

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

FORM 10-Q

(Mark one)

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

For the quarterly period ended: **June 30, 2023**

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: 333-186007
Commission File Number: 333-186007-07

**PBF HOLDING COMPANY LLC
PBF FINANCE CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware	27-2198168
Delaware	45-2685067
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Sylvan Way, Second Floor	
Parsippany New Jersey	07054
(Address of principal executive offices)	(Zip Code)
(973) 455-7500	
(Registrants' telephone number, including area code)	

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

Title of each class	Trading Symbol	Name of each exchange on which registered
N/A	N/A	N/A

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.

PBF Holding Company LLC	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
PBF Finance Corporation	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

(Note: The registrant is a voluntary filer of reports under Section 13 or 15(d) of the Securities Exchange Act of 1934 and has filed during the preceding 12 months all reports it would have been required to file by Section 13 or 15(d) of the Securities Exchange Act of 1934 if the registrant had been subject to one of such Sections.)

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

(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

PBF Holding Company LLC	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
PBF Finance Corporation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

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

	Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company
PBF Holding Company LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PBF Finance Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<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.

PBF Holding Company LLC	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
PBF Finance Corporation	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

PBF Holding Company LLC	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
PBF Finance Corporation	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

PBF Holding Company LLC has no common stock outstanding. As of August 4, 2023, 100% of the membership interests of PBF Holding Company LLC were owned by PBF Energy Company LLC, and PBF Finance Corporation had 100 shares of common stock outstanding, all of which were held by PBF Holding Company LLC.

PBF Finance Corporation meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

PBF HOLDING COMPANY LLC
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2023

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EXPLANATORY NOTE

This combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (this “Form 10-Q”) is filed by PBF Holding Company LLC (“PBF Holding”) and PBF Finance Corporation (“PBF Finance”). PBF Holding is a wholly-owned subsidiary of PBF Energy Company LLC (“PBF LLC”) and is the parent company for PBF LLC’s refinery operating subsidiaries. PBF Finance is a wholly-owned subsidiary of PBF Holding. PBF Holding is an indirect subsidiary of PBF Energy Inc. (“PBF Energy”), which is the sole managing member of, and owner of an equity interest representing approximately 99.3% of the outstanding economic interests in PBF LLC as of June 30, 2023. PBF Energy operates and controls all of the business and affairs and consolidates the financial results of PBF LLC and its subsidiaries. PBF Logistics GP LLC (“PBF GP”) is a wholly-owned subsidiary of PBF LLC and the general partner of PBF Logistics LP (“PBFX”), which is an affiliate of PBF Holding. PBF Holding, together with its consolidated subsidiaries, owns and operates oil refineries and related facilities in North America.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This combined Quarterly Report on Form 10-Q contains certain “forward-looking statements” of expected future developments that involve risks and uncertainties. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as "cautionary statements," are disclosed under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Form 10-Q, the Annual Report on Form 10-K for the year ended December 31, 2022 of PBF Holding and PBF Finance, which we refer to as our 2022 Annual Report on Form 10-K, and in our other filings with the U.S. Securities and Exchange Commission (“SEC”). All forward-looking information in this Quarterly Report on Form 10-Q and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- supply, demand, prices and other market conditions for our products or crude oil, including volatility in commodity prices or constraints arising from federal, state or local governmental actions or environmental and/or social activists that reduce crude oil production or availability in the regions in which we operate our pipelines and facilities;
- rate of inflation and its impacts on supply and demand, pricing, and supply chain disruption;
- the effects related to, or resulting from Russia’s military action in Ukraine, including the imposition of additional sanctions and export controls, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environment;
- the effectiveness of our crude oil sourcing strategies, including our crude by rail strategy and related commitments;
- our obligation to buy Renewable Identification Numbers (“RINs”) and market risks related to the volatility in the price of RINs required to comply with the Renewable Fuel Standard (“RFS”) and greenhouse gas (“GHG”) emission credits required to comply with various GHG emission programs, such as Assembly Bill 32 (“AB 32”);
- our ability to operate our businesses efficiently, manage capital expenditures and costs (including general and administrative expenses) and generate earnings and cash flow;
- our expectations with respect to our capital spending and turnaround projects;
- the impact of current and future laws, rulings and governmental regulations, including restrictions on the exploration and/or production of crude oil in the state of California, the implementation of rules and regulations regarding transportation of crude oil by rail or in response to the potential impacts of climate change, decarbonization and future energy transition;

- adverse impacts related to legislation by the federal government lifting the restrictions on exporting U.S. crude oil or subjecting us to trade and sanctions laws, which change frequently as a result of foreign policy developments, and which may necessitate changes to our crude oil acquisition activities;
- our ability to target and execute expense reduction measures and achieve opportunities to improve our liquidity, including continued repurchases of our outstanding debt securities or otherwise further reducing our debt, and/or potential sales of non-operating assets or other real property;
- political pressure and influence of environmental groups and other stakeholders on decisions and policies related to the refining and processing of crude oil and refined products, and the related adverse impacts from changes in our regulatory environment, such as the effects of compliance with AB 32, or from actions taken by environmental interest groups;
- the risk of cyber-attacks;
- our increased dependence on technology;
- the effects of competition in our markets;
- our ability to make acquisitions or investments, including in renewable diesel production, and to realize the benefits from such acquisitions or investments;
- liabilities arising from recent acquisitions or investments, that are unforeseen or exceed our expectations;
- our expectations and timing with respect to our acquisition activity;
- adverse developments in our relationship with both our key employees and unionized employees;
- our indebtedness, including the impact of potential downgrades to our corporate credit rating and/or unsecured notes;
- changes in currency exchange rates, interest rates and capital costs;
- restrictive covenants in our indebtedness that may adversely affect our operational flexibility;
- counterparty credit and performance risk exposure related to our supply and any inventory intermediation arrangements;
- our assumptions regarding payments arising under PBF Energy's tax receivable agreement entered with the PBF LLC Series A and PBF LLC Series B unitholders and other arrangements relating to PBF Energy;
- the impact of disruptions to crude or feedstock supply to any of our refineries, including disruptions related to PBFX or with third-party logistics infrastructure or operations, including pipeline, marine and rail transportation; and
- any decisions we continue to make with respect to our energy-related logistics assets that may be transferred to PBFX.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Form 10-Q may not in fact occur. Accordingly, investors should not place undue reliance on those statements.

Our forward-looking statements speak only as of the date of this Form 10-Q. Except as required by applicable law, including the securities laws of the United States, we do not intend to update or revise any forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,496.8	\$ 2,153.9
Accounts receivable	1,352.2	1,451.7
Accounts receivable - affiliate	16.0	6.3
Inventories	2,832.3	2,763.6
Prepaid and other current assets	150.5	119.0
Total current assets	5,847.8	6,494.5
Property, plant and equipment, net	4,057.9	4,601.8
Lease right of use assets - third party	791.7	678.3
Lease right of use assets - affiliate	370.8	421.6
Deferred charges and other assets, net	1,092.4	954.0
Total assets	\$ 12,160.6	\$ 13,150.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 629.0	\$ 847.5
Accounts payable - affiliate	38.5	38.2
Accrued expenses	3,337.7	3,691.0
Current operating lease liabilities - third party	120.8	60.5
Current operating lease liabilities - affiliate	108.9	104.5
Deferred revenue	74.8	37.5
Total current liabilities	4,309.7	4,779.2
Long-term debt	1,441.5	1,434.9
Deferred tax liabilities	21.2	21.0
Long-term operating lease liabilities - third party	613.1	551.8
Long-term operating lease liabilities - affiliate	261.9	317.2
Long-term financing lease liabilities - third party	52.1	57.9
Other long-term liabilities	314.3	371.1
Total liabilities	7,013.8	7,533.1
Commitments and contingencies (Note 7)		
Equity:		
PBF Holding Company LLC equity		
Member's equity	2,764.3	2,959.7
Retained earnings	2,374.3	2,649.6
Accumulated other comprehensive loss	(4.4)	(4.4)
Total PBF Holding Company LLC equity	5,134.2	5,604.9
Noncontrolling interest	12.6	12.2
Total equity	5,146.8	5,617.1
Total liabilities and equity	\$ 12,160.6	\$ 13,150.2

See notes to condensed consolidated financial statements.

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 9,148.4	\$ 14,064.0	\$ 18,433.9	\$ 23,192.2
Cost and expenses:				
Cost of products and other	7,988.2	11,455.8	15,867.9	19,733.3
Operating expenses (excluding depreciation and amortization expense as reflected below)	571.4	613.8	1,320.4	1,209.4
Depreciation and amortization expense	133.0	110.9	265.9	219.8
Cost of sales	8,692.6	12,180.5	17,454.2	21,162.5
General and administrative expenses (excluding depreciation and amortization expense as reflected below)	100.8	145.9	157.9	195.2
Depreciation and amortization expense	2.3	1.9	4.2	3.8
Change in fair value of contingent consideration, net	(16.6)	77.6	(32.9)	127.7
Loss (gain) on sale of assets	0.2	0.2	(1.4)	0.3
Total cost and expenses	8,779.3	12,406.1	17,582.0	21,489.5
Income from operations	369.1	1,657.9	851.9	1,702.7
Other income (expense):				
Interest expense, net	(15.1)	(75.4)	(30.0)	(143.6)
Change in fair value of catalyst obligations	0.5	7.2	1.2	2.3
Gain on extinguishment of debt	—	3.8	—	3.8
Other non-service components of net periodic benefit cost	0.1	2.2	0.4	4.4
Income before income taxes	354.6	1,595.7	823.5	1,569.6
Income tax benefit	—	(1.2)	(0.6)	(9.3)
Net income	354.6	1,596.9	824.1	1,578.9
Less: net income (loss) attributable to noncontrolling interests	0.1	(0.6)	0.4	(1.7)
Net income attributable to PBF Holding Company LLC	\$ 354.5	\$ 1,597.5	\$ 823.7	\$ 1,580.6

See notes to condensed consolidated financial statements.

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$ 354.6	\$ 1,596.9	\$ 824.1	\$ 1,578.9
Other comprehensive income (loss):				
Unrealized loss on available for sale securities	(0.5)	(0.6)	(0.1)	(1.7)
Net gain on pension and other post-retirement benefits	0.1	—	0.1	0.1
Total other comprehensive income (loss)	(0.4)	(0.6)	—	(1.6)
Comprehensive income	354.2	1,596.3	824.1	1,577.3
Less: comprehensive income (loss) attributable to noncontrolling interests	0.1	(0.6)	0.4	(1.7)
Comprehensive income attributable to PBF Holding Company LLC	<u>\$ 354.1</u>	<u>\$ 1,596.9</u>	<u>\$ 823.7</u>	<u>\$ 1,579.0</u>

See notes to condensed consolidated financial statements.

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited, in millions)

	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Noncontrolling Interest	Total Equity
Balance, March 31, 2023	\$ 2,991.2	\$ (4.0)	\$ 2,460.6	\$ 12.5	\$ 5,460.3
Member distributions	—	—	(440.8)	—	(440.8)
Capital contributions from PBF LLC	610.0	—	—	—	610.0
Distribution of assets to PBF LLC	(844.1)	—	—	—	(844.1)
Stock-based compensation	7.2	—	—	—	7.2
Comprehensive income (loss)	—	(0.4)	354.5	0.1	354.2
Balance, June 30, 2023	<u>\$ 2,764.3</u>	<u>\$ (4.4)</u>	<u>\$ 2,374.3</u>	<u>\$ 12.6</u>	<u>\$ 5,146.8</u>
Balance, March 31, 2022	\$ 2,892.8	\$ 19.3	\$ (510.0)	\$ 11.1	\$ 2,413.2
Member distributions	—	—	(7.7)	—	(7.7)
Capital contributions from PBF LLC	9.0	—	—	—	9.0
Stock-based compensation	6.6	—	—	—	6.6
Comprehensive income (loss)	—	(0.6)	1,597.5	(0.6)	1,596.3
Other	—	—	—	0.4	0.4
Balance, June 30, 2022	<u>\$ 2,908.4</u>	<u>\$ 18.7</u>	<u>\$ 1,079.8</u>	<u>\$ 10.9</u>	<u>\$ 4,017.8</u>

See notes to condensed consolidated financial statements.

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited, in millions)

	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Noncontrolling Interest	Total Equity
Balance, December 31, 2022	\$ 2,959.7	\$ (4.4)	\$ 2,649.6	\$ 12.2	\$ 5,617.1
Member distributions	—	—	(1,099.0)	—	(1,099.0)
Capital contributions from PBF LLC	635.0	—	—	—	635.0
Distribution of assets to PBF LLC	(844.1)	—	—	—	(844.1)
Stock-based compensation expense	13.7	—	—	—	13.7
Comprehensive income	—	—	823.7	0.4	824.1
Balance, June 30, 2023	<u>\$ 2,764.3</u>	<u>\$ (4.4)</u>	<u>\$ 2,374.3</u>	<u>\$ 12.6</u>	<u>\$ 5,146.8</u>
Balance, December 31, 2021	\$ 2,870.2	\$ 20.3	\$ (489.3)	\$ 12.2	\$ 2,413.4
Member distributions	—	—	(11.5)	—	(11.5)
Capital contributions from PBF LLC	25.0	—	—	—	25.0
Stock-based compensation	13.2	—	—	—	13.2
Comprehensive income (loss)	—	(1.6)	1,580.6	(1.7)	1,577.3
Other	—	—	—	0.4	0.4
Balance, June 30, 2022	<u>\$ 2,908.4</u>	<u>\$ 18.7</u>	<u>\$ 1,079.8</u>	<u>\$ 10.9</u>	<u>\$ 4,017.8</u>

See notes to condensed consolidated financial statements.

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 824.1	\$ 1,578.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	280.7	233.5
Stock-based compensation	18.9	14.5
Change in fair value of catalyst obligations	(1.2)	(2.3)
Deferred income taxes	0.1	(9.3)
Non-cash change in inventory repurchase obligations	8.5	(3.4)
Change in fair value of contingent consideration, net	(32.9)	127.7
Gain on extinguishment of debt	—	(3.8)
Pension and other post-retirement benefit costs	23.9	23.8
(Gain) loss on sale of assets	(1.4)	0.3
Changes in operating assets and liabilities:		
Accounts receivable	99.5	(690.0)
Due to/from affiliates	(9.5)	(14.8)
Inventories	(68.7)	(471.3)
Prepaid and other current assets	(36.4)	(140.3)
Accounts payable	(202.1)	398.5
Accrued expenses	(322.5)	1,100.0
Deferred revenue	37.3	42.8
Other assets and liabilities	(19.4)	(28.6)
Net cash provided by operating activities	\$ 598.9	\$ 2,156.2
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(442.0)	(223.4)
Expenditures for deferred turnaround costs	(268.0)	(166.8)
Expenditures for other assets	(35.0)	(43.6)
Proceeds from sale of assets	4.4	—
Net cash used in investing activities	\$ (740.6)	\$ (433.8)

See notes to condensed consolidated financial statements.

