Targa Resources Corp.

Third Quarter 2018
Earnings Supplement
November 8, 2018

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, 2017 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.

Strategic Update

- **Targa's recent capital investments and related commercial execution are providing significant operating leverage and record financial performance**
- **Targa is on-track to bring on-line a substantial portion of its growth capital program currently under construction by the end of the first half of next year to meet the infrastructure needs of its customers**
  - Includes over 2.0 billion cubic feet per day (Bcf/d) of incremental processing expansions collectively in the Permian, Bakken and southern Oklahoma, of which 1.5[(1)] Bcf/d is expected to begin operations by Q2 2019
  - Targa's Grand Prix NGL Pipeline to be fully operational in 2Q 2019 and will integrate Targa's G&P positions and its downstream assets
  - Targa's Train 6 fractionator in Mont Belvieu to begin operations in early Q2 2019
- **Targa announces incremental Downstream expansions**
  - Targa to construct two new 110 Mbpd fractionation trains in Mont Belvieu (to be complete in 2020)
- **Successful execution of 2018 financing plan**
  - Targa has raised over $1 billion of capital year-to-date through a combination of joint ventures, asset sales and common equity issuance under its ATM program
  - Increasing Targa size and scale further increases financial flexibility

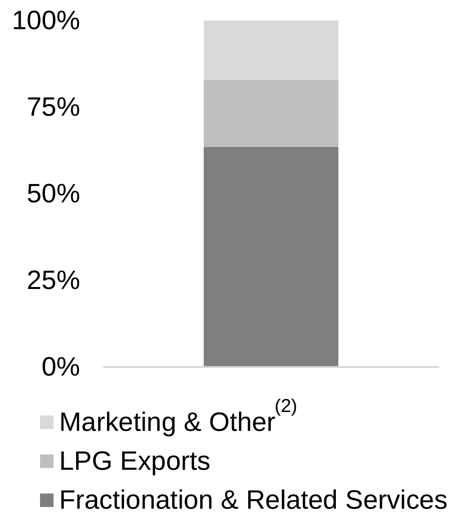
Supportive fundamentals and Targa's growth capital program underway are expected to result in rapidly increasing EBITDA looking forward

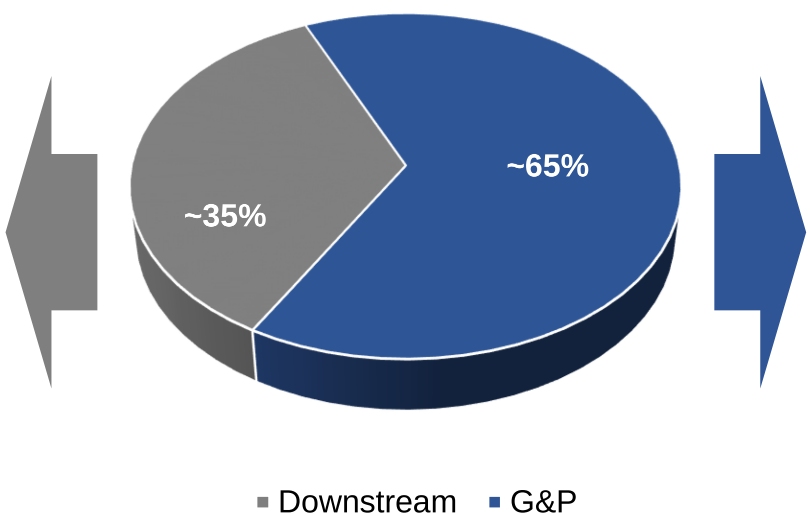
(1) Includes the 200 MMcf/d Joyce, 60 MMcf/d Oahu, 250 MMcf/d Wildcat, 200 MMcf/d Johnson, 250 MMcf/d Hopson and 250 MMcf/d Pembrook plants in the Permian Basin; the 150 MMcf/d Hickory Hills Plant in Arkoma; and the 200 MMcf/d Little Missouri 4 Plant in the Bakken

