Third Quarter 2023 Earnings Supplement

November 2, 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, 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, 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 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 (“SEC”), 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.

Q3 2023 Update

Record NGL pipeline transportation volumes, increasing LPG export volumes, higher realized commodity prices and higher fees drove a sequential increase in adjusted EBITDA

Operational execution

- Record NGL pipeline transportation volumes
- LPG export volumes higher sequentially due to improved market conditions
- Anticipate continued ramp in Permian volumes in Q4, driving incremental volumes through integrated NGL downstream assets

Project execution

- LPG export expansion was completed in late Q3, adding an incremental 1 MMBbl/month of capacity
- New 275 MMcf/d Greenwood plant in Permian Midland completed in early Q4
- Remain on-track to complete Greenwood II plant in Permian Midland, Wildcat II, Roadrunner II, and Bull Moose plants in Permian Delaware, Daytona NGL pipeline, Train 9, and Train 10 as previously announced

Financial update and shareholder returns

- Maintain 2023 adjusted EBITDA(1) between \$3.5 billion and \$3.7 billion, with current expectations trending to the lower end of the range
- No change to 2023 net growth capital expenditure estimate of \$2.0 billion to \$2.2 billion, with current expectations trending to the higher end of the range
- Returning incremental capital to shareholders: \$132 million of common share repurchases in Q3; \$333 million repurchased YTD 2023 at a weighted average price of \$75.77
- Expect to recommend an annual common dividend per share of \$3.00 in 2024, a 50% increase to 2023(2)

(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 to its most directly comparable GAAP financial measure.
(2) For the first quarter of 2024, Targa intends to recommend to its board of directors an increase to its common dividend to \$0.75 per common share or \$3.00 per common share annualized. The recommended common dividend per share increase, if approved, would be effective for the first quarter of 2024 and payable in May 2024.

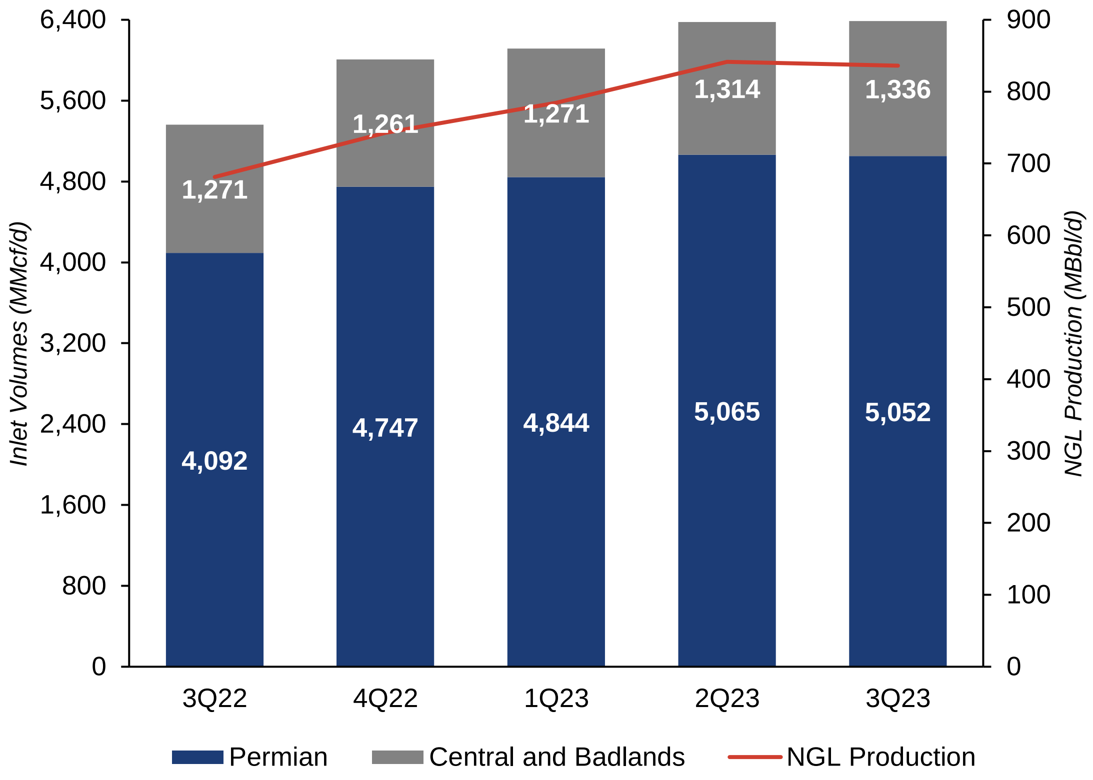
Operational Performance – Gathering & Processing Segment