PBF HOLDING COMPANY LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(unaudited, in millions)

	Six Months Ended June 30,	
	2023	2022
Cash flows from financing activities:		
Contributions from PBF LLC	\$ 635.0	\$ 25.0
Distributions to members	(1,099.0)	(11.6)
Repurchase of 2028 6.00% Senior Notes	—	(21.1)
Repurchase of 2025 7.25% Senior Notes	—	(4.8)
Payment of contingent consideration	(80.1)	—
Repayments of revolver borrowings	—	(900.0)
Payments on financing leases	(5.8)	(5.7)
Proceeds from insurance premium financing	35.0	32.4
Deferred financing costs and other, net	(0.5)	(32.2)
Net cash used in financing activities	\$ (515.4)	\$ (918.0)
Net change in cash and cash equivalents	(657.1)	804.4
Cash and cash equivalents, beginning of period	2,153.9	1,305.7
Cash and cash equivalents, end of period	\$ 1,496.8	\$ 2,110.1
Supplemental cash flow disclosures		
Non-cash activities:		
Distribution of assets to PBF Energy Company LLC	\$ 844.1	\$ —
Accrued and unpaid capital expenditures	108.6	118.9
Assets acquired or remeasured under operating and financing leases	174.8	31.3
Cash paid during the period for:		
Interest (net of capitalized interest of \$28.1 million and \$9.2 million in 2023 and 2022, respectively)	\$ 46.0	\$ 131.0
Income taxes	1.4	0.8

See notes to condensed consolidated financial statements.

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business

PBF Holding Company LLC (“PBF Holding”), a Delaware limited liability company, and PBF Finance Corporation (“PBF Finance”), a wholly-owned subsidiary of PBF Holding, together with the Company’s consolidated subsidiaries, owns and operates oil refineries and related facilities in North America. PBF Holding is a wholly-owned subsidiary of PBF Energy Company LLC (“PBF LLC”). PBF Energy Inc. (“PBF Energy”) is the sole managing member of, and owner of an equity interest representing approximately 99.3% of the outstanding economic interest in, PBF LLC as of June 30, 2023. PBF Investments LLC, Toledo Refining Company LLC, Paulsboro Refining Company LLC (“PRC”), Delaware City Refining Company LLC (“DCR”), Chalmette Refining, L.L.C. (“Chalmette Refining”), PBF Energy Western Region LLC, Torrance Refining Company LLC, Torrance Logistics Company LLC and Martinez Refining Company LLC are PBF LLC’s principal operating subsidiaries and are all wholly-owned subsidiaries of PBF Holding. Collectively, PBF Holding and its consolidated subsidiaries are referred to hereinafter as the “Company”.

PBF Logistics GP LLC (“PBF GP”) serves as the general partner of PBF Logistics LP (“PBFX”). PBF GP is wholly-owned by PBF LLC. In a series of transactions, PBF Holding has distributed certain assets to PBF LLC, which in turn contributed those assets to PBFX (as described in “Note 6 - Related Party Transactions”).

On June 27, 2023, the Company distributed to PBF LLC, which in turn contributed to St. Bernard Renewables LLC (“SBR”), approximately \$739.8 million in assets related to the renewable diesel facility co-located with the Company’s Chalmette refinery in Louisiana. The Company has no interest in SBR, which is jointly owned by a subsidiary of PBF LLC and its partner, Eni Sustainable Mobility US Inc., a subsidiary of Eni SpA. Additionally, the Company distributed to PBF LLC, which in turn contributed to one of its subsidiaries, Chalmette Refining Service Company LLC (“CRSC”), approximately \$103.8 million in assets. The Company has no interest in CRSC, which is owned by PBF LLC.

Basis of Presentation

The unaudited condensed consolidated financial information furnished herein reflects all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, considered necessary for a fair presentation of the financial position and the results of operations and cash flows of the Company for the periods presented. All intercompany accounts and transactions have been eliminated in consolidation. These unaudited Condensed Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. These interim Condensed Consolidated Financial Statements should be read in conjunction with the PBF Holding and PBF Finance financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2022. The results of operations for the three and six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the full year.

2. CURRENT EXPECTED CREDIT LOSSES

Credit Losses

The Company has exposure to credit losses primarily through its sales of refined products. The Company evaluates creditworthiness on an individual customer basis. The Company utilizes a financial review model for purposes of evaluating creditworthiness which is based on information from financial statements and credit reports. The financial review model enables the Company to assess the customer's risk profile and determine credit limits on the basis of their financial strength, including but not limited to, their liquidity, leverage, debt serviceability, longevity and how they pay their bills. The Company may require security in the form of letters of credit or cash payments in advance of product delivery for certain customers that are deemed higher risk.

The Company's payment terms on its trade receivables are relatively short, generally 30 days or less for a substantial majority of its refined products. As a result, the Company's collection risk is mitigated to a certain extent by the fact that sales are collected in a relatively short period of time, allowing for the ability to reduce exposure on defaults if collection issues are identified. Notwithstanding, the Company reviews each customer's credit risk profile at least annually or more frequently if warranted.

The Company performs a quarterly allowance for doubtful accounts analysis to assess whether an allowance needs to be recorded for any outstanding trade receivables. In estimating credit losses, management reviews accounts that are past due, have known disputes or have experienced any negative credit events that may result in future collectability issues. There was no allowance for doubtful accounts recorded as of June 30, 2023 or December 31, 2022.

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. INVENTORIES

Inventories consisted of the following:

June 30, 2023				
<i>(in millions)</i>	Titled Inventory	Inventory Intermediation Agreement		Total
Crude oil and feedstocks	\$ 1,200.1	\$ 140.2	\$	1,340.3
Refined products and blendstocks	1,254.2	93.9		1,348.1
Warehouse stock and other	143.9	—		143.9
	\$ 2,598.2	\$ 234.1	\$	2,832.3
Lower of cost or market adjustment	—	—		—
Total inventories	\$ 2,598.2	\$ 234.1	\$	2,832.3

December 31, 2022				
<i>(in millions)</i>	Titled Inventory	Inventory Intermediation Agreement		Total
Crude oil and feedstocks	\$ 1,195.2	\$ 140.9	\$	1,336.1
Refined products and blendstocks	1,244.7	40.9		1,285.6
Warehouse stock and other	141.9	—		141.9
	\$ 2,581.8	\$ 181.8	\$	2,763.6
Lower of cost or market adjustment	—	—		—
Total inventories	\$ 2,581.8	\$ 181.8	\$	2,763.6

PBF Holding and its subsidiaries, DCR, PRC and Chalmette Refining (collectively, the “PBF Entities”), entered into an inventory intermediation agreement (as amended and restated from time to time, the “Third Inventory Intermediation Agreement”) with J. Aron & Company, a subsidiary of The Goldman Sachs Group, Inc. (“J. Aron”).

Pursuant to the Third Inventory Intermediation Agreement, J. Aron purchased and held title to certain inventory, including crude oil, intermediate and certain finished products (the “J. Aron Products”) purchased or produced by the Paulsboro and Delaware City refineries (and, at the election of the PBF Entities, the Chalmette refinery) (the “Refineries”) and delivered into storage tanks at the Refineries (the “Storage Tanks”). The J. Aron Products were sold back to the Company as the J. Aron Products were discharged out of the Storage Tanks. These purchases and sales were settled daily, and pricing was trued-up monthly at the market prices related to those J. Aron Products. These transactions were considered to be made in contemplation of each other and, accordingly, did not result in the recognition of a sale when title passed from the Refineries to J. Aron. Additionally, J. Aron had the right to store the J. Aron Products purchased in Storage Tanks under the Third Inventory Intermediation Agreement and retained these storage rights for the term of the agreement. PBF Holding continues to market and sell the J. Aron Products independently to third parties. On June 28, 2023, the PBF Entities entered into a second amendment of the Third Inventory Intermediation Agreement to amend certain provisions in order to allow for the early termination of the Third Inventory Intermediation Agreement effective as of July 31, 2023. Following the early termination, the Company owns all of the inventory previously held by J. Aron.

As of June 30, 2023 and December 31, 2022 there was no lower of cost or market adjustment recorded as the replacement value of inventories exceeded the last-in, first-out carrying value.

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. ACCRUED EXPENSES

Accrued expenses consisted of the following:

<i>(in millions)</i>	June 30, 2023		December 31, 2022	
Inventory-related accruals	\$	1,659.5	\$	1,417.4
Renewable energy credit and emissions obligations (a)		792.3		1,361.1
Inventory intermediation agreement (b)		177.8		98.3
Accrued transportation costs		159.8		127.3
Excise and sales tax payable		137.9		123.8
Accrued salaries and benefits		114.4		172.9
Accrued refinery maintenance and support costs		65.2		48.1
Accrued utilities		51.8		105.4
Accrued capital expenditures		45.5		85.7
Contingent consideration		29.4		81.6
Accrued interest		20.2		20.1
Environmental liabilities		13.7		14.1
Current finance lease liabilities		11.7		11.7
Other		58.5		23.5
Total accrued expenses	\$	3,337.7	\$	3,691.0

(a) The Company is subject to obligations to purchase Renewable Identification Numbers (“RINs”) required to comply with the Renewable Fuel Standard. The Company’s overall RINs obligation is based on a percentage of domestic shipments of on-road fuels as established by Environmental Protection Agency. To the degree the Company is unable to blend the required amount of biofuels to satisfy its RINs obligation, RINs must be purchased on the open market to avoid penalties and fines. The Company records its RINs obligation on a net basis in Accrued expenses when its RINs liability is greater than the amount of RINs earned and purchased in a given period and in Prepaid and other current assets when the amount of RINs earned and purchased is greater than the RINs liability. In addition, the Company is subject to obligations to comply with federal and state legislative and regulatory measures, including regulations in the state of California pursuant to Assembly Bill 32 (“AB 32”), to address environmental compliance and greenhouse gas and other emissions. These requirements include incremental costs to operate and maintain our facilities as well as to implement and manage new emission controls and programs. Renewable energy credit and emissions obligations fluctuate with the volume of applicable product sales and timing of credit purchases. From time to time, the Company enters into forward purchase commitments in order to acquire its renewable energy and emissions credits at fixed prices. As of June 30, 2023, the Company had entered into approximately \$501.2 million of such forward purchase commitments with respect to its total accrued renewable energy and emissions obligations. Our RIN obligations will be settled in accordance with established regulatory deadlines. The Company’s AB 32 liability is part of an ongoing triennial period program which will be settled through 2024.

(b) The Company had the obligation to repurchase the J. Aron Products that were held in its Storage Tanks in accordance with the Third Inventory Intermediation Agreement. As of June 30, 2023 and December 31, 2022, a liability was recognized based on the repurchase obligation under the Third Inventory Intermediation Agreement for the J. Aron owned inventory held in the Company’s Storage Tanks, with any change in the market price being recorded in Cost of products and other. As described in “Note 3 - Inventories”, the Company amended this agreement to allow for an early termination effective July 31, 2023.

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. CREDIT FACILITIES AND DEBT

Debt outstanding consists of the following:

<i>(in millions)</i>	June 30, 2023		December 31, 2022	
2028 Senior Notes	\$	801.6	\$	801.6
2025 Senior Notes		664.5		664.5
Revolving Credit Facility		—		—
Catalyst financing arrangements		2.7		4.0
		1,468.8		1,470.1
Unamortized premium		—		—
Unamortized deferred financing costs		(27.3)		(35.2)
Long-term debt	\$	1,441.5	\$	1,434.9

As of June 30, 2023, the Company is in compliance with all covenants, including financial covenants, in all its debt agreements.

6. RELATED PARTY TRANSACTIONS

Transactions and Agreements with PBFX

The Company entered into agreements with PBFX that establish fees for certain general and administrative services, and operational and maintenance services provided by the Company to PBFX. In addition, the Company executed terminal, pipeline and storage services agreements with PBFX under which PBFX provides commercial transportation, terminaling, storage and pipeline services to the Company. These agreements with PBFX include:

Contribution Agreements

Immediately prior to the closing of certain contribution agreements, which PBF LLC entered into with PBFX (collectively referred to as the “Contribution Agreements”), the Company contributed certain assets to PBF LLC. PBF LLC in turn contributed those assets to PBFX pursuant to the Contribution Agreements. Certain proceeds received by PBF LLC from PBFX in accordance with the Contribution Agreements were subsequently contributed by PBF LLC to the Company. There were no agreements entered into during the three and six months ended June 30, 2023.

Commercial Agreements

The Company has entered into long-term, fee-based commercial agreements with PBFX relating to assets associated with the Contribution Agreements, the majority of which include a minimum volume commitment and are supported by contractual fee escalations for inflation adjustments and certain increases in operating costs. Under these agreements, PBFX provides various pipeline, rail and truck terminaling and storage services to the Company and the Company has committed to provide PBFX with minimum fees based on minimum monthly throughput volumes. The Company believes the terms and conditions under these agreements, as well as the Omnibus Agreement and the Services Agreement (each as defined below) with PBFX, are generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services. There were no agreements entered into during the three and six months ended June 30, 2023.

Other Agreements

In addition to the commercial agreements described above, the Company has entered into an omnibus agreement with PBFX, PBF GP and PBF LLC, which has been amended and restated in connection with certain Contribution Agreements (as amended, the “Omnibus Agreement”). The Omnibus Agreement addresses the payment of an annual fee for the provision of various general and administrative services and reimbursement of salary and benefit costs for certain PBF Energy employees.

Additionally, the Company and certain of its subsidiaries have entered into an operation and management services and secondment agreement with PBFX (as amended, the “Services Agreement”), pursuant to which the Company and its subsidiaries provide PBFX with the personnel necessary for PBFX to perform its obligations under its commercial agreements. PBFX reimburses the Company for the use of such employees and the provision of certain infrastructure-related services to the extent applicable to its operations, including storm water discharge and waste water treatment, steam, potable water, access to certain roads and grounds, sanitary sewer access, electrical power, emergency response, filter press, fuel gas, API solids treatment, fire water and compressed air. The Services Agreement will terminate upon the termination of the Omnibus Agreement, provided that PBFX may terminate any service upon 30-days’ notice.

Refer to the Company’s 2022 Annual Report on Form 10-K (“Note 10 - Related Party Transactions” of the Notes to Consolidated Financial Statements) for a more complete description of the agreements with PBFX that were entered into prior to 2023.

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Summary of Transactions with PBFX

A summary of the Company's affiliate transactions with PBFX is as follows:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Reimbursements under affiliate agreements:				
Services Agreement	\$ 2.1	\$ 2.1	\$ 4.3	\$ 4.3
Omnibus Agreement	2.1	2.3	3.9	4.1
Total expenses under affiliate agreements	84.8	79.6	173.8	155.6

Total reimbursements under the Omnibus Agreement are included in General and administrative expenses and reimbursements under the Services Agreement and expenses under affiliate agreements are included in Cost of products and other in the Company's Condensed Consolidated Statements of Operations.

7. COMMITMENTS AND CONTINGENCIES

In the ordinary conduct of the Company's business, the Company is from time to time subject to lawsuits, investigations and claims, including class action proceedings, mass tort actions, tort actions, environmental claims and employee-related matters. The outcome of these matters cannot always be predicted accurately, but the Company accrues liabilities for these matters if the Company has determined that it is probable a loss has been incurred and the loss can be reasonably estimated. For such ongoing matters for which we have not recorded a liability but losses are reasonably possible, we are unable to estimate a range of possible losses at this time due to various reasons that may include but are not limited to, matters being in an early stage and not fully developed through pleadings, discovery or court proceedings, number of potential claimants being unknown or uncertainty regarding a number of different factors underlying the potential claims. However, the ultimate resolution of one or more of these contingencies could result in an adverse outcome that may have a material effect on our financial position, results of operations or cash flows.

Environmental Matters

The Company's refineries, pipelines and related operations are subject to extensive and frequently changing federal, state and local laws and regulations, including, but not limited to, those relating to the discharge of materials into the environment or that otherwise relate to the protection of the environment (including in response to the potential impacts of climate change), waste management and the characteristics and the compositions of fuels. Compliance with existing and anticipated laws and regulations can increase the overall cost of operating the refineries, including remediation, operating costs and capital costs to construct, maintain and upgrade equipment and facilities.

