



## **Targa Resources Announces Dividend Reduction, Decrease in 2020 Capital Spending, Provides Initial 2021 Capital Spending Expectations and Provides Insight on Response to Current Market Conditions**

March 19, 2020

HOUSTON, March 18, 2020 (GLOBE NEWSWIRE) -- Targa Resources Corp. (NYSE: TRGP) ("Targa" or the "Company") announced today that its Board of Directors approved a reduction in the Company's quarterly common dividend to \$0.10 per share for the quarter ended March 31, 2020 from \$0.91 per share in the previous quarter. This reduction provides for approximately \$755 million of additional annual direct cash flow, resulting in significant free cash flow available to reduce debt. Targa is also reducing its estimated 2020 net growth capital expenditures to approximately \$800 to \$900 million from its previously communicated range of \$1.2 billion to \$1.3 billion, which represents a 32 percent reduction at the midpoint of both ranges. The vast majority of spending is for major ongoing growth capital projects where the capital is already predominantly spent.

Targa is also working through numerous internal initiatives to respond to the current environment, including continuing to identify and implement significant cost reduction measures for other capital expenditures, and operating and general and administrative expenses. As always, Targa remains focused on protecting the health and safety of its employees and communities, and ensuring critical infrastructure continues to operate safely and reliably.

"In this uncertain environment, where we are dealing with the combination of significantly lower commodity prices and lower expected activity levels given recent producer actions, compounded by the evolving impacts of the coronavirus pandemic, we believe that the prudent decision for Targa is to move swiftly in utilizing levers available to us to strengthen our balance sheet. The actions taken by our board and management team and our continued cost reduction and performance improvement efforts position Targa to be able to improve our leverage profile even if this environment continues for an extended period of time," said Matthew J. Meloy, Chief Executive Officer of the Company.

Targa is working with customers across both its Gathering and Processing and Logistics and Transportation segments to further refine expectations for 2020, and implications for 2021, in the context of the current fluid and rapidly changing environment. Based on the best available information today and assuming a similar commodity price environment, Targa's preliminary estimate for 2021 net growth capital spending would be on the order of \$200 million, a 76 percent reduction on the lowered 2020 net growth capital spending midpoint referenced above, and this will be managed with continued discipline to minimize the absolute level.

Targa's current available liquidity is approximately \$2.4 billion, and after issuing approximately \$1.0 billion of senior unsecured notes in November 2019, the Company has no near-term needs to access the capital markets for debt or equity. Additionally, Targa has no near-term maturities of its senior notes or credit facilities, with the earliest maturity in 2023.

Relative to counterparty risk, Targa has a large diversified customer base across its operating businesses, which includes large integrated customers and other investment grade counterparties. Approximately 75 percent of Targa's revenue from its top 25 customers is from investment grade counterparties or from customers which provide credit protections. Targa is largely in a net payable position in its Gathering and Processing contracts, and in its Logistics and Transportation businesses, the Company's counterparties are largely investment grade, or otherwise required to provide credit protections. Targa is continuing to monitor and manage its credit exposure closely.

Targa expects to provide additional details on its revised 2020 financial and operational estimates, including detail on the expected progress of its cost reduction measures, on its first quarter earnings call.

### **About Targa Resources Corp.**

Targa Resources Corp. is a leading provider of midstream services and is one of the largest independent midstream energy companies in North America. The Company owns, operates, acquires, and develops a diversified portfolio of complementary midstream energy assets. The Company is primarily engaged in the business of: gathering, compressing, treating, processing, transporting and selling natural gas; transporting, storing, fractionating, treating and selling NGLs and NGL products, including services to LPG exporters; and gathering, storing, terminaling and selling crude oil.

For more information, please visit the Company's website at [www.targaresources.com](http://www.targaresources.com).

### **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 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 Annual Report on Form 10-K for the year ended December 31, 2019, 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.

Contact the Company's investor relations department by email at [InvestorRelations@targaresources.com](mailto:InvestorRelations@targaresources.com) or by phone at (713) 584-1133.

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Source: Targa Resources Corp.