

Williams 2nd Quarter 2020 Earnings Call

August 4, 2020

We make energy happen.®



2Q 2020 results exceed expectations despite external volatility

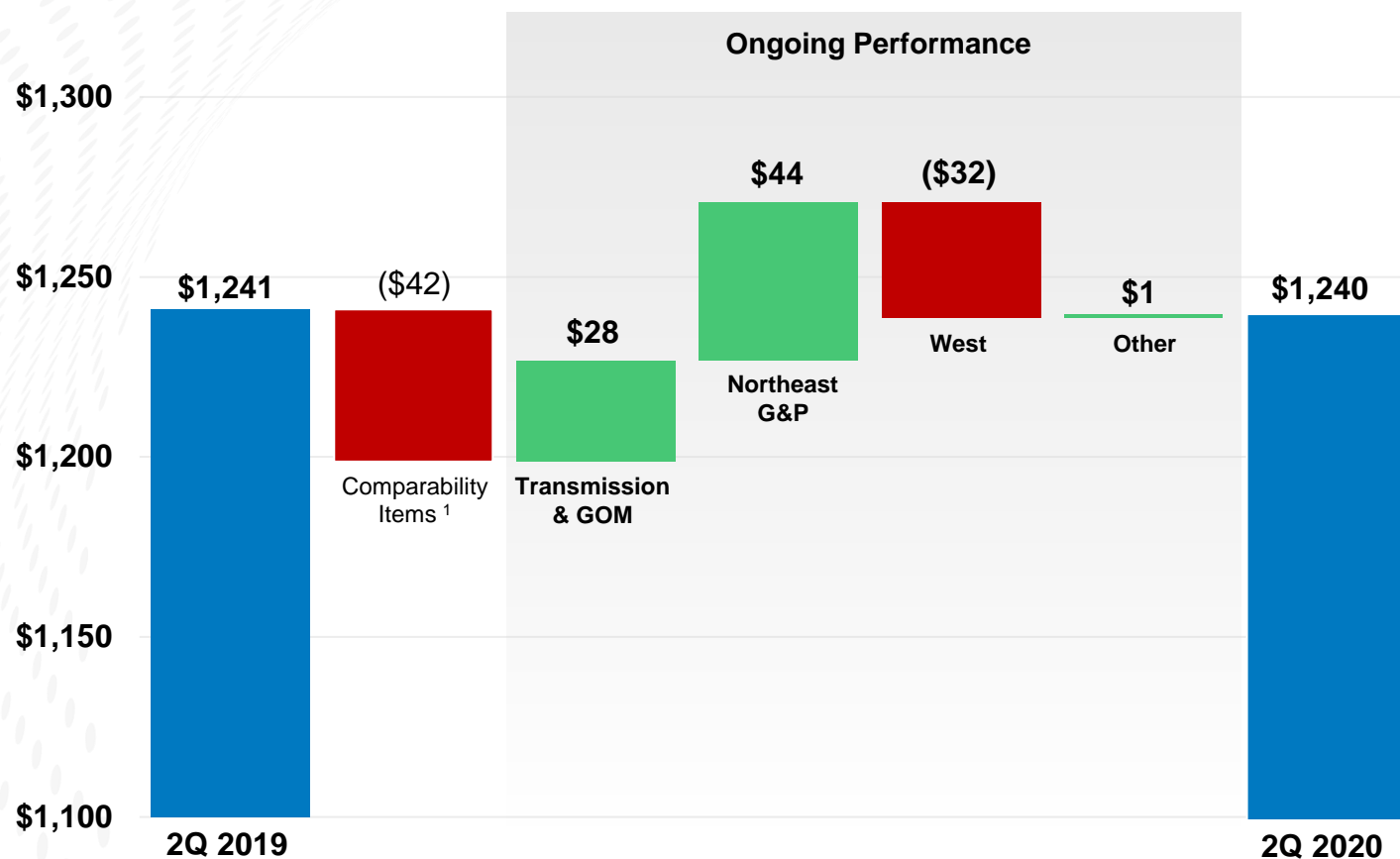
Strong Financial Performance Across Key Metrics	2Q 2020	2Q 2019	% Change	2Q YTD 2020	2Q YTD 2019	% Change
Cash Flow from Operations	\$1,143	\$1,069	7%	\$1,930	\$1,844	5%
Adjusted EBITDA	\$1,240	\$1,241	0%	\$2,502	\$2,457	2%
Adjusted Earnings per Share	\$0.25	\$0.26	(4%)	\$0.51	\$0.48	6%
Distributable Cash Flow	\$797	\$867	(8%)	\$1,658	\$1,647	1%
Before \$85 mm 2Q '19 cash tax benefit	\$797	\$782	2%	\$1,658	\$1,562	6%
Dividend Coverage Ratio	1.64x	1.88x		1.71x	1.79x	
Before \$85 mm 2Q '19 cash tax benefit	1.64x	1.70x		1.71x	1.70x	
Substantially Lower Capital Expenditures; Generating Free Cash Flow; Lower Leverage						
Debt-to-Adjusted EBITDA ¹	4.31x	4.43x				
Capital Expenditures ^{2,3}	\$363	\$702	(48%)	\$647	\$1,219	(47%)

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 YTD 2019 excludes \$727 million (net of cash acquired) for the purchase of the remaining 38% of UEOM as this amount was provided for at the close of the Northeast JV by our JV partner, CPPIB, in June 2019. ³ Includes increases to property, plant and equipment; purchases of businesses net of cash acquired; and purchases of and contributions to equity-method investments.

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.

WMB second quarter results stable

WMB ADJUSTED EBITDA (\$MM): 2Q 2019 vs. 2Q 2020



¹ Includes stepdown in non-cash deferred revenue amortization for Barnett and Gulfstar (-\$32mm); Non-cash inventory write-downs, derivative and other inventory impacts on marketing margin primarily in the West (+\$14mm); and temporary Deepwater shut-ins (-\$24mm).

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ONGOING PERFORMANCE DRIVERS

> TRANSMISSION & GOM

Increased revenue from transmission expansion projects, benefit of Transco rate case settlement, new Deepwater volumes and lower segment costs; Partially offset by end of Gulfstar exclusive use period in 2019

