# Targa Resources Corp.

## Morgan Stanley Global Energy & Power Conference

## March 2 - 4, 2020

TARGA

# 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 Targa Resources Corp. (NYSE: TRGP; “Targa”, “TRC” or 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 Targa Resources Corp.  Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including declines in the production of natural gas or in the price and market demand for natural gas and natural gas liquids, the timing and success of business development efforts, the credit risk of customers and other uncertainties.  These and other applicable uncertainties, factors and risks are described more fully in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and subsequently filed reports with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

# Premier Energy Infrastructure Company

## Diverse Asset Platform Connects Low Cost Natural Gas and NGL Supply Growth to Key Demand Markets

**Substantial natural gas gathering & processing in top-tier basins**

*~10.8 Bcf/d gross processing capacity and growing(1)*

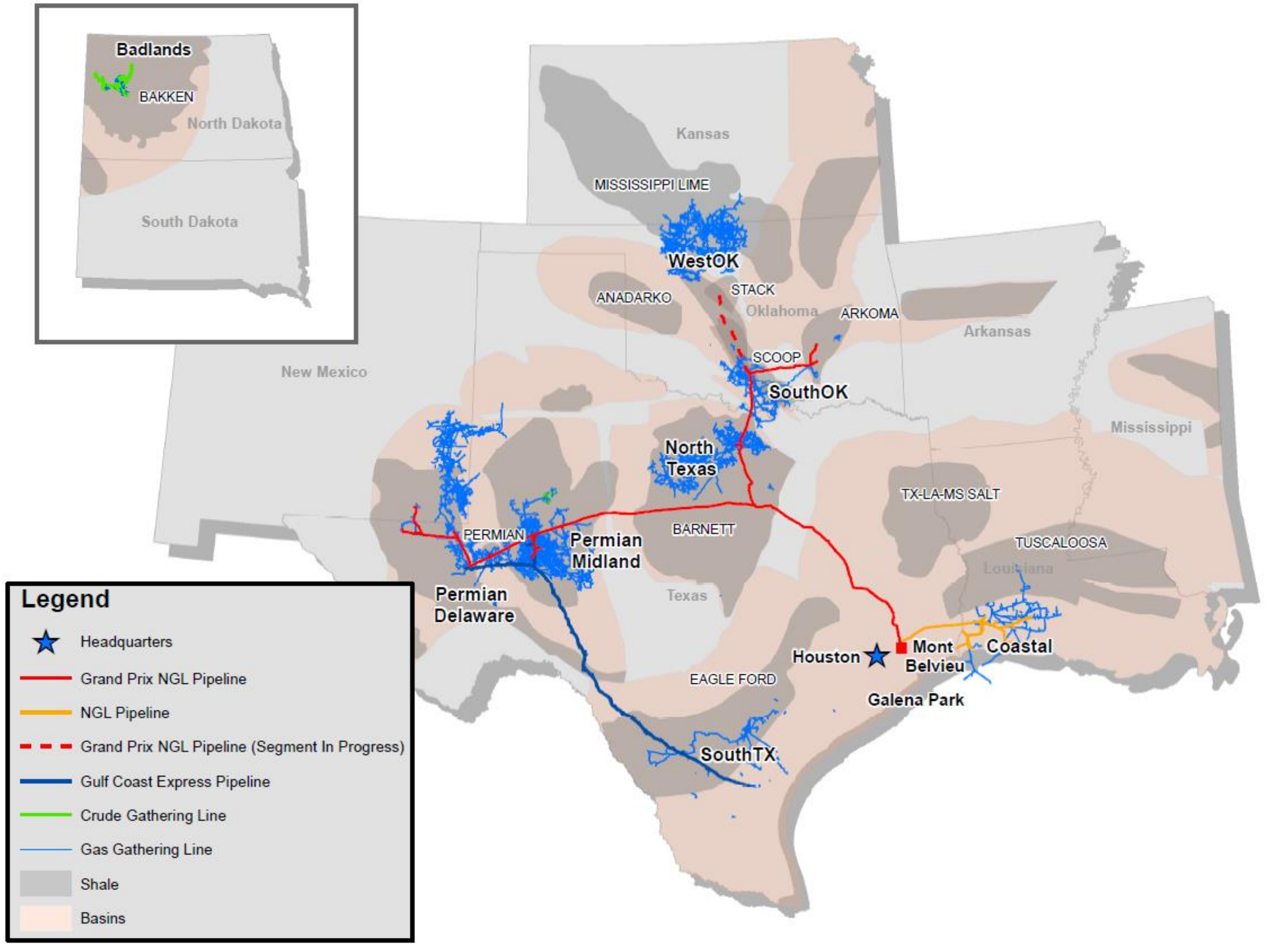
**Premier NGL fractionation footprint in Mont Belvieu**

*~938 MBbl/d gross fractionation capacity and growing(2)*

**Grand Prix NGL Pipeline connects G&P volumes to Mont Belvieu frac and export assets**

**Superior connectivity to US petrochemical complex and top-tier LPG export facility(3)**

*Up to 15.0 MMBbl/month capacity LPG export terminal*

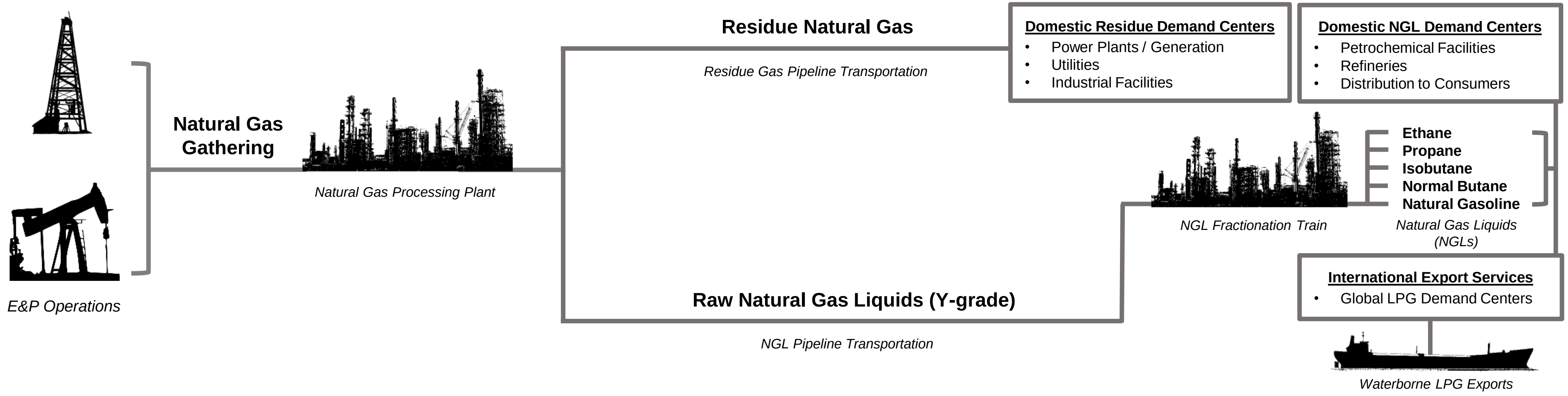



- 48 natural gas processing plants owned & operated(1)
- 9 fractionation trains(1)
- ~30,100 miles of natural gas, NGL and crude oil pipelines
- New NGL and residue pipelines
- 5 crude terminals with 135 MBbls of storage capacity

(1) *Includes plants and frac trains publicly announced and in process*
(2) *Includes both 110 MBbl/d Trains 7 and 8 expansions underway in Mont Belvieu*
(3) *Directly linked to Mont Belvieu, the US NGL hub, which handles the majority of US NGLs; expansion underway to increase capacity up to 15 million barrels per month in Q3 2020*

# Targa Business Overview

## Portfolio of Integrated Assets Across Natural Gas and Natural Gas Liquids Value Chain




| Targa Businesses | Gathering & Processing | Pipeline Transportation[2] | Logistics & Transportation[3] |
|---|---|---|---|
| Assets | ▪ Permian<br>▪ Bakken<br>▪ Eagle Ford<br>▪ SCOOP/STACK<br>▪ Arkoma<br>▪ Barnett | ▪ Grand Prix NGL Pipeline<br>▪ Gulf Coast Express (GCX) Residue Gas Pipeline[1] | ▪ NGL Fractionation<br>▪ LPG Exports<br>▪ NGL Logistics and Transportation |
| Commercial Framework | ▪ **Mix of fee-based and percent-of-proceeds (POP) contracts by area** | ▪ **Fee-based with significant take-or-pay** | ▪ **Fee-based with significant take-or-pay** |

(1) Equity ownership interest
(2) Grand Prix results included in Targa's Logistics & Transportation segment
(3) Also referred to as "Downstream" segment

# A Core Energy Infrastructure Holding

| Premier Asset Position | Visible Growth | Financial Discipline | Positioned for Long-Term Success |
| --- | --- | --- | --- |
| ▪ One of the largest G&P positions in the Permian Basin with significant access to NGL supply<br>▪ Integrated asset platform: top-tier basins; Grand Prix Pipeline to Downstream<br>▪ Downstream NGL business connected to US domestic hub and international demand | ▪ Capital investments largely complete, driving sustainable fee-based growth outlook<br>▪ Transformative growth has increased size, scale and enhanced business diversity<br>▪ Ramping EBITDA significantly increases free cash flow over forecast period | ▪ Strong track-record of financial execution to preserve balance sheet strength<br>▪ Balance sheet metrics improving from recently completed growth projects<br>▪ Disciplined capital allocation bolsters long-term shareholder value | ▪ Integrated asset platform aligns with key energy supply and demand fundamentals<br>▪ Focused on long-term business sustainability and ESG<br>▪ Single C-Corp public security and excellent alignment with common shareholders |

**~$9 Billion Market Cap(1)**
**~$17 Billion Enterprise Value**

**~80% Fee-Based Margin(2)**

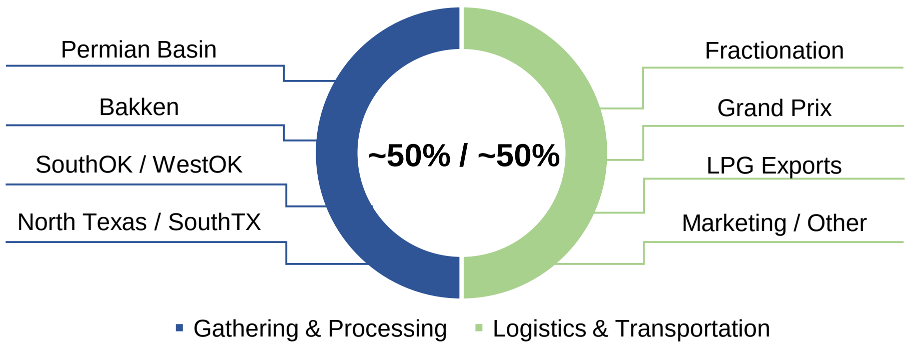
**$3.64/share**
**Annual Dividend**

(1) *Based on market prices as of February 17, 2020*
(2) *Based on 2020E operating margin*

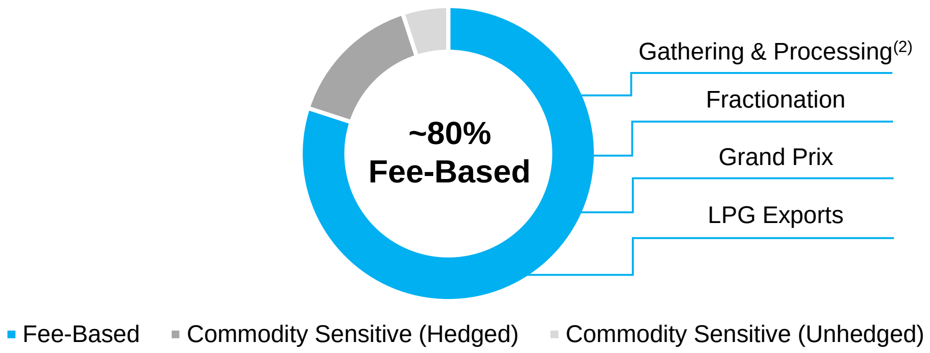
# Integrated Platform Supports Increasing Fee-Based Profile

## Business Mix and Fee-Based Profile(1)

**Business Mix 2020E**




**Fee-Based Profile 2020E**




## Integrated Midstream Platform Strengthens the Durability of Targa's Earnings and Cash Flow Profile

**Increasing Fee-Based Trajectory**

- **Migration of business mix towards Downstream driven by Targa's integrated midstream platform, recently completed growth projects and expansions underway**
  - Grand Prix Pipeline volume ramp
  - Fractionation expansions underway
  - LPG export expansion underway
- **G&P segment growth is predominantly fee-based**
  - Delaware Basin processing expansions underway
  - Badlands processing growth
- **Enhanced focus in increasingly adding fee-based margin across G&P (i.e. fee-floor and fee-based contracts)**

(1) *Business mix and fee-based profile based on 2020E operating margin and gross margin, respectively*
(2) *Fee-based margin in Gathering & Processing segment includes Badlands (fully consolidated operating margin), SouthOK, SouthTX and significant portions of Permian Delaware, Permian Midland, and WestOK*

# Strategic Outlook

## Focus in recent years has been to transform into a fully integrated midstream company with scale and asset diversity

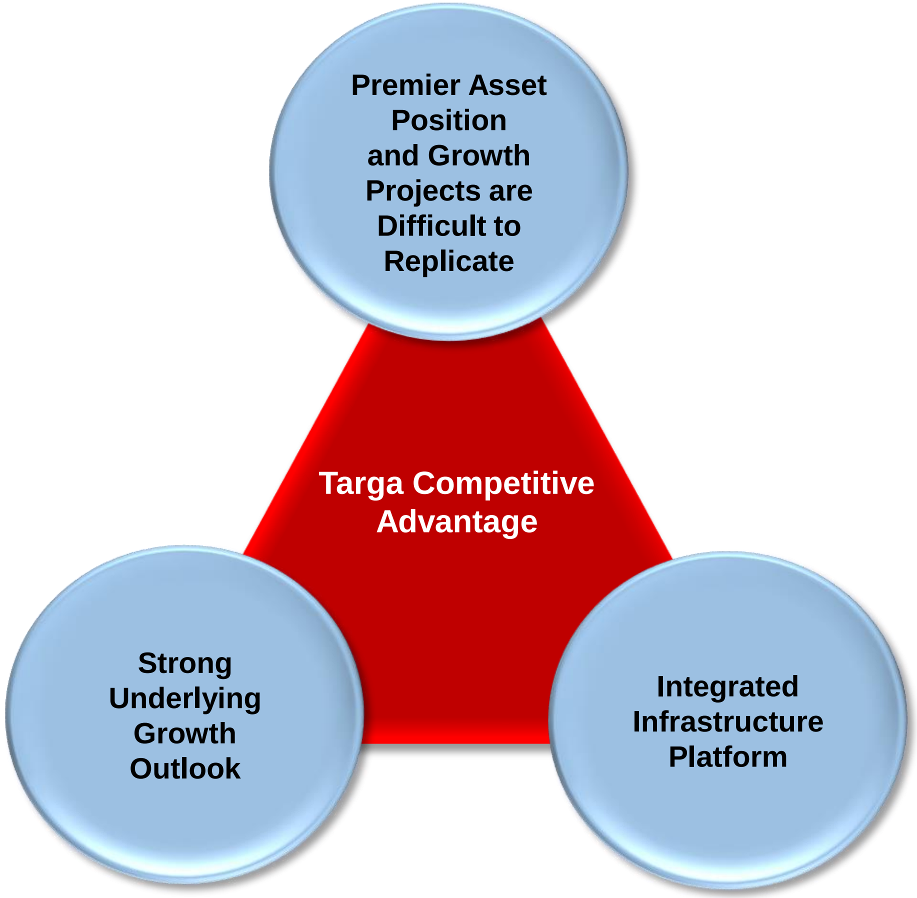
- Transformation of asset footprint from growth capital investments is largely complete and has strengthened Targa's competitive advantage