3Q23 Highlights

Field G&P Natural Gas Inlet Volumes

- Q3 Permian volumes impacted by the extended stretch of intense heat in Texas and New Mexico that impacted Targa and our customers' operating rates and volumes from a lower margin high pressure G&P agreement in the Delaware that moved off our system
  - Underlying activity levels across both Permian Midland and Permian Delaware systems continue to remain strong
  - Completed new 275 MMcf/d Greenwood plant in Permian Midland in early Q4, ahead of schedule and on-budget
  - Targa's Permian volumes are currently about 150 MMcf/d higher than the third quarter average
- Sequential increase in Central region volumes as our systems continue to perform well

Field G&P Natural Gas Inlet Volumes and NGL Production

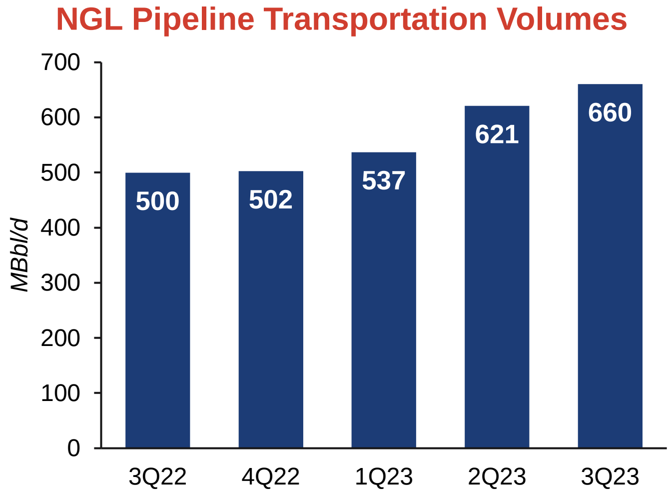


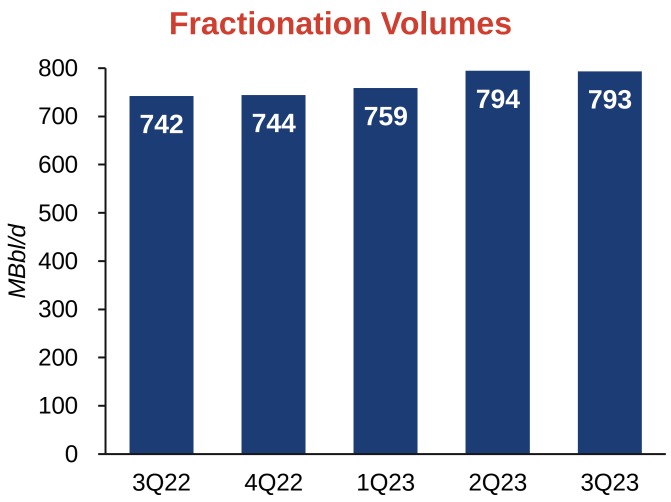
Operational Performance – Logistics & Transportation Segment

