# INVESTOR UPDATE

AUGUST 2021


PROVIDING ENERGY. IMPROVING LIVES.

# 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,” “continues,” “intends,” “will,” “would,” “objectives,” “goals,” “projects,” “efforts,” “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 included in this presentation are based on management’s expectations, estimates and projections as of the date they are made. These statements are not guarantees of future performance and you should not unduly rely on them as they involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include: the continuing effects of the COVID-19 pandemic 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; 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; potential disruption of our operations due to accidents, weather events, including as a result of climate change, terrorism or cyberattacks; general domestic and international economic and political developments including armed hostilities, expropriation of assets, and other political, economic or diplomatic developments, including those caused by public health issues and 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); the operation, financing and distribution decisions of equity affiliates we do not control; the impact of adverse market conditions or other similar risks to those identified herein affecting PSXP; 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.

# Our Business

## Phillips 66 is a Diversified Energy Manufacturing and Logistics Company

### Midstream

**22,000** miles of U.S. pipeline systems

Provides crude oil and refined product transportation, terminaling, processing and export services, as well as NGL and LPG transportation, storage, processing and export services, mainly in the United States. This segment includes our MLP, Phillips 66 Partners LP and our 50% equity investment in DCP Midstream.

### Chemicals

**28** global manufacturing facilities

**2** research and development centers in the U.S.

Consists of our 50% joint venture interest in CPChem, which manufactures and markets petrochemicals and plastics worldwide. CPChem has cost-advantaged assets concentrated in North America and the Middle East.

### Refining

**2.2** million BPD of crude throughput capacity

Refines crude oil and other feedstocks into petroleum products such as gasoline, distillates and aviation fuels at 13 refineries in the United States and Europe.

### Marketing and Specialties

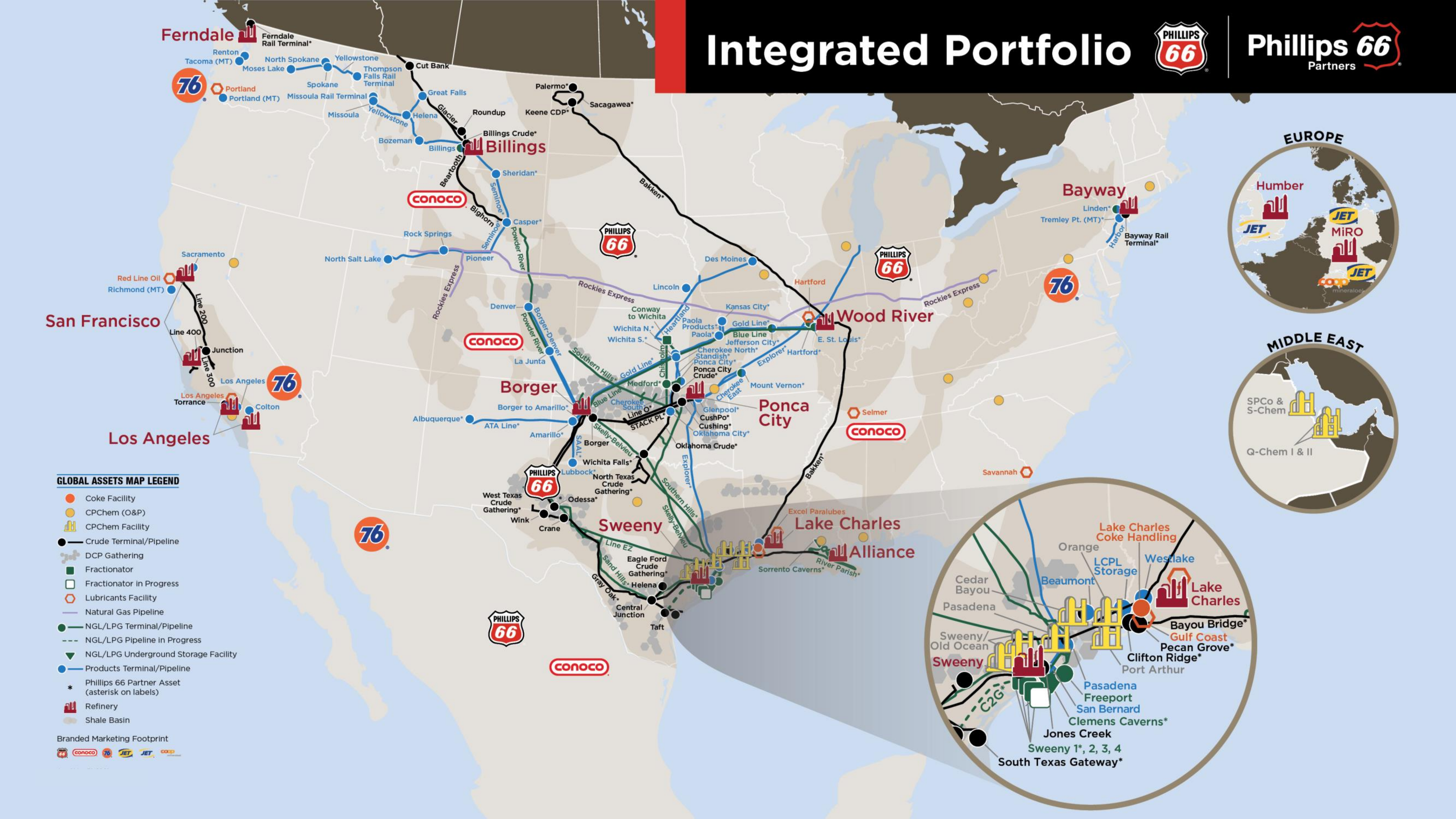
**7,590** branded U.S. outlets

**1,700** branded international outlets

Markets refined petroleum products such as gasoline, distillates and aviation fuels, mainly in the United States and Europe. The segment also includes the manufacturing and marketing of specialty products such as base oils and lubricants.

As of December 31, 2020, with the exception of crude throughput capacity, which is as of January 1, 2021.

# Integrated Portfolio



# Executing the Strategy

## *Operating Excellence*
Committed to safety, environmental stewardship, reliability and cost discipline

## *Growth*
Enhancing our portfolio by capturing growth in Midstream, Chemicals and lower-carbon opportunities

## *Returns*
Improving returns by maximizing earnings through investments in existing assets

## *Distributions*
Committed to financial strength, disciplined capital allocation, dividend growth and share repurchases

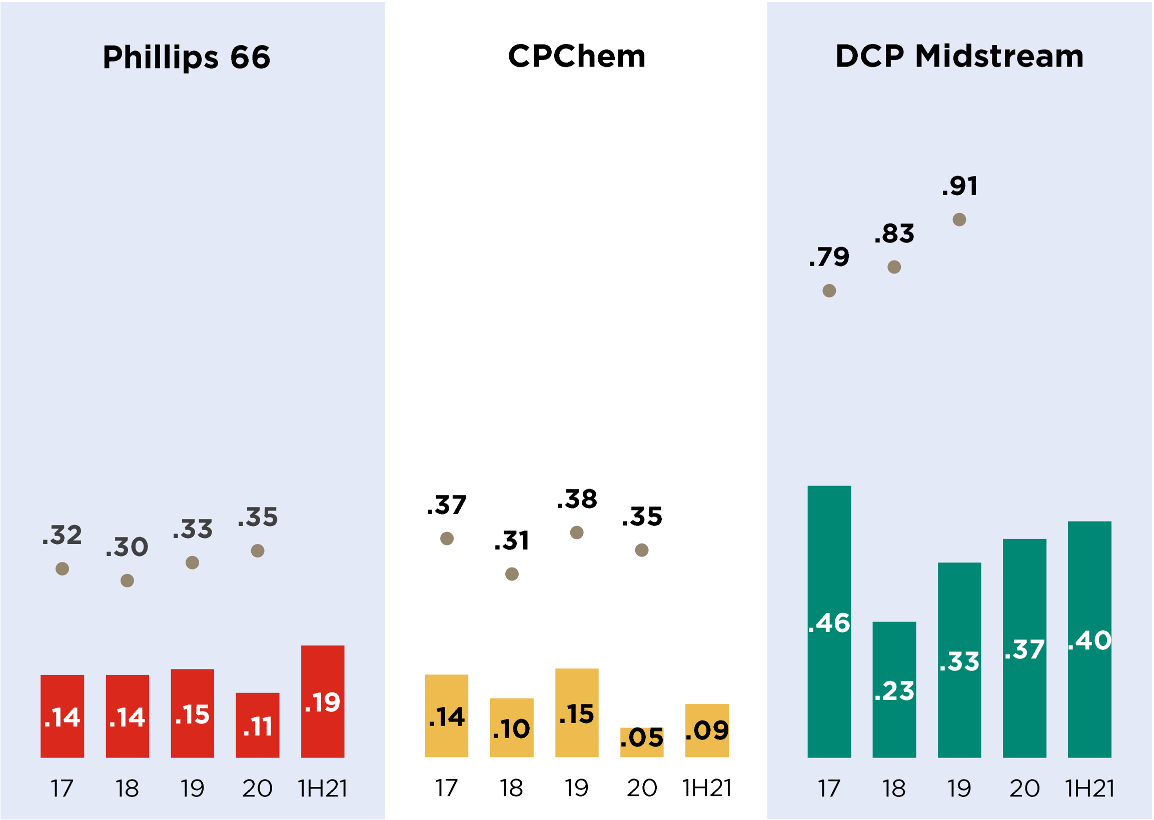
## *High-Performing Organization*
Building capability, pursuing excellence and doing the right thing

Gray Oak Pipeline Wink Facility
WINK, TX

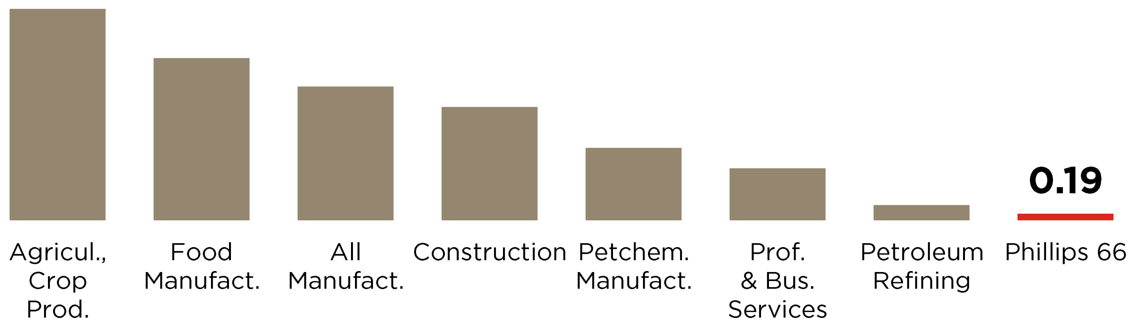
# Operating Excellence

**Total Recordable Rates**
*(Incidents per 200,000 hours worked)*

Industry Average

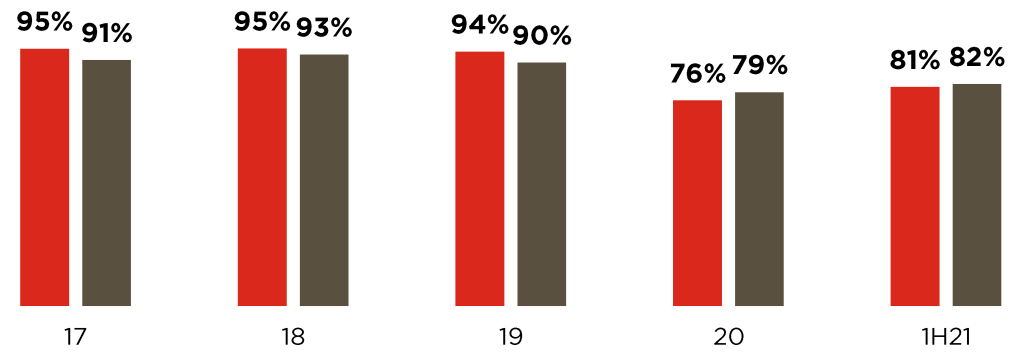



**Industry Safety Metrics**
*(Incidents per 200,000 hours worked)*




**Refining Crude Capacity Utilization**
*(%)*

Phillips 66
U.S. Industry Average




See appendix for footnotes

# Long-Term Capital Allocation Framework

$6-7 B mid-cycle CFO

Sustaining capital for asset integrity, safety and environmental projects

Strong balance sheet and investment grade credit ratings

Near-term debt repayment priority

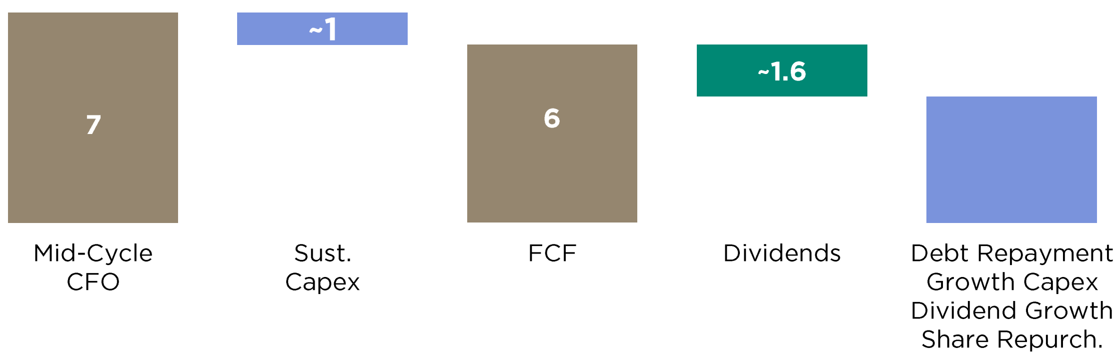
Secure, competitive, and growing dividend

Growth investments with attractive returns including lower-carbon opportunities

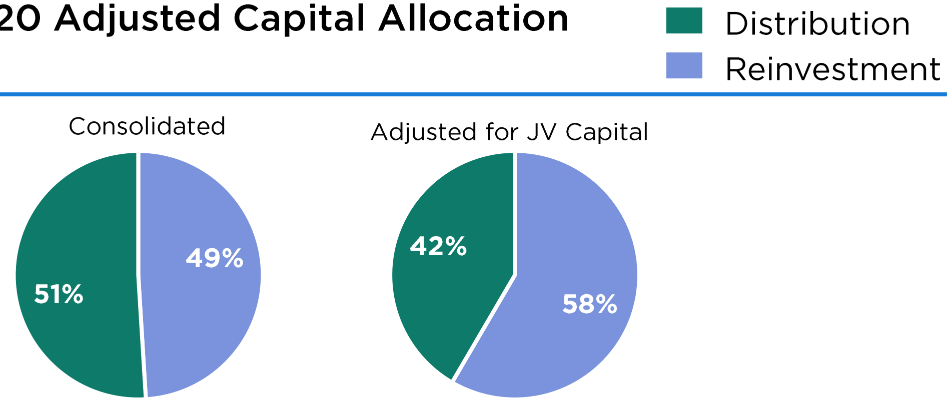
Share repurchases at the appropriate time

60% reinvestment and 40% shareholder distributions

**Sources and Uses of Cash**
*($B)*




**2012 – 2020 Adjusted Capital Allocation**
*(%)*




See appendix for footnotes

# Incentives Align With Sustainable Value Creation

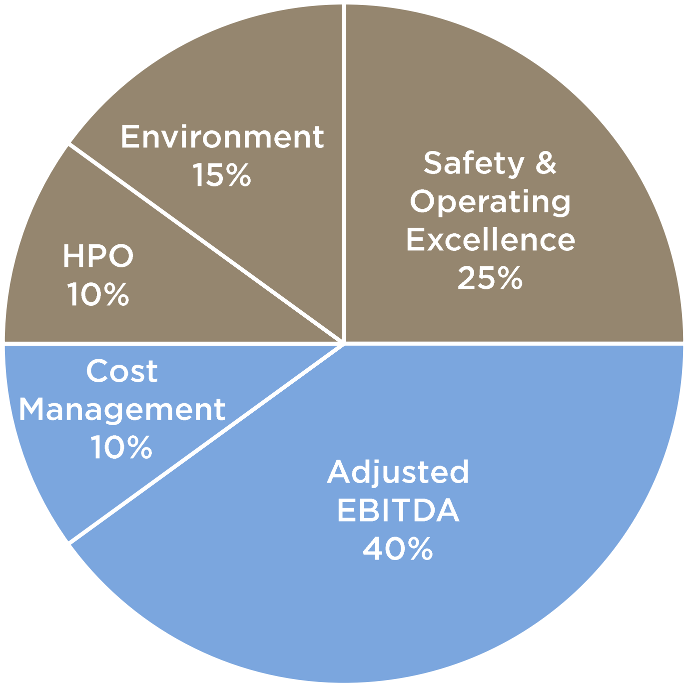
Enhanced 2021 compensation design to increase environment weighting from 5% to 15%, adding two metrics:

- **Low-Carbon Priorities:** advancing lower-carbon investments, optimization and innovation
- **Greenhouse Gas Priorities:** reducing manufacturing emissions intensity and setting GHG reduction targets

Strong **emphasis on returns**

### Annual Incentive Program Metrics

50% operational sustainability




50% financial sustainability

### Long-Term PSP[1] Metrics


1) PSP = Performance share program, which is 50% of long-term incentive program.

