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# Williams 4th Quarter and Full-year 2022 Earnings

February 21, 2023

# Strong results across key financial metrics

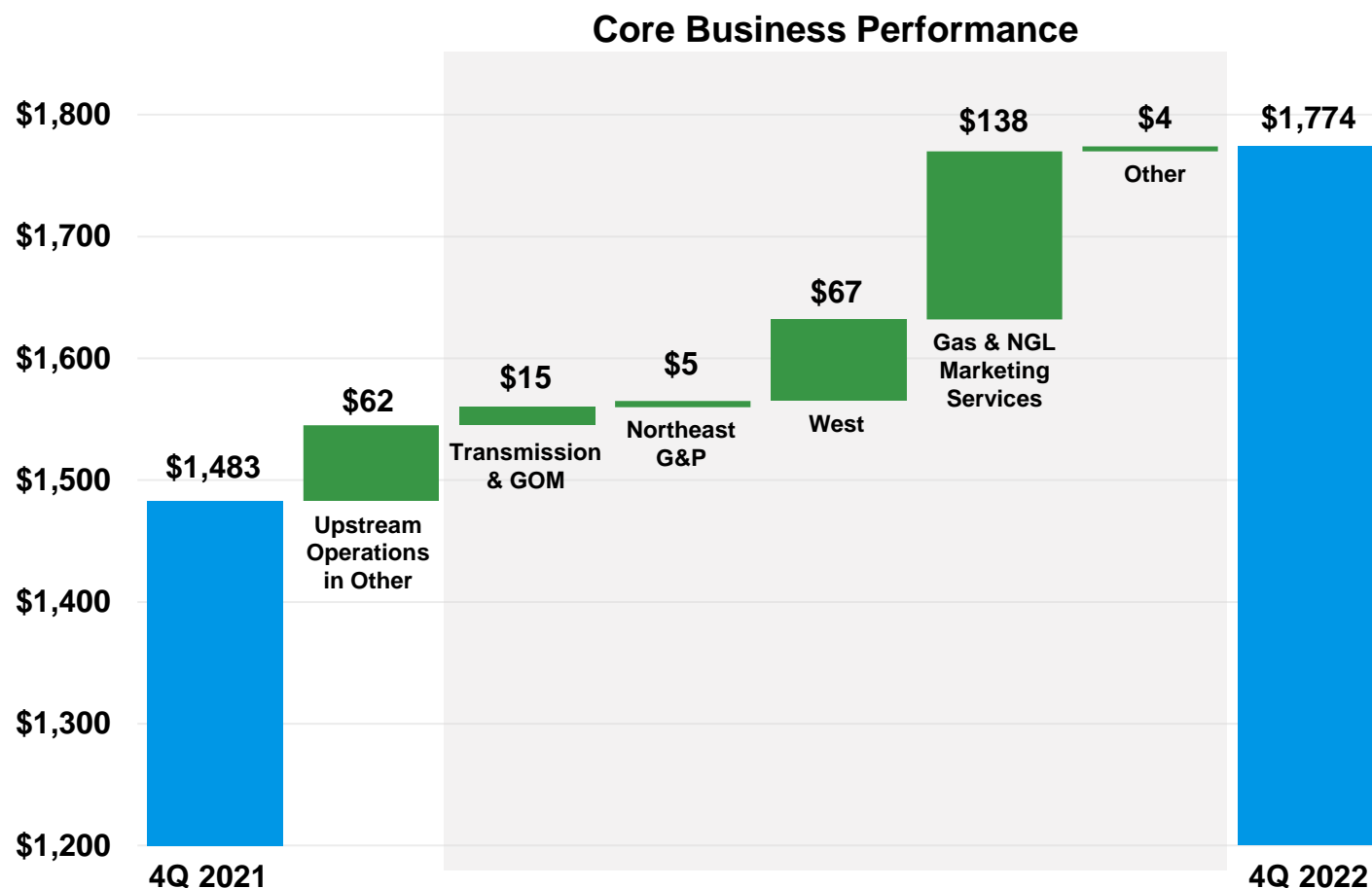
Strong Financial Performance Across Key Metrics	4Q 2022	4Q 2021	Change	2022	2021	Change
<b>Adjusted EBITDA</b> <i>(Less winter storm benefit in 1Q '21)</i>	\$1,774	\$1,483	20%	\$6,418	\$5,635 \$5,558	14% 15%
<b>Adjusted Earnings per Share</b>	\$0.53	\$0.39	36%	\$1.82	\$1.36	34%
<b>Available Funds from Operations</b>	\$1,357	\$1,045	30%	\$4,918	\$4,073	21%
<b>Dividend Coverage Ratio (AFFO basis)</b>	2.62x	2.10x	25%	2.37x	2.04x	16%
<b>Balance Sheet Strength and Capital Discipline</b>						
<b>Debt-to-Adjusted EBITDA<sup>1</sup></b>	3.55x	3.90x				
<b>Capital Investments<sup>2,3</sup></b>	\$876	\$371		\$2,147	\$1,577	

