

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

March 31, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

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 407,581,886 shares of common stock, \$0.01 par value, outstanding as of March 31, 2025.

PHILLIPS 66

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Consolidated Statement of Income

Phillips 66

	Millions of Dollars	
	Three Months Ended March 31	
	2025	2024
Revenues and Other Income		
Sales and other operating revenues	\$ 30,430	35,811
Equity in earnings of affiliates	153	528
Net gain on dispositions	1,087	—
Other income	56	97
Total Revenues and Other Income	31,726	36,436
Costs and Expenses		
Purchased crude oil and products	27,660	32,386
Operating expenses	1,622	1,452
Selling, general and administrative expenses	519	557
Depreciation and amortization	791	504
Impairments	26	165
Taxes other than income taxes	233	165
Accretion on discounted liabilities	12	9
Interest and debt expense	221	227
Foreign currency transaction (gains) losses	(6)	7
Total Costs and Expenses	31,078	35,472
Income before income taxes	648	964
Income tax expense	122	203
Net Income	526	761
Less: net income attributable to noncontrolling interests	39	13
Net Income Attributable to Phillips 66	\$ 487	748
Net Income Attributable to Phillips 66 Per Share of Common Stock (dollars)		
Basic	\$ 1.19	1.74
Diluted	1.18	1.73
Weighted-Average Common Shares Outstanding (thousands)		
Basic	409,182	428,959
Diluted	410,505	431,906

See Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income**Phillips 66**

	Millions of Dollars	
	Three Months Ended March 31	
	2025	2024
Net Income	\$ 526	761
Other comprehensive income (loss)		
Defined benefit plans		
Amortization of net actuarial loss and settlements	5	2
Plans sponsored by equity affiliates	2	1
Income taxes on defined benefit plans	(1)	(1)
Defined benefit plans, net of income taxes	6	2
Foreign currency translation adjustments	90	(34)
Income taxes on foreign currency translation adjustments	(2)	2
Foreign currency translation adjustments, net of income taxes	88	(32)
Other Comprehensive Income (Loss), Net of Income Taxes	94	(30)
Comprehensive Income	620	731
Less: comprehensive income attributable to noncontrolling interests	39	13
Comprehensive Income Attributable to Phillips 66	\$ 581	718

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheet**Phillips 66**

	Millions of Dollars	
	March 31 2025	December 31 2024
Assets		
Cash and cash equivalents	\$ 1,489	1,738
Accounts and notes receivable (net of allowances of \$70 million in 2025 and 2024)	8,616	9,544
Accounts and notes receivable—related parties	1,605	1,489
Inventories	5,240	3,995
Prepaid expenses and other current assets	1,329	1,144
Total Current Assets	18,279	17,910
Investments and long-term receivables	13,359	14,378
Net properties, plants and equipment	34,966	35,264
Goodwill	1,575	1,575
Intangibles	1,167	1,161
Other assets	2,492	2,294
Total Assets	\$ 71,838	72,582
Liabilities		
Accounts payable	\$ 10,034	9,792
Accounts payable—related parties	691	512
Short-term debt	1,061	1,831
Accrued income and other taxes	1,247	1,060
Employee benefit obligations	372	732
Other accruals	1,478	1,160
Total Current Liabilities	14,883	15,087
Long-term debt	17,742	18,231
Asset retirement obligations and accrued environmental costs	1,151	1,129
Deferred income taxes	6,972	7,101
Employee benefit obligations	690	703
Other liabilities and deferred credits	2,047	1,868
Total Liabilities	43,485	44,119
Equity		
Common stock (2,500,000,000 shares authorized at \$0.01 par value) Issued (2025—658,173,402 shares; 2024—656,987,861 shares)		
Par value	7	7
Capital in excess of par	19,789	19,788
Treasury stock (at cost: 2025—250,591,516 shares; 2024—248,594,923 shares)	(22,995)	(22,751)
Retained earnings	30,785	30,771
Accumulated other comprehensive loss	(313)	(407)
Total Stockholders' Equity	27,273	27,408
Noncontrolling interests	1,080	1,055
Total Equity	28,353	28,463
Total Liabilities and Equity	\$ 71,838	72,582

See Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows
Phillips 66

	Millions of Dollars	
	Three Months Ended March 31	
	2025	2024
Cash Flows From Operating Activities		
Net income	\$ 526	761
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	791	504
Impairments	26	165
Accretion on discounted liabilities	12	9
Deferred income taxes	(133)	(55)
Undistributed equity earnings	120	(180)
Loss on early redemption of debt	—	2
Net gain on dispositions	(1,087)	—
Unrealized investment (gain) loss	10	(6)
Other	(6)	11
Working capital adjustments		
Accounts and notes receivable	901	199
Inventories	(1,214)	(2,555)
Prepaid expenses and other current assets	(254)	(179)
Accounts payable	384	1,678
Taxes and other accruals	111	(590)
Net Cash Provided by (Used in) Operating Activities	187	(236)
Cash Flows From Investing Activities		
Capital expenditures and investments	(423)	(628)
Return of investments in equity affiliates	25	41
Proceeds from asset dispositions	2,034	2
Advances/loans—related parties	(20)	—
Other	(25)	(80)
Net Cash Provided by (Used in) Investing Activities	1,591	(665)
Cash Flows From Financing Activities		
Issuance of debt	—	3,815
Repayment of debt	(1,287)	(3,013)
Issuance of common stock	23	50
Repurchase of common stock	(247)	(1,164)
Dividends paid on common stock	(469)	(448)
Distributions to noncontrolling interests	(14)	(13)
Other	(55)	(73)
Net Cash Used in Financing Activities	(2,049)	(846)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	22	(6)
Net Change in Cash and Cash Equivalents	(249)	(1,753)
Cash and cash equivalents at beginning of period	1,738	3,323
Cash and Cash Equivalents at End of Period	\$ 1,489	1,570

See Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
Phillips 66

	Millions of Dollars							Total
	Three Months Ended March 31							
	Attributable to Phillips 66							
	Common Stock			Retained Earnings	Accum. Other Comprehensive Loss	Noncontrolling Interests		
Par Value	Capital in Excess of Par	Treasury Stock						
December 31, 2024	\$ 7	19,788	(22,751)	30,771	(407)	1,055	28,463	
Net income	—	—	—	487	—	39	526	
Other comprehensive income	—	—	—	—	94	—	94	
Dividends paid on common stock (\$1.15 per share)	—	—	—	(469)	—	—	(469)	
Repurchase of common stock	—	—	(244)	—	—	—	(244)	
Distributions to noncontrolling interests	—	—	—	—	—	(14)	(14)	
Benefit plan activity	—	1	—	(4)	—	—	(3)	
March 31, 2025	\$ 7	19,789	(22,995)	30,785	(313)	1,080	28,353	
December 31, 2023	\$ 7	19,650	(19,342)	30,550	(282)	1,067	31,650	
Net income	—	—	—	748	—	13	761	
Other comprehensive loss	—	—	—	—	(30)	—	(30)	
Dividends paid on common stock (\$1.05 per share)	—	—	—	(448)	—	—	(448)	
Repurchase of common stock	—	—	(1,147)	—	—	—	(1,147)	
Distributions to noncontrolling interests	—	—	—	—	—	(13)	(13)	
Benefit plan activity	—	24	—	(4)	—	—	20	
March 31, 2024	\$ 7	19,674	(20,489)	30,846	(312)	1,067	30,793	

	Shares	
	Three Months Ended March 31	
	Common Stock Issued	Treasury Stock
December 31, 2024	656,987,861	248,594,923
Repurchase of common stock	—	1,996,593
Shares issued—share-based compensation	1,185,541	—
March 31, 2025	658,173,402	250,591,516
December 31, 2023	654,842,101	224,377,439
Repurchase of common stock	—	7,955,117
Shares issued—share-based compensation	1,442,590	—
March 31, 2024	656,284,691	232,332,556

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 months ended March 31, 2025, are not necessarily indicative of the results expected for the full year.

Certain prior period financial information has been recast for comparability. See Note 19—Segment Disclosures and Related Information, for further information regarding recast prior period financial information.

Note 2—Restructuring

Los Angeles Refinery

In October 2024, we announced our intention to cease operations at our Los Angeles Refinery in the fourth quarter of 2025, and we are evaluating potential future uses of the property. As a result of this decision, 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 the use of the assets in the fourth quarter of 2025. As of March 31, 2025, the \$1,019 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 months ended March 31, 2025 was \$270 million, including \$246 million of accelerated depreciation. This accelerated depreciation is included within the “Depreciation and amortization” line item on our consolidated statement of income for the three months ended March 31, 2025.
- Our asset retirement obligations (AROs) at the Los Angeles Refinery were \$276 million as of March 31, 2025, primarily reflecting asbestos abatement and decommissioning of assets. The estimation of asset retirement obligations requires significant 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 months ended March 31, 2025, is reflected in the accelerated depreciation discussed above.

Note 3—Business Combinations

Midstream Acquisitions

On July 1, 2024, we acquired Pinnacle Midland Parent LLC to expand our natural gas gathering and processing operations in the Permian Basin for cash consideration of \$565 million. For this acquisition, we provisionally 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. The fair values of the assets acquired and liabilities assumed are preliminary and subject to change until we finalize the accounting for this acquisition.

Subsequent Midstream Acquisition

On April 1, 2025, we acquired all issued and outstanding equity interests in each of EPIC Y-Grade GP, LLC and EPIC Y-Grade, LP, together with their respective subsidiaries, which own various long haul natural gas liquids pipelines, fractionation facilities and distribution systems, for cash consideration of \$2.2 billion, net of cash acquired.

The transaction will be accounted for as a business combination under FASB ASC 805 using the acquisition method, which requires assets acquired and liabilities assumed to be measured at their acquisition date fair values. We are currently in the process of finalizing the initial accounting for the transaction and provisional fair value measurements will be made in the second 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.

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). For this acquisition, we provisionally 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. The fair values of the assets acquired and liabilities assumed are preliminary and subject to change until we finalize our accounting for this acquisition.

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 March 31	
	2025	2024
Product Line and Services		
Refined petroleum products and renewable fuels	\$ 22,249	25,739
Crude oil resales	3,102	5,578
Natural gas liquids (NGL) and natural gas	4,506	3,334
Services and other*	573	1,160
Consolidated sales and other operating revenues	\$ 30,430	35,811
Geographic Location**		
United States	\$ 24,159	28,377
United Kingdom	2,962	3,890
Germany	1,218	1,303
Other countries	2,091	2,241
Consolidated sales and other operating revenues	\$ 30,430	35,811

* 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 March 31, 2025, and December 31, 2024, receivables from contracts with customers were \$7,992 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 March 31, 2025, and December 31, 2024, our asset balances related to such payments were \$659 million and \$643 million, respectively.

Our contract liabilities primarily represent advances from our customers prior to product or service delivery. At March 31, 2025, and December 31, 2024, contract liabilities were \$203 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 March 31, 2025, the remaining performance obligations related to these minimum volume commitment contracts amounted to \$579 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 2035 with a weighted average remaining life of three years as of March 31, 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 March 31, 2025, and December 31, 2024, we reported \$10,221 million and \$11,033 million of accounts and notes receivable, net of allowances of \$70 million for both periods. Based on an aging analysis at March 31, 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	
	March 31 2025	December 31 2024
Crude oil and products	\$ 4,791	3,547
Materials and supplies	449	448
	\$ 5,240	3,995

Inventories valued on the last-in, first-out (LIFO) basis totaled \$4,694 million and \$3,443 million at March 31, 2025, and December 31, 2024, respectively. The estimated excess of current replacement cost over LIFO cost of inventories amounted to approximately \$5.4 billion and \$4.9 billion at March 31, 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 months ended March 31, 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 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 Intervenors and opposed by the Tribe. The parties are awaiting the district court's decision. 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.

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 March 31, 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 March 31, 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 March 31, 2025.

At March 31, 2025, the aggregate book value of our investments in Dakota Access and ETCO was \$875 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 March 31, 2025, our maximum exposure to loss was \$248 million, which represented the book value of our investment in OnCue of \$190 million and guaranteed debt obligations of \$58 million.

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 in the “Net gain on dispositions” line item on our consolidated statement of income for the three months ended March 31, 2025, which is reported in our M&S segment. The final dividend of \$92 million is included within the “Cash Flows from Operating Activities” section of 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 in the “Net gain on dispositions” line item on our consolidated statement of income for the three months ended March 31, 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					
	March 31, 2025			December 31, 2024		
	Gross PP&E	Accum. D&A	Net PP&E	Gross PP&E	Accum. D&A	Net PP&E
Midstream	\$ 26,342	5,003	21,339	26,187	4,820	21,367
Chemicals	—	—	—	—	—	—
Refining	22,527	12,437	10,090	22,274	11,991	10,283
Marketing and Specialties	2,138	1,307	831	2,091	1,267	824
Renewable Fuels	3,725	1,692	2,033	3,716	1,669	2,047
Corporate and Other	1,676	1,003	673	1,688	945	743
	\$ 56,408	21,442	34,966	55,956	20,692	35,264

See Note 2—Restructuring, for information regarding our intention to cease operations at our Los Angeles Refinery. See Note 9—Impairments, for information regarding PP&E impairments.

