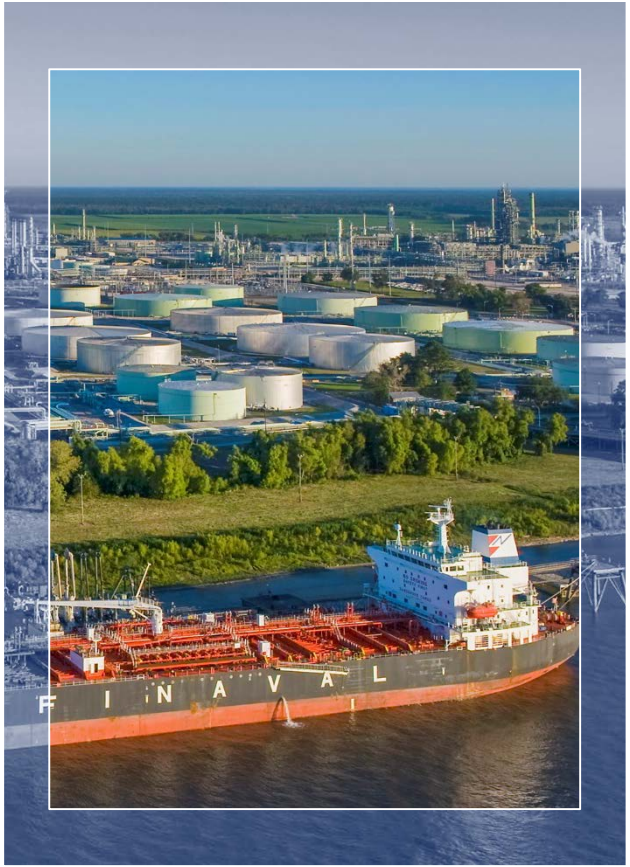
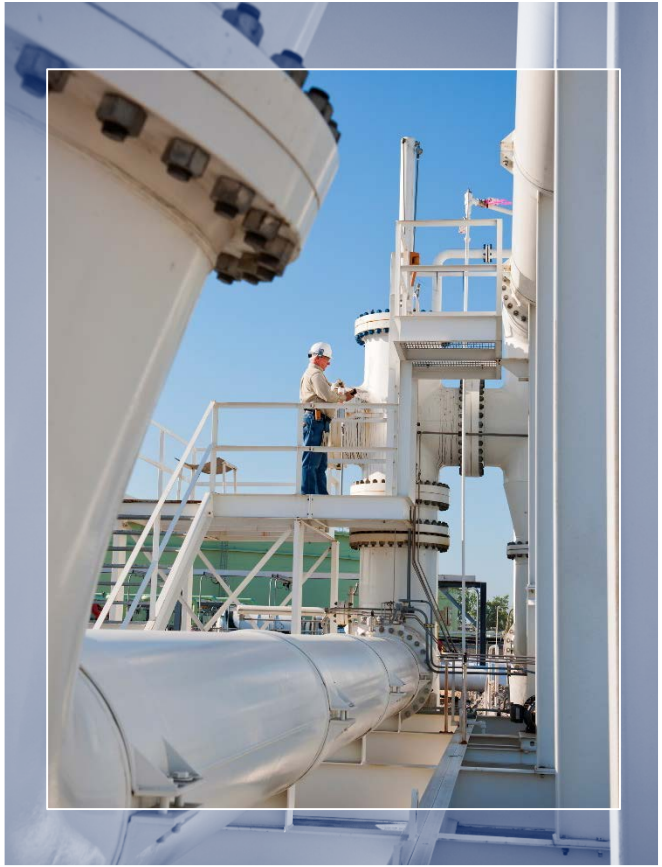




MARATHON®

Second Quarter 2020 Conference Call

August 3, 2020

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of federal securities laws regarding Marathon Petroleum Corporation (MPC). These forward-looking statements relate to, among other things, expectations, estimates and projections concerning the business and operations, strategy and value creation plans of MPC. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements. You can identify forward-looking statements by words such as "anticipate," "believe," "commitment," "could," "design," "estimate," "expect," "forecast," "goal," "guidance," "imply," "intend," "may," "objective," "opportunity," "outlook," "plan," "policy," "position," "potential," "predict," "priority," "project," "proposition," "prospective," "pursue," "seek," "should," "strategy," "target," "would," "will" or other similar expressions that convey the uncertainty of future events or outcomes. Such forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the company's control and are difficult to predict. Factors that could cause MPC's actual results to differ materially from those implied in the forward-looking statements include but are not limited to: the effects of the recent outbreak of COVID-19 and the adverse impact thereof on our business, financial condition, results of operations and cash flows, including, but not limited to, our growth, operating costs, labor availability, logistical capabilities, customer demand for our products and industry demand generally, margins, inventory value, cash position, taxes, the price of our securities and trading markets with respect thereto, our ability to access capital markets, and the global economy and financial markets generally; the effects of the recent outbreak of COVID-19, and the current economic environment generally, on our working capital, cash flows and liquidity, which can be significantly affected by decreases in commodity prices; our ability to reduce capital and operating expenses; with respect to the planned Speedway sale, the ability to successfully complete the sale within the expected timeframe or at all, based on numerous factors, including our ability to satisfy customary conditions, including obtaining regulatory approvals on the proposed terms and schedule, and any conditions imposed in connection with the consummation of the transaction, our ability to utilize the proceeds as anticipated, and our ability to capture value from the associated ongoing supply relationship and realize the other expected benefits; the risk that the cost savings and any other synergies from the Andeavor transaction may not be fully realized or may take longer to realize than expected; disruption from the Andeavor transaction making it more difficult to maintain relationships with customers, employees or suppliers; risks relating to any unforeseen liabilities of Andeavor; risks related to the acquisition of Andeavor Logistics LP by MPLX LP (MPLX), including the risk that anticipated opportunities and any other synergies from or anticipated benefits of the transaction may not be fully realized or may take longer to realize than expected, including whether the transaction will be accretive within the expected timeframe or at all, or disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk of further impairments; the ability to complete any divestitures on commercially reasonable terms and/or within the expected timeframe, and the effects of any such divestitures on the business, financial condition, results of operations and cash flows; future levels of revenues, refining and marketing margins, operating costs, retail gasoline and distillate margins, merchandise margins, income from operations, net income and earnings per share; the regional, national and worldwide availability and pricing of refined products, crude oil, natural gas, NGLs and other feedstocks; consumer demand for refined products; the ability to manage disruptions in credit markets or changes to credit ratings; future levels of capital, environmental and maintenance expenditures; general and administrative and other expenses; the success or timing of completion of ongoing or anticipated capital or maintenance projects; the reliability of processing units and other equipment; business strategies, growth opportunities and expected investment; share repurchase authorizations, including the timing and amounts of such repurchases; the adequacy of capital resources and liquidity, including availability, timing and amounts of free cash flow necessary to execute business plans and to effect any share repurchases or to maintain or increase the dividend; the effect of restructuring or reorganization of business components; the potential effects of judicial or other proceedings on the business, financial condition, results of operations and cash flows; continued or further volatility in and/or degradation of general economic, market, industry or business conditions as a result of the COVID-19 pandemic, other infectious disease outbreaks or otherwise; non-payment or non-performance by our producer and other customers; compliance with federal and state environmental, economic, health and safety, energy and other policies and regulations, including the cost of compliance with the Renewable Fuel Standard, and/or enforcement actions initiated thereunder; the anticipated effects of actions of third parties such as competitors, activist investors or federal, foreign, state or local regulatory authorities or plaintiffs in litigation; the impact of adverse market conditions or other similar risks to those identified herein affecting MPLX; and the factors set forth under the heading "Risk Factors" in MPC's Annual Report on Form 10-K for the year ended Dec. 31, 2019, and in Forms 10-Q and other filings, filed with the SEC. Copies of MPC's Form 10-K, Forms 10-Q and other SEC filings are available on the SEC's website, MPC's website at https://www.marathonpetroleum.com/Investors/ or by contacting MPC's Investor Relations office. Copies of MPLX's Form 10-K, Forms 10-Q and other SEC filings are available on the SEC's website, MPLX's website at http://ir.mplx.com or by contacting MPLX's Investor Relations office.

We have based our forward-looking statements on our current expectations, estimates and projections about our business and industry. We caution that these statements are not guarantees of future performance and you should not rely unduly on them, as they involve risks, uncertainties, and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. While our management considers these assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements. We undertake no obligation to update any forward-looking statements except to the extent required by applicable law.

