

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended March 31, 2025**

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 001-13175**



**VALERO ENERGY CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**74-1828067**

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

**One Valero Way**

**San Antonio, Texas**

(Address of principal executive offices)

**78249**

(Zip Code)

**(210) 345-2000**

(Registrant's telephone number, including area code)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.01 per share	VLO	New York Stock Exchange

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

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

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

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

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

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

The number of shares of the registrant's only class of common stock, \$0.01 par value, outstanding as of April 17, 2025 was 313,206,121.

# VALERO ENERGY CORPORATION

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## PART I – FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

#### VALERO ENERGY CORPORATION CONSOLIDATED BALANCE SHEETS (millions of dollars, except par value)

	March 31, 2025	December 31, 2024
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,634	\$ 4,657
Receivables, net	11,238	10,708
Inventories	7,119	7,761
Prepaid expenses and other	599	611
Total current assets	23,590	23,737
Property, plant, and equipment, at cost	49,293	52,368
Accumulated depreciation	(20,744)	(23,054)
Property, plant, and equipment, net	28,549	29,314
Deferred charges and other assets, net	7,038	7,092
Total assets	\$ 59,177	\$ 60,143
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current portion of debt and finance lease obligations	\$ 542	\$ 743
Accounts payable	11,982	12,092
Accrued expenses	1,153	1,130
Taxes other than income taxes payable	1,299	1,360
Income taxes payable	167	170
Total current liabilities	15,143	15,495
Debt and finance lease obligations, less current portion	10,312	9,720
Deferred income tax liabilities	4,951	5,267
Other long-term liabilities	2,456	2,140
Commitments and contingencies		
Equity:		
Valero Energy Corporation stockholders' equity:		
Common stock, \$0.01 par value; 1,200,000,000 shares authorized; 673,501,593 and 673,501,593 shares issued	7	7
Additional paid-in capital	6,944	6,939
Treasury stock, at cost; 360,304,072 and 358,637,890 common shares	(28,417)	(28,178)
Retained earnings	46,065	47,016
Accumulated other comprehensive loss	(1,109)	(1,272)
Total Valero Energy Corporation stockholders' equity	23,490	24,512
Noncontrolling interests	2,825	3,009
Total equity	26,315	27,521
Total liabilities and equity	\$ 59,177	\$ 60,143

See Condensed Notes to Consolidated Financial Statements.

**VALERO ENERGY CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(millions of dollars, except per share amounts)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenues (a)	\$ 30,258	\$ 31,759
Cost of sales:		
Cost of materials and other	27,548	27,682
Operating expenses (excluding depreciation and amortization expense reflected below)	1,523	1,411
Depreciation and amortization expense	680	683
Total cost of sales	29,751	29,776
Asset impairment loss	1,131	—
Other operating expenses	4	34
General and administrative expenses (excluding depreciation and amortization expense reflected below)	261	258
Depreciation and amortization expense	11	12
Operating income (loss)	(900)	1,679
Other income, net	120	144
Interest and debt expense, net of capitalized interest	(137)	(140)
Income (loss) before income tax expense (benefit)	(917)	1,683
Income tax expense (benefit)	(265)	353
Net income (loss)	(652)	1,330
Less: Net income (loss) attributable to noncontrolling interests	(57)	85
Net income (loss) attributable to Valero Energy Corporation stockholders	\$ (595)	\$ 1,245
Earnings (loss) per common share	\$ (1.90)	\$ 3.75
Weighted-average common shares outstanding (in millions)	314	331
Earnings (loss) per common share – assuming dilution	\$ (1.90)	\$ 3.75
Weighted-average common shares outstanding – assuming dilution (in millions)	314	331
Supplemental information:		
(a) Includes excise taxes on sales by certain of our foreign operations	\$ 1,504	\$ 1,387

See Condensed Notes to Consolidated Financial Statements.

**VALERO ENERGY CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(millions of dollars)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net income (loss)	\$ (652)	\$ 1,330
Other comprehensive income (loss):		
Foreign currency translation adjustment	162	(153)
Net gain (loss) on pension and other postretirement benefits	1	(6)
Net gain (loss) on cash flow hedges	3	(84)
Other comprehensive income (loss) before income tax expense (benefit)	166	(243)
Income tax expense (benefit) related to items of other comprehensive income (loss)	1	(15)
Other comprehensive income (loss)	165	(228)
Comprehensive income (loss)	(487)	1,102
Less: Comprehensive income (loss) attributable to noncontrolling interests	(55)	42
Comprehensive income (loss) attributable to Valero Energy Corporation stockholders	\$ (432)	\$ 1,060

See Condensed Notes to Consolidated Financial Statements.

**VALERO ENERGY CORPORATION**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(millions of dollars, except per share amounts)  
(unaudited)

	Valero Energy Corporation Stockholders' Equity							
	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total	Non- controlling Interests	Total Equity
Balance as of December 31, 2024	\$ 7	\$ 6,939	\$ (28,178)	\$ 47,016	\$ (1,272)	\$ 24,512	\$ 3,009	\$ 27,521
Net loss	—	—	—	(595)	—	(595)	(57)	(652)
Dividends on common stock (\$1.13 per share)	—	—	—	(356)	—	(356)	—	(356)
Stock-based compensation expense	—	37	—	—	—	37	—	37
Transactions in connection with stock-based compensation plans	—	(32)	33	—	—	1	—	1
Purchases of common stock for treasury	—	—	(272)	—	—	(272)	—	(272)
Distributions to noncontrolling interests	—	—	—	—	—	—	(129)	(129)
Other comprehensive income	—	—	—	—	163	163	2	165
Balance as of March 31, 2025	<u>\$ 7</u>	<u>\$ 6,944</u>	<u>\$ (28,417)</u>	<u>\$ 46,065</u>	<u>\$ (1,109)</u>	<u>\$ 23,490</u>	<u>\$ 2,825</u>	<u>\$ 26,315</u>
Balance as of December 31, 2023	\$ 7	\$ 6,901	\$ (25,322)	\$ 45,630	\$ (870)	\$ 26,346	\$ 2,178	\$ 28,524
Net income	—	—	—	1,245	—	1,245	85	1,330
Dividends on common stock (\$1.07 per share)	—	—	—	(356)	—	(356)	—	(356)
Stock-based compensation expense	—	39	—	—	—	39	—	39
Transactions in connection with stock-based compensation plans	—	(24)	25	—	—	1	—	1
Purchases of common stock for treasury	—	—	(1,033)	—	—	(1,033)	—	(1,033)
Contributions from noncontrolling interests	—	—	—	—	—	—	90	90
Conversion of IEnova Revolver debt to equity (see Notes 4 and 6)	—	—	—	—	—	—	457	457
Other comprehensive loss	—	—	—	—	(185)	(185)	(43)	(228)
Balance as of March 31, 2024	<u>\$ 7</u>	<u>\$ 6,916</u>	<u>\$ (26,330)</u>	<u>\$ 46,519</u>	<u>\$ (1,055)</u>	<u>\$ 26,057</u>	<u>\$ 2,767</u>	<u>\$ 28,824</u>

See Condensed Notes to Consolidated Financial Statements.

**VALERO ENERGY CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(millions of dollars)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Net income (loss)	\$ (652)	\$ 1,330
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	691	695
Asset impairment loss	1,131	—
Deferred income tax benefit	(324)	(69)
Changes in current assets and current liabilities	157	(160)
Changes in deferred charges and credits and other operating activities, net	(51)	50
Net cash provided by operating activities	<u>952</u>	<u>1,846</u>
Cash flows from investing activities:		
Capital expenditures (excluding variable interest entities (VIEs))	(189)	(128)
Capital expenditures of VIEs:		
Diamond Green Diesel Holdings LLC (DGD)	(59)	(69)
Other VIEs	(1)	(3)
Deferred turnaround and catalyst cost expenditures (excluding VIEs)	(374)	(452)
Deferred turnaround and catalyst cost expenditures of DGD	(36)	(9)
Purchases of available-for-sale (AFS) debt securities	(5)	(11)
Proceeds from sales and maturities of AFS debt securities	9	33
Investments in nonconsolidated joint ventures	(1)	—
Other investing activities, net	21	2
Net cash used in investing activities	<u>(635)</u>	<u>(637)</u>
Cash flows from financing activities:		
Proceeds from debt issuance and borrowings (excluding VIEs)	2,449	1,250
Proceeds from debt borrowings of VIEs:		
DGD	50	100
Other VIEs	—	20
Repayments of debt and finance lease obligations (excluding VIEs)	(2,047)	(1,467)
Repayments of debt and finance lease obligations of VIEs:		
DGD	(57)	(256)
Other VIEs	(12)	(2)
Purchases of common stock for treasury	(274)	(1,023)
Common stock dividend payments	(356)	(356)
Contributions from noncontrolling interests	—	90
Distributions to noncontrolling interests	(129)	—
Other financing activities, net	(6)	—
Net cash used in financing activities	<u>(382)</u>	<u>(1,644)</u>
Effect of foreign exchange rate changes on cash	<u>43</u>	<u>(72)</u>
Net decrease in cash, cash equivalents, and restricted cash	(22)	(507)
Cash, cash equivalents, and restricted cash at beginning of period (a)	4,829	5,424
Cash, cash equivalents, and restricted cash at end of period (a)	<u>\$ 4,807</u>	<u>\$ 4,917</u>

(a) Restricted cash is included in prepaid expenses and other in our consolidated balance sheets.

See Condensed Notes to Consolidated Financial Statements.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

**General**

The terms “Valero,” “we,” “our,” and “us,” as used in this report, may refer to Valero Energy Corporation, one or more of its consolidated subsidiaries, or all of them taken as a whole. The term “DGD,” as used in this report, may refer to Diamond Green Diesel Holdings LLC, its wholly owned consolidated subsidiary, or both of them taken as a whole.

These interim unaudited financial statements have been prepared in conformity with United States (U.S.) generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, these interim unaudited financial statements reflect all adjustments considered necessary for a fair statement of our results for the interim period presented. All such adjustments are of a normal recurring nature unless otherwise disclosed. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. These interim unaudited financial statements should be read in conjunction with our audited financial statements and notes thereto included in our annual report on Form 10-K for the year ended December 31, 2024.

The balance sheet as of December 31, 2024 has been derived from our audited financial statements as of that date. For further information, refer to our audited financial statements and notes thereto included in our annual report on Form 10-K for the year ended December 31, 2024.

***Significant Accounting Policies***

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in these interim unaudited financial statements and accompanying notes. Actual results could differ from those estimates. On an ongoing basis, we review our estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

**Accounting Pronouncements Recently Adopted**

***ASU 2023-07***

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, to improve interim and annual disclosures about a public entity’s reportable segments primarily through enhanced disclosures about significant segment expenses and other segment related items. We adopted this ASU effective January 1, 2024 and it did not affect our financial position or our results of operations, but did result in additional disclosures.

***ASU 2023-09***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to improve annual income tax disclosures by requiring further disaggregation of information in the rate reconciliation and disaggregation of income taxes paid by jurisdiction. This ASU



**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

also includes certain other amendments intended to improve the effectiveness of annual income tax disclosures. We adopted this ASU effective January 1, 2025 and it did not affect our financial position or our results of operations, but will result in additional annual disclosures.

**Accounting Pronouncement Not Yet Adopted**

*ASU 2024-03*

In November 2024, the FASB issued ASU 2024-03, *Income Statement Reporting—Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, to improve interim and annual disclosures about a public business entity's expenses by requiring more detailed information in the notes to the financial statements about certain expense categories, including purchases of inventory, employee compensation, depreciation, amortization, and selling expenses. We expect to adopt this ASU effective January 1, 2027 and the adoption will not affect our financial position or our results of operations, but will result in additional disclosures.

**2. IMPAIRMENT**

In recent years, the State of California adopted legislation that has subjected our refining and marketing operations to potential increased operational restrictions and new reporting requirements. The considerable uncertainty and potential adverse effects on our operations and financial performance resulted in the evaluation of strategic alternatives for our operations in California.

In late March 2025, we approved a plan with respect to the operations at our Benicia Refinery and currently intend to cease refining operations by the end of April 2026. In addition, we considered strategic alternatives for our remaining operations in California. As a result, we updated our evaluation of potential impairment and concluded that the carrying values of our Benicia and Wilmington refineries were not recoverable as of March 31, 2025. Therefore, we reduced the carrying values of these assets to their estimated fair values and recognized a combined asset impairment loss of \$1.1 billion in our Refining segment in the three months ended March 31, 2025. See Note 11 for disclosure related to the method used to determine the fair values.

Included in the recoverability assessments discussed above was the recognition of expected asset retirement obligations of \$337 million, which primarily reflects the fair value of estimated costs for certain legal obligations to decommission the assets based on a range of potential settlement dates.

In addition, we shortened the estimated useful life of the Benicia Refinery to reflect the plan to cease use of the refining assets by the end of April 2026. Therefore, the revised carrying value of the net property, plant, and equipment and other noncurrent assets of \$722 million will be depreciated to the estimated salvage value of \$107 million beginning April 2025 through April 2026. Furthermore, we continue to evaluate strategic alternatives for our remaining operations in California.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

### 3. INVENTORIES

Inventories consisted of the following (in millions):

	March 31, 2025	December 31, 2024
Refinery feedstocks	\$ 1,688	\$ 2,167
Refined petroleum products and blendstocks	3,772	4,016
Renewable diesel feedstocks and products	940	872
Ethanol feedstocks and products	349	342
Materials and supplies	370	364
Inventories	<u>\$ 7,119</u>	<u>\$ 7,761</u>

As of March 31, 2025 and December 31, 2024, the replacement cost (market value) of last-in, first-out (LIFO) inventories exceeded their LIFO carrying amounts by \$3.7 billion and \$4.0 billion, respectively. Our non-LIFO inventories accounted for \$1.2 billion and \$1.3 billion of our total inventories as of March 31, 2025 and December 31, 2024, respectively.

