Investor Presentation

Citi Midstream / Energy Infrastructure Conference

AUGUST 22-23, 2023 | TARGA RESOURCES CORP.

Forward Looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, are forward-looking statements.

These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside the Company’s control, which could cause results to differ materially from those expected by management of the Company. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including a decline in the price and market demand for natural gas, natural gas liquids and crude oil, the impact of pandemics or any other public health crises, commodity price volatility due to ongoing or new global conflicts, actions by the Organization of the Petroleum Exporting Countries (“OPEC”) and non-OPEC oil producing countries, the impact of disruptions in the bank and capital markets, including those resulting from lack of access to liquidity for banking and financial services firms, the impact of continued inflation and associated changes in monetary policy, the timing and success of business development efforts and other uncertainties.

These and other applicable uncertainties, factors and risks are described more fully in the Company’s filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K, and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company does not undertake an obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

We use any of the following to comply with our disclosure obligations under Regulation FD: press releases, SEC filings, public conference calls, or our website. We routinely post important information on our website at www.targaresources.com, including information that may be deemed to be material. We encourage investors and others interested in the company to monitor these distribution channels for material disclosures.

Targa’s Unique Investment Proposition

- *Growing EBITDA*
- *Increasing Dividend*
- *Reducing Share Count*

Valuable infrastructure assets backed by primarily fee-based contracts

Significant adjusted EBITDA growth expected YoY and long-term

Strong, flexible, investment grade balance sheet[(1)]

Increasing return of capital to shareholders expected YoY and long-term

Included in the S&P 500

(1) Current ratings at Fitch/Moody’s/S&P: BBB-/Baa3/BBB-

Targa's System – Integrated NGL Solution

Our assets and operations connect natural gas and NGLs to markets with growing demand for cleaner fuels and feedstocks

Largest Permian Natural Gas Processor

NGL Pipeline Transportation Connects Key Supply to NGL Market Hub in Mont Belvieu

Premier NGL Fractionation Footprint in Mont Belvieu

Connected to Domestic Petchem Market

Large Natural Gas Processing Presence in Other Key Basins

Significant Shipper of Natural Gas to Key End Markets

Operate One of the Largest Gulf Coast LPG Export Facilities

Targa's System is Integrated Across the Value Chain

Targa's Assets are Positioned for Long-Term Success

- Growing Permian Basin Production
- Increasing U.S. Exports of Natural Gas and LPGs
- Investing in High-Return Projects That Leverage Integrated System

A Leading Infrastructure Company

Bakken Assets

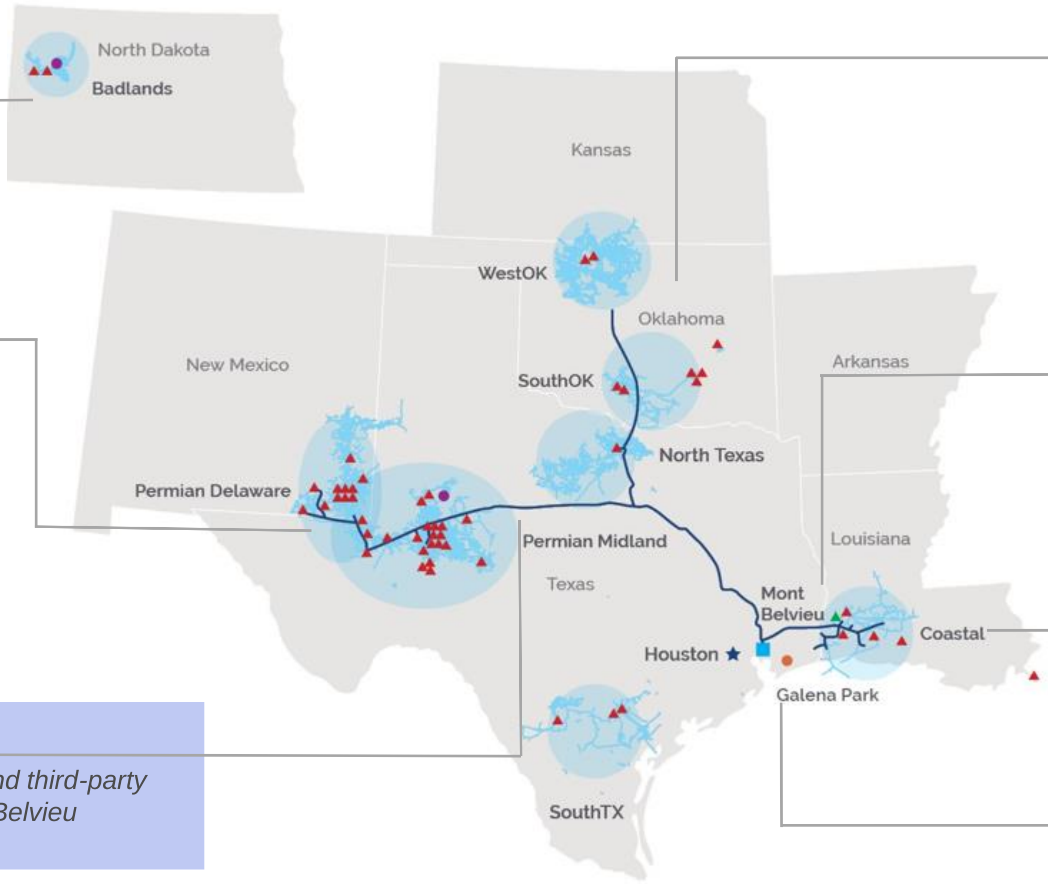
- *2 natural gas processing plants*
- *~290 MMcf/d gross processing capacity*
- *Crude oil gathering and storage*

Permian Basin Assets

- *Largest natural gas G&P position*
- *38 natural gas processing plants[(1)]*
- *~7.4 Bcf/d gross processing capacity[(1)]*

NGL Pipeline Transportation

- *Grand Prix NGL Pipeline connects Targa and third-party assets in the Permian and Midcon to Mont Belvieu*
- *Daytona NGL Pipeline under construction*



Central Region Assets

- *12 natural gas processing plants*
- *~2.0 Bcf/d gross processing capacity*

NGL Fractionation

- *One of the largest footprints in Mont Belvieu*
- *10 fractionation trains*
- *~1.1 MMBbl/d gross fractionation capacity[(2)]*

Coastal Region Assets

- *5 natural gas processing plants*
- *~2.0 Bcf/d gross processing capacity*

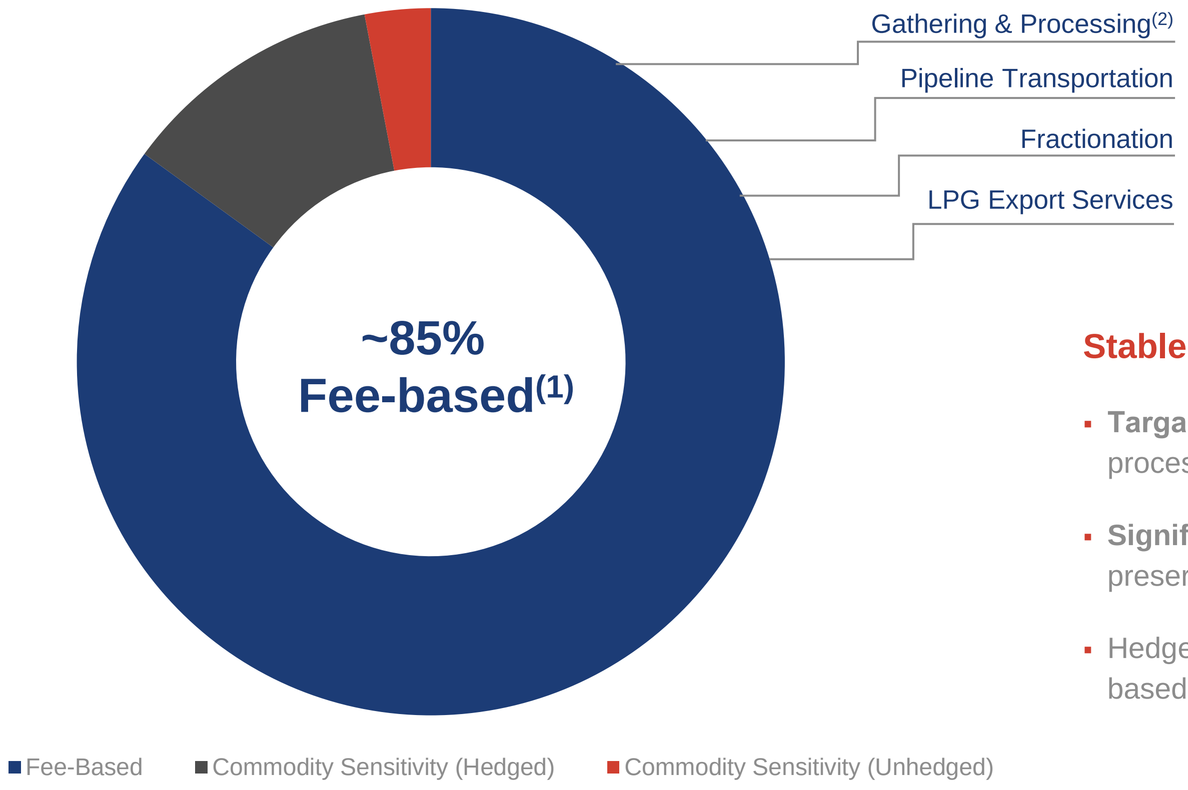
LPG Export Services

- *One of the largest U.S. exporters of LPG*
- *~13.5 MMBbl/month effective working capacity[(3)]*

