



# J.P. Morgan Energy Conference

June 18, 2019

Don Marchand, Executive Vice-President and Chief Financial Officer



# Forward looking information and non-GAAP measures

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This presentation includes certain forward looking information, including future oriented financial information or financial outlook, which is intended to help current and potential investors understand management's assessment of our future plans and financial outlook, and our future prospects overall. Statements that are forward-looking are based on certain assumptions and on what we know and expect today and generally include words like anticipate, expect, believe, may, will, should, estimate or other similar words.

Forward-looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this presentation. Our forward-looking information in this presentation includes statements related to future dividend and earnings growth and the future growth of our core businesses, among other things.

Our forward looking information is based on certain key assumptions and is subject to risks and uncertainties, including but not limited to: our ability to successfully implement our strategic priorities and whether they will yield the expected benefits, our ability to implement a capital allocation strategy aligned with maximizing shareholder value, the operating performance of our pipeline, power and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, the amount of capacity payments and revenues from our power generation assets due to plant availability, production levels within supply basins, construction and completion of capital projects, costs for labour, equipment and materials, the availability and market prices of commodities, access to capital markets on competitive terms, interest, tax and foreign exchange rates, performance and credit risk of our counterparties, regulatory decisions and outcomes of legal proceedings, including arbitration and insurance claims, changes in environmental and other laws and regulations, competition in the pipeline, power and storage sectors, unexpected or unusual weather, acts of civil disobedience, cyber security and technological developments, economic conditions in North America as well as globally and our ability to effectively anticipate and assess changes to government policies and regulations. You can read more about these risks and others in our May 2, 2019 Quarterly Report to Shareholders and 2018 Annual Report filed with Canadian securities regulators and the SEC and available at [www.tcenergy.com](http://www.tcenergy.com).

As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking statements due to new information or future events, unless we are required to by law.

This presentation contains reference to certain financial measures (non-GAAP measures) that do not have any standardized meaning as prescribed by U.S. generally accepted accounting principles (GAAP) and therefore may not be comparable to similar measures presented by other entities. These non-GAAP measures may include Comparable Earnings, Comparable Earnings per Common Share, Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (Comparable EBITDA), Funds Generated from Operations, Comparable Funds Generated from Operations, Comparable Distributable Cash Flow (DCF) and Comparable DCF per Common Share. Reconciliations to the most directly comparable GAAP measures are included in this presentation and in our May 2, 2019 Quarterly Report to Shareholders filed with Canadian securities regulators and the SEC and available at [www.tcenergy.com](http://www.tcenergy.com).

# Our business model

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## **Build or acquire long-life, critical energy infrastructure**

- Long-term, secure, low variability income streams
- World-class development, procurement and construction
- Industry-leading operator – safe, reliable, efficient
- Maximize customer confidence, satisfaction and value-for-money

## **Finance with long-term, low cost capital**

- High degree of predictability on largest input cost
- Lock-in “spread”

