Targa Resources Corp.

Fourth Quarter 2021 Earnings and 2022 Guidance Supplement
February 24, 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, 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.

2021 in Review

Targa's strong execution in 2021 provides momentum for 2022+

Strategic | ESG

- ✓ Invested in attractive, high-returning organic growth opportunities
- ✓ Continued adding fee-based floors to G&P contracts
- ✓ Issued third annual Sustainability Report
- ✓ Established Sustainability Committee at the Board level

Operational | Commercial

- ✓ Record Permian volumes
  - Completed Heim plant ahead of schedule and under budget
- ✓ Record transportation volumes
- ✓ Record fractionation volumes
- ✓ Record LPG export volumes

Financial

- ✓ Record adjusted EBITDA
- ✓ Reduced debt by ~$1.2 billion
- ✓ YE21 leverage ratio 3.2x
- ✓ Returned additional capital to shareholders
  - Increased common dividend to $1.40/share annualized
  - Repurchased $40 million common shares

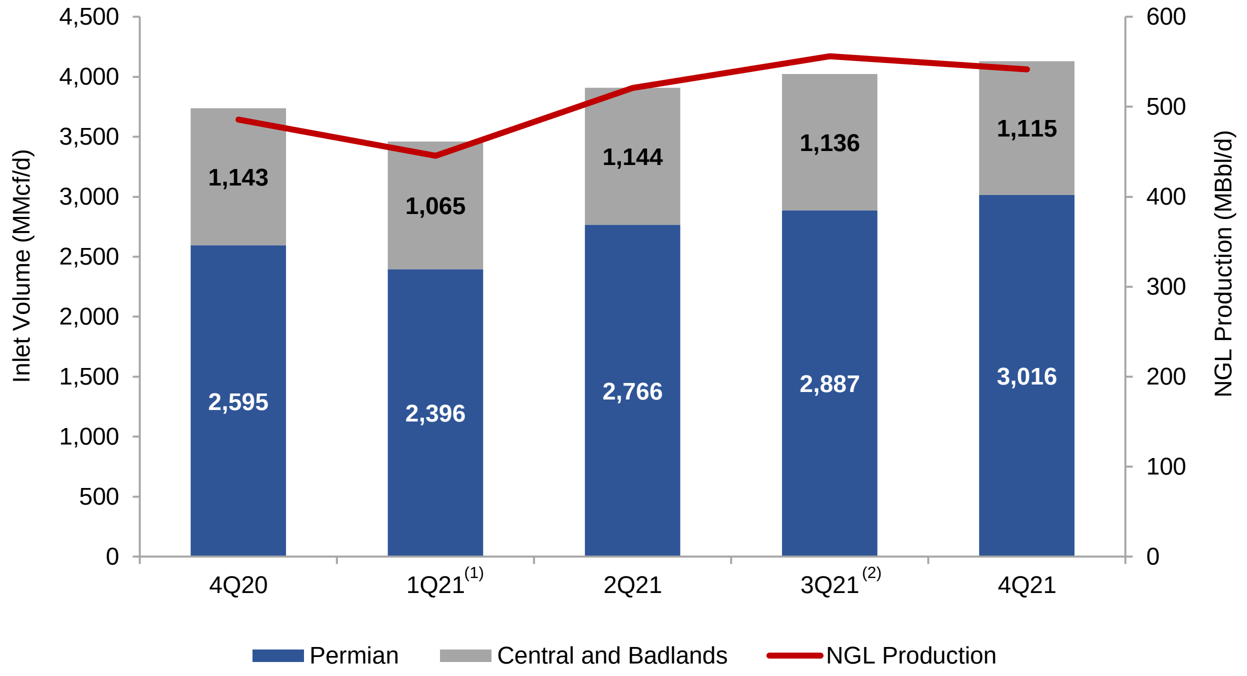
Operational Performance – Gathering & Processing Segment

4Q21 Highlights:

Field G&P Natural Gas Inlet Volumes

- Record Targa volumes in the Permian Basin driven by higher production and producer activity, and the addition of the Heim plant late in the third quarter
- Volumes in the Central region and Badlands in aggregate were flat sequentially

Field G&P Natural Gas Inlet Volumes and NGL Production



(1) 1Q21 volumes were impacted by the winter storm in February 2021.
(2) True-up of Permian Midland inlet volumes attributable to 4Q21 were previously reported in 3Q21.

