Advancing the Future of Energy

WITH CAPITAL DISCIPLINE, INNOVATION AND UNMATCHED EXECUTION

RELIABLE | AFFORDABLE | SUSTAINABLE ENERGY

Valero

Cautionary Statement

This presentation contains forward-looking statements made by Valero Energy Corporation ("VLO" or "Valero") within the meaning of federal securities laws. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other forward-looking information. You can identify forward-looking statements by words such as "plan," "should," "anticipate," "believe," "estimate," "expect," "could," "continue," "focused," "opportunity," "scheduled," "may," "targeting," or other similar expressions that convey the uncertainty of future events or outcomes. Forward-looking statements in this presentation include, but are not limited to, those relating to our low-carbon projects, our 2025 and 2035 GHG emissions reduction/offset targets, future capital expenditures, expected timing of completion of projects, the effect of projects on our financial performance, future low-carbon policies, future business plans and strategies, future safety and environmental performance, future operating and financial performance and 2021 guidance. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of Valero and are difficult to predict including, but not limited to, the effect, impact, potential duration or other implications of the COVID-19 pandemic and various events arising therefrom. These statements are often based upon various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends made by the management of Valero. Although Valero believes that the assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Valero cannot give assurance that it will achieve or accomplish its expectations, beliefs or intentions. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in Valero's filings with the Securities and Exchange Commission, including Valero's annual report on Form 10-K, quarterly reports on Form 10-Q, and other reports available on Valero's website at www.valero.com. These risks could cause the actual results of Valero to differ materially from those contained in any forward-looking statement.

This presentation includes certain financial measures that are not defined under U.S. Generally Accepted Accounting Principles (GAAP) and are considered to be non-GAAP measures. Valero has defined these non-GAAP measures and believes they are useful to the external users of its financial statements, including industry analysts, investors, lenders, and rating agencies. Valero believes these measures are useful to assess its ongoing financial performance because, when reconciled to their most comparable U.S. GAAP measures, they provide improved comparability between periods after adjusting for certain items that Valero believes are not indicative of its core operating performance and that may obscure its underlying business results and trends. These non-GAAP measures should not be considered as alternatives to their most comparable U.S. GAAP measures nor should they be considered in isolation or as a substitute for an analysis of Valero's results of operations as reported under U.S. GAAP. In addition, these non-GAAP measures may not be comparable to similarly titled measures used by other companies because Valero may define them differently, which diminishes their utility. Valero's reconciliations of GAAP financial measures to non-GAAP financial measures are located at the end of this presentation.

REFINING

WORLD'S LARGEST INDEPENDENT REFINER

RENEWABLE DIESEL

WORLD'S 2ND LARGEST RENEWABLE DIESEL PRODUCER

ETHANOL

WORLD'S 2ND LARGEST CORN ETHANOL PRODUCER

GROWTH PROJECTS FOCUSED ON COST CONTROL, OPTIMIZATION AND MARGIN EXPANSION

15 refineries — lowest cost producer

3.2 million barrels per day of high-complexity throughput capacity

advantaged refining and logistics assets well positioned for feedstock and product optimization

ratable wholesale supply of 1.2 million barrels per day or over 50% of our light products

2021 BEST YEAR EVER FOR EMPLOYEE & PROCESS SAFETY

EXECUTING A VIABLE PATH TO REDUCE AND OFFSET GREENHOUSE GAS (GHG) EMISSIONS

HIGH RETURN PROJECTS WITH PRODUCTS PLACED INTO HIGH GROWTH, LOW-CARBON MARKETS

DIAMOND GREEN DIESEL (DGD)

700 million gallons per year

1.2 expanding to billion gallons per year

low-carbon intensity renewable diesel produced from recycled animal fats, used cooking oil and inedible corn oil

up to **80%** reduction in GHG emissions

100% compatible with existing engines and infrastructure

CONTINUE TO DEVELOP ADDITIONAL LOW-CARBON GROWTH OPPORTUNITIES

DEVELOPING ECONOMIC PROJECTS TO FURTHER REDUCE CARBON INTENSITY

12 ethanol plants

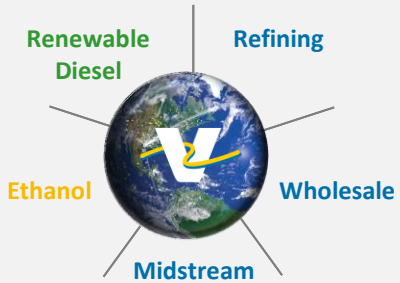
1.6 billion gallons per year production capacity

high-octane renewable fuel with lower CO_2 emissions

at least **30%** reduction in GHG emissions

existing logistics assets well positioned to support export growth

REDUCING CARBON INTENSITY THROUGH ANNOUNCED CARBON SEQUESTRATION PROJECT



Best-in-class producer of fuels and products that are essential to modern life

See slides 23-24 for notes regarding this slide.

Advancing the Future of Energy with Capital Discipline, Innovation and Unmatched Execution

Operations

Unmatched Execution with a Proven History of Operations Excellence

- Safe, reliable, environmentally responsible operations have driven higher profitability and lower volatility through multiple commodity cycles
- The lowest cash operating cost among peer group while maintaining first quartile operating performance
- Applying our liquid fuels manufacturing expertise to optimize our renewable diesel business

Earnings Growth

Growth Through Innovation

- Growth projects focused on operating cost control, market expansion and margin improvement
- Leveraging our global liquid fuels platform to expand our long-term competitive advantage with investments in economic low-carbon projects
- 25% after-tax IRR hurdle rate for projects

Capital Discipline

Demonstrated Commitment to Stockholders

- Disciplined capital allocation with solid free cash flow and returns to stockholders across margin cycles
- Delivered on our target payout ratio of 40% to 50% every year under current management
- 13% average Return on Invested Capital for the five-years ending 2019

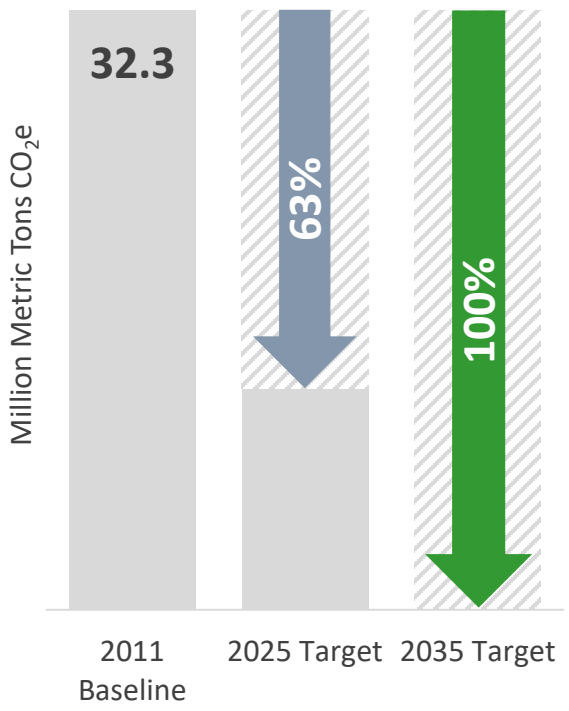
Comprehensive liquid fuels strategy driving economic growth projects and providing a viable path to reduce and offset Refining GHG emissions by 100% by 2035

Steadfast in the execution of our strategy, pursuing **excellence in operations,** investing for **earnings growth with lower volatility** and honoring our **commitment to stockholder returns**

See slides 23-24 for notes regarding this slide. See slides 43-53 for non-GAAP disclosures.
Peer group includes PSX, MPC, HFC, and PBF.

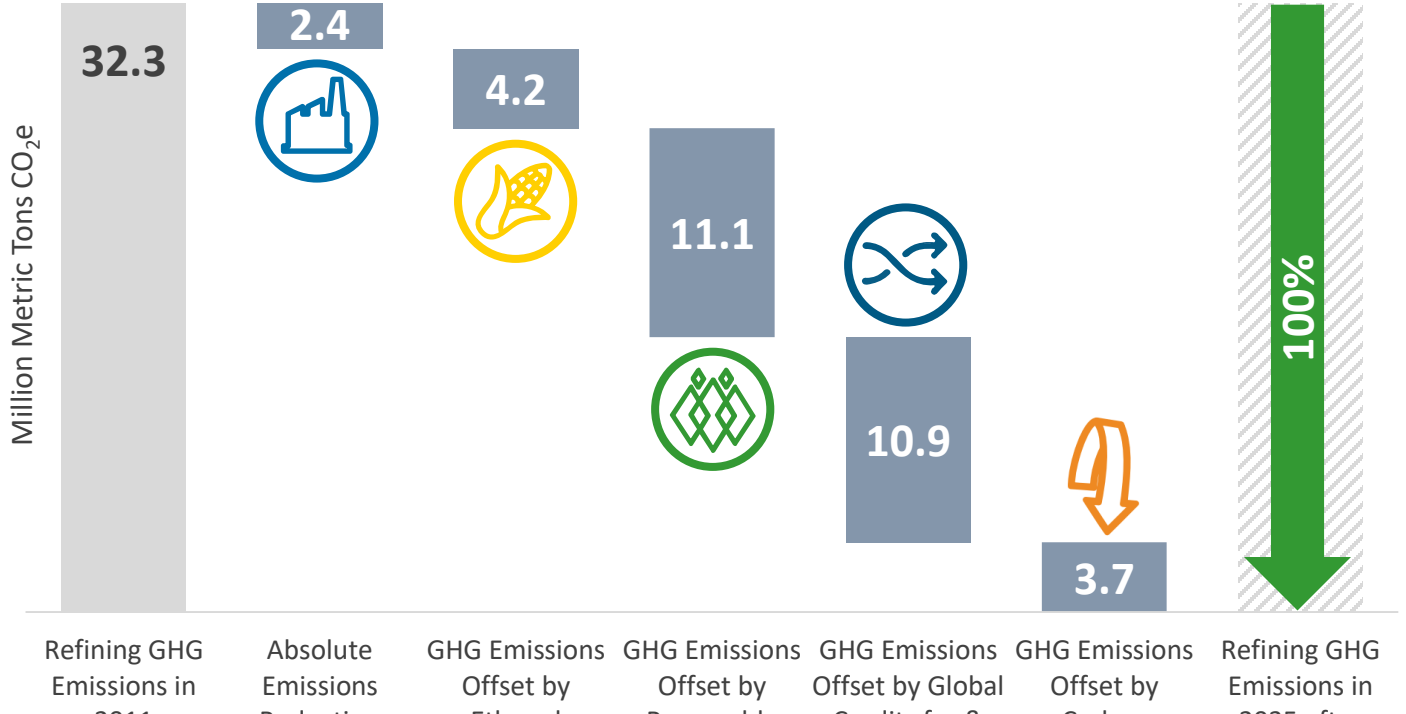
Comprehensive Roadmap to Further Reduce Emissions with Innovative Low-carbon Projects Consistent with Our Strategy

GHG Emissions Reduction and Offset Targets (Scope 1 & 2)



Independently Verified

2035 Target



Independently Verified

On track to **reduce** and **offset** Refining GHG **emissions by**

63%

through investments in board-approved projects **by 2025**.

Targeting to **reduce** and **offset** Refining GHG **emissions by**

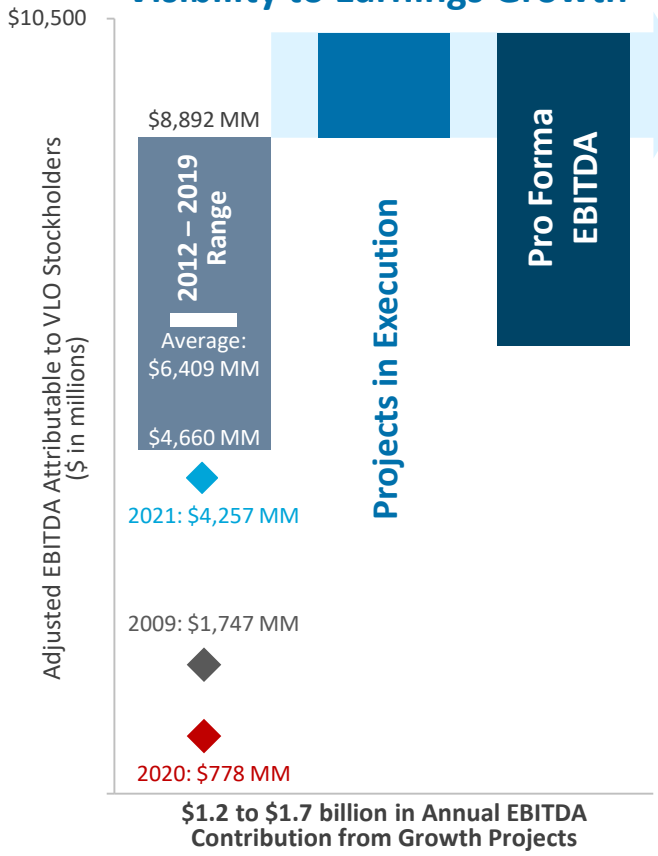
100% Scope 1 & 2

through board-approved projects and carbon sequestration projects under development **by 2035**.

See slides 23-24 for notes regarding this slide.

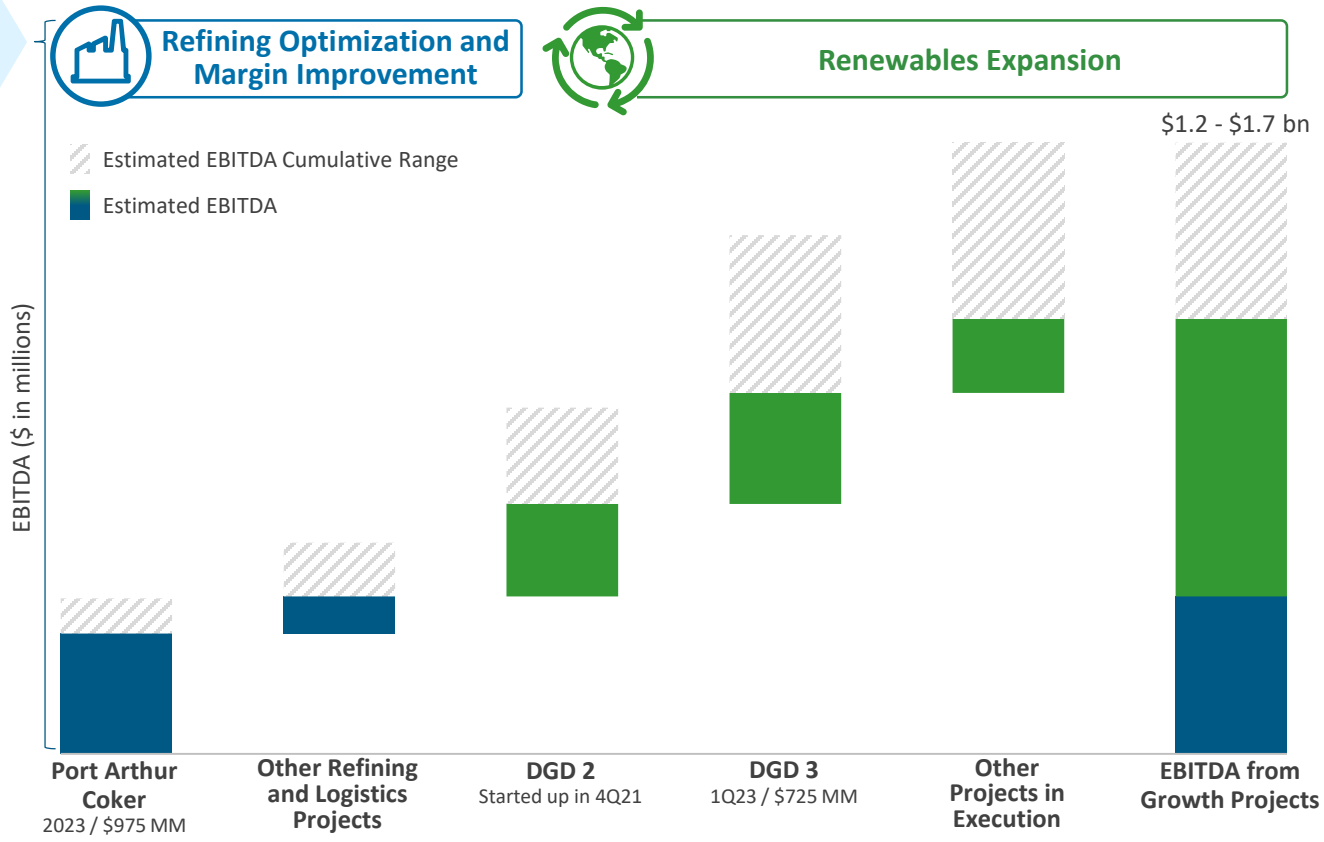
Expanding Our Long-term Competitive Advantage with Investments in Economic Low-carbon Transportation Fuels

Visibility to Earnings Growth



$1.2 to $1.7 billion in Annual EBITDA from Growth Projects in Execution

(expected completion / project cost)

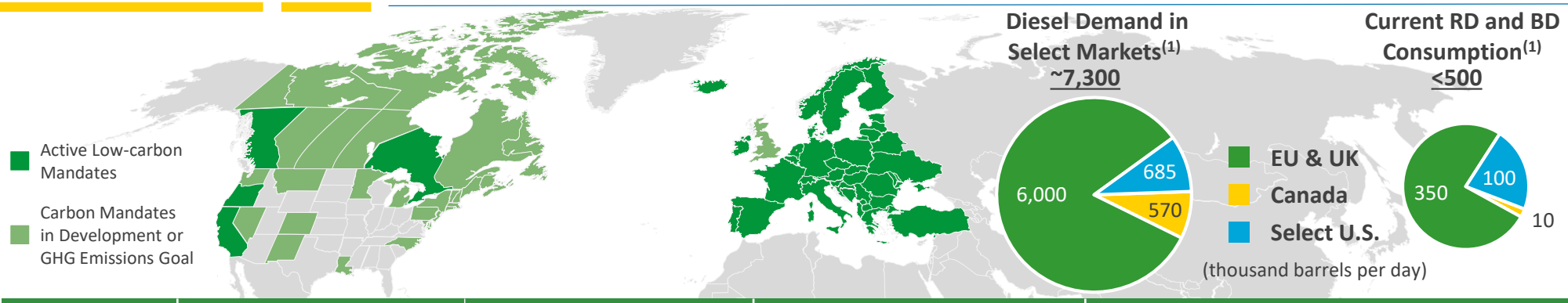


- Increasing **Renewable Diesel** production
- Advancing **Renewable Naphtha** production
- Developing **Sustainable Aviation Fuel (SAF)**
- Developing **Renewable Hydrogen**
- Evaluating additional **Carbon Sequestration** opportunities

Reinvesting capital with diversification into higher growth, higher return and lower carbon renewable fuels

See slides 23-24 for notes regarding this slide. See slides 43-53 for non-GAAP disclosures.
Joint venture investments, including Diamond Green Diesel, reflect Valero's ownership interest. Does not include CCS.

Global Low-carbon Fuel Policies Driving Demand Growth for Renewable Diesel



Diesel Demand in Select Markets[1]
~7,300

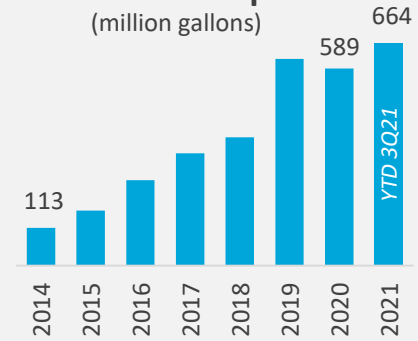
EU & UK
Canada
Select U.S.