## Targa's Grand Prix NGL Pipeline was the missing piece of the integrated platform advantage

- ~$2 billion project and largest capital investment in Targa's history
- In-service and flowing significant volumes to Mont Belvieu that are expected to grow over time

## Heavily invested in supply aggregation through our premier G&P footprint with connectivity to downstream demand

- Since 2015, ~$8.5 billion in capital invested across the Targa value chain
- Supply aggregation – Gathering & Processing
  - Added 15 new plants with an aggregate 2.7 Bcf/d of incremental processing capacity
- Supply → demand link – Grand Prix NGL Pipeline
- Demand markets – Downstream (Fractionation and Exports)
  - Added frac trains 5, 6, 7 and 8 with an aggregate 420 MBbl/d incremental fractionation capacity in Mont Belvieu, the premier U.S. NGL market hub
  - LPG export debottlenecking and expansions that will bring capacity up to 15 MMBbl/month[1]




(1) *Capacity based on product demand and vessel size*

# Strategic Outlook – Current Areas of Focus

- **Focus on Operating our Business and Assets More Efficiently**
  - Continue to focus on safety and improvement across all Targa business functions
  - Optimize across individual assets and our integrated business from G&P through Downstream
- **Continue to Invest in our Business – Right-Size Future Organic Investments**
  - Scrutiny on new capital projects focused on aligning capital spend with cash flow from operations going forward
  - Enhanced internal processes focused on organizational alignment on capital allocation, strategic priorities, contracting and cash flow generation
- **Benefit from Improving Cash Flow Profile from Recently Completed Growth Projects**
  - Increasing EBITDA, strengthening financial metrics and more moderate capital expenditures
  - Moving towards free cash flow
- **Maintain or Accelerate Trajectory of Stronger Balance Sheet and Increasing Fee-Based Cash Flows**
  - Targa balance sheet improving; continue to evaluate and execute asset sales to accelerate leverage reduction and focus on core operations
  - Integrated midstream platform strengthens the durability of and increases Targa's fee-based earnings and cash flow profile

G&P → NGL Transportation → Fractionation → LPG Exports

# Key Takeaways

**Integrated & Strategically Located Assets**

- Right assets in the right places - premier position in the Permian Basin and G&P volume growth further increases Downstream asset utilization
- Grand Prix NGL Pipeline bolsters integrated infrastructure capabilities and connects growing premier basin supply to premier demand market hub for NGLs

**Visible Growth Outlook**

- Increasing EBITDA and fee-based margin outlook underpinned by system expansions recently completed and those expansions underway
- Integrated midstream platform to drive continued commercial success and strengthen durability of cash flow profile

**Benefiting from Key Domestic Energy Themes**

- Continued strong long-term outlook for Permian Basin growth, complemented by significant size, scale and operating leverage further strengthens Targa's competitiveness
- Strong Downstream connection with Permian and other basins enhanced by demand pull from petrochemical expansions and positive long-term fundamentals for international LPG exports

**Financially Disciplined**

- Significant incremental EBITDA growth expected through 2021+ strengthens balance sheet outlook and to drive increasing free cash flow
- Disciplined capital allocation to bolster long-term shareholder value

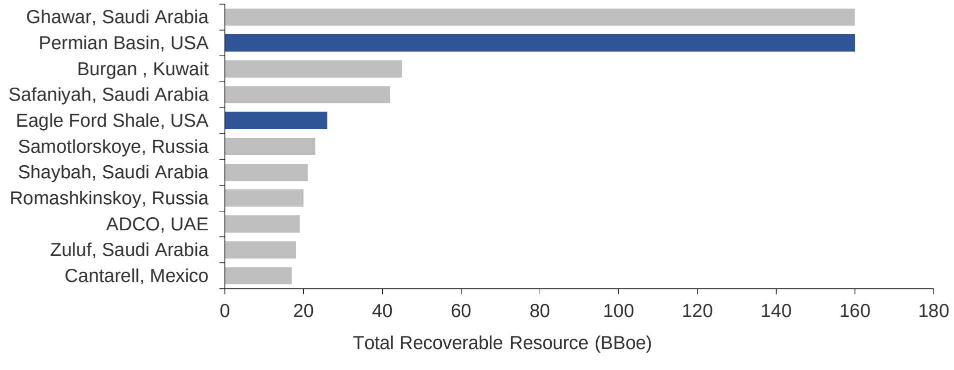
# Integrated Infrastructure Platform



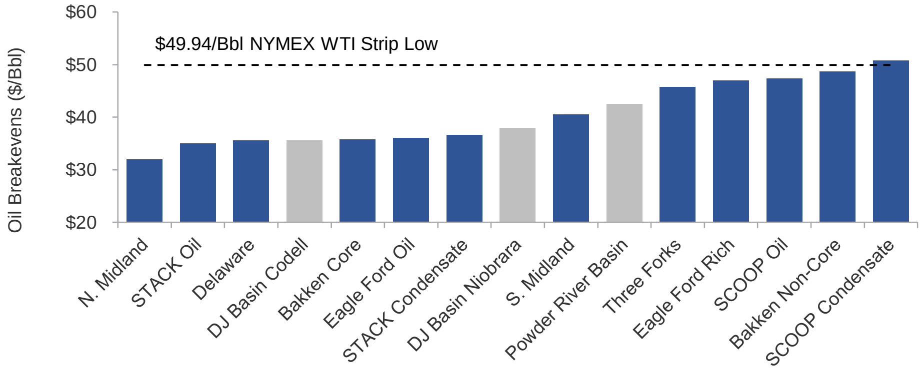
# Permian Basin is a World Class Resource

- **The Permian Basin's multi-stack shale formation delivers low-cost, highly economic drilling inventory supporting a multi-decade growth platform**

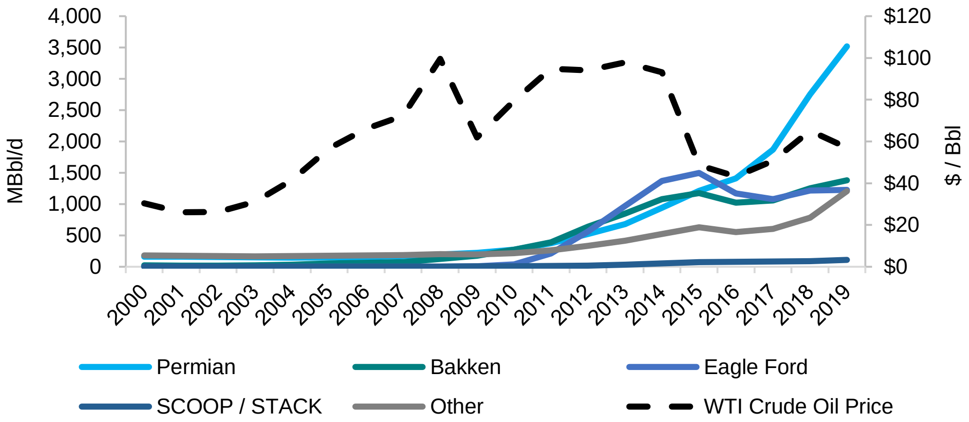
## Substantial Recoverable Resources(1)



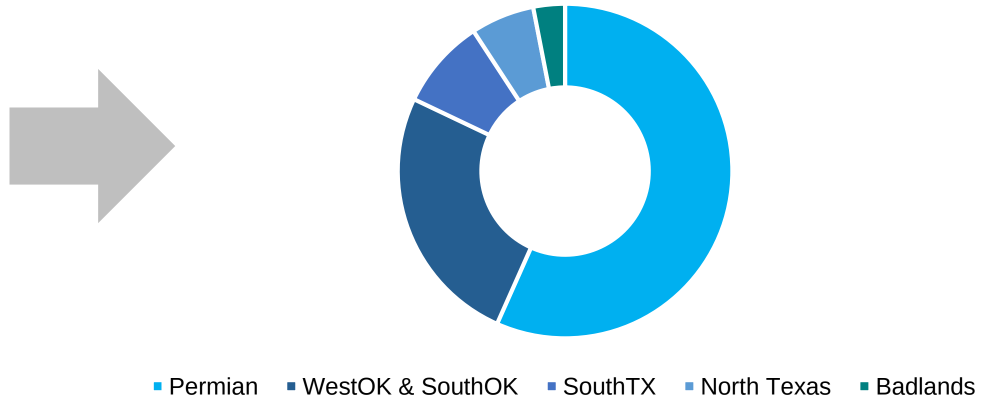

## Basin Breakeven Prices(2)




## U.S. Production Growth Engine(3)



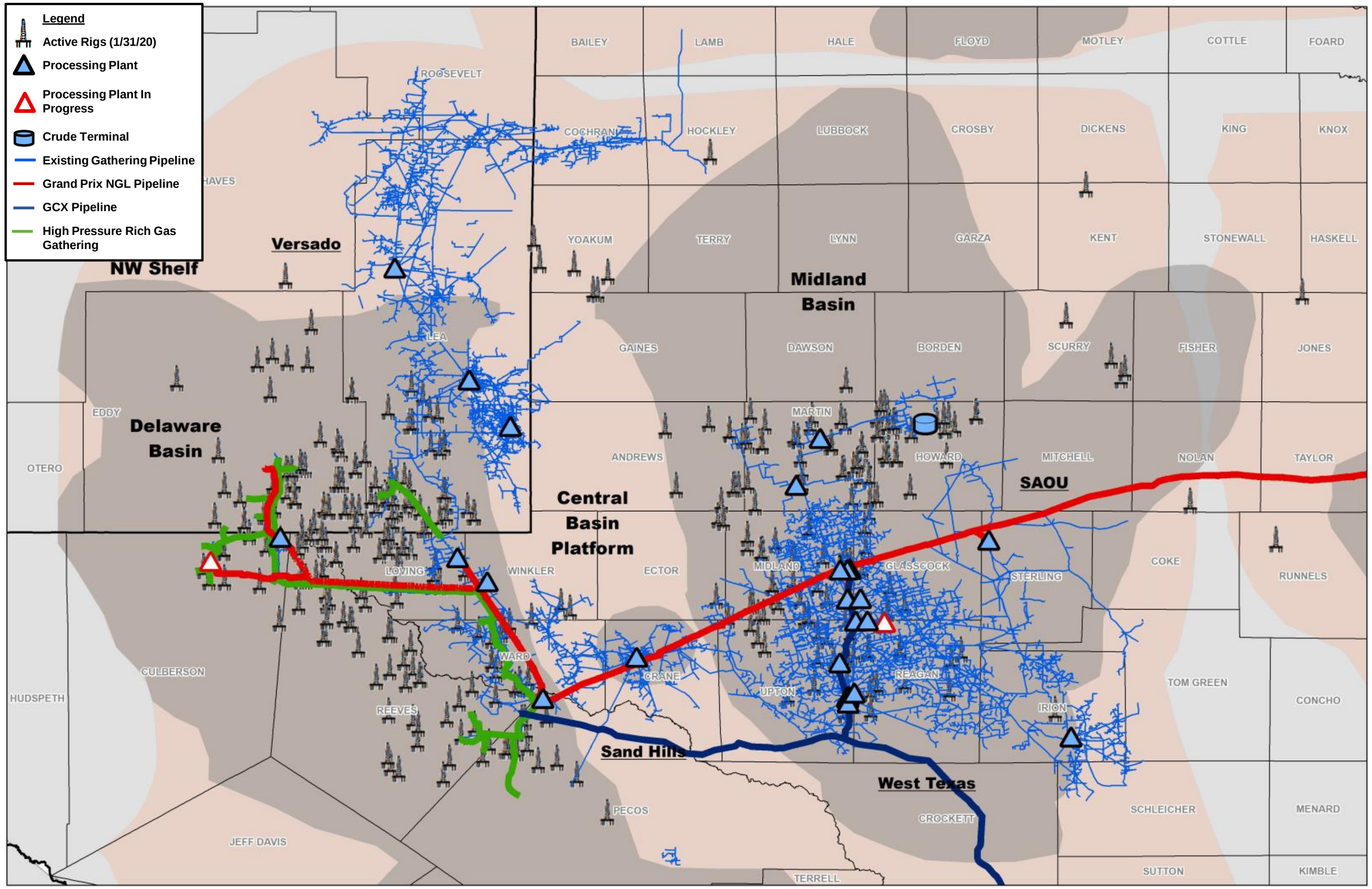

## Targa G&P Plant Natural Gas Inlet Volume, MMcf/d(4)




*(1) IEA; resources include oil and gas*
*(2) Sell-side research; strip low as of February 8, 2020; breakevens assume $3.00/Mmbtu gas pricing and 15% pre-tax return*
*(3) EIA short-term energy outlook data as of 12/31/2019*
*(4) Based on average inlet for twelve months ended 12/31/2019; Targa Badlands also includes significant crude gathering infrastructure position*

# Targa's Premier Permian Infrastructure

**Asset position across the Midland and Delaware Basins offers competitive and integrated G&P, NGL transportation and fractionation services to producer customers**




**Multi-plant, multi-system Permian footprint, complemented by Grand Prix and GCX pipeline integration**

**One of the largest Permian G&P positions supports significant acreage dedications from diverse producer group**

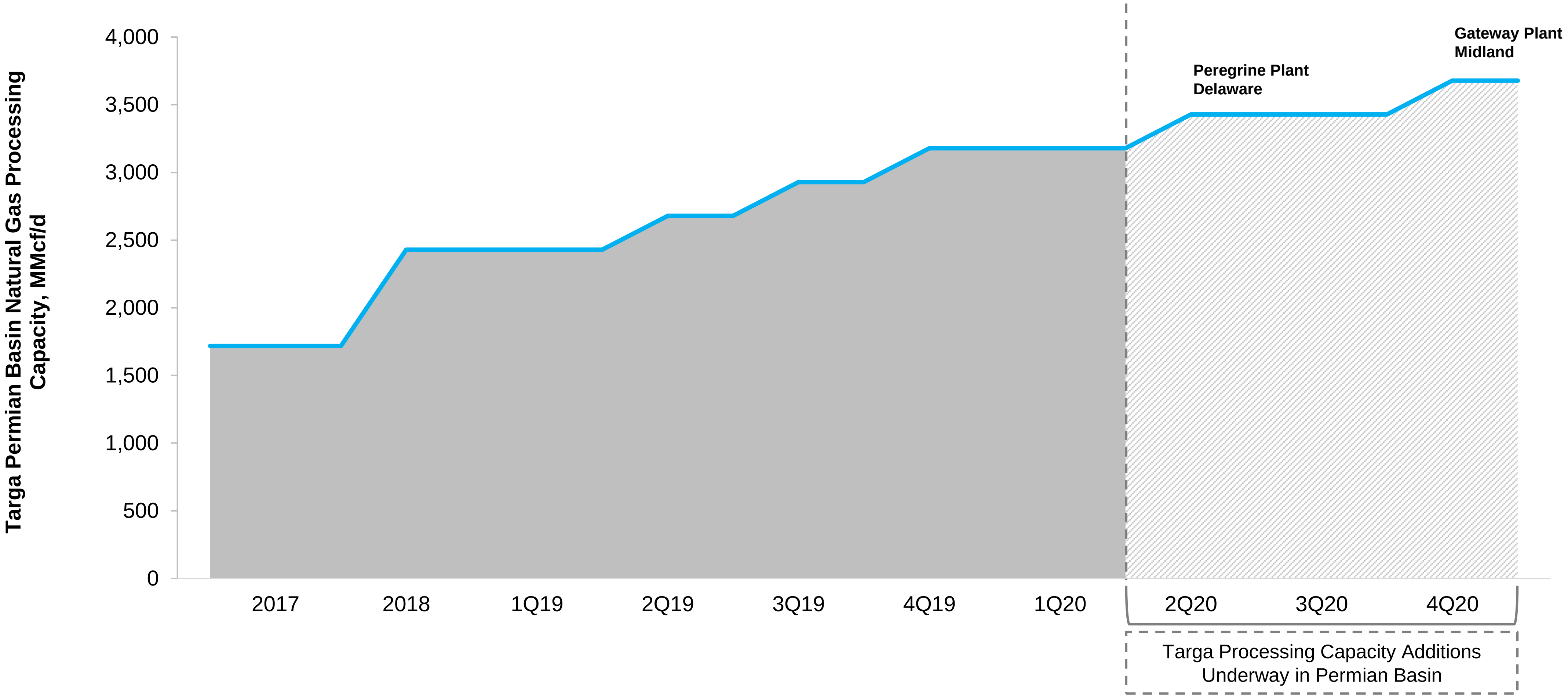
**~3.7 Bcf/d(1) of total gross natural gas processing capacity by Q4 2020**

