PHILLIPS 66
FIRST QUARTER 2018 CONFERENCE CALL
April 27, 2018

CAUTIONARY STATEMENT

This presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements relating to Phillips 66’s operations (including joint venture operations) are based on management’s expectations, estimates and projections about the company, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include fluctuations in NGL, crude oil, petroleum products and natural gas prices, and refining, marketing and petrochemical margins; unexpected changes in costs for constructing, modifying or operating our facilities; unexpected difficulties in manufacturing, refining or transporting our 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; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; 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.

EXECUTING THE STRATEGY

CPChem Cedar Bayou Facility, Baytown, Texas

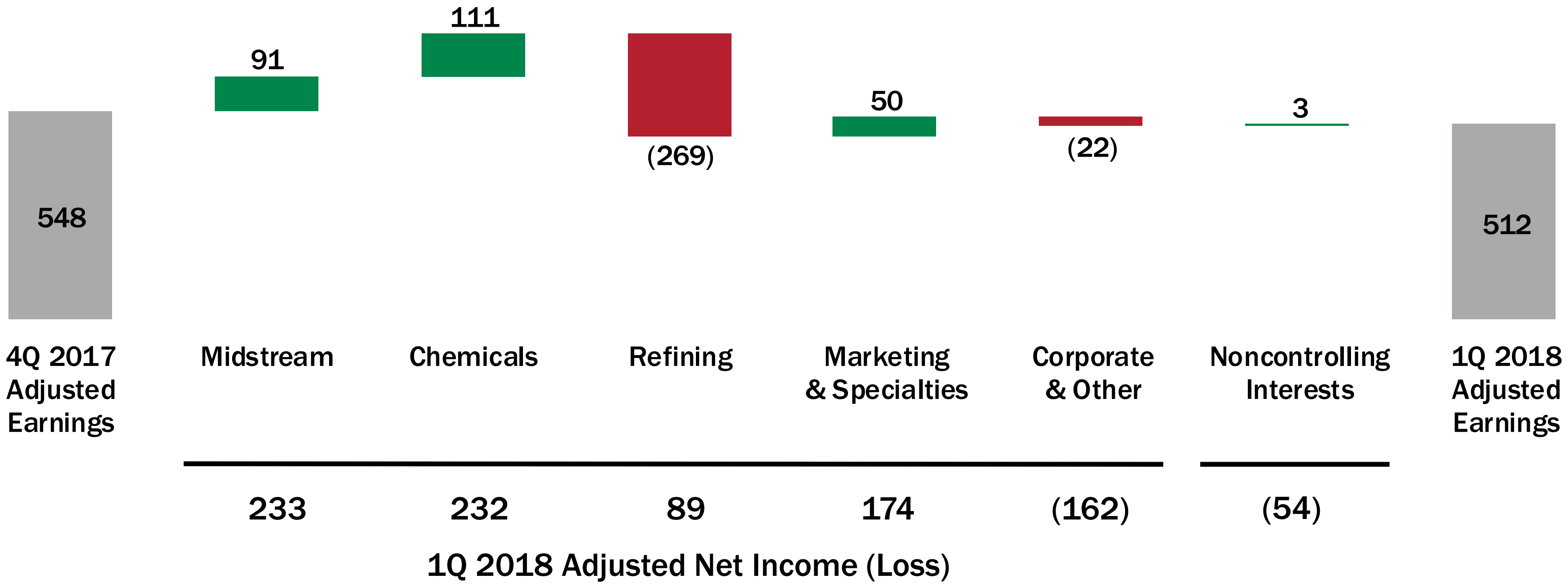
OVERVIEW
1Q 2018

Adjusted earnings	$512 MM
Adjusted EPS	$1.04
Operating cash flow excluding working capital	$1,303 MM
Capital expenditures and investments	$328 MM
Shareholder distributions[1]	$3,840 MM

(1) Shareholder distributions include share repurchases of $3,513 MM and dividends of $327 MM

