

The Energy Team

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Marathon Petroleum Corporation (NYSE: MPC)



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Marathon Petroleum Corporation (NYSE: MPC)

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Section I

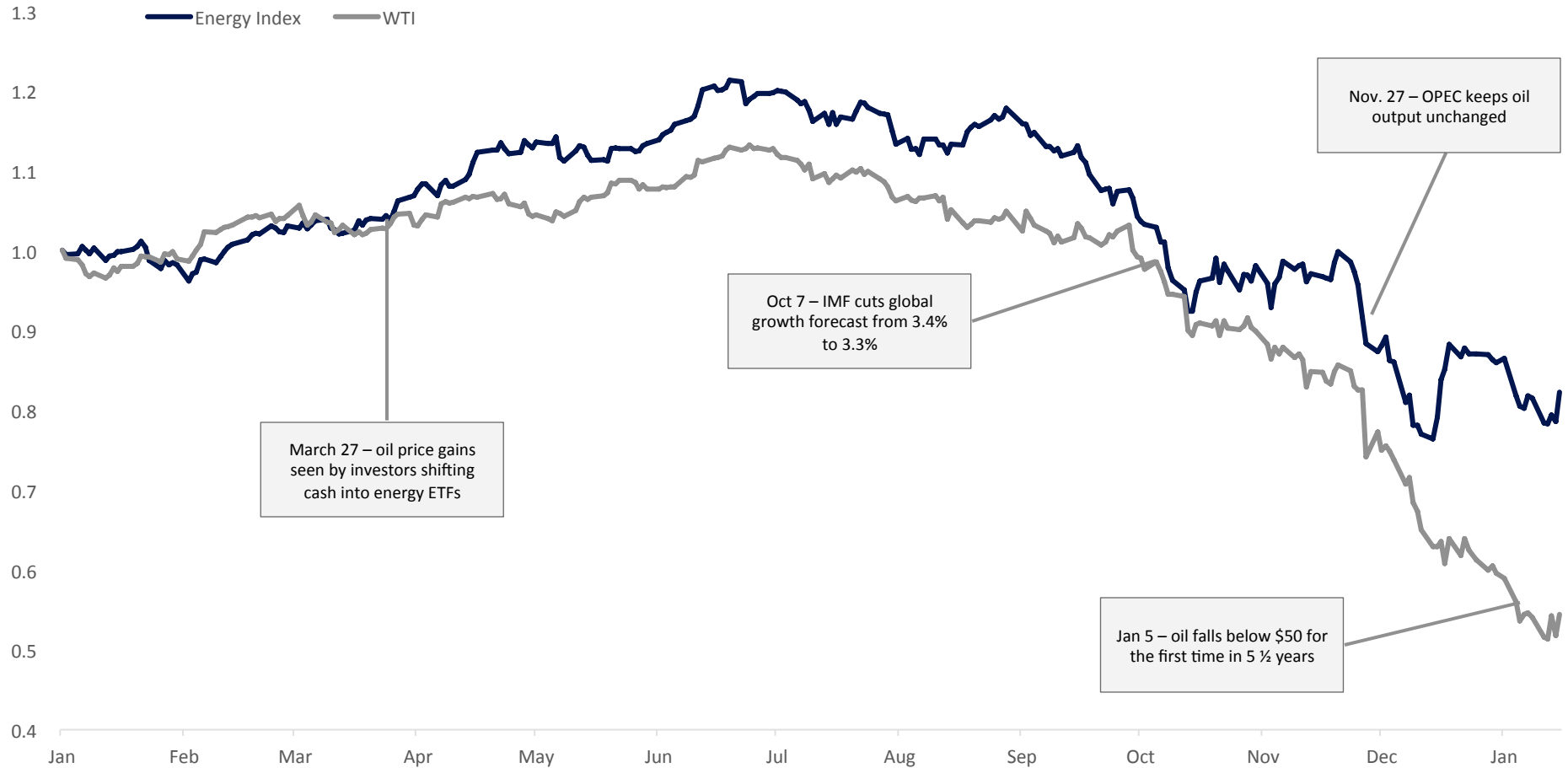
Energy Industry Review

2014: Year in Review

Energy Sector

2014: Year in Review

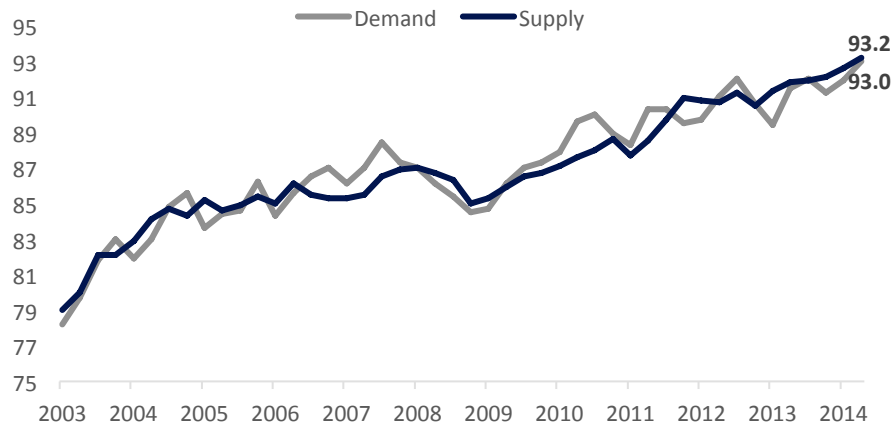
A year of 2 halves...



Source: U.S. EIA

Fundamental vs. Financial Factors

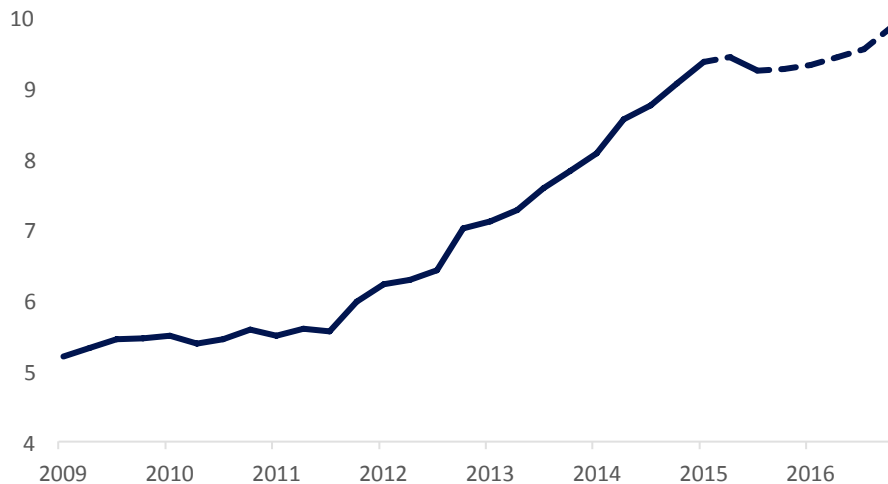
World Crude Oil Supply & Demand (MMBPD)



