Targa Resources Corp.

Second Quarter 2017
Earnings Supplement
August 3, 2017

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, 2016 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.

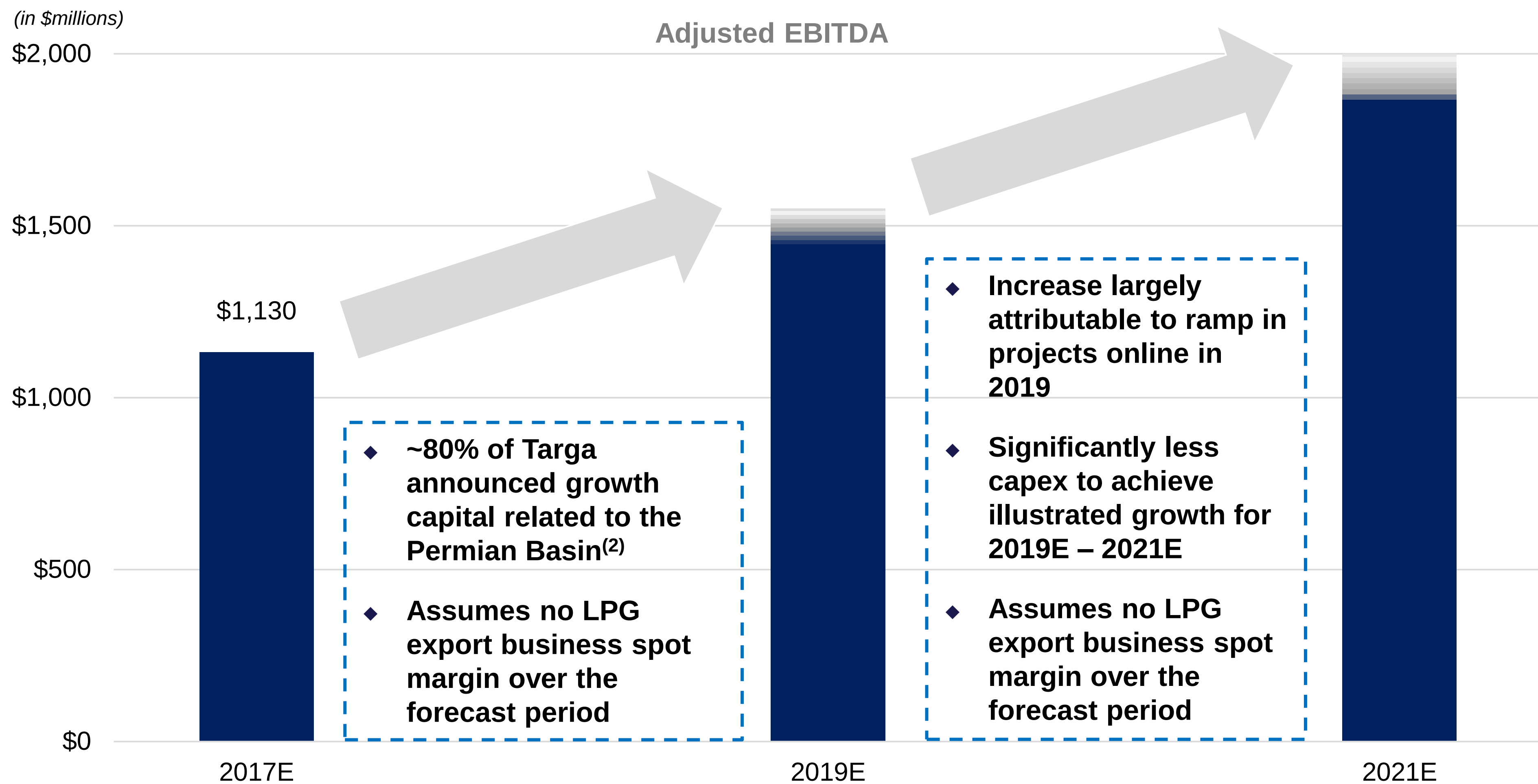
Strategic Update

- **In the first half of 2017, Targa announced some key strategic developments that will be integral to Targa's continued growth into the future:**
    - Acquisition of attractive Delaware and Midland Basin assets – connected asset system across the Permian Basin positioned for now and the future
    - Construction of an additional 450 MMcf/d of natural gas processing capacity in the Permian Basin
    - Announcement of the 300 MBbl/d Grand Prix NGL Pipeline integrating Permian Basin and North Texas gathering and processing positions with the second largest fractionation footprint in Mont Belvieu, TX
- **Attractive projects and system expansions underway drive increasing system volume outlook, translating into increasing EBITDA outlook**
