

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2024**
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number **001-35054**

Marathon Petroleum Corporation

(Exact name of registrant as specified in its charter)

Delaware

27-1284632

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

539 South Main Street, Findlay, Ohio 45840-3229
(Address of principal executive offices) (Zip code)
(419) 422-2121
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01	MPC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 321,388,952 shares of Marathon Petroleum Corporation common stock outstanding as of October 31, 2024.

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Unless otherwise stated or the context otherwise indicates, all references in this Form 10-Q to "MPC," "us," "our," "we" or "the Company" mean Marathon Petroleum Corporation and its consolidated subsidiaries.

Glossary of Terms

Throughout this report, the following company or industry specific terms and abbreviations are used:

ANS	Alaska North Slope crude oil, an oil index benchmark price
ASU	Accounting Standards Update
barrel	One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to crude oil or other liquid hydrocarbons
CARB	California Air Resources Board
CARBOB	California Reformulated Gasoline Blendstock for Oxygenate Blending
CBOB	Conventional Gasoline Blendstock for Oxygenate Blending
CEC	California Energy Commission
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization (a non-GAAP financial measure)
EPA	U.S. Environmental Protection Agency
FASB	Financial Accounting Standards Board
GAAP	Accounting principles generally accepted in the United States
LIFO	Last in, first out, an inventory costing method
mbpd	Thousand barrels per day
MEH	Magellan East Houston crude oil, an oil index benchmark price
MMBtu	One million British thermal units
NGL	Natural gas liquids, such as ethane, propane, butanes and natural gasoline
NYMEX	New York Mercantile Exchange
RFS2	Revised Renewable Fuel Standard program, as required by the Energy Independence and Security Act of 2007
RIN	Renewable Identification Number
SEC	U.S. Securities and Exchange Commission
ULSD	Ultra-low sulfur diesel
USGC	U.S. Gulf Coast
VE	Variable interest entity
WTI	West Texas Intermediate crude oil, an oil index benchmark price

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Marathon Petroleum Corporation Consolidated Statements of Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(In millions, except per share data)</i>				
Revenues and other income:				
Sales and other operating revenues	\$ 35,107	\$ 40,917	\$ 105,727	\$ 112,124
Income from equity method investments	219	215	796	547
Net gain (loss) on disposal of assets	(2)	110	17	126
Other income	49	341	406	687
Total revenues and other income	35,373	41,583	106,946	113,484
Costs and expenses:				
Cost of revenues (excludes items below)	32,144	34,928	95,682	95,984
Depreciation and amortization	846	845	2,511	2,479
Selling, general and administrative expenses	815	824	2,417	2,219
Other taxes	219	233	681	683
Total costs and expenses	34,024	36,830	101,291	101,365
Income from operations	1,349	4,753	5,655	12,119
Net interest and other financial costs	221	118	594	414
Income before income taxes	1,128	4,635	5,061	11,705
Provision for income taxes	113	1,004	779	2,410
Net income	1,015	3,631	4,282	9,295
Less net income attributable to:				
Redeemable noncontrolling interest	6	25	21	71
Noncontrolling interests	387	326	1,187	994
Net income attributable to MPC	<u>\$ 622</u>	<u>\$ 3,280</u>	<u>\$ 3,074</u>	<u>\$ 8,230</u>
Per share data (See Note 7)				
Basic:				
Net income attributable to MPC per share	\$ 1.88	\$ 8.31	\$ 8.85	\$ 19.66
Weighted average shares outstanding	331	394	347	418
Diluted:				
Net income attributable to MPC per share	\$ 1.87	\$ 8.28	\$ 8.83	\$ 19.57
Weighted average shares outstanding	332	396	348	420

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(Millions of dollars)</i>				
Net income	\$ 1,015	\$ 3,631	\$ 4,282	\$ 9,295
Defined benefit plans:				
Actuarial changes, net of tax of \$1, \$(2), \$2 and \$(3), respectively	2	(6)	5	(10)
Prior service, net of tax of \$(3), \$(5), \$(10) and \$(13), respectively	(10)	(13)	(31)	(38)
Other, net of tax of \$1, \$—, \$— and \$(1), respectively	2	—	(1)	(3)
Other comprehensive loss	(6)	(19)	(27)	(51)
Comprehensive income	1,009	3,612	4,255	9,244
Less comprehensive income attributable to:				
Redeemable noncontrolling interest	6	25	21	71
Noncontrolling interests	387	326	1,187	994
Comprehensive income attributable to MPC	<u>\$ 616</u>	<u>\$ 3,261</u>	<u>\$ 3,047</u>	<u>\$ 8,179</u>

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Balance Sheets (Unaudited)

<i>(Millions of dollars, except share data)</i>	September 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 4,002	\$ 5,443
Short-term investments	1,141	4,781
Receivables, less allowance for doubtful accounts of \$72 and \$44, respectively	10,180	12,187
Inventories	9,886	9,317
Other current assets	740	403
Total current assets	25,949	32,131
Equity method investments	6,976	6,260
Property, plant and equipment, net	34,542	35,112
Goodwill	8,244	8,244
Right of use assets	1,192	1,233
Other noncurrent assets	2,930	3,007
Total assets	<u>\$ 79,833</u>	<u>\$ 85,987</u>
Liabilities		
Accounts payable	\$ 12,763	\$ 13,761
Payroll and benefits payable	967	1,115
Accrued taxes	1,302	1,221
Debt due within one year	4,167	1,954
Operating lease liabilities	485	454
Other current liabilities	1,384	1,645
Total current liabilities	21,068	20,150
Long-term debt	24,053	25,329
Deferred income taxes	5,766	5,834
Defined benefit postretirement plan obligations	1,191	1,102
Long-term operating lease liabilities	691	764
Deferred credits and other liabilities	1,352	1,409
Total liabilities	54,121	54,588
Commitments and contingencies (see Note 23)		
Redeemable noncontrolling interest	203	895
Equity		
Preferred stock, no shares issued and outstanding (par value \$0.01 per share, 30 million shares authorized)	—	—
Common stock:		
Issued – 994 million and 993 million shares (par value \$0.01 per share, 2 billion shares authorized)	10	10
Held in treasury, at cost – 669 million and 625 million shares	(51,320)	(43,502)
Additional paid-in capital	33,630	33,465
Retained earnings	36,771	34,562
Accumulated other comprehensive loss	(158)	(131)
Total MPC stockholders' equity	18,933	24,404
Noncontrolling interests	6,576	6,100
Total equity	25,509	30,504
Total liabilities, redeemable noncontrolling interest and equity	<u>\$ 79,833</u>	<u>\$ 85,987</u>

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2024	2023
<i>(Millions of dollars)</i>		
Operating activities:		
Net income	\$ 4,282	\$ 9,295
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred financing costs and debt discount	(44)	(51)
Depreciation and amortization	2,511	2,479
Pension and other postretirement benefits, net	18	(210)
Deferred income taxes	(132)	(64)
Net gain on disposal of assets	(17)	(126)
Income from equity method investments	(796)	(547)
Distributions from equity method investments	882	686
Changes in the fair value of derivative instruments	47	40
Changes in:		
Current receivables	2,061	1,533
Inventories	(588)	(1,313)
Current liabilities and other current assets	(1,546)	1,636
Right of use assets and operating lease liabilities, net	(1)	(3)
All other, net	(219)	(361)
Net cash provided by operating activities	6,458	12,994
Investing activities:		
Additions to property, plant and equipment	(1,723)	(1,358)
Acquisitions, net of cash acquired	(622)	—
Disposal of assets	4	33
Investments – acquisitions and contributions	(450)	(362)
– redemptions, repayments, return of capital and sales proceeds	141	270
Purchases of short-term investments	(2,949)	(7,137)
Sales of short-term investments	2,295	1,874
Maturities of short-term investments	4,384	3,901
All other, net	147	648
Net cash provided by (used in) investing activities	1,227	(2,131)
Financing activities:		
Long-term debt – borrowings	1,631	1,589
– repayments	(811)	(1,062)
Debt issuance costs	(15)	(15)
Issuance of common stock	19	60
Common stock repurchased	(7,815)	(9,067)
Dividends paid	(862)	(950)
Distributions to noncontrolling interests	(1,005)	(943)
Repurchases of noncontrolling interests	(226)	—
Redemption of noncontrolling interests - preferred units	—	(600)
All other, net	(43)	(50)
Net cash used in financing activities	(9,127)	(11,038)
Net change in cash, cash equivalents and restricted cash	(1,442)	(175)
Cash, cash equivalents and restricted cash at beginning of period ^(a)	5,446	8,631
Cash, cash equivalents and restricted cash at end of period ^(a)	\$ 4,004	\$ 8,456

^(a) Restricted cash is included in other current assets on our consolidated balance sheets.

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Equity and Redeemable Noncontrolling Interest (Unaudited)

(Shares in millions; amounts in millions of dollars)	MPC Stockholders' Equity									Redeemable Non- controlling Interest
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity	
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2023	993	\$ 10	(625)	\$ (43,502)	\$ 33,465	\$ 34,562	\$ (131)	\$ 6,100	\$ 30,504	\$ 895
Net income	—	—	—	—	—	937	—	365	1,302	10
Dividends declared on common stock (\$0.825 per share)	—	—	—	—	—	(299)	—	—	(299)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(314)	(314)	(23)
Other comprehensive loss	—	—	—	—	—	—	(12)	—	(12)	—
Shares repurchased	—	—	(13)	(2,172)	—	—	—	—	(2,172)	—
Share-based compensation	—	—	—	—	(7)	(1)	—	(1)	(9)	—
Equity transactions of MPLX	—	—	—	—	72	—	—	138	210	(321)
Balance as of March 31, 2024	993	\$ 10	(638)	\$ (45,674)	\$ 33,530	\$ 35,199	\$ (143)	\$ 6,288	\$ 29,210	\$ 561
Net income	—	—	—	—	—	1,515	—	435	1,950	5
Dividends declared on common stock (\$0.825 per share)	—	—	—	—	—	(290)	—	—	(290)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(325)	(325)	(10)
Other comprehensive loss	—	—	—	—	—	—	(9)	—	(9)	—
Shares repurchased	—	—	(15)	(2,918)	—	—	—	—	(2,918)	—
Share-based compensation	1	—	—	—	26	(1)	—	4	29	—
Equity transactions of MPLX	—	—	—	—	79	—	—	160	239	(354)
Balance as of June 30, 2024	994	\$ 10	(653)	\$ (48,592)	\$ 33,635	\$ 36,423	\$ (152)	\$ 6,562	\$ 27,886	\$ 202
Net income	—	—	—	—	—	622	—	387	1,009	6
Dividends declared on common stock (\$0.825 per share)	—	—	—	—	—	(273)	—	—	(273)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(328)	(328)	(5)
Other comprehensive loss	—	—	—	—	—	—	(6)	—	(6)	—
Shares repurchased	—	—	(16)	(2,728)	—	—	—	—	(2,728)	—
Share-based compensation	—	—	—	—	15	(1)	—	3	17	—
Equity transactions of MPLX	—	—	—	—	(20)	—	—	(48)	(68)	—
Balance as of September 30, 2024	994	\$ 10	(669)	\$ (51,320)	\$ 33,630	\$ 36,771	\$ (158)	\$ 6,576	\$ 25,509	\$ 203

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Equity and Redeemable Noncontrolling Interest (Unaudited)

(Shares in millions; amounts in millions of dollars)	MPC Stockholders' Equity									Redeemable Non- controlling Interest
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity	
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2022	990	\$ 10	(536)	\$ (31,841)	\$ 33,402	\$ 26,142	\$ 2	\$ 6,404	\$ 34,119	\$ 968
Net income	—	—	—	—	—	2,724	—	337	3,061	23
Dividends declared on common stock (\$0.75 per share)	—	—	—	—	—	(336)	—	—	(336)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(306)	(306)	(23)
Other comprehensive loss	—	—	—	—	—	—	(11)	—	(11)	—
Shares repurchased	—	—	(25)	(3,238)	—	—	—	—	(3,238)	—
Share-based compensation	1	—	—	—	3	—	—	—	3	—
Equity transactions of MPLX	—	—	—	—	3	(2)	—	(598)	(597)	—
Balance as of March 31, 2023	991	\$ 10	(561)	\$ (35,079)	\$ 33,408	\$ 28,528	\$ (9)	\$ 5,837	\$ 32,695	\$ 968
Net income	—	—	—	—	—	2,226	—	331	2,557	23
Dividends declared on common stock (\$0.75 per share)	—	—	—	—	—	(312)	—	—	(312)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(283)	(283)	(23)
Other comprehensive loss	—	—	—	—	—	—	(21)	—	(21)	—
Shares repurchased	—	—	(26)	(3,040)	—	—	—	—	(3,040)	—
Share-based compensation	1	—	—	—	3	—	—	1	4	—
Equity transactions of MPLX	—	—	—	—	—	—	—	—	—	—
Balance as of June 30, 2023	992	\$ 10	(587)	\$ (38,119)	\$ 33,411	\$ 30,442	\$ (30)	\$ 5,886	\$ 31,600	\$ 968
Net income	—	—	—	—	—	3,280	—	326	3,606	25
Dividends declared on common stock (\$0.75 per share)	—	—	—	—	—	(297)	—	—	(297)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(285)	(285)	(23)
Other comprehensive loss	—	—	—	—	—	—	(19)	—	(19)	—
Shares repurchased	—	—	(20)	(2,830)	—	—	—	—	(2,830)	—
Share-based compensation	1	—	—	—	44	(1)	—	1	44	—
Equity transactions of MPLX	—	—	—	—	(29)	—	—	38	9	—
Balance as of September 30, 2023	993	\$ 10	(607)	\$ (40,949)	\$ 33,426	\$ 33,424	\$ (49)	\$ 5,966	\$ 31,828	\$ 970

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements (Unaudited)

1. Description of the Business and Basis of Presentation

Description of the Business

We are a leading, integrated, downstream energy company headquartered in Findlay, Ohio. We operate the nation's largest refining system. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market and to independent entrepreneurs who operate branded outlets. We also sell transportation fuel to consumers through direct dealer locations under long-term supply contracts. MPC's midstream operations are primarily conducted through MPLX LP ("MPLX"), which owns and operates crude oil and light product transportation and logistics infrastructure as well as gathering, processing and fractionation assets. We own the general partner and a majority limited partner interest in MPLX. See Note 4.

Basis of Presentation

These interim consolidated financial statements are unaudited; however, in the opinion of our management, these statements reflect all adjustments necessary for a fair statement of the results for the periods reported. All such adjustments are of a normal, recurring nature unless otherwise disclosed. These interim consolidated financial statements, including the notes, have been prepared in accordance with the rules of the SEC applicable to interim period financial statements and do not include all of the information and disclosures required by GAAP for complete financial statements. Certain information and disclosures derived from our audited annual financial statements, prepared in accordance with GAAP, have been condensed or omitted from these interim financial statements.

These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. The results of operations for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the full year.

These consolidated financial statements include the accounts of our majority-owned, controlled subsidiaries, including MPLX. All significant intercompany transactions and accounts have been eliminated. Due to our ownership of the general partner interest of MPLX, we have determined that we control MPLX and therefore we consolidate MPLX and record a noncontrolling interest for the interest owned by the public. Changes in ownership interest in consolidated subsidiaries that do not result in a change in control are recorded as equity transactions. Investments in entities over which we have significant influence, but not control, are accounted for using the equity method of accounting. This includes entities in which we hold majority ownership but the minority shareholders have substantive participating rights.

Certain prior period financial statement amounts have been reclassified to conform to current period presentation.

2. Accounting Standards and Disclosure Rules

Recently Adopted

During the first quarter of 2024, we adopted ASU 2023-01, *Leases (Topic 842): Common Control Arrangements*. The adoption of this ASU did not have a material impact on our financial statements or disclosures.

Not Yet Adopted

ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued an ASU to require more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact this ASU will have on our disclosures.

SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*

In March 2024, the SEC adopted rules under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires registrants to provide certain climate-related information in their annual reports. As part of the disclosures, material impacts from severe weather events and other natural conditions will be required in the audited financial statements. In April 2024, the SEC voluntarily stayed the rules pending judicial review. Pending the results of the judicial review, the disclosure requirements are effective for the Company's Annual Report on Form 10-K for the fiscal year

ending December 31, 2025. We are evaluating the impact these rules will have on our disclosures and monitoring the status of the judicial review.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued an ASU to update income tax disclosure requirements to provide consistent categories and greater disaggregation of information in the rate reconciliation and to disaggregate income taxes paid by jurisdiction. This ASU is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis, but retrospective application is permitted. This standard will have no impact on the consolidated financial statements but will result in additional disclosure.

