Targa Resources Corp.

First Quarter 2022 Earnings Supplement
May 5, 2022


Forward Looking Statements

Certain statements in this release 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 such as COVID-19, commodity price volatility due to ongoing conflict in Ukraine, 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.

Strategic Outlook

Integrated NGL business, coupled with strong business fundamentals support increasing cash flow outlook

Diverse & Vertically Integrated Asset Platform

- Targa's operations connect natural gas and NGLs to markets with increasing demand for cleaner fuels and feedstocks
- Premier asset base connects wellhead volumes in leading basins, including the Permian, with Gulf Coast and export markets

Significant Financial Flexibility

- Strong investment grade balance sheet
- Robust free cash flow profile underpinned by significant embedded operating leverage and strong fee-based earnings

Positioned for Long-Term Success

- Focused on long-term business sustainability and ESG
- Single C-Corp public security with excellent alignment with common shareholders; included in S&P 400

Committed to safety, reliability and environmental stewardship

Investing in high-return projects that leverage integrated system

Positioned to return increasing capital to shareholders over time

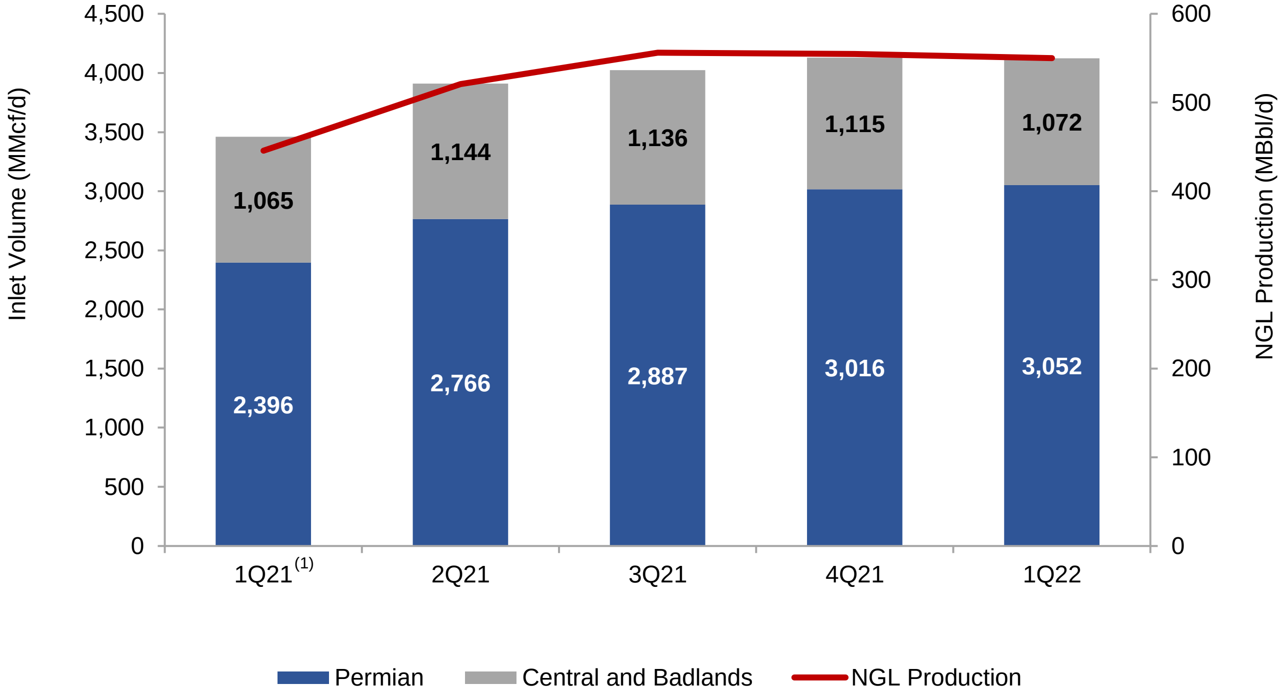
Operational Performance – Gathering & Processing Segment

1Q22 Highlights:

Field G&P Natural Gas Inlet Volumes

- Record Targa volumes in the Permian basin driven by higher production and producer activity, partially offset by impacts from winter weather
- Central region and Badlands volumes modestly lower sequentially due to impacts from winter weather

Field G&P Natural Gas Inlet Volumes and NGL Production



(1) 1Q21 volumes were impacted by the winter storm in February 2021.