# Sustainability Supports Long-Term Resilience

## Enhancing Our Business Model for a Sustainable Future

**Operating Excellence**

Operating excellence is foundational to sustainability

**Financial Performance**

Strong emphasis on returns

**Governance (G)**

Strong corporate governance is essential

**Environmental Stewardship (E)**

Reducing our environmental footprint and advancing climate change solutions

**Social Responsibility (S)**

Investing in our people and communities to create value

# Emerging Energy

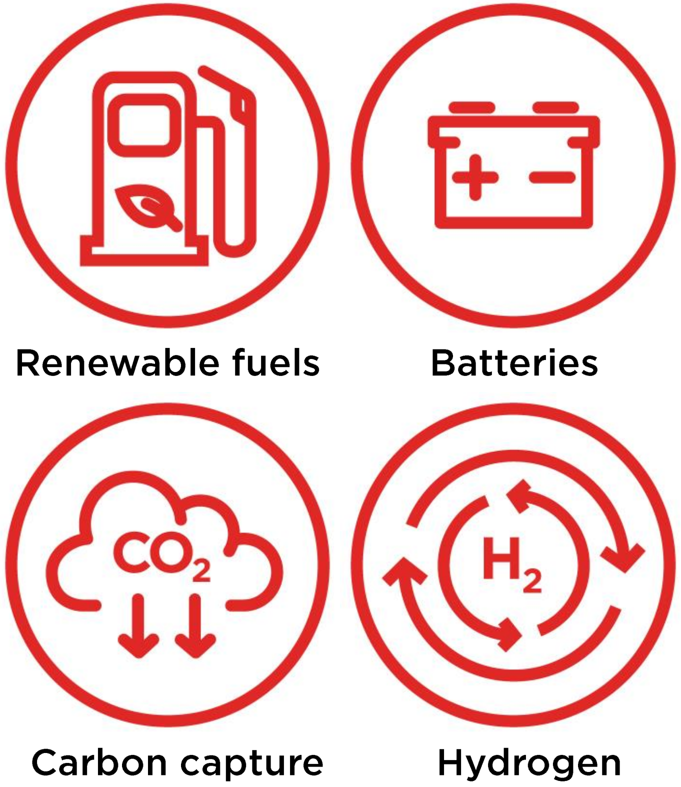
## Providing Energy and Improving Lives

Establishing a lower-carbon business platform

Commercializing and implementing emerging energy technology

Leveraging commercial acumen and leadership in research and innovation

Continuing capital discipline with emphasis on returns



# Innovation at Phillips 66

## Agile. Efficient. Smart.

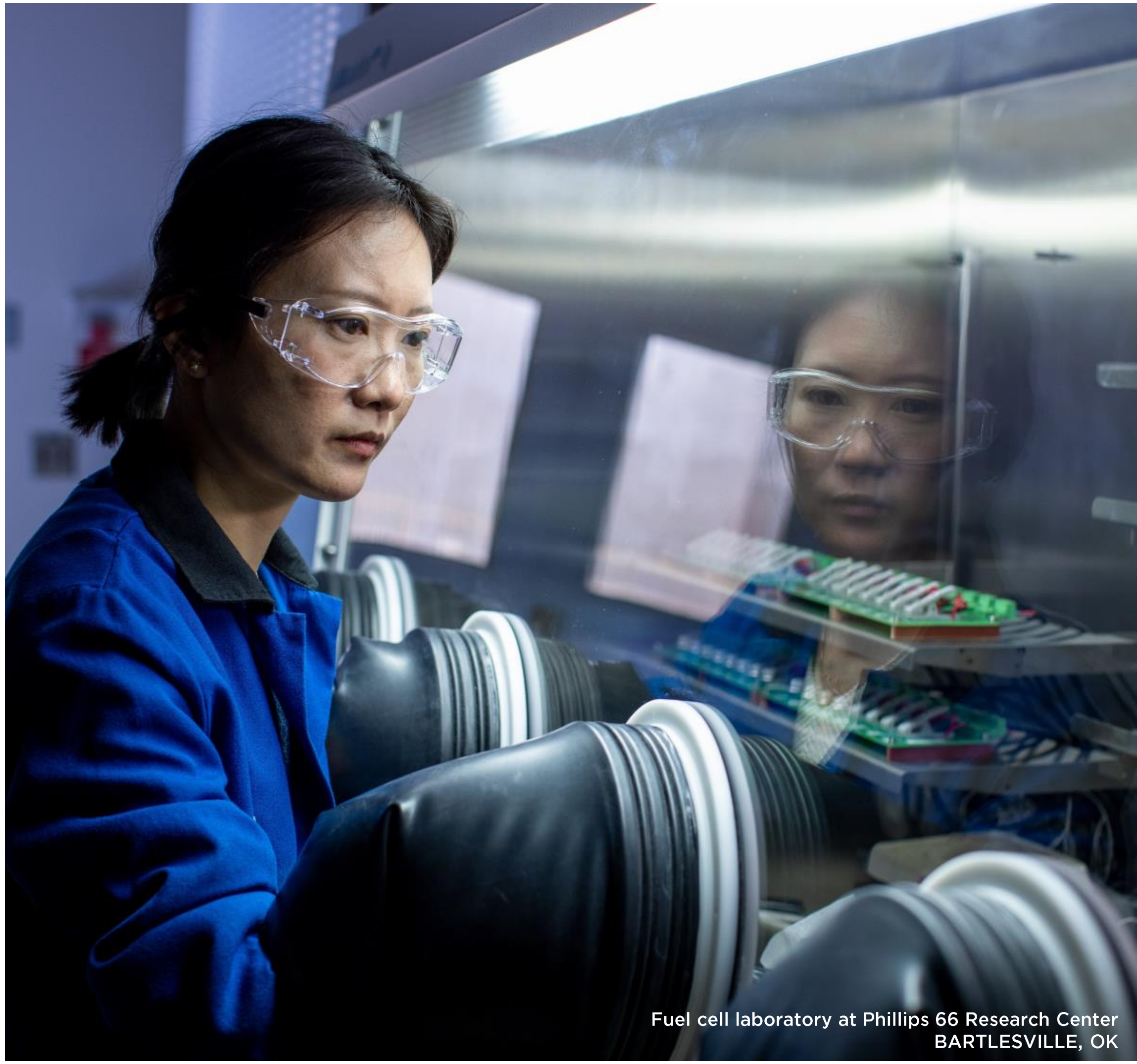
Capitalizing on research and development capabilities through our Energy Research and Innovation group

Advancing solid oxide fuel cells, organic photovoltaic polymers, next-gen batteries and renewable fuels

Developing carbon mitigation, hydrogen and improved energy efficiency projects

Deploying technology for industry leading digital operations

Building a culture of innovation with an emphasis on long-term value capture



Fuel cell laboratory at Phillips 66 Research Center
BARTLESVILLE, OK

# High-Performing Organization

Culture. Capability. Performance.

## Vision

Providing Energy. Improving Lives.

## Values

Safety. Honor. Commitment.

| | |
|---|---|
| **100%** | of Board meetings include talent management discussion |
| **45%** | of workforce are Millennial / Generation Z |
| **822,000** | training hours for employees annually |
| **98%** | retention of all employees |
| **98%** | retention of high performers |
| **44%** | of internal transfers are development moves |
| **20%** | women |
| **27%** | U.S. minority |
| **47%** | U.S. women among university new hires |
| **31%** | U.S. minorities among new hires |



Data is as of December 31, 2020. Training hours exclude Sentinel Transportation, LLC.

# Making a Difference Where We Live and Work

| | |
|---|---|
| **14,000** | employees live our values every day |
| **522,000** | hours volunteered in local communities since 2012 |
| **$52** | million in matching gifts and volunteer grants since 2012 |
| **2,543** | organizations received donations through matching gifts in 2020 |
| **$225** | million to organizations promoting education and literacy, sustainability, safety and civic enrichment since 2012 |

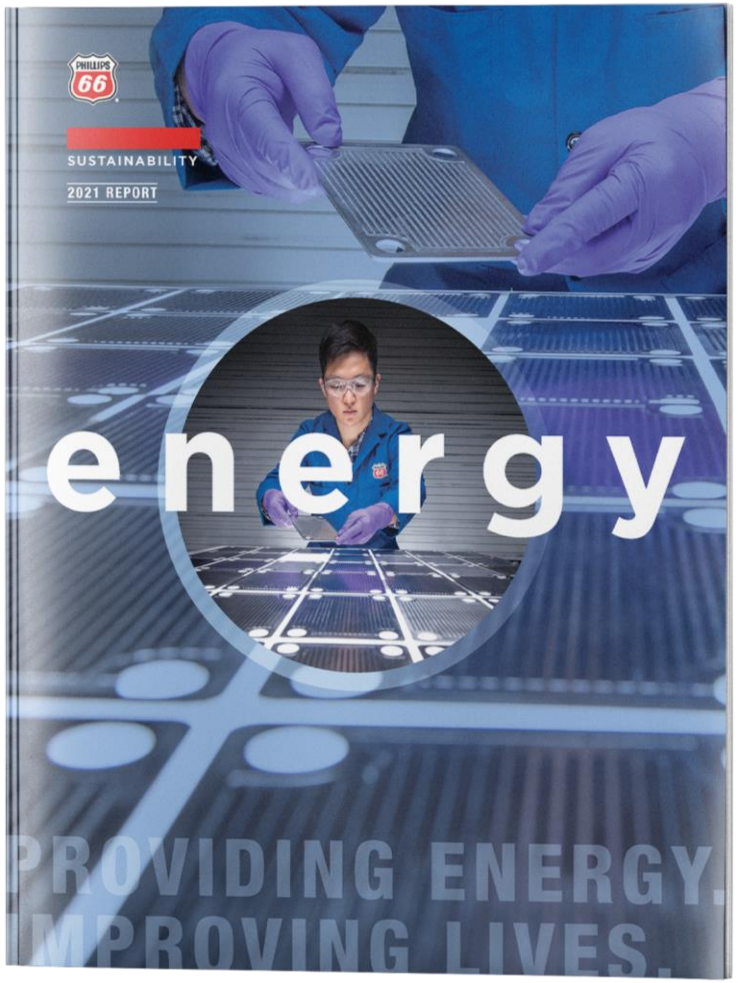
Trees for Houston Volunteer Event
HOUSTON, TX



Employee count is as of June 30, 2021. Matching gifts and volunteer grants since 2012 includes dependent scholarships.

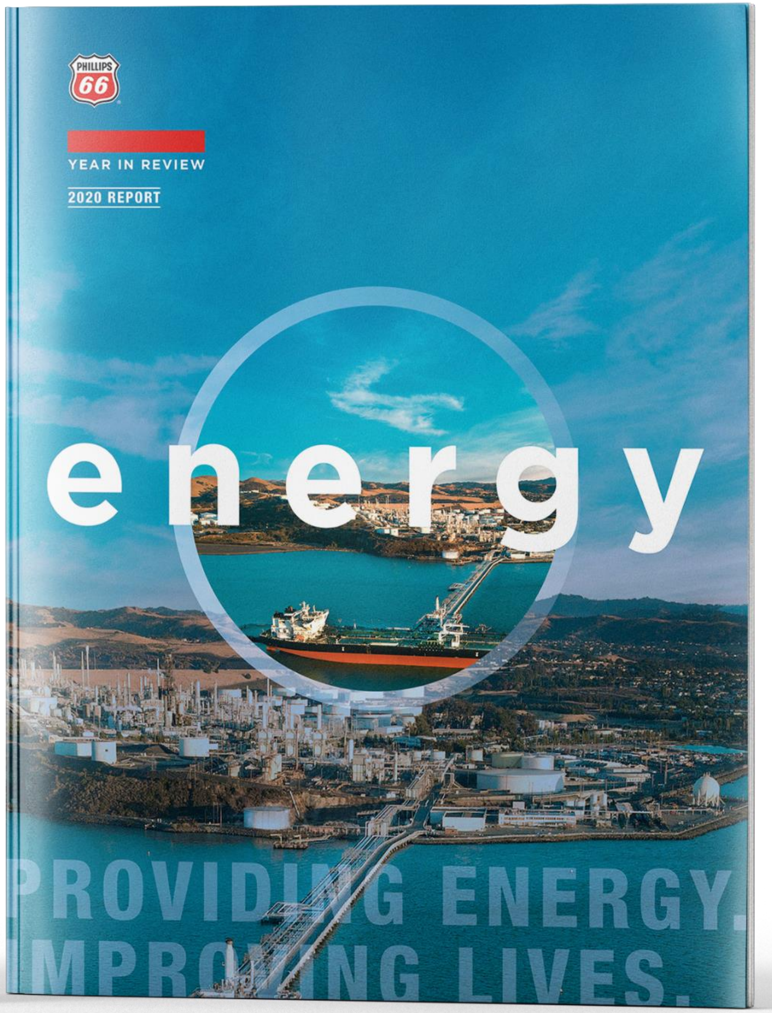
# Our Energy In Action

2021 Sustainability Report




2020 Human Capital Management Report


2020 Year in Review




Beaumont Terminal
NEDERLAND, TX

PROVIDING ENERGY. IMPROVING LIVES.

# Midstream

# Midstream Portfolio

## Transportation

**22,000** miles of U.S. pipeline systems

**39** product terminals

**20** crude oil terminals

**4** NGL terminals and **1** petroleum coke exporting facility

## NGL and Other

**500,000+** BPD fractionation capacity

**200,000** BPD LPG export capacity

**150,000** BPD processing capacity

## DCP Midstream

**45** natural gas processing facilities

**4.6** BCFD net natural gas processing capacity

**58,000** miles of natural gas pipeline systems

**11** NGL fractionation plants

Beaumont Terminal
NEDERLAND, TX



All data as of December 31, 2020. Statistics include assets owned by Phillips 66 Partners (PSXP). Crude oil terminals include rail racks.

# Premier Midstream Business

Top-quartile safety performance

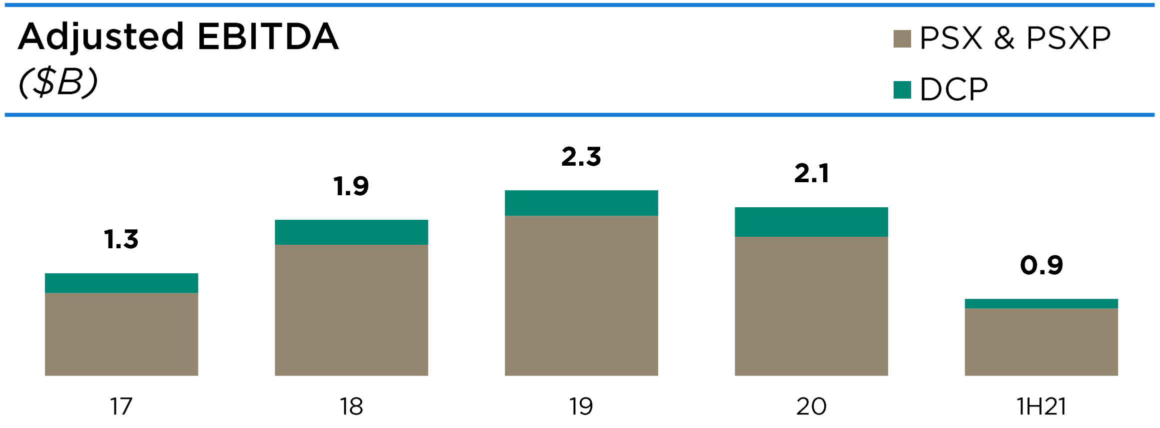
Diversified portfolio integrated with Refining and Marketing

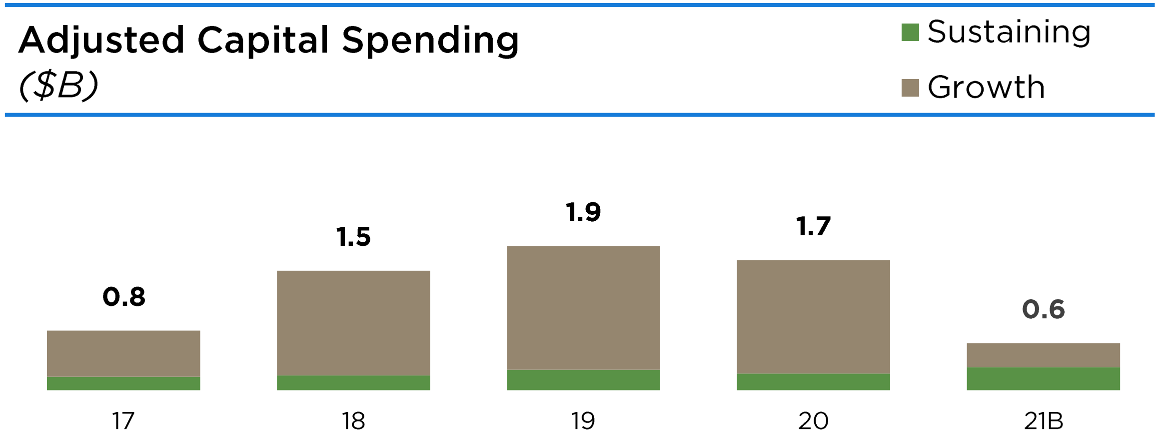
Integrated crude system with optionality for producers, refiners and exporters

Advantaged USGC storage and export solutions

Full NGL value chain through DCP and CPChem

Disciplined growth underpinned by long-term, fee-based contracts



# Phillips 66 Partners

Primarily fee-based midstream assets backed by long-term minimum volume commitments

Safe and reliable operations

Assets highly integrated with Phillips 66 system

Optimize existing assets

Lake Charles Isomerization Unit
WESTLAKE, LA

# DCP Midstream

Logistics & Marketing and Gathering & Processing

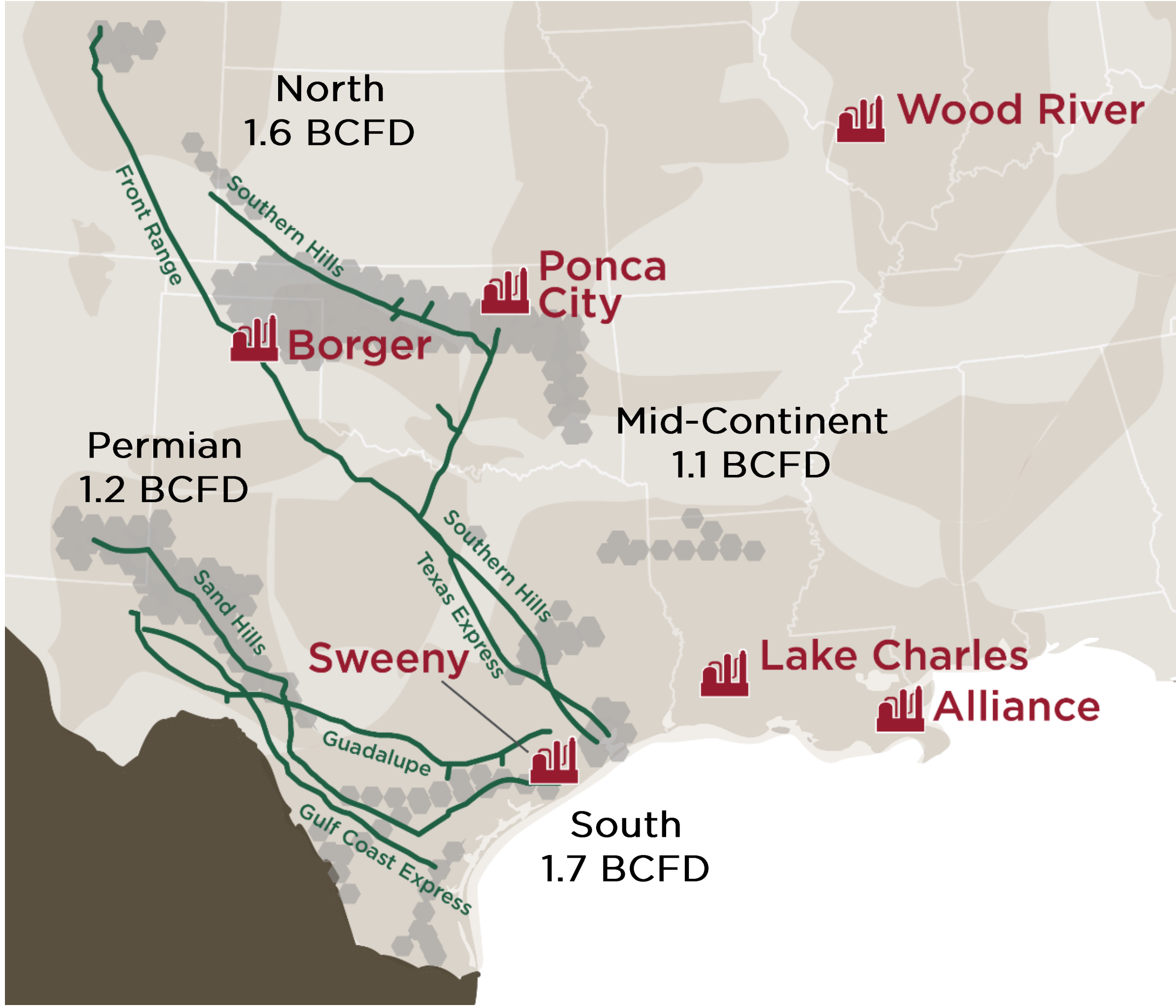
Diversified portfolio in premier basins

Large-scale U.S. NGL producer and gas processor

Integrated NGL supply feeds Phillips 66 Sweeny Hub

Optimizing cost structure, right-sizing the portfolio

DCP 2.0 transformation through people, process and technology






DCP Midstream net natural gas processing capacity as of June 30, 2021. See appendix for additional footnotes.