These laws and permits raise potential exposure to future claims and lawsuits involving environmental and safety matters which could include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which the Company manufactured, handled, used, released or disposed of, transported, or that relate to pre-existing conditions for which the Company has assumed responsibility. The Company believes that its current operations are in compliance with existing environmental and safety requirements. However, there have been and will continue to be ongoing discussions about environmental and safety matters between the Company and federal and state authorities, including notices of violations, citations and other enforcement actions, some of which have resulted or may result in changes to operating procedures and in capital expenditures. While it is often difficult to quantify future environmental or safety related expenditures, the Company anticipates that continuing capital investments and changes in operating procedures will be required for the foreseeable future to comply with existing and new requirements, as well as evolving interpretations and more strict enforcement of existing laws and regulations.

In connection with the acquisition of the Torrance refinery and related logistics assets, the Company assumed certain pre-existing environmental liabilities. The estimated costs related to these remediation obligations totaled \$113.3 million as of June 30, 2023 (\$117.0 million as of December 31, 2022), and related primarily to remediation obligations to address existing soil and groundwater contamination and the related monitoring and clean-up activities. Costs related to these obligations are reassessed periodically or when changes to our remediation approach are identified. The current portion of the environmental liability is recorded in Accrued expenses and the non-current portion is recorded in Other long-term liabilities.

The aggregate environmental liability reflected in the Company's Condensed Consolidated Balance Sheets was \$154.6 million and \$155.6 million at June 30, 2023 and December 31, 2022, respectively, of which \$140.9 million and \$141.5 million, respectively, were classified as Other long-term liabilities. These liabilities include remediation and monitoring costs expected to be incurred over an extended period of time. Estimated liabilities could increase in the future when the results of ongoing investigations become known, are considered probable and can be reasonably estimated.

Contingent Consideration

In connection with the acquisition of the Martinez refinery and related logistics assets, the sale and purchase agreement dated June 11, 2019 included an earn-out provision based on certain earnings thresholds of the Martinez refinery. Pursuant to the agreement, the Company will make payments to Equilon Enterprises LLC d/b/a Shell Oil Products US, based on future earnings at the Martinez refinery in excess of certain thresholds, as defined in the agreement, for a period of up to four years following the acquisition closing date (the “Martinez Contingent Consideration”). Upon acquisition of the refinery, the Company recorded the estimated acquisition date fair value of the earn-out provision as contingent consideration of \$77.3 million within “Other long-term liabilities” within the Company’s Condensed Consolidated Balance Sheet. Subsequent changes in the fair value of the Martinez Contingent Consideration are recorded in the Condensed Consolidated Statements of Operations. The fair value of the Martinez Contingent Consideration was estimated to be \$29.4 million as of June 30, 2023 and is included within Accrued expenses within the Company’s Condensed Consolidated Balance Sheet. The fair value of the Martinez Contingent Consideration was estimated to be \$147.3 million as of December 31, 2022 (of which approximately \$80.0 million was included within Accrued expenses and paid in April 2023).

8. EMPLOYEE BENEFIT PLANS

The components of net periodic benefit cost related to the Company’s defined benefit plans consisted of the following:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
Pension Benefits	2023	2022	2023	2022
Components of net periodic benefit cost:				
Service cost	\$ 11.9	\$ 13.9	\$ 24.0	\$ 27.8
Interest cost	4.6	1.9	8.9	3.9
Expected return on plan assets	(4.8)	(4.3)	(9.6)	(8.7)
Net periodic benefit cost	\$ 11.7	\$ 11.5	\$ 23.3	\$ 23.0

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
Post-Retirement Medical Plan	2023	2022	2023	2022
Components of net periodic benefit cost:				
Service cost	\$ 0.1	\$ 0.2	\$ 0.3	\$ 0.4
Interest cost	0.1	0.2	0.3	0.3
Amortization of prior service cost and actuarial loss	—	—	—	0.1
Net periodic benefit cost	\$ 0.2	\$ 0.4	\$ 0.6	\$ 0.8

9. REVENUES

The following table provides information relating to the Company's revenues from external customers for each product or group of similar products for the periods presented:

<i>(in millions)</i>	Three Months Ended June 30,	
	2023	2022
Gasoline and distillates	\$ 8,142.1	\$ 12,520.9
Asphalt and blackoils	385.0	667.2
Feedstocks and other	349.8	451.9
Chemicals	174.2	291.2
Lubricants	97.3	132.8
Total Revenues	\$ 9,148.4	\$ 14,064.0

<i>(in millions)</i>	Six Months Ended June 30,	
	2023	2022
Gasoline and distillates	\$ 16,374.7	\$ 20,558.6
Asphalt and blackoils	788.2	1,126.1
Feedstocks and other	767.6	786.8
Chemicals	314.4	498.2
Lubricants	189.0	222.5
Total Revenues	\$ 18,433.9	\$ 23,192.2

The Company's revenues are generated from the sale of refined products. These revenues are largely based on the current spot (market) prices of the products sold, which represent consideration specifically allocable to the products being sold on a given day, and the Company recognizes those revenues upon delivery and transfer of title to the products to our customers. The time at which delivery and transfer of title occurs is the point when the Company's control of the products is transferred to the Company's customers and when its performance obligation to its customers is fulfilled. Delivery and transfer of title are specifically agreed to between the Company and customers within the contracts. The Company also has contracts which contain fixed pricing, tiered pricing, minimum volume features with makeup periods, or other factors that have not materially been affected by Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*.

Deferred Revenue

The Company records deferred revenue when cash payments are received or are due in advance of performance, including amounts which are refundable. Deferred revenue was \$74.8 million and \$37.5 million as of June 30, 2023 and December 31, 2022, respectively. Fluctuations in the deferred revenue balance are primarily driven by the timing and extent of cash payments received or due in advance of satisfying the Company's performance obligations.

The Company's payment terms vary by type and location of customers and the products offered. The period between invoicing and when payment is due is not significant (i.e. generally within two months). For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INCOME TAXES

PBF Holding is a limited liability company treated as a “flow-through” entity for income tax purposes. Accordingly, there is generally no benefit or expense for federal or state income tax in the PBF Holding financial statements apart from the income tax attributable to the two subsidiaries acquired in connection with the acquisition of Chalmette Refining and the Company’s wholly-owned Canadian subsidiary, PBF Energy Limited, which are treated as C-Corporations for income tax purposes, with the tax provision calculated based on the effective tax rate for the periods presented.

The income tax provision in the PBF Holding Condensed Consolidated Statements of Operations consists of the following:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Current income tax expense (benefit)	\$ 0.2	\$ —	\$ (0.7)	\$ —
Deferred income tax (benefit) expense	(0.2)	(1.2)	0.1	(9.3)
Total income tax benefit	\$ —	\$ (1.2)	\$ (0.6)	\$ (9.3)

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. FAIR VALUE MEASUREMENTS

The tables below present information about the Company's financial assets and liabilities measured and recorded at fair value on a recurring basis and indicate the fair value hierarchy of the inputs utilized to determine the fair values as of June 30, 2023 and December 31, 2022.

The Company has elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty; however, fair value amounts by hierarchy level are presented on a gross basis in the tables below. The Company has posted cash margin with various counterparties to support hedging and trading activities. The cash margin posted is required by counterparties as collateral deposits and cannot be offset against the fair value of open contracts except in the event of default. The Company has no derivative contracts that are subject to master netting arrangements that are reflected gross on the Condensed Consolidated Balance Sheets.

		As of June 30, 2023				
<i>(in millions)</i>	Fair Value Hierarchy			Total Gross Fair Value	Effect of Counterparty Netting	Net Carrying Value on Balance Sheet
	Level 1	Level 2	Level 3			
Assets:						
Money market funds	\$ 125.4	\$ —	\$ —	\$ 125.4	N/A	\$ 125.4
Commodity contracts	20.3	33.8	11.9	66.0	(49.4)	16.6
Derivatives included within inventory intermediation agreement obligations	—	16.6	—	16.6	—	16.6
Liabilities:						
Commodity contracts	13.4	36.0	—	49.4	(49.4)	—
Catalyst obligations	—	2.7	—	2.7	—	2.7
Renewable energy credit and emissions obligations	—	792.3	—	792.3	—	792.3
Contingent consideration obligation	—	—	29.4	29.4	—	29.4

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2022

<i>(in millions)</i>	Fair Value Hierarchy			Total Gross Fair Value	Effect of Counter- party Netting	Net Carrying Value on Balance Sheet
	Level 1	Level 2	Level 3			
Assets:						
Money market funds	\$ 106.5	\$ —	\$ —	\$ 106.5	N/A	\$ 106.5
Commodity contracts	33.8	15.7	—	49.5	(35.6)	13.9
Derivatives included within inventory intermediation agreement obligations	—	25.1	—	25.1	—	25.1
Liabilities:						
Commodity contracts	20.6	11.8	3.2	35.6	(35.6)	—
Catalyst obligations	—	4.0	—	4.0	—	4.0
Renewable energy credit and emissions obligations	—	1,361.1	—	1,361.1	—	1,361.1
Contingent consideration obligation	—	—	147.3	147.3	—	147.3

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The valuation methods used to measure financial instruments at fair value are as follows:

- Money market funds categorized in Level 1 of the fair value hierarchy are measured at fair value based on quoted market prices and included within Cash and cash equivalents.
- The commodity contracts categorized in Level 1 of the fair value hierarchy are measured at fair value based on quoted prices in an active market. The commodity contracts categorized in Level 2 of the fair value hierarchy are measured at fair value using a market approach based upon future commodity prices for similar instruments quoted in active markets.
- The derivatives included with inventory intermediation agreement obligations and the catalyst obligations are categorized in Level 2 of the fair value hierarchy and are measured at fair value using a market approach based upon commodity prices for similar instruments quoted in active markets.
- Renewable energy credit and emissions obligations primarily represent the Company's liability for the purchase of (i) biofuel credits (primarily RINs in the U.S.) needed to satisfy its obligation to blend biofuels into the products the Company produces and (ii) emission credits under the AB 32 and similar programs (collectively, the cap-and-trade systems). To the degree the Company is unable to blend biofuels (such as ethanol and biodiesel) at percentages required under the biofuel programs, it must purchase biofuel credits to comply with these programs. Under the cap-and-trade systems, it must purchase emission credits to comply with these systems. The liability for environmental credits is in part based on the Company's deficit for such credits as of the balance sheet date, if any, after considering any credits acquired, and is equal to the product of the credits deficit and the market price of these credits as of the balance sheet date. To the extent that the Company has a better estimate of the cost at which it settle its obligation, such as agreements to purchase RINs at prices other than the current spot price, the Company considers those costs in valuing the remaining obligation. The environmental credit obligations are categorized in Level 2 of the fair value hierarchy and the Company measured at fair value using a market approach based on quoted prices from an independent pricing service.
- When applicable, commodity contracts categorized in Level 3 of the fair value hierarchy consist of commodity price swap contracts that relate to forecasted purchases of crude oil for which quoted forward market prices are not readily available due to market illiquidity. The forward prices used to value these swaps are derived using broker quotes, prices from other third-party sources and other available market based data.
- The contingent consideration obligation at June 30, 2023 and December 31, 2022 is categorized in Level 3 of the fair value hierarchy and is estimated using discounted cash flow models based on management's estimate of the future cash flows related to the earn-out periods.

Non-qualified pension plan assets are measured at fair value using a market approach based on published net asset values of mutual funds as a practical expedient. As of June 30, 2023 and December 31, 2022, \$18.8 million and \$18.6 million, respectively, were included within Deferred charges and other assets, net for these non-qualified pension plan assets.

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The table below summarizes the changes in fair value measurements categorized in Level 3 of the fair value hierarchy, which primarily includes the change in estimated future earnings related to the Martinez Contingent Consideration:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Balance at beginning of period	\$ 123.4	\$ 79.5	\$ 150.5	\$ 29.4
Additions	—	—	—	—
Settlements	(78.2)	—	(83.6)	—
Unrealized (gain) loss included in earnings	(27.7)	77.6	(49.4)	127.7
Balance at end of period	\$ 17.5	\$ 157.1	\$ 17.5	\$ 157.1

There were no transfers between levels during the three and six months ended June 30, 2023 or the three and six months ended June 30, 2022.

Fair value of debt

The table below summarizes the carrying value and fair value of debt as of June 30, 2023 and December 31, 2022.

<i>(In millions)</i>	June 30, 2023		December 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
2028 Senior Notes (a)	\$ 801.6	\$ 747.9	\$ 801.6	\$ 703.7
2025 Senior Notes (a)	664.5	664.6	664.5	656.0
Catalyst financing arrangements (b)	2.7	2.7	4.0	4.0
	1,468.8	1,415.2	1,470.1	1,363.7
Unamortized premium	—	n/a	—	n/a
Less - Unamortized deferred financing costs	(27.3)	n/a	(35.2)	n/a
Long-term debt	\$ 1,441.5	\$ 1,415.2	\$ 1,434.9	\$ 1,363.7

- (a) The estimated fair value, categorized as a Level 2 measurement, was calculated based on the present value of future expected payments utilizing implied current market interest rates based on quoted prices of the outstanding senior notes.
- (b) Catalyst financing arrangements are valued using a market approach based upon commodity prices for similar instruments quoted in active markets and are categorized as a Level 2 measurement. The Company has elected the fair value option for accounting for its catalyst repurchase obligations as the Company's liability is directly impacted by the change in fair value of the underlying catalyst.

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12. DERIVATIVES

The Company uses derivative instruments to mitigate certain exposures to commodity price risk. The Company entered into the Third Inventory Intermediation Agreement that contain purchase obligations for certain volumes of crude oil, intermediates and refined products. The purchase obligations related to crude oil, intermediates and refined products under these agreements are derivative instruments that have been designated as fair value hedges in order to hedge the commodity price volatility of certain refinery inventory. The fair value of these purchase obligation derivatives is based on market prices of the underlying crude oil, intermediates and refined products. The level of activity for these derivatives is based on the level of operating inventories.

As of June 30, 2023 and December 31, 2022, there were 1,896,752 and 1,945,994 barrels of crude oil and feedstocks outstanding under these derivative instruments designated as fair value hedges, respectively. As of June 30, 2023, there were 1,360,170 barrels of intermediates and refined products (780,734 barrels at December 31, 2022) outstanding under these derivative instruments designated as fair value hedges. These volumes represent the notional value of the contract.

The Company also enters into economic hedges primarily consisting of commodity derivative contracts that are not designated as hedges and are used to manage price volatility in certain crude oil and feedstock inventories as well as crude oil, feedstock, and refined product sales or purchases. The objective in entering into economic hedges is consistent with the objectives discussed above for fair value hedges. As of June 30, 2023, there were 17,689,000 barrels of crude oil and 11,686,400 barrels of refined products (17,890,000 and 12,175,200, respectively, as of December 31, 2022), outstanding under short and long term commodity derivative contracts not designated as hedges representing the notional value of the contracts.

The Company also uses derivative instruments to mitigate the risk associated with the price of credits needed to comply with various governmental and regulatory environmental compliance programs. For such contracts that represent derivatives, the Company elects the normal purchase normal sale exception under ASC 815, *Derivatives and Hedging*, and therefore does not record them at fair value.

The following tables provide information regarding the fair values of derivative instruments as of June 30, 2023 and December 31, 2022, and the line items in the Condensed Consolidated Balance Sheets in which fair values are reflected.

Description	Balance Sheet Location	Fair Value Asset/(Liability)
		<i>(in millions)</i>
Derivatives designated as hedging instruments:		
June 30, 2023:		
Derivatives included within the inventory intermediation agreement obligations	Accrued expenses	\$ 16.6
December 31, 2022:		
Derivatives included within the inventory intermediation agreement obligations	Accrued expenses	\$ 25.1
Derivatives not designated as hedging instruments:		
June 30, 2023:		
Commodity contracts	Accounts receivable	\$ 16.6
December 31, 2022:		
Commodity contracts	Accounts receivable	\$ 13.9

PBF HOLDING COMPANY LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table provides information regarding gains or losses recognized in income on derivative instruments and the line items in the Condensed Consolidated Statements of Operations in which such gains and losses are reflected.