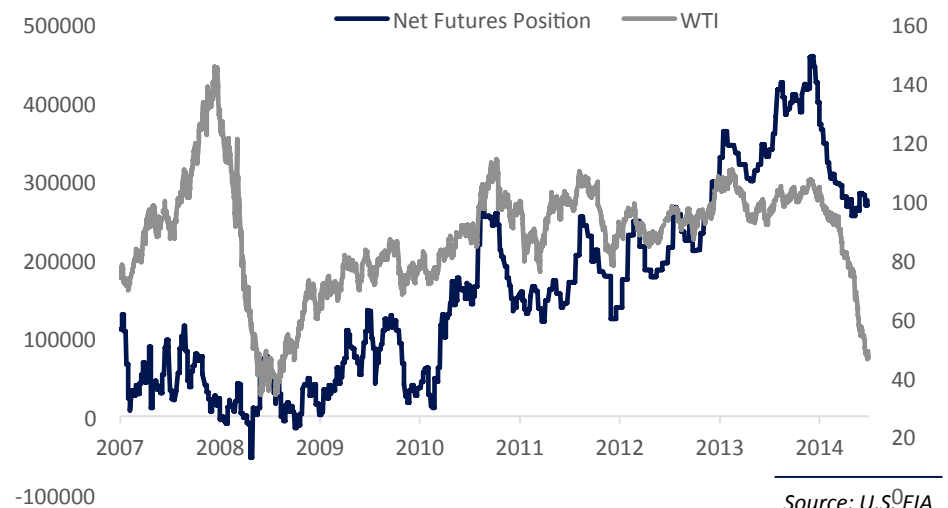
OPEC Crude Oil Production



U.S. Crude Oil Production



NYMEX WTI Non-Commercial Net Futures Position



Source: U.S. EIA

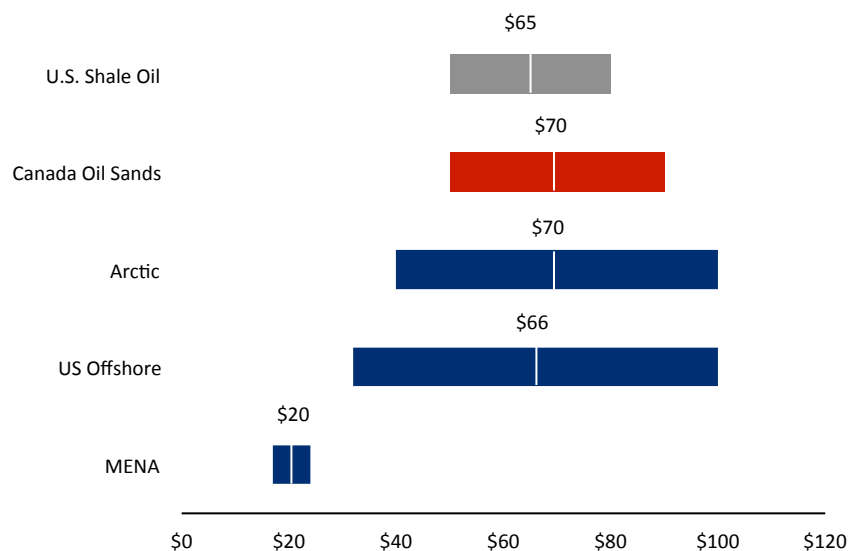
2015 Outlook

Energy Sector

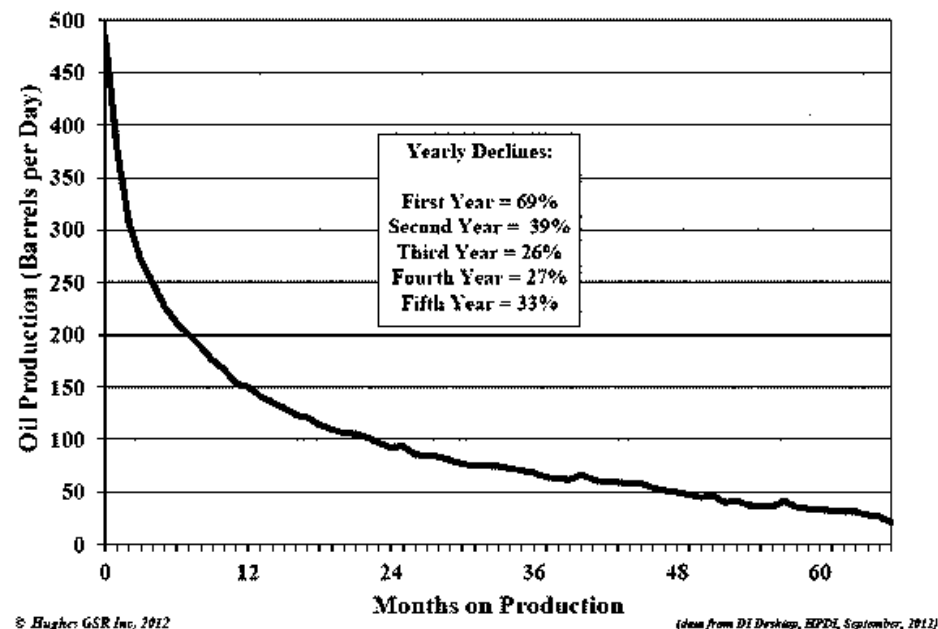


2015 – Outlook

Breakeven Prices



Type Decline Curve for Bakken Shale Oil Wells



- Oil sands have one of the highest breakeven prices
- Oil sands though have one of the lowest decline rates and due to the cost nature of the business make them an attractive place to invest
- Tight oil production declines at one of the highest rates, therefore capex cuts now will immediately effect their production

Source: U.S. EIA

2015 – Outlook

Our View

- 2015 will be defined by who blink first
 - OPEC: Decision being driven by Saudi Arabia and thus we place a low probability on OPEC being the first to cut production
 - Oil sands: Future projects will be at risk with low oil prices but current projects will continue
 - Tight oil: High capex and high turnover of wells will result in tight oil being the first to see production declines
 - The result will be a North American divide in oil production
- Equity valuations will continue to be driven by change in oil prices, tremendous value though is to be found in the current oil environment
- Short term upswing could come from Libyan oil disruption

Bear Case

- OPEC maintains production
- Crude oil inventories continue to build into the summer months
- **Oil prices stay range bound between \$45-\$55**

Base Case

- OPEC maintains production
- Tight oil in the United States sees production cuts and outlook cut in mid 2015
- **Oil prices recover in the summer, with an exit 2015 oil price of \$65-\$70**

Bull Case

- OPEC cuts production on June 5
- Tight oil in the United States sees production cuts and outlook cut in mid 2015
- **Oil prices recover in the summer, with an exit 2015 oil price of \$70-\$80**

Source: U.S. EIA

Section II

Refinery 101

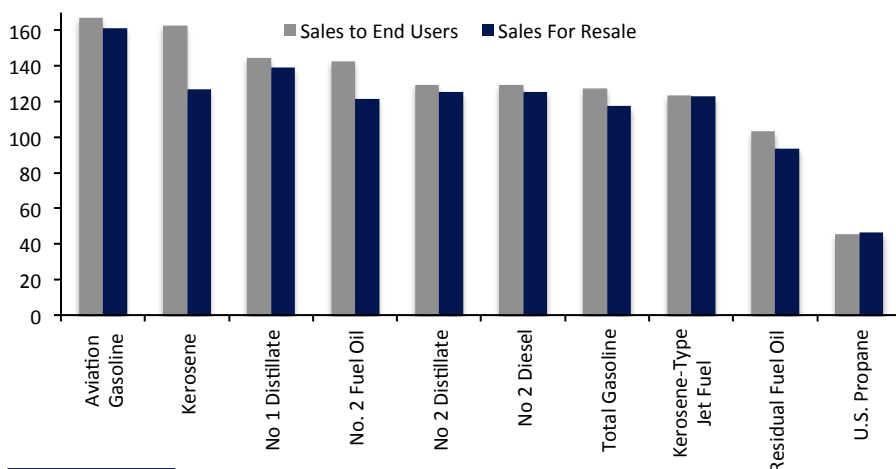
Refinery 101

The Basics

Overview

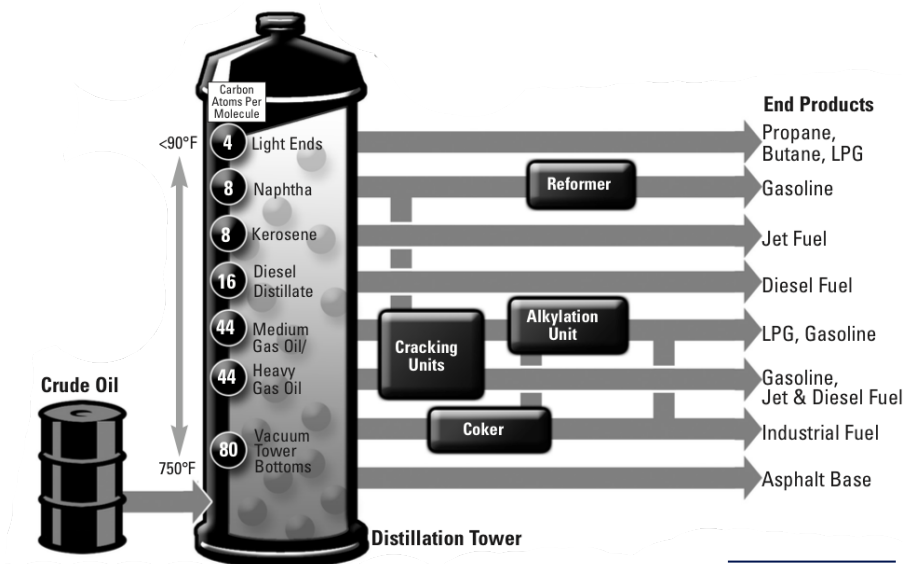
- To be useful, crude oil must be refined into consumable products, such as gasoline, diesel and jet fuel, automotive lubricating oil, propane and kerosene, and a myriad other products. For this reason, refineries are a critical link in the crude oil supply chain
- Two basic refining steps:
 1. Fracture the crude into different products by using the difference in boiling temperature (fractional distillation)
 2. Chemically process some fractions (cracking, unification, alkylation) from the distillation columns to increase the yield of gasoline from each barrel of crude oil
- The economic viability of refinery depends on the crude slate it can obtain, the complexity of the refining equipment and the type and quality of products produced (product slate) to meet market demand

Refiner Product Market Prices



Source: U.S. EIA

Refining Process



Source: Exxon Mobil Investor Presentation

Crude Slates

- The American Petroleum Institute (API) measures the “weight” or quality of crude oil on the API gravity scale
- **API Gravity**
 - **Heavy Oil**
 - Cheaper market price (WCS-WTI differential)
 - More expensive to refine as they require significant investments in coking capacity and have higher processing costs
 - Sour (Sulfur > 0.5%)
 - **Light Oil**
 - Commands a higher market price
 - Require less upgrading at the refinery
 - Sweet (Sulfur < 0.5%)

