



# PHILLIPS 66 FOURTH-QUARTER CONFERENCE CALL

JANUARY 31, 2025



Zia II Gas Plant HOBBS, NM



# Cautionary Statement

This presentation contains forward-looking statements within the meaning of the federal securities laws relating to Phillips 66's operations, strategy and performance. Words such as "anticipated," "commitments," "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 events or 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: changes in governmental policies or laws that relate to our operations, including regulations that seek to limit or restrict refining, marketing and midstream operations or regulate profits, pricing, or taxation of our products or feedstocks, or other regulations that restrict feedstock imports or product exports; our ability to timely obtain or maintain permits necessary for projects; fluctuations in NGL, crude oil, refined petroleum, renewable fuels and natural gas prices, and refining, marketing and petrochemical margins; the effects of any widespread public health crisis and its negative impact on commercial activity and demand for refined petroleum or renewable fuels products; 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 renewable fuels; potential liability from pending or future litigation; liability for remedial actions, including removal and reclamation obligations under existing or future environmental regulations; unexpected changes in costs for constructing, modifying or operating our facilities; our ability to successfully complete, or any material delay in the completion of, any asset disposition, acquisition, shutdown or conversion that we have announced or may pursue, including receipt of any necessary regulatory approvals or permits related thereto; 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 products; failure to complete construction of capital projects on time or 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 (such as the Russia-Ukraine war), expropriation of assets, and other 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, "adjusted earnings (loss)," "adjusted pre-tax income (loss)," "adjusted pre-tax costs," "adjusted earnings (loss) per share," "realized refining margin per barrel," "net debt-to-capital ratio," "adjusted EBITDA," "controllable costs," "adjusted controllable costs," "refining adjusted controllable costs," "refining JV controllable costs," "operating cash flow or CFO, excluding working capital," and "sustaining capital." 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 and returns to shareholders refer to the sum of dividends paid to Phillips 66 stockholders and proceeds used by Phillips 66 to repurchase shares of its common stock. References to run-rate cost savings or run-rate business transformation savings, include cost savings and references to run-rate synergies include cost savings and other benefits that will be captured in the sales and other operating revenues impacting gross margin; purchased crude oil and products costs impacting gross margin; operating expenses; selling, general and administrative expenses; and equity in earnings of affiliates lines on our consolidated statement of income when realized. References to run-rate sustaining capital savings include savings that will be captured in the capital expenditures and investments on our consolidated statement of cash flows when realized. References to run-rate savings represent the sum of run-rate cost savings and run-rate sustaining capital savings.

**Basis of Presentation** - Effective April 1, 2024, we changed the internal financial information reviewed by our chief executive officer to evaluate performance and allocate resources to our operating segments. This included changes in the composition of our operating segments, as well as measurement changes for certain activities between our operating segments. The primary effects of this realignment included establishment of a Renewable Fuels operating segment, which includes renewable fuels activities and assets historically reported in our Refining, Marketing and Specialties (M&S), and Midstream segments; change in method of allocating results for certain Gulf Coast distillate export activities from our M&S segment to our Refining segment; reclassification of certain crude oil and international clean products trading activities between our M&S segment and our Refining segment; and change in reporting of our investment in NOVONIX from our Midstream segment to Corporate and Other. Accordingly, prior period results have been recast for comparability.

In the third quarter of 2024, we began presenting the line item "Capital expenditures and investments" on our consolidated statement of cash flows exclusive of acquisitions, net of cash acquired. Accordingly, prior period information has been reclassified for comparability.



# 2024 Strategic Priorities Summary



## Deliver Shareholder Returns

- Achieved \$13 B to \$15 B shareholder distribution target by year-end 2024 with \$13.6 B shareholder distributions since July 2022



## Improve Refining Performance

- \$1/bbl<sup>1</sup> cost reduction compared with 2022
- 8 straight quarters > industry-average crude utilization
- Record annual clean product yield of 87%



## Capture Value from Wellhead to Market

- Completed DCP integration and captured \$500 MM of run-rate synergies
- \$1.5 B mid-cycle adjusted EBITDA uplift from DCP transactions including synergies



## Execute Business Transformation

- Business transformation run-rate savings of \$1.5 B
- \$1.2 B run-rate cost reductions; \$0.3 B sustaining capital efficiencies



## Maintain Financial Strength and Flexibility

- 39% net debt-to-capital ratio
- Announced \$3.5 B to date of non-core asset dispositions



## Drive Disciplined Growth and Returns

- 2024 capital expenditures<sup>2</sup> of \$1.9 B
- Full conversion of Rodeo Complex

<sup>1</sup> Refining adjusted controllable costs is the sum of operating and SG&A expenses for our Refining segment, plus our proportional share of operating and SG&A expenses of two refining equity affiliates that are reflected in equity earnings of affiliates. The per barrel amounts are based on total processed inputs, including our proportional share of processed inputs of an equity affiliate, for the respective period.

<sup>2</sup> Excludes acquisitions of \$625 MM and purchases of government obligations of \$1.1 B.



# Exceeded \$3 B Non-Core Asset Disposition Target

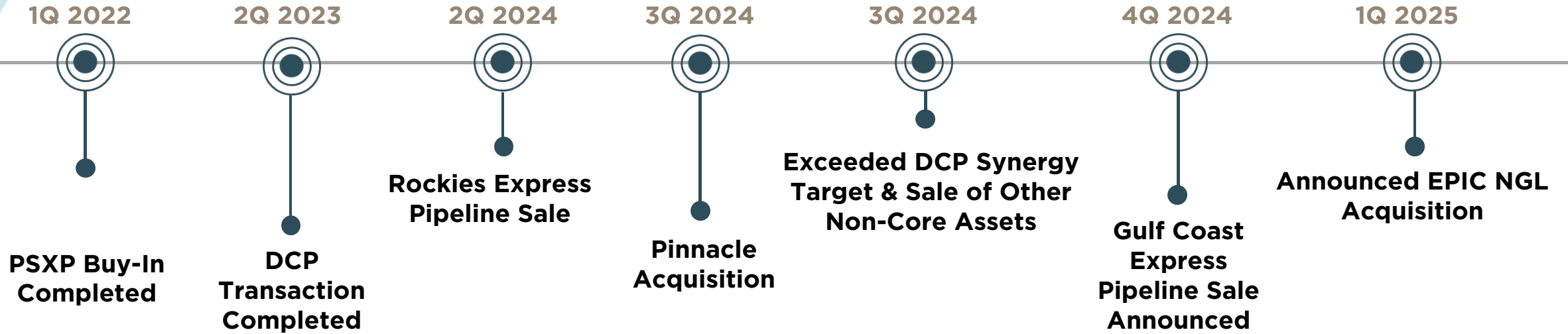
<b>Announced Disposition</b>	<b>Segment Impact</b>	<b>Proceeds</b>	<b>Announced</b>	<b>Proceeds Received</b>
Belle Chasse Terminal	Midstream	\$0.1 B	4Q 2022	1Q 2023
South Texas Gateway Terminal	Midstream	0.3 B	2Q 2023	3Q 2023
Rockies Express Pipeline	Midstream	0.7 B	2Q 2024	2Q 2024
Discovery Pipeline and Offshore Assets	Midstream	0.2 B	3Q 2024	3Q 2024
COOP (Switzerland)	M&S	1.2 B	4Q 2024	<b>Jan 2025</b>
Gulf Coast Express	Midstream	0.9 B	4Q 2024	<b>Jan 2025</b>
Other Midstream Assets <sup>1</sup>	Midstream	0.2 B	2023-2024	2023-2024
<b>Total</b>		<b>~ \$ 3.5 B<sup>2</sup></b>		

<sup>1</sup> Includes miscellaneous assets sold between 1Q 2023 and 4Q 2024.