(thousand barrels per day)

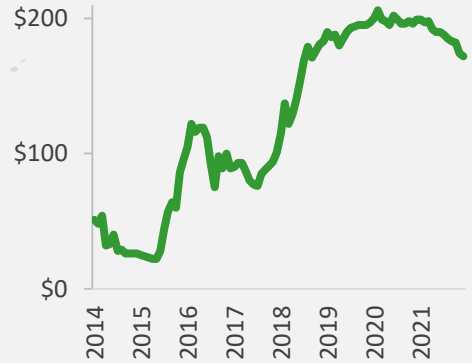
Current RD and BD Consumption[1]
<500

	2030 GHG Emissions Reduction Target	Net-zero GHG Emissions Target	Primary Transportation Fuel Policy Mechanism	2030 Liquid Fuels Goal
California	40%	Net-zero by 2045	Low Carbon Fuel Standard (LCFS)	Reduce the carbon intensity of transportation fuels by at least 20%
Canada	30%	Net-zero by 2050	Clean Fuel Standard (CFS) – enforcement expected 2022	Reduce the carbon intensity of transportation fuels by ~13%
EU	40%	Net-zero by 2050	Renewable Energy Directive II (RED II)	Replace 14% of transport fuels with renewable energy
Other Policies in Place	• Oregon's Clean Fuels Program requires a 10% carbon intensity reduction by 2025; has proposed a 25% reduction by 2035 • Washington State's legislature has passed an LCFS that requires a 20% carbon intensity reduction by 2038 • British Columbia and Ontario have existing low-carbon fuels policies • Sweden currently has a 21% GHG reduction requirement for diesel in 2020, increasing to 66% in 2030 • Finland aims for 30% of transport fuels to be biofuels by 2030 • UK requires that 11.9% of transportation fuel meets prescribed sustainability criteria, increasing to 17.4% by 2032			
Potential Policies	• New York continues to evaluate an LCFS in order to meet its goal of reducing emissions 85% by 2050 • New Mexico and Minnesota are exploring renewables mandates			

California Renewable Diesel Consumption
(million gallons)



LCFS Credit Price
(monthly average, $ per metric ton)



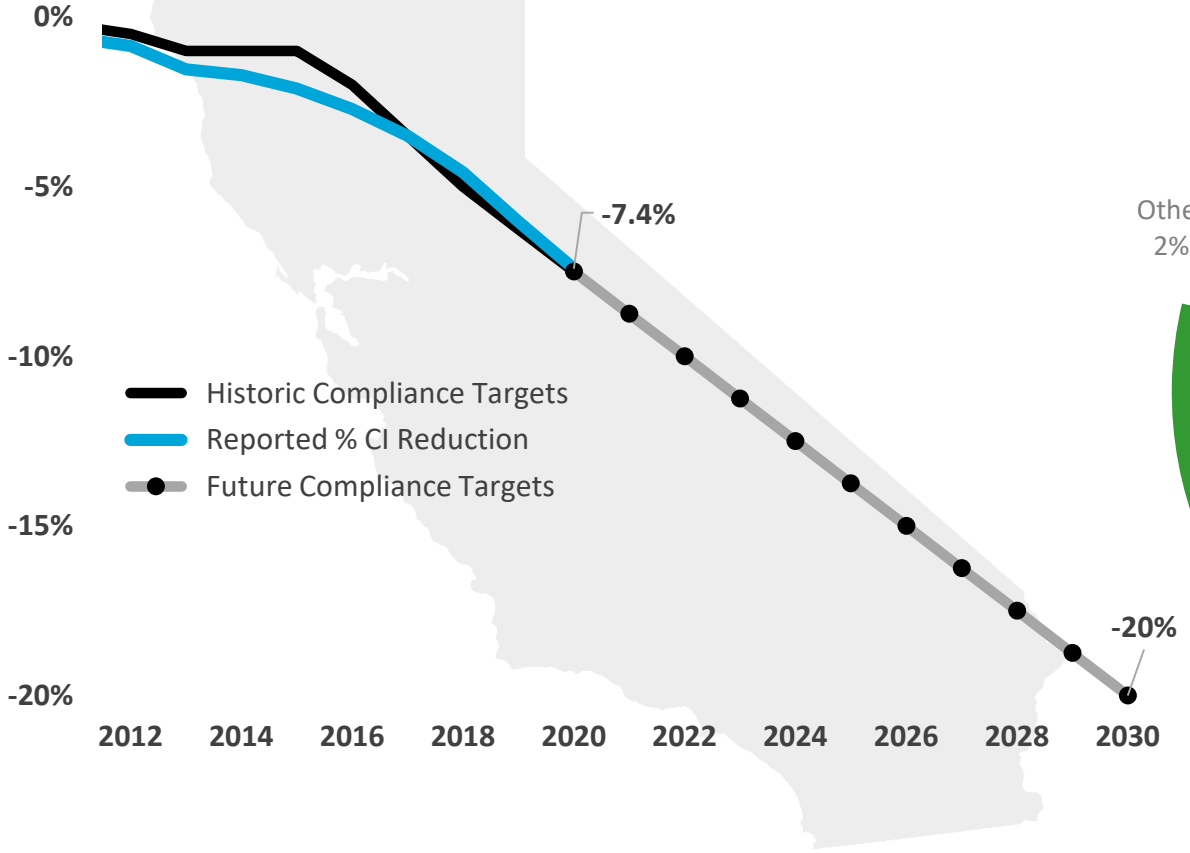
Source: California Air Resources Board. 2021 renewable diesel consumption through 3Q21. LCFS credit price through December 2021.

[1] 2019 diesel demand, inclusive of biofuels, and 2021 Renewable Diesel (RD) and Biodiesel (BD) consumption in Canada, EU, UK, and U.S states with mandates in place or in consideration (CA, OR, WA, NY, NM, and MN only). Data from DOE, CARB, Oregon DEQ, and industry consultants.

Renewable Diesel Driving Low-carbon Results in California

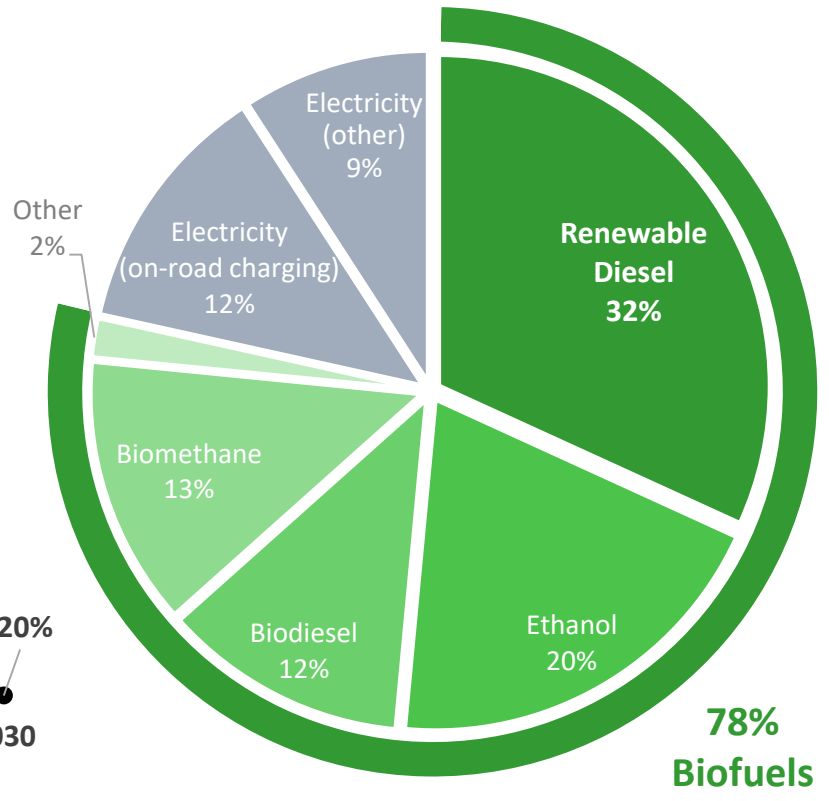
California LCFS Performance

(% reduction in carbon intensity)



LCFS Credit by Fuel Type

(2021)



Cost-effective fuel that can be used with existing vehicles

Drop-in fuel that does not require infrastructure investments

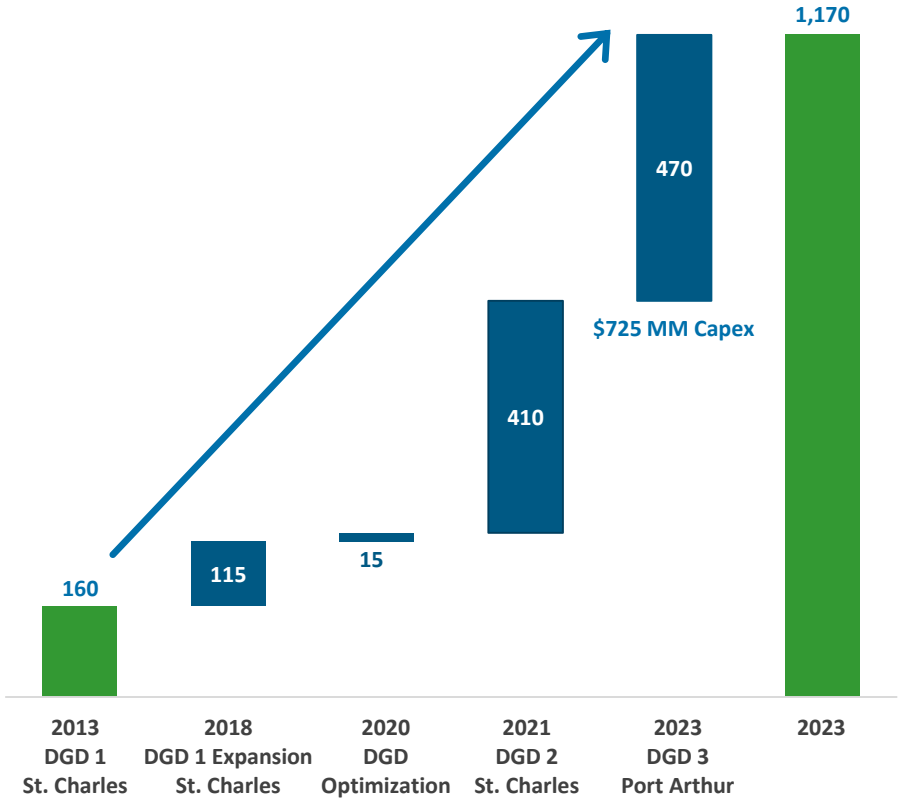
Over 3 billion gallons consumed in California since 2011

Source: California Air Resources Board through September 30, 2021. Totals may not crossfoot due to rounding.

Expansion into Low-carbon Renewable Fuels Underpinned by Higher Economic Returns

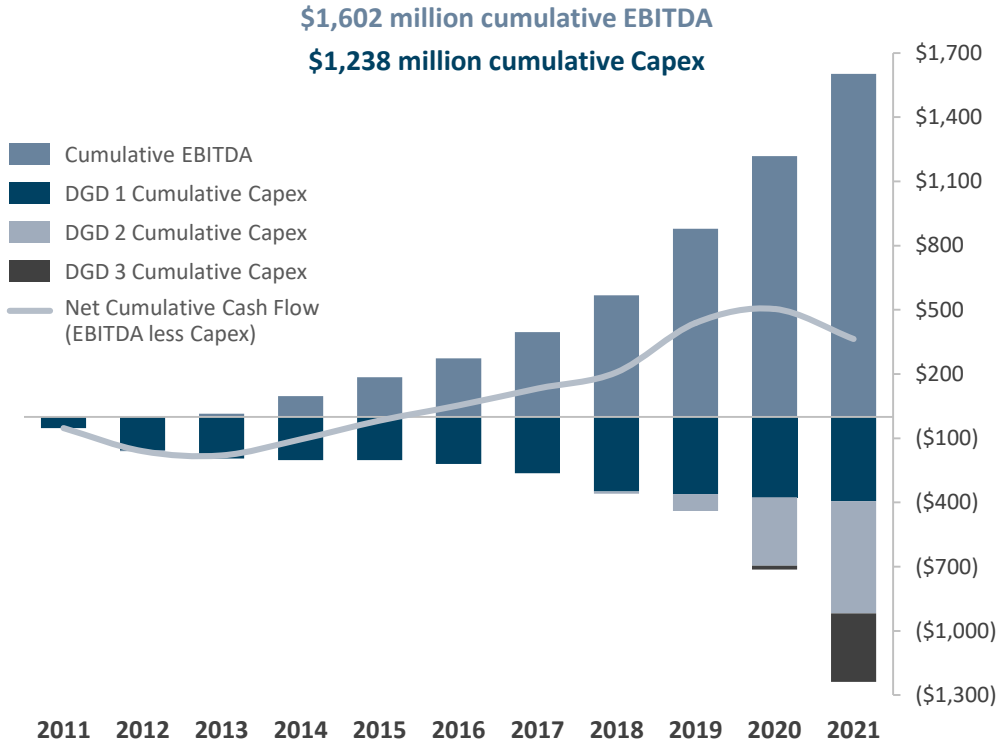
Renewable Diesel Capacity

(million gallons per year)



Renewable Diesel Realized Cash Flow Profile

($ in millions)

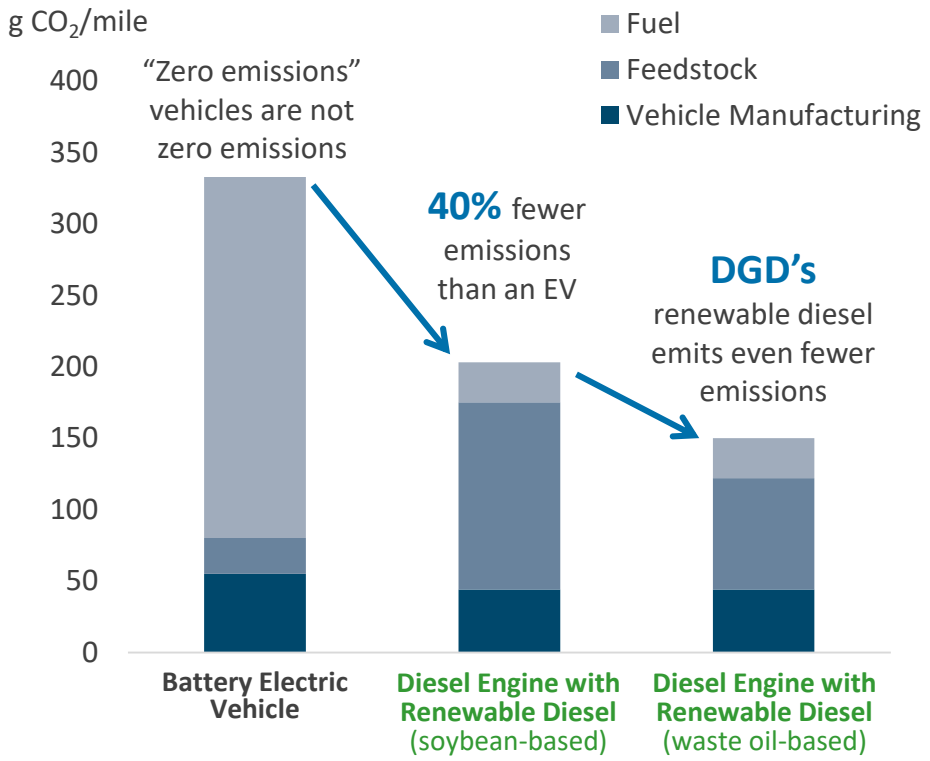


See slides 43-53 for non-GAAP disclosures.
Diamond Green Diesel EBITDA and Capex reflects Valero's 50% share.

A Vehicle Running on Renewable Diesel Emits Over 40% Fewer Emissions than an Electric Vehicle

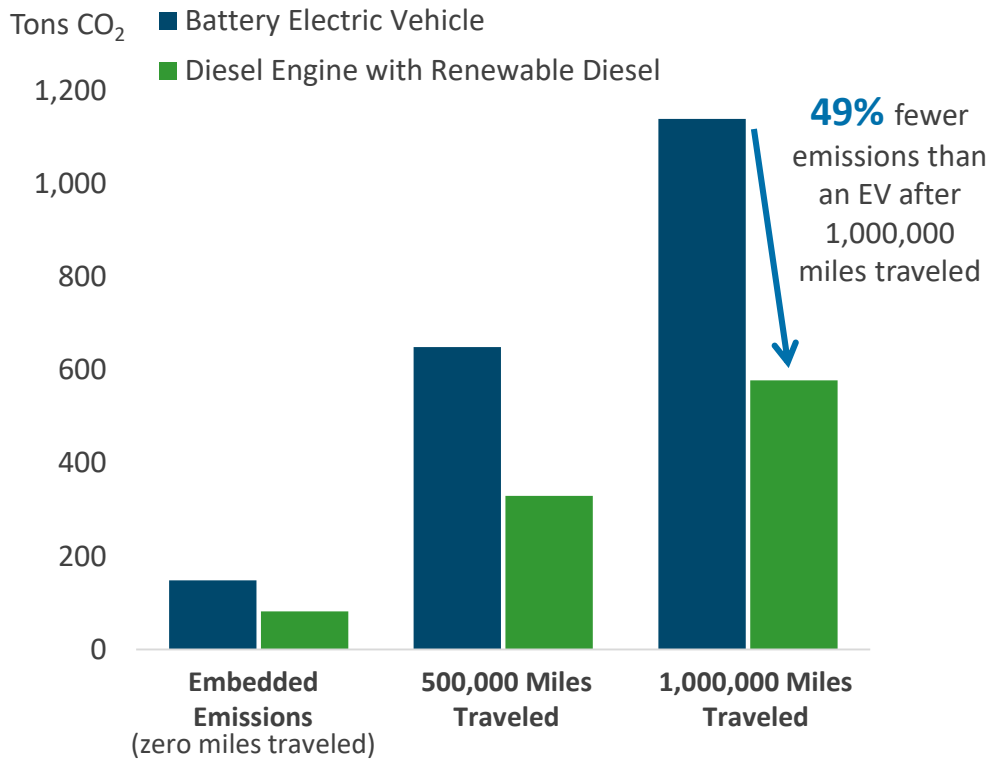
U.S. Light-Duty Vehicle Life Cycle Emissions

Argonne National Laboratory (DOE) Study



U.S. Heavy-Duty Long-Haul Vehicle Life Cycle Emissions

Southwest Research Institute Study



A single light-duty vehicle running on renewable diesel emits **29 tons less CO_2 emissions** than an electric vehicle, an amount equal to planting **435 trees***

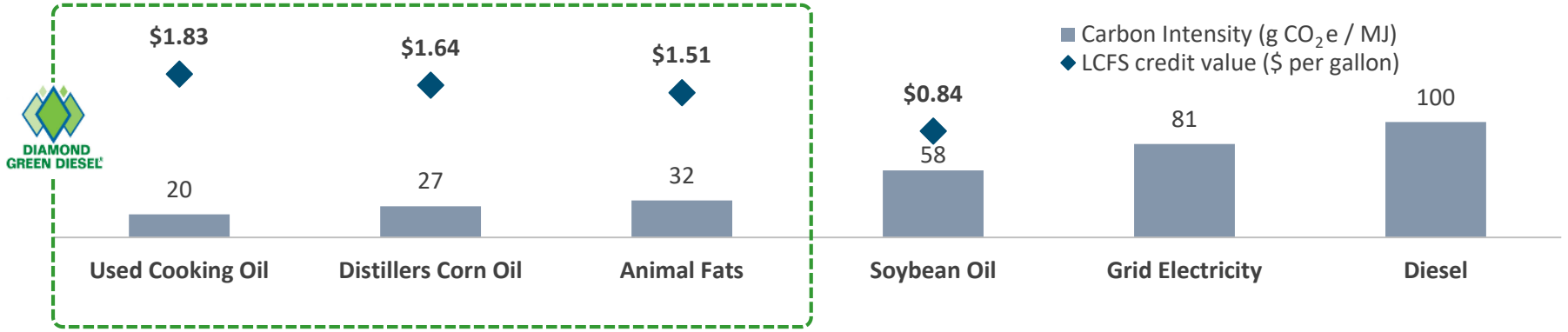
A single heavy-duty long-haul vehicle running on renewable diesel emits **561 tons less CO_2 emissions** than an electric vehicle, an amount equal to planting **8,482 trees***

*Estimated based on EPA's GHG Equivalencies calculator for urban tree seedlings grown for ten years.

Source: Argonne National Laboratory (DOE) and Southwest Research Institute.
See slides 23-24 for notes regarding this slide.