(1) Includes announced Permian Midland and Permian Delaware plant additions currently underway and the idling of the Sand Hills plant.
(2) Includes 40 MBbl/d of back-end capacity, Train 9 and 10 scheduled to be completed in Q2 2024 and Q1 2025, respectively, and does not include Targa's equity interest in GCF.
(3) Export facility has an effective working capacity of 13.5 MMBbl/month, inclusive of 1MMBbl/month capacity expansion underway. This capability is dependent on the mix of propane and butane demand, vessel size and availability of supply, among other factors.

Predominantly Fee-Based Margin

Durable earnings from significant fee-based margin, fee-floors, and disciplined hedging program



Stable Earnings and Cash Flows

- **Targa's business is predominantly backed by fee-based contracts:** gathering and processing, NGL pipeline transportation, fractionation, LPG export services
- **Significant fee-floor contracts in place in G&P segment**, reducing downside while preserving upside
- Hedges provide **cash flow stability and reduce exposure** to commodity prices on non fee-based G&P contract exposure

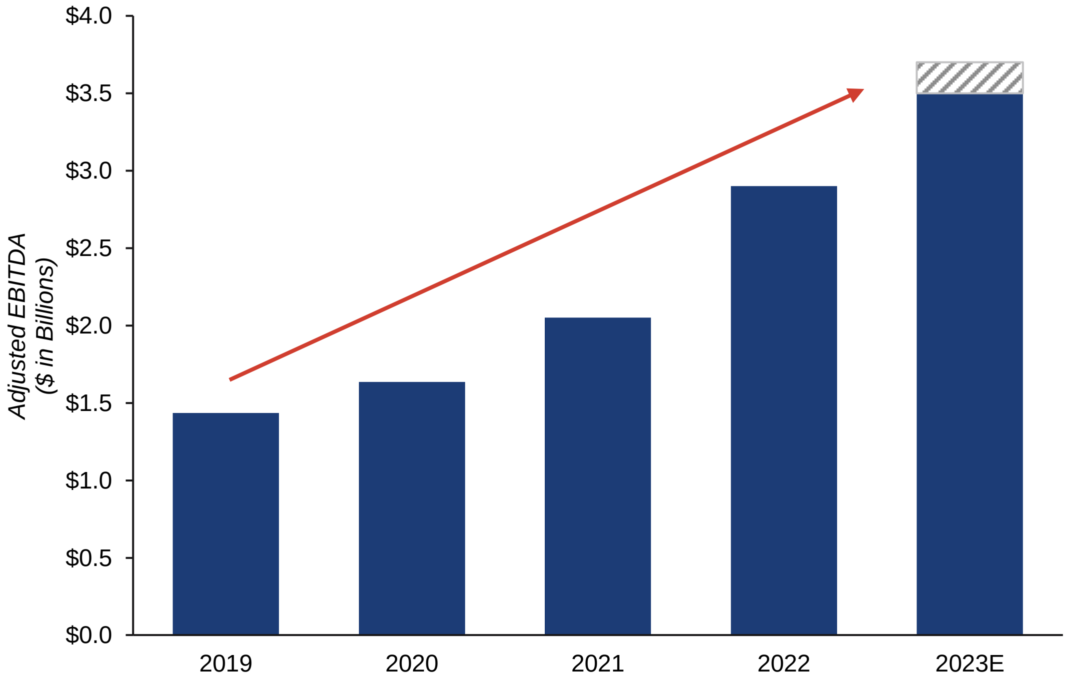
(1) Fee-based profile based on fully consolidated 2023E adjusted operating margin.
(2) Fee-based margin in G&P segment includes Badlands (fully consolidated adjusted operating margin), SouthOK, SouthTX and significant portions of Permian Delaware, Permian Midland, and WestOK.

Significant EBITDA Growth and Balance Sheet Strength

Maintaining balance sheet strength and financial flexibility over the long-term remain a key priority

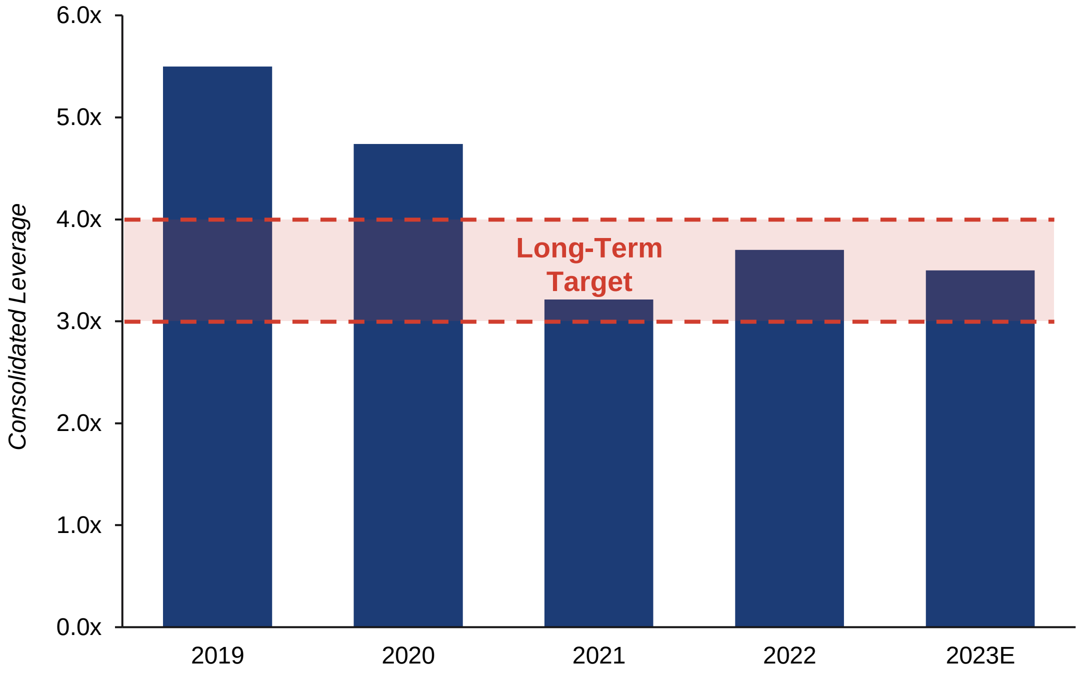
Industry Leading Growth

+150% Adjusted EBITDA[(1)] Growth



Strong Investment Grade Balance Sheet

Significant Financial Flexibility



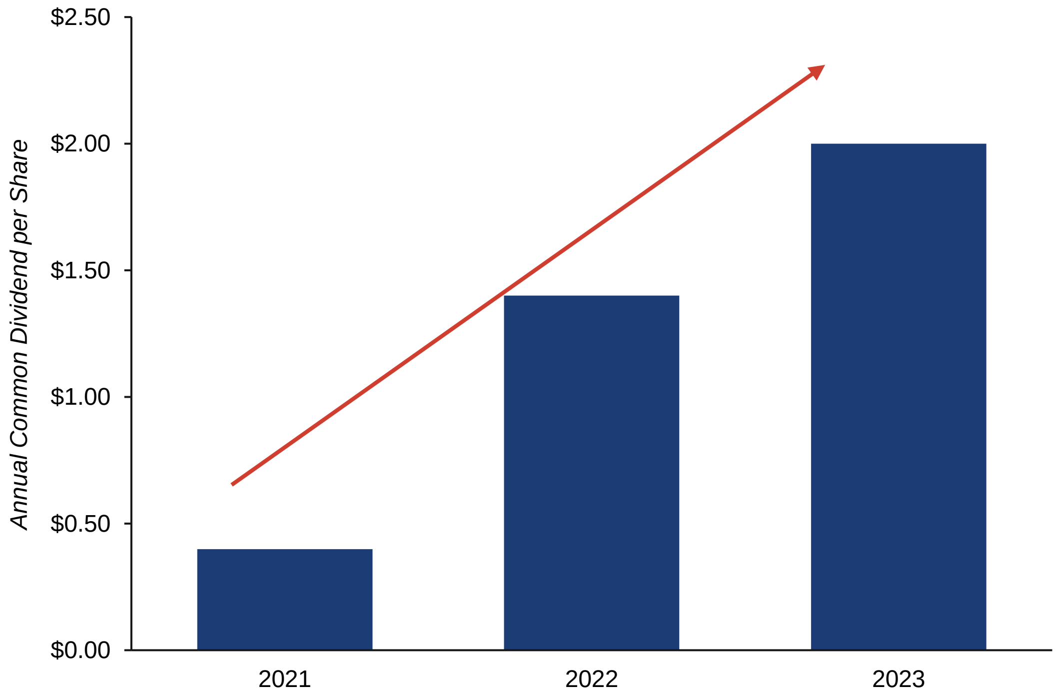
(1) Adjusted EBITDA is a non-GAAP measure. Please see the section of this presentation entitled "Non-GAAP Financial Measures" for a discussion of adjusted EBITDA and a reconciliation of such measure to its most directly comparable GAAP financial measure. Adjusted EBITDA growth based on midpoint of projected 2023E Adjusted EBITDA guidance.

