



Advancing the Future of Energy

WITH CAPITAL DISCIPLINE, INNOVATION
AND UNMATCHED EXECUTION

RELIABLE | AFFORDABLE | SUSTAINABLE ENERGY



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This presentation contains forward-looking statements made by Valero Energy Corporation (“VLO” or “Valero”) within the meaning of federal securities laws. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other forward-looking information. You can identify forward-looking statements by words such as “plan,” “should,” “anticipate,” “believe,” “estimate,” “expect,” “could,” “continue,” “focused,” “opportunity,” “scheduled,” “may,” “targeting,” or other similar expressions that convey the uncertainty of future events or outcomes. Forward-looking statements in this presentation include, but are not limited to, those relating to our low-carbon projects, our 2025 and 2035 GHG emissions reduction/displacement targets, future capital expenditures, expected timing of completion of projects, the effect of projects on our financial performance, future low-carbon policies and demand for low-carbon fuels, future business plans and strategies, future safety and environmental performance, future operating and financial performance, future market and industry conditions, future production and manufacturing ability and size, management of future risks and 2023 guidance. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of Valero and are difficult to predict including, but not limited to, the effect, impact, potential duration or other implications of the Russia-Ukraine conflict, the impact of inflation on margins and costs, economic activity levels, market dynamics, cyberattacks, weather events, other matters affecting Valero’s operations or the demand for Valero’s products, and the uncertainties that remain with respect to current or contemplated legal, political or regulatory developments that are adverse to or restrict refining and marketing operations, or that impose profits, windfall or margin taxes or penalties, public health threats and various events arising from or related to such events. These statements are often based upon various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends made by the management of Valero. Although Valero believes that the assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Valero cannot give assurance that it will achieve or accomplish its expectations, beliefs or intentions. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in Valero’s filings with the Securities and Exchange Commission, including Valero’s annual report on Form 10-K, quarterly reports on Form 10-Q, and other reports available on Valero’s website at www.valero.com. These risks could cause the actual results of Valero to differ materially from those contained in any forward-looking statement.

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





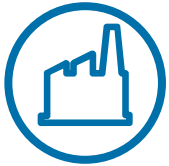
WORLD'S LARGEST INDEPENDENT REFINER

WORLD'S LARGEST PRODUCER OF LOW-CARBON TRANSPORTATION FUELS

RENEWABLE DIESEL
WORLD'S 2ND LARGEST RENEWABLE DIESEL PRODUCER

ETHANOL
WORLD'S 2ND LARGEST CORN ETHANOL PRODUCER

GROWTH PROJECTS FOCUSED ON COST CONTROL, OPTIMIZATION AND MARGIN EXPANSION



15
refineries

lowest
cost
producer

3.2

million barrels per day
of high-complexity
throughput capacity

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

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

2022
BEST YEAR EVER FOR
EMPLOYEE & CONTRACTOR
SAFETY

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

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



1.2

billion gallons per
year of renewable
diesel

50

million gallons per
year of renewable
naphtha

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

up to
80%

reduction
in GHG
emissions

DIAMOND GREEN DIESEL
(DGD)



SUSTAINABLE AVIATION FUEL (SAF) PRODUCTION TO BEGIN IN 2025

DEVELOPING ECONOMIC PROJECTS TO FURTHER REDUCE CARBON INTENSITY



12

ethanol
plants

1.6

billion gallons per year
production capacity

high-octane renewable
fuel with lower CO₂
emissions

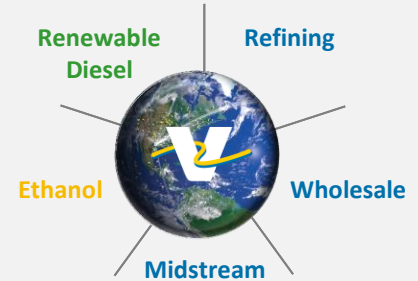
at least
30%

reduction in
GHG emissions

existing logistics assets well
positioned to support export
growth



REDUCING CARBON INTENSITY THROUGH ANNOUNCED CARBON SEQUESTRATION PROJECT



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

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

Operations

Unmatched Execution with a Proven History of Operations Excellence

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

Earnings Growth

Growth Through Innovation

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

Capital Discipline

Demonstrated Commitment to Stockholders

- Disciplined capital allocation with solid free cash flow and returns to stockholders across margin cycles
- Delivered on our annual target payout ratio of 40% to 50% every year under current management (since 2014)
- 14% average annual Return on Invested Capital since 2014

Comprehensive liquid fuels strategy driving economic growth projects and providing a viable path to reduce and displace Refinery Scope 1 & 2 GHG emissions by 100% by 2035

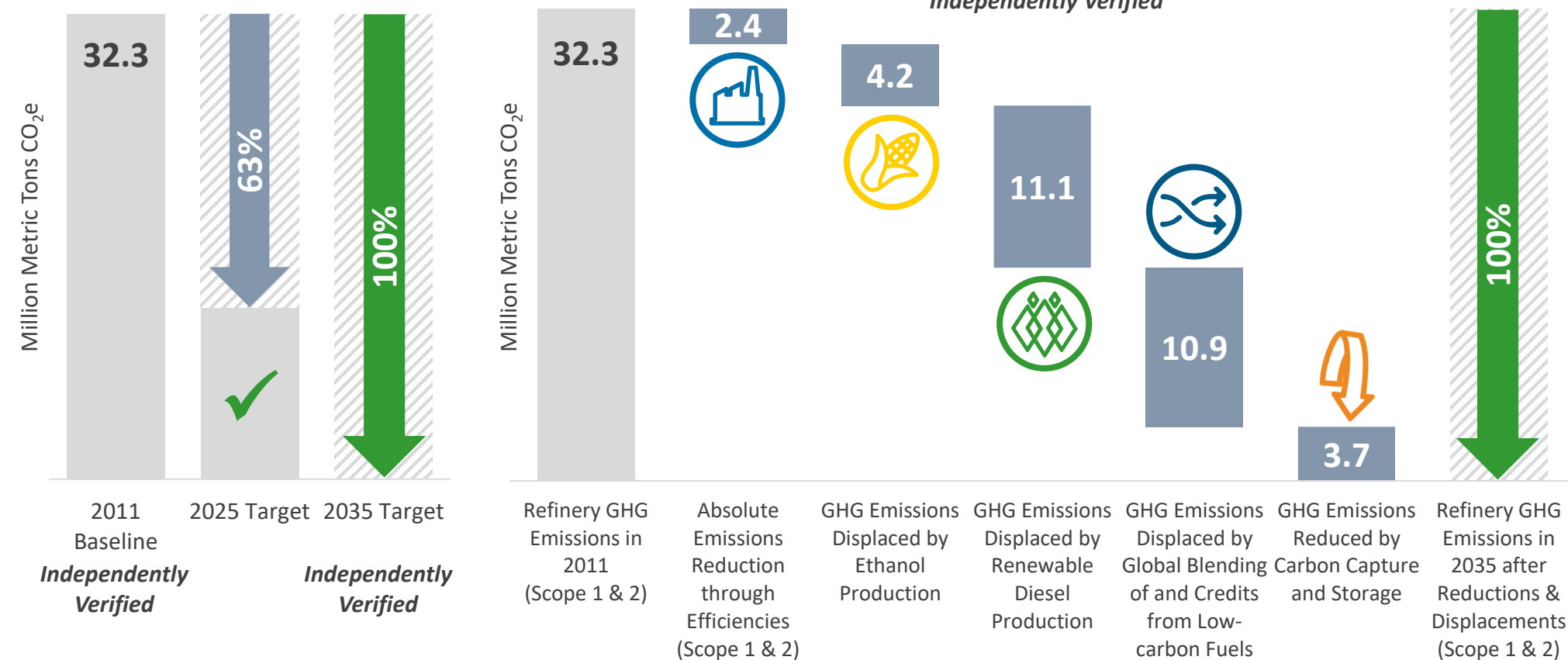
Steadfast in the execution of our strategy, pursuing **excellence in operations, investing for earnings growth with lower volatility** and honoring our **commitment to stockholder returns**

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

GHG Emissions

Reduction and Displacement (Global Refinery Scope 1 & 2)

2035 GHG Emissions Target (Global Refinery Scope 1 & 2) *Independently Verified*



● ● ● ●

In 2022, our performance exceeded our 2025 target to **reduce** and **displace** Refinery GHG **emissions by 63%** **Scope 1 & 2**

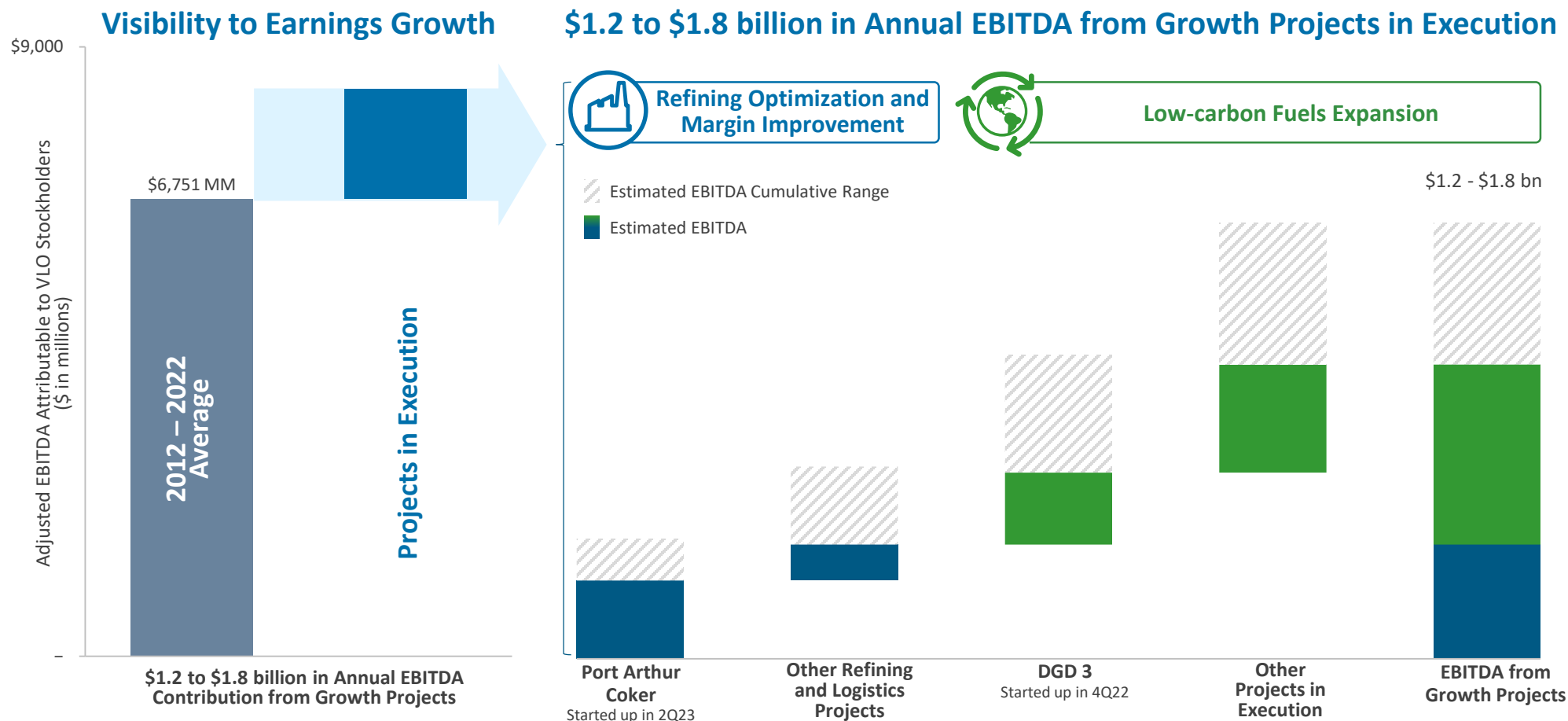
through investments in board-approved projects **by 2025.**

Targeting to **reduce** and **displace** Refinery GHG **emissions by**

100% **Scope 1 & 2**

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

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



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

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

Investing to Improve Margins and Light Product Yields

Port Arthur Coker

- **55 MBPD delayed coker and sulfur recovery unit**, which was started up in the second quarter of 2023
- Creates two independent CDU-VDU-coker trains, which should **improve turnaround efficiency** and **reduce maintenance-related lost margin opportunity**
- Design enables **full utilization of existing CDU capacity**, **reduces VGO purchases**, and **increases heavy sour crude and resid processing capability** and **increases diesel** product yield
- Estimated **\$325 MM annual EBITDA contribution** at FID mid-cycle prices and **\$525 annual EBITDA contribution** at current (April 2023) prices

Project provides additional crude flexibility

Incremental Feedstock & Product Ranges (MBPD)	
Feedstocks	
	Ranges
Crude Oil	50 – 100
Coker Feed (Resid)	20
VGO	(30) – (50)
Products	
LPG	1 – 4
Naphtha	0 – 3
Gasoline	0 – 15
Diesel	25 – 45



Expanding Our Competitive Advantage with Sustainable Aviation Fuel (SAF)

DGD Port Arthur SAF Project

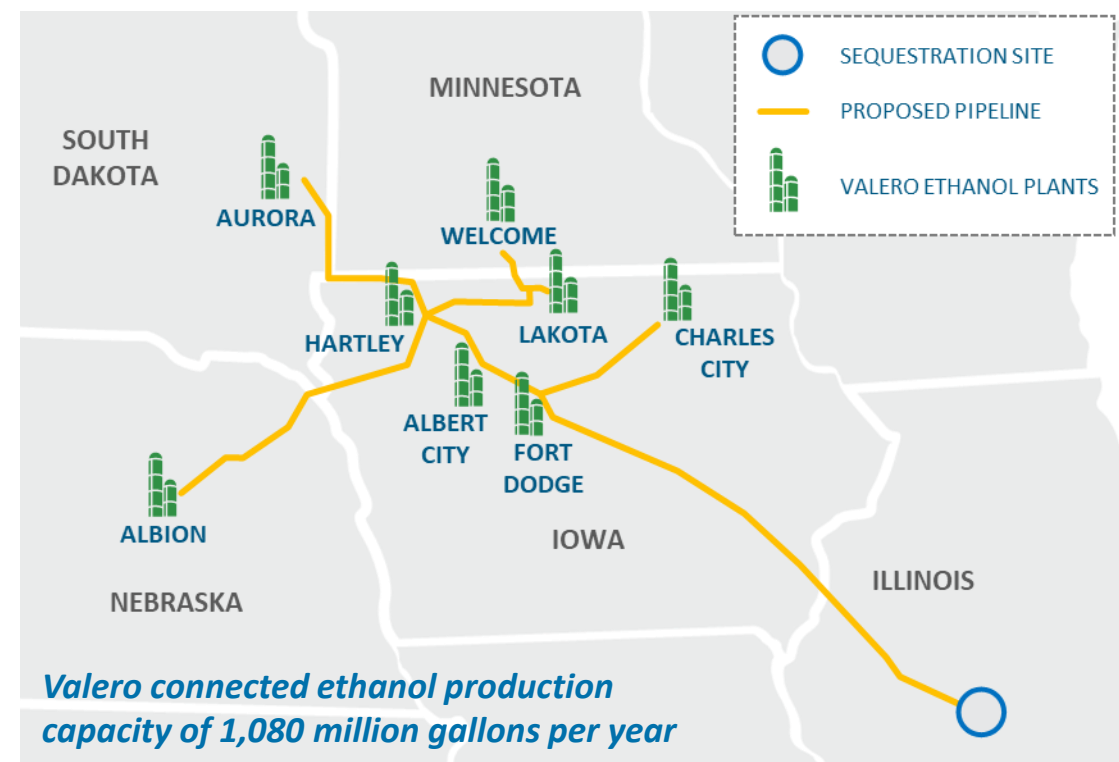
- **Large-scale SAF project** at the recently constructed DGD Port Arthur plant is expected to be completed in 2025
 - The plant will have the capability to upgrade up to 50% of its current renewable diesel production capacity to SAF, or **~235 million gallons per year**
 - The project's **estimated cost is \$315 million**, with half of that attributable to Valero
 - Project scope includes a heater, a fractionation unit to separate the SAF and renewable diesel product streams and additional product tankage
- Project is expected to **exceed our minimum return threshold** of an after-tax IRR of 25%
 - Under the Inflation Reduction Act (IRA), SAF gets a higher Clean Fuel Production Credit value than renewable diesel, resulting in **higher margin for SAF** production
- Valero is independently evaluating an **Ethanol-to-Jet** process that would convert ethanol from our ethanol plants that have carbon sequestration capability to sustainable aviation fuel



Developing Economic Paths to Further Reduce the Carbon Intensity of Our Ethanol Business



- Connecting to BlackRock and Navigator's **large-scale carbon capture and storage project** with startup activities expected to begin late 2024
 - Valero is expected to be the anchor shipper with eight ethanol plants connected to the carbon capture system
- Evaluating **additional** Carbon Sequestration **opportunities**
 - Developing stand-alone projects at certain ethanol plants east of the Mississippi River for carbon sequestration on-site
- Valero is independently evaluating **additional SAF production** through an **Ethanol-to-Jet** process



Map is indicative only.

See slides 45-56 for non-GAAP disclosures.

Note: Typical CO₂ production from ethanol plants is 0.003 metric tons per gallon of ethanol produced.

⁽¹⁾ Based on \$85 per metric ton 45Q tax credit.

⁽²⁾ Based on \$100 to \$150 per metric ton carbon price.

