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Williams 4th Quarter and Full-Year 2020 Earnings Call

February 23, 2021

WE MAKE CLEAN ENERGY HAPPEN®

Williams®

Exceptional performance in the face of significant headwinds

2020 PERFORMANCE

- Record Adj. EBITDA, $5.1B
- Record DCF, $3.4B
- Record gathering volumes, 13.2 Bcf/d[1]
- Record transmission contracted capacity, 22.2 Bcf/d[2]
- Debt-to-Adj. EBITDA reduced to 4.35x
- Free Cash Flow, $212 million[3]
- Improved Operating Margin for 6th consecutive year
- Key ESG ratings and rankings improved
- Improved credit ratings
- Continued strength in project execution

2020 HEADWINDS

- COVID-19 global pandemic
- Oil price collapse
- Depressed NGL prices
- Active hurricane season in Gulf of Mexico
- Major customer bankruptcies

Exceeded Pre-COVID-19 Guidance Midpoints On All Key Metrics In 2020

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. [1] Williams 2020 natural gas gathering volumes exclude Blue Racer Midstream, which we began to operate in 4Q 2020 following our November 2020 acquisition of a controlling interest in Caiman Energy II. [2] Dekatherms converted to cubic feet at 1,000 cubic feet = 1 dekatherm. [3] Free Cash Flow is Available Funds From Operations less common dividends paid less Capital Investments

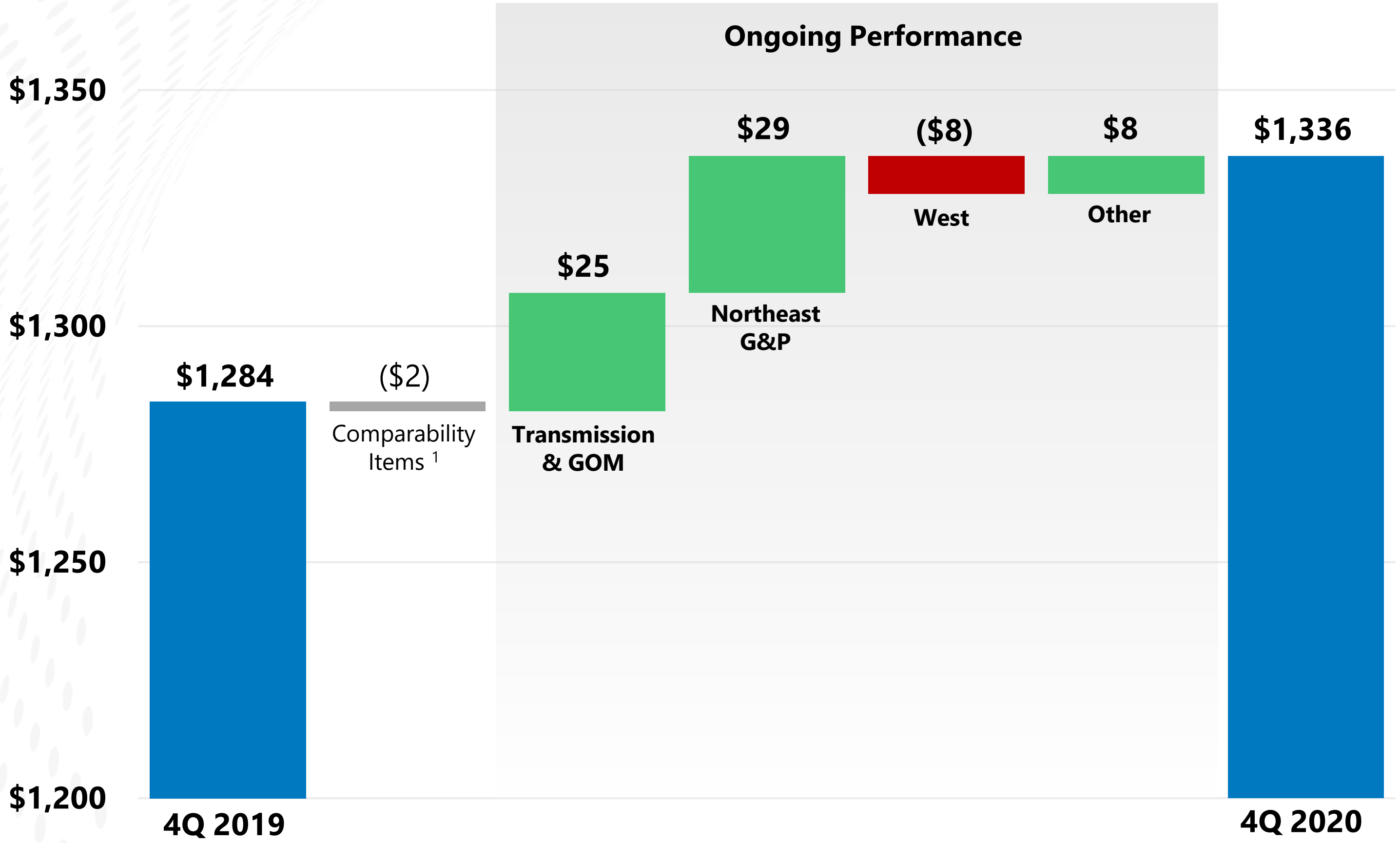
4Q 2020 and full-year 2020 results demonstrate continued stability despite external volatility

Stable Financial Performance Across Key Metrics	4Q 2020	4Q 2019	Change	2020	2019	Change
Adjusted EBITDA	$1,336	$1,284	4%	$5,105	$5,015	2%
Adjusted Earnings per Share	$0.31	$0.24	29%	$1.10	$0.99	11%
Available Funds from Operations	$983	$962	2%	$3,638	$3,611	1%
Distributable Cash Flow	$926	$828	12%	$3,356	$3,297	2%
Dividend Coverage Ratio	1.91x	1.80x		1.73x	1.79x	
(Based on AFFO)	*2.03x*	*2.09x*		*1.87x*	*1.96x*	
Substantially Lower Capital Expenditures Enhancing Free Cash Flow and Lowering Leverage						
Debt-to-Adjusted EBITDA [1]	4.35x	4.39x				
Capital Investments [2,3]	$423	$408	4%	$1,485	$2,476	(40%)

[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] 2019 excludes $728 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 fourth quarter results up 4%

WMB Adjusted EBITDA ($MM): 4Q 2019 vs. 4Q 2020



[1] Includes stepdown in non-cash deferred revenue amortization for Gulfstar (-$24mm), Wamsutter MVC cash payment attributable to 1Q ‘20 - 3Q ‘20 but recognized in 4Q ‘20 (+$20mm) and non-cash inventory write downs, derivative and other inventory impacts on NGL marketing margin in the West (+$2mm)

