Targa Resources Corp.

Fourth Quarter 2018 Earnings & 2019 Guidance Supplement

February 20, 2019

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.

2018 Execution Highlights

Operational

✓ **Strong operational and financial performance**

- Permian G&P full-year average inlet volumes increased ~24% over 2017
- Total Field G&P full-year average inlet volumes increased ~17% over 2017
- Mont Belvieu full-year average fractionation volumes increased ~20% over 2017
- Record full-year Adjusted EBITDA increased ~20% over 2017

Commercial & Projects

✓ **Solid commercial and project execution**

- Added ~860 MMcf/d incremental natural gas processing capacity
- Announced Delaware Basin G&P expansions supported by long-term, fee-based agreements with a large investment grade energy company and for downstream transportation, fractionation and other related services
- Announced and began construction on another 1.2 Bcf/d incremental natural gas processing additions
- Announced and began construction on the Grand Prix extension into southern Oklahoma
- Announced two new incremental 110 MBbl/d fractionation trains connected to our Mont Belvieu complex

Financial

✓ **Successful execution of financing plan**

- Raised ~$1.1 billion of capital in 2018 through a combination of joint ventures, asset sales and common equity issuances under our ATM program
- Issued $1.0 billion of senior notes due 2026 in April 2018 and issued an aggregate $1.5 billion of senior notes due 2027 and 2029 in January 2019, at attractive rates

Strategic Outlook

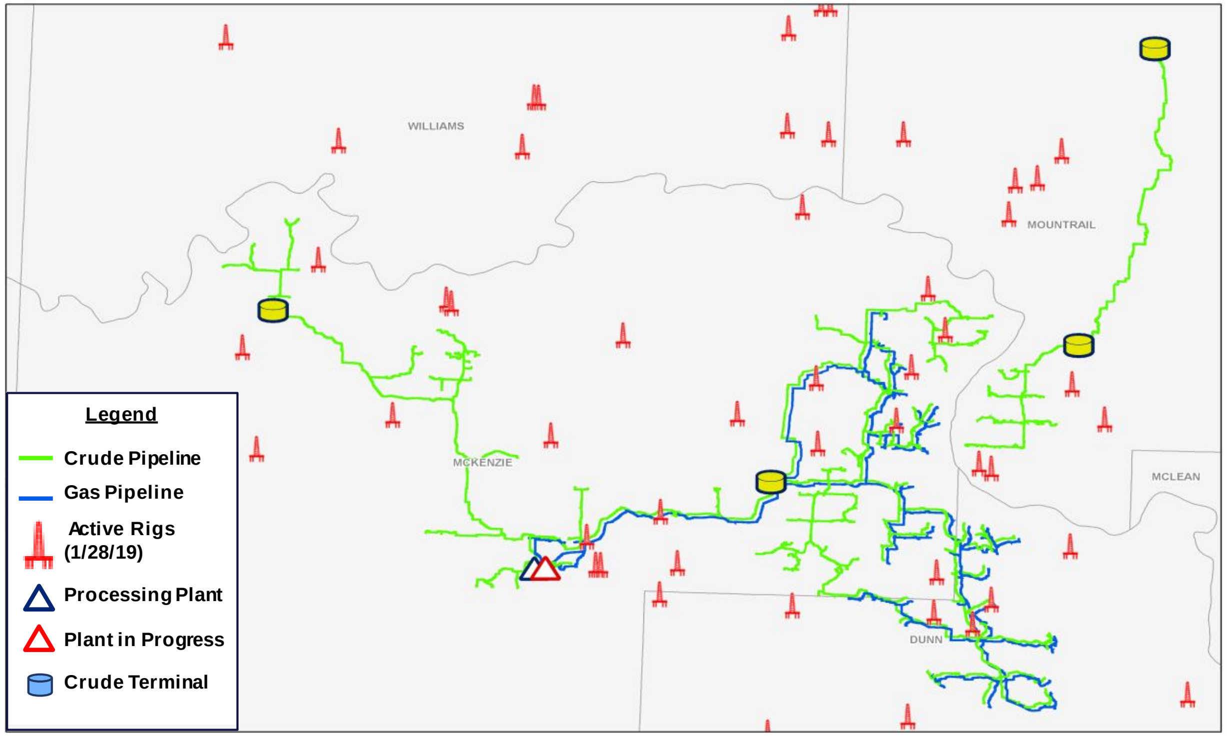
- **2019 is a pivotal year for Targa as a substantial portion of its growth capital program underway comes online in the very near-term**
  - 500 million cubic feet per day (MMcf/d) of incremental processing expansions in the Permian and 200 MMcf/d in the Bakken, which are both expected to begin operations by the end of Q2 2019
  - Targa's Train 6 fractionator in Mont Belvieu to begin operations in Q2 2019
  - Targa's Grand Prix NGL Pipeline to be fully operational in Q3 2019 and will integrate Targa's G&P positions in the Permian, North Texas and southern Oklahoma with its downstream assets in Mont Belvieu and Galena Park
- **Continue to identify attractive opportunities to leverage existing assets**
  - Recently announced the low-cost extension of Grand Prix into central Oklahoma
  - Strategic commercial arrangement that is supported by significant long-term transportation and fractionation volume dedications and commitments from Williams
  - Grand Prix will interconnect to Williams' Bluestem Pipeline in Kingfisher County, Oklahoma, opening up additional access to the Conway NGL market while also accessing volumes from the Rockies and DJ Basin
- **Manage the balance sheet prudently over the short- and long-term**
  - In February 2019, Targa entered into definitive agreements to sell a 45% interest in Badlands(1) for $1.6 billion
  - 2019 estimated equity needs substantially met
- **Unmatched growth profile among significantly sized energy infrastructure companies**
  - Targa is poised to join a short list of high performing energy infrastructure companies with advantaged attributes such as asset integration, investment grade, and scale
  - Targa to benefit from rapid deleveraging and dividend coverage improvement resulting from its growth projects coming online as well as continued commercial success

