



PROVIDING ENERGY. IMPROVING LIVES.



# FOURTH QUARTER 2019 CONFERENCE CALL

January 31, 2020



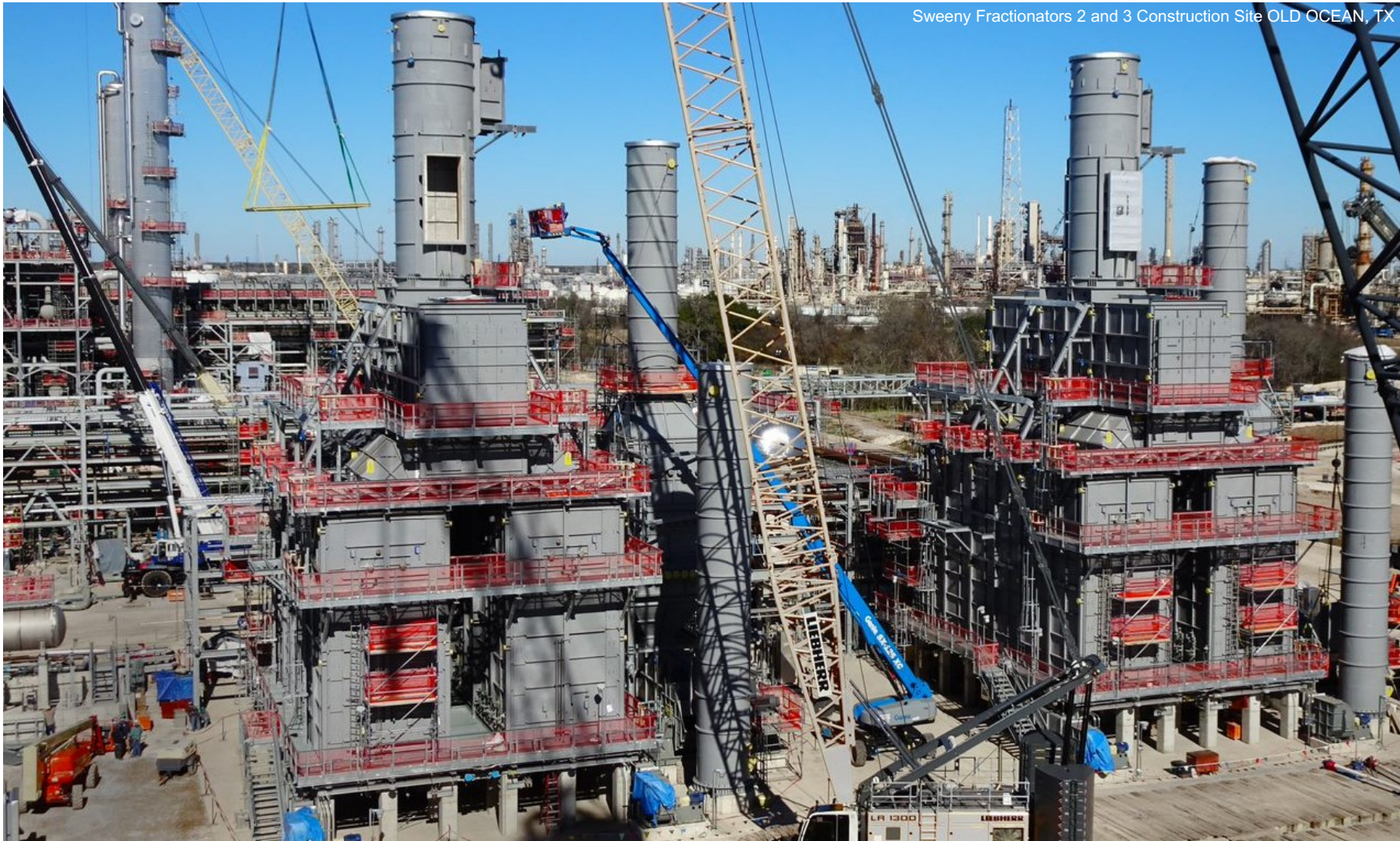
# Cautionary Statement

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 relating to Phillips 66’s operations (including joint venture operations) are based on management’s expectations, estimates and projections about the company, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include fluctuations in NGL, crude oil, 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; lack of, or disruptions in, adequate and reliable transportation for our NGL, crude oil, natural gas, and refined products; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; the impact of adverse market conditions or other similar risks to those identified herein affecting PSXP, as well as the ability of PSXP to successfully execute its growth plans; and other economic, business, competitive and/or regulatory factors affecting Phillips 66’s businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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



# Executing the Strategy





# 2019 Overview

\$MM (UNLESS OTHERWISE NOTED)

Adjusted earnings	\$ 3,657
Adjusted EPS <sup>1</sup>	8.05
Operating cash flow excluding working capital <sup>2</sup>	5,638
Adjusted capital spending <sup>3</sup>	3,450
Shareholder distributions <sup>4</sup>	3,220
Net debt-to-capital ratio	27%
Adjusted ROCE <sup>5</sup>	11%

1) Dollars per share

2) Excludes working capital impacts of \$830 million

3) Capital expenditures and investments excluding \$423 million of capital spending funded by Gray Oak joint venture partners

4) Shareholder distributions include dividends and share repurchases

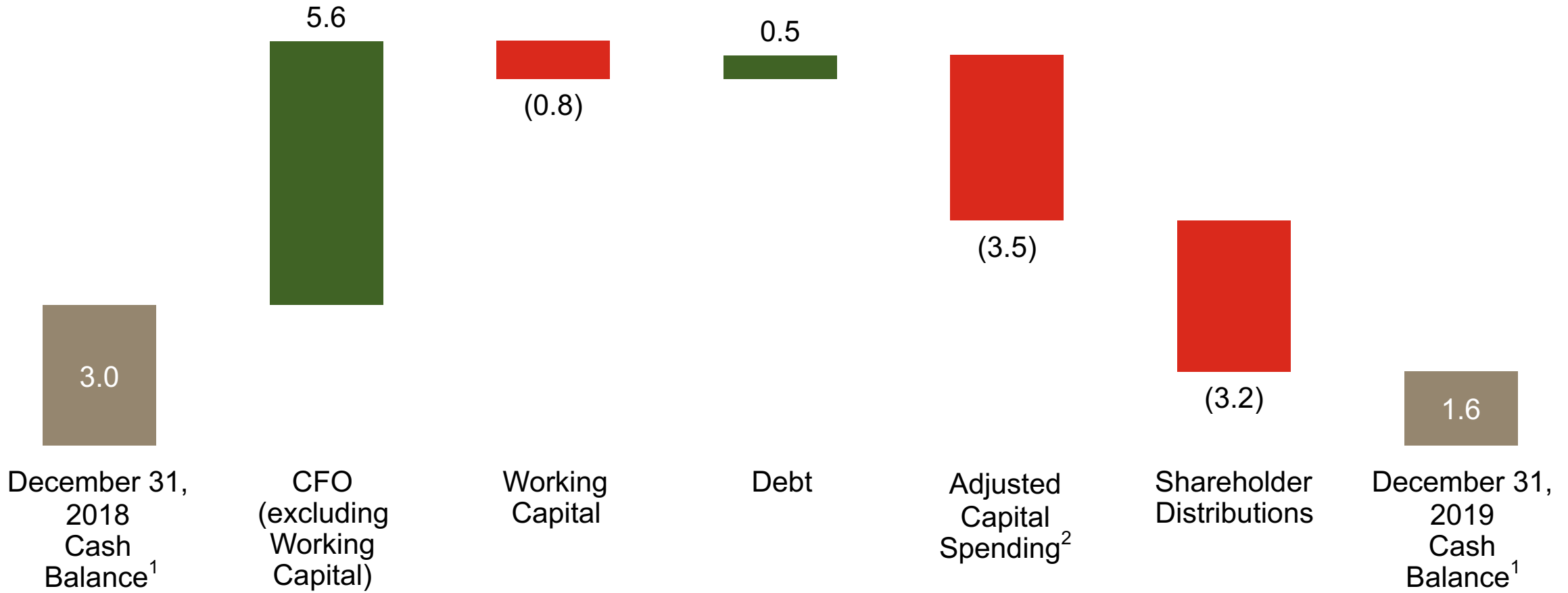
5) After-tax



Bayway Refinery LINDEN, NJ

# 2019 Cash Flow

\$B



1) Includes cash and cash equivalents

2) Capital expenditures and investments excluding \$423 million of capital spending funded by Gray Oak joint venture partners

# 4Q 2019 Overview

\$MM (UNLESS OTHERWISE NOTED)

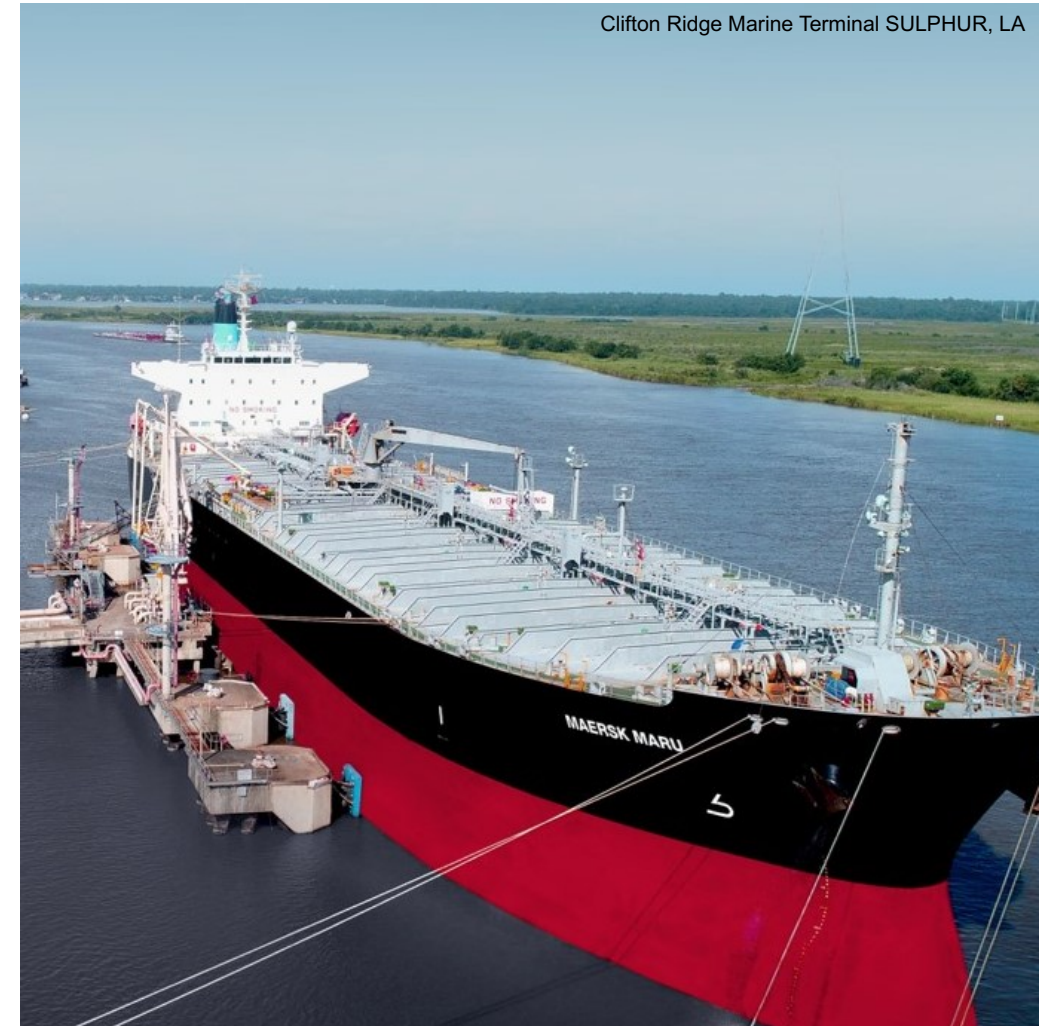
Adjusted earnings	\$ 689
Adjusted EPS <sup>1</sup>	1.54
Operating cash flow excluding working capital <sup>2</sup>	1,223
Adjusted capital spending <sup>3</sup>	1,277
Shareholder distributions <sup>4</sup>	810
Common shares outstanding at December 31	441 MM