- **Strong balance sheet and liquidity position enhances financial flexibility to execute growth program underway**

Long-Term Financial Outlook

- **Attractive projects and system expansions underway drive increasing system volume outlook, translating into increasing EBITDA outlook**
  - Permian volume growth drives ~85% of expected EBITDA growth over the forecast period
  - No spot margin from the LPG export business included over the forecast period. Spot volumes provide potential upside to EBITDA expectations over the forecast period

Strong Forecasted EBITDA Growth(1)



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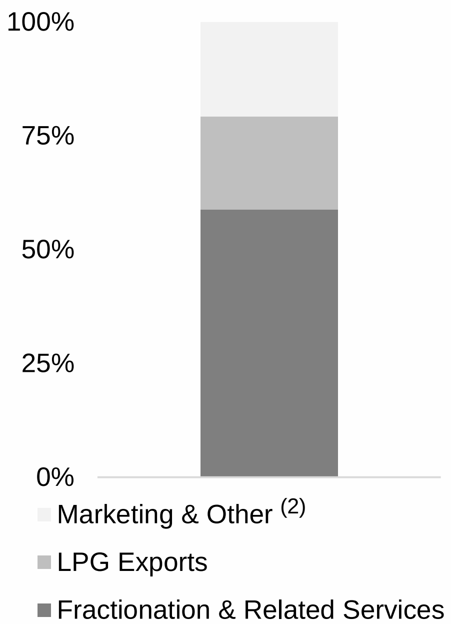
(1) 2017 forecast assumes recent commodity strip prices; for the forecast period 2018E - 2021E, assumes commodity prices of $50.00 per Bbl WTI, $3.00 per MMBtu Natural Gas, and $0.60 per gallon for NGL composite barrel

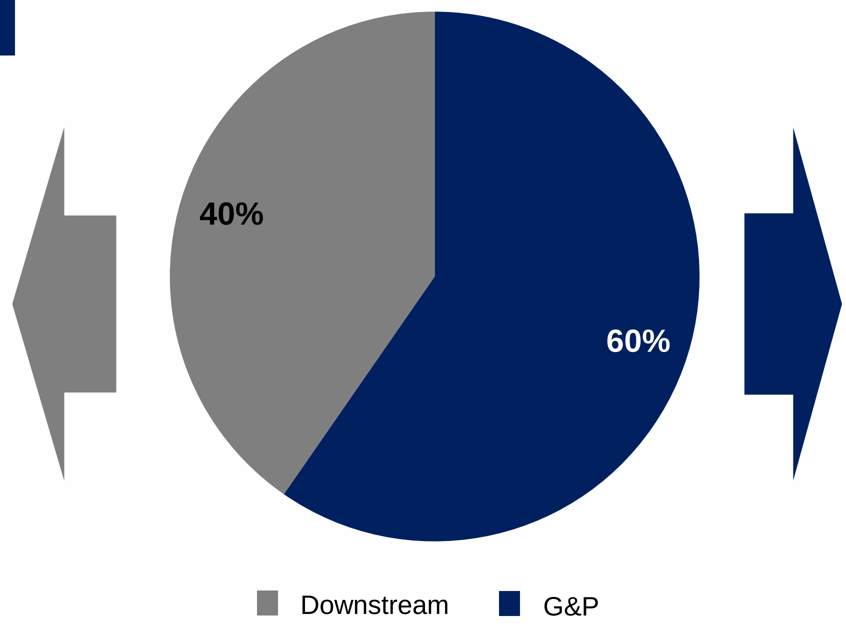
(2) Includes recently announced Grand Prix NGL Pipeline as Permian focused capital

