Williams® WE MAKE CLEAN ENERGY HAPPEN®

# Williams 1st Quarter 2024 Earnings Call

May 7, 2024

# Strong operational, strategic and financial achievement year-to-date

## KEY HIGHLIGHTS

- Record contracted transmission capacity of 33.9 Bcf/d
- Closed on accretive acquisition of Gulf Coast Storage assets
- Upsized Southeast Supply Enhancement project to ~1.6 Bcf/d

## OPERATIONAL EXECUTION

- Progressed 7 projects through FERC process year-to-date
- Continued progress on projects in execution
  - 10 transmission
  - 5 G&P
  - 5 deepwater
- Emissions Reduction Projects – replacing 112 transmission compressor units through year-end

## FINANCIAL STRENGTH

- Record 1Q Adjusted EBITDA drives expectations to top half of 2024 guidance
- Raised 2024 dividend by 6.1%
- Continued resiliency of base business during price cycles

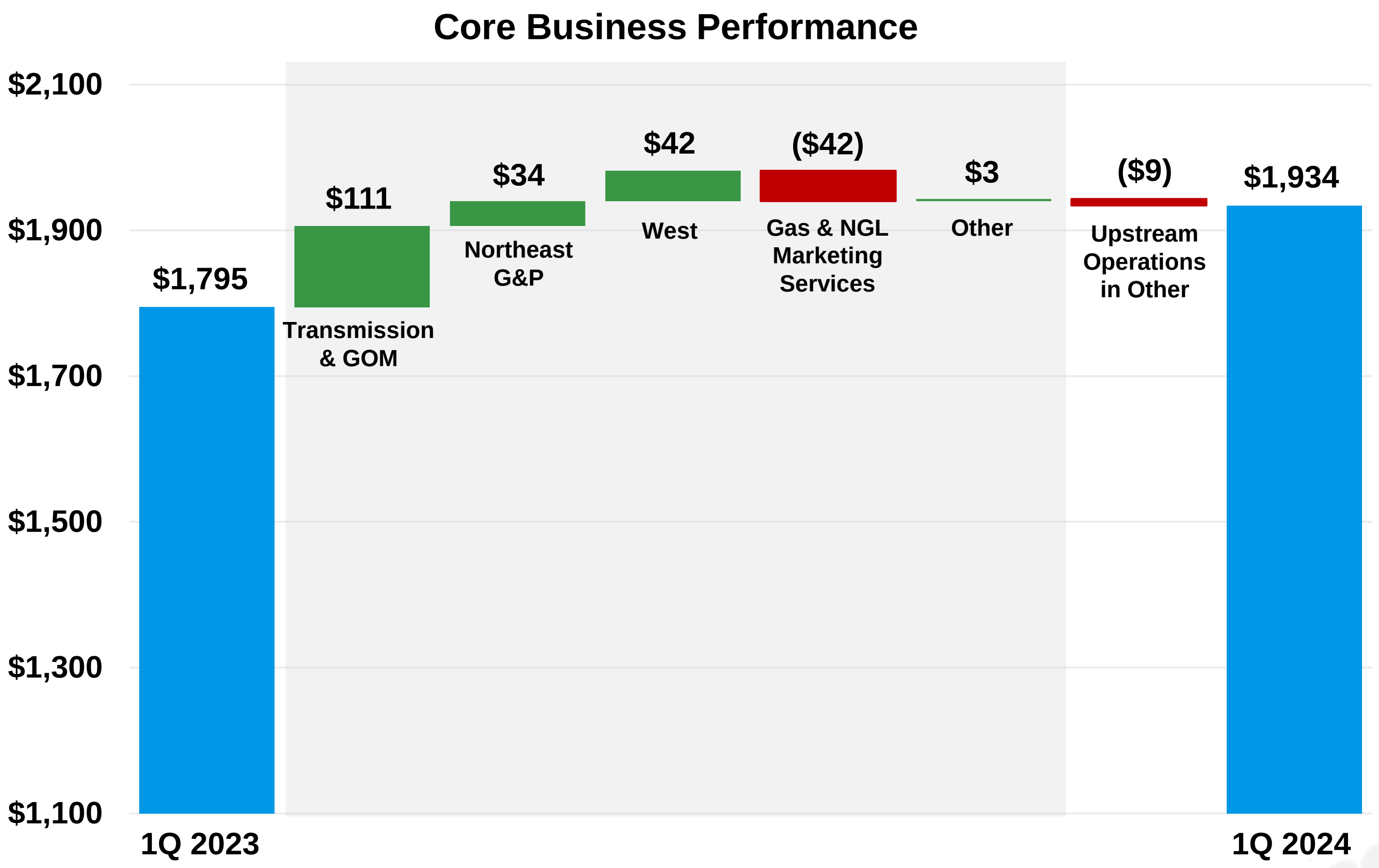
# Strong results across key financial metrics

| Strong Financial Performance Across Key Metrics | 1Q 2024 | 1Q 2023 | Change |
|---|---|---|---|
| Adjusted EBITDA | $1,934 | $1,795 | 8% |
| Adjusted Earnings per Share | $0.59 | $0.56 | 5% |
| Available Funds from Operations | $1,507 | $1,445 | 4% |
| Dividend Coverage Ratio *(AFFO basis)* | 2.60x | 2.65x | (2%) |
| **Balance Sheet Strength and Capital Discipline** | | | |
| Debt-to-Adjusted EBITDA[1] | 3.79x | 3.57x | |
| Capital Investments[2,3] | $563 | $525 | |

[1]Does not represent leverage ratios measured for WMB credit agreement compliance or leverage ratios as calculated by the major credit ratings agencies. Debt is net of cash on hand, and Adjusted EBITDA reflects the sum of the last four quarters. [2]Capital Investments includes increases to property, plant, and equipment (growth & maintenance capital), purchases of and contributions to equity-method investments and purchases of other long-term investments. [3]1Q 2024 capital excludes $1.851 billion for the acquisition of the Gulf Coast Storage assets, which closed 01/03/2024. 1Q 2023 capital excludes $1.056 billion for the acquisition of MountainWest Pipeline Holding company, which closed 02/14/2023. Note: In $ millions except for ratios and per-share amounts. This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest comparable GAAP financial measures is included at the back of this presentation.

# Achieved 8% growth 1Q 2024 vs. 1Q 2023

## WMB Adjusted EBITDA ($MM): 1Q 2024 vs. 1Q 2023




## Core business performance drivers

### Transmission & GOM

Higher earnings due to the Gulf Coast Storage and MountainWest acquisitions, Transco expansions and favorable segment costs; partially offset by Bayou Ethane divestiture and lower Gulf of Mexico earnings due to planned maintenance at our Discovery JV

### Northeast G&P

Increased earnings due to rate adjustments across several franchises; partially offset by lower gathering volumes

### West

Increased earnings driven by DJ Basin acquisitions and absence of 1Q 2023 negative Opal processing margins; partially offset by lower hedge realizations and lower gathering volumes

### Gas & NGL Marketing Services

Lower gas marketing results driven by the absence of 1Q 2023 outsized transportation margins and storage gains

Note: This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest comparable GAAP financial measures is included at the back of this presentation.

# WHY WILLIAMS?

***Williams is a unique investment opportunity***

## Strategy fueled by natural gas

*Our infrastructure is critical to providing reliable, affordable and clean energy to meet growing demand both domestically and abroad.*

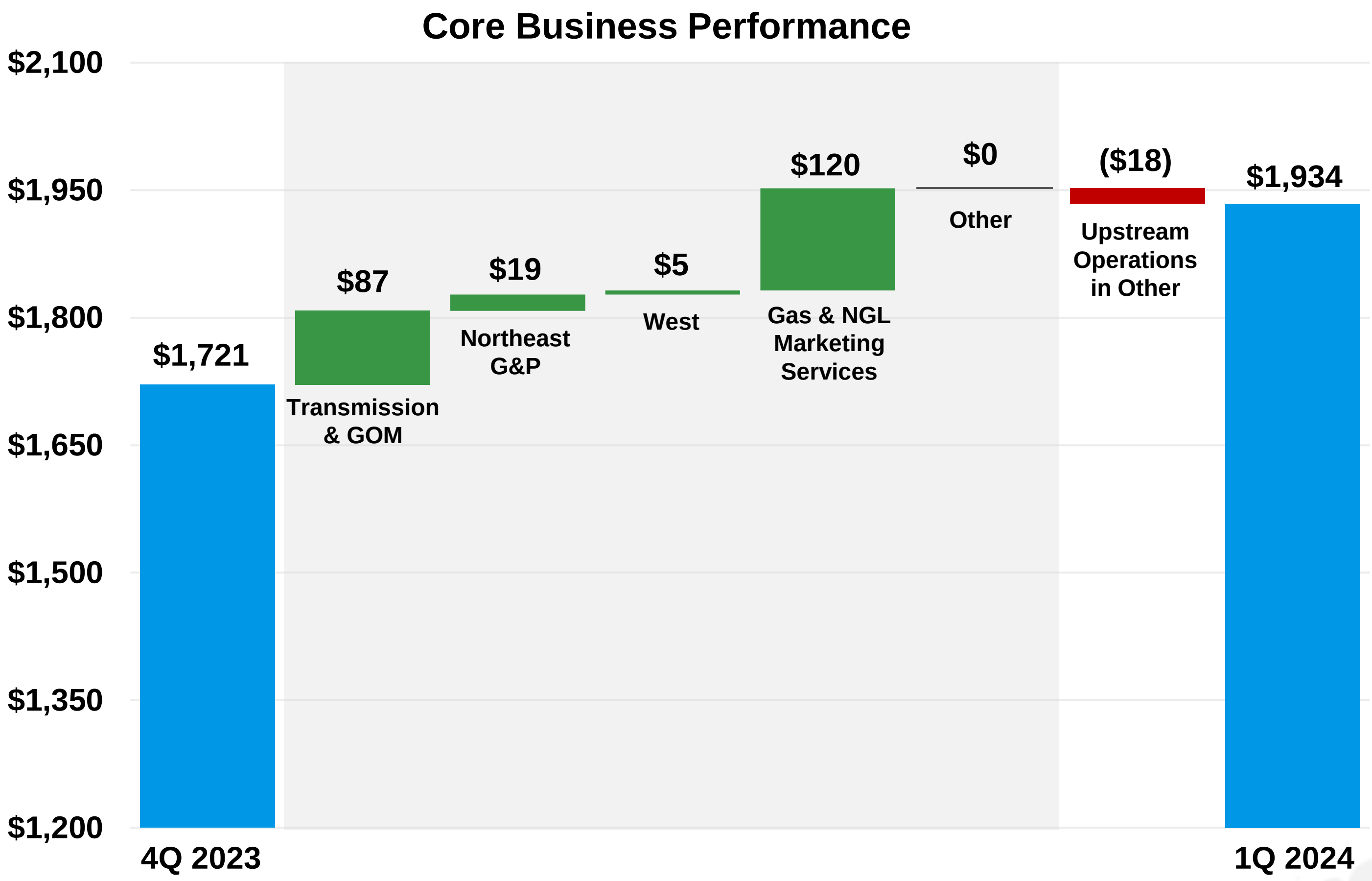
## Shareholder value creation

*Williams has demonstrated a long history of value creation to its shareholders with our strong balance sheet, durable returns, growing dividend and high return growth projects.*

# Appendix

# Achieved 12% growth 1Q 2024 vs. 4Q 2023

## WMB Adjusted EBITDA ($MM): 1Q 2024 vs. 4Q 2023




## Core business performance drivers

### Transmission & GOM

Increased earnings due to the Gulf Coast Storage acquisition, favorable segment costs, Transco expansions and increased short-term firm and park and loan services; partially offset by lower Gulf of Mexico earnings due to planned maintenance

### Northeast G&P

Increased earnings due to rate adjustments across several franchises; partially offset by lower gathering volumes

### West

Increased earnings driven by DJ Basin acquisitions and favorable segment costs; partially offset by lower gathering volumes, NGL margins and commodity-based rates

### Gas & NGL Marketing Services

Higher gas marketing results driven by the increased transportation margins and favorable storage margins; partially offset by lower NGL margins and lower gains on NGL sales

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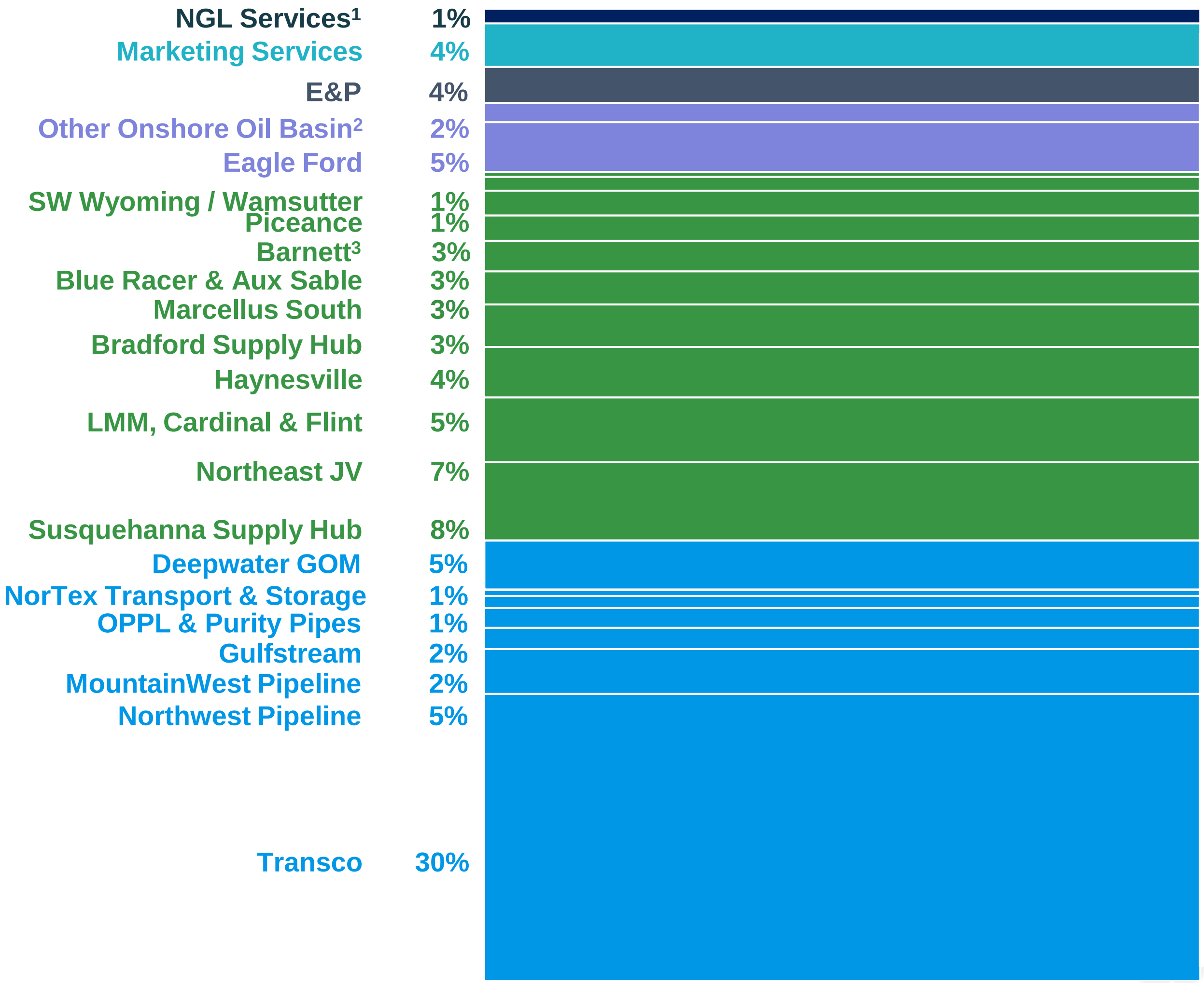
# Diversification of Adjusted EBITDA fuels stability and growth

## ~$6.8B 2023 Adj. EBITDA




**~1% from NGL Services**

**~4% from Gas and NGL Marketing Services**

**~4% from E&P Joint Ventures**

**~7% from G&P**
serving on-shore oil-directed supply areas

**~38% from G&P**
serving gas-directed supply areas

**~45% from Transmission & Deepwater**

[1]Includes Conway, Bluestem pipeline and Targa Frac. [2]Includes Permian, Mid-continent and DJ Basin. [3]Includes realized NYMEX gas hedge gains.
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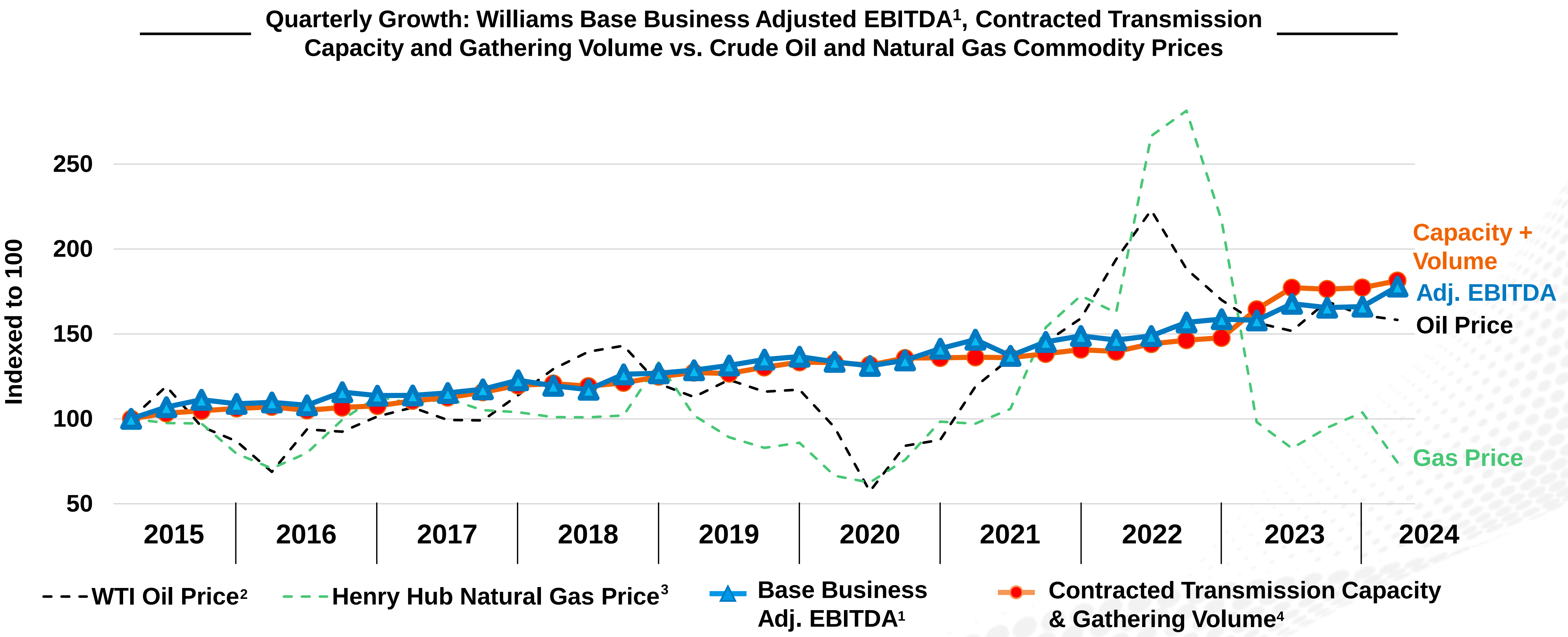
# Williams generates steady growth in volumes and Adjusted EBITDA




[1]Base business includes Transmission & Gulf of Mexico, Northeast G&P and West and excludes contributions from Gas & NGL Marketing Services and Upstream Operations in Other. [2]Source: EIA, monthly avg. price of NYMEX WTI Crude Oil prompt-month contract. [3]Source: EIA, monthly avg. price of NYMEX Henry Hub Natural Gas prompt-month contract. [4]Sum of gathering volumes and avg. daily firm reserved capacity for regulated transportation (converted from Tbtu to Bcf at 1,000 btu/cf) for West, Northeast G&P and Transmission & Gulf of Mexico segments. Volumes for acquisitions were averaged over the entire quarter in which the acquisitions closed. Note: This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest GAAP comparable financial measures are included at the back of this presentation.

