Phillips 66 Partners

FIRST QUARTER 2020 EARNINGS CALL AND WEBCAST

May 1, 2020



Sweeny Fractionator OLD OCEAN, TX

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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 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 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; general domestic and international economic and political developments including: armed hostilities; expropriation of assets; changes in governmental policies relating to crude oil, refined petroleum products or NGL pricing, regulation or taxation; and other political, economic or diplomatic developments, including those caused by public health issues and outbreaks; 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.

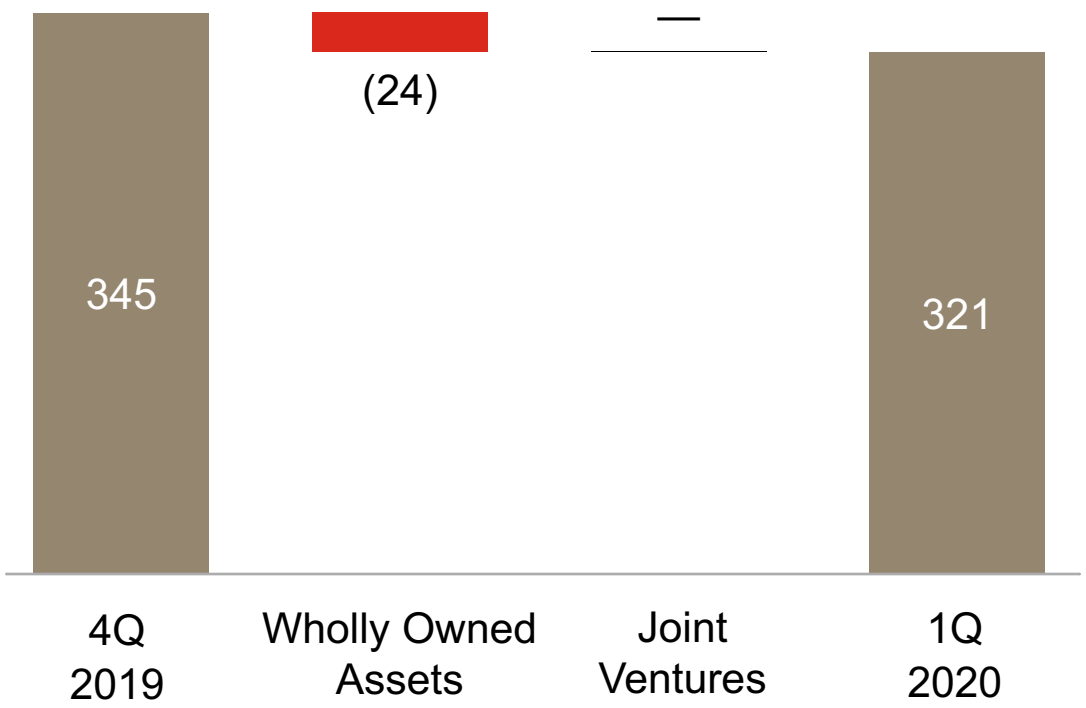
Use of Non-GAAP Financial Measures. Today’s presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Financial Information” section of our website.