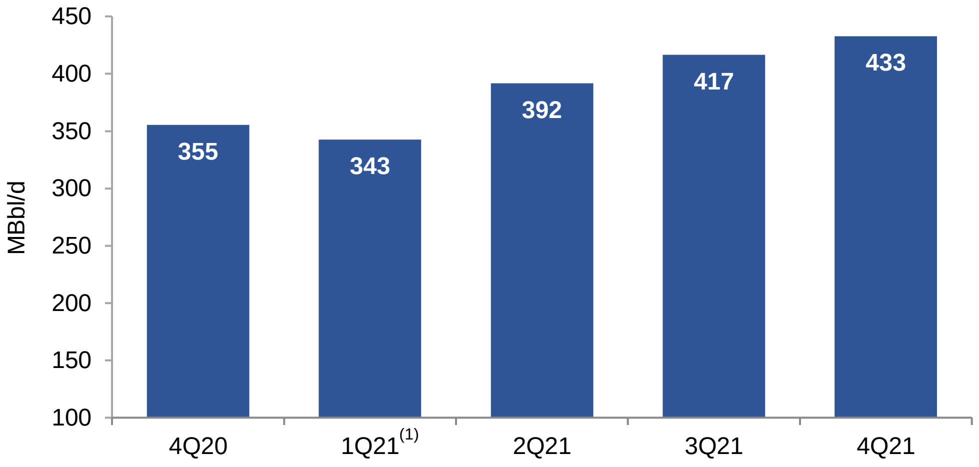
Operational Performance – Logistics & Transportation Segment

4Q21 Highlights:

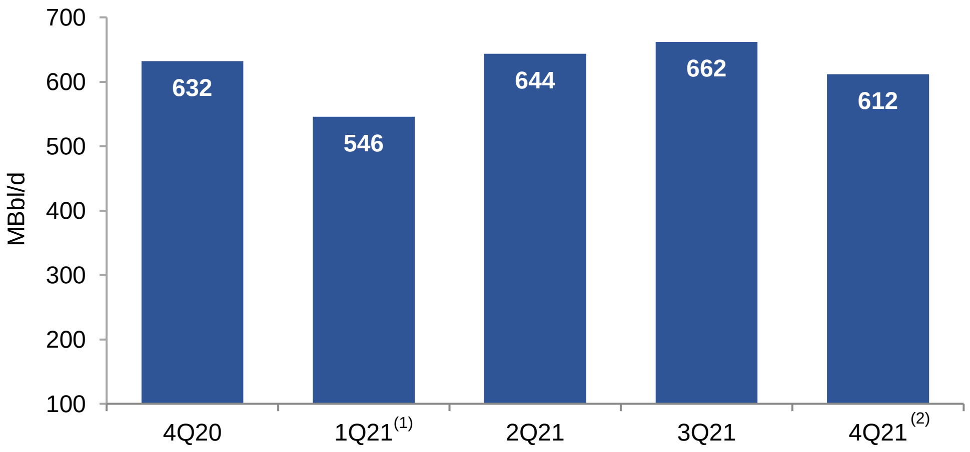
NGL Transportation, Fractionation, and LPG Export Services

- Record Grand Prix NGL Pipeline volumes driven by higher supply primarily from Targa's Permian G&P systems
- Lower sequential fractionation volumes due to an unplanned outage and associated repairs and maintenance
- Higher sequential LPG export volumes following the completion of repairs and maintenance that impacted short-term loading capacity during the third quarter

