

# [***Marathon Petroleum Corp. Reports First-Quarter 2022 Results***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:65C5-YP81-DXP3-R42T-00000-00&context=1516831)

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**Body**

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Net income attributable to MPC of $845 million, or $1.49 per diluted shareAdjusted EBITDA of $2.6 billion, of which $1.4 billion is Refining and MarketingNet cash provided by operating activities of $2.5 billion, inclusive of $0.6 billion of favorable changes in working capital~$8 billion of shares repurchased since inception of capital return programAnnounced 15% Scope 3 absolute greenhouse gas ***emission*** reduction target by 2030

Marathon Petroleum Corp. (NYSE: MPC) today reported net income attributable to MPC of $845 million, or $1.49 per diluted share, for the first quarter of 2022, compared with a net loss of $242 million, or $(0.37) per diluted share, for the first quarter of 2021.

Adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA) was $2.6 billion in the first quarter of 2022, compared with $1.6 billion for the first quarter of 2021. The first quarter of 2021 includes $332 million of adjusted EBITDA from discontinued operations.

"MPC first quarter results reflect our team's ability to execute on our strategic pillars in these market conditions," said President and Chief Executive Officer Michael J. Hennigan. "This quarter we advanced our low carbon strategy with the announcement of our intent to form a joint venture with Neste at our Martinez Renewable Fuels Facility and a 15% Scope 3 absolute GHG ***emission*** reduction target. We have now completed approximately $8 billion of MPC share repurchases since the inception of our $10 billion return of capital program."

Results from Operations

Refining & Marketing (R&M)

Segment adjusted EBITDA was $1.4 billion in the first quarter of 2022, versus $23 million for the first quarter of 2021. Segment adjusted EBITDA excludes refining planned turnaround costs, which totaled $145 million in the first quarter of 2022 and $112 million in the first quarter of 2021. First-quarter 2021 segment adjusted EBITDA also excludes winter storm effects of $31 million. The increase in R&M EBITDA was driven by higher margins and throughput in all regions.

R&M margin was $15.31 per barrel for the first quarter of 2022, versus $10.16 per barrel for the first quarter of 2021. Crude capacity utilization was 91%, resulting in total throughput of 2.8 million barrels per day for the first quarter of 2022. This compares to crude capacity utilization of 83% for the first quarter of 2021, which resulted in total throughput of 2.6 million barrels per day.

Midstream

Segment adjusted EBITDA was $1.4 billion in the first quarter of 2022, versus $1.3 billion for the first quarter of 2021. First-quarter 2021 segment adjusted EBITDA excludes winter storm effects of $16 million.

Corporate and Items Not Allocated

Corporate expenses totaled $151 million in the first quarter of 2022, compared with $157 million in the first quarter of 2021.

Speedway

This business was sold on May 14, 2021. Historic results are reported as discontinued operations.

Financial Position and Liquidity

As of March 31, 2022, MPC had $10.6 billion of cash, cash equivalents, and short-term investments. There were no borrowings outstanding under the company's $5 billion five-year bank revolving credit facility.

MPC debt at the end of the first quarter of 2022 totaled $7.0 billion, excluding MPLX debt. MPC's debt-to-capital ratio, excluding MPLX debt, was 22% at the end of the first quarter of 2022.

On March 14, 2022, MPLX issued $1.5 billion aggregate principal amount of 4.950% senior notes due March 2052.  As of March 31, 2022, MPLX had repaid approximately $1.1 billion of the amount outstanding under the intercompany loan with MPC.

Strategic and Operations Update

Since the last earnings call, the company has repurchased approximately $2.5 billion of company shares, and has completed, as of April 30, 2022, approximately 80% of the $10 billion repurchase program. The company has approximately $7 billion remaining under its share repurchase authorizations.

MPC announced it has entered into definitive agreements to form a joint venture with Neste for Marathon's Martinez renewable fuels project. The partnership will be structured as a 50/50 joint venture with Neste expected to contribute a total of $1 billion, inclusive of half of the total estimated development costs. MPC will continue to manage project execution and operate the facility once construction is complete. The closing of the joint venture is subject to customary closing conditions and regulatory approvals, including obtaining the necessary permits, which depend upon certification of a final Environmental Impact Report.

The Martinez facility is currently targeted to have a production capacity of 260 million gallons per year of renewable diesel in the second half of 2022, with pretreatment capabilities to come online in 2023. The facility is expected to be capable of producing 730 million gallons per year by the end of 2023. The expected and targeted timelines for achieving the production capacities outlined above are dependent upon the timing of obtaining the necessary permits to operate the facility.

On February 14, 2022, MPC established a 2030 target to reduce absolute Scope 3 – Category 11 greenhouse gas (GHG) ***emissions*** by 15% below 2019 levels. The new Scope 3 target further enhances MPC's GHG disclosures and is part of the company's commitment to continuously improve its environmental performance while meeting society's energy needs sustainably.

The Midstream segment remains focused on executing the strategic priorities of strict capital discipline, embedding a low cost culture, and optimizing the portfolio. MPLX continues to evaluate opportunities to expand its logistics to meet the needs of today and participate in an energy-diverse future.

Conference Call

At 11:00 a.m. ET today, MPC will hold a conference call and webcast to discuss the reported results and provide an update on company operations. Interested parties may listen by visiting MPC's website at  [*http://www.marathonpetroleum.com*](http://www.marathonpetroleum.com). A replay of the webcast will be available on the company's website for two weeks. Financial information, including the earnings release and other investor-related materials, will also be available online prior to the conference call and webcast at [*http://www.marathonpetroleum.com*](http://www.marathonpetroleum.com).