*Source: Drillinginfo; rigs as of January 31, 2020*

*(1) Includes 250 MMcf/d Peregrine Plant (expected to be complete in Q2 2020), and 250 MMcf/d Gateway Plant (expected to be complete in Q4 2020)*

# Aggregator Of Permian Associated Gas Supply

- **Targa's Permian natural gas processing expansions are driven by producer needs for incremental infrastructure, resulting in increasing NGL supply managed by Targa**



# Downstream Assets: Linking Supply to Demand

- Growing Targa and third-party NGL supply
- Grand Prix connects growing NGL supply to NGL market hub and to Targa Downstream assets
- Premier fractionation ownership position in Mont Belvieu
- Superior connectivity to growing petrochemical complex
- Most flexible LPG export facility along the US Gulf Coast; largely contracted over the long-term

**Mont Belvieu is unique - The US NGL market hub developed over decades of industry investment**

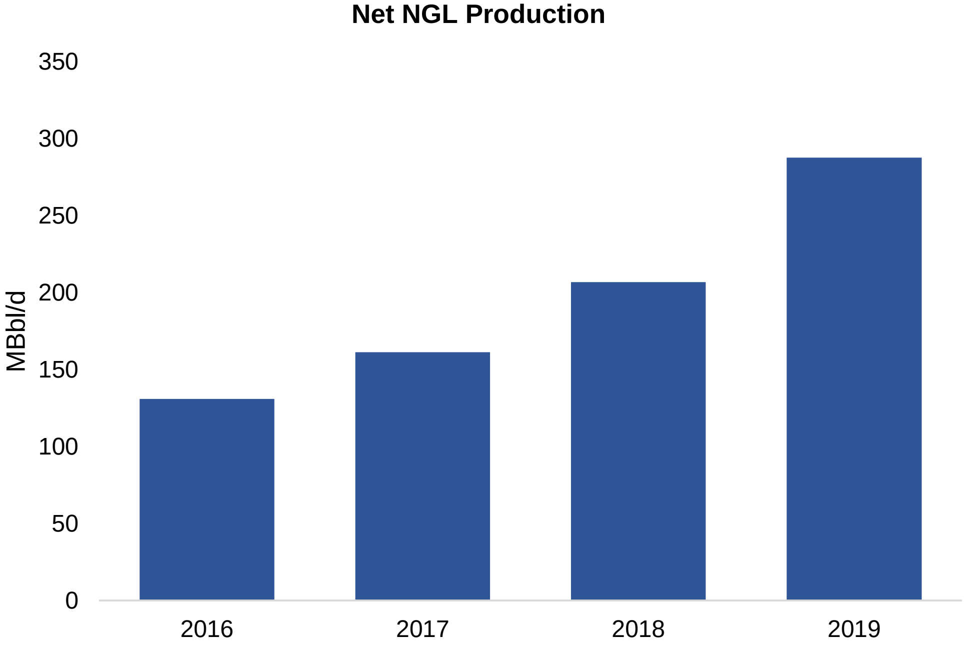
- ✓ Y-grade (mixed) NGL supply coming from basins across the country
- ✓ Spec product NGL demand
- ✓ Ideal underground salt dome storage for NGLs
- ✓ An interconnected petrochemical complex that grew up around Mont Belvieu

**Targa's infrastructure network is very well positioned and exceedingly difficult to replicate -** superior assets in Mont Belvieu, with connectivity to supply, fractionation, storage, terminaling infrastructure, and connectivity to demand (petrochemical complex and exports)

**Grand Prix NGL Pipeline directs more volumes to Targa fractionation and export facilities -** improves linkage of supply to demand with advantages for Targa customers and Targa Downstream assets

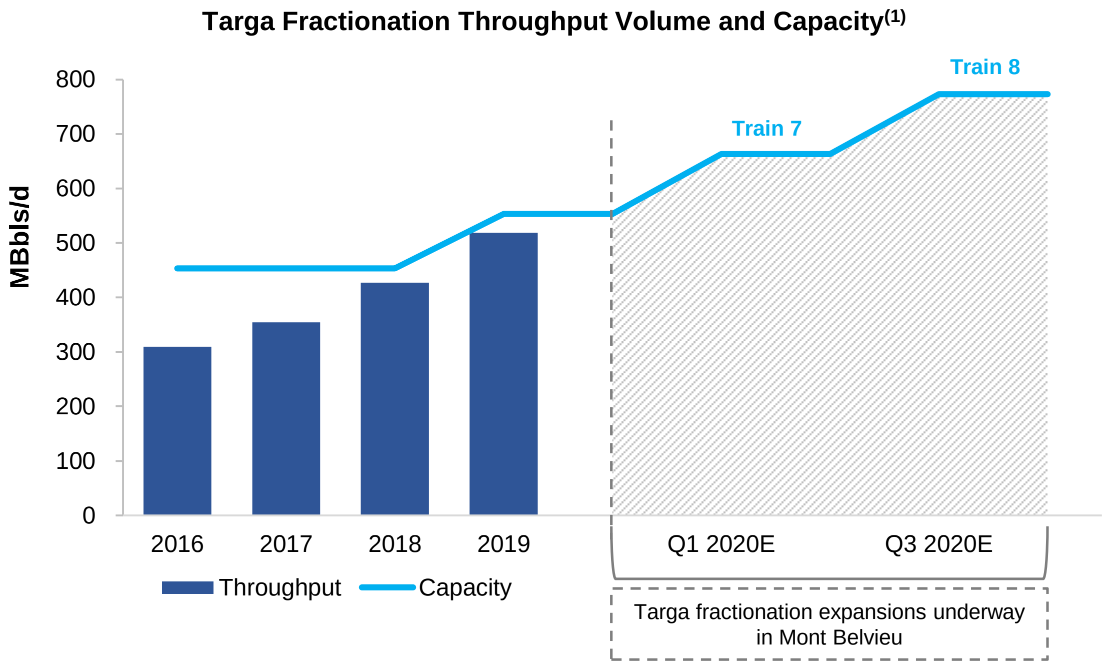
# Growing NGL Production Feeds Targa's Fractionation Assets

## Significant NGLs from Targa Permian Plants




- Targa is currently one of the largest daily movers of NGLs in the Permian Basin
- Targa's Permian NGL production outlook is expected to continue to increase as a result of its incremental processing capacity expansions recently completed and underway
- Targa can direct the vast majority of its NGL production to its fractionation facilities in Mont Belvieu, which has led to significant growth in fractionation volumes over the same time frame

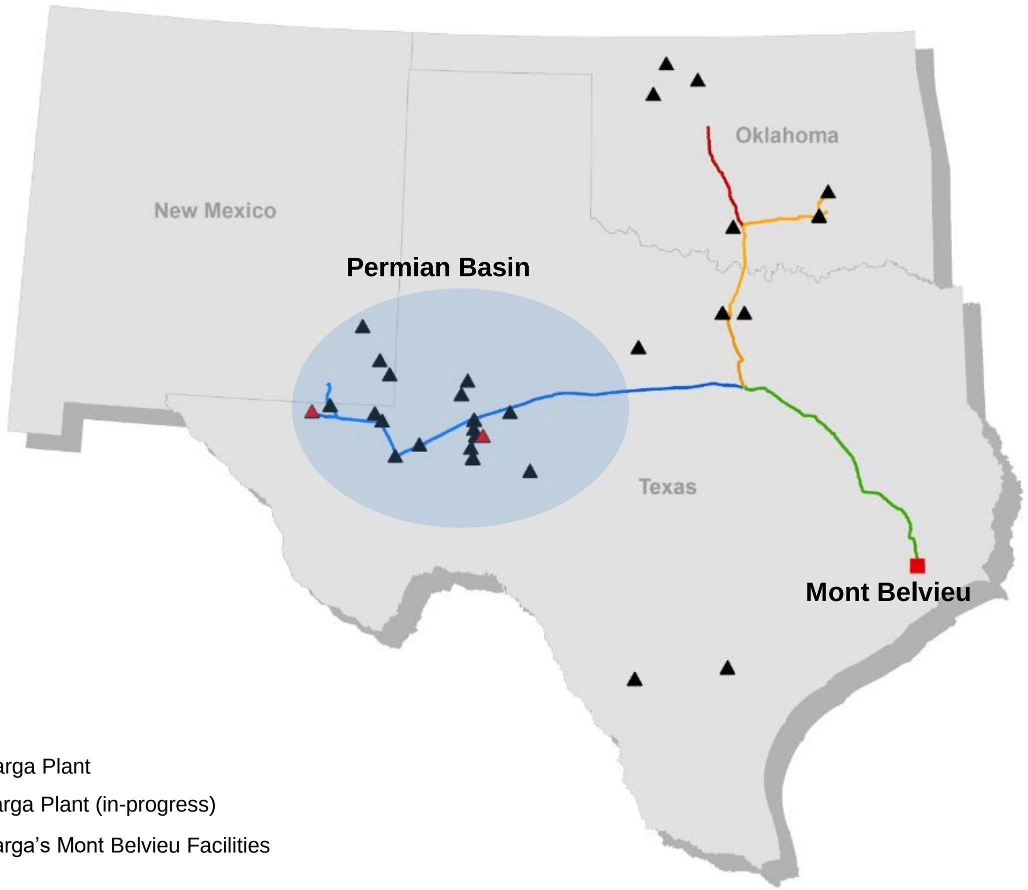
## Robust Targa Fractionation Outlook




- 100 MBbl/d Train 6 began operations in Q2 2019
- Additional 220 MBbl/d from Trains 7 and 8 will begin operations late Q1 2020 and late Q3 2020, respectively
- Continued production growth and continued commercial success further increase fractionation volume outlook
- Grand Prix NGL Pipeline directs significant NGL volumes to Targa's fractionation complex

(1) *Represents gross fractionation capacity owned and operated by Targa in Mont Belvieu, excluding backend capacity; permit received for Targa Train 9 in Mont Belvieu*

# Growing NGL Production Feeds Grand Prix




▲ Targa Plant
▲ Targa Plant (in-progress)
■ Targa's Mont Belvieu Facilities

| **Permian Basin Segment[1]** | **Southern Oklahoma Extension** | **North Texas to Mont Belvieu Segment** | **Central Oklahoma Extension** |
|---|---|---|---|
| 24 inch diameter: 300 MBbl/d (expandable to 550 MBbl/d) | Capacity varies based on telescoping pipeline | 30 inch diameter: 450 MBbl/d (expandable to 950 MBbl/d) | 120 MBbl/d (target in-service: Q1 2021) |

**Grand Prix deliveries into Mont Belvieu averaged ~266 MBbl/d in Q4 2019**

### Grand Prix Volumes Expected to Continue to Increase:

- Incremental Targa Permian processing plant expansions underway[1]
  - 250 MMcf/d Peregrine Plant (2Q20)
  - 250 MMcf/d Gateway Plant (4Q20)
- Additional third-party volumes
  - Grand Prix extension into the STACK play in Oklahoma that is supported by significant long-term transportation and fractionation volume dedications and commitments from Williams (online 1Q21)
- Increasing third-party volume commitments
- Continued production growth and continued commercial success
- Expiration of Targa's obligations on other third-party NGL pipelines

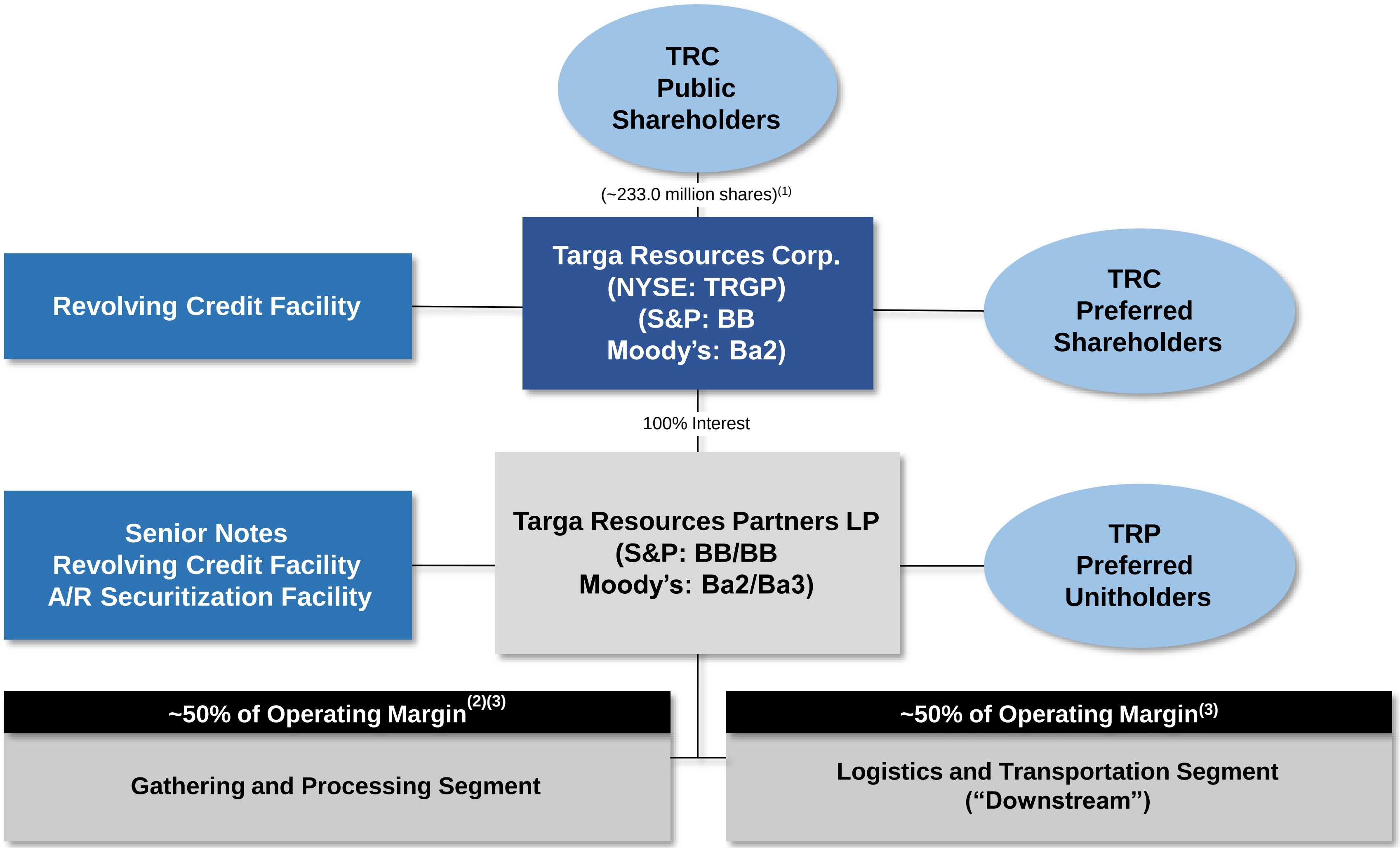
### Low-Cost Expansion Potential Further Enhances Project Return:

- Targa can expand pipeline's capacity by adding pump stations as needed over time, with relatively low additional capital outlay (estimated to be less than 10% of total project cost)

(1) *Approximately 35-40 MBbl/d of NGLs produced from a fully utilized Targa 250 MMcf/d plant, assuming an inlet GPM of 5-6 ; vast majority of these NGLs available for Grand Prix*

# Financial and ESG Information

# Corporate Structure




(1) Common stock outstanding as of February 20, 2020
(2) Includes the effects of commodity derivative hedging activities
(3) Based on 2020E forecasted segment operating margin

# 2020 Financial and Operational Estimates

| Financial Estimates<br>FY 2020E<br>*($ in millions, unless otherwise noted)* | |
|---|---|
| **Adjusted EBITDA** | **$1,625 - $1,750** |
| **Fee-Based Margin** | **~80%** |
| **Segment Operating Margin Mix (G&P/Downstream)** | **~50% / ~50%** |

| Capital Expenditure Estimates<br>FY 2020E<br>*($ in millions, unless otherwise noted)* | |
|---|---|
| **Net Growth Capital Expenditures** | **$1,200 - $1,300** |
| *Gathering & Processing* (1) | *~$700* |
| *Logistics & Transportation ("Downstream")* | *~$550* |
| **Net Maintenance Capital Expenditures** | **$150** |

| Operational Estimates<br>FY 2020E | |
|---|---|
| **Permian G&P Natural Gas Inlet Volumes (MMcf/d)** | **+20% YoY increase** |
| **Total Field G&P Natural Gas Inlet Volumes (MMcf/d)** | **+10% YoY increase** (2) |
| **Grand Prix Average Deliveries into Mont Belvieu (MBbl/d)** | **275 - 300 MBbl/d** |

| Commodity Price Assumptions<br>FY 2020E | |
|---|---|
| **Weighted Average NGL ($/gallon)** | **$0.45** |
| **Henry Hub Natural Gas ($/MMBtu)** | **$2.00** |
| **Waha Natural Gas ($/MMBtu)** | **$0.50** |
| **WTI Crude Oil ($/barrel)** | **$52.00** |

**+18%(3) increase in YoY Adjusted EBITDA driven by full year contribution from projects online in 2019 and contribution from 2020 projects**

**2019 Project Contributions**

- +750 MMcf/d incremental Permian processing capacity
- +200 MMcf/d incremental Badlands processing capacity
- Grand Prix NGL Pipeline
- 100 MBbl/d Train 6 fractionator in Mont Belvieu
- LPG export expansion – Phase I

**2020 Project Contributions**

- +500 MMcf/d incremental Permian processing capacity
- +220 MBbl/d incremental fractionation capacity in Mont Belvieu
- LPG export expansion – Phase II

**45% reduction in YoY net growth capex**

**YoY increase in Permian G&P supply aggregation to drive YoY increase and strong asset utilization across integrated Downstream assets: Grand Prix, fractionation and LPG exports(4)**

*(1) Greater than 80% of total G&P net growth capex for 2020E focused on the Permian Basin*
*(2) Estimate full year average 2020 over 2019 full year average increase in Permian and Badlands volumes, partially offset by lower average year over year Central region volumes*
*(3) Estimated increase based on the midpoint of 2020E Adjusted EBITDA estimate range relative to actual 2019 actual Adjusted EBITDA*
*(4) Estimate increase in 2020 full year average fractionation and LPG export volumes over full year average 2019 volumes*

# 2020 Net Growth Capex Estimate

| Capital Expenditure Estimates<br>FY 2020E<br>*($ in millions, unless otherwise noted)* | |
|---|---|
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| *Gathering & Processing [1]* | *~$700* |
| *Logistics & Transportation ("Downstream")* | *~$550* |
| **Net Maintenance Capital Expenditures** | **$150** |

| ***Major Project Expected In-Service Timeline*** | 2020E Q1 | 2020E Q2 | 2020E Q3 | 2020E Q4 | 2021E |
|---|---|---|---|---|---|
| ***Gathering & Processing*** | | | | | |
| **Permian Delaware** | | | | | |
| Peregrine Plant - 250 MMcf/d | | ✓ | | | |
| **Permian Midland** | | | | | |
| Gateway Plant - 250 MMcf/d | | | | ✓ | |
| ***Logistics & Transportation*** | | | | | |
| **Fractionaction Train 7 - 110 MBbl/d** | ✓ | | | | |
| **Fractionaction Train 8 - 110 MBbl/d** | | | ✓ | | |
| **LPG Export Expansion** | | | ✓ | | |
| **Grand Prix Extension to Central Oklahoma [2]** | | | | | ✓ |

(1) Greater than 80% of total G&P net growth capex for 2020E focused on Permian Basin
(2) Expected to be complete by Q1 2021

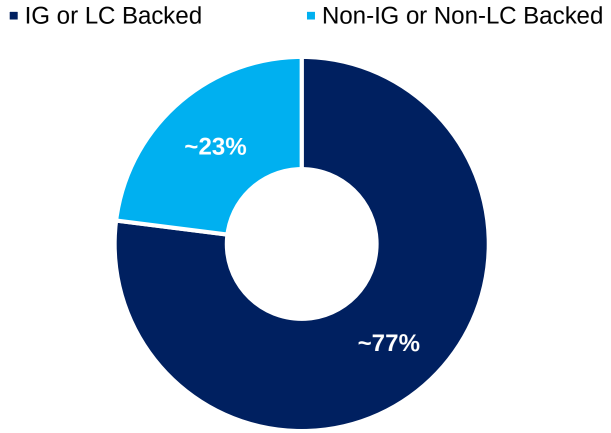
# Prudent Risk Management

## Hedging Program Further Strengthens Cash Flow Stability

| Field G&P Hedging Update | | | | | | | | Commodity Price Sensitivity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | | | | 2021 | | | | | | |
| Commodity | Volumes Hedged[1] | Exposure Hedged (%)[2] | Wtd. Avg. Hedge Price[3] | Commodity | Volumes Hedged[1] | Exposure Hedged (%)[2] | Wtd. Avg. Hedge Price[3] | | | 2020E Adj. EBITDA Impact |
| Natural Gas (MMBtu/d) | 163,842 | ~80% | $1.71 | Natural Gas (MMBtu/d) | 163,751 | ~80% | $1.75 | Natural Gas | +/- $0.25/MMBtu | +/- ~$4 million |
| NGLs (Bbl/d)[4] | 25,346 | ~60% | $0.57 | NGLs (Bbl/d)[4] | 14,151 | ~35% | $0.55 | NGLs | +/- $0.05/gallon | +/- ~$20 million |
| Condensate (Bbl/d) | 5,144 | ~75% | $57.78 | Condensate (Bbl/d) | 3,654 | ~55% | $55.33 | Condensate | +/- $5.00/Bbl | +/- ~$3 million |

## Counterparty Profile

### Revenue from Top 25 Customers[5]




- ~77% of revenue from top 25 customers is investment grade or LC backed
- Top 25 customers represents ~60% of total revenue[5]

- **Gathering & Processing Segment**
  - Targa is predominantly in a net payable position to customers across its G&P assets
  - Diverse group of customers across G&P, which includes many investment-grade and large well capitalized producers
  - Targa's primary growth will be driven from volumes originating in the Permian, underpinned by investment grade and large well capitalized producers
- **Downstream Segment**
  - Targa is predominantly in a net payable position to customers in its NGL transportation and fractionation businesses
  - Diverse group of customers, which are primarily investment-grade and large well capitalized
  - LPG export customers are either investment grade or required to post letters of credit to cover exposure

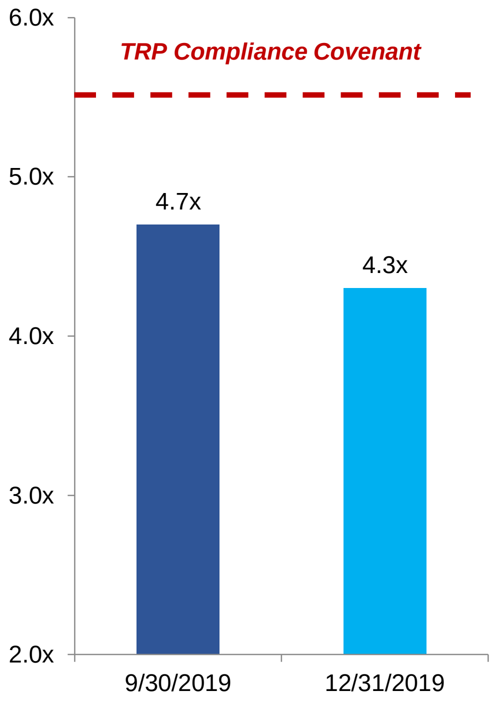
*(1) Includes hedges executed through February 6, 2020*
*(2) Based on 2020E average daily equity volumes*
*(3) Weighted average hedge prices assumes put prices for collars*
*(4) Targa's composite NGL barrel comprises 38% ethane, 34% propane, 5% isobutene, 12% normal butane, and 11% natural gasoline*
*(5) Based on consolidated revenue for the twelve months ended 12/31/2019*

# Financial Position and Leverage

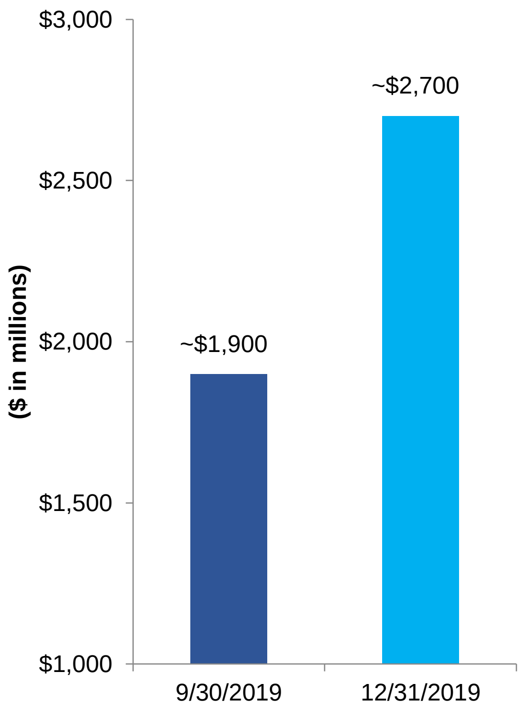
- Protecting the balance sheet while maintaining flexibility remain key objectives
- Strong available liquidity position of ~$2.7 billion
- Leverage metrics expected to improve as cash flow increases from new projects placed into service

## Leverage and Liquidity

**Leverage[(1)]**

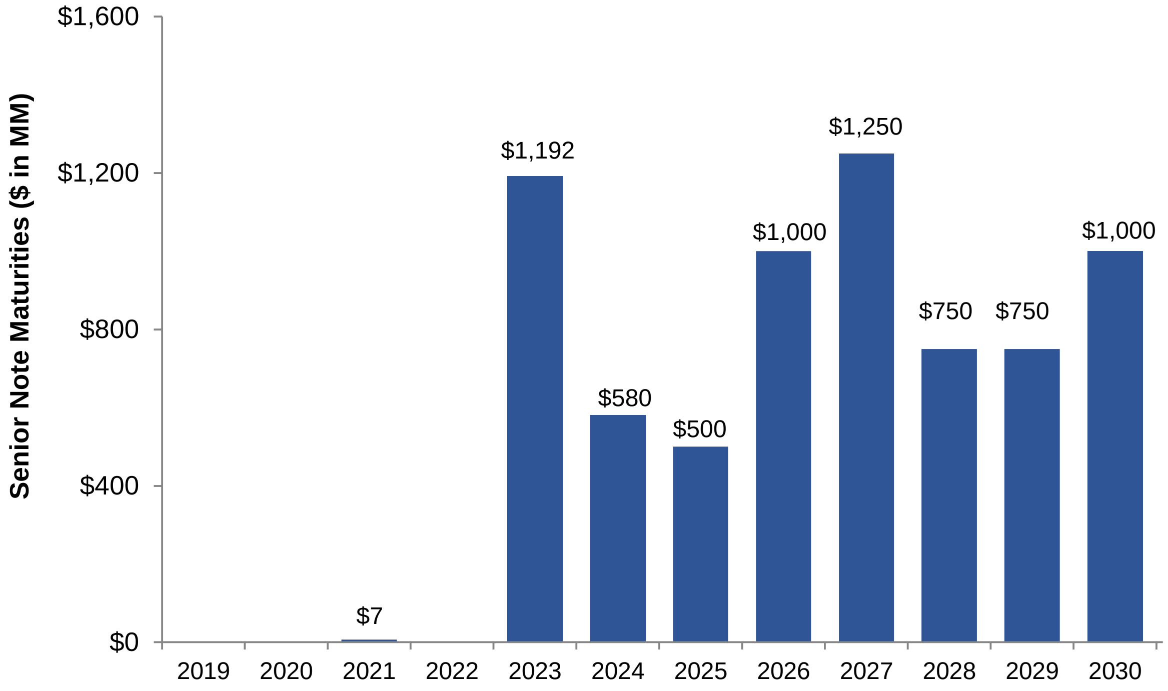



**Available Liquidity[(1)]**




## Senior Note Maturities

*Senior notes mature in 2023 and beyond*




(1) *Includes borrowing capacity under the TRC revolver ($235 million as of 12/31/2019) available as a source of liquidity to TRP*

# DevCo Joint Ventures

- **Highly strategic and largely Permian supply driven assets within the DevCo JVs are now online**
  - ✓ Targa retains the upside of projects given the flexibility to buy back the interests over time
  - ✓ Targa has the option to acquire all or part of Stonepeak's interests in the DevCo JV assets over a 4-year period, and the option period commenced late Q3 2019
  - ✓ Targa may acquire up to 50% of Stonepeak's invested capital in multiple increments with a minimum of $100 million, and would be required to acquire Stonepeak's remaining 50% interest in the invested capital in a final single purchase
  - ✓ Purchase price is based on a predetermined, fixed return or multiple on invested capital, including distributions received by Stonepeak from the DevCo JVs[(1)]

## DevCo JV Assets

### Fractionation Train 6

- DevCo Asset Ownership: 100% interest in Fractionation Train 6
- DevCo JV Ownership: 20% Targa / 80% Stonepeak
- Online: Q2 2019

### Grand Prix NGL Pipeline

- DevCo Asset Ownership: 20% interest in Grand Prix NGL Pipeline
- DevCo JV Ownership: 5% Targa / 95% Stonepeak
- Online: Q3 2019

### Gulf Coast Express (GCX)

- DevCo Asset Ownership: 25% interest in Gulf Coast Express Pipeline
- DevCo JV Ownership: 20% Targa / 80% Stonepeak
- Online: Late Q3 2019

*(1) Based on the higher of a predetermined fixed return (IRR) or multiple on invested capital (MOIC), which is inclusive of distributions to Stonepeak from the underlying DevCo assets*

# Targa Sustainability and ESG

## Safety, Environmental, Social and Governance


- Targa is a leading energy infrastructure company focused on the transportation and storage of energy products, including natural gas. Our operations are essential to the delivery of energy efficiently, safely, and reliably.  At Targa Resources, we invest hundreds of millions of dollars each year to build new and expanded assets to deliver energy products that sustain and enhance quality of life
- We strive to conduct our business safely and with integrity, creating lasting benefits to our stakeholders, including our investors, lenders, customers, employees, business partners, regulators and the communities in which we live and work