> NORTHEAST G&P

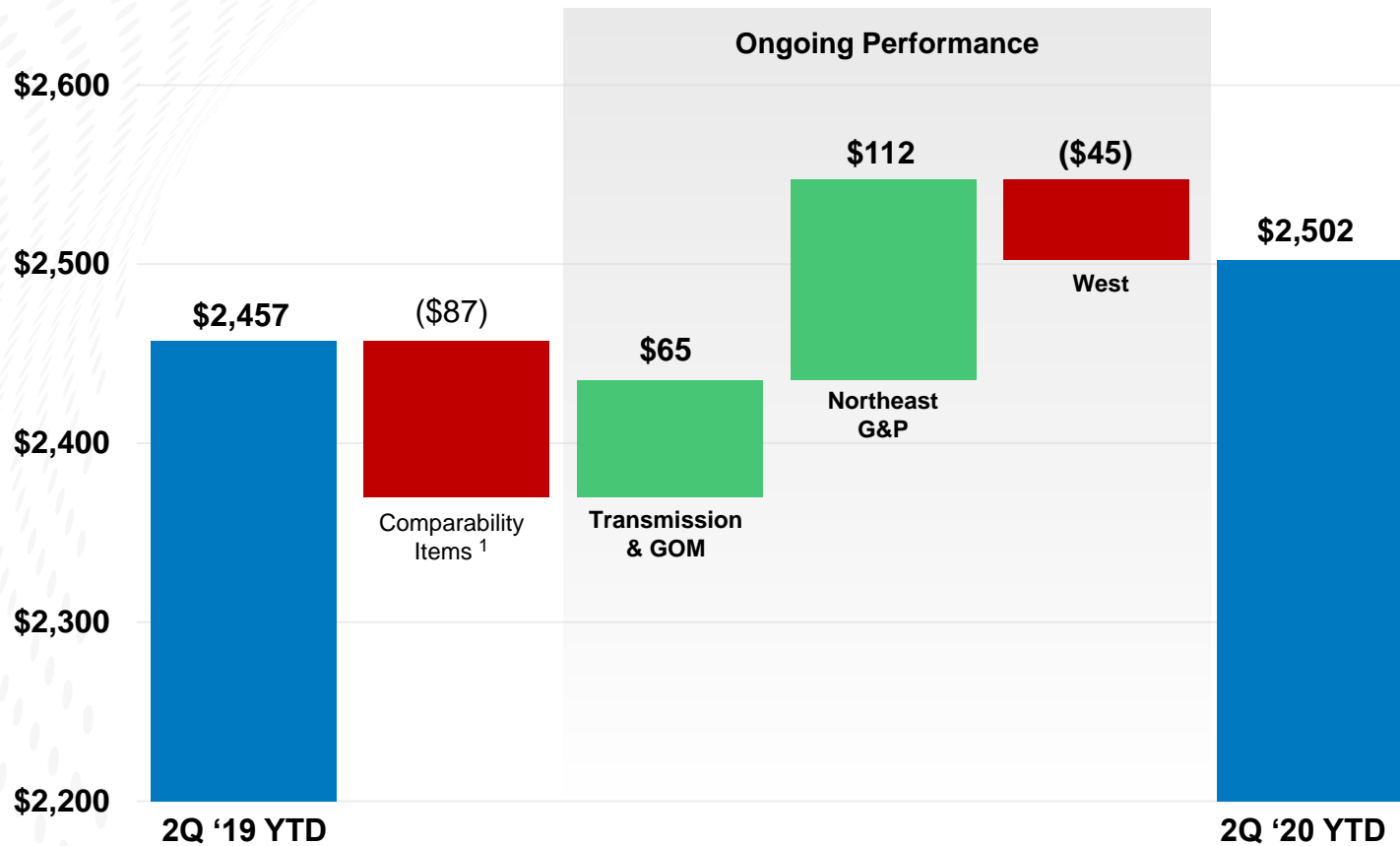
Higher gathering, processing and liquids handling revenues for both consolidated operations and equity-method investments as well as lower segment costs

> WEST

Decreased revenues primarily due to absence of Barnett MVC and Mid-Con COS true up, lower commodity prices, and lower G&P volumes; Partially offset by increased Eagle Ford revenues and lower segment costs

WMB 2Q year-to-date results up 2%

WMB Adjusted EBITDA (\$MM): 2Q '19 YTD vs. 2Q '20 YTD



¹ Includes stepdown in non-cash deferred revenue amortization for Barnett and Gulfstar (-\$53mm); Non-cash inventory write-downs, derivative and other inventory impacts on marketing margin primarily in the West (-\$10mm); and temporary Deepwater shut-ins (-\$24mm).

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ONGOING PERFORMANCE DRIVERS

> TRANSMISSION & GOM

Increased revenue from transmission expansion projects, benefit of Transco rate case settlement, new Deepwater volumes and lower segment costs; Partially offset by end of Gulfstar exclusive use period in 2019

> NORTHEAST G&P

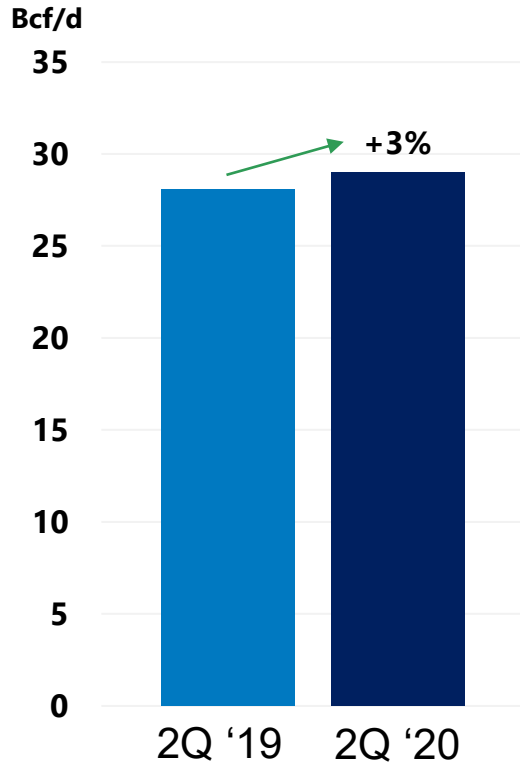
Higher gathering, processing and liquids handling revenues for both consolidated operations and equity-method investments as well as lower segment costs and benefit of increased ownership in UEOM

> WEST

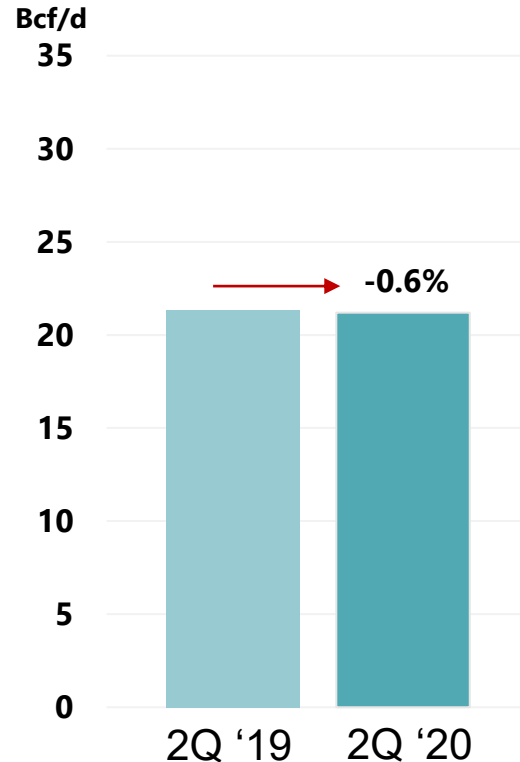
Decreased revenues primarily due to absence of Barnett MVC and Mid-Con COS true up, lower commodity prices, and lower G&P volumes; Partially offset by increased Eagle Ford revenues, DJ Basin growth and lower segment costs

