



PROVIDING ENERGY. IMPROVING LIVES.

# Investor Update

  
MAY 2023



# Cautionary Statement

This presentation contains forward-looking statements within the meaning of the federal securities laws. Words such as “anticipated,” “estimated,” “expected,” “planned,” “scheduled,” “targeted,” “believe,” “continue,” “intend,” “will,” “would,” “objective,” “goal,” “project,” “efforts,” “strategies” and similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements included in this 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 effects of any widespread public health crisis and its negative impact on commercial activity and demand for refined petroleum products; the inability to timely obtain or maintain permits necessary for capital projects; changes to worldwide government policies relating to renewable fuels and greenhouse gas emissions that adversely affect programs like the renewable fuel standards program, low carbon fuel standards and tax credits for biofuels; fluctuations in NGL, crude oil, and natural gas prices, and petrochemical and refining margins; our ability to consummate the pending acquisition of the outstanding public common units of DCP Midstream, LP and the timing and cost associated therewith; our ability to achieve the expected benefits of the integration of DCP Midstream, LP and from the pending acquisition, if consummated; the diversion of management’s time on transaction and integration-related matters; the success of the company’s business transformation initiatives and the realization of savings from actions taken in connection therewith; 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; current or contemplated changes in governmental policies or laws that relate to NGL, crude oil, natural gas, refined petroleum products, or renewable fuels that regulate profits, pricing, or taxation, or other regulations that limit or restrict refining, marketing and midstream operations or restrict exports; the inability 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 (including the Russia-Ukraine war), expropriation of assets, and other political, economic or 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. 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, including adjusted EBITDA, adjusted earnings per share, adjusted CFO, adjusted capital spending, sustaining capital, growth capital, adjusted ROCE and net debt-to-capital. These non-GAAP financial measures are included to help facilitate comparisons of financial and operating performance across periods and to help facilitate comparisons with other companies in our industry. You can find the reconciliations to the most comparable GAAP financial measures at the end of the presentation materials or on the “Investors” section of our website at [phillips66.com/investors](https://phillips66.com/investors).

**Basis of Presentation—** During the fourth quarter of 2022, we changed the internal financial information reviewed by our chief executive officer to evaluate results and allocate resources to reflect the realignment of certain businesses between segments and business lines. We determined this realignment resulted in a change in the composition of our operating segments. Accordingly, prior-period results have been recast for comparability. The primary effects of this realignment included moving the results of certain processing assets at our Sweeny and Lake Charles refineries, located in the Gulf Coast region, from the Midstream segment (NGL and Other) to the Refining segment. Additionally, commissions charged to the Refining segment by the Marketing and Specialties segment related to sales of specialty products were eliminated and the costs of the sales organization were reclassified from the Marketing and Specialties segment to the Refining segment. Additionally, we no longer present disaggregated business line results for our Chemicals and Marketing and Specialties segments.

# Integrated Network of Businesses and Assets



## Midstream

**72** thousand miles of U.S. pipeline systems

**719** thousand BPD of fractionation capacity

Provides crude oil and refined product transportation, terminaling and processing services, as well as natural gas and NGL transportation, storage, fractionation, gathering and processing and marketing services, mainly in the United States. This segment includes our investment in DCP Midstream and our 16% investment in NOVONIX Limited.



## 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

**1.9** million BPD of crude throughput capacity

**2** global facilities producing renewable fuels

Refines crude oil and other feedstocks into petroleum products such as gasoline, distillates and aviation fuels at 12 refineries in the United States and Europe.



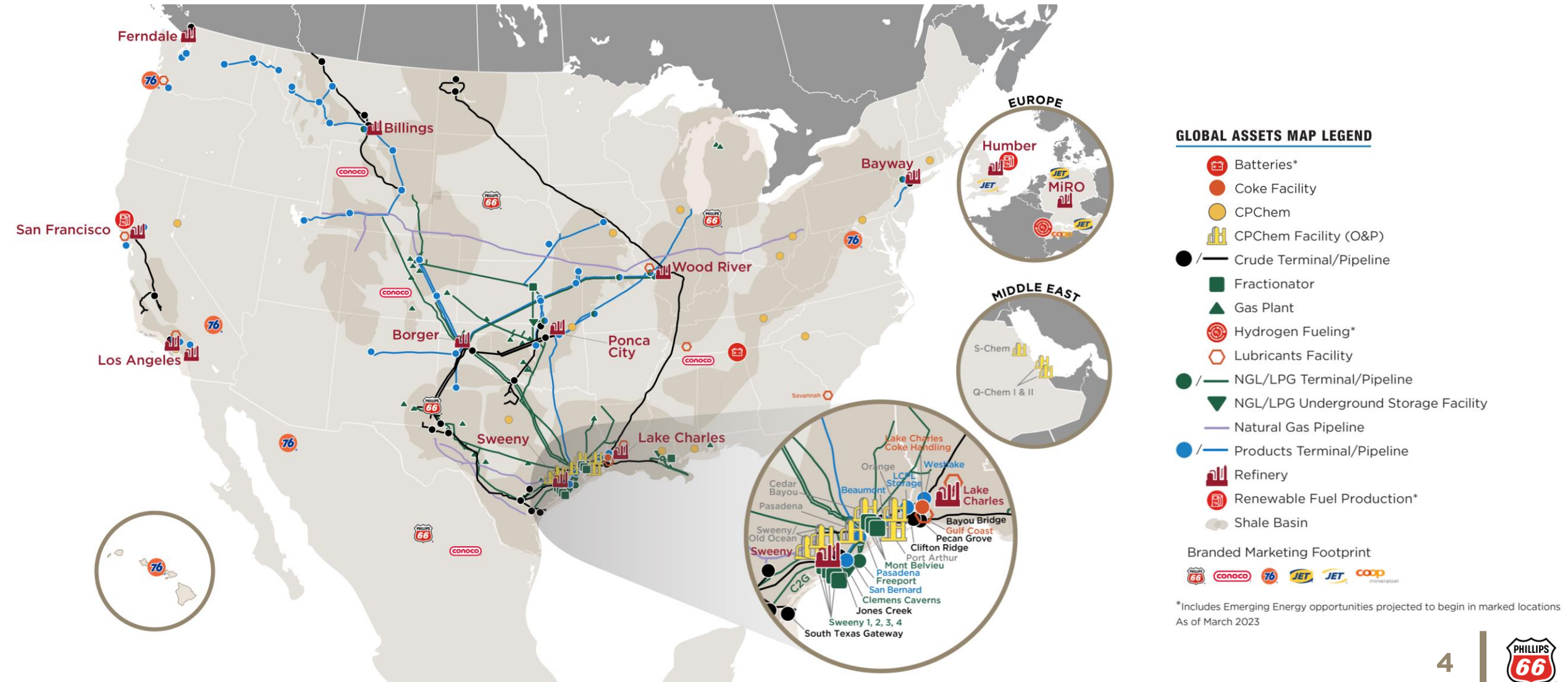
## Marketing and Specialties

**7,200** branded U.S. outlets

**1,670** branded Intl. outlets

Markets refined petroleum products and renewable 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.

# Diversified, Integrated Portfolio



# Executing the Strategy

Enabling Long-Term Value Creation and Positioning for the Future

## Mission

**Providing Energy. Improving Lives.**

## Values

**Safety. Honor. Commitment.**



## Strategy



### ***Operating Excellence***

Committed to safety, environmental stewardship, sustainability, reliability and cost efficiency, while protecting shareholder value



### ***Growth***

Enhancing our portfolio by growing our integrated Midstream and Chemicals businesses, as well as executing our returns-focused, low-carbon strategy in Emerging Energy



### ***Returns***

Improving returns by investing to optimize and enhance existing assets



### ***Distributions***

Committed to maintaining our financial strength and disciplined capital allocation to reward shareholders through continued dividend growth and share repurchases



