

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 September 30, 2025

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 402,921,135 shares of common stock, \$0.01 par value, outstanding as of September 30, 2025.

PHILLIPS 66

TABLE OF CONTENTS

	Page
Part I – Financial Information	
Item 1. Financial Statements	
Consolidated Statement of Income	1
Consolidated Statement of Comprehensive Income	2
Consolidated Balance Sheet	3
Consolidated Statement of Cash Flows	4
Consolidated Statement of Changes in Equity	6
Notes to Consolidated Financial Statements	8
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	41
Item 3. Quantitative and Qualitative Disclosures About Market Risk	78
Item 4. Controls and Procedures	78
Part II – Other Information	
Item 1. Legal Proceedings	79
Item 1A. Risk Factors	80
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	80
Item 5. Other Information	80
Item 6. Exhibits	81
Signatures	82

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Consolidated Statement of Income

Phillips 66

	Millions of Dollars			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Revenues and Other Income				
Sales and other operating revenues	\$ 34,515	35,528	98,268	109,468
Equity in earnings of affiliates	337	549	643	1,564
Net gain on dispositions	11	2	1,005	239
Other income	116	84	311	239
Total Revenues and Other Income	34,979	36,163	100,227	111,510
Costs and Expenses				
Purchased crude oil and products	30,219	32,194	86,956	99,208
Operating expenses	1,492	1,499	4,554	4,358
Selling, general and administrative expenses	792	1,194	1,893	2,303
Depreciation and amortization	826	543	2,433	1,544
Impairments	951	29	981	419
Taxes other than income taxes	221	53	672	267
Accretion on discounted liabilities	12	8	34	27
Interest and debt expense	259	229	744	687
Foreign currency transaction (gains) losses	8	1	(7)	9
Total Costs and Expenses	34,780	35,750	98,260	108,822
Income before income taxes	199	413	1,967	2,688
Income tax expense	32	44	366	538
Net Income	167	369	1,601	2,150
Less: net income attributable to noncontrolling interests	34	23	104	41
Net Income Attributable to Phillips 66	\$ 133	346	1,497	2,109
Net Income Attributable to Phillips 66 Per Share of Common Stock (dollars)				
Basic	\$ 0.32	0.82	3.67	4.97
Diluted	0.32	0.82	3.66	4.94
Weighted-Average Common Shares Outstanding (thousands)				
Basic	404,508	417,305	406,801	423,024
Diluted	405,549	418,803	407,885	425,555

See Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income
Phillips 66

	Millions of Dollars			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net Income	\$ 167	369	1,601	2,150
Other comprehensive income (loss)				
Defined benefit plans				
Amortization of net actuarial loss and settlements	6	2	15	9
Plans sponsored by equity affiliates	1	—	4	1
Income taxes on defined benefit plans	(1)	—	(4)	(2)
Defined benefit plans, net of income taxes	6	2	15	8
Foreign currency translation adjustments	(49)	168	237	133
Income taxes on foreign currency translation adjustments	(2)	(2)	(8)	—
Foreign currency translation adjustments, net of income taxes	(51)	166	229	133
Other Comprehensive Income (Loss), Net of Income Taxes	(45)	168	244	141
Comprehensive Income	122	537	1,845	2,291
Less: comprehensive income attributable to noncontrolling interests	34	23	104	41
Comprehensive Income Attributable to Phillips 66	\$ 88	514	1,741	2,250

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheet
Phillips 66

	Millions of Dollars	
	September 30 2025	December 31 2024
Assets		
Cash and cash equivalents	\$ 1,845	1,738
Accounts and notes receivable (net of allowance of \$73 million in 2025 and \$70 million in 2024)	9,162	9,544
Accounts and notes receivable—related parties	1,381	1,489
Inventories	6,419	3,995
Prepaid expenses and other current assets	1,616	1,144
Assets held for sale	1,594	—
Total Current Assets	22,017	17,910
Investments and long-term receivables	12,494	14,378
Net properties, plants and equipment	36,388	35,264
Goodwill	1,433	1,575
Intangibles	1,029	1,161
Other assets	2,755	2,294
Total Assets	\$ 76,116	72,582
Liabilities		
Accounts payable	\$ 9,523	9,792
Accounts payable—related parties	701	512
Short-term debt	2,587	1,831
Accrued income and other taxes	1,432	1,060
Employee benefit obligations	581	732
Other accruals	1,703	1,160
Liabilities held for sale	1,419	—
Total Current Liabilities	17,946	15,087
Long-term debt	19,168	18,231
Asset retirement obligations and accrued environmental costs	1,047	1,129
Deferred income taxes	6,971	7,101
Employee benefit obligations	562	703
Other liabilities and deferred credits	2,345	1,868
Total Liabilities	48,039	44,119
Equity		
Common stock (2,500,000,000 shares authorized at \$0.01 par value)		
Issued (2025—659,131,505 shares; 2024—656,987,861 shares)		
Par value	7	7
Capital in excess of par	19,911	19,788
Treasury stock (at cost: 2025—256,210,370 shares; 2024—248,594,923 shares)	(23,656)	(22,751)
Retained earnings	30,818	30,771
Accumulated other comprehensive loss	(163)	(407)
Total Stockholders' Equity	26,917	27,408
Noncontrolling interests	1,160	1,055
Total Equity	28,077	28,463
Total Liabilities and Equity	\$ 76,116	72,582

See Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows
Phillips 66

	Millions of Dollars	
	Nine Months Ended September 30	
	2025	2024
Cash Flows From Operating Activities		
Net income	\$ 1,601	2,150
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	2,433	1,544
Impairments	981	419
Accretion on discounted liabilities	34	27
Deferred income taxes	(167)	(87)
Undistributed equity earnings	140	(519)
Gain on early redemption of debt	—	(3)
Net gain on dispositions	(1,005)	(239)
Unrealized investment loss	10	2
Other	72	611
Working capital adjustments		
Accounts and notes receivable	(42)	1,362
Inventories	(2,430)	(2,301)
Prepaid expenses and other current assets	(534)	(58)
Accounts payable	406	102
Taxes and other accruals	711	(17)
Net Cash Provided by Operating Activities	2,210	2,993
Cash Flows From Investing Activities		
Capital expenditures and investments	(1,551)	(1,353)
Acquisitions, net of cash acquired	(2,210)	(567)
Purchases of government obligations	—	(1,100)
Return of investments in equity affiliates	58	122
Proceeds from asset dispositions	2,031	906
Advances/loans—related parties	(20)	—
Collection of advances/loans—related parties	22	3
Other	40	(129)
Net Cash Used in Investing Activities	(1,630)	(2,118)
Cash Flows From Financing Activities		
Issuance of debt	5,949	5,137
Repayment of debt	(3,987)	(3,428)
Issuance of common stock	93	82
Repurchase of common stock	(933)	(2,804)
Dividends paid on common stock	(1,440)	(1,410)
Distributions to noncontrolling interests	(123)	(46)
Contributions from noncontrolling interests	124	—
Other	(94)	(112)
Net Cash Used in Financing Activities	(411)	(2,581)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	43	20
Net Change in Cash and Cash Equivalents, including cash classified within Assets held for sale	212	(1,686)
Cash and cash equivalents at beginning of period	1,738	3,323
Cash and Cash Equivalents at End of Period, including cash classified within Assets held for sale	\$ 1,950	1,637

	Millions of Dollars	
	Nine Months Ended September 30	
	2025	2024
Reconciliation of Cash and Cash Equivalents at end of period		
Cash and cash equivalents	\$ 1,845	1,637
Cash and cash equivalents included in Assets held for sale	105	—
Cash and cash equivalents at end of period, including cash classified within Assets held for sale	\$ 1,950	1,637

See Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
Phillips 66

	Millions of Dollars						
	Three Months Ended September 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				
June 30, 2025	\$ 7	19,820	(23,390)	31,172	(118)	1,136	28,627
Net income	—	—	—	133	—	34	167
Other comprehensive loss	—	—	—	—	(45)	—	(45)
Dividends paid on common stock (\$1.20 per share)	—	—	—	(484)	—	—	(484)
Repurchase of common stock	—	—	(266)	—	—	—	(266)
Distributions to noncontrolling interests	—	—	—	—	—	(28)	(28)
Contributions from noncontrolling interests	—	—	—	—	—	18	18
Benefit plan activity	—	91	—	(3)	—	—	88
September 30, 2025	\$ 7	19,911	(23,656)	30,818	(163)	1,160	28,077
June 30, 2024	\$ 7	19,717	(21,332)	31,372	(309)	1,052	30,507
Net income	—	—	—	346	—	23	369
Other comprehensive income	—	—	—	—	168	—	168
Dividends paid on common stock (\$1.15 per share)	—	—	—	(477)	—	—	(477)
Repurchase of common stock	—	—	(808)	—	—	—	(808)
Distributions to noncontrolling interests	—	—	—	—	—	(13)	(13)
Benefit plan activity	—	42	—	(4)	—	—	38
September 30, 2024	\$ 7	19,759	(22,140)	31,237	(141)	1,062	29,784

	Shares	
	Three Months Ended September 30	
	Common Stock Issued	Treasury Stock
June 30, 2025	658,261,193	254,136,928
Repurchase of common stock	—	2,073,442
Shares issued—share-based compensation	870,312	—
September 30, 2025	659,131,505	256,210,370
June 30, 2024	656,534,809	237,965,626
Repurchase of common stock	—	5,932,552
Shares issued—share-based compensation	352,596	—
September 30, 2024	656,887,405	243,898,178

See Notes to Consolidated Financial Statements.

Millions of Dollars								
Nine Months Ended September 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, 2024	\$ 7	19,788	(22,751)	30,771	(407)	1,055	28,463	
Net income	—	—	—	1,497	—	104	1,601	
Other comprehensive income	—	—	—	—	244	—	244	
Dividends paid on common stock (\$3.55 per share)	—	—	—	(1,440)	—	—	(1,440)	
Repurchase of common stock	—	—	(905)	—	—	—	(905)	
Distributions to noncontrolling interests	—	—	—	—	—	(123)	(123)	
Contributions from noncontrolling interests	—	—	—	—	—	124	124	
Benefit plan activity	—	123	—	(10)	—	—	113	
September 30, 2025	\$ 7	19,911	(23,656)	30,818	(163)	1,160	28,077	
December 31, 2023	\$ 7	19,650	(19,342)	30,550	(282)	1,067	31,650	
Net income	—	—	—	2,109	—	41	2,150	
Other comprehensive income	—	—	—	—	141	—	141	
Dividends paid on common stock (\$3.35 per share)	—	—	—	(1,410)	—	—	(1,410)	
Repurchase of common stock	—	—	(2,798)	—	—	—	(2,798)	
Distributions to noncontrolling interests	—	—	—	—	—	(46)	(46)	
Benefit plan activity	—	109	—	(12)	—	—	97	
September 30, 2024	\$ 7	19,759	(22,140)	31,237	(141)	1,062	29,784	

Shares		
Nine Months Ended September 30		
	Common Stock Issued	Treasury Stock
December 31, 2024	656,987,861	248,594,923
Repurchase of common stock	—	7,615,447
Shares issued—share-based compensation	2,143,644	—
September 30, 2025	659,131,505	256,210,370
December 31, 2023	654,842,101	224,377,439
Repurchase of common stock	—	19,520,739
Shares issued—share-based compensation	2,045,304	—
September 30, 2024	656,887,405	243,898,178

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 2024 Annual Report on Form 10-K. The results of operations for the three and nine months ended September 30, 2025, are not necessarily indicative of the results expected for the full year.

Note 2—RestructuringLos Angeles Refinery

In October 2024, we announced our intention to cease operations and begin idling the facilities at our Los Angeles Refinery in the fourth quarter of 2025. In the third quarter of 2025, we began the permitting processes for new uses at the Los Angeles Refinery. As a result of the decision to cease operations and begin idling the facilities, the following impacts were recorded in our Refining segment:

- We assessed the Los Angeles Refinery asset group for impairment and concluded that the carrying value of the asset group was recoverable. However, the estimated useful lives of the Los Angeles Refinery assets were shortened to reflect the plan to cease operations and begin idling the assets in the fourth quarter of 2025. As of September 30, 2025, the \$512 million carrying value of the net properties, plants and equipment (PP&E) and intangible assets will be depreciated through the fourth quarter of 2025 to the estimated salvage value of \$241 million. Total depreciation related to the Los Angeles Refinery assets for the three and nine months ended September 30, 2025, was \$265 million and \$800 million, respectively, including \$241 million and \$726 million of accelerated depreciation, respectively. We recorded accelerated depreciation of \$25 million for the three and nine months ended September 30, 2024. This accelerated depreciation is included within the “Depreciation and amortization” line item on our consolidated statement of income for the three and nine months ended September 30, 2025 and 2024.
- Our asset retirement obligations (AROs) at the Los Angeles Refinery were \$288 million as of September 30, 2025, primarily reflecting asbestos abatement and decommissioning of assets. The estimation of asset retirement obligations requires judgment and is subject to changes in the underlying assumptions. Depreciation of the related capitalized asset retirement costs also will be recorded through the fourth quarter of 2025, and the amount for the three and nine months ended September 30, 2025, is reflected in the depreciation discussed above.
- In the third quarter of 2025, we accrued \$69 million in environmental expenses related to future groundwater mitigation plans at the Los Angeles Refinery. This charge is included within the “Operating expenses” line item on our consolidated statement of income for the three and nine months ended September 30, 2025.
- We recorded \$41 million of severance costs, which are included within the “Operating expenses” line item on our consolidated statement of income for the three and nine months ended September 30, 2024.

Note 3—Business Combinations

Midstream Acquisitions

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. For this acquisition, we provisionally recorded \$2,216 million of PP&E; \$4 million of other assets; \$8 million of net working capital (excluding cash); and \$33 million of other long-term 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.

On July 1, 2024, we acquired Pinnacle Midland Parent LLC (referred to herein as Dos Picos) to expand our natural gas gathering and processing operations in the Permian Basin for total cash consideration of \$565 million. We finalized the valuation of the assets acquired and liabilities assumed during the three months ended June 30, 2025. For this acquisition, we recorded \$325 million of PP&E, including finance lease right of use assets; \$256 million of amortizable intangible assets, primarily customer relationships; \$21 million of goodwill; \$18 million of net working capital deficit; \$13 million of AROs; and \$6 million of finance lease liabilities.

