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WE MAKE ENERGY HAPPEN

Williams 4th Quarter and Full-Year 2018 Earnings Call

February 14, 2019

Gulf Connector Expansion Project
Transco, Atlantic-Gulf

Consistently delivering on our promises

Key 2018 results exceed guidance midpoints

In $Billions except for percentages, ratios and per share amounts	2018 GUIDANCE[1]	
Net Income	**$0.193 (Reported)** $0.975 — $1.075 — $1.175	**$1.108 (Adjusted)**
Adjusted EPS ✓	$0.76 — $0.82	**$0.79**
Adjusted EBITDA ✓	$4.45 — $4.55 — $4.65	**$4.64**
Distributable Cash Flow (DCF) ✓	$2.60 — $2.75 — $2.90	**$2.87**
Expected Dividend Growth Rate ✓	Guidance 10-15% annual growth	**Actual** **13.33%**
Dividend Coverage Ratio ✓	Guidance Midpoint ~1.6x	**Actual** **1.69x**
Growth Capex ✓	Guidance $3.9	**Actual** **$3.6**
Consolidated Debt / EBITDA[2] ✓	Guidance ~5.0x	**Actual** **4.80x**

25% increase vs. 2017

Note: This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest GAAP comparable financial measures are included at the back of this presentation.
1) DCF shown Proforma as if the WPZ transaction had occurred 1/1/18. Dividend payments used in the coverage calculation include WPZ distribution payments to WPZ public unitholders for 1Q and 2Q.
2) Consolidated Debt / 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.

WMB fourth quarter 2018 results

GAAP Measures:

4Q 2018 Net Income, Earnings Per Share, CFFO and Modified EBITDA

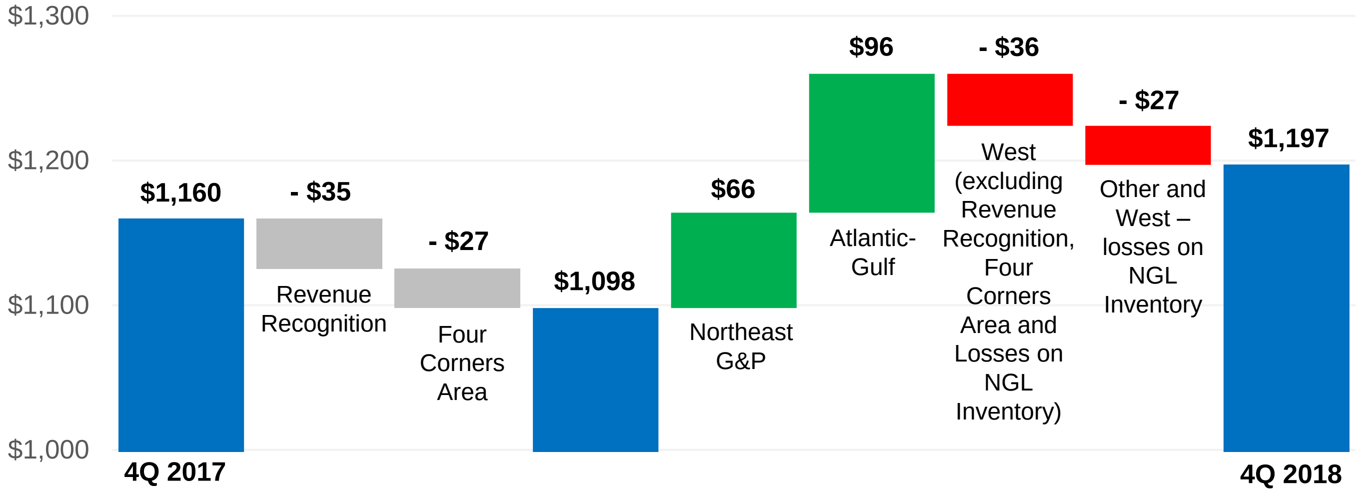
- **Net income (loss) available to common stockholders of ($572) million** vs. $1,687 million for 4Q 2017**;** down $2,259 million
  - $1.849B impairment of Barnett assets, absence of 4Q17 $1.923B tax provision benefit due to Tax Reform
  - Partially offset by $833MM in total gains on sale of Four Corners Area, sale of Gulf Coast Pipelines and deconsolidation of certain Permian assets, absence of 4Q17 $776MM regulatory charges due to Tax Reform
- **EPS of ($0.47)** vs. $2.03 for 4Q 2017; down $2.50
- **CFFO of $962 million** vs. $858 million for 4Q 2017; up $104 million or 12%
- **Modified EBITDA of $19 million** vs. $318 million for 4Q 2017
  - Atlantic-Gulf $605MM; West ($906MM); Northeast G&P $300MM; Other $20MM