ADJUSTED EARNINGS
1Q 2018

$MM

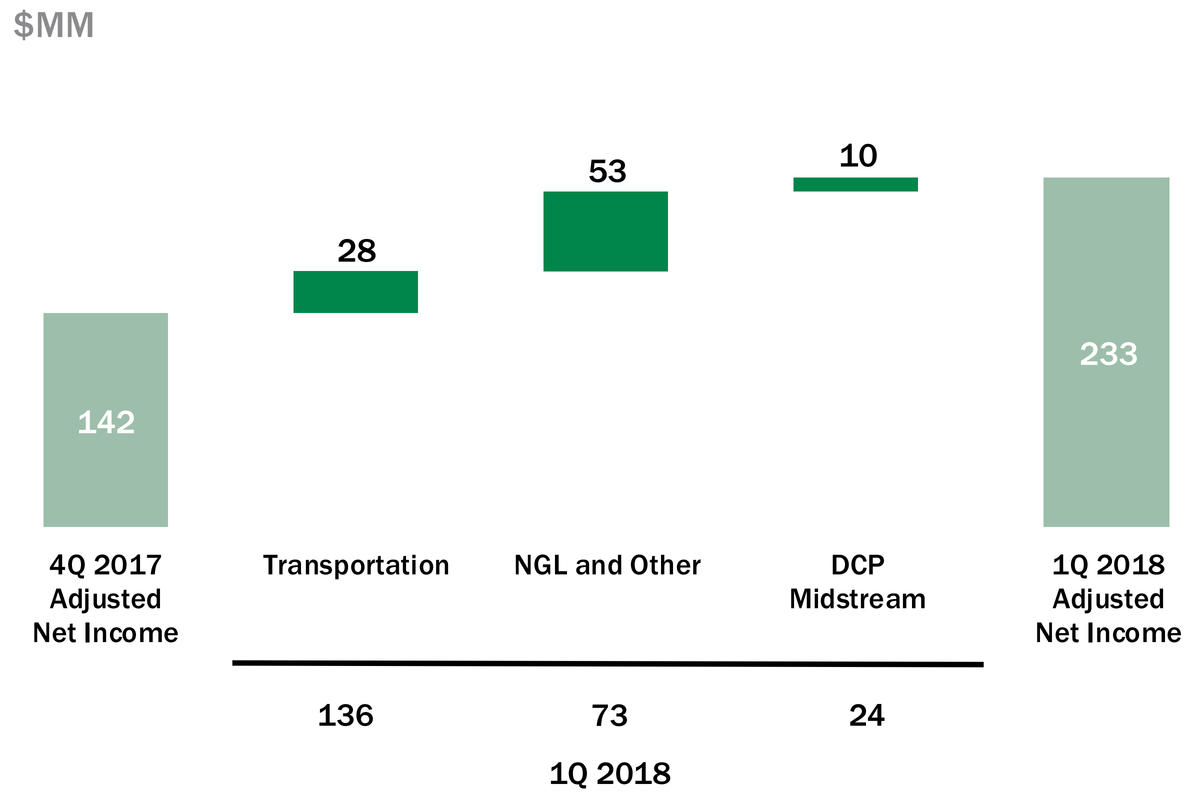


MIDSTREAM
1Q 2018

Transportation volumes impacted by refinery turnarounds

Continued strong Sweeny Hub volumes

Improved DCP Midstream financial position



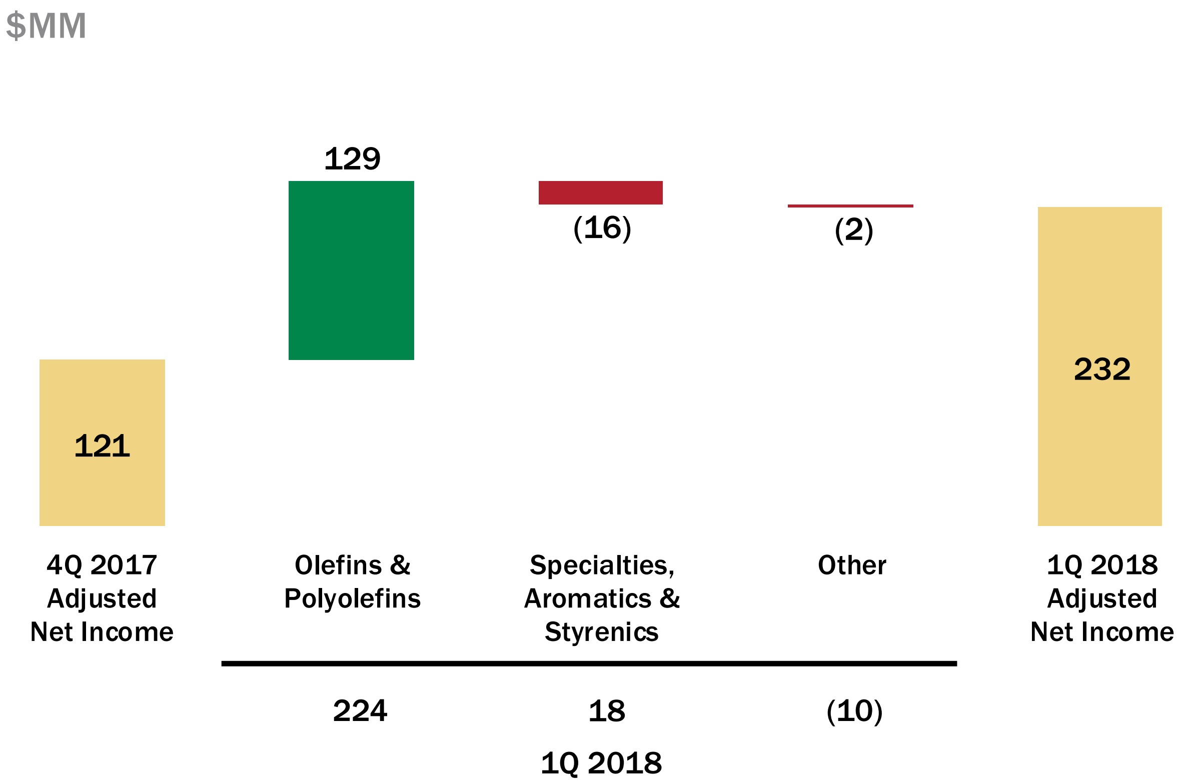
CHEMICALS
1Q 2018

96% O&P capacity utilization

Cedar Bayou returned to full operations post-Hurricane Harvey

CPChem started up new world-scale ethane cracker

SA&S impacted by turnarounds



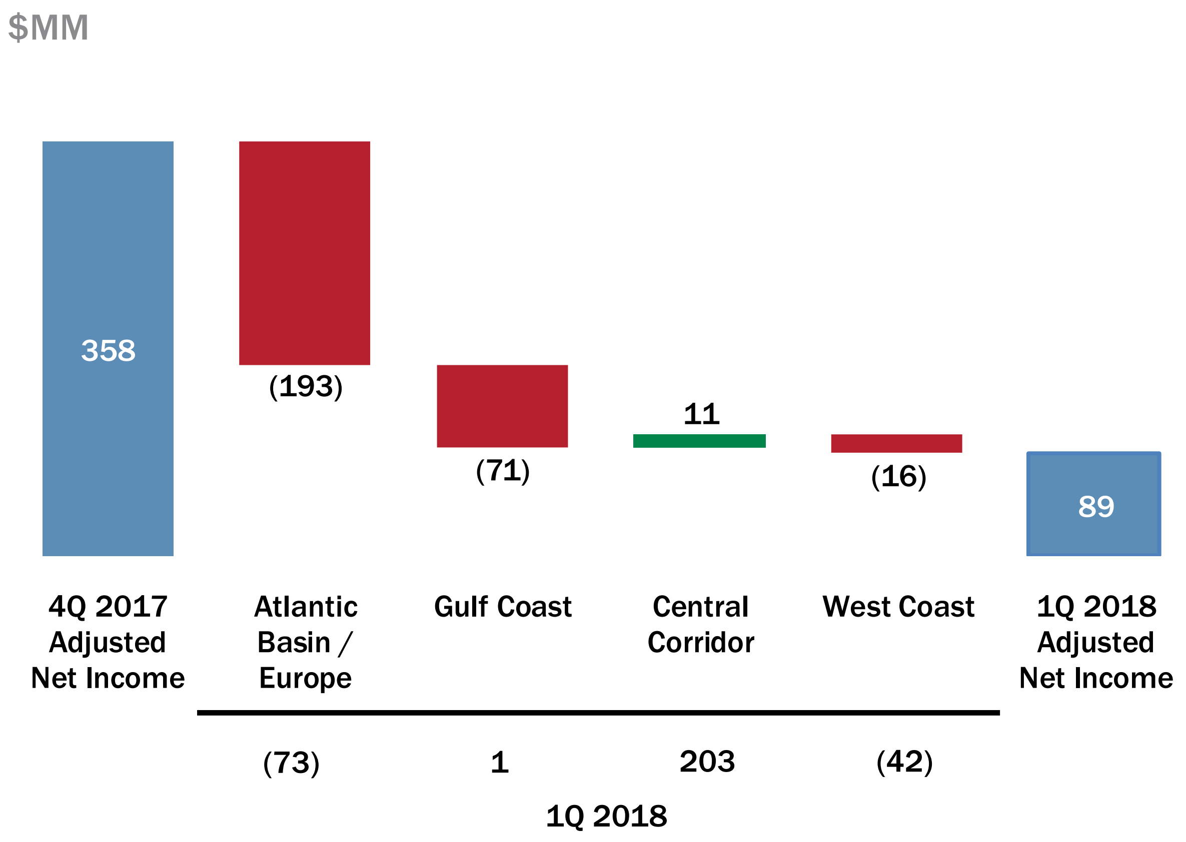
REFINING
1Q 2018

Heavy turnaround schedule with $245 MM of pre-tax costs

89% crude utilization

83% clean product yield

$9.29/BBL realized margin



REFINING MARGINS – MARKET VS. REALIZED
1Q 2018

WORLDWIDE REFINING $/BBL

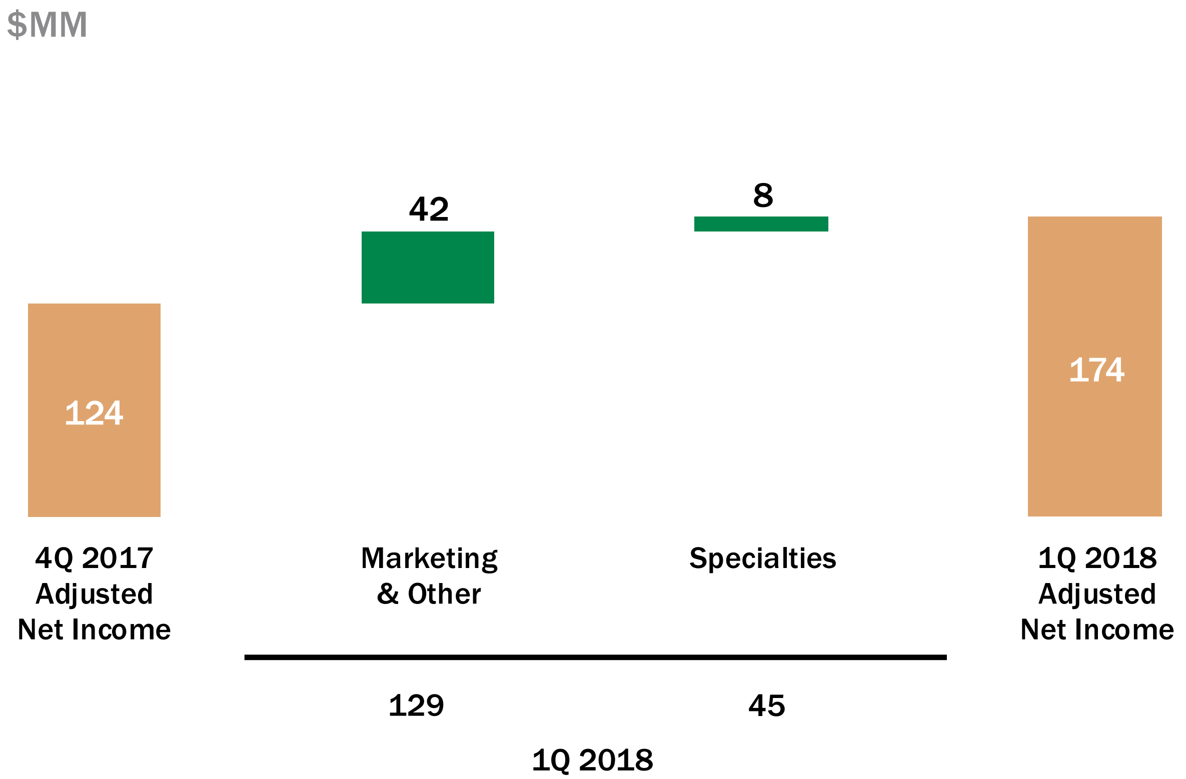
Avg Market Crude: $65.56/BBL | 71% Market Capture