Note 9—Impairments

	Millions of Dollars	
	Three Months Ended March 31	
	2025	2024
Midstream	\$ —	59
Refining	1	105
Corporate and Other	25	1
Total impairments	\$ 26	165

In the first quarter of 2024, we recorded before-tax impairments totaling \$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 March 31			
	2025		2024	
	Basic	Diluted	Basic	Diluted
<i>Amounts Attributed to Phillips 66 Common Stockholders (millions):</i>				
Net Income Attributable to Phillips 66	487	487	748	748
Income allocated to participating securities	(2)	(2)	(2)	(1)
Net income available to common stockholders	\$ 485	485	746	747
<i>Weighted-average common shares outstanding (thousands):</i>				
Weighted-average common shares outstanding	407,926	409,182	427,165	428,959
Effect of share-based compensation	1,256	1,323	1,794	2,947
Weighted-average common shares outstanding—EPS	409,182	410,505	428,959	431,906
Earnings Per Share of Common Stock (<i>dollars</i>)	\$ 1.19	1.18	1.74	1.73

Note 11—Debt

Senior Notes and Term Loan Issuances and Repayments

Issuances

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 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 redeemed \$300 million of its 5.375% Senior Notes due July 2025. After the redemption, an aggregate principal amount of \$525 million remained outstanding.

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.

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. Under the Receivables Securitization Facility, P66 Receivables may borrow and incur indebtedness from, and/or sell certain receivables in an amount not to exceed \$500 million in the aggregate, and will secure its obligations with a pledge of undivided interests in such receivables, together with related security and interests in the proceeds thereof, to PNC Bank, National Association, as Administrative Agent, for the benefit of the secured parties thereunder.

Sales of accounts receivables 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 receivables sold to the purchasers. For the three months ended March 31, 2025, we sold \$130 million of accounts receivables for cash proceeds under the Receivables Securitization Facility. We recognized an immaterial charge associated with the transfer of financial assets, which is included as a component within the line item “Selling, general and administrative expense” on our consolidated statement of income during the three months ended March 31, 2025.

At March 31, 2025, we had utilized \$130 million of our \$500 million Receivable Securitization Facility from sold accounts receivables not yet remitted to the purchaser. Additionally, we had no outstanding borrowings at March 31, 2025. Therefore, at March 31, 2025, we had unused capacity of \$370 million. At December 31, 2024, we had utilized the full \$500 million of our Receivables Securitization Facility from \$125 million of sold accounts receivables not yet remitted to the purchaser and \$375 million of outstanding borrowings.

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.

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 March 31, 2025, no amount had been drawn under the 2025 Uncommitted Facility.

On June 25, 2024, we entered into a \$400 million uncommitted credit facility (the Uncommitted Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor. The Uncommitted Facility contains covenants and events of default customary for unsecured uncommitted facilities. The Uncommitted Facility has no commitment fees or compensating balance requirements. Outstanding borrowings under the 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 March 31, 2025, no amount had been drawn under the 2024 Uncommitted Facility, while at December 31, 2024, the entire \$400 million had been drawn.

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 March 31, 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 March 31, 2025, no borrowings were 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 March 31, 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 for our headquarters facility in Houston, Texas, we have the option, at the end of the lease term in September 2025, to request to renew the lease, purchase the facility or assist the lessor in marketing it for resale. We have a residual value guarantee associated with the operating lease agreement with a maximum potential future exposure of \$514 million at March 31, 2025. We also have residual value guarantees associated with railcar, airplane and truck leases with maximum potential future exposures totaling \$176 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 March 31, 2025, we also had other guarantees outstanding primarily for our portion of certain joint venture debt, which have remaining terms of up to five years. The maximum potential future exposures under these guarantees were approximately \$293 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 March 31, 2025, and December 31, 2024, the carrying amount of recorded indemnifications was \$122 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 March 31, 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 in 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 March 31, 2025, \$127 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 March 31, 2025, our total environmental accruals were \$435 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. In 2025, the Propel Court is expected to rule on motions filed by Propel Fuels seeking exemplary damages and attorneys' fees. Propel Fuels asked the Propel Court to grant treble damages and Phillips 66 Company filed a brief in opposition to that request. A hearing on the exemplary damages was held on March 4, 2025. Also in 2025, the Propel Court is expected to rule on motions to be filed by Phillips 66 Company for a judgment in its favor as a matter of law, or in the alternative to reduce the jury's verdict or to grant a new trial. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position. As a result of the jury verdict in October 2024, the Company recorded an accrual of \$604.9 million during the third quarter of 2024, which was reported in the M&S segment. The accrued amount is reflected as "Other liabilities and deferred credits" on our consolidated balance sheet as of March 31, 2025, and December 31, 2024. However, it is reasonably possible that the estimate of the loss could change based on the progression of the case, including the appeals process. Because of the uncertainties associated with ongoing litigation, we are unable to estimate the range of reasonably possible loss that may be attributable to exemplary damages, if any, in excess of the amount accrued. 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. To the extent Phillips 66 Company is required to pay exemplary damages, it may have a material adverse effect on our financial position and results of operations.

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 March 31, 2025, we had performance obligations secured by letters of credit and bank guarantees of \$778 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 in the “Other income” line item on our consolidated statement of income. Realized and unrealized gains on the foreign currency derivative entered into in connection with the sale of our 49% ownership interest in Coop are reported in 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 in the operating 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.

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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							
	March 31, 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	\$ 683	(584)	—	99	1,021	(922)	—	99
Liabilities								
Other accruals	2,469	(2,643)	101	(73)	1,136	(1,226)	46	(44)
Other liabilities and deferred credits	78	(93)	20	5	60	(71)	16	5
Total	\$ 3,230	(3,320)	121	31	2,217	(2,219)	62	60

At March 31, 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 March 31	
	2025	2024
Sales and other operating revenues	\$ (65)	(202)
Other income	14	38
Purchased crude oil and products	(176)	(256)
Net loss from commodity derivative activity	\$ (227)	(420)

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 March 31, 2025, and December 31, 2024.

	Open Position Long / (Short)	
	March 31 2025	December 31 2024
Commodity		
Crude oil, refined petroleum products, NGL and renewable feedstocks (<i>millions of barrels</i>)	(38)	(22)
Natural gas (<i>billions of cubic feet</i>)	(8)	(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 March 31, 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 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 and classify the resulting fair values as Level 2.

- *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							
	March 31, 2025							
	Fair Value Hierarchy			Total Fair Value of Gross Assets & Liabilities	Effect of Counterparty Netting	Effect of Collateral Netting	Difference in Carrying Value and Fair Value	Net Carrying Value Presented on the Balance Sheet
Level 1	Level 2	Level 3						
Commodity Derivative Assets								
Exchange-cleared instruments	\$ 3,141	—	—	3,141	(3,126)	—	—	15
Physical forward contracts	—	85	4	89	(5)	—	—	84
Rabbi trust assets	143	—	—	143	N/A	N/A	—	143
Investment in NOVONIX	26	—	—	26	N/A	N/A	—	26
	\$ 3,310	85	4	3,399	(3,131)	—	—	268
Commodity Derivative Liabilities								
Exchange-cleared instruments	\$ 3,247	—	—	3,247	(3,126)	(121)	—	—
Physical forward contracts	—	72	1	73	(5)	—	—	68
Floating-rate debt	—	550	—	550	N/A	N/A	—	550
Fixed-rate debt, excluding finance leases and software obligations	—	16,990	—	16,990	N/A	N/A	890	17,880
	\$ 3,247	17,612	1	20,860	(3,131)	(121)	890	18,498

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 in the “Investments and long-term receivables” line item, and floating-rate and fixed-rate debt are recorded in the “Short-term debt” and “Long-term debt” line items on our consolidated balance sheet. The foreign currency derivative was recorded in the “Prepaid expenses and other current assets” line item on our consolidated balance sheet 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

PP&E

In the first quarter of 2024, we remeasured the carrying value of the net PP&E of certain crude oil processing and logistics assets in California to fair value. 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 months ended March 31, 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 March 31						
Service cost	\$ 31	3	29	3	—	1
Interest cost	32	8	28	8	2	2
Expected return on plan assets	(38)	(11)	(38)	(11)	—	—
Amortization of net actuarial loss (gain)	4	—	3	—	(1)	(1)
Settlements	2	—	1	—	—	—
Net periodic benefit cost*	\$ 31	—	23	—	1	2

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

During the three months ended March 31, 2025, we contributed \$49 million to our U.S. pension and other postretirement benefit plans and \$1 million to our international pension plans. We currently expect to make additional contributions of approximately \$26 million to our U.S. pension and other postretirement benefit plans and approximately \$4 million to our international pension plans during the remainder of 2025. Cash contributions are included in 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	2	100	—	102
Amounts reclassified from accumulated other comprehensive loss				
Defined benefit plans*				
Amortization of net actuarial loss and settlements	4	—	—	4
Foreign currency translation**	—	(12)	—	(12)
Hedging	—	—	—	—
Net current period other comprehensive income	6	88	—	94
March 31, 2025	\$ (134)	(174)	(5)	(313)
December 31, 2023	\$ (120)	(157)	(5)	(282)
Other comprehensive income (loss) before reclassifications	1	(32)	—	(31)
Amounts reclassified from accumulated other comprehensive loss				
Defined benefit plans*				
Amortization of net actuarial loss and settlements	1	—	—	1
Foreign currency translation	—	—	—	—
Hedging	—	—	—	—
Net current period other comprehensive income (loss)	2	(32)	—	(30)
March 31, 2024	\$ (118)	(189)	(5)	(312)

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

** Included in 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—Related Party Transactions

Significant transactions with related parties were:

	Millions of Dollars	
	Three Months Ended March 31	
	2025	2024
Operating revenues and other income (a)	\$ 1,036	1,133
Purchases (b)	4,010	5,231
Operating expenses and selling, general and administrative expenses (c)	74	69

- (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 Refining LP (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 19—Segment Disclosures and Related Information

Effective April 1, 2024, we changed the internal financial information reviewed by our chief executive officer to evaluate performance and allocate resources to our operating segments. This resulted in changes to the composition of our operating segments, as well as measurement changes for certain activities between our operating segments. The primary effects are summarized below. Prior period information has been recast for comparability.

- Establishment of a Renewable Fuels operating segment, which includes renewable fuels activities and assets historically reported in our Refining, M&S and Midstream operating segments.
- Change in method of allocating results for certain Gulf Coast distillate export activities from our M&S operating segment to our Refining operating segment.
- Reclassification of certain crude oil and international clean products trading activities between our M&S operating segment and our Refining operating segment.
- Change in reporting of our investment in NOVONIX from our Midstream operating segment to Corporate and Other.

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 March 31, 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	\$ 4,827	—	5,702	19,163	728	10	—	30,430
Intercompany revenues	631	—	10,173	478	781	2	(12,065)	—
Total sales and other operating revenues	5,458	—	15,875	19,641	1,509	12	(12,065)	30,430
Equity in earnings of affiliates	110	113	(105)	36	(1)	—	—	153
Net gain on dispositions	69	—	—	1,018	—	—	—	1,087
Other income	10	—	3	6	19	18	—	56
Total Revenues and Other Income	5,647	113	15,773	20,701	1,527	30	(12,065)	31,726
Costs and Expenses								
Purchased crude oil and products	4,089	—	15,025	19,045	1,536	—	(12,035)	27,660
Operating expenses*	458	2	1,074	18	96	4	(30)	1,622
Selling, general and administrative expenses*	53	(2)	46	328	18	76	—	519
Depreciation and amortization	233	—	456	20	23	59	—	791
Impairments	—	—	1	—	—	25	—	26
Taxes other than income taxes	61	—	110	9	35	18	—	233
Interest and debt expense	—	—	—	—	—	221	—	221
Other segment items**	2	—	(2)	(1)	4	3	—	6
Total Costs and Expenses	4,896	—	16,710	19,419	1,712	406	(12,065)	31,078
Income (loss) before income taxes	\$ 751	113	(937)	1,282	(185)	(376)	—	648

* 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 March 31, 2024							
	Operating Segments						Consolidating Adjustments	Total Consolidated
	Midstream	Chemicals	Refining	M&S	Renewable Fuels	Corporate and Other		
Revenues and Other Income								
Third-party sales and other operating revenues	\$ 4,124	—	9,225	22,084	368	10	—	35,811
Intercompany revenues	717	—	12,684	518	775	3	(14,697)	—
Total sales and other operating revenues	4,841	—	21,909	22,602	1,143	13	(14,697)	35,811
Equity in earnings of affiliates	155	201	108	64	—	—	—	528
Net gain on dispositions	—	—	—	—	—	—	—	—
Other income	4	—	33	9	5	56	(10)	97
Total Revenues and Other Income	5,000	201	22,050	22,675	1,148	69	(14,707)	36,436
Costs and Expenses								
Purchased crude oil and products	3,600	—	20,405	21,915	1,149	—	(14,683)	32,386
Operating expenses*	434	(2)	953	16	72	3	(24)	1,452
Selling, general and administrative expenses*	76	(2)	38	319	11	115	—	557
Depreciation and amortization	229	—	208	36	6	25	—	504
Impairments	59	—	105	—	—	1	—	165
Taxes other than income taxes	44	—	121	15	(34)	19	—	165
Interest and debt expense	—	—	—	—	—	227	—	227
Other segment items**	4	—	4	8	(1)	1	—	16
Total Costs and Expenses	4,446	(4)	21,834	22,309	1,203	391	(14,707)	35,472
Income (loss) before income taxes	\$ 554	205	216	366	(55)	(322)	—	964

* 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						Total Consolidated
	Midstream	Chemicals	Refining	M&S	Renewable Fuels	Corporate and Other	
Three Months Ended March 31, 2025							
Interest Income	\$ —	—	—	—	—	34	34
Capital Expenditures and Investments	216	—	176	15	9	7	423
Three Months Ended March 31, 2024							
Interest Income	\$ —	—	—	—	—	42	42
Capital Expenditures and Investments	255	—	135	15	217	6	628

	Millions of Dollars						
	Operating Segments						Total Consolidated
	Midstream	Chemicals	Refining	M&S	Renewable Fuels	Corporate and Other	
As of March 31, 2025							
Investments In and Advances to Affiliates	\$ 2,261	7,899	2,278	557	15	2	13,012
Total Assets	27,421	7,921	19,732	10,382	3,144	3,238	71,838
As of December 31, 2024							
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 20—Income Taxes

Our effective income tax rate for the three months ended March 31, 2025, was 19%, compared to 21% for the corresponding period of 2024. The decrease in our effective rate for the three months ended March 31, 2025, was primarily attributable to the effects of state income taxes in the period.