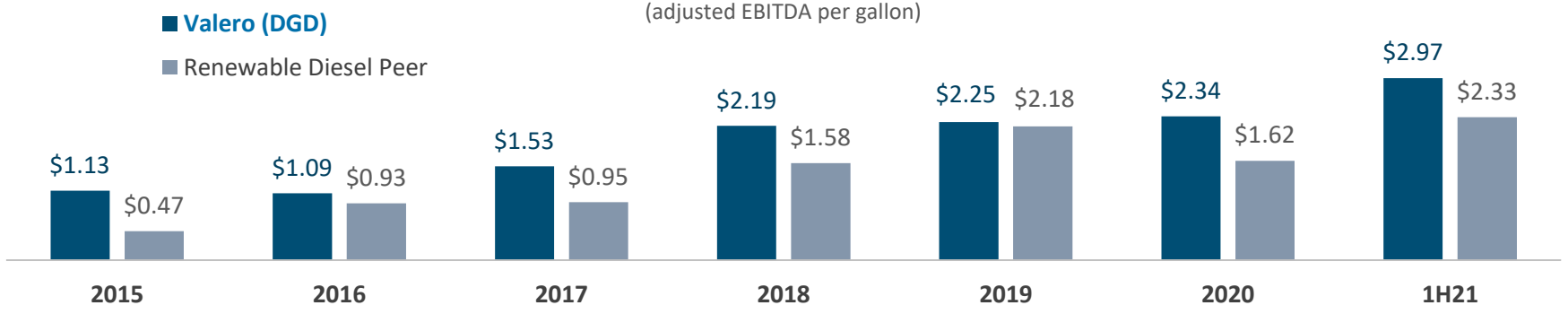
Our Competitive Advantage with Diamond Green Diesel (DGD)

DGD is Designed to Process Low-carbon Feedstocks for Higher Product Value



Higher EBITDA Margin

(adjusted EBITDA per gallon)

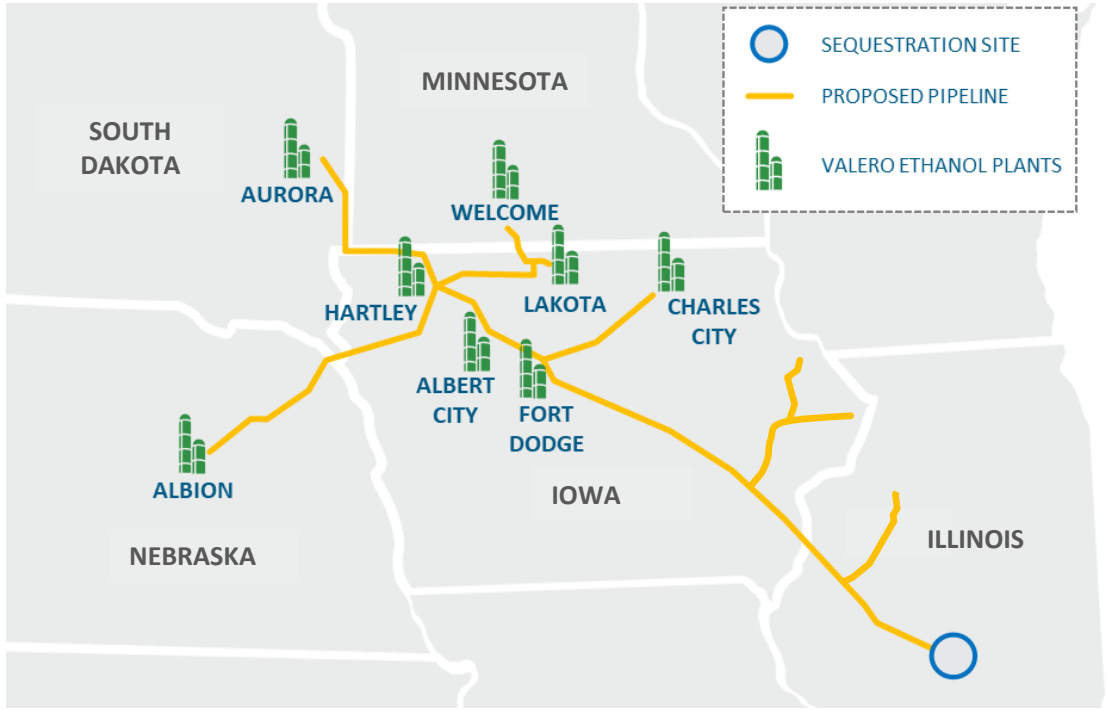


Applying our liquid fuels manufacturing expertise to optimize our renewable diesel business

Source: Company reports and California Air Resources Board.
See slides 23-24 for notes regarding this slide. See slides 43-53 for non-GAAP disclosures.

Developing Economic Paths to Further Reduce the Carbon Intensity of Our Products

- Connecting to BlackRock and Navigator's **large-scale carbon capture and storage project**
  - 1,300 mile pipeline is expected to span across five Midwest states
  - Valero is expected to be the anchor shipper with eight of its ethanol plants connected to the carbon capture pipeline
  - Navigator is expected to lead the construction and operations of the system, with startup activities to begin late 2024
- Project driven by strong economic returns
  - **45Q Tax Credit** of $50 per metric ton of CO_2 captured and stored[(1)]
  - Approximately 50 cents per gallon uplift on the lower carbon intensity ethanol in **LCFS markets**
- Evaluating **additional** Carbon Sequestration **opportunities**
  - Developing stand-alone projects at our Eastern ethanol plants for carbon sequestration on-site



Map is indicative only. Exact pipeline route subject to change following the conclusion of Open Season.
(1) Typical CO_2 production from ethanol plants is 0.003 metric tons per gallon of ethanol produced.

SIZE, SCALE AND GLOBAL REACH
EXTENSIVE CONNECTIVITY AND GLOBAL OPTIMIZATION

LOWEST COST PRODUCER
TOP QUARTILE OPERATIONS

DISCIPLINED INVESTMENTS
GROWTH WITH LOWER VOLATILITY

PREMIER REFINING PORTFOLIO THAT IS RESILIENT EVEN IN A CARBON-CONSTRAINED SCENARIO

SIZE, SCALE AND GLOBAL REACH

high complexity coastal system with **extensive connectivity** to inland and imported crudes

operational flexibility to process a wide range of feedstocks

ratable wholesale supply of 1.2 million barrels per day or over 50% of our light products

global operations support **optimization** of product exports

one of the largest light products importers into Mexico

LOWEST COST PRODUCER WHILE ACHIEVING TOP QUARTILE OPERATIONS

safety and **reliability** are imperative for profitability

top quartile mechanical availability minimizes unplanned downtime and costs

access to cheap natural gas and a deep pool of skilled labor in the U.S. Gulf Coast

INVESTMENTS IN EFFICIENCY, MARKET EXPANSION AND HIGHER MARGIN CAPTURE

reducing cost and improving margin capture
- Wilmington and Pembroke cogens
- St. Charles and Port Arthur hydrocrackers
- Port Arthur coker
- Houston and St. Charles alkylation units

improving feedstock flexibility, cost and crude quality
- Diamond, Sunrise and Red River pipelines
- connectivity in Corpus Christi
- Line 9 into Quebec
- Houston and Corpus Christi toppers

growing market share into higher netback markets
- Central Texas pipelines and terminals
- Pasadena terminal
- expansion into Latin America with investments in Mexico and Peru

Long-term, sustainable competitive advantage

Highest Free Cash Flow within Peer Group

Peer Range

Average Free Cash Flow 2012 – 2020

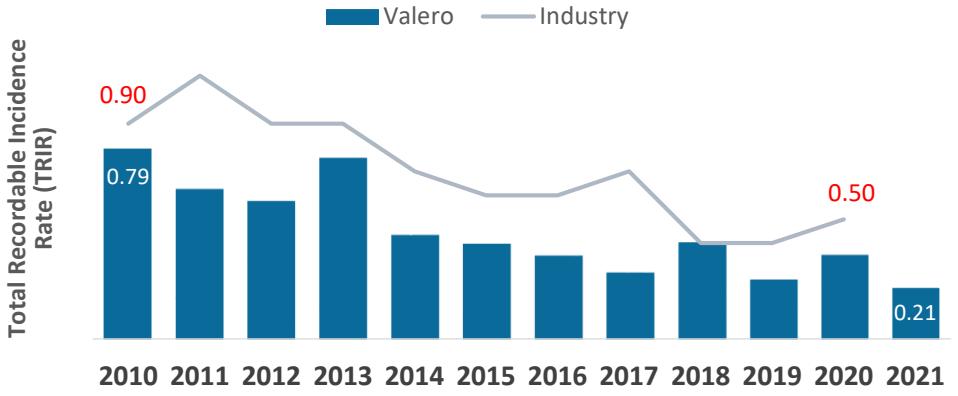
See slides 23-24 for notes regarding this slide. See slides 43-53 for non-GAAP disclosures.
Peer group includes PSX, MPC, HFC, and PBF.

Safety and Reliability are Imperative for Profitability

2021
BEST YEAR EVER FOR
EMPLOYEE & PROCESS
SAFETY

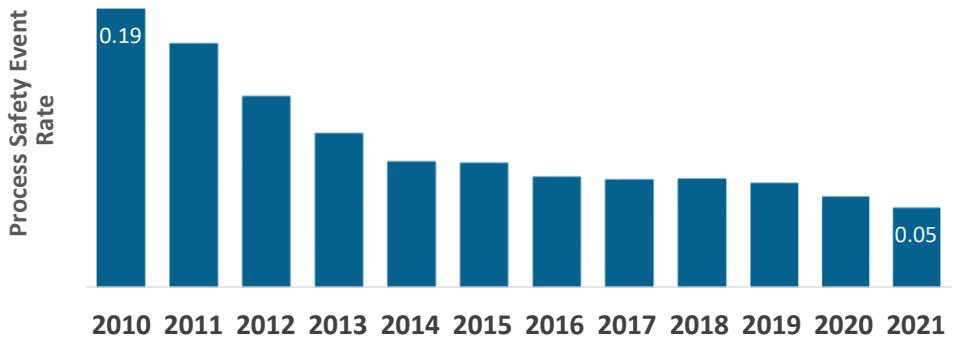
In 2021, we delivered our **best year ever on employee and process safety performance**

Personnel Safety

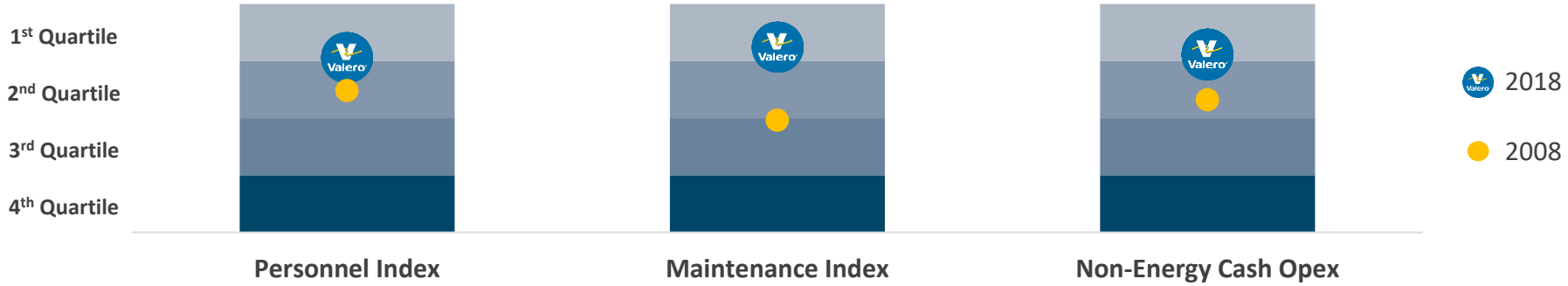


Tier 1 Process Safety

(three-year rolling averages)



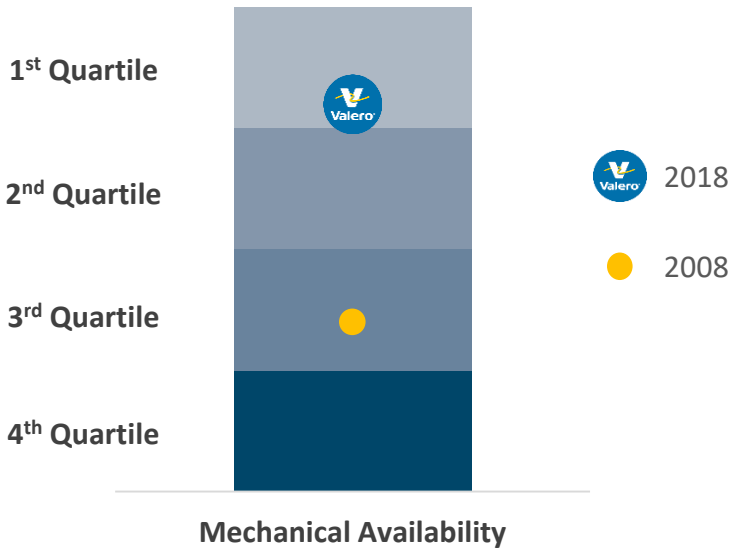
Improvement Versus Industry Benchmarks Leads to Greater Margin Capture, Lower Operating Expenses and Better Efficiency



See slides 23-24 for notes regarding this slide.

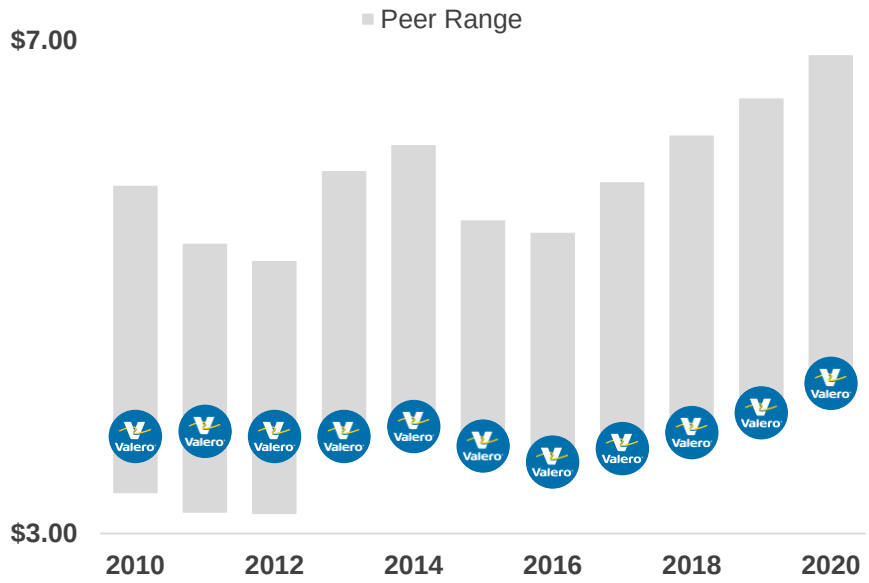
Increased Refinery Availability Has Driven Valero to be the Lowest Cost Producer

Improvement in Mechanical Availability Versus Industry Benchmarks



Refining Cash Operating Expenses Per Barrel of Throughput

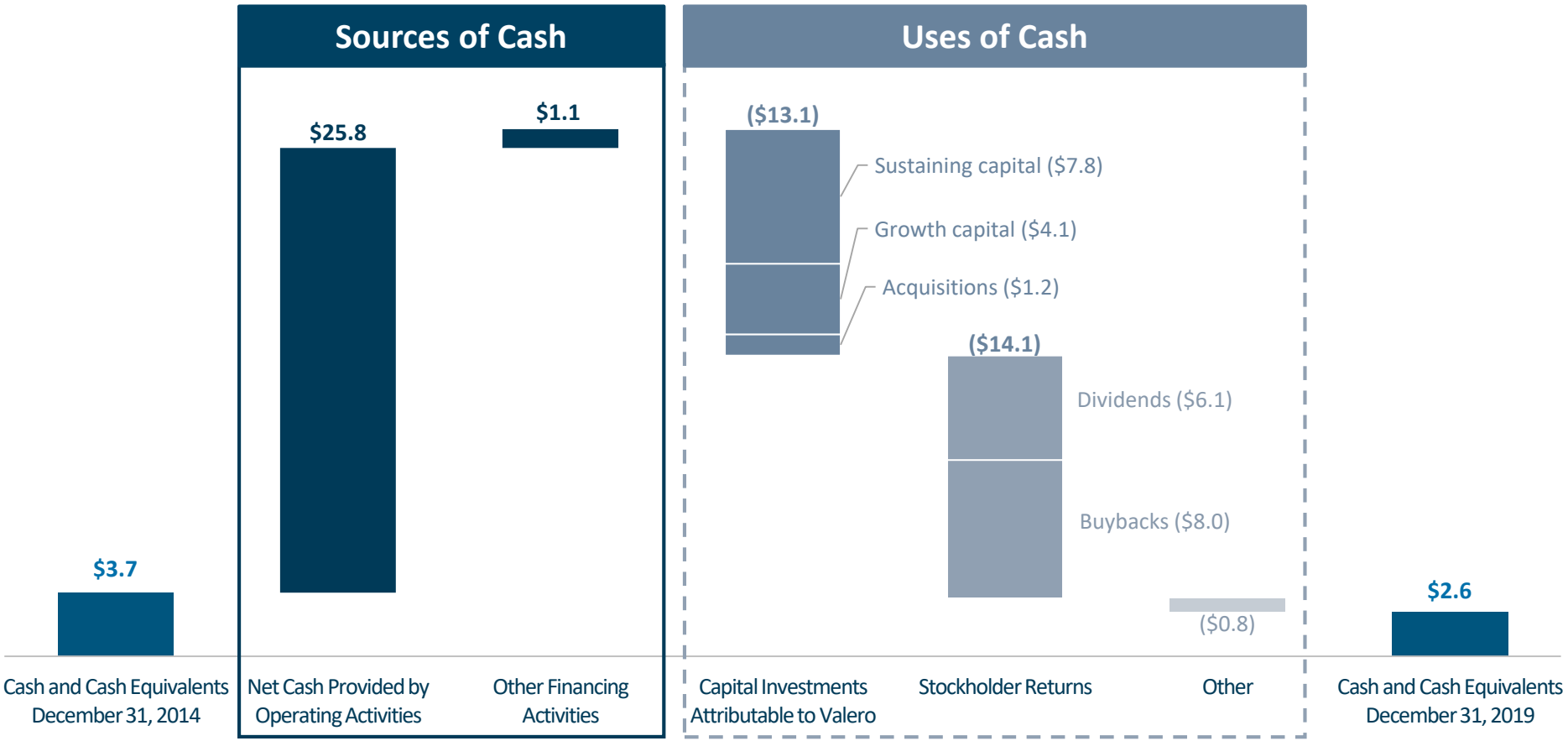
(excludes turnaround and D&A expenses)



See slides 23-24 for notes regarding this slide. Peer group includes PSX, MPC, HFC, and PBF.

Refining Business Generates Significant Cash to Support Growth and Stockholder Returns

Sources and Uses of Cash – Cumulative Five Years: December 31, 2014 to December 31, 2019
($ in billions)



See slides 43-53 for non-GAAP disclosures.