MARKETING AND SPECIALTIES
1Q 2018

Marketing benefited from improved realized margins

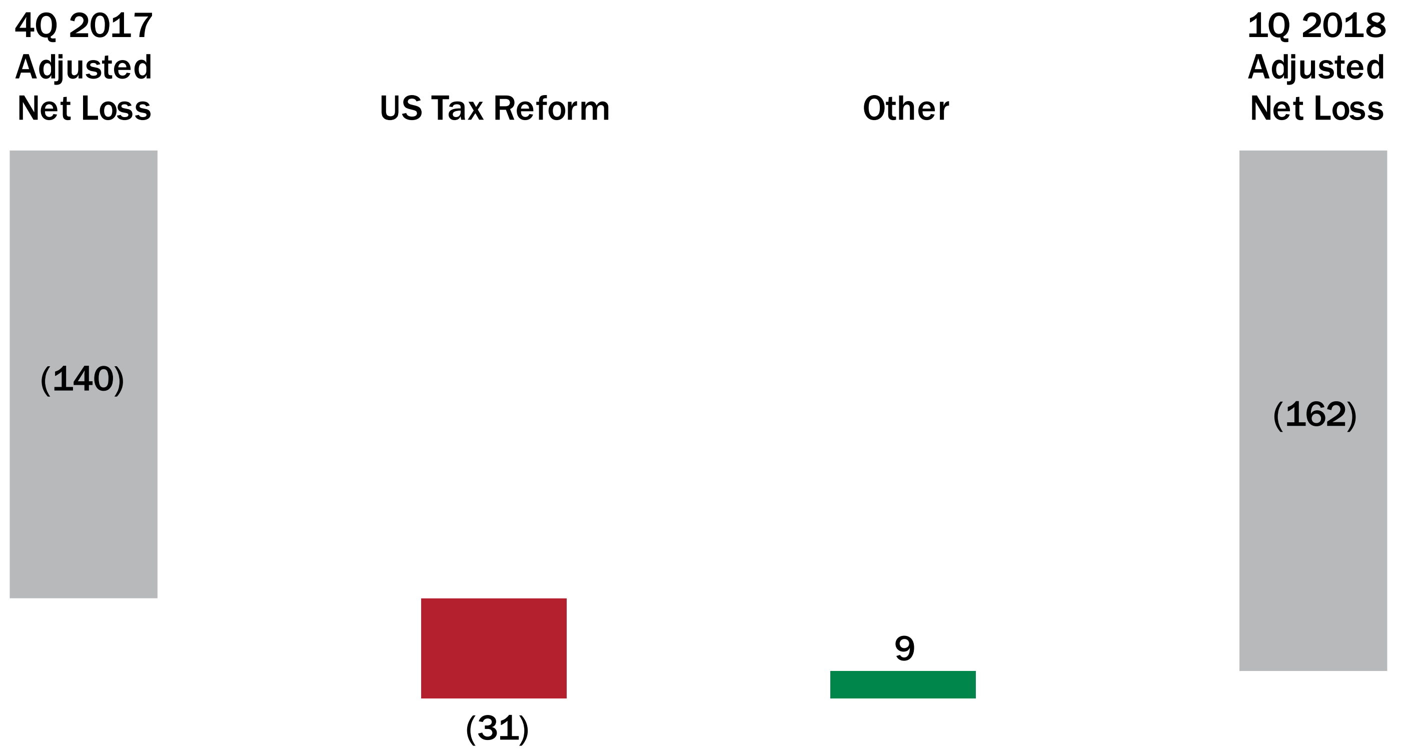
Refined products exports of 190,000 BPD

Excel Paralubes JV restructuring completed

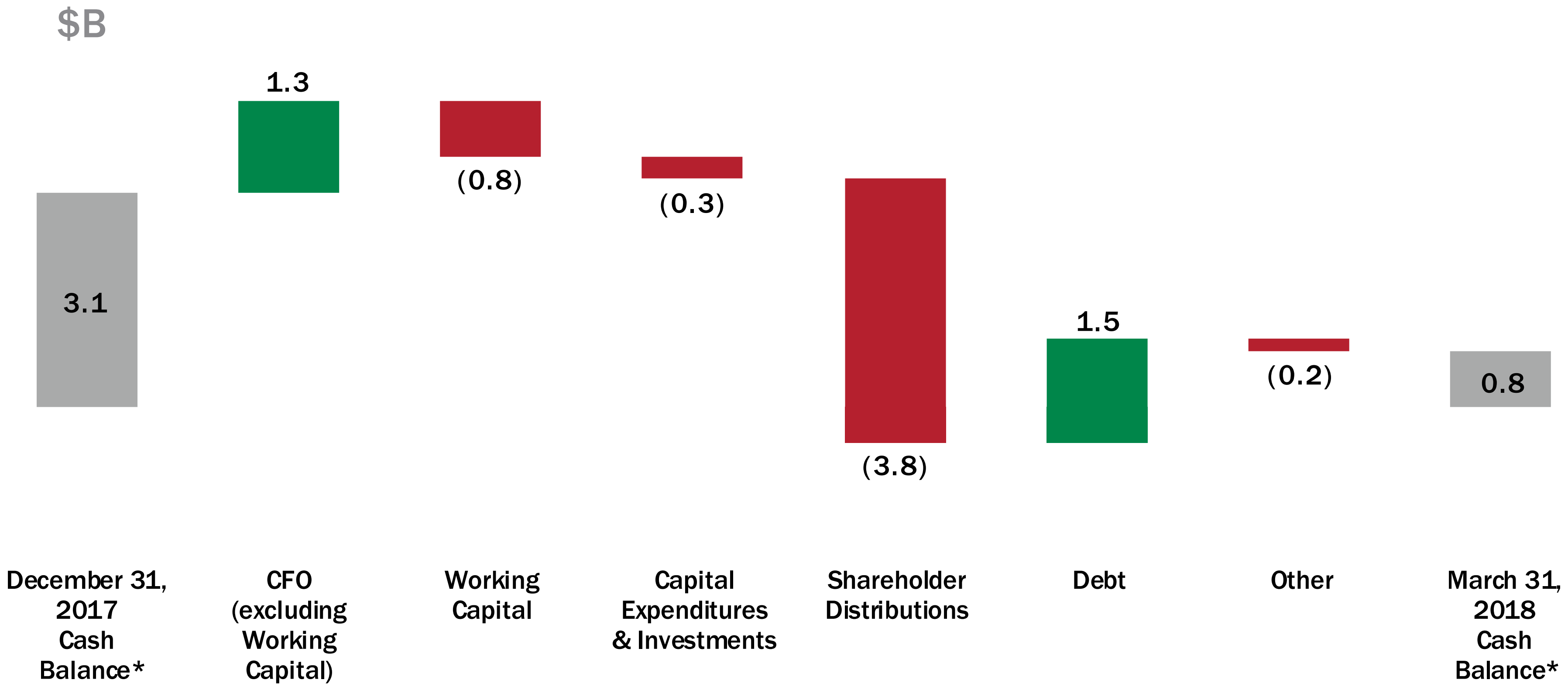


CORPORATE AND OTHER
1Q 2018

$MM



CASH FLOW
1Q 2018



* Includes cash and cash equivalents

OUTLOOK
2Q 2018

Global Olefins & Polyolefins utilization	Mid-90%
Refining crude utilization	Mid-90%
Refining turnaround expenses (pre-tax)	$90 MM - $120 MM
Corporate & Other costs (after-tax)	$170 MM - $190 MM

