



THIRD QUARTER 2016 EARNINGS CALL AND WEBCAST

October 28, 2016

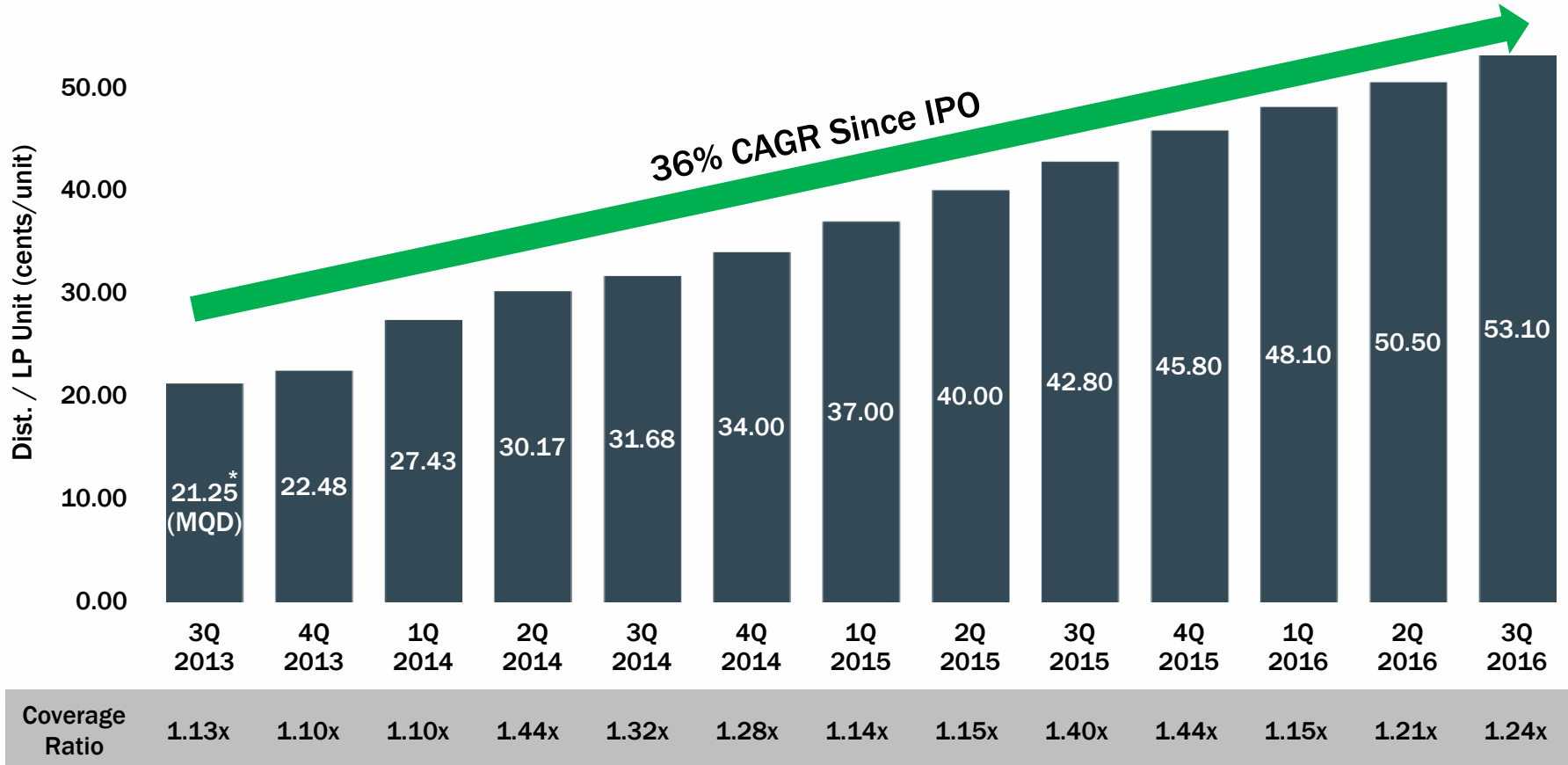
CAUTIONARY STATEMENT



This presentation includes forward-looking statements. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements relating to Phillips 66 Partners (including our joint venture operations) are based on management’s expectations, estimates and projections about the Partnership, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include the continued ability of Phillips 66 to satisfy its obligations under our commercial and other agreements; the volume of crude oil, refined petroleum products and NGL we or our joint ventures transport, fractionate, terminal and store; the tariff rates with respect to volumes that we transport through our regulated assets, which rates are subject to review and possible adjustment by federal and state regulators; fluctuations in the prices for crude oil, refined petroleum products and NGL; liabilities associated with the risks and operational hazards inherent in transporting, fractionating, terminaling and storing crude oil, refined petroleum products and