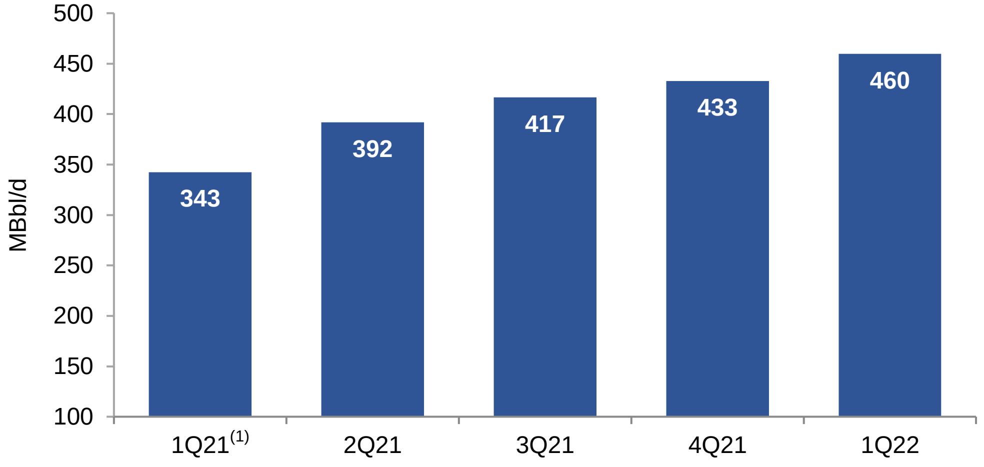
Operational Performance – Logistics & Transportation Segment

1Q22 Highlights:

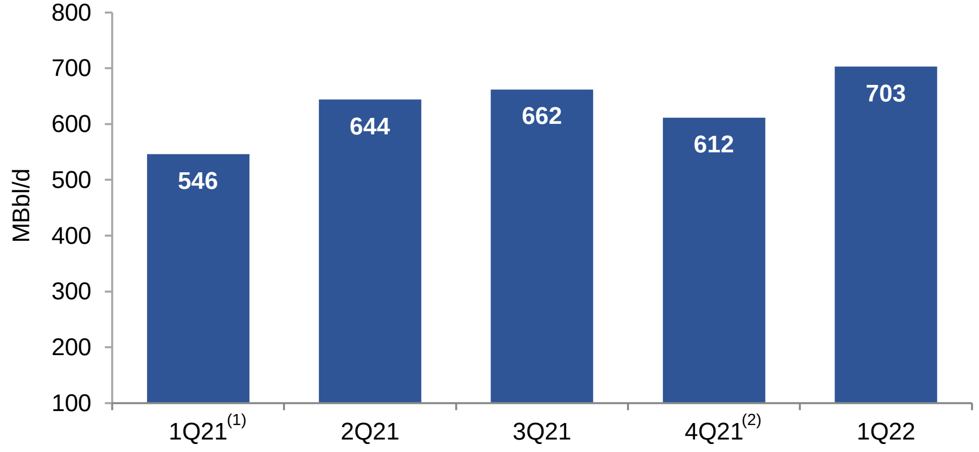
NGL Transportation, Fractionation, and LPG Export Services

- Record NGL Pipeline Transportation volumes driven by higher supply primarily from Targa's Permian G&P systems and from third parties
- Record fractionation volumes driven by higher supply from Targa's Permian G&P systems
- Export volumes modestly lower sequentially

