TARGA

First Quarter 2024 Earnings Supplement

May 2, 2024 | 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, including statements regarding our projected financial performance, capital spending and payment of future dividends.

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, actions by the Organization of the Petroleum Exporting Countries (“OPEC”) and non-OPEC oil producing countries, 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 timing and success of our completion of capital projects and business development efforts, the expected growth of volumes on our systems, the impact of pandemics or any other public health crises, commodity price volatility due to ongoing or new global conflicts, 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, 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.

Q1 2024 Highlights

Record quarterly adjusted EBITDA of $966mm driven by record Permian and LPG export volumes

Operational execution

- Record Permian natural gas inlet volumes
- Record LPG export volumes
- Producer activity continued to be robust despite the impact of harsh winter weather in January

Project Execution

- Starting up operations at new 120 MBbl/d Train 9 fractionator in Mont Belvieu in early May
- Remain on-track to complete Greenwood II plant in Permian Midland, Roadrunner II and Bull Moose plants in Permian Delaware, Daytona NGL pipeline, GCF reactivation, and Train 10 as previously announced
- In May, announced new 275 MMcf/d Pembrook II plant in Permian Midland and Train 11 fractionator in Mont Belvieu with no change to 2024 and 2025 growth capital estimates

Financial update and shareholder returns

- Continue to estimate FY2024 Adjusted EBITDA[1] between $3.7B and $3.9B
- 50% increase to 2024 quarterly cash dividend
- $124 million of common share repurchases

[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.

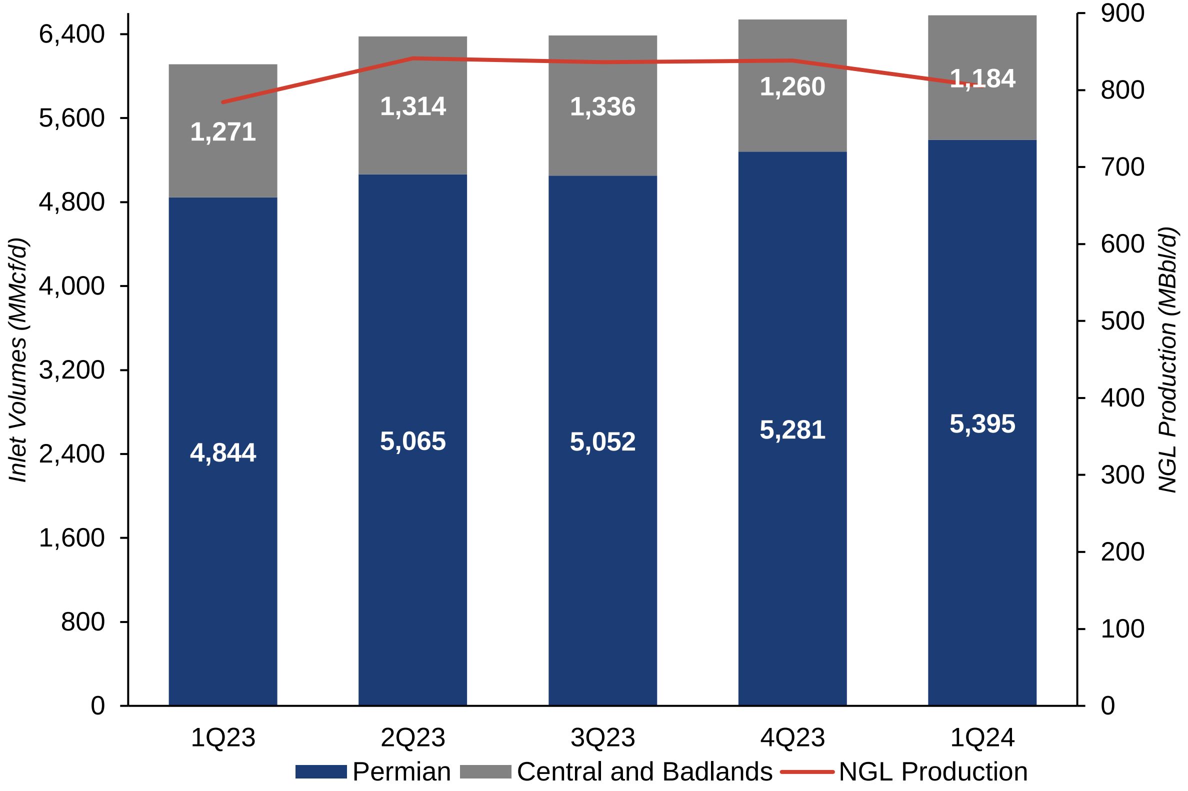
Operational Performance – Gathering & Processing Segment