Non-GAAP Measures[(1)]:

Continued growth in Adjusted EBITDA and DCF

- **Adjusted EPS of $0.19; down $0.01** vs. 4Q 2017
- **Adjusted EBITDA of $1,197 million; up $37 million or 3.2%** vs. 4Q 2017 (**up $99 million or 9%** when excluding revenue recognition and Four Corners Area impacts)
  - Northeast G&P $304MM: increased service revenues on 13% gathering volume increase and increased JV EBITDA
  - Atlantic-Gulf $529MM: increased service revenues driven primarily by Atlantic Sunrise expansion project placed in-service Oct. 6
  - West $358MM: decreased service revenues including unfavorable changes from new revenue recognition standard, Four Corners Area sale, and lower commodity margins; partially offset by higher JV EBITDA
  - Other $6MM
- **DCF of $748 million; up $119 million or 19%** vs. 4Q 2017

WMB Adjusted EBITDA ($MM): 4Q 2017 vs. 4Q 2018



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WMB full-year 2018 results

GAAP Measures:

2018 Full-year Net Income, Earnings Per Share, CFFO and Modified EBITDA

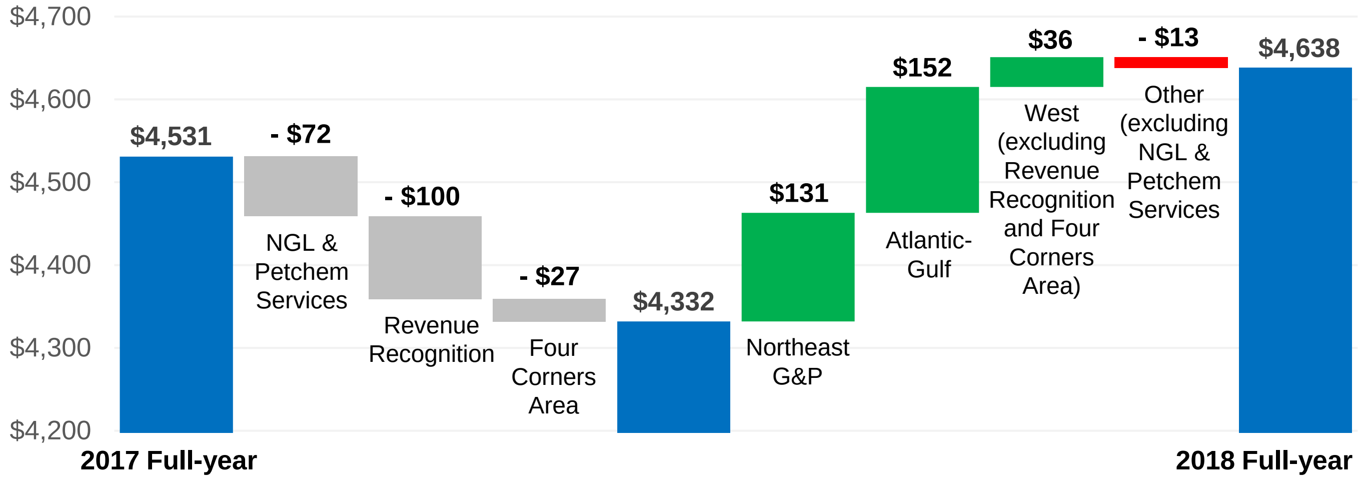
- **Net income (loss) available to common stockholders of ($156) million** vs. $2,174 million for 2017 Full-year**;** down $2,330 million
  - $667MM of higher impairment of assets, $466MM of lower gains on the sale of assets and lower investing income, absence of 4Q 2017 $1.923B gain due to Tax Reform
  - Partially offset by $270MM increase in service revenues in Atlantic-Gulf segment, $104MM increase in service revenues in Northeast G&P segment, absence of 4Q17 $776MM regulatory charges due to Tax Reform
- **EPS of ($0.16)** vs. $2.62 for 2017 YTD; down $2.78
- **CFFO of $3,293 million** vs. $3,089 for 2017 YTD; up $204 million or 6.6%
- **Modified EBITDA of $3,388 million** vs. $3,466 million for 2017 YTD
  - Atlantic-Gulf $2,023MM; West $308MM; Northeast G&P $1,086MM; Other ($29MM)

Non-GAAP Measures[(1)]:

Year-over-year growth in Adjusted EPS, Adjusted EBITDA and DCF

- **Adjusted EPS of $0.79; up $0.16 or 25%** vs. Full-year 2017
- **Adjusted EBITDA of $4,638 million; up $107 million or 2.4%** vs. Full-year 2017 (**up $306 million or 7.1%** when excluding NGL & Petchem Services, Revenue Recognition and Four Corners Area impacts)
  - Northeast G&P $1,090MM: increased service revenues on 8% gathering volume increase and increased JV EBITDA
  - Atlantic-Gulf $1,931MM: increased service revenues driven primarily by Transco expansion projects placed in-service in 2017 and 2018; partially offset by decreased JV EBITDA primarily at Discovery
  - West $1,577MM: decreased service revenues including unfavorable changes from new revenue recognition standard and Four Corners Area sale; partially offset by higher commodity margins and lower expenses
  - Other $40MM: absence of results from former Geismar plant
- **DCF of $2,872 million; up $292 million or 11.3%** vs. Full-year 2017

WMB Adjusted EBITDA ($MM): Full-year 2017 vs. Full-year 2018



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Williams

Strong execution across multiple facets

RECENT ACCOMPLISHMENTS		
Transco	Atlantic Sunrise	1.7 Bcf/d expansion project placed into service Oct. 6
Transco	Gateway	65 MMcf/d expansion project received FERC approval Dec. 13; serves growing Northeast markets
Transco	Gulf Connector	475 MMcf/d expansion project placed into service Jan. 4
Transco	Leidy South	580 MMcf/d expansion project announced; increasing access to Atlantic Seaboard
Transco	Northeast Supply Enhancement	400 MMcf/d expansion project received FERC FEIS Jan. 25; supports conversion of New York City and Long Island demand from heating oil to clean, low-cost natural gas supply
Transco	Record Volumes	Delivered record-breaking 15.68 MMdt on Jan. 21; also established new three-day delivery record
Northeast G&P	Volume Growth	Gathering volumes up 930 MMcf/d or 13% 4Q18' vs. 4Q17'; driven by increase in Susquehanna
West	Bluestem Project	Project expanding integral NGL infrastructure to open markets between Conway and Mont Belvieu, connecting growing Western supplies to premium Gulf Coast demand markets
West	Brazos JV	Strategic joint venture with Brazos Midstream in the Delaware Basin, further increasing G&P footprint
Atlantic-Gulf	Sale of Gulf Coast Pipeline Systems	Closed on the sale of certain purity product pipelines in the Gulf Coast for $177 million
Atlantic-Gulf	Norphlet Project	Project ahead of schedule, expected in-service date of mid-2019; serving Shell's Appomattox dedication with expected reserves of 650 MMboe

Bluestem Pipeline Project
Strategic partnership connecting Western supplies to Gulf Coast markets

- **Growing NGL production from West G&P assets driving need for incremental connectivity to premium markets**
- **Delivers a long-term infrastructure solution and a platform for growth**
  - Forms competitive G&P advantage by entering into a low-cost Transportation & Fractionation arrangement with physical access to Mont Belvieu pricing
  - Provides pipeline capacity and flow assurance for West G&P assets
  - Attracts new revenues to OPPL and Conway NGL fractionator and storage assets
  - Generates ability to monetize the Mont Belvieu to Conway spread
  - Provides opportunity to expand G&P businesses by leveraging downstream NGL assets
- **Provides Williams with firm access to Mont Belvieu**
  - Williams to expand OPPL DJ lateral and make improvements at Conway NGL storage facility
  - Williams to build a 188-mile NGL pipeline (Bluestem) from Conway, KS into an interconnect with Targa's Grand Prix NGL Pipeline in Kingfisher, OK
  - Targa to build a 110-mile extension of Grand Prix NGL Pipeline from southern Oklahoma to the Bluestem connection, with an initial capacity of ~120,000 BPD
  - Williams has initial option to purchase 20% equity interest in one of Targa's recently announced new fractionation trains 7 or 8 in Mont Belvieu

- **In-service Date: 1Q 2021**
- **Growth Capital: $350-$400MM, primarily in 2020[1]**
- **EBITDA multiple: ~6x**

[1] Includes Bluestem pipeline and related projects; excludes fractionator JV option.