Natural gas demand stands strong growing more than 2% in 2Q 2020

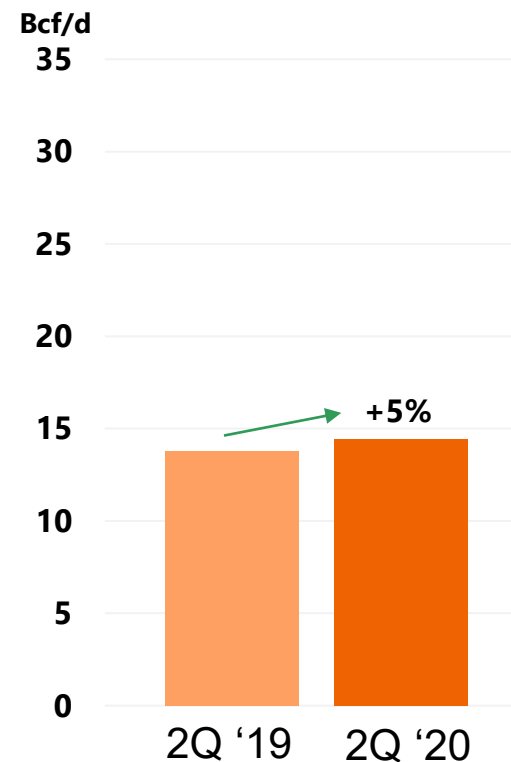
POWER GEN



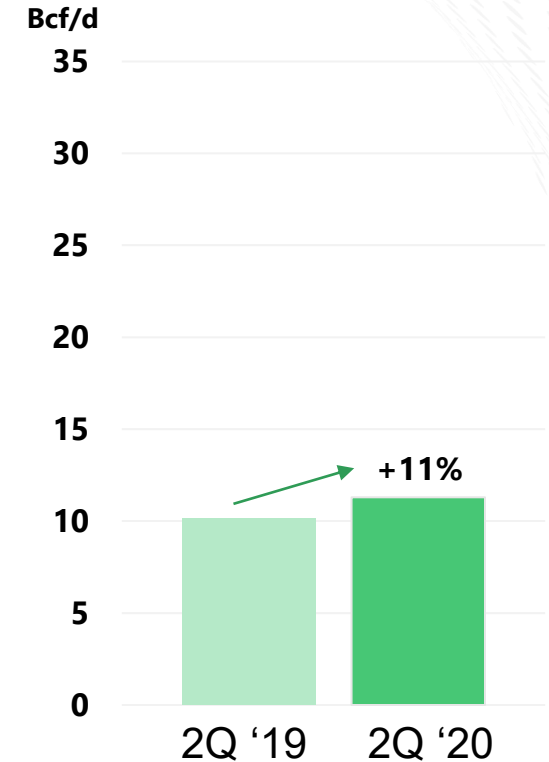
INDUSTRIAL



RES / COM



LNG & MEXICAN EXPORTS



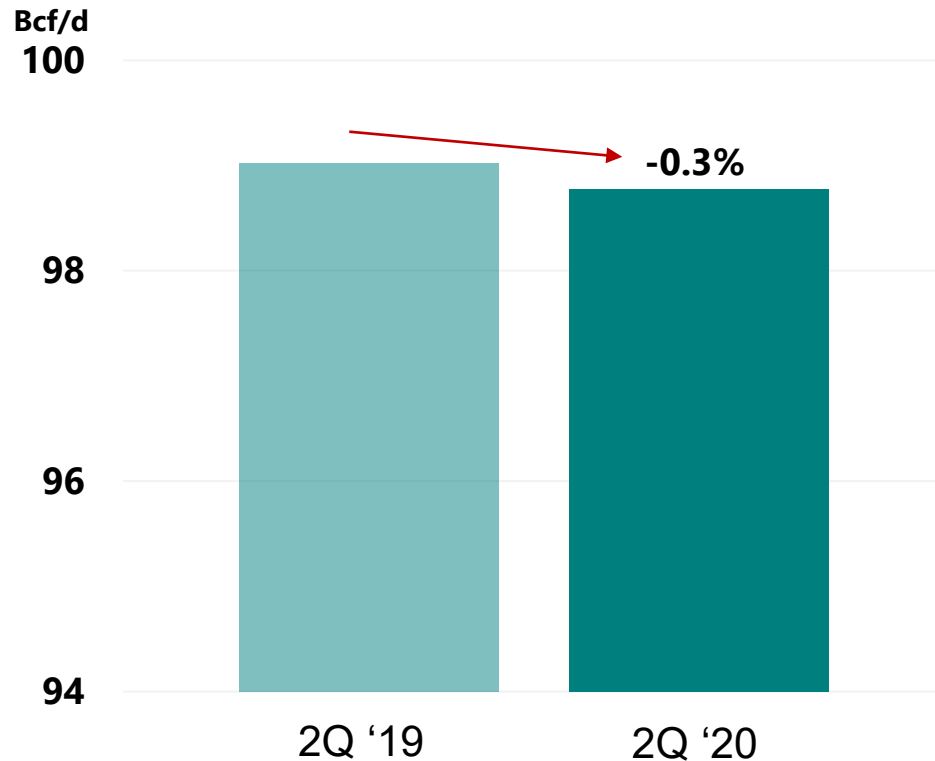
LOWER-48 NATURAL GAS DEMAND + EXPORTS 2Q '19 v. 2Q '20 COMPARISON

Source: IHS Markit PointLogic; Note: Pipeloss/Fuel demand is excluded from the charts. Total L-48 natural gas demand in 2Q 2020 amounts to 81.9 Bcf/d.

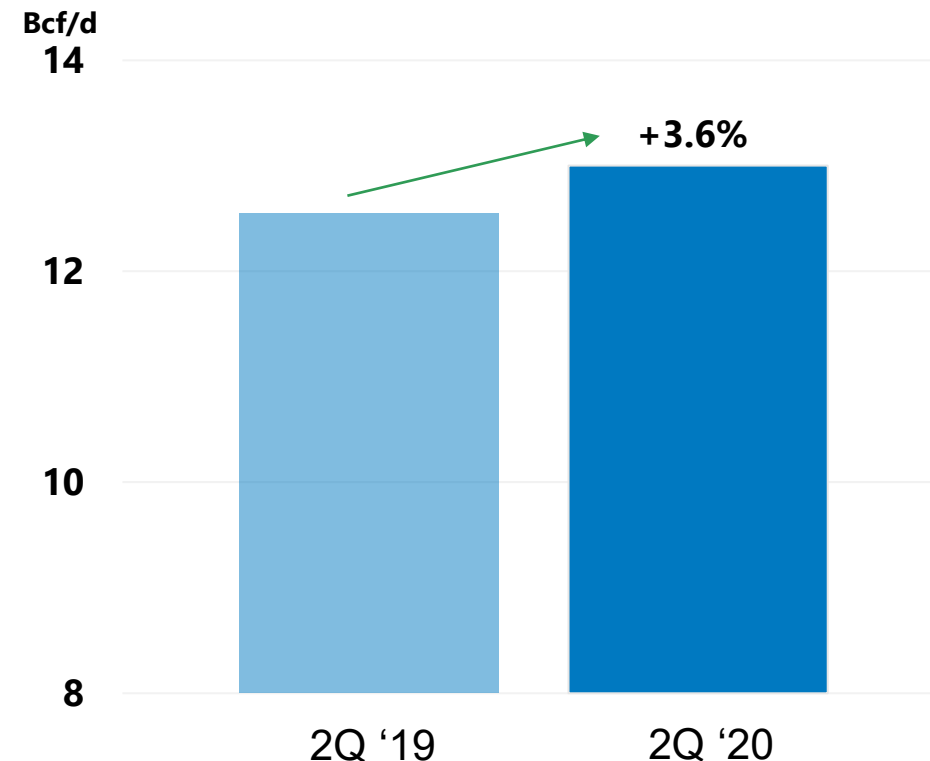
Growth across Williams assets continues through external volatility