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Questions and Answers

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Appendix

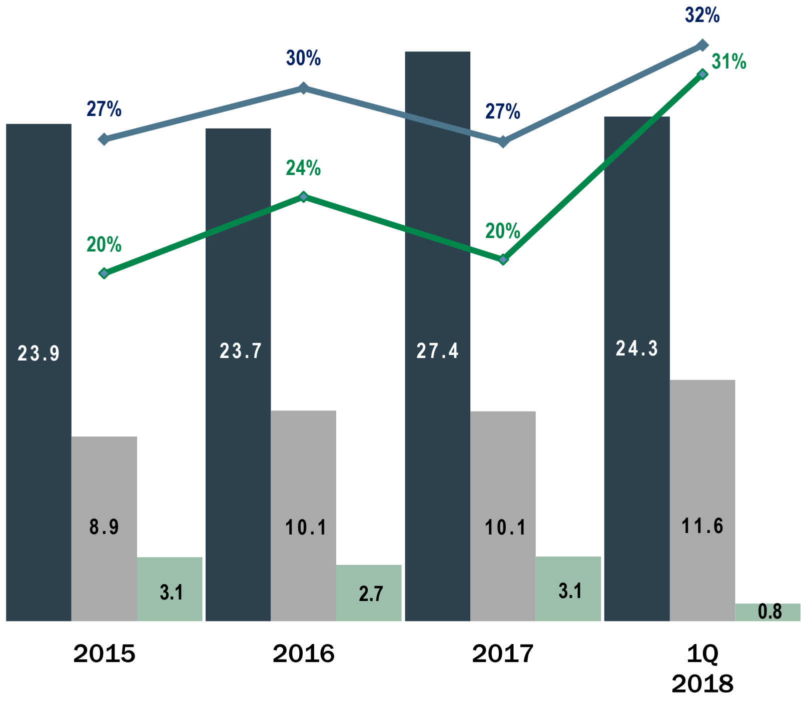
ESTIMATED SENSITIVITIES
2018

	Annual Net Income $MM
Midstream - DCP (net to Phillips 66)	
10¢/Gal Increase in NGL price	5
10¢/MMBtu Increase in Natural Gas price	1
$1/BBL Increase in WTI price	1
Chemicals - CPChem (net to Phillips 66)	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	45
Worldwide Refining	
$1/BBL Increase in Gasoline Margin	260
$1/BBL Increase in Distillate Margin	230
Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:	
$1/BBL Widening WTI / WCS Differential (WTI less WCS)	50
$1/BBL Widening LLS / Maya Differential	40
$1/BBL Widening LLS / Medium Sour Differential	30
$1/BBL Widening LLS / WCS Differential	25
$1/BBL Widening WTI / WTS Differential	15
$1/BBL Widening LLS / WTI Differential	10
$1/BBL Widening ANS / WTI Differential	10
$1/BBL Widening Brent / WTI Differential	5
10¢/MMBtu Increase in Natural Gas price	(15)

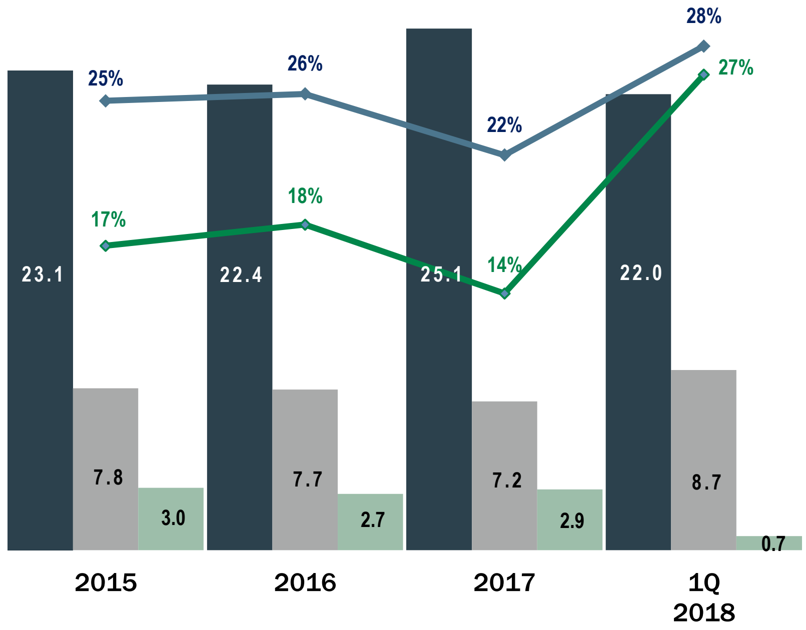
Sensitivities shown above are independent and are only valid within a limited price range

CAPITAL STRUCTURE
2015 – 2018

Consolidated PSX



Excluding PSXP



Equity $B Debt $B Cash & Cash Equivalents $B Debt-to-Capital Net-Debt-to-Capital

REFINING MARGINS – MARKET VS. REALIZED
1Q 2018

ATLANTIC BASIN / EUROPE $/BBL

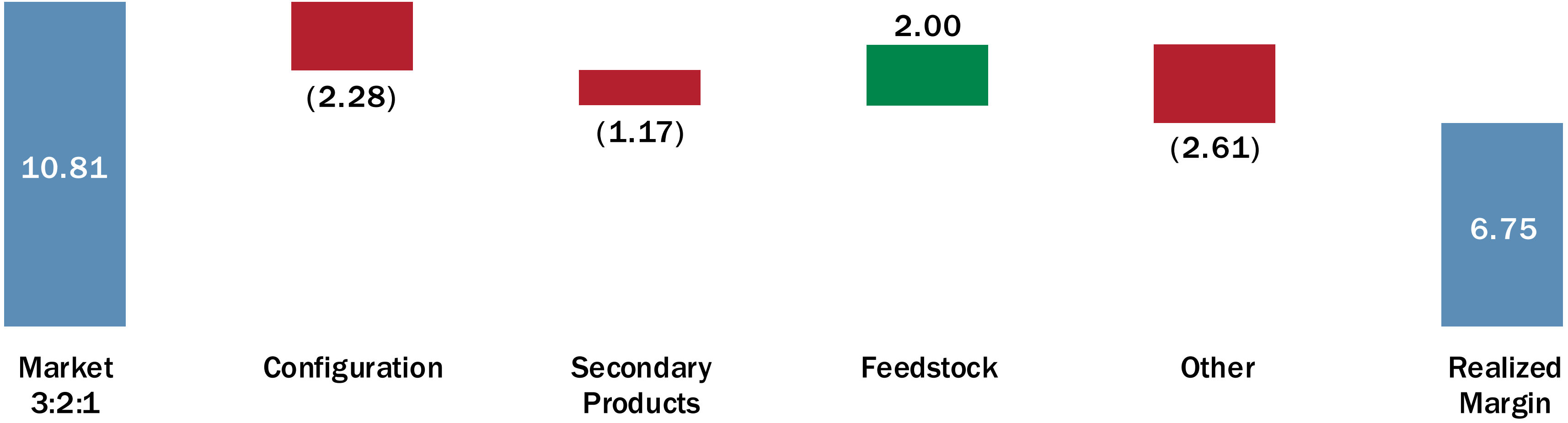
Brent: $66.76/BBL | 78% Crude Capacity Utilization | 62% Market Capture

