

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-35349

Phillips 66

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

45-3779385

(I.R.S. Employer
Identification No.)

2331 CityWest Blvd., Houston, Texas 77042
(Address of principal executive offices) (Zip Code)

832-765-3010
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	PSX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 399,020,916 shares of common stock, \$0.01 par value, outstanding as of June 30, 2026.

PHILLIPS 66

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Consolidated Statement of Income				Phillips 66
Millions of Dollars				
		Three Months Ended June 30	Six Months Ended June 30	
		2026	2025	2026 2025
Revenues and Other Income				
Sales and other operating revenues	\$	51,004	33,323	83,544 63,753
Equity in earnings of affiliates		635	153	887 306
Net gain (loss) on dispositions		117	(93)	123 994
Other income		288	139	492 195
Total Revenues and Other Income		52,044	33,522	85,046 65,248
Costs and Expenses				
Purchased crude oil and products		43,664	29,077	72,880 56,737
Operating expenses		1,810	1,440	3,691 3,062
Selling, general and administrative expenses		538	582	1,075 1,101
Depreciation and amortization		585	816	1,143 1,607
Impairments		9	4	17 30
Taxes other than income taxes		127	218	361 451
Accretion on discounted liabilities		13	10	25 22
Interest and debt expense		314	264	600 485
Foreign currency transaction (gains) losses		13	(9)	23 (15)
Total Costs and Expenses		47,073	32,402	79,815 63,480
Income before income taxes		4,971	1,120	5,231 1,768
Income tax expense		1,092	212	1,133 334
Net Income		3,879	908	4,098 1,434
Less: net income attributable to noncontrolling interests		32	31	44 70
Net Income Attributable to Phillips 66	\$	3,847	877	4,054 1,364
Net Income Attributable to Phillips 66 Per Share of Common Stock (dollars)				
Basic	\$	9.59	2.15	10.09 3.33
Diluted		9.55	2.15	10.05 3.32
Weighted-Average Common Shares Outstanding (thousands)				
Basic		400,954	406,763	401,493 407,966
Diluted		402,618	407,929	403,472 409,448

See Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income
Phillips 66

	Millions of Dollars			
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Net Income	\$ 3,879	908	4,098	1,434
Other comprehensive income (loss)				
Defined benefit plans				
Amortization of net actuarial loss and settlements	2	4	6	9
Plans sponsored by equity affiliates	1	1	3	3
Income taxes on defined benefit plans	(1)	(2)	(2)	(3)
Defined benefit plans, net of income taxes	2	3	7	9
Foreign currency translation adjustments	(28)	196	(97)	286
Income taxes on foreign currency translation adjustments	1	(4)	1	(6)
Foreign currency translation adjustments, net of income taxes	(27)	192	(96)	280
Other Comprehensive Income (Loss), Net of Income Taxes	(25)	195	(89)	289
Comprehensive Income	3,854	1,103	4,009	1,723
Less: comprehensive income attributable to noncontrolling interests	32	31	44	70
Comprehensive Income Attributable to Phillips 66	\$ 3,822	1,072	3,965	1,653

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheet
Phillips 66

	Millions of Dollars	
	June 30 2026	December 31 2025
Assets		
Cash and cash equivalents	\$ 4,099	1,116
Accounts and notes receivable (net of allowances of \$66 million in 2026 and \$68 million in 2025)	11,052	9,158
Accounts and notes receivable—related parties	665	613
Inventories	5,922	5,097
Prepaid expenses and other current assets	2,483	1,287
Total Current Assets	24,221	17,271
Investments and long-term receivables	12,347	11,905
Net properties, plants and equipment	39,649	39,097
Goodwill	1,433	1,433
Intangibles	955	978
Other assets	3,205	2,996
Total Assets	\$ 81,810	73,680
Liabilities		
Accounts payable	\$ 11,643	8,581
Accounts payable—related parties	406	286
Short-term debt	1,797	1,038
Accrued income and other taxes	2,012	1,362
Employee benefit obligations	497	680
Other accruals	1,999	1,379
Total Current Liabilities	18,354	13,326
Long-term debt	18,768	18,678
Asset retirement obligations and accrued environmental costs	1,082	1,022
Deferred income taxes	7,448	7,308
Employee benefit obligations	592	573
Other liabilities and deferred credits	2,863	2,532
Total Liabilities	49,107	43,439
Equity		
Common stock (2,500,000,000 shares authorized at \$0.01 par value) Issued (2026—661,175,772 shares; 2025—659,391,484 shares)		
Par value	7	7
Capital in excess of par	20,063	19,948
Treasury stock (at cost: 2026—262,154,856 shares; 2025—258,252,603 shares)	(24,578)	(23,934)
Retained earnings	36,270	33,239
Accumulated other comprehensive loss	(256)	(167)
Total Stockholders' Equity	31,506	29,093
Noncontrolling interests	1,197	1,148
Total Equity	32,703	30,241
Total Liabilities and Equity	\$ 81,810	73,680

See Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows
Phillips 66

	Millions of Dollars	
	Six Months Ended June 30	
	2026	2025
Cash Flows From Operating Activities		
Net income	\$ 4,098	1,434
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,143	1,607
Impairments	17	30
Accretion on discounted liabilities	25	22
Deferred income taxes	133	(181)
Undistributed equity earnings	(600)	195
Net gain on dispositions	(123)	(994)
Unrealized investment loss	17	14
Other	306	52
Working capital adjustments		
Accounts and notes receivable	(2,184)	(843)
Inventories	(858)	(1,607)
Prepaid expenses and other current assets	(1,199)	(426)
Accounts payable	3,159	1,075
Taxes and other accruals	1,061	654
Net Cash Provided by Operating Activities	4,995	1,032
Cash Flows From Investing Activities		
Capital expenditures and investments	(1,308)	(1,010)
Acquisitions, net of cash acquired	(179)	(2,220)
Return of investments in equity affiliates	41	43
Proceeds from asset dispositions	71	2,031
Other	31	13
Net Cash Used in Investing Activities	(1,344)	(1,143)
Cash Flows From Financing Activities		
Issuance of debt	6,889	3,499
Repayment of debt	(5,901)	(2,375)
Issuance of common stock	101	25
Repurchase of common stock	(648)	(666)
Dividends paid on common stock	(1,017)	(956)
Distributions to noncontrolling interests	(46)	(95)
Contributions from noncontrolling interests	51	106
Other	(56)	(61)
Net Cash Used in Financing Activities	(627)	(523)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(41)	40
Net Change in Cash and Cash Equivalents, including cash classified within Assets held for sale	2,983	(594)
Cash and cash equivalents at beginning of period	1,116	1,738
Cash and Cash Equivalents at End of Period, including cash classified within Assets held for sale	\$ 4,099	1,144

	Millions of Dollars	
	Six Months Ended June 30	
	2026	2025
Reconciliation of Cash and Cash Equivalents at end of period		
Cash and cash equivalents	\$ 4,099	1,052
Cash and cash equivalents included in Assets held for sale	—	92
Cash and cash equivalents at end of period, including cash classified within Assets held for sale	\$ 4,099	1,144

See Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
Phillips 66

	Millions of Dollars						
	Three Months Ended June 30						
	Attributable to Phillips 66						
	Common Stock			Retained Earnings	Accum. Other Comprehensive Loss	Noncontrolling Interests	Total
	Par Value	Capital in Excess of Par	Treasury Stock				
March 31, 2026	\$ 7	20,021	(24,203)	32,934	(231)	1,153	29,681
Net income	—	—	—	3,847	—	32	3,879
Other comprehensive loss	—	—	—	—	(25)	—	(25)
Dividends paid on common stock (\$1.27 per share)	—	—	—	(508)	—	—	(508)
Repurchase of common stock	—	—	(375)	—	—	—	(375)
Distributions to noncontrolling interests	—	—	—	—	—	(24)	(24)
Contributions from noncontrolling interests	—	—	—	—	—	36	36
Benefit plan activity	—	42	—	(3)	—	—	39
June 30, 2026	\$ 7	20,063	(24,578)	36,270	(256)	1,197	32,703
March 31, 2025	\$ 7	19,789	(22,995)	30,785	(313)	1,080	28,353
Net income	—	—	—	877	—	31	908
Other comprehensive income	—	—	—	—	195	—	195
Dividends paid on common stock (\$1.20 per share)	—	—	—	(487)	—	—	(487)
Repurchase of common stock	—	—	(395)	—	—	—	(395)
Distributions to noncontrolling interests	—	—	—	—	—	(81)	(81)
Contributions from noncontrolling interests	—	—	—	—	—	106	106
Benefit plan activity	—	31	—	(3)	—	—	28
June 30, 2025	\$ 7	19,820	(23,390)	31,172	(118)	1,136	28,627

	Shares	
	Three Months Ended June 30	
	Common Stock Issued	Treasury Stock
March 31, 2026	660,921,696	259,986,676
Repurchase of common stock	—	2,168,180
Shares issued—share-based compensation	254,076	—
June 30, 2026	661,175,772	262,154,856
March 31, 2025	658,173,402	250,591,516
Repurchase of common stock	—	3,545,412
Shares issued—share-based compensation	87,791	—
June 30, 2025	658,261,193	254,136,928

See Notes to Consolidated Financial Statements.

Millions of Dollars							
Six Months Ended June 30							
Attributable to Phillips 66							
Common Stock							
	Par Value	Capital in Excess of Par	Treasury Stock	Retained Earnings	Accum. Other Comprehensive Loss	Noncontrolling Interests	Total
December 31, 2025	\$ 7	19,948	(23,934)	33,239	(167)	1,148	30,241
Net income	—	—	—	4,054	—	44	4,098
Other comprehensive loss	—	—	—	—	(89)	—	(89)
Dividends paid on common stock (\$2.54 per share)	—	—	—	(1,017)	—	—	(1,017)
Repurchase of common stock	—	—	(644)	—	—	—	(644)
Distributions to noncontrolling interests	—	—	—	—	—	(46)	(46)
Contributions from noncontrolling interests	—	—	—	—	—	51	51
Benefit plan activity	—	115	—	(6)	—	—	109
June 30, 2026	\$ 7	20,063	(24,578)	36,270	(256)	1,197	32,703
December 31, 2024	\$ 7	19,788	(22,751)	30,771	(407)	1,055	28,463
Net income	—	—	—	1,364	—	70	1,434
Other comprehensive income	—	—	—	—	289	—	289
Dividends paid on common stock (\$2.35 per share)	—	—	—	(956)	—	—	(956)
Repurchase of common stock	—	—	(639)	—	—	—	(639)
Distributions to noncontrolling interests	—	—	—	—	—	(95)	(95)
Contributions from noncontrolling interests	—	—	—	—	—	106	106
Benefit plan activity	—	32	—	(7)	—	—	25
June 30, 2025	\$ 7	19,820	(23,390)	31,172	(118)	1,136	28,627

Shares		
Six Months Ended June 30		
	Common Stock Issued	Treasury Stock
December 31, 2025	659,391,484	258,252,603
Repurchase of common stock	—	3,902,253
Shares issued—share-based compensation	1,784,288	—
June 30, 2026	661,175,772	262,154,856
December 31, 2024	656,987,861	248,594,923
Repurchase of common stock	—	5,542,005
Shares issued—share-based compensation	1,273,332	—
June 30, 2025	658,261,193	254,136,928

See Notes to Consolidated Financial Statements.

Note 1—Interim Financial Information

The unaudited interim financial information presented in the financial statements included in this report is prepared in accordance with generally accepted accounting principles in the United States (GAAP) and includes all known accruals and adjustments necessary, in the opinion of management, for a fair presentation of the consolidated financial position of Phillips 66 and its results of operations and cash flows for the periods presented. Unless otherwise specified, all such adjustments are of a normal and recurring nature. Certain notes and other information have been condensed or omitted from the interim financial statements included in this report. Therefore, these interim financial statements should be read in conjunction with the consolidated financial statements and notes included in our 2025 Annual Report on Form 10-K. The results of operations for the three and six months ended June 30, 2026, are not necessarily indicative of the results expected for the full year.

Note 2—Business Combinations**Refining Acquisition**

On October 1, 2025, we acquired the remaining 50% equity interest in WRB Refining LP (WRB) from subsidiaries of Cenovus Energy Inc. (Cenovus) for total cash consideration of \$1.3 billion. This acquisition enables full integration with our broader value chain and expands our position in the Central Corridor region.

The components of the fair value of the WRB acquisition consideration are:

	Millions of Dollars	
Cash paid to Cenovus	\$	1,340
Fair value of previously held equity interest in WRB		1,304
Settlement of relationships with Phillips 66 and WRB		793
Total acquisition consideration	\$	3,437

The acquisition date fair value of the previously held equity interest in WRB was determined using a market approach and the valuation resulted in a Level 3 nonrecurring fair value measurement.

We accounted for this acquisition as a business combination and provisionally recorded \$2,771 million of properties, plants, and equipment (PP&E); \$1,200 million of inventory; \$54 million of other long-term assets; \$9 million of intangibles; \$450 million of short-term debt assumed at acquisition and also fully repaid on October 1, 2025; \$87 million of net working capital deficit (excluding inventory and short-term debt); \$34 million of asset retirement obligations (AROs) and accrued environmental costs; \$21 million of other long-term liabilities; and \$5 million of deferred income tax liabilities. The fair values of the assets acquired and liabilities assumed are preliminary and subject to change until we finalize the accounting for this acquisition. See Note 14—Fair Value Measurements for additional information on the determination of fair value.

Midstream Acquisition

On April 1, 2025, we acquired all issued and outstanding equity interests in each of EPIC Y-Grade GP, LLC and EPIC Y-Grade, LP, together with their respective subsidiaries (collectively referred to herein as Coastal Bend), which own various long haul natural gas liquids (NGL) pipelines, fractionation facilities and distribution systems, for total consideration of \$2.2 billion, net of cash acquired. This acquisition further enhances our wellhead-to-market strategy. We finalized the valuation of the assets acquired and liabilities assumed during the three months ended March 31, 2026. For this acquisition, we recorded \$2,224 million of PP&E; \$4 million of other assets; \$4 million of net working capital (excluding cash); \$33 million of other long-term liabilities; and \$4 million of AROs. See Note 14—Fair Value Measurements for additional information on the determination of fair value.

Note 3—Sales and Other Operating Revenues

Disaggregated Revenues

The following tables present our disaggregated sales and other operating revenues:

	Millions of Dollars			
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Product Line and Services				
Refined petroleum products and renewable fuels	\$ 36,976	24,211	61,854	46,460
Crude oil resales	8,262	4,151	12,586	7,253
Natural gas liquids and natural gas	4,650	4,076	9,191	8,582
Services and other*	1,116	885	(87)	1,458
Consolidated sales and other operating revenues	\$ 51,004	33,323	83,544	63,753
Geographic Location**				
United States	\$ 41,216	26,022	67,006	50,181
United Kingdom	5,842	3,389	9,616	6,351
Germany	806	1,309	1,515	2,527
Other countries	3,140	2,603	5,407	4,694
Consolidated sales and other operating revenues	\$ 51,004	33,323	83,544	63,753

* Includes economic hedging losses associated with derivatives-related activities. See Note 13—Derivatives and Financial Instruments, for additional information.

** Sales and other operating revenues are attributable to countries based on the location of the operations generating the revenues.

Contract-Related Assets and Liabilities

At June 30, 2026, and December 31, 2025, receivables from contracts with customers were \$9.7 billion and \$7.8 billion, respectively. Significant noncustomer balances, such as buy/sell receivables and excise tax receivables, were excluded from these amounts.

Our contract-related assets also include payments we make to our marketing customers related to incentive programs. An incentive payment is initially recognized as an asset and subsequently amortized as a reduction to revenue over the contract term, which generally ranges from 5 to 15 years. At June 30, 2026, and December 31, 2025, our asset balances related to such payments were \$899 million and \$820 million, respectively.

Our contract liabilities primarily represent advances from our customers prior to product or service delivery. At June 30, 2026, and December 31, 2025, contract liabilities were \$174 million and \$198 million, respectively.

Remaining Performance Obligations

Most of our contracts with customers are spot contracts or term contracts with only variable consideration. We do not disclose remaining performance obligations for these contracts as the expected duration is one year or less or because the variable consideration has been allocated entirely to an unsatisfied performance obligation. We also have certain contracts in our Midstream segment that include minimum volume commitments with fixed pricing. At June 30, 2026, the remaining performance obligations related to these minimum volume commitment contracts amounted to \$761 million. This amount excludes variable consideration and estimates of variable rate escalation clauses in our contracts with customers and is expected to be recognized through 2036, with a weighted average remaining life of four years as of June 30, 2026.

Note 4—Credit Losses

We are exposed to credit losses primarily through our sales of refined petroleum products, renewable fuels, renewable feedstocks, crude oil, NGL and natural gas. We assess each counterparty's ability to pay for the products we sell by conducting a credit review. The credit review considers our expected billing exposure and timing for payment and the counterparty's established credit rating or our assessment of the counterparty's creditworthiness based on our analysis of their financial statements when a credit rating is not available. We also consider contract terms and conditions, country and political risk and business strategy in our evaluation. A credit limit is established for each counterparty based on the outcome of this review. We may require collateralized asset support or a prepayment to mitigate credit risk.

We monitor our ongoing credit exposure through active review of counterparty balances against contract terms and due dates. Our activities include timely account reconciliations, dispute resolution and payment confirmations. We may employ collection agencies and legal counsel to pursue recovery of defaulted receivables. In addition, when events and circumstances arise that may affect certain counterparties' abilities to fulfill their obligations, we enhance our credit monitoring, and we may seek collateral to support some transactions or require prepayments from higher-risk counterparties.

At June 30, 2026, and December 31, 2025, we reported \$11,717 million and \$9,771 million of accounts and notes receivable, respectively, net of allowances of \$66 million and \$68 million, respectively. Based on an aging analysis at June 30, 2026, more than 95% of our accounts receivable were outstanding less than 60 days.

We are also exposed to credit losses from off-balance sheet exposures, such as guarantees of joint venture debt and accounts receivable sold under a securitization facility, as well as standby letters of credit. See Note 9—Debt, Note 11—Guarantees, and Note 12—Contingencies and Commitments, for additional information on these off-balance sheet exposures.

Note 5—Inventories

Inventories consisted of the following:

	Millions of Dollars	
	June 30 2026	December 31 2025
Crude oil and products	\$ 5,315	4,529
Materials and supplies	607	568
	\$ 5,922	5,097

Inventories valued on the last-in, first-out (LIFO) basis totaled \$5,237 million and \$4,461 million at June 30, 2026, and December 31, 2025, respectively. The estimated excess of current replacement cost over LIFO cost of inventories amounted to approximately \$6.2 billion and \$3.6 billion at June 30, 2026, and December 31, 2025, respectively.

Certain planned reductions in inventory that are not expected to be replaced by the end of the year cause liquidations of LIFO inventory values. LIFO liquidations did not have a material impact on net income for the three and six months ended June 30, 2026 and 2025.

Note 6—Investments, Loans and Long-Term Receivables

Equity Investments

Dakota Access, LLC (Dakota Access) and Energy Transfer Crude Oil Company, LLC (ETCO)

In 2020, the trial court presiding over litigation brought by the Standing Rock Sioux Tribe (the Tribe) ordered the U.S. Army Corps of Engineers (USACE) to prepare an Environmental Impact Statement (EIS) addressing environmental impacts from the Dakota Access Pipeline (DAPL) easement under Lake Oahe; although the easement was later vacated, operations have continued while USACE completed the EIS process, and the Tribe's shutdown requests were denied. The final EIS, published in December 2025, laid out multiple alternatives, including denial, abandonment, continued operation under the 2017 conditions, continued operation with additional conditions and a reroute. In May 2026, the USACE issued the signed Record of Decision (ROD), which authorizes continued operation under a new easement with enhanced safety and environmental conditions. More specifically, the ROD requires mitigation measures beyond the 2017 easement, including alternative water supply planning, groundwater monitoring, biannual Lake Oahe surveillance, fish tissue sampling after a release, eagle-protection measures, periodic independent expert review of leak detection technologies, emergency food distribution planning for affected Tribal communities and continued Tribal engagement on subsistence-use studies. The costs to comply with these additional mitigation measures are minimal and are not expected to have a material impact on our financial statements.

During the final EIS process, the Tribe flagged ETCO's potential future Canadian crude shipments through DAPL, but ETCO told USACE there are no confirmed plans and none would occur before late 2028 or early 2029 without regulatory and shipper approvals. USACE found the issue did not require supplemental environmental review or alter its selected alternative, but added a condition requiring ETCO to submit updated reports and oil-consumption documentation for USACE review before transporting materially different crude through Lake Oahe.

