Targa Resources Corp.

Second Quarter 2021 Earnings Supplement
August 5, 2021


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.

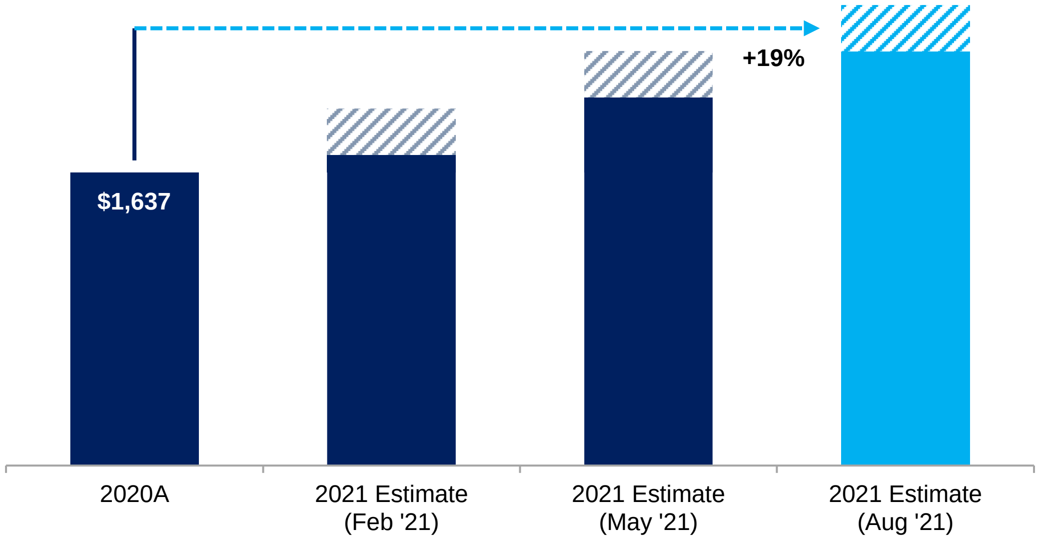
Updated 2021 Outlook

Full year 2021 Adjusted EBITDA now estimated between $1.9 - $2.0 billion; year-end leverage estimated ~3.5x(1)

- Targa's integrated NGL business continues to deliver strong financial results supported by strengthening business fundamentals
  - ✓ Permian G&P inlet volumes expected to be around the high-end of the previously estimated range of 5% - 10% annual growth in 2021(2)
  - ✓ Higher commodity prices
  - ✓ Continued focus on capital and operating cost discipline

Adjusted EBITDA Outlook ($ millions)

