costs | — | — | — | 9 | — |
| Regulatory compliance costs | 26 | — | — | (28) | (28) |
| Alliance shutdown-related costs [1] | 26 | — | — | 122 | 122 |
| Adjusted Pre-Tax Income (Loss) | $ 2,122 | 360 | 746 | (321) | 120 |

[1] Costs related to the shutdown of the Alliance Refinery totaled $192 million pre-tax in the fourth quarter of 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of $91 million recorded in depreciation and amortization expense, and severance and other exit costs of $31 million. Shutdown-related costs in the Midstream segment include asset retirements of $70 million pre-tax recorded in depreciation and amortization expense. 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.

# Non-GAAP Reconciliations

| | Millions of Dollars Except as Indicated | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | | 2021 | |
| | | Year | 4Q | 3Q | Year | 4Q |
| **Refining - Central Corridor** | | | | | | |
| Pre-Tax Income | $ | 2,415 | 716 | 1,343 | 72 | 171 |
| Pre-Tax Adjustments: | | | | | | |
| Pension settlement expense | | — | — | — | 10 | 1 |
| Winter-storm-related costs | | — | — | — | 7 | — |
| Regulatory compliance costs | | 22 | — | — | (27) | (27) |
| Adjusted Pre-Tax Income | $ | 2,437 | 716 | 1,343 | 62 | 145 |
| | | | | | | |
| **Refining - West Coast** | | | | | | |
| Pre-Tax Income (Loss) | $ | 908 | (68) | 264 | (667) | 89 |
| Pre-Tax Adjustments: | | | | | | |
| Pension settlement expense | | — | — | — | 7 | 1 |
| Regulatory compliance costs | | 13 | — | — | (13) | (13) |
| Adjusted Pre-Tax Income (Loss) | $ | 921 | (68) | 264 | (673) | 77 |

# Non-GAAP Reconciliations

| | Millions of Dollars (Except as Indicated) | | | | | |
|---|---|---|---|---|---|---|
| | 4Q 2022 | | | | | |
| | | Atlantic Basin/ Europe | Gulf Coast | Central Corridor | West Coast | Worldwide |
| **Realized Refining Margins** | | | | | | |
| Income (loss) before income taxes | $ | 618 | 374 | 716 | (68) | 1,640 |
| Plus: | | | | | | |
| Taxes other than income taxes | | 6 | 19 | 5 | 17 | 47 |
| Depreciation, amortization and impairments | | 50 | 68 | 40 | 80 | 238 |
| Selling, general and administrative expenses | | 10 | 6 | 22 | 9 | 47 |
| Operating expenses | | 339 | 320 | 182 | 423 | 1,264 |
| Equity in (earnings) losses of affiliates | | 2 | 1 | (257) | — | (254) |
| Other segment income, net | | (28) | — | — | (1) | (29) |
| Proportional share of refining gross margins contributed by equity affiliates | | 22 | — | 477 | — | 499 |
| Special items: | | | | | | |
| None | | — | — | — | — | — |
| Realized refining margins | $ | 1,019 | 788 | 1,185 | 460 | 3,452 |
| | | | | | | |
| Total processed inputs (thousands of barrels) | | 52,030 | 48,160 | 26,504 | 27,484 | 154,178 |
| Adjusted total processed inputs (thousands of barrels )[1] | | 52,030 | 48,160 | 47,359 | 27,484 | 175,033 |
| | | | | | | |
| Income (loss) before income taxes (dollars per barrel) [2] | $ | 11.88 | 7.77 | 27.01 | (2.47) | 10.64 |
| Realized refining margins (dollars per barrel) | $ | 19.58 | 16.35 | 25.03 | 16.77 | 19.73 |

[1] Adjusted total processed inputs include our proportional share of processed inputs of an equity affiliate.
[2] Income (loss) before income taxes divided by total processed inputs.

# Non-GAAP Reconciliations

| | | 2022 |
|---|---|---|
| Numerator ($MM) | | |
| Net Income | $ | 11,391 |
| After-tax interest expense | | 489 |
| GAAP ROCE earnings | | 11,880 |
| After-tax special items | | (2,113) |
| Adjusted ROCE earnings | $ | 9,767 |
| | | |
| Denominator ($MM) | | |
| GAAP average capital employed[1] | $ | 43,691 |
| | | |
| 2022 Annualized GAAP ROCE | | 27 % |
| 2022 Annualized Adjusted ROCE | | 22 % |

[1] Capital employed is total equity plus total debt

# Non-GAAP Reconciliations

| | | Millions of Dollars Except as Indicated |
|---|---|---|
| | | December 31, 2022 |
| Total Debt | $ | 17,190 |
| Total Equity | | 34,106 |
| Debt-to-Capital Ratio | | 34 % |
| | | |
| Total Cash | $ | 6,133 |
| Net Debt-to-Capital Ratio | | 24 % |

# Non-GAAP Reconciliations

| | | Millions of Dollars | | | | Millions of Dollars | |
|---|---|---|---|---|---|---|---|
| | | 4Q 2022 | | | | 2022 | |
| | | Growth | Sustaining | Total | | Growth | Sustaining | Total |

| | | Millions of Dollars 4Q 2022 | | | | Millions of Dollars 2022 | | |
|---|---|---|---|---|---|---|---|---|
| | | Growth | Sustaining | Total | | Growth | Sustaining | Total |
| Capital Expenditures and Investments | | | | | | | | |
| Midstream[1] | $ | 211 | 103 | 314 | $ | 744 | 299 | 1,043 |
| Refining | | 177 | 147 | 324 | | 477 | 451 | 928 |
| Marketing & Specialties | | 18 | 11 | 29 | | 48 | 41 | 89 |
| Corporate & Other | | 4 | 42 | 46 | | 7 | 127 | 134 |
| Capital Expenditures and Investments | $ | 410 | 303 | 713 | $ | 1,276 | 918 | 2,194 |

| | | Millions of Dollars 2023 Budget | | |
|---|---|---|---|---|
| | | Growth | Sustaining | Total |
| Capital Expenditures and Investments | | | | |
| Midstream[2] | $ | 310 | 329 | 639 |
| Refining | | 729 | 389 | 1,118 |
| Marketing & Specialties | | 95 | 39 | 134 |
| Corporate & Other | | — | 108 | 108 |
| Phillips 66 Consolidated | | 1,134 | 865 | 1,999 |

[1] Includes 100% of DCP, Midstream, LLC, Class A Segment, DCP Sand Hills Pipeline, LLC, and DCP Southern Hills Pipeline, LLC, capital expenditures and investments from August 18, 2022, forward, net of acquired cash.
[2] Includes 100% of DCP, Midstream, LLC, Class A Segment, DCP Sand Hills Pipeline, LLC, and DCP Southern Hills Pipeline, LLC, capital expenditures and investments

# Non-GAAP Reconciliations

| | | Millions of Dollars Except as Indicated | |
|---|---|---|---|
| | | 4Q 2022 | Year |
| Effective Tax Rates | | | |
| Income before income taxes | $ | 2,547 | 14,639 |
| Special items | | 64 | (2,748) |
| Adjusted income before income taxes | $ | 2,611 | 11,891 |
| | | | |
| Income tax expense | $ | 535 | 3,248 |
| Special items | | 39 | (635) |
| Adjusted income tax expense | $ | 574 | 2,613 |
| | | | |
| GAAP effective tax rate | | 21.0 % | 22.2 % |
| | | | |
| Adjusted effective tax rate | | 22.0 % | 22.0 % |