Financial Performance - 2Q 2017

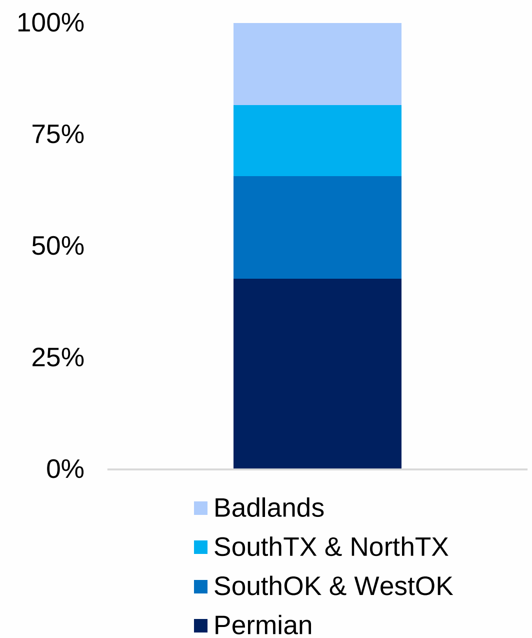
Business Mix – Segment Operating Margin 2Q 2017(1)

Downstream Operating Margin 2Q 2017





Field G&P Operating Margin 2Q 2017(3)



Second Half 2017 Outlook

- **First half 2017 performance as expected; on-track to meet full year 2017 operational and financial expectations as presented in June 2017**
    - Second half 2017 operational expectations provide solid momentum heading into 2018, positioning Targa to achieve its longer-term financial expectations

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(1) Based on 2Q 2017 operating margin
(2) Other includes Domestic Marketing (Wholesale Propane, Refinery Services, Commercial Transportation) and Petroleum Logistics
(3) Excludes operating margin from Coastal and Other

Operational Performance – Gathering & Processing Segment

2Q17 Highlights:

Field G&P Natural Gas Inlet

- 9.5% sequential increase in Permian volumes reflects increasing activity levels and includes full quarter benefit of the 1Q 2017 Permian acquisition
- Commenced operations of the 200 MMcf/d Raptor Plant in SouthTX during 2Q
- Closed on the acquisition of the Flag City assets from Boardwalk (NYSE: BWP)[1] during 2Q; additional gas volumes now flowing to Silver Oak plants in SouthTX
- Sequential increase in SouthOK volumes reflects increasing SCOOP gas supply

Crude Oil Gathered

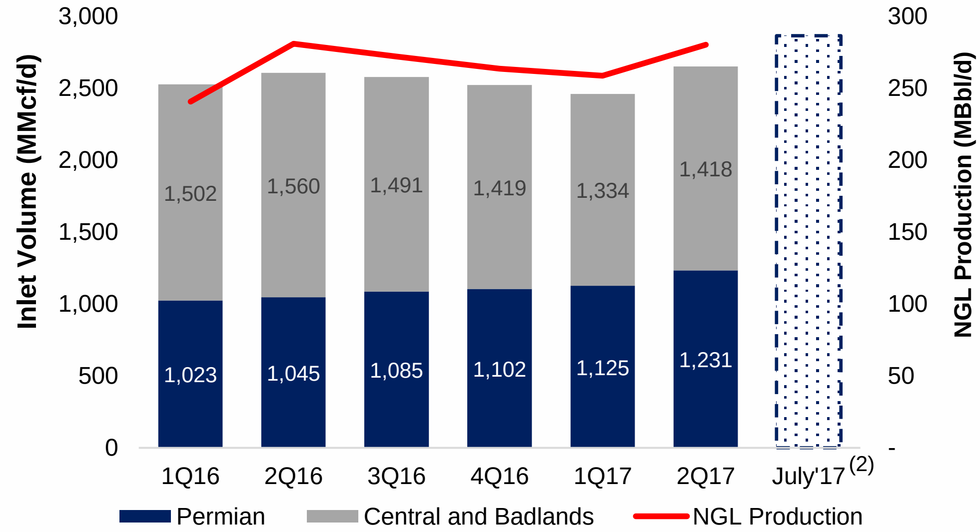
- Increase in Permian volumes includes full quarter benefit of the recent Permian acquisition