Non-GAAP Financial Measures

Adjusted earnings, EBITDA, cash provided from operations before changes in working capital, Refining and Marketing margin and Retail total margin are non-GAAP financial measures provided in this presentation. Reconciliations to the nearest GAAP financial measures are included in the Appendix to this presentation. These non-GAAP financial measures are not defined by GAAP and should not be considered in isolation or as an alternative to net income attributable to MPC, net cash provided by (used in) operating, investing and financing activities, Refining and Marketing income from operations, Speedway income from operations or other financial measures prepared in accordance with GAAP.

Speedway Sale: Executing Strategic Priorities

Certainty of Value Realization

100% cash transaction

$21 billion represents significant value unlock

Balance Sheet Strength & Capital Return

Approximately $16.5 billion of anticipated after-tax cash proceeds

Strengthens balance sheet and enables return of capital to shareholders

Long-Term Relationship

Long-term fuel supply agreements up to 7.7 billion gallons per year

Potential for incremental fuel supply for existing 7-Eleven locations

Demonstrates commitment to execute on the strategic priorities outlined earlier this year

MPC: Strategy for Continuing Value Creation

1 Strengthen Competitive Position of our Assets

Achieve best-in-class cost, operating, and financial performance

Focus on contribution of each asset to shareholder return

2 Improve Commercial Performance

Leverage advantaged raw material selection

Enhance commercial skills and technology improvements

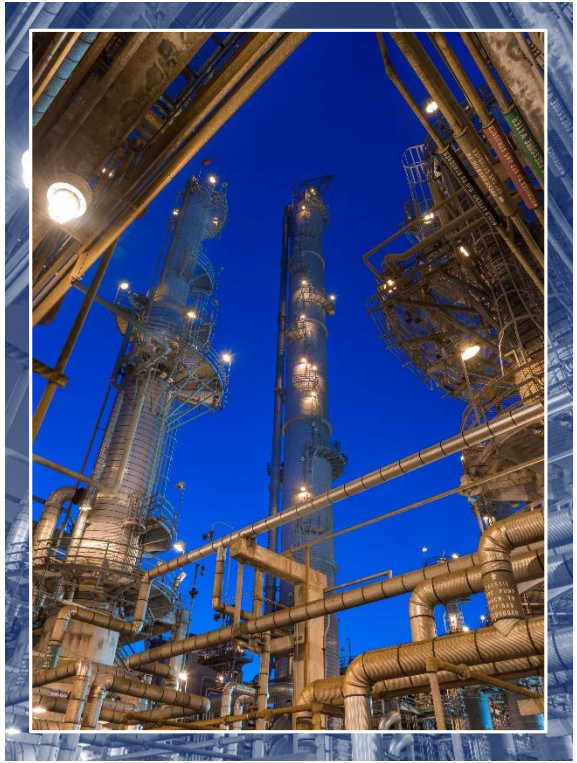
3 Lower Cost Structure

Strict capital discipline

Lowering costs and driving efficiency

Business Update

- Progress on tactical and strategic initiatives:
  - Indefinitely idling Gallup and Martinez refineries; evaluating strategic repositioning of Martinez to renewable diesel facility
  - On track to achieve 2020 operating expense and capital spending reductions
  - Enhanced liquidity with new credit facility
  - $7.7 billion of available borrowing capacity



Proactive steps help maintain financial strength, support investment grade credit rating, and enhance through-cycle resiliency

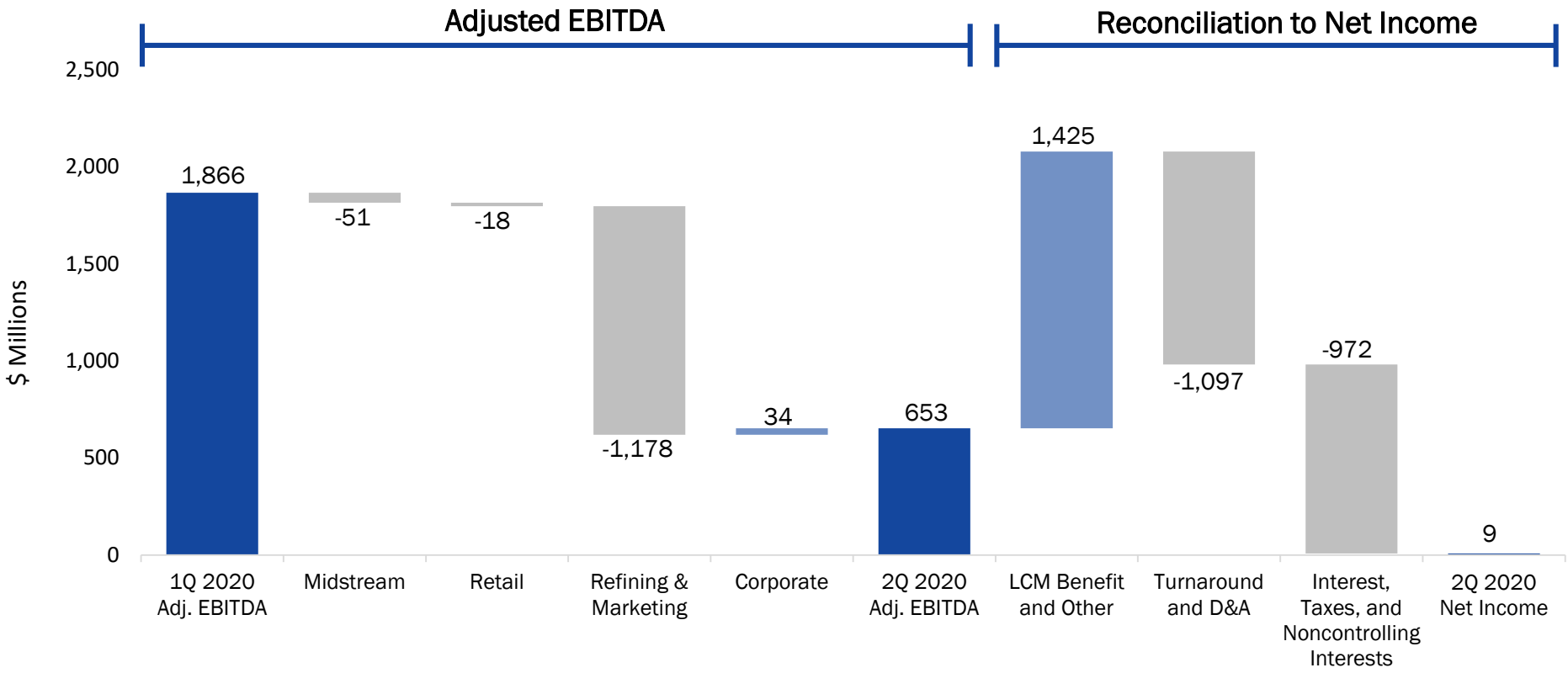
Second Quarter Highlights

$ Millions (unless otherwise noted)	2Q20
Adjusted Loss per Share ($/share) [a]	$(1.33)
Adjusted EBITDA	$653
Cash from Operations, excluding Working Capital	$172
Dividends	$378

[a] Based on weighted average diluted shares

Second Quarter Highlights (cont'd)

