



First Quarter 2025 Earnings Supplement

May 1, 2025 | 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.

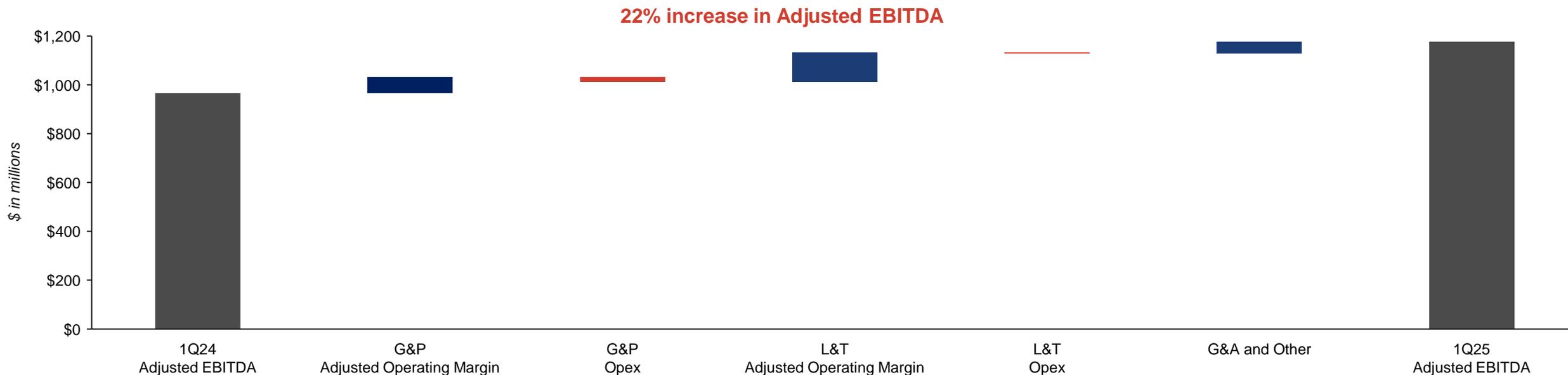
These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside the Company’s control, which could cause results to differ materially from those expected by management of the Company. Such risks and uncertainties include, but are not limited to, actions taken by other countries with significant hydrocarbon production, 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 significant 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, changes in laws and regulations, particularly with regard to taxes, tariffs and international trade, 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.



Financial Performance – 1Q 2025 vs. 1Q 2024



G&P segment operating margin increased \$46 million⁽¹⁾

- + Higher Permian inlet volumes
- + Higher fees in the Permian
- Higher operating expenses associated with higher volumes and multiple new Permian plants in-service

G&A and Other

- + Reduction in non-controlling interests attributable to Badlands transaction and acquisition of CBF minority interest

L&T segment operating margin increased \$115 million

- + Higher NGL pipeline transportation and fractionation volumes
- + Higher LPG export volumes
- + Higher marketing margin
- Higher operating expenses associated with system expansions

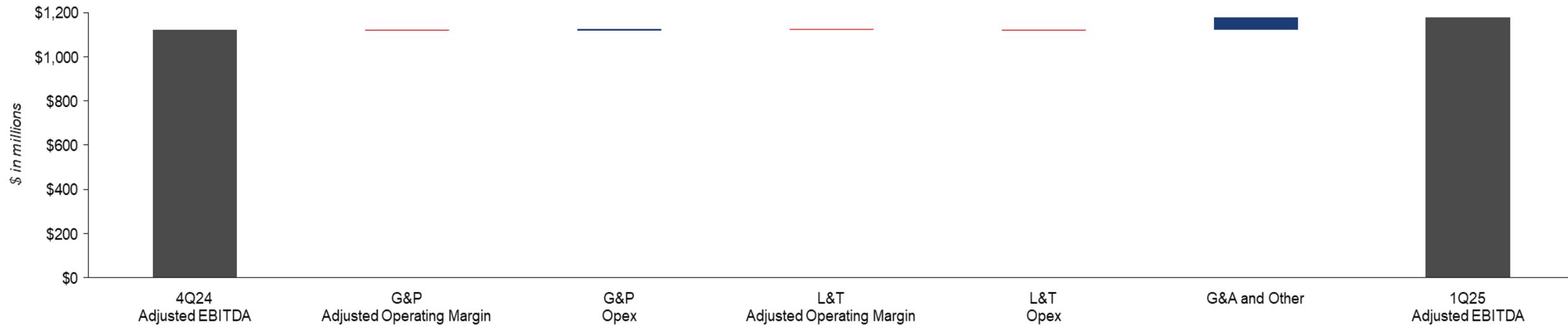
Note: Adjusted EBITDA is a non-GAAP measure. Please see the section of this presentation entitled "Non-GAAP Financial Measures" for a discussion of adjusted EBITDA and a reconciliation of such measure to its most directly comparable GAAP financial measure.