### 4. DEBT

#### *Public Debt*

On February 7, 2025, we issued \$650 million of 5.150 percent Senior Notes due February 15, 2030. Proceeds from this debt issuance totaled \$649 million before deducting the underwriting discount and other debt issuance costs. We used a portion of the net proceeds to repay the \$189 million outstanding principal balance of our 3.65 percent Senior Notes that matured on March 15, 2025 and the \$251 million outstanding principal balance of our 2.850 percent Senior Notes that matured on April 15, 2025.

In March 2024, we repaid the \$167 million outstanding principal balance of our 1.200 percent Senior Notes that matured on March 15, 2024.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

***Credit Facilities***

We had outstanding borrowings, letters of credit issued, and availability under our credit facilities as follows (in millions):

			March 31, 2025		
	Facility Amount	Maturity Date	Outstanding Borrowings	Letters of Credit Issued (a)	Availability
Committed facilities:					
Valero Revolver	\$ 4,000	November 2027	\$ —	\$ 2	\$ 3,998
Accounts receivable sales facility	1,300	July 2025	—	n/a	1,300
Committed facilities of VIEs (b):					
DGD Revolver	400	June 2026	—	—	400
DGD Loan Agreement (c)	100	June 2026	—	n/a	100
IEnova Revolver (d)	830	February 2028	46	n/a	784
Uncommitted facilities:					
Letter of credit facilities	n/a	n/a	n/a	190	n/a
Uncommitted facility of VIE (b):					
DGD letter of credit facility	n/a	n/a	n/a	15	n/a

(a) Letters of credit issued as of March 31, 2025 expire at various times in 2025 through 2026.

(b) Creditors of the VIEs do not have recourse against us.

(c) The amounts shown for DGD's unsecured revolving loan agreement with its members (the DGD Loan Agreement) represent the facility amount available from, and borrowings outstanding to, the noncontrolling member as any transactions between DGD and us under this facility are eliminated in consolidation.

(d) Central Mexico Terminals (defined in Note 6) has an unsecured revolving credit facility (the IEnova Revolver) with IEnova (defined in Note 6). The variable interest rate on the IEnova Revolver was 8.160 percent and 8.443 percent as of March 31, 2025 and December 31, 2024, respectively.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Borrowings and repayments under our credit facilities were as follows (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Borrowings:</b>		
Accounts receivable sales facility	\$ 1,800	\$ 1,250
DGD Revolver	50	—
DGD Loan Agreement	—	100
IEnova Revolver	—	20
<b>Repayments:</b>		
Accounts receivable sales facility	(1,800)	(1,250)
DGD Revolver	(50)	(150)
DGD Loan Agreement	—	(100)
IEnova Revolver	(12)	—

**Other Disclosures**

“Interest and debt expense, net of capitalized interest” was comprised as follows (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest and debt expense	\$ 142	\$ 147
Less: Capitalized interest	5	7
Interest and debt expense, net of capitalized interest	<u>\$ 137</u>	<u>\$ 140</u>

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 5. EQUITY

### *Treasury Stock*

We purchase shares of our outstanding common stock as authorized by our board of directors (Board), including under share purchase programs (described in the table below) and with respect to our employee stock-based compensation plans. During the three months ended March 31, 2025 and 2024, we purchased for treasury 2,074,605 shares and 6,633,843 shares, respectively.

Our Board authorized us to purchase shares of our outstanding common stock under various programs with no expiration dates as follows (in millions):

Program Name	Authorization Date	Total Cost Authorized	Remaining Available for Purchase as of March 31, 2025
February 2024 Program	February 22, 2024	\$ 2,500	\$ 1,583
September 2024 Program	September 19, 2024	2,500	2,500

### *Accumulated Other Comprehensive Loss*

Changes in accumulated other comprehensive loss by component, net of tax, were as follows (in millions):

	Three Months Ended March 31,							
	2025				2024			
	Foreign Currency Translation Adjustment	Defined Benefit Plans Items	Gains (Losses) on Cash Flow Hedges	Total	Foreign Currency Translation Adjustment	Defined Benefit Plans Items	Gains (Losses) on Cash Flow Hedges	Total
Balance as of beginning of period	\$ (1,264)	\$ (2)	\$ (6)	\$ (1,272)	\$ (735)	\$ (162)	\$ 27	\$ (870)
Other comprehensive income (loss) before reclassifications	162	—	(1)	161	(148)	—	(23)	(171)
Amounts reclassified from accumulated other comprehensive loss	—	(2)	2	—	—	(4)	(9)	(13)
Effect of exchange rates	—	2	—	2	—	(1)	—	(1)
Other comprehensive income (loss)	162	—	1	163	(148)	(5)	(32)	(185)
Balance as of end of period	<u>\$ (1,102)</u>	<u>\$ (2)</u>	<u>\$ (5)</u>	<u>\$ (1,109)</u>	<u>\$ (883)</u>	<u>\$ (167)</u>	<u>\$ (5)</u>	<u>\$ (1,055)</u>

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 6. VARIABLE INTEREST ENTITIES

### *Consolidated VIEs*

We consolidate a VIE when we have a variable interest in an entity for which we are the primary beneficiary. As of March 31, 2025, the significant consolidated VIEs included:

- DGD, a joint venture with a subsidiary of Darling Ingredients Inc. that owns and operates two plants that process waste and renewable feedstocks (predominantly animal fats, used cooking oils, vegetable oils, and inedible distillers corn oils (DCOs)) into renewable diesel, renewable naphtha, and neat sustainable aviation fuel (SAF)<sup>1</sup>; and
- Central Mexico Terminals, a collective group of three subsidiaries of Infraestructura Energetica Nova, S.A.P.I. de C.V. (IEnova), which is a Mexican company and indirect subsidiary of Sempra Energy, a U.S. public company. We have terminaling agreements with Central Mexico Terminals that represent variable interests. We do not have an ownership interest in Central Mexico Terminals.

The assets of the consolidated VIEs can only be used to settle their own obligations and the creditors of the consolidated VIEs have no recourse to our other assets. We generally do not provide financial guarantees to the VIEs. Although we have provided credit facilities to some of the VIEs in support of their construction or acquisition activities and working capital requirements, these transactions are eliminated in consolidation. Our financial position, results of operations, and cash flows are impacted by the performance of the consolidated VIEs, net of intercompany eliminations, to the extent of our ownership interest in each VIE.

The following tables present summarized balance sheet information for the significant assets and liabilities of the consolidated VIEs, which are included in our balance sheets (in millions):

	DGD	Central Mexico Terminals	Other	Total
<b>March 31, 2025</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 153	\$ —	\$ 32	\$ 185
Other current assets	985	8	37	1,030
Property, plant, and equipment, net	3,785	643	64	4,492
<b>Liabilities</b>				
Current liabilities, including current portion of debt and finance lease obligations	\$ 320	\$ 65	\$ 3	\$ 388
Debt and finance lease obligations, less current portion	635	—	—	635

<sup>1</sup> DGD produces synthetic paraffinic kerosene (SPK), a renewable blending component, using the Hydrotreated Esters and Fatty Acids (HEFA) process. SPK is also commonly referred to as “neat SAF.” Current aviation regulations allow SPK to be blended up to 50 percent with conventional jet fuel for use in an aircraft. This blend is commonly referred to as “blended SAF” or “SAF.”

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	DGD	Central Mexico Terminals	Other	Total
<b>December 31, 2024</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 353	\$ —	\$ 21	\$ 374
Other current assets	976	9	42	1,027
Property, plant, and equipment, net	3,806	647	64	4,517
<b>Liabilities</b>				
Current liabilities, including current portion of debt and finance lease obligations	\$ 304	\$ 75	\$ 4	\$ 383
Debt and finance lease obligations, less current portion	642	—	—	642

**Nonconsolidated VIEs**

We hold variable interests in VIEs that have not been consolidated because we are not considered the primary beneficiary. These nonconsolidated VIEs are not material to our financial position or results of operations and are accounted for as equity investments.

**7. EMPLOYEE BENEFIT PLANS**

The components of net periodic benefit cost related to our defined benefit plans were as follows (in millions):

	Pension Plans		Other Postretirement Benefit Plans	
	2025	2024	2025	2024
<b>Three months ended March 31</b>				
Service cost	\$ 27	\$ 28	\$ 1	\$ 1
Interest cost	34	31	3	3
Expected return on plan assets	(55)	(53)	—	—
Amortization of:				
Net actuarial gain	(2)	(1)	(2)	(1)
Prior service cost (credit)	2	(3)	—	—
Settlement loss	1	—	—	—
Net periodic benefit cost	<u>\$ 7</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 3</u>

The components of net periodic benefit cost other than the service cost component (i.e., the non-service cost components) are included in “other income, net.”

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**8. EARNINGS (LOSS) PER COMMON SHARE**

Earnings (loss) per common share was computed as follows (dollars and shares in millions, except per share amounts):

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Earnings (loss) per common share:		
Net income (loss) attributable to Valero stockholders	\$ (595)	\$ 1,245
Less: Income allocated to participating securities	1	3
Net income (loss) available to common stockholders	<u>\$ (596)</u>	<u>\$ 1,242</u>
Weighted-average common shares outstanding	314	331
Earnings (loss) per common share	<u>\$ (1.90)</u>	<u>\$ 3.75</u>
Earnings (loss) per common share – assuming dilution:		
Net income (loss) attributable to Valero stockholders	\$ (595)	\$ 1,245
Less: Income allocated to participating securities	1	3
Net income (loss) available to common stockholders	<u>\$ (596)</u>	<u>\$ 1,242</u>
Weighted-average common shares outstanding	314	331
Effect of dilutive securities	—	—
Weighted-average common shares outstanding – assuming dilution	<u>314</u>	<u>331</u>
Earnings (loss) per common share – assuming dilution	<u>\$ (1.90)</u>	<u>\$ 3.75</u>

Participating securities include restricted stock and performance awards granted under our 2020 Omnibus Stock Incentive Plan. Dilutive securities include participating securities as well as outstanding stock options. For the three months ended March 31, 2025 and 2024, we computed earnings (loss) per common share – assuming dilution using the two-class method and included dilutive securities as appropriate.



**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 9. REVENUES AND SEGMENT INFORMATION

### *Revenue from Contracts with Customers*

#### **Disaggregation of Revenue**

Revenue is presented in the table below under “*Segment Information*” disaggregated by product because this is the level of disaggregation that management has determined to be beneficial to users of our financial statements.

#### **Contract Balances**

Contract balances were as follows (in millions):

	March 31, 2025	December 31, 2024
Receivables from contracts with customers, included in receivables, net	\$ 6,090	\$ 5,812
Contract liabilities, included in accrued expenses	57	82

#### **Remaining Performance Obligations**

We have spot and term contracts with customers, the majority of which are spot contracts with no remaining performance obligations. We do not disclose remaining performance obligations for contracts that have terms of one year or less. The transaction price for our remaining term contracts includes a fixed component and variable consideration (i.e., a commodity price), both of which are allocated entirely to a wholly unsatisfied promise to transfer a distinct good that forms part of a single performance obligation. The fixed component is not material and the variable consideration is highly uncertain. Therefore, as of March 31, 2025, we have not disclosed the aggregate amount of the transaction price allocated to our remaining performance obligations.

### *Segment Information*

We have three reportable segments—Refining, Renewable Diesel, and Ethanol. Each segment is a strategic business unit that offers different products and services by employing unique technologies and marketing strategies and whose operations and operating performance are managed and evaluated separately. Operating performance is measured based on the operating income generated by the segment, which includes revenues and expenses that are directly attributable to the management of the respective segment. Intersegment sales are generally derived from transactions made at prevailing market rates. The following is a description of each segment’s business operations.

- The *Refining segment* includes the operations of our petroleum refineries, the associated activities to market our refined petroleum products, and the logistics assets that support our refining operations. The principal products manufactured by our refineries and sold by this segment include gasolines and blendstocks, distillates, and other products.
- The *Renewable Diesel segment* represents the operations of DGD, a consolidated joint venture as discussed in Note 6, and the associated activities to market renewable diesel, renewable naphtha, and neat SAF. The principal products manufactured by DGD and sold by this segment are renewable diesel, renewable naphtha, and neat SAF. This segment sells some renewable diesel

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**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

and neat SAF to the Refining segment for blending into petroleum-based diesel and conventional jet fuel, respectively, which is then sold to that segment's customers as finished product.

- The *Ethanol segment* includes the operations of our ethanol plants and the associated activities to market our ethanol and co-products. The principal products manufactured by our ethanol plants are ethanol and distillers grains. This segment sells some ethanol to the Refining segment for blending into gasoline, which is sold to that segment's customers as a finished gasoline product.

Operations that are not included in any of the reportable segments are included in the corporate category.