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ONGOING PERFORMANCE DRIVERS

> **TRANSMISSION & GOM**

Increased revenue driven by transmission expansion projects and lower segment costs; Partially offset by $10 million of hurricane-related shut-ins in the Deepwater Gulf of Mexico

> **NORTHEAST G&P**

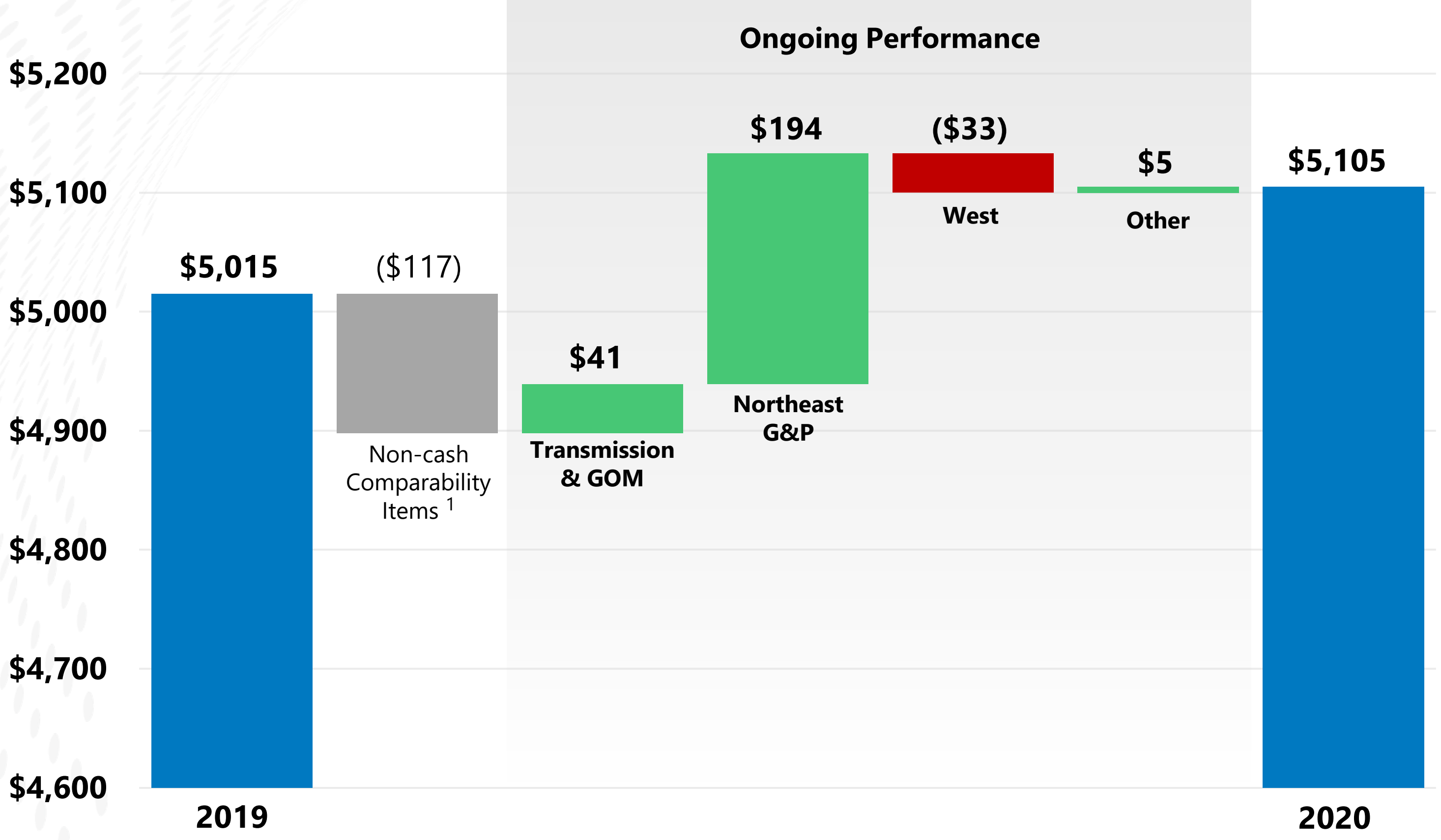
Increased JV EBITDA primarily due to higher gathering volumes and increased ownership in Blue Racer as well as lower segment costs

> **WEST**

Decreased revenue due to lower G&P volumes and lower JV EBITDA; Partially offset by higher G&P rates and step up in MVC commitments as well as lower segment costs

WMB full-year results up 2%

WMB Adjusted EBITDA ($MM): 2019 vs. 2020



[1] Includes stepdown in non-cash deferred revenue amortization for Barnett and Gulfstar (-$109mm) and non-cash inventory write downs, derivative and other inventory impacts on NGL marketing margin in the West (-$7mm) and in TGOM (-$1mm)

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ONGOING PERFORMANCE DRIVERS

> **TRANSMISSION & GOM**

Increased revenue from transmission expansion projects and lower segment costs; Partially offset by $49 million of Deepwater Gulf of Mexico disruptions and lower NGL margins

> **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, lower commodity prices, and lower G&P volumes; Partially offset by step up in MVC commitments and lower segment costs