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued an ASU to update reportable segment disclosure requirements primarily by requiring enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. This standard will have no impact on the consolidated financial statements but will result in additional disclosure.

3. Short-Term Investments

Investments Components

The components of investments were as follows:

September 30, 2024							
<i>(Millions of dollars)</i>	Fair Value Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investments
Available-for-sale debt securities							
Commercial paper	Level 2	\$ 813	\$ —	\$ —	\$ 813	\$ 64	\$ 749
Certificates of deposit and time deposits	Level 2	1,284	—	—	1,284	1,000	284
U.S. government securities	Level 1	89	—	—	89	—	89
Corporate notes and bonds	Level 2	19	—	—	19	—	19
Total available-for-sale debt securities		\$ 2,205	\$ —	\$ —	\$ 2,205	\$ 1,064	\$ 1,141
Cash					2,938	2,938	—
Total					\$ 5,143	\$ 4,002	\$ 1,141

December 31, 2023							
<i>(Millions of dollars)</i>	Fair Value Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investments
Available-for-sale debt securities							
Commercial paper	Level 2	\$ 3,154	\$ 2	\$ —	\$ 3,156	\$ 281	\$ 2,875
Certificates of deposit and time deposits	Level 2	1,836	1	—	1,837	800	1,037
U.S. government securities	Level 1	785	—	(1)	784	—	784
Corporate notes and bonds	Level 2	85	—	—	85	—	85
Total available-for-sale debt securities		\$ 5,860	\$ 3	\$ (1)	\$ 5,862	\$ 1,081	\$ 4,781
Cash					4,362	4,362	—
Total					\$ 10,224	\$ 5,443	\$ 4,781

Our investment policy includes concentration limits and credit rating requirements, which limit our investments to high quality, short term and highly liquid securities.

Realized gains/losses were not material. All of our available-for-sale debt securities held as of September 30, 2024 mature within one year or less or are readily available for use.

4. Master Limited Partnership

We own the general partner and a majority limited partner interest in MPLX, which owns and operates crude oil and light product transportation and logistics infrastructure as well as gathering, processing and fractionation assets. We control MPLX through our ownership of the general partner interest and, as of September 30, 2024, we owned approximately 64 percent of the outstanding MPLX common units compared to 65 percent as of December 31, 2023. Our ownership was impacted by changes in the redeemable non-controlling interest and unit repurchases.

Unit Repurchase Program

On August 2, 2022, MPLX announced its board of directors approved a \$1.0 billion unit repurchase authorization. This unit repurchase authorization has no expiration date. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated unit repurchases, tender offers or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

Total unit repurchases were as follows for the respective periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(In millions, except per unit data)</i>				
Number of common units repurchased	2	—	6	—
Cash paid for common units repurchased	\$ 76	\$ —	\$ 226	\$ —
Average cost per unit	\$ 42.89	\$ —	\$ 41.32	\$ —

As of September 30, 2024, MPLX had approximately \$620 million remaining under its unit repurchase authorization.

Redemption of the Series B Preferred Units

On February 15, 2023, MPLX exercised its right to redeem all of its 600,000 outstanding preferred units (the "Series B preferred units"). MPLX paid unitholders the Series B preferred unit redemption price of \$1,000 per unit. The final semi-annual distribution on the Series B preferred units was paid on February 15, 2023 in the usual manner.

The excess of the total redemption price of \$600 million paid to Series B preferred unitholders over the carrying value of the Series B preferred units on the redemption date resulted in a \$2 million net reduction to retained earnings.

Agreements

We have various long-term, fee-based commercial agreements with MPLX. Under these agreements, MPLX provides transportation, storage, distribution and marketing services to us. With certain exceptions, these agreements generally contain minimum volume commitments. These transactions are eliminated in consolidation but are reflected as intersegment transactions between our Refining & Marketing and Midstream segments. We also have agreements with MPLX that establish fees for operational and management services provided between us and MPLX and for executive management services and certain general and administrative services provided by us to MPLX. These transactions are eliminated in consolidation but are reflected as intersegment transactions between corporate and our Midstream segment.

Noncontrolling Interest

As a result of equity transactions of MPLX, we are required to adjust non-controlling interest and additional paid-in capital. Changes in MPC's additional paid-in capital resulting from changes in its ownership interests in MPLX were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(Millions of dollars)</i>				
Increase (decrease) due to change in ownership	\$ (29)	\$ (38)	\$ 198	\$ (37)
Tax impact	9	9	(67)	11
Increase (decrease) in MPC's additional paid-in capital, net of tax	\$ (20)	\$ (29)	\$ 131	\$ (26)

5. Variable Interest Entities

Consolidated VIE

We control MPLX through our ownership of its general partner. MPLX is a VIE because the limited partners do not have substantive kick-out or participating rights over the general partner. We are the primary beneficiary of MPLX because in addition

to our significant economic interest, we also have the ability, through our ownership of the general partner, to control the decisions that most significantly impact MPLX. We therefore consolidate MPLX and record a noncontrolling interest for the interest owned by the public. We also record a redeemable noncontrolling interest related to MPLX's Series A preferred units.

The creditors of MPLX do not have recourse to MPC's general credit through guarantees or other financial arrangements, except as noted. MPC has effectively guaranteed certain indebtedness of LOOP LLC ("LOOP") and LOCAP LLC ("LOCAP"), in which MPLX holds an interest. See Note 23 for more information. The assets of MPLX can only be used to settle its own obligations and its creditors have no recourse to our assets, except as noted earlier.

The following table presents balance sheet information for the assets and liabilities of MPLX, which are included in our consolidated balance sheets.

<i>(Millions of dollars)</i>	September 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 2,426	\$ 1,048
Receivables, less allowance for doubtful accounts	757	836
Inventories	171	159
Other current assets	37	33
Equity method investments	4,558	3,743
Property, plant and equipment, net	19,153	19,264
Goodwill	7,645	7,645
Right of use assets	271	264
Other noncurrent assets	1,536	1,644
Liabilities		
Accounts payable	\$ 648	\$ 723
Accrued taxes	105	79
Debt due within one year	2,836	1,135
Operating lease liabilities	49	45
Other current liabilities	343	336
Long-term debt	19,250	19,296
Deferred income taxes	16	16
Long-term operating lease liabilities	217	211
Deferred credits and other liabilities	467	476

6. Related Party Transactions

Transactions with related parties were as follows:

<i>(Millions of dollars)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Sales to related parties	\$ 213	\$ 206	\$ 711	\$ 658
Purchases from related parties	624	484	1,778	1,275

Sales to related parties, which are included in sales and other operating revenues, consist primarily of refined product sales and renewable feedstock sales to certain of our equity affiliates.

Purchases from related parties are included in cost of revenues. We obtain utilities, transportation services and purchase ethanol and renewable fuels from certain of our equity affiliates.

7. Earnings Per Share

We compute basic earnings per share by dividing net income attributable to MPC less income allocated to participating securities by the weighted average number of shares of common stock outstanding. Since MPC grants certain incentive compensation awards to employees and non-employee directors that are considered to be participating securities, we have calculated our earnings per share using the two-class method. Diluted income per share assumes exercise of certain share-based compensation awards, provided the effect is not anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(In millions, except per share data)</i>				
Net income	\$ 1,015	\$ 3,631	\$ 4,282	\$ 9,295
Net income attributable to noncontrolling interest	(393)	(351)	(1,208)	(1,065)
Net income allocated to participating securities	—	(2)	(2)	(5)
Redemption of preferred units	—	—	—	(2)
Income available to common stockholders	<u>\$ 622</u>	<u>\$ 3,278</u>	<u>\$ 3,072</u>	<u>\$ 8,223</u>
Weighted average common shares outstanding:				
Basic	331	394	347	418
Effect of dilutive securities	1	2	1	2
Diluted	<u>332</u>	<u>396</u>	<u>348</u>	<u>420</u>
Income available to common stockholders per share:				
Basic:				
Net income attributable to MPC per share	\$ 1.88	\$ 8.31	\$ 8.85	\$ 19.66
Diluted:				
Net income attributable to MPC per share	\$ 1.87	\$ 8.28	\$ 8.83	\$ 19.57

Potential common shares that were anti-dilutive and, therefore, omitted from the diluted share calculation, were immaterial for all periods.

8. Equity

On April 30, 2024, MPC announced that our board of directors approved a \$5.0 billion share repurchase authorization. As of September 30, 2024, \$4.04 billion remained available for repurchase under the share repurchase authorization. This share repurchase authorization has no expiration date.

We 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. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

Total share repurchases were as follows for the respective periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(In millions, except per share data)</i>				
Number of shares repurchased	16	20	44	71
Cash paid for shares repurchased	\$ 2,701	\$ 2,819	\$ 7,815	\$ 9,067
Average cost per share ^(a)	\$ 170.99	\$ 139.84	\$ 175.20	\$ 127.09

^(a) The average cost per share includes excise tax on share repurchases resulting from the Inflation Reduction Act of 2022, but the excise tax does not reduce the remaining share repurchase authorization.

9. Segment Information

We have two reportable segments: Refining & Marketing and Midstream. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- Refining & Marketing – refines crude oil and other feedstocks, including renewable feedstocks, at our refineries in the Gulf Coast, Mid-Continent and West Coast regions of the United States, purchases refined products and ethanol for resale and distributes refined products, including renewable diesel, through transportation, storage, distribution and marketing services provided largely by our Midstream segment. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market, to independent entrepreneurs who operate primarily Marathon® branded outlets and through long-term fuel supply contracts with direct dealers who operate locations mainly under the ARCO® brand.
- Midstream – gathers, transports, stores and distributes crude oil, refined products, including renewable diesel, and other hydrocarbon-based products principally for the Refining & Marketing segment via refining logistics assets, pipelines, terminals, towboats and barges; gathers, processes and transports natural gas; and transports, fractionates, stores and markets NGLs. The Midstream segment primarily reflects the results of MPLX.

Our chief operating decision maker (“CODM”) evaluates the performance of our segments using segment adjusted EBITDA. Our CODM is the chief executive officer. Amounts included in income before income taxes and excluded from segment adjusted EBITDA include: (i) depreciation and amortization; (ii) net interest and other financial costs; (iii) turnaround expenses; and (iv) other adjustments as deemed necessary. These items are either: (i) believed to be non-recurring in nature; (ii) not believed to be allocable or controlled by the segment; or (iii) not tied to the operational performance of the segment. Assets by segment are not a measure used to assess the performance of the company by the CODM and thus are not reported in our disclosures.

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Segment adjusted EBITDA for reportable segments				
Refining & Marketing	\$ 1,053	\$ 4,373	\$ 4,899	\$ 11,389
Midstream	1,628	1,539	4,837	4,601
Total reportable segments	<u>\$ 2,681</u>	<u>\$ 5,912</u>	<u>\$ 9,736</u>	<u>\$ 15,990</u>
Reconciliation of segment adjusted EBITDA for reportable segments to income before income taxes				
Total reportable segments	\$ 2,681	\$ 5,912	\$ 9,736	\$ 15,990
Corporate	(196)	(204)	(600)	(533)
Refining planned turnaround costs	(290)	(153)	(1,121)	(902)
Garyville incident response costs	—	(63)	—	(63)
Gain on sale of assets ^(a)	—	106	151	106
Depreciation and amortization	(846)	(845)	(2,511)	(2,479)
Net interest and other financial costs	(221)	(118)	(594)	(414)
Income before income taxes	<u>\$ 1,128</u>	<u>\$ 4,635</u>	<u>\$ 5,061</u>	<u>\$ 11,705</u>

^(a) The first nine months of 2024 includes the gain from the Whistler Joint Venture Transaction (as defined in Note 13). 2023 includes the gain on the sale of our interest in South Texas Gateway Terminal LLC. See Note 13 for additional information.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(Millions of dollars)</i>				
Sales and other operating revenues				
Refining & Marketing				
Revenues from external customers ^(a)	\$ 33,775	\$ 39,625	\$ 101,914	\$ 108,455
Intersegment revenues	36	30	107	78
Refining & Marketing segment revenues	33,811	39,655	102,021	108,533
Midstream				
Revenues from external customers ^(a)	1,332	1,292	3,813	3,669
Intersegment revenues	1,468	1,434	4,319	4,143
Midstream segment revenues	2,800	2,726	8,132	7,812
Total segment revenues	36,611	42,381	110,153	116,345
Less: intersegment revenues	1,504	1,464	4,426	4,221
Consolidated sales and other operating revenues ^(a)	\$ 35,107	\$ 40,917	\$ 105,727	\$ 112,124

^(a) Includes sales to related parties. See Note 6 for additional information.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(Millions of dollars)</i>				
Income from equity method investments				
Refining & Marketing	\$ 43	\$ 24	\$ 85	\$ 5
Midstream	176	191	560	542
Total segment income from equity method investments	219	215	645	547
Corporate ^(a)	—	—	151	—
Consolidated income from equity method investments	\$ 219	\$ 215	\$ 796	\$ 547
Depreciation and amortization				
Refining & Marketing	465	463	1,395	1,411
Midstream	353	340	1,041	988
Total segment depreciation and amortization	818	803	2,436	2,399
Corporate	28	42	75	80
Consolidated depreciation and amortization	\$ 846	\$ 845	\$ 2,511	\$ 2,479
Capital expenditures				
Refining & Marketing	\$ 372	\$ 255	\$ 967	\$ 919
Midstream	557	234	1,125	748
Total segment capital expenditures and investments	929	489	2,092	1,667
Less investments in equity method investees	271	66	450	362
Plus:				
Corporate	7	24	25	64
Capitalized interest	14	9	38	43
Consolidated capital expenditures ^(b)	\$ 679	\$ 456	\$ 1,705	\$ 1,412

^(a) 2024 represents the gain from the Whistler Joint Venture Transaction. See Note 13 for additional information.

^(b) Includes changes in capital expenditure accruals. See Note 19 for a reconciliation of total capital expenditures to additions to property, plant and equipment for the nine months ended September 30, 2024 and 2023 as reported in the consolidated statements of cash flows.

10. Net Interest and Other Financial Costs

Net interest and other financial costs were as follows:

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest income	\$ (102)	\$ (141)	\$ (308)	\$ (381)
Interest expense	352	331	1,034	994
Interest capitalized	(15)	(11)	(40)	(47)
Pension and other postretirement non-service costs ^(a)	(8)	(20)	(30)	(68)
Loss on extinguishment of debt	—	—	—	9
Investments - net premium (discount) amortization	(20)	(41)	(90)	(100)
Other financial costs	14	—	28	7
Net interest and other financial costs	<u>\$ 221</u>	<u>\$ 118</u>	<u>\$ 594</u>	<u>\$ 414</u>

^(a) See Note 22.

11. Income Taxes

We recorded a combined federal, state and foreign income tax provision of \$113 million and \$779 million for the three and nine months ended September 30, 2024, respectively, which was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests offset by state taxes.

We recorded a combined federal, state and foreign income tax provision of \$1.0 billion for the three months ended September 30, 2023, which was higher than the U.S. statutory rate primarily due to state taxes offset by permanent tax benefits related to net income attributable to noncontrolling interests and foreign derived intangible income. We recorded a combined federal, state and foreign income tax provision of \$2.41 billion for the nine months ended September 30, 2023, which was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests, a benefit related to foreign derived intangible income, offset by state taxes.

12. Inventories

(Millions of dollars)	September 30, 2024	December 31, 2023
Crude oil	\$ 3,449	\$ 3,211
Refined products	5,240	4,940
Materials and supplies	1,197	1,166
Total	<u>\$ 9,886</u>	<u>\$ 9,317</u>

Inventories are carried at the lower of cost or market value. Costs of crude oil and refined products are aggregated on a consolidated basis for purposes of assessing whether the LIFO cost basis of these inventories may have to be written down to market values.

13. Equity Method Investments

BANGL, LLC Acquisition

On July 31, 2024, MPLX exercised its right of first offer under the BANGL, LLC joint venture agreement to purchase an additional 20 percent ownership interest in BANGL, LLC for \$210 million cash, increasing total ownership interest to 45 percent (the "BANGL Transaction"). BANGL is a natural gas liquids pipeline system connecting the Delaware and Midland basins to the fractionation market in Sweeny, Texas. The purchase price of the additional 20 percent ownership interest in BANGL, LLC exceeded our portion of the underlying net assets of the joint venture by approximately \$156 million. This basis difference is being amortized into net income over the remaining estimated useful lives of the underlying net assets. Following the BANGL Transaction, our investment in BANGL, LLC continues to be accounted for as an equity method investment.