2017E Total Field G&P Natural Gas Inlet Volumes on-track to increase ~10% vs. average 2016

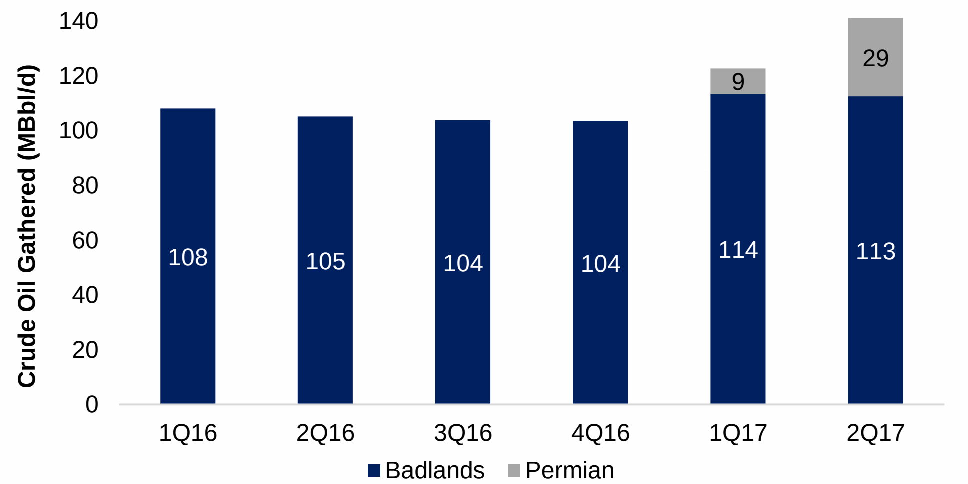
2017E Total Permian Natural Gas Inlet Volumes on-track to increase ~20% vs. average 2016

- *+14% in 1H17 vs 1H16; 2H17E +30% vs. 2H16*
- *July'17 Permian inlet +7%[2] vs. 2Q17 average*

Field G&P Natural Gas Inlet Volumes and NGL Production[3]



Crude Oil Gathered Volumes



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(1) *150 MMcf/d Flag City Plant and other assets will be moved to other Targa locations*
(2) *Represents July Permian inlet volumes as of July 31 versus 2Q17 average*
(3) *As reported; 2016 and Q1 2017 Permian inlet volumes corrected for an offload double counted in prior periods*

Operational Performance – Downstream Segment

2Q17 Highlights:

Fractionation

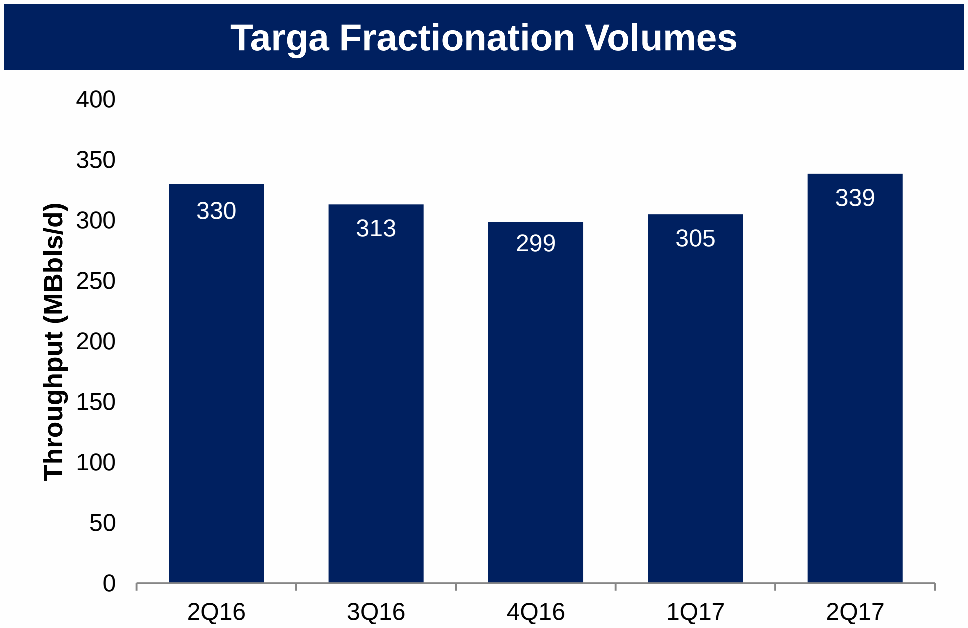
- 11% sequential increase in fractionation volumes reflects growth in Field G&P segment volumes

