

## **Par Pacific Holdings, Inc.**

Fourth Quarter 2025 Earnings Call

February 25, 2026

### **Corporate Participants**

Ashimi Patel - Par Pacific Holdings, Inc., Vice President-Investor Relations & Sustainability

William Monteleone - Par Pacific Holdings, Inc., Director, President & Chief Executive Officer

Richard Creamer - Par Pacific Holdings, Inc., Executive Vice President-Refining & Logistics

Shawn Flores - Par Pacific Holdings, Inc., Senior Vice President & Chief Financial Officer

### **Conference Call Participants**

Alexa Petrick – Goldman Sachs – Equity Research Analyst

Matthew Blair – Tudor, Pickering, Holt & Co. Securities, LLC, Research Division – Managing Director of Refiners, Chemicals & Renewable Fuels Research

Manav Gupta - UBS Investment Bank, Research Division – Analyst

### **Management Discussion Section**

#### **Operator**

Good morning and welcome to the Par Pacific Fourth Quarter 2025 Earnings Conference Call. All participants will be in listen-only mode. After today's presentation, there will be an opportunity to ask questions. Please note this event is being recorded.

I would now like to turn the conference over to Ashimi Patel, Vice President of Investor Relations. Please go ahead.

#### **Ashimi Patel**

Thank you, Drew. Welcome to Par Pacific's fourth quarter earnings conference call. Joining me today are Will Monteleone, President and Chief Executive Officer; Richard Creamer, EVP of Refining and Logistics; and Shawn Flores, SVP and Chief Financial Officer.

Before we begin, note that our comments today may include forward-looking statements. Any forward-looking statements are subject to change and are not guarantees of future performance or events. They are subject to risks and uncertainties, and actual results may differ materially from these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements, and we disclaim any obligation to update or revise them. I refer you to

our investor presentation on our website and to our filings with the SEC for non-GAAP reconciliations and additional information.

I'll now turn the call over to our President and Chief Executive Officer, Will Monteleone.

### **William Monteleone**

Thank you, Ashimi, and good morning, everyone.

2025 was a year of meaningful progress. We navigated challenges, advanced key strategic initiatives and generated substantial profits along the way. Full year adjusted EBITDA was \$634 million and adjusted net income was \$7.56 per share. 2025 represents an excellent year for the enterprise and further validates the structural improvements we've made to the business.

At the beginning of 2025, we laid out clear priorities for the year:

1. Execute major turnaround activity safely and on schedule,
2. Minimize the impact from the Wyoming crude heater event,
3. Advance and start up our Hawaii Renewables unit, and,
4. Deliver on our cost reduction commitments.

Despite a volatile refining backdrop, we largely achieved those objectives. We executed the Montana turnaround work safely and effectively, restored Wyoming to reliable operations, advanced the Hawaii Renewables project into commissioning, while forming a joint venture with world-class partners at an attractive valuation, and strengthened our cost structure. While no year is without challenges, the consistency of our execution reinforces our organization's commitment to excellence.

In our business, financial success starts with operational reliability and safety. Overall, we made strong progress during the year achieving record annual refining throughput. However, the Wyoming event was a reminder to the organization that we were never finished when it comes to safely and reliably operating our facilities. One notable operational success was the sustained improvement in the Hawaii throughput rates following several years of focused effort by the team. Hawaii throughput averaged 84,000 barrels per day, approximately 4% above the prior three-year average, reflecting sustained operational improvement by the team.

The logistics organization progressed key initiatives throughout the year and generated record segment profits.

Retail once again delivered growing results, setting new financial records in 2025. Full year adjusted EBITDA increased approximately 13% versus 2024. 2025 same-store fuel and in-store sales grew approximately 1.6% and 1.5%, respectively, reflecting continued traction in merchandizing initiatives and food programs.

In Hawaii, the renewable fuels project progressed into commissioning and early start-up phases during the fourth quarter. We prioritized the readiness of the pre-treatment unit and have successfully achieved on-specification feedstock with a range of inputs. We are in the final phases of operational readiness and expect to introduce post-treated feedstocks into the Renewables unit in the next few weeks. While timing has extended modestly beyond original expectations, there have been no material operational issues. Our focus remains on safe start-up, operational stability and optimization towards steady-state performance. We are constructive on the medium-term economic outlook, as the policy backdrop continues to improve.

A significant highlight for the year was the strengthening of our balance sheet. During the fourth quarter, we received proceeds from the Hawaii Renewables joint venture and began monetizing excess RIN inventory. Combined with solid underlying cash generation, these actions materially improved liquidity.