Disciplined Capital Management is a Constant in Our Strategy

1 Maintain a Strong Balance Sheet

Maintain an investment grade credit rating

Target 20% to 30% net debt-to-cap ratio

2 Non-discretionary

Sustaining Capex

- Target approximately $1.5 billion annually
- Key to safe and reliable operations

Dividend

- Commitment to stockholders
- Targeting a sustainable and growing dividend with a payout that is at the high end of our peer group

3 Discretionary

Growth Capex

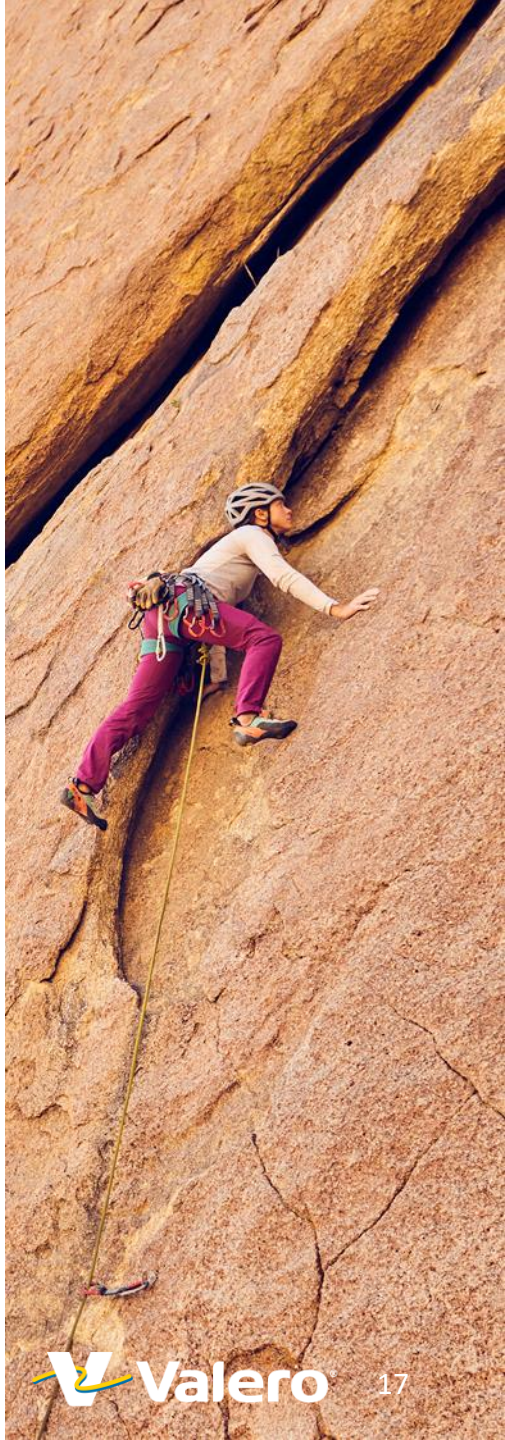
- 25% after-tax IRR hurdle rate for projects
- Refining projects focused on operating cost control, market expansion and margin improvement
- Low-carbon fuels expansion

Acquisitions

- Evaluate versus alternative uses of cash

Buybacks

- Targeting an annual payout ratio between 40% and 50% of adjusted net cash provided by operating activities
- Stock buyback program consists of ratable and opportunistic purchases

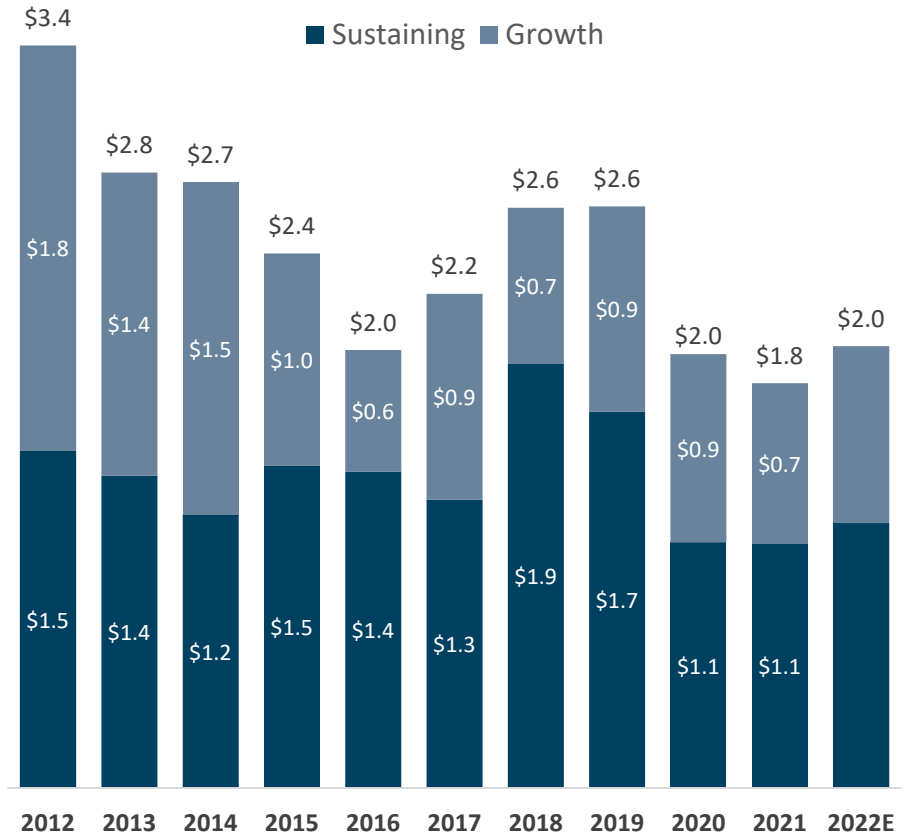


See slides 23-24 for notes regarding this slide.

Demonstrated Discipline in Capital Allocation

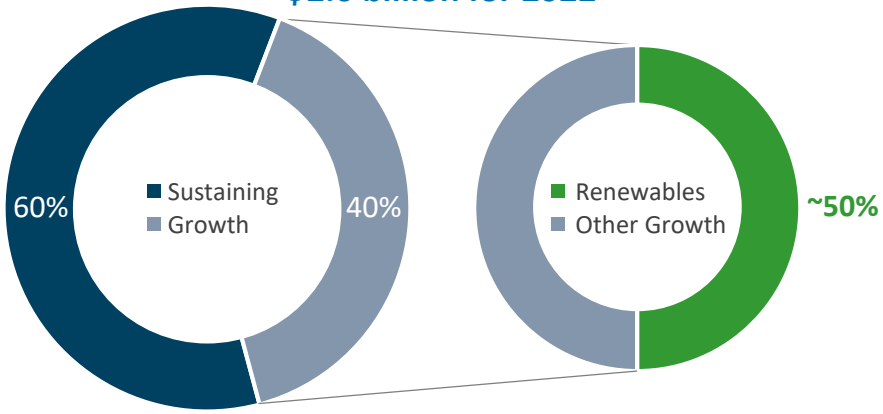
Annual Capital Investments Attributable to Valero

($ billion)



Estimated Capital Investments Attributable to Valero

$2.0 billion for 2022



Total Capital Investments Attributable to Valero

Growth Capital Investments Attributable to Valero

Sustaining Capex as a percentage of Depreciation and Amortization

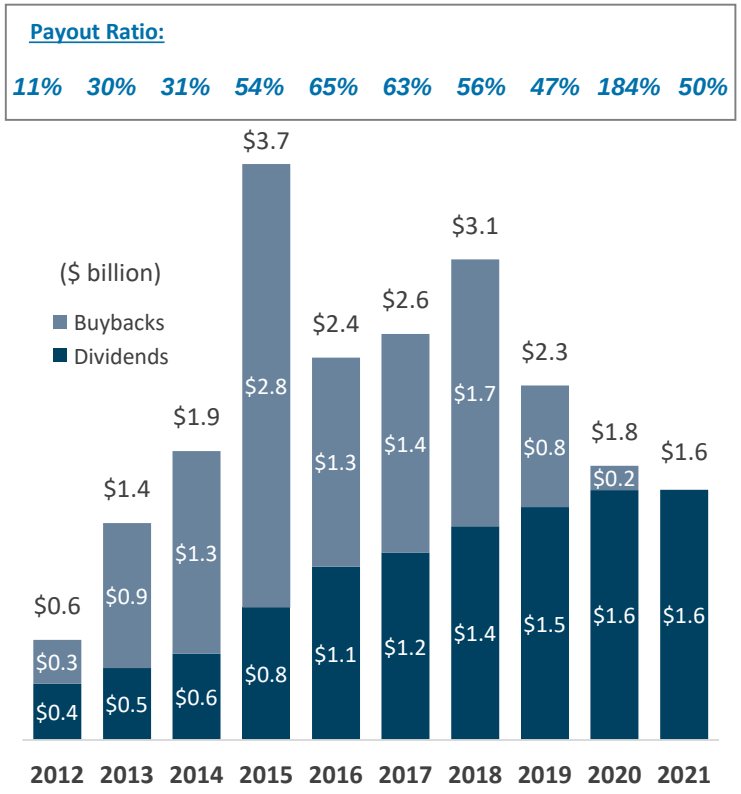
Steady investments to maintain a **safe and reliable asset base** and **enhance** the **margin capability** of our portfolio

Approximately **50% of growth capex** is allocated to **renewables**

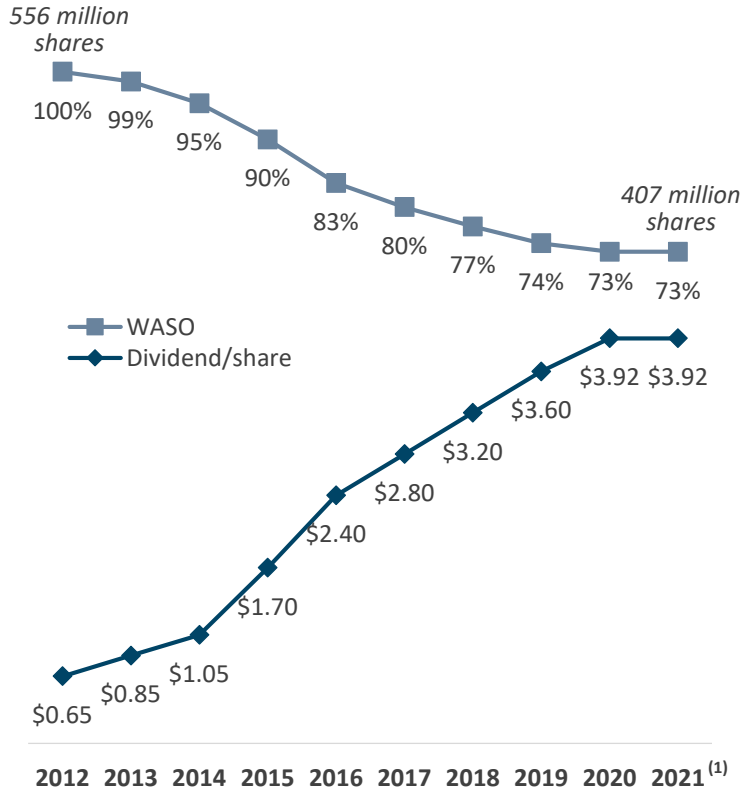
Sustaining includes costs for turnarounds and catalysts and regulatory compliance. Growth includes joint-venture investments but excludes acquisitions. Sustaining and growth excludes 50% of DGD's sustaining and growth capex attributable to the other joint venture member and those related to other variable interest entities. Renewables reflects DGD and ethanol. See slides 43-53 for non-GAAP disclosures. Totals may not crossfoot due to rounding.

Delivering on Our Commitment of Cash Returns to Stockholders

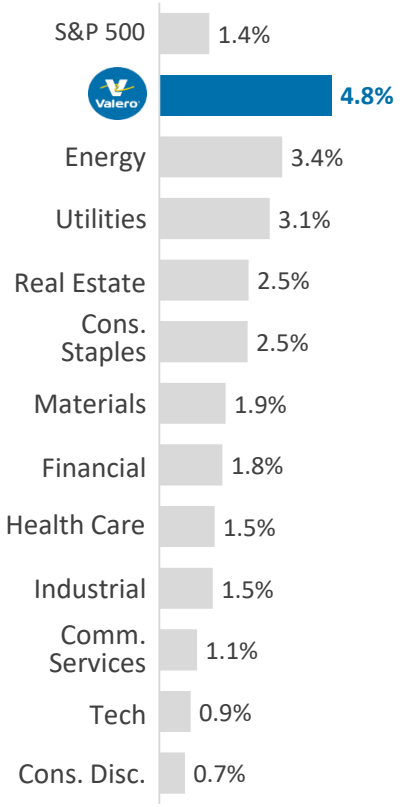
Stockholder Returns



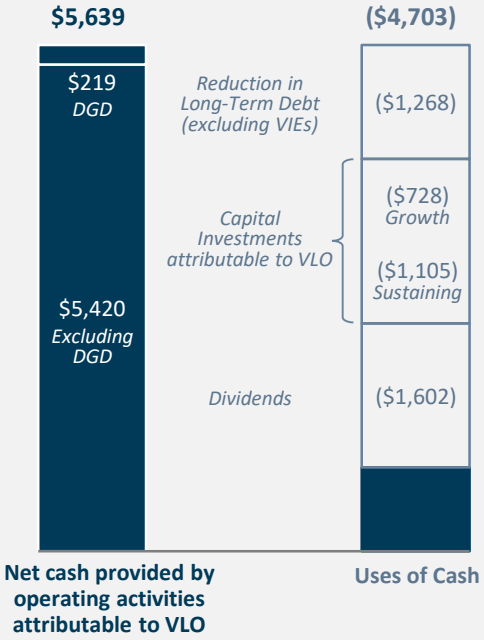
Annual Dividend Per Share and Weighted Average Shares Outstanding as a Percentage Relative to 2012



Dividend Yield(2)



December 31, 2020 to December 31, 2021
($ in millions)

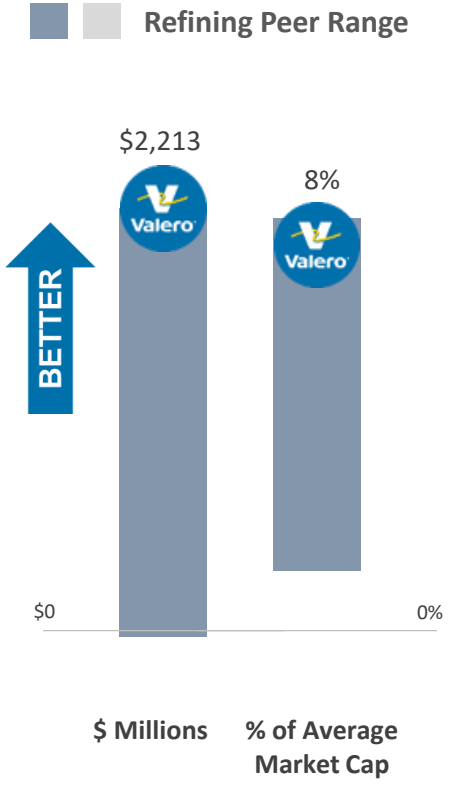


Delivering cash returns through **sustainable dividend growth** and **discretionary buybacks**

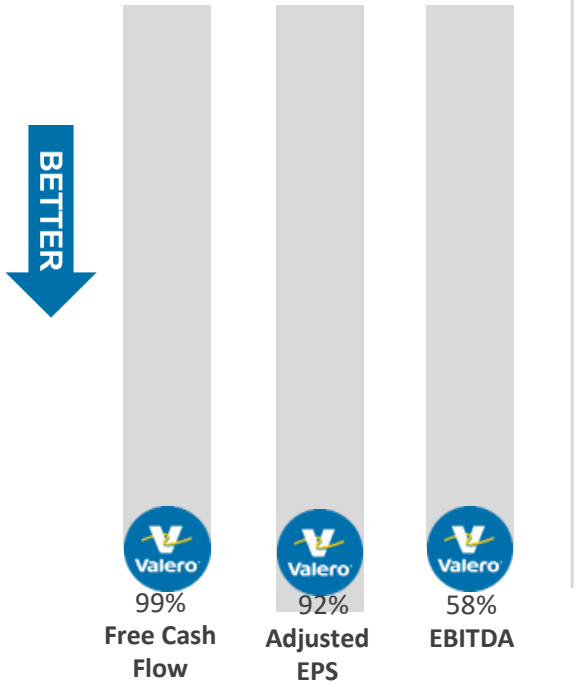
Source: Bloomberg as of January 28, 2022. See slides 43-53 for non-GAAP disclosures. Totals may not crossfoot due to rounding.
(1) 2021 Dividend per share annualized based on most recent quarterly dividend.
(2) Dividend yield for sectors reflects the Index Yield of the respective SPDR exchange-traded fund (ETF).

Demonstrated Lower Volatility in Earnings and Free Cash Flow

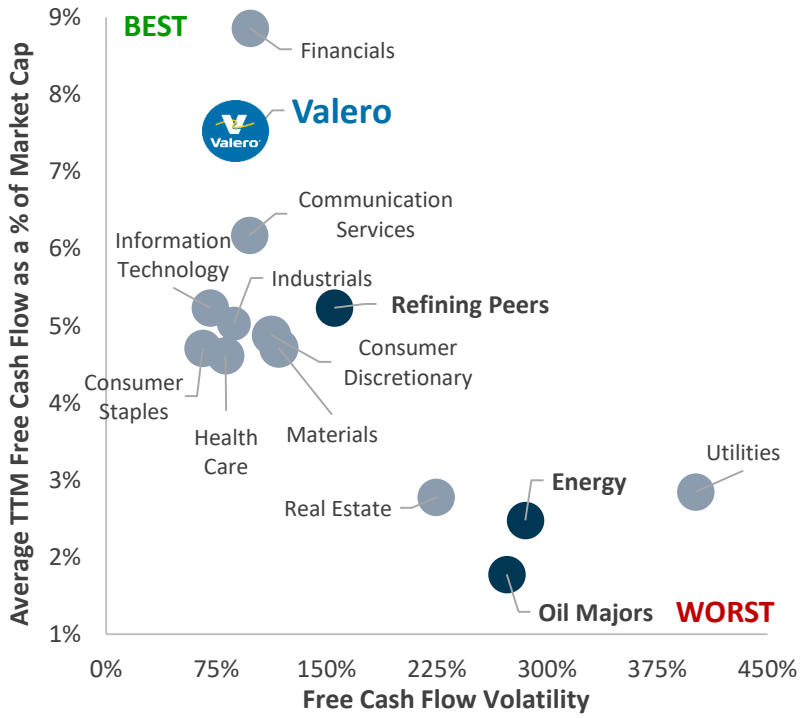
Average Free Cash Flow 2012 – 2020



Volatility 2012 – 2021



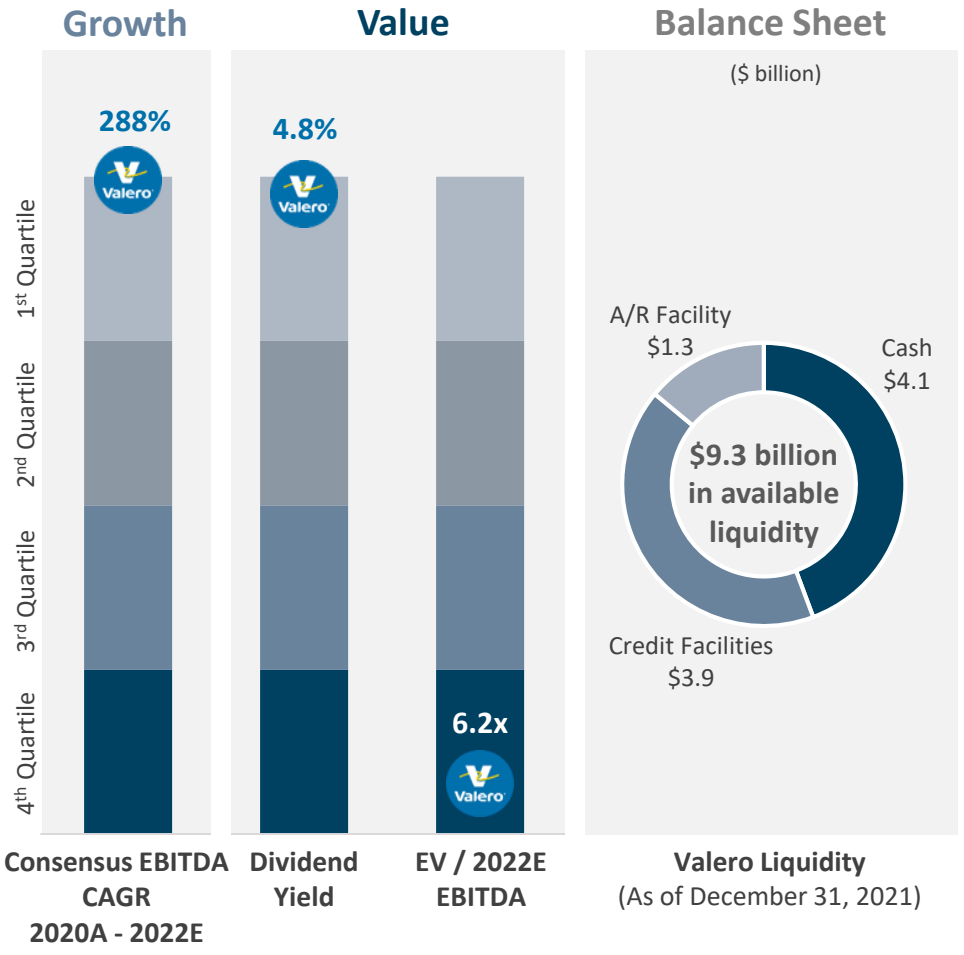
S&P 500 Free Cash Flow Volatility and Return Profile 2012 – 2021