1Q24 Highlights

Field G&P Natural Gas Inlet Volumes

- Record Targa volumes in the Permian Basin attributable to continued strong activity levels across Permian Midland and Permian Delaware systems, despite the impacts of harsh winter weather in January

Field G&P Natural Gas Inlet Volumes and NGL Production

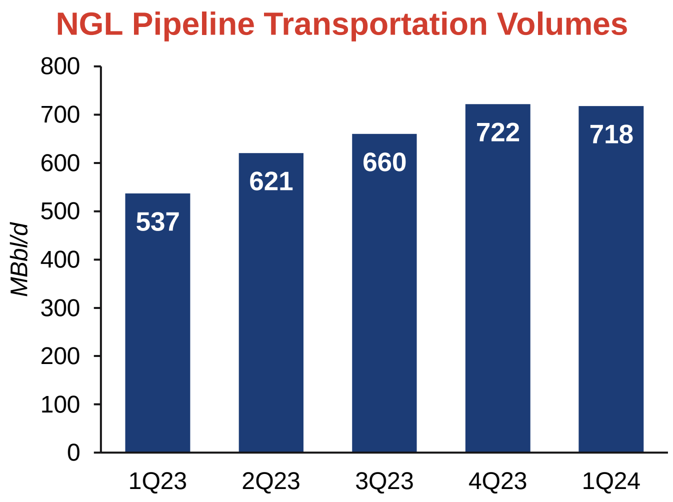


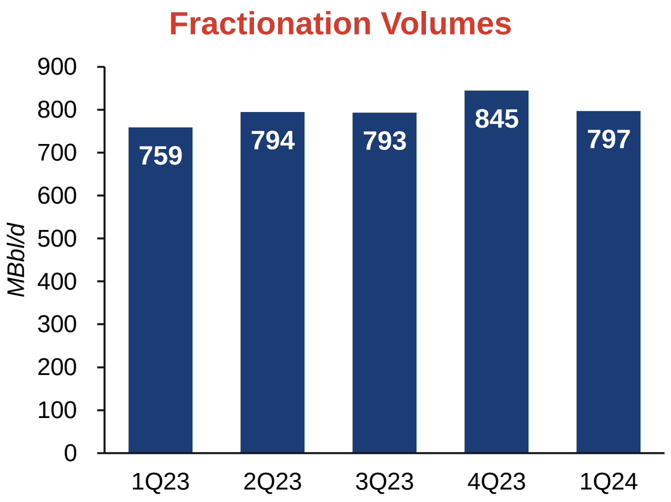
Operational Performance – Logistics & Transportation Segment

