Phillips 66 Partners

SECOND QUARTER 2020 EARNINGS CALL AND WEBCAST

July 31, 2020



Sweeny Fractionator OLD OCEAN, TX

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Use of Non-GAAP Financial Measures. Today’s 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 “Financial Information” section of our website.

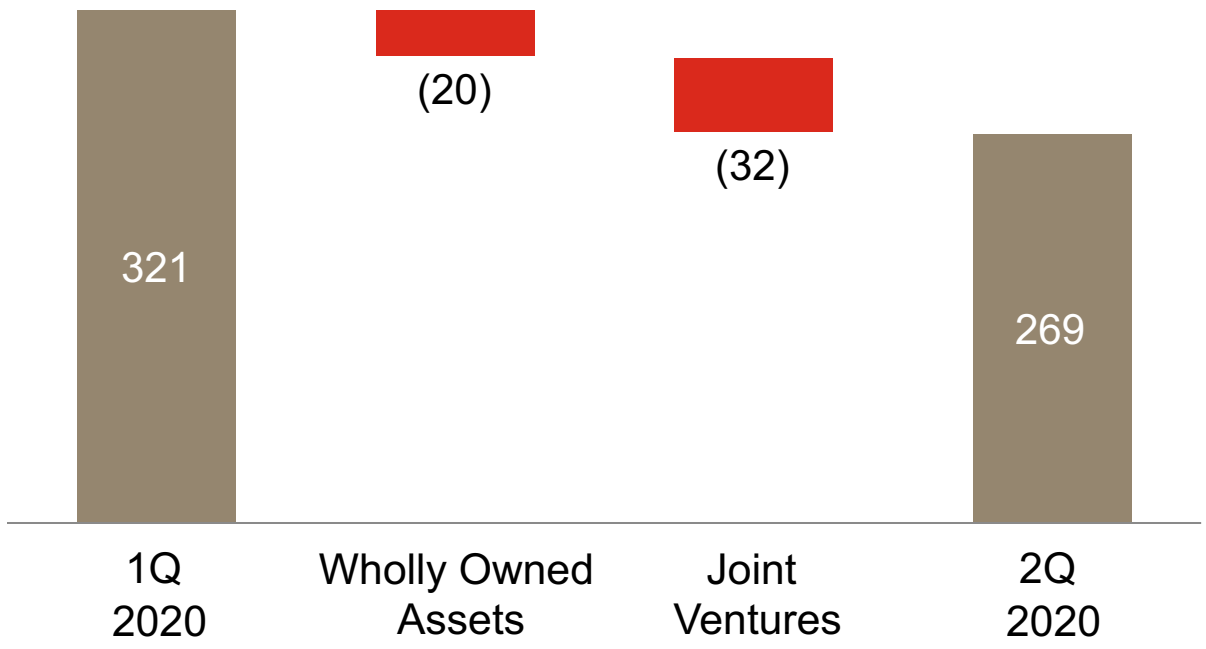