NGL; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; and other economic, business, competitive and/or regulatory factors affecting Phillips 66 Partners’ businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 Partners is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures. Today’s presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Financial Reports” section of our website.

DISTRIBUTION GROWTH



*Represents the minimum quarterly distribution for 3Q 2013, actual distribution of 15.48 cents equal to MQD prorated

- **Formed STACK joint venture**
- **Increased ownership interest in the Explorer Pipeline**
- **Announced the acquisition of an NGL logistics system in southeast Louisiana**
- **Continued development of Bayou Bridge Pipeline from Lake Charles to St. James, Louisiana**
- **Sacagawea Pipeline startup expected in November 2016**
- **Acquired crude, refined products and NGL logistics assets from Phillips 66 for \$1.3 billion in October**

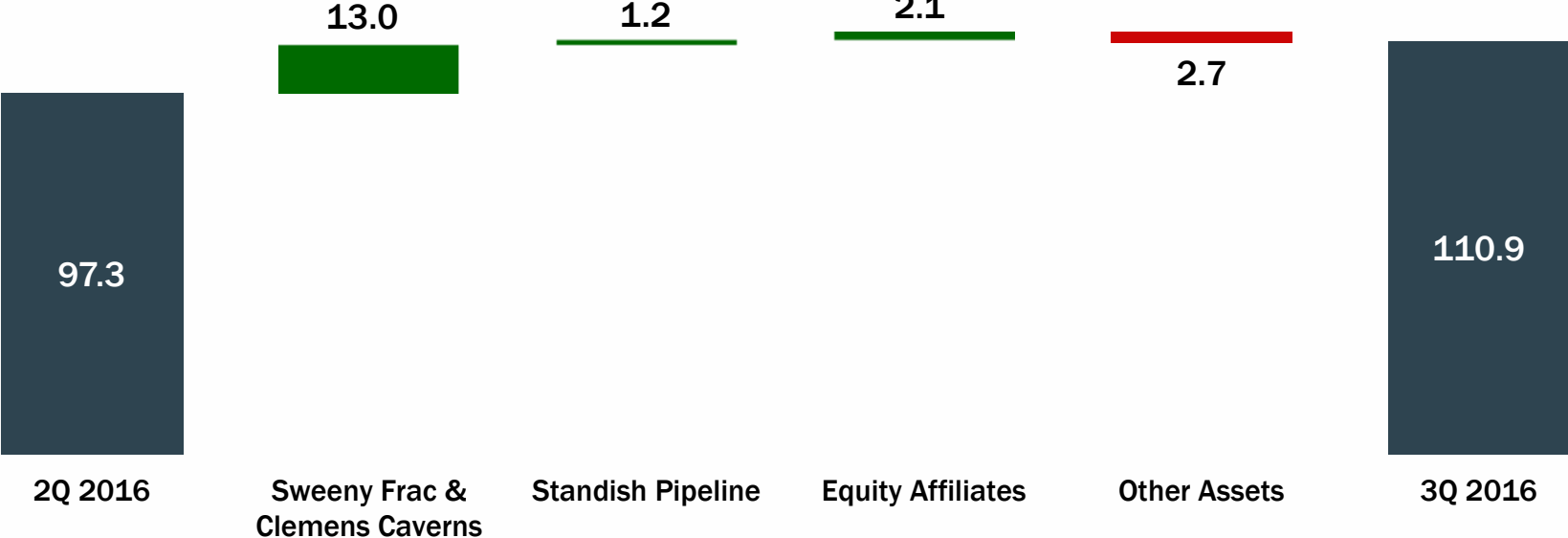
OPERATIONAL HIGHLIGHTS

	3Q 2016	2Q 2016
Pipeline Volumes (mbd)		
Crude Oil	257	287
Refined Products	619	606
Total	876	893