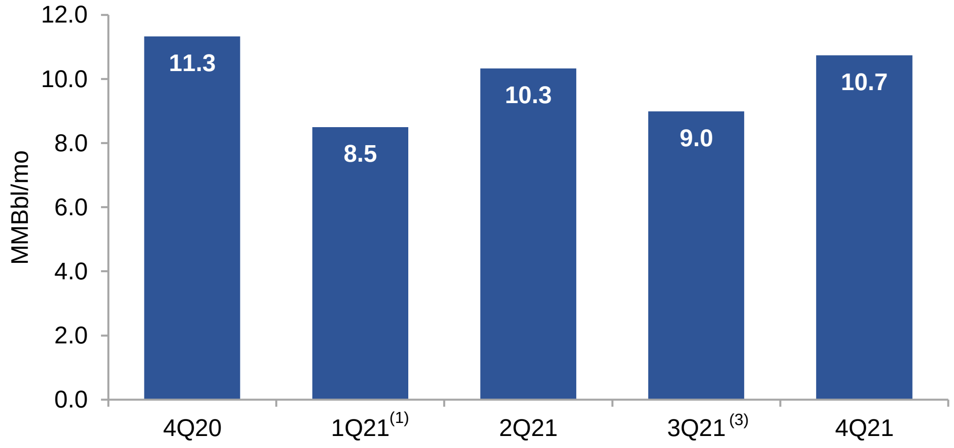
NGL Pipeline Transportation Volumes



Fractionation Volumes



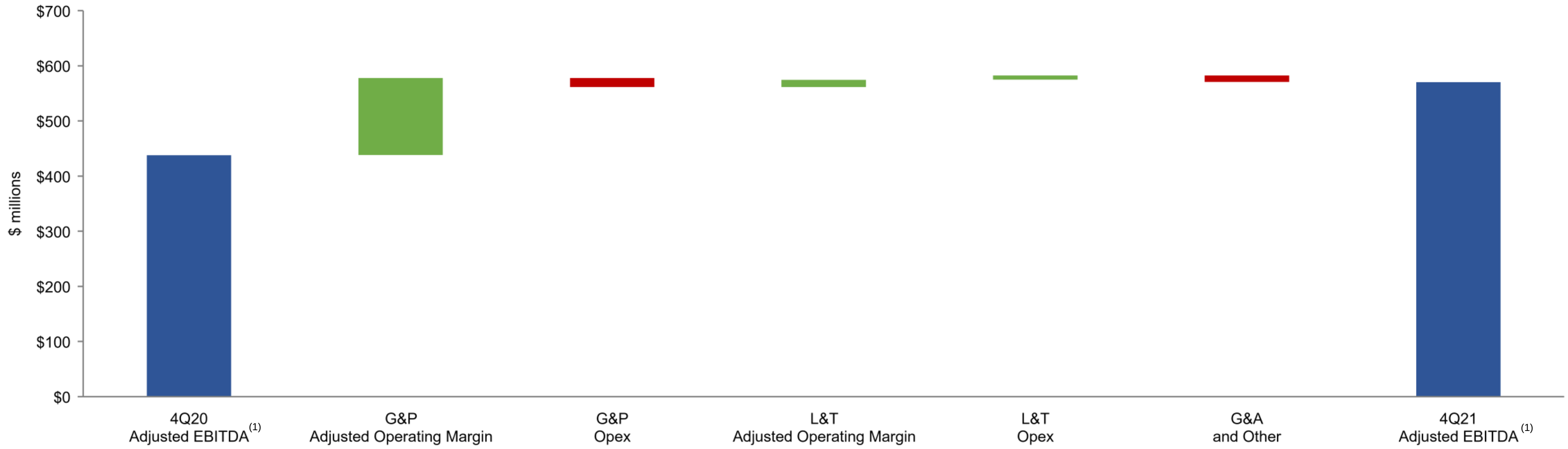
LPG Export Volumes



(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 – 4Q 2021 vs. 4Q 2020

Adjusted EBITDA Bridge



Segment Operating Margin

G&P segment operating margin increased $123.2[2] million

- \+ Higher realized commodity prices
- \+ Higher natural gas inlet volumes in the Permian
- − Lower natural gas inlet volumes in Central
- − Higher operating expenses due to increased activity levels in the Permian and the addition of the Heim plant in 3Q 2021