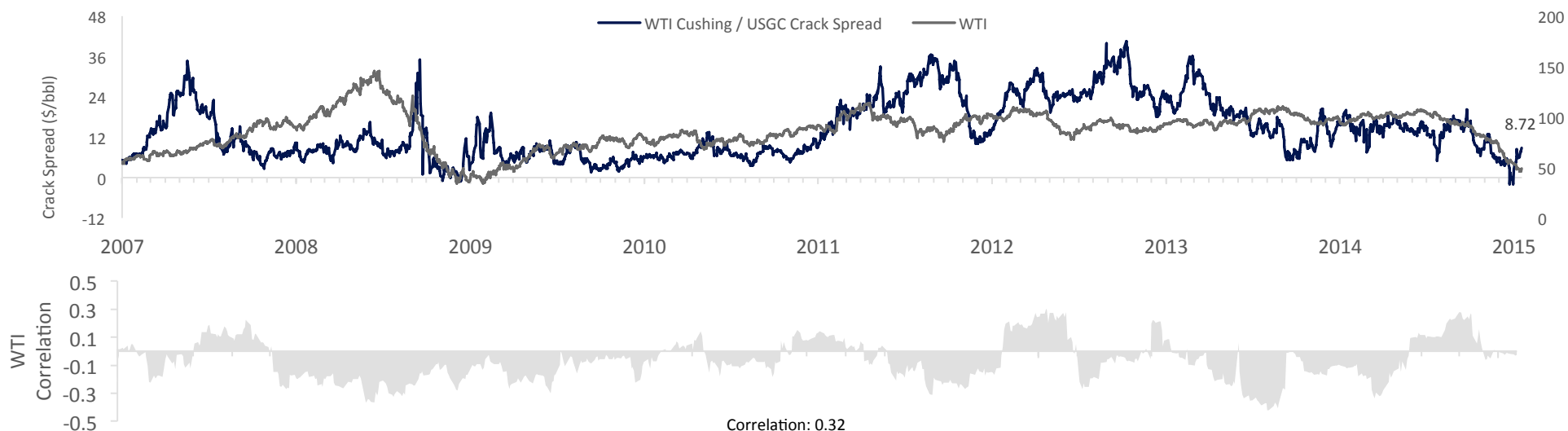
Refinery 101

Economics

Crack Spreads

- Crack spreads measure the difference between the purchase price of crude oil and the selling price of finished products
- They are a good proxy measure of short-term refinery profit margins, as they represent the spot price difference between revenues from refined products and cost of purchasing crude oil
- Most used crack spreads in the U.S. include:
 - Gulf Coast 3-2-1 Crack Spread:** difference between two barrels of gasoline plus one barrel of distillate fuel, less three barrels of crude oil (domestic or imported)
 - Midwest 6-3-2-1:** difference between three barrels of gasoline plus two barrel of distillate plus one barrel of residual fuel oil, less the cost of six barrels crude oil (usually of Canadian heavy blend)

Historical WTI Cushing / USGC Crack Spread



Factor Affecting Crack Spreads

Factor	Macro Effect	Crack Spread
1. Winter Seasonality	Increase in distillate demand	Crack strength
2. Summer Seasonality	Increase in gasoline demand	Crack strength
3. High Economic Growth	Increase in refined products demand	Crack strength
4. Strong product demand	High refinery utilization	Crack strength
5. Refinery Turnaround	Decline in product production	Crack strength
6. Geopolitical issue	Decrease in crude oil supply	Crack weakness
7. Crude and products inventory levels	Increase in Cushing inventory decreases future WTI price	Crack strength

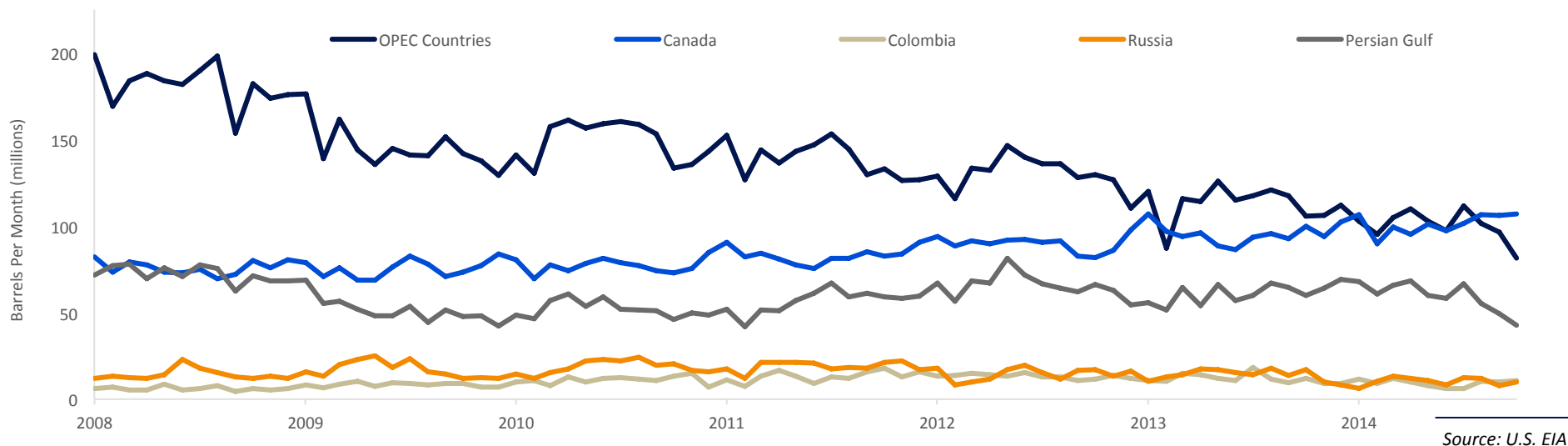
Refinery 101

North American Market

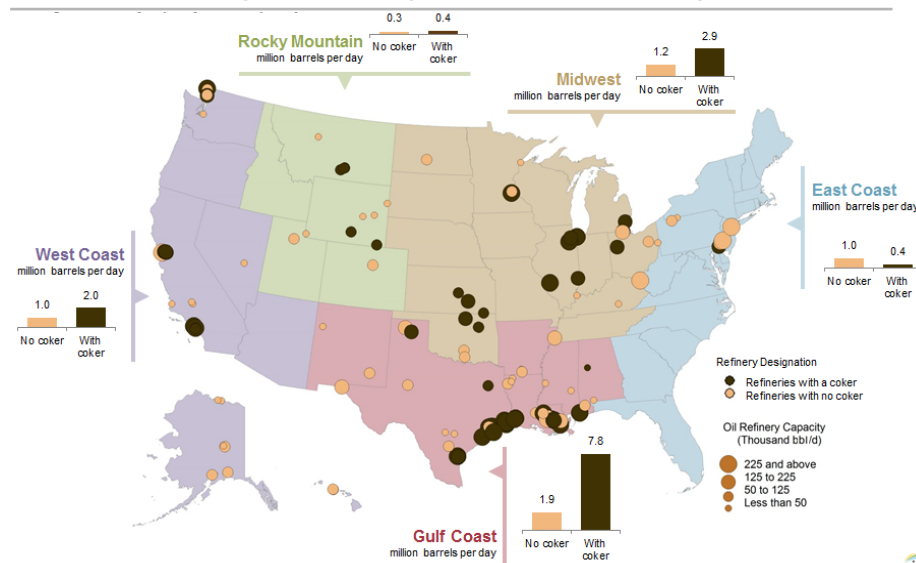
Overview

- In the past decade, U.S. refiners made multibillion-dollar investments in the cokers that are required to process the heaviest grades of crude (from Canada). The strategy backfired with the American light shale oil boom.
- Current refining capacity is 13.5 million barrels per day of heavy oil processing and 5.4 million barrels per day of Light oil capacity
- Many refiners are now undergoing significant upgrades to increase their light oil refining capacity
 - U.S. refiners can absorb an additional 1.8 - 2.3 million barrels per day of light oil processing
 - Also, in the next two years there are more than 25 projects that will add 1.1 million barrels per day of light oil processing – well above EIA's predicted U.S. production growth

U.S. Import Countries



U.S. Refinery Capacity and Complexity



Section III

Marathon Petroleum Corporation (NYSE:MPC)



**Marathon
Petroleum Corporation**

Marathon Petroleum Corporation (NYSE: MPC)

Company Profile

Company Profile



Company Description

- Marathon Petroleum Corp. (MPC) is a fully-integrated American midstream and downstream company that focuses on refining, transporting, and marketing petroleum products
- Marathon is the fourth-largest refiner in the United States with seven refineries located in the Gulf Coast and Midwest regions
- Its refineries process sweet and sour crude slates from the Bakken and Canada, as well as natural gas condensate from the Utica Shale
- Marathon Petroleum Corporation was incorporated in 2009 from the spinoff of Marathon Oil Corporation. MPC's main subsidiaries include Marathon Petroleum Company LP, Speedway LLC and MPLX LP

Market Summary

Public Market Overview

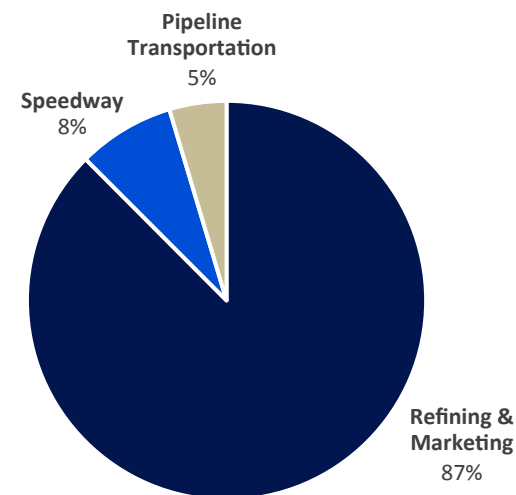
(values in \$M, as of Jan. 16, 2014)

Share Price	\$77.56
S/O (mm)	290.3
Market Cap.	\$22,512
+ Total Debt	\$6,264
+ Minority Interest	\$417
+ Preferred Shares	0
- Cash	\$1,854
Enterprise Value	27,339
Beta (S&P 500)	2.40
Beta to Oil (Brent)	0.69
Beta to Oil (WTI)	0.47
Dividend Yield	2.58%
ROIC	14.2%
52-Week High	\$97.94
52-Week Low	\$74.64