2021 Guidance Ranges

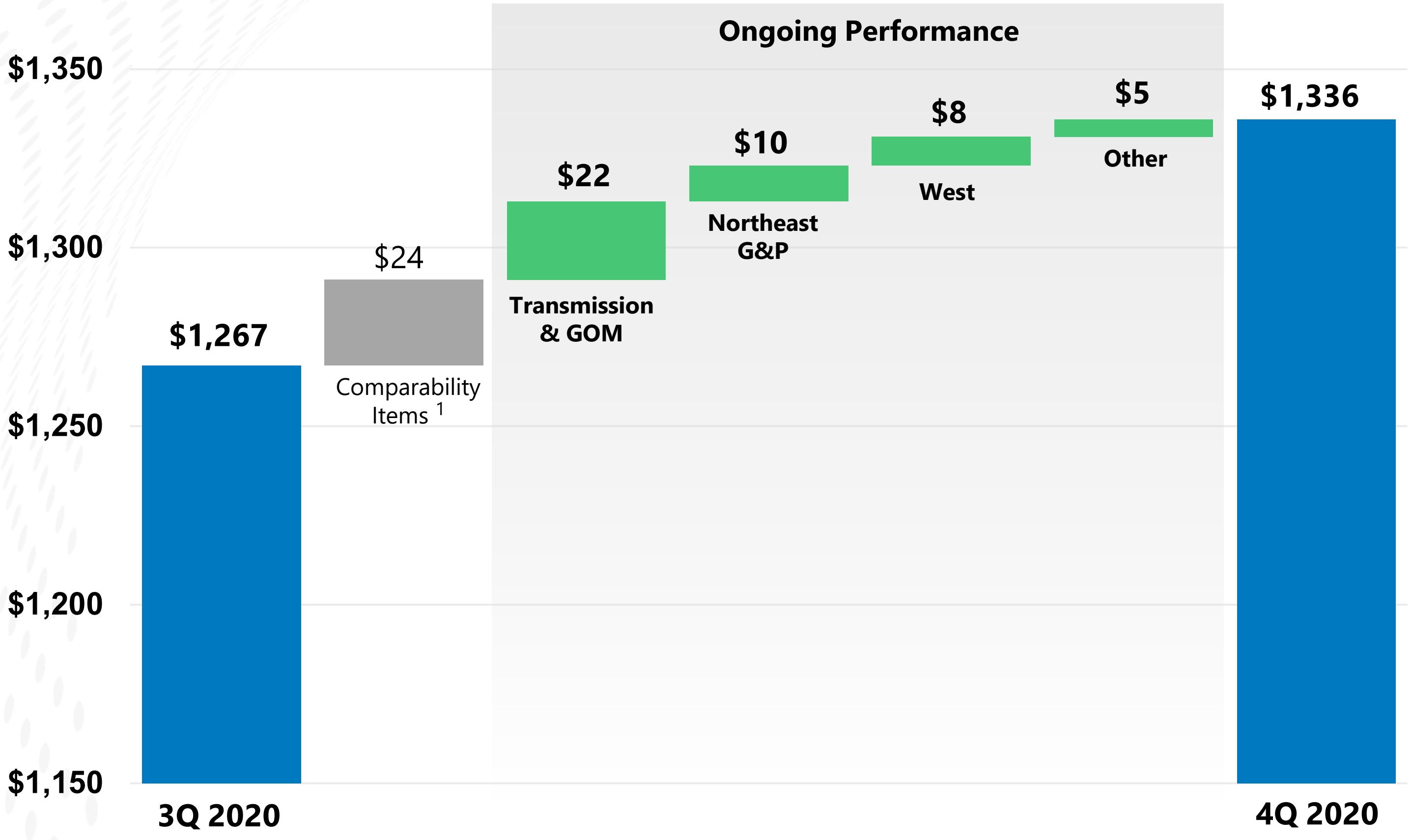
FINANCIAL METRIC	2021 GUIDANCE
Adjusted Net Income[1]	$1.200 Bn - $1.500 Bn
Adjusted Diluted EPS[1]	$0.99 - $1.23
Adjusted EBITDA	$5.050 Bn - $5.350 Bn
Available Funds from Operations (AFFO)	$3.550 Bn - $3.850 Bn
AFFO per share	$2.92 - $3.16
Growth Capex	$1.0 Bn - $1.2 Bn
Maintenance Capex	$400 Mn - $500 Mn
Dividend Coverage Ratio *(Based on AFFO)*	1.85x (midpoint)
Dividend Growth Rate	2.5% annual growth ($1.64 per share)
Debt-to-Adjusted EBITDA[2]	~4.25x (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. 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. Williams does not expect to be a U.S. Federal cash income taxpayer through at least 2024, excluding taxes on any potential asset monetizations.

Appendix

WMB sequential quarter results up 5%

WMB Adjusted EBITDA ($MM): 3Q 2020 vs. 4Q 2020



[1] Includes Wamsutter MVC cash payment attributable to 1Q ‘20 - 3Q ‘20 but recognized in 4Q ‘20 (+$20mm) and non-cash inventory write downs, derivative and other inventory impacts on NGL marketing margin in the West (+$4mm)

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ONGOING PERFORMANCE DRIVERS

> **TRANSMISSION & GOM**

Higher revenues due to Transco expansion projects, higher Deepwater volumes and increased seasonal transmission services; Partially offset by slightly higher segment costs

> **NORTHEAST G&P**

Increased JV EBITDA primarily due to higher gathering volumes and increased ownership in Blue Racer; Partially offset by slightly higher segment costs

> **WEST**

Increased revenue due to step up in MVC commitments as well as continued focus on lower segment costs; Partially offset by lower G&P volumes and lower JV EBITDA

Consistently delivering on our promises

2020 RESULTS EXCEED GUIDANCE MIDPOINTS

In $Billions except for percentages, ratios and per share amounts	2020 GUIDANCE RANGES vs. RESULTS			
Diluted EPS[1]	$0.95	$1.08	Adjusted $1.10	$1.20
Net Income[1]	$1.160	$1.310	Adjusted $1.333	$1.460
Adjusted EBITDA	$4.950	$5.100	$5.105	$5.250
Distributable Cash Flow (DCF)	$3.050	$3.250	$3.356	$3.450
Growth Capex	Guidance $1.0 - $1.2	*Prior guidance: $1.1 - $1.3 Bn*	Actual $1.119	✓+
Dividend Growth Rate	Guidance 5% annual growth		Actual 5%	✓
Dividend Coverage Ratio (DCF Basis)	Guidance Midpoint ~1.7x		Actual 1.73x	✓+
Consolidated Debt / EBITDA[2]	Guidance 4.4x		Actual 4.35x	✓+