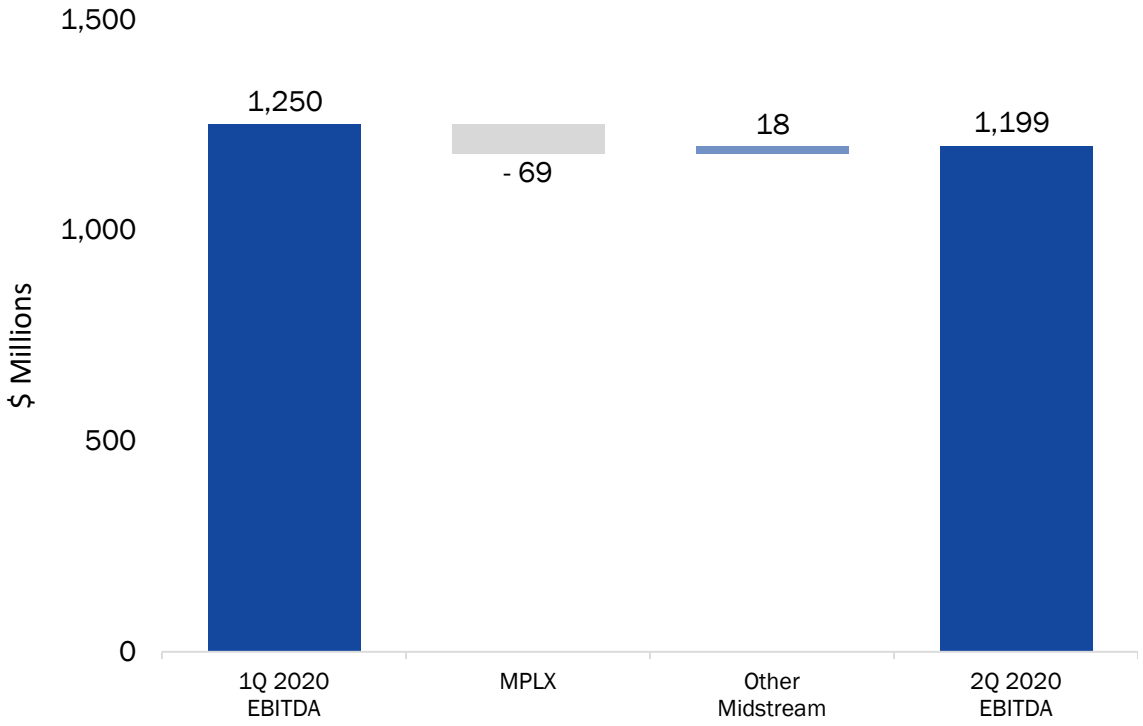
2Q 2020 vs. 1Q 2020



Midstream EBITDA

2Q 2020 vs. 1Q 2020

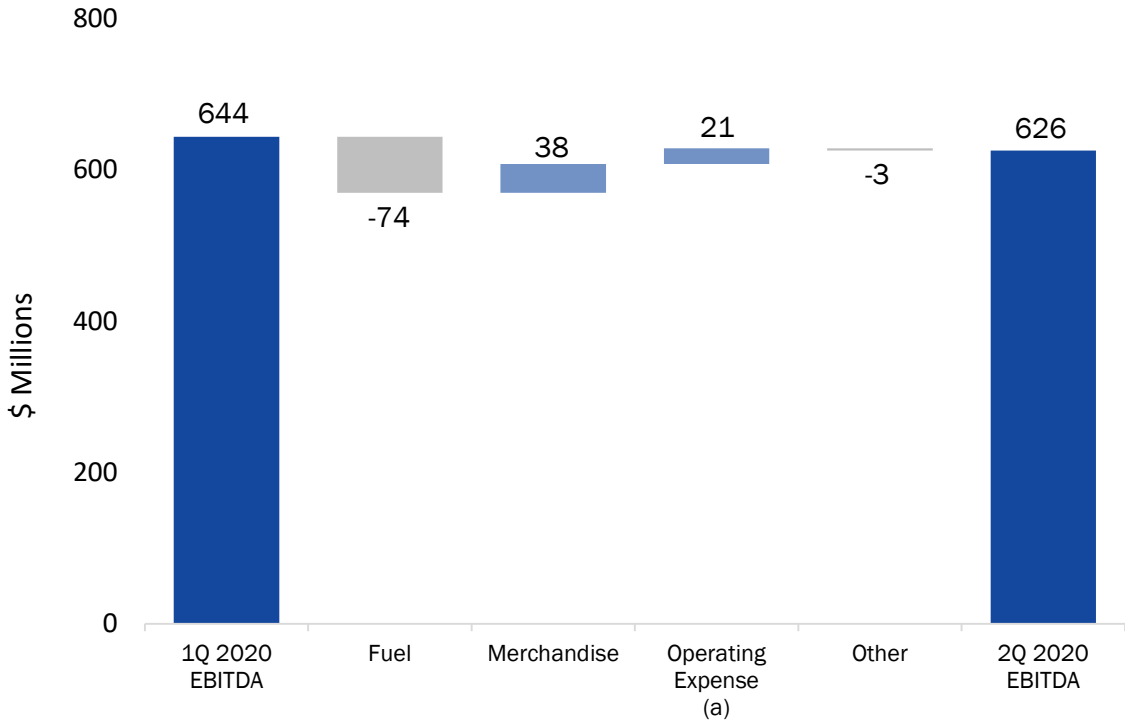
- Through-cycle EBITDA stability
- Fee-based with volume protections across businesses
- Continued progress on organic growth projects



Retail EBITDA

2Q 2020 vs. 1Q 2020

- Fuel volumes down ~25% from first quarter due to COVID-19 demand destruction; down ~36% year-over-year
- Fuel margins of nearly 40 cpg
- Seasonal growth in merchandise vs. 1Q; year-over-year same store sales down 4% excluding cigarettes

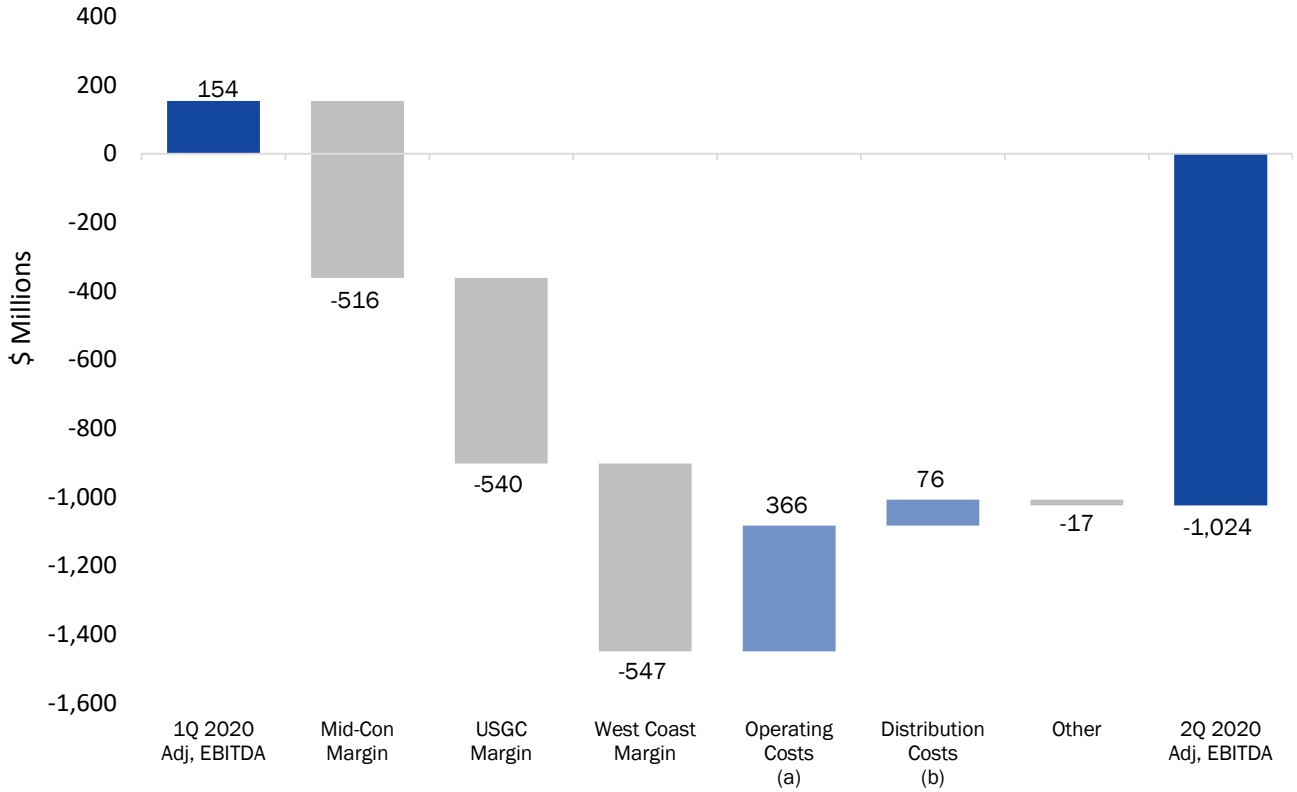


[a] Reflects operating, selling, general and administrative expenses.