(1) Badlands LLC ("Badlands"), the entity that holds all of Targa's assets in North Dakota

Badlands Minority Interest Sale - Transaction Overview

- **In February 2019, Targa entered into definitive agreements to sell a 45% interest in Badlands[1] to funds managed by GSO Capital Partners and Blackstone Tactical Opportunities (collectively "Blackstone") for $1.6 billion**
  - Targa will continue to be the operator and will hold majority governance rights in Badlands; future growth capital to be funded on a pro rata basis
  - Badlands will pay a minimum quarterly distribution to Blackstone and to Targa based on their initial investments, and Blackstone's capital contributions will have a liquidation preference upon a sale of Badlands
  - The transaction is expected to close in the second quarter of 2019 and is subject to customary regulatory approvals and closing conditions

Badlands System Map



- **The Badlands assets and operations are located in the Bakken and Three Forks Shale plays of the Williston Basin and include approximately:**
  - 480 miles of crude oil gathering pipelines and 125 MBbl of operational crude oil storage
  - ~260 miles of natural gas gathering pipelines and the Little Missouri natural gas processing plant with a current gross processing capacity of approximately 90 MMcf/d
  - Badlands owns a 50% interest in the 200 MMcf/d Little Missouri 4 ("LM4") Plant that is anticipated to be completed in the second quarter of 2019

(1) *Badlands LLC ("Badlands"), the entity that holds all of Targa's assets in North Dakota*

Operational Performance – G&P Segment

4Q18 Highlights:

Field G&P Natural Gas Inlet

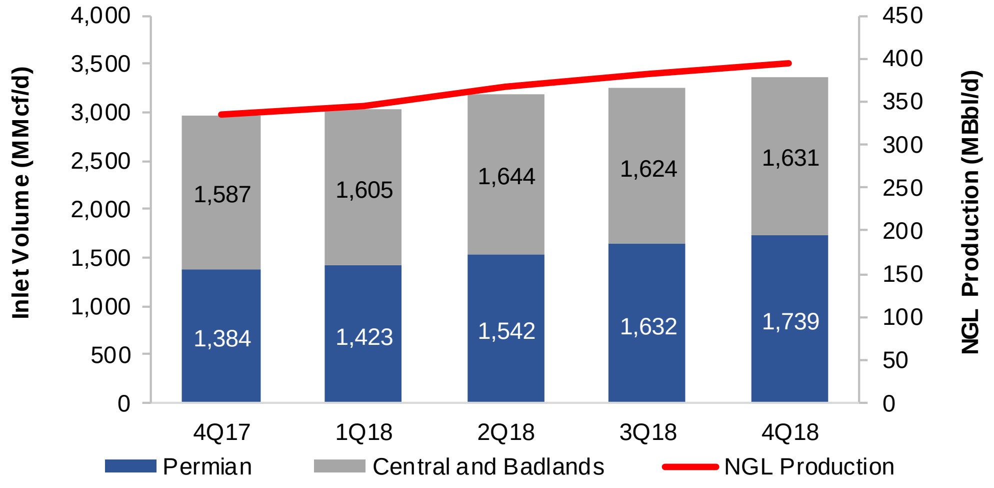
- ~7% sequential increase in Permian volumes
- Badlands facility continues to operate at capacity awaiting new LM4 Plant currently under construction