Marketing and Specialties Acquisition

On October 1, 2024, we acquired a marketing business on the U.S. West Coast for total consideration of \$68 million. These operations were acquired to support the placement of renewable diesel produced by the Rodeo Renewable Energy Complex (Rodeo Complex). We finalized the valuation of the assets acquired and liabilities assumed during the three months ended September 30, 2025. For this acquisition, we recorded \$20 million of amortizable intangible assets, primarily customer relationships; \$62 million of PP&E, including finance lease right of use assets; \$31 million of net working capital; and \$45 million of finance lease liabilities.

Subsequent Refining Acquisition

On September 9, 2025, we entered into a definitive agreement to acquire the remaining 50% equity interest in WRB Refining LP (WRB) from subsidiaries of Cenovus Energy Inc. The transaction closed on October 1, 2025, for total cash consideration of \$1.3 billion, subject to post-closing adjustments.

The transaction will be accounted for as a business combination and the assets acquired and liabilities assumed will be measured at fair value. We are currently in the process of finalizing the initial accounting for the transaction and provisional fair value measurements will be made in the fourth quarter of 2025. We may adjust the measurements in subsequent periods, up to one year from the acquisition date, as we identify additional information to complete the necessary analysis.

Note 4—Sales and Other Operating Revenues

Disaggregated Revenues

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

	Millions of Dollars			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Product Line and Services				
Refined petroleum products and renewable fuels	\$ 25,515	25,629	71,975	79,439
Crude oil resales	4,239	5,780	11,492	17,263
Natural gas liquids and natural gas	4,085	3,478	12,667	10,395
Services and other*	676	641	2,134	2,371
Consolidated sales and other operating revenues	\$ 34,515	35,528	98,268	109,468
Geographic Location**				
United States	\$ 26,964	27,976	77,145	86,817
United Kingdom	3,391	2,883	9,742	9,980
Germany	1,359	1,344	3,886	4,017
Other countries	2,801	3,325	7,495	8,654
Consolidated sales and other operating revenues	\$ 34,515	35,528	98,268	109,468

* Includes derivatives-related activities. See Note 14—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 September 30, 2025, and December 31, 2024, receivables from contracts with customers were \$8,623 million and \$8,615 million, 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 September 30, 2025, and December 31, 2024, our asset balances related to such payments were \$769 million and \$643 million, respectively.

Our contract liabilities primarily represent advances from our customers prior to product or service delivery. At September 30, 2025, and December 31, 2024, contract liabilities were \$215 million and \$232 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 September 30, 2025, the remaining performance obligations related to these minimum volume commitment contracts amounted to \$894 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 five years as of September 30, 2025.

Note 5—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 September 30, 2025, and December 31, 2024, we reported \$10,543 million and \$11,033 million of accounts and notes receivable, respectively, net of allowances of \$73 million and \$70 million, respectively. Based on an aging analysis at September 30, 2025, 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 receivables sold under a securitization facility, as well as standby letters of credit. See Note 11—Debt, Note 12—Guarantees, and Note 13—Contingencies and Commitments, for more information on these off-balance sheet exposures.

Note 6—Inventories

Inventories consisted of the following:

	Millions of Dollars	
	September 30 2025	December 31 2024
Crude oil and products	\$ 5,947	3,547
Materials and supplies	472	448
	\$ 6,419	3,995

Inventories valued on the last-in, first-out (LIFO) basis totaled \$5,864 million and \$3,443 million at September 30, 2025, and December 31, 2024, respectively. The estimated excess of current replacement cost over LIFO cost of inventories amounted to approximately \$4.5 billion and \$4.9 billion at September 30, 2025, and December 31, 2024, 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 nine months ended September 30, 2025 and 2024.

Note 7—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 an easement under Lake Oahe in North Dakota. The trial court later vacated the easement. Although the easement is vacated, the USACE has no plans to stop pipeline operations while it proceeds with the EIS, and the Tribe's request for a shutdown was denied in May 2021. In June 2021, the trial court dismissed the litigation entirely. Once the EIS is completed, new litigation or challenges may be filed.

In February 2022, the U.S. Supreme Court (the Supreme Court) denied Dakota Access' writ of certiorari requesting the Supreme Court to review the trial court's decision to order the EIS and vacate the easement. Therefore, the requirement to prepare the EIS stood. Also in February 2022, the Tribe withdrew as a cooperating agency, causing the USACE to halt the EIS process while the USACE engaged with the Tribe on their reasons for withdrawing.

The draft EIS process resumed in August 2022, and in September 2023, the USACE published its draft EIS for public comment. The USACE identified five potential outcomes but did not indicate which one it preferred. The options comprise two "no action" alternatives where the USACE would deny an easement to Dakota Access and require it to shut down the pipeline and either remove the pipe from under Lake Oahe or allow the pipeline to be abandoned-in-place under the lake. The USACE also identified three "action" alternatives; two of them contemplate that the USACE would reissue the easement to Dakota Access under essentially the same terms as in 2017 with either the same or a larger volume of oil allowed through the pipeline, while the third alternative would require decommissioning of the current pipeline and construction of a new line 39 miles upstream from the current location.

The public comment period concluded on December 13, 2023. The USACE plans to review the comments and issue its final EIS in early 2026. The Record of Decision will follow within 30 to 60 days after the issuance of the final EIS. The final EIS must be completed before the USACE can reauthorize the easement for the pipeline. If reauthorization occurs, new litigation challenging the reauthorization may be filed.

In October 2024, the Tribe filed another lawsuit against the USACE in federal district court in Washington, D.C., again challenging USACE's allowance of pipeline operations while the EIS process proceeds. In this lawsuit, the Tribe purports to introduce new evidence regarding the pipeline's proximity to a reservoir and attempts to relitigate arguments about the need for injunctive relief to support its position that the Supreme Court should halt pipeline operations. A consortium of 13 states has joined Dakota Access as intervenors. The consortium argues that the pipeline reduces pollution compared to other modes of transportation and that Dakota Access is integral to the health of regional energy and agriculture markets. The Tribe's prior request for a shutdown was denied in May 2021. This latest lawsuit seeking a shutdown does not change the current deadline for the issuance of the final EIS. Motions to dismiss the latest lawsuit were filed by USACE, Dakota Access and Intervenor and opposed by the Tribe. On March 19, 2025, the Tribe filed a notice in support of its latest lawsuit, indicating three additional facts for the district court to consider when making its ruling on the lawsuit. These facts relate to events regarding Energy Transfer LP's conduct and third-party actions against it. Subsequently, the Court dismissed this lawsuit, finding that the Tribe's lawsuit was premature and cannot be refiled until after a final EIS is issued.

Dakota Access and ETCO have guaranteed repayment of senior unsecured notes issued by a wholly owned subsidiary of Dakota Access. On April 1, 2024, Dakota Access' wholly owned subsidiary repaid \$1 billion aggregate principal amount of its outstanding senior notes upon maturity. We funded our 25% share of the repayment, or \$250 million, with a capital contribution of \$171 million in March 2024, and \$79 million of distributions we elected not to receive from Dakota Access in the first quarter of 2024. At September 30, 2025, 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. Under the CECU, the co-venturers may be severally required to make proportionate equity contributions to Dakota Access if there is an unfavorable final judgment in the above-mentioned ongoing litigation. At September 30, 2025, 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 September 30, 2025.

At September 30, 2025, the aggregate book value of our investments in Dakota Access and ETCO was \$848 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 September 30, 2025, our maximum exposure to loss was \$258 million, which represented the book value of our investment in OnCue of \$202 million and guaranteed debt obligations of \$56 million.

WRB Refining LP Impairment

In the third quarter of 2025, we identified impairment indicators related to our equity investment in WRB, in our Refining segment, as a result of our definitive agreement to acquire the remaining 50% equity interest in WRB for a purchase price that was below the carrying value of our existing 50% equity interest in WRB. See Note 3—Business Combinations, for additional information regarding our acquisition of WRB. We performed an impairment analysis based on a market approach and concluded the decline in fair value to be other than temporary. As a result, we recorded a \$948 million before-tax impairment to reduce the carrying value of our existing 50% equity interest in WRB to its fair value of \$1.3 billion as of September 30, 2025. These impairment charges are included within the “Impairments” line item on our consolidated statement of income. See Note 15—Fair Value Measurements, for additional information on the determination of fair value used to record these impairments.

Investment Dispositions

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 on dispositions” line item on our consolidated statement of income for the nine months ended September 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 on dispositions” line item on our consolidated statement of income for the nine months ended September 30, 2025, and is reported in our Midstream segment.

Note 8—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					
	September 30, 2025			December 31, 2024		
	Gross PP&E	Accum. D&A	Net PP&E	Gross PP&E	Accum. D&A	Net PP&E
Midstream	\$ 29,279	5,530	23,749	26,187	4,820	21,367
Chemicals	—	—	—	—	—	—
Refining	22,881	13,283	9,598	22,274	11,991	10,283
Marketing and Specialties	990	529	461	2,091	1,267	824
Renewable Fuels	3,749	1,740	2,009	3,716	1,669	2,047
Corporate and Other	1,678	1,107	571	1,688	945	743
	\$ 58,577	22,189	36,388	55,956	20,692	35,264

See Note 2—Restructuring, for information regarding our intention to cease operations and begin idling the facilities at our Los Angeles Refinery. See Note 3—Business Combinations, for information regarding our acquisitions in the Midstream and Marketing and Specialties segments. See Note 9—Impairments, for information regarding PP&E impairments. See Note 23—Assets Held for Sale, regarding the pending divestiture in our Marketing and Specialties segment.

Note 9—Impairments

	Millions of Dollars			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Midstream	\$ —	28	—	312
Refining	951	—	955	105
Marketing & Specialties	—	1	1	1
Corporate and Other	—	—	25	1
Total impairments	\$ 951	29	981	419

In the third quarter of 2025, we recorded a before-tax impairment of \$948 million related to our equity investment in WRB, which is reported in our Refining segment. See Note 7—Investments, Loans and Long-Term Receivables for additional information.

For the three and nine months ended September 30, 2024, we recorded before-tax impairments totaling \$29 million and \$419 million, respectively. In the third quarter of 2024, we recorded a before-tax impairment of \$28 million reported in our Midstream segment related to certain crude gathering assets in Texas. The nine-month period of 2024 also included \$224 million of before-tax impairments recorded in our Midstream segment related to certain gathering and processing assets in Texas and \$163 million related to certain crude oil processing and logistics assets in California, of which \$104 million was reported in our Refining segment and \$59 million was reported in our Midstream segment.

These impairment charges are included within the “Impairments” line item on our consolidated statement of income. See Note 15—Fair Value Measurements, for additional information on the determination of fair value used to record these impairments.

Note 10—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 September 30				Nine Months Ended September 30			
	2025		2024		2025		2024	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Amounts Attributed to Phillips 66 Common Stockholders (millions):								
Net Income Attributable to Phillips 66	133	133	346	346	1,497	1,497	2,109	2,109
Income allocated to participating securities	(2)	(2)	(3)	(3)	(6)	(6)	(8)	(5)
Net income available to common stockholders	\$ 131	131	343	343	1,491	1,491	2,101	2,104
Weighted-average common shares outstanding (thousands):								
Weighted-average common shares outstanding	403,552	404,508	415,841	417,305	405,719	406,801	421,420	423,024
Effect of share-based compensation	956	1,041	1,464	1,498	1,082	1,084	1,604	2,531
Weighted-average common shares outstanding—EPS	404,508	405,549	417,305	418,803	406,801	407,885	423,024	425,555
Earnings Per Share of Common Stock (dollars)								
	\$ 0.32	0.32	0.82	0.82	3.67	3.66	4.97	4.94

Note 11—Debt

Senior Notes and Term Loan Issuances and Repayments

Issuances

On September 11, 2024, Phillips 66 Company, a wholly owned subsidiary of Phillips 66, issued \$1.8 billion aggregate principal amount of senior unsecured notes that are fully and unconditionally guaranteed by Phillips 66. The senior unsecured notes issuance consisted of:

- \$600 million aggregate principal amount of 5.250% Senior Notes due 2031 (Additional 2031 Notes).
- \$600 million aggregate principal amount of 4.950% Senior Notes due 2035 (2035 Notes).
- \$600 million aggregate principal amount of 5.500% Senior Notes due 2055 (2055 Notes).

Interest on the Additional 2031 Notes is payable semi-annually on June 15 and December 15 of each year and commenced on December 15, 2024.

Interest on the 2035 Notes and 2055 Notes is payable semi-annually on March 15 and September 15 of each year and commenced on March 15, 2025.

On February 28, 2024, Phillips 66 Company, a wholly owned subsidiary of Phillips 66, issued \$1.5 billion aggregate principal amount of senior unsecured notes that are fully and unconditionally guaranteed by Phillips 66. The senior unsecured notes issuance consisted of:

- \$600 million aggregate principal amount of 5.250% Senior Notes due 2031 (2031 Notes).
- \$400 million aggregate principal amount of 5.300% Senior Notes due 2033 (Additional 2033 Notes).
- \$500 million aggregate principal amount of 5.650% Senior Notes due 2054 (2054 Notes).

Interest on the 2031 Notes and 2054 Notes is payable semi-annually on June 15 and December 15 of each year and commenced on June 15, 2024.

Interest on the Additional 2033 Notes is payable semi-annually on June 30 and December 30 of each year and commenced on June 30, 2024.

Repayments

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.

On March 29, 2024, DCP LP early redeemed \$300 million of its 5.375% Senior Notes due July 2025, at par with an aggregate principal amount of \$825 million.

On March 4, 2024, Phillips 66 Company repaid \$700 million of the \$1.25 billion borrowed under its delayed draw term loan that matures in June 2026.

On February 15, 2024, upon maturity, Phillips 66 repaid its 0.900% Senior Notes due February 2024, with an aggregate principal amount of \$800 million.

