Targa Resources Corp.

Fourth Quarter 2022 Earnings Supplement
February 22, 2023

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 release 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 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.

2022 in Review – Another Milestone Year for Targa

Targa's record operational and financial performance in 2022 provide significant momentum for 2023+

+36%	+41%	IG	$542MM
YoY increase in Targa's Permian natural gas volumes	YoY increase in Adjusted EBITDA(1)	Upgraded to investment grade at Fitch/Moody's/S&P	Aggregate capital returned to shareholders in 2022

Strategic

- ✓ Invested in attractive, high-returning organic growth opportunities
- ✓ Completed Delaware Basin acquisition, increasing Permian size, scale and fee-based margin
- ✓ Completed bolt-on acquisition in South Texas
- ✓ Issued fourth annual Sustainability Report

Operational | Commercial

- ✓ Record Permian inlet gas volumes
- ✓ Record NGL pipeline transportation and fractionation volumes
- ✓ Continued commercial success across asset footprint
- ✓ Safely completed Legacy and Red Hills VI plants ahead of schedule and on budget

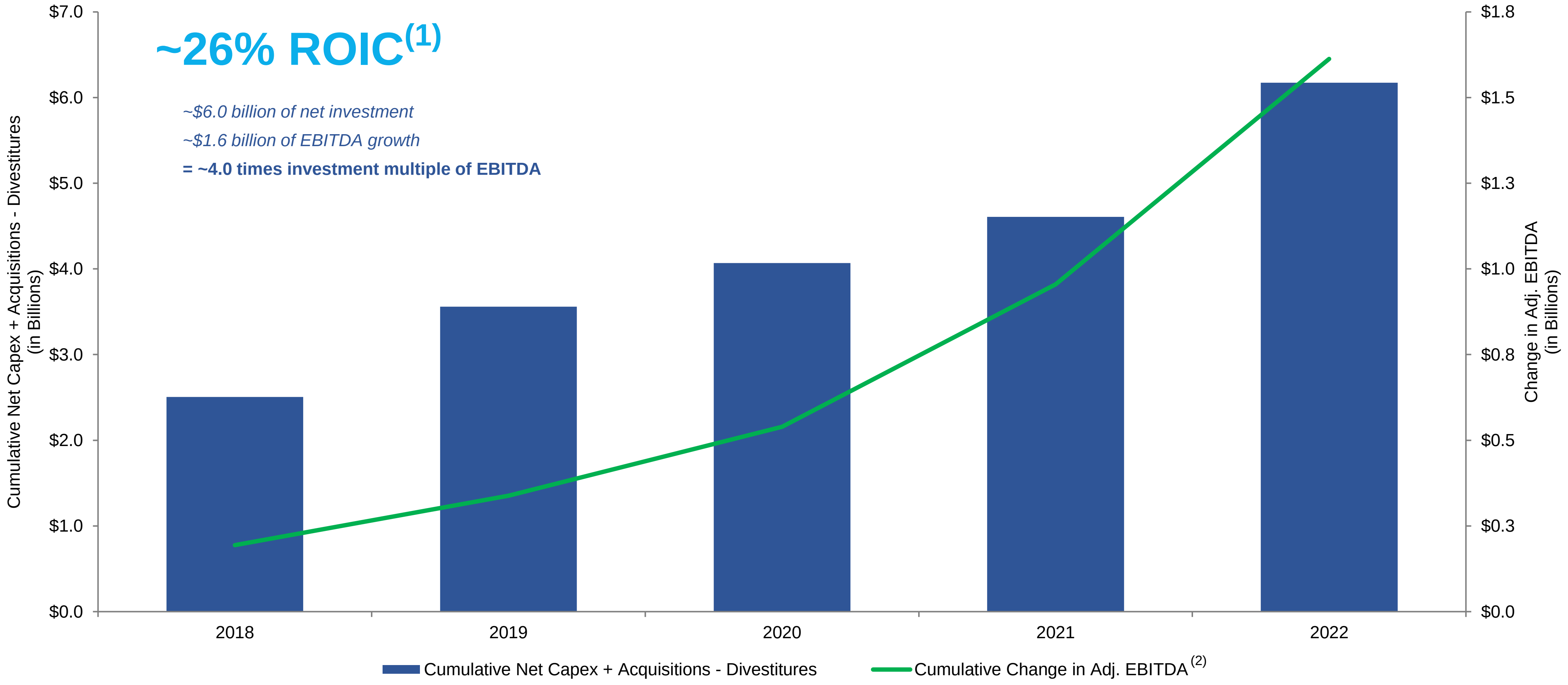
Financial

- ✓ Record net income and adjusted EBITDA
- ✓ Strong balance sheet with significant financial flexibility
- ✓ Increased YoY capital returned to shareholders
  - Higher common dividend
