

Remaking Marathon

Unlocking the Full Value of Marathon Petroleum

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01

Executive Summary

Elliott's work and perspectives on Marathon

Why Are We Here?

*Marathon Petroleum has failed to realize the potential of its three world-class businesses: Refining, Midstream, and Retail. Through a separation of these businesses and improved operating performance, **Elliott believes that Marathon can unlock \$22 – \$40 billion of value.***⁽¹⁾

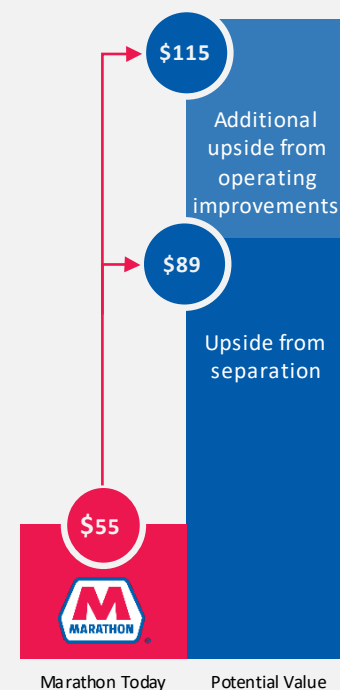
MARATHON TODAY

- ✎ **Underperforming:** Despite owning a collection of highly attractive businesses, Marathon's share price has meaningfully underperformed its peers. Since its spin-out as an independent entity in 2011, Marathon has underperformed its closest refining peer Valero by 149%
- ✎ **Undervalued:** Marathon has been chronically undervalued relative to the intrinsic value of its assets, with the discount to the sum-of-its-parts now near its widest level ever. The current share price implies Marathon's world-class refining business is being valued at less than 1x estimated 2020 EBITDA
- ✎ **Failed Strategy:** Marathon has committed to an integrated model, which has consistently obscured its underlying asset value and created complexity for investors
- ✎ **Constrained:** Each of Marathon's three businesses is limited in its growth potential by internal conflicts and lack of management focus. Further, Marathon is burdened by poor corporate governance which has failed to provide effective management oversight and has damaged credibility with shareholders

REMAKING MARATHON

- **Business Separation:** A separation of Marathon's three businesses would provide 61% upside. Further operating improvements would support a full upside potential of over 100%⁽¹⁾
 - **Refining:** By itself would be a \$29 billion enterprise value company⁽²⁾ with the best refining asset base in the US. Will be empowered to reinvigorate its commercial efforts and pursue operational excellence
 - **Midstream:** Has an enterprise value of more than \$50 billion and will be liberated to pursue expanded growth opportunities as an independent midstream operator
 - **Retail:** Day-1 would become the largest US-listed retail operator with numerous accretive growth opportunities, including growth in new regions and participating in M&A
- **Shareholder Credibility:** Each new company will have a natural opportunity to upgrade management and implement modern corporate governance best-practices

Value of Remaking Marathon



Remaking Marathon will immediately unlock value and pave the way for long-term success

1. Refer to pages 7 and 45 for supporting analysis.
2. Refer to page 44 for supporting analysis.

Elliott's History with Marathon

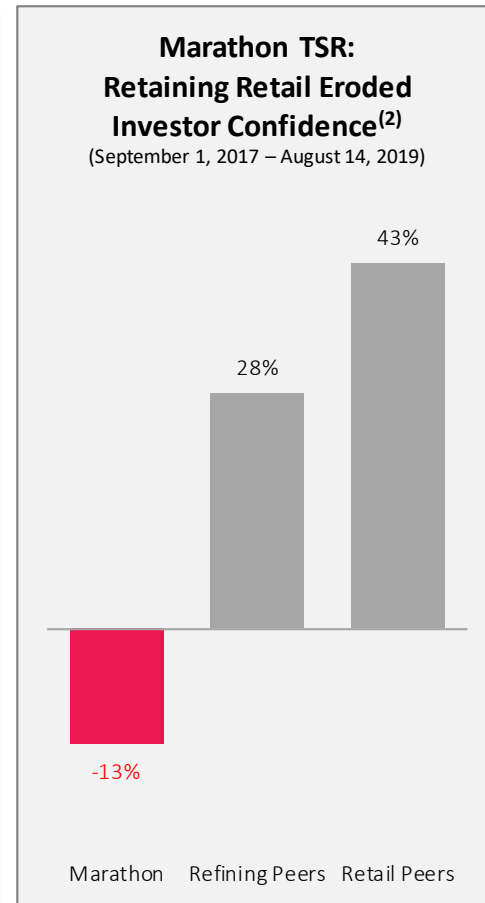
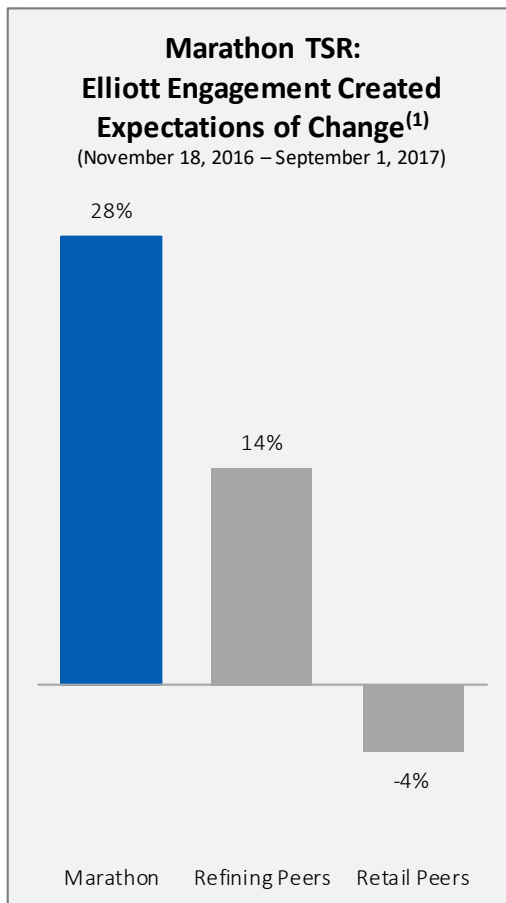
Elliott advocated for a simplification and separation of Marathon in 2016, but the Company failed to undertake an honest review of its portfolio as promised to its shareholders. As we learned in the Company's proxy statement regarding the Andeavor acquisition, Marathon was fully committed to its failed conglomerate model.

Initial Engagement and Compromise

- In the Fall of 2016, Elliott made two primary recommendations:
 1. Accelerate the simplification of MPLX
 2. Conduct a full strategic review of the Marathon structure including a tax-free separation of Speedway and MPLX
- As part of a settlement, Marathon agreed to:
 1. Proceed with an accelerated simplification of MPLX
 2. Conduct a "Full and Thorough Review" of its retail business

Disingenuous Speedway Review

- On September 5, 2017, Marathon announced that it had opted not to separate its retail business, citing implausible levels of associated costs
- It appears that the "Full and Thorough Review" was never serious. **Marathon was already nearly 6 months into the process of acquiring Andeavor** when the results of its review were announced – a move that further committed Marathon to its integrated model
- Marathon's move to retain its retail business eroded investor confidence that the Company would unlock the value embedded in its assets. Further, Marathon acquired Andeavor at a premium to its sum-of-the-parts value (a level Marathon stock has never seen, and will never see in its current structure)
- Since the announcement of the deal, Marathon has underperformed its refining peers by 23%⁽³⁾



Marathon's integrated strategy has failed despite enormous runway to make it work

Note: Refining peers comprised of VLO, HFC, and PSX. Retail peers comprised of ATD/B, CASY, and MUSA.

1. 11/18/16 (trading day prior to Elliott's public presentation on Marathon) – 9/1/17 (trading day prior to Marathon's announcement to retain retail assets).
2. 9/1/17 (trading day prior to Marathon's announcement to retain retail assets) – 8/14/19 (trading day prior to Elliott's 13F filing showing it had acquired a 4.6MM common stock position in the Company).
3. 4/27/18 (trading day prior to announcement of Andeavor acquisition) – 8/14/19 (trading day prior to Elliott's 13F filing).

What's Wrong with Marathon?

Marathon has a collection of terrific assets which are severely undervalued, mired in a cycle of underperformance, and tainted by poor corporate governance.

Poor governance and failing management have exacerbated Marathon's underperformance

Marathon has world-class assets in all three businesses...

Leading Refiner

- ✓ \$6.4 bn 2020E EBITDA (55% of total)⁽¹⁾
- ✓ #1 largest US refining system by capacity
- ✓ Market leading system complexity, well positioned for IMO 2020 upside

Growing Midstream

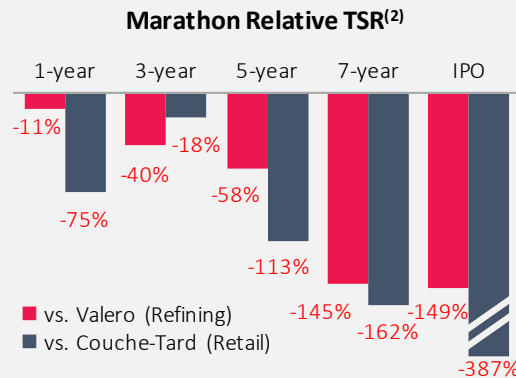
- ✓ \$5.5 bn 2020 EBITDA (29% of total)⁽¹⁾
- ✓ #4 largest US operator by TEV
- ✓ Primarily G&P and long haul assets not directly integrated with its refining operation

Nationwide Retailer

- ✓ \$1.8 bn 2020 EBITDA (16% of total)⁽¹⁾
- ✓ Would be #1 largest US-listed and focused convenience store operator
- ✓ Strong nationwide network with addition of Andeavor/ARCO assets
- ✓ Attractive growth opportunities in a consolidating market

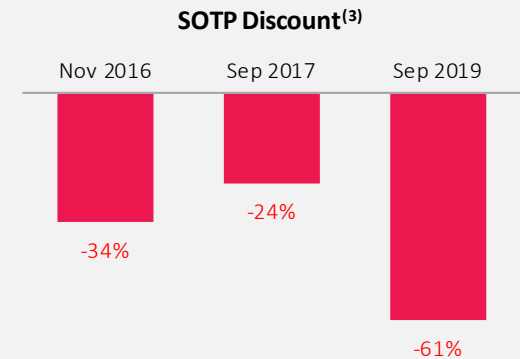
... but it has dramatically underperformed its peers...

Marathon claims its integrated model is preferable as it generates significant synergies and thus better returns. Yet its peers – in both refining and retail – are meaningfully outperforming Marathon.



...and is massively discounted relative to its intrinsic value

Marathon's discount to the sum-of-the-parts has always been wide. It is now near its widest level *after* the company decided to double-down on its integrated strategy with the acquisition of Andeavor. Quite simply, Marathon's integrated model is not working and **will never work**.



1. Percentages of parent EBITDA total assuming pro rata share of MPLX EBITDA. Refining and Retail EBITDA reflect pro rata allocation of corporate expenses.

2. Cumulative Total Shareholder Returns as of 8/14/19. Marathon IPO date assumed to be 6/23/11 (Marathon when-issued trading date).

3. Fully loaded for estimated separation costs. MPC discount based on market value of MPLX units, retail segment value based on peer observed forward EV/EBITDA (ATD/B, CASY and MUSA), and refining segment value based on average of estimated VLO and HFC merchant refining multiple (as implied by trading values at points in time, sell-side segment estimates, and assumed non-refining segment multiples or market value of peer MLP interests). Calculations as of 11/18/16 (trading day before Elliott public engagement), 9/1/17 (trading day before Speedway announcement), and 9/24/19. Each estimate based on balance sheet as of most recent reported quarter. For 2016 and 2017 values, midstream values/MLP holdings assumed pro forma for actual ultimate MLP units held by parent pro forma for drops and IDR elimination (MPLX/HEP) or pro forma for buy-in by parent (VLP). Corporate G&A costs for each operator allocated pro rata across non-midstream segments. 2016/2017 estimates based on average of JP Morgan and Barclays estimates. 2020 Estimates based on average of JP Morgan, Goldman Sachs, Bank of America Merrill Lynch, Evercore ISI, and Scotia Howard Weil (except where not covered).

Marathon Must Be Separated into Three Independent Companies

Splitting Marathon Unlocks Value

- | | |
|---|---|
| ○ Asset value is trapped in the conglomerate structure and is trading at a depressed valuation | ✓ Three <u>strong, independently managed</u> companies each highlighting the value of its business |
| ○ Current structure creates complexity and deters investors | ✓ <u>Simplified structure</u> and financial statements demonstrate each company's own growth and risk profile to investors |
| ○ Constraints on each business unit due to internal conflicts and lack of management focus | ✓ Each <u>company free to pursue the best path for value creation</u> unencumbered by internal constraints |
| ○ Poor shareholder rights, corporate governance concerns, and diminished management credibility | ✓ Each company presented with the <u>natural opportunity to establish modern governance practices</u> and improve shareholder credibility |

Favorable Separation Mechanics

- Following separation, Marathon shareholders will own shares in three independent, well-capitalized companies and realize value accretion



- Retail ownership can be distributed to Marathon shareholders via a tax-free spin-out
- MPLX ownership can be distributed to Marathon shareholders via a tax-free spin-out of shares in a new C-corp, following conversion of MPLX from its current MLP structure to a new corporate form
- Marathon refining will remain in the existing holding company, significantly de-levered with proceeds from new debt issued by Retail prior to the spin-out

Separation removes overhangs and creates three sustainable companies

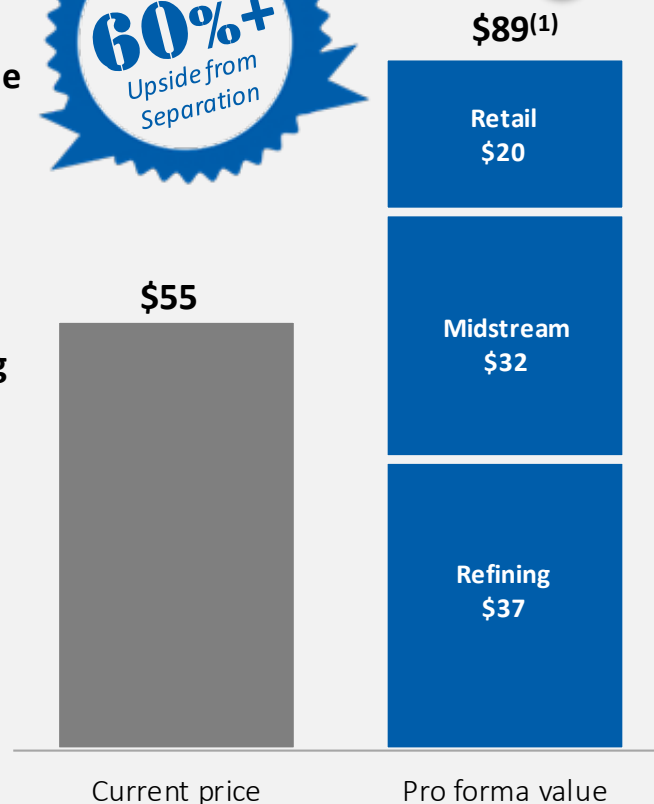
Unlocking Value Through a Separation

Marathon must initiate a public and transparent process to unlock the value of its businesses.