Price Chart

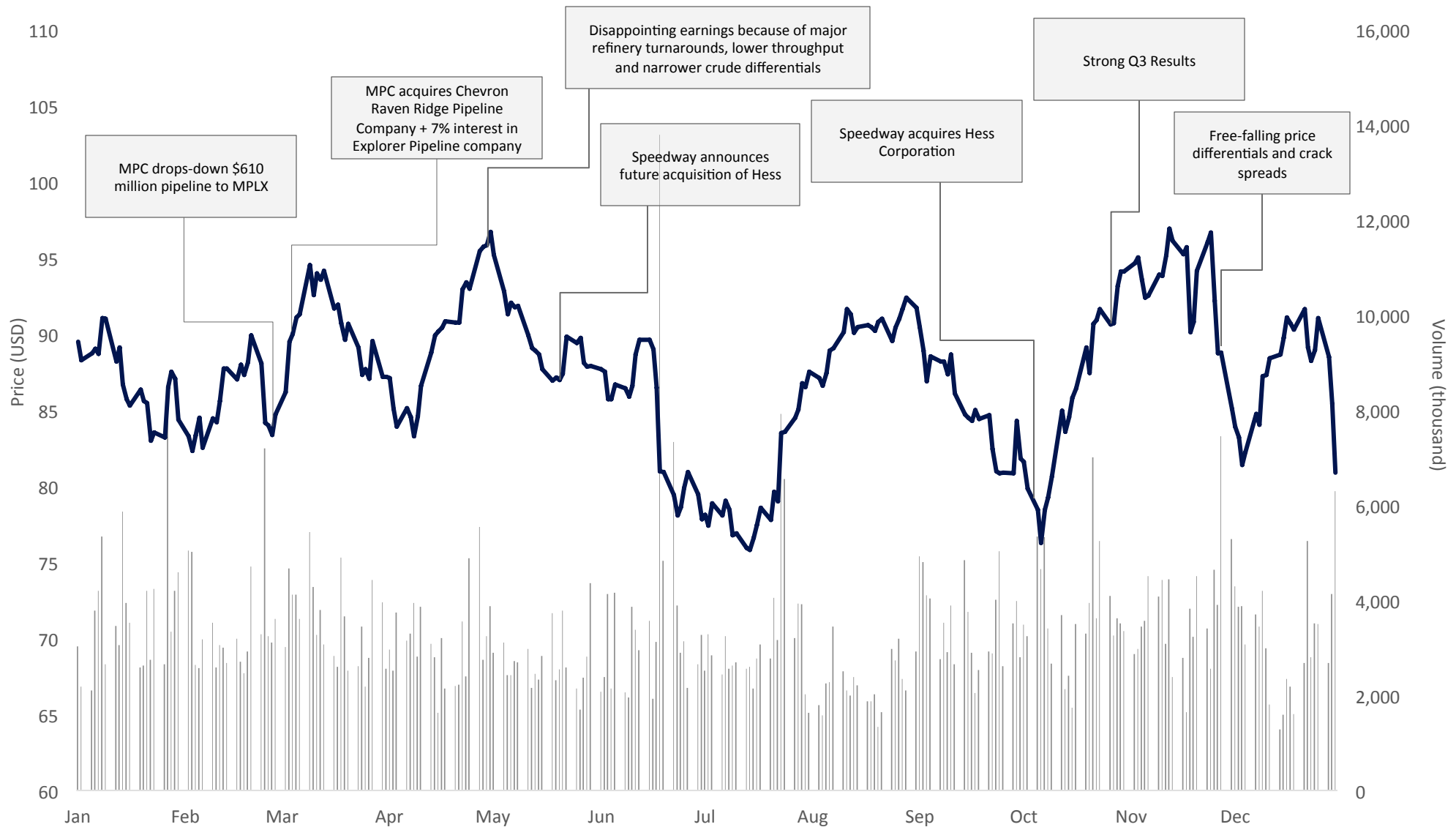


Operating Segments



Source: Financial Statements; LTM Average

Annotated Price Chart



Source: Bloomberg as of 16/01/2015



Strategically Located Assets

- ✓ Midwest and Gulf Coast positioning allows to benefit from refining trends
- ✓ Flexible refining capacity gives flexibility in times of uncertainty



MLP Drop-Down Value

- ✓ Unlock value through multiple arbitrage, off balance-sheet growth and high cash distributions



Speedway and Hess

- ✓ Top performing retail gasoline players in the U.S.
- ✓ Hess acquisition delivers synergies, economies of scale benefits and EBITDA stability



Attractive Entry Opportunity and Valuation

- ✓ Negative investor sentiment towards energy sector
- ✓ Overblown reaction to short-term margins compression makes current valuation attractive

Investment Theme 1: Strategically Located Assets

Strategic Positioning Gives Flexibility To Optimize Input Costs

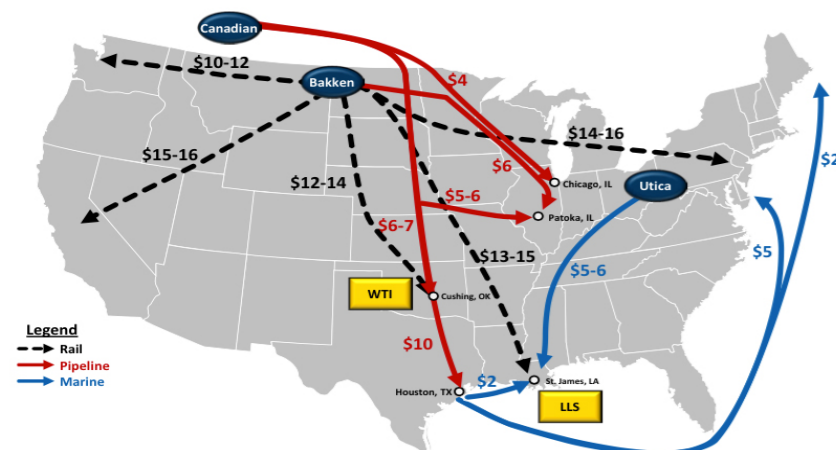


**Marathon
Petroleum Corporation**

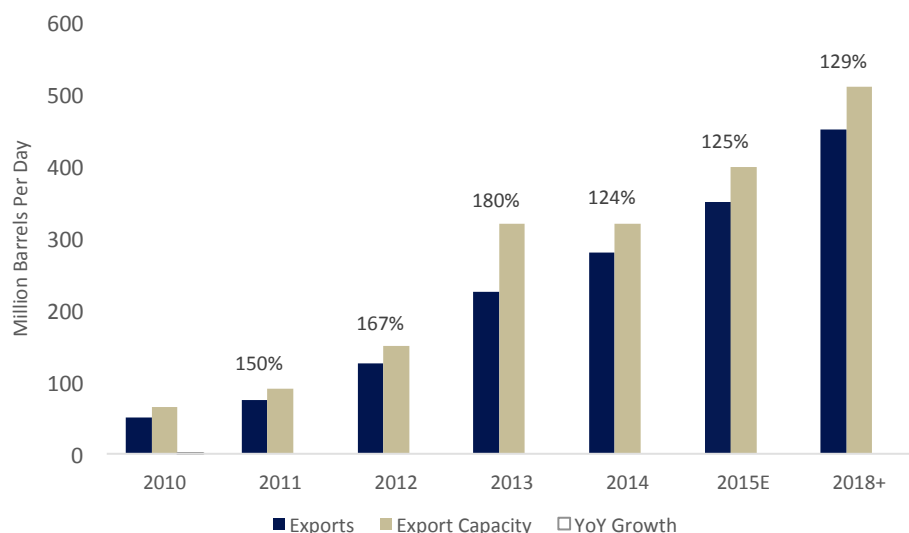
Mix of Midwest and Gulf Coast Refining Assets

- MPC has the best of both worlds with the strong margins and cheap crude of an inland refiner, combined with the great optimization potential and access to waterborne export markets of a Gulf Coast Refiner
- Flexibility in types of inputs, including domestic light, Canadian and other foreign countries' slate
- Lower transports cost with pipeline and barge facilities than West Coast peers
- More than three-quarters of gasoline sales guaranteed

Low Cost Transport Advantage

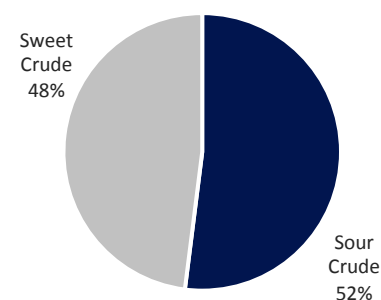


MPC Petroleum Products Exports

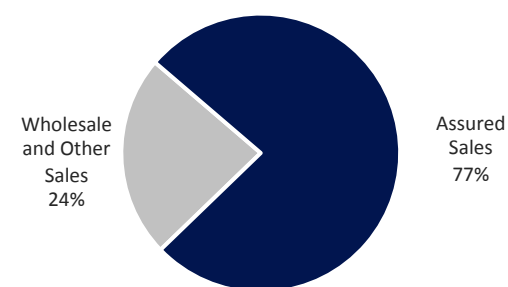


Mixed Crude Slate Capacity & Assured Sales

Refining Crude Slate



Assured Sales of Gasoline Production



Source: MPC Financial Statements

Investment Theme 1: Strategically Located Assets

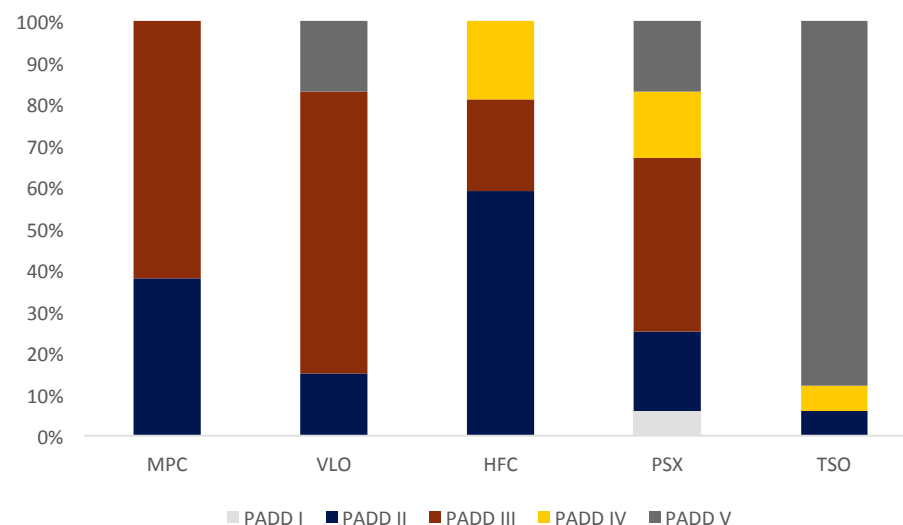
Well-Positioned to Benefit From Refining Trends