# Recent accomplishments

| | |
|---|---|
| **Gulf Coast Storage Acquisition** | Closed acquisition of 6 storage facilities with total capacity of 115 Bcf across Louisiana and Mississippi, strategically located to serve growing LNG and power generation demand; portfolio of assets acquired for $1.95 billion, representing a ~10x 2024e Adjusted EBITDA multiple |
| **YTD Transco Expansion Progress** | Placed Carolina Market Link in service, commenced construction for Southside Reliability Enhancement and Southeast Energy Connector, received Notice to Proceed for Commonwealth Energy Connector, received FERC order for Alabama Georgia Connector and Texas to Louisiana Energy Pathway and pre-filed with FERC for Southeast Supply Enhancement |
| **Sustainability Ranking Performance** | Named to the DJSI North America index (4$^{th}$ year) and to the DJSI World index (3$^{rd}$ year), received top score in the S&P Global CSA[1] in the North America Oil & Gas Storage & Transportation industry, upgraded to an “A-” on the 2023 CDP Climate Change Questionnaire, upgraded to an “A” rating by MSCI and named one of America's Most Responsible Companies by Newsweek magazine |
| **Dividend Distributions** | Increased Williams’ quarterly dividend 6.1% to $0.4750 per share, or $1.90 annualized, up from Williams’ 2023 quarterly dividend of $0.4475 per share, or $1.79 annualized; demonstrating continued commitment to Williams’ long-standing dividend program |

[1]Corporate Sustainability Assessment. All scores verified as of 5/1/2024.

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# Anticipating continued base business strength in 2024 and 2025

| | 2023 actuals | 2024 guidance | 2025 guidance |
|---|---|---|---|
| Adjusted EBITDA | $6.779B | $6.8B – **$6.950B** – $7.1B | $7.2B – **$7.4B** – $7.6B |
| Adjusted Diluted EPS[1] | $1.91 | $1.65 – **$1.76** – $1.86 | $1.85 – **$1.97** – $2.10 |
| Available Funds From Operations (AFFO) | $5.213B | $4.925B – **$5.050B** – $5.175B | $5.075B – **$5.225B** – $5.375B |
| AFFO Per Share | $4.27 | $4.02 – **$4.13** – $4.23 | $4.13 – **$4.25** – $4.38 |
| Dividend Coverage Ratio | 2.39x | **2.18x** (midpoint) | **>2.0x** |
| Debt-to-Adjusted EBITDA[2] | ~3.58x | **~3.85x** (midpoint) | **~3.6x** (midpoint) |
| Growth CAPEX[3] | $1.89B | $1.45B – **$1.6B** – $1.75B | $1.65B – **$1.8B** – $1.95B |
| Maintenance CAPEX *(Includes ERP[4] modernization)* | $821MM | $1.1B – **$1.2B** – $1.3B *($300MM-$400MM)* | $750MM – **$800MM** – $850MM *($50MM-$150MM)* |
| Dividend Growth Rate | 5.3% | 6.1% annual growth | Targeting 5-7% growth |

## Generating **~$7.4B in free cash flow** 2023-2025[5]

[1]From continuing operations attributable to Williams available to common stockholders. [2]Book Debt-to-Adjusted EBITDA ratio does not represent leverage ratios measured for WMB credit agreement compliance or leverage ratios as calculated by the major credit ratings agencies. Consolidated debt is net of cash on hand. [3]2023 growth capital excludes MountainWest and DJ Basin acquisitions and 2024 growth capital excludes Gulf Coast Storage acquisition. [4]Emissions reduction program. [5]Free cash flow is defined as Available Funds from Operations minus capex (excluding acquisitions). Note: This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest comparable GAAP financial measures is included at the back of this presentation. Financial guidance assumes approximately $100 and $300 million of total cash income taxes in 2024 and 2025, respectively. Cash income taxes might be materially reduced or eliminated if 100% bonus depreciation is restored and/or capital investments are added.

# Returns-based approach to capital allocation

*Capital allocation priorities:*

| | | |
|---|---|---|
| **Maintain financial strength** | 1 | • Protect long-term health of balance sheet and investment-grade rating<br>• *2024 Debt-to-Adjusted EBITDA[1] ~3.85x* |
| **Dividends** | 2 | • Preserve long-standing commitment to shareholder returns and grow dividend in-line with AFFO per share growth trend<br>• *6.1% dividend growth in 2024 in-line with AFFO per share growth trend* |
| **Strategic organic and New Energy Ventures investments** | 3 | • Invest in high-return growth opportunities to drive long-term value and New Energy Ventures projects leveraging existing footprint<br>• *19.5% Return on Invested Capital (ROIC) 2019-2022* |
| **Emissions Reduction Program investments** | 4 | • Invest in emissions reduction projects while generating regulated return<br>• *Return realized through rate case or tracker mechanism* |
| **Financial flexibility** | 5 | • Return value to shareholders through deleveraging, buybacks or strategic bolt-on expansions |

[1]Does not represent leverage ratios measured for WMB credit agreement compliance or leverage ratios as calculated by the major credit ratings agencies. Consolidated debt is net of cash on hand.
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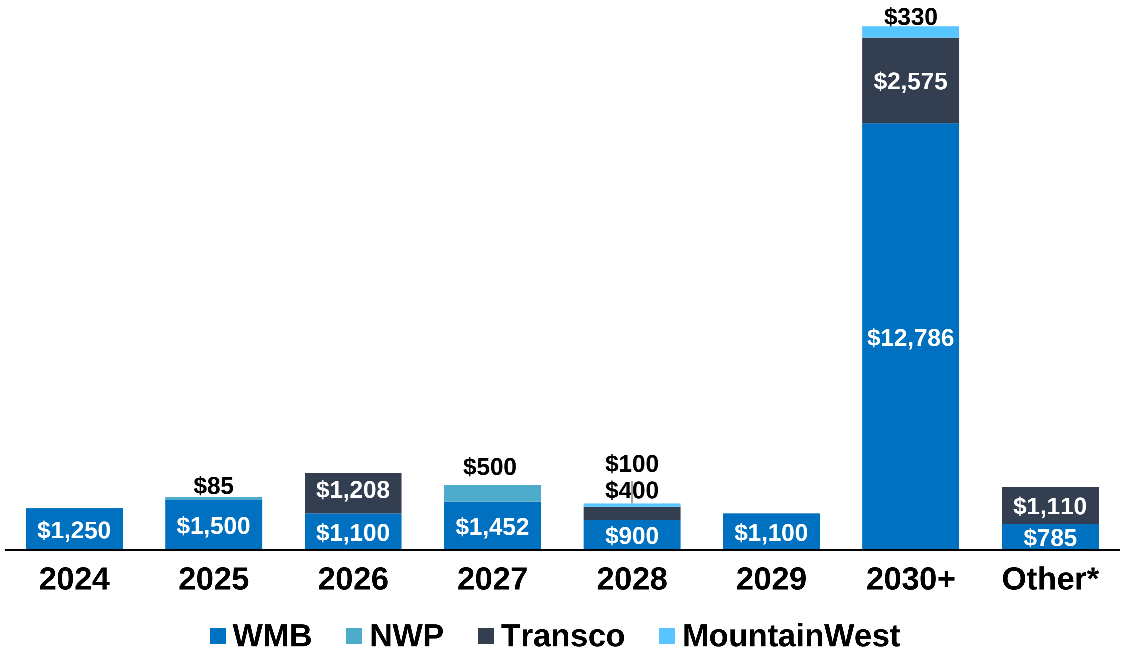
# Balance sheet strength and financial flexibility

## Strong liquidity and minimal near-term debt maturities

**Principal Value of Debt Maturities
as of March 31, 2024
($ in millions)**




***~$27.2B Total Debt Maturities***

*Other includes financing obligations associated with certain Transco growth projects and deferred purchase liabilities associated with recent acquisitions.

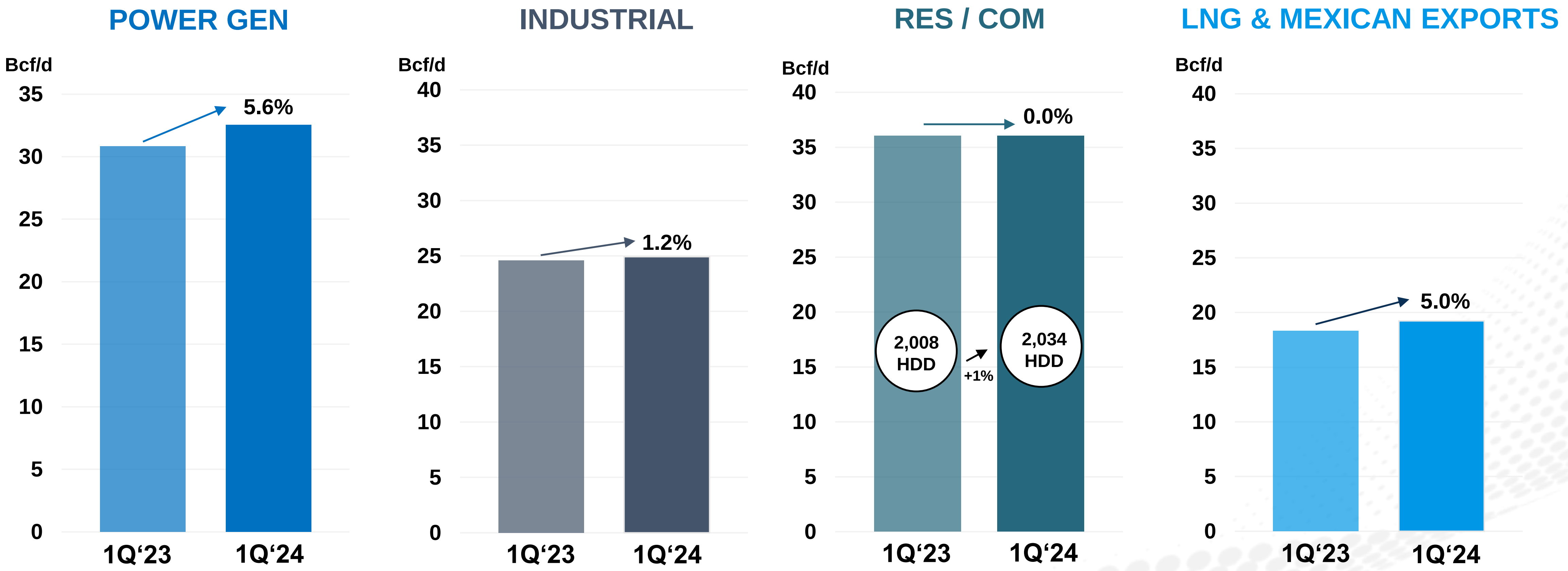
| | |
|---|---|
| **3.85x** 2024 guidance for Debt-to-Adjusted EBITDA | **0.95x improvement** In leverage since 2018[1] |
| **BBB/Baa2** Credit Rating[2] | **Investment grade rated** across all rating agencies |
| **4.88%** Weighted Avg. (fixed rate) Coupon For Debt Portfolio[3] | **Issued $2.1B** of senior notes during 2024 |
| **10.5 years** Weighted Avg. Maturity for Debt Portfolio[3] | **Well-laddered debt profile** |

**$3.75B credit facility**

[1]Does not represent leverage ratios measured for WMB credit agreement compliance or leverage ratios as calculated by the major credit ratings agencies. Consolidated debt is net of cash on hand. [2]Current S&P/Moody's/Fitch ratings are BBB (positive)/Baa2 (stable)/BBB (stable). [3]As of 03/31/2024 – Excludes financing obligations associated with certain Transco growth projects and excludes deferred purchase liabilities associated with recent acquisitions.

# Strong exports and gas-fired power generation driving demand

**Total demand including exports averaged 122 Bcf/d in 1Q '24 compared to 117 Bcf/d in 1Q'23, driven by strong power sector demand**

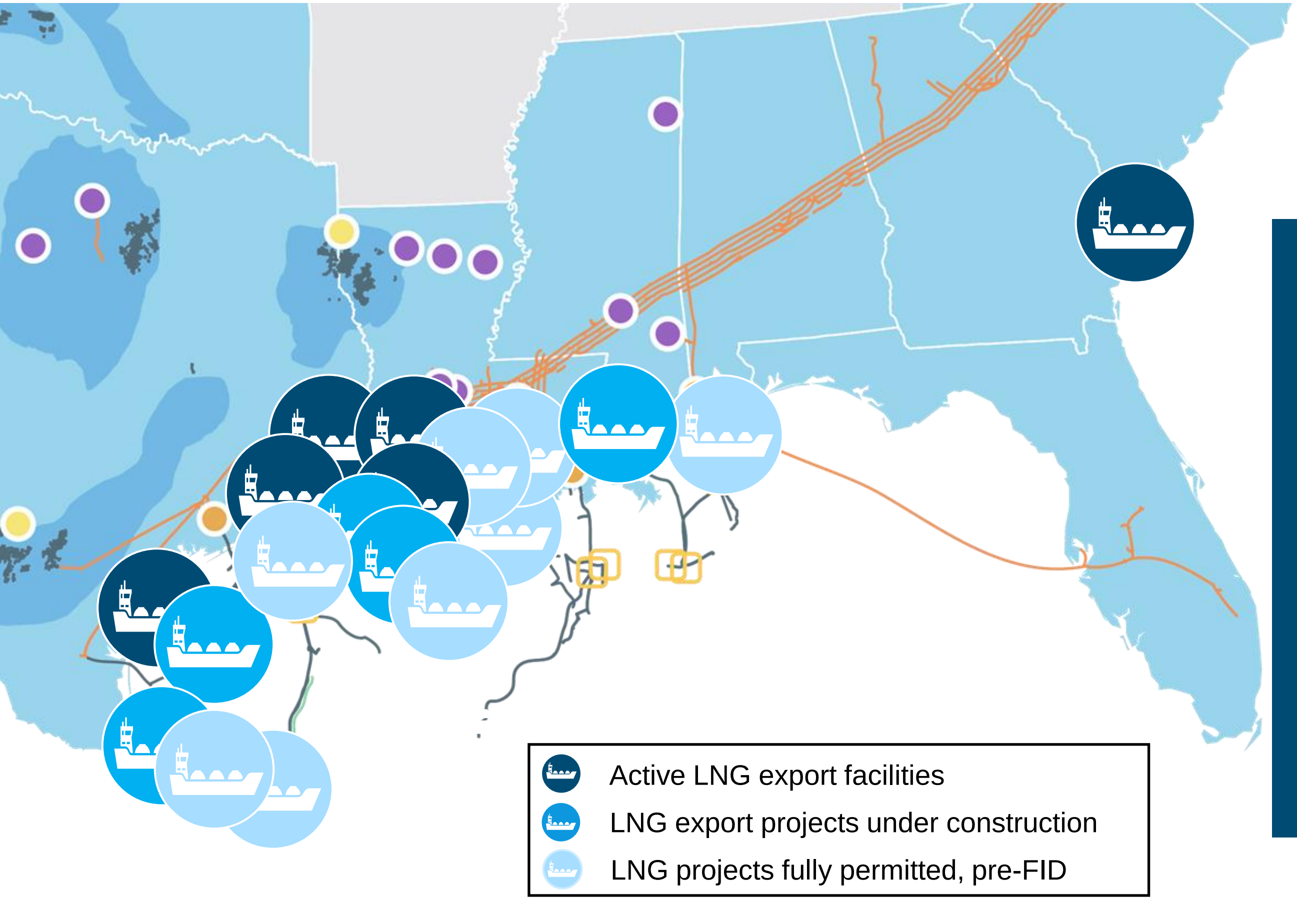



**LOWER-48 NATURAL GAS DEMAND + EXPORTS 1Q'23 v. 1Q'24 COMPARISON**

Source: S&P Global Commodity Insights ©2024. Note: Pipeloss/Fuel demand is excluded from the charts and HDD is U.S. population-weighted Heating Degree Days.