Our chief operating decision maker (CODM) is our Chairman of the Board, Chief Executive Officer and President. Our CODM uses operating income by segment to allocate resources (including employees, property, and financial or capital resources) for each segment primarily during the annual budget process. On a monthly basis, our CODM considers budget-to-actual variances for operating income by segment when evaluating the operating performance of each segment.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following tables reflect information about our operating income (loss), including a reconciliation to our consolidated income (loss) before income tax expense (benefit) and total expenditures for long-lived assets, by reportable segment (in millions):

	<b>Refining</b>	<b>Renewable Diesel</b>	<b>Ethanol</b>	<b>Corporate and Eliminations</b>	<b>Total</b>
<b>Three months ended March 31, 2025</b>					
Revenues:					
Revenues from external customers	\$ 28,757	\$ 493	\$ 1,008	\$ —	\$ 30,258
Intersegment revenues	2	407	217	(626)	—
Total revenues	<u>28,759</u>	<u>900</u>	<u>1,225</u>	<u>(626)</u>	<u>30,258</u>
Cost of sales:					
Cost of materials and other (a)	26,269	895	1,032	(648)	27,548
Operating expenses (excluding depreciation and amortization expense reflected below)	1,291	78	154	—	1,523
Depreciation and amortization expense	594	68	19	(1)	680
Total cost of sales	<u>28,154</u>	<u>1,041</u>	<u>1,205</u>	<u>(649)</u>	<u>29,751</u>
Asset impairment loss	1,131	—	—	—	1,131
Other operating expenses	4	—	—	—	4
General and administrative expenses (excluding depreciation and amortization expense reflected below)	—	—	—	261	261
Depreciation and amortization expense	—	—	—	11	11
Operating income (loss) by segment	<u>\$ (530)</u>	<u>\$ (141)</u>	<u>\$ 20</u>	<u>\$ (249)</u>	<u>(900)</u>
Other income, net					120
Interest and debt expense, net of capitalized interest					(137)
Loss before income tax benefit					<u>\$ (917)</u>
Total expenditures for long-lived assets (b)	\$ 533	\$ 95	\$ 8	\$ 23	\$ 659

See notes on page 18.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Refining	Renewable Diesel	Ethanol	Corporate and Eliminations	Total
<b>Three months ended March 31, 2024</b>					
Revenues:					
Revenues from external customers	\$ 30,143	\$ 702	\$ 914	\$ —	\$ 31,759
Intersegment revenues	2	709	190	(901)	—
Total revenues	30,145	1,411	1,104	(901)	31,759
Cost of sales:					
Cost of materials and other (a)	26,611	1,066	909	(904)	27,682
Operating expenses (excluding depreciation and amortization expense reflected below)	1,184	90	137	—	1,411
Depreciation and amortization expense	600	65	19	(1)	683
Total cost of sales	28,395	1,221	1,065	(905)	29,776
Other operating expenses	5	—	29	—	34
General and administrative expenses (excluding depreciation and amortization expense reflected below)	—	—	—	258	258
Depreciation and amortization expense	—	—	—	12	12
Operating income by segment	\$ 1,745	\$ 190	\$ 10	\$ (266)	1,679
Other income, net					144
Interest and debt expense, net of capitalized interest					(140)
Income before income tax expense					\$ 1,683
 Total expenditures for long-lived assets (b)	 \$ 561	 \$ 78	 \$ 6	 \$ 16	 \$ 661

(a) Cost of materials and other for our Renewable Diesel segment is net of the clean fuel production credit on qualifying sales of certain low-carbon transportation fuels of \$51 million for the three months ended March 31, 2025 and the blender's tax credit on qualified fuel mixtures of \$331 million for the three months ended March 31, 2024.

(b) Total expenditures for long-lived assets includes amounts related to capital expenditures and deferred turnaround and catalyst costs.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table provides a disaggregation of revenues from external customers for our principal products by reportable segment (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Refining:</b>		
Gasolines and blendstocks	\$ 12,374	\$ 13,126
Distillates	13,376	14,128
Other product revenues	3,007	2,889
Total Refining revenues	28,757	30,143
<b>Renewable Diesel:</b>		
Renewable diesel	391	679
Renewable naphtha	39	23
Neat SAF	63	—
Total Renewable Diesel revenues	493	702
<b>Ethanol:</b>		
Ethanol	787	638
Distillers grains	221	276
Total Ethanol revenues	1,008	914
<b>Revenues</b>	<b>\$ 30,258</b>	<b>\$ 31,759</b>

Total assets by reportable segment were as follows (in millions):

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Refining	\$ 45,755	\$ 46,729
Renewable Diesel	5,283	5,680
Ethanol	1,621	1,545
Corporate and eliminations	6,518	6,189
<b>Total assets</b>	<b>\$ 59,177</b>	<b>\$ 60,143</b>

As of March 31, 2025 and December 31, 2024, our investments in nonconsolidated joint ventures accounted for under the equity method were \$691 million and \$695 million, respectively, all of which related to the Refining segment and are reflected in “deferred charges and other assets, net” in our balance sheets.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**10. SUPPLEMENTAL CASH FLOW INFORMATION**

In order to determine net cash provided by operating activities, net income (loss) is adjusted by, among other things, changes in current assets and current liabilities as follows (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Decrease (increase) in current assets:		
Receivables, net	\$ (457)	\$ 257
Inventories	693	(356)
Prepaid expenses and other	63	86
Increase (decrease) in current liabilities:		
Accounts payable	(42)	(130)
Accrued expenses	(13)	(163)
Taxes other than income taxes payable	(84)	(102)
Income taxes payable	(3)	248
Changes in current assets and current liabilities	<u>\$ 157</u>	<u>\$ (160)</u>

Changes in current assets and current liabilities for the three months ended March 31, 2025 were primarily due to the following:

- The increase in receivables was primarily due to an increase in refined petroleum product sales volumes combined with an increase in related prices in March 2025 compared to December 2024, partially offset by the collection of \$246 million for a blender's tax credit receivable; and
- The decrease in inventories was primarily due to lower inventory levels in March 2025 compared to December 2024.

Changes in current assets and current liabilities for the three months ended March 31, 2024 were primarily due to the following:

- The decrease in receivables was primarily due to a decrease in refined petroleum product sales volumes in March 2024 compared to December 2023, partially offset by an increase in related prices; and
- The increase in inventories was due to an increase in inventory volumes valued at higher unit prices in March 2024 compared to December 2023.

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**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Cash flows related to interest and income taxes were as follows (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest paid in excess of amount capitalized, including interest on finance leases	\$ 84	\$ 100
Income taxes paid, net	35	103

Supplemental cash flow information related to our operating and finance leases was as follows (in millions):

	<b>Three Months Ended March 31,</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Operating Leases</b>	<b>Finance Leases</b>	<b>Operating Leases</b>	<b>Finance Leases</b>
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows	\$ 127	\$ 29	\$ 124	\$ 29
Financing cash flows	—	65	—	56
Changes in lease balances resulting from new and modified leases	100	10	153	186

There were no significant noncash investing and financing activities during the three months ended March 31, 2025, except as noted in the table above.

Noncash financing activities for the three months ended March 31, 2024 included the conversion by IEnova of \$457 million of outstanding borrowings under the IEnova Revolver to additional equity in Central Mexico Terminals. There were no other significant noncash investing and financing activities during the three months ended March 31, 2024, except as noted in the table above.

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**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 11. FAIR VALUE MEASUREMENTS

### *Recurring Fair Value Measurements*

The following tables present information (in millions) about our assets and liabilities recognized at their fair values in our balance sheets categorized according to the fair value hierarchy of the inputs utilized by us to determine the fair values as of March 31, 2025 and December 31, 2024.

We have elected to offset the fair value amounts recognized for multiple similar derivative contracts executed with the same counterparty, including any related cash collateral assets or obligations as shown below; however, fair value amounts by hierarchy level are presented in the following tables on a gross basis. We have no derivative contracts that are subject to master netting arrangements that are reflected gross in our balance sheets.

	March 31, 2025									
	Fair Value Hierarchy			Total Gross Fair Value	Effect of Counter- party Netting	Effect of Cash Collateral Netting	Net Carrying Value on Balance Sheet	Cash Collateral Paid or Received Not Offset		
	Level 1	Level 2	Level 3							
Assets										
Commodity derivative contracts	\$ 506	\$ —	\$ —	\$ 506	\$ (447)	\$ (25)	\$ 34	\$ —		
Physical purchase contracts	—	1	—	1	n/a	n/a	1	n/a		
Investments of certain benefit plans	85	—	4	89	n/a	n/a	89	n/a		
Investments in AFS debt securities	—	26	—	26	n/a	n/a	26	n/a		
Total	<u>\$ 591</u>	<u>\$ 27</u>	<u>\$ 4</u>	<u>\$ 622</u>	<u>\$ (447)</u>	<u>\$ (25)</u>	<u>\$ 150</u>			
Liabilities										
Commodity derivative contracts	\$ 472	\$ —	\$ —	\$ 472	\$ (447)	\$ (25)	\$ —	\$ (99)		
Physical purchase contracts	—	12	—	12	n/a	n/a	12	n/a		
Blending program obligations	—	113	—	113	n/a	n/a	113	n/a		
Total	<u>\$ 472</u>	<u>\$ 125</u>	<u>\$ —</u>	<u>\$ 597</u>	<u>\$ (447)</u>	<u>\$ (25)</u>	<u>\$ 125</u>			



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**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	December 31, 2024										
	Fair Value Hierarchy			Total Gross Fair Value	Effect of Counter- party Netting	Effect of Cash Collateral Netting	Net Carrying Value on Balance Sheet	Cash Collateral Paid or Received Not Offset			
	Level 1	Level 2	Level 3								
Assets											
Commodity derivative contracts	\$ 402	\$ —	\$ —	\$ 402	\$ (402)	\$ —	\$ —	\$ —			
Physical purchase contracts	—	2	—	2	n/a	n/a	2	n/a			
Investments of certain benefit plans	89	—	4	93	n/a	n/a	93	n/a			
Investments in AFS debt securities	6	20	—	26	n/a	n/a	26	n/a			
Foreign currency contracts	6	—	—	6	n/a	n/a	6	n/a			
Total	<u>\$ 503</u>	<u>\$ 22</u>	<u>\$ 4</u>	<u>\$ 529</u>	<u>\$ (402)</u>	<u>\$ —</u>	<u>\$ 127</u>				
Liabilities											
Commodity derivative contracts	\$ 448	\$ —	\$ —	\$ 448	\$ (402)	\$ (46)	\$ —	\$ (71)			
Blending program obligations	—	13	—	13	n/a	n/a	13	n/a			
Physical purchase contracts	—	3	—	3	n/a	n/a	3	n/a			
Total	<u>\$ 448</u>	<u>\$ 16</u>	<u>\$ —</u>	<u>\$ 464</u>	<u>\$ (402)</u>	<u>\$ (46)</u>	<u>\$ 16</u>				

A description of our assets and liabilities recognized at fair value along with the valuation methods and inputs we used to develop their fair value measurements are as follows:

- Commodity derivative contracts consist primarily of exchange-traded futures, which are used to reduce the impact of price volatility on our results of operations and cash flows as discussed in Note 12. These contracts are measured at fair value using a market approach based on quoted prices from the commodity exchange and are categorized in Level 1 of the fair value hierarchy.
- Physical purchase contracts represent the fair value of fixed-price corn purchase contracts. The fair values of these purchase contracts are measured using a market approach based on quoted prices from the commodity exchange or an independent pricing service and are categorized in Level 2 of the fair value hierarchy.
- Blending program obligations represent our liability for the purchase of compliance credits needed to satisfy our blending obligations under various government and regulatory blending programs, such as the U.S. Environmental Protection Agency's (EPA) Renewable Fuel Standard (RFS), California Low Carbon Fuel Standard (LCFS), Canada Clean Fuel Regulations, U.K. Renewable Transport Fuel Obligation, and similar programs in other jurisdictions in which we operate (collectively, the Renewable and Low-Carbon Fuel Programs). The blending program

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obligations are categorized in Level 2 of the fair value hierarchy and are measured at fair value using a market approach based on quoted prices from an independent pricing service.

- Investments of certain benefit plans consist of investment securities held by trusts for the purpose of satisfying a portion of our obligations under certain U.S. nonqualified benefit plans. The plan assets categorized in Level 1 of the fair value hierarchy are measured at fair value using a market approach based on quoted prices from national securities exchanges. The plan assets categorized in Level 3 of the fair value hierarchy represent insurance contracts, the fair value of which is provided by the insurer.
- Investments in AFS debt securities consist primarily of commercial paper and U.S. government treasury bills and have maturities within one year. The securities categorized in Level 1 are measured at fair value using a market approach based on quoted prices from national securities exchanges and the securities categorized in Level 2 are measured at fair value using a market approach based on quoted prices from independent pricing services. The amortized cost basis of the securities approximates fair value. Realized and unrealized gains and losses were de minimis for the three months ended March 31, 2025 and 2024.
- Foreign currency contracts consist of foreign currency exchange and purchase contracts related to our foreign operations to manage our exposure to exchange rate fluctuations on transactions denominated in currencies other than the local (functional) currencies of our operations. These contracts are valued based on quoted foreign currency exchange rates and are categorized in Level 1 of the fair value hierarchy.

***Nonrecurring Fair Value Measurements***

The following table presents information (in millions) about our nonfinancial assets measured at fair value on a nonrecurring basis during the three months ended March 31, 2025 and categorized according to the fair value hierarchy of the inputs utilized by us to determine the fair values as of March 31, 2025.

	Fair Value Measurements Using			Fair Value	Loss Recognized
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
<b>Assets</b>					
Long-lived assets of the Benicia Refinery	\$ —	\$ —	\$ 722	\$ 722	\$ 901
Long-lived assets of the Wilmington Refinery	—	—	847	847	230
Total	\$ —	\$ —	\$ 1,569	\$ 1,569	\$ 1,131

As discussed in Note 2, we concluded that the carrying values of the Benicia and Wilmington refineries were impaired as of March 31, 2025. The fair values of the refineries were determined using a market approach based on a comparison of recent property sales and other relevant real estate and market data,

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**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

which we determined reflects the highest and best use of these assets. These fair values involved significant assumptions and actual results could differ from these estimates.

There were no assets or liabilities that were measured at fair value on a nonrecurring basis as of March 31, 2025 and December 31, 2024, except as noted in the table above.

**Financial Instruments**

Our financial instruments include cash and cash equivalents, restricted cash, investments in AFS debt securities, receivables, payables, debt obligations, operating and finance lease obligations, commodity derivative contracts, and foreign currency contracts. The estimated fair values of cash and cash equivalents, restricted cash, receivables, payables, and operating and finance lease obligations approximate their carrying amounts; the carrying value and fair value of debt is shown in the table below (in millions).

		March 31, 2025		December 31, 2024	
	Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities:</b>					
Debt (excluding finance lease obligations)	Level 2	\$ 8,528	\$ 8,325	\$ 8,085	\$ 7,776

Investments in AFS debt securities, commodity derivative contracts, and foreign currency contracts are recognized at their fair values as shown in “*Recurring Fair Value Measurements*” above.

## 12. PRICE RISK MANAGEMENT ACTIVITIES

**General**

We are exposed to market risks primarily related to the volatility in the price of commodities, foreign currency exchange rates, and the price of credits needed to comply with the Renewable and Low-Carbon Fuel Programs. We enter into derivative instruments to manage some of these risks, including derivative instruments related to the various commodities we purchase or produce, and foreign currency exchange and purchase contracts, as described below under “*Risk Management Activities by Type of Risk*.” These derivative instruments are recorded as either assets or liabilities measured at their fair values (see Note 11), as summarized below under “*Fair Values of Derivative Instruments*.” The effect of these derivative instruments on our income and other comprehensive income (loss) is summarized below under “*Effect of Derivative Instruments on Income and Other Comprehensive Income (Loss)*.”