<sup>1</sup>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.

<sup>2</sup>Includes increases to property, plant and equipment; purchases of businesses net of cash acquired; and purchases of and contributions to equity-method investments. <sup>3</sup>2022 capital excludes \$424 million for the NorTex acquisition and \$933 million for purchase of the Trace Midstream Haynesville gathering assets. 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.

# Strong finish to a strong year: 20% growth 4Q 2022 vs. 4Q 2021

## WMB Adjusted EBITDA (\$MM): 4Q 2022 vs. 4Q 2021



## Core business performance drivers

### Transmission & GOM

Increased revenues due to the NorTex acquisition and Transco park and loan and short-term firm contracts; partially offset by higher operating and maintenance costs

### Northeast G&P

Increased revenues at our OVM JV and Cardinal franchises; primarily offset by lower Bradford cost of service rates and weather-impacted volumes across multiple locations

### West

Increased revenues primarily driven by increased gathering volumes (including Trace) and higher G&P rates including hedge gains; partially offset by weather-impacted volumes

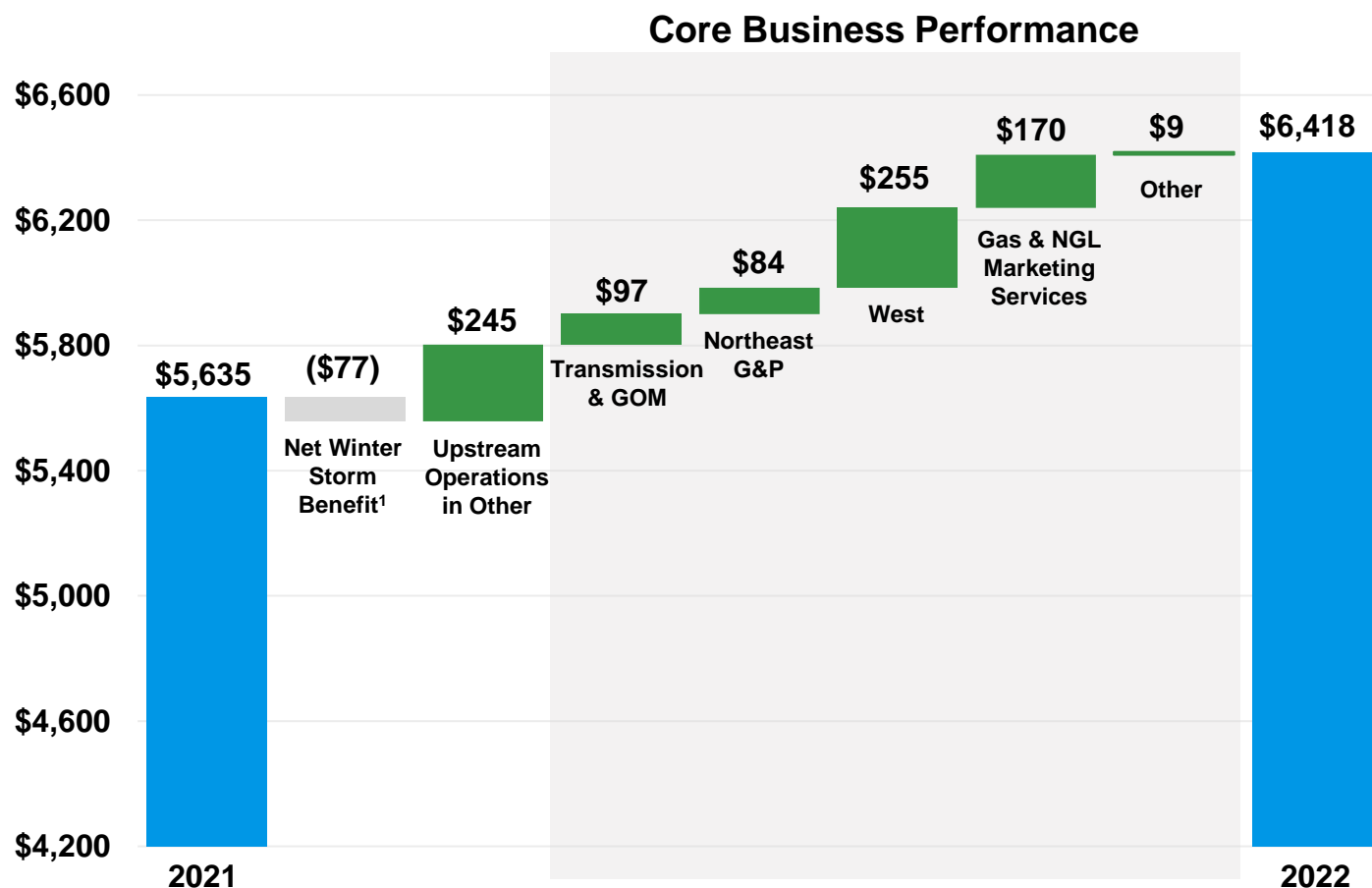
### Gas & NGL Marketing Services

Increased marketing margins driven by favorable commodity pricing and transportation contracts; partially offset by an unfavorable natural gas storage inventory valuation adjustment

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.

# Delivered 14% growth 2022 vs. 2021

## WMB Adjusted EBITDA (\$MM): 2022 vs. 2021



## Core business performance drivers

### Transmission & GOM

Increased revenues from the Leidy South expansion, incremental park and loan and short-term firm contracts and the NorTex acquisition; partially offset by higher operating and maintenance costs

### Northeast G&P

Increased revenues at our OVM JV and our Laurel Mountain and Cardinal franchises; partially offset lower Bradford COS rates

### West

Increased revenues driven by higher gathering rates, increased Haynesville gathering volumes (including Trace); partially offset by higher operating and maintenance costs