Business Mix, Diversity and Fee-Based Margin

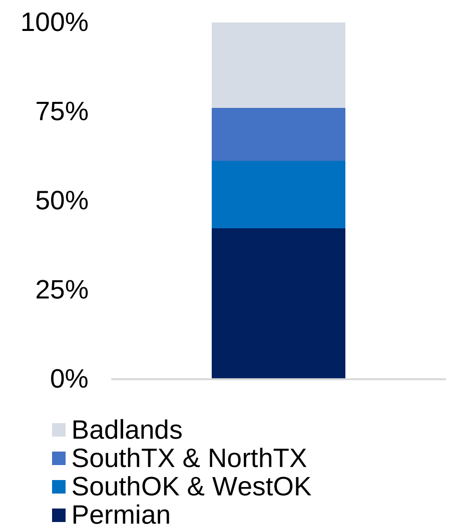
Business Mix – Segment Operating Margin[1]

Downstream Operating Margin Q3 2018[1]





Field Gathering & Processing Operating Margin Q3 2018[1]



2018 Operational and Financial Expectations

- **Record Adjusted EBITDA of $358 million in 3Q18; expect to exceed the top end of previously disclosed full year 2018 guidance range, with full year dividend coverage expected to be > 1.0x**
- **Solid operational performance year-to-date 2018 provides positive momentum for 2019 in both G&P and Downstream segments**
  - New Permian plants completed during 2018 have added 710 MMcf/d of incremental processing capacity across the Midland and Delaware Basins (Joyce, Oahu, Wildcat, Johnson plants); Hickory Hills Plant added 150 MMcf/d at SouthOK in early 4Q2018
  - Increase in fractionation volumes is expected to continue to track growth in Permian G&P

(1) Based on Q3 2018 operating margin
(2) Other includes Domestic NGL Marketing (Wholesale Propane, Refinery Services, Commercial Transportation), Gas Marketing & Petroleum Logistics

Operational Performance – G&P Segment

3Q18 Highlights:

Field G&P Natural Gas Inlet

- ~6% sequential increase in Permian volumes
- ~5% sequential increase in Badlands volumes
- ~3% sequential increase in combined SouthOK and WestOK volumes
- ~12% sequential decrease in SouthTX volumes due to the negative impact of flooding from extreme rainfall in South Texas; volumes have since returned to pre-flooding levels

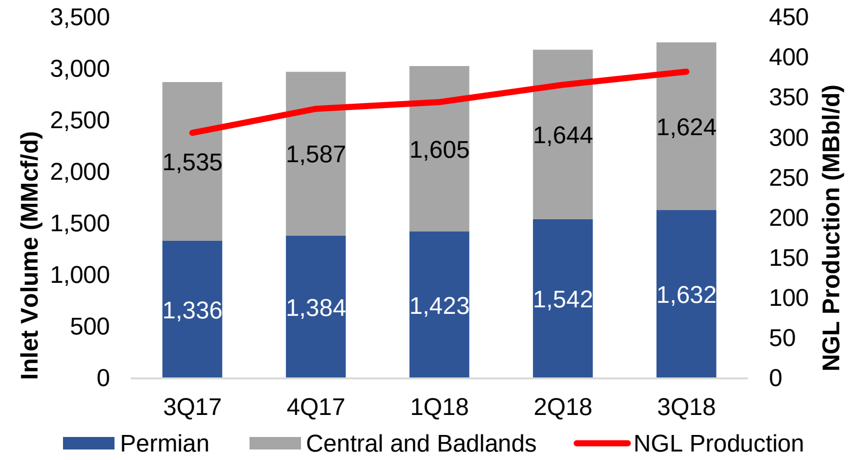
Coastal G&P Natural Gas Inlet

- ~18% sequential increase in Coastal volumes

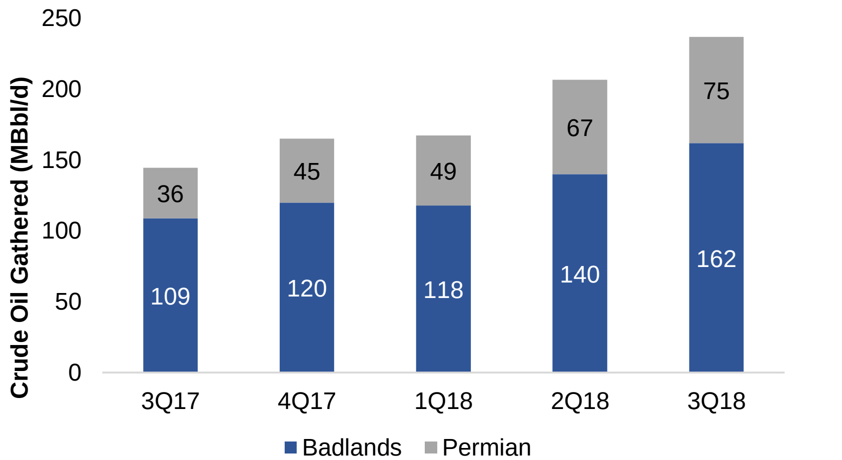
Crude Oil Gathered

- ~15% sequential increase in total crude gathered volumes

Field G&P Natural Gas Inlet Volumes and NGL Production



Crude Oil Gathered Volumes



Operational Performance – Downstream Segment

3Q18 Highlights:

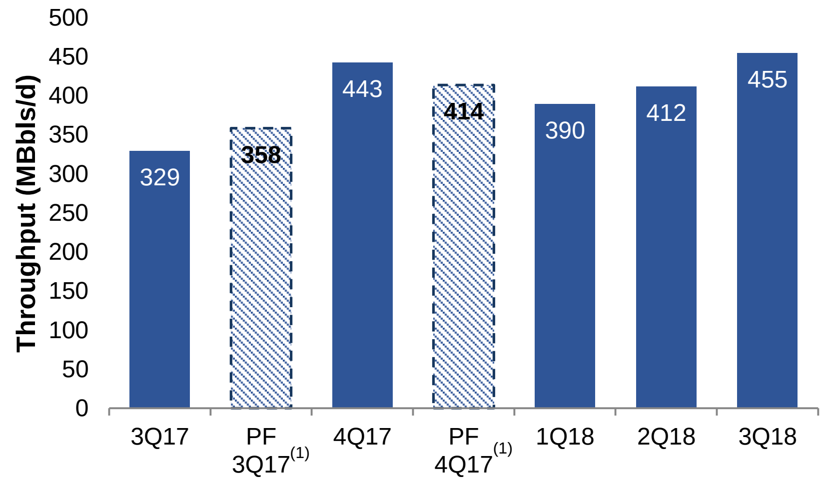
Fractionation

- ~10% sequential increase in fractionation volumes reflects growth in Permian G&P volumes

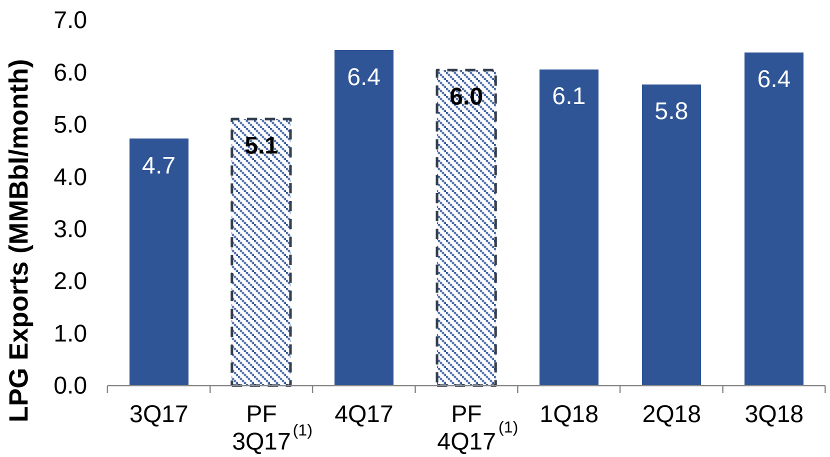
LPG Exports

- ~10% sequential increase in LPG export volumes due to increasing supply and strong demand

Targa Fractionation Volumes



Galena Park LPG Export Volumes



(1) *Volumes represent pro forma quarterly figures adjusted to reverse the shift of volumes into 4Q from 3Q due to temporary operational issues related to Hurricane Harvey*

Segment Financial Performance

<u>Q3 2018 vs. Q3 2017 Variances</u>

Gathering & Processing segment operating margin increased $57.0 million

+ Higher Permian volumes
+ Higher Badlands, SouthOK, SouthTX and Coastal volumes
+ Higher NGL recoveries
+ Higher NGL prices
− New assets and system expansions drove higher operating expenses

Downstream segment operating margin increased $57.6 million

+ Higher fractionation volumes
+ Higher LPG export volumes
+ Higher treating, marketing, terminaling and storage
− Higher operating expenses