# Midstream Organic Growth Projects

Sweeny Fractionators 2 and 3
OLD OCEAN, TX

## Sweeny Hub

Resumed construction on 150 MBD fourth fractionator, which will bring total Sweeny Hub fractionation capacity to 550 MBD by 4Q 2022

Secured y-grade feedstock supply agreements with firm volume commitments

Fractionators fully integrated with 200 MBD Freeport LPG Export Terminal

Provides ethane supply for growing U.S. Gulf Coast petrochemical processing

## Phillips 66 Partners

Bakken Pipeline optimization

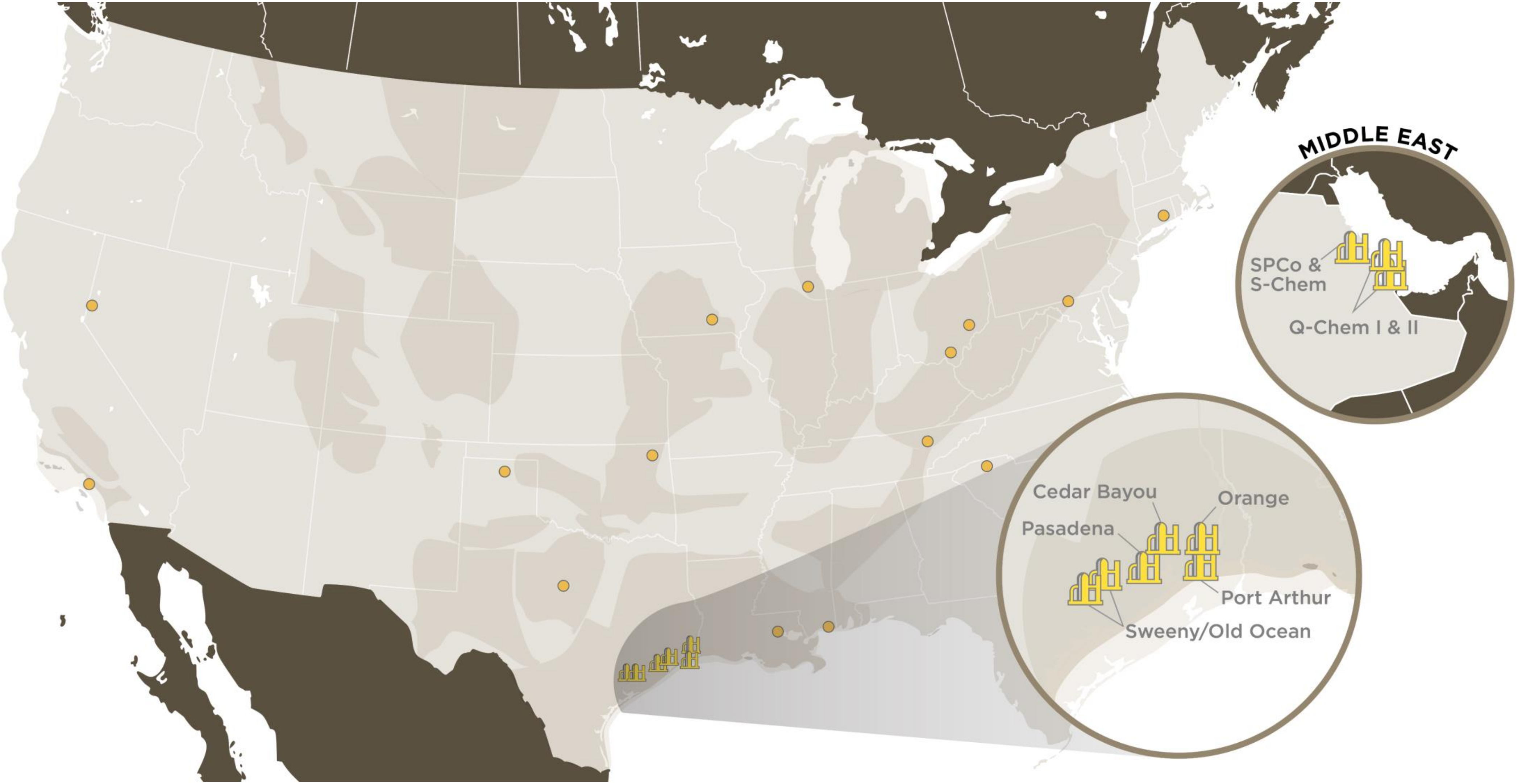
C2G Pipeline


Polyethylene Units
OLD OCEAN, TX

PROVIDING ENERGY. IMPROVING LIVES.

# Chemicals

# Feedstock Advantaged Chemicals Portfolio




**#2 HDPE**
producer worldwide

**#2 NAO**
producer worldwide

**#2 Propylene**
merchant producer
In North America



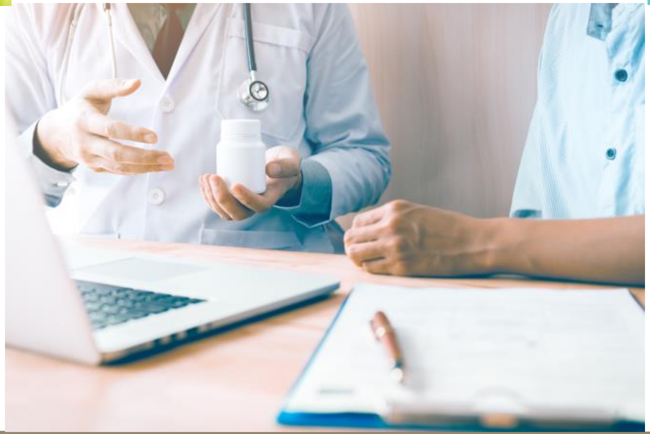
High density polyethylene (HDPE), Normal alpha olefins (NAO). Metrics shown net of JV capacity and sourced from IHS, Nexant, and company filings. See appendix for additional footnotes.

# Chemicals Value Chain

Upgrade low-cost ethane feedstock

Serve growing global middle class

Produce in-demand products



World-scale manufacturing facilities and proprietary technology

**70,000+** end-user products

# Chevron Phillips Chemical

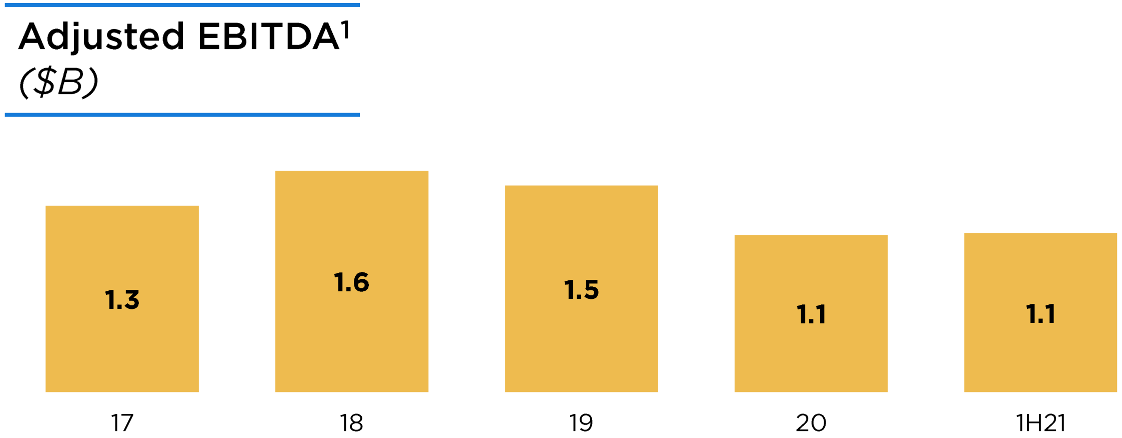
Industry-leading safety performance

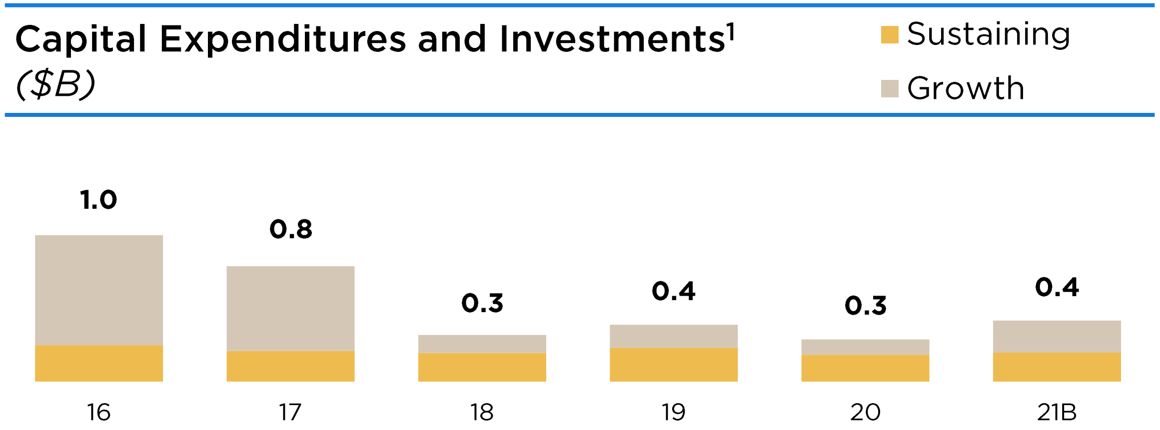
Proprietary technology

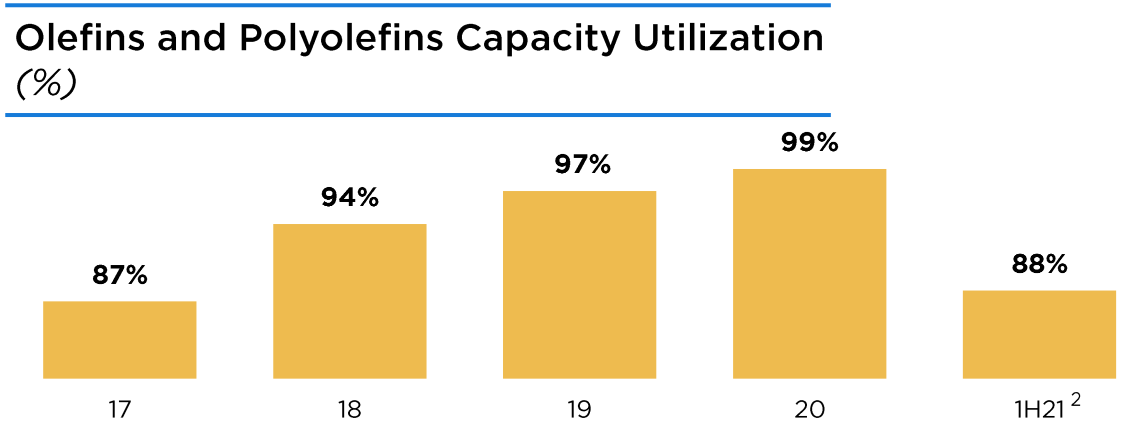
Advantaged feedstock portfolio

Global marketing network

Debottleneck opportunities




1) 50% proportional share to Phillips 66.
2) First Half 2021 utilization impacted by severe winter storms on the US Gulf Coast

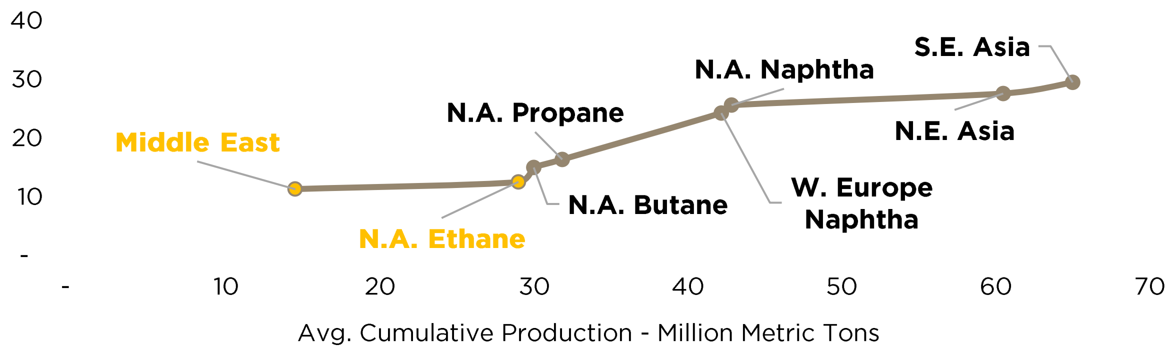
# Macro Chemicals Outlook

Well-positioned in North America and Middle East

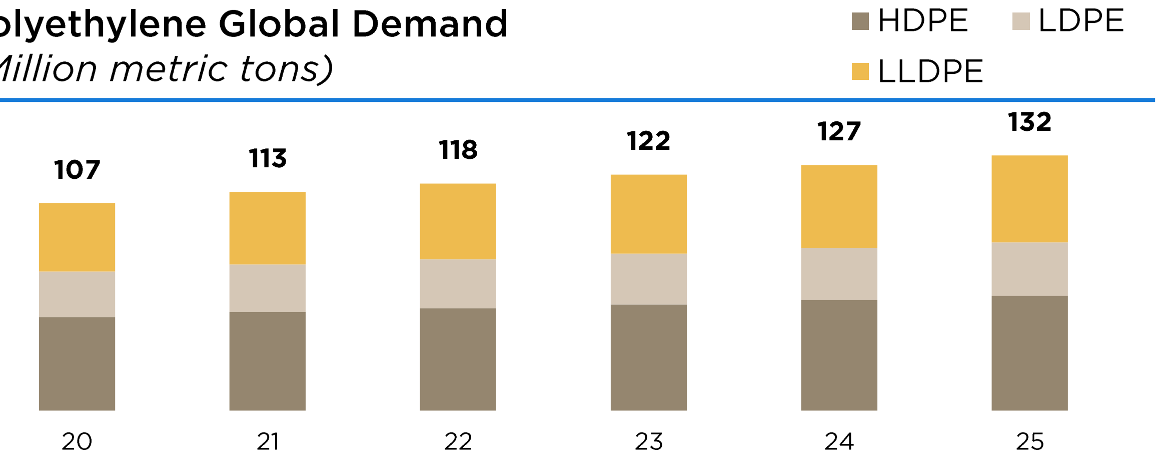
Expanding global middle class is increasing demand

Meeting strong polymer demand for food packaging, medical supplies and other consumer products

**2018–2020 Ethylene Production Cost Curve**
*(Cents per pound)*




**Polyethylene Global Demand**
*(Million metric tons)*






Source: IHS; Polyethylene demand based on 2021 Edition: Spring 2021 Update. Low density polyethylene (LDPE), Linear-low density polyethylene (LLDPE)

# Sustainability Focus

[2020 CPChem Sustainability Report]

Enhancing efforts to eliminate plastic pellet spills by joining Operation Clean Sweep Blue and investing in Circulate Capital Ocean Fund

Continuing to combat plastic waste and communicate value of plastics

Founding member of Alliance to End Plastic Waste


Operation Clean Sweep® blue | ALLIANCE TO END PLASTIC WASTE | CIRCULATE CAPITAL OCEAN FUND

# CPChem Circular Polyethylene

Announced first U.S. commercial-scale production of circular polyethylene from recycled mixed-waste plastics

Using advanced recycling technology to convert plastic waste to valuable liquids that can become new petrochemicals

Circular polyethylene matches the performance and safety specifications of traditional polymers

Received the annual Re|focus Sustainability Leadership Innovation Award from the Plastics Industry Association for being among the top 2021 industry innovators in sustainability

# CPChem Growth Projects

## U.S. Gulf Coast II

CPChem 51% equity interest

Final investment decision expected in 2022

2,000 kMTA ethylene cracker

Two 1,000 kMTA polyethylene units

## Ras Laffan Petchem Project

CPChem 30% equity interest

1,900 kMTA ethylene cracker

Two polyethylene units; 1,680 kMTA combined capacity

CPChem Research Center
KINGWOOD, TX


PROVIDING ENERGY. IMPROVING LIVES.