Whistler Joint Venture Transaction

On May 29, 2024, MPLX and its joint venture partner contributed their respective membership interest in Whistler Pipeline, LLC to a newly formed joint venture, WPC Parent, LLC, and issued a 19 percent voting interest in WPC Parent, LLC to an affiliate of Enbridge Inc. in exchange for the contribution of cash and the Rio Bravo Pipeline project (collectively the "Whistler Joint Venture

Transaction"). As a result of the transaction, MPLX's voting interest in the joint venture was reduced from 37.5 percent to 30.4 percent. MPLX recognized a gain of \$151 million at closing and received a cash distribution of \$134 million, recorded as a return of capital, related to the dilution of the ownership interest. The gain is included in income from equity method investments on the accompanying consolidated statements of income and the return of capital is included in investments - redemptions, repayments, return of capital and sales proceeds within the investing section of the accompanying consolidated statements of cash flows.

Midstream Acquisition

On March 22, 2024, MPLX used \$625 million of cash on hand to purchase additional ownership interest in existing joint ventures and gathering assets, which will enhance MPLX's position in the Utica basin. Prior to the acquisition, MPLX owned an indirect interest in Ohio Gathering Company, L.L.C. ("OGC") and a direct interest in Ohio Condensate Company, L.L.C. ("OCC") and now owns a combined 73 percent interest in OGC and a 100 percent interest in OCC, and a dry gas gathering system in the Utica basin. OGC continues to be accounted for as an equity method investment as MPLX did not obtain control of OGC as a result of the transaction. OGC is considered a VIE and MPLX is not deemed to be the primary beneficiary due to voting rights on significant matters. The acquisition date fair value of our investment in OGC exceeded our portion of the underlying net assets of the joint venture by approximately \$86 million. This basis difference is being amortized into net income over the remaining estimated useful lives of the underlying net assets. OCC was previously accounted for as an equity method investment, and it is now consolidated and included in our consolidated financial results.

The acquisition was accounted for as a business combination requiring all the acquired assets and liabilities to be remeasured to fair value resulting in a consolidated fair value of net assets and liabilities of \$625 million. The fair value includes \$518 million related to acquired interests in the joint ventures and the remaining balance related to other acquired assets and liabilities. The revaluation of MPLX's existing 62 percent equity method investment in OCC resulted in a \$20 million gain, which is included in net gain on disposal of assets on the accompanying consolidated statements of income. The fair value of equity method investments was based on a discounted cash flow model.

South Texas Gateway Terminal LLC

On August 1, 2023, MPC sold its 25 percent interest in South Texas Gateway Terminal LLC ("South Texas Gateway") to an affiliate of Gibson Energy Inc. ("Gibson Energy"). Gibson Energy paid \$1.1 billion in cash to acquire 100 percent of the membership interests of South Texas Gateway from MPC and its other members. South Texas Gateway owns an oil export facility in the U.S. Gulf Coast. MPC's proceeds were \$270 million, resulting in a gain of \$106 million, which is included in net gain on disposal of assets on the accompanying consolidated statements of income.

LF Bioenergy Acquisition

On March 8, 2023, MPC announced the acquisition of a 49.9 percent interest in LF Bioenergy, an emerging producer of renewable natural gas ("RNG") in the U.S., for approximately \$56 million, which included funding for on-going operations and project development. LF Bioenergy has been focused on developing and growing a portfolio of dairy farm-based, low carbon intensity RNG projects.

LF Bioenergy is a VIE since it is unable to fund its operations without financial support from its equity owners. We are not the primary beneficiary of this VIE because we do not have the ability to control the activities that significantly influence the economic outcomes of the entity and, therefore, do not consolidate the entity. MPC accounts for our ownership interest in LF Bioenergy as an equity method investment.

14. Property, Plant and Equipment (PP&E)

(Millions of dollars)	September 30, 2024			December 31, 2023		
	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E
Refining & Marketing	\$ 33,103	\$ 18,990	\$ 14,113	\$ 32,496	\$ 17,992	\$ 14,504
Midstream	30,390	10,495	19,895	29,620	9,589	20,031
Corporate	1,657	1,123	534	1,632	1,055	577
Total	\$ 65,150	\$ 30,608	\$ 34,542	\$ 63,748	\$ 28,636	\$ 35,112

15. Fair Value Measurements

Fair Values—Recurring

The following tables present assets and liabilities accounted for at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 by fair value hierarchy level. We have elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty, including any related cash collateral as shown below; however, fair value amounts by hierarchy level are presented on a gross basis in the following tables.

(Millions of dollars)	September 30, 2024					
	Fair Value Hierarchy			Netting and Collateral ^(a)	Net Carrying Value on Balance Sheet ^(b)	Collateral Pledged Not Offset
	Level 1	Level 2	Level 3			
Assets:						
Commodity contracts	\$ 302	\$ 1	\$ —	\$ (282)	\$ 21	\$ 36
Liabilities:						
Commodity contracts	\$ 295	\$ —	\$ —	\$ (295)	\$ —	\$ —
Embedded derivatives in commodity contracts	—	—	69	—	69	—

(Millions of dollars)	December 31, 2023					
	Fair Value Hierarchy			Netting and Collateral ^(a)	Net Carrying Value on Balance Sheet ^(b)	Collateral Pledged Not Offset
	Level 1	Level 2	Level 3			
Assets:						
Commodity contracts	\$ 244	\$ —	\$ —	\$ (220)	\$ 24	\$ 73
Liabilities:						
Commodity contracts	\$ 249	\$ —	\$ —	\$ (249)	\$ —	\$ —
Embedded derivatives in commodity contracts	—	—	61	—	61	—

^(a) Represents the impact of netting assets, liabilities and cash collateral when a legal right of offset exists. As of September 30, 2024, cash collateral of \$13 million was netted with mark-to-market derivative liabilities. As of December 31, 2023, cash collateral of \$29 million was netted with mark-to-market derivative liabilities.

^(b) We have no derivative contracts which are subject to master netting arrangements reflected gross on the balance sheet.

Level 2 instruments include over-the-counter fixed swaps to mitigate the price risks from MPLX's sale of propane under certain percent-of-proceeds and keep-whole arrangements. The swap valuations are based on observable inputs in the form of forward prices based on Mount Belvieu propane forward spot prices and contain no significant unobservable inputs.

Level 3 instruments relate to an embedded derivative liability for a natural gas purchase commitment embedded in a keep-whole processing agreement. The fair value calculation for these Level 3 instruments at September 30, 2024 used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$0.67 to \$1.45 per gallon with a weighted average of \$0.85 per gallon and (2) a 100 percent probability of renewal for the five-year term of the natural gas purchase commitment and related keep-whole processing agreement. Increases or decreases in the fractionation spread result in an increase or decrease in the fair value of the embedded derivative liability.

The following is a reconciliation of the beginning and ending balances recorded for net liabilities classified as Level 3 in the fair value hierarchy.

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Beginning balance	\$ 69	\$ 53	\$ 61	\$ 61
Unrealized and realized loss included in net income ^(a)	3	10	18	7
Settlements of derivative instruments	(3)	(3)	(10)	(8)
Ending balance	\$ 69	\$ 60	\$ 69	\$ 60

The amount of total loss for the period included in earnings attributable to the change in unrealized loss relating to liabilities still held at the end of period^(a):

	\$ 3	\$ 9	\$ 15	\$ 6
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^(a) The loss is included in cost of revenues on the consolidated statements of income.

Fair Values – Non-recurring

Non-recurring fair value measurements and disclosures in 2024 relate to acquisitions and other transactions as discussed in Note 13.

Fair Values – Reported

We believe the carrying value of our other financial instruments, including cash and cash equivalents, receivables, accounts payable and certain accrued liabilities, approximate fair value. Our fair value assessment incorporates a variety of considerations, including the short-term duration of the instruments and the expected insignificance of bad debt expense, which includes an evaluation of counterparty credit risk. The borrowings under our revolving credit facilities, which include variable interest rates, approximate fair value. The fair value of our long-term debt is based on prices from recent trade activity and is categorized in level 3 of the fair value hierarchy. The carrying and fair values of our debt were approximately \$27.9 billion and \$26.9 billion at September 30, 2024, respectively, and approximately \$27.0 billion and \$25.5 billion at December 31, 2023, respectively. These carrying and fair values of our debt exclude the unamortized issuance costs, which are netted against our total debt.

16. Derivatives

For further information regarding the fair value measurement of derivative instruments, including any effect of master netting agreements or collateral, see Note 15. We do not designate any of our commodity derivative instruments as hedges for accounting purposes.

Derivatives that are not designated as accounting hedges may include commodity derivatives used to hedge price risk on (1) inventories, (2) fixed price sales of refined products, (3) the acquisition of foreign-sourced crude oil, (4) the acquisition of ethanol for blending with refined products, (5) the sale of NGLs, (6) the purchase of natural gas, (7) the purchase of soybean oil and (8) the sale of propane under certain percent-of-proceeds and keep-whole arrangements.

The following table presents the fair value of derivative instruments as of September 30, 2024 and December 31, 2023 and the line items in the consolidated balance sheets in which the fair values are reflected. The fair value amounts below are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under the terms of our master netting arrangements including cash collateral on deposit with, or received from, brokers. We offset the recognized fair value amounts for multiple derivative instruments executed with the same counterparty in our financial statements when a legal right of offset exists. As a result, the asset and liability amounts below will not agree with the amounts presented in our consolidated balance sheets.

<i>(Millions of dollars)</i> Balance Sheet Location	September 30, 2024		December 31, 2023	
	Asset	Liability	Asset	Liability
Commodity derivatives				
Other current assets	\$ 303	\$ 295	\$ 244	\$ 249
Other current liabilities ^(a)	—	10	—	11
Deferred credits and other liabilities ^(a)	—	59	—	50

^(a) Includes embedded derivatives.

The table below summarizes open commodity derivative contracts for crude oil, refined products, blending products, soybean oil and propane as of September 30, 2024.

<i>(Units in thousands of barrels)</i>	Percentage of contracts that expire next quarter	Position	
		Long	Short
Exchange-traded ^(a)			
Crude oil	77.5%	51,340	56,381
Refined products	95.0%	19,421	20,765
Blending products	82.5%	5,652	7,953
Soybean oil	99.6%	2,261	2,530
Over-the-counter			
Propane	100.0%	—	344

^(a) Included in exchange-traded are spread contracts in thousands of barrels: Crude oil - 13,138 long and 12,968 short; Refined products - 517 long and 156 short. There are no spread contracts for blending products or soybean oil.

The following table summarizes the effect of all commodity derivative instruments in our consolidated statements of income:

<i>(Millions of dollars)</i> Income Statement Location	Gain (Loss)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Sales and other operating revenues	\$ 4	\$ (4)	\$ 2	\$ 6
Cost of revenues	38	(172)	(82)	(61)
Other income	(1)	(3)	(2)	(2)
Total	<u>\$ 41</u>	<u>\$ (179)</u>	<u>\$ (82)</u>	<u>\$ (57)</u>

17. Debt

Our outstanding borrowings at September 30, 2024 and December 31, 2023 consisted of the following:

<i>(Millions of dollars)</i>	September 30, 2024	December 31, 2023
Marathon Petroleum Corporation:		
Senior notes	\$ 5,699	\$ 6,449
Notes payable	—	1
Finance lease obligations	494	464
Total	<u>6,193</u>	<u>6,914</u>
MPLX LP:		
Senior notes	22,350	20,700
Finance lease obligations	6	6
Total	<u>22,356</u>	<u>20,706</u>
Total debt	28,549	27,620
Unamortized debt issuance costs	(146)	(141)
Unamortized discount, net of unamortized premium	(183)	(196)
Amounts due within one year	<u>(4,167)</u>	<u>(1,954)</u>
Total long-term debt due after one year	<u>\$ 24,053</u>	<u>\$ 25,329</u>

MPC Senior Notes

On September 16, 2024, we repaid the \$750 million outstanding principal amount of 3.625 percent senior notes due September 2024 at maturity using cash on hand.

MPLX Senior Notes

On May 20, 2024, MPLX issued \$1.65 billion aggregate principal amount of 5.50 percent senior notes due June 2034 (the "2034 Senior Notes") in an underwritten public offering. MPLX intends to use the net proceeds from the issuance of the 2034 Senior Notes to repay, redeem or otherwise retire some or all of (i) MPLX's outstanding \$1,149 million aggregate principal amount of 4.875 percent senior notes due December 2024, (ii) MarkWest's outstanding \$1 million aggregate principal amount of 4.875 percent senior notes due December 2024 and (iii) MPLX's outstanding \$500 million aggregate principal amount of 4.000 percent senior notes due February 2025, and in the interim may use such net proceeds for general partnership purposes.

Available Capacity under our Credit Facilities as of September 30, 2024

<i>(Millions of dollars)</i>	Total Capacity	Outstanding Borrowings	Outstanding Letters of Credit	Available Capacity	Weighted Average Interest Rate	Expiration
MPC, excluding MPLX						
MPC bank revolving credit facility	\$ 5,000	\$ —	\$ 1	\$ 4,999	— %	July 2027
MPC trade receivables securitization facility ^(a)	100	—	—	100	— %	September 2027
MPLX						
MPLX bank revolving credit facility	2,000	—	—	2,000	— %	July 2027

^(a) The committed borrowing and letter of credit issuance capacity under the trade receivables securitization facility is \$100 million. In addition, the facility allows for the issuance of letters of credit in excess of the committed capacity at the discretion of the issuing banks.

18. Revenue

The following table presents our revenues from external customers disaggregated by segment and product line.

<i>(Millions of dollars)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Refining & Marketing				
Refined products	\$ 31,462	\$ 36,971	\$ 94,803	\$ 101,758
Crude oil	1,826	2,188	5,713	5,393
Services and other	487	466	1,398	1,304
Total revenues from external customers	33,775	39,625	101,914	108,455
Midstream				
Refined products	431	477	1,197	1,274
Services and other	901	815	2,616	2,395
Total revenues from external customers	1,332	1,292	3,813	3,669
Sales and other operating revenues	\$ 35,107	\$ 40,917	\$ 105,727	\$ 112,124

We do not disclose information on the future performance obligations for any contract with expected duration of one year or less at inception. As of September 30, 2024, we do not have future performance obligations that are material to future periods.

Receivables

On the accompanying consolidated balance sheets, receivables, less allowance for doubtful accounts primarily consists of customer receivables. Significant non-customer balances included in our receivables at September 30, 2024 include matching buy/sell receivables of \$4.05 billion.

19. Supplemental Cash Flow Information

<i>(Millions of dollars)</i>	Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities included:		
Interest paid (net of amounts capitalized)	\$ 959	\$ 952
Net income taxes paid to (received from) taxing authorities ^(a)	613	1,881

^(a) 2024 includes \$439 million paid to third parties for transferable tax credits.

The consolidated statements of cash flows exclude changes to the consolidated balance sheets that did not affect cash. The following is a reconciliation of additions to property, plant and equipment to total capital expenditures:

	Nine Months Ended September 30,	
	2024	2023
<i>(Millions of dollars)</i>		
Additions to property, plant and equipment per the consolidated statements of cash flows	\$ 1,723	\$ 1,358
Increase (decrease) in capital accruals	(18)	54
Total capital expenditures	<u>\$ 1,705</u>	<u>\$ 1,412</u>

20. Other Current Liabilities

The following summarizes the components of other current liabilities:

	September 30, 2024	December 31, 2023
<i>(Millions of dollars)</i>		
Environmental credits liability	\$ 716	\$ 778
Accrued interest payable	290	316
Other current liabilities	378	551
Total other current liabilities	<u>\$ 1,384</u>	<u>\$ 1,645</u>

21. Accumulated Other Comprehensive Income (Loss)

The following table shows the changes in accumulated other comprehensive income (loss) by component. Amounts in parentheses indicate debits.