Because the ROD has been issued, challenges to USACE's final decision and environmental analysis may now be brought forward. The Tribe and potentially affiliated environmental groups could file a new challenge in federal district court in Washington, D.C.

Dakota Access and ETCO have guaranteed repayment of senior unsecured notes issued by a wholly owned subsidiary of Dakota Access. At June 30, 2026, the aggregate principal amount outstanding of Dakota Access' senior unsecured notes was \$850 million.

In addition, Phillips 66 Partners LP (Phillips 66 Partners), a wholly owned subsidiary of Phillips 66, and its co-venturers in Dakota Access also provided a Contingent Equity Contribution Undertaking (CECU) in conjunction with the notes offering. At June 30, 2026, our 25% share of the maximum potential equity contributions under the CECU was approximately \$215 million. If the pipeline is required to cease operations, it may have a material adverse effect on our results of operations and cash flows. Should operations cease and Dakota Access and ETCO not have sufficient funds to pay its expenses, we also could be required to support our 25% share of the ongoing expenses, including scheduled interest payments on the notes of approximately \$10 million annually, in addition to the potential obligations under the CECU at June 30, 2026.

At June 30, 2026, the aggregate book value of our investments in Dakota Access and ETCO was \$836 million.

OnCue Holdings, LLC (OnCue)

We hold a 50% interest in OnCue, a joint venture that owns and operates retail convenience stores. We fully guarantee various debt agreements of OnCue, and our co-venturer does not participate in the guarantees. This entity is considered a variable interest entity (VIE) because our debt agreements resulted in OnCue not being exposed to all potential losses. We have determined that we are not the primary beneficiary because we do not have the power to direct the activities that most significantly impact economic performance. At June 30, 2026, our maximum exposure to loss was \$276 million, which represented the book value of our investment in OnCue of \$224 million and guaranteed debt obligations of \$52 million.

Investment Dispositions

On December 1, 2025, we divested 65% of our interest in Germany and Austria retail marketing business (Germany and Austria Marketing) and retained a 35% non-operating equity interest in the newly formed entity, JET Management Holding GmbH & Co. KG (JET Management Holding). During the second quarter of 2026, we recognized a before-tax gain of \$110 million related to post-closing adjustments for the divestiture, which is presented within the “Net gain (loss) on dispositions” line item on our consolidated statement of income for the three and six months ended June 30, 2026, and is reported in our Marketing and Specialties (M&S) segment.

In connection with the disposition of Germany and Austria Marketing, on May 15, 2025, we entered into foreign currency forward contracts and recognized a before-tax aggregate unrealized loss of \$89 million on these foreign currency forward contracts in the “Net gain (loss) on dispositions” line item on our consolidated statement of income for the three and six months ended June 30, 2025, which is reported in our M&S segment.

On January 31, 2025, we sold our 49% ownership interest in Coop Mineraloel AG (Coop) and settled the foreign currency forward contracts entered into in connection with the asset sale. We received cash proceeds of \$1.2 billion, consisting of a sales price of \$1.15 billion and a final dividend relating to financial year 2024 of \$92 million from Coop that was paid on January 30, 2025. We recognized a before-tax gain of \$1 billion associated with the sale, which is included within the “Net gain (loss) on dispositions” line item on our consolidated statement of income for the six months ended June 30, 2025, and is reported in our M&S segment. The final dividend of \$92 million is included within the “Cash Flows from Operating Activities” section on our consolidated statement of cash flows.

On January 30, 2025, DCP Midstream, LP (DCP LP) sold its 25% ownership interest in Gulf Coast Express Pipeline LLC for cash proceeds of \$853 million. We recognized a before-tax gain of \$68 million, which is included within the “Net gain (loss) on dispositions” line item on our consolidated statement of income for the six months ended June 30, 2025, and is reported in our Midstream segment.

Note 7—Properties, Plants and Equipment

Our investment in PP&E and the associated accumulated depreciation and amortization (Accum. D&A) balances were as follows:

	Millions of Dollars					
	June 30, 2026			December 31, 2025		
	Gross PP&E	Accum. D&A	Net PP&E	Gross PP&E	Accum. D&A	Net PP&E
Midstream	\$ 30,851	6,391	24,460	29,558	5,771	23,787
Chemicals	—	—	—	—	—	—
Refining	22,880	10,940	11,940	25,955	13,685	12,270
Marketing and Specialties	1,038	562	476	1,014	543	471
Renewable Fuels	3,792	1,813	1,979	3,772	1,762	2,010
Corporate and Other	4,598	3,804	794	1,492	933	559
	\$ 63,159	23,510	39,649	61,791	22,694	39,097

In the fourth quarter of 2025, we ceased fuel production and began idling facilities at our Los Angeles Refinery. The process of fully idling these facilities is ongoing while the redevelopment project plans continue through the review processes of the relevant state and local agencies. As a result, the carrying values of the associated net PP&E and intangible assets were depreciated to the estimated salvage value of \$241 million at December 31, 2025. Total depreciation related to the Los Angeles Refinery assets for the three and six months ended June 30, 2025, was \$265 million and \$535 million, respectively, including \$239 million and \$485 million of accelerated depreciation, respectively. This depreciation was included within the “Depreciation and amortization” line item on our consolidated statement of income reported in our Refining segment. In the first quarter of 2026, we transferred \$2,965 million in gross PP&E and \$2,699 million of accumulated depreciation and amortization associated with the idled Los Angeles Refinery from our Refining segment to Corporate and Other.

On April 28, 2026, we acquired the assets and associated infrastructure of the Lindsey Oil Refinery for a purchase price of \$115 million. We accounted for this acquisition as an asset acquisition and recorded \$202 million of PP&E and \$87 million of AROs, of which \$171 million, inclusive of AROs, is reported in our Refining segment and \$31 million is reported in our Midstream segment. The consideration paid is included in the “Acquisitions, net of cash acquired” line item on our consolidated statement of cash flows for the six months ended June 30, 2026.

Note 8—Earnings Per Share

The numerator of basic earnings per share (EPS) is net income attributable to Phillips 66, adjusted for noncancelable dividends paid on unvested share-based employee awards during the vesting period (participating securities). The denominator of basic EPS is the sum of the daily weighted-average number of common shares outstanding during the periods presented and fully vested stock and unit awards that have not yet been issued as common stock. The numerator of diluted EPS is also based on net income attributable to Phillips 66, which is reduced by dividend equivalents paid on participating securities for which the dividends are more dilutive than the participation of the awards in the earnings of the periods presented. To the extent unvested stock, unit or option awards and vested unexercised stock options are dilutive, they are included with the weighted-average common shares outstanding in the denominator. Treasury stock is excluded from the denominator in both basic and diluted EPS.

	Three Months Ended June 30				Six Months Ended June 30			
	2026		2025		2026		2025	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Amounts Attributed to Phillips 66 Common Stockholders (millions):								
Net Income Attributable to Phillips 66	3,847	3,847	877	877	4,054	4,054	1,364	1,364
Income allocated to participating securities	(3)	—	(2)	(1)	(4)	—	(5)	(3)
Net income available to common stockholders	\$ 3,844	3,847	875	876	4,050	4,054	1,359	1,361
Weighted-average common shares outstanding (thousands):	400,004	400,954	405,726	406,763	400,466	401,493	406,820	407,966
Effect of share-based compensation	950	1,664	1,037	1,166	1,027	1,979	1,146	1,482
Weighted-average common shares outstanding—EPS	400,954	402,618	406,763	407,929	401,493	403,472	407,966	409,448
Earnings Per Share of Common Stock (dollars)	\$ 9.59	9.55	2.15	2.15	10.09	10.05	3.33	3.32

Note 9—Debt

Senior Notes and Term Loan Issuances and Repayments

Term Loan Agreement

On March 18, 2026 (the Term Loan Closing Date), Phillips 66 Company entered into a 364-day, \$2.25 billion term loan agreement guaranteed by Phillips 66 (the Term Loan Agreement). The Term Loan Agreement provides for a single borrowing on the Term Loan Closing Date and matures 364 days after the Term Loan Closing Date. The Term Loan Agreement contains customary covenants similar to those contained in our revolving credit agreement, including a maximum consolidated net debt-to-capitalization ratio of 65% as of the last day of each fiscal quarter. The Term Loan Agreement has customary events of default, such as nonpayment of principal when due; nonpayment of interest, fees or other amounts after grace periods; and violation of covenants. We may at any time prepay outstanding borrowings under the Term Loan Agreement, in whole or in part, without premium or penalty. Outstanding borrowings under the Term Loan Agreement bear interest at either: (a) the term Secured Overnight Financing Rate (SOFR) in effect from time to time plus an applicable margin of 1.100%; or (b) the reference rate (as described in the Term Loan Agreement) plus an applicable margin of 0.100%. At June 30, 2026, \$1.25 billion was outstanding under the Term Loan Agreement, which matures in March 2027. On July 31, 2026, this amount was fully repaid.

Repayments

On June 30, 2026, Phillips 66 Company repaid \$1 billion of the outstanding \$2.25 billion borrowed under its term loan that matures in March 2027.

On February 17, 2026, upon maturity, Phillips 66 repaid the remaining \$100 million outstanding on its 1.300% Senior Notes due February 2026, with an aggregate principal amount of \$500 million.

On June 27, 2025, DCP LP early redeemed the outstanding \$525 million of its 5.375% Senior Notes due July 2025 with an aggregate principal amount of \$825 million.

On February 18, 2025, upon maturity, Phillips 66 Partners repaid its 3.605% Senior Notes due February 2025, with an aggregate principal amount of \$59 million.

Accounts Receivable Securitization

On September 30, 2024, Phillips 66 Company entered into a 364-day, \$500 million accounts receivable securitization facility (the Receivables Securitization Facility). Under the Receivables Securitization Facility, Phillips 66 Company sells or contributes on an ongoing basis, certain of its receivables, together with related security and interests in the proceeds thereof, to its wholly owned subsidiary, Phillips 66 Receivables LLC (P66 Receivables), a consolidated and bankruptcy-remote special purpose entity created for the sole purpose of transacting under the Receivables Securitization Facility. During 2025, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility to \$1.25 billion and extend the term of the facility through September 28, 2026. On March 13, 2026, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility from \$1.25 billion to \$1.75 billion and permit P66 Receivables to request a future increase in the maximum facility size up to \$2 billion. Under the amended Receivables Securitization Facility, P66 Receivables may borrow and incur indebtedness from, and/or sell certain accounts receivable in an amount not to exceed \$1.75 billion in the aggregate, and will secure its obligations with a pledge of undivided interests in such receivables, together with related security and interests in the proceeds thereof, to PNC Bank, National Association, as Administrative Agent, for the benefit of the secured parties thereunder. Accounts receivable outstanding under the Receivables Securitization Facility accrue interest at an adjusted term SOFR plus the applicable margin. In all instances, Phillips 66 Company retains the servicing of the accounts receivable transferred.

Accounts receivable sold under the Receivables Securitization Facility meet the sale criteria under ASC 860, *Transfers and Servicing*, and are derecognized from the consolidated balance sheet. P66 Receivables guarantees payment, in full, for accounts receivable sold to the purchasers. For the three months ended June 30, 2026, we sold \$342 million of accounts receivable for cash proceeds. For the six months ended June 30, 2026, we sold \$606 million of accounts receivable in exchange for cash proceeds of \$342 million and a \$264 million reduction in our borrowings under the

Receivables Securitization Facility, which was recognized as a non-cash financing transaction. For the three months ended June 30, 2025, we sold \$303 million of accounts receivable in exchange for a \$303 million reduction in our borrowings under the Receivables Securitization Facility, which was recognized as a non-cash financing transaction. For the six months ended June 30, 2025, we sold \$433 million of accounts receivable in exchange for cash proceeds of \$130 million and a \$303 million reduction in our borrowings under the Receivables Securitization Facility. We recognized immaterial charges associated with the transfers of financial assets, which are included as a component within the line item “Selling, general and administrative expenses” on our consolidated statement of income, during the three and six months ended June 30, 2026 and 2025.

Borrowings under the Receivables Securitization Facility are recognized as short-term debt on the consolidated balance sheet. Borrowings are secured by the accounts receivable, held by P66 Receivables, which remain reported as accounts receivable on the consolidated balance sheet. At June 30, 2026, we had no outstanding borrowings under the Receivables Securitization Facility. We had outstanding borrowings of \$200 million at December 31, 2025, which were secured by accounts receivable held by P66 Receivables of \$4.4 billion included within the “Accounts and notes receivable” line item on our consolidated balance sheet.

At June 30, 2026, we had utilized \$346 million of the \$1.75 billion capacity of the Receivables Securitization Facility, all of which was from sold accounts receivable not yet remitted to the Administrative Agent. At December 31, 2025, we had utilized \$367 million of the \$1.25 billion capacity of the Receivables Securitization Facility from \$167 million of sold accounts receivable not yet remitted to the Administrative Agent and \$200 million of outstanding borrowings.

Credit Facilities and Commercial Paper

Phillips 66 and Phillips 66 Company

On January 13, 2025, we entered into a \$200 million uncommitted credit facility (the 2025 Uncommitted Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor. The 2025 Uncommitted Facility contains covenants and events of default customary for unsecured uncommitted facilities. The 2025 Uncommitted Facility has no commitment fees or compensating balance requirements. Outstanding borrowings under the 2025 Uncommitted Facility bear interest at a rate of either (a) the adjusted term SOFR plus the applicable margin, (b) the adjusted daily simple SOFR plus the applicable margin or (c) the base rate, in each case plus the applicable margin. Each borrowing matures six months from the date of such borrowing. We may at any time prepay outstanding borrowings, in whole or in part, without premium or penalty. On March 26, 2026, Phillips 66 amended the 2025 Uncommitted Facility to increase the capacity by \$100 million. At June 30, 2026, and December 31, 2025, no borrowings were outstanding under the 2025 Uncommitted Facility.

On June 25, 2024, we entered into a \$400 million uncommitted credit facility (the 2024 Uncommitted Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor. The 2024 Uncommitted Facility contains covenants and events of default customary for unsecured uncommitted facilities. The 2024 Uncommitted Facility has no commitment fees or compensating balance requirements. Outstanding borrowings under the 2024 Uncommitted Facility bear interest at a rate of either (a) the adjusted term SOFR, (b) the adjusted daily simple SOFR or (c) the reference rate, in each case plus the applicable margin. Each borrowing matures six months from the date of such borrowing. We may at any time prepay outstanding borrowings, in whole or in part, without premium or penalty. At June 30, 2026, and December 31, 2025, no borrowings were outstanding under the 2024 Uncommitted Facility.

On February 28, 2024, we entered into a new \$5 billion revolving credit agreement (the Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor and a scheduled maturity date of February 28, 2029. The Facility replaced our previous \$5 billion revolving credit facility dated as of June 23, 2022, with Phillips 66 Company as the borrower and Phillips 66 as the guarantor, and the previous revolving credit facility was terminated. The Facility contains customary covenants similar to the previous revolving credit facility, including a maximum consolidated net debt-to-capitalization ratio of 65% as of the last day of each fiscal quarter. The Facility has customary events of default, such as nonpayment of principal when due; nonpayment of interest, fees or other amounts after grace periods; and violation of covenants. We may at any time prepay outstanding borrowings under the Facility, in whole or in part, without premium or penalty. We have the option to increase the overall capacity to \$6 billion, subject to certain conditions. We also have the option to extend the scheduled maturity of the Facility for up to two additional one-year terms, subject to, among other things, the consent of the lenders holding the majority of the commitments and of each lender extending its commitment. Outstanding borrowings under the Facility bear interest at either (a) the adjusted term SOFR (as described

in the Facility) in effect from time to time plus the applicable margin; or (b) the reference rate (as described in the Facility) plus the applicable margin. The pricing levels for the commitment fee and interest-rate margins are determined based on the ratings in effect for our senior unsecured long-term debt from time to time. At June 30, 2026, and December 31, 2025, no amount had been drawn under the Facility.

Phillips 66 also has a \$5 billion uncommitted commercial paper program for short-term working capital needs that is supported by the Facility. Commercial paper maturities are contractually limited to less than one year. At June 30, 2026, no borrowings were outstanding under this program, while at December 31, 2025, \$200 million of commercial paper had been issued under this program.

Note 10—Accounts Receivable Factoring

In addition to the Receivables Securitization Facility, discussed in Note 9—Debt, Phillips 66 maintains other accounts receivable factoring facilities with various financial institutions that enable Phillips 66 to sell certain eligible accounts receivable to these financial institutions on a non-recourse basis for which we retain the servicing of the accounts receivable transferred. Sales of accounts receivable under these facilities meet the sale criteria under ASC 860, *Transfers and Servicing*, and are derecognized from the consolidated balance sheet. Cash receipts from the sale of accounts receivable, received at the time of sale, are classified as cash flows from operating activities. For the three and six months ended June 30, 2026, we sold \$1.3 billion and \$1.7 billion, respectively, of accounts receivable for cash proceeds under these facilities. As of June 30, 2026, and December 31, 2025, \$636 million and \$195 million, respectively, remained uncollected of the total accounts receivable sold and derecognized from the consolidated balance sheet. We recognized immaterial charges associated with these transfers, which are included as a component within the line item “Selling, general and administrative expenses” on our consolidated statement of income for the three and six months ended June 30, 2026.

Note 11—Guarantees

At June 30, 2026, we were liable for certain contingent obligations under various contractual arrangements as described below. We recognize a liability for the fair value of our obligation as a guarantor for newly issued or modified guarantees. Unless the carrying amount of the liability is noted below, we have not recognized a liability either because the guarantees were issued prior to December 31, 2002, or because the fair value of the obligation is immaterial. In addition, unless otherwise stated, we are not currently performing with any significance under the guarantees and expect future performance to be either immaterial or have only a remote chance of occurrence.

Lease Residual Value Guarantees

Under the operating lease agreement for our headquarters facility in Houston, Texas, we have the option, at the end of the lease term in September 2030, to request to renew the lease, purchase the facility or assist the lessor in marketing it for resale. This agreement includes a residual value guarantee with a maximum potential future exposure of \$404 million at June 30, 2026. In addition, we have residual value guarantees associated with railcar, airplane and truck leases with maximum potential future exposures totaling \$174 million at June 30, 2026. These leases have remaining terms of one to ten years.

Guarantees of Joint Venture Obligations

In March 2019, Phillips 66 Partners and its co-venturers in Dakota Access provided a CECU in conjunction with a senior unsecured notes offering. See Note 6—Investments, Loans and Long-Term Receivables, for additional information regarding Dakota Access and the CECU.

At June 30, 2026, we also had other guarantees outstanding primarily for our portion of certain joint venture debt, which have remaining terms of up to three years. The maximum potential future exposures under these guarantees were approximately \$52 million. Payment would be required if a joint venture defaults on its obligations.

Indemnifications

Over the years, we have entered into various agreements to sell ownership interests in certain corporations, joint ventures and assets that gave rise to indemnifications. Agreements associated with these sales include indemnifications for taxes, litigation, environmental liabilities, permits and licenses, employee claims and real estate tenant defaults. The provisions of these indemnifications vary greatly. The majority of these indemnifications are related to environmental issues, which generally have indefinite terms and potentially unlimited exposure. At June 30, 2026, and December 31, 2025, the carrying amount of recorded indemnifications was \$52 million and \$53 million, respectively.

We amortize the indemnification liability over the relevant time period, if one exists, based on the facts and circumstances surrounding each type of indemnity. In cases where the indemnification term is indefinite, we will reverse the liability when we have information to support the reversal. Although it is reasonably possible future payments may exceed amounts recorded, due to the nature of the indemnifications, it is not possible to make a reasonable estimate of the maximum potential amount of future payments.

At June 30, 2026, and December 31, 2025, environmental accruals for known contamination of \$49 million and \$50 million, respectively, were included in the carrying amount of the recorded indemnifications noted above. These environmental accruals were primarily included within the “Asset retirement obligations and accrued environmental costs” line item on our consolidated balance sheet. For additional information about environmental liabilities, see Note 12—Contingencies and Commitments.

Additionally, P66 Receivables has guaranteed all borrowings and receivables sold under the Receivables Securitization Facility. At June 30, 2026, we had sold accounts receivable of \$346 million, of which \$295 million remained uncollected from our customers. This represents our maximum potential future exposure under the guarantee associated with the Receivables Securitization Facility. See Note 9—Debt, for information regarding the guarantee under our Receivables Securitization Facility.

Indemnification and Release Agreement

In 2012, in connection with our separation from ConocoPhillips, we entered into an Indemnification and Release Agreement. This agreement governs the treatment between ConocoPhillips and us of matters relating to indemnification, insurance, litigation responsibility and management, and litigation document sharing and cooperation arising in connection with the separation. Generally, the agreement provides for cross indemnities principally designed to place financial responsibility for the obligations and liabilities of our business with us and financial responsibility for the obligations and liabilities of ConocoPhillips' business with ConocoPhillips. The agreement also establishes procedures for handling claims subject to indemnification and related matters.