Description	Location of Gain or (Loss) Recognized in Income on Derivatives	Gain or (Loss) Recognized in Income on Derivatives <i>(in millions)</i>
Derivatives designated as hedging instruments:		
For the three months ended June 30, 2023:		
Derivatives included within the inventory intermediation agreement obligations	Cost of products and other	\$ (12.7)
For the three months ended June 30, 2022:		
Derivatives included within the inventory intermediation agreement obligations	Cost of products and other	\$ (37.3)
For the six months ended June 30, 2023:		
Derivatives included within the inventory intermediation agreement obligations	Cost of products and other	\$ (8.5)
For the six months ended June 30, 2022:		
Derivatives included within the inventory intermediation agreement obligations	Cost of products and other	\$ 3.4
Derivatives not designated as hedging instruments:		
For the three months ended June 30, 2023:		
Commodity contracts	Cost of products and other	\$ 23.3
For the three months ended June 30, 2022:		
Commodity contracts	Cost of products and other	\$ (25.2)
For the six months ended June 30, 2023:		
Commodity contracts	Cost of products and other	\$ 38.1
For the six months ended June 30, 2022:		
Commodity contracts	Cost of products and other	\$ (52.1)
Hedged items designated in fair value hedges:		
For the three months ended June 30, 2023:		
Crude oil, intermediate and refined product inventory	Cost of products and other	\$ 12.7
For the three months ended June 30, 2022:		
Crude oil, intermediate and refined product inventory	Cost of products and other	\$ 37.3
For the six months ended June 30, 2023:		
Crude oil, intermediate and refined product inventory	Cost of products and other	\$ 8.5
For the six months ended June 30, 2022:		
Crude oil, intermediate and refined product inventory	Cost of products and other	\$ (3.4)

The Company had no ineffectiveness related to the fair value hedges for the three and six months ended June 30, 2023 or the three and six months ended June 30, 2022.

13. SUBSEQUENT EVENTS

Dividend Declared

On August 3, 2023, PBF Energy, PBF Holding's indirect parent, announced a dividend of \$0.20 per share on its outstanding Class A common stock. The dividend is payable on August 31, 2023 to PBF Energy Class A common stockholders of record at the close of business on August 17, 2023.

Early Termination of the Inventory Intermediation Agreement

On July 31, 2023, in conjunction with the early termination of the Third Inventory Intermediation Agreement, the Company made a provisional payment of \$268.0 million for the inventory previously held by J. Aron and the related costs associated with exiting the agreement.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the audited financial statements of PBF Holding included in the Annual Report on Form 10-K for the year ended December 31, 2022 and the unaudited financial statements and related notes included in this report. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of a number of factors. We caution that assumptions, expectations, projections, intentions or beliefs about future events may, and often do, vary from actual results and the differences can be material. Please see "Cautionary Note Regarding Forward-Looking Statements."

Unless the context indicates otherwise, the terms "we," "us," and "our" refer to PBF Holding and its consolidated subsidiaries.

Overview

We are one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. We sell our products throughout the Northeast, Midwest, Gulf Coast and West Coast of the United States, as well as in other regions of the United States, Canada and Mexico and are able to ship products to other international destinations. We own and operate six domestic oil refineries and related assets. Our refineries have a combined processing capacity, known as throughput, of approximately 1,000,000 barrels per day ("bpd"), and a weighted-average Nelson Complexity Index of 12.7 based on current operating conditions. The complexity and throughput capacity of our refineries are subject to change dependent upon configuration changes we make to respond to market conditions, as well as a result of investments made to improve our facilities and maintain compliance with environmental and governmental regulations. Our six oil refineries are aggregated into one reportable segment.

Our six refineries are located in Delaware City, Delaware, Paulsboro, New Jersey, Toledo, Ohio, Chalmette, Louisiana, Torrance, California and Martinez, California. Each refinery is briefly described in the table below:

Refinery	Region	Nelson Complexity Index ⁽¹⁾	Throughput Capacity (in bpd) ⁽¹⁾	PADD	Crude Processed ⁽²⁾	Source ⁽²⁾
Delaware City	East Coast	13.6	180,000	1	light sweet through heavy sour	water, rail
Paulsboro	East Coast	8.8 ⁽³⁾	155,000 ⁽³⁾	1	light sweet through heavy sour	water
Toledo	Mid-Continent	11.0	180,000	2	light sweet	pipeline, truck, rail
Chalmette	Gulf Coast	13.0	185,000	3	light sweet through heavy sour	water, pipeline
Torrance	West Coast	13.8	166,000	5	medium and heavy	pipeline, water, truck
Martinez	West Coast	16.1	157,000	5	medium and heavy	pipeline and water

⁽¹⁾ Reflects operating conditions at each refinery as of the date of this filing. Changes in complexity and throughput capacity reflect the result of current market conditions, in addition to investments made to improve our facilities and maintain compliance with environmental and governmental regulations. Configurations at each of our refineries are evaluated periodically and updated accordingly.

⁽²⁾ Reflects the typical crude and feedstocks and related sources utilized under normal operating conditions and prevailing market environments.

⁽³⁾ Under normal operating conditions and prevailing market environments, our Nelson Complexity Index and throughput capacity for the Paulsboro refinery would be 13.1 and 180,000, respectively. As a result of the reconfiguration of our East Coast refineries in 2020, and subsequent restart of several idled processing units at the Paulsboro refinery in 2022, our Nelson Complexity Index and throughput capacity were adjusted.

We are a wholly-owned subsidiary of PBF LLC and an indirect subsidiary of PBF Energy. PBF Finance is a wholly-owned subsidiary of PBF Holding. We are the parent company for PBF LLC's refinery operating subsidiaries.

PBF GP serves as the general partner of PBFX. PBFX is an affiliate of ours. PBFX, an indirect wholly-owned subsidiary of PBF Energy and PBF LLC, owns or leases, operates, develops and acquires crude oil and refined products terminals, pipelines, storage facilities and similar logistics assets. PBFX engages in the receiving, handling, storage and transferring of crude oil, refined products, natural gas and intermediates from sources located throughout the United States and Canada for PBF Energy in support of its refineries, as well as for third-party customers. The majority of PBFX's revenues are derived from long-term, fee-based commercial agreements with us, which include minimum volume commitments, for receiving, handling, storing and transferring crude oil, refined products, and natural gas. PBF Energy also has agreements with PBFX that establish fees for certain general and administrative services and operational and maintenance services provided by us to PBFX.

On November 30, 2022, PBF Energy, PBF LLC, PBFX Holdings Inc., a Delaware corporation and wholly-owned subsidiary of PBF LLC, Riverlands Merger Sub LLC, a Delaware limited liability company and wholly owned subsidiary of PBF LLC, PBFX, and PBF GP closed on a definitive agreement pursuant to which PBF Energy and PBF LLC acquired all of the publicly held common units in PBFX representing limited partner interests in the master liability project not already owned by certain wholly-owned subsidiaries of PBF Energy and its affiliates (the "Merger Transaction"). Subsequent to closing on the Merger Transaction, PBFX became an indirect wholly-owned subsidiary of PBF Energy and PBF LLC.

Business Developments

Recent significant business developments affecting us are discussed below.

Distribution of assets

On June 27, 2023, we distributed to PBF LLC, which in turn contributed to St. Bernard Renewables LLC ("SBR"), approximately \$739.8 million in assets related to the renewable diesel facility co-located with the Company's Chalmette refinery in Louisiana (the "Renewable Diesel Facility"). We have no interest in SBR, which is jointly owned by a subsidiary of PBF LLC and its partner, Eni Sustainable Mobility US Inc., a subsidiary of Eni SpA. Additionally, we distributed to PBF LLC, which in turn contributed to one of its subsidiaries, Chalmette Refining Service Company LLC ("CRSC"), approximately \$103.8 million in assets. The Company has no interest in CRSC, which is owned by PBF LLC.

Factors Affecting Comparability Between Periods

Our results have been affected by the following events, the understanding of which will aid in assessing the comparability of our period to period financial performance and financial condition.

Agreements with PBFX

PBFX is a limited partnership formed by our indirect parent company, PBF Energy, to own or lease, operate, develop and acquire crude oil, refined petroleum products and natural gas terminals, pipelines, storage facilities and similar logistics assets. PBFX engages in the receiving, handling, storage and transferring of crude oil, refined products, natural gas and intermediates from sources located throughout the United States and Canada for PBF Energy in support of certain of our refineries, as well as for third-party customers.

We have entered into a series of agreements with PBFX, including contribution, commercial and operational agreements. Refer to “Note 6 - Related Party Transactions” of our Notes to Condensed Consolidated Financial Statements for descriptions of these agreements and their impact to our operations. Related party transactions that have an impact on the comparability of our period to period financial performance and financial condition are listed below.

Summary of Transactions with PBFX

A summary of affiliate transactions with PBFX is as follows:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Reimbursements under affiliate agreements:				
Services Agreement	\$ 2.1	\$ 2.1	\$ 4.3	\$ 4.3
Omnibus Agreement	2.1	2.3	3.9	4.1
Total expenses under affiliate agreements	84.8	79.6	173.8	155.6

Results of Operations

The following tables reflect our financial and operating highlights for the three and six months ended June 30, 2023 and 2022 (amounts in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 9,148.4	\$ 14,064.0	\$ 18,433.9	\$ 23,192.2
Cost and expenses:				
Cost of products and other	7,988.2	11,455.8	15,867.9	19,733.3
Operating expenses (excluding depreciation and amortization expense as reflected below)	571.4	613.8	1,320.4	1,209.4
Depreciation and amortization expense	133.0	110.9	265.9	219.8
Cost of sales	8,692.6	12,180.5	17,454.2	21,162.5
General and administrative expenses (excluding depreciation and amortization expense as reflected below)	100.8	145.9	157.9	195.2
Depreciation and amortization expense	2.3	1.9	4.2	3.8
Change in fair value of contingent consideration, net	(16.6)	77.6	(32.9)	127.7
Loss (gain) on sale of assets	0.2	0.2	(1.4)	0.3
Total cost and expenses	8,779.3	12,406.1	17,582.0	21,489.5
Income from operations	369.1	1,657.9	851.9	1,702.7
Other income (expense):				
Interest expense, net	(15.1)	(75.4)	(30.0)	(143.6)
Change in fair value of catalyst obligations	0.5	7.2	1.2	2.3
Gain on extinguishment of debt	—	3.8	—	3.8
Other non-service components of net periodic benefit cost	0.1	2.2	0.4	4.4
Income before income taxes	354.6	1,595.7	823.5	1,569.6
Income tax benefit	—	(1.2)	(0.6)	(9.3)
Net income	354.6	1,596.9	824.1	1,578.9
Less: net income (loss) attributable to noncontrolling interests	0.1	(0.6)	0.4	(1.7)
Net income attributable to PBF Holding Company LLC	\$ 354.5	\$ 1,597.5	\$ 823.7	\$ 1,580.6
Consolidated gross margin	\$ 455.8	\$ 1,883.5	\$ 979.7	\$ 2,029.7
Gross refining margin ⁽¹⁾	\$ 1,160.2	\$ 2,608.2	\$ 2,566.0	\$ 3,458.9

(1) See Non-GAAP Financial Measures.

Operating Highlights

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Key Operating Information				
Production (bpd in thousands)	945.7	958.8	902.3	901.6
Crude oil and feedstocks throughput (bpd in thousands)	935.8	942.2	893.7	887.7
Total crude oil and feedstocks throughput (millions of barrels)	85.2	85.8	161.8	160.7
Consolidated gross margin per barrel of throughput	\$ 5.35	\$ 21.96	\$ 6.06	\$ 12.64
Gross refining margin, excluding special items, per barrel of throughput ⁽¹⁾	\$ 13.62	\$ 30.41	\$ 15.86	\$ 21.54
Refinery operating expense, per barrel of throughput	\$ 6.71	\$ 7.16	\$ 8.16	\$ 7.53
Crude and feedstocks (% of total throughput) ⁽²⁾				
Heavy	27 %	31 %	27 %	33 %
Medium	35 %	34 %	34 %	33 %
Light	21 %	20 %	21 %	19 %
Other feedstocks and blends	17 %	15 %	18 %	15 %
Total throughput	100 %	100 %	100 %	100 %
Yield (% of total throughput)				
Gasoline and gasoline blendstocks	48 %	47 %	48 %	48 %
Distillates and distillate blendstocks	33 %	36 %	33 %	35 %
Lubes	1 %	1 %	1 %	1 %
Chemicals	1 %	1 %	1 %	2 %
Other	18 %	17 %	18 %	16 %
Total yield	101 %	102 %	101 %	102 %

(1) See Non-GAAP Financial Measures.

(2) We define heavy crude oil as crude oil with American Petroleum Institute (“API”) gravity of less than 24 degrees. We define medium crude oil as crude oil with an API gravity between 24 and 35 degrees. We define light crude oil as crude oil with an API gravity higher than 35 degrees.

The table below summarizes certain market indicators relating to our operating results as reported by Platts, a division of The McGraw-Hill Companies. Effective RIN basket price is recalculated based on information as reported by Argus.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(dollars per barrel, except as noted)			
Dated Brent crude oil	\$ 78.21	\$ 113.93	\$ 79.65	\$ 107.84
West Texas Intermediate (WTI) crude oil	\$ 73.56	\$ 108.77	\$ 74.76	\$ 101.99
Light Louisiana Sweet (LLS) crude oil	\$ 75.62	\$ 110.33	\$ 77.26	\$ 103.91
Alaska North Slope (ANS) crude oil	\$ 78.26	\$ 112.17	\$ 78.64	\$ 104.15
Crack Spreads				
Dated Brent (NYH) 2-1-1	\$ 28.66	\$ 55.26	\$ 30.09	\$ 38.47
WTI (Chicago) 4-3-1	\$ 27.82	\$ 44.53	\$ 28.44	\$ 31.24
LLS (Gulf Coast) 2-1-1	\$ 26.41	\$ 50.39	\$ 30.26	\$ 37.27
ANS (West Coast-LA) 4-3-1	\$ 33.73	\$ 53.56	\$ 36.08	\$ 43.20
ANS (West Coast-SF) 3-2-1	\$ 33.56	\$ 56.14	\$ 36.36	\$ 42.76
Crude Oil Differentials				
Dated Brent (foreign) less WTI	\$ 4.65	\$ 5.16	\$ 4.89	\$ 5.85
Dated Brent less Maya (heavy, sour)	\$ 14.70	\$ 9.99	\$ 16.58	\$ 11.11
Dated Brent less WTS (sour)	\$ 4.76	\$ 5.64	\$ 5.18	\$ 6.19
Dated Brent less ASCI (sour)	\$ 5.17	\$ 8.75	\$ 6.28	\$ 8.69
WTI less WCS (heavy, sour)	\$ 13.49	\$ 18.52	\$ 16.42	\$ 16.96
WTI less Bakken (light, sweet)	\$ (1.74)	\$ (3.97)	\$ (2.32)	\$ (3.73)
WTI less Syncrude (light, sweet)	\$ (2.88)	\$ (4.38)	\$ (2.99)	\$ (2.03)
WTI less LLS (light, sweet)	\$ (2.05)	\$ (1.56)	\$ (2.50)	\$ (1.92)
WTI less ANS (light, sweet)	\$ (4.70)	\$ (3.40)	\$ (3.87)	\$ (2.16)
Effective RIN basket price	\$ 7.68	\$ 7.68	\$ 7.93	\$ 6.98
Natural gas (dollars per MMBTU)	\$ 2.33	\$ 7.50	\$ 2.54	\$ 6.04

Three Months Ended June 30, 2023 Compared to the Three Months Ended June 30, 2022

Overview— Net income was \$354.6 million for the three months ended June 30, 2023 compared to net income of \$1,596.9 million for the three months ended June 30, 2022.