45Q Tax Credit and LCFS Value

Estimated Upper Range Value

(\$ per gallon)

~\$0.30 to ~\$0.50

~\$0.55 to ~\$0.75

~\$0.25

\$0.24

Average Ethanol Segment
Adjusted EBITDA
(2009-2022)

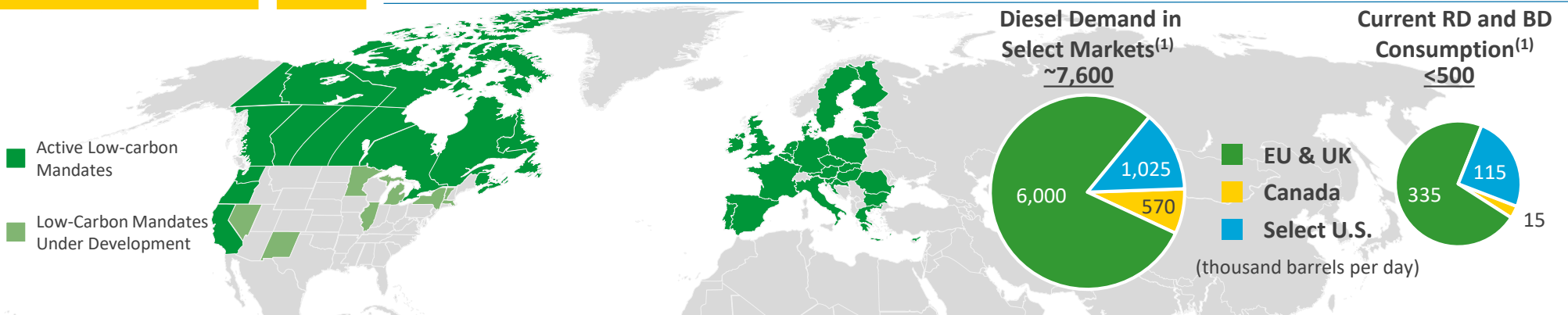
45Q Tax Credit ⁽¹⁾

LCFS ⁽²⁾

45Q + LCFS



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



	2030 GHG Emissions Reduction Target	Net-zero GHG Emissions Target	Primary Transportation Fuel Policy Mechanism	2030 Transportation Fuels Goal
California	40%	Net-zero by 2045	Low Carbon Fuel Standard (LCFS)	Reduce the carbon intensity of transportation fuels by at least 20%
Canada	40 to 45%	Net-zero by 2050	Clean Fuel Regulations (CFR) – Obligation begins July 1, 2023	Reduce the carbon intensity of transportation fuels by 15%
EU	55%	Net-zero by 2050	Renewable Energy Directive II (RED II)	Replace 14% of transport fuels with renewable energy
UK	68%	Net-zero by 2050	Renewable Transport Fuel Obligation (RTFO)	Replace 19% of transport fuels with renewable fuels
Other Policies in Place	<ul style="list-style-type: none">Oregon’s Clean Fuels Program requires a 20% carbon intensity reduction by 2030 and a 37% reduction by 2035Washington State’s Clean Fuel Standard requires a 20% carbon intensity reduction by 2034British Columbia and Ontario have existing low-carbon fuels policiesNorway has a biofuel blending mandate for diesel of 40% by 2030Sweden currently has a diesel GHG reduction requirement of 66% by 2030Finland aims for 34% of transport fuels to be biofuels by 2030			
Potential Policies	<ul style="list-style-type: none">New York continues to evaluate a Clean Fuel Standard in order to meet its goal of reducing emissions 85% by 2050Illinois, Massachusetts, Michigan, Minnesota, New Mexico, Nevada and Vermont are considering low-carbon fuel programs			



Up to 80% reduction in GHG emissions

Cost-effective fuel that can be used with existing vehicles

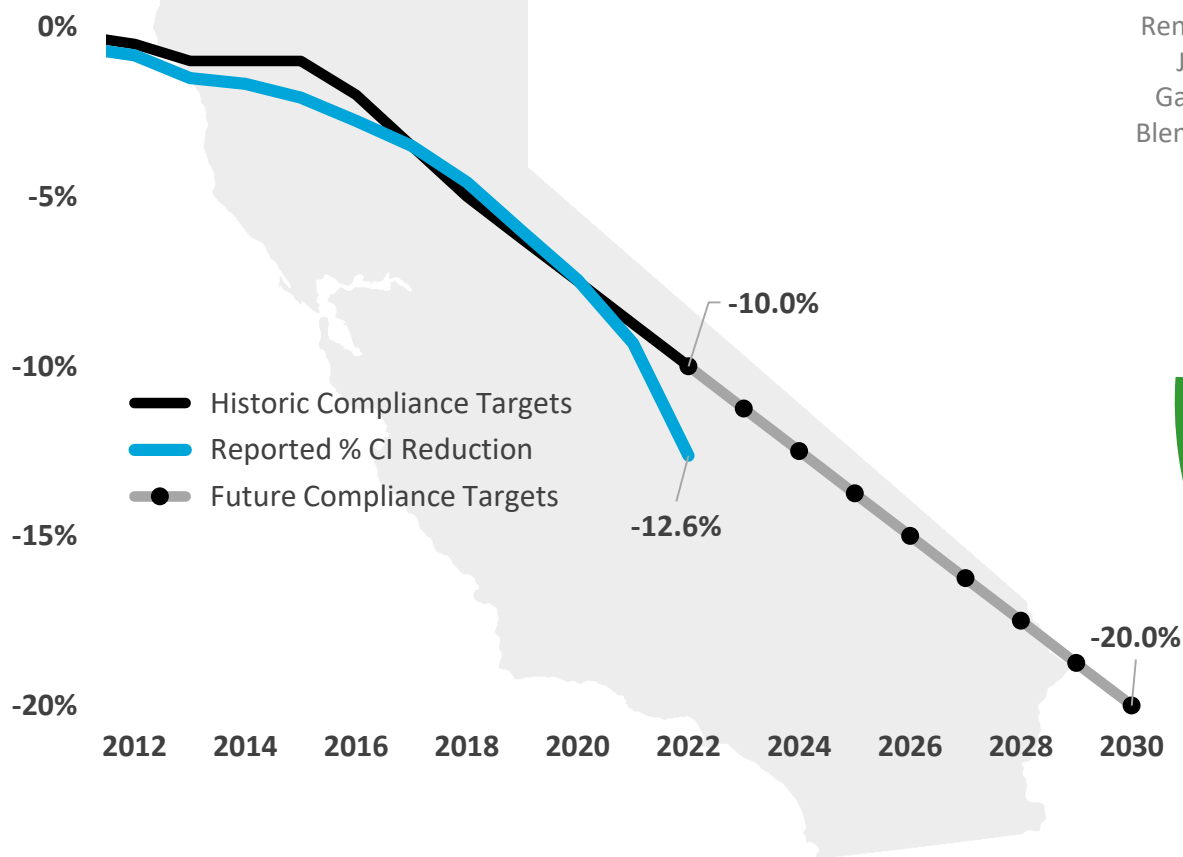
Drop-in fuel that does not require infrastructure investments

Source: DOE, agency websites and industry consultants.
⁽¹⁾ 2019 diesel demand, inclusive of biofuels, and 2021 Renewable Diesel (RD) and Biodiesel (BD) consumption in Canada, EU, UK, and U.S. states with mandates in place or in consideration (CA, OR, WA, NY, IL, MA, MI, MN, NM, NV, and VT).

Renewable Diesel Driving Low-carbon Results in California

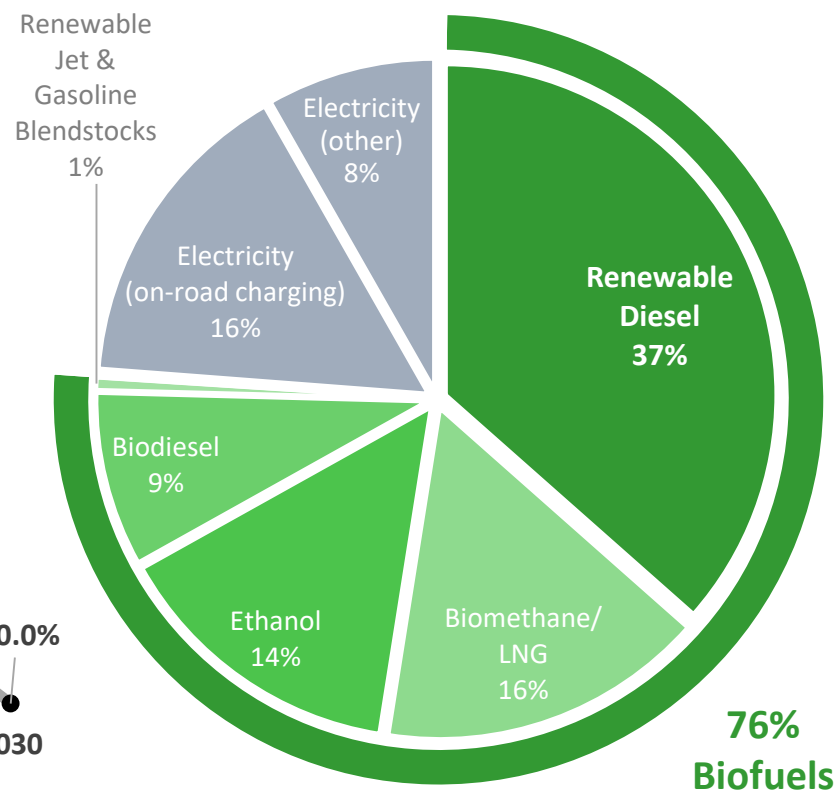
California LCFS Performance

(% reduction in carbon intensity)



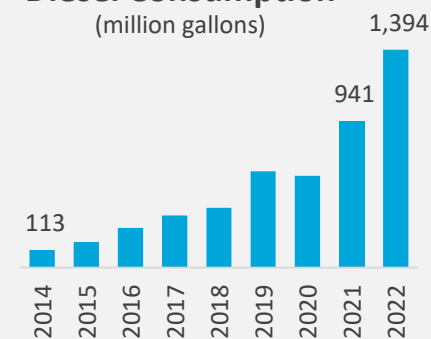
LCFS Credit by Fuel Type

(2022)



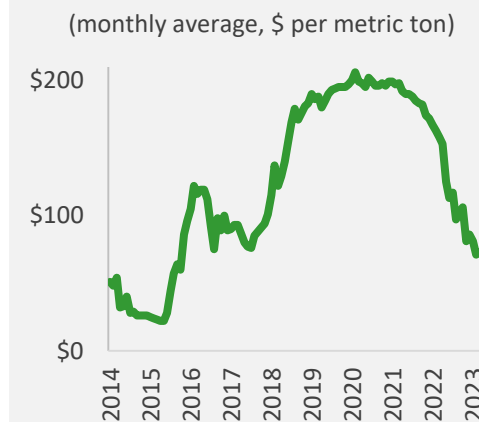
California Renewable Diesel Consumption

(million gallons)



LCFS Credit Price

(monthly average, \$ per metric ton)



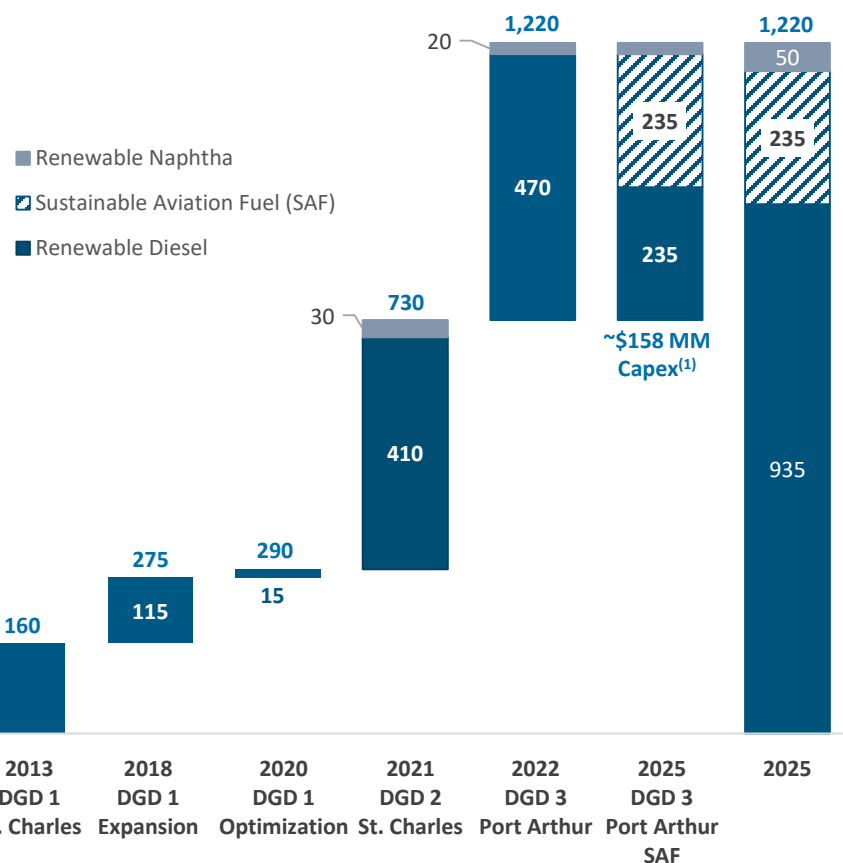
Source: California Air Resources Board. LCFS credit prices through March 2023.

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



DGD Renewable Fuels Capacity

(million gallons per year)

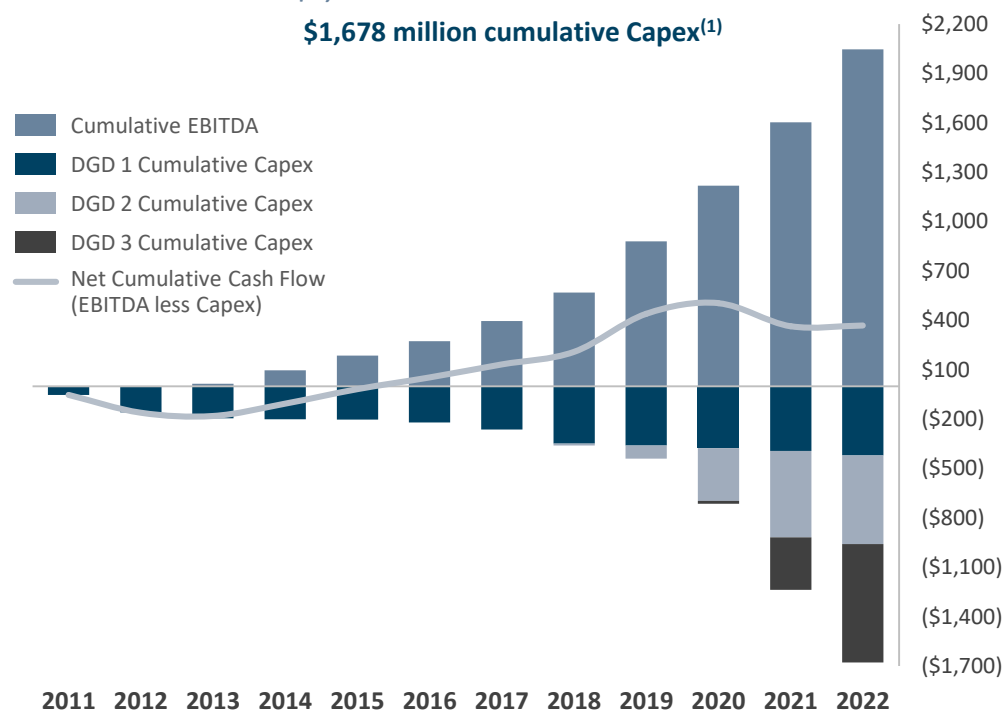


Renewable Diesel Realized Cash Flow Profile

(\$ in millions)

\$2,046 million cumulative EBITDA⁽¹⁾

\$1,678 million cumulative Capex⁽¹⁾



Mix shift to renewable fuels should drive higher Return on Invested Capital

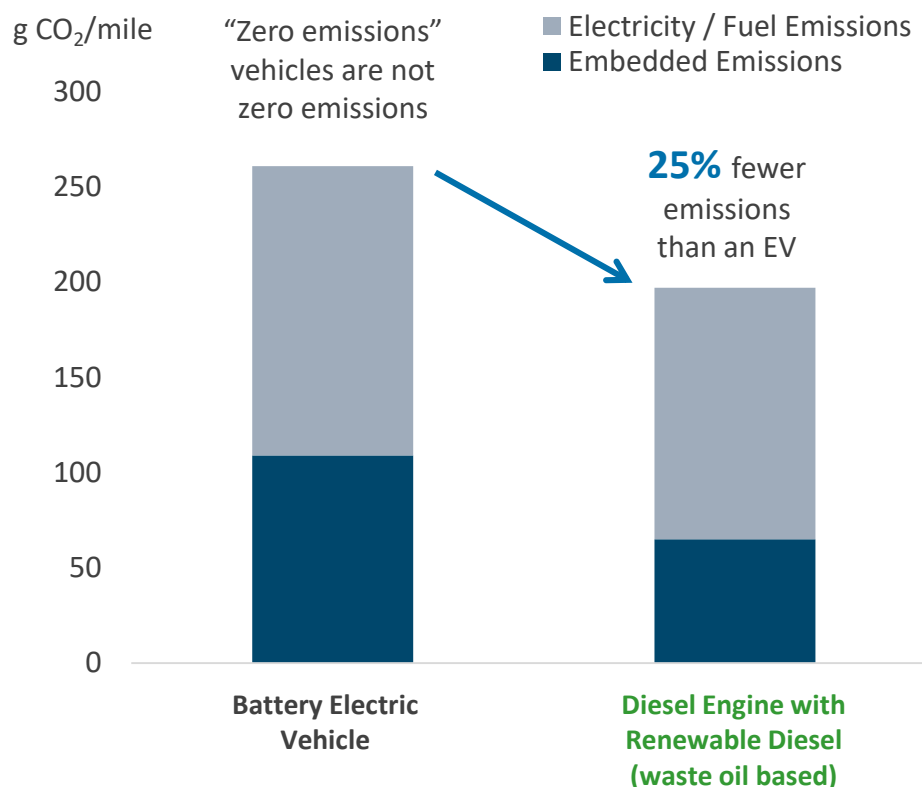
A Vehicle Running on Renewable Diesel Emits Fewer Emissions than an Electric Vehicle



