ELLIOTT®

STREAMLINE 66

ELLIOTT'S VIEWS ON VALUE CREATION AT PHILLIPS 66

DISCLAIMER

THIS PRESENTATION IS FOR DISCUSSION AND INFORMATIONAL PURPOSES ONLY. THE VIEWS EXPRESSED HEREIN REPRESENT THE OPINIONS OF ELLIOTT INVESTMENT MANAGEMENT L.P. AND ITS AFFILIATES (COLLECTIVELY, "ELLIOTT MANAGEMENT") AS OF THE DATE HEREOF. ELLIOTT MANAGEMENT RESERVES THE RIGHT TO CHANGE OR MODIFY ANY OF ITS OPINIONS EXPRESSED HEREIN AT ANY TIME AND FOR ANY REASON AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO CORRECT, UPDATE OR REVISE THE INFORMATION CONTAINED HEREIN OR TO OTHERWISE PROVIDE ANY ADDITIONAL MATERIALS.

ALL OF THE INFORMATION CONTAINED HEREIN IS BASED ON PUBLICLY AVAILABLE INFORMATION WITH RESPECT TO PHILLIPS 66 (THE "COMPANY"), INCLUDING FILINGS MADE BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND OTHER SOURCES, AS WELL AS ELLIOTT MANAGEMENT'S ANALYSIS OF SUCH PUBLICLY AVAILABLE INFORMATION. ELLIOTT MANAGEMENT HAS RELIED UPON AND ASSUMED, WITHOUT INDEPENDENT VERIFICATION, THE ACCURACY AND COMPLETENESS OF ALL DATA AND INFORMATION AVAILABLE FROM PUBLIC SOURCES, AND NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SUCH DATA OR INFORMATION IS ACCURATE. ELLIOTT MANAGEMENT RECOGNIZES THAT THERE MAY BE CONFIDENTIAL OR OTHERWISE NON-PUBLIC INFORMATION WITH RESPECT TO THE COMPANY THAT COULD ALTER THE OPINIONS OF ELLIOTT MANAGEMENT WERE SUCH INFORMATION KNOWN. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS GIVEN AS TO THE RELIABILITY, ACCURACY, FAIRNESS OR COMPLETENESS OF THE INFORMATION OR OPINIONS CONTAINED HEREIN, AND ELLIOTT MANAGEMENT AND EACH OF ITS DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS EXPRESSLY DISCLAIM ANY LIABILITY WHICH MAY ARISE FROM THIS PRESENTATION AND ANY ERRORS CONTAINED HEREIN AND/OR OMISSIONS HEREFROM OR FROM ANY USE OF THE CONTENTS OF THIS PRESENTATION.

EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THE INFORMATION AND OPINIONS INCLUDED IN THIS PRESENTATION CONSTITUTE FORWARD-LOOKING STATEMENTS, INCLUDING ESTIMATES AND PROJECTIONS PREPARED WITH RESPECT TO, AMONG OTHER THINGS, THE COMPANY'S ANTICIPATED OPERATING PERFORMANCE, THE VALUE OF THE COMPANY'S SECURITIES, DEBT OR ANY RELATED FINANCIAL INSTRUMENTS THAT ARE BASED UPON OR RELATE TO THE VALUE OF SECURITIES OF THE COMPANY (COLLECTIVELY, "COMPANY SECURITIES"), GENERAL ECONOMIC AND MARKET CONDITIONS AND OTHER FUTURE EVENTS. YOU SHOULD BE AWARE THAT ALL FORWARD-LOOKING STATEMENTS, ESTIMATES AND PROJECTIONS ARE INHERENTLY UNCERTAIN AND SUBJECT TO SIGNIFICANT ECONOMIC, COMPETITIVE, AND OTHER UNCERTAINTIES AND CONTINGENCIES AND HAVE BEEN INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE INFORMATION CONTAINED HEREIN DUE TO REASONS THAT MAY OR MAY NOT BE FORESEEABLE. THERE CAN BE NO ASSURANCE THAT THE COMPANY SECURITIES WILL TRADE AT THE PRICES THAT MAY BE IMPLIED HEREIN, AND THERE CAN BE NO ASSURANCE THAT ANY OPINION OR ASSUMPTION HEREIN IS, OR WILL BE PROVEN, CORRECT.

THIS PRESENTATION AND ANY OPINIONS EXPRESSED HEREIN SHOULD IN NO WAY BE VIEWED AS ADVICE ON THE MERITS OF ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY, COMPANY SECURITIES OR ANY TRANSACTION. THIS PRESENTATION IS NOT (AND MAY NOT BE CONSTRUED TO BE) LEGAL, TAX, INVESTMENT, FINANCIAL OR OTHER ADVICE. EACH RECIPIENT SHOULD CONSULT THEIR OWN LEGAL COUNSEL AND TAX AND FINANCIAL ADVISERS AS TO LEGAL AND OTHER MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN. THIS PRESENTATION DOES NOT PURPORT TO BE ALL-INCLUSIVE OR TO CONTAIN ALL OF THE INFORMATION THAT MAY BE RELEVANT TO AN EVALUATION OF THE COMPANY, COMPANY SECURITIES OR THE MATTERS DESCRIBED HEREIN.

THIS PRESENTATION DOES NOT CONSTITUTE (AND MAY NOT BE CONSTRUED TO BE) A SOLICITATION OR OFFER BY ELLIOTT MANAGEMENT OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES OR AGENTS TO BUY OR SELL ANY COMPANY SECURITIES OR SECURITIES OF ANY OTHER PERSON IN ANY JURISDICTION OR AN OFFER TO SELL AN INTEREST IN FUNDS MANAGED BY ELLIOTT MANAGEMENT. THIS PRESENTATION DOES NOT CONSTITUTE FINANCIAL PROMOTION, INVESTMENT ADVICE OR AN INDUCEMENT OR ENCOURAGEMENT TO PARTICIPATE IN ANY PRODUCT, OFFERING OR INVESTMENT OR TO ENTER INTO ANY AGREEMENT WITH THE RECIPIENT. NO AGREEMENT, COMMITMENT, UNDERSTANDING OR OTHER LEGAL RELATIONSHIP EXISTS OR MAY BE DEEMED TO EXIST BETWEEN OR AMONG ELLIOTT MANAGEMENT AND ANY OTHER PERSON BY VIRTUE OF FURNISHING THIS PRESENTATION. NO REPRESENTATION OR WARRANTY IS MADE THAT ELLIOTT MANAGEMENT'S INVESTMENT PROCESSES OR INVESTMENT OBJECTIVES WILL OR ARE LIKELY TO BE ACHIEVED OR SUCCESSFUL OR THAT ELLIOTT MANAGEMENT'S INVESTMENTS WILL MAKE ANY PROFIT OR WILL NOT SUSTAIN LOSSES. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

FUNDS MANAGED BY ELLIOTT MANAGEMENT CURRENTLY BENEFICIALLY OWN AND/OR HAVE AN ECONOMIC INTEREST IN AND MAY IN THE FUTURE BENEFICIALLY OWN AND/OR HAVE AN ECONOMIC INTEREST IN, COMPANY SECURITIES. ELLIOTT MANAGEMENT INTENDS TO REVIEW ITS INVESTMENTS IN THE COMPANY ON A CONTINUING BASIS AND DEPENDING UPON VARIOUS FACTORS, INCLUDING WITHOUT LIMITATION, THE COMPANY'S FINANCIAL POSITION AND STRATEGIC DIRECTION, THE OUTCOME OF ANY DISCUSSIONS WITH THE COMPANY, OVERALL MARKET CONDITIONS, OTHER INVESTMENT OPPORTUNITIES AVAILABLE TO ELLIOTT MANAGEMENT, AND THE AVAILABILITY OF COMPANY SECURITIES AT PRICES THAT WOULD MAKE THE PURCHASE OR SALE OF COMPANY SECURITIES DESIRABLE, ELLIOTT MANAGEMENT MAY FROM TIME TO TIME (IN THE OPEN MARKET OR IN PRIVATE TRANSACTIONS, INCLUDING SINCE THE INCEPTION OF ELLIOTT MANAGEMENT'S POSITION) BUY, SELL, COVER, HEDGE OR OTHERWISE CHANGE THE FORM OR SUBSTANCE OF ANY OF ITS INVESTMENTS (INCLUDING COMPANY SECURITIES) TO ANY DEGREE IN ANY MANNER PERMITTED BY LAW AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO NOTIFY OTHERS OF ANY SUCH CHANGES. ELLIOTT MANAGEMENT ALSO RESERVES THE RIGHT TO TAKE ANY ACTIONS WITH RESPECT TO ITS INVESTMENTS IN THE COMPANY AS IT MAY DEEM APPROPRIATE.

ELLIOTT MANAGEMENT HAS NOT SOUGHT OR OBTAINED CONSENT FROM ANY THIRD PARTY TO USE ANY STATEMENTS OR INFORMATION CONTAINED HEREIN. ANY SUCH STATEMENTS OR INFORMATION SHOULD NOT BE VIEWED AS INDICATING THE SUPPORT OF SUCH THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN. ALL TRADEMARKS AND TRADE NAMES USED HEREIN ARE THE EXCLUSIVE PROPERTY OF THEIR RESPECTIVE OWNERS

ABOUT ELLIOTT

Founded in 1977, Elliott Investment Management L.P. (together with its affiliates, “Elliott”) is one of the oldest private investment firms of its kind under continuous management. As of June 30, 2024, Elliott manages approximately $69.7billion in assets.

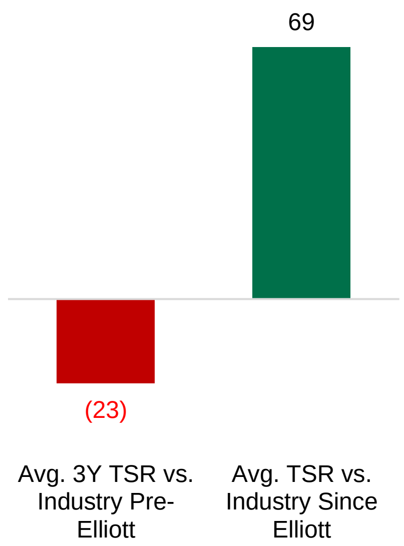
Elliott’s Approach to Investing

- **Extensive Due Diligence**: Elliott thoroughly researches each opportunity by drawing on internal and external resources
- **Team Approach:** The companies with which we engage can benefit from Elliott’s diverse team of specialized experts in shareholder engagement, corporate governance, private equity, capital markets, public relations and government relations
- **Hands-on Effort:** We believe Elliott’s strength is in catalyzing change – not just the identification, but the creation of value
- **Industry Focus:** We work to develop deep sector knowledge and become a trusted partner to companies, boards and management teams

Elliott’s Energy Experience

- Elliott has invested considerable capital into the energy sector globally
- Investment experience spans public and private investments across various energy sectors
- Elliott’s private energy portfolio includes assets across the Permian, the Marcellus, the MidCon and the Gulf of Mexico

TSR of Elliott’s Recent Energy Investments(1)



Representative Investments

devon | HESS | MARATHON | NiSource | nrg | QEP RESOURCES | Sempra Energy | SUNCOR

Source: Bloomberg as of 2/7/25.

1) “TSR of Elliott’s Recent Energy Investments” represents the average total shareholder return (“TSR”) of Elliott energy & utilities investments in North America since 2017 vs. the relevant S&P 500 industry group index (e.g., S&P 500 Energy or S&P 500 Utilities) in the three years prior to public disclosure of Elliott’s investment in the target company and following public disclosure of Elliott’s investment in the target company. The target companies represent the following 12 public energy investments: Suncor Energy, Nisource, Duke Energy, DTE Energy, Centerpoint Energy, Evergy, Marathon Petroleum, Sempra, QEP Resources, FirstEnergy, Energen, NRG Energy (shown from our initial engagement in 2017).

ELLIOTT'S DUE DILLEGENCE ON PHILLIPS

We have conducted extensive due diligence on Phillips' strategy, financial performance, asset portfolio, operations and market position

- **Former Employees and Industry Executives**
  Engaged with former Phillips employees, industry executives, suppliers, customers and competitors
- **Operational Consulting Firm**
  Retained a leading operational consulting firm to help us analyze Phillips' marketing, refining and midstream operations, organization and cost structure to identify value-creation opportunities
- **Leading Energy Market Consultant**
  Worked with one of the leading midstream-focused consultants to evaluate Phillips' asset base and competitive footprint
- **Top Accounting Firm**
  Hired an industry-leading accounting firm to help us conduct a thorough analysis on feasibility and tax implications of potential transactions around Phillips' assets or a restructuring of its corporate structure
- **Global Investment Bank**
  Worked with a leading investment bank to inform our views on the competitive landscape and the value proposition of each of Phillips' business segments
- **Legal Advisors**
  Consulted with multiple top-tier law firms to analyze Phillips' corporate structure and governance practices

EXECUTIVE SUMMARY

Phillips is falling short of its potential. A streamlined Phillips would unlock significant value and create a stronger company

Valuable Assets

Phillips' assets have enviable scale and advantageous competitive positioning

- **Refining:** One of the largest refining systems in the U.S.
- **Marketing & Specialties:** Scaled fuels marketing business and production of specialty products
- **Midstream:** Vertically integrated wellhead-to-water NGL business across the Permian and DJ basins that generates stable cash flow
- **Chemicals:** World-scale petrochemical joint-venture at the low-end of the cost curve

Underperforming

This collection of assets trades at a discount to its sum-of-the-parts value. The reasons for underperformance are clear:

- **Inefficient Conglomerate Structure:** The current structure obscures the intrinsic value of the assets and results in the combined entity trading in line with its lowest-multiple segment
- **Poor Operating Performance:** The Company is falling well short of its promised ~$14bn 2025 mid-cycle EBITDA target, primarily due to weak operating performance in refining
- **Damaged Management Credibility:** Missed financial targets, acquisitions in lieu of portfolio simplification and poorly supported claims of turnaround success have led to deep skepticism. Higher 2027 targets have been set while mid-cycle EBITDA is still short of 2025 targets

STREAMLINE *66*

By executing plan "Streamline66," we believe the Company can achieve a ~$200 stock price (with the possibility of substantially more upside if Phillips is able to execute a plan similar to Marathon's)

- **Streamline Portfolio**
  - Sell or spin the Midstream business
  - Pursue a sale of Phillips' JV interest in CPChem
  - Execute plan to sell the German and Austrian JET retail business
- **Operating Review:** Commit to ambitious refining targets that reflect best-in-class performance. Target refining EBITDA/bbl in-line with VLO / MPC on a like-for-like basis
- **Enhanced Oversight:** Add new independent directors as well as a review of executive leadership

A STREAMLINED PHILLIPS 66

- 3rd Largest Independent Refiner in the US
- Full value of Midstream realized via sale or spin
- Substantial capital return opportunity

PHILLIPS 66 HAS A UNIQUE OPPORTUNITY TO DRIVE SUBSTANTIAL STOCK PRICE UPSIDE

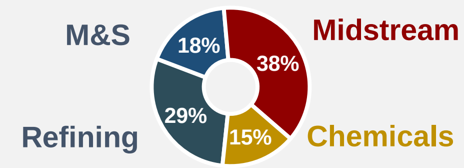
DESPITE ITS ATTRACTIVE ASSETS, PHILLIPS TRADES AT A SIGNIFICANT DISCOUNT

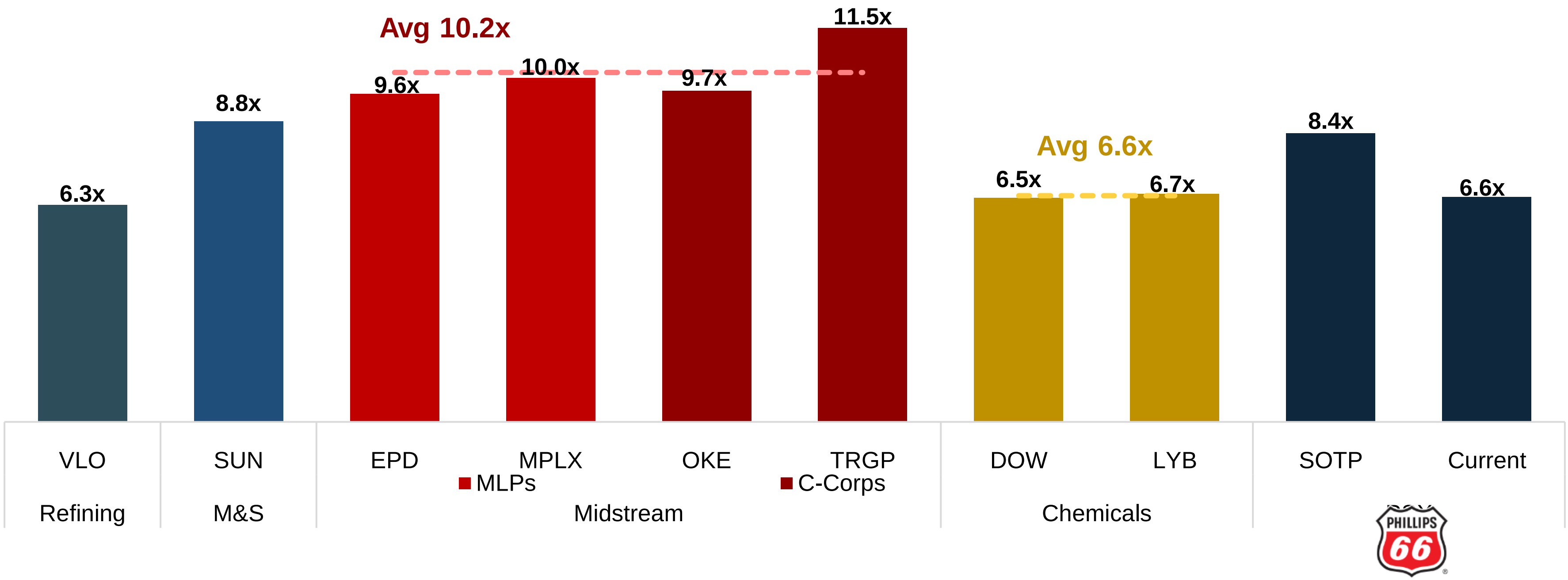
In its inefficient conglomerate structure, we believe that Phillips will continue to trade near the multiple of its lowest-valued segments and at a discount to its sum-of-the-parts value

TEV / EBITDA (2026E)

> ">70% of '25 EBITDA comes from more defensive midstream, chemicals, and marketing segments – all premium multiple businesses vs refining.
>
> Bank of America, October 17, 2024

PSX EBITDA MIX



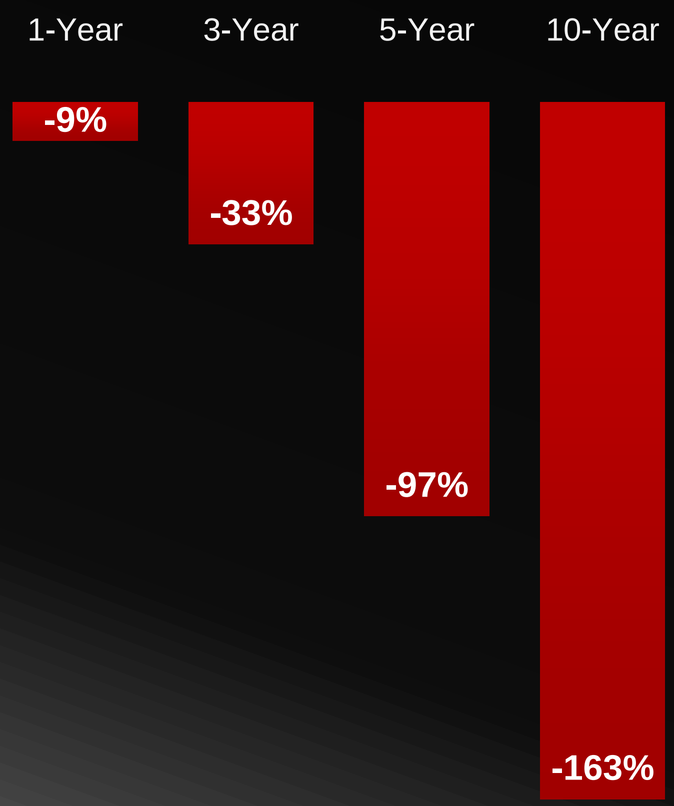


Source: Bloomberg.
Note: See appendix for valuation details. Phillips % breakdown based on % of 2026E consensus EBITDA excluding corporate. Refiner estimates exclude turnaround expense for comparability.