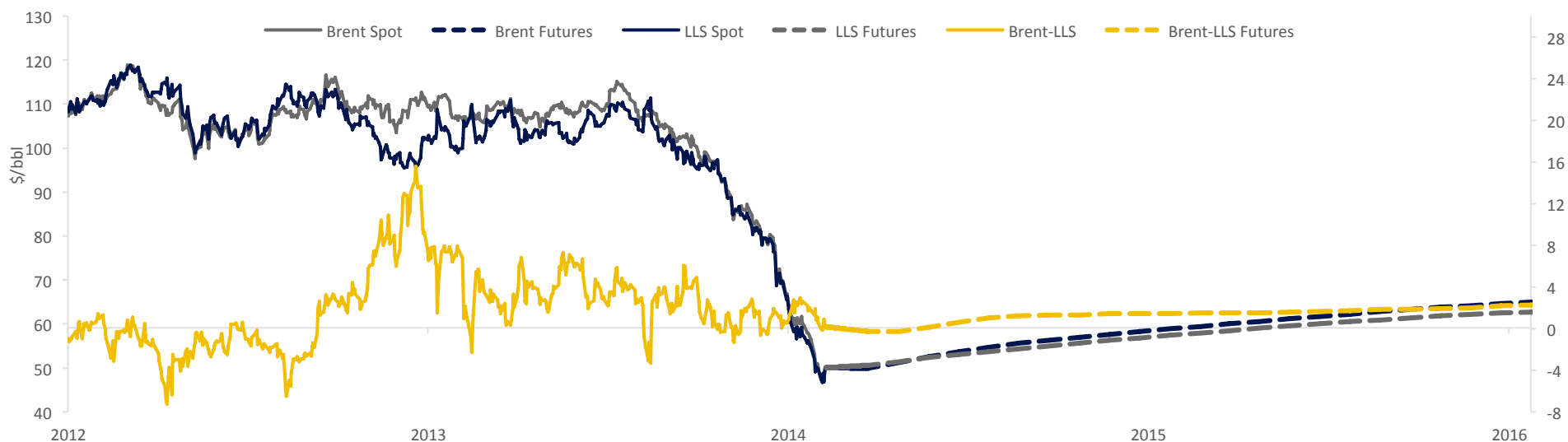
Best Play On Spreads Widening

- Since 2013, the U.S. Gulf Coast market has been transitioning from an historically premium oil market to as discount market
- With U.S. oil imports being essentially backed out, the continuing U.S. oil production will force the re-widening of the Brent-LLS and Brent-WTI differentials
- The increased supply of Gulf Coast producers puts downward pressures on LLS prices. PADD II and PADD III refineries are best positioned to benefit from lower LLS and lower WCS prices
- First contango market since 2009 gives an arbitrage advantage to refineries by ramping up production of summer grades and store the products for future sale

PADD II and PADD III Focus



Brent – LLS Spread



Investment Theme 1: Strategically Located Assets

Utica Shale Investment

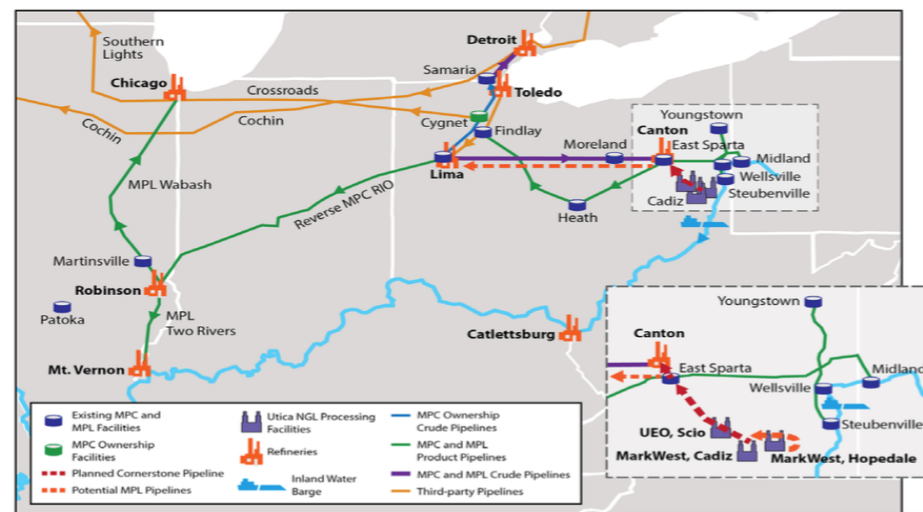


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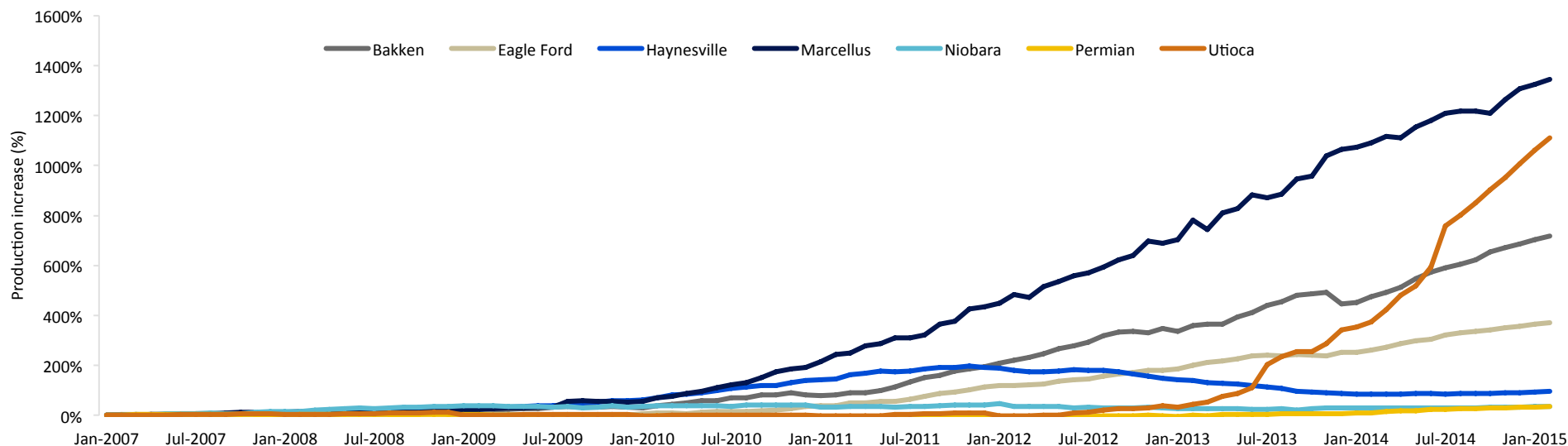
Poised For High Return On Investment

- Significant amount of growth capex (\$140 million) committed towards pipeline to transport condensate from Utica Shale play to refinery in Ohio
- Utica Shale play has the largest production growth in the U.S. in the past two years
- Amid crumbling oil prices, drilling contracts in November and December 2014 increased in Utica Shale play
- Decrease in natural gas prices increases MPC refining margins

