



Second Quarter 2025 Earnings Supplement

August 7, 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, changes in laws and regulations, particularly with regard to taxes, tariffs and international trade, and other uncertainties.

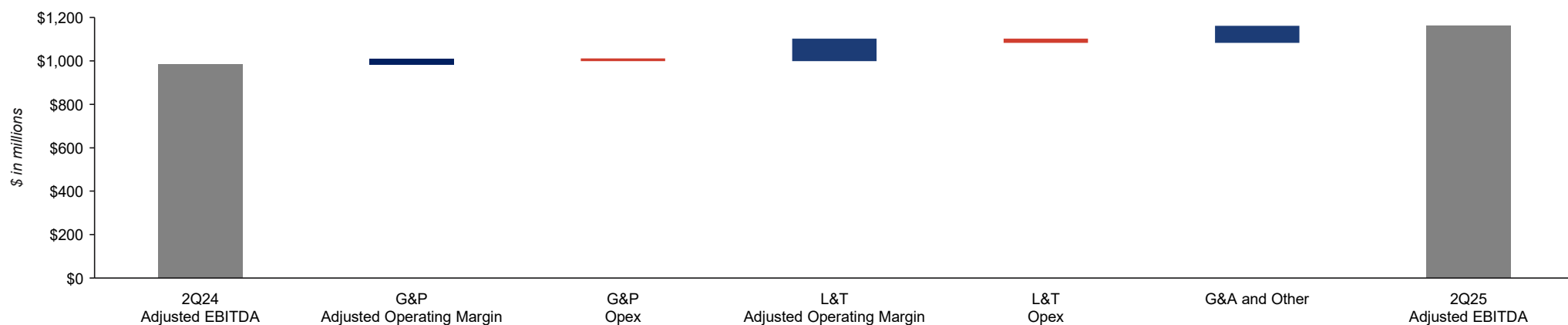
These and other applicable uncertainties, factors and risks are described more fully in the Company’s filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K, and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The 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 – 2Q 2024 vs. 2Q 2025

18% increase in Adjusted EBITDA



G&P segment operating margin increased \$15 million⁽¹⁾

- + Higher Permian inlet volumes
- 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 \$85 million

- + Higher NGL pipeline transportation and fractionation volumes
- + Higher LPG export volumes
- Higher operating expenses associated with the addition of the Daytona Pipeline, fractionation expansions and a planned turnaround at Mont Belvieu



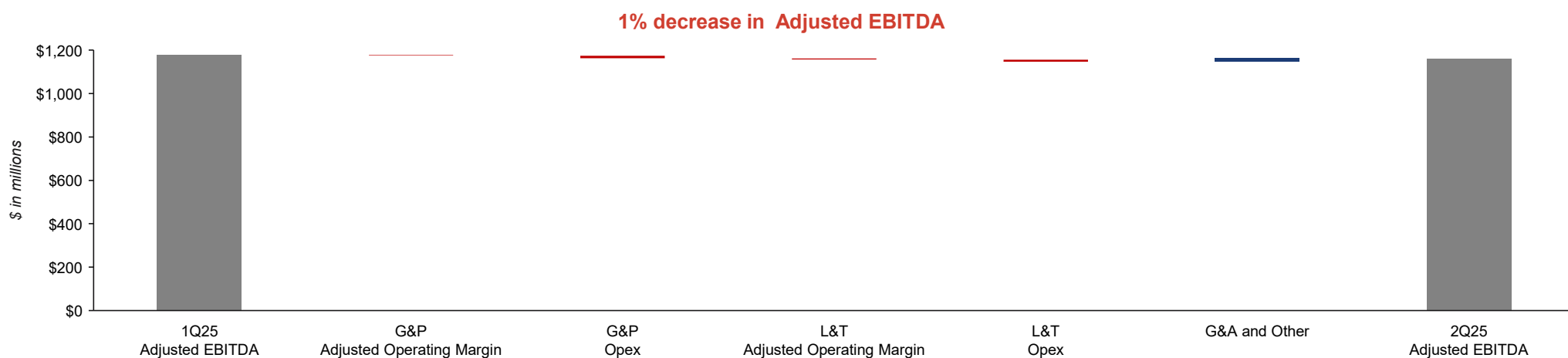
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Q2 2025 EARNINGS SUPPLEMENT PRESENTATION

