



Medford Spheres MEDFORD, OK



Investor Update



August 2020

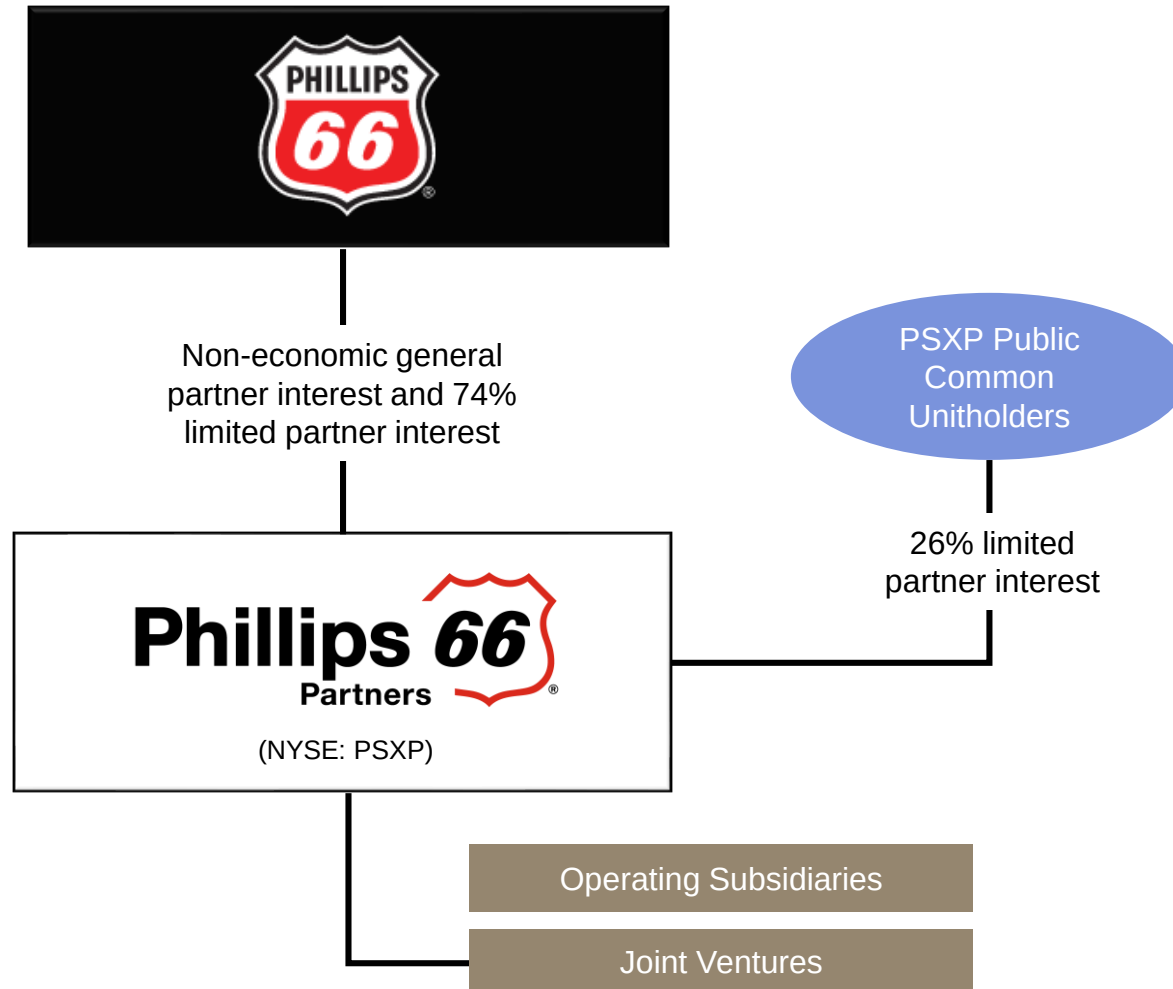
Cautionary Statement

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.

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 “Financial Information” section of our website.