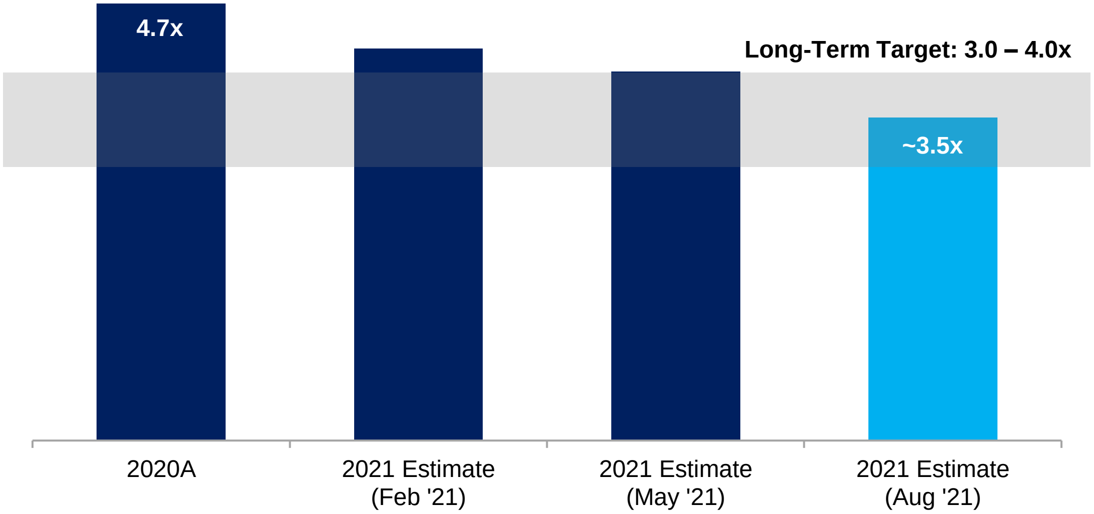
2021e: $1,900 - $2,000 million



Dashed area represents guidance range

Year-End Consolidated Leverage

Prioritizing FCF for debt reduction and improving leverage ratios



(1) *Updated FY21 Adjusted EBITDA estimate assumes average 2021 commodity prices: Wtd Avg NGL ($0.70/Gal); HH Nat Gas ($3.20/MMBtu); Waha Nat Gas ($3.10/MMBtu); WTI Crude Oil ($65/Bbl).*
(2) *Estimated annual 2021 average Permian natural gas inlet volume growth over 2020 annual average volumes.*

Strategic Outlook

Significant operating leverage provides for meaningful cash flow growth and improved returns

Diverse & Vertically Integrated Asset Platform	▪ Targa's operations connect natural gas and NGLs to markets with increasing demand for cleaner fuels and feedstocks ▪ Premier G&P footprint in the Permian Basin with significant access to growing NGL supply ▪ Grand Prix NGL Pipeline connects Permian supply to key demand markets, including the U.S. petrochemical hub and Targa's LPG export position
Prioritizing Financial Flexibility	▪ Increasing Adjusted EBITDA and free cash flow (FCF) outlook ▪ Prioritizing FCF towards debt reduction and corporate simplification; expect to exit 2021 with consolidated leverage ~3.5x ▪ Maintaining balance sheet strength and financial flexibility over the long-term and achieving investment grade ratings a focus
Positioned for Long-Term Success	▪ Significant operating leverage from ~$6.6B of new assets since 2018 ▪ Increasing fee-based earnings across the business ▪ 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
- Simplify capital structure over time
- Return capital to shareholders over time
- Invest in high-return projects that leverage integrated system

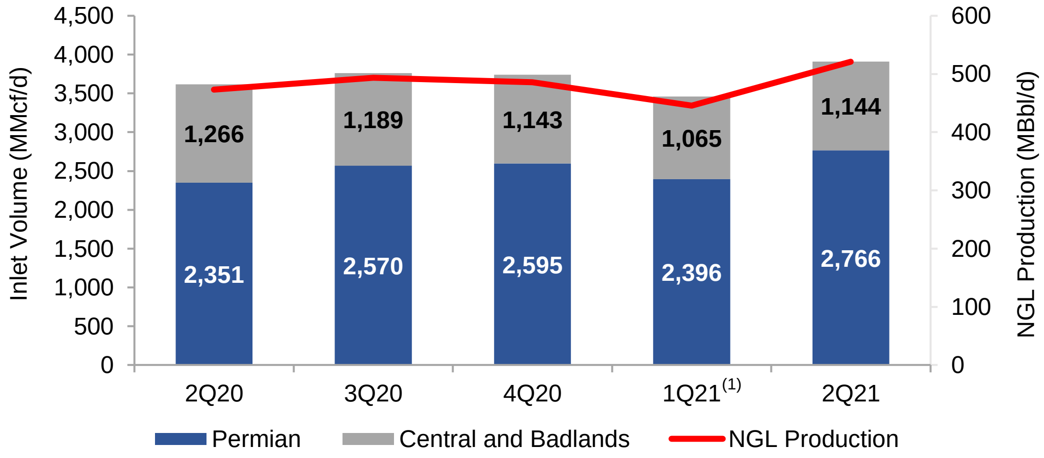
Operational Performance – Gathering & Processing Segment

2Q21 Highlights:

Field G&P Natural Gas Inlet Volumes

- Higher sequential volumes in the Permian Basin as production rebounded following the major winter storm in Q1 and due to increasing producer activity levels
  - Permian Midland system operated above nameplate capacity for much of Q2
  - New 200 MMcf/d Heim Plant in the Permian Midland completed ahead of schedule and expected to be online early September 2021
  - Constructing a new 250 MMcf/d Permian Midland plant (Legacy Plant), expected online 4Q22
- Higher sequential natural gas volumes in the Badlands from increased production
- Higher sequential volumes in the Central region as production rebounded following the major winter storm in Q1