This excludes additional upside from operational improvements

Initial Steps to Remaking Marathon

- ✓ **Publicly commit to a full separation**
- ✓ **Form Special Committee of the Board to oversee the separation**
- ✓ **Develop leadership transition plan to identify independent, world-class leadership for each business**
- ✓ **Map out each company's key initiatives for creating value**
 - Refining: upgrade commercial capabilities and continue integration of Andeavor and Marathon legacy refining assets
 - Midstream: continue capital-disciplined growth program with go-forward focus on high-return Permian projects
 - Retail: continue accretive growth and store enhancements
- ✓ **Modernize corporate governance**
 - Adopt modern corporate governance best practices and improve the board of each company



Immediate value unlock and sustainable gains

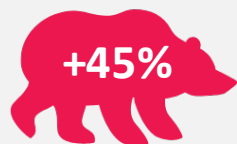
1. Value fully loaded for estimated separation costs. See footnote on page 7 for further detail on valuation assumptions.

Initial Upside From Separation

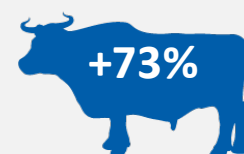
Marathon could see over 60% upside at the average peer refining and retail EBITDA multiples, and 45% upside even at the lowest peer refining and retail multiples.

MPC Share Price Upside Potential⁽¹⁾

		Refining EBITDA Multiple								improvement
				HFC		Avg.		VLO		
		3.50x	4.00x	4.07x	4.50x	4.60x	5.00x	5.13x	5.50x	
Retail multiple		8.50x	33%	42%	43%	50%	52%	59%	61%	68%
	MUSA	8.95x	35%	44%	45%	53%	54%	61%	63%	70%
		9.00x	35%	44%	45%	53%	55%	61%	64%	70%
		9.50x	38%	47%	48%	55%	57%	64%	66%	73%
		10.00x	40%	49%	50%	58%	60%	66%	69%	75%
	Avg.	10.27x	42%	50%	52%	59%	61%	68%	70%	76%
		10.50x	43%	52%	53%	60%	62%	69%	71%	78%
	ATD/B	10.79x	44%	53%	54%	62%	63%	70%	73%	79%
	11.00x	45%	54%	55%	63%	64%	71%	74%	80%	



Retail multiple



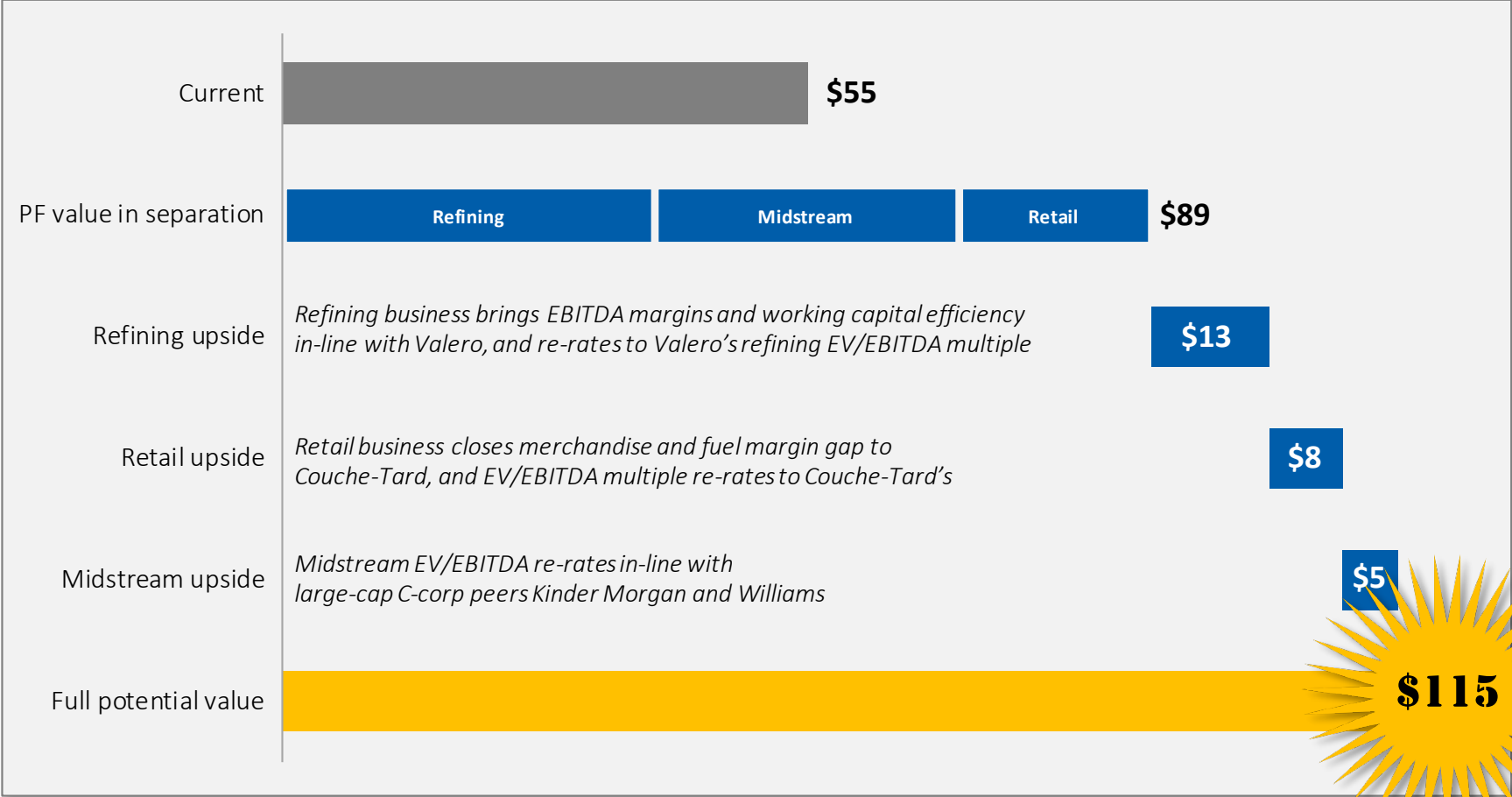
This excludes additional upside from operational improvements

Even the “bear” case of separation has 45% upside

1. Sum-of-the-parts implied value assuming MPLX interest at market value, net of estimated separation costs based on peer valuation as of 9/24/19. See footnote on page 7 for further detail on valuation assumptions.

Marathon's Full Potential With Operating Improvements

With each business under independent, best-in-class management, significant further upside could be achievable for Marathon beyond the initial value unlocked through a separation.⁽¹⁾



Full upside potential under effective, independent management could be 100%+

1. Refer to appendix for supporting calculations.

Remaking Marathon Benefits Each New Company

Each of Marathon's businesses has the size and asset quality to be a market leader in its sector on a standalone basis.



Midstream

- ✓ Will **retain its existing asset base and commercial relationships** with Marathon refining and retail under long-term contracts
- ✓ Will allow separate, independent MPLX **management team to fully focus on maximizing value for MPLX investors**, including current Marathon shareholders
- ✓ **Will increase third-party business development opportunities** on pipeline and terminal projects once not under direct control of a major competing refiner
- ✓ **Will open up midstream investment opportunities** without internal capital competition
- ✓ Proposed **C-corp structure will expand potential investor base** and public float will almost triple, supporting much-improved trading liquidity



Retail

- ✓ Will **retain its existing fuel supply agreement with Marathon** at fair market rates
- ✓ **Focused, independent management** will be able to proactively drive the business
- ✓ Will have the ability to invest in accretive growth with a **lower cost of capital** than inside a refining conglomerate
- ✓ **Organic growth opportunities**
 - *Continued repositioning of stores acquired in Andeavor merger*
 - *New store development*
 - *Expanded investment in food service options and other store enhancements*
 - *Mexico expansion*
- ✓ **M&A opportunities**
 - *Independent equity can provide attractive acquisition currency*



Refining

- ✓ Will **retain existing fuel supply and logistics agreements** with Retail and MPLX
- ✓ Will attract **independent, world-class management** including a reinvigorated commercial group that will be empowered to **aggressively pursue market opportunities**
- ✓ Will retain **ability to partner with third-party midstream operators** or invest directly in attractive new midstream projects
- ✓ Will maintain its commitment to **operational excellence** and continue to integrate and optimize Andeavor refining assets

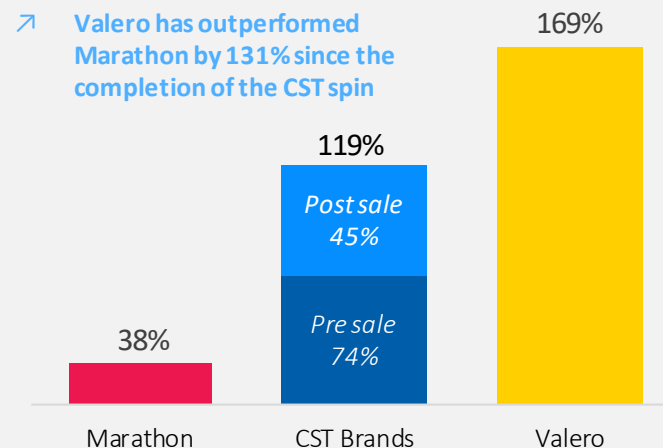
Each standalone business will be empowered to achieve its potential

Valero Case Study

Frustrated by the trapped value of its retail business, Valero's board took action to unlock substantial value.

- In July of 2012, Valero announced the separation of its retail business. On the day of the announcement, Valero outperformed Marathon by 5.8% and by an incremental 4.2% the following month
- On May 1, 2013, Valero spun out 80% of CST Brands to shareholders followed by a disposition of the remaining 20% on November 14, 2013. Valero and CST entered into a 15-year fuel supply agreement following the separation
- On August 22, 2016, CST announced its sale to Couche-Tard in an all-cash transaction, which closed on June 28, 2017. Shareholders who used the proceeds from the Couche-Tard transaction to reinvest in Couche-Tard stock have enjoyed significant additional value creation

Total Shareholder Return Since CST Brands Spin⁽¹⁾



"We believe a separation of our retail business from the remainder of Valero by way of a tax-efficient distribution will create operational flexibility within the businesses and unlock value for our shareholders... **As independent companies, both retail and the remaining business will be better-positioned to focus on their industry-specific strategies.**"

Bill Klesse, Valero Chairman and CEO
July 31, 2012

"The key takeaway from our recent road trip with management was palpable frustration over the market's failure to recognize underlying value in VLO's asset base. **We view this morning's move as the first step to gain recognition for assets that elsewhere are trading on substantially higher multiples.**"

Bank of America Merrill Lynch
July 31, 2012

"Valero's Board of Directors authorized management to pursue a separation of the company's retail business. **As independent companies, the new entities will be better positioned to execute more focused strategies.** Additionally, the separation will provide greater transparency to value."

ISI
August 1, 2012

1. Total return from CST when-issued trading date of 4/17/13 through 8/14/19. CST post-sale value assumes cash acquisition proceeds reinvested in Couche-Tard equity on close date of sale (6/28/17).

02

Marathon Must Be Remade

Poor shareholder returns, persistent undervaluation and governance concerns

Marathon Has Consistently and Significantly Underperformed its Peers⁽¹⁾

Marathon has meaningfully underperformed both Refining and Retail peers over its trading history.

Total Shareholder Return %

Refining Peers	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	IPO²	RET³	ANDV⁴
Valero Energy	(31)	23	57	30	73	153	262	411	331	18	(27)
HollyFrontier	(34)	63	81	(4)	10	26	53	90	105	42	(25)
Phillips 66	(17)	24	36	33	35	96	195	NA	NA	22	(9)
<i>Average</i>	<i>(27)</i>	<i>36</i>	<i>58</i>	<i>20</i>	<i>39</i>	<i>92</i>	<i>170</i>	<i>250</i>	<i>218</i>	<i>28</i>	<i>(20)</i>
Marathon	(42)	(10)	17	(10)	16	42	117	194	182	(13)	(43)
Difference	(15)	(47)	(41)	(30)	(24)	(49)	(53)	(57)	(36)	(41)	(23)

Retail Peers	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	IPO²	RET³	ANDV⁴
Casey's General Stores	47	58	28	60	149	156	194	328	301	59	72
Alimentation Couche-Tard	32	29	35	38	128	235	279	551	569	29	40
Murphy USA	8	34	22	84	75	136	NA	NA	NA	41	44
<i>Average</i>	<i>29</i>	<i>40</i>	<i>28</i>	<i>60</i>	<i>117</i>	<i>176</i>	<i>236</i>	<i>439</i>	<i>435</i>	<i>43</i>	<i>52</i>
Marathon	(42)	(10)	17	(10)	16	42	117	194	182	(13)	(43)
Difference	(71)	(51)	(11)	(70)	(102)	(134)	(120)	(245)	(253)	(56)	(95)

“Our integrated business model allows for differentiated results.”