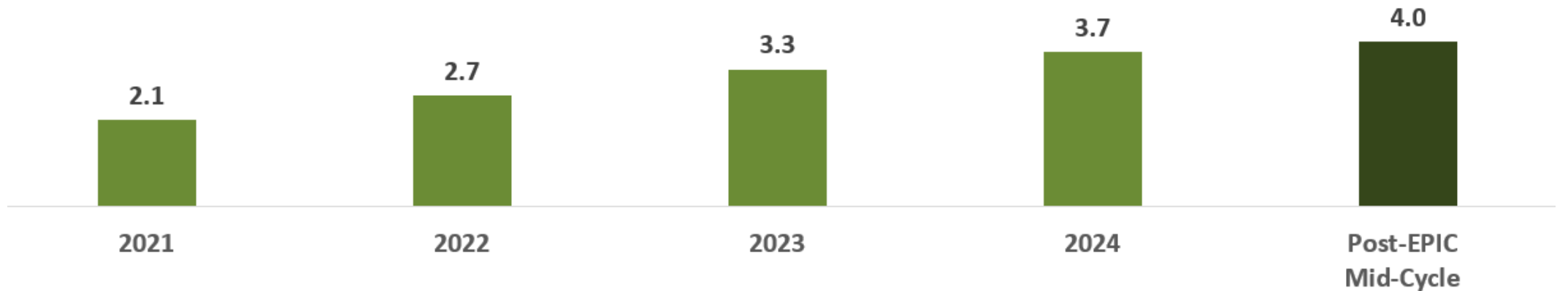
<sup>2</sup> Numbers may not foot due to rounding.



# Advancing Wellhead-to-Market Strategy



Midstream Adjusted EBITDA Growth (\$B)





# Strategic Priorities (2025-2027)

Creating Value Now and in the Future

## TARGETED PERFORMANCE



### Shareholder Returns

- > **50%** of Cash Flow from Operations distributed to shareholders through dividends and share repurchases
- Secure, competitive and growing dividend



### World-Class Operations

- > **86%** annual Refining clean product yield
- > **2%** higher Refining utilization vs. industry-average
- > **99%** Midstream asset availability
- > **\$500 MM** reduction in operating, SG&A & freight costs by 2027<sup>1</sup>
- ~ **\$5.50** Refining annual adjusted controllable costs per barrel<sup>2</sup>



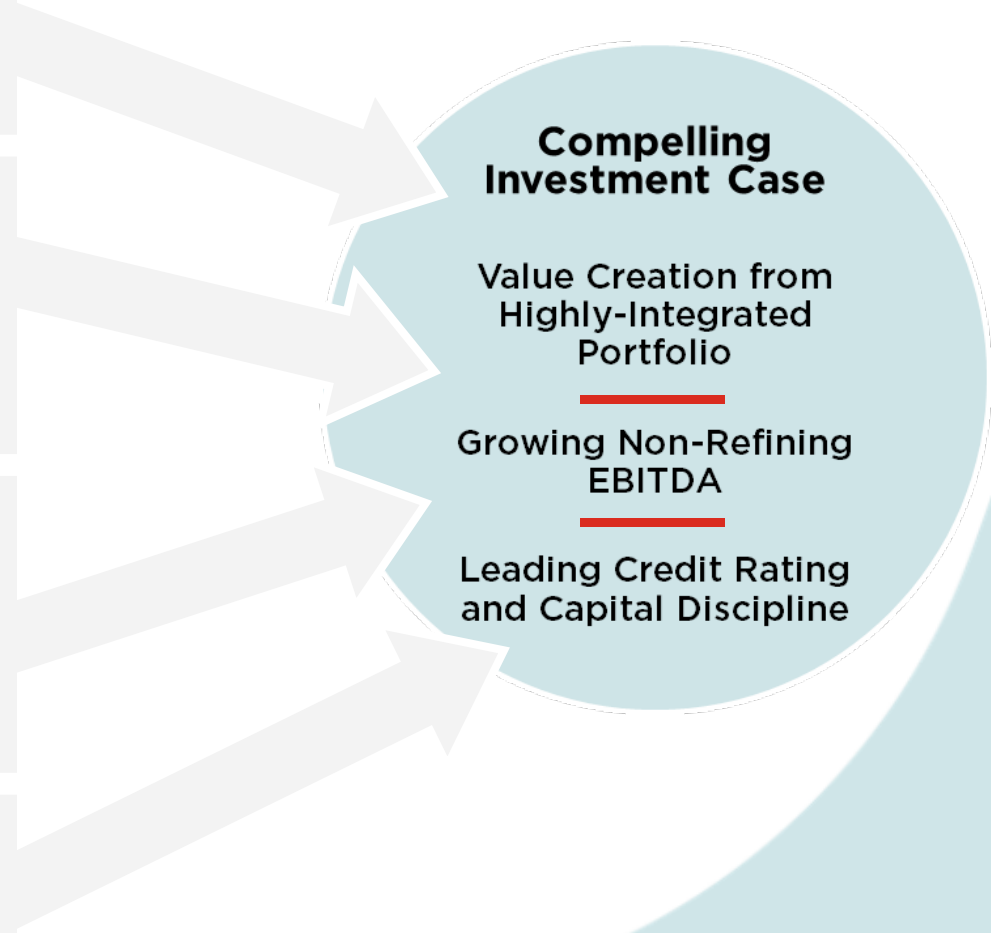
### Disciplined Growth and Returns

- Grow mid-cycle adjusted EBITDA to **\$15 B** by 2027
- > **\$1.0 B** total adjusted EBITDA growth in Midstream and Chemicals by 2027
- ~ **\$2.0 B** per year in total organic capital spend
- Increase segment level mid-cycle ROCE



### Financial Strength and Flexibility

- Reduce total debt to **\$17 B**
- < **30%** net debt-to-capital ratio and < **3.0x** net debt to Midstream and Marketing & Specialties adjusted EBITDA



<sup>1</sup> Cost reduction relative to 2024 baseline

<sup>2</sup> Excluding adjusted turnaround expense, post-ceasing of operations at Los Angeles Refinery



# 4Q 2024 Overview

\$MM (Unless Otherwise Noted)

Earnings	\$8
Adjusted loss	(61)
Adjusted loss per share <sup>1</sup>	(0.15)
Operating cash flow	1,198
Capital expenditures and investments <sup>2</sup>	506
Shareholder distributions <sup>3</sup>	1,119
Net Debt-to-Capital	39%

<sup>1</sup> Represents dollars per share. 4Q 2024 is based on weighted-average diluted shares of 412 million.

<sup>2</sup> Excludes acquisitions of \$58 MM.

<sup>3</sup> Represents sum of repurchases of common stock and dividends paid on common stock.



# 4Q 2024 Adjusted Earnings (Loss)

4Q 2024 vs 3Q 2024 (\$MM)

	4Q 2024	3Q 2024	Change
Midstream	\$ 708	672	36
Chemicals	72	342	(270)
Refining	(759)	(67)	(692)
Marketing and Specialties	185	583	(398)
Renewable Fuels	28	(116)	144
Corporate and Other	(294)	(327)	33
Adjusted income (loss) before income taxes	\$ (60)	1,087	(1,147)
Less: adjusted income tax expense (benefit)	(16)	205	(221)
Less: adjusted net income attributable to noncontrolling interests	17	23	(6)
<b>Phillips 66 Adjusted Earnings (Loss)</b>	<b>\$ (61)</b>	<b>859</b>	<b>(920)</b>