Discharge of Senior Notes

On September 20, 2024, we extinguished (i) the remaining \$441 million outstanding principal amount of Phillips 66 Company's 3.605% Senior Notes due February 2025 (2025 P66 Co Notes), and (ii) the remaining \$650 million outstanding principal amount of Phillips 66's 3.850% Senior Notes due April 2025 (the 2025 PSX Notes, and together with the 2025 P66 Co Notes, the Discharged Notes), whereby we irrevocably transferred a total of \$1,100 million in government obligations to the trustee of the 2025 P66 Co Notes and the 2025 PSX Notes. The cash paid to purchase the government obligations is included within investing cash flows on our consolidated statement of cash flows. These government obligations yielded sufficient principal and interest over their remaining term to permit the trustee to satisfy the remaining principal and interest due on the Discharged Notes on the applicable maturity dates. On September 20,

2024, Phillips 66 and Phillips 66 Company ceased to be the primary obligors under the Discharged Notes. The transfer of the government obligations to the trustee was accounted for as a transfer of financial assets. If the trustee was unable to apply the government obligations to fund the remaining principal and interest payments on the Discharged Notes, then the Company's obligations under the Indenture with respect to the Discharged Notes would have been revived and reinstated. We deemed the likelihood of such event to be remote with no impact to the legal isolation of the assets. Accordingly, the Discharged Notes and the government obligations were derecognized on our balance sheet at December 31, 2024. For the three and nine months ended September 30, 2024, we recognized an immaterial gain on the extinguishment of this debt.

Junior Subordinated Notes Issuances

On September 18, 2025, Phillips 66 Company, a wholly owned subsidiary of Phillips 66, issued \$2 billion aggregate principal amount of junior subordinated notes that are fully and unconditionally guaranteed by Phillips 66. The junior subordinated notes issuance consisted of:

- \$1 billion aggregate principal amount of 5.875% Series A Junior Subordinated Notes due 2056 (Series A 2056 Notes).
- \$1 billion aggregate principal amount of 6.200% Series B Junior Subordinated Notes due 2056 (Series B 2056 Notes).

Interest on the Series A 2056 Notes and Series B 2056 Notes is payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2026. The Series A 2056 Notes will bear interest at 5.875% per year until March 15, 2031. The interest rate will reset every five years beginning on March 15, 2031, to equal the then-current five-year U.S. Treasury rate plus a spread of 2.283%, provided that the interest rate will not reset below 5.875%. The Series B 2056 Notes will bear interest at 6.200% per year until March 15, 2036. The interest rate will reset every five years beginning on March 15, 2036, to equal the then-current five-year U.S. Treasury rate plus a spread of 2.166%, provided that the interest rate will not reset below 6.200%. We may defer interest payments on the Series A 2056 Notes and Series B 2056 Notes on one or more occasions for up to 10 consecutive years per deferral period. If interest payments on the Series A 2056 Notes or Series B 2056 Notes are deferred, we may not, subject to certain limited exceptions, declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock during the deferral period. Also, during the deferral period, we may not (i) pay any principal of, or interest or premium, if any, on or repay, repurchase or redeem any debt securities of Phillips 66 or Phillips 66 Company that rank equally with, or junior to, the Series A 2056 Notes and Series B 2056 Notes, respectively, in right of payment or (ii) make any payments with respect to any guarantee by Phillips 66 or Phillips 66 Company of indebtedness if the guarantee ranks equally with or junior to the Series A 2056 Notes or Series B 2056 Notes, respectively, in right of payment.

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. On April 1, 2025, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility from \$500 million to \$1 billion. On September 29, 2025, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility from \$1 billion to \$1.25 billion and extend the term of the facility through September 28, 2026. 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 \$1.25 billion in the aggregate, and will secure its obligations with a pledge of undivided interests in such accounts receivable, 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 outstanding under the Receivables Securitization Facility accrue interest at an adjusted term Secured Overnight Financing Rate (SOFR) plus the applicable margin. In all instances, Phillips 66 Company retains the servicing of the accounts receivable transferred.

Sales of accounts receivable 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 September 30, 2025, we sold \$160 million of accounts receivable for cash proceeds under the Receivables Securitization Facility. For the nine months ended September 30, 2025, we sold \$593 million in accounts receivable in exchange for cash proceeds of \$290 million, and a \$303 million reduction in our borrowings under the Receivables Securitization Facility was recognized as a non-cash financing transaction. We recognized immaterial charges associated with the transfer of financial assets, which are included as a component within the line item “Selling, general and administrative expense” on our consolidated statement of income during the three and nine months ended September 30, 2025.

At September 30, 2025, we had utilized \$160 million of the \$1.25 billion capacity on our Receivable Securitization Facility from sold accounts receivable not yet remitted to the Administrative Agent. We had no outstanding borrowings under the Receivable Securitization Facility at September 30, 2025. At December 31, 2024, we had utilized the full \$500 million capacity of our Receivables Securitization Facility from \$125 million of sold accounts receivable not yet remitted to the Administrative Agent and \$375 million of outstanding borrowings. The outstanding borrowings at December 31, 2024, were secured by approximately \$4.6 billion of accounts receivable held by P66 Receivables at December 31, 2024, which are included within the “Accounts and notes receivable” line item on our consolidated balance sheet.

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. At September 30, 2025, \$200 million of 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 September 30, 2025, and December 31, 2024, \$400 million of 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 September 30, 2025, and December 31, 2024, 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 September 30, 2025, we had \$897 million borrowings outstanding under this program, while at December 31, 2024, \$435 million of commercial paper had been issued under this program.

DCP Midstream Class A Segment

On March 15, 2024, DCP LP terminated its \$1.4 billion credit facility and its accounts receivable securitization facility that previously provided for up to \$350 million of borrowing capacity. In conjunction with the termination of these facilities, DCP LP repaid \$25 million in borrowings outstanding under its \$1.4 billion credit facility and \$350 million of borrowings outstanding under its accounts receivable securitization facility during the three months ended March 31, 2024.

Note 12—Guarantees

At September 30, 2025, 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 on our headquarters facility in Houston, Texas, we had the option at the end of the existing lease term to request to renew the lease, purchase the facility or assist the lessor in marketing it for resale. In September 2025, we amended and extended the lease term to September 2030. Under the new operating lease agreement, we have a residual value guarantee with a maximum potential future exposure of \$404 million at September 30, 2025. We also have residual value guarantees associated with railcar, airplane and truck leases with maximum potential future exposures totaling \$174 million. 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 7—Investments, Loans and Long-Term Receivables, for additional information regarding Dakota Access and the CECU.

At September 30, 2025, we also had other guarantees outstanding primarily for our portion of certain joint venture debt, which have remaining terms of up to four years. The maximum potential future exposures under these guarantees were approximately \$281 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 September 30, 2025, and December 31, 2024, the carrying amount of recorded indemnifications was \$121 million and \$125 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 September 30, 2025, and December 31, 2024, environmental accruals for known contamination of \$98 million and \$100 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 13—Contingencies and Commitments.

Additionally, P66 Receivables has guaranteed all borrowings and receivables sold under our Receivables Securitization Facility. At September 30, 2025, \$143 million of the sold accounts receivable remained uncollected, which represents our maximum potential future exposure under the guarantee associated with the Receivables Securitization Facility. See Note 11—Debt, for information regarding 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 13—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 September 30, 2025, our total environmental accruals were \$521 million, compared with \$439 million at December 31, 2024. 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, Propel Fuels asked the Propel Court to award \$1.2 billion in exemplary damages, and Phillips 66 Company filed a brief in opposition to that request. A hearing on exemplary damages was held on March 4, 2025. 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%. Post-judgment interest of 10% is accruing from the date of the final judgment. On August 25, 2025, Phillips 66 Company filed three post-trial motions requesting that the Propel Court render judgment in favor of Phillips 66 Company, grant a new trial, and/or reduce the damages award. On October 20, 2025, the Propel Court denied Phillips 66 Company's motions. On October 24, 2025, Propel Fuels filed additional motions with the Propel Court seeking attorney's fees and costs. Phillips 66 will file its opposition and once the record on this issue is complete, the Propel Court will rule on these motions. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position. As a result of the August 2025 final judgment and the October 2024 jury verdict, our recorded accruals totaled \$846 million and \$604.9 million which are included within the "Selling, general and administrative expenses" line on our consolidated statement of income for the periods ending September 30, 2025 and 2024, respectively, and are reported in the M&S segment. The accrued amounts are reflected as "Other liabilities and deferred credits" on our consolidated balance sheet as of September 30, 2025, and December 31, 2024, respectively. 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 and intends to pursue post-judgment remedies and file an appeal, 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 September 30, 2025, we had performance obligations secured by letters of credit and bank guarantees of \$894 million related to various purchase and other commitments incident to the ordinary conduct of business.

Note 14—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 our investment dispositions are reported within the “Net gain 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 product, NGL, natural gas, renewable feedstocks 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 15—Fair Value Measurements.

Commodity Derivative Contracts

We sell into or receive supply from the worldwide crude oil, refined petroleum product, 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.

	Millions of Dollars								
	September 30, 2025				December 31, 2024				
	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	\$	2,498	(2,261)	(1)	236	1,021	(922)	—	99
Other assets		12	(7)	—	5	—	—	—	—
Liabilities									
Other accruals		32	(101)	28	(41)	1,136	(1,226)	46	(44)
Other liabilities and deferred credits		76	(79)	3	—	60	(71)	16	5
Total	\$	2,618	(2,448)	30	200	2,217	(2,219)	62	60

At September 30, 2025, and December 31, 2024, there was no material cash collateral received or paid that was not offset on our consolidated balance sheet.

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 September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Sales and other operating revenues	\$ 10	237	94	64
Other income	13	28	81	96
Purchased crude oil and products	42	234	(80)	16
Net gain from commodity derivative activity	\$ 65	499	95	176

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 September 30, 2025, and December 31, 2024.

	Open Position Long / (Short)	
	September 30 2025	December 31 2024
Commodity		
Crude oil, refined petroleum products, NGL and renewable feedstocks (<i>millions of barrels</i>)	(54)	(22)
Natural gas (<i>billions of cubic feet</i>)	(16)	(14)

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 September 30, 2025, and December 31, 2024.

Note 15—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.

When applicable, we determine the fair value of foreign currency derivatives based on observable market data. Management's best estimate of transaction dates may be used if relevant to the instrument valuation. The degree to which these inputs are observable in the forward markets determines whether the instruments are classified as Level 2 or Level 3.

- *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							
	September 30, 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	\$ 2,527	—	—	2,527	(2,367)	(1)	—	159
Physical forward contracts	—	89	2	91	(9)	—	—	82
Rabbi trust assets	146	—	—	146	N/A	N/A	—	146
Investment in NOVONIX	27	—	—	27	N/A	N/A	—	27
	\$ 2,700	89	2	2,791	(2,376)	(1)	—	414
Commodity Derivative Liabilities								
Exchange-cleared instruments	\$ 2,398	—	—	2,398	(2,367)	(31)	—	—
Physical forward contracts	—	50	—	50	(9)	—	—	41
Foreign currency derivative	—	74	—	74	—	—	—	74
Floating-rate debt	—	2,047	—	2,047	N/A	N/A	—	2,047
Fixed-rate debt, excluding finance leases and software obligations	—	18,789	—	18,789	N/A	N/A	551	19,340
	\$ 2,398	20,960	—	23,358	(2,376)	(31)	551	21,502

Millions of Dollars								
December 31, 2024								
	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	\$ 2,137	—	—	2,137	(2,111)	—	—	26
OTC instruments	—	7	—	7	—	—	—	7
Physical forward contracts	—	70	3	73	(7)	—	—	66
Rabbi trust assets	153	—	—	153	N/A	N/A	—	153
Investment in NOVONIX	36	—	—	36	N/A	N/A	—	36
Foreign currency derivative	—	67	—	67	N/A	N/A	—	67
	\$ 2,326	144	3	2,473	(2,118)	—	—	355
Commodity Derivative Liabilities								
Exchange-cleared instruments	\$ 2,173	—	—	2,173	(2,111)	(62)	—	—
Physical forward contracts	—	45	1	46	(7)	—	—	39
Floating-rate debt	—	1,760	—	1,760	N/A	N/A	—	1,760
Fixed-rate debt, excluding finance leases and software obligations	—	16,913	—	16,913	N/A	N/A	1,020	17,933
	\$ 2,173	18,718	1	20,892	(2,118)	(62)	1,020	19,732

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. Foreign currency derivatives are recorded within the “Other accruals” line item on our consolidated balance sheet at September 30, 2025, and within the “Prepaid expenses and other current assets” line item at December 31, 2024. See Note 14—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

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 preliminary fair value of PP&E was \$2,216 million. The preliminary 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 3—Business Combinations, for additional information on the transaction.

Equity Investments and PP&E Impairments

In the third quarter of 2025, we remeasured the carrying value of our equity investment in WRB to fair value. Fair value was determined using a market approach. The valuation resulted in a Level 3 nonrecurring fair value measurement. See Note 7—Investments, Loans and Long-Term Receivables, and Note 9—Impairments, for additional information regarding the impairment of our investment in WRB.

In the second and third quarters of 2024, we remeasured the carrying value of the net PP&E and equity investment in certain crude gathering, and gathering and processing asset groups in Texas to fair value. In the first quarter of 2024, we remeasured the carrying value of the net PP&E of certain crude oil and processing and logistics assets in California to fair value. For all assessments, fair value was determined using a market approach. These valuations resulted in Level 3 nonrecurring fair value measurements. See Note 9—Impairments, for additional information regarding before-tax impairments recorded in 2024.