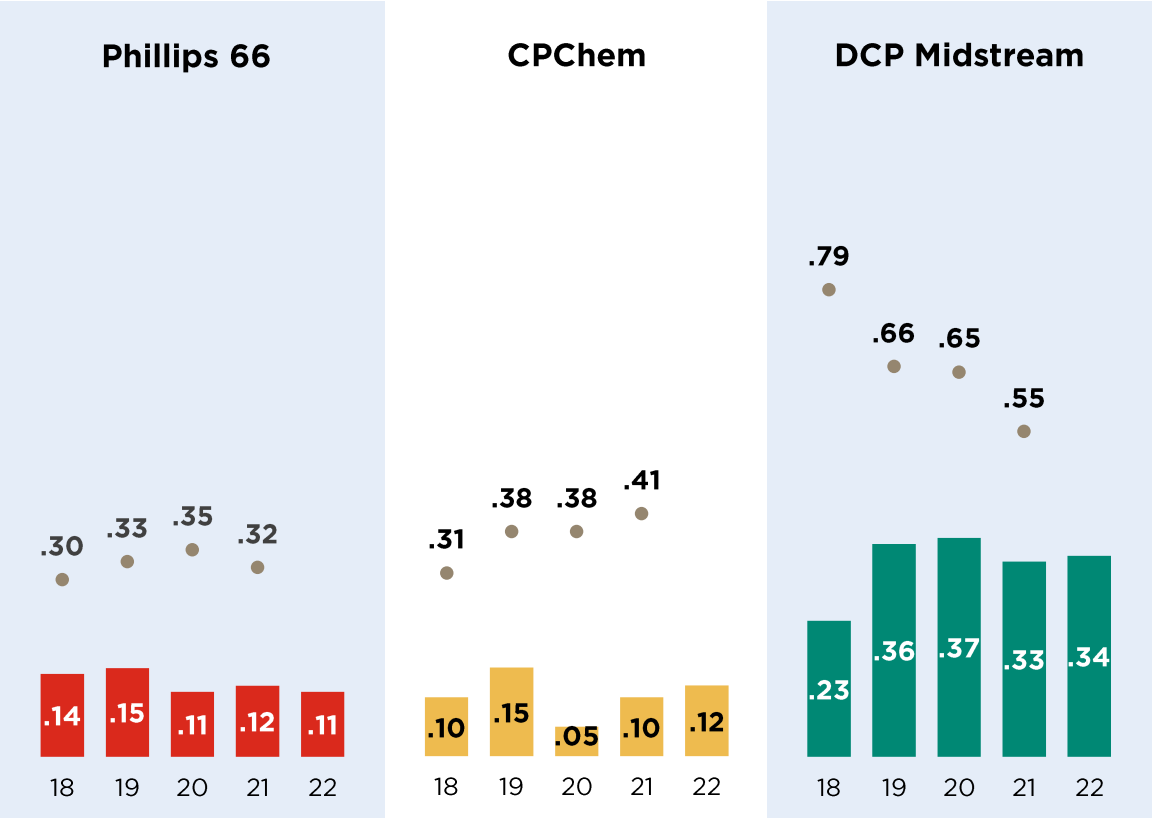
### ***High-Performing Organization***

Building capability, pursuing excellence, and doing the right thing

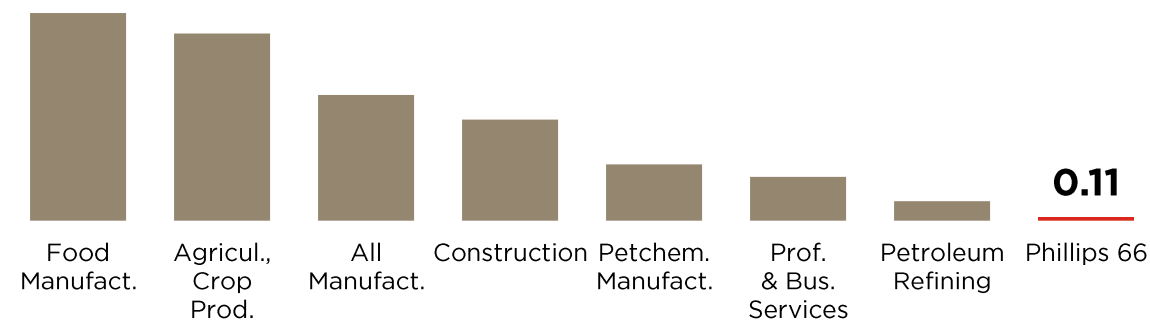
# Operating Excellence

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

Industry Average ●

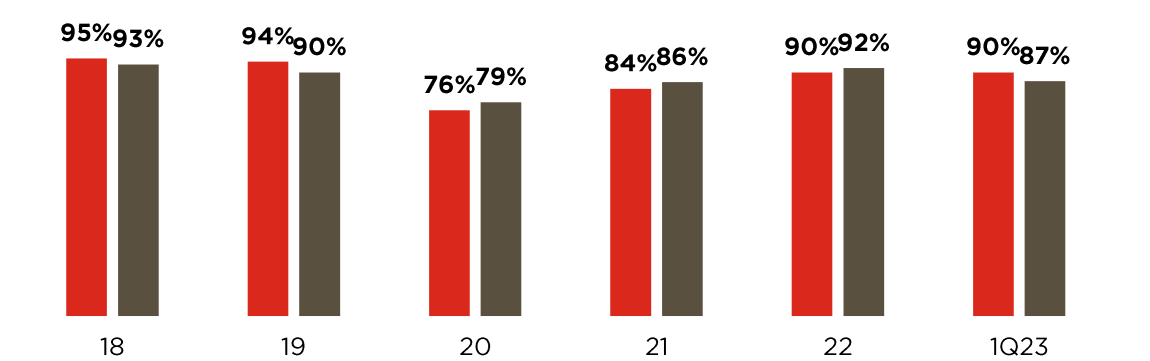


**Industry Safety Metrics**  
*(Incidents per 200,000 hours worked)*



**Refining Crude Capacity Utilization (%)**

Phillips 66 ■ U.S. Industry Average ■



# Strategic Priorities



## Deliver Shareholder Returns

- \$3.7 B shareholder distributions since July 2022
- On track to meet \$10 B - \$12 B by YE 2024



## Improve Refining Performance

- Above industry-average crude utilization
- 93% market capture



## Capture Value from Wellhead to Market

- Transitioned DCP employees to Phillips 66
- Will acquire DCP public common units 2Q 2023



## Execute Business Transformation

- >\$400 MM run-rate cost savings as of 1Q 2023
- \$200 MM sustaining capital reduction



## Maintain Financial Strength and Flexibility

- 25% net debt-to-capital ratio
- Secured additional liquidity



## Drive Disciplined Growth and Returns

- \$378 MM capital expenditures in 1Q 2023
- Rodeo Renewed on track for 1Q 2024 startup

### First Quarter Highlights

# Sustainably Transform Our Cost Structure

Organization committed to reducing costs

Sustainable cost reductions driven to bottom line

Lower-cost operating model

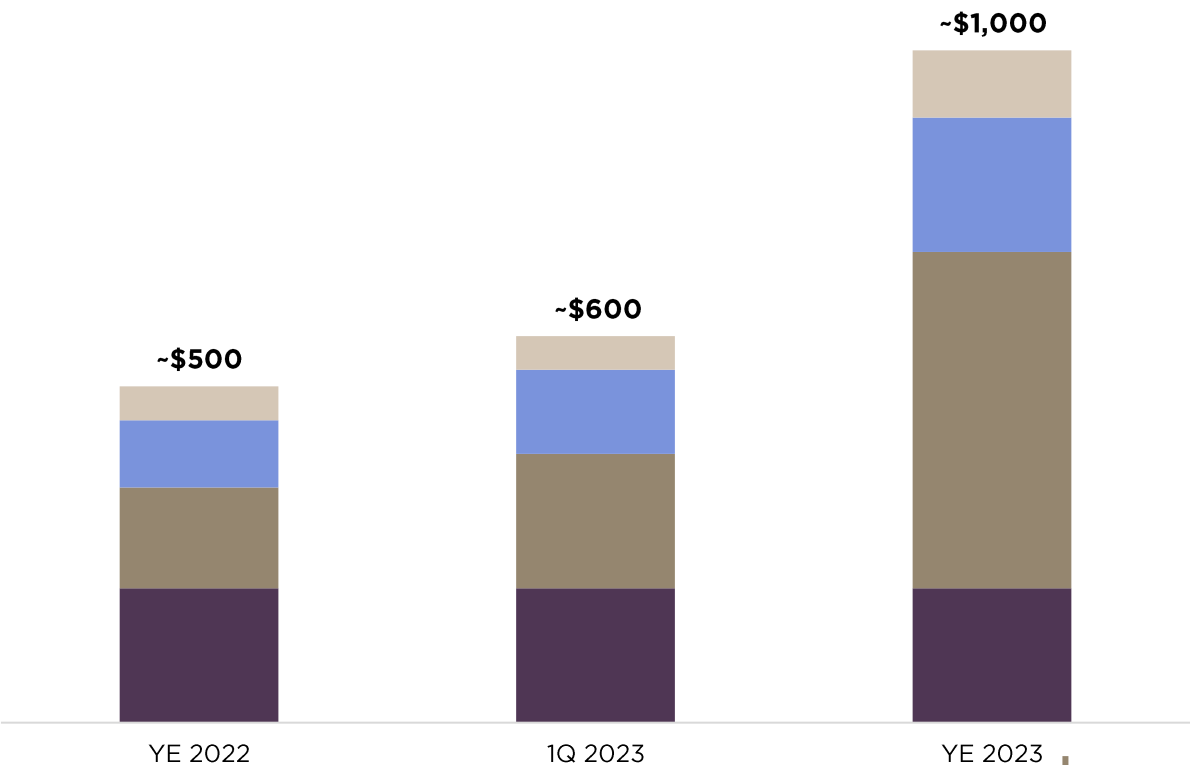
Empower innovation and agility mindset

Establish culture of transformation and cost discipline

Continue to identify opportunities

Estimated Annualized  
Run Rate  
Cost Savings  
(\$MM)

- Freight Costs
- Other Operating and SG&A Expenses
- Refining Operating and SG&A Expenses
- Sustaining Capital





# Adjusted EBITDA Growth

Mid-cycle EBITDA growth of over \$3 B by 2025

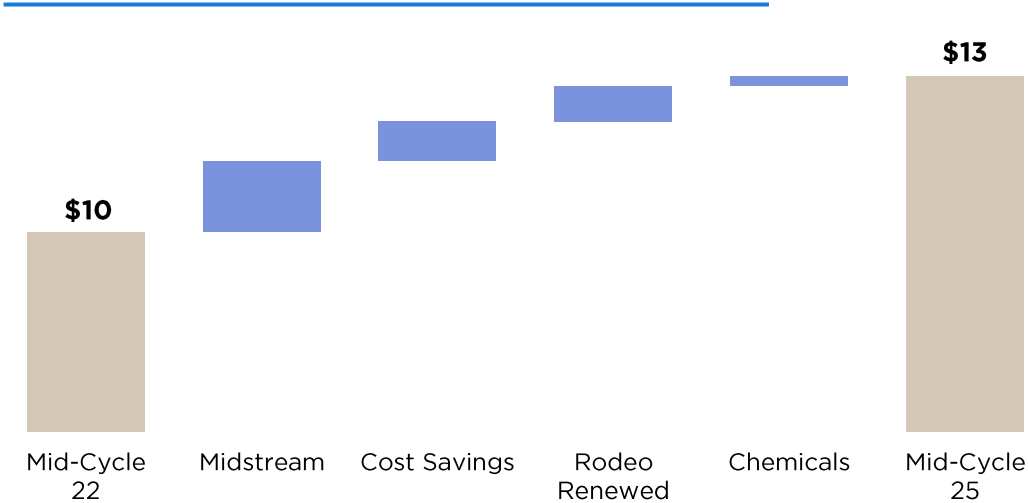
Capture value from Wellhead-to-Market through DCP EBITDA uplift and synergies

Business Transformation cost savings

Rodeo Renewed

CPChem debottleneck and optimization projects

2022 - 2025 Mid-Cycle Adjusted EBITDA (\$B)



Mid-Cycle Commodity Environment (2012-2019 Average)

RIN Adjusted Crack	\$12 / BBL
WTI less WCS	\$18 / BBL
LLS less Maya	\$9 / BBL
Natural Gas price	\$3 / MMBtu
NGL price	70¢ / Gal
WTI Price	\$70 / BBL
Chain Margin	30¢ / Lb



# Value Creation Supports Distributions

Strong balance sheet and investment grade credit ratings

Sustaining capital for asset integrity, safety and environmental projects

Secure, competitive and growing dividend

Intrinsic value approach to share repurchases

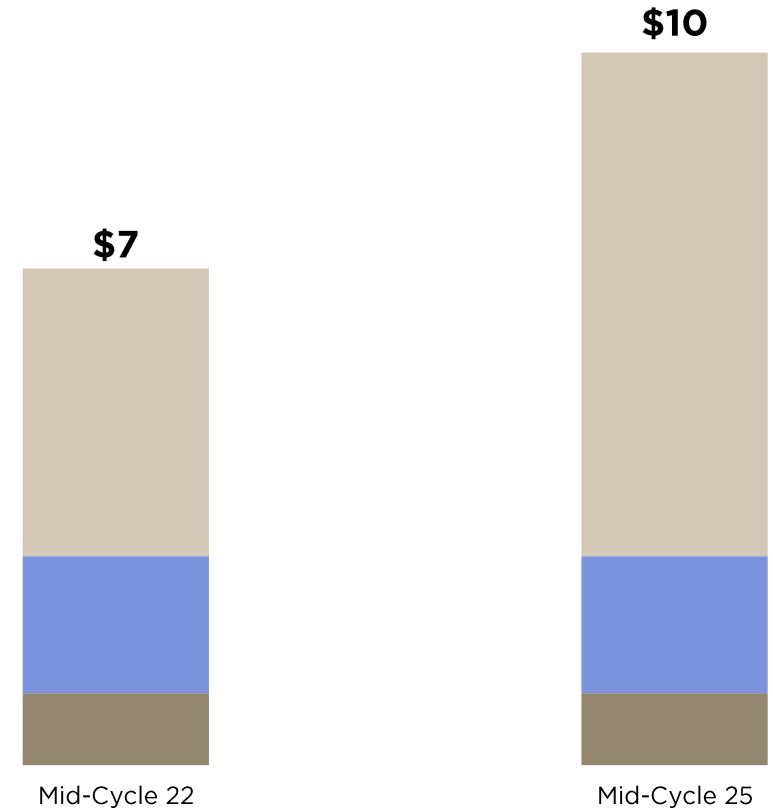
Continued debt repayment

Disciplined growth capital

Minimum 40% shareholder distributions

## Adjusted CFO Capital Allocation (\$B)

■ Sustaining Capital  
■ Dividends  
■ Discretionary





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# Midstream



# Enhanced Midstream Business

Top-quartile safety performance

DCP assets increase NGL operational size and scale

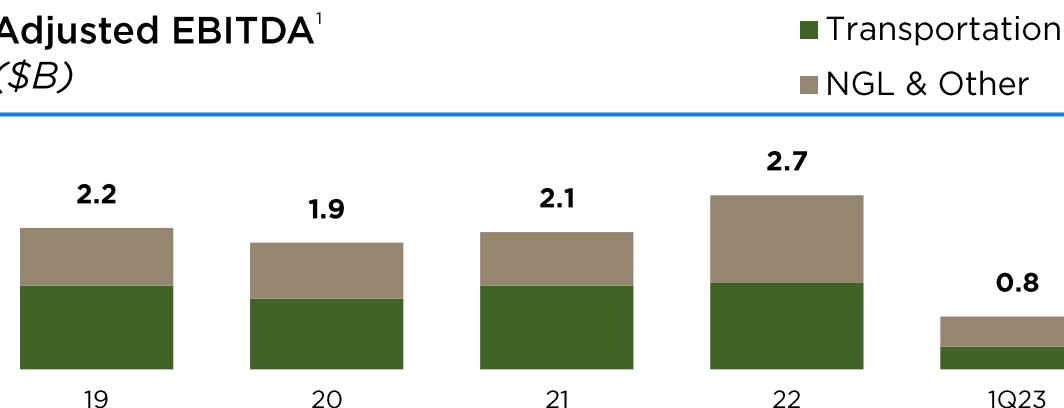
Extend participation in full NGL value chain