Refining & Marketing Adjusted EBITDA

2Q 2020 vs. 1Q 2020

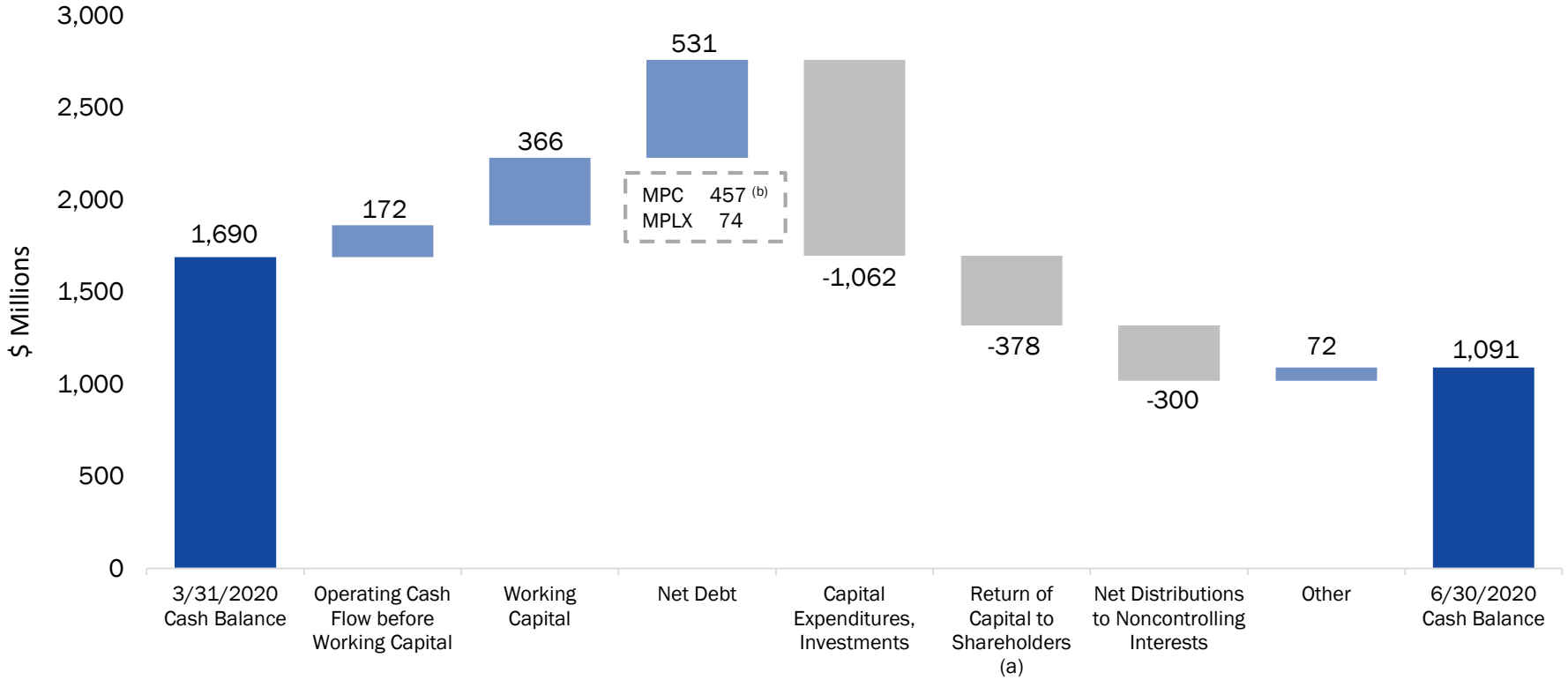
- Full three month impact of COVID-19 demand destruction
- 71% utilization during the quarter
- Significantly weaker crack spreads
- Strong expense control



(a) Includes refining major maintenance and operating costs. Excludes refining planned turnaround and D&A expense. (b) Excludes D&A expense

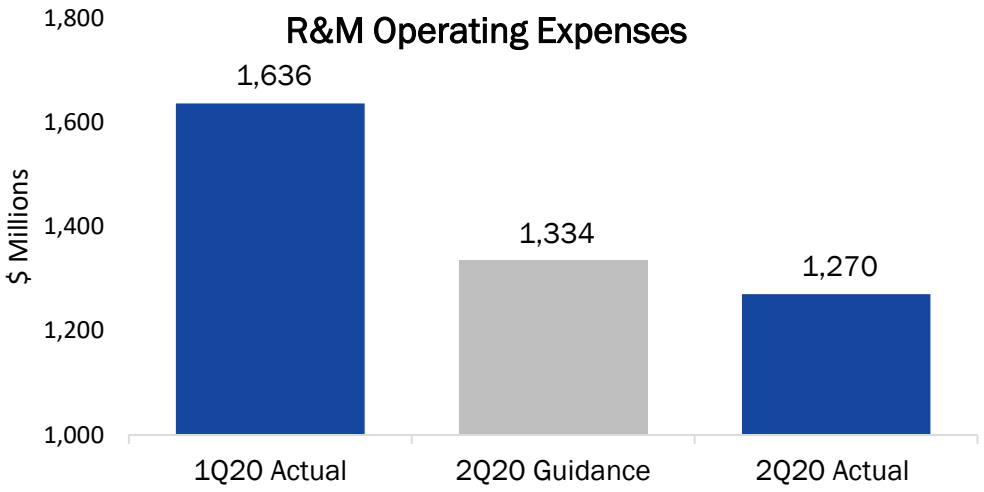
Total Consolidated Cash Flow

2Q 2020



(a) $378 MM dividends (b) In late April, the company issued $2.5 billion of senior notes, the proceeds of which were used to repay certain amounts outstanding on the five-year revolving credit facility
Note: Excludes restricted cash

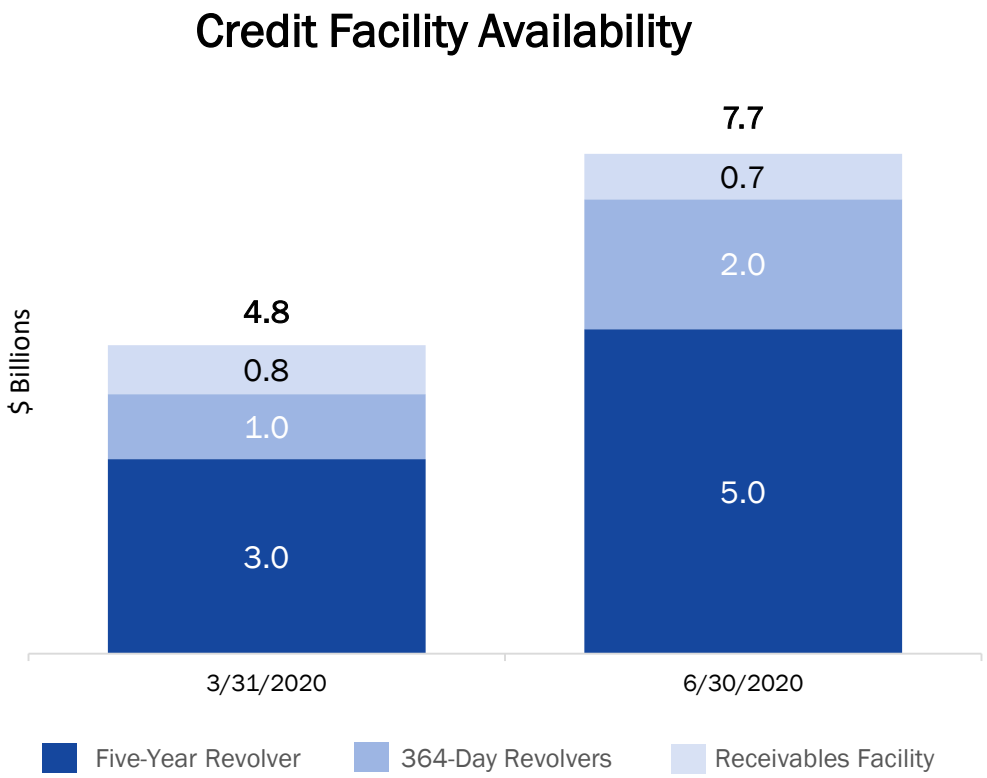
Commitment to Cost Discipline



- Guided 2Q R&M operating expenses to be ~$300 million lower than 1Q20
- 2Q20 R&M costs reduced by $64 million more than guidance

Disciplined approach, on track to meet consolidated $950 million operating expense reduction target

Strong Liquidity Position



- March and April working capital impacts partially reversed in May and June as crude prices increased
- Credit facility fully repaid in second quarter
- $7.7 billion of available credit capacity as of June 30, 2020
- Cash balance of $1.1 billion at June 30, 2020

Third-Quarter 2020 Outlook

		Crude Throughput (a)	Other Charge/ Feedstocks Throughput (a)	Total Throughput (a)	Sweet Crude	Sour Crude	Operating Cost (b)	Distribution Cost (c)
		in MBPD			Percent of Throughput		$/BBL of Total Throughput	$MM
Projected 3Q 2020	Gulf Coast Region	825	95	920	34%	66%	$5.20	
	Mid-Con Region	1,000	45	1,045	73%	27%	$5.30	
	West Coast Region	390	45	435	28%	72%	$11.45	
	R&M Total	2,215	130	2,345	50%	50%	$6.50	$1,285

Planned Turnaround	Depreciation and Amortization
$MM	$MM
$40	$150
$70	$170
$160	$70
$270	$440 [d]

- Corporate & other unallocated items estimated at ~$195 MM for 3Q20

Retail Segment	
Light Product Sales Volume (MMgal)	2,000 – 2,200
Merchandise Sales ($MM)	$1,700 – $1,800