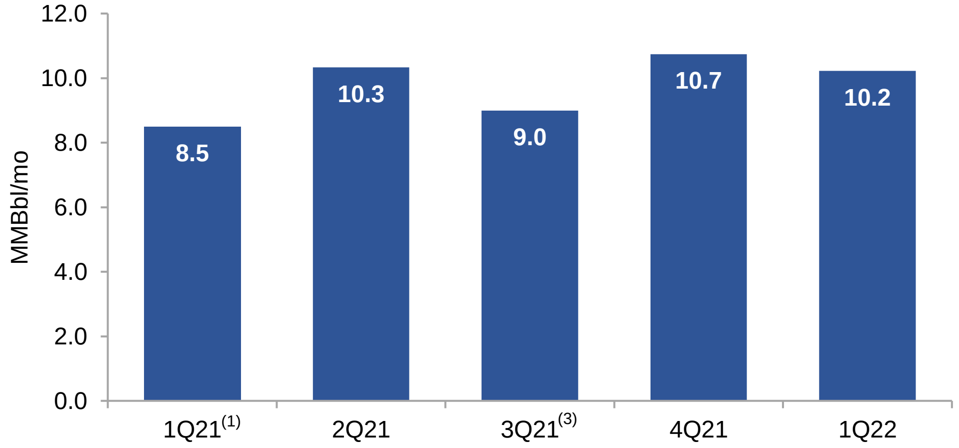
NGL Pipeline Transportation Volumes



Fractionation Volumes



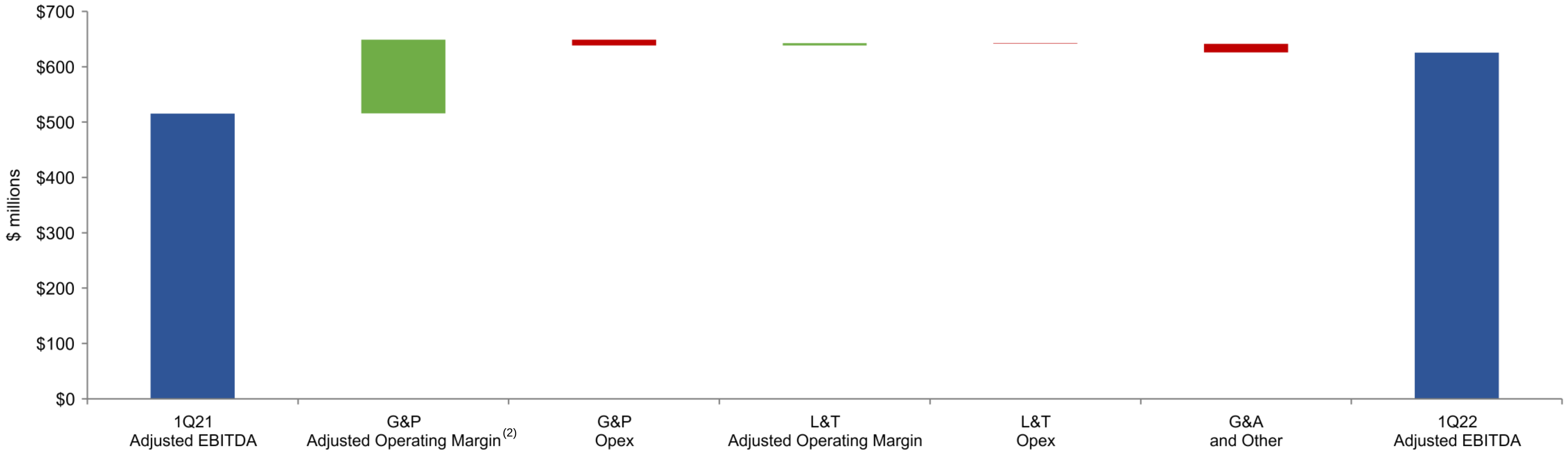
LPG Export Volumes



(1) *1Q21 volumes were impacted by the winter storm in February 2021.*
(2) *4Q21 volumes were impacted by an unplanned outage and associated repairs and maintenance.*
(3) *3Q21 volumes were impacted by maintenance activities at Targa's Galena Park export facility.*

Financial Performance – 1Q 2022 vs. 1Q 2021

Adjusted EBITDA Bridge[1]



