

FOURTH QUARTER 2017
EARNINGS CALL AND WEBCAST

February 2, 2018

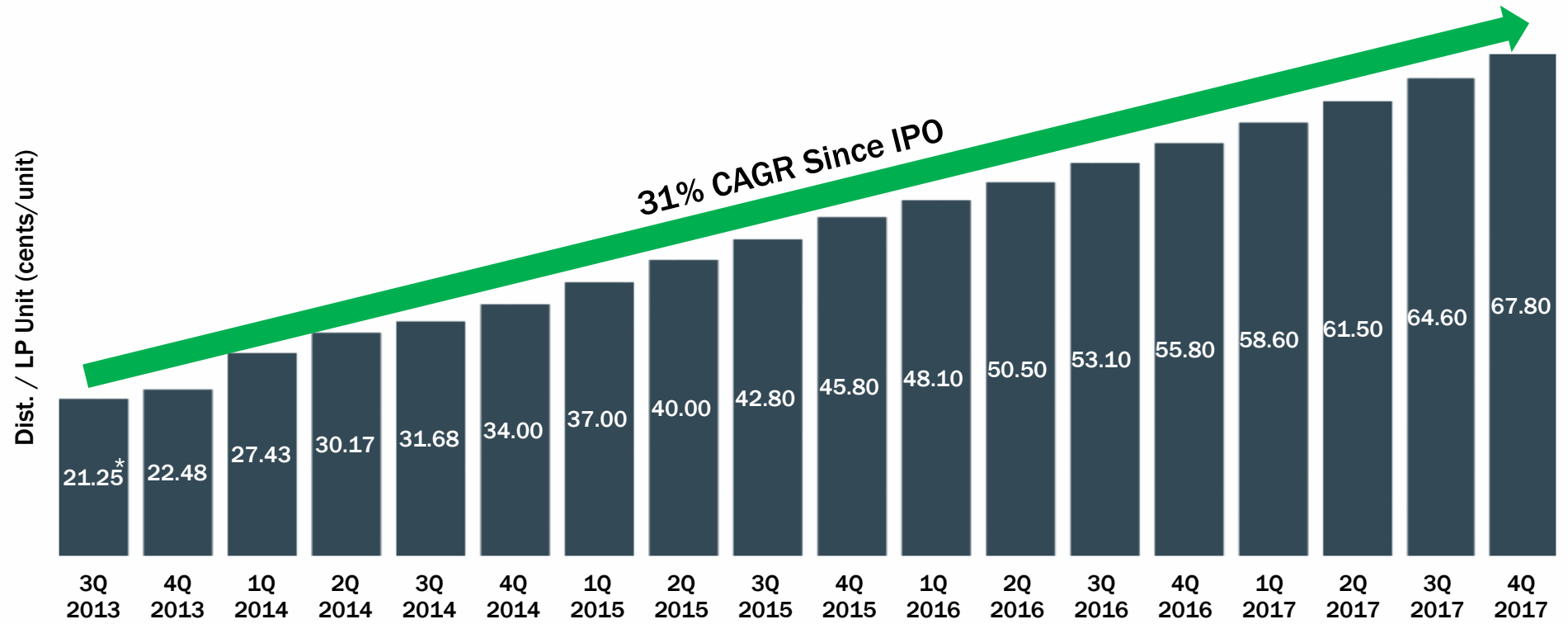
CAUTIONARY STATEMENT

This presentation includes forward-looking statements. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “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 (including our joint venture operations) are based on management’s expectations, estimates and projections about the Partnership, 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, process, 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, processing, 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; 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.

Run-rate EBITDA is a forecast of future EBITDA, and is based on the Partnership’s projections of annual EBITDA inclusive of both currently owned assets and future potential acquisitions by the Partnership. Run-rate EBITDA is included to demonstrate the historical growth of the Partnership, as well as management’s intention of future growth through acquisitions and organic projects. We are unable to present a reconciliation of run-rate EBITDA to net income, which is the nearest GAAP financial measure, because certain elements of net income, including interest, depreciation and taxes, were not used in the forecasts and are therefore not available. Together, these items generally result in EBITDA being significantly greater than net income.