Portfolio highly integrated with Refining and Marketing

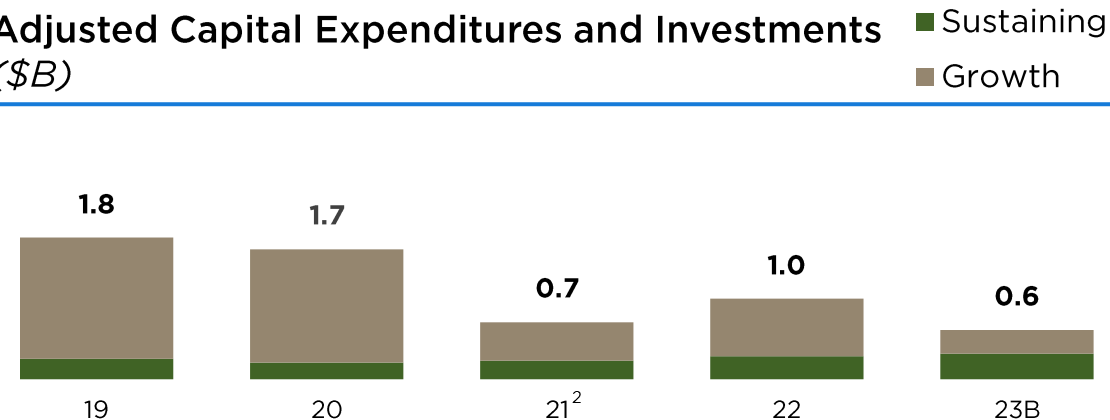
Assets backed by long-term, fee-based contracts

Midstream platform for growth

Adjusted EBITDA<sup>1</sup>  
(\$B)



Adjusted Capital Expenditures and Investments  
(\$B)



1) Excludes changes in fair value of our investment in NOVONIX

2) Includes a \$150 million investment in NOVONIX

# Economic Interests in DCP Midstream



Public buy-in increases Phillips 66 economic interest in DCP to ~87%

\$1 billion uplift to Phillips 66 adjusted EBITDA

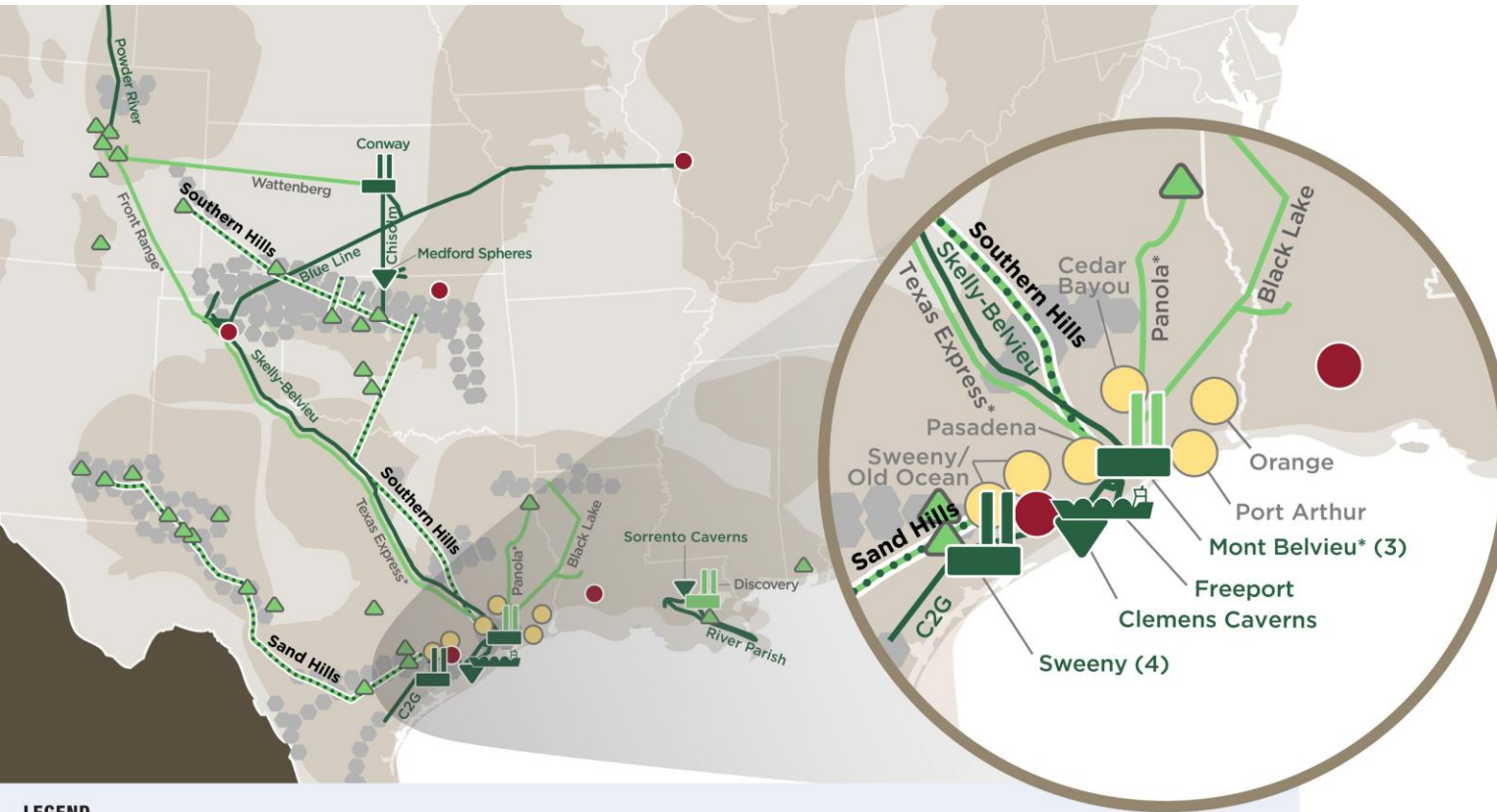
Capture at least \$300 million in commercial and operating synergies by 2025

Closing expected to occur in the second quarter of 2023, subject to customary closing conditions, at which time DCP common units will be delisted

## Economic Interests in DCP

	Before Transactions	Post Realignment 8/17/2022	Post Public Buy-In
	28.26%	43.31%	86.80%
	28.26%	13.20%	13.20%
Public Common Units	43.49%	43.49%	0%
	100.00%	100.00%	100.00%

# Wellhead to Market Integrated NGL Value Chain



DCP Gathering & Processing and Logistics & Marketing system integrated with Phillips 66 NGL value chain

Assets located in key growth basins

Provides upstream customers with full wellhead to market service

Connectivity to major U.S. petrochemical complexes and LPG export facilities

## LEGEND

### Phillips 66 Assets

- Fractionator
- LPG Export Terminal
- NGL/LPG Pipeline
- NGL/LPG Storage Facility
- Refinery

### DCP Assets

- Fractionator
- Gas Plant
- NGL Gathering
- NGL Pipeline

### DCP/Phillips 66 Assets

- Fractionator
- NGL Pipeline—Jointly Owned

- CPChem Facility
- \* Minority Interest
- Shale Basin



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# Chemicals

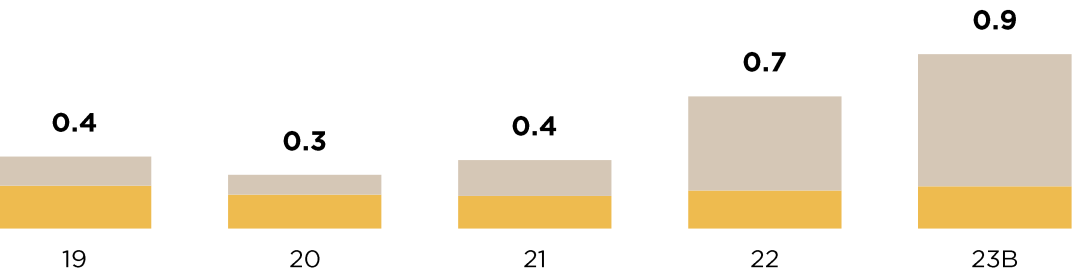


# Chevron Phillips Chemical

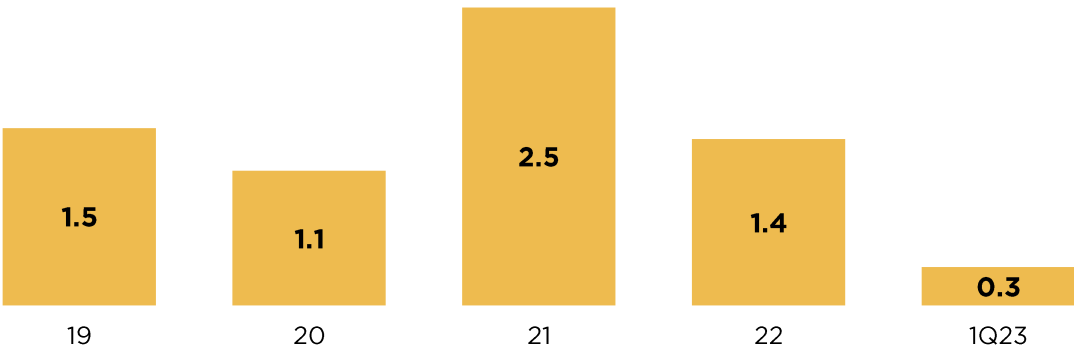
- Industry-leading safety performance
- Proprietary technology
- Advantaged feedstock portfolio
- Global marketing network
- Debottleneck opportunities

Capital Expenditures and Investments<sup>1</sup>  
(\$B)

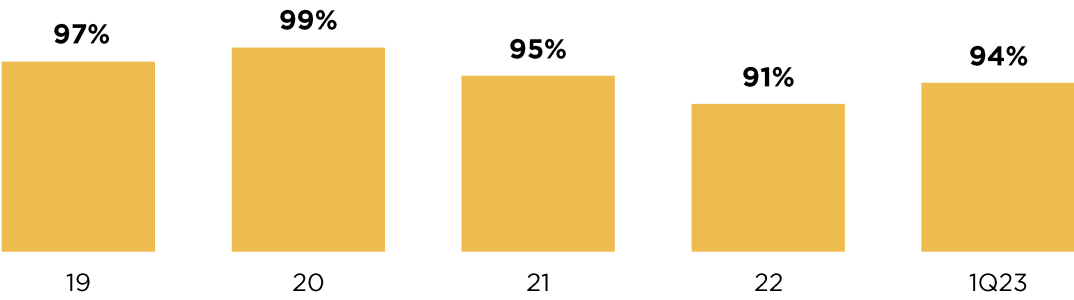
Sustaining  
Growth



Adjusted EBITDA<sup>1</sup>  
(\$B)



Olefins and Polyolefins Capacity Utilization  
(%)



1) 50% proportional share to Phillips 66.