Increasing Return of Capital to Shareholders

Returning incremental capital to shareholders: $149 million of common share repurchases in 2Q23

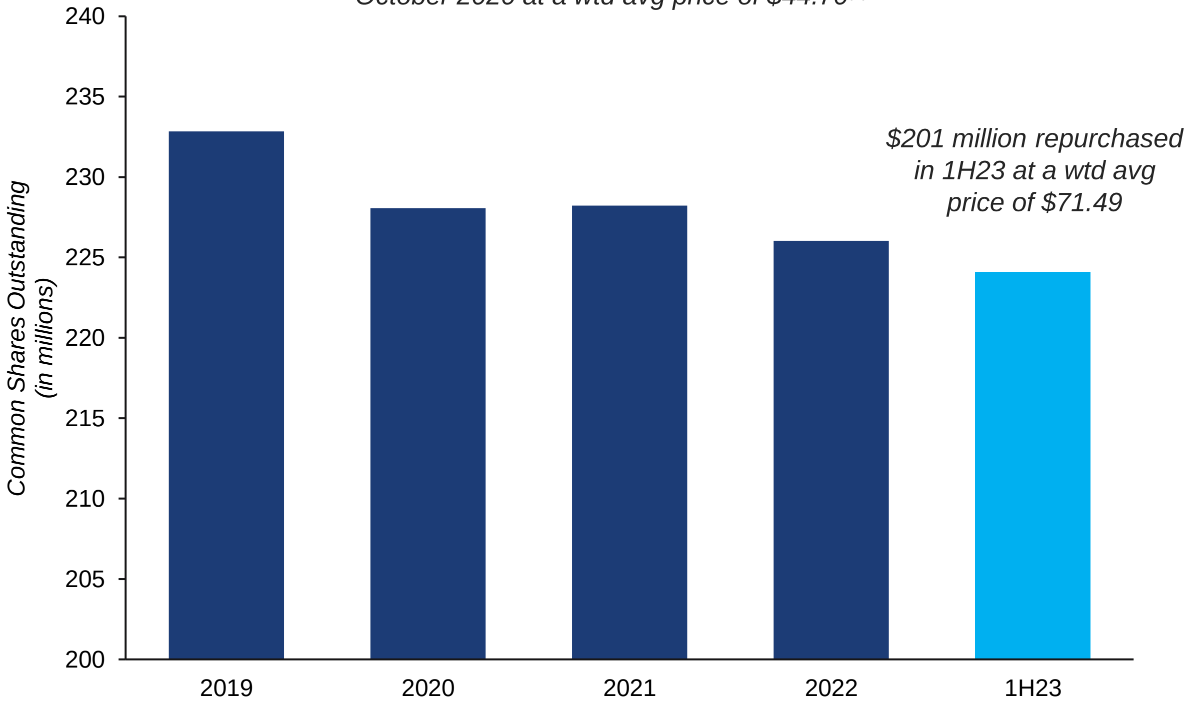
Growing Dividend

+43% YoY Dividend Increase in 2023



Reducing Share Count[1]

Over 12.5 million shares repurchased since inception of Share Repurchase Program in October 2020 at a wtd avg price of $44.70[2]



(1) In May 2023, the Company's Board approved a new $1 billion common stock repurchase program.
(2) Weighted average per share repurchase price inclusive of share repurchases through June 30, 2023.

Investing in Attractive Projects Driven by Permian Volume Growth

Organic investments across Targa's integrated NGL business expected to drive strong return on invested capital

Gathering & Processing

- Adding +1.7 bcf/d of gas processing capacity in the Permian in response to increasing production and to meet the infrastructure needs of producers[(1)]
- Mix of fee-based and percent-of-proceeds (POP) contracts with fee floors

Expansion Project	Capacity	Forecasted In-Service
Permian Midland		
Greenwood plant	275 MMcf/d	4Q23
Greenwood II plant	275 MMcf/d	4Q24
Permian Delaware		
Wildcat II plant	275 MMcf/d	1Q24
Roadrunner II plant	230 MMcf/d	2Q24
Bull Moose plant	275 MMcf/d	2Q25

Logistics & Transportation

- Expanding NGL takeaway from the Permian and fractionation capacity to support growth in NGLs from Targa's Permian G&P position and third parties
- Continuing to add critical infrastructure at the NGL hub of North America; long-term fee-based contracts

Expansion Project	Capacity	Forecasted In-Service
Daytona NGL Pipeline	400 MBbl/d	End of 2024
GCF Fractionator	135 MBbl/d	1Q24
Train 9 Fractionator	120 MBbl/d	2Q24
Train 10 Fractionator	120 MBbl/d	1Q25
LPG Export Expansion	1 MMBbl/month	3Q23

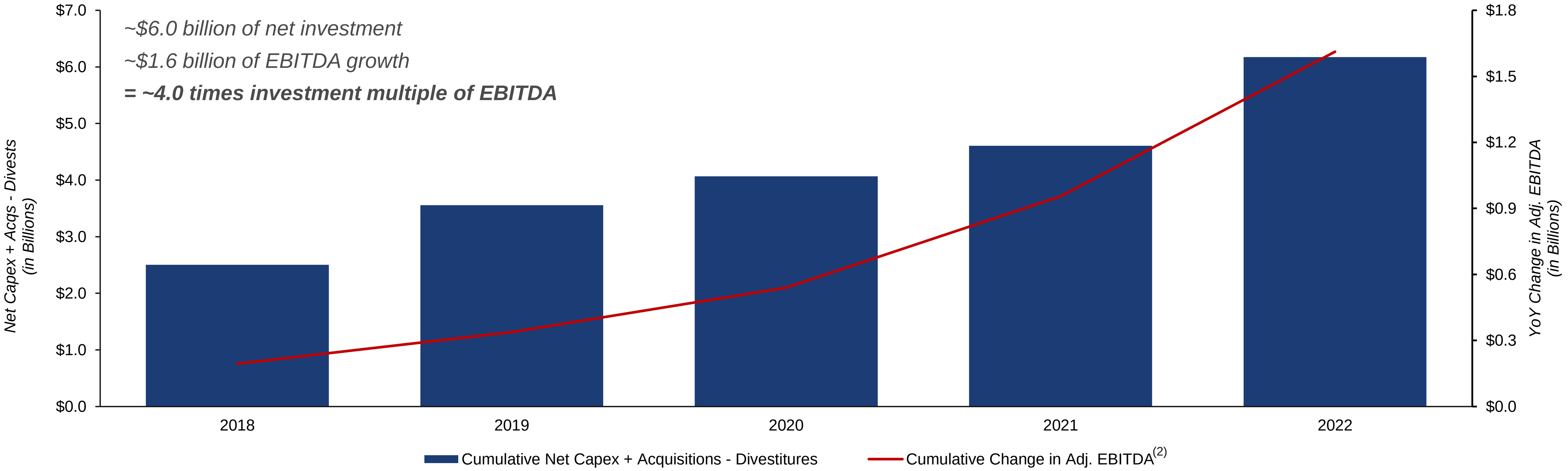
Ability to Collect Fees at Multiple Points as Molecules Move Through Targa's System

(1) Legacy II plant became fully available in the second quarter of 2023 and Midway plant commenced operations in the second quarter of 2023.