The effective tax rate for the three months ended March 31, 2025, varied from the U.S. federal statutory income tax rate primarily due to the impact of tax benefits from share-based compensation plans and non-taxable items.

Note 21—DCP Midstream Class A Segment

DCP Midstream Class A Segment is comprised of the businesses, activities, assets and liabilities of DCP LP, its subsidiaries and its general partner entities. DCP LP is a master limited partnership whose operations currently 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	
	March 31 2025	December 31 2024
Accounts receivable	\$ 654	638
Net properties, plants and equipment	8,871	8,861
Investments and long-term receivables	811	1,622
Accounts payable	866	909
Short-term debt	529	532
Long-term debt	2,908	2,913

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 March 31, 2025, we had total assets of \$71.8 billion. Our common stock trades on the New York Stock Exchange under the symbol PSX.

Executive Overview

In the first quarter of 2025, we reported earnings of \$487 million and cash provided by operating activities of \$187 million. During the quarter, we funded capital expenditures and investments of \$423 million and received proceeds from asset dispositions of \$2 billion. Additionally, we repaid \$1.3 billion of debt, paid \$247 million to repurchase shares of our common stock and paid \$469 million of dividends to our common stockholders. We ended the first quarter of 2025 with \$1.5 billion of cash and cash equivalents and \$5.4 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 2025, our Board of Directors declared a quarterly cash dividend of \$1.20 per common share, representing a \$0.05 increase, 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.
 - In January 2025, we closed on the sale of our 49% ownership in Coop Mineraloel AG (Coop) and DCP Midstream, LP's (DCP LP) 25% ownership in Gulf Coast Express Pipeline LLC (GCX) and received total proceeds of \$2 billion. We will continue to evaluate future opportunities to rationalize our asset portfolio. We have budgeted \$2.1 billion for 2025 capital expenditures and investments, exclusive of acquisitions, which includes \$1.1 billion of growth capital, primarily in our Midstream segment. Refer to Note 7— Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information on the investment dispositions.
 - We continued expansion of our Midstream NGL wellhead-to-market platform with a recent acquisition. On April 1, 2025, we acquired all issued and outstanding equity interests in each of EPIC Y-Grade GP, LLC and EPIC Y-Grade, LP, together with their respective subsidiaries, which own various long haul natural gas liquids pipelines, fractionation facilities and distribution systems. Refer to Note 3—Business Combinations, in the Notes to Consolidated Financial Statements for additional information.
 - Our new financial targets through 2027 reflect our plans to grow our Midstream and Chemicals businesses, as well as maintain total annual capital expenditures and investments of approximately \$2 billion, excluding acquisitions.
- **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 Marketing and Specialties (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.

Basis of Presentation

Effective April 1, 2024, we changed the internal financial information reviewed by our chief executive officer to evaluate performance and allocate resources to our operating segments. This resulted in changes to the composition of our operating segments, as well as measurement changes for certain activities between our operating segments. The primary effects are summarized below. Prior period information has been recast for comparability.

- Establishment of a Renewable Fuels operating segment, which includes renewable fuels activities and assets historically reported in our Refining, M&S and Midstream operating segments.
- Change in method of allocating results for certain Gulf Coast distillate export activities from our M&S operating segment to our Refining operating segment.
- Reclassification of certain crude oil and international clean products trading activities between our M&S operating segment and our Refining operating segment.
- Change in reporting of our investment in NOVONIX Limited (NOVONIX) from our Midstream operating segment to Corporate and Other.

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 \$0.74 per gallon during the first quarter of 2025, compared with \$0.70 per gallon during the first quarter of 2024. The Henry Hub natural gas price was \$4.27 per million British thermal units (MMBtu) during the first quarter of 2025, compared with \$2.41 per MMBtu during the first quarter of 2024. The increases in NGL and natural gas prices were primarily due to colder weather and an increase in liquefied natural gas exports.

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 10.9 cents per pound in the first quarter of 2025, compared with 16.4 cents per pound in the first quarter of 2024. The decrease was mainly due to higher natural gas and ethane prices and lower polyethylene demand.

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 decreased to an average of \$15.83 per barrel during the first quarter of 2025, from an average of \$19.45 per barrel during the first quarter of 2024. The decrease in the composite market crack spread was primarily driven by market instability as geopolitical events drove demand concerns. The price of U.S. benchmark crude oil, West Texas Intermediate (WTI) at Cushing, Oklahoma, decreased to an average of \$71.46 per barrel during the first quarter of 2025, from an average of \$77.07 per barrel during the first quarter of 2024, primarily due to increased 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 months ended March 31, 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 March 31	
	2025	2024
Midstream	\$ 751	554
Chemicals	113	205
Refining	(937)	216
Marketing and Specialties	1,282	366
Renewable Fuels	(185)	(55)
Corporate and Other	(376)	(322)
Income before income taxes	648	964
Income tax expense	122	203
Net income	526	761
Less: net income attributable to noncontrolling interests	39	13
Net income attributable to Phillips 66	\$ 487	748

Our net income attributable to Phillips 66 in the first quarter of 2025 was \$487 million, compared with \$748 million in the first quarter of 2024. The decrease was primarily due to a decline in realized refining margins primarily driven by lower market crack spreads, as well as lower volumes and higher costs driven by planned turnaround activity. The decrease was also attributable to lower equity earnings from CPChem and declining domestic marketing fuel margins. These decreases were partially offset by a before-tax gain of \$1 billion associated with the sale of our investment in Coop recognized in our M&S segment.

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

Statement of Income Analysis

Sales and other operating revenues and purchased crude oil and products decreased 15% for the three months ended March 31, 2025. The decreases in both line items were due to lower prices for refined petroleum products and crude oil, partially offset by an increase in prices for NGL, as well as lower volumes primarily attributable to turnaround activity.

Equity in earnings of affiliates decreased 71% for the three months ended March 31, 2025. The decrease was primarily attributable to lower equity earnings from WRB Refining LP (WRB) resulting from lower margins, as well as lower equity earnings from CPChem. See the Chemicals segment analysis in the “Segment Results” section for additional information regarding CPChem.

Net gain on dispositions increased \$1,087 million for the three months ended March 31, 2025, primarily due to a before-tax gain of \$1 billion associated with the sale of our investment in Coop recognized in the M&S segment. Refer to Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sale of Coop.

Other income decreased 42% for the three months ended March 31, 2025, primarily due to lower results from trading activities, as well as a decrease in the fair value of our investment in NOVONIX. These decreases were partially offset by Clean Fuel Production credits recorded in the first quarter of 2025.

Operating expenses increased 12% for the three months ended March 31, 2025. The increase was primarily due to higher turnaround and utility costs.

Depreciation and amortization increased 57% for the three months ended March 31, 2025, primarily due to \$246 million of accelerated depreciation recorded in the first quarter of 2025 associated with our plan to cease operations at our Los Angeles Refinery in the fourth quarter of 2025. See Note 2—Restructuring, in the Notes to Consolidated Financial Statements for information regarding our plans to cease operations at our Los Angeles Refinery.

Impairments decreased 84% for the three months ended March 31, 2025. The decrease for the three months ended March 31, 2025, was primarily due to before-tax impairments of \$163 million recorded in our Refining and Midstream segments in the first quarter of 2024 related to certain crude oil processing and logistics assets in California. See Note 9—Impairments, in the Notes to Consolidated Financial Statements for additional information regarding impairments.

Taxes other than income taxes increased 41% for the three months ended March 31, 2025. The increase was primarily driven by the expiration of the Biodiesel Blender Tax Credit, as well as an increase in taxes related to feedstock imports at the Rodeo Complex.

Income tax expense decreased 40% for the three months ended March 31, 2025, primarily due to lower income before income taxes. See Note 20—Income Taxes, in the Notes to Consolidated Financial Statements for information regarding our effective income tax rates.

Net income attributable to noncontrolling interests increased \$26 million for the three months ended March 31, 2025, due to higher results from DCP LP primarily driven by the sale of GCX in January 2025. See Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sale of GCX.

Segment Results

Midstream

	Three Months Ended March 31	
	2025	2024
Millions of Dollars		
Income Before Income Taxes		
Transportation	\$ 243	244
NGL	508	310
Total Midstream	\$ 751	554

	Thousands of Barrels Daily	
	2025	2024
Transportation Volumes		
Pipelines*	2,893	2,979
Terminals	2,938	3,109
Operating Statistics		
Wellhead Volume (billion cubic feet per day)**	4.1	4.4
NGL production**	437	417
Pipeline Throughput–Y-Grade to Market***	704	714
NGL fractionated	748	679

* 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 major 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 \$197 million for the three months ended March 31, 2025.

Results from our Transportation business for the three months ended March 31, 2025, were in line with results for the three months ended March 31, 2024.

Results from our NGL business increased \$198 million for the three months ended March 31, 2025, primarily due to a before-tax gain of \$68 million recognized in the first quarter of 2025 on the sale of DCP LP's 25% ownership interest in GCX, contributions from recently acquired gathering and processing assets, increased liquefied petroleum gas cargo volumes and margins, as well as, improved NGL and natural gas prices and increased fractionation volumes.

See the "Executive Overview and Business Environment" section for information on market factors impacting this quarter's results.

Chemicals

	Three Months Ended March 31	
	2025	2024
	Millions of Dollars	
Income Before Income Taxes	\$ 113	205
	Millions of Pounds	
CPChem Externally Marketed Sales Volumes*	6,131	5,918
Olefins and Polyolefins Capacity Utilization (percent)	100 %	96

* Represents 100% of CPChem's outside sales of produced petrochemical products, as well as commission sales from equity affiliates.

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 \$92 million for the three months ended March 31, 2025, primarily due to decreased polyethylene margins driven by lower sales prices and higher feedstock costs, lower volumes, and increased utility costs.

See the "Executive Overview and Business Environment" section for information on market factors impacting CPChem's results.

Refining

	Three Months Ended March 31	
	2025	2024
	Millions of Dollars	
Income (Loss) Before Income Taxes		
Atlantic Basin/Europe	\$ (199)	78
Gulf Coast	(333)	120
Central Corridor	(50)	213
West Coast	(355)	(195)
Worldwide	\$ (937)	216

	Dollars Per Barrel	
Income (Loss) Before Income Taxes		
Atlantic Basin/Europe	\$ (5.15)	1.66
Gulf Coast	(8.95)	2.53
Central Corridor	(1.85)	8.31
West Coast	(16.60)	(8.26)
Worldwide	(7.53)	1.50

Realized Refining Margins*		
Atlantic Basin/Europe	\$ 7.08	9.70
Gulf Coast	4.43	10.95
Central Corridor	8.29	12.56
West Coast	7.12	10.60
Worldwide	6.81	11.01

* 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.

In October 2024, we announced our intention to cease operations at our Los Angeles Refinery in the fourth quarter of 2025, and we are evaluating potential future uses of the property. 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 March 31	
	2025	2024
Refining operations*		
Atlantic Basin/Europe		
Crude oil capacity	537	537
Crude oil processed	359	472
Capacity utilization (percent)	67 %	88
Refinery production	435	522
Gulf Coast		
Crude oil capacity	529	529
Crude oil processed	369	475
Capacity utilization (percent)	70 %	90
Refinery production	409	526
Central Corridor		
Crude oil capacity	531	531
Crude oil processed	521	509
Capacity utilization (percent)	98 %	96
Refinery production	542	527
West Coast		
Crude oil capacity	244	244
Crude oil processed	228	244
Capacity utilization (percent)	93 %	100
Refinery production	236	257
Worldwide		
Crude oil capacity	1,841	1,841
Crude oil processed	1,477	1,700
Capacity utilization (percent)	80 %	92
Refinery production	1,622	1,832

* 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 \$1,153 million for the three months ended March 31, 2025, primarily due to lower realized margins as a result of declining market crack spreads, as well as lower volumes and higher costs driven by planned turnaround activity.