**Risk Management Activities by Type of Risk**

**Commodity Price Risk**

We are exposed to market risks related to the volatility in the price of feedstocks (primarily crude oil, waste and renewable feedstocks, and corn); the products we produce; and natural gas and electricity used in our operations. To reduce the impact of price volatility on our results of operations and cash flows, we use commodity derivative instruments, such as futures and options. Our positions in commodity derivative instruments are monitored and managed on a daily basis by our risk control group to ensure compliance with our stated risk management policy that is periodically reviewed with our Board and/or relevant Board committee.

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**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

We primarily use commodity derivative instruments as cash flow hedges and economic hedges. Our objectives for entering into each type of hedge is described below.

- *Cash flow hedges* – The objective of our cash flow hedges is to lock in the price of forecasted purchases and/or product sales at existing market prices that we deem favorable.
- *Economic hedges* – Our objectives for holding economic hedges are to (i) manage price volatility in certain feedstock and product inventories and (ii) lock in the price of forecasted purchases and/or product sales at existing market prices that we deem favorable.

As of March 31, 2025, we had the following outstanding commodity derivative instruments that were used as cash flow hedges and economic hedges, as well as commodity derivative instruments related to the physical purchase of corn at a fixed price. The information presents the notional volume of outstanding contracts by type of instrument and year of maturity (volumes in thousands of barrels, except corn contracts that are presented in thousands of bushels).

	<b>Notional Contract Volumes by Year of Maturity</b>
	<b>2025</b>
Derivatives designated as cash flow hedges:	
Refined petroleum products:	
Futures – short	3,093
Derivatives designated as economic hedges:	
Crude oil and refined petroleum products:	
Futures – long	109,568
Futures – short	106,583
Corn:	
Futures – long	52,405
Futures – short	93,470
Physical contracts – long	39,795

### Foreign Currency Risk

We are exposed to exchange rate fluctuations on transactions related to our foreign operations that are denominated in currencies other than the local (functional) currencies of our operations. To manage our exposure to these exchange rate fluctuations, we often use foreign currency contracts. These contracts are not designated as hedging instruments for accounting purposes and therefore are classified as economic hedges. As of March 31, 2025, we had foreign currency contracts to purchase \$174 million of U.S. dollars. These commitments matured on or before April 16, 2025.

### Renewable and Low-Carbon Fuel Programs Price Risk

We are exposed to market risk related to the volatility in the price of credits needed to comply with the Renewable and Low-Carbon Fuel Programs. To manage this risk, we enter into contracts to purchase these credits. Some of these contracts are derivative instruments; however, we elect the normal purchase

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

exception and do not record these contracts at their fair values. The Renewable and Low-Carbon Fuel Programs require us to blend a certain volume of renewable and low-carbon fuels into the petroleum-based transportation fuels we produce in, or import into, the respective jurisdiction to be consumed therein based on annual quotas. To the degree we are unable to blend at the required quotas, we must purchase compliance credits (primarily Renewable Identification Numbers (RINs)). The cost of meeting our credit obligations under the Renewable and Low-Carbon Fuel Programs was \$332 million and \$204 million for the three months ended March 31, 2025 and 2024, respectively. These amounts are reflected in cost of materials and other.

***Fair Values of Derivative Instruments***

The following table provides information about the fair values of our derivative instruments as of March 31, 2025 and December 31, 2024 (in millions) and the line items in our balance sheets in which the fair values are reflected. See Note 11 for additional information related to the fair values of our derivative instruments.

As indicated in Note 11, we net fair value amounts recognized for multiple similar derivative contracts executed with the same counterparty under master netting arrangements, including cash collateral assets and obligations. The following table, however, is presented on a gross asset and gross liability basis, which results in the reflection of certain assets in liability accounts and certain liabilities in asset accounts:

	Balance Sheet Location	March 31, 2025		December 31, 2024	
		Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
Derivatives designated as hedging instruments:					
Commodity contracts	Receivables, net	\$ 14	\$ 9	\$ 12	\$ 13
Derivatives not designated as hedging instruments:					
Commodity contracts	Receivables, net	\$ 492	\$ 463	\$ 390	\$ 435
Physical purchase contracts	Inventories	1	12	2	3
Foreign currency contracts	Receivables, net	—	—	6	—
Total		\$ 493	\$ 475	\$ 398	\$ 438

***Market Risk***

Our price risk management activities involve the receipt or payment of fixed price commitments into the future. These transactions give rise to market risk, which is the risk that future changes in market conditions may make an instrument less valuable. We closely monitor and manage our exposure to market risk on a daily basis in accordance with policies that are periodically reviewed with our Board and/or relevant Board committee. Market risks are monitored by our risk control group to ensure compliance with our stated risk management policy. We do not require any collateral or other security to support derivative instruments into which we enter. We also do not have any derivative instruments that require us to maintain a minimum investment-grade credit rating.

**VALERO ENERGY CORPORATION**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

***Effect of Derivative Instruments on Income and Other Comprehensive Income (Loss)***

The following table provides information about the gain (loss) recognized in income and other comprehensive income (loss) due to fair value adjustments of our cash flow hedges (in millions):

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months Ended March 31,	
		2025	2024
Commodity contracts:			
Loss recognized in other comprehensive income (loss)	n/a	\$ (4)	\$ (60)
Gain (loss) reclassified from accumulated other comprehensive loss into income	Revenues	(7)	24

For cash flow hedges, no component of any derivative instrument's gain or loss was excluded from the assessment of hedge effectiveness for the three months ended March 31, 2025 and 2024. For the three months ended March 31, 2025 and 2024, cash flow hedges primarily related to forecasted sales of renewable diesel. As of March 31, 2025, the estimated deferred after-tax loss that is expected to be reclassified into revenues within the next 12 months was not material. The changes in accumulated other comprehensive loss by component, net of tax, for the three months ended March 31, 2025 and 2024 are described in Note 5.

The following table provides information about the gain (loss) recognized in income on our derivative instruments with respect to our economic hedges and our foreign currency hedges and the line items in our statements of income in which such gains (losses) are reflected (in millions):

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months Ended March 31,	
		2025	2024
Commodity contracts	Revenues	\$ —	\$ (4)
Commodity contracts	Cost of materials and other	(18)	—
Foreign currency contracts	Cost of materials and other	(4)	15

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### CAUTIONARY STATEMENT FOR THE PURPOSE OF SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report, including without limitation our disclosures below under "OVERVIEW AND OUTLOOK," includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify our forward-looking statements by the words "anticipate," "believe," "expect," "plan," "intend," "scheduled," "estimate," "project," "projection," "predict," "budget," "forecast," "goal," "guidance," "target," "ambition," "could," "would," "should," "may," "strive," "seek," "pursue," "potential," "opportunity," "aimed," "considering," "continue," "evaluate," and similar expressions.

These forward-looking statements include, among other things, statements regarding:

- the effect, impact, potential duration or timing, or other implications of global geopolitical and other conflicts and tensions, and government and other responses thereto;
- future Refining segment margins, including gasoline and distillate margins, and differentials;
- future Renewable Diesel segment margins;
- future Ethanol segment margins;
- expectations regarding feedstock costs, including crude oil differentials, product prices for each of our segments, transportation costs, and operating expenses;
- anticipated levels of crude oil and liquid transportation fuel inventories, storage capacity, and production;
- expectations with respect to third-party refining, logistics, and low-carbon fuels projects and operations, and the effect and implications thereof on industry and market dynamics;
- expectations regarding the levels of, and costs and timing with respect to, the production and operations at our existing refineries and plants, projects under evaluation, construction, or development, and former projects;
- our plans, actions, assets, and operations in California and expected timing and cost of obligations and other financial statement impacts;
- our anticipated level of capital investments, including deferred turnaround and catalyst cost expenditures, our expected allocation between, and/or within, growth capital expenditures and sustaining capital expenditures, capital expenditures for environmental and other purposes, and joint venture investments, the expected costs and timing applicable to such capital investments and any related projects, and the effect of those capital investments on our business, financial condition, results of operations, and liquidity;
- our anticipated level of cash distributions or contributions, such as our dividend payment rate and contributions to our pension plans and other postretirement benefit plans;
- our ability to meet future cash and credit requirements, whether from funds generated from our operations or our ability to access financial markets effectively, and expectations regarding our liquidity;
- our evaluation of, and expectations regarding, any future activity under our share purchase program or transactions involving our debt securities;
- anticipated trends in the supply of, and demand for, crude oil and other feedstocks, refined petroleum products, renewable diesel, SAF, ethanol, and corn-related co-products in the regions where we operate, as well as globally;

- expectations regarding environmental, tax, and other regulatory matters, including the matters discussed in Note 2 of Condensed Notes to Consolidated Financial Statements and under “PART II, ITEM 1. LEGAL PROCEEDINGS,” the anticipated amounts and timing of payment with respect to our deferred tax liabilities, unrecognized tax benefits, matters impacting our ability to repatriate cash held by our foreign subsidiaries, and the anticipated or potential effects thereof on our business, financial condition, results of operations, and liquidity;
- the effect of general economic and other conditions, including inflation and economic activity levels, on refining, renewable diesel, SAF, and ethanol industry fundamentals;
- expectations regarding our risk management activities, including the anticipated effects of our hedge transactions;
- expectations regarding our counterparties and VIEs, including our ability to pass on increased compliance costs and timely collect receivables, and the credit risk within our accounts receivable or accounts payable;
- expectations regarding adoptions of new, or changes to existing, low-carbon fuel regulations, policies, and standards issued by governments across the world to address greenhouse gas (GHG) emissions and the percentage of low-carbon fuels in the transportation fuel mix, including, but not limited to, the Renewable and Low-Carbon Fuel Programs, blending and tax credits, efficiency standards, or other benefits or incentives that impact the demand for low-carbon fuels; and
- expectations regarding our low-carbon fuels strategy, publicly announced GHG emissions reduction/displacement targets and long-term ambition, and our current, former, and any future low-carbon projects.

We based our forward-looking statements on our current expectations, estimates, and projections about ourselves, current and potential counterparties, our industry, and the global economy and financial markets generally. We caution that these statements are not guarantees of future performance or results and involve known and unknown risks and uncertainties, the ultimate outcomes of which we cannot predict with certainty. In addition, we based many of these forward-looking statements on assumptions about future events, the ultimate outcomes of which we cannot predict with certainty and which may prove to be inaccurate. Accordingly, actual performance or results may differ materially from the future performance or results that we have expressed, suggested, or forecast in the forward-looking statements. Differences between actual performance or results and any future performance or results expressed, suggested, or forecast in these forward-looking statements could result from a variety of factors, including the following:

- the effects arising out of global geopolitical and other conflicts and tensions, including with respect to changes in trade flows and impacts to crude oil and other markets;
- demand for, and supplies of, refined petroleum products (such as gasoline, diesel, jet fuel, and petrochemicals), renewable diesel, SAF, ethanol, and corn-related co-products;
- demand for, and supplies of, crude oil and other feedstocks, as well as other critical materials and supplies;
- the effects of public health threats, pandemics, and epidemics, governmental and societal responses thereto, and the adverse impacts of the foregoing on our business, financial condition, results of operations, and liquidity, and the global economy and financial markets generally;
- acts of terrorism or other third-party actions affecting either our refineries and plants or third-party facilities that could impair our ability to produce or transport refined petroleum products, renewable diesel, SAF, ethanol, or corn-related co-products, to receive feedstocks, or otherwise operate efficiently;



- the effects of war or hostilities, and political and economic conditions, in countries that produce crude oil or other feedstocks or consume refined petroleum products, renewable diesel, SAF, ethanol, or corn-related co-products;
- the ability of the members of the Organization of Petroleum Exporting Countries (OPEC), and other petroleum-producing nations that collectively make up OPEC+, to agree on and to maintain crude oil price and production controls;
- the level of consumer demand, consumption, and overall economic activity, including the effects from seasonal fluctuations and market prices;
- refinery, renewable diesel plant, or ethanol plant overcapacity or undercapacity;
- the risk that any transactions or capital decisions may not provide the anticipated benefits or may result in unforeseen detriments;
- the actions taken by competitors, including both pricing and adjustments to refining capacity or low-carbon fuels production, as well as changes in the geographic markets where they operate, in response to market conditions;
- the level of competitors' imports into markets that we supply;
- accidents, unscheduled shutdowns, weather events, civil unrest, expropriation of assets, and other economic, diplomatic, legislative, societal, or political events or developments, terrorism, cyberattacks, or other catastrophes or disruptions affecting our operations, production facilities, machinery, pipelines and other logistics assets, equipment, or information systems, or any of the foregoing of our suppliers, customers, or third-party service providers;
- changes in the cost or availability of transportation or storage capacity for feedstocks and our products;
- pressure and influence of environmental groups and other stakeholders upon policies and decisions related to the production, transportation, storage, refining, processing, marketing, and sales of crude oil or other feedstocks, refined petroleum products, renewable diesel, SAF, ethanol, or corn-related co-products;
- the price, availability, technology related to, and acceptance of alternative fuels and alternative-fuel vehicles, as well as sentiment and perceptions with respect to low-carbon projects and GHG emissions more generally;
- the levels of government subsidies for, and executive orders, mandates, or other policies with respect to, alternative fuels, alternative-fuel vehicles, and other low-carbon technologies or initiatives, including those related to carbon capture, carbon sequestration, and low-carbon fuels, or affecting the price of natural gas and/or electricity;
- the volatility in the market price of compliance credits (primarily RINs needed to comply with the RFS) under the Renewable and Low-Carbon Fuel Programs;
- delay of, cancellation of, or failure to implement planned capital or other strategic projects and realize the various assumptions and benefits projected for such projects or cost overruns in executing such planned projects;
- severe weather events, such as storms, hurricanes, droughts, floods, wildfires, and other weather events, which can unforeseeably affect the price or availability of electricity, natural gas, crude oil, waste and renewable feedstocks, corn, and other feedstocks, critical supplies, refined petroleum products, renewable diesel, SAF, ethanol, and corn-related co-products;
- rulings, judgments, or settlements in litigation or other legal or regulatory matters, such as unexpected environmental remediation or enforcement costs, including those in excess of any reserves or insurance coverage;
- legislative or regulatory action, including the introduction or enactment of legislation or rulemakings by government authorities, environmental regulations, changes to income tax rates, introduction of a global minimum tax, profits, windfall, margin, or other taxes or penalties, tax changes or restrictions impacting the foreign repatriation of cash, actions implemented under