Crude Oil Gathered

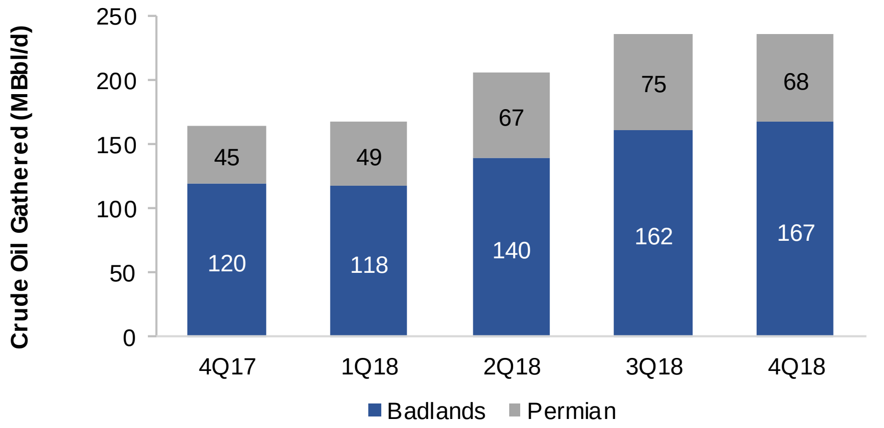
- ~4% sequential increase in Badlands crude oil gathered volumes

- FY 2018 average Permian inlet volumes increased ~24% over 2017
- FY 2018 average Total Field inlet volumes increased ~17% over 2017

Field G&P Natural Gas Inlet Volumes and NGL Production



Crude Oil Gathered Volumes



Operational Performance – Downstream Segment

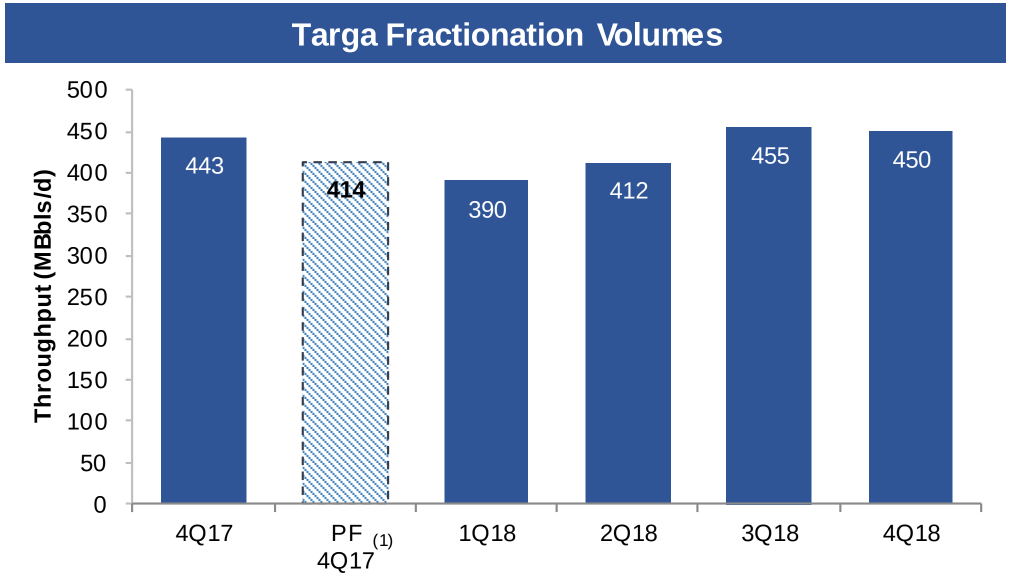
4Q18 Highlights:

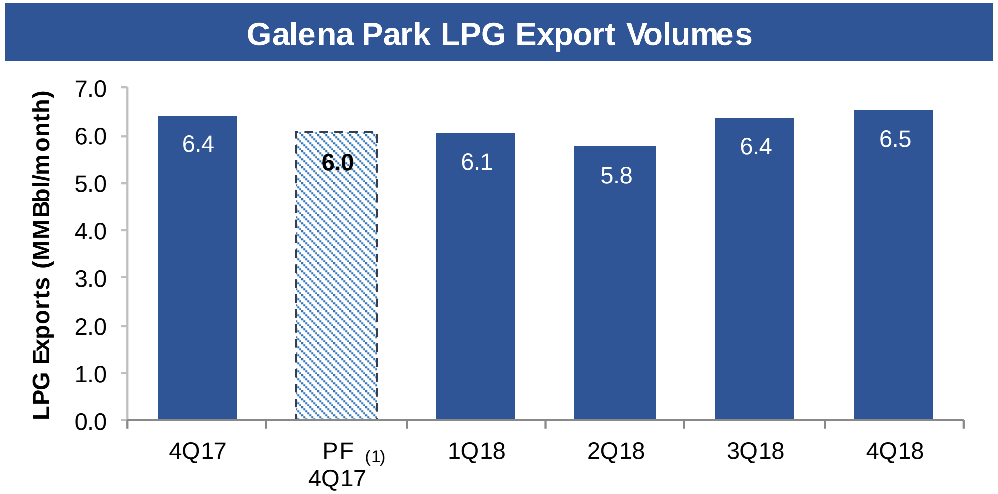
Fractionation

- Fractionation volumes were flat quarter-over-quarter as Mont Belvieu facility continues to remain highly utilized

LPG Exports

- Targa's Galena Park LPG export facility continues to remain highly utilized due to strong demand





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

Segment Financial Performance

Q4 2018 vs. Q4 2017 Variances

Gathering & Processing segment operating margin increased $15.6 million

- \+ Higher Permian volumes
- \+ Higher Badlands, SouthOK and Coastal volumes
- \+ Higher NGL recoveries
- − Lower NGL, condensate and natural gas prices
- − Higher operating expenses associated with new Permian plants

Downstream segment operating margin decreased $2.8 million

- \+ Higher fractionation volumes
- \+ Higher LPG export volumes
- \+ Higher domestic marketing margin
- − Lower marketing gains

Note: Q4 2017 Downstream operating margin benefited from incremental margin associated with temporary operational disruptions related to Hurricane Harvey

Segment Financial Performance

Q4 2018 vs. Q3 2018 Variances

Gathering & Processing segment operating margin decreased $5.3 million

+ Higher Permian volumes
+ Higher Badlands volumes
+ Lower operating expenses, mainly due to lower ad valorem taxes
− Lower NGL, condensate and natural gas prices

Downstream segment operating margin decreased $22.8 million

+ Higher domestic marketing margin
+ Higher LPG export volumes
− Lower marketing gains
− Lower fractionation margin
− Lower terminaling and storage throughput due to sale of certain Petroleum Logistics terminals

2019 Financial and Operational Expectations

2019 Financial and Operational Expectations

($ in millions, unless otherwise noted)	Financial Expectations FY 2019E[1]
Adjusted EBITDA	$1,300 - $1,400
Net Growth Capital Expenditures	$2,300
Net Maintenance Capital Expenditures	$130
Fee-Based Operating Margin (before hedging)	~75%
Segment Operating Margin Mix (G&P/Downstream)	~60% / ~40%

Adjusted EBITDA is expected to ramp in the second half of 2019 as significant growth projects (i.e. Grand Prix) enter service

	Operational Expectations FY 2019E	
Permian G&P Natural Gas Inlet Volumes (MMcf/d)	1,850 - 1,950	~ +20% YoY increase [2]
Total Field G&P Natural Gas Inlet Volumes (MMcf/d)	3,450 - 3,650	~ +10% YoY increase [2]