Note 12—Contingencies and Commitments

A number of lawsuits involving a variety of claims that arose in the ordinary course of business have been filed against us or are subject to indemnifications provided by us. We also may be required to remove or mitigate the effects on the environment of the placement, storage, disposal or release of certain chemical, mineral and petroleum substances at various active and inactive sites. We regularly assess the need for financial recognition or disclosure of these contingencies. In the case of all known contingencies (other than those related to income taxes), we accrue a liability when the loss is probable and the amount is reasonably estimable. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not reduce these liabilities for potential insurance or third-party recoveries. If applicable, we accrue receivables for probable insurance or other third-party recoveries. In the case of income tax-related contingencies, we use a cumulative probability-weighted loss accrual in cases where sustaining a tax position is uncertain.

Other than with respect to the legal matters described herein, based on currently available information, we believe it is remote that future costs related to known contingent liability exposures will exceed current accruals by an amount that would have a material adverse impact on our consolidated financial statements. As we learn new facts concerning contingencies, we reassess our position both with respect to accrued liabilities and other potential exposures. Estimates particularly sensitive to future changes include contingent liabilities recorded for environmental remediation, tax and legal matters. Estimated future environmental remediation costs are subject to change due to such factors as the uncertain magnitude of cleanup costs, the unknown time and extent of such remedial actions that may be required and the determination of our liability in proportion to that of other potentially responsible parties. Estimated future costs related to tax and legal matters are subject to change as events evolve and as additional information becomes available during the administrative and litigation processes.

Environmental

We are subject to international, federal, state and local environmental laws and regulations. When we prepare our consolidated financial statements, we record accruals for environmental liabilities based on management's best estimates, using information available at the time. We measure estimates and base contingent liabilities on currently available facts, existing technology and presently enacted laws and regulations, taking into account stakeholder and business considerations. When measuring contingent environmental liabilities, we also consider our prior experience in remediation of contaminated sites, other companies' cleanup experience and data released by the Environmental Protection Agency (EPA) or other organizations. We consider unasserted claims in our determination of environmental liabilities, and we accrue them in the period they are both probable and reasonably estimable.

Although liability for environmental remediation costs is generally joint and several for federal sites, and frequently so for state sites, we are usually only one of many companies alleged to have liability at a particular site. Due to such joint and several liabilities, we could be responsible for all cleanup costs related to any site at which we have been designated as a potentially responsible party. We have been successful to date in sharing cleanup costs with other financially sound companies. Many of the sites for which we are potentially responsible are still under investigation by the EPA or the state agencies concerned. Prior to actual cleanup, those potentially responsible normally assess the site conditions, apportion responsibility and determine the appropriate remediation. In some instances, we may have no liability or may attain a settlement of liability. Where it appears that other potentially responsible parties may be financially unable to bear their proportional share, we consider this inability in estimating our potential liability, and we adjust our accruals accordingly. As a result of various acquisitions in the past, we assumed certain environmental obligations. Some of these environmental obligations are mitigated by indemnifications made by others for our benefit, although some of the indemnifications are subject to dollar and time limits.

We are currently participating in environmental assessments and cleanups at numerous federal Superfund and comparable state sites. After an assessment of environmental exposures for cleanup and other costs, we make accruals on an undiscounted basis (except those pertaining to sites acquired in a business combination, which we record on a discounted basis) for planned investigation and remediation activities for sites where it is probable future costs will be incurred and these costs can be reasonably estimated. At June 30, 2026, our total environmental accruals were \$467 million, compared with \$506 million at December 31, 2025. We expect to incur a substantial amount of these expenditures within the next 30 years. We have not reduced these accruals for possible insurance recoveries. In the future, we may be involved in additional environmental assessments, cleanups and proceedings.

Legal Proceedings

Our legal organization applies its knowledge, experience and professional judgment to the specific characteristics of our cases, employing a litigation management process to manage and monitor the legal proceedings against us. Our process facilitates the early evaluation and quantification of potential exposures in individual cases and enables the tracking of those cases that have been scheduled for trial and/or mediation. Based on professional judgment and experience in using these litigation management tools and available information about current developments in all our cases, our legal organization regularly assesses the adequacy of current accruals and determines if adjustment of existing accruals, or establishment of new accruals, is required.

Propel Fuels Litigation

In late 2017, as part of Phillips 66 Company's evaluation of various opportunities in the renewable fuels business, Phillips 66 Company engaged with Propel Fuels, Inc. (Propel Fuels), a California company that distributes E85 and other alternative fuels through fueling kiosks. Ultimately, the parties were not able to reach an agreement, and negotiations were terminated in August 2018. On February 17, 2022, Propel Fuels filed a lawsuit in the Superior Court of California, County of Alameda (the Propel Court), alleging that Phillips 66 Company misappropriated trade secrets related to Propel Fuels' renewable fuels business during and after due diligence. On October 16, 2024, a jury returned a verdict against Phillips 66 Company for \$604.9 million in compensatory damages and issued a willfulness finding. Based on the willfulness finding, the Propel Court later granted Propel Fuels' requests for exemplary damages and attorney's fees and costs. On August 5, 2025, the Propel Court entered a final judgment against Phillips 66 Company in the amount of \$833 million. The judgment includes the \$604.9 million jury verdict, \$195 million of exemplary damages, and \$33.3 million of pre-judgment interest at 7%. From the date of final judgment, post-judgment interest of 10% is accruing, which is included within the "Selling, general and administrative expenses" line on our consolidated statement of income and reported in the M&S segment. On November 14, 2025, Phillips 66 Company filed its Notice of Appeal, which has been assigned to Division Two of the First District Court of Appeal. On July 10, 2026, Phillips 66 Company filed its opening brief with the Court of Appeal. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position.

The accrued amounts totaling \$928 million and \$867 million as of June 30, 2026, and December 31, 2025, respectively, are reflected as "Other liabilities and deferred credits" on our consolidated balance sheet. However, it is reasonably possible that the estimate of the loss could change based on the progression of the case, including the appeals process. If information were to become available that would allow us to reasonably estimate a range of potential exposure in an amount higher or lower than the amount already accrued, we would adjust our accrued liabilities accordingly. While Phillips 66 Company believes the jury verdict is not legally or factually supported, there can be no assurances that such defense efforts will be successful. Until the final resolution of this matter, we may be exposed to losses in excess of the amount recorded, and such amounts may have a material adverse effect on our financial position.

Other Contingencies

We have contingent liabilities resulting from throughput agreements with pipeline and processing companies not associated with financing arrangements. Under these agreements, we may be required to provide any such company with additional funds through advances and penalties for fees related to throughput capacity not utilized.

At June 30, 2026, we had performance obligations secured by letters of credit and bank guarantees of \$2,288 million related to various purchase and other commitments incident to the ordinary conduct of business.

Note 13—Derivatives and Financial Instruments

Derivative Instruments

We use financial and commodity-based derivative contracts to manage exposures to fluctuations in commodity prices, interest rates and foreign currency exchange rates, or to capture market opportunities. Because we do not apply hedge accounting for commodity derivative contracts, all realized and unrealized gains and losses from commodity derivative contracts are recognized in our consolidated statement of income. Gains and losses from derivative contracts held for trading not directly related to our physical business are reported net within the “Other income” line item on our consolidated statement of income. Realized and unrealized gains and losses on foreign currency derivatives entered into in connection with investment dispositions are reported in the “Net gain (loss) on dispositions” line item on our consolidated statement of income. Cash flows from all of our commodity derivative activity for the periods presented appear within the “Cash Flows from Operating Activities” section on our consolidated statement of cash flows.

Purchase and sales contracts with firm minimum notional volumes for commodities that are readily convertible to cash are recorded on our consolidated balance sheet as derivatives unless the contracts are eligible for, and we elect, the normal purchases and normal sales exception, whereby the contracts are recorded on an accrual basis. We generally apply the normal purchases and normal sales exception to eligible crude oil, refined petroleum products, NGL, natural gas, renewable feedstocks, renewable fuels and power commodity contracts to purchase or sell quantities we expect to use or sell in the normal course of business. All other derivative instruments are recorded at fair value on our consolidated balance sheet. For further information on the fair value of derivatives, see Note 14—Fair Value Measurements.

Commodity Derivative Contracts

We sell into or receive supply from the worldwide crude oil, refined petroleum products, NGL, natural gas, renewable feedstocks and renewable fuels and electric power markets, exposing our revenues, purchases, cost of operating activities and cash flows to fluctuations in the prices for these commodities. Generally, our policy is to remain exposed to the market prices of commodities; however, we use futures, forwards, swaps and options in various markets to balance physical systems, meet customer needs, manage price exposures on specific transactions and do a limited amount of trading not directly related to our physical business, all of which may reduce our exposure to fluctuations in market prices. We also use the market knowledge gained from these activities to capture market opportunities such as moving physical commodities to more profitable locations, storing commodities to capture seasonal or time premiums and blending commodities to capture quality upgrades.

The following table indicates the consolidated balance sheet line items that include the fair values of commodity derivative assets and liabilities. The balances in the following table are presented on a gross basis, before the effects of counterparty and collateral netting. However, we have elected to present our commodity derivative assets and liabilities with the same counterparty on a net basis on our consolidated balance sheet when the legal right of offset exists. At June 30, 2026, and December 31, 2025, there was no material cash collateral received or paid that was not offset on our consolidated balance sheet.

	Millions of Dollars								
	June 30, 2026				December 31, 2025				
	Commodity Derivatives		Effect of Collateral Netting	Net Carrying Value Presented on the Balance Sheet	Commodity Derivatives		Effect of Collateral Netting	Net Carrying Value Presented on the Balance Sheet	
	Assets	Liabilities			Assets	Liabilities			
Assets									
Prepaid expenses and other current assets	\$	9,457	(8,673)	(160)	624	2,714	(2,583)	—	131
Other assets		29	(10)	—	19	23	(20)	—	3
Liabilities									
Other accruals		80	(494)	2	(412)	67	(108)	20	(21)
Other liabilities and deferred credits		234	(227)	10	17	—	—	—	—
Total	\$	9,800	(9,404)	(148)	248	2,804	(2,711)	20	113

The realized and unrealized gains (losses) incurred from commodity derivatives, and the line items where they appear on our consolidated statement of income, were:

Millions of Dollars				
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Sales and other operating revenues	\$ 234	149	(1,302)	84
Other income	83	54	189	68
Purchased crude oil and products	326	54	(890)	(122)
Net gain (loss) from commodity derivative activity	\$ 643	257	(2,003)	30

The following table summarizes our material net exposures resulting from outstanding commodity derivative contracts. These financial and physical derivative contracts are primarily used to manage price exposure on our underlying operations. The underlying exposures may be from nonderivative positions such as inventory volumes. Financial derivative contracts may also offset physical derivative contracts, such as forward purchase and sales contracts. The percentage of our derivative contract volumes expiring within the next 12 months was more than 90% at June 30, 2026, and December 31, 2025.

Commodity	Open Position Long / (Short)	
	June 30 2026	December 31 2025
Crude oil, refined petroleum products, NGL and renewable feedstocks (<i>millions of barrels</i>)	(36)	(33)
Natural gas (<i>billions of cubic feet</i>)	(17)	(17)

Credit Risk from Derivative and Financial Instruments

Financial instruments potentially exposed to concentrations of credit risk consist primarily of trade receivables and derivative contracts.

Our trade receivables result primarily from the sale of products from, or related to, our refinery operations and reflect a broad national and international customer base, which limits our exposure to concentrations of credit risk. The majority of these receivables have payment terms of 30 days or less. We continually monitor this exposure and the creditworthiness of the counterparties and recognize bad debt expense based on a probability assessment of credit loss. Generally, we do not require collateral to limit the exposure to loss; however, we will sometimes use letters of credit, prepayments or master netting arrangements to mitigate credit risk with counterparties that both buy from and sell to us, as these agreements permit the amounts owed by us to others to be offset against amounts owed to us.

The credit risk from our derivative contracts, such as forwards and swaps, derives from the counterparty to the transaction. Individual counterparty exposure is managed within predetermined credit limits and includes the use of cash-call margins when appropriate, thereby reducing the risk of significant nonperformance. We also use futures, swaps and option contracts that have a negligible credit risk because these trades are cleared with an exchange clearinghouse and subject to mandatory margin requirements, typically on a daily basis, until settled.

Certain of our derivative instruments contain provisions that require us to post collateral if the derivative exposure exceeds a threshold amount. We have contracts with fixed threshold amounts and other contracts with variable threshold amounts that are contingent on our credit ratings. The variable threshold amounts typically decline for lower credit ratings, while both the variable and fixed threshold amounts typically revert to zero if our credit ratings fall below investment grade. Cash is the primary collateral in all contracts; however, many contracts also permit us to post letters of credit as collateral.

The aggregate fair values of all derivative instruments with such credit-risk-related contingent features that were in a liability position were immaterial at June 30, 2026, and December 31, 2025.

Note 14—Fair Value Measurements

Recurring Fair Value Measurements

We carry certain assets and liabilities at fair value, which we measure at the reporting date using the price that would be received to sell an asset or paid to transfer a liability (i.e., an exit price) and disclose the quality of these fair values based on the valuation inputs used in these measurements under the following hierarchy:

- Level 1: Fair value measured with unadjusted quoted prices from an active market for identical assets or liabilities.
- Level 2: Fair value measured either with: (1) adjusted quoted prices from an active market for similar assets or liabilities; or (2) other valuation inputs that are directly or indirectly observable.
- Level 3: Fair value measured with unobservable inputs that are significant to the measurement.

We classify the fair value of an asset or liability based on the significance of its observable or unobservable inputs to the measurement. However, the fair value of an asset or liability initially reported as Level 3 will be subsequently reported as Level 2 if the unobservable inputs become inconsequential to its measurement or corroborating market data becomes available. Conversely, an asset or liability initially reported as Level 2 will be subsequently reported as Level 3 if corroborating market data becomes unavailable.

We used the following methods and assumptions to estimate the fair value of financial instruments:

- *Cash and cash equivalents*—The carrying amount reported on our consolidated balance sheet approximates fair value.
- *Accounts and notes receivable*—The carrying amount reported on our consolidated balance sheet approximates fair value.
- *Derivative instruments*—The fair value of our exchange-traded contracts is based on quoted market prices obtained from the New York Mercantile Exchange, the Intercontinental Exchange or other exchanges and is reported as Level 1 in the fair value hierarchy. When exchange-cleared contracts lack sufficient liquidity, or are valued using either adjusted exchange-provided prices or nonexchange quotes, we classify those contracts as Level 2 or Level 3 based on the degree to which inputs are observable.

Physical commodity forward purchase and sales contracts and over-the-counter (OTC) financial swaps are generally valued using forward quotes provided by brokers and price index developers, such as Platts and Oil Price Information Service. We corroborate these quotes with market data and classify the resulting fair values as Level 2. When forward market prices are not available, we estimate fair value using the forward price of a similar commodity, adjusted for the difference in quality or location. In certain less liquid markets or for longer-term contracts, forward prices are not as readily available. In these circumstances, physical commodity purchase and sales contracts and OTC swaps are valued using internally developed methodologies that consider historical relationships among various commodities that result in management's best estimate of fair value. We classify these contracts as Level 3. Physical and OTC commodity options are valued using industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and contractual prices for the underlying instruments, as well as other relevant economic measures. The degree to which these inputs are observable in the forward markets determines whether the options are classified as Level 2 or Level 3. We use a midmarket pricing convention (the midpoint between bid and ask prices). When appropriate, valuations are adjusted to reflect credit considerations, generally based on available market evidence.

When applicable, we determine the fair value of interest rate swaps based on observable market valuations for interest rate swaps that have notional amounts, terms and pay and reset frequencies similar to ours.

- *Rabbi trust assets*—These deferred compensation investments are measured at fair value using unadjusted quoted prices available from national securities exchanges and are therefore categorized as Level 1 in the fair value hierarchy.

- *Investment in NOVONIX Limited (NOVONIX)*—Our investment in NOVONIX is measured at fair value using unadjusted quoted prices available from the Australian Securities Exchange and is therefore categorized as Level 1 in the fair value hierarchy.
- *Other investments*—Includes other marketable securities with observable market prices.
- *Debt*—The carrying amount of our floating-rate debt approximates fair value. The fair value of our fixed-rate debt is estimated primarily based on observable market prices.

The following tables display the fair value hierarchy for our financial assets and liabilities either accounted for or disclosed at fair value on a recurring basis. These values are determined by treating each contract as the fundamental unit of account; therefore, derivative assets and liabilities with the same counterparty are shown on a gross basis in the hierarchy sections of these tables, before the effects of counterparty and collateral netting. The following tables also reflect the effect of netting derivative assets and liabilities with the same counterparty for which we have the legal right of offset and collateral netting.

The carrying values and fair values by hierarchy of our financial assets and liabilities, either carried or disclosed at fair value, including any effects of counterparty and collateral netting, were:

	Millions of Dollars							
	June 30, 2026							
	Fair Value Hierarchy			Total Fair Value of Gross Assets & Liabilities	Effect of Counterparty Netting	Effect of Collateral Netting	Difference in Carrying Value and Fair Value	Net Carrying Value Presented on the Balance Sheet
	Level 1	Level 2	Level 3					
Commodity Derivative Assets								
Exchange-cleared instruments	\$ 9,451	—	—	9,451	(8,963)	(160)	—	328
Physical forward contracts	—	342	7	349	(34)	—	—	315
Rabbi trust assets	127	—	—	127	N/A	N/A	—	127
Investment in NOVONIX	9	—	—	9	N/A	N/A	—	9
	\$ 9,587	342	7	9,936	(8,997)	(160)	—	779
Commodity Derivative Liabilities								
Exchange-cleared instruments	\$ 8,980	—	—	8,980	(8,963)	(12)	—	5
Physical forward contracts	—	419	5	424	(34)	—	—	390
Floating-rate debt	—	1,249	—	1,249	N/A	N/A	—	1,249
Fixed-rate debt, excluding finance leases and software obligations	—	18,118	—	18,118	N/A	N/A	732	18,850
	\$ 8,980	19,786	5	28,771	(8,997)	(12)	732	20,494

	Millions of Dollars							
	December 31, 2025							
	Fair Value Hierarchy			Total Fair Value of Gross Assets & Liabilities	Effect of Counterparty Netting	Effect of Collateral Netting	Difference in Carrying Value and Fair Value	Net Carrying Value Presented on the Balance Sheet
	Level 1	Level 2	Level 3					
Commodity Derivative Assets								
Exchange-cleared instruments	\$ 2,731	—	—	2,731	(2,660)	—	—	71
Physical forward contracts	—	69	4	73	(10)	—	—	63
Rabbi trust assets	144	—	—	144	N/A	N/A	—	144
Investment in NOVONIX	26	—	—	26	N/A	N/A	—	26
	\$ 2,901	69	4	2,974	(2,670)	—	—	304
Commodity Derivative Liabilities								
Exchange-cleared instruments	\$ 2,680	—	—	2,680	(2,660)	(20)	—	—
Physical forward contracts	—	30	1	31	(10)	—	—	21
Floating-rate debt	—	400	—	400	N/A	N/A	—	400
Fixed-rate debt, excluding finance leases and software obligations	—	18,324	—	18,324	N/A	N/A	621	18,945
	\$ 2,680	18,754	1	21,435	(2,670)	(20)	621	19,366

The rabbi trust assets and investment in NOVONIX are recorded within the “Investments and long-term receivables” line item, and floating-rate and fixed-rate debt are recorded within the “Short-term debt” and “Long-term debt” line items on our consolidated balance sheet. See Note 13—Derivatives and Financial Instruments, for information regarding where the assets and liabilities related to our commodity derivatives are recorded on our consolidated balance sheet.

Nonrecurring Fair Value Measurements

WRB Acquisition

On October 1, 2025, we acquired and began consolidating the financial results of WRB and, accordingly, accounted for the business combination using the acquisition method of accounting, which requires WRB’s assets and liabilities to be recorded at fair value as of the acquisition date on our consolidated balance sheet.

The preliminary fair value of PP&E was \$2,771 million and was determined primarily using the cost approach. The cost approach used assumptions for the current replacement cost of similar plant and equipment assets adjusted for estimated physical deterioration, functional obsolescence and economic obsolescence. The preliminary fair value of inventories was \$1,200 million and was determined using a market approach. The fair value of the previously held equity interest in WRB was determined using a market approach. These valuations resulted in Level 3 nonrecurring fair value measurements. See Note 2—Business Combinations for additional information on the transaction.