[a] Region throughput data includes inter-refinery transfers, but MPC totals exclude transfers [b] Includes refining major maintenance and operating costs. Excludes refining planned turnaround and D&A expense.
[c] Excludes D&A expense [d] Includes D&A expense associated with distribution assets

Focus on Sustainability and Corporate Leadership

Environment

Recognized for Energy Efficiency with EPA Energy Star Partner Awards

Targeting 30% GHG emissions intensity reduction by 2030

Investing in Renewables

Social

Committed to Diversity & Inclusion

Established new Human Rights Policy in 2020

Supporting our communities with $18.7 million in donations

Governance

Independent & Diverse Board of Directors

Transparency in reporting through TCFD and SASB

Sustainability Performance linked to compensation

Questions & Answers

Appendix

Published 2019 Sustainability Report

Highlights

20% reduction in GHG intensity since 2014

~$470 million investment converting Dickinson refinery to renewable diesel plant

45% reduction in criteria emissions since 2002

Over **55,000 employee volunteer hours** in our communities in 2019

Recognitions

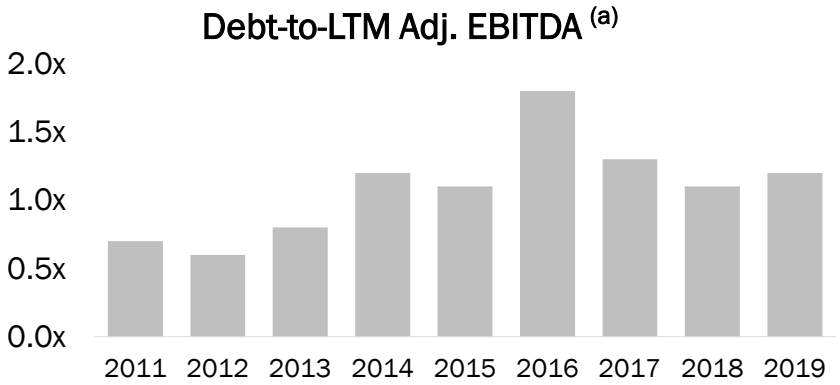
Included in **Dow Jones Sustainability Index** for North America

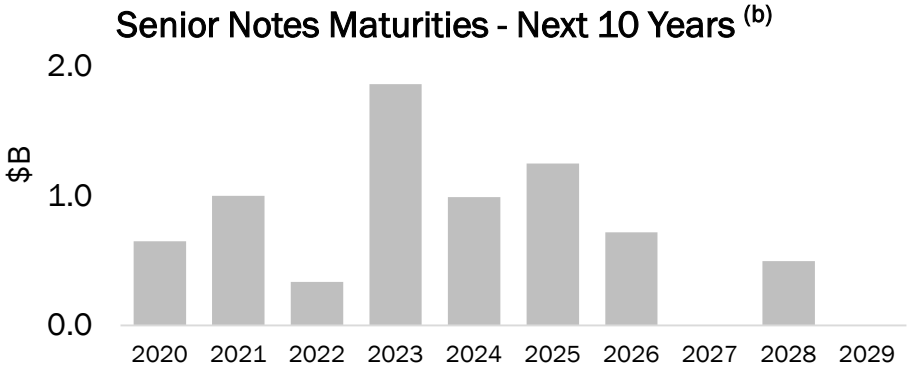
EPA Energy Star Partner of the Year – **Sustained Excellence Award** 2020

2020 **Human Rights** Campaign Corporate Equality Index score of **100%**

AFPM **Distinguished Safety** Award

Manageable Leverage and Maturities





$ Millions (unless otherwise noted)	YE18	YE19	2Q20
Total Debt (excl. MPLX)	9,114	9,125	11,607
LTM Adj. EBITDA (excl. MPLX)	6,893	5,506	3,022
LTM MPLX Distributions to MPC	1,590	1,823	1,774
Debt-to-Capital	22%	23%	35%
MPC Debt-to-LTM Adj. EBITDA [a]	1.1x	1.2x	2.4x

[a] MPC Debt-to-LTM Adjusted EBITDA calculated using face value of total debt and LTM adjusted pro forma EBITDA. Excludes MPLX debt and EBITDA, includes MPLX distributions to MPC; refer to appendix for reconciliation
[b] Senior Notes Maturities as of 6/30/2020

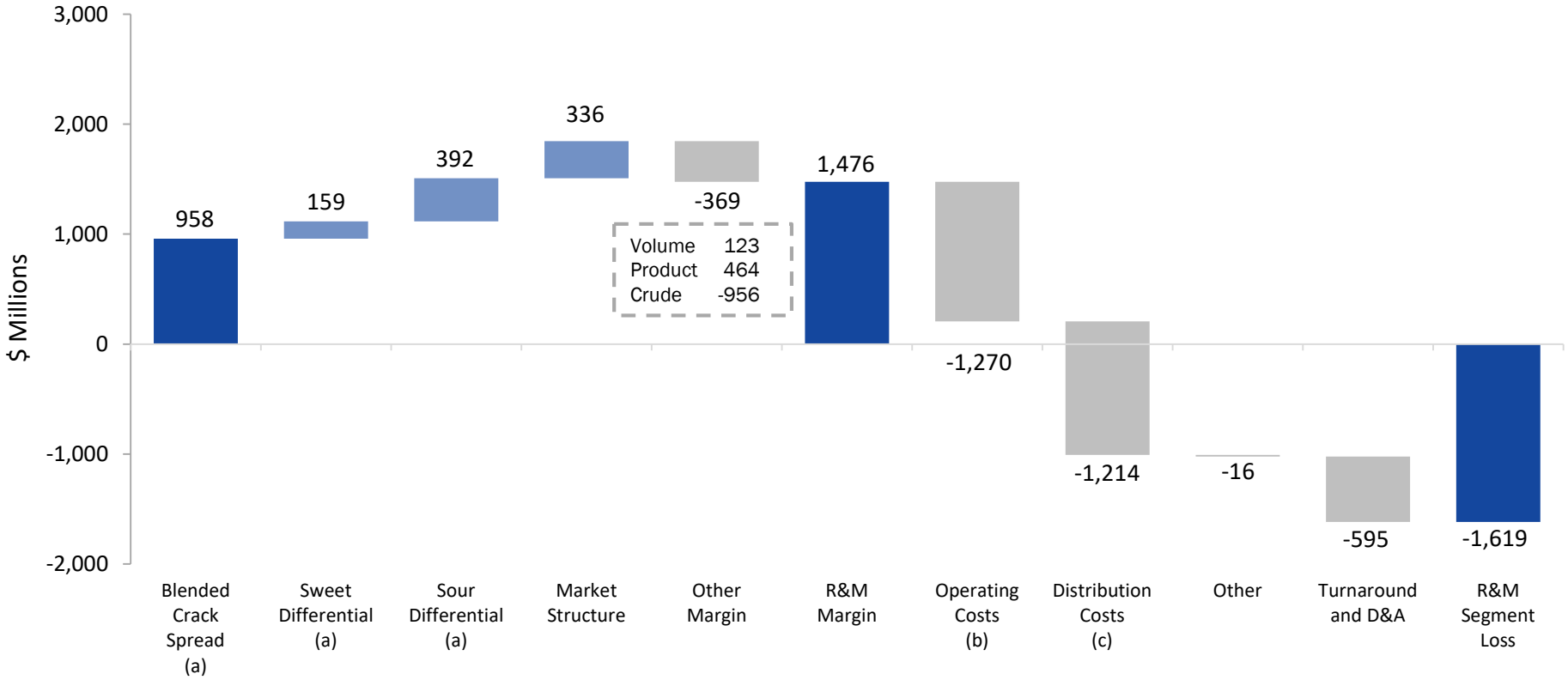
Capitalization and Select Balance Sheet Data

As of June 30, 2020 ($MM except ratio data)	MPC Consolidated	MPLX Adjustments[a]	MPC Excluding MPLX
Total Debt	32,166	20,559	11,607
Total Equity[b]	31,817	10,437	21,380
Debt-to-Capital Ratio	50%	-	35%
Cash and cash equivalents	1,091	67	1,024
Debt to LTM Adjusted EBITDA[c]	4.1x	-	3.9x
Debt to LTM Adjusted EBITDA, w/ MPLX LP distributions[c]	N/A	-	2.4x

[a] Adjustments made to exclude MPLX cash, debt (all non-recourse), and the public portions of MPLX equity [b] Includes MPLX mezzanine equity of $968 million [c] Calculated using face value of total debt and LTM adjusted pro forma EBITDA