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



Financial Performance – 1Q 2025 vs. 4Q 2024

5% increase in Adjusted EBITDA



G&P segment operating margin increased \$4 million⁽¹⁾

- + Higher fees in the Permian
- + Lower operating expenses due to one-time items in the previous quarter
- Permian inlet volumes negatively impacted by winter weather events

G&A and Other

- + Reduction in non-controlling interests attributable to Badlands transaction and acquisition of CBF minority interest

L&T segment operating margin decreased \$9 million

- + Higher marketing margin
- Lower NGL transportation volumes as supply from Targa's G&P systems negatively impacted by winter weather events
- Lower fractionation volumes attributable to major planned maintenance
- Higher operating expenses associated with system expansions

Note: 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.

⁽¹⁾ Inclusive of realized hedge gain/(loss).



Operational Performance – Gathering & Processing Segment

1Q25 Highlights

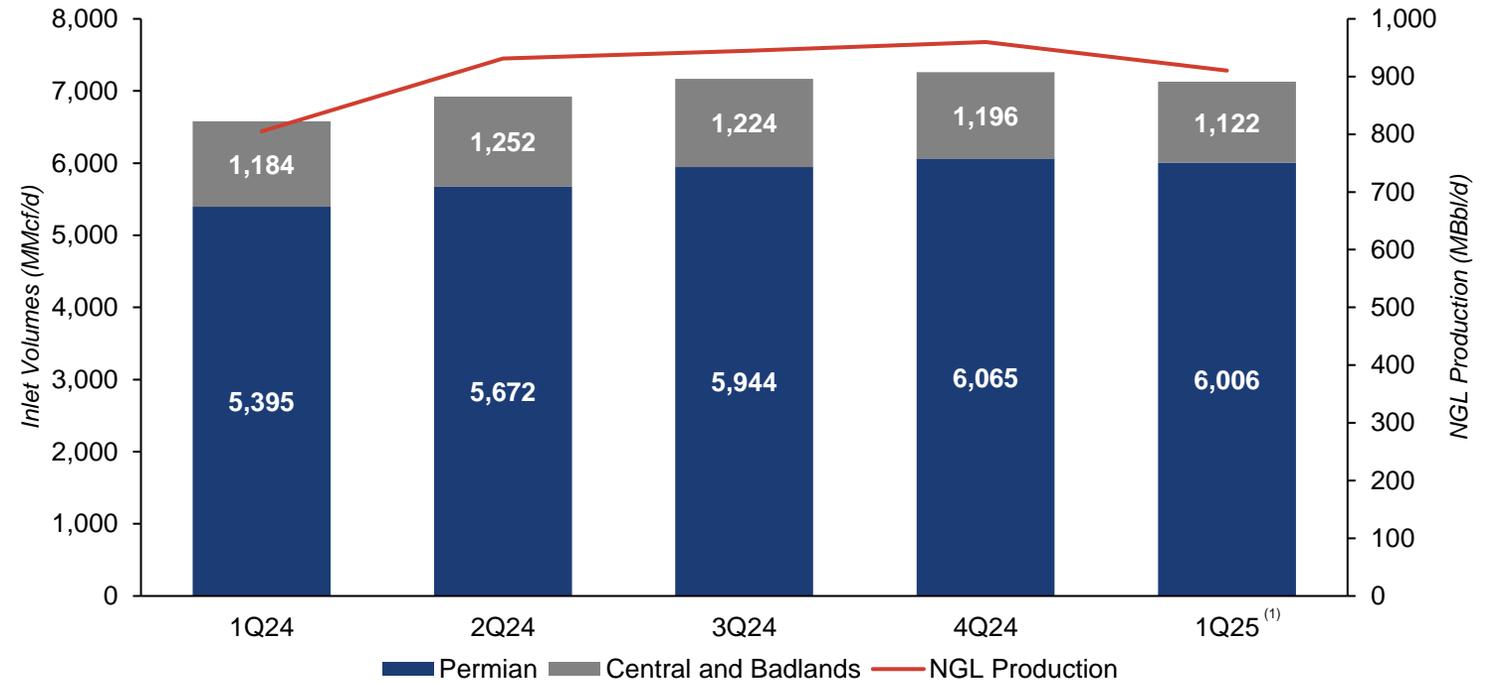
Field G&P Natural Gas Inlet Volumes

- Winter weather events negatively impacted G&P system volumes



Bull Moose complex in Permian Delaware

Field G&P Natural Gas Inlet Volumes and NGL Production



⁽¹⁾ Volumes negatively impacted by winter weather events.

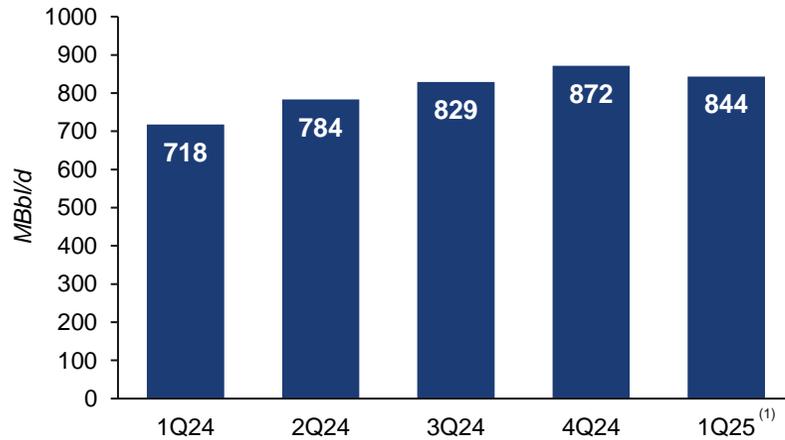
Operational Performance – Logistics & Transportation Segment

1Q25 Highlights

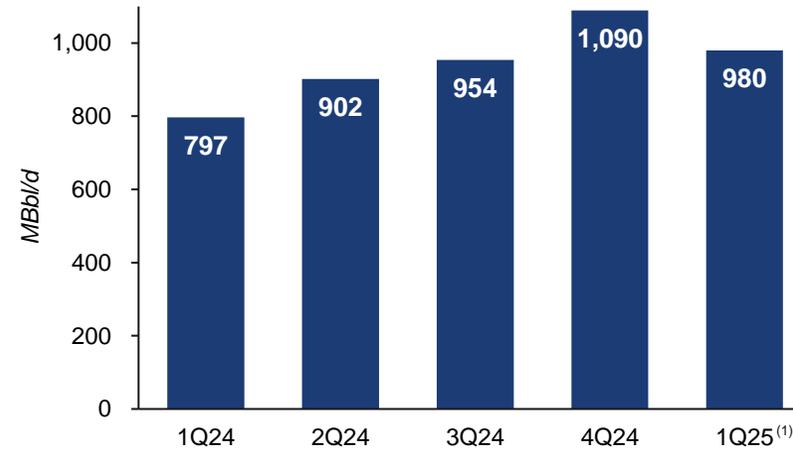
NGL Pipeline Transportation, Fractionation, and LPG Export Services

- NGL pipeline transportation and LPG export volumes were negatively impacted by winter weather events which reduced supply volumes from Targa's G&P systems
- Fractionation volumes were lower due to a major planned turnaround at Targa's Cedar Bayou Fractionation facilities in Mont Belvieu, TX