Utica Shale Integration



U.S. Production Growth by Play



Investment Theme 2: MLP Drop-Down Value

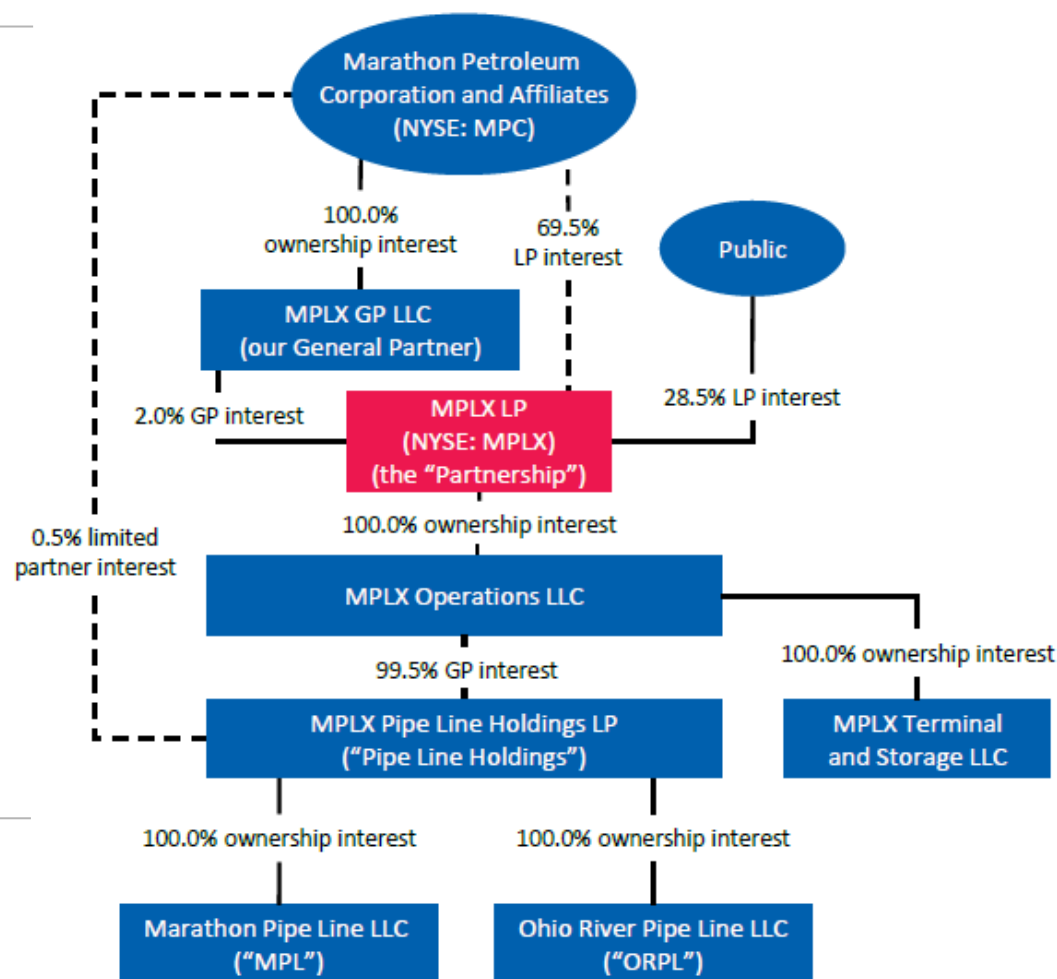
Organizational Structure

What is an MLP?

- Publicly traded partnership – partnership structure but issues investment units that trade on an exchange like common stock
- The partnership must derive ~90% of its cash flows from real estate, natural resources, and commodities
- Organizational mandate is to pay out all earnings not needed for current operations and maintenance of capital assets to their unitholders in the form of quarterly cash distributions
- Eliminates double taxation of a corporate structure (corporate level and the shareholder level), as MLPs are taxed only once at the unitholder level
- Most use a fee-based business model – ie. regardless of the market price of commodities being processed, transported, or stored, MLP receives a flat fee per bbl of oil

General vs. Limited Partnership

- Partnership agreement generally gives LP a 98% ownership stake and the GP a 2% stake
- Limited partner:** provides the capital to the MLP and receives periodic income distributions from the MLP's cash flow
- General partner:** responsible for managing the MLP's affairs and receives compensation that is linked to the performance of the venture



Source: MPC Investor Presentation; as of Dec. 31, 2014

Investment Theme 2: MLP Drop-Down Value

Organizational Structure



Unlocking Value

- 1 Large multiple arbitrage between the MLP and the parent corporation
 - The elimination of double taxation lowers the MLP's cost of capital, supporting a higher valuation for assets owned in an MLP structure relative to the same assets owned by a conventional corporation
 - MLPs typically trade in the 10-14x EBITDA range, versus 8-10x EBITDA for similar assets owned in a corporate structure
 - Owing to this valuation gap, it is advantageous for a corporation to unlock value by dropping-down its MLP-qualifying assets
- 2 Off-balance sheet growth and acquisition vehicle
 - Due to the lower cost of capital, MLP have an advantage relative to corporations in pursuing growth projects and acquisitions
- 3 Significant equity value creation through cash distributions (called Incentive Distribution Rights (IDRs))
 - IDRs are structures such that the GP receives a growing proportion of incremental increases in cash distributions – thus incentivizing the GP to grow distribution to LP unitholders

MPC Droppable EBITDA ~\$1.6B

Pipelines	<ul style="list-style-type: none">• 5,400 miles of additional crude and products pipelines• Southern Access Extension, Sandpiper and Utica investments
Marine	<ul style="list-style-type: none">• 200 owned and 12 leased inland barges; 5.3mmbbl capacity• 17 owned and one leased inland towboats
Terminals	<ul style="list-style-type: none">• 63 light product; ~23mmbbl storage; 192 loading lanes• 18 asj[ja;t' ~4mmbbl storage; 65 loading lanes
Railcars	<ul style="list-style-type: none">• 27 owned and 2,138 leased• 763 general service; 1,166 high pressure; 236 open-top hoppers
Refineries	<ul style="list-style-type: none">• 59 mmbbl storage (tanks and caverns)• 25 rail loading racks and 24 truck loading racks• 7 owned and 11 non-owned docks• 2 condensate splitter investments
Fuels Distribution	<ul style="list-style-type: none">• Existing MPC and Speedway volumes; ~17B gallons refined products• Acquisition of Hess' retail operations adds ~3B gallons refined products

Source: MPC Investor Presentation; as of Jan. 9, 2015

Investment Theme 3: Speedway and Hess

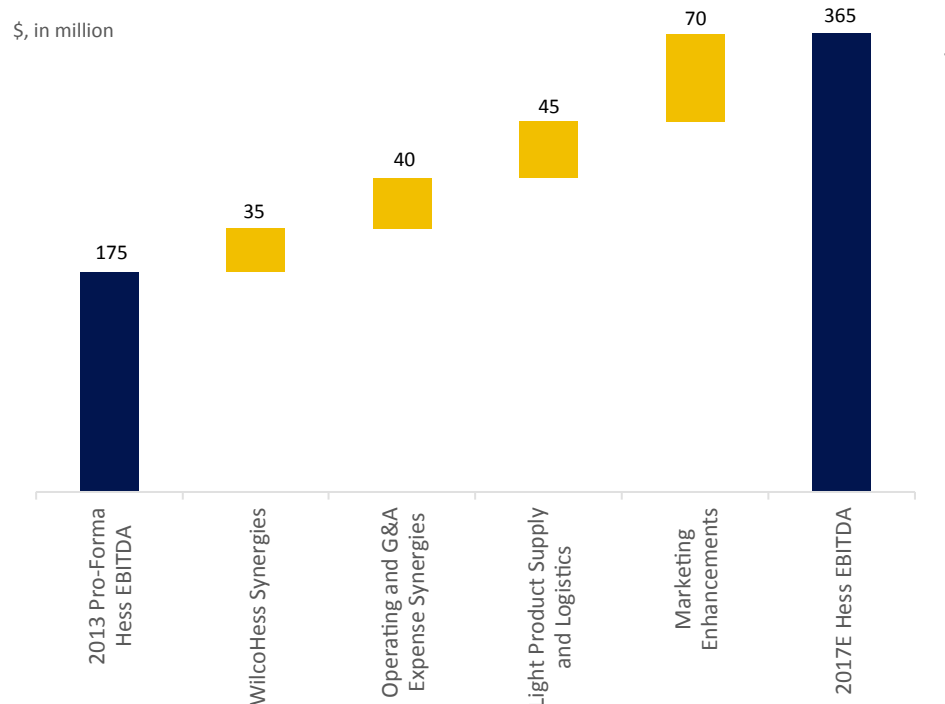
Segment Differentiation & Synergies



Hess Acquisition Overview

- Acquisition of Hess by Speedway accelerates strategy to grow higher value and stable cash flow businesses
- Hess is considered the top performer retail gasoline player in the U.S.
- Generates meaningful economies of scale
 - 750 additional stores by end-2015
 - 505 by end-2016

EBITDA Growth



Significant Synergies

1. Increased Petroleum Placement Opportunities

- Incremental 200 mbpd of assured refined products placement
- Incremental supply of MPC Gulf Coast refined products to northeast and southeast markets

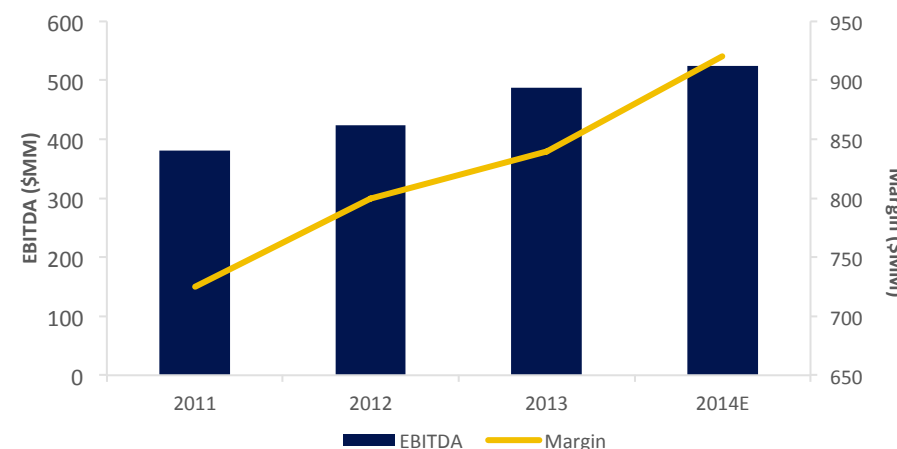
2. Light Product Supply Increase

- Leverage Midwest and Gulf Coast production to provide supply to the New York area
- Increases utilization of terminal with incremental 70 mbpd of throughput

3. Marketing

- Increase U.S. presence and expand Speedway and Marathon brands
- \$190 million in marketing synergies + \$15 million cost savings from Hess higher credit card processing fees

Speedway Continues Increasing Margins



Investment Theme 4: Attractive Entry Opportunity

Overblown Market Reaction



**Marathon
Petroleum Corporation**

Refiners Recent Performance

- Fearful overreaction to collapse in energy stocks. Investors disregard the sector as a whole because of their risk and uncertainty aversion
 - The 95% confidence interval for market expectations widens considerably over time, with lower and upper limits of \$28/bbl and \$112/bbl for prices in December 2015
- Gasoline demand unexpectedly decreased in December
 - Contrary to widespread belief, U.S. gasoline consumption has been on a cyclical recovery
- Crude oil inventories build-up in the winter lead to higher differentials in the spring
 - U.S. crude oil inventories are at the highest level for this time of year in at least the last 80 years
- Overreaction to crack spreads tightening – they seasonally tighten in the winter (December to March)

