October 25, 2019

Third Quarter 2019 Earnings Call and Webcast



Sweeny Fractionator
Sweeny, TX

Phillips 66 Partners

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This presentation contains certain forward-looking statements as defined under the federal securities laws. 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 Partners’ 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 the continued ability of Phillips 66 to satisfy its obligations under our commercial and other agreements; the volume of crude oil, refined petroleum products and NGL we or our joint ventures transport, fractionate, terminal and store; the tariff rates with respect to volumes that we transport through our regulated assets, which rates are subject to review and possible adjustment by federal and state regulators; fluctuations in the prices for crude oil, refined petroleum products and NGL; liabilities associated with the risks and operational hazards inherent in transporting, fractionating, terminaling and storing crude oil, refined petroleum products and NGL; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; the failure to complete construction of announced and future capital projects in a timely manner and any cost overruns associated with such projects; and other economic, business, competitive and/or regulatory factors affecting Phillips 66 Partners’ businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 Partners 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.

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.

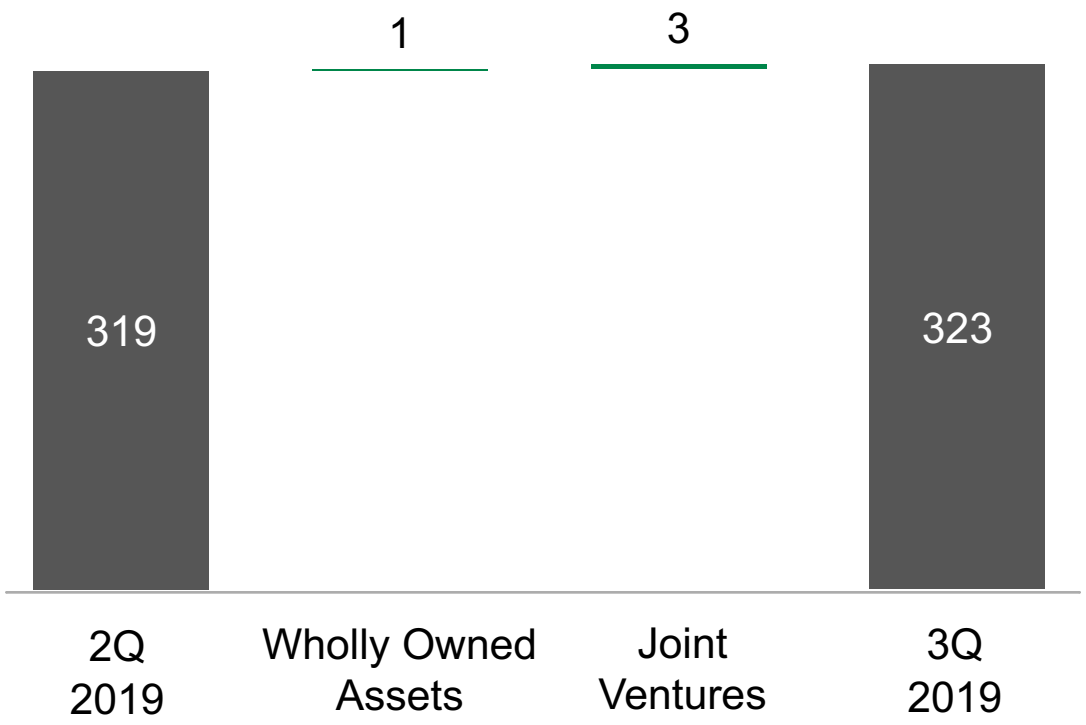
EXECUTING THE STRATEGY



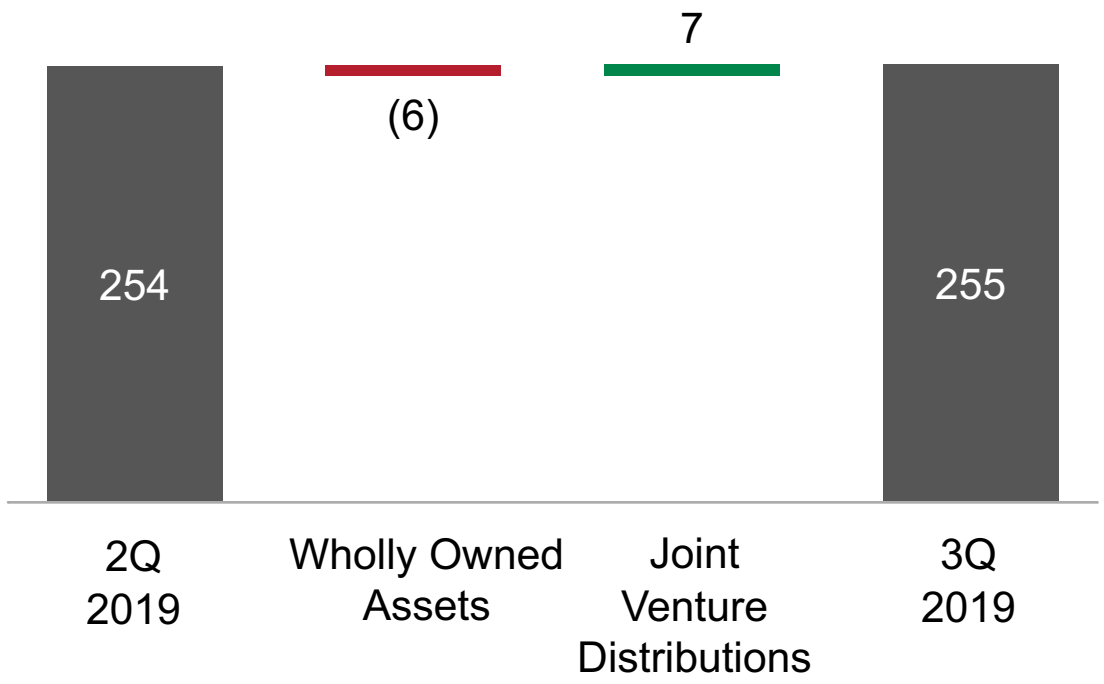
Isomerization Unit
Lake Charles, LA

FINANCIAL HIGHLIGHTS

ADJUSTED EBITDA
$MM



DISTRIBUTABLE CASH FLOW
$MM



FINANCIAL FLEXIBILITY AND LIQUIDITY

$MM (Unless Otherwise Noted)

3Q 2019

Cash and cash equivalents	$	655
Total debt		3,815
Revolving credit facility availability		749
Debt-to-EBITDA ratio[1]		3.2x