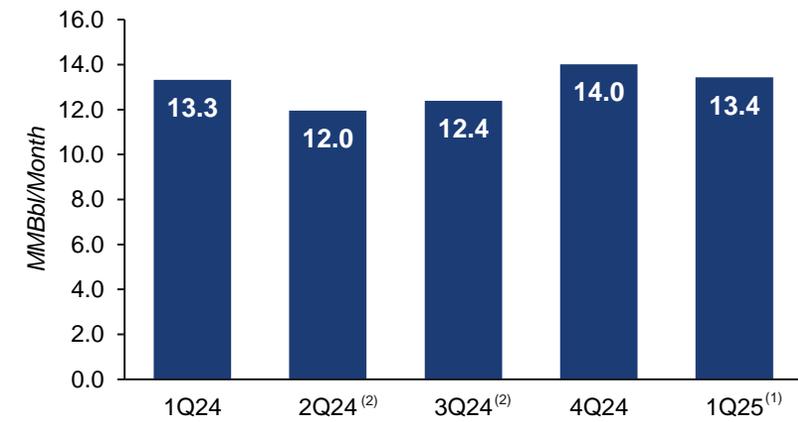
NGL Pipeline Transportation Volumes



Fractionation Volumes



Export Volumes



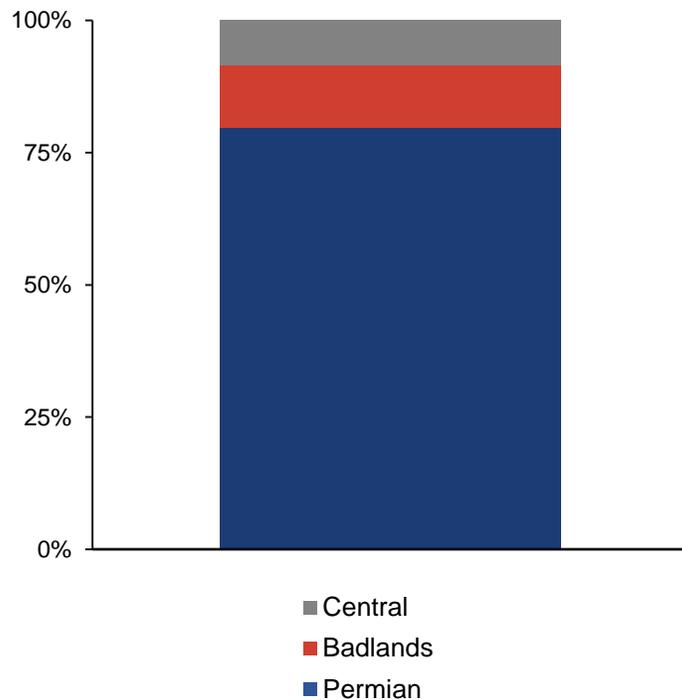
(1) Targa supply volumes from its G&P systems were negatively impacted by winter weather events. Fractionation volumes were lower due to a major planned turnaround at its CBF facilities. LPG export volumes were negatively impacted by weather events.

(2) Volumes were impacted by a required 10-year inspection that reduced our loading capabilities in 2Q24 and 3Q24.