We ended the year with approximately \$915 million in liquidity and 49.7 million shares outstanding, improving liquidity by 49% and reducing our share count by 10%, while completing key growth and reliability projects. A stronger balance sheet provides flexibility to invest through cycles, execute high-return internal projects and opportunistically repurchase shares when appropriate.

We enter 2026 positioned to continue expanding the earnings power of the business and driving long-term shareholder value. Refining markets are cyclical, and our strategy is not to predict short-term movements, but to structurally improve our position within the cycle, increasing distillate yield, enhancing logistics integration, improving capture rates, and lowering our cost structure. Over time, these efforts expand our mid-cycle earnings profile and strengthen durability. Our priorities for the year are clear and consistent with our long-term strategy:

1. Improve the mid-cycle earnings contribution of our Rocky Mountain assets through targeted high-return projects that enhance flexibility and capture,
2. Execute the Hawaii turnaround safely and on schedule,
3. Successfully start up and optimize the renewable fuels unit, and,
4. Maintain disciplined and opportunistic capital allocation.

I'll now turn the call over to Richard to discuss Refining and Logistics operations.

### **Richard Creamer**

Thank you, Will.

2025 reflected significant operational progress and improvement across Refining and Logistics business. Reliability is a cornerstone to success, and last year's performance is representative of that. We were challenged early in the year by the heater outage in Wyoming and the team there delivered an exceptional recovery. Throughout the year, we executed disciplined operating and capital spending across the system. The Refining and Logistics team delivered another record throughput year of 188,000 barrels per day, led by Hawaii's increased production rates.

I want to commend the Montana team for the execution of their largest-ever turnaround. Following this event, we reported record quarterly throughput of 58,000 barrels per day, demonstrating the site's potential. We continue to see the benefits of our reliability investments and the team has made great strides in improving OpEx per barrel.

I'd like to recognize Wyoming team for safely restoring operations after the Q1 crude heater incident, more than one month ahead of schedule.

Shifting to quarterly results. Fourth quarter combined throughput was 191,000 barrels per day.

In Hawaii, throughput was strong at 87,000 barrels per day. This represents Hawaii's efforts to deliver at maximum capacity through the team's focus on high-reliability operations. Production costs were \$4.15 per barrel.

Washington throughput was 37,000 barrels per day, reflecting reduced rates ahead of the first quarter planned downtime and production costs were \$4.57 per barrel. Maintenance activities are now complete, and the plant restart is underway.

Shifting to Wyoming, throughput was 14,000 barrels per day and production costs were elevated at \$13.27 per barrel due to a third-party power outage in Northern Wyoming and lower seasonal throughput.

Finally, in Montana, fourth quarter throughput was 52,000 barrels per day and production costs were \$11.74 per barrel, elevated by approximately \$1.50 per barrel, due to coker maintenance.

Looking ahead to the first quarter, we expect Hawaii throughput between 85,000 and 89,000 barrels per day and Washington between 24,000 and 28,000 barrels per day, reflecting the Q1 planned outage. Wyoming is expected to operate between 13,000 and 16,000 barrels per day, with Montana between 52,000 and 56,000 barrels per day, both reflective of Q1 seasonality.

This results in a system-wide anticipated midpoint throughput of 182,000 barrels per day.

I'll now turn the call over to Shawn to cover our financial results.

### **Shawn Flores**

Thank you, Richard. Fourth quarter adjusted EBITDA was \$113 million and adjusted net income was \$60 million or \$1.17 per share. For the full year adjusted EBITDA was \$634 million and adjusted net income was \$390 million or \$7.56 per share.

The Refining segment generated \$88 million of adjusted EBITDA in the fourth quarter compared to \$135 million in the third quarter, excluding the SRE impact. Our combined refining index averaged \$13.13 per barrel in the fourth quarter, down approximately \$1.60 from the prior quarter, reflecting seasonal conditions in the Rockies and the Pacific Northwest. System-wide refining capture was 93% for the quarter and 94% for the full year.

In Hawaii, the Singapore 3.1.2 averaged \$21.43 per barrel during the fourth quarter, and our landed crude differential was \$6.05, resulting in a Hawaii Index of \$15.38 per barrel. Hawaii capture was 104%, including a net \$7 million loss from product crack hedging and price lag. Excluding these items, Hawaii capture was 110%.

In Montana, the fourth quarter index averaged \$11.14 per barrel, with margin capture of 72%. Capture was impacted by elevated asphalt sales and a lighter, higher-cost crude slate due to coker downtime, reducing margins by approximately \$10 million. Montana production costs include approximately \$7 million related to coker maintenance.

In Wyoming, the fourth quarter index averaged \$18.31 per barrel. Normalized capture was approximately 70%, excluding a \$3 million FIFO impact from declining crude prices. As Richard mentioned, a regional power outage and subsequent maintenance activities reduced throughput and impacted both margins and production costs during the quarter. Lower diesel sales during the downtime impacted margins by approximately \$4 million, while maintenance-related activity increased operating costs by \$3 million.