[Q3 2017 frac supply volume and LPG export volumes were unfavorably impacted by temporary operational issues related to Hurricane Harvey]

Segment Financial Performance

<u>Q3 2018 vs. Q2 2018 Variances</u>

Gathering & Processing segment operating margin increased $13.1 million

- \+ Higher Permian volumes
- \+ Higher Badlands, SouthOK, WestOK and Coastal volumes
- \+ Higher NGL recoveries
- \+ Higher NGL prices
- − Lower SouthTX volumes due to the negative impact of flooding from extreme rainfall in South Texas
- − New assets and system expansions drove higher operating expenses

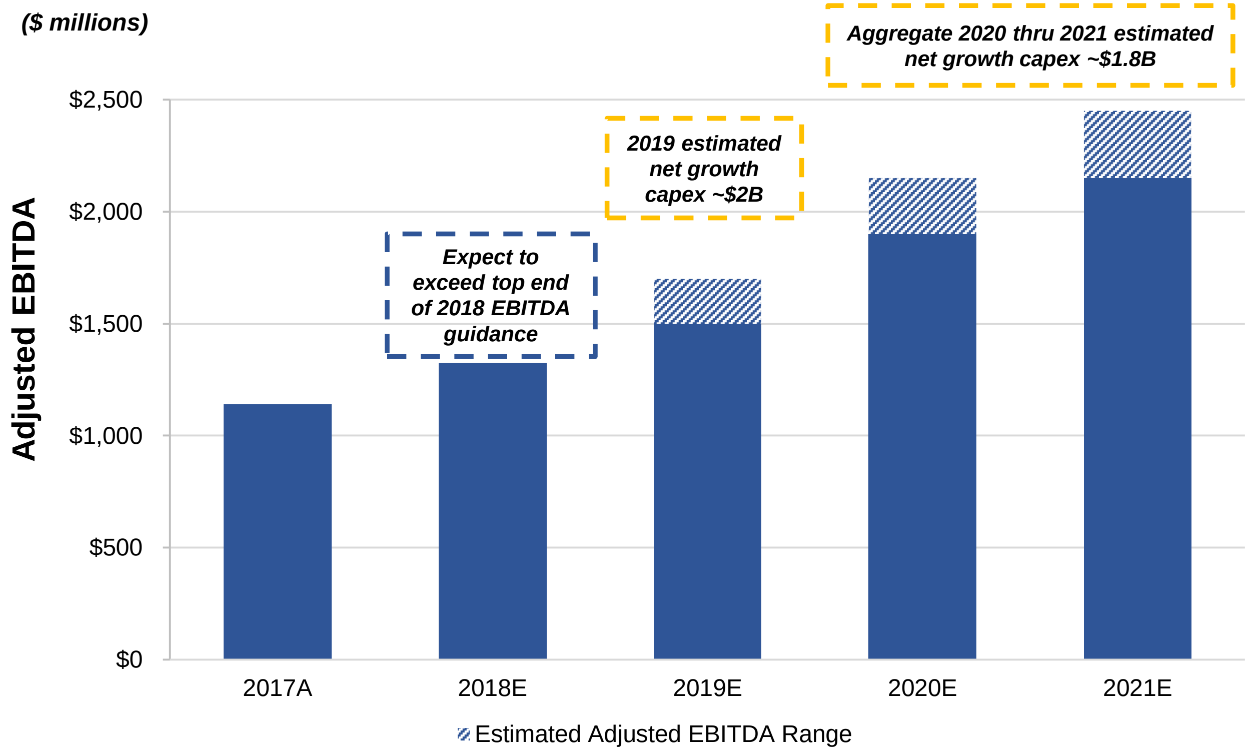
Downstream segment operating margin increased $43.6 million

- \+ Higher fractionation volumes
- \+ Higher LPG export volumes
- − Higher operating expenses

High Visibility to Rapidly Increasing EBITDA

- Given the strength of fundamentals across Targa's areas of operation and a portfolio of attractive capital projects currently underway, Targa estimates significant year-over-year EBITDA growth
  - Growth capex generates attractive average 5-7x EBITDA multiples over time at the project level
  - Increasing free cash flow over time given growth capex estimated to decrease significantly after 2019
  - Assumes no LPG export business spot margin over the forecast period or growth wedges from commercial opportunities not yet executed

Announced Projects Drive Significant Accretive Growth(1)(2)(3) (as of November 2018)