Gary Heminger
December 4, 2018

Clear evidence that the integrated model is not working

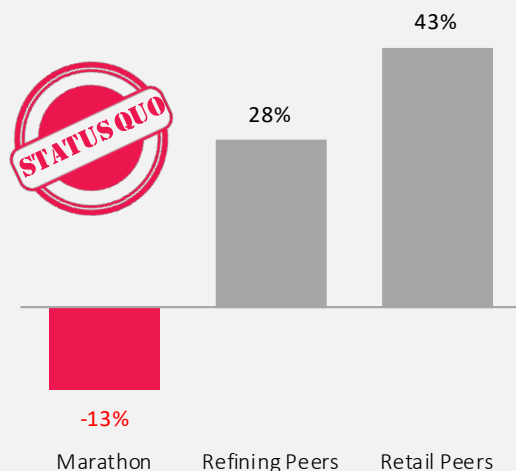
1. Cumulative as of 8/14/19.
2. Since Marathon's spin-off (when-issued trading date): 6/23/11.
3. Since trading day prior to Marathon's decision to retain retail business: 9/1/17.
4. Since trading day prior to Marathon's announcement to acquire Andeavor: 4/27/18.

The Market is Already Speaking

The message is clear – investors want Marathon to change.

TSR Since Retention of Retail

(September 1, 2017 – August 14, 2019)

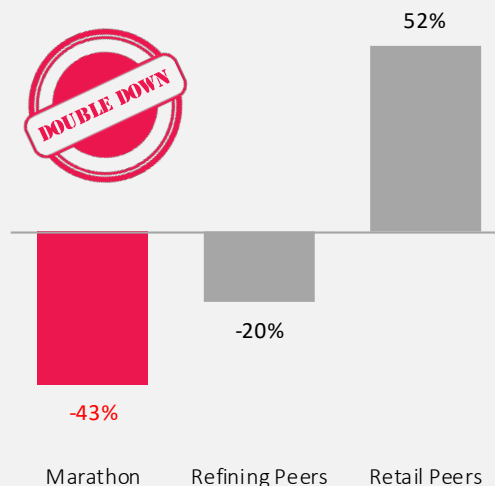


“Following the announcement on Tuesday that Marathon Petroleum would not spin-off its retail segment, **several investors we spoke to expressed greater concern** on the story.”

Goldman Sachs
September 8, 2017

TSR Since Andeavor Acquisition

(April 27, 2018 – August 14, 2019)

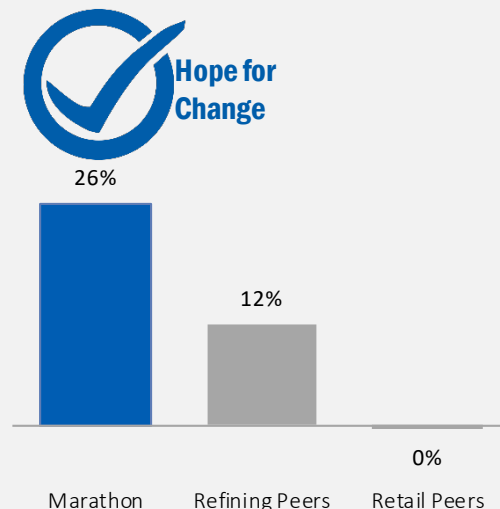


“MPC's acquisition of ANDV creates the largest US refiner and adds significant diversification. However, it comes at a cost, with **MPC using its chronically undervalued currency to take out ANDV shares at a price that we think is above intrinsic value.**”

RBC
May 1, 2018

TSR Since Elliott 13F Filing

(August 14, 2019 – September 24, 2019)



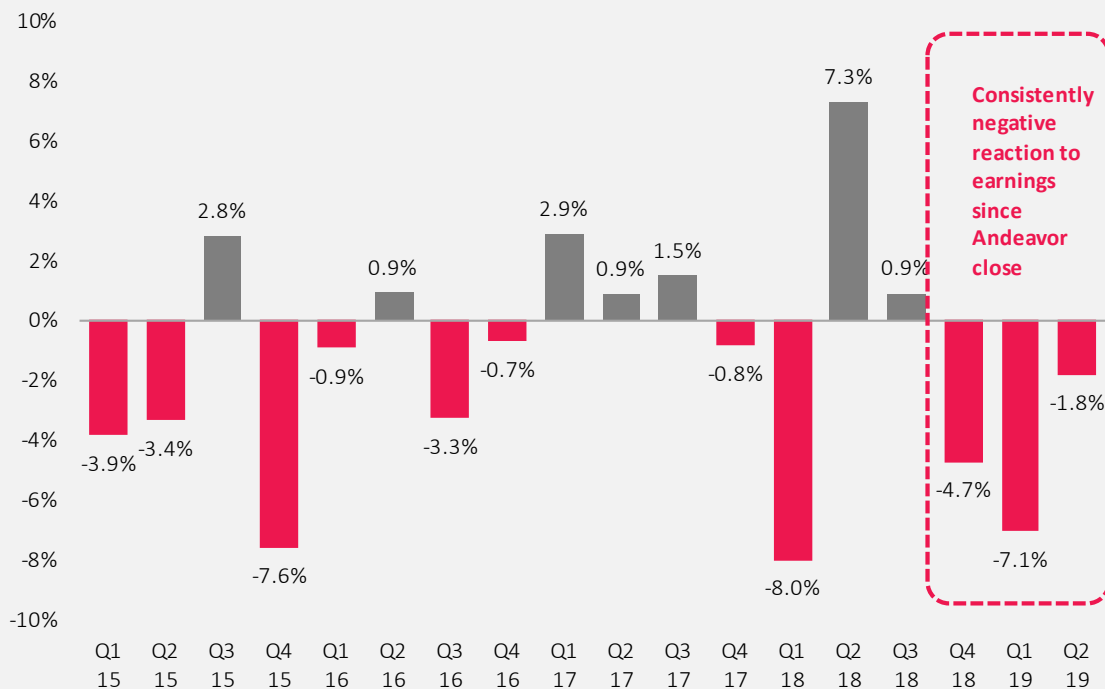
“Marathon Petroleum (MPC) is the stock we receive the most questions on, particularly **following recent disclosure of an activist position and subsequent outperformance.**”

Scotiabank
September 10, 2019

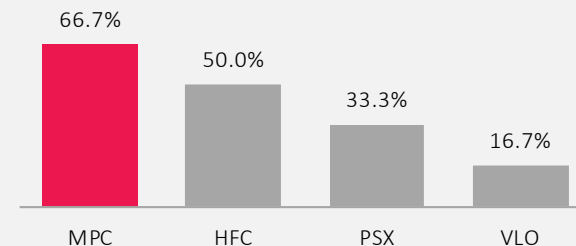
Inconsistent Earnings Eroding Management Credibility

Management's insistence that its integrated structure stabilizes earnings is contradicted by Marathon's results.

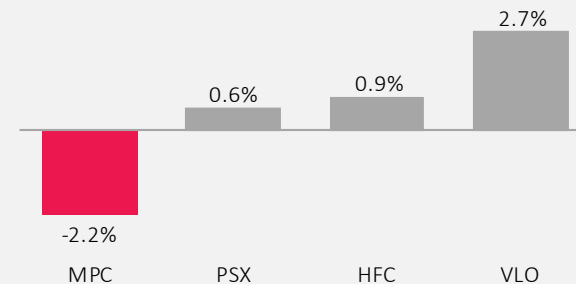
Marathon One Day Stock Price Reaction to Earnings



% of Earnings Announcements with a Negative Price Reaction
(1Q18-2Q19)



Average Price Reaction to Earnings
(1Q18-2Q19)



"[M]y first question is just around earnings consistency, Gary. And if I look back over the last 5 years, so I'll take the last 21 quarters, you've beaten consensus about 50% of the time, you've missed consensus about 50% of the time. And the S&P large-cap average is closer to 75%. So just wanted your thoughts on what the company can do to get a more consistent pattern of earnings execution."

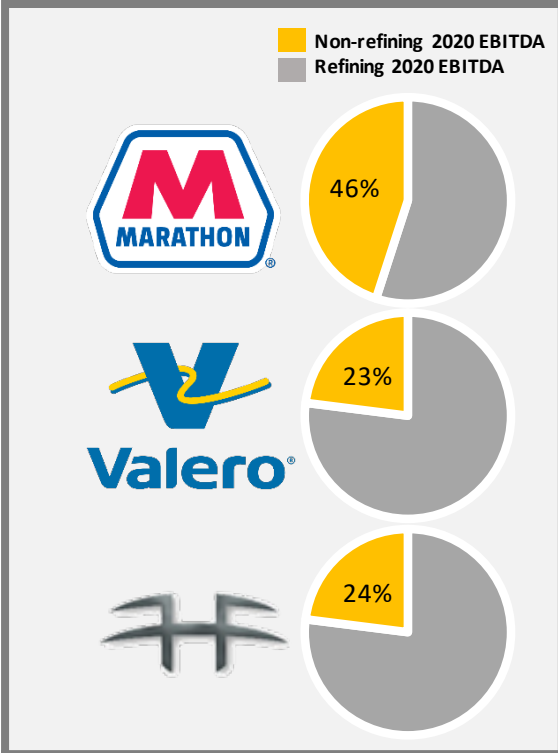
Neil Mehta, Goldman Sachs
May 8, 2019

"The variability in retail earnings totally dented the case MPC was trying to make for more complex integrated model."

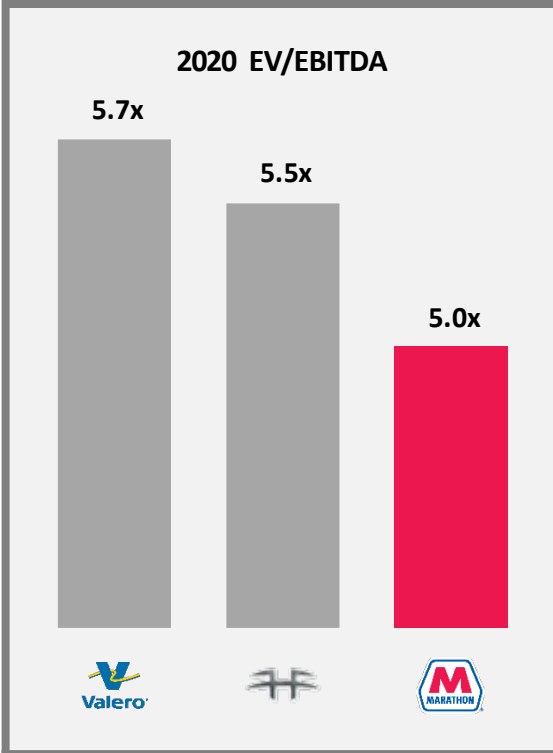
Credit Suisse
May 10, 2019

Integrated Model, Undervalued Company

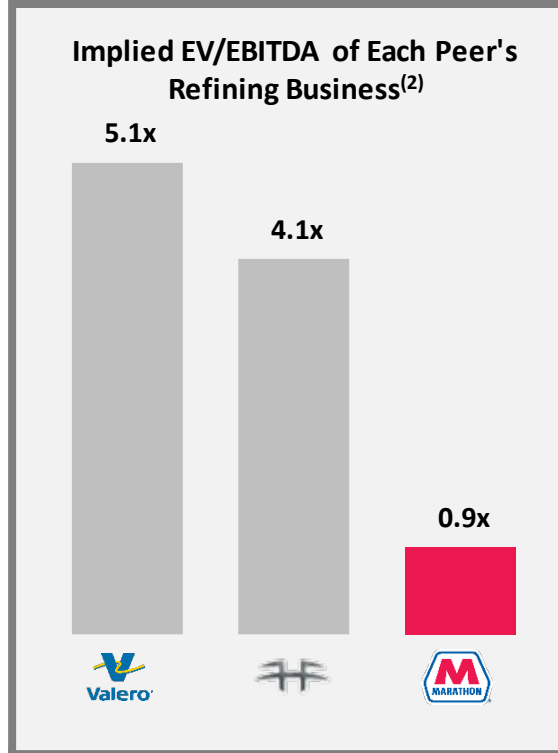
Marathon has roughly twice the earnings contribution from high-multiple, low-volatility businesses compared to merchant refining peers Valero and HollyFrontier⁽¹⁾...



... yet even with a superior mix of businesses, Marathon still trades at a meaningful discount to merchant refining peers...



... implying that Marathon's core refining business is being valued at less than 1.0x after valuing non-refining segments at market values.