Field G&P Natural Gas Inlet Volumes and NGL Production



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

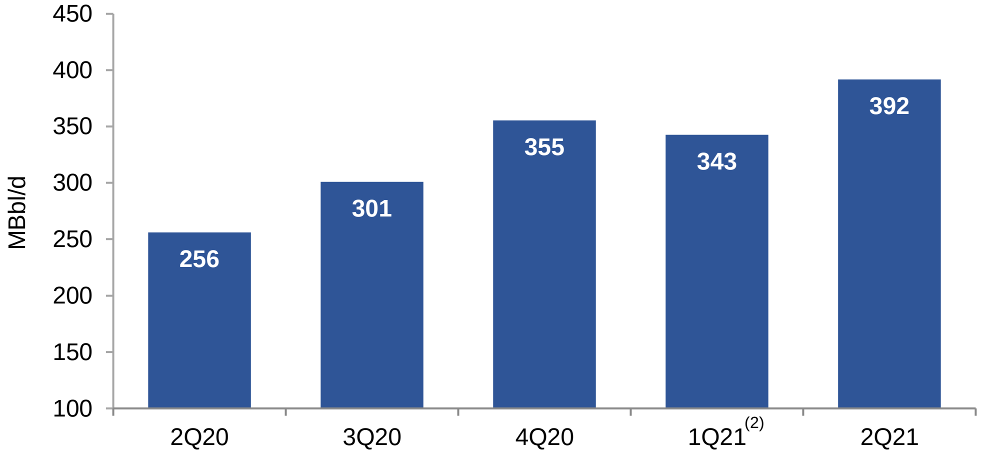
Operational Performance – Logistics & Transportation Segment

2Q21 Highlights:

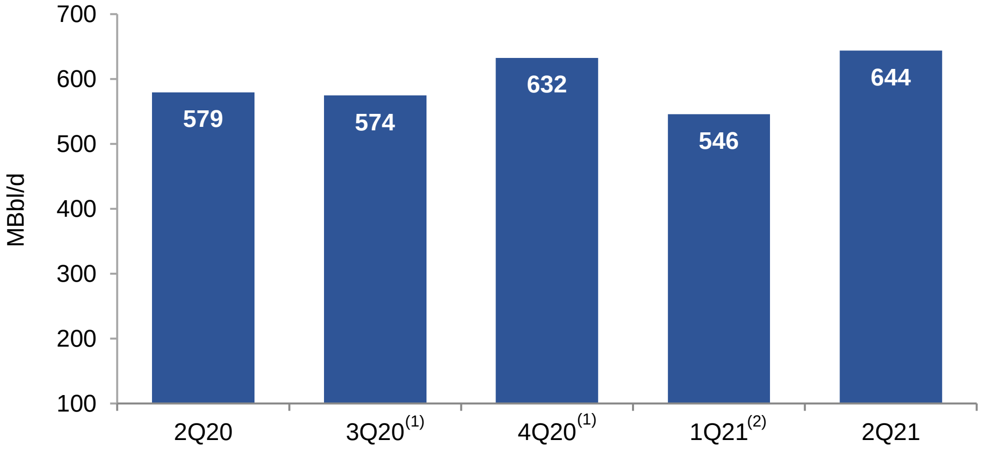
NGL Transportation, Fractionation and LPG Export Services

- System volumes rebounded sequentially following the impact of the major winter storm in Q1, and were further supported by higher NGL supply volumes from Targa's Permian G&P systems
  - ✓ Record Grand Prix NGL Pipeline volumes
  - ✓ Record fractionation volumes
  - ✓ Strong LPG export volumes