	Pension Benefits	Other Benefits	Other	Total
<i>(Millions of dollars)</i>				
Balance as of December 31, 2022	\$ (163)	\$ 165	\$ —	\$ 2
Other comprehensive gain (loss) before reclassifications, net of tax of \$(2)	(9)	3	(2)	(8)
Amounts reclassified from accumulated other comprehensive loss:				
Amortization of prior service credit ^(a)	(34)	(16)	—	(50)
Amortization of actuarial gain ^(a)	(4)	—	—	(4)
Settlement gain ^(a)	(2)	—	—	(2)
Other	—	—	(1)	(1)
Tax effect	10	4	—	14
Other comprehensive loss	<u>(39)</u>	<u>(9)</u>	<u>(3)</u>	<u>(51)</u>
Balance as of September 30, 2023	<u>\$ (202)</u>	<u>\$ 156</u>	<u>\$ (3)</u>	<u>\$ (49)</u>

	Pension Benefits	Other Benefits	Other	Total
<i>(Millions of dollars)</i>				
Balance as of December 31, 2023	\$ (261)	\$ 129	\$ 1	\$ (131)
Other comprehensive gain (loss) before reclassifications, net of tax of \$1	2	(1)	(1)	—
Amounts reclassified from accumulated other comprehensive loss:				
Amortization of prior service credit ^(a)	(25)	(16)	—	(41)
Amortization of actuarial loss ^(a)	5	—	—	5
Tax effect	5	4	—	9
Other comprehensive loss	<u>(13)</u>	<u>(13)</u>	<u>(1)</u>	<u>(27)</u>
Balance as of September 30, 2024	<u>\$ (274)</u>	<u>\$ 116</u>	<u>\$ —</u>	<u>\$ (158)</u>

^(a) These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See Note 22.

22. Pension and Other Postretirement Benefits

The following summarizes the components of net periodic benefit costs:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(Millions of dollars)</i>				
Pension Benefits				
Service cost	\$ 63	\$ 53	\$ 170	\$ 150
Interest cost	31	29	92	87
Expected return on plan assets	(36)	(38)	(110)	(122)
Amortization of prior service credit	(9)	(12)	(25)	(34)
Amortization of actuarial (gain) loss	3	(1)	5	(4)
Settlement gain	—	—	—	(2)
Net periodic pension benefit cost	<u>\$ 52</u>	<u>\$ 31</u>	<u>\$ 132</u>	<u>\$ 75</u>
Other Benefits				
Service cost	\$ 5	\$ 4	\$ 15	\$ 14
Interest cost	8	7	24	23
Amortization of prior service credit	(5)	(5)	(16)	(16)
Net periodic other benefit cost	<u>\$ 8</u>	<u>\$ 6</u>	<u>\$ 23</u>	<u>\$ 21</u>

The components of net periodic benefit cost, other than the service cost component, are included in net interest and other financial costs on the consolidated statements of income.

During the nine months ended September 30, 2024, we made contributions of \$92 million to our funded pension plans. Benefit payments related to unfunded pension and other postretirement benefit plans were \$8 million and \$37 million, respectively, during the nine months ended September 30, 2024.

23. Commitments and Contingencies

We are the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Some of these matters are discussed below. For matters for which we have not recorded a liability, we are unable to estimate a range of possible loss because the issues involved have not been fully developed through pleadings, discovery or court proceedings. However, the ultimate resolution of some of these contingencies could, individually or in the aggregate, be material.

Environmental Matters

We are subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites and certain other locations including presently or formerly owned or operated retail marketing sites. Penalties may be imposed for noncompliance.

At September 30, 2024 and December 31, 2023, accrued liabilities for remediation totaled \$361 million and \$387 million, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties, if any, that may be imposed. Receivables for recoverable costs from certain states, under programs to assist companies in clean-up efforts related to underground storage tanks at presently or formerly owned or operated retail marketing sites, were \$6 million and \$5 million at September 30, 2024 and December 31, 2023, respectively.

Governmental and other entities in various states have filed climate-related lawsuits against a number of energy companies, including MPC. Although each suit is separate and unique, the lawsuits generally allege defendants made knowing misrepresentations about knowingly concealing, or failing to warn of the impacts of their petroleum products which led to increased demand and worsened climate change. Plaintiffs are seeking unspecified damages and abatement under various tort theories, as well as breaches of consumer protection and unfair trade statutes. We are currently subject to such proceedings in federal or state courts in California, Delaware, Maryland, Hawaii, Rhode Island, South Carolina and Oregon. Similar lawsuits may be filed in other jurisdictions. At this early stage, the ultimate outcome of these matters remains uncertain, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, can be determined.

We are involved in a number of environmental enforcement matters arising in the ordinary course of business. While the outcome and impact on us cannot be predicted with certainty, management believes the resolution of these environmental matters will not, individually or collectively, have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Other Legal Proceedings

In July 2020, Tesoro High Plains Pipeline Company, LLC ("THPP"), a subsidiary of MPLX, received a Notification of Trespass Determination from the Bureau of Indian Affairs ("BIA") relating to a portion of the Tesoro High Plains Pipeline that crosses the Fort Berthold Reservation in North Dakota. The notification demanded the immediate cessation of pipeline operations and assessed trespass damages of approximately \$187 million. After subsequent appeal proceedings and in compliance with a new order issued by the BIA, in December 2020, THPP paid approximately \$4 million in assessed trespass damages and ceased use of the portion of the pipeline that crosses the property at issue. In March 2021, the BIA issued an order purporting to vacate the BIA's prior orders related to THPP's alleged trespass and direct the Regional Director of the BIA to reconsider the issue of THPP's alleged trespass and issue a new order. In April 2021, THPP filed a lawsuit in the District of North Dakota against the United States of America, the U.S. Department of the Interior and the BIA (collectively, the "U.S. Government Parties") challenging the March 2021 order purporting to vacate all previous orders related to THPP's alleged trespass. On February 8, 2022, the U.S. Government Parties filed their answer and counterclaims to THPP's suit claiming THPP is in continued trespass with respect to the pipeline and seek disgorgement of pipeline profits from June 1, 2013 to present, removal of the pipeline and remediation. On November 8, 2023, the District Court of North Dakota granted THPP's motion to sever and stay the U.S. Government Parties' counterclaims. The case will proceed on the merits of THPP's challenge to the March 2021 order purporting to vacate all previous orders related to THPP's alleged trespass. THPP continues not to operate that portion of the pipeline that crosses the property at issue.

We are also a party to a number of other lawsuits and other proceedings arising in the ordinary course of business. While the ultimate outcome and impact to us cannot be predicted with certainty, we believe that the resolution of these other lawsuits and proceedings will not, individually or collectively, have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Guarantees

We have provided certain guarantees, direct and indirect, of the indebtedness of other companies. Under the terms of most of these guarantee arrangements, we would be required to perform should the guaranteed party fail to fulfill its obligations under the specified arrangements. In addition to these financial guarantees, we also have various performance guarantees related to specific agreements.

Guarantees related to indebtedness of equity method investees

LOOP and LOCAP

MPC and MPLX hold interests in an offshore oil port, LOOP, and MPLX holds an interest in a crude oil pipeline system, LOCAP. Both LOOP and LOCAP have secured various project financings with throughput and deficiency agreements. Under the agreements, MPC, as a shipper, is required to advance funds if the investees are unable to service their debt. Any such advances are considered prepayments of future transportation charges. The duration of the agreements varies but tend to follow the terms of the underlying debt, which extend through 2040. Our maximum potential undiscounted payments under these agreements for the debt principal totaled \$222 million as of September 30, 2024.

Dakota Access Pipeline

MPLX holds a 9.19 percent indirect interest in a joint venture ("Dakota Access"), which owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects (collectively, the "Bakken Pipeline system"). In 2020, the U.S. District Court for the District of Columbia (the "D.D.C.") ordered the U.S. Army Corps of Engineers ("Army Corps"), which granted permits and an easement for the Bakken Pipeline system, to prepare an environmental impact statement ("EIS") relating to an easement under Lake Oahe in North Dakota. The D.D.C. later vacated the easement. The Army Corps issued a draft EIS in September 2023 detailing various options for the easement going forward, including denying the easement, approving the easement with additional measures, rerouting the easement, or approving the easement with no changes. The Army Corps has not selected a preferred alternative, but will make a decision in its final review, after considering input from the public and other agencies. The pipeline remains operational while the Army Corps finalizes its decision which will follow the issuance of the final EIS. According to public statements from Army Corps officials, the EIS is now expected to be issued in 2025.

MPLX has entered into a Contingent Equity Contribution Agreement whereby it, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system. If the vacatur of the easement results in a temporary shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shut down. MPLX also expects to contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the easement and/or return the pipeline into operation. If the vacatur of the easement results in a permanent shutdown

of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the 1 percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of September 30, 2024, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$78 million.

Crowley Blue Water Partners LLC

In connection with our 50 percent indirect interest in Crowley Blue Water Partners LLC, we have agreed to provide a conditional guarantee of up to 50 percent of its outstanding debt balance in the event there is no charter agreement in place with an investment grade customer for the entity's three vessels as well as other financial support in certain circumstances. The terms of the underlying debt extend through 2038. As of September 30, 2024, our maximum potential undiscounted payments under this arrangement were \$87 million.

Other guarantees

We have entered into other guarantees with maximum potential undiscounted payments totaling \$192 million as of September 30, 2024, which primarily consist of a commitment to indemnify a joint venture member for our pro rata share of any payments made under a performance guarantee for construction of a pipeline by an equity method investee, a commitment to contribute cash to an equity method investee for certain catastrophic events in lieu of procuring insurance coverage, a commitment to pay a termination fee on a supply agreement if terminated during the initial term, a commitment to fund a share of the bonds issued by a government entity for construction of public utilities in the event that other industrial users of the facility default on their utility payments and leases of assets containing general lease indemnities and guaranteed residual values.

Contractual Commitments and Contingencies

Certain natural gas processing and gathering arrangements require us to construct natural gas processing plants, natural gas gathering pipelines and NGL pipelines and contain certain fees and charges if specified construction milestones are not achieved for reasons other than force majeure. In certain cases, certain producer customers may have the right to cancel the processing arrangements with us if there are significant delays that are not due to force majeure.

24. Subsequent Events

Additional \$5 Billion Share Repurchase Authorization

On November 5, 2024, we announced that our board of directors approved an additional \$5.0 billion share repurchase authorization. The authorization has no expiration date. We 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. The timing of repurchases will depend upon several factors, including market and business conditions, and repurchases may be suspended, discontinued or restarted at any time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section should also be read in conjunction with the unaudited consolidated financial statements and accompanying footnotes included under Item 1. Financial Statements and in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023.

DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, particularly Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures about Market Risk, includes forward-looking statements that are subject to risks, contingencies or uncertainties. 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.

Forward-looking statements include, among other things, statements regarding:

- future financial and operating results;
- environmental, social and governance ("ESG") plans and goals, including those related to greenhouse gas emissions and intensity, freshwater withdraw intensity, diversity and inclusion and ESG reporting;
- future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses;
- the success or timing of completion of ongoing or anticipated capital or maintenance projects;
- business strategies, growth opportunities and expected investments, including plans to improve commercial performance, lower costs and optimize our asset portfolio;
- consumer demand for refined products, natural gas, renewables and natural gas liquids, such as ethane, propane, butanes and natural gasoline;
- the timing, amount and form of any future capital return transactions, including dividends and share repurchases by MPC or distributions and unit repurchases by MPLX; and
- the anticipated effects of actions of third parties such as competitors, activist investors, federal, foreign, state or local regulatory authorities, or plaintiffs in litigation.

Our forward-looking 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. Forward-looking and other statements regarding our ESG plans and goals are not an indication that these statements are material to investors or required to be disclosed in our filings with the SEC. 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. Material differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

- general economic, political or regulatory developments, including inflation, interest rates, changes in governmental policies relating to refined petroleum products, crude oil, natural gas, NGLs or renewables, or taxation;
- the regional, national and worldwide availability and pricing of refined products, crude oil, natural gas, renewables, NGLs and other feedstocks;
- disruptions in credit markets or changes to credit ratings;
- 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 potential effects of judicial or other proceedings on our business, financial condition, results of operations and cash flows;
- the timing and extent of changes in commodity prices and demand for crude oil, refined products, feedstocks or other hydrocarbon-based products, or renewables;
- volatility in or degradation of general economic, market, industry or business conditions, including as a result of pandemics, other infectious disease outbreaks, natural hazards, extreme weather events, regional conflicts such as hostilities in the Middle East and in Ukraine, inflation, or rising interest rates;
- our ability to comply with federal and state environmental, economic, health and safety, energy and other policies and regulations and enforcement actions initiated thereunder;
- adverse market conditions or other risks affecting MPLX;
- refining industry overcapacity or under capacity;
- foreign imports and exports of crude oil, refined products, natural gas and NGLs;
- changes in producer customers' drilling plans or in volumes of throughput of crude oil, natural gas, NGLs, refined products, other hydrocarbon-based products or renewables;
- non-payment or non-performance by our customers;

- changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, natural gas, NGLs, feedstocks, refined products and renewables;
- the price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;
- political and economic conditions in nations that consume refined products, natural gas, renewables and NGLs, including the United States and Mexico, and in crude oil producing regions, including the Middle East, Russia, Africa, Canada and South America;
- actions taken by our competitors, including pricing adjustments, the expansion and retirement of refining capacity and the expansion and retirement of pipeline capacity, processing, fractionation and treating facilities in response to market conditions;
- completion of pipeline projects within the United States;
- changes in fuel and utility costs for our facilities;
- industrial incidents 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;
- acts of war, terrorism or civil unrest that could impair our ability to produce refined products, receive feedstocks or to gather, process, fractionate or transport crude oil, natural gas, NGLs, refined products or renewables;
- political pressure and influence of environmental groups and other stakeholders that are adverse to the production, gathering, refining, processing, fractionation, transportation and marketing of crude oil or other feedstocks, refined products, natural gas, NGLs, other hydrocarbon-based products or renewables;
- labor and material shortages;
- the timing and ability to obtain necessary regulatory approvals and permits and to satisfy other conditions necessary to complete planned projects or to consummate planned transactions within the expected timeframe, if at all;
- the inability or failure of our joint venture partners to fund their share of operations and development activities;
- the financing and distribution decisions of joint ventures we do not control;
- 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 and achieve our ESG goals and targets within the expected timeframe, if at all;
- the costs, disruption and diversion of management's attention associated with campaigns commenced by activist investors;
- personnel changes; and
- the imposition of windfall profit taxes, maximum margin penalties or minimum inventory requirements on companies operating in the energy industry in California or other jurisdictions.

For additional risk factors affecting our business, see the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2023. We undertake no obligation to update any forward-looking statements except to the extent required by applicable law.

EXECUTIVE SUMMARY

Business Update

Our third quarter results reflect a lower margin environment versus the third quarter of 2023. Margin volatility in the third quarter reflected steady demand for gasoline and diesel and growing demand for jet fuel while refining utilization remained high supported by a light turnaround season and limited seasonal supply interruptions. Longer term, demand growth is expected to exceed the net supply impact from limited capacity additions through the end of the decade and announced and expected refinery rationalizations. We anticipate these fundamentals, as well as the U.S. refining industry's current structural advantages over the rest of the world, will support a constructive environment for U.S. refiners.

In June 2023, the California legislature adopted and implemented certain provisions of Senate Bill No.2 (such statute, together with any regulations contemplated or issued thereunder, "SB X1-2"), which authorizes the CEC to establish a "maximum gross gasoline refining margin" with respect to refining activities in California, as well as establish penalties for refiners for exceeding the yet to be issued margin cap. The law further expands on existing reporting requirements for refiners to the CEC. In October 2024, California's governor signed Assembly Bill No.1 (such statute, together with any regulations contemplated or issued thereunder, "AB X2-1"), into law, authorizing the CEC to require that petroleum refiners maintain a minimum inventory of transportation fuels as well as require petroleum refiners to plan for resupply during scheduled maintenance. We will evaluate the impact that SB X1-2 and AB X2-1 and any associated forthcoming CEC regulations may have on our current or anticipated future operations in California and results of operations when SB X1-2 or AB X2-1 are fully implemented.

Strategic Updates

Midstream Growth Transactions

On July 31, 2024, MPLX exercised its right of first offer under the BANGL, LLC joint venture agreement to purchase an additional 20 percent ownership interest in BANGL, LLC for \$210 million cash, increasing total ownership interest to 45 percent. BANGL is a natural gas liquids pipeline system connecting the Delaware and Midland basins to the fractionation market in Sweeny, Texas.

On May 29, 2024, MPLX and its joint venture partner contributed their respective membership interest in Whistler Pipeline, LLC to a newly formed joint venture, WPC Parent, LLC and issued a 19 percent voting interest in WPC Parent, LLC to an affiliate of Enbridge Inc. in exchange for the contribution of cash and the Rio Bravo Pipeline project (collectively, the "Whistler Joint Venture Transaction"). The combined platform connects Permian supply to incremental LNG export markets and supports the development of additional pipeline projects. As a result of the transaction, MPLX's voting interest in the joint venture was reduced from 37.5 percent to 30.4 percent. MPLX recognized a gain of \$151 million at closing and received a cash distribution of \$134 million, recorded as a return of capital, related to the dilution of the ownership interest.