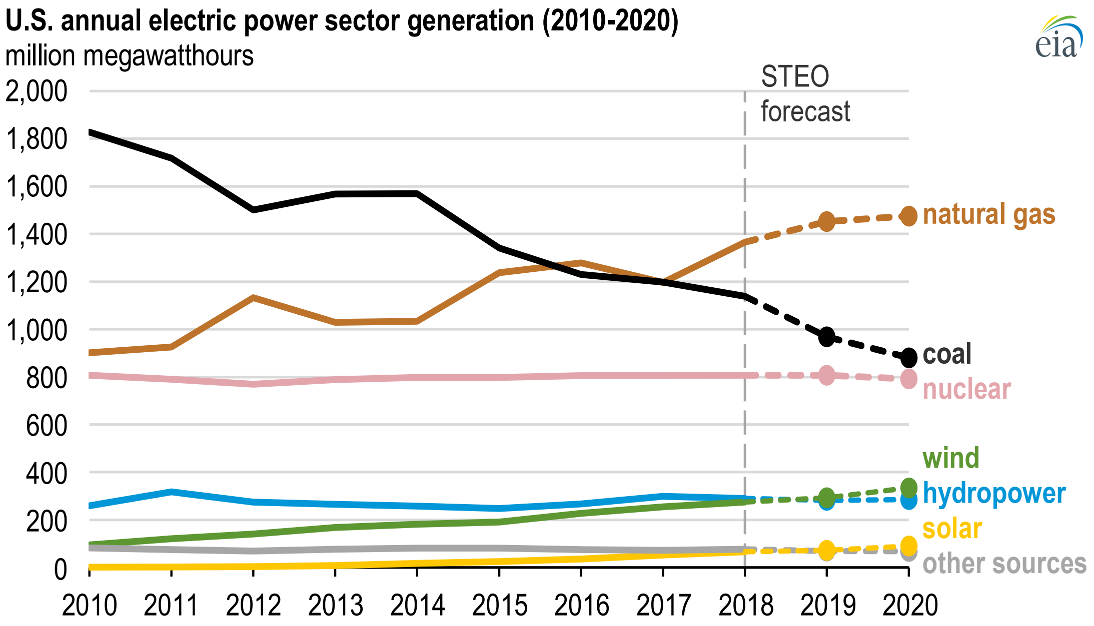
✓ **Safety and operational excellence**

✓ **Environmental stewardship**

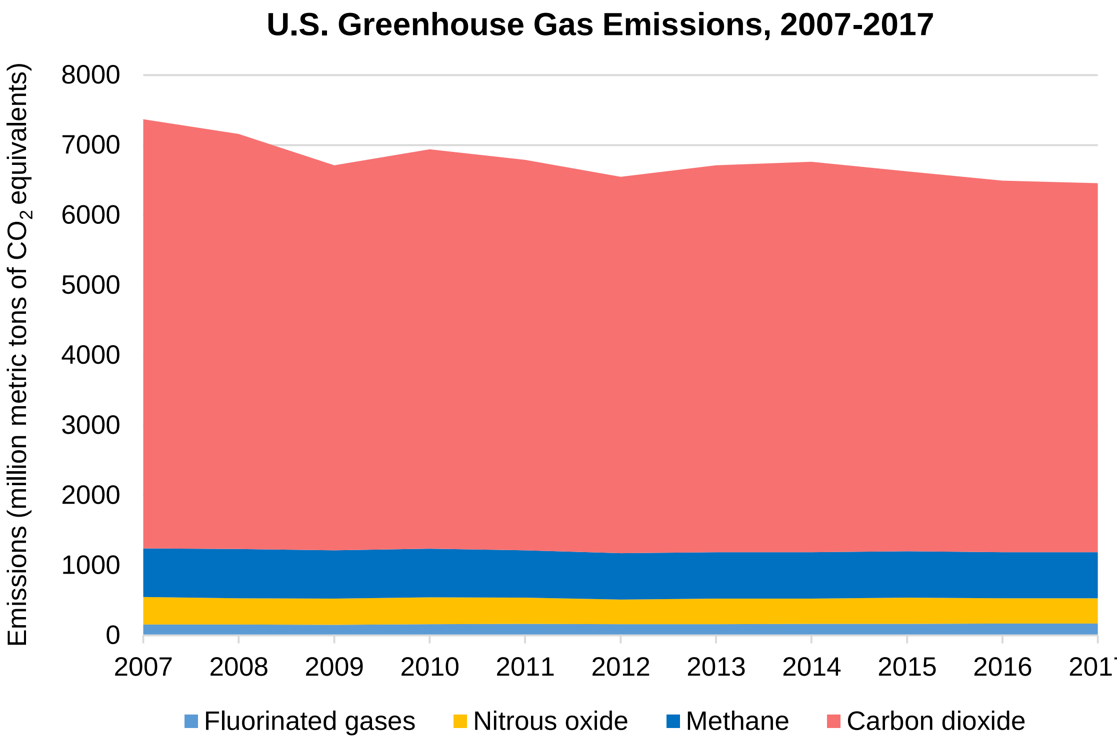
✓ **Strong alignment with shareholders**

# The U.S. is a Leader in Production of Natural Gas

- The U.S. leads the world in crude oil and natural gas production
  - Cleaner burning natural gas has displaced coal as the leading source of power generation
  - Increasing use of natural gas has helped the US lower its GHG emissions by 13%(1) despite significant economic growth over the last 10 years




*Source: November 2019 EIA US Energy-Related Carbon Dioxide Emissions*




*Source: U.S. EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks*

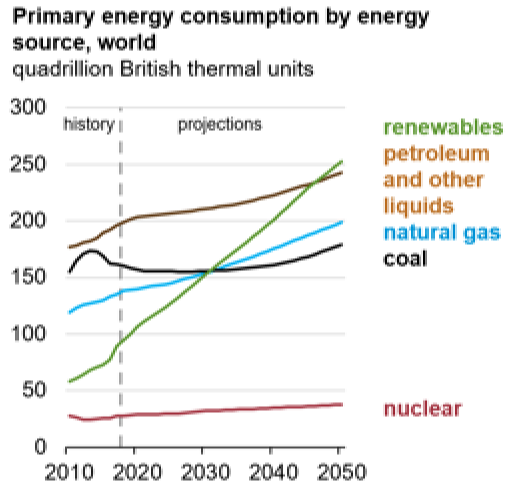
*(1) BP PLC's Statistical Review of World Energy (2018)*

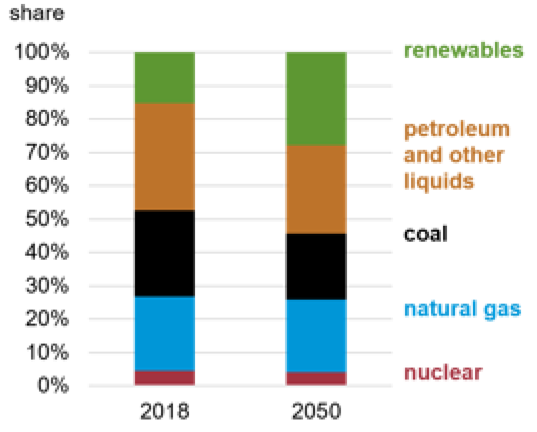
# Global Demand for Natural Gas and LPG Continues to Increase

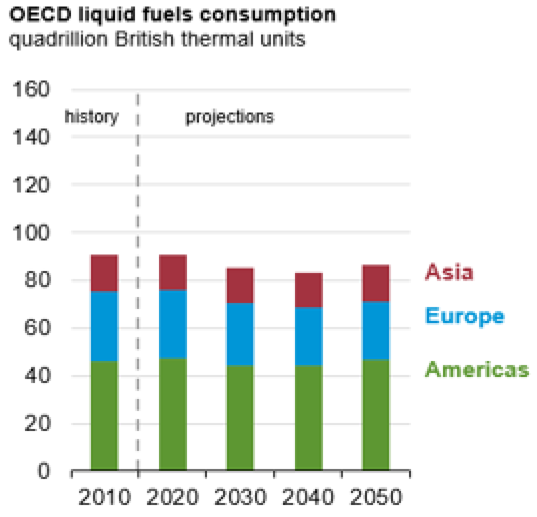
**Targa helps deliver efficient and reliable energy to the U.S. and to rest of the world safely**

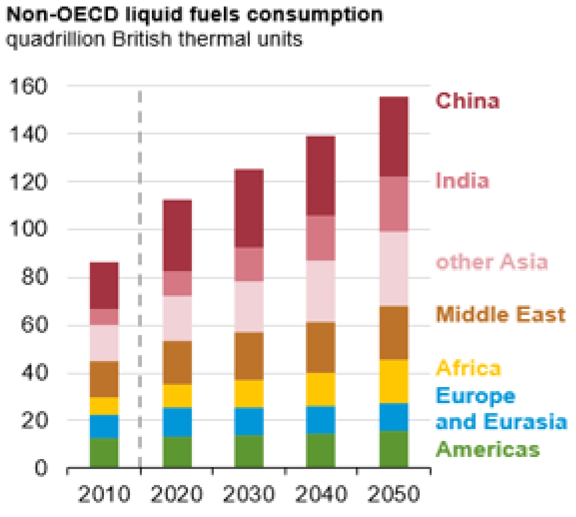
- Natural gas consumption is estimated to increase by 40% between now and 2050, primarily from growth in India and China

- 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




*Source: EIA International Energy Outlook 2019*

# LPGs Advance Progress Towards U.N. Sustainability Goals

- The United Nation’s Sustainable Development Goals (SDGs) are to address all three dimensions of sustainable development (environmental, economic and social) and are integrated into the United Nations global development agenda of 2015 to 2030
- 3 billion people globally need a cleaner energy cooking solution, per the WLPGA
  - LPGs are a reliable energy source that is easily transported and stored
  - 20% lower carbon footprint than heating oil and 50% lower footprint than coal
  - Virtually no soot improves indoor air quality and health

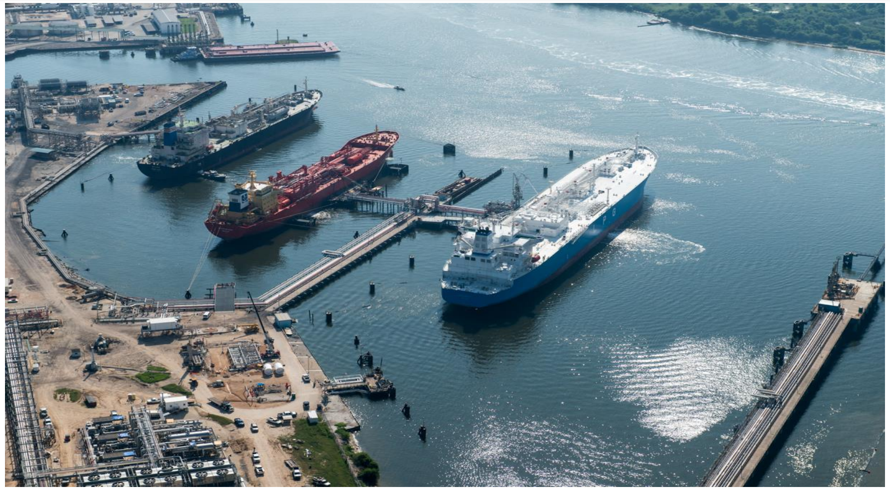
LPG AND SUSTAINABLE DEVELOPMENT GOALS


*Source: World LPG Association (WLPGA) June 2019 and United Nations Sustainable Development Goals*

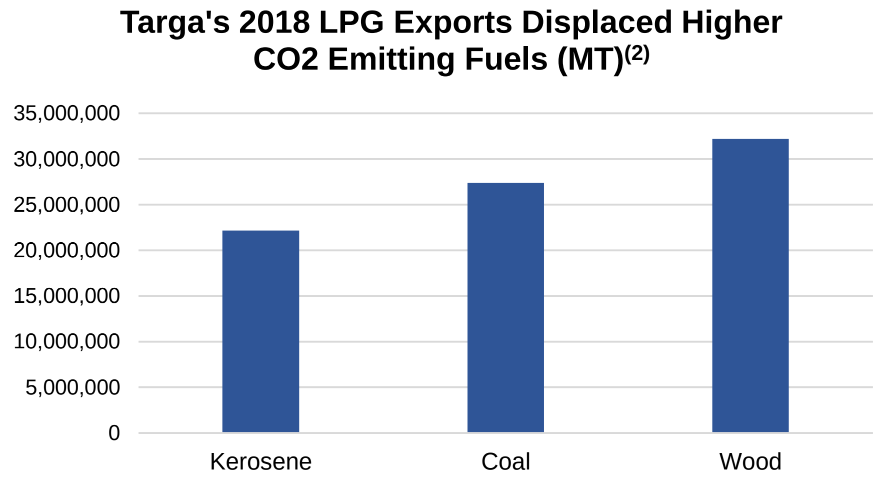
# Targa is Well Positioned to Support Global Energy Needs

**Targa exported ~3.1 billion gallons of LPGs globally in 2018 which helped reduce global $CO_2$ missions**

- Targa is one of the largest aggregators of associated gas across the Permian Basin and has significant access to growing natural gas liquids (NGL) supply
- Through its integrated asset platform, Targa directs its growing NGL supply to its downstream facilities in Mont Belvieu and its LPG export facilities in Galena Park
    - Targa is one of the largest exporters of LPGs from the U.S. to global markets



- LPG use provides emissions reductions over several other common fuel sources
    - 60% fewer net $CO_2$ emissions than wood(1)
    - 32-40% fewer $CO_2$ emissions than coal (varying by type), per EIA
    - 19% fewer GHG emissions than kerosene(1)




(1) *World LPG Association (WLPGA) Substituting LPG for Wood July 2018; WLPGA Black Carbon, Climate Policy and LP Gas; and WPLGA.org*

(2) *Represents the total $CO_2$ equivalent for each fuel source relative to the 3.1 billion gallons of LPGs exported by Targa in aggregate in 2018. Each fuel source converted to million British Thermal unit (Mmbtu) based on its respective heating value (Btu equivalent) and then applied its respective CO2 emissions as determined by EPA (40 CFR Part 98; 40 CFR Part 89), EIA, and Utah State Forestry Extension*