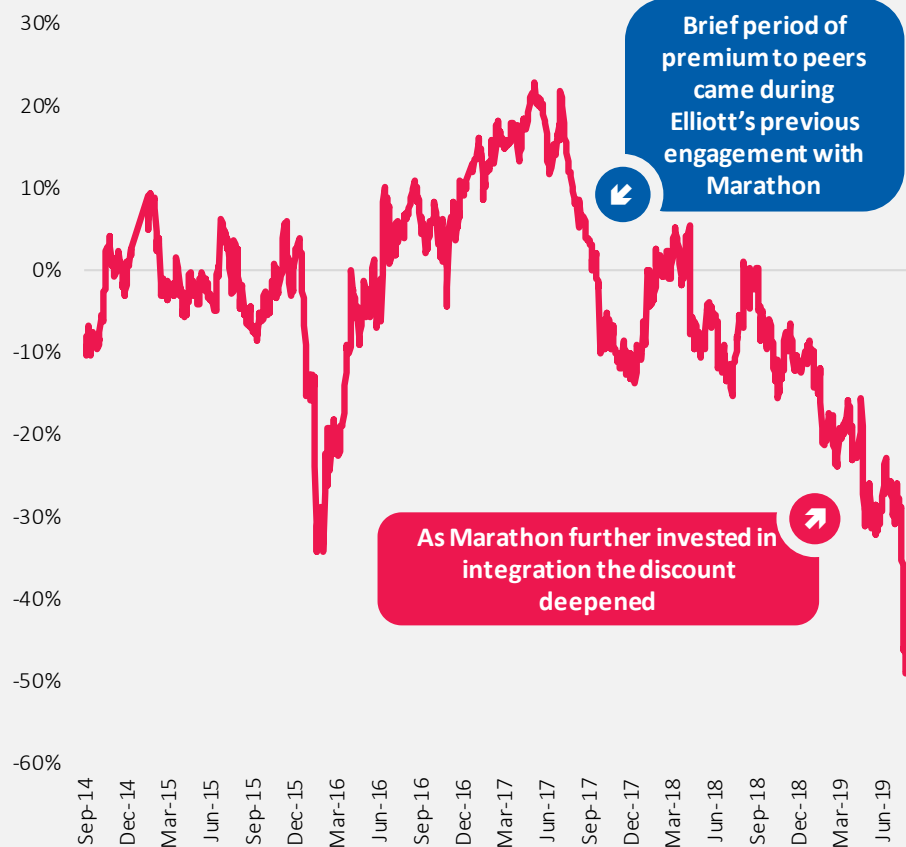
Investors are either giving Marathon no credit for the premium valuation of its leading retail and midstream businesses or almost no value for its world-class refining footprint. Either way: Marathon's asset value remains locked

1. VLO and HFC selected as best refining-focused comps for Marathon's refining segment due to limited value contribution from non-refining segments. MPLX and HEP EBITDA, net debt, and pref included on pro rata basis.
2. Implied refining valuation based on 2020 sell-side estimates and assumed multiples for non-refining businesses. Refer to page 20 for further detail.

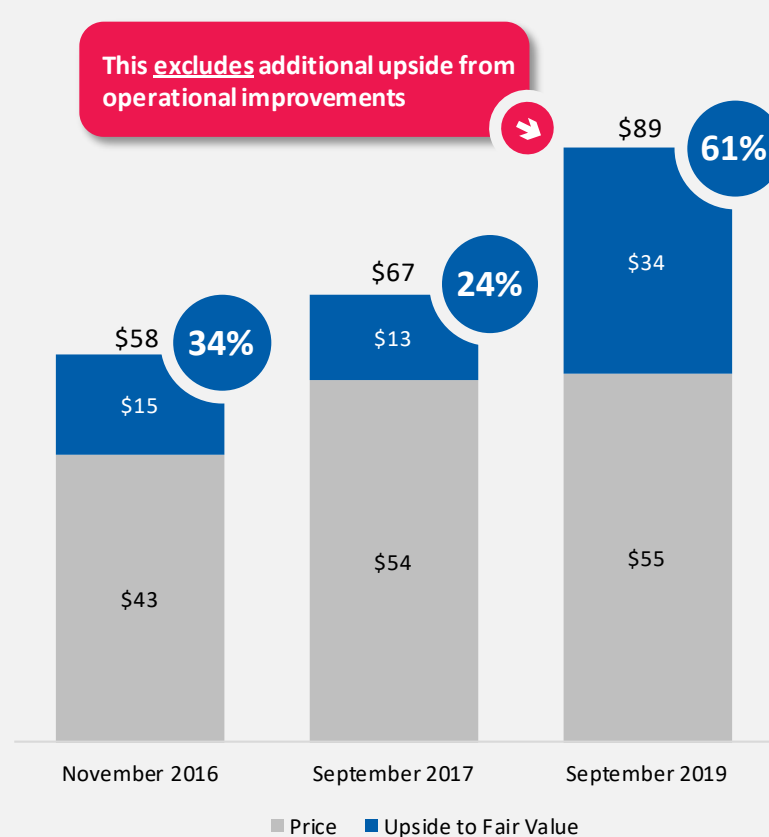
Marathon's Valuation Gap is Widening

Marathon's relative valuation discount to Valero and Holly is at an all-time high, without accounting for Marathon's increasing share of high-multiple midstream and retail earnings over time.

Marathon % P/E Discount to Refining Peers⁽¹⁾



Upside to Fair Value: Full SOTP Value⁽²⁾





The more Marathon integrates, the more undervalued it becomes

1. Forward Next 24 Months P/E. Marathon relative to the average of HFC, VLO, and PSX. 5-year period ending 8/14/19.
2. Refer to page 7 for further detail.

Marathon's Current Valuation Implies Limited Value for its Refining Business

After backing out the value of Retail and Midstream, the implied value of Marathon's Refining segment is <1x 2020E EBITDA.⁽¹⁾

Implied Refining Enterprise Value			
As of 9/24/19			
(in \$mm except per share)			
	Assumed multiple		
Market cap		\$ 34,620	\$ 8,730
Parent net debt		7,457	85
Pension / OPEB		542	2
Parent enterprise value		42,619	8,817
<u>Non-refining asset value</u>			
LP unit price		\$ -	\$ 25.18
Public LP units held		-	60
Market value of public LP units		-	1,501
MLP eligible at parent	8.0x	11,200	-
Retail	10.3x	-	-
Biodiesel	8.9x	1,319	-
Ethanol	5.2x	945	-
Lubricants	8.8x	-	1,888
Non-refining asset value		13,464	3,389
Implied value of refining business		29,155	5,428
Refining EBITDA 2020E		5,686	1,332
Implied refining EV/EBITDA		5.1x	4.1x
			0.9x

"At current valuation levels, by simply marking to market the value of non-refining businesses, **we estimate one can create the MPC refining business for effectively free before even incorporating the upside from IMO 2020.**"

Goldman Sachs
March 19, 2019

"We see discounted value in MPC with the stock trading in line with many of its peers on 2020 EBITDA despite its corporate structure with retail and midstream **deserving a premium.** However, debate has centered on investors' confidence in MPC's earnings achievability."

Morgan Stanley
May 9, 2019

After backing out the value of publicly traded MLP interests and the estimated value of other non-refining businesses, Marathon's current trading price implies a significant discount to the trading value of merchant refining peers



1. Balance sheet data as of 6/30/19. Segment EBITDA estimates based on average of current estimates from Goldman Sachs, JP Morgan, BofA Merrill Lynch, Evercore ISI, and Scotia Howard Weil. Biodiesel, ethanol and lubricant multiples based on average multiples used in published sum-of-the-parts value estimates by Goldman, JP Morgan, and Scotia. Marathon MLP eligible value based on estimated 2021 EBITDA for Gray Oak, South Texas Gateway and Capline following ramp-up.

Separation Offers Opportunity to Improve Governance and Management

Separating Marathon into three distinct businesses provides a natural opportunity to implement governance best practices.

MARATHON GOVERNANCE TODAY



Insular board with numerous professional and interpersonal connections



In the small minority of S&P 500 companies without annual elections



Onerous bylaw and charter amendment requirements



Senior management is shuffled between different critical executive roles with limited accountability for underperformance



Overcommitted Chairman and CEO sits on multiple outside boards, while overseeing a large public company which in itself has the scale and operations of three large public companies

AFTER REMAKING MARATHON



Compose genuinely independent and diverse boards for all three companies



Ensure annual elections at all three companies



Remove supermajority voting requirements and allow simple majority of holders to remove directors



Best-in-class talent put in place for each business segment



Prohibit outside board service for the CEOs of the companies during the first year after separation, maximum of one thereafter

Each business can reset its relationship with shareholders and embrace modern corporate governance best practices

03

Unlocking Value Through a Separation

Separation will enable each business to achieve its full potential

Unlocking Value Through a Separation

Following a separation, Marathon shareholders will own the same interests in each of the Company's three businesses and will be able to receive the proper value for those interests without the current conglomerate discount. Moreover, each new company will be liberated to achieve its full potential under focused management.

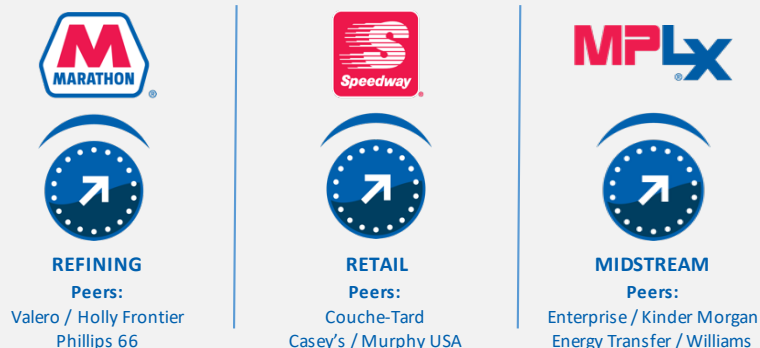
✗ Marathon Today



- ✗ Low consolidated multiple
- ✗ Trapped asset value
- ✗ Business unit opportunities limited due to conflicts
- ✗ Complexity an obstacle for many investors
- ✗ Antiquated corporate governance

✓ After Remaking Marathon

Shareholders gain three new strong companies in which to invest

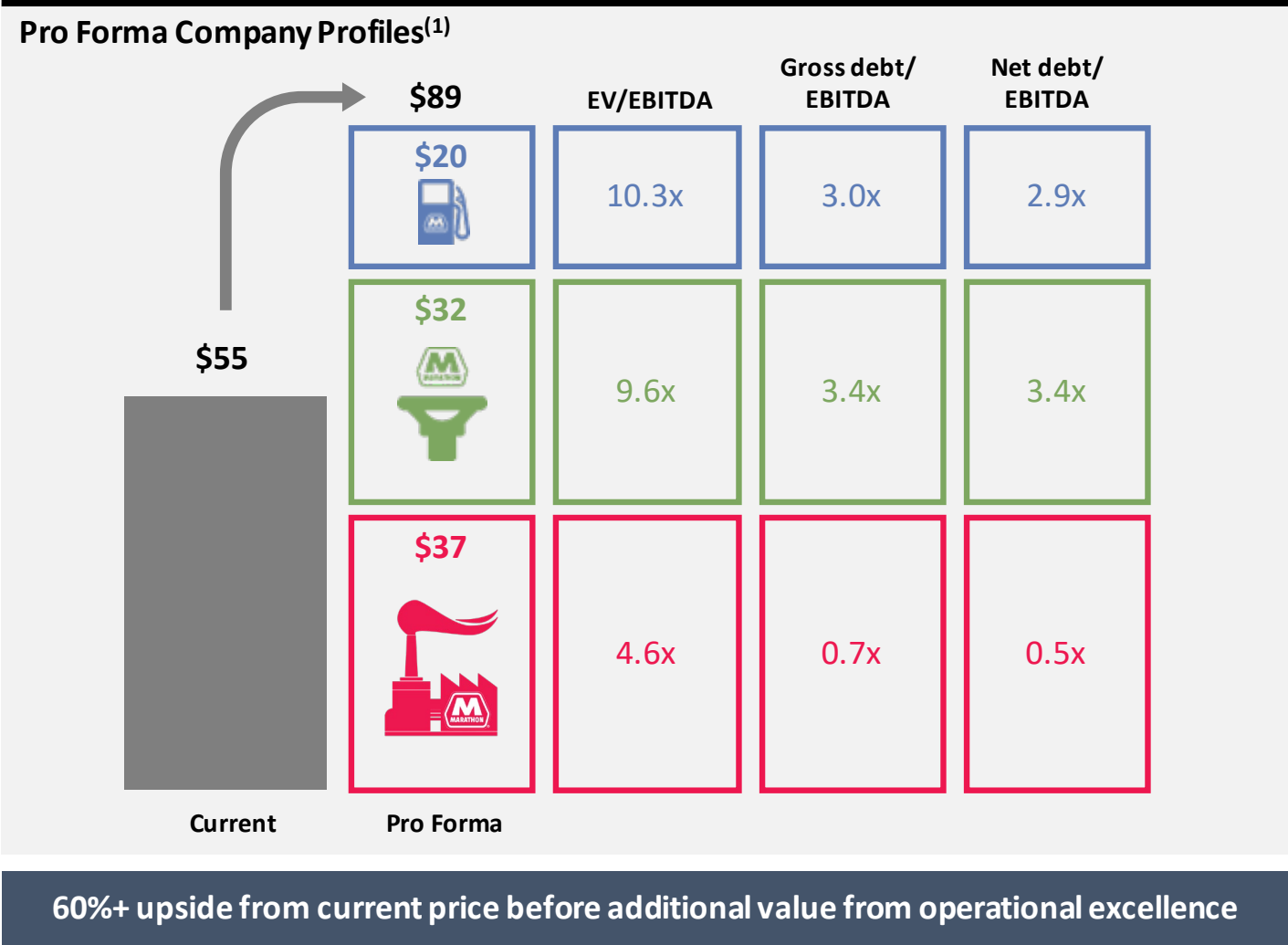


- Shareholders can manage their own diversification
- Higher-multiple businesses unlocked
- Each business free to pursue opportunities without conflict
- Less complicated structure for investors to model
- Modern corporate governance

Remaking Marathon unlocks value and improves sustainability of each company

Creation of Three Strong and Well-Capitalized Companies

Each company will be better positioned to trade in-line with peers.



1. Further detail in appendix. Pro forma price reflects estimated separation costs. Pro forma EBITDA and leverage levels are based on 2020 estimated EBITDA and reflect de-levering of Marathon holdco funded by new Retail debt and drop-down of Gray Oak, South Texas Gateway and Capline to MPLX in exchange for MPLX units.

Separation Mechanics

Separation can be effected via a tax-free spin of MPLX and Retail, plus a de-levering of the remaining Marathon holdco funded by a new Retail borrowing.