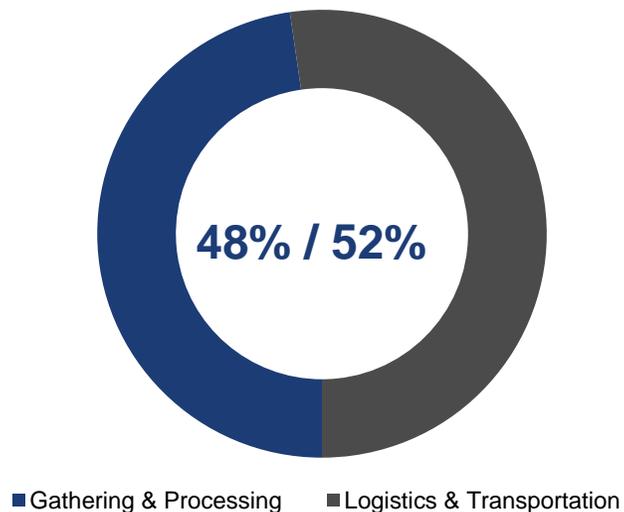


Business Mix – 1Q 2025

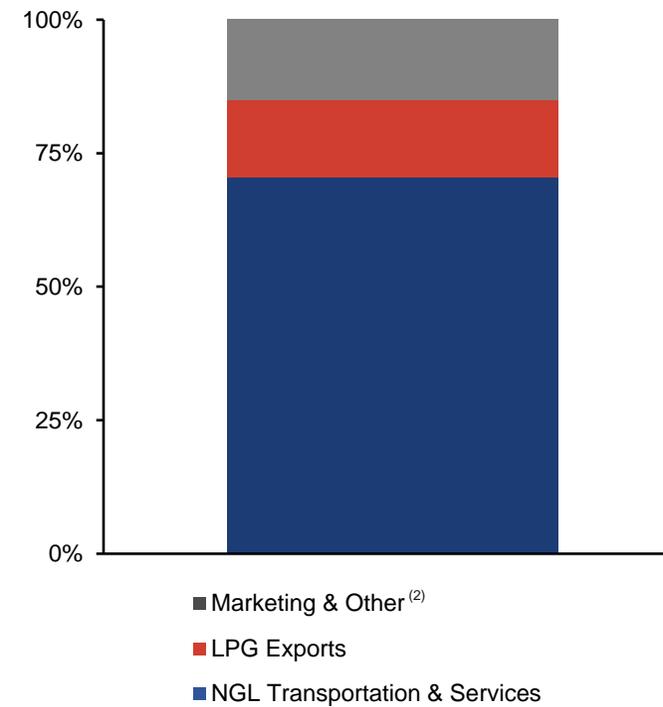
Field Gathering & Processing Operating Margin⁽¹⁾



Business Mix – Segment Operating Margin



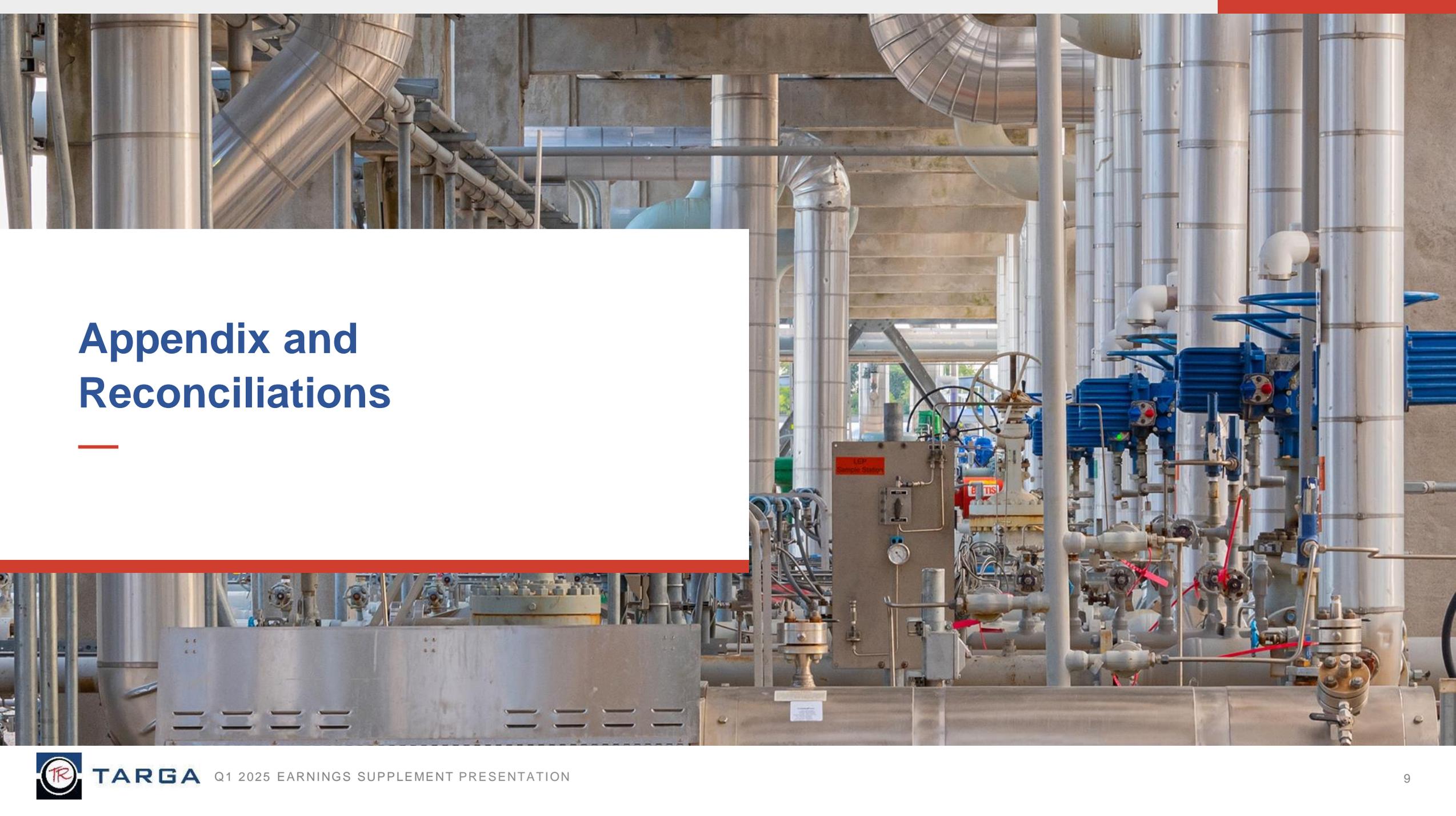
Logistics & Transportation Operating Margin