DISTRIBUTION GROWTH



Coverage Ratio	1.13x	1.10x	1.10x	1.44x	1.32x	1.28x	1.14x	1.17x	1.39x	1.45x	1.14x	1.20x	1.24x	1.48x	1.31x	1.35x	1.12x	1.33x

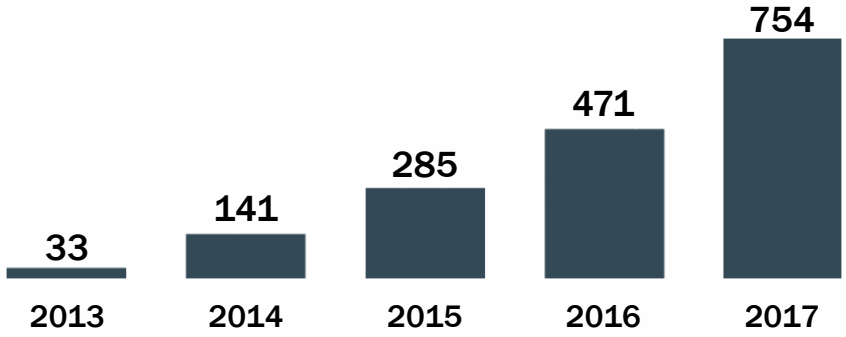
** Represents the minimum quarterly distribution for 3Q 2013, actual distribution of 15.48 cents equal to MQD prorated*

FINANCIAL GROWTH

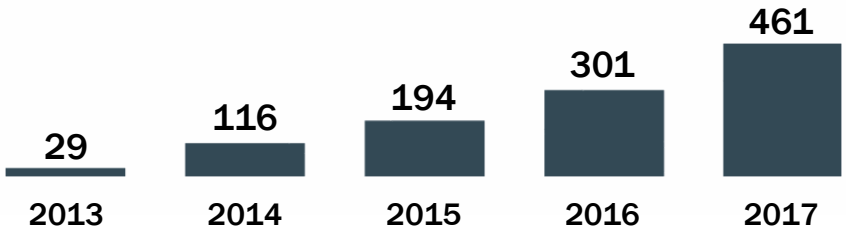
Annual performance highlights since 2014*

- 58% growth in Earnings
- 75% growth in Adjusted EBITDA
- 65% growth in Distributable Cash Flow

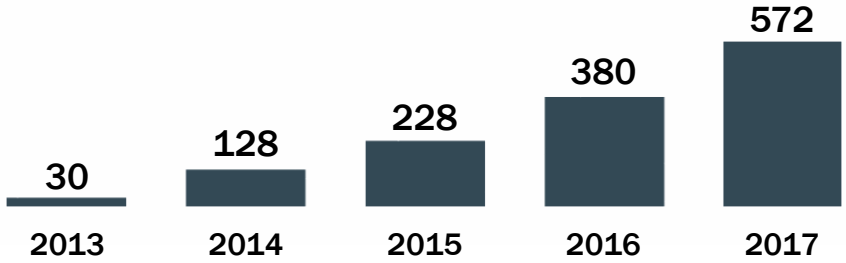
Adjusted EBITDA ($MM)



Earnings ($MM)