PHILLIPS IS DEEPLY UNDERPERFORMING

Shares have underperformed peers for more than a decade. Despite this clear market signal, Phillips has ignored the need for change and continually praises the benefits of its diversified portfolio

Phillips Cumulative Total Return vs. VLO | MPC



Clear Reasons for Underperformance

INEFFICIENT CONGLOMERATE STRUCTURE

Each business is denied the capital, investor base, focus and oversight needed to achieve its potential

POOR OPERATING PERFORMANCE

Refining operations materially underperform peers, with management's attention diverted from refining and instead focused on midstream growth

DAMAGED MANAGEMENT CREDIBILITY

Management insists that current structure is advantageous and that operating improvements have been realized

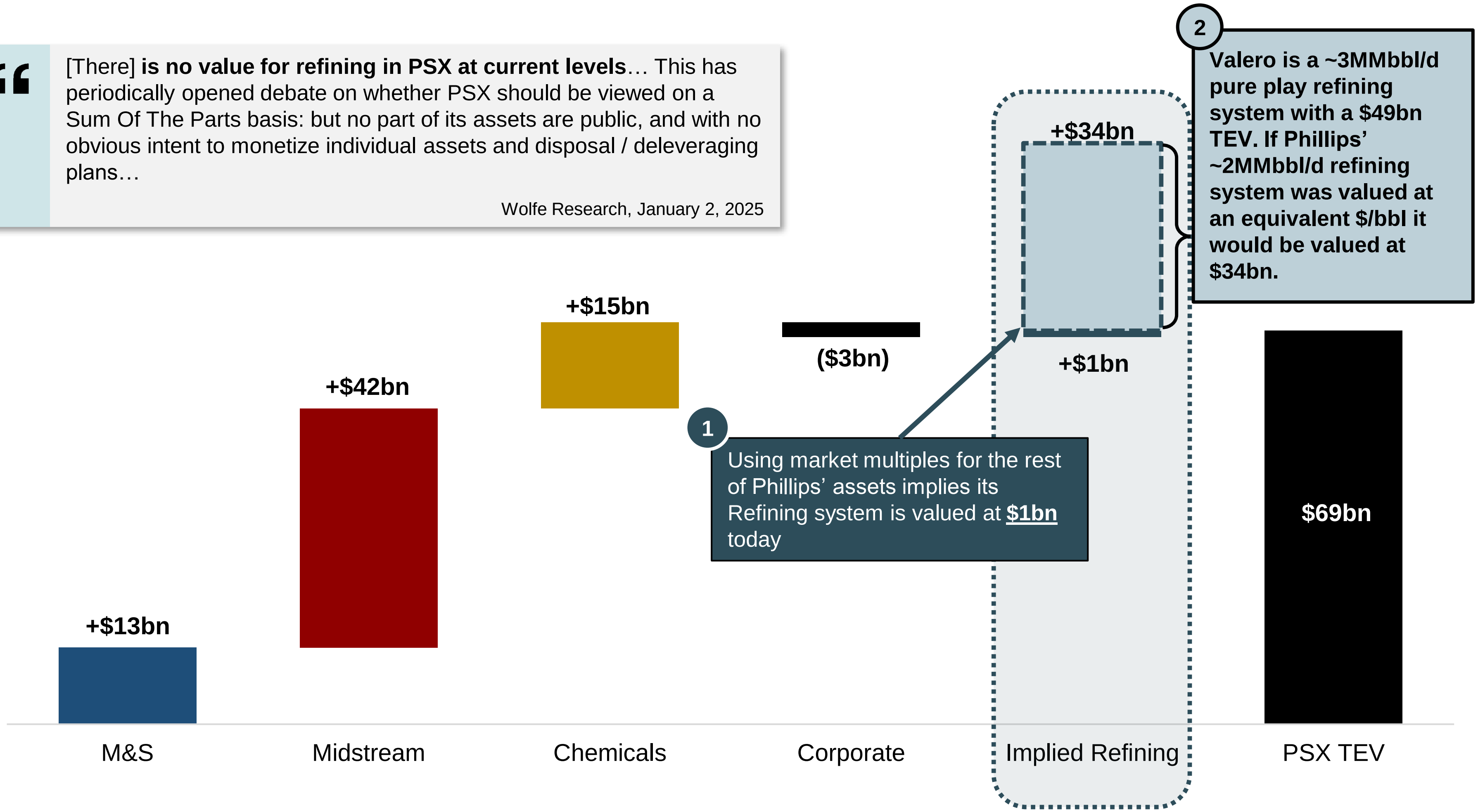
Source: Bloomberg as of 2/7/25.

PHILLIPS' CURRENT STOCK PRICE IMPLIES DE-MINIMIS VALUE FOR REFINING

Applying appropriate valuation multiples to Phillips' non-refining segments implies little value for its refining assets, despite their scale and strong competitive positioning

Enterprise Value Decomposition at Current Share Price ($bn)

> [There] **is no value for refining in PSX at current levels**… This has periodically opened debate on whether PSX should be viewed on a Sum Of The Parts basis: but no part of its assets are public, and with no obvious intent to monetize individual assets and disposal / deleveraging plans…
>
> Wolfe Research, January 2, 2025



Source: Bloomberg.
Note: See appendix for valuation details. Emphasis added.

STREAMLINE 66

Streamline Portfolio

Sell or spin the Midstream business

Pursue a sale of Phillips' JV interest in CPChem

Execute plan to sell the German and Austrian JET retail business

Operating Review

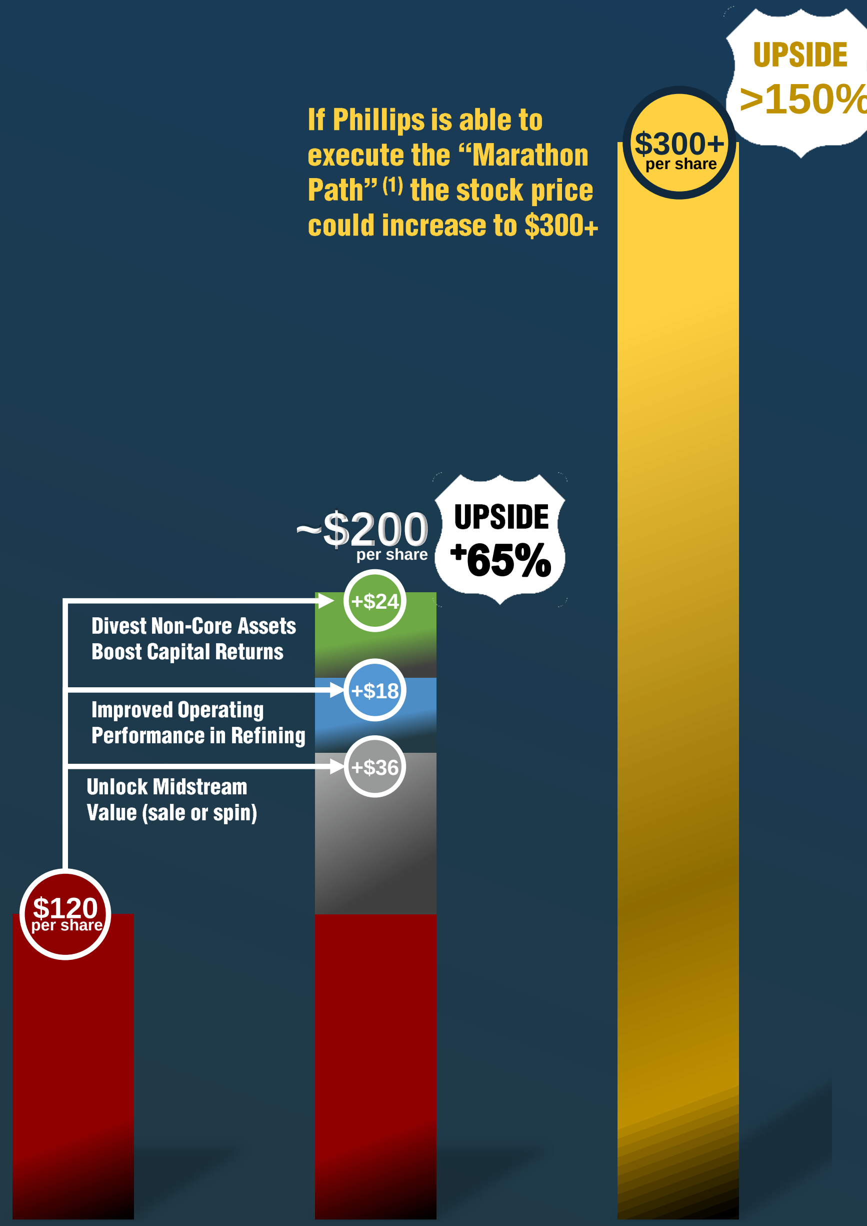
Commit to ambitious refining targets which reflect best-in-class performance

Target refining EBITDA per barrel in line with VLO / MPC on a like-for-like accounting basis

Enhanced Oversight

Add new independent directors to enhance oversight of management initiatives

Conduct a review of management to ensure the Company has the needed expertise to execute on the required refining improvements



Source: Bloomberg.

Note: Estimated potential upside based on indicative valuation calculations presented in the appendix.

1) Required assumptions for "Marathon Path" scenario can be found on slides 39 – 40.

MARATHON PETROLEUM CASE STUDY

Marathon dramatically outperformed its US refining peers after reviewing its structure and operating performance

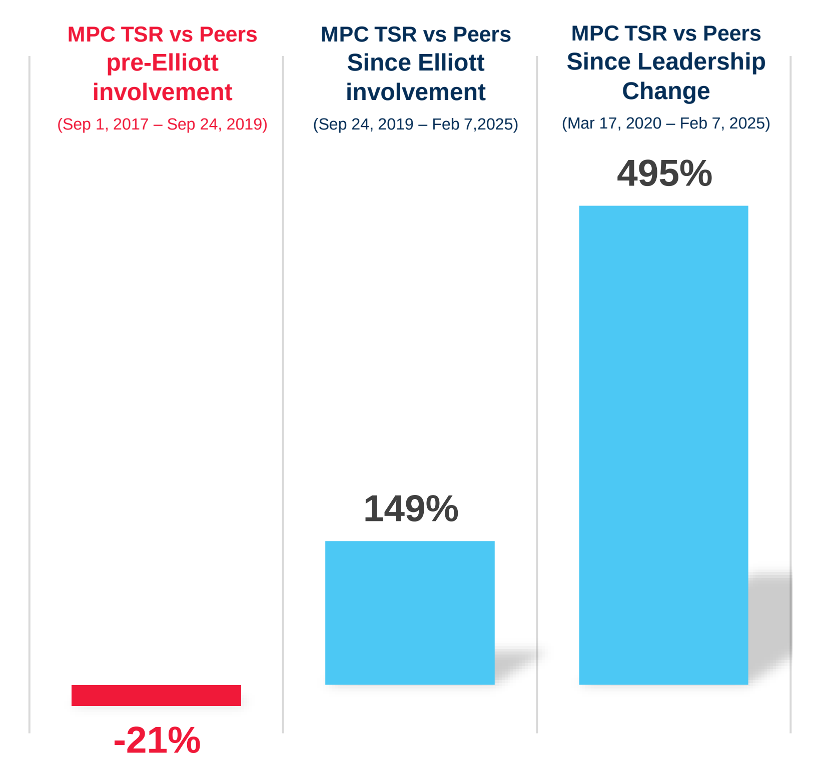
In the mid-2010s, MPC doubled down on a conglomerate model by retaining its retail operation and then acquiring Andeavor in 2018

Shareholder returns lagged peers from 2017 to 2019 on inconsistent execution following the Andeavor transaction, leading to an all-time-wide discount vs peers

MPC Board and management acted decisively to create a more focused, effective organization that has dramatically outperformed peers since mid-2019

Added new director in consultation with Elliott to strengthen governance

- Transitioned to new executive leadership
- Reduced operating costs by >US$1bn across business operations, while also improving commercial performance and margin capture
- Sold Speedway retail operations generating US$17bn in net cash proceeds and supporting a best-in-class capital return program and investment grade balance sheet



"**Under CEO Mike Hennigan, MPC has shown the most visible improvement among their peers** over the past 3 years in both reliability, unit cost and profitability."

Scotiabank, June 30, 2023

"Marathon has been **our top refining pick** since initiating on the group in June 2022. Shares have led peers, **driven by cost/ commercial improvements and peer (and energy sector) leading capital returns, funded by strong refining margins and Speedway divestiture proceeds**."

BMO, November 30, 2023

LIKE MARATHON, PHILLIPS 66 CAN BE RESTORED TO A TOP-PERFORMING ENERGY COMPANY

01
VALUABLE ASSETS

“We believe PSX's business should justify a premium valuation relative to the group, given its chemical and midstream businesses should warrant a significant multiple uplift when compared to traditional refining assets…”

Raymond James, October 27, 2023

PHILLIPS OPERATES A PORTFOLIO OF QUALITY ASSETS

Phillips' asset base is significantly undervalued, given each segment's competitive scale and positioning

REFINING

- One of the largest refining systems – 11 refineries with a combined throughput capacity of ~2MMbbl/d
- Attractive clean product yield with additional upside from valuable specialty product production (e.g., needle coke)
- Substantial trade reach across Canada and the Atlantic Basin

MARKETING & SPECIALTIES

- ~7,300 branded U.S. and ~1,700 branded international locations for placement of refined products
- Highly cash-flow generative asset base with capex approximately 5-10% of EBITDA

MIDSTREAM

- Vertically integrated wellhead-to-water NGL business across the Permian and DJ basins
- Stable cash flow generation from long-haul crude and product pipelines as well as terminals and storage assets
- Benchmarks well to other large-cap integrated NGL and refined product peers trading between ~10-12x EBITDA

CHEMICALS

- 50% interest in CPChem joint venture with Chevron
- One of the largest global producers of olefins and polyolefins at the low end of the global cost curve
- Highly cash-flow generative JV with no investment required from Phillips since formation in 2000

THIS PORTFOLIO IS UNDERVALUED IN THE CURRENT STRUCTURE

Note: This presentation combines the Company's Refining and Renewable Fuels segments under one title of Refining.

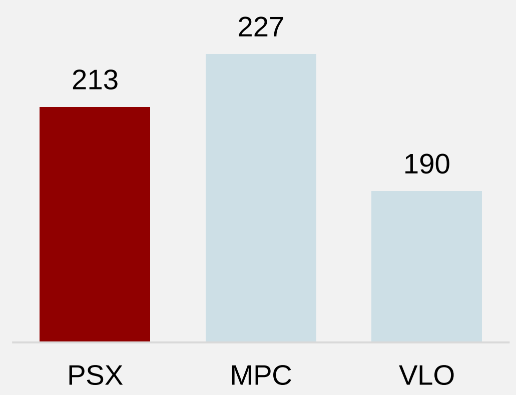
REFINING: THIRD-LARGEST INDEPENDENT REFINING SYSTEM IN THE U.S.

