

# Williams to Acquire MountainWest

December 15, 2022



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# Opportunistic acquisition of MountainWest

## Transaction Overview

### Deal summary

- \$1.5B purchase price inclusive of \$430MM of low cost fixed-rate debt with no near-term maturities
- ~8x multiple based on 2023E EBITDA<sup>1</sup>
- Expected to close 2023

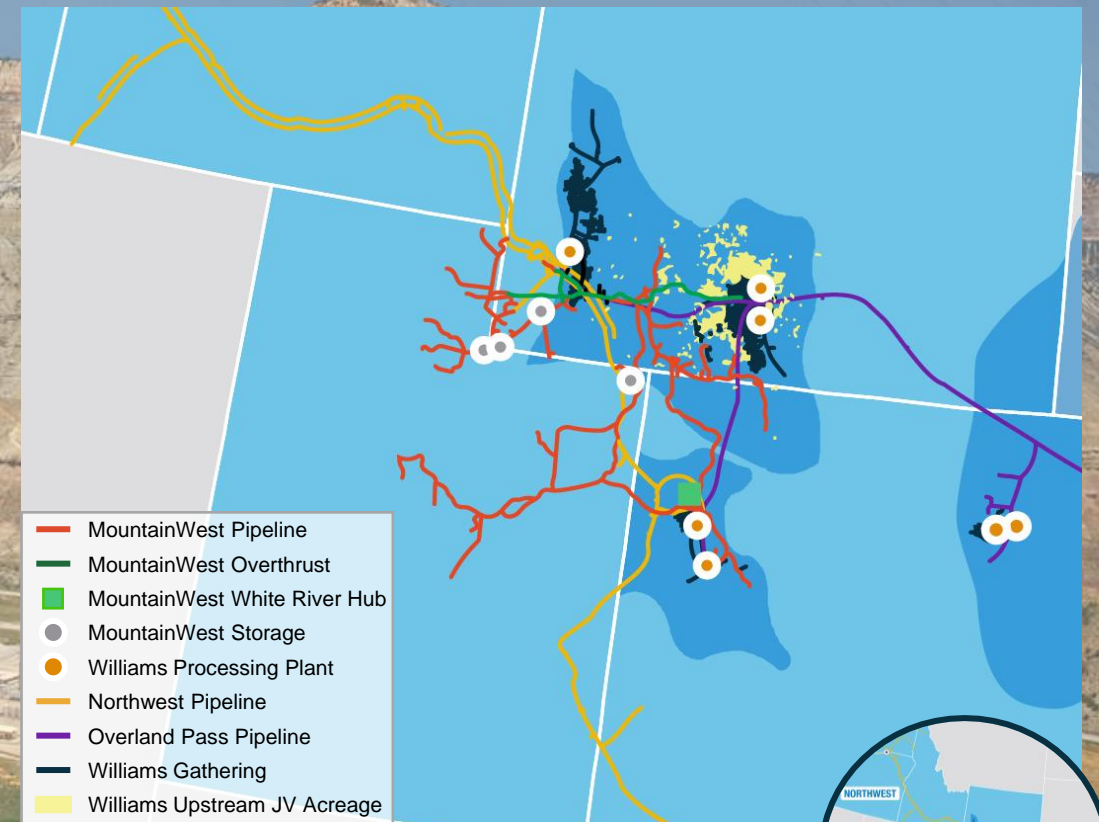
### Strategically integrated assets complementary to existing footprint

- Increases stable, natural gas FERC regulated transmission and storage position
- Expands access to new demand markets and offers connectivity to growing Wamsutter system
- Supports natural gas needs in increasingly unpredictable markets due to renewables growth

### Accretive transaction with stable cash flows

- Expanding margins with meaningful, established EBITDA
- No material impact to leverage