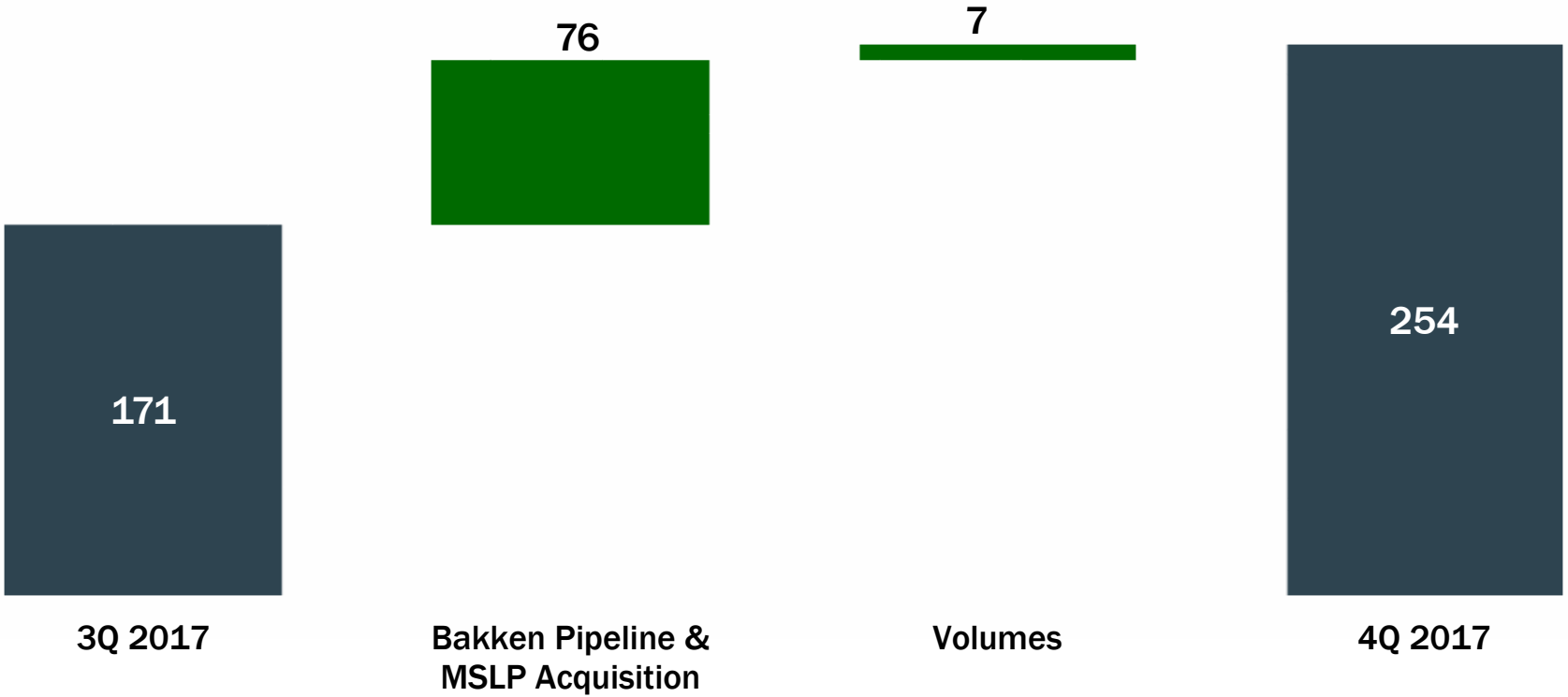
Distributable Cash Flow ($MM)



*Percentages are 2014 – 2017 compounded annual growth rate; 2013 is partial year

FINANCIAL HIGHLIGHTS

Adjusted EBITDA Variances ($MM)*



*Adjusted EBITDA now reported on a look-through basis

FINANCIAL FLEXIBILITY AND LIQUIDITY

$MM *(unless otherwise noted)*	2017
Cash and cash equivalents	185
Total assets	5,334
Total liabilities	3,173
Revolving credit facility availability	750
Debt to EBITDA ratio*	3.2x

**Leverage ratio estimated on credit facility covenant basis.*



GROWTH UPDATE

- Sand Hills Pipeline expansion
- Lake Charles Isomerization Unit
- STACK Pipeline extension and expansion
- Bayou Bridge Pipeline extension
- Sacagawea Gas Pipeline project



QUESTIONS AND ANSWERS
EARNINGS CALL AND WEBCAST

February 2, 2018



APPENDIX

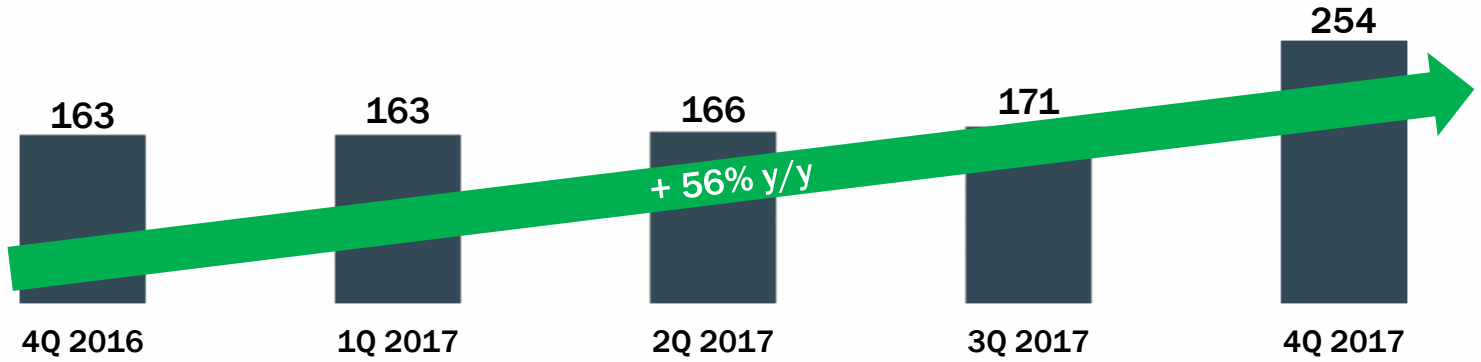
FINANCIAL RESULTS (CONSOLIDATED)