RENEWABLE DIESEL
A DROP-IN FUEL

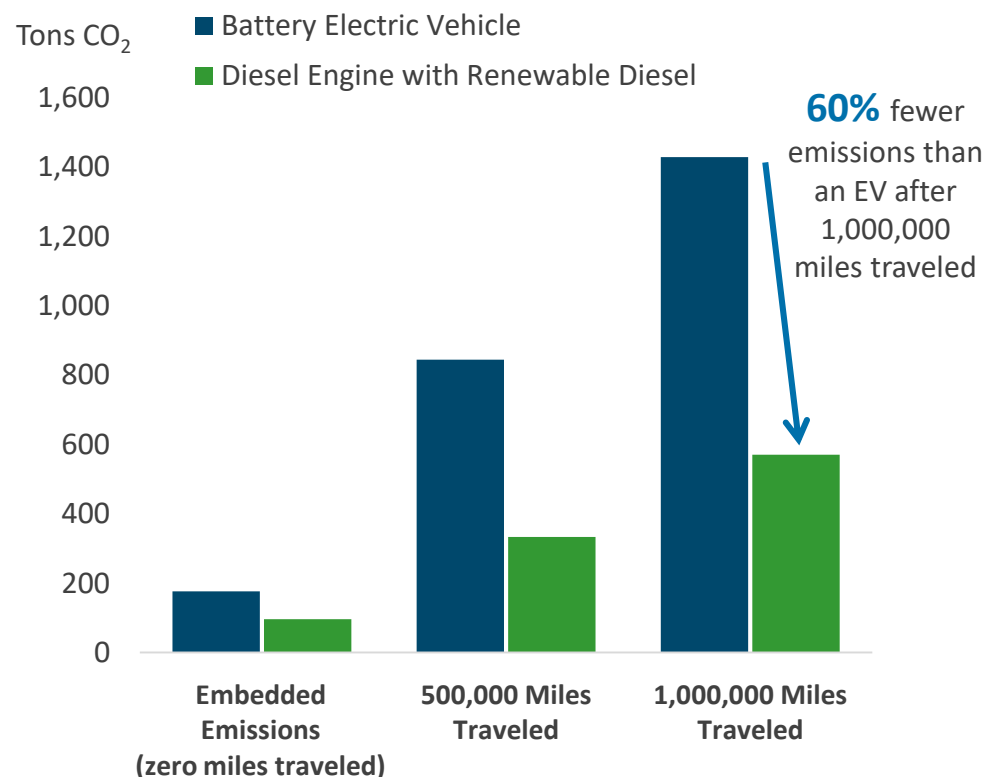
U.S. Light-Duty Vehicle Life Cycle Emissions

2022 Southwest Research Institute Study



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

2022 Southwest Research Institute Study



A single light-duty vehicle running on renewable diesel emits **10 tons less CO₂ emissions** than an electric vehicle, an amount equal to planting **165 trees***

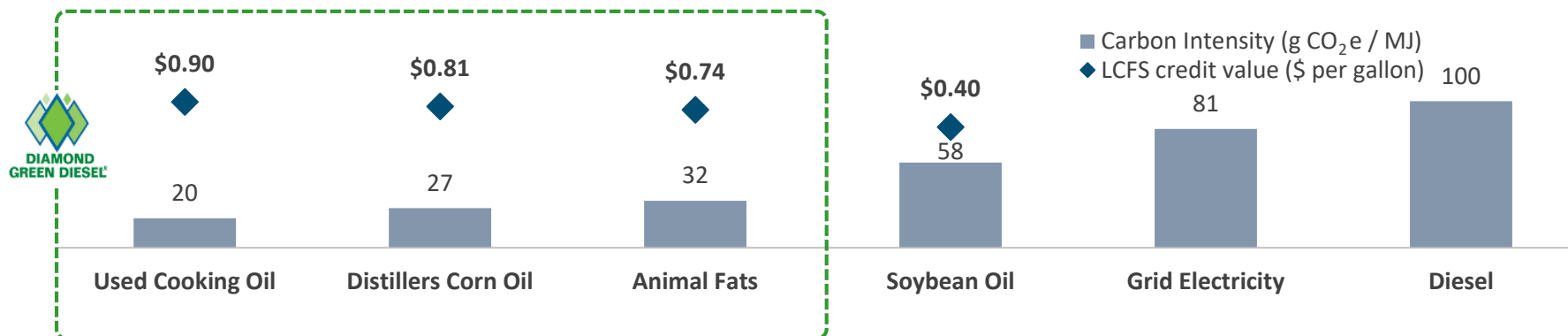
A single heavy-duty long-haul vehicle running on renewable diesel emits **858 tons less CO₂ emissions** than an electric vehicle, an amount equal to planting **14,187 trees***



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

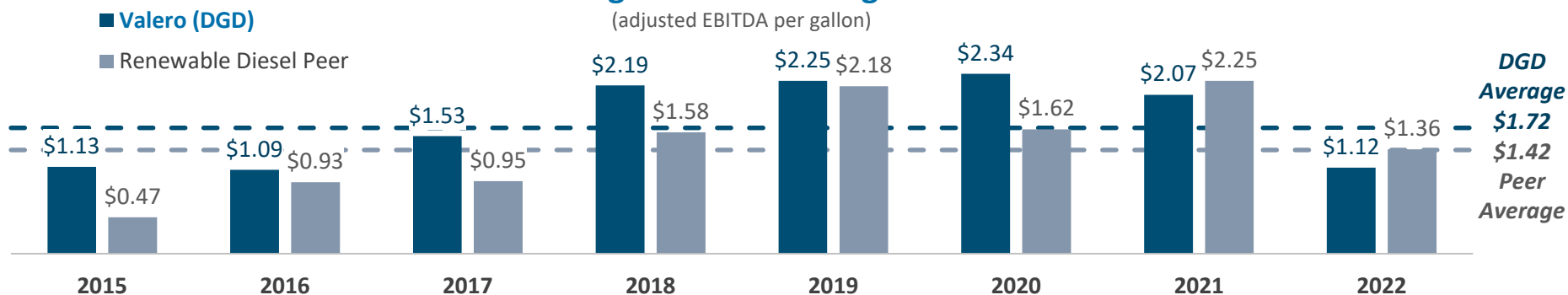
Our Competitive Advantage with Diamond Green Diesel (DGD)

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



Higher EBITDA Margin

(adjusted EBITDA per gallon)



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

SIZE, SCALE AND GLOBAL REACH

EXTENSIVE CONNECTIVITY AND GLOBAL OPTIMIZATION

LOWEST COST PRODUCER

TOP QUARTILE OPERATIONS

DISCIPLINED INVESTMENTS

GROWTH WITH LOWER VOLATILITY

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



SIZE, SCALE AND GLOBAL REACH

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

operational flexibility to process a wide range of feedstocks

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

global operations support **optimization** of product exports
one of the largest light products importers into Mexico



LOWEST COST PRODUCER WHILE ACHIEVING TOP QUARTILE OPERATIONS

safety and **reliability** are imperative for profitability

top quartile mechanical availability minimizes unplanned downtime and costs

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



INVESTMENTS IN EFFICIENCY, MARKET EXPANSION AND HIGHER MARGIN CAPTURE

reducing cost and improving margin capture

- Wilmington and Pembroke cogens
- St. Charles and Port Arthur hydrocrackers
- Port Arthur coker
- Houston and St. Charles alkylation units

improving feedstock flexibility, cost and crude quality

- Diamond, Sunrise and Red River pipelines
- Connectivity in Corpus Christi
- Line 9 into Quebec
- Houston and Corpus Christi toppers

growing market share into higher netback markets

- Central Texas pipelines and terminals
- Pasadena terminal
- Expansion into Latin America with investments in Mexico and Peru



Long-term, sustainable competitive advantage

\$2,972



Free Cash Flow

■ Peer Range
Average Free Cash Flow 2012 – 2022

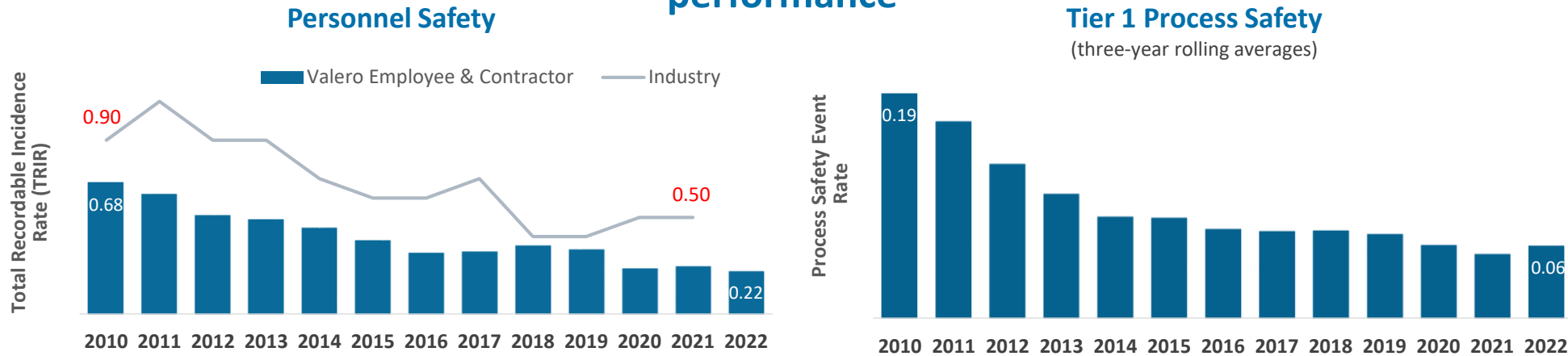
\$0

(\$ in millions)

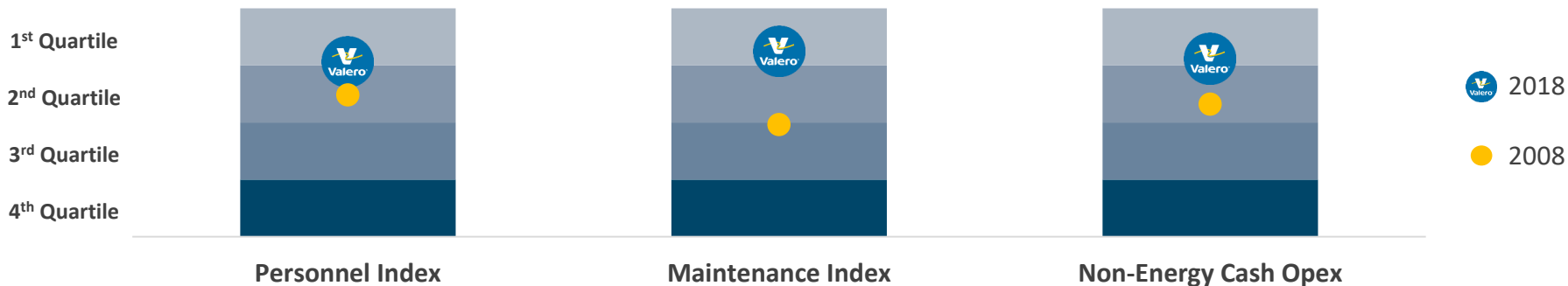
Safety and Reliability are Imperative for Profitability

2022
BEST YEAR EVER FOR
EMPLOYEE & CONTRACTOR
SAFETY

In 2022, we delivered our **best year ever on combined employee and contractor safety performance**



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

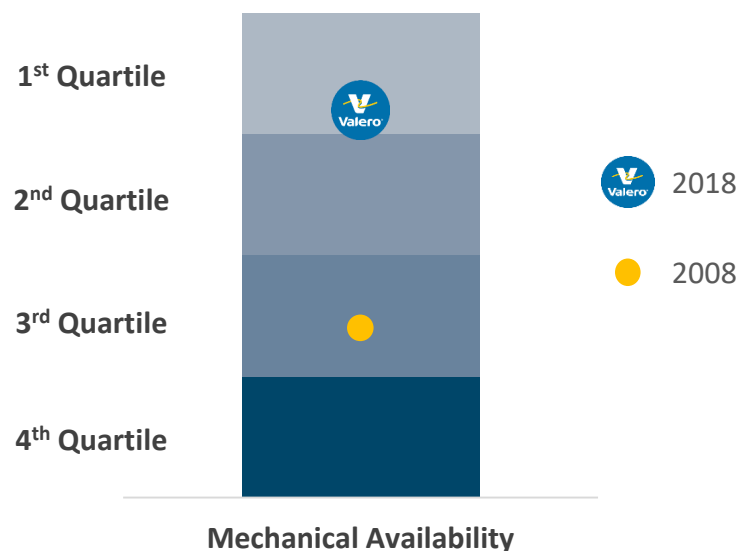


Investments in reliability have contributed to operations excellence



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

Improvement in Mechanical Availability Versus Industry Benchmarks



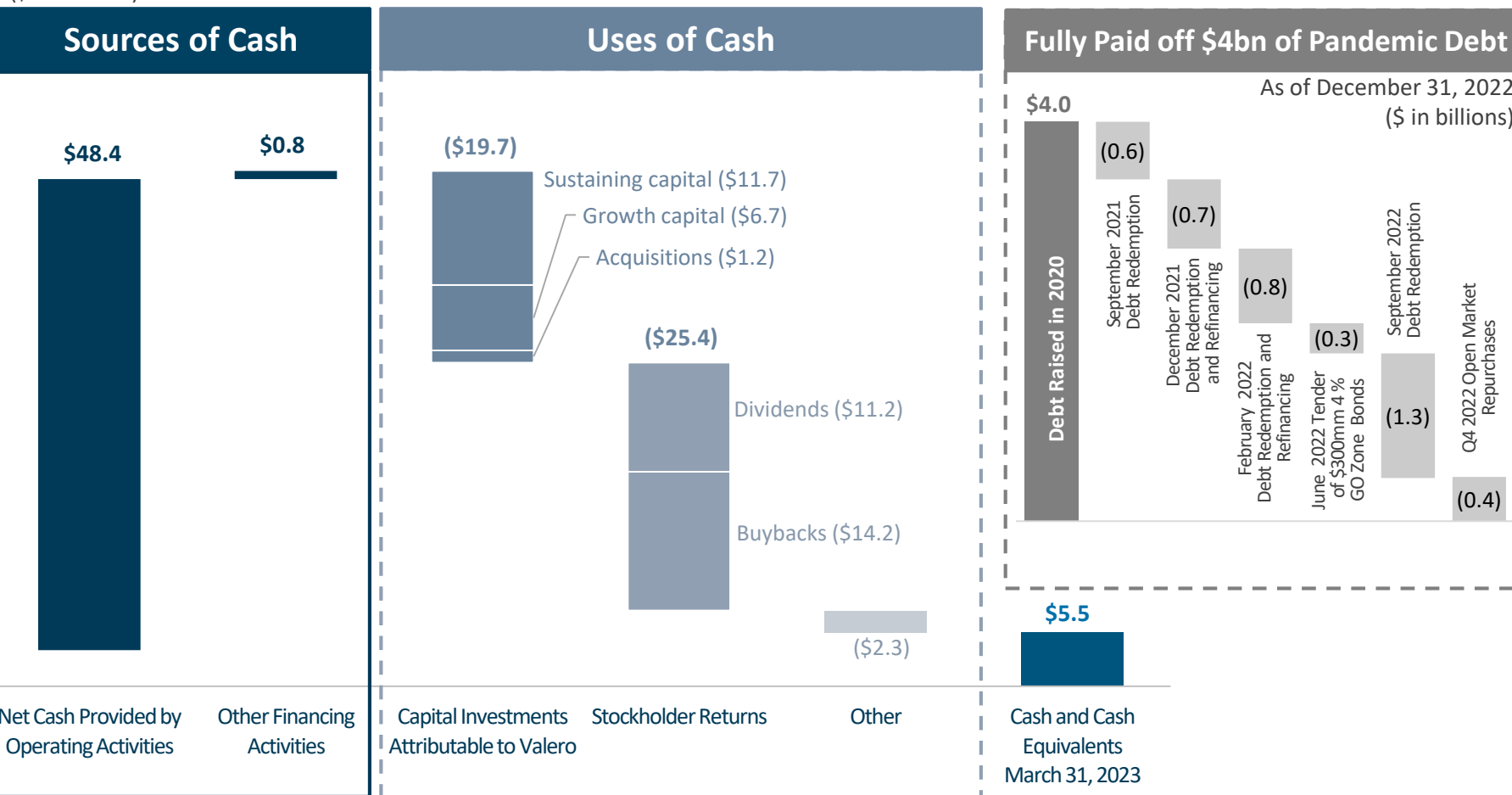
Refining Cash Operating Expenses Per Barrel of Throughput⁽¹⁾

(excludes turnaround and D&A expenses)



Refining Business Generates Significant Cash to Support Growth and Stockholder Returns

Sources and Uses of Cash – Cumulative: December 31, 2014 to March 31, 2023
(\$ in billions)