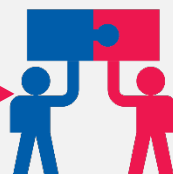
Retail Spin-Off

1. Retail business borrows \$5.5bn of new debt

2. Retail dividends out borrowing proceeds to Marathon holdco (net of balance sheet cash and transaction costs)

3. Marathon net debt reduced by ~\$4.7bn

4. Marathon distributes shares of retail business to existing shareholders



Midstream Spin-Off

1. Marathon creates a new midstream holding company: MPLX-CORP⁽¹⁾



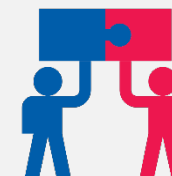
2. Marathon swaps its 63% of MPLX-LP shares for new shares of MPLX-CORP and distributes them to Marathon shareholders⁽¹⁾



3. Current public MPLX-LP investors swap their interest for 37% of new MPLX-CORP



4. New MPLX-CORP is now an independent entity owned 63% by Marathon shareholders and 37% by current MPLX investors



Elliott retained a “Big Four” accounting firm to review the implications of a Marathon separation and concluded that there is a path to minimal tax leakage and durable value creation

1. C-corp conversion necessary for tax-free spin treatment. Conversion to be effected through contribution of MPLX units held by MPC to new MPLX-Corp in exchange for shares of MPLX-Corp. Marathon ownership percentage before any adjustment for further drop-down transactions.

Limited Financial Impact of Separation

Elliott engaged a top-tier strategic consulting firm to perform a full review of Marathon's integrated structure in 2016 and 2019. Both times it concluded there were limited dis-synergies from a potential separation.

Extensive Third-Party Analysis

- ✓ A team of five full-time energy consultants spent six weeks evaluating management's claimed integration benefits along with global refining and energy experts
- ✓ They interviewed more than 50 market participants including 40 downstream and midstream competitors
- ✓ They employed a wide array of data sources ranging from industry databases, governmental sources, company financials and regulatory filings

Estimated Annual EBITDA Impact from Separation		Commentary
Access to Crude	No Impact	No clear value upside from pipeline ownership
Refinery Utilization	No Impact	Integration level does not appear to drive differential utilization
Optimized Logistics	\$70 to 100M	Logistics optimization could be a source of additional upside
Margin Arbitrage	\$(10) to (20)M	Limited given practical ability to capture arbitrage opportunities
Price Compression	\$(0) to (30)M	Most terminals in markets that are already competitive, no divestment impact
Uplift if Volumes are Retained	\$0 to 30M	Significant portion of downside risks above offset through post-separation contracts
SG&A dis-synergies	\$(30) M	Efficiencies lost in G&A and administrative costs upon separation
Total EBITDA Impact⁽¹⁾		\$(10) to 60M

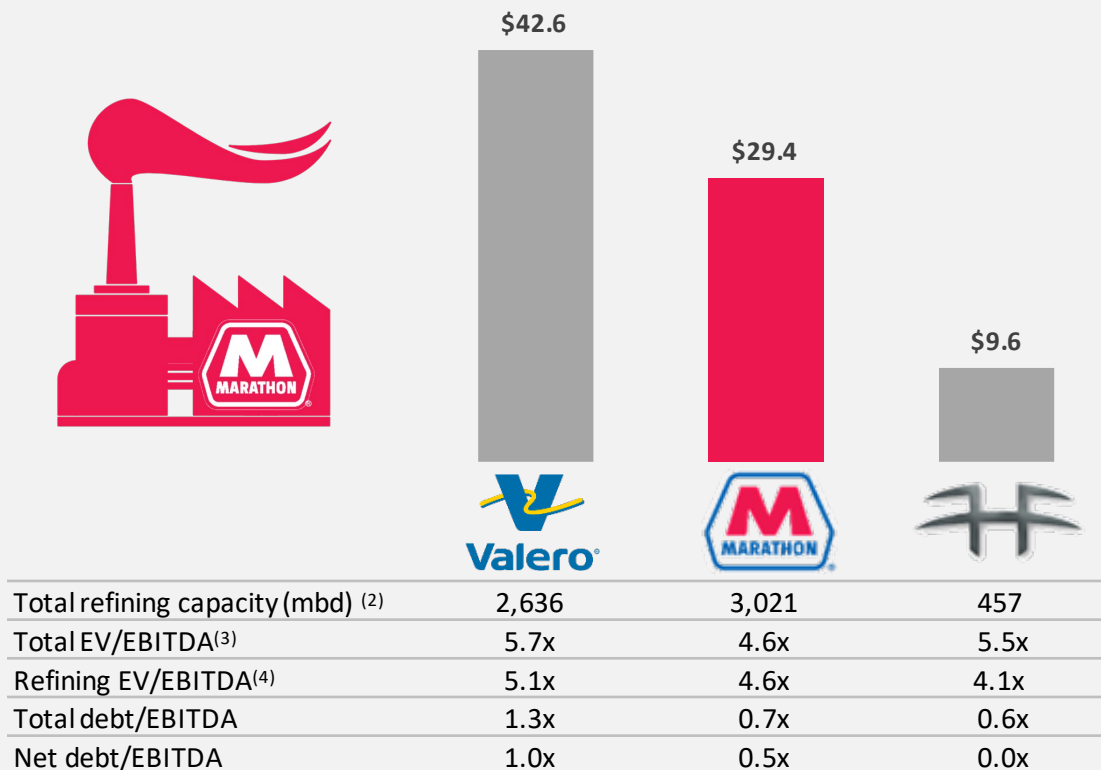
1. Note if price compression impact is \$0, then uplift from retained volumes is also zero. Total takes the high (\$100-10-0-0-30) and low (\$70-20-30+0-30) of each range. SG&A dis-synergies estimated based on company estimated dis-synergies of \$20mm in 9/5/17 presentation, scaled up to reflect impact of increased scale following Andeavor transaction.

Standalone Refining Opportunity

Proceeds from the Speedway spin-off will support significant de-levering at Marathon.

Marathon's Core Refining Business Should be Worth Almost \$30 bn

Current/Expected Enterprise Value (\$ bn)⁽¹⁾



Standalone Refining Initiatives

- ✓ Independent Marathon Refining will **retain existing fuel supply and logistics agreements with Retail and Midstream**
- ✓ Will allow for **undivided management focus** on integrating and optimizing Andeavor refining assets
 - *Several logical non-core divestitures including Martinez, Kenai and Gallup refinery assets would enhance value of overall Marathon portfolio and generate significant cash from sale and working capital release*
- ✓ Will reinvigorate **commercial group empowered to aggressively pursue market opportunities** and rebuild organizational capabilities
- ✓ Will complete **monetization of remaining midstream assets** at parent via drop to MPLX or sale to third-party
- ✓ Will **enhance ability to partner with third-party midstream operators** or invest directly in new midstream projects to maximize value for Marathon refining shareholders, not MPLX

Marathon has the best refining assets in the world; with improved focus, these assets can realize their full potential

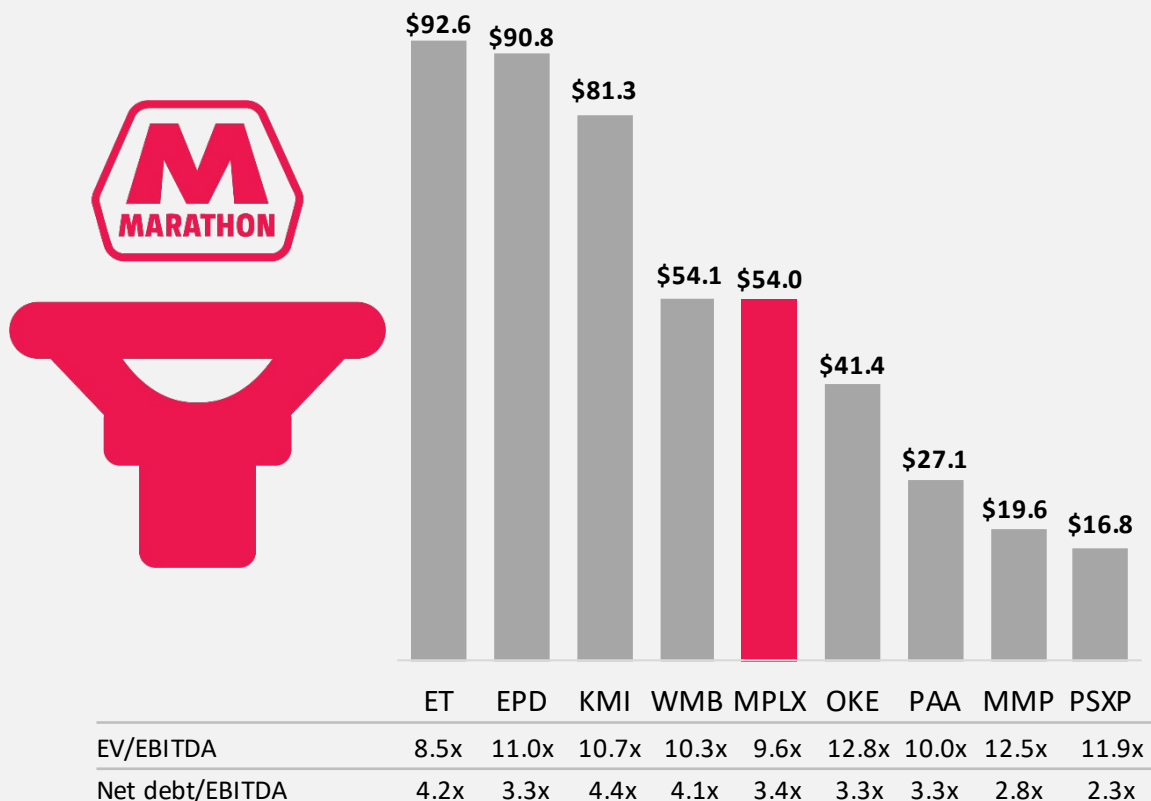
1. Values as of 9/24/19.
2. Crude oil capacity based on EIA and company data. Valero capacity includes 455 mbd of non-US refining capacity (Canada/UK).
3. Marathon estimated EV/EBITDA multiple for only merchant refining business post-separation based on average implied refining multiple for VLO and HFC. HFC total EV/EBITDA includes pro rata share of HEP net debt and EBITDA.
4. Refining EV/EBITDA for Valero and Holly estimated per page 20.

Standalone Midstream Opportunity

Spin-out of MPLX as a C-corp to Marathon shareholders will broaden the potential investor base and eliminate the overhang of a controlling corporate sponsor, supporting a potential valuation re-rating in line with peers.

MPLX Has an Enterprise Value of Over \$50 bn

Current Enterprise Value (\$ bn)⁽¹⁾



Standalone MPLX Initiatives

- ✓ MPLX will **retain its existing asset base and commercial relationships with Marathon's Refining and Retail** under long-term contracts
- ✓ Will **expand business development opportunities with third-party operators** on pipeline and terminal projects once MPLX is no longer under direct control of a major competing refining business
- ✓ Will **unlock midstream investment opportunities** without the strains of competition for internal capital
- ✓ **C-corp structure will expand potential investor base**, while spin-out will **nearly triple the public float** and greatly enhance MPLX's trading liquidity
- ✓ Separation will **further empower MPLX operationally**
 - Business not currently operationally run or commercially positioned as separate entity from executive level down to core functions (business development and IR not run independently)
 - Assets commercially focused on Marathon Refining with no incentive or impetus to seek upside from third-party business

In MPLX, Marathon has a leading midstream footprint with the potential for continued high-quality, accretive growth going forward

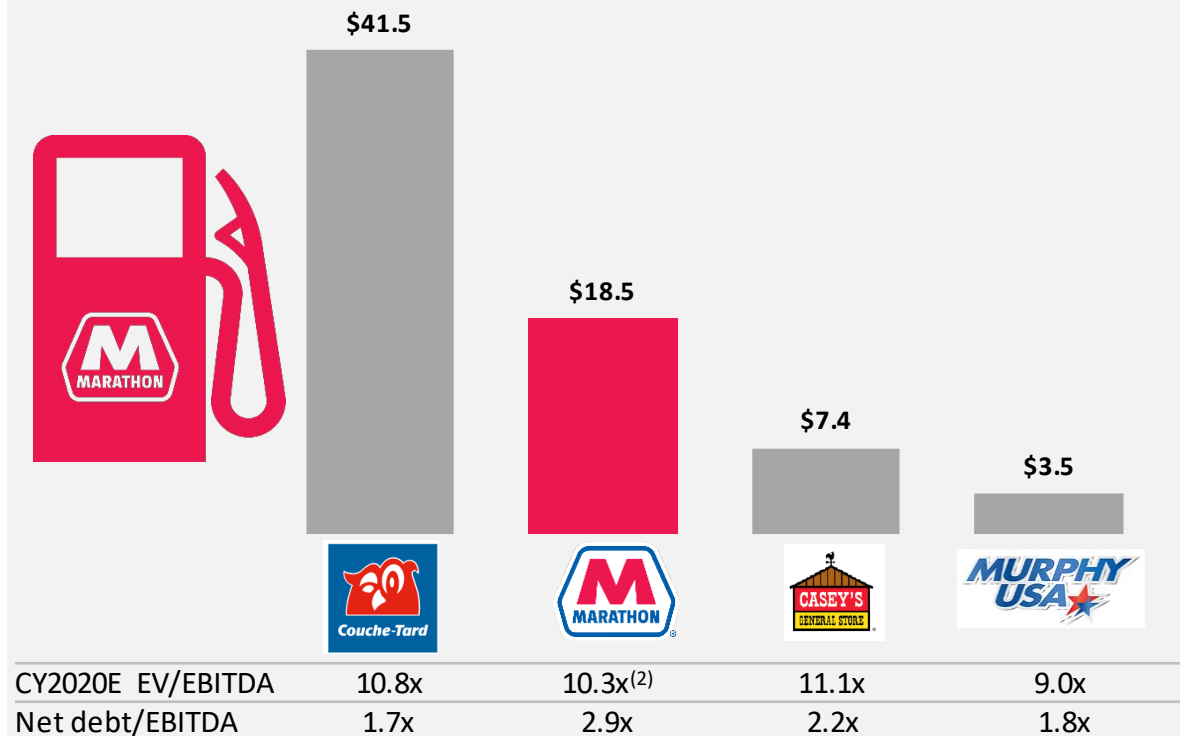
1. Values as of 9/24/19. MPLX shown pro forma for drop-down of Gray Oak, South Texas Gateway and Capline. Net debt and enterprise value multiples shown of 2020 estimated EBITDA.

Standalone Retail Opportunity

Speedway will be the largest US-listed operator at twice the size of Casey's.