Demonstrated Track Record of Strong Returns

Investing in high-return projects across cycles expected to continue to drive increasing shareholder returns

~26% Return on Invested Capital(1)



(1) ROIC = (Cumulative Change in Adjusted EBITDA) / (Cumulative Capex + Acquisitions – Divestitures); excludes acquisition capital and adjusted EBITDA associated with 2022 Delaware Basin Acquisition.
(2) Adjusted EBITDA is a non-GAAP measure. Please see the section of this presentation entitled "Non-GAAP Financial Measures" for a discussion of adjusted EBITDA and a reconciliation of such measure to its most directly comparable GAAP financial measure.

2023 – Targa Momentum Continues

Integrated NGL business and strong business fundamentals expected to drive increasing cash flow outlook

+10%

YoY increase in Permian natural gas volumes(1)

Record Permian inlet gas volumes in 2Q23

Driving incremental volumes through Targa's Logistics and Transportation assets

Record NGL pipeline transportation and fractionation volumes in 2Q23

+24%

YoY increase in Adjusted EBITDA(2)

System volume growth underpins adjusted EBITDA growth YoY and beyond

+43%

YoY increase to quarterly cash dividend

Opportunistic common share repurchase program

Record $149 million of quarterly common share repurchases in 2Q23

Strong and flexible IG balance sheet

(1) Expected Permian volume growth based on projected average full year 2023 Permian inlet volumes versus average 4Q22 volumes.
(2) Year over year projected adjusted EBITDA growth based on FY2022 and midpoint of projected 2023E Adjusted EBITDA guidance.

Targa Full Year 2023 Financial and Operational Estimates

+24% year-over-year increase in estimated adjusted EBITDA is backed by volume-driven Permian growth(1)(2)

FINANCIAL METRICS	2023 ESTIMATES
Adjusted EBITDA(1)(2)	\$3,500 - \$3,700 million
Net Growth Capex(3)	\$2,000 - \$2,200 million
Net Maintenance Capex	\$175 million
Segment Operating Margin Mix (G&P/L&T)	~55% / ~45%

OPERATIONAL	2023 ESTIMATES
Permian G&P Inlet Volume Growth(1)(4)	+10% increase

FY23 COMMODITY PRICE ASSUMPTIONS(1)	
Waha Natural Gas (\$/MMBtu)	\$2.25
Wtd Avg NGL (\$/Gal)(5)	\$0.70
WTI Crude Oil (\$/Bbl)	\$75.00

FY23 COMMODITY PRICE SENSITIVITY(1)(6)

-30%	Change in Prices	**+30%**
-~\$60MM	2023e Adj. EBITDA Impact	+~\$100MM

YoY increase in 2023 adjusted EBITDA estimate driven by:

- ✓ Higher G&P and L&T system volumes
- ✓ Contributions from new organic growth projects
- ✓ Full year contributions from Delaware Basin and SouthTX acquisitions
- ✓ Contribution from Grand Prix acquisition
- ✓ Higher marketing and optimization
- ✓ Higher fees from inflation escalators
- ✓ Higher hedge prices
- – Lower commodity prices
- – Higher opex and G&A expenses attributable to recent acquisitions, system expansions, insurance costs, and inflation impacts

(1) As presented in February 2023.
(2) Adjusted EBITDA is a non-GAAP measure. Please see the section of this presentation entitled "Non-GAAP Financial Measures" for a discussion of adjusted EBITDA and a reconciliation of such measure to its most directly comparable GAAP financial measure. Year over year increase based on the midpoint of estimated 2023 adjusted EBITDA range.
(3) As presented in May 2023.
(4) Permian volume growth based on projected average full year 2023 Permian inlet volumes versus average 4Q22 volumes.
(5) Targa's composite NGL barrel comprises 43% ethane, 32% propane,12% normal butane, 4% isobutane and 9% natural gasoline.
(6) Commodity price sensitivity for 2023 inclusive of a number of factors, including unhedged exposure, fee floor arrangements and any associated fee floor hedges, NGL barrel composition and recovery economics. Price sensitivity only; assumes no volume or other operational changes.

Targa’s Infrastructure Supported by Strong Fundamental Outlook

Targa's Premier Permian Asset Footprint

Premier Permian supply aggregation position backed by significant acreage dedications from diverse producer group

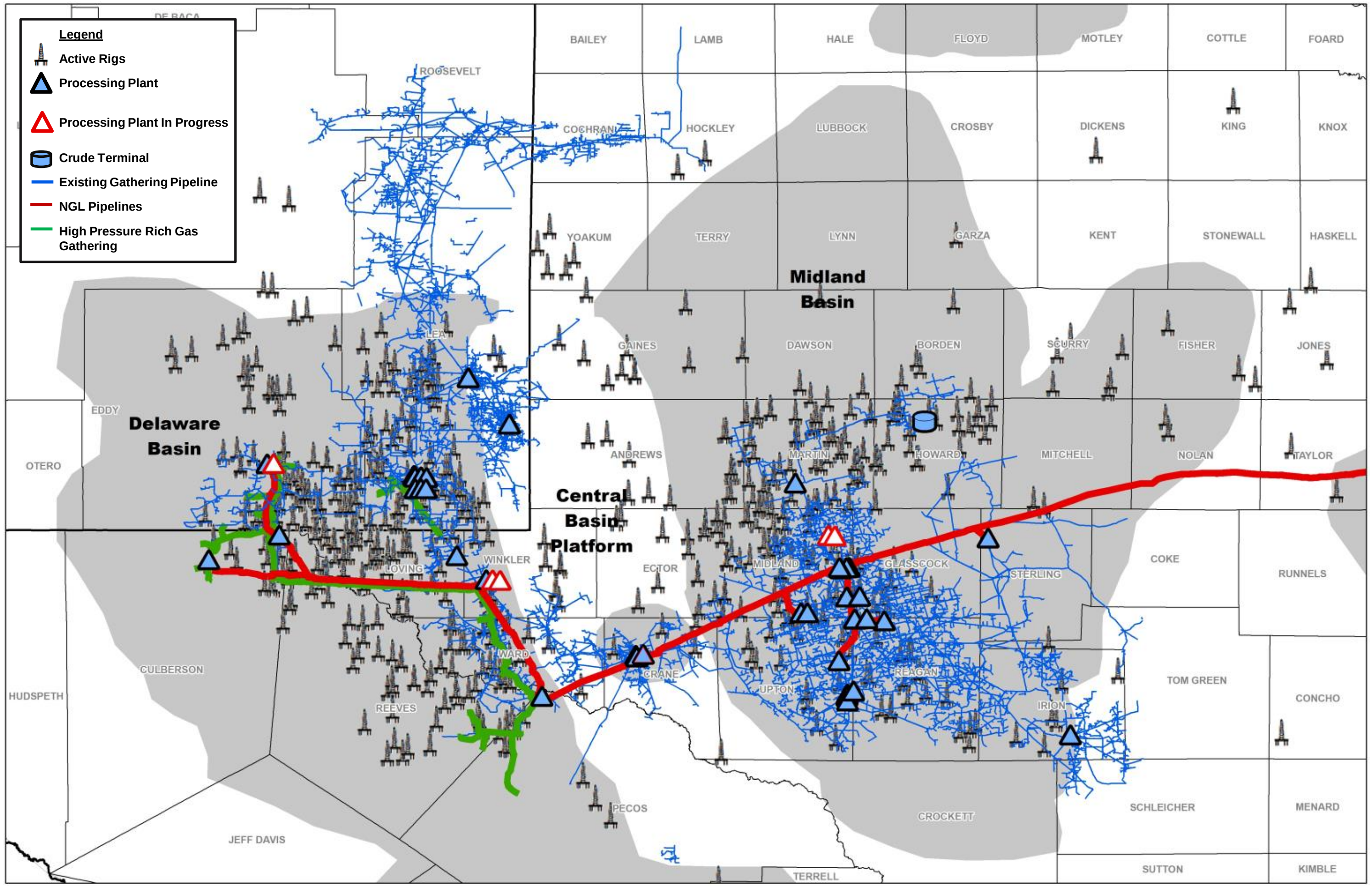
- Multi-plant, multi-system Permian G&P footprint, complemented by Grand Prix and Daytona NGL pipeline integration and connectivity to natural gas residue takeaway pipelines
- Recent Delaware Basin acquisition further enhance systems across the Delaware and Midland Basins

7.4 Bcf/d

Permian gas processing capacity(1)

- 38 plants
- Midland capacity ~3.9 Bcf/d
- Delaware capacity ~3.6 Bcf/d

Significant volume growth expected as a result of depth of Permian drilling inventory



Source: Enverus; rigs as of July 20, 2023.

(1) Gross Targa gas processing capacity in the Permian Basin. Includes Greenwood plant expected in Q4 2023, Wildcat II plant expected in Q1 2024, Roadrunner II expected in Q2 2024, Greenwood II expected in Q4 2024, Bull Moose expected in Q2 2025 and the idling of the Sand Hills plant.