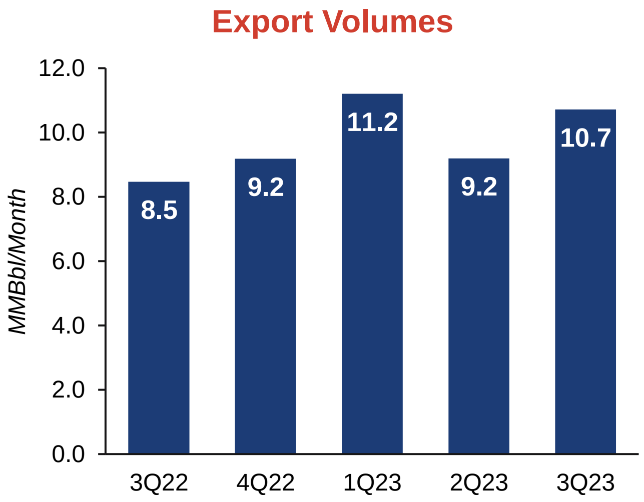
3Q23 Highlights

NGL Pipeline Transportation, Fractionation, and LPG Export Services

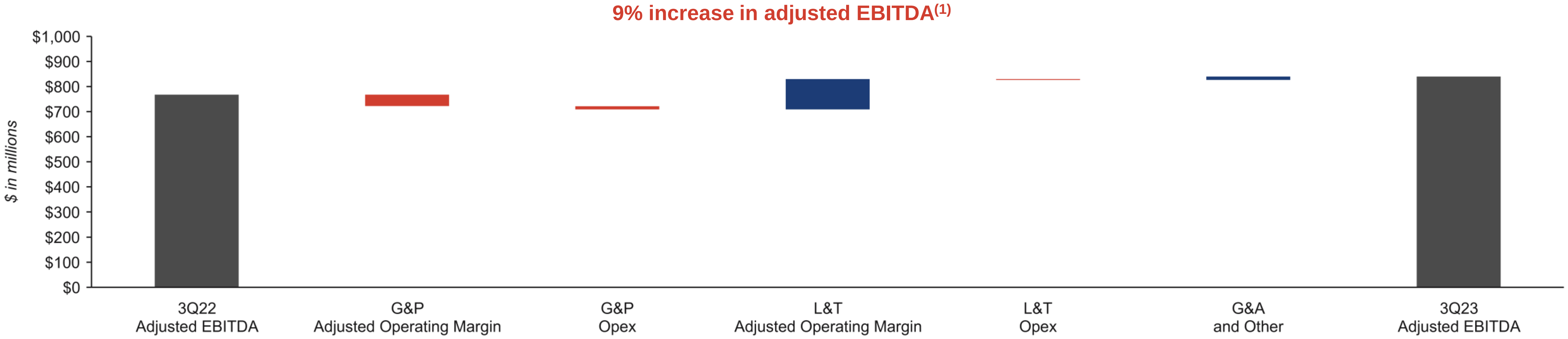
- Record NGL pipeline transportation volumes
- Fractionation complex continuing to run near capacity; awaiting expansions to come online in early 2024
- LPG export volumes higher sequentially due to improved market conditions







Financial Performance – 3Q 2023 vs. 3Q 2022



G&P segment operating margin decreased $60 million[2]

– Lower commodity prices
+ Higher Permian volumes driven by Delaware Basin acquisition, system expansions, and continued strong producer activity
+ Higher Central volumes driven by increased producer activity
– Higher operating expenses associated with Delaware Basin acquisition, system expansions in the Permian, increased activity levels, and inflation

L&T segment operating margin increased $117 million

+ Higher NGL pipeline transportation and fractionation volumes
+ Higher LPG export volumes
+ Higher marketing margin
– Higher operating expenses due to higher compensation and benefits and inflation

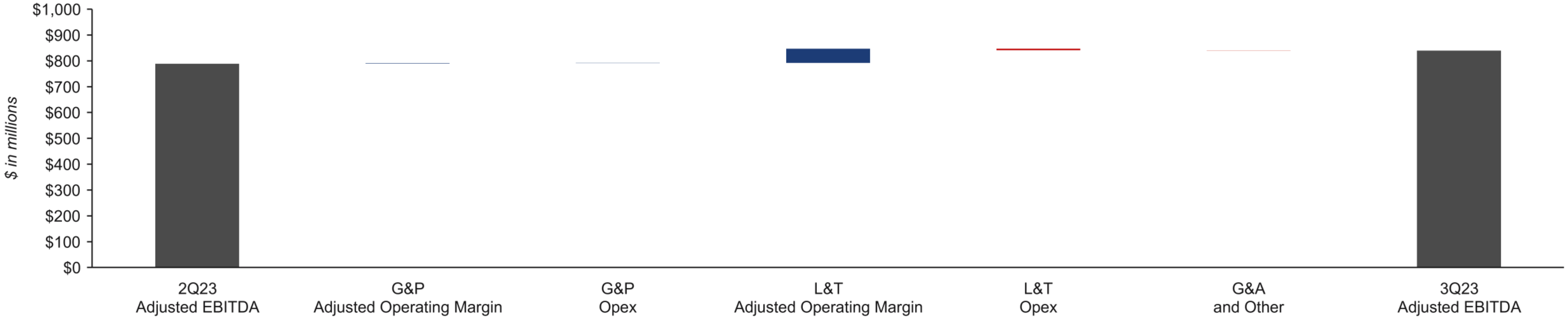
Other

+ Higher adjusted EBITDA contribution from the acquisition of remaining 25% interest in Grand Prix NGL Pipeline in January 2023; partially offset by higher G&A expenses