Phillips' refining assets have substantial scale and flexibility, affording it high reliability and strong earnings potential under the proper management

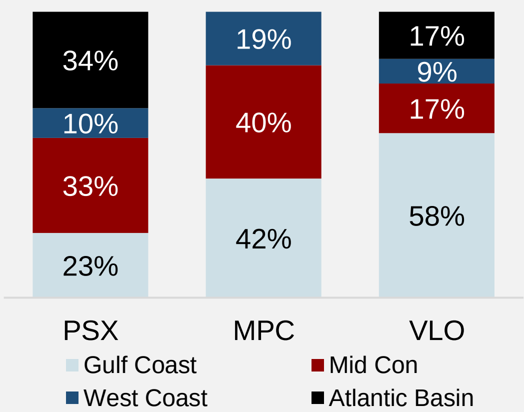
World-Scale Refining System with Substantial Competitive Advantages

- **~2MMbbl/d** refining system with 11 refineries
- Geographic and product diversity, allowing for **resiliency across all market environments**
- **Scaled asset base**, allowing for **world-scale export capacity and spreading of fixed costs**, adding to earnings resiliency
- **Flexible refining kit**, allowing for **opportunistic use of low-price crudes** and increasing netbacks

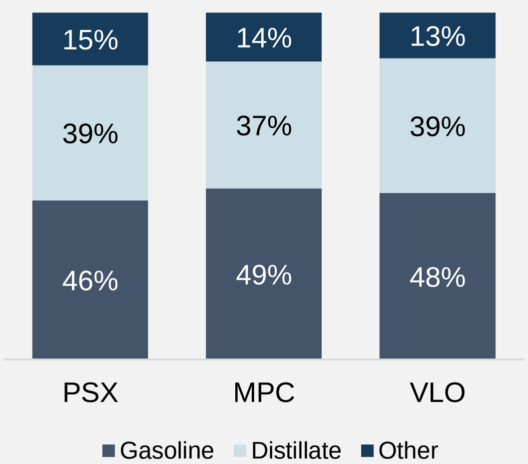
Average Refinery Size (kbbl/d)[1]



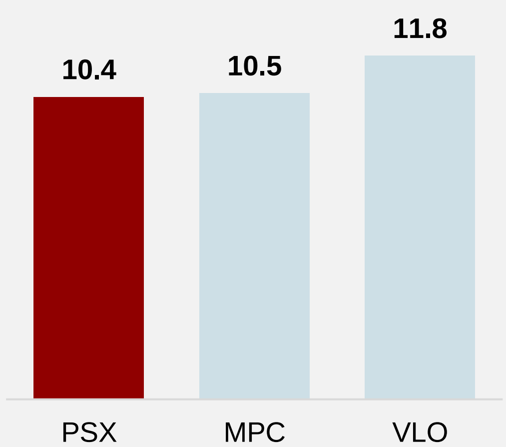
Capacity by Region[1]



Product Mix



Nelson Complexity Index[2]



Source: Company filings, websites and Oil and Gas Journal.
Note: Phillips' refinery statistics include the LA Refinery which is planned for closure in 2H 2025. All metrics exclude impacts from renewable diesel facilities.
1) Refinery size, capacity and weighting based on crude capacity. Size based on full capacity of each refinery, not PSX's equity share.
2) Reflects weighted average Nelson Complexity Index (NCI) across the entire portfolio based on crude capacity weighting. Complexity is a measure of operational sophistication and the ability of the combined units in a refinery system to process a wider range of inputs into a wider range of outputs. A higher NCI score denotes greater complexity.

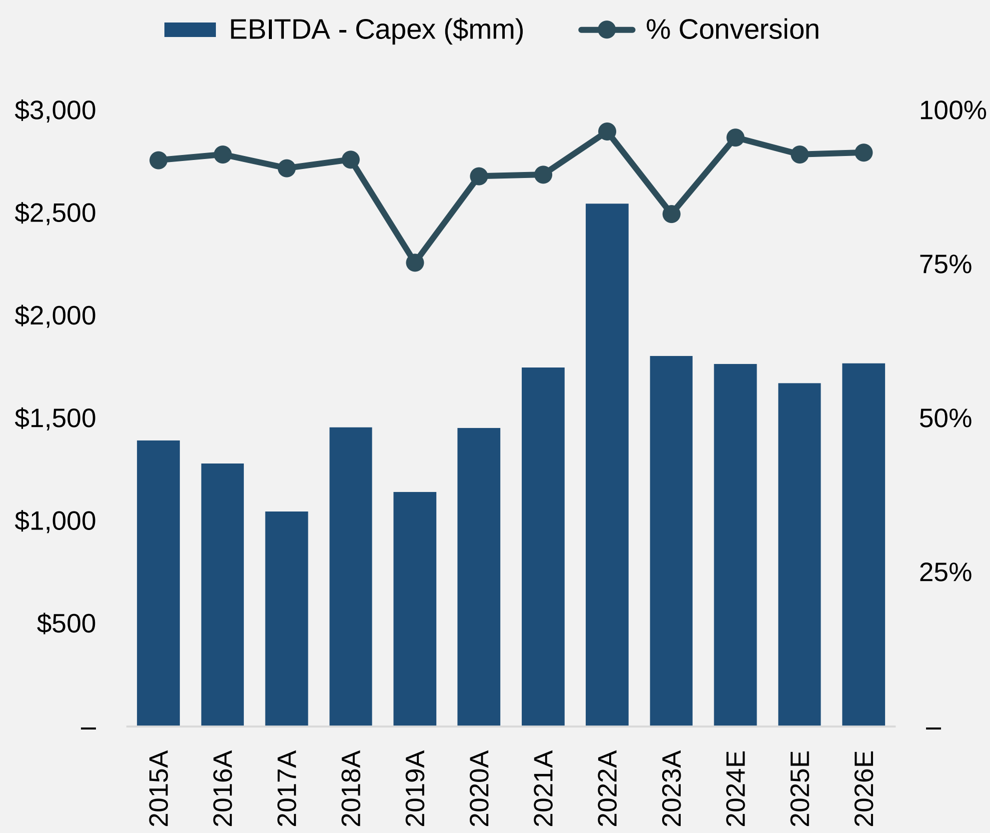
MARKETING & SPECIALTIES: STABLE, HIGHLY CASH FLOW GENERATIVE BUSINESS

Business markets refined products across ~7,300 branded U.S. and ~1,700 branded international outlets, generating substantial free cash flow while requiring limited capital investment

- Marketing **helps deliver optimal refined product placement** in the U.S. and Europe across gasoline, diesel and aviation fuel
- Portfolio of attractive retail logos across the U.S. and Europe with **brand value**
- Company-owned German and Austrian retail business under the JET logo is currently being marketed at a "**potential value of $3bn assuming a 10x multiple**" according to sellside estimates[2]
- Manufacturing and sale of high-margin specialty lubricants and other base oils, including Phillips' 50% stake in Excel Paralubes

Portfolio of Attractive Retail Brands

Strong Free Cash Flow Generation[1]



Source: Logos per Phillips' latest investor presentations.
1) Conversion refers to segment EBITDA – Capex divided by segment EBITDA.
2) Wolfe Research, January 2, 2025.

MIDSTREAM: HIGHLY ATTRACTIVE NGL, CRUDE & PRODUCTS PLATFORM

Fee-based, recurring EBITDA with favorable market exposure. We see >$40bn in standalone value

NGL BUSINESS

~65% of EBITDA

Wellhead-to-market NGL system focused on the Permian and DJ basins

- ✓ Midland and Delaware G&P with long-haul takeaway and export-by-water capacity
- ✓ Dominant DJ G&P position with estimated ~50% market share and a >$1.00/MMBtu higher rate vs. other basins
- ✓ Substantial long-haul pipeline infrastructure connecting both Permian and DJ assets to the Gulf Coast
- ✓ Flexible fractionation footprint across Conway, Mont Belvieu and Sweeny
- ✓ NGL export capacity at Sweeny Hub allowing for shipping overseas

TRANSPORTATION

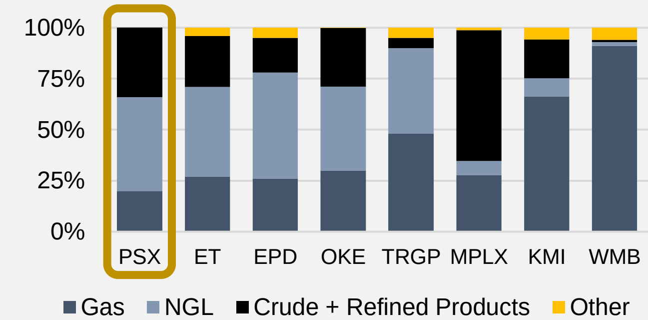
~35% of EBITDA

Network of crude and refined product pipelines, tanks and terminals

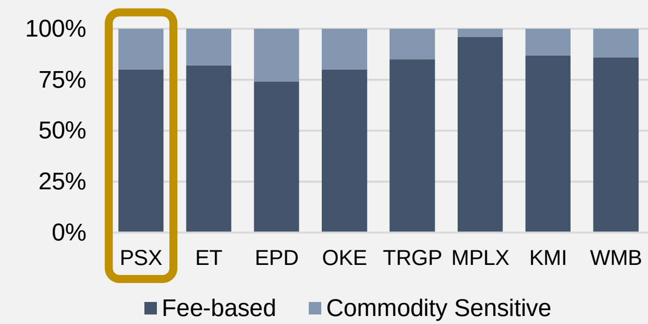
- ✓ Bakken Pipeline (DAPL + ETCOP), Explorer Pipeline, Gray Oak, Bayou Bridge
- ✓ Expansive system of refined product terminals and storage
- ✓ Multiple marine, rail and petroleum coke loading and offloading facilities
- ✓ Majority of EBITDA comes from assets with substantial 3rd party exposure, rather than exclusively servicing Phillips refining assets
- ✓ Almost entirely fee-based earnings (>95%)

ATTRACTIVE EARNINGS STREAM IN-LINE WITH HIGHLY VALUED PUBLIC MIDSTREAM PEERS(1)

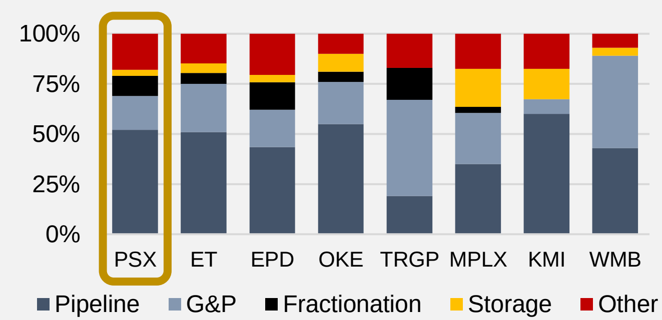
PRODUCT DIVERSIFICATION



FEE-BASED EARNINGS



ASSET MIX (% of EBITDA)



Source: Elliott estimates and third-party energy market consultant views.

1) Phillips data reflects Phillips' Midstream segment based on publicly available data and estimates. Percent contribution based on estimated 2025E EBITDA contribution.

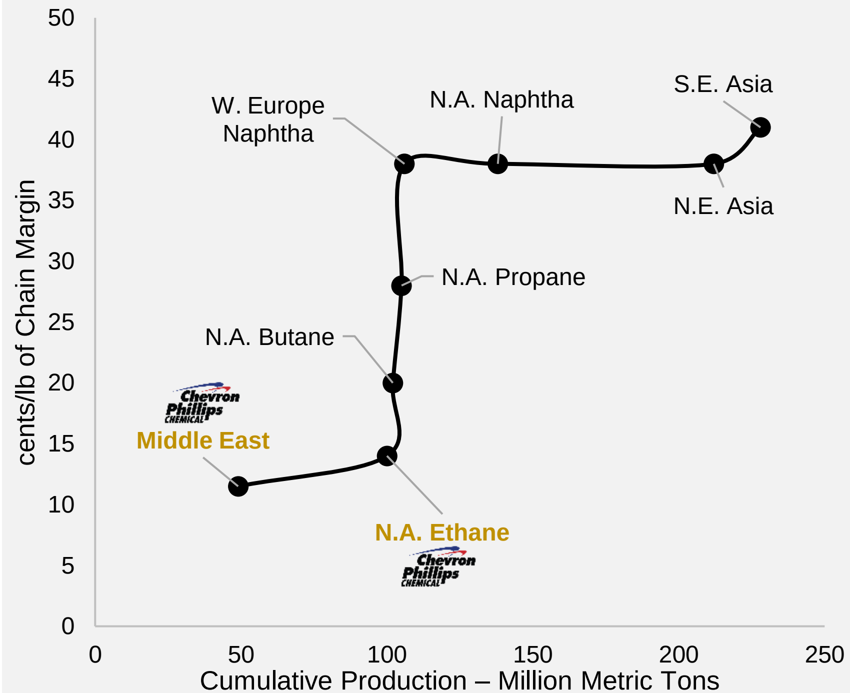
CHEMICALS: WORLD-SCALE ASSETS ON THE LOW END OF THE GLOBAL COST CURVE

Phillips' CPChem joint venture with Chevron is a world-scale, low-cost, highly strategic producer of olefins and derivatives, creating a business unit that has always been free cash flow positive throughout the cycle

- 50% equity investment in CPChem, which owns or holds interest in **~30 chemical manufacturing facilities**
- Produces and markets **ethylene and other olefin products with ~19 MMTA of capacity** with diverse end-market exposure
- Assets economically resilient running **~95% advantaged feedstocks**, placing CPChem at the **low end of the global ethylene cost curve**
- **+3.2 MMTA of growth coming in 2026** from new Golden Triangle Polymers and Ras Laffan Petrochemicals projects
- CPChem **deserves a premium valuation** to public peers Dow and LyondellBasell due to exclusively low-cost facilities and no disadvantaged European capacity

> Consistent with prior statements, **CVX could be interested in acquiring the other 50% of the CPChem JV** if the opportunity were presented at an acceptable valuation.
>
> Wells Fargo, November 30, 2023

Phillips Disclosed Ethylene Cost Curve (cents/lb)



THIS BUSINESS WOULD LIKELY ATTRACT SIGNIFICANT INTEREST FROM THE EXISTING JV PARTNER OR ANOTHER BUYER

Source: '19-'23 average ethylene production cost curve per Phillips Investor Presentation.
Note: Emphasis added.

02
UNDERPERFORMING

"Investors are hesitant to believe PSX will improve refining operations given poor operations since Covid and limited benefits from its 2019 cost improvement program."

TD Cowen, December 4, 2023

PHILLIPS UNDERPERFORMS ITS CLOSEST PEERS AND BENCHMARKS

Phillips Cumulative Total Shareholder Return Relative to Peers (%)

	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year	10 Year
vs. MPC	(5.5)	(1.9)	(52.4)	(155.6)	(159.6)	(121.3)	(124.6)	(197.0)	(408.0)	(188.3)
vs. VLO	(12.3)	20.3	(14.0)	(57.5)	(33.9)	(39.6)	(34.3)	(77.3)	(122.3)	(137.5)
vs. 2023 Performance Peer Average[1]	(25.7)	(0.1)	(15.2)	(63.6)	(64.7)	(51.7)	(50.7)	(47.8)	(239.2)	(5.9)
vs. S&P 100[2]	(29.3)	(4.6)	(19.8)	(78.5)	(78.5)	(66.7)	(65.2)	(62.5)	(267.1)	(21.4)
vs. S&P 500	(34.1)	(10.5)	(26.0)	(92.5)	(93.1)	(83.9)	(80.1)	(74.4)	(303.4)	(34.6)

HOW CAN MANAGEMENT CONTINUE TO ASSERT THE ADVANTAGES OF THIS STRUCTURE WITH THESE RESULTS?

Source: Bloomberg as of 2/7/25.
1) Performance peers are used to evaluate relative TSR performance for the Company's Performance Share Program; performance peers include DK, DINO, MPC, PBF, VLO, MPLX, OKE, TRGP, WMB, DOW, LYB, and WLK.
2) The Company uses the S&P 100 as one of its relative TSR performance benchmarks.

DRIVERS OF UNDERPERFORMANCE

Phillips' **problems originate from its inefficient conglomerate structure,** which **obscures value** and **hinders operational performance**. These issues are compounded by Phillips' leaders who insist that shareholders benefit from its structure and that operating improvements have materialized, despite evidence to the contrary

INEFFICIENT CONGLOMERATE STRUCTURE

- Mismatched value proposition for midstream and refining investors leads to permanently suppressed valuation vs. business mix
- Mutually exclusive capital allocation expectations between refining investors seeking capital returns and midstream investors seeking growth
- Incongruent capital structures: over-levered as a refiner, under-levered as a midstream business

POOR OPERATING PERFORMANCE

- Refining profitability continues to lag peers VLO and MPC, and operating expenses continue to run high
- Phillips meaningfully missed mid-cycle EBITDA targets; results have yet to validate the supposed turnaround "success" story
- Management focus is clearly on the midstream business – leaving the operating-improvement opportunity in refining as an afterthought

DAMAGED MANAGEMENT CREDIBILITY

- Management's public commentary suggests that (a) investors benefit from its conglomerate structure and (b) the Company has achieved its stated operating goals. **Neither claim is true**
- Investors now ignore management's targets given the history of broken promises
- Commitments to return capital and pay down debt have been followed by dilutive midstream M&A instead

PHILLIPS TRADES LIKE A REFINER, WITH NO CREDIT FOR ITS MIDSTREAM BUSINESS

Since our engagement in late 2023, it has become clear that the Company's midstream assets will not receive full value in the current structure

Share Price Performance vs. Refining and Midstream Peers since Elliott Letter[(1)]

> We're not just a refining company. We shouldn't be viewed just through a refining lens, whether it's our balance sheet or whether it's our earnings and earnings volatility. **We are diversified on purpose.**
>
> Mark Lashier, January 7, 2025

Despite ~40% of EBITDA coming from attractive midstream assets, Phillips continues to trade like a refiner, missing the value uplift in the midstream space over the last year

Source: Bloomberg.
Note: Emphasis added.
1) Refining peers reflect Valero and Marathon; midstream peers reflect Enterprise Products, MPLX, ONEOK, and Targa. Performance shown since November 29, 2023, the date of the publication of Elliott's letter.