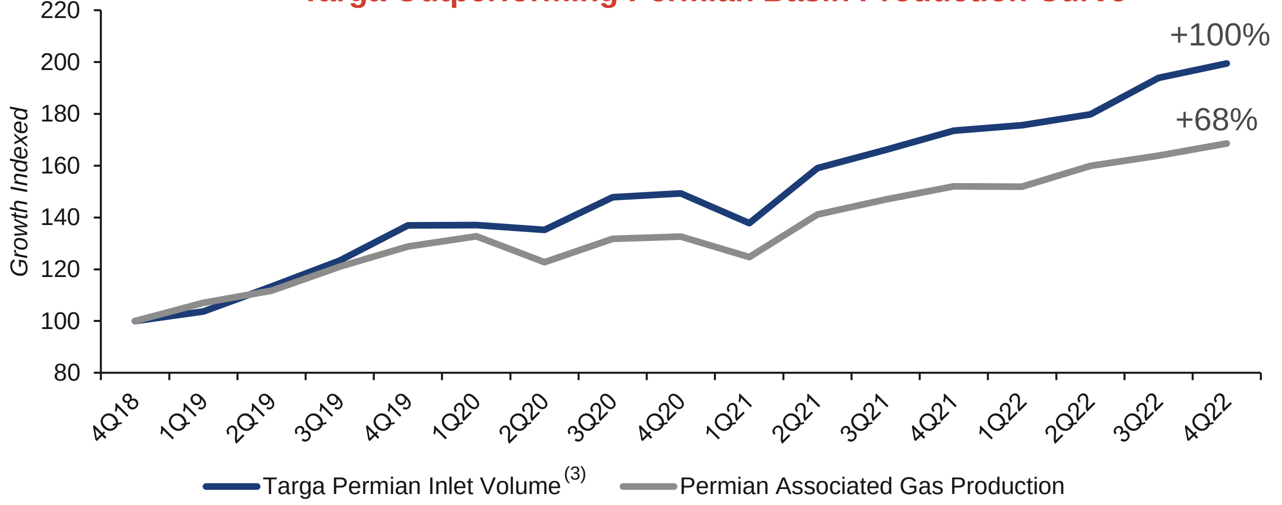
Permian Basin Fundamentals

Permian Basin is poised for continued robust growth, driving increasing demand for Targa's midstream services

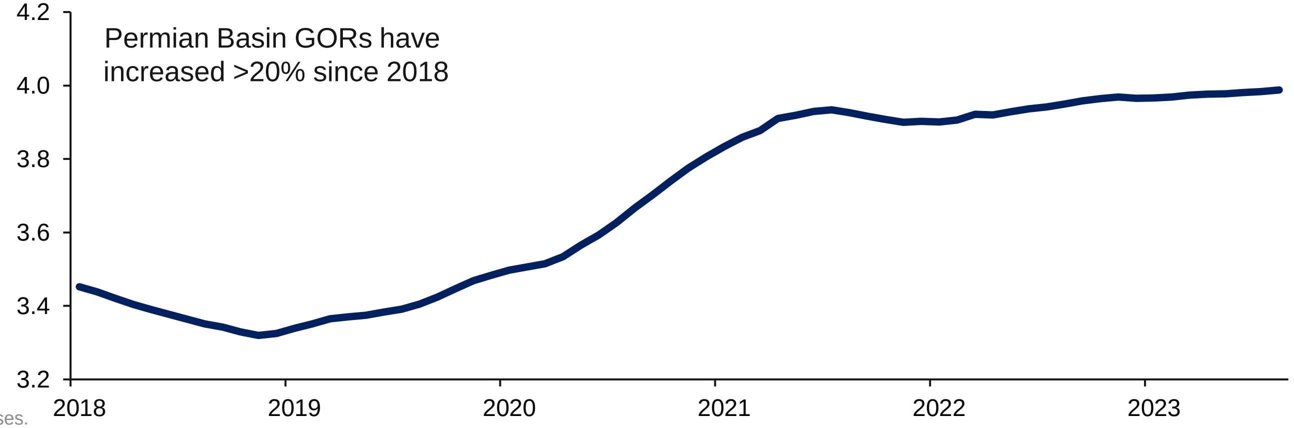
- Strength and resiliency of Targa's Permian Basin position
  - Supported by large-cap, diverse producer customers
  - Targa team remains focused in providing best-in-class customer service

>50%	~80%
of Lower 48 US shale rigs are in the Permian Basin[(1)]	of Targa's natural gas inlet volumes sourced from the Permian[(2)]

Targa Outperforming Permian Basin Production Curve



Higher GORs Benefit Targa's Capture of Permian NGL Supply[(4)]



(1) Source: Baker Hughes, as of July 21, 2023.
(2) As of Q2 2023.
(3) Reflects organic volume growth only; excludes volumes associated with Delaware Basin acquisition for comparison purposes.
(4) Source: EIA Drilling Productivity Report – July 2023 (rolling average LTM basis).

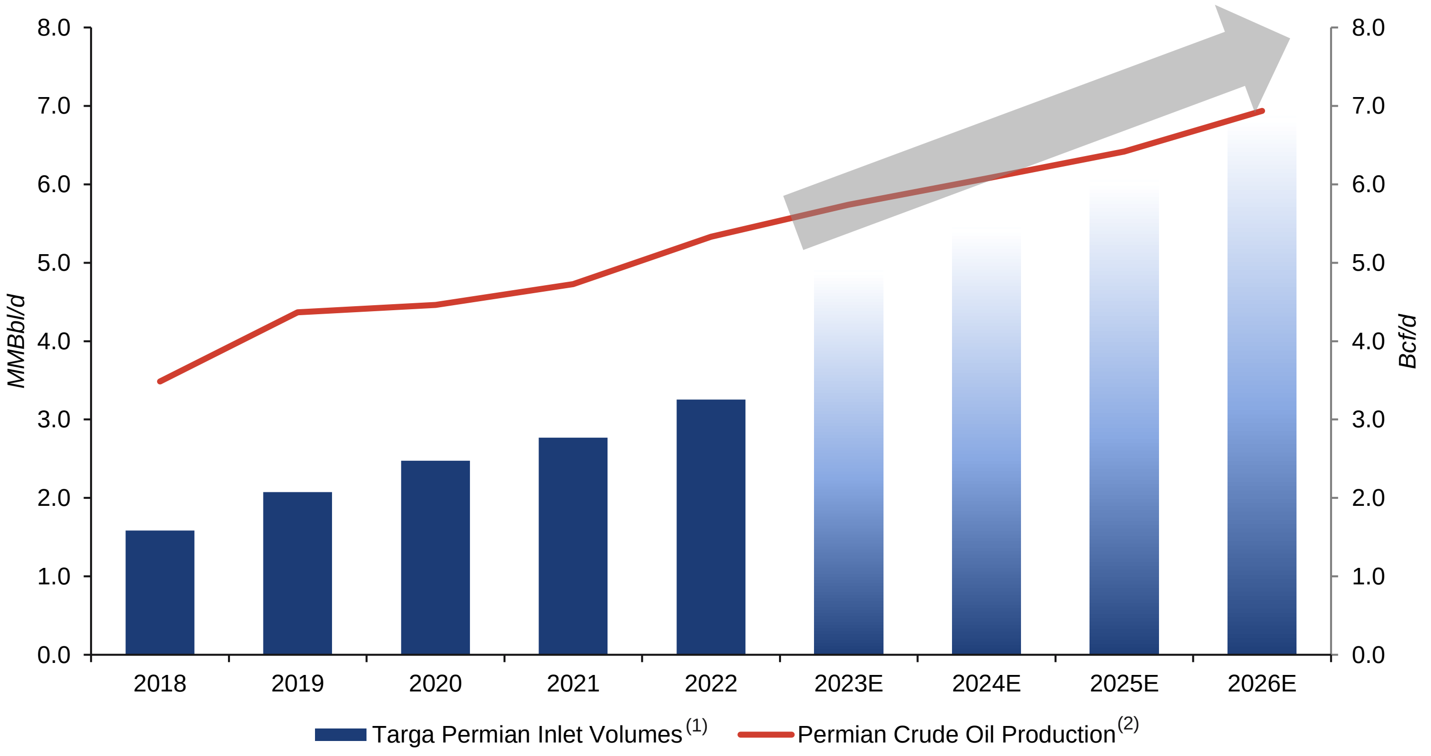
Targa's Industry Leading Permian G&P System

Permian Basin footprint underpinned by millions of dedicated acres and decades of core drilling inventory

- Targa's Permian natural gas inlet volumes have historically grown faster than overall Permian Basin crude oil production, driven by:
  - Premier producer customers
  - Producers with top-tier acreage positions
  - Robust gas-to-oil ratios (GORs)
  - Exceptional plant run-times
  - Flow assurance for producers (built-in reliability and redundancy)

Permian Natural Gas Inlet Volume Growth

Targa expects continued significant growth in Permian volumes going forward



(1) 2023E Targa Permian based on projected inlet volumes outlook. 2024E+ Targa Permian inlet volumes based on the historical growth relationship (2019 – 2021) between Targa Permian inlet volumes and Permian crude oil production (excluding growth relationship in 2020 given data outlier for flat Permian crude oil production).