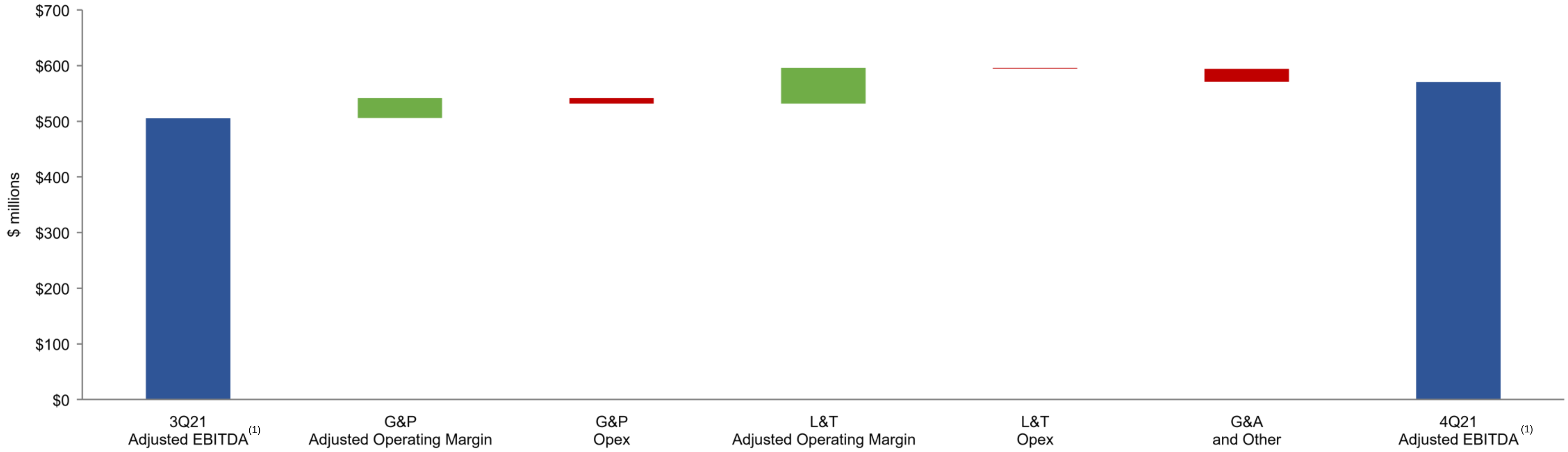
L&T segment operating margin increased $21.5 million

- \+ Higher pipeline transportation volumes and fractionation margin
- − Lower LPG export volumes
- − Lower Marketing & Other
- \+ Lower operating expenses primarily due to the absence of one-time maintenance expenses including hurricane damage repairs in 4Q 2020

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

Financial Performance – 4Q 2021 vs. 3Q 2021

Adjusted EBITDA Bridge



Segment Operating Margin

G&P segment operating margin increased $25.7[2] million

+ Higher realized commodity prices
+ Higher natural gas inlet volumes in the Permian, Badlands and Coastal
− Higher operating expenses due to higher compensation expense and increased activity levels, partially offset by lower taxes

L&T segment operating margin increased $62.8 million

+ Higher pipeline transportation volumes and fractionation margin
+ Higher LPG export volumes
+ Higher Marketing & Other
− Higher operating expenses due to higher compensation and repairs and maintenance expenses, partially offset by lower taxes