Our worldwide refining crude oil capacity utilization rate was 80% and 92% for the three months ended March 31, 2025 and 2024, respectively. The decrease for the three months ended March 31, 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 March 31	
	2025	2024
	Millions of Dollars	
Income Before Income Taxes	\$ 1,282	366

	Dollars Per Barrel	
	2025	2024
Income Before Income Taxes		
U.S.	\$ 0.67	1.38
International	39.88	2.94

Realized Marketing Fuel Margins*		
U.S.	\$ 1.36	1.60
International	4.87	4.88

* 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	
	2025	2024
U.S. Average Wholesale Prices*		
Gasoline	\$ 2.50	2.61
Distillates	2.54	2.83

* On third-party branded petroleum product sales, excluding excise taxes.

	Thousands of Barrels Daily	
	2025	2024
Marketing Refined Product Sales		
Gasoline	1,194	1,215
Distillates	906	968
Other	40	46
	2,140	2,229

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 \$916 million for the three months ended March 31, 2025. The increase was primarily due to a before-tax gain of \$1 billion associated with the sale of our investment in Coop, partially offset by lower domestic marketing fuel margins. Refer to Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding the sale of Coop.

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 March 31	
	2025	2024
	Millions of Dollars	
Loss Before Income Taxes	\$ (185)	(55)

	Thousands of Barrels Daily	
Operating Statistics		
Total Renewable Fuels Produced	44	9
Total Renewable Fuel Sales	63	34

Market Indicators

Chicago Board of Trade (CBOT) soybean oil (dollars per pound)	\$ 0.44	0.47
California Low-Carbon Fuel Standard (LCFS) carbon credit (dollars per metric ton)	66.28	63.86
California Air Resource Board (CARB) ultra-low-sulfur diesel (ULSD) - San Francisco (dollars per gallon)	2.44	2.65
Biodiesel Renewable Identification Number (RIN) (dollars per RIN)	0.79	0.58

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 decreased \$130 million for the three months ended March 31, 2025. The decrease was primarily driven by higher feedstock costs at the Rodeo Complex, partially offset by increased renewable fuels sales.

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 March 31	
	2025	2024
Loss Before Income Taxes		
Net interest expense	\$ (187)	(186)
Corporate overhead and other	(174)	(141)
NOVONIX	(15)	5
Total Corporate and Other	\$ (376)	(322)

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 for the three months ended March 31, 2025, was in line with net interest expense for the three months ended March 31, 2024.

Corporate overhead and other costs increased \$33 million for the three months ended March 31, 2025, primarily due to higher depreciation expense associated with information technology assets and a charge of \$21 million associated with canceled projects, partially offset by lower employee-related expenses.

The fair value of our investment in NOVONIX declined by \$15 million in the three months ended March 31, 2025, compared with an increase of \$5 million in the three months ended March 31, 2024.

CAPITAL RESOURCES AND LIQUIDITY**Financial Indicators**

	Millions of Dollars, Except as Indicated	
	March 31 2025	December 31 2024
Cash and cash equivalents	\$ 1,489	1,738
Short-term debt	1,061	1,831
Total debt	18,803	20,062
Total equity	28,353	28,463
Percent of total debt to capital*	40%	41
Percent of floating-rate debt to total debt	3%	9

* 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 three months of 2025, we generated \$187 million of cash from operations. We funded capital expenditures and investments of \$423 million and received proceeds from asset dispositions of \$2 billion. Additionally, we repaid \$1.3 billion of debt, paid \$247 million to repurchase shares of our common stock and paid \$469 million of dividends to our common stockholders. During the first three months of 2025, cash and cash equivalents decreased to \$1.5 billion. 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 three months of 2025, cash generated by operating activities was \$187 million, compared with cash used in operations of \$236 million for the first three months of 2024. The increase was primarily due to more favorable working capital impacts, partially offset by lower earnings.

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 three months of 2025, cash from operations included aggregate distributions of \$273 million from our equity affiliates, while cash from operations during the first three months of 2024 included aggregate distributions of \$348 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 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.

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. Under the Receivables Securitization Facility, P66 Receivables may borrow and incur indebtedness from, and/or sell certain receivables in an amount not to exceed \$500 million in the aggregate, and will secure its obligations with a pledge of undivided interests in such receivables, together with related security and interests in the proceeds thereof, to PNC Bank, National Association, as Administrative Agent, for the benefit of the secured parties thereunder.

Sales of accounts receivables 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 receivables sold to the purchasers. For the three months ended March 31, 2025, we sold \$130 million of accounts receivables for cash proceeds under the Receivables Securitization Facility. We recognized an immaterial charge associated with the transfer of financial assets, which is included as a component within the line item "Selling, general and administrative expense" on our consolidated statement of income during the three months ended March 31, 2025.

At March 31, 2025, we had utilized \$130 million of our \$500 million Receivable Securitization Facility from sold accounts receivables not yet remitted to the purchaser. Additionally, we had no outstanding borrowings at March 31, 2025. Therefore, at March 31, 2025, we had unused capacity of \$370 million. At December 31, 2024, we had utilized the full \$500 million of our Receivables Securitization Facility from \$125 million of sold accounts receivables not yet remitted to the purchaser and \$375 million of outstanding borrowings.

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.

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 March 31, 2025, no amount had been drawn under the 2025 Uncommitted Facility.

On June 25, 2024, we entered into a \$400 million uncommitted credit facility (the Uncommitted Facility) with Phillips 66 Company as the borrower and Phillips 66 as the guarantor. The Uncommitted Facility contains covenants and events of default customary for unsecured uncommitted facilities. The Uncommitted Facility has no commitment fees or compensating balance requirements. Outstanding borrowings under the 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 March 31, 2025, no amount had been drawn under the 2024 Uncommitted Facility, while at December 31, 2024, the entire \$400 million had been drawn.

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 March 31, 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 March 31, 2025, no borrowings were 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 March 31, 2025, and December 31, 2024, we had approximately \$5.4 billion and \$4.6 billion, respectively, of total committed capacity available under the credit facilities described above.

Investment Dispositions

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

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

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

Off-Balance Sheet Arrangements

Lease Residual Value Guarantees

Under the operating lease agreement for our headquarters facility in Houston, Texas, we have the option, at the end of the lease term in September 2025, to request to renew the lease, purchase the facility or assist the lessor in marketing it for resale. We have a residual value guarantee associated with the operating lease agreement with a maximum potential future exposure of \$514 million at March 31, 2025. We also have residual value guarantees associated with railcar, airplane and truck leases with maximum potential future exposures totaling \$176 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 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. The parties are awaiting the district court's decision. 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.

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 March 31, 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 March 31, 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 March 31, 2025.

See Note 7—Investments, Loans and Long-Term Receivables, in the Notes to Consolidated Financial Statements for additional information regarding our investments in Dakota Access and ETCO. See Note 12—Guarantees, in the Notes to Consolidated Financial Statements for additional information regarding our guarantees.

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 March 31, 2025, and December 31, 2024, was \$18.8 billion and \$20.1 billion, respectively. Our total debt-to-capital ratio was 40% and 41% at March 31, 2025, and December 31, 2024, respectively.

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.

Subsequent Midstream Acquisition

On April 1, 2025, we acquired all issued and outstanding equity interests in each of EPIC Y-Grade GP, LLC and EPIC Y-Grade, LP, together with their respective subsidiaries, which own various long haul natural gas liquids pipelines, fractionation facilities and distribution systems, for cash consideration of \$2.2 billion, net of cash acquired. This acquisition was funded with cash and borrowings under our short-term liquidity facilities.

Dividends

On February 12, 2025, our Board of Directors declared a quarterly cash dividend of \$1.15 per common share. This dividend was paid on March 5, 2025, to holders of record at the close of business on February 24, 2025. On April 21, 2025, our Board of Directors declared a quarterly cash dividend of \$1.20 per common share. This dividend is payable on June 2, 2025, to shareholders of record as of the close of business on May 19, 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 three months ended March 31, 2025, we repurchased 2 million shares at an aggregate cost of approximately \$0.2 billion. Since July 2012, we have repurchased 240 million shares under our share repurchase program at an aggregate cost of \$21.8 billion. Shares of stock repurchased are held as treasury shares.

Employee Benefit Plan Contributions

During the three months ended March 31, 2025, we contributed \$49 million to our U.S. pension and other postretirement benefit plans and \$1 million to our international pension plans. We currently expect to make additional contributions of approximately \$26 million to our U.S. pension and other postretirement benefit plans and approximately \$4 million to our international pension plans during the remainder of 2025.

Capital Spending

	Millions of Dollars	
	Three Months Ended March 31	
	<u>2025</u>	<u>2024</u>
Capital Expenditures and Investments		
Midstream	\$ 216	255
Chemicals	—	—
Refining	176	135
Marketing and Specialties	15	15
Renewable Fuels	9	217
Corporate and Other	7	6
Total Capital Expenditures and Investments	\$ 423	628
Selected Equity Affiliates*		
CPChem	182	201
WRB	21	24
	\$ 203	225

* Our share of joint ventures' capital spending.

Midstream

During the first three months of 2025, capital spending in our Midstream segment was \$216 million and included:

- Continued development 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 three months of 2025, on a 100% basis, CPChem's capital expenditures and investments were \$363 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 three months of 2025 was \$176 million. Major capital activities included installation of facilities to improve market capture at our refineries and capital spending to improve reliability at our refineries.

Marketing and Specialties

Capital spending for the M&S segment during the first three months of 2025 was \$15 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 three months of 2025 was \$9 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 three months of 2025 was \$7 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. In 2025, the Propel Court is expected to rule on motions filed by Propel Fuels seeking exemplary damages and attorneys' fees. Propel Fuels asked the Propel Court to grant treble damages and Phillips 66 Company filed a brief in opposition to that request. A hearing on the exemplary damages was held on March 4, 2025. Also in 2025, the Propel Court is expected to rule on motions to be filed by Phillips 66 Company for a judgment in its favor as a matter of law, or in the alternative to reduce the jury's verdict or to grant a new trial. Phillips 66 Company denies any wrongdoing and intends to vigorously defend its position. As a result of the jury verdict in October 2024, the Company recorded an accrual of \$604.9 million during the third quarter of 2024, which was reported in the M&S segment. The accrued amount is reflected as "Other liabilities and deferred credits" on our consolidated balance sheet as of March 31, 2025, and December 31, 2024. However, it is reasonably possible that the estimate of the loss could change based on the progression of the case, including the appeals process. Because of the uncertainties associated with ongoing litigation, we are unable to estimate the range of reasonably possible loss that may be attributable to exemplary damages, if any, in excess of the amount accrued. 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. To the extent Phillips 66 Company is required to pay exemplary damages, it may have a material adverse effect on our financial position and results of operations.

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 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 three months ended March 31, 2025, we were able to fully satisfy our obligations under the RFS through blending renewable fuels into the motor fuel we produce. For the three months ended March 31, 2024, we incurred expenses of \$93 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 in 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 \$74 million and \$59 million for the three months ended March 31, 2025 and 2024, respectively. These expenses are included in the "Equity in earnings of affiliates" line item on our consolidated statement of income. The amount of these expenses and fluctuations between periods is primarily driven by the market price of RINs, refinery and renewable fuels production, blending activities and renewable volume obligation requirements.

We occasionally receive requests for information or notices of potential liability from the Environmental Protection Agency (EPA) and state environmental agencies alleging that we are a potentially responsible party under the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or an equivalent state statute. On occasion, we also have been made a party to cost recovery litigation by those agencies or by private parties. These requests, notices and lawsuits assert potential liability for remediation costs at various sites that typically are not owned by us, but allegedly contain wastes attributable to our past operations. At March 31, 2025, and December 31, 2024, we reported that we had been notified of potential liability under CERCLA and comparable state laws at 19 sites within the United States and Puerto Rico.