Disciplined Capital Management is a Constant in Our Strategy

1 Maintain a Strong Balance Sheet

Maintain an investment grade credit rating

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

2 Non-discretionary

Sustaining Capex

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

Dividend

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

3 Discretionary

Growth Capex

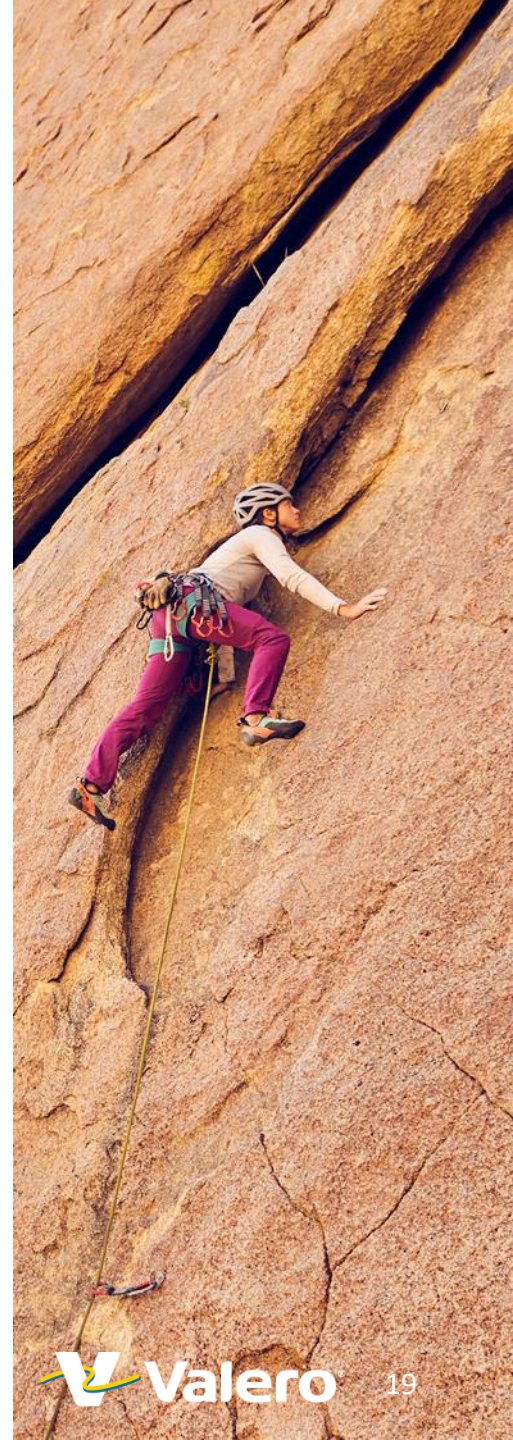
- 25% after-tax IRR hurdle rate for projects
- Refining projects focused on operating cost control, market expansion and margin improvement
- Low-carbon fuels expansion

Acquisitions

- Evaluate versus alternative uses of cash

Buybacks

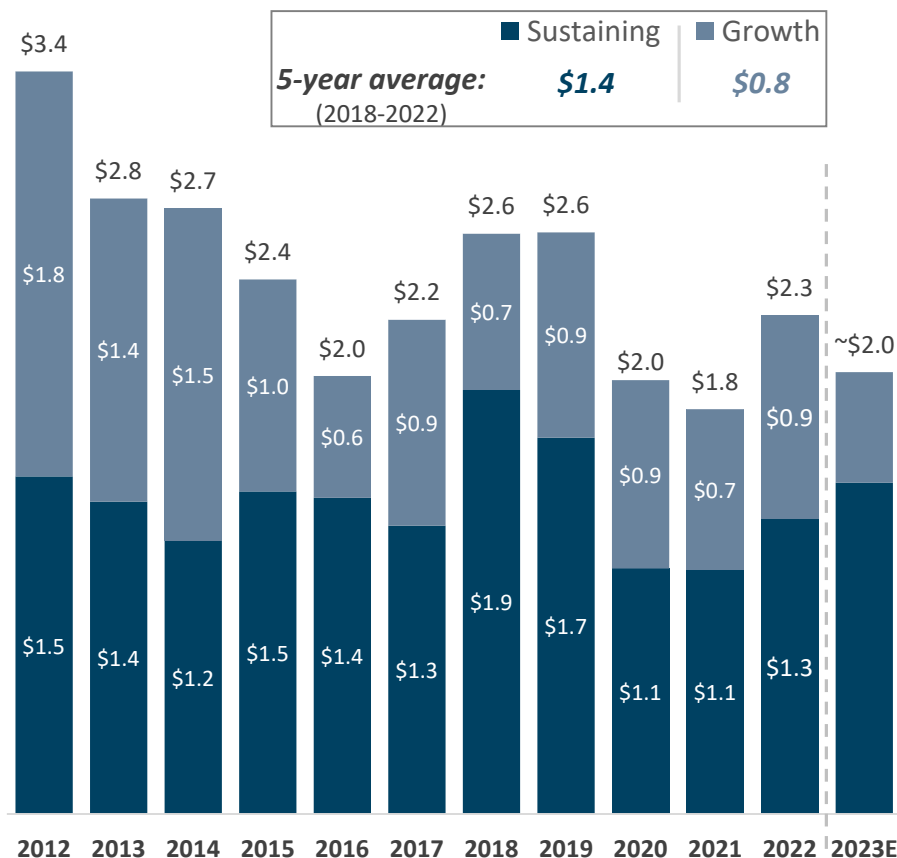
- Targeting an annual payout ratio between 40% and 50% of adjusted net cash provided by operating activities
- Stock buyback program consists of ratable and opportunistic purchases



Demonstrated Discipline in Capital Allocation

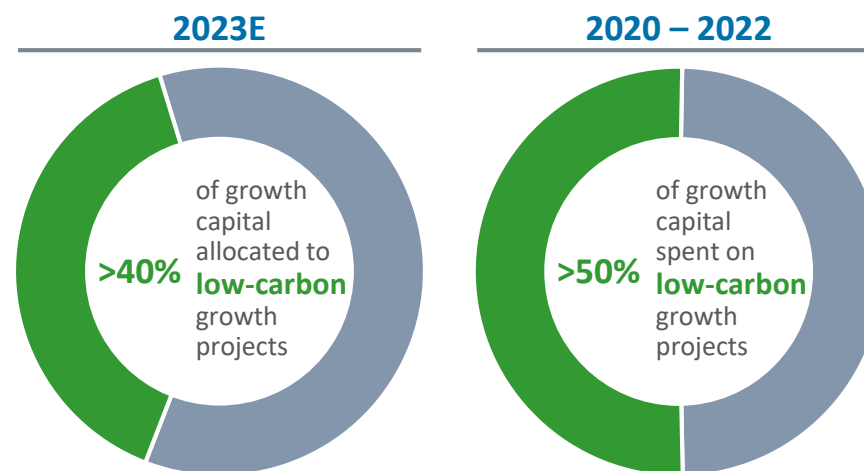
Annual Capital Investments Attributable to Valero

(\$ billion)



Growth Capital Investments Attributable to Valero

Low-Carbon Other Growth



Sustaining Capex as a percentage of Depreciation and Amortization



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

Over **40% of growth capex** allocated to **low-carbon projects**

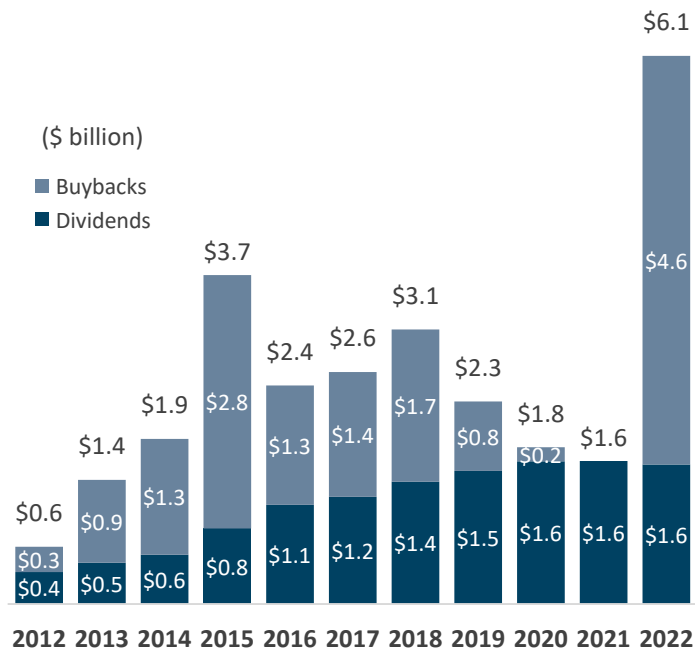
Sustaining includes costs for turnarounds and catalysts and regulatory compliance. Growth includes joint-venture investments but excludes acquisitions. Sustaining and growth excludes 50% of DGD's sustaining and growth capex attributable to the other joint venture member and those related to other variable interest entities. Low-carbon reflects DGD and other low-carbon projects. See slides 45-56 for non-GAAP disclosures. Totals may not crossfoot due to rounding.

Delivering on Our Commitment of Cash Returns to Stockholders

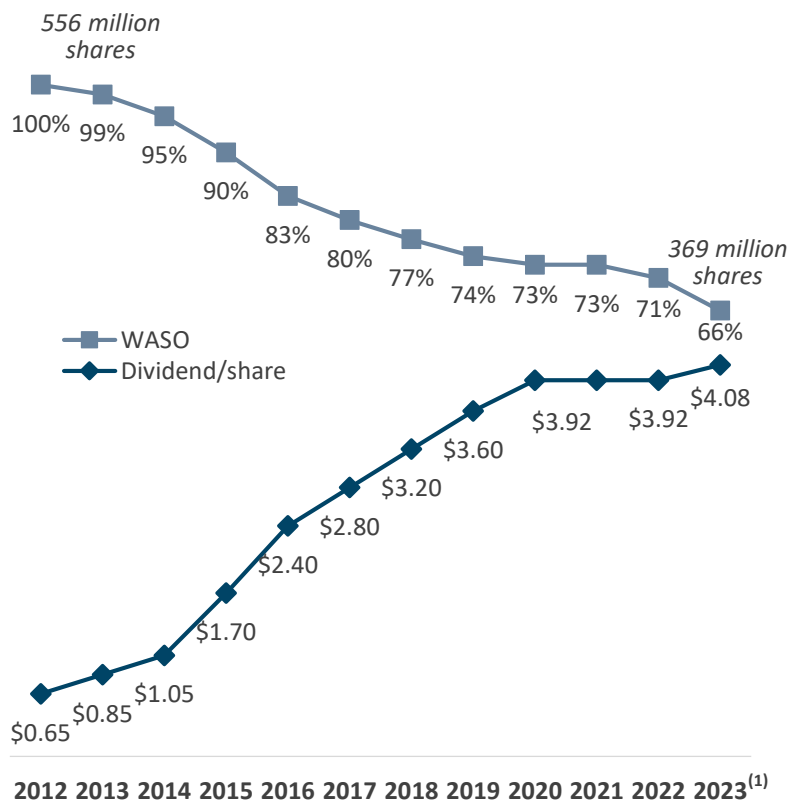
Stockholder Returns

Payout Ratio:

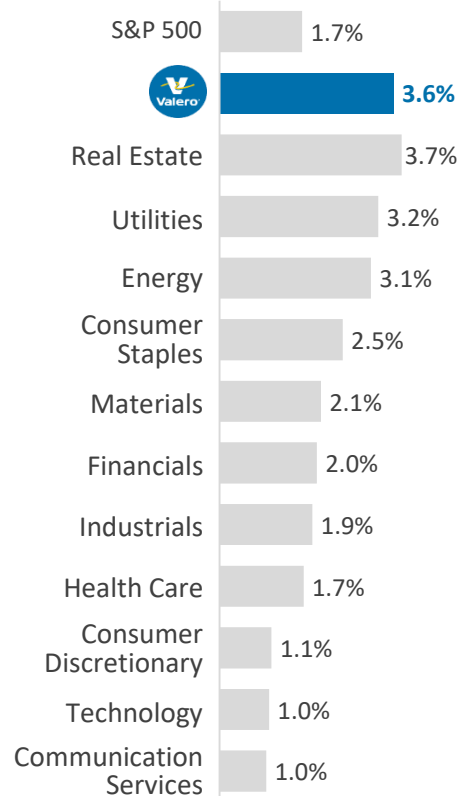
11% 30% 31% 54% 65% 63% 56% 47% 184% 50% 45%



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



Dividend Yield⁽²⁾



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

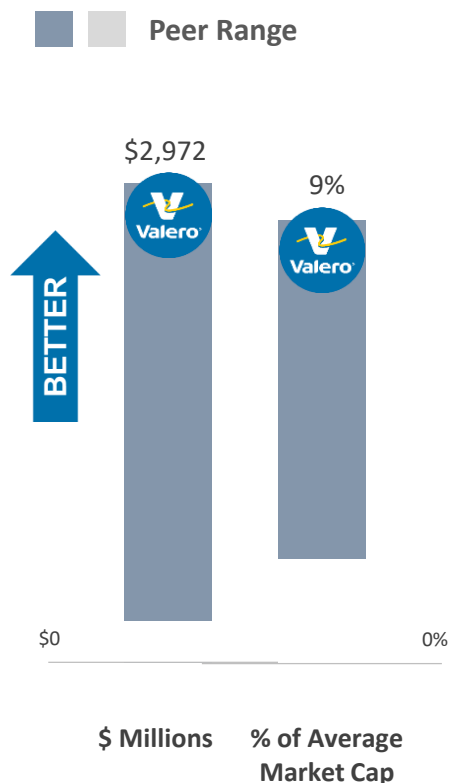
Source: Bloomberg as of April 28, 2023. See slides 25-26 for notes regarding this slide. See slides 45-56 for non-GAAP disclosures. Totals may not crossfoot due to rounding.

⁽¹⁾ 2023 Dividend per share annualized based on most recent quarterly dividend.

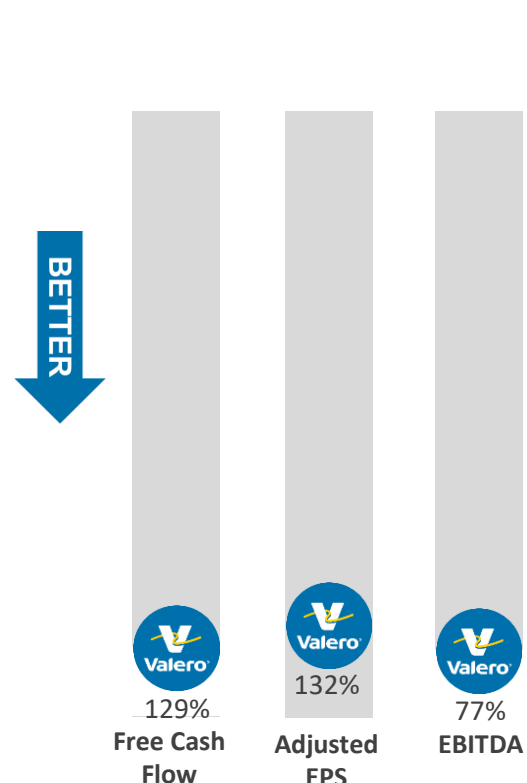
⁽²⁾ Dividend yield for sectors reflects the Index Yield of the respective SPDR exchange-traded fund (ETF).