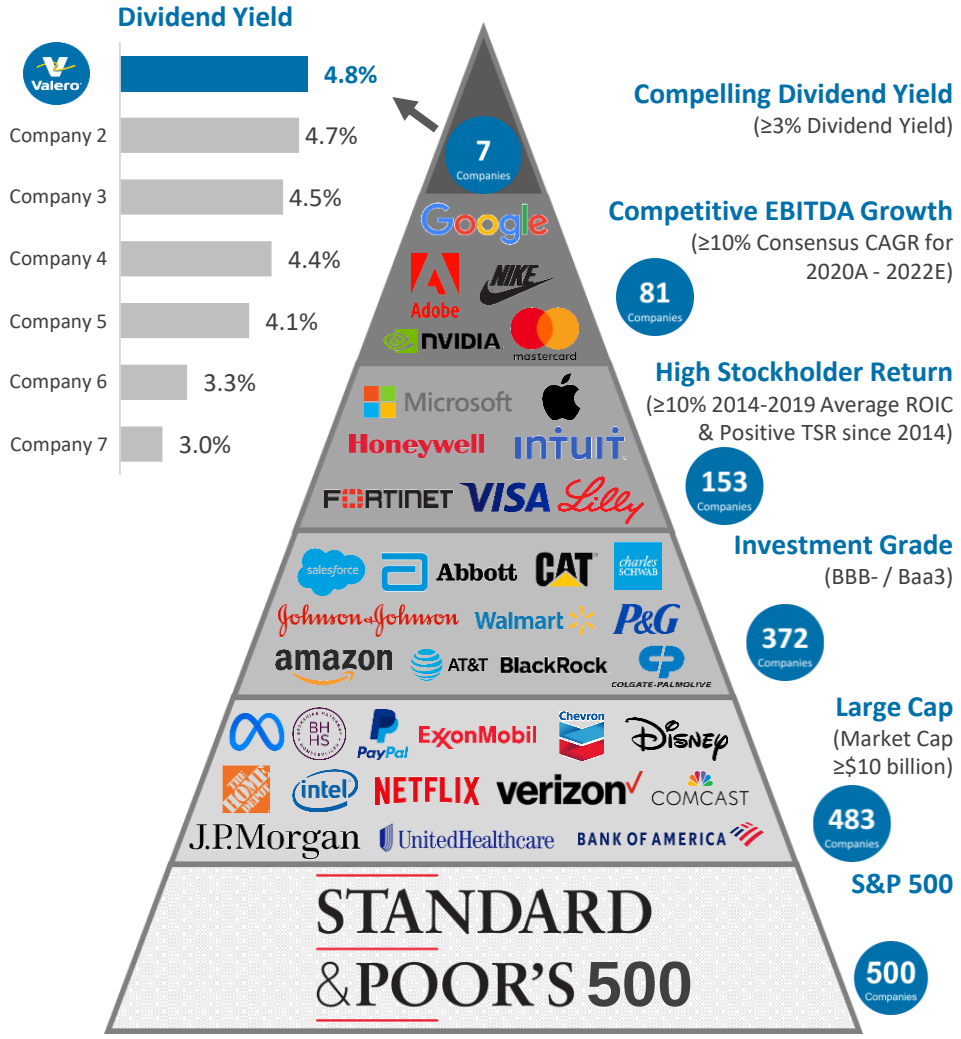


Valero has demonstrated **lower volatility in earnings** and **free cash flow** than other refiners, integrated energy companies and most S&P 500 sectors

Source: Bloomberg and company reports.
See slides 23-24 for notes regarding this slide. See slides 43-53 for non-GAAP disclosures.

Valero's Positioning Relative to the S&P 500 Index





- Premier Refining portfolio that is resilient even in a carbon-constrained scenario
- Lowest cost producer
- Growth through innovation in Renewables
- Committed to stockholder returns with a target payout ratio of 40% to 50%
- Comprehensive roadmap to reduce emissions through investments in Board approved projects

Source Bloomberg as of January 28, 2022.
See slides 23-24 for notes regarding this slide.

Appendix Contents

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Notes

Payout Ratio

Payout Ratio is the sum of dividends and stock buybacks divided by adjusted net cash provided by operating activities. Adjusted net cash provided by operating activities excludes changes in working capital and 50% of DGD's operating cash flow (excluding the change in its working capital) attributable to the other joint venture member.

Light Products

Light products is the combined volume of gasoline and distillate. Gasoline volume includes blendstocks and distillate volume includes ULSD, jet fuel, kerosene, and ULSK.

Slides 4, 5, 26, and 27

Valero's Sustainable Accounting Standards Board (SASB) Report aligns its performance data with the recommendations of the SASB framework in the Oil and Gas – Refining and Marketing industry standard. A copy of Valero's SASB report, EEO-1 report and related disclosures, including further detail on our 2025 and 2035 GHG emissions reduction and offset targets and the independent verification we obtained can be on pages 106 through 108 in Valero's Stewardship and Responsibility Report (SRR), which can be accessed on Valero's investor relations website at Investorvalero.com.

Slides 6 and 36

Amounts shown represent targeted EBITDA growth. Valero is unable to provide a reconciliation of such forward-looking targets because certain information needed to make a reasonable forward-looking estimate is difficult to estimate and dependent on future events, which are uncertain or outside of its control, including with respect to unknown financing terms, project timing and costs, and other potential variables. Accordingly, a reconciliation is not available without unreasonable effort.

Slide 10

U.S. Light-Duty Vehicle Life Cycle Emissions study conducted by Argonne National Laboratory (DOE) – "Cradle-to-Grave Lifecycle Analysis of U.S. Light-Duty Vehicle-Fuel Pathways: A Greenhouse Gas Emissions and Economic Assessment of Current (2015) and Future (2025-2030) Technologies." Study focused on the midsize sedan, assumed 15 year vehicle life, renewable diesel emissions are based on 100% renewable diesel blend, electricity based on 2014 EIA average mix, no battery replacement for 210 mile range electric vehicle, DGD waste oil feedstock CI's have at least 40% less emissions than soybean based renewable diesel.

U.S. Heavy-Duty Long-Haul Vehicle Life Cycle Emissions study conducted by Southwest Research Institute – "Class 8 Truck Life Cycle Analysis" (2020). Class 8 heavy-duty truck with a one-million mile (~15 years) lifetime; electric truck with a 500-mile battery range, electricity based on GREET Distributed U.S. Mix Variable 2020-2035, no battery replacement; 15L diesel engine running on 100% renewable diesel, renewable diesel carbon intensity based on CARB's 2019 LCFS Quarterly Data Summary.

Slide 11

California LCFS credit values are for 2022, assuming $200 per metric ton carbon price. Renewable diesel peer reflects Neste Corporation.

Notes

Slides 13 and 20

Free cash flow is defined as net cash provided by operating activities less capital expenditures, deferred turnaround and catalyst cost expenditures, investments in joint ventures, and changes in current assets and liabilities. Average free cash flow reflects 2012 through the most recent annual filing. Average free cash flow for PBF reflects years 2013 to 2020 due to its December 2012 IPO. Volatility expressed as coefficient of variance, or the standard deviation divided by the mean, of the respective metric on a quarterly basis from the first quarter of 2012 through the third quarter of 2021. EBITDA is defined as net income (loss) plus income tax, net interest and depreciation and amortization. Refining peer group includes PSX, MPC, HFC, and PBF. Oil majors include XOM, CVX, COP and EOG.

Slide 14

Industry Total Recordable Incidence Rate (TRIR) from U.S. Bureau of Labor Statistics. Tier 1 three-year rolling averages of refining process safety events per 200,000 work hours. Tier 1 defined within API Recommended Practice 754. Industry benchmarking and Valero's performance statistics from Solomon Associates and Valero.

Slide 15

Industry benchmarking and Valero's performance statistics from Solomon Associates and Valero. Valero's refining operations typically consume approximately 905,000 MMBtu/day of natural gas, of which 66% is operating expense and the balance is cost of goods sold.

Slide 17

Targeted net debt-to-cap ratio based on total debt reduced by balance sheet cash. Peer group includes PSX, MPC, HFC, and PBF. Payout ratio is the sum of dividends and stock buybacks divided by adjusted net cash provided by operating activities. Adjusted net cash provided by operating activities excludes changes in working capital and 50% of DGD's operating cash flow (excluding the change in its working capital) attributable to the other joint venture member.

Slide 21

TSR from December 31, 2014 through January 28, 2022 includes stock price appreciation and dividends paid. EV / EBITDA based on 2022 consensus estimates.

Slide 29

Ranges represent average quarterly minimums and maximums of each feedstock category as a % of total feedstock. Ranges for monthly averages are wider.

Slide 31

VLO U.S. product exports reflect Valero's actual U.S. gasoline and distillate export volumes. Distillate volume includes diesel, jet fuel and ULSK. Map shows destinations for products exported from Valero's refineries in the U.S., Canada and the U.K.

VLO Guidance

1Q22[1]

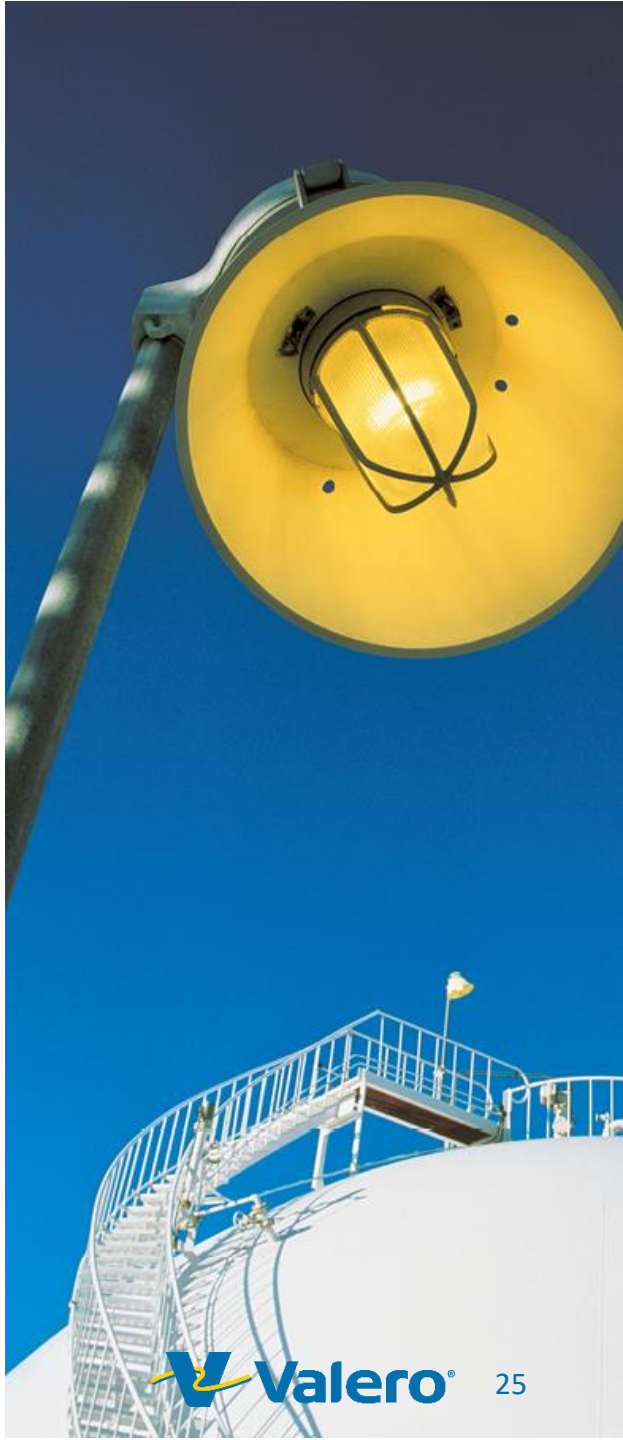
• Throughput (MBPD)	
– U.S. Gulf Coast	1,660 to 1,710
– U.S. Mid-Continent	395 to 415
– North Atlantic	430 to 450
– U.S. West Coast	185 to 205
• Refining cash operating expense per barrel of throughput	$4.80
• Ethanol	
– Production (millions of gallons per day)	4.2
– Operating expense per gallon of production	$0.44
• Cash opex	$0.39
• Non-cash opex	$0.05
• Depreciation and amortization expense ($MM)	$600
• Net interest expense ($MM)	$150

Full Year 2022[1]

• Renewable Diesel	
– Sales volume (million gallons)	700
– Operating expense per gallon of production	$0.45
• Cash opex	$0.30
• Non-cash opex	$0.15
• Payout ratio[2] of adjusted net cash provided by operating activities	40 to 50%
• General and administrative expense ($MM)	$870
• Annual capital investments attributable to Valero ($MM)	$2,000
– Sustaining	60%
– Growth	40%

[1] Unless otherwise stated, guidance as provided on the 4Q21 earnings call and is included here for informational purposes only.

[2] Payout ratio is the sum of dividends and stock buybacks divided by adjusted net cash provided by operating activities. Adjusted net cash provided by operating activities excludes changes in working capital and 50% of DGD's operating cash flow (excluding the change in its working capital) attributable to the other joint venture member.



A Commitment to Environmental Stewardship, Beyond Regulations

E ENVIRONMENTAL

Reducing, Reusing, Recycling, and Repurposing

Refining

Flare-gas recovery systems result in more than **97% flaring-free** operations

Recycle approximately 18.5 times the amount of fresh water consumed in refining operations

Marine vapor recovery units **route gasoline back** into the refinery pool

Cogeneration units and **expanders** can **offset enough electricity** to power a city the size of **San Francisco**

Renewables

Renewable Diesel **reduces life cycle GHG emissions up to 80%**[1][2]

Diamond Green Diesel **processes recycled** animal fats, used cooking oil, and inedible corn oil **to produce a low-carbon intensity renewable diesel**

Ethanol reduces **life cycle GHG emissions by at least 30%**[2]

Developing a **carbon capture project** connected to eight of our **Ethanol plants**, providing **an economic path to further reduce carbon intensity** of our Ethanol product **by more than 40%**

Carbon Capture

Our Port Arthur refinery became **the first industrial site** in the U.S. to **host a large scale carbon capture project**, with **more than 1 million metric tons captured each year**

Environmental Management Systems

CTEMS, a proprietary systematic approach, adheres to a **"plan-do-check-act"** model to achieve excellence, driving **safe, reliable and predictable operations**, while minimizing impacts on communities and the environment

EERA, elevated the audit and compliance functions to an **environmental excellence vision**, **beyond regulations**

Fuels Compliance, focuses on **product quality** and **compliance with fuels regulations**

See slides 23-24 for notes regarding this slide.

[1] 100% used cooking oil feedstock results in a carbon intensity score of 20 under California's LCFS program.

[2] Versus the comparable petroleum based fuel.

Sharing Our Success with the Communities where we Operate with Strong Governance and Ethical Standards

S SOCIAL

Diversity, Equality and Inclusion (DEI)

35% of our U.S. workforce **are minorities**

29% of our professional employees **are women**

2021 Bloomberg Gender-Equality Index

EEO-1 Report disclosed

Dedicated DEI team focused on recruitment, training and development, compensation, benefits, and retention

Chief Diversity Officer reports directly to CEO, with reporting responsibilities to the Board

Community Investments

Surpassed $58 million in 2020, with more than **$12 million for COVID-19**-related support distributed as follows:

Basic Needs	Education	Health Care
52%	**33%**	**15%**

G GOVERNANCE

Board of Directors

6 of 12 directors represent diversity of race or gender

3 of 12 are women

11 members are independent

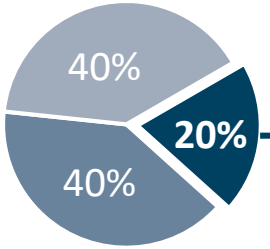
3 fully independent committees

Board and Committee oversight of risks and compliance, including climate change risks

Stakeholder Engagement

Executive Compensation Alignment with ESG

All-Employee Bonus



- Financial 40%
- Operational 40%
- Strategic 20%

- **ESG Efforts & Improvement**
- Stockholder Returns
- Capital Discipline
- Operational Excellence
- Organizational Excellence

Performance Shares

In addition to TSR, an **Energy Transition performance measure** modifies performance shares, incorporating:

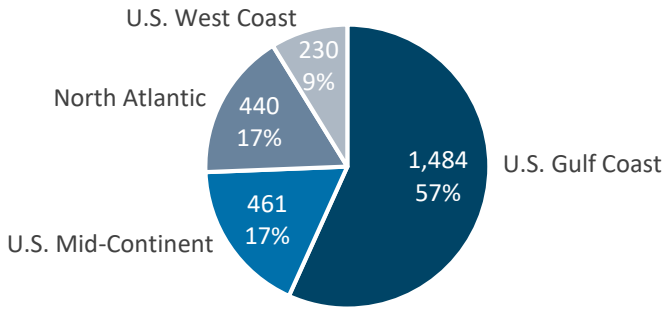
- Annual progress versus the 2025 GHG emissions reduction and offset target
- Percentage of growth capital deployed for low-carbon projects

See slides 23-24 for notes regarding this slide.

Strong Presence in Advantaged U.S. Gulf Coast and Mid-Continent

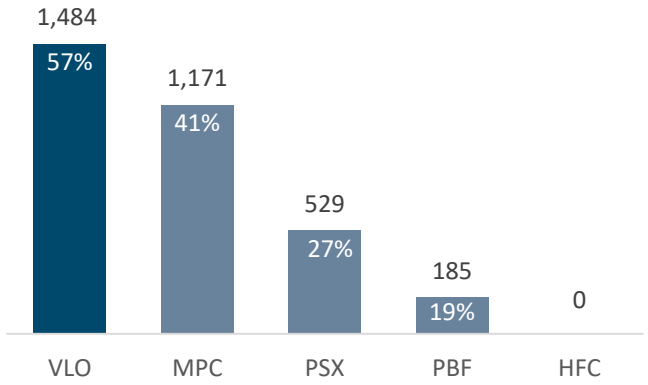
2.6 mmbpd Refining Capacity

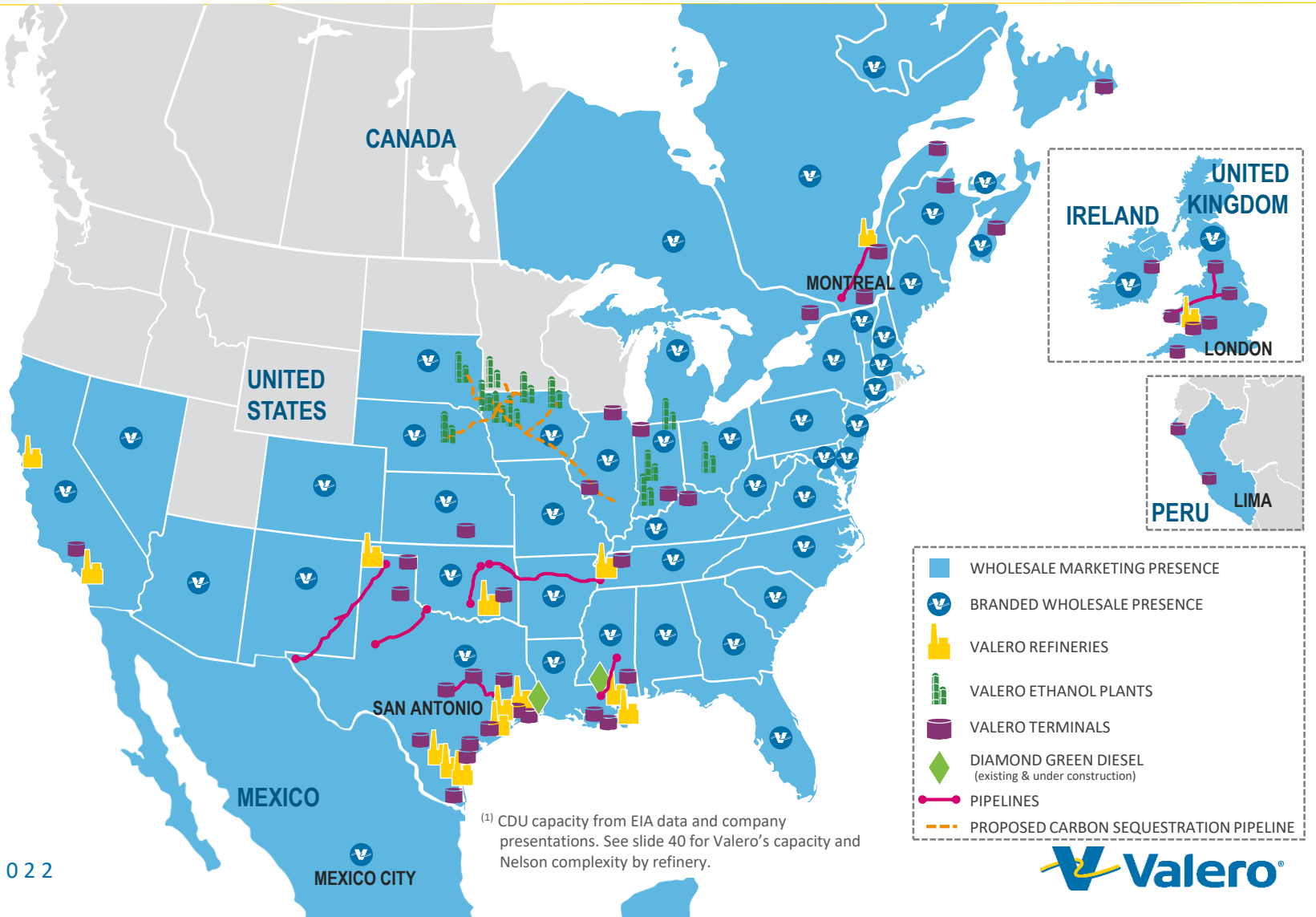
(mbpd, % of overall crude capacity)