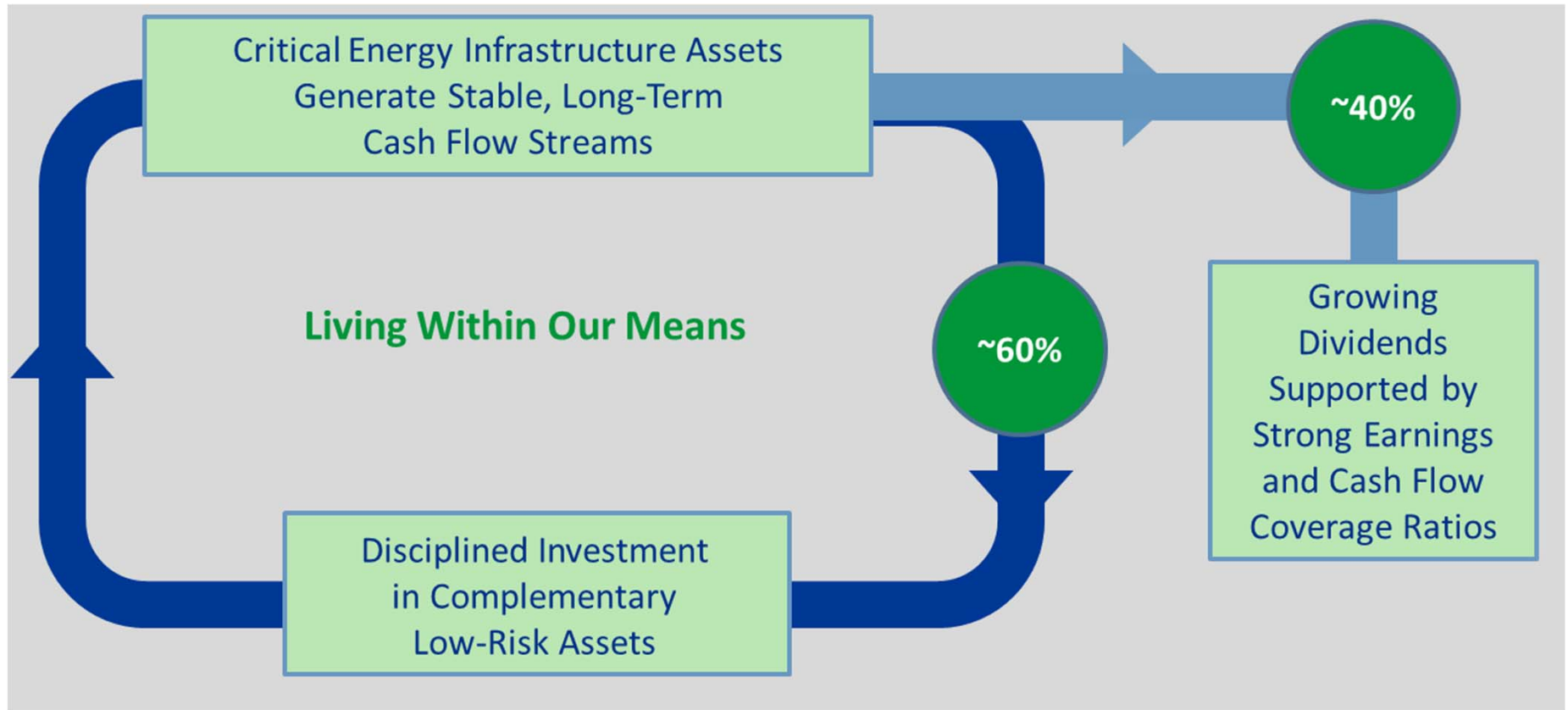
## **Generate return on and of capital**

- Pay growing, sustainable dividend
- Sensibly reinvest free cash flow

## **Repeat**

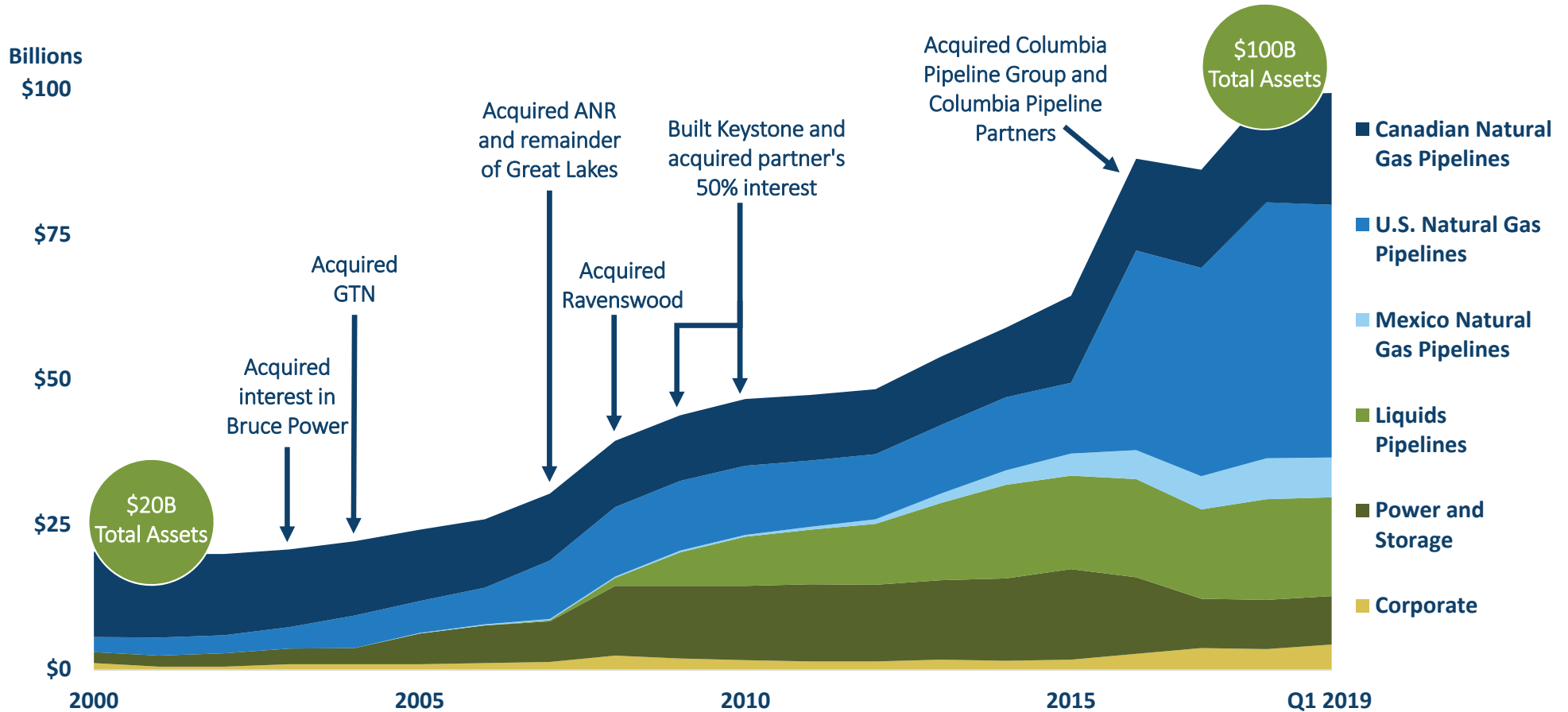
*Built for all phases of the economic cycle*