  - Repurchased $225 million of common shares

(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.*

Targa Continues to Demonstrate Strong Returns

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



(1) ROIC = (Cumulative Change in Adjusted EBITDA) / (Cumulative Capex + Acquisitions – Divestitures); excludes acquisition 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

- **Continued Permian natural gas growth supported by three Targa plants expected to come online in 2023**
  - Adding an incremental 660 MMcf/d gas processing capacity, driving significant incremental volumes through Targa's L&T assets
- **System volume growth underpins adjusted EBITDA growth YoY and beyond**
- **Increasing YoY return of capital to shareholders via expected higher common dividend**
  - Opportunistic common share repurchase program also in place
- **Maintaining strong balance sheet bolsters financial flexibility**

+10%

Increase in Permian natural gas volumes(1)

~24%

YoY increase in Adjusted EBITDA(2)

+43%

YoY increase in annual dividend(3)

Opportunistic common share repurchase program

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.
(3) Management expects to recommend to the Board an increase to its common dividend in April 2023, payable in May 2023.

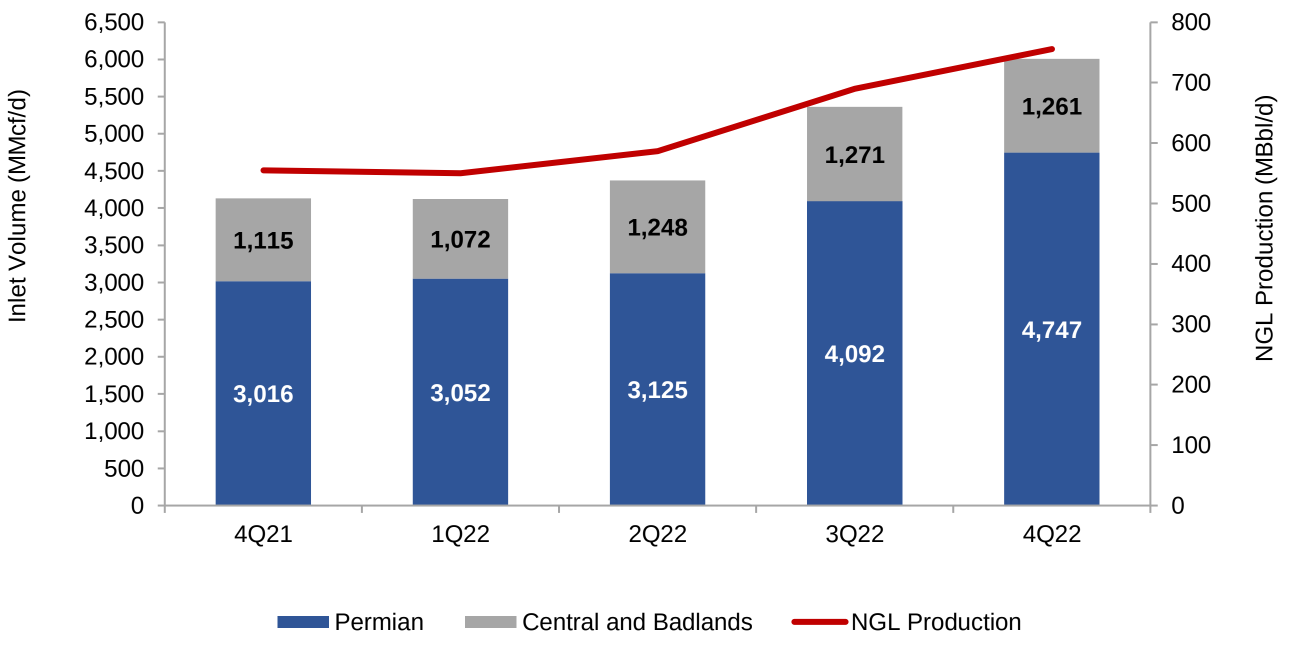
Operational Performance – Gathering & Processing Segment