Overall Sector Underperformance



Fear of Crude Oil Exports Approval

- Media headlines about U.S. lifting the ban on crude exports has caused an unwarranted sell-off in the refinery space
- On December 30th 2014, the Bureau of Industry and Security (BIS) quietly published a clarified regulation on crude and products exports
 - **Bottom line:** the BIS tightens restrictions on type of petroleum products being allowed to be exported, by only allowing exports of crude processed through a complex heated stabilized tower (lease condensate)
 - This will prompt Eagle Ford producers to *increase usage of refiners' stabilizers* in order to produce exportable processed condensate
- On January 7th, John Podesta, Counselor to the President and top energy advisor, clearly stated that the administration was not pressured to loosen the crude export ban anytime soon
- Unpopular political move, as lifting the crude oil export ban will increase consumer prices, slow GDP growth and consumer spending

Investment Theme 4: Attractive Entry Opportunity

Overblown Market Reaction

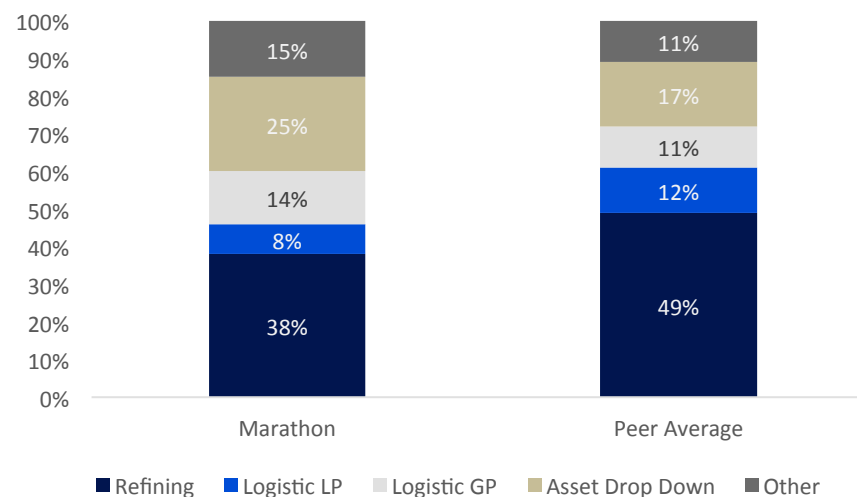


**Marathon
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Negative Investor Sentiment

- Systematic sell-off of players with higher debt levels
- Debt-to-Cap and Debt-to-Equity above peer average, but strong cash flow and EBIT/Interest Expense assures a healthy liquidity and solvency
- Lower exposure to refining earnings volatility than peers assures stability of EBITDA. High asset drop-down potential in case of tightening liquidity

Less Volatile Potential Revenue Composition



Solvency & Liquidity

Company	Debt-to-Cap	Debt-to-Equity	EBIT / Int. Expense
Alon USA	45%	80%	1.47x
Delek USA	33%	48%	7.84x
HollyFrontier Corporation	14%	16%	20.58x
PBF Energy	35%	53%	8.02x
Philips 66	22%	28%	11.08x
Tesoro Coporation	33%	50%	8.59x
Valero Energy	23%	30%	14.33x
Western Refining	29%	41%	9.22x
Select Comp Median	31%	45%	8.90x
Marathon Petroleum	36%	56%	21.69x

Source: Capital IQ

Section IV

Marathon Petroleum Corporation (NYSE:MPC)

Valuation



**Marathon
Petroleum Corporation**

Comparables Analysis



Company	Ticker	Price	Market Cap	EV	Refining vs. SOTP	P/E		EV/EBITDA		EV/EBITDA + Deferred Tax		Dividend Yield	Refining Margins		Crude
					Equity Value Est.	2015E	2016E	2015E	2016E	2015E	2016E		2014E	Complexity	Throughput Capacity
U.S. Independent Refiners			\$MM	\$MM	%								\$/bbl		Thousand b/d
Alon USA	ALJ	\$10.92	751	910	62%	12.8x	4.6x	3.6x	2.2x	4.5x	2.9x	3.4%	\$12.5	9.1	131
Delek USA	DK	\$27.88	1,689	1,500	49%	12.5x	5.8x	4.4x	2.4x	5.9x	3.4x	2.1%	\$14.4	9.2	140
HollyFrontier Corp	HFC	\$30.84	6,036	4,641	64%	8.9x	5.7x	4.4x	3.2x	6.3x	4.6x	10.1%	\$14.0	12.3	443
PBF Energy	PBF	\$24.42	2,041	2,046	62%	5.4x	2.9x	3.2x	1.8x	4.7x	2.7x	4.8%	\$12.3	11.3	2,576
Philips 66	PSX	\$60.83	33,670	36,087	11%	8.5x	6.7x	5.4x	4.5x	7.6x	6.4x	3.0%	\$9.4	11.0	8,625
Tesoro Coporation	TSO	\$71.03	8,967	7,803	44%	8.9x	6.9x	4.6x	3.9x	6.3x	5.4x	1.6%	\$13.1	11.5	850
Valero Energy	VLO	\$45.40	23,665	21,260	60%	6.6x	4.2x	2.1x	2.1x	4.5x	2.9x	2.3%	\$11.0	12.4	2,384
Western Refining	WNR	\$32.87	3,241	3,712	64%	7.8x	8.5x	4.3x	4.3x	6.4x	6.7x	0.0%	\$17.6	9.0	188
Select Comp Average						8.9x	5.7x	4.0x	3.1x	5.8x	4.4x	3.4%	\$13.0	10.7	
Select Comp Median						8.7x	5.8x	4.4x	2.8x	6.1x	4.0x	2.7%	\$12.8	11.2	
Marathon Petroleum	MPC	\$77.56	21,732	25,724	24%	8.3x	5.6x	4.7x	3.4x	6.3x	4.7x	2.3%	\$14.9	11.0	1,804

Sum-Of-The-Part Valuation

Assumptions



\$ in millions	2016E		2017E EBITDA Adjustments	Sub-Total	2016E		Implied Value
	Segment EBITDA	Corporate Allocataion			MLP GP Distributions	Forward Multiple	
Refining	4,009	(310)	(448)	3,251	-	4.0x	13,005
Speedway	1,100	(70)	28	1,058	-	7.8x	8,210
Fuel Distribution LP	-	-	496	496	-	13.0x	6,456
Fuel Distribution GP	-	-	-	-	52	18.2x	946
Pipeline MPC	-	-	77	77	-	13.0x	1,002
Pipeline MPLX	619	-	-	619	-	12.3x	7,590
MPLX GP	-	-	-	-	69	25.0x	1,725
SOTP EV							38,935

Crack Spread

Forward Multiple		Bear Case	Base Case	Bull Case
	Bear Case	\$63.03	\$81.47	\$87.61
	Base Case	\$86.50	\$111.08	\$119.28
	Bull Case	\$111.44	\$140.72	\$150.96

Sensitivity Assumptions

Crack spread:

- Base case: \$1 annual increase up to 2016 in the US Gulf Coast and Chicago 6-3-2-1 crack spreads
- Bear case: 2\$ annual contraction
- Bull case: \$2 annual expansion

Forward Multiple:

- +/- 20% variation in every segment multiple

Adjustments

Cash & Cash + Equivalents	1,822
- MPC Total Debt	(5,974)
- MPC Underfunded Pensions	(814)
- MPLX Net Debt	(66)
MPLX Incremental Net Debt Financing for Drop - Down	(2,777)