Our results for the three months ended June 30, 2023 were positively impacted by a special item consisting of a change in fair value of contingent consideration associated with the acquisition of the Martinez refinery and logistic assets (the “Martinez Contingent Consideration”) of \$16.6 million. Our results for the three months ended June 30, 2022 were negatively impacted by special items consisting of a change in fair value of the Martinez Contingent Consideration of \$77.6 million, partially offset by a gain on the extinguishment of debt associated with the repurchase of a portion of the 6.0% senior unsecured notes due 2028 (the “2028 Senior Notes”) and the 7.25% senior unsecured notes due 2025 (the “2025 Senior Notes”) of \$3.8 million.

Excluding the impact of these special items, when comparing our results to the three months ended June 30, 2022, refined products margins were less favorable as the prior year benefited from global supply disruption, caused in large part by the conflict between Russia and Ukraine. In addition, our results for the three months ended June 30, 2023 were impacted by lower average throughput volumes and on average less barrels sold at the majority of our refineries due to a year-over-year higher level of planned maintenance activity.

Revenues— Revenues totaled \$9.1 billion for the three months ended June 30, 2023 compared to \$14.1 billion for the three months ended June 30, 2022, a decrease of approximately \$5.0 billion, or 35.5%. Revenues per barrel were \$95.56 and \$146.12 for the three months ended June 30, 2023 and 2022, respectively, a decrease of 34.6% directly related to lower hydrocarbon commodity prices. For the three months ended June 30, 2023, the total throughput rates at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 304,100 bpd, 158,500 bpd, 169,300 bpd and 303,900 bpd, respectively. For the three months ended June 30, 2022, the total throughput rates at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 292,100 bpd, 161,700 bpd, 199,500 bpd and 288,900 bpd, respectively. For the three months ended June 30, 2023, the total barrels sold at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 348,300 bpd, 162,900 bpd, 178,100 bpd and 362,800 bpd, respectively. For the three months ended June 30, 2022, the total barrels sold at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 339,500 bpd, 167,500 bpd, 213,900 bpd and 336,800 bpd, respectively.

Average throughput rates at our refineries were lower in the three months ended June 30, 2023 compared to the same period in 2022. We plan to continue operating our refineries based on demand and current market conditions. Total refined product barrels sold were higher than throughput rates, reflecting sales from inventory as well as sales and purchases of refined products outside our refineries.

Consolidated Gross Margin— Consolidated gross margin totaled \$455.8 million for the three months ended June 30, 2023 compared to \$1,883.5 million for the three months ended June 30, 2022, a decrease of approximately \$1,427.7 million. Gross refining margin (as described below in Non-GAAP Financial Measures) and gross refining margin excluding special items totaled \$1,160.2 million, or \$13.62 per barrel of throughput for the three months ended June 30, 2023 compared to \$2,608.2 million, or \$30.41 per barrel of throughput for the three months ended June 30, 2022, a decrease of approximately \$1,448.0 million.

During the three months ended June 30, 2023 and June 30, 2022, our margin calculations were not impacted by special items. Consolidated gross margin and gross refining margin decreased due to unfavorable movements in crack spreads and crude oil differentials and lower throughput volumes and barrels sold at certain of our refineries.

Additionally, our results continue to be impacted by significant costs to comply with the RFS. Total RFS compliance costs were \$289.1 million for the three months ended June 30, 2023 in comparison to \$432.7 million for three months ended months ended June 30, 2022.

Average industry margins were lower during the three months ended June 30, 2023 in comparison to the same period in 2022, primarily due to decreases in regional demand and lower movements in refining margins as a result of lower crack spreads and crude oil differentials.

Favorable movements in benchmark crude differentials typically result in lower crude costs and positively impact our earnings while reductions in these benchmark crude differentials typically result in higher crude costs and negatively impact our earnings.

On the East Coast, the Dated Brent (NYH) 2-1-1 industry crack spread was approximately \$28.66 per barrel, or 48.1% lower, in the three months ended June 30, 2023, as compared to \$55.26 per barrel in the same period in 2022. Our margins were positively impacted from our refinery specific slate on the East Coast by strengthening Dated Brent/Maya and WTI/Bakken differentials, which increased by \$4.71 and \$2.23 per barrel, respectively, in comparison to the same period in 2022. The WTI/WCS differential decreased to \$13.49 per barrel in the three months ended June 30, 2023 compared to \$18.52 in the same period in 2022, which unfavorably impacted our cost of heavy Canadian crude.

Across the Mid-Continent, the WTI (Chicago) 4-3-1 industry crack spread was \$27.82 per barrel, or 37.5% lower, in the three months ended June 30, 2023 as compared to \$44.53 per barrel in the same period in 2022. Our margins were positively impacted from our refinery specific slate in the Mid-Continent by an increasing WTI/Bakken differential, which averaged a premium of \$1.74 per barrel in the three months ended June 30, 2023, as compared to a premium of \$3.97 per barrel in the same period in 2022. Additionally, the WTI/Syncrude differential averaged a premium \$2.88 per barrel during the three months ended June 30, 2023 as compared to a premium of \$4.38 per barrel in the same period of 2022.

On the Gulf Coast, the LLS (Gulf Coast) 2-1-1 industry crack spread was \$26.41 per barrel, or 47.6% lower, in the three months ended June 30, 2023 as compared to \$50.39 per barrel in the same period in 2022. Margins on the Gulf Coast were negatively impacted from our refinery specific slate by a weakened WTI/LLS differential, which averaged a premium of \$2.05 per barrel during the three months ended June 30, 2023 as compared to a premium of \$1.56 per barrel in the same period of 2022.

On the West Coast the ANS (West Coast) 4-3-1 industry crack spread was \$33.73 per barrel, or 37.0% lower, in the three months ended June 30, 2023 as compared to \$53.56 per barrel in the same period in 2022. Additionally, the ANS (West Coast) 3-2-1 industry crack spread was \$33.56 per barrel, or 40.2% lower, in the three months ended June 30, 2023 as compared to \$56.14 per barrel in the same period in 2022. Our margins on the West Coast were negatively impacted from our refinery specific slate by weakened WTI/ANS differential, which averaged a premium of \$4.70 per barrel during the three months ended June 30, 2023 as compared to a premium of \$3.40 per barrel in the same period of 2022.

Operating Expenses— Operating expenses totaled \$571.4 million, or \$6.71 per barrel of throughput, for the three months ended June 30, 2023 compared to \$613.8 million, or \$7.16 per barrel of throughput, for the three months ended June 30, 2022, a decrease of \$42.4 million, or 6.9%. The decrease in operating expenses was mainly attributable to decreases in natural gas prices across our refineries when compared to the same period in 2022.

General and Administrative Expenses— General and administrative expenses totaled \$100.8 million for the three months ended June 30, 2023 compared to \$145.9 million for the three months ended June 30, 2022, a decrease of approximately \$45.1 million or 30.9%. The decrease in general and administrative expenses for the three months ended June 30, 2023 in comparison to the three months ended June 30, 2022 is primarily related to lower employee-related expenses, including the recognition of incentive compensation. Our general and administrative expenses are comprised of personnel, facilities and other infrastructure costs necessary to support our refineries.

Loss (Gain) on Sale of Assets— There was a loss of \$0.2 million for both the three months ended June 30, 2023 and June 30, 2022, related primarily to the sale of non-operating refinery assets.

Depreciation and Amortization Expense— Depreciation and amortization expense totaled \$135.3 million for the three months ended June 30, 2023 (including \$133.0 million recorded within Cost of sales) compared to \$112.8 million for the three months ended June 30, 2022 (including \$110.9 million recorded within Cost of sales), an increase of \$22.5 million. The increase was a result of a general increase to our fixed asset base due to capital projects and turnarounds completed since the second quarter of 2022.

Change in Fair Value of Contingent Consideration— Change in fair value of contingent consideration represented a gain of \$16.6 million and a loss of \$77.6 million for the three months ended June 30, 2023 and June 30, 2022, respectively. These gains and losses were related to the changes in estimated fair value of the Martinez Contingent Consideration.

Change in Fair Value of Catalyst Obligations— Change in fair value of catalyst obligations represented a gain of \$0.5 million for the three months ended June 30, 2023 compared to a gain of \$7.2 million for the three months ended June 30, 2022. These gains relate to the change in value of the precious metals underlying the sale and leaseback of our refineries' precious metal catalysts, which we are obligated to repurchase at fair market value upon lease termination.

Gain on Extinguishment of Debt— There was no gain or loss on the extinguishment of debt for the three months ended June 30, 2023. There was a gain on the extinguishment of debt of \$3.8 million in the three months ended June 30, 2022, related to the repurchase of a portion of our 2028 Senior Notes and 2025 Senior Notes.

Interest Expense, net— Interest expense totaled \$15.1 million for the three months ended June 30, 2023 compared to \$75.4 million for the three months ended June 30, 2022, a decrease of approximately \$60.3 million. The net decrease is mainly attributed to the redemption of the 9.25% senior secured notes due 2025 (the "2025 Senior Secured Notes") during the third quarter of 2022, as well as no outstanding balance on the PBF Holding's asset-based revolving credit facility (the "Revolving Credit Facility") as of June 30, 2023. Additionally, there was a \$10.8 million increase in interest income earned during the three months ended June 30, 2023 driven by higher interest rates in comparison to the same period in the prior year. Interest expense includes interest on long-term debt, costs related to the sale and leaseback of our precious metal catalysts, financing costs associated with our third amended and restated inventory intermediation agreement (the "Third Inventory Intermediation Agreement") with J. Aron & Company, a subsidiary of the Goldman Sachs Group, Inc. ("J. Aron"), which was terminated effective as of July 31, 2023, letter of credit fees associated with the purchase of certain crude oils and the amortization of deferred financing costs.

Income Tax Expense— As PBF Holding is a limited liability company treated as a "flow-through" entity for income tax purposes, our Condensed Consolidated Financial Statements generally do not include a benefit or expense for income taxes for the three months ended June 30, 2023 and June 30, 2022, respectively, apart from the income tax attributable to two subsidiaries acquired in connection with the Chalmette refinery in the fourth quarter of 2015 and PBF Energy Limited ("PBF Ltd."). These subsidiaries are treated as C-Corporations for income tax purposes. A de minimis income tax benefit was recorded for the three months ended June 30, 2023 in comparison to an income tax benefit of \$1.2 million recorded for the three months ended June 30, 2022, primarily attributable to the results of PBF Ltd.

Six Months Ended June 30, 2023 Compared to the Six Months Ended June 30, 2022

Overview— Net income was \$824.1 million for the six months ended June 30, 2023 compared to net income of \$1,578.9 million for the six months ended June 30, 2022.

Our results for the six months ended June 30, 2023 were positively impacted by special items consisting of a change in fair value of contingent consideration of \$32.9 million related to changes in the estimated fair value of the Martinez Contingent Consideration, and a gain on the sale of a parcel of land at our Torrance refinery of \$1.7 million. Our results for the six months ended June 30, 2022 were negatively impacted by special items consisting of a change in fair value of the Martinez Contingent Consideration of \$127.7 million, partially offset by a gain on the extinguishment of debt associated with the repurchase of a portion of our 2028 Senior Notes and 2025 Senior Notes of \$3.8 million.

Excluding the impact of these special items, when comparing our results to the six months ended June 30, 2022, we experienced an overall decrease in our refining margins due to unfavorable movements in crack spreads and crude oil differentials. In addition, refined product margins benefited in the prior year from global supply disruptions, caused in large part by the conflict between Russia and Ukraine. These decreasing metrics have negatively impacted our revenues, gross margin and operating income.

Revenues— Revenues totaled \$18.4 billion for the six months ended June 30, 2023 compared to \$23.2 billion for the six months ended June 30, 2022, a decrease of approximately \$4.8 billion, or 20.7%. Revenues per barrel were \$98.63 and \$127.97 for the six months ended June 30, 2023 and 2022, respectively, a decrease of 22.9% directly related to lower hydrocarbon commodity prices. For the six months ended June 30, 2023, the total throughput rates at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 315,200 bpd, 126,000 bpd, 169,200 bpd and 283,300 bpd, respectively. For the six months ended June 30, 2022, the total throughput rates at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 277,700 bpd, 149,300 bpd, 181,400 bpd and 279,300 bpd, respectively. For the six months ended June 30, 2023, total barrels sold at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 365,000 bpd, 139,400 bpd, 178,250 bpd and 349,800 bpd, respectively. For the six months ended June 30, 2022, total barrels sold at our East Coast, Mid-Continent, Gulf Coast and West Coast refineries averaged approximately 329,200 bpd, 153,700 bpd, 194,900 bpd and 323,500 bpd, respectively.

Overall average throughput rates were slightly higher in the six months ended June 30, 2023 compared to the same period in 2022, despite turnaround activity at several refineries during the six months ended June 30, 2023. We plan to continue operating our refineries based on demand and current market conditions. Total refined product barrels sold were higher than throughput rates, reflecting sales from inventory as well as sales and purchases of refined products outside our refineries.

Consolidated Gross Margin— Consolidated gross margin totaled \$979.7 million for the six months ended June 30, 2023, compared to \$2,029.7 million for the six months ended June 30, 2022, a decrease of approximately \$1,050.0 million. Gross refining margin (as described below in Non-GAAP Financial Measures) totaled \$2,566.0 million, or \$15.86 per barrel of throughput for the six months ended June 30, 2023 compared to \$3,458.9 million, or \$21.54 per barrel of throughput for the six months ended June 30, 2022, a decrease of approximately \$892.9 million. Consolidated gross margin and gross refining margin decreased due to unfavorable movements in the crack spreads and crude oil differentials at the majority of our refineries. During the six months ended June 30, 2023 and June 30, 2022, our margin calculations were not impacted by special items.

Additionally, our results continue to be impacted by significant costs to comply with the RFS. Total RFS compliance costs were \$470.2 million for the six months ended June 30, 2023 compared to \$627.1 million for the six months ended June 30, 2022.

Average industry margins were unfavorable during the six months ended June 30, 2023 compared to the same period in 2022, primarily due to decreased refining margins as a result of unfavorable movements in the crack spreads and crude oil differentials at the majority of our refineries.

Favorable movements in these benchmark crude differentials typically result in lower crude costs and positively impact our earnings while reductions in these benchmark crude differentials typically result in higher crude costs and negatively impact our earnings.

On the East Coast, the Dated Brent (NYH) 2-1-1 industry crack spread was approximately \$30.09 per barrel, or 21.8% lower, in the six months ended June 30, 2023, as compared to \$38.47 per barrel in the same period in 2022. Our margins were impacted from our refinery specific slate on the East Coast by strengthened Dated Brent/Maya and WTI/Bakken differentials, which increased by \$5.47 per barrel and \$1.41 per barrel, respectively, in comparison to the same period in 2022. The WTI/WCS differential decreased to \$16.42 per barrel in the six months ended June 30, 2023 compared to \$16.96 in the same period in 2022, which unfavorably impacted our cost of heavy Canadian crude.

Across the Mid-Continent, the WTI (Chicago) 4-3-1 industry crack spread was \$28.44 per barrel, or 9.0% lower, in the six months ended June 30, 2023 as compared to \$31.24 per barrel in the same period in 2022. Our margins were positively impacted from our refinery specific slate in the Mid-Continent by a strengthened WTI/Bakken differential, which increased by \$1.41 per barrel, slightly offset by a weakened WTI/Syncrude differential, which decreased by \$0.96 per barrel, in comparison to the same period in 2022.

