

# [***Marathon Petroleum Corp. Reports Third-Quarter 2022 Results***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:66S0-M191-DXP3-R4DG-00000-00&context=1516831)

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**Body**

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Net income attributable to MPC of $4.5 billion, or $9.06 per diluted share; reported adjusted net income of $3.9 billion, or $7.81 per diluted shareAdjusted EBITDA of $6.8 billion; improving operational and commercial execution as the refining system ran at near full utilization to meet demandMPLX increases distribution 10%; MPC expects to receive a total of $2 billion on an annual basisCompleted $15 billion return of capital commitment utilizing the proceeds from the Speedway divestiture; repurchased approximately 30% of outstanding shares Announced dividend increase of approximately 30% to $0.75 per share

Marathon Petroleum Corp. (NYSE: MPC) today reported net income attributable to MPC of $4.5 billion, or $9.06 per diluted share, for the third quarter of 2022, compared with net income attributable to MPC of $694 million, or $1.09 per diluted share, for the third quarter of 2021.

Adjusted net income was $3.9 billion, or $7.81 per diluted share, for the third quarter of 2022. This compares to adjusted net income of $464 million, or $0.73 per diluted share, for the third quarter of 2021. Adjusted results for third-quarter 2022 exclude net pre-tax benefits of approximately $1 billion and for third-quarter 2021 exclude pre-tax charges of $48 million. Adjustments are shown in the accompanying release tables.

Adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA) was $6.8 billion for the third quarter of 2022, compared with $2.4 billion for the third quarter of 2021.

"Market demand for our products remains strong, and our third-quarter results reflect our improving operational and commercial execution," said President and Chief Executive Officer Michael J. Hennigan.  "We completed our $15 billion share repurchase commitment and announced an increase to our quarterly dividend of approximately 30%."

Results from Operations

Adjusted EBITDA from Continuing and Discontinued Operations (unaudited)

Refining & Marketing (R&M)

Segment adjusted EBITDA was $5.5 billion in the third quarter of 2022, versus $1.2 billion for the third quarter of 2021. Segment adjusted EBITDA excludes refining planned turnaround costs, which totaled $384 million in the third quarter of 2022 and $205 million in the third quarter of 2021. The increase in segment adjusted EBITDA was driven by higher margins and volumes.

R&M margin was $30.21 per barrel for the third quarter of 2022, versus $14.51 per barrel for the third quarter of 2021. Crude capacity utilization was approximately 98%, resulting in total throughput of 3.0 million barrels per day for the third quarter of 2022. This compares to crude capacity utilization of approximately 93% for the third quarter of 2021, which resulted in total throughput of 2.8 million barrels per day.

Refining operating costs per barrel were $5.63 for the third quarter of 2022, versus $4.97 for the third quarter of 2021. The majority of this increase was driven by higher energy costs, as well as $0.13 per barrel of non-recurring costs recorded in the quarter associated with a multi-year property tax assessment.

Midstream

Segment adjusted EBITDA was $1.5 billion in the third quarter of 2022, versus $1.4 billion for the third quarter of 2021, up roughly 9% year over year.

Corporate and Items Not Allocated

Corporate expenses totaled $173 million in the third quarter of 2022, compared with $186 million in the third quarter of 2021.

In the third quarter of 2022, items not allocated to segments include a $549 million non-cash gain for the contribution of the Martinez assets to the Martinez Renewables joint venture and a $509 million non-cash gain related to an MPLX LP (NYSE:MPLX) third-party contract reclassification(a). These have been excluded from the company's adjusted results.

(a) Gain triggered from the accounting for the reclassification from an operating to a sales-type lease.

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 September 30, 2022, MPC had $11.1 billion of cash, cash equivalents, and short-term investments and $5 billion available on its bank revolving credit facility. MPC debt at the end of the third quarter of 2022 totaled $6.9 billion, excluding MPLX debt. MPC's gross debt-to-capital ratio, excluding MPLX debt, was 21% at the end of the third quarter of 2022.

In October, MPC completed its $15 billion return of capital commitment, having repurchased approximately 30% of outstanding shares as of the program commencement. The company has approximately $5 billion remaining available under its current share repurchase authorizations.

Today, MPC announced that the Board of Directors approved an increase to the quarterly dividend to $0.75 per share. The dividend is payable December 12, 2022 to shareholders of record on November 16, 2022.

Strategic and Operations Update

The Martinez Renewables joint venture with Neste closed on September 21, 2022. All required closing conditions were met, including the receipt of the necessary permits and regulatory approvals. The first phase of the Martinez renewables project facility is expected 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 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 meet the needs of today and participate in an energy-diverse future.

Fourth Quarter 2022 Outlook

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") plans and goals, including those related to greenhouse gas ***emissions***, diversity and inclusion and ESG reporting. Forward-looking and other statements regarding our ESG plans and goals are not an indication that these statements are material to investors. In addition, historical, current, and forward-looking ESG-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. 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, rising interest rates and changes in governmental policies relating to refined petroleum products, crude oil, natural gas or NGLs, or taxation; continued or further volatility in and degradation of general economic, market, industry or business conditions; 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 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 plans and goals 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.

Consolidated Statements of Income (unaudited)

Income Summary for Continuing Operations (unaudited)

Income Summary for Discontinued Operations (unaudited)

Capital Expenditures and Investments (unaudited)

Refining & Marketing Operating Statistics (unaudited)

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.

Midstream Operating Statistics (unaudited)

Select Financial Data (unaudited)

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.

Reconciliation of Net Income Attributable to MPC to Adjusted Net Income Attributable to MPC (unaudited)

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.

Reconciliation of Net Income Attributable to MPC to Adjusted EBITDA from Continuing Operations (unaudited)

Reconciliation of Income from Discontinued Operations, Net of Tax to Adjusted EBITDA from Discontinued Operations (unaudited)

Refining & Marketing Margin

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

Reconciliation of Refining & Marketing Income from Operations to Refining & Marketing Gross Margin and Refining & Marketing Margin (unaudited)

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