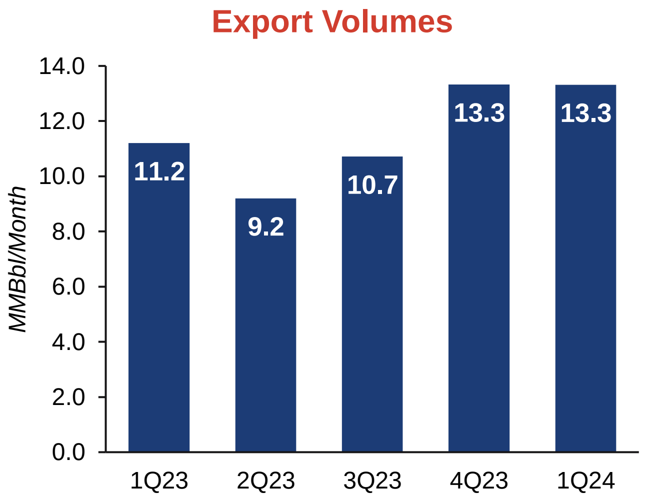
1Q24 Highlights

NGL Pipeline Transportation, Fractionation, and LPG Export Services

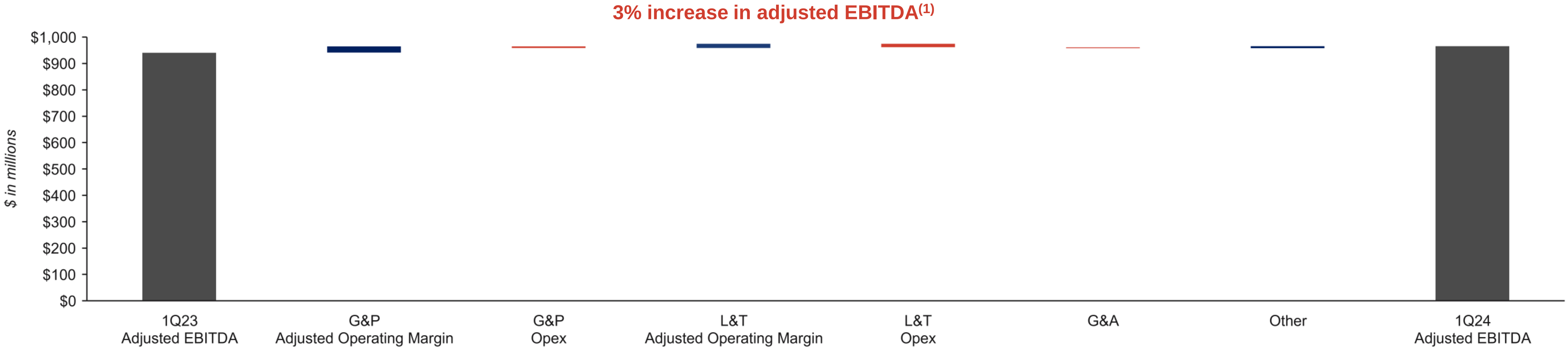
- Strong NGL pipeline transportation volumes despite the impacts of harsh winter weather in January, which reduced G&P supply volumes
- Reduced fractionation volumes due to scheduled maintenance
- Record LPG export volumes as Targa continues to benefit from strong market dynamics







Financial Performance – 1Q 2024 vs. 1Q 2023



G&P segment operating margin increased $18 million[2]

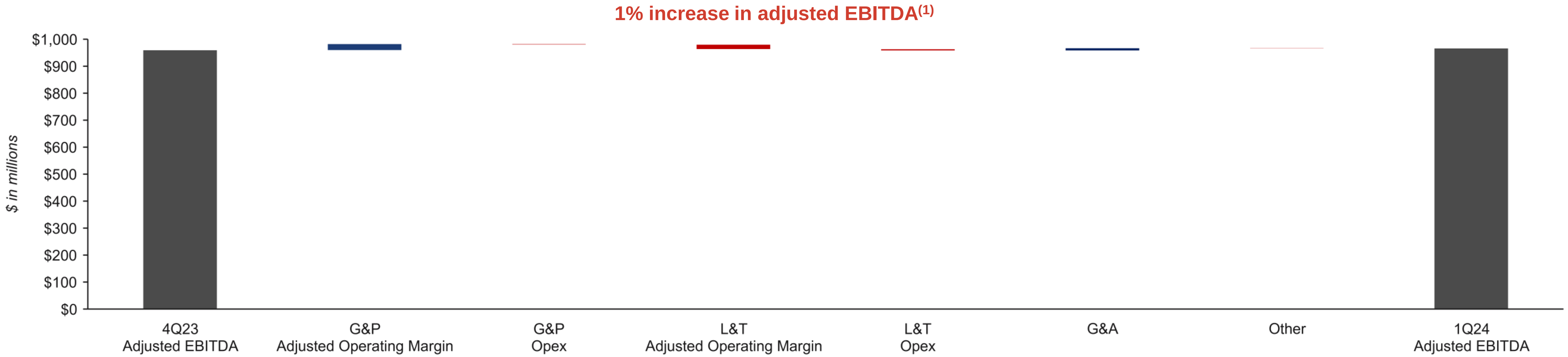
- \+ Higher Permian inlet volumes driven by system expansions and continued strong producer activity
- \+ Higher fees predominantly in the Permian
- – Higher operating expenses associated with higher Permian volumes and system expansions

L&T segment operating margin increased $3 million

- \+ Higher NGL pipeline transportation and fractionation volumes
- \+ Higher LPG export volumes
- – Lower marketing margin
- – Higher operating expenses due to higher system volumes, higher repairs and maintenance, higher compensation and benefits

(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 to their respective most directly comparable GAAP financial measure.
(2) Inclusive of realized hedge gain/(loss).