SBx 1-2 and related regulation, actions implemented under the Renewable and Low-Carbon Fuel Programs, including changes to volume requirements or other obligations or exemptions under the RFS, and actions arising from the EPA's or other government agencies' regulations, policies, or initiatives concerning GHGs, including mandates for or bans of specific technology, which may adversely affect our business, financial condition, results of operations, and liquidity;

- changing economic, regulatory, and political environments and related events in the various countries in which we operate or otherwise do business, including trade restrictions, expropriation or impoundment of assets, failure of foreign governments and state-owned entities to honor their contracts, property disputes, economic instability, restrictions on the transfer of funds, duties and tariffs and their effects on trading relationships, transportation delays, import and export controls, labor unrest, security issues involving key personnel, and decisions, investigations, regulations, issuances or revocations of permits and other authorizations, and other actions, policies, and initiatives by federal, state, local, and other jurisdictions applicable to us;
- changes in the credit ratings assigned to our debt securities and trade credit;
- the operating, financing, and distribution decisions of our joint ventures or other joint venture members, and other consolidated VIEs, that we do not control;
- changes in currency exchange rates, including the value of the Canadian dollar, the pound sterling, the euro, the Mexican peso, and the Peruvian sol relative to the U.S. dollar;
- the adequacy of capital resources and liquidity, including availability, timing, and amounts of cash flow or our ability to borrow or access financial markets;
- the costs, disruption, and diversion of resources associated with lawsuits, proceedings, demands, or investigations, or campaigns and negative publicity commenced by government authorities, investors, stakeholders, or other interested parties;
- overall economic conditions, including the stability and liquidity of financial markets, and the effect thereof on consumer demand; and
- other factors generally described in the "RISK FACTORS" section included in our annual report on Form 10-K for the year ended December 31, 2024.

Any one of these factors, or a combination of these factors, could materially affect our future business, financial condition, results of operations, and liquidity and whether any forward-looking statements ultimately prove to be accurate. Our forward-looking statements are not guarantees of future performance, and actual results and future performance may differ materially from those expressed, suggested, or forecast in any forward-looking statements. Such forward-looking statements speak only as of the date of this quarterly report on Form 10-Q and we do not intend to update these statements unless we are required by applicable securities laws to do so.

All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing, as it may be updated or modified by our future filings with the U.S. Securities and Exchange Commission (SEC). We undertake no obligation to publicly release any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events unless we are required by applicable securities laws to do so.

## NON-GAAP FINANCIAL MEASURES

The following discussions in “OVERVIEW AND OUTLOOK,” “RESULTS OF OPERATIONS,” and “LIQUIDITY AND CAPITAL RESOURCES” include references to financial measures that are not defined under GAAP. These non-GAAP financial measures include adjusted operating income (including adjusted operating income for each of our reportable segments, as applicable); Refining, Renewable Diesel, and Ethanol segment margin; and capital investments attributable to Valero. We have included these non-GAAP financial measures to help facilitate the comparison of operating results between periods, to help assess our cash flows, and because we believe they provide useful information as discussed further below. See the tables in note (b) beginning on page 43 for reconciliations of adjusted operating income (including adjusted operating income for each of our reportable segments, as applicable) and Refining, Renewable Diesel, and Ethanol segment margin to their most directly comparable GAAP financial measures. Also in note (b), we disclose the reasons why we believe our use of such non-GAAP financial measures provides useful information. See the table on page 48 for a reconciliation of capital investments attributable to Valero to its most directly comparable GAAP financial measure. Beginning on page 47, we disclose the reasons why we believe our use of this non-GAAP financial measure provides useful information.

## OVERVIEW AND OUTLOOK

### *Overview*

#### **Business Operations Update**

Our results for the first quarter of 2025 were supported by stable worldwide demand for petroleum-based transportation fuels. However, our results were also impacted by heavy maintenance activities and a challenging margin environment. In addition, we recognized an asset impairment loss of \$1.1 billion (\$877 million after taxes) associated with our operations in California, as described in Note 2 of Condensed Notes to Consolidated Financial Statements.

We reported a net loss attributable to Valero stockholders of \$595 million for the first quarter of 2025. Our operating results, including operating results by segment, are described in the following summary under “First Quarter Results,” and detailed descriptions can be found under “RESULTS OF OPERATIONS” beginning on page 36.

Our operations generated \$952 million of cash during the first quarter of 2025. In addition, we issued \$650 million of 5.150 percent Senior Notes due February 15, 2030 during the first quarter of 2025, as described in Note 4 of Condensed Notes to Consolidated Financial Statements. The cash generated by our operations, along with the net proceeds from our debt issuance and cash on hand, was used to make \$660 million of capital investments in our business, return \$630 million to our stockholders through purchases of common stock for treasury and dividend payments, and repay the \$189 million outstanding principal balance of our 3.65 percent Senior Notes that matured in March 2025. As a result of this and other activity, our cash, cash equivalents, and restricted cash decreased by \$22 million during the first quarter of 2025 to \$4.8 billion as of March 31, 2025. We had \$9.7 billion in liquidity as of March 31, 2025. The components of our liquidity and descriptions of our cash flows, capital investments, and other matters impacting our liquidity and capital resources can be found under “LIQUIDITY AND CAPITAL RESOURCES” beginning on page 45.

### First Quarter Results

For the first quarter of 2025, we reported a net loss attributable to Valero stockholders of \$595 million compared to net income attributable to Valero stockholders of \$1.2 billion for the first quarter of 2024. The decrease of \$1.8 billion was primarily due to a decrease in operating income of \$2.6 billion, partially offset by a decrease in income tax expense of \$618 million. The details of our operating income (loss) and adjusted operating income, where applicable, by segment and in total are reflected below (in millions). Adjusted operating income excludes the adjustments reflected in the tables in note (b) beginning on page 43.

	Three Months Ended March 31,		
	2025	2024	Change
Refining segment:			
Operating income (loss)	\$ (530)	\$ 1,745	\$ (2,275)
Adjusted operating income	605	1,750	(1,145)
Renewable Diesel segment:			
Operating income (loss)	(141)	190	(331)
Ethanol segment:			
Operating income	20	10	10
Adjusted operating income	20	39	(19)
Total company:			
Operating income (loss)	(900)	1,679	(2,579)
Adjusted operating income	235	1,713	(1,478)

While our operating income decreased by \$2.6 billion in the first quarter of 2025 compared to the first quarter of 2024, adjusted operating income decreased by \$1.5 billion primarily due to the following:

- *Refining segment.* Refining segment adjusted operating income decreased by \$1.1 billion primarily due to lower gasoline and distillate (primarily diesel) margins, a decline in crude oil differentials, and higher operating expenses (excluding depreciation and amortization expense), partially offset by higher margins on other products.
- *Renewable Diesel segment.* Renewable Diesel segment operating income decreased by \$331 million primarily due to a decrease in sales volumes and higher feedstock costs.
- *Ethanol segment.* Ethanol segment adjusted operating income decreased by \$19 million primarily due to higher corn prices, lower corn related co-product prices, and higher operating expenses (excluding depreciation and amortization expense), partially offset by higher ethanol prices.

### **Outlook**

Many uncertainties remain with respect to the supply and demand balances in petroleum-based product markets worldwide. While it is difficult to predict future worldwide economic activity and its resulting impact on product supply and demand, including the effects of tariffs thereon, we have noted several factors below that have impacted or may impact our results of operations during the second quarter of 2025.

- Gasoline and diesel demand have exceeded pre-pandemic levels and are expected to follow typical seasonal patterns. Jet fuel demand continues to improve, outpacing gasoline and diesel demand growth, and is approaching pre-pandemic levels in the U.S.
- Combined light product (gasoline, diesel, and jet fuel) inventories across the U.S. and Europe remain comparable to recent historical levels. Expected reductions in refining capacity in 2025 should support utilization of refining capacity.
- Crude oil differentials are expected to remain relatively stable. However, potential sanction adjustments related to Iran, Russia, and Venezuela, the Russia-Ukraine conflict, and an expected increase in sour crude production from OPEC+ suppliers could result in increased volatility in the crude oil market and potentially impact crude oil differentials.
- Renewable diesel demand is expected to remain consistent with current levels.
- Ethanol demand is expected to follow typical seasonal patterns.

## RESULTS OF OPERATIONS

The following tables, including the reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures in note (b) beginning on page 43, highlight our results of operations, our operating performance, and market reference prices that directly impact our operations. Note references in this section can be found on pages 42 through 45.

### *First Quarter Results - Financial Highlights by Segment and Total Company (millions of dollars)*

	Three Months Ended March 31, 2025				
	Refining	Renewable Diesel	Ethanol	Corporate and Eliminations	Total
Revenues:					
Revenues from external customers	\$ 28,757	\$ 493	\$ 1,008	\$ —	\$ 30,258
Intersegment revenues	2	407	217	(626)	—
Total revenues	28,759	900	1,225	(626)	30,258
Cost of sales:					
Cost of materials and other	26,269	895	1,032	(648)	27,548
Operating expenses (excluding depreciation and amortization expense reflected below)	1,291	78	154	—	1,523
Depreciation and amortization expense	594	68	19	(1)	680
Total cost of sales	28,154	1,041	1,205	(649)	29,751
Asset impairment loss (a)	1,131	—	—	—	1,131
Other operating expenses	4	—	—	—	4
General and administrative expenses (excluding depreciation and amortization expense reflected below)	—	—	—	261	261
Depreciation and amortization expense	—	—	—	11	11
Operating income (loss) by segment	\$ (530)	\$ (141)	\$ 20	\$ (249)	(900)
Other income, net					120
Interest and debt expense, net of capitalized interest					(137)
Loss before income tax benefit					(917)
Income tax benefit					(265)
Net loss					(652)
Less: Net loss attributable to noncontrolling interests					(57)
Net loss attributable to Valero Energy Corporation stockholders					\$ (595)

**First Quarter Results -  
Financial Highlights by Segment and Total Company (continued)**  
(millions of dollars)

	Three Months Ended March 31, 2024				
	Refining	Renewable Diesel	Ethanol	Corporate and Eliminations	Total
Revenues:					
Revenues from external customers	\$ 30,143	\$ 702	\$ 914	\$ —	\$ 31,759
Intersegment revenues	2	709	190	(901)	—
Total revenues	30,145	1,411	1,104	(901)	31,759
Cost of sales:					
Cost of materials and other	26,611	1,066	909	(904)	27,682
Operating expenses (excluding depreciation and amortization expense reflected below)	1,184	90	137	—	1,411
Depreciation and amortization expense	600	65	19	(1)	683
Total cost of sales	28,395	1,221	1,065	(905)	29,776
Other operating expenses	5	—	29	—	34
General and administrative expenses (excluding depreciation and amortization expense reflected below)	—	—	—	258	258
Depreciation and amortization expense	—	—	—	12	12
Operating income by segment	\$ 1,745	\$ 190	\$ 10	\$ (266)	1,679
Other income, net					144
Interest and debt expense, net of capitalized interest					(140)
Income before income tax expense					1,683
Income tax expense					353
Net income					1,330
Less: Net income attributable to noncontrolling interests					85
Net income attributable to Valero Energy Corporation stockholders					\$ 1,245

*First Quarter Results -  
Average Market Reference Prices and Differentials*

	Three Months Ended March 31,	
	2025	2024
<b>Refining</b>		
<b>Feedstocks (dollars per barrel)</b>		
Brent crude oil	\$ 74.89	\$ 81.83
Brent less West Texas Intermediate (WTI) crude oil	3.43	4.76
Brent less WTI Houston crude oil	2.08	2.93
Brent less Dated Brent crude oil	(0.75)	(1.38)
Brent less Argus Sour Crude Index crude oil	2.56	4.96
Brent less Maya crude oil	9.79	12.29
Brent less Western Canadian Select Houston crude oil	7.24	11.58
WTI crude oil	71.46	77.07
<b>Natural gas (dollars per million British Thermal Units)</b>		
	3.38	1.79
<b>Renewable volume obligation (RVO) (dollars per barrel) (c)</b>		
	4.76	3.68
<b>Product margins (RVO adjusted unless otherwise noted) (dollars per barrel)</b>		
U.S. Gulf Coast:		
Conventional Blendstock for Oxygenate Blending (CBOB) gasoline less Brent	3.58	8.13
Ultra-low-sulfur (ULS) diesel less Brent	16.69	24.61
Propylene less Brent (not RVO adjusted)	(14.53)	(47.26)
U.S. Mid-Continent:		
CBOB gasoline less WTI	9.26	9.11
ULS diesel less WTI	16.50	22.92
North Atlantic:		
CBOB gasoline less Brent	4.90	8.85
ULS diesel less Brent	20.88	28.21
U.S. West Coast:		
California Reformulated Gasoline Blendstock for Oxygenate Blending 87 gasoline less Brent	23.14	19.94
California Air Resources Board diesel less Brent	20.37	26.60



**First Quarter Results -**  
**Average Market Reference Prices and Differentials (continued)**

	Three Months Ended March 31,	
	2025	2024
<b>Renewable Diesel</b>		
New York Mercantile Exchange ULS diesel (dollars per gallon)	\$ 2.38	\$ 2.71
Biodiesel RIN (dollars per RIN)	0.79	0.58
California LCFS carbon credit (dollars per metric ton)	66.17	63.55
U.S. Gulf Coast (USGC) used cooking oil (dollars per pound)	0.50	0.40
USGC DCO (dollars per pound)	0.52	0.48
USGC fancy bleachable tallow (dollars per pound)	0.50	0.41
<b>Ethanol</b>		
Chicago Board of Trade corn (dollars per bushel)	4.73	4.35
New York Harbor ethanol (dollars per gallon)	1.82	1.64

**Total Company, Corporate, and Other**

The following table includes selected financial data for the total company, corporate, and other for the first quarter of 2025 and 2024. The selected financial data is derived from the Financial Highlights by Segment and Total Company tables, unless otherwise noted.