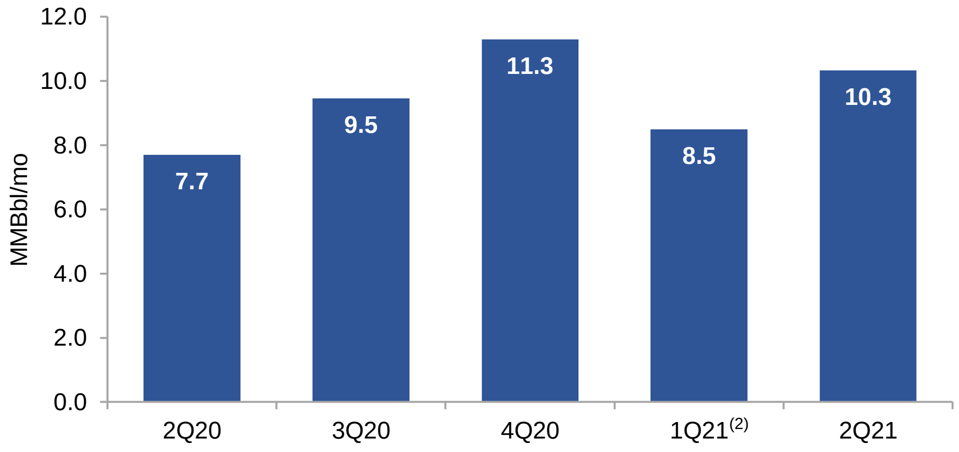
Grand Prix NGL Pipeline Volumes



Fractionation Volumes



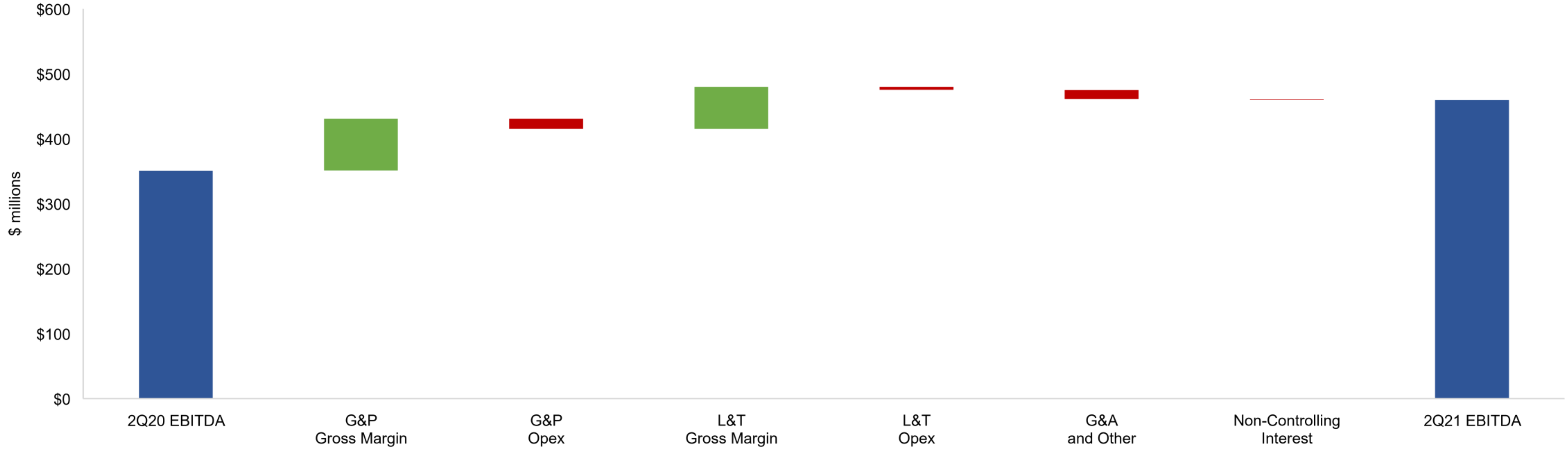
LPG Export Volumes



(1) 3Q20 fractionation volumes were impacted by scheduled turnaround and maintenance with some volumes shifting to 4Q20.
(2) 1Q21 volumes were impacted by the winter storm in February 2021.