Terminaling and Storage Volumes (mbd)		
Crude Oil	541	559
Refined Products	442	450
Total	983	1,009

Average Pipeline Revenue (\$/bbl)	\$ 0.46	\$ 0.48
Average Terminaling and Storage Revenue (\$/bbl)	\$ 0.39	\$ 0.38

Adjusted EBITDA (\$ MM)



ADJUSTED EBITDA AND DISTRIBUTABLE CASH FLOW

\$ MM <i>(unless otherwise noted)</i>	3Q 2016
Adjusted EBITDA	110.9
Plus:	
Deferred revenue impacts	4.3
Less:	
Net interest	9.9
Maintenance capital expenditures	3.4
Distributable Cash Flow	\$ 101.9
Total Cash Distribution Declared	\$ 82.5
Coverage Ratio	1.24x

STRONG FINANCIAL FLEXIBILITY AND LIQUIDITY

\$ MM <i>(unless otherwise noted)</i>	3Q 2016
Cash and cash equivalents	19
Total assets	2,881
Debt	1,141
Revolving credit facility availability	450
Debt to EBITDA ratio*	2.5x

**Leverage ratio estimated on credit facility covenant basis.*





QUESTIONS AND ANSWERS EARNINGS CALL AND WEBCAST

October 28, 2016



APPENDIX

FINANCIAL RESULTS (CONSOLIDATED)

\$ MM <i>(unless otherwise noted)</i>	3Q 2016	2Q 2016
Revenues and other income	\$ 144.3	\$ 140.4
Costs and expenses	61.0	66.8
Income before income taxes	83.3	73.6
Provision for income taxes	0.2	0.4
Net Income	83.1	73.2
Less: Net income attributable to Predecessors	-	5.7
Net income attributable to PSXP	83.1	67.5
Adjusted EBITDA	110.9	97.3
Distributable Cash Flow	101.9	84.4
Quarterly Distribution (cents/unit)	53.1	50.5