Phillips 66 Partners

OWNERSHIP STRUCTURE



Phillips 66 Partners



Phillips 66 Partners

FINANCIAL STRENGTH AND FLEXIBILITY

Maintain strong leverage and coverage ratios, with long-term targets:

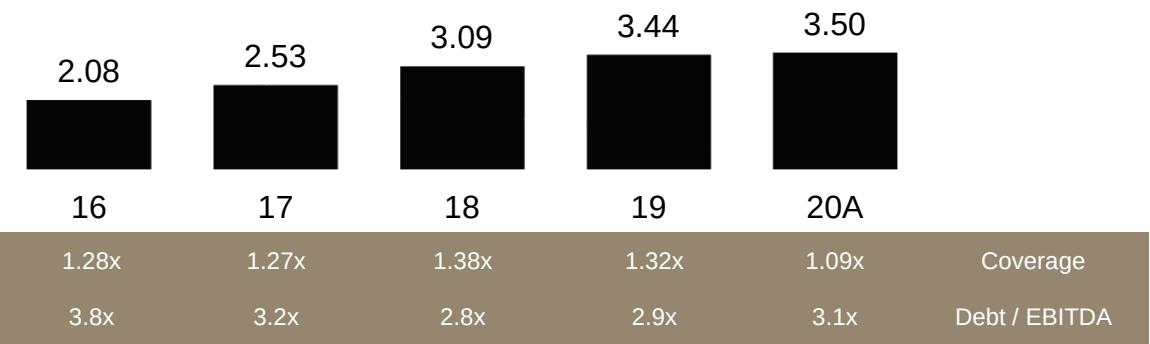
- Up to 3.5x Debt / EBITDA
- Greater than 1.2x coverage ratio

Investment grade credit rating

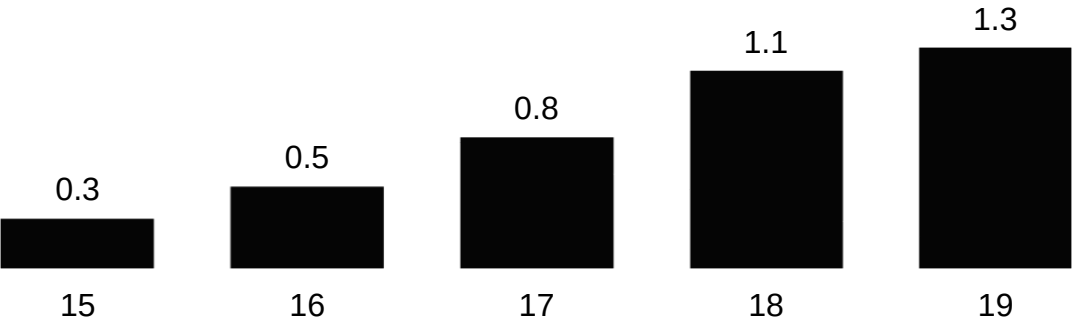
- BBB (S&P)
- Baa3 (Moody's)

\$750 MM revolving credit facility

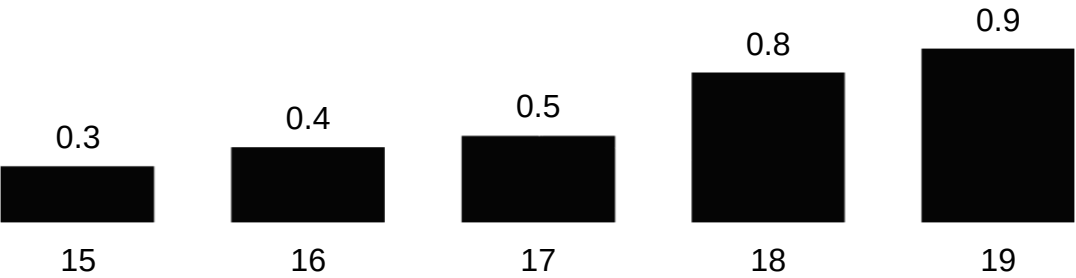
Distribution Per Common LP Unit
\$



Adjusted EBITDA
\$B



Net Income
\$B



Adjusted EBITDA as shown is attributable to PSXP. Debt-to-EBITDA ratio is calculated on a credit facility covenant basis, which requires certain adjustments to total debt and EBITDA. Coverage ratio estimated on credit facility covenant basis. 2020 coverage ratio guidance of 1.1-1.2x. 20A coverage ratio represents QTD 2Q20, and Debt-to-EBITDA ratio is as of 2Q20 (not annualized).