LOWER-48 NATURAL GAS WELLHEAD PRODUCTION



WILLIAMS NATURAL GAS GATHERING VOLUMES



STRATEGICALLY POSITIONED TO CONNECT BEST SUPPLIES TO BEST MARKETS

Source: IHS Markit PointLogic for L-48 production. Note: Williams gathering volumes include 100% of operated assets

Key investor focus areas

RESILIENT BUSINESS STRATEGICALLY ALIGNED TO NATURAL GAS DEMAND GROWTH

Durability

COMMERCIAL

- **High credit-quality**, demand-pull gas transmission customer base
- **Fixed-fee based** business does not rely on trading, storage or other price spreads

FINANCIAL

- **Reliable** dividend, **predictable** cash flows & improving credit metrics
- **Achieving** 2020 financial guidance

SUSTAINABILITY

- Focus on **sustainability** contributes to strong business fundamentals

Growth

TRANSMISSION

- Existing natural gas infrastructure offers **growth advantage**

GATHERING AND PROCESSING

- Low cost basins provide **predictable** cash flows
- **Positioned to grow** in wide range of supply-demand scenarios

DEEPWATER GULF OF MEXICO

- Continue to win new business
- Expect **major expansions** to come on line '22-'24

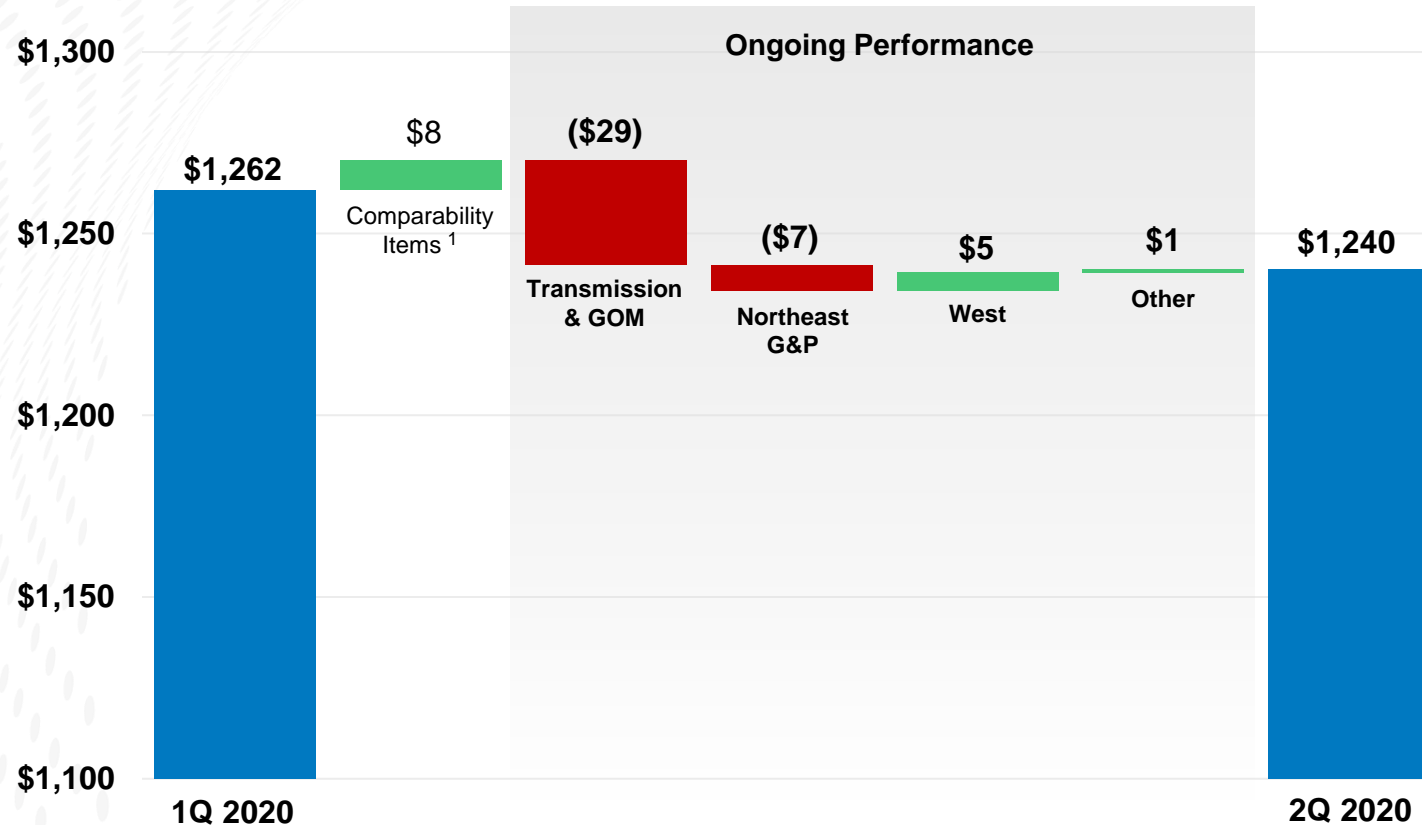


Appendix



WMB sequential quarter results

WMB Adjusted EBITDA (\$MM): 1Q 2020 vs. 2Q 2020



¹ Includes non-cash inventory write-downs, derivative and other inventory impacts on marketing margin primarily in the West (+\$32mm); and temporary Deepwater shut-ins (-\$24mm).

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ONGOING PERFORMANCE DRIVERS

> TRANSMISSION & GOM

Unfavorable revenue and cost impacts due to seasonality; Partially offset by Hillabee Ph. 2 in-service

> NORTHEAST G&P

Stable performance as modest Bradford, Utica and Southwest Marcellus increases were offset by lower Susquehanna and Blue Racer results

> WEST

Stable volumes and performance from broad portfolio of G&P businesses

2020 Guidance Ranges

FINANCIAL METRIC	2020 GUIDANCE
Adjusted Net Income ¹	\$1.160 - \$1.460 Bn
Adjusted Diluted EPS ¹	\$0.95 - \$1.20
Adjusted EBITDA	\$4.950 - \$5.250 Bn
Distributable Cash Flow (DCF)	\$3.050 - \$3.450 Bn
DCF per share	\$2.50 - \$2.83
Growth Capex	\$1.0 Bn - \$1.2 Bn <i>Prior guidance: \$1.1 - \$1.3 Bn</i>
Dividend Coverage Ratio	~1.7x (midpoint)
Dividend Growth Rate	5% annual growth
Debt-to-Adjusted EBITDA ²	~4.4x (midpoint)

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.

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Williams does not expect to be a U.S. Federal cash income taxpayer through at least 2024, excluding taxes on any potential asset monetizations.