Financial Performance – 2Q 2021 vs. 2Q 2020

Adjusted EBITDA Bridge



Segment Operating Margin

Gathering & Processing segment operating margin increased $64.0[1] million

- \+ Higher realized commodity prices
- \+ Higher natural gas inlet volumes in the Permian and Badlands
- − Lower natural gas inlet volumes in Central due to production decline
- − Higher operating expenses due to the addition of new Permian plants in 2020 and increased activity levels in the Permian

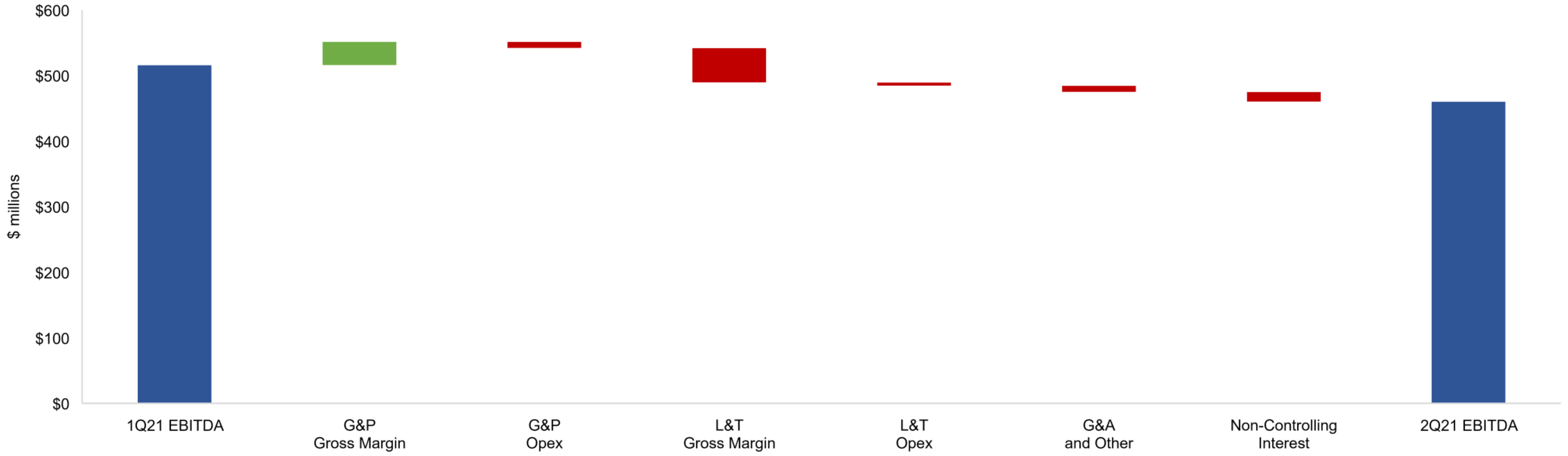
Logistics & Transportation segment operating margin increased $59.9 million

- \+ Higher pipeline transportation, fractionation, and LPG export volumes from increased NGL supply volumes from Targa's Permian G&P systems, and associated Downstream system expansions in 2020
- \+ Marketing and Other due to greater optimization opportunities
- − Higher operating expenses due to higher repairs and maintenance, and increased throughput expenses, partially offset by cost reduction measures and the sale of certain assets in 2020

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

Financial Performance – 2Q 2021 vs. 1Q 2021

Adjusted EBITDA Bridge



Segment Operating Margin

Gathering & Processing segment operating margin increased $26.1[1] million

- \+ Higher Permian, Central and Badlands natural gas inlet volumes due to increased production and producer activity following the severe winter storm in Q1
- \+ Higher realized NGL and condensate prices
- − Higher operating expenses due to increases in contract labor and materials