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. 2Q 2025



G&P segment operating margin decreased \$15 million⁽¹⁾

- Lower commodity prices
- Higher operating expenses associated with increased volumes and multiple new Permian plants in-service
- + Higher Permian volumes

L&T segment operating margin decreased \$14 million

- Lower marketing margin
- Lower fractionation volumes attributable to a planned turnaround at Mont Belvieu facilities
- Higher operating expenses associated with the turnaround
- + Higher NGL transport volumes



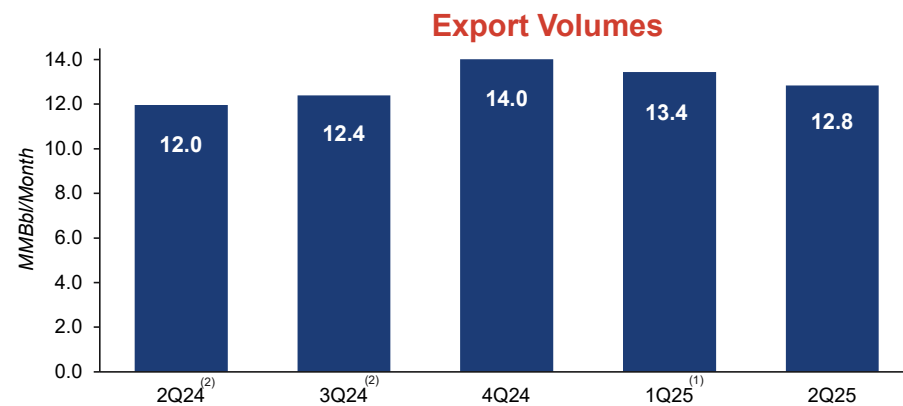
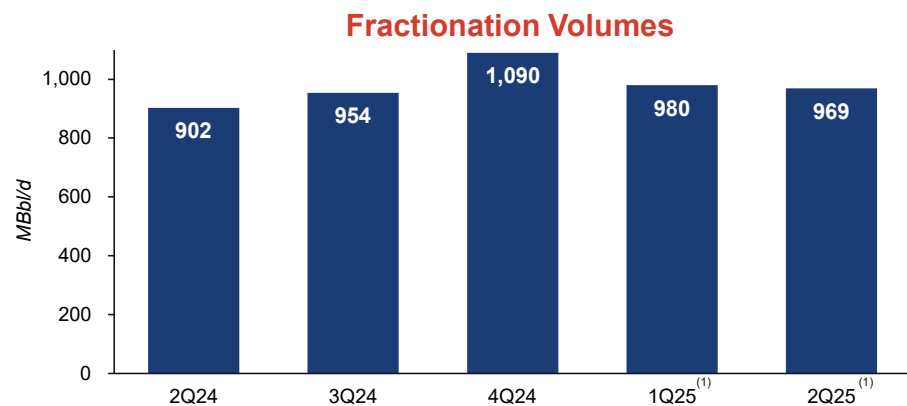
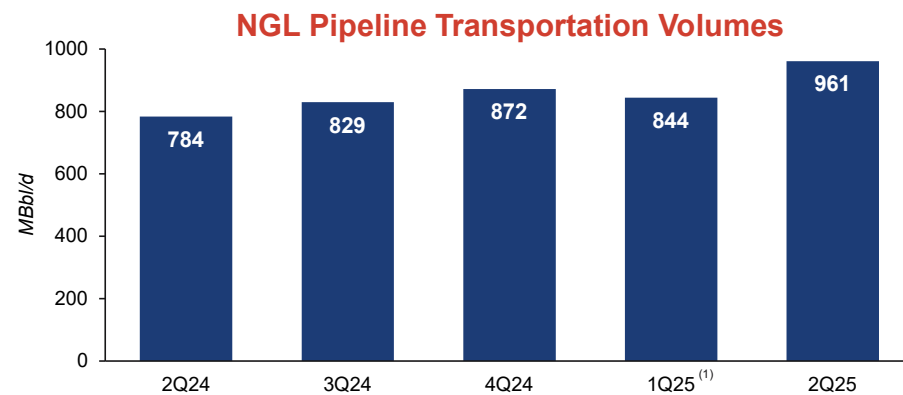
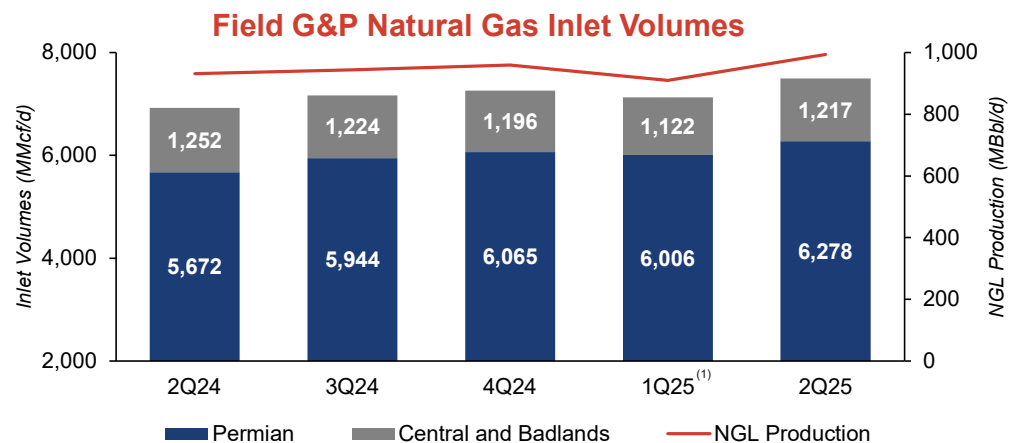
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Operational Performance