Phillips 66 Partners

Organic Projects

Gray Oak Pipeline

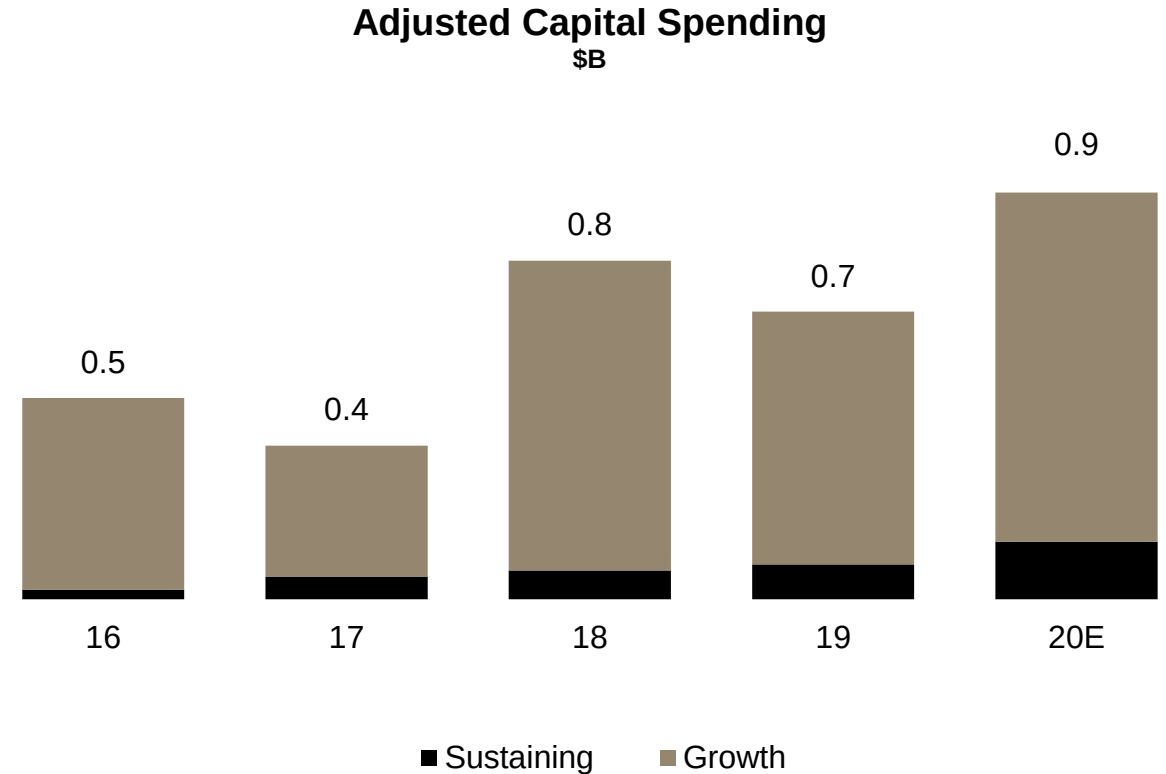
South Texas Gateway Terminal

C2G Pipeline

Clemens Caverns expansion

Sweeny to Pasadena capacity expansion

Continued sponsor support with backlog of opportunities



Phillips 66 Partners

PIPELINE AND TERMINAL PROJECTS

Gray Oak Pipeline – 42.25% PSXP effective ownership

Crude oil pipeline from Permian and Eagle Ford to Texas Gulf Coast

Achieved full operations in 2Q 2020

900 MBD West Texas crude capacity

South Texas Gateway Terminal – 25% PSXP ownership

Two deep water docks with up to 800 MBD throughput capacity

First dock and 3.4 MMB of storage capacity commissioned as of July 2020

8.6 MMB storage capacity



Phillips 66 Partners

SWEENY HUB INFRASTRUCTURE GROWTH

C2G Pipeline

New 16 inch ethane pipeline to Gregory, Texas, near Corpus Christi, Texas

Expected startup in mid-2021

Supplies Corpus Christi area petrochemical facilities

Clemens Caverns Expansion

Recently increased Clemens Storage from 9 MMB to 16.5 MMB in connection with Phillips 66 NGL fractionation capacity expansion

Sweeny to Pasadena

Adding 80 MBD of pipeline capacity, providing additional naphtha offtake from the Sweeny fractionators