In Washington, our index averaged \$8.60 per barrel. Margin capture was 97%, reflecting a normalization of jet-to-diesel spreads and favorable sales mix during the Olympic Pipeline outage in November.

Looking to the first quarter, our combined refining index has averaged approximately \$6.70 per barrel quarter-to-date, with February month-to-date improving by \$2 per barrel versus January. In both the Rockies and the Pacific Northwest, prompt distillate margins have strengthened by roughly \$15 per barrel compared to January averages. On the West Coast, tighter jet balances have driven jet fuel to trade at a premium to diesel, supporting margin capture in Washington.

In Hawaii, Singapore distillate cracks remain firm, and we expect our first quarter crude differential to be in the range of \$4.75 and \$5.25 per barrel, reflecting easing backwardation and favorable access to waterborne crude supply.

Moving to the Logistics segment. Adjusted EBITDA was \$30 million in the fourth quarter, compared to \$37 million in the third quarter. Full year Logistics adjusted EBITDA reached a record \$126 million, reflecting strong system utilization and a \$6 million reduction in annual costs.

Retail delivered \$22 million of adjusted EBITDA in the fourth quarter, in line with the third quarter. For the full year, Retail achieved a record \$86 million in adjusted EBITDA, up from \$76 million in 2024, driven by favorable fuel and inside store margins and a \$4 million reduction in operating costs.

Turning to cash flow. Full year cash from operations was \$568 million, excluding working capital outflows of \$21 million and deferred turnaround costs of \$101 million.

Cash from operations in the fourth quarter was \$134 million, excluding working capital outflows of \$40 million and deferred turnaround costs of \$1 million. Q4 working capital outflows were primarily

related to prepaid annual insurance premiums and trade credit timing in Hawaii, partially offset by RIN proceeds. At year-end, we had monetized less than half of the SRE-related excess RIN inventory, providing favorable working capital visibility into 2026.

Full year accrued capital expenditures, including deferred turnaround costs, totaled approximately \$246 million, or \$6 million above our prior guidance.

Cash used in financing activities totaled \$64 million, driven by an ABL paydown of \$163 million, share repurchases of \$28 million, partially offset by \$100 million in proceeds from the Hawaii Renewables joint venture.

For the full year, we repurchased 6.5 million shares, reducing shares outstanding by 10% while lowering gross debt by \$310 million.

Total liquidity was a record \$915 million at year-end. Gross term debt was approximately \$640 million, positioning us at the low end of our leverage targets. During the quarter, we repriced our existing term loan, reducing the spread by 50 basis points and lowering our annual cash interest by over \$3 million.

With improving market conditions and reduced capital requirements, we are entering 2026 from a position of financial strength with the flexibility to invest in growth, maintain a strong balance sheet and opportunistically repurchase shares.

This concludes our prepared remarks. Operator, we'll turn it back to you for Q&A.

### **Question and Answer Section**

We will now begin the question-and-answer session. The first question comes from Alexa Petrick with Goldman Sachs. Please go ahead.

**Question – Alexa Petrick:** Hey, good morning, team, and thanks for taking our question. I wanted to start on capital allocation. You talked about starting to monetize the excess RIN bank. How should we expect that cash to be used? And then how are you thinking about share repurchases, particularly with the stock at these levels?

**Answer – William Monteleone:** Good morning, Alexa. Yeah, I think our capital allocation framework remains consistent with how we've approached it in the past. I think we are looking at a mix of both the opportunity to repurchase our shares, as well as internal growth opportunities and even potentially external opportunities. I think if you look at our past, you'll see that we've used really all of the above when appropriate to try and generate shareholder returns. And I think we'll continue to deploy a dynamic approach to that given our strong excess capital position. We have a lot of flexibility.

**Question – Alexa Petrick:** Okay, that's helpful. And then maybe just a follow-up. Can you talk a little about Q4 on captures? I think Rockies was a little softer than maybe what we think about mid-cycle. Can you kind of walk us through some of the moving pieces there and then how 1Q is shaping up so far?

**Answer – Shawn Flores:** Hey, Alexa, it's Shawn. Yeah, I think, in my prepared remarks, I touched on the softness that we saw in the Rockies in Montana, with 72% capture relative to our sort of annual guidance of 90% to 100%. And I think it's really driven by the coker downtime. We lightened up our crude slate, while the coker was offline and it also results in incremental asphalt sales, and we estimate about a \$10 million margin impact that translates to about 19% capture. So, I think when you normalize for that, you're back within sort of that 90% to 100% range.