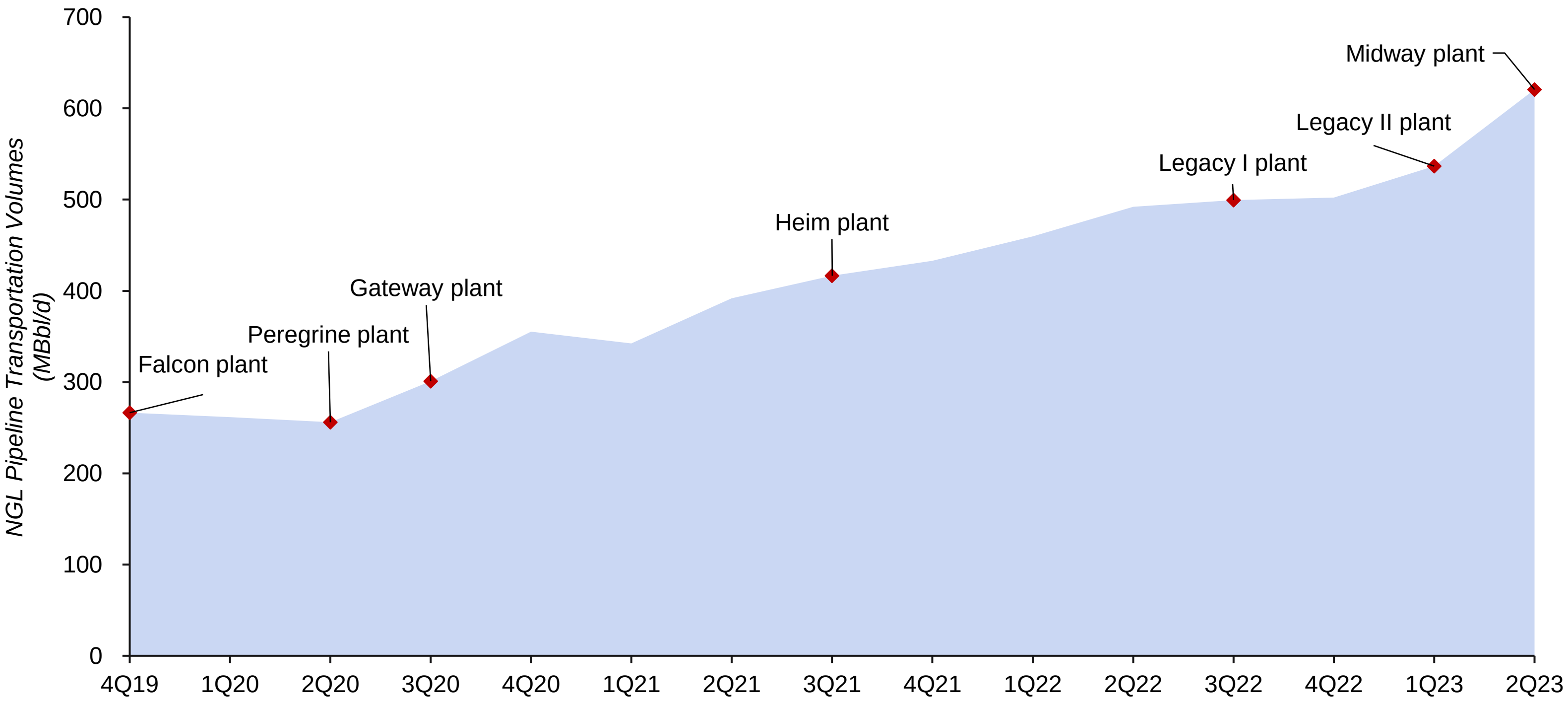
(2) Source: Historical data per EIA. 2023E+ forecast represents average estimates from BTU Analytics, Jefferies, JP Morgan, Mizuho, Pickering Energy Partners, Scotiabank, Tudor Pickering Holt, Wells Fargo, and Wood Mackenzie.

Targa’s NGL Pipeline Transportation System

Targa is expanding its NGL takeaway from the Permian to support growth from Targa’s assets and its future plant additions

NGL Pipeline Transportation Volumes

To complement its Grand Prix NGL Pipeline, Targa is constructing the Daytona NGL Pipeline to support growth in NGLs from Targa’s Permian G&P position and third parties



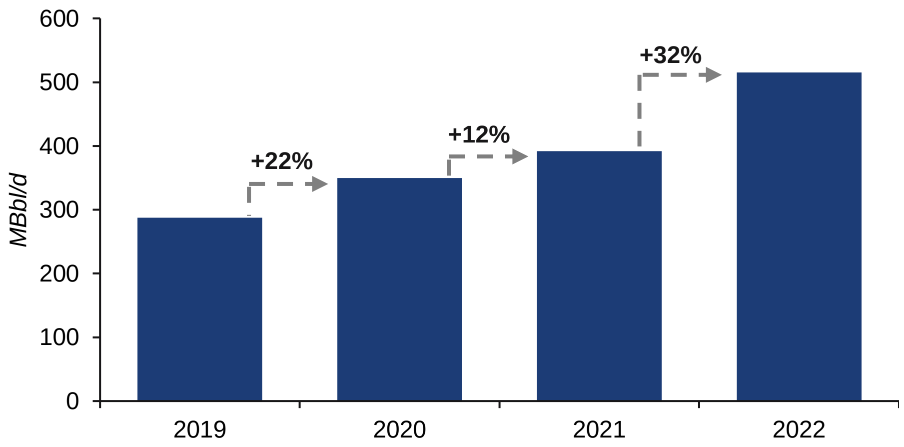
Targa’s outlook for continued NGL transportation volume growth is strong:

- Targa Permian volume growth
- Targa plant additions under construction
- Targa future plant additions
- Expiration of obligations on third party pipelines
- Increasing volume commitments from third parties
- New third-party contracts

NGL Production Feeds Logistics & Transportation Assets

Targa's wellhead to water NGL strategy adds significant barrels into its system that are available for export

Significant NGLs from Targa's Permian Plants



- Targa is one of the largest daily movers of NGLs in the Permian Basin
- Targa can direct the vast majority of its NGL production to its fractionation facilities in Mont Belvieu

Targa's NGL Transportation Pipelines

- Grand Prix and Daytona NGL pipelines connect supply to the NGL market hub and to Targa Downstream assets in Mont Belvieu
- Targa's NGL pipelines are positioned to benefit from growth in Permian supply and NGL production from Targa plants and third parties