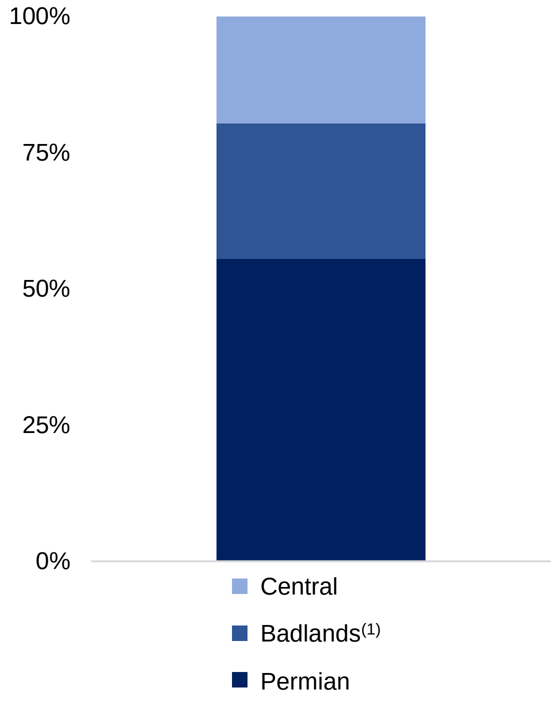
Logistics & Transportation segment operating margin decreased $57.3 million

- − Lower Marketing & Other margin due to fewer optimization opportunities
- − Higher operating expenses due to higher repairs and maintenance and increased system throughput expenses
- \+ Higher pipeline transportation, fractionation and LPG export volumes

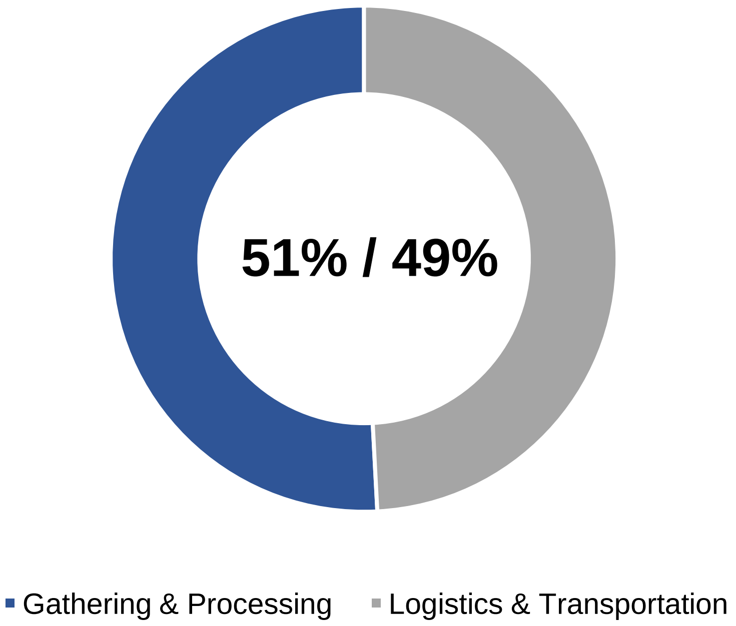
(1) *Inclusive of realized hedge gain/(loss).*

Business Mix – 2Q 2021

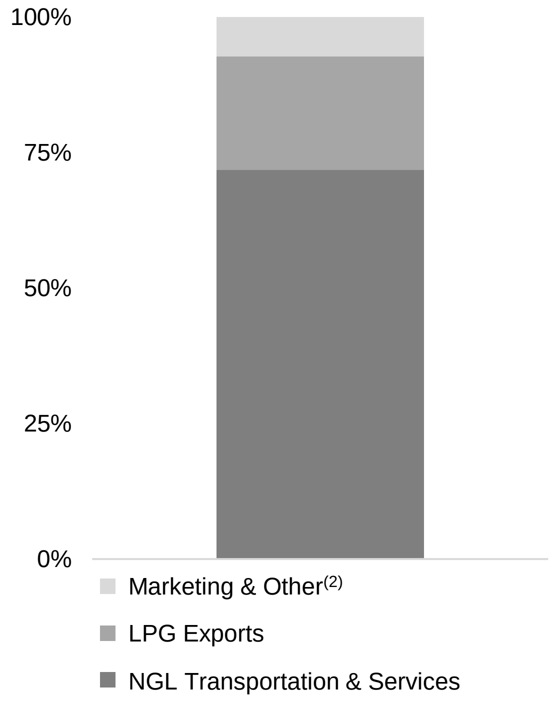
Field Gathering & Processing Operating Margin