1) Dollars per share

2) Excludes working capital impacts of \$471 million

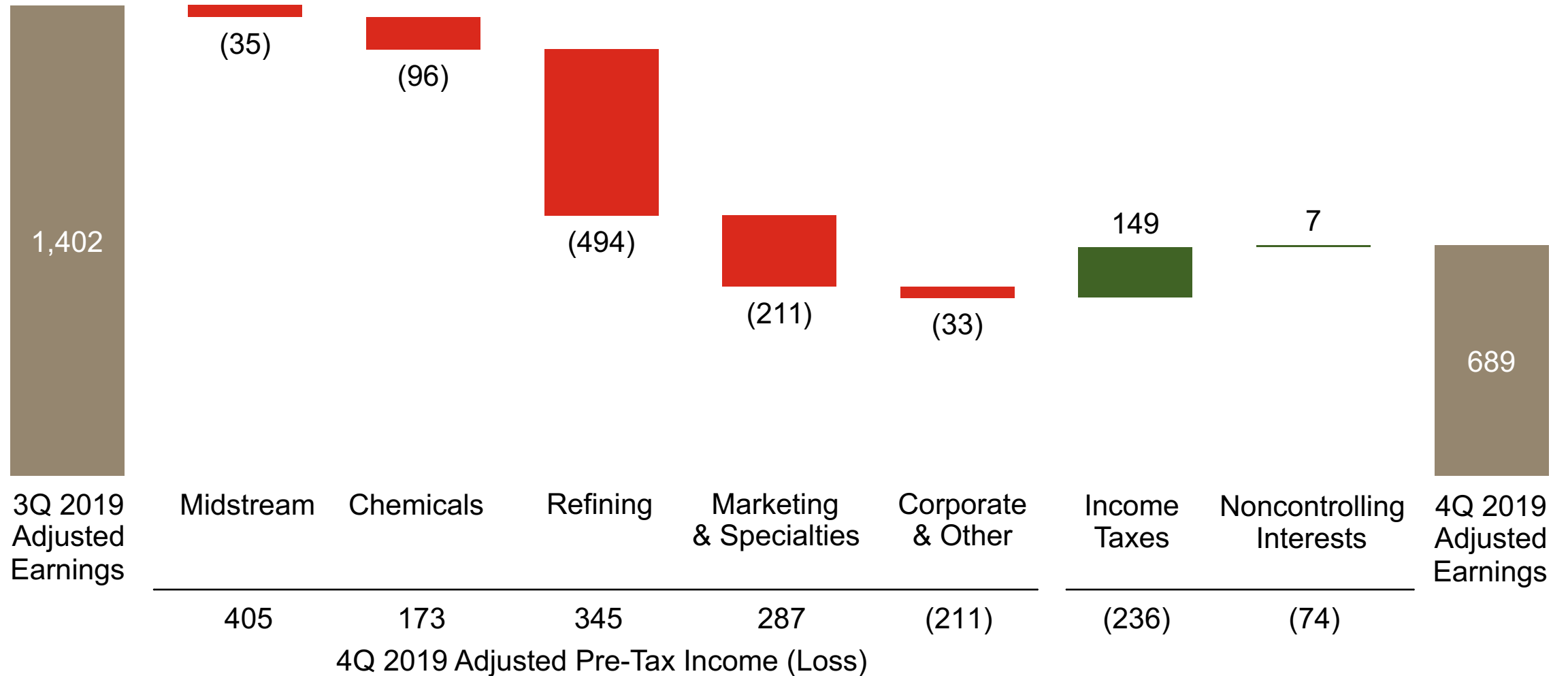
3) Capital expenditures and investments excluding \$1 million of capital spending funded by Gray Oak joint venture partners

4) Shareholder distributions include dividends and share repurchases



# 4Q 2019 Adjusted Earnings

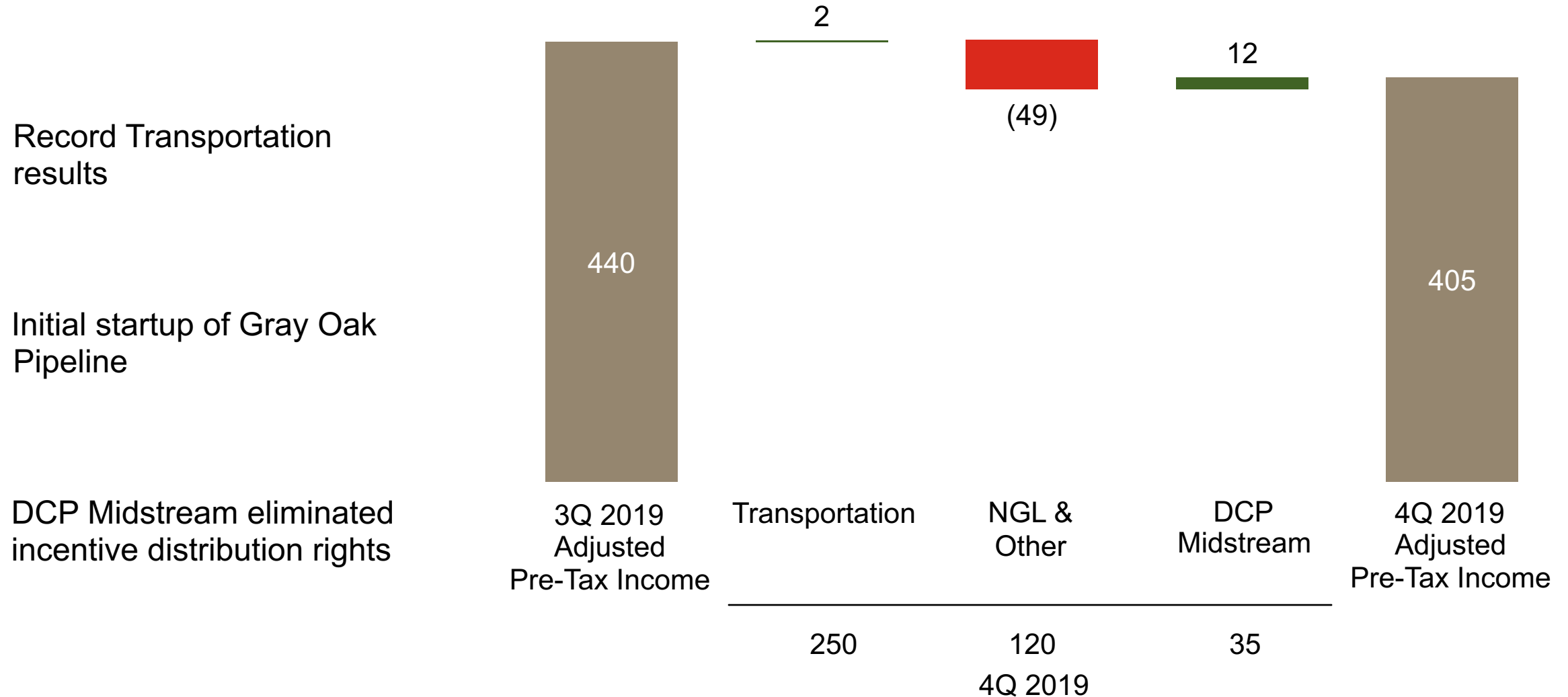
4Q 2019 VS. 3Q 2019 (\$MM)





# 4Q 2019 Midstream Adjusted Pre-Tax Income

4Q 2019 VS. 3Q 2019 (\$MM)