Recent accomplishments



Sustainability Report

Published 2019 Sustainability Report on July 27, providing a comprehensive review of the company's environmental, social and governance programs and initiatives

Solar Power Initiative

Taking steps to develop solar energy installations at certain facilities to provide electricity to our existing natural gas transmission and processing operations; Expected to be placed into service late '21

Debt Capital Markets

In May, issued \$700mm of 3.25% 10yr Notes and \$500mm of 3.95% 30yr Notes at Transco and \$1B of 3.5% 10yr Notes at Williams; Refinancing ~\$2.1B of maturing notes in '20, effectively reducing our annualized interest expense by ~\$28mm

Transco - Leidy South

Received FERC Certificate on July 17 for 582 MMcf/d expansion of Williams' existing infrastructure to connect robust Appalachia natural gas supplies with growing demand centers along the Atlantic Seaboard in time for the '21-'22 winter heating season

Transco-Regional Energy Access

Submitted FERC Pre-filing Application on June 12 for a 760 MMcf/d pipeline expansion to connect robust Marcellus supplies with growing Northeast natural gas demand in time for the '23-'24 winter heating season

Transco-Rate Case Settlement

FERC approved favorable Transco Rate Case settlement in March 2020, providing rate certainty for customers while allowing Transco to recover its costs; Became effective June 1, 2020

Deepwater GOM - Tiebacks

Executed three definitive agreements for tiebacks to Williams' operated assets: Discovery to service gas production from Katmai development (in-service June 2020) and Spruance development (target first flow 2022); Eastern Gulf to handle oil and gas production from Taggart development (target first flow 2022)

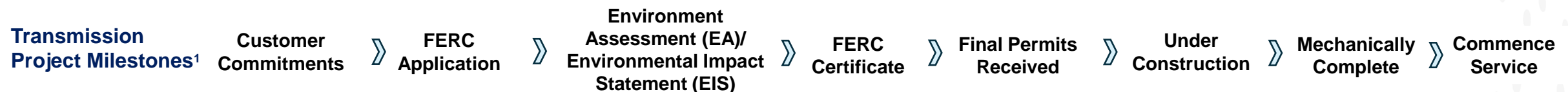
West - Bluestem NGL Pipeline

Began construction on 120 MBpd Mid-continent NGL pipeline; Project is under budget and on schedule for in-service 1Q '21; Associated interest in Targa Frac 7 is now in-service

Executing significant portfolio of gas transmission growth projects

PROJECTS IN EXECUTION \$2.2B

Project	Target In-service	Current Status ¹	Project Capacity ²	Markets Served
✓ Hillabee Ph. 2	2Q '20	Commenced Service May '20	206 MMcf/d	Power demand in FL
Southeastern Trail	4Q '20 & 1Q '21	Under Construction	296 MMcf/d	Res/Com & Power demand in Mid-Atlantic & Southeastern U.S.
Leidy South	4Q '21	Received FERC Certificate July '20	582 MMcf/d	Res/Com & Power demand in Mid-Atlantic & Southeastern U.S.
Gulfstream Ph. VI	4Q '22	Received EA Jan. '20	78 MMcf/d	Res/Com demand in FL
Regional Energy Access	4Q '23	FERC Application Pre-filing June '20	760 MMcf/d	Res/Com & Power demand in PA, NJ & MD



²Dekatherms converted to cubic feet at 1,000 cubic feet = 1 dekatherm

Unique Deepwater opportunities available due to incumbent position

Recent Deepwater Project Milestones

Western Gulf

Whale

- ✓ Under existing dedication
- ✓ Reimbursement executed to keep project development on track
- Target customer FID 2021
- Target first flow in 2024

Eastern Gulf

Ballymore

- ✓ Under existing dedication
- ✓ In facility-planning discussions
- Target customer FID 2020
- Target first flow in 2024

Taggart

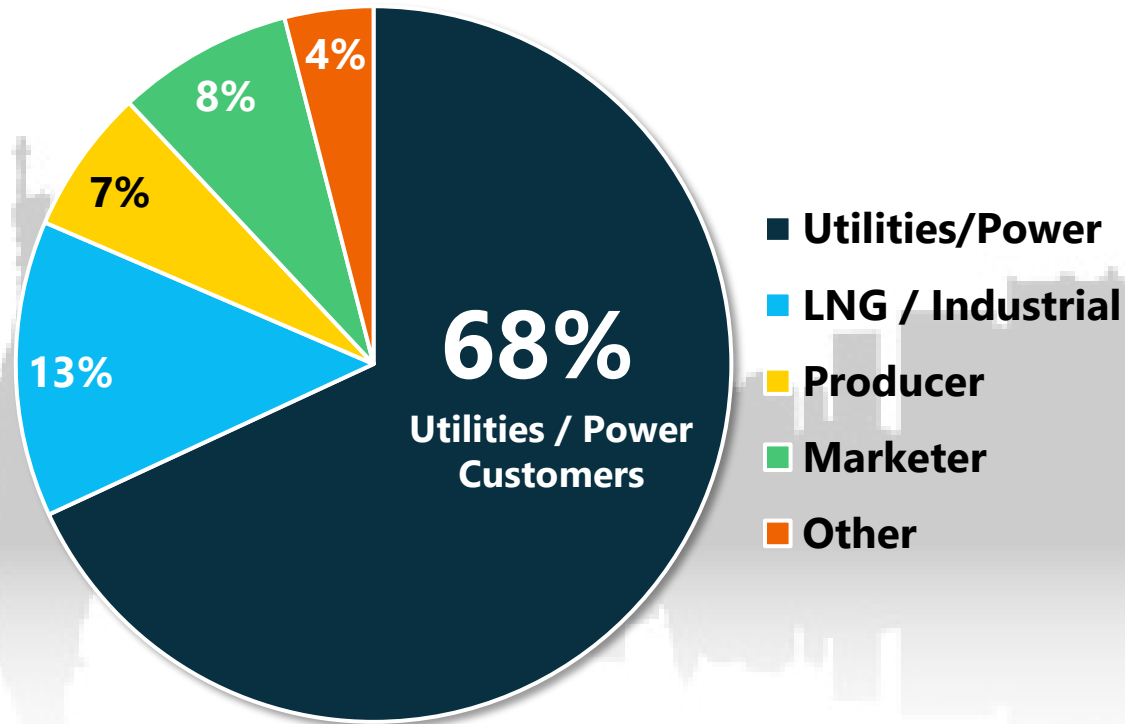
- ✓ Positive FID June 2020
- ✓ Signed Definitive Agreement
- Target first flow in 2022