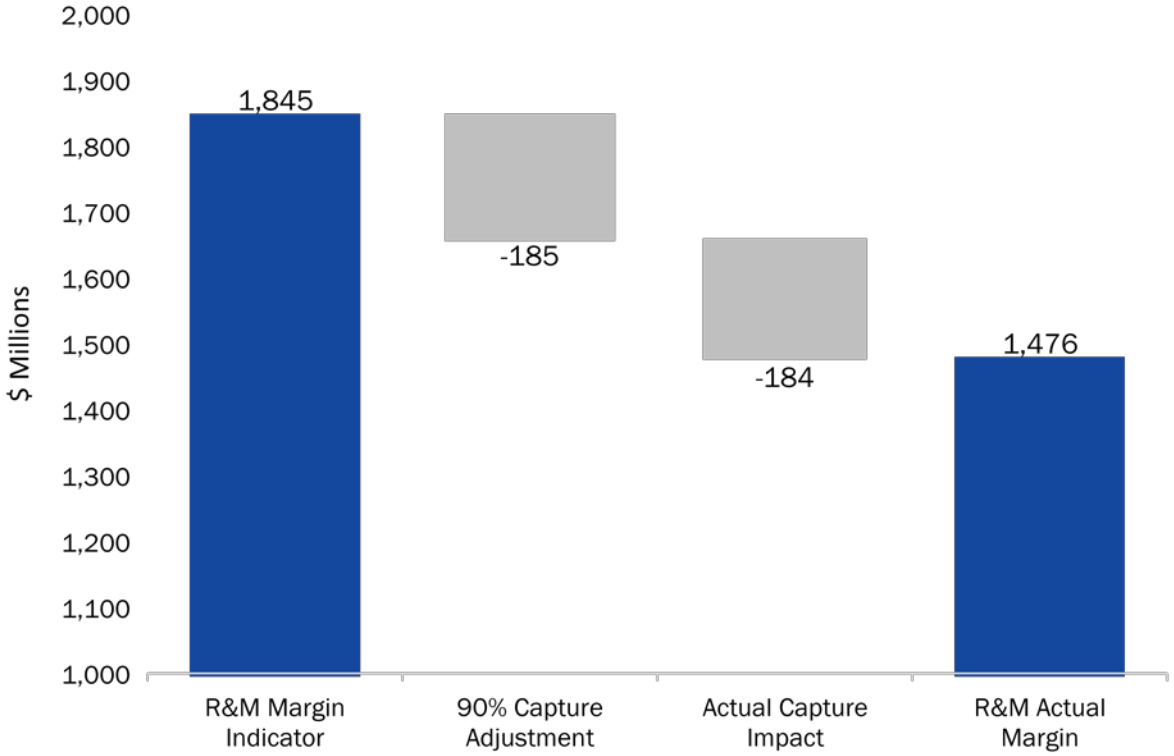
Refining & Marketing Segment Loss

2Q 2020



(a) Based on market indicators using actual volumes (b) Includes refining major maintenance and operating costs. Excludes refining planned turnaround and D&A expense. (c) Excludes D&A expense.

Refining & Marketing Margins – Market vs. Realized

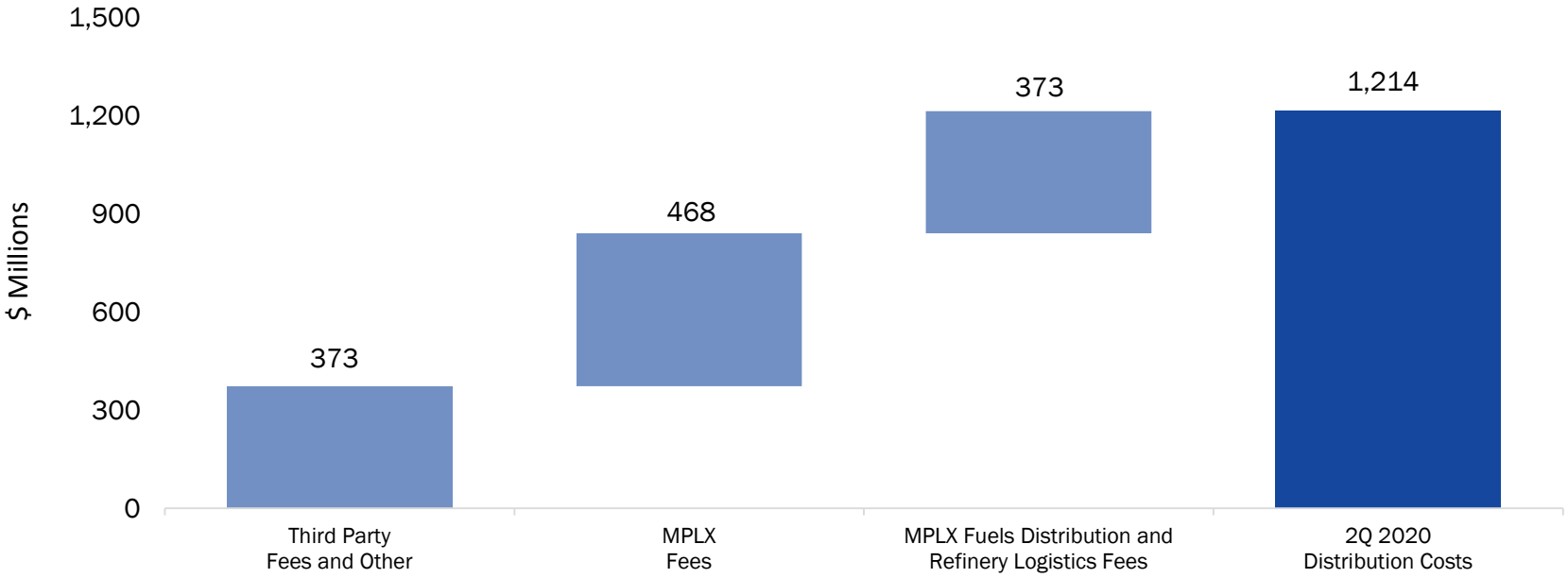


Total system capture of 80%, key factors included:

- Low crude flat price tightening differentials
- Lower product flat price muting impact of volumetric gain
- Lower West Coast utilization vs. indicator with Martinez idling
- Market structure benefit included in margin indicator

Distribution Costs – Components

2Q 2020

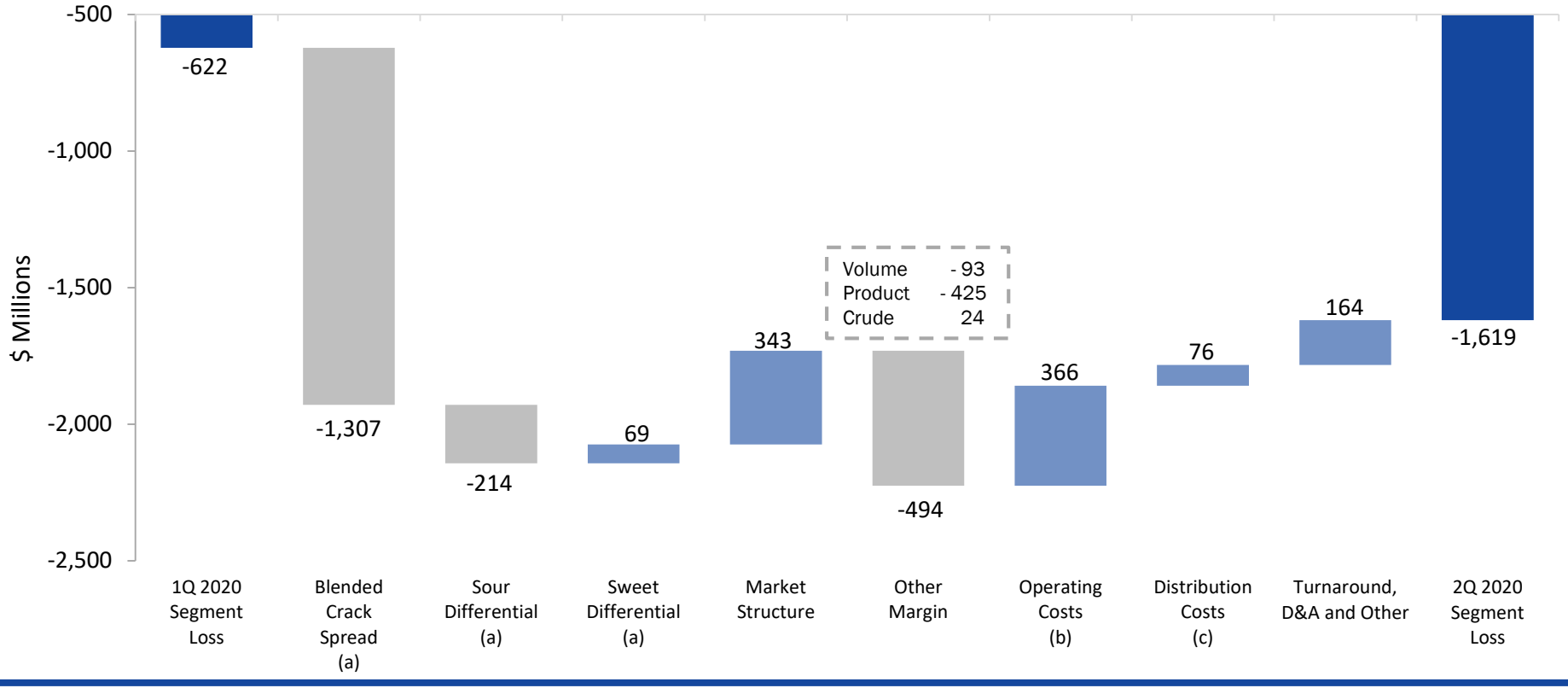


Total distribution fees of $841 million paid to MPLX and $458 million returned to MPC through distributions paid by MPLX[(a)]