Coverage ratio		1.29x



Gray Oak Pump Station
La Pryor, TX

1) Leverage ratio estimated on credit facility covenant basis.

ORGANIC GROWTH

PROJECT	EXPECTED START-UP	GROSS CAPITAL ($MM)	PXSP OWNERSHIP (%)
Lake Charles isomerization unit	Completed	200	99
Gray Oak Pipeline	4Q 2019	2,700	42.25
Sweeny to Pasadena products expansion	2Q 2020	70	100
South Texas Gateway Terminal	Mid 2020	500	25
Clemens Caverns expansion	4Q 2020	150	100
C2G Pipeline	Mid 2021	335	100

Projects expected to have typical Midstream EBITDA build multiples (6x – 8x)

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Appendix



NON-GAAP RECONCILIATIONS

	Millions of Dollars	
	Q3 2019	Q2 2019
Net income	237	233
Plus:		
Depreciation	30	29
Net interest expense	25	26
Income tax expense	1	1
EBITDA	293	289
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	30	29
Expenses indemnified or prefunded by Phillips 66	—	1
Transaction costs associated with acquisitions	—	—
Adjusted EBITDA	323	319
Plus:		
Deferred revenue impacts*†	—	(4)
Less:		
Equity affiliate distributions less than proportional EBITDA	9	13
Maintenance capital expenditures†	25	12
Net interest expense	25	26
Preferred unit distributions	9	9
Income taxes paid	—	1
Distributable cash flow	255	254

* Difference between cash receipts and revenue recognition
† Excludes Merey Sweeny capital reimbursements and turnaround impacts

NON-GAAP RECONCILIATIONS

	Millions of Dollars	
	Q3 2019	Q2 2019
Net cash provided by operating activities	276	276
Plus:		
Net interest expense	25	26
Income tax expense	1	1
Changes in working capital	(9)	(11)
Undistributed equity earnings	(4)	(1)
Deferred revenues and other liabilities	2	1
Other	2	(3)
EBITDA	293	289
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	30	29
Expenses indemnified or prefunded by Phillips 66	—	1
Transaction costs associated with acquisitions	—	—
Adjusted EBITDA	323	319
Plus:		
Deferred revenue impacts*†	—	(4)
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