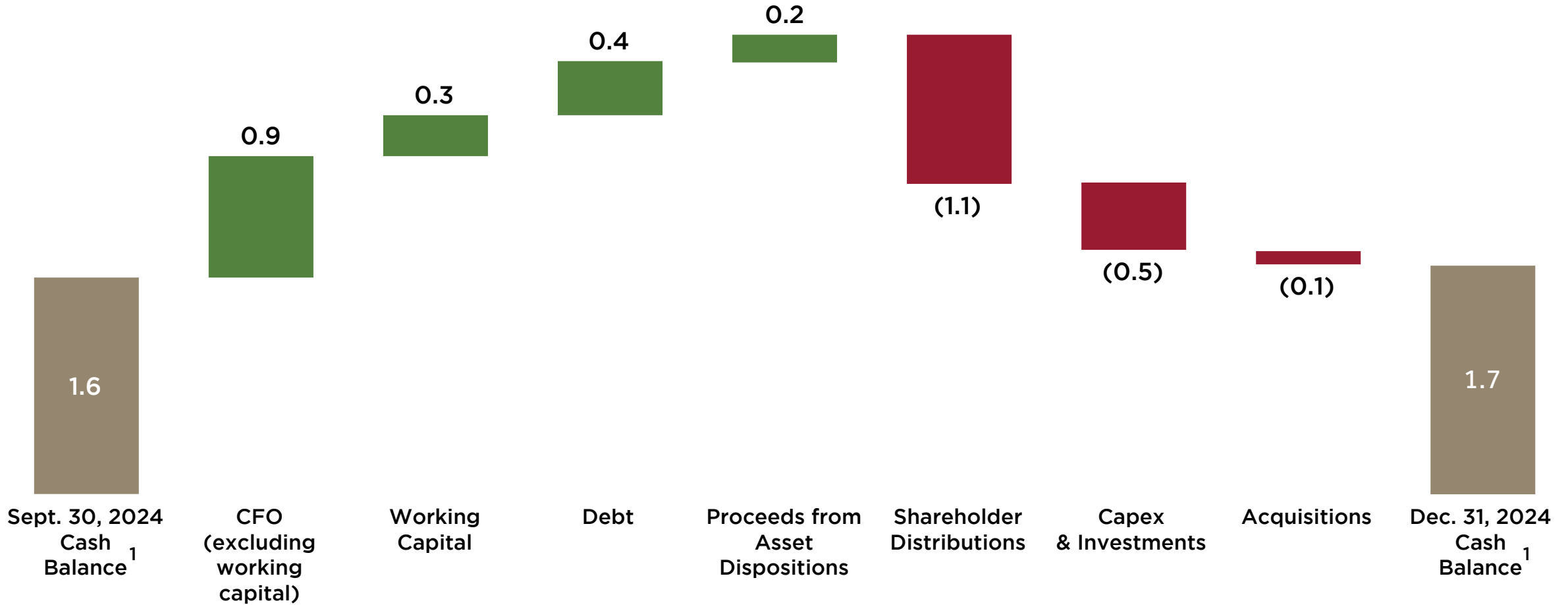
- Midstream - Record NGL fractionation and LPG export volumes
- Chemicals - Lower margins
- Refining - Lower realized margins; market capture 105%<sup>1</sup>
- Marketing and Specialties - Lower margins
- Renewable Fuels - Higher margins

<sup>1</sup> Capture reflects the percentage of our Refining Margin Indicator realized in our reported Refining margin. The calculation of our Refining Margin Indicator is available on our website at [www.phillips.com/investors](http://www.phillips.com/investors).



# 4Q 2024 Cash Flow

\$B



<sup>1</sup> Includes cash and cash equivalents



# Outlook

## 1Q 2025

Global Olefins & Polyolefins utilization	Mid-90%
Refining crude utilization	Low 80%
Refining turnaround expense	\$290 MM - \$310 MM
Corporate & Other costs <sup>1</sup>	\$310 MM - \$330 MM

## Full-year 2025

Refining turnaround expense	\$500 MM - \$550 MM
Depreciation and amortization <sup>2</sup>	\$3.3 B

<sup>1</sup> Excludes impacts from our investment in NOVONIX.

<sup>2</sup> Includes accelerated depreciation for Los Angeles Refinery of \$0.9 B.



# Questions and Answers

## 2024 Financial Highlights

**\$6.15**

Adjusted EPS

**\$4.2 B**

Operating cash flow

**\$5.3 B**

Shareholder  
Distributions



\$13.6 B shareholder distributions since July 2022



Clean product yield 87%



Completed DCP integration and captured \$500 MM in synergies, exceeding target



Business transformation run-rate savings of \$1.5 B



\$7.3 B adjusted EBITDA



Full conversion of Rodeo Renewable Energy Complex



# Appendix

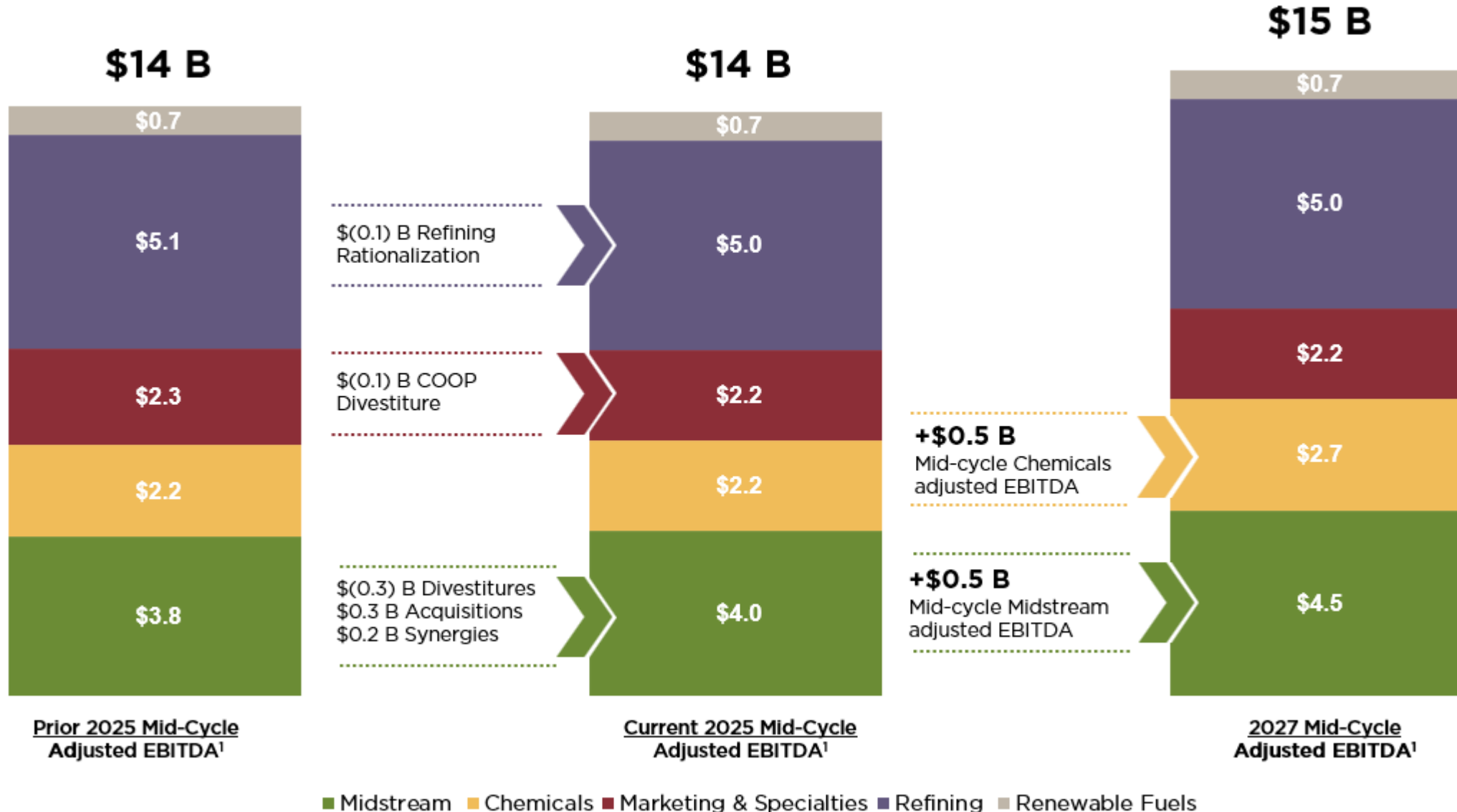
Borger Refinery,  
Borger, TX





# Increasing Mid-Cycle Adjusted EBITDA Target

Generating value by growing Midstream and Chemicals EBITDA by \$1 B



<sup>1</sup> Corporate costs are reflected in the total, but are not present on the chart.



# Adjusted Controllable Costs

2024 vs 2022



<sup>1</sup> Sum of our operating and SG&A expenses, excluding special items. See non-GAAP reconciliation in Appendix.

<sup>2</sup> Based on an average CPI inflation rate of 6.34%.

<sup>3</sup> Proportional share of operating and SG&A savings of an operated, unconsolidated refining equity affiliate that are reflected in equity in earnings of affiliates.