Demonstrated Lower Volatility in Earnings and Free Cash Flow

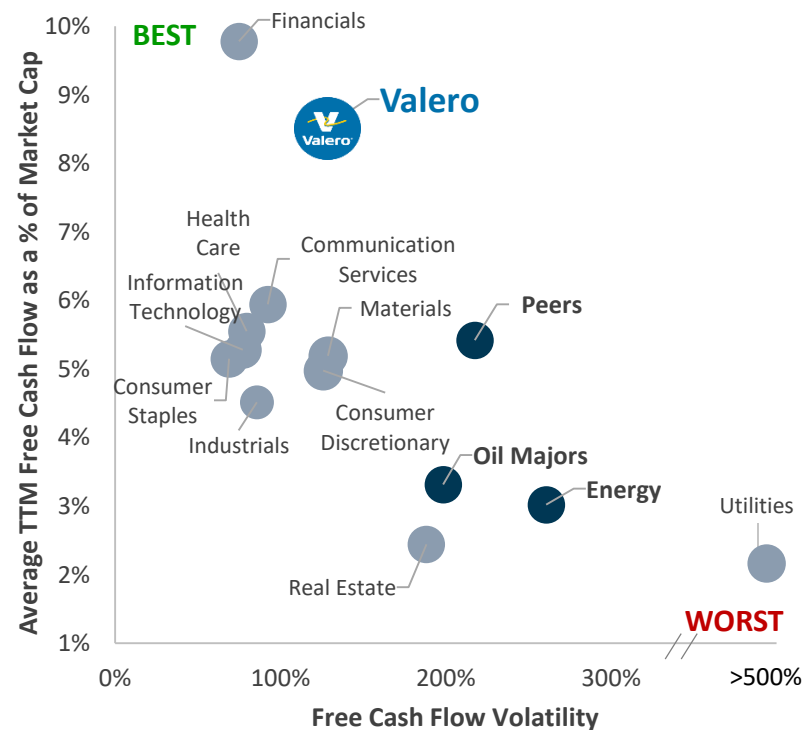
Average Free Cash Flow
2012 – 2022



Volatility
2012 – 2022

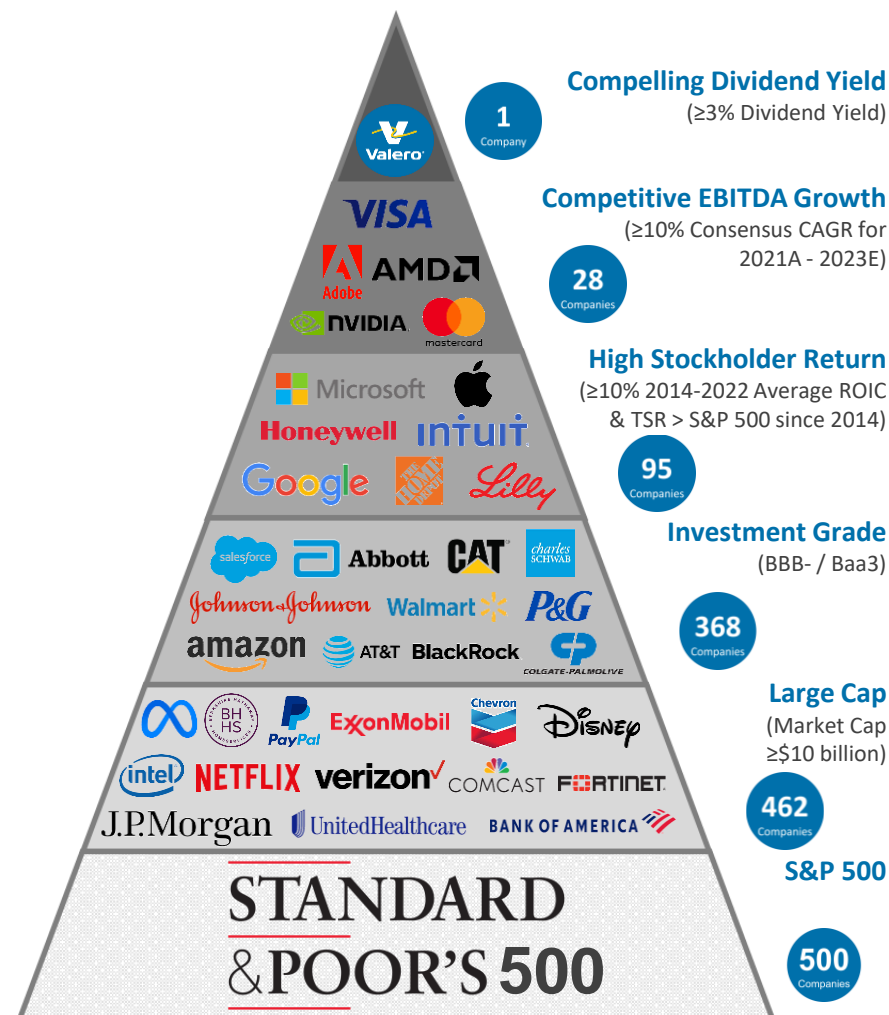
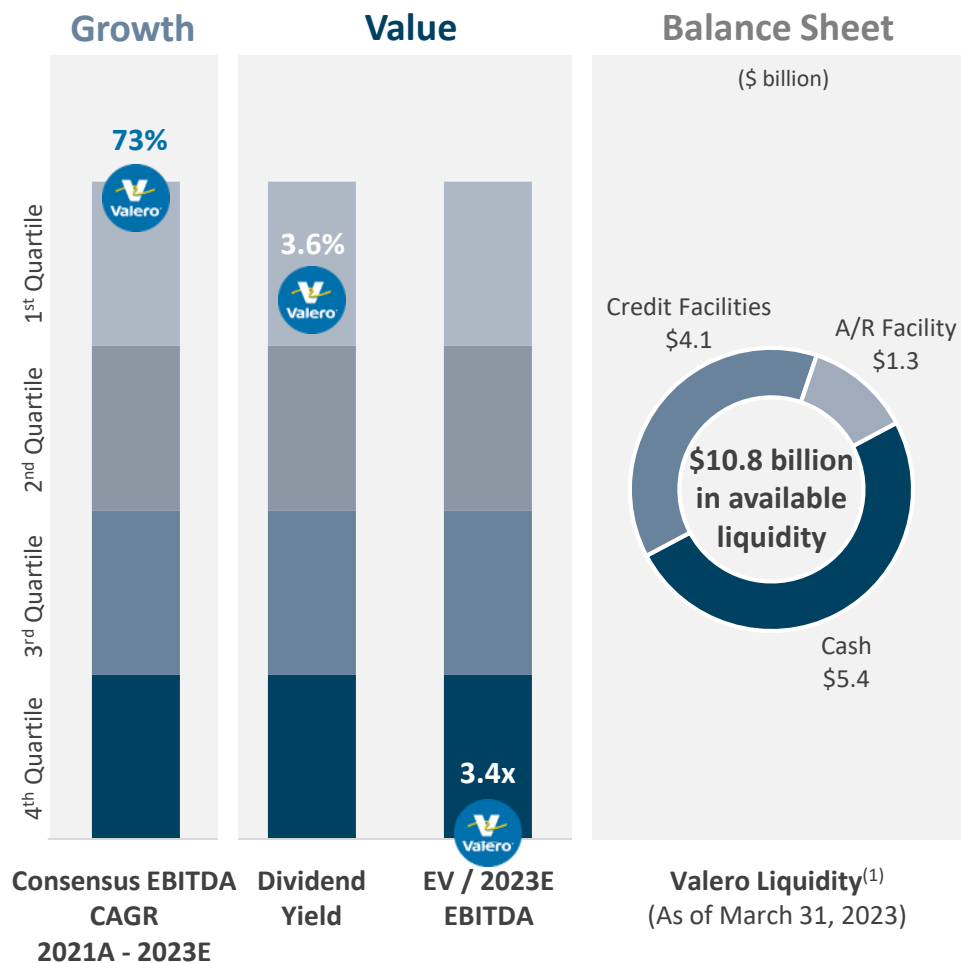


S&P 500 Free Cash Flow Volatility and Return Profile
2012 – 2022



Valero has demonstrated **higher average free cash flow** and **lower volatility in earnings** than other refiners, oil majors, the overall Energy sector, and several other S&P 500 sectors

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



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

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Notes

Payout Ratio

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

Light Products

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

Slides 4, 5, 28, and 29

Valero's Sustainable Accounting Standards Board (SASB) Report aligns its performance data with the recommendations of the SASB framework in the Oil and Gas – Refining and Marketing industry standard. A copy of Valero's SASB report, EEO-1 report and related disclosures, including further detail on our 2025 and 2035 scope 1 and 2 GHG emissions reduction targets and the independent verification we obtained can be found on pages 108 through 110 in Valero's ESG Report, which can be accessed on Valero's investor relations website at [Investorvalero.com](https://investorvalero.com).

Slides 6 and 7

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

Slide 13

U.S. Light-Duty Vehicle (LDV) Life Cycle Emissions study conducted by Southwest Research Institute – "Life Cycle Analysis Report" (2022) based on simulations performed using the GREET life cycle analysis tool. LDV with 12 year life and 160,000 miles travel, renewable diesel emissions are based on 100% waste oil based renewable diesel blend, electricity based on 2019 EIA average mix, and no battery replacement for 300 mile range electric vehicle. Vehicle class mix of 30% sedans, 20% crossovers, and 50% pickup/SUV trucks. Embedded emissions captures the emissions involved in the manufacturing, assembly, and production of the vehicle as well as maintenance items over the lifetime of the vehicle i.e. battery, fluids, ADR (assembly, disposal, and recycling), and components.

U.S. Heavy-Duty Long-Haul Vehicle (HDV) Life Cycle Emissions study conducted by Southwest Research Institute – "Life Cycle Analysis Report" (2022). Class 8 heavy-duty truck with a 1,000,000 mile (~15 years) lifetime, electric truck with a 500-mile battery range, electricity based on 2019 EIA average mix, one battery replacement, and diesel engine running on 100% waste oil based renewable diesel. Embedded emissions captures the emissions involved in the manufacturing, assembly, and production of the vehicle as well as maintenance items over the lifetime of the vehicle i.e. battery, fluids, ADR (assembly, disposal and recycling), and components.

Slide 14

California LCFS credit values are for 2023, assuming \$100 per metric ton carbon price. Renewable diesel peer reflects Neste Corporation.



Notes

Slides 15 and 22

Free cash flow is defined as net cash provided by operating activities less capital expenditures of VLO and DGD, deferred turnaround and catalyst cost expenditures, investments in joint ventures, and changes in current assets and liabilities. Average free cash flow reflects 2012 through the most recent annual filing. Average free cash flow as a percentage of market cap for PBF reflects years 2013 to 2022 due to its December 2012 IPO. Volatility expressed as coefficient of variance, or the standard deviation divided by the mean, of the respective metric on a quarterly basis from the first quarter of 2012 through the fourth quarter of 2022. EBITDA is defined as net income (loss) plus income tax, net interest and depreciation and amortization. Refining peer group includes PSX, MPC, DINO, and PBF. Oil majors include XOM, CVX, COP and EOG.

Slide 16

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

Slide 17

Industry benchmarking and Valero's performance statistics from Solomon Associates and Valero.

Slide 19

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

Slide 23

TSR from December 31, 2014 through April 28, 2023 includes stock price appreciation and dividends paid. EV / EBITDA and CAGR based on consensus estimates.

Slide 31

VLO Refining system used as a proxy for U.S. refining and compared to a European refinery with similar processing unit configuration. Platts Houston Ship Channel natural gas price quotes used for the U.S. and the ICE UK National Balancing Point quotes used for Europe. Historical natural gas price impact based on 2019 prices. VLO Refining natural gas consumption is ~900,000 MMBtu per day, of which 63% is operating expense and the balance is cost of goods sold.

Slide 32

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

Slide 34

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



VLO Guidance

2Q23⁽¹⁾

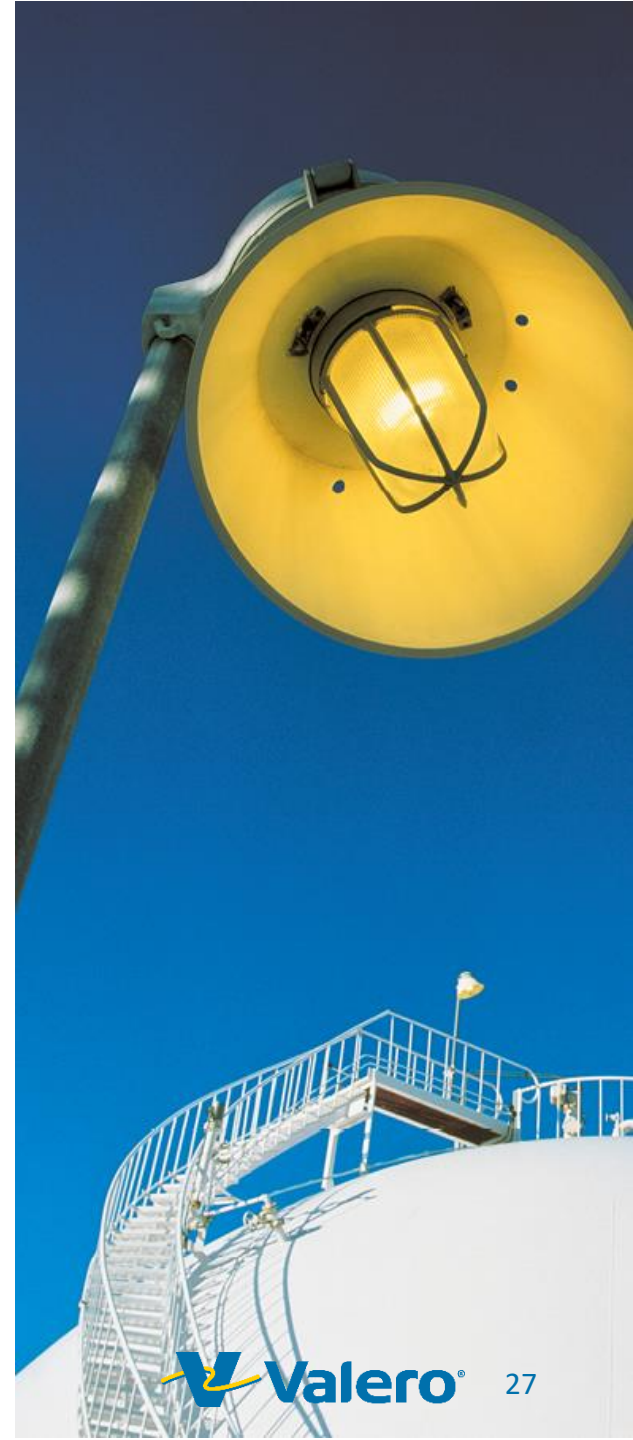
• Throughput (MBPD)	
– U.S. Gulf Coast	1,730 to 1,780
– U.S. Mid-Continent	405 to 425
– North Atlantic	450 to 470
– U.S. West Coast	250 to 270
• Refining cash operating expense per barrel of throughput	\$4.60
• Ethanol	
– Production (millions of gallons per day)	4.2
– Operating expense per gallon of production	\$0.40
• Cash opex	\$0.35
• Non-cash opex	\$0.05
• Depreciation and amortization expense (\$MM)	\$670
• Net interest expense (\$MM)	\$145

Full Year 2023⁽¹⁾

• Renewable Diesel	
– Sales volume (million gallons)	1,200
– Operating expense per gallon of production	\$0.49
• Cash opex	\$0.30
• Non-cash opex	\$0.19
• Payout ratio ⁽²⁾ of adjusted net cash provided by operating activities	40 to 50%
• General and administrative expense (\$MM)	\$925
• Annual capital investments attributable to Valero (\$MM)	~\$2,000

⁽¹⁾ Unless otherwise stated, guidance as provided on the 1Q23 earnings call and is included here for informational purposes only.

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



A Commitment to Environmental Stewardship, Beyond Regulations

E

ENVIRONMENTAL

Reducing, Reusing, Recycling, and Repurposing

Flare-gas recovery systems result in more than **96% flaring-free** operations



Recycled more than **17 times the amount of fresh water** consumed in refining operations in 2021



Real-time air quality screenings are conducted at **refineries** and **fence-line communities**



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



Carbon Capture

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



Renewable diesel **reduces life cycle GHG emissions up to 80%**⁽¹⁾⁽²⁾



High-octane low-carbon fuel, ethanol reduces **life cycle GHG emissions by at least 30%**⁽²⁾



Cellulosic ethanol: Using **enzymes to convert fiber** into fuel further reduces carbon intensity to **high 20s**

A drop-in fuel, renewable diesel is primarily produced from **used cooking oil, animal fats** and **inedible corn oil**

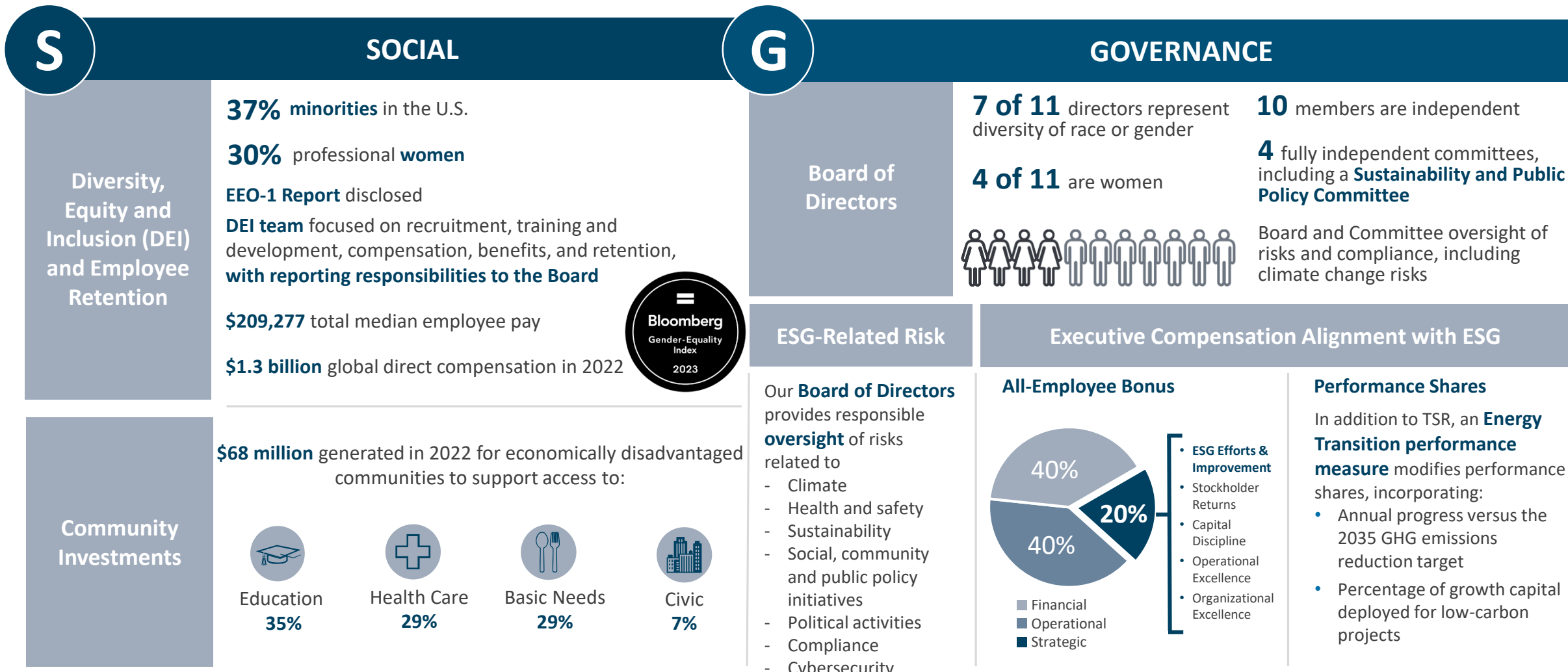
Developing a large-scale **carbon capture project** connecting to eight of our **ethanol plants**, providing **an economic path to reduce carbon intensity** of our ethanol **by more than 40%**

ESG Disclosures

- **Annual ESG Report**, including **SASB** report, **EEO-1**, **GHG emissions Scope 1 and 2** and **Net Scope 3 Intensity** and **independent verification**
- **2022 TCFD Report**, including **independent assessment** of Valero's **resiliency** under IEA's Net Zero by 2050 Scenario and value chain analysis of Scope 3 emissions
- **Climate-Lobbying Alignment analysis**
- **Environmental Justice Audit and Racial Equity reports**

