

# [***Marathon Petroleum Corp. Reports Second-Quarter 2022 Results***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:662K-9HK1-DXP3-R4ND-00000-00&context=1516831)

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**Body**

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Net income attributable to MPC of $5.9 billion, or $10.95 per diluted share; reported adjusted net income of $5.7 billion, or $10.61 per diluted shareAdjusted EBITDA of $9.1 billion, as the refining system ran at full utilization to meet demand Maintaining focus on low-cost culture and improving commercial performancePublished annual Sustainability and Climate Perspectives reports, demonstrating continued progress toward goals

Marathon Petroleum Corp. (NYSE: MPC) today reported net income attributable to MPC of $5.9 billion, or $10.95 per diluted share, for the second quarter of 2022, compared with net income attributable to MPC of $8.5 billion, or $13.00 per diluted share, for the second quarter of 2021.

Adjusted net income was $5.7 billion, or $10.61 per diluted share, for the second quarter of 2022. This compares to adjusted net income of $437 million, or $0.67 per diluted share, for the second quarter of 2021. Adjusted results for these periods exclude net pre-tax benefits of $238 million and $11.6 billion, for the second-quarter 2022 and second-quarter 2021, respectively. Adjustments are shown in the accompanying release tables.

Adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA) was $9.1 billion in the second quarter of 2022, compared with $2.2 billion for the second quarter of 2021.

"We accomplished a lot during the quarter," said President and Chief Executive Officer Michael J. Hennigan. "Our team delivered on supplying products to meet strong market demand. Utilizing the proceeds from the Speedway divestiture, we have completed approximately $12 billion of our $15 billion return of capital program. We also recently published our annual Sustainability and Climate reports, which highlight the progress we have made across our sustainability commitments."

Results from Operations

Refining & Marketing (R&M)

Segment adjusted EBITDA was $7.8 billion in the second quarter of 2022, versus $751 million for the second quarter of 2021. Segment adjusted EBITDA excludes refining planned turnaround costs, which totaled $151 million in the second quarter of 2022 and $61 million in the second quarter of 2021. The increase in segment adjusted EBITDA was driven by higher margins and throughput in all regions.

R&M margin was $37.54 per barrel for the second quarter of 2022, versus $12.45 per barrel for the second quarter of 2021. Crude capacity utilization was approximately 100%, resulting in total throughput of 3.1 million barrels per day for the second quarter of 2022. This compares to crude capacity utilization of approximately 94% for the second quarter of 2021, which resulted in total throughput of 2.9 million barrels per day.

Midstream

Segment adjusted EBITDA was $1.5 billion in the second quarter of 2022, versus $1.3 billion for the second quarter of 2021.

Corporate and Items Not Allocated

Corporate expenses totaled $170 million in the second quarter of 2022, compared with $180 million in the second quarter of 2021.

In the second quarter of 2022, items not allocated to segments includes a $238 million benefit related to changes in RVO requirements for 2020 and 2021.

Speedway

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

Financial Position, Liquidity, and Return of Capital

As of June 30, 2022, MPC had $13.3 billion of cash, cash equivalents, and short-term investments and $5 billion available on its bank revolving credit facility.  Effective July 7, 2022, the company entered into a new $5 billion five-year bank revolving credit facility to replace its previously existing credit facility that was scheduled to expire in October 2023. MPC debt at the end of the second quarter of 2022 totaled $7.0 billion, excluding MPLX debt. MPC's gross debt-to-capital ratio, excluding MPLX debt, was 21% at the end of the second quarter of 2022.

Since the last earnings call, the company repurchased approximately $4.1 billion of company shares, and as of July 31, 2022, has completed approximately $12.1 billion of its previously committed $15 billion capital return program.

As MPC approaches completing its $15 billion capital return program with the proceeds of the Speedway sale, its Board of Directors has approved a separate and incremental $5 billion share repurchase authorization. This authorization has no expiration date. The timing and amount of repurchases, if any, will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. MPC may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated share repurchases, tender offers, or open market solicitations for shares, some of which may be effected through Rule 10b5-1 plans.

Strategic and Operations Update

On the Martinez Renewable Fuels Project, the Final Environmental Impact Report was certified on May 3, 2022. On July 22, 2022, the Bay Area Air Quality Management District air quality permit for Martinez was posted, commencing a 30-day public comment period. The first phase of the facility is currently targeted to be mechanically complete by year-end 2022. Initial production capacity is expected to be 260 million gallons per year of renewable fuels. Pretreatment capabilities are expected to come online in the second half of 2023 and 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 these production capacities are dependent upon the timing of obtaining the air quality permit for the facility.

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.

During the quarter, the company published both its annual Sustainability and Climate-Related Scenarios reports. The reports are available on the company's website at[*http://www.marathonpetroleum.com*](http://www.marathonpetroleum.com).

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, operating cost reduction objectives, and environmental, social and governance  ("ESG") goals and targets, including those related to greenhouse gas ***emissions***, diversity and inclusion and ESG reporting. You can identify forward-looking statements by words such as "anticipate," "believe," "commitment," "could," "design," "estimate," "expect," "forecast," "goal," "guidance,"  "intend," "may," "objective," "opportunity," "outlook," "plan," "policy," "position," "potential," "predict," "priority," "project,"  "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 and market disruptions; 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, natural gas, NGLs 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, and the timing and ability to obtain necessary regulatory approvals and permits and to satisfy other conditions necessary to complete such projects or consummate such transactions 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, achieve our ESG goals and 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. 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 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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