Vertical axis not to scale



# 2024 Strategic Priorities Summary

		Original 4Q 2022	Enhanced 4Q 2023	Results 4Q 2024
✓		<b>Deliver Shareholder Returns</b>	<ul style="list-style-type: none"> <li>\$10-\$12 B shareholder distributions by YE 2024</li> </ul>	<ul style="list-style-type: none"> <li>\$13.6 B of shareholder distributions at YE 2024</li> </ul>
✓		<b>Improve Refining Performance</b>	<ul style="list-style-type: none"> <li>98% mechanical availability</li> <li>+5% improvement to market capture</li> <li>\$0.75/bbl<sup>1</sup> cost reduction</li> </ul>	<ul style="list-style-type: none"> <li>\$1/bbl<sup>1</sup> cost reduction compared with 2022</li> <li>8 straight quarters &gt; industry-average crude utilization</li> <li>Record 87% annual clean product yield in 2024</li> </ul>
✓		<b>Capture Value from Wellhead to Market</b>	<ul style="list-style-type: none"> <li>&gt;\$300 MM in synergy capture</li> <li>\$1.3 B total adjusted EBITDA uplift from DCP transaction</li> </ul>	<ul style="list-style-type: none"> <li>\$500 MM in synergy capture</li> <li>\$1.5 B total adjusted EBITDA uplift from DCP transaction</li> </ul>
✓		<b>Execute Business Transformation (BT)</b>	<ul style="list-style-type: none"> <li>\$800 MM cost reductions</li> <li>\$200 MM sustaining capital</li> <li>\$1 B total BT savings</li> </ul>	<ul style="list-style-type: none"> <li>\$1.2 B cost reductions</li> <li>\$300 MM sustaining capital</li> <li>\$1.5 B total BT savings</li> </ul>
✓		<b>Maintain Financial Strength and Flexibility</b>	<ul style="list-style-type: none"> <li>\$3 B mid-cycle adjusted EBITDA growth</li> <li>25-30% net debt-to-cap ratio</li> </ul>	<ul style="list-style-type: none"> <li>39% net debt-to-capital ratio</li> <li>Announced \$3.5 B to date of non-core asset sales</li> </ul>
✓		<b>Drive Disciplined Growth and Returns</b>	<ul style="list-style-type: none"> <li>Rodeo Renewed startup in 1Q 2024</li> </ul>	<ul style="list-style-type: none"> <li>Increase supply and trading contribution</li> <li>Full conversion of Rodeo Complex</li> </ul>

<sup>1</sup> Refining adjusted controllable costs is the sum of operating and SG&A expenses for our Refining segment, plus our proportional share of operating and SG&A expenses of two refining equity affiliates that are reflected in equity earnings of affiliates. The per barrel amounts are based on total processed inputs, including our proportional share of processed inputs of an equity affiliate, for the respective period.



# 2025 Estimated Sensitivities

Annual EBITDA \$MM<sup>1</sup>

## Midstream<sup>2</sup>

10¢/Gal Increase in NGL price	105
10¢/MMBtu Increase in Natural Gas price	7
\$1/BBL Increase in WTI price	6

## Chemicals - CPChem (net to Phillips 66)

1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	65
--	----

## Worldwide Refining<sup>3</sup>

\$1/BBL Increase in Gasoline Margin	310
\$1/BBL Increase in Distillate Margin	265

Impacts due to Actual Crude Feedstock Differing from Feedstock Assumptions:

\$1/BBL Widening WTI / WCS Differential (WTI less WCS)	100
\$1/BBL Widening WTI / Maya Differential (WTI less Maya)	50
10¢/MMBtu Increase in Natural Gas price	(15)

<sup>1</sup> Sensitivities shown above are independent and only valid within a limited range.

<sup>2</sup> Midstream includes 13% economic interest attributable to noncontrolling interest in DCP Midstream, LP.

<sup>3</sup> Sensitivities relative to 3-2-1 market crack.



# 2024 Overview

\$MM (Unless Otherwise Noted)

<b>Earnings</b>	<b>\$2,117</b>
<b>Adjusted earnings</b>	<b>2,604</b>
<b>Adjusted earnings per share (EPS)<sup>1</sup></b>	<b>6.15</b>
<b>Adjusted EBITDA</b>	<b>7,254</b>
<b>Operating cash flow</b>	<b>4,191</b>
<b>Capital expenditures and investments<sup>2</sup></b>	<b>1,859</b>
<b>Shareholder distributions<sup>3</sup></b>	<b>5,333</b>
<b>Common shares outstanding at Dec. 31</b>	<b>408 MM</b>
<b>Net debt-to-capital ratio</b>	<b>39%</b>
<b>Adjusted ROCE<sup>4</sup></b>	<b>7%</b>

<sup>1</sup> Represents dollars per share. 2024 is based on weighted-average diluted shares of 423 MM.

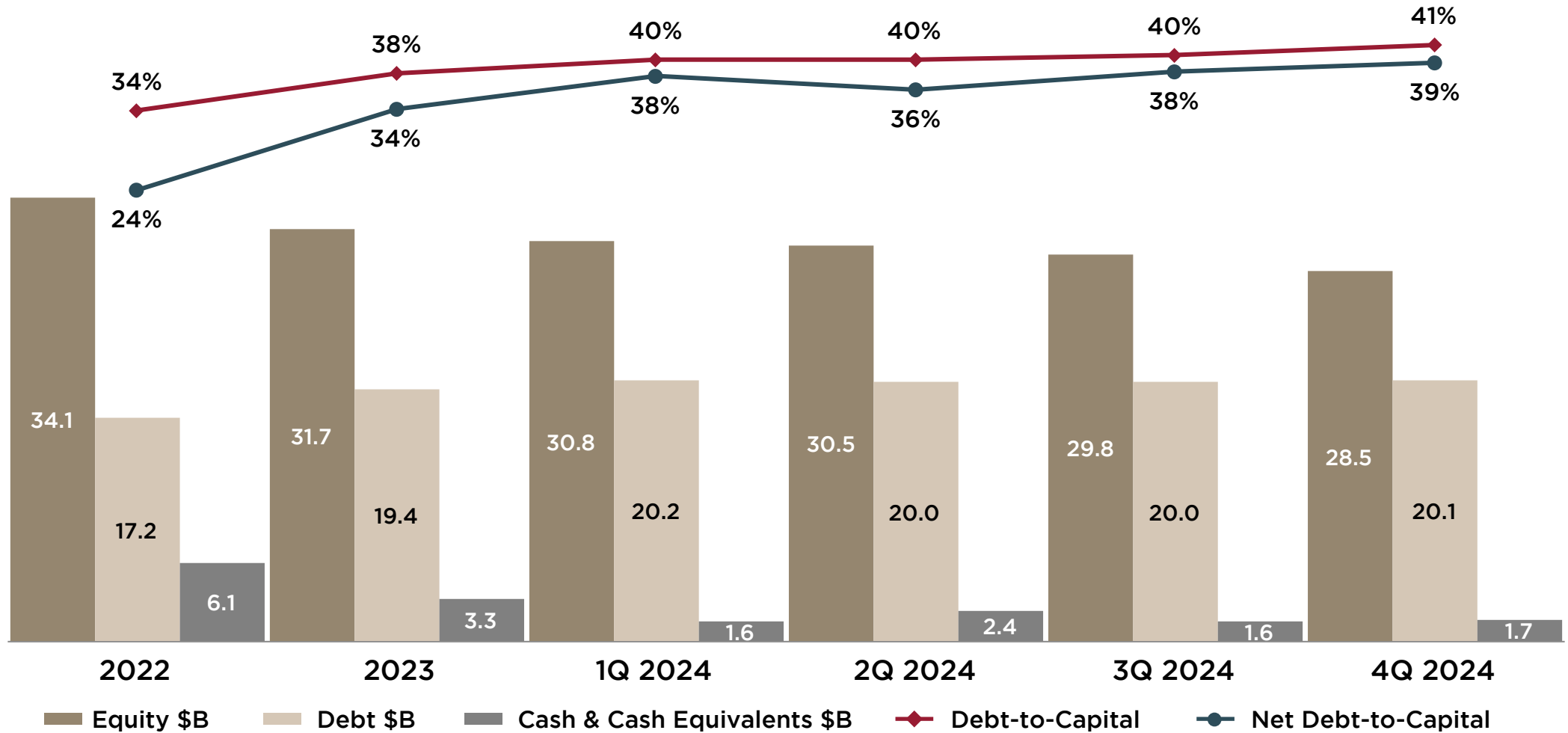
<sup>2</sup> Excludes acquisitions of \$625 MM and purchases of government obligations of \$1.1 B.