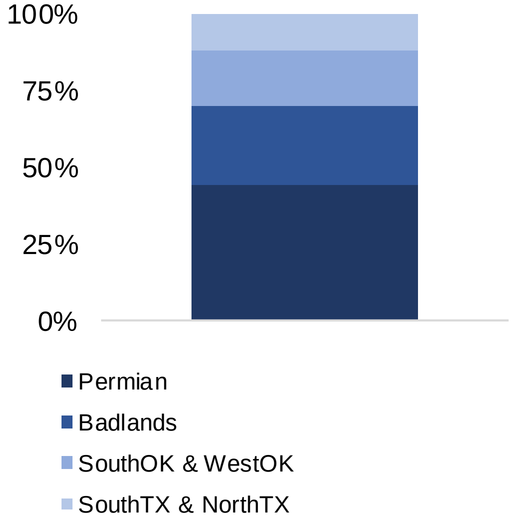
	Commodity Price Outlook FY 2019E
Weighted Average NGL ($/gallon)	$0.60
Henry Hub Natural Gas ($/MMBtu)	$3.00
WTI Crude Oil ($/barrel)	$54.00

Commodity Price Sensitivities ($ in millions)	Adjusted EBITDA Sensitivity FY 2019E
+/- $0.05/gallon NGLs	+/- $20
+/- $0.25/MMBtu Natural Gas	+/- $4
+/- $5/barrel Crude Oil	+/- $3

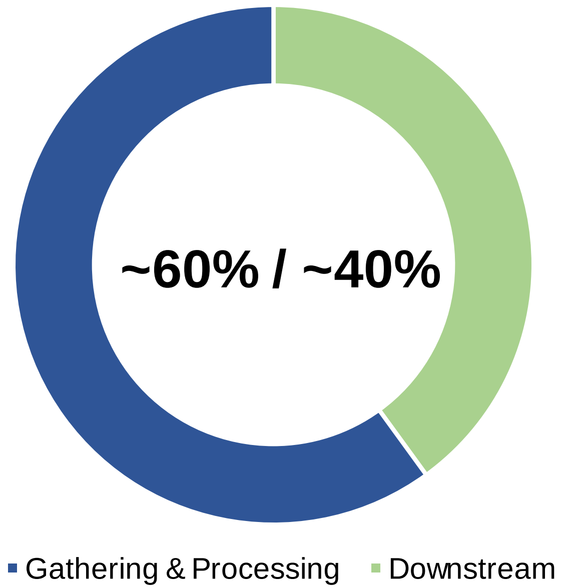
(1) Pro forma for 45% sale in Badlands announced February 19, 2019 and expected to close in 2Q 2019
(2) Year over year increase reflects the midpoint of 2019E guidance range
Refer to Non-GAAP reconciliation in the supplemental section

Business Mix and Hedging Program

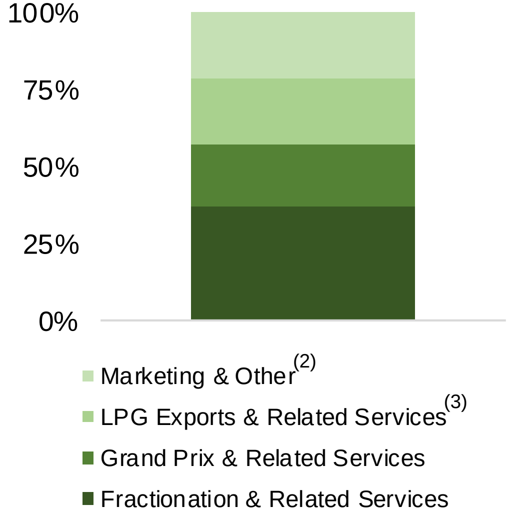
Field Gathering & Processing Operating Margin 2019E[(1)]



Business Mix – Segment Operating Margin[(1)]



Downstream Operating Margin 2019E[(1)]



Hedging Program Further Strengthens Cash Flow Stability

Field G&P Hedging Update[(4)]

2019 Commodity	Volumes Hedged	Wtd. Avg. Hedge Price[(6)]	Exposure Hedged (%)[(5)]	2020 Commodity	Volumes Hedged	Wtd. Avg. Hedge Price[(6)]	Exposure Hedged (%)[(5)]
Natural Gas (MMBtu/d)	147,753	$2.44	~75%	Natural Gas (MMBtu/d)	63,630	$2.15	~35%
NGLs (Bbl/d)	23,339	$0.68	~70%	NGLs (Bbl/d)	13,267	$0.67	~40%
Condensate (Bbl/d)	4,003	$54.10	~75%	Condensate (Bbl/d)	1,980	$60.75	~45%

Commodity Price Sensitivity[(4)]