Market 3:2:1 – Dated Brent / Gasoline 83.7 RBOB NYH / Diesel 15ppm NYH

REFINING MARGINS – MARKET VS. REALIZED
1Q 2018

GULF COAST $/BBL

LLS: $65.79/BBL	93% Crude Capacity Utilization	62% Market Capture

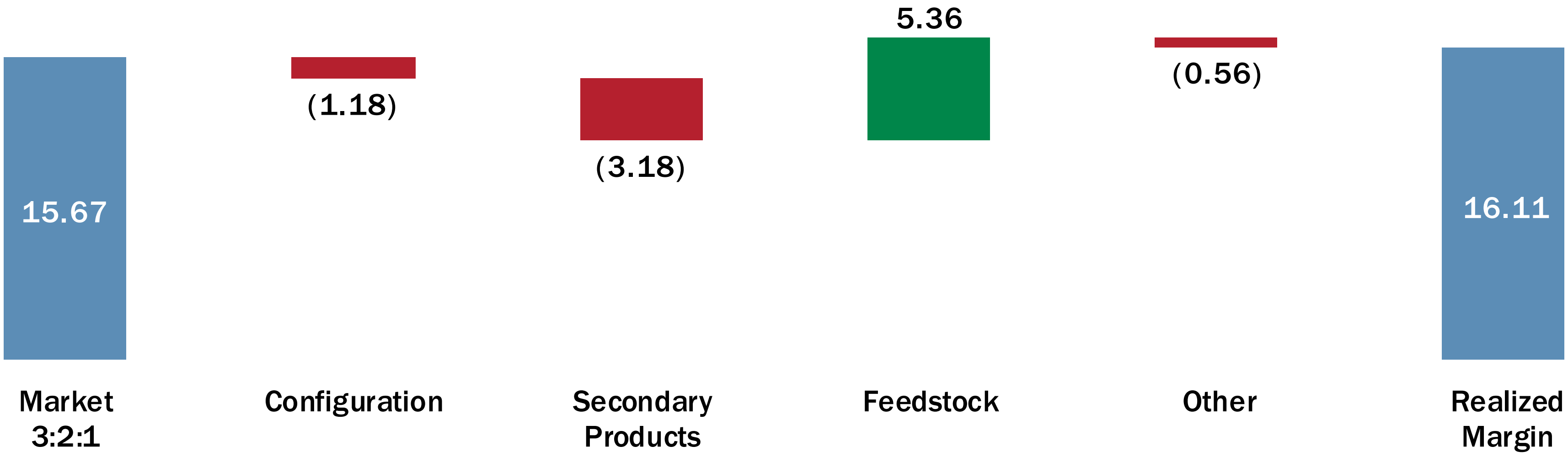


Market 3:2:1 – LLS / Gasoline 85 CBOB / Diesel 62 10ppm

REFINING MARGINS – MARKET VS. REALIZED
1Q 2018

CENTRAL CORRIDOR $/BBL

WTI: $62.88/BBL | 93% Crude Capacity Utilization | 103% Market Capture

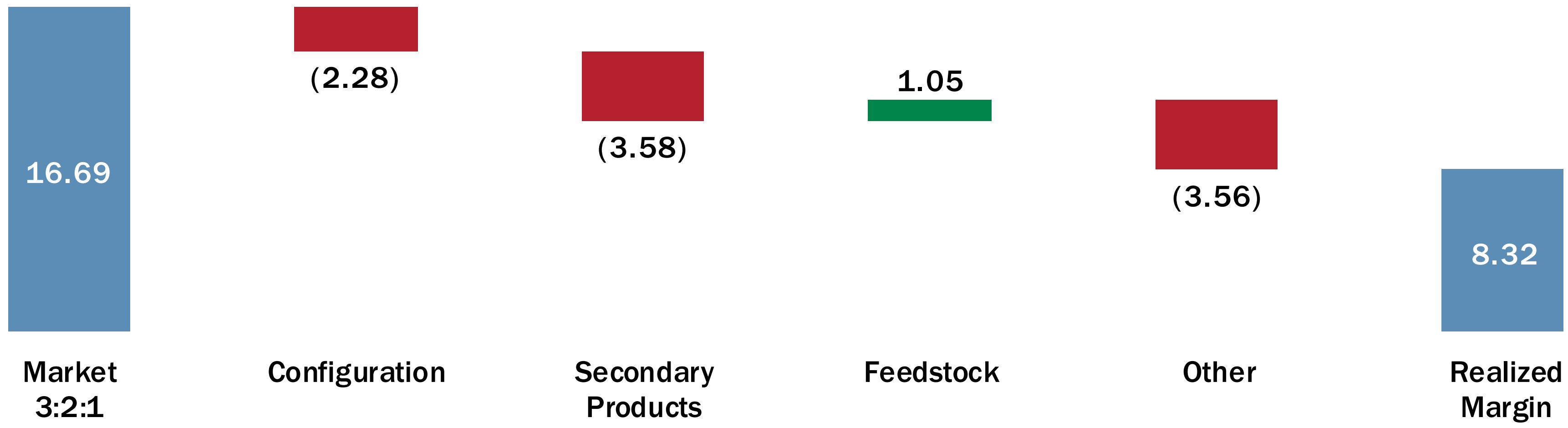


Market 3:2:1 – WTI / Gasoline Unl Sub Octane Group 3 / ULSD Group 3

REFINING MARGINS – MARKET VS. REALIZED
1Q 2018

WEST COAST $/BBL

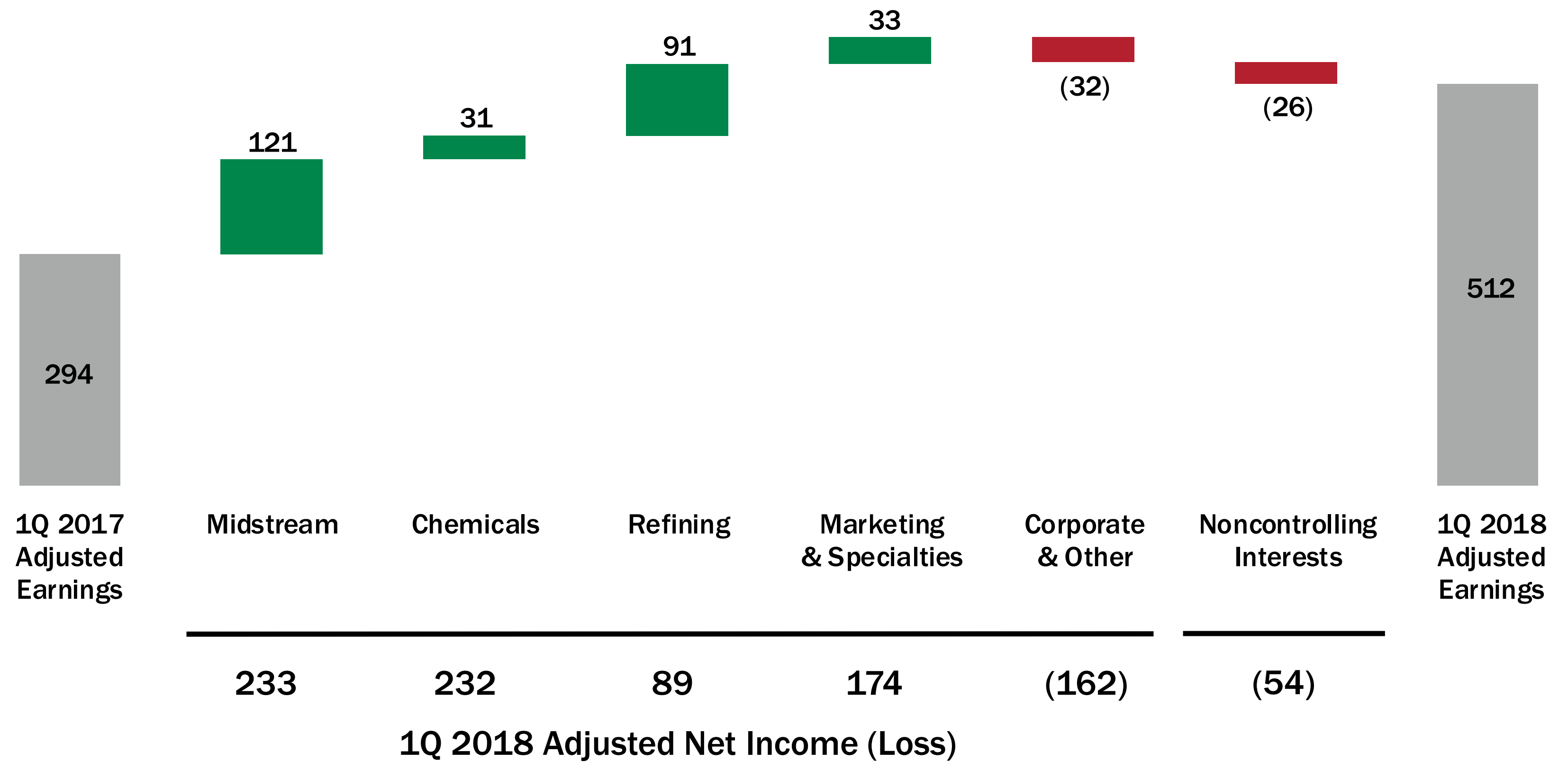
ANS: $66.96/BBL | 93% Crude Capacity Utilization | 50% Market Capture