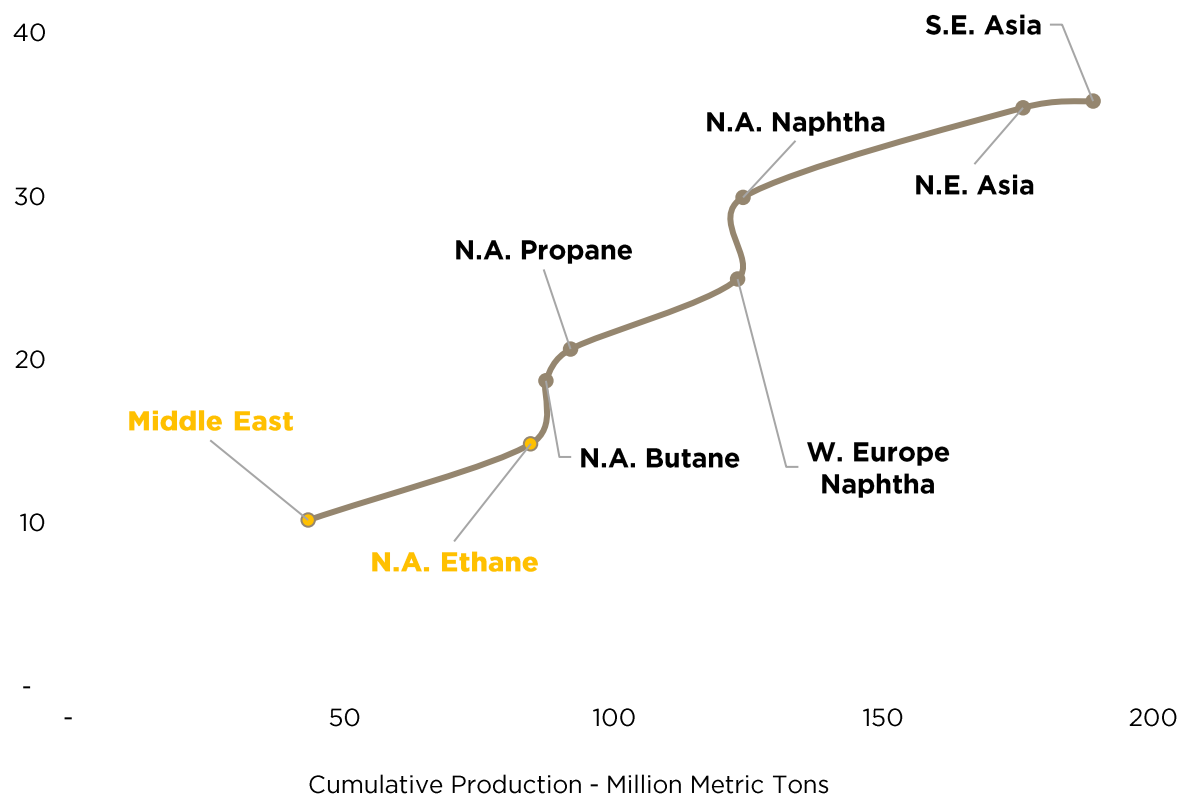
# Chemicals Outlook

CPChem portfolio well-positioned for access to advantaged feedstock with heavy footprint in North America and Middle East

Expanding global middle class is increasing demand forecast for polyethylene at a 3.5% CAGR

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

2019–2022 Ethylene Production Cost Curve  
(Cents per pound)



# Demand Growth Drives World-Scale Projects

## Golden Triangle Polymer Project

World-scale ethylene and polyethylene facilities on US Gulf Coast expected to start up in 2026 CPChem 51% equity interest

4.6 B pounds per year ethane cracker; two high-density polyethylene units with a combined capacity of 4.4 B pounds per year

## Ras Laffan Petchem Project

World-scale ethylene and polyethylene facility in Qatar expected start up in 2026 CPChem 30% equity interest

4.6 B pounds per year ethane cracker; two high-density polyethylene units with a combined capacity of 3.7 B pounds per year

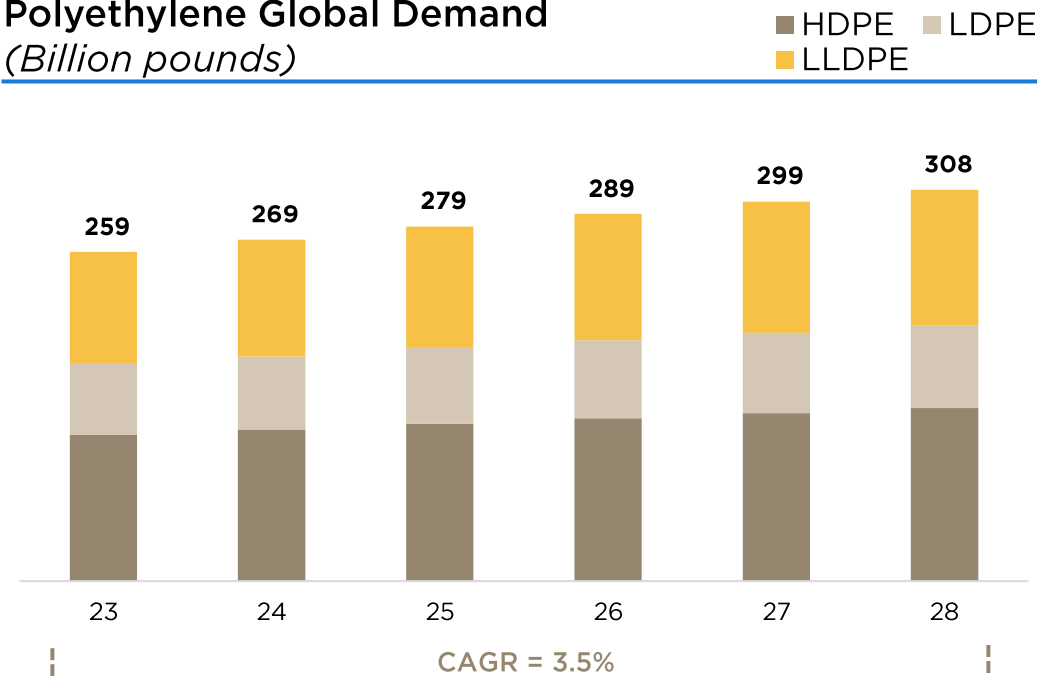
## Other Growth Projects

Second world-scale 1-hexene unit expected to start up in 2023

New propylene splitting capacity expected to start up in 2023

PAO production capacity in Belgium expected to increase in 2024

Polyethylene Global Demand  
(Billion pounds)





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# Refining



# Improve Refining Performance

Maintain operating excellence

Increase asset availability

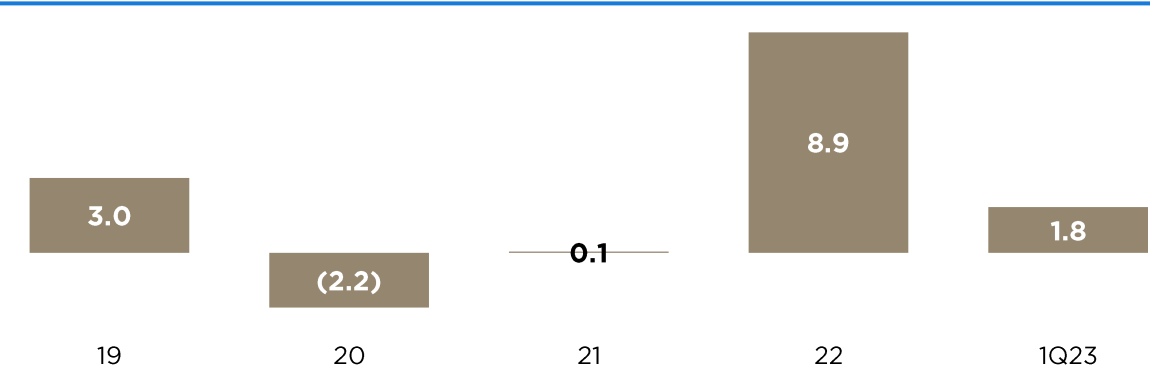
Enhance market capture

Reduce operating costs by \$0.75/bbl

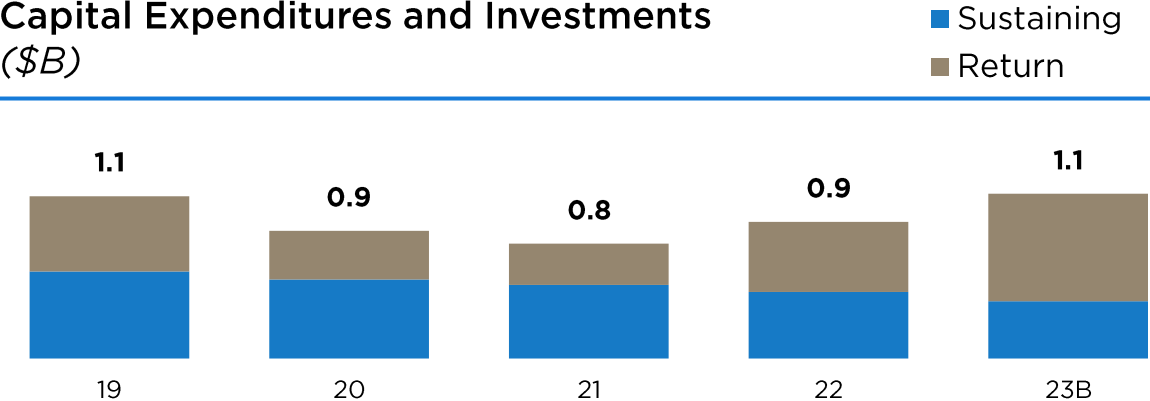
Manage the portfolio

Low-capital, high-return projects

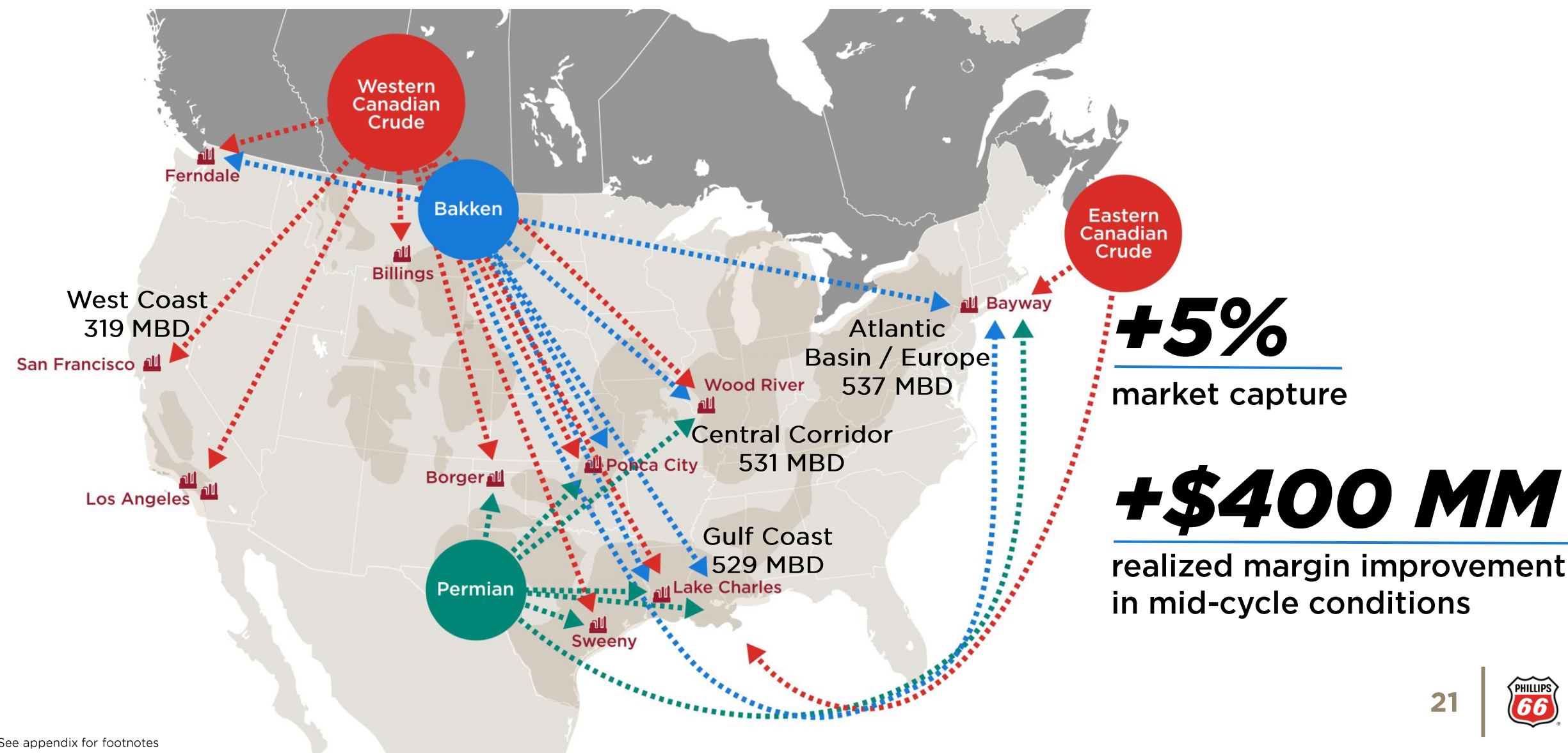
Adjusted EBITDA  
(\$B)