Note 16—Pension and Postretirement Plans

The components of net periodic benefit cost for the three and nine months ended September 30, 2025 and 2024, were as follows:

	Millions of Dollars					
	Pension Benefits				Other Benefits	
	2025		2024		2025	2024
	U.S.	Int'l.	U.S.	Int'l.		
Components of Net Periodic Benefit Cost						
Three Months Ended September 30						
Service cost	\$ 31	3	29	3	1	1
Interest cost	32	8	29	8	1	2
Expected return on plan assets	(38)	(11)	(38)	(11)	—	—
Amortization of net actuarial loss (gain)	4	—	3	—	(1)	(2)
Settlements	4	—	—	—	—	—
Net periodic benefit cost*	\$ 33	—	23	—	1	1
Nine Months Ended September 30						
Service cost	\$ 92	9	87	10	2	2
Interest cost	96	26	86	24	5	6
Expected return on plan assets	(114)	(34)	(115)	(33)	—	—
Amortization of net actuarial loss (gain)	12	(1)	9	—	(4)	(4)
Settlements	8	—	4	—	—	—
Net periodic benefit cost*	\$ 94	—	71	1	3	4

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

During the nine months ended September 30, 2025, we contributed \$157 million to our U.S. pension and other postretirement benefit plans and \$4 million to our international pension plans. We currently expect to make additional contributions of approximately \$8 million to our U.S. pension and other postretirement benefit plans and approximately \$2 million to our international pension plans during the remainder of 2025. 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 17—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, 2024	\$ (140)	(262)	(5)	(407)
Other comprehensive income before reclassifications	3	241	—	244
Amounts reclassified from accumulated other comprehensive loss				
Defined benefit plans*				
Amortization of net actuarial loss and settlements	12	—	—	12
Foreign currency translation**	—	(12)	—	(12)
Hedging	—	—	—	—
Net current period other comprehensive income	15	229	—	244
September 30, 2025	\$ (125)	(33)	(5)	(163)
December 31, 2023	\$ (120)	(157)	(5)	(282)
Other comprehensive income before reclassifications	1	133	—	134
Amounts reclassified from accumulated other comprehensive loss				
Defined benefit plans*				
Amortization of net actuarial loss and settlements	7	—	—	7
Foreign currency translation	—	—	—	—
Hedging	—	—	—	—
Net current period other comprehensive income	8	133	—	141
September 30, 2024	\$ (112)	(24)	(5)	(141)

* Included within the computation of net periodic benefit cost. See Note 16—Pension and Postretirement Plans, for additional information.

** Included within the gain on sale of Coop, recognized in the “Net gain on dispositions” line item on our consolidated statement of income. See Note 7—Investments, Loans and Long-Term Receivables, for additional information.

Note 18—Cash Flow Information

	Millions of Dollars			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Non-cash investing activities				
Derecognition of government obligations	\$ —	1,100	—	1,100
Non-cash financing activities				
Derecognition of Discharged Notes	—	(1,100)	—	(1,100)
Reduction in borrowings under Receivables Securitization Facility	—	—	303	—

See Note 11—Debt, for additional information regarding the above non-cash activity.

Note 19—Related Party Transactions

Significant transactions with related parties were:

	Millions of Dollars			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Operating revenues and other income (a)	\$ 1,040	1,119	3,150	3,440
Purchases (b)	4,288	5,163	12,408	15,582
Operating expenses and selling, general and administrative expenses (c)	77	73	230	219

- (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 and CF United LLC (CF United). 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.
- (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.

Note 20—Segment Disclosures and Related Information

Our operating segments are:

- 1) **Midstream**—Provides crude oil and refined petroleum product transportation, terminaling and processing services, as well as natural gas and NGL transportation, storage, fractionation, gathering, processing and marketing services in the United States. 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 11 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, 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.

Intersegment sales are at prices that we believe approximate market.

Through our implementation of ASU No. 2023-07, “Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures,” we are including additional disclosures regarding significant segment expenses regularly provided to our chief operating decision maker (CODM), who is our Chief Executive Officer. The measure of segment profit or loss reviewed by our CODM is “income (loss) before income taxes.” 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 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 September 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	\$ 4,473	—	7,258	22,010	765	9	—	34,515
Intercompany revenues	602	—	12,077	578	845	4	(14,106)	—
Total sales and other operating revenues	5,075	—	19,335	22,588	1,610	13	(14,106)	34,515
Equity in earnings of affiliates	93	176	31	36	1	—	—	337
Net gain (loss) on dispositions	(8)	—	3	16	—	—	—	11
Other income	20	—	1	(6)	53	48	—	116
Total Revenues and Other Income	5,180	176	19,370	22,634	1,664	61	(14,106)	34,979
Costs and Expenses								
Purchased crude oil and products	3,578	—	17,443	21,743	1,531	1	(14,077)	30,219
Operating expenses*	501	2	909	19	84	6	(29)	1,492
Selling, general and administrative expenses*	58	(2)	40	584	19	93	—	792
Depreciation and amortization	278	—	444	23	25	56	—	826
Impairments	—	—	951	—	—	—	—	951
Taxes other than income taxes	66	—	90	8	52	5	—	221
Interest and debt expense	—	—	—	—	—	259	—	259
Other segment items**	2	—	11	6	(4)	5	—	20
Total Costs and Expenses	4,483	—	19,888	22,383	1,707	425	(14,106)	34,780
Income (loss) before income taxes	\$ 697	176	(518)	251	(43)	(364)	—	199

* 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 September 30, 2024							
	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	\$ 3,799	—	8,792	22,379	548	10	—	35,528
Intercompany revenues	633	—	12,207	538	795	2	(14,175)	—
Total sales and other operating revenues	4,432	—	20,999	22,917	1,343	12	(14,175)	35,528
Equity in earnings (losses) of affiliates	134	339	(12)	89	(1)	—	—	549
Net gain (loss) on dispositions	10	—	(8)	—	—	—	—	2
Other income	3	—	8	18	2	54	(1)	84
Total Revenues and Other Income	4,579	339	20,987	23,024	1,344	66	(14,176)	36,163
Costs and Expenses								
Purchased crude oil and products	3,076	—	19,787	22,041	1,439	—	(14,149)	32,194
Operating expenses*	484	—	921	18	100	3	(27)	1,499
Selling, general and administrative expenses*	52	(3)	60	940	18	127	—	1,194
Depreciation and amortization	233	—	230	32	23	25	—	543
Impairments	28	—	—	1	—	—	—	29
Taxes other than income taxes	59	—	100	16	(131)	9	—	53
Interest and debt expense	—	—	—	—	—	229	—	229
Other segment items**	3	—	(3)	(2)	11	—	—	9
Total Costs and Expenses	3,935	(3)	21,095	23,046	1,460	393	(14,176)	35,750
Income (loss) before income taxes	\$ 644	342	(108)	(22)	(116)	(327)	—	413

* 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							
	Nine Months Ended September 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	\$ 13,828	—	20,065	62,072	2,274	29	—	98,268
Intercompany revenues	1,761	—	33,839	1,574	2,460	8	(39,642)	—
Total sales and other operating revenues	15,589	—	53,904	63,646	4,734	37	(39,642)	98,268
Equity in earnings (losses) of affiliates	301	309	(76)	110	(1)	—	—	643
Net gain on dispositions	57	—	3	945	—	—	—	1,005
Other income	33	—	38	15	116	109	—	311
Total Revenues and Other Income	15,980	309	53,869	64,716	4,849	146	(39,642)	100,227
Costs and Expenses								
Purchased crude oil and products	11,181	—	49,428	61,208	4,700	1	(39,562)	86,956
Operating expenses*	1,471	5	2,831	54	270	3	(80)	4,554
Selling, general and administrative expenses*	163	(5)	118	1,246	51	320	—	1,893
Depreciation and amortization	771	—	1,343	76	71	172	—	2,433
Impairments	—	—	955	1	—	25	—	981
Taxes other than income taxes	210	—	294	23	110	35	—	672
Interest and debt expense	—	—	—	—	—	744	—	744
Other segment items**	5	—	(4)	4	8	14	—	27
Total Costs and Expenses	13,801	—	54,965	62,612	5,210	1,314	(39,642)	98,260
Income (loss) before income taxes	\$ 2,179	309	(1,096)	2,104	(361)	(1,168)	—	1,967

* 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							
	Nine Months Ended September 30, 2024							
	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	\$ 11,549	—	27,217	69,408	1,266	28	—	109,468
Intercompany revenues	2,070	—	38,790	1,636	2,721	9	(45,226)	—
Total sales and other operating revenues	13,619	—	66,007	71,044	3,987	37	(45,226)	109,468
Equity in earnings (losses) of affiliates	459	759	129	219	(2)	—	—	1,564
Net gain (loss) on dispositions	248	—	(8)	(1)	—	—	—	239
Other income	8	—	48	40	15	136	(8)	239
Total Revenues and Other Income	14,334	759	66,176	71,302	4,000	173	(45,234)	111,510
Costs and Expenses								
Purchased crude oil and products	9,678	—	61,810	68,742	4,133	—	(45,155)	99,208
Operating expenses*	1,351	(2)	2,758	51	271	8	(79)	4,358
Selling, general and administrative expenses*	170	(8)	150	1,601	40	350	—	2,303
Depreciation and amortization	687	—	642	101	41	73	—	1,544
Impairments	312	—	105	1	—	1	—	419
Taxes other than income taxes	162	—	295	40	(269)	39	—	267
Interest and debt expense	—	—	—	—	—	687	—	687
Other segment items**	9	—	6	7	10	4	—	36
Total Costs and Expenses	12,369	(10)	65,766	70,543	4,226	1,162	(45,234)	108,822
Income (loss) before income taxes	\$ 1,965	769	410	759	(226)	(989)	—	2,688

* 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 September 30, 2025								
Interest Income	\$	—	—	—	—	34	34	
Capital Expenditures and Investments*		347	—	145	26	15	8	541
Three Months Ended September 30, 2024								
Interest Income	\$	—	—	—	—	38	38	
Capital Expenditures and Investments*		172	—	146	18	12	10	358
Nine Months Ended September 30, 2025								
Interest Income	\$	—	—	—	—	102	102	
Capital Expenditures and Investments*		947	—	469	75	33	27	1,551
Nine Months Ended September 30, 2024								
Interest Income	\$	—	—	—	—	110	110	
Capital Expenditures and Investments*		523	—	386	53	357	34	1,353

* Excludes Acquisitions, net of cash acquired.

	Millions of Dollars							
	Operating Segments					Corporate and Other	Total Consolidated	
	Midstream	Chemicals	Refining	M&S	Renewable Fuels			
<u>As of September 30, 2025</u>								
Investments In and Advances to Affiliates	\$	2,204	7,902	1,361	573	15	3	12,058
Total Assets		30,298	7,912	19,718	11,589	3,055	3,544	76,116
<u>As of December 31, 2024</u>								
Investments In and Advances to Affiliates	\$	3,080	7,819	2,381	719	16	2	14,017
Total Assets		28,334	7,842	19,599	9,799	3,142	3,866	72,582

Note 21—Income Taxes

Our effective income tax rates for the three and nine months ended September 30, 2025, were 16% and 19%, compared to 11% and 20% for the corresponding periods of 2024, respectively. The increase in our effective rate for the three months ended September 30, 2025, was primarily attributable to the impact of foreign operations and state income taxes, partially offset by non-taxable items and tax credits. The decrease in our effective rate for the nine months ended September 30, 2025, was primarily attributable to the effects of state income taxes.

The effective tax rate for the three months ended September 30, 2025, varied from the U.S. federal statutory income tax rate primarily due to the impact of non-taxable items, tax credits, and state income taxes, partially offset by foreign tax impacts. The effective tax rate for the nine months ended September 30, 2025, varied from the U.S. federal statutory income tax rate primarily due to the impact of foreign operations and non-taxable items.

Note 22—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	
	September 30 2025	December 31 2024
Accounts receivable	\$ 412	638
Net properties, plants and equipment	9,128	8,861
Investments and long-term receivables	792	1,622
Accounts payable	777	909
Short-term debt	4	532
Long-term debt	2,910	2,913

See Note 7—Investments, Loans and Long-Term Receivables for additional information regarding the sale of DCP LP's ownership interest in GCX.
See Note 11—Debt for further information regarding DCP LP's repayment of debt.

Note 23—Assets Held for Sale

On May 15, 2025, we entered into a definitive agreement to divest 65% of our equity interest in our Germany and Austria retail marketing business (Germany and Austria Marketing) for expected cash proceeds of approximately \$1.6 billion (1.5 billion Euros), subject to purchase price adjustments for working capital and certain long-term liabilities on the closing date. We will retain a 35% non-operating equity interest in Germany and Austria Marketing through a joint venture, which will be formed prior to the closing of the transaction. We expect to close this transaction in the fourth quarter of 2025, subject to customary closing conditions.

In the second quarter of 2025, Germany and Austria Marketing, which is part of our M&S segment and reporting unit, met the held for sale criteria, and we reclassified the assets and liabilities to the “Assets held for sale” and “Liabilities held for sale” line items, respectively, on our consolidated balance sheet.

As of September 30, 2025, Germany and Austria Marketing has a net carrying value of approximately \$175 million. The following table presents the carrying value of assets and liabilities as presented within “Assets held for sale” and “Liabilities held for sale” line items on our consolidated balance sheet.

	Millions of Dollars
Assets Held for Sale:	September 30, 2025
Cash and cash equivalents	\$ 105
Accounts and notes receivable	328
Accounts and notes receivable—related parties	7
Inventories	73
Prepaid expenses and other current assets	3
Net properties, plant and equipment	438
Goodwill	141
Intangibles	93
Other assets	406
Total assets classified as held for sale	1,594
Liabilities Held for Sale:	
Accounts payable	636
Accrued income and other taxes	89
Employee benefit obligations, current	6
Other accruals	75
Asset retirement obligations and accrued environmental costs	127
Deferred income taxes	22
Employee benefit obligations, non-current	127
Other liabilities and deferred credits	337
Total liabilities classified as held for sale	1,419

The goodwill allocated to Germany and Austria Marketing was derived from the goodwill balance of our M&S reporting unit and the amount allocated was based on the relative fair value of Germany and Austria Marketing compared to the fair value of the M&S reporting unit.

On May 15, 2025, we entered into foreign currency forward contracts in connection with our pending disposition, in which we sold an aggregate of approximately 1.5 billion Euros in exchange for an aggregate of approximately \$1.6 billion. We recognized a before-tax aggregate unrealized gain of \$15 million and a before-tax aggregate unrealized loss of \$74 million for the three and nine months ended September 30, 2025, respectively. These foreign currency forward contracts are presented within the “Net gain on dispositions” line item on our consolidated statement of income and are reported in our M&S segment.

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 to reflect events or circumstances after the date of 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 (loss) before income taxes.

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 September 30, 2025, we had total assets of \$76.1 billion. Our common stock trades on the New York Stock Exchange under the symbol PSX.

Executive Overview

In the third quarter of 2025, we reported earnings of \$133 million and cash provided by operating activities of \$1.2 billion. During the quarter, we received \$838 million from net debt borrowings, funded capital expenditures and investments of \$541 million, paid \$484 million of dividends to our common stockholders and repurchased \$267 million of common stock. We ended the third quarter of 2025 with \$2 billion of cash and cash equivalents including cash classified within assets held for sale, and \$5.2 billion of total committed capacity available under our credit facilities.