Segment Operating Margin

G&P segment operating margin increased $123 million[2]

- \+ Higher realized commodity prices
- \+ Higher Permian and Central volumes driven by higher production and producer activity
- – Higher operating expenses due to increased activity levels and system expansions

L&T segment operating margin increased $3 million

- \+ Higher pipeline transportation and fractionation volumes
- \+ Higher LPG export volumes
- – Lower Marketing & Other
- – Higher operating expenses due to repairs and maintenance

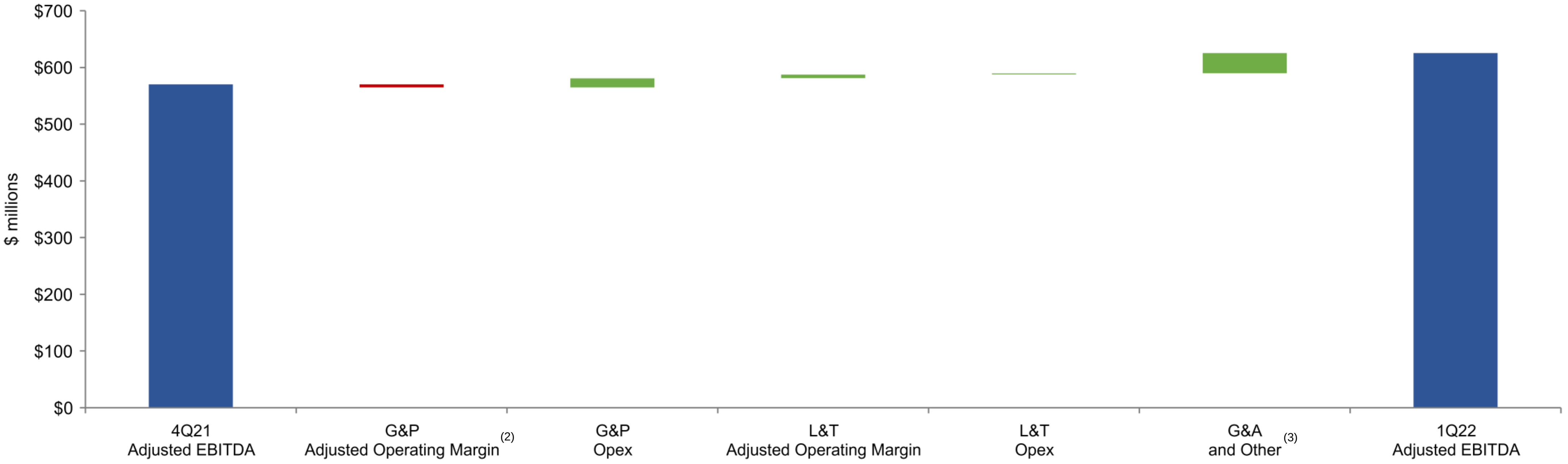
- 1Q21 system volumes were impacted by the short-term operational disruptions and impacts associated with a major winter storm that affected regions across Texas, New Mexico, Oklahoma, and Louisiana in February 2021, which reduced G&P operating margin and increased L&T operating margin

(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 such measures to its most directly comparable GAAP financial measure.

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

Financial Performance – 1Q 2022 vs. 4Q 2021

Adjusted EBITDA Bridge[1]



Segment Operating Margin

G&P segment operating margin increased $11 million[2]

- \+ Higher Permian volumes
- \+ Higher NGL and condensate prices
- \+ Lower operating expenses due to decreased labor and chemical costs
- − Permian, Central, and Badlands volumes impacted by winter weather

L&T segment operating margin increased $9 million

- \+ Higher pipeline transportation and fractionation volumes
- − Lower LPG export volumes
- − Lower Marketing & Other

\+ The sequential increase in adjusted EBITDA also benefited from Targa's repurchase of its DevCo JV interests in January 2022, partially offset by the sale of Targa's 25% equity interest in Gulf Coast Express Pipeline LLC in February 2022