Record Transportation results

Initial startup of Gray Oak Pipeline

DCP Midstream eliminated incentive distribution rights



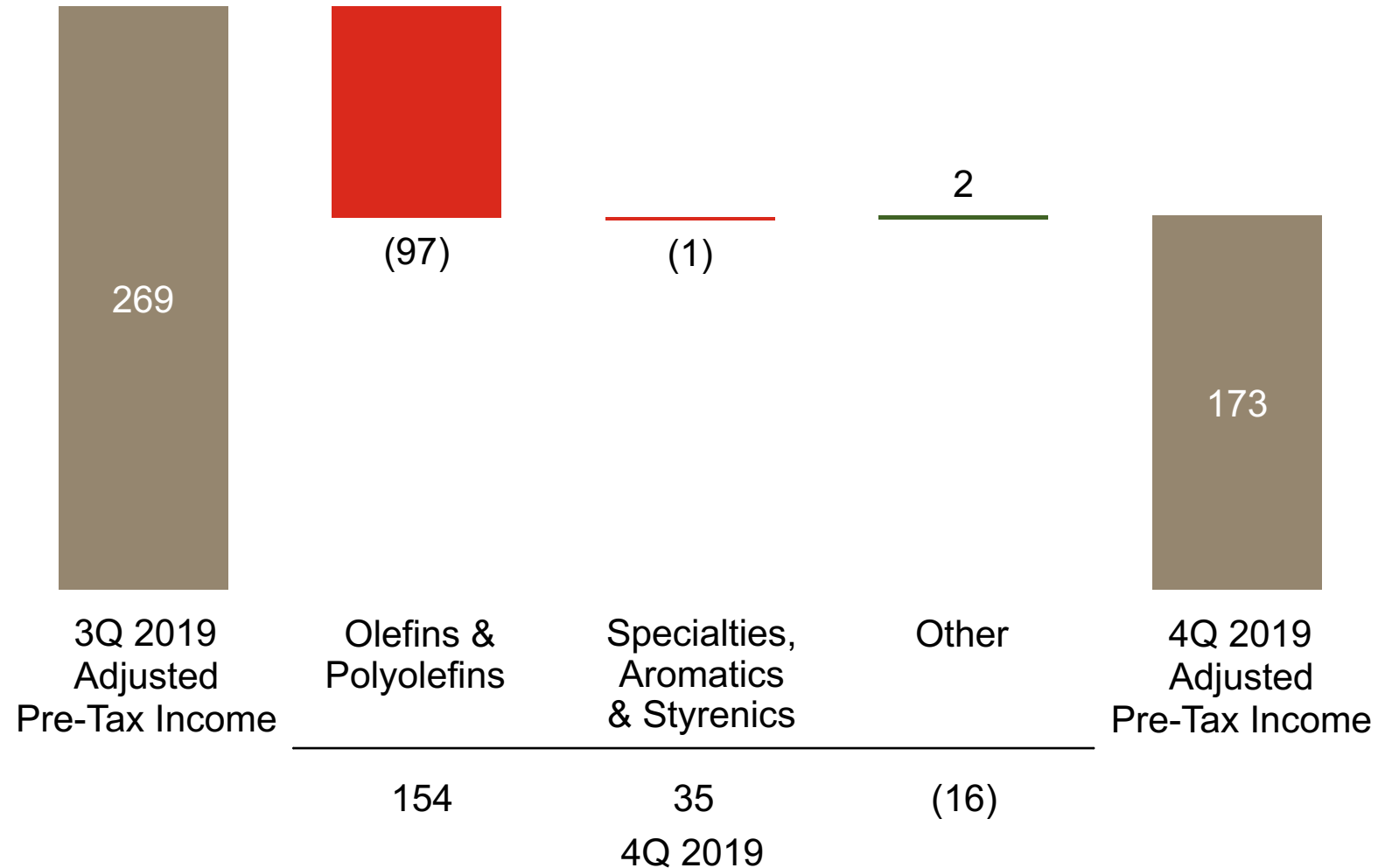
# 4Q 2019 Chemicals Adjusted Pre-Tax Income

4Q 2019 VS. 3Q 2019 (\$MM)

97% O&P utilization

Lower polyethylene margins  
and sales volumes

\$143 MM distribution in 4Q



# 4Q 2019 Refining Adjusted Pre-Tax Income

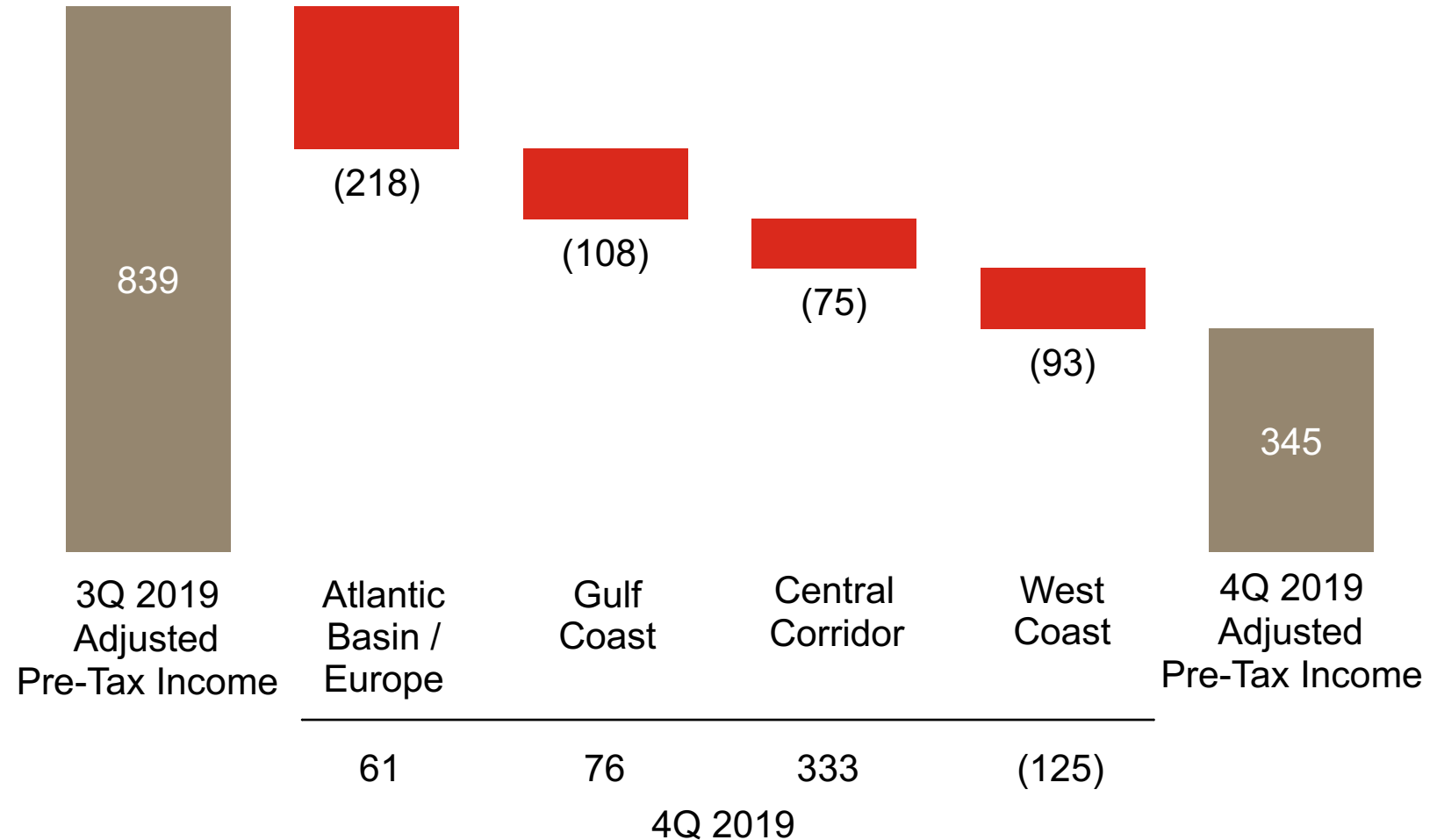
4Q 2019 VS. 3Q 2019 (\$MM)