4Q22 Highlights:

Field G&P Natural Gas Inlet Volumes

- Record Targa volumes in the Permian Basin attributable to:
  - Full quarter contributions from Targa’s Delaware Basin acquisition, the addition of its 275 MMcf/d Legacy plant in Permian Midland, and the addition of its 230 MMcf/d Red Hills VI plant in Permian Delaware
  - Continued robust activity levels across Targa’s Permian Midland and Permian Delaware systems
  - 4Q22 volumes were negatively impacted by Winter Storm Elliott

Field G&P Natural Gas Inlet Volumes and NGL Production



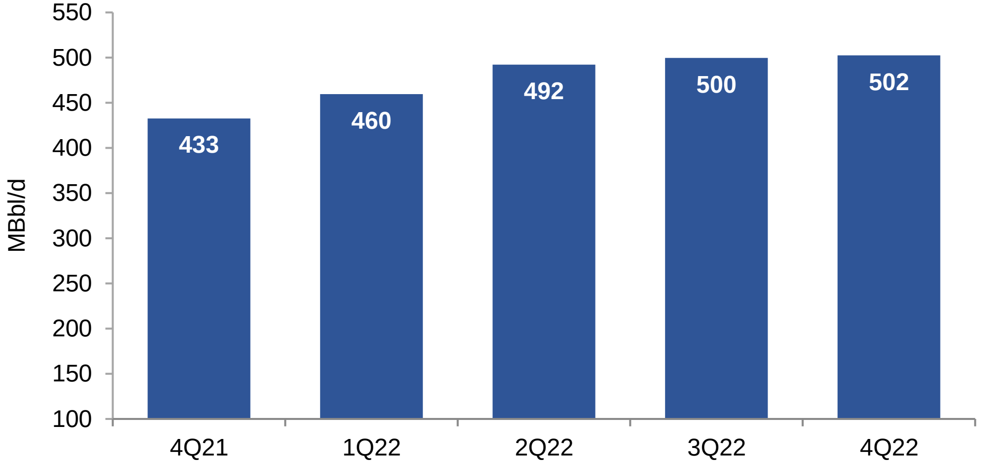
Operational Performance – Logistics & Transportation Segment

4Q22 Highlights:

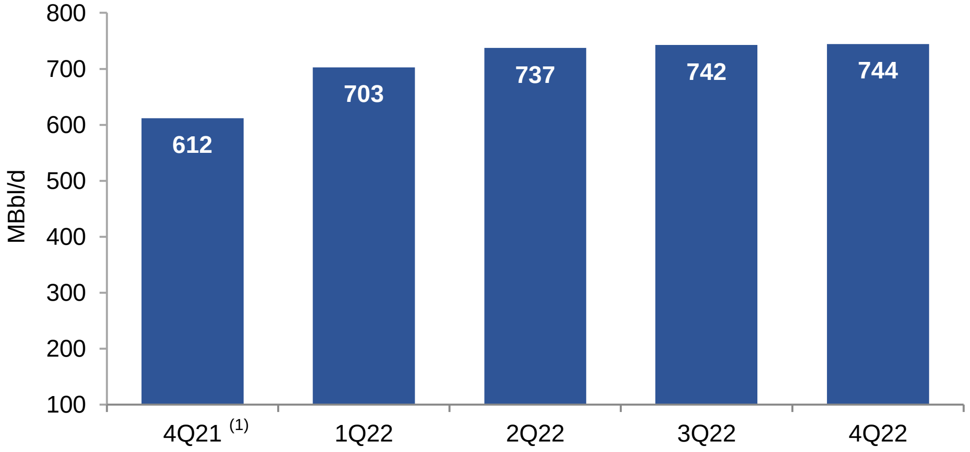
NGL Transportation, Fractionation, and LPG Export Services