	Three Months Ended March 31,		
	2025	2024	Change
Revenues	\$ 30,258	\$ 31,759	\$ (1,501)
Asset impairment loss (see note (a))	1,131	—	1,131
Operating income (loss)	(900)	1,679	(2,579)
Adjusted operating income (see note (b))	235	1,713	(1,478)
Income tax expense (benefit)	(265)	353	(618)
Net income (loss) attributable to noncontrolling interests	(57)	85	(142)

Revenues decreased by \$1.5 billion in the first quarter of 2025 compared to the first quarter of 2024 primarily due to decreases in product prices for the petroleum-based transportation fuels associated with sales made by our Refining segment. This decrease in revenues, along with the effect of an asset impairment loss of \$1.1 billion in the first quarter of 2025 (see note (a)), resulted in a \$2.6 billion decrease in operating income, from operating income of \$1.7 billion in the first quarter of 2024 to an operating loss of \$900 million in the first quarter of 2025.

Adjusted operating income decreased by \$1.5 billion, from \$1.7 billion in the first quarter of 2024 to \$235 million in the first quarter of 2025. The components of this \$1.5 billion decrease in adjusted operating income are discussed by segment in the segment analyses that follow.

Income tax expense decreased by \$618 million in the first quarter of 2025 compared to the first quarter of 2024 primarily as a result of lower income before income tax expense. Our effective tax rate was 29 percent in the first quarter of 2025 compared to 21 percent in the first quarter of 2024. The increase in the effective tax rate was primarily due to a decrease in U.S. income before income tax expense resulting

from the asset impairment loss associated with our operations in California, as described in Note 2 of Condensed Notes to Consolidated Financial Statements.

Net income attributable to noncontrolling interests decreased by \$142 million in the first quarter of 2025 compared to the first quarter of 2024 primarily due to lower earnings associated with DGD, whose operations compose our Renewable Diesel segment. See Note 6 of Condensed Notes to Consolidated Financial Statements regarding our accounting for DGD and the Renewable Diesel segment analysis beginning on page 41.

### Refining Segment Results

The following table includes selected financial and operating data of our Refining segment for the first quarter of 2025 and 2024. The selected financial data is derived from the Financial Highlights by Segment and Total Company tables, unless otherwise noted.

	Three Months Ended March 31,		
	2025	2024	Change
Operating income (loss)	\$ (530)	\$ 1,745	\$ (2,275)
Adjusted operating income (see note (b))	605	1,750	(1,145)
Refining margin (see note (b))	2,490	3,534	(1,044)
Operating expenses (excluding depreciation and amortization expense reflected below)	1,291	1,184	107
Depreciation and amortization expense	594	600	(6)
Asset impairment loss (see note (a))	1,131	—	1,131
Throughput volumes (thousand barrels per day) (see note (d))	2,828	2,760	68

Refining segment operating income decreased by \$2.3 billion in the first quarter of 2025; however, Refining segment adjusted operating income, which excludes the adjustments in the table in note (b), decreased by \$1.1 billion in the first quarter of 2025 compared to the first quarter of 2024. The components of this decrease in the adjusted results, along with the reasons for the changes in those components, are outlined below.

- Refining segment margin decreased by \$1.0 billion in the first quarter of 2025 compared to the first quarter of 2024.

Refining segment margin is primarily affected by the prices for the petroleum-based transportation fuels that we sell and the cost of crude oil and other feedstocks that we process. The table on page 38 reflects market reference prices and differentials that we believe impacted our Refining segment margin in the first quarter of 2025 compared to the first quarter of 2024.

The decrease in Refining segment margin was primarily due to the following:

- A decrease in distillate (primarily diesel) margins had an unfavorable impact of approximately \$680 million.
- A decrease in gasoline margins had an unfavorable impact of approximately \$300 million.

- A decline in crude oil differentials had an unfavorable impact of approximately \$300 million.
- An increase in margins for other products had a favorable impact of approximately \$180 million.
- Refining segment operating expenses (excluding depreciation and amortization expense) increased by \$107 million primarily due to increases in energy costs of \$65 million and maintenance expense of \$41 million.

### Renewable Diesel Segment Results

The following table includes selected financial and operating data of our Renewable Diesel segment for the first quarter of 2025 and 2024. The selected financial data is derived from the Financial Highlights by Segment and Total Company tables, unless otherwise noted.

	Three Months Ended March 31,		
	2025	2024	Change
Operating income (loss)	\$ (141)	\$ 190	\$ (331)
Renewable Diesel margin (see note (b))	5	345	(340)
Operating expenses (excluding depreciation and amortization expense reflected below)	78	90	(12)
Depreciation and amortization expense	68	65	3
Sales volumes (thousand gallons per day) (see note (d))	2,435	3,729	(1,294)

Renewable Diesel segment operating income decreased by \$331 million in the first quarter of 2025 compared to the first quarter of 2024 primarily due to a decrease in Renewable Diesel segment margin of \$340 million in the first quarter of 2025 compared to the first quarter of 2024.

Renewable Diesel segment margin is primarily affected by the prices for the renewable fuels that we sell and the cost of the feedstocks that we process. The table on page 39 reflects market reference prices that we believe impacted our Renewable Diesel segment margin in the first quarter of 2025 compared to the first quarter of 2024.

The decrease in Renewable Diesel segment margin was primarily due to the following:

- A decrease in sales volumes of 1.3 million gallons per day had an unfavorable impact of approximately \$170 million. The decrease in sales volumes was primarily due to reduced production resulting from planned maintenance activities at the DGD St. Charles Plant in the first quarter of 2025.
- An increase in the cost of the feedstocks that we process had an unfavorable impact of approximately \$90 million.

### Ethanol Segment Results

The following table includes selected financial and operating data of our Ethanol segment for the first quarter of 2025 and 2024. The selected financial data is derived from the Financial Highlights by Segment and Total Company tables, unless otherwise noted.

	Three Months Ended March 31,		
	2025	2024	Change
Operating income	\$ 20	\$ 10	\$ 10
Adjusted operating income (see note (b))	20	39	(19)
Ethanol margin (see note (b))	193	195	(2)
Operating expenses (excluding depreciation and amortization expense reflected below)	154	137	17
Depreciation and amortization expense	19	19	—
Production volumes (thousand gallons per day) (see note (d))	4,466	4,466	—

Ethanol segment operating income increased by \$10 million in the first quarter of 2025; however, Ethanol segment adjusted operating income, which excludes the adjustment in the table in note (b), decreased by \$19 million in the first quarter of 2025 compared to the first quarter of 2024. The components of this decrease in the adjusted results, along with the reasons for the changes in those components, are outlined below.

- Ethanol segment margin decreased by \$2 million in the first quarter of 2025 compared to the first quarter of 2024.

Ethanol segment margin is primarily affected by prices for the ethanol and corn related co-products that we sell and the cost of corn that we process. The table on page 39 reflects market reference prices that we believe impacted our Ethanol segment margin in the first quarter of 2025 compared to the first quarter of 2024.

The decrease in Ethanol segment margin was primarily due to the following:

- An increase in corn prices had an unfavorable impact of approximately \$45 million.
  - A decrease in prices for the co-products that we produce, primarily dry distillers grains, had an unfavorable impact of approximately \$30 million.
  - An increase in ethanol prices had a favorable impact of approximately \$70 million.
- Ethanol segment operating expenses (excluding depreciation and amortization expense) increased by \$17 million primarily due to an increase in energy costs.

The following notes relate to references on pages 36 through 42.

- (a) In late March 2025, we approved a plan with respect to the operations at our Benicia Refinery and currently intend to cease refining operations by the end of April 2026. In addition, we considered strategic alternatives for our remaining operations in California. As a result, we evaluated the assets of the Benicia and Wilmington refineries for impairment as of March 31, 2025 and concluded that the carrying values of these assets were not

recoverable. Therefore, we reduced the carrying values of the Benicia and Wilmington refineries to their estimated fair values and recognized a combined asset impairment loss of \$1.1 billion in the three months ended March 31, 2025.

- (b) We use certain financial measures (as noted below) that are not defined under GAAP and are considered to be non-GAAP measures.

We have defined these non-GAAP measures and believe they are useful to the external users of our financial statements, including industry analysts, investors, lenders, and rating agencies. We believe these measures are useful to assess our ongoing financial performance because, when reconciled to their most comparable GAAP measures, they provide improved comparability between periods after adjusting for certain items that we believe are not indicative of our core operating performance and that may obscure our underlying business results and trends. These non-GAAP measures should not be considered as alternatives to their most comparable GAAP measures nor should they be considered in isolation or as a substitute for an analysis of our results of operations as reported under GAAP. In addition, these non-GAAP measures may not be comparable to similarly titled measures used by other companies because we may define them differently, which diminishes their utility.

Non-GAAP measures are as follows (in millions):

- **Refining margin** is defined as Refining segment operating income (loss) excluding operating expenses (excluding depreciation and amortization expense), depreciation and amortization expense, the asset impairment loss, and other operating expenses, as reflected in the table below.

	Three Months Ended March 31,	
	2025	2024
<b>Reconciliation of Refining operating income (loss) to Refining margin</b>		
Refining operating income (loss)	\$ (530)	\$ 1,745
Adjustments:		
Operating expenses (excluding depreciation and amortization expense)	1,291	1,184
Depreciation and amortization expense	594	600
Asset impairment loss (see note (a))	1,131	—
Other operating expenses	4	5
Refining margin	<u>\$ 2,490</u>	<u>\$ 3,534</u>

- **Renewable Diesel margin** is defined as Renewable Diesel segment operating income (loss) excluding operating expenses (excluding depreciation and amortization expense) and depreciation and amortization expense, as reflected in the table below.

	Three Months Ended March 31,	
	2025	2024
<b>Reconciliation of Renewable Diesel operating income (loss) to Renewable Diesel margin</b>		
Renewable Diesel operating income (loss)	\$ (141)	\$ 190
Adjustments:		
Operating expenses (excluding depreciation and amortization expense)	78	90
Depreciation and amortization expense	68	65
Renewable Diesel margin	<u>\$ 5</u>	<u>\$ 345</u>

- **Ethanol margin** is defined as Ethanol segment operating income excluding operating expenses (excluding depreciation and amortization expense), depreciation and amortization expense, and other operating expenses, as reflected in the table below.

	Three Months Ended March 31,	
	2025	2024
<b>Reconciliation of Ethanol operating income to Ethanol margin</b>		
Ethanol operating income	\$ 20	\$ 10
Adjustments:		
Operating expenses (excluding depreciation and amortization expense)	154	137
Depreciation and amortization expense	19	19
Other operating expenses	—	29
Ethanol margin	<u>\$ 193</u>	<u>\$ 195</u>

- **Adjusted Refining operating income** is defined as Refining segment operating income (loss) excluding the asset impairment loss and other operating expenses, as reflected in the table below.

	Three Months Ended March 31,	
	2025	2024
<b>Reconciliation of Refining operating income (loss) to adjusted Refining operating income</b>		
Refining operating income (loss)	\$ (530)	\$ 1,745
Adjustments:		
Asset impairment loss (see note (a))	1,131	—
Other operating expenses	4	5
Adjusted Refining operating income	<u>\$ 605</u>	<u>\$ 1,750</u>

- **Adjusted Ethanol operating income** is defined as Ethanol segment operating income excluding other operating expenses, as reflected in the table below.

	Three Months Ended March 31,	
	2025	2024
<b>Reconciliation of Ethanol operating income to adjusted Ethanol operating income</b>		
Ethanol operating income	\$ 20	\$ 10
Adjustment: Other operating expenses	—	29
Adjusted Ethanol operating income	<u>\$ 20</u>	<u>\$ 39</u>

- **Adjusted operating income** is defined as total company operating income (loss) excluding the asset impairment loss and other operating expenses, as reflected in the table below.

	Three Months Ended March 31,	
	2025	2024
<b>Reconciliation of total company operating income (loss) to adjusted operating income</b>		
Total company operating income (loss)	\$ (900)	\$ 1,679
Adjustments:		
Asset impairment loss (see note (a))	1,131	—
Other operating expenses	4	34
Adjusted operating income	<u>\$ 235</u>	<u>\$ 1,713</u>

- (c) The RVO cost represents the average market cost on a per barrel basis to comply with the RFS program. The RVO cost is calculated by multiplying (i) the average market price during the applicable period for the RINs associated with each class of renewable fuel (i.e., biomass-based diesel, cellulosic biofuel, advanced biofuel, and total renewable fuel) by (ii) the quotas for the volume of each class of renewable fuel that must be blended into petroleum-based transportation fuels consumed in the U.S., as set or proposed by the EPA, on a percentage basis for each class of renewable fuel and adding together the results of each calculation.
- (d) We use throughput volumes, sales volumes, and production volumes for the Refining segment, Renewable Diesel segment, and Ethanol segment, respectively, due to their general use by others who operate facilities similar to those included in our segments.

## LIQUIDITY AND CAPITAL RESOURCES

### Our Liquidity

Our liquidity consisted of the following as of March 31, 2025 (in millions):

Available capacity from our committed facilities (a):	
Valero Revolver	\$ 3,998
Accounts receivable sales facility	1,300
Total available capacity	5,298
Cash and cash equivalents (b)	4,449
Total liquidity	<u>\$ 9,747</u>

(a) Excludes the committed facilities of the consolidated VIEs.

(b) Excludes \$185 million of cash and cash equivalents related to the consolidated VIEs that is for their use only.

Information about our outstanding borrowings, letters of credit issued, and availability under our credit facilities is reflected in Note 4 of Condensed Notes to Consolidated Financial Statements.