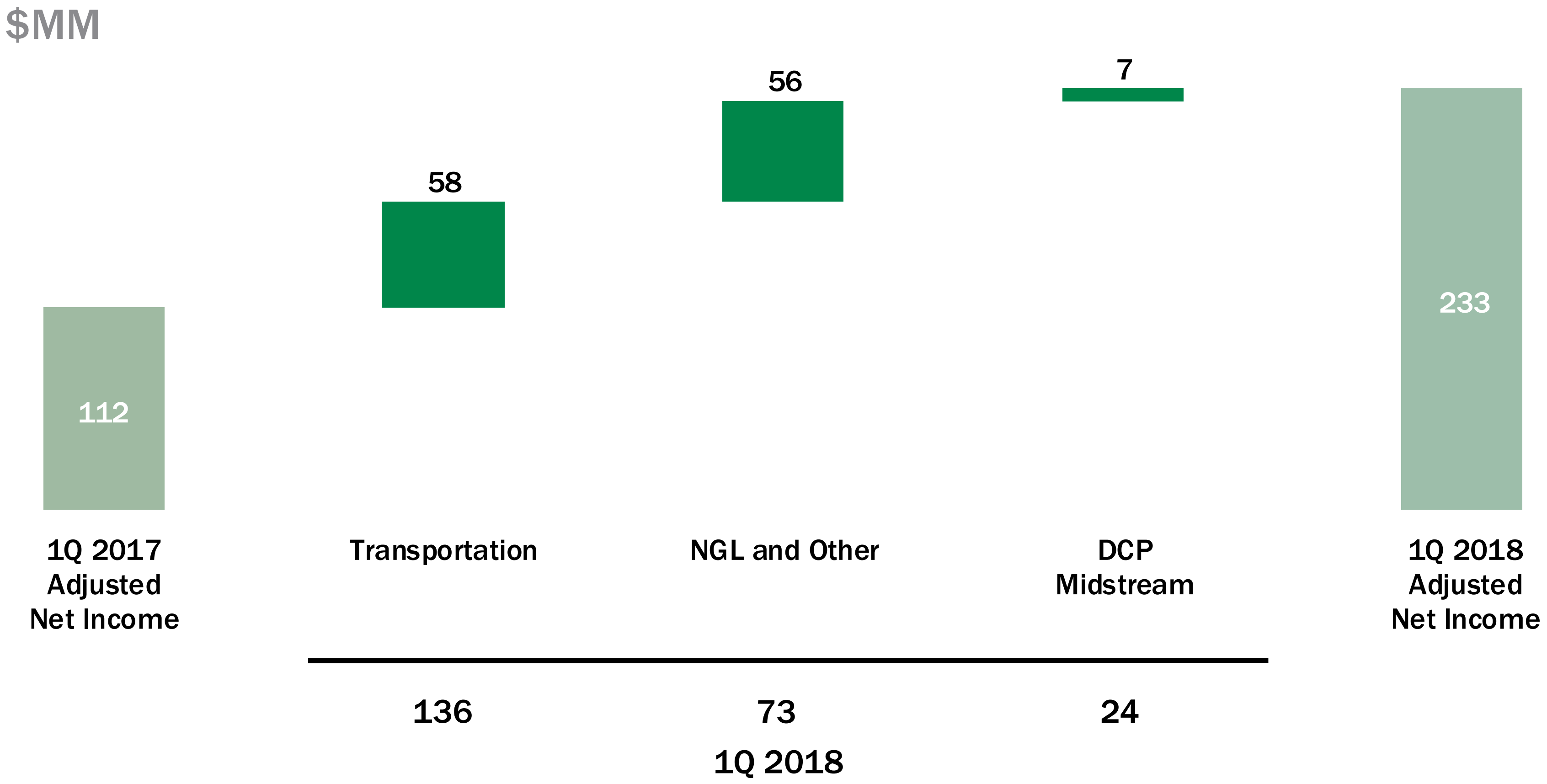
Market 3:2:1 – ANS / Los Angeles CARBOB / Los Angeles No. 2 CARB