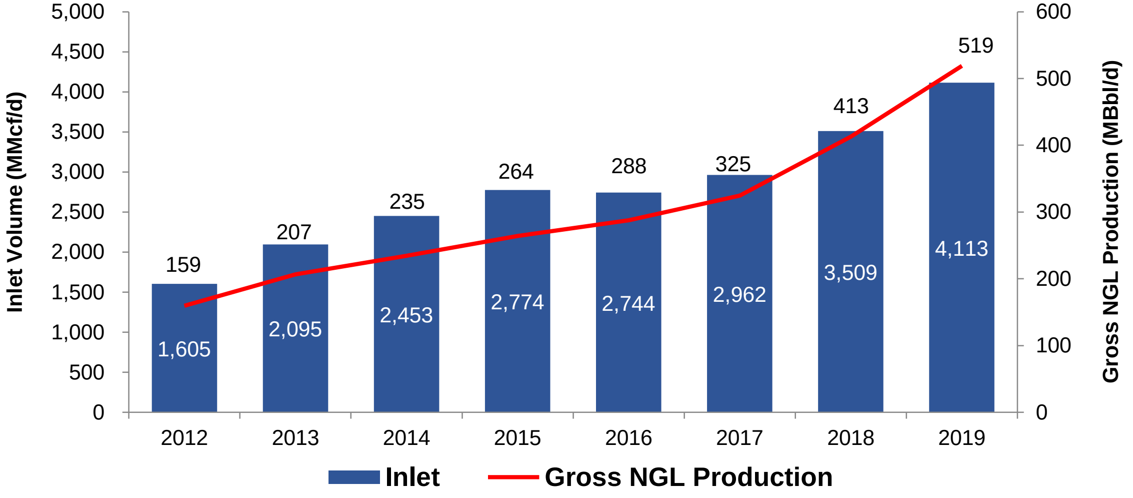
# Gathering & Processing Segment

# Extensive Field Gathering and Processing Position

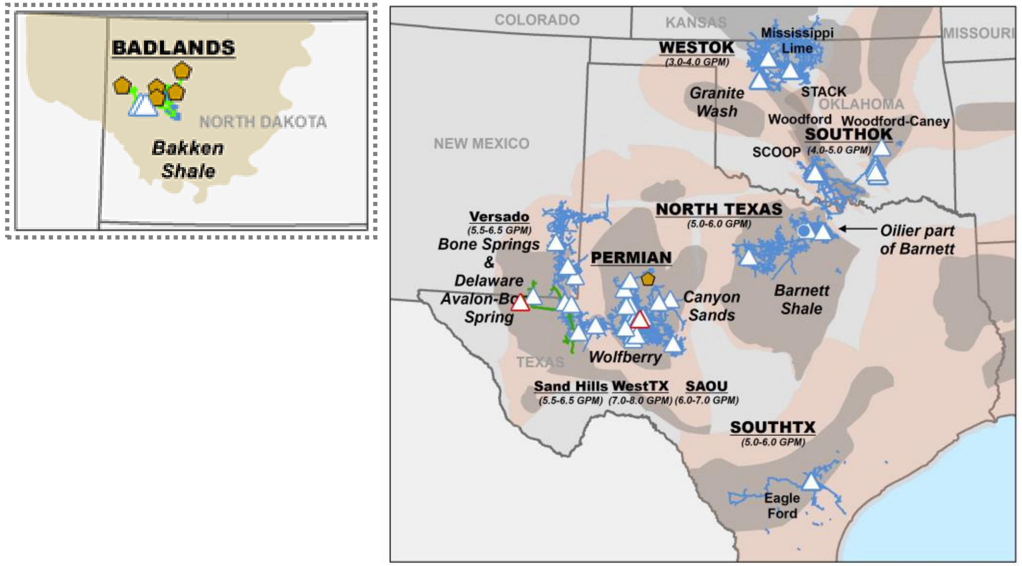
## Summary

- **~6.3 Bcf/d of gross processing capacity[(1)(2)(3)]**
- **Significant acreage dedications in the Permian Basin, Bakken, SCOOP, STACK and Eagle Ford**
- **G&P capacity additions underway:**
  - 500 MMcf/d of additional processing capacity additions underway in the Permian Basin
- **Mix of fee-based and POP contracts**

## Volumes




## Footprint

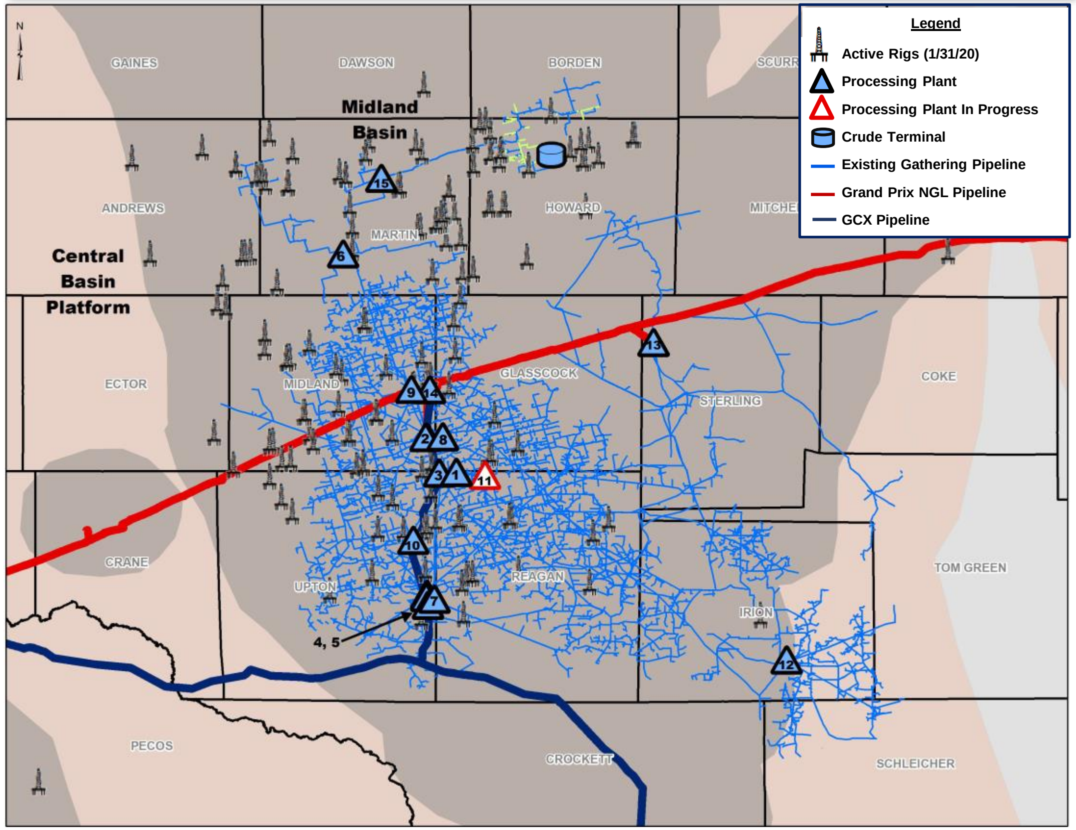



| | Est. Gross Processing Capacity (MMcf/d) | Miles of Pipeline[(3)] |
|---|---|---|
| Permian - Midland[(1)] | 2,379 | 6,500 |
| Permian - Delaware[(2)] | 1,300 | 5,700 |
| **Permian Total** | **3,679** | **12,200** |
| SouthTX | 660 | 1,000 |
| North Texas | 478 | 4,700 |
| SouthOK | 710 | 2,200 |
| WestOK | 458 | 6,500 |
| **Central Total** | **2,306** | **14,400** |
| Badlands | 290 | 750 |
| **Total** | **6,275** | **27,350** |

*(1) Includes Gateway Plant (expected in Q4 2020)*
*(2) Peregrine Plant (expected in Q2 2020)*
*(3) Total active natural gas, NGL and crude oil gathering pipeline mileage as of December 31, 2019*
*Note: WestTX system in Permian Midland is owned 72.8% Targa; 27.2% Pioneer (PXD)*

# Permian Midland and Delaware G&P

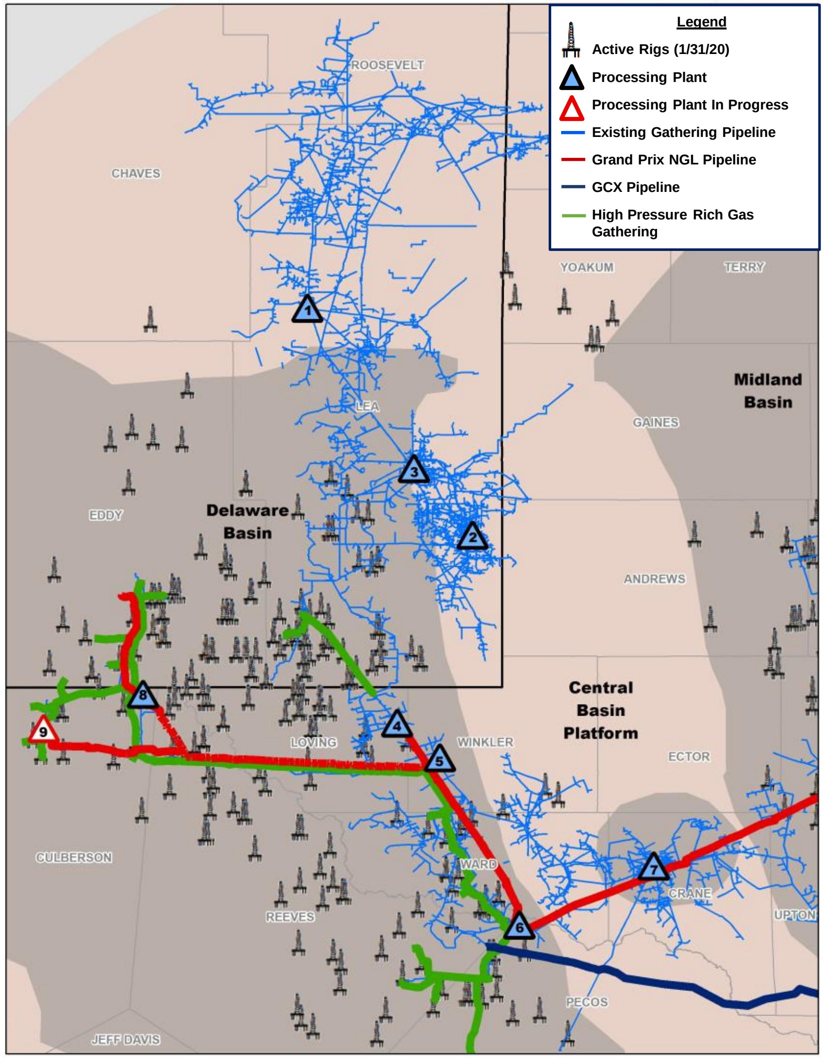
## Permian Midland[(1)]




- **2.4 Bcf/d of natural gas processing capacity, including 15 gas plants[(2)]**
- **Interconnected WestTX and SAOU systems located across the core of the Midland Basin**
  - JV between Targa (72.8% ownership and operator) and PXD (27.2% ownership) in WestTX
- **Mix of fee-based and POP contracts**

## Permian Delaware[(1)]

- **1.3 Bcf/d of natural gas processing capacity, including 9 gas plants[(2)]**
- **Interconnected Versado and Sand Hills capturing growing production from Delaware Basin (also connected to Permian - Midland)**
- **Long-term fee-based agreements with a large investment grade energy company for G&P services in the Delaware Basin, which includes dedication of significant acreage**
- **Predominantly fee-based contracts**



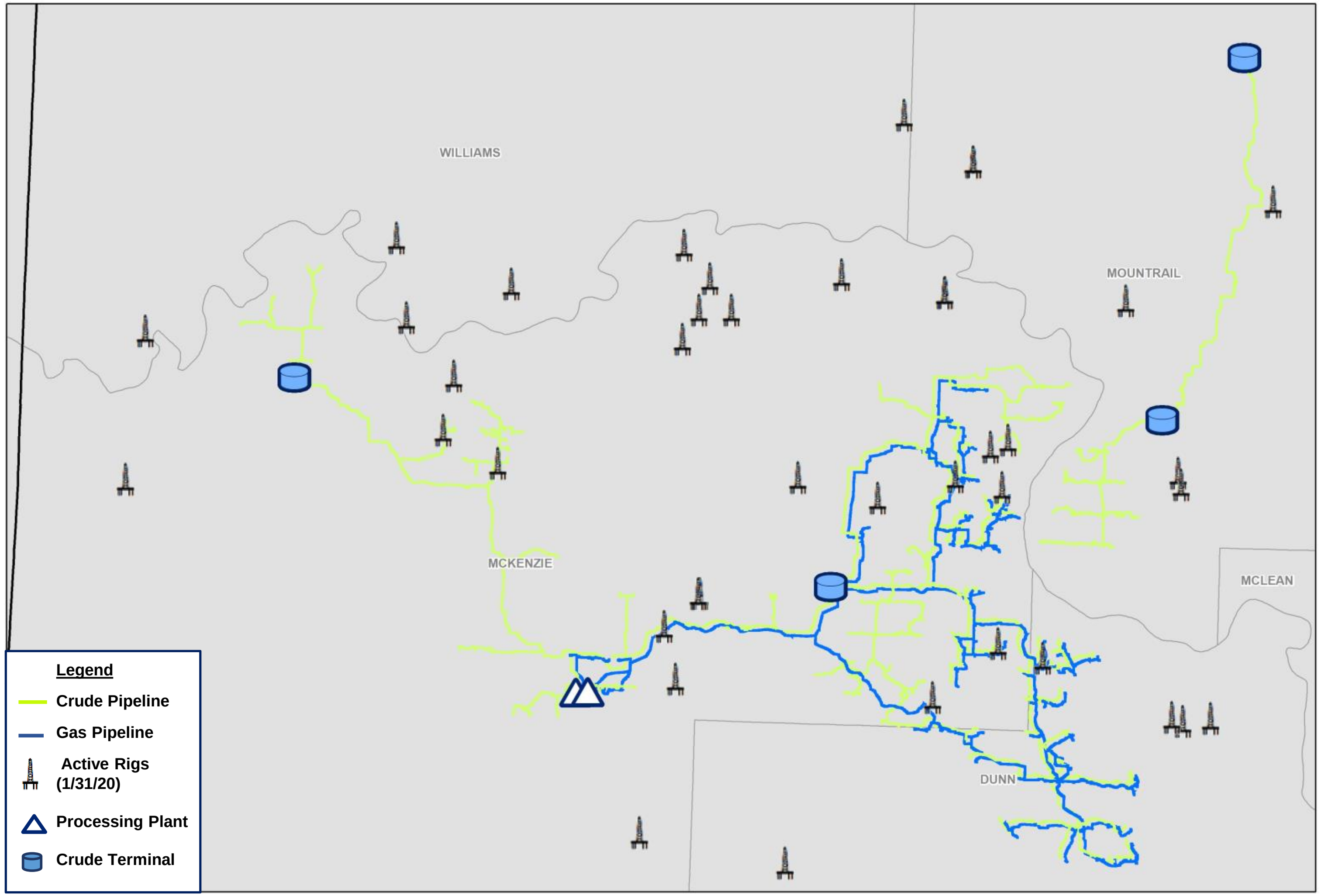

(1) Source: Drillinginfo; rigs as of January 31, 2020
(2) Includes Peregrine Plant (250 MMcf/d; expected Q2 2020 in Permian Delaware) and Gateway Plant (250 MMcf/d; expected in Q4 2020 in Permian Midland)

# Badlands G&P - Strategic Position in the Core of the Bakken

## Summary

- 460 miles of crude gathering pipelines; 200 miles of natural gas gathering pipelines
- 290 MMcf/d of natural gas processing capacity
- Fee-based contracts
- Large acreage dedications and areas of mutual interest from multiple producers
- Current crude oil delivery points include DAPL, Four Bears, Tesoro, Tesoro BakkenLink, Hilands, and Enbridge
- Transport agreement for NGLs from LM4 Plant to be delivered to Targa Mont Belvieu fractionation complex
- Badlands, LLC owned 55% / 45% by Targa (operator) and Blackstone GSO, respectively