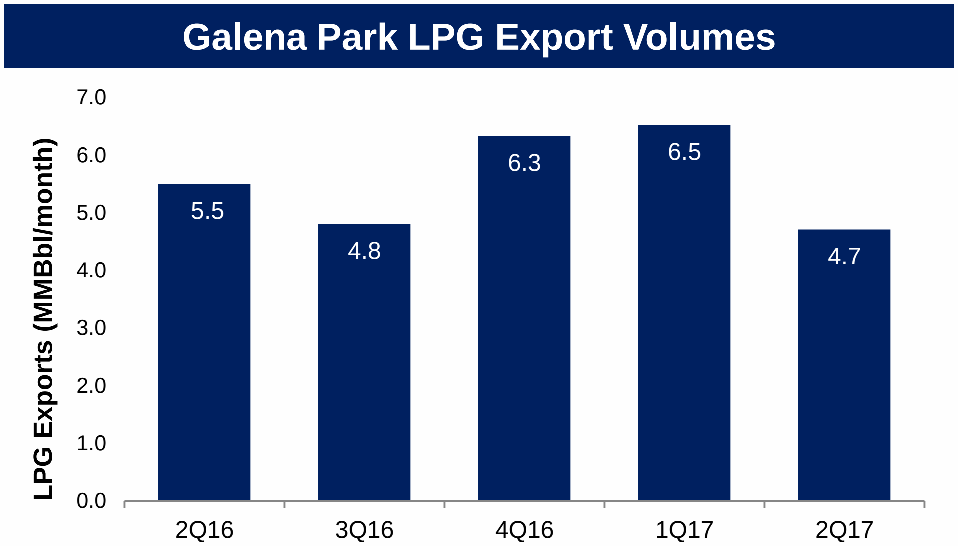
LPG Exports

- Sequential decrease in LPG export volumes due to minimal short-term volumes given global LPG market dynamics
- 4.7 MMBbl/month exported from Galena Park, with incremental margin also received from two cargo cancelations

Marketing and Other

- Domestic Marketing and Commercial Transportation sequentially lower due to seasonality, particularly in the Wholesale Propane business





Operating Segment Performance

2Q 2017 vs. 1Q 2017 Variances

Gathering & Processing segment operating margin decreased $3.9 million

- \+ Higher Permian volumes and the inclusion of the recent Permian acquisition
- \+ Higher Badlands gas gathered volumes
- \+ Higher SouthTX volumes from the recent Flag City acquisition, in addition to ramp-up following 1Q producer shut-ins

More than offset by:

- \- Lower volumes in NorthTX and WestOK
- \- Higher operating expenses primarily driven by inclusion of the recent Permian acquisition, system expansions and the start-up of the Raptor Plant
- \- Lower commodity prices
- \- Lower Coastal volumes