### Gas & NGL Marketing Services

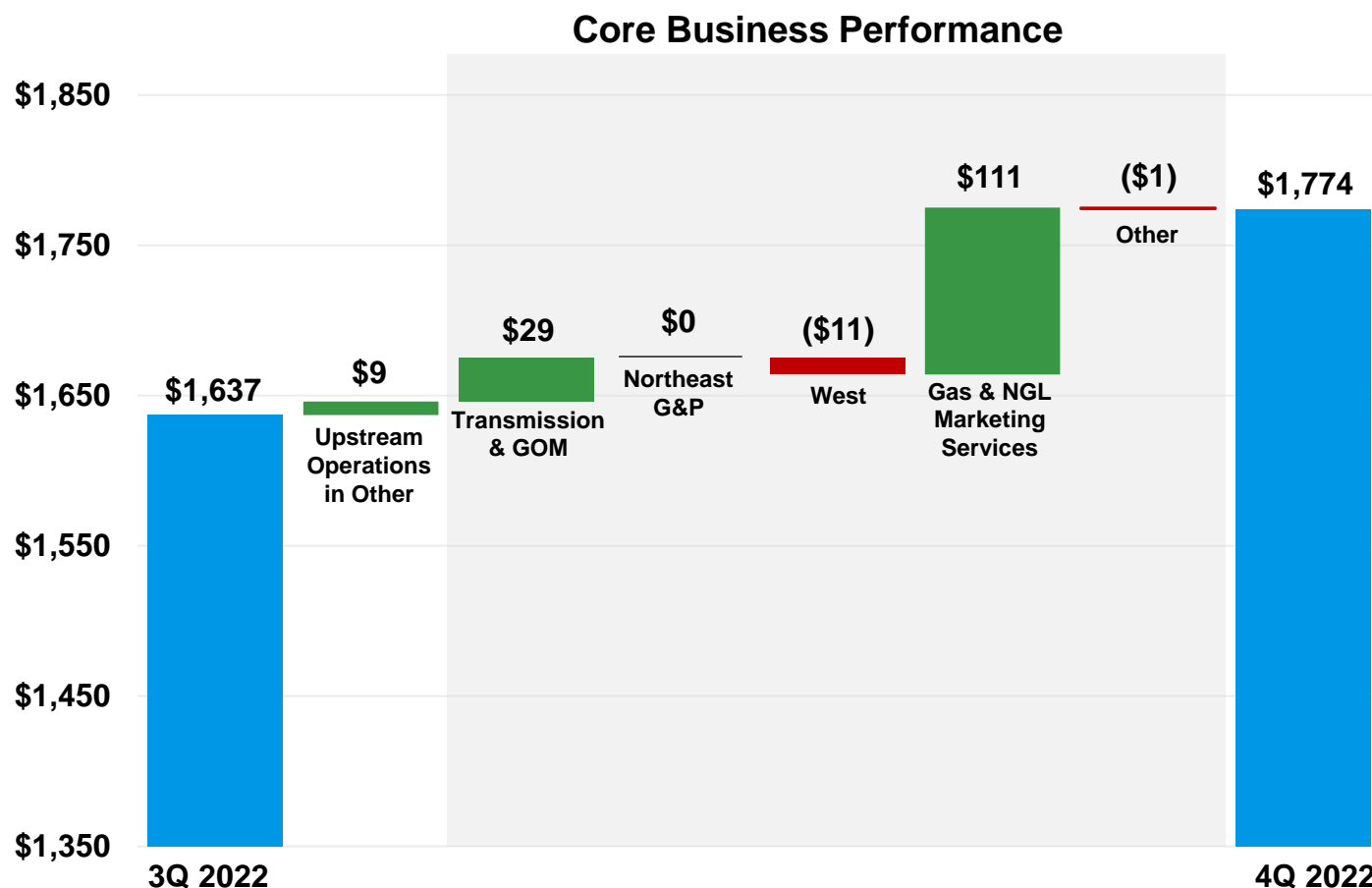
Increased marketing margins driven by favorable commodity pricing, transportation contracts and market volatility; partially offset by an unfavorable natural gas storage inventory valuation adjustment

<sup>1</sup>Includes net benefit of 2021 winter storm in Gas & NGL Marketing Services, Upstream operations in Other segment and in the West (unfavorable impact).

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# Delivered 8% growth 4Q 2022 vs. 3Q 2022

## WMB Adjusted EBITDA (\$MM): 4Q 2022 vs. 3Q 2022



## Core business performance drivers

### Transmission & GOM

Increased Transco revenues from park and loan and short-term firm transportation contracts and the NorTex acquisition

### Northeast G&P

Increased revenues at our OVM JV and Cardinal franchises; primarily offset by lower Laurel Mountain Midstream commodity-based rates and weather-impacted volumes

### West

Increased Haynesville gathering volumes more than offset by higher operating and maintenance costs and weather impacted volumes

### Gas & NGL Marketing Services

Increased marketing margins driven by favorable commodity pricing and transportation contracts; partially offset by an unfavorable natural gas storage inventory valuation adjustment

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.