[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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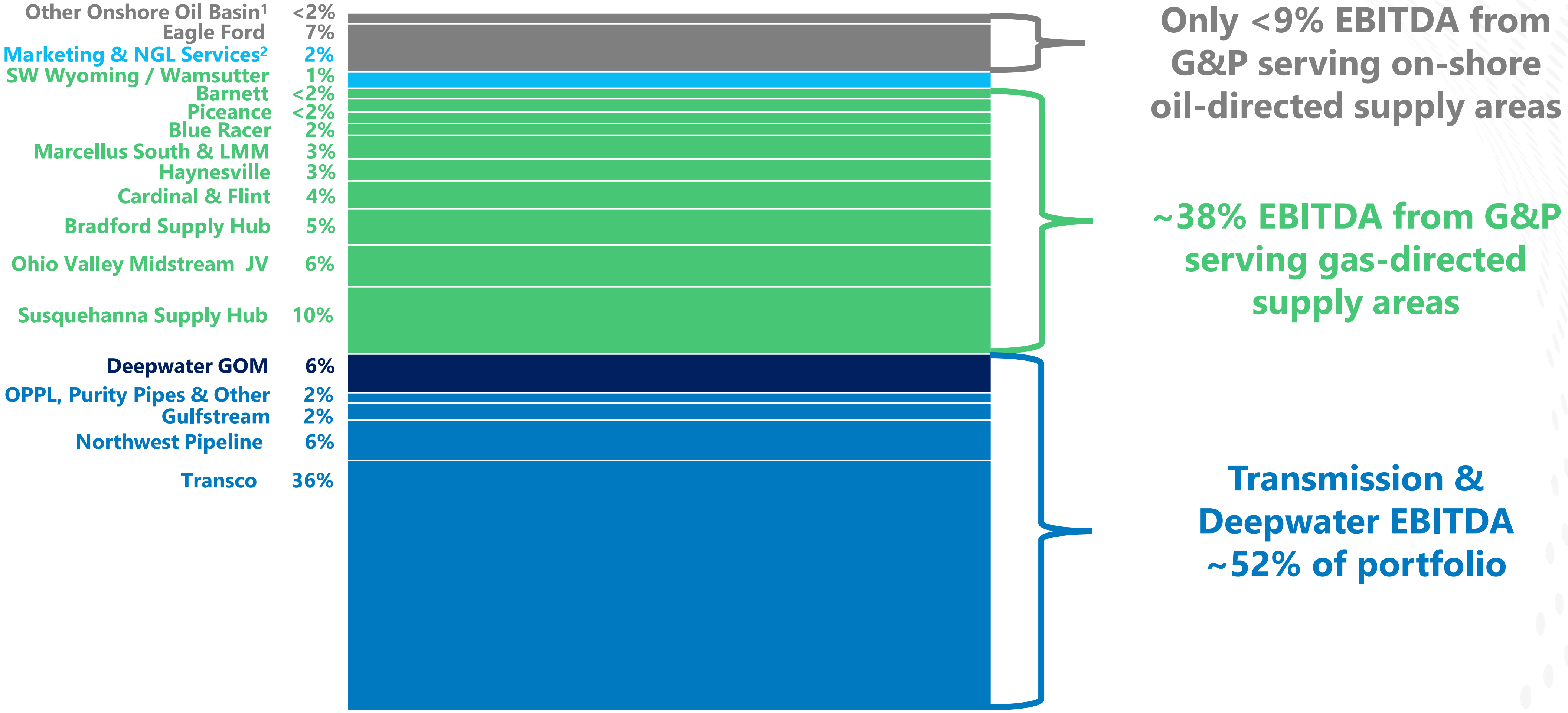
Stable and diversified EBITDA, limiting exposure to any one basin

$5.1 B 2020 ADJ. EBITDA



[1]Includes Permian, Mid-continent and DJ Basin; [2] Includes Conway, Bluestem pipeline, Targa Frac, Gas Marketing and NGL Marketing

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Recent accomplishments

Williams – Record Performance	Achieved record natural gas gathering volumes of 13.2 Bcf/d[1], contracted transmission capacity of 22.2 Bcf/d[2], and Adjusted EBITDA of $5.1 billion in 2020, despite a year of challenging headwinds for the industry.
Williams – Global Resolution w/ CHK	In December 2020, bankruptcy court approved the global resolution reached with Chesapeake as part of its Ch.11 bankruptcy restructuring process; The transaction will both strengthen Chesapeake and allow Williams to enhance the value of our significant midstream infrastructure
Williams- Appointed Board Members	Appointed Rose Robeson and Stacey Doré to Williams Board of Directors as independent directors with a combined 55 years of energy industry experience
Transco – Southeastern Trail	Commenced partial in-service of 150 MMcf/d in November 2020 and an additional 80 MMcf/d in December 2020 with the balance of the 296 MMcf/d project in-service in January 2021, serving growing gas demand in Mid-Atlantic & Southeastern United States
Transco – Leidy South	Key state and federal permits and FERC Notice to Proceed received on 582 MMcf/d expansion connecting robust Appalachia natural gas supplies with growing demand centers along the Atlantic Seaboard; Brought 125 MMcf/d of capacity on line in November 2020 with the remaining 457 MMcf/d expected to be complete in 4Q 2021
Transco – Regional Energy Access	Expecting FERC Application to be filed in 1Q 2021 for a pipeline expansion to connect robust Marcellus supplies with growing Northeast natural gas demand in time for the 2023-2024 winter heating season
Northeast – Oak Grove TXP III	Progressing on construction of a 200 MMcf/d expansion of Oak Grove processing capacity, increasing total Ohio Valley Midstream JV processing capacity to 1.9 Bcf/d; Expected in service is 1Q 2021
West – Bluestem NGL Pipeline	Began commercial service in December 2020 on 120 Mbbls/d Mid-continent NGL pipeline, under budget and ahead of schedule
ESG – Williams Virtual ESG Event	Hosted Williams Virtual ESG Event on January 19, 2021, the first event of its kind across the midstream peer group, presenting the company's ESG performance, climate commitment and forward-looking strategy for sustainable operations
ESG – Commitments & Disclosures	Published 2019 Sustainability Report in July and responded to the CDP Climate Change Questionnaire in August to provide key stakeholders with continued insight into Williams sustainability practices and ESG performance; Announced our near-term goal of 56% absolute reduction from 2005 levels in company-wide GHG emissions by 2030; Targeting net zero carbon emissions by 2050

[1] Williams 2020 natural gas gathering volumes exclude Blue Racer Midstream, which we began to operate in 4Q 2020 following our November 2020 acquisition of a controlling interest in Caiman Energy II. [2] *Dekatherms converted to cubic feet at 1,000 cubic feet = 1 dekatherm.*

Executing significant portfolio of gas transmission growth projects

PROJECTS IN EXECUTION ~$2B

Project	Target In-service	Current Status[1]	Project Capacity[2]	Markets Served
✔ Southeastern Trail	4Q '20/ 1Q '21	Commenced Partial In-Service Nov. '20	296 MMcf/d	Res/Com & Power demand in Mid-Atlantic & Southeastern U.S.
✔ Leidy South	4Q '20/ 4Q '21	Key Federal/State Permits and FERC NTP Received	582 MMcf/d	Res/Com & Power demand in Mid-Atlantic & Southeastern U.S.
Gulfstream Ph. VI	4Q '22	Received FERC Certificate Mar. '20	78 MMcf/d	Power demand in FL
Regional Energy Access	4Q '23	FERC Application in 1Q '21	760 MMcf/d	Res/Com & Power demand in PA, NJ & MD

Transmission Project Milestones[1]: Customer Commitments 》 FERC Application 》 Environment Assessment (EA)/ Environmental Impact Statement (EIS) 》 FERC Certificate 》 Final Permits Received 》 Under Construction 》 Mechanically Complete 》 Commence Service

[2] Dekatherms 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 4Q 2021
- Target first flow in 1Q 2025

Taggart

- ✓ Positive FID June 2020
- ✓ Signed Definitive Agreement
- Target first flow in 2Q 2022