## Proven capital allocation framework delivers results



*Produced 14% average annual total shareholder return since 2000*

# ~\$95 billion invested since 2000



*Exceptional asset base methodically assembled over past two decades*

# TC Energy today

## One of North America's largest natural gas pipeline networks

- 57,500 miles of pipeline
- 653 Bcf of storage capacity
- 23 Bcf/d; ~25% of continental demand

## Premier liquids pipeline system

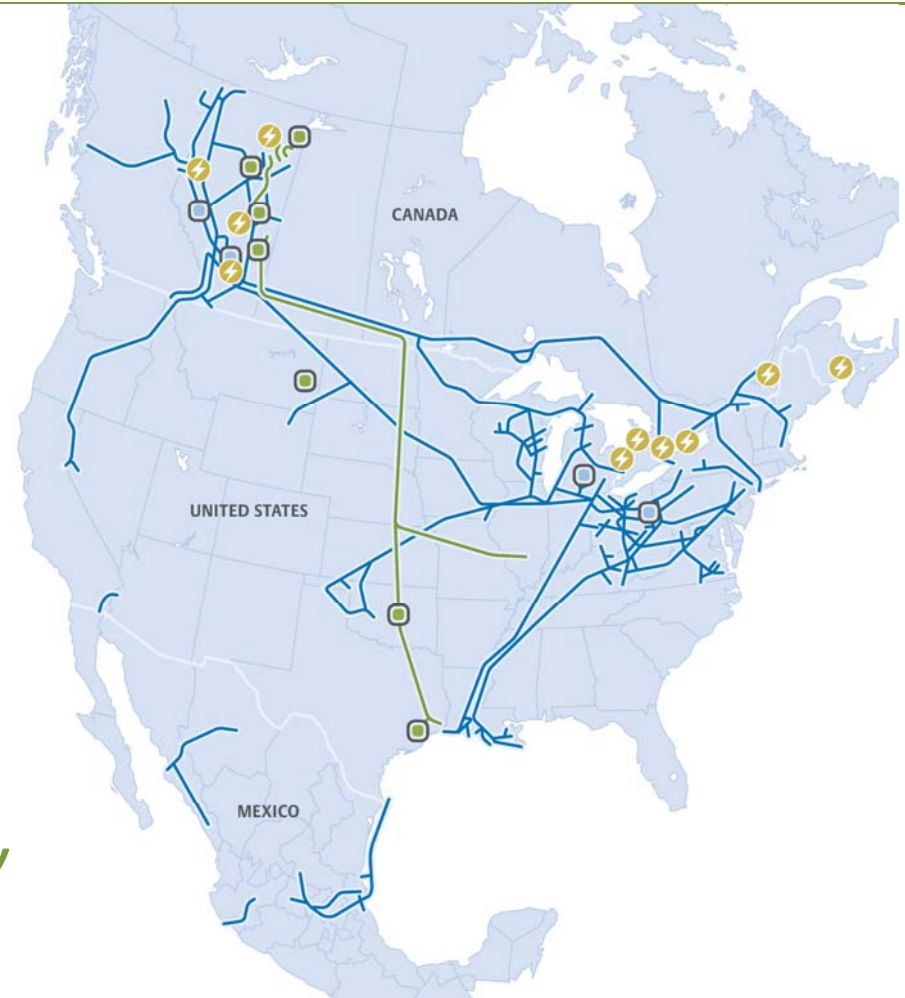
- 3,000 miles of pipeline
- 590,000 Bbl/d Keystone System transports ~20% of Western Canadian exports