# Transco resides along active and growing US LNG corridor

**Williams' Asset Map in U.S. Gulf Coast[1] + U.S. L-48 Large Scale Approved and Potential Liquefaction Facilities Per EIA[2]**




**14.3** Bcf/d[3]

LNG projects already operational within Transco footprint

\+

**11.6** Bcf/d[3]

LNG export projects currently under construction within Transco footprint

\+

**13.7** Bcf/d[3]

LNG export projects awaiting FID within Transco footprint

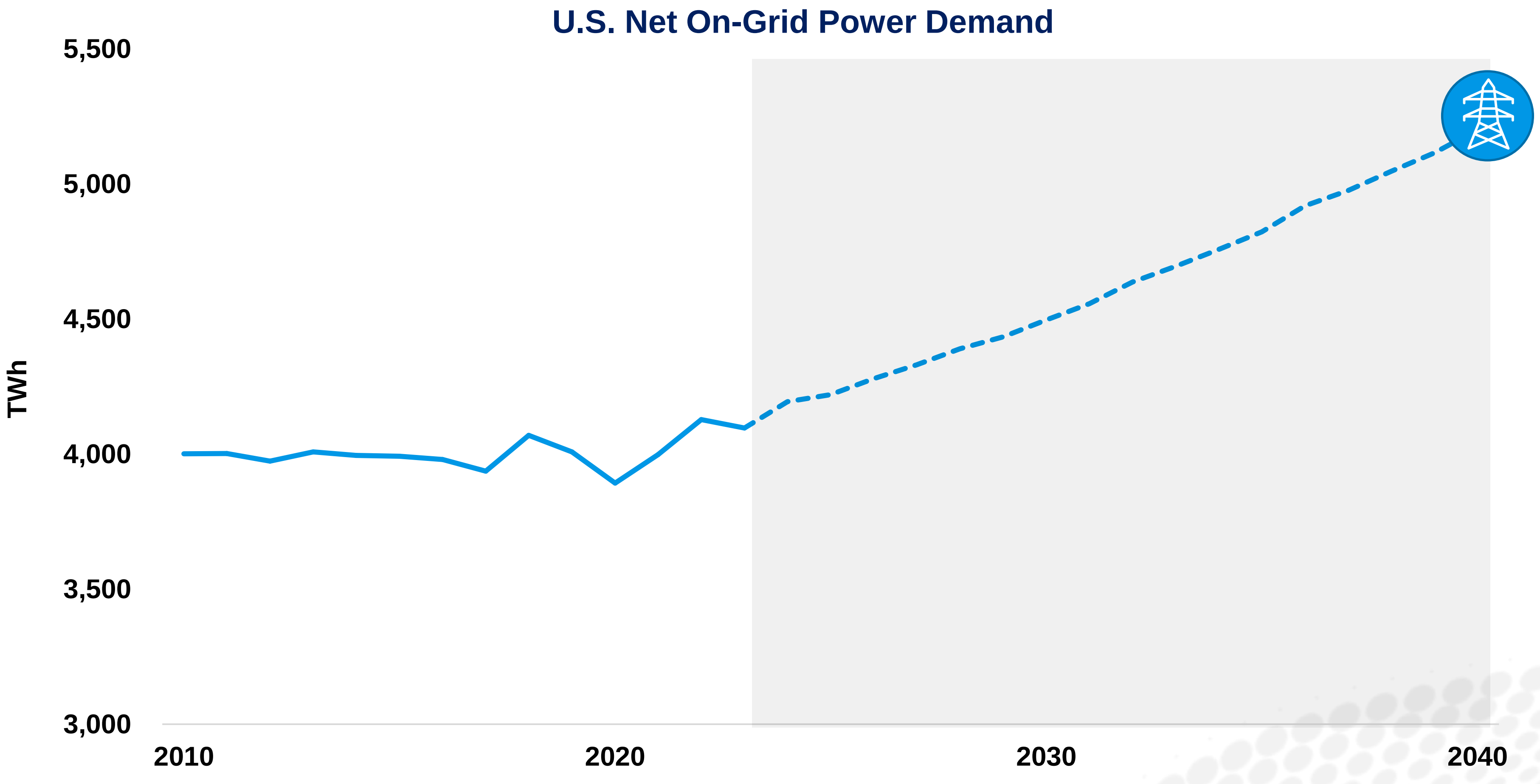
?

Source: U.S. Energy Information Administration (EIA) as of 3/29/2024.

[1]As of May 2024. [2]Projects need to receive two major sets of regulatory approvals from U.S. DOE & FERC/MARAD. [3]LNG export terminal capacity is the U.S. DOE-authorized maximum export quantity to non-FTA countries.

# Growing electricity demand requires additional backup generation

**Electrification of heating and transport, data centers and AI-driven future will create growth in power demand not seen in past two decades**




*Electricity demand experiencing*

**▲ 3x**

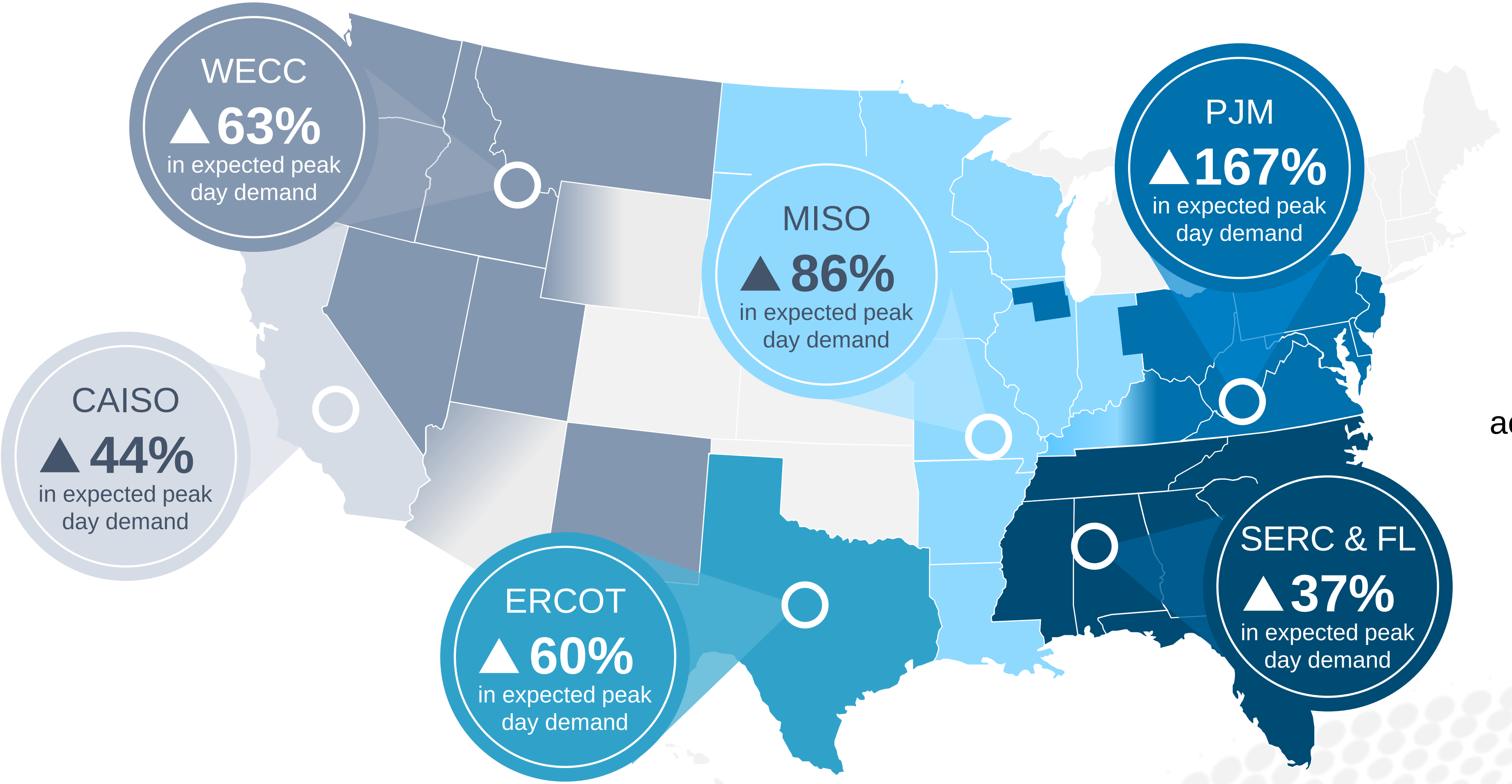
**faster growth per year**

*this decade vs. prior decade driven by EV growth and emergence of large load data centers*

Source: S&P Global Commodity Insights © 2024 December 2023 Planning Case

# Expected peak day demand drives need for reliable natural gas

**Gas-fired power generation, 2021 peak day vs. expected 2040 peak day, TWh of gas-fired generation per day**



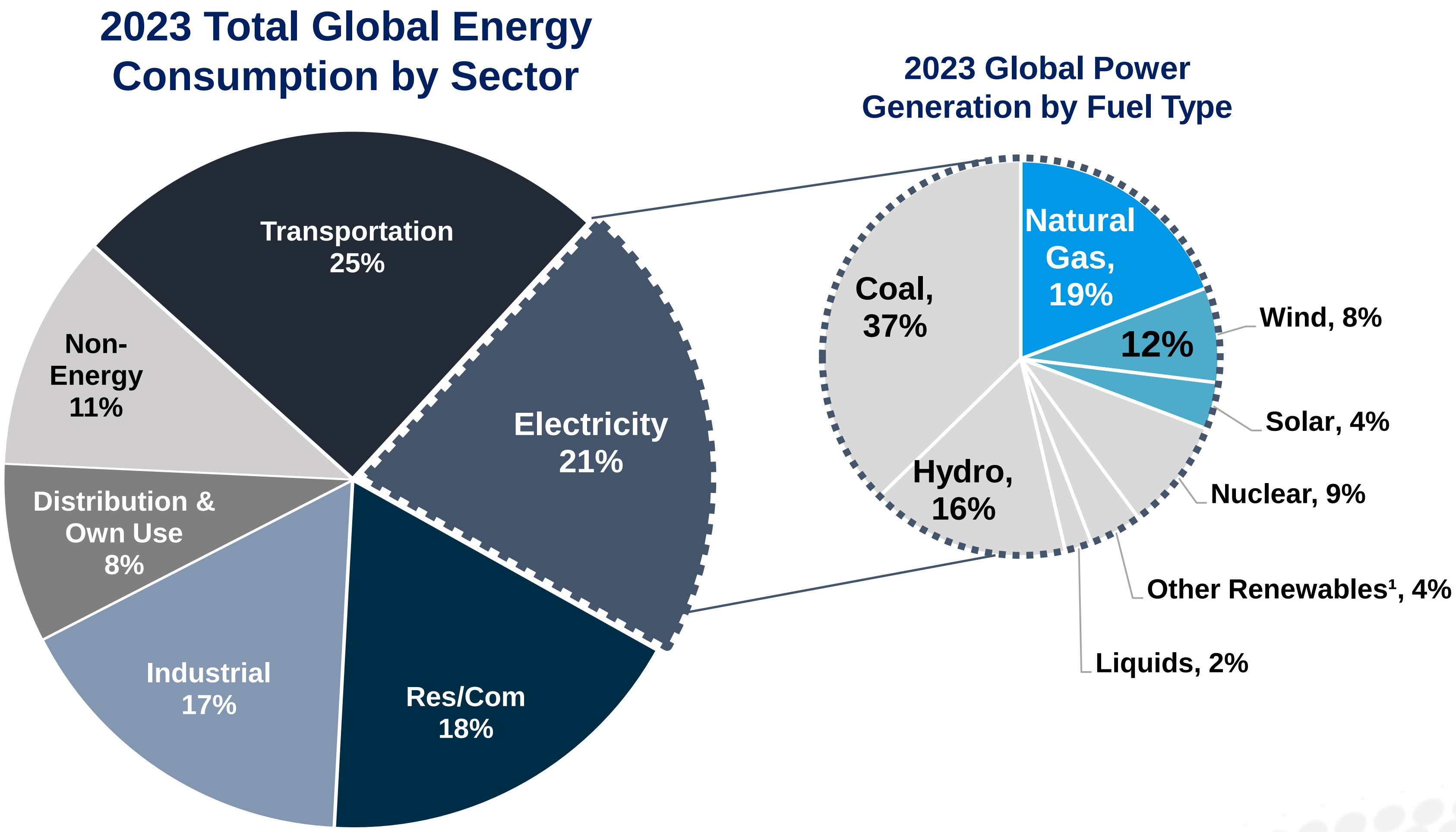

## Natural gas plays a critical role in decarbonizing U.S. power supply

Peak day gas demand for power generation expected to increase across major ISOs due to growth in electrification

Natural gas pipeline contracted capacity is critical to ensure electric reliability on peak days

[1]"The role of gas in the transition to a cleaner, more reliable power supply," McKinsey & Company, September 2023. McKinsey & Company deep power decarbonization scenario assumes all public commitments are met, resulting in 85% renewable power generation by 2040 and growth of electricity demand to 7.3 TWh by 2040 (from 4.3 TWh in 2022). Note: ISO territories depicted on the map are approximations for visual purposes.

# Renewables remain a small part of the total energy mix




**Electricity only accounts for ~21% of total end-use energy consumption**

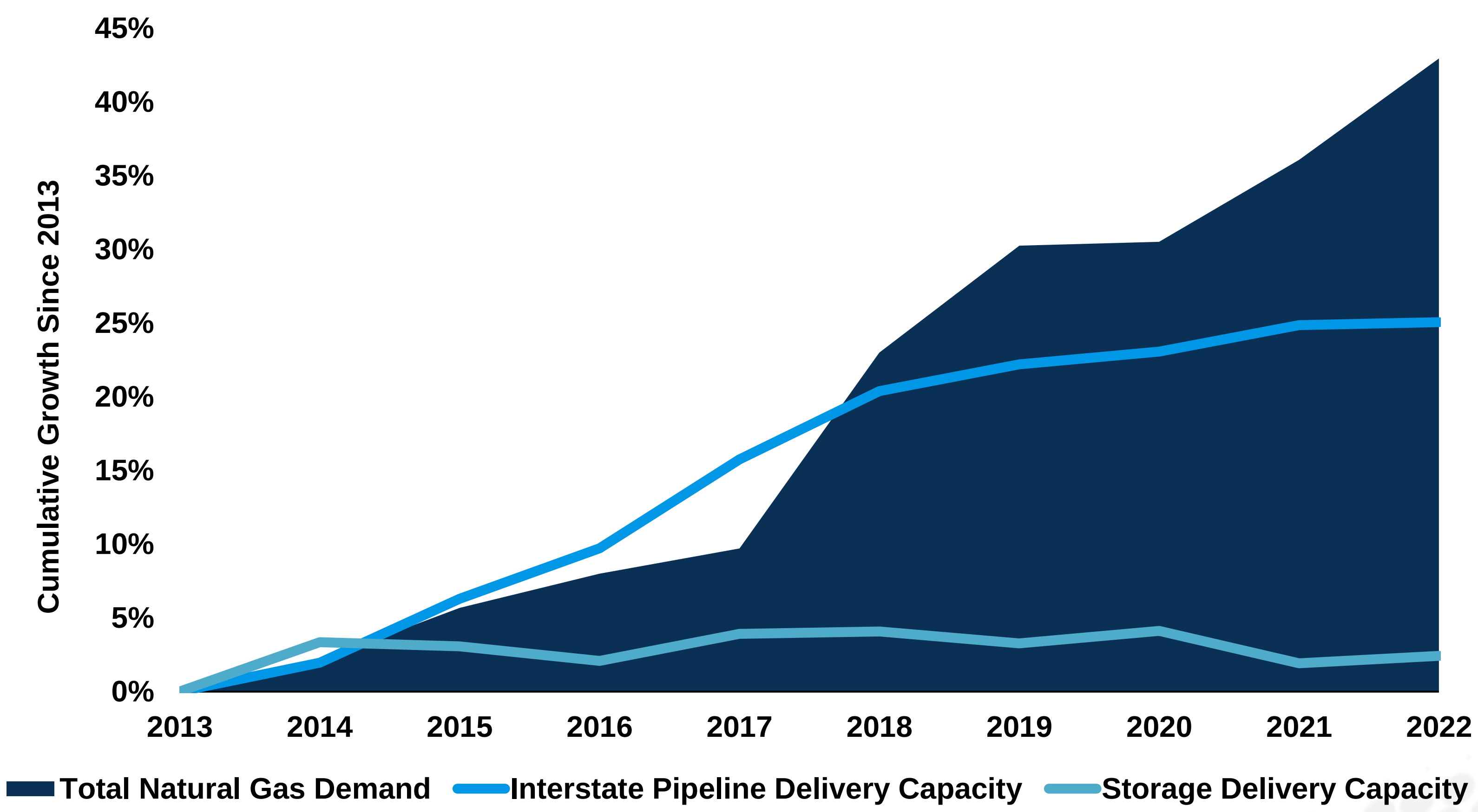
**AND**

**Wind & Solar only account for 12% of total global power generation**

[1]Other Renewables include Geothermal & Tidal. Source: S&P Global Commodity Insights ©2024 March 2024 Most Likely Case.