- Record NGL pipeline transportation and fractionation volumes driven by higher supply primarily from Targa's Permian G&P systems
  - 4Q22 volumes were negatively impacted by Winter Storm Elliott
- LPG Export volumes sequentially higher due to improved export market conditions

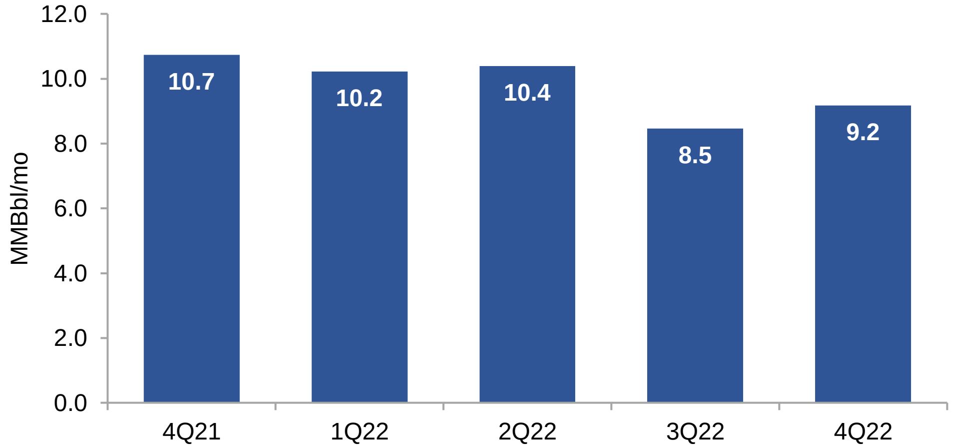
NGL Pipeline Transportation Volumes



Fractionation Volumes



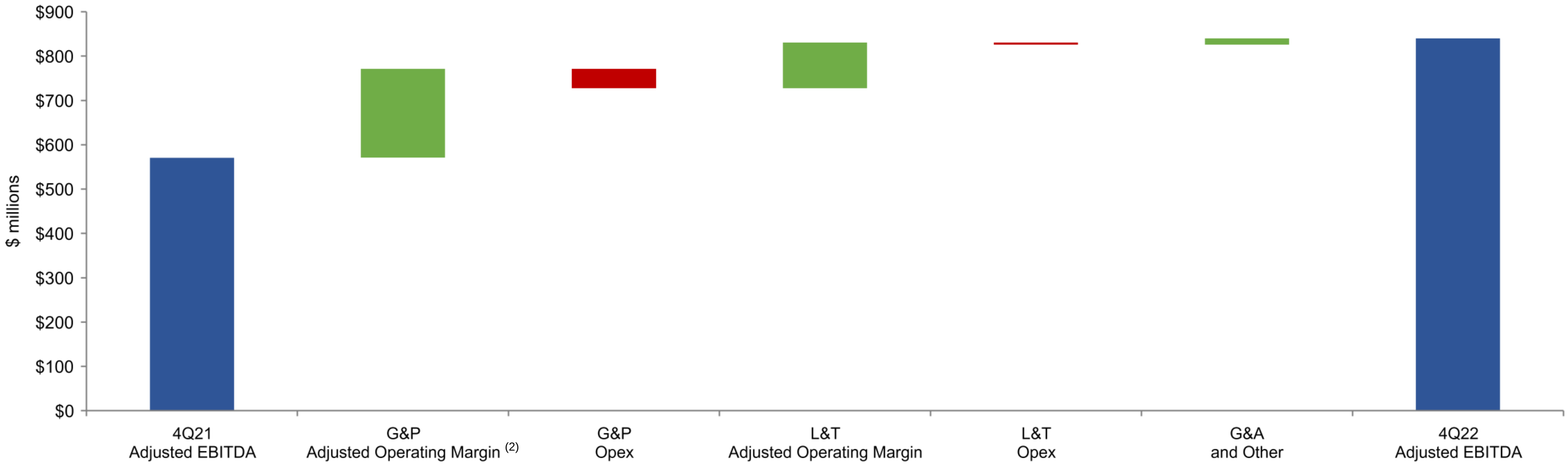
LPG Export Volumes



(1) 4Q21 volumes were impacted by an unplanned outage and associated repairs and maintenance.