[(a)] Based on distributions declared for 2Q 2020

Refining & Marketing Segment Loss

2Q 2020 vs. 1Q 2020 Variance Analysis



(a) Based on market indicators using actual volumes (b) Includes refining major maintenance and operating costs. Excludes refining planned turnaround and D&A expense. (C) Excludes D&A expense.

Earnings

($MM unless otherwise noted)	2018				2019				2020	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Refining & Marketing segment income (loss)	(133)	1,025	666	923	(334)	906	883	912	(622)	(1,619)
Retail segment income	95	159	161	613	170	493	442	477	519	494
Midstream segment income	567	617	679	889	908	878	919	889	905	869
Corporate	(89)	(81)	(99)	(233)	(191)	(179)	(198)	(237)	(227)	(188)
Income (loss) from operations before items not allocated to segments	440	1,720	1,407	2,192	553	2,098	2,046	2,041	575	(444)
Items not allocated to segments:										
Equity method investment restructuring gains	-	-	-	-	207	-	-	52	-	-
Transaction-related costs	-	(10)	(4)	(183)	(91)	(34)	(22)	(13)	(35)	(30)
Litigation	-	-	-	-	-	(22)	-	-	-	-
Impairments	-	1	-	8	-	-	-	(1,239)	(9,137)	(25)
LCM inventory valuation adjustment	-	-	-	-	-	-	-	-	(3,220)	1,480
Income (loss) from operations	440	1,711	1,403	2,017	669	2,042	2,024	841	(11,817)	981
Net interest and other financing costs	183	195	240	385	306	322	317	302	338	345
Income (loss) before income taxes	257	1,516	1,163	1,632	363	1,720	1,707	539	(12,155)	636
Provision (benefit) for income taxes	22	281	222	437	104	353	340	277	(1,937)	360
Net income (loss)	235	1,235	941	1,195	259	1,367	1,367	262	(10,218)	276
Less net income (loss) attributable to:										
Redeemable noncontrolling interest	16	20	19	20	20	21	20	20	20	21
Noncontrolling interests	182	160	185	224	246	240	252	(201)	(1,004)	246
Net income (loss) attributable to MPC	37	1,055	737	951	(7)	1,106	1,095	443	(9,234)	9
Effective tax rate [a]	9%	19%	19%	27%	29%	21%	20%	51%	16%	57%

[a] 4Q19 tax rate impacted by midstream impairments, net of the portion attributable to noncontrolling interests, and the biodiesel tax credit which are largely non-taxable items. 2Q20 tax rate impacted by changes in our estimated annual effective rate applied to income for the year to date interim period.

Reconciliation

Net Income Attributable to MPC to Adjusted Net Income (Loss) Attributable to MPC

($MM)	2Q20	2Q19
Net income attributable to MPC	9	1,106
Pre-tax adjustments:		
Transaction-related costs	30	34
Impairments	25	-
LCM inventory valuation adjustment	(1,480)	-
Litigation	-	22
Tax impact of adjustments [(a)]	548	(14)
Adjusted net income (loss) attributable to MPC	(868)	1,148
Diluted income per share	$0.01	$1.66
Adjusted diluted income (loss) per share [(b)]	$(1.33)	$1.73

(a) We generally tax effect taxable adjustments to reported earnings using a combined federal and state statutory rate of approximately 24 percent.
(b) Weighted-average diluted shares outstanding and income allocated to participating securities, if applicable, in the adjusted earnings per share calculation are the same as those used in the GAAP diluted earnings per share calculation except for the three months ended June 30, 2020 which assumes no dilution and uses basic shares as a result of an adjusted loss attributable to MPC.

Reconciliation

Net Income (Loss) Attributable to MPC to Adjusted EBITDA and LTM Adjusted Pro Forma EBITDA

($MM)	3Q '19	4Q '19	1Q '20	2Q '20	LTM
Net Income (loss) attributable to MPC	1,095	443	(9,234)	9	(7,687)
Add: Net interest and other financial costs	317	302	338	345	1,302
Net income (loss) attributable to noncontrolling interests	272	(181)	(984)	267	(626)
Provision (benefit) for income taxes	340	277	(1,937)	360	(960)
Depreciation and amortization	855	978	962	935	3,730
Refining planned turnaround costs	164	153	329	162	808
Transaction-related costs	22	13	35	30	100
Equity method investment restructuring gains	-	(52)	-	-	(52)
Impairments	-	1,239	9,137	25	10,401
LCM inventory valuation adjustment	-	-	3,220	(1,480)	1,740
Adjusted EBITDA	**3,065**	**3,172**	**1,866**	**653**	**8,756**
Credit Metric Adjustments:					
Less: Refining planned turnaround costs					(808)
LTM Adjusted EBITDA					**7,948**
Less: LTM Adjusted EBITDA related to MPLX [(a)]					(4,926)
LTM Adjusted EBITDA excluding MPLX					**3,022**
Add: Distributions to MPC from MPLX					1,774
LTM Adjusted EBITDA excluding MPLX EBITDA, including LP distributions to MPC					**4,796**

[(a)] Includes pro forma financials related to ANDX

Reconciliation

Net Income Attributable to MPC to EBITDA, Adjusted EBITDA and Adjusted Pro Forma EBITDA

($MM)	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Income (loss) attributable to MPC	2,389	3,389	2,112	2,524	2,852	1,174	3,432	2,780	2,637
Add: Net interest and other financial costs	26	109	179	216	334	564	674	1,003	1,247
Net income attributable to noncontrolling interests	-	4	21	31	16	39	372	826	618
Provision for income taxes	1,330	1,845	1,113	1,280	1,506	609	(460)	962	1,074
Depreciation and amortization	891	995	1,220	1,326	1,502	2,001	2,114	2,490	3,638
EBITDA	4,636	6,342	4,645	5,377	6,210	4,387	6,132	8,061	9,214
Refining planned turnaround costs [a]	-	-	-	-	290	624	501	664	740
Purchase accounting inventory related effects	-	-	-	-	-	-	-	759	-
Transaction related costs	-	-	-	-	-	-	-	197	160
Litigation	-	-	-	-	-	-	29	-	22
Equity method investment restructuring gains	-	-	-	-	-	-	-	-	(259)
Minnesota Assets sale settlement gain	-	(183)	-	-	-	-	-	-	-
Impairment expense	-	-	-	-	144	486	(23)	(9)	1,239
LCM inventory valuation adjustment	-	-	-	-	370	(370)	-	-	-
Adjusted EBITDA	**4,636**	**6,159**	**4,645**	**5,377**	**7,014**	**5,127**	**6,639**	**9,672**	**11,116**
Pro Forma EBITDA related to ANDV	-	-	-	-	-	-	-	**2,356**	-
Adjusted Pro Forma EBITDA	**4,636**	**6,159**	**4,645**	**5,377**	**7,014**	**5,127**	**6,639**	**12,028**	**11,116**
Less: Refining planned turnaround costs	-	-	-	-	**(290)**	**(624)**	**(501)**	**(664)**	**(740)**
Adjusted Pro Forma EBITDA	**4,636**	**6,159**	**4,645**	**5,377**	**6,724**	**4,503**	**6,138**	**11,364**	**10,376**
MPLX income from operations [b]	-	**204**	**213**	**245**	**381**	**902**	**1,191**	**3,336**	**3,616**
Depreciation and amortization [b]	-	**60**	**70**	**75**	**129**	**591**	**683**	**1,135**	**1,254**
MPLX EBITDA [b]	-	**264**	**283**	**320**	**510**	**1,493**	**1,874**	**4,471**	**4,870**
EBITDA excluding MPLX	**4,636**	**5,895**	**4,362**	**5,057**	**6,214**	**3,010**	**4,264**	**6,893**	**5,506**
MLP Distributions	-	-	**57**	**76**	**118**	**332**	**498**	**1,590**	**1,823**
Adjusted EBITDA excluding MPLX, including distributions from MPC	**4,636**	**5,895**	**4,419**	**5,133**	**6,332**	**3,342**	**4,762**	**8,483**	**7,329**
Debt (face value): MPC Corp	**3,299**	**3,355**	**3,395**	**6,657**	**12,475**	**11,069**	**13,418**	**27,980**	**29,282**
MPLX/ANDX	-	**(11)**	**(11)**	**(645)**	**(5,736)**	**(4,858)**	**(7,362)**	**(18,866)**	**(20,119)**
Net of MPLX	**3,299**	**3,344**	**3,384**	**6,012**	**6,739**	**6,211**	**6,056**	**9,114**	**9,163**
Debt to adjusted EBITDA excluding MPLX, including LP distributions to MPC	**0.7**	**0.6**	**0.8**	**1.2**	**1.1**	**1.8**	**1.3**	**1.1**	**1.2**