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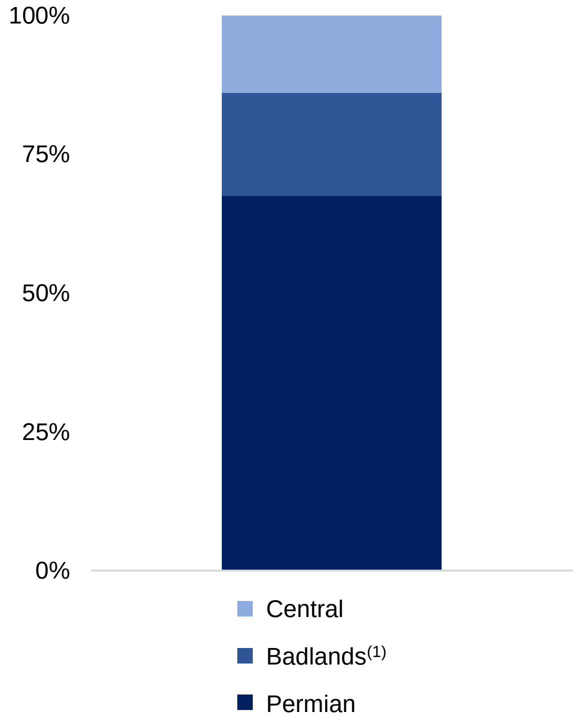
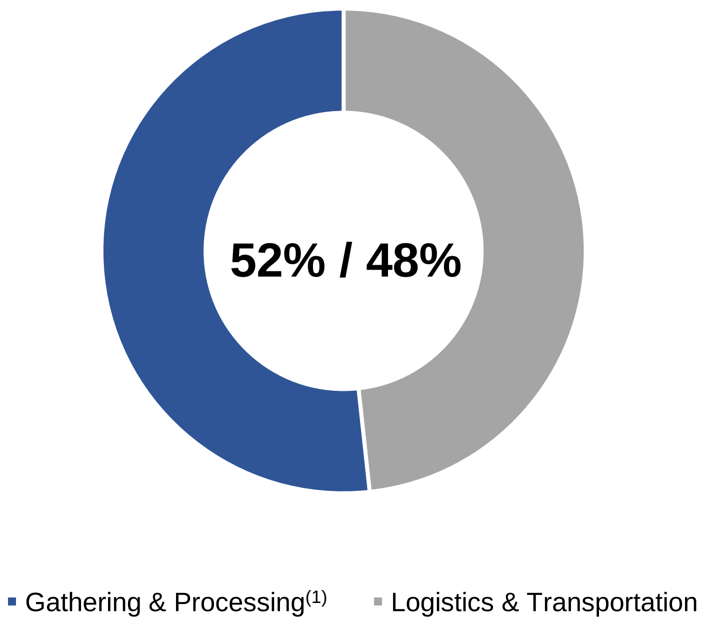
(2) Inclusive of realized hedge gain/(loss).
(3) Reduction in non-controlling interests attributable to Targa's repurchase of its DevCo JV interests in January 2022.

Business Mix – 1Q 2022

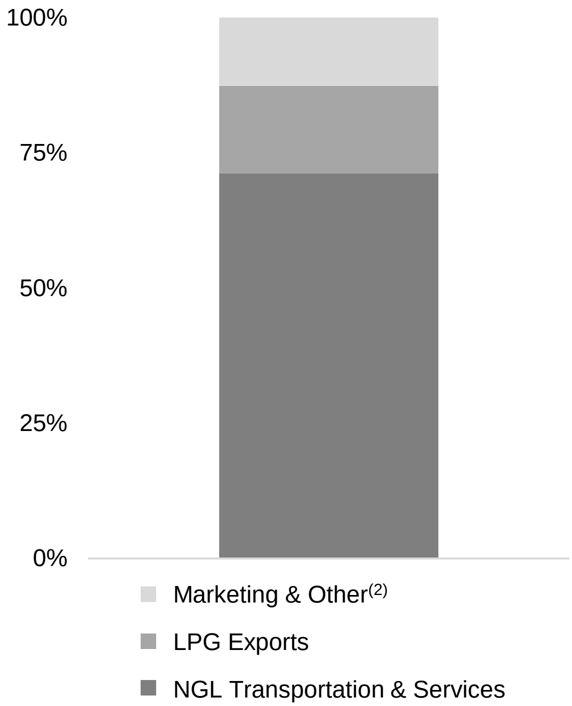
Field Gathering & Processing Operating Margin