ADJUSTED EARNINGS
1Q 2018 VS. 1Q 2017

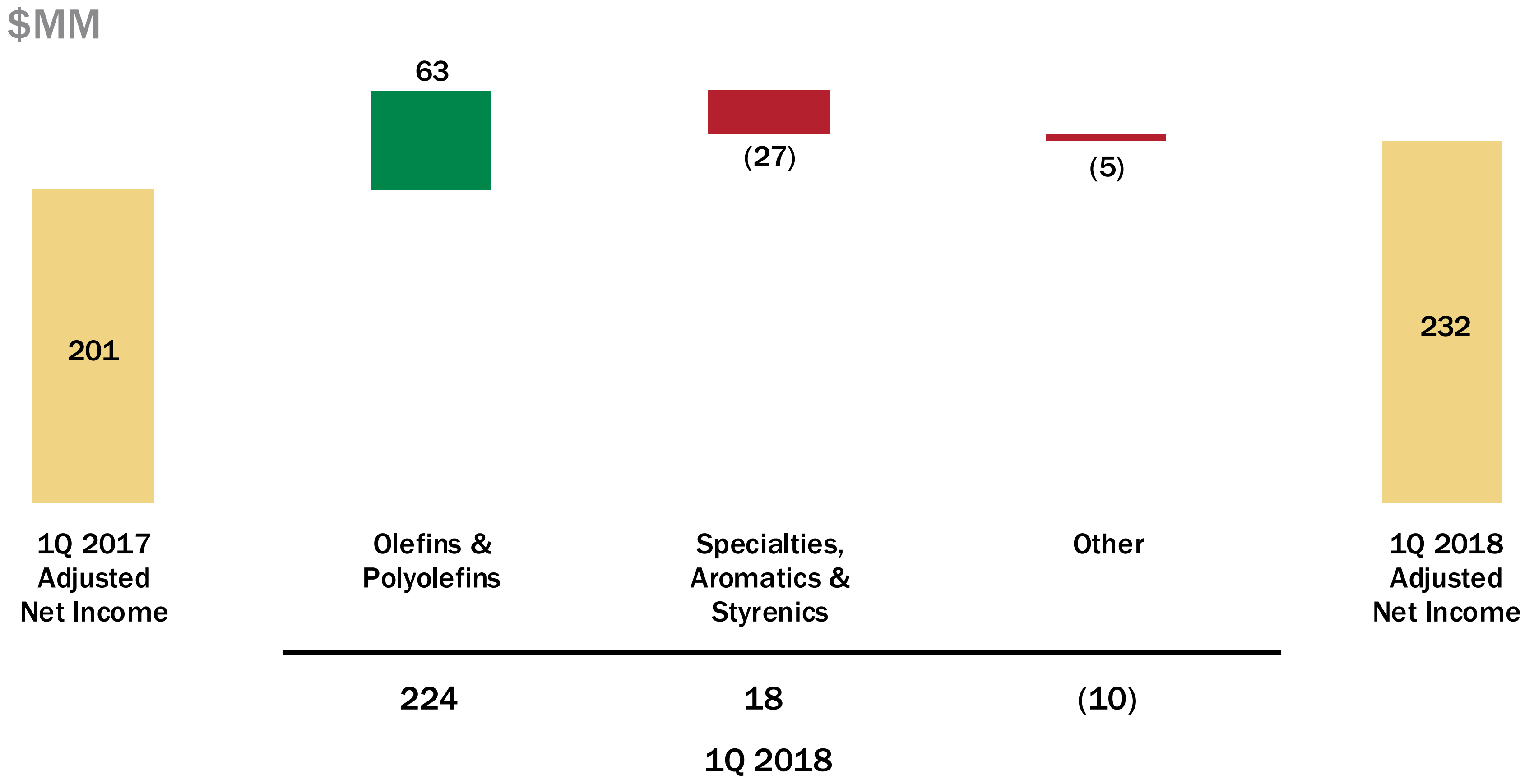
$MM



MIDSTREAM
1Q 2018 VS. 1Q 2017

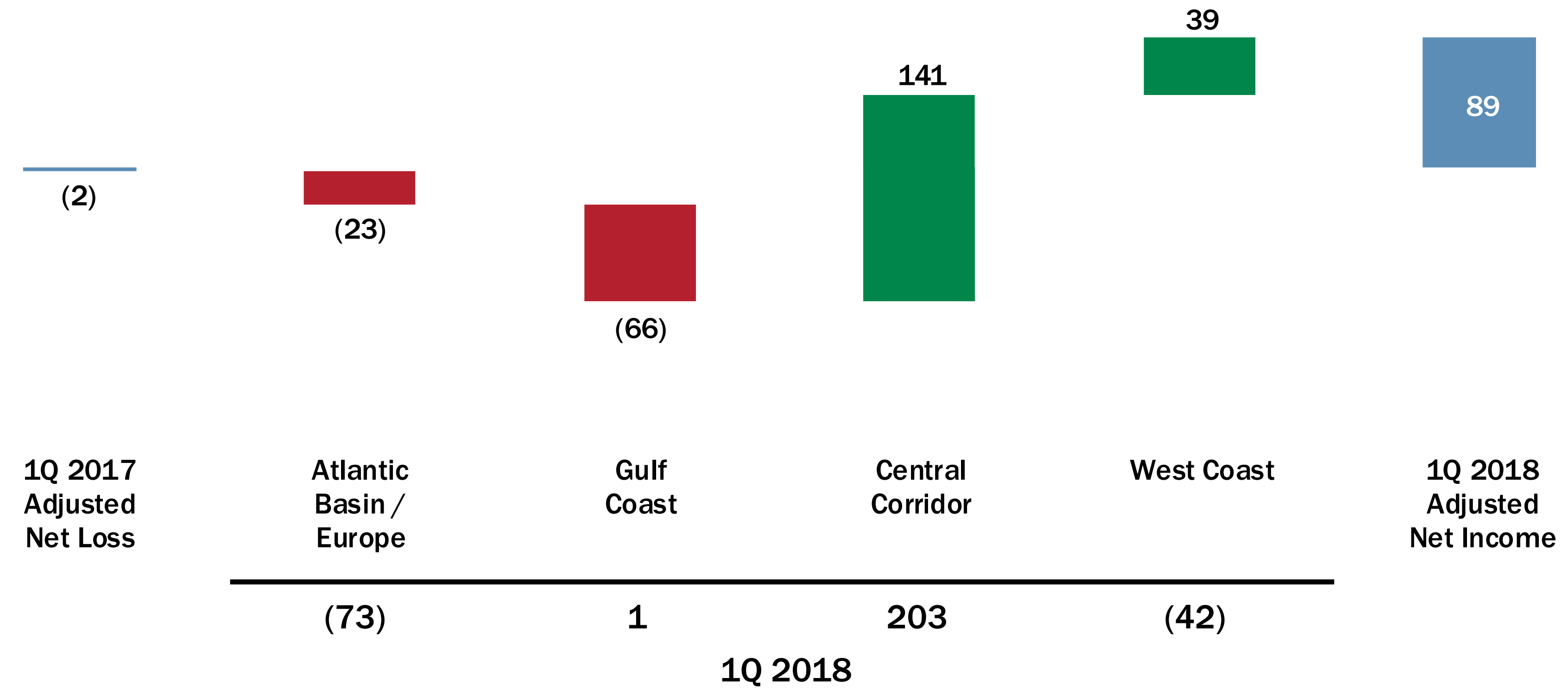


CHEMICALS
1Q 2018 VS. 1Q 2017

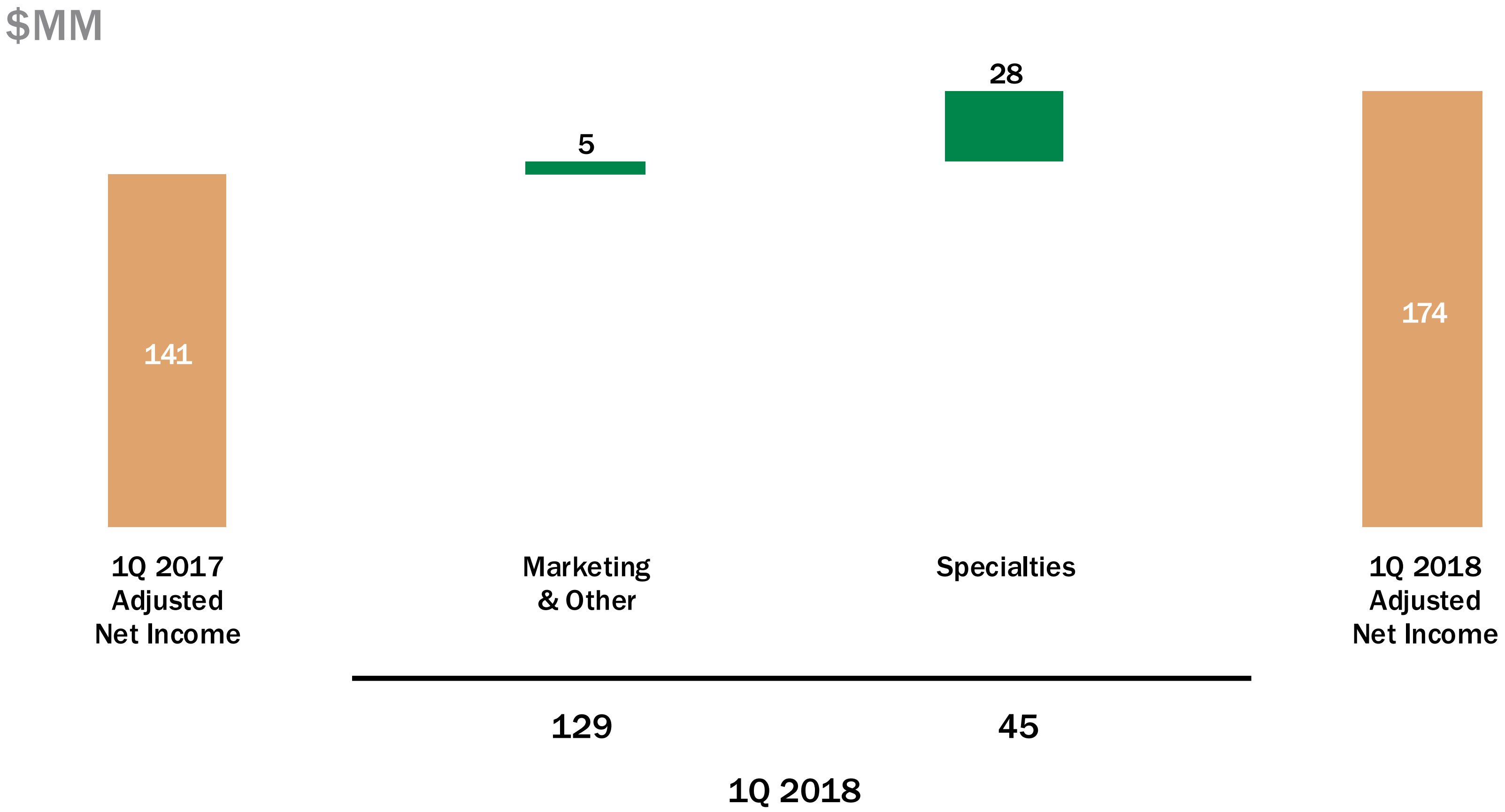


REFINING
1Q 2018 VS. 1Q 2017

$MM

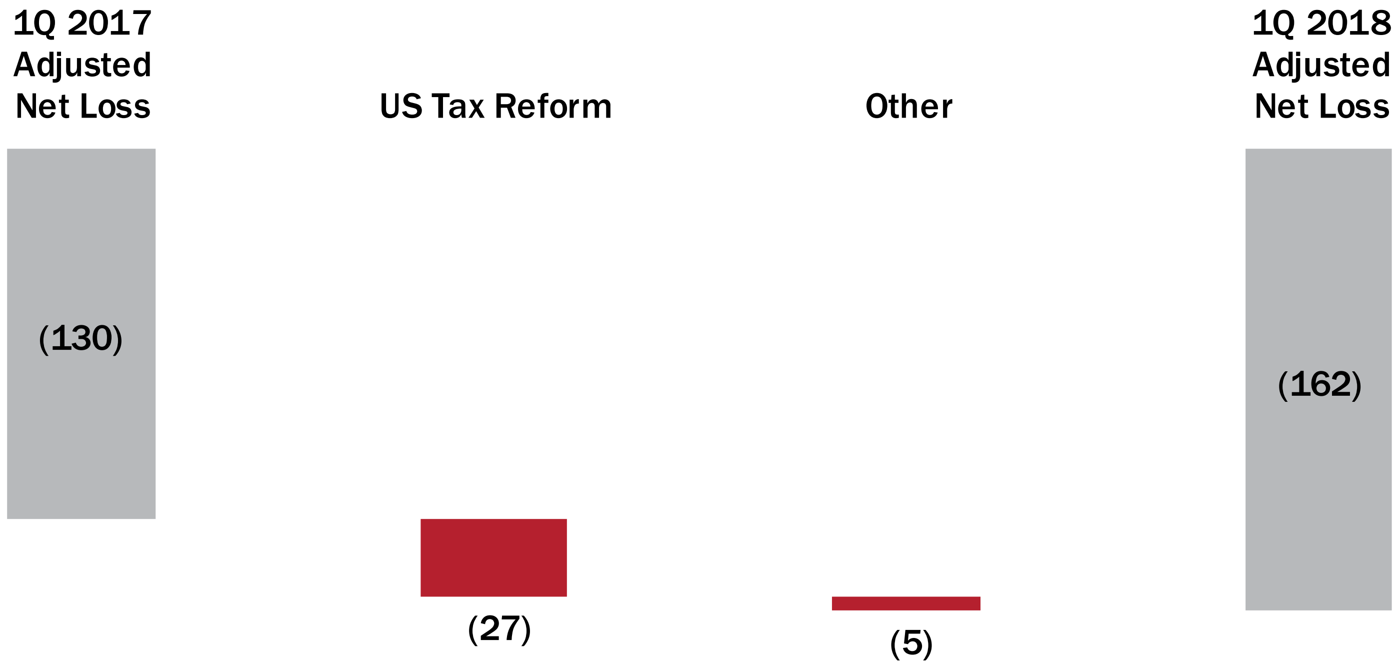


MARKETING AND SPECIALTIES
1Q 2018 VS. 1Q 2017



CORPORATE AND OTHER
1Q 2018 VS. 1Q 2017

$MM



NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Phillips 66			
Consolidated Earnings	$ 524	$ 3,198	$ 535
Pre-tax Adjustments:			
Pension settlement expense	-	7	-
Impairments by equity affiliates	-	31	33
Certain tax impacts	(15)	(23)	-
Gain on consolidation of business	-	-	(423)
Hurricane-related costs	-	140	-
Tax impact of adjustments *	3	(70)	149
U.S. tax reform	-	(2,735)	-
Adjusted Earnings	$ 512	$ 548	$ 294
Earnings Per Share of Common Stock (dollars) **	$ 1.07	$ 6.25	$ 1.02
Adjusted Earnings Per Share of Common Stock (dollars) **	$ 1.04	$ 1.07	$ 0.56

* We generally tax effect taxable U.S.-based special items using a combined federal and state statutory income tax rate of approximately 25 percent beginning in 2018, and approximately 38 percent for periods prior to 2018. 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.