# Anticipating continued growth in 2023

	<b>2022 Actuals</b>	<b>2023 Guidance</b>	<b>Y/Y Growth (2022-2023G midpoint)</b>
Adjusted EBITDA <i>(Includes upstream contributions)</i>	\$6.418B (\$391MM)	\$6.4B - \$6.8B (\$230MM - \$430MM)	<b>3%</b>
Adjusted Diluted EPS <sup>1</sup>	\$1.82	\$1.67 - \$1.92	<b>-1%</b>
Available Funds From Operations (AFFO)	\$4.918B	\$4.725B - \$5.125B	<b>0%</b>
AFFO Per Share	\$4.02	\$3.86 - \$4.18	<b>0%</b>
Dividend Coverage Ratio	2.37x	2.25x (midpoint)	
Debt-to-Adjusted EBITDA <sup>2</sup>	3.55x	~3.65x (midpoint)	
Growth CAPEX <sup>3</sup>	\$1.469B	\$1.40B - \$1.70B	
Maintenance CAPEX <i>(Includes ERP<sup>4</sup> modernization)</i>	\$678MM	\$750MM - \$850MM (\$200MM- \$300MM)	
Dividend Growth Rate	3.7% annual growth	5.3% annual growth	

<sup>1</sup>From continuing operations attributable to Williams available to common stockholders. <sup>2</sup>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. <sup>3</sup>2022 capital excludes \$424 million for the NorTex acquisition and \$933 million for purchase of the Trace Midstream Haynesville gathering assets. <sup>4</sup>Emissions reduction program. 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. Williams does not expect to be a U.S. Federal cash income taxpayer in 2023, excluding taxes on any potential asset monetizations.



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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;



# 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 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, including the Russian invasion of Ukraine;
  - 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, 2021, as filed with the SEC on February 28, 2022, (b) Part II, Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the period ended March 31, 2022 and other subsequently filed Quarterly Reports on Form 10-Q, and (c) when filed with the SEC, Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022.**



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# Non-GAAP Reconciliations

# Non-GAAP Disclaimer

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- > **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 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.**
- > **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 Non-GAAP Adjusted Income (2021-2022)