Gulf Coast Refining Capacity[1]

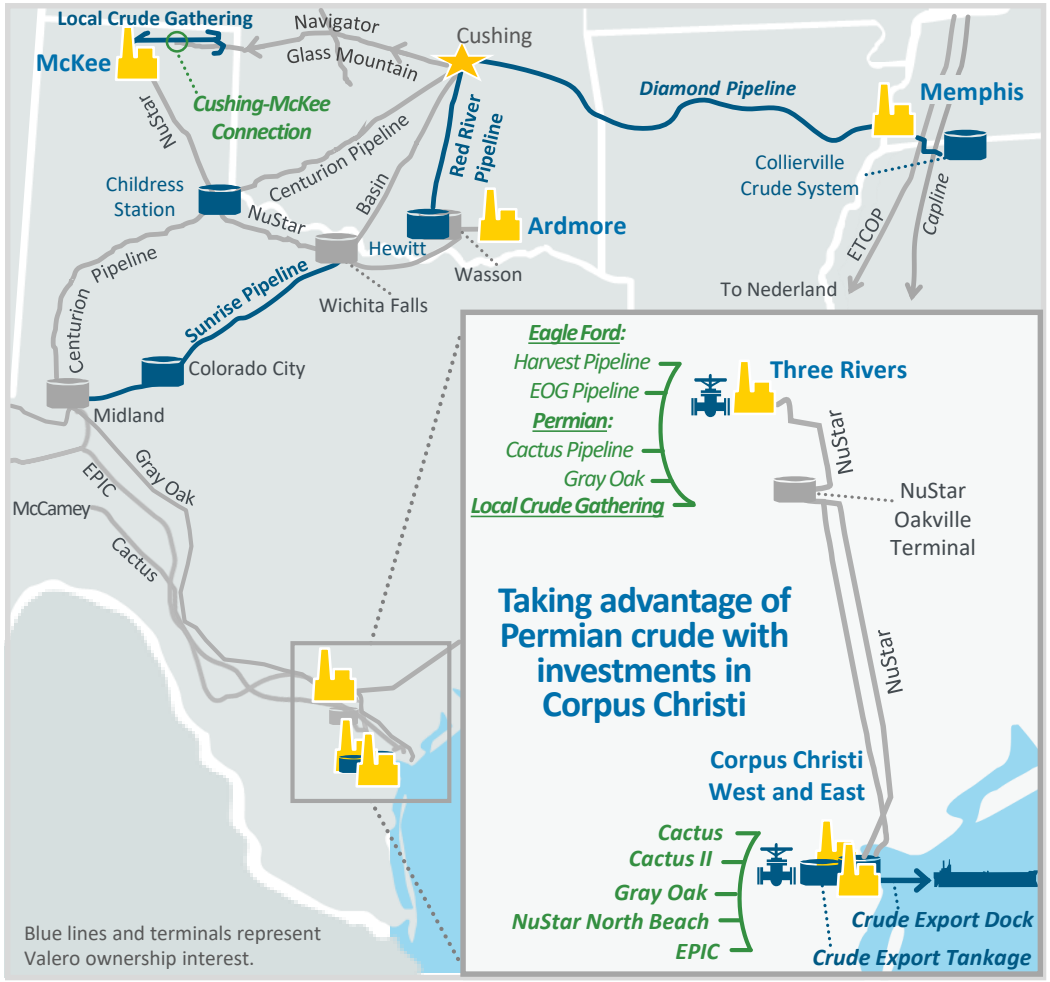
(mbpd, % of overall crude capacity)





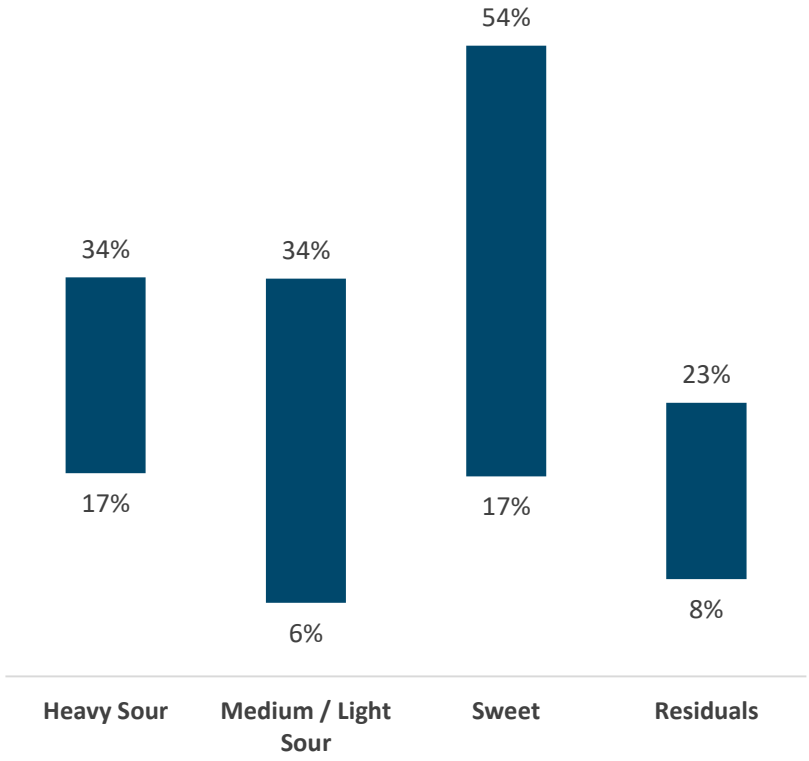
[1] CDU capacity from EIA data and company presentations. See slide 40 for Valero's capacity and Nelson complexity by refinery.

Crude Supply Advantage in the U.S. Gulf Coast and Mid-Continent



Valero U.S. Gulf Coast Feedstock Ranges

(2012 through 2021)

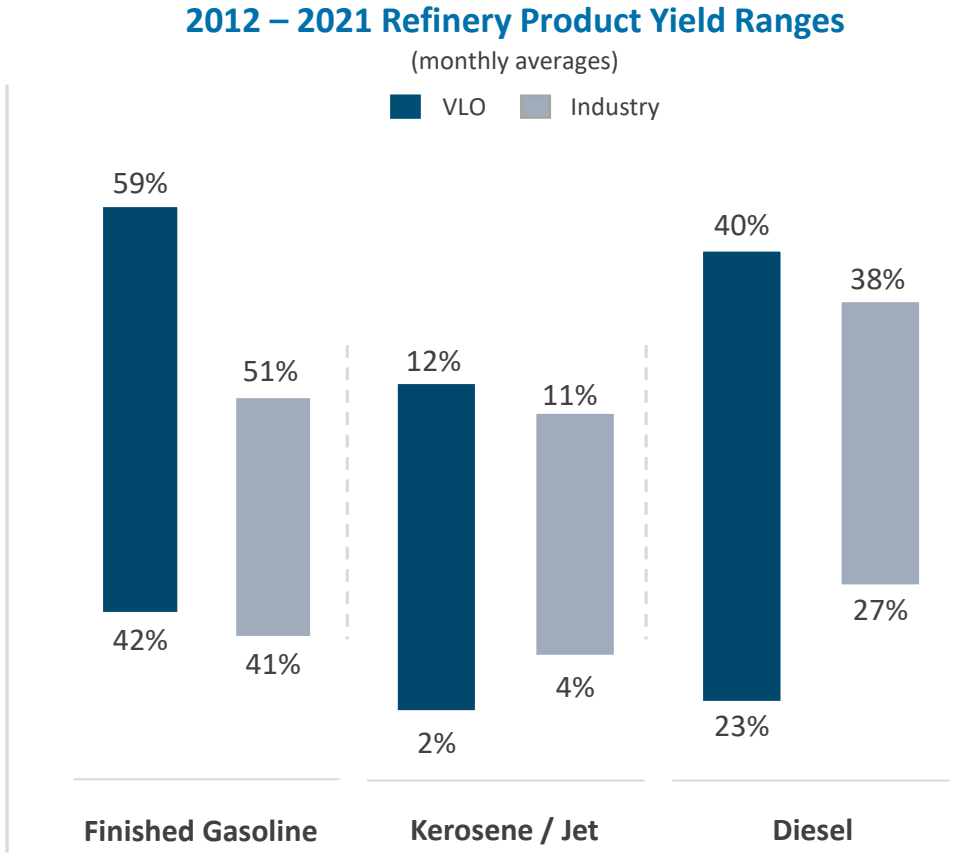


Valero's refineries have operational flexibility to **process a wide range of feedstocks** and access to a deep pool of **skilled labor** in the U.S. Gulf Coast

See slides 23-24 for notes regarding this slide.

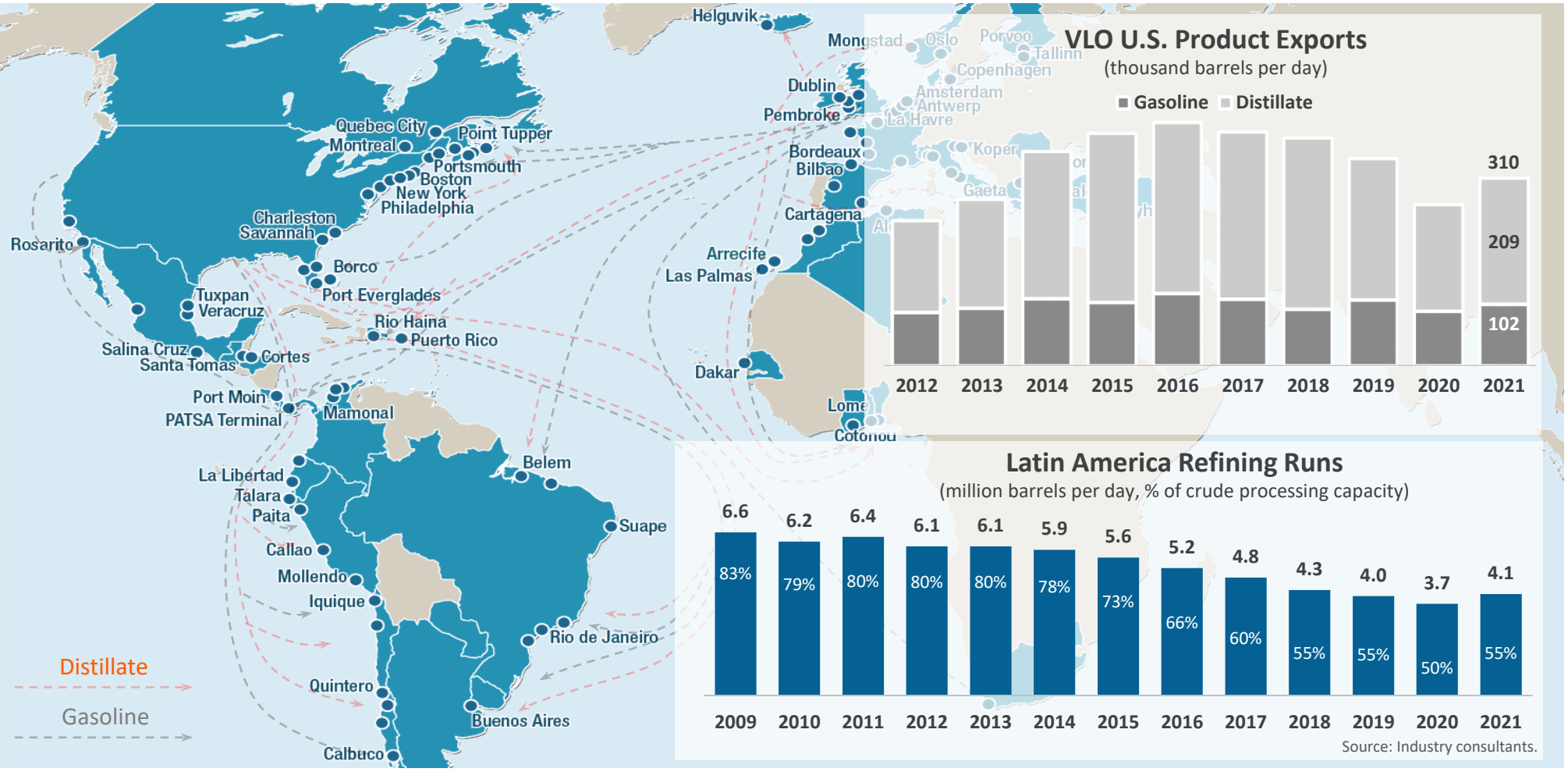
Operational Flexibility and Refinery Optimization Provide Competitive Advantage

- Our operational flexibility and optimization to quickly shift light product yields as market conditions signal move from “max gasoline” to “max distillate” enables higher margin capture
- Demand impacts from COVID-19 drove yields to swing between both extremes within a few months
- VLO has demonstrated a wider range of yields for gasoline, kerosene, jet fuel, and diesel versus the industry



Source: Monthly industry refinery yields from EIA through October 2021.

Competitive Global Light Products Supply



VLO U.S. Product Exports

(thousand barrels per day)

Latin America Refining Runs

(million barrels per day, % of crude processing capacity)

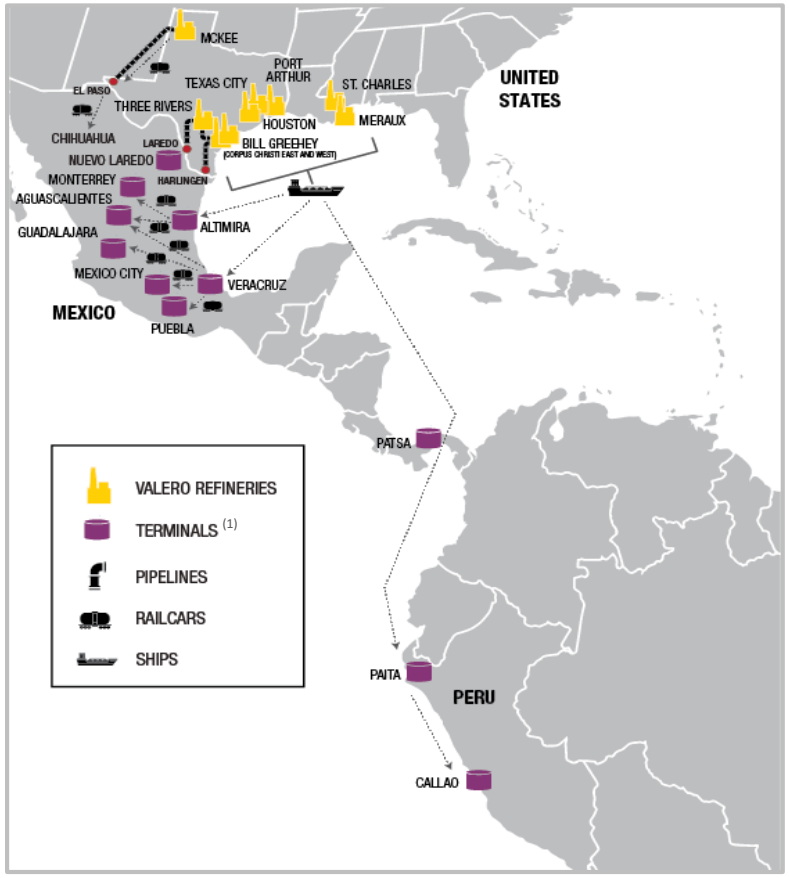
Source: Industry consultants.

Product shortages in Latin America, Eastern Canada, Europe, and Africa expected to **drive U.S. export demand growth**

See slides 23-24 for notes regarding this slide.

Investing to Grow Product Exports into Higher Netback Markets

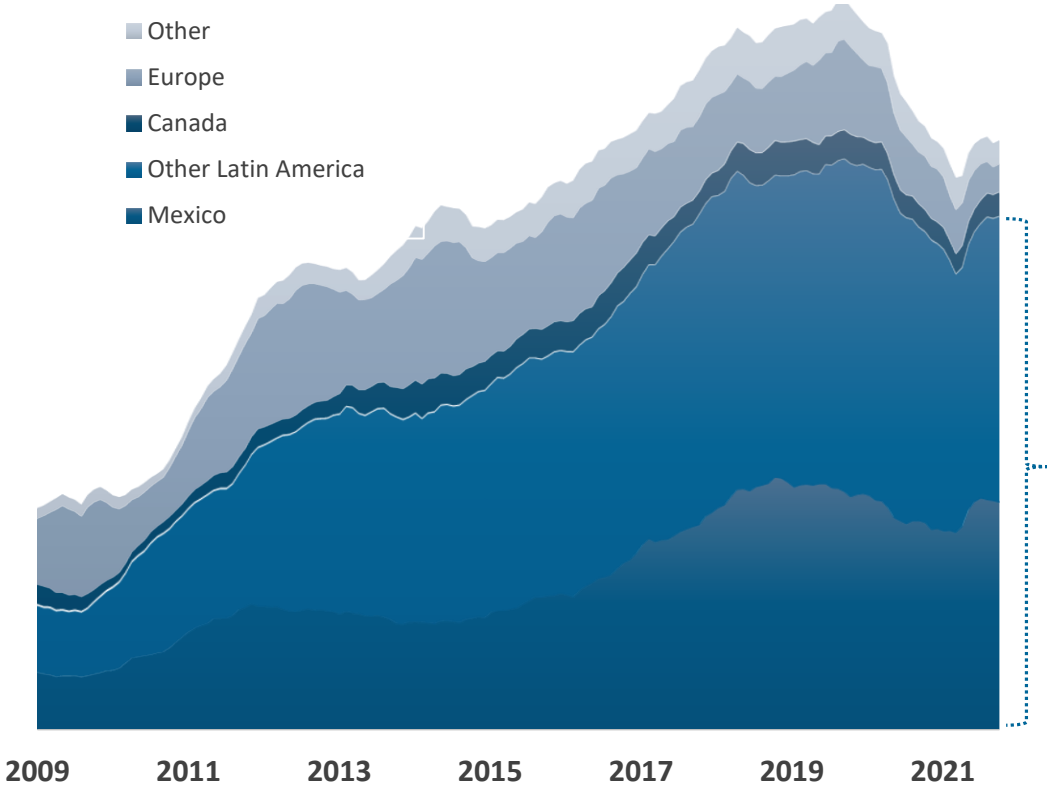
Advantaged Refineries and Logistics



(1) Includes terminals owned or leased by Valero.

U.S. Product Exports

(12-month moving average, mbpd)



Total Gasoline(2) and Diesel

Exports to Latin America make up **85%** of total U.S. product exports

Source: DOE Petroleum Supply Monthly data through October 2021.