On February 7, 2025, we issued \$650 million of 5.150 percent Senior Notes due February 15, 2030. Proceeds from this debt issuance totaled \$649 million before deducting the underwriting discount and other debt issuance costs. A portion of the net proceeds from this debt issuance was used for the repayment of our outstanding 3.65 percent Senior Notes due March 15, 2025 and 2.850 percent Senior Notes due April 15, 2025. The remaining net proceeds were used for general corporate purposes.

We believe we have sufficient funds from operations and from available capacity under our credit facilities to fund our ongoing operating requirements and other commitments over the next 12 months and thereafter for the foreseeable future. We expect that, to the extent necessary, we can raise additional cash through equity or debt financings in the public and private capital markets or the arrangement of additional credit facilities. However, there can be no assurances regarding the availability of any future financings or additional credit facilities or whether such financings or additional credit facilities can be made available on terms that are acceptable to us.

### Cash Flows

Components of our cash flows are set forth below (in millions):

	Three Months Ended March 31,	
	2025	2024
Cash flows provided by (used in):		
Operating activities	\$ 952	\$ 1,846
Investing activities	(635)	(637)
Financing activities:		
Debt issuance and borrowings	2,499	1,370
Repayments of debt and finance lease obligations	(2,116)	(1,725)
Return to stockholders:		
Purchases of common stock for treasury	(274)	(1,023)
Common stock dividend payments	(356)	(356)
Return to stockholders	(630)	(1,379)
Other financing activities	(135)	90
Financing activities	(382)	(1,644)
Effect of foreign exchange rate changes on cash	43	(72)
Net decrease in cash, cash equivalents, and restricted cash	\$ (22)	\$ (507)

### Cash Flows for the Three Months Ended March 31, 2025

In the first quarter of 2025, we used the \$952 million of cash generated by our operations, \$2.5 billion from our debt issuance and borrowings, and \$22 million of cash on hand to make \$635 million of investments in our business, repay \$2.1 billion of debt and finance lease obligations, and return \$630 million to our stockholders through purchases of our common stock for treasury and dividend payments. The debt issuance, borrowings, and repayments are described in Note 4 of Condensed Notes to Consolidated Financial Statements.

As previously noted, our operations generated \$952 million of cash in the first quarter of 2025, driven primarily by noncash charges to income of \$1.4 billion and a positive change in working capital of \$157 million. Noncash charges primarily included a \$1.1 billion asset impairment loss associated with our operations in California, as described in Note 2 of Condensed Notes to Consolidated Financial Statements, and \$691 million of depreciation and amortization expense, partially offset by a \$324 million deferred income tax benefit. Details regarding the components of the change in working capital, along with the reasons for the changes in those components, are described in Note 10 of Condensed Notes to Consolidated Financial Statements. In addition, see “RESULTS OF OPERATIONS” for an analysis of the significant components of our net loss.



Our investing activities of \$635 million primarily consisted of \$660 million in capital investments, as defined below under “Capital Investments,” of which \$95 million related to capital investments made by DGD.

#### *Cash Flows for the Three Months Ended March 31, 2024*

In the first quarter of 2024, we used the \$1.8 billion of cash generated by our operations, \$1.4 billion in debt borrowings, and \$507 million of cash on hand to make \$637 million of investments in our business, repay \$1.7 billion of debt and finance lease obligations, and return \$1.4 billion to our stockholders through purchases of our common stock for treasury and dividend payments. The debt borrowings and repayments are described in Note 4 of Condensed Notes to Consolidated Financial Statements.

As previously noted, our operations generated \$1.8 billion of cash in the first quarter of 2024, driven primarily by net income of \$1.3 billion and noncash charges to income of \$676 million, partially offset by an unfavorable change in working capital of \$160 million. Noncash charges primarily included \$695 million of depreciation and amortization expense, partially offset by a \$69 million deferred income tax benefit. Details regarding the components of the change in working capital, along with the reasons for the changes in those components, are described in Note 10 of Condensed Notes to Consolidated Financial Statements. In addition, see “RESULTS OF OPERATIONS” for an analysis of the significant components of our net income.

Our investing activities of \$637 million primarily consisted of \$661 million in capital investments, of which \$78 million related to capital investments made by DGD.

#### *Our Capital Resources*

Our material cash requirements as of March 31, 2025 primarily consisted of working capital requirements, capital investments, contractual obligations, and other matters, as described below. Our operations have historically generated positive cash flows to fulfill our working capital requirements and other uses of cash as discussed below.

#### **Capital Investments**

Capital investments are composed of our capital expenditures, deferred turnaround and catalyst cost expenditures, and investments in nonconsolidated joint ventures, as reflected in our statements of cash flows as shown on page 5. Capital investments exclude acquisitions, if any.

We have publicly announced GHG emissions reduction/displacement targets and a long-term ambition. We believe that our allocation of growth capital into low-carbon projects to date has been consistent with such targets and ambition. Certain low-carbon projects have been completed or are already in execution and the associated capital investments are included in our expected capital investments for 2025. Our capital investments in future years to achieve these targets and ambition are expected to include investments associated with certain low-carbon projects currently at various stages of progress, evaluation, or approval. For additional information, see the “RISK FACTORS” section included in our annual report on Form 10-K for the year ended December 31, 2024.

#### **Capital Investments Attributable to Valero**

Capital investments attributable to Valero is a non-GAAP financial measure that reflects our net share of capital investments and is defined as all capital expenditures, deferred turnaround and catalyst cost expenditures, and investments in nonconsolidated joint ventures, excluding the portion of DGD’s capital investments attributable to the other joint venture member and all of the capital expenditures of other consolidated VIEs.

We are a 50 percent joint venture member in DGD and consolidate its financial statements, and DGD's operations compose our Renewable Diesel segment. As a result, all of DGD's net cash provided by operating activities (or operating cash flow) is included in our consolidated net cash provided by operating activities. In general, 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 our net share of capital investments. We also exclude all of the capital expenditures of other VIEs that we consolidate because we do not operate those VIEs. See Note 6 of Condensed Notes to Consolidated Financial Statements for more information about the VIEs that we consolidate. We believe capital investments attributable to Valero is an important measure because it more accurately reflects our capital investments.

Capital investments attributable to Valero should not be considered as an alternative to capital investments, which is the most comparable GAAP measure, nor should it be considered in isolation or as a substitute for an analysis of our cash flows as reported under GAAP. In addition, this non-GAAP measure may not be comparable to similarly titled measures used by other companies because we may define it differently, which may diminish its utility.

The following table (in millions) reconciles our capital investments to capital investments attributable to Valero for the three months ended March 31, 2025 and 2024.

	Three Months Ended March 31,	
	2025	2024
Reconciliation of capital investments to capital investments attributable to Valero		
Capital expenditures (excluding VIEs)	\$ 189	\$ 128
Capital expenditures of VIEs:		
DGD	59	69
Other VIEs	1	3
Deferred turnaround and catalyst cost expenditures (excluding VIEs)	374	452
Deferred turnaround and catalyst cost expenditures of DGD	36	9
Investments in nonconsolidated joint ventures	1	—
Capital investments	660	661
Adjustments:		
DGD's capital investments attributable to the other joint venture member	(48)	(39)
Capital expenditures of other VIEs	(1)	(3)
Capital investments attributable to Valero	\$ 611	\$ 619

We have developed an extensive multi-year capital investment program, which we update and revise based on changing internal and external factors. As previously disclosed in our annual report on Form 10-K for the year ended December 31, 2024, we expect to incur approximately \$2.0 billion for capital investments attributable to Valero during 2025.

### **Contractual Obligations**

As of March 31, 2025, our contractual obligations included debt obligations, interest payments related to debt obligations, operating lease liabilities, finance lease obligations, other long-term liabilities, and purchase obligations. In the ordinary course of business, we had debt-related activities during the three months ended March 31, 2025, as described in Note 4 of Condensed Notes to Consolidated Financial Statements. There were no material changes outside the ordinary course of business with respect to our contractual obligations during the three months ended March 31, 2025.

### **Other Matters Impacting Liquidity and Capital Resources**

#### *Stock Purchase Programs*

During the three months ended March 31, 2025, we purchased for treasury 2,074,605 of our shares for a total cost of \$272 million. See Note 5 of Condensed Notes to Consolidated Financial Statements for additional information related to our stock purchase programs. As of March 31, 2025, we had \$1.6 billion and \$2.5 billion remaining available for purchase under the February 2024 and September 2024 Programs, respectively. We will continue to evaluate the timing of purchases when appropriate. We have no obligation to make purchases under these programs.

#### *Pension Plan Funding*

As disclosed in our annual report on Form 10-K for the year ended December 31, 2024, we plan to contribute approximately \$130 million to our pension plans and \$20 million to our other postretirement benefit plans during 2025. No significant contributions were made to these plans during the three months ended March 31, 2025.

#### *Cash Held by Our Foreign Subsidiaries*

As of March 31, 2025, \$3.8 billion of our cash and cash equivalents was held by our foreign subsidiaries. Cash held by our foreign subsidiaries can be repatriated to us through dividends without any U.S. federal income tax consequences, but certain other taxes may apply, including, but not limited to, withholding taxes imposed by certain foreign jurisdictions, U.S. state income taxes, and U.S. federal income tax on foreign exchange gains. Therefore, there is a cost to repatriate cash held by certain of our foreign subsidiaries to us.

#### *Asset Retirement Obligations*

See Note 2 of Condensed Notes to Consolidated Financial Statements for information regarding our asset retirement obligations.

#### *Environmental Matters*

Our operations are subject to extensive environmental regulations by government authorities relating to, among other matters, the release or discharge of materials into the environment, climate, waste management, pollution prevention measures, GHG and other emissions, our facilities and operations, and characteristics and composition of many of our products. Because environmental laws and regulations have become more complex and stringent and new or revised environmental laws and regulations are continuously being enacted or proposed, the level of future costs and expenditures required for environmental matters could increase.

#### *Concentration of Customers*

Our operations have a concentration of customers in the refining industry and customers who are refined petroleum product wholesalers and retailers. These concentrations of customers may impact our overall exposure to credit risk, either positively or negatively, in that these customers may be similarly affected by changes in economic or other conditions, including the uncertainties concerning worldwide events

causing volatility in the global crude oil markets. However, we believe that our portfolio of accounts receivable is sufficiently diversified to the extent necessary to minimize potential credit risk. Historically, we have not had any significant problems collecting our accounts receivable.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ from those estimates. There have been no changes to the critical accounting policies that involve critical accounting estimates disclosed in our annual report on Form 10-K for the year ended December 31, 2024.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### INTEREST RATE RISK

The following tables provide information about our debt instruments (dollars in millions), the fair values of which are sensitive to changes in interest rates. A 10 percent increase or decrease in our floating interest rates would not have a material effect on our results of operations. Principal cash flows and related weighted-average interest rates by expected maturity dates are presented. See Note 4 of Condensed Notes to Consolidated Financial Statements for additional information related to our debt.

March 31, 2025 (a)								
	Expected Maturity Dates						Total	Fair Value
	Remainder of 2025	2026	2027	2028	2029	There-after		
Fixed rate	\$ 251	\$ 672	\$ 564	\$ 1,047	\$ 439	\$ 5,585	\$ 8,558	\$ 8,279
Average interest rate	2.9 %	4.2 %	2.2 %	4.4 %	4.0 %	5.5 %	4.9 %	
Floating rate	\$ 46	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 46	\$ 46
Average interest rate	8.2 %	— %	— %	— %	— %	— %	8.2 %	

  

December 31, 2024 (a)								
	Expected Maturity Dates						Total	Fair Value
	2025	2026	2027	2028	2029	There-after		
Fixed rate	\$ 441	\$ 672	\$ 564	\$ 1,047	\$ 439	\$ 4,935	\$ 8,098	\$ 7,718
Average interest rate	3.2 %	4.2 %	2.2 %	4.4 %	4.0 %	5.6 %	4.9 %	
Floating rate	\$ 58	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 58	\$ 58
Average interest rate	8.4 %	— %	— %	— %	— %	— %	8.4 %	

(a) Excludes unamortized discounts and debt issuance costs.

## OTHER MARKET RISKS

We are exposed to market risks primarily related to the volatility in the price of commodities, the price of credits needed to comply with the Renewable and Low-Carbon Fuel Programs, and foreign currency exchange rates. There have been no material changes to these market risks disclosed in our annual report on Form 10-K for the year ended December 31, 2024. See Note 12 of Condensed Notes to Consolidated Financial Statements for a discussion about these market risks as of March 31, 2025.

## ITEM 4. CONTROLS AND PROCEDURES

### *(a) Evaluation of disclosure controls and procedures.*

Our management has evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective as of March 31, 2025.

### *(b) Changes in internal control over financial reporting.*

There has been no change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

During the three months ended March 31, 2025, there were no new proceedings required to be disclosed in this item under SEC regulations and no material developments in proceedings that we previously reported in our annual report on Form 10-K for the year ended December 31, 2024. Pursuant to SEC regulations, we use a threshold of \$1 million for purposes of determining whether disclosure of certain environmental proceedings is required in this item. We believe any such proceedings less than this threshold are not material to our business and financial condition.

## ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2024.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

### *Issuer Purchases of Equity Securities*

The following table discloses purchases of shares of our common stock made by us or on our behalf during the first quarter of 2025.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (c)
January 2025	138,770	\$ 138.08	—	\$4.3 billion
February 2025	59,370	\$ 131.83	—	\$4.3 billion
March 2025	1,876,465	\$ 129.24	1,876,068	\$4.1 billion
Total	2,074,605	\$ 129.91	1,876,068	\$4.1 billion

- (a) The shares reported in this column include 198,537 shares related to our purchases of shares from participants in our stock-based compensation plans in connection with the vesting of restricted stock and other stock compensation transactions in accordance with the terms of our stock-based compensation plans.
- (b) The average price paid per share reported in this column excludes brokerage commissions and a one percent excise tax on share purchases.
- (c) On February 22, 2024, we announced that our Board authorized us to purchase shares of our outstanding common stock for a total cost of up to \$2.5 billion with no expiration date. As of March 31, 2025, we had \$1.6 billion remaining available for purchase under the February 2024 Program. On October 29, 2024, we announced that our Board authorized us to purchase shares of our outstanding common stock for a total cost of up to \$2.5 billion with no expiration date, which is in addition to the amount remaining under the February 2024 Program. This authorization was granted on September 19, 2024.