Financial Performance – 4Q 2022 vs. 4Q 2021

47% increase in adjusted EBITDA[(1)]



Segment Operating Margin

G&P segment operating margin increased $157 million[(2)]

+ Higher natural gas inlet volumes and higher fees
+ Higher Permian and Central volumes driven by acquisition of certain assets in the Delaware Basin and South Texas, the addition of the Legacy and Red Hills VI plants in 3Q22, and increased producer activity levels
– Lower NGL and natural gas prices
– Higher operating expenses due to acquisition of certain assets in the Delaware Basin and South Texas, system expansions in the Permian, increased activity levels, and inflation

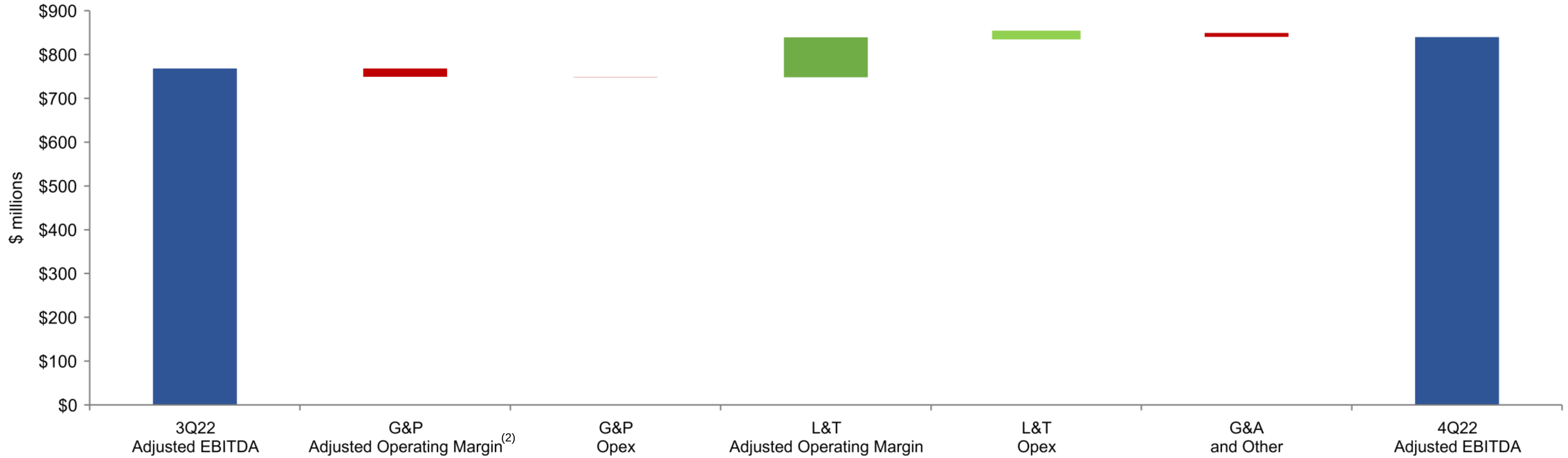
L&T segment operating margin increased $98 million

+ Higher NGL pipeline transportation and fractionation volumes
+ Higher marketing margin
– Lower LPG export margin

(1) Adjusted EBITDA and adjusted operating margin are non-GAAP measures. Please see the section of this presentation entitled “Non-GAAP Financial Measures” for a discussion of adjusted EBITDA and adjusted operating margin and a reconciliation of adjusted EBITDA to its most directly comparable GAAP financial measure.
(2) Inclusive of realized hedge gain/(loss).