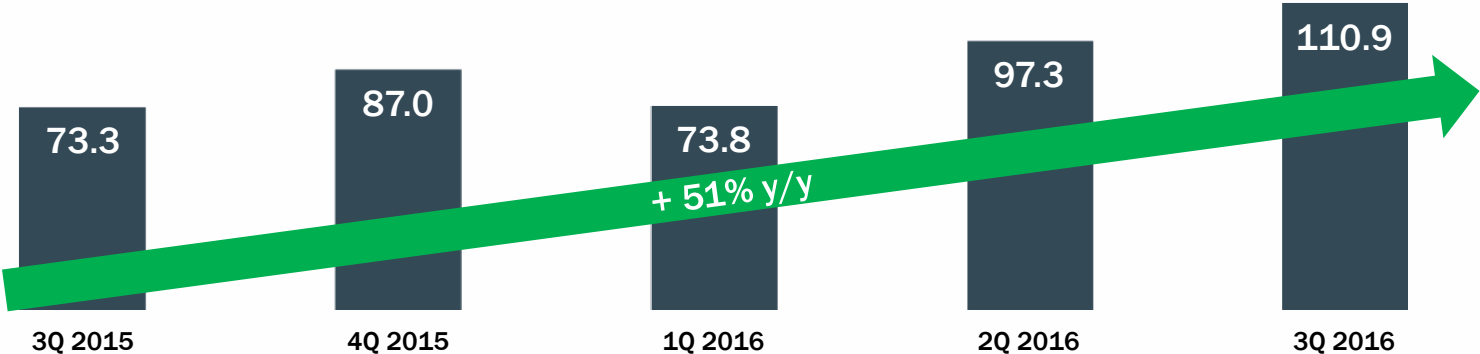
NON-GAAP RECONCILIATION

	\$ MM				
	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015
Net Income	\$ 83.1	\$ 73.2	\$ 64.7	\$ 60.5	\$ 50.9
Plus:					
Depreciation	15.1	14.5	13.9	9.4	6.1
Net interest expense	9.9	10.9	9.7	9.2	9.1
Provision for income taxes	0.2	0.4	0.2	0.1	0.1
EBITDA	108.3	99.0	88.5	79.2	66.2
Distributions in excess of equity earnings	0.3	2.2	4.1	6.6	4.6
Expenses indemnified or prefunded by Phillips 66	0.1	3.9	0.1	0.5	1.1
Transaction costs associated with acquisitions	2.2	0.7	1.0	0.4	0.4
EBITDA attributable to Predecessors	-	(8.5)	(19.9)	0.3	1.0
Adjusted EBITDA	110.9	97.3	73.8	87.0	73.3
Plus:					
Deferred revenue impacts	4.3	1.3	1.4	(1.6)	2.5
Less:					
Net interest	9.9	10.9	9.9	9.2	9.1
Income taxes paid (refunded)	-	0.3	-	(0.1)	-
Maintenance capital expenditures	3.4	3.0	1.2	2.3	2.2
Distributable Cash Flow	101.9	84.4	64.1	74.0	64.5

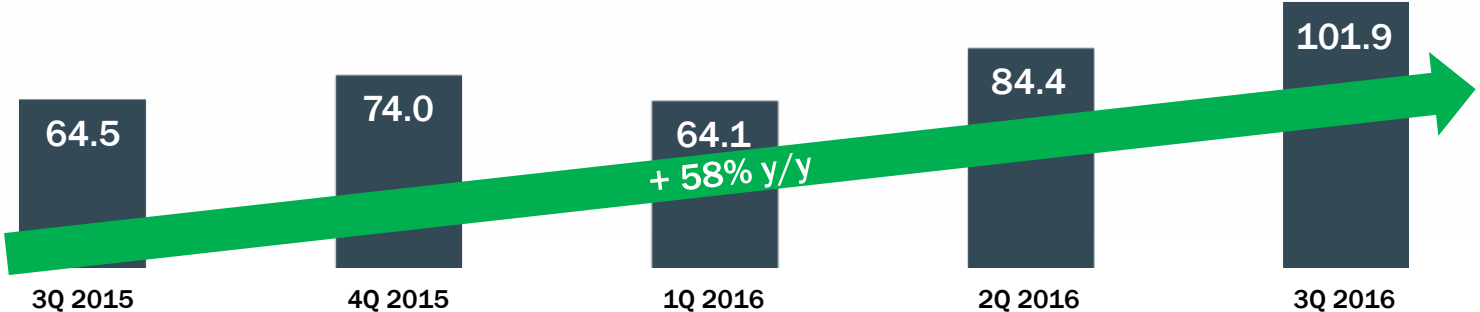
NON-GAAP RECONCILIATION

	\$ MM				
	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015
Net cash provided by operating activities	\$ 84.3	\$ 94.6	\$ 71.4	\$ 97.1	\$ 49.0
Plus:					
Net interest expense	9.9	10.9	9.7	9.2	9.1
Provision for income taxes	0.2	0.4	0.2	0.1	0.1
Changes in working capital	12.0	(1.8)	14.4	(16.4)	13.9
Undistributed equity earnings	2.7	1.7	(0.6)	(2.6)	(0.9)
Accrued environmental costs	(0.2)	0.1	-	(0.2)	(0.5)
Other	(0.6)	(6.9)	(6.6)	(8.0)	(4.5)
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Adjusted EBITDA



Distributable Cash Flow



Values in \$MM, attributable to PSXP