# There is a growing need for reliable infrastructure investment

**Cumulative Percentage Growth in L-48 Natural Gas Demand versus Growth in Interstate Natural Gas Pipeline Capacity and Natural Gas Storage Delivery, 2013-2022**




Since 2013 demand for gas has grown by

▲ **43%**

while infrastructure to deliver gas has increased by

▲ **25%**

and storage delivery capacity has grown only

▲ **2%**

Source: U.S. Energy Information Administration (EIA)

# A strong future ahead

## **CONTINUED GROWTH** AFTER RECORD YEARS, WITH A **SIGNIFICANT EARNINGS STEP-UP** AHEAD

| Transmission | |
|---|---|
| Carolina Market Link | 1Q'24 ☑ |
| MountainWest Uinta Basin expansion | 3Q'24 |
| Southside Reliability Enhancement | 4Q'24 |
| Regional Energy Access *(Phase 2)* | 4Q'24 |
| Texas to Louisiana Energy Pathway | 1Q'25 |
| Transco ERP *(Incl. rate case recovery)* | 1Q'25 |
| Southeast Energy Connector | 2Q'25 |
| Commonwealth Energy Connector | 4Q'25 |
| Alabama Georgia Connector | 4Q'25 |
| Ryckman Creek Lateral | 4Q'25 |
| Overthrust Westbound expansion | 4Q'25 |
| Southeast Supply Enhancement | 4Q'27 |

| Gathering & Processing | |
|---|---|
| Marcellus South expansion | 3Q'24 |
| Louisiana Energy Gateway | 2H'25 |
| Haynesville West expansion | 2H'25 |
| NW Utica Cardinal expansion | 3Q'25 |
| Mansfield expansion | YE'25 |

| Deepwater GOM | |
|---|---|
| Anchor | 2Q'24 |
| Shenandoah | 4Q'24 |
| Whale | 4Q'24 |
| Salamanca | 2Q'25 |
| Ballymore | 1H'25 |

- 2024 uplift
- 2025 uplift
- 2026 uplift
- 2027+ uplift

Tracking in line with **5-7%** expected long-term Adjusted EBITDA growth rate

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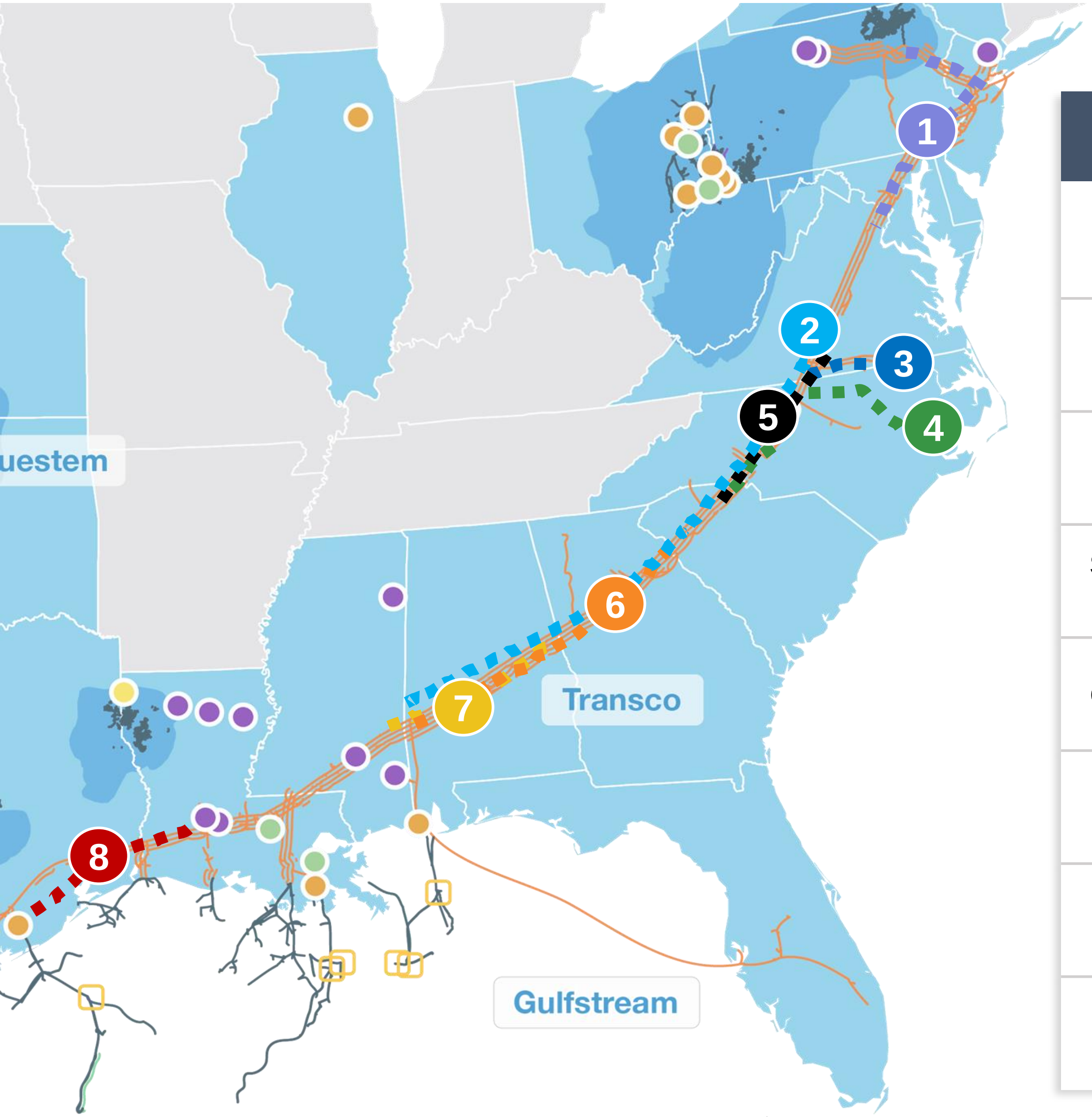
# Executing on ~3.1 Bcf/d of Transco expansions[1]

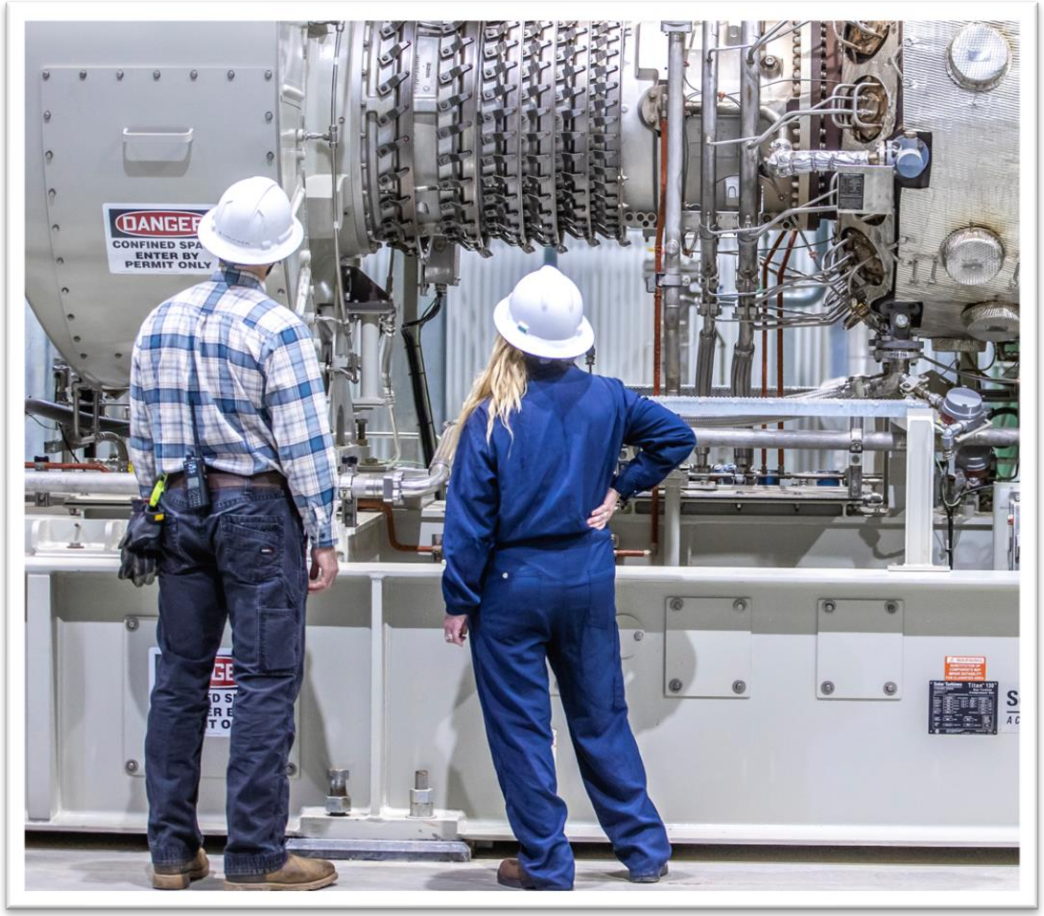



## Projects in Execution ~$2.7B[2]

| Project | | Target In-Service | Current Status | Project Capacity |
|---|---|---|---|---|
| Regional Energy Access | 1 | Partial ISD 4Q'23; Full ISD 4Q'24 | ~1/2 in service; ~1/2 under construction | 829 MMcf/d |
| Southeast Supply Enhancement | 2 | 4Q'27 | Pre-filed FERC application | 1,592 MMcf/d |
| Commonwealth Energy Connector | 3 | 4Q'25 | Received Notice to Proceed | 105 MMcf/d |
| Southside Reliability Enhancement | 4 | 4Q'24 | Under construction | 423 MMcf/d |
| Carolina Market Link | 5 | 1Q'24 | In service | 78 MMcf/d |
| Alabama Georgia Connector | 6 | 4Q'25 | Received FERC certificate | 63.8 MMcf/d |
| Southeast Energy Connector | 7 | 2Q'25 | Under construction | 150 MMcf/d |
| Texas to Louisiana Energy Pathway | 8 | 1Q'25 | Received FERC certificate | 364 MMcf/d |

Dekatherms converted to cubic feet at 1,000 cubic feet = 1 dekatherm. [1]Excluding in-service Carolina Market Link and in-service portion of Regional Energy Access. [2]Capex reflects full capital budget for all projects listed excluding in-service Carolina Market Link.

# Emissions Reduction Program to modernize transmission infrastructure and reduce emissions




Transco Compressor Station 175 in Virginia

Phased replacement of up to **205** compressor units

Up to **$1.3B** in anticipated capital spend through 2030

Reducing transmission NOx emissions by **>75%**

Implemented tracker for **NWP** customers

Reducing transmission compressor methane emissions **~50%**

# MountainWest poised for growth beyond acquisition expectations

**570** MMcf/d

## PROJECTS IN SERVICE

- Opal East
- Green River 104
- Wells Draw
- Carbonate Tap
- Rex Meeker
- Skull Creek

**400+** MMcf/d

## PROJECTS IN EXECUTION

- Uinta Basin Expansion
  Capacity: 113 MMcf/d | Expected ISD: 3Q 2024
- Overthrust Westbound Expansion
  Capacity: 325 MMcf/d | Expected ISD: 4Q 2025

## OPPORTUNITIES IN FOOTPRINT

- 10 existing coal plants in our footprint[1]
- Uinta Basin takeaway opportunities
- Storage optimization and expansion
- Phased Overthrust growth

Strong project execution on **significant** opportunity set

[1]Source: Coal plant data per Wood Mackenzie North America Power Service Tool. The data and information provided by Wood Mackenzie should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for your use of this data and information.

# Deepwater expansions adding significant volume growth

**WESTERN**
GULF OF MEXICO

## Whale
- Expected in-service date: 4Q 2024
- Expected CAPEX: ~$400MM
- Combined reserves: ~545 MMboe: Oil: 380 MMBbls, Gas: 1,000 Bcf

**CENTRAL**
GULF OF MEXICO

## Shenandoah
- Expected in-service date: 4Q 2024
- Expected CAPEX: ~$160MM
- Gas Reserves: 380 Bcf

## Salamanca
- Expected in-service date: 2Q 2025
- Expected CAPEX: Zero
- Gas Reserves: 89 Bcf

## Anchor
- Expected in-service date: 2Q 2024
- Expected CAPEX: Zero
- Gas Reserves: 75 Bcf

**EASTERN**
GULF OF MEXICO

## Ballymore
- Expected in-service date: 1H 2025
- Expected CAPEX: Zero
- Combined reserves: ~300 MMboe


[1]Based on 2021 Adjusted EBITDA. Projects include Taggart, which went in service 1Q 2023.

# Northeast expansion projects help capture future growth

## Utica

*NW Cardinal gathering expansion*

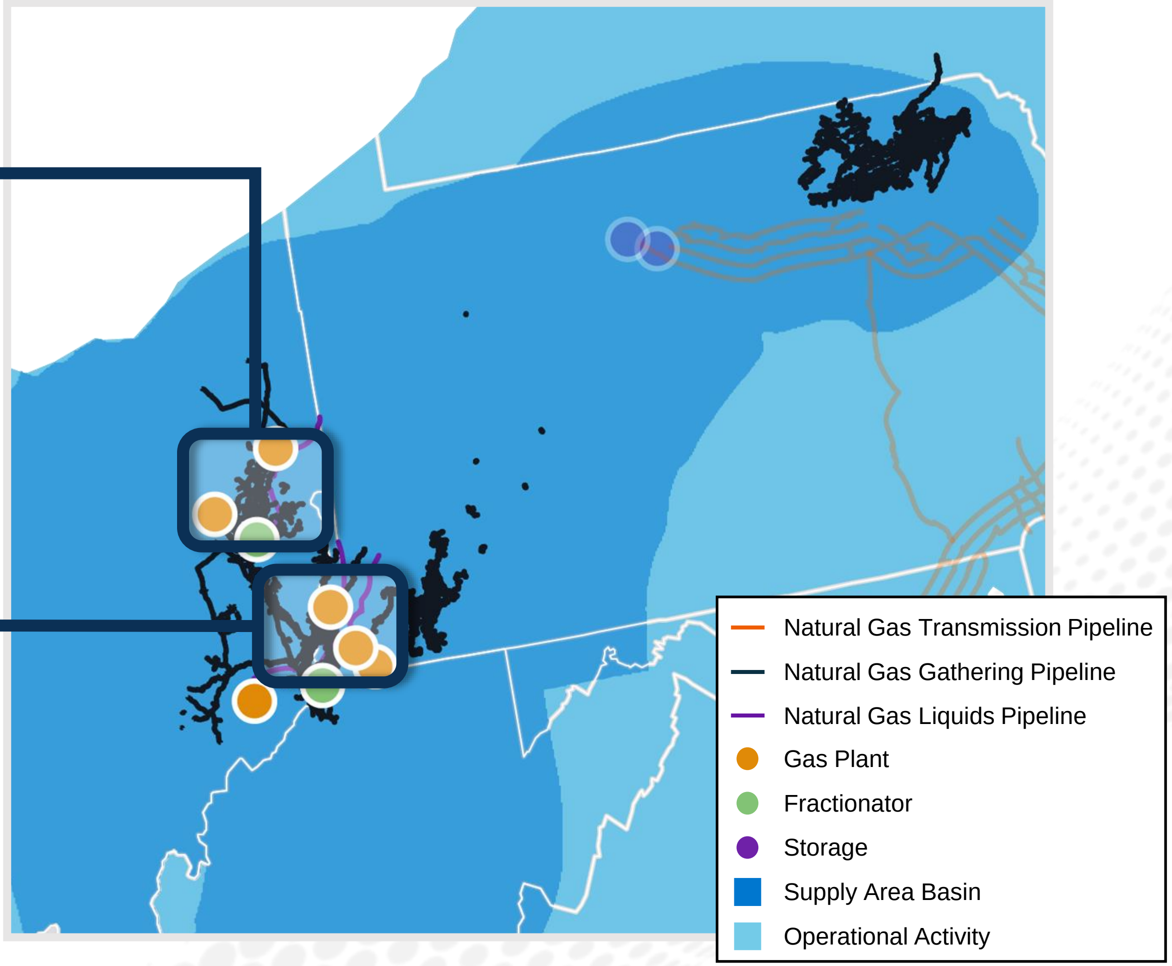
- Scope: ~8 miles of gathering pipeline and incremental compression
- Incremental capacity: 125 MMcf/d
- In-service: 3Q 2025

## Marcellus South

*Gathering expansion*

- Scope: ~2 miles of gathering pipeline and incremental compression
- Incremental capacity: 120 MMcf/d
- In-service: 3Q 2024

**Map of Williams' Northeast Assets**




Map as of May 2024.

# Enhancing our Haynesville position

### ADDING INCREMENTAL GATHERING CAPACITY

- Haynesville West | Capacity: 400 MMcf/d | ISD: 2H'25
- Mansfield | Capacity: 150 MMcf/d | ISD: YE'25 *(aligned with customer need)*

### INCREASING GATHERING DELIVERY

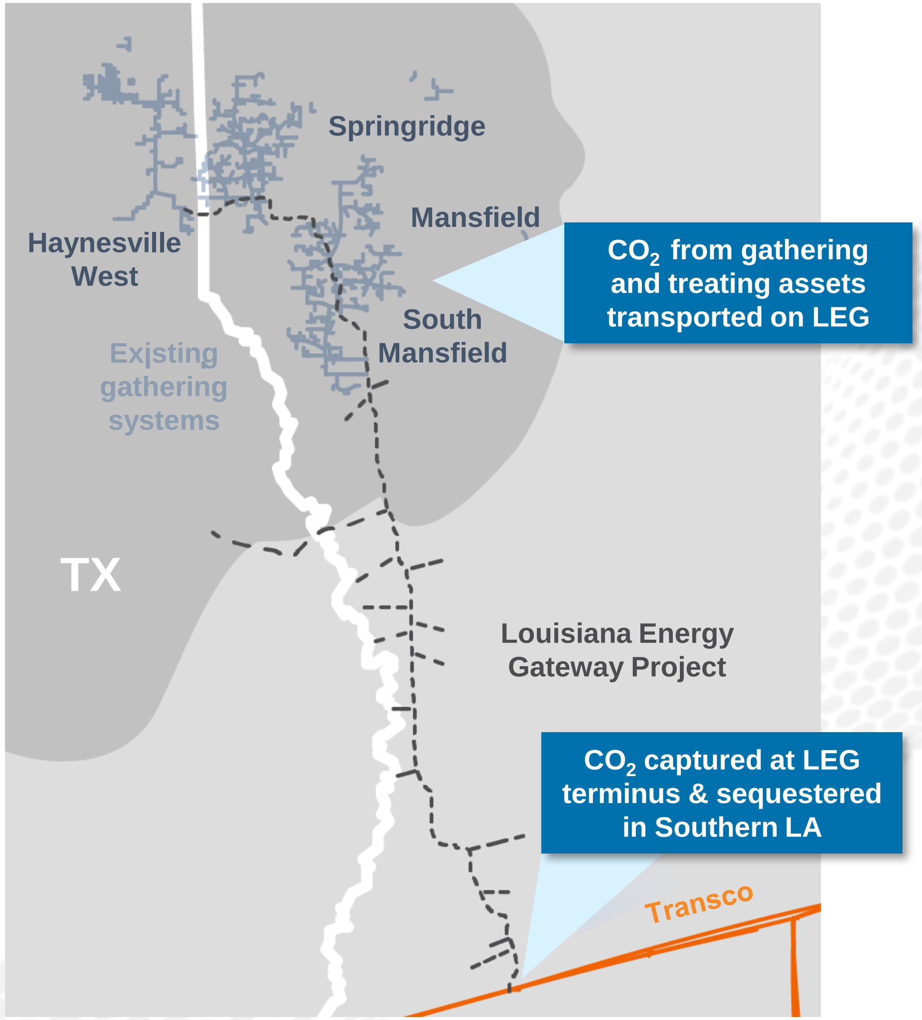
- Louisiana Energy Gateway | Capacity: 1.8 Bcf/d | ISD: 2H'25

### DECARBONIZING THE VALUE CHAIN

- Leveraging existing assets as well as LEG gathering project to capture, transport and sequester ~750,000 tons of $CO_2$ per year
- Opportunity to aggregate 3rd party $CO_2$ across Haynesville basin

Ability to **track and certify** the emissions profile along the value chain, delivering NextGen Gas into **premium markets**

**Map of Williams' Assets in Haynesville**




Map as of May 2024.