## Asset Map and Rig Activity[1]



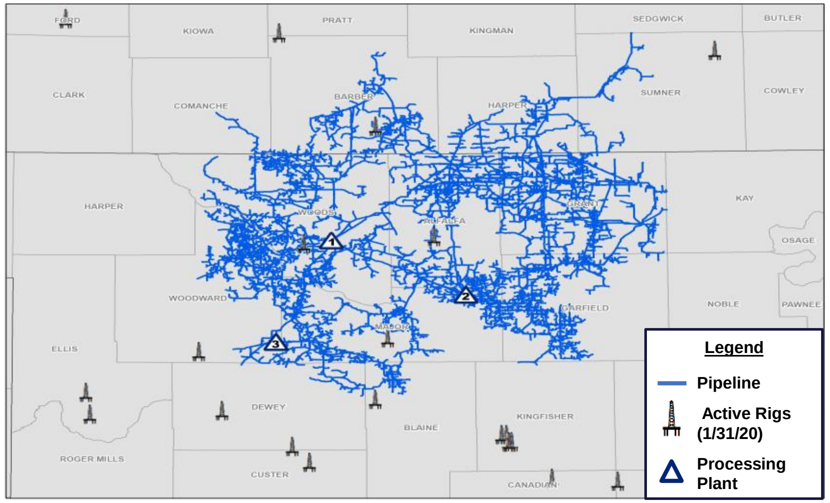

(1) Source: Drillinginfo; rigs as of January 31, 2020

# Central G&P Footprint

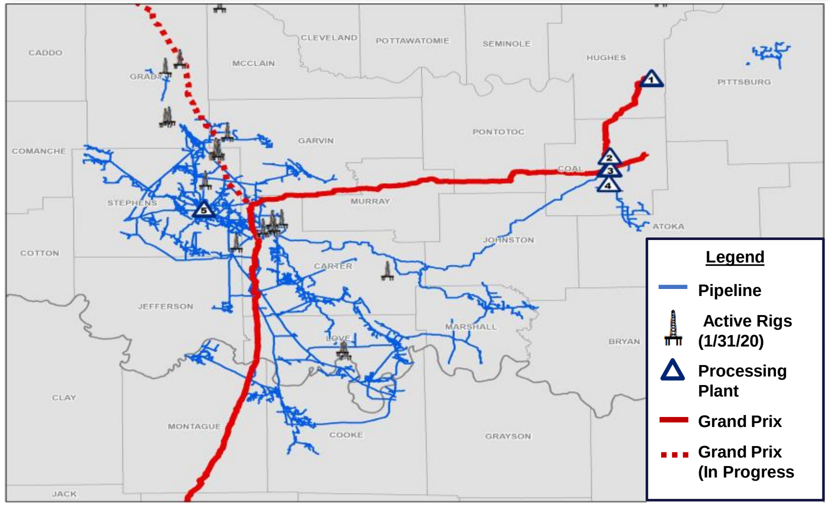
## Oklahoma Summary

- **WestOK consists of 458 MMcf/d of processing capacity positioned to benefit from upstream activity targeting the STACK**
  - Mix of fee-based and POP contracts
- **SouthOK consists of 710 MMcf/d of gross processing capacity positioned to benefit from SCOOP and Arkoma Woodford activity**
  - Centrahoma JV with MPLX
  - Fee-based contracts

## WestOK[1]



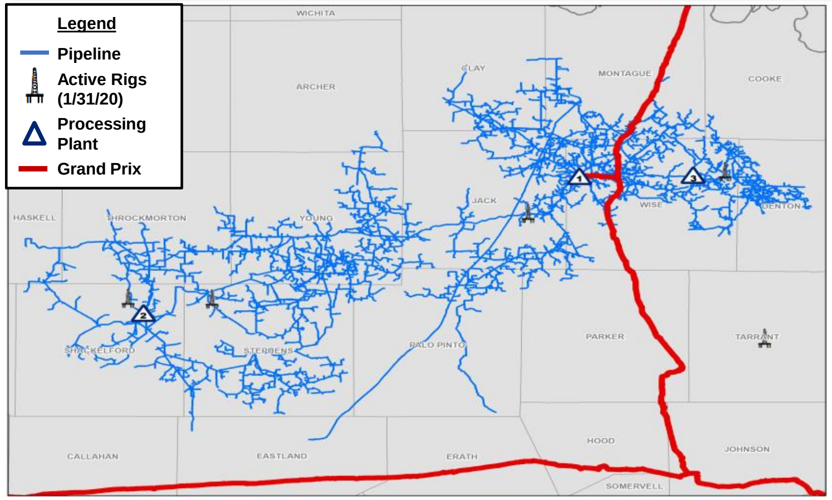

## SouthOK[1]



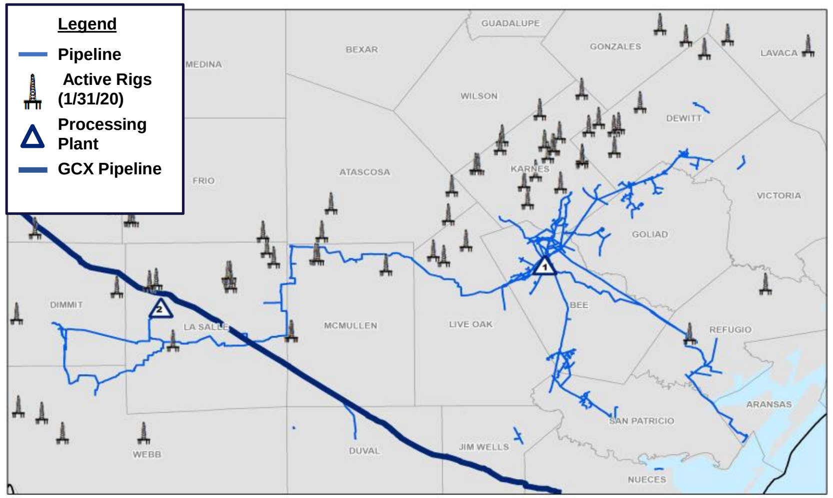

## Texas Summary

- **North Texas consists of 478 MMcf/d processing capacity in the Barnett Shale and Marble Falls play**
  - Primarily POP contracts with fee-based components
- **SouthTX consists of 660 MMcf/d gross processing capacity and multi-county gathering system spanning the Eagle Ford**
  - JV with Sanchez Midstream (NYSE: SNMP) includes dedication of +315,000 gross Comanche acres and 105,000 Catarina acres in Western Eagle Ford
  - Fee-based contracts

## North Texas[1]




## SouthTX[1]



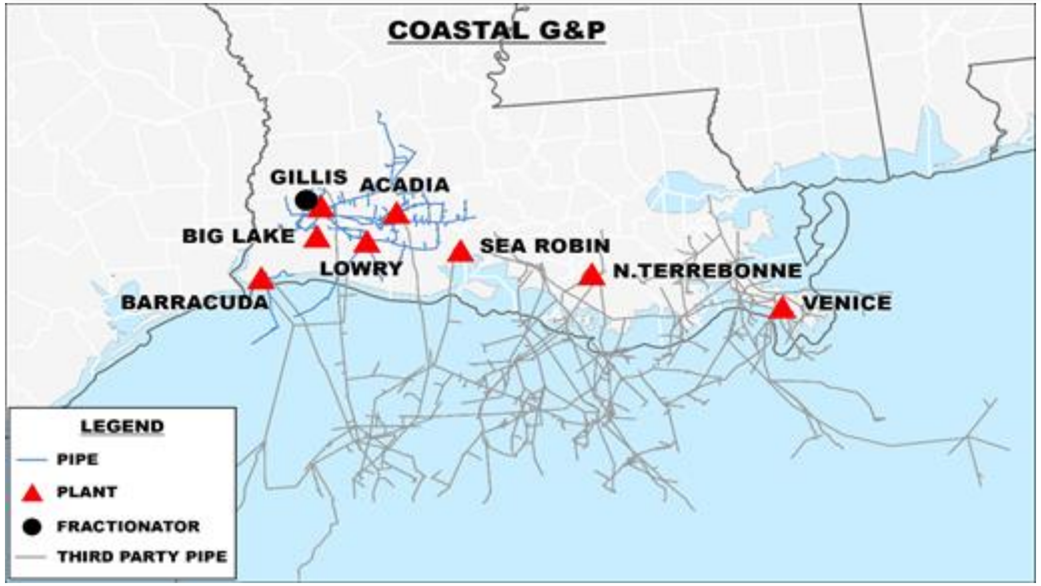

(1) *Source: Drillinginfo; rigs as of January 31, 2020*

# Coastal G&P Footprint

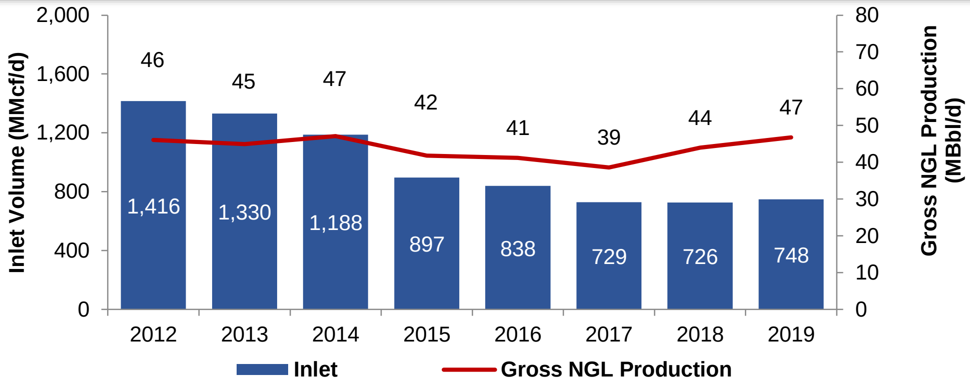
## Summary

- **Asset position represents a competitively advantaged straddle option on Gulf of Mexico activity over time**
- **LOU (Louisiana Operating Unit)**
  - 440 MMcf/d of gas processing (180 MMcf/d Gillis plant, 80 MMcf/d Acadia plant and 180 MMcf/d Big Lake plant)
  - Interconnected to Lake Charles Fractionator (LCF)
- **Coastal Straddles (including VESCO)**
  - Positioned on mainline gas pipelines processing volumes of gas collected from offshore
- **Coastal G&P inlet volumes and NGL production have been declining, but NGL production decreases have been partially offset by some higher GPM gas and by processing volumes at more efficient plants**
- **Primarily hybrid contracts (Percent of Liquids with fee floors)**

## Footprint

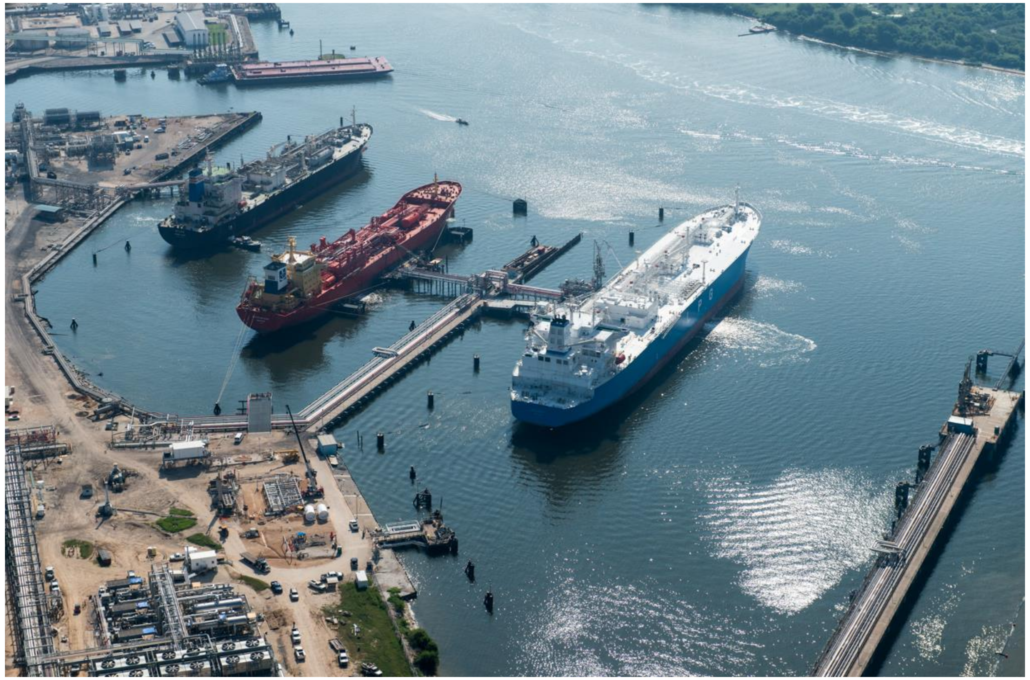



## Volumes



TARGA

# Logistics & Transportation Segment



# Downstream Capabilities

## Overview

- The Logistics and Transportation segment represents approximately ~50% of total operating margin(1)
- Predominantly fixed fee-based businesses, with significant “take-or-pay”
- Continue to pursue attractive downstream infrastructure growth opportunities
- Field G&P growth and increased ethane recovery will bring more volumes downstream


## Downstream Businesses

### NGL Transportation & Services

- **Grand Prix NGL pipeline integrating Targa’s G&P positions in the Permian Basin, North Texas and SouthOK to Mont Belvieu**
- **Strong fractionation position in Mont Belvieu and Lake Charles**
- **Storage and Terminaling**
  - Underground storage assets and connectivity provides a locational advantage

### LPG Exports

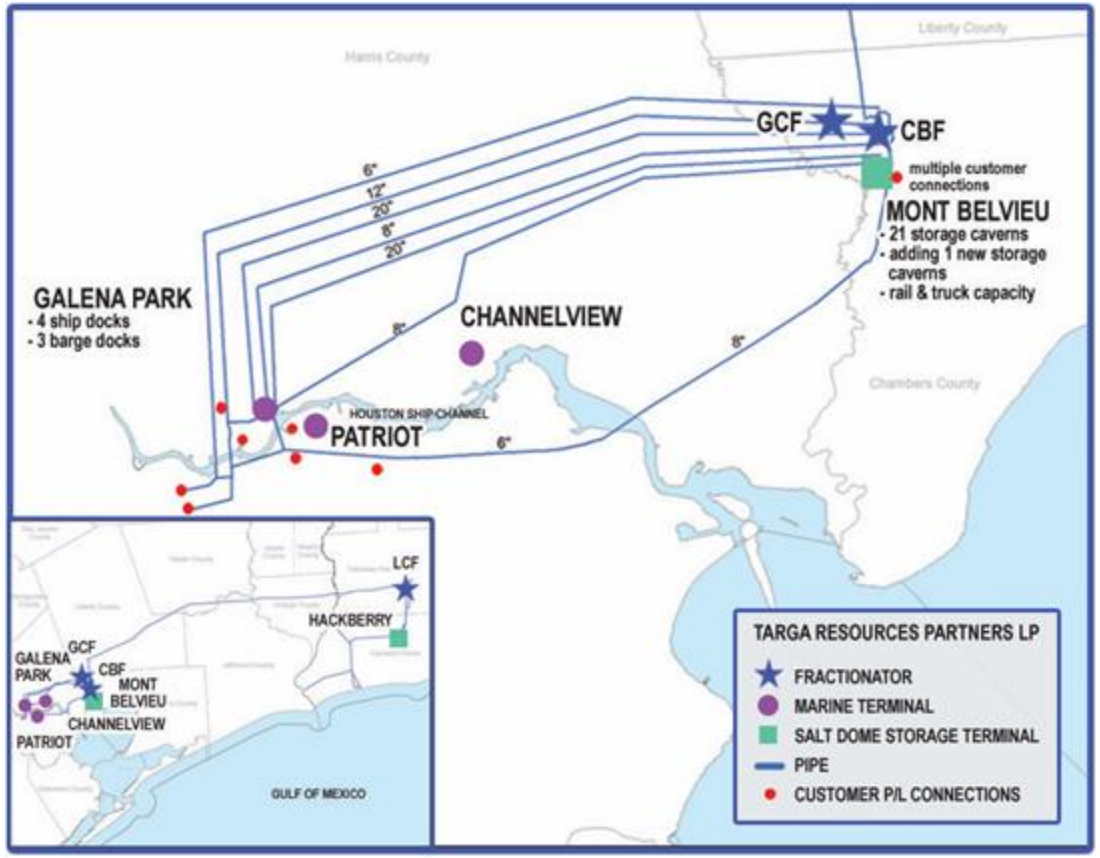
- **Up to 15 MMBbl/month of LPG Export capacity(2)**
- **Fixed loading fees with “take-or-pay” commitments; market to end users and international trading houses**