Startup in 3Q 2020

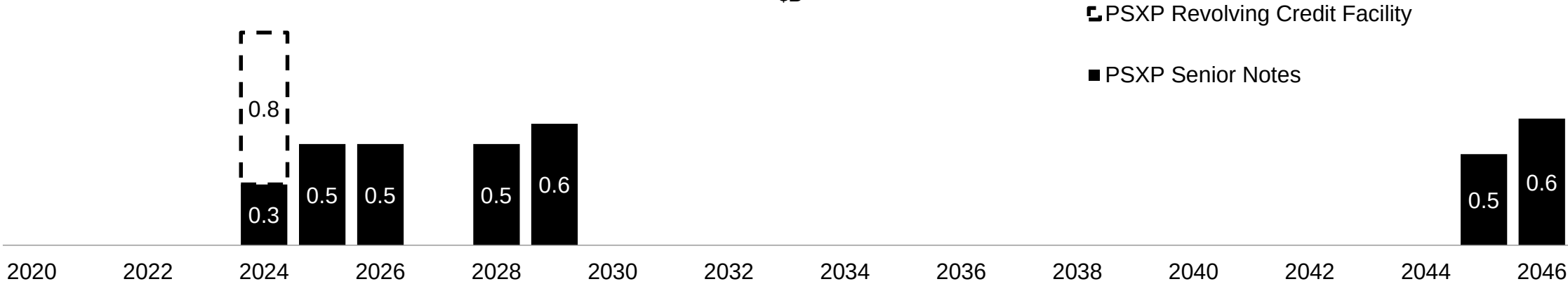


Sweeny Complex OLD OCEAN, TX

Phillips 66 Partners

DEBT PROFILE

Debt Maturity Profile
\$B



\$3.7 B Total Debt as of June 30, 2020

\$3.5 B Senior Notes, weighted-average cost of 3.81%

\$50 MM Merey Sweeny Tax-exempt Bonds

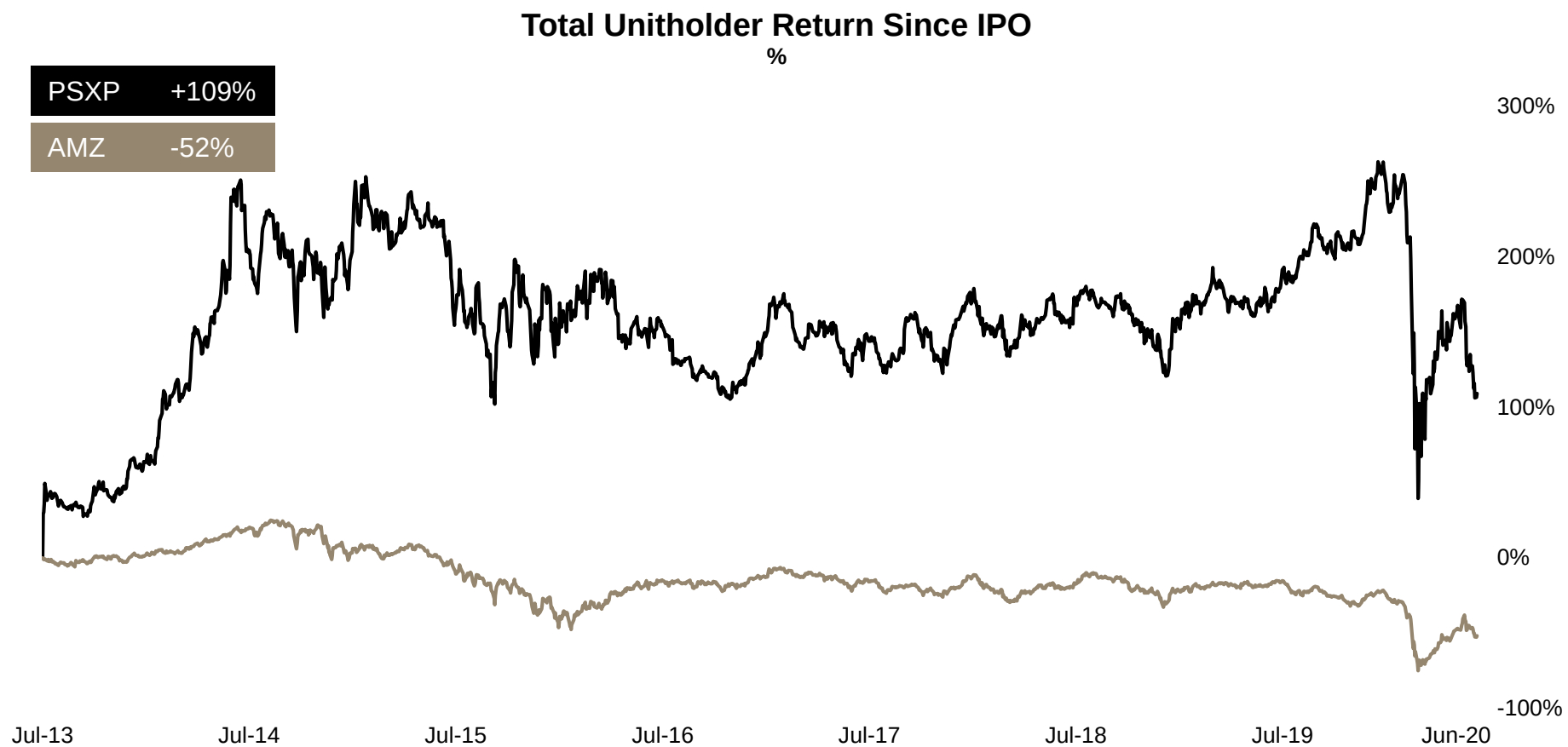
\$215 MM borrowing on \$750 MM revolving credit facility