Strategic Priorities Update

In January 2025, we announced the next phase of priorities along with financial and operational initiatives through year-end 2027. With these targets, the company is continuing to focus on creating shareholder value; driving disciplined growth and returns; and maintaining financial strength and flexibility. We are focused on operational and cost reduction targets intended to drive world-class operations across our portfolio, while maintaining emphasis on growing our Midstream and Chemicals businesses.

- **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 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, July, and October 2025, our Board of Directors declared quarterly cash dividends of \$1.20 per common share, reflecting our commitment to a secure, competitive and growing dividend.
- **World-Class Operations** – We are focused on achieving operational excellence by optimizing utilization rates and product yield at our refineries through reliable and safe operations, which will enable us to capture the value available in the market in terms of prices and margins. With our new targets, 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 invest in projects 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.
 - During 2025, we funded capital expenditures and investments of \$1.6 billion and completed a Midstream acquisition of \$2.2 billion. This growth was achieved in part through \$2.0 billion in proceeds from asset dispositions, including \$1.2 billion from the sale of our 49% interest in Coop Mineraloel AG (Coop) and \$853 million from DCP Midstream, LP's (DCP LP) 25% ownership in Gulf Coast Express Pipeline LLC (GCX). Also, in May 2025, we entered into a definitive agreement to divest 65% of our equity interest in our Germany and Austria retail marketing business (Germany and Austria Marketing) for expected cash proceeds of approximately \$1.6 billion (1.5 billion Euros), subject to purchase price adjustments. We expect to complete the Germany and Austria Marketing transaction in the fourth quarter of 2025, subject to customary closing conditions. See Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information on the investment dispositions. See Note 23—Assets Held for Sale, in the Notes to Consolidated Financial Statements for additional information.
 - We will continue to evaluate future opportunities to rationalize our asset portfolio. We budgeted \$2.1 billion for 2025 capital expenditures and investments, exclusive of acquisitions and our share of capital spending by equity affiliates. This includes \$1.1 billion of growth capital, primarily in our Midstream segment and additional capital related to consolidation of WRB as of October 1, 2025. See Note 3—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.
 - We continued expansion of our Midstream NGL wellhead-to-market platform through acquiring all issued and outstanding equity interests in each of EPIC Y-Grade GP, LLC and EPIC Y-Grade, LP (collectively referred to herein as Coastal Bend), together with their respective subsidiaries, which own various long haul natural gas liquids pipelines, fractionation facilities and distribution systems. See Note 3—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.
 - 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, including capital related to consolidation of WRB as of October 1, 2025.

- **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 balancing continued portfolio optimization.
 - We are targeting reductions of total debt to \$17 billion and to lower our debt to capital ratio.

Business Environment

Our Midstream segment includes our Transportation and natural gas liquids (NGL) businesses. Our Transportation business contains fee-based operations not directly exposed to commodity price risk. Our NGL business, including DCP Midstream Class A Segment, DCP Sand Hills Pipeline, LLC (DCP Sand Hills) and DCP Southern Hills Pipeline, LLC (DCP Southern Hills), contains both fee-based operations and operations directly impacted by NGL and natural gas prices. The weighted-average NGL price was \$0.60 per gallon during the third quarter of 2025, compared with \$0.64 per gallon during the third quarter of 2024. The Henry Hub natural gas price was \$3.03 per million British thermal units (MMBtu) during the third quarter of 2025, compared with \$2.09 per MMBtu during the third quarter of 2024. The decrease in NGL prices was primarily due to increased supply, while the improvement in natural gas prices was due to increased liquified natural gas exports as U.S. export infrastructure increases.

Our Chemicals segment consists of our 50% equity investment in Chevron Phillips Chemical Company LLC (CPChem). 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 7.6 cents per pound in the third quarter of 2025, compared with 23.7 cents per pound in the third quarter of 2024. The decrease was mainly due to higher ethane prices and industry oversupply driven by capacity additions.

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 \$23.64 per barrel during the third quarter of 2025, from an average of \$16.50 per barrel during the third quarter of 2024. The increase in the composite market crack spread was primarily driven by stronger year on year petroleum diesel demand, supported by low seasonal inventories. The price of U.S. benchmark crude oil, West Texas Intermediate (WTI) at Cushing, Oklahoma, decreased to an average of \$65.03 per barrel during the third quarter of 2025, from an average of \$75.19 per barrel during the third quarter of 2024, primarily due to increasing 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 consists of the operations and assets of the Rodeo Renewable Energy Complex (Rodeo Complex) as well as the 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 nine months ended September 30, 2025, is based on a comparison with the corresponding period of 2024.

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 September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Midstream	\$ 697	644	2,179	1,965
Chemicals	176	342	309	769
Refining	(518)	(108)	(1,096)	410
Marketing and Specialties	251	(22)	2,104	759
Renewable Fuels	(43)	(116)	(361)	(226)
Corporate and Other	(364)	(327)	(1,168)	(989)
Income before income taxes	199	413	1,967	2,688
Income tax expense	32	44	366	538
Net income	167	369	1,601	2,150
Less: net income attributable to noncontrolling interests	34	23	104	41
Net income attributable to Phillips 66	\$ 133	346	1,497	2,109

Net income attributable to Phillips 66 in the third quarter of 2025 was \$133 million, compared with \$346 million in the third quarter of 2024. Net income attributable to Phillips 66 for the nine months ended September 30, 2025, was \$1.5 billion, compared with \$2.1 billion for the nine months ended September 30, 2024.

The decrease in net income attributable to Phillips 66 in the third quarter of 2025 was due to a before-tax impairment of \$948 million on our equity investment in WRB Refining LP (WRB), accelerated depreciation for the Los Angeles Refinery, and lower equity earnings from CPChem. These decreases were partially offset by improved realized refining margins, primarily driven by higher market crack spreads, lower legal accruals related to litigation with Propel Fuels, Inc. (Propel Fuels) recorded in the M&S segment and higher refining volumes.

The decrease in net income attributable to Phillips 66 for the nine months ended September 30, 2025, was due to a before-tax impairment of \$948 million on our equity investment in WRB, accelerated depreciation for the Los Angeles Refinery, and lower equity earnings from CPChem and WRB. These decreases were partially offset by 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, lower legal accruals related to litigation with Propel Fuels and before-tax impairments recognized in 2024 related to certain crude oil processing and logistics assets in California and certain Midstream gathering and processing assets in Texas.

See Note 2—Restructuring for additional information regarding our plans to cease operations and begin idling the facilities at our Los Angeles Refinery, Note 7—Investments, Loans and Long-Term Receivables for additional information regarding the impairment of our equity investment in WRB and sale of our investment in Coop, Note 9—Impairments for additional information on 2024 impairments and Note 13—Contingencies and Commitments for additional information on ongoing litigation with Propel Fuels, in the Notes to Consolidated Financial Statements.

See the “Segment Results” section for additional information on our segment results.

Statement of Income Analysis

Sales and other operating revenues decreased 3% and 10% for the three and nine months ended September 30, 2025, respectively. Purchased crude oil and products decreased 6% and 12% for the three and nine months ended September 30, 2025, respectively. The decreases in both line items for the three and nine months ended September 30, 2025, were due to lower prices for crude oil, NGL, and refined petroleum products, partially offset by higher volumes.

Equity in earnings of affiliates decreased 39% and 59% for the three and nine months ended September 30, 2025, respectively. The decreases for both periods of 2025 were primarily attributable to lower equity earnings from CPChem, as well as lower equity earnings from sales of ownership interests in Coop and GCX which were both sold in January 2025. The decrease for the three months ended September 30, 2025, was partially offset by improved WRB equity earnings, as a result of improved margins and utilization. The decrease for the nine months ended September 30, 2025, was additionally impacted by lower equity earnings from WRB, as a result of decreased margins, and lower equity earnings from the sale of our ownership interest in Rockies Express Pipeline LLC (REX) in 2024. See Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sales of ownership interests in 2025. See the Chemicals segment analysis in the “Segment Results” section for additional information regarding CPChem.

Net gain on dispositions increased \$766 million for the nine months ended September 30, 2025, primarily due to a before-tax gain of \$1 billion associated with the sale of our investment in Coop in January 2025, recognized in the M&S segment. This gain was partially offset by the absence of a before-tax gain of \$238 million recognized in the Midstream segment in the second quarter of 2024 associated with the sale of our ownership interest in REX, as well as an unrealized loss of \$74 million on foreign currency forward contracts entered into in connection with the pending divestiture of Germany and Austria Marketing. See Note 7—Investments, Loans and Long-Term Receivables for additional information regarding the sale of Coop and Note 23—Assets Held for Sale for additional information on the Germany and Austria Marketing pending divestiture, in the Notes to Consolidated Financial Statements.

Other income increased \$32 million and \$72 million for the three and nine months ended September 30, 2025, respectively. The increases for both periods of 2025 were primarily due to the recognition of Clean Fuel Production credits starting in 2025. The increase for the nine months ended September 30, 2025, was partially offset by changes in the fair value of our investment in NOVONIX, as well as decreased interest income.

Operating expenses increased \$196 million for the nine months ended September 30, 2025, primarily due to environmental expenses related to future groundwater mitigation plans at the Los Angeles Refinery, costs associated with the acquisition of Coastal Bend in April 2025, as well as higher compensation and utility expenses.

Selling, general and administrative expenses decreased 34% and 18% for the three and nine months ended September 30, 2025, respectively, primarily due to lower legal accruals related to litigation with Propel Fuels. See Note 13—Contingencies and Commitments for additional information on ongoing litigation with Propel Fuels.

Depreciation and amortization increased 52% and 58% for the three and nine months ended September 30, 2025, respectively, primarily due to accelerated depreciation for the Los Angeles Refinery, as well as additional depreciation from the acquisition of Coastal Bend in April 2025. See Note 2—Restructuring for information regarding our plans to cease operations and begin idling the facilities at our Los Angeles Refinery and Note 3—Business Combinations for information regarding the Coastal Bend acquisition, in the Notes to Consolidated Financial Statements.

Impairments increased \$922 million and \$562 million for the three and nine months ended September 30, 2025, respectively. The increases for both periods of 2025 were due to the before-tax impairment of \$948 million recognized in the third quarter of 2025 related to our equity investment in WRB. The increase for the nine months ended September 30, 2025, was partially offset by a before-tax impairment of \$163 million recognized in the first quarter of 2024 related to certain crude oil processing and logistics assets in California and a before-tax impairment of \$224 million recognized in the second quarter of 2024 related to certain Midstream gathering and processing assets in Texas. See Note 7—Investments, Loans and Long-Term Receivables for additional information regarding the impairment of our equity investment in WRB and Note 9—Impairments, in the Notes to Consolidated Financial Statements for additional information.

Taxes other than income taxes increased \$168 million and \$405 million for the three and nine months ended September 30, 2025, respectively. The increases for both periods in 2025 were primarily driven by the expiration of the Biodiesel Blender Tax Credit as of December 31, 2024. The increase for the nine months ended September 30, 2025, was also impacted by an increase in tariffs and customs duties.

Interest and debt expense increased 13% and 8% for the three and nine months ended September 30, 2025, respectively, primarily due to higher average debt balances.

Income tax expense decreased 27% and 32% for the three and nine months ended September 30, 2025, respectively, primarily due to lower income before income taxes. See Note 21—Income Taxes, in the Notes to Consolidated Financial Statements for information regarding our effective income tax rates.

Net income attributable to noncontrolling interests increased \$63 million for the nine months ended September 30, 2025, due to improved results from DCP LP driven by before-tax impairments recognized in 2024 related to certain DCP LP gathering and processing assets in Texas, as well as impacts from the gain on sale of DCP LP's equity investment in GCX in January 2025. See Note 7—Investments, Loans and Long-Term Receivables and Note

Segment Results

Midstream

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
	Millions of Dollars			
Income Before Income Taxes				
Transportation	\$ 194	254	679	1,045
NGL	503	390	1,500	920
Total Midstream	\$ 697	644	2,179	1,965
	Thousands of Barrels Daily			
Transportation Volumes				
Pipelines*	3,111	3,006	3,033	3,015
Terminals	3,127	3,049	3,047	3,128
Operating Statistics				
Wellhead Volume (billion cubic feet per day)**	4.3	4.3	4.2	4.4
NGL production**	483	439	459	431
Pipeline Throughput—Y-Grade to Market***	999	762	887	752
NGL fractionated	930	728	854	717

* 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.

The Midstream segment provides crude oil and refined petroleum product transportation, terminaling and processing services; NGL production, transportation, storage, fractionation, processing, marketing and export services; natural gas gathering, compressing, treating, processing, storage, transportation and marketing services; and condensate recovery.

Results from our Midstream segment increased \$53 million and \$214 million for the three and nine months ended September 30, 2025, respectively.

Results from our Transportation business decreased \$60 million and \$366 million for the three and nine months ended September 30, 2025, respectively. The decreases for both periods of 2025 were primarily due to the retirement of a rail rack at the Los Angeles Refinery and lower equity earnings primarily from Dakota Access, LLC. Additionally, the decrease in the nine months ended September 30, 2025, was impacted by the sale of our ownership interest in REX in the second quarter of 2024.

Results from our NGL business increased \$113 million and \$580 million for the three and nine months ended September 30, 2025, respectively. The increase in the three months ended September 30, 2025, is primarily due to results from the Coastal Bend operations, increased gathering and processing volumes and improved export margins. The increase in the nine months ended September 30, 2025, is primarily related to a before-tax impairment charge associated with certain gathering and processing assets in Texas recognized in 2024, results from the Coastal Bend operations, and a before-tax gain from the sale of DCP LP's ownership interest in GCX in January 2025. In addition, the nine months ended September 30, 2025, reflected improved export margins and fewer weather-related impacts.

See the "Executive Overview and Business Environment" section for information on market factors impacting this quarter's results. See Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sales of ownership interests in 2025.