Reaffirming 2019 guidance metrics
Adjusted EBITDA growth driven by Transco and NE G&P fee-based revenue

In $Billions except for percentages, ratios and per share amounts	2019 GUIDANCE
Net Income	$1.050 - $1.350 Bn
Adjusted EPS	$0.77 - $1.01
Adjusted EBITDA	$4.850 - $5.150 Bn
Distributable Cash Flow (DCF)	$2.900 - $3.300 Bn
Expected Dividend Growth Rate	10-15% annual growth (annual dividend increases)
Dividend Coverage Ratio	~1.7x Midpoint of Guidance
Growth Capex	$2.7 - $2.9 Bn *Prior Guidance: $2.6 Bn*
Consolidated Debt / EBITDA[1]	< 4.75x

Growth Capex increase driven primarily by carry-forward of unspent 2018 capital

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Continued execution and growth in natural gas strategy generating attractive shareholder value

2018
Keeping Commitments, Delivering Results

- Delivered at the top end of guidance range for nearly all of our key metrics
- Achieved full-year Adjusted EBITDA record of $4,638 million despite >$4.6 billion in assets sales from 2016-2018
- Utilized excess cash available after dividends and cash from assets sales to fund growth capex
- Increased volumes in our Northeast G&P Operating Area; 13% growth 4Q 2018 vs. 4Q 2017
- Completed WPZ roll-up, re-establishing Williams as a simplified C-corp with investment grade credit ratings
- Recognized for our execution on the Atlantic Sunrise project with the IAPP Core Values and Project of the Year awards

2019+
Well Positioned for Long-term Growth

- Strengthening macro conditions support our volume-driven, low-cost natural gas focused strategy
- Stability, predictability of fee-based cash flows sustaining financial guidance through commodity price volatility
- Gulf Connector began service in January; Advancing lengthy list of next generation Transco projects
- 15% Northeast G&P gathered volume CAGR expected 2018-2021
- DJ Basin G&P expansions and volume growth supported by new commercial successes
- Continued deleveraging through capital discipline, reinvesting cash flow, and ongoing portfolio optimization transactions

Questions

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 herein 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 may include, among others, statements regarding:**
  - Financial performance including anticipated leverage and guidance for 2019;
  - 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 and natural gas liquids 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 herein. 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:**

- Whether we are able to pay current and expected levels of dividends;
- Whether we will be able to effectively execute our financing plan;
- Availability of supplies, market demand, and volatility of prices;
- 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);
- The strength and financial resources of our competitors and the effects of competition;
- Whether we are able to successfully identify, evaluate and timely execute our capital projects and other investment opportunities;
- 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;
- Development and rate of adoption of alternative energy sources;
- The impact of operational and developmental hazards and unforeseen interruptions;
- The impact of existing and future laws and regulations (including but not limited to the Tax Cuts and Jobs Act of 2017), 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 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;
- Changes in the current geopolitical situation;
- Our exposure to the credit risk of our customers and counterparties;
- 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;
- The amount of cash distributions from and capital requirements of our investments and joint ventures in which we participate;

Forward-looking statements (cont'd)

- Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;
- Acts of terrorism, cybersecurity incidents, and related disruptions;
- 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 may cause our intentions to change from those statements of intention set forth herein. 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 filed with the SEC on February 22, 2018 and in Part II, Item 1A. Risk Factors in our Quarterly Reports on Form 10-Q.**

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 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

	2017					2018				
(Dollars in millions, except per-share amounts)	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*
Income (loss) attributable to The Williams Companies, Inc. available to common stockholders	$ 373	$ 81	$ 33	$ 1,687	$ 2,174	$ 152	$ 135	$ 129	$ (572)	$ (156)
Income (loss) - diluted earnings (loss) per common share	$ .45	$ .10	$ .04	$ 2.03	$ 2.62	$ .18	$ .16	$ .13	$ (.47)	$ (.16)
Adjustments:										
Northeast G&P										
Share of impairment at equity-method investments	$ —	$ —	$ 1	$ —	$ 1	$ —	$ —	$ —	$ —	$ —
Impairment of certain assets	—	—	121	—	121	—	—	—	—	—
Ad valorem obligation timing adjustment	—	—	7	—	7	—	—	—	—	—
Settlement charge from pension early payout program	—	—	—	7	7	—	—	—	4	4
Organizational realignment-related costs	1	1	2	—	4	—	—	—	—	—
Total Northeast G&P adjustments	1	1	131	7	140	—	—	—	4	4
Atlantic-Gulf										
Constitution Pipeline project development costs	2	6	4	4	16	2	1	1	—	4
Settlement charge from pension early payout program	—	—	—	15	15	—	—	—	7	7
Regulatory adjustments resulting from Tax Reform	—	—	—	493	493	11	(20)	—	—	(9)
Benefit of regulatory asset associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger	—	—	—	—	—	—	—	(3)	—	(3)
Share of regulatory charges resulting from Tax Reform for equity-method investments	—	—	—	11	11	2	—	—	—	2
Organizational realignment-related costs	1	2	2	1	6	—	—	—	—	—
Gain on sale of certain Gulf Coast pipeline assets	—	—	—	—	—	—	—	—	(81)	(81)
(Gain) loss on asset retirement	—	—	(5)	5	—	—	—	(10)	(2)	(12)
Total Atlantic-Gulf adjustments	3	8	1	529	541	15	(19)	(12)	(76)	(92)
West										
Estimated minimum volume commitments	15	15	18	(48)	—	—	—	—	—	—
Impairment of certain assets	—	—	1,021	9	1,030	—	—	—	1,849	1,849
Settlement charge from pension early payout program	—	—	—	13	13	—	—	—	6	6
Organizational realignment-related costs	2	3	2	1	8	—	—	—	—	—
Regulatory adjustments resulting from Tax Reform	—	—	—	220	220	(7)	—	—	—	(7)
Charge for regulatory liability associated with the decrease in Northwest Pipeline's estimated deferred state income tax rates following WPZ Merger	—	—	—	—	—	—	—	12	—	12
Gain on sale of Four Corners assets	—	—	—	—	—	—	—	—	(591)	(591)
Gains from contract settlements and terminations	(13)	(2)	—	—	(15)	—	—	—	—	—
Total West adjustments	4	16	1,041	195	1,256	(7)	—	12	1,264	1,269