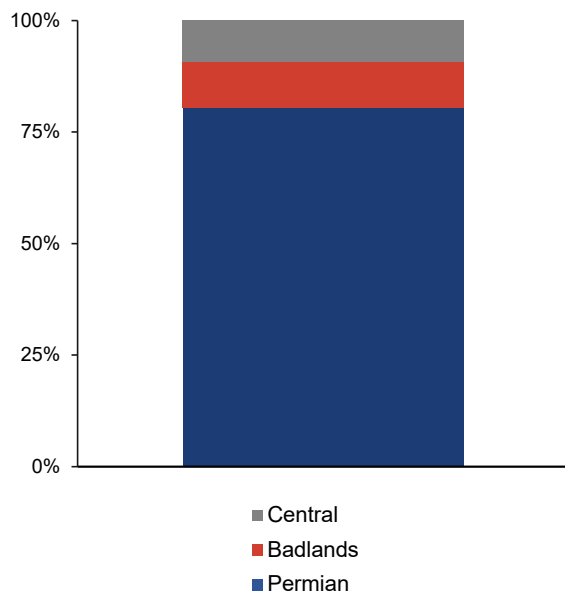
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Q2 2025 EARNINGS SUPPLEMENT PRESENTATION

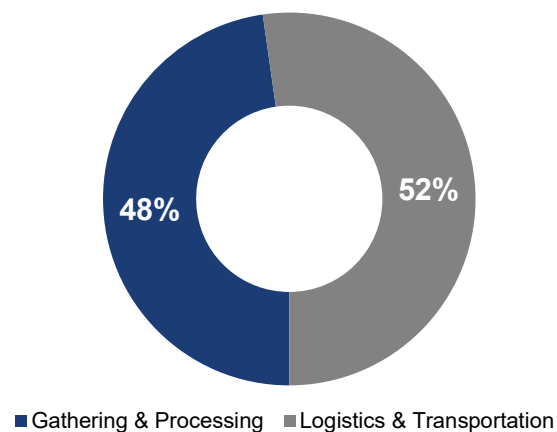
- (1) Targa supply volumes from its G&P systems were negatively impacted by weather events in 1Q25. 1Q25 and 2Q25 fractionation volumes were also impacted by a major planned turnaround at Targa's facilities in Mont Belvieu, TX. LPG export volumes were negatively impacted by weather events in 1Q25.
- (2) Volumes were impacted by a required 10-year inspection that reduced our loading capabilities in 2Q24 and 3Q24.