### Marketing and Other

- **NGL and Natural Gas Marketing**
  - Manage physical distribution of mixed NGLs and specification products using owned and third-party facilities
- **Domestic NGL Marketing and Distribution**
  - Contractual agreements with major refiners to market NGLs
  - Sell propane to multi-state, independent retailers and industrial accounts; inventory sold at index plus
- **Commercial Transportation**
  - All fee-based; 585 railcars, 136 transport tractors, 2 NGL ocean-going barges
- **Petroleum Logistics**
  - Gulf Coast footprint

*(1) Based on forecasted 2020E segment operating margin*
*(2) Expansion underway to increase capacity up to 15 million barrels per month in Q3 2020; Capacity to vary based on demand for propane and butane product mix*

# Logistics Assets Exceedingly Difficult to Duplicate




| Galena Park Marine Terminal | | |
|---|---|---|
| | Products | MMBbl/ Month |
| Export Capacity | LEP / HD5 / NC4 | ~10.0 |
| **Other Assets** | | |
| 700 MBbls in Above Ground Storage Tanks | | |
| 4 Ship Docks | | |

| Fractionators | | | |
|---|---|---|---|
| | | Gross Capacity (MBbl/d) | Net Capacity (MBbl/d)[1] |
| Mont Belvieu[1] | CBF - Trains 1-3 | 253 | 223 |
| | CBF - Backend Capacity | 40 | 35 |
| | CBF - Train 4 | 100 | 88 |
| | CBF - Train 5 | 100 | 88 |
| | Train 6 | 100 | 100 |
| | Train 7[2] | 110 | 110 |
| | Train 8[2] | 110 | 110 |
| GCF - Mont Belvieu | | 125 | 49 |
| Total - Mont Belvieu | | 938 | 802 |
| LCF - Lake Charles | | 55 | 55 |
| **Total** | | **993** | **857** |

**Potential Fractionation Expansions**

Permit received for Train 9 incremental fractionation

**Other Assets**

**Mont Belvieu**

- 35 MBbl/d Low Sulfur/Benzene Treating Natural Gasoline Unit
- 23 Underground Storage Wells
- Pipeline Connectivity to Petchems/Refineries/LCF/etc.
- 7 Pipelines Connecting Mont Belvieu to Galena Park
- Rail and Truck Loading/Unloading Capabilities

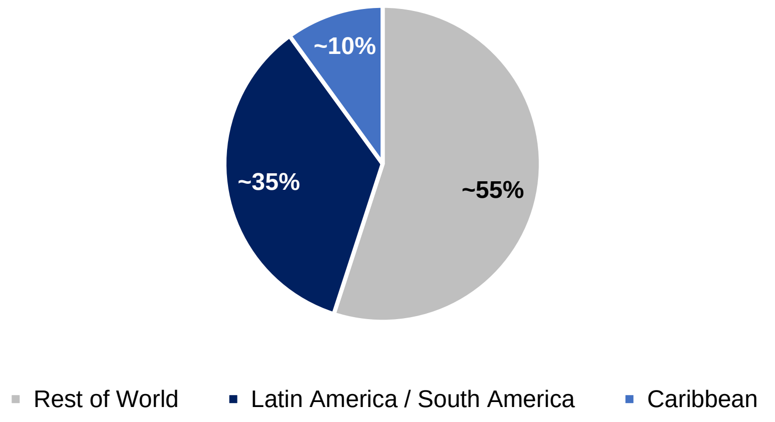
**Other Gulf Coast Logistics Assets**

- Channelview Terminal (Harris County, TX)
- Patriot Terminal (Harris County, TX)
- Hackberry Underground Storage (Cameron Parish, LA)

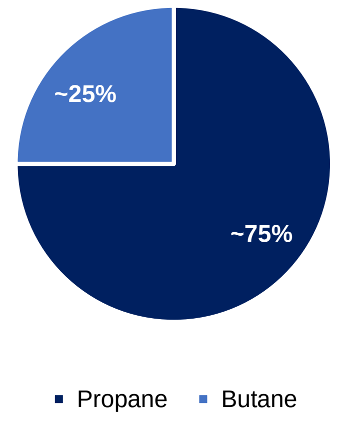
(1) *Based on Targa's effective ownership interest*
(2) *Expansion underway to increase fractionation capacity by 220 MBbl/d in Mont Belvieu; Train 7 expected to be complete late Q1 2020 and Train 8 expected to be complete late Q3 2020*

# Targa's LPG Export Business

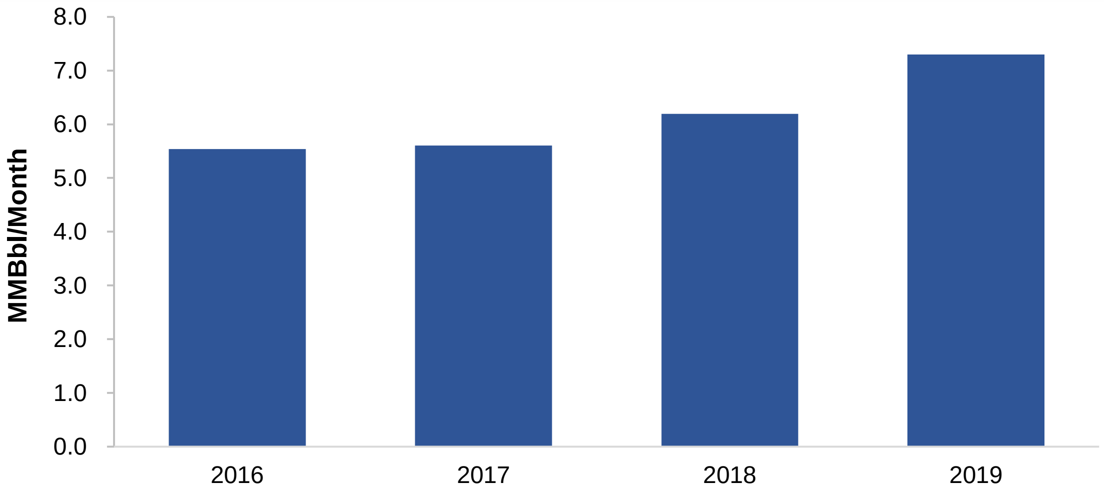
## LPG Exports by Destination(1)




## Propane and Butane Exports(1)




## Galena Park LPG Export Volumes

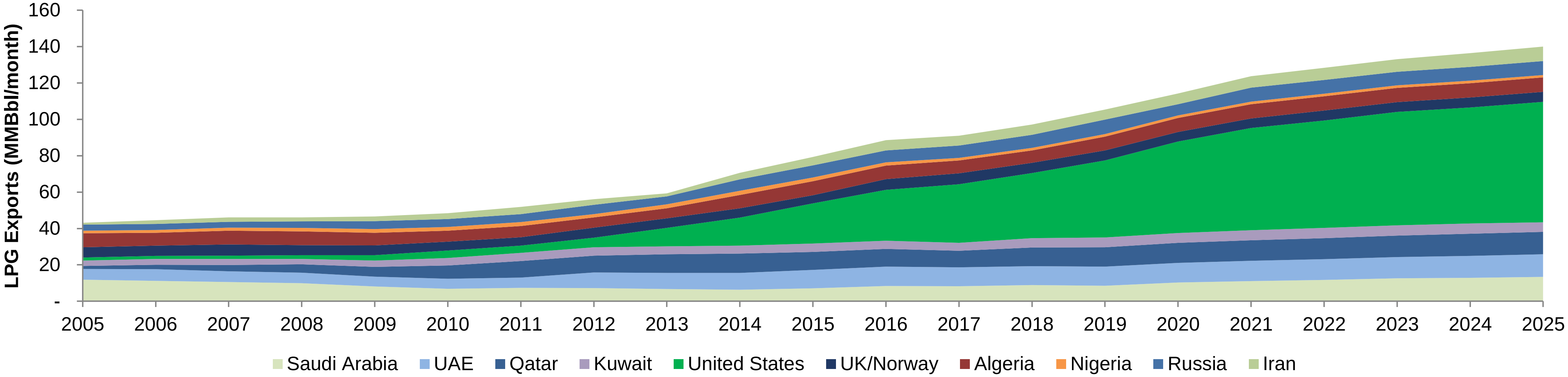



- **Fee based business (charge fee for vessel loading)**
- **Targa advantaged versus some potential competitors given support infrastructure**
  - Fractionation, storage, supply/market interconnectivity, refrigeration, de-ethanizers, etc.
- **Differentiated facility versus other LPG export facilities due to operational flexibility on vessel size and cargo composition**
- **Largely contracted over the long-term at attractive rates**
- ***Low-cost expansion underway to substantially increase LPG export capacity to up to ~15 million barrels per month(2)***

(1) Trailing twelve months ended Q4 2019
(2) Expansion underway to increase capacity up to 15 million barrels per month in Q3 2020; Capacity to vary based on demand for propane and butane product mix

# U.S. and Global LPG Export Fundamentals

## LPG Exports by Origin[1]



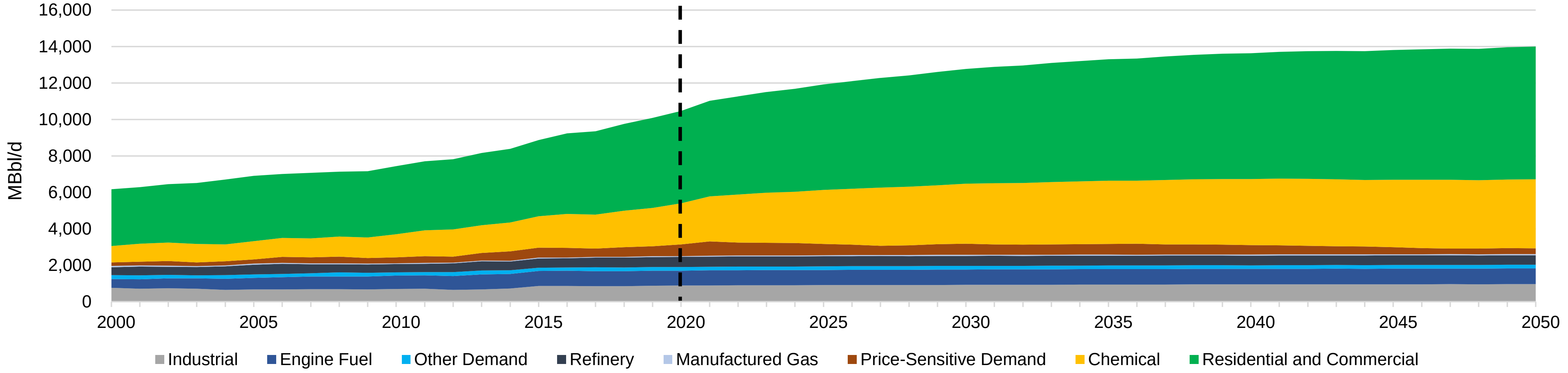

## Fundamentals Support Increasing U.S. LPG Exports[1]

- **U.S. LPG Exports have been the primary source of growing supply for global LPG waterborne demand markets since 2012**
  - Annual U.S. LPG exports experienced a ~38% CAGR from 2012 to 2018, while annual LPG exports from other major exporting regions grew by a CAGR of ~3% over the same time period
- **Global demand for LPG's is expected to grow and the U.S. is expected to continue supplying a growing share of international demand**
  - Targa's integrated infrastructure platform is poised to benefit from these constructive market dynamics
  - Global LPG demand driven by growing international petrochemical, residential and commercial markets

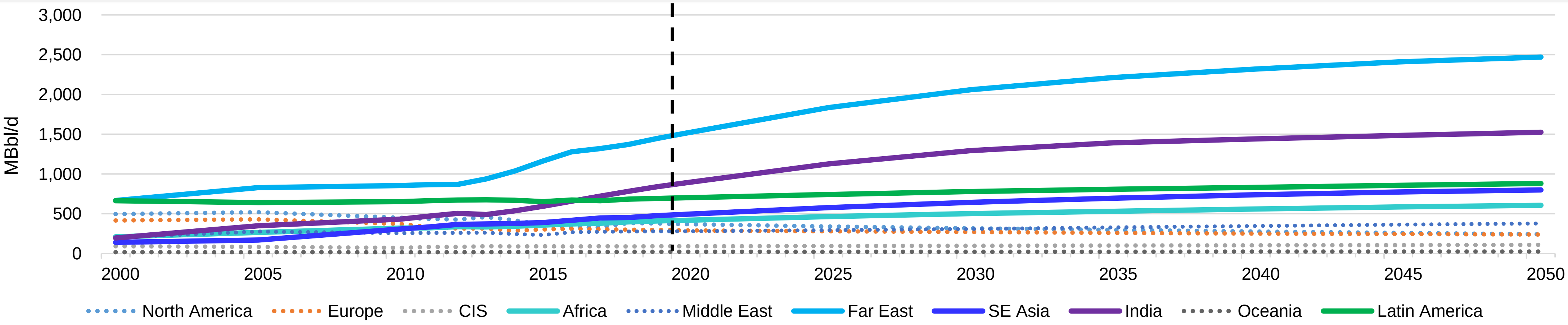
(1) *Source: IHS Markit, August 2019*

# Global LPG Demand

## Global LPG Demand by Sector[1]




## Residential & Commercial LPG Demand[1]




(1) *Source: IHS Markit, August 2019*

# Reconciliations

# Non-GAAP Measures Reconciliation

This presentation includes the non-GAAP financial measures of Adjusted EBITDA. The presentation provides a reconciliation of this non-GAAP financial measures to its most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income, operating income, net cash flows provided by operating activities or any other GAAP measure of liquidity or financial performance.

Adjusted EBITDA – The Company defines Adjusted EBITDA as net income (loss) available to TRC before interest, income taxes, depreciation and amortization, and other items that we believe should be adjusted consistent with our 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 us and by external users of our financial statements such as investors, commercial banks and others. The economic substance behind our use of Adjusted EBITDA is to measure the ability of our assets to generate cash sufficient to pay interest costs, support our indebtedness and pay dividends to our investors.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measure most directly comparable to Adjusted EBITDA is net income (loss) attributable to TRC. Adjusted EBITDA should not be considered as an alternative to GAAP net income. Adjusted EBITDA has important limitations as an analytical tool. Investors should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income and is defined differently by different companies in our industry, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into its decision-making processes.

# Non-GAAP Reconciliations - Estimated 2020 Adjusted EBITDA[1]

The following table presents a reconciliation of estimated Adjusted EBITDA for the periods shown for TRC:

| **Reconciliation of estimated net income attributable to TRC to estimated Adjusted EBITDA** | | **Full Year 2020E** |
|---|---|---|
| | | **(In millions)** |
| Net income attributable to TRC | $ | 203.0 |
| Income attributable to TRP preferred limited partners | | 11.0 |
| Interest expense, net | | 420.0 |
| Income tax expense (benefit) | | 44.0 |
| Depreciation and amortization expense | | 1,030.0 |
| Equity (earnings) loss | | (70.0) |
| Distributions from unconsolidated affiliates and preferred partner interests, net | | 100.0 |
| Compensation on equity grants | | 70.0 |
| Risk management activities and other[2] | | (60.0) |
| Noncontrolling interest adjustment[3] | | (60.0) |
| **TRC Estimated Adjusted EBITDA** | | **1,688.0** |

(1) Estimated Adjusted EBITDA outlook based on 2020 Operational and Financial estimates
(2) Unrealized change in mark-to-market (gain)/loss associated with hedging activities
(3) Noncontrolling interest portion of depreciation and amortization expense

TARGA

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