Targa's Premier Fractionation Ownership in Mont Belvieu

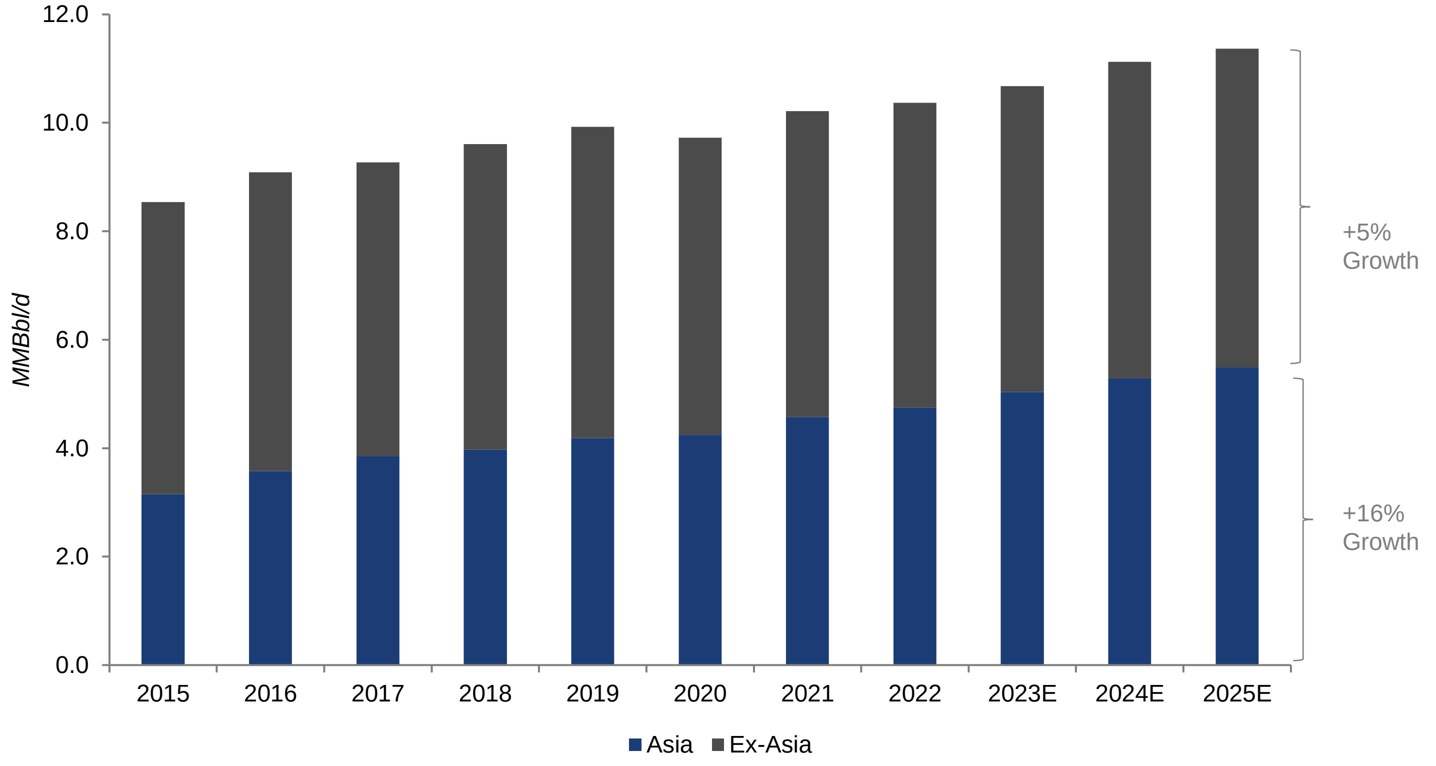
- Mont Belvieu is the U.S. NGL market hub developed over decades of industry investment
- Superior connectivity to demand (U.S. petrochemical complex and exports)

Strong LPG Fundamentals Supportive of Increased Exports

Targa's wellhead to water NGL strategy adds significant barrels into its system that are available for export

- Increasing global demand for propane and butane driven by broad application for residential and commercial use, in addition to a significant increase in base chemical cracking and PDH demand, notably in Asia
- Historically, >50% of total U.S. LPG exports were shipped to Asia Pacific countries
- The U.S. is the incremental supplier and exporter of NGLs to support growing global demand

Global LPG Demand



Source: S&P Global (June 2023); growth compared to 2022 average demand.

Targa is Well-Positioned to Support Global Energy Needs

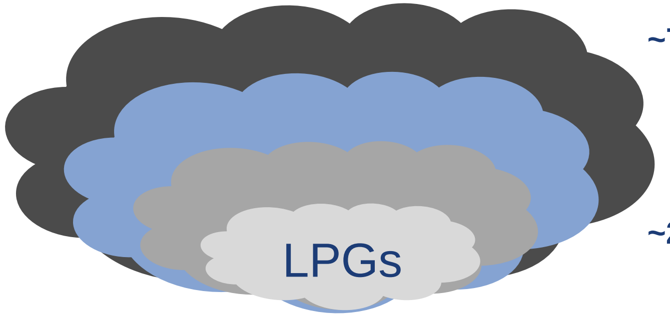
LPG exports provide critical source of cleaner fuels for developing nations and help reduce global CO2 emissions

4.9 Billion

gallons of LPGs from Targa's facilities exported globally in 2022

Use of LPGs Provides Emission Reductions

CO_2 Emissions(1)



~70% lower than **wood**

~50% lower than **coal**

~20% lower than **heating oil**

- LPGs are replacing biomass in many rural communities, and LPG demand is growing in China, India, Indonesia, Bangladesh and across many countries in Africa
  - Where electricity is not available, the use of LPGs have a positive impact on the health and prosperity for local people in these nations by offering a cleaner energy cooking solution
  - LPGs are a reliable energy source that is easily transported and stored with significantly lower emissions
- LPG use supports and enables inclusive economic growth, promotes gender equality, protects the environment, and saves lives

(1) Source: World LPG Association (WLPGA) - Based on difference in CO_2 emissions from average of propane and butane versus wood, coal, and kerosene.

Sustainability Highlights

Our Goals by 2025

0.08%
Reduce our methane intensity to 0.08% for our gathering and boosting segment

0.11%
Reduce our methane intensity to 0.11% for our processing segment

From 2021 Sustainability Report

- Reduced combined Scope 1 and Scope 2 GHG intensity by 12%
- Reduced flaring volumes from emissions events by 40%
- Exported approximately 4.9 billion gallons of LPG globally in 2021 that can contribute to lowering global emissions when they offset the use of higher GHG-emitting fuels
- Completed aerial methane detection on 13,000 miles of pipelines and 162 surface facilities in the Permian
- Decreased preventable vehicle accident rate by 31%
- Received the International Liquid Terminals Association (ILTA) safety excellence award for the second year in a row
- Board-level Sustainability Committee continues to oversee ESG related risks and environmental and safety performance, as well as management's implementation of strategy to integrate sustainability into various business activities

TCFD — TCFD-aligned disclosures

ONE Our Nation's Energy Future — Targa sits on the ONE Future Steering Committee and participates in the Technical Committee

The Environmental Partnership — Participated in API Environmental Partnership aerial methane surveys

Natural Gas EPA Pollution Preventer — Expanded commitment to implement methane reduction projects

More information around Targa's efforts in the areas of Safety, Environment, Social and Governance can be found in our 2021 Sustainability Report, available on our website at www.targaresources.com/sustainability.

ESG Pillars and Highlights

We are proud to help deliver safe, reliable products that fuel the low-carbon economy and improve economic mobility and quality of life domestically and around the world

Environmental

- Member of ONE Future Initiative: committed to a methane emissions intensity target
- Finding and fixing methane leaks - aerial methane detection program; increased voluntary optical gas imaging for methane leak detection to all of our compressor stations
- Low Carbon Energy Ventures (LCEV) team actively working on carbon capture projects, pursuing economically viable renewable energy initiatives and partnerships, and evaluating options for hydrogen fuels

Safety

- Promote a safety first culture, with a vision of "Zero is Achievable"
- Safety is an overlay to short term-incentive compensation framework for all employees
- Our ES&H Policy provides a framework for integrating safety performance into our core business activities
- Our ongoing safety programs and trainings are designed to actively engage employees and contractors in all aspects of safety

Governance

- 73% Board Independence
- 36% Board Diversity
- Board-level Sustainability Committee
- Sustainability metrics included in short-term incentive compensation for all employees
- Executive compensation aligned with strategic priorities, with emphasis on at-risk pay variable compensation
- Consistent and ongoing shareholder engagement to discuss business topics, including governance, executive compensation and ESG

Social

- Our talented and dedicated team is our most valuable resource, and we are committed to their health, safety, and development
- We seek to create a culture where everyone is empowered to innovate and create shared value - trust, respect, integrity, and accountability are at the forefront of every action and decision
- Our community engagement programs raise awareness to help prevent potential safety incidents
- Supplier Code of Conduct in place

More information around Targa's efforts in the areas of Safety, Environment, Social and Governance can be found in our 2021 Sustainability Report, available on our website at www.targaresources.com/sustainability.

Key Takeaways: Targa's Compelling Investment Proposition

- *Growing EBITDA*
- *Increasing Dividend*
- *Reducing Share Count*

Valuable infrastructure assets backed by primarily fee-based contracts

Significant adjusted EBITDA growth expected YoY and long-term

Strong, flexible, investment grade balance sheet

Increasing return of capital to shareholders expected YoY and long-term

Included in the S&P 500

Appendix and Reconciliations

Hedge Disclosures

Hedges provide cash flow stability and reduce exposure to commodity prices on non fee-based G&P contract exposure

FIXED PRICE SWAPS	Volumes Hedged	Wtd. Avg. Hedge Price	Volumes Hedged	Wtd. Avg. Hedge Price
	2H23		2024	
Natural Gas ***(MMBtu/d; $/MMBtu)***	158,178	$2.87	105,377	$3.01
Wtd Avg NGL ***(Bbl/d; $/Gal)***[(1)]	40,805	$0.68	26,376	$0.66
WTI Crude Oil ***(Bbl/d; $/Bbl)***	6,124	$71.39	4,126	$71.76

(1) Targa's composite NGL barrel comprises 43% ethane, 32% propane,12% normal butane, 4% isobutane and 9% natural gasoline.