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 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 March 31, 2025, \$14.4 billion of senior unsecured notes outstanding 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 three months ended March 31, 2025, and the summarized financial position at March 31, 2025, and December 31, 2024, for the Obligor Group on a combined basis were:

Summarized Combined Statement of Loss

	Millions of Dollars	
	Three Months Ended March 31, 2025	
Sales and other operating revenues	22,482	
Revenues and other income—non-guarantor subsidiaries	2,370	
Purchased crude oil and products—third parties	13,684	
Purchased crude oil and products—related parties	3,990	
Purchased crude oil and products—non-guarantor subsidiaries	6,037	
Loss before income taxes	(1,385)	
Net loss	(1,073)	

Summarized Combined Balance Sheet

	Millions of Dollars	
	March 31 2025	December 31 2024
Accounts and notes receivable—third parties	752	1,229
Accounts and notes receivable—related parties	1,518	1,422
Due from non-guarantor subsidiaries, current	2,866	3,102
Total current assets	10,691	10,228
Investments and long-term receivables	10,601	10,640
Net properties, plants and equipment	11,846	12,186
Goodwill	1,047	1,047
Due from non-guarantor subsidiaries, noncurrent	390	1,171
Other assets associated with non-guarantor subsidiaries	1,237	1,306
Total noncurrent assets	27,161	28,380
Total assets	37,852	38,608
Due to non-guarantor subsidiaries, current	6,342	5,398
Total current liabilities	14,344	14,236
Long-term debt	14,485	14,969
Due to non-guarantor subsidiaries, noncurrent	8,042	8,319
Total noncurrent liabilities	28,866	29,640
Total liabilities	43,210	43,876
Total equity	(5,358)	(5,268)
Total liabilities and equity	37,852	38,608

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:

	Millions of Dollars, Except as Indicated				
Realized Refining Margins	Atlantic Basin/ Europe	Gulf Coast	Central Corridor	West Coast	Worldwide
Three Months Ended March 31, 2025					
Loss before income taxes	\$ (199)	(333)	(50)	(355)	(937)
<i>Plus:</i>					
Taxes other than income taxes	22	35	26	27	110
Depreciation, amortization and impairments	56	72	41	287	456
Selling, general and administrative expenses	6	9	23	8	46
Operating expenses	373	381	148	172	1,074
Equity in losses of affiliates	2	—	103	—	105
Other segment (income) expense, net	(6)	1	(12)	12	(5)
Proportional share of refining gross margins contributed by equity affiliates	21	—	120	—	141
Realized refining margins	\$ 275	165	399	151	990
Total processed inputs (<i>thousands of barrels</i>)	38,716	37,206	27,169	21,362	124,453
Adjusted total processed inputs (<i>thousands of barrels</i>)*	38,716	37,206	48,275	21,362	145,559
Loss before income taxes per barrel (<i>dollars per barrel</i>)**	\$ (5.15)	(8.95)	(1.85)	(16.60)	(7.53)
Realized refining margins (<i>dollars per barrel</i>)***	7.08	4.43	8.29	7.12	6.81
Three Months Ended March 31, 2024					
Income (loss) before income taxes	\$ 78	120	213	(195)	216
<i>Plus:</i>					
Taxes other than income taxes	24	38	28	31	121
Depreciation, amortization and impairments	52	62	44	156	314
Selling, general and administrative expenses	3	6	24	5	38
Operating expenses	251	301	143	258	953
Equity in (earnings) losses of affiliates	1	(1)	(108)	—	(108)
Other segment (income) expense, net	13	1	(40)	(4)	(30)
Proportional share of refining gross margins contributed by equity affiliates	33	—	298	—	331
<i>Special items:</i>					
Legal settlement	—	(7)	—	—	(7)
Realized refining margins	\$ 455	520	602	251	1,828
Total processed inputs (<i>thousands of barrels</i>)	46,911	47,492	25,658	23,639	143,700
Adjusted total processed inputs (<i>thousands of barrels</i>)*	46,911	47,492	47,912	23,639	165,954
Income before income taxes per barrel (<i>dollars per barrel</i>)**	\$ 1.66	2.53	8.31	(8.26)	1.50
Realized refining margins (<i>dollars per barrel</i>)***	9.70	10.95	12.56	10.60	11.01

* 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 March 31, 2025		Three Months Ended March 31, 2024	
	U.S.	International	U.S.	International
Realized Marketing Fuel Margins				
Income before income taxes	\$ 111	1,117	242	81
<i>Plus:</i>				
Depreciation and amortization	13	2	10	18
Selling, general and administrative expenses	203	65	186	64
Equity in earnings of affiliates	(7)	(8)	(2)	(24)
Other operating revenues*	(105)	(12)	(108)	(6)
Other expense, net	9	3	11	15
Special items:				
Net gain on asset disposition	—	(1,017)	—	—
Legal settlement	—	—	(59)	—
Marketing margins	224	150	280	148
Less: margin for nonfuel related sales	—	14	—	13
Realized marketing fuel margins	\$ 224	136	280	135
Total fuel sales volumes (thousands of barrels)	164,499	28,011	175,269	27,590
Income before income taxes per barrel (<i>dollars per barrel</i>)	\$ 0.67	39.88	1.38	2.94
Realized marketing fuel margins (<i>dollars per barrel</i>)**	1.36	4.87	1.60	4.88

* Includes other nonfuel revenues and expenses.

** 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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 first quarter of 2025, there were no new matters and one material development with respect to matters previously reported. Except as otherwise set forth herein, we do not currently believe that the eventual outcome of any matters previously reported, but still unresolved, individually or in the aggregate, could 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 2024 Annual Report on Form 10-K)

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. In 2025, the Propel Court is expected to rule on motions filed by Propel Fuels seeking exemplary damages and attorneys’ fees. Propel Fuels asked the Propel Court to grant treble damages and Phillips 66 Company filed a brief in opposition to that request. A hearing on the exemplary damages was held on March 4, 2025. Also in 2025, the Propel Court is expected to rule on motions to be filed by Phillips 66 Company for a judgment in its favor as a matter of law, or in the alternative to reduce the jury’s verdict or to grant a new trial. 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. To the extent Phillips 66 Company is required to pay exemplary damages, it may have a material adverse effect on our financial position and results of operations.

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
January 1-31, 2025	977,767	\$ 119.74	977,767	\$	3,378
February 1-28, 2025	503,422	126.63	503,422		3,314
March 1-31, 2025	515,404	126.28	515,404		3,249
Total	1,996,593	\$ 123.16	1,996,593		

* 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

On February 12, 2025, Vanessa A. Sutherland, Executive Vice President, Government Affairs, General Counsel and Corporate Secretary, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Act, providing for the sale of up to 21,967 shares of our common stock between May 15, 2025 and May 15, 2026.

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
10.1	Second Amendment to Receivables Purchase and Financing Agreement, dated as of April 1, 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	04/01/2025	001-35349
10.2 *	Form of Restricted Stock or Restricted Stock Unit Award Agreement under the 2022 Omnibus Stock Performance Incentive Plan of Phillips 66. **				
10.3 *	Form of Performance Share Unit Award Agreement under the 2022 Omnibus Stock and Performance Incentive Plan of Phillips 66. **				
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: April 25, 2025



PHILLIPS 66
Terms & Conditions
For
[*] Restricted Stock Program

Grant Date: [*]

Grant Price US/UK: [*]

Grant Price Global: [*]

Vesting Schedule: Third Anniversary of Grant Date (grades 18+) / 1/3rd on the First,
Second and Third Anniversary of Grant Date (grades 13-17)

This document applies to Awards made under the Restricted Stock Program (“Program”) provided under the 2022 Omnibus Stock and Performance Incentive Plan of Phillips 66 (“Plan”) or any successor to the Plan. The Program is designed to benefit the Company's shareholders by encouraging high levels of performance and alignment by Eligible Employees whose performance is a key element in achieving the Company's corporate strategies. Phillips 66 reserves the right to discontinue or change this Program at any time.

This document defines the general conditions, eligibility, and determination of Awards. It also addresses what happens in the event of employment termination, and how Awards are distributed and taxed.

All Award amounts and the terms and conditions of any Awards are within the discretion of the Committee.

- Nothing in this Program should be construed to limit the discretion of the Committee in determining the amount and terms and conditions of an Award, including the discretion to forego an Award for any Employee. The Authorized Party retains all discretion.
- All Awards shall comply with the required terms and conditions.
- No Award shall exceed any limit set forth in the Plan.
- If the Authorized Party, in its sole discretion, determines an Award has the possibility of violating any law, regulation, or decree pertaining to the Company or the Participating Employee, the Authorized Party may freeze or suspend the Participating Employee’s Award until the time as having the Award would no longer, in the sole discretion of the Authorized Party, have the possibility of violating any laws, regulation, or decree.
- This procedure will continue in effect until amended, rescinded, or terminated.

Capitalized terms shall have the meaning designated in this Program. Capitalized terms not defined in this Program shall have the meaning set forth in the Plan.

- *Authorized Party* means the person who is authorized to approve an Award, exercise discretion, or take action under the Program pursuant to the Plan. With regard to the Executive Chairman, CEO and Senior Officers, the Committee is the Authorized Party. With regard to other Employees, the CEO is the Authorized Party, although the Committee may act concurrently as the Authorized Party.
 - *Award* means cash, stock option, performance share unit, restricted stock unit or any other form of equity or cash pursuant to the Program's applicable terms, conditions and limitations as the Authorized Party may provide in order to fulfill the objectives of the Program.
 - *Award Agreement* means any written or electronic agreement setting forth, or incorporating by reference, the terms, conditions, and limitations applicable to an Award to a Participating Employee. An Award Agreement must be accepted by the Participating Employee prior to the benefit being vested.
 - *Award Value* means the following:
 - For Participating Employees that are on the US/UK Payroll and are resident in the US/UK on the Grant Date, Award Value means the Fair Market Value of one Share.
 - For Participating Employees that are either not on the US/UK Payroll or are not resident in the US/UK on the Grant Date, Award Value most generally means the Fair Market Value of one Share reduced by an amount equal to twelve times, for employees at grades 18 and above or for any retention award (assuming 3-year, cliff vesting), or eight times, for annual Awards to employees at grades 13 through 17, the amount of the most recently approved ordinary cash dividend. This is to offset that these employees are not eligible for the Dividend Equivalent payments that generally occur during the vesting schedule. However, should reduced dividend payments be anticipated or an alternate vesting schedule used, the Authorized Party may request a different Award Value.
 - *Board* means the Board of Directors of Phillips 66.
 - *CEO* means the Chief Executive Officer of Phillips 66. Where applicable, CEO also refers to the person holding that title but acting as a Special Equity Award Committee pursuant to the authority granted by the Board.
 - *Committee* means the Human Resources and Compensation Committee of the Board of Directors of the Company, or any successor committee to it.
 - *Company* means Phillips 66, a Delaware Corporation.
 - *Disability* means a disability for which the Employee in question has been determined to be entitled to either, (i) benefits under the applicable long-term disability plan of the Participating Company or (ii) disability benefits under the Social Security Act. In the absence of any determination, the Authorized Party may make a determination that the Employee has a Disability.
 - *Dividend Equivalents* means, with respect to Restricted Stock Units, an amount equal to ordinary dividends that are payable to shareholders of record during the Restriction Period on a like number of Shares.
 - *Eligible Employee* shall include Employees that meet the participation requirements for this Program. Being an Eligible Employee does not guarantee an Award.
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- *Employee* shall include employees of Phillips 66 and its subsidiaries, as designated in the records of the Company and its subsidiaries.
 - *Exchange Rate* means the applicable currency Exchange Rate as published in the Phillips 66 and Consolidated Subsidiaries Corporate Booking Rates for the relevant date; or, if the appropriate country is not listed on that date, the applicable currency Exchange Rate as published on the last date prior to the relevant date.
 - Executive Employee means an Eligible Employee in Salary Grade 21 or higher.
 - *Fair Market Value* means, as of a particular date, the mean between the highest and lowest sales price per share on the consolidated transaction reporting system for the principal national securities exchange on which shares are listed on that date rounded to 4 decimals, or, if there is no sale reported on that date, on the preceding date on which a sale is reported or, at the discretion of the Committee, the price prevailing on the exchange at a designated time.
 - *Grant Date* means the date the Award is granted.
 - *Layoff* means an applicable Termination due to layoff under the Phillips 66 Severance Pay Plan, Phillips 66 Executive Severance Plan, or the Phillips 66 Key Employee Change in Control Severance Plan, or layoff or redundancy under any similar layoff or redundancy plan which the Participating Company may adopt from time to time. If all or any portion of the benefits under the redundancy or layoff plan are contingent on the Employee's signing a Release of Liability or covenant not to compete or both, the Termination shall not be considered as a "Layoff" for purposes of the Program unless the Employee executes and does not revoke a Release of Liability, a covenant not to compete, or both, acceptable to the Company, under the terms of the layoff or redundancy plan. To be considered a "Layoff" under this Program, a Termination must also be considered a Separation from Service.
 - *Participating Company* includes Phillips 66 and its 100% owned subsidiaries, including both those directly owned and those owned through subsidiaries, whose participation has been approved by the Authorized Party.
 - *Participating Employee* shall include Eligible Employee receiving an Award under this Program. Being a Participating Employee does not guarantee a distribution.
 - *Plan Administrator* means the Phillips 66 employee internally responsible for the administration of Programs.
 - *Release of Liability* is a form provided to an Employee upon Layoff. Unless the Participating Employee executes and does not revoke the Release of Liability, the Participating Employee forfeits all Awards.
 - *Restricted Stock Unit* means a unit equal to one Share that is subject to forfeiture provisions or that has certain restrictions attached to the ownership thereof. Restricted Stock Units do not have any voting rights or other rights generally associated with Shares and are merely an obligation of the Company to register stock in accordance with the terms and conditions applicable to the Restricted Stock Units.
 - *Retirement* means Termination at age 55 or older with a minimum of 5 years of service with a Participating Company; provided, however, that with regard to an Employee not on the United States payroll, the Authorized Party may approve the use of a different definition. Service is defined by the policies of the Participating Company.
 - *RSU Target Percentage* means the percentage as approved in Appendix B.
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- *Salary* is expressed as an annual amount in USD, prior to any voluntary salary reduction. In cases where a Participating Employee's Salary has been increased due to a local market factor (as the term is used in the Company's compensation practice; for example, the London Allowance) the Salary shall be reduced by the effect of this factor. For Participating Employees paid in a currency other than U.S. Dollars, Salary will be expressed in USD using the applicable Exchange Rate as of the first of the month immediately preceding the Grant Date of the Award.
 - Salary for Awards made in any month other than February is determined as of the first of the month coincident with or immediately following Grant Date, or as otherwise determined by the Authorized Party.
 - Salary for Awards made in February is determined as of the last day of the preceding calendar year if the Employee was employed in the preceding calendar year.
 - Salary for Awards made in February is determined as of the first of the month immediately preceding Grant Date if the Employee was hired on or before February 1 in the year of the grant.
 - Salary for Awards made to Executive Employees in February is determined as of the date of hire or promotion if the Executive Employee was hired or promoted into an Executive position becoming a new Executive Employee on or before February 1 of the year of the grant.
 - *Salary Grade* means a classification level for Employees under the practices of the Participating Company.
 - Salary Grade for Awards made in any month other than February is determined as of the first of the month coincident with or immediately following Grant Date, or as otherwise determined by the Authorized Party.
 - Salary Grade for Awards made in February is determined as of the last day of the preceding calendar year if the Employee was employed in the preceding calendar year.
 - Salary Grade for Awards made in February is determined as of the first of the month immediately preceding Grant Date if the Employee was hired on or before February 1 in the year of the grant.
 - Salary Grade for Awards made to Executives Employees in February is determined as of the date of hire or promotion if the Executive Employee was hired or promoted into an Executive position becoming a new Executive Employee on or before February 1 of the year of the grant.
 - *Senior Officer* means the Chairman of the Board (if the Chairman is an employee of the Company and the role of Chairman and CEO are separated), the Chief Executive Officer (the "CEO"), all officers of the Company who report directly to the CEO, and all other officers of the Company who are reporting officers under Section 16 of the Securities Exchange Act of 1934.
 - *Separation from Service* means "separation from service" as that term is used in section 409A of the Internal Revenue Code.
 - *Shares* means shares of PSX common stock.
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- *Termination* means cessation of employment with the Participating Companies, determined in accordance with the policies and practices of the Participating Company for whom the Employee was last performing services.
- *Termination Date* is defined as the first date an Employee is no longer employed by and performing services for a Participating Company.