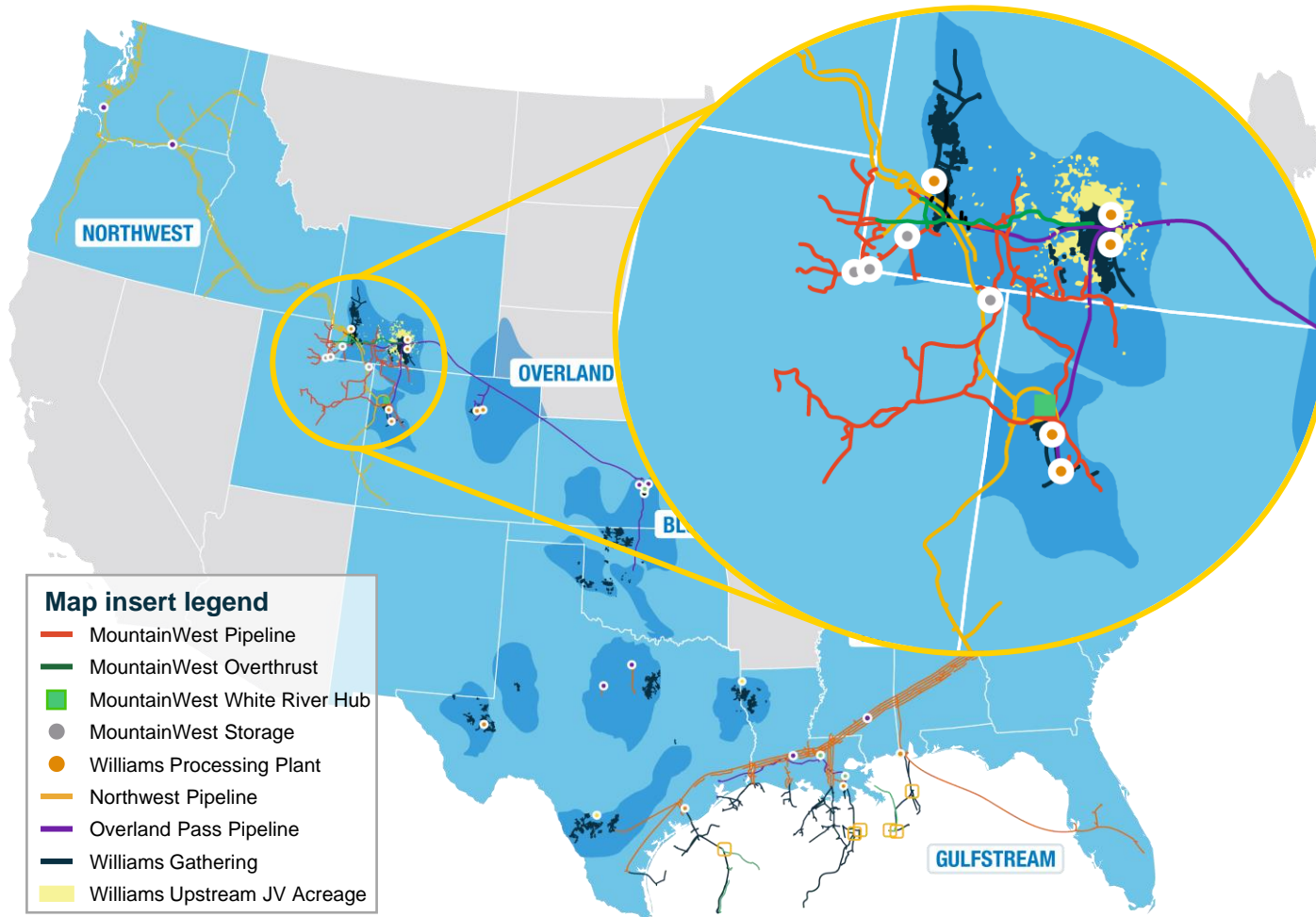
## Pro Forma Asset Position



**Complementary extension  
of WMB's current asset position**

<sup>1</sup> 2023E EBITDA based on current estimates.

# Key infrastructure in Rocky Mountain basins



## MountainWest at a Glance

### MountainWest Pipeline

**Total Capacity: 2,587 MDth/d**

Located within six major producing areas including Green River, Uinta and Piceance with supply connectivity to Salt Lake City

### Overthrust Pipeline

**Total Capacity: 2,830 MDth/d**

Serves producers in Green River, Wamsutter, and other Rockies basins with interconnects to major interstate pipelines

### White River Hub (50/50 JV)

**Total Capacity: 2,614 MDth/d**

Hub service for major pipes including NWP, REX, TransColorado, CIG and WIC

### Storage Assets

**Total Capacity: 56 Bcf**

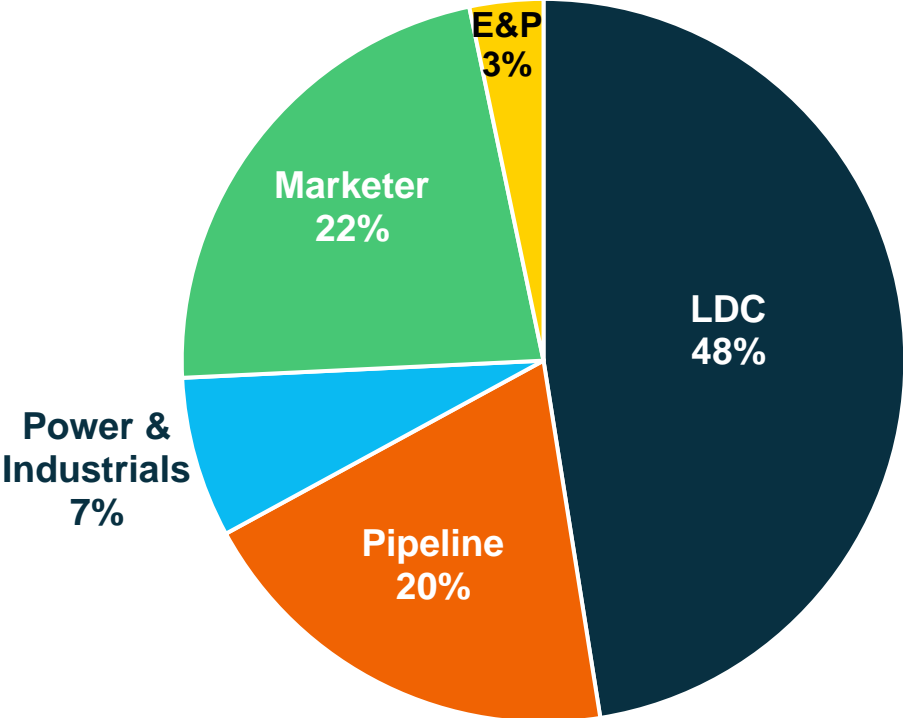
Including Clay Basin, a 54 Bcf underground storage reservoir in the Rockies, consistently fully contracted at max rates