Capital Expenditures and Investments  
(\$B)



# Enhance Market Capture



See appendix for footnotes

# Rodeo Renewed

One of the World's Largest Renewable Fuels facilities expected to begin commercial operations in 1Q 2024

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

- Capital efficient project that leverages existing units
- Build on success of current 10+ MBD operation of Unit 250

## Capable of processing most renewable feedstock including used cooking oil, fats, greases, tallow and vegetable oils

- Utilize marine terminal and rail rack for domestic and international feedstock flexibility
- Upon conversion, the facility will no longer process or ship crude oil

## Ideal 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





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# Marketing & Specialties



[phillips66gas.com](http://phillips66gas.com)

# Optimizing M&S Returns

Consistent high-return, low-capital business

Product placement for Refining

Expanded U.S. retail presence through JV's

Distribution of renewable fuels

Leverage brand strength

Reimaged sites

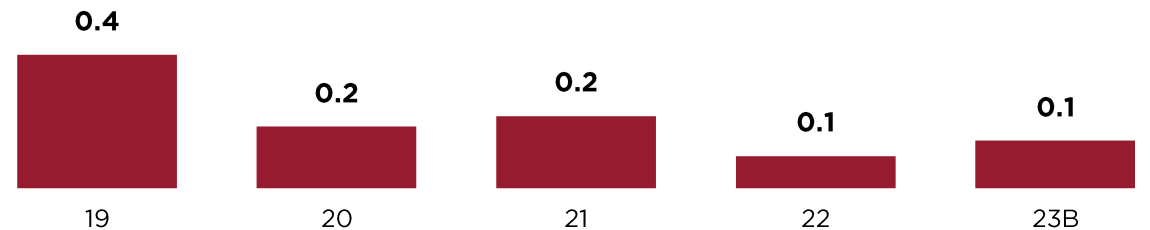
Integrated digital platform



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.



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# Financial Strategy



# Financial Strength and Flexibility

Peer-leading investment grade credit rating

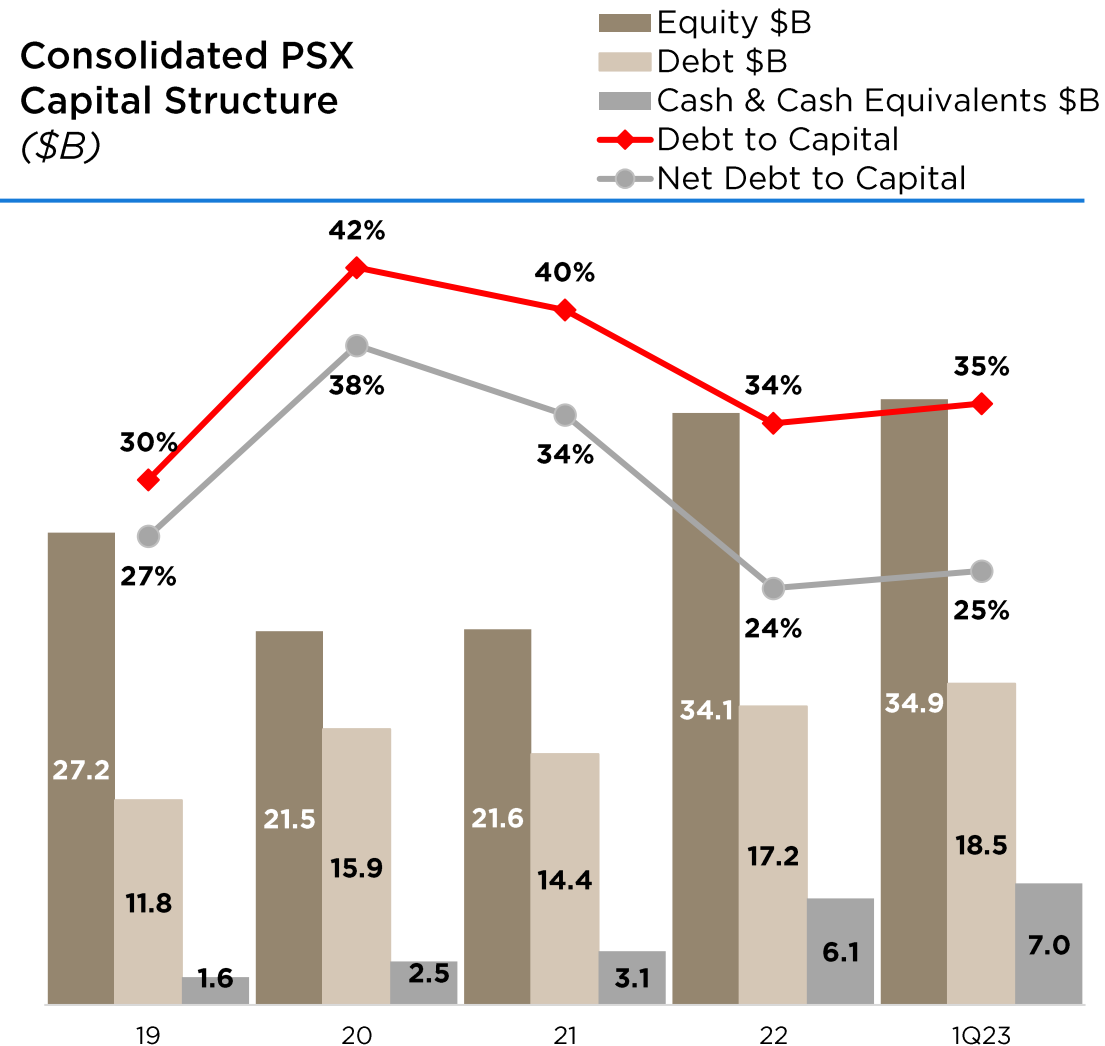
Disciplined capital allocation

Secure, competitive and growing dividend

Intrinsic value approach to share repurchases

Well-laddered debt maturities

Target net debt-to-capital ratio of 25-30%



# Consolidated Debt and Liquidity

\$18.5 B Total Debt as of March 31, 2023

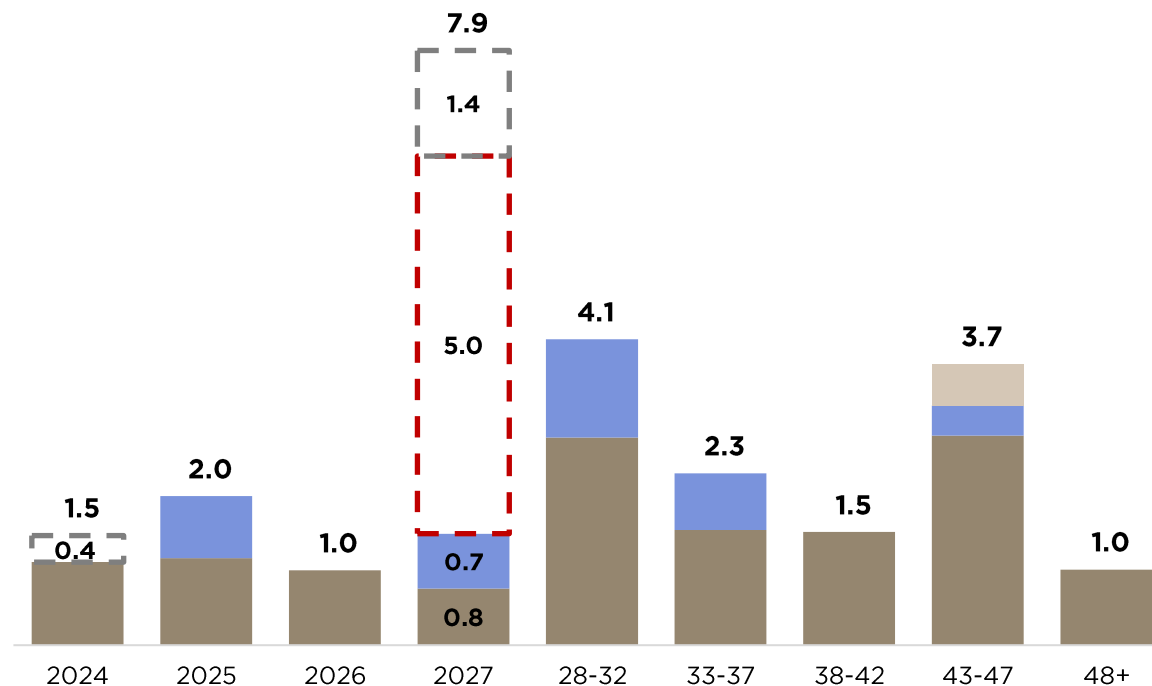
\$14.7 B in available liquidity

- \$7.0 B Cash
- \$6.2 B capacity on credit facilities
- \$1.5 B capacity on delayed draw term agreement

Peer leading A3/BBB+ Credit Rating

**Debt Maturity Profile  
as of March 31, 2023  
(\$B)**

■ DCP Junior Subordinated Debt  
■ DCP Credit and AR Facility  
■ PSX Revolving Credit Facility  
■ DCP Bonds  
■ PSX Bonds