Discovery

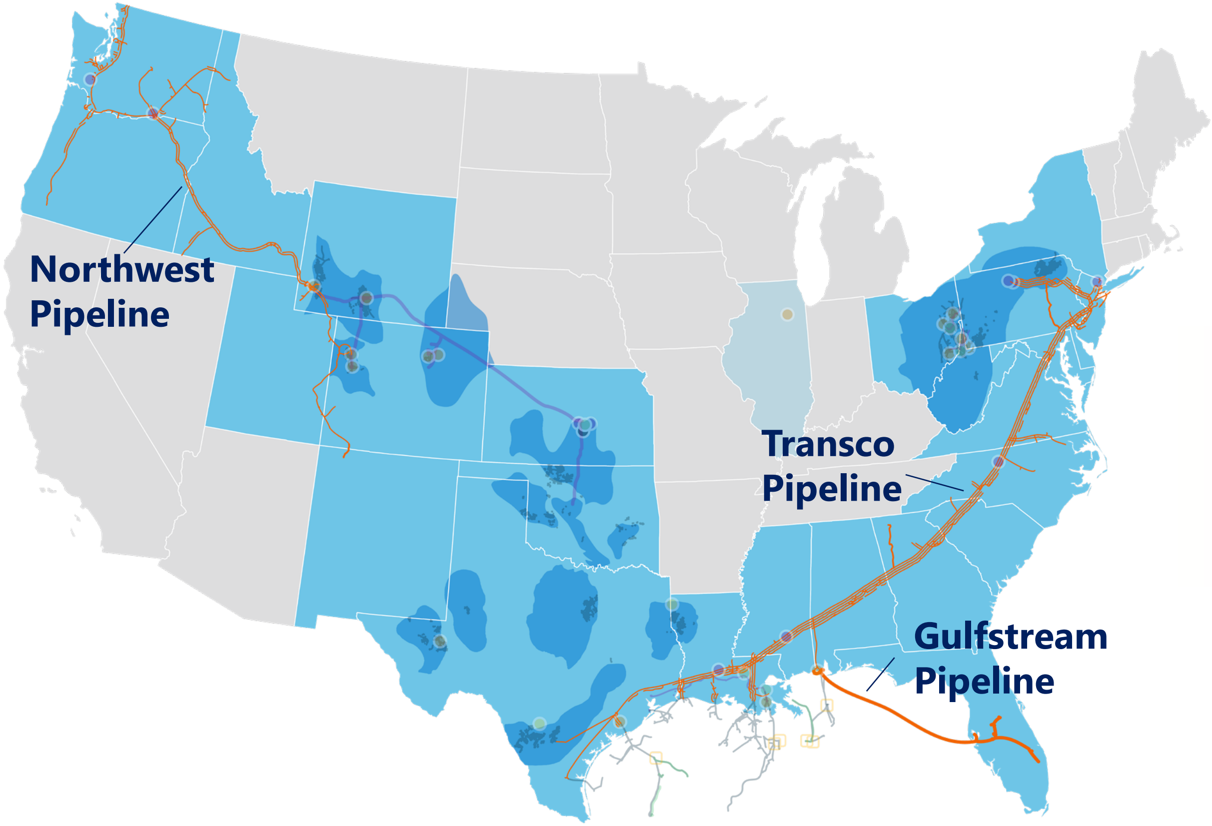
- ✓ Positive FIDs
- ✓ Signed Definitive Agreements
- ✓ **Katmai** first flow in June 2020
- **Spruance** first flow target in 1Q 2022
- **Anchor** first flow target in 2Q 2024

Sources: Customer press releases, media outlets and Williams estimates

Pursuing deep and diverse set of transmission growth opportunities

PROJECTS IN DEVELOPMENT

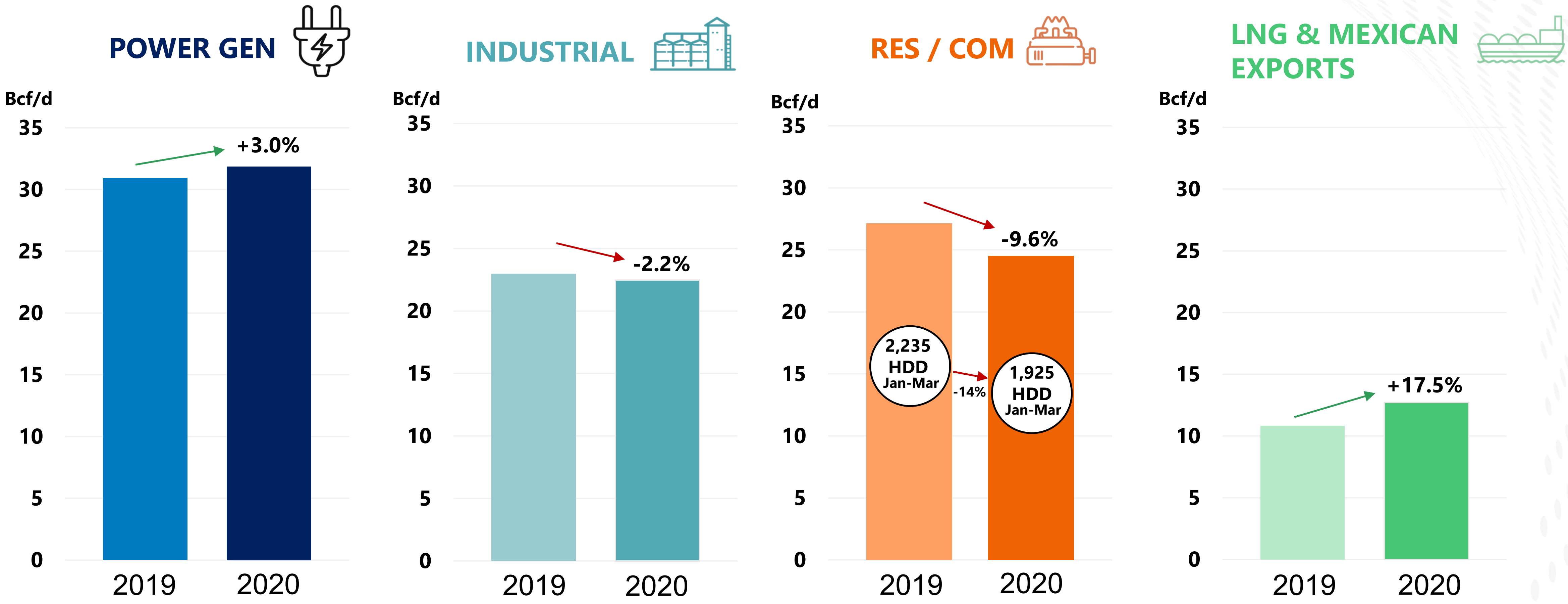
Williams' Asset Map, Highlighting Northwest, Transco, & Gulfstream Natural Gas Pipelines