See details at [Valero.com > Investors > ESG](https://www.valero.com/investors/esg)

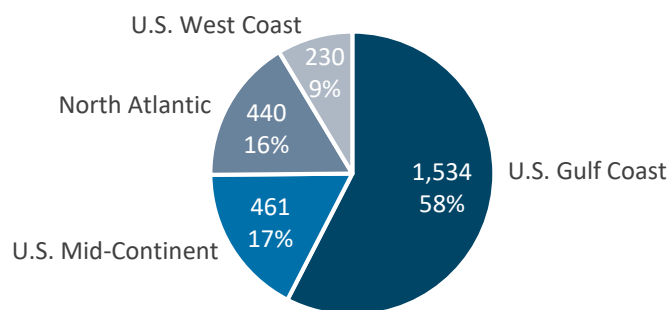
Sharing Our Success with the Communities where we Operate with Strong Governance and Ethical Standards



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

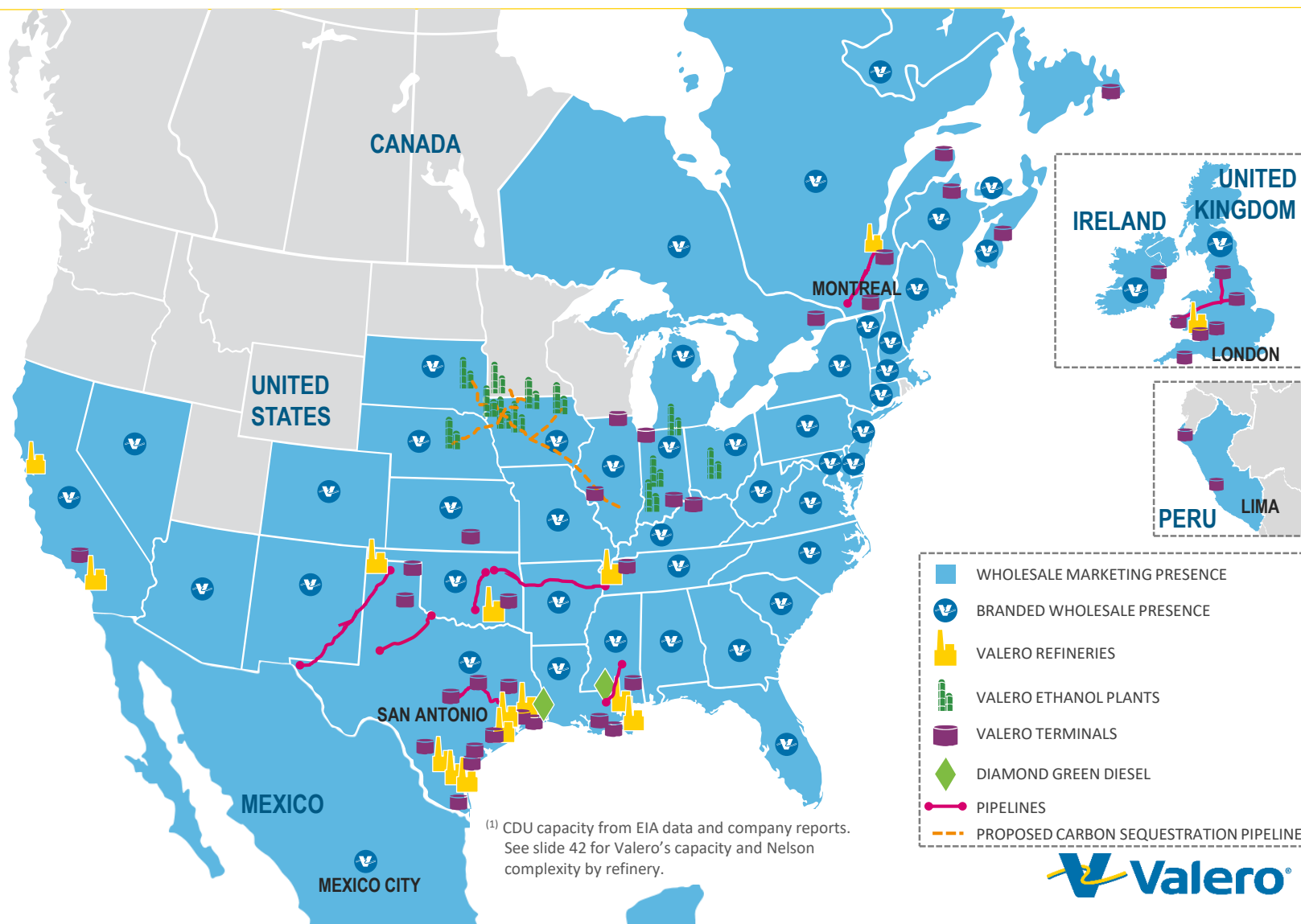
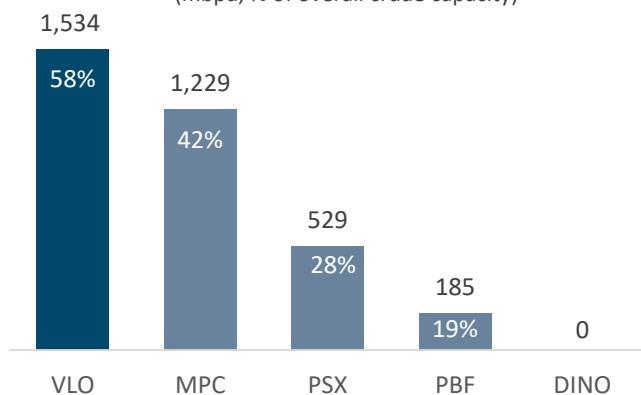
2.7 mmbpd Refining Capacity

(mmbpd, % of overall crude capacity)



Gulf Coast Refining Capacity⁽¹⁾

(mmbpd, % of overall crude capacity)



U.S. Natural Gas Provides Operating Expense and Feedstock Cost Advantages for U.S. Refiners

Historical: 2019 Natural Gas Impact

(\$ per barrel of throughput)

~\$1 per barrel
U.S advantage versus
Europe

\$0.76

U.S.

\$1.50

Europe

Current: 1Q23 Natural Gas Impact

(\$ per barrel of throughput)

~\$4 per barrel U.S.
advantage versus
Europe

\$0.68

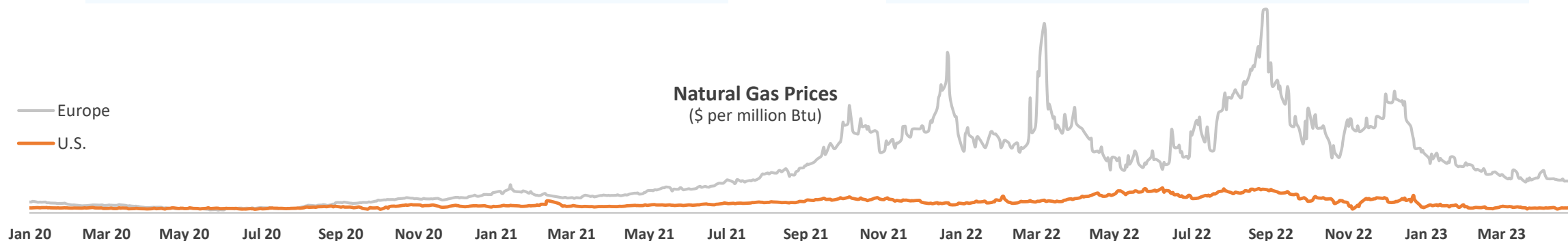
U.S.

\$4.90

Europe

Natural Gas Prices (\$ per million Btu)

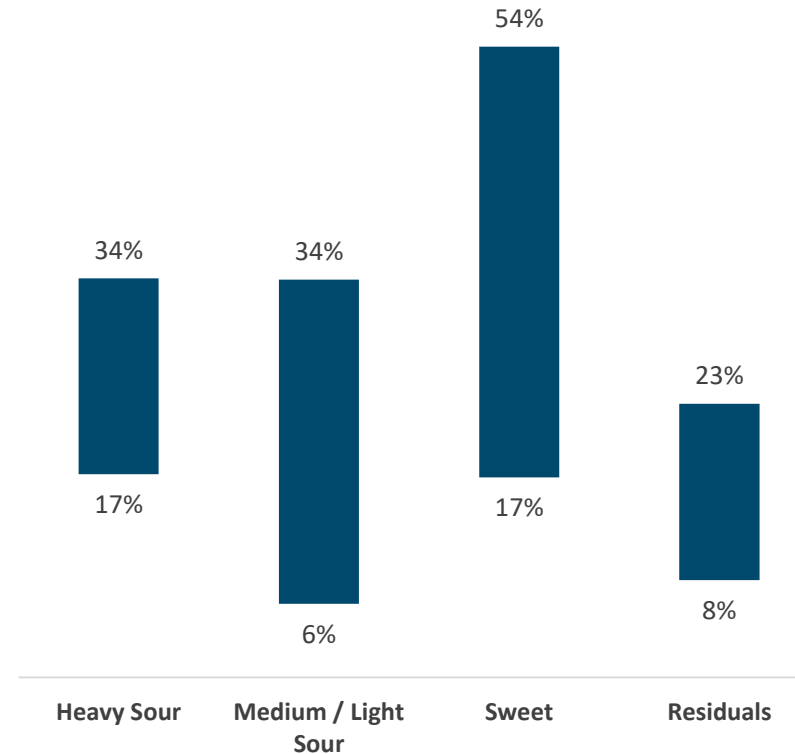
— Europe
— U.S.



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



Valero U.S. Gulf Coast Feedstock Ranges
(2012 through 1Q23)



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



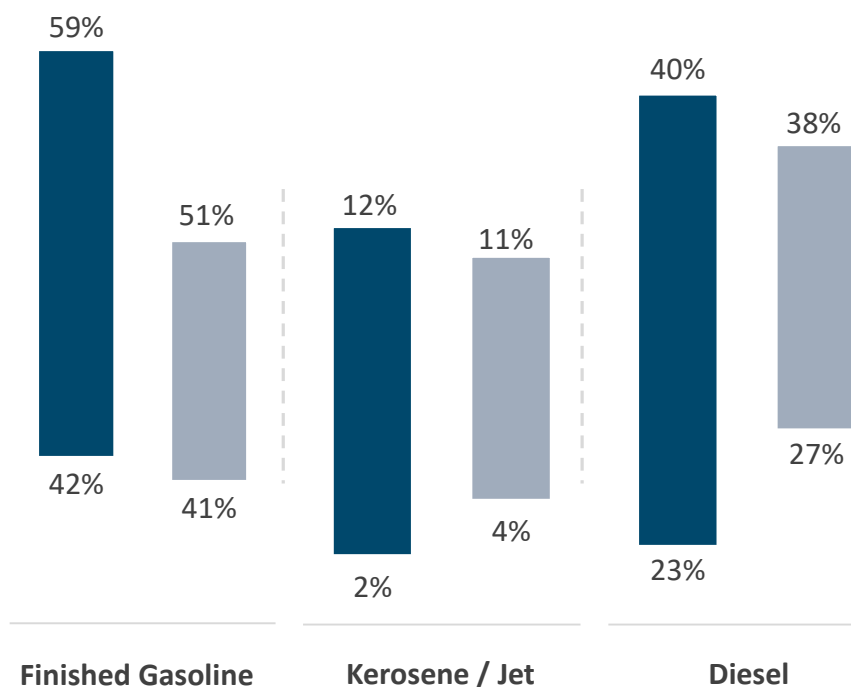
Operational Flexibility and Refinery Optimization Provide Competitive Advantage

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

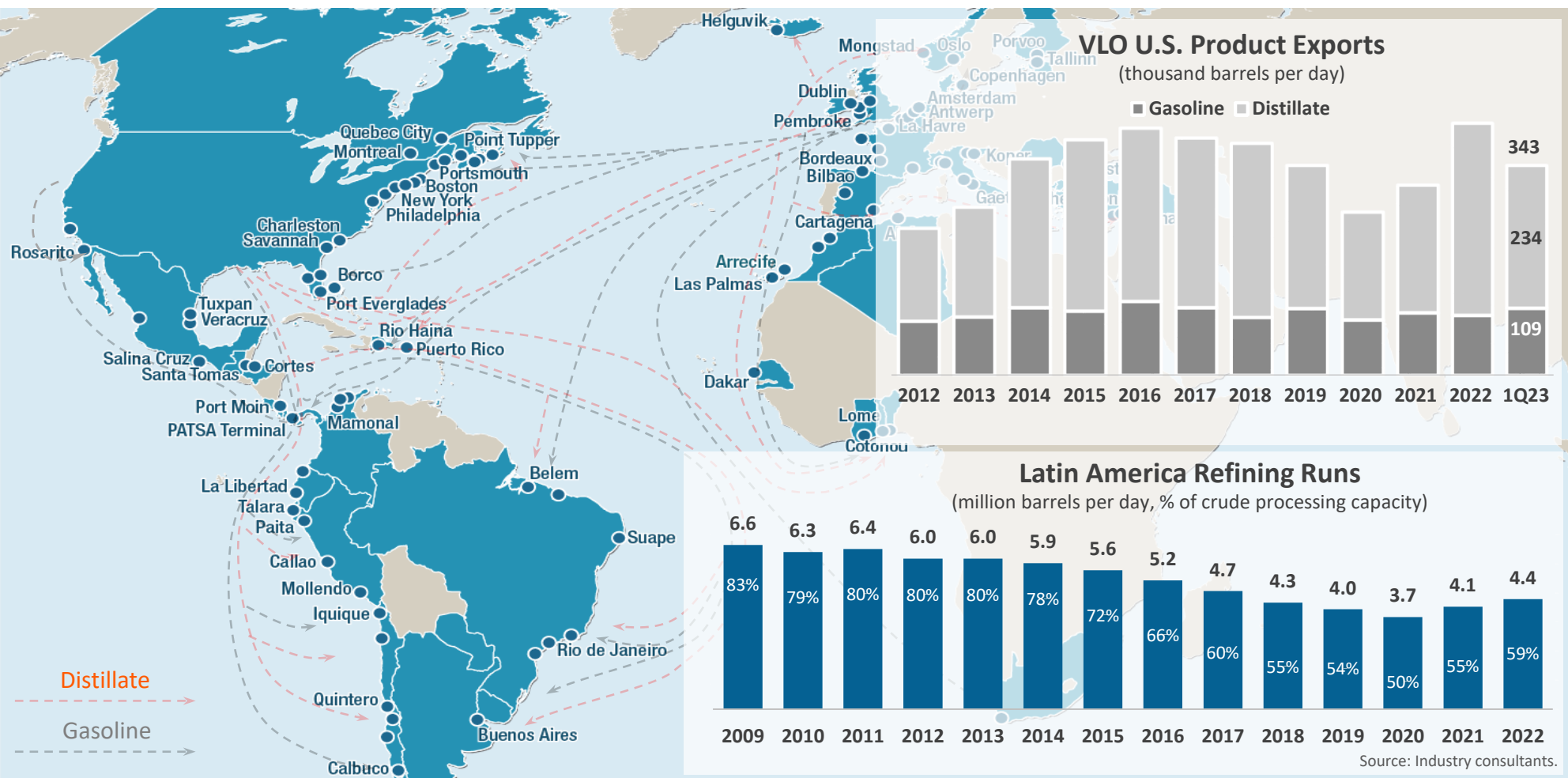
2012 – 2023 Refinery Product Yield Ranges

(monthly averages)

■ VLO ■ Industry



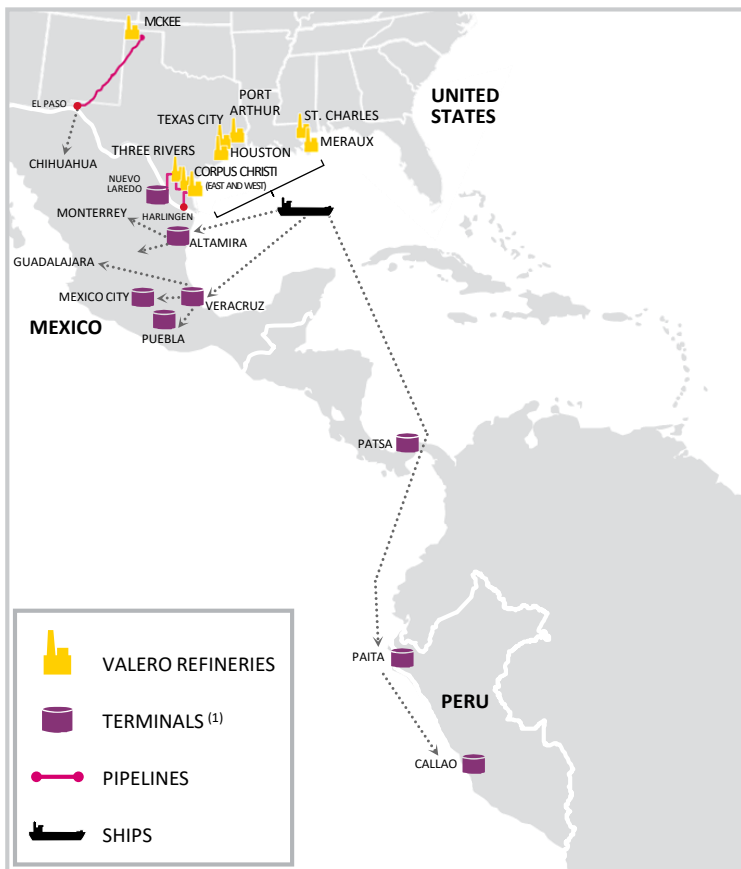
Competitive Global Light Products Supply