Business Mix – Segment Operating Margin



Logistics & Transportation Operating Margin



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

2022 Financial and Operational Estimates (as Presented in Feb'22)

If prices continue to average around today's prices for 2022, Targa expects to exceed the top end of its full year adjusted EBITDA range

Financial Metrics	2022 Estimates
Adjusted EBITDA	$2,300 - $2,500 million(1)
Net Growth Capex	$700 - $800 million
Net Maintenance Capex	$150 million
Segment Operating Margin Mix (G&P/L&T)	~50% / ~50%

Operational	2022 Estimate
Permian G&P Inlet Volume Growth	12% to 15% increase y/y

Commodity Prices Assumptions		Commodity Price Sensitivities(2)	
Waha Natural Gas ($/MMBtu)	$3.75	+/- $0.25	$6 to $8 million
Wtd Avg NGL ($/Gal)(3)	$0.85	+/- $0.05	$25 to $30 million
WTI Crude Oil ($/Bbl)	$75.00	+/- $5.00	$5 to $10 million

Significant YoY growth in adjusted EBITDA underpinned by:

- ✓ Repurchase of DevCo JV interests
- ✓ Volume growth through Permian G&P systems
- ✓ Volume growth through L&T systems
- Offset by sale of 25% interest in GCX Pipeline

(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.*

(2) *Overall full year commodity price sensitivity inclusive of a number of factors, including unhedged PoP exposure, fee floor arrangements and any associated fee floor hedges, NGL barrel composition and recovery economics.*

(3) *Targa's composite NGL barrel comprises 45% ethane, 31% propane,11% normal butane, 4% isobutane and 9% natural gasoline.*

Reconciliations

Non-GAAP Financial Measures

This presentation includes the Company's non-GAAP financial measures: adjusted EBITDA, distributable cash flow, adjusted free cash flow and adjusted operating margin (segment). 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, 2022	December 31, 2021	March 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.	$ 88.0	$ (313.6)	$ 146.4
Interest (income) expense, net	93.6	103.7	98.4
Income tax expense (benefit)	22.9	(8.7)	15.0
Depreciation and amortization expense	209.1	219.7	216.2
Impairment of long-lived assets	-	452.3	-
(Gain) loss on sale or disposition of assets	(1.0)	3.7	-
Write-down of assets	0.5	5.3	3.5
(Gain) loss from financing activities (1)	15.8	-	14.7
Equity (earnings) loss	(5.6)	62.8	(11.8)
Distributions from unconsolidated affiliates and preferred partner interests, net	12.5	28.1	33.3
Change in contingent considerations	-	0.1	-
Compensation on equity grants	13.5	14.6	15.0
Risk management activities	178.2	60.4	(1.5)
Noncontrolling interests adjustments (2)	(1.7)	(57.8)	(13.5)
Adjusted EBITDA	**$ 625.8**	**$ 570.6**	**$ 515.7**

(1) *Gains or losses on debt repurchases or early debt extinguishments.*
(2) *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

Reconciliation of Estimated Net Income attributable to Targa Resources Corp. to Estimated Adjusted EBITDA	Full Year 2022E
	(In millions)
Net income (loss) attributable to Targa Resources Corp.	1,260.0
Interest (income) expense, net	350.0
Income tax expense (benefit)	270.0
Depreciation and amortization expense	880.0
(Gain) loss on sale of assets	(440.0)
Equity earnings	-
Distributions from unconsolidated affiliates and preferred partner interests, net	45.0
Compensation on equity grants	55.0
Noncontrolling interests adjustments[(1)]	(20.0)
Estimated Adjusted EBITDA	**$ 2,400.0**

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

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