On the Gulf Coast, the LLS (Gulf Coast) 2-1-1 industry crack spread was \$30.26 per barrel, or 18.8% lower, in the six months ended June 30, 2023 as compared to \$37.27 per barrel in the same period in 2022. Margins on the Gulf Coast were negatively impacted from our refinery specific slate by a weakened WTI/LLS differential, which averaged a premium of \$2.50 per barrel for the six months ended June 30, 2023 as compared to a premium of \$1.92 per barrel in the same period of 2022.

On the West Coast, the ANS (West Coast) 4-3-1 industry crack spread was \$36.08 per barrel, or 16.5% lower, in the six months ended June 30, 2023 as compared to \$43.20 per barrel in the same period in 2022. Additionally (West Coast) 3-2-1 industry crack spread was \$36.36 per barrel, or 15.0% lower, in the six months ended June 30, 2023 as compared to \$42.76 per barrel in the same period in 2022. Our margins on the West Coast were negatively impacted from our refinery specific slate by a weakening WTI/ANS differential, which averaged a premium of \$3.87 per barrel for the six months ended June 30, 2023 as compared to a premium of \$2.16 per barrel in the same period of 2022.

Operating Expenses— Operating expenses totaled \$1,320.4 million, or \$8.16 per barrel of throughput, for the six months ended June 30, 2023 compared to \$1,209.4 million, or \$7.53 per barrel of throughput, for the six months ended June 30, 2022, an increase of approximately \$111.0 million, or 9.2%. The increase in operating expenses was mainly attributable to higher maintenance and operational costs due to scheduled turnarounds and increased production.

General and Administrative Expenses— General and administrative expenses totaled \$157.9 million for the six months ended June 30, 2023 compared to \$195.2 million for the six months ended June 30, 2022, a decrease of approximately \$37.3 million or 19.1%. Our general and administrative expenses were lower in comparison to the prior year due to lower employee-related expenses, including the recognition of incentive compensation. General and administrative costs are comprised of personnel, facilities and other infrastructure costs necessary to support our refineries and related logistics assets.

Loss (Gain) on Sale of Assets— There was a net gain of \$1.4 million for the six months ended June 30, 2023 related primarily to the sale of a parcel of land at our Torrance refinery. There was a loss of \$0.3 million for the six months ended June 30, 2022, related primarily to the sale of non-operating refinery assets.

Depreciation and Amortization Expense— Depreciation and amortization expense totaled \$270.1 million for the six months ended June 30, 2023 (including \$265.9 million recorded within Cost of sales) compared to \$223.6 million for the six months ended June 30, 2022 (including \$219.8 million recorded within Cost of sales), an increase of approximately \$46.5 million. The increase was a result of a general increase in our fixed asset base due to capital projects and turnarounds completed since the second quarter of 2022.

Change in Fair Value of Contingent Consideration, net— Change in fair value of contingent consideration represented a gain of \$32.9 million and a loss of \$127.7 million for the six months ended June 30, 2023 and June 30, 2022, respectively. These gains and losses were related to changes in the estimated fair value of the Martinez Contingent Consideration.

Change in Fair Value of Catalyst Obligations— Change in fair value of catalyst obligations represented a gain of \$1.2 million for the six months ended June 30, 2023 compared to a gain of \$2.3 million for the six months ended June 30, 2022. These gains relate to the change in fair value of the precious metals underlying the sale and leaseback of our refineries' precious metal catalysts, which we are obligated to repurchase at fair market value upon lease termination.

Gain on Extinguishment of Debt— There was no gain or loss on the extinguishment of debt for the six months ended June 30, 2023. There was a gain on the extinguishment of debt of \$3.8 million incurred in the six months ended June 30, 2022, related to the repurchase of a portion of our 2028 Senior Notes and 2025 Senior Notes.

Interest Expense, net— Interest expense totaled \$30.0 million for the six months ended June 30, 2023 compared to \$143.6 million for the six months ended June 30, 2022, a decrease of approximately \$113.6 million. The net decrease is mainly attributable to the redemption of the 2025 Senior Secured Notes during the third quarter of 2022, as well as no outstanding balance on our Revolving Credit Facility as of June 30, 2023. Additionally, there was a \$27.4 million increase in interest income earned during the six months ended June 30, 2023 driven by higher interest rates in comparison to the prior year. Interest expense includes interest on long-term debt, costs related to the sale and leaseback of our precious metal catalysts, financing costs associated with the Third Inventory Intermediation Agreement with J. Aron, which was terminated effective as of July 31, 2023, letter of credit fees associated with the purchase of certain crude oils and the amortization of deferred financing costs.

Income Tax Benefit— As PBF Holding is a limited liability company treated as a “flow-through” entity for income tax purposes, our Condensed Consolidated Financial Statements generally do not include a benefit or expense for income taxes for the six months ended June 30, 2023 and June 30, 2022, respectively, apart from the income tax attributable to two subsidiaries acquired in connection with the acquisition of the Chalmette refinery in the fourth quarter of 2015 and our Canadian subsidiary, PBF Ltd. These subsidiaries are treated as C-Corporations for income tax purposes. An income tax benefit of \$0.6 million was recorded for the six months ended June 30, 2023 in comparison to an income tax benefit of \$9.3 million recorded for the six months ended June 30, 2022, primarily attributable to the results of PBF Ltd.

Non-GAAP Financial Measures

Management uses certain financial measures to evaluate our operating performance that are calculated and presented on the basis of methodologies other than in accordance with GAAP (“Non-GAAP”). These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and our calculations thereof may not be comparable to similarly entitled measures reported by other companies.

Special Items

The Non-GAAP measures presented include EBITDA excluding special items and gross refining margin excluding special items. Special items for the periods presented relate to net changes in fair value of contingent consideration, gain on extinguishment of debt and gain on land sale. See “Notes to Non-GAAP Financial Measures” below for more details on all special items disclosed. Although we believe that Non-GAAP financial measures, excluding the impact of special items, provide useful supplemental information to investors regarding the results and performance of our business and allow for helpful period-over-period comparisons, such Non-GAAP measures should only be considered as a supplement to, and not as a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

Gross Refining Margin and Gross Refining Margin Excluding Special Items

Gross refining margin is defined as consolidated gross margin excluding refinery depreciation and operating expenses. We believe both gross refining margin and gross refining margin excluding special items are important measures of operating performance and provide useful information to investors because they are helpful metric comparisons to the industry refining margin benchmarks, as the refining margin benchmarks do not include a charge for refinery operating expenses and depreciation. In order to assess our operating performance, we compare our gross refining margin (revenues less cost of products and other) to industry refining margin benchmarks and crude oil prices as defined in the table below.

Neither gross refining margin nor gross refining margin excluding special items should be considered an alternative to consolidated gross margin, income from operations, net cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Gross refining margin and gross refining margin excluding special items presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

The following table presents our GAAP calculation of gross margin and a reconciliation of gross refining margin to the most directly comparable GAAP financial measure, consolidated gross margin, on a historical basis, as applicable, for each of the periods indicated (in millions, except per barrel amounts):

	Three Months Ended June 30,			
	2023		2022	
	\$	per barrel of throughput	\$	per barrel of throughput
Calculation of consolidated gross margin:				
Revenues	\$ 9,148.4	\$ 107.43	\$ 14,064.0	\$ 163.99
Less: Cost of sales	8,692.6	102.08	12,180.5	142.03
Consolidated gross margin	\$ 455.8	\$ 5.35	\$ 1,883.5	\$ 21.96
Reconciliation of consolidated gross margin to gross refining margin and gross refining margin excluding special items:				
Consolidated gross margin	\$ 455.8	\$ 5.35	\$ 1,883.5	\$ 21.96
Add: Refinery operating expense	571.4	6.71	613.8	7.16
Add: Refinery depreciation expense	133.0	1.56	110.9	1.29
Gross refining margin	\$ 1,160.2	\$ 13.62	\$ 2,608.2	\$ 30.41
Gross refining margin excluding special items	\$ 1,160.2	\$ 13.62	\$ 2,608.2	\$ 30.41

	Six Months Ended June 30,			
	2023		2022	
	\$	per barrel of throughput	\$	per barrel of throughput
Calculation of consolidated gross margin:				
Revenues	\$ 18,433.9	\$ 113.96	\$ 23,192.2	\$ 144.35
Less: Cost of sales	17,454.2	107.90	21,162.5	131.71
Consolidated gross margin	\$ 979.7	\$ 6.06	\$ 2,029.7	\$ 12.64
Reconciliation of consolidated gross margin to gross refining margin and gross refining margin excluding special items:				
Consolidated gross margin	\$ 979.7	\$ 6.06	\$ 2,029.7	\$ 12.64
Add: Refinery operating expense	1,320.4	8.16	1,209.4	7.53
Add: Refinery depreciation expense	265.9	1.64	219.8	1.37
Gross refining margin	\$ 2,566.0	\$ 15.86	\$ 3,458.9	\$ 21.54
Gross refining margin excluding special items	\$ 2,566.0	\$ 15.86	\$ 3,458.9	\$ 21.54

See Notes to Non-GAAP Financial Measures.

EBITDA, EBITDA Excluding Special Items and Adjusted EBITDA

Our management uses EBITDA (earnings before interest, income taxes, depreciation and amortization), EBITDA excluding special items and Adjusted EBITDA as measures of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations, and in communications with our Board of Directors, creditors, analysts and investors concerning our financial performance. Our outstanding indebtedness for borrowed money and other contractual obligations also include similar measures as a basis for certain covenants under those agreements which may differ from the Adjusted EBITDA definition described below.

EBITDA, EBITDA excluding special items and Adjusted EBITDA are not presentations made in accordance with GAAP and our computation of EBITDA, EBITDA excluding special items and Adjusted EBITDA may vary from others in our industry. In addition, Adjusted EBITDA contains some, but not all, adjustments that are taken into account in the calculation of the components of various covenants in the agreements governing our senior notes and other credit facilities. EBITDA, EBITDA excluding special items and Adjusted EBITDA should not be considered as alternatives to income from operations or net income as measures of operating performance. In addition, EBITDA, EBITDA excluding special items and Adjusted EBITDA are not presented as, and should not be considered, an alternative to cash flows from operations as a measure of liquidity. Adjusted EBITDA is defined as EBITDA before adjustments for items such as stock-based compensation expense, change in the fair value of catalyst obligations, net change in the fair value of contingent consideration and certain other non-cash items. Other companies, including other companies in our industry, may calculate EBITDA, EBITDA excluding special items and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures. EBITDA, EBITDA excluding special items and Adjusted EBITDA also have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include that EBITDA, EBITDA excluding special items and Adjusted EBITDA:

- do not reflect depreciation expense or our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- do not reflect realized and unrealized gains and losses from certain hedging activities, which may have a substantial impact on our cash flow;
- do not reflect certain other non-cash income and expenses; and
- exclude income taxes that may represent a reduction in available cash.

The following tables reconcile net income (loss) as reflected in our results of operations to EBITDA, EBITDA excluding special items and Adjusted EBITDA for the periods presented (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Reconciliation of net income to EBITDA and EBITDA excluding special items:				
Net income	\$ 354.6	\$ 1,596.9	\$ 824.1	\$ 1,578.9
Add: Depreciation and amortization expense	135.3	112.8	270.1	223.6
Add: Interest expense, net	15.1	75.4	30.0	143.6
Add: Income tax benefit	—	(1.2)	(0.6)	(9.3)
EBITDA	\$ 505.0	\$ 1,783.9	\$ 1,123.6	\$ 1,936.8
Special Items: ⁽¹⁾				
Add: Change in fair value of contingent consideration, net	(16.6)	77.6	(32.9)	127.7
Add: Gain on land sales	—	—	(1.7)	—
Add: Gain on extinguishment of debt	—	(3.8)	—	(3.8)
EBITDA excluding special items	\$ 488.4	\$ 1,857.7	\$ 1,089.0	\$ 2,060.7
Reconciliation of EBITDA to Adjusted EBITDA:				
EBITDA	\$ 505.0	\$ 1,783.9	\$ 1,123.6	\$ 1,936.8
Add: Stock-based compensation	9.7	7.4	18.9	14.5
Add: Change in fair value of catalyst obligations	(0.5)	(7.2)	(1.2)	(2.3)
Add: Change in fair value of contingent consideration, net ⁽¹⁾	(16.6)	77.6	(32.9)	127.7
Add: Gain on land sales ⁽¹⁾	—	—	(1.7)	—
Add: Gain on extinguishment of debt ⁽¹⁾	—	(3.8)	—	(3.8)
Adjusted EBITDA	\$ 497.6	\$ 1,857.9	\$ 1,106.7	\$ 2,072.9

See Notes to Non-GAAP Financial Measures.

Notes to Non-GAAP Financial Measures

The following notes are applicable to the Non-GAAP Financial Measures above:

(1) Special items:

Change in fair value of contingent consideration, net - During the three months ended June 30, 2023, we recorded a change in fair value of the Martinez Contingent Consideration which increased income from operations and net income by \$16.6 million. During the six months ended June 30, 2023, we recorded a change in fair value of the Martinez Contingent Consideration which increased income from operations and net income by \$32.9 million. During the three months ended June 30, 2022, we recorded a change in fair value of the Martinez Contingent Consideration which decreased income from operations and net income by \$77.6 million. During the six months ended June 30, 2022, we recorded a change in fair value of the Martinez Contingent Consideration which decreased income from operations and net income by \$127.7 million.

Gain on extinguishment of debt - During the three and six months ended June 30, 2022, we recorded a pre-tax gain on extinguishment of debt related to the repurchase of a portion of the 2028 Senior Notes and the 2025 Senior Notes, which increased income before taxes and net income by \$3.8 million. There were no such gains during the three and six months ended June 30, 2023.

Gain on land sales - During the six months ended June 30, 2023, we recorded a gain on the sale of a separate parcel of real property acquired as part of the Torrance refinery, but not part of the refinery itself, which increased income from operations and net income by \$1.7 million. There was no such gain in any other periods presented.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are our cash flows from operations, cash and cash equivalents and borrowing availability under our credit facility, as described below. We believe that our cash flows from operations and available capital resources will be sufficient to meet our and our subsidiaries' capital expenditures, working capital needs, future distributions and debt service requirements, for the next twelve months. However, our ability to generate sufficient cash flow from operations depends, in part, on petroleum oil market pricing and general economic, political and other factors beyond our control. As of June 30, 2023, we are in compliance with all covenants, including financial covenants, in all our debt agreements.