Coastal Bend Acquisition

On April 1, 2025, we acquired and began consolidating the financial results of Coastal Bend and, accordingly, accounted for the business combination using the acquisition method of accounting, which requires Coastal Bend’s assets and liabilities to be recorded at fair value as of the acquisition date on our consolidated balance sheet.

The fair value of PP&E was \$2,224 million. The fair value of these assets was determined primarily using the cost approach. The cost approach used assumptions for the current replacement cost of similar plant and equipment assets adjusted for estimated physical deterioration, functional obsolescence and economic obsolescence. This valuation resulted in Level 3 nonrecurring fair value measurements. See Note 2—Business Combinations for additional information on the transaction.

Note 15—Pension and Postretirement Plans

The components of net periodic benefit cost for the three and six months ended June 30, 2026 and 2025, were as follows:

Millions of Dollars							
Pension Benefits					Other Benefits		
2026		2025			2026	2025	
U.S.	Int'l.	U.S.	Int'l.				
Components of Net Periodic Benefit Cost							
Three Months Ended June 30							
Service cost	\$ 33	2	30	3	1	1	
Interest cost	32	8	32	10	1	2	
Expected return on plan assets	(41)	(11)	(38)	(12)	—	—	
Amortization of net actuarial loss (gain)	3	(1)	4	(1)	(1)	(2)	
Settlements	1	—	2	—	—	—	
Net periodic benefit cost (credit)*	\$ 28	(2)	30	—	1	1	
Six Months Ended June 30							
Service cost	\$ 67	4	61	6	1	1	
Interest cost	64	17	64	18	3	4	
Expected return on plan assets	(82)	(23)	(76)	(23)	—	—	
Amortization of net actuarial loss (gain)	6	(1)	8	(1)	(2)	(3)	
Settlements	3	—	4	—	—	—	
Net periodic benefit cost (credit)*	\$ 58	(3)	61	—	2	2	

* Included within the "Operating expenses" and "Selling, general and administrative expenses" line items on our consolidated statement of income.

During the six months ended June 30, 2026, we contributed \$15 million to our U.S. pension and other postretirement benefit plans and \$3 million to our international pension plans. We currently expect to make additional contributions of approximately \$185 million to our U.S. pension and other postretirement benefit plans and approximately \$1 million to our international pension plans during the remainder of 2026. Cash contributions are included within the "Other" line item of the "Cash Flows From Operating Activities" section of our consolidated statement of cash flows.

Note 16—Accumulated Other Comprehensive Loss

Changes in the balances of each component of accumulated other comprehensive loss were as follows:

	Millions of Dollars			
	Defined Benefit Plans	Foreign Currency Translation	Hedging	Accumulated Other Comprehensive Loss
December 31, 2025	\$ (113)	(49)	(5)	(167)
Other comprehensive income (loss) before reclassifications	3	(96)	—	(93)
Amounts reclassified from accumulated other comprehensive loss				
Defined benefit plans*				
Amortization of net actuarial loss and settlements	4	—	—	4
Foreign currency translation	—	—	—	—
Hedging	—	—	—	—
Net current period other comprehensive income (loss)	7	(96)	—	(89)
June 30, 2026	\$ (106)	(145)	(5)	(256)
December 31, 2024	\$ (140)	(262)	(5)	(407)
Other comprehensive income before reclassifications	2	292	—	294
Amounts reclassified from accumulated other comprehensive loss				
Defined benefit plans*				
Amortization of net actuarial loss and settlements	7	—	—	7
Foreign currency translation**	—	(12)	—	(12)
Hedging	—	—	—	—
Net current period other comprehensive income	9	280	—	289
June 30, 2025	\$ (131)	18	(5)	(118)

* Included within the computation of net periodic benefit cost. See Note 15—Pension and Postretirement Plans, for additional information.

** Included within the gain on sale of Coop, recognized in the “Net gain (loss) on dispositions” line item on our consolidated statement of income. See Note 6—Investments, Loans and Long-Term Receivables, for additional information.

Note 17—Cash Flow Information

	Millions of Dollars			
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Non-cash financing activities				
Reduction in borrowings under Receivables Securitization Facility	\$ —	303	264	303

See Note 9—Debt, for additional information regarding the above non-cash activity.

Note 18—Related Party Transactions

Significant transactions with related parties were:

	Millions of Dollars			
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Operating revenues and other income (a)(d)	\$ 1,954	1,074	3,475	2,110
Purchases (b)(d)	680	4,110	1,243	8,120
Operating expenses and selling, general and administrative expenses (c)	76	79	147	153

- (a) We sold NGL, other petrochemical feedstocks and solvents to Chevron Phillips Chemical Company LLC (CPChem), gas oil and hydrogen feedstocks to Excel Paralubes LLC (Excel Paralubes) and refined petroleum products to several of our equity affiliates in the M&S segment, including OnCue, CF United LLC (CF United), and JET Management Holding. We also sold certain feedstocks and intermediate products to WRB and acted as an agent for WRB in supplying crude oil and other feedstocks for a fee. In addition, we charged several of our equity affiliates, including CPChem, for the use of common facilities, such as steam generators, waste and water treaters and warehouse facilities. See Note 6—Investments, Loans and Long-Term Receivables for additional information on JET Management Holding.
- (b) We purchased crude oil, refined petroleum products, NGL and solvents from WRB. We also purchased natural gas and NGL from CPChem, as well as other feedstocks from various equity affiliates, for use in our refinery and fractionation processes. In addition, we purchased base oils and fuel products from Excel Paralubes for use in our specialty and refining businesses. We paid NGL fractionation fees to CPChem. We also paid fees to various pipeline equity affiliates for transporting crude oil, refined petroleum products and NGL.
- (c) We paid consignment fees to CF United and utility and processing fees to various equity affiliates.
- (d) As a result of the WRB acquisition, we began consolidating WRB's financial results beginning on October 1, 2025. As such, transactions after this date are not presented in the table above. See Note 2—Business Combinations for additional information.

Note 19—Segment Disclosures and Related Information

Our operating segments are:

- 1) **Midstream**—Provides crude oil and refined petroleum product transportation, terminaling and storage services, as well as natural gas and NGL gathering, processing, transportation, fractionation, storage and marketing services in the United States and Europe. In addition, this segment exports liquefied petroleum gas to global markets.
- 2) **Chemicals**—Consists of our 50% equity investment in CPChem, which manufactures and markets petrochemicals and plastics on a worldwide basis.
- 3) **Refining**—Refines crude oil and other feedstocks into petroleum products, such as gasoline and distillates, including aviation fuels. This segment includes 10 refineries in the United States and Europe.
- 4) **Marketing and Specialties**—Purchases for resale and markets refined products, mainly in the United States and Europe. In addition, this segment includes the manufacturing and marketing of base oils and lubricants.
- 5) **Renewable Fuels**—Processes renewable feedstocks into renewable products at the Rodeo Complex and at our Humber Refinery. In addition, this segment includes the global activities to procure renewable feedstocks, manage certain regulatory credits and market renewable fuels.

Corporate and Other includes general corporate overhead, interest income, interest expense, our investment in research of new technologies, business transformation restructuring costs, our investment in NOVONIX, and various other corporate activities. Corporate assets include all cash, cash equivalents, income tax-related assets and enterprise information technology assets. Effective in the first quarter of 2026, activities associated with the decommissioning and redevelopment of our idled Los Angeles Refinery site are included in Corporate and Other.

Intersegment sales are at prices that we believe approximate market.

Our chief operating decision maker (CODM) is our Chief Executive Officer. The measure of segment profit or loss reviewed by our CODM is “Income before income taxes” reported on our consolidated statement of income. The CODM uses segment income (loss) before income taxes to allocate resources to each segment predominantly in the annual budgeting and forecasting process. The CODM compares budget-to-actual segment income (loss) before income taxes on a monthly and quarterly basis and considers trend analyses as well as other market factors when making decisions about allocating capital and personnel to the segments. The significant expenses regularly provided to our CODM are provided below. The measure of segment assets reported on our consolidated balance sheet reviewed by our CODM is “Total Assets.”

Analysis of Results by Operating Segment

Millions of Dollars									
Three Months Ended June 30, 2026									
	Operating Segments					Corporate and Other	Consolidating Adjustments	Total Consolidated	
	Midstream	Chemicals	Refining	M&S	Renewable Fuels				
Revenues and Other Income									
Third-party sales and other operating revenues	\$	5,231	—	13,618	31,297	849	9	—	51,004
Intercompany revenues		1,069	—	22,314	789	1,714	1	(25,887)	—
Total sales and other operating revenues		6,300	—	35,932	32,086	2,563	10	(25,887)	51,004
Equity in earnings (loss) of affiliates		99	403	(1)	135	(1)	—	—	635
Net gain on dispositions		—	—	—	110	—	7	—	117
Other income		(6)	—	81	(13)	136	90	—	288
Total Revenues and Other Income		6,393	403	36,012	32,318	2,698	107	(25,887)	52,044
Costs and Expenses									
Purchased crude oil and products		4,639	—	31,453	31,354	2,074	—	(25,856)	43,664
Operating expenses*		568	1	1,144	22	79	27	(31)	1,810
Selling, general and administrative expenses*		54	(2)	25	332	19	110	—	538
Depreciation and amortization		284	—	221	26	24	30	—	585
Impairments		—	—	1	—	—	8	—	9
Taxes other than income taxes		60	—	88	2	(41)	18	—	127
Interest and debt expense		—	—	—	—	—	314	—	314
Other segment items**		3	—	18	(1)	(1)	7	—	26
Total Costs and Expenses		5,608	(1)	32,950	31,735	2,154	514	(25,887)	47,073
Income (loss) before income taxes	\$	785	404	3,062	583	544	(407)	—	4,971

* These significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. The total of the line items "Operating expenses" and "Selling, general and administrative expenses" is considered "Controllable costs" and is provided to the CODM.

** "Other segment items" for each reportable segment includes the following line items on our consolidated statement of income: "Accretion on discounted liabilities" and "Foreign currency transaction (gains) losses."

	Millions of Dollars							
	Three Months Ended June 30, 2025							
	Operating Segments					Corporate and Other	Consolidating Adjustments	Total Consolidated
	Midstream	Chemicals	Refining	M&S	Renewable Fuels			
Revenues and Other Income								
Third-party sales and other operating revenues	\$ 4,528	—	7,105	20,899	781	10	—	33,323
Intercompany revenues	528	—	11,589	518	834	2	(13,471)	—
Total sales and other operating revenues	5,056	—	18,694	21,417	1,615	12	(13,471)	33,323
Equity in earnings (losses) of affiliates	98	20	(2)	38	(1)	—	—	153
Net loss on dispositions	(4)	—	—	(89)	—	—	—	(93)
Other income	3	—	34	15	44	43	—	139
Total Revenues and Other Income	5,153	20	18,726	21,381	1,658	55	(13,471)	33,522
Costs and Expenses								
Purchased crude oil and products	3,514	—	16,960	20,420	1,633	—	(13,450)	29,077
Operating expenses*	512	1	848	17	90	(7)	(21)	1,440
Selling, general and administrative expenses*	52	(1)	32	334	14	151	—	582
Depreciation and amortization	260	—	443	33	23	57	—	816
Impairments	—	—	3	1	—	—	—	4
Taxes other than income taxes	83	—	94	6	23	12	—	218
Interest and debt expense	—	—	—	—	—	264	—	264
Other segment items**	1	—	(13)	(1)	8	6	—	1
Total Costs and Expenses	4,422	—	18,367	20,810	1,791	483	(13,471)	32,402
Income (loss) before income taxes								
	\$ 731	20	359	571	(133)	(428)	—	1,120

* These significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. The total of the line items "Operating expenses" and "Selling, general and administrative expenses" is considered "Controllable costs" and is provided to the CODM.

** "Other segment items" for each reportable segment includes the following line items on our consolidated statement of income: "Accretion on discounted liabilities" and "Foreign currency transaction (gains) losses."

	Millions of Dollars							
	Six Months Ended June 30, 2026							
	Operating Segments					Corporate and Other	Consolidating Adjustments	Total Consolidated
	Midstream	Chemicals	Refining	M&S	Renewable Fuels			
Revenues and Other Income								
Third-party sales and other operating revenues	\$ 9,949		21,390	50,841	1,345	19	—	83,544
Intercompany revenues	1,875	—	37,076	1,445	2,765	3	(43,164)	—
Total sales and other operating revenues	11,824	—	58,466	52,286	4,110	22	(43,164)	83,544
Equity in earnings (losses) of affiliates	202	517	(1)	170	(1)	—	—	887
Net gain on dispositions	6	—	—	110	—	7	—	123
Other income	13	—	107	49	210	115	(2)	492
Total Revenues and Other Income	12,045	517	58,572	52,615	4,319	144	(43,166)	85,046
Costs and Expenses								
Purchased crude oil and products	8,748	—	52,186	51,472	3,572	1	(43,099)	72,880
Operating expenses*	1,109	3	2,373	41	168	64	(67)	3,691
Selling, general and administrative expenses*	110	(4)	77	629	40	223	—	1,075
Depreciation and amortization	558	—	436	46	47	56	—	1,143
Impairments	4	—	3	—	2	8	—	17
Taxes other than income taxes	135	—	194	4	(10)	38	—	361
Interest and debt expense	—	—	—	—	—	600	—	600
Other segment items**	5	—	33	1	(3)	12	—	48
Total Costs and Expenses	10,669	(1)	55,302	52,193	3,816	1,002	(43,166)	79,815
Income (loss) before income taxes	\$ 1,376	518	3,270	422	503	(858)	—	5,231

* These significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. The total of the line items "Operating expenses" and "Selling, general and administrative expenses" is considered "Controllable costs" and is provided to the CODM.

** "Other segment items" for each reportable segment includes the following line items on our consolidated statement of income: "Accretion on discounted liabilities" and "Foreign currency transaction (gains) losses."

	Millions of Dollars							
	Six Months Ended June 30, 2025							
	Operating Segments					Corporate and Other	Consolidating Adjustments	Total Consolidated
	Midstream	Chemicals	Refining	M&S	Renewable Fuels			
Revenues and Other Income								
Third-party sales and other operating revenues	\$ 9,355	—	12,807	40,062	1,509	20	—	63,753
Intercompany revenues	1,159	—	21,762	996	1,615	4	(25,536)	—
Total sales and other operating revenues	10,514	—	34,569	41,058	3,124	24	(25,536)	63,753
Equity in earnings (losses) of affiliates	208	133	(107)	74	(2)	—	—	306
Net gain on dispositions	65	—	—	929	—	—	—	994
Other income	13	—	37	21	63	61	—	195
Total Revenues and Other Income	10,800	133	34,499	42,082	3,185	85	(25,536)	65,248
Costs and Expenses								
Purchased crude oil and products	7,603	—	31,985	39,465	3,169	—	(25,485)	56,737
Operating expenses*	970	3	1,922	35	186	(3)	(51)	3,062
Selling, general and administrative expenses*	105	(3)	78	662	32	227	—	1,101
Depreciation and amortization	493	—	899	53	46	116	—	1,607
Impairments	—	—	4	1	—	25	—	30
Taxes other than income taxes	144	—	204	15	58	30	—	451
Interest and debt expense	—	—	—	—	—	485	—	485
Other segment items**	3	—	(15)	(2)	12	9	—	7
Total Costs and Expenses	9,318	—	35,077	40,229	3,503	889	(25,536)	63,480
Income (loss) before income taxes	\$ 1,482	133	(578)	1,853	(318)	(804)	—	1,768

* These significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. The total of the line items "Operating expenses" and "Selling, general and administrative expenses" is considered "Controllable costs" and is provided to the CODM.

** "Other segment items" for each reportable segment includes the following line items on our consolidated statement of income: "Accretion on discounted liabilities" and "Foreign currency transaction (gains) losses."

Other Segment Disclosures

	Millions of Dollars							
	Operating Segments					Corporate and Other	Total Consolidated	
	Midstream	Chemicals	Refining	M&S	Renewable Fuels			
Three Months Ended June 30, 2026								
Interest Income	\$	—	—	—	—	—	81	81
Capital Expenditures and Investments*		428	—	255	20	6	17	726
Three Months Ended June 30, 2025								
Interest Income	\$	—	—	—	—	—	34	34
Capital Expenditures and Investments*		384	—	148	34	9	12	587
Six Months Ended June 30, 2026								
Interest Income	\$	—	—	—	—	—	112	112
Capital Expenditures and Investments*		771	—	465	29	16	27	1,308
Six Months Ended June 30, 2025								
Interest Income	\$	—	—	—	—	—	68	68
Capital Expenditures and Investments*		600	—	324	49	18	19	1,010
<i>* Excludes Acquisitions, net of cash acquired.</i>								

* Excludes Acquisitions, net of cash acquired.

	Millions of Dollars						
	Operating Segments						
	Midstream	Chemicals	Refining	M&S	Renewable Fuels	Corporate and Other	Total Consolidated
<u>As of June 30, 2026</u>							
Investments In and Advances to Affiliates	\$ 2,082	8,390	56	1,402	14	4	11,948
Total Assets	31,130	8,417	21,229	12,025	3,001	6,008	81,810
<u>As of December 31, 2025</u>							
Investments In and Advances to Affiliates	\$ 2,117	7,899	65	1,330	15	2	11,428
Total Assets	30,172	7,899	19,435	10,059	3,197	2,918	73,680

Note 20—Income Taxes

Our effective income tax rates for the three and six months ended June 30, 2026, were 22%, compared to 19% for the corresponding periods of 2025. The increases in our effective rates were primarily attributable to the effects of state income taxes, foreign operations and non-taxable items.

The effective tax rates for the three and six months ended June 30, 2026, varied from the U.S. federal statutory income tax rate primarily due to state income taxes, partially offset by the impact of foreign operations and non-taxable items.

Note 21—DCP Midstream Class A Segment

DCP Midstream Class A Segment is comprised of the businesses, activities, assets and liabilities of DCP LP, its subsidiaries and its general partner entities. DCP LP is a master limited partnership whose operations include producing and fractionating NGL; gathering, compressing, treating and processing natural gas; recovering condensate; and transporting, trading, marketing and storing natural gas and NGL. DCP Midstream Class A Segment is a consolidated VIE as we are the primary beneficiary.

The most significant assets of DCP Midstream Class A Segment that are available to settle only its obligations, along with its most significant liabilities for which its creditors do not have recourse to Phillips 66's general credit, were:

	Millions of Dollars	
	June 30 2026	December 31 2025
Accounts receivable	\$ 588	530
Investments and long-term receivables	724	705
Net properties, plants and equipment	9,576	9,211
Accounts payable	946	785
Long-term debt	2,905	2,903

Note 22—New Accounting Standards

In May 2026, the FASB issued Accounting Standards Update (ASU) 2026-02, "Environmental Credits and Environmental Credit Obligations (Topic 818)," which establishes recognition, measurement, presentation and disclosure guidance for environmental credits and related environmental credit obligations. This ASU is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods, with early adoption permitted. We are evaluating the provisions of ASU 2026-02 and the impact on our consolidated financial statements and related disclosures.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated, the "company," "we," "our," "us" and "Phillips 66" are used in this report to refer to the businesses of Phillips 66 and its consolidated subsidiaries.

Management's Discussion and Analysis is the company's analysis of its financial performance, financial condition and significant trends that may affect future performance. It should be read in conjunction with the consolidated financial statements and notes included elsewhere in this report. It contains forward-looking statements including, without limitation, statements relating to the company's plans, strategies, objectives, expectations and intentions that are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The words "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "priorities" and similar expressions often identify forward-looking statements, but the absence of these words does not mean a statement is not forward-looking. The forward-looking statements made in this Quarterly Report on Form 10-Q are based on events or circumstances as of the date on which the statements are made. The company does not undertake to update, revise or correct any of the forward-looking information included in this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events unless required to do so pursuant to applicable law. Readers are cautioned that such forward-looking statements should be read in conjunction with the company's disclosures under the heading: "CAUTIONARY STATEMENT FOR THE PURPOSES OF THE 'SAFE HARBOR' PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995."

The term "earnings" as used in Management's Discussion and Analysis refers to net income attributable to Phillips 66. The terms "results," "before-tax income" or "before-tax loss" as used in Management's Discussion and Analysis refer to "Income before income taxes" as presented on our consolidated statement of income.

EXECUTIVE OVERVIEW AND BUSINESS ENVIRONMENT

Phillips 66 is uniquely positioned as a leading integrated downstream energy provider operating with Midstream, Chemicals, Refining, Marketing and Specialties (M&S) and Renewable Fuels segments. At June 30, 2026, we had total assets of \$81.8 billion. Our common stock trades on the New York Stock Exchange under the symbol PSX.