(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 – 3Q 2023 vs. 2Q 2023

6% increase in adjusted EBITDA(1)



G&P segment operating margin increased $3 million(2)

+ Higher commodity prices
+ Higher Central region volumes
▪ Flat Permian natural gas inlet volumes due to extended stretch of intense heat in TX and NM that impacted Targa and our customers' operating rates and volumes from a lower margin high pressure G&P agreement in the Delaware that moved off our system

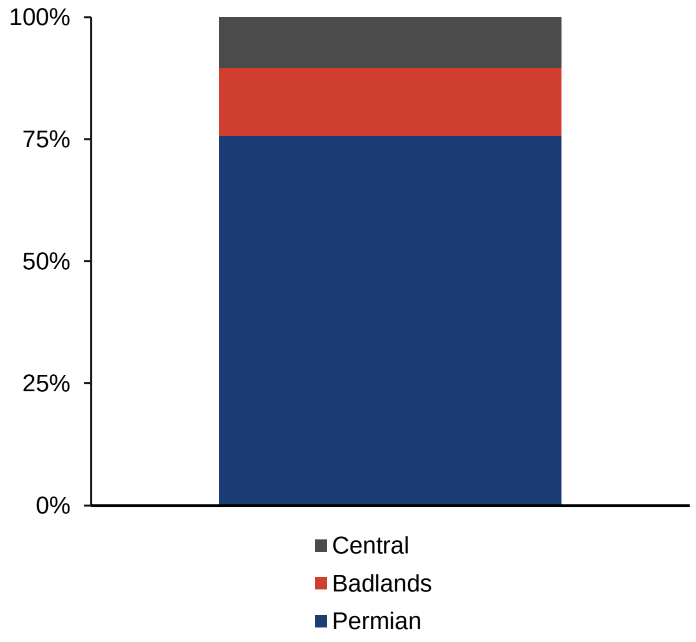
L&T segment operating margin increased $49 million

+ Higher NGL pipeline transportation volumes
+ Higher marketing margin
+ Higher LPG export volumes
- Higher operating expenses due to higher repairs and maintenance

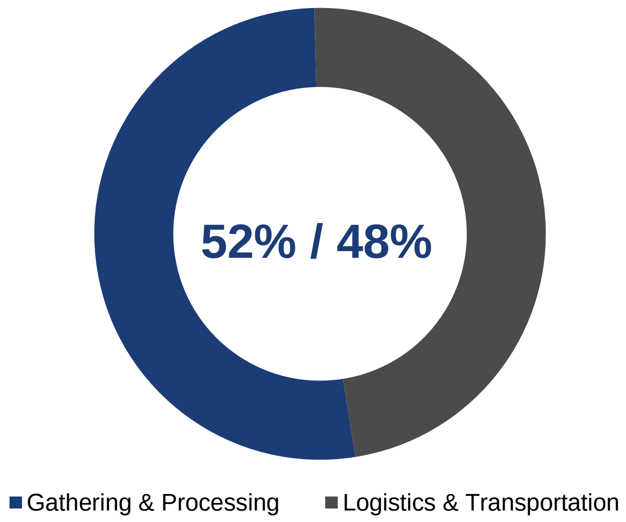
(1) Adjusted EBITDA and adjusted operating margin are non-GAAP measures. Please see the section of this presentation entitled "Non-GAAP Financial Measures" for a discussion of adjusted EBITDA and adjusted operating margin and a reconciliation to their respective most directly comparable GAAP financial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

Business Mix – 3Q 2023

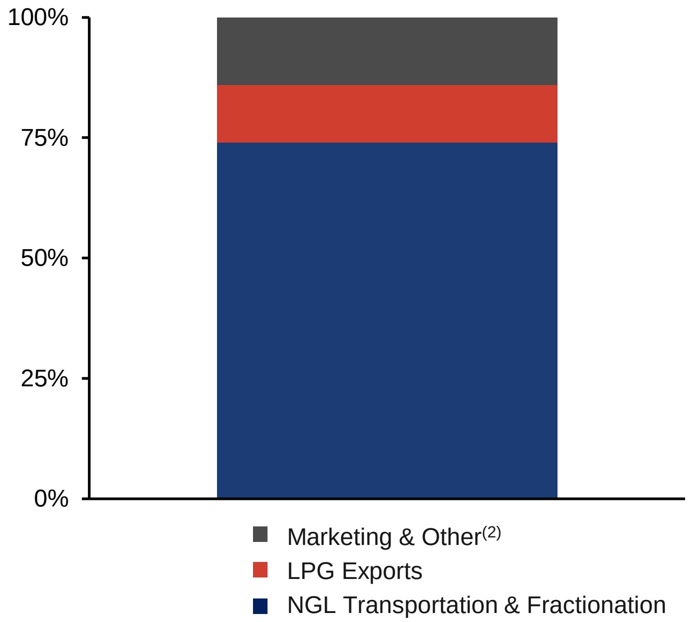
Field Gathering & Processing Operating Margin(1)