Chemicals

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
	Millions of Dollars			
Income Before Income Taxes	\$ 176	342	309	769
	Millions of Pounds			
CPChem Externally Marketed Sales Volumes*	6,572	6,264	18,831	18,384
<i>* Represents 100% of CPChem's outside sales of produced petrochemical products, as well as commission sales from equity affiliates.</i>				
Olefins and Polyolefins Capacity Utilization (percent)	104 %	98	98	97

The Chemicals segment consists of our 50% interest 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 decreased \$166 million and \$460 million for the three and nine months ended September 30, 2025, respectively, primarily due to decreased polyethylene margins, mostly driven by lower sales prices.

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

Refining

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Millions of Dollars				
Income (Loss) Before Income Taxes				
Atlantic Basin/Europe	\$ 250	(61)	100	32
Gulf Coast	119	(102)	(113)	60
Central Corridor	(580)	308	(238)	764
West Coast	(307)	(253)	(845)	(446)
Worldwide	\$ (518)	(108)	(1,096)	410

	Dollars Per Barrel			
Income (Loss) Before Income Taxes				
Atlantic Basin/Europe	\$ 4.94	(1.27)	0.72	0.22
Gulf Coast	2.19	(2.10)	(0.79)	0.41
Central Corridor	(20.61)	11.38	(2.82)	9.47
West Coast	(15.06)	(11.51)	(13.28)	(6.64)
Worldwide	(3.38)	(0.74)	(2.55)	0.93

Realized Refining Margins*

Atlantic Basin/Europe	\$ 11.94	5.87	9.24	7.88
Gulf Coast	8.74	6.39	7.61	8.38
Central Corridor	15.82	14.19	13.35	13.18
West Coast	12.31	4.34	11.17	9.34
Worldwide	12.15	8.31	10.27	9.77

* 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.

On September 9, 2025, we entered into a definitive agreement to acquire the remaining 50% ownership interest in WRB from subsidiaries of Cenovus Energy Inc. The transaction closed on October 1, 2025, for total cash consideration of \$1.3 billion, subject to post-closing adjustments. See Note 3—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.

In October 2024, we announced our intention to cease operations and begin idling the facilities at our Los Angeles Refinery in the fourth quarter of 2025. In the third quarter of 2025, we began the permitting processes for new uses at the Los Angeles Refinery. See Note 2—Restructuring, in the Notes to Consolidated Financial Statements for additional information. In early 2024, we ceased crude operations at the San Francisco Refinery as part of the conversion of the refinery into the Rodeo Complex.

Operating Statistics	Thousands of Barrels Daily			
	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Refining operations*				
Atlantic Basin/Europe				
Crude oil capacity	537	537	537	537
Crude oil processed	534	498	471	499
Capacity utilization (percent)	99 %	93	88	93
Refinery production	552	524	511	534
Gulf Coast				
Crude oil capacity	529	529	529	529
Crude oil processed	528	473	469	484
Capacity utilization (percent)	100 %	89	89	92
Refinery production	597	538	529	545
Central Corridor				
Crude oil capacity	531	531	531	531
Crude oil processed	549	533	540	528
Capacity utilization (percent)	103 %	100	102	99
Refinery production	571	554	561	548
West Coast				
Crude oil capacity	244	244	244	244
Crude oil processed	214	230	225	234
Capacity utilization (percent)	88 %	94	92	96
Refinery production	219	237	230	243
Worldwide				
Crude oil capacity	1,841	1,841	1,841	1,841
Crude oil processed	1,825	1,734	1,705	1,745
Capacity utilization (percent)	99 %	94	93	95
Refinery production	1,939	1,853	1,831	1,870

* Includes our share of equity affiliates.

The Refining segment refines crude oil and other feedstocks into petroleum products, such as gasoline and distillates, including aviation fuels, at 11 refineries in the United States and Europe.

Results from our Refining segment decreased \$410 million and \$1,506 million for the three and nine months ended September 30, 2025, respectively. The decrease in the three months ended September 30, 2025, was primarily driven by a before-tax impairment of \$948 million related to our equity investment in WRB and accelerated depreciation for the Los Angeles Refinery, partially offset by improved realized margins and higher volumes. The increase in realized margins was primarily due to higher market crack spreads, partially offset by lower product differentials and unfavorable inventory hedging impacts. The decrease in the nine months ended September 30, 2025, was primarily driven by a before-tax impairment of \$948 million related to our equity investment in WRB and accelerated depreciation for the Los Angeles Refinery.

Our worldwide refining crude oil capacity utilization rate was 99% and 93% for the three and nine months ended September 30, 2025, respectively, compared with 94% and 95% in the three and nine months ended September 30, 2024, respectively. The increase for the three months ended September 30, 2025, was primarily due to fewer weather-related impacts, as well as lower turnaround activity. The decrease for the nine months ended September 30, 2025, was primarily due to higher turnaround activity.

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

Marketing and Specialties

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
	Millions of Dollars			
Income (Loss) Before Income Taxes	\$ 251	(22)	2,104	759
	Dollars Per Barrel			
Income (Loss) Before Income Taxes				
U.S.	\$ 0.18	(1.43)	1.08	0.37
International	4.55	5.07	14.66	4.36
Realized Marketing Fuel Margins*				
U.S.	\$ 2.04	2.45	2.10	1.92
International	5.37	6.19	5.76	5.65
* 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	\$ 2.51	2.69	2.52	2.72
Distillates	2.77	2.68	2.64	2.76
* On third-party branded petroleum product sales, excluding excise taxes.				
	Thousands of Barrels Daily			
Marketing Refined Product Sales				
Gasoline	1,340	1,253	1,279	1,279
Distillates	993	990	957	989
Other	42	51	50	50
	2,375	2,294	2,286	2,318

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 \$273 million and \$1,345 million for the three and nine months ended September 30, 2025, respectively. The increases for both periods of 2025 were due to an accrual of \$605 million recorded during the third quarter of 2024 related to litigation with Propel Fuels, compared with an accrual of \$241 million recorded during the third quarter of 2025 related to the same matter. The increase in the three months ended September 30, 2025, was partially offset by lower U.S. marketing fuel margins. The increase in the nine months ended September 30, 2025, was additionally impacted by a before-tax gain of \$1 billion associated with the sale of our investment in Coop, higher U.S. and international marketing fuel margins, partially offset by a before-tax aggregate unrealized loss on foreign currency forward contracts entered into in connection with the Germany and Austria Marketing pending divestiture.

See Note 7—Investments, Loans and Long-Term Receivables for additional information regarding the sale of Coop, Note 13—Contingencies and Commitments for additional information regarding the Propel Fuels litigation and Note 23—Assets Held for Sale for additional information related to the Germany and Austria Marketing pending divestiture, in the Notes to Consolidated Financial Statements.

See 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 September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
	Millions of Dollars			
Loss Before Income Taxes	\$ (43)	(116)	(361)	(226)

	Thousands of Barrels Daily			
Operating Statistics				
Total Renewable Fuels Produced	36	44	40	28
Total Renewable Fuel Sales	63	70	66	50

Market Indicators

Chicago Board of Trade (CBOT) soybean oil (dollars per pound)	\$ 0.53	0.43	0.49	0.45
California Low-Carbon Fuel Standard (LCFS) carbon credit (dollars per metric ton)	53.40	53.89	57.34	56.53
California Air Resource Board (CARB) ultra-low-sulfur diesel (ULSD) - San Francisco (dollars per gallon)	2.55	2.39	2.50	2.56
Biodiesel Renewable Identification Number (RIN) (dollars per RIN)	1.13	0.60	1.00	0.56

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 \$73 million and decreased \$135 million for the three and nine months ended September 30, 2025, respectively. The increase in the three months ended September 30, 2025, was primarily due to improved margins driven by optimized feedstock volumes and higher international credits, partially offset by unfavorable inventory impacts. The decrease in the nine months ended September 30, 2025, was primarily driven by decreased margins as a result of increased feedstock volumes, unfavorable inventory impacts, partially offset by increased credit production.

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 September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Loss Before Income Taxes				
Net interest expense	\$ (225)	(191)	(642)	(577)
Corporate overhead and other	(145)	(136)	(515)	(410)
NOVONIX	6	—	(11)	(2)
Total Corporate and Other	\$ (364)	(327)	(1,168)	(989)

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, foreign currency transaction gains and losses and other costs not directly associated with an operating segment. Corporate and Other also includes the change in the fair value of our investment in NOVONIX. See Note 15—Fair Value Measurements, in the Notes to Consolidated Financial Statements for additional information regarding our investment in NOVONIX.

Net interest expense increased \$34 million and \$65 million for the three and nine months ended September 30, 2025, respectively, primarily due to higher average debt balances.

Corporate overhead and other costs increased \$105 million for the nine months ended September 30, 2025, primarily due to higher depreciation expense associated with information technology assets as well as higher advisory fees recorded during the second quarter of 2025 related to proxy solicitation services.

CAPITAL RESOURCES AND LIQUIDITY

Financial Indicators

	Millions of Dollars, Except as Indicated	
	September 30 2025	December 31 2024
Cash and cash equivalents*	\$ 1,845	1,738
Short-term debt	2,587	1,831
Total debt	21,755	20,062
Total equity	28,077	28,463
Percent of total debt to capital**	44%	41
Percent of floating-rate debt to total debt	9%	9

* Excludes \$105 million of "Cash and cash equivalents" included in "Assets held for sale" on our consolidated statement of income as of September 30, 2025.

** 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 nine months of 2025, we generated \$2.2 billion of cash from operations. We received proceeds from asset dispositions of \$2 billion and received \$2 billion from net debt borrowings. We funded capital expenditures and investments of \$1.6 billion and an acquisition of \$2.2 billion, net of cash acquired. Additionally, we paid \$933 million to repurchase shares of our common stock and paid \$1.4 billion of dividends to our common stockholders. During the first nine months of 2025, cash and cash equivalents, including cash classified within assets held for sale, increased by \$212 million. 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 nine months of 2025, cash generated by operating activities was \$2.2 billion, compared with \$3 billion for the first nine months of 2024. The decrease was primarily due to unfavorable working capital impacts.

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 nine months of 2025, cash from operations included aggregate distributions of \$783 million from our equity affiliates, while cash from operations during the first nine months of 2024 included aggregate distributions of \$1,045 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.

Debt Issuances

On September 18, 2025, Phillips 66 Company, a wholly owned subsidiary of Phillips 66, issued \$2 billion aggregate principal amount of junior subordinated notes that are fully and unconditionally guaranteed by Phillips 66. The junior subordinated notes issuance consisted of:

- \$1 billion aggregate principal amount of 5.875% Series A Junior Subordinated Notes due 2056 (Series A 2056 Notes).
- \$1 billion aggregate principal amount of 6.200% Series B Junior Subordinated Notes due 2056 (Series B 2056 Notes).

Interest on the Series A 2056 Notes and Series B 2056 Notes is payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2026. The Series A 2056 Notes will bear interest at 5.875% per year until March 15, 2031. The interest rate will reset every five years beginning on March 15, 2031, to equal the then-current five-year U.S. Treasury rate plus a spread of 2.283%, provided that the interest rate will not reset below 5.875%. The Series B 2056 Notes will bear interest at 6.200% per year until March 15, 2036. The interest rate will reset every five years beginning on March 15, 2036, to equal the then-current five-year U.S. Treasury rate plus a spread of 2.166%, provided that the interest rate will not reset below 6.200%. We may defer interest payments on the Series A 2056 Notes and Series B 2056 Notes on one or more occasions for up to 10 consecutive years per deferral period. If interest payments on the Series A 2056 Notes or Series B 2056 Notes are deferred, we may not, subject to certain limited exceptions, declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock during the deferral period. Also, during the deferral period, we may not (i) pay any principal of, or interest or premium, if any, on or repay, repurchase or redeem any debt securities of Phillips 66 or Phillips 66 Company that rank equally with, or junior to, the Series A 2056 Notes and Series B 2056 Notes, respectively, in right of payment or (ii) make any payments with respect to any guarantee by Phillips 66 or Phillips 66 Company of indebtedness if the guarantee ranks equally with or junior to the Series A 2056 Notes or Series B 2056 Notes, respectively, in right of payment.

On September 11, 2024, Phillips 66 Company, a wholly owned subsidiary of Phillips 66, issued \$1.8 billion aggregate principal amount of senior unsecured notes that are fully and unconditionally guaranteed by Phillips 66. The senior unsecured notes issuance consisted of:

- \$600 million aggregate principal amount of 5.250% Senior Notes due 2031 (Additional 2031 Notes).
- \$600 million aggregate principal amount of 4.950% Senior Notes due 2035 (2035 Notes).
- \$600 million aggregate principal amount of 5.500% Senior Notes due 2055 (2055 Notes).

Interest on the Additional 2031 Notes is payable semi-annually on June 15 and December 15 of each year and commenced on December 15, 2024. Interest on the 2035 Notes and 2055 Notes is payable semi-annually on March 15 and September 15 of each year and commenced on March 15, 2025.

On February 28, 2024, Phillips 66 Company, a wholly owned subsidiary of Phillips 66, issued \$1.5 billion aggregate principal amount of senior unsecured notes that are fully and unconditionally guaranteed by Phillips 66. The senior unsecured notes issuance consisted of:

- \$600 million aggregate principal amount of 5.250% Senior Notes due 2031 (2031 Notes).
- \$400 million aggregate principal amount of 5.300% Senior Notes due 2033 (Additional 2033 Notes).
- \$500 million aggregate principal amount of 5.650% Senior Notes due 2054 (2054 Notes).

Interest on the 2031 Notes and 2054 Notes is payable semi-annually on June 15 and December 15 of each year and commenced on June 15, 2024. Interest on the Additional 2033 Notes is payable semi-annually on June 30 and December 30 of each year and commenced on June 30, 2024.