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

	2017					2018				
(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										
(Gain) loss related to Canada disposition	(2)	(1)	4	5	6	—	—	—	—	—
Expenses associated with strategic asset monetizations	1	4	—	—	5	—	—	—	—	—
Geismar Incident adjustments	(9)	2	8	(1)	—	—	—	—	—	—
Gain on sale of Geismar Interest	—	—	(1,095)	—	(1,095)	—	—	—	—	—
Gain on sale of RGP Splitter	—	(12)	—	—	(12)	—	—	—	—	—
Accrual for loss contingency	9	—	—	—	9	—	—	—	—	—
Severance and related costs	9	4	5	4	22	—	—	—	—	—
ACMP Merger and transition costs	—	4	3	4	11	—	—	—	—	—
Expenses associated with Financial Repositioning	8	2	—	—	10	—	—	—	—	—
(Gain) loss on early retirement of debt	(30)	—	3	—	(27)	7	—	—	—	7
Impairment of certain assets	—	23	68	—	91	—	66	—	—	66
Expenses associated with strategic alternatives	1	3	5	—	9	—	—	—	—	—
Settlement charge from pension early payout program	—	—	—	36	36	—	—	—	5	5
Regulatory adjustments resulting from Tax Reform	—	—	—	63	63	—	1	—	—	1
Benefit of regulatory assets associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger	—	—	—	—	—	—	—	(45)	—	(45)
WPZ Merger costs	—	—	—	—	—	—	4	15	1	20
Gain on sale of certain Gulf Coast pipeline systems	—	—	—	—	—	—	—	—	(20)	(20)
Charitable contribution of preferred stock to Williams Foundation	—	—	—	—	—	—	—	35	—	35
Total Other adjustments	(13)	29	(999)	111	(872)	7	71	5	(14)	69
Adjustments included in Modified EBITDA	(5)	54	174	842	1,065	15	52	5	1,178	1,250
Adjustments below Modified EBITDA										
Gain on disposition of equity-method investment	(269)	—	—	—	(269)	—	—	—	—	—
Accelerated depreciation by equity-method investments	—	—	—	9	9	—	—	—	—	—
Change in depreciable life associated with organizational realignment	(7)	—	—	—	(7)	—	—	—	—	—
Gain on deconsolidation of Jackalope interest	—	—	—	—	—	—	(62)	—	—	(62)
Investment impairment	—	—	—	—	—	—	—	—	32	32
Gain on deconsolidation of certain Permian assets	—	—	—	—	—	—	—	—	(141)	(141)
Allocation of adjustments to noncontrolling interests	77	(10)	(28)	(199)	(160)	(5)	21	—	—	16
	(199)	(10)	(28)	(190)	(427)	(5)	(41)	—	(109)	(155)
Total adjustments	(204)	44	146	652	638	10	11	5	1,069	1,095
Less tax effect for above items	77	(17)	(55)	(246)	(241)	(3)	(3)	(1)	(267)	(274)
Adjustments for tax-related items (1)	(127)	—	—	(1,923)	(2,050)	—	—	110	—	110
Adjusted income available to common stockholders	$ 119	$ 108	$ 124	$ 170	$ 521	$ 159	$ 143	$ 243	$ 230	$ 775
Adjusted diluted earnings per common share (2)	$ .14	$ .13	$ .15	$ .20	$ .63	$ .19	$ .17	$ .24	$ .19	$ .79
Weighted-average shares - diluted (thousands)	826,476	828,575	829,368	829,607	828,518	830,197	830,107	1,026,504	1,212,822	976,097