PHILLIPS' REFINING AND MIDSTREAM BUSINESSES DO NOT FIT TOGETHER

Refining and midstream have contrasting risk/return propositions, with weak capital returns vs. refiners and poor growth vs. midstream

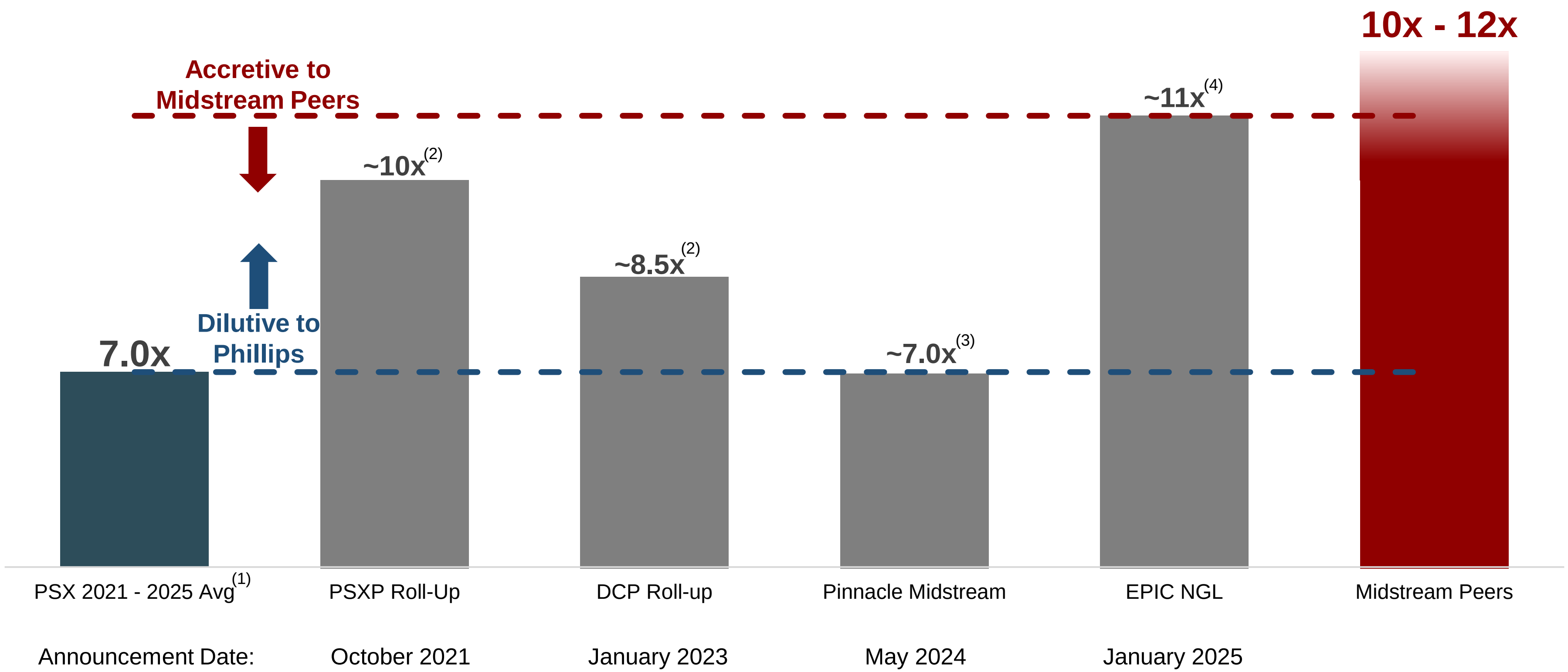
	REFINING	MIDSTREAM	PHILLIPS TODAY
Industry Appeal	Exposure to **refining cracks**	**Long-term, stable growth**	✖ Poor upside exposure to cracks ✖ Lack of growth; negative EPS last quarter[1]
Capital Allocation	**Growth capex discouraged**; ~100% FCF payout expected	**Accretive M&A and growth capex are rewarded**	✖ Investors fear additional midstream M&A ✖ Payout ratio target at 50% of OCF lags peers
Growth Profile	**Limited asset growth;** FCF per share growth focus	**Mid-single-digit annual EBITDA growth**	✖ Outsize capex reinvestment rate vs. refiners ✖ Growth lags midstream peers
Balance Sheet	**~1x leverage** Meaningfully constrained by volatility	**3-4x leverage** Investors support balance-sheet utilization for growth	✖ 2.1x leverage is higher than refining peers and midstream has no debt capacity
Valuation Range[2]	**~6-7x**	**~10-12x**	**~6-7x**

Source: Bloomberg.
1) 4Q24 EPS of ($0.15).
2) Based on 2026E multiples.

INVESTORS DISLIKE MIDSTREAM M&A IN THE CONGLOMERATE STRUCTURE

Phillips' weak conglomerate multiple has made recent midstream acquisitions dilutive on a TEV / EBITDA basis. These deals would have been accretive to a standalone Phillips midstream company

Midstream Acquisition TEV / EBITDA Multiples vs. Phillips Trading Multiple (excl. TAR)



PHILLIPS' STRATEGY OF BUYING ITS WAY TO A HIGHER MULTIPLE HAS FAILED

Source: Bloomberg.
1) Reflects Phillips' average FY1 TEV/EBITDA multiple between October 27, 2021, which is the date the PSXP transaction was announced, and February 7, 2025.
2) Based on sellside research estimated transaction multiples at the time of transaction announcement for PSXP and at transaction agreement (post-price increase) for DCP.
3) Based on Company disclosures.
4) Estimated current EBITDA multiple based on latest S&P credit report, rather than PSX's reported Q4 2026 synergized number.

ANALYSTS SEE TRAPPED VALUE, BUT MANAGEMENT HAS REFUSED TO TAKE ACTION

"…[D]o you ever see a situation where midstream is somehow separated or is a standalone business? … just in terms of the scale, the importance and maybe the failure of the market to recognize the value in your structure …"

Wolfe Research
Q4 2024 Earnings Call

"…[W]e believe we can create more shareholder value by keeping the midstream business integrated…"

Mark Lashier
Q4 2024 Earnings Call

"…[T]he question we often get is, **can you get full credit for the value of a midstream business that should deserve, a much higher multiple embedded in a diversified company that's often perceived to be a refining company**?

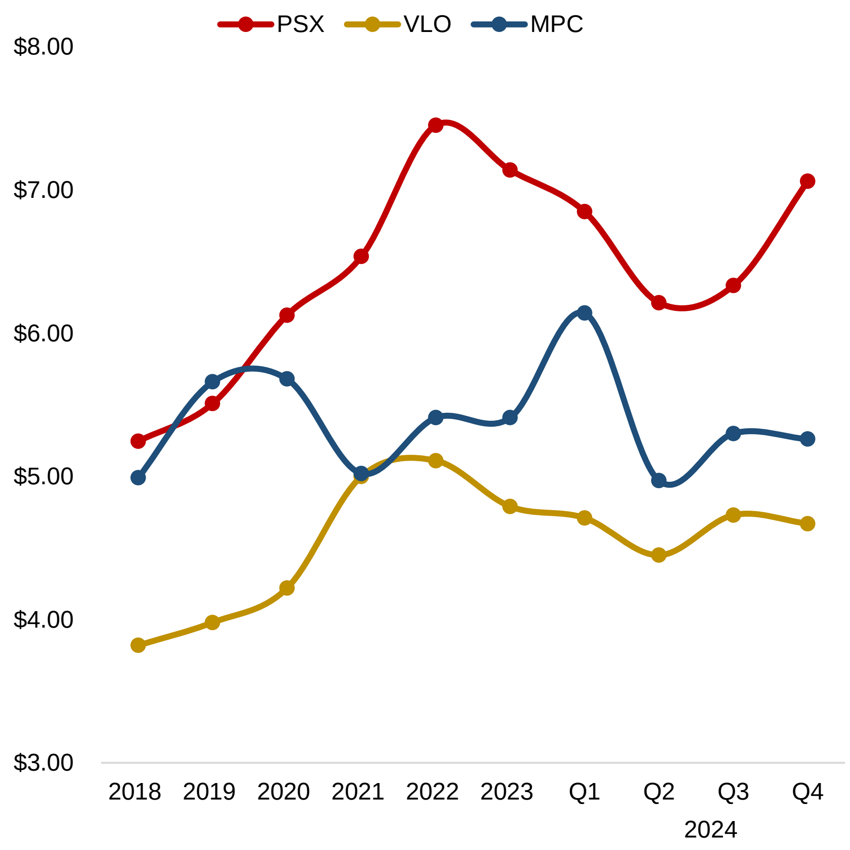
Goldman Sachs, January 7, 2025

Note: Emphasis added.

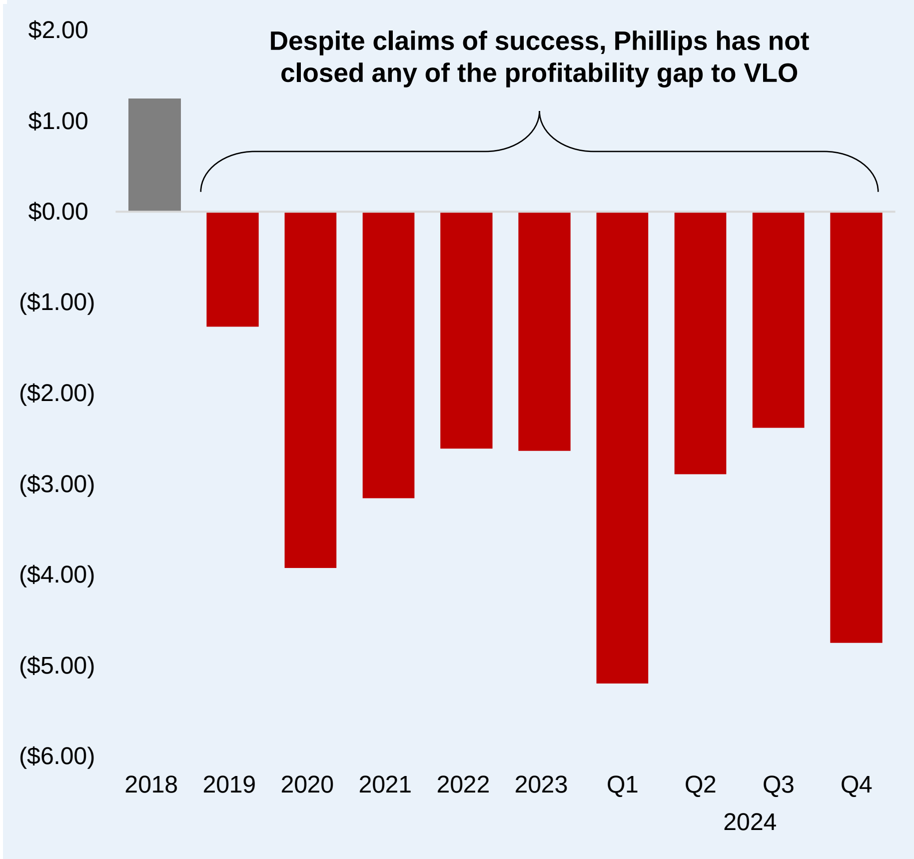
DESPITE CLAIMS OF TURNAROUND SUCCESS, PHILLIPS REFINING STILL LAGS PEERS

Phillips remains the clear laggard versus peers VLO and MPC, with recent Q4 '24 EBITDA per barrel exceptionally weak on a relative basis

Operating Expense per Barrel (excl. TAR) ($/bbl)



EBITDA per Barrel (excl. TAR) Spread to VLO ($/bbl)



Note: Phillips and Valero Refining EBITDA based on definitions in the appendix. Utilizes most recent re-casting.

LAGGING PROFITABILITY IS A SYMPTOM OF MANAGEMENT DYSFUNCTION

Our discussions with industry experts suggest Phillips needs to dramatically improve its commercial function and reduce refining costs to achieve best-in-class operating results

COMMERCIALLY INEFFICIENT

- **Trading organization viewed as "unsophisticated"** relative to experience with other leading refiners
- **"Price-taker" approach** vs. profit-center approach to crude procurement
- **Traders not compensated appropriately** to drive entrepreneurial thinking, leading to talent flight

BLOATED COST STRUCTURE

- Cost savings targets set against artificially high baselines allow for gaming success yet **never deliver results to the bottom line**[1]
- **Extraneous overhead in the back and middle office and research departments creates unnecessarily high costs**
- Complex structure has led to elevated opex and capex spending, as well as **disparate IT systems across regions**

LACK OF REFINING EXPERIENCE

- **Corporate leadership does not have the requisite refining background**
- The Company relies on management consulting firms to improve operations. Industry experts have suggested that **external consulting firms are leading the Phillips turnaround**

1) Baseline year of 2022 had elevated opex due to high natural gas prices. We estimate 65% of claimed opex reductions were driven by natural gas price reductions rather than fundamentally lower costs. See 'Impact of Natural Gas Prices on PSX Opex/bbl Declines' calculation on slide 49 in the appendix.

PHILLIPS RELIES ON CONSULTANTS INSTEAD OF BUILDING INTERNAL COMPETENCE

A consistent set of themes have emerged from our conversations with experts, including former employees:

Phillips Makes Liberal Use of Consultants…

- At any given time, **multiple management consulting firms engaged across multiple business segments**
- **Use of consultants common at CPChem, has spread to the rest of the business units after Lashier joined Phillips**
- Given the lack of refining expertise in-house, **consultants used to help run the organization and improve operations**

…Resulting in the Proliferation of Straw-Man Cost Initiatives

- **Consultants set targets that can be gamed**
- Rather than actually lowering the cost base, **consultants define success as reducing costs from initial supplier quotes**
- **Employee compensation plans are aligned with the consultant's rubric**, incentivizing employees to deliver on illusory savings rather than real cost cuts
- **Management claims cost cuts, but improvements never 'hit the bottom line'**

THE COMPANY'S FINANCIALS IMPLY NEARLY $300MM OF SPENDING ON CONSULTANTS SINCE 2022[1] WHICH SEEMS TO HAVE DELIVERED LITTLE TANGIBLE BENEFIT

Note: Based on interviews with former employees and other industry participants.
1) Phillips' Earnings Supplement shows $177mm and $115mm of business transformation restructuring costs in 2023 and 2022, respectively (excluding a held-for-sale asset impairment). Footnotes in the financials describe these figures as "primarily due to consulting fees."

PHILLIPS HAS AGAIN FAILED TO DELIVER ON ANALYST DAY INITIATIVES

Regardless of their recent claims of success, the Company is nowhere near meeting its 2022/23 Analyst Day Targets, repeating the failure of Phillips' 2019 "AdvantEdge66" cost-cutting initiative

2022/2023 ANALYST DAY INITIATIVES

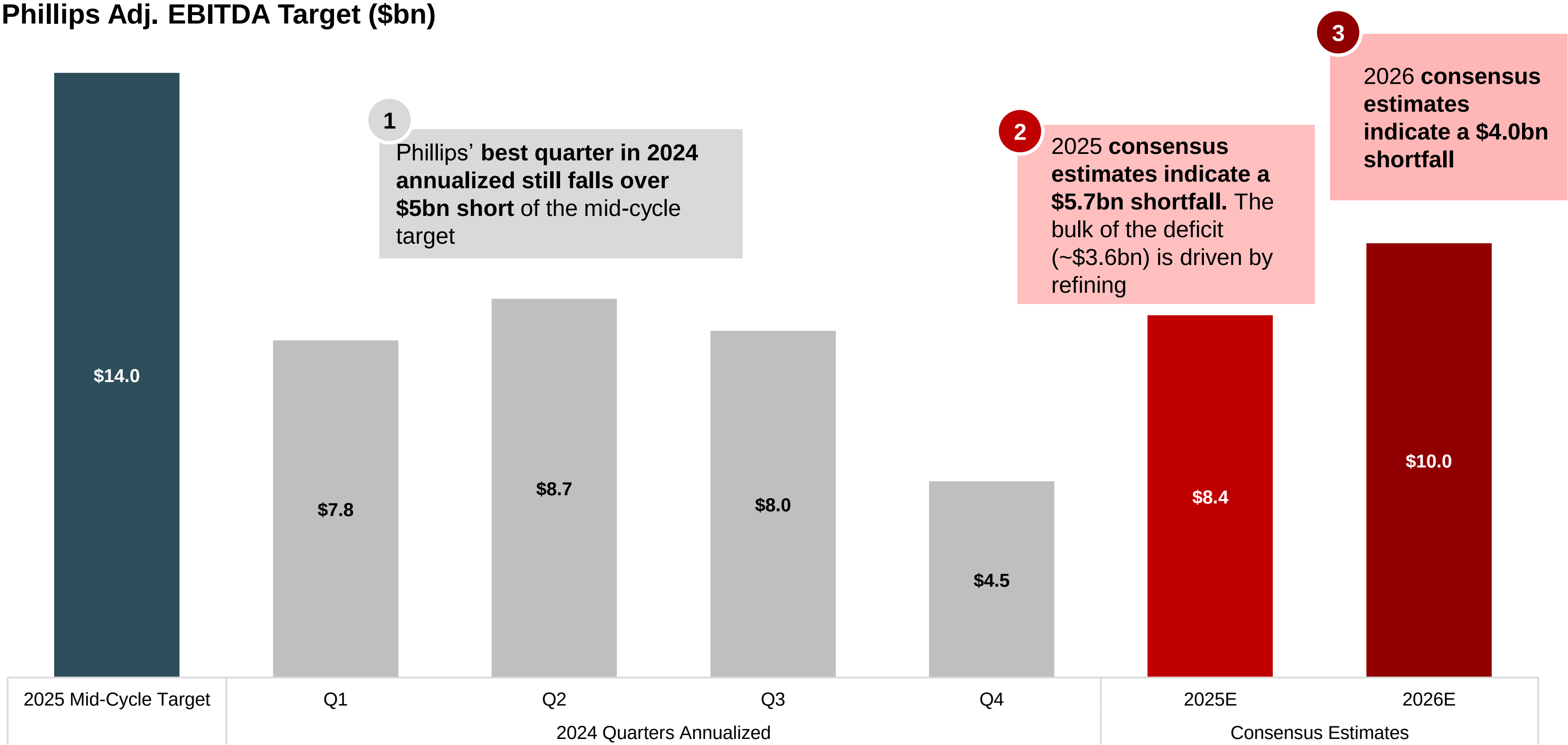
	DELIVER ON PROFIT TARGETS	DRIVE ACCRETIVE GROWTH	IMPROVE CAPITAL RETURNS
Promises	● Deliver $14bn of Adj. EBITDA at mid-cycle pricing by 2025 ● Remove $1/ bbl of refining opex ● Increase refining capture by +5%	● Execute on major growth capital expenditures to accelerate growth ● Execute on Rodeo Renewed	● Divest >$3bn of non-core assets ● Direct the proceeds to increased shareholder returns and debt reduction
Reality	✖ **Materially below EBITDA target** despite management's claimed success ✖ **No analyst EBITDA estimates for 2026-2027 are close to ~$14bn**[1] ✖ **Still a material laggard vs. peers VLO and MPC** on opex and EBITDA / bbl ✖ **We estimate 65% of claimed opex reductions were driven by natural gas price reductions** rather than fundamentally lower costs[2]	✖ **Rodeo Renewed** project returns are substantially weaker than what was communicated to investors **due to delays, material cost overruns and overestimated renewable diesel margins** ✖ Acquiring midstream assets at **multiples that are dilutive in the current structure**	✖ **Divestiture proceeds were recycled into acquisitions rather than used to repurchase stock or pay down debt**

1) Based on Bloomberg consensus estimates with an average excluding turnaround expenses of ~$10.4bn.
2) See 'Impact of Natural Gas Prices on PSX Opex/bbl Declines' calculation on slide 49 in the appendix.