Discharge of Senior Notes

On September 20, 2024, we extinguished (i) the remaining \$441 million outstanding principal amount of Phillips 66 Company's 3.605% Senior Notes due February 2025 (2025 P66 Co Notes), and (ii) the remaining \$650 million outstanding principal amount of Phillips 66's 3.850% Senior Notes due April 2025 (the 2025 PSX Notes, and together with the 2025 P66 Co Notes, the Discharged Notes), whereby we irrevocably transferred a total of \$1,100 million in

government obligations to the trustee of the 2025 P66 Co Notes and the 2025 PSX Notes. The cash paid to purchase the government obligations is included within investing cash flows on our consolidated statement of cash flows. These government obligations yielded sufficient principal and interest over their remaining term to permit the trustee to satisfy the remaining principal and interest due on the Discharged Notes on the applicable maturity dates. On September 20, 2024, Phillips 66 and Phillips 66 Company ceased to be the primary obligors under the Discharged Notes. The transfer of the government obligations to the trustee was accounted for as a transfer of financial assets. If the trustee was unable to apply the government obligations to fund the remaining principal and interest payments on the Discharged Notes, then the Company's obligations under the Indenture with respect to the Discharged Notes would have been revived and reinstated. We deemed the likelihood of such event to be remote with no impact to the legal isolation of the assets. Accordingly, the Discharged Notes and the government obligations were derecognized on our balance sheet at December 31, 2024. For the three and nine months ended September 30, 2024, we recognized an immaterial gain on the extinguishment of this debt.

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. On April 1, 2025, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility from \$500 million to \$1 billion. On September 29, 2025, Phillips 66 Company amended the Receivables Securitization Facility to, among other things, increase the maximum size of the Receivables Securitization Facility from \$1 billion to \$1.25 billion and extend the term of the facility through September 28, 2026. 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 \$1.25 billion in the aggregate, and will secure its obligations with a pledge of undivided interests in such accounts receivable, 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 outstanding under the Receivables Securitization Facility accrue interest at an adjusted term Secured Overnight Financing Rate (SOFR) plus the applicable margin. In all instances, Phillips 66 Company retains the servicing of the accounts receivable transferred.

Sales of accounts receivable 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 September 30, 2025, we sold \$160 million of accounts receivable for cash proceeds under the Receivables Securitization Facility. For the nine months ended September 30, 2025, we sold \$593 million in accounts receivable in exchange for cash proceeds of \$290 million, and a \$303 million reduction in our borrowings under the Receivables Securitization Facility was recognized as a non-cash financing transaction. We recognized immaterial charges associated with the transfer of financial assets, which are included as a component within the line item "Selling, general and administrative expense" on our consolidated statement of income during the three and nine months ended September 30, 2025.

At September 30, 2025, we had utilized \$160 million of the \$1.25 billion capacity on our Receivable Securitization Facility from sold accounts receivable not yet remitted to the Administrative Agent. We had no outstanding borrowings under the Receivable Securitization Facility at September 30, 2025. At December 31, 2024, we had utilized the full \$500 million capacity of our Receivables Securitization Facility from \$125 million of sold accounts receivable not yet remitted to the Administrative Agent and \$375 million of outstanding borrowings. The outstanding borrowings at December 31, 2024, were secured by approximately \$4.6 billion of accounts receivable held by P66 Receivables at December 31, 2024, which are included within the "Accounts and notes receivable" line item on our consolidated balance sheet.

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. At September 30, 2025, \$200 million of 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 September 30, 2025, and December 31, 2024, \$400 million of 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 September 30, 2025, and December 31, 2024, 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 September 30, 2025, we had \$897 million borrowings outstanding under this program, while at December 31, 2024, \$435 million of commercial paper had been issued under this program.

DCP Midstream Class A Segment

On March 15, 2024, DCP LP terminated its \$1.4 billion credit facility and its accounts receivable securitization facility that previously provided for up to \$350 million of borrowing capacity. In conjunction with the termination of these facilities, DCP LP repaid \$25 million in borrowings outstanding under its \$1.4 billion credit facility and \$350 million of borrowings outstanding under its accounts receivable securitization facility during the three months ended March 31, 2024.

Total Committed Capacity Available

At September 30, 2025, and December 31, 2024, we had approximately \$5.2 billion and \$4.6 billion, respectively, of total committed capacity available under the credit facilities described above.

Pending Marketing Divestiture

On May 15, 2025, we entered into a definitive agreement to divest 65% of our equity interest in Germany and Austria Marketing for expected pre-tax cash proceeds of approximately \$1.6 billion (1.5 billion Euros), subject to purchase price adjustments for working capital and certain long-term liabilities on the closing date. We will retain a 35% non-operating equity interest in Germany and Austria Marketing through a joint venture, which will be formed prior to the closing of the transaction. We expect to close this transaction in the fourth quarter of 2025, subject to customary closing conditions. See Note 23—Assets Held for Sale in the Notes to Consolidated Financial Statements for additional information.

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

Availability of Debt Financing

In September 2025, Moody's Ratings announced a long-term credit rating change for the company to Baa1 from A3 and affirmed the P-2 rating assigned to the company's commercial paper program. The outlook has been changed to stable from negative. Standard & Poor's currently rates the company's long-term debt at BBB+ with a stable outlook and commercial paper at A-2. Both agencies' ratings are considered investment grade. Failure to maintain investment grade ratings could prohibit us from accessing the commercial paper market. However, a rating downgrade by one or both rating agencies would not trigger an automatic default under any of our corporate debt and we would expect to maintain access to funds under our existing liquidity facilities.

Off-Balance Sheet Arrangements

Lease Residual Value Guarantees

Under the operating lease agreement on our headquarters facility in Houston, Texas, we had the option at the end of the existing lease term to request to renew the lease, purchase the facility or assist the lessor in marketing it for resale. In September 2025, we amended and extended the lease term to September 2030. Under the new operating lease agreement, we have a residual value guarantee with a maximum potential future exposure of \$404 million at September 30, 2025. We also have residual value guarantees associated with railcar, airplane and truck leases with maximum potential future exposures totaling \$174 million. 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 an easement under Lake Oahe in North Dakota. The trial court later vacated the easement. Although the easement is vacated, the USACE has no plans to stop pipeline operations while it proceeds with the EIS, and the Tribe's request for a shutdown was denied in May 2021. In June 2021, the trial court dismissed the litigation entirely. Once the EIS is completed, new litigation or challenges may be filed.

In February 2022, the U.S. Supreme Court (the Supreme Court) denied Dakota Access' writ of certiorari requesting the Supreme Court to review the trial court's decision to order the EIS and vacate the easement. Therefore, the requirement to prepare the EIS stood. Also in February 2022, the Tribe withdrew as a cooperating agency, causing the USACE to halt the EIS process while the USACE engaged with the Tribe on their reasons for withdrawing.

The draft EIS process resumed in August 2022, and in September 2023, the USACE published its draft EIS for public comment. The USACE identified five potential outcomes but did not indicate which one it preferred. The options comprise two "no action" alternatives where the USACE would deny an easement to Dakota Access and require it to shut down the pipeline and either remove the pipe from under Lake Oahe or allow the pipeline to be abandoned-in-place under the lake. The USACE also identified three "action" alternatives; two of them contemplate that the USACE would reissue the easement to Dakota Access under essentially the same terms as in 2017 with either the same or a larger volume of oil allowed through the pipeline, while the third alternative would require decommissioning of the current pipeline and construction of a new line 39 miles upstream from the current location.

The public comment period concluded on December 13, 2023. The USACE plans to review the comments and issue its final EIS in early 2026. The Record of Decision will follow within 30 to 60 days after the issuance of the final EIS. The final EIS must be completed before the USACE can reauthorize the easement for the pipeline. If reauthorization occurs, new litigation challenging the reauthorization may be filed.

In October 2024, the Tribe filed another lawsuit against the USACE in federal district court in Washington, D.C., again challenging USACE's allowance of pipeline operations while the EIS process proceeds. In this lawsuit, the Tribe purports to introduce new evidence regarding the pipeline's proximity to a reservoir and attempts to relitigate arguments about the need for injunctive relief to support its position that the Supreme Court should halt pipeline operations. A consortium of 13 states has joined Dakota Access as intervenors. The consortium argues that the pipeline reduces pollution compared to other modes of transportation and that Dakota Access is integral to the health of regional energy and agriculture markets. The Tribe's prior request for a shutdown was denied in May 2021. This latest lawsuit seeking a shutdown does not change the current deadline for the issuance of the final EIS. Motions to dismiss the latest lawsuit were filed by USACE, Dakota Access and Intervenor and opposed by the Tribe. On March 19, 2025, the Tribe filed a notice in support of its latest lawsuit, indicating three additional facts for the district court to consider when making its ruling on the lawsuit. These facts relate to events regarding Energy Transfer LP's conduct and third-party actions against it. Subsequently, the Court dismissed this lawsuit, finding that the Tribe's lawsuit was premature and cannot be refiled until after a final EIS is issued.

Dakota Access and ETCO have guaranteed repayment of senior unsecured notes issued by a wholly owned subsidiary of Dakota Access. On April 1, 2024, Dakota Access' wholly owned subsidiary repaid \$1 billion aggregate principal amount of its outstanding senior notes upon maturity. We funded our 25% share of the repayment, or \$250 million, with a capital contribution of \$171 million in March 2024, and \$79 million of distributions we elected not to receive from Dakota

Access in the first quarter of 2024. At September 30, 2025, 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. Under the CECU, the co-venturers may be severally required to make proportionate equity contributions to Dakota Access if there is an unfavorable final judgment in the above-mentioned ongoing litigation. At September 30, 2025, 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 September 30, 2025.

See Note 7—Investments, Loans and Long-Term Receivables for additional information regarding our investments in Dakota Access and ETCO and Note 12—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 September 30, 2025, and December 31, 2024, was \$21.8 billion and \$20.1 billion, respectively. Our total debt-to-capital ratio was 44% and 41% at September 30, 2025, and December 31, 2024, respectively.

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.

Midstream Acquisition

During the second quarter of 2025, we completed the Coastal Bend acquisition, for total consideration of \$2.2 billion, net of cash acquired. This acquisition was funded with cash and borrowings under our short-term liquidity facilities. See Note 3—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.

Subsequent Refining Acquisition

On September 9, 2025, we entered into a definitive agreement to acquire the remaining 50% ownership interest in WRB from subsidiaries of Cenovus Energy Inc. The transaction closed on October 1, 2025, for total cash consideration of \$1.3 billion, subject to post-closing adjustments. This acquisition was funded with cash and borrowings under our short-term liquidity facilities.

Dividends

On April 21, 2025, our Board of Directors declared a quarterly cash dividend of \$1.20 per common share. This dividend was paid on June 2, 2025, to shareholders of record as of the close of business on May 19, 2025. On July 10, 2025, our Board of Directors declared a quarterly cash dividend of \$1.20 per common share. This dividend was paid on September 2, 2025, to shareholders of record as of the close of business on August 19, 2025. On October 8, 2025, our Board of Directors declared a quarterly cash dividend of \$1.20 per common share. This dividend is payable on December 1, 2025, to shareholders of record as of the close of business on November 17, 2025.

Share Repurchases

Since July 2012, our Board of Directors has authorized an aggregate of \$25 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 discretion of management and will depend on various factors including our share price, results of operations, financial condition and cash required for future business plans. For the nine months ended September 30, 2025, we repurchased 8 million shares at an aggregate cost of approximately \$0.9 billion. Since July 2012, we have repurchased 246 million shares under our share repurchase program at an aggregate cost of \$22.4 billion. Shares of stock repurchased are held as treasury shares.

Employee Benefit Plan Contributions

During the nine months ended September 30, 2025, we contributed \$157 million to our U.S. pension and other postretirement benefit plans and \$4 million to our international pension plans. We currently expect to make additional contributions of approximately \$8 million to our U.S. pension and other postretirement benefit plans and approximately \$2 million to our international pension plans during the remainder of 2025.

Capital Spending

	Millions of Dollars	
	Nine Months Ended September 30	
	2025	2024
Capital Expenditures and Investments*		
Midstream	\$ 947	523
Chemicals	—	—
Refining	469	386
Marketing and Specialties	75	53
Renewable Fuels	33	357
Corporate and Other	27	34
Total Capital Expenditures and Investments	\$ 1,551	1,353
Selected Equity Affiliates**		
CPChem	609	579
WRB	99	83
	\$ 708	662

* Excludes, Acquisitions net of cash acquired.

** Our share of joint ventures' capital spending.

Midstream

During the first nine months of 2025, capital spending in our Midstream segment was \$947 million and included:

- Continued development and completion of a second Dos Picos gas plant, further expanding our operations in the Permian Basin.
- Gathering and processing projects to further align our wellhead-to-market strategy.
- Spending associated with other reliability and maintenance projects in our Transportation and NGL businesses.

Chemicals

During the first nine months of 2025, on a 100% basis, CPChem's capital expenditures and investments were \$1,218 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, debottlenecking 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 2025.

Refining

Capital spending for the Refining segment during the first nine months of 2025 was \$469 million. Major capital activities included spend to improve reliability at our refineries and installation of facilities to improve market capture, product value and utilization; such as our recently completed Sweeny Crude Flex project.

Marketing and Specialties

Capital spending for the M&S segment during the first nine months of 2025 was \$75 million, primarily for the continued development and enhancement of retail sites in Europe, marketing-related information technology enhancements, spend associated with marketing and commercial fleet fueling businesses on the U.S. West Coast and reliability and maintenance projects for our Specialties business.

Renewable Fuels

Capital spending for the Renewable Fuels segment during the first nine months of 2025 was \$33 million. The capital spending was focused on increasing reliability, debottlenecking opportunities and improving feed flexibility on existing assets.

Corporate and Other

Capital spending for Corporate and Other during the first nine months of 2025 was \$27 million, primarily related to 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, Propel Fuels asked the Propel Court to award \$1.2 billion in exemplary damages, and Phillips 66 Company filed a brief in opposition to that request. A hearing on exemplary damages was held on March 4, 2025. 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%. Post-judgment interest of 10% is accruing from the date of the final judgment. On August 25, 2025, Phillips 66 Company filed three post-trial motions requesting that the Propel Court render judgment in favor of Phillips 66 Company, grant a new trial, and/or reduce the damages award. On October 20, 2025, the Propel Court denied Phillips 66 Company's motions. On October 24, 2025, Propel Fuels filed additional motions with the Propel Court seeking attorney's fees and costs. Phillips 66 will file its opposition and once the record on this issue is complete, the Propel Court will rule on these motions. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position. As a result of the August 2025 final judgment and the October 2024 jury verdict, our recorded accruals totaled \$846 million and \$604.9 million which are included within the "Selling, general and administrative expenses" line on our consolidated statement of income for the periods ending September 30, 2025 and 2024, respectively, and are reported in the M&S segment. The accrued amounts are reflected as "Other liabilities and deferred credits" on our consolidated balance sheet as of September 30, 2025, and December 31, 2024, respectively. 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 and intends to pursue post-judgment remedies and file an appeal, 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 2024 Annual Report on Form 10-K.