# Williams' hedge positions

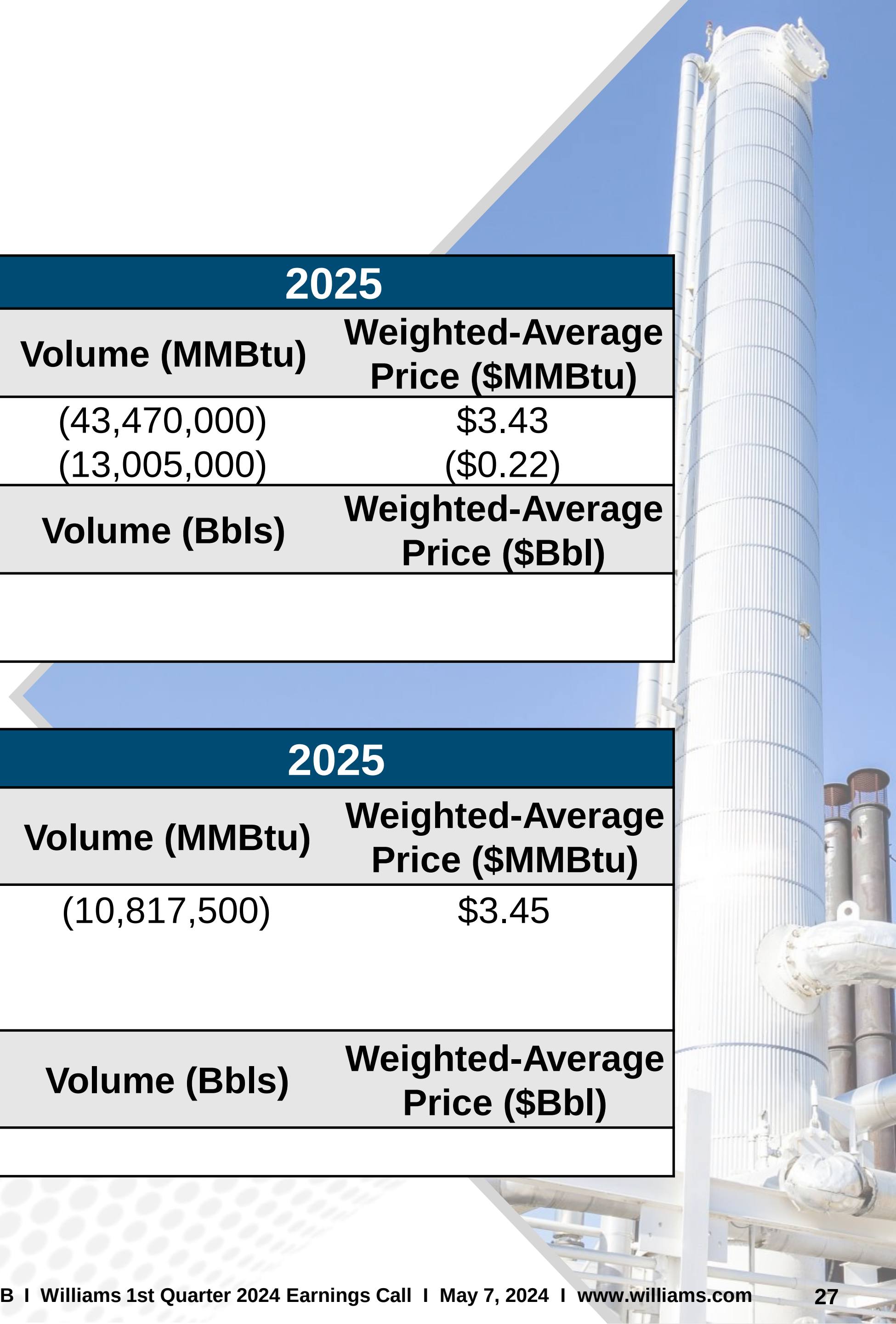
**E&P Hedges**

| Commodity | 2024 | | 2025 | |
|---|---|---|---|---|
| **Natural Gas** | **Volume (MMBtu)** | **Weighted-Average Price ($MMBtu)** | **Volume (MMBtu)** | **Weighted-Average Price ($MMBtu)** |
| Fixed Price Swaps | (30,470,000) | $3.37 | (43,470,000) | $3.43 |
| Basis Swaps | (25,827,500) | ($0.44) | (13,005,000) | ($0.22) |
| **Liquids** | **Volume (Bbls)** | **Weighted-Average Price ($Bbl)** | **Volume (Bbls)** | **Weighted-Average Price ($Bbl)** |
| Fixed Price Swaps - Crude Oil | (345,000) | $78.13 | | |
| Fixed Price Swaps - NGL | (517,000) | $38.27 | | |

**G&P Hedges**

| Commodity | 2024 | | 2025 | |
|---|---|---|---|---|
| **Natural Gas** | **Volume (MMBtu)** | **Weighted-Average Price ($MMBtu)** | **Volume (MMBtu)** | **Weighted-Average Price ($MMBtu)** |
| Fixed Price Swaps on Long | (9,312,500) | $3.31 | (10,817,500) | $3.45 |
| Fixed Price Swaps on Short | 4,472,500 | $2.64 | | |
| Basis Swaps | 4,877,500 | $0.22 | | |
| **Liquids** | **Volume (Bbls)** | **Weighted-Average Price ($Bbl)** | **Volume (Bbls)** | **Weighted-Average Price ($Bbl)** |
| Fixed Price Swaps - NGL | (1,803,000) | $35.22 | | |

Data as of 04/30/2024.



# Committed to a clean energy future

*For more information regarding our sustainability efforts, please review our 2022 Sustainability Report and 2023 CDP Disclosure*

**Upcoming goal**

On track to set methane intensity target by the end of May 2024 to be achieved by 2028, as part of OGMP 2.0 membership

**Near-term goal**

30% reduction

in carbon intensity from 2018 levels by 2028

**Long-term ambition**

Achieve net zero

by 2050 utilizing a combination of immediate and long-term solutions

WE MAKE CLEAN ENERGY HAPPEN®

# Forward Looking Statements

# Forward-looking statements

- **The reports, filings, and other public announcements of The Williams Companies, Inc. (Williams) may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). These forward-looking statements relate to anticipated financial performance, management's plans and objectives for future operations, business prospects, outcomes of regulatory proceedings, market conditions, and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.**
- **All statements, other than statements of historical facts, included in this report that address activities, events, or developments that we expect, believe, or anticipate will exist or may occur in the future, are forward-looking statements. Forward-looking statements can be identified by various forms of words such as "anticipates," "believes," "seeks," "could," "may," "should," "continues," "estimates," "expects," "forecasts," "intends," "might," "goals," "objectives," "targets," "planned," "potential," "projects," "scheduled," "will," "assumes," "guidance," "outlook," "in-service date," or other similar expressions. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management and include, among others, statements regarding:**
  - Levels of dividends to Williams stockholders;
  - Future credit ratings of Williams and its affiliates;
  - Amounts and nature of future capital expenditures;
  - Expansion and growth of our business and operations;
  - Expected in-service dates for capital projects;
  - Financial condition and liquidity;
  - Business strategy;
  - Cash flow from operations or results of operations;
  - Seasonality of certain business components;
  - Natural gas, natural gas liquids, and crude oil prices, supply, and demand;
  - Demand for our services.

# Forward-looking statements (cont’d)

- **Forward-looking statements are based on numerous assumptions, uncertainties, and risks that could cause future events or results to be materially different from those stated or implied in this report. Many of the factors that will determine these results are beyond our ability to control or predict. Specific factors that could cause actual results to differ from results contemplated by the forward-looking statements include, among others, the following:**
  - Availability of supplies, market demand, and volatility of prices;
  - Development and rate of adoption of alternative energy sources;
  - The impact of existing and future laws and regulations, the regulatory environment, environmental matters, and litigation, as well as our ability and the ability of other energy companies with whom we conduct or seek to conduct business, to obtain necessary permits and approvals, and our ability to achieve favorable rate proceeding outcomes;
  - Our exposure to the credit risk of our customers and counterparties;
  - Our ability to acquire new businesses and assets and successfully integrate those operations and assets into existing businesses as well as successfully expand our facilities, and consummate asset sales on acceptable terms;
  - Whether we are able to successfully identify, evaluate, and timely execute our capital projects and investment opportunities;
  - The strength and financial resources of our competitors and the effects of competition;
  - The amount of cash distributions from and capital requirements of our investments and joint ventures in which we participate;
  - Whether we will be able to effectively execute our financing plan;
  - Increasing scrutiny and changing expectations from stakeholders with respect to our environmental, social, and governance practices;
  - The physical and financial risks associated with climate change;
  - The impacts of operational and developmental hazards and unforeseen interruptions;
  - The risks resulting from outbreaks or other public health crises;
  - Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;
  - Acts of terrorism, cybersecurity incidents, and related disruptions;
  - Our costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;
  - Changes in maintenance and construction costs, as well as our ability to obtain sufficient construction-related inputs, including skilled labor;
  - Inflation, interest rates, and general economic conditions (including future disruptions and volatility in the global credit markets and the impact of these events on customers and suppliers);
  - Risks related to financing, including restrictions stemming from debt agreements, future changes in credit ratings as determined by nationally recognized credit rating agencies, and the availability and cost of capital;

# Forward-looking statements (cont’d)

  - The ability of the members of the Organization of Petroleum Exporting Countries and other oil exporting nations to agree to and maintain oil price and production controls and the impact on domestic production;
  - Changes in the current geopolitical situation, including the Russian invasion of Ukraine and conflicts in the Middle East, including between Israel and Hamas and conflicts involving Iran and its proxy forces;
  - Changes in U.S. governmental administration and policies;
  - Whether we are able to pay current and expected levels of dividends;
  - Additional risks described in our filings with the Securities and Exchange Commission (SEC).
- **Given the uncertainties and risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement, we caution investors not to unduly rely on our forward-looking statements. We disclaim any obligations to, and do not intend to, update the above list or announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.**
- **In addition to causing our actual results to differ, the factors listed above and referred to below may cause our intentions to change from those statements of intention set forth in this report. Such changes in our intentions may also cause our results to differ. We may change our intentions, at any time and without notice, based upon changes in such factors, our assumptions, or otherwise.**
- **Because forward-looking statements involve risks and uncertainties, we caution that there are important factors, in addition to those listed above, that may cause actual results to differ materially from those contained in the forward-looking statements. For a detailed discussion of those factors, see (a) Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 21, 2024, and (b) Part II, Item 1A. Risk Factors in subsequent Quarterly Reports on Form 10-Q.**

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# Non-GAAP Reconciliations

# Non-GAAP Disclaimer

- This news release and accompanying materials may include certain financial measures – adjusted EBITDA, adjusted income (“earnings”), adjusted earnings per share, available funds from operations and dividend coverage ratio – that are non-GAAP financial measures as defined under the rules of the SEC.
- Our segment performance measure, modified EBITDA, is defined as net income (loss) before income (loss) from discontinued operations, income tax expense, net interest expense, equity earnings from equity-method investments, other net investing income, impairments of equity investments and goodwill, depreciation and amortization expense, and accretion expense associated with asset retirement obligations for nonregulated operations. We also add our proportional ownership share (based on ownership interest) of modified EBITDA of equity-method investments.
- Adjusted EBITDA further excludes items of income or loss that we characterize as unrepresentative of our ongoing operations. Such items are excluded from net income to determine adjusted income and adjusted earnings per share. Management believes this measure provides investors meaningful insight into results from ongoing operations.
- Available funds from operations (AFFO) is defined as cash flow from operations excluding the effect of changes in working capital and certain other changes in noncurrent assets and liabilities, reduced by preferred dividends and net distributions to noncontrolling interests. AFFO may be adjusted to exclude certain items that we characterize as unrepresentative of our ongoing operations.
- This news release is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are accepted financial indicators used by investors to compare company performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of assets and the cash that the business is generating.
- Neither adjusted EBITDA, adjusted income, nor available funds from operations are intended to represent cash flows for the period, nor are they presented as an alternative to net income or cash flow from operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.

# Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income 2015-2017

| | 2015 | | | | | 2016 | | | | | 2017 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| **Income (loss) attributable to The Williams Companies, Inc. available to common stockholders** | $ 70 | $ 114 | $ (40) | $ (715) | $ (571) | $ (65) | $ (405) | $ 61 | $ (15) | $ (424) | $ 373 | $ 81 | $ 33 | $ 1,687 | $ 2,174 |
| **Income (loss) - diluted earnings (loss) per common share [1]** | $ .09 | $ .15 | $ (.05) | $ (.95) | $ (.76) | $ (.09) | $ (.54) | $ .08 | $ (.02) | $ (.57) | $ .45 | $ .10 | $ .04 | $ 2.03 | $ 2.62 |
| **Adjustments:** | | | | | | | | | | | | | | | |
| Northeast G&P | | | | | | | | | | | | | | | |
| Impairment of certain assets | $ 3 | $ 21 | $ 2 | $ 6 | $ 32 | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ 121 | $ — | $ 121 |
| Share of impairment at equity-method investments | 8 | 1 | 17 | 7 | 33 | — | — | 6 | 19 | 25 | — | — | 1 | — | 1 |
| Ad valorem obligation timing adjustment | — | — | — | — | — | — | — | — | — | — | — | — | 7 | — | 7 |
| Settlement charge from pension early payout program | — | — | — | — | — | — | — | — | — | — | — | — | — | 7 | 7 |
| Organizational realignment-related costs | — | — | — | — | — | — | — | — | 3 | 3 | 1 | 1 | 2 | — | 4 |
| Severance and related costs | — | — | — | — | — | 3 | — | — | — | 3 | — | — | — | — | — |
| ACMP Merger and transition costs | — | — | — | — | — | 2 | — | — | — | 2 | — | — | — | — | — |
| *Total Northeast G&P adjustments* | 11 | 22 | 19 | 13 | 65 | 5 | — | 6 | 22 | 33 | 1 | 1 | 131 | 7 | 140 |
| Transmission & Gulf of Mexico | | | | | | | | | | | | | | | |
| Regulatory adjustments resulting from Tax Reform | — | — | — | — | — | — | — | — | — | — | — | — | — | 713 | 713 |
| Share of regulatory charges resulting from Tax Reform for equity-method investments | — | — | — | — | — | — | — | — | — | — | — | — | — | 11 | 11 |
| Constitution Pipeline project development costs | — | — | — | — | — | — | 8 | 11 | 9 | 28 | 2 | 6 | 4 | 4 | 16 |
| Potential rate refunds associated with rate case litigation | — | — | — | — | — | 15 | — | — | — | 15 | — | — | — | — | — |
| Settlement charge from pension early payout program | — | — | — | — | — | — | — | — | — | — | — | — | — | 19 | 19 |
| Organizational realignment-related costs | — | — | — | — | — | — | — | — | — | — | 1 | 2 | 2 | 1 | 6 |
| Severance and related costs | — | — | — | — | — | 10 | — | — | — | 10 | — | — | — | — | — |
| Impairment of certain assets | — | — | — | 5 | 5 | — | — | — | — | — | — | — | — | — | — |
| (Gain) loss on asset retirement | — | — | — | — | — | — | — | — | (11) | (11) | — | — | (5) | 5 | — |
| *Total Transmission & Gulf of Mexico adjustments* | — | — | — | 5 | 5 | 25 | 8 | 11 | (2) | 42 | 3 | 8 | 1 | 753 | 765 |
| West | | | | | | | | | | | | | | | |
| Estimated minimum volume commitments | 55 | 55 | 65 | (175) | — | 60 | 64 | 70 | (194) | — | 15 | 15 | 18 | (48) | — |
| Impairment of certain assets | — | 3 | — | 105 | 108 | — | 48 | — | 22 | 70 | — | — | 1,021 | 9 | 1,030 |
| Settlement charge from pension early payout program | — | — | — | — | — | — | — | — | — | — | — | — | — | 9 | 9 |
| Organizational realignment-related costs | — | — | — | — | — | — | — | — | 21 | 21 | 2 | 3 | 2 | 1 | 8 |
| Severance and related costs | — | — | — | — | — | 8 | — | — | 3 | 11 | — | — | — | — | — |
| ACMP Merger and transition costs | 30 | 14 | 2 | 2 | 48 | 3 | — | — | — | 3 | — | — | — | — | — |
| Loss (recovery) related to Opal incident | 1 | — | (8) | 1 | (6) | — | — | — | — | — | — | — | — | — | — |
| Gains from contract settlements and terminations | — | — | — | — | — | — | — | — | — | — | (13) | (2) | — | — | (15) |
| *Total West adjustments* | 86 | 72 | 59 | (67) | 150 | 71 | 112 | 70 | (148) | 105 | 4 | 16 | 1,041 | (29) | 1,032 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.

# Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income 2015-2017 cont.

| | 2015 | | | | | 2016 | | | | | 2017 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| Other | | | | | | | | | | | | | | | |
| Impairment of certain assets | — | — | — | 64 | 64 | — | 747 | — | 8 | 755 | — | 23 | 68 | — | 91 |
| Regulatory adjustments resulting from Tax Reform | — | — | — | — | — | — | — | — | — | — | — | — | — | 63 | 63 |
| Settlement charge from pension early payout program | — | — | — | — | — | — | — | — | — | — | — | — | — | 36 | 36 |
| (Gain) loss related to Canada disposition | — | — | — | — | — | — | — | 65 | 1 | 66 | (2) | (1) | 4 | 5 | 6 |
| Canadian PDH facility project development costs | — | — | — | — | — | 34 | 11 | 16 | — | 61 | — | — | — | — | — |
| Accrued long-term charitable commitment | — | — | — | 8 | 8 | — | — | — | — | — | — | — | — | — | — |
| Severance and related costs | — | — | — | — | — | 5 | — | — | 13 | 18 | 9 | 4 | 5 | 4 | 22 |
| ACMP Merger and transition costs | 8 | 9 | 7 | 12 | 36 | 2 | — | — | — | 2 | — | 4 | 3 | 4 | 11 |
| Expenses associated with strategic alternatives | — | 7 | 19 | 6 | 32 | 6 | 13 | 21 | 7 | 47 | 1 | 3 | 5 | — | 9 |
| Expenses associated with Financial Repositioning | — | — | — | — | — | — | — | — | — | — | 8 | 2 | — | — | 10 |
| Expenses associated with strategic asset monetizations | — | — | — | — | — | — | — | — | 2 | 2 | 1 | 4 | — | — | 5 |
| Loss related to Geismar Incident | 1 | 1 | — | — | 2 | — | — | — | — | — | — | — | — | — | — |
| Geismar Incident adjustments | — | (126) | — | — | (126) | — | — | — | (7) | (7) | (9) | 2 | 8 | (1) | — |
| Gain on sale of Geismar Interest | — | — | — | — | — | — | — | — | — | — | — | — | (1,095) | — | (1,095) |
| Gain on sale of RGP Splitter | — | — | — | — | — | — | — | — | — | — | — | (12) | — | — | (12) |
| Contingency (gain) loss accruals | — | — | — | (9) | (9) | — | — | — | — | — | 9 | — | — | — | 9 |
| (Gain) loss on early retirement of debt | — | (14) | — | — | (14) | — | — | — | — | — | (30) | — | 3 | — | (27) |
| Gain on sale of certain assets | — | — | — | — | — | (10) | — | — | — | (10) | — | — | — | — | — |
| *Total Other adjustments* | 9 | (123) | 26 | 81 | (7) | 37 | 771 | 102 | 24 | 934 | (13) | 29 | (999) | 111 | (872) |
| Adjustments included in Modified EBITDA | 106 | (29) | 104 | 32 | 213 | 138 | 891 | 189 | (104) | 1,114 | (5) | 54 | 174 | 842 | 1,065 |
| Adjustments below Modified EBITDA | | | | | | | | | | | | | | | |
| *Impairment of equity-method investments* | — | — | 461 | 898 | 1,359 | 112 | — | — | 318 | 430 | — | — | — | — | — |
| *Impairment of goodwill* | — | — | — | 1,098 | 1,098 | — | — | — | — | — | — | — | — | — | — |
| *Gain on disposition of equity-method investment* | — | — | — | — | — | — | — | (27) | — | (27) | (269) | — | — | — | (269) |
| *Interest expense related to potential rate refunds associated with rate case litigation* | — | — | — | — | — | 3 | — | — | — | 3 | — | — | — | — | — |
| *Accelerated depreciation related to reduced salvage value of certain assets* | — | — | — | 7 | 7 | — | — | — | 4 | 4 | — | — | — | — | — |
| *Accelerated depreciation by equity-method investments* | — | — | — | — | — | — | — | — | — | — | — | — | — | 9 | 9 |
| *Change in depreciable life associated with organizational realignment* | — | — | — | — | — | — | — | — | (16) | (16) | (7) | — | — | — | (7) |
| *ACMP Acquisition-related financing expenses - Williams Partners* | 2 | — | — | — | 2 | — | — | — | — | — | — | — | — | — | — |
| *Interest income on receivable from sale of Venezuela assets* | — | (9) | (18) | — | (27) | (18) | (18) | — | — | (36) | — | — | — | — | — |
| *Allocation of adjustments to noncontrolling interests* | (33) | 21 | (212) | (767) | (991) | (83) | (154) | (41) | (76) | (354) | 77 | (10) | (28) | (199) | (160) |
| | (31) | 12 | 231 | 1,236 | 1,448 | 14 | (172) | (68) | 230 | 4 | (199) | (10) | (28) | (190) | (427) |
| **Total adjustments** | 75 | (17) | 335 | 1,268 | 1,661 | 152 | 719 | 121 | 126 | 1,118 | (204) | 44 | 146 | 652 | 638 |
| Less tax effect for above items | (28) | 4 | (129) | (473) | (626) | (61) | (202) | (39) | 19 | (283) | 77 | (17) | (55) | (246) | (241) |
| Adjustments for tax-related items (2) | 5 | 9 | 1 | (74) | (59) | — | 34 | 5 | — | 39 | (127) | — | — | (1,923) | (2,050) |
| **Adjusted income available to common stockholders** | $ 122 | $ 110 | $ 167 | $ 6 | $ 405 | $ 26 | $ 146 | $ 148 | $ 130 | $ 450 | $ 119 | $ 108 | $ 124 | $ 170 | $ 521 |
| **Adjusted diluted earnings per common share (1)** | $ .16 | $ .15 | $ .22 | $ .01 | $ .54 | $ .03 | $ .19 | $ .20 | $ .17 | $ .60 | $ .14 | $ .13 | $ .15 | $ .20 | $ .63 |
| **Weighted-average shares - diluted (thousands)** | 752,028 | 752,775 | 753,100 | 751,930 | 752,460 | 751,040 | 751,297 | 751,858 | 752,818 | 751,761 | 826,476 | 828,575 | 829,368 | 829,607 | 828,518 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.

(2) The fourth quarter of 2015 includes an unfavorable adjustment related to the translation of certain foreign-denominated unrecognized tax benefits. The second and third quarters of 2016 include a favorable adjustment related to the reversal of a cumulative anticipatory foreign tax credit. The first quarter of 2017 includes an unfavorable adjustment related to the release of a valuation allowance. The fourth quarter of 2017 includes an unfavorable adjustment to reverse the tax benefit associated with remeasuring our deferred tax balances at a lower corporate rate resulting from Tax Reform.

 

# Reconciliation of Income (Loss) from Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income 2018-2020

| | 2018 | | | | | 2019 | | | | | 2020 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| **Income (loss) from continuing operations attributable to The Williams Companies, Inc. available to common stockholders** | $ 152 | $ 135 | $ 129 | $ (572) | $ (156) | $ 194 | $ 310 | $ 220 | $ 138 | $ 862 | $ (518) | $ 303 | $ 308 | $ 115 | $ 208 |
| **Income (loss) from continuing operations - diluted earnings (loss) per common share (1)** | $ .18 | $ .16 | $ .13 | $ (.47) | $ (.16) | $ .16 | $ .26 | $ .18 | $ .11 | $ .71 | $ (.43) | $ .25 | $ .25 | $ .09 | $ .17 |
| **Adjustments:** | | | | | | | | | | | | | | | |
| Northeast G&P | | | | | | | | | | | | | | | |
| Expenses associated with new venture | $ — | $ — | $ — | $ — | $ — | $ 3 | $ 6 | $ 1 | $ — | $ 10 | $ — | $ — | $ — | $ — | $ — |
| Impairment of certain assets | — | — | — | — | — | — | — | — | 10 | 10 | — | — | — | 12 | 12 |
| Severance and related costs | — | — | — | — | — | — | 10 | (3) | — | 7 | — | — | — | — | — |
| Pension plan settlement charge | — | — | — | 4 | 4 | — | — | — | — | — | 1 | — | — | — | 1 |
| Benefit of change in employee benefit policy | — | — | — | — | — | — | — | — | — | — | — | (2) | (2) | (5) | (9) |
| Share of impairment of certain assets at equity-method investment | — | — | — | — | — | — | — | — | — | — | — | — | 11 | 36 | 47 |
| Share of early debt retirement gain at equity-method investment | — | — | — | — | — | — | — | — | — | — | — | (5) | — | — | (5) |
| *Total Northeast G&P adjustments* | — | — | — | 4 | 4 | 3 | 16 | (2) | 10 | 27 | 1 | (7) | 9 | 43 | 46 |
| Transmission & Gulf of Mexico | | | | | | | | | | | | | | | |
| Constitution Pipeline project development costs | 2 | 1 | 1 | — | 4 | — | 1 | 1 | 1 | 3 | — | — | — | — | — |
| Northeast Supply Enhancement project development costs | — | — | — | — | — | — | — | — | — | — | — | 3 | 3 | — | 6 |
| Impairment of certain assets (2) | — | — | — | — | — | — | — | — | 354 | 354 | — | — | — | 170 | 170 |
| Regulatory adjustments resulting from Tax Reform | 4 | (20) | — | — | (16) | — | — | — | — | — | — | — | — | — | — |
| Adjustment of regulatory asset associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger | — | — | (3) | — | (3) | — | — | — | — | — | 2 | — | — | — | 2 |
| Charge for regulatory liability associated with the decrease in Northwest Pipeline's estimated deferred state income tax rates following WPZ Merger | — | — | 12 | — | 12 | — | — | — | — | — | — | — | — | — | — |
| Share of regulatory charges resulting from Tax Reform for equity-method investments | 2 | — | — | — | 2 | — | — | — | — | — | — | — | — | — | — |
| Reversal of costs capitalized in prior periods | — | — | — | — | — | — | 15 | — | 1 | 16 | — | — | 10 | 1 | 11 |
| Gain on sale of certain Gulf Coast pipeline assets | — | — | — | (81) | (81) | — | — | — | — | — | — | — | — | — | — |
| Gain on asset retirement | — | — | (10) | (2) | (12) | — | — | — | — | — | — | — | — | — | — |
| Severance and related costs | — | — | — | — | — | — | 22 | 14 | 3 | 39 | 1 | 1 | (1) | — | 1 |
| Pension plan settlement charge | — | — | — | 9 | 9 | — | — | — | — | — | 4 | 1 | — | — | 5 |
| Benefit of change in employee benefit policy | — | — | — | — | — | — | — | — | — | — | — | (3) | (6) | (13) | (22) |
| *Total Transmission & Gulf of Mexico adjustments* | 8 | (19) | — | (74) | (85) | — | 38 | 15 | 359 | 412 | 7 | 2 | 6 | 158 | 173 |
| West | | | | | | | | | | | | | | | |
| Impairment of certain assets | — | — | — | 1,849 | 1,849 | 12 | 64 | — | 24 | 100 | — | — | — | — | — |
| Gain on sale of Four Corners assets | — | — | — | (591) | (591) | 2 | — | — | — | 2 | — | — | — | — | — |
| Severance and related costs | — | — | — | — | — | — | 11 | (1) | — | 10 | — | — | — | — | — |
| Pension plan settlement charge | — | — | — | 4 | 4 | — | — | — | — | — | 1 | — | — | — | 1 |
| Benefit of change in employee benefit policy | — | — | — | — | — | — | — | — | — | — | — | (1) | (2) | (6) | (9) |
| *Total West adjustments* | — | — | — | 1,262 | 1,262 | 14 | 75 | (1) | 24 | 112 | 1 | (1) | (2) | (6) | (8) |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.
(2) Our partners' $209 million share of the fourth-quarter 2019 impairment of the Constitution pipeline project and $65 million share of the first-quarter 2020 impairment of goodwill are reflected below in Allocation of adjustments to noncontrolling interests.

# Reconciliation of Income (Loss) from Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income 2018-2020 Cont.

| | 2018 | | | | | 2019 | | | | | 2020 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| *Gas & NGL Marketing Services* | | | | | | | | | | | | | | | |
| *Total Gas & NGL Marketing Services adjustments* | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| *Other* | | | | | | | | | | | | | | | |
| Regulatory asset reversals from impaired projects | — | — | — | — | — | — | — | — | — | — | — | — | 8 | 7 | 15 |
| Reversal of costs capitalized in prior periods | — | — | — | — | — | — | — | — | — | — | — | — | 3 | — | 3 |
| Loss on early retirement of debt | 7 | — | — | — | 7 | — | — | — | — | — | — | — | — | — | — |
| Impairment of certain assets | — | 66 | — | — | 66 | — | — | — | — | — | — | — | — | — | — |
| Pension plan settlement charge | — | — | — | 5 | 5 | — | — | — | — | — | — | — | — | 1 | 1 |
| Regulatory adjustments resulting from Tax Reform | — | 1 | — | — | 1 | — | — | — | — | — | — | — | — | — | — |
| (Benefit) adjustment of regulatory assets associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger | — | — | (45) | — | (45) | 12 | — | — | — | 12 | — | — | — | — | — |
| WPZ Merger costs | — | 4 | 15 | 1 | 20 | — | — | — | — | — | — | — | — | — | — |
| Gain on sale of certain Gulf Coast pipeline systems | — | — | — | (20) | (20) | — | — | — | — | — | — | — | — | — | — |
| Charitable contribution of preferred stock to Williams Foundation | — | — | 35 | — | 35 | — | — | — | — | — | — | — | — | — | — |
| Accrual for loss contingencies | — | — | — | — | — | — | — | 9 | (5) | 4 | — | — | — | 24 | 24 |
| Severance and related costs | — | — | — | — | — | — | — | | 1 | 1 | — | — | — | — | — |
| *Total Other adjustments* | 7 | 71 | 5 | (14) | 69 | 12 | — | 9 | (4) | 17 | — | — | 11 | 32 | 43 |
| Adjustments included in Modified EBITDA | 15 | 52 | 5 | 1,178 | 1,250 | 29 | 129 | 21 | 389 | 568 | 9 | (6) | 24 | 227 | 254 |
| Adjustments below Modified EBITDA | | | | | | | | | | | | | | | |
| *Gain on deconsolidation of Jackalope interest* | — | (62) | — | — | (62) | — | — | — | — | — | — | — | — | — | — |
| *Gain on deconsolidation of certain Permian assets* | — | — | — | (141) | (141) | 2 | — | — | — | 2 | — | — | — | — | — |
| *Loss on deconsolidation of Constitution* | — | — | — | — | — | — | — | — | 27 | 27 | — | — | — | — | — |
| *Impairment of equity-method investments* | — | — | — | 32 | 32 | 74 | (2) | 114 | — | 186 | 938 | — | — | 108 | 1,046 |
| *Impairment of goodwill* (2) | — | — | — | — | — | — | — | — | — | — | 187 | — | — | — | 187 |
| *Share of impairment of goodwill at equity-method investment* | — | — | — | — | — | — | — | — | — | — | 78 | — | — | — | 78 |
| *Gain on sale of equity-method investments* | — | — | — | — | — | — | (122) | — | — | (122) | — | — | — | — | — |
| *Allocation of adjustments to noncontrolling interests* | (5) | 21 | — | — | 16 | — | (1) | — | (210) | (211) | (65) | — | — | — | (65) |
| | (5) | (41) | — | (109) | (155) | 76 | (125) | 114 | (183) | (118) | 1,138 | — | — | 108 | 1,246 |
| **Total adjustments** | 10 | 11 | 5 | 1,069 | 1,095 | 105 | 4 | 135 | 206 | 450 | 1,147 | (6) | 24 | 335 | 1,500 |
| Less tax effect for above items | (3) | (3) | (1) | (267) | (274) | (26) | (1) | (34) | (51) | (112) | (316) | 8 | 1 | (68) | (375) |
| Adjustments for tax-related items (3) | — | — | 110 | — | 110 | — | — | — | — | — | — | — | — | — | — |
| **Adjusted income from continuing operations available to common stockholders** | $ 159 | $ 143 | $ 243 | $ 230 | $ 775 | $ 273 | $ 313 | $ 321 | $ 293 | $ 1,200 | $ 313 | $ 305 | $ 333 | $ 382 | $ 1,333 |
| **Adjusted income from continuing operations - diluted earnings per common share (1)** | $ .19 | $ .17 | $ .24 | $ .19 | $ .79 | $ .22 | $ .26 | $ .26 | $ .24 | $ .99 | $ .26 | $ .25 | $ .27 | $ .31 | $ 1.10 |
| **Weighted-average shares - diluted (thousands)** | 830,197 | 830,107 | 1,026,504 | 1,212,822 | 976,097 | 1,213,592 | 1,214,065 | 1,214,165 | 1,214,212 | 1,214,011 | 1,214,348 | 1,214,581 | 1,215,335 | 1,216,381 | 1,215,165 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.
(2) Our partners' $209 million share of the fourth-quarter 2019 impairment of the Constitution pipeline project and $65 million share of the first-quarter 2020 impairment of goodwill are reflected below in Allocation of adjustments to noncontrolling interests.
(3) The third quarter of 2018 reflects tax adjustments driven by the WPZ Merger, primarily a valuation allowance for foreign tax credits.