## One of the largest private sector power generators in Canada

- 10 power plants, 6,000 MW\*
- Primarily long-term contracted assets

**Enterprise value ~\$115 billion**

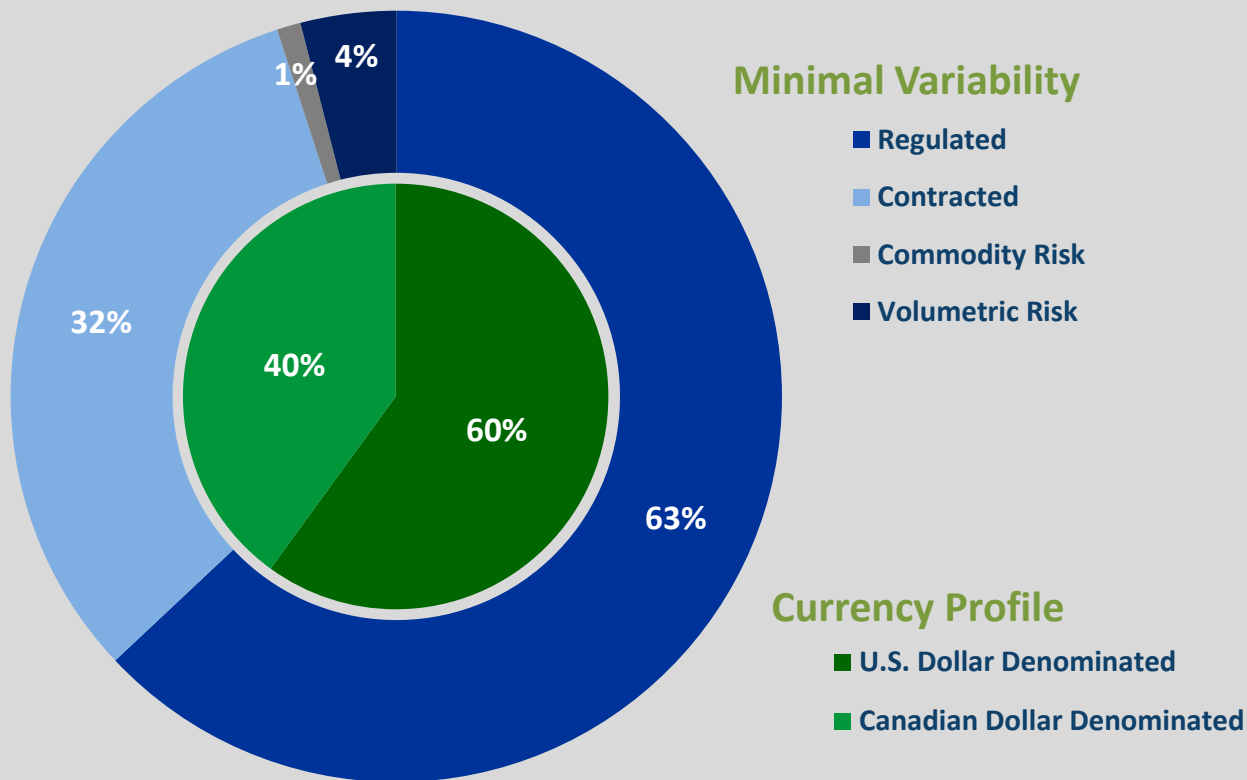
*Delivering the energy people need, every day*



\* Includes Napanee (under construction)

# Portfolio generates high-quality, long-life cash flows

## 2018 Comparable EBITDA\*



Approximately 95% of Comparable EBITDA from regulated assets or long-term contracts

High visibility to sustained EBITDA well into the next decade

Currency profile of EBITDA now skewed towards U.S. dollars

Virtually all Mexico revenue streams denominated in U.S. dollars – peso exposure minimal

\* Comparable EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.

# Advancing \$30 billion secured capital program through 2023

Project	Estimated Capital Cost*	Invested to Date*	Expected In-Service Date*
White Spruce	0.2	0.2	2019
Sur de Texas**	US 1.5	US 1.4	2019
Napanee	1.7	1.7	2019
NGTL System	2.8	2.0	2019
Modernization II	US 1.1	US 0.5	2019-2020
Villa de Reyes	US 0.8	US 0.7	2019-2020
NGTL System	1.8	0.3	2020
Tula	US 0.7	US 0.6	2020
Other Liquids Pipelines	0.1	-	2020
Other U.S. Natural Gas Pipelines	US 0.5	-	2019-2021
Canadian Natural Gas Pipelines Regulated Maintenance	1.6	0.2	2019-2021
U.S. Natural Gas Pipelines Regulated Maintenance	US 1.8	US 0.1	2019-2021
Liquids Pipelines Recoverable Maintenance	0.1	-	2019-2021
Non-recoverable Maintenance	0.7	0.1	2019-2021
NGTL System	2.6	-	2021
Canadian Mainline	0.3	0.1	2019-2022
NGTL System	1.4	-	2022+
Bruce Power Life Extension**	2.2	0.7	2019-2023
Coastal GasLink	6.2	0.2	2023
Foreign Exchange Impact (1.34 exchange rate)	2.2	1.1	-
<b>Total Canadian Equivalent</b>	<b>30.3</b>	<b>9.9</b>	