Discovery

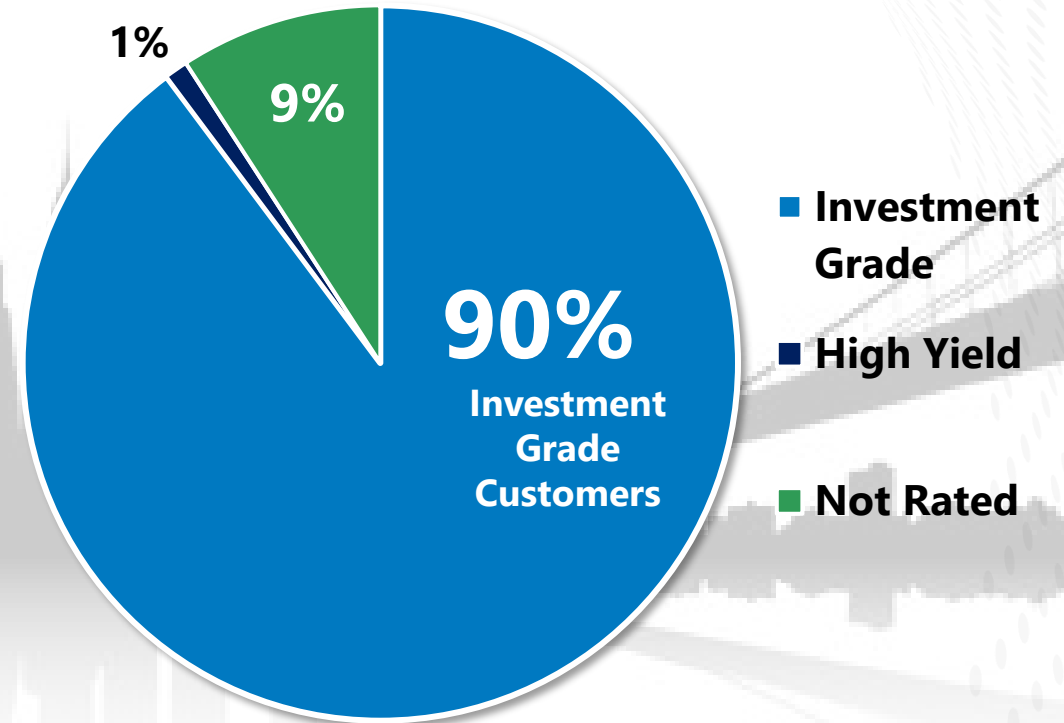
- ✓ Positive FIDs
- ✓ Signed Definitive Agreements
- ✓ **Katmai** first flow in June 2020
- **Spruance** first flow target in 2022
- **Anchor** first flow target in 2024

Gas transmission business built on high credit-quality, demand-pull customer base

Firm Contracted Capacity By Customer Type¹



Credit Rating Profile Of Williams 2019 Gas Transmission Revenue From Top 100 Customers²

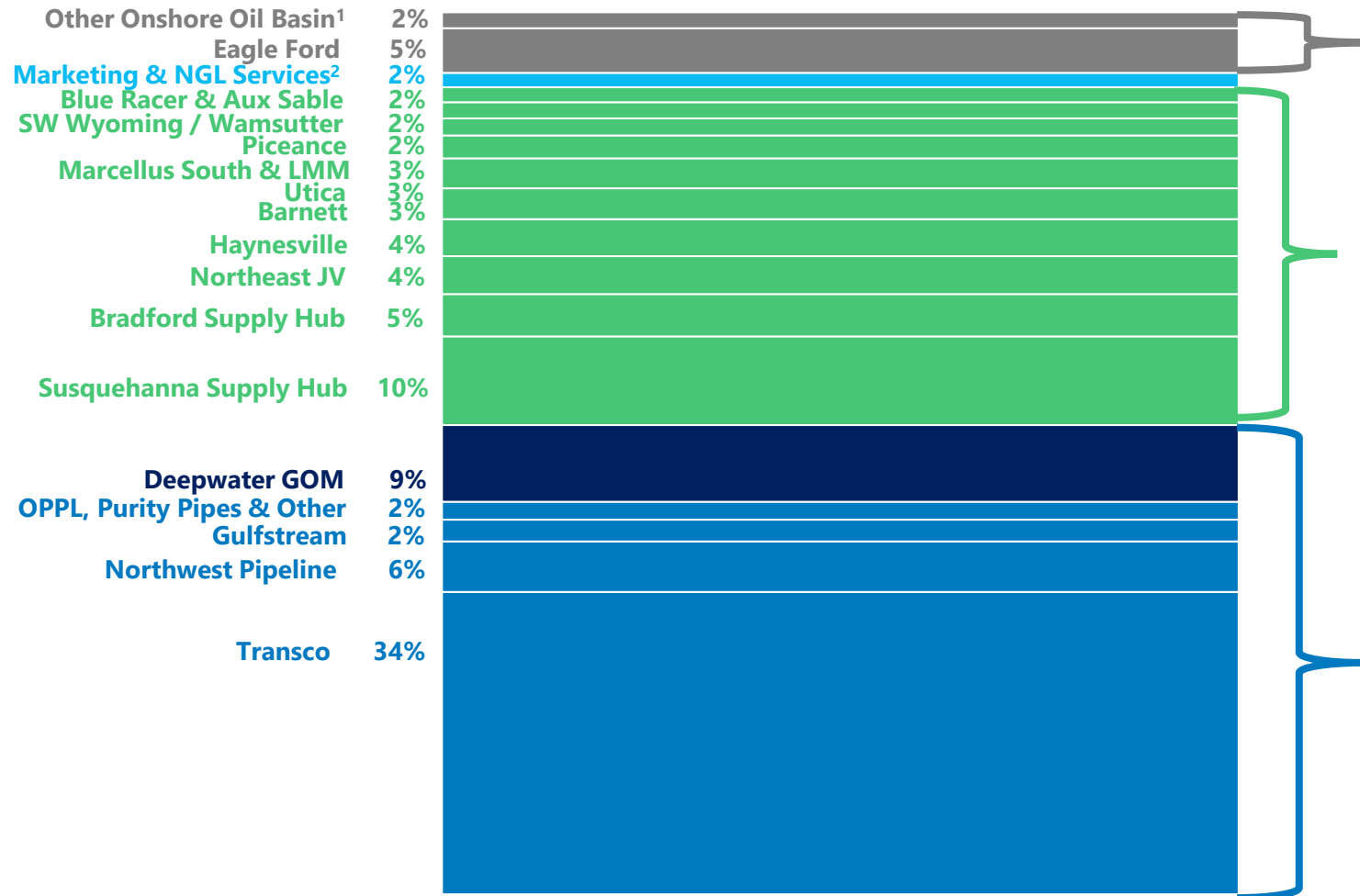


¹ Includes firm reserved capacity of Transco, Northwest Pipeline, and Gulfstream at 100%

² Transco, Northwest Pipeline and 50% of Gulfstream revenue earned from Top 100 customers company-wide.

Stable and diversified EBITDA, limiting exposure to any one basin

\$5 B 2019 ADJ. EBITDA



Only 7% EBITDA from G&P serving on-shore oil-directed supply areas

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

Transmission & Deepwater EBITDA
~53% of portfolio

¹Includes Permian, Mid-continent, Niobrara and DJ Basin; ² includes Conway, Gas Marketing and NGL Marketing

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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, outcome 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;
 - The impact of the novel coronavirus (COVID-19) pandemic.