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

Investing to Grow Product Exports into Higher Netback Markets

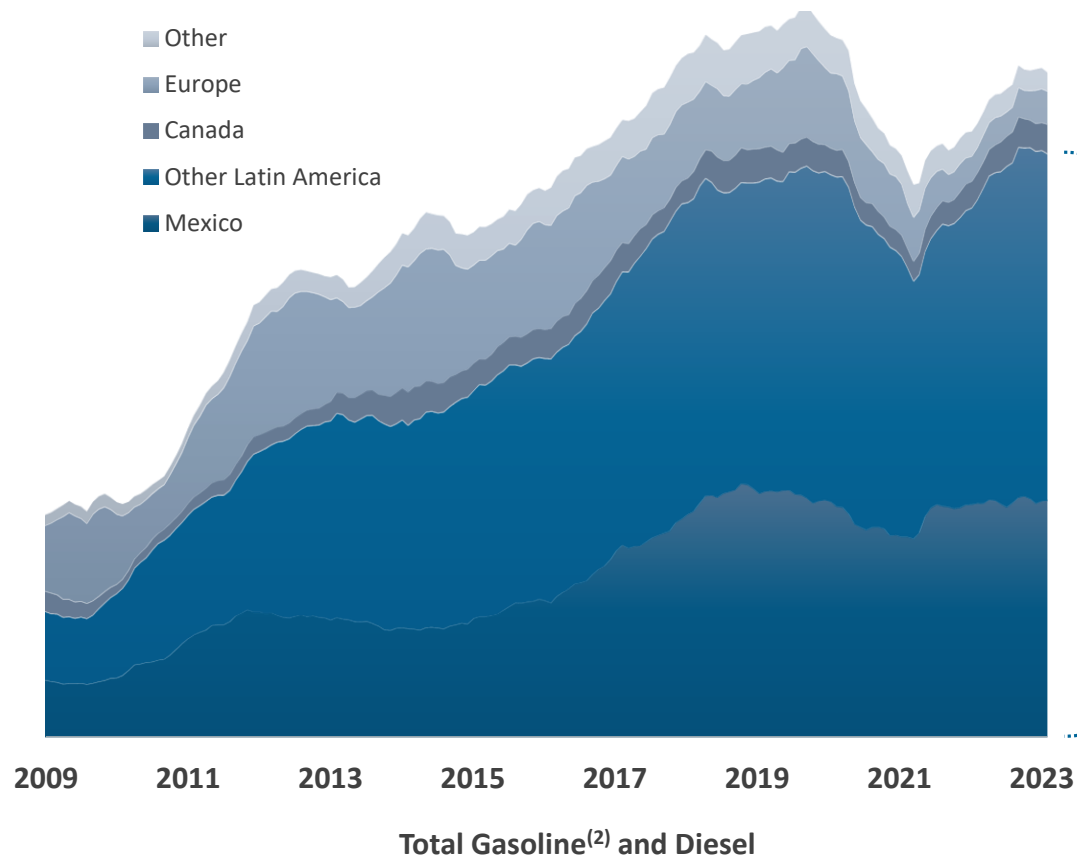
Advantaged Refineries and Logistics



⁽¹⁾ Reflects Valero's current and anticipated future terminals (owned or leased).

U.S. Product Exports

(12-month moving average, mbpd)



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

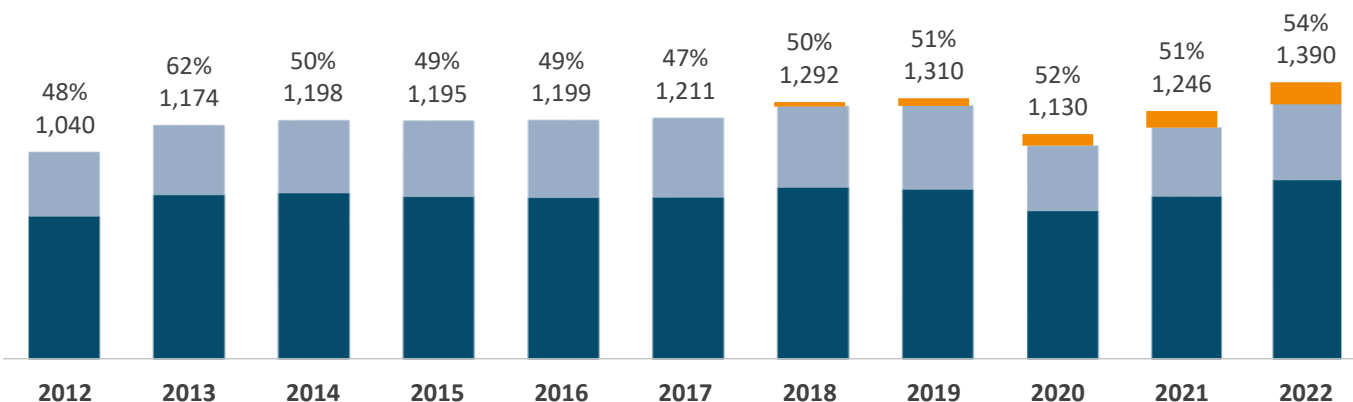


Ratable Global Wholesale Supply Through an Extensive Marketing Network

Valero's Global Wholesale Volumes

(% of total light products production, mbpd)

■ U.S.⁽¹⁾ ■ Europe and Canada⁽²⁾ ■ Latin America⁽³⁾



1.2 million barrels per day of ratable wholesale supply

>50% of our light products production

Stable branded and unbranded demand

Rack blending partially offsets our RVO compliance costs

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



BEACON



~7,000 outlets carry our brand names

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

⁽²⁾ Europe and Canada volumes include jet fuel.

⁽³⁾ Peru volumes include jet fuel.



Valero's Logistics Assets



- **Over 3,000 miles of active pipelines**
- Central Texas Pipeline started up in 2019
- Sunrise Pipeline expansion started up in 2018
- **Over 130 million barrels** of active **shell capacity** for crude oil and products
- **Over 200 truck** rack **bays**
- Pasadena terminal completed in 2020
- **Approximately 5,200 railcars**
- Expected to serve long-term needs of ethanol, asphalt, aromatics, and other products
- **Over 50 docks**
- **Two Panamax class vessels** (joint venture)



Operations



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



Outlook



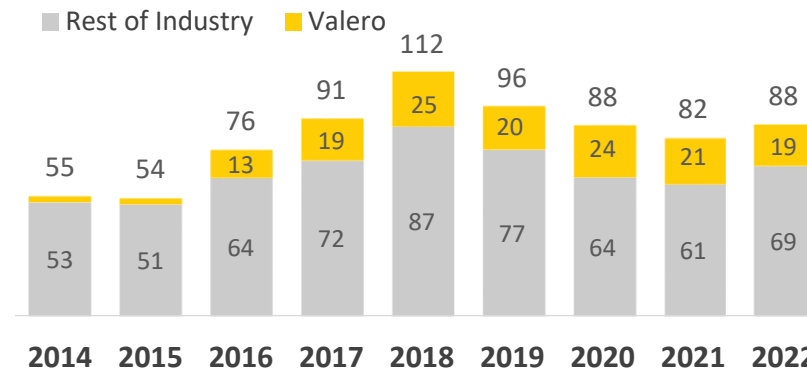
- Ethanol will remain a significant part of the **domestic fuel mix**
- Global renewable fuel mandates should drive **export growth**, such as Canada's new CFR regulation
- Executing **carbon sequestration projects**
 - **45Q Tax Credit** provides economic incentive
 - **LCFS** provides higher value for the **lower carbon intensity ethanol**
- Evaluating **Ethanol-to-Jet** project after startup of carbon sequestration project

Ethanol



U.S. Fuel Ethanol Exports

(mbpd)



Investing to Upgrade Product Value

Houston and St. Charles Alkylation Units

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



Capacity at Houston refinery
started up in 2019



Capacity at St. Charles refinery
started up in 2020



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

GROWTH PROJECTS FOCUSED ON OPTIMIZATION AND MARGIN CAPTURE

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

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

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

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

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

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

Reversal and extension in service 2021

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

GROWTH PROJECTS FOCUSED ON COST CONTROL AND MARGIN EXPANSION

Wilmington cogeneration unit started up in 2017

Pembroke cogeneration unit started up in 2021

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



Diamond Pipeline



Wilmington Cogeneration Plant

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

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

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

Pasadena refined products terminal joint venture

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

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

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



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

Our Refining Capacity and Nelson Complexity

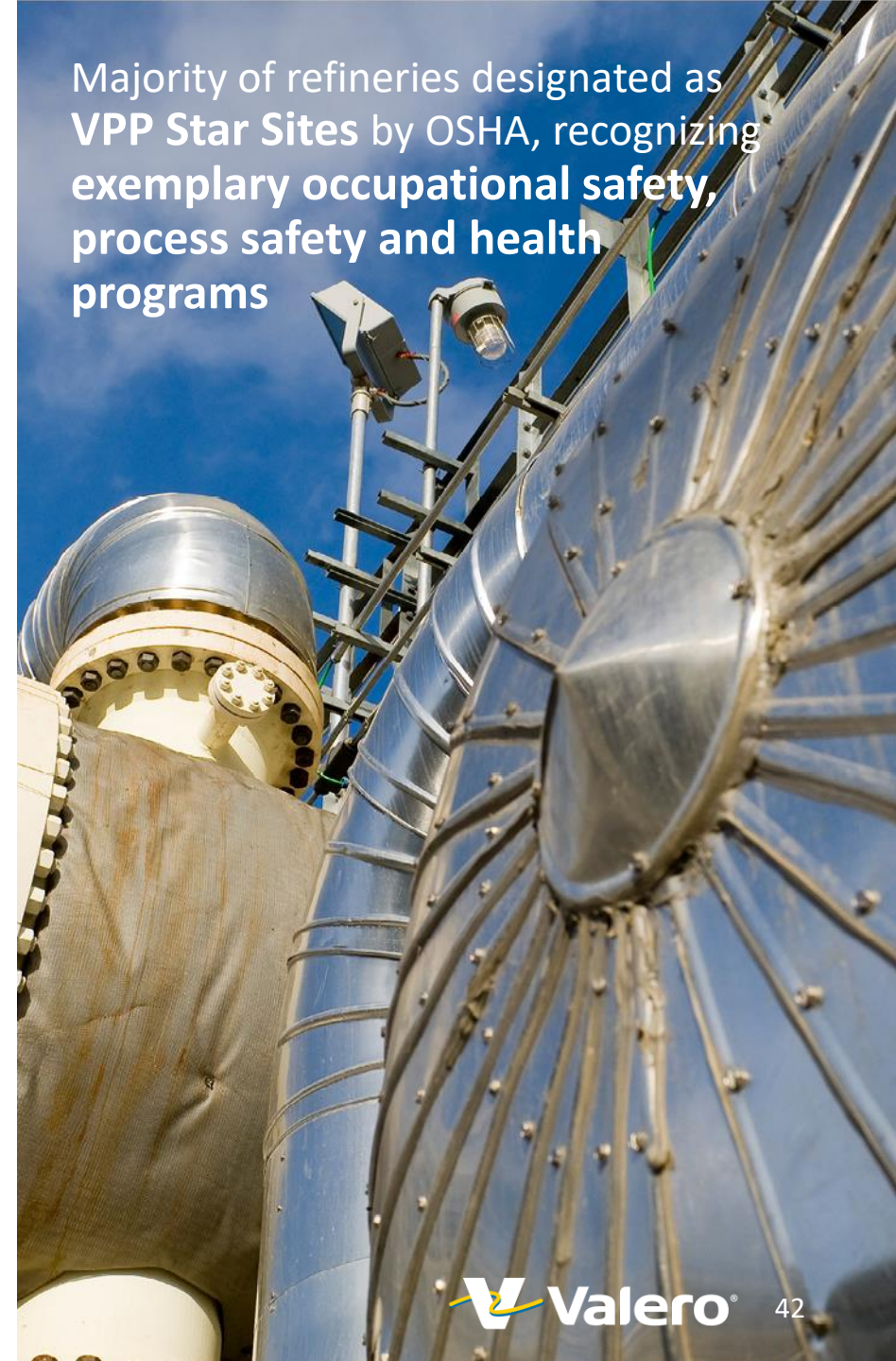
Refinery	Capacities (mbpd) ⁽¹⁾		Nelson Complexity Index ⁽¹⁾
	Throughput	Crude	
Corpus Christi ⁽²⁾	370	290	14.4
Houston	255	205	8.0
Meraux	135	125	9.7
Port Arthur	435	385	13.7
St. Charles	340	215	17.4
Texas City	260	225	11.1
Three Rivers	100	89	13.2
U.S. Gulf Coast	1,895	1,534	12.9⁽³⁾
Ardmore	90	86	12.1
McKee	200	195	8.3
Memphis	195	180	7.9
U.S. Mid-Continent	485	461	8.9⁽³⁾
Pembroke	270	210	10.1
Quebec City	235	230	7.7
North Atlantic	505	440	8.8⁽³⁾
Benicia	170	145	16.1
Wilmington	135	85	15.8
U.S. West Coast	305	230	16.0⁽³⁾
Total	3,190	2,665	11.8⁽³⁾

⁽¹⁾ Capacities and Nelson complexity indices as of April 2023.

⁽²⁾ Represents the combined capacities of two refineries—Corpus Christi East and Corpus Christi West.

⁽³⁾ Weighted average.

Majority of refineries designated as VPP Star Sites by OSHA, recognizing exemplary occupational safety, process safety and health programs



Now vs. Then – A Shift In Valuation

In the Past

INDUSTRY/MACRO

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

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

VALERO

New Paradigm

INDUSTRY/MACRO

- Majority of the U.S. refining capacity operated by independent refiners
- EV/EBITDA multiple expansion and dispersion by company
- Peer group of larger scale, efficient and complex refiners
- Abundant supply of domestic crude oil and natural gas providing feedstock advantage
 - U.S. exporting products to higher growth markets
 - Lower interest rates (10-yr Treasury <4%)

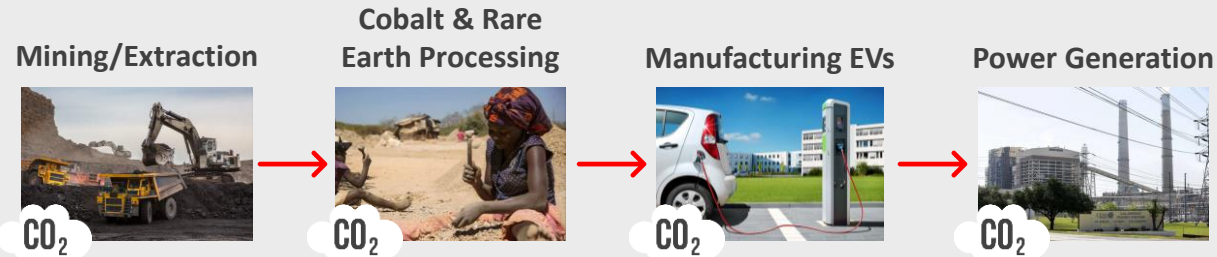
VALERO

- Expanding our long-term competitive advantage with investments in economic low-carbon projects
 - First quartile operating performance amid stable, upgraded portfolio with the lowest cash operating expense
 - Advantaged operations and scale
- Disciplined capital investment and growth strategy
 - Rigorous M&A targeting and screening process
 - 25% after-tax IRR hurdle rate for projects focused on operating cost reduction, margin enhancement and market expansion. \$2.0 to \$2.5 billion annual capital investments attributable to Valero.
- Distinctive free cash flow and higher stockholder returns
 - Annualized dividend of \$4.08/share
 - \$10.8 billion of liquidity as of March 31, 2023
 - Approximately 362 million shares outstanding as of April 21, 2023
- Lower volatility in earnings and free cash flow

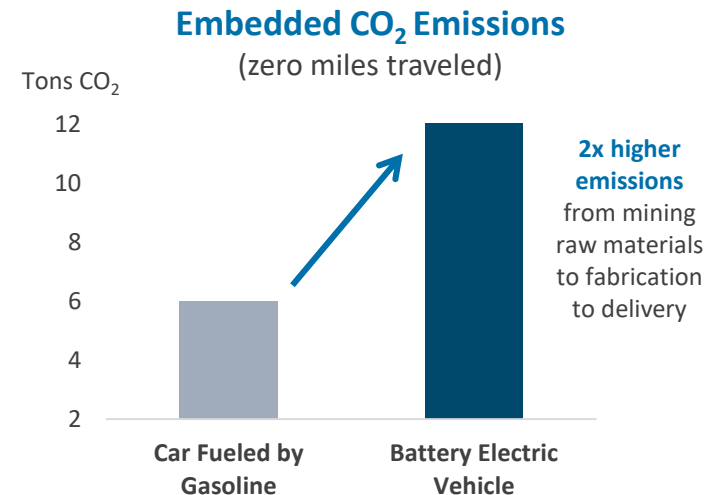
Electric Vehicle (EV) Myth: Zero Emissions



Fact: Significant Emissions from EV Life Cycle



- Life cycle emissions from EVs are significant from mining raw materials to fabrication to delivery to the showroom
 - Two times as much CO₂ emissions are generated compared to cars fueled by gasoline
 - Before it leaves the showroom, 12 tons of CO₂ emissions have already been generated vs. 6 tons of CO₂ emissions from cars fueled by gasoline
- 25 tons of CO₂ emissions are needed to make an EV that can drive a similar range as a car fueled by gasoline
- "The problem is that batteries are big and heavy. The more weight you're trying to move, the more batteries you need to power the vehicle. But the more batteries you use, the more weight you add—and the more power you need. Even with big breakthroughs in battery technology, electric vehicles will probably never be a practical solution for things like 18-wheelers, cargo ships, and passenger jets. Electricity works when you need to cover short distances, but we need a different solution for heavy, long-haul vehicles"* – GatesNotes
- Southwest Research Institute Ted Talk, presented by Graham Conway



Before it leaves the showroom, an EV emits twice the CO₂ emissions compared to a car fueled by gasoline

Non-GAAP Disclosures

Return on Invested Capital (ROIC)

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

Adjusted EBITDA

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

Renewable Diesel Net Cumulative Cash Flow

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



Non-GAAP Disclosures

Renewable Diesel Adjusted EBITDA per Gallon

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

Ethanol Segment Adjusted EBITDA per Gallon

Ethanol adjusted EBITDA is defined as Ethanol operating income excluding depreciation and amortization expense and the effect of special items that VLO believes are not indicative of its core operating performance and that may obscure VLO's underlying business results and trends. VLO believes adjusting for these items provides improved comparability between periods. Ethanol adjusted EBITDA per gallon is Ethanol adjusted EBITDA divided by the ethanol production volume for the period. Production volumes are calculated by multiplying production volumes per day by the number of days in the applicable period.