<sup>3</sup> Shareholder distributions include repurchases of common stock and dividends paid on common stock.

<sup>4</sup> After-tax



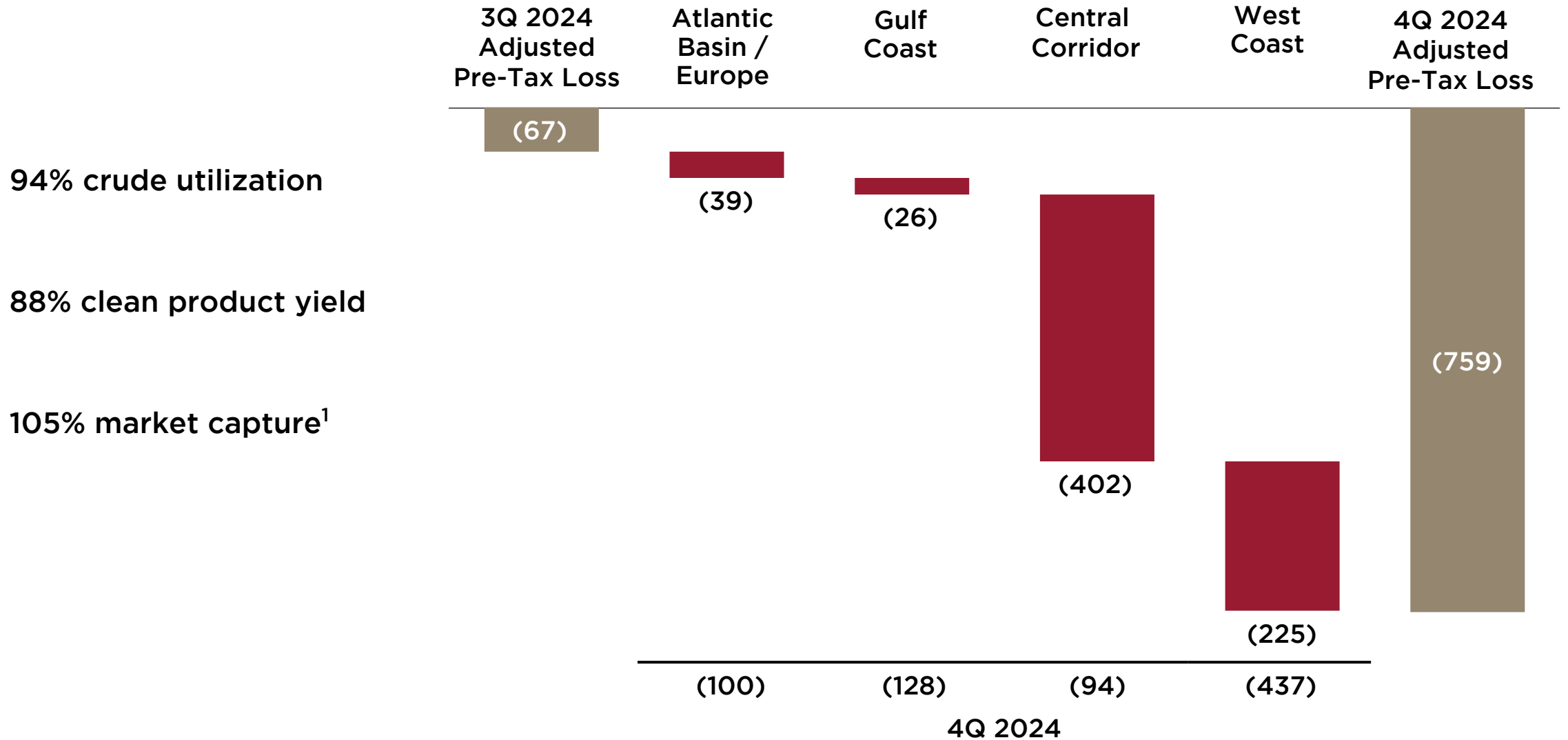
# Capital Structure





# 4Q 2024 Refining Adjusted Pre-Tax Loss

4Q 2024 VS. 3Q 2024 (\$MM)

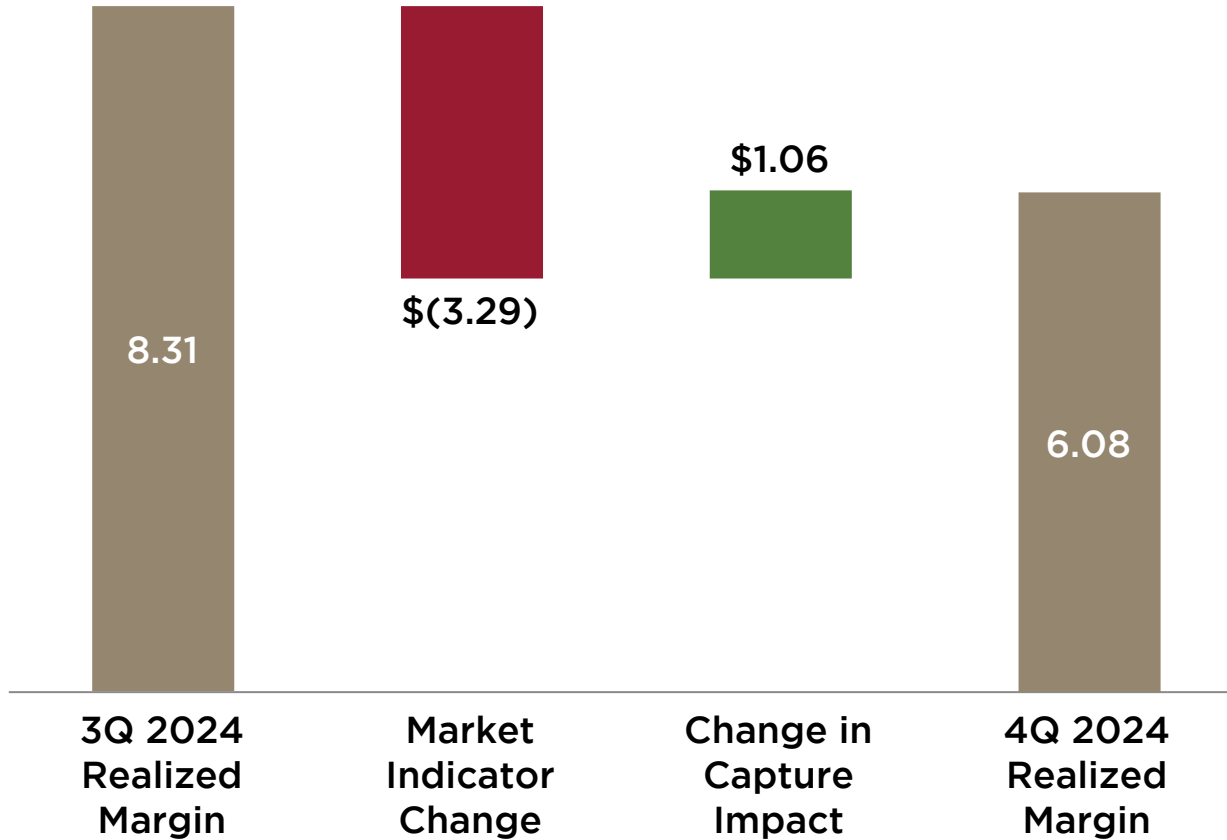


<sup>1</sup> Capture reflects the percentage of our Refining Margin Indicator realized in our reported Refining margin. The calculation of our Refining Margin Indicator is available on our website at [www.phillips.com/investors](http://www.phillips.com/investors).