97% crude utilization

84% clean product yield

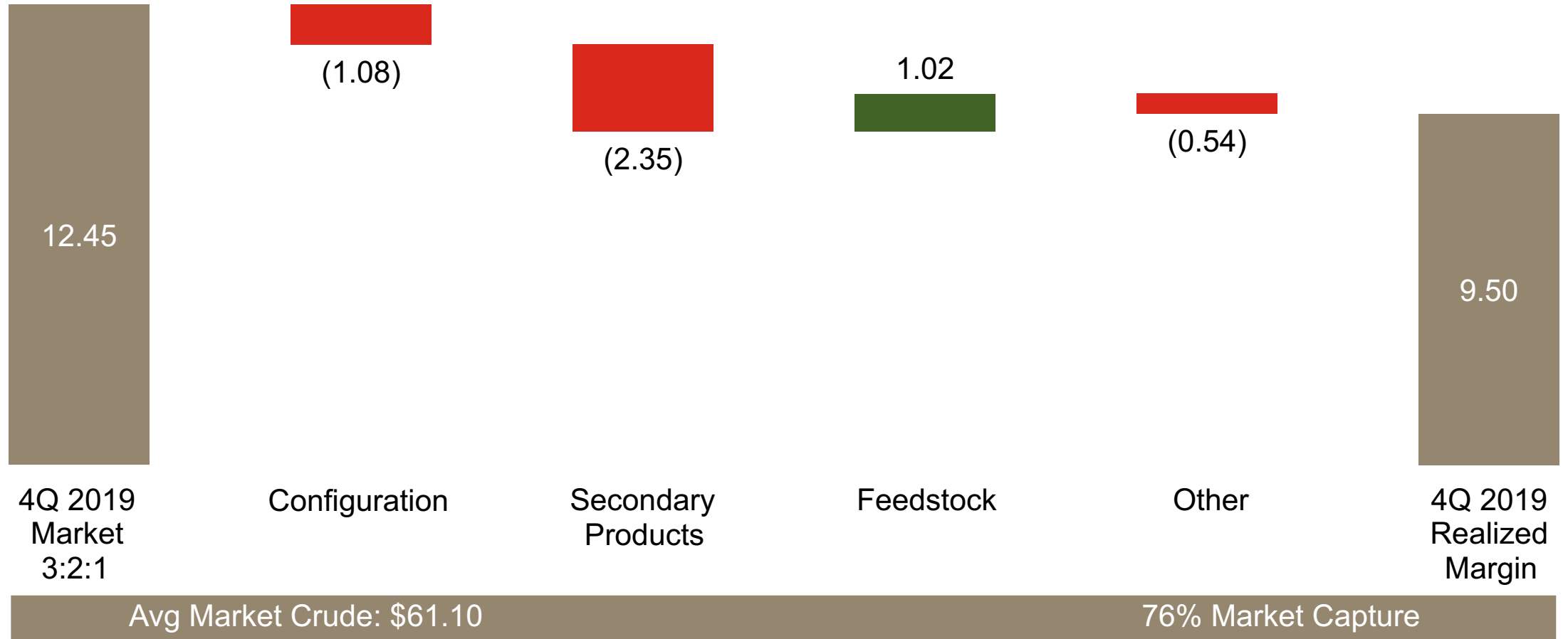
\$9.50/BBL realized margin

\$232 MM turnaround costs



# 4Q 2019 Refining Margins – Market vs. Realized

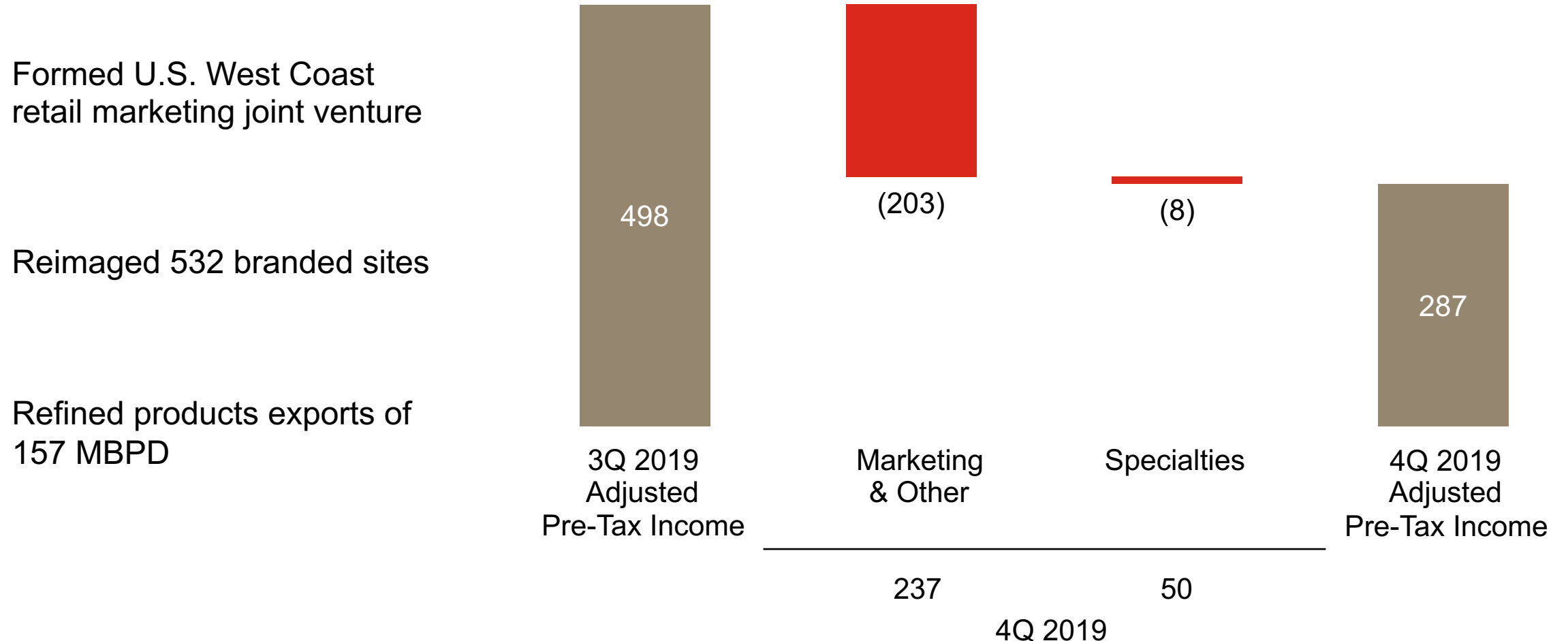
WORLDWIDE REFINING (\$/BBL, UNLESS OTHERWISE NOTED)





# 4Q 2019 Marketing & Specialties Adjusted Pre-Tax Income

4Q 2019 VS. 3Q 2019 (\$MM)



# 4Q 2019 Corporate & Other Adjusted Pre-Tax Loss

4Q 2019 VS. 3Q 2019 (\$MM)

3Q 2019  
Adjusted  
Pre-Tax Loss



Net Interest  
Expense



Corporate  
Overhead  
& Other



4Q 2019  
Adjusted  
Pre-Tax Loss



# Outlook

## 1Q 2020

Global Olefins & Polyolefins utilization

Mid-90%

Refining crude utilization

~90%

Refining turnaround expenses (pre-tax)

\$280 MM – \$330 MM

Corporate & Other costs (pre-tax)

\$200 MM – \$220 MM

## 2020

Refining turnaround expenses (pre-tax)

\$630 MM – \$680 MM

Corporate & Other costs (pre-tax)

\$800 MM – \$850 MM

Depreciation and amortization

\$1.4 B

Effective income tax rate

Low-20%



Lake Charles Isomerization Unit LAKE CHARLES, LA





# Questions and Answers



Beaumont Terminal NEDERLAND, TX



# Appendix



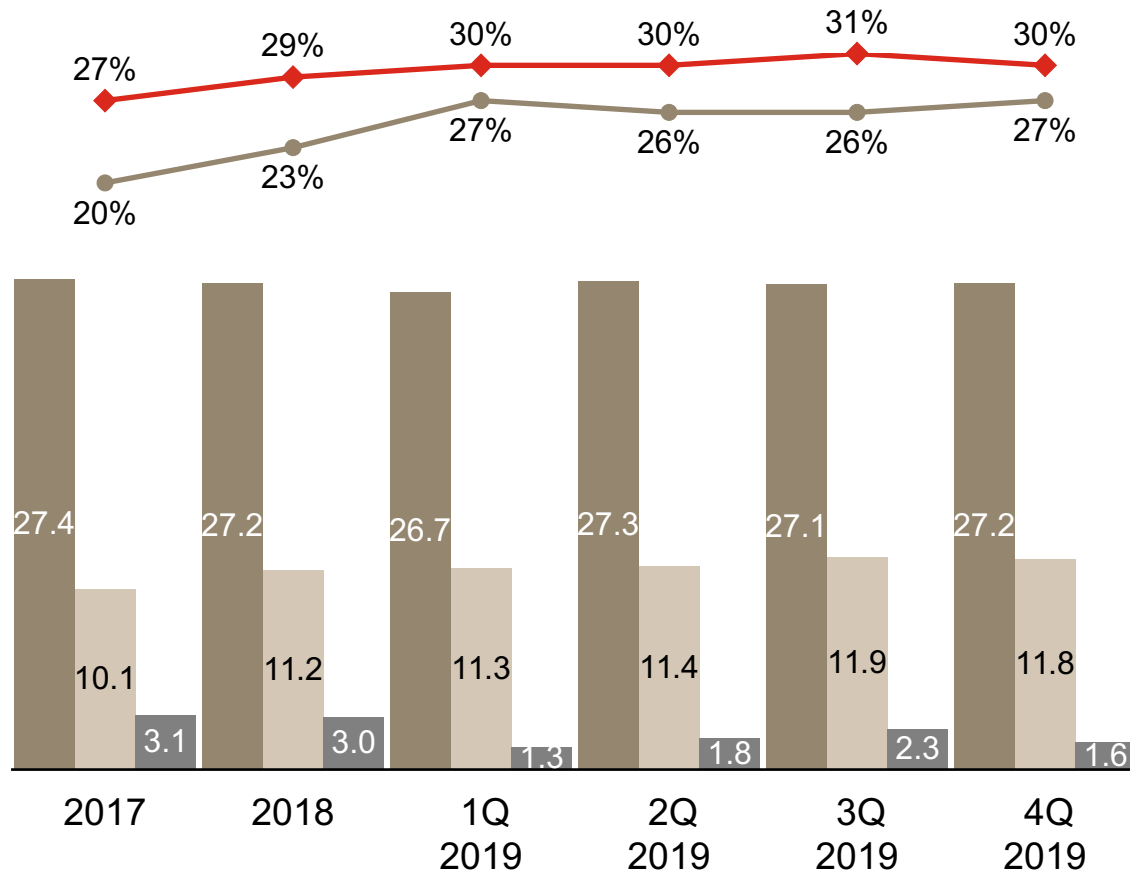
# 2020 Estimated Sensitivities

	Annual EBITDA \$MM
<b>Midstream - DCP (net to Phillips 66)</b>	
10¢/Gal Increase in NGL price	9
10¢/MMBtu Increase in Natural Gas price	3
\$1/BBL Increase in WTI price	1
<b>Chemicals - CPChem (net to Phillips 66)</b>	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	65
<b>Worldwide Refining</b>	
\$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)