Non-GAAP Financial Measures

This presentation includes the Company's non-GAAP financial measures: adjusted EBITDA, distributable cash flow, and adjusted free cash flow. The following tables provide reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures.

The Company utilizes non-GAAP measures to analyze the Company's performance. Adjusted EBITDA, distributable cash flow, adjusted free cash flow and adjusted operating margin (segment) are non-GAAP measures. The GAAP measures most directly comparable to these non-GAAP measures are income (loss) from operations, Net income (loss) attributable to Targa Resources Corp. and segment operating margin. These non-GAAP measures should not be considered as an alternative to GAAP measures and have important limitations as analytical tools. Investors should not consider these measures in isolation or as a substitute for analysis of the Company's results as reported under GAAP. Additionally, because the Company's non-GAAP measures exclude some, but not all, items that affect income and segment operating margin, and are defined differently by different companies within the Company's industry, the Company's definitions may not be comparable with similarly titled measures of other companies, thereby diminishing their utility. Management compensates for the limitations of the Company's non-GAAP measures as analytical tools by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into the Company's decision-making processes.

Adjusted EBITDA

The Company defines adjusted EBITDA as Net income (loss) attributable to Targa Resources Corp. before interest, income taxes, depreciation and amortization, and other items that the Company believes should be adjusted consistent with the Company's core operating performance. The adjusting items are detailed in the adjusted EBITDA reconciliation table and its footnotes. Adjusted EBITDA is used as a supplemental financial measure by the Company and by external users of the Company's financial statements such as investors, commercial banks and others to measure the ability of the Company's assets to generate cash sufficient to pay interest costs, support the Company's indebtedness and pay dividends to the Company's investors.

Distributable Cash Flow and Adjusted Free Cash Flow

The Company defines distributable cash flow as adjusted EBITDA less cash interest expense on debt obligations, cash tax (expense) benefit and maintenance capital expenditures (net of any reimbursements of project costs). The Company defines adjusted free cash flow as distributable cash flow less growth capital expenditures, net of contributions from noncontrolling interest and net contributions to investments in unconsolidated affiliates. Distributable cash flow and adjusted free cash flow are performance measures used by the Company and by external users of the Company's financial statements, such as investors, commercial banks and research analysts, to assess the Company's ability to generate cash earnings (after servicing the Company's debt and funding capital expenditures) to be used for corporate purposes, such as payment of dividends, retirement of debt or redemption of other financing arrangements.

Non-GAAP Measures Reconciliation

	Year Ended December 31, 2022	2021	2020	2019	2018	2017
	(In millions)					
Reconciliation of Net income (loss) attributable to Targa Resources Corp. to Adjusted EBITDA, Distributable Cash Flow and Adjusted Free Cash Flow						
Net income (loss) attributable to Targa Resources Corp.	$ 1,195.5	$ 71.2	$ (1,553.9)	$ (209.2)	$ 1.6	$ 54.0
Income attributable to TRP preferred limited partners	-	-	15.1	11.3	11.3	11.3
Interest (income) expense, net (1)	446.1	387.9	391.3	337.8	185.8	233.7
Income tax expense (benefit)	131.8	14.8	(248.1)	(87.9)	5.5	(397.1)
Depreciation and amortization expense	1,096.0	870.6	865.1	971.6	815.9	809.5
Impairment of long-lived assets	-	452.3	2,442.8	225.3	-	378.0
Impairment of goodwill					210.0	
(Gain) loss on sale or disposition of business and assets	(9.6)	2.0	58.4	71.1	(0.1)	15.9
Write-down of assets	9.8	10.3	55.6	17.9	-	-
(Gain) loss from financing activities (2)	49.6	16.6	(45.6)	1.4	2.0	16.8
(Gain) loss from sale of equity-method investment	(435.9)	-	-	(69.3)	-	-
Transaction costs related to business acquisition (3)	23.9	-	-	-	-	5.6
Equity (earnings) loss	(9.1)	23.9	(72.6)	(39.0)	(7.3)	17.0
Distributions from unconsolidated affiliates and preferred partner interests, net	27.2	116.5	108.6	61.2	31.5	18.0
Change in contingent considerations	-	0.1	(0.3)	8.7	(8.8)	(99.6)
Compensation on equity grants	57.5	59.2	66.2	60.3	56.3	42.3
Risk management activities (4)	302.5	116.0	(228.2)	112.8	8.5	10.0
Severance and related benefits (5)	-	-	6.5	-	-	-
Noncontrolling interests adjustments (6)	15.8	(89.4)	(224.3)	(38.5)	(21.1)	(18.6)
Adjusted EBITDA (7)	**$ 2,901.1**	**$ 2,052.0**	**$ 1,636.6**	**$ 1,435.5**	**$ 1,291.1**	**$ 1,096.8**
Distributions to TRP preferred limited partners	-	-	(15.1)	(11.3)	(11.3)	(11.3)
Splitter Agreement (8)	-	-	-	-	43.0	43.0
Interest expense on debt obligations (9)	(447.6)	(376.2)	(388.9)	(342.1)	(252.5)	(224.3)
Maintenance capital expenditures, net (10)	(168.1)	(131.7)	(104.2)	(134.9)	(127.9)	(99.1)
Cash taxes (11)	(6.7)	(2.7)	44.4	-	-	46.7
Distributable Cash Flow	**$ 2,278.7**	**$ 1,541.4**	**$ 1,172.8**	**$ 947.2**	**$ 942.4**	**$ 851.8**
Growth capital expenditures, net (10)	(1,177.2)	(407.7)	(597.9)	(2,281.7)	(1,320.0)	(562.0)
Adjusted Free Cash Flow	**$ 1,101.5**	**$ 1,133.7**	**$ 574.9**	**$ (1,334.5)**	**$ (377.6)**	**$ 289.8**

(1) Includes the change in estimated redemption value of the mandatorily redeemable preferred interests.
(2) Gains or losses on debt repurchases or early debt extinguishments.
(3) Includes financial advisory, legal and other professional fees, and other one-time transaction costs.
(4) Risk management activities related to derivative instruments including the cash impact of hedges acquired in the 2015 mergers with Atlas Energy L.P. and Atlas Pipeline Partners L.P. The cash impact of the acquired hedges ended in December 2017.
(5) Represents one-time severance and related benefit expense related to the Company's cost reduction measures.
(6) Noncontrolling interest portion of depreciation and amortization expense (including the effects of the impairment of long-lived assets on non-controlling interests).
(7) Beginning in the second quarter of 2019, we revised our reconciliation of Net Income (Loss) attributable to TRC to Adjusted EBITDA to exclude the Splitter Agreement adjustment previously included in the comparative periods presented herein. For all comparative periods presented, our Adjusted EBITDA measure previously included the Splitter Agreement adjustment, which represented the recognition of the annual cash payment received under the condensate splitter agreement ratably over four quarters. The effect of these revisions reduced TRC's Adjusted EBITDA by $75.2 million and $43.0 million for 2018 and 2017. There was no impact to Distributable Cash Flow.
(8) In Distributable Cash Flow, Splitter Agreement represents the annual cash payment in the period received.
(9) Excludes amortization of interest expense.
(10) Represents capital expenditures, net of contributions from noncontrolling interests and includes net contributions to investments in unconsolidated affiliates.
(11) Includes an adjustment, reflecting the benefit from net operating loss carryback to 2015 and 2014, which was recognized over the periods between the third quarter 2016 recognition of the receivable and the anticipated receipt date of the refund. The refund, previously expected to be received on or before the fourth quarter of 2017, was received in the second quarter of 2017. The remaining $20.9 million unamortized balance of the tax refund was therefore included in Distributable Cash Flow in the second quarter of 2017. Also includes a refund of Texas margin tax paid in previous periods and received in 2017.

Non-GAAP Measures Reconciliation

	Full Year 2023E
	(in millions)
Reconciliation of Estimated Net Income attributable to Targa Resources Corp. to Estimated Adjusted EBITDA	
Net income attributable to Targa Resources Corp.	**$ 1,440.0**
Interest expense, net	700.0
Income tax expense	400.0
Depreciation and amortization expense	1,320.0
Equity earnings	(10.0)
Distributions from unconsolidated affiliates	25.0
Compensation on equity grants	60.0
Risk management and other	(330.0)
Noncontrolling interests adjustments[1]	(5.0)
Estimated Adjusted EBITDA	**$ 3,600.0**

(1) Noncontrolling interest portion of depreciation and amortization expense.

Targa is a leading provider of midstream services as one of the largest independent midstream infrastructure companies in North America. Our operations are critical to the efficient, safe, and reliable delivery of energy across the United States and increasingly to the world. Our assets connect natural gas and natural gas liquids (NGLs) to domestic and international markets with growing demand for cleaner fuels and feedstocks.

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