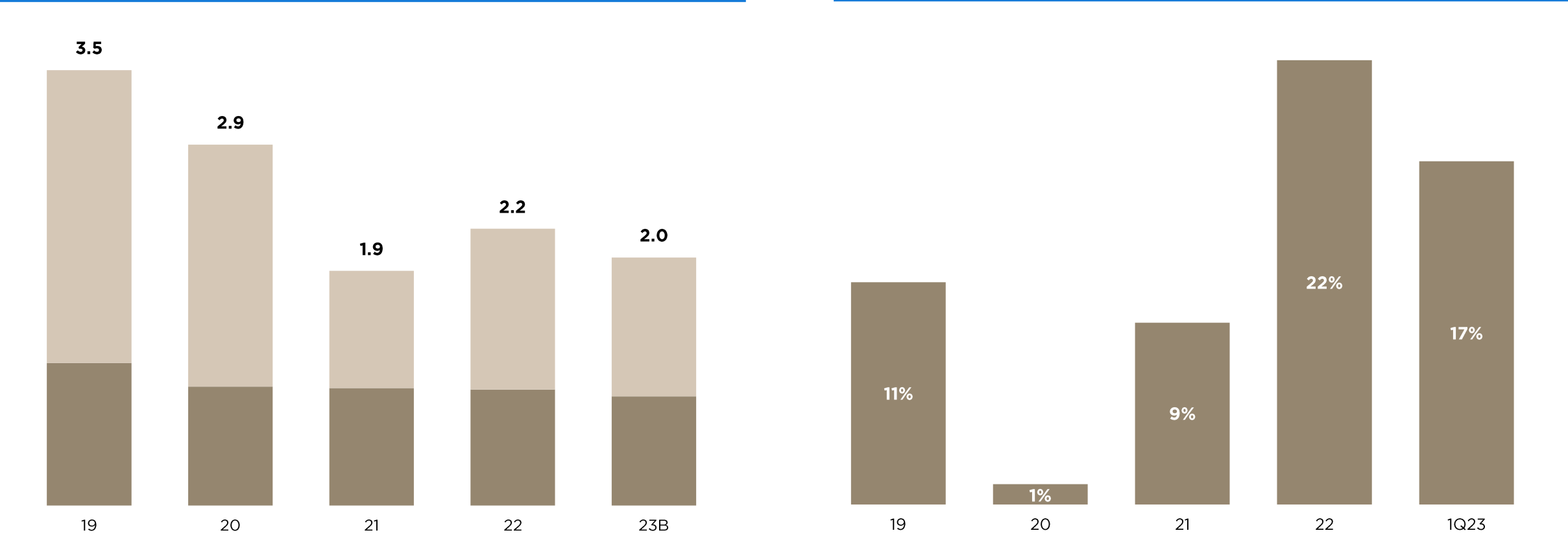


# Disciplined Approach to Capital Spending

Capital Expenditures and Investments (\$B)

■ Sustaining  
■ Growth

Adjusted ROCE (% After-Tax)



# Distributions

Progressing toward its target of \$10 B to \$12 B in the 10-quarter period ending 2024

- \$3.7 B returned to shareholders through 3 quarters

Secure, competitive and growing dividend

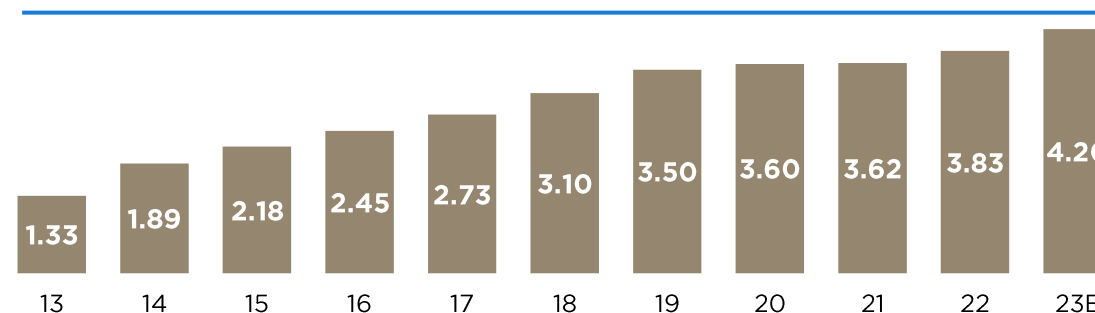
- 17% CAGR with twelve increases<sup>1,2</sup>
- Increased quarterly dividend by 8% in 1Q

Committed to shareholder distributions

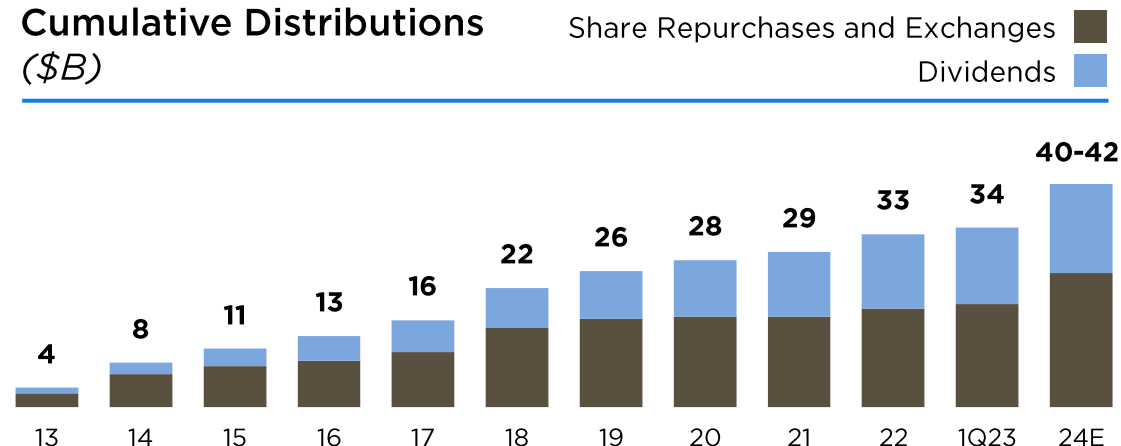
- Repurchased / exchanged 27% of shares initially outstanding<sup>2</sup>

Returned over \$34 B to shareholders through dividends, share repurchases and exchanges

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



**Cumulative Distributions**  
(\$B)



1) Dividend CAGR calculated from initial dividend of \$0.20 per share in 3Q 2012 to \$1.05 per share in 1Q 2023.

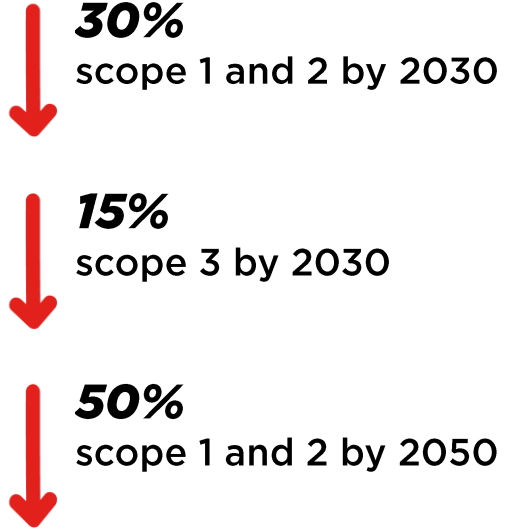
2) Since May 2012. Net of shares issued for compensation and PSXP transaction.

# Sustainable Business Practices



## Environmental

Targets to lower GHG emissions intensity from 2019 baseline



## Social

**680,000 hours**  
volunteered since 2012

**\$280 MM**  
invested in our communities  
since 2012

**42%**  
of our U.S. hires were from  
underrepresented groups in 2022



## Governance

**Active**  
shareholder engagement  
program

**85%**  
independent directors

**38%**  
diverse board based on  
gender



# 2023 Sensitivities

Annual Adjusted EBITDA \$MM <sup>(1)</sup>

## Midstream - DCP (net to Phillips 66) <sup>(2)</sup>

10¢/Gal Increase in NGL price	45 / 85
10¢/MMBtu Increase in Natural Gas price	3 / 5
\$1/BBL Increase in WTI price	2 / 4

## Chemicals - CPChem (net to Phillips 66)

1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	65
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## Worldwide Refining

\$1/BBL Increase in Gasoline Margin	320
\$1/BBL Increase in Distillate Margin	285

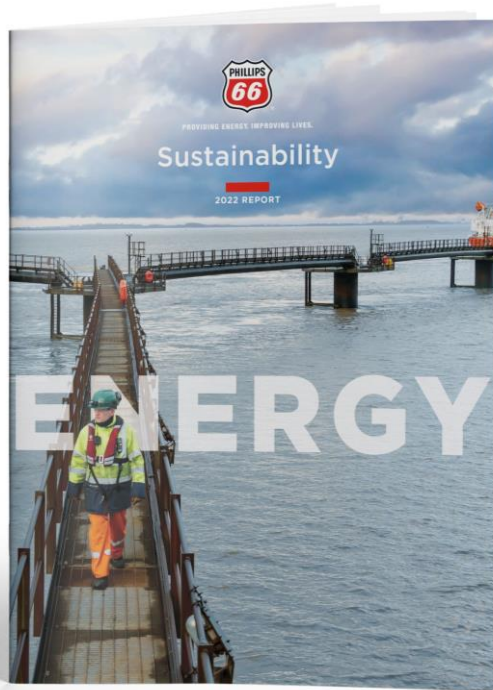
Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:

\$1/BBL Widening WTI / WCS Differential (WTI less WCS)	100
\$1/BBL Widening LLS / Maya Differential (LLS less Maya)	75
\$1/BBL Widening LLS / WTI Differential (LLS less WTI)	25
\$1/BBL Widening WTI / WTS Differential (WTI less WTS)	30
10¢/MMBtu Increase in Natural Gas price	(15)

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

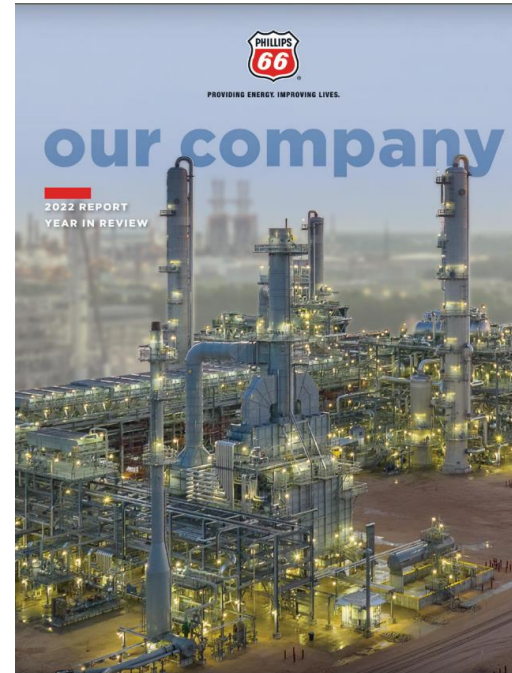
2) Annualized sensitivity of \$45 MM based on current 43% economic interest and \$85 MM based on post-public unit buy-in of 87% economic interest

# Our Energy In Action



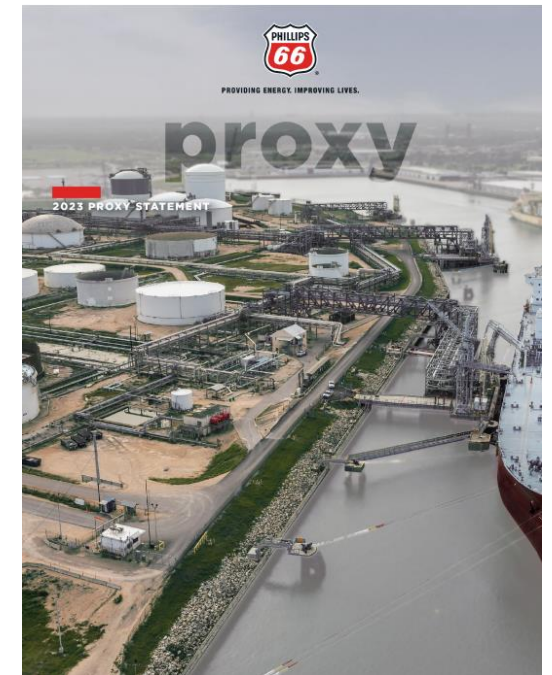
[2022 Sustainability Report](#)

[2022 Human Capital Management](#)



[2022 Year In Review](#)

[2023 Proxy Statement](#)



# Footnotes

## General

Information disclosed is as of March 31, 2023, 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

22 is as of December 31, 2022, or the twelve-month period ended December 31, 2022, as applicable; except as otherwise noted.

1Q23 is as of March 31, 2023, or the three-month period ended March 31, 2023, as applicable; except as otherwise noted.

23B represents previously announced Budget.

23E represents 2023 Estimate

24E represents 2024 Estimate

## Maps

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

# Footnotes

## **Operating Excellence**

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 December 31, 2022.

Industry safety metrics as of 2021. Source: Bureau of Labor Statistics.