Financial Performance – 1Q 2024 vs. 4Q 2023



G&P segment operating margin increased $20 million[2]

- \+ Higher Permian inlet volumes driven by system expansions and continued strong producer activity, despite the impacts of harsh winter weather in January
- \+ Higher fees predominantly in the Permian
- \- Lower natural gas prices

L&T segment operating margin decreased $22 million

- \- Lower fractionation volumes due to scheduled maintenance
- \- Lower LPG export margin due to benefit of higher spot export fees in Q4
- \- Higher operating expenses due to higher taxes and higher repairs and maintenance
- \+ Higher marketing margin

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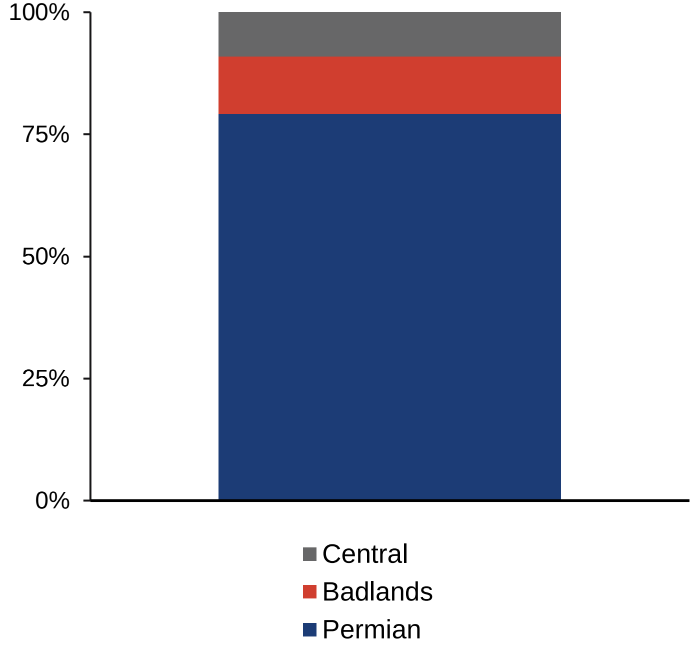
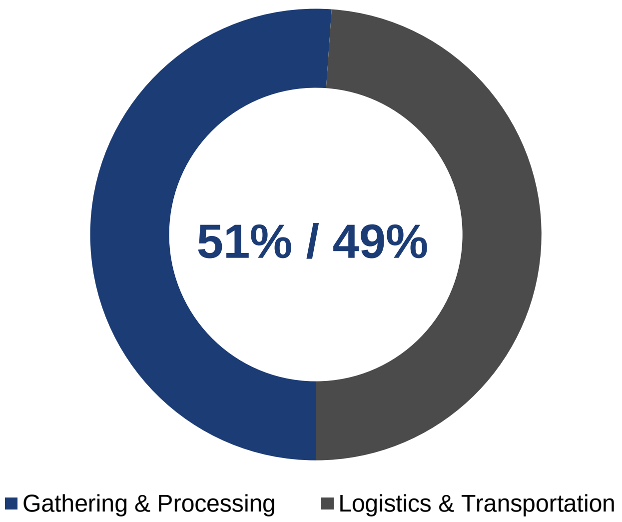
(2) Inclusive of realized hedge gain/(loss).

Business Mix – 1Q 2024

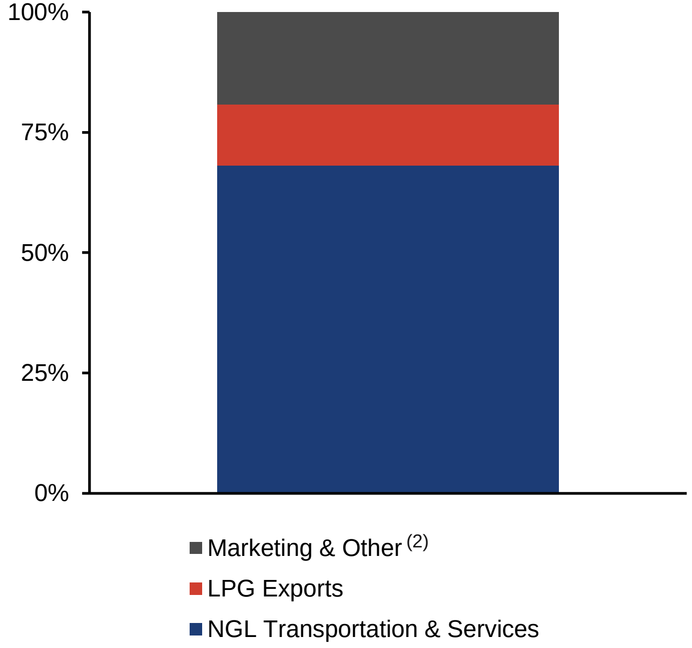
Field Gathering & Processing Operating Margin(1)



Business Mix – Segment Operating Margin



Logistics & Transportation Operating Margin



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

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
	Apr – Dec 2024		2025	
Natural Gas ***(MMBtu/d; $/MMBtu)***	100,136	$2.93	63,156	$3.42
Wtd Avg NGL ***(Bbl/d; $/Gal)***[(1)]	26,254	$0.66	19,340	$0.61
WTI Crude Oil ***(Bbl/d; $/Bbl)***	4,442	$71.82	3,447	$69.12

(1) Targa's composite NGL barrel comprises 44% ethane, 32% propane,11% normal butane, 4% isobutane and 9% natural gasoline

Non-GAAP Financial Measures

This presentation includes the Company's non-GAAP financial measures: adjusted EBITDA and adjusted operating margin. 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 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.