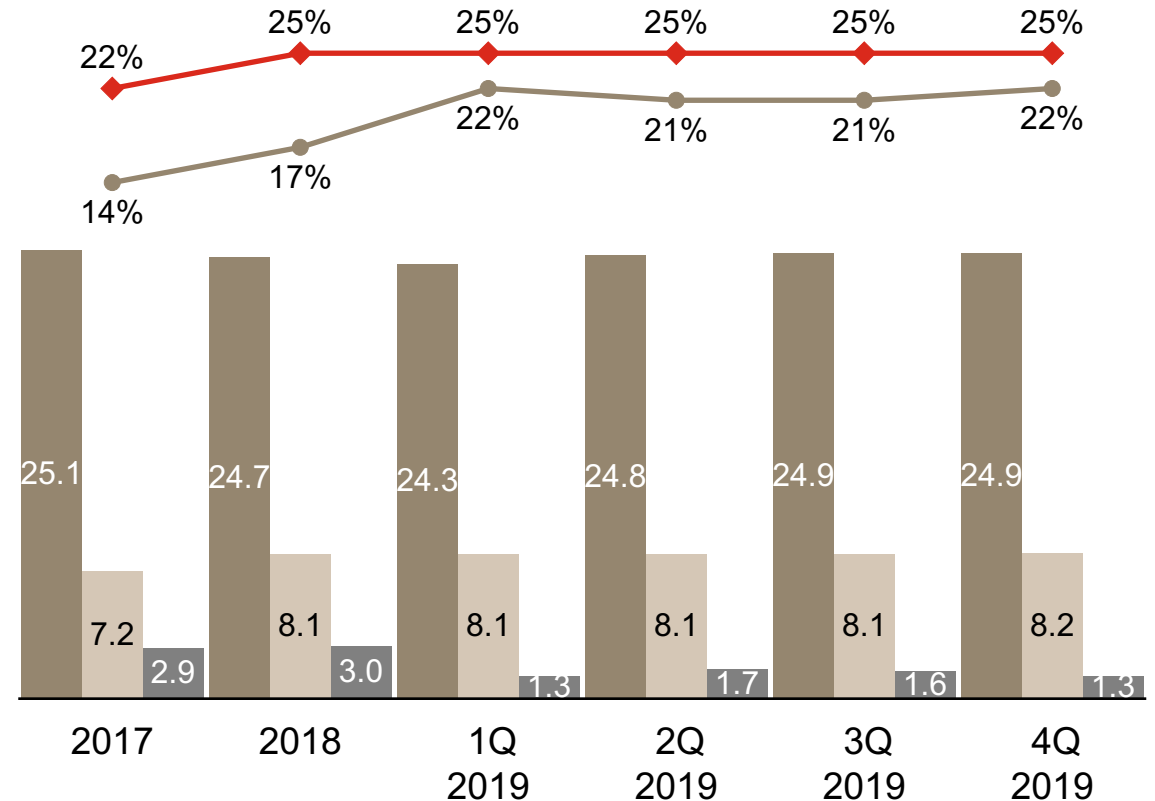


# Capital Structure

## Consolidated PSX



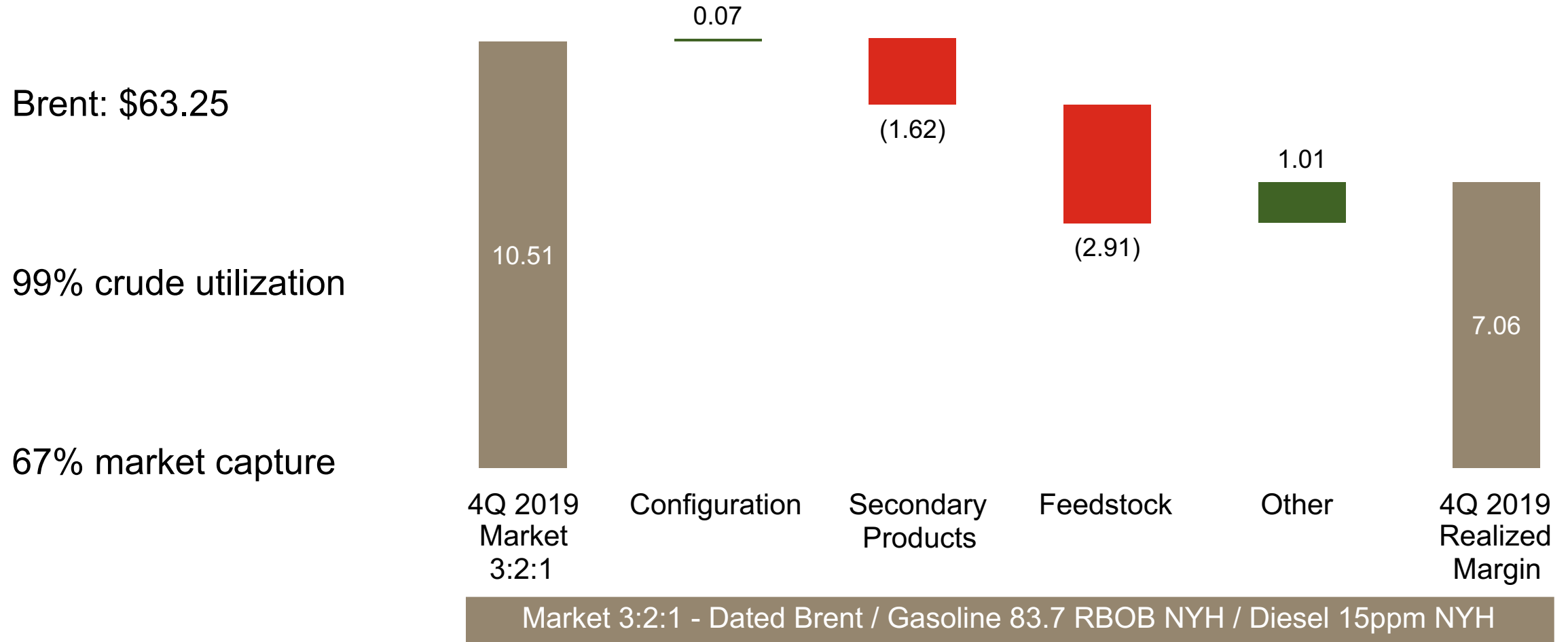
## Excluding PSXP



Equity \$B
  Debt \$B
  Cash & Cash Equivalents \$B
 ◆ Debt-to-Capital
 ● Net Debt-to-Capital

# 4Q 2019 Refining Margins – Market vs. Realized

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



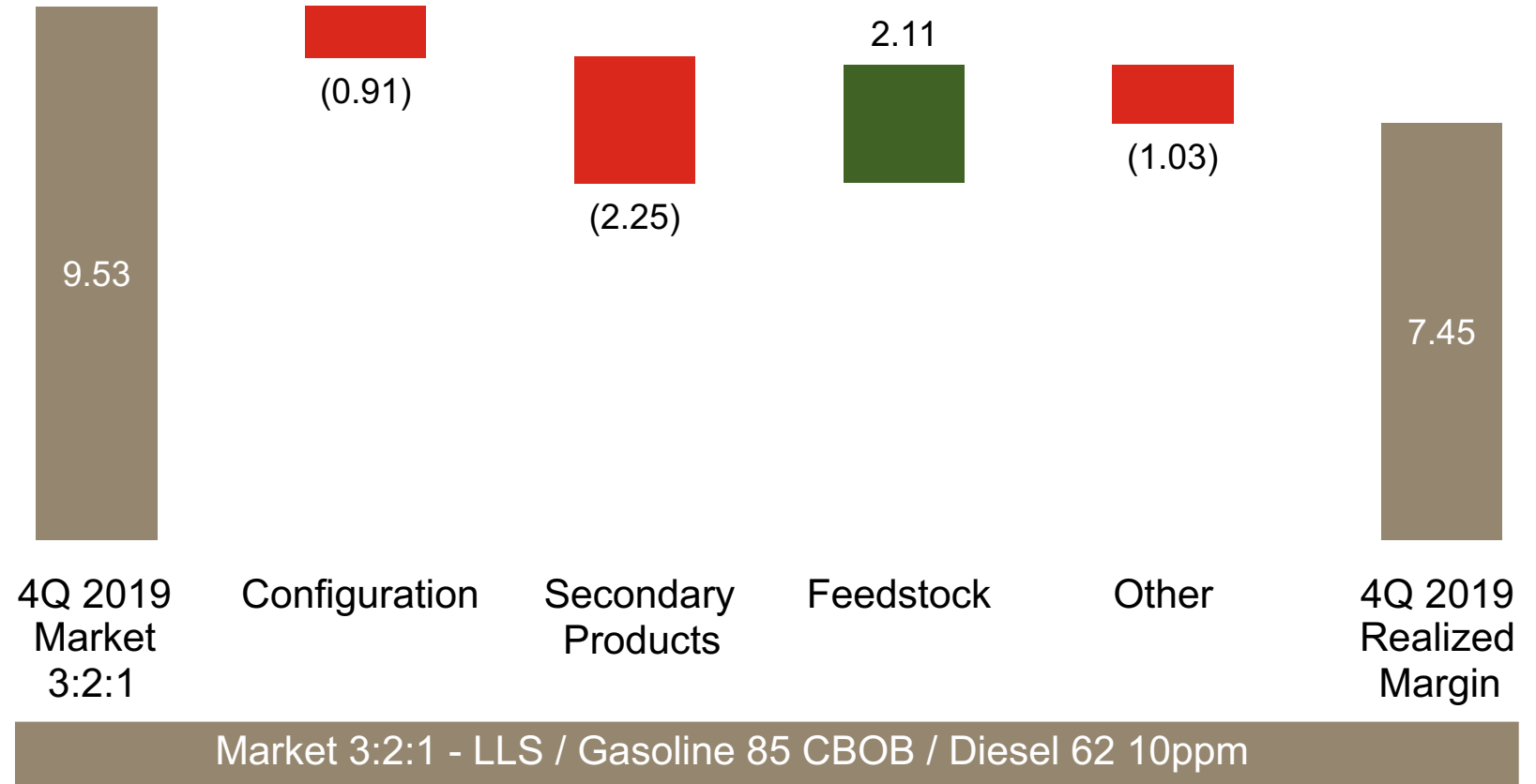
# 4Q 2019 Refining Margins – Market vs. Realized

GULF COAST (\$/BBL, UNLESS OTHERWISE NOTED)

LLS: \$60.79

99% crude utilization

78% market capture



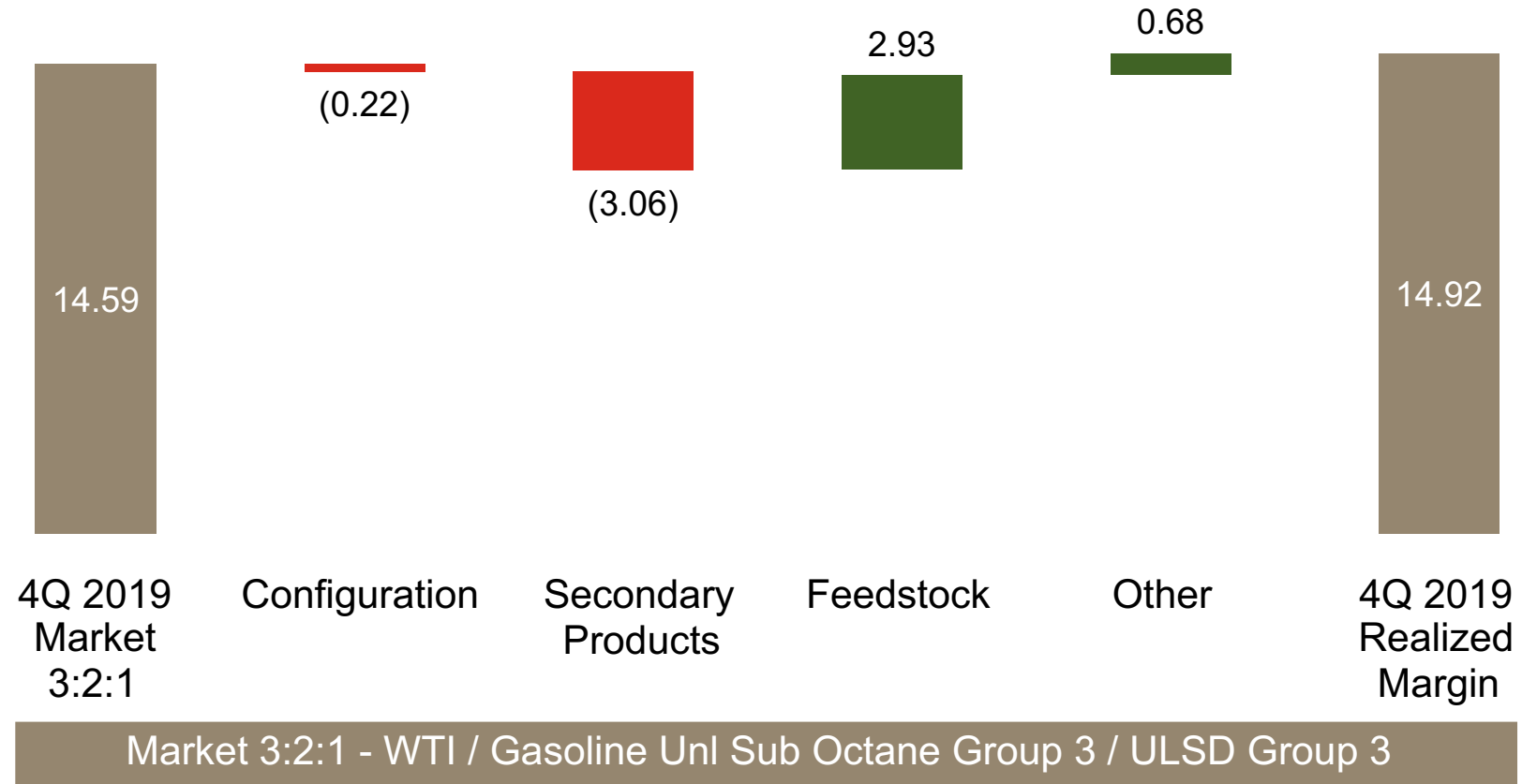
# 4Q 2019 Refining Margins – Market vs. Realized

CENTRAL CORRIDOR (\$/BBL, UNLESS OTHERWISE NOTED)