$MM *(unless otherwise noted)*	4Q 2017	3Q 2017
Revenues and other income	$ 331	$ 299
Costs and expenses	165	167
Income before income taxes	166	132
Income tax expense	2	1
Net Income	164	131
Less: Net income attributable to Predecessors	2	32
Net Income attributable to PSXP	162	99
Adjusted EBITDA	254	171
Distributable Cash Flow	172	136
Quarterly Distribution (cents/unit)	67.8	64.6

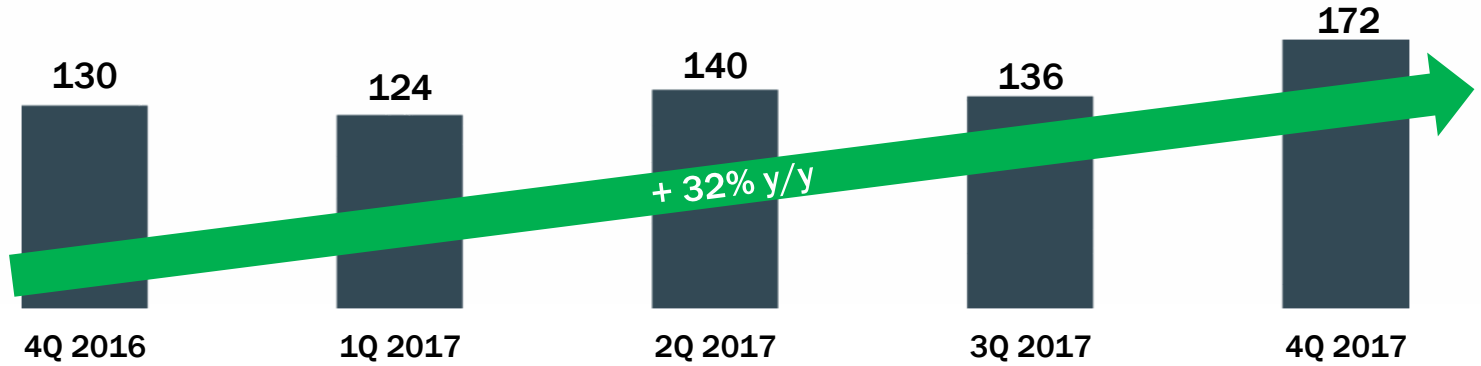


FINANCIAL GROWTH

Adjusted EBITDA ($MM)



Distributable Cash Flow ($MM)



*Adjusted EBITDA now reported on a look-through basis
**Distributable cash flow is net of distributions to Series A Preferred equity

OPERATIONAL HIGHLIGHTS

	4Q 2017	3Q 2017
Pipeline Volumes (mbd)		
Crude Oil	989	1,015
Refined Products and NGL	981	920
Total	1,970	1,935
Terminal and Storage Volumes (mbd)		
Crude Oil	606	586
Refined Products and NGL	905	828
Total	1,511	1,414
Average Pipeline Revenue ($/bbl)	$ 0.63	$ 0.63
Average Terminal and Storage Revenue ($/bbl)	$ 0.41	$ 0.41