(1) The first quarter of 2017 includes an unfavorable adjustment related to the release of a valuation allowance. The fourth quarter of 2017 includes an unfavorable adjustment to reverse the tax benefit associated with remeasuring our deferred tax balances at a lower corporate rate resulting from Tax Reform. The third quarter of 2018 reflects tax adjustments driven by the WPZ Merger, primarily a valuation allowance for foreign tax credits.

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

Reconciliation of Net Income to Adjusted Net Income

(Dollars in millions)		2018
Net Income	$	193
Adjustments (1)		
Total adjustments	$	1,095
Allocation of adjustments to noncontrolling interests		(16)
Tax effect for above items		(274)
Adjustments for tax-related items		110
Adjusted Net Income	$	1,108

(1) Adjustments per the accompanying Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income

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

	GUIDANCE RANGES				
	2018		2019		
(Dollars in millions, except per-share amounts)	Midpt.	High	Low	Midpt.	High
Net income (loss)	$1,385	$1,460	$1,050	$1,200	$1,350
Less: Net income (loss) attributable to noncontrolling interests	325	345	115	115	115
Net income (loss) attributable to The Williams Companies, Inc.	1,060	1,115	935	1,085	1,235
Adjustments [1]:					
Adjustments included in Modified EBITDA [2]	(521)	(521)	-	-	-
Adjustments below Modified EBITDA	(62)	(62)	-	-	-
Allocation of adjustments to noncontrolling interests	16	16	-	-	-
Total adjustments	(567)	(567)	-	-	-
Less tax effect for above items	141	141	-	-	-
Adjustments for tax-related items [3]	110	110	-	-	-
Adjusted income available to common stockholders	$744	$799	$935	$1,085	$1,235
Adjusted diluted earnings per common share	**$0.76**	**$0.82**	**$0.77**	**$0.89**	**$1.01**
Weighted-average shares - diluted (millions)	976	976	1,217	1,217	1,217

Note: Reconciliation shown with acquisition of WPZ completed on August 10, 2018

(1) A detailed list of adjustments is included in this presentation

(2) Primarily a $591 million gain on the sale of Four Corners assets

(3) Reflects tax adjustments driven by the WPZ Merger, primarily a valuation allowance for foreign tax credits

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

(Dollars in millions, except per-share amounts)	2018 Guidance Midpoint	2018 Guidance High
Income (loss) attributable to The Williams Companies, Inc. available to common stockholders	$1,060	$1,115
Income (loss) - diluted earnings (loss) per common share	$1.09	$1.14
Adjustments:		
Northeast G&P		
Total Northeast G&P adjustments	—	—
Atlantic-Gulf		
Constitution Pipeline project development costs	4	4
Regulatory adjustments resulting from Tax Reform	(9)	(9)
Benefit of regulatory asset associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger	(3)	(3)
Share of regulatory charges resulting from Tax Reform for equity-method investments	2	2
(Gain) loss on asset retirement	(10)	(10)
Total Atlantic-Gulf adjustments	(16)	(16)
West		
Gain on Sale of Four Corners assets	(593)	(593)
Regulatory adjustments resulting from Tax Reform	(7)	(7)
Charge for regulatory liability associated with the decrease in Northwest Pipeline's estimated deferred state income tax rates following WPZ	12	12
Total West adjustments	(588)	(588)

Adjustments (continued)	2018 Guidance Midpoint	2018 Guidance High
Other		
(Gain) loss on early retirement of debt	7	7
Impairment of certain assets	66	66
Regulatory adjustments resulting from Tax Reform	1	1
Benefit of regulatory assets associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger	(45)	(45)
WPZ Merger costs	19	19
Charitable contribution of preferred stock to Williams Foundation	35	35
Total Other adjustments	83	83
Adjustments included in Modified EBITDA	(521)	(521)
Adjustments below Modified EBITDA		
Gain on deconsolidation of Jackalope interest	(62)	(62)
Allocation of adjustments to noncontrolling interests	16	16
	(46)	(46)
Total adjustments	(567)	(567)
Less tax effect for above items	141	141
Adjustments for tax-related items [1]	110	110
Adjusted income available to common stockholders	**$744**	**$799**
Adjusted diluted earnings per common share	**$0.76**	**$0.82**
Weighted-average shares - diluted (millions)	976	976