Financial Performance – 4Q 2022 vs. 3Q 2022

9% increase in adjusted EBITDA[(1)]



Segment Operating Margin

G&P segment operating margin decreased $21 million[(2)]

- \- Lower commodity prices
- \+ Higher natural gas inlet volumes
- \+ Higher Permian volumes driven by acquisition of certain assets in the Delaware Basin, addition of the Legacy and Red Hills VI plants in 3Q22, and continued producer activity

L&T segment operating margin increased $101 million

- \+ Higher marketing margin
- \+ Higher NGL transportation, fractionation volumes, and LPG export margin
- \+ Lower operating expenses due to lower repairs and maintenance

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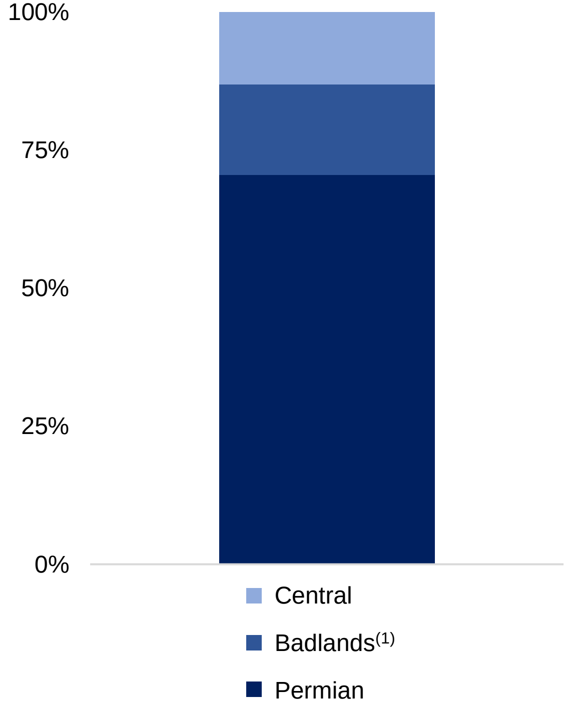
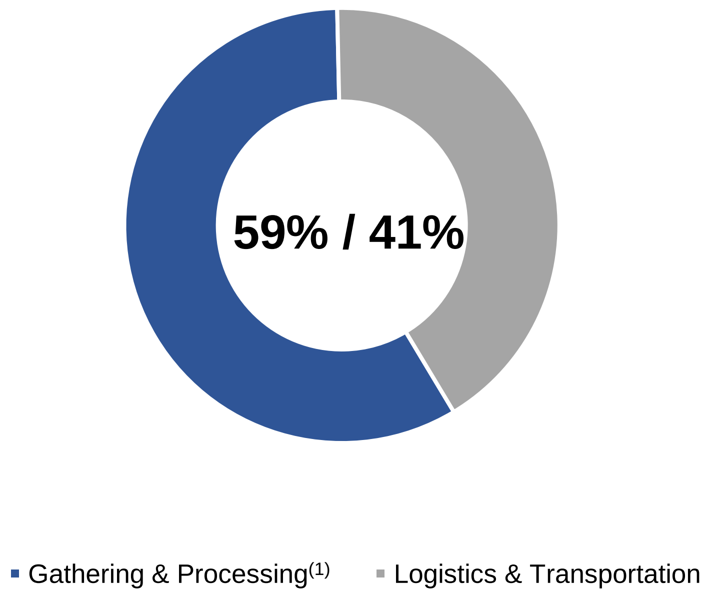
(2) Inclusive of realized hedge gain/(loss).

Business Mix – 4Q 2022

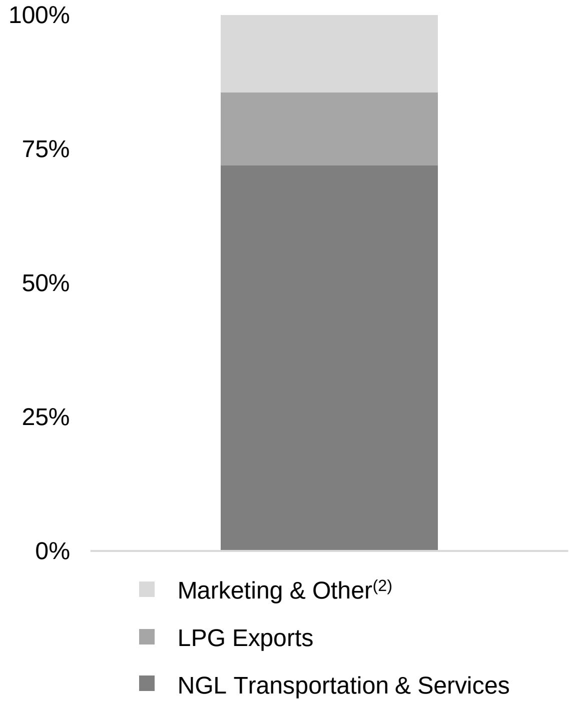
Field Gathering & Processing Operating Margin