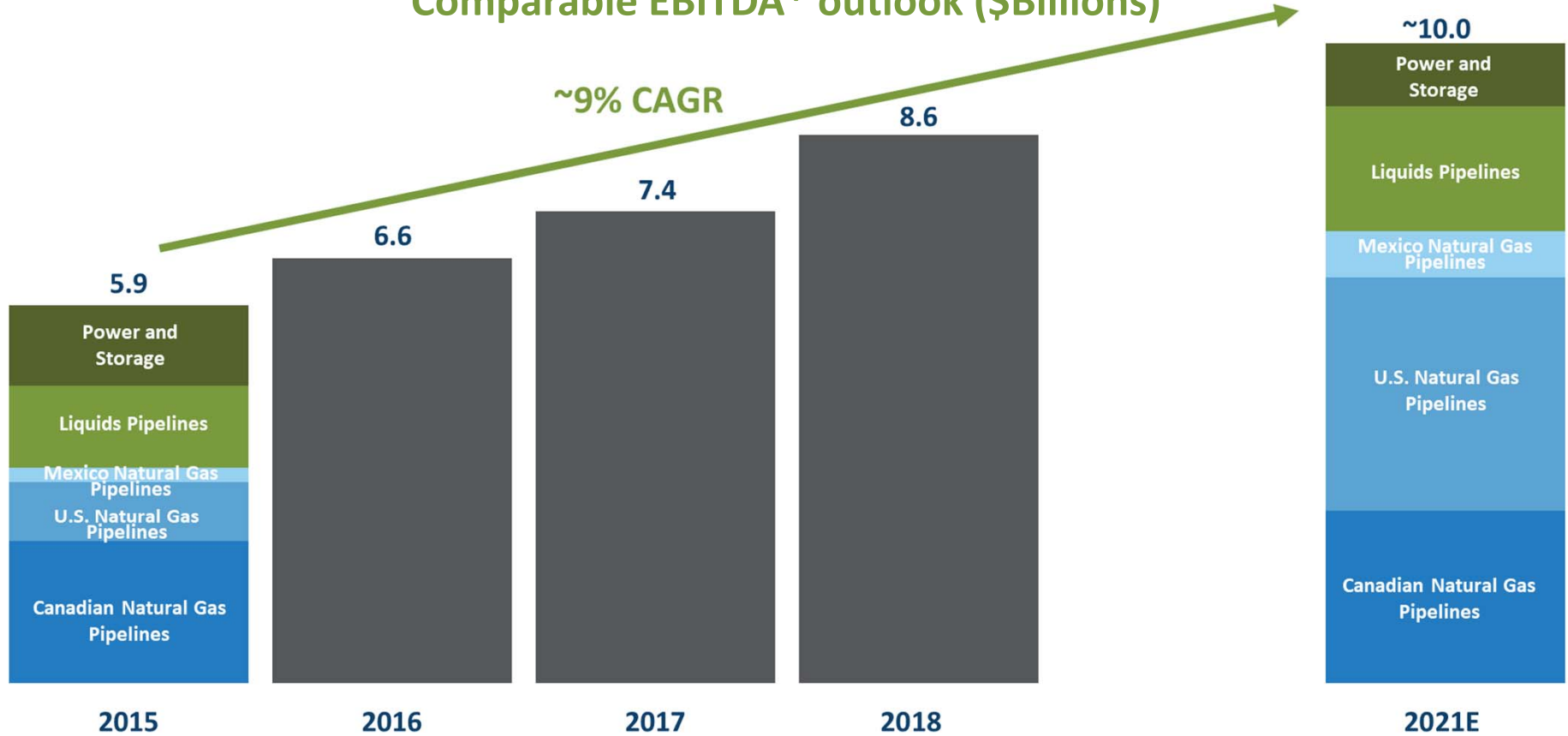
**Additional \$7 billion of projects expected to be completed by the end of 2019**

\* Billions of dollars. Certain projects are subject to various conditions including corporate and regulatory approvals. \*\* Our proportionate share.