Free Cash Flow

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



Non-GAAP Disclosures

Adjusted Net Cash Provided by Operating Activities

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

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

Capital Investments Attributable to Valero

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

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



Non-GAAP Disclosures:

Return on Invested Capital (ROIC)

RETURN ON INVESTED CAPITAL (ROIC) (in millions)

Year Ended December 31,

2014

2015

2016

2017

2018

2019

2020

2021

2022

Numerator:

Net income (loss) attributable to VLO stockholders		\$3,990	\$2,289	\$4,065	\$3,122	\$2,422	(\$1,421)	\$930	\$11,528
Total effect of special items after-tax		624	(565)	(1,783)	113	(61)	238	221	48
Adjusted net income (loss) attributable to VLO		4,614	1,724	2,282	3,235	2,361	(1,183)	1,151	11,576
Plus: adjusted net interest expense after-tax		274	283	295	357	355	442	464	410
Adjusted net income (loss) attributable to VLO before adjusted net interest expense after-tax (A)		4,888	2,007	2,577	3,592	2,716	(741)	1,615	11,986

Denominator:

Current portion of debt	606	127	115	122	238	494	723	1,264	1,109
Debt and finance leases, less current portion	5,780	7,208	7,886	8,750	8,871	9,178	13,954	12,606	10,526
Less: debt issue costs - non-bank debt (ASU 2015-15)	(33)	-	-	-	-	-	-	-	-
Less: debt and finance leases attributable to VIEs	(29)	(193)	(576)	(954)	(1,138)	(384)	(630)	(1,107)	(1,618)
Debt attributable to VLO	6,324	7,142	7,425	7,918	7,971	9,288	14,047	12,763	10,017
VLO stockholders' equity	20,677	20,527	20,024	21,991	21,667	21,803	18,801	18,430	23,561
Less: adjusted cash and cash equivalents	(3,419)	(3,982)	(4,563)	(5,671)	(2,747)	(2,473)	(3,152)	(4,086)	(4,713)
Total invested capital	\$23,582	\$23,687	\$22,886	\$24,238	\$26,891	\$28,618	\$29,696	\$27,107	\$28,865
Average invested capital (B)		\$23,635	\$23,287	\$23,562	\$25,656	\$27,755	\$29,157	\$28,401	\$27,986
ROIC (A / B)		21%	9%	11%	14%	10%	-3%	6%	43%
ROIC (8-year average)									14%

Non-GAAP Disclosures:

Adjusted EBITDA

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA (in millions)

	Year Ended December 31,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net income (loss)	\$2,080	\$2,728	\$3,711	\$4,101	\$2,417	\$4,156	\$3,353	\$2,784	(\$1,107)	\$1,288	\$11,879
Plus: Depreciation and amortization expense	1,549	1,720	1,690	1,842	1,894	1,986	2,069	2,255	2,351	2,405	2,473
Plus: Interest and debt expense, net of capitalized interest	314	365	397	433	446	468	470	454	563	603	562
Plus: Income tax expense (benefit)	1,626	1,254	1,777	1,870	765	(949)	879	702	(903)	255	3,428
Less: Income (loss) from discontinued operations	(1,034)	6	(64)	-	-	-	-	-	-	-	-
EBITDA	6,603	6,061	7,639	8,246	5,522	5,661	6,771	6,195	904	4,551	18,342
Adjustments:											
Aruba (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-
Asset impairment losses	86	-	-	-	56	-	-	-	-	24	61
Blender's tax credits	-	-	-	-	-	170	(12)	(158)	-	-	-
Environmental reserve adjustments	-	-	-	-	-	-	108	-	-	-	20
Gain on disposition of retained interest in CST Brands, Inc.	-	(325)	-	-	-	-	-	-	-	-	-
LCM inventory valuation adjustment (gain) loss	-	-	-	790	(747)	-	-	-	(19)	-	-
LIFO liquidation adjustment (gain) loss	-	-	(233)	-	-	-	-	-	224	-	-
Loss (gain) on early redemption and retirement of debt	-	-	-	-	-	-	38	22	-	193	(14)
Texas City Refinery fire expenses	-	-	-	-	-	-	17	-	-	-	-
Gain on sale of MVP interest	-	-	-	-	-	-	-	-	-	(62)	-
Modification of RVO	-	-	-	-	-	-	-	-	105	(1)	(104)
Pension settlement charge	-	-	-	-	-	-	-	-	-	-	58
EBITDA attributable to noncontrolling interest	3	(8)	(108)	(144)	(171)	(218)	(283)	(313)	(331)	(449)	(506)
Adjusted EBITDA attributable to VLO stockholders	\$6,692	\$5,728	\$7,298	\$8,892	\$4,660	\$5,613	\$6,639	\$5,746	\$883	\$4,256	\$17,857

Total Adjusted EBITDA attributable to VLO stockholders, 2012-2022

\$74,264

Number of Years, 2012-2022

11

Average Adjusted EBITDA attributable to VLO stockholders, 2012-2022

\$6,751

Non-GAAP Disclosures:

Renewable Diesel Net Cumulative Cash Flow

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

	Year Ended December 31,											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DGD's cumulative adjusted EBITDA attributable to VLO:												
Operating income (loss)		(\$5)	\$24	\$145	\$157	\$147	\$57	\$319	\$728	\$630	\$709	\$761
Plus: depreciation and amortization expense		-	9	18	20	28	29	29	51	45	58	126
EBITDA		(5)	33	163	177	175	86	348	779	675	767	887
Adjustments:												
BTC adjustments (2018-2019)		-	-	-	-	-	-	156	(156)	-	-	-
BTC adjustments (2017-2018)		-	-	-	-	-	160	(160)	-	-	-	-
DGD adjusted EBITDA		(5)	33	163	177	175	246	344	623	675	767	\$887
Our ownership interest		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
DGD's adjusted EBITDA attributable to VLO		(3)	17	82	89	88	123	172	312	338	384	444
DGD's cumulative adjusted EBITDA attributable to VLO (A)		(\$3)	\$14	\$96	\$185	\$273	\$396	\$568	\$880	\$1,218	\$1,602	\$2,046
DGD's cumulative capital investments attributable to VLO:												
Total DGD #1 Capital Investment	\$106	\$210	\$74	\$14	\$2	\$34	\$88	\$170	\$24	\$31	\$35	\$51
Total DGD #2 Capital Investment	-	-	-	-	-	-	-	22	136	481	411	28
Total DGD #3 Capital Investment	-	-	-	-	-	-	-	-	-	36	602	800
Total DGD Capital Investments	106	210	74	14	2	34	88	192	160	548	1,048	879
Our ownership interest	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
DGD's capital investments attributable to VLO	53	105	37	7	1	17	44	96	80	274	524	440
DGD's cumulative capital investments attributable to VLO (B)	\$53	\$158	\$195	\$202	\$203	\$220	\$264	\$360	\$440	\$714	\$1,238	\$1,678
DGD's net cumulative cash flow attributable to VLO (A-B)	(\$53)	(\$161)	(\$181)	(\$106)	(\$18)	\$53	\$132	\$208	\$440	\$504	\$364	\$368

Non-GAAP Disclosures:

Renewable Diesel Adjusted EBITDA per Gallon

RECONCILIATION OF DGD OPERATING INCOME TO DGD ADJUSTED EBITDA PER GALLON (in millions except for per gallon amounts)

	Year Ended December 31,							
	2015	2016	2017	2018	2019	2020	2021	2022
Operating income	\$157	\$147	\$57	\$319	\$728	\$630	\$709	\$761
Plus: depreciation and amortization expense	20	28	29	29	51	45	58	126
EBITDA	177	175	86	348	779	675	767	887
Adjustments:								
BTC adjustments (2018-2019)	-	-	-	156	(156)	-	-	-
BTC adjustments (2017-2018)	-	-	160	(160)	-	-	-	-
DGD adjusted EBITDA	\$177	\$175	\$246	\$344	\$623	\$675	\$767	\$887
DGD renewable diesel sales volumes (million gallons)	157	161	161	157	277	288	370	794
DGD adjusted EBITDA per gallon	\$1.13	\$1.09	\$1.53	\$2.19	\$2.25	\$2.34	\$2.07	\$1.12
Total DGD adjusted EBITDA per gallon, 2015 – 2022								\$13.72
Number of years, 2015 – 2022								8
Average DGD adjusted EBITDA per gallon, 2015 – 2022								\$1.72

Non-GAAP Disclosures:

Ethanol Segment Adjusted EBITDA per Gallon

RECONCILIATION OF ETHANOL SEGMENT OPERATING INCOME TO ETHANOL SEGMENT ADJUSTED EBITDA PER GALLON (in millions except for per gallon amounts)

	Year Ended December 31,													
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating income (loss)	\$165	\$209	\$396	(\$47)	\$491	\$786	\$142	\$340	\$172	\$82	\$3	(\$69)	\$473	\$110
Plus: depreciation and amortization expense	18	36	39	42	45	49	50	66	81	78	90	121	131	59
Ethanol segment EBITDA	183	245	435	(5)	536	835	192	406	253	160	93	52	604	169
Adjustments:														
Asset impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	61
LIFO liquidation adjustment	-	-	-	-	-	(4)	-	-	-	-	-	2	-	-
LCM inventory valuation adjustment	-	-	-	-	-	-	50	(50)	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-	1	1	1	3
Ethanol segment adjusted EBITDA	\$183	\$245	\$435	(\$5)	\$536	\$831	\$242	\$356	\$253	\$160	\$94	\$55	\$605	\$233
Production (million gallons)	540	1,102	1,223	1,086	1,202	1,249	1,397	1,406	1,450	1,500	1,558	1,313	1,442	1,411
Ethanol segment adjusted EBITDA per gallon	\$0.34	\$0.22	\$0.35	\$0.00	\$0.45	\$0.67	\$0.17	\$0.25	\$0.17	\$0.11	\$0.06	\$0.04	\$0.42	\$0.17
Total Ethanol segment adjusted EBITDA per gallon, 2009 – 2022														\$3.41
Number of years, 2009 – 2022														14
Average Ethanol segment adjusted EBITDA per gallon, 2009 – 2022														\$0.24

Non-GAAP Disclosures:

Capital Investments Attributable to Valero

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

	Year Ended December 31,										Three Months Ended March 31,	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capital expenditures (excluding VIEs)	\$2,721	\$2,040	\$2,076	\$1,607	\$1,261	\$1,269	\$1,463	\$1,627	\$1,014	\$513	\$788	\$175
Capital expenditures of VIEs:												
DGD	210	74	11	-	17	84	165	142	523	1,042	853	90
Other VIEs	-	7	66	11	-	26	124	225	251	110	40	-
Deferred turnaround and catalyst cost expenditures (excluding VIEs)	479	634	646	671	701	519	888	762	623	787	1,030	235
Deferred turnaround and catalyst cost expenditures of DGD	-	-	3	2	17	4	27	18	25	6	26	24
Investments in non-consolidated joint ventures	57	76	14	141	4	406	181	164	54	9	1	-
Total capital investments	3,467	2,831	2,816	2,432	2,000	2,308	2,848	2,938	2,490	2,467	2,738	524
Adjustments:												
DGD's capital investments attributable to the other joint venture member	(105)	(37)	(7)	(1)	(17)	(44)	(96)	(80)	(274)	(524)	(439)	(57)
Capital expenditures of other VIEs	-	(7)	(66)	(11)	-	(26)	(124)	(225)	(251)	(110)	(40)	-
Capital investments attributable to Valero	\$3,362	\$2,787	\$2,743	\$2,420	\$1,983	\$2,238	\$2,628	\$2,633	\$1,965	\$1,833	\$2,259	\$467

Non-GAAP Disclosures:

Sustaining Capex and Growth Capital Investments Attributable to Valero

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

	Year Ended December 31,											Three Months Ended March 31,
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sustaining Capital Investments Attributable to Valero:												
Sustaining capital expenditures (excluding VIEs)	\$1,525	\$1,413	\$1,232	\$1,459	\$1,418	\$1,300	\$1,896	\$1,693	\$1,095	\$1,085	\$1,313	\$315
Sustaining capital expenditures of VIEs:												
DGD	6	2	10	2	28	13	47	20	31	40	51	26
Other VIEs	-	-	-	-	-	-	-	-	-	4	3	-
Investments in non-consolidated joint ventures	-	-	-	-	-	-	-	-	-	-	1	-
Total sustaining capital investments	1,531	1,415	1,242	1,461	1,446	1,313	1,943	1,713	1,126	1,129	1,368	341
Adjustments:												
DGD's sustaining capital expenditures attributable to the other joint venture member	(3)	(1)	(5)	(1)	(14)	(7)	(24)	(10)	(15)	(20)	(25)	(13)
Sustaining capital expenditures of other VIEs	-	-	-	-	-	-	-	-	-	(4)	(3)	-
Sustaining capital investments attributable to Valero	\$1,528	\$1,414	\$1,237	\$1,460	\$1,432	\$1,306	\$1,919	\$1,703	\$1,111	\$1,105	\$1,340	\$328
Growth Capital Investments Attributable to Valero:												
Growth capital expenditures (excluding VIEs)	\$1,675	\$1,261	\$1,490	\$819	\$544	\$488	\$455	\$696	\$542	\$215	\$505	\$95
Growth capital expenditures of VIEs:												
DGD	204	72	4	-	6	75	145	140	517	1,008	828	88
Other VIEs	-	7	66	11	-	26	124	225	251	106	37	-
Investments in non-consolidated joint ventures	57	76	14	141	4	406	181	164	54	9	-	-
Total growth capital investments	1,936	1,416	1,574	971	554	995	905	1,225	1,364	1,338	1,370	183
Adjustments:												
DGD's growth capital expenditures attributable to the other joint venture member	(102)	(36)	(2)	-	(3)	(37)	(72)	(70)	(259)	(504)	(414)	(44)
Growth capital expenditures of other VIEs	-	(7)	(66)	(11)	-	(26)	(124)	(225)	(251)	(106)	(37)	-
Growth capital investments attributable to Valero	\$1,834	\$1,373	\$1,506	\$960	\$551	\$932	\$709	\$930	\$854	\$728	\$919	\$139
Low-Carbon Growth Capital Investments Attributable to Valero:												
DGD's growth capital expenditures attributable to Valero									\$258	\$504	\$414	
Other low-carbon growth capital investments									49	34	8	
Total low-carbon growth capital investments attributable to Valero									\$307	\$538	\$422	

Non-GAAP Disclosures:

Free Cash Flow

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES UNDER GAAP TO FREE CASH FLOW (in millions)

	Year Ended December 31,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net cash provided by operating activities	\$5,270	\$5,564	\$4,241	\$5,611	\$4,820	\$5,482	\$4,371	\$5,531	\$948	\$5,859	\$12,574
Less: Capital expenditures of VLO and DGD	2,931	2,121	2,153	1,618	1,278	1,353	1,628	1,769	1,537	1,555	1,641
Less: Deferred turnaround and catalyst cost expenditures	479	634	649	673	718	523	915	780	648	793	1,056
Less: Investments in joint ventures	57	76	14	141	4	406	181	164	54	9	1
Less: Changes in current assets and current liabilities	(302)	922	(1,810)	(1,306)	976	1,289	(1,297)	294	(345)	2,225	(1,626)
Free cash flow	\$2,105	\$1,811	\$3,235	\$4,485	\$1,844	\$1,911	\$2,944	\$2,524	(\$946)	\$1,277	\$11,502

Total free cash flow, 2012 – 2022	\$32,692
Number of years	11
Average free cash flow, 2012 – 2022	<u>\$2,972</u>

Non-GAAP Disclosures:

Adjusted Net Cash Provided by Operating Activities and Payout Ratio

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED NET CASH PROVIDED BY OPERATING ACTIVITIES (in millions)

	Year Ended December 31,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net cash provided by operating activities	\$5,270	\$5,564	\$4,241	\$5,611	\$4,820	\$5,482	\$4,371	\$5,531	\$948	\$5,859	\$12,574
Exclude:											
Changes in current assets and current liabilities	(302)	922	(1,810)	(1,306)	976	1,289	(1,297)	294	(345)	2,225	(1,626)
DGD's adjusted net cash provided by operating activities attributable to the other joint venture member	(3)	11	70	81	83	41	175	390	338	381	436
Adjusted net cash provided by operating activities (A)	\$5,575	\$4,631	\$5,981	\$6,836	\$3,761	\$4,152	\$5,493	\$4,847	\$955	\$3,253	\$13,764

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

	Year Ended December 31,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Purchases of common stock for treasury	\$281	\$928	\$1,296	\$2,838	\$1,336	\$1,372	\$1,708	\$777	\$156	\$27	\$4,577
Common stock dividends	360	462	554	848	1,111	1,242	1,369	1,492	1,600	1,602	1,562
Total payout (B)	\$641	\$1,390	\$1,850	\$3,686	\$2,447	\$2,614	\$3,077	\$2,269	\$1,756	\$1,629	\$6,139
Payout ratio (B/A)	11%	30%	31%	54%	65%	63%	56%	47%	184%	50%	45%



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