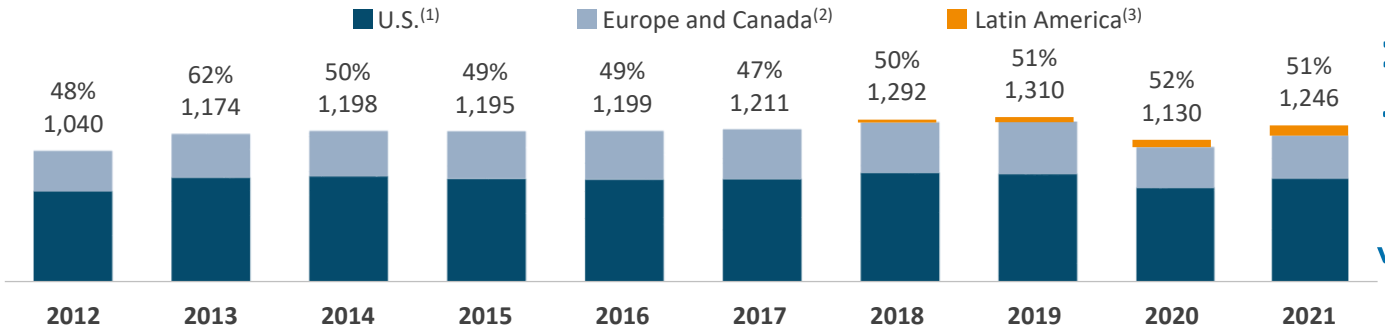
(2) Gasoline represents all finished gasoline plus all blendstocks (including ethanol, MTBE and other oxygenates).

Expansion of supply chain to high demand growth markets **provides a ratable product outlet** and **improves margin capture**

Ratable Global Wholesale Supply Through an Extensive Marketing Network

Wholesale Volumes

(% of total light products production, mbpd)



1.2 million barrels per day of ratable wholesale supply

>50% of our light products production

7,000 outlets carry our brand names

Valero · Diamond Shamrock · Shamrock · Ultramar · Beacon

(1) U.S. volumes exclude jet rack sales.

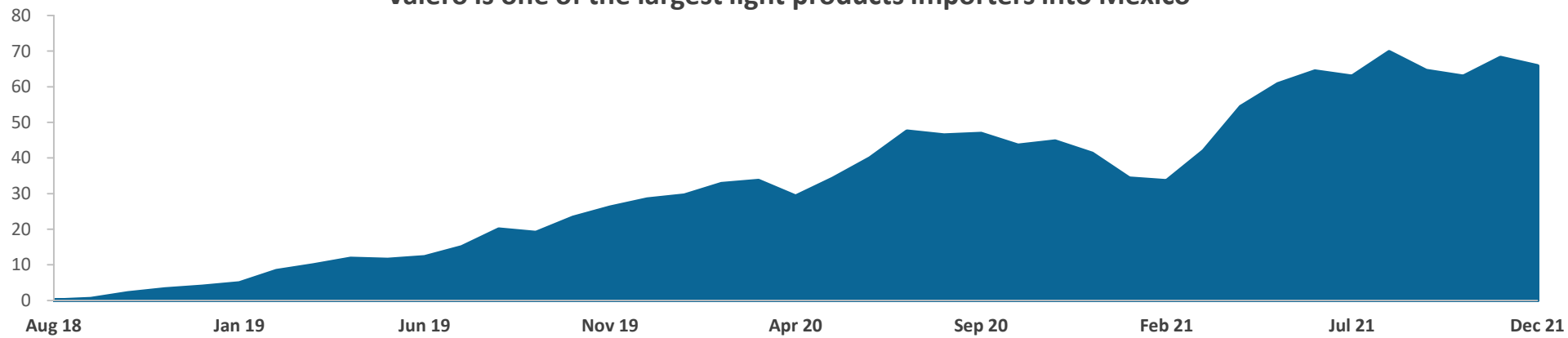
(2) Europe volumes include jet fuel. Canada volumes include jet fuel and some bulk sales.

(3) Peru volumes include jet fuel and bulk sales.

Valero Mexico Volume Growth

(mbpd)

Valero is one of the largest light products importers into Mexico



Stable branded and unbranded **demand**

Rack blending generates RINs, partially offsetting our RVO compliance costs

Mexico wholesale business supported by a **growing, flexible logistics supply system**

Valero's Logistics Assets

- **Over 3,000 miles of active pipelines**
- Central Texas Pipeline started up in 2019
- Sunrise Pipeline expansion started up in 2018

- **Over 130 million barrels** of active **shell capacity** for crude oil and products
- **Over 200 truck** rack **bays**
- Pasadena terminal completed in 2020

- **Approximately 5,200 railcars**
- Expected to serve long-term needs of ethanol, asphalt, aromatics, and other products

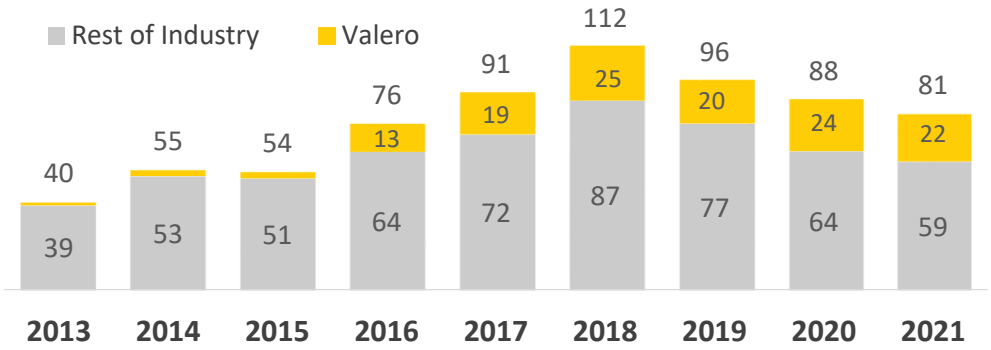
- **Over 50 docks**
- **Two Panamax class vessels** (joint venture)

(1) Includes assets that have other joint venture or minority interests. Does not include ethanol assets.

- 12 plants with **1.6 billion gallons** annual production capacity
  - Dry mill production process, where corn is ground into flour and mixed with water before fermentation
  - **Efficient plants with scale**, located in the corn belt
  - Operational best practices transferred from refining
- **Cost advantaged** versus the industry

Ethanol

U.S. Fuel Ethanol Exports
(mbpd)



- Ethanol will remain a significant part of the **domestic fuel mix**
- Efficiency standards will drive demand for **higher octane fuels**, such as 95 RON, resulting in incremental ethanol demand
- Global renewable fuel mandates should **drive export growth**
- Executing **carbon sequestration projects**
  - **45Q Tax Credit** provides economic incentive
  - **LCFS** provides higher value for the **lower carbon intensity ethanol**

Source: U.S. Energy Information Agency (EIA) through October 2021, U.S. Census Bureau for November 2021.

Investing to Improve Margins and Light Product Yields

Port Arthur Coker

- $975 MM anticipated cost for **55 MBPD delayed coker and sulfur recovery unit**, with expected startup in the first half of 2023
- Creates two independent CDU-VDU-coker trains, which should **improve turnaround efficiency** and **reduce maintenance-related lost margin opportunity**
- Design enables **full utilization of existing CDU** capacity, **reduces VGO purchases**, and **increases heavy sour crude and resid processing capability** and light products yield
- Estimated **$420 MM annual EBITDA contribution** at 2018 average prices ($325 MM at mid-cycle prices)

Incremental Volumes (MBPD)	
Feeds	
Crude	102
Resid	21
VGO	(47)
Products	
Naphtha	3
Gasoline	15
Diesel	43
LPG	4

Port Arthur Delayed Coker Unit

See slides 23-24 for notes regarding this slide.

Investing to Upgrade Product Value

Houston and St. Charles Alkylation Units

- **Octane demand expected to grow** due to Tier 3 sulfur regulations and CAFE standards
- Abundant, low cost North American NGL supply provides advantage for Gulf Coast capacity additions
- Both units **upgrade low value isobutane and amylenes into high value alkylate**
  - High octane, low vapor pressure component enables the blending of incremental butane and low octane naphtha

13 MBPD **Capacity at Houston** refinery started up in 2019

17 MBPD **Capacity at St. Charles** refinery started up in 2020

Houston Alkylation Unit

Investing to Improve Access to North American Crude and Lower Refinery Operating Cost Structure

GROWTH PROJECTS FOCUSED ON OPTIMIZATION AND MARGIN CAPTURE

Completed **Diamond Pipeline** project with 200 MBPD capacity **connecting Memphis to Cushing** and **Sunrise Pipeline** 100 MBPD undivided interest **connecting Midland to Wichita Falls**

Provides **additional Mid-Continent crude access** to our McKee, Ardmore and Memphis refineries

Improves crude oil **supply flexibility, efficiency** and **blend quality**

Red River Pipeline 74 MBPD undivided interest **connecting Ardmore to Cushing**

Provides **additional Mid-Continent crude flexibility** to the Ardmore refinery

Navigator **Glass Mountain Pipeline Connection** with 50 MBPD capacity **connecting McKee to Cushing**

Reversal and extension in service April 2021

Provides **Mid-Continent crude flexibility and security of supply** to the McKee refinery

GROWTH PROJECTS FOCUSED ON COST CONTROL AND MARGIN EXPANSION

Wilmington cogeneration unit started up in 2017

Pembroke cogeneration unit (£130 MM or $170 MM cost) **started up in 3Q21**

Expect to **reduce costs and improve supply reliability** for power and steam

Investing to Supply Higher Demand Markets and Expand Product Export and Biofuels Blending Capabilities

Central Texas pipelines and terminals to supply **high-growth refined products market**

- Started up in 2019
- Approximately 205 miles of pipe[(1)], 960,000 barrels of total storage capacity and a truck rack

Pasadena refined products terminal joint venture

- Completed in the first quarter of 2020
- **5 MM barrels of storage capacity** with butane blending, two ship docks and a three-bay truck rack

Projects **expected to improve product margins**, reduce secondary costs, provide opportunity for third-party revenues, and increase capability for biofuels blending

Pasadena Terminal

Extending product supply chain in **Central Texas** and the **U.S. Gulf Coast**

(1) Valero owns ~70 mile pipeline from Hearne to Williamson County and 40% undivided interest in 135 mile pipeline from Houston to Hearne.

Our Refining Capacity and Nelson Complexity

Refinery	Capacities (mbpd)[1]		Nelson Complexity Index
	Throughput	Crude	
Corpus Christi[2]	370	290	14.4
Houston	255	205	8.0
Meraux	135	125	9.7
Port Arthur	395	335	12.7
St. Charles	340	215	17.4
Texas City	260	225	11.1
Three Rivers	100	89	13.2
U.S. Gulf Coast	**1,855**	**1,484**	**12.6[3]**
Ardmore	90	86	12.1
McKee	200	195	8.3
Memphis	195	180	7.9
U.S. Mid-Continent	**485**	**461**	**8.9[3]**
Pembroke	270	210	10.1
Quebec City	235	230	7.7
North Atlantic	**505**	**440**	**8.8[3]**
Benicia	170	145	16.1
Wilmington	135	85	15.8
U.S. West Coast	**305**	**230**	**16.0[3]**
Total	**3,150**	**2,615**	**11.6[3]**

(1) Capacities and Nelson complexity indices as of December 31, 2020.
(2) Represents the combined capacities of two refineries—Corpus Christi East and Corpus Christi West.
(3) Weighted average.

Now vs. Then – A Shift In Valuation

In the Past

INDUSTRY/MACRO

- Majority of the U.S. refining capacity operated by large integrated oil companies
- Range bound industry wide EV/EBITDA multiple +/- 4.5x
- Peer group fragmented with smaller scale, less efficient refiners
- U.S. importing crude and products to meet domestic shortage
- Higher interest rates (10-yr Treasury ~5%)

VALERO

- Marginal operations
  - Third quartile operating performance impacted by M&A integration
  - Disadvantaged East Coast and Caribbean operations
- Less disciplined M&A and capital project execution
  - Frequent acquisitions
  - Focused on volume growth
  - Approximately $3.5 billion annual capex
- Volatile cash flow profile and lower stockholder returns
  - 1% to 2% dividend yield ($0.32/share annually)
  - Approximately $5 billion of liquidity
  - >570 million shares outstanding
- Volatile stock price

New Paradigm

INDUSTRY/MACRO

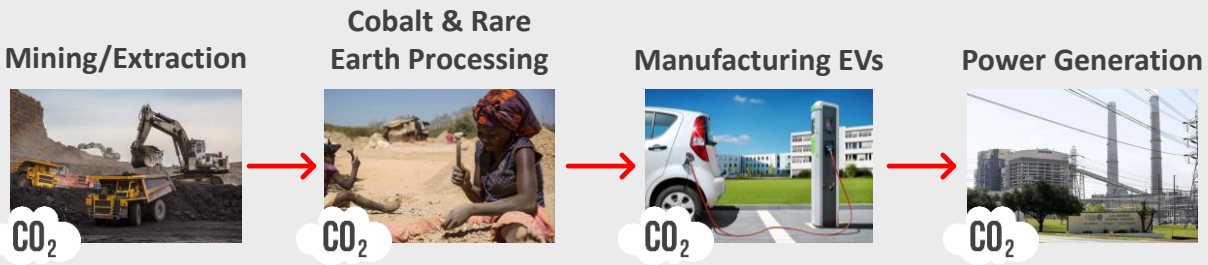
- Majority of the U.S. refining capacity operated by independent refiners
- EV/EBITDA multiple expansion and dispersion by company
- Peer group of larger scale, efficient and complex refiners
- Abundant supply of domestic crude oil and natural gas providing feedstock advantage
  - U.S. exporting products to higher growth markets
  - Lower interest rates (10-yr Treasury <2%)

VALERO

- Expanding our long-term competitive advantage with investments in economic low-carbon projects
  - First quartile operating performance amid stable, upgraded portfolio with the lowest cash operating expense
  - Advantaged operations and scale
- Disciplined capital investment and growth strategy
  - Rigorous M&A targeting and screening process
  - 25% after-tax IRR hurdle rate for projects focused on operating cost reduction, margin enhancement and market expansion. $2.0 to $2.5 billion annual capital investments attributable to Valero.
- Distinctive free cash flow and higher stockholder returns
  - Annualized dividend of $3.92/share
  - $9.3 billion of liquidity as of December 31, 2021
  - Approximately 409 million shares outstanding as of October 22, 2021
- Lower volatility in earnings and free cash flow

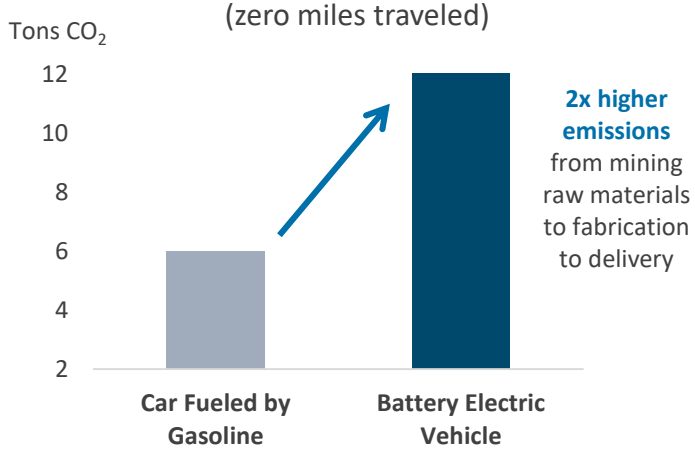
Electric Vehicle (EV) Myth: Zero Emissions

Fact: Significant Emissions from EV Life Cycle



- Life cycle emissions from EVs are significant from mining raw materials to fabrication to delivery to the showroom
  - Two times as much CO_2 emissions are generated compared to cars fueled by gasoline
  - Before it leaves the showroom, 12 tons of CO_2 emissions have already been generated vs. 6 tons of CO_2 emissions from cars fueled by gasoline
- 25 tons of CO_2 emissions are needed to make an EV that can drive a similar range as a car fueled by gasoline
- *"The problem is that batteries are big and heavy. The more weight you're trying to move, the more batteries you need to power the vehicle. But the more batteries you use, the more weight you add—and the more power you need. Even with big breakthroughs in battery technology, electric vehicles will probably never be a practical solution for things like 18-wheelers, cargo ships, and passenger jets. Electricity works when you need to cover short distances, but we need a different solution for heavy, long-haul vehicles"* – GatesNotes
- Southwest Research Institute Ted Talk, presented by Graham Conway

Embedded CO_2 Emissions
(zero miles traveled)



Before it leaves the showroom, an EV emits twice the CO_2 emissions compared to a car fueled by gasoline

Non-GAAP Disclosures

Return on Invested Capital (ROIC)

VLO defines return on invested capital (ROIC) as adjusted net income attributable to VLO before adjusted net interest expense after-tax divided by average invested capital. VLO defines adjusted net income attributable to VLO as net income attributable to VLO stockholders adjusted to reflect the after-tax effect of special items that VLO believes are not indicative of its core operating performance and that may obscure VLO's underlying business results and trends. VLO defines adjusted net interest expense as "interest and debt expense, net of capitalized interest" adjusted to exclude "interest and debt expense, net of capitalized interest" attributable to non-controlling interests. The income tax effect of adjusted net interest expense is estimated based on the U.S. statutory income tax rate for the respective annual period. Average invested capital is defined as the average of total invested capital for the current annual period and total invested capital for the prior annual period. VLO defines total invested capital as debt attributable to VLO plus VLO stockholders' equity less cash and cash equivalents. Debt attributable to VLO is defined as the current portion of debt and finance lease obligations, plus "debt and finance lease obligations, less current portion", less debt attributable to non-controlling interests. Debt attributable to VLO for the year ended December 31, 2014 includes an adjustment to reflect the retrospective adoption of ASU No. 2015-15 subtopic 835-30, which resulted in the reclassification of certain debt issuance costs from "deferred charges and other assets, net" to "debt and finance lease obligations, less current portion."

Adjusted EBITDA

VLO defines EBITDA as net income (loss) before depreciation and amortization expense, "interest and debt expense, net of capitalized interest", income tax expense (benefit), and income (loss) from discontinued operations. VLO defines adjusted EBITDA as EBITDA further adjusted to reflect the effect of special items that VLO believes are not indicative of its core operating performance and that may obscure VLO's underlying business results and trends. VLO believes that the presentation of adjusted EBITDA provides useful information to investors to assess its ongoing financial performance because when reconciled to net income, it provides improved comparability between periods. The U.S. GAAP measures most directly comparable to adjusted EBITDA are net income and net cash provided by operating activities.

Renewable Diesel Net Cumulative Cash Flow

VLO defines renewable diesel net cumulative cash flow as DGD's cumulative adjusted EBITDA attributable to VLO, less DGD's cumulative capital expenditures attributable to VLO. VLO defines DGD's adjusted EBITDA attributable to VLO as fifty percent (VLO's ownership interest) of DGD's operating income (loss) plus depreciation and amortization expense, and adjusted for 2017-2019 blender's tax credit (BTC). VLO defines DGD's capital expenditures attributable to VLO as fifty percent of DGD's capital investments. Because DGD's net cash flow is effectively attributable to each joint venture member, only 50 percent of DGD's EBITDA and capital expenditures should be attributed to VLO's renewable diesel cash flow. Therefore, renewable diesel cash flow has been adjusted for the portion of DGD's EBITDA and capital expenditures attributable to VLO's joint venture member's ownership interest because VLO believes that it more accurately reflects cash flow generated by its renewable diesel segment.

Non-GAAP Disclosures

Renewable Diesel Adjusted EBITDA per Gallon

Renewable diesel adjusted EBITDA is defined as DGD's operating income adjusted to reflect the blender's tax credit and excluding depreciation and amortization expense. Operating income is adjusted to reflect the blender's tax credit in the proper period. The blender's tax benefit recognized in 2019 is attributable to volumes blended during 2019 and 2018 and was recognized in December 2019 because the U.S legislation authorizing the credit was passed and signed into law in that month. The benefit recognized in 2018 is attributable to volumes blended during 2017 and was recognized in February 2018 because the U.S. legislation authorizing the credit was passed and signed into law in that month. VLO believes adjusting for these items provides improved comparability between periods. Renewable diesel EBITDA per gallon is renewable diesel adjusted EBITDA divided by DGD's renewable diesel sales volume for the period. Sales volumes are calculated by multiplying sales volumes per day by the number of days in the applicable period.