Downstream segment operating margin decreased $17.7 million

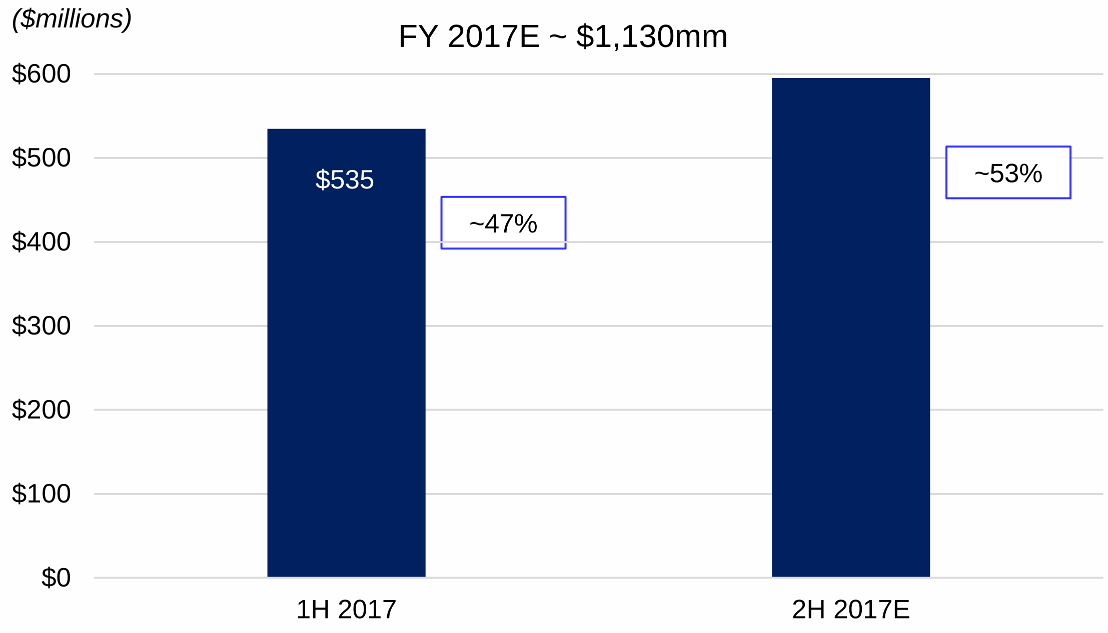
- \+ Higher fractionation volumes attributable to higher supply volume
- \+ Lower operating expenses

More than offset by:

- \- Lower LPG export volumes
- \- Seasonality in Domestic Marketing and Commercial Transportation businesses, particularly in the Wholesale Propane business

Full Year 2017 Expectations

2017E Adjusted EBITDA



2017E Operational and Financial Expectations

2017E Operational and Financial Expectations, as previously dislcosed			
2017E Field G&P Operational Expectations On-Track with Prior Guidance (MMcf/d)	**FY 2017E Average**	**1H 2017 Actual**	**2H 2017E Forecast**
Total Field Natural Gas Inlet Volumes	~+10%	flat	~+20%
Total Permian	~+20%	+14%	~+30%
(average 2017 vs. average 2016)			
2017E Coverage Expectation			
Full Year 2017 Dividend Coverage	~0.95x - 1.0x		

On-Track to Meet Full Year 2017 Expectations

- **2017E Total Field G&P Natural Gas Inlet Volumes on-track to increase ~10% vs. average 2016**
- **2017E Total Permian Natural Gas Inlet Volumes on-track to increase ~20% vs. average 2016**
- **2H 2017E expectations provide solid momentum heading into 2018**

Field G&P:

- **Expect meaningfully higher 2017 exit rate inlet volumes for a number of systems**
- **Permian inlet volume continues to ramp in 2H 2017 and into 2018**

Downstream:

- **Higher overall Field G&P volumes expected to further bolster utilization of Targa fractionators**
- **No additional spot export volumes included in 2H 2017**
- **More upside than downside for LPG export business**

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2017 Announced Net Growth Capex

- **2017 net growth capex now estimated at ~$1.4 billion, based on the announced projects outlined below**
  - ~70% of total G&P capex focused in the Permian; ~80% of total project capex focused in the Permian
  - Includes $330 million to be spent in 2017 on the recently announced Grand Prix NGL Pipeline
  - Includes recently announced gas processing capacity additions to our Permian systems, in both the Delaware Basin and the Midland Basin
  - Expect to spend $410 million on additional gas and crude gathering infrastructure in the Permian
- **Continue to pursue additional attractive growth opportunities**