Business Mix – Segment Operating Margin



Logistics & Transportation Operating Margin



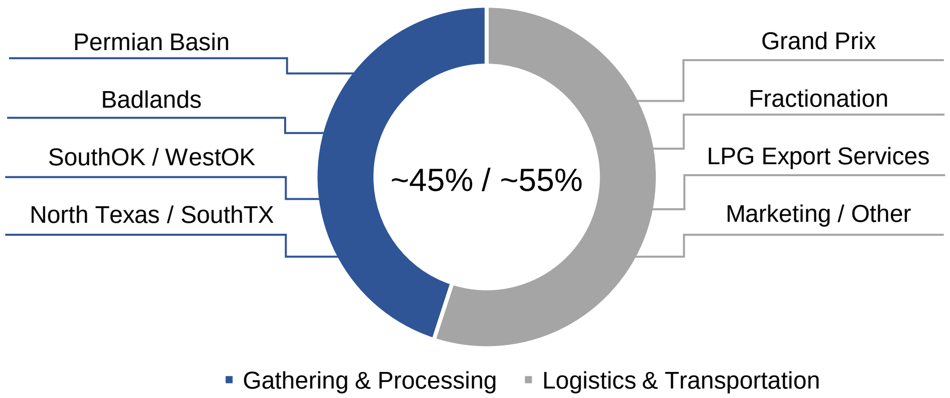
Integrated natural gas and NGL infrastructure assets with earnings and cash flows supported predominantly by fee-based contracts

(1) Fully consolidated operating margin.
(2) Marketing & Other includes Domestic NGL Marketing (Wholesale Propane, Refinery Services, Commercial Transportation) & Gas Marketing.

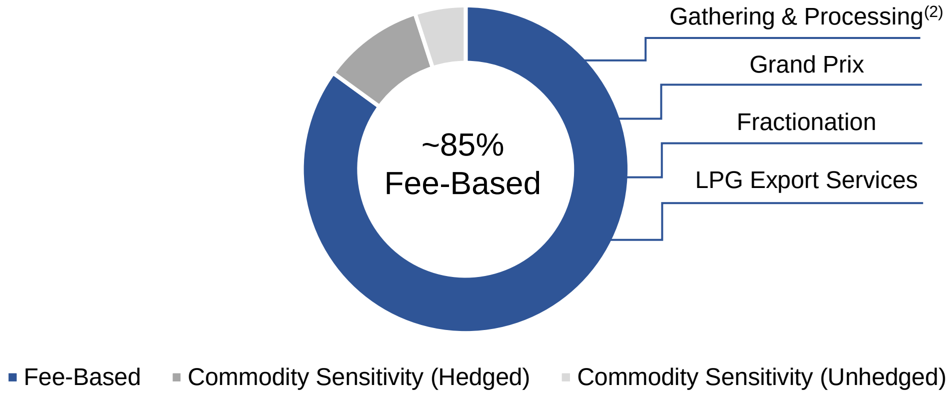
2021 Business Mix & Risk Management

Durable Earnings Power From Significant Fee-Based Margin Across Targa Businesses

Business Mix 2021E(1)



Fee-Based Profile 2021E(1)



Hedging Program Further Strengthens Cash Flow Stability

2021 Hedges

Commodity	Volumes Hedged(3)	Exposure Hedged (%)(3)	Wtd. Avg. Hedge Price(4)
Natural Gas (MMBtu/d)	158,047	~95%	$1.74
NGLs(3) (Bbl/d)	32,103	~80%	$0.47
Condensate (Bbl/d)	5,434	~95%	$52.44

2022 Hedges

Commodity	Volumes Hedged(3)	Exposure Hedged (%)(3)	Wtd. Avg. Hedge Price(4)
Natural Gas (MMBtu/d)	100,856	~55%	$1.72
NGLs(3) (Bbl/d)	25,663	~60%	$0.43
Condensate (Bbl/d)	3,853	~65%	$49.89

Commodity Price Sensitivity(6)

Commodity	Price Sensitivity	2021E Adj EBITDA Impact
Natural Gas ($/MMBtu)	+/- $0.25	+/- $1 to $2 million
NGLs ($/Gal)	+/- $0.05	+/- $10 to $16 million
Condensate ($/Bbl)	+/- $5.00	+/- $1 to $3 million

(1) Business mix and fee-based profile based on 2021E 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.
(3) Includes hedges executed through June 30, 2021, and based on an estimated average daily equity volumes for 2021.
(4) Weighted average hedge prices assume put prices for collars.
(5) Targa's composite NGL barrel comprises 43% ethane, 32% propane,12% normal butane, 4% isobutane and 9% natural gasoline.
(6) Overall commodity price sensitivity inclusive of a number of factors, including fee floor arrangements and any associated fee-floor hedges, NGL barrel composition and recovery economics.