<i>(Dollars in millions, except per-share amounts)</i>	2021					2022				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
<b>Income (loss) attributable to The Williams Companies, Inc. available to common stockholders</b>	\$ 425	\$ 304	\$ 164	\$ 621	\$ 1,514	\$ 379	\$ 400	\$ 599	\$ 668	\$ 2,046
<b>Income (loss) - diluted earnings (loss) per common share <sup>(1)</sup></b>	\$ .35	\$ .25	\$ .13	\$ .51	\$ 1.24	\$ .31	\$ .33	\$ .49	\$ .55	\$ 1.67
<b>Adjustments:</b>										
<i>Transmission &amp; Gulf of Mexico</i>										
Loss related to Eminence storage cavern abandonments and monitoring	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 19	\$ 12	\$ 31
Regulatory liability charges associated with decrease in Transco's estimated deferred state income tax rate	—	—	—	—	—	—	—	15	—	15
Net unrealized (gain) loss from derivative instruments	—	—	—	—	—	—	—	(1)	1	—
Impairment of certain assets	—	2	—	—	2	—	—	—	—	—
<i>Total Transmission &amp; Gulf of Mexico adjustments</i>	—	2	—	—	2	—	—	33	13	46
<i>West</i>										
Trace acquisition costs	—	—	—	—	—	—	8	—	—	8
<i>Total West adjustments</i>	—	—	—	—	—	—	8	—	—	8
<i>Gas &amp; NGL Marketing Services</i>										
Amortization of purchase accounting inventory fair value adjustment	—	—	2	16	18	15	—	—	—	15
Impact of volatility on NGL linefill transactions <sup>(2)</sup>	—	—	—	—	—	(20)	—	23	6	9
Net unrealized (gain) loss from derivative instruments	—	—	294	(188)	106	57	288	(5)	(66)	274
<i>Total Gas &amp; NGL Marketing Services adjustments</i>	—	—	296	(172)	124	52	288	18	(60)	298
<i>Other</i>										
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	—	—	—	—	—
Net unrealized (gain) loss from derivative instruments	—	4	16	(20)	—	66	(47)	(29)	(15)	(25)
Accrual for loss contingencies	5	5	—	—	10	—	—	11	—	11
<i>Total Other adjustments</i>	5	9	19	(18)	15	66	(47)	(13)	(15)	(9)
<b>Adjustments included in Modified EBITDA</b>	5	11	315	(190)	141	118	249	38	(62)	343
<b>Adjustments below Modified EBITDA</b>										
<i>Accelerated depreciation for decommissioning assets</i>	—	20	13	—	33	—	—	—	—	—
<i>Amortization of intangible assets from Sequent acquisition</i>	—	—	21	(3)	18	42	41	42	42	167
<i>Depreciation adjustment related to Eminence storage cavern abandonments</i>	—	—	—	—	—	—	—	(1)	—	(1)
<b>Total adjustments</b>	5	31	349	(193)	51	42	41	41	42	166
Less tax effect for above items	(1)	(8)	(87)	48	(48)	(40)	(72)	(17)	5	(124)
Adjustments for tax-related items <sup>(3)</sup>	—	—	—	—	—	—	(134)	(69)	—	(203)
<b>Adjusted income available to common stockholders</b>	\$ 429	\$ 327	\$ 426	\$ 476	\$ 1,658	\$ 499	\$ 484	\$ 592	\$ 653	\$ 2,228
<b>Adjusted income - diluted earnings per common share <sup>(1)</sup></b>	\$ .35	\$ .27	\$ .35	\$ .39	\$ 1.36	\$ .41	\$ .40	\$ .48	\$ .53	\$ 1.82
<b>Weighted-average shares - diluted (thousands)</b>	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) Had this adjustment been made in 2021, the Gas & NGL Marketing segment would have included adjustments of (\$15), (\$5), (\$15), \$1, and (\$34) for the 1st, 2nd, 3rd, and 4th quarters, and full year period, respectively. This would have reduced Adjusted income – diluted earnings per common share by \$0.01, \$0.01, and \$0.02 for the 1st and 3rd quarters, and full year period, respectively.

(3) 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 Net Income (Loss) to Modified EBITDA, Non-GAAP Adjusted EBITDA (2021-2022)