WTI: \$56.98

99% crude utilization

102% market capture





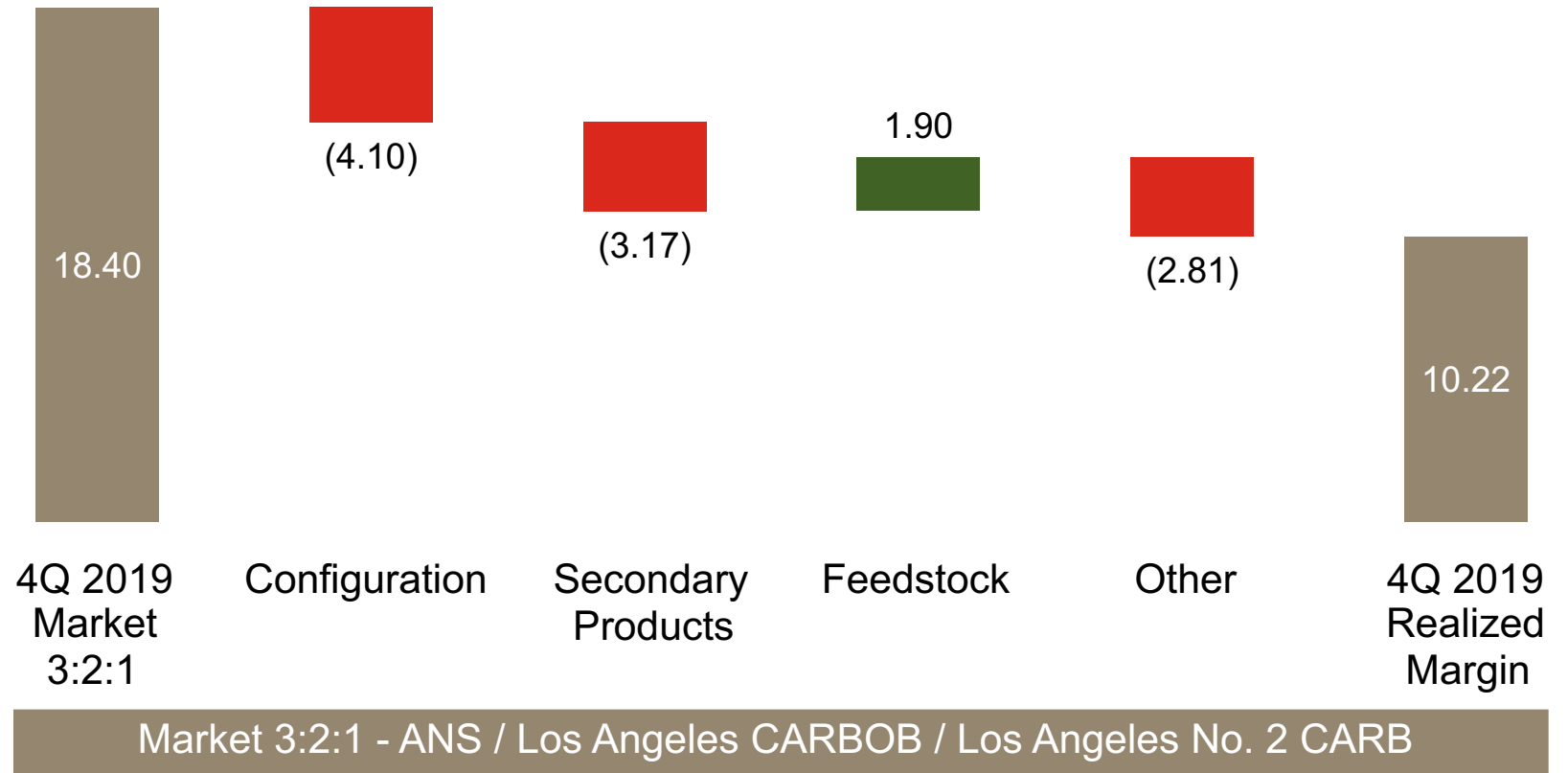
# 4Q 2019 Refining Margins – Market vs. Realized

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

ANS: \$64.41

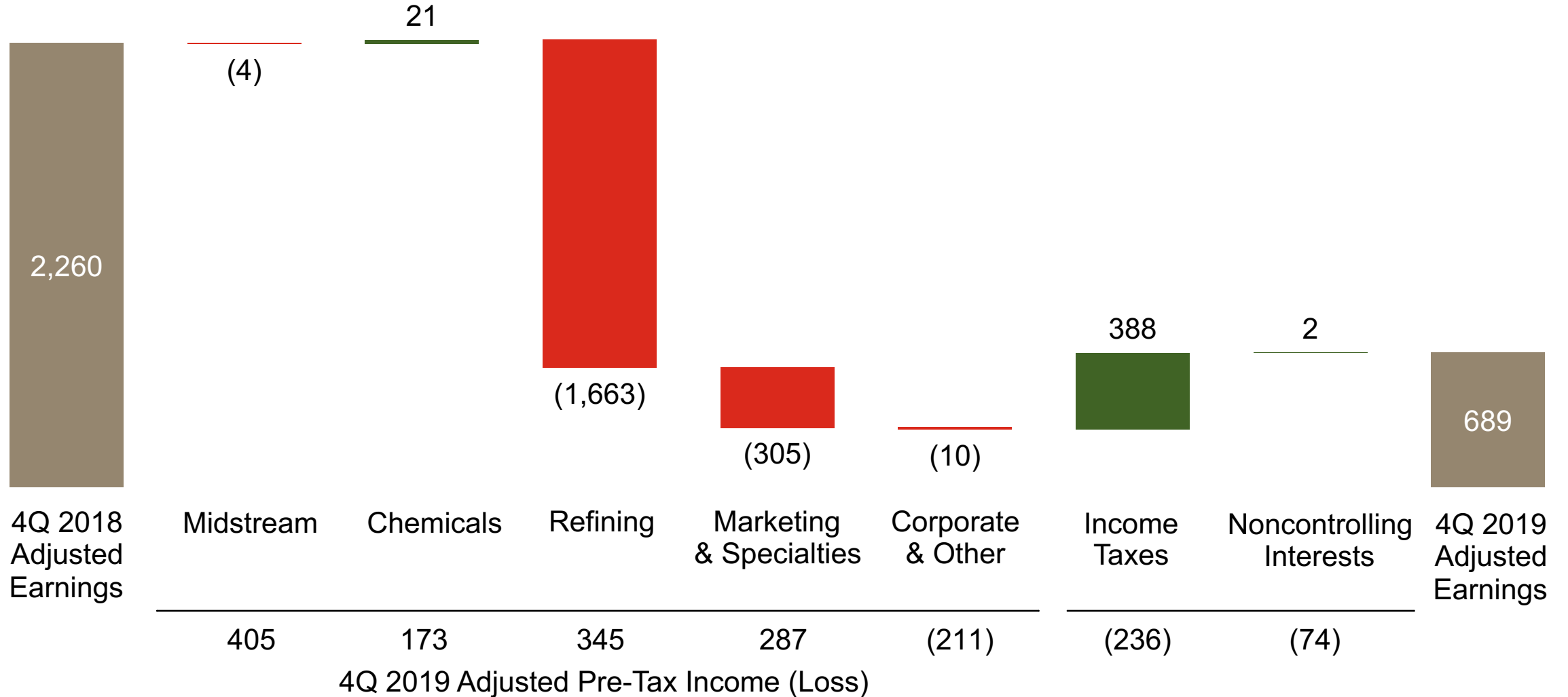
87% crude utilization

56% market capture



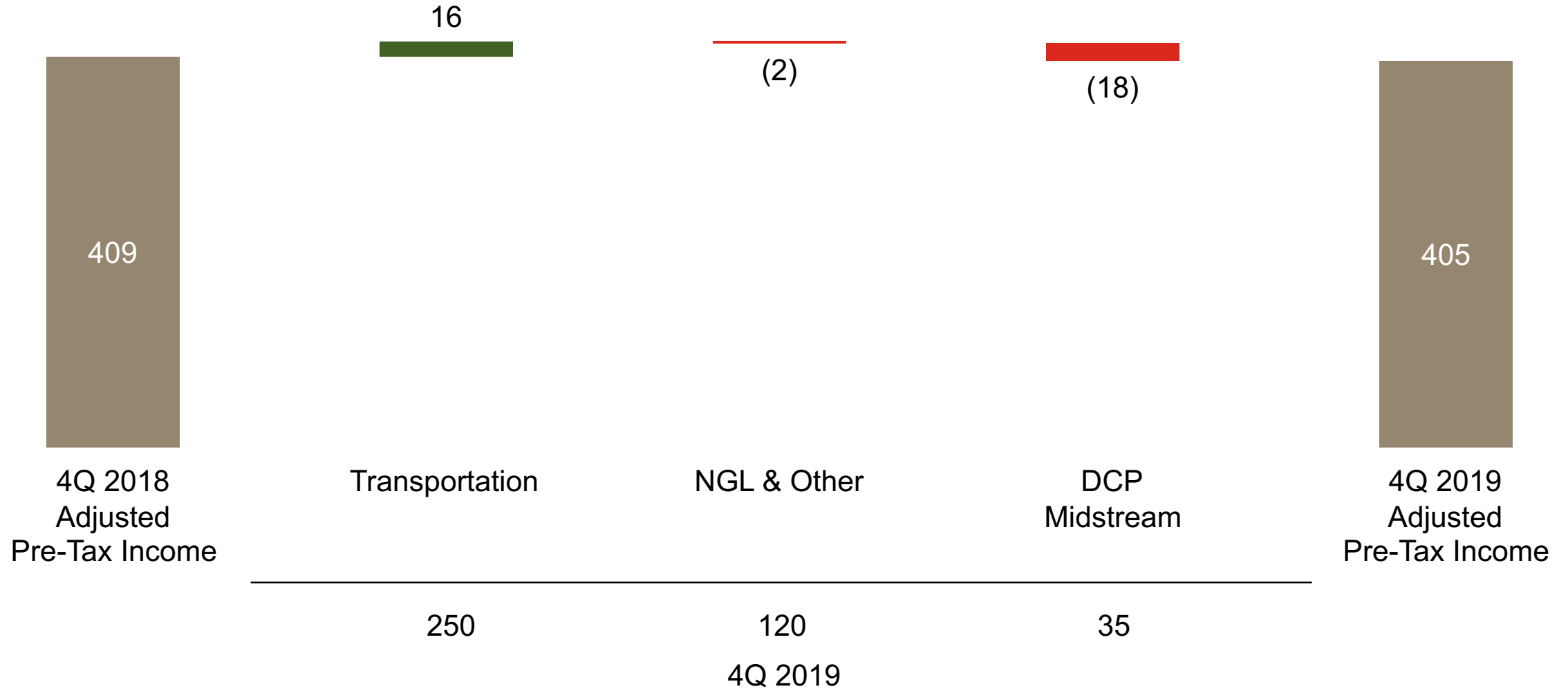
# 4Q 2019 Adjusted Earnings

4Q 2019 VS. 4Q 2018 (\$MM)