Reconciliations

Non-GAAP Financial Measures

This presentation includes the Company's non-GAAP financial measures: Adjusted EBITDA, distributable cash flow, free cash flow, gross margin and operating margin. The following tables provide reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures. These 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.

The Company utilizes non-GAAP measures to analyze the Company's performance. Gross margin, operating margin, Adjusted EBITDA, distributable cash flow, and free cash flow are non-GAAP measures. The GAAP measure most directly comparable to these non-GAAP measures is net income (loss) attributable to TRC. These non-GAAP measures should not be considered as an alternative to GAAP net income attributable to TRC 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 net income, 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

Adjusted EBITDA is defined 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 Free Cash Flow

Distributable cash flow is defined 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 issued by the Partnership in October 2015 were redeemed in December 2020 and are no longer outstanding. Free cash flow is defined 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 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

Reconciliation of Net Income (Loss) attributable to TRC to Adjusted EBITDA, Distributable Cash Flow and Free Cash Flow		Year Ended December 31, 2020 (In millions)
Net income attributable to TRC	$	(1,553.9)
Income attributable to TRP preferred limited partners		15.1
Interest (income) expense, net		391.3
Income tax expense (benefit)		(248.1)
Depreciation and amortization expense		865.1
Impairment of long-lived assets		2,442.8
(Gain) loss on sale or disposition of business and assets		58.4
Write-down of assets		55.6
(Gain) loss from financing activities (1)		(45.6)
Equity (earnings) loss		(72.6)
Distributions from unconsolidated affiliates and preferred partner interests, net		108.6
Change in contingent considerations		(0.3)
Compensation on equity grants		66.2
Risk management activities		(228.2)
Severance and related benefits (2)		6.5
Noncontrolling interests adjustments (3)		(224.3)
TRC Adjusted EBITDA	**$**	**1,636.6**
Distributions to TRP preferred limited partners		(15.1)
Interest expense on debt obligations (4)		(388.9)
Cash tax refund		44.4
Maintenance capital expenditures		(109.5)
Noncontrolling interests adjustments of maintenance capital expenditures		5.3
Distributable Cash Flow	**$**	**1,172.8**
Growth capital expenditures, net (5)		(597.9)
Free Cash Flow	**$**	**574.9**

(1) Gains or losses on debt repurchases or early debt extinguishments.
(2) Represents one-time severance and related benefit expense related to the Company’s cost reduction measures.
(3) Noncontrolling interest portion of depreciation and amortization expense (including the effects of the impairment of long-lived assets on non-controlling interests).
(4) Excludes amortization of interest expense.
(5) Represents growth capital expenditures, net of contributions from noncontrolling interests and net contributions to investments in unconsolidated affiliates.

Non-GAAP Measures Reconciliation

Reconciliation of estimated net income attributable to TRC to estimated Adjusted EBITDA	Full Year 2021E(1)	
	(In millions)	
Net income attributable to TRC	$	485.0
Interest expense, net		375.0
Income tax expense		70.0
Depreciation and amortization expense		870.0
Equity (earnings) loss		(55.0)
Distributions from unconsolidated affiliates and preferred partner interests, net		115.0
Compensation on equity grants		60.0
Risk management activities and other		80.0
Noncontrolling interests adjustments (2)		(50.0)
TRC Estimated Adjusted EBITDA	**$**	**1,950.0**

(1) Represents the midpoint of estimated full year 2021 Adjusted EBITDA.
(2) Noncontrolling interest portion of depreciation and amortization expense.

TARGA

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