Standalone Retail Should be Worth ~\$18 bn⁽¹⁾

Current/Expected Enterprise Value (\$ bn)



Standalone Retail Key Initiatives

- ✓ Standalone Retail **will retain its existing fuel supply agreement with Marathon** at fair market rates
- ✓ Business separation will provide a **catalyst to upgrade management with experienced retail executives**
- ✓ **Branding and marketing will have an undivided focus** on existing strong Speedway and ARCO brands
- ✓ Focused, **independent management will be able to proactively invest in accretive growth** with a lower cost of capital than as part of a refining conglomerate
- ✓ **Growth opportunities**
 - New store development independent from Marathon refining footprint
 - Expanded investment in food service options and other store enhancements
 - Better positioned to competitively pursue M&A opportunities
 - Independent equity can provide attractive acquisition currency

Separating Retail will immediately unlock value and allow the business to thrive

1. Bloomberg as of 9/24/19.

2. Marathon standalone retail EBITDA based on average of sell-side segment estimates pro forma for allocation of estimated corporate G&A expense and incremental G&A post separation. Trading multiple assumed equal to average of peers.













04

Marathon's Rationales For Integration Are Not Credible

Integration offers little to no benefit and the costs are high

Examining Management's Objections to a Separation

Marathon management has failed to prove the case for integration.

Justification	Management commentary	Reality
 Diversification or "portfolio balance" to reduce volatility and boost valuation	<i>"I would say for the long term, I'd rather be invested in a company that has that type of a portfolio balance." (1Q19 Earnings Call, 5/8/19)</i>	 <p>Investors apply a <u>discount, not a premium, for conglomerate structures</u> with multiple, complex businesses and unclear capital allocation. Investors prefer to diversify on their own with the best of each sector.</p>
 Substantial retail integration synergies	<i>"The gasoline supply to these locations serves as the foundation for our assured product placement strategy... This automatic placement is the key enabler to the overall optimization of our integrated supply and distribution network." (Analyst Day, 12/4/18)</i>	 <p>The integration benefits of ratable volumes are unclear as <u>Marathon's refining margins appear lower and more volatile than Valero's</u> and <u>retail fuel margins appear lower and more volatile</u> than Couche-Tard's.</p>
 Access to crude through midstream integration	<i>"When you look at the connectivity of our gathering systems with our intermediate and long-haul pipelines, we have that ability to provide reliable intake to our refineries and our processing facilities." (Investor Day, 12/4/18)</i>	 <p>Marathon <u>can retain the same connectivity</u> through contractual arrangements with MPLX or other third-party midstream providers.</p>
 Contractual arrangements are limited in time and scope	<i>"There's no bright line, there's no specific guidance that the IRS or parties whatever specifically provide. I think the key is that it is an arm's length agreement, and things that would incorporate full requirements contracts for extended periods of time are not arm's length agreements." (Speedway Review Call, 9/5/17)</i>	 <p><u>Precedent transactions have included fuel supply agreements of up to 15 years</u>, which provides significant long-term protection. There should be no value loss in renegotiation to Marathon shareholders who will receive equal ownership in both retail and refining upon separation.</p>
 Speedway's growth prospects are not impeded by remaining part of MPC	<i>"Our strong position in company retail presents many opportunities to continue to grow organically with mid-teen rate of return type projects, as well as the national footprint gives us an opportunity to look at acquisition opportunities as they present themselves." (Investor Day, 12/4/18)</i>	 <p>At Marathon's <u>high refining conglomerate cost of capital</u>, investments that should be attractive for a standalone Speedway are dilutive and value destructive.</p>
 Marathon sponsorship expands MPLX opportunity set	<i>"Fosters further growth opportunities", "Enhances projects via volume commitments", and enables MPLX to "Provide logistics solutions to MPC's nationwide refining footprint." (MPLX Presentation, 8/14/19)</i>	 <p>Marathon and MPLX can continue to partner with each other going forward on an arms-length basis once independent, and both <u>will be better-positioned to partner with third-party operators</u> who might be disinclined to collaborate with entities who control, or are controlled by, a competitor.</p>

Management Cannot Articulate a Coherent Rationale For Integration

Marathon management lauds benefits of integrated model without any compelling evidence.

When Neil Mehta, an analyst for Goldman Sachs, asked Gary Heminger directly about the benefit of the integrated model, Mr. Heminger offered no evidence other than encouraging shareholders to look at “the first quarter’s performance.” **That day, the stock closed down more than 7% on what was perceived as exceptionally disappointing earnings.** The entire exchange is worth reading:

“[T]he **stock the way we look at it, it's so dislocated relative to its sum-of-the-parts value.** The question we consistently get is what ultimately is going to unlock that value. So, going back a couple of years, there was a talk about dis-integration and whether there is value in doing that. But Gary what are your latest thoughts there? I'm just saying if there is -- **if the stock is just discounted relative to its sum-of-the-parts, how do you pull forward that value. Is MPC better together or apart?**”

“Well, **you're right. Neil, the stock is discounted when you look at it on a sum-of-the-parts-basis.** But I also want you to **take a strong look at the first quarter's performance.** The **MLP performed really I would say right in line.** The MLP is right in line with expectations providing \$908 million of EBITDA. The **Retail performed a very, very well.** And as we stated, the **merchandise sales are running at about 4% to 5% same-store increase which is very, very strong.** Granted in the first quarter with the rising crude price same-store volume was on gasoline slips, because **you're trying to get that gasoline price to the street.** But you add those two sectors together and they are very, very strong sectors and **I compare those to some of our peers in the first quarter who did not -- they did not have those sectors in their portfolio. I would say for the long term, I'd rather be invested in a company that has that type of a portfolio balance.** But your -- you saw where in the first quarter, **we bought back a substantial amount of shares.** I think it was a very smart purchase to continue to buy back shares at this low valuation rate and as we project, the second through the fourth quarters, we expect to be, as I said earlier, bullish and that should provide us with the capital to continue to lean into the share repurchases.”

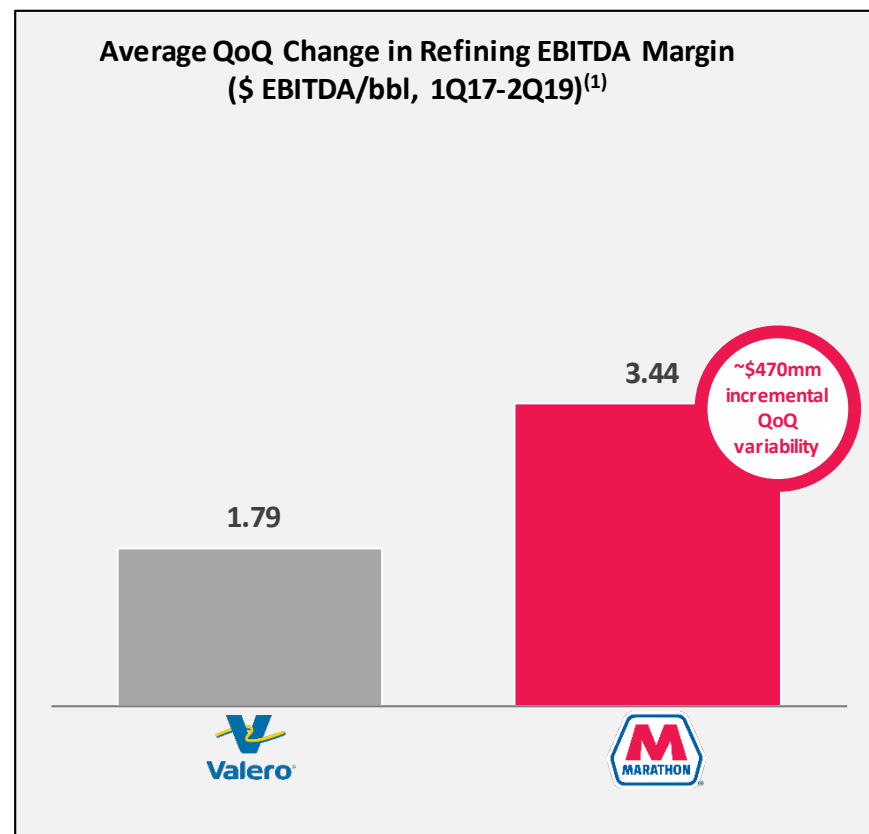
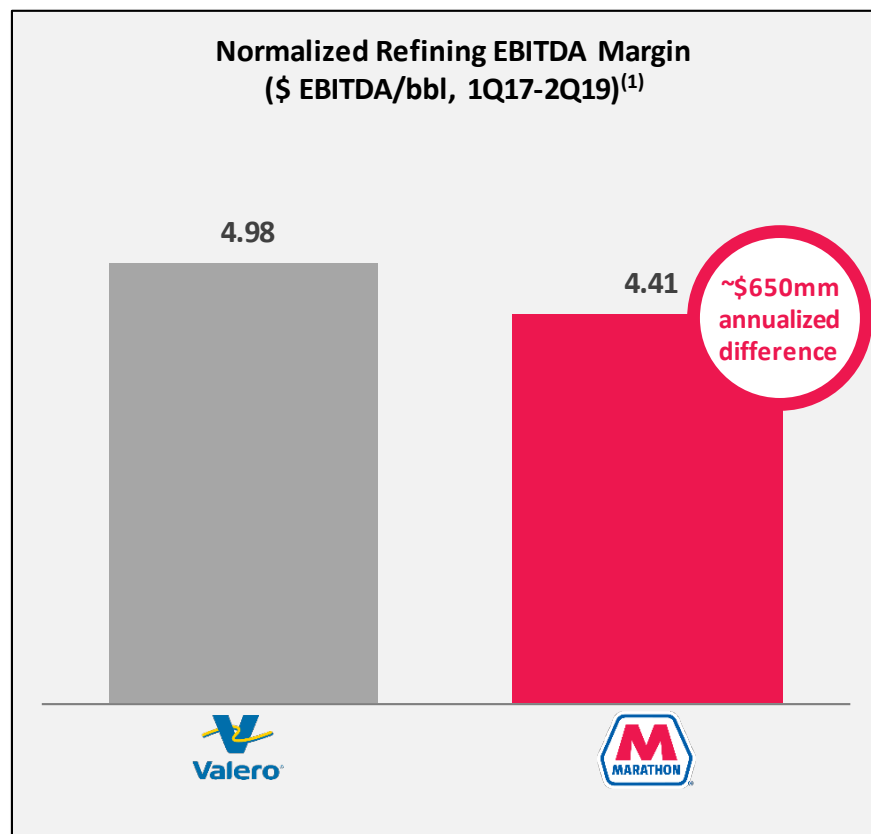


May 8, 2019, Marathon Q1 earnings call transcript

Management admits discount but offers no real reasons to keep value trapped

Marathon Refining Is Less Profitable and More Volatile Than Valero

Marathon's integrated refining operation appears to generate lower margins per barrel with more volatility than Valero's merchant business.

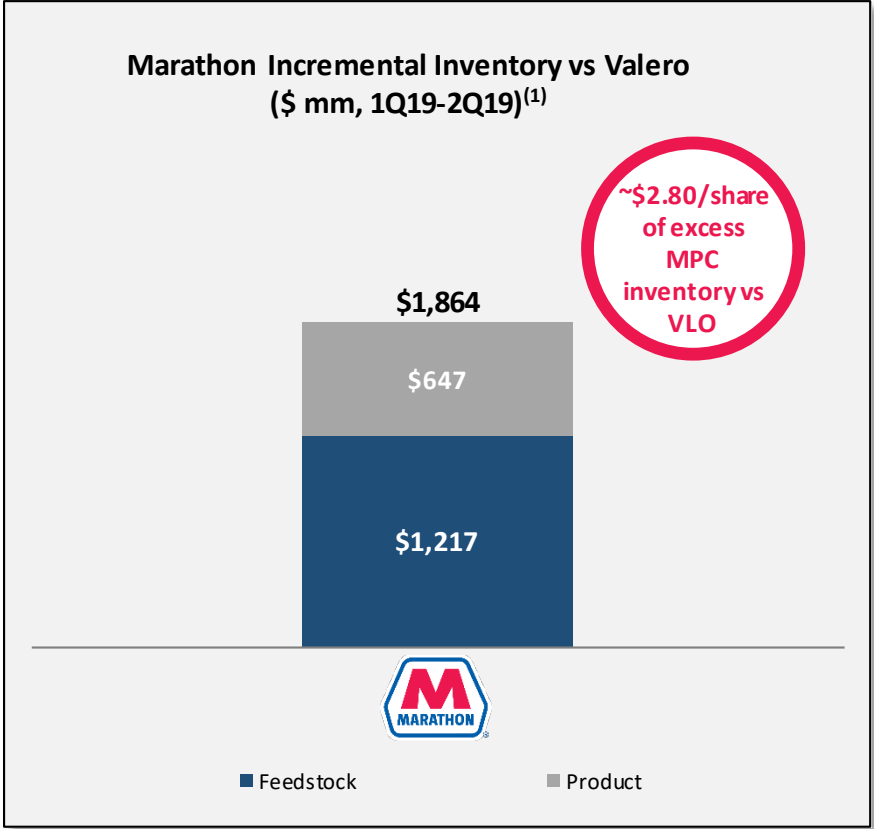
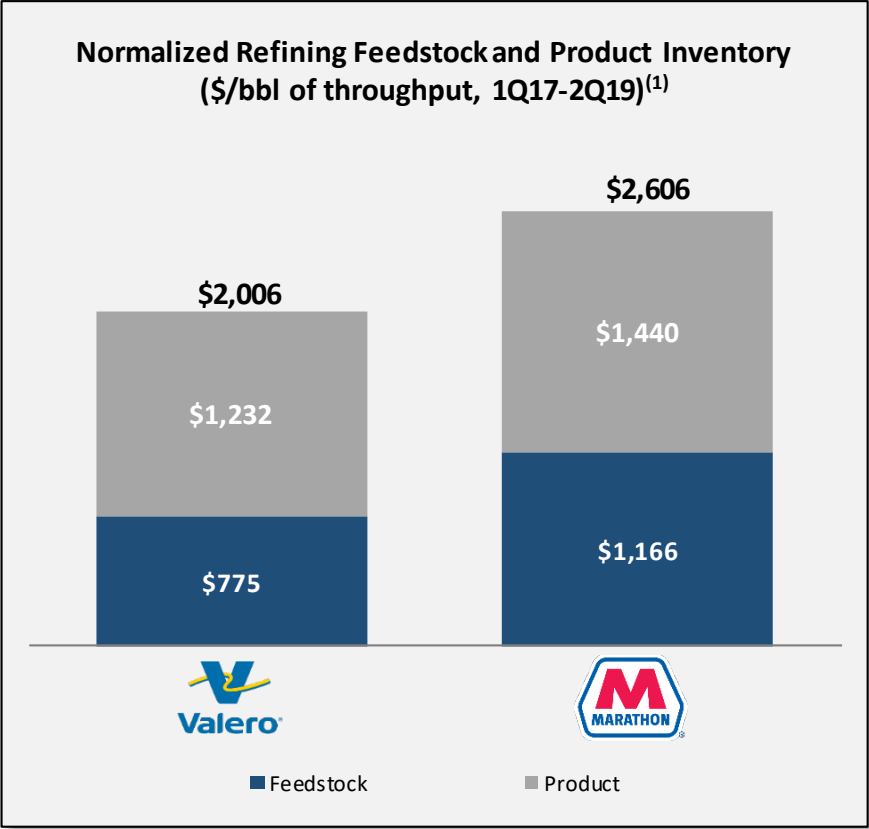