Type of Project	# of Projects	Capex ($Bln)	Capacity (Bcf/d)	Estimated ISDs
Transporting Natural Gas to Power Generation Facilities	6	$4	3	'25-'31
Transporting Natural Gas to LNG Export Facilities	7	$5	8	'24-'26
Transporting Natural Gas to Industrial Facilities/LDC	13	$3	3	'23-'28

Natural gas demand resilient in 2020

Total demand averaged 93.8 Bcf/d in 2020 compared to 94.2 Bcf/d in 2019

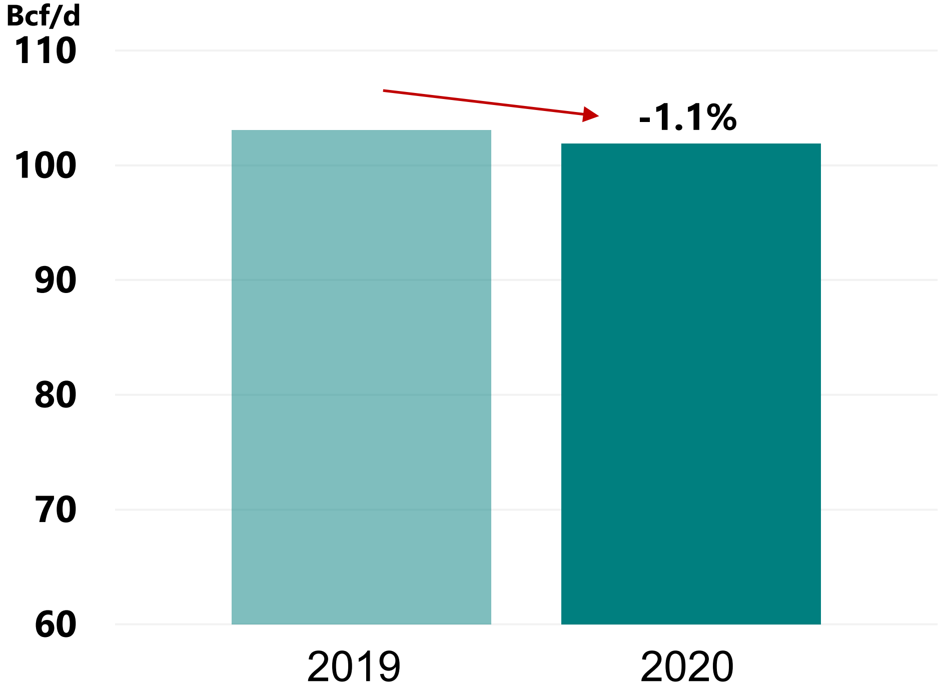


LOWER-48 NATURAL GAS DEMAND + EXPORTS 2019 v. 2020 COMPARISON

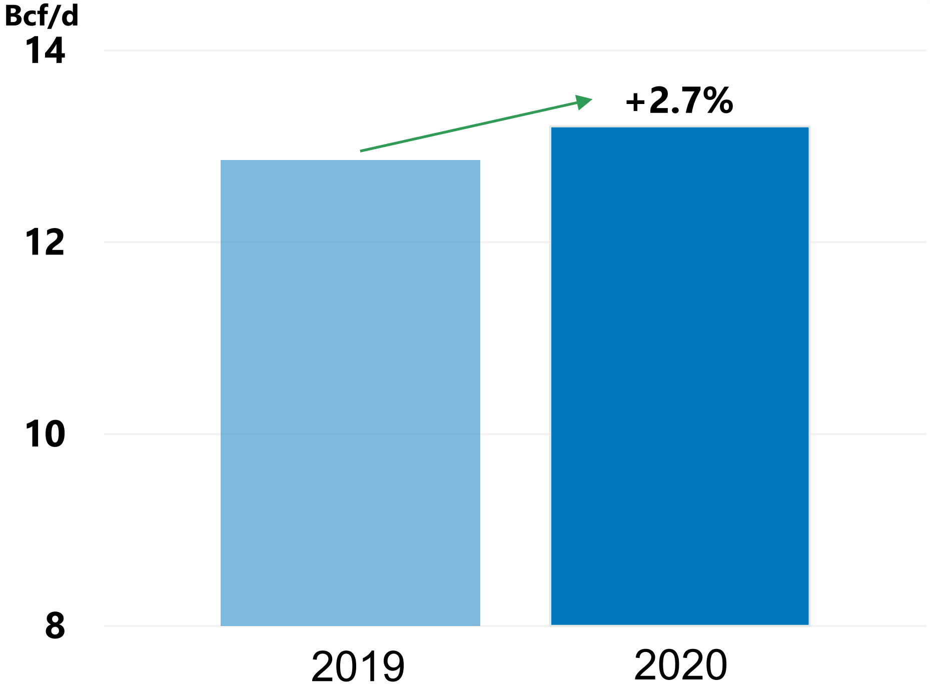
Source: S&P Global Platts, ©2020 by S&P Global Inc.; Note: Pipeloss/Fuel demand is excluded from the charts. Note that HDD is U.S. population-weighted Heating Degree Days.

Growth across Williams assets outpaces market rate

LOWER-48 + GOM NATURAL GAS WELLHEAD PRODUCTION



WILLIAMS NATURAL GAS GATHERING VOLUMES[1]



STRATEGICALLY POSITIONED TO CONNECT BEST SUPPLIES TO BEST MARKETS

Source: ©2021 IHS Markit. All rights reserved. The use of this content was authorized in advance. Any further use or redistribution of this content is strictly prohibited without prior written permission by IHS Markit. Note: Williams gathering volumes include 100% of operated assets. [1] Williams 2020 natural gas gathering volumes exclude Blue Racer Midstream, which we began to operate in 4Q 2020 following our November 2020 acquisition of a controlling interest in Caiman Energy II.