THE COMPANY HAS FALLEN SHORT OF ITS 2025 MID-CYCLE EBITDA TARGETS…

Phillips is far from achieving its 2025 mid-cycle EBITDA target, with analyst's 2026 estimates signaling a major shortfall – despite consensus assuming a reasonable mid-cycle price environment

Phillips Adj. EBITDA Target ($bn)



How can management claim success?

"We've completed the strategic priorities that we laid out in 2022, enhanced in 2023 and committed to achieving by the end of 2024.

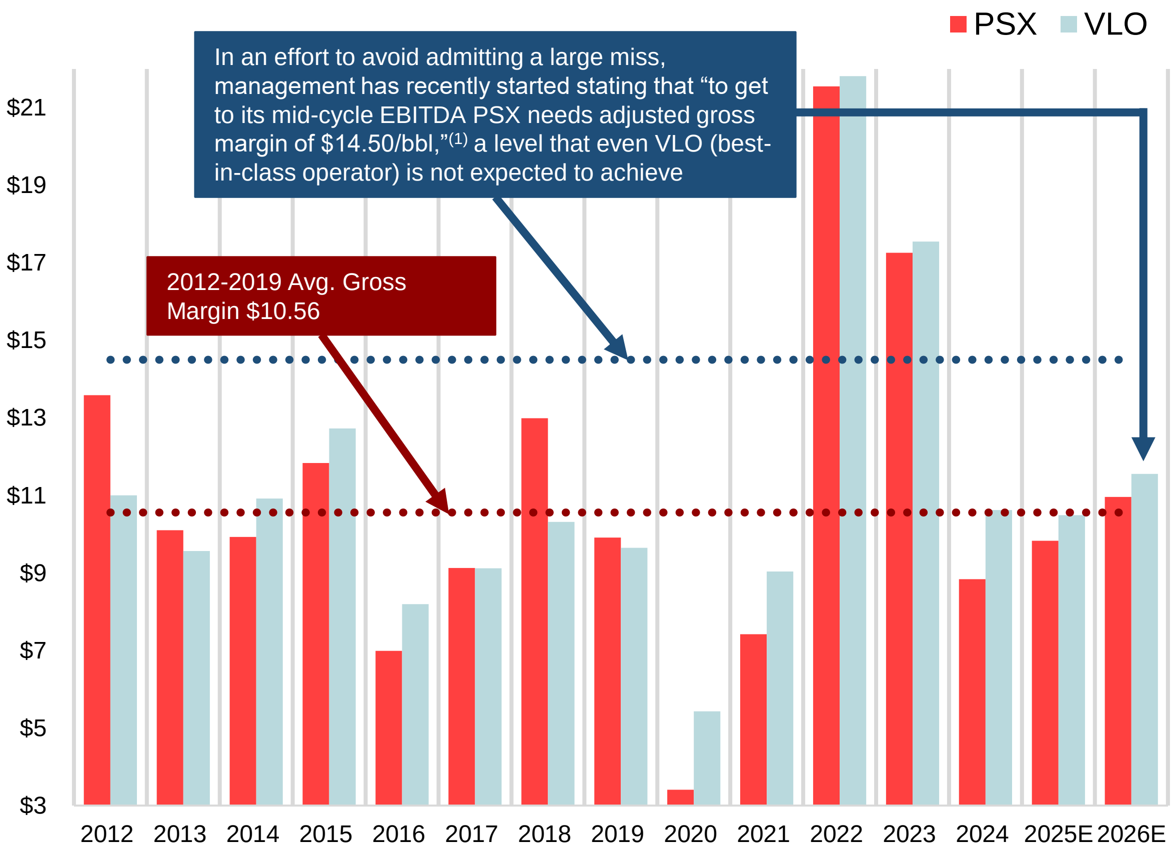
Mark Lashier, Q4 2024 Earnings Call

Source: Bloomberg.
Note: Refining EBITDA presented here is inclusive of turnaround expenses to align with management definitions. See appendix for calculation details.

…FALSELY BLAMING THE SHORTFALL ON THE MARKET ENVIRONMENT

Management is citing the crack environment for the shortfall in forward estimates, despite consensus estimates for 2026 assuming the same 2012-2019 average Phillips used for original mid-cycle goals

Phillips & Valero Refining Gross Margin per Barrel ($/bbl)



> …[We] designed our mid-cycle methodology around the 2012 to 2019 time frame. You had cycles of strong margins and weak margins during that period of time.
>
> Phillips 66 IR, March 14, 2024

> Q: …[W]hen you look at the differences... between Wall Street and that $14 billion, where do you think the biggest delta still are? Is it chems? Is it refining?
>
> A: The biggest delta is in refining and well below mid-cycle refining environments baked into the '25, '26 outlook…
>
> Mark Lashier, January 7, 2025

Source: Bloomberg.
Note: See appendix for definitions.
1) As reported in UBS's December 16, 2024 research note sharing a summary of Phillips management commentary during a sellside dinner. Other accounts from the dinner report the $14.50/bbl being an PSX Indicator Margin target. If Phillips stated a $14.50/bbl indicator margin, the needed realized gross margin would still be around $14.50/bbl.

BEST-IN-CLASS COMPANIES SET TRACKABLE TARGETS THAT DRIVE ACCOUNTABILITY

SUNCOR — High-Performing Company Executing a Turnaround

1

Set **targets that appear in the 'bottom line'** of the financials

Free Funds Flow is a cash flow metric that appears in financials

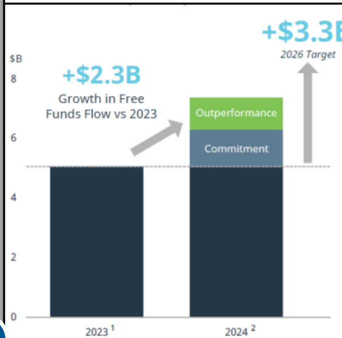
2

Provide **sufficient disclosure** to track progress

Suncor provides detailed disclosure to normalize results for commodity price moves

Suncor Investor Presentation

2024 Free Funds Flow normalization



- Record upstream and downstream volumes
- US$7/bbl WTI breakeven reduction in 2024
- Achieved $8B Net Debt ahead of target
- Shifted to 100% return to shareholders in Q4
- $5.7B shareholder returns (8.8% cash yield)

	Business Environment				
	US$75 WTI	Actual	Delta	AFFO Sensitivity (C$M)	AFFO Impact (C$M)
WTI (US$/bbl)	75.00	75.70	(0.70)	200	(140)
SYN-WTI (US$/bbl)	2.50	(0.60)	3.10	50	155
WCS-WTI (US$/bbl)	(16.00)	(14.70)	(1.30)	10	(13)
NYH 2-1-1 (US$/bbl)	27.00	22.90	4.10	150	615
AECO (C$/GJ)	3.00	1.35	1.65	(150)	(247)
FX (US$/C$)	0.74	0.73	0.01	(230)	(230)
		AFFO Business Environment Adjustments			140
		Additional Fort Hills Tax Benefits in FY2024			(130)
		AFFO – reported			13,846
		AFFO – normalized			13,856
		Capital Expenditures (incl. capitalized interest)			(6,483)
		2024 Free Funds Flow – normalized			**7,373**

" **Volumes delivery**, **asset utilization** and **cost management**, each require **discipline**, **determination**, **attention to detail** and a mindset that **every barrel and every dollar matter**. That is the mindset and culture of today's Suncor.

Rich Kruger, Suncor CEO, February 6, 2025

PHILLIPS 66 — Underperforming Company Acting Without Sufficient Urgency

Phillips Investor Presentation

Execute Business Transformation

- Business transformation run-rate savings of $1.5 B
- $1.2 B run-rate cost reductions; $0.3 B sustaining capital efficiencies

1

Celebrates amorphous cost savings that don't hit the bottom line

Indicators

The PSX Worldwide Refining Indicator is weighted based on regional crude capacities. Regional product yields and crude percentages are intended to provide a market indicator and not intended to reflect actual results including configuration, product yields or crude slates.

Atlantic Basin Indicator:
45% [48% (Gasoline 83.7 RBOB NYH - RIN) + 52% Gasoline Eurobob N.W.E.] + 40% [48% (Diesel 15ppm NYH - RIN) + 52% Diesel ULSD 10ppm N.W.E.] + 15% Secondary Products[1] - Dated Brent - Freight

Gulf Coast Indicator:
45% [(40% Gasoline 85 CBO … RIN] + 35% [(40% Diesel 62 10ppm) + (60% Di … condary Products[1] - 70% WTI MEH - 20% WCS Housto …

INSUFFICIENT DISCLOSURE TO NORMALIZE RESULTS FOR COMMODITY PRICE

Central Corridor Indicator:
50% [(70% Gasoline Unleaded Sub Oct Group 3) + (30% Gasoline Chicago CBOB) - RIN] + 40% [(70% Diesel ULSD Group 3) + (30% Diesel ULSD Chicago) - RIN] + 10% Secondary Products[1] - 50% WTI - 50% (WCS Hardisty + Freight) - 41%[3] WTI last day price change

West Coast Indicator:
50% [(57% Gasoline LA CARBOB) + (43% Gasoline Unleaded Sub Oct Portland) - RIN] + 35% [(57% Diesel LA EPA) + (43% Diesel ULSD Portland) - RIN] + 15% Secondary Products[1] - ANS

Renewable Diesel Indicator:
San Francisco CARB Diesel ($/gal) + (1.7 * Biodiesel Current Year RINs ($/gal)) + (.007 * California LCFS Credits ($/MT)) - (8.5 * CBOT Soybean Oil ($/lb)) + BTC. BTC at $1.00 per gallon through 2024.

2

Phillips does not provide historical indicator data from the defined mid-cycle period ('12–'19) or sufficient disclosure for investors to calculate it themselves. This lack of transparency limits investors' ability to compare current results with past performance on a commodity-normalized basis.

We also **delivered on our goal** of improving Refining performance... "

Mark Lashier, Q4 2024 Earnings Release

Note: Emphasis added.

PHILLIPS FALLS SHORT OF BEST PRACTICES IN ATTEMPTING A TURNAROUND

SUNCOR	TURNAROUND BEST PRACTICES	PHILLIPS 66
✓ Hired new CEO, Rich Kruger, an experienced industry veteran	EXPERIENCED LEADERSHIP	X Management lacks refining experience; over-reliant on consultants
✓ Set target of $8bn+ 2026 Free Funds Flow ($3.3bn improvement)	SET TARGETS THAT TIE TO THE FINANCIALS	✓ Set target of $14bn in 2025 Mid-Cycle EBITDA ✖ Target of $1.5bn in run-rate business transformation savings is easy to game
✓ Comprehensive commodity normalization disclosure	PROVIDE INFORMATION SO THAT PROGRESS CAN BE TRACKED	X Vague indicator data without sufficient history
✓ "[F]or the last year or two, we've been heavily focused on that 99% of our workforce that drive trucks, operate shovels, run refineries and get things right"(1) Rich Kruger, CEO	PRIMARY FOCUS ON OPERATIONAL IMPROVEMENTS	X Downplaying refining turnaround and shifting focus to growing Midstream

THE MARKET HAS BOUGHT IN TO SUNCOR'S TURNAROUND

" The **culture of success that has taken root at Suncor is stunning**…" – RBC, 11/13/24

" SU has **beat on the quarter five consecutive times**…" – TD Cowen,12/12/2024

" **Record Setting Year**. Suncor ended **a remarkable year** with a bang." – BMO, 2/6/25

" SU is **pulling forward savings it had initially flagged for 2025** as the **cultural and structural changes** implemented under the leadership of CEO Rich Kruger and his team gain momentum – Wolfe, 11/12/24

" **I would follow Rich into battle**. New leadership at SU is clearly paying proverbial dividends with continued operational improvements in both the upstream and downstream." - Raymond James, 2/6/25

Note: Emphasis added.
1) Suncor Q4 2024 Earnings Call, February 6, 2025.

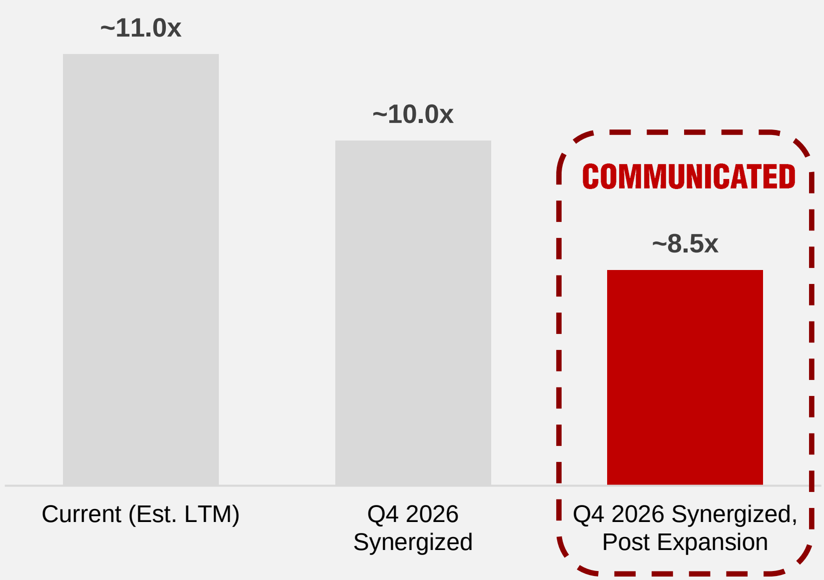
PHILLIPS HAS LOST CREDIBILITY ON CAPITAL ALLOCATION

Phillips stretches when communicating multiples on acquisitions to sell transactions to the market as more accretive, and has been unable to deploy organic growth capital within budget

Diminished Credibility on M&A

Overpaying for Assets

EPIC NGL Acquisition Multiple (xEBITDA)[1]

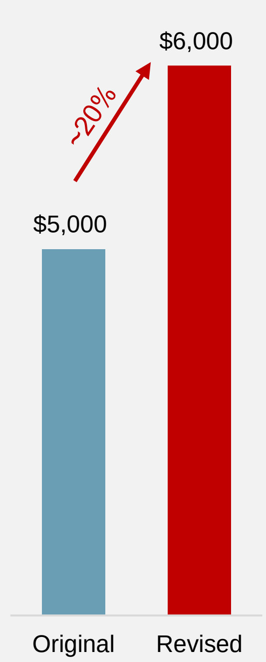


The multiple management communicated for the EPIC acquisition was based on 2yr forward synergized projections

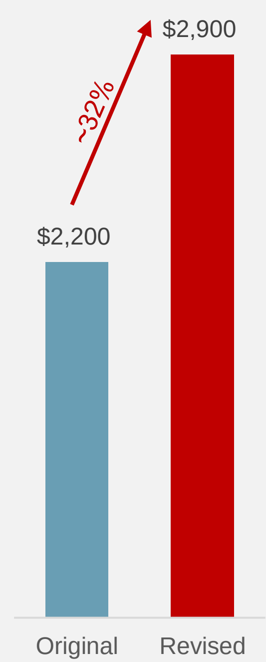
Diminished Credibility on Growth Capex

Key Projects Consistently Over Budget

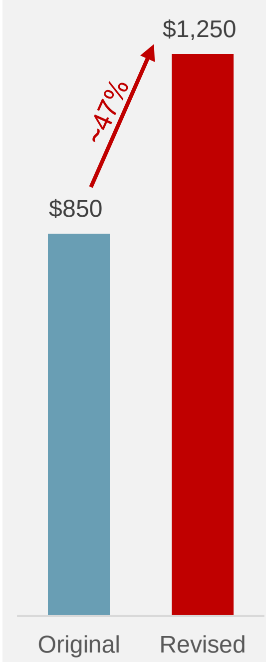
Cedar Bayou Ethane Cracker



Gray Oak Pipeline



Rodeo Renewable Diesel



Source: Company transcripts and filings.
Note: Emphasis added.
1) Estimated current EBITDA multiple based on latest S&P credit report, rather than PSX's reported Q4 2026 synergized number.