[a] Refining & Marketing segment supplemental reporting revised in the second quarter of 2019, including a separate category for refinery planned turnaround costs. Data not available prior to 2015. [b] Includes pro forma financials related to ANDX

Reconciliation

MPLX Net Income (Loss) to EBITDA Related to MPLX

($MM)	3Q '19	4Q '19	1Q '20	2Q '20	LTM
MPLX Net Income / (Loss)	689	(573)	(2,716)	655	(1,945)
Add: Net interest and other financial costs	233	229	230	223	915
Provision (benefit) for income taxes	4	(2)	-	-	2
Impairments	-	1,239	3,429	-	4,668
Depreciation and amortization	302	338	325	321	1,286
EBITDA related to MPLX	1,228	1,231	1,268	1,199	4,926

Note: Includes pro forma financials related to ANDX

Reconciliation

Cash Provided by (Used in) Operations to Operating Cash Flow Before Changes in Working Capital

($MM)	2019				2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Net cash provided by (used in) operations	1,623	2,622	2,787	2,409	(768)	538
Less changes:						
Current receivables	(1,018)	(679)	280	(303)	1,899	1,218
Inventories	(4)	744	(558)	(548)	(422)	839
Current accounts payable and accrued liabilities	1,483	(186)	645	560	(3,453)	(1,767)
Fair value of derivative instruments	29	(56)	(7)	26	(47)	70
Right of use assets and operating lease liabilities, net	(1)	10	11	(6)	(4)	6
Total changes in working capital	489	(167)	371	(271)	(2,027)	366
Operating cash flow before changes in working capital	1,134	2,789	2,416	2,680	1,259	172

Reconciliation

Segment Income (Loss) from Operations to Segment Adjusted EBITDA and Adjusted EBITDA

	2018				2019				2020	
($MM)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Refining & Marketing Segment										
Segment income (loss) from operations	(133)	1,025	666	923	(334)	906	883	912	(622)	(1,619)
Add: Depreciation and amortization	252	252	257	413	427	411	397	430	447	433
Refining planned turnaround costs	173	62	197	232	186	237	164	153	329	162
Purchase accounting inventory effect, net of LIFO	-	-	-	759	-	-	-	-	-	-
Segment Adjusted EBITDA	292	1,339	1,120	2,327	279	1,554	1,444	1,495	154	(1,024)
Retail Segment										
Segment income from operations	95	159	161	613	170	493	442	477	519	494
Add: Depreciation and amortization	79	73	76	125	126	130	113	159	125	132
Segment EBITDA	174	232	237	738	296	623	555	636	644	626
Midstream Segment										
Segment income from operations	567	617	679	889	908	878	919	889	905	869
Add: Depreciation and amortization	181	191	205	308	307	318	300	342	345	330
Segment EBITDA	748	808	884	1,197	1,215	1,196	1,219	1,231	1,250	1,199
Segment Adjusted EBITDA	1,214	2,379	2,241	4,262	1,790	3,373	3,218	3,362	2,048	801
Corporate	(89)	(81)	(99)	(233)	(191)	(179)	(198)	(237)	(227)	(188)
Add: Depreciation and amortization	16	17	17	28	59	27	45	47	45	40
Adjusted EBITDA	1,141	2,315	2,159	4,057	1,658	3,221	3,065	3,172	1,866	653

Reconciliation

Refining & Marketing Income (Loss) from Operations to Refining & Marketing Margin

	2019		2020	
($MM)	1Q	2Q	1Q	2Q
Refining & Marketing income (loss) from operations [a]	(334)	906	(622)	(1,619)
Plus (Less):				
Selling, general and administrative expenses	544	574	554	500
LCM inventory valuation adjustment	-	-	(3,185)	1,470
(Income) loss from equity method investments	(1)	(3)	3	19
Net (gain) loss on disposal of assets	(6)	-	-	1
Other Income	(14)	(8)	(4)	(4)
Refining & Marketing gross margin	**189**	**1,469**	**(3,254)**	**367**
Plus (Less):				
Operating expenses (excluding depreciation and amortization)	2,605	2,610	2,822	2,231
LCM inventory valuation adjustment	-	-	3,185	(1,470)
Depreciation and amortization	427	411	447	433
Gross margin excluded from Refining & Marketing margin [b]	(117)	(142)	(97)	(66)
Other taxes included in Refining & Marketing margin	(4)	(1)	(24)	(19)
Refining & Marketing margin [a, c]	**3,100**	**4,347**	**3,079**	**1,476**
Refining & Marketing margin by region:				
Gulf Coast	917	1,090	977	437
Mid-Continent	1,517	2,193	1,335	819
West Coast	666	1,064	767	220
Refining & Marketing margin	**3,100**	**4,347**	**3,079**	**1,476**

(a) LCM inventory valuation adjustments are excluded from Refining & Marketing income from operations and Refining & Marketing margin.
(b) The gross margin, excluding depreciation and amortization, of operations that support Refining & Marketing such as biodiesel and ethanol ventures, power facilities and processing of credit card transactions.
(c) Refining & Marketing margin is defined as sales revenue less cost of refinery inputs and purchased products. We believe this non-GAAP financial measure is useful to investors and analysts to assess our ongoing financial performance because, when reconciled to its most comparable GAAP measure, it provides improved comparability between periods through the exclusion of certain items that we believe are not indicative of our core operating performance and that may obscure our underlying business results and trends. This measure should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP, and our calculations thereof may not be comparable to similarly titled measures reported by other companies.

Reconciliation

Retail Income from Operations to Retail Total Margin

	2019				2020	
($MM)	1Q	2Q	3Q	4Q	1Q	2Q
Retail income from operations [(a)]	170	493	442	477	519	494
Plus (Less):						
Operating, selling, general and administrative expenses	583	597	644	632	598	577
LCM inventory valuation adjustment	-	-	-	-	(35)	10
Income from equity method investments	(17)	(21)	(20)	(24)	(22)	(27)
Net gain on disposal of assets	(2)	-	(2)	(27)	(1)	-
Other income	(2)	(4)	(3)	(35)	(49)	(44)
Retail gross margin	**732**	**1,065**	**1,061**	**1,023**	**1,010**	**1,010**
Plus (Less):						
LCM inventory valuation adjustment	-	-	-	-	35	(10)
Depreciation and amortization	126	130	113	159	125	132
Retail margin [(a)]	**858**	**1,195**	**1,174**	**1,182**	**1,170**	**1,132**
Retail margin: [(b)]						
Fuel margin	429	694	649	706	731	657
Merchandise margin	407	471	498	451	414	452
Other margin	22	30	27	25	25	23
Retail margin	**858**	**1,195**	**1,174**	**1,182**	**1,170**	**1,132**

(a) LCM inventory valuation adjustments are excluded from Retail income from operations and Retail margin.
(b) Retail fuel margin is defined as the price paid by consumers or direct dealers less the cost of refined products, including transportation, consumer excise taxes and bank card processing fees (where applicable). Retail merchandise margin is defined as the price paid by consumers less the cost of merchandise. We believe these non-GAAP financial measures are useful to investors and analysts to assess our ongoing financial performance because, when reconciled to the most comparable GAAP measures, they provide improved comparability between periods through the exclusion of certain items that we believe are not indicative of our core operating performance and that may obscure our underlying business results and trends. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP, and our calculations thereof may not be comparable to similarly titled measures reported by other companies.

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