On March 22, 2024, MPLX used \$625 million of cash to purchase additional ownership interest in existing joint ventures and gathering assets, which will enhance MPLX's position in the Utica basin. Prior to the acquisition, MPLX owned an indirect interest in OGC and a direct interest in OCC and now owns a combined 73 percent interest in OGC and a 100 percent interest in OCC, and a dry gas gathering system in the Utica basin.

See Note 13 to the unaudited consolidated financial statements for additional information on these transactions.

Share Repurchase Authorization

On November 5, 2024, we announced that our board of directors approved a \$5.0 billion share repurchase authorization that is in addition to the \$5.0 billion share repurchase authorization announced on April 30, 2024. The share repurchase authorizations have no expiration date. Future repurchases under these authorizations will depend on the macro environment, cash available after opportunities for capital investment and growth of the business and market conditions. As of September 30, 2024, MPC had \$4.04 billion remaining under the April 2024 share repurchase authorization.

See Notes 8 and 24 to the unaudited consolidated financial statements for further discussion of our share repurchase authorizations.

Results

Our CODM evaluates the performance of our segments using segment adjusted EBITDA. Amounts included in income before income taxes and excluded from segment adjusted EBITDA include: (i) depreciation and amortization; (ii) net interest and other financial costs; (iii) turnaround expenses; and (iv) other adjustments as deemed necessary. These items are either: (i) believed to be non-recurring in nature; (ii) not believed to be allocable or controlled by the segment; or (iii) are not tied to the operational performance of the segment.

Select results are reflected in the following table.

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Segment adjusted EBITDA for reportable segments				
Refining & Marketing	\$ 1,053	\$ 4,373	\$ 4,899	\$ 11,389
Midstream	1,628	1,539	4,837	4,601
Total reportable segments	<u>\$ 2,681</u>	<u>\$ 5,912</u>	<u>\$ 9,736</u>	<u>\$ 15,990</u>
Reconciliation of segment adjusted EBITDA for reportable segments to income before income taxes				
Total reportable segments	\$ 2,681	\$ 5,912	\$ 9,736	\$ 15,990
Corporate	(196)	(204)	(600)	(533)
Refining planned turnaround costs	(290)	(153)	(1,121)	(902)
Garyville incident response costs	—	(63)	—	(63)
Gain on sale of assets ^(a)	—	106	151	106
Depreciation and amortization	(846)	(845)	(2,511)	(2,479)
Net interest and other financial costs	(221)	(118)	(594)	(414)
Income before income taxes	<u>\$ 1,128</u>	<u>\$ 4,635</u>	<u>\$ 5,061</u>	<u>\$ 11,705</u>
Net income attributable to MPC per diluted share	\$ 1.87	\$ 8.28	\$ 8.83	\$ 19.57

^(a) The first nine months of 2024 includes the gain from the Whistler Joint Venture Transaction. See Note 13 to the unaudited consolidated financial statements for additional information. 2023 includes the gain on the sale of MPC's 25 percent interest in South Texas Gateway.

Net income attributable to MPC was \$622 million, or \$1.87 per diluted share, in the third quarter of 2024 compared to \$3.28 billion, or \$8.28 per diluted share, for the third quarter of 2023 and \$3.07 billion, or \$8.83 per diluted share, in the first nine months of 2024 compared to \$8.23 billion, or \$19.57 per diluted share, in the first nine months of 2023. The decreases in net income attributable to MPC were largely due to lower Refining & Marketing margins, partially offset by decreases in provisions for income taxes.

Refer to the Results of Operations section for a discussion of consolidated financial results and Segment Results for the third quarter of 2024 as compared to the third quarter of 2023 and the first nine months of 2024 compared to the first nine months of 2023.

MPLX

We owned approximately 647 million MPLX common units as of September 30, 2024, with a market value of \$28.78 billion based on the September 30, 2024 closing price of \$44.46 per common unit. On October 29, 2024, MPLX declared a quarterly cash distribution of \$0.9565 per common unit payable on November 15, 2024, to unitholders of record on November 8, 2024. This represents a 12.5 percent increase over the prior quarter distribution. MPC's portion of this distribution is approximately \$619 million.

We received limited partner distributions of \$1.65 billion from MPLX in the nine months ended September 30, 2024 and \$1.51 billion in the nine months ended September 30, 2023.

During the nine months ended September 30, 2024, MPLX repurchased approximately 6 million MPLX common units at an average cost per unit of \$41.32 and paid \$226 million of cash. As of September 30, 2024, approximately \$620 million remained available under the authorization for future unit repurchases.

See Note 4 to the unaudited consolidated financial statements for additional information on MPLX.

OVERVIEW OF SEGMENTS

Refining & Marketing

Refining & Marketing segment adjusted EBITDA depends largely on our refinery throughput, Refining & Marketing margin, refining operating costs and distribution costs.

Refining & Marketing margin is the difference between the prices of refined products sold and the costs of crude oil and other charge and blendstocks refined, including the costs to transport these inputs to our refineries and the costs of products purchased for resale. The crack spread is a measure of the difference between market prices for refined products and crude oil, commonly used by the industry as a proxy for the refining margin. Crack spreads can fluctuate significantly, particularly when prices of refined products do not move in the same relationship as the cost of crude oil. As a performance benchmark and a comparison with other industry participants, we calculate Gulf Coast, Mid-Continent and West Coast crack spreads that we believe most closely track our operations and slate of products. The following are used for these crack spread calculations:

- The Gulf Coast crack spread uses three barrels of MEH crude producing two barrels of USGC CBOB gasoline and one barrel of USGC ULSD;
- The Mid-Continent crack spread uses three barrels of WTI crude producing two barrels of Chicago CBOB gasoline and one barrel of Chicago ULSD; and
- The West Coast crack spread uses three barrels of ANS crude producing two barrels of LA CARBOB and one barrel of LA CARB Diesel.

Our refineries can process a variety of sweet and sour crude oil, which typically can be purchased at a discount to crude oil referenced in our Gulf Coast, Mid-Continent and West Coast crack spreads. The amount of these discounts, which we refer to as the sweet differential and the sour differential, can vary significantly, causing our Refining & Marketing margin to differ from blended crack spreads. In general, larger sweet and sour differentials will enhance our Refining & Marketing margin.

Future crude oil differentials will be dependent on a variety of market and economic factors, as well as U.S. energy policy.

The following table provides sensitivities showing an estimated change in annual Refining & Marketing segment adjusted EBITDA due to potential changes in market conditions.

(Millions of dollars)

Blended crack spread sensitivity ^(a) (per \$1.00/barrel change)	\$	1,080
Sour differential sensitivity ^(b) (per \$1.00/barrel change)		500
Sweet differential sensitivity ^(c) (per \$1.00/barrel change)		500
Natural gas price sensitivity ^(d) (per \$1.00/MMBtu)		330

^(a) Crack spread based on 42 percent MEH, 40 percent WTI and 18 percent ANS with Gulf Coast, Mid-Continent and West Coast product pricing, respectively, and assumes all other differentials and pricing relationships remain unchanged.

^(b) Sour crude oil basket consists of the following crudes: ANS, Argus Sour Crude Index, Maya and Western Canadian Select. We assume approximately 50 percent of the crude processed at our refineries in 2024 will be sour crude.

^(c) Sweet crude oil basket consists of the following crudes: Bakken, Brent, MEH, WTI-Cushing and WTI-Midland. We assume approximately 50 percent of the crude processed at our refineries in 2024 will be sweet crude.

^(d) This is consumption-based exposure for our Refining & Marketing segment and does not include the sales exposure for our Midstream segment.

In addition to the market changes indicated by the crack spreads, the sour differential and the sweet differential, our Refining & Marketing margin is impacted by factors such as:

- the selling prices realized for refined products;
- the types of crude oil and other charge and blendstocks processed;
- our refinery yields;
- the cost of products purchased for resale;
- the impact of commodity derivative instruments used to hedge price risk;
- the potential impact of lower of cost or market adjustments to inventories in periods of declining prices;
- the potential impact of LIFO charges due to changes in historic inventory levels; and
- the cost of purchasing RINs in the open market to comply with RFS2 requirements.

Refining & Marketing segment adjusted EBITDA is also affected by changes in refining operating costs in addition to committed distribution costs. Changes in operating costs are primarily driven by the cost of energy used by our refineries, including purchased natural gas, and the level of maintenance costs. Distribution costs primarily include long-term agreements with MPLX, which as discussed below include minimum commitments to MPLX, and will negatively impact segment adjusted EBITDA in periods when throughput or sales are lower or refineries are idled.

We have various long-term, fee-based commercial agreements with MPLX. Under these agreements, MPLX, which is reported in our Midstream segment, provides transportation, storage, distribution and marketing services to our Refining & Marketing segment. Certain of these agreements include commitments for minimum quarterly throughput and distribution volumes of crude oil and refined products and minimum storage volumes of crude oil, refined products and other products. Certain other agreements include commitments to pay for 100 percent of available capacity for certain marine transportation and refining logistics assets.

Midstream

Our Midstream segment gathers, transports, stores and distributes crude oil, refined products, including renewable diesel, and other hydrocarbon-based products, principally for our Refining & Marketing segment. Additionally, the segment markets refined products. The profitability of our pipeline transportation operations primarily depends on tariff rates and the volumes shipped through the pipelines. The profitability of our marine operations primarily depends on the quantity and availability of our vessels and barges. The profitability of our terminal operations primarily depends on the throughput volumes at our terminals. The profitability of our fuels distribution services primarily depends on the sales volumes of certain refined products. The profitability of our refining logistics operations depends on the quantity and availability of our refining logistics assets. A majority of the crude oil and refined product shipments on our pipelines and marine vessels, the throughput at our terminals and refining logistics assets serve our Refining & Marketing segment and our fuels distribution services are used solely by our Refining & Marketing segment. As discussed above in the Refining & Marketing section, MPLX, which is reported in our Midstream segment, has various long-term, fee-based commercial agreements related to services provided to our Refining & Marketing segment. Under these agreements, MPLX has received various commitments of minimum throughput, storage and distribution volumes as well as commitments to pay for all available capacity of certain assets. The volume of crude oil that we transport is directly affected by the supply of, and refiner demand for, crude oil in the markets served directly by our crude oil pipelines, terminals and marine operations. Key factors in this supply and demand balance are the production levels of crude oil by producers in various regions or fields, the availability and cost of alternative modes of transportation, the volumes of crude oil processed at refineries and refinery and transportation system maintenance levels. The volume of refined products that we transport, store, distribute and market is directly affected by the production levels of, and user demand for, refined products in the markets served by our refined product pipelines and marine operations. In most of our markets, demand for gasoline and distillate peaks during the summer driving season, which extends from May through September of each year, and declines during the fall and winter months. As with crude oil, other transportation alternatives and system maintenance levels influence refined product movements.

Our Midstream segment also gathers, processes and transports natural gas and transports, fractionates, stores and markets NGLs. NGL and natural gas prices are volatile and are impacted by changes in fundamental supply and demand, as well as market uncertainty, availability of NGL transportation and fractionation capacity and a variety of additional factors that are beyond our control. Our Midstream segment profitability is affected by prevailing commodity prices primarily as a result of processing at our own or third-party processing plants, purchasing and selling or gathering and transporting volumes of natural gas at index-related prices and the cost of third-party transportation and fractionation services. To the extent that commodity prices influence the level of natural gas drilling by our producer customers, such prices also affect profitability.

RESULTS OF OPERATIONS

The following discussion includes comments and analysis relating to our results of operations. This discussion should be read in conjunction with Item 1. Financial Statements and is intended to provide investors with a reasonable basis for assessing our historical operations, but should not serve as the only criteria for predicting our future performance.

Consolidated Results of Operations

(Millions of dollars)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Variance	2024	2023	Variance
Revenues and other income:						
Sales and other operating revenues	\$ 35,107	\$ 40,917	\$ (5,810)	\$ 105,727	\$ 112,124	\$ (6,397)
Income from equity method investments	219	215	4	796	547	249
Net gain (loss) on disposal of assets	(2)	110	(112)	17	126	(109)
Other income	49	341	(292)	406	687	(281)
Total revenues and other income	35,373	41,583	(6,210)	106,946	113,484	(6,538)
Costs and expenses:						
Cost of revenues (excludes items below)	32,144	34,928	(2,784)	95,682	95,984	(302)
Depreciation and amortization	846	845	1	2,511	2,479	32
Selling, general and administrative expenses	815	824	(9)	2,417	2,219	198
Other taxes	219	233	(14)	681	683	(2)
Total costs and expenses	34,024	36,830	(2,806)	101,291	101,365	(74)
Income from operations	1,349	4,753	(3,404)	5,655	12,119	(6,464)
Net interest and other financial costs	221	118	103	594	414	180
Income before income taxes	1,128	4,635	(3,507)	5,061	11,705	(6,644)
Provision for income taxes	113	1,004	(891)	779	2,410	(1,631)
Net income	1,015	3,631	(2,616)	4,282	9,295	(5,013)
Less net income attributable to:						
Redeemable noncontrolling interest	6	25	(19)	21	71	(50)
Noncontrolling interests	387	326	61	1,187	994	193
Net income attributable to MPC	\$ 622	\$ 3,280	\$ (2,658)	\$ 3,074	\$ 8,230	\$ (5,156)

Third Quarter 2024 Compared to Third Quarter 2023

Net income attributable to MPC decreased \$2.66 billion in the third quarter of 2024 compared to the third quarter of 2023 primarily due to lower Refining & Marketing margins, partially offset by a decreased provision for income taxes.

Revenues and other income decreased \$6.21 billion primarily due to:

- decreased sales and other operating revenues of \$5.81 billion primarily due to decreased Refining & Marketing segment average refined product sales prices of \$0.45 per gallon, partially offset by increased refined product sales volumes of 89 mbpd;
- decreased net gain on disposal of assets of \$112 million primarily due to the \$106 million gain on the sale of MPC's 25 percent interest in South Texas Gateway in the third quarter of 2023; and
- decreased other income of \$292 million mainly due to lower income on RIN sales and the absence of insurance proceeds received in the third quarter of 2023.

Costs and expenses decreased \$2.81 billion primarily due to:

- decreased cost of revenues of \$2.78 billion primarily due to lower crude oil costs and decreases in finished product purchases; and
- decreased selling, general and administrative expenses of \$9 million primarily due to a decrease in equity compensation of \$72 million, partially offset by increases in office expenses of \$20 million, salaries and employee related costs of \$16 million, contract services of \$14 million and legal expenses of \$13 million.

Net interest and other financial costs increased \$103 million largely due to decreased interest income, primarily on lower short-term investments, and increases in interest expense, mainly due to higher MPLX borrowings, currency exchange losses and non-service pension costs.

We recorded a combined federal, state and foreign income tax provision of \$113 million for the three months ended September 30, 2024, which was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests offset by state taxes. We recorded a combined federal, state and foreign income tax provision of \$1.0 billion for the three months ended September 30, 2023, which was higher than the U.S. statutory rate primarily due to state taxes offset by permanent tax benefits related to net income attributable to noncontrolling interests and foreign derived intangible income.

Net income attributable to noncontrolling interests increased \$61 million primarily due to an increase in MPLX's net income in the third quarter of 2024. See further discussion in the Midstream Segment Results section.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Net income attributable to MPC decreased \$5.16 billion in the first nine months of 2024 compared to the first nine months of 2023 primarily due to lower Refining & Marketing margins, partially offset by a decreased provision for income taxes.

Revenues and other income decreased \$6.54 billion primarily due to:

- decreased sales and other operating revenues of \$6.40 billion primarily due to decreased Refining & Marketing segment average refined product sales prices of \$0.22 per gallon, partially offset by increased refined product sales volumes of 58 mbpd;
- increased income from equity method investments of \$249 million primarily due to the gain on sale of assets resulting from the Whistler Joint Venture Transaction and increased income from our Martinez Renewables joint venture;
- decreased net gain on disposal of assets of \$109 million primarily due to the \$106 million gain on the sale of MPC's 25 percent interest in South Texas Gateway in the first nine months of 2023; and
- decreased other income of \$281 million mainly due to lower income on RINs sales, partially offset by higher insurance proceeds.

Costs and expenses decreased \$74 million primarily due to:

- decreased cost of revenues of \$302 million primarily due to decreased crude oil costs and finished product purchases, partially offset by higher contract services and material and supply expenses related to increased turnaround activity; and
- increased selling, general and administrative expenses of \$198 million largely due to increases in contract services costs of \$59 million, salaries and employee related costs of \$48 million and \$30 million of expense related to decommissioning of non-operating assets.