PHILLIPS BROKE PROMISE TO SIMPLIFY AND INCREASE SHAREHOLDER RETURNS

Investors were excited about management's divestiture program; but rather than retiring debt and increasing capital returns with proceeds, Phillips bought more midstream assets

Phillips proudly takes credit for achieving its asset disposition goals

"During the fourth quarter, we achieved our strategic priority targets for shareholder distributions and asset dispositions."

Mark Lashier, January 31, 2025

Exceeded $3 B Non-Core Asset Disposition Target

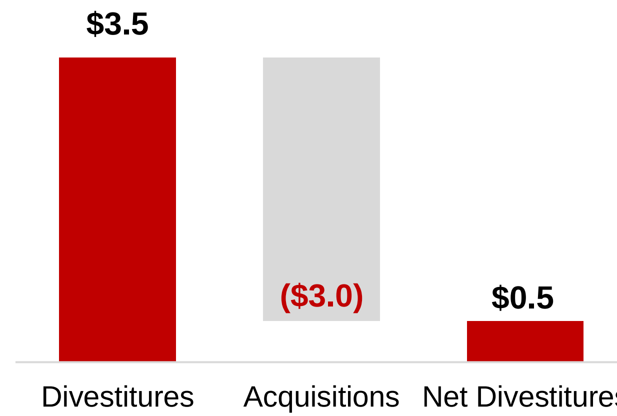
Announced Disposition	Segment Impact	Proceeds	Announced	Proceeds Received
Belle Chasse Terminal	Midstream	$0.1 B	4Q 2022	1Q 2023
South Texas Gateway Terminal	Midstream	0.3 B	2Q 2023	3Q 2023
Rockies Express Pipeline	Midstream	0.7 B	2Q 2024	2Q 2024
Discovery Pipeline and Offshore Assets	Midstream	0.2 B	3Q 2024	3Q 2024
COOP (Switzerland)	M&S	1.2 B	4Q 2024	**Jan 2025**
Gulf Coast Express	Midstream	0.9 B	4Q 2024	**Jan 2025**
Other Midstream Assets[1]	Midstream	0.2 B	2023-2024	2023-2024
Total		**~ $ 3.5 B[2]**		

[1] Includes miscellaneous assets sold between 1Q 2023 and 4Q 2024.
[2] Numbers may not foot due to rounding.

4

In reality, proceeds from divestitures were recycled into acquisitions

Net Proceeds from Divestiture Program[(1)] ($bn)



"Yesterday afternoon PSX announced it will acquire Pinnacle Midstream for $550mm… While the deal looks fine on its own, **we suspect investors will react negatively to PSX's decision on capital allocation**. PSX had previously laid out a plan to sell at least $3B of non-core assets, which likely would include some non-op midstream, in an attempt to focus its portfolio and provide support for capital returns to shareholders…

TPH & Co., May 21, 2024

Note: Emphasis added.
1) Asset Acquisitions reflect Cash Flow Statement "Acquisitions, Net of Cash Acquired".

PHILLIPS' 2027 TARGETS ARE MORE OF THE SAME

	Q4 2024 UPDATED TARGETS	SHORTFALLS
Shareholder Returns	>50% CFO	✖ Target falls short vs. refining peers that are offering ~100% FCF(1)
Refining Opex	$5.50 / bbl Refining Controllable Costs *(Excl. Turnaround Expense)*	✖ Only ~$0.40/bbl improvement YoY with ~50% of driven by closing unprofitable refining capacity ✖ Target implies ~$6.00/bbl of opex like-for-like with peers(2), setting a goalpost that is still materially worse than peers Valero and Marathon
EBITDA Target	+$1bn Mid-Cycle EBITDA from $14bn to $15bn by 2027 based on Midstream and Chemicals organic growth	✖ Investors don't believe Phillips can hit the 2025 target, much less the 2027 target ✖ Inability to deploy large-scale capex programs on budget ✖ Midstream M&A or organic growth is value-dilutive in the conglomerate structure
Capital Efficiency	Increase segment level mid-cycle ROCE	✖ Vague target lacks real accountability
Leverage	<30% net debt-to-capital ratio <3.0x net debt on Midstream and Marketing businesses alone	✖ Current debt is only a problem under the current conglomerate structure

1) Valero and Marathon have both committed to returning all excess free cash flow to shareholders during earnings calls, despite various capital return frameworks.
2) Adds ~$0.50/bbl of Taxes Other Than Income (TOTI) in-line with 2024 results in order to include all costs between gross margin and Adj. EBITDA (excl. TAR).

03

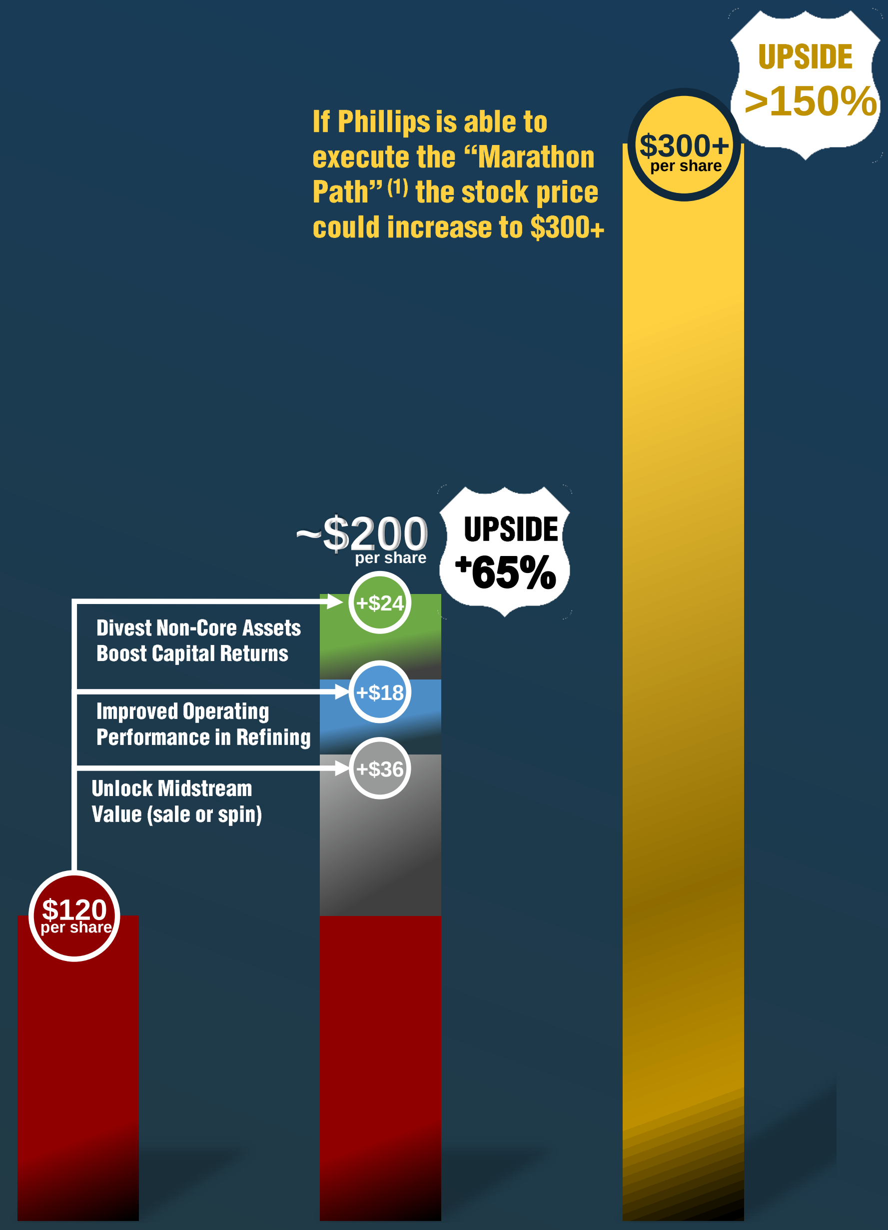
STREAMLINE 66

"My question is really on the sum of the parts discount in the stock… I think it's fair to say the most diversified refiner in the space, and you combine that with some stock underperformance over the past decade. So I guess I'm a little surprised that there's not more talk about potentially looking at selling some refineries or simplifying the business overall. And really, my question is just on how do you plan to monetize the sum of the parts discount?"

TPH&Co., November 9, 2022

STREAMLINE 66

✖ INEFFICIENT CONGLOMERATE STRUCUTURE	✓ STREAMLINE PORTFOLIO TO UNLOCK TRAPPED VALUE
✖ POOR OPERATING PERFORMANCE	✓ OPERATING REVIEW WITH FOCUS ON REFINING MARGINS
✖ DAMAGED MANAGEMENT CREDIBILITY	✓ NEW DIRECTORS, OPPORTUNITY TO EVALUATE LEADERSHIP

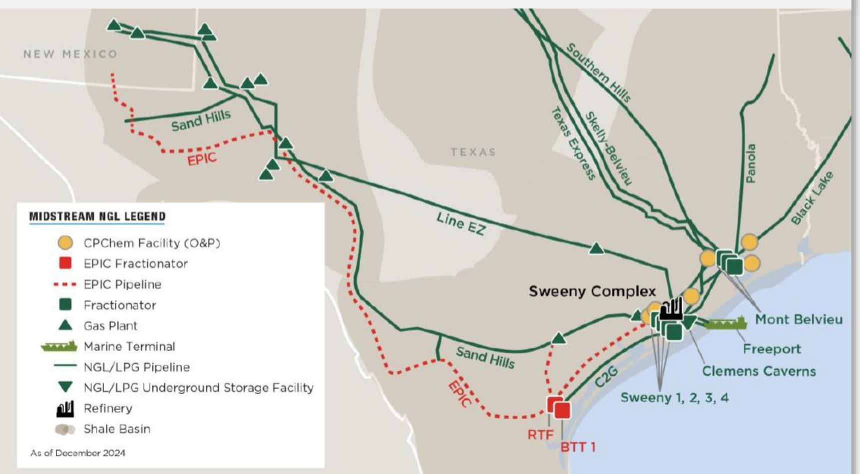


Source: Bloomberg.
Note: Estimated potential upside based on indicative valuation calculations presented in the appendix.
1) Required assumptions for "Marathon Path" scenario can be found on slides 39 – 40.

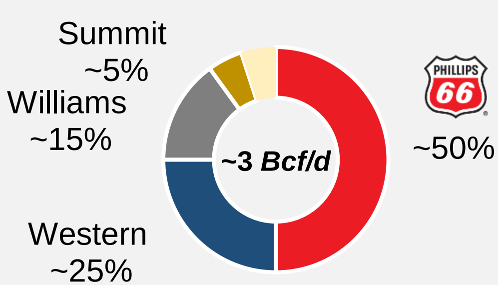
MIDSTREAM WOULD BE HIGHLY VALUABLE AS ITS OWN PUBLIC COMPANY

The embedded midstream assets could be worth >$40bn TEV as a standalone midstream company

4th LARGEST FULLY INTEGRATED, WELLHEAD-TO-WATER PERMIAN NGL PLATFORM(1)

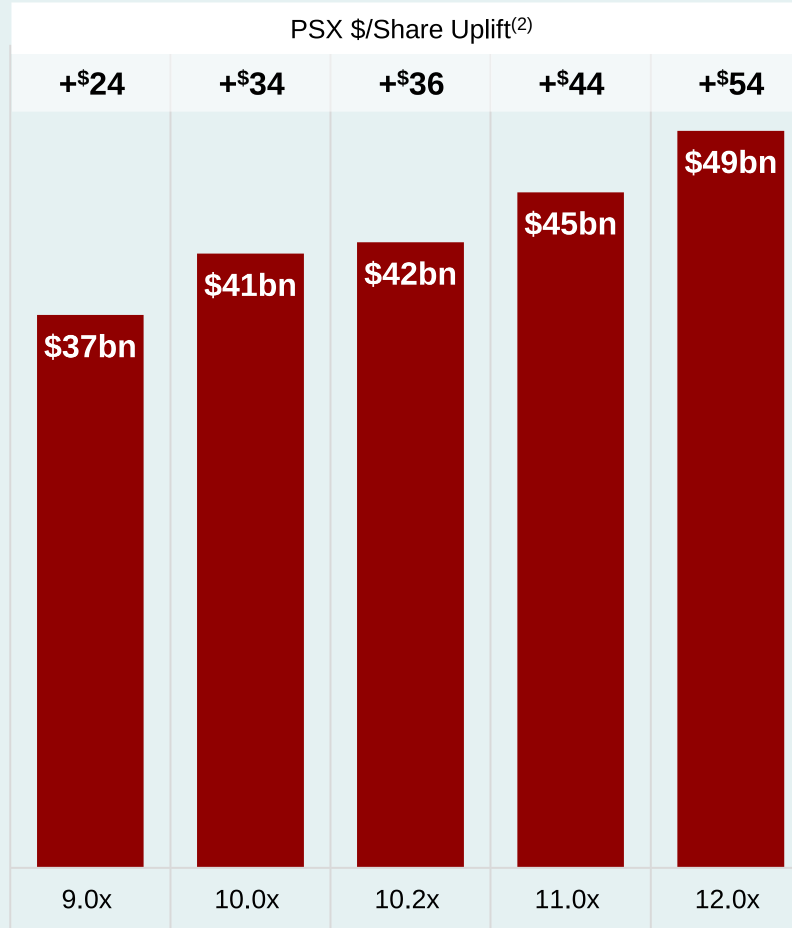


#1 POSITION IN THE DJ BASIN (% of G&P VOLUMES)



DJ **G&P rates can be ~2x greater than Permian** G&P rates, allowing for high FCF generation despite lower growth

Standalone Midstream Valuation



Source: Company presentations, Elliott estimates and third-party energy market consultant views.

1) Based on current capacity of G&P, long-haul pipeline, fractionation and export capacity. Does not include impacts from future announced projects.

2) Calculated as 2026E Midstream Adj. EBITDA (x) delta between given multiple and current blended PSX multiple of 6.6x dividend by ~413mm diluted shares outstanding. Assumes a tax-free spin.

MIDSTREAM COULD ALSO BE ATTRACTIVE FOR MULTIPLE STRATEGIC BUYERS

STRATEGIC FIT WITH PHILLIPS MIDSTREAM	Energy Transfer	Enterprise	MPLX	ONEOK	Targa	Kinder Morgan	Williams
Substantial Scale (TEV)	~$145bn	~$100bn	~$75bn	~$85bn	~$60bn	~$90bn	~$95bn
Existing Permian Footprint	✓	✓	✓	✓	✓	✓	
Building Out a Wellhead-to-Market NGL Value Chain	✓	✓	✓	✓	✓		
Existing Crude and Refined Product Exposure	✓	✓	✓	✓		✓	
Diversification Benefit					✓	✓	✓
Synergy Potential	✓	✓	✓	✓	✓	✓	✓
Strong Valuation Multiple to Support Accretive Offer[1]	**8.4x**	**9.6x**	**10.0x**	**9.7x**	**11.5x**	**10.6x**	**11.7x**

A 10.2x multiple post-synergies would generate ~$45bn of cash for Phillips shareholders[2]

PHILLIPS MIDSTREAM COULD BE AN ATTRACTIVE STRATEGIC TARGET AT A PREMIUM VALUATION FOR MANY BUYERS GIVEN OVERLAPPING ASSETS AND SUBSTANTIAL SYNERGY POTENTIAL

Source: Bloomberg.
1) Consensus 2026E TEV / EBITDA.
2) Calculation details presented in the Net Proceeds column on slide 48 in the appendix.

PHILLIPS COULD FOLLOW MARATHON'S PATH OF ASSET SALES AND BUYBACKS

STREAMLINE 66	MARATHON	PHILLIPS 66
Improve Operating Performance in line with VLO	Closed a ~$2/bbl EBITDA gap over Mike Hennigan's first two years on the job	~$3.75/bbl EBITDA gap to Valero in 2024
Divest Assets	Speedway ~$17bn % of Mkt Cap[(1)] ~45%	<u>Sale of Midstream, CPChem, JET</u> Net Proceeds[(3)] ~$48bn % of Mkt Cap[(4)] 96%
Use Proceeds from Asset Sales and Operating Cash Flow to Repurchase Shares	MPC has retired ~50% of its shares outstanding since 2021	We estimate Phillips could retire ~60% to ~90% of its shares outstanding[(4)]
Stock Price Increase	Since our public presentation, MPC outperformed VLO by ~120% and PSX by ~178%[(2)]	Significant outperformance is possible[(4)]

Note: See appendix for valuation details.
1) Speedway % of market cap as of closing date of MPC sale of Speedway to 7-Eleven on 5/14/2021.
2) MPC cumulative TSR vs. VLO and PSX since Elliott's public presentation on 9/25/2019.
3) Includes Midstream, CPChem, JET. Calculation details presented in the Excess Cash to Balance Sheet column of slide 48 in the appendix.
4) See calculation details on next page.