⁽¹⁾ Fully consolidated operating margin and excludes Coastal.

⁽²⁾ Marketing & Other includes Domestic NGL Marketing, Wholesale Propane, Refinery Services, Commercial Transportation, and Gas Marketing.





Appendix and Reconciliations



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 Cash Flow from Operations and Adjusted Free Cash Flow

The Company defines adjusted cash flow from operations as adjusted EBITDA less cash interest expense on debt obligations and cash taxes. The Company defines adjusted free cash flow as adjusted cash flow from operations less maintenance capital expenditures (net of any reimbursements of project costs) and growth capital expenditures (net of contributions from noncontrolling interest and including contributions to investments in unconsolidated affiliates). Adjusted cash flow from operations and adjusted free cash flow are performance measures used by the Company and by external users of the Company's financial statements, such as investors, commercial banks and research analysts, to assess the Company's ability to generate cash earnings (after servicing the Company's debt and funding capital expenditures) to be used for corporate purposes, such as payment of dividends, retirement of debt or redemption of other financing arrangements.

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, 2025	December 31, 2024	March 31, 2024
	(in millions)		
Reconciliation of Net income (loss) attributable to Targa Resources Corp. to Adjusted EBITDA			
Net income (loss) attributable to Targa Resources Corp.	\$ 270.5	\$ 350.9	\$ 275.2
Interest (income) expense, net	197.1	177.7	228.6
Income tax expense (benefit)	72.2	110.5	82.7
Depreciation and amortization expense	367.6	378.5	340.5
(Gain) loss on sale or disposition of assets	(0.5)	(0.4)	(1.1)
Write-down of assets	2.0	2.2	1.0
(Gain) loss from financing activities	0.6	—	—
Equity (earnings) loss	(5.5)	(1.5)	(2.8)
Distributions from unconsolidated affiliates	4.9	8.7	6.3
Compensation on equity grants	17.6	15.8	14.6
Risk management activities	248.8	78.2	22.0
Noncontrolling interests adjustments ⁽¹⁾	3.2	1.5	(0.8)
Adjusted EBITDA	\$ 1,178.5	\$ 1,122.1	\$ 966.2

(1) Represents adjustments related to the Company's subsidiaries with noncontrolling interests, including depreciation and amortization expense as well as earnings for certain plants within Targa's WestTX joint venture not subject to noncontrolling interest.



Non-GAAP Measures Reconciliation

	March 31, 2025	Three Months Ended, December 31, 2024 (in millions)	March 31, 2024
<i>Gathering and Processing Segment</i>			
Operating margin	\$ 602.2	\$ 598.9	\$ 556.4
Operating expenses	208.2	217.5	188.1
Adjusted operating margin	\$ 810.4	\$ 816.4	\$ 744.5
<i>Logistics and Transportation Segment</i>			
Operating margin	\$ 646.7	\$ 656.2	\$ 532.1
Operating expenses	95.5	88.7	90.0
Adjusted operating margin	\$ 742.2	\$ 744.9	\$ 622.1



Non-GAAP Measures Reconciliation

	Full Year 2025E
	(in millions)
Reconciliation of Estimated Net Income attributable to Targa Resources Corp. to Estimated Adjusted EBITDA	
Net income attributable to Targa Resources Corp.	\$ 1,555
Interest expense, net	860
Income tax expense	485
Depreciation and amortization expense	1,525
Equity earnings	(20)
Distributions from unconsolidated affiliates	25
Compensation on equity grants	70
Risk management and other	250
Estimated Adjusted EBITDA	\$ 4,750





Targa is a leading provider of midstream services and is one of the largest independent 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