(Dollars in millions)	2021					2022				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
<b>Net income (loss)</b>	\$ 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
Equity (earnings) losses	(131)	(135)	(157)	(185)	(608)	(136)	(163)	(193)	(145)	(637)
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
<b>Modified EBITDA</b>	<b>\$ 1,410</b>	<b>\$ 1,306</b>	<b>\$ 1,105</b>	<b>\$ 1,673</b>	<b>\$ 5,494</b>	<b>\$ 1,393</b>	<b>\$ 1,247</b>	<b>\$ 1,599</b>	<b>\$ 1,836</b>	<b>\$ 6,075</b>
Transmission & Gulf of Mexico	\$ 660	\$ 646	\$ 630	\$ 685	\$ 2,621	\$ 697	\$ 652	\$ 638	\$ 687	\$ 2,674
Northeast G&P	402	409	442	459	1,712	418	450	464	464	1,796
West	222	223	257	259	961	260	288	337	326	1,211
Gas & NGL Marketing Services	93	8	(262)	183	22	13	(282)	20	209	(40)
Other	33	20	38	87	178	5	139	140	150	434
<b>Total Modified EBITDA</b>	<b>\$ 1,410</b>	<b>\$ 1,306</b>	<b>\$ 1,105</b>	<b>\$ 1,673</b>	<b>\$ 5,494</b>	<b>\$ 1,393</b>	<b>\$ 1,247</b>	<b>\$ 1,599</b>	<b>\$ 1,836</b>	<b>\$ 6,075</b>
<b>Adjustments <sup>(1)</sup>:</b>										
Transmission & Gulf of Mexico	\$ —	\$ 2	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ 33	\$ 13	\$ 46
West	—	—	—	—	—	—	8	—	—	8
Gas & NGL Marketing Services <sup>(2)</sup>	—	—	296	(172)	124	52	288	18	(60)	298
Other	5	9	19	(18)	15	66	(47)	(13)	(15)	(9)
<b>Total Adjustments</b>	<b>\$ 5</b>	<b>\$ 11</b>	<b>\$ 315</b>	<b>\$ (190)</b>	<b>\$ 141</b>	<b>\$ 118</b>	<b>\$ 249</b>	<b>\$ 38</b>	<b>\$ (62)</b>	<b>\$ 343</b>
<b>Adjusted EBITDA:</b>										
Transmission & Gulf of Mexico	\$ 660	\$ 648	\$ 630	\$ 685	\$ 2,623	\$ 697	\$ 652	\$ 671	\$ 700	\$ 2,720
Northeast G&P	402	409	442	459	1,712	418	450	464	464	1,796
West	222	223	257	259	961	260	296	337	326	1,219
Gas & NGL Marketing Services	93	8	34	11	146	65	6	38	149	258
Other	38	29	57	69	193	71	92	127	135	425
<b>Total Adjusted EBITDA</b>	<b>\$ 1,415</b>	<b>\$ 1,317</b>	<b>\$ 1,420</b>	<b>\$ 1,483</b>	<b>\$ 5,635</b>	<b>\$ 1,511</b>	<b>\$ 1,496</b>	<b>\$ 1,637</b>	<b>\$ 1,774</b>	<b>\$ 6,418</b>

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