Net interest and other financial costs increased \$180 million largely due to decreased interest income, primarily on lower short-term investments, and increases in non-service pension costs, interest expense, mainly due to higher MPLX borrowings, and currency exchange losses.

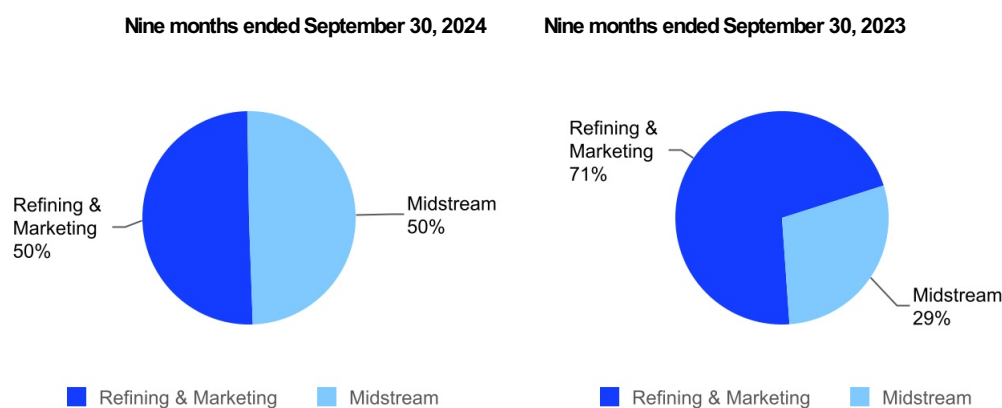
We recorded a combined federal, state and foreign income tax provision of \$779 million for the nine months ended 2024, which was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests offset by state taxes. We recorded a combined federal, state and foreign income tax provision of \$2.41 billion for the nine months ended 2023, which was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests, a benefit related to foreign derived intangible income, offset by state taxes.

Net income attributable to noncontrolling interests increased \$193 million primarily due to an increase in MPLX's net income in the first nine months of 2024. See further discussion in the Midstream Segment Results section.

Segment Results

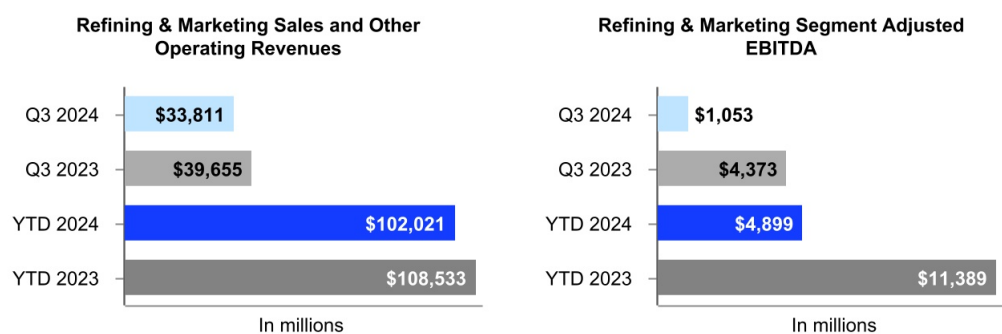
We classify our business in the following reportable segments: Refining & Marketing and Midstream. Segment adjusted EBITDA represents adjusted EBITDA attributable to the reportable segments. Amounts included in income before income taxes and excluded from segment adjusted EBITDA include: (i) depreciation and amortization; (ii) net interest and other financial costs; (iii) turnaround expenses; and (iv) other adjustments as deemed necessary. These items are either: (i) believed to be non-recurring in nature; (ii) not believed to be allocable or controlled by the segment or (iii) are not tied to the operational performance of the segment.

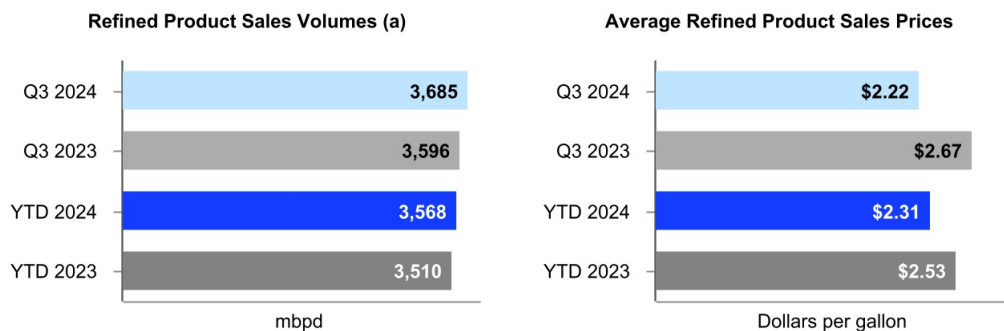
The following shows the percentage of segment adjusted EBITDA by segment for the nine months ended September 30, 2024 and 2023.



Refining & Marketing

The following includes key financial and operating data for the third quarter of 2024 compared to the third quarter of 2023 and the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.





(a) Includes intersegment sales to Mdtstream and sales destined for export.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Refining & Marketing Operating Statistics				
Net refinery throughput (mbpd)	2,991	2,959	2,907	2,908
Refining & Marketing margin per barrel ^{(a)(b)}	\$ 14.35	\$ 26.16	\$ 16.82	\$ 24.80
Less:				
Refining operating costs per barrel ^(c)	5.30	5.14	5.44	5.32
Distribution costs per barrel ^(d)	5.41	5.44	5.58	5.29
Other income per barrel ^(e)	(0.18)	(0.48)	(0.35)	(0.16)
Refining & Marketing segment adjusted EBITDA per barrel	\$ 3.82	\$ 16.06	\$ 6.15	\$ 14.35
Less:				
Refining planned turnaround costs per barrel	1.05	0.56	1.41	1.14
Depreciation and amortization per barrel	1.69	1.70	1.75	1.78
Refining & Marketing segment income per barrel	\$ 1.08	\$ 13.80	\$ 2.99	\$ 11.43
Per barrel fees paid to MPLX included in distribution costs above	\$ 3.65	\$ 3.58	\$ 3.72	\$ 3.60

(a) Sales revenue less cost of refinery inputs and purchased products, divided by net refinery throughput.

(b) See "Non-GAAP Financial Measure" section for reconciliation and further information regarding this non-GAAP financial measure.

(c) Refining operating costs exclude planned turnaround and depreciation and amortization expense.

(d) Distribution costs exclude depreciation and amortization expense.

(e) Includes income or loss from equity method investments, net gain or loss on disposal of assets and other income or loss.

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The following information presents certain benchmark prices in our marketing areas and market indicators that we believe are helpful in understanding the results of our Refining & Marketing segment. The benchmark crack spreads below do not reflect the market cost of RINs necessary to meet EPA renewable volume obligations for attributable products under the Renewable Fuel Standard.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Benchmark Spot Prices (dollars per gallon)				
Chicago CBOB unleaded regular gasoline	\$ 2.20	\$ 2.51	\$ 2.23	\$ 2.44
Chicago ULSD	2.30	2.71	2.39	2.63
USGC CBOB unleaded regular gasoline	2.11	2.58	2.21	2.44
USGC ULSD	2.24	2.96	2.43	2.74
LACARBOB	2.36	3.30	2.56	2.93
LACARB diesel	2.30	3.36	2.50	2.89
Market Indicators (dollars per barrel)				
WTI	\$ 75.27	\$ 82.22	\$ 77.61	\$ 77.28
MEH	76.52	84.01	79.24	78.81
ANS	79.00	88.02	82.32	81.82
Crack Spreads:				
Md-Continent WTI 3-2-1	\$ 15.62	\$ 20.71	\$ 15.92	\$ 21.51
USGC MEH 3-2-1	10.14	22.52	13.12	20.10
West Coast ANS 3-2-1	15.32	44.04	20.91	32.81
Blended 3-2-1 ^(a)	13.27	26.10	15.69	23.21
Crude Oil Differentials:				
Sweet	\$ (1.19)	\$ (0.66)	\$ (1.33)	\$ (0.23)
Sour	(3.92)	(3.97)	(4.56)	(6.31)

^(a) Blended 3-2-1 Md-Continent/USGC/West Coast crack spread is 40/42/18 percent effective April 1, 2024 and 40/40/20 percent for prior periods.

Third Quarter 2024 Compared to Third Quarter 2023

Refining & Marketing segment revenues decreased \$5.84 billion primarily due to decreased average refined product sales prices of \$0.45 per gallon, partially offset by increased refined product sales volumes of 89 mbpd.

Net refinery throughput increased 32 mbpd during the third quarter of 2024.

Refining & Marketing segment adjusted EBITDA decreased \$3.32 billion primarily due to decreases in per barrel margins. Refining & Marketing segment adjusted EBITDA was \$3.82 per barrel for the third quarter of 2024, versus \$16.06 per barrel for the third quarter of 2023.

Refining & Marketing margin was \$14.35 per barrel for the third quarter of 2024 compared to \$26.16 per barrel for the third quarter of 2023. Refining & Marketing margin is affected by our performance against the market indicators shown earlier, which use spot market values and an estimated mix of crude purchases and product sales. Based on the market indicators and our crude oil throughput, we estimate a net negative impact of approximately \$4 billion on Refining & Marketing margin for the third quarter of 2024 compared to the third quarter of 2023, primarily due to lower crack spreads. Our reported Refining & Marketing margin differs from market indicators due to the mix of crudes purchased and their costs, the effect of market structure on our crude oil acquisition prices, the effect of RIN prices on the crack spread, and other items like refinery yields, other feedstock variances and fuel margin from sales to direct dealers. These factors had an estimated net positive effect of approximately \$300 million on Refining & Marketing segment adjusted EBITDA in the third quarter of 2024 compared to the third quarter of 2023.

For the three months ended September 30, 2024, refining operating costs, excluding depreciation and amortization, increased \$56 million, or \$0.16 per barrel, primarily due to higher maintenance costs and expenses for projects conducted during turnaround activity.

Distribution costs, excluding depreciation and amortization, include fees paid to MPLX of \$1.0 billion and \$975 million for the third quarter of 2024 and 2023, respectively.

Other income decreased \$84 million, or \$0.30 per barrel, largely due to the absence of insurance proceeds received in the third quarter of 2023.

Refining planned turnaround costs increased \$0.49 per barrel, or \$137 million, due to the scope and timing of turnaround activity.

We purchase RINs to satisfy a portion of our RFS2 compliance. Our expenses associated with purchased RINs were \$253 million and \$561 million in the third quarter of 2024 and 2023, respectively. The RINs expense is included in Refining & Marketing margin. The decrease in the third quarter of 2024 was primarily due to decreased RIN sales and average RINs prices in addition to increased RINs generated and acquired from our Martinez Renewables joint venture, partially offset by an increased RIN obligation.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Refining & Marketing segment revenues decreased \$6.51 billion primarily due to decreased average refined product sales prices of \$0.22 per gallon, partially offset by increased refined product sales volumes of 58 mbpd.

Net refinery throughput was 2,907 mbpd in the first nine months of 2024, which was comparable to the first nine months of 2023.

Refining & Marketing segment adjusted EBITDA decreased \$6.49 billion primarily driven by decreases in per barrel margins. Refining & Marketing segment adjusted EBITDA was \$6.15 per barrel for the first nine months of 2024, versus \$14.35 per barrel for the first nine months of 2023.

Refining & Marketing margin was \$16.82 per barrel for the first nine months of 2024 compared to \$24.80 per barrel for the first nine months of 2023. Refining & Marketing margin is affected by the market indicators shown earlier, which use spot market values and an estimated mix of crude purchases and product sales. Based on the market indicators and our crude oil throughput, we estimate a net negative impact of approximately \$6 billion on Refining & Marketing margin for the first nine months of 2024 compared to the first nine months of 2023, primarily due to lower crack spreads. Our reported Refining & Marketing margin differs from market indicators due to the mix of crudes purchased and their costs, market structure on our crude oil acquisition prices, RIN prices on the crack spread, and other items like refinery yields, other feedstock variances and fuel margin from sales to direct dealers. These factors had an estimated net positive effect of approximately \$20 million on Refining & Marketing segment income in the first nine months of 2024 compared to the first nine months of 2023.

For the nine months ended September 30, 2024, refining operating costs, excluding depreciation and amortization, increased \$110 million, or \$0.12 per barrel, primarily driven by higher expenses for projects conducted during turnaround activity.

Distribution costs, excluding depreciation and amortization, increased \$246 million for the first nine months of 2024, or \$0.29 per barrel, and include fees paid to MPLX of \$2.96 billion and \$2.86 billion for the first nine months of 2024 and 2023, respectively. The increase was primarily due to higher pipeline tariff rates and logistics fee escalations.

Other income increased \$150 million, or \$0.19 per barrel, largely due to insurance proceeds and increased income from our Martinez Renewables joint venture.

Refining planned turnaround costs increased \$219 million, or \$0.27 per barrel, due to the scope and timing of turnaround activity.

We purchase RINs to satisfy a portion of our RFS2 compliance. Our expenses associated with purchased RINs were \$847 million and \$1.72 billion in the first nine months of 2024 and 2023, respectively. The RINs expense is included in Refining & Marketing margin. The decrease in the first nine months of 2024 was primarily due to decreased average RINs prices, increased RINs generated and acquired from our Martinez Renewables joint venture and lower RIN sales.

Supplemental Refining & Marketing Statistics

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Refining & Marketing Operating Statistics				
Crude oil capacity utilization percent ^(a)	94	94	91	92
Refinery throughput (<i>mbpd</i>):				
Crude oil refined	2,776	2,773	2,690	2,680
Other charge and blendstocks	215	186	217	228
Net refinery throughput	<u>2,991</u>	<u>2,959</u>	<u>2,907</u>	<u>2,908</u>
Sour crude oil throughput percent	42	46	44	44
Sweet crude oil throughput percent	58	54	56	56
Refined product yields (<i>mbpd</i>):				
Gasoline ^(b)	1,494	1,511	1,464	1,506
Distillates ^(b)	1,111	1,061	1,066	1,040
Propane	68	65	66	66
NGLs and petrochemicals ^(b)	212	202	205	196
Heavy fuel oil	63	74	59	55
Asphalt	83	87	82	84
Total	<u>3,031</u>	<u>3,000</u>	<u>2,942</u>	<u>2,947</u>
Refined product export sales volumes (<i>mbpd</i>) ^(c)	380	325	347	306