Senior Notes
\$MM

Year Due	Principal	Coupon
PSXP 2024	\$300	2.450%
PSXP 2025	500	3.605%
PSXP 2026	500	3.550%
PSXP 2028	500	3.750%
PSXP 2029	600	3.150%
PSXP 2045	450	4.680%
PSXP 2046	625	4.900%
Total	\$3,475	3.812%

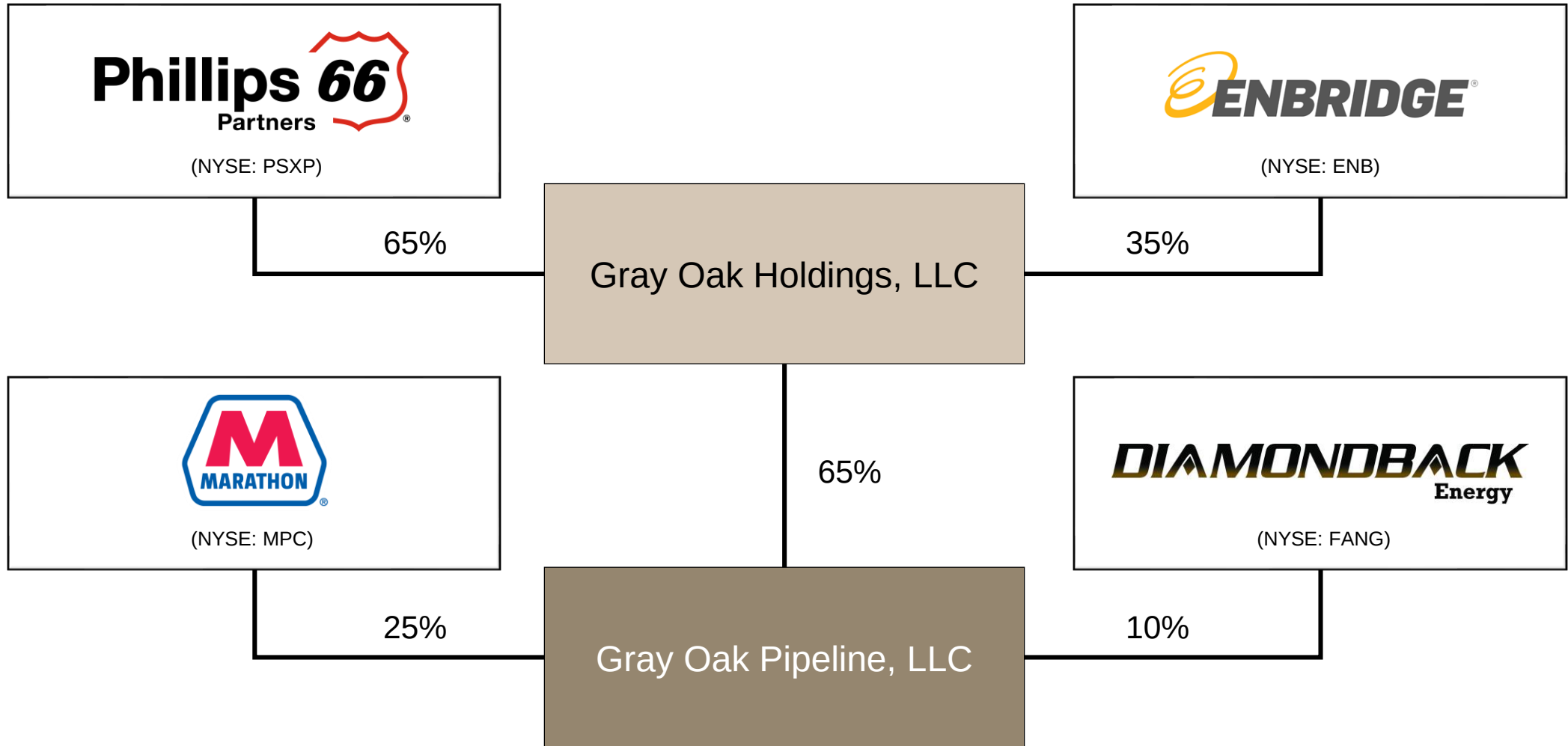
Weighted average cost excludes revolving credit facility. Total debt is net of \$33 MM unamortized discounts and debt issuance costs. At June 30, 2020, borrowings of \$215 MM were outstanding and \$3 MM in letters of credit had been drawn under our \$750 MM revolving credit facility