Executive Overview

In the second quarter of 2026, we reported earnings of \$3.8 billion and generated \$7.3 billion of cash from operations. We had net debt repayments of \$6.7 billion, funded capital expenditures and investments of \$726 million, paid dividends of \$508 million to common stockholders and repurchased \$379 million of our common stock. The cash provided by operating activities was due to higher earnings, primarily driven by an increase in realized refining margins and favorable net working capital impacts. Net working capital reflected favorable impacts from the net timing of payments and collections, lower inventory, and higher taxes and other accruals, partially offset by higher prepaid expenses and other current assets. As of June 30, 2026, we had \$4.1 billion of cash and cash equivalents and \$6.4 billion of total committed capacity available under our credit facilities.

Strategic Priorities Update

In early 2025, we announced the next phase of the company's strategic priorities along with financial and operational performance targets through year-end 2027. These targets demonstrate the company's continued focus on world-class operations; disciplined growth and returns; financial strength and flexibility; and shareholder returns.

- **World-Class Operations** – We are focused on operational and cost reduction targets driving world-class operations across our portfolio. Optimizing utilization rates and product yield at our refineries through reliable and safe operations will enable us to capture the value available in the market in terms of prices and margins. We remain focused on a competitive cost structure and plan to enhance Refining segment returns and increase our utilization rates by focusing on low-capital, higher-return projects that increase asset reliability and improve market capture.
 - We continue to focus on Refining performance, targeting an annual clean product yield of greater than 86%, crude oil capacity utilization rates higher than industry average and continuing to improve our competitive cost structure.
- **Disciplined Growth and Returns** – A disciplined capital allocation process ensures we make investments that are expected to generate competitive returns. Our strategy remains focused on growing our Midstream and Chemicals businesses. Within our Midstream segment, we are primarily focused on maximizing the value of our fully integrated natural gas liquids (NGL) wellhead-to-market value chain.
 - We budgeted \$2.4 billion for 2026 capital expenditures and investments, exclusive of acquisitions and our share of capital spending by equity affiliates. This includes \$1.3 billion of growth capital, primarily in our Midstream segment.
 - Our financial targets through 2027 reflect our plans to organically grow our Midstream and Chemicals businesses, as well as maintain total annual capital expenditures and investments of approximately \$2.5 billion.
- **Financial Strength and Flexibility** – We use a variety of funding sources to support our liquidity requirements, including cash from operations, debt and proceeds from dispositions. Our focus remains on protecting the stable cash generation from the Midstream and M&S businesses while evaluating future opportunities to optimize our portfolio.
 - We are targeting reductions of total debt to \$17 billion and reductions of our debt-to-capital ratio by the end of 2027.
- **Shareholder Returns** – We believe shareholder value is enhanced through, among other things, a secure, competitive and growing dividend, complemented by share repurchases. Our financial target aims to return greater than 50% of net cash provided by operating activities, excluding working capital, to shareholders through share repurchases and dividends. The amount and timing of future dividend payments and the level and timing of future share repurchases is subject to the discretion of, and approval by, our Board of Directors and will depend on various factors including our share price, results of operations, financial condition and cash required for future business plans.
 - In April and July 2026, our Board of Directors declared quarterly cash dividends of \$1.27 per common share, reflecting our commitment to a secure, competitive and growing dividend.
 - In July 2026, our Board of Directors approved a \$10 billion increase to our share repurchase authorization. Since July 2012, our Board of Directors has authorized an aggregate of \$35 billion of repurchases of our outstanding common stock under our share repurchase program.
 - During the six months ended June 30, 2026, our net cash provided by operating activities was \$5 billion and we returned \$1.7 billion to shareholders through share repurchases and dividends.

Business Environment

We continue to see significant movements in commodity prices as a result of geopolitical events, and due to the uncertainty regarding their duration, continued disruptions could materially impact our future results. Below is a discussion of additional factors impacting our environment during the three months ended June 30, 2026, as compared to the same period of 2025.

Our Midstream segment includes our Transportation and NGL businesses. Our Transportation business contains fee-based operations not directly exposed to commodity price risk. Our NGL business contains both fee-based operations and operations directly impacted by NGL and natural gas prices. The weighted-average NGL price was \$0.73 per gallon during the second quarter of 2026, compared with \$0.64 per gallon during the second quarter of 2025. The Henry Hub natural gas price was \$2.93 per million British thermal units (MMBtu) during the second quarter of 2026, compared with \$3.16 per MMBtu during the second quarter of 2025. The increase in NGL prices was primarily due to a tight supply market with fewer cargos from the Middle East, while the decrease in natural gas prices was due to increased natural gas supply and the end of the winter demand season.

Our Chemicals segment consists of our 50% equity investment in Chevron Phillips Chemical Company LLC (CPCChem). The chemicals and plastics industry is mainly a commodity-based industry where the margins for key products are based on supply and demand, as well as cost factors. The benchmark high-density polyethylene chain margin was 43.6 cents per pound in the second quarter of 2026, compared with 7.4 cents per pound in the second quarter of 2025. The increase was mainly due to lower plant utilizations in Asia that were driven by Middle East supply concerns.

Our Refining segment results are driven by several factors, including market crack spreads, refinery throughput, feedstock costs, product yields, turnaround activity and other operating costs. Market crack spreads are used as indicators of refining margins and measure the difference between market prices for refined petroleum products and crude oil. The composite 3:2:1 market crack spread for our business increased to an average of \$41.63 per barrel during the second quarter of 2026, from an average of \$21.65 per barrel during the second quarter of 2025. The increase in the composite market crack spread was primarily driven by low seasonal product inventories, particularly diesel, and geopolitical events reducing global product resupply. The price of U.S. benchmark crude oil, West Texas Intermediate (WTI) at Cushing, Oklahoma, increased to an average of \$93.21 per barrel during the second quarter of 2026, from an average of \$63.86 per barrel during the second quarter of 2025. The increase in crude oil prices was primarily driven by geopolitical events in the Middle East restricting global crude supply.

Results for our M&S segment depend largely on marketing fuel and lubricant margins and sales volumes of our refined products. While marketing fuel and lubricant margins are primarily driven by market factors, largely determined by the relationship between supply and demand, marketing fuel margins, in particular, are influenced by trends in spot prices and, where applicable, retail prices for refined products in the regions and countries where we operate.

Our Renewable Fuels segment processes renewable feedstocks into renewable products at the Rodeo Renewable Energy Complex (Rodeo Complex) and at our Humber Refinery. In addition, this segment includes global activities to procure renewable feedstocks, manage certain regulatory credits, and market renewable fuels. Results for our Renewable Fuels segment are impacted by several factors, including the market price of renewable fuels, feedstock costs, throughput, operating costs and the value of certain regulatory credits, as well as other market factors, largely determined by the relationship between supply and demand.

RESULTS OF OPERATIONS

Unless otherwise indicated, discussion of results for the three and six months ended June 30, 2026, is based on a comparison with the corresponding period of 2025.

Consolidated Results

A summary of income (loss) before income taxes by business segment with a reconciliation to net income attributable to Phillips 66 follows:

	Millions of Dollars			
	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2026	2025	2026	2025
Midstream	\$ 785	731	1,376	1,482
Chemicals	404	20	518	133
Refining	3,062	359	3,270	(578)
Marketing and Specialties	583	571	422	1,853
Renewable Fuels	544	(133)	503	(318)
Corporate and Other	(407)	(428)	(858)	(804)
Income before income taxes	4,971	1,120	5,231	1,768
Income tax expense	1,092	212	1,133	334
Net income	3,879	908	4,098	1,434
Less: net income attributable to noncontrolling interests	32	31	44	70
Net income attributable to Phillips 66	\$ 3,847	877	4,054	1,364

Net income attributable to Phillips 66 in the second quarter of 2026 was \$3.8 billion, compared with \$0.9 billion in the second quarter of 2025. Net income attributable to Phillips 66 for the six months ended June 30, 2026, was \$4.1 billion, compared with \$1.4 billion for the six months ended June 30, 2025.

The increase in net income attributable to Phillips 66 in the second quarter of 2026 was primarily due to improved realized margins for our Refining segment and higher values of regulatory credits in the Renewable Fuels segment.

The increase in net income attributable to Phillips 66 for the six months ended June 30, 2026, was primarily due to improved realized margins for our Refining segment and higher values of regulatory credits in the Renewable Fuels segment, partially offset by a before-tax gain of \$1 billion associated with the sale of our investment in Coop Mineraloel AG (Coop) recognized in January 2025 in the M&S segment.

See Note 6—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sale of our investment in Coop. Additionally, see the “Segment Results” section for additional information on our segment results.

Statement of Income Analysis

Sales and other operating revenues increased 53% and 31% for the three and six months ended June 30, 2026, respectively. Purchased crude oil and products increased 50% and 28% for the three and six months ended June 30, 2026, respectively. The increases in both line items for the three and six months ended June 30, 2026, were primarily due to higher prices for refined petroleum products and crude oil, partially offset by impacts associated with the sale of 65% of our interest in Germany and Austria retail marketing business (Germany and Austria Marketing) in December 2025. Additionally, the six months ended June 30, 2026, was impacted by losses from commodity derivative activity. See Note 13—Derivatives and Financial Instruments, in the Notes to Consolidated Financial Statements for additional information.

Equity in earnings of affiliates increased \$482 million and \$581 million for the three and six months ended June 30, 2026, respectively. The increases for both periods of 2026 were primarily due to higher equity earnings from CPChem. The increase for the six months ended June 30, 2026, was also driven by equity losses from WRB Refining LP (WRB) in the first half of 2025, compared to no equity earnings from WRB in the first half of 2026 due to the acquisition of the remaining 50% equity interest in WRB on October 1, 2025. See Note 2—Business Combinations, in the Notes to Consolidated Financial Statements for further details on the WRB acquisition.

Net gain on dispositions for the three months ended June 30, 2026, was \$117 million, compared with a Net loss on dispositions of \$93 million for the three months ended June 30, 2025. This increase was primarily due to a before-tax gain of \$110 million recorded in the second quarter of 2026, related to post-closing adjustments from the partial sale of Germany and Austria Marketing, as well as a before-tax loss recognized in the second quarter of 2025, primarily associated with an aggregate unrealized loss of \$89 million on foreign currency forward contracts entered into in connection with this transaction. For the six months ended June 30, 2026 and 2025, we had a Net gain on dispositions of \$123 million and \$994 million, respectively. This decrease was primarily due to a before-tax gain of \$1 billion associated with the sale of our investment in Coop recognized in January 2025 in the M&S segment. See Note 6—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the dispositions.

Other income increased \$149 million and \$297 million for the three and six months ended June 30, 2026, respectively. The increases for both periods were primarily attributable to higher results from trading activities, Clean Fuel Production credits and interest income due to increased average cash balances.

Operating expenses increased \$370 million and \$629 million for the three and six months ended June 30, 2026, respectively. The increases for both periods were primarily driven by our acquisition of WRB in October 2025, partially offset by lower costs following the cessation of operations at the Los Angeles Refinery.

Depreciation and amortization decreased 28% and 29% for the three and six months ended June 30, 2026, respectively. These decreases were primarily due to depreciation recorded in 2025 for the Los Angeles Refinery. See Note 7—Properties, Plants and Equipment, in the Notes to Consolidated Financial Statements for additional information.

Taxes other than income taxes decreased \$91 million and \$90 million for the three and six months ended June 30, 2026, respectively. The decreases for both periods were primarily driven by lower customs duties.

Interest and debt expense increased 19% and 24% for the three and six months ended June 30, 2026, respectively, primarily due to higher average debt balances.

Income tax expense increased \$880 million and \$799 million for the three and six months ended June 30, 2026, respectively, primarily due to higher income before income taxes. See Note 20—Income Taxes, in the Notes to Consolidated Financial Statements for information regarding our effective income tax rates.

Net income attributable to noncontrolling interests decreased \$26 million for the six months ended June 30, 2026, primarily due to lower earnings from DCP Midstream, LP (DCP LP) following the sale of its equity investment in Gulf Coast Express Pipeline LLC (GCX) in the first quarter of 2025. See Note 6—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information.

Segment Results

Midstream

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Millions of Dollars				
Income Before Income Taxes				
Transportation	\$ 250	242	497	485
NGL	535	489	879	997
Total Midstream	\$ 785	731	1,376	1,482

	Thousands of Barrels Daily			
Transportation Volumes				
Pipelines*	3,142	3,093	3,038	2,994
Terminals	3,433	3,074	3,307	3,007
Operating Statistics				
Wellhead Volume (billion cubic feet per day)**	4.5	4.2	4.4	4.2
NGL production**	465	456	455	447
Pipeline Throughput—Y-Grade to Market***†	943	956	937	831
NGL fractionated†	1,020	883	1,000	816

* Pipelines represent the sum of volumes transported through each separately tariffed consolidated pipeline segment, excluding NGL's pipelines.

** Includes 100% of DCP Midstream Class A Segment.

*** Represents volumes delivered to fractionation market hubs, including Mont Belvieu, Sweeny and Conway. Includes 100% of DCP Midstream Class A Segment and Phillips 66's direct interest in DCP Sand Hills and DCP Southern Hills.

† Includes volumes from the Coastal Bend acquisition, effective April 1, 2025. See Note 2—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.

The Midstream segment provides crude oil and refined petroleum product transportation, terminaling and storage services; as well as natural gas and NGL gathering, processing, transportation, fractionation, storage and marketing services. In addition, this segment exports liquefied petroleum gas to global markets.

Results from our Midstream segment increased \$54 million and decreased \$106 million for the three and six months ended June 30, 2026, respectively.

Results from our Transportation business for the three and six months ended June 30, 2026, were in line with results for the three and six months ended June 30, 2025.

Results from our NGL business increased \$46 million and decreased \$118 million for the three and six months ended June 30, 2026, respectively. The increase in the three months ended June 30, 2026, was primarily driven by widening natural gas transportation differentials out of the Permian Basin, as well as increased wellhead and fractionation volumes, partially offset by the effects of customer recontracting. The decrease in the six months ended June 30, 2026, was primarily due to the effects of customer recontracting, a before-tax gain of \$68 million recognized in the first quarter of 2025 on the sale of DCP LP's ownership interest in GCX, and winter weather impacts, partially offset by widening natural gas transportation differentials out of the Permian Basin.

See the “Executive Overview and Business Environment” section for information on market factors impacting this quarter's results. See Note 6—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sale of DCP LP's ownership interest in GCX in 2025.

Chemicals

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
	Millions of Dollars			
Income Before Income Taxes	\$ 404	20	518	133
	Millions of Pounds			
CPChem Externally Marketed Sales Volumes*	5,006	6,128	10,714	12,259
<i>* Represents 100% of CPChem's outside sales of produced petrochemical products, as well as commission sales from equity affiliates.</i>				
Global Olefins and Polyolefins Capacity Utilization (percent)	91 %	92	92	96

The Chemicals segment consists of our 50% equity investment in CPChem, which we account for under the equity method. CPChem uses NGL and other feedstocks to produce petrochemicals. These products are then marketed and sold or used as feedstocks to produce plastics and other chemicals. CPChem produces and markets ethylene and other olefin products. Ethylene produced is primarily consumed within CPChem for the production of polyethylene, normal alpha olefins and polyethylene pipe. CPChem manufactures and/or markets aromatics and styrenics products, such as benzene, cyclohexane, styrene and polystyrene, as well as manufactures and/or markets a variety of specialty chemical products. Unless otherwise noted, amounts referenced below reflect our net 50% interest in CPChem.

Results from the Chemicals segment increased \$384 million and \$385 million for the three and six months ended June 30, 2026, respectively, primarily due to improved polyethylene margins driven by higher sales prices.

See the “Executive Overview and Business Environment” section for information on market factors impacting CPChem’s results.

Refining

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
	Millions of Dollars			
Income (Loss) Before Income Taxes				
Atlantic Basin/Europe	\$ 352	49	719	(150)
Gulf Coast	953	101	1,157	(232)
Central Corridor*	1,599	392	1,181	342
West Coast	158	(183)	213	(538)
Worldwide	\$ 3,062	359	3,270	(578)

	Dollars Per Barrel			
Income (Loss) Before Income Taxes				
Atlantic Basin/Europe	\$ 7.20	1.00	7.20	(1.70)
Gulf Coast	17.80	1.93	10.88	(2.60)
Central Corridor*	21.07	13.67	8.18	6.13
West Coast	18.69	(8.37)	12.49	(12.43)
Worldwide	16.39	2.36	8.90	(2.09)

Realized Refining Margins**

Atlantic Basin/Europe	\$ 14.44	8.16	15.04	7.68
Gulf Coast	24.25	8.71	17.82	6.92
Central Corridor*	29.56	15.61	17.73	12.07
West Coast	29.65	14.06	21.31	10.64
Worldwide	24.08	11.25	17.21	9.23

* Includes our proportional share of our equity method investment in WRB through September 30, 2025. Beginning on October 1, 2025, 100% of Borger Refinery and Wood River Refinery are included in consolidated results.

** See the “Non-GAAP Reconciliations” section for a reconciliation of this non-GAAP measure to the most directly comparable measure under generally accepted accounting principles in the United States (GAAP), income (loss) before income taxes per barrel.

The Refining segment refines crude oil and other feedstocks into petroleum products, such as gasoline and distillates, including aviation fuels, at 10 refineries in the United States and Europe.

On October 1, 2025, we acquired the remaining 50% ownership interest in WRB from subsidiaries of Cenovus Energy Inc. (Cenovus). See Note 2—Business Combinations, in the Notes to Consolidated Financial Statements for additional information. In the fourth quarter of 2025, we ceased fuel production at our Los Angeles Refinery and effective in the first quarter of 2026, activities associated with the decommissioning and redevelopment of our idled Los Angeles Refinery site are included in Corporate and Other. See Note 7—Properties, Plants and Equipment, in the Notes to Consolidated Financial Statements for additional information.

Results from our Refining segment increased \$2,703 million and \$3,848 million for the three and six months ended June 30, 2026, respectively. The increase in the three months ended June 30, 2026, was primarily due to higher realized margins as a result of improved market crack spreads and inventory impacts, including commodity derivative activity, partially offset by increased feedstock costs. The increase in the six months ended June 30, 2026, was primarily driven by higher realized margins and volumes. The increase in realized margins in the six months ended June 30, 2026, was due to improved market crack spreads, partially offset by increased feedstock costs. See Note 13—Derivatives and Financial Instruments, in the Notes to Consolidated Financial Statements for additional information and the “Executive Overview and Business Environment” section for information on industry crack spreads and other market factors impacting this quarter’s results.

Operating Statistics	Thousands of Barrels Daily			
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Refining operations*				
Atlantic Basin/Europe				
Crude oil capacity	554	537	554	537
Crude oil processed	510	518	521	439
Capacity utilization (percent)†	92 %	97	94	82
Refinery production	539	543	554	489
Gulf Coast				
Crude oil capacity	541	529	541	529
Crude oil processed	520	508	525	439
Capacity utilization (percent)†	96 %	96	97	83
Refinery production	596	579	595	496
Central Corridor**				
Crude oil capacity	793	531	793	531
Crude oil processed	800	550	767	535
Capacity utilization (percent)†	101 %	104	97	101
Refinery production	832	572	800	558
West Coast***				
Crude oil capacity	105	244	105	244
Crude oil processed	89	234	89	231
Capacity utilization (percent)†	84 %	96	85	95
Refinery production	93	238	95	237
Worldwide				
Crude oil capacity	1,993	1,841	1,993	1,841
Crude oil processed	1,919	1,810	1,902	1,644
Capacity utilization (percent)†	96 %	98	95	89
Refinery production	2,060	1,932	2,044	1,780

* Includes our share of equity affiliates.

** Includes our proportional share of our equity method investment in WRB through September 30, 2025. Beginning on October 1, 2025, 100% of Borger Refinery and Wood River Refinery are included in consolidated results. See Note 2—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.

*** In the fourth quarter 2025, we ceased fuel production and began idling the facilities at our Los Angeles Refinery, and the associated crude oil capacity is excluded from the statistics above beginning on October 1, 2025.

† Capacity utilization percentages, as presented, are calculated using underlying crude oil processed volumes divided by crude oil capacity. As such, recalculated utilization percentages using the rounded volumes presented may differ due to rounding.

Our worldwide refining crude oil capacity utilization rate was 96% and 95% for the three and six months ended June 30, 2026, respectively, compared with 98% and 89% in the three and six months ended June 30, 2025, respectively. The decrease for the three months ended June 30, 2026, was primarily due to higher turnaround activity. The increase for the six months ended June 30, 2026, was due to lower turnaround activity.