(1) Reflects tax adjustments driven by the WPZ Merger, primarily a valuation allowance for foreign tax credits

Note: Reconciliation shown with acquisition of WPZ completed on August 10, 2018

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

	2017					2018				
(Dollars in millions, except coverage ratios)	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*
Net income (loss)	$ 569	$ 193	$ 125	$ 1,622	$ 2,509	$ 270	$ 269	$ 200	$ (546)	$ 193
Provision (benefit) for income taxes	37	65	24	(2,100)	(1,974)	55	52	190	(159)	138
Interest expense	280	271	267	265	1,083	273	275	270	294	1,112
Equity (earnings) losses	(107)	(125)	(115)	(87)	(434)	(82)	(92)	(105)	(117)	(396)
Impairment of equity-method investments	—	—	—	—	—	—	—	—	32	32
Other investing (income) loss - net	(272)	(2)	(4)	(4)	(282)	(4)	(68)	(2)	(145)	(219)
Proportional Modified EBITDA of equity-method investments	194	215	202	184	795	169	178	205	218	770
Depreciation and amortization expenses	442	433	433	428	1,736	431	434	425	435	1,725
Accretion for asset retirement obligations associated with nonregulated operations	7	9	7	10	33	8	10	8	7	33
Modified EBITDA	1,150	1,059	939	318	3,466	1,120	1,058	1,191	19	3,388
EBITDA adjustments	(5)	54	174	842	1,065	15	52	5	1,178	1,250
Adjusted EBITDA	1,145	1,113	1,113	1,160	4,531	1,135	1,110	1,196	1,197	4,638
Maintenance capital expenditures (1)	(58)	(105)	(143)	(165)	(471)	(110)	(160)	(138)	(122)	(530)
Preferred dividends	—	—	—	—	—	—	—	—	(1)	(1)
Net interest expense - cash portion (2) (5)	(289)	(280)	(271)	(271)	(1,111)	(276)	(279)	(274)	(299)	(1,128)
Cash taxes	(5)	(1)	(11)	(11)	(28)	(1)	(10)	(1)	1	(11)
Income attributable to noncontrolling interests (3)	(27)	(32)	(27)	(27)	(113)	(25)	(24)	(19)	(28)	(96)
WPZ restricted stock unit non-cash compensation	2	1	1	1	5	—	—	—	—	—
Amortization of deferred revenue associated with certain 2016 contract restructurings (4)	(58)	(58)	(59)	(58)	(233)	—	—	—	—	—
Distributable cash flow (5)	$ 710	$ 638	$ 603	$ 629	$ 2,580	$ 723	$ 637	$ 764	$ 748	$ 2,872
Total cash distributed (6)	$ 400	$ 400	$ 400	$ 401	$ 1,601	$ 438	$ 443	$ 412	$ 411	$ 1,704
Coverage ratios:										
Distributable cash flow divided by Total cash distributed (5)	1.78	1.60	1.51	1.57	1.61	1.65	1.44	1.85	1.82	1.69
Net income (loss) divided by Total cash distributed	1.42	0.48	0.31	4.04	1.57	0.62	0.61	0.49	(1.33)	0.11

(1) Includes proportionate share of maintenance capital expenditures of equity investments.
(2) Includes proportionate share of interest expense of equity investments.
(3) Excludes allocable share of certain EBITDA adjustments.
(4) Beginning first quarter 2018, as a result of the extended deferred revenue amortization period under the new GAAP revenue standard, we have discontinued the adjustment associated with these 2016 contract restructuring payments. For each quarter of 2018, the adjustments would have been $32 million, $31 million, $32 million, and $33 million, respectively.
(5) The first, second, and third quarters of 2018 have been corrected to increase amounts reported as Net interest expense - cash portion by $3 million, $4 million, and $4 million, respectively.
(6) Includes cash dividends paid each quarter by WMB, as well as the public unitholders share of distributions declared by WPZ for the 2017 periods and the first two quarters of 2018.