# Secured capital program drives significant growth

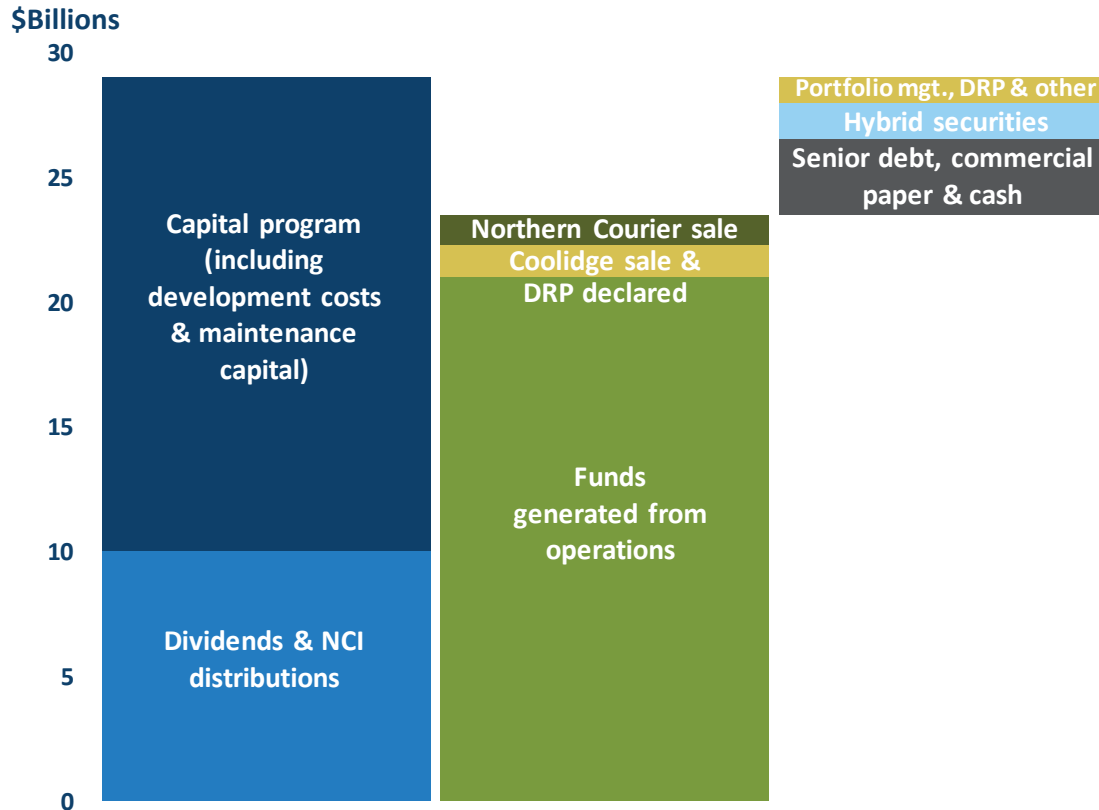
## Comparable EBITDA\* outlook (\$Billions)



**~95% of comparable EBITDA\* to come from regulated assets or long-term contracts**

\* Comparable EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.

# Funding program outlook 2019-2021



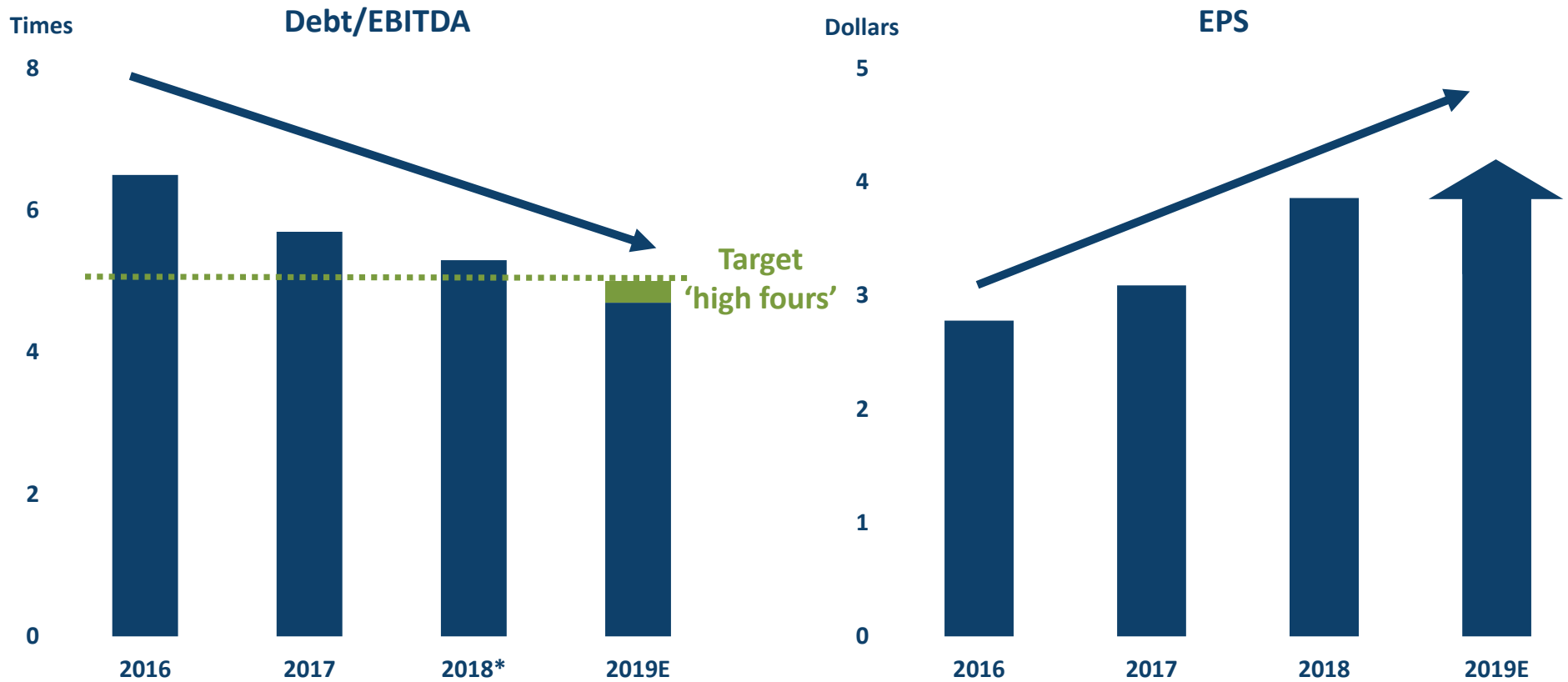
## Numerous levers available to fund Secured Capital Program