Cash Flow Analysis

Cash Flows from Operating Activities

Net cash provided by operating activities was \$598.9 million for the six months ended June 30, 2023 compared to net cash provided by operating activities of \$2,156.2 million for the six months ended June 30, 2022. Our operating cash flows for the six months ended June 30, 2023 include our net income of \$824.1 million, depreciation and amortization of \$280.7 million, pension and other post-retirement benefits costs of \$23.9 million, stock-based compensation of \$18.9 million, net non-cash charges related to the change in the fair value of our inventory repurchase obligations of \$8.5 million, deferred income taxes of \$0.1 million, partially offset by a net change in the fair value of the Martinez Contingent Consideration of \$32.9 million, gain on sale of assets of \$1.4 million and a change in the fair value of our catalyst obligations of \$1.2 million. In addition, net changes in operating assets and liabilities reflected uses of cash of \$521.8 million, driven by the timing of inventory purchases, payments for accrued expenses and accounts payable, and collections of accounts receivable. The change in accrued expenses was due primarily to a decrease in renewable energy credit and emissions obligations, as a result of a decrease in our unfunded RINs obligation. Our operating cash flows for the six months ended June 30, 2022 included net income of \$1,578.9 million and net changes in operating assets and liabilities reflecting cash proceeds of \$196.3 million, driven by the timing of inventory purchases, payments for accrued expenses and accounts payable, and collections of accounts receivable. Change in accrued expenses was due primarily to an increase in renewable energy credit and emissions obligations, as a result of an increase in our unfunded RINs obligation as of June 30, 2022. Our overall increase in cash provided by operating activities also included depreciation and amortization of \$233.5 million, change in fair value of the Martinez Contingent Consideration of \$127.7 million, pension and other post-retirement benefits costs of \$23.8 million, stock-based compensation of \$14.5 million, and loss on sale of assets of \$0.3 million, partially offset by deferred incomes taxes of \$9.3 million, a gain on extinguishment of debt related to the repurchase of a portion of our 2028 Senior Notes and 2025 Senior Notes of \$3.8 million, net non-cash charges related to changes in fair value of our inventory repurchase obligations of \$3.4 million and change in the fair value of our catalyst obligations of \$2.3 million.

Cash Flows from Investing Activities

Net cash used in investing activities was \$740.6 million for the six months ended June 30, 2023 compared to net cash used in investing activities of \$433.8 million for the six months ended June 30, 2022. The net cash flows used in investing activities for the six months ended June 30, 2023 was comprised of cash outflows of capital expenditures totaling \$442.0 million, expenditures for refinery turnarounds of \$268.0 million, and expenditures for other assets of \$35.0 million, partially offset by proceeds from the sale of assets of \$4.4 million. The net cash used in investing activities for the six months ended June 30, 2022 was comprised of cash outflows of capital expenditures totaling \$223.4 million, expenditures for refinery turnarounds of \$166.8 million, and expenditures for other assets of \$43.6 million.

Cash Flows from Financing Activities

Net cash used in financing activities was \$515.4 million for the six months ended June 30, 2023 compared to net cash used in financing activities of \$918.0 million for the six months ended June 30, 2022. For the six months ended June 30, 2023, net cash used in financing activities consisted primarily of distributions to members of \$1,099.0 million, payments related to the Martinez Contingent Consideration of \$80.1 million, payments on finance leases of \$5.8 million, and deferred financing costs and other of \$0.5 million, partially offset by proceeds from contributions from PBF LLC of \$635.0 million and proceeds from insurance premium financing of \$35.0 million. For the six months ended June 30, 2022, net cash used in financing activities consisted primarily of net repayments on the Revolving Credit Facility of \$900.0 million, \$25.9 million related to the repurchase of the principal amount outstanding of the 2028 Senior Notes and the 2025 Senior Notes, excluding accrued interest, distributions to members of \$11.6 million, payments on finance leases of \$5.7 million, and deferred financing costs and other of \$32.2 million, partially offset by proceeds from insurance premium financing of \$32.4 million, and proceeds from contributions from PBF LLC of \$25.0 million.

Liquidity

As of June 30, 2023, our operational liquidity was more than \$3.7 billion which consists of \$1.5 billion of cash, and more than \$2.2 billion of borrowing availability under our Revolving Credit Facility, which includes our cash on hand.

As of June 30, 2023, outstanding letters of credit totaled approximately \$287.0 million.

We are actively monitoring the ongoing volatility in the global oil markets and we continue to adjust our operational plans to evolving market conditions.

We may, at any time and from time to time, seek to continue to repurchase or retire our outstanding debt securities through cash purchases (and/or exchanges for equity or debt), in open-market purchases, block trades, privately negotiated transactions or otherwise, upon such terms and at such prices as we may determine. We will evaluate any such transactions in light of then-existing market conditions, taking into account our current liquidity and prospects for future access to capital, the trading prices of our debt securities, legal requirements and contractual restrictions and economic and market conditions. The amounts involved in any such transactions, individually or in the aggregate, may be material. We are not obligated to repurchase any of our debt securities other than as set forth in the applicable indentures, and repurchases may be made or if made, discontinued at any time without prior notice.

We may incur additional indebtedness in the future, including secured indebtedness, subject to the satisfaction of any debt incurrence and, if applicable, lien incurrence limitation covenants in our existing financing agreements.

Working Capital

Our working capital at June 30, 2023 was \$1,538.1 million, consisting of \$5,847.8 million in total current assets and \$4,309.7 million in total current liabilities. Our working capital at December 31, 2022 was \$1,715.3 million, consisting of \$6,494.5 million in total current assets and \$4,779.2 million in total current liabilities.

Capital Spending

Capital spending was \$745.0 million for the six months ended June 30, 2023 and was primarily comprised of annual maintenance, turnaround costs at our Delaware City, Toledo, Chalmette, Torrance and Martinez refineries and spending related to the Renewable Diesel Facility. Capital spending also included costs associated with safety related enhancements and facility improvements at our refineries. Excluding capital expenditures related to our Renewable Diesel Facility, we currently expect to spend an aggregate of approximately \$750.0 million during full-year 2023 for facility improvements and refinery maintenance and turnarounds, as well as expenditures to meet environmental, regulatory and safety requirements.

Construction of the Renewable Diesel Facility was substantially completed as of June 30, 2023. During the second quarter of 2023, we invested approximately \$107.4 million in capital related to the project. The remaining capital expenditures to complete the project are not expected to be material.

Crude and Feedstock Supply Agreements

We currently purchase all of our crude and feedstock needs independently from a variety of suppliers on the spot market or through term agreements for our refineries. As part of our term agreements, we currently have various crude supply agreements with terms through 2025 with Shell Oil Products for approximately 145,000 bpd, in the aggregate, to support our West Coast and Mid-Continent refinery operations. In addition, we have certain offtake agreements for our West Coast system with the same counterparty for clean products with varying terms.

Inventory Intermediation Agreement

We entered into the Third Inventory Intermediation Agreement with J. Aron, to support the operations of Delaware City Refining Company LLC (“DCR”), Paulsboro Refining Company LLC (“PRC”) and Chalmette Refining, L.L.C. (“Chalmette Refining”) (collectively, the “PBF Entities”). The Third Inventory Intermediation Agreement was set to expire on December 31, 2024, which could have been further extended by mutual consent of the parties to December 31, 2025. However, on June 28, 2023, the PBF Entities entered into a second amendment of the Third Inventory Intermediation Agreement to amend certain provisions in order to allow for the early termination of the Third Inventory Intermediation Agreement effective as of July 31, 2023. Following the early termination, we own all of the inventory previously held by J. Aron.

At June 30, 2023, the last-in, first-out (“LIFO”) carrying value of the products owned by J. Aron under the Third Inventory Intermediation Agreement included within Inventories in our Condensed Consolidated Balance Sheets was \$234.1 million. We accrue a corresponding liability for such crude oil, intermediates and finished products.

Distributions

We make, from time to time, distributions to PBF LLC, if necessary, in order for PBF LLC to make pro rata distributions to its members, including PBF Energy, necessary to fund in excess of one year’s cash dividend payments by PBF Energy.

On August 3, 2023, PBF Energy, our indirect parent, announced a dividend of \$0.20 per share on its outstanding Class A common stock. The dividend is payable on August 31, 2023 to PBF Energy Class A common stockholders of record at the close of business on August 17, 2023. If necessary, we will make a distribution of up to approximately \$25.0 million to PBF LLC, which in turn will make pro-rata distributions of \$0.20 per unit to its members, including PBF Energy. PBF Energy will then use this distribution to fund the dividend payments to the stockholders of PBF Energy.

In cases when there is sufficient cash and cash equivalents and borrowing capacity, we are permitted under our debt agreements to make these distributions; however, our ability to continue to comply with our debt covenants is, to a significant degree, subject to our operating results, which are dependent on a number of factors outside of our control.

Supplemental Guarantor Financial Information

As of June 30, 2023, PBF Services Company LLC, DCR, PBF Power Marketing LLC, PRC, Toledo Refining Company LLC, Chalmette Refining, PBF Western Region LLC, Torrance Refining Company LLC (“Torrance Refining”), Martinez Refining Company LLC (“MRC”), PBF International Inc. and PBF Investments LLC are 100% owned subsidiaries of PBF Holding and serve as guarantors of the obligations under the 2025 Senior Notes and the 2028 Senior Notes. These guarantees are full and unconditional and joint and several. PBF Holding serves as the “Issuer”. The indentures dated May 30, 2017 and January 24, 2020, among PBF Holding, PBF Finance, the guarantors party thereto, Wilmington Trust, National Association, as trustee and Deutsche Bank Trust Company Americans, as Paying Agent, Registrar, Transfer Agent and Authenticating Agent, govern subsidiaries designated as “Guarantor Subsidiaries”. PBF Ltd, PBF Transportation Company LLC, PBF Rail Logistics Company LLC, MOEM Pipeline LLC, Collins Pipeline Company, T&M Terminal Company, Torrance Basin Pipeline Company LLC, Torrance Logistics Company LLC, Torrance Pipeline Company LLC, Martinez Terminal Company LLC, Martinez Pipeline Company LLC and PBFWR Logistics Holdings LLC are consolidated subsidiaries of the Company that are not guarantors of the 2025 Senior Notes and 2028 Senior Notes. The 2025 Senior Notes and 2028 Senior Notes were co-issued by PBF Finance. For purposes of the following information, PBF Finance is referred to as “Co-Issuer.” The Co-Issuer has no independent assets or operations.

The following tables present summarized information for the Issuer and the Guarantor Subsidiaries on a combined basis after elimination of (i) intercompany transactions and balances among the Issuer and the Guarantor Subsidiaries and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor.

<i>Summarized Balance Sheets (in millions)</i>	June 30, 2023	December 31, 2022
ASSETS		
Current assets ⁽¹⁾	\$ 5,638.0	\$ 6,252.0
Non-current assets	5,943.0	6,283.0
Due from non-guarantor subsidiaries	20,486.0	19,487.0
LIABILITIES AND EQUITY		
Current liabilities ⁽¹⁾	\$ 4,089.0	\$ 4,569.0
Long-term liabilities	2,584.0	2,634.0
Due to non-guarantor subsidiaries	20,430.0	19,394.0

(1) Includes \$16.0 million and \$38.5 million of accounts receivable and accounts payable, respectively, related to transactions with PBFX as of June 30, 2023. Includes \$6.3 million and \$38.2 million of accounts receivable and accounts payable, respectively, related to transactions with PBFX as of December 31, 2022. Refer to “Note 6 - Related Party Transactions” of our Notes to Condensed Consolidated Financial Statements for further information.

<i>Summarized Statements of Operations (in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 9,067.9	\$ 13,938.7	\$ 18,259.5	\$ 22,962.6
Cost of sales	8,050.1	11,139.7	16,297.4	19,251.5
Gross margin	1,017.8	2,799.0	1,962.1	3,711.1
Income from operations	931.5	2,573.6	1,835.2	3,384.7
Net income	912.9	2,495.2	1,802.3	3,186.3
Net income attributable to PBF Holding Company LLC	912.7	2,495.8	1,801.9	3,188.0
Non-guarantor intercompany sales with the Issuer and Guarantor subsidiaries	\$ 568.9	\$ 940.0	\$ 991.1	\$ 1,676.1
Non-guarantor intercompany cost of sales with the Issuer and Guarantor subsidiaries	10.6	41.8	12.9	68.8
Affiliate revenues related to transactions with PBFX ⁽¹⁾	4.2	4.4	8.2	8.4
Affiliate expenses related to transactions with PBFX ⁽¹⁾	84.8	79.6	173.8	155.6

(1) Refer to “Note 6 - Related Party Transactions” of our Notes to Condensed Consolidated Financial Statements for further information.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to market risks, including changes in commodity prices and interest rates. Our primary commodity price risk is associated with the difference between the prices we sell our refined products and the prices we pay for crude oil and other feedstocks. We may use derivative instruments to manage the risks from changes in the prices of crude oil and refined products, natural gas, interest rates, or to capture market opportunities.

Commodity Price Risk

Our earnings, cash flow and liquidity are significantly affected by a variety of factors beyond our control, including the supply of, and demand for, crude oil, other feedstocks, refined products and natural gas. The supply of and demand for these commodities depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, planned and unplanned downtime in refineries, pipelines and production facilities, production levels, the availability of imports, the marketing of competitive and alternative fuels, and the extent of government regulation. As a result, the prices of these commodities can be volatile. Our revenues fluctuate significantly with movements in industry refined product prices, our cost of sales fluctuates significantly with movements in crude oil and feedstock prices and our operating expenses fluctuate with movements in the price of natural gas. We manage our exposure to these commodity price risks through our supply and offtake agreements as well as through the use of various commodity derivative instruments.

We may use non-trading derivative instruments to manage exposure to commodity price risks associated with the purchase or sale of crude oil and feedstocks, finished products and natural gas outside of our supply and offtake agreements. The derivative instruments we use include physical commodity contracts and exchange-traded and over-the-counter financial instruments. We mark-to-market our commodity derivative instruments and recognize the changes in their fair value in our statements of operations.

At June 30, 2023 and December 31, 2022, we had gross open commodity derivative contracts representing 29.4 million barrels and 30.1 million barrels, respectively, with an unrealized net gain of \$16.6 million and unrealized net gain of \$13.9 million, respectively. The open commodity derivative contracts as of June 30, 2023 expire at various times during 2023 and 2024.

We carry inventories of crude oil, intermediates and refined products (“hydrocarbon inventories”) on our Condensed Consolidated Balance Sheets, the values of which are subject to fluctuations in market prices. Our hydrocarbon inventories totaled approximately 33.5 million barrels and 32.8 million barrels at June 30, 2023 and December 31, 2022, respectively. The average cost of our hydrocarbon inventories was approximately \$80.18 and \$80.04 per barrel on a LIFO basis at June 30, 2023 and December 31, 2022, respectively. At June 30, 2023 and December 31, 2022, the replacement value of inventory exceeded the LIFO carrying value. If market prices of our inventory decline to a level below our average cost, we may be required to write down the carrying value of our hydrocarbon inventories to market.

Our predominant variable operating cost is energy, which is comprised primarily of natural gas and electricity. We are therefore sensitive to movements in natural gas prices. Assuming normal operating conditions, we expect our annual consumption to range from 75 million to 95 million MMBTUs of natural gas amongst our six refineries. Accordingly, a \$1.00 per MMBTU change in natural gas prices would increase or decrease our natural gas costs by approximately \$75.0 million to \$95.0 million.

Compliance Program Price Risk

We are exposed to market risks related to our obligations to buy and the volatility in the price of credits needed to comply with various governmental and regulatory compliance programs, which includes RINs, required to comply with the RFS. Our overall RINs obligation is based on a percentage of our domestic shipments of on-road fuels as established by Environmental Protection Agency. To the degree we are unable to blend the required amount of biofuels to satisfy our RINs obligation, we must purchase RINs on the open market. To mitigate the impact of the market risk relating to our obligations on our results of operations and cash flows, we may elect to purchase RINs or other environmental credits as part of our liability management strategy.

In addition, we are exposed to risks associated with complying with federal and state legislative and regulatory measures to address GHG and other emissions. Requirements to reduce emissions could result in increased costs to operate and maintain our facilities as well as implement and manage new emission controls and programs put in place. Compliance with such emission standards may require the purchase of emission credits or similar instruments.

Certain of these compliance contracts or instruments qualify as derivative instruments. For certain of these contracts, we elect the normal purchase normal sale exception under Accounting Standards Codification 815, *Derivatives and Hedging*, for such instruments, and therefore do not record these contracts at their fair value.