# Refining

# Enhancing Refining Returns

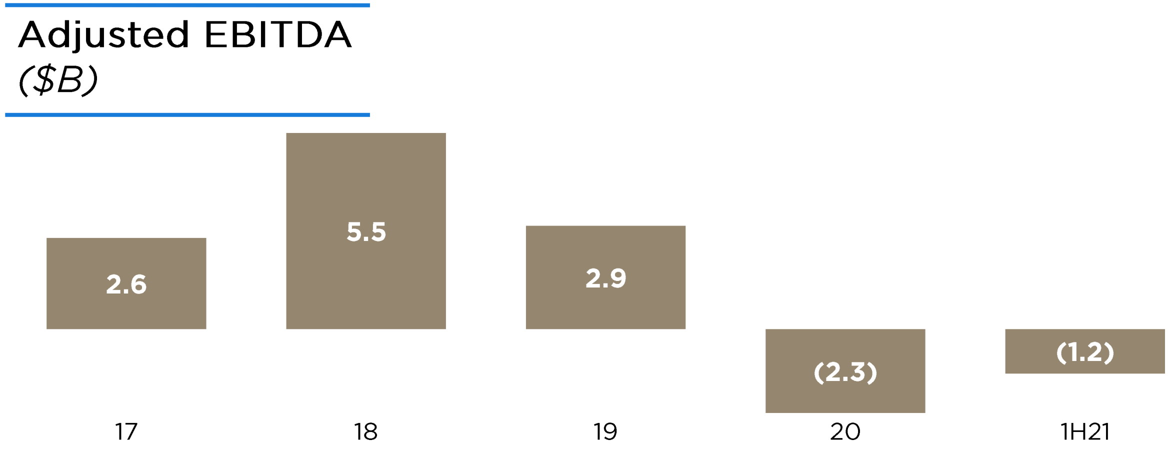
Top-quartile HSE performance

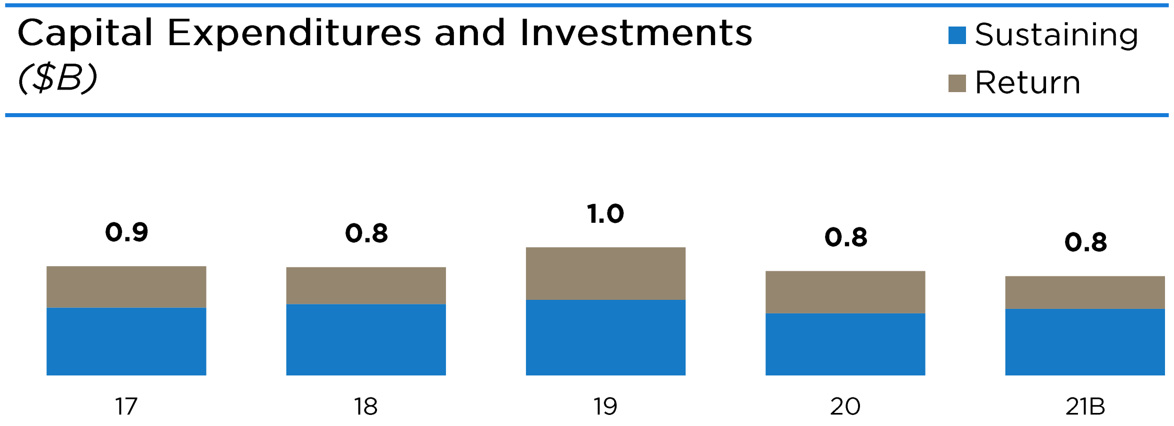
Capital and cost discipline

Selectively investing for clean product yield and crude flexibility

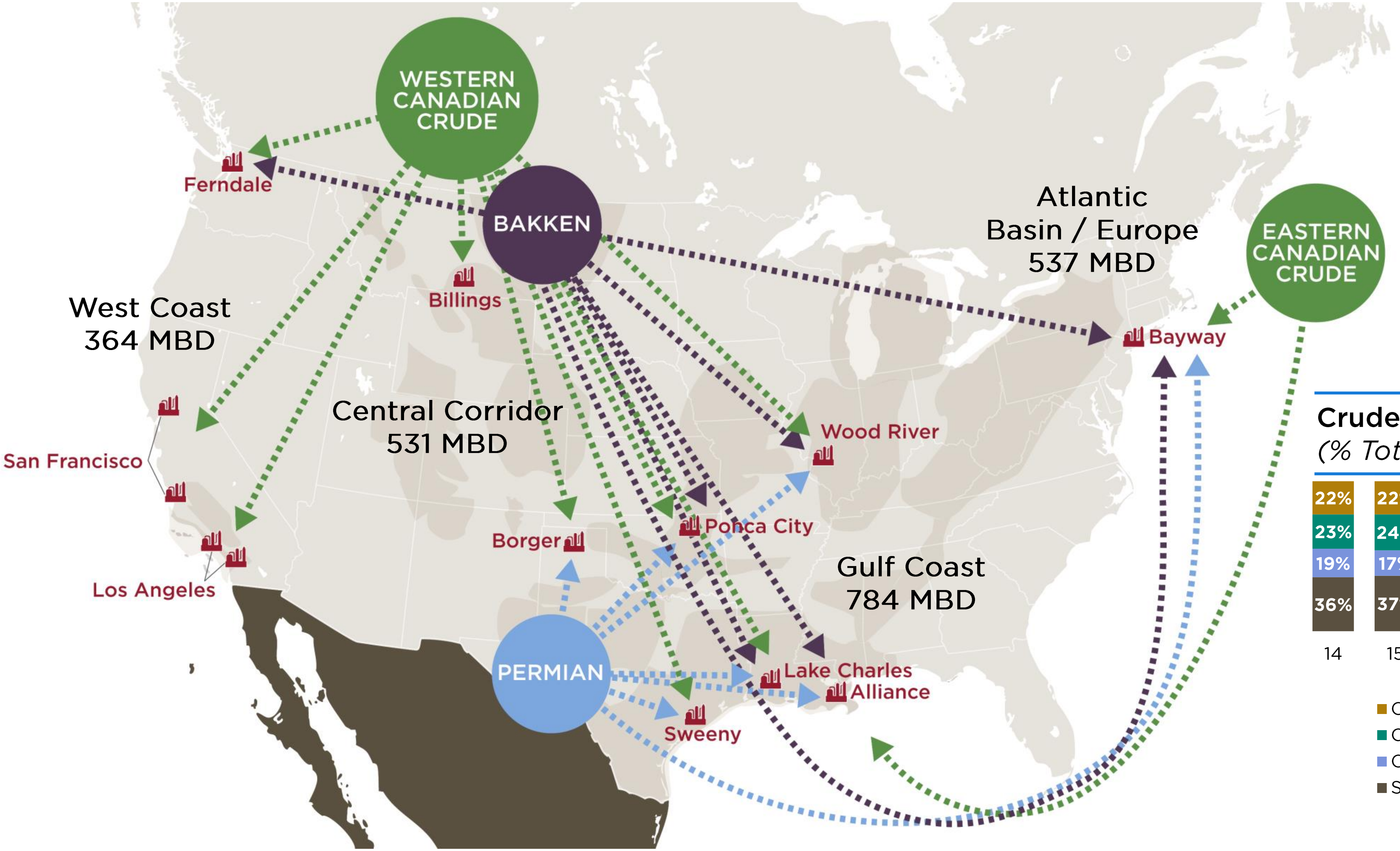
Investing in renewable diesel

Diverse geographic footprint

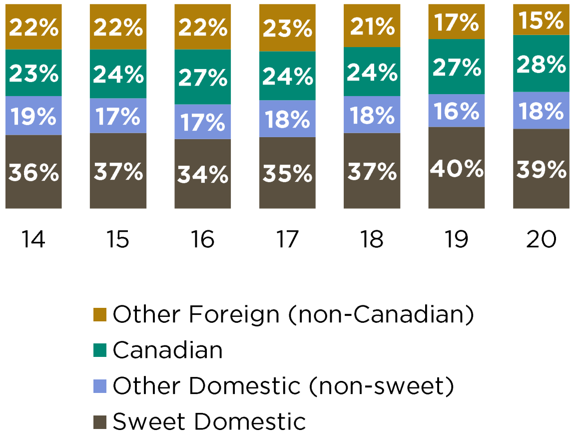


# North America Crude Feedstock Flexibility




**Crude Feedstock Slate**
*(% Total Crude Runs)*




Capacities as of January 1, 2021. See appendix for additional footnotes.

# Maintain Cost Discipline

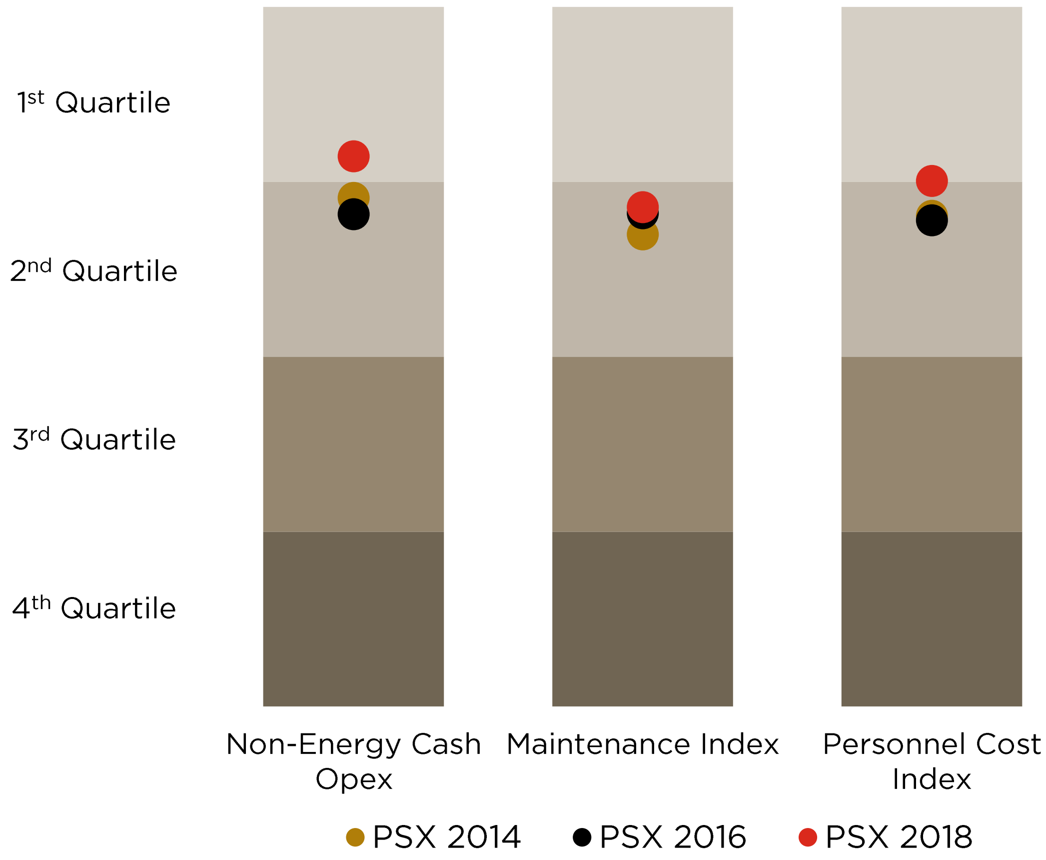
Top quartile non-energy operating cost

Maintenance and personnel costs trending to top quartile in industry

Cost efficiencies and improved productivity via AdvantEdge66

- Artificial intelligence machine learning
- Advanced analytics
- Digital optimization

**U.S. Industry Benchmarking Performance[1]**
*(EFFICIENCY POSITION)*




1) Based on Solomon Associates Report.

# Renewable Fuels

## Enhancing Our Business Model for a Sustainable Future


## Rodeo

capacity to produce 8 MBD; full refinery conversion to produce 50+ MBD by 1Q 2024

## Humber

co-processing capacity to produce 3 MBD from used cooking oil; 5 MBD by 2024

## Ryze

11 MBD supply and offtake agreements for two facilities in Nevada

## 1 billion

gallons renewable diesel potential

# Rodeo Renewed

## Transformation to Large-Scale Renewable Transportation Fuels Production Facility

### Constructing pre-treatment units and repurposing existing hydrocracking units to process renewable feedstocks

Capital efficient project that leverages existing units

### Capable of processing any renewable feedstock including cooking oil, fats, greases, tallow and soybean oils

Utilize marine terminal and rail rack for domestic and international feedstock flexibility

Upon conversion, the facility will no longer process crude oil

### Advantaged location for product placement into Marketing distribution channels

Enable product distribution through integrated logistics network of marine and product terminals

### Conversion will reduce emissions from the facility and produce lower-carbon transportation fuels

Information subject to permitting approvals.

Phillips 66 Branded Marketing Site
HOUSTON, TX


PROVIDING ENERGY. IMPROVING LIVES.

# Marketing & Specialties

# Enhancing M&S Returns

Consistent high-return, low-capital business

Product placement for Refining

Leverage brand strength

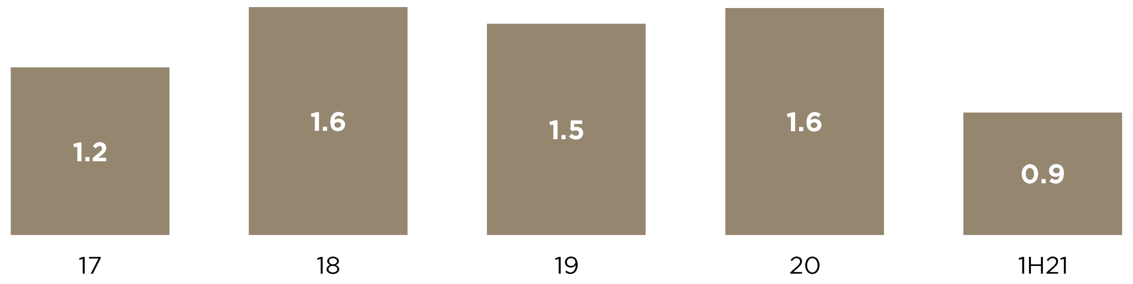
Site reimaging

Expand U.S. retail presence

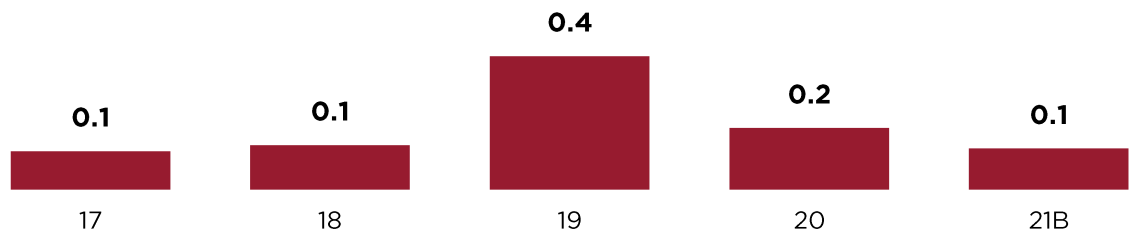
Distribution of renewable fuels

Integrated digital platform

**Adjusted EBITDA**
*($B)*




**Capital Expenditures and Investments**
*($B)*






2019 capital expenditures includes $260 MM related to the investment in the West Coast Marketing joint venture.

# Secure Product Placement

## United States

~5,700 sites reimaged since program inception

All eligible sites are mobile enabled

Direct consumer engagement

Extend participation retail value chain

## Europe

Proven low-cost, high-volume model

Reimaging and high-grading the JET brand

Adding new sites in Germany and Austria

Operating and adding hydrogen stations in Switzerland

Phillips 66 Headquarters
HOUSTON, TX

PROVIDING ENERGY. IMPROVING LIVES.

# Financial Strategy

# Financial Strategy

Disciplined capital allocation

Strong investment grade credit ratings

Financial flexibility

Secure, competitive and growing dividend

Reduce debt as cash flow recovers

Share repurchases at appropriate time


Phillips 66 Headquarters
HOUSTON, TX

# Financial Strength

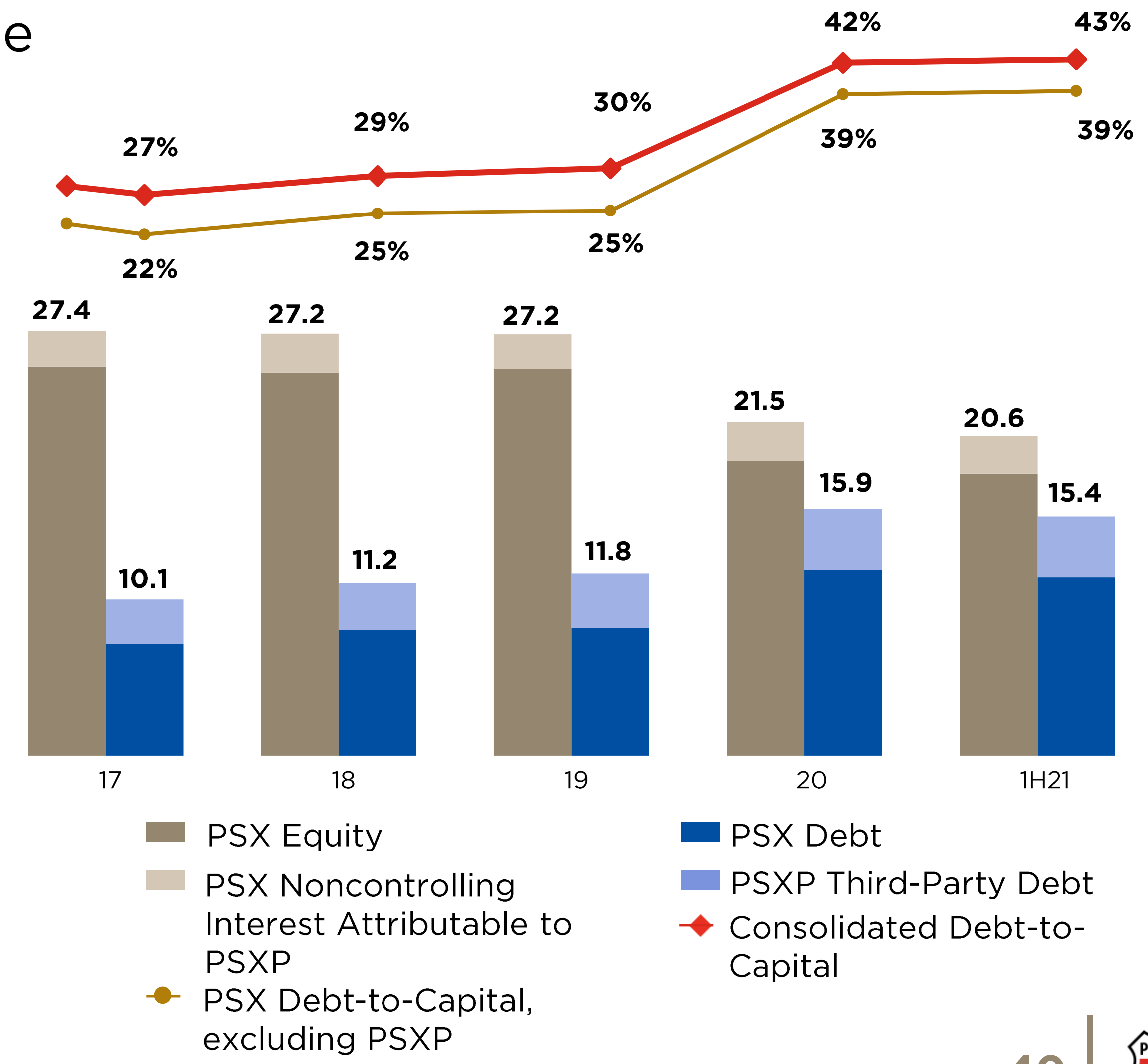
Flexibility to execute strategy through the cycle

Investment grade credit ratings

- PSX: A3 (Moody's), BBB+ (S&P)
- PSXP: Baa3 (Moody's), BBB (S&P)

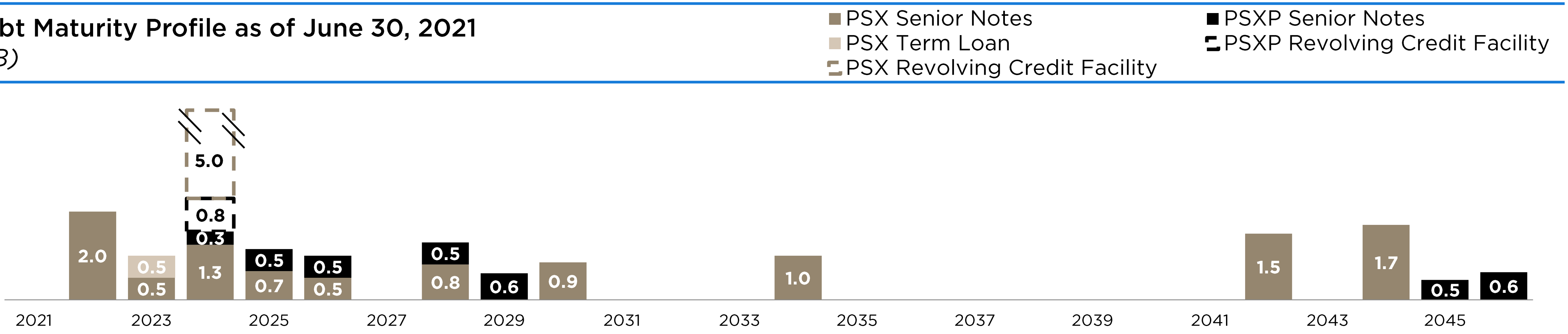
Opportunity to efficiently reduce debt

$7.9 B total liquidity as of June 30, 2021



# Consolidated Debt and Liquidity

**Debt Maturity Profile as of June 30, 2021**
*($B)*




## Phillips 66, excluding PSXP

**$11.5 B Total Debt as of June 30, 2021**

**$7.2 B Total liquidity**

**($5.0 B RCF + $2.2 B Cash)**

**BBB+ / A3 Credit Rating**

## Phillips 66 Partners (PSXP)

**$3.9 B Total Debt as of June 30, 2021**

**$0.7 B Total liquidity**

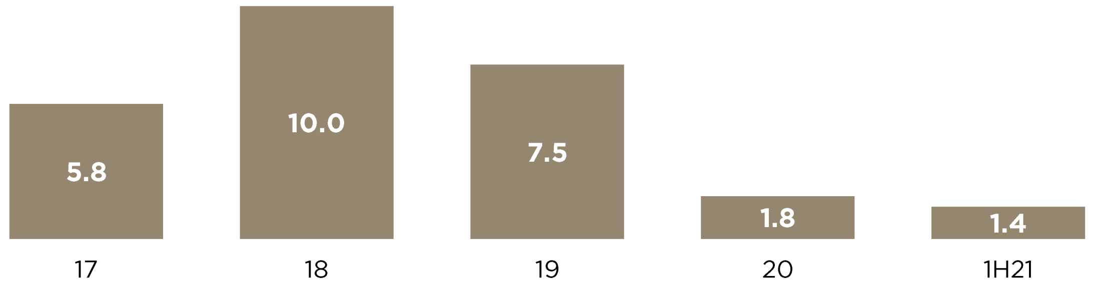
**($0.7 B RCF)**

**BBB / Baa3 Credit Rating**

Total debt includes capital leases, commercial paper and is net of unamortized discounts and debt issuance costs.