# 4Q 2024 Realized Refining Margin

4Q 2024 VS. 3Q 2024 (\$/BBL)



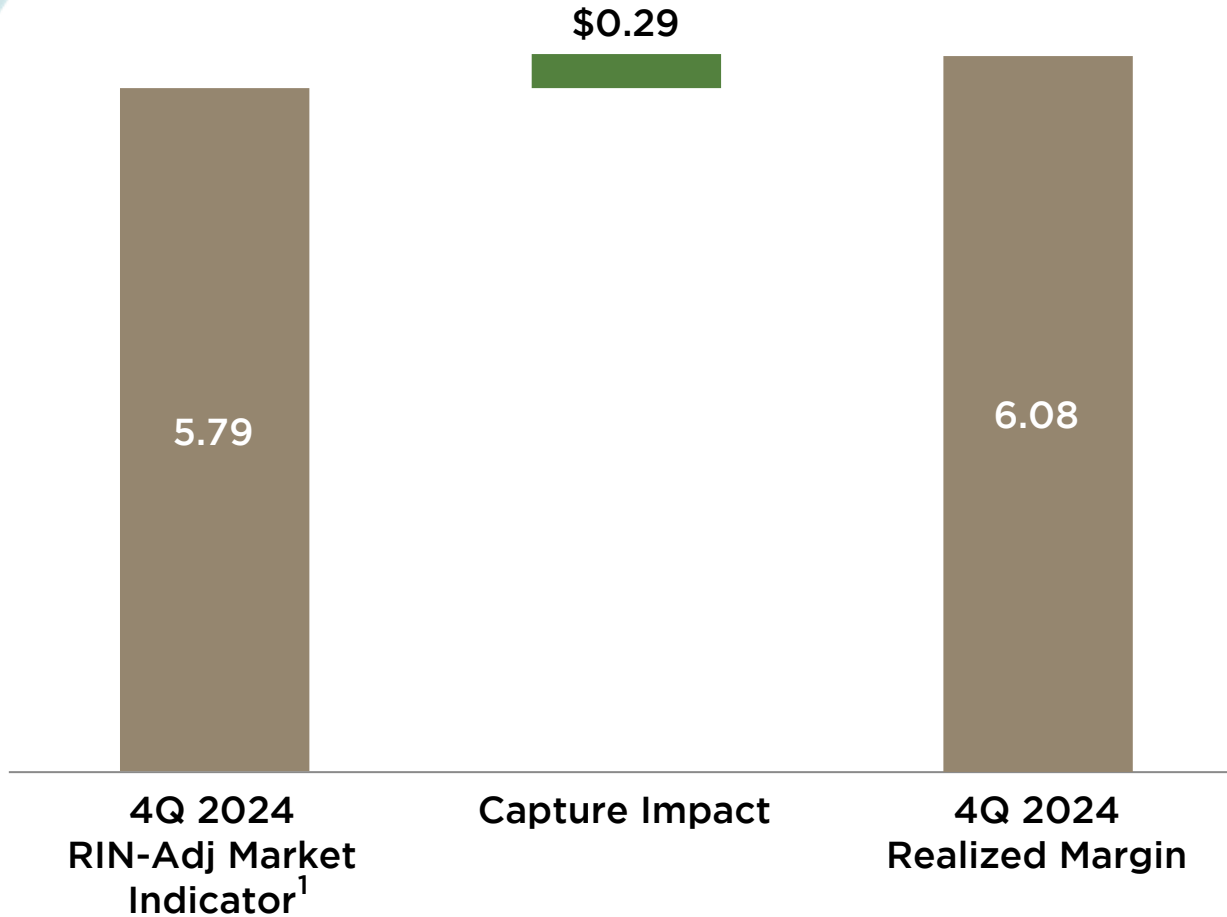
- 105% Market capture<sup>1</sup> vs. 92% in 3Q
- 88% Clean product yield vs. 87% in 3Q

<sup>1</sup> Capture reflects the percentage of our Phillips 66 Refining Market indicator realized in our reported earnings. The calculation of our Phillips 66 Refining Market Indicator is available on our website at [www.phillips66.com/investors](http://www.phillips66.com/investors).



# 4Q 2024 - Market Indicator vs. Realized Margin

(\$/BBL)



- 105% Market capture<sup>1</sup>
- Record clean product yield at 88%
- Improved secondary products differentials

<sup>1</sup>Capture reflects the percentage of our Phillips 66 Refining Market indicator realized in our reported earnings. The calculation of our Phillips 66 Refining Market Indicator is available on our website at [www.phillips66.com/investors](http://www.phillips66.com/investors).



# Phillips 66 Refining Indicator Market Capture<sup>1</sup>

	4Q 2024	3Q 2024
<b>Worldwide Realized Margin (\$/BBL)</b>	<b>6.08</b>	<b>8.31</b>
<b>Worldwide Refining Indicator (\$/BBL)</b>	<b>5.79</b>	<b>9.08</b>
<b>Worldwide Market Capture (%)</b>	<b>105 %</b>	<b>92 %</b>
<b>Atlantic Basin Realized Margin (\$/BBL)</b>	<b>6.09</b>	<b>5.87</b>
<b>Atlantic Basin Indicator (\$/BBL)</b>	<b>5.06</b>	<b>6.27</b>
<b>Atlantic Basin Market Capture (%)</b>	<b>120 %</b>	<b>94 %</b>
<b>Gulf Coast Realized Margin (\$/BBL)</b>	<b>5.58</b>	<b>6.39</b>
<b>Gulf Coast Indicator (\$/BBL)</b>	<b>4.79</b>	<b>7.46</b>
<b>Gulf Coast Market Capture (%)</b>	<b>116 %</b>	<b>86 %</b>
<b>Central Corridor Realized Margin (\$/BBL)</b>	<b>6.68</b>	<b>14.19</b>
<b>Central Corridor Indicator (\$/BBL)</b>	<b>7.22</b>	<b>14.54</b>
<b>Central Corridor Market Capture (%)</b>	<b>93 %</b>	<b>98 %</b>
<b>West Coast Realized Margin (\$/BBL)</b>	<b>5.74</b>	<b>4.34</b>
<b>West Coast Indicator (\$/BBL)</b>	<b>6.46</b>	<b>6.93</b>
<b>West Coast Market Capture (%)</b>	<b>89 %</b>	<b>63 %</b>

<sup>1</sup> Capture reflects the percentage of our Phillips 66 Refining Market indicator realized in our reported earnings. The calculation of our Phillips 66 Refining Market Indicator is available on our website at [www.phillips66.com/investors](http://www.phillips66.com/investors)



# Non-GAAP Reconciliations

	Millions of Dollars			
	2021	2022	2023	2024
<b>Reconciliation of Midstream Income before Income Taxes to Adjusted EBITDA</b>				
Income before income taxes	\$ 1,131	5,176	2,819	2,638
Plus:				
Depreciation and amortization	426	567	923	920
<b>Midstream EBITDA</b>	<b>1,557</b>	<b>5,743</b>	<b>3,742</b>	<b>3,558</b>
Special Item Adjustments (pre-tax):				
Certain tax impacts	—	—	(2)	—
Net gain on asset dispositions	—	—	(137)	(238)
Impairments	208	—	—	346
Pension settlement expense	8	—	—	—
Hurricane-related costs	4	—	—	—
Winter-storm-related costs	2	—	—	—
Change in inventory method for acquired business	—	—	(46)	—
DCP integration restructuring costs	—	18	35	—
Merger transaction costs	—	13	—	—
Gain related to merger of businesses	—	(3,013)	—	—
Total Special Item Adjustments (pre-tax)	222	(2,982)	(150)	108
<b>Midstream EBITDA, Adjusted for Special Items</b>	<b>\$ 1,779</b>	<b>2,761</b>	<b>3,592</b>	<b>3,666</b>
Other Adjustments (pre-tax):				
Proportional share of selected equity affiliates income taxes	14	13	18	16
Proportional share of selected equity affiliates net interest	169	119	51	29
Proportional share of selected equity affiliates depreciation and amortization	229	209	156	129
Adjusted EBITDA attributable to joint venture partners' noncontrolling interests	(82)	(427)	(493)	(178)
<b>Midstream Adjusted EBITDA</b>	<b>\$ 2,109</b>	<b>2,675</b>	<b>3,324</b>	<b>3,662</b>



# Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated	
	2024	2022
<b>Reconciliation of Refining Operating and SG&amp;A Expenses to Refining Adjusted Controllable Costs</b>		
Turnaround expenses	\$ 484	772
Other operating expenses	3,243	3,995
<b>Total operating expenses</b>	<b>3,727</b>	<b>4,767</b>
Selling, general and administrative expenses	209	115
<b>Refining Controllable Costs</b>	<b>3,936</b>	<b>4,882</b>
Plus:		
Proportional share of equity affiliate turnaround expenses <sup>1</sup>	68	118
Proportional share of equity affiliate other operating and SG&A expenses <sup>1</sup>	626	721
<b>Total proportional share of equity affiliate operating and SG&amp;A expenses<sup>1</sup></b>	<b>694</b>	<b>839</b>
Special item adjustments (pre-tax):		
Hurricane-related recovery	—	21
Alliance shutdown-related costs	—	(20)
Legal accrual	(22)	—
Los Angeles Refinery cessation costs	(44)	—
<b>Refining Adjusted Controllable Costs</b>	<b>\$ 4,564</b>	<b>5,722</b>
Total processed inputs (MB)	588,316	612,741
Adjusted total processed inputs (MB) <sup>2</sup>	680,043	691,855
Refining turnaround Expense (\$/BBL) <sup>3</sup>	0.82	1.26
Refining controllable costs, excluding turnaround expense (\$/BBL) <sup>3</sup>	5.87	6.71
<b>Refining Controllable Costs per Barrel (\$/BBL)<sup>3</sup></b>	<b>\$ 6.69</b>	<b>7.97</b>
Refining adjusted turnaround expense (\$/BBL) <sup>4</sup>	0.81	1.29
Refining adjusted controllable costs, excluding adjusted turnaround expense (\$/BBL) <sup>4</sup>	5.90	6.98
<b>Refining Adjusted Controllable Costs (\$/BBL)<sup>4</sup></b>	<b>\$ 6.71</b>	<b>8.27</b>

<sup>1</sup> Represents proportional share of operating and SG&A of equity affiliates for our Refining segment that are reflected as a component of equity in earnings of affiliates on our consolidated statement of income.

<sup>2</sup> Adjusted total processed inputs include our proportional share of processed inputs of an equity affiliate.

<sup>3</sup> Denominator is total processed inputs.

<sup>4</sup> Denominator is adjusted total processed inputs.



# Non-GAAP Reconciliations

	Millions of Dollars				
	2024			2023	
	Year	4Q	3Q	Year	4Q
<b>Reconciliation of Consolidated Earnings to Adjusted Earnings</b>					
Consolidated Earnings	\$ 2,117	8	346	7,015	1,260
Pre-Tax Adjustments:					
Impairments <sup>1</sup>	450	35	28	—	—
Los Angeles Refinery cessation costs <sup>2</sup>	48	7	41	—	—
Certain tax impacts	(9)	(9)	—	(19)	(19)
Winter-storm-related costs (recovery)	(35)	(35)	—	—	—
Net (gain)/loss on asset disposition <sup>3</sup>	(305)	(67)	—	(123)	—
Legal accrual <sup>4</sup>	627	22	605	30	—
Legal settlement	(66)	—	—	—	—
Business transformation restructuring costs	—	—	—	177	50
Loss on early redemption of DCP debt	—	—	—	53	—
Change in inventory method for acquired business	—	—	—	(46)	—
DCP integration restructuring costs	—	—	—	38	—
Tax impact of adjustments <sup>5</sup>	(162)	9	(161)	(26)	(12)
Other tax impacts	(31)	(31)	—	83	83
Noncontrolling interests	(30)	—	—	(19)	—
<b>Adjusted Earnings (Loss)</b>	<b>\$ 2,604</b>	<b>(61)</b>	<b>859</b>	<b>7,163</b>	<b>1,362</b>
<b>Earnings Per Share of Common Stock (dollars)</b>	<b>\$ 4.99</b>	<b>0.01</b>	<b>0.82</b>	<b>15.48</b>	<b>2.86</b>
<b>Adjusted Earnings (Loss) Per Share of Common Stock (dollars)<sup>6</sup></b>	<b>\$ 6.15</b>	<b>(0.15)</b>	<b>2.04</b>	<b>15.81</b>	<b>3.09</b>

<sup>1</sup> Impairments primarily relate to certain gathering and processing assets in the Midstream segment, as well as certain crude oil processing and logistics assets in California, reported in the Refining segment.

<sup>2</sup> Cessation costs recorded in the Refining segment include pre-tax charges for severance costs.

<sup>3</sup> In connection with the asset sale of our 49% non-operated equity interest in Coop Mineraloel AG closing in early 2025, a before-tax unrealized gain was recognized from a foreign currency derivative, reported in the Marketing and Specialties segment..

<sup>4</sup> Legal accrual related to ongoing litigation.

<sup>5</sup> 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.

<sup>6</sup> YTD 2024, 4Q 2024, 3Q 2024 and 4Q 2023 are based on adjusted weighted-average diluted shares of 422,538 thousand, 411,687 thousand, 419,827 thousand and 440,582 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				
	2024			2023	
	Year	4Q	3Q	Year	4Q
<b>Reconciliation of Midstream Pre-Tax Income to Adjusted Pre-Tax Income</b>					
Pre-tax income	\$ 2,638	673	644	2,819	759
Pre-tax adjustments:					
Impairments <sup>1</sup>	346	35	28	—	—
Certain tax items	—	—	—	(2)	(2)
Net gain on asset disposition	(238)	—	—	(137)	—
Change in inventory method for acquired business	—	—	—	(46)	—
DCP Integration restructuring costs	—	—	—	38	—
<b>Adjusted Pre-Tax Income</b>	<b>\$ 2,746</b>	<b>708</b>	<b>672</b>	<b>2,672</b>	<b>757</b>
<b>Reconciliation of Chemicals Pre-Tax Income to Adjusted Pre-Tax Income</b>					
Pre-tax income	\$ 876	107	342	600	106
Pre-tax adjustments:					
Winter-storm-related costs (recovery)	(35)	(35)	—	—	—
<b>Adjusted Pre-Tax Income</b>	<b>\$ 841</b>	<b>72</b>	<b>342</b>	<b>600</b>	<b>106</b>

<sup>1</sup> Impairment, related to certain Midstream gathering and processing assets.



# Non-GAAP Reconciliations

	Millions of Dollars				
	2024			2023	
	Year	4Q	3Q	Year	4Q
<b>Reconciliation of Refining Pre-Tax Income (Loss) to Adjusted Pre-Tax Income (Loss)</b>					
Pre-tax income (loss)	\$ (365)	(775)	(108)	5,340	859
Pre-tax adjustments:					
Impairments <sup>1</sup>	104	—	—	—	—
Los Angeles Refinery cessation costs <sup>2</sup>	44	3	41	—	—
Certain tax impacts	(9)	(9)	—	(17)	(17)
Net loss on asset disposition	—	—	—	14	—
Legal accrual	22	22	—	30	—
Legal settlement	(7)	—	—	—	—
<b>Adjusted Pre-Tax Income (Loss)</b>	<b>\$ (211)</b>	<b>(759)</b>	<b>(67)</b>	<b>5,367</b>	<b>842</b>
<b>Reconciliation of Marketing &amp; Specialties Pre-Tax Income (Loss) to Adjusted Pre-Tax Income</b>					
Pre-tax income (loss)	\$ 1,011	252	(22)	1,897	396
Pre-tax adjustments:					
Gain on asset dispositions <sup>3</sup>	(67)	(67)	—	—	—
Legal accrual <sup>4</sup>	605	—	605	—	—
Legal settlement	(59)	—	—	—	—
<b>Adjusted Pre-Tax Income</b>	<b>\$ 1,490</b>	<b>185</b>	<b>583</b>	<b>1,897</b>	<b>396</b>

<sup>1</sup> Impairment, related to certain crude oil processing and logistics assets in California.

<sup>2</sup> Cessation costs include pre-tax charges for severance costs.