I. General Conditions

1. The Committee, or to the extent authorized by the Committee, the CEO, or another designated individual or committee, shall have the right to terminate, suspend, withdraw, amend, or modify the Program in whole or in part at any time. The CEO shall review and approve this document and may amend it as necessary.
 2. The Board has previously delegated to the CEO, as a Special Equity Award Committee of the Board, the authority to approve grants of Awards under the Plan for Employees that are not the CEO or a Senior Officer. All Awards shall be under and in accordance with the terms of the Plan and the Program. The pool of shares subject to this delegation of authority to the CEO shall be the remaining shares available under the Plan. For this purpose, the CEO is the Authorized Party. The Board has also delegated to the CHRO the Committee's power and authority to grant Employee Awards from time to time pursuant to and in accordance with the Plan to any individual who is eligible to receive Employee Awards under the Plan other than to the Company's Senior Officers and any member of the Board. No more than an aggregate of 100,000 shares of Common Stock may be granted pursuant to this delegation to the CHRO. The Board has not delegated to the CEO, as a Special Equity Award Committee of the Board, the authority to approve Awards under the Plan to persons who are the CEO or Senior Officers. The Committee retains this authority for the CEO and Senior Officers as the Authorized Party.
 3. The Plan Administrator is responsible for the implementation of Awards given by the Authorized Party. The Plan Administrator may from time to time designate other individuals to assist in this process, including duties and responsibilities as deemed appropriate. These duties and responsibilities shall include, but are not limited to, the establishment of appropriate systems, accounts, and other necessary record keeping activities along with the preparation and execution of agreements or other grant documents between the Company and the Participating Employee evidencing Awards, but shall not include any discretionary authority with respect to substantive decisions or matters regarding the Plan, Programs, or Awards. The Plan Administrator, or other individuals designated by the Plan Administrator, may hire third party administrators to deal with the day-to-day administration of Awards under the Program, and shall monitor third party administrators. Third party administrators may require the use of forms and methods, and impose time limitations in the administration of the Program as are reasonable, subject to the discretion of the Plan Administrator and the Plan Administrator's designees in administering the Program.
 4. Awards, and amounts paid under the Awards, are subject to forfeiture or recoupment, in whole or in part, under the following circumstances:
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- A. Pursuant to applicable law and any pertinent Company policies, including the Phillips 66 Clawback Policy;
 - B. In the event a Participating Employee's negligence or misconduct results in materially misstated financial or other data, as determined by the Human Resources & Compensation Committee and the Audit & Finance Committee of the Board in their sole discretion;
 - C. Because the Company has provided and will provide Participating Employee with access to and knowledge of Confidential Information, placing Participating Employee in a position of trust and confidence, Participating Employee will obtain knowledge of the Company's Confidential Information and unique skills relevant to the Company's methods of doing business and strategies. Accordingly, should Participating Employee engage in competition with the Company, it is likely that Participating Employee will inevitably misuse or disclose the Company's Confidential Information to compete unfairly with the Company. If the Authorized Party determines that, subsequent to the grant, vesting and/or receipt of proceeds of any Award, the Participating Employee has engaged or is engaging in any activity which, in the sole judgment of the Authorized Party, is or may be detrimental to the Participating Company, the Authorized Party may cancel and/or recoup any previously paid amounts under all or part of any or all Awards to that Participating Employee. For the purposes of this Section, activity that is, or may be, detrimental to the Company includes but is not limited to:
 - a. The Participating Employee's solicitation or inducement, directly or indirectly, or attempted solicitation or inducement, of any employee, staff member or independent contractor of the Company or any of its subsidiaries to leave the employ of, or terminate his or her relationship with the Participating Company or any of its subsidiaries within the twelve months following the separation of the Participating Employee's employment with Phillips 66
 - b. The use (except as necessary to perform the Participating Employee's duties on behalf of the Participating Company or any of its subsidiaries) or unauthorized disclosure of highly sensitive, privileged, confidential, trade secret and/or other non-public information of the Participating Company and any of its subsidiaries, whether or not in written or electronic form and whether or not expressly designated as confidential (collectively, "Confidential Information"), including, without limitation, information related to the:
 - Intentions, priorities, and/or strategies of or for the Participating Company and/or any of its subsidiaries, joint ventures, business partners, vendors, or employees;
 - Analyses, trials, tests; and
 - Documents, decisions, conversations / communications regarding any of the above.
 - c. **For those Participating Employees subject to the Competition Addition (as indicated in their Award communications), the**
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following reflects an agreement not to compete as described herein, and acknowledges that doing so would constitute activity that is, or may be, detrimental to the Company for the purposes of this Section:

(Participating Employees subject to this provision who are residents of Illinois have 14 days to consider the terms prior to agreeing to same, during which time they are advised to consult an attorney.)

The Participating Employee becoming employed by, consulting for, or otherwise rendering services or contributing knowledge to any business entity or person engaging in activities that compete with the Participating Company, in the same or similar role or responsible for performing or overseeing the same or similar duties held, performed, or overseen while employed by Participating Company, at any time during the 6-month period following the Participating Employee's separation from the Participating Company, unless the Participating Employee has first obtained the consent of the Chief Human Resources Officer or his or her delegate.

- i. The determination of status as a "business entity or person engaging in activities that compete with the Participating Company" and "the same or similar role or performing or overseeing the same or similar duties held, performed, or overseen while employed by the Participating Company" for the purposes of this provision will be made by the Chief Human Resources Officer (or his or her delegate) in his or her sole discretion.
- ii. Examples of business entities referenced above may include (but would not necessarily be limited to) those companies identified in the Company's annual Proxy Statement.
- iii. Participating Employee acknowledges that receipt of confidential information, as well as the Awards and/or amounts paid under the Awards, support and reflect the covenant to not compete, including refraining from engaging in activity that is or may be detrimental to the Participating Company as set forth above during the 6-month period following the Participating Employee's separation from the Company.

Notwithstanding the foregoing, the Participating Employee may disclose such Confidential Information to the extent: (a) the Participating Employee receives advance written permission from an authorized senior or executive officer of the Company; (b) the Participating Employee is legally compelled by subpoena or other legal process to disclose the Confidential Information; (c) cooperating with the National Labor Relations Board or discussing the terms and conditions of the Participating Employee's employment or this

Award with his or her co-workers or union representatives in connection with exercising protected right under Section 7 of the National Labor Relations Act; (d) disclosure is sought by a government entity, regulatory agency, or self-regulatory organization; or (e) disclosure is made in confidence to a government agency, entity, official or self-regulatory organization, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, or any Agency Inspector General, solely for the purpose of reporting possible violations of federal law or regulation or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Participating Employee further understands that the Participating Employee may disclose trade secret information either (i) in confidence to a federal, state or local government official or to an attorney solely to report or investigate a suspected violation of law, or (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding without fear of prosecution, liability or retaliation provided the Participating Employee does so in strict adherence with 18 U.S.C. §1833.

By accepting this Award, the Participating Employee acknowledges and agrees to this provision and expressly (A) consents to any forfeiture or recoupment of this Award or any other Incentive-Based Compensation, pursuant to the terms hereof and as defined in the Phillips 66 Clawback Policy for executive officers and other discretionary clawback provisions for all other employees; (B) authorizes the Company to issue instructions, on the Participating Employee's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Shares and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company; and (C) authorizes the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including without limitation by reducing any amount that is or may become payable to the Participating Employee.

5. Upon any change in the outstanding stock of the Company by reason of any stock dividend, stock split, reverse stock split, recapitalization, reclassification, or other similar changes, the Committee shall make corresponding adjustments, as appropriate.
6. In addition to the terms and conditions described, Awards are subject to all other applicable provisions of the Plan. The decisions of the Committee with respect to questions arising as to the interpretation of the Plan or the Award Agreement and as to findings of fact shall be final, conclusive, and binding.
7. No provision of this document shall confer any right upon the Employee to continue employment with any Participating Company.

II. Determination of Award

The Award shall be held in escrow by the Company until the lapsing of restrictions placed upon the Restricted Stock Units. Participating Employees shall not have the right to sell, transfer, assign, or otherwise dispose of Restricted Stock Units until the escrow is terminated.

III. Effect of Termination of Employment

The following is meant to clarify Award treatment in the event of various Terminations for Participating Employees with Awards. In all instances below except Layoff, Fair Market Value is calculated as of Termination Date.

1. **Death.** If a Participating Employee dies while in the employ of a Participating Company, the Participating Employee's rights to any Award will be transferred only as indicated in the will of the Participating Employee. If the Participating Employee does not have a will, the distribution will be made according to state law. However, the Award will be subject to the terms and conditions that applied to the Participating Employee before their death. Rights cannot be assigned or transferred other than by will or the laws of descent and distribution. No transfer of an Award by the Participating Employee by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and any other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of the Award.
 2. **Disability.** If a Participating Employee terminates employment by reason of Disability and has Awards with restrictions, the Participating Employee shall retain all rights provided by the Award at the time of Termination.
 3. **Layoff.** The following details how Awards with restrictions are handled when a Participating Employee Terminates by reason of Layoff:
 - If the Participating Employee's employment with a Participating Company is terminated by reason of Layoff, and the Participating Employee completes the required Release of Liability, then the Participating Employee shall retain a prorated portion of the Award. The percent of the Award to be retained will be computed by multiplying the original number of Shares granted by a percentage as outlined in Attachment A for the annual Awards made in February. All other Awards will be prorated by a fraction, the numerator of which is the number of months from Grant Date to Termination Date (inclusive of month of Termination Date) and the denominator of which is 12.
 - In the case of Layoff, if a Participating Employee is eligible to retain an Award, the Fair Market Value will be determined as of:
 - For US employees, the eighth day following the signed date of the Release of Liability.
 - For UK, Canada, Singapore, and Austria employees, Termination Date.
 4. **Retirement.** The following details how Awards with restrictions are handled when a Participating Employee Terminates by reason of Retirement:
 - If the Participating Employee's employment with a Participating Company is terminated by reason of Retirement, then the Participating Employee shall retain a prorated portion of the annual Awards made in February. The percent of the Award to be retained will be computed by multiplying the original number of Shares granted by a percentage as outlined in Attachment A for the annual Awards made in February. This provision does not apply to any other Awards.
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5. If the Participating Employee Terminates for any reason other than death, Disability, Layoff, or Retirement, the Award shall be canceled and all rights thereunder shall cease; however, the Authorized Party may, in its sole discretion, determine that all or any portion of the Award shall not be cancelled due to Termination.
6. Leaves. Whether any leave of absence shall constitute Termination for the purposes of any Award granted under these Programs shall be determined by the Plan Administrator in each case in accordance with applicable law and by application of the policies and procedures adopted by the Company in relation to such leave of absence.
7. Divestiture, Outsourcing or Move to Joint Venture. If, after the Grant Date, a Participating Employee ceases to be employed by a Participating Company as a result of (a) the outsourcing of a function, (b) the sale or transfer of all or a portion of the equity interest of the Participating Company (removing it from the controlled group of companies of which the Company is a part), (c) the sale of all or substantially all of the assets of the Participating Company to another employer outside of the controlled group of corporations (whether the Participating Employee is offered employment or accepts employment with the other employer), (d) the Termination of the Participating Employee by a Participating Company followed by employment within a reasonable time with a company or other entity in which the Company owns, directly or indirectly, at least a 50% interest, or (e) any other sale of assets determined by the Authorized Party to be considered a divestiture under this Program, the Award shall be forfeited unless (i) the Authorized Party, in its or his sole discretion, determines that all or a portion of any Award shall not be canceled or (ii) the Award is retained as a result of another provision of this Program.
8. Transfer. Transfer of employment between Participating Companies shall not constitute Termination for the purpose of any Award granted under the Program.
9. Change in Control. If a Change in Control occurs and the Participating Employee is Terminated, all restrictions applicable to any Award shall lapse and the Shares will become immediately vested.
10. With or Without Cause Termination. (For Participating Employees employed in Canada) Participation in the Program ceases immediately and all unvested Awards granted under the Program are cancelled forthwith and are without value of any kind as of the day that the Participating Employee's employment is terminated and the Participating Employee is no longer actively employed by a Participating Company. For greater certainty, the Participating Employee must be actively employed by a Participating Company on the day that the Award vests.