About Marathon Petroleum Corporation

Marathon Petroleum Corporation (MPC) is a leading, integrated, downstream energy company headquartered in Findlay, Ohio. The company operates the nation's largest refining system. MPC's marketing system includes branded locations across the United States, including Marathon brand retail outlets. MPC also owns the general partner and majority limited partner interest in MPLX LP, a midstream company that owns and operates gathering, processing, and fractionation assets, as well as crude oil and light product transportation and logistics infrastructure. More information is available at[*http://www.marathonpetroleum.com*](http://www.marathonpetroleum.com).

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References to Earnings and Defined Terms

References to earnings mean net income attributable to MPC from the statements of income. Unless otherwise indicated, references to earnings and earnings per share are MPC's share after excluding amounts attributable to noncontrolling interests.

Forward-Looking Statements

This press release contains forward-looking statements regarding MPC. These forward-looking statements may relate to, among other things, MPC's expectations, estimates and projections concerning its business and operations, financial priorities, strategic plans and initiatives, capital return plans, including the completion of the Speedway sale proceeds capital return program within the anticipated timeframe, operating cost and capital expenditure reduction objectives, and environmental, social and governance goals. 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," "will," "would" or other similar expressions that convey the uncertainty of future events or outcomes. MPC cautions that these statements are based on management's current knowledge and expectations and are subject to certain risks and uncertainties, many of which are outside of the control of MPC, that could cause actual results and events to differ materially from the statements made herein. 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 continuance or escalation of the military conflict between Russia and Ukraine and related sanctions; general economic, political or regulatory developments, including inflation, and changes in governmental policies relating to refined petroleum products, crude oil, natural gas or NGLs, or taxation; the magnitude, duration and extent of future resurgences of the COVID-19 pandemic and its effects; the regional, national and worldwide demand for refined products and related margins; the regional, national or worldwide availability and pricing of crude oil and other feedstocks and related pricing differentials; the success or timing of completion of ongoing or anticipated projects or transactions, including the conversion of the Martinez Refinery to a renewable fuels facility and joint venture with Neste, including the timing and ability to obtain necessary regulatory approvals and permits and to satisfy other conditions necessary to consummate the joint venture within the expected timeframe if at all; the availability of desirable strategic alternatives to  optimize portfolio assets and the ability to obtain regulatory and other approvals with respect thereto; our ability to successfully implement our sustainable energy strategy and principles, including our GHG intensity and ***emissions***, methane intensity and freshwater withdrawal intensity targets, and realize the expected benefits thereof; accidents or other unscheduled shutdowns affecting our refineries, machinery, pipelines, processing, fractionation and treating facilities or equipment, means of transportation, or those of our suppliers or customers; 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 and MPLX's Annual Reports on Form 10-K for the year ended Dec. 31, 2021, and in other filings with the SEC. Any forward-looking statement speaks only as of the date of the applicable communication and we undertake no obligation to update any forward-looking statement except to the extent required by applicable law.

Copies of MPC's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other SEC filings are available on the SEC's website, MPC's website at[*https://www.marathonpetroleum.com/Investors/or*](https://www.marathonpetroleum.com/Investors/or) by contacting MPC's Investor Relations office. Copies of MPLX's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other SEC filings are available on the SEC's website, MPLX's website at[*http://ir.mplx.comor*](http://ir.mplx.comor) by contacting MPLX's Investor Relations office.

Refining & Marketing - Supplemental Operating Data by Region (unaudited)

The per barrel for Refining & Marketing margin is calculated based on net refinery throughput (excludes inter-refinery transfer volumes). The per barrel for the refining operating costs, refining planned turnaround costs and refining depreciation and amortization for the regions, as shown in the tables below, is calculated based on the gross refinery throughput (includes inter-refinery transfer volumes).

Refining operating costs exclude refining planned turnaround costs, refining depreciation and amortization expense and the estimated 2021 storm impacts.

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. We believe these non-GAAP financial measures are useful to investors and analysts to assess our ongoing financial performance because, when reconciled to their most comparable GAAP financial 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. The non-GAAP financial measures we use are as follows:

Adjusted Net Income Attributable to MPC

Adjusted net income attributable to MPC is defined as net income attributable to MPC excluding the items in the table below, along with their related income tax effect. For the first quarter of 2021 presented, we applied a combined federal and state statutory tax rate of 24% to the adjusted pre-tax income or loss. We have excluded these items because we believe that they are not indicative of our core operating performance and that their exclusion results in an important measure of our ongoing financial performance to better assess our underlying business results and trends.

Adjusted Diluted Earnings Per Share

Adjusted diluted earnings per share is defined as adjusted net income attributable to MPC divided by the number of weighted-average shares outstanding in the applicable period, assuming dilution.

Adjusted EBITDA

Amounts included in net income (loss) attributable to MPC and excluded from adjusted EBITDA include (i) net interest and other financial costs; (ii) provision/benefit for income taxes; (iii) noncontrolling interests; (iv) depreciation and amortization; (v) refining planned turnaround costs and (vi) other adjustments as deemed necessary, as shown in the table below. We believe excluding turnaround costs from this metric is useful for comparability to other companies as certain of our competitors defer these costs and amortize them between turnarounds.

Adjusted EBITDA should not be considered as a substitute for, or superior to segment income (loss) from operations, net income attributable to MPC, income before income taxes, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Refining & Marketing Margin

Refining margin is defined as sales revenue less the cost of refinery inputs and purchased products.

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