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 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;
- Changes in U.S. governmental administration and policies;
- 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 disclosure 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, available funds from operations 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. Such items are also excluded from net income to determine adjusted income. Management believes these measures provide 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.
- 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. We also calculate the ratio of available funds from operations to the total cash dividends paid (dividend coverage ratio). This measure reflects Williams' available funds from operations 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, distributable cash flow, 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) From Continuing Operations Attributable to The Williams Companies, Inc. to Non-GAAP Adjusted Income

(Dollars in millions, except per-share amounts)	2019					2020				
	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	$ 194	$ 310	$ 220	$ 138	$ 862	$ (518)	$ 303	$ 308	$ 115	$ 208
Income (loss) from continuing operations - diluted earnings (loss) per common share (1)	$ .16	$ .26	$ .18	$ .11	$ .71	$ (.43)	$ .25	$ .25	$ .09	$ .17
Adjustments:										
Transmission & Gulf of Mexico										
Constitution pipeline project development costs	$ —	$ 1	$ 1	$ 1	$ 3	$ —	$ —	$ —	$ —	$ —
Northeast Supply Enhancement project development costs	—	—	—	—	—	—	3	3	—	6
Impairment of certain assets (2)	—	—	—	354	354	—	—	—	170	170
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)	(6)	(13)	(22)
Reversal of costs capitalized in prior periods	—	15	—	1	16	—	—	10	1	11
Severance and related costs	—	22	14	3	39	1	1	(1)	—	1
Total Transmission & Gulf of Mexico adjustments	—	38	15	359	412	7	2	6	158	173
Northeast G&P										
Expenses associated with new venture	3	6	1	—	10	—	—	—	—	—
Share of early debt retirement gain at equity-method investment	—	—	—	—	—	—	(5)	—	—	(5)
Share of impairment of certain assets at equity-method investments	—	—	—	—	—	—	—	11	36	47
Pension plan settlement charge	—	—	—	—	—	1	—	—	—	1
Impairment of certain assets	—	—	—	10	10	—	—	—	12	12
Severance and related costs	—	10	(3)	—	7	—	—	—	—	—
Benefit of change in employee benefit policy	—	—	—	—	—	—	(2)	(2)	(5)	(9)
Total Northeast G&P adjustments	3	16	(2)	10	27	1	(7)	9	43	46
West										
Impairment of certain assets	12	64	—	24	100	—	—	—	—	—
Pension plan settlement charge	—	—	—	—	—	1	—	—	—	1
Benefit of change in employee benefit policy	—	—	—	—	—	—	(1)	(2)	(6)	(9)
Adjustment of gain on sale of Four Corners assets	2	—	—	—	2	—	—	—	—	—
Severance and related costs	—	11	(1)	—	10	—	—	—	—	—
Total West adjustments	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 (con't)

	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*
Other										
Adjustment of Transco's regulatory asset for post-WPZ Merger state deferred income tax change consistent with filed rate case	12	—	—	—	12	—	—	—	—	—
Regulatory asset reversals from impaired projects	—	—	—	—	—	—	—	8	7	15
Reversal of costs capitalized in prior periods	—	—	—	—	—	—	—	3	—	3
Pension settlement charge	—	—	—	—	—	—	—	—	1	1
Accrual for loss contingencies associated with former operations	—	—	9	(5)	4	—	—	—	24	24
Severance and related costs	—	—	—	1	1	—	—	—	—	—
Total Other adjustments	12	—	9	(4)	17	—	—	11	32	43
Adjustments included in Modified EBITDA	29	129	21	389	568	9	(6)	24	227	254
Adjustments below Modified EBITDA										
Impairment of equity-method investments	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
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	—	—	108	1,246
Total adjustments	105	4	135	206	450	1,147	(6)	24	335	1,500
Less tax effect for above items	(26)	(1)	(34)	(51)	(112)	(316)	8	1	(68)	(375)
Adjusted income from continuing operations available to common stockholders	$ 273	$ 313	$ 321	$ 293	$ 1,200	$ 313	$ 305	$ 333	$ 382	$ 1,333
Adjusted income from continuing operations - diluted earnings per common share (1)	$ .22	$ .26	$ .26	$ .24	$ .99	$ .26	$ .25	$ .27	$ .31	$ 1.10
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	1,215,335	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.

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

(Dollars in millions, except coverage ratios)	2019 *1st Qtr*	2019 *2nd Qtr*	2019 *3rd Qtr*	2019 *4th Qtr*	2019 *Year*	2020 *1st Qtr*	2020 *2nd Qtr*	2020 *3rd Qtr*	2020 *4th Qtr*	2020 *Year*
The Williams Companies, Inc.										
Reconciliation of GAAP "Net Income (Loss)" to "Modified EBITDA", "Non-GAAP Adjusted EBITDA" and "Non-GAAP Distributable cash flow"										
Net income (loss)	$ 214	$ 324	$ 242	$ (66)	$ 714	$ (570)	$ 315	$ 323	$ 130	$ 198
Provision (benefit) for income taxes	69	98	77	91	335	(204)	117	111	55	79
Interest expense	296	296	296	298	1,186	296	294	292	290	1,172
Equity (earnings) losses	(80)	(87)	(93)	(115)	(375)	(22)	(108)	(106)	(92)	(328)
Impairment of goodwill	—	—	—	—	—	187	—	—	—	187
Impairment of equity-method investments	74	(2)	114	—	186	938	—	—	108	1,046
Other investing (income) loss - net	(1)	(124)	(7)	25	(107)	(3)	(1)	(2)	(2)	(8)
Proportional Modified EBITDA of equity-method investments	190	175	181	200	746	192	192	189	176	749
Depreciation and amortization expenses	416	424	435	439	1,714	429	430	426	436	1,721
Accretion expense associated with asset retirement obligations for nonregulated operations	9	8	8	8	33	10	7	10	8	35
(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	1,243	1,109	4,851
EBITDA adjustments	29	129	21	389	568	9	(6)	24	227	254
Adjusted EBITDA	1,216	1,241	1,274	1,284	5,015	1,262	1,240	1,267	1,336	5,105
Maintenance capital expenditures (1)	(93)	(130)	(128)	(113)	(464)	(52)	(83)	(144)	(114)	(393)
Preferred dividends	(1)	—	(1)	(1)	(3)	(1)	—	(1)	(1)	(3)
Net interest expense - cash portion (2)	(304)	(302)	(301)	(306)	(1,213)	(304)	(304)	(301)	(299)	(1,208)
Cash taxes	3	85	(2)	—	86	—	(2)	—	42	40
Dividends and distributions paid to noncontrolling interests	(41)	(27)	(20)	(36)	(124)	(44)	(54)	(49)	(38)	(185)
Distributable cash flow	$ 780	$ 867	$ 822	$ 828	$ 3,297	$ 861	$ 797	$ 772	$ 926	$ 3,356
Common dividends paid	$ 460	$ 461	$ 461	$ 460	$ 1,842	$ 485	$ 486	$ 485	$ 485	$ 1,941
Coverage ratios:										
Distributable cash flow divided by Common dividends paid	1.70	1.88	1.78	1.80	1.79	1.78	1.64	1.59	1.91	1.73
Net income (loss) divided by Common dividends paid	0.47	0.70	0.52	(0.14)	0.39	(1.18)	0.65	0.67	0.27	0.10

(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 Cash Flow from Operating Activities to Non-GAAP Available Funds from Operations