“Employment is Terminated”, except for the specific situations described in sections III (1) or (2) or (3) or (4) or (6) or (7) or (8) or (9) or (10) above, means for the purposes of this section, regardless of the reason for the termination, and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where the Participating Employee is employed.

“Actively employed” means for this section that the Participating Employee is no longer actively performing the usual and customary day-to-day duties of the Participating Employee’s position or job for the Participating Company and does not include a reasonable notice period, (whether statutory, contractual, or at common law) whether provided by a Participating Company or imposed by a court in the jurisdiction where the Participating Employee commences any legal action. To resolve any uncertainty, even if the Participating Employee receives, or will receive, any compensatory payments or salary in lieu of notice of termination, he or she is not entitled to the Award.

In the event that the Participating Employee’s Employment is Terminated by a Participating Company, either with or without cause, and with or without reasonable notice, the Participating Employee shall have no rights to any particular Award which may have been made to him or her other than as set forth in the Program and the Participating Employee will not be entitled to recover damages nor to be paid any benefits or to recover any compensation which the Participating Employee would or may otherwise have been entitled to under the Program, if the Participating Employee had remained actively employed by the Participating Company.

IV. Distributions

1. For annual Awards made in February to employees at grade 18 and above, restrictions shall lapse on the third anniversary Grant Date. For annual Awards made in February to employees in grades 13 through 17, restrictions shall lapse one third (rounded down to the nearest whole share) on the first and second anniversary of the Grant Date and the remainder on the third anniversary of the Grant Date. For other Awards, restrictions generally lapse on the third anniversary of the Grant Date, unless the Authorized Party approves a different lapse schedule.
 2. Restricted Stock Units granted to Participating Employees who are on the US/UK Payroll and are resident in the US/UK on the Grant Date shall be paid a Dividend Equivalent at the same times as an ordinary cash dividend is determined by the Company to be paid, generally quarterly. Current tax law dictates these payments are taxable as compensation (ordinary income) in the year they are distributed. This Dividend Equivalent will be paid through the standard payroll process and cannot be reinvested.
 3. Restricted Stock Units granted to Participating Employees who are either not on the US/UK Payroll or are not resident in the US/UK on the Grant Date, shall not accrue a Dividend Equivalent. The value of their Award is increased to reflect no payment of a Dividend Equivalent.
 4. Upon the lapsing of restrictions, the number of Shares registered to the Participating Employee will be equal to the Restricted Stock Units for which the restrictions have lapsed and will be transferred less shares held for taxes to the Participant’s brokerage account held with the third-party administrator. Shares shall be registered no later than 2 ½ months after the end of the calendar year in which the restrictions lapse.
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5. If the Plan Administrator determines that registering the Shares is prohibited by law, regulation, or decree, or where the cost of legal compliance to issue the Shares is reasonably expensive, the Fair Market Value of the Shares shall be paid in cash instead of registering Shares. Cash payouts are only permitted where legal restrictions exist. Cash payout shall be made no later than 2 ½ months after the end of the calendar year in which the restrictions lapse. Awards made to grantees in the People's Republic of China will only be settled in cash onshore in Chinese currency.
6. No Award or distribution that is considered income pursuant to Section 409A of the Internal Revenue Code, shall be settled or paid prior to six months after the Employee's Termination from the Company and its subsidiaries (or, if earlier, the date of death).
7. If applicable, court ordered garnishments or tax levies will be withheld.
8. The Participating Employee's distribution, and any required taxation, will be communicated to the Participating Employee at time of the distribution.
9. The Fair Market Value used upon the lapsing of restrictions is generally the Fair Market Value for the date on which the restrictions lapse.

V. Taxation of Distributions

1. Distribution of a Participating Employee's Award will reflect required tax withholding or expatriate hypothetical tax obligation. The Participating Employee is responsible for required withholding taxes associated with a distribution.
 2. If on or after December 1 following the Grant Date for annual Awards made in February, a Participating Employee is determined to be eligible for Retirement, the Award is considered vested for FICA purposes because there is no longer a substantial risk of forfeiture. At this time, FICA tax and income tax related to the FICA withholding, will be paid by withholding Shares from the Award. When the remaining Award lapses, the company will withhold Shares to cover the federal tax (and state and local tax, where applicable).
 3. The Company will generally withhold Shares for taxes to meet tax obligations. The value of the Shares withheld for this purpose shall not exceed the minimum withholding amount required by applicable laws and regulations. With the Plan Administrator's approval, Participating Employees may request a different withholding rate.
 4. If the Participating Employee spent time as an expatriate outside of their home country the Participating Employee will be tax equalized, with the intent that the Participating Employee receives no adverse tax consequences for their expatriate service, which could be different depending upon each country. The Participating Employee's distribution will reflect any expatriate hypothetical tax obligation.
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5. The Company may take appropriate measures to ensure that corrective actions related to withholding tax obligations are completed in a timely manner. The Plan Administrator will take steps, as it deems necessary or desirable for the withholding of any taxes that are required by laws or regulations of any governmental authority in connection with any distribution.
6. Pursuant to the Canada Budget Implementation Act, 2021, No. 1 (Bill C-30) assented to on June 29, 2021, the parties acknowledge that this communication serves as notification that Restricted Stock Units granted to Employees in Canada are designated as non-qualifying securities for income tax purposes.

VI. Sale of Shares

1. Upon the lapsing of restrictions, the Participating Employee can initiate sale or transfer of the Shares by contacting the third-party administrator designated by the Plan Administrator.
2. In all cases, if a Participating Employee is subject to trading restrictions, authorization prior to the selling of Shares must be obtained by the Deputy General Counsel, Corporate or their designee pursuant to the Company's Insider Trading Policy



PHILLIPS 66
Terms & Conditions
For
Performance Share Program - Performance Period [*]

This document applies to Awards made under the Performance Share Program (“Program”) for the Performance Period [*] provided under the 2022 Omnibus Stock and Performance Incentive Plan of Phillips 66 (“Plan”) or any successor to the Plan. Phillips 66 reserves the right to discontinue or change this Program at any time.

Capitalized terms shall have the meaning designated in this Program. Capitalized terms not defined in this Program shall have the meaning set forth in the Plan.

- *Authorized Party* means the person who is authorized to approve an Award, exercise discretion, or take action under the Program pursuant to the Plan. With regard to the Executive Chairman, CEO and Senior Officers, the Committee is the Authorized Party. With regard to other Employees, the CEO is the Authorized Party, although the Committee may act concurrently as the Authorized Party.
 - *Award* means cash, stock option, performance share unit, restricted stock unit or any other form of equity or cash pursuant to the Program’s applicable terms, conditions and limitations as the Authorized Party may provide in order to fulfill the objectives of the Program.
 - *Award Agreement* means any written or electronic agreement setting forth, or incorporating by reference, the terms, conditions, and limitations applicable to an Award to a Participating Employee. An Award Agreement must be accepted by the Participating Employee prior to the benefit being vested..
 - *Board* means the Board of Directors of Phillips 66.
 - *Cash Denominated Distribution* means a full distribution made from the Program, paid to the Participating Employee in cash.
 - *CEO* means the Chief Executive Officer of Phillips 66. Where applicable, CEO also refers to the person holding that title but acting as a Special Equity Award Committee pursuant to the authority granted by the Board.
 - *Committee* means the Human Resources and Compensation Committee of the Board of Directors of the Company, or any successor committee to it.
 - *Company* means Phillips 66, a Delaware Corporation.
 - *Disability* means a disability for which the Employee in question has been determined to be entitled to either, (i) benefits under the applicable long-term disability plan of the Participating Company or (ii) disability benefits under the Social Security Act. In the
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absence of any determination, the Authorized Party may make a determination that the Employee has a Disability.

- *Distribution* means the value that is given to the Participating Employee after approval by the Committee. In most cases, Distributions will be made in the form of cash, however the Committee reserves the right to make Distributions in the form of grants of share-based Awards, or any other form the Committee determines appropriate.
- *Eligible Employee* shall include Employees that meet the participation requirements for this Program. Being an Eligible Employee does not guarantee an Award.
- *Employee* shall include employees of Phillips 66 and its subsidiaries, as designated in the records of the Company and its subsidiaries.
- *Exchange Rate* means the applicable currency Exchange Rate as published in the Phillips 66 and Consolidated Subsidiaries Corporate Booking Rates for the relevant date; or, if the appropriate country is not listed on that date, the applicable currency Exchange Rate as published on the last date prior to the relevant date.
- *Fair Market Value* means, as of a particular date, the mean between the highest and lowest sales price per share on the consolidated transaction reporting system for the principal national securities exchange on which shares are listed on that date rounded to 5 decimals, or, if there is no sale reported on that date, on the preceding date on which a sale is reported or, at the discretion of the Committee, the price prevailing on the exchange at a designated time.
- *Layoff* means an applicable Termination due to layoff under the Phillips 66 Severance Pay Plan, Phillips 66 Executive Severance Plan, or the Phillips 66 Key Employee Change in Control Severance Plan, or layoff or redundancy under any similar layoff or redundancy plan which the Participating Company may adopt from time to time. If all or any portion of the benefits under the redundancy or layoff plan are contingent on the Employee's signing a Release of Liability or covenant not to compete or both, the Termination shall not be considered as a "Layoff" for purposes of the Program unless the Employee executes and does not revoke a Release of Liability, a covenant not to compete, or both, acceptable to the Company, under the terms of the layoff or redundancy plan.
- *Participating Company* includes Phillips 66 and its 100% owned subsidiaries, including both those directly owned and those owned through subsidiaries, whose participation has been approved by the Authorized Party.
- *Participating Employee* shall include Eligible Employees receiving a Share Denominated Target. Being a Participating Employee does not guarantee a Distribution.
- *Performance Measures* means the performance criteria that will be used to value the performance of the Company at the conclusion of the Performance Period, prior to the Distribution.
- *Performance Period* means [*].
- *Plan Administrator* means the Phillips 66 Employee, internally responsible for administration of Programs.
- *Release of Liability* is a form provided to an Employee upon Layoff. Unless the Participating Employee executes and does not revoke the Release of Liability, the Participating Employee forfeits all Awards.
- *Retirement* means Termination at age 55 or older with a minimum of 5 years of service with a Participating Company; provided, however, that with regard to an Employee not

on the United States payroll, the Authorized Party may approve the use of a different definition. Service is defined by the policies of the Participating Company.

- *Salary* means the annual base pay in effect on December 31st of the year preceding the beginning of the Performance Period in which the Eligible Employee becomes a Participating Employee.
- *Salary Grade* means a classification level for Employees under the practices of the Participating Company.
- *Senior Officer* means the Chairman of the Board (if the Chairman is an employee of the Company and the role of Chairman and CEO are separated), the Chief Executive Officer (the “CEO”), all officers of the Company who report directly to the CEO, and all other officers of the Company who are reporting officers under Section 16 of the Securities Exchange Act of 1934.
- *Share Denominated Distribution*, expressed as a number of shares, means the value of a Share Denominated Target if a full distribution was made from the Program and granted to the Participating Employee in equity. At the time of Distribution, the Committee determines if the Share Denominated Distribution will be granted to the Participating Employee or if it will be converted to a Cash Denominated Distribution.
- *Share Denominated Target* means the value calculated for a Participating Employee, denominated in shares. Share Denominated Targets are evaluated based on Performance Measures at the conclusion of the Performance Period and then distributed to the Participating Employee. Share Denominated Targets are rounded to the nearest whole share.
- *Termination* means cessation of employment with the Participating Companies, determined in accordance with the policies and practices of the Participating Company for whom the Employee was last performing services.