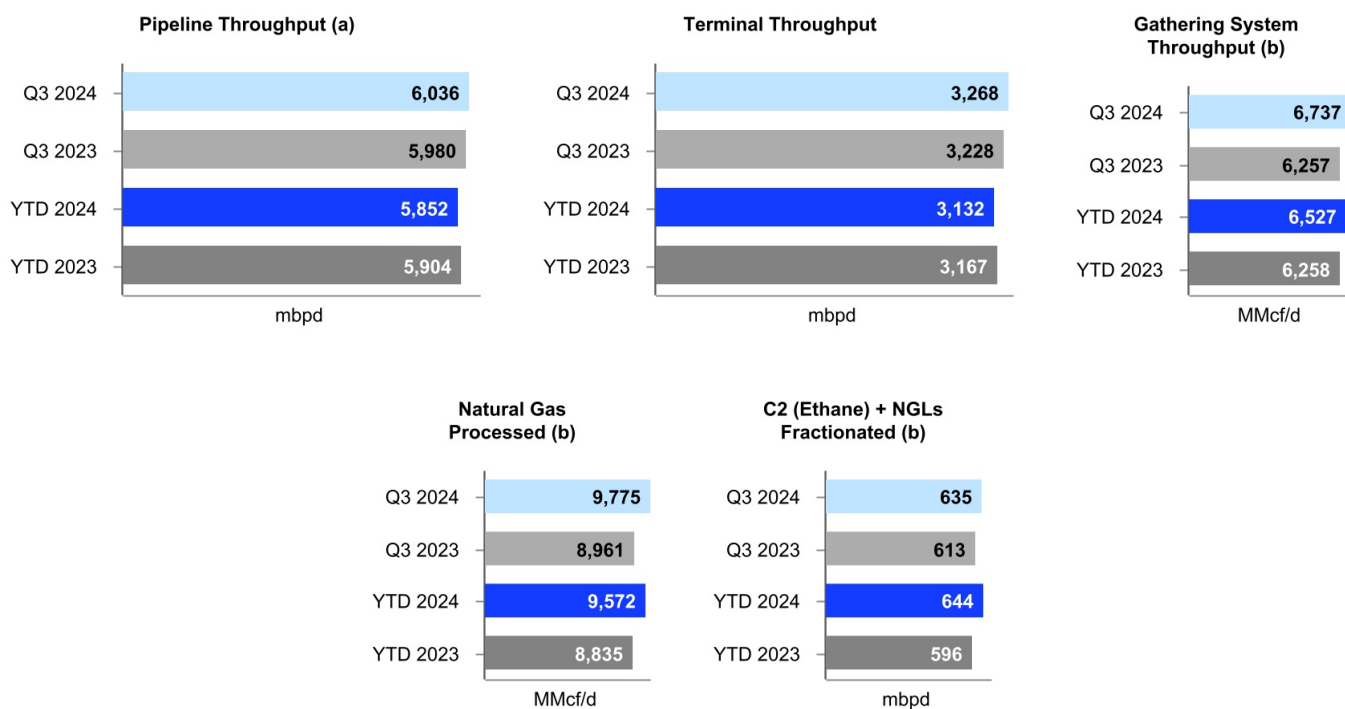
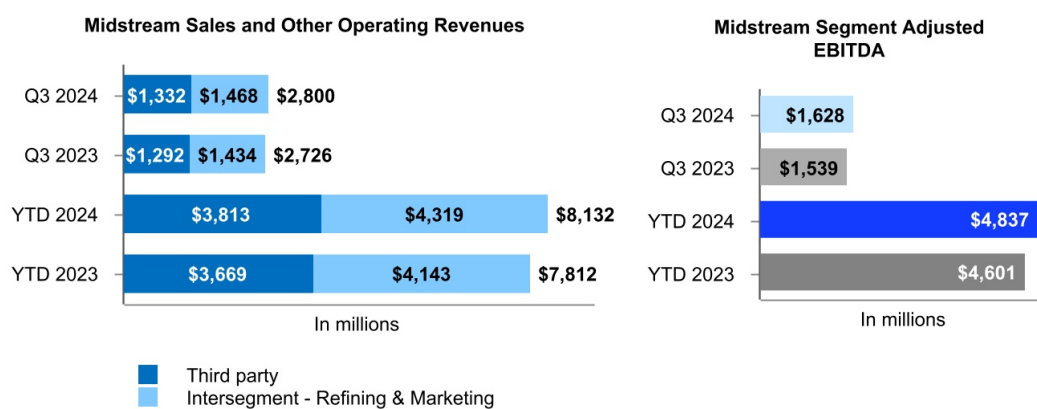
^(a) Based on calendar-day capacity, which is an annual average that includes down time for planned maintenance and other normal operating activities.

^(b) Product yields include renewable production.

^(c) Represents fully loaded export cargoes for each time period. These sales volumes are included in the total sales volume amounts.

Midstream

The following includes key financial and operating data for the third quarter of 2024 compared to the third quarter of 2023 and the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.



^(a) On owned common-carrier pipelines, excluding equity method investments.

^(b) Includes operating data for entities that have been consolidated into the MPLX financial statements as well as operating data for partnership-operated equity method investments.

Benchmark Prices	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Natural Gas NYMEX HH (per MMBtu)	\$ 2.23	\$ 2.66	\$ 2.22	\$ 2.58
C2 + NGL Pricing (per gallon) ^(a)	\$ 0.67	\$ 0.68	\$ 0.70	\$ 0.69

^(a) C2 + NGL pricing based on Mont Belvieu prices assuming an NGL barrel of approximately 35 percent ethane, 35 percent propane, 6 percent iso-butane, 12 percent normal butane and 12 percent natural gasoline.

Third Quarter 2024 Compared to Third Quarter 2023

In the third quarter of 2024, Midstream segment adjusted EBITDA increased \$89 million mainly due to increased sales and operating revenues of \$74 million resulting from higher rates and volumes, including growth from equity method affiliates, and contributions from recently acquired assets in the Utica and Permian basins.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Midstream segment adjusted EBITDA increased \$236 million in the first nine months of 2024 primarily due to increased sales and operating revenues of \$320 million resulting from rate escalations, higher natural gas gathering and processing volumes and contributions from recently acquired assets.

Corporate

(millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Corporate ^(a)	\$ (224)	\$ (246)	\$ (675)	\$ (613)

^(a) Corporate costs consist primarily of MPC's corporate administrative expenses and costs related to certain non-operating assets, except for corporate overhead expenses attributable to MPLX, which are included in the Midstream segment. Corporate costs include depreciation and amortization of \$28 million and \$42 million for the third quarter of 2024 and 2023, respectively, and \$75 million and \$80 million for the nine months ended September 30, 2024 and 2023, respectively.

Third Quarter 2024 Compared to Third Quarter 2023

In the third quarter of 2024, corporate expenses decreased \$22 million primarily due to a decrease in equity compensation of approximately \$43 million.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Corporate expenses increased \$62 million in the first nine months of 2024 largely due to \$30 million of expense related to decommissioning of non-operating assets.

Items not Allocated to Segments

(millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Items not allocated to segments:				
Gain on sale of assets	\$ —	\$ 106	\$ 151	\$ 106

Third Quarter 2024 Compared to Third Quarter 2023

Gain on sale of assets includes the \$106 million gain on the sale of MPC's 25 percent interest in South Texas Gateway in the third quarter of 2023.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Gain on sale of assets in the first nine months of 2024 includes \$151 million resulting from the Whistler Joint Venture Transaction. See Note 13 to the unaudited consolidated financial statements for additional information on this transaction.

Non-GAAP Financial Measure

Management uses a financial measure to evaluate our operating performance that is calculated and presented on the basis of a methodology other than in accordance with GAAP. The non-GAAP financial measure we use is as follows:

Refining & Marketing Margin

Refining & Marketing margin is defined as sales revenue less cost of refinery inputs and purchased products. We use and believe our investors use this non-GAAP financial measure to evaluate our Refining & Marketing segment's operating and financial performance as it is the most comparable measure to the industry's market reference product margins. This measure should not be considered a substitute for, or superior to, Refining & Marketing gross margin or other 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 of Refining & Marketing segment adjusted EBITDA to Refining & Marketing gross margin and Refining & Marketing margin

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Refining & Marketing segment adjusted EBITDA	\$ 1,053	\$ 4,373	\$ 4,899	\$ 11,389
Plus (Less):				
Depreciation and amortization	(465)	(463)	(1,395)	(1,411)
Refining planned turnaround costs	(290)	(153)	(1,121)	(902)
Selling, general and administrative expenses	651	658	1,950	1,846
Income from equity method investments	(43)	(24)	(85)	(5)
Net (gain) loss on disposal of assets	1	(1)	1	(4)
Other income	(16)	(313)	(309)	(605)
Refining & Marketing gross margin	891	4,077	3,940	10,308
Plus (Less):				
Operating expenses (excluding depreciation and amortization)	2,809	2,608	8,590	8,101
Depreciation and amortization	465	463	1,395	1,411
Gross margin excluded from and other income included in Refining & Marketing margin ^(a)	(143)	51	(322)	79
Other taxes included in Refining & Marketing margin	(73)	(77)	(205)	(217)
Refining & Marketing margin	\$ 3,949	\$ 7,122	\$ 13,398	\$ 19,682

^(a) Reflects the gross margin, excluding depreciation and amortization, of other related operations included in the Refining & Marketing segment and processing of credit card transactions on behalf of certain of our marketing customers, net of other income.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Our consolidated cash and cash equivalents balance was approximately \$4.0 billion at September 30, 2024 compared to \$5.44 billion at December 31, 2023. Net cash provided by (used in) operating activities, investing activities and financing activities are presented in the following table.

(Millions of dollars)	Nine Months Ended September 30,	
	2024	2023
Net cash provided by (used in):		
Operating activities	\$ 6,458	\$ 12,994
Investing activities	1,227	(2,131)
Financing activities	(9,127)	(11,038)
Total decrease in cash	\$ (1,442)	\$ (175)

Operating Activities

Net cash provided by operating activities decreased \$6.54 billion in the first nine months of 2024 compared to the first nine months of 2023. The change in net cash provided by operating activities was primarily due to a decrease in operating results and an unfavorable change in working capital of \$1.92 billion, when comparing the change in working capital in both periods.

For the first nine months of 2024, changes in working capital, excluding changes in short-term debt, were a net \$27 million use of cash primarily due to the effects of decreasing energy commodity volumes and prices at the end of the period on working capital. Current receivables decreased primarily due to decreases in crude oil and refined product volumes and prices. Accounts payable decreased primarily due to decreases in crude oil volumes. Inventories increased primarily due to increases in refined product and crude oil inventory volumes. Additionally, working capital was favorably impacted by changes in income tax receivable and unfavorably impacted by changes in current liabilities and other current assets.

For the first nine months of 2023, changes in working capital, excluding changes in short-term debt, were a net \$1.89 billion source of cash primarily due to the effects of decreasing energy commodity volumes and increasing prices at the end of the period on working capital. Current receivables decreased primarily due to a decrease in crude oil volumes. Additionally, working capital was favorably impacted by changes in income tax receivable. Accounts payable increased primarily due to an increase in crude oil prices, partially offset by a decrease in crude oil volumes. Inventories increased primarily due to increases in refined product and crude oil inventories volumes.

Investing Activities

Investing activities were a net \$1.23 billion source of cash in the first nine months of 2024 compared to a net \$2.13 billion use of cash in the first nine months of 2023.

- In the first nine months of 2024, maturities and sales of short-term investments of \$4.38 billion and \$2.30 billion, respectively, were partially offset by purchases of short-term investments of \$2.95 billion for a net source of cash of \$3.73 billion. In the first nine months of 2023, purchases of short-term investments of \$7.14 billion were partially offset by maturities and sales of short-term investments of \$3.90 billion and \$1.87 billion, respectively, for a net use of cash of \$1.36 billion.
- Additions to property, plant and equipment increased \$365 million. See the Capital Requirements section for additional information on our capital investment plan.
- Cash used for acquisitions of \$622 million in the first nine months of 2024 was due to an acquisition in our Midstream segment.
- Cash used in net investments was \$309 million for the first nine months of 2024 compared to \$92 million for the first nine months of 2023. In 2024, investments primarily included a return of capital of \$134 million related to the Whistler Joint Venture Transaction more than offset by Midstream equity method investments, including a \$92 million contribution made in March 2024 for the repayment of MPLX's share of the Dakota Access joint venture's debt due in 2024. In 2023, investments primarily included the Martinez Renewables joint venture and the acquisition of a 49.9 percent equity interest in LF Bioenergy for approximately \$56 million.
- Cash provided by all other, net, decreased \$501 million primarily due to lower income on RINs sales.

The consolidated statements of cash flows exclude changes to the consolidated balance sheets that did not affect cash. A reconciliation of additions to property, plant and equipment per the consolidated statements of cash flows to reported total capital expenditures and investments follows.

(Millions of dollars)	Nine Months Ended September 30,	
	2024	2023
Additions to property, plant and equipment per the consolidated statements of cash flows	\$ 1,723	\$ 1,358
Increase (decrease) in capital accruals	(18)	54
Total capital expenditures	1,705	1,412
Investments in equity method investees	450	362
Total capital expenditures and investments	\$ 2,155	\$ 1,774

Financing Activities

Financing activities were a net \$9.13 billion use of cash in the first nine months of 2024 compared to a net \$11.04 billion use of cash in the first nine months of 2023.

- Long-term debt borrowings and repayments were a net \$805 million source of cash in the first nine months of 2024 compared to a net \$512 million source of cash in the first nine months of 2023. During the first nine months of 2024, MPLX issued \$1.65 billion aggregate principal amount of 5.50 percent senior notes due 2034 (the "2034 Senior Notes") and MPC repaid \$750 million aggregate principal amount of senior notes that matured in September 2024 and

anticipates refinancing the notes. During the first nine months of 2023, MPLX issued \$1.6 billion aggregate principal amount of senior notes and redeemed \$1.0 billion aggregate principal amount of senior notes.

- Cash used in common stock repurchases, including fees and expenses, totaled \$7.82 billion in the first nine months of 2024 compared to \$9.07 billion in the first nine months of 2023. See the Capital Requirements section for further discussion of our stock repurchases.
- Cash used in dividend payments decreased \$88 million due to a reduction of shares outstanding resulting from share repurchases, partially offset by an increase in per share dividends.
- Cash used in distributions to noncontrolling interests increased \$62 million primarily due to an increase in MPLX's distribution per common unit.
- Cash used in repurchases of noncontrolling interests was \$226 million in the first nine months of 2024 related to the repurchase of MPLX common units. See Note 4 to the unaudited consolidated financial statements for further discussion of MPLX.
- During the first nine months of 2023, MPLX redeemed all of its outstanding Series B preferred units for \$600 million.

Derivative Instruments

See Item 3. Quantitative and Qualitative Disclosures about Market Risk for a discussion of derivative instruments and associated market risk.

Capital Resources

MPC, Excluding MPLX

We control MPLX through our ownership of the general partner; however, the creditors of MPLX do not have recourse to MPC's general credit through guarantees or other financial arrangements, except as noted. MPC has effectively guaranteed certain indebtedness of LOOP and LOCAP, in which MPLX holds an interest. Therefore, in the following table, we present the liquidity of MPC, excluding MPLX. MPLX liquidity is discussed in the following section.

Our liquidity, excluding MPLX, totaled \$7.82 billion at September 30, 2024 consisting of:

(Millions of dollars)	September 30, 2024			
	Total Capacity	Outstanding Borrowings	Outstanding Letters of Credit	Available Capacity
Bank revolving credit facility	\$ 5,000	\$ —	\$ 1	\$ 4,999
Trade receivables facility ^(a)	100	—	—	100
Total	\$ 5,100	\$ —	\$ 1	\$ 5,099
Cash and cash equivalents and short-term investments ^(b)				2,717
Total liquidity				\$ 7,816

^(a) The committed borrowing and letter of credit issuance capacity under the trade receivables securitization facility is \$100 million. In addition, the facility allows for the issuance of letters of credit in excess of the committed capacity at the discretion of the issuing banks.

^(b) Excludes cash and cash equivalents of MPLX of \$2.43 billion.

Because of the alternatives available to us, including internally generated cash flow and access to capital markets and a commercial paper program, we believe that our short-term and long-term liquidity is adequate to fund not only our current operations, but also our near-term and long-term funding requirements, including capital spending programs, the repurchase of shares of our common stock, dividend payments, defined benefit plan contributions, repayment of debt maturities and other amounts that may ultimately be paid in connection with contingencies.

We have a commercial paper program that allows us to have a maximum of \$2.0 billion in commercial paper outstanding. We do not intend to have outstanding commercial paper borrowings in excess of available capacity under our bank revolving credit facility. At September 30, 2024, we had no borrowings outstanding under the commercial paper program.

MPC's bank revolving credit facility and trade receivables facility contain representations and warranties, affirmative and negative covenants and restrictions, including financial covenants, and events of default that we consider usual and customary for agreements of a similar type and nature. As of September 30, 2024, we were in compliance with such covenants and restrictions.

Our intention is to maintain an investment-grade credit profile. As of September 30, 2024, the credit ratings on our senior unsecured debt are as follows.

Company	Rating Agency	Rating
MPC	Moody's	Baa2 (stable outlook)
	Standard & Poor's	BBB (stable outlook)
	Fitch	BBB (stable outlook)

The ratings reflect the respective views of the rating agencies and should not be interpreted as a recommendation to buy, sell or hold our securities. Although it is our intention to maintain a credit profile that supports an investment grade rating, there is no assurance that these ratings will continue for any given period of time. The ratings may be revised or withdrawn entirely by the rating agencies if, in their respective judgments, circumstances so warrant. A rating from one rating agency should be evaluated independently of ratings from other rating agencies.

The agreements governing MPC's debt obligations do not contain credit rating triggers that would result in the acceleration of interest, principal or other payments in the event that our credit ratings are downgraded. However, any downgrades of our senior unsecured debt could increase the applicable interest rates, yields and other fees payable under such agreements and may limit our flexibility to obtain financing in the future, including to refinance existing indebtedness. In addition, a downgrade of our senior unsecured debt rating to below investment-grade levels could, under certain circumstances, impact our ability to purchase crude oil on an unsecured basis and could result in us having to post letters of credit under existing transportation services or other agreements.

See Note 17 to the unaudited consolidated financial statements for further discussion of our debt.