Phillips 66 refining crude capacity utilization excludes Alliance Refinery beginning in fourth quarter 2021

Industry refining crude capacity utilization through March 31, 2023. Source: EIA.

## **Value Creation Supports Distributions**

Mid-cycle adjusted CFO represents estimated cash from operating activities less estimated distributions to noncontrolling interests. The most directly comparable GAAP financial measure is cash from operating activities.

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

2020 and 2021 adjusted EBITDA excluded due to COVID-19 impacts. Mid-cycle adjusted EBITDA involves forward-looking estimates and therefore a reconciliation cannot be provided.

## **Value Creation Adjusted EBITDA Growth**

Mid-cycle adjusted EBITDA represents historical average adjusted EBITDA (2012 to 2019) for our Refining and Chemicals operating segments and adjusted 2021 EBITDA for our Midstream and M&S operating segments and for our corporate expenses. 2020 and 2021 adjusted EBITDA excluded due to COVID-19 impacts. These EBITDA amounts were further adjusted for estimated EBITDA from the completion of operating segment growth projects, expected operating, SG&A and freight cost savings from our Business Transformation, current operating capacities and certain market impacts. The most directly comparable GAAP performance measure for the consolidated company is net income and the most directly comparable GAAP performance measure for a segment is income before income taxes.

## **Sustainably Transform Our Cost Structure**

Cost Savings Targets are expected to be reflected in either operating expenses, selling, general and administrative expenses, depreciation and amortization expenses or purchased crude oil and products costs line items on our consolidated statement of income.

# Footnotes

## **Economic Interests in DCP Midstream**

Affiliates of Phillips 66, as the holders of a majority of the outstanding DCP common units, have delivered their consent to approve the transaction. As a result, DCP has not solicited and is not soliciting approval of the transaction by any other holders of DCP common units.

The receipt of cash for DCP common units pursuant to the transaction will be a taxable transaction to U.S. Holders for U.S. federal income tax purposes.

DCP Midstream adjusted EBITDA assumes the acquisition of all outstanding public common units of DCP Midstream, LP plus our increased economic interest in DCP Midstream as a result of the merger of DCP Midstream, LLC and Gray Oak Holdings, LLC, excluding the impact from decreased ownership in Gray Oak Pipeline.

Synergy capture expected on a run-rate basis.

## **Additional Information and Where You Can Find It**

This presentation does not constitute a solicitation of any vote or approval with respect to the proposed transaction. This presentation relates to a proposed business combination between Phillips 66 and DCP. In connection with the proposed transaction, Phillips 66 and DCP expect to file an information statement and other documents with the U.S. Securities and Exchange Commission (“SEC”). INVESTORS AND SECURITYHOLDERS OF PHILLIPS 66 AND DCP ARE ADVISED TO CAREFULLY READ ANY INFORMATION STATEMENT AND ANY OTHER DOCUMENTS THAT HAVE BEEN FILED OR MAY BE FILED WITH THE SEC (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION, THE PARTIES TO THE TRANSACTION AND THE RISKS ASSOCIATED WITH THE TRANSACTION. The definitive information statement, when available, will be sent to securityholders of DCP relating to the proposed transaction. Investors and securityholders may obtain a free copy of such documents and other relevant documents (if and when available) filed by Phillips 66 or DCP with the SEC from the SEC’s website at [www.sec.gov](http://www.sec.gov). Securityholders and other interested parties will also be able to obtain, without charge, a copy of such documents and other relevant documents (if and when available) from Phillips 66’s website at [www.phillips66.com](http://www.phillips66.com) under the “Investors” tab under the heading “SEC Filings” under the “Financial Information” sub-tab or from DCP’s website at [www.dcpmidstream.com](http://www.dcpmidstream.com) under the “Investors” tab and the “SEC Filings” sub-tab.

## **Participants in the Solicitation**

Phillips 66, DCP and their respective directors, executive officers and certain other members of management may be deemed to be participants in the solicitation of consents in respect of the transaction. Information about these persons is set forth in Phillips 66’s proxy statement relating to its 2023 Annual Meeting of Stockholders, which was filed with the SEC on March 30, 2023; Phillips 66’s Annual Report on Form 10-K, which was filed with the SEC on February 22, 2023; certain of Phillips 66’s Current Reports on Form 8-K; DCP’s Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 17, 2023, and subsequent statements of changes in beneficial ownership on file with the SEC. Securityholders and investors may obtain additional information regarding the interests of such persons, which may be different than those of the respective companies’ securityholders generally, by reading the information statement and other relevant documents regarding the transaction (if and when available), which may be filed with the SEC.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Phillips 66 Net Income (Loss) to Adjusted EBITDA</b>					
Phillips 66 net income (loss)	\$ 3,377	(3,714)	1,594	11,391	2,077
Plus:					
Income tax expense (benefit)	801	(1,250)	146	3,248	574
Net interest expense	415	485	583	537	124
Depreciation and amortization	1,341	1,395	1,605	1,629	476
<b>Phillips 66 EBITDA*</b>	<b>5,934</b>	<b>(3,084)</b>	<b>3,928</b>	<b>16,805</b>	<b>3,251</b>
Special Item Adjustments (pre-tax):					
Impairments by equity affiliates	47	15	—	—	—
Pending claims and settlements	(21)	(37)	—	—	—
Certain tax impacts	(90)	(6)	(11)	—	—
Net gain on asset dispositions	(17)	(93)	—	—	(36)
Impairments	853	4,241	1,496	—	—
Lower-of-cost-or-market inventory adjustments	65	(55)	—	—	—
Pension settlement expense	—	81	77	—	—
Hurricane-related costs (recovery)	—	43	45	(21)	—
Winter-storm-related costs	—	—	51	20	—
Alliance shutdown-related costs <sup>1</sup>	—	—	31	70	—
Regulatory compliance costs	—	—	(88)	—	—
Business transformation restructuring costs <sup>2</sup>	—	—	—	159	35
DCP integration restructuring costs <sup>3</sup>	—	—	—	18	12
Merger transaction costs	—	—	—	13	—
Gain related to merger of businesses	—	—	—	(3,013)	—
<b>Total Special Item Adjustments (pre-tax)</b>	<b>837</b>	<b>4,189</b>	<b>1,601</b>	<b>(2,754)</b>	<b>11</b>
<b>Change in Fair Value of NOVONIX Investment</b>	<b>—</b>	<b>—</b>	<b>(370)</b>	<b>442</b>	<b>12</b>

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Phillips 66 Net Income (Loss) to Adjusted EBITDA (cont'd)</b>					
<b>Phillips 66 EBITDA, Adjusted for Special Items and Change in Fair Value of NOVONIX Investment<sup>*,4</sup></b>	<b>6,771</b>	<b>1,105</b>	<b>5,159</b>	<b>14,493</b>	<b>3,274</b>
Other Adjustments (pre-tax) <sup>5</sup> :					
Proportional share of selected equity affiliates income taxes	114	77	182	143	29
Proportional share of selected equity affiliates net interest	182	226	242	175	24
Proportional share of selected equity affiliates depreciation and amortization	799	816	812	788	186
Adjusted EBITDA attributable to joint venture partners' noncontrolling interests	—	(37)	(81)	(427)	(226)
Adjusted EBITDA attributable to public ownership interest in PSXP <sup>†</sup>	(413)	(353)	(393)	(82)	—
<b>Phillips 66 Adjusted EBITDA*</b>	<b>\$ 7,453</b>	<b>1,834</b>	<b>5,921</b>	<b>15,090</b>	<b>3,287</b>

\*Refer to changes in "Basis of Presentation" on pg. 2.

<sup>†</sup> On March 9, 2022, Phillips 66 Partners, LP, became a wholly owned subsidiary of Phillips 66

<sup>1</sup> Costs related to the shutdown of the Alliance Refinery totaled \$192 in 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of \$91 million recorded in depreciation and amortization expense, and severance and other exit costs of \$31 million. Shutdown-related costs in the Midstream segment include asset retirements of \$70 million pre-tax recorded in depreciation and amortization expense. Costs related to the shutdown of the Alliance Refinery totaled \$26 million pre-tax in 2022. Shutdown-related costs recorded in the Refining segment include pre-tax charges for the disposal of materials and supplies of \$20 million, and asset retirements of \$6 million recorded in depreciation and amortization expense.

<sup>2</sup> Restructuring costs, related to Phillips 66's multi-year business transformation efforts, are primarily due to consulting fees. Additionally, 2022 included a held-for-sale asset impairment of \$45 million.

<sup>3</sup> Restructuring costs, related to the integration of DCP Midstream, primarily reflect severance costs and consulting fees. A portion of these costs are attributable to noncontrolling interests.

<sup>4</sup> 2021 information has been recast to exclude the change in fair value of our investment in NOVONIX.

<sup>5</sup> Prior period information has been recast to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Midstream Pre-Tax Income (Loss) to Adjusted EBITDA</b>					
Midstream pre-tax income (loss)	\$ 597	(116)	1,500	4,734	702
Plus:					
Depreciation and amortization	291	313	425	568	224
<b>Midstream EBITDA*</b>	<b>888</b>	<b>197</b>	<b>1,925</b>	<b>5,302</b>	<b>926</b>
Special Item Adjustments (pre-tax):					
Impairments	853	1,461	208	—	—
Impairments by equity affiliates	47	—	—	—	—
Hurricane-related costs	—	4	4	—	—
Winter-storm-related costs	—	—	2	—	—
Lower-of-cost-or-market inventory adjustments	—	1	—	—	—
Net gain on asset dispositions	—	(84)	—	—	(36)
Pension settlement expense	—	9	8	—	—
Merger transaction costs	—	—	—	13	—
Gain related to merger of business	—	—	—	(3,013)	—
DCP integration restructuring costs <sup>1</sup>	—	—	—	18	12
Total Special Item Adjustments (pre-tax)	900	1,391	222	(2,982)	(24)
Change in Fair Value of NOVONIX Investment	—	—	(370)	442	12
<b>EBITDA, Adjusted for Special Items and Change in Fair Value of NOVONIX Investment*, <sup>2</sup></b>	<b>1,788</b>	<b>1,588</b>	<b>1,777</b>	<b>2,762</b>	<b>914</b>
Other Adjustments (pre-tax) <sup>3</sup> :					
Proportional share of selected equity affiliates income taxes	12	9	14	13	4
Proportional share of selected equity affiliates net interest	138	161	169	119	13
Proportional share of selected equity affiliates depreciation and amortization	237	224	229	209	41
Adjusted EBITDA attributable to joint venture partners' noncontrolling interests, excluding PSXP	—	(37)	(81)	(427)	(226)
<b>Midstream Adjusted EBITDA*</b>	<b>\$ 2,175</b>	<b>1,945</b>	<b>2,108</b>	<b>2,676</b>	<b>746</b>

\* Refer to changes in "Basis of Presentation" discussion on pg 2.

<sup>1</sup> Restructuring costs, related to the integration of DCP Midstream, primarily reflect severance costs and consulting fees. A portion of these costs are attributable to noncontrolling interests.

<sup>2</sup> 2021 information has been recast to exclude the change in fair value of our investment in NOVONIX.