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.

Reconciliations

Non-GAAP Financial Measures

This presentation includes the Company's non-GAAP financial measures: adjusted EBITDA and adjusted operating margin (segment). The following tables provide reconciliations of adjusted EBITDA and adjusted operating margin to their respective most directly comparable GAAP measure.

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,		
	September 30, 2023	June 30, 2023	September 30, 2022
		(in millions)	
Reconciliation of Net income (loss) attributable to Targa Resources Corp. to Adjusted EBITDA			
Net income (loss) attributable to Targa Resources Corp.	$ 220.0	$ 329.3	$ 193.1
Interest (income) expense, net	175.1	166.6	125.8
Income tax expense (benefit)	53.9	96.4	12.0
Depreciation and amortization expense	331.3	332.1	287.2
(Gain) loss on sale or disposition of assets	(0.9)	(1.7)	(6.5)
Write-down of assets	3.4	1.7	2.7
Transaction costs related to business acquisition (1)	—	—	20.3
Equity (earnings) loss	(3.0)	(3.4)	(1.7)
Distributions from unconsolidated affiliates and preferred partner interests, net	5.3	6.2	2.4
Compensation on equity grants	15.7	15.0	14.4
Risk management activities	33.5	(151.9)	112.2
Noncontrolling interests adjustments (2)	(1.0)	(1.2)	6.7
Litigation Expense (3)	6.9	—	—
Adjusted EBITDA	**$ 840.2**	**$ 789.1**	**$ 768.6**

(1) Includes financial advisory, legal and other professional fees, and other one-time transaction costs.
(2) Noncontrolling interest portion of depreciation and amortization expense.
(3) Litigation expense includes charges related to litigation resulting from the major winter storm in February 2021 that the Company considers outside the ordinary course of its business and/or not reflective of its ongoing core operations. The Company may incur such charges from time to time, and the Company believes it is useful to exclude such charges because it does not consider them reflective of its ongoing core operations and because of the generally singular nature of the claims underlying such litigation.

Non-GAAP Measures Reconciliation

	Three Months Ended,		
	September 30, 2023	June 30, 2023	September 30, 2022
		(in millions)	
Gathering and Processing Segment			
Operating margin	$ 505.0	$ 502.5	$ 564.6
Operating expenses	189.6	189.8	176.6
Adjusted operating margin	**$ 694.6**	**$ 692.3**	**$ 741.2**
Logistics and Transportation Segment			
Operating margin	$ 457.4	$ 408.0	$ 340.2
Operating expenses	88.8	82.5	84.5
Adjusted operating margin	**$ 546.2**	**$ 490.5**	**$ 424.7**

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.	**$**	**1,403.0**
Interest expense, net		700.0
Income tax expense		400.0
Depreciation and amortization expense		1,320.0
Equity earnings		(10.0)
Distributions from unconsolidated affiliates		25.0
Compensation on equity grants		60.0
Risk management and other(1)		(293.0)
Noncontrolling interests adjustments(2)		(5.0)
Estimated Adjusted EBITDA	**$**	**3,600.0**

(1) Other includes litigation charges related to litigation resulting from the major winter storm in February 2021 that the Company considers outside the ordinary course of its business and/or not reflective of its ongoing core operations. The Company may incur such charges from time to time, and the Company believes it is useful to exclude such charges because it does not consider them reflective of its ongoing core operations and because of the generally singular nature of the claims underlying such litigation.

(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.

GENERAL INQUIRIES/CORPORATE HEADQUARTERS

811 LOUISIANA STREET, SUITE 2100

HOUSTON, TX 77002

PHONE: 713.584.1133

EMAIL: InvestorRelations@targaresources.com

WWW.TARGARESOURCES.COM