- Strong, predictable and growing cash flow from operations
- Dividend Reinvestment Plan
- Access to capital markets including:
  - Senior debt
  - Hybrid securities and preferred shares
- Portfolio management

***On track to achieve targeted credit metrics  
Moving back to historical self-funding model***

*Assumes 25% ownership interest in Coastal GasLink, reflecting expected TC Energy equity cash contribution, accounting treatment may differ from this outlook.*

# Deleveraging while growing per share earnings



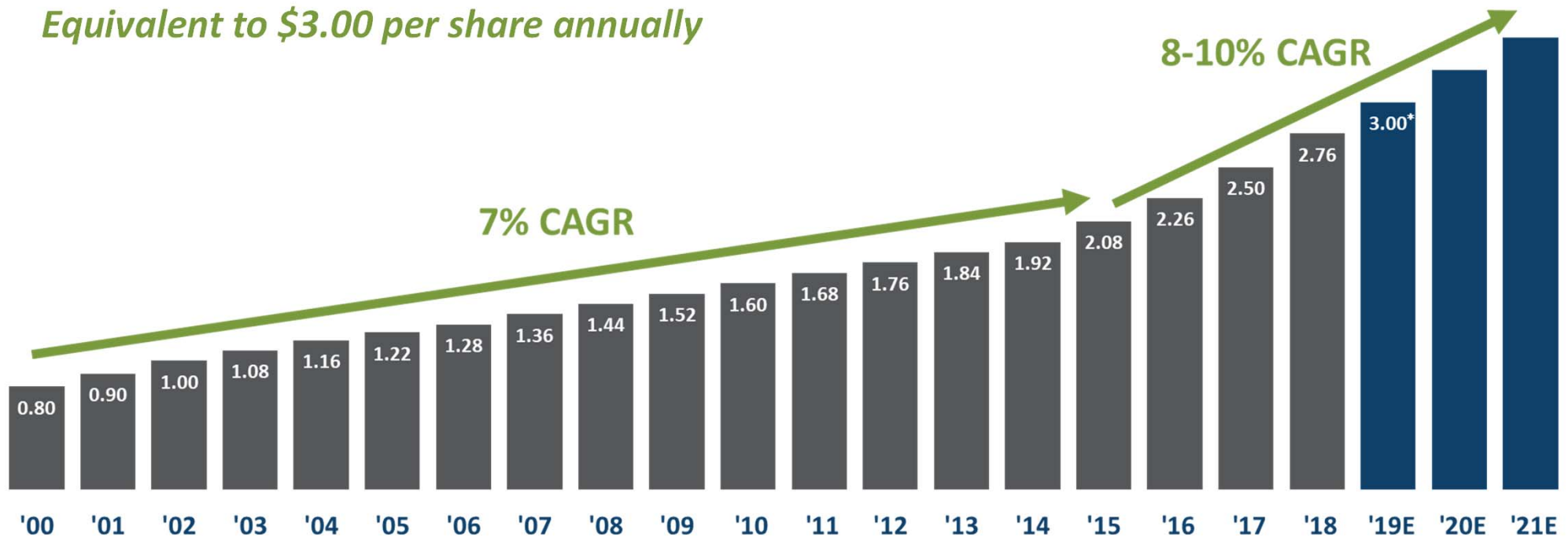
***On track to achieve and maintain targeted credit metrics***

EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.