Business Mix – 2Q 2025

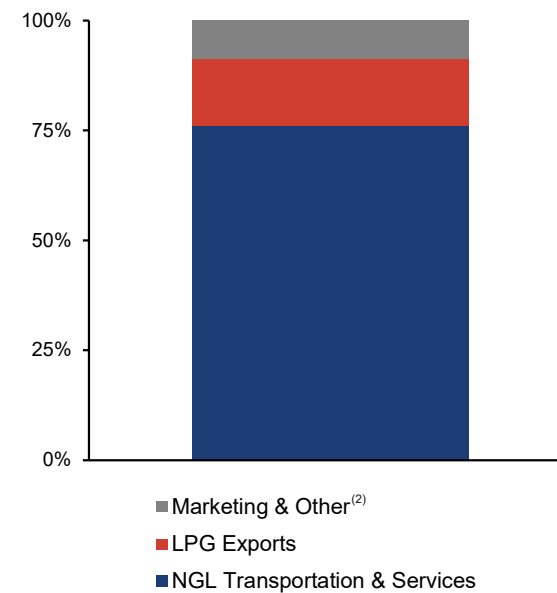
**Field Gathering & Processing
Operating Margin⁽¹⁾**



**Business Mix – Segment
Operating Margin**



**Logistics & Transportation
Operating Margin**



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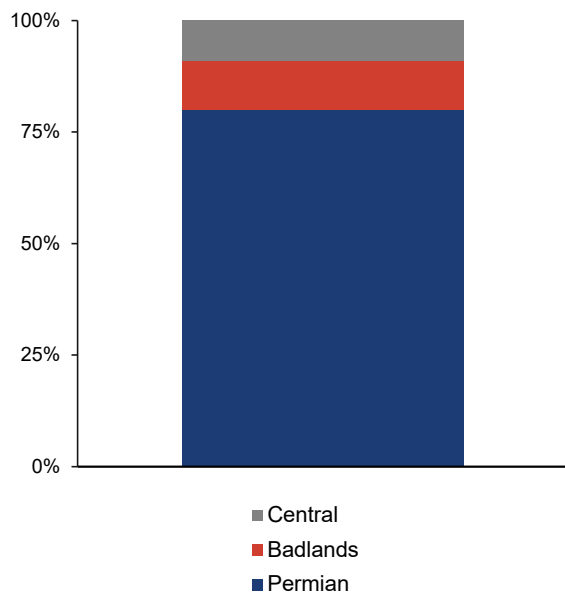
Q2 2025 EARNINGS SUPPLEMENT PRESENTATION

⁽¹⁾ Fully consolidated operating margin and excludes Coastal.

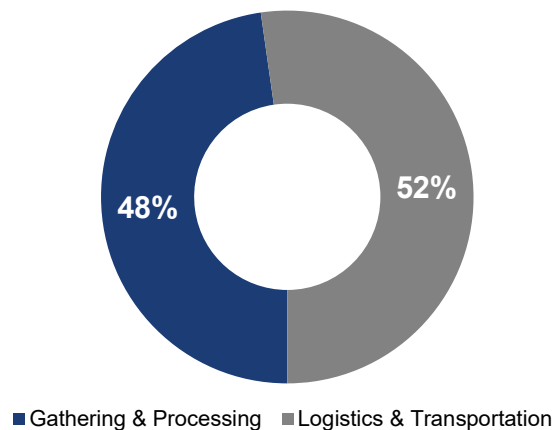
⁽²⁾ Marketing & Other includes Domestic NGL Marketing, Wholesale Propane, Refinery Services, Commercial Transportation, and Gas Marketing.

Business Mix – YTD 2025

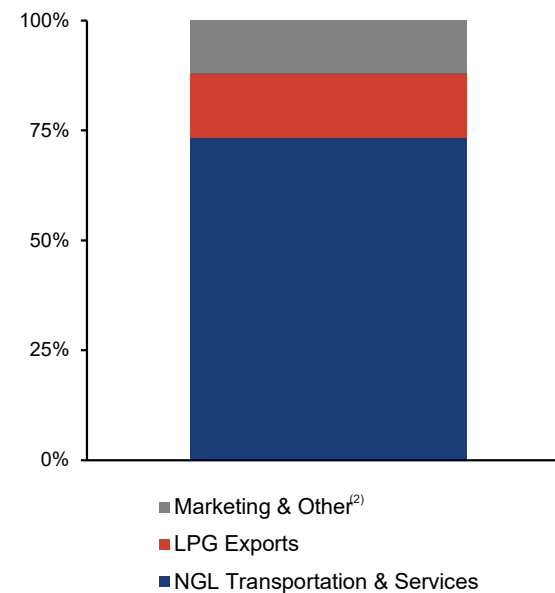
**Field Gathering & Processing
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**Business Mix – Segment
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**Logistics & Transportation
Operating Margin**



