

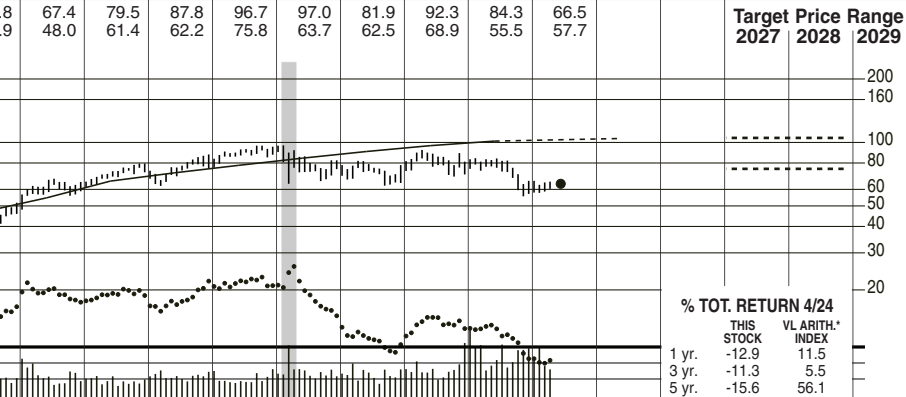
ONE GAS, INC. NYSE-OGS

RECENT PRICE **63.81** P/E RATIO **16.0** (Trailing: 15.8 Median: 21.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 3 Raised 12/8/23
SAFETY 2 New 6/2/17
TECHNICAL 3 Raised 5/24/24
BETA .85 (1.00 = Market)

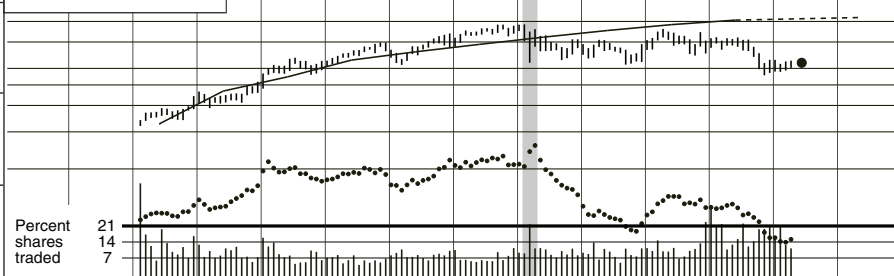
High: 44.3 51.8 67.4 79.5 87.8 96.7 97.0 81.9 92.3 84.3 66.5
 Low: 31.9 38.9 48.0 61.4 62.2 75.8 63.7 62.5 68.9 55.5 57.7

LEGENDS
 - - - 39.00 x Dividends p sh
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession



18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$42-\$77 \$60 (-5%)

2027-29 PROJECTIONS
 High Price Gain Ann'l Total
 Low 105 75 (+65%) 16%
 Return 8%



Target Price Range
 2027 2028 2029

% TOT. RETURN 4/24

1 yr.	-12.9	VL ARITH. INDEX	11.5
3 yr.	-11.3		5.5
5 yr.	-15.6		56.1

Institutional Decisions
 2Q2023 3Q2023 4Q2023
 to Buy 158 148 159
 to Sell 133 153 160
 Hld's(000) 53044 51074 52932

Percent shares traded 21 14 7

The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29	
34.92	29.62	27.30	29.43	31.08	31.32	28.78	33.72	46.58	41.95	39.30	42.50	Revenues per sh	70.15	
4.52	4.82	5.43	5.96	6.32	6.96	7.36	7.71	8.13	9.04	9.65	10.70	"Cash Flow" per sh	13.95	
2.07	2.24	2.65	3.02	3.25	3.51	3.68	3.85	4.08	4.14	4.00	4.20	Earnings per sh ^A	5.00	
.84	1.20	1.40	1.68	1.84	2.00	2.16	2.32	2.48	2.60	2.64	2.68	Div'ds Decl'd per sh ^{B=C}	2.85	
5.70	5.63	5.91	6.81	7.50	7.91	8.87	9.23	11.01	11.79	11.95	12.15	Cap'l Spending per sh	12.60	
34.45	35.24	36.12	37.47	38.86	40.35	42.01	43.81	46.69	48.91	50.15	53.55	Book Value per sh	60.20	
52.08	52.26	52.28	52.31	52.57	52.77	53.17	53.63	55.35	56.55	56.50	56.50	Common Shs Outst'g ^C	57.00	
17.8	19.8	22.7	23.5	23.1	25.3	21.7	18.9	19.9	18.0	18.0	18.0	Bold figures are Value Line estimates	Avg Ann'l P/E Ratio	18.0
.94	1.00	1.19	1.18	1.25	1.35	1.11	1.02	1.16	1.01	1.01	1.01		Relative P/E Ratio	1.00
2.3%	2.7%	2.3%	2.4%	2.5%	2.3%	2.7%	3.2%	3.1%	3.5%	3.5%	3.5%		Avg Ann'l Div'd Yield	3.2%
1818.9	1547.7	1427.2	1539.6	1633.7	1652.7	1530.3	1808.6	2578.0	2372.0	2220	2400	Revenues (\$mill)	4000	
109.8	119.0	140.1	159.9	172.2	186.7	196.4	206.4	221.7	231.2	225	235	Net Profit (\$mill)	285	
38.4%	38.0%	37.8%	36.4%	23.7%	18.7%	17.5