Marketing and Specialties

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
	Millions of Dollars			
Income Before Income Taxes	\$ 583	571	422	1,853
	Dollars Per Barrel			
Income Before Income Taxes				
U.S.	\$ 1.13	2.32	0.05	1.55
International	11.92	1.96	4.02	20.74
Realized Marketing Fuel Margins*				
U.S.	\$ 1.82	2.83	0.73	2.14
International	4.63	7.11	0.39	6.00
* See the "Non-GAAP Reconciliations" section for a reconciliation of this non-GAAP measure to the most directly comparable GAAP measure, income before income taxes per barrel.				
	Dollars Per Gallon			
U.S. Average Wholesale Prices*				
Gasoline	\$ 3.48	2.56	3.00	2.53
Distillates	4.05	2.60	3.50	2.58
* On third-party branded petroleum product sales.				
	Thousands of Barrels Daily			
Marketing Refined Product Sales				
Gasoline	1,277	1,301	1,247	1,248
Distillates	992	971	954	938
Other	60	70	54	55
	2,329	2,342	2,255	2,241

The M&S segment purchases for resale and markets refined products, mainly in the United States and Europe. In addition, this segment includes the manufacturing and marketing of base oils and lubricants.

Results from the M&S segment increased \$12 million and decreased \$1,431 million for the three and six months ended June 30, 2026, respectively. The increase in the three months ended June 30, 2026, was primarily driven by impacts associated with the partial sale of Germany and Austria Marketing, along with higher equity earnings from Excel Paralubes. These increases were partially offset by lower domestic marketing fuel margins and legal accruals. The decrease in the six months ended June 30, 2026, was primarily due to a before-tax gain of \$1 billion associated with the sale of our investment in Coop recognized in January 2025, as well as lower U.S. and international marketing fuel margins, mainly driven by commodity derivative activity. These decreases were partially offset by activity associated with the partial sale of Germany and Austria Marketing.

In the Notes to Consolidated Financial Statements, see Note 6—Investments, Loans and Long-Term Receivables, for additional information regarding the sale of Coop and partial sale of Germany and Austria Marketing, Note 12—Contingencies and Commitments, for additional information regarding legal accruals and Note 13—Derivatives and Financial Instruments, for additional information on commodity derivative activity. Additionally, reference the "Executive Overview and Business Environment" section for information on marketing fuel margins and other market factors impacting this quarter's results.

Renewable Fuels

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
	Millions of Dollars			
Income (Loss) Before Income Taxes	\$ 544	(133)	503	(318)

	Thousands of Barrels Daily			
Operating Statistics				
Total Renewable Fuels Produced	53	40	47	42
Total Renewable Fuel Sales	65	71	59	67

Market Indicators

Chicago Board of Trade (CBOT) soybean oil (dollars per pound)	\$ 0.73	0.49	0.66	0.47
California Low-Carbon Fuel Standard (LCFS) carbon credit (dollars per metric ton)	68.65	52.33	67.07	59.30
California Air Resource Board (CARB) ultra-low-sulfur diesel (ULSD) - San Francisco (dollars per gallon)	4.19	2.52	3.56	2.48
Biodiesel Renewable Identification Number (RIN) (dollars per RIN)	2.12	1.08	1.78	0.94

The Renewable Fuels segment processes renewable feedstocks into renewable products at the Rodeo Complex and at our Humber Refinery. In addition, this segment includes the global activities to procure renewable feedstocks, manage certain regulatory credits and market renewable fuels.

Results from the Renewable Fuels segment increased \$677 million and \$821 million for the three and six months ended June 30, 2026, respectively, primarily due to higher values of regulatory credits.

See the “Executive Overview and Business Environment” section for information on market factors impacting this quarter’s results.

Corporate and Other

	Millions of Dollars			
	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Loss Before Income Taxes				
Net interest expense	\$ (233)	(230)	(488)	(417)
Corporate overhead and other	(168)	(196)	(355)	(370)
NOVONIX	(6)	(2)	(15)	(17)
Total Corporate and Other	\$ (407)	(428)	(858)	(804)

Net interest expense consists of interest and financing expense, net of interest income and capitalized interest. Corporate overhead and other includes general and administrative expenses, technology costs, environmental costs associated with sites no longer in operation, restructuring costs related to our business transformation, foreign currency transaction gains and losses and other costs not directly associated with an operating segment. Effective in the first quarter of 2026, activities associated with the decommissioning and redevelopment of our idled Los Angeles Refinery site are also included in corporate overhead and other. In addition, Corporate and Other includes the change in the fair value of our investment in NOVONIX. See Note 14—Fair Value Measurements, in the Notes to Consolidated Financial Statements for additional information regarding our investment in NOVONIX.

Net interest expense increased \$3 million and \$71 million for the three and six months ended June 30, 2026, respectively. The increase in the six months ended June 30, 2026, was primarily driven by higher average debt balances, partially offset by increased average cash balances.

Corporate overhead and other costs decreased \$28 million and \$15 million for the three and six months ended June 30, 2026, respectively. The decreases for both periods were primarily due to lower depreciation expense associated with information technology assets and advisory fees related to proxy solicitation services, both recorded in 2025, partially offset by costs associated with the decommissioning and redevelopment of our idled Los Angeles Refinery site. The decrease for the three months ended June 30, 2026, was additionally impacted by the timing of corporate charitable contributions, while the decrease for the six months ended June 30, 2026, also reflected charges associated with canceled projects recorded in the first quarter of 2025.

CAPITAL RESOURCES AND LIQUIDITY

Financial Indicators

	Millions of Dollars, Except as Indicated	
	June 30 2026	December 31 2025
Cash and cash equivalents	\$ 4,099	1,116
Short-term debt	1,797	1,038
Total debt	20,565	19,716
Total equity	32,703	30,241
Percent of total debt to capital*	39%	39
Percent of floating-rate debt to total debt	6%	2

* Capital includes total debt and total equity.

To meet our short- and long-term liquidity requirements, we use a variety of funding sources but rely primarily on cash generated from operating activities and debt financing. During the first six months of 2026, we generated \$5 billion of cash from operations, increased cash and cash equivalents by \$3 billion and had net debt borrowings of \$1 billion. We funded capital expenditures and investments of \$1.3 billion, paid \$1 billion of dividends to our common stockholders, and repurchased \$0.6 billion of our common stock. At this time, we believe that our cash on hand, as well as the sources of liquidity described herein, will be sufficient to fund our obligations over the short- and long-term.

Significant Sources of Capital

Operating Activities

During the first six months of 2026, cash generated by operating activities was \$5 billion, compared with \$1 billion for the first six months of 2025. The increase was primarily due to higher earnings, driven by an increase in realized refining margins, as well as favorable working capital impacts. The favorable working capital impacts were primarily driven by the net timing of payments and collections, lower inventory, and higher taxes and other accruals. These increases in working capital were partially offset by higher prepaid expenses and other current assets.

Our short- and long-term operating cash flows are highly dependent upon refining and marketing margins, NGL prices and chemicals margins. Prices and margins in our industry are typically volatile and are driven by market conditions over which we have little or no control. Absent other mitigating factors, as these prices and margins fluctuate, we would expect a corresponding change in our operating cash flows.

The level and quality of output from our refineries also impacts our cash flows. Factors such as operating efficiency, maintenance turnarounds, market conditions, feedstock availability and weather conditions can affect output. We actively manage the operations of our refineries, and any variability in their operations typically has not been as significant to cash flows as that caused by fluctuations in margins and prices.

Equity Affiliate Operating Distributions

Our operating cash flows are also impacted by distribution decisions made by our equity affiliates. During the first six months of 2026, cash from operations included aggregate distributions of \$287 million from our equity affiliates, while cash from operations during the first six months of 2025 included aggregate distributions of \$501 million from our equity affiliates. We cannot control the amount of future dividends from equity affiliates; therefore, future dividend payments by these equity affiliates are not assured.

Term Loan Agreement

On March 18, 2026 (the Term Loan Closing Date), Phillips 66 Company entered into a 364-day, \$2.25 billion term loan agreement guaranteed by Phillips 66 (the Term Loan Agreement). The Term Loan Agreement provides for a single borrowing on the Term Loan Closing Date and matures 364 days after the Term Loan Closing Date. The Term Loan Agreement contains customary covenants similar to those contained in our revolving credit agreement, including a maximum consolidated net debt-to-capitalization ratio of 65% as of the last day of each fiscal quarter. The Term Loan Agreement has customary events of default, such as nonpayment of principal when due; nonpayment of interest, fees or other amounts after grace periods; and violation of covenants. We may at any time prepay outstanding borrowings under the Term Loan Agreement, in whole or in part, without premium or penalty. Outstanding borrowings under the Term Loan Agreement bear interest at either: (a) the term Secured Overnight Financing Rate (SOFR) in effect from time to time plus an applicable margin of 1.100%; or (b) the reference rate (as described in the Term Loan Agreement) plus an applicable margin of 0.100%. At June 30, 2026, \$1.25 billion was outstanding under the Term Loan Agreement, which matures in March 2027. On July 31, 2026, this amount was fully repaid.

Accounts Receivable Securitization

On September 30, 2024, Phillips 66 Company entered into a 364-day, \$500 million accounts receivable securitization facility (the Receivables Securitization Facility). Under the Receivables Securitization Facility, Phillips 66 Company sells or contributes on an ongoing basis, certain of its receivables, together with related security and interests in the proceeds thereof, to its wholly owned subsidiary, Phillips 66 Receivables LLC (P66 Receivables), a consolidated and bankruptcy-remote special purpose entity created for the sole purpose of transacting under the Receivables Securitization Facility. During 2025, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility to \$1.25 billion and extend the term of the facility through September 28, 2026. On March 13, 2026, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility from \$1.25 billion to \$1.75 billion and permit P66 Receivables to request a future increase in the maximum facility size up to \$2 billion. Under the amended Receivables Securitization Facility, P66 Receivables may borrow and incur indebtedness from, and/or sell certain accounts receivable in an amount not to exceed \$1.75 billion in the aggregate, and will secure its obligations with a pledge of undivided interests in such receivables, together with related security and interests in the proceeds thereof, to PNC Bank, National Association, as Administrative Agent, for the benefit of the secured parties thereunder. Accounts receivable outstanding under the Receivables Securitization Facility accrue interest at an adjusted term SOFR plus the applicable margin. In all instances, Phillips 66 Company retains the servicing of the accounts receivable transferred.

Accounts receivable sold under the Receivables Securitization Facility meet the sale criteria under ASC 860, *Transfers and Servicing*, and are derecognized from the consolidated balance sheet. P66 Receivables guarantees payment, in full, for accounts receivable sold to the purchasers. For the three months ended June 30, 2026, we sold \$342 million of accounts receivable for cash proceeds. For the six months ended June 30, 2026, we sold \$606 million of accounts receivable in exchange for cash proceeds of \$342 million and a \$264 million reduction in our borrowings under the Receivables Securitization Facility, which was recognized as a non-cash financing transaction. For the three months ended June 30, 2025, we sold \$303 million of accounts receivable in exchange for a \$303 million reduction in our borrowings under the Receivables Securitization Facility, which was recognized as a non-cash financing transaction. For the six months ended June 30, 2025, we sold \$433 million of accounts receivable in exchange for cash proceeds of \$130 million and a \$303 million reduction in our borrowings under the Receivables Securitization Facility. We recognized immaterial charges associated with the transfers of financial assets, which are included as a component within the line item “Selling, general and administrative expenses” on our consolidated statement of income, during the three and six months ended June 30, 2026 and 2025.

Borrowings under the Receivables Securitization Facility are recognized as short-term debt on the consolidated balance sheet. Borrowings are secured by the accounts receivable, held by P66 Receivables, which remain reported as accounts receivable on the consolidated balance sheet. At June 30, 2026, we had no outstanding borrowings under the Receivables Securitization Facility. We had outstanding borrowings of \$200 million at December 31, 2025, which were secured by accounts receivable held by P66 Receivables of \$4.4 billion included within the “Accounts and notes receivable” line item on our consolidated balance sheet.

At June 30, 2026, we had utilized \$346 million of the \$1.75 billion capacity of the Receivables Securitization Facility, all of which was from sold accounts receivable not yet remitted to the Administrative Agent. At December 31, 2025, we had utilized \$367 million of the \$1.25 billion capacity of the Receivables Securitization Facility from \$167 million of sold accounts receivable not yet remitted to the Administrative Agent and \$200 million of outstanding borrowings.

Accounts Receivable Factoring

In addition to the Receivables Securitization Facility, discussed in Note 9—Debt, Phillips 66 maintains other accounts receivable factoring facilities with various financial institutions that enable Phillips 66 to sell certain eligible accounts receivable to these financial institutions on a non-recourse basis for which we retain the servicing of the accounts receivable transferred. Sales of accounts receivable under these facilities meet the sale criteria under ASC 860, *Transfers and Servicing*, and are derecognized from the consolidated balance sheet. Cash receipts from the sale of accounts receivable, received at the time of sale, are classified as cash flows from operating activities. For the three and six months ended June 30, 2026, we sold \$1.3 billion and \$1.7 billion, respectively, of accounts receivable for cash proceeds under these facilities. As of June 30, 2026, and December 31, 2025, \$636 million and \$195 million, respectively, remained uncollected of the total accounts receivable sold and derecognized from the consolidated balance sheet. We recognized immaterial charges associated with these transfers, which are included as a component within the line item “Selling, general and administrative expenses” on our consolidated statement of income for the three and six months ended June 30, 2026.

Credit Facilities and Commercial Paper

Phillips 66 and Phillips 66 Company

On January 13, 2025, we entered into a \$200 million uncommitted credit facility (the 2025 Uncommitted Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor. The 2025 Uncommitted Facility contains covenants and events of default customary for unsecured uncommitted facilities. The 2025 Uncommitted Facility has no commitment fees or compensating balance requirements. Outstanding borrowings under the 2025 Uncommitted Facility bear interest at a rate of either (a) the adjusted term SOFR plus the applicable margin, (b) the adjusted daily simple SOFR plus the applicable margin or (c) the base rate, in each case plus the applicable margin. Each borrowing matures six months from the date of such borrowing. We may at any time prepay outstanding borrowings, in whole or in part, without premium or penalty. On March 26, 2026, Phillips 66 amended the 2025 Uncommitted Facility to increase the capacity by \$100 million. At June 30, 2026, and December 31, 2025, no borrowings were outstanding under the 2025 Uncommitted Facility.

On June 25, 2024, we entered into a \$400 million uncommitted credit facility (the 2024 Uncommitted Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor. The 2024 Uncommitted Facility contains covenants and events of default customary for unsecured uncommitted facilities. The 2024 Uncommitted Facility has no commitment fees or compensating balance requirements. Outstanding borrowings under the 2024 Uncommitted Facility bear interest at a rate of either (a) the adjusted term SOFR, (b) the adjusted daily simple SOFR or (c) the reference rate, in each case plus the applicable margin. Each borrowing matures six months from the date of such borrowing. We may at any time prepay outstanding borrowings, in whole or in part, without premium or penalty. At June 30, 2026, and December 31, 2025, no borrowings were outstanding under the 2024 Uncommitted Facility.

On February 28, 2024, we entered into a new \$5 billion revolving credit agreement (the Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor and a scheduled maturity date of February 28, 2029. The Facility replaced our previous \$5 billion revolving credit facility dated as of June 23, 2022, with Phillips 66 Company as the borrower and Phillips 66 as the guarantor, and the previous revolving credit facility was terminated. The Facility contains customary covenants similar to the previous revolving credit facility, including a maximum consolidated net debt-to-capitalization ratio of 65% as of the last day of each fiscal quarter. The Facility has customary events of default, such as nonpayment of principal when due; nonpayment of interest, fees or other amounts after grace periods; and violation of covenants. We may at any time prepay outstanding borrowings under the Facility, in whole or in part, without premium or penalty. We have the option to increase the overall capacity to \$6 billion, subject to certain conditions. We also have the option to extend the scheduled maturity of the Facility for up to two additional one-year terms, subject to, among other things, the consent of the lenders holding the majority of the commitments and of each lender extending its commitment. Outstanding borrowings under the Facility bear interest at either (a) the adjusted term SOFR (as described in the Facility) in effect from time to time plus the applicable margin; or (b) the reference rate (as described in the Facility) plus the applicable margin. The pricing levels for the commitment fee and interest-rate margins are determined

based on the ratings in effect for our senior unsecured long-term debt from time to time. At June 30, 2026, and December 31, 2025, no amount had been drawn under the Facility.

Phillips 66 also has a \$5 billion uncommitted commercial paper program for short-term working capital needs that is supported by the Facility. Commercial paper maturities are contractually limited to less than one year. At June 30, 2026, no borrowings were outstanding under this program, while at December 31, 2025, \$200 million of commercial paper had been issued under this program.

Total Committed Capacity Available

At June 30, 2026, and December 31, 2025, we had approximately \$6.4 billion and \$5.7 billion, respectively, of total committed capacity available under the credit facilities described above.

Investment Dispositions

On January 31, 2025, we sold our 49% ownership interest in Coop and settled the foreign currency forward contracts entered into in connection with the asset sale. We received cash proceeds of \$1.2 billion, consisting of a sales price of \$1.15 billion and a final dividend relating to financial year 2024 of \$92 million from Coop that was paid on January 30, 2025.

On January 30, 2025, DCP LP sold its 25% ownership interest in GCX for cash proceeds of \$853 million.

See Note 6—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding investment dispositions.

Off-Balance Sheet Arrangements

Lease Residual Value Guarantees

Under the operating lease agreement for our headquarters facility in Houston, Texas, we have the option, at the end of the lease term in September 2030, to request to renew the lease, purchase the facility or assist the lessor in marketing it for resale. This agreement includes a residual value guarantee with a maximum potential future exposure of \$404 million at June 30, 2026. In addition, we have residual value guarantees associated with railcar, airplane and truck leases with maximum potential future exposures totaling \$174 million at June 30, 2026. These leases have remaining terms of one to ten years.

Dakota Access, LLC (Dakota Access) and Energy Transfer Crude Oil Company, LLC (ETCO)

In 2020, the trial court presiding over litigation brought by the Standing Rock Sioux Tribe (the Tribe) ordered the U.S. Army Corps of Engineers (USACE) to prepare an Environmental Impact Statement (EIS) addressing environmental impacts from the Dakota Access Pipeline (DAPL) easement under Lake Oahe; although the easement was later vacated, operations have continued while USACE completed the EIS process, and the Tribe's shutdown requests were denied. The final EIS, published in December 2025, laid out multiple alternatives, including denial, abandonment, continued operation under the 2017 conditions, continued operation with additional conditions and a reroute. In May 2026, the USACE issued the signed Record of Decision (ROD), which authorizes continued operation under a new easement with enhanced safety and environmental conditions. More specifically, the ROD requires mitigation measures beyond the 2017 easement, including alternative water supply planning, groundwater monitoring, biannual Lake Oahe surveillance, fish tissue sampling after a release, eagle-protection measures, periodic independent expert review of leak detection technologies, emergency food distribution planning for affected Tribal communities and continued Tribal engagement on subsistence-use studies. The costs to comply with these additional mitigation measures are minimal and are not expected to have a material impact on our financial statements.

During the final EIS process, the Tribe flagged ETCO's potential future Canadian crude shipments through DAPL, but ETCO told USACE there are no confirmed plans and none would occur before late 2028 or early 2029 without regulatory and shipper approvals. USACE found the issue did not require supplemental environmental review or alter its selected alternative, but added a condition requiring ETCO to submit updated reports and oil-consumption documentation for USACE review before transporting materially different crude through Lake Oahe.

Because the ROD has been issued, challenges to USACE's final decision and environmental analysis may now be brought forward. The Tribe and potentially affiliated environmental groups could file a new challenge in federal district court in Washington, D.C.

Dakota Access and ETCO have guaranteed repayment of senior unsecured notes issued by a wholly owned subsidiary of Dakota Access. At June 30, 2026, the aggregate principal amount outstanding of Dakota Access' senior unsecured notes was \$850 million.

In addition, Phillips 66 Partners LP (Phillips 66 Partners), a wholly owned subsidiary of Phillips 66, and its co-venturers in Dakota Access also provided a Contingent Equity Contribution Undertaking (CECU) in conjunction with the notes offering. At June 30, 2026, our 25% share of the maximum potential equity contributions under the CECU was approximately \$215 million. If the pipeline is required to cease operations, it may have a material adverse effect on our results of operations and cash flows. Should operations cease and Dakota Access and ETCO not have sufficient funds to pay its expenses, we also could be required to support our 25% share of the ongoing expenses, including scheduled interest payments on the notes of approximately \$10 million annually, in addition to the potential obligations under the CECU at June 30, 2026.

See Note 6—Investments, Loans and Long-Term Receivables for additional information regarding our investments in Dakota Access and ETCO and Note 11—Guarantees for additional information regarding our guarantees, in the Notes to Consolidated Financial Statements.