Valero demonstrates the potential for significant operating upside with the right model and management

1. Marathon EBITDA margin pre-turnaround and adjusted to reflect all drop-downs as if completed prior to 1/1/17. Valero EBITDA adjusted to exclude all Biodiesel, VLP, and \$1 billion incremental VLP eligible EBITDA in refining segment per Valero disclosures. VLP Q1-Q2 2019 EBITDA assumed flat with Q4 2018. Biodiesel EBITDA for Q3-Q4 2018 assumed equal to average of Q2 2018 and Q1 2019. Valero adjusted regional EBITDA margins re-weighted to match Marathon regional throughput mix to calculate aggregate normalized EBITDA margin per barrel. Valero EBITDA calculation based on company reported Adjusted refining operating income which excludes Other operating expenses line item.

Marathon Carries Much Higher Inventory Levels Than Valero

Integration should support the ability to operate with tighter inventory levels, but benchmarking to Valero suggests ~\$1.9 bn incremental inventory in the MPC system versus Valero inventory levels (~\$2.80/share excess working capital).

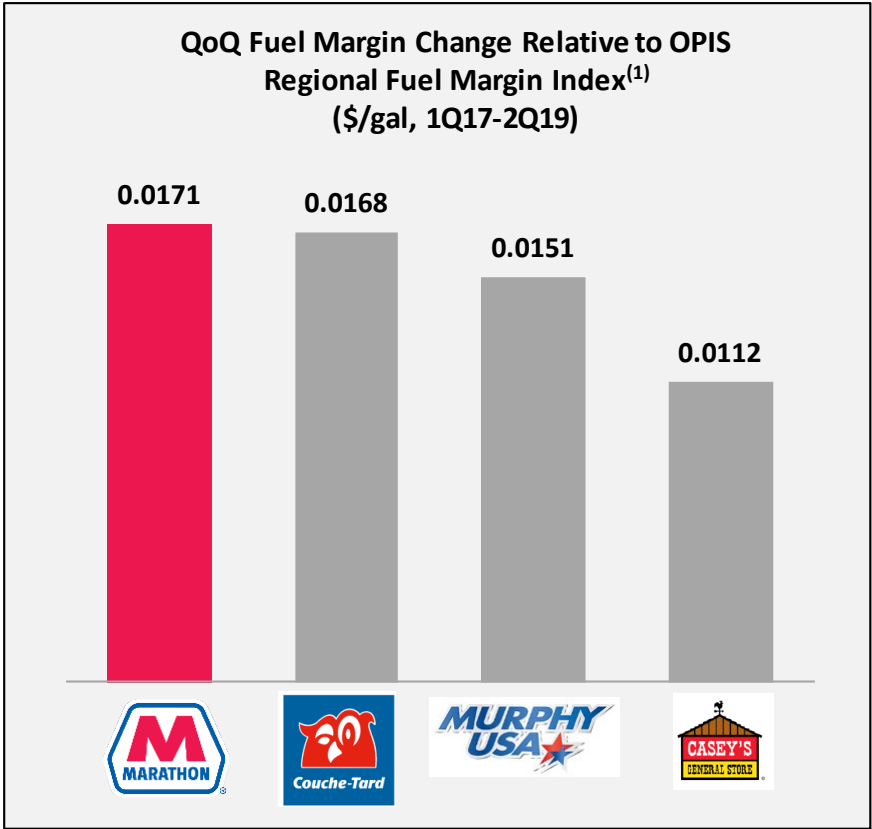
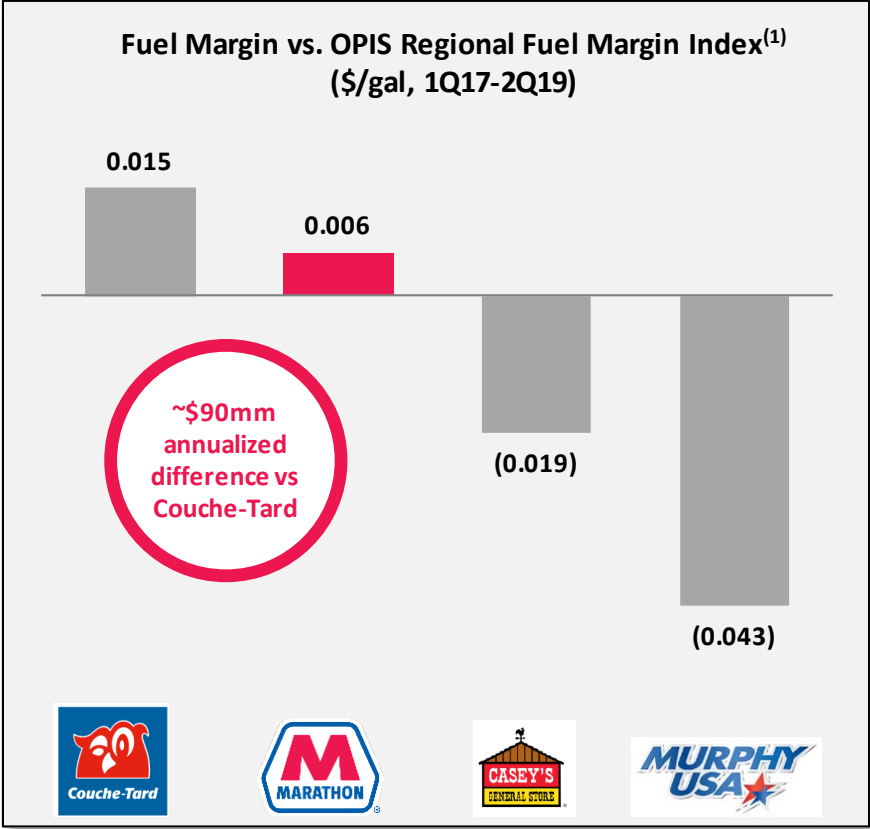


More effective working capital management could unlock almost \$2 bn to return to shareholders

1. Marathon inventory adjusted to remove estimated retail-related inventory of average \$572 mm from 12/31/18 – 6/30/19. Retail-related inventory estimated based on Murphy USA reported FIFO inventory scaled pro rata to Marathon retail volume.

Marathon Retail Fuel Margins Lag Couche-Tard and Are More Volatile Than Peers

After adjusting for regional exposure, Marathon's retail fuel margins trail Couche-Tard's, while Marathon quarterly volatility is highest among peers.

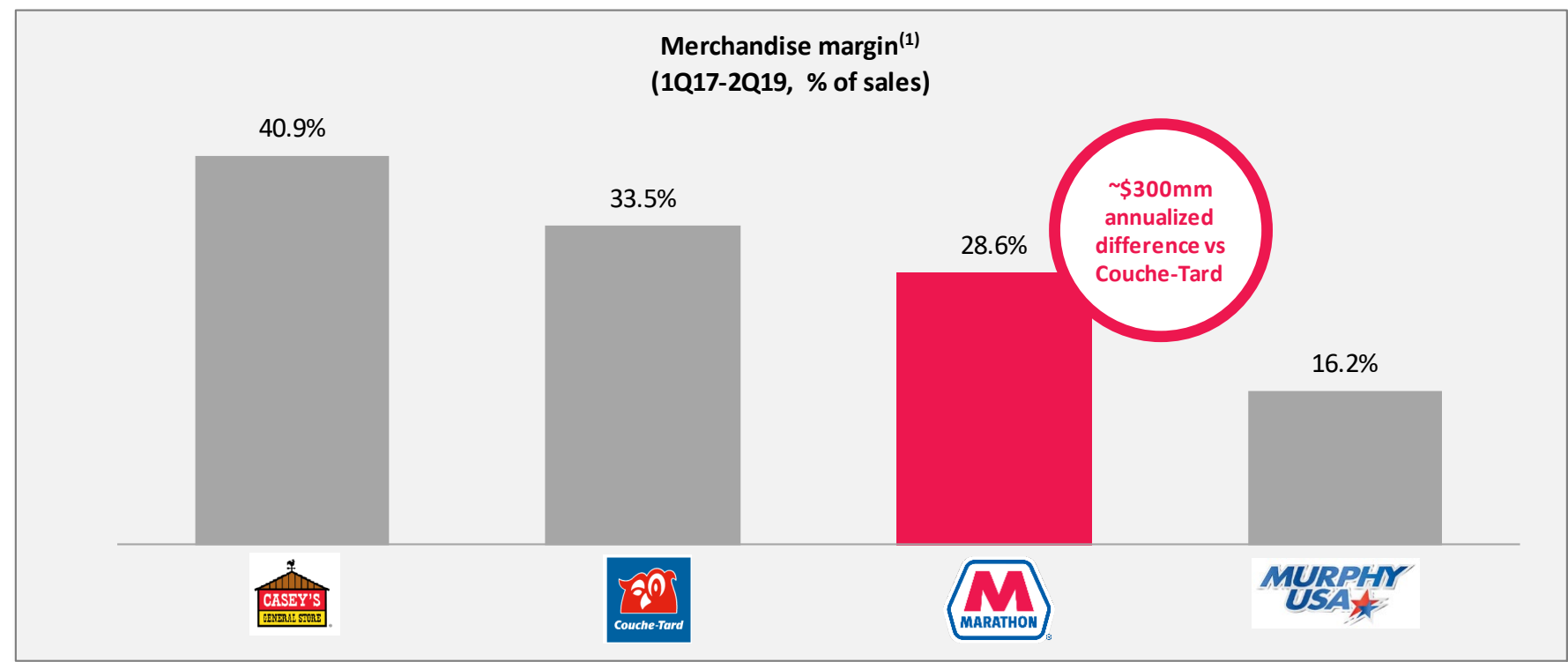


Marathon could realize further upside by bringing fuel performance in line with Couche-Tard

1. Couche-Tard and Casey's quarterly results re-weighted to match calendar year quarters. Marathon and Couche-Tard both report net of credit card fees. Casey's and Murphy USA reported fuel margins adjusted to reflect estimated credit card impact equal to Couche-Tard reported credit card fee expense (~\$0.04 per gallon). OPIS regional fuel margin index by operator based on RBC estimates.

Marathon Retail Merchandise Margins Are Below Relevant Peers

Marathon merchandise margins significantly lag Casey's and Couche-Tard, its closest peers for in-store retail.







In-store performance could see significant upside from independent, retail-focused management

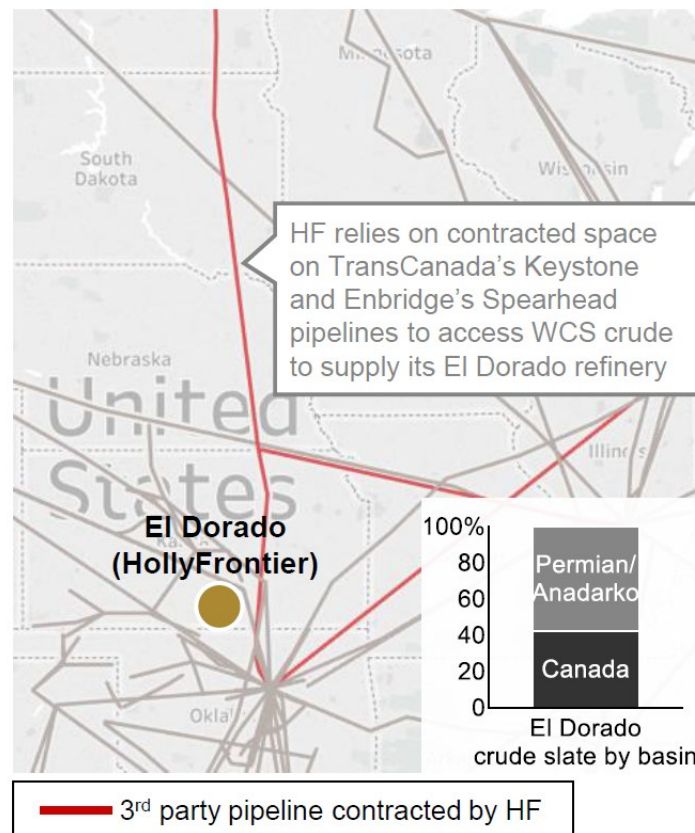
1. Couche-Tard and Casey's quarterly results re-weighted to match calendar year quarters. Casey's merchandise margin reflects weighted average of Grocery & Other Merchandise and Prepared Food & Fountain. Couche-Tard numbers are US only.

Midstream Integration Not Necessary for Refining Access to Advantageous Crude Supply

Pipeline capacity, not ownership, is the key to securing favorable crude differentials in basis dislocations. Nothing prevents Marathon from investing in future projects in partnership with, or independent of, MPLX following a spin-off.