## ITEM 5. OTHER INFORMATION

- (a) None.
- (b) None.
- (c) During the three months ended March 31, 2025, no director or officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) of Valero adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

## ITEM 6. EXHIBITS

Exhibit No.	Description
<a href="#"><u>*4.01</u></a>	<a href="#"><u>Second Supplemental Indenture, dated as of April 17, 2025, among Valero Energy Partners LP, as issuer; the co-issuers party thereto; Valero Energy Corporation, as parent guarantor; and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee.</u></a>
<a href="#"><u>+10.01</u></a>	<a href="#"><u>Form of Amended and Restated Performance Share Agreement (2024 grant—first tranche)—incorporated by reference to Exhibit 10.17 to Valero’s annual report on Form 10-K for the year ended December 31, 2024 (SEC File No. 001-13175).</u></a>
<a href="#"><u>+10.02</u></a>	<a href="#"><u>Form of Amended and Restated Performance Share Agreement (2023 grant—third tranche, 2024 grant—second and third tranches, and current)—incorporated by reference to Exhibit 10.18 to Valero’s annual report on Form 10-K for the year ended December 31, 2024 (SEC File No. 001-13175).</u></a>
<a href="#"><u>22.01</u></a>	<a href="#"><u>Subsidiary Issuer of Guaranteed Securities—incorporated by reference to Exhibit 22.01 to Valero’s annual report on Form 10-K for the year ended December 31, 2020 (SEC File No. 001-13175).</u></a>
<a href="#"><u>*31.01</u></a>	<a href="#"><u>Rule 13a-14(a) Certification (under Section 302 of the Sarbanes-Oxley Act of 2002) of principal executive officer.</u></a>
<a href="#"><u>*31.02</u></a>	<a href="#"><u>Rule 13a-14(a) Certification (under Section 302 of the Sarbanes-Oxley Act of 2002) of principal financial officer.</u></a>
<a href="#"><u>**32.01</u></a>	<a href="#"><u>Section 1350 Certifications (under Section 906 of the Sarbanes-Oxley Act of 2002).</u></a>
***101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
***101.SCH	Inline XBRL Taxonomy Extension Schema Document.
***101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
***101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
***101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
***101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
***104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith.

\*\*\* Submitted electronically herewith.

+ Identifies management contracts or compensatory plans or arrangements required to be filed as an exhibit hereto.

Pursuant to paragraph 601(b)(4)(iii)(A) of Regulation S-K, the registrant has omitted from the foregoing listing of exhibits, and hereby agrees to furnish to the SEC upon its request, copies of certain instruments, each relating to debt not exceeding 10 percent of the total assets of the registrant and its subsidiaries on a consolidated basis.

**SIGNATURE**

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

**VALERO ENERGY CORPORATION**  
(Registrant)

By: /s/ Jason W. Fraser  
*Jason W. Fraser*  
*Executive Vice President and*  
*Chief Financial Officer*  
*(Duly Authorized Officer and Principal*  
*Financial and Accounting Officer)*

Date: April 24, 2025



SECOND SUPPLEMENTAL INDENTURE

VALERO ENERGY PARTNERS LP, as Issuer

VALERO REFINING-TEXAS, L.P., as Co-Issuer

THE PREMCOR REFINING GROUP INC., as Co-Issuer

VALERO REFINING – MERAUX LLC, as Co-Issuer

VALERO REFINING NEW ORLEANS, L.L.C., as Co-Issuer

DIAMOND SHAMROCK REFINING COMPANY, L.P., as Co-Issuer

VALERO ENERGY CORPORATION, as Parent Guarantor

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor in interest to U.S. BANK  
NATIONAL ASSOCIATION, as Trustee

Dated as of April 17, 2025

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Supplementing the Indenture  
dated as of November 30, 2016,  
as supplemented by the First Supplemental Indenture,  
dated as of January 10, 2019

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This SECOND SUPPLEMENTAL INDENTURE (this “Second Supplemental Indenture”), dated as of April 17, 2025, is by and among VALERO ENERGY PARTNERS LP, a Delaware limited partnership, as issuer (the “Partnership”), VALERO REFINING-TEXAS, L.P., a Texas limited partnership, as co-issuer (“VRT”), THE PREMCOR REFINING GROUP INC., a Delaware corporation, as co-issuer (“PRG”), VALERO REFINING – MERAUX LLC, a Delaware limited liability company, as co-issuer (“VRM”), VALERO REFINING NEW ORLEANS, L.L.C., a Delaware limited liability company, as co-issuer (“VRNO”), DIAMOND SHAMROCK REFINING COMPANY, L.P., a Delaware limited partnership, as co-issuer (collectively with VRT, PRG, VRM and VRNO, the “Co-Issuers”), VALERO ENERGY CORPORATION, a Delaware corporation, as parent guarantor (the “Parent Guarantor”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor in interest to U.S. BANK NATIONAL ASSOCIATION, as trustee (the “Trustee”).

## RECITALS

WHEREAS, the Partnership and the Trustee have heretofore executed and delivered an Indenture dated as of November 30, 2016 (the “Base Indenture” and, as supplemented by the Officers’ Certificates establishing the terms of the Senior Notes (as defined below), the First Supplemental Indenture dated as of January 10, 2019 (the “First Supplemental Indenture”) and this Second Supplemental Indenture, the “Indenture”) providing for the issuance from time to time of the Partnership’s debentures, notes or other evidences of indebtedness (the “Securities”), unlimited as to principal amount, to bear such rates of interest, to mature at such time or times, to be issued in one or more series and to have such other provisions as may be fixed as provided in the Base Indenture;

WHEREAS, the Partnership has heretofore executed and delivered to the Trustee (i) an Officers’ Certificate dated as of December 9, 2016, establishing the terms of \$500,000,000 aggregate principal amount of the Partnership’s 4.375% Senior Notes due 2026 (the “2026 Notes”) and (ii) an Officers’ Certificate dated as of March 29, 2018, establishing the terms of \$500,000,000 aggregate principal amount of the Partnership’s 4.500% Senior Notes due 2028 (together with the 2026 Notes, the “Senior Notes”);

WHEREAS, pursuant to the First Supplemental Indenture, the Parent Guarantor issued an unconditional and irrevocable guarantee of the prompt payment, when due, of any amount owed to the Holders of the Senior Notes under the Indenture and any other amounts due pursuant to the Indenture (the “Parent Guarantee”);

WHEREAS, the Partnership will transfer, in the aggregate, substantially all of its assets to the Co-Issuers through a series of transactions in connection with an internal restructuring (the “Restructuring”);

WHEREAS, Sections 801 and 802 of the Base Indenture provide that upon the consummation of the Restructuring, a supplemental indenture shall be entered into, pursuant to which (i) each of the Co-Issuers will assume all obligations of the Partnership under the Indenture and the Senior Notes and (ii) each of the Co-Issuers will become a co-issuer of the Senior Notes;

WHEREAS, Section 901(1) of the Base Indenture explicitly authorizes the Partnership and the Trustee, without the consent of the Holders of any Securities, to enter into one or more supplemental indentures for the purpose of evidencing the succession of another Person to the Partnership, and the assumption by any such successor of the covenants of the Partnership in the Indenture and in the Securities contained;

WHEREAS, the respective board of directors, managers or members, as applicable, of the General Partner, the Co-Issuers (or the general partner thereof, as applicable) and the Parent Guarantor have each approved by resolution the execution and delivery of this Second Supplemental Indenture, and certified copies of such resolutions will be delivered to the Trustee simultaneously with the execution and delivery of this Second Supplemental Indenture as required by the Base Indenture; and

WHEREAS, the Partnership has delivered to the Trustee simultaneously with the execution and delivery of this Second Supplemental Indenture the Officers' Certificate and Opinion of Counsel contemplated by Section 102, 803 and 903 of the Base Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partnership, the Co-Issuers, the Parent Guarantor and the Trustee mutually covenant and agree, for the equal and ratable benefit of the Holders of the Senior Notes, as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Base Indenture.
2. Agreement to Co-Issue. Each of the Co-Issuers hereby agrees to become a co-issuer of the Senior Notes and to become subject to all obligations applicable to the Partnership under the Indenture and the Senior Notes. Effective on the date hereof and pursuant to Sections 801 and 802 of the Indenture, all provisions of the Indenture, the Officers' Certificates establishing the terms of the Senior Notes and the Parent Guarantee referring to the "Partnership" or the "General Partner" shall hereafter refer to the Partnership, the General Partner and the Co-Issuers (and any general partners thereof), as appropriate, and the Co-Issuers may exercise every right and power of the Partnership under the Indenture and the Senior Notes with the same effect as if such Co-Issuer had originally been named as an issuer under the Indenture on respective the issue date of the Senior Notes.
3. Agreement to Assume Obligations of the Partnership. Each of the Co-Issuers, as a Person succeeding to substantially all of the assets, in the aggregate, of the Partnership in connection with the Restructuring, hereby agrees to assume in its capacity as a co-issuer of the Senior Notes and under the Indenture the due and punctual payment of the principal and any interest on the Senior Notes, and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be performed by the Partnership.
4. Parent Guarantee. Except as expressly amended hereby, the Parent Guarantee is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect, and it is acknowledged that the Parent Guarantee applies to the obligations of the Co-Issuers pursuant to this Second Supplemental Indenture. This Section 4 shall form a part of the Parent Guarantee for all purposes.
5. Effectiveness. This Second Supplemental Indenture shall be effective upon its execution and delivery by the parties hereto.
6. No Recourse Against Others. A director, officer, employee, stockholder, partner, limited partner or other owner of the General Partner, the Partnership, each Co-Issuer, the Parent Guarantor or any of their Affiliates or the Trustee, as such, shall not have any liability for any obligations of the Partnership or the Co-Issuers under the terms of the Senior Notes or for any obligations of the Partnership, the Co-Issuers, the Parent Guarantor or the Trustee under the

Indenture, this Second Supplemental Indenture or the Parent Guarantee or for any claim based on, in respect of or by reason of such obligations or their creation. Each Holder of the Senior Notes, by accepting the benefits of the Indenture, waives and releases all such liability. The waiver and release shall be part of the consideration for the amendment and confirmation of the Parent Guarantee.

7. Ratification of Indenture; Second Supplemental Indenture Part of Indenture. The Base Indenture, as supplemented by the First Supplemental Indenture, is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Second Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.
8. Governing Law. This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law provisions thereof that would result in the application of the law of a different state.
9. Duplicate Originals; Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Second Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Second Supplemental Indenture as to the parties hereto and may be used in lieu of the original Second Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.
10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.
11. Successors and Assigns. All covenants and agreements in this Second Supplemental Indenture by the parties hereto shall bind the successors and assigns of such parties, whether so expressed or not.
12. Severability Clause. In case any provision in this Second Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
13. Amendment. The Parent Guarantor may amend the Parent Guarantee at any time for any purpose without the consent of the Trustee or any Holder of the Senior Notes; provided, however, that if such amendment adversely affects the rights of the Trustee or any Holder of the Senior Notes, the prior written consent of the Trustee shall be required.
14. Benefits of Second Supplemental Indenture and the Parent Guarantee. Nothing in this Second Supplemental Indenture or in the Parent Guarantee, express or implied, shall give to any Person, other than the parties hereto, any Security Registrar, any Paying Agent and their successors or the Holders of the Senior Notes or coupons, any benefit or any legal or equitable right, remedy or claim under this Second Supplemental Indenture or the Parent Guarantee.

15. Not Responsible for Recitals. The recitals contained herein shall be taken as the statements of the Partnership, each Co-Issuer and the Parent Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Second Supplemental Indenture.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed and delivered as of the date first above written.

VALERO ENERGY PARTNERS LP, as Issuer

By: Valero Energy Partners GP LLC, its general partner

By: /s/ Jason W. Fraser

Name: Jason W. Fraser

Title: Executive Vice President and Chief  
Financial Officer

Attest:

/s/ Jude A. Dworaczyk

Jude A. Dworaczyk

Corporate Secretary

VALERO REFINING-TEXAS, L.P., as Co-Issuer

By: Valero Tejas Company LLC, its general partner

THE PREMCOR REFINING GROUP INC., as Co-Issuer

VALERO REFINING – MERAUX LLC, as Co-Issuer

VALERO REFINING NEW ORLEANS, L.L.C., as Co-Issuer

DIAMOND SHAMROCK REFINING COMPANY, L.P., as  
Co-Issuer

By: Valero Services, Inc., its general partner

By: /s/ Jason W. Fraser

Name: Jason W. Fraser

Title: Executive Vice President and Chief  
Financial Officer

Attest:

/s/ Jude A. Dworaczyk

Jude A. Dworaczyk

Corporate Secretary



VALERO ENERGY CORPORATION, as Parent Guarantor

By: /s/ Jason W. Fraser

Name: Jason W. Fraser

Title: Executive Vice President and Chief  
Financial Officer

Attest:

/s/ Jude A. Dworaczyk

Jude A. Dworaczyk

Corporate Secretary

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as successor in interest to U.S. BANK  
NATIONAL ASSOCIATION, as Trustee

By: /s/ Misty Gutierrez

Name: Misty Gutierrez

Title: Vice President

*Signature Page to Second Supplemental Indenture*



**CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, R. Lane Riggs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Valero Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ R. Lane Riggs

R. Lane Riggs  
Chief Executive Officer and President

**CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason W. Fraser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Valero Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ Jason W. Fraser

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Jason W. Fraser  
Executive Vice President and Chief Financial Officer

A signed original of the written statement required by Section 906 has been provided to Valero Energy Corporation and will be retained by Valero Energy Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Valero Energy Corporation (the Company) on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason W. Fraser

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Jason W. Fraser

Executive Vice President and Chief Financial Officer

April 24, 2025

A signed original of the written statement required by Section 906 has been provided to Valero Energy Corporation and will be retained by Valero Energy Corporation and furnished to the Securities and Exchange Commission or its staff upon request.