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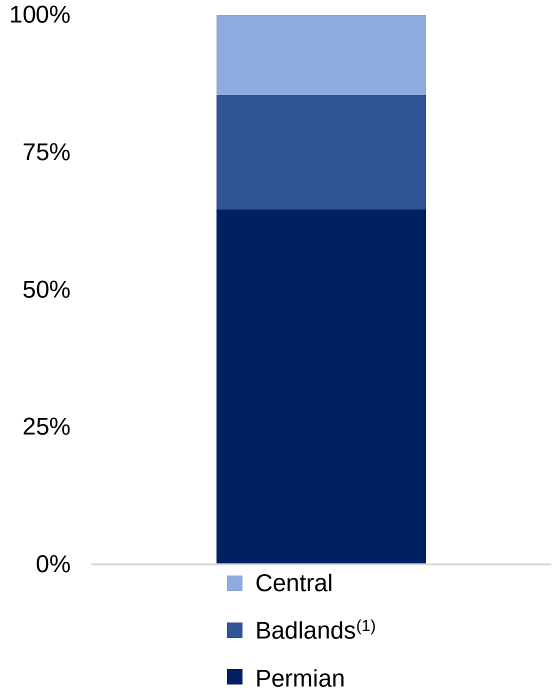
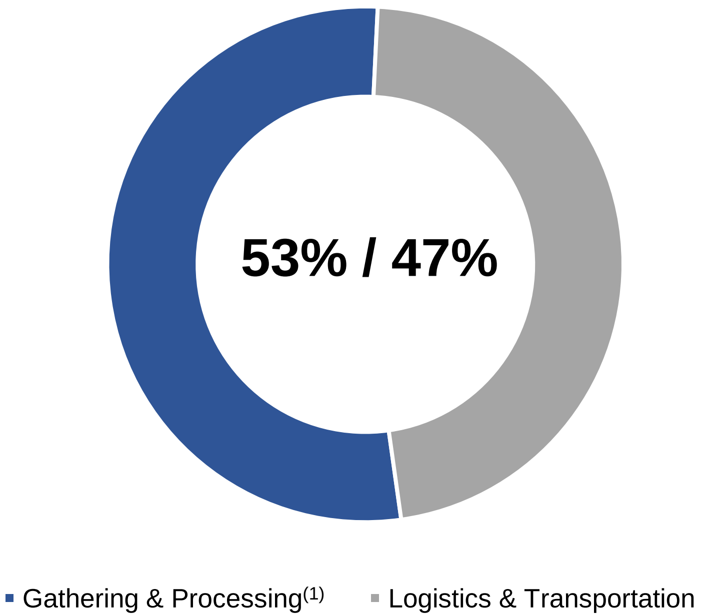
Business Mix – 4Q 2021

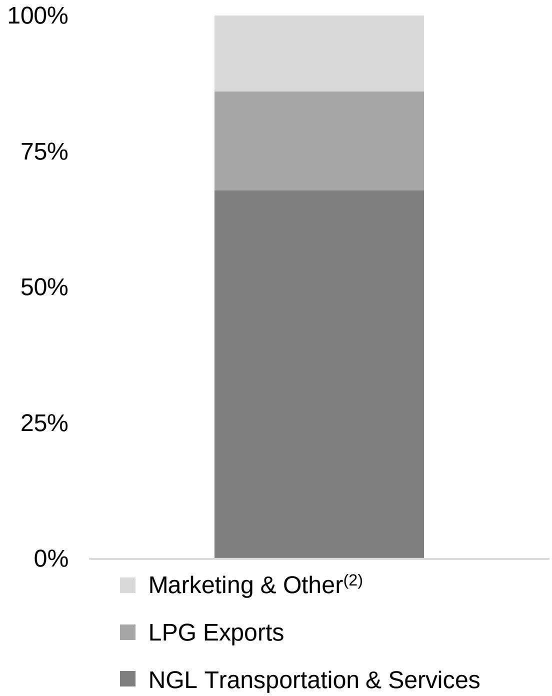
Field Gathering & Processing Operating Margin