 

# Reconciliation of Income (Loss) From Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income 2021-2022

| | 2021 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| **Income (loss) from continuing operations attributable to The Williams Companies, Inc. available to common stockholders** | $ 425 | $ 304 | $ 164 | $ 621 | $ 1,514 | $ 379 | $ 400 | $ 599 | $ 668 | $ 2,046 |
| **Income (loss) from continuing operations - diluted earnings (loss) per common share [1]** | $ .35 | $ .25 | $ .13 | $ .51 | $ 1.24 | $ .31 | $ .33 | $ .49 | $ .55 | $ 1.67 |
| **Adjustments:** | | | | | | | | | | |
| *Northeast G&P* | | | | | | | | | | |
| *Total Northeast G&P adjustments* | — | — | — | — | — | — | — | — | — | — |
| *Transmission & Gulf of Mexico* | | | | | | | | | | |
| Impairment of certain assets | — | 2 | — | — | 2 | — | — | — | — | — |
| Loss related to Eminence storage cavern abandonments and monitoring | — | — | — | — | — | — | — | 19 | 12 | 31 |
| Net unrealized (gain) loss from derivative instruments | — | — | — | — | — | — | — | (1) | 1 | — |
| Regulatory liability charges associated with decrease in Transco's estimated deferred state income tax rate | — | — | — | — | — | — | — | 15 | — | 15 |
| *Total Transmission & Gulf of Mexico adjustments* | — | 2 | — | — | 2 | — | — | 33 | 13 | 46 |
| *West* | | | | | | | | | | |
| Trace acquisition costs | — | — | — | — | — | — | 8 | — | — | 8 |
| *Total West adjustments* | — | — | — | — | — | — | 8 | — | — | 8 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.

# Reconciliation of Income (Loss) From Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income 2021-2022 Cont.

| | 2021 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| Gas & NGL Marketing Services | | | | | | | | | | |
| Amortization of purchase accounting inventory fair value adjustment | — | — | 2 | 16 | 18 | 15 | — | — | — | 15 |
| Impact of volatility on NGL linefill transactions | — | — | — | — | — | (20) | — | 23 | 6 | 9 |
| Net unrealized (gain) loss from derivative instruments | — | — | 294 | (188) | 106 | 57 | 288 | (5) | (66) | 274 |
| *Total Gas & NGL Marketing Services adjustments* | — | — | 296 | (172) | 124 | 52 | 288 | 18 | (60) | 298 |
| Other | | | | | | | | | | |
| Net unrealized (gain) loss from derivative instruments | — | 4 | 16 | (20) | — | 66 | (47) | (29) | (15) | (25) |
| Regulatory liability charge associated with decrease in Transco's estimated deferred state income tax rate | — | — | — | — | — | — | — | 5 | — | 5 |
| Expenses associated with Sequent acquisition and transition | — | — | 3 | 2 | 5 | — | — | — | — | — |
| Accrual for loss contingencies | 5 | 5 | — | — | 10 | — | — | 11 | — | 11 |
| *Total Other adjustments* | 5 | 9 | 19 | (18) | 15 | 66 | (47) | (13) | (15) | (9) |
| Adjustments included in Modified EBITDA | 5 | 11 | 315 | (190) | 141 | 118 | 249 | 38 | (62) | 343 |
| | | | | | | | | | | |
| Adjustments below Modified EBITDA | | | | | | | | | | |
| *Acclelerated depreciation for decommissioning assets* | — | 20 | 13 | — | 33 | — | — | — | — | — |
| *Amortization of intangible assets from Sequent acquisition* | — | — | 21 | (3) | 18 | 42 | 41 | 42 | 42 | 167 |
| *Depreciation adjustment related to Eminence storage cavern abandonments* | — | — | — | — | — | — | — | (1) | — | (1) |
| | — | 20 | 34 | (3) | 51 | 42 | 41 | 41 | 42 | 166 |
| **Total adjustments** | 5 | 31 | 349 | (193) | 192 | 160 | 290 | 79 | (20) | 509 |
| Less tax effect for above items | (1) | (8) | (87) | 48 | (48) | (40) | (72) | (17) | 5 | (124) |
| Adjustments for tax-related items (2) | — | — | — | — | — | — | (134) | (69) | — | (203) |
| | | | | | | | | | | |
| **Adjusted income from continuing operations available to common stockholders** | $ 429 | $ 327 | $ 426 | $ 476 | $ 1,658 | $ 499 | $ 484 | $ 592 | $ 653 | $ 2,228 |
| **Adjusted income from continuing operations - diluted earnings per common share (1)** | $ .35 | $ .27 | $ .35 | $ .39 | $ 1.36 | $ .41 | $ .40 | $ .48 | $ .53 | $ 1.82 |
| **Weighted-average shares - diluted (thousands)** | 1,217,211 | 1,217,476 | 1,217,979 | 1,221,454 | 1,218,215 | 1,221,279 | 1,222,694 | 1,222,472 | 1,224,212 | 1,222,672 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.
(2) The second quarter of 2022 includes adjustments for the reversal of valuation allowance due to the expected utilization of certain deferred income tax assets and previously unrecognized tax benefits from the resolution of certain federal income tax audits. The third quarter of 2022 includes an unfavorable adjustment to reverse the net benefit primarily associated with a significant decrease in our estimated deferred state income tax rate, partially offset by an unfavorable revision to a state net operating loss carryforward.

# Reconciliation of Income (Loss) From Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income 2023-2024

| | 2023 | | | | | 2024 |
|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* |
| **Income (loss) from continuing operations attributable to The Williams Companies, Inc. available to common stockholders** | $ 926 | $ 547 | $ 654 | $ 1,146 | $ 3,273 | $ 631 |
| **Income (loss) from continuing operations - diluted earnings (loss) per common share (1)** | $ .76 | $ .45 | $ .54 | $ .94 | $ 2.68 | $ .52 |
| **Adjustments:** | | | | | | |
| *Transmission & Gulf of Mexico* | | | | | | |
| MountainWest acquisition and transition-related costs | $ 13 | $ 17 | $ 3 | $ 9 | $ 42 | $ — |
| Gulf Coast Storage acquisition and transition-related costs* | — | — | — | 1 | 1 | 10 |
| Gain on sale of business | — | — | (130) | 1 | (129) | — |
| *Total Transmission & Gulf of Mexico adjustments* | 13 | 17 | (127) | 11 | (86) | 10 |
| *Northeast G&P* | | | | | | |
| Accrual for loss contingency | — | — | — | 10 | 10 | — |
| Our share of accrual for loss contingency at Aux Sable Liquid Products LP | — | — | 31 | (2) | 29 | — |
| *Total Northeast G&P adjustments* | — | — | 31 | 8 | 39 | — |
| *West* | | | | | | |
| Cureton acquisition and transition-related costs* | — | — | — | 6 | 6 | 1 |
| Gain from contract settlement | (18) | — | — | — | (18) | — |
| Impairment of assets held for sale | — | — | — | 10 | 10 | — |
| *Total West adjustments* | (18) | — | — | 16 | (2) | 1 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.
*Amounts for the 2024 periods are included in Additional adjustments on the Reconciliation of Cash Flow from Operating Activities to Non-GAAP Available Funds from Operations (AFFO).

 

# Reconciliation of Income (Loss) From Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income 2023-2024 Cont.

| | 2023 | | | | | 2024 |
|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* |
| Gas & NGL Marketing Services | | | | | | |
| Impact of volatility on NGL linefill transactions* | (3) | 10 | (3) | 5 | 9 | (6) |
| Net unrealized (gain) loss from derivative instruments | (333) | (94) | (24) | (208) | (659) | 94 |
| *Total Gas & NGL Marketing Services adjustments* | (336) | (84) | (27) | (203) | (650) | 88 |
| Other | | | | | | |
| Net unrealized (gain) loss from derivative instruments | 6 | 11 | 1 | (19) | (1) | (2) |
| Net gain from Energy Transfer litigation judgment | — | — | — | (534) | (534) | — |
| *Total Other adjustments* | 6 | 11 | 1 | (553) | (535) | (2) |
| Adjustments included in Modified EBITDA | (335) | (56) | (122) | (721) | (1,234) | 97 |
| Adjustments below Modified EBITDA | | | | | | |
| *Gain on remeasurement of RMM investment* | — | — | — | (30) | (30) | — |
| *Imputed interest expense on deferred consideration obligations** | — | — | — | — | — | 12 |
| *Amortization of intangible assets from Sequent acquisition* | 15 | 14 | 15 | 15 | 59 | 7 |
| | 15 | 14 | 15 | (15) | 29 | 19 |
| **Total adjustments** | (320) | (42) | (107) | (736) | (1,205) | 116 |
| Less tax effect for above items | 78 | 10 | 25 | 178 | 291 | (28) |
| Adjustments for tax-related items (2) | — | — | (25) | — | (25) | — |
| **Adjusted income from continuing operations available to common stockholders** | $ 684 | $ 515 | $ 547 | $ 588 | $ 2,334 | $ 719 |
| **Adjusted income from continuing operations - diluted earnings per common share (1)** | $ .56 | $ .42 | $ .45 | $ .48 | $ 1.91 | $ .59 |
| **Weighted-average shares - diluted (thousands)** | 1,225,781 | 1,219,915 | 1,220,073 | 1,221,894 | 1,221,616 | 1,222,222 |

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.
(2) The third quarter of 2023 includes an adjustment associated with a decrease in our estimated deferred state income tax rate.
*Amounts for the 2024 periods are included in Additional adjustments on the Reconciliation of Cash Flow from Operating Activities to Non-GAAP Available Funds from Operations (AFFO).

# Reconciliation of Net Income (Loss) to Modified EBITDA and Non-GAAP Adjusted EBITDA 2015-2017

| | 2015 | | | | | 2016 | | | | | 2017 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| **Net income (loss)** | $ 13 | $ 183 | $ (173) | $ (1,337) | $ (1,314) | $ (13) | $ (505) | $ 131 | $ 37 | $ (350) | $ 569 | $ 193 | $ 125 | $1,622 | $2,509 |
| Provision (benefit) for income taxes | 30 | 83 | (65) | (447) | (399) | 2 | (145) | 69 | 49 | (25) | 37 | 65 | 24 | (2,100) | (1,974) |
| Interest expense | 251 | 262 | 263 | 268 | 1,044 | 291 | 298 | 297 | 293 | 1,179 | 280 | 271 | 267 | 265 | 1,083 |
| Equity (earnings) losses | (51) | (93) | (92) | (99) | (335) | (97) | (101) | (104) | (95) | (397) | (107) | (125) | (115) | (87) | (434) |
| Impairment of equity-method investments | — | — | 461 | 898 | 1,359 | 112 | — | — | 318 | 430 | — | — | — | — | — |
| Other investing (income) loss – net | — | (9) | (18) | — | (27) | (18) | (18) | (28) | 1 | (63) | (272) | (2) | (4) | (4) | (282) |
| Proportional Modified EBITDA of equity-method investments | 136 | 183 | 185 | 195 | 699 | 189 | 191 | 194 | 180 | 754 | 194 | 215 | 202 | 184 | 795 |
| Impairment of goodwill | — | — | — | 1,098 | 1,098 | — | — | — | — | — | — | — | — | — | — |
| Depreciation and amortization expenses | 427 | 428 | 432 | 451 | 1,738 | 445 | 446 | 435 | 437 | 1,763 | 442 | 433 | 433 | 428 | 1,736 |
| Accretion expense associated with asset retirement obligations for nonregulated operations | 6 | 9 | 6 | 7 | 28 | 7 | 8 | 9 | 7 | 31 | 7 | 9 | 7 | 10 | 33 |
| **Modified EBITDA** | **$ 812** | **$1,046** | **$ 999** | **$ 1,034** | **$ 3,891** | **$ 918** | **$ 174** | **$1,003** | **$1,227** | **$3,322** | **$1,150** | **$1,059** | **$ 939** | **$ 318** | **$3,466** |
| | | | | | | | | | | | | | | | |
| Northeast G&P | $ 194 | $ 184 | $ 204 | $ 188 | $ 770 | $ 220 | $ 222 | $ 214 | $ 197 | $ 853 | $ 226 | $ 247 | $ 115 | $ 231 | $ 819 |
| Transmission & Gulf of Mexico | 421 | 473 | 499 | 471 | 1,864 | 466 | 436 | 502 | 538 | 1,942 | 535 | 531 | 507 | (236) | 1,337 |
| West | 227 | 253 | 264 | 412 | 1,156 | 243 | 236 | 284 | 460 | 1,223 | 300 | 279 | (692) | 426 | 313 |
| Other | (30) | 136 | 32 | (37) | 101 | (11) | (720) | 3 | 32 | (696) | 89 | 2 | 1,009 | (103) | 997 |
| **Total Modified EBITDA** | **$ 812** | **$1,046** | **$ 999** | **$ 1,034** | **$ 3,891** | **$ 918** | **$ 174** | **$1,003** | **$1,227** | **$3,322** | **$1,150** | **$1,059** | **$ 939** | **$ 318** | **$3,466** |
| | | | | | | | | | | | | | | | |
| **Adjustments included in Modified EBITDA (1):** | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Northeast G&P | $ 11 | $ 22 | $ 19 | $ 13 | $ 65 | $ 5 | $ — | $ 6 | $ 22 | $ 33 | $ 1 | $ 1 | $ 131 | $ 7 | $ 140 |
| Transmission & Gulf of Mexico | — | — | — | 5 | 5 | 25 | 8 | 11 | (2) | 42 | 3 | 8 | 1 | 753 | 765 |
| West | 86 | 72 | 59 | (67) | 150 | 71 | 112 | 70 | (148) | 105 | 4 | 16 | 1,041 | (29) | 1,032 |
| Other | 9 | (123) | 26 | 81 | (7) | 37 | 771 | 102 | 24 | 934 | (13) | 29 | (999) | 111 | (872) |
| **Total Adjustments included in Modified EBITDA** | **$ 106** | **$ (29)** | **$ 104** | **$ 32** | **$ 213** | **$ 138** | **$ 891** | **$ 189** | **$ (104)** | **$1,114** | **$ (5)** | **$ 54** | **$ 174** | **$ 842** | **$1,065** |
| | | | | | | | | | | | | | | | |
| **Adjusted EBITDA:** | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Northeast G&P | $ 205 | $ 206 | $ 223 | $ 201 | $ 835 | $ 225 | $ 222 | $ 220 | $ 219 | $ 886 | $ 227 | $ 248 | $ 246 | $ 238 | $ 959 |
| Transmission & Gulf of Mexico | 421 | 473 | 499 | 476 | 1,869 | 491 | 444 | 513 | 536 | 1,984 | 538 | 539 | 508 | 517 | 2,102 |
| West | 313 | 325 | 323 | 345 | 1,306 | 314 | 348 | 354 | 312 | 1,328 | 304 | 295 | 349 | 397 | 1,345 |
| Other | (21) | 13 | 58 | 44 | 94 | 26 | 51 | 105 | 56 | 238 | 76 | 31 | 10 | 8 | 125 |
| **Total Adjusted EBITDA** | **$ 918** | **$1,017** | **$1,103** | **$ 1,066** | **$ 4,104** | **$1,056** | **$1,065** | **$1,192** | **$1,123** | **$4,436** | **$1,145** | **$1,113** | **$1,113** | **$1,160** | **$4,531** |

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income," which is also included in these materials.