Reconciliation of Modified EBITDA to Non-GAAP Adjusted EBITDA

	2017					2018				
(Dollars in millions)	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*
Northeast G&P	$ 226	$ 247	$ 115	$ 231	$ 819	$ 250	$ 255	$ 281	$ 300	$ 1,086
Atlantic-Gulf	450	454	430	(96)	1,238	451	475	492	605	2,023
West	385	356	(615)	286	412	413	389	412	(906)	308
Other	89	2	1,009	(103)	997	6	(61)	6	20	(29)
Total Modified EBITDA	**$ 1,150**	**$ 1,059**	**$ 939**	**$ 318**	**$ 3,466**	**$ 1,120**	**$ 1,058**	**$ 1,191**	**$ 19**	**$ 3,388**
Adjustments included in Modified EBITDA (1):										
Northeast G&P	$ 1	$ 1	$ 131	$ 7	$ 140	$ —	$ —	$ —	$ 4	$ 4
Atlantic-Gulf	3	8	1	529	541	15	(19)	(12)	(76)	(92)
West	4	16	1,041	195	1,256	(7)	—	12	1,264	1,269
Other	(13)	29	(999)	111	(872)	7	71	5	(14)	69
Total Adjustments included in Modified EBITDA	**$ (5)**	**$ 54**	**$ 174**	**$ 842**	**$ 1,065**	**$ 15**	**$ 52**	**$ 5**	**$ 1,178**	**$ 1,250**
Adjusted EBITDA:										
Northeast G&P	$ 227	$ 248	$ 246	$ 238	$ 959	$ 250	$ 255	$ 281	$ 304	$ 1,090
Atlantic-Gulf	453	462	431	433	1,779	466	456	480	529	1,931
West	389	372	426	481	1,668	406	389	424	358	1,577
Other	76	31	10	8	125	13	10	11	6	40
Total Adjusted EBITDA	**$ 1,145**	**$ 1,113**	**$ 1,113**	**$ 1,160**	**$ 4,531**	**$ 1,135**	**$ 1,110**	**$ 1,196**	**$ 1,197**	**$ 4,638**

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

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

Williams

($ in billions)	2018 Guidance			2019 Guidance		
	Low	Mid	High	Low	Mid	High
Net income (loss)	$0.975	$1.075	$1.175	$1.050	$1.200	$1.350
Provision (benefit) for income taxes	<------	0.260	------>	<------	0.400	------>
Interest expense	<------	1.100	------>	<------	1.225	------>
Equity (earnings) losses	<------	(0.375)	------>	<------	(0.450)	------>
Proportional Modified EBITDA of equity-method investments	<------	0.725	------>	<------	0.825	------>
Depreciation and amortization expenses and accretion expense associated with asset retirement obligations for nonregulated operatic	<------	1.750	------>	<------	1.800	------>
Modified EBITDA	**$4.435**	**$4.535**	**$4.635**	**$4.850**	**$5.000**	**$5.150**
Adjustments included in Modified EBITDA:						
Constitution Pipeline project development costs	<------	0.002	------>	-	-	-
(Gain) loss on early retirement of debt	<------	0.007	------>	-	-	-
Regulatory charges resulting from Tax Reform	<------	0.004	------>	-	-	-
Share of regulatory charges resulting from Tax Reform for equity-method investments	<------	0.002	------>	-	-	-
Total Adjustments included in Modified EBITDA	<------	**0.015**	------>	**-**	**-**	**-**
Adjusted EBITDA	**$4.450**	**$4.550**	**$4.650**	**$4.850**	**$5.000**	**$5.150**

Distributable Cash Flow

	2018 Guidance			2019 Guidance		
	Low	Mid	High	Low	Mid	High
WMB Adjusted EBITDA	**$4.450**	**$4.550**	**$4.650**	**$4.850**	**$5.000**	**$5.150**
Interest expense - net (1)	<------	(1.150)	------>	<------	(1.235)	------>
Maintenance capital expenditures (2)	(0.575)	(0.525)	(0.475)	(0.675)	(0.625)	(0.575)
Cash taxes - (Payment) Benefit	-	-	-	<------	0.075	------>
Income attributable to noncontrolling interests (NCI) and other	<------	(0.125)	------>	<------	(0.115)	------>
Distributable cash flow (DCF)	**$2.600**	**$2.750**	**$2.900**	**$2.900**	**$3.100**	**$3.300**
Dividends & Distributions paid (3)	<------	(1.705)	------>	<------	(1.850)	------>
Excess cash available after dividends & distributions	$0.895	$1.045	$1.195	$1.050	$1.250	$1.450
Dividend per share	<------	$1.36	------>	<------	$1.52	------>
Coverage ratio (4)	**1.52x**	**1.61x**	**1.70x**	**1.57x**	**1.68x**	**1.78x**

(1) Includes proportionate share of interest expense of equity investments
(2) Includes proportionate share of maintenance capital expenditures of equity investments
(3) Includes WPZ distributions to public unitholders for 1Q and 2Q of 2018
(4) Distributable cash flow / Dividends & distributions paid