Business Mix – Segment Operating Margin



Logistics & Transportation Operating Margin



Operational metrics across both G&P and L&T segments exceeded previous estimates for FY2021

(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 Outlook

2022 Financial and Operational Estimates

Estimate 17% YoY increase(1) in adjusted EBITDA, driving robust free cash flow outlook

Financial Metrics	2022 Estimates
Adjusted EBITDA	$2,300 - $2,500 million(2)
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(3)	
Waha Natural Gas ($/MMBtu)	$3.75	+/- $0.25	$6 to $8 million
Wtd Avg NGL ($/Gal)(4)	$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:

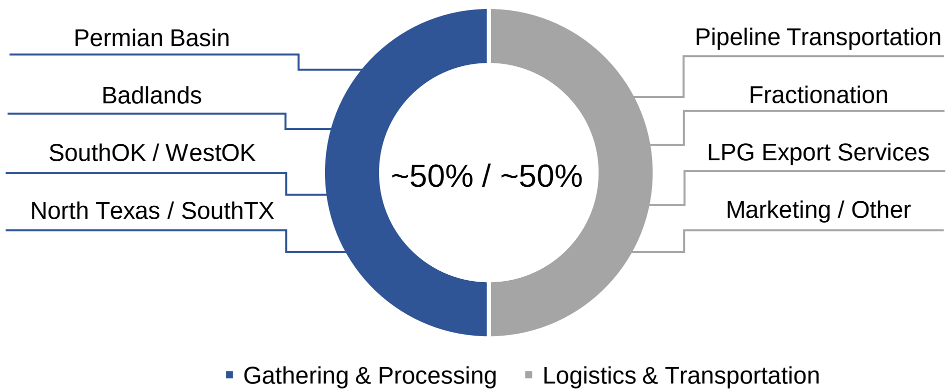
- ✓ Repurchase of DevCo JV interests
- ✓ Volume growth through Permian G&P systems
- ✓ Volume growth through L&T systems
- • Offset by sale of 25% interest in GCX Pipeline

(1) *Year over year estimated increase in adjusted EBITDA based on midpoint of 2022E adjusted EBITDA range.*
(2) *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.*
(3) *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.*
(4) *Targa's composite NGL barrel comprises 45% ethane, 31% propane,11% normal butane, 4% isobutane and 9% natural gasoline.*

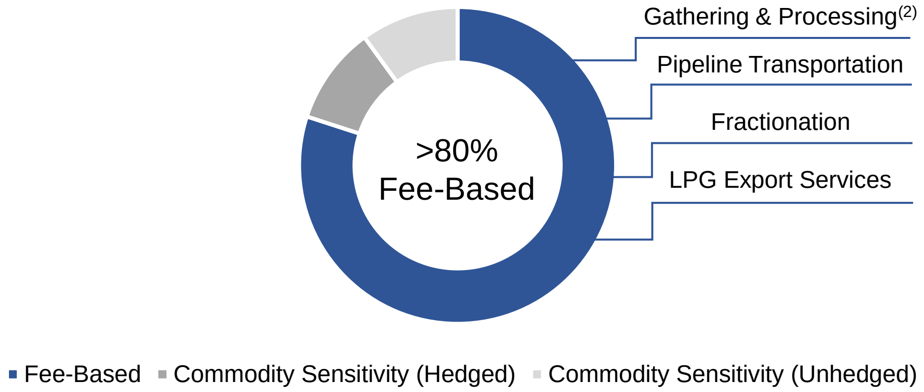
Integrated Platform Supports Fee-Based Profile