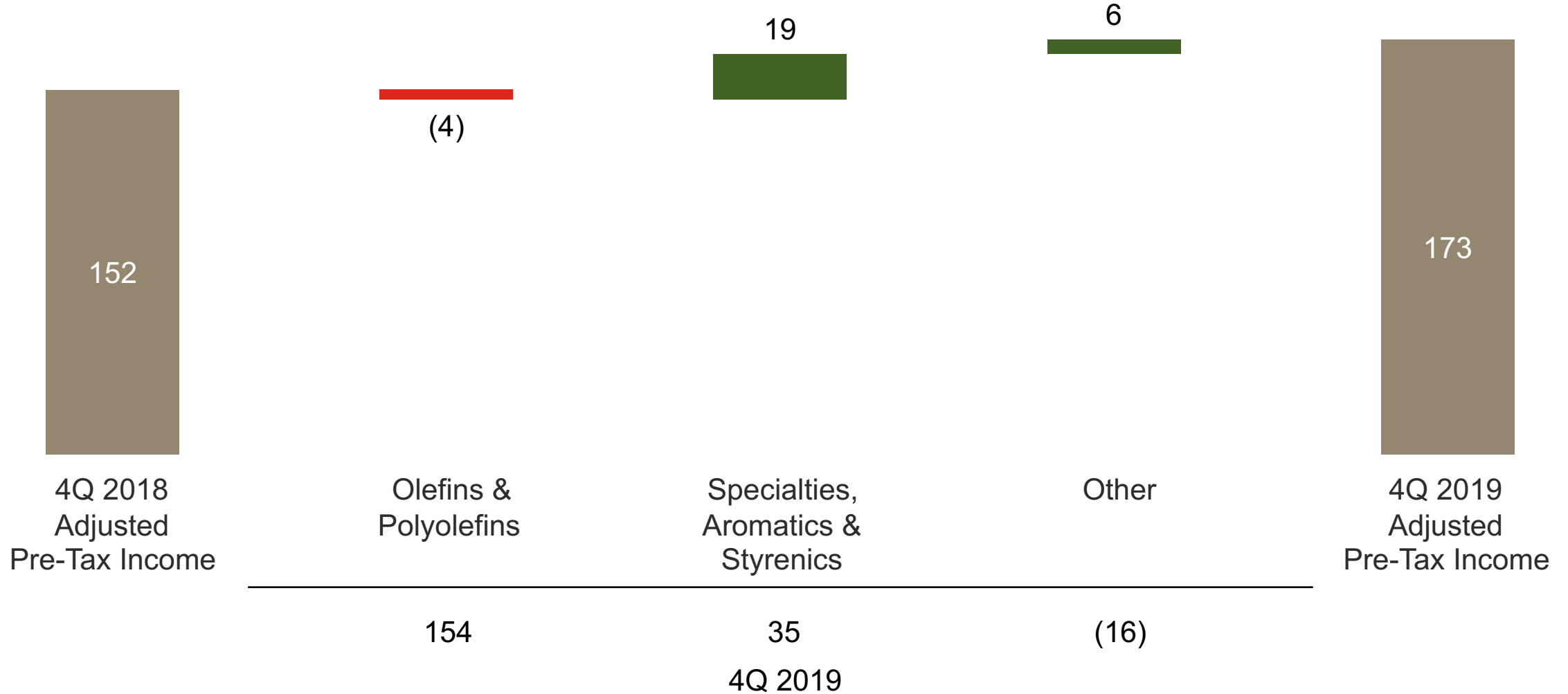
# 4Q 2019 Midstream Adjusted Pre-Tax Income

4Q 2019 VS. 4Q 2018 (\$MM)



# 4Q 2019 Chemicals Adjusted Pre-Tax Income

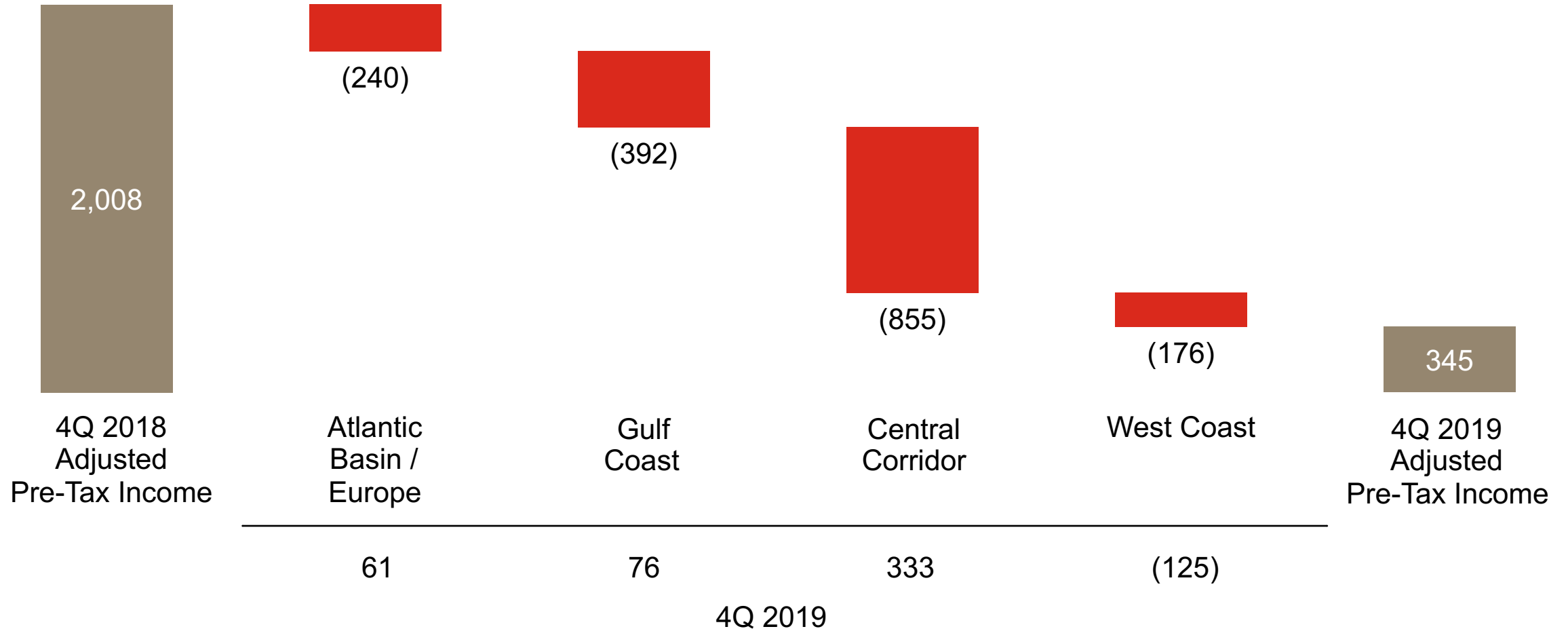
4Q 2019 VS. 4Q 2018 (\$MM)





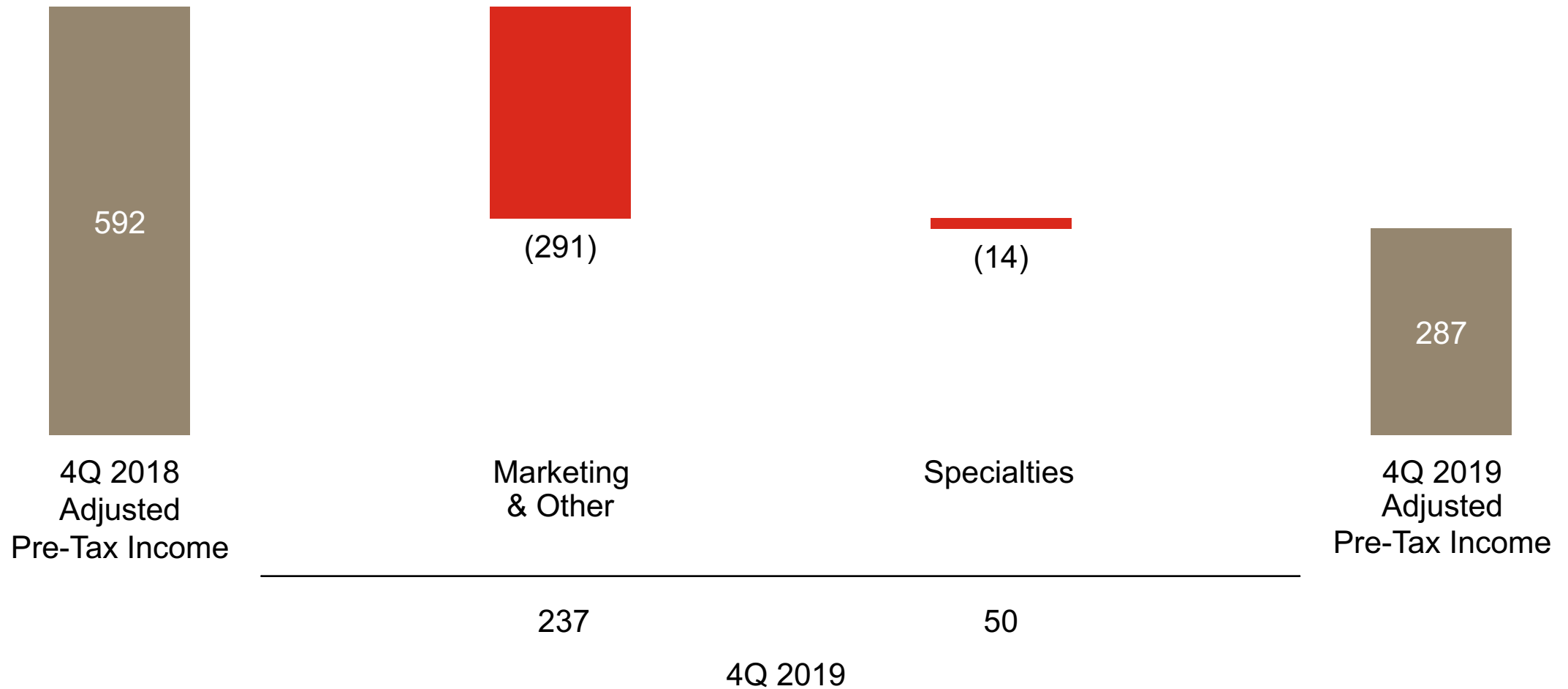
# 4Q 2019 Refining Adjusted Pre-Tax Income

4Q 2019 VS. 4Q 2018 (\$MM)



# 4Q 2019 Marketing & Specialties Adjusted Pre-Tax Income

4Q 2019 VS. 4Q 2018 (\$MM)



# 4Q 2019 Corporate & Other Adjusted Pre-Tax Loss

4Q 2019 VS. 4Q 2018 (\$MM)

4Q 2018  
Adjusted  
Pre-Tax Loss



Net Interest  
Expense

1

Corporate  
Overhead  
& Other

(11)

4Q 2019  
Adjusted  
Pre-Tax Loss

(211)

# Non-GAAP Reconciliations

	Millions of Dollars Except as Indicated				
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Phillips 66</b>					
Consolidated Earnings	\$ 3,076	736	712	5,595	2,240
Pre-Tax Adjustments:					
Pending claims and settlements	(21)	—	—	21	—
Pension settlement expense	—	—	—	67	18
Impairments	853	—	853	—	—
Impairments by equity affiliates	47	—	47	28	28
Certain tax impacts	(90)	(90)	—	(119)	(4)
Asset dispositions	(17)	—	(17)	—	—
Lower-of-cost-or-market inventory adjustments	65	23	42	—	—
Tax impact of adjustments <sup>1</sup>	(214)	17	(235)	(1)	(12)
U.S. tax reform	—	—	—	23	55
Other tax impacts	(42)	3	—	(70)	(65)
Noncontrolling interests	—	—	—	6	—
Adjusted Earnings	\$ 3,657	689	1,402	5,550	2,260
 Earnings Per Share of Common Stock (dollars)	 \$ 6.77	 1.64	 1.58	 11.80	 4.82
 Adjusted Earnings Per Share of Common Stock (dollars) <sup>2</sup>	 \$ 8.05	 1.54	 3.11	 11.71	 4.87

1) We generally tax effect taxable U.S.-based special items using a combined federal and state statutory income tax rate of approximately 25%. 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.