($ in millions)	Location	Total Project Capex	2017E Capex	Expected Completion	Primarily Fee-Based
200 MMcf/d WestTX Joyce Plant and Related Infrastructure[1]	Permian - Midland	80	65	Q1 2018	
200 MMcf/d WestTX Johnson Plant and Related Infrastructure[1]	Permian - Midland	100	45	Q3 2018	
60 MMcf/d Oahu Plant and Related Infrastructure	Permian - Delaware	50	50	Q4 2017	✓
250 MMcf/d Wildcat Plant and Related Infrastructure	Permian - Delaware	130	80	Q2 2018	✓
Other Permian - Midland Additional Gas and Crude Gathering Infrastructure[1]	Permian - Midland	235	235	2017	
Other Permian - Delaware Additional Gas and Crude Gathering Infrastructure	Permian - Delaware	175	175	2017	✓
Total Permian	**Permian**	**$770**	**$650**		
260 MMcf/d Raptor Plant and Related Infrastructure[1]	Eagle Ford	100	20	2017	✓
Other Central Additional Gas Gathering Infrastructure[1]	Central	65	65	2017	✓
Total Central	**Eagle Ford, STACK, SCOOP**	**$165**	**$85**		
Total Badlands	**Bakken**	**$150**	**$150**	**2017**	✓
Total - Gathering and Processing		**$1,085**	**$885**		
Crude and Condensate Splitter	Channelview	140	70	Q1 2018	✓
Downstream Other Identified Spending	Mont Belvieu	90	90	2017	✓
Grand Prix NGL Pipeline	Permian Basin to Mont Belvieu	1,300	330	Q2 2019	✓
Total - Downstream		**$1,530**	**$490**		✓
Total Net Growth Capex[2]		**$2,615**	**$1,375**		

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(1) Represents net capex based on Targa's effective ownership interest
(2) Does not include March 2017 Permian acquisition and May 2017 Flag City acquisition

Reconciliations

Non-GAAP Measures Reconciliation

This presentation includes the non-GAAP financial measures of Adjusted EBITDA. The presentation provides a reconciliation of this non-GAAP financial measures to its most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Our 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.

Adjusted EBITDA - The Company defines Adjusted EBITDA as net income (loss) available to TRC before: interest; income taxes; depreciation and amortization; impairment of goodwill; gains or losses on debt repurchases, redemptions, amendments, exchanges and early debt extinguishments and asset disposals; risk management activities related to derivative instruments including the cash impact of hedges acquired in the merger with APL (the "APL merger"); non-cash compensation on equity grants; transaction costs related to business acquisitions; the Splitter Agreement adjustment; net income attributable to TRP preferred limited partners; earnings/losses from unconsolidated affiliates net of distributions, distributions from preferred interests, change in contingent consideration and the noncontrolling interest portion of depreciation and amortization expense. Adjusted EBITDA is used as a supplemental financial measure by us and by external users of our financial statements such as investors, commercial banks and others. The economic substance behind our use of Adjusted EBITDA is to measure the ability of our assets to generate cash sufficient to pay interest costs, support our indebtedness and pay dividends to our investors.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measure most directly comparable to Adjusted EBITDA is net income (loss) attributable to TRC. Adjusted EBITDA should not be considered as an alternative to GAAP net income. Adjusted EBITDA has important limitations as an analytical tool. Investors should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income and is defined differently by different companies in our industry, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into its decision-making processes.

Non-GAAP Reconciliations – 2017 Adjusted EBITDA

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	Six Months Ended June 30, 2017 (actual)	Six Months Ended December 31, 2017 (forecast)
	(In millions)	
Net income (loss) attributable to TRC	$ (61.7)	$ 3.9
Income attributable to TRP preferred limited partners	5.6	5.6
Interest expense, net	125.1	110.0
Income tax expense (benefit)	(34.9)	34.9
Depreciation and amortization expense	394.6	395.0
(Gain) loss on sale or disposition of assets	16.2	0.0
(Gain) loss from financing activities	16.5	0.0
(Earnings) loss from unconsolidated affiliates	16.8	6.2
Distributions from unconsolidated affiliates and preferred partner interests, net	10.4	6.3
Change in contingent consideration	1.2	0.0
Compensation on TRP equity grants	21.5	19.5
Transaction costs related to business acquisitions	5.2	0.0
Splitter Agreement(1)	21.5	21.5
Risk management activities	5.2	2.8
Noncontrolling interest adjustment	(8.6)	(10.4)
TRC Adjusted EBITDA	**$ 534.6**	**$ 595.4**