ILLUSTRATIVE MATH IF PHILLIPS FOLLOWS MARATHON'S PATH

ILLUSTRATIVE ASSUMPTIONS AND NET PROCEEDS

- Midstream is sold for ~\$50bn, representing 10.2x synergized Phillips midstream 2026E EBITDA of ~\$4.9bn
- CPChem is sold for ~\$15bn, representing 7.5x mid-cycle EBITDA of \$1.9bn (vs Phillips mid-cycle estimate of ~\$2.2bn) + \$750mm to compensate for what equates to CPChem's invested capital in the Golden Triangle and Ras Laffan expansion projects(1)
- JET Germany and Austria retail business is sold for ~\$3bn, representing ~10x EBITDA of \$300mm(1)

NET PROCEEDS CALCULATIONS (\$BN)

Midstream	\$50.2
CPChem	15.0
JET Germany / Austria Retail	3.0
Gross Proceeds	\$68.2
(-) Tax Leakage	(\$7.9)
(-) Debt Paydown	(12.5)(2)
Net Cash Proceeds	**\$47.7**
% of Current Market Cap of \$49.7bn	**96.0%**

REMAINCO FINANCIALS

RemainCo Consensus 2026E EBITDA	\$4.4
(+) Uplift from VLO Parity Refining EBITDA/bbl	1.1
RemainCo EBITDA	\$5.6
Memo: Phillips 2025 EBITDA Target for RemainCo Assets	\$8.1
RemainCo Net Debt	\$6.5(2)
Leverage	1.2x(2)

BUYBACK UPLIFT

- If RemainCo is ultimately valued at 6.6x, and Phillips uses the ~\$48bn of net cash proceeds to repurchase stock at various premiums to the current stock price, then the following stock price upsides result:

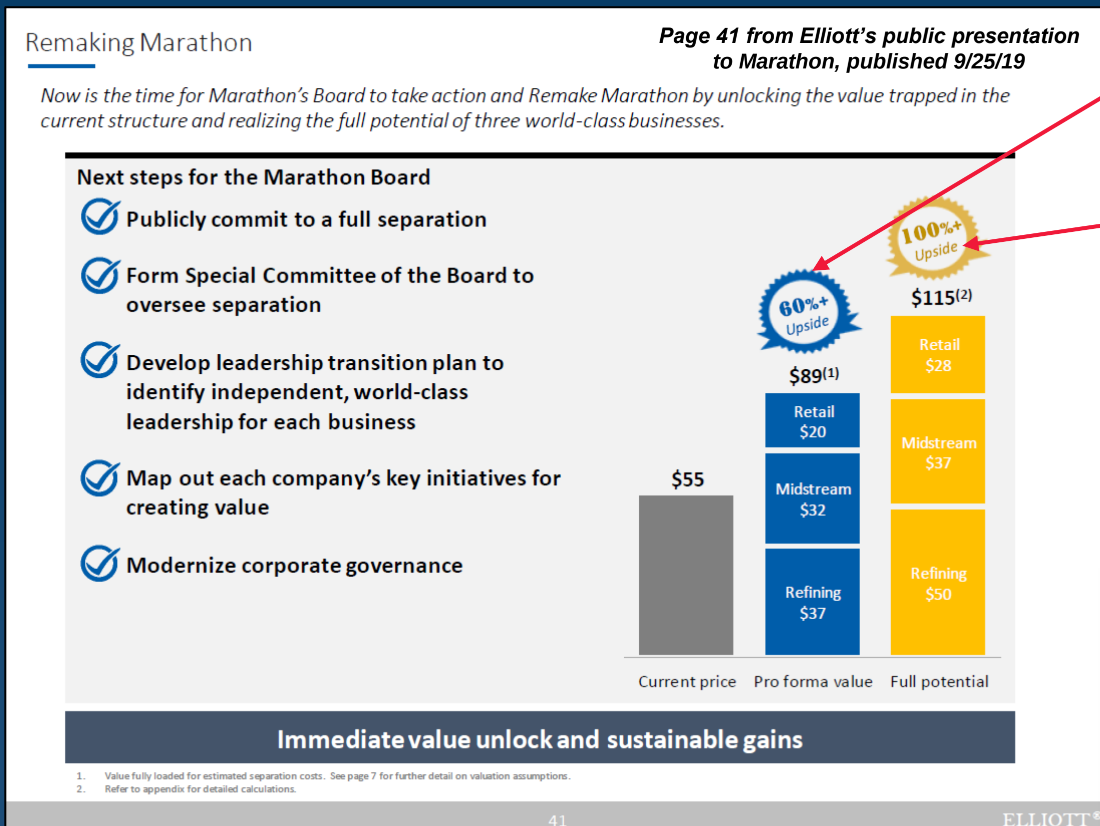
Repurchase Stock Price Premium	Repurchase Price	% of Current Shares Retired	Expected Resulting Stock Price	Stock Price Upside
0%	\$120	96%	\$1,822	1,415%
10%	\$132	87%	\$570	374%
20%	\$144	80%	\$362	201%
25%	\$150	77%	\$312	160%
30%	\$156	74%	\$277	130%
40%	\$168	69%	\$230	92%
50%	\$180	64%	\$201	67%

BY FOLLOWING MARATHON'S PATH AND USING SALE PROCEEDS TO REPURCHASE SHARES, PHILLIPS COULD RETIRE A MAJORITY OF ITS SHARES AND INCREASE THE SHARE PRICE SIGNIFICANTLY

Note: See appendix for valuation details.
1) See appendix slide 47 for details on CPChem and JET valuation and net proceeds.
2) See calculation for total debt paydown of \$12.5bn in the Debt column of page 48 in the appendix. \$12.5bn represents sum of ~\$1.1bn of CPChem pro-rata debt and ~\$11.5bn of allocated Midstream debt. Midstream allocated debt amount based on assuming Midstream leverage in-line with peers, which results in RemainCo having net debt of \$6.5bn and leverage of 1.2x.

MARATHON FAR EXCEEDED ELLIOTT'S UPSIDE PROJECTION

As Marathon sold assets and repurchased shares, its stock price appreciated to a level that exceeded the high end of our range: for the past 12 months Marathon has traded between $130 and $220 per share


Remaking Marathon

Page 41 from Elliott's public presentation to Marathon, published 9/25/19

Now is the time for Marathon's Board to take action and Remake Marathon by unlocking the value trapped in the current structure and realizing the full potential of three world-class businesses.

Next steps for the Marathon Board

- Publicly commit to a full separation
- Form Special Committee of the Board to oversee separation
- Develop leadership transition plan to identify independent, world-class leadership for each business
- Map out each company's key initiatives for creating value
- Modernize corporate governance

Immediate value unlock and sustainable gains

1. Value fully loaded for estimated separation costs. See page 7 for further detail on valuation assumptions.
2. Refer to appendix for detailed calculations.

41 ELLIOTT®

1 When we engaged with Marathon, our base case implied +60% upside

2 We saw >100% upside as achievable if Marathon could drive operational improvements and valuation uplifts in-line with peers

	2019 Marathon Engagement	STREAMLINE 66
ELLIOTT-PRESENTED UPSIDES		
Stock Price Upside	60%	65%
Full Potential Upside	100%	>150% if Phillips is able to execute the "Marathon Plan"(1)
ACTUAL RESULTS		
TSR Since Engagement(2)	322%	TBD
TSR vs. VLO(2)	120%	TBD

1) Required assumptions for "Marathon Path" scenario can be found on slides 39 – 40.
2) MPC cumulative TSR and cumulative TSR vs. VLO since Elliott's public presentation on 9/25/2019.

STREAMLINE 66

- ✔ Streamline Portfolio
- ✔ Operating Review
- ✔ Enhanced Oversight

We welcome the opportunity to engage with Phillips 66 shareholders on this remarkable opportunity

Source: Bloomberg.
Note: Estimated potential upside based on indicative valuation calculations presented in the appendix.
1) Required assumptions for "Marathon Path" scenario can be found on slides 39 – 40.

04

Appendix

EBITDA AND REFINING ESTIMATES

EBITDA Estimates

	2026E EBITDA		Management Mid-Cycle		Shortfall to Mgmt 2025 Mid-Cycle Target	
Estimates by Segment	Consensus	Improved Refining	2025 Target	2027 Target	2025E	2026E
Refining (incl TAR)	$2,463[1]	$3,601	$5,000	$5,000	($3,576)	($2,537)
Renewable Diesel	235	235	650	650	(540)	(415)
Marketing & Specialties	1,942	1,942	2,200	2,200	(326)	(258)
Midstream	4,104	4,104	4,000	4,500	(40)	104
Chemicals	1,668	1,668	2,200	2,700	(828)	(532)
Corporate	(392)	(392)	–	–	(382)	(392)
Total (incl TAR)	$10,020[2]	$11,159	$14,050[4]	$15,050	($5,693)	($4,030)
(+) Turnaround Expense	468[3]	468	500	500	19	(32)
Total (excl TAR)	$10,488	$11,626	$14,550	$15,550	($5,674)	($4,062)
Turnaround Adjustments						
Refining (incl TAR)	$2,463	$3,601	$5,000	$5,000		
(+) Turnaround Expense	468	468	500	500		
Refining (excl TAR)	$2,931	$4,069	$5,500	$5,500		
Operational Improvements						
PSX Consens. EBITDA / bbl (excl TAR)	$4.87	$4.87				
(+) Improvement	–	$1.89				
EBITDA / bbl (excl TAR)	$4.87	$6.76[5]	$8.93[6]	$9.13[6]		
(x) PSX Consensus Throughput (bbl)	601.5	601.5	615.8	602.7		
Refining EBITDA (excl TAR)	$2,931	$4,069	$5,500	$5,500		
RemainCo[7]						
EBITDA (incl TAR)	$3,948	$5,086	$7,550	$7,550		
EBITDA (excl TAR)	$4,415	$5,554	$8,050	$8,050		

Refining Unit Calculations - Consensus Estimates

$ / bbl unless otherwise stated	2025E	2026E	2027E
PSX Gross Margin	$9.73	$10.96	$11.07
(-) PSX Opex (excl TAR)[8]	($6.58)	($6.09)	($6.22)
PSX Refining EBITDA (excl TAR)[9]	$3.15	$4.87	$4.85
VLO Gross Margin	$10.54	$11.55	$11.91
(-) VLO Opex (excl TAR)	($4.78)	($4.78)	($4.82)
VLO Refining EBITDA	$5.76	$6.76	$7.09
Gross Margin PSX - VLO Delta	($0.81)	($0.58)	($0.84)
Opex PSX - VLO Delta	($1.80)	($1.31)	($1.40)
EBITDA PSX - VLO Delta	($2.61)	($1.89)	($2.24)
PSX Refining Throughput (kbbl/d)	1,687	1,648	1,651
(x) Days in Year	365	365	365
(/) Thousands to Millions Factor	1,000	1,000	1,000
Throughput (MMbbl/ yr)	615.8	601.5	602.7
PSX Refining EBITDA (excl TAR, $mm)	$1,943	$2,931[10]	$2,921
(/) Throughput (MMbbl/yr)	615.8	601.5	602.7
PSX Refining EBITDA (excl TAR, $/bbl)	$3.15	$4.87	$4.85

Source: Bloomberg as of 2/7/2025, Wall Steet Estimates, Company filings.

1) Refining values here reflect values as presented by consensus, which includes the burden of turnaround expenses. Turnaround expenses added back for valuation purposes for peer comparability.
2) Total consensus value here reflects the sum of consensus estimates by segment, which do not tie to consolidated consensus estimates.
3) Turnaround expenses are added back for comparability vs. refining peers and apples-to-apples use of valuation multiples.
4) Per Phillips November 2024 investor presentation, total 2025 mid-cycle target including corporate is $14.0bn.
5) EBITDA/bbl in Improved Refining case in-line with VLO 2026E consensus estimates as determined by subtracting 2026E VLO consensus estimates for opex/bbl from consensus estimates for gross margin/bbl.
6) EBITDA/bbl in Management Mid-Cycle cases calculated based on dividing $5.5bn estimate ($5.0bn incl TAR + $500mm TAR) by consensus estimates for throughput for the given year.
7) RemainCo includes Refining, Renewable Diesel, Marketing & Specialties, and Corporate.
8) Opex/bbl defined as Refining EBITDA (excl TAR) divided by throughput less consensus gross margin/bbl.
9) PSX Refining EBITDA/bbl calculated as PSX Refining EBITDA (excl TAR) divided by consensus throughput.
10) PSX Refining EBITDA (excl TAR) based on consensus estimates. The value presented here for 2026E consensus EBITDA (excl TAR) ties to the value presented on the left side of the page.

TRADING COMPARABLES

		Refining	M&S	Midstream				Chemicals	
				MLPs		C-Corps			
	PSX	VLO	SUN	EPD	MPLX	OKE	TRGP	DOW	LYB
Share Price	$120.30	$133.08	$56.43	$32.93	$53.18	$95.81	$201.42	$38.58	$76.61
(x) FD Shares	413.0	316.6	177.1[2]	2,167.6	1,018.8	626.1[3]	218.1	700.1	324.8
Market Capitalization	**$49,683**	**$42,131**	**$9,996**	**$71,378**	**$54,180**	**$59,989**	$43,922	**$27,010**	**$24,880**
(+) Net Debt	19,059[1]	3,927	7,735	30,916	19,429	25,101	14,208	12,495[5]	9,086
(+) Preferred Equity	–	–	–	50	203	–	–	–	–
(+) Non-Controlling Interests	–	2,747	–	809	–	–	–[4]	2,896[5]	126
Total Enterprise Value	**$68,742**	**$48,805**	**$17,731**	**$103,153**	**$73,812**	**$85,090**	**$58,131**	**$42,401**	**$34,092**
Consensus TEV / EBITDA									
2025	7.7x	7.7x	9.2x	9.9x	10.5x	10.2x	12.5x	7.6x	8.0x
2026	6.6x	6.3x	8.8x	9.6x	10.0x	9.7x	11.5x	6.5x	6.7x
Consensus Net Leverage									
2025	2.1x	0.6x	4.0x	3.0x	2.8x	3.0x	3.1x	2.2x	2.1x
2026	1.8x	0.5x	3.8x	2.9x	2.6x	2.8x	2.8x	1.9x	1.8x
Operating Metrics									
'25-'26 EBITDA Growth Rate	18%	22%	5%	4%	4%	5%	9%	16%	20%

Source: Bloomberg as of 2/7/2025, Wall Steet Estimates, Company filings.
Note: Phillips' consensus estimates built up using segment level estimates rather than a consolidated estimate.
1) PSX net debt adjusted to reflect M&A announced but not yet closed.
2) SUN fully diluted share count adjusted for estimated IDR value by dividing the diluted shares by the current distribution split to the GP (~23%).
3) OKE share count adjusted to account for the EnLink Controlling Interest Acquisition Transaction.
4) TRGP non-controlling interest adjustments excluded given pro rata EBITDA reporting, similar to PSX.
5) DOW adjusted to account for sale of stake in Diamond Infrastructure Solutions JV.

VALUATION OVERVIEW

All valuation metrics reflect 2026E consensus segment EBITDA x 6.6x (PSX blended trading multiple) unless sold (zeroed out) or otherwise specified in blue when moving from left to right.

Valuation

	2026E EBITDA		After-Tax Value to Phillips			Asset Sales + Buyback	
	As-Is Consensus	Improved Refining	Curr. Trading Allocated	Spin Midstream	Improved Refining	Spin Mid[7]	Sell Mid[10]
Refining	$2,931	$4,069[3]	$19,208	$19,208	$26,670[6]	$26,670	$26,670
Renewable Diesel	235	235	1,540	1,540	1,540	1,540	1,540
M&S (ex JET Germany / Austria)	1,642[1]	1,642	10,759	10,759	10,759	10,759	10,759
M&S - JET Germany / Austria Retail	300[2]	300	1,966	1,966	1,966	–[7]	–
Midstream	4,104	4,104	26,901	41,798[5]	41,798	41,798	–[10]
Chemicals	1,668	1,668	10,936	10,936	10,936	–[7]	–
Corporate	(392)	(392)	(2,568)	(2,568)	(2,568)	(2,568)	(2,568)
Total Value	**$10,488**	**$11,626**	**$68,742**	**$83,639**	**$91,101**	**$78,199**	**$36,401**
Implied TEV / EBTIDA			**6.6x**	**8.0x**	**7.8x**	**10.2x/6.6x**[8]	**6.6x**
(-) Debt			(20,702)	(20,702)	(20,702)	(19,607)[9]	(8,154)[10]
(+) Cash			1,643[4]	1,643	1,643	1,643	1,643
Equity Value			**$49,683**	**$64,580**	**$72,042**	**$60,235**	**$29,891**
(/) Diluted Shares Outstanding			413.0	413.0	413.0	304.2	95.7
Share Price	Cur Px:	**$120.30**	**$120.30**	**$156.37**	**$174.44**	**$198.00**	**$312.27**
% Upside			–	**30.0%**	**45.0%**	**64.6%**	**159.6%**
$ Upside vs Current			–	**$36.07**	**$54.14**	**$77.70**	**$191.97**
Incremental $/sh Upside			–	**$36.07**	**$18.07**	**$23.56**	**$114.27**

Source: Bloomberg as of 2/7/2025, Wall Steet Estimates, Company filings.
Note: EBITDA estimates exclude the burden of turnaround expenses to align with trading multiples of refining peers.

1) Based on consensus estimated M&S EBITDA adjusted for sale of JET Germany and Austria.
2) Based on management commentary on Q4 '24 earnings call.
3) Reflects achieving refining EBITDA/bbl parity with VLO on 2026E consensus throughput as shown on page 44 in the appendix.
4) Includes cash impact from announced but not yet closed M&A, which includes GCX, EPIC NGL, and Swiss retail.
5) Reflects 2026E consensus Midstream EBITDA valued at a 10.2x multiple, in-line with the average of Midstream peers.
6) Refining value reflects Improved Refining 2026E EBITDA valued at a 6.6x multiple in-line with current PSX trading multiple.
7) Reflects the net effect of selling CPChem and JET Germany / Austria and using the after-tax net proceeds to buyback stock at a 10% premium to the current trading price. See next page for breakdown of gross and net sales value. Title of "Spin Mid" refers to the fact that the given column represents a scenario where midstream value is realized via a tax-free spin (as opposed to sold).
8) 10.2x multiple reflects standalone Midstream, while 6.6x reflects standalone RemainCo.
9) Lower debt value reflects transfer of pro-rata CPChem debt as part of sale transaction.
10) Represents a scenario where Midstream is sold at a synergized peer-avg 10.2x multiple and the after-tax net proceeds are used to paydown Midstream-allocated debt, which is allocated assuming Midstream has leverage at a level in-line with peers. Net cash proceeds from Midstream, CPChem and JET Germany and Austria sales are then used to repurchase shares at a 25% premium to current trading price.