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



# Non-GAAP Reconciliations

Millions of Dollars Except as Indicated					
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Midstream</b>					
Pre-Tax Income (Loss)	\$ 684	405	(460)	1,181	379
Pre-Tax Adjustments:					
Pending claims and settlements	—	—	—	21	—
Pension settlement expense	—	—	—	9	2
Impairments by equity affiliates	47	—	47	28	28
Impairments	853	—	853	—	—
Adjusted Pre-Tax Income	\$ 1,584	405	440	1,239	409
<b>Chemicals<sup>1</sup></b>					
Pre-Tax Income	\$ 879	150	227	1,025	152
Pre-Tax Adjustments:					
Lower-of-cost-or-market inventory adjustments	65	23	42	—	—
Adjusted Pre-Tax Income	\$ 944	173	269	1,025	152

1) Special items reported in the Chemicals segment are reflected in the Olefins & Polyolefins sub-segment.

# Non-GAAP Reconciliations

Millions of Dollars Except as Indicated					
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Refining</b>					
Pre-Tax Income	\$ 1,986	345	856	4,535	2,001
Pre-Tax Adjustments:					
Pending claims and settlements	(21)	—	—	—	—
Asset dispositions	(17)	—	(17)	—	—
Certain tax impacts	—	—	—	(6)	(4)
Pension settlement expense	—	—	—	43	11
Adjusted Pre-Tax Income	\$ 1,948	345	839	4,572	2,008
<b>Marketing &amp; Specialties</b>					
Pre-Tax Income	\$ 1,433	377	498	1,557	589
Pre-Tax Adjustments:					
Pension settlement expense	—	—	—	9	3
Certain tax impacts	(90)	(90)	—	(113)	—
Adjusted Pre-Tax Income	\$ 1,343	287	498	1,453	592
<b>Corporate &amp; Other</b>					
Pre-Tax Loss	\$ (804)	(211)	(178)	(853)	(203)
Pre-Tax Adjustments:					
Pension settlement expense	—	—	—	6	2
U.S. tax reform	—	—	—	(16)	—
Adjusted Pre-Tax Loss	\$ (804)	(211)	(178)	(863)	(201)

# Non-GAAP Reconciliations

Millions of Dollars Except as Indicated					
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Midstream - Transportation</b>					
Pre-Tax Income	\$ 946	250	248	770	234
Pre-Tax Adjustments:					
None	—	—	—	—	—
Adjusted Pre-Tax Income	\$ 946	250	248	770	234
<b>Midstream - NGL &amp; Other</b>					
Pre-Tax Income	\$ 522	120	169	305	120
Pre-Tax Adjustments:					
Pending claims and settlements	—	—	—	21	—
Pension settlement expense	—	—	—	9	2
Adjusted Pre-Tax Income	\$ 522	120	169	335	122
<b>Midstream - DCP Midstream</b>					
Pre-Tax Income (Loss)	\$ (784)	35	(877)	106	25
Pre-Tax Adjustments:					
Impairments by equity affiliates	47	—	47	28	28
Impairments	853	—	853	—	—
Adjusted Pre-Tax Income	\$ 116	35	23	134	53

# Non-GAAP Reconciliations

Millions of Dollars Except as Indicated					
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Refining - Atlantic Basin / Europe</b>					
Pre-Tax Income	\$ 608	61	296	567	302
Pre-Tax Adjustments:					
Certain tax impacts	—	—	—	(5)	(4)
Asset dispositions	(17)	—	(17)	—	—
Pension settlement expense	—	—	—	11	3
Adjusted Pre-Tax Income	\$ 591	61	279	573	301
<b>Refining - Gulf Coast</b>					
Pre-Tax Income	\$ 364	76	184	1,040	464
Pre-Tax Adjustments:					
Pension settlement expense	—	—	—	15	4
Adjusted Pre-Tax Income	\$ 364	76	184	1,055	468



# Non-GAAP Reconciliations

Millions of Dollars Except as Indicated					
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Refining - Central Corridor</b>					
Pre-Tax Income	\$ 1,338	333	408	2,817	1,185
Pre-Tax Adjustments:					
Pending claims and settlements	(21)	—	—	—	—
Pension settlement expense	—	—	—	10	3
Adjusted Pre-Tax Income	\$ 1,317	333	408	2,827	1,188
<b>Refining - West Coast</b>					
Pre-Tax Income (Loss)	\$ (324)	(125)	(32)	111	50
Pre-Tax Adjustments:					
Certain tax impacts	—	—	—	(1)	—
Pension settlement expense	—	—	—	7	1
Adjusted Pre-Tax Income (Loss)	\$ (324)	(125)	(32)	117	51

# Non-GAAP Reconciliations

Millions of Dollars Except as Indicated					
	2019			2018	
	Year	4Q	3Q	Year	4Q
<b>Marketing &amp; Specialties - Marketing &amp; Other</b>					
Pre-Tax Income	\$ 1,199	327	440	1,306	525
Pre-Tax Adjustments:					
Certain tax impacts	(90)	(90)	—	(113)	—
Pension settlement expense	—	—	—	9	3
Adjusted Pre-Tax Income	\$ 1,109	237	440	1,202	528
<b>Marketing &amp; Specialties - Specialties</b>					
Pre-Tax Income	\$ 234	50	58	251	64
Pre-Tax Adjustments:					
None	—	—	—	—	—
Adjusted Pre-Tax Income	\$ 234	50	58	251	64

# Non-GAAP Reconciliations

	Millions of Dollars (Except as Indicated)				
	4Q 2019				
	Atlantic Basin/ Europe	Gulf Coast	Central Corridor	West Coast	Worldwide
<b>Realized Refining Margins</b>					
Income (loss) before income taxes	\$ 61	76	333	(125)	345
Plus:					
Taxes other than income taxes	14	11	7	17	49
Depreciation, amortization and impairments	50	70	34	62	216
Selling, general and administrative expenses	12	10	8	10	40
Operating expenses	221	398	146	363	1,128
Equity in (earnings) losses of affiliates	2	1	(45)	—	(42)
Other segment (income) expense, net	(2)	—	1	1	—
Proportional share of refining gross margins contributed by equity affiliates	14	—	239	—	253
Special items:					
None	—	—	—	—	—
<b>Realized refining margins</b>	<b>\$ 372</b>	<b>566</b>	<b>723</b>	<b>328</b>	<b>1,989</b>
 Total processed inputs (thousands of barrels)	 52,757	 76,110	 26,417	 32,116	 187,400
Adjusted total processed inputs (thousands of barrels) <sup>1</sup>	52,757	76,110	48,364	32,116	209,347
 Income (loss) before income taxes (dollars per barrel) <sup>2</sup>	 \$ 1.16	 1.00	 12.61	 (3.89)	 1.84
Realized refining margins (dollars per barrel) <sup>3</sup>	\$ 7.06	7.45	14.92	10.22	9.50

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

2) Income (loss) before income taxes divided by total processed inputs.

3) Realized refining margins per barrel, as presented, are calculated using the underlying realized refining margin amounts, in dollars, divided by adjusted total processed inputs, in barrels. As such, recalculated per barrel amounts using the rounded margins and barrels presented may differ from the presented per barrel amounts due to rounding.

# Non-GAAP Reconciliations

	2019
Numerator (\$MM)	
Net Income	\$ 3,377
After-tax interest expense	362
GAAP ROCE earnings	3,739
After-tax special items	581
Adjusted ROCE earnings	4,320
Denominator (\$MM)	
GAAP average capital employed <sup>1</sup>	38,622
2019 GAAP ROCE	10%
2019 Adjusted ROCE	11%

1) Capital employed is total equity plus total debt

# Non-GAAP Reconciliations

Millions of Dollars			
December 31, 2019			
	Phillips 66 Consolidated	Phillips 66 Partners <sup>1</sup>	Phillips 66 Excluding Phillips 66 Partners
Total Debt	\$ 11,763	3,516	8,247
Total Equity	27,169	2,229	24,940
Debt-to-Capital Ratio	30%		25%
Total Cash & Cash Equivalents	\$ 1,614	286	1,328
Net Debt-to-Capital Ratio	27%		22%

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



# Non-GAAP Reconciliations

	Millions of Dollars		
	4Q 2019		
	Growth	Sustaining	Total
Capital Expenditures and Investments			
Midstream	\$ 470	97	567
Refining	139	217	356
Marketing & Specialties	268	30	298
Corporate & Other	2	54	56
Adjusted Capital Spending	879	398	1,277
Capital Spending Funded by Gray Oak Joint Venture Partners (Midstream)	1	—	1
Total	\$ 880	398	1,278

	Millions of Dollars		
	2019		
	Growth	Sustaining	Total
	\$ 1,605	264	1,869
	409	592	1,001
	299	75	374
	7	199	206
	2,320	1,130	3,450
	423	—	423
	\$ 2,743	1,130	3,873

# Non-GAAP Reconciliations

	Millions of Dollars	
	2019	
	4Q	Year
Effective Tax Rates		
Income before income taxes	\$ 1,066	4,178
Special items	(67)	837
Adjusted income before income taxes	\$ 999	5,015
Income tax expense	\$ 256	801
Special items	(20)	256
Adjusted income tax expense	\$ 236	1,057
GAAP effective tax rate	24.0%	19.2%
Adjusted effective tax rate	23.6%	21.1%