Capital Requirements

Capital Expenditures and Investments

For information about our capital expenditures and investments, see the “Capital Spending” section below.

Debt Financing

Our debt balance at June 30, 2026, and December 31, 2025, was \$20.6 billion and \$19.7 billion, respectively. Our total debt-to-capital ratio was 39% at June 30, 2026, and December 31, 2025.

On June 30, 2026, Phillips 66 Company repaid \$1 billion of the outstanding \$2.25 billion borrowed under its term loan that matures in March 2027.

On February 17, 2026, upon maturity, Phillips 66 repaid the remaining \$100 million outstanding on its 1.300% Senior Notes due February 2026, with an aggregate principal amount of \$500 million.

We may from time to time reduce our outstanding debt and level of interest expense through redemption of debt securities prior to maturity or repurchases of debt securities in the open market, in privately negotiated transactions, through tender offers or otherwise.

Acquisition

On April 28, 2026, we acquired the assets and associated infrastructure of the Lindsey Oil Refinery for a purchase price of \$115 million. This acquisition will provide storage and other infrastructure assets to enhance Humber Refinery operations and improve fuel supply to U.K. customers upon integration with the Humber Refinery. See Note 7—Properties, Plants and Equipment, in the Notes to Consolidated Financial Statements for additional information.

Dividends

On April 17, 2026, our Board of Directors declared a quarterly cash dividend of \$1.27 per common share. This dividend was paid on June 1, 2026, to shareholders of record as of the close of business on May 18, 2026. On July 9, 2026, our Board of Directors declared a quarterly cash dividend of \$1.27 per common share. This dividend is payable on September 1, 2026, to shareholders of record as of the close of business on August 18, 2026.

Share Repurchases

On July 29, 2026, our Board of Directors approved a \$10 billion increase to our share repurchase authorization. Since July 2012, our Board of Directors has authorized an aggregate of \$35 billion of repurchases of our outstanding common stock under our share repurchase program. Our share repurchase authorizations do not expire. Any future share repurchases will be made at the company’s discretion, subject to market conditions and other factors, and in accordance with applicable regulatory requirements. For the six months ended June 30, 2026, we repurchased 4 million shares at an aggregate cost of approximately \$0.6 billion. Since July 2012, we have repurchased 252 million shares under our share repurchase program at an aggregate cost of \$23.3 billion. Shares of stock repurchased are held as treasury shares.

Employee Benefit Plan Contributions

During the six months ended June 30, 2026, we contributed \$15 million to our U.S. pension and other postretirement benefit plans and \$3 million to our international pension plans. We currently expect to make additional contributions of approximately \$185 million to our U.S. pension and other postretirement benefit plans and approximately \$1 million to our international pension plans during the remainder of 2026.

Capital Spending

	Millions of Dollars	
	Six Months Ended June 30	
	2026	2025
Capital Expenditures and Investments		
Midstream	\$ 771	600
Chemicals	—	—
Refining*	465	324
Marketing and Specialties	29	49
Renewable Fuels	16	18
Corporate and Other**	27	19
Total Capital Expenditures and Investments	\$ 1,308	1,010
Selected Equity Affiliates***		
CPChem	262	407
WRB*	—	65
	\$ 262	472

* On October 1, 2025, we acquired the remaining 50% equity interest in WRB from Cenovus. As such, 100% of WRB's capital expenditures and investments for the first six months of 2026 are included in Refining capital expenditures and investments.

** Includes cost associated with the redevelopment of our idled Los Angeles Refinery site.

*** Our share of joint ventures' capital spending.

Midstream

During the first six months of 2026, capital spending in our Midstream segment was \$771 million. Capital spending was primarily related to sanctioned construction of new gas processing plants in the Permian Basin and associated supporting infrastructure, gathering and processing projects to further align our wellhead-to-market strategy and spending associated with other reliability and maintenance projects in our Transportation and NGL businesses.

Chemicals

During the first six months of 2026, on a 100% basis, CPChem's capital expenditures and investments were \$524 million. Capital spending was primarily for the development of petrochemical projects on the U.S. Gulf Coast and in the Middle East, as well as sustaining and optimization projects on existing assets. CPChem's capital program was self-funded, and we expect CPChem to continue self-funding its capital program for the remainder of 2026.

Refining

Capital spending for the Refining segment during the first six months of 2026 was \$465 million. Major capital activities included spend to improve reliability at our refineries and installation of facilities to improve market capture, product value and utilization.

Marketing and Specialties

Capital spending for the M&S segment during the first six months of 2026 was \$29 million, primarily for marketing-related information technology enhancements, spend associated with marketing and commercial fleet fueling businesses on the U.S. West Coast and the continued development and enhancement of retail sites in the United Kingdom.

Renewable Fuels

Capital spending for the Renewable Fuels segment during the first six months of 2026 was \$16 million. The capital spending was focused on product mix optimization, logistics and improving feed flexibility on existing assets.

Corporate and Other

Capital spending for Corporate and Other during the first six months of 2026 was \$27 million, primarily for redevelopment costs related to the idled Los Angeles Refinery site, as well as information technology.

Contingencies

A number of lawsuits involving a variety of claims that arose in the ordinary course of business have been filed against us or are subject to indemnifications provided by us. We also may be required to remove or mitigate the effects on the environment of the placement, storage, disposal or release of certain chemical, mineral and petroleum substances at various active and inactive sites. We regularly assess the need for financial recognition or disclosure of these contingencies. In the case of all known contingencies (other than those related to income taxes), we accrue a liability when the loss is probable and the amount is reasonably estimable. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not reduce these liabilities for potential insurance or third-party recoveries. If applicable, we accrue receivables for probable insurance or other third-party recoveries. In the case of income tax-related contingencies, we use a cumulative probability-weighted loss accrual in cases where sustaining a tax position is uncertain.

Other than with respect to the legal matters described herein, based on currently available information, we believe it is remote that future costs related to known contingent liability exposures will exceed current accruals by an amount that would have a material adverse impact on our consolidated financial statements. As we learn new facts concerning contingencies, we reassess our position both with respect to accrued liabilities and other potential exposures. Estimates particularly sensitive to future changes include contingent liabilities recorded for environmental remediation, tax and legal matters. Estimated future environmental remediation costs are subject to change due to such factors as the uncertain magnitude of cleanup costs, the unknown time and extent of such remedial actions that may be required, and the determination of our liability in proportion to that of other potentially responsible parties. Estimated future costs related to tax and legal matters are subject to change as events evolve and as additional information becomes available during the administrative and litigation processes.

Legal and Tax Matters

Our legal and tax matters are handled by our legal and tax organizations, respectively. These organizations apply their knowledge, experience and professional judgment to the specific characteristics of our cases and uncertain tax positions. We employ a litigation management process to manage and monitor legal proceedings. Our process facilitates the early evaluation and quantification of potential exposures in individual cases and enables the tracking of those cases that have been scheduled for trial and/or mediation. Based on professional judgment and experience in using these litigation management tools and available information about current developments in all our cases, our legal organization regularly assesses the adequacy of current accruals and determines if adjustment of existing accruals, or establishment of new accruals, is required. In the case of income tax-related contingencies, we monitor tax legislation and court decisions, the status of tax audits and the statute of limitations within which a taxing authority can assert a liability.

Propel Fuels Litigation

In late 2017, as part of Phillips 66 Company's evaluation of various opportunities in the renewable fuels business, Phillips 66 Company engaged with Propel Fuels, Inc. (Propel Fuels), a California company that distributes E85 and other alternative fuels through fueling kiosks. Ultimately, the parties were not able to reach an agreement, and negotiations were terminated in August 2018. On February 17, 2022, Propel Fuels filed a lawsuit in the Superior Court of California, County of Alameda (the Propel Court), alleging that Phillips 66 Company misappropriated trade secrets related to Propel Fuels' renewable fuels business during and after due diligence. On October 16, 2024, a jury returned a verdict against Phillips 66 Company for \$604.9 million in compensatory damages and issued a willfulness finding. Based on the willfulness finding, the Propel Court later granted Propel Fuels' requests for exemplary damages and attorney's fees and costs. On August 5, 2025, the Propel Court entered a final judgment against Phillips 66 Company in the amount of \$833 million. The judgment includes the \$604.9 million jury verdict, \$195 million of exemplary damages, and \$33.3 million of pre-judgment interest at 7%. From the date of final judgment, post-judgment interest of 10% is accruing, which is included within the "Selling, general and administrative expenses" line on our consolidated statement of income and reported in the M&S segment. On November 14, 2025, Phillips 66 Company filed its Notice of Appeal, which has been assigned to Division Two of the First District Court of Appeal. On July 10, 2026, Phillips 66 Company filed its opening brief with the Court of Appeal. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position.

The accrued amounts totaling \$928 million and \$867 million as of June 30, 2026, and December 31, 2025, respectively, are reflected as "Other liabilities and deferred credits" on our consolidated balance sheet. However, it is reasonably possible that the estimate of the loss could change based on the progression of the case, including the appeals process. If information were to become available that would allow us to reasonably estimate a range of potential exposure in an amount higher or lower than the amount already accrued, we would adjust our accrued liabilities accordingly. While Phillips 66 Company believes the jury verdict is not legally or factually supported, there can be no assurances that such defense efforts will be successful. Until the final resolution of this matter, we may be exposed to losses in excess of the amount recorded, and such amounts may have a material adverse effect on our financial position.

Environmental

Like other companies in our industry, we are subject to numerous international, federal, state and local environmental laws and regulations. For a discussion of the most significant international and federal environmental laws and regulations to which we are subject, see the "Environmental" section in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2025 Annual Report on Form 10-K.

We can fulfill our obligation under the Renewable Fuel Standard (RFS) through blending renewable fuels into the motor fuels we produce, producing renewable fuels at the Rodeo Complex, or through purchasing RINs on the open market. For the six months ended June 30, 2026, we incurred expenses of \$269 million associated with our obligation to purchase RINs in the open market to comply with the RFS for our wholly owned refineries. These expenses are included within the "Purchased crude oil and products" line item on our consolidated statement of income. For the six months ended June 30, 2025, we primarily fulfilled our obligation under RFS through blending renewable fuels into the motor fuels we produced or by renewable fuels produced at the Rodeo Complex and incurred no expenses to purchase RINs in the open market to comply with RFS for our wholly owned refineries. Prior to the acquisition of WRB in October 2025, our jointly owned refineries also incurred expenses associated with the purchase of RINs in the open market, of which our share was \$175 million for the six months ended June 30, 2025, and were included within the "Equity in earnings of affiliates" line item on our consolidated statement of income. The amount of these expenses and fluctuations between periods is primarily driven by the market price of RINs, refinery and renewable fuels production, blending activities and renewable volume obligation requirements.

We occasionally receive requests for information or notices of potential liability from the Environmental Protection Agency (EPA) and state environmental agencies alleging that we are a potentially responsible party under the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or an equivalent state statute. On occasion, we also have been made a party to cost recovery litigation by those agencies or by private parties. These requests, notices and lawsuits assert potential liability for remediation costs at various sites that typically are not owned by us, but allegedly contain wastes attributable to our past operations. At March 31, 2026, we reported that we had been notified of potential liability under CERCLA and comparable state laws at 17 sites within the United States and Puerto Rico. There were no changes reported during the second quarter of 2026, thus, leaving 17 unresolved sites with potential liability at June 30, 2026.

Notwithstanding any of the foregoing, and as with other companies engaged in similar businesses, environmental costs and liabilities are inherent concerns in certain of our operations and products, and there can be no assurance that those costs and liabilities will not be material. However, we currently do not expect any material adverse effect on our results of operations or financial position as a result of compliance with current environmental laws and regulations.

Climate Change

There has been a broad range of proposed or promulgated state, national and international laws focusing on greenhouse gas (GHG) emissions reduction, including various regulations proposed or issued by the EPA. These proposed or promulgated laws apply or could apply in states and/or countries where we have interests or may have interests in the future. Laws regulating GHG emissions continue to evolve, and while it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation, such laws potentially could have a material impact on our results of operations and financial condition as a result of increasing costs of compliance, lengthening project implementation and agency reviews or reducing demand for certain hydrocarbon products.

For examples of legislation and regulation or precursors for possible regulation that do or could affect our operations, see the “Climate Change” section in Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 2025 Annual Report on Form 10-K.

We consider and take into account anticipated future GHG emissions in designing and developing major facilities and projects, and we implement energy efficiency initiatives to reduce GHG emissions. Data on our GHG emissions, legal requirements regulating such emissions and the possible physical effects of climate change on our coastal assets are incorporated into our planning, investment and risk management decision-making. We are working to continuously improve operational and energy efficiency through resource and energy conservation efforts throughout our operations.

GUARANTOR FINANCIAL INFORMATION

We have various cross guarantees between Phillips 66 and its wholly owned subsidiary Phillips 66 Company (together, the Obligor Group) with respect to publicly held debt securities. Phillips 66 conducts substantially all of its operations through subsidiaries, including Phillips 66 Company, and those subsidiaries generate substantially all of its operating income and cash flows. Phillips 66 has fully and unconditionally guaranteed the payment obligations of Phillips 66 Company with respect to its publicly held debt securities. In addition, Phillips 66 Company has fully and unconditionally guaranteed the payment obligations of Phillips 66 with respect to its publicly held debt securities. All guarantees are full and unconditional. At June 30, 2026, \$15.9 billion of publicly held debt securities has been guaranteed by the Obligor Group.

Summarized financial information of the Obligor Group is presented on a combined basis. Intercompany transactions among the members of the Obligor Group have been eliminated. The financial information of non-guarantor subsidiaries has been excluded from the summarized financial information. Significant intercompany transactions and receivable/payable balances between the Obligor Group and non-guarantor subsidiaries are presented separately in the summarized financial information.

The summarized results of operations for the six months ended June 30, 2026, and the summarized financial position at June 30, 2026, and December 31, 2025, for the Obligor Group on a combined basis were:

Summarized Combined Statement of Income

	Millions of Dollars	
	Six Months Ended June 30, 2026	
Sales and other operating revenues	\$	63,574
Revenues and other income—non-guarantor subsidiaries		17,665
Purchased crude oil and products—third parties		46,855
Purchased crude oil and products—related parties		1,206
Purchased crude oil and products—non-guarantor subsidiaries		27,311
Income before income taxes		2,543
Net income		2,000

Summarized Combined Balance Sheet

	Millions of Dollars	
	June 30 2026	December 31 2025
Accounts and notes receivable—third parties	\$ 1,240	1,348
Accounts and notes receivable—related parties	437	254
Due from non-guarantor subsidiaries, current	5,316	3,825
Total current assets	13,825	9,676
Investments and long-term receivables	8,950	8,502
Net properties, plants and equipment	10,857	10,964
Goodwill	906	906
Due from non-guarantor subsidiaries, noncurrent	650	548
Other assets associated with non-guarantor subsidiaries	868	1,015
Total noncurrent assets	25,061	24,575
Total assets	38,886	34,251
Due to non-guarantor subsidiaries, current	\$ 6,663	5,892
Total current liabilities	18,168	13,788
Long-term debt	15,461	15,465
Due to non-guarantor subsidiaries, noncurrent	10,175	10,859
Total noncurrent liabilities	32,987	33,243
Total liabilities	51,155	47,031
Total equity	(12,269)	(12,780)
Total liabilities and equity	38,886	34,251

NON-GAAP RECONCILIATIONS

Refining

Our realized refining margins measure the difference between (a) sales and other operating revenues derived from the sale of petroleum products manufactured at our refineries and (b) costs of feedstocks, primarily crude oil, used to produce the petroleum products. The realized refining margins are adjusted to include our proportional share of our joint venture refineries' realized margins, as well as to exclude those items that are not representative of the underlying operating performance of a period, which we call "special items." The realized refining margins are converted to a per-barrel basis by dividing them by total refinery processed inputs (primarily crude oil) measured on a barrel basis, including our share of inputs processed by our joint venture refineries. Our realized refining margin per barrel is intended to be comparable with industry refining margins, which are known as "crack spreads." As discussed in "Executive Overview and Business Environment—Business Environment," industry crack spreads measure the difference between market prices for refined petroleum products and crude oil. We believe realized refining margin per barrel calculated on a similar basis as industry crack spreads provides a useful measure of how well we performed relative to benchmark industry refining margins.

The GAAP performance measure most directly comparable to realized refining margin per barrel is the Refining segment's "income (loss) before income taxes per barrel." Realized refining margin per barrel excludes items that are typically included in a manufacturer's gross margin, such as depreciation and operating expenses and other items used to determine income (loss) before income taxes, such as general and administrative expenses. It also includes our proportional share of joint venture refineries' realized refining margins and excludes special items. Because realized refining margin per barrel is calculated in this manner, and because realized refining margin per barrel may be defined differently by other companies in our industry, it has limitations as an analytical tool. Following are reconciliations of income (loss) before income taxes to realized refining margins:

Realized Refining Margins	Millions of Dollars, Except as Indicated				
	Atlantic Basin/ Europe	Gulf Coast	Central Corridor †	West Coast	Worldwide
Three Months Ended June 30, 2026					
Income before income taxes	\$ 352	953	1,599	158	3,062
<i>Plus:</i>					
Taxes other than income taxes	16	25	41	6	88
Depreciation, amortization and impairments	58	67	81	16	222
Selling, general and administrative expenses	12	8	(5)	10	25
Operating expenses	314	247	530	53	1,144
Equity in losses of affiliates	1	—	—	—	1
Other segment (income) expense, net	(66)	(2)	(3)	8	(63)
Proportional share of refining gross margins contributed by equity affiliates	20	—	—	—	20
Realized refining margins	\$ 707	1,298	2,243	251	4,499
Total processed inputs (<i>thousands of barrels</i>)	48,969	53,522	75,902	8,467	186,860
Income before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 7.20	17.80	21.07	18.69	16.39
Realized refining margins (<i>dollars per barrel</i> ***)	14.44	24.25	29.56	29.65	24.08
Three Months Ended June 30, 2025					
Income (loss) before income taxes	\$ 49	101	392	(183)	359
<i>Plus:</i>					
Taxes other than income taxes	20	24	25	25	94
Depreciation, amortization and impairments	53	67	44	282	446
Selling, general and administrative expenses	8	5	13	6	32
Operating expenses	281	257	146	164	848
Equity in losses of affiliates	2	—	—	—	2
Other segment (income) expense, net	(33)	—	(28)	14	(47)
Proportional share of refining gross margins contributed by equity affiliates	22	—	212	—	234
Realized refining margins	\$ 402	454	804	308	1,968
Total processed inputs (<i>thousands of barrels</i>)	49,270	52,111	28,710	21,914	152,005
Adjusted total processed inputs (<i>thousands of barrels</i>)*	49,270	52,111	51,477	21,914	174,772
Income (loss) before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 1.00	1.93	13.67	(8.37)	2.36
Realized refining margins (<i>dollars per barrel</i> ***)	8.16	8.71	15.61	14.06	11.25

* Adjusted total processed inputs include our proportional share of processed inputs of an equity affiliate.

** Income (loss) before income taxes divided by total processed inputs.

*** Realized refining margins per barrel, as presented, are calculated using the underlying realized refining margin amounts, in dollars, divided by adjusted total processed inputs, in barrels. As such, recalculated per barrel amounts using the rounded margins and barrels presented may differ from the presented per barrel amounts.

† Includes our proportional share of our equity method investment in WRB through September 30, 2025. Beginning on October 1, 2025, 100% of Borger Refinery and Wood River Refinery are included in consolidated results. Refer to Note 2—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.

Realized Refining Margins	Millions of Dollars, Except as Indicated				
	Atlantic Basin/ Europe	Gulf Coast	Central Corridor †	West Coast	Worldwide
Six Months Ended June 30, 2026					
Income before income taxes	\$ 719	1,157	1,181	213	3,270
<i>Plus:</i>					
Taxes other than income taxes	36	54	83	21	194
Depreciation, amortization and impairments	117	133	157	32	439
Selling, general and administrative expenses	21	9	34	13	77
Operating expenses	622	545	1,104	102	2,373
Equity in losses of affiliates	1	—	—	—	1
Other segment income, net	(57)	(2)	—	(15)	(74)
Proportional share of refining gross margins contributed by equity affiliates	46	—	—	—	46
Realized refining margins	\$ 1,505	1,896	2,559	366	6,326
Total processed inputs (<i>thousands of barrels</i>)	99,876	106,386	144,302	17,097	367,661
Income before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 7.20	10.88	8.18	12.49	8.90
Realized refining margins (<i>dollars per barrel</i> ***)	15.04	17.82	17.73	21.31	17.21
Six Months Ended June 30, 2025					
Income (loss) before income taxes	\$ (150)	(232)	342	(538)	(578)
<i>Plus:</i>					
Taxes other than income taxes	42	59	51	52	204
Depreciation, amortization and impairments	109	139	85	570	903
Selling, general and administrative expenses	14	14	36	14	78
Operating expenses	654	638	294	336	1,922
Equity in losses of affiliates	4	—	103	—	107
Other segment (income) expense, net	(39)	1	(40)	26	(52)
Proportional share of refining gross margins contributed by equity affiliates	43	—	332	—	375
Realized refining margins	\$ 677	619	1,203	460	2,959
Total processed inputs (<i>thousands of barrels</i>)	87,986	89,317	55,879	43,276	276,458
Adjusted total processed inputs (<i>thousands of barrels</i>)*	87,986	89,317	99,752	43,276	320,331
Income (loss) before income taxes per barrel (<i>dollars per barrel</i>)**	\$ (1.70)	(2.60)	6.13	(12.43)	(2.09)
Realized refining margins (<i>dollars per barrel</i> ***)	7.68	6.92	12.07	10.64	9.23

* Adjusted total processed inputs include our proportional share of processed inputs of an equity affiliate.