Options for crude pipeline access		
Direct ownership	<ul style="list-style-type: none">Own and operate pipeline	Ozark Line 
Joint venture	<ul style="list-style-type: none">Invest in pipeline operated by 3rd party	Dakota Access  
Contract	<ul style="list-style-type: none">Contract with midstream players on trunk and branch lines	

Case study: HollyFrontier relies on contracted capacity on trunklines



MPLX Can Succeed Without the Sponsorship of Marathon

A standalone MPLX can aggressively pursue growth opportunities and optimize existing assets.

	Observations ⁽¹⁾	Market commentary ⁽²⁾
Rate of return	<ul style="list-style-type: none"> For integrated refiners, required rate of return on capital projects is higher than for independent midstream operators This leads to underinvestment in midstream assets in favor of core refining capabilities 	<p><i>"The software and hardware of [integrated players'] logistics assets are sometimes ~20 years out of date compared to industry best practices."</i></p> <p>GM, Midstream Logistics Co.</p>
Connectivity	<ul style="list-style-type: none"> While midstream players focus on building out logistics asset connectivity, integrated companies prioritize moving proprietary product over EBITDA in the value chain This lack of connectivity results in lower utilization of both pipelines and terminals, particularly during downturns 	<p><i>"Independents will do everything they can to maximize pipeline utilization. Integrated players are more concerned about delivering proprietary crude to their refineries even if it means operating an under-utilized pipeline."</i></p> <p>Former Pipeline VP, Major Energy Co.</p>
Competitive dynamics	<ul style="list-style-type: none"> Integrated players tend not to share owned and operated logistics assets with direct competitors 	<p><i>"Refiners tend to trust and partner with third-party midstream players rather than risk exposing trade secrets by utilizing a competitor's terminal."</i></p> <p>GM, Midstream Logistics Co.</p>

Independence will allow MPLX to compete on equal footing alongside other large cap midstream providers for opportunities with all market participants, not just Marathon

1. Third-party consulting firm findings.

2. Primary market interviews by third-party consulting firm, August 2019.

Separation Can Be Structured with Long-Term Contracts in Place

Even after long-term contracts expire, both parties will likely have an incentive to extend the commercial relationship. Shareholders will receive shares in each business in the separation, thus retaining a proportionate share in most or all of the benefits of the current structure in any later contract renegotiation (10+ years down the road).

Pipeline contracts help lock-in crude/product capacity...

• Overview

- Many refineries lock-in pipeline capacity via long-term (10+ year) volume contracts with pipeline operators to help secure input volumes, especially after pipeline divestiture
- These contracts are typically flexible to allow volumes to change depending on refinery needs, enabling operators to take advantage of market imperfections when needed

• Case studies

- Alon: Sold pipelines to Sunoco and negotiated 15,000 barrels/day of capacity for 10 years as part of the terms of the sale, with the option to extend the agreement ~10 years
- Occidental: Sold pipelines to Plains All American and retained ~80% of pipeline capacity in 9 to 14-year contracts for cost advantaged shipping

• Market commentary⁽¹⁾

- “When you sell your pipelines, you enter into ‘brother-in-law terms’ with your buyer to enable continued advantaged use of those resources.” – Supply Chain Leader, Major O&G Co.
- “Pipeline ownership isn’t necessary given the prevalence of long-term contracts, which provide the same benefits you would enjoy through ownership.” – General Manager of Crude and Feedstock Supply, Major O&G Co.

...and retail branding contracts help maintain ratable volumes for product

• Overview

- Operators sign 10+ year branding contracts upon sale of retail assets to secure product volumes
 - Branding contracts lock-in existing retail volumes for a given time period
 - Gas stations typically continue to purchase refined products even after branding contracts expire

• Case studies

- Exxon: Divested retail locations but signed 10-year branding agreements to lock-in volume, with options for renewal
- Shell: Signed 5-year branding agreements after retail divestment, which later extended to 10-year agreements
- Valero: Signed 15-year supply agreement with CST after spin-off

• Market commentary⁽¹⁾

- “Even once contracts end, there is a limited amount of gasoline supply, so stations continue to buy from the same refineries and just re-brand at the terminal rack.” – Manager of Global Supply Chain Strategy, Major O&G Co.
- “Most majors don’t own their own retail stations, but they sign contracts with certain price and advertising agreements in order to maintain retail volumes.” – VP of Refining Division, O&G Co.

1. Primary market interviews by third-party consulting firm, August 2019.

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Next Steps

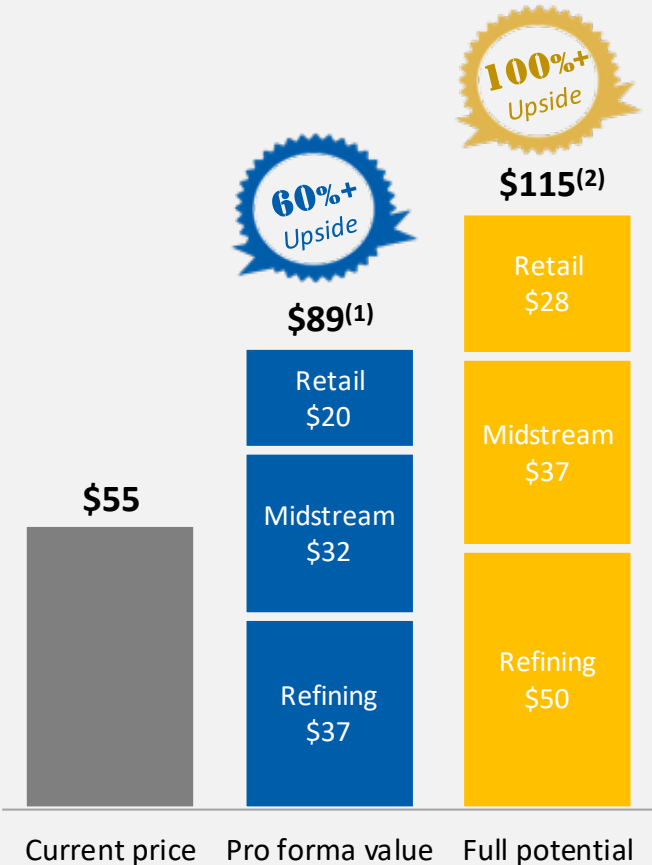
Now is the time to remake Marathon

Remaking Marathon

Now is the time for Marathon’s Board to take action and Remake Marathon by unlocking the value trapped in the current structure and realizing the full potential of three world-class businesses.

Next steps for the Marathon Board

- ✓ Publicly commit to a full separation
- ✓ Form Special Committee of the Board to oversee the separation
- ✓ Develop leadership transition plan to identify independent, world-class leadership for each business
- ✓ Map out each company’s key initiatives for creating value
- ✓ Modernize corporate governance



Immediate value unlock and sustainable gains

1. Value fully loaded for estimated separation costs. See page 7 for further detail on valuation assumptions.
2. Refer to appendix for detailed calculations.

06 | **Appendix**

Background analysis

Elliott's Due Diligence on Marathon

Elliott is an investment firm founded in 1977 that today manages approximately \$38.2 billion of capital for both institutional and individual investors. We are a multi-strategy firm, and investing in the energy sector is one of our most active and successful efforts.

We have conducted extensive due diligence on Marathon to evaluate its operations and corporate structure. We have worked with a team of top-tier advisors to develop a comprehensive plan for Marathon to achieve its full potential value.

Advisor	Diligence Role
Leading Investment Bank	Engaged a leading investment bank to confirm our understanding of Marathon's market valuation, operating performance, and options for separation and value enhancement
Top-Tier Consulting Firm	Partnered with a leading consulting firm to aid in our diligence on Marathon's asset base and strategic positioning, and to evaluate management's claimed benefits from integration
Industry Experts & Former Executives	Consulted experienced refining experts and former industry executives to aid in our diligence and to review the conclusions of our analysis
Specialized Law Firm	Worked with a leading law firm with expertise in corporate, tax, and partnership law to analyze Marathon's structure
Top-Tier Accounting Firm	Retained a Big Four accounting firm to complete a comprehensive review of tax-related issues presented by a potential Marathon separation

Extensive due diligence led to our recommendations for Marathon

Marathon Separation Mechanics

Marathon can be efficiently separated into three appropriately capitalized independent entities, well-positioned to succeed in their respective segments.

Retail Levered Dividend and MPC Debt Reduction

As of 9/24/19

Retail Tax Efficient leveraged dividend

New Speedway Borrowing	5,500
Stand-alone EBITDA	1,804
Pro Forma Leverage	3.0x

Use of proceeds

Gross new debt principal	5,500
Cash to Speedway balance sheet	(250)
Transaction costs	(250)
Face amount of MPC debt redeemed	(4,525)
Premium paid on MPC debt redemption	(222)
Net pre-tax cash proceeds	253
Cash tax liability	(164)
Net cash to MPC balance sheet	89

Remaining Drops to MPLX

Parent midstream assets to be dropped

Drop EBITDA (MPC pro rata)	
Gray Oak	91
South Texas Gateway Terminal	19
Capline	42
EBITDA to be dropped	152
Drop multiple	8.0x
Drop value	1,216

MPLX price	29.96
MPLX units issued in consideration	41

Pro Forma MPLX unit count

Current units outstanding	1,058
Units issued (from above)	41
Pro forma units outstanding	1,099

MPC Pro Forma Capitalization

As of 9/24/19

	Consolidated today	MPC post value unlock		
		MPLX	RetailCo	New MPC
Shares	664	1,099	664	664
Price	55.48	29.96	19.98	37.36
Market cap	36,839	32,923	13,266	24,809

Debt

Debt at 6/30/19	28,439	19,297	-	9,142
Change in debt	-	-	5,500	(4,525)
Pro forma debt	28,439	19,297	5,500	4,617
Cash at 6/30/19	1,247	32	-	1,215
Change in cash	-	-	250	89
Pro forma cash	1,247	32	250	1,304
Net debt	27,192	19,265	5,250	3,313

Preferred	1,608	1,608	-	-
Pension/OPEB (tax adj.)	1,243	-	-	1,243
MPLX NCI (market value)	12,000	250	-	-
Enterprise value	78,882	54,046	18,516	29,365

EBITDA (2020E)

R&M (pre turnaround)	6,974	-	-	6,974
Parent midstream (2021E)	152	152	-	-
MPLX distributions	-	-	-	-
Retail	2,004	-	2,004	-
G&A	(762)	-	(170)	(592)
Incremental G&A	-	-	(30)	-
MPLX standalone	5,490	5,490	-	-
Total	13,858	5,642	1,804	6,382

EV/EBITDA	5.7x	9.6x	10.3x	4.6x
Gross debt/EBITDA	2.1x	3.4x	3.0x	0.7x
Net debt/EBITDA	2.0x	3.4x	2.9x	0.5x

Value to MPC Shareholders

As of 9/24/19

	PF value per MPC share		
	MPLX	RetailCo	MPC
MPC owned units today	666		
Consideration for remaining drops @ 8x	41		
Pro forma MPLX units owned by MPC	707		
MPC fully dliuted shares at 6/30/19	664		
MPLX units/MPC shares	1.06	1.00	1.00

New share price	29.96	19.98	37.36
Estimated price PF value unlock	31.89	19.98	37.36
Total value per MPC share			89.23
Current price			55.48
Upside from current			60.8%

Marathon Full Potential Calculation

By bringing performance in line with relevant peers, Marathon could see a full potential share price of more than double its current price.

Full Potential Upside by Segment

As of 9/24/19	Amount	Multiple	Value	\$ / share
<u>Refining upside</u>				
VLO normalized EBITDA margin/bbl (1Q17-2Q19)	4.98			
MPC adjusted EBITDA margin/bbl (1Q17-2Q19)	4.41			
Margin upside/bbl	0.58			
Throughput (2020E)	3,083			
EBITDA upside	648	4.60x	2,981	4.49
Inventory management to Valero			1,864	2.81
Refining EV/EBITDA multiple rerate to Valero	7,030	0.53x	3,701	5.57
Total refining upside				12.87
<u>Midstream upside</u>				
MPLX PF total units	1,099			
KMI/WMB 2020E EV/EBITDA multiple		10.5x		
MPLX 2020E EV/EBITDA multiple		9.6x		
EBITDA multiple upside	5,642	1.0x	5,455	4.96 /MPLX unit
MPC held MPLX units per MPC share				1.06
MPLX EBITDA multiple upside/MPC share				5.28 /MPC share

Retail upside

ATD/B US merchandise margin (1Q17-2Q19)	33.5%			
MPC retail merchandise margin (1Q17-2Q19)	28.6%			
Margin % upside	4.9%			
Annual merchandise sales (2020E)	6,537			
Merchandise margin impact	319	10.27x	3,272	4.93
ATD/B fuel margin vs OPIS (\$/gallon, 1Q17-2Q19)	0.0147			
MPC fuel margin vs OPIS (\$/gallon, 1Q17-2Q19)	0.0061			
Margin % upside (\$/gallon)	0.0085			
Annual fuel sales volume (2020E)	10,707			
Fuel margin impact	91	10.27x	937	1.41
Retail multiple upside to ATD/B	2,214	0.52x	1,156	1.74
Total retail upside				8.08

Total upside

Refining				\$ 12.87
Midstream				5.28
Retail				8.08
Total				26.23

Marathon Full Potential Share Price

As of 9/24/19	Marathon current price	PF value in separation	Refining upside	Retail upside	Midstream upside	Full potential value
Current	55.48					
Refining		37.36				50.23
Midstream		31.89				37.17
Retail		19.98				28.06
Refining EBITDA margin			4.49			
Refining working capital improvement			2.81			
Refining multiple			5.57			
Retail merchandise margin				4.93		
Retail fuel margin				1.41		
Retail multiple				1.74		
MPLX multiple upside					5.28	
Total	\$ 55.48	\$ 89.23	\$ 12.87	\$ 8.08	\$ 5.28	\$ 115.46
% of current price	100%	161%	23%	15%	10%	208%
Total \$ upside (mm) from current		22,409				39,828
Fully diluted shares at 6/30/19		664				