** Weighted-average diluted shares outstanding and income allocated to participating securities, if applicable, in the adjusted earnings per share calculation are the same as those used in the GAAP diluted earnings per share calculation.

NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Midstream			
Net Income	$ 233	$ 139	$ 112
Pre-tax Adjustments:			
Pension settlement expense		1	
Hurricane-related costs		6	
Tax impact of adjustments		(4)	
Adjusted Net Income	$ 233	$ 142	$ 112
Chemicals			
Net Income	$ 232	$ 27	$ 181
Pre-tax Adjustments:			
Impairments by equity affiliates		31	33
Hurricane-related costs		122	
Tax impact of adjustments		(59)	(13)
Adjusted Net Income	$ 232	$ 121	$ 201

NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Refining			
Net Income	$ 91	$ 371	$ 259
Pre-tax Adjustments:			
Gain on consolidation of business			(423)
Certain tax impacts	(2)	(23)	
Pension settlement expense		5	
Hurricane-related costs		12	
Tax impact of adjustments		(7)	162
Adjusted Net Income (Loss)	$ 89	$ 358	$ (2)
Marketing & Specialties			
Net Income	$ 184	$ 123	$ 141
Pre-tax Adjustments:			
Pension settlement expense		1	
Certain tax impacts	(13)		
Tax impact of adjustments	3		
Adjusted Net Income	$ 174	$ 124	$ 141
Corporate and Other			
Net Income (Loss)	$ (155)	$ 2,595	$ (130)
U.S. tax reform	(7)	(2,735)	
Adjusted Net Loss	$ (162)	$ (140)	$ (130)

NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Midstream - Transportation			
Net Income	$ 136	$ 105	$ 78
Pre-tax Adjustments:			
Hurricane-related costs		5	
Tax impact of adjustments		(2)	
Adjusted Net Income	$ 136	$ 108	$ 78
Midstream - NGL and Other			
Net Income	$ 73	$ 20	$ 17
Pre-tax Adjustments:			
Pension settlement expense		1	
Hurricane-related costs		1	
Tax impact of adjustments		(2)	
Adjusted Net Income	$ 73	$ 20	$ 17
Midstream - DCP Midstream			
Net Income	$ 24	$ 14	$ 17
Pre-tax Adjustments:			
Tax impact of adjustments			
Adjusted Net Income	$ 24	$ 14	$ 17

NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Refining - Atlantic Basin / Europe			
Net Income (Loss)	$ (73)	$ 142	$ (50)
Pre-tax Adjustments:			
Pension settlement expense		1	
Certain tax impacts		(23)	
Tax impact of adjustments			
Adjusted Net Income (Loss)	$ (73)	$ 120	$ (50)
Refining - Gulf Coast			
Net Income	$ 1	$ 64	$ 328
Pre-tax Adjustments:			
Pension settlement expense		2	
Gain on consolidation of business			(423)
Hurricane-related costs		12	
Tax impact of adjustments		(6)	162
Adjusted Net Income	$ 1	$ 72	$ 67

NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Refining - Central Corridor			
Net Income	$ 203	$ 191	$ 62
Pre-tax Adjustments:			
Pension settlement expense		2	
Tax impact of adjustments		(1)	
Adjusted Net Income	$ 203	$ 192	$ 62
Refining - West Coast			
Net Loss	$ (40)	$ (26)	$ (81)
Pre-tax Adjustments:			
Certain tax impacts	(2)		
Tax impact of adjustments			
Adjusted Net Loss	$ (42)	$ (26)	$ (81)

NON-GAAP RECONCILIATIONS

	Millions of Dollars Except as Indicated		
	2018	2017	
	1Q	4Q	1Q
Marketing & Specialties - Marketing & Other			
Net Income	$ 139	$ 86	$ 124
Pre-tax Adjustments:			
Pension settlement expense		1	
Certain tax impacts	(13)		
Tax impact of adjustments	3		
Adjusted Net Income	$ 129	$ 87	$ 124
Marketing & Specialties - Specialties			
Net Income	$ 45	$ 37	$ 17
Pre-tax Adjustments:			
Tax impact of adjustments			
Adjusted Net Income	$ 45	$ 37	$ 17

NON-GAAP RECONCILIATIONS

	Millions of Dollars				
	2018				
	1Q				
	Atlantic Basin/Europe	Gulf Coast	Central Corridor	West Coast	Worldwide
Realized Refining Margins					
Net income (loss)	$ (73)	$ 1	$ 203	$ (40)	$ 91
Plus:					
Income tax expense (benefit)	(35)	(1)	69	(12)	21
Taxes other than income taxes	15	25	12	25	77
Depreciation, amortization and impairments	52	66	35	58	211
Selling, general and administrative expenses	13	10	7	11	41
Operating expenses	285	366	108	230	989
Equity in losses of affiliates	2	1	61	-	64
Other segment (income) expense, net	(7)	(1)	(4)	3	(9)
Proportional share of refining gross margins contributed by equity affiliates	29	-	198	-	227
Realized refining margins	$ 281	$ 467	$ 689	$ 275	$ 1,712
Total processed inputs (thousands of barrels)	39,218	69,207	26,236	33,051	167,712
Adjusted total processed inputs (thousands of barrels)*	39,218	69,207	42,765	33,051	184,241
Net income (loss) (dollars per barrel)**	$ (1.86)	$ 0.01	$ 7.74	$ (1.21)	$ 0.54
Realized refining margins (dollars per barrel)***	$ 7.17	$ 6.75	$ 16.11	$ 8.32	$ 9.29

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

** Net income (loss) divided by total processed inputs.

*** 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 due to rounding.

NON-GAAP RECONCILIATIONS

2018 March YTD	Phillips 66
Numerator ($MM)	
Net Income	$ 585
After-tax interest expense	$ 97
GAAP ROCE earnings	$ 682
After-tax special items	$ (19)
Adjusted ROCE earnings	$ 663
Denominator ($MM)	
GAAP average capital employed *	$ 36,729
2018 Annualized GAAP ROCE	7%
2018 Annualized Adjusted ROCE	7%

* Capital employed is total equity plus total debt

NON-GAAP RECONCILIATIONS

	Millions of Dollars		
	2018		
	1Q		
	Phillips 66 Consolidated	Phillips 66 Partners *	Adjusted Phillips 66
Total Debt	$ 11,621	$ 2,946	$ 8,675
Total Equity	$ 24,300	$ 2,343	$ 21,957
Debt-to-Capital Ratio	32%		28%
Total Cash & Cash Equivalents	$ 842	$ 167	$ 675
Net-Debt-to-Capital Ratio	31%		27%

* Phillips 66 Partners' third-party debt and Phillips 66's noncontrolling interest attributable to Phillips 66 Partners

NON-GAAP RECONCILIATIONS

	Millions of Dollars					
	2018					
	1Q					
	Growth		Sustaining		Total	
Capital Expenditures and Investments						
Midstream	$	103	$	33	$	136
Refining	$	60	$	112	$	172
Marketing & Specialties	$	7	$	6	$	13
Corporate and Other	$	1	$	6	$	7
Total	$	171	$	157	$	328

NON-GAAP RECONCILIATIONS

PSX Effective Tax Rate:

	Millions of Dollars 2018
	1Q
Effective Tax Rates	
Income before taxes	$ 717
Special items	$ (31)
Adjusted income before taxes	$ 686
Income tax expense	$ 132
Special items	$ (12)
Adjusted provision for taxes	$ 120
GAAP effective tax rate	18.4%
Adjusted effective tax rate	17.5%

PSXP Run-rate EBITDA:

PSXP's run-rate EBITDA is a forecast of future EBITDA, and is based on the Partnership's projections of annual EBITDA inclusive of both currently owned assets and future potential acquisitions by the Partnership. Run-rate EBITDA is included to demonstrate the historical growth of the Partnership, as well as management's intention of future growth through acquisitions and organic projects. We are unable to present a reconciliation of run-rate EBITDA to net income, which is the nearest GAAP financial measure, because certain elements of net income, including interest, depreciation and taxes, were not used in the forecasts and are therefore not available. Together, these items generally result in run-rate EBITDA being significantly greater than net income.