

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **35.65** P/E RATIO **17.0** (Trailing: 18.1, Median: 18.0) RELATIVE P/E RATIO **0.95** DIV'D YLD **4.7%** VALUE LINE

TIMELINESS 4 Raised 5/31/24	High: 40.0	39.3	36.5	34.2	37.4	41.8	45.8	46.4	38.6	42.9	40.4	37.3	Target Price Range 2027 2028 2029
SAFETY 3 Lowered 3/8/24	Low: 27.7	32.8	24.2	23.4	32.6	29.6	38.0	23.0	29.2	33.3	31.3	32.1	
TECHNICAL 5 Lowered 5/3/24	LEGENDS - - - 25.00 x Dividends p sh Relative Price Strength 2-for-1 split 7/13 Options: Yes Shaded area indicates recession												96
BETA 1.05 (1.00 = Market)	18-Month Target Price Range Low-High Midpoint (% to Mid) \$31-\$46 \$39 (10%)												80
2027-29 PROJECTIONS	High Price Gain Ann'l Total Low 30 (+25%) 10% (-15%) 1%												64
Institutional Decisions	202023 302023 402023 to Buy 174 197 210 to Sell 216 199 206 Hld's(000) 134247 138173 144477												24
Percent shares traded 18 12 6													16
% TOT. RETURN 4/24 THIS STOCK VL ARITH. INDEX 1 yr. -3.1 11.5 3 yr. 18.4 5.5 5 yr. 1.7 56.1													12

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
21.77	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.32	11.37	11.15	10.61	18.26	16.86	13.36	14.50	15.00	Revenues per sh	17.50
2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	4.03	4.44	5.63	4.61	4.70	5.05	"Cash Flow" per sh	5.85
1.25	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.92	2.12	2.24	2.08	2.36	2.25	2.07	2.10	2.30	Earnings per sh A	2.70
.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.63	1.64	1.66	1.69	1.73	Div'd Decl'd per sh B	1.85
4.01	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.13	2.87	3.18	3.25	3.89	5.25	4.49	4.75	4.75	Cap'l Spending per sh	4.75
10.14	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	18.15	20.27	22.52	22.17	23.10	23.75	Book Value per sh C	26.25
187.00	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	199.70	200.10	200.10	200.10	200.20	200.30	200.20	200.20	Common Shs Outst'g D	200.20
12.4	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	18.3	16.5	19.0	16.2	14.3	17.2	17.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.77	1.00	.96			Relative P/E Ratio	.80
4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	4.7%	4.8%	4.5%	5.1%			Avg Ann'l Div'd Yield	4.4%

CAPITAL STRUCTURE as of 3/31/24
 Total Debt \$4341.3 mill. Due in 5 Yrs \$1731.5 mill.
 LT Debt \$4261.9 mill. LT Interest \$158.7 mill.
 (LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals \$5.7 mill.

Pension Assets-12/22 \$486.0 mill. Oblig \$502.9 mill.

Pfd Stock None

Common Stock 200,547,842 shs.

MARKET CAP: \$7.1 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-4.9	+2.6	+8.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	4.40	7.68	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6437	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.1	+1.4	NA

Fixed Charge Cov. (%) 326 336 335

ANNUAL RATES Past Past Est'd '20-'22
 of change (per sh) 10 Yrs. 5 Yrs. to '27-'29

Revenues	-3.0%	5.0%	5.5%
"Cash Flow"	2.5%	5.0%	7.0%
Earnings	3.0%	4.5%	6.5%
Dividends	7.5%	6.5%	3.0%
Book Value	4.0%	1.5%	5.5%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1630.0	577.4	864.4	581.3	3653.7
2022	589.3	803.7	1270.0	711.9	3375.7
2023	557.2	605.0	945.4	566.7	2674.3
2024	596.8	750	920	633.2	2900
2025	620	780	950	650	3000

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.26	.56	1.26	.28	2.36
2022	.33	.36	1.31	.25	2.25
2023	.19	.44	1.20	.24	2.07
2024	.09	.45	1.30	.26	2.10
2025	.40	.35	1.30	.25	2.30

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.3875	.3875	.3875	.4025	1.57
2021	.4025	.4025	.4025	.41	1.62
2022	.41	.41	.41	.4141	1.64
2023	.4141	.4141	.4141	.4182	1.66
2024	.4182	.4182			

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 879,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 3% of Energy Transfer's limited partnership units. Electric revenue breakdown: residential, 44%; commercial, 25%; industrial, 11%; oilfield, 10%; other, 10%. Generating sources: gas, 25%; coal, 21%; wind, 6%; purchased, 48%. Fuel costs: 58% of revenues. '23 reported depreciation rate (utility): 2.6%. Has 2,200 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, OK 73101-0321. Tel.: 405-553-3000. Internet: www.oge.com.

OGE Energy's utility subsidiary is awaiting a rate order in Oklahoma. Oklahoma Gas and Electric is seeking an increase of \$332 million, based on a return on equity of 10.5% and a common-equity ratio of 53.5%. The utility needs to recover its additional capital investment in grid enhancements to improve reliability since its last rate case. OGE is making progress and testimony is under way, with new rates expected to be implemented sometime this summer. Meanwhile, the utility recently lowered Oklahoma customers' bills by \$25 a month due to a reduction in fuel costs. The cost of fuel to produce electricity is reviewed by federal regulators twice a year, and fluctuates greatly.

We have lowered our 2024 earnings-per-share estimate by a dime. The first-quarter performance was negatively impacted by higher depreciation and interest expense, along with regulatory lag due to the pending Oklahoma rate case. Our profit estimate is now just below the midpoint of OGE Energy's targeted range of \$2.06-\$2.18, and within the company's long-term growth rate target of 5%-7% annually. We think the utility will have sharper earnings growth next year. Prospects over that interim should benefit from investments in the grid, as well as being a pure-play electric utility. A decision in Oklahoma will likely also bolster top- and bottom-line growth and help the utility pass on higher costs to the consumer. Accordingly, our 2025 earnings estimate is staying put at \$2.30 a share.

OGE shares have risen nicely of late. Indeed, the stock has jumped around 10% in value since our early March report. And, the stock price is now up slightly over the past year, after reaching its new 12-month high recently.

The stock is untimely, but appealing for income-oriented investors. Indeed, the dividend yield of 4.7% stands comfortably above the high-paying utility average, and remains this issue's most notable feature. On the other hand, these shares are ranked 4 (Below Average) for Timeliness. Too, intermediate- and long-term return prospects are not attractive, as the current quotation is already trading within our Target Price Range for the 18-month and 3- to 5-year time frames.

Zachary J. Hodgkinson June 7, 2024

(A) Diluted EPS. Excl. nonrecurring gains (losses): '15, (33c); '17, \$1.18; '19, (8c); '20, (\$2.95); '21, \$1.32; '22, \$1.06; gain on disposal. ops.: '19 & '21 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div's historically paid in late Jan., Apr., July, & Oct. Div'd reinvestment plan avail. (C) Incl. deferred charges. In '22: \$6.15/sh. (D) In mill., adj. for split. (E) Rate base: Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in '18: 9.5%; earned on avg. com. eq., '21: 12.7%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	30
Earnings Predictability	95

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