Executing the Strategy



Financial Highlights

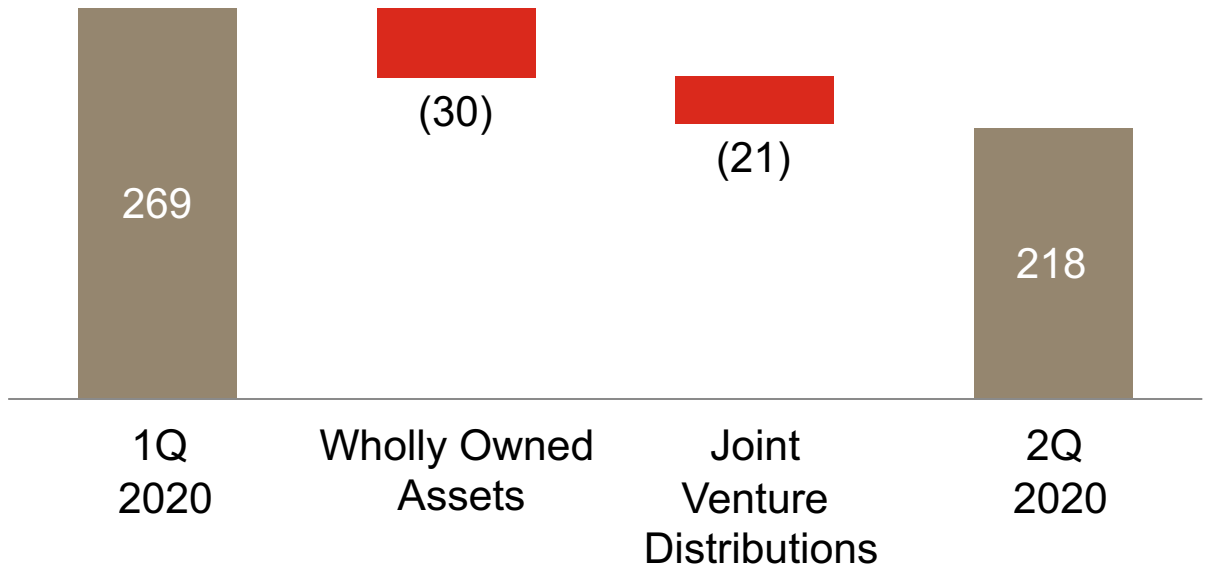
ADJUSTED EBITDA

$MM



DISTRIBUTABLE CASH FLOW

$MM



2Q 2020 Overview

$MM (UNLESS OTHERWISE NOTED)

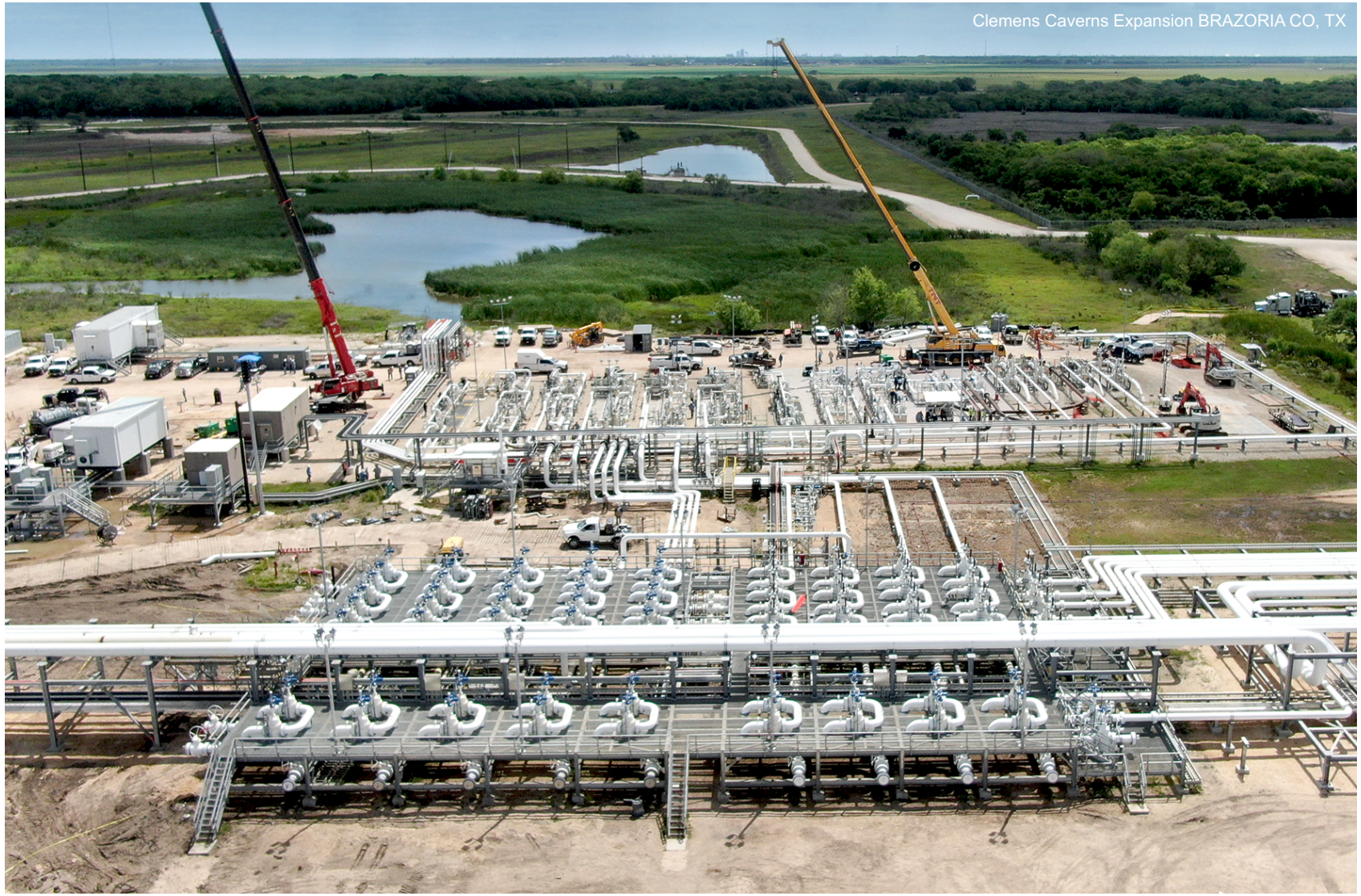
Cash and cash equivalents	$	7
Total debt		3,707
Revolving credit facility availability		532
Debt-to-EBITDA ratio[1]		3.1
Coverage ratio		1.09