We are required to purchase Renewable Identification Numbers (RINs) in the open market to satisfy the portion of our obligation under the Renewable Fuel Standard (RFS) that is not fulfilled by blending renewable fuels into the motor fuels we produce. For the nine months ended September 30, 2025, we were able to fully satisfy our obligations under the RFS through producing and blending renewable fuels into the motor fuel we produce. For the nine months ended September 30, 2024, we incurred expenses of \$23 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. Our jointly owned refineries also incurred expenses associated with the purchase of RINs in the open market, of which our share was \$280 million and \$180 million for the nine months ended September 30, 2025 and 2024, respectively. These expenses are 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 June 30, 2025, 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 third quarter of 2025, thus, leaving 17 unresolved sites with potential liability at September 30, 2025.

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 2024 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 flow. 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 September 30, 2025, \$16.4 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 nine months ended September 30, 2025, and the summarized financial position at September 30, 2025, and December 31, 2024, for the Obligor Group on a combined basis were:

Summarized Combined Statement of Loss

	Millions of Dollars	
	Nine Months Ended September 30, 2025	
Sales and other operating revenues	\$	71,822
Revenues and other income—non-guarantor subsidiaries		7,936
Purchased crude oil and products—third parties		42,018
Purchased crude oil and products—related parties		12,340
Purchased crude oil and products—non-guarantor subsidiaries		19,605
Loss before income taxes		(2,453)
Net loss		(1,926)

Summarized Combined Balance Sheet

	Millions of Dollars	
	September 30 2025	December 31 2024
Accounts and notes receivable—third parties	\$ 768	1,229
Accounts and notes receivable—related parties	1,309	1,422
Due from non-guarantor subsidiaries, current	2,173	3,102
Total current assets*	11,375	10,228
Investments and long-term receivables	9,770	10,640
Net properties, plants and equipment	11,144	12,186
Goodwill	906	1,047
Due from non-guarantor subsidiaries, noncurrent	326	1,171
Other assets associated with non-guarantor subsidiaries	1,057	1,306
Total noncurrent assets	25,648	28,380
Total assets	37,023	38,608
Due to non-guarantor subsidiaries, current	\$ 5,583	5,398
Total current liabilities	15,618	14,236
Long-term debt	15,911	14,969
Due to non-guarantor subsidiaries, noncurrent	8,560	8,319
Total noncurrent liabilities	31,382	29,640
Total liabilities	47,000	43,876
Total equity	(9,977)	(5,268)
Total liabilities and equity	37,023	38,608

* Includes goodwill and intangibles held in Assets held for sale related to the Germany and Austria Marketing pending divestiture, see Note 23—Assets Held for Sale, in the Notes to Consolidated Financial Statements for additional information.

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 September 30, 2025					
Income (loss) before income taxes	\$ 250	119	(580)	(307)	(518)
<i>Plus:</i>					
Taxes other than income taxes	17	26	26	21	90
Depreciation, amortization and impairments	56	66	992	281	1,395
Selling, general and administrative expenses	7	7	18	8	40
Operating expenses	249	256	162	242	909
Equity in (earnings) losses of affiliates	2	—	(33)	—	(31)
Other segment (income) expense, net	(1)	—	1	7	7
Proportional share of refining gross margins contributed by equity affiliates	24	—	238	—	262
Realized refining margins	\$ 604	474	824	252	2,154
Total processed inputs (<i>thousands of barrels</i>)	50,624	54,239	28,113	20,403	153,379
Adjusted total processed inputs (<i>thousands of barrels</i>)*	50,624	54,239	52,127	20,403	177,393
Income (loss) before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 4.94	2.19	(20.61)	(15.06)	(3.38)
Realized refining margins (<i>dollars per barrel</i> ***)	11.94	8.74	15.82	12.31	12.15
Three Months Ended September 30, 2024					
Income (loss) before income taxes	\$ (61)	(102)	308	(253)	(108)
<i>Plus:</i>					
Taxes other than income taxes	24	26	27	23	100
Depreciation, amortization and impairments	53	69	41	67	230
Selling, general and administrative expenses	14	8	27	11	60
Operating expenses	253	304	124	241	922
Equity in (earnings) losses of affiliates	2	(1)	11	—	12
Other segment (income) expense, net	(25)	6	8	7	(4)
Proportional share of refining gross margins contributed by equity affiliates	21	—	172	—	193
Realized refining margins	\$ 281	310	718	96	1,405
Total processed inputs (<i>thousands of barrels</i>)	47,819	48,609	27,025	21,987	145,440
Adjusted total processed inputs (<i>thousands of barrels</i>)*	47,819	48,609	50,536	21,987	168,951
Income (loss) before income taxes per barrel (<i>dollars per barrel</i>)**	\$ (1.27)	(2.10)	11.38	(11.51)	(0.74)
Realized refining margins (<i>dollars per barrel</i> ***)	5.87	6.39	14.19	4.34	8.31
* 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.					

Realized Refining Margins	Millions of Dollars, Except as Indicated				
	Atlantic Basin/ Europe	Gulf Coast	Central Corridor	West Coast	Worldwide
Nine Months Ended September 30, 2025					
Income (loss) before income taxes	\$ 100	(113)	(238)	(845)	(1,096)
Plus:					
Taxes other than income taxes	59	85	77	73	294
Depreciation, amortization and impairments	165	205	1,077	851	2,298
Selling, general and administrative expenses	21	21	54	22	118
Operating expenses	903	894	456	578	2,831
Equity in losses of affiliates	6	—	70	—	76
Other segment (income) expense, net	(40)	1	(39)	33	(45)
Proportional share of refining gross margins contributed by equity affiliates	67	—	570	—	637
Realized refining margins	\$ 1,281	1,093	2,027	712	5,113
Total processed inputs (<i>thousands of barrels</i>)	138,610	143,556	83,992	63,679	429,837
Adjusted total processed inputs (<i>thousands of barrels</i>)*	138,610	143,556	151,879	63,679	497,724
Income (loss) before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 0.72	(0.79)	(2.82)	(13.28)	(2.55)
Realized refining margins (<i>dollars per barrel</i>)***	9.24	7.61	13.35	11.17	10.27
Nine Months Ended September 30, 2024					
Income (loss) before income taxes	\$ 32	60	764	(446)	410
Plus:					
Taxes other than income taxes	63	83	77	72	295
Depreciation, amortization and impairments	156	195	129	267	747
Selling, general and administrative expenses	29	23	76	21	149
Operating expenses	768	874	409	708	2,759
Equity in (earnings) losses of affiliates	5	(2)	(132)	—	(129)
Other segment (income) expense, net	6	8	(54)	5	(35)
Proportional share of refining gross margins contributed by equity affiliates	86	—	698	—	784
Special items:					
Legal settlement	—	(7)	—	—	(7)
Realized refining margins	\$ 1,145	1,234	1,967	627	4,973
Total processed inputs (<i>thousands of barrels</i>)	145,275	147,305	80,677	67,179	440,436
Adjusted total processed inputs (<i>thousands of barrels</i>)*	145,275	147,305	149,253	67,179	509,012
Income (loss) before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 0.22	0.41	9.47	(6.64)	0.93
Realized refining margins (<i>dollars per barrel</i>)***	7.88	8.38	13.18	9.33	9.77
* 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.					

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 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 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 September 30, 2025		Three Months Ended September 30, 2024	
	U.S.	International	U.S.	International
Realized Marketing Fuel Margins				
Income (loss) before income taxes	\$ 34	155	(262)	143
<i>Plus:</i>				
Depreciation and amortization	11	5	9	20
Selling, general and administrative expenses	460	63	823	64
Equity in earnings of affiliates	(13)	(1)	(10)	(30)
Other operating revenues*	(129)	(9)	(127)	(11)
Other expense, net	13	—	14	2
Special items:				
Net gain on asset disposition	—	(15)	—	—
Marketing margins	376	198	447	188
Less: margin for nonfuel related sales	—	15	—	14
Realized marketing fuel margins	\$ 376	183	447	174
Total fuel sales volumes (thousands of barrels)	184,435	34,035	182,823	28,207
Income (loss) before income taxes per barrel (dollars per barrel)	\$ 0.18	4.55	(1.43)	5.07
Realized marketing fuel margins (dollars per barrel)**	2.04	5.37	2.45	6.19

* 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			
	Nine Months Ended September 30, 2025		Nine Months Ended September 30, 2024	
	U.S.	International	U.S.	International
Realized Marketing Fuel Margins				
Income before income taxes	\$ 574	1,328	203	369
<i>Plus:</i>				
Depreciation and amortization	36	20	28	56
Selling, general and administrative expenses	865	200	1,226	191
Equity in earnings of affiliates	(31)	(10)	(24)	(83)
Other operating revenues*	(355)	(29)	(358)	(26)
Other expense, net	34	3	39	15
Special items:				
Net gain on asset dispositions	—	(943)	—	—
Legal settlement	—	—	(59)	—
Marketing margins	1,123	569	1,055	522
Less: margin for nonfuel related sales	—	47	—	43
Realized marketing fuel margins	\$ 1,123	522	1,055	479
Total fuel sales volumes (<i>thousands of barrels</i>)	533,525	90,606	550,490	84,690
Income before income taxes per barrel (<i>dollars per barrel</i>)	\$ 1.08	14.66	0.37	4.36
Realized marketing fuel margins (<i>dollars per barrel</i>)**	2.10	5.76	1.92	5.66

* 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.
- 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.
- Domestic and international economic and political developments including armed hostilities, such as the war in Eastern Europe, instability in the financial services and banking sector, excess inflation, expropriation of assets and changes in fiscal policy, including interest rates.

- 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 2024 Annual Report on Form 10-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our commodity price risk and interest rate risk at September 30, 2025, did not differ materially from the risks disclosed under Item 7A of our 2024 Annual Report on Form 10-K.

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 September 30, 2025, 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 September 30, 2025.

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 September 30, 2025, 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. During the third quarter of 2025, there were no new matters and one material development with respect to matters previously reported. 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.

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 June 30, 2025)

As described further in the “Legal Proceedings” section of Note 13—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. 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, Propel Fuels asked the Propel Court to award \$1.2 billion in exemplary damages, and Phillips 66 Company filed a brief in opposition to that request. A hearing on exemplary damages was held on March 4, 2025. 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%. Post-judgment interest of 10% is accruing from the date of the final judgment. On August 25, 2025, Phillips 66 Company filed three post-trial motions requesting that the Propel Court render judgment in favor of Phillips 66 Company, grant a new trial, and/or reduce the damages award. On October 20, 2025, the Propel Court denied Phillips 66 Company’s motions. On October 24, 2025, Propel Fuels filed additional motions with the Propel Court seeking attorney’s fees and costs. Phillips 66 will file its opposition and once the record on this issue is complete, the Propel Court will rule on these motions. 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 and intends to pursue post-judgment remedies and file an appeal, 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 7—Investments, Loans and Long-Term Receivables and Note 13—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 2024 Annual Report on Form 10-K.

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

Issuer Purchases of Equity Securities

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	
July 1-31, 2025	721,508	\$ 128.27	721,508	\$ 2,760	
August 1-31, 2025	713,291	125.20	713,291	2,671	
September 1-30, 2025	638,643	134.30	638,643	2,585	
Total	2,073,442	\$ 129.07	2,073,442		

* 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 \$25 billion of repurchases of our outstanding common stock. Our share repurchase authorizations do not expire. Any future share repurchases will be made at the discretion of management and will depend on various factors including our share price, results of operations, financial condition and cash required for future business plans. Shares of stock repurchased are held as treasury shares.

Item 5. OTHER INFORMATION

Insider Trading Arrangements

During the quarter ended September 30, 2025, 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
4.1	Subordinated Indenture, dated as of September 18, 2025, among Phillips 66 Company, as issuer, Phillips 66, as guarantor, and U.S. Bank Trust Company, National Association, as trustee, in respect of subordinated debt securities of Phillips 66 Company.	8-K	4.1	9/18/2025	001-35349
4.2	Form of the terms of the 5.875% Series A Junior Subordinated Notes due 2056, including the form of the 5.875% Series A Junior Subordinated Notes due 2056.	8-K	4.2	9/18/2025	001-35349
4.3	Form of the terms of the 6.200% Series B Junior Subordinated Notes due 2056, including the form of the 6.200% Series B Junior Subordinated Notes due 2056.	8-K	4.3	9/18/2025	001-35349
10.1	Third Amendment to Receivables Purchase and Financing Agreement, dated as of September 29, 2025, among Phillips 66 Receivables LLC, the persons from time to time party thereto as Purchaser/Lenders, PNC Bank, National Association, as Administrative Agent, Phillips 66 Company, as servicer, and PNC Capital Markets LLC, as structuring agent.	8-K	10.1	9/30/2025	001-35349
10.2*	First Amendment to the Phillips 66 Key Employee Supplemental Retirement Plan**				
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.

** Management contracts and compensatory plans or arrangements.

*** 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
Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

Date: October 29, 2025

**First Amendment
to the
Phillips 66 Key Employee Supplemental Retirement Plan
Effective September 1, 2025**

The Phillips 66 Key Employee Supplemental Retirement Plan as amended and restated effective January 1, 2024 (Plan) is amended effective September 1, 2025 as provided below:

1. Section II (b) is amended and restated to provide as follows:

- “(b) If the Employee had not, prior to his death, named any beneficiary in a manner acceptable to the Plan Administrator, the present value shall be paid to the Employee's surviving spouse, surviving children in equal shares, surviving parents in equal shares, surviving sisters and brothers in equal shares, or his estate, in that order of priority, who shall be conclusively deemed to be the beneficiary designated to receive such benefits, and payment to such beneficiary shall constitute a full release and discharge to the Company, Trustee, Committees, and any fiduciary.”.

LIST OF GUARANTOR SUBSIDIARIES

As of September 30, 2025, 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

- 1.300% Senior Notes due February 2026
 - 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 September 30, 2025, 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 September 30, 2025, 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: October 29, 2025

/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: October 29, 2025

/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 September 30, 2025, 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: October 29, 2025

/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