Additional EBITDA Growth Opportunities Post 2021E

- + Acquisition of DevCo JV interests
- + Additional G&P expansions
- + Additional fractionation expansions
- + Additional expansion of Grand Prix
- + Additional expansion of LPG export facilities
- + New commercial agreements across G&P and Downstream

(1) *Assumed commodity prices of $60/bbl WTI, $2.75/MMBtu Natural Gas, $0.70/gallon for NGL composite barrel over forecast period*
(2) *Primarily assumes three unannounced incremental Permian plants over forecast period and an additional fractionation train online in mid-2021*
(3) *Estimated Adjusted EBITDA forecast period through 2021E does not consider acquisition of interests in DevCo JVs*

2018 Announced Net Growth Capex

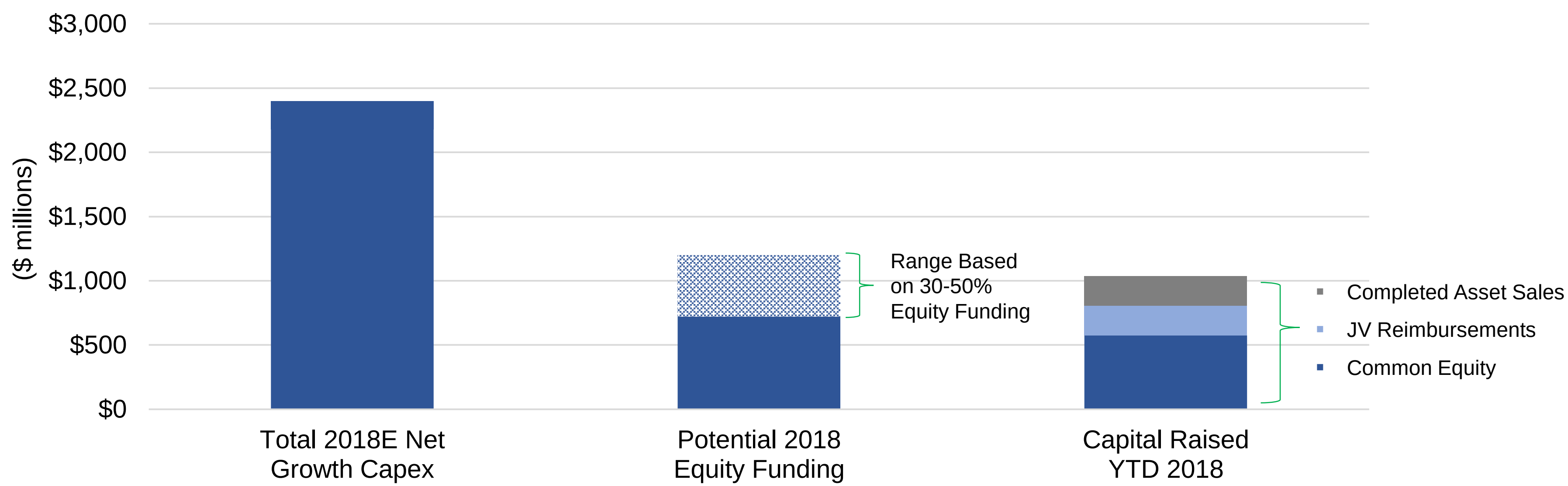
- **2018E net growth capex based on announced projects after DevCo JVs estimated at ~$2.4 billion; ~85% of total G&P capex focused on the Permian; ~80%(1) of total project capex focused on the Permian**