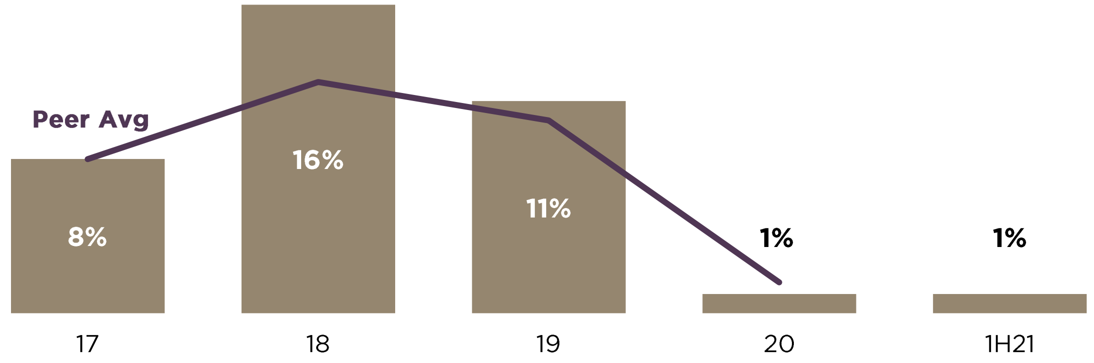
# Adjusted EBITDA and Returns

## Adjusted EBITDA
*($B)*

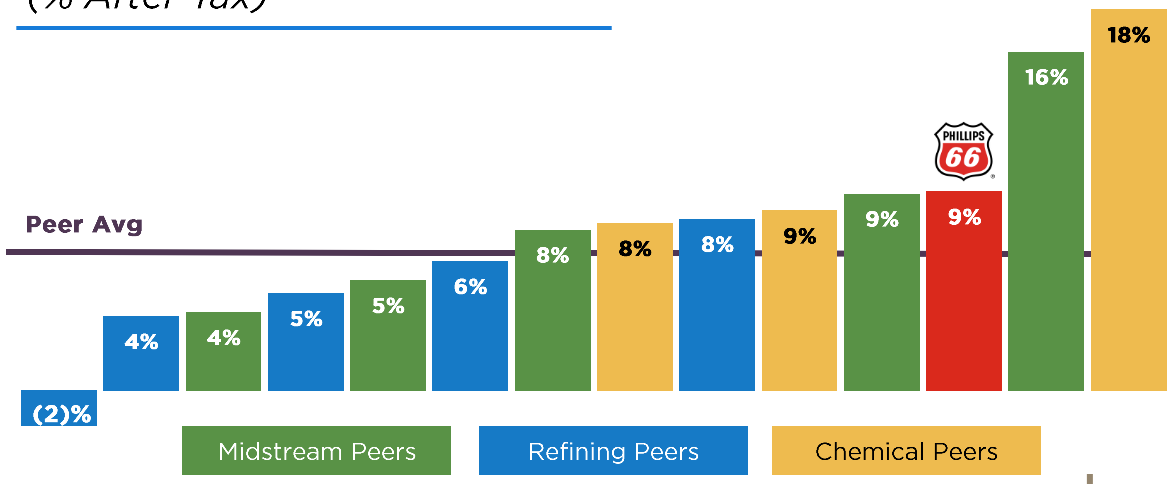



## Adjusted Earnings
*($ per share)*


## Adjusted ROCE
*(% After-Tax)*




## Peer ROCE 2018-2020 Average
*(% After-Tax)*

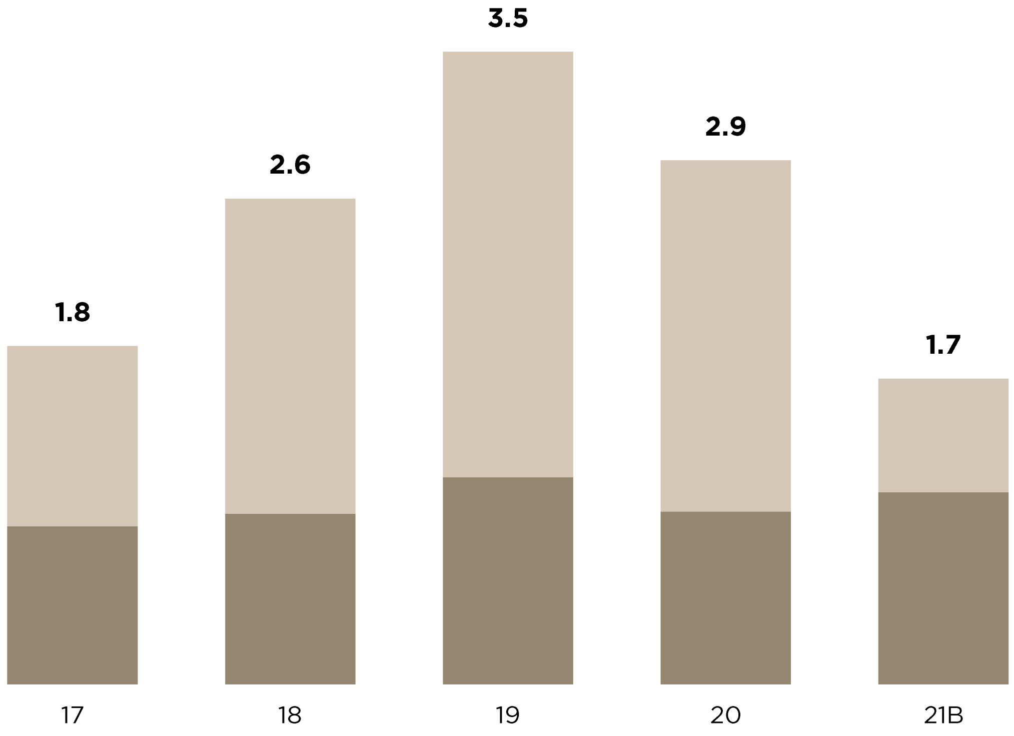


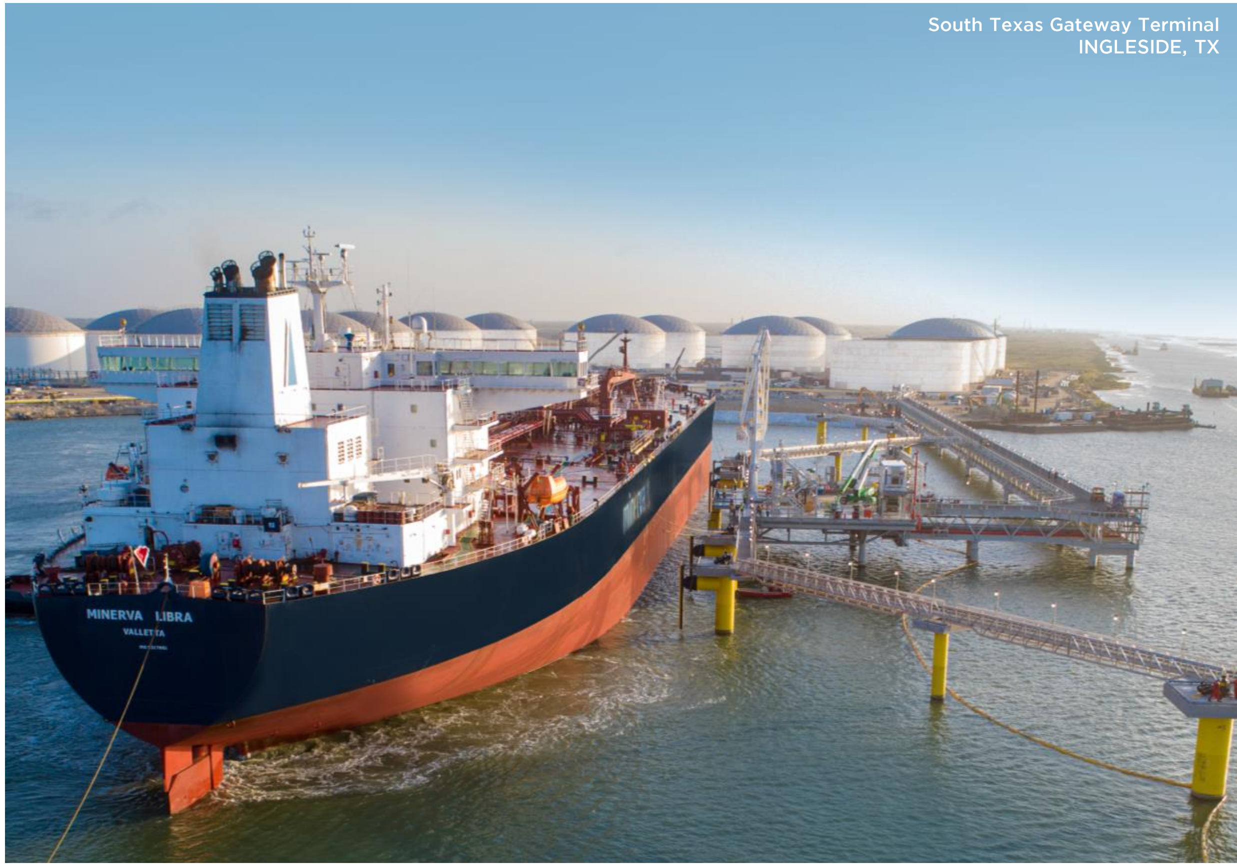

See appendix for footnotes

# Adjusted Capital Spending

**Adjusted Capital Spending**
*($B)*

Sustaining
Growth






See appendix for footnotes

# Distributions

Secure and competitive dividend

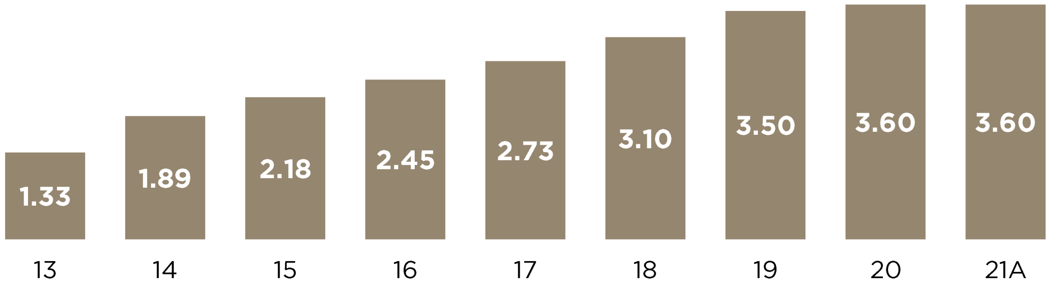
- 19% CAGR with nine increases[1,2]

Committed to shareholder distributions

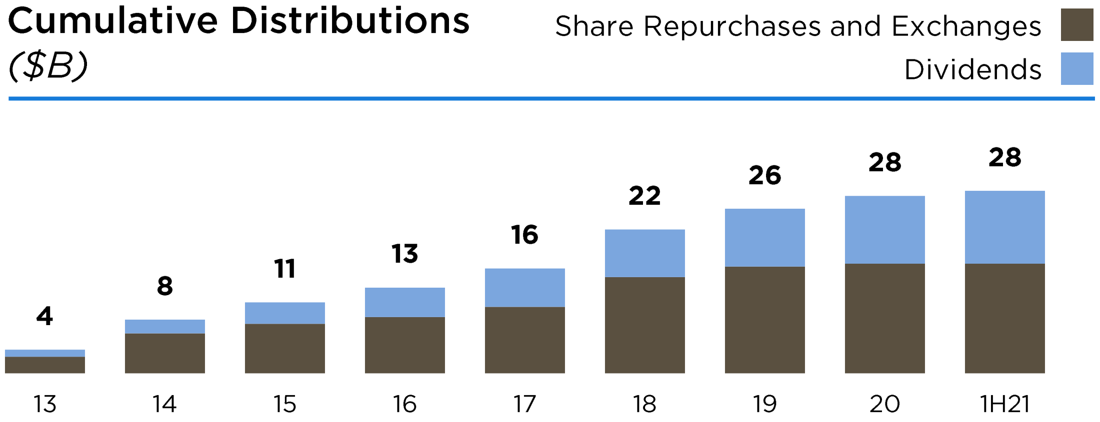
- Returned $2 B in 2020 through dividends and share repurchases
- Repurchased / exchanged 34% of shares initially outstanding[2]

Returned over $28 B to shareholders through dividends, share repurchases and exchanges[2]

**Annual Dividend**
*($ per share)*




**Cumulative Distributions**
*($B)*




1) Dividend CAGR calculated from initial dividend of $0.20 per share in 3Q 2012 to $0.90 per share in 1Q 2021.
2) Since May 2012.