Phillips 66 Partners

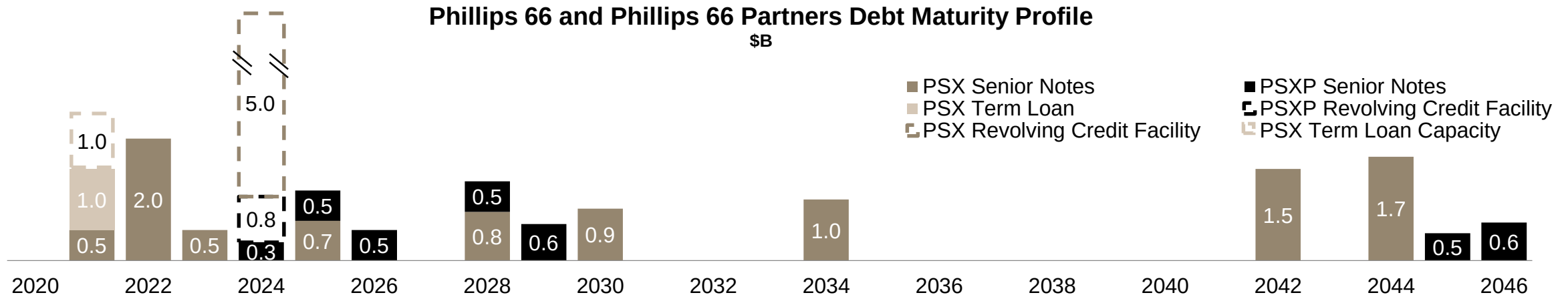


Gray Oak Pipeline Ownership Structure

PSXP HAS A 42.25% EFFECTIVE OWNERSHIP IN THE GRAY OAK PIPELINE



Debt and Liquidity



Phillips 66 Partners (PSXP)

\$3.7 B Total Debt as of June 30, 2020

\$0.5 B Total liquidity

(\$0.5 B RCF + \$0.0 B Cash)

BBB / Baa3 Credit Rating

Phillips 66, excluding PSXP

\$10.7 B Total Debt as of June 30, 2020

\$7.9 B Total liquidity

(\$5.0 B RCF + \$1.9 B Cash + \$1.0 B term loan capacity undrawn)

BBB+ / A3 Credit Rating

In 2Q 2020 Phillips 66 took the following actions

- Increased the capacity available under the 2021 term loan from \$1 B to \$2 B, with \$1 B of capacity remaining undrawn
- Closed on a public offering in April of \$500 MM senior notes due 2023 and \$500 MM senior notes due 2025
- Repaid \$500 MM of maturing debt, including \$300 MM of senior notes and a \$200 MM term loan
- Closed on a public offering in June of \$150 MM senior notes due 2025 and \$850 MM senior notes due 2030



Footnotes

General

Information disclosed is as of June 30, 2020, unless noted otherwise.