Equity Value 31,126

Diluted Shares Outstanding 280.2

Implied Price / Share **\$111.08**

Current Share Price **\$77.56**

Implied Upside 43.22%

Dividends (Q12015-Q12016) \$2.10

Dividends % of Share Price 2.71%

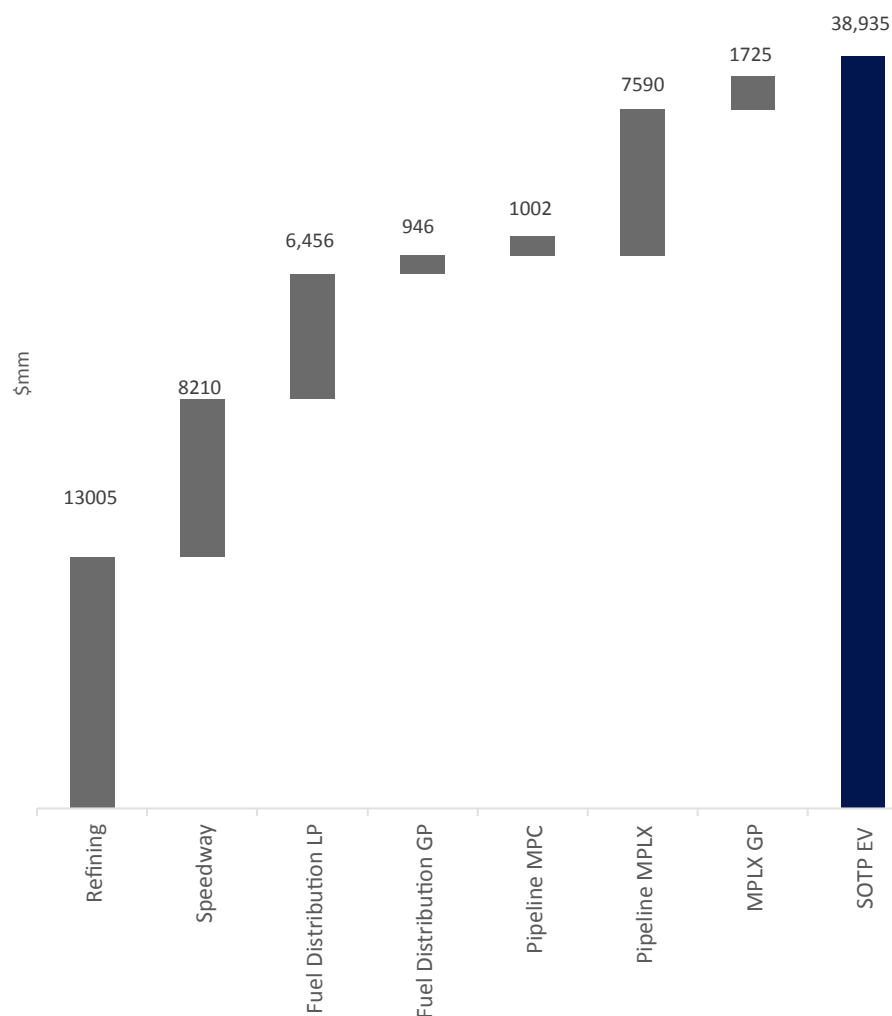
Implied Total Return **45.93%**

Sum-Of-The-Part Valuation

Summary of Results



Pro-Forma Enterprise Value



Implied Equity Value

SOTP EV	38,935
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Adjustments

Plus: Cash & Cash Equivalents	1,822
Minus: MPC Total Debt	(5,974)
Minus: MPC Underfunded Pensions	(814)
Minus: MPLX Net Debt	(66)
Minus: MPLX Incremental Net Debt Financing for Drop Down	(2,777)

Equity Value	31,126
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Diluted Shares Outstanding	280.2
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Implied Share Price (\$/ Share)	\$111.08
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Current Price	\$77.56
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Implied Upside	43.22%
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Dividends (Q12015-Q12016)	\$2.10
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Dividends % of Share Price	2.71%
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Implied Total Return	45.93%
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Share Ownership

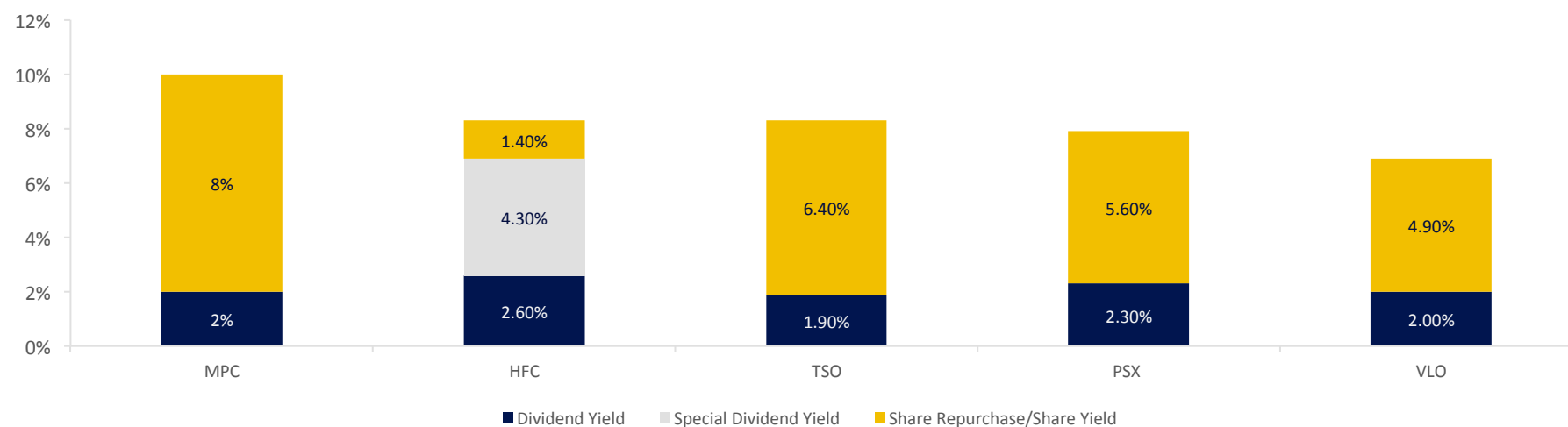
Smart-Money



Main Shareholders

Holder Name	% Float
Blackrock	10.57%
State Street	5.51%
Vanguard Group	5.23%
LSV Asset Management	1.83%
Boston Partners	1.76%
Deutsche Bank	1.73%
JP Morgan Chase & Co	1.57%
Goldman Sachs Asset Management	1.31%

Peer Leading Return of Capital



Section V

Appendix



**Marathon
Petroleum Corporation**

Sum-Of-The-Part Valuation Assumptions



\$ in millions	2016E		2017E EBITDA Adjustments	Sub-Total	2016E		Implied Value
	Segment EBITDA	Corporate Allocataion			MLP GP Distributions	Forward Multiple	
Refining	4,009	(310)	(448)	3,251	-	4.0x	13,005
Speedway	1,100	(70)	28	1,058	-	7.8x	8,210
Fuel Distribution LP	-	-	496	496	-	13.0x	6,456
Fuel Distribution GP	-	-	-	-	52	18.2x	946
Pipeline MPC	-	-	77	77	-	13.0x	1,002
Pipeline MPLX	619	-	-	619	-	12.3x	7,590
MPLX GP	-	-	-	-	69	25.0x	1,725
SOTP EV							38,935

Adjustments	
Cash & Cash	
+ Equivalents	1,822
- MPC Total Debt	(5,974)
- MPC Underfunded Pensions	(814)
- MPLX Net Debt	(66)
MPLX Incremental Net Debt Financing for Drop	
- Down	(2,777)
Equity Value	31,126
Diluted Shares Outstanding	280.2
Implied Price / Share	\$111.08

Current Share Price	\$77.56
Implied Upside	43.22%
Dividends (Q12015-Q12016)	\$2.10
Dividends % of Share Price	2.71%
Implied Total Return	45.93%

Notes & Assumptions

- Refining 2017E EBITDA adjustments: Drop-down of refinery assets to Fuel Distribution MLP in 2017, discounted back on year at 10%. Potential assets include, 59 MMBbl storage, 50 loading racks, 7 docks, 2 condensate splitter investments
 - Speedway: Incremental project and synergies to reach 2017 run-rate, discounted back one year at 10%
 - Fuel Distribution LP 2017E EBITDA adjustments: Drop-down of pipeline assets
 - Fuel Distribution GP: Assuming 20% growth in cash distributions; Tier 3 IDR distribution level (25%)
 - Pipeline MPC: Sandpiper pipeline completion by 2017 with Enbridge; assuming 37.5% ownership
 - MPLX GP: Assuming 20% growth in cash distributions; Tier 3 IDR distribution level (25%)
 - MPC Total Debt: Including Sandpiper Capex
- * See Appendix for Non-Refining Comps Forward Multiple

Sum-Of-The-Part Valuation

Segment Comps



Company	EV /EBITDA 2016E
Pure-Play Retail Gas Stations	
CST Brands, Inc.	9.8x
TravelCenters of America LLC	4.0x
Casey's General Stores, Inc.	9.4x
Organización Terpel S.A	6.4x
Petrol, Slovenska Energetska Druzba	8.5x
PTG Energy Public	8.5x
Select Comp Average	7.8x
Select Comp Median	8.5x
Research U.S. Retail Multiple	8.0x

Company	EV /EBITDA 2016E
Pipeline	
Gibson Energy Inc.	8.3x
Inter Pipeline Ltd.	14.9x
Keyera Corp.	12.4x
Enbridge Inc.	14.8x
AltaGas Ltd.	13.4x
TransCanada Corp.	12.3x
Pembina Pipeline Corporation	14.4x
Select Comp Average	12.9x
Select Comp Median	13.4x

Company	EV /EBITDA 2016E
Fuels Distribution LP	
Magellan Midstream Partners LP	18.2x
Holly Energy Partners LP	11.2x
Tesoro Logistics LP	8.4x
Delek Logistics Partners LP	9.0x
Plains All American Pipeline LP	10.8x
Rose Rock Midstream LP	9.2x
Phillips 66 Partners LP	18.6x
NuStar GP Holdings LLC	20.2x
Select Comp Average	13.2x
Select Comp Median	11.0x

Company	EV /EBITDA 2016E
Pipeline MLP	
Williams Partners LP	8.0x
Buckeye Partners LP	15.2x
Plains All American Pipeline LP	10.8x
Kinder Morgan, Inc.	18.2x
Magellan Midstream Partners LP	18.2x
Targa Resources Partners LP	7.1x
Genesis Energy LP	14.2x
Sunoco Logistics Partners LP	11.2x
ONEOK Partners LP	9.5x
Enbridge Energy Partners LP	13.8x
Select Comp Average	12.6x
Select Comp Median	12.6x

Source: Capital IQ

Incentive Distribution Rights Structure



<u>Holder Name</u>	<u>Total Quarterly Distribution Per Unit Target Amount</u>	<u>Marginal Percentage Interest in Distributions</u>	
		<u>Unitholders</u>	<u>General Partners</u>
Minimum Quarterly Distribution	\$0.2625	98.0%	2.0%
1 st Target Distribution	\$0.2625 - \$0.301875	98.0%	2.0%
2 nd Target Distribution	\$0.301875 - \$0.328125	95.0%	15.0%
3 rd Target Distribution	\$0.328125 - \$0.393750	75.0%	25.0%
Thereafter	> \$0.393750	50.0%	50.0%

Source: Capital IQ