# Reconciliation of Net Income (Loss) to Modified EBITDA and Non-GAAP Adjusted EBITDA 2018-2020

| | 2018 | | | | | 2019 | | | | | 2020 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| **Net income (loss)** | $ 270 | $ 269 | $ 200 | $ (546) | $ 193 | $ 214 | $ 324 | $ 242 | $ (66) | $ 714 | $ (570) | $ 315 | $ 323 | $ 130 | $ 198 |
| Provision (benefit) for income taxes | 55 | 52 | 190 | (159) | 138 | 69 | 98 | 77 | 91 | 335 | (204) | 117 | 111 | 55 | 79 |
| Interest expense | 273 | 275 | 270 | 294 | 1,112 | 296 | 296 | 296 | 298 | 1,186 | 296 | 294 | 292 | 290 | 1,172 |
| Impairment of goodwill | — | — | — | — | — | — | — | — | — | — | 187 | — | — | — | 187 |
| Equity (earnings) losses | (82) | (92) | (105) | (117) | (396) | (80) | (87) | (93) | (115) | (375) | (22) | (108) | (106) | (92) | (328) |
| Impairment of equity-method investments | — | — | — | 32 | 32 | 74 | (2) | 114 | — | 186 | 938 | — | — | 108 | 1,046 |
| Other investing (income) loss - net | (4) | (68) | (2) | (145) | (219) | (1) | (124) | (7) | 25 | (107) | (3) | (1) | (2) | (2) | (8) |
| Proportional Modified EBITDA of equity-method investments | 169 | 178 | 205 | 218 | 770 | 190 | 175 | 181 | 200 | 746 | 192 | 192 | 189 | 176 | 749 |
| Depreciation and amortization expenses | 431 | 434 | 425 | 435 | 1,725 | 416 | 424 | 435 | 439 | 1,714 | 429 | 430 | 426 | 436 | 1,721 |
| Accretion expense associated with asset retirement obligations for nonregulated operations | 8 | 10 | 8 | 7 | 33 | 9 | 8 | 8 | 8 | 33 | 10 | 7 | 10 | 8 | 35 |
| (Income) loss from discontinued operations, net of tax | — | — | — | — | — | — | — | — | 15 | 15 | — | — | — | — | — |
| **Modified EBITDA** | **$ 1,120** | **$ 1,058** | **$ 1,191** | **$ 19** | **$ 3,388** | **$ 1,187** | **$ 1,112** | **$ 1,253** | **$ 895** | **$ 4,447** | **$ 1,253** | **$ 1,246** | **$ 1,243** | **$ 1,109** | **$ 4,851** |
| Northeast G&P | $ 250 | $ 255 | $ 281 | $ 300 | $ 1,086 | $ 299 | $ 303 | $ 345 | $ 367 | $ 1,314 | $ 369 | $ 370 | $ 387 | $ 363 | $ 1,489 |
| Transmission & Gulf of Mexico | 531 | 541 | 549 | 672 | 2,293 | 636 | 590 | 665 | 284 | 2,175 | 662 | 615 | 616 | 486 | 2,379 |
| West | 333 | 323 | 355 | (973) | 38 | 256 | 217 | 247 | 232 | 952 | 233 | 227 | 229 | 259 | 948 |
| Gas & NGL Marketing | | | | | | — | (5) | (2) | 7 | — | (18) | 26 | 18 | 24 | 50 |
| Other | 6 | (61) | 6 | 20 | (29) | (4) | 7 | (2) | 5 | 6 | 7 | 8 | (7) | (23) | (15) |
| **Total Modified EBITDA** | **$ 1,120** | **$ 1,058** | **$ 1,191** | **$ 19** | **$ 3,388** | **$ 1,187** | **$ 1,112** | **$ 1,253** | **$ 895** | **$ 4,447** | **$ 1,253** | **$ 1,246** | **$ 1,243** | **$ 1,109** | **$ 4,851** |
| **Adjustments included in Modified EBITDA (1):** | | | | | | | | | | | | | | | |
| Northeast G&P | $ — | $ — | $ — | $ 4 | $ 4 | $ 3 | $ 16 | $ (2) | $ 10 | $ 27 | $ 1 | $ (7) | $ 9 | $ 43 | $ 46 |
| Transmission & Gulf of Mexico | 8 | (19) | — | (74) | (85) | — | 38 | 15 | 359 | 412 | 7 | 2 | 6 | 158 | 173 |
| West | — | — | — | 1,262 | 1,262 | 14 | 75 | (1) | 24 | 112 | 1 | (1) | (2) | (6) | (8) |
| Gas & NGL Marketing | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other | 7 | 71 | 5 | (14) | 69 | 12 | — | 9 | (4) | 17 | — | — | 11 | 32 | 43 |
| **Total Adjustments included in Modified EBITDA** | **$ 15** | **$ 52** | **$ 5** | **$ 1,178** | **$ 1,250** | **$ 29** | **$ 129** | **$ 21** | **$ 389** | **$ 568** | **$ 9** | **$ (6)** | **$ 24** | **$ 227** | **$ 254** |
| **Adjusted EBITDA:** | | | | | | | | | | | | | | | |
| Northeast G&P | $ 250 | $ 255 | $ 281 | $ 304 | $ 1,090 | $ 302 | $ 319 | $ 343 | $ 377 | $ 1,341 | $ 370 | $ 363 | $ 396 | $ 406 | $ 1,535 |
| Transmission & Gulf of Mexico | 539 | 522 | 549 | 598 | 2,208 | 636 | 628 | 680 | 643 | 2,587 | 669 | 617 | 622 | 644 | 2,552 |
| West | 333 | 323 | 355 | 289 | 1,300 | 270 | 292 | 246 | 256 | 1,064 | 234 | 226 | 227 | 253 | 940 |
| Gas & NGL Marketing | — | — | — | — | — | — | (5) | (2) | 7 | — | (18) | 26 | 18 | 24 | 50 |
| Other | 13 | 10 | 11 | 6 | 40 | 8 | 7 | 7 | 1 | 23 | 7 | 8 | 4 | 9 | 28 |
| **Total Adjusted EBITDA** | **$ 1,135** | **$ 1,110** | **$ 1,196** | **$ 1,197** | **$ 4,638** | **$ 1,216** | **$ 1,241** | **$ 1,274** | **$ 1,284** | **$ 5,015** | **$ 1,262** | **$ 1,240** | **$ 1,267** | **$ 1,336** | **$ 5,105** |

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income," which is also included in these materials.

# Reconciliation of Net Income (Loss) to Modified EBITDA and Non-GAAP Adjusted EBITDA 2021-2022

| | 2021 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(Dollars in millions)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* |
| **Net income (loss)** | $ 435 | $ 322 | $ 173 | $ 632 | $ 1,562 | $ 392 | $ 407 | $ 621 | $ 697 | $ 2,117 |
| Provision (benefit) for income taxes | 141 | 119 | 53 | 198 | 511 | 118 | (45) | 96 | 256 | 425 |
| Interest expense | 294 | 298 | 292 | 295 | 1,179 | 286 | 281 | 291 | 289 | 1,147 |
| Impairment of goodwill | — | — | — | — | — | — | — | — | — | — |
| Equity (earnings) losses | (131) | (135) | (157) | (185) | (608) | (136) | (163) | (193) | (145) | (637) |
| Impairment of equity-method investments | — | — | — | — | — | — | — | — | — | — |
| Other investing (income) loss - net | (2) | (2) | (2) | (1) | (7) | (1) | (2) | (1) | (12) | (16) |
| Proportional Modified EBITDA of equity-method investments | 225 | 230 | 247 | 268 | 970 | 225 | 250 | 273 | 231 | 979 |
| Depreciation and amortization expenses | 438 | 463 | 487 | 454 | 1,842 | 498 | 506 | 500 | 505 | 2,009 |
| Accretion expense associated with asset retirement obligations for nonregulated operations | 10 | 11 | 12 | 12 | 45 | 11 | 13 | 12 | 15 | 51 |
| (Income) loss from discontinued operations, net of tax | — | — | — | — | — | — | — | — | — | — |
| **Modified EBITDA** | **$ 1,410** | **$ 1,306** | **$ 1,105** | **$ 1,673** | **$ 5,494** | **$ 1,393** | **$ 1,247** | **$ 1,599** | **$ 1,836** | **$ 6,075** |
| Northeast G&P | $ 402 | $ 409 | $ 442 | $ 459 | $ 1,712 | $ 418 | $ 450 | $ 464 | $ 464 | $ 1,796 |
| Transmission & Gulf of Mexico | 660 | 646 | 630 | 685 | 2,621 | 697 | 652 | 638 | 687 | 2,674 |
| West | 222 | 223 | 257 | 259 | 961 | 260 | 288 | 337 | 326 | 1,211 |
| Gas & NGL Marketing | 93 | 8 | (262) | 183 | 22 | 13 | (282) | 20 | 209 | (40) |
| Other | 33 | 20 | 38 | 87 | 178 | 5 | 139 | 140 | 150 | 434 |
| **Total Modified EBITDA** | **$ 1,410** | **$ 1,306** | **$ 1,105** | **$ 1,673** | **$ 5,494** | **$ 1,393** | **$ 1,247** | **$ 1,599** | **$ 1,836** | **$ 6,075** |
| **Adjustments included in Modified EBITDA (1):** | | | | | | | | | | |
| Northeast G&P | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Transmission & Gulf of Mexico | — | 2 | — | — | 2 | — | — | 33 | 13 | 46 |
| West | — | — | — | — | — | — | 8 | — | — | 8 |
| Gas & NGL Marketing | — | — | 296 | (172) | 124 | 52 | 288 | 18 | (60) | 298 |
| Other | 5 | 9 | 19 | (18) | 15 | 66 | (47) | (13) | (15) | (9) |
| **Total Adjustments included in Modified EBITDA** | **$ 5** | **$ 11** | **$ 315** | **$ (190)** | **$ 141** | **$ 118** | **$ 249** | **$ 38** | **$ (62)** | **$ 343** |
| **Adjusted EBITDA:** | | | | | | | | | | |
| Northeast G&P | $ 402 | $ 409 | $ 442 | $ 459 | $ 1,712 | $ 418 | $ 450 | $ 464 | $ 464 | $ 1,796 |
| Transmission & Gulf of Mexico | 660 | 648 | 630 | 685 | 2,623 | 697 | 652 | 671 | 700 | 2,720 |
| West | 222 | 223 | 257 | 259 | 961 | 260 | 296 | 337 | 326 | 1,219 |
| Gas & NGL Marketing | 93 | 8 | 34 | 11 | 146 | 65 | 6 | 38 | 149 | 258 |
| Other | 38 | 29 | 57 | 69 | 193 | 71 | 92 | 127 | 135 | 425 |
| **Total Adjusted EBITDA** | **$ 1,415** | **$ 1,317** | **$ 1,420** | **$ 1,483** | **$ 5,635** | **$ 1,511** | **$ 1,496** | **$ 1,637** | **$ 1,774** | **$ 6,418** |

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) from Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income," which is also included in these materials.

# Reconciliation of Net Income (Loss) to Modified EBITDA, and Non-GAAP Adjusted EBITDA 2023-2024

| | 2023 | | | | | 2024 |
|---|---|---|---|---|---|---|
| *(Dollars in millions)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr* | *Year* | *1st Qtr* |
| **Net income (loss)** | $ 957 | $ 494 | $ 684 | $ 1,168 | $ 3,303 | $ 662 |
| Provision (benefit) for income taxes | 284 | 175 | 176 | 370 | 1,005 | 193 |
| Interest expense | 294 | 306 | 314 | 322 | 1,236 | 349 |
| Equity (earnings) losses | (147) | (160) | (127) | (155) | (589) | (137) |
| Other investing (income) loss - net | (8) | (13) | (24) | (63) | (108) | (24) |
| Proportional Modified EBITDA of equity-method investments | 229 | 249 | 215 | 246 | 939 | 228 |
| Depreciation and amortization expenses | 506 | 515 | 521 | 529 | 2,071 | 548 |
| Accretion expense associated with asset retirement obligations for nonregulated operations | 15 | 14 | 14 | 16 | 59 | 18 |
| (Income) loss from discontinued operations, net of tax | — | 87 | 1 | 9 | 97 | — |
| **Modified EBITDA** | **$ 2,130** | **$ 1,667** | **$ 1,774** | **$ 2,442** | **$ 8,013** | **$ 1,837** |
| | | | | | | |
| Transmission & Gulf of Mexico | $ 715 | $ 731 | $ 881 | $ 741 | $ 3,068 | $ 829 |
| Northeast G&P | 470 | 515 | 454 | 477 | 1,916 | 504 |
| West | 304 | 312 | 315 | 307 | 1,238 | 327 |
| Gas & NGL Marketing Services | 567 | 68 | 43 | 272 | 950 | 101 |
| Other | 74 | 41 | 81 | 645 | 841 | 76 |
| **Total Modified EBITDA** | **$ 2,130** | **$ 1,667** | **$ 1,774** | **$ 2,442** | **$ 8,013** | **$ 1,837** |
| | | | | | | |
| **Adjustments [1]:** | | | | | | |
| Transmission & Gulf of Mexico | $ 13 | $ 17 | $ (127) | $ 11 | $ (86) | $ 10 |
| Northeast G&P | — | — | 31 | 8 | 39 | — |
| West | (18) | — | — | 16 | (2) | 1 |
| Gas & NGL Marketing Services | (336) | (84) | (27) | (203) | (650) | 88 |
| Other | 6 | 11 | 1 | (553) | (535) | (2) |
| **Total Adjustments** | **$ (335)** | **$ (56)** | **$ (122)** | **$ (721)** | **$(1,234)** | **$ 97** |
| | | | | | | |
| **Adjusted EBITDA:** | | | | | | |
| Transmission & Gulf of Mexico | $ 728 | $ 748 | $ 754 | $ 752 | $ 2,982 | $ 839 |
| Northeast G&P | 470 | 515 | 485 | 485 | 1,955 | 504 |
| West | 286 | 312 | 315 | 323 | 1,236 | 328 |
| Gas & NGL Marketing Services | 231 | (16) | 16 | 69 | 300 | 189 |
| Other | 80 | 52 | 82 | 92 | 306 | 74 |
| **Total Adjusted EBITDA** | **$ 1,795** | **$ 1,611** | **$ 1,652** | **$ 1,721** | **$ 6,779** | **$ 1,934** |

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) from Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income," which is also included in these materials.

# Reconciliation of Cash Flow from Operating Activities to Non-GAAP Available Funds from Operations 2023-2024

| | 2023 | | | | | 2024 |
|---|---|---|---|---|---|---|
| *(Dollars in millions, except coverage ratios)* | *1st Qtr* | *2nd Qtr* | *3rd Qtr* | *4th Qtr*** | *Year*** | *1st Qtr* |
| | | | | | | |
| **Net cash provided (used) by operating activities** | $ 1,514 | $ 1,377 | $ 1,234 | $ 1,813 | $ 5,938 | $ 1,234 |
| Exclude: Cash (provided) used by changes in: | | | | | | |
| Accounts receivable | (1,269) | (154) | 128 | 206 | (1,089) | (314) |
| Inventories, including write-downs | (45) | (19) | 7 | 14 | (43) | (38) |
| Other current assets and deferred charges | 4 | (28) | 29 | (65) | (60) | (9) |
| Accounts payable | 1,017 | 203 | (148) | (63) | 1,009 | 309 |
| Accrued and other current liabilities | 318 | (246) | 42 | (95) | 19 | 218 |
| Changes in current and noncurrent commodity derivative assets and liabilities | (82) | (37) | (53) | (28) | (200) | 68 |
| Other, including changes in noncurrent assets and liabilities | 40 | 47 | 53 | 106 | 246 | 61 |
| Preferred dividends paid | (1) | — | (1) | (1) | (3) | (1) |
| Dividends and distributions paid to noncontrolling interests | (54) | (58) | (62) | (39) | (213) | (64) |
| Contributions from noncontrolling interests | 3 | 15 | — | — | 18 | 26 |
| Adjustment to exclude litigation-related charges in discontinued operations | — | 115 | 1 | 9 | 125 | — |
| Adjustment to exclude net gain from Energy Transfer litigation judgment | — | — | — | (534) | (534) | — |
| Additional Adjustments * | — | — | — | — | — | 17 |
| **Available funds from operations** | **$ 1,445** | **$ 1,215** | **$ 1,230** | **$ 1,323** | **$ 5,213** | **$ 1,507** |
| | | | | | | |
| Common dividends paid | $ 546 | $ 545 | $ 544 | $ 544 | $ 2,179 | $ 579 |
| | | | | | | |
| **Coverage ratio:** | | | | | | |
| Available funds from operations divided by Common dividends paid | 2.65 | 2.23 | 2.26 | 2.43 | 2.39 | 2.60 |

* See detail on Reconciliation of Income (Loss) from Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income.

** Certain amounts for the fourth quarter of 2023 were revised to agree to final reported amounts, with no impact to previously reported AFFO for that period.

# Reconciliation of Net Income (Loss) from Continuing Operations to Modified EBITDA, Non-GAAP Adjusted EBITDA and Cash Flow from Operating Activities to Non-GAAP Available Funds from Operations (AFFO)

| | 2024 Guidance | | | 2025 Guidance | | |
|---|---|---|---|---|---|---|
| *(Dollars in millions, except per-share amounts and coverage ratio)* | Low | Mid | High | Low | Mid | High |
| **Net income (loss) from continuing operations** | $ 2,094 | $ 2,219 | $ 2,344 | $ 2,373 | $ 2,523 | $ 2,673 |
| Provision (benefit) for income taxes | 670 | 695 | 720 | 735 | 785 | 835 |
| Interest expense | | 1,380 | | | 1,390 | |
| Equity (earnings) losses | | (535) | | | (610) | |
| Proportional Modified EBITDA of equity-method investments | | 895 | | | 990 | |
| Depreciation and amortization expenses and accretion for asset retirement obligations associated with nonregulated operations | | 2,270 | | | 2,325 | |
| Other | | (6) | | | (8) | |
| **Modified EBITDA** | **$ 6,768** | **$ 6,918** | **$ 7,068** | **$ 7,195** | **$ 7,395** | **$ 7,595** |
| **EBITDA Adjustments** | | 32 | | | 5 | |
| **Adjusted EBITDA** | **$ 6,800** | **$ 6,950** | **$ 7,100** | **$ 7,200** | **$ 7,400** | **$ 7,600** |
| | | | | | | |
| **Net income (loss) from continuing operations** | $ 2,094 | $ 2,219 | $ 2,344 | $ 2,373 | $ 2,523 | $ 2,673 |
| Less: Net income (loss) attributable to noncontrolling interests and preferred dividends | | 115 | | | 115 | |
| Net income (loss) from continuing operations attributable to The Williams Companies, Inc. available to common stockholders | $ 1,979 | $ 2,104 | $ 2,229 | $ 2,258 | $ 2,408 | $ 2,558 |
| | | | | | | |
| **Adjustments:** | | | | | | |
| Adjustments included in Modified EBITDA [(1)] | | 32 | | | 5 | |
| Adjustments below Modified EBITDA [(2)] | | 29 | | | 18 | |
| Allocation of adjustments to noncontrolling interests | | — | | | — | |
| Total adjustments | | 61 | | | 23 | |
| Less tax effect for above items | | (15) | | | (6) | |
| Adjusted income from continuing operations available to common stockholders | $ 2,025 | $ 2,150 | $ 2,275 | $ 2,275 | $ 2,425 | $ 2,575 |
| **Adjusted income from continuing operations - diluted earnings per common share** | **$ 1.65** | **$ 1.76** | **$ 1.86** | **$ 1.85** | **$ 1.97** | **$ 2.10** |
| Weighted-average shares - diluted (millions) | | 1,224 | | | 1,228 | |
| | | | | | | |
| **Available Funds from Operations (AFFO):** | | | | | | |
| Net cash provided by operating activities (net of changes in working capital, changes in current and noncurrent derivative assets and liabilities, and changes in other, including changes in noncurrent assets and liabilities) | $ 5,125 | $ 5,250 | $ 5,375 | $ 5,295 | $ 5,445 | $ 5,595 |
| Preferred dividends paid | | (3) | | | (3) | |
| Dividends and distributions paid to noncontrolling interests | | (215) | | | (235) | |
| Contributions from noncontrolling interests | | 18 | | | 18 | |
| **Available funds from operations (AFFO)** | **$ 4,925** | **$ 5,050** | **$ 5,175** | **$ 5,075** | **$ 5,225** | **$ 5,375** |
| **AFFO per common share** | **$ 4.02** | **$ 4.13** | **$ 4.23** | **$ 4.13** | **$ 4.25** | **$ 4.38** |
| **Common dividends paid** | | **$ 2,320** | | | **5%-7% Dividend growth** | |
| **Coverage Ratio (AFFO/Common dividends paid)** | **2.12x** | **2.18x** | **2.23x** | | **~2.12x** | |

(1) Adjustments reflect transaction and transition costs of acquisitions.

(2) Adjustments reflect amortization of intangible assets from Sequent acquisition.