# Total Shareholder Return

***Operating Excellence***

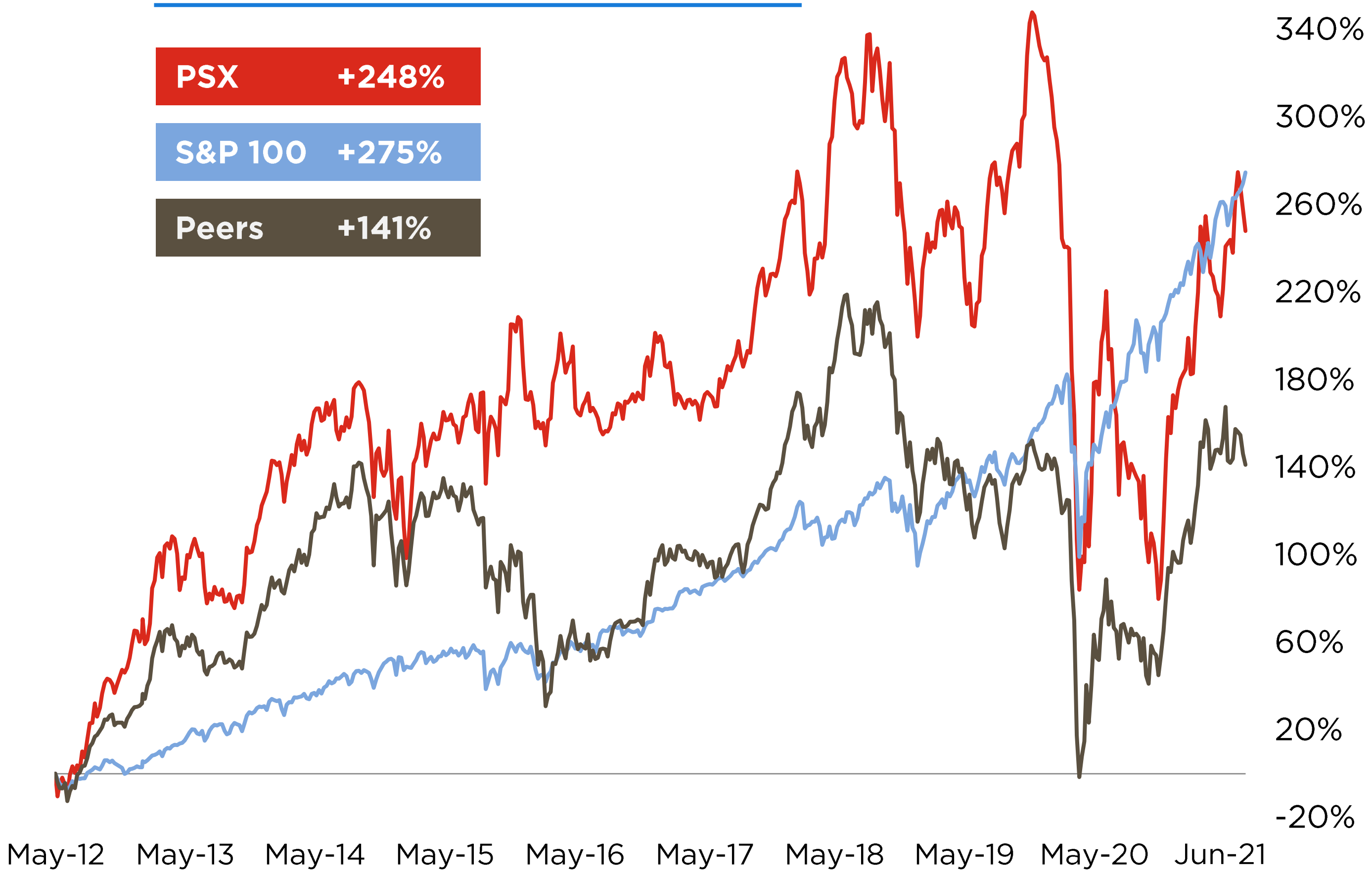
***Growth***

***Returns***

***Distributions***

***High-Performing Organization***

**Total Shareholder Return Since IPO**
*(%)*



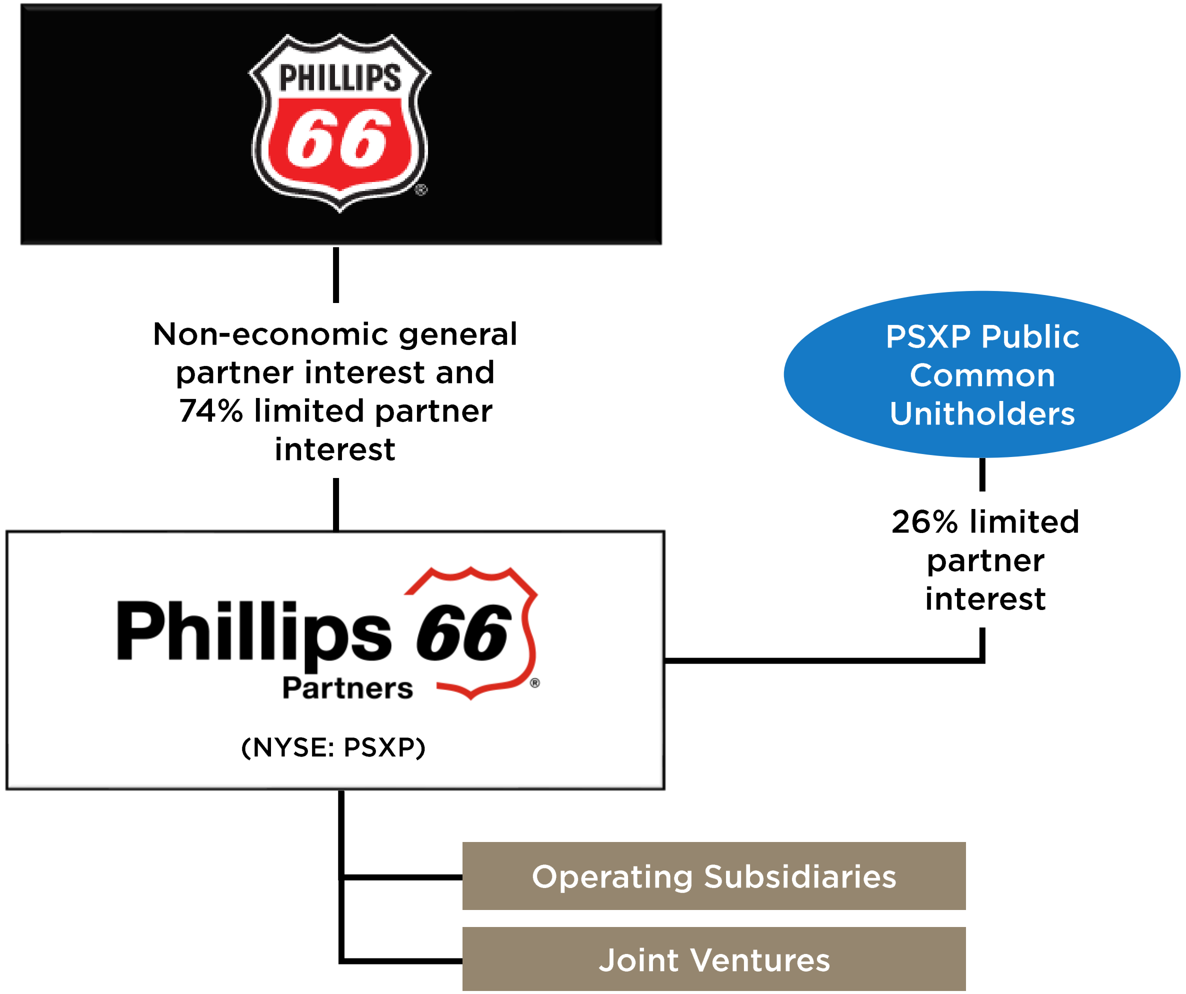



Share price as of June 30, 2021. See appendix for additional footnotes.


# Phillips 66 Partners

# Phillips 66 Partners

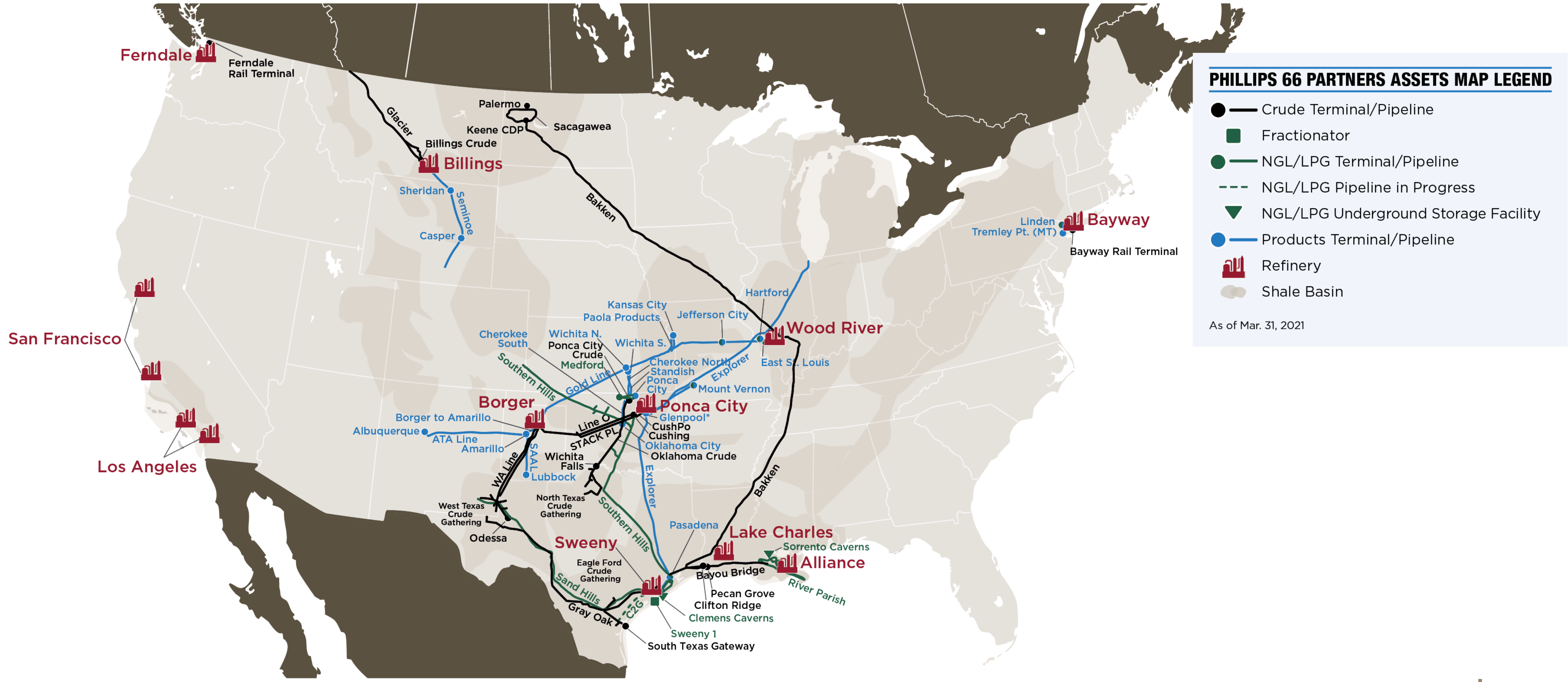
## Ownership Structure






As of June 30, 2021. Public also owns 13.4 MM convertible preferred units.

# Phillips 66 Partners




Refineries owned by Phillips 66. See appendix for additional footnotes.

# Phillips 66 Partners

## Financial Strength and Flexibility

### Maintain strong leverage and coverage ratios

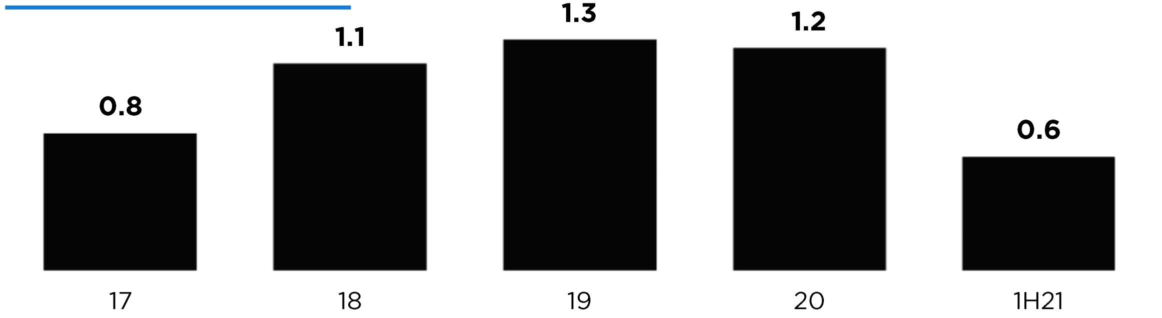
- Target up to 3.5x Debt / EBITDA
- Target greater than 1.2x coverage ratio

### Investment grade credit ratings

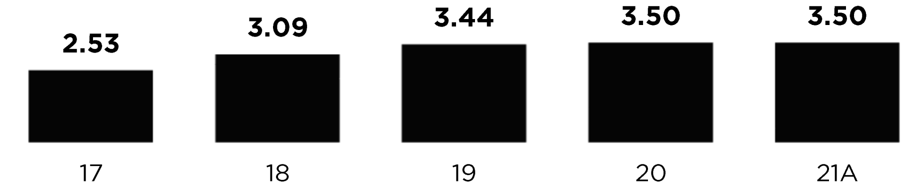
- BBB (S&P)
- Baa3 (Moody's)

### $750 MM revolving credit facility

**Adjusted EBITDA**
*($B)*

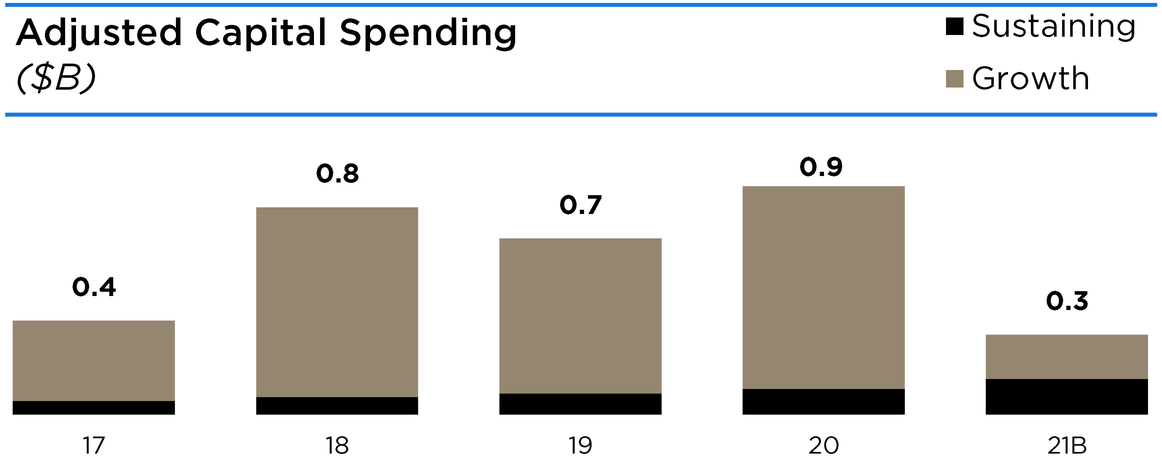



**Distribution**
*($ per common LP unit)*




| | | | | | |
|---|---|---|---|---|---|
| 1.27x | 1.38x | 1.32x | 1.21x | 1.34x | Coverage |
| 3.2x | 2.8x | 2.9x | 2.9x | 3.0x | Debt / EBITDA |

**Adjusted Capital Spending**
*($B)*




Adjusted EBITDA as shown is attributable to PSXP. Debt-to-EBITDA ratio is calculated on a credit facility covenant basis, which requires certain adjustments to total debt and EBITDA. Coverage ratio estimated on credit facility covenant basis. 21A coverage ratio represents 2Q 2021, and Debt-to-EBITDA ratio is as of 2Q21 (not annualized). See appendix for additional footnotes.

# Phillips 66 Partners

## Bakken Pipeline optimization

Supported by minimum volume commitments from long-term contracts

Incremental capacity began service in August 2021

## C2G Pipeline

New 16-inch ethane pipeline from Sweeny Hub to Gregory, Texas

Expected to be operational in 4Q 2021[1]

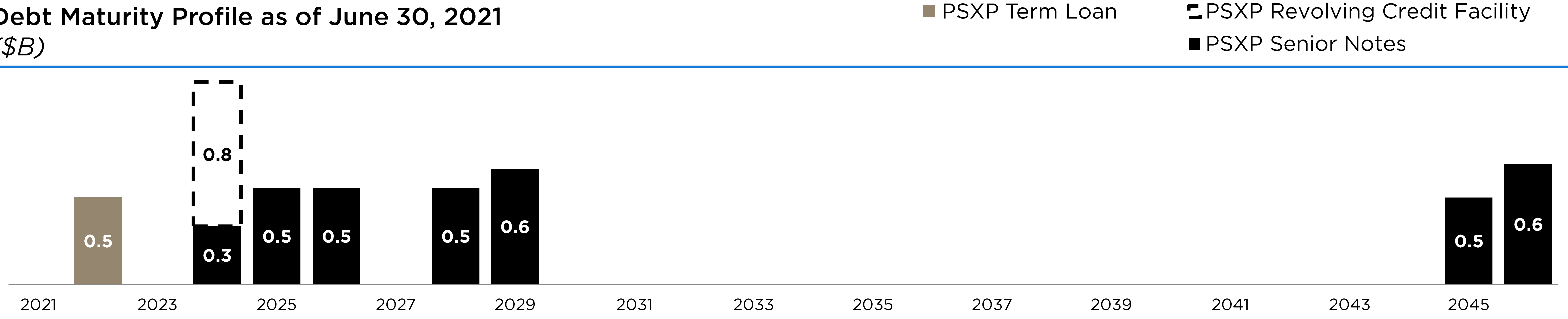
Supplies Corpus Christi area petrochemical facilities


1) EBITDA contribution expected with start up of petrochemical facility in Gregory, TX

# Phillips 66 Partners

## Debt Profile

**Debt Maturity Profile as of June 30, 2021**
*($B)*




# $3.9 B Total Debt

$3.5 B Senior Notes, weighted-average cost of 3.81%

$450 MM Term Loan due April 2022 at rate of 0.955%

$15 MM borrowings on $750 MM revolving credit facility

**Senior Notes**
*($MM)*

| Year Due | Principal | Coupon |
|---|---|---|
| 2024 | $300 | 2.450% |
| 2025 | 500 | 3.605% |
| 2026 | 500 | 3.550% |
| 2028 | 500 | 3.750% |
| 2029 | 600 | 3.150% |
| 2045 | 450 | 4.680% |
| 2046 | 625 | 4.900% |
| Total | $3,475 | 3.812% |

Weighted average cost excludes revolving credit facility. Total debt is net of $30 MM unamortized discounts and debt issuance costs.

# Phillips 66 Partners

**Total Unitholder Return Since IPO**
*(%)*

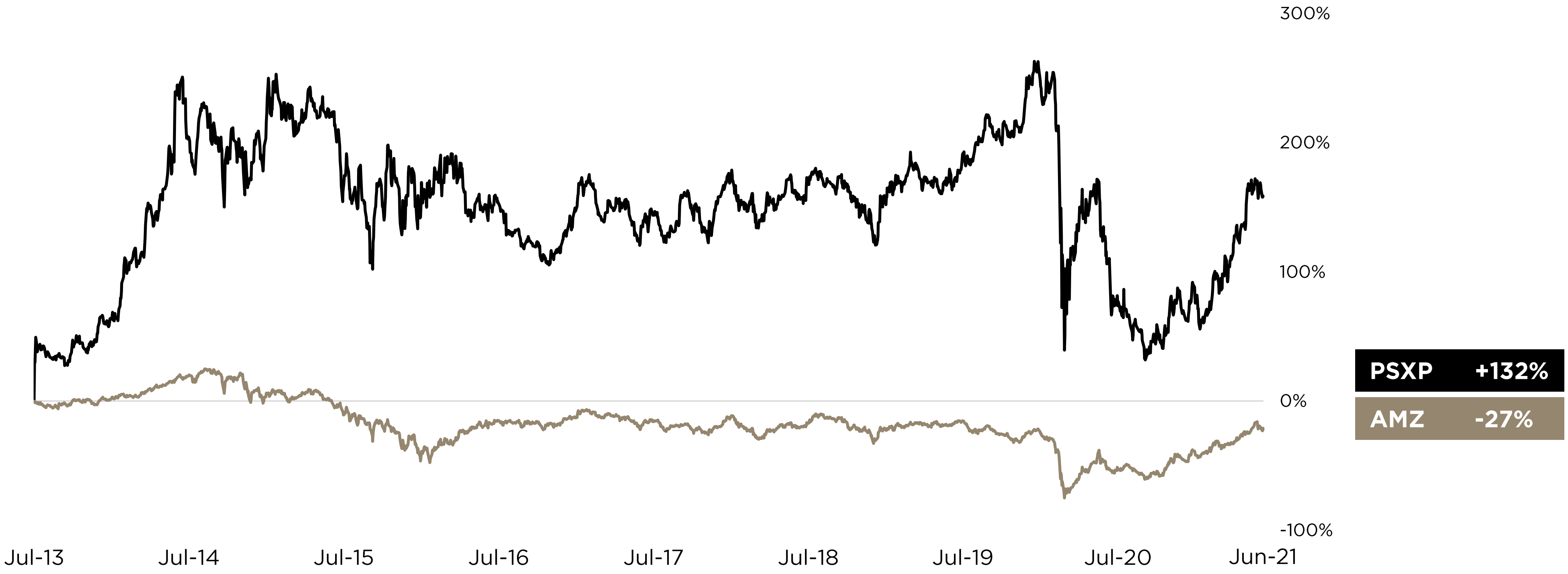



Chart reflects total unitholder return from July 22, 2013, to June 30, 2021. Distributions assumed to be reinvested in units. PSXP compared against Alerian MLP Index (AMZ).
Source: Bloomberg.