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 liabilities, and litigation, as well as our ability to obtain necessary permits and approvals, and 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 to 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, including COVID-19;
- 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;
 - 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 Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on February 24, 2020, as supplemented by the disclosures in Part II, Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.**



Non-GAAP Reconciliations



Non-GAAP Disclaimer

- > This presentation may include certain financial measures – adjusted EBITDA, adjusted income (“earnings”), adjusted earnings per share, distributable cash flow and dividend coverage ratio – that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission.
- > 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, remeasurement gain on equity-method investment, impairment 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. Management believes this measure provides investors meaningful insight into results from ongoing operations.
- > Distributable cash flow is defined as adjusted EBITDA less maintenance capital expenditures, cash portion of net interest expense, income attributable to or dividends/distributions paid to noncontrolling interests and cash income taxes, and certain other adjustments that management believes affects the comparability of results. Adjustments for maintenance capital expenditures and cash portion of interest expense include our proportionate share of these items of our equity-method investments. We also calculate the ratio of distributable cash flow to the total cash dividends paid (dividend coverage ratio). This measure reflects Williams’ distributable cash flow relative to its actual cash dividends paid.
- > This presentation 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 distributable cash flow 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

(Dollars in millions, except per-share amounts)	2019					2020		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Income (loss) from continuing operations attributable to The Williams Companies, Inc. available to common stockholders	\$ 194	\$ 310	\$ 220	\$ 138	\$ 862	\$ (518)	\$ 303	\$ (215)
Income (loss) from continuing operations - diluted earnings (loss) per common share ⁽¹⁾	\$.16	\$.26	\$.18	\$.11	\$.71	\$ (.43)	\$.25	\$ (.18)
Adjustments:								
<i>Transmission & Gulf of Mexico</i>								
Constitution Pipeline project development costs	\$ —	\$ 1	\$ 1	\$ 1	\$ 3	\$ —	\$ —	\$ —
Northeast Supply Enhancement project development costs	—	—	—	—	—	—	3	3
Impairment of certain assets ⁽²⁾	—	—	—	354	354	—	—	—
Pension plan settlement charge	—	—	—	—	—	4	1	5
Adjustment of Transco's regulatory asset for post-WPZ Merger state deferred income tax change consistent with filed rate case	—	—	—	—	—	2	—	2
Benefit of change in employee benefit policy	—	—	—	—	—	—	(3)	(3)
Reversal of expenditures capitalized in prior years	—	15	—	1	16	—	—	—
Severance and related costs	—	22	14	3	39	1	1	2
<i>Total Transmission & Gulf of Mexico adjustments</i>	—	38	15	359	412	7	2	9
<i>Northeast G&P</i>								
Expenses associated with new venture	3	6	1	—	10	—	—	—
Share of early debt retirement gain at equity-method investment	—	—	—	—	—	—	(5)	(5)
Pension plan settlement charge	—	—	—	—	—	1	—	1
Impairment of certain assets	—	—	—	10	10	—	—	—
Severance and related costs	—	10	(3)	—	7	—	—	—
Benefit of change in employee benefit policy	—	—	—	—	—	—	(2)	(2)
<i>Total Northeast G&P adjustments</i>	3	16	(2)	10	27	1	(7)	(6)
<i>West</i>								
Impairment of certain assets	12	64	—	24	100	—	—	—
Pension plan settlement charge	—	—	—	—	—	1	—	1
Benefit of change in employee benefit policy	—	—	—	—	—	—	(1)	(1)
Adjustment of gain on sale of Four Corners assets	2	—	—	—	2	—	—	—
Severance and related costs	—	11	(1)	—	10	—	—	—
<i>Total West adjustments</i>	14	75	(1)	24	112	1	(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.

(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) Attributable to The Williams Companies, Inc. to Adjusted Income (con't)

(Dollars in millions, except per-share amounts)	2019					2020		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Other								
Adjustment of Transco's regulatory asset for post-WPZ Merger state deferred income tax change consistent with filed rate case	12	—	—	—	12	—	—	—
Accrual for loss contingencies associated with former operations	—	—	9	(5)	4	—	—	—
Severance and related costs	—	—	—	1	1	—	—	—
Total Other adjustments	12	—	9	(4)	17	—	—	—
Adjustments included in Modified EBITDA	29	129	21	389	568	9	(6)	3
Adjustments below Modified EBITDA								
Impairment of equity-method investments	74	(2)	114	—	186	938	—	938
Impairment of goodwill ⁽²⁾	—	—	—	—	—	187	—	187
Share of impairment of goodwill at equity-method investment	—	—	—	—	—	78	—	78
Adjustment of gain on deconsolidation of certain Permian assets	2	—	—	—	2	—	—	—
Loss on deconsolidation of Constitution	—	—	—	27	27	—	—	—
Gain on sale of equity-method investments	—	(122)	—	—	(122)	—	—	—
Allocation of adjustments to noncontrolling interests	—	(1)	—	(210)	(211)	(65)	—	(65)
	76	(125)	114	(183)	(118)	1,138	—	1,138
Total adjustments	105	4	135	206	450	1,147	(6)	1,141
Less tax effect for above items	(26)	(1)	(34)	(51)	(112)	(316)	8	(308)
Adjusted income from continuing operations available to common stockholders	\$ 273	\$ 313	\$ 321	\$ 293	\$ 1,200	\$ 313	\$ 305	\$ 618
Adjusted income from continuing operations - diluted earnings per common share⁽¹⁾	\$.22	\$.26	\$.26	\$.24	\$.99	\$.26	\$.25	\$.51
Weighted-average shares - diluted (thousands)	1,213,592	1,214,065	1,214,165	1,214,212	1,214,011	1,214,348	1,214,581	1,214,464

(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 Net Income to Non-GAAP Modified EBITDA, Adjusted EBITDA and Distributable Cash Flow

(Dollars in millions, except coverage ratios)	2019					2020		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
The Williams Companies, Inc.								
<i>Reconciliation of GAAP "Net Income (Loss)" to Non-GAAP "Modified EBITDA", "Adjusted EBITDA" and "Distributable cash flow"</i>								
Net income (loss)	\$ 214	\$ 324	\$ 242	\$ (66)	\$ 714	\$ (570)	\$ 315	\$ (255)
Provision (benefit) for income taxes	69	98	77	91	335	(204)	117	(87)
Interest expense	296	296	296	298	1,186	296	294	590
Equity (earnings) losses	(80)	(87)	(93)	(115)	(375)	(22)	(108)	(130)
Impairment of goodwill	—	—	—	—	—	187	—	187
Impairment of equity-method investments	74	(2)	114	—	186	938	—	938
Other investing (income) loss - net	(1)	(124)	(7)	25	(107)	(3)	(1)	(4)
Proportional Modified EBITDA of equity-method investments	190	175	181	200	746	192	192	384
Depreciation and amortization expenses	416	424	435	439	1,714	429	430	859
Accretion expense associated with asset retirement obligations for nonregulated operations	9	8	8	8	33	10	7	17
(Income) loss from discontinued operations, net of tax	—	—	—	15	15	—	—	—
Modified EBITDA	1,187	1,112	1,253	895	4,447	1,253	1,246	2,499
EBITDA adjustments	29	129	21	389	568	9	(6)	3
Adjusted EBITDA	1,216	1,241	1,274	1,284	5,015	1,262	1,240	2,502
Maintenance capital expenditures (1)	(93)	(130)	(128)	(113)	(464)	(52)	(83)	(135)
Preferred dividends	(1)	—	(1)	(1)	(3)	(1)	—	(1)
Net interest expense - cash portion (2)	(304)	(302)	(301)	(306)	(1,213)	(304)	(304)	(608)
Cash taxes	3	85	(2)	—	86	—	(2)	(2)
Dividends and distributions paid to noncontrolling interests	(41)	(27)	(20)	(36)	(124)	(44)	(54)	(98)
Distributable cash flow	\$ 780	\$ 867	\$ 822	\$ 828	\$ 3,297	\$ 861	\$ 797	\$ 1,658
Common dividends paid	\$ 460	\$ 461	\$ 461	\$ 460	\$ 1,842	\$ 485	\$ 486	\$ 971
Weighted-average shares – diluted (thousands)	1,213,592	1,214,065	1,214,165	1,214,212	1,214,011	1,214,348	1,214,581	1,214,464
Distributable cash flow / share	\$ 0.64	\$ 0.71	\$ 0.68	\$ 0.68	\$ 2.72	\$ 0.71	\$ 0.66	\$ 1.37
Coverage ratios:								
Distributable cash flow divided by Common dividends paid	1.70	1.88	1.78	1.80	1.79	1.78	1.64	1.71
Net income (loss) divided by Common dividends paid	0.47	0.70	0.52	(0.14)	0.39	(1.18)	0.65	(0.26)