<sup>3</sup> In connection with the asset sale of our 49% non-operated equity interest in Coop Mineraloel AG closing in early 2025, a before-tax unrealized gain was recognized from a foreign currency derivative.

<sup>4</sup> Legal accrual related to ongoing litigation.



# Non-GAAP Reconciliations

	Millions of Dollars				
	2024			2023	
	Year	4Q	3Q	Year	4Q
<b>Reconciliation of Renewable Fuels Pre-Tax Income (Loss) to Adjusted Pre-Tax Income (Loss)</b>					
Pre-tax income (loss)	\$ (198)	28	(116)	153	(11)
Pre-tax adjustments:					
None	—	—	—	—	—
<b>Adjusted Pre-Tax Income (Loss)</b>	<b>\$ (198)</b>	<b>28</b>	<b>(116)</b>	<b>153</b>	<b>(11)</b>
<b>Reconciliation of Corporate and Other Pre-Tax Loss to Adjusted Pre-Tax Loss</b>					
Pre-tax loss	\$ (1,287)	(298)	(327)	(1,340)	(348)
Pre-tax adjustments:					
Los Angeles Refinery cessation costs	4	4	—	—	—
Business transformation restructuring costs	—	—	—	177	50
Loss on early redemption of DCP debt	—	—	—	53	—
<b>Adjusted Pre-Tax Loss</b>	<b>\$ (1,283)</b>	<b>(294)</b>	<b>(327)</b>	<b>(1,110)</b>	<b>(298)</b>



# Non-GAAP Reconciliations

	Millions of Dollars	
	2024	
	4Q	3Q
<b>Reconciliation of Refining - Atlantic Basin / Europe Pre-tax Loss to Adjusted Pre-Tax Loss</b>		
Pre-tax loss	\$ (91)	(61)
Pre-tax adjustments:		
Certain tax impacts	(9)	—
<b>Adjusted Pre-Tax Loss</b>	<b>\$ (100)</b>	<b>(61)</b>
<b>Reconciliation of Refining - Gulf Coast Pre-Tax Loss to Adjusted Pre-Tax Loss</b>		
Pre-tax loss	\$ (128)	(102)
Pre-tax adjustments:		
None	—	—
<b>Adjusted Pre-Tax Loss</b>	<b>\$ (128)</b>	<b>(102)</b>
<b>Refining - Central Corridor Pre-Tax Income (Loss) to Adjusted Pre-Tax Income (Loss)</b>		
Pre-tax income (loss)	\$ (94)	308
Pre-tax adjustments:		
None	—	—
<b>Adjusted Pre-Tax Income (Loss)</b>	<b>\$ (94)</b>	<b>308</b>
<b>Refining - West Coast Pre-Tax Loss to Adjusted Pre-Tax Loss</b>		
Pre-tax income (loss)	\$ (462)	(253)
Pre-tax adjustments:		
Los Angeles Refinery cessation costs	3	41
Legal accrual	22	—
<b>Adjusted Pre-Tax Loss</b>	<b>\$ (437)</b>	<b>(212)</b>
<b>Total Refining Adjusted Pre-Tax Loss</b>	<b>\$ (759)</b>	<b>(67)</b>



# Non-GAAP Reconciliations

	<b>Millions of Dollars Except as Indicated</b>	
	<b>December 31, 2024</b>	
Total Debt	\$	20,062
Total Equity		28,463
<b>Debt-to-Capital Ratio</b>		<b>41 %</b>
Total Cash	\$	1,738
<b>Net Debt-to-Capital Ratio</b>		<b>39 %</b>



# Non-GAAP Reconciliations

	<u>Millions of Dollars</u>	
	<u>2024</u>	
<b>Reconciliation of Consolidated Net Income to Adjusted EBITDA</b>		
Net income	\$	2,175
Plus:		
Income tax expense		500
Net interest expense		745
Depreciation and amortization		2,363
<b>Phillips 66 EBITDA</b>	<b>\$</b>	<b>5,783</b>
Special Item Adjustments (pre-tax):		
Certain tax impacts		(9)
Net gain on asset dispositions		(305)
Impairments		450
Winter-storm-related costs (recovery)		(35)
Legal Accrual		627
Los Angeles Refinery cessation costs		48
Legal settlement		(66)
Total Special Item Adjustments (pre-tax)		710
Change in Fair Value of NOVONIX Investment		3
<b>Phillips 66 EBITDA, Adjusted for Special Items and Change in Fair Value of NOVONIX Investment</b>	<b>\$</b>	<b>6,496</b>
Other Adjustments (pre-tax):		
Proportional share of selected equity affiliates income taxes		88
Proportional share of selected equity affiliates net interest		68
Proportional share of selected equity affiliates depreciation and amortization		780
Adjusted EBITDA attributable to joint venture partners' noncontrolling interests		(178)
<b>Consolidated Adjusted EBITDA</b>	<b>\$</b>	<b>7,254</b>



# Non-GAAP Reconciliations

	Millions of Dollars (Except as Indicated)				
	4Q 2024				
	Atlantic Basin/ Europe	Gulf Coast	Central Corridor	West Coast	Worldwide
<b>Reconciliation of Refining Loss Before Income Taxes to Realized Refining Margins</b>					
Loss before income taxes	\$ (91)	(128)	(94)	(462)	(775)
Plus:					
Taxes other than income taxes	22	28	21	21	92
Depreciation, amortization and impairments	55	67	43	271	436
Selling, general and administrative expenses	14	9	26	11	60
Operating expenses	256	296	148	268	968
Equity in losses of affiliates	2	—	77	—	79
Other segment expense, net	40	—	9	9	58
Proportional share of refining gross margins contributed by equity affiliates	21	—	111	—	132
Special items:					
Certain tax impacts	(9)	—	—	—	(9)
<b>Realized Refining Margins</b>	<b>\$ 310</b>	<b>272</b>	<b>341</b>	<b>118</b>	<b>1,041</b>
<b>Total processed inputs (MB)</b>	<b>50,792</b>	<b>48,750</b>	<b>27,886</b>	<b>20,452</b>	<b>147,880</b>
<b>Adjusted total processed inputs (MB)<sup>1</sup></b>	<b>50,792</b>	<b>48,750</b>	<b>51,037</b>	<b>20,452</b>	<b>171,031</b>
<b>Income (loss) before income taxes (\$/BBL)<sup>2</sup></b>	<b>\$ (1.79)</b>	<b>(2.62)</b>	<b>(3.35)</b>	<b>(22.65)</b>	<b>(5.24)</b>
<b>Realized refining margins (\$/BBL)<sup>3</sup></b>	<b>\$ 6.09</b>	<b>5.58</b>	<b>6.68</b>	<b>5.74</b>	<b>6.08</b>

<sup>1</sup> Adjusted total processed inputs include our proportional share of processed inputs of an equity affiliate.

<sup>2</sup> Income (loss) before income taxes divided by total processed inputs.

<sup>3</sup> Realized 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)	
	2024	
<b>Reconciliation of Return on Capital Employed (ROCE) to Adjusted ROCE</b>		
Numerator		
Net income	\$	2,175
After-tax interest expense		717
ROCE earnings		2,892
After-tax special items		517
<b>Adjusted ROCE earnings</b>	<b>\$</b>	<b>3,409</b>
Denominator		
Average capital employed*		49,767
<b>ROCE (%)</b>		<b>6%</b>
<b>Adjusted ROCE (%)</b>		<b>7%</b>

\*Capital employed is total equity plus total debt



# Non-GAAP Reconciliations

	Millions of Dollars	
	2024	2022
<b>Reconciliation of Operating and SG&amp;A Expenses to Adjusted Controllable Costs</b>		
Operating Expenses	\$ 5,939	6,111
Selling, general and administrative expenses (SG&A)	2,814	2,168
<b>Controllable costs</b>	<b>\$ 8,753</b>	<b>8,279</b>
Special Item Adjustments (pre-tax)		
Hurricane-related (costs) recovery	—	21
Alliance shutdown-related costs	—	(20)
DCP integration restructuring costs	—	(18)
Legal accrual	(627)	—
Los Angeles Refinery cessation costs	(48)	—
<b>Adjusted Controllable Costs</b>	<b>\$ 8,078</b>	<b>8,262</b>