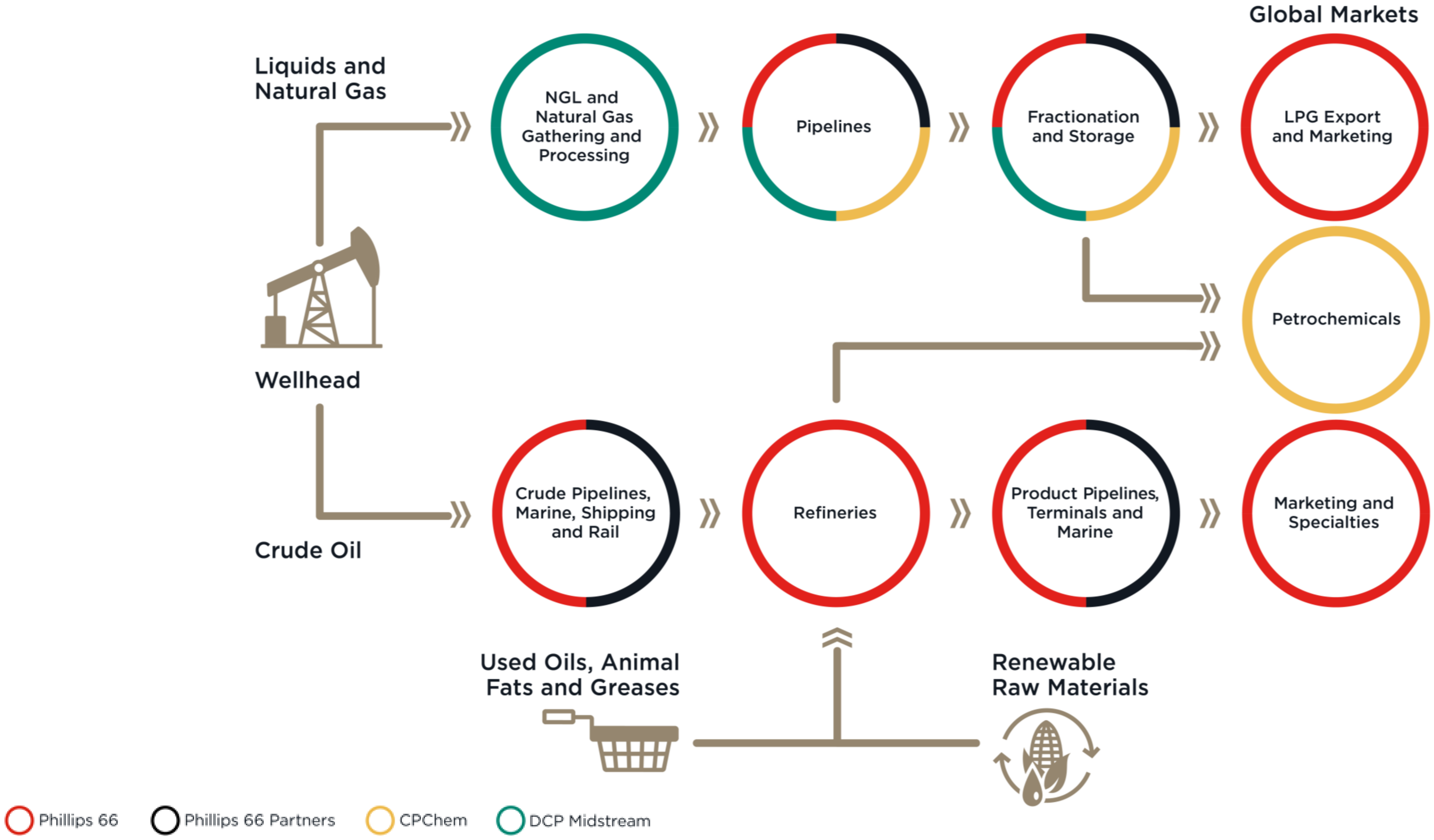
Beaumont Terminal
NEDERLAND, TX

# 2021 Sensitivities

| | Annual EBITDA $MM |
|---|---|
| **Midstream - DCP (net to Phillips 66)** | |
| 10¢/Gal Increase in NGL price | 14 |
| **Chemicals - CPChem (net to Phillips 66)** | |
| 1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO) | 65 |
| **Worldwide Refining** | |
| $1/BBL Increase in Gasoline Margin | 350 |
| $1/BBL Increase in Distillate Margin | 300 |
| 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) | 35 |
| $1/BBL Widening WTI / WTS Differential (WTI less WTS) | 30 |
| 10¢/MMBtu Increase in Natural Gas price | (15) |

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

# Value Chain


Global Markets
Liquids and Natural Gas
NGL and Natural Gas Gathering and Processing
Pipelines
Fractionation and Storage
LPG Export and Marketing
Petrochemicals
Wellhead
Crude Oil
Crude Pipelines, Marine, Shipping and Rail
Refineries
Product Pipelines, Terminals and Marine
Marketing and Specialties
Used Oils, Animal Fats and Greases
Renewable Raw Materials
Phillips 66
Phillips 66 Partners
CPChem
DCP Midstream

# 3Q 2021 Outlook

| | |
|---|---|
| Global Olefins & Polyolefins utilization | Mid-90% |
| Refining crude utilization | Market Conditions |
| Refining turnaround expenses (pre-tax) | $120 MM - $150 MM |
| Corporate & Other costs (pre-tax) | $240 MM - $250 MM |


Los Angeles Refinery
WILMINGTON, CA

# Footnotes

**General**

Information disclosed is as of June 30, 2021, unless noted otherwise.

Numbers may not appear to tie due to rounding.

Chevron Phillips Chemical may be abbreviated as CPChem.

Marketing and Specialties may be abbreviated as M&S.

**Date Conventions**

20 is as of December 31, 2020, or the twelve-month period ended December 31, 2020 as applicable; except as otherwise noted.

1H21 is as of June 30, 2021, or the six-month period ended June 30, 2021 as applicable; except as otherwise noted.

21A represents 1H21 annualized.

21B represents previously announced Budget as of January 1, 2021.

**Maps**

Maps, images and drawings are for informational purposes only and may not be to scale.

# Footnotes

**Slide 6**

Industry averages are from: Phillips 66 – American Fuel & Petrochemical Manufacturers (AFPM) refining data, Chevron Phillips Chemical LLC (CPChem) – American Fuel & Petrochemical Manufacturers (AFPM) chemicals data, DCP Midstream, LLC (DCP Midstream) – Gas Processors Association (GPA).

Phillips 66, CPChem and DCP Midstream safety metrics as of June 30, 2021.

Industry safety metrics as of 2020 except for DCP, 2020 is unavailable as of publishing. Source: Bureau of Labor Statistics.

Phillips 66 refining crude capacity utilization through June 30, 2021; Industry refining crude capacity utilization through May 31, 2021. Source: EIA.

**Slide 7**

Mid-cycle CFO calculated using the following methodology: average adjusted EBITDA from 2012 to 2019 for Refining; Marketing and Specialties, and Corporate.

2020 adjusted EBITDA excluded due to COVID-19 impacts.

Exit run-rate excluding market impacts plus estimated completed growth projects for Midstream; average adjusted EBITDA from 2012-2019 plus 50% proportional share of estimated EBITDA from U.S. Gulf Coast I project for Chemicals.

Midstream growth EBITDA calculated using project timeline, capital expenditures and 6-8x build multiples.

Marketing and Specialties EBITDA calculated using West Coast Marketing joint venture incremental EBITDA and assuming 30% returns.

Mid-cycle CFO calculated using mid-cycle adjusted EBITDA for the respective year and adjusted for estimated interest, taxes and noncontrolling interest for growth projects.

These forecasted annual EBITDA contributions cannot be reconciled to net income, the nearest GAAP measure, because certain elements of net income, such as interest, depreciation and taxes, were not used in developing the forecasts and therefore are not readily available. Together, these items generally result in EBITDA being significantly greater than net income.

Total Distributions include 2014 PSPI share exchange and are through December 31, 2020.

JV Capital includes Phillips 66 share of DCP Midstream's, CPChem's and WRB's self-funded capital spending.

# Footnotes

**Slide 42**

Adjusted ROCE is defined as (Adjusted Net Income + after-tax interest expense + minority interest) / (Average total debt + average equity). Peer ROCE calculations are based on the simple average of 2018 - 2020 ROCE. Source: Company filings adjusted to facilitate comparisons of operating performance.

Peer average includes Delek US Holdings, Inc., HollyFrontier Corporation, Marathon Petroleum Corporation, PBF Energy Inc., Valero Energy Corporation, Magellan Midstream Partners, MPLX LP, Oneok, Inc., Targa Resources Corp., The Williams Companies, LyondellBasell Industries, Westlake Chemical Corporation, Dow Inc.

**Slide 45**

Chart reflects total shareholder return since May 1, 2012.

Dividends assumed to be reinvested in stock. Source: Bloomberg.

Peer average includes Delek US Holdings, Inc., HollyFrontier Corporation, Marathon Petroleum Corporation, PBF Energy Inc., Valero Energy Corporation, Magellan Midstream Partners, MPLX LP, Oneok, Inc., Targa Resources Corp., The Williams Companies, LyondellBasell Industries, Westlake Chemical Corporation, Dow Inc.

# Non-GAAP Reconciliation

| | Millions of Dollars Except as Indicated | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of Consolidated Earnings (Loss) to Adjusted Earnings (Loss)** | | | | | |
| **Consolidated Earnings (Loss)** | **5,106** | **5,595** | **3,076** | **(3,975)** | **(358)** |
| Pre-tax adjustments: | | | | | |
| Pending claims and settlements | (60) | 21 | (21) | (37) | — |
| Pension settlement expense | 83 | 67 | — | 81 | 47 |
| Equity affiliate ownership restructuring | — | — | — | — | — |
| Impairments | — | — | 853 | 4,241 | 198 |
| Impairments by equity affiliates | 64 | 28 | 47 | 15 | — |
| Lower-of-cost-or-market inventory adjustments | — | — | 65 | (55) | — |
| Certain tax impacts | (23) | (119) | (90) | (14) | — |
| Gain on consolidation of business | (423) | — | — | — | — |
| Asset dispositions | — | — | (17) | (93) | — |
| Hurricane-related costs | 210 | — | — | 43 | — |
| Winter-storm-related costs | — | — | — | — | 65 |
| Tax impact of adjustments* | 47 | (1) | (214) | (568) | (64) |
| U.S. tax reform | (2,735) | 23 | — | — | — |
| Other tax impacts | — | (70) | (42) | (15) | (17) |
| Noncontrolling interests | — | 6 | — | (5) | (51) |
| **Adjusted earnings (loss)** | **2,269** | **5,550** | **3,657** | **(382)** | **(180)** |
| **Earnings (loss) per share of common stock (dollars)** | **9.85** | **11.80** | **6.77** | **(9.06)** | **(0.83)** |
| **Adjusted earnings (loss) per share of common stock (dollars)†** | **4.38** | **11.71** | **8.05** | **(0.89)** | **(0.43)** |

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

†YTD 2020 is based on adjusted weighted-average diluted shares outstanding of 440,653 thousand, and 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 Reconciliation

| | | Millions of Dollars | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of Phillips 66 Net Income (Loss) to Adjusted EBITDA** | | | | | | | | | | | |
| Phillips 66 net income (loss) | $ | 4,131 | 3,743 | 4,797 | 4,280 | 1,644 | 5,248 | 5,873 | 3,377 | (3,714) | (265) |
| Less: | | | | | | | | | | | |
| Income from discontinued operations | | 48 | 61 | 706 | — | — | — | — | — | — | — |
| Plus: | | | | | | | | | | | |
| Income tax expense (benefit) | | 2,473 | 1,844 | 1,654 | 1,764 | 547 | (1,693) | 1,572 | 801 | (1,250) | (70) |
| Net interest expense | | 231 | 258 | 246 | 283 | 321 | 407 | 459 | 415 | 485 | 284 |
| Depreciation and amortization | | 906 | 947 | 995 | 1,078 | 1,168 | 1,318 | 1,356 | 1,341 | 1,395 | 720 |
| **Phillips 66 EBITDA** | | **7,693** | **6,731** | **6,986** | **7,405** | **3,680** | **5,280** | **9,260** | **5,934** | **(3,084)** | **669** |
| Special Item Adjustments (pre-tax): | | | | | | | | | | | |
| Impairments by equity affiliates | | — | — | 88 | 390 | 95 | 64 | 28 | 47 | 15 | — |
| Premium on early retirement of debt | | 144 | — | — | — | — | — | — | — | — | — |
| Pending claims and settlements | | 56 | (25) | (21) | 30 | (115) | (57) | 21 | (21) | (37) | — |
| Repositioning costs | | 85 | — | — | — | — | — | — | — | — | — |
| Tax law impacts | | — | (28) | — | — | — | — | — | — | — | — |
| Certain tax impacts | | — | — | — | — | (32) | (23) | (119) | (90) | (6) | — |
| Gain on consolidation of business | | — | — | — | — | — | (423) | — | — | — | — |
| Gain on asset sales | | (189) | (40) | — | — | — | — | — | — | — | — |
| Exit of a business line | | — | 54 | — | — | — | — | — | — | — | — |
| Equity affiliate ownership restructuring | | — | — | — | — | 33 | — | — | — | — | — |
| Recognition of deferred logistics commitments | | — | — | — | — | 30 | — | — | — | — | — |
| Railcar lease residual value deficiencies and related costs | | — | — | — | — | 40 | — | — | — | — | — |
| Asset dispositions | | — | — | (270) | (280) | — | — | — | (17) | (93) | — |
| Impairments | | 1,197 | — | 131 | — | — | — | — | 853 | 4,241 | 198 |
| Lower-of-cost-or-market inventory adjustments | | — | — | 45 | 53 | — | — | — | 65 | (55) | — |
| Pension settlement expense | | — | — | — | 80 | — | 83 | 67 | — | 81 | 47 |
| Hurricane-related costs | | 56 | — | — | — | — | 210 | — | — | 43 | — |
| Winter-storm-related costs | | | | | | | — | — | — | — | 65 |
| U.S. tax reform | | — | — | — | — | — | — | (16) | — | — | — |
| **Phillips 66 EBITDA, Adjusted for Special Items** | | **9,042** | **6,692** | **6,959** | **7,678** | **3,731** | **5,134** | **9,241** | **6,771** | **1,105** | **979** |
| Other Adjustments (pre-tax)†: | | | | | | | | | | | |
| Proportional share of selected equity affiliates income taxes | | 105 | 115 | 144 | 118 | 115 | 105 | 128 | 114 | 77 | 90 |
| Proportional share of selected equity affiliates net interest | | 40 | 84 | 165 | 192 | 180 | 128 | 171 | 182 | 226 | 121 |
| Proportional share of selected equity affiliates depreciation and amortization | | 501 | 514 | 563 | 560 | 638 | 624 | 781 | 799 | 816 | 404 |
| Adjusted EBITDA attributable to joint venture partners' noncontrolling interests | | — | — | — | — | — | — | — | — | (37) | (38) |
| Adjusted EBITDA attributable to public ownership interest in PSXP | | (13) | (25) | (46) | (76) | (139) | (238) | (369) | (413) | (353) | (178) |
| **Phillips 66 Adjusted EBITDA** | **$** | **9,675** | **7,380** | **7,785** | **8,472** | **4,525** | **5,753** | **9,952** | **7,453** | **1,834** | **1,378** |



† Prior period information has been recasted to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

| | Millions of Dollars | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of Midstream Pre-Tax Income (Loss) to Adjusted EBITDA** | | | | | |
| Midstream pre-tax income (loss) | 638 | 1,181 | 684 | (9) | 388 |
| Plus: | | | | | |
| Interest revenue | (1) | — | — | — | — |
| Depreciation and amortization | 299 | 320 | 304 | 331 | 184 |
| **Midstream EBITDA** | **936** | **1,501** | **988** | **322** | **572** |
| | | | | | |
| Special Item Adjustments (pre-tax): | | | | | |
| Pending claims and settlements | (37) | 21 | — | — | — |
| Impairments | — | — | 853 | 1,461 | 198 |
| Impairments by equity affiliates | — | 28 | 47 | — | — |
| Hurricane-related costs | 10 | — | — | 4 | — |
| Winter-storm-related costs | — | — | — | — | 2 |
| Lower-of-cost-or-market inventory adjustments | — | — | — | 1 | — |
| Asset dispositions | — | — | — | (84) | — |
| Pension settlement expense | 12 | 9 | — | 9 | 4 |
| **Midstream EBITDA, Adjusted for Special Items** | **921** | **1,559** | **1,888** | **1,713** | **776** |
| | | | | | |
| Other Adjustments (pre-tax)†: | | | | | |
| Proportional share of selected equity affiliates income taxes | 15 | 4 | 12 | 9 | 6 |
| Proportional share of selected equity affiliates net interest | 125 | 133 | 138 | 161 | 86 |
| Proportional share of selected equity affiliates depreciation and amortization | 189 | 216 | 237 | 224 | 114 |
| Adjusted EBITDA attributable to joint venture partners' noncontrolling interests | — | — | — | (37) | (38) |
| **Midstream Adjusted EBITDA** | **1,250** | **1,912** | **2,275** | **2,070** | **944** |

† Prior period information has been recasted to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

| | Millions of Dollars | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of Chemicals Pre-Tax Income to Adjusted EBITDA** | | | | | |
| Chemicals pre-tax income | 716 | 1,025 | 879 | 635 | 777 |
| Plus: | | | | | |
| None | — | — | — | — | — |
| **Chemicals EBITDA** | **716** | **1,025** | **879** | **635** | **777** |
| Special Item Adjustments (pre-tax): | | | | | |
| Impairments by equity affiliates | 64 | — | — | 15 | — |
| Pension settlement expense | — | — | — | 21 | 18 |
| Hurricane-related costs | 175 | — | — | 3 | — |
| Winter-storm-related costs | — | — | — | — | 46 |
| Lower-of-cost-or-market inventory adjustments | — | — | 65 | (57) | — |
| **Chemicals EBITDA, Adjusted for Special Items** | **955** | **1,025** | **944** | **617** | **841** |
| Other Adjustments (pre-tax)†: | | | | | |
| Proportional share of selected equity affiliates income taxes | 68 | 100 | 79 | 47 | 76 |
| Proportional share of selected equity affiliates net interest | 4 | 38 | 40 | 44 | 23 |
| Proportional share of selected equity affiliates depreciation and amortization | 317 | 432 | 425 | 423 | 205 |
| **Chemicals Adjusted EBITDA** | **1,344** | **1,595** | **1,488** | **1,131** | **1,145** |



† Prior period information has been recasted to include adjustments for basis difference amortization.

# Non-GAAP Reconciliation

| | | Millions of Dollars | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of Refining Pre-Tax Income (Loss) to Adjusted EBITDA** | | | | | | | | | | | |
| Refining pre-tax income (loss) | $ | 5,089 | 2,782 | 2,467 | 3,659 | 436 | 2,076 | 4,535 | 1,986 | (6,155) | (1,769) |
| Plus: | | | | | | | | | | | |
| Depreciation and amortization | | 655 | 685 | 704 | 738 | 769 | 821 | 840 | 854 | 879 | 437 |
| **Refining EBITDA** | | **5,744** | **3,467** | **3,171** | **4,397** | **1,205** | **2,897** | **5,375** | **2,840** | **(5,276)** | **(1,332)** |
| Special Item Adjustments (pre-tax): | | | | | | | | | | | |
| Pending claims and settlements | | 31 | — | 23 | 30 | (70) | (51) | — | (21) | — | — |
| Tax law impacts | | — | (22) | — | — | — | — | — | — | — | — |
| Certain tax impacts | | — | — | — | — | (32) | (23) | (6) | — | (6) | — |
| Hurricane-related costs | | 54 | — | — | — | — | 24 | — | — | 33 | — |
| Winter-storm-related costs | | — | — | — | — | — | — | — | — | — | 17 |
| Gain on consolidation of business | | — | — | — | — | — | (423) | — | — | — | — |
| Recognition of deferred logistics commitments | | — | — | — | — | 30 | — | — | — | — | — |
| Railcar lease residual value deficiencies and related costs | | — | — | — | — | 40 | — | — | — | — | — |
| Asset dispositions | | — | — | (145) | (8) | — | — | — | (17) | — | — |
| Gain on asset sales | | (185) | — | — | — | — | — | — | — | — | — |
| Impairments | | 606 | — | 131 | — | — | — | — | — | 2,755 | — |
| Lower-of-cost-or-market inventory adjustments | | — | — | 40 | 53 | — | — | — | — | — | — |
| Pension settlement expense | | — | — | — | 53 | — | 53 | 43 | — | 41 | 20 |
| **Refining EBITDA, Adjusted for Special Items** | | **6,250** | **3,445** | **3,220** | **4,525** | **1,173** | **2,477** | **5,412** | **2,802** | **(2,453)** | **(1,295)** |
| Other Adjustments (pre-tax)†: | | | | | | | | | | | |
| Proportional share of selected equity affiliates income taxes | | 5 | (4) | 3 | (3) | — | 1 | 1 | — | (2) | (3) |
| Proportional share of selected equity affiliates net interest | | (118) | (95) | (19) | — | — | (3) | (6) | (3) | 3 | 4 |
| Proportional share of selected equity affiliates depreciation and amortization | | 56 | 52 | 61 | 34 | 72 | 82 | 94 | 97 | 105 | 51 |
| **Refining Adjusted EBITDA** | **$** | **6,193** | **3,398** | **3,265** | **4,556** | **1,245** | **2,557** | **5,501** | **2,896** | **(2,347)** | **(1,243)** |



† Prior period information has been recasted to include adjustments for basis difference amortization.