** Income (loss) before income taxes divided by total processed inputs.

*** Realized refining margins per barrel, as presented, are calculated using the underlying realized refining margin amounts, in dollars, divided by adjusted total processed inputs, in barrels. As such, recalculated per barrel amounts using the rounded margins and barrels presented may differ from the presented per barrel amounts.

† Includes our proportional share of our equity method investment in WRB through September 30, 2025. Beginning on October 1, 2025, 100% of Borger Refinery and Wood River Refinery are included in consolidated results. Refer to Note 2—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.

Marketing

Our realized marketing fuel margins measure the difference between (a) sales and other operating revenues derived from the sale of fuels in our M&S segment and (b) costs of those fuels. The realized marketing fuel margins are adjusted to exclude those items that are not representative of the underlying operating performance of a period, which we call “special items.” The realized marketing fuel margins are converted to a per-barrel basis by dividing them by sales volumes measured on a barrel basis. We believe realized marketing fuel margin per barrel demonstrates the value uplift our marketing operations provide by optimizing the placement and ultimate sale of our facilities’ fuel production.

Within the M&S segment, the GAAP performance measure most directly comparable to realized marketing fuel margin per barrel is the marketing business’ “income (loss) before income taxes per barrel.” Realized marketing fuel margin per barrel excludes items that are typically included in gross margin, such as depreciation and operating expenses, and other items used to determine income (loss) before income taxes, such as general and administrative expenses. Because realized marketing fuel margin per barrel excludes these items, and because realized marketing fuel margin per barrel may be defined differently by other companies in our industry, it has limitations as an analytical tool. Following are reconciliations of income before income taxes to realized marketing fuel margins:

	Millions of Dollars, Except as Indicated			
	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025	
	U.S.	International	U.S.	International
Realized Marketing Fuel Margins				
Income before income taxes	\$ 217	232	429	56
<i>Plus:</i>				
Depreciation and amortization	14	1	12	13
Selling, general and administrative expenses	271	8	202	72
Equity in earnings of affiliates	(17)	(40)	(11)	(1)
Other operating revenues*	(145)	(1)	(121)	(8)
Other expense, net	10	—	12	—
Special items:				
Net (gain) loss on asset dispositions	—	(110)	—	89
Marketing margins	350	90	523	221
Less: margin for nonfuel related sales	—	—	—	18
Realized marketing fuel margins	\$ 350	90	523	203
Total fuel sales volumes (<i>thousands of barrels</i>)	192,410	19,466	184,591	28,560
Income before income taxes per barrel (<i>dollars per barrel</i>)	\$ 1.13	11.92	2.32	1.96
Realized marketing fuel margins (<i>dollars per barrel</i>)**	1.82	4.63	2.83	7.11

* Includes other nonfuel revenues.

** Realized marketing fuel margins per barrel, as presented, are calculated using the underlying realized marketing fuel margin amounts, in dollars, divided by sales volumes, in barrels. As such, recalculated per barrel amounts using the rounded margins and barrels presented may differ from the presented per barrel amounts.

	Millions of Dollars, Except as Indicated			
	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025	
	U.S.	International	U.S.	International
Realized Marketing Fuel Margins				
Income before income taxes	\$ 17	163	540	1,173
<i>Plus:</i>				
Depreciation and amortization	26	3	25	15
Selling, general and administrative expenses	500	17	405	137
Equity in earnings of affiliates	(26)	(57)	(18)	(9)
Other operating revenues*	(267)	(2)	(226)	(20)
Other expense, net	17	1	21	3
Special items:				
Net gain on asset dispositions	—	(110)	—	(928)
Marketing margins	267	15	747	371
Less: margin for nonfuel related sales	—	—	—	32
Realized marketing fuel margins	\$ 267	15	747	339
Total fuel sales volumes (<i>thousands of barrels</i>)	367,741	40,556	349,090	56,571
Income before income taxes per barrel (<i>dollars per barrel</i>)	\$ 0.05	4.02	1.55	20.74
Realized marketing fuel margins (<i>dollars per barrel</i>)**	0.73	0.39	2.14	6.00

* Includes other nonfuel revenues.

** Realized marketing fuel margins per barrel, as presented, are calculated using the underlying realized marketing fuel margin amounts, in dollars, divided by sales volumes, in barrels. As such, recalculated per barrel amounts using the rounded margins and barrels presented may differ from the presented per barrel amounts.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the Act). You can normally identify our forward-looking statements by the words “anticipate,” “estimate,” “believe,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “priorities” and similar expressions that convey the prospective nature of events or outcomes, but the absence of such words does not mean a statement is not forward-looking.

We based these forward-looking statements on our current expectations, estimates and projections about us, our operations, our joint ventures and entities in which we have equity interests, as well as the industries in which we and they operate and our sustainability-related plans and goals. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, as they are not guarantees of future performance and involve assumptions that, while made in good faith, may prove to be incorrect and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in any forward-looking statement. Our sustainability-related goals are not guarantees or promises and may change. Statements regarding our goals are not guarantees or promises that they will be met. The information included in, and any issues identified as material for purposes of, our sustainability reports shall not be considered material for U.S. Securities and Exchange Commission reporting purposes. Factors that could cause actual results to differ materially from those in our forward-looking statements include:

- Fluctuations in market conditions and demand impacting the prices of NGL, crude oil, refined petroleum products, renewable fuels, renewable feedstocks and natural gas prices and changes in refined product, marketing and petrochemical margins.
- Changes in governmental policies relating to NGL, crude oil, natural gas, refined petroleum or renewable fuels products pricing, regulation or taxation, including exports.
- Capacity constraints in, or other limitations on, the pipelines, storage and fractionation facilities to which we deliver natural gas or NGL and the availability of alternative markets and arrangements for our natural gas and NGL.
- Actions taken by Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC oil producing countries impacting crude oil production and correspondingly, commodity prices.
- Domestic and international economic and political developments including war and armed hostilities, instability in the financial services and banking sector, excess inflation, expropriation of assets and changes in fiscal policy, including interest rates.
- Unexpected changes in costs or technical requirements for constructing, modifying or operating our facilities or transporting our products.
- Unexpected technological or commercial difficulties in manufacturing, refining or transporting our products, including chemical products.
- Changes in the cost or availability of adequate and reliable transportation for our NGL, crude oil, natural gas and refined petroleum and renewable fuels products.
- The level and success of producers’ drilling plans and the amount and quality of production volumes around our midstream assets.
- Our ability to timely obtain or maintain permits, including those necessary for capital projects.
- Our ability to comply with government regulations or make capital expenditures required to maintain compliance.
- Our ability to realize sustained savings and cost reductions from the company’s business transformation initiatives.
- Changes to government policies relating to renewable fuels, climate change and GHG emissions that adversely affect programs like the renewable fuel standards program, low carbon fuel standards and tax credits for biofuels.

- The impact on commercial activity and demand for our products from any widespread public health crisis, as well as the extent and duration of recovery of economies and demand for our products following any such crisis.
- Failure to complete definitive agreements and feasibility studies for, and to complete construction of, announced and future capital projects on time and within budget.
- Our ability to successfully complete, or any material delay in the completion of, any asset dispositions, acquisitions, shutdowns or conversions that we may pursue, including the receipt of any necessary regulatory approvals or permits related to such action.
- Potential disruption or interruption of our operations or those of our joint ventures due to litigation or governmental or regulatory action.
- Damage to our facilities due to accidents, weather and climate events, civil unrest, insurrections, political events, terrorism or cyberattacks.
- Our sustainability goals, including reducing our GHG emissions intensity, developing and protecting new technologies and commercializing lower-carbon opportunities.
- Failure of new products and services to achieve market acceptance.
- International monetary conditions and exchange controls.
- Substantial investments required, or reduced demand for products, as a result of existing or future environmental rules and regulations, including GHG emissions reductions and reduced consumer demand for refined petroleum products.
- Liability resulting from pending or future litigation or other legal proceedings.
- Liability for remedial actions, including removal and reclamation obligations under environmental regulations.
- Changes in tax, environmental and other laws and regulations (including alternative energy mandates) applicable to our business.
- Economic, political and regulatory conditions domestically and internationally, including imposition of tariffs or other tax incentives or disincentives.
- Political and societal concerns about climate change that could result in changes to our business or operations or increase expenditures, including litigation-related expenses.
- Changes in estimates or projections used to assess fair value of intangible assets, goodwill and properties, plants and equipment and/or strategic decisions or other developments with respect to our asset portfolio that cause impairment charges.
- Limited access to capital or significantly higher cost of capital related to changes to our credit profile or illiquidity or uncertainty in the domestic or international financial markets.
- The creditworthiness of our customers and the counterparties to our transactions, including the impact of bankruptcies.
- Cybersecurity incidents or other disruptions that compromise our information and expose us to liability.
- The operation, financing and distribution decisions of our joint ventures that we do not control.
- The potential impact of activist shareholder actions or tactics.
- The factors generally described in Item 1A.—Risk Factors in our 2025 Annual Report on Form 10-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our interest rate risk at June 30, 2026, did not differ materially from the risks disclosed under Item 7A of our 2025 Annual Report on Form 10-K. See Note 9—Debt for information related to debt.

We are exposed to market risks produced by changes in commodity prices, such as crude oil, refined petroleum products, NGL, natural gas, renewable feedstocks and renewable fuels, and electric power. We use financial and commodity-based derivative contracts as economic hedges to manage exposures to fluctuations in commodity prices. These derivatives are marked-to-market at the end of the period and reflected in current period earnings; however, the associated physical positions are valued on the balance sheet using last-in, first-out (LIFO) accounting rules. This could create a timing difference in earnings recognition that is expected to unwind in future periods.

Our use of derivative instruments is governed by an “Authority Limitations” document approved by our Board of Directors. This document prohibits the use of highly leveraged derivatives or derivative instruments without sufficient market liquidity for comparable valuations, and establishes Value at Risk (VaR) limits. Compliance with these limits is monitored daily by our global risk group. We use a VaR model to estimate the loss in fair value that could potentially result on a single day from the effect of adverse changes in market conditions on the derivative commodity instruments held or issued.

As a result of the elevated commodity price volatility driven by ongoing conflict in the Middle East, the VaR using Monte Carlo simulation with a 95% confidence level and a one-day holding period for derivative commodity instruments issued or held at June 30, 2026, increased compared with those instruments held at December 31, 2025. A hypothetical 10% increase in the market prices of commodities for our outstanding financial commodity derivative instruments as of June 30, 2026, would reduce the income before income taxes by approximately \$350 million, and a hypothetical 10% decrease in the market prices of commodities would increase the income before income taxes by approximately \$350 million. We remain at risk for possible changes in the market value of commodity derivative instruments; however, such risk could be mitigated by price changes in the underlying physical commodity. Effects of these offsets are not reflected in the above sensitivity analysis. We evaluate our portfolio of commodity derivative instruments on an ongoing basis and add or revise strategies in anticipation of and reaction to changes in market conditions and in risk profiles. Changes to our portfolio after June 30, 2026, would cause future income before income tax impacts to differ from those presented above.

For additional information about our use of derivative instruments, see Note 13—Derivatives and Financial Instruments, in the Notes to Consolidated Financial Statements.

Item 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports we file or submit under the Act, is recorded, processed, summarized and reported within the time periods specified in U.S. Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. As of June 30, 2026, with the participation of management, our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer carried out an evaluation, pursuant to Rule 13a-15(b) of the Act, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Act). Based upon that evaluation, our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures were operating effectively as of June 30, 2026.

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) of the Act, in the quarterly period ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

From time to time, we may be involved in litigation and claims arising out of our operations in the normal course of business. Additionally, we have elected a \$1 million threshold to disclose certain proceedings arising under federal, state or local environmental laws when a governmental authority is a party to the proceedings. Except as previously reported, we do not believe we are subject to any matters, individually or in the aggregate, that would have a material adverse effect on our business, financial condition, results of operations or cash flows. During the second quarter of 2026, there were no new matters and one material development with respect to matters previously reported.

Further, our U.S. refineries are implementing two separate consent decrees, regarding alleged violations of the Federal Clean Air Act, with the EPA, five states and one local air pollution agency. Some of the requirements and limitations contained in the decrees provide for stipulated penalties for violations. Stipulated penalties under the decrees are not automatic but must be requested by one of the agency signatories. As part of periodic reports under the decrees or other reports required by permits or regulations, we occasionally report matters that could be subject to a request for stipulated penalties. If a specific request for stipulated penalties meeting the reporting threshold set forth in U.S. Securities and Exchange Commission rules is made pursuant to these decrees based on a given reported exceedance, we will separately report that matter and the amount of the proposed penalty.

Matters Previously Reported (unresolved or resolved since the Quarterly Report on Form 10-Q for the quarter ended March 31, 2026)

As described further in the “Legal Proceedings” section of Note 12—Contingencies and Commitments, in the Notes to Consolidated Financial Statements, on February 17, 2022, Propel Fuels, Inc. (Propel Fuels) filed a lawsuit in the Superior Court of California, County of Alameda (the Propel Court), alleging that Phillips 66 Company misappropriated trade secrets related to Propel Fuels’ renewable fuels business during and after due diligence. On October 16, 2024, a jury returned a verdict against Phillips 66 Company for \$604.9 million in compensatory damages and issued a willfulness finding. Based on the willfulness finding, the Propel Court later granted Propel Fuels’ requests for exemplary damages and attorney’s fees and costs. On August 5, 2025, the Propel Court entered a final judgment against Phillips 66 Company in the amount of \$833 million. The judgment includes the \$604.9 million jury verdict, \$195 million of exemplary damages, and \$33.3 million of pre-judgment interest at 7%. From the date of final judgment, post-judgment interest of 10% is accruing. On November 14, 2025, Phillips 66 Company filed its Notice of Appeal, which has been assigned to Division Two of the First District Court of Appeal. On July 10, 2026, Phillips 66 Company filed its opening brief with the Court of Appeal. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position. While Phillips 66 Company believes the jury verdict is not legally or factually supported, there can be no assurances that such defense efforts will be successful. Until the final resolution of this matter, we may be exposed to losses in excess of the amount recorded, and such amounts may have a material adverse effect on our financial position.

Dakota Access, LLC (Dakota Access) and Energy Transfer Crude Oil Company, LLC (ETCO)

See the “Dakota Access, LLC (Dakota Access) and Energy Transfer Crude Oil Company, LLC (ETCO)” section of Note 6—Investments, Loans and Long-Term Receivables and Note 12—Contingencies and Commitments, in the Notes to Consolidated Financial Statements for additional information regarding Legal Proceedings and other regulatory actions.

Item 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Item 1A of our 2025 Annual Report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

On July 29, 2026, our Board of Directors approved a \$10 billion increase to our share repurchase authorization. Any future share repurchases will be made at the company's discretion, subject to market conditions and other factors, and in accordance with applicable regulatory requirements.

Period	Total Number of Shares Purchased*	Average Price Paid per Share**	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs***	Millions of Dollars	
				Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs	
April 1-30, 2026	780,330	\$ 166.42	780,330	\$	1,905
May 1-31, 2026	678,880	177.36	678,880		1,785
June 1-30, 2026	708,970	177.69	708,970		1,659
Total	2,168,180	\$ 173.53	2,168,180		

* Includes repurchase of shares of common stock from company employees in connection with the company's broad-based employee incentive plans, when applicable.

** Average price paid per share includes excise taxes.

*** Since the inception of our share repurchase program in 2012, our Board of Directors has authorized an aggregate of \$35 billion of repurchases of our outstanding common stock. Our share repurchase authorizations do not expire. Any future share repurchases will be made at the company's discretion, subject to market conditions and other factors, and in accordance with applicable regulatory requirements. Shares of stock repurchased are held as treasury shares.

Item 5. OTHER INFORMATION

Insider Trading Arrangements

During the quarter ended June 30, 2026, no director or Section 16 officer adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408(a) of Regulation S-K).

Item 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit Number	Filing Date	SEC File No.
3.1	Amended and Restated Certificate of Incorporation of Phillips 66.	8-K	3.1	05/01/2012	001-35349
3.2	Amended and Restated By-Laws of Phillips 66.	8-K	3.1	12/09/2022	001-35349
22 *	List of Guarantor Subsidiaries.				
31.1 *	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.				
31.2 *	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.				
32 **	Certifications pursuant to 18 U.S.C. Section 1350.				
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Schema Document.				
101.CAL*	Inline XBRL Calculation Linkbase Document.				
101.LAB*	Inline XBRL Labels Linkbase Document.				
101.PRE*	Inline XBRL Presentation Linkbase Document.				
101.DEF*	Inline XBRL Definition Linkbase Document.				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILLIPS 66

/s/ Ann M. Kluppel

Ann M. Kluppel
Senior Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

Date: August 5, 2026

LIST OF GUARANTOR SUBSIDIARIES

As of June 30, 2026, Phillips 66 Company, a corporation incorporated under the laws of the State of Delaware (the “Guarantor Subsidiary”), has guaranteed each of the senior unsecured debt securities issued by Phillips 66 listed below. Phillips 66 directly owns 100% of the Guarantor Subsidiary. The guarantees (1) are unsecured obligations of the Guarantor Subsidiary, (2) rank equally with all of its other unsecured and unsubordinated indebtedness, and (3) are full and unconditional and joint and several.

Senior Unsecured Debt Securities of Phillips 66 Guaranteed by the Guarantor Subsidiary

- 3.900% Senior Notes due March 2028
 - 2.150% Senior Notes due December 2030
 - 4.650% Senior Notes due November 2034
 - 5.875% Senior Notes due May 2042
 - 4.875% Senior Notes due November 2044
 - 3.300% Senior Notes due March 2052
-

As of June 30, 2026, Phillips 66 has guaranteed each of the publicly held senior unsecured debt securities issued by Phillips 66 Company listed below. The guarantees (1) are unsecured obligations of Phillips 66, (2) rank equally with all of its other unsecured and unsubordinated indebtedness, and (3) are full and unconditional and joint and several.

Senior Unsecured Debt Securities of Phillips 66 Company Guaranteed by Phillips 66

- 3.550% Senior Notes due October 2026
- 4.950% Senior Notes due December 2027
- 3.750% Senior Notes due March 2028
- 3.150% Senior Notes due December 2029
- 5.250% Senior Notes due June 2031
- 5.300% Senior Notes due June 2033
- 4.950% Senior Notes due March 2035
- 4.680% Senior Notes due February 2045
- 4.900% Senior Notes due October 2046
- 5.650% Senior Notes due June 2054
- 5.500% Senior Notes due March 2055

As of June 30, 2026, Phillips 66 has guaranteed each of the publicly held junior subordinated debt securities issued by Phillips 66 Company listed below. The guarantees (1) are unsecured obligations of Phillips 66, (2) rank equally with all of its other unsecured and subordinated indebtedness, and (3) are full and unconditional and joint and several.

Junior Subordinated Debt Securities of Phillips 66 Company Guaranteed by Phillips 66

- 5.875% Series A Junior Subordinated Notes due March 2056
- 6.200% Series B Junior Subordinated Notes due March 2056

CERTIFICATION

I, Mark E. Lashier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips 66;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2026

/s/ Mark E. Lashier

Mark E. Lashier

Chairman and Chief Executive Officer

CERTIFICATION

I, Kevin J. Mitchell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips 66;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2026

/s/ Kevin J. Mitchell

Kevin J. Mitchell

Executive Vice President and
Chief Financial Officer

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Phillips 66 (the Company) on Form 10-Q for the period ended June 30, 2026, as filed with the U.S. Securities and Exchange Commission on the date hereof (the Report), each of the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2026

/s/ Mark E. Lashier

Mark E. Lashier

Chairman and Chief Executive Officer

/s/ Kevin J. Mitchell

Kevin J. Mitchell

Executive Vice President and
Chief Financial Officer