Durable earnings power from significant fee-based margin across Targa businesses

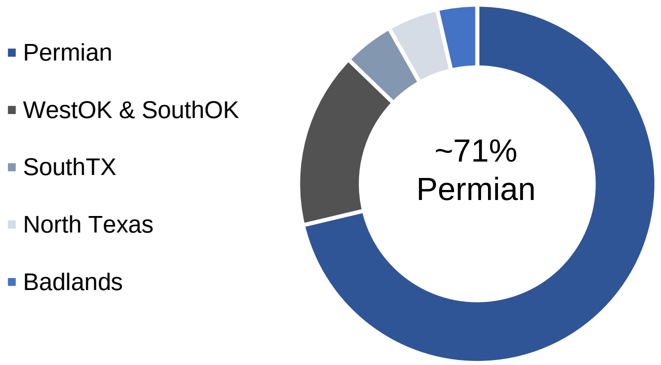
Segment Business Mix 2022E(1)



Fee-Based Profile 2022E(1)



Targa G&P Plant Natural Gas Inlet Volume Mix(3)



(1) Segment business mix and fee-based profile based on fully consolidated 2022E operating margin and adjusted operating margin, respectively, including 100% interest in Badlands.
(2) Fee-based margin in G&P segment includes Badlands (fully consolidated adjusted operating margin), SouthOK, SouthTX and significant portions of Permian Delaware, Permian Midland, and WestOK.
(3) Based on average inlet for twelve months ended 12/31/2021; Targa Badlands also includes significant crude infrastructure position.

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, distributable cash flow, adjusted free cash flow and adjusted operating margin (segment) are non-GAAP measures. The GAAP measure most directly comparable to these non-GAAP measures are income (loss) from operations, net income (loss) attributable to TRC 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 TRC 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.

Distributable Cash Flow and Adjusted Free Cash Flow

The Company defines distributable cash flow as adjusted EBITDA less distributions to TRP preferred limited partners, cash interest expense on debt obligations, cash tax (expense) benefit and maintenance capital expenditures (net of any reimbursements of project costs). The Preferred Units that were issued by the Partnership in October 2015 were redeemed in December 2020. The Company defines adjusted free cash flow as distributable cash flow less growth capital expenditures, net of contributions from noncontrolling interest and net contributions to investments in unconsolidated affiliates. Distributable cash flow 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.

Non-GAAP Measures Reconciliation

	Three Months Ended,		
	December 31, 2021	September 30, 2021	December 31, 2020
		(In millions)	
Reconciliation of Net Income (Loss) attributable to TRC to Adjusted EBITDA			
Net income (loss) attributable to TRC	$ (285.9)	$ 182.2	$ 33.6
Income attributable to TRP preferred limited partners	-	-	6.7
Interest (income) expense, net	103.7	91.0	98.9
Income tax expense (benefit)	(36.4)	2.0	38.5
Depreciation and amortization expense	219.7	222.8	217.8
Impairment of long-lived assets	452.3	-	-
(Gain) loss on sale or disposition of business and assets	3.7	(1.5)	0.4
Write-down of assets	5.3	0.5	42.1
(Gain) loss from financing activities (1)	-	-	1.8
Equity (earnings) loss	62.8	(14.3)	(18.5)
Distributions from unconsolidated affiliates and preferred partner interests, net	28.1	28.2	27.0
Change in contingent considerations	0.1	-	(0.3)
Compensation on equity grants	14.6	14.7	16.7
Risk management activities	60.4	(12.6)	(14.0)
Noncontrolling interests adjustments (2)	(57.8)	(7.1)	(12.6)
TRC Adjusted EBITDA	**$ 570.6**	**$ 505.9**	**$ 438.1**

(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 TRC to estimated Adjusted EBITDA	**Full Year 2022E**
	(In millions)
Net income attributable to TRC	1,260.0
Interest expense, net	350.0
Income tax expense	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)
TRC Estimated Adjusted EBITDA	**$ 2,400.0**

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

TARGA

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