# Non-GAAP Reconciliation

| | Millions of Dollars | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of Marketing & Specialties Pre-Tax Income to Adjusted EBITDA** | | | | | | | | | | |
| Marketing and Specialties pre-tax income | $ 863 | 1,327 | 1,475 | 1,652 | 1,261 | 1,020 | 1,557 | 1,433 | 1,446 | 766 |
| Plus: | | | | | | | | | | |
| Interest revenue | — | — | — | (2) | — | — | — | — | — | — |
| Depreciation and amortization | 147 | 103 | 95 | 97 | 107 | 112 | 114 | 103 | 103 | 57 |
| **Marketing & Specialties EBITDA** | **1,010** | **1,430** | **1,570** | **1,747** | **1,368** | **1,132** | **1,671** | **1,536** | **1,549** | **823** |
| | | | | | | | | | | |
| Special Item Adjustments (pre-tax): | | | | | | | | | | |
| Asset dispositions | — | — | (125) | (242) | — | — | — | — | — | — |
| Gain on asset sales | (4) | (40) | — | — | — | — | — | — | — | — |
| Pending claims and settlements | 62 | (25) | (44) | — | — | — | — | — | (37) | — |
| Lower-of-cost-or-market inventory adjustments | — | — | — | — | — | — | — | — | 1 | — |
| Exit of a business line | — | 54 | — | — | — | — | — | — | — | — |
| Tax law impacts | — | (6) | — | — | — | — | — | — | — | — |
| Certain tax impacts | — | — | — | — | — | — | (113) | (90) | — | — |
| Hurricane-related costs | — | — | — | — | — | 1 | — | — | 3 | — |
| Pension settlement expense | — | — | — | 11 | — | 11 | 9 | — | 6 | 3 |
| **Marketing & Specialties EBITDA, Adjusted for Special Items** | **1,068** | **1,413** | **1,401** | **1,516** | **1,368** | **1,144** | **1,567** | **1,446** | **1,522** | **826** |
| | | | | | | | | | | |
| Other Adjustments (pre-tax)†: | | | | | | | | | | |
| Proportional share of selected equity affiliates income taxes | 14 | 16 | 18 | 19 | 18 | 21 | 23 | 23 | 23 | 11 |
| Proportional share of selected equity affiliates net interest | 11 | 9 | 7 | 6 | 1 | 2 | 6 | 7 | 18 | 8 |
| Proportional share of selected equity affiliates depreciation and amortization | 35 | 31 | 31 | 32 | 33 | 36 | 39 | 40 | 64 | 34 |
| **Marketing & Specialties Adjusted EBITDA** | **$ 1,128** | **1,469** | **1,457** | **1,573** | **1,420** | **1,203** | **1,635** | **1,516** | **1,627** | **879** |



† Prior period information has been recasted to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

| | | Millions of Dollars | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| **Reconciliation of Corporate & Other Pre-Tax Loss to Adjusted EBITDA** | | | | | | | | | | |
| Corporate and Other pre-tax loss | $ | (673) | (694) | (680) | (729) | (747) | (895) | (853) | (804) | (881) |
| Plus: | | | | | | | | | | |
| Net interest expense | | 231 | 258 | 246 | 285 | 321 | 408 | 459 | 415 | 485 |
| Depreciation and amortization | | 21 | 71 | 105 | 116 | 77 | 86 | 82 | 80 | 82 |
| **Corporate & Other EBITDA** | | **(421)** | **(365)** | **(329)** | **(328)** | **(349)** | **(401)** | **(312)** | **(309)** | **(314)** |
| | | | | | | | | | | |
| Special Item Adjustments (pre-tax): | | | | | | | | | | |
| Impairments | | 25 | — | — | — | — | — | — | — | 25 |
| Asset dispositions | | — | — | — | — | — | — | — | — | (9) |
| Repositioning costs | | 85 | — | — | — | — | — | — | — | — |
| Pending claims and settlements | | — | — | — | — | — | 31 | — | — | — |
| U.S. tax reform | | — | — | — | — | — | — | (16) | — | — |
| Pension settlement expense | | — | — | — | 7 | — | 7 | 6 | — | 4 |
| **Corporate & Other EBITDA, Adjusted for Special Items** | | **(311)** | **(365)** | **(329)** | **(321)** | **(349)** | **(363)** | **(322)** | **(309)** | **(294)** |
| | | | | | | | | | | |
| Other Adjustments (pre-tax): | | | | | | | | | | |
| None | | — | — | — | — | — | — | — | — | — |
| **Corporate & Other Adjusted EBITDA** | **$** | **(311)** | **(365)** | **(329)** | **(321)** | **(349)** | **(363)** | **(322)** | **(309)** | **(294)** |

# Non-GAAP Reconciliation

| | Millions of Dollars | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Reconciliation of DCP Midstream Pre-Tax Income (Loss) to Adjusted EBITDA** | | | | | |
| DCP Midstream pre-tax income (loss) | 76 | 106 | (784) | (958) | 43 |
| Plus: | | | | | |
| None | — | — | — | — | — |
| **DCP Midstream EBITDA** | **76** | **106** | **(784)** | **(958)** | **43** |
| | | | | | |
| Special Item Adjustments (pre-tax): | | | | | |
| Impairments | — | — | 853 | 1,161 | — |
| Lower-of-cost-or-market inventory adjustments | — | — | — | 1 | — |
| Impairments by equity affiliates | — | 28 | 47 | — | — |
| **DCP Midstream EBITDA, Adjusted for Special Items** | **76** | **134** | **116** | **204** | **43** |
| | | | | | |
| Other Adjustments (pre-tax)†: | | | | | |
| Proportional share of selected equity affiliates income taxes | — | — | — | — | — |
| Proportional share of selected equity affiliates net interest | 65 | 62 | 77 | 86 | 44 |
| Proportional share of selected equity affiliates depreciation and amortization | 106 | 110 | 119 | 72 | 30 |
| **DCP Midstream Adjusted EBITDA** | **247** | **306** | **312** | **362** | **117** |

† Prior period information has been recasted to include adjustments for basis difference amortization.

# Non-GAAP Reconciliation

| | Millions of Dollars | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Phillips 66 Partners Reconciliation of Adjusted EBITDA and Distributable Cash Flow to Net Income** | | | | | |
| **Net income attributable to the Partnership** | **461** | **796** | **923** | **791** | **207** |
| Plus: | | | | | |
| Net income attributable to Predecessors | 63 | — | — | — | — |
| Net income attributable to noncontrolling interest | — | — | — | 17 | 16 |
| **Net income** | **524** | **796** | **923** | **808** | **223** |
| Plus: | | | | | |
| Depreciation | 116 | 117 | 120 | 135 | 68 |
| Net interest expense | 99 | 114 | 105 | 120 | 65 |
| Income tax expense | 4 | 4 | 3 | 3 | 1 |
| **EBITDA** | **743** | **1,031** | **1,151** | **1,066** | **357** |
| Plus: | | | | | |
| Proportional share of equity affiliates' net interest, taxes, depreciation and amortization, and impairments | 66 | 101 | 116 | 172 | 100 |
| Expenses indemnified or prefunded by Phillips 66 | 8 | 1 | 1 | 2 | 1 |
| Transaction costs associated with acquisitions | 4 | 4 | — | 1 | — |
| Impairments | — | — | — | 96 | 198 |
| Less: | | | | | |
| Gain from equity interest transfer | — | — | — | 84 | — |
| Adjusted EBITDA attributable to Predecessors | 67 | — | — | — | — |
| Adjusted EBITDA attributable to noncontrolling interest | — | — | — | 32 | 30 |
| **Adjusted EBITDA** | **754** | **1,137** | **1,268** | **1,221** | **626** |
| Plus: | | | | | |
| Deferred revenue impacts*† | 6 | (6) | (6) | 8 | 5 |
| Less: | | | | | |
| Equity affiliate distributions less than proportional adjusted EBITDA | 29 | 64 | 56 | — | 17 |
| Maintenance capital expenditures† | 50 | 62 | 74 | 97 | 23 |
| Net interest expense | 100 | 114 | 105 | 120 | 65 |
| Preferred unit distributions | 9 | 37 | 37 | 41 | 24 |
| Income taxes paid | — | — | 1 | 1 | 2 |
| **Distributable cash flow** | **572** | **854** | **989** | **970** | **500** |

* Difference between cash receipts and revenue recognition

† Excludes Merey Sweeny capital reimbursements and turnaround impacts

# Non-GAAP Reconciliation

| | Millions of Dollars | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Phillips 66 Partners Reconciliation of Adjusted EBITDA and Distributable Cash Flow to Net Cash Provided by Operating Activities** | | | | | |
| **Net cash provided by operating activities*** | **724** | **892** | **1,016** | **955** | **513** |
| Plus: | | | | | |
| Net interest expense | 99 | 114 | 105 | 120 | 65 |
| Income tax expense | 4 | 4 | 3 | 3 | 1 |
| Changes in working capital | (30) | (20) | 34 | 15 | (22) |
| Undistributed equity earnings | 1 | 5 | 3 | (7) | (2) |
| Impairments | — | — | — | (96) | (198) |
| Gain from equity interest transfer | — | — | — | 84 | — |
| Deferred revenues and other liabilities | (43) | 42 | (5) | 4 | 2 |
| Other | (12) | (6) | (5) | (12) | (2) |
| **EBITDA** | **743** | **1,031** | **1,151** | **1,066** | **357** |
| Plus: | | | | | |
| Proportional share of equity affiliates' net interest, taxes, depreciation and amortization, and impairments | 66 | 101 | 116 | 172 | 100 |
| Expenses indemnified or prefunded by Phillips 66 | 8 | 1 | 1 | 2 | 1 |
| Transaction costs associated with acquisitions | 4 | 4 | — | 1 | — |
| Impairments | — | — | — | 96 | 198 |
| Less: | | | | | |
| Gain from equity interest transfer | — | — | — | 84 | — |
| Adjusted EBITDA attributable to Predecessors | 67 | — | — | — | — |
| Adjusted EBITDA attributable to noncontrolling interest | — | — | — | 32 | 30 |
| **Adjusted EBITDA** | **754** | **1,137** | **1,268** | **1,221** | **626** |
| Plus: | | | | | |
| Deferred revenue impacts**† | 6 | (6) | (6) | 8 | 5 |
| Less: | | | | | |
| Equity affiliate distributions less than proportional adjusted EBITDA | 29 | 64 | 56 | — | 17 |
| Maintenance capital expenditures† | 50 | 62 | 74 | 97 | 23 |
| Net interest expense | 100 | 114 | 105 | 120 | 65 |
| Preferred unit distributions | 9 | 37 | 37 | 41 | 24 |
| Income taxes paid | — | — | 1 | 1 | 2 |
| **Distributable cash flow** | **572** | **854** | **989** | **970** | **500** |

* Phillips 66 Partners' coverage ratio is calculated as distributable cash flow divided by total cash distributions and is used to indicate Phillips 66 Partners' ability to pay cash distributions from current earnings. Net cash provided by operating activities divided by total cash distributions was 1.61x, 1.44x, 1.36x, 1.20x, and 1.29x at 2017, 2018, 2019, 2020, and 1H 2021 respectively.

** Difference between cash receipts and revenue recognition

† Excludes Merey Sweeny capital reimbursements and turnaround impacts

# Non-GAAP Reconciliation

| | Millions of Dollars | | | |
|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 |
| **Phillips 66 Capital Expenditures and Investments** | | | | |
| **Midstream** | | | | |
| Growth | 597 | 1,360 | 1,605 | $ 1,470 |
| Sustaining | 174 | 188 | 264 | 216 |
| Total | 771 | 1,548 | 1,869 | 1,686 |
| **Refining** | | | | |
| Growth | 323 | 267 | 409 | 329 |
| Sustaining | 530 | 559 | 592 | 487 |
| Total | 853 | 826 | 1,001 | 816 |
| **Marketing & Specialties** | | | | |
| Growth | 62 | 71 | 299 | 114 |
| Sustaining | 46 | 54 | 75 | 59 |
| Total | 108 | 125 | 374 | 173 |
| **Corporate & Other** | | | | |
| Growth | — | 6 | 7 | 4 |
| Sustaining | 100 | 134 | 199 | 180 |
| Total | 100 | 140 | 206 | 184 |
| **Total Consolidated** | | | | |
| Growth | 982 | 1,704 | 2,320 | 1,917 |
| Sustaining | 850 | 935 | 1,130 | 942 |
| Adjusted Capital Spending | 1,832 | 2,639 | 3,450 | 2,859 |
| Capital Spending Funded by Certain Joint Venture Partners | — | — | 423 | 61 |
| Total | 1,832 | 2,639 | 3,873 | 2,920 |

# Non-GAAP Reconciliation

| | Millions of Dollars | | | |
|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 |
| **Proportional Share of Select Equity Affiliates Capital Expenditures and Investments*** | | | | |
| DCP Midstream (Midstream) | 268 | 484 | 472 | 119 |
| CPChem (Chemicals) | | | | |
| Growth | 571 | 131 | 155 | 104 |
| Sustaining | 205 | 208 | 227 | 180 |
| Total | 776 | 339 | 382 | 284 |
| WRB (Refining) | 126 | 156 | 175 | 175 |
| Select Equity Affiliates | 1,170 | 979 | 1,029 | 578 |

| | Millions of Dollars | | | |
|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 |
| **Phillips 66 Partners Capital Expenditures and Investments** | | | | |
| Capital Expenditures and Investments | $ 434 | 776 | 1,082 | 915 |
| Capital Expenditures Attributable to Predecessors | (82) | — | — | — |
| Capital Spending Funded by Certain Joint Venture Partners | — | — | (423) | (61) |
| Adjusted Capital Spending | $ 352 | 776 | 659 | 854 |
| | | | | |
| Expansion | $ 300 | 710 | 579 | 757 |
| Maintenance | 52 | 66 | 80 | 97 |

* Represents Phillips 66's portion of self-funded capital spending by DCP Midstream, LLC (DCP Midstream), Chevron Phillips Chemical Company LLC (CPChem) and WRB Refining LP (WRB).

# Non-GAAP Reconciliation

| Debt-to-Capital Ratio | | Total Debt | Total Equity | Debt-to-Capital Ratio |
|---|---|---|---|---|
| | Millions of Dollars Except as Indicated | | | |
| **June 30, 2021** | | | | |
| Phillips 66 Consolidated | $ | 15,413 | 20,602 | **43 %** |
| PSXP* | | 3,910 | 2,426 | |
| Phillips 66 Excluding PSXP | $ | 11,503 | 18,176 | **39 %** |
| **December 31, 2020** | | | | |
| Phillips 66 Consolidated | $ | 15,893 | 21,523 | **42 %** |
| PSXP* | | 3,909 | 2,512 | |
| Phillips 66 Excluding PSXP | $ | 11,984 | 19,011 | **39 %** |
| **December 31, 2019** | | | | |
| Phillips 66 Consolidated | $ | 11,763 | 27,169 | **30 %** |
| PSXP* | | 3,516 | 2,229 | |
| Phillips 66 Excluding PSXP | $ | 8,247 | 24,940 | **25 %** |
| **December 31, 2018** | | | | |
| Phillips 66 Consolidated | $ | 11,160 | 27,153 | **29 %** |
| PSXP* | | 3,048 | 2,469 | |
| Phillips 66 Excluding PSXP | $ | 8,112 | 24,684 | **25 %** |
| **December 31, 2017** | | | | |
| Phillips 66 Consolidated | $ | 10,110 | 27,428 | **27 %** |
| PSXP* | | 2,945 | 2,314 | |
| Phillips 66 Excluding PSXP | $ | 7,165 | 25,114 | **22 %** |

* PSXP’s third-party debt and Phillips 66’s noncontrolling interests attributable to PSXP.

# Non-GAAP Reconciliation

| | Millions of Dollars (Except as Indicated) | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
| **Phillips 66 ROCE** | | | | | |
| Numerator | | | | | |
| Net income (loss) | 5,248 | 5,873 | 3,377 | (3,714) | (265) |
| After-tax interest expense | 285 | 398 | 362 | 394 | 228 |
| GAAP ROCE earnings (loss) | 5,533 | 6,271 | 3,739 | (3,320) | (37) |
| Special items | (2,837) | (51) | 581 | 3,598 | 229 |
| Adjusted ROCE earnings | 2,696 | 6,220 | 4,320 | 278 | 192 |
| Denominator | | | | | |
| GAAP average capital employed* | 35,700 | 37,925 | 38,622 | 38,174 | 36,716 |

*Total equity plus debt.

| | | | | | |
|---|---|---|---|---|---|
| GAAP ROCE (percent) | 15 % | 17 % | 10 % | (9)% | — % |
| Adjusted ROCE (percent) | 8 % | 16 % | 11 % | 1 % | 1 % |

# Non-GAAP Reconciliation

| | Millions of Dollars | | | |
|---|---|---|---|---|
| | 2021 Guidance[1] | | | |
| | | Sustaining | Growth | Total |
| **Capital Spending** | | | | |
| Midstream | | | | |
| Phillips 66[2] | $ | 160 | 150 | 310 |
| Phillips 66 Partners[3] | | 135 | 170 | 305 |
| | | 295 | 320 | 615 |
| Chemicals | | — | — | — |
| Refining | | 521 | 255 | 776 |
| Marketing & Specialties | | 65 | 51 | 116 |
| Corporate & Other | | 166 | — | 166 |
| Phillips 66 Consolidated | | 1,047 | 626 | 1,673 |
| Less: capital expenditures funded by joint venture partners[4] | | — | 5 | 5 |
| Adjusted Capital Spending | $ | 1,047 | 621 | 1,668 |
| | | | | |
| CPChem (Chemicals)[5] | $ | 196 | 214 | 410 |

1) As previously announced..
2) Excludes capital budget associated with Phillips 66 Partners.
3) Phillips 66 Partners capital spending net of $5 million in growth capital to be cash funded by joint venture partners is expected to be $300 million in 2021.
4) Included in the Midstream segment.
5) Represents Phillips 66's portion of self-funded capital spending by Chevron Phillips Chemical Company LLC (CPChem).