MPLX

MPLX's liquidity totaled \$5.93 billion at September 30, 2024 consisting of:

(Millions of dollars)	September 30, 2024			
	Total Capacity	Outstanding Borrowings	Outstanding Letters of Credit	Available Capacity
MPLX LP - bank revolving credit facility	\$ 2,000	\$ —	\$ —	\$ 2,000
MPC intercompany loan agreement	1,500	—	—	1,500
Total	\$ 3,500	\$ —	\$ —	\$ 3,500
Cash and cash equivalents				2,426
Total liquidity				\$ 5,926

On May 20, 2024, MPLX issued \$1.65 billion aggregate principal amount of 2034 Senior Notes in an underwritten public offering. MPLX intends to use the net proceeds from the issuance of the 2034 Senior Notes to repay, redeem or otherwise retire some or all of (i) MPLX's outstanding \$1,149 million aggregate principal amount of 4.875 percent senior notes due December 2024, (ii) MarkWest's outstanding \$1 million aggregate principal amount of 4.875 percent senior notes due December 2024 and (iii) MPLX's outstanding \$500 million aggregate principal amount of 4.000 percent senior notes due February 2025, and in the interim may use such net proceeds for general partnership purposes.

MPLX's bank revolving credit facility contains certain representations and warranties, affirmative and restrictive covenants and events of default that we consider to be usual and customary for an agreement of this type. As of September 30, 2024, MPLX was in compliance with such covenants.

Our intention is to maintain an investment-grade credit profile for MPLX. As of September 30, 2024, the credit ratings on MPLX's senior unsecured debt are as follows.

Company	Rating Agency	Rating
MPLX	Moody's	Baa2 (stable outlook)
	Standard & Poor's	BBB (stable outlook)
	Fitch	BBB (stable outlook)

The ratings reflect the respective views of the rating agencies and should not be interpreted as a recommendation to buy, sell or hold MPLX securities. Although it is our intention to maintain a credit profile that supports an investment grade rating for MPLX, there is no assurance that these ratings will continue for any given period of time. The ratings may be revised or withdrawn.

entirely by the rating agencies if, in their respective judgments, circumstances so warrant. A rating from one rating agency should be evaluated independently of ratings from other rating agencies.

The agreements governing MPLX's debt obligations do not contain credit rating triggers that would result in the acceleration of interest, principal or other payments in the event that MPLX credit ratings are downgraded. However, any downgrades of MPLX senior unsecured debt to below investment-grade ratings could increase the applicable interest rates, yields and other fees payable under such agreements. In addition, a downgrade of MPLX senior unsecured debt ratings to below investment-grade levels may limit MPLX's ability to obtain future financing, including to refinance existing indebtedness.

See Note 17 to the unaudited consolidated financial statements for further discussion of MPLX's debt.

Capital Requirements

Capital Investment Plan

MPC's capital investment plan for 2024 totals approximately \$1.25 billion for capital projects and investments, excluding capitalized interest, potential acquisitions, if any, and MPLX's capital investment plan. MPC's capital investment plan includes all of the planned capital spending for Refining & Marketing and Corporate, as well as a portion of the planned capital investments for Midstream. The remainder of the planned capital spending for Midstream reflects the capital investment plan for MPLX, which totals \$1.1 billion, excluding reimbursable capital and \$92 million for the repayment of MPLX's share of the Dakota Access joint venture's debt due in 2024. We continuously evaluate our capital investment plan and make changes as conditions warrant.

Capital expenditures and investments for MPC and MPLX are summarized below.

(Millions of dollars)	Nine Months Ended September 30,	
	2024	2023
Capital expenditures and investments: ^(a)		
MPC, excluding MPLX		
Refining & Marketing	\$ 967	\$ 919
Midstream - Other	4	1
Corporate and Other ^(b)	25	64
Total MPC, excluding MPLX	\$ 996	\$ 984
Midstream - MPLX ^(c)	\$ 1,121	\$ 747

^(a) Capital expenditures include changes in capital accruals.

^(b) Excludes capitalized interest of \$38 million and \$43 million for the nine months ended September 30, 2024 and 2023, respectively.

^(c) Includes a \$92 million equity method investment contribution made in March 2024 for the repayment of MPLX's share of the Dakota Access joint venture's debt due in 2024, reimbursable capital of \$95 million and \$228 million related to acquisitions of additional interests in BANGL, LLC and Wink to Webster Pipeline LLC.

Capital expenditures and investments in affiliates during the nine months ended September 30, 2024, were primarily for Refining & Marketing and Midstream projects. Major Refining & Marketing projects include advancing improvements focused on integrating and modernizing utility systems and increasing energy efficiency, with the added benefit of addressing upcoming regulation mandating further reductions in emissions at our Los Angeles refinery, a multi-year project to upgrade high sulfur distillate to ULSD and maximize distillate volume expansion at our Galveston Bay refinery, other shorter-term projects that will enhance the yields of our refineries, improve energy efficiency, and lower our costs as well as investments in our branded marketing footprint.

Major Midstream projects include gas processing plants in the Marcellus and Permian basins and gathering projects in the Marcellus, Utica and Permian basins.

Share Repurchases

On November 5, 2024, we announced that our board of directors approved a \$5.0 billion share repurchase authorization that is in addition to the \$5.0 billion share repurchase authorization announced on April 30, 2024. The share repurchase authorizations have no expiration date.

Total share repurchases were as follows for the respective periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(In millions, except per share data)</i>				
Number of shares repurchased	16	20	44	71
Cash paid for shares repurchased	\$ 2,701	\$ 2,819	\$ 7,815	\$ 9,067
Average cost per share ^(a)	\$ 170.99	\$ 139.84	\$ 175.20	\$ 127.09

^(a) The average cost per share includes excise tax on share repurchases resulting from the Inflation Reduction Act of 2022, but the excise tax does not reduce the remaining share repurchase authorization.

From January 1, 2012 through September 30, 2024, our board of directors had approved \$55.05 billion in total share repurchase authorizations and we repurchased a total of \$51.01 billion of our common stock. As of September 30, 2024, MPC had approximately \$4.04 billion remaining under its share repurchase authorizations.

We 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. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

See Notes 8 and 24 to the unaudited consolidated financial statements for further discussion of our share repurchase authorizations.

MPLX Unit Repurchases

Total unit repurchases were as follows for the respective periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(In millions, except per unit data)</i>				
Number of common units repurchased	2	—	6	—
Cash paid for common units repurchased	\$ 76	\$ —	\$ 226	\$ —
Average cost per unit	\$ 42.89	\$ —	\$ 41.32	\$ —

As of September 30, 2024, MPLX had approximately \$620 million remaining available under its unit repurchase authorization.

MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated unit repurchases, tender offers or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

Cash Commitments

Contractual Obligations

As of September 30, 2024, our purchase commitments primarily consist of obligations to purchase and transport crude oil used in our refining operations. During the first nine months of 2024, there were no material changes to our contractual obligations outside the ordinary course of business since December 31, 2023.

Our other contractual obligations primarily consist of long-term debt and pension and post-retirement obligations, for which additional information is included in Notes 17 and 22, respectively, to the unaudited consolidated financial statements, and financing and operating leases.

Other Cash Commitments

On October 30, 2024, our board of directors declared a dividend of \$0.91 per share on common stock. The dividend is payable December 10, 2024, to shareholders of record as of the close of business on November 20, 2024.

During the nine months ended September 30, 2024, we made contributions of \$92 million to our funded pension plans. We have satisfied our 2024 minimum funding requirements, however, we may make additional voluntary contributions at our discretion depending on the anticipated funding status and plan asset performance.

We may, from time to time, repurchase our senior notes in the open market, in tender offers, in privately-negotiated transactions or otherwise in such volumes, at such prices and upon such other terms as we deem appropriate.

ENVIRONMENTAL MATTERS AND COMPLIANCE COSTS

We have incurred and may continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. If these expenditures, as with all costs, are not ultimately reflected in the prices of our products and services, our operating results will be adversely affected. We believe that substantially all of our competitors must comply with similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas, production processes and whether it is also engaged in the petrochemical business or the marine transportation of crude oil and refined products.

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, actual expenditures may vary as the number and scope of environmental projects are revised as a result of improved technology or changes in regulatory requirements.

There have been no additional significant changes to our environmental matters and compliance costs during the nine months ended September 30, 2024.

CRITICAL ACCOUNTING ESTIMATES

As of September 30, 2024, there have been no significant changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended December 31, 2023.

ACCOUNTING STANDARDS NOT YET ADOPTED

As discussed in Note 2 to the unaudited consolidated financial statements, certain new financial accounting pronouncements will be effective for our financial statements in the future.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For a detailed discussion of our risk management strategies and our derivative instruments, see Item 7A Quantitative and Qualitative Disclosures about Market Risk in our Annual Report on Form 10-K for the year ended December 31, 2023.

See Notes 15 and 16 to the unaudited consolidated financial statements for more information about the fair value measurement of our derivatives, as well as the amounts recorded in our consolidated balance sheets and statements of income. We do not designate any of our commodity derivative instruments as hedges for accounting purposes.

The following table includes the composition of net losses on our commodity derivative positions as of September 30, 2024 and 2023, respectively.

(Millions of dollars)	Nine Months Ended September 30,	
	2024	2023
Realized loss on settled derivative positions	\$ (88)	\$ (24)
Unrealized gain (loss) on open net derivative positions	6	(33)
Net loss	<u>\$ (82)</u>	<u>\$ (57)</u>

See Note 16 to the unaudited consolidated financial statements for additional information on our open derivative positions at September 30, 2024.

Sensitivity analysis of the effects on income from operations ("IFO") of hypothetical 10 percent and 25 percent increases and decreases in commodity prices for open commodity derivative instruments as of September 30, 2024 is provided in the following table.

(Millions of dollars)	Change in IFO from a Hypothetical Price Increase of		Change in IFO from a Hypothetical Price Decrease of	
	10%	25%	10%	25%
As of September 30, 2024				
Crude	\$ (37)	\$ (92)	\$ 37	\$ 92
Refined products	—	—	—	—
Blending products	(21)	(53)	21	53
Soybean oil	(4)	(9)	4	9

We remain at risk for possible changes in the market value of commodity derivative instruments; however, such risk should be mitigated by price changes in the underlying physical commodity. Effects of these offsets are not reflected in the above sensitivity analysis.

We evaluate our portfolio of commodity derivative instruments on an ongoing basis and add or revise strategies in anticipation of changes in market conditions and in risk profiles. Changes to the portfolio after September 30, 2024 would cause future IFO effects to differ from those presented above.

Sensitivity analysis of the effect of a hypothetical 100-basis-point change in interest rates on long-term debt, including the portion classified as current and excluding finance leases, as of September 30, 2024 is provided in the following table. The fair value of cash and cash equivalents, receivables, accounts payable and accrued interest approximate carrying value and, in addition to short-term investments which are recorded at fair value, are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

(Millions of dollars)	Fair Value as of September 30, 2024 ^(a)	Change in Fair Value ^(b)	Change in Net Income for the Nine Months Ended September 30, 2024 ^(c)
Long-term debt			
Fixed-rate	\$ 27,108	\$ 2,090	n/a
Variable-rate	\$ —	\$ —	\$ —

^(a) Fair value was based on market prices, where available, or current borrowing rates for financings with similar terms and maturities.

^(b) Assumes a 100-basis-point decrease in the weighted average yield-to-maturity at September 30, 2024.

^(c) Assumes a 100-basis-point change in interest rates. The change to net income was based on the weighted average balance of debt outstanding for the nine months ended September 30, 2024.

At September 30, 2024, our long-term debt was composed of fixed-rate instruments. The fair value of our fixed-rate debt is relatively sensitive to interest rate fluctuations. Our sensitivity to interest rate declines and corresponding increases in the fair value of our debt unfavorably affects our results of operations and cash flows only when we elect to repurchase or otherwise retire fixed-rate debt at prices above carrying value. Interest rate fluctuations generally do not impact the fair value of our variable-rate debt, but may affect our results of operations and cash flows.

See Note 15 to the unaudited consolidated financial statements for additional information on the fair value of our debt.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), was carried out under the supervision and with the participation of our management, including our chief executive officer and chief financial officer. Based upon that evaluation, the chief executive officer and chief financial officer concluded that the design and operation of these disclosure controls and procedures were effective as of September 30, 2024, the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2024, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. While it is possible that an adverse result in one or more of the lawsuits or proceedings in which we are a defendant could be material to us, based upon current information and our experience as a defendant in other matters, we believe that these lawsuits and proceedings, individually or in the aggregate, will not have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Item 103 of Regulation S-K promulgated by the SEC requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions, unless we reasonably believe that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than a specified threshold of \$1 million for this purpose.

Except as described below, there have been no material changes to the legal matters previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, or in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 or for the quarter ended June 30, 2024.

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, on October 20, 2023, Tesoro Refining & Marketing Company LLC, an indirect wholly owned subsidiary of MPC, received an offer to settle 59 Notices of Violation (“NOVs”) received from the Bay Area Air Quality Management District (“BAAQMD”). The NOVs were issued for alleged violations of air quality regulations at our Martinez refinery between June 2018 and May 2022. Effective October 1, 2024, MPC entered into a settlement agreement with BAAQMD pursuant to which MPC paid a cash penalty of \$5 million to resolve this matter.

On August 30, 2012, MPC entered into a consent decree with the EPA regarding the operation of flares at six of our refineries. The consent decree was modified on September 15, 2016. On December 20, 2023, MPC formally submitted a request to the EPA to terminate the consent decree. The EPA may seek payment of stipulated penalties for violations of the consent decree as a condition of termination. Based on negotiations with the EPA in the third quarter of 2024, we believe resolution of the stipulated penalty demands may result in the payment of \$1 million or more, but do not believe any stipulated penalties will have a material impact on our consolidated results of operations, financial position or cash flows.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth a summary of our purchases during the quarter ended September 30, 2024 of equity securities that are registered by MPC pursuant to Section 12 of the Exchange Act.

Period	Total Number of Shares Purchased	Average Price Paid per Share ^(a)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Millions of Dollars	
				Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^{(b)(c)}	
7/1/2024-7/31/2024	5,649,963	\$ 166.88	5,649,963	\$	5,800
8/1/2024-8/31/2024	5,803,288	174.75	5,803,288		4,785
9/1/2024-9/30/2024	4,500,047	165.32	4,500,047		4,041
Total	15,953,298	169.30	15,953,298		

^(a) Amounts in this column reflect the weighted average price paid for shares repurchased under our share repurchase authorizations. The weighted average price includes any commissions paid to brokers during the relevant period.

^(b) On October 25, 2023, we announced that our board of directors had approved a \$5.0 billion share repurchase authorization, which was exhausted during the third quarter of 2024. On April 30, 2024, we announced that our board of directors had approved a \$5.0 billion share repurchase authorization. On November 5, 2024, we announced that our board of directors had approved an additional \$5.0 billion share repurchase authorization, which authorization is not reflected in this column. These share repurchase authorizations have no expiration date.

^(c) The maximum dollar value remaining has been reduced by the amount of any commissions paid to brokers during the relevant period.

Item 5. Other Information

During the quarter ended September 30, 2024, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of MPC adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Exhibit Description	Form	Incorporated by Reference			Filed Herewith	Furnished Herewith
			Exhibit	Filing Date	SEC File No.		
3.1	Restated Certificate of Incorporation of Marathon Petroleum Corporation, dated April 24, 2024	8-K	3.2	4/26/2024	001-35054		
3.2	Amended and Restated Bylaws of Marathon Petroleum Corporation, dated October 27, 2021	10-Q	3.2	11/2/2021	001-35054		
10.1 *	Amended and Restated Aircraft Time Sharing Agreement, dated as of August 14, 2024, by and between Marathon Petroleum Company LP and Michael J. Hennigan					X	
10.2 *	Aircraft Time Sharing Agreement, dated as of August 14, 2024, by and between Marathon Petroleum Company LP and Maryann T. Mannen					X	
10.3 *	Marathon Petroleum Corporation Deferred Compensation Plan for Non-Employee Directors, as amended and restated October 1, 2024					X	
10.4 *	MPLX LP 2018 Incentive Compensation Plan MPC Non-Employee Director Phantom Unit Award Policy, as amended and restated October 1, 2024					X	
10.5 *	Sixth Amendment to the Marathon Petroleum Thrift Plan					X	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 and 15d-14 under the Securities Exchange Act of 1934					X	
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 and 15d-14 under the Securities Exchange Act of 1934					X	
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350						X
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350						X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded with the Inline XBRL document.						
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).						

* Indicates management contract or compensatory plan, contract or arrangement in which one or more directors or executive officers of the Registrant may be participants.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 5, 2024

MARATHON PETROLEUM CORPORATION

By: /s/ Erin M. Brzezinski

Erin M. Brzezinski
Vice President and Controller