<sup>3</sup> Prior period information has been recast to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Midstream - Transportation Pre-Tax Income to Adjusted EBITDA</b>					
Midstream pre-tax income	\$ 947	508	678	1,176	306
Plus:					
Depreciation and amortization	152	159	234	174	40
<b>Midstream EBITDA*</b>	<b>1,099</b>	<b>667</b>	<b>912</b>	<b>1,350</b>	<b>346</b>
Special Item Adjustments (pre-tax):					
Impairments	—	300	208	—	—
Hurricane-related costs	—	4	—	—	—
Winter-storm-related costs	—	—	1	—	—
Net gain on asset dispositions	—	(84)	—	—	(36)
Gain related to merger of business	—	—	—	(182)	—
Total Special Item Adjustments (pre-tax)	—	220	209	(182)	(36)
<b>EBITDA, Adjusted for Special Items*</b>	<b>1,099</b>	<b>887</b>	<b>1,121</b>	<b>1,168</b>	<b>310</b>
Other Adjustments (pre-tax) <sup>1</sup> :					
Proportional share of selected equity affiliates income taxes	12	9	14	12	4
Proportional share of selected equity affiliates net interest	61	161	84	69	13
Proportional share of selected equity affiliates depreciation and amortization	118	224	150	136	27
Adjusted EBITDA attributable to joint venture partners' noncontrolling interests, excluding PSXP	—	(37)	(81)	(59)	(4)
<b>Midstream Adjusted EBITDA*</b>	<b>\$ 1,290</b>	<b>1,244</b>	<b>1,288</b>	<b>1,326</b>	<b>350</b>

\* Refer to changes in "Basis of Presentation" discussion on pg 2.

<sup>1</sup> Prior period information has been recast to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Midstream - NGL &amp; Other Pre-Tax Income (Loss) to Adjusted EBITDA</b>					
Midstream pre-tax income (loss)	\$ (350)	(624)	452	4,000	408
Plus:					
Depreciation and amortization	139	154	191	394	184
<b>Midstream EBITDA*</b>	<b>(211)</b>	<b>(470)</b>	<b>643</b>	<b>4,394</b>	<b>592</b>
Special Item Adjustments (pre-tax):					
Impairments	853	1,161	—	—	—
Impairments by equity affiliates	47	—	—	—	—
Hurricane-related costs	—	—	4	—	—
Winter-storm-related costs	—	—	1	—	—
Lower-of-cost-or-market inventory adjustments	—	1	—	—	—
Net gain on asset dispositions	—	—	—	—	—
Pension settlement expense	—	9	8	—	—
Merger transaction costs	—	—	—	13	—
Gain related to merger of business	—	—	—	(2,831)	—
DCP integration restructuring costs <sup>1</sup>	—	—	—	18	12
Total Special Item Adjustments (pre-tax)	900	1,171	13	(2,800)	12
<b>EBITDA, Adjusted for Special Items*</b>	<b>689</b>	<b>701</b>	<b>656</b>	<b>1,594</b>	<b>604</b>
Other Adjustments (pre-tax) <sup>2</sup> :					
Proportional share of selected equity affiliates income taxes	—	9	—	1	—
Proportional share of selected equity affiliates net interest	77	161	85	50	—
Proportional share of selected equity affiliates depreciation and amortization	119	224	79	73	14
Adjusted EBITDA attributable to joint venture partners' noncontrolling interests, excluding PSXP	—	(37)	—	(368)	(222)
<b>Midstream Adjusted EBITDA*</b>	<b>\$ 885</b>	<b>1,058</b>	<b>820</b>	<b>1,350</b>	<b>396</b>

\* Refer to changes in "Basis of Presentation" discussion on pg 2.

<sup>1</sup> Restructuring costs, related to the integration of DCP Midstream, primarily reflect severance costs and consulting fees. A portion of these costs are attributable to noncontrolling interests.

<sup>2</sup> Prior period information has been recast to include additional equity affiliates and for adjustments to basis difference amortization.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Chemicals Pre-Tax Income to Adjusted EBITDA</b>					
Chemicals pre-tax income	\$ 879	635	1,844	856	198
Plus:					
None	—	—	—	—	—
<b>Chemicals EBITDA</b>	<b>879</b>	<b>635</b>	<b>1,844</b>	<b>856</b>	<b>198</b>
Special Item Adjustments (pre-tax):					
Impairments by equity affiliates	—	15	—	—	—
Pension settlement expense	—	21	22	—	—
Hurricane-related costs	—	3	1	—	—
Winter-storm-related costs	—	—	32	—	—
Lower-of-cost-or-market inventory adjustments	65	(57)	—	—	—
<b>Chemicals EBITDA, Adjusted for Special Items</b>	<b>944</b>	<b>617</b>	<b>1,899</b>	<b>856</b>	<b>198</b>
Other Adjustments (pre-tax) <sup>†</sup> :					
Proportional share of selected equity affiliates income taxes	79	47	144	104	20
Proportional share of selected equity affiliates net interest	40	44	48	26	1
Proportional share of selected equity affiliates depreciation and amortization	425	423	411	411	102
<b>Chemicals Adjusted EBITDA</b>	<b>\$ 1,488</b>	<b>1,131</b>	<b>2,502</b>	<b>1,397</b>	<b>321</b>

<sup>†</sup> Prior period information has been recast to include adjustments for basis difference amortization.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Refining Pre-Tax Income (Loss) to Adjusted EBITDA</b>					
Refining pre-tax income (loss)	\$ 2,132	(6,022)	(2,353)	7,816	1,608
Plus:					
Depreciation and amortization	867	896	984	866	202
<b>Refining EBITDA*</b>	<b>2,999</b>	<b>(5,126)</b>	<b>(1,369)</b>	<b>8,682</b>	<b>1,810</b>
Special Item Adjustments (pre-tax):					
Pending claims and settlements	(21)	—	—	—	—
Certain tax impacts	—	(6)	(11)	—	—
Hurricane-related costs (recovery)	—	33	40	(21)	—
Winter-storm-related costs	—	—	17	—	—
Asset dispositions	(17)	—	—	—	—
Impairments	—	2,755	1,288	—	—
Pension settlement expense	—	41	37	—	—
Alliance shutdown-related costs <sup>1</sup>	—	—	31	20	—
Regulatory compliance costs	—	—	(88)	70	—
<b>Refining EBITDA, Adjusted for Special Items*</b>	<b>2,961</b>	<b>(2,303)</b>	<b>(55)</b>	<b>8,751</b>	<b>1,810</b>
Other Adjustments (pre-tax) <sup>†</sup> :					
Proportional share of selected equity affiliates income taxes	—	(2)	—	2	—
Proportional share of selected equity affiliates net interest	(3)	3	9	6	1
Proportional share of selected equity affiliates depreciation and amortization	97	105	103	92	23
<b>Refining Adjusted EBITDA*</b>	<b>\$ 3,055</b>	<b>(2,197)</b>	<b>57</b>	<b>8,851</b>	<b>1,834</b>

<sup>1</sup> Costs related to the shutdown of the Alliance Refinery totaled \$192 in 2021. Shutdown-related costs recorded in the Refining segment include pre-tax charges for asset retirements of \$91 million recorded in depreciation and amortization expense, and severance and other exit costs of \$31 million. Shutdown-related costs in the Midstream segment include asset retirements of \$70 million pre-tax recorded in depreciation and amortization expense. Costs related to the shutdown of the Alliance Refinery totaled \$26 million pre-tax in 2022. Shutdown-related costs recorded in the Refining segment include pre-tax charges for the disposal of materials and supplies of \$20 million, and asset retirements of \$6 million recorded in depreciation and amortization expense.

\* Refer to changes in "Basis of Presentation" discussion on pg 2.

<sup>†</sup> Prior period information has been recast to include adjustments for basis difference amortization.

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	1Q 2023
<b>Reconciliation of Marketing &amp; Specialties Pre-Tax Income to Adjusted EBITDA</b>					
Marketing and Specialties pre-tax income	\$ 1,374	1,421	1,723	2,402	426
Plus:					
Depreciation and amortization	103	103	113	110	27
<b>Marketing &amp; Specialties EBITDA*</b>	<b>1,477</b>	<b>1,524</b>	<b>1,836</b>	<b>2,512</b>	<b>453</b>
Special Item Adjustments (pre-tax):					
Pending claims and settlements	—	(37)	—	—	—
Lower-of-cost-or-market inventory adjustments	—	1	—	—	—
Certain tax impacts	(90)	—	—	—	—
Hurricane-related costs	—	3	—	—	—
Pension settlement expense	—	6	6	—	—
<b>Marketing &amp; Specialties EBITDA, Adjusted for Special Items*</b>	<b>1,387</b>	<b>1,497</b>	<b>1,842</b>	<b>2,512</b>	<b>453</b>
Other Adjustments (pre-tax)†:					
Proportional share of selected equity affiliates income taxes	23	23	24	24	5
Proportional share of selected equity affiliates net interest	7	18	16	24	9
Proportional share of selected equity affiliates depreciation and amortization	40	64	69	76	20
<b>Marketing &amp; Specialties Adjusted EBITDA*</b>	<b>\$ 1,457</b>	<b>1,602</b>	<b>1,951</b>	<b>2,636</b>	<b>487</b>

\*Refer to changes in "Basis of Presentation" on pg. 2.

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

# Non-GAAP Reconciliation

	Millions of Dollars				
	2019	2020	2021	2022	2023 Budget
<b>Proportional Share of Select Equity Affiliates Capital Expenditures and Investments*</b>					
CPCChem (Chemicals)					
Growth	\$ 155	104	191	499	702
Sustaining	227	180	176	202	223
<b>Total</b>	<b>382</b>	<b>284</b>	<b>367</b>	<b>701</b>	<b>925</b>
WRB (Refining)	175	175	229	177	216
<b>Select Equity Affiliates</b>	<b>\$ 557</b>	<b>459</b>	<b>596</b>	<b>878</b>	<b>1,141</b>

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

# Non-GAAP Reconciliation

Millions of Dollars					
	2019	2020	2021	2022	2023 Budget
<b>Phillips 66 Capital Expenditures and Investments*</b>					
<b>Midstream</b>					
Growth	\$ 1,549	1,471	501	744	310
Sustaining	251	204	232	299	329
Total	1,800	1,675	733	1,043	639
<b>Refining</b>					
Growth	464	328	280	477	729
Sustaining	606	499	504	451	389
Total	1,070	827	784	928	1,118
<b>Marketing &amp; Specialties</b>					
Growth	299	114	147	48	95
Sustaining	75	59	55	41	39
Total	374	173	202	89	134
<b>Corporate &amp; Other</b>					
Growth	7	4	1	7	—
Sustaining	199	180	140	127	108
Total	206	184	141	134	108
<b>Total Consolidated</b>					
Growth	2,319	1,917	929	1,276	1,134
Sustaining	1,131	942	931	918	865
Adjusted Capital Spending	3,450	2,859	1,860	2,194	1,999
Capital Spending Funded by Certain Joint Venture Partners	423	61	—	—	—
Total Capital Spending	\$ 3,873	2,920	1,860	2,194	1,999

\* Refer to changes in "Basis of Presentation" discussion on pg 2

# Non-GAAP Reconciliation

Millions of Dollars (Except as Indicated)					
	2019	2020	2021	2022	1Q 2023
Total Debt	11,763	15,893	14,448	17,190	18,485
Total Equity	27,169	21,523	21,637	34,106	34,916
<b>Debt-to-Capital Ratio</b>	30 %	42 %	40 %	34 %	35 %
Total Cash	1,614	2,514	3,147	6,133	6,965
<b>Net Debt-to-Capital Ratio</b>	27 %	38 %	34 %	24 %	25 %

# Non-GAAP Reconciliation

	Millions of Dollars (Except as Indicated)				
	2019	2020	2021	2022	1Q 2023
<b>Phillips 66 ROCE</b>					
Numerator					
Net income (loss)	3,377	(3,714)	1,594	11,391	2,077
After-tax interest expense	362	394	459	489	151
GAAP ROCE earnings (loss)	3,739	(3,320)	2,053	11,880	2,228
After-tax special items	581	3,598	1,257	(2,113)	9
Adjusted ROCE earnings	4,320	278	3,310	9,767	2,237
Denominator					
GAAP average capital employed*	38,622	38,174	36,751	43,691	52,349
*Total equity plus debt.					
GAAP ROCE (percent)	10 %	(9) %	6 %	27 %	17 %
Adjusted ROCE (percent)	11 %	1 %	9 %	22 %	17 %