Adjusted Operating Margin

The Company defines adjusted operating margin for our segments as revenues less product purchases and fuel. It is impacted by volumes and commodity prices as well as by our contract mix and commodity hedging program.

Gathering and Processing adjusted operating margin consists primarily of:

- Service fees related to natural gas and crude oil gathering, treating and processing; and revenues from the sale of natural gas, condensate, crude oil and NGLs less producer settlements, fuel and transport and the Company's equity volume hedge settlements.

Logistics and Transportation adjusted operating margin consists primarily of:

- Service fees (including the pass-through of energy costs included in fee rates); system product gains and losses; and NGL and natural gas sales, less NGL and natural gas purchases, fuel, third-party transportation costs and the net inventory change.
- Adjusted operating margin for the Company's segments provides useful information to investors because it is used as a supplemental financial measure by management and by external users of our financial statements, including investors and commercial banks, to assess:
    - The financial performance of the Company's assets without regard to financing methods, capital structure or historical cost basis; the Company's operating performance and return on capital as compared to other companies in the midstream energy sector, without regard to financing or capital structure; and the viability of capital expenditure projects and acquisitions and the overall rates of return on alternative investment opportunities.

Non-GAAP Measures Reconciliation

	Three Months Ended,		
	March 31, 2024	December 31, 2023	March 31, 2023
		(in millions)	
Reconciliation of Net income (loss) attributable to Targa Resources Corp. to Adjusted EBITDA			
Net income (loss) attributable to Targa Resources Corp.	$ 275.2	$ 299.6	$ 497.0
Interest (income) expense, net[1]	228.6	178.0	168.0
Income tax expense (benefit)	82.7	102.5	110.3
Depreciation and amortization expense	340.5	341.4	324.8
(Gain) loss on sale or disposition of assets	(1.1)	(1.3)	(1.5)
Write-down of assets	1.0	0.8	0.9
(Gain) loss from financing activities	—	2.1	—
Equity (earnings) loss	(2.8)	(2.8)	0.2
Distributions from unconsolidated affiliates	6.3	4.5	2.6
Compensation on equity grants	14.6	16.7	15.0
Risk management activities	22.0	18.8	(175.7)
Noncontrolling interests adjustments[2]	(0.8)	(0.4)	(1.0)
Adjusted EBITDA	**$ 966.2**	**$ 959.9**	**$ 940.6**

(1) Q1 2024 includes $54.9 million of interest expense associated with the Splitter Agreement ruling.
(2) Noncontrolling interest portion of depreciation and amortization expense.

Non-GAAP Measures Reconciliation

	Three Months Ended,		
	March 31, 2024	December 31, 2023	March 31, 2023
		(in millions)	
Gathering and Processing Segment			
Operating margin	$ 556.4	$ 536.3	$ 538.4
Operating expenses	188.1	185.7	181.4
Adjusted operating margin	**$ 744.5**	**$ 722.0**	**$ 719.8**
Logistics and Transportation Segment			
Operating margin	$ 532.1	$ 554.2	$ 529.1
Operating expenses	90.0	84.4	76.5
Adjusted operating margin	**$ 622.1**	**$ 638.6**	**$ 605.6**

Non-GAAP Measures Reconciliation

	Full Year 2024E (in millions)
Reconciliation of Estimated Net Income attributable to Targa Resources Corp. to Estimated Adjusted EBITDA	
Net income attributable to Targa Resources Corp.	**$ 1,215.0**
Interest expense, net(1)	790.0
Income tax expense	365.0
Depreciation and amortization expense	1,350.0
Equity earnings	(20.0)
Distributions from unconsolidated affiliates	25.0
Compensation on equity grants	63.0
Risk management and other	22.0
Noncontrolling interests adjustments(2)	(10.0)
Estimated Adjusted EBITDA	**$ 3,800.0**

(1) Includes $54.9 million of interest expense associated with the Splitter Agreement ruling.
(2) Noncontrolling interest portion of depreciation and amortization expense.

Targa is a leading provider of midstream services and is 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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