(Dollars in millions, except coverage ratios)	2019 1st Qtr	2019 2nd Qtr	2019 3rd Qtr	2019 4th Qtr	2019 Year	2020 1st Qtr	2020 2nd Qtr	2020 3rd Qtr	2020 4th Qtr	2020 Year
The Williams Companies, Inc.										
Reconciliation of GAAP "Net cash provided (used) by operating activities" to Non-GAAP "Available Funds from Operations"										
Net cash provided (used) by operating activities	$ 775	$ 1,069	$ 858	$ 991	$ 3,693	$ 787	$ 1,143	$ 452	$ 1,114	$ 3,496
Exclude: Cash (provided) used by changes in:										
Accounts receivable	(97)	(52)	(10)	125	(34)	(67)	(18)	103	(16)	2
Inventories	(1)	(3)	(3)	2	(5)	(19)	28	24	(22)	11
Other current assets and deferred charges	6	10	(6)	(31)	(21)	(20)	33	2	(26)	(11)
Accounts payable	39	59	(22)	(30)	46	155	(391)	313	(70)	7
Accrued liabilities	142	(212)	(6)	(77)	(153)	150	86	50	23	309
Other, including changes in noncurrent assets and liabilities	21	20	118	17	176	(23)	43	(32)	17	5
Preferred dividends paid	(1)	—	(1)	(1)	(3)	(1)	—	(1)	(1)	(3)
Dividends and distributions paid to noncontrolling interests	(41)	(27)	(18)	(38)	(124)	(44)	(54)	(49)	(38)	(185)
Contributions from noncontrolling interests	4	28	—	4	36	2	2	1	2	7
Available funds from operations	$ 847	$ 892	$ 910	$ 962	$ 3,611	$ 920	$ 872	$ 863	$ 983	$ 3,638
Common dividends paid	$ 460	$ 461	$ 461	$ 460	$ 1,842	$ 485	$ 486	$ 485	$ 485	$ 1,941
Coverage ratio:										
Available funds from operations divided by Common dividends paid	1.84	1.93	1.97	2.09	1.96	1.90	1.79	1.78	2.03	1.87

Reconciliation of Net Income to Modified EBITDA, Non-GAAP Adjusted EBITDA

	2019					2020				
(Dollars in millions)	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*
Net income (loss)	$ 214	$ 324	$ 242	$ (66)	$ 714	$ (570)	$ 315	$ 323	$ 130	$ 198
Provision (benefit) for income taxes	69	98	77	91	335	(204)	117	111	55	79
Interest expense	296	296	296	298	1,186	296	294	292	290	1,172
Equity (earnings) losses	(80)	(87)	(93)	(115)	(375)	(22)	(108)	(106)	(92)	(328)
Impairment of goodwill	—	—	—	—	—	187	—	—	—	187
Impairment of equity-method investments	74	(2)	114	—	186	938	—	—	108	1,046
Other investing (income) loss - net	(1)	(124)	(7)	25	(107)	(3)	(1)	(2)	(2)	(8)
Proportional Modified EBITDA of equity-method investments	190	175	181	200	746	192	192	189	176	749
Depreciation and amortization expenses	416	424	435	439	1,714	429	430	426	436	1,721
Accretion expense associated with asset retirement obligations for nonregulated operations	9	8	8	8	33	10	7	10	8	35
(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**	**$ 1,243**	**$ 1,109**	**$ 4,851**
Transmission & Gulf of Mexico	$ 636	$ 590	$ 665	$ 284	$ 2,175	$ 662	$ 615	$ 616	$ 486	$ 2,379
Northeast G&P	299	303	345	367	1,314	369	370	387	363	1,489
West	256	212	245	239	952	215	253	247	283	998
Other	(4)	7	(2)	5	6	7	8	(7)	(23)	(15)
Total Modified EBITDA	**$ 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):										
Transmission & Gulf of Mexico	$ —	$ 38	$ 15	$ 359	$ 412	$ 7	$ 2	$ 6	$ 158	$ 173
Northeast G&P	3	16	(2)	10	27	1	(7)	9	43	46
West	14	75	(1)	24	112	1	(1)	(2)	(6)	(8)
Other	12	—	9	(4)	17	—	—	11	32	43
Total Adjustments included in Modified EBITDA	**$ 29**	**$ 129**	**$ 21**	**$ 389**	**$ 568**	**$ 9**	**$ (6)**	**$ 24**	**$ 227**	**$ 254**
Adjusted EBITDA:										
Transmission & Gulf of Mexico	$ 636	$ 628	$ 680	$ 643	$ 2,587	$ 669	$ 617	$ 622	$ 644	$ 2,552
Northeast G&P	302	319	343	377	1,341	370	363	396	406	1,535
West	270	287	244	263	1,064	216	252	245	277	990
Other	8	7	7	1	23	7	8	4	9	28
Total Adjusted EBITDA	**$ 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) 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 Adj. EBITDA and CFFO Activities to Non-GAAP AFFO

(Dollars in millions, except per share amounts and coverage ratio)	2021 Guidance Low	Mid	High
Net income (loss)	$ 1,275	$ 1,425	$ 1,575
Provision (benefit) for income taxes		460	
Interest expense		1,180	
Equity (earnings) losses		(430)	
Proportional Modified EBITDA of equity-method investments		800	
Depreciation and amortization expenses and accretion for asset retirement obligations associated with nonregulated operations		1,775	
Other		(10)	
Modified EBITDA	**$ 5,050**	**$ 5,200**	**$ 5,350**
EBITDA Adjustments		—	
Adjusted EBITDA	**$ 5,050**	**$ 5,200**	**$ 5,350**
Net income (loss)	$ 1,275	$ 1,425	$ 1,575
Less: Net income (loss) attributable to noncontrolling interests & preferred dividends		75	
Net income (loss) attributable to The Williams Companies, Inc. available to common stockholders	$ 1,200	$ 1,350	$ 1,500
Adjusted diluted earnings per common share	**$ 0.99**	**$ 1.11**	**$ 1.23**
Weighted-average shares - diluted (millions)		1,217	
Available Funds from Operations (AFFO):			
Net cash provided by operating activities (net of changes in working capital and changes in other, including changes in noncurrent assets and liabilities)	$ 3,740	$ 3,890	$ 4,040
Preferred dividends paid		(3)	
Dividends and distributions paid to noncontrolling interests		(200)	
Contributions from noncontrolling interests		13	
Available funds from operations (AFFO)	**$ 3,550**	**$ 3,700**	**$ 3,850**
AFFO per common share	**$ 2.92**	**$ 3.04**	**$ 3.16**
Common dividends paid		**$ 2,000**	
Coverage Ratio (AFFO/Common dividends paid)	**1.78x**	**1.85x**	**1.93x**