**Rocky Mountain energy hub with interconnections to multiple interstate pipelines, integrated storage assets and access to multiple regional supply basins**

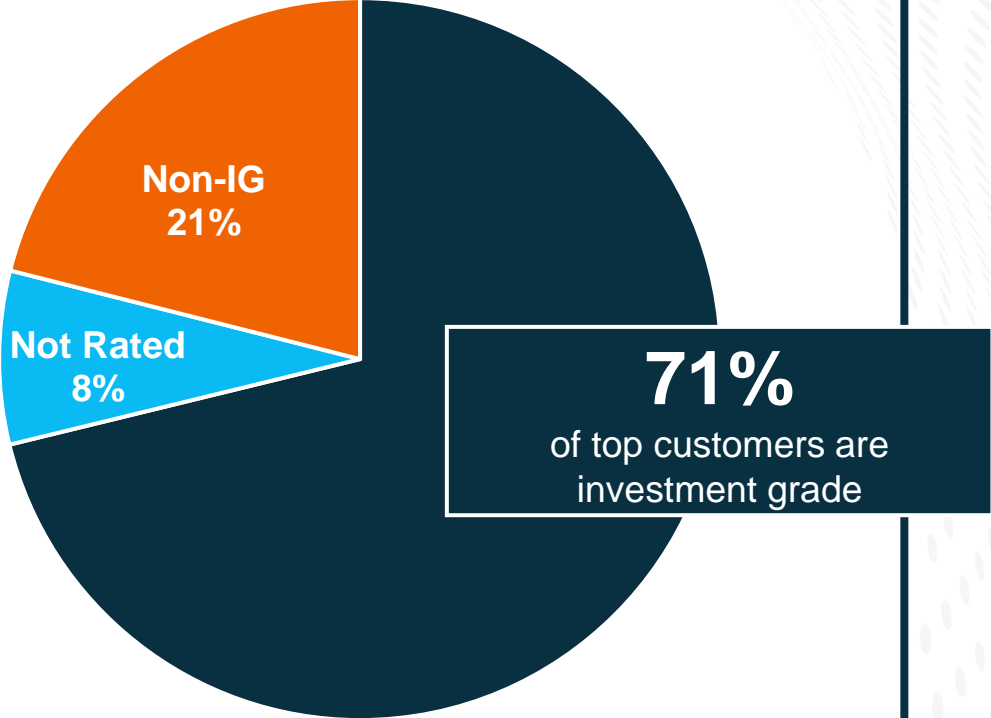
# Strong cash flows underpinned by quality counterparties

## Top MountainWest Customer Profiles<sup>1</sup>

2022E Revenue by Customer Type



2022E Revenue by Customer Credit Rating<sup>2</sup>



*Highly contracted revenues anchored by long-term demand-pull customers*

<sup>1</sup> 2022E revenues from top customers includes expected firm, interruptible and no-notice transportation services and capacity lease revenue. Excludes discontinued contracts liquids revenue and other revenue.

<sup>2</sup> Represents parent rating when subsidiary rating not available.

# Shareholder checklist

*COMMITTED TO DELIVERING LONG-TERM SHAREHOLDER VALUE*



## De-Risked Transaction

Increases regulated business mix with long-term stable contracts



## Maintaining Balance Sheet Strength

Accretive transaction at attractive valuation



## Free Cash Flow Generation

Incremental cash flow generation to fund further growth opportunities



## Strong Fundamentals

Consistent regional gas demand and continued need to backstop intermittency of emerging renewables

# Forward Looking Statements

NYSE: WMB | [www.williams.com](http://www.williams.com)



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# 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 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, and (b) Part II, Item 1A. Risk Factors in subsequently filed Quarterly Reports on Form 10-Q.**