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(1) 2017 net income attributable to TRC does not include contributions from the Condensate Splitter Project, in 2019 and 2021 net income attributable to TRC includes contributions from this project

Non-GAAP Reconciliations – 2017, 2019 and 2021 Adjusted EBITDA

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,**		
	2017	**2019**	**2021**
		(In millions)	
Net income (loss) attributable to TRC	$ (57.8)	$ 304.0	$ 669.0
Income attributable to TRP preferred limited partners	11.3	11.3	11.3
Interest expense, net	235.1	335.0	400.0
Income tax expense (benefit)	0.0	0.0	0.0
Depreciation and amortization expense	789.6	855.0	875.0
(Gain) loss on sale or disposition of assets	16.2	0.0	0.0
(Gain) loss from financing activities	16.5	0.0	0.0
(Earnings) loss from unconsolidated affiliates	23.0	10.0	10.0
Distributions from unconsolidated affiliates and preferred partner interests, net	16.7	14.0	14.0
Change in contingent consideration	1.2	0.0	0.0
Compensation on TRP equity grants	41.0	41.0	41.0
Transaction costs related to business acquisitions	5.2	0.0	0.0
Splitter Agreement[(1)]	43.0	0.0	0.0
Risk management activities	8.0	0.0	0.0
Noncontrolling interest adjustment	(19.0)	(20.3)	(20.3)
TRC Adjusted EBITDA	**$ 1,130.0**	**$ 1,550.0**	**$ 2,000.0**

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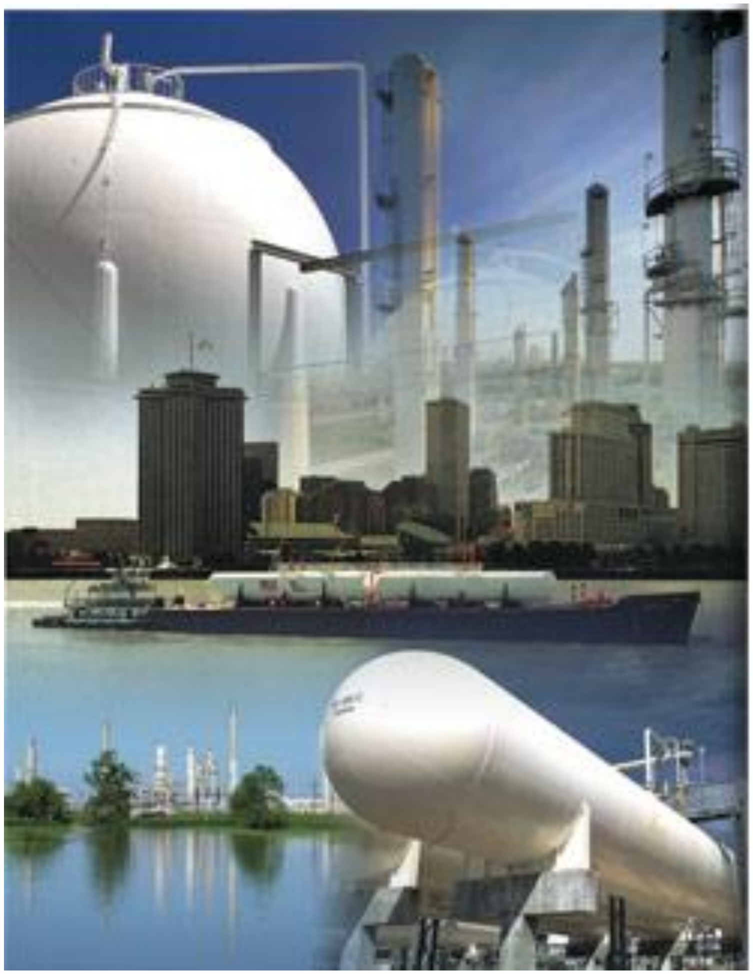

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