($ in millions)	Location	Total Net Capex	2018E Net Capex	Expected Completion	Primarily Fee-Based
200 MMcf/d WestTX Joyce Plant and Related Infrastructure	Permian - Midland			Q1 2018	
200 MMcf/d WestTX Johnson Plant and Related Infrastructure	Permian - Midland			Q3 2018	
250 MMcf/d WestTX Hopson Plant and Related Infrastructure	Permian - Midland			Q1 2019	
250 MMcf/d WestTX Pembrook Plant and Related Infrastructure	Permian - Midland			Q2 2019	
Additional Permian Midland Gas and Crude Gathering Infrastructure	Permian - Midland			2018	
Total Permian - Midland	**Permian - Midland**	**$825**	**$495**		
60 MMcf/d Oahu Plant and Related Infrastructure	Permian - Delaware			Q2 2018	✓
250 MMcf/d Wildcat Plant and Related Infrastructure	Permian - Delaware			Q2 2018	✓
250 MMcf/d Falcon Plant and Related Infrastructure	Permian - Delaware			Q4 2019	✓
250 MMcf/d Peregrine Plant and Related Infrastructure	Permian - Delaware			Q2 2020	✓
High Pressure Rich Gas Gathering Pipelines	Permian - Delaware			2018/2019	✓
Additional Permian Delaware Gas and Crude Gathering Infrastructure	Permian - Delaware			2018	✓
Total Permian - Delaware	**Permian - Delaware**	**$830**	**$405**		✓
Grand Total Permian	**Permian**	**$1,655**	**$900**		
150 MMcf/d Hickory Hills Plant and Related Infrastructure	Arkoma Woodford			Q4 2018	✓
Other Central Additional Gas Gathering Infrastructure	Central			2018	✓
Total Central	**Eagle Ford, STACK, SCOOP**	**$100**	**$100**		✓
200 MMcf/d Little Missouri 4 Plant and Related Infrastructure	Bakken			Q2 2019	✓
Additional Bakken Gas and Crude Gathering Infrastructure	Bakken			2018	✓
Total Badlands	**Bakken**	**$175**	**$165**		✓
Total - Gathering and Processing		**$1,930**	**$1,165**		✓
Crude and Condensate Splitter	Channelview			Q4 2018	✓
Downstream Other Identified Spending	Mont Belvieu			2018	✓
Grand Prix NGL Pipeline	Permian Basin to Mont Belvieu			Q2 2019	✓
Fractionation Train 6 and Other Frac Related Infrastructure(2)	Mont Belvieu			Early Q2 2019	✓
Fractionation Train 7 & 8 and Other Frac Related Infrastructure	Mont Belvieu			Q1 & Q2 2020	✓
Gulf Coast Express Pipeline	Permian to Agua Dulce			Q4 2019	✓
Total - Downstream		**$2,350**	**$1,235**		✓
Total Net Growth Capex		**$4,280**	**$2,400**		✓

Note: Represents capex based on Targa's effective ownership interest
(1) Grand Prix (excluding the extension into Oklahoma) and fractionation expansions considered Permian focused growth capex
(2) Includes brine, storage and other frac related infrastructure, which will be funded and owned 100% by Targa

Financing Overview

- **$1 billion raised YTD 2018 from successful multi-faceted financing strategy**
  - DevCo JVs announced in February 2018 reimbursed Targa for ~$190 million of capital already spent, and Stonepeak to fund ~$360 million of projects during 2018
  - Closed on the sale of inland marine barge business in May 2018 for ~$70 million; closed on the sale of certain terminals in the Downstream Petroleum Logistics business in October 2018 for ~$160 million
  - Raised ~$572 million in common equity YTD under Targa's ATM program
  - Issued ~$1 billion of senior notes due 2026 at attractive rates in April 2018
- **Looking forward to 2019, Targa will continue to utilize multi-faceted approach (plus benefit from increasing EBITDA) to fund growth capital program and manage leverage**
  - Currently evaluating potential sale of a minority interest in the Badlands that may provide a meaningful portion of 2019 funding



Appendix

Non-GAAP Reconciliations
Estimated 2019, 2020 and 2021 Adjusted EBITDA[1]

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

Reconciliation of net income (loss) attributable to TRC to Adjusted EBITDA	**Year Ended December 31,**		
	2019	**2020**	**2021**
		(In millions)	
Net income (loss) attributable to TRC	$ 274.0	$ 634.0	$ 859.0
Income attributable to TRP preferred limited partners	11.3	11.3	11.3
Interest expense, net	350.0	425.0	450.0
Income tax expense (benefit)	0.0	0.0	0.0
Depreciation and amortization expense	925.0	950.0	975.0
(Earnings) loss from unconsolidated affiliates	(30.0)	(90.0)	(90.0)
Distributions from unconsolidated affiliates and preferred partner interests, net	50.0	85.0	85.0
Compensation on TRP equity grants	60.0	60.0	60.0
Noncontrolling interest adjustment	(40.3)	(50.3)	(50.3)
TRC Adjusted EBITDA	**$ 1,600.0**	**$ 2,025.0**	**$ 2,300.0**

(1) *Estimated Adjusted EBITDA outlook as updated November 2018*

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