\* Using 2018 average foreign exchange rate of 1.30

# Long track record of common share dividend growth

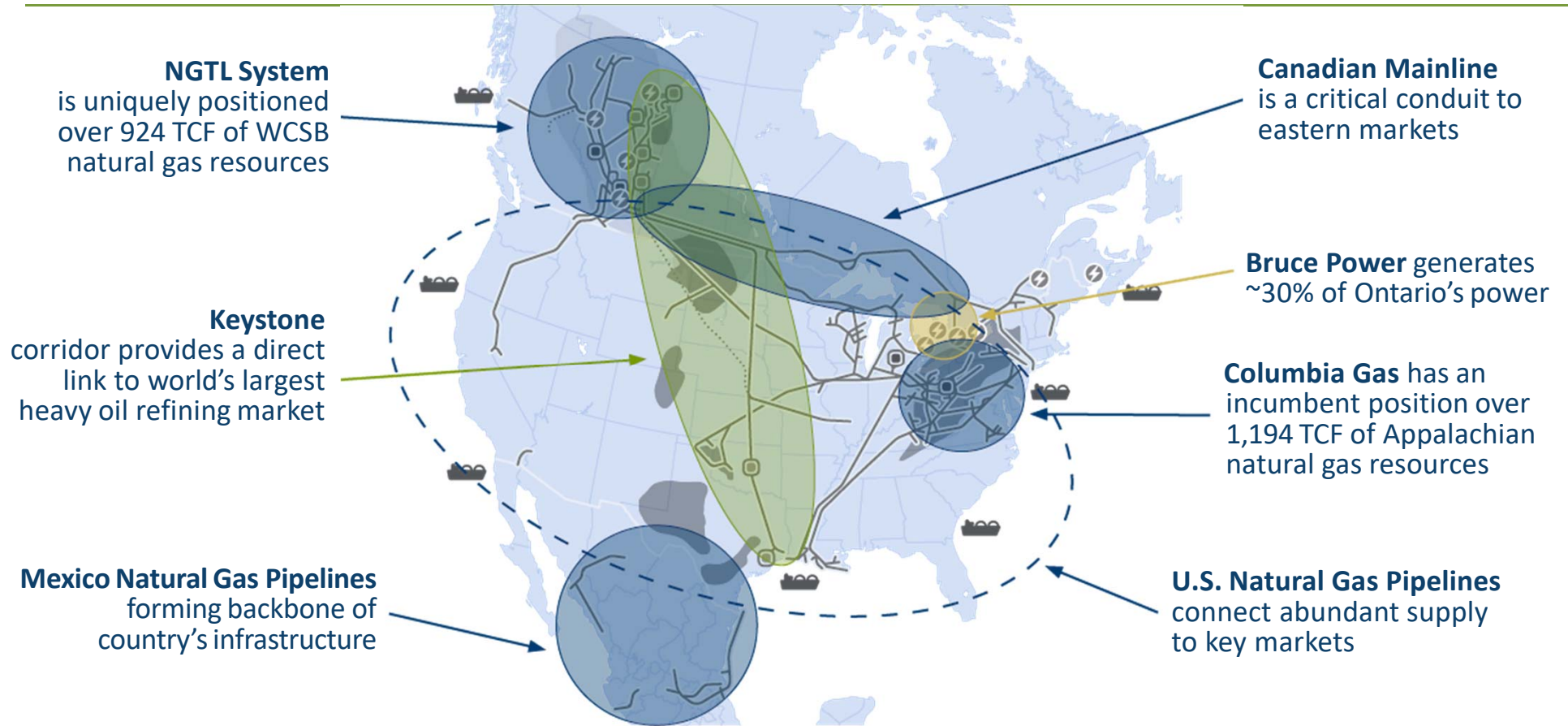
*Increased 8.7% in first quarter 2019  
Equivalent to \$3.00 per share annually*



*Supported by expected growth in earnings and cash flow  
and continued strong coverage ratios*

\* Annual rate based on most recently declared quarterly dividend of \$0.75 per share

# Multiple growth platforms that cannot be replicated



*Driving \$20+ billion of projects under development including Keystone XL and Bruce Power Life Extension*

# Delivering long-term shareholder value

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**Track  
record**

**14% average annual  
total shareholder  
return since 2000**

**Visible  
growth**

**\$30 billion secured  
to 2023**  
  
**Advancing over  
\$20 billion of  
additional projects in  
development**

**Attractive, growing  
dividend**

**Dividend raised 8.7%  
in February 2019**  
  
**4.6% yield**  
  
**8-10% expected CAGR  
through 2021**

**Strong  
financial position**

**Numerous levers  
available to fund  
future growth**  
  
**Simple,  
understandable  
corporate structure**

*Proven resilience through all points of the business cycle*



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