(2) 2022 Adjustments for Gas & NGL Marketing Services includes the impact of volatility on NGL linefill transactions. Had this adjustment been made in 2021, Adjusted EBITDA would have been reduced by (\$15), (\$5), (\$15), \$1, and (\$34) for the 1st, 2nd, 3rd, and 4th quarters, and full year period, respectively.

# Reconciliation of Cash Flow from Operating Activities to Non-GAAP Available Funds from Operations (2021-2022)

<i>(Dollars in millions, except coverage ratios)</i>	2021					2022				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
<b>The Williams Companies, Inc.</b>										
<i>Reconciliation of GAAP "Net cash provided (used) by operating activities" to Non-GAAP "Available funds from operations"</i>										
<b>Net cash provided (used) by operating activities</b>	\$ 915	\$ 1,057	\$ 834	\$ 1,139	\$ 3,945	\$ 1,082	\$ 1,098	\$ 1,490	\$ 1,219	\$ 4,889
Exclude: Cash (provided) used by changes in:										
Accounts receivable	59	(9)	488	7	545	3	794	(125)	61	733
Inventories, including write-downs	8	50	54	12	124	(178)	177	77	(127)	(51)
Other current assets and deferred charges	6	50	11	(4)	63	65	(50)	47	(29)	33
Accounts payable	(38)	(56)	(476)	(73)	(643)	138	(828)	(53)	333	(410)
Accrued and other current liabilities	116	(130)	(53)	9	(58)	149	(125)	(191)	(42)	(209)
Changes in current and noncurrent derivative assets and liabilities	6	25	236	10	277	(101)	52	(37)	(8)	(94)
Other, including changes in noncurrent assets and liabilities	10	(31)	27	(5)	1	67	65	73	11	216
Preferred dividends paid	(1)	—	(1)	(1)	(3)	(1)	—	(1)	(1)	(3)
Dividends and distributions paid to noncontrolling interests	(54)	(41)	(40)	(52)	(187)	(37)	(58)	(46)	(63)	(204)
Contributions from noncontrolling interests	2	4	—	3	9	3	5	7	3	18
<b>Available funds from operations</b>	\$ 1,029	\$ 919	\$ 1,080	\$ 1,045	\$ 4,073	\$ 1,190	\$ 1,130	\$ 1,241	\$ 1,357	\$ 4,918
Common dividends paid	\$ 498	\$ 498	\$ 498	\$ 498	\$ 1,992	\$ 518	\$ 517	\$ 518	\$ 518	\$ 2,071
<b>Coverage ratio:</b>										
Available funds from operations divided by Common dividends paid	2.07	1.85	2.17	2.10	2.04	2.30	2.19	2.40	2.62	2.37