Numbers may not appear to tie due to rounding.

Maps, images and drawings are for informational purposes only and may not be to scale.

Date Conventions

19 is as of December 31, 2019; or the twelve-month period ended December 31, 2019, as applicable; except as otherwise noted.

1H20 is as of June 30, 2020, or the six-month period ended June 30, 2020 as applicable; except as otherwise noted.

20A represents 1H20 annualized.

20E represents previously announced guidance.

Non-GAAP Reconciliation

	Millions of Dollars				
	2015	2016	2017	2018	2019
Phillips 66 Partners Reconciliation of Adjusted EBITDA and Distributable Cash Flow to Net Income					
Net income attributable to Phillips 66 Partners	\$ 194	301	461	796	923
Plus:					
Net income attributable to Predecessors	112	107	63	—	—
Net income	306	408	524	796	923
Plus:					
Depreciation	61	96	116	117	120
Net interest expense	34	52	99	114	105
Income tax expense	—	2	4	4	3
EBITDA	401	558	743	1,031	1,151
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	31	45	66	101	116
Expenses indemnified or prefunded by Phillips 66	2	6	8	1	1
Transaction costs associated with acquisitions	2	4	4	4	—
EBITDA attributable to Predecessors	(151)	(142)	(67)	—	—
Adjusted EBITDA	285	471	754	1,137	1,268
Plus:					
Deferred revenue impacts*†	4	11	6	(6)	(6)
Less:					
Equity affiliate distributions less than proportional EBITDA	19	28	29	64	56
Maintenance capital expenditures†	8	22	50	62	74
Net interest expense	34	52	100	114	105
Preferred unit distributions	—	—	9	37	37
Income taxes paid	—	—	—	—	1
Distributable cash flow	\$ 228	380	572	854	989

* Difference between cash receipts and revenue recognition

† Excludes Merrey Sweeny capital reimbursements and turnaround impacts

Non-GAAP Reconciliation

	Millions of Dollars				
	2015	2016	2017	2018	2019
Phillips 66 Partners Reconciliation of Adjusted EBITDA and Distributable Cash Flow to Net Cash Provided by Operating Activities					
Net cash provided by operating activities*	\$ 392	492	724	892	1,016
Plus:					
Net interest expense	34	52	99	114	105
Income tax expense	—	2	4	4	3
Changes in working capital	(12)	28	(30)	(20)	34
Undistributed equity earnings	—	(1)	1	5	3
Deferred revenues and other liabilities	(11)	(9)	(43)	42	(5)
Other	(2)	(6)	(12)	(6)	(5)
EBITDA	401	558	743	1,031	1,151
Proportional share of equity affiliates' net interest, taxes and depreciation and amortization	31	45	66	101	116
Expenses indemnified or prefunded by Phillips 66	2	6	8	1	1
Transaction costs associated with acquisitions	2	4	4	4	—
EBITDA attributable to Predecessors	(151)	(142)	(67)	—	—
Adjusted EBITDA	285	471	754	1,137	1,268
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Net interest expense	34	52	100	114	105
Preferred unit distributions	—	—	9	37	37
Income taxes paid	—	—	—	—	1
Distributable cash flow	\$ 228	380	572	854	989

* Phillips 66 Partners' coverage ratio is calculated as distributable cash flow divided by total cash distributions and is used to indicate Phillips 66 Partners' ability to pay cash distributions from current earnings. Net cash provided by operating activities divided by total cash distributions was 2.24x, 1.66x, 1.61x, 1.44x and 1.36x at 2015, 2016, 2017, 2018 and 2019, respectively.

** Difference between cash receipts and revenue recognition

† Excludes Mersey Sweeny capital reimbursements and turnaround impacts

Non-GAAP Reconciliation

	Millions of Dollars					
	2015	2016	2017	2018	2019	2020 Guidance
Phillips 66 Partners Capital Expenditures and Investments						
Capital Expenditures and Investments	\$ 895	557	434	776	1,082	932
Capital Expenditures Attributable to Predecessors	(690)	(96)	(82)	—	—	—
Capital Spending Funded by Certain Joint Venture Partners	—	—	—	—	(423)	(69)
Adjusted Capital Spending	\$ 205	461	352	776	659	863
Expansion/Growth	\$ 197	439	300	710	579	731
Maintenance/Sustaining	8	22	52	66	80	132