Gray Oak Pipeline Storage Facility TAFT, TX

1) Leverage ratio estimated on credit facility covenant basis.

Projects Update



Appendix



Non-GAAP Reconciliations

	Millions of Dollars	
	Q2 2020	Q1 2020
Net income	255	226
Plus:		
Depreciation	31	30
Net interest expense	29	28
Income tax expense	—	1
EBITDA	315	285
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	38	35
Expenses indemnified or prefunded by Phillips 66	—	—
Transaction costs associated with acquisitions	—	1
Gain from equity interest transfer	(84)	—
Adjusted EBITDA	269	321
Plus:		
Deferred revenue impacts*†	5	2
Less:		
Equity affiliate distributions less than (more than) proportional EBITDA	(10)	1
Maintenance capital expenditures†	28	15
Net interest expense	29	28
Preferred unit distributions	9	10
Distributable cash flow	218	269

* Difference between cash receipts and revenue recognition

† Excludes Merey Sweeny capital reimbursements and turnaround impacts

Non-GAAP Reconciliations

	Millions of Dollars	
	Q2 2020	Q1 2020
Net cash provided by operating activities	215	274
Plus:		
Net interest expense	29	28
Income tax expense	—	1
Changes in working capital	(3)	(12)
Undistributed equity earnings	(5)	(4)
Gain from equity interest transfer	84	—
Deferred revenues and other liabilities	2	—
Other	(7)	(2)
EBITDA	315	285
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	38	35
Expenses indemnified or prefunded by Phillips 66	—	—
Transaction costs associated with acquisitions	—	1
Gain from equity interest transfer	(84)	—
Adjusted EBITDA	269	321
Plus:		
Deferred revenue impacts*†	5	2
Less:		
Equity affiliate distributions less than (more than) proportional EBITDA	(10)	1
Maintenance capital expenditures†	28	15
Net interest expense	29	28
Preferred unit distributions	9	10
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* Difference between cash receipts and revenue recognition

† Excludes Merey Sweeny capital reimbursements and turnaround impacts

Non-GAAP Reconciliations

	Millions of Dollars
	Q2 2020
Capital Expenditures and Investments	
Expansion/Growth	311
Maintenance	28
Adjusted capital spending	339
Capital expenditures and investments funded by certain joint venture partners	38
Capital expenditures and investments	377