Excludes predecessor results

NON-GAAP RECONCILIATION

	$MM				
	4Q 2017	3Q 2017	2Q 2017	1Q 2017	4Q 2016
Net income attributable to the partnership	162	99	103	97	98
Plus:					
Net Income attributable to Predecessors	2	32	16	13	4
Net income	164	131	119	110	102
Plus:					
Depreciation	28	32	28	28	25
Net interest expense	29	24	23	23	21
Income tax expense	2	1	1	-	1
EBITDA	223	188	171	161	149
Proportional share of equity affiliates' net interest, taxes and depreciation	29	13	12	12	12
Expenses indemnified by Phillips 66	1	4	-	3	2
Transaction costs associated with acquisitions	1	2	-	1	-
EBITDA attributable to Predecessors	-	(36)	(17)	(14)	-
Adjusted EBITDA	254	171	166	163	163
Plus:					
Deferred revenue impacts*†	(3)	1	4	4	4
Less:					
Equity affiliate distributions less than proportional EBITDA	22	3	(4)	8	2
Maintenance capital expenditures†	19	10	10	11	14
Net interest expense	29	23	24	24	21
Preferred unit distributions	9	-	-	-	-
Distributable cash flow	172	136	140	124	130

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

NON-GAAP RECONCILIATION

	$MM				
	4Q 2017	3Q 2017	2Q 2017	1Q 2017	4Q 2016
Net cash provided by operating activities	238	195	136	155	121
Plus:					
Net interest expense	29	24	23	23	21
Provision for income taxes	2	1	1	-	1
Changes in working capital	-	(19)	8	(19)	12
Adjustment to equity earnings for cash distributions received	1	(9)	5	4	(5)
Other	(47)	(4)	(2)	(2)	(1)
EBITDA	223	188	171	161	149
Proportional share of equity affiliates' net interest, taxes and depreciation	29	13	12	12	12
Expenses indemnified by Phillips 66	1	4	-	3	2
Transaction costs associated with acquisitions	1	2	-	1	-
EBITDA attributable to Predecessors	-	(36)	(17)	(14)	-
Adjusted EBITDA	254	171	166	163	163
Plus:					
Deferred revenue impacts*†	(3)	1	4	4	4
Less:					
Equity affiliate distributions less than proportional EBITDA	22	3	(4)	8	2
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NON-GAAP RECONCILIATION

	$MM				
	2017	2016	2015	2014	2013
Net income attributable to the partnership	461	301	194	116	29
Plus:					
Net Income attributable to Predecessors	63	107	112	129	145
Net income	524	408	306	245	174
Plus:					
Depreciation	116	96	61	46	43
Net interest expense	99	52	34	5	—
Income tax expense	4	2	—	1	2
EBITDA	743	558	401	297	219
Proportional share of equity affiliates' net interest, taxes and depreciation	66	45	31	—	—
Expenses indemnified by Phillips 66	8	6	2	2	—
Transaction costs associated with acquisitions	4	4	2	3	1
EBITDA attributable to Predecessors	(67)	(142)	(151)	(161)	(187)
Adjusted EBITDA	754	471	285	141	33
Plus:					
Deferred revenue impacts*†	6	11	4	2	—
Less:					
Equity affiliate distributions less than proportional EBITDA	29	28	19	—	—
Maintenance capital expenditures†	50	22	8	12	3
Net interest expense	100	52	34	3	—
Preferred unit distributions	9	—	—	—	—
Distributable cash flow	572	380	228	128	30

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

NON-GAAP RECONCILIATION

	$MM				
	2017	2016	2015	2014	2013
Net cash provided by operating activities	724	492	392	296	199
Plus:					
Net interest expense	99	52	34	5	—
Provision for income taxes	4	2	—	1	2
Changes in working capital	(30)	28	(12)	(3)	18
Adjustment to equity earnings for cash distributions received	1	(1)	—	—	—
Other	(55)	(15)	(13)	(2)	—
EBITDA	743	558	401	297	219
Proportional share of equity affiliates' net interest, taxes and depreciation	66	45	31	—	—
Expenses indemnified by Phillips 66	8	6	2	2	—
Transaction costs associated with acquisitions	4	4	2	3	1
EBITDA attributable to Predecessors	(67)	(142)	(151)	(161)	(187)
Adjusted EBITDA	754	471	285	141	33
Plus:					
Deferred revenue impacts*†	6	11	4	2	—
Less:					
Equity affiliate distributions less than proportional EBITDA	29	28	19	—	—
Maintenance capital expenditures†	50	22	8	12	3
Net interest expense	100	52	34	3	—
Preferred unit distributions	9	—	—	—	—
Distributable cash flow	572	380	228	128	30

* *Difference between cash receipts and revenue recognition*
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