Business Mix – Segment Operating Margin



Logistics & Transportation Operating Margin



(1) *Fully consolidated operating margin; includes 100% interest in Badlands.*
(2) *Marketing & Other includes Domestic NGL Marketing (Wholesale Propane, Refinery Services, Commercial Transportation) & Gas Marketing.*

2023 Financial and Operational Outlook

Targa Full Year 2023 Financial and Operational Estimates

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

Financial Metrics	2023 Estimates
Adjusted EBITDA(1)	$3,500 - $3,700 million
Net Growth Capex	$1,800 - $1,900 million
Net Maintenance Capex	$175 million
Segment Operating Margin Mix (G&P/L&T)	~55% / ~45%

Operational	2023 Estimate
Permian G&P Inlet Volume Growth(2)	+10% increase

Commodity Prices Assumptions	
Waha Natural Gas ($/MMBtu)	$2.25
Wtd Avg NGL ($/Gal)(3)	$0.70
WTI Crude Oil ($/Bbl)	$75.00

Commodity Price Sensitivity(4)

-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 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) 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.
(2) Permian volume growth based on projected average full year 2023 Permian inlet volumes versus average 4Q22 volumes.
(3) Targa's composite NGL barrel comprises 45% ethane, 31% propane,11% normal butane, 4% isobutane and 9% natural gasoline.
(4) 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.

Reconciliations

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

	Three Months Ended,		
	December 31, 2022	September 30, 2022	December 31, 2021
		(in millions)	
Reconciliation of Net income (loss) attributable to Targa Resources Corp. to Adjusted EBITDA			
Net income (loss) attributable to Targa Resources Corp.	$ 318.0	$ 193.1	$ (313.6)
Interest (income) expense, net	145.6	125.8	103.7
Income tax expense (benefit)	9.8	12.0	(8.7)
Depreciation and amortization expense	329.8	287.2	219.7
Impairment of long-lived assets	—	—	452.3
(Gain) loss on sale or disposition of assets	(1.5)	(6.5)	3.7
Write-down of assets	6.2	2.7	5.3
(Gain) loss from financing activities (1)	—	—	—
(Gain) loss from sale of equity method investment	—	—	—
Transaction costs related to business acquisitions (2)	3.6	20.3	—
Equity (earnings) loss	(0.3)	(1.7)	62.8
Distributions from unconsolidated affiliates and preferred partner interests, net	5.5	2.4	28.1
Change in contingent considerations	—	—	0.1
Compensation on equity grants	15.7	14.4	14.6
Risk management activities	7.5	112.2	60.4
Noncontrolling interests adjustments (3)	0.5	6.7	(57.8)
Adjusted EBITDA	**$ 840.4**	**$ 768.6**	**$ 570.6**

(1) Gains or losses on debt repurchases or early debt extinguishments.
(2) Includes financial advisory, legal and other professional fees, and other one-time transaction costs.
(3) Noncontrolling interest portion of depreciation and amortization expense (including the effects of the impairment of long-lived assets on non-controlling interests).

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)	(2,726.2)	(1,351.9)
Adjusted Free Cash Flow	**$ 1,101.5**	**$ 1,133.7**	**$ 574.9**	**$ (1,334.5)**	**$ (1,783.8)**	**$ (500.1)**

(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.	$	**1,230.0**
Interest expense, net		710.0
Income tax expense		350.0
Depreciation and amortization expense		1,260.0
Equity earnings		(20.0)
Distributions from unconsolidated affiliates		25.0
Compensation on equity grants		60.0
Risk management and other		-
Noncontrolling interest adjustment[(1)]		(15.0)
Estimated Adjusted EBITDA	**$**	**3,600.0**

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

TARGA

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