I. General Conditions

1. The Committee, or to the extent authorized by the Committee, the CEO, or another designated individual or committee, shall have the right to terminate, suspend, withdraw, amend, or modify the Program in whole or in part at any time. The CEO shall review and approve this document and may amend it as necessary.
2. Awards, and amounts paid under the Awards, are subject to forfeiture or recoupment, in whole or in part, under the following circumstances:
 - A. Pursuant to applicable law and any pertinent Company policies, including the Phillips 66 Clawback Policy;
 - B. In the event a Participating Employee’s negligence or misconduct results in materially misstated financial or other data, as determined by the Human Resources & Compensation Committee and the Audit & Finance Committee of the Board in their sole discretion;
 - C. Because the Company has provided and will provide Participating Employee with access to and knowledge of Confidential Information, placing Participating Employee in a position of trust and confidence, Participating Employee will obtain knowledge of the Company’s Confidential Information and unique skills

relevant to the Company's methods of doing business and strategies. Accordingly, should Participating Employee engage in competition with the Company, it is likely that Participating Employee will inevitably misuse or disclose the Company's Confidential Information to compete unfairly with the Company. If the Authorized Party determines that, subsequent to the grant, vesting and/or receipt of proceeds of any Award, the Participating Employee has engaged or is engaging in any activity which, in the sole judgment of the Authorized Party, is or may be detrimental to the Participating Company, the Authorized Party may cancel and/or recoup any previously paid amounts under all or part of any or all Awards to that Participating Employee. For the purposes of this Section, activity that is, or may be, detrimental to the Company includes but is not limited to:

- a. The Participating Employee's solicitation or inducement, directly or indirectly, or attempted solicitation or inducement, of any employee, staff member or independent contractor of the Company or any of its subsidiaries to leave the employ of, or terminate his or her relationship with the Participating Company or any of its subsidiaries within the twelve months following the separation of the Participating Employee's employment with Phillips 66
- b. The use (except as necessary to perform the Participating Employee's duties on behalf of the Participating Company or any of its subsidiaries) or unauthorized disclosure of highly sensitive, privileged, confidential, trade secret and/or other non-public information of the Participating Company and any of its subsidiaries, whether or not in written or electronic form and whether or not expressly designated as confidential (collectively, "Confidential Information"), including, without limitation, information related to the:
 - Intentions, priorities, and/or strategies of or for the Participating Company and/or any of its subsidiaries, joint ventures, business partners, vendors, or employees;
 - Analyses, trials, tests; and
 - Documents, decisions, conversations / communications regarding any of the above.
- c. **For those Participating Employees subject to the Competition Addition (as indicated in their Award communications), the following reflects an agreement not to compete as described herein, and acknowledges that doing so would constitute activity that is, or may be, detrimental to the Company for the purposes of this Section:**

(Participating Employees subject to this provision who are residents of Illinois have 14 days to consider the terms prior to agreeing to same, during which time they are advised to consult an attorney.)

The Participating Employee becoming employed by, consulting for, or otherwise rendering services or contributing knowledge to any business entity or person engaging in activities that compete with the

Participating Company, in the same or similar role or performing the same or similar duties held or performed while employed by Participating Company, at any time during the 6-month period following the Participating Employee's separation from the Participating Company, unless the Participating Employee has first obtained the consent of the Chief Human Resources Officer or his or her delegate.

- i. The determination of status as a "business entity or person engaging in activities that compete with the Participating Company" and "the same or similar role or performing the same or similar duties held or performed while employed by the Participating Company" for the purposes of this provision will be made by the Chief Human Resources Officer (or his or her delegate) in his or her sole discretion.
- ii. Examples of business entities referenced above may include (but would not necessarily be limited to) those companies identified in the Company's annual Proxy Statement.
- iii. Participating Employee acknowledges that receipt of confidential information, as well as the Awards and/or amounts paid under the Awards, support and reflect the covenant to not compete, including refraining from engaging in activity that is or may be detrimental to the Participating Company as set forth above during the 6-month period following the Participating Employee's separation from the Company.

Notwithstanding the foregoing, the Participating Employee may disclose such Confidential Information to the extent: (a) the Participating Employee receives advance written permission from an authorized senior or executive officer of the Company; (b) the Participating Employee is legally compelled by subpoena or other legal process to disclose the Confidential Information; (c) cooperating with the National Labor Relations Board or discussing the terms and conditions of the Participating Employee's employment or this Award with his or her co-workers or union representatives in connection with exercising protected right under Section 7 of the National Labor Relations Act; (d) disclosure is sought by a government entity, regulatory agency, or self-regulatory organization; or (e) disclosure is made in confidence to a government agency, entity, official or self-regulatory organization, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, or any Agency Inspector General, solely for the purpose of reporting possible violations of federal law or regulation or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Participating Employee further understands that the Participating Employee may disclose trade secret information either (i) in confidence to a federal, state or local government official or to an attorney solely to report or investigate a suspected violation of law, or (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding without fear of prosecution, liability or retaliation provided the Participating Employee does so in strict adherence with 18 U.S.C. §1833.

By accepting this Award, the Participating Employee acknowledges and agrees to this provision and expressly (A) consents to any forfeiture or recoupment of this Award or any other Incentive-Based Compensation, pursuant to the terms hereof and as defined in the Phillips 66 Clawback Policy for executive officers and other discretionary clawback provisions for all other employees; (B) authorizes the Company to issue instructions, on the Participating Employee's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Shares and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company; and (C) authorizes the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including without limitation by reducing any amount that is or may become payable to the Participating Employee.

3. Upon any change in the outstanding stock of the Company by reason of any stock dividend, stock split, reverse stock split, recapitalization, reclassification, or other similar changes, the Committee shall make corresponding adjustments, as appropriate.
4. In addition to the terms and conditions described, Awards are subject to all other applicable provisions of the Plan. The decisions of the Committee with respect to questions arising as to the interpretation of the Plan or the Award Agreement and as to findings of fact shall be final, conclusive, and binding.
5. No provision of this document shall confer any right upon the Employee to continue employment with any Participating Company.
6. The Award Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware.
7. Without the consent of the Employee, the Award Agreement may be amended or supplemented (i) to cure any ambiguity or to correct or supplement any provision which may be defective or inconsistent with any other provision, or (ii) to add to the covenants and agreements of the Company for the benefit of an Employee or to add to the rights of an Employee or to surrender any right or power reserved to or conferred upon the Company in the Award Agreement, provided, in each case, that such changes or corrections shall not adversely affect the rights of the Employee with respect to the grant of an Award evidenced without the Employee's consent, or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities or tax laws.

II. Determination of Share Denominated Targets

Share Denominated Targets for Participating Employees under the Program are generally made annually at the beginning of the Performance Period. Share Denominated Targets may, however, be provided to Participating Employees at other times during the Performance Period. Salary, Salary Grade, Phillips 66 stock price, the length of time the Employee will be a Participating Employee in the Performance Period, and in some cases, historical performance are taken into

consideration when determining the Share Denominated Target. The Authorized Party shall have the authority to apply discretion as appropriate to increase or decrease the Share Denominated Target. Participating Employees that have a Salary Grade change during the Performance Period may have their Share Denominated Target adjusted to reflect their change in responsibility.

III. Effect of Termination of Employment

The following is meant to clarify what happens in the event of various Terminations for Participating Employees with a Share Denominated Target. This action has no impact on the timing of the Distribution. Generally, Distributions will only be made at the conclusion of the Performance Period.

1. **Death.** If a Participating Employee dies during the Performance Period, the Share Denominated Target under the Program shall not be prorated. The Participating Employee's rights to any Share Denominated Target will be transferred only as indicated in the will of the Participating Employee. If the Participating Employee does not have a will, the distribution will be made according to state law. However, the Award will be subject to the terms and conditions that applied to the Participating Employee before their death. Rights cannot be assigned or transferred other than by will or the laws of descent and distribution. No transfer of a Share Denominated Target by the Participating Employee by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and any other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of the Share Denominated Target. .
2. **Disability.** If a Participating Employee terminates employment by reason of Disability during the Performance Period and has a Share Denominated Target under the Program, the Share Denominated Target shall not be prorated. The Participating Employee shall retain all rights provided by the Award at the time of Termination.
3. **Retirement or Layoff.** If Termination occurs prior to the conclusion of the Performance Period as a result of Retirement or Layoff, the Participating Employee's Share Denominated Target shall be prorated by a fraction, the numerator of which is the number of full calendar months of participation during the Performance Period completed prior to the applicable event and the denominator is the number of calendar months in the Performance Period provided that the Participating Employee has completed at least two months of participation during the Performance Period. If the Participating Employee has not completed at least two months of participations during the Performance period, the award will be canceled.
4. If the Participating Employee Terminates for any reason other than death, Disability, Layoff, or Retirement, the Share Denominated Target shall be canceled, and all rights thereunder shall cease.
5. **Leaves.** Whether any leave of absence shall constitute Termination for the purposes of any Share Denominated Target granted under these Programs shall be determined by the Plan

Administrator. The determination will be made in each case in accordance with applicable law and by application of the policies and procedures adopted by the Company in relation to such leave of absence.

6. Divestiture, Outsourcing or Move to Joint Venture. If, after the Grant Date, a Participating Employee ceases to be employed by a Participating Company as a result of (a) the outsourcing of a function, (b) the sale or transfer of all or a portion of the equity interest of the Participating Company (removing it from the controlled group of companies of which the Company is a part), (c) the sale of all or substantially all of the assets of the Participating Company to another employer outside of the controlled group of corporations (whether the Participating Employee is offered employment or accepts employment with the other employer), (d) the Termination of the Participating Employee by a Participating Company followed by employment within a reasonable time with a company or other entity in which the Company owns, directly or indirectly, at least a 50% interest, or (e) any other sale of assets determined by the Authorized Party to be considered a divestiture under this Program, the Share Denominated Target shall be forfeited unless the Share Denominated Target is retained as a result of another provision of this Program.
7. Transfer. Transfer of employment between Participating Companies shall not constitute Termination for the purpose of this Program.
8. Change in Control. If a Change in Control occurs the Authorized Party has discretion to determine the effect on Share Denominated Targets.

IV. Performance Evaluation of Share Denominated Target

At the completion of the Performance Period, the Committee will review the results achieved under the Performance Measures approved by the Committee and, in its sole judgment, adjust the Share Denominated Target by a percentage (from 0-200%) as deemed appropriate, at which point the Share Denominated Target will be known as the Share Denominated Distribution. Relative Performance Measures will be compared to a peer group of companies as determined by the Committee.

Two Performance Measures will be used for the Performance Period:

- Relative Total Shareholder Return (TSR) weighted at 50%
 - Absolute Return on Capital Employed (ROCE) weighted at 50%
1. The Committee may change the weighting to be applied to Performance Measures at any time during the Performance Period. In addition, the Committee may, in its sole discretion, add or delete Performance Measures at the beginning or during the Performance Period. In so doing, the Committee shall specify the weighting to be applied to any additional Performance Measures included in the Program.
 2. The payout percentage for the portion of the PSP measured against TSR will not be more than 100% if the absolute TSR for the Performance Period is negative.

- The Company's results related to the relative Performance Measures will be compared as follows; however, the list of comparator companies may be added to, or deleted from, if the Committee determines that the change is warranted: TSR: CVR Energy (CVI), Delek (DK), HF Sinclair (DINO), Marathon Petroleum (MPC), PBF Energy (PBF), Valero (VLO), Dow (DOW), LyondellBasell (LYB), Westlake Chemical (WLK), ONEOK (OKE), Targa Resources (TRGP), Williams Companies (WMB) and the S&P 100 index.

V. Distributions

Distributions made from the Program for the [*] performance period will be made as Cash Denominated Distributions.

1. Cash Denominated Distributions provided under this Program will be settled in the form of cash, to be paid out as soon as administratively feasible after the date approved by the Authorized Party, provided that the cash payment be made no later than 2½ months after the end of the calendar year in which the Authorized Party has approved the Cash Denominated Distribution.
 - The value of a Cash Denominated Distribution shall be determined by multiplying the Share Denominated Distribution by an average of the Fair Market Value of Phillips 66 stock for the last 20 trading days of the Performance Period.
2. If applicable, court ordered garnishments or tax levies will be withheld.
3. The Participating Employee's Distribution, and any required taxation, will be communicated to the Participating Employee at time of the Distribution.

VI. Taxation of Distributions

1. In all cases the Participating Employee will be responsible to pay all required withholding taxes associated with a Distribution. This withholding tax obligation includes, but is not limited to, federal, state, and local taxes, including applicable non-U.S. taxes such as U.K. PAYE.
2. The Company may take appropriate measures to ensure that corrective actions related to withholding tax obligations are completed in a timely manner. The Plan Administrator will take the steps, as it deems necessary or desirable for the withholding of any taxes that are required by laws or regulations of any governmental authority in connection with any Distribution.
3. If the Participating Employee spent time as an expatriate outside of their home country the Participating Employee will be tax equalized, with the intent that the Participating Employee receives no adverse tax consequences for their expatriate service, which could be different depending upon each country. The Participating Employee's Distribution will reflect any expatriate hypothetical tax obligation.

LIST OF GUARANTOR SUBSIDIARIES

As of March 31, 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
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As of March 31, 2025, Phillips 66 has guaranteed each of the 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

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: April 25, 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: April 25, 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 March 31, 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: April 25, 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