Interest Rate Risk

Currently, the maximum commitment under our Revolving Credit Facility is \$2.85 billion. Borrowings under the Revolving Credit Facility bear interest either at the Alternative Base Rate plus the Applicable Margin or at the Term SOFR plus the Applicable Margin, all as defined in the Revolving Credit Agreement. At June 30, 2023, we had no outstanding balance in variable interest debt. If this facility was fully drawn, a 1.0% change in the interest rate would increase or decrease our interest expense by approximately \$17.6 million annually.

Credit Risk

We are subject to risk of losses resulting from nonpayment or nonperformance by our counterparties. We continue to closely monitor the creditworthiness of customers to whom we grant credit and establish credit limits in accordance with our credit policy.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We conducted evaluations under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934 as amended (the “Exchange Act”)) as of June 30, 2023. Based upon these evaluations, as required by Exchange Act Rule 13a-15(b), the principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective as of June 30, 2023.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal controls over financial reporting during the quarter ended June 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In connection with the acquisition of the Torrance refinery and related logistics assets, we assumed certain pre-existing environmental liabilities related to certain environmental remediation obligations to address existing soil and groundwater contamination and monitoring activities, which reflect the estimated cost of the remediation obligations. In addition, in connection with the acquisition of the Torrance refinery and related logistics assets, we purchased a ten-year, \$100.0 million environmental insurance policy to insure against unknown environmental liabilities.

We currently have multiple outstanding notices of violation (“NOVs”) issued by regulatory authorities for various alleged regulation and permit violations at our refineries. It is not possible to predict the outcome of any of these NOVs or the amount of the penalties that will be assessed in connection with any NOV. If any one or more of them were decided against us, we believe that there would be no material effect on our financial position, results of operations, or liquidity. SEC regulations require us to disclose certain information about proceedings arising under federal, state, or local provisions regulating the discharge of materials into the environment or protecting the environment if we reasonably believe that such proceedings will result in monetary sanctions of \$300,000 or more. On November 24, 2022, the Martinez refinery experienced a spent catalyst release that is currently being investigated by the Bay Area Air Quality Management District (“BAAQMD”), Contra Costa County (“CCC”), the Department of Justice and the Environmental Protection Agency (“EPA”), and the California Department of Fish and Game. On July 11, 2023, the Martinez refinery experienced an unintentional release of petroleum coke dust and has received inquiries or notices of investigation from the BAAQMD, the California Department of Industrial Relations, Division of Occupational Safety and Health, the CCC, and the EPA. The BAAQMD has issued 29 NOVs relating to the spent catalyst incident to date: 21 for opacity; four for failure to properly operate equipment; one for a public nuisance; one for failure to timely report the nuisance; one for fallout in the community; and one for failure to timely report the fallout. The CCC has issued two NOVs related to the spent catalyst incident. The BAAQMD also issued an NOV relating to the coke incident. No penalties have been assessed with these NOVs but it is reasonable to expect that, individually or in the aggregate, the amount of such penalties may exceed \$300,000.

On February 17, 2017, in *Arnold Goldstein, et al. v. Exxon Mobil Corporation, et al.*, we and PBF LLC, and our subsidiaries, PBF Western Region LLC and Torrance Refining and the manager of our Torrance refinery along with ExxonMobil were named as defendants in a class action and representative action complaint filed on behalf of Arnold Goldstein, John Covas, Gisela Janette La Bella and others similarly situated. The complaint was filed in the Superior Court of the State of California, County of Los Angeles and alleges negligence, strict liability, ultra-hazardous activity, a continuing private nuisance, a permanent private nuisance, a continuing public nuisance, a permanent public nuisance and trespass resulting from the February 18, 2015 electrostatic precipitator (“ESP”) explosion at the Torrance refinery which was then owned and operated by ExxonMobil. The operation of the Torrance refinery by the PBF entities subsequent to our acquisition in July 2016 is also referenced in the complaint. To the extent that plaintiffs’ claims relate to the ESP explosion, ExxonMobil retained responsibility for any liabilities that would arise from the lawsuit pursuant to the agreement relating to the acquisition of the Torrance refinery. On July 2, 2018, the Court granted leave to plaintiffs to file a Second Amended Complaint alleging groundwater contamination. With the filing of the Second Amended Complaint, plaintiffs added an additional plaintiff, Hany Youssef. On October 15, 2019, the judge granted certification to two limited classes of property owners with Youssef as the sole class representative and named plaintiff, rejecting two other proposed subclasses based on negligence and on strict liability for ultrahazardous activities. The certified subclasses relate to trespass claims for ground contamination and nuisance for air emissions. On February 5, 2021, our motion for Limited Extension of Discovery Cut-Off and a Motion by plaintiffs for Leave to File Third Amended Complaint were heard by the Court. On May 5, 2021, the Court granted plaintiffs leave to amend their complaint for the third time to substitute Navarro for Youssef. On May 12, 2021, plaintiffs filed their Third Amended Complaint (“TAC”) that contained significant changes and new claims, including individual claims, that were not included in the motion for leave to amend plaintiffs presented to the Court. On June 9, 2021, we filed a Motion to Dismiss/Strike the TAC. On June 23,

2021, plaintiffs filed their opposition to our Motion to Dismiss/Strike, to which we filed our reply on July 2, 2021. A hearing on the Motion to Dismiss/Strike the TAC was held on August 2, 2021 and the Court ordered that the TAC be struck and that the parties meet and confer with respect to the complaint. After meeting and conferring, plaintiffs agreed to submit a corrected TAC with changes reflecting the removal of Youssef and the substitution of Navarro as the named Plaintiff. On August 23, 2021, the Court approved the parties' stipulation to take Navarro's deposition on September 23, 2021. Also, on August 23, 2021, the Court approved the parties' stipulation to continue the pretrial dates with the new deadlines. On October 8, 2021, plaintiffs filed their Motion to Appoint Navarro as Class Representative. On October 29, 2021, we filed our opposition to this motion. On November 15, 2021, plaintiffs filed their reply. On February 8, 2022, the Court held a hearing on plaintiff's Motion to Appoint Navarro as Class Representative but did not act on the motion. Instead, the Court ordered the parties to submit draft orders for the Court's consideration. After considering the parties' proposed orders, on July 5, 2022, the Court issued a final order ruling that Plaintiffs' Motion to Substitute Navarro as Class Representative was denied and decertifying both of Plaintiffs' proposed Air and Ground Subclasses. The order provided that the case will proceed with Navarro as the sole plaintiff and required the parties to meet and confer and propose a schedule for the remaining pretrial dates and a trial date. On July 19, 2022, Plaintiff filed a petition with the Ninth Circuit Court of Appeals seeking permission to appeal the District Court's decertification order finding that Navarro is an inadequate class representative. Our answer to the petition was filed on July 29, 2022. On September 22, 2022, the Ninth Circuit issued an order denying Plaintiffs' petition for permission to file an interlocutory appeal, confirming that the case will proceed with Navarro as the sole plaintiff. On September 27, 2022, the Plaintiff filed a schedule of pretrial and trial dates with a trial date of July 18, 2023, which was approved by the Court. On January 13, 2023, the Defendants filed a motion for judgment on the pleadings. On January 23, 2023, the Plaintiff filed its opposition to the Defendants' motion. Defendants' reply to Plaintiff's opposition was filed on January 30, 2023. Defendants' motion was scheduled to be heard by the Court on February 13, 2023. On February 27, 2023, the Court issued an order granting our motion for judgment on the pleadings and dismissed Plaintiff's trespass claim with prejudice and granted Plaintiff leave to amend his nuisance claims in conformity with the order if he can do so consistent with Rule 11 of the Federal Rules of Civil Procedures. On March 27, 2023, Plaintiff filed a Fourth Amended Complaint ("FAC") relating to the remaining nuisance claims. On April 7, 2023, we responded to the FAC by filing a motion to dismiss for Plaintiff's failure to establish standing to bring the nuisance claims. On April 17, 2023, Plaintiff filed its opposition to our motion. On April 24, 2023, we filed our reply to Plaintiff's opposition. A hearing on our motion was scheduled for May 8, 2023 but, on May 2, 2023, the Court took the hearing on the motion off calendar. On May 23, 2023, the Court denied our motion. Currently, the parties are engaged in discovery and trial is scheduled for January 16, 2024. We presently believe the outcome of this litigation will not have a material impact on our financial position, results of operations, or cash flows.

On September 7, 2021, MRC filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief against the BAAQMD requesting the Court to declare as invalid, unenforceable, and ultra vires the BAAMQD's July 21, 2021, adoption of amendments to Regulation 6-5: Particulate Emissions from Refinery Fluidized Catalytic Cracking Units - 2021 Amendment ("Rule 6-5 Amendment"). MRC is also seeking a writ of mandate ordering the BAAQMD to vacate and rescind the adoption of the Rule 6-5 Amendment, as well as appropriate declaratory relief, injunctive relief, and reasonable costs incurred by MRC to bring this Petition/Complaint. In the Petition/Complaint MRC alleges that: its feasible alternative Particulate Matter ("PM") reduction proposal that would achieve significant PM reductions while avoiding the significant costs and environmental impacts of the BAAQMD's adopted PM limit, was improperly removed from consideration and not presented to the BAAQMD Board when the Rule 6-5 Amendment was adopted with the current PM standard; when adopting the Rule 6-5 Amendment, the BAAQMD flagrantly ignored numerous mandatory requirements of the California Environmental Quality Act ("CEQA") and the California Health and Safety Code; the BAAQMD's adoption of the Rule 6-5 Amendment also violated California common law; and these failings render the Rule 6-5 Amendment ultra vires, illegal, and unenforceable. We held mandatory settlement conferences with the BAAQMD on October 27, 2021 and December 15, 2021. On December 9, 2022, we filed a Motion to Augment/Correct the Administrative Record regarding various documents that the BAAQMD is currently withholding and do not plan to include in the administrative record. On December 30, 2022, the

BAAQMD filed its opposition to our motion. On January 12, 2023, we filed our reply to the BAAQMD's opposition. The hearing on our motion was held on February 2, 2023. At the hearing, although the Court partially denied our motion concerning documents where the BAAQMD asserted the attorney client privilege, the Court held that CEQA places a heavy burden on the BAAQMD in justifying withholding documents based on the deliberative privilege. At the Court's request, the parties agreed to a process whereby they jointly identified approximately 50 of the withheld/redacted documents for the Court to review. The Court ruled on those documents on February 22, 2023, ordering full disclosure of two types of documents related to the BAAQMD's cost-estimates for the rule. In compliance with the Court's order, in March 2023, the BAAQMD produced additional or less-redacted versions of previously produced documents. On March 27, 2023, the Court entered a stipulation establishing the schedule going forward with the bench trial currently scheduled for September 20, 2023. On May 26, 2023, we filed our opening brief. The BAAQMD's opposition brief was filed on July 21, 2023 and our reply brief is due August 18, 2023. We presently believe the outcome will not have a material impact on our financial position, results of operations, or cash flows.

The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), also known as "Superfund," imposes liability, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to be responsible for the release of a "hazardous substance" into the environment. These persons include the current or former owner or operator of the disposal site or sites where the release occurred and companies that disposed of or arranged for the disposal of the hazardous substances. Under CERCLA, such persons may be subject to joint and several liability for investigation and the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. As discussed more fully above, certain of our sites are subject to these laws and we may be held liable for investigation and remediation costs or claims for natural resource damages. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances or other pollutants released into the environment. Analogous state laws impose similar responsibilities and liabilities on responsible parties. In our current normal operations, we have generated waste, some of which falls within the statutory definition of a "hazardous substance" and some of which may have been disposed of at sites that may require cleanup under Superfund.

As the ultimate outcomes of the pending matters discussed above are uncertain, we cannot currently estimate the final amount or timing of their resolution but any such amount is not expected to have a material impact on our financial position, results of operations, or cash flows, individually or in the aggregate.

Item 6. Exhibits

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this report and such Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Description
10.1†	Second Amended and Restated Employment Agreement dated as of May 3, 2023 between Thomas J. Nimbley and PBF Investments LLC. (incorporated by reference to Exhibit 10.1 filed with PBF Energy Inc.'s Current Report on form 8-K dated May 4, 2023 (File No. 001-35764)).
10.2†	Third Amended and Restated Employment Agreement dated as of May 3, 2023 between Matthew C. Lucey and PBF Investments LLC. (incorporated by reference to Exhibit 10.2 filed with PBF Energy Inc.'s current report on form 8-K dated May 4, 2023 (File No. 001-35764)).
10.3	Second Amendment to the Third Amended and Restated Inventory Intermediation Agreement dated as of October 25, 2021, among J. Aron & Company LLC, PBF Holding Company LLC, Delaware City Refining Company LLC, Paulsboro Refining Company LLC, and Chalmette Refining, L.L.C, and step-out Agreement (incorporated by reference to Exhibit 10.1 filed with PBF Energy Inc.'s current report on Form 8-K dated June 29, 2023 (File No. 001-35764)).
22.1*	List of Guarantor Subsidiaries
31.1*	Certification of Matthew C. Lucey, Chief Executive Officer of PBF Holding Company LLC pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Karen B. Davis, Chief Financial Officer of PBF Holding Company LLC pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1* (1)	Certification of Matthew C. Lucey, Chief Executive Officer of PBF Holding Company LLC pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2* (1)	Certification of Karen B. Davis, Chief Financial Officer of PBF Holding Company LLC pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

† Indicates management compensatory plan or arrangement.

(1) This exhibit should not be deemed to be "filed" for purposes of Section 18 of the Exchange Act.

Signatures

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

PBF Holding Company LLC

Date: August 9, 2023

By: /s/ Karen B. Davis

Karen B. Davis
Senior Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

PBF Finance Corporation

Date: August 9, 2023

By: /s/ Karen B. Davis

Karen B. Davis
Senior Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

PBF Holding Company LLC
List of Guarantor Subsidiaries

The following subsidiaries of PBF Holding Company (the "Company") were, as of June 30, 2023, guarantors of the Company's 7.25% Senior Notes due 2025 and 6.00% Senior Notes due 2028:

Name:	Jurisdiction of Incorporation or Organization:
PBF Services Company LLC	Delaware
PBF Investments LLC	Delaware
Delaware City Refining Company LLC	Delaware
PBF Power Marketing LLC	Delaware
Paulsboro Refining Company LLC	Delaware
Toledo Refining Company LLC	Delaware
PBF International Inc.	Delaware
Chalmette Refining, L.L.C.	Delaware
PBF Energy Western Region LLC	Delaware
Torrance Refining Company LLC	Delaware
Martinez Refining Company LLC	Delaware

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew C. Lucey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PBF Holding Company LLC;
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)) 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2023

/s/ Matthew C. Lucey

Matthew C. Lucey
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Karen B. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PBF Holding Company LLC;

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)) 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) 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

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2023

/s/ Karen B. Davis

Karen B. Davis
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of PBF Holding Company LLC (PBF Holding) on Form 10-Q for the quarter ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Matthew C. Lucey, President and Chief Executive Officer of PBF Holding, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 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 PBF Holding.

/s/ Matthew C. Lucey

Matthew C. Lucey
President and Chief Executive Officer
August 9, 2023

A signed original of the written statement required by Section 906 has been provided to PBF Holding Company LLC and will be retained by PBF Holding Company LLC and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of PBF Holding Company LLC (PBF Holding) on Form 10-Q for the quarter ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Karen B. Davis, Senior Vice President and Chief Financial Officer of PBF Holding, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 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 PBF Holding.

/s/ Karen B. Davis

Karen B. Davis
Senior Vice President and Chief Financial Officer
August 9, 2023

A signed original of the written statement required by Section 906 has been provided to PBF Holding Company LLC and will be retained by PBF Holding Company LLC and furnished to the Securities and Exchange Commission or its staff upon request.