# Reconciliation of Net Income (Loss) to Modified EBITDA, Non-GAAP Adj. EBITDA and CFFO Activities to Non-GAAP AFFO

<i>(Dollars in millions, except per-share amounts and coverage ratio)</i>	2023 Guidance		
	Low	Mid	High
<b>Net income (loss)</b>	\$ 2,080	\$ 2,230	\$ 2,380
Provision (benefit) for income taxes	665	715	765
Interest expense		1,220	
Equity (earnings) losses		(580)	
Proportional Modified EBITDA of equity-method investments		930	
Depreciation and amortization expenses and accretion for asset retirement obligations associated with nonregulated operations		2,065	
Other		(14)	
<b>Modified EBITDA</b>	<b>\$ 6,366</b>	<b>\$ 6,566</b>	<b>\$ 6,766</b>
<b>EBITDA Adjustments</b>		34	
<b>Adjusted EBITDA</b>	<b>\$ 6,400</b>	<b>\$ 6,600</b>	<b>\$ 6,800</b>
<b>Net income (loss)</b>	\$ 2,080	\$ 2,230	\$ 2,380
Less: Net income (loss) attributable to noncontrolling interests & preferred dividends		100	
Net income (loss) attributable to The Williams Companies, Inc. available to common stockholders	\$ 1,980	\$ 2,130	\$ 2,280
<b>Adjustments:</b>			
Adjustments included in Modified EBITDA <sup>(1)</sup>		34	
Adjustments below Modified EBITDA <sup>(2)</sup>		59	
Allocation of adjustments to noncontrolling interests		—	
Total adjustments		93	
Less tax effect for above items		(23)	
Adjusted income available to common stockholders	\$ 2,050	\$ 2,200	\$ 2,350
<b>Adjusted diluted earnings per common share</b>	<b>\$ 1.67</b>	<b>\$ 1.80</b>	<b>\$ 1.92</b>
Weighted-average shares - diluted (millions)		1,225	
<b>Available Funds from Operations (AFFO):</b>			
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)	\$ 4,900	\$ 5,100	\$ 5,300
Preferred dividends paid		(3)	
Dividends and distributions paid to noncontrolling interests		(225)	
Contributions from noncontrolling interests		53	
<b>Available funds from operations (AFFO)</b>	<b>\$ 4,725</b>	<b>\$ 4,925</b>	<b>\$ 5,125</b>
<b>AFFO per common share</b>	<b>\$ 3.86</b>	<b>\$ 4.02</b>	<b>\$ 4.18</b>
<b>Common dividends paid</b>		<b>\$ 2,190</b>	
<b>Coverage Ratio (AFFO/Common dividends paid)</b>	<b>2.16x</b>	<b>2.25x</b>	<b>2.34x</b>

(1) Includes transaction and transition costs associated with the MountainWest acquisition

(2) Includes amortization of Sequent intangible asset of \$59 million