And then I think a similar story in Wyoming. As Richard referenced, we had the regional power outage that impacted most of the state for a few days and led to a multiple week downtime. And ultimately, I think it impacted diesel sales, which was about \$4 million. And I think adjusting for that margin loss, Wyoming capture would have been in the high-80s. So, I think that the story is as simple as that.

**Question – Alexa Petrick:** Thank you, guys. That's helpful. I'll turn it back.

#### **Operator**

The next question comes from Matthew Blair with Tudor, Pickering, Holt. Please go ahead.

**Question – Matthew Blair:** Great. Thank you, and good morning, everyone. Will, maybe to just follow up on your comment there about looking at external growth opportunities. Could you talk a little bit more about what opportunities that might be? Would that include additional retail integration? Or are you also open to refinery acquisitions or even corporate acquisitions?

**Answer – William Monteleone:** Yeah, Matthew, happy to talk a little bit more about it. I think the best way to think about our framework is probably to look at our track record. And to think about how we've operated in the past is a pretty good indicator of how we'll approach the future. And so, I think, from our perspective, I think we are focused on growing the scale of the business when it's accretive.

And again, I think we're trying to find opportunities that are synergistic with our existing portfolio where we can really generate an edge. And so that's our focus and I think we hold two things to be true at the same time. I mean, if you look at our history, we've grown this business through M&A, but I think we also fully understand that if you pursue growth at any price, you can destroy shareholder value very quickly. So being disciplined is important.

And I think what we found on the retail side is, generally, we can be competitive in small acquisitions, one to five stores, and then we can be competitive on new builds and generate real returns in that area, given the current market. Larger-scale M&A in retail is less likely and more challenging, given our competitors' cost of capital versus our own.

**Question – Matthew Blair:** Sounds good. And then, Will, you also mentioned the cash coming in from the RIN sales. Do you have any update on potentially monetizing the Hawaii land, the excess land out there or potentially monetizing the Laramie E&P investment? Thank you.

**Answer – William Monteleone:** Sure. On the land position in Hawaii, we're continuing to progress the redevelopment of that and, again, I think, are nearing completing, getting the equipment to grade and are, again, working through the process to rehabilitate that and get it back, I'll say, into commerce. And so, I wouldn't plan on that being an immediate benefit. I think this is a long-term project for us that's going to take us several years, but I do think it's an attractive asset.

With respect to Laramie, I think the business there has continued to do well and has generated cash with its existing production, improved its balance sheet and has continued to improve overall. I would say, like I've mentioned in the past, we own 46% of Laramie, so we have influence, but we don't have control. And our view is that the best way to generate maximum value for our stake is to align with the other shareholders who have different time horizons than we do and ensure that we maximize the value of the business when they're ready to monetize. And so, again, I think the gas business is non-core to us. At the end of the day, though, we need to ensure that we are aligned with our partners to maximize the value and aren't selling a minority noncontrolling position.

**Question – Matthew Blair:** Got it. Thank you.

#### **Operator**

The next question comes from Manav Gupta with UBS. Please go ahead.

**Question – Manav Gupta:** Good morning. I had a very quick clarification. Can you remind us of your sensitivity to the WCS differential? I think it was about \$14 million per \$1 of widening. But if you could reflect on that and then your view on the WCS differential itself with more Venezuelan crude coming into the United States.

**Answer – William Monteleone:** Sure, Manav. In a mid-cycle environment, we're roughly running between 40,000 and 50,000 barrels a day of WCS. And so, basically, every \$1 is worth around \$15 million to \$16 million a year. So that's the best way to think about our sensitivity on that.

And I think at the end of the day, we are an indirect beneficiary of incremental Venezuelan barrels on the Gulf Coast, really, as it cascades and pushes Canadian barrels back up into the Mid-Continent. And so, we're seeing less volume flowing out of Vancouver and Westridge to the Far East, more barrels in Canada, and increasing apportionment on the lines, which is all favorable for crude differentials moving back out towards our mid-cycle range of, let's call it, \$15 to \$16 under WTI.

**Question – Manav Gupta:** Thank you so much. I'll turn it over.

## **Operator**

This concludes our question-and-answer session. I would like to turn the conference back over to Will Monteleone for any closing remarks.

## **William Monteleone**

Thank you, Drew. 2025 was a year of meaningful progress. We set clear objectives and we largely achieved them. We strengthened the balance sheet. We expanded the structural earnings power of the portfolio. And we continued to build a more diversified and durable business. Our objective remains constant—to increase mid-cycle earnings power and grow free cash flow per share over time through disciplined execution.

I want to thank all of our employees across the organization for their continued focus on safe and reliable execution. Thank you, all, and have a great day.

## **Operator**

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.