(1) Includes proportionate share of maintenance capital expenditures of equity-method investments.

(2) Includes proportionate share of interest expense of equity-method investments.

Reconciliation of Modified EBITDA to Non-GAAP Adjusted EBITDA

(Dollars in millions)	2019					2020		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Net income (loss)	\$ 214	\$ 324	\$ 242	\$ (66)	\$ 714	\$ (570)	\$ 315	\$ (255)
Provision (benefit) for income taxes	69	98	77	91	335	(204)	117	(87)
Interest expense	296	296	296	298	1,186	296	294	590
Equity (earnings) losses	(80)	(87)	(93)	(115)	(375)	(22)	(108)	(130)
Impairment of goodwill	—	—	—	—	—	187	—	187
Impairment of equity-method investments	74	(2)	114	—	186	938	—	938
Other investing (income) loss - net	(1)	(124)	(7)	25	(107)	(3)	(1)	(4)
Proportional Modified EBITDA of equity-method investments	190	175	181	200	746	192	192	384
Depreciation and amortization expenses	416	424	435	439	1,714	429	430	859
Accretion expense associated with asset retirement obligations for nonregulated operations	9	8	8	8	33	10	7	17
(Income) loss from discontinued operations, net of tax	—	—	—	15	15	—	—	—
Modified EBITDA	\$ 1,187	\$ 1,112	\$ 1,253	\$ 895	\$ 4,447	\$ 1,253	\$ 1,246	\$ 2,499
Transmission & Gulf of Mexico	\$ 636	\$ 590	\$ 665	\$ 284	\$ 2,175	\$ 662	\$ 615	\$ 1,277
Northeast G&P	299	303	345	367	1,314	369	370	739
West	256	212	245	239	952	215	253	468
Other	(4)	7	(2)	5	6	7	8	15
Total Modified EBITDA	\$ 1,187	\$ 1,112	\$ 1,253	\$ 895	\$ 4,447	\$ 1,253	\$ 1,246	\$ 2,499
Adjustments included in Modified EBITDA ⁽¹⁾:								
Transmission & Gulf of Mexico	\$ —	\$ 38	\$ 15	\$ 359	\$ 412	\$ 7	\$ 2	\$ 9
Northeast G&P	3	16	(2)	10	27	1	(7)	(6)
West	14	75	(1)	24	112	1	(1)	—
Other	12	—	9	(4)	17	—	—	—
Total Adjustments included in Modified EBITDA	\$ 29	\$ 129	\$ 21	\$ 389	\$ 568	\$ 9	\$ (6)	\$ 3
Adjusted EBITDA:								
Transmission & Gulf of Mexico	\$ 636	\$ 628	\$ 680	\$ 643	\$ 2,587	\$ 669	\$ 617	\$ 1,286
Northeast G&P	302	319	343	377	1,341	370	363	733
West	270	287	244	263	1,064	216	252	468
Other	8	7	7	1	23	7	8	15
Total Adjusted EBITDA	\$ 1,216	\$ 1,241	\$ 1,274	\$ 1,284	\$ 5,015	\$ 1,262	\$ 1,240	\$ 2,502

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

Reconciliation of Net Income to Modified EBITDA, Non-GAAP Adjusted EBITDA and Distributable Cash Flow

<i>(Dollars in millions, except per share amounts and coverage ratio)</i>	2020 Guidance		
	Low	Mid	High
Net income (loss)	\$ 304	\$ 454	\$ 604
Provision (benefit) for income taxes		134	
Interest expense		1,180	
Equity (earnings) losses		(450)	
Share of impairment of goodwill at equity-method investment		78	
Impairment of equity-method investments		938	
Impairment of goodwill		187	
Proportional Modified EBITDA of equity-method investments		820	
Depreciation and amortization expenses and accretion for asset retirement obligations associated with nonregulated operations		1,750	
Modified EBITDA	\$ 4,941	\$ 5,091	\$ 5,241
EBITDA Adjustments ⁽¹⁾		9	
Adjusted EBITDA	\$ 4,950	\$ 5,100	\$ 5,250
Net interest expense - cash portion ⁽²⁾		(1,215)	
Maintenance capital expenditures ⁽²⁾	(550)	(500)	(450)
Cash taxes		60	
Dividends and distributions paid to noncontrolling interests and other		(195)	
Distributable cash flow (DCF)	\$ 3,050	\$ 3,250	\$ 3,450
--Distributable cash flow per share ⁽³⁾	\$ 2.50	\$ 2.67	\$ 2.83
Dividends paid		(1,950)	
Excess cash available after dividends	\$ 1,100	\$ 1,300	\$ 1,500
Dividend per share		\$ 1.60	
Coverage ratio (Distributable cash flow / Dividends paid)	1.56x	1.67x	1.77x

(1) See 1Q 2020 "Reconciliation of Income (Loss) Attributable to Williams to Adjusted Income" for additional details of adjustments

(2) Includes proportionate share of equity-method investments

(3) Distributable cash flow / diluted weighted-average common shares of 1,218 million

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Adjusted Income Available to Common Stockholders

<i>(Dollars in millions, except per-share amounts)</i>	2020 Guidance		
	Low	Mid	High
Net income (loss)	\$ 304	\$ 454	\$ 604
Less: Net income (loss) attributable to noncontrolling interests & preferred dividends		(25)	
Net income (loss) attributable to The Williams Companies, Inc. available to common stockholders	329	479	629
Adjustments:			
Adjustments included in Modified EBITDA ⁽¹⁾		9	
Adjustments below Modified EBITDA ⁽¹⁾		1,203	
Allocation of adjustments to noncontrolling interests ⁽¹⁾		(65)	
Total adjustments		1,147	
Less tax effect for above items		(316)	
Adjusted income available to common stockholders	\$ 1,160	\$ 1,310	\$ 1,460
Adjusted diluted earnings per common share	\$ 0.95	\$ 1.08	\$ 1.20
Weighted-average shares - diluted (millions)		1,218	
(1) See 1Q 2020 "Reconciliation of Income (Loss) Attributable to Williams to Adjusted Income" for additional details of adjustments			