ASSET SALES CALCULATIONS

Midstream Spin	
2026E Consensus EBITDA	$4,104
(x) Peer Avg	10.2x[1]
Gross Proceeds	$41,798

Midstream Sale	
2026E Consensus EBITDA	$4,104
(x) Assumed Synergies as % of Target EBITDA	20.0%[2]
Synergies	$821
2026E Consensus	$4,104
(+) Synergies	821
Synergized 2026E EBITDA	$4,925
(x) Peer Avg	10.2x[1]
Gross Proceeds	$50,158
(-) Estimated TEV Tax Basis	(25,661)[3]
Gain on Sale	$24,497
(x) Tax Rate	22.0%[4]
Tax Leakage	($5,389)
Gross Proceeds	$50,158
(-) Tax Leakage	(5,389)
Net Proceeds	$44,769
Net Proceeds	$44,769
(-) Allocated Debt	(11,453)
Net Proceeds to Equity	$33,315

CPChem Sale	
Mid-cycle EBITDA	$1,900[5]
(x) Multiple	7.50x
(+) Expansion Project Capex Recovery	$750[6]
Gross Transaction Value	$15,000
(-) Pro-Rata Debt	(1,096)
Gross Equity Proceeds	$13,905
(-) Equity Tax Basis	($4,494)[3]
Gain on Sale	$9,411
(x) Tax Rate	22.0%[4]
Tax Leakage	($2,070)
Gross Equity Proceeds	$13,905
(-) Tax Leakage	(2,070)
Net Proceeds	$11,834
Gross Transaction Value	$15,000
(-) Tax Leakage	(2,070)
Net Transaction Value	$12,930

JET Austria / Germany Retail	
EBITDA	$300[7]
(x) Multiple	10.0x[8]
Gross Transaction Value	$3,000
(-) Tax Basis	($1,000)[9]
Gain on Sale	$2,000
(x) Tax Rate	22.0%[4]
Tax Leakage	($440)
Gross Proceeds	$3,000
(-) Tax Leakage	(440)
Net Proceeds	$2,560

Source: Bloomberg as of 2/7/2025, Wall Steet Estimates, Company filings.
Note: EBITDA estimates exclude the burden of turnaround expenses.

1) Midstream peers reflect EPD, MPLX, OKE, and TRGP.
2) Synergies assumed to be 20% of target EBITDA in-line with average realized synergies of precedent corporate midstream deals analyzed.
3) Tax basis estimated based on third-party analysis.
4) Tax rate rounded up based on PSX 3yr average effective tax rate of 21.7%.
5) CPChem mid-cycle EBITDA estimate based on company-disclosed EBITDA sensitivities and assumption of ~$0.27 in mid-cycle Chain Margin (Ethylene, Polyethylene, NAO).
6) CPChem valuation methodology assumes that Phillips only receives value for the Golden Triangle Polymers and Ras Laffan expansion projects in an amount equivalent to the level of capex that has been committed to those projects. Per Phillips' Q4 2022 earnings call, Phillips' capex exposure to these projects is ~10% of the aggregate capital spend, or ~$1.5bn based on 10% x $14.5bn total, and will occur over 4-years in the form of foregone dividends to PSX from CPChem. Assuming ~50% of this $1.5bn has been spent, then ~$750mm represents Phillips foregone dividends related to these projects.
7) EBITDA per management commentary on Q4 2024 earnings call.
8) 10.0x valuation multiple per Wolfe Research, "PSX 4Q24 Earnings Recap" published Jan 31, 2025.
9) Assumes tax basis of $1bn.

BUYBACK & PRO-FORMA NET DEBT CALCULATIONS

Net Cash Proceeds Generated by Selling Assets

	2026E EBITDA	Gross Proceeds	Net Proceeds	Leverage	Debt	Excess Cash to Balance Sheet	Excess Cash % of Curr PSX Market Cap
Sell CPChem	$1,668	$15,000	$12,930		($1,096)[1]	$11,834	24%
Sell JET Germany / Austria	$300	$3,000	$2,560		–	$2,560	5%
Sell Non-Core Assets	$1,968	$18,000	$15,490		($1,096)	$14,394	29%
Midstream	$4,104	$50,158	$44,769	2.8x[2]	($11,453)[2]	$33,315	67%
Sell Midstream and Non-Core	$6,073	$68,158	$60,258		($12,549)	$47,709	96%
Memo: RemainCo (Improved Refining)	$5,554			1.2x	$6,511		

Pro-Forma Share Count After Asset Sales

	Current Share Px	Avg Buyback Premium	Avg Buyback Share Px	Excess Cash from Sales[3]	Shares Repurchased	Pro-Forma Shares
Sell Non-Core Assets	$120.30	10.0%	$132.33	$14,394	108.8	304.2[4]
Sell Midstream and Non-Core	$120.30	25.0%	$150.38	$47,709	317.3	95.7[5]

Pro-Rata Debt

	Total	% Own	Pro-Rata
PSX / PSXP Debt	$16,615	100.0%	$16,615
DCP Debt	$3,447	86.8%	$2,992
PSX Reported Debt	$20,062	97.7%	$19,607
CPChem Debt	$2,191	50.0%	$1,096
Total	$22,253	93.0%	$20,702

Pending M&A

	Inflow / Outflow	EBITDA	Multiple
Divestiture of Switzerland Retail JV	$1,240	($145)	8.6x
Divestiture of GCX Stake	$865	($82)	10.6x
EPIC NGL Acquisition	($2,200)	$200	11.0x
Total Pending M&A	($95)	($27)	

Cash

Cash and Marketable Securities - Latest Reported	$1,738
(+) Net Cash from M&A	(95)
PF Cash	$1,643

Source: Bloomberg as of 2/7/2025, Wall Steet Estimates, Company filings.

1) Based on pro-rata CPChem debt outstanding.
2) Leverage and allocated debt based on average leverage of midstream peers.
3) Values tie to values from the Excess Cash to Balance Sheet column in the table above.
4) Pro-forma share count presented here drives share price upside calculation for the "Spin Mid" scenario as outlined on the Valuation Overview slide on page 46 in the appendix.
5) Pro-forma shares value presented here drives share price upside calculation for the "Sell Mid" scenario as outlined on the Valuation Overview slide on page 46 in the appendix.

SOTP & OPEX CALCULATIONS

Implied Value of Refining based on SOTP

	2026E EBITDA	SOTP Valuation	EBITDA Multiple	Rationale
Current TEV	$10,488	$68,742	6.6x	Current PSX trading
(-) M&S (ex JET Germany / Austria)	(1,642)	(10,389)	6.3x	VLO-equivalent
(-) M&S - JET Germany / Austria Retail	(300)	(3,000)	10.0x	Sellside estimates
(-) Midstream	(4,104)	(41,798)	10.2x	Peer-avg
(-) Chemicals	(1,668)	(15,000)		7.5x mid-cycle + capex[1]
(+) Corporate	392	2,568	6.6x	Current PSX trading
Implied Refining + RD	$3,166	$1,123	0.4x	

SOTP Weighted Avg Multiple

	% of PSX 2026E EBITDA	2026E TEV/EBITDA Multiple	Valuation Comps
Refining	29%	6.3x	VLO
M&S	18%	8.8x	SUN
Midstream	38%	10.2x	EPD, MPLX, OKE, TRGP
Chemicals	15%	7.6x	DOW, LYB +1.0x Premium[2]
SOTP Weighted Average	100%	8.4x	

Impact of Natural Gas Prices on PSX Opex/bbl Declines

		Source
Change in PSX EBITDA from +$1.00/MMBtu in Nat Gas	($150)	Company disclosures
Sensitivty from Nat Gas Directly	($100)	PSX 2021 Q3 earnings call
Sensitivity from Electricity and Steam Purchases	($50)	PSX 2021 Q3 earnings call
Sensitivity from Natural Gas Directly	($100)	
(x) Proportion of Direct Nat Gas Impact in Opex	75%	PSX 2021 Q3 earnings call
Direct Nat Gas Sensitivity in Opex	($75)	
(+) Sensitivity from Electricity and Steam Purchases	($50)	Assumed all in opex
Opex Sensitivity from +$1.00/MMBtu in Nat Gas	($125)	
% of Nat Gas Pricing Exposure in Opex	83%	
Henry Hub Price in 2022 ($/MMBtu)	$6.45	EIA
Henry Hub Price in 2024 ($/MMBtu)	($2.19)	EIA
Change in Henry Hub Price ($MMBtu)	$4.26	
(x) PSX EBITDA Sensitivity from +$1.00/MMBtu in Nat Gas	($150)	
Expected Impact on PSX EBITDA from Nat Gas Move ($mm)	($639)	
% of Nat Gas Pricing Exposure in Opex	83%	Calculated above
Expected Impact on PSX Opex ($mm)	($533)	
(/) PSX 2022 Throughput	695.2	PSX supplemental
Opex/bbl Decline from Nat Gas	($0.77)	
PSX 2022 Opex/bbl[3]	($7.52)	
PSX 2024 Opex/bbl	($6.33)	
Decline in Opex/Bbl	($1.19)	
% of Opex Decline due to Decline in Nat Gas Prices	65%	

Source: Bloomberg as of 2/7/2025, Wall Steet Estimates, Company filings.
1) See Asset Sales Calculations on slide 47 in the appendix for further detail on CPChem valuation assumptions.
2) Valuation assumes a 1.0x premium to the avg of DOW and LYB given CPChem has exclusively low-cost facilities and no disadvantaged European capacity.
3) PSX opex/bbl based on opex definition on appendix page 44 and excludes turnaround cost.

PHILLIPS' POTENTIAL EXCUSES FOR POOR REFINING PERFORMANCE

Potential excuse: Phillips' refining assets are being run optimally and any shortfall in EBITDA per barrel vs Valero and Marathon is due to structural aspects of the assets that are beyond management's control

Counterpoints:

- In our experience, poor performing companies commonly blame weak operating performance on asset quality when it is, in fact, driven by an ineffective operating culture. Such arguments were used by both Marathon and Suncor before new leadership was brought in and operational metrics improved beyond what the Company viewed as previously possible
- Compared to Valero and Marathon, Phillips' refining system scale and complexity differences are relatively minimal and driven by a handful of outlier facilities at the peers; PSX's underperformance, however, is widespread

Potential excuse: The shortfall in Phillips' refining EBITDA per barrel is due to allocating more SG&A into its refining segment than peers and/or allocating some refining earnings into its Marketing and Specialities segment

Counterpoints:

- Phillip's $5bn refining mid-cycle EBITDA target suggests the company agrees it should be able to achieve EBITDA per barrel parity to peers
- Pre-COVID, Phillips had refining operating costs (ex turnaround expenses) in-line with Marathon. Since then, Marathon has improved to near Valero levels while Phillips increased significantly
- Phillips' AdvantEdge66 targets were an acknowledgement that the company could reduce operating costs compared to 2019 levels. Since then, costs have increased
- Both Phillips' Refining and Phillips Marketing & Specialties are underperforming their respective peers, Valero and Sunoco, on a margin per unit volume basis. The allocation of margin between the segments, therefore, is irrelevant for any claim about total profitability because the two segments on a combined basis are underperforming. If margin is allocated to one segment that on a peer-comparable basis would be allocated differently, it just means the other segment is underperforming to a greater degree

PHILLIPS' POTENTIAL DEFENSE OF CONGLOMERATE STRUCTURE

Potential defense: Phillips should keep their Midstream and CPChem business because the benefits of integration provide more value to shareholders than selling or separating those businesses

Counterpoints:

- Industry executives and former employees indicate no significant commercial integration between Phillips' Refining, Midstream and Chemicals segments and characterize the business as easily separable
- CPChem and DCP both have equity partners, likely preventing better-than-market rates for Phillips
- In our experience, the analyses companies rely on to support the value of integration can exaggerate the benefits. For example, in 2017 before leadership was changed, Marathon relied on a lengthy management consultant report quantifying the benefits of integration to support their decision to retain the Retail business. After transitioning to new executive leadership in 2020, Marathon reversed this decision and sold the Retail business, and its stock price has experienced dramatic and sustained outperformance since

Potential defense: It's too early to pivot, Phillips began buying in its midstream businesses in 2021. Phillips should stick to its current midstream growth strategy and the stock will eventually re-rerate

Counterpoint:

- Companies can perpetually trade at a discount to their sum-of-the-parts
- The Company has destroyed its credibility with investors and shown an inability to create shareholder value, so action must be taken immediately to enable Phillips to reach its full potential

Potential defense: Rather than sell or spin, a piece of the midstream business should be listed as a public subsidiary to offer a valuation datapoint

Counterpoints:

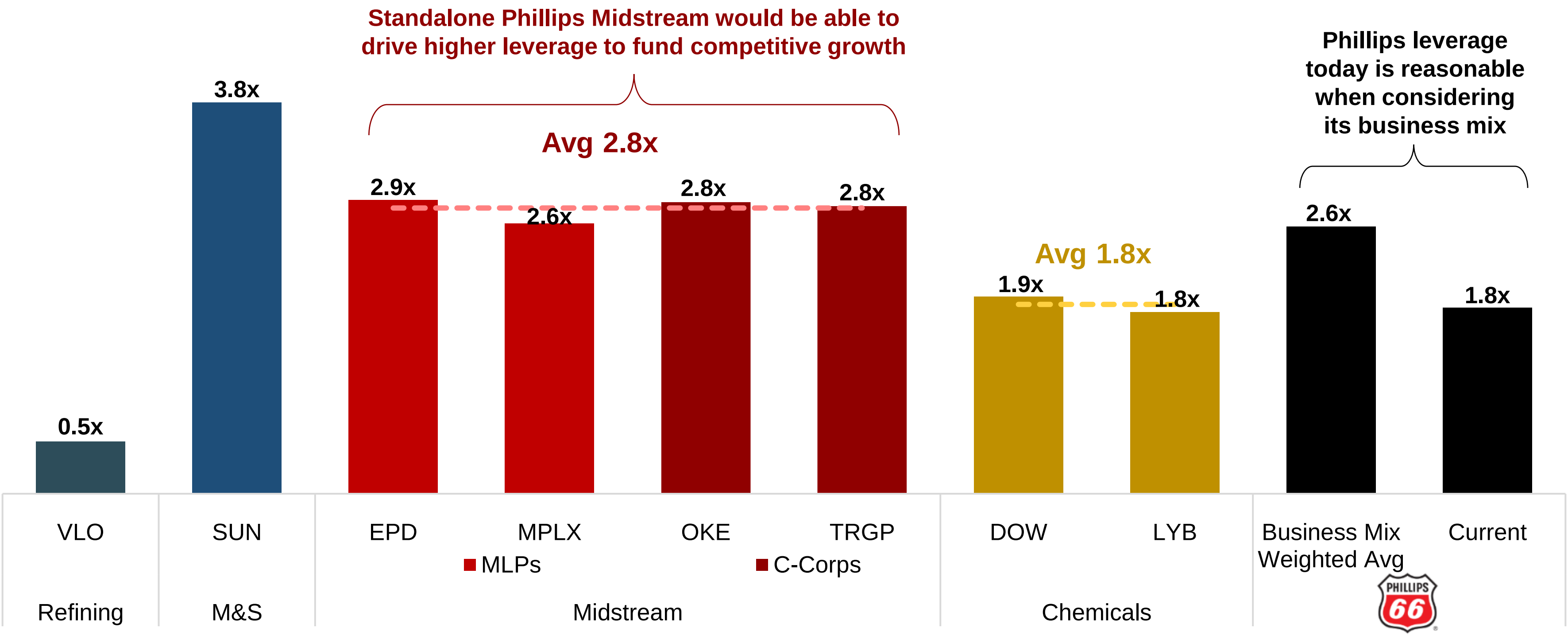
- Publicly traded but controlled midstream subsidiaries have not historically helped drive sum-of-the-parts value recognition for the parent company (for example, Marathon-MPLX, Delek-DKL)
- Phillips' midstream asset base has more independence from its refining system than peers, making it a more attractive fully separated business. We estimate the percent of midstream EBITDA that comes from earnings generated "inside the refinery gate" of its parent company to be only ~15% for Phillips compared to ~30-40% for DKL and 50%-60% for MPLX[1]

1) Estimated based on company filings and third-party energy consultant views.

REFINING AND MIDSTREAM HAVE INCOMPATABLE LEVERAGE PROFILES

Investors question Phillips' total leverage level, when in reality it is reasonable relative to business mix. Substantial midstream exposure supports higher leverage than a standalone refiner

Phillips 2026E Net Leverage vs. Peers



> We believe that PSX' debt levels are already appropriate for their mix of businesses (using 3.5x for midstream, 2.5x for chems, and 1.0x for refining based on peers, we would expect a 2.5x debt/EBITDA target is appropriate which they are already below).
>
> **Bank of America, February 7, 2025**

Source: Bloomberg, Wall Steet Estimates, Company filings.
Note: Estimates exclude impacts of turnaround.
1) Reflects the weighted average of comps based on PSX 2026E EBITDA.

OTHER ENDNOTES & DEFINITIONS

General Note:

- Labelling figures provided below correspond with the Phillips 66 Earnings Release Supplemental Data report.

Phillips 66 Refining EBITDA (excluding Turnarounds):

- Refining Adjusted EBITDA + Turnaround Expense, included in Operating and SG&A Expenses + Proportional Share of Certain Equity Affiliate Turnaround Expense, included in Equity Affiliate Operating and SG&A Expenses
- Note: “Proportional Share of Certain…” is based on actuals starting in FY 2022 and estimated before FY 2022 given lack of disclosure.

Phillips 66 Refining EBITDA (excluding Turnarounds) per Barrel:

- Phillips 66 Refining EBITDA (excluding Turnarounds) divided by Adjusted Total Processed Inputs (MB)

Phillips 66 Refining Operating Expense (excluding Turnarounds) per Barrel:

- Worldwide Refining Margins ($/bbl) – Phillips 66 Refining EBITDA (excluding Turnarounds) per Barrel