Executing the Strategy

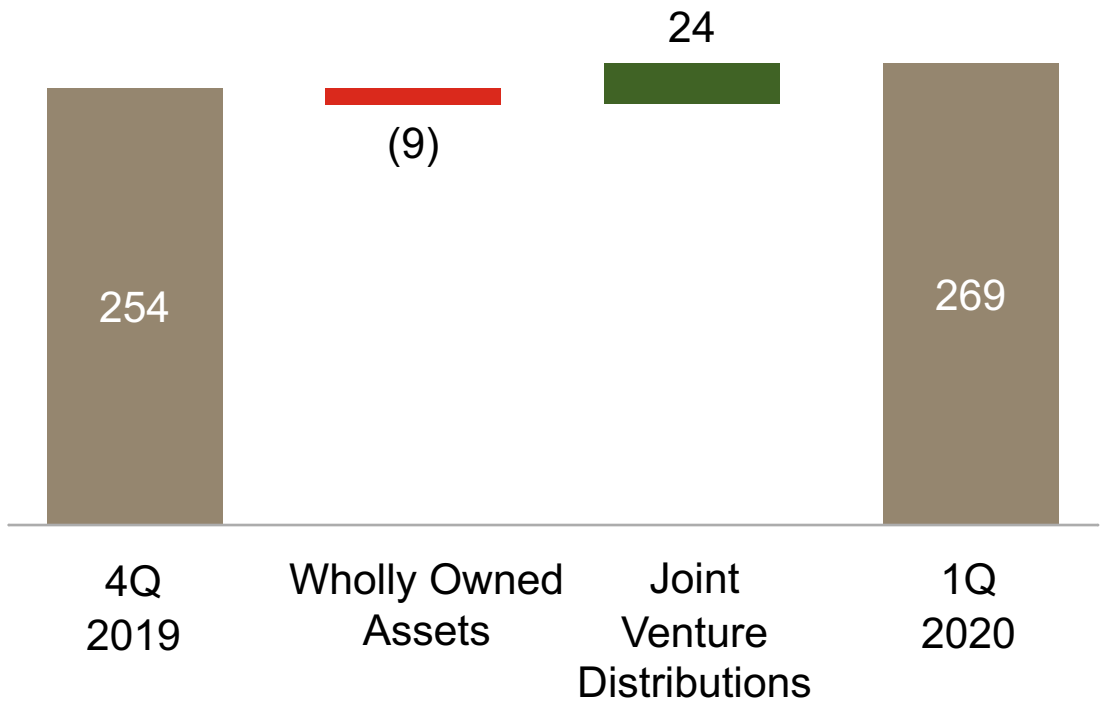


Financial Highlights

ADJUSTED EBITDA
$MM



DISTRIBUTABLE CASH FLOW
$MM



1Q 2020 Overview

$MM (UNLESS OTHERWISE NOTED)

Cash and cash equivalents	$	92
Total debt		3,516
Revolving credit facility availability		747
Debt-to-EBITDA ratio[1]		2.9
Coverage ratio		1.35



South Texas Gateway Terminal INGLESIDE, TX

1) Leverage ratio estimated on credit facility covenant basis.

Organic Growth

PROJECT	START-UP	GROSS CAPITAL ($MM)	PSXP OWNERSHIP (%)
Sweeny to Pasadena capacity expansion	2Q 2020	95	100
South Texas Gateway Terminal	3Q 2020	625	25
Clemens Caverns expansion	4Q 2020	150	100
C2G Pipeline	Mid 2021	335	100
Liberty Pipeline	Deferred	1,600	50

Appendix



Non-GAAP Reconciliations

	Millions of Dollars	
	Q1 2020	Q4 2019
Net income	226	255
Plus:		
Depreciation	30	32
Net interest expense	28	27
Income tax expense	1	—
EBITDA	285	314
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	35	31
Expenses indemnified or prefunded by Phillips 66	—	—
Transaction costs associated with acquisitions	1	—
Adjusted EBITDA	321	345
Plus:		
Deferred revenue impacts*†	2	(2)
Less:		
Equity affiliate distributions less than proportional EBITDA	1	25
Maintenance capital expenditures†	15	28
Net interest expense	28	27
Preferred unit distributions	10	9
Distributable cash flow	269	254

* Difference between cash receipts and revenue recognition

† Excludes Merey Sweeny capital reimbursements and turnaround impacts

Non-GAAP Reconciliations

	Millions of Dollars	
	Q1 2020	Q4 2019
Net cash provided by operating activities	274	259
Plus:		
Net interest expense	28	27
Income tax expense	1	—
Changes in working capital	(12)	20
Undistributed equity earnings	(4)	10
Deferred revenues and other liabilities	—	1
Other	(2)	(3)
EBITDA	285	314
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	35	31
Expenses indemnified or prefunded by Phillips 66	—	—
Transaction costs associated with acquisitions	1	—
Adjusted EBITDA	321	345
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Non-GAAP Reconciliations

	Millions of Dollars	
	Q1 2020	2020 Guidance
Capital Expenditures and Investments		
Expansion/Growth	196	731
Maintenance	15	132
Adjusted capital spending	211	863
Capital expenditures and investments funded by certain joint venture partners	23	69
Capital expenditures and investments	234	932