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Q2 2025 EARNINGS SUPPLEMENT PRESENTATION

(1)

Fully consolidated operating margin and excludes Coastal.

(2)

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

2025 Financial Outlook

FY25 Adjusted EBITDA estimated to be in a range of \$4.65 to \$4.85B

2025 Estimates	
Adjusted EBITDA	\$4,650 - \$4,850 million
Net Growth Capex	~\$3,000 million
Net Maintenance Capex	~\$250 million

Continued growth in Adjusted EBITDA driven by:

- Record volumes across Targa's Permian footprint
- Record volumes through integrated NGL transport, fractionation and export systems
- Badlands transaction
- Strength and durability of cash flows underpinned by 90%+ fee-based profile

2025 Growth Capital Spending:

- Significant capacity being added across Targa's integrated Permian business to accommodate anticipated multi-year volume growth underpinned by leading Permian producer customers
- Increasing FY25 growth capex estimate with announcement of Bull Run Extension in the Permian Delaware, early completion of several projects and acquiring long-lead items for Targa's next gas processing expansions in the Permian



A photograph of an industrial facility, likely a refinery or chemical plant. The image shows a complex network of large, vertical and horizontal silver pipes. Several blue valves and control panels are visible, along with various smaller pipes and fittings. The scene is brightly lit, suggesting an outdoor or well-lit indoor environment.

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 tax (expense) benefit. 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,		
	June 30, 2025	March 31, 2025 (in millions)	June 30, 2024
Reconciliation of Net income (loss) attributable to Targa Resources Corp. to Adjusted EBITDA			
Net income (loss) attributable to Targa Resources Corp.	\$ 629.1	\$ 270.5	\$ 298.5
Interest (income) expense, net	218.4	197.1	176.0
Income tax expense (benefit)	184.1	72.2	94.3
Depreciation and amortization expense	373.7	367.6	348.6
(Gain) loss on sale or disposition of assets	(0.7)	(0.5)	(0.6)
Write-down of assets	9.6	2.0	0.3
(Gain) loss from financing activities	—	0.6	0.8
Equity (earnings) loss	(5.1)	(5.5)	(2.9)
Distributions from unconsolidated affiliates	6.2	4.9	5.9
Compensation on equity grants	17.1	17.6	15.1
Risk management activities	(280.5)	248.8	46.6
Noncontrolling interests adjustments ⁽¹⁾	2.5	3.2	1.7
Litigation Expense ⁽²⁾	8.6	—	—
Adjusted EBITDA	\$ 1,163.0	\$ 1,178.5	\$ 984.3



Non-GAAP Measures Reconciliation

	June 30, 2025	Three Months Ended, March 31, 2025 (in millions)	June 30, 2024
<i>Gathering and Processing Segment</i>			
Operating margin	\$ 587.6	\$ 602.2	\$ 572.6
Operating expenses	219.4	208.2	205.7
Adjusted operating margin	\$ 807.0	\$ 810.4	\$ 778.3
<i>Logistics and Transportation Segment</i>			
Operating margin	\$ 632.4	\$ 646.7	\$ 547.7
Operating expenses	105.4	95.5	85.4
Adjusted operating margin	\$ 737.8	\$ 742.2	\$ 633.1



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.	\$ 1,830
Interest expense, net	865
Income tax expense	485
Depreciation and amortization expense	1,510
Equity earnings	(22)
Distributions from unconsolidated affiliates	26
Compensation on equity grants	70
Risk management and other	(17)
Noncontrolling interests adjustments ⁽¹⁾	3
Estimated Adjusted EBITDA	\$ 4,750





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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.