		2019E Adj. EBITDA Impact
Natural Gas	+/- $0.25/MMBtu	+/- $4 million
NGLs	+/- $0.05/gallon	+/- $20 million
Condensate	+/- $5.00/Bbl	+/- $3 million

(1) Based on forecasted 2019E operating margin
(2) Other includes Domestic NGL Marketing (Wholesale Propane, Refinery Services, Commercial Transportation), Gas Marketing & Petroleum Logistics
(3) 2019E operating margin includes only current contract volumes
(4) Includes hedges executed through January 31, 2019
(5) Based on current equity volumes
(6) Weighted average hedge prices assumes put prices for collars

2019 Announced Net Growth Capex

- **2019E net growth capex based on announced projects estimated at ~$2.3 billion**

($ in millions)	Location	2019E Net Growth Capex	Expected Completion	Primarily Fee-Based
250 MMcf/d WestTX Hopson Plant and Related Infrastructure	Permian - Midland		Early Q2 2019	
250 MMcf/d WestTX Pembrook Plant and Related Infrastructure	Permian - Midland		Q2 2019	
Additional Permian Midland Gas and Crude Gathering Infrastructure	Permian - Midland		2019	
Total Permian - Midland	**Permian - Midland**	**$275**		
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		2019	✓
Additional Permian Delaware Gas and Crude Gathering Infrastructure	Permian - Delaware		2019	✓
Total Permian - Delaware	**Permian - Delaware**	**$540**		✓
Grand Total Permian	**Permian**	**$815**		
Central Additional Gas Gathering Infrastructure	Central		2019	
Total Central	**Eagle Ford, STACK, SCOOP**	**$75**		✓
200 MMcf/d Little Missouri 4 Plant and Related infrastructure	Bakken		Q2 2019	✓
Additional Bakken Gas and Crude Gathering Infrastructure	Bakken		2019	✓
Total Badlands	**Bakken**	**$105**		✓
Total - Gathering and Processing		**$995**		✓
Grand Prix NGL Pipeline	Permian Basin to Mont Belvieu		Q3 2019	✓
Fractionation Train 6 and Other Frac Related Infrastructure(1)	Mont Belvieu		Q2 2019	✓
Fractionation Train 7 & 8 and Other Frac Related Infrastructure(1)	Mont Belvieu		Q1 & Q2 2020	✓
Gulf Coast Express Pipeline	Permian to Agua Dulce		Q4 2019	✓
LPG Export Expansion	Galena Park		Q3 2020	✓
Downstream Other Identified Spending	Mont Belvieu		2019	✓
Total - Downstream		**$1,305**		✓
Net Growth Capex - Announced Projects		**$2,300**		✓

Note: Represents capex based on Targa's effective ownership interest
(1) Includes brine, storage and other frac related infrastructure, which will be funded and owned 100% by Targa

Significant Progress Made YTD on 2019 Financing Plan

- 2019 net growth capex is currently estimated to be ~$2.3 billion, based on announced projects
- Raised $1.6 billion in proceeds from 45% minority interest sale in Badlands
- Over ~$2.5 billion of growth capital projects, that are expected to be highly utilized, coming online by the second half of 2019

✓ **Targa has significant financial flexibility for 2019 with an increasing EBITDA profile, particularly after Grand Prix comes online in the third quarter**

Appendix

Non-GAAP Reconciliations - Estimated 2019 Adjusted EBITDA(1)

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

Reconciliation of estimated net income attributable to TRC to Adjusted EBITDA	Year Ended December 31, 2019
	(In millions)
Net income attributable to TRC	$ 44.0
Income attributable to TRP preferred limited partners	11.3
Interest expense, net	330.0
Income tax expense (benefit)	0.0
Depreciation and amortization expense	925.0
(Earnings) loss from unconsolidated affiliates	(30.0)
Distributions from unconsolidated affiliates and preferred partner interests, net	50.0
Compensation on TRP equity grants	60.0
Noncontrolling interest adjustment	(40.3)
TRC Estimated Adjusted EBITDA	**$ 1,350.0**

(1) Estimated Adjusted EBITDA outlook based on 2019 Financial and Operational Expectations

TARGA

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▶ Visit us at targaresources.com

Contact Information:

Email: InvestorRelations@targaresources.com

Phone: (713) 584-1000

811 Louisiana Street

Suite 2100

Houston, TX 77002