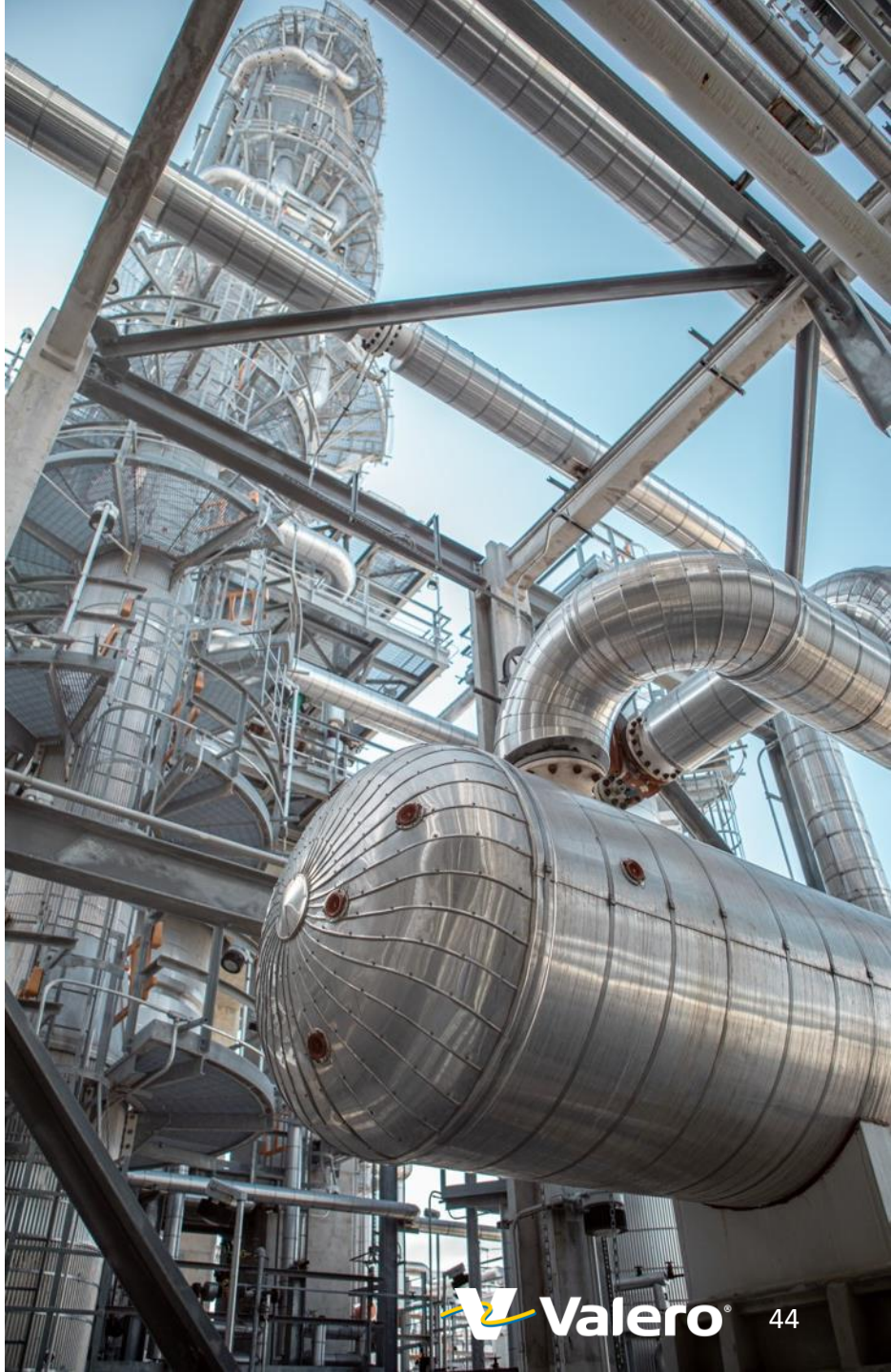
Free Cash Flow

VLO defines free cash flow as net cash provided by operating activities less capital expenditures, deferred turnaround and catalyst cost expenditures, investments in joint ventures, and changes in current assets and liabilities. VLO believes that the presentation of free cash flow provides useful information to investors in assessing VLO's ability to cover ongoing costs and VLO's ability to generate cash returns to stockholders. The GAAP measures most directly comparable to free cash flow are net cash provided by operating activities and net cash used in investing activities.

Adjusted Net Cash Provided by Operating Activities

Defined as net cash provided by operating activities excluding the items noted below. VLO believes adjusted net cash provided by operating activities is an important measure of its ongoing financial performance to better assess its ability to generate cash to fund VLO's investing and financing activities. The basis for VLO's belief with respect to each excluded item is provided below.

- Changes in current assets and current liabilities – Current assets net of current liabilities represents VLO's operating liquidity. VLO believes that the change in its operating liquidity from period to period does not represent cash generated by VLO's operations that is available to fund VLO's investing and financing activities.
- DGD's adjusted net cash provided by operating activities attributable to the other joint venture member's ownership interest in DGD – VLO is a 50/50 joint venture member in DGD and consolidates DGD's financial statements; as a result, all of DGD's net cash provided by operating activities (or operating cash flow) is included in VLO's consolidated net cash provided by operating activities. DGD's members use DGD's operating cash flow (excluding changes in its current assets and current liabilities) to fund its capital investments rather than distribute all of that cash to themselves. Nevertheless, DGD's operating cash flow is effectively attributable to each member and only 50 percent of DGD's operating cash flow should be attributed to VLO's net cash provided by operating activities. Therefore, net cash provided by operating activities has been adjusted for the portion of DGD's operating cash flow attributable to the other joint venture member's ownership interest because VLO believes that it more accurately reflects the operating cash flow available to VLO to fund VLO's investing and financing activities.



Non-GAAP Disclosures

Capital Investments Attributable to Valero

VLO defines capital investments attributable to Valero as all capital expenditures, deferred turnaround and catalyst cost expenditures, and investments in non-consolidated joint ventures presented in VLO's consolidated statements of cash flows excluding the portion of DGD's capital investments attributable to the other joint venture member and all of the capital expenditures of other VIEs. Capital investments attributable to Valero are allocated between sustaining capital expenditures attributable to Valero and growth capital investments attributable to Valero.

DGD's members use DGD's operating cash flow (excluding changes in its current assets and current liabilities) to fund its capital investments rather than distribute all of that cash to themselves. Because DGD's operating cash flow is effectively attributable to each member, only 50 percent of DGD's capital investments should be attributed to VLO's net share of capital investments. VLO also excludes the capital expenditures of other consolidated VIEs because VLO does not operate those VIEs. VLO believes that capital investments attributable to Valero is an important measure because it more accurately reflects capital investments of VLO.

Non-GAAP Disclosures: Return on Invested Capital (ROIC)

RETURN ON INVESTED CAPITAL (ROIC) (unaudited, in millions)						
			Year Ended December 31,			
	2014	2015	2016	2017	2018	2019
Numerator:						
Net income attributable to VLO stockholders		$3,990	$2,289	$4,065	$3,122	$2,422
Total effect of special items after-tax		624	(565)	(1,783)	113	(61)
Adjusted net income attributable to VLO		$4,614	$1,724	$2,282	$3,235	$2,361
Plus: adjusted net interest expense after-tax		281	288	299	362	357
Adjusted net income attributable to VLO before adjusted net interest expense after-tax (A)		$4,895	$2,012	$2,581	$3,597	$2,718
Denominator:						
Current portion of debt	$606	$127	$115	$122	$238	$494
Debt and finance leases, less current portion	5,780	7,208	7,886	8,750	8,871	9,178
Less: debt issue costs - non-bank debt (ASU 2015-15)	(33)	-	-	-	-	-
Less: debt attributable to non-controlling interests	(14)	(58)	(176)	(260)	(384)	(366)
Debt attributable to VLO	$6,339	$7,277	$7,825	$8,612	$8,725	$9,306
VLO stockholders' equity	20,677	20,527	20,024	21,991	21,667	21,803
Less: cash and cash equivalents	(3,689)	(4,114)	(4,816)	(5,850)	(2,982)	(2,583)
Total invested capital	$23,327	$23,690	$23,033	$24,753	$27,410	$28,526
Average invested capital (B)		$23,509	$23,362	$23,893	$26,082	$27,968
ROIC (A / B)		21%	9%	11%	14%	10%
ROIC (5-year average)						13%

Non-GAAP Disclosures: Adjusted EBITDA

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA
(Unaudited, in Millions)

	Year Ended December 31,										
	2009	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net income (loss)	($1,982)	$2,080	$2,728	$3,711	$4,101	$2,417	$4,156	$3,353	$2,784	($1,107)	$1,288
Plus: Depreciation and amortization expense	1,361	1,549	1,720	1,690	1,842	1,894	1,986	2,069	2,255	2,351	2,405
Plus: Interest and debt expense, net of capitalized interest	416	314	365	397	433	446	468	470	454	563	603
Plus: Income tax expense (benefit)	(43)	1,626	1,254	1,777	1,870	765	(949)	879	702	(903)	255
Less: Income (loss) from discontinued operations	(1,709)	(1,034)	6	(64)	-	-	-	-	-	-	-
EBITDA	$1,461	$6,603	$6,061	$7,639	$8,246	$5,522	$5,661	$6,771	$6,195	$904	$4,551
Adjustments:											
Aruba (discontinued operations)	64	-	-	-	-	-	-	-	-	-	-
Asset impairment losses	222	86	-	-	-	56	-	-	-	-	24
Blender's tax credits	-	-	-	-	-	-	170	(12)	(158)	-	-
Environmental reserve adjustments	-	-	-	-	-	-	-	108	-	-	-
Gain on disposition of retained interest in CST Brands, Inc.	-	-	(325)	-	-	-	-	-	-	-	-
LCM inventory valuation adjustment (gain) loss	-	-	-	-	790	(747)	-	-	-	(19)	-
LIFO liquidation adjustment (gain) loss	-	-	-	(233)	-	-	-	-	-	224	-
Loss on early redemption and retirement of debt	-	-	-	-	-	-	-	38	22	-	193
Texas City Refinery fire expenses	-	-	-	-	-	-	-	17	-	-	-
Gain on sale of MVP interest	-	-	-	-	-	-	-	-	-	-	(62)
EBITDA attributable to noncontrolling interest	-	3	(8)	(108)	(144)	(171)	(218)	(283)	(313)	(331)	(449)
Adjusted EBITDA attributable to VLO stockholders	$1,747	$6,692	$5,728	$7,298	$8,892	$4,660	$5,613	$6,639	$5,746	$778	$4,257

Total Adjusted EBITDA attributable to VLO stockholders, 2012-2019	$51,268
Number of Years, 2012-2019	8
Average Adjusted EBITDA attributable to VLO stockholders, 2012-2019	$6,409

Non-GAAP Disclosures: Renewable Diesel Net Cumulative Cash Flow

RECONCILIATION OF DGD OPERATING INCOME AND TOTAL CAPITAL INVESTMENTS TO DGD'S NET CUMULATIVE CASH FLOW ATTRIBUTABLE TO VALERO
(unaudited, in millions)

	Year Ended December 31,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
DGD's cumulative adjusted EBITDA attributable to VLO:											
Operating income (loss)		($5)	$24	$145	$157	$147	$57	$319	$728	$630	$709
Plus: depreciation and amortization expense		-	9	18	20	28	29	29	51	45	58
EBITDA		($5)	$33	$163	$177	$175	$86	$348	$779	$675	$767
Adjustments:											
BTC adjustments (2018-2019)		-	-	-	-	-	-	156	(156)	-	-
BTC adjustments (2017-2018)		-	-	-	-	-	160	(160)	-	-	-
DGD adjusted EBITDA		($5)	$33	$163	$177	$175	$246	$344	$623	$675	$767
Our ownership interest		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
DGD's adjusted EBITDA attributable to VLO		($3)	$17	$82	$89	$88	$123	$172	$312	$338	$384
DGD's cumulative adjusted EBITDA attributable to VLO (A)		($3)	$14	$96	$185	$273	$396	$568	$880	$1,218	$1,602
DGD's cumulative capital investments attributable to VLO:											
Total DGD #1 Capital Investment	$106	$210	$74	$14	$2	$34	$88	$170	$24	$31	$35
Total DGD #2 Capital Investment	-	-	-	-	-	-	-	22	136	481	411
Total DGD #3 Capital Investment	-	-	-	-	-	-	-	-	-	36	602
Total DGD Capital Investments	$106	$210	$74	$14	$2	$34	$88	$192	$160	$548	$1,048
Our ownership interest	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
DGD's capital investments attributable to VLO	$53	$105	$37	$7	$1	$17	$44	$96	$80	$274	$524
DGD's cumulative capital investments attributable to VLO (B)	$53	$158	$195	$202	$203	$220	$264	$360	$440	$714	$1,238
DGD's net cumulative cash flow attributable to VLO (A-B)	($53)	($161)	($181)	($106)	($18)	$53	$132	$208	$440	$504	$364

Non-GAAP Disclosures: Renewable Diesel Adjusted EBITDA per Gallon

RECONCILIATION OF DGD OPERATING INCOME TO DGD ADJUSTED EBITDA PER GALLON (unaudited, in millions except for per gallon amounts)							
	Year Ended December 31,						Six Months Ended June 30,
	2015	2016	2017	2018	2019	2020	2021
Operating income	$157	$147	$57	$319	$728	$630	$457
Plus: depreciation and amortization expense	20	28	29	29	51	45	23
EBITDA	$177	$175	$86	$348	$779	$675	$480
Adjustments:							
BTC adjustments (2018-2019)	-	-	-	156	(156)	-	-
BTC adjustments (2017-2018)	-	-	160	(160)	-	-	-
DGD adjusted EBITDA	$177	$175	$246	$344	$623	$675	$480
DGD renewable diesel sales volumes (million gallons)	157	161	161	157	277	288	162
DGD adjusted EBITDA per gallon	$1.13	$1.09	$1.53	$2.19	$2.25	$2.34	$2.97

Non-GAAP Disclosures: Capital Investments Attributable to Valero

RECONCILIATION OF TOTAL CAPITAL INVESTMENTS TO CAPITAL INVESTMENTS ATTRIBUTABLE TO VALERO (in millions)										
	Year Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital expenditures (excluding VIEs)	$2,721	$2,040	$2,076	$1,607	$1,261	$1,269	$1,463	$1,627	$1,014	$513
Capital expenditures of VIEs:										
DGD	210	74	11	-	17	84	165	142	523	1,042
Other VIEs	-	7	66	11	-	26	124	225	251	110
Deferred turnaround and catalyst cost expenditures (excluding VIEs)	479	634	646	671	701	519	888	762	623	787
Deferred turnaround and catalyst cost expenditures of DGD	-	-	3	2	17	4	27	18	25	6
Investments in non-consolidated joint ventures	57	76	14	141	4	406	181	164	54	9
Total capital investments	$3,467	$2,831	$2,816	$2,432	$2,000	$2,308	$2,848	$2,938	$2,490	$2,467
Adjustments:										
DGD's capital investments attributable to the other joint venture member	(105)	(37)	(7)	(1)	(17)	(44)	(96)	(80)	(274)	(524)
Capital expenditures of other VIEs	-	(7)	(66)	(11)	-	(26)	(124)	(225)	(251)	(110)
Capital investments attributable to Valero	$3,362	$2,787	$2,743	$2,420	$1,983	$2,238	$2,628	$2,633	$1,965	$1,833

Non-GAAP Disclosures:
Sustaining Capex and Growth Capital Investments Attributable to Valero

RECONCILIATION OF TOTAL SUSTAINING CAPITAL EXPENDITURES TO SUSTAINING CAPITAL EXPENDITURES ATTRIBUTABLE TO VALERO
(in millions)

	Year Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sustaining capital expenditures (excluding VIEs)	$1,525	$1,413	$1,232	$1,459	$1,418	$1,300	$1,896	$1,693	$1,095	$1,085
Sustaining capital expenditures of VIEs:										
DGD	6	2	10	2	28	13	47	20	31	40
Other VIEs	-	-	-	-	-	-	-	-	-	4
Total sustaining capital expenditures	$1,531	$1,415	$1,242	$1,461	$1,446	$1,313	$1,943	$1,713	$1,126	$1,129
Adjustments:										
DGD's sustaining capital expenditures attributable to the other joint venture member	(3)	(1)	(5)	(1)	(14)	(7)	(24)	(10)	(15)	(20)
Sustaining capital expenditures of other VIEs	-	-	-	-	-	-	-	-	-	(4)
Sustaining capital expenditures attributable to Valero	$1,528	$1,414	$1,237	$1,460	$1,432	$1,306	$1,919	$1,703	$1,111	$1,105

RECONCILIATION OF TOTAL GROWTH CAPITAL INVESTMENTS TO GROWTH CAPITAL INVESTMENTS ATTRIBUTABLE TO VALERO
(in millions)

	Year Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Growth capital expenditures (excluding VIEs)	$1,675	$1,261	$1,490	$819	$544	$488	$455	$696	$542	$215
Growth capital expenditures of VIEs:										
DGD	204	72	4	-	6	75	145	140	517	1,008
Other VIEs	-	7	66	11	-	26	124	225	251	106
Investments in non-consolidated joint ventures	57	76	14	141	4	406	181	164	54	9
Total growth capital investments	$1,936	$1,416	$1,574	$971	$554	$995	$905	$1,225	$1,364	$1,338
Adjustments:										
DGD's growth capital investments attributable to the other joint venture member	(102)	(36)	(2)	-	(3)	(37)	(72)	(70)	(259)	(504)
Growth capital expenditures of other VIEs	-	(7)	(66)	(11)	-	(26)	(124)	(225)	(251)	(106)
Growth capital investments attributable to Valero	$1,834	$1,373	$1,506	$960	$551	$932	$709	$930	$854	$728

Non-GAAP Disclosures: Free Cash Flow

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES UNDER GAAP TO FREE CASH FLOW (unaudited, in millions)									
	Year Ended December 31,								
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net cash provided by operating activities	$ 5,270	$ 5,564	$ 4,241	$ 5,611	$ 4,820	$ 5,482	$ 4,371	$ 5,531	$948
Less: Capital expenditures	2,931	2,121	2,153	1,618	1,278	1,353	1,628	1,769	1,537
Less: Deferred turnaround and catalyst cost expenditures	479	634	649	673	718	523	915	780	648
Less: Investments in joint ventures	57	76	14	141	4	406	181	164	54
Less: Changes in current assets and current liabilities	(302)	922	(1,810)	(1,306)	976	1,289	(1,297)	294	(345)
Free cash flow	$ 2,105	$ 1,811	$ 3,235	$ 4,485	$ 1,844	$ 1,911	$ 2,944	$ 2,524	($946)

Total free cash flow, 2012 – 2020	$19,913
Number of years	9
Average free cash flow, 2012 – 2020	$2,213

Non-GAAP Disclosures:
Adjusted Net Cash Provided by Operating Activities and Payout Ratio

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES
(unaudited, in millions)

	Year Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net cash provided by operating activities	$5,270	$5,564	$4,241	$5,611	$4,820	$5,482	$4,371	$5,531	$948	$5,859
Exclude:										
Changes in current assets and current liabilities	(302)	922	(1,810)	(1,306)	976	1,289	(1,297)	294	(345)	2,225
DGD's adjusted net cash provided by operating activities attributable to the other joint venture member	(3)	11	70	81	83	41	175	390	338	381
Adjusted net cash provided by operating activities (A)	$5,575	$4,631	$5,981	$6,836	$3,761	$4,152	$5,493	$4,847	$955	$3,253

RECONCILIATION OF PURCHASES OF COMMON STOCK FOR TREASURY AND COMMON STOCK DIVIDENDS TO PAYOUT RATIO
(unaudited, in millions)

	Year Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Purchases of common stock for treasury	$281	$928	$1,296	$2,838	$1,336	$1,372	$1,708	$777	$156	$27
Common stock dividends	360	462	554	848	1,111	1,242	1,369	1,492	1,600	1,602
Total payout (B)	$641	$1,390	$1,850	$3,686	$2,447	$2,614	$3,077	$2,269	$1,756	$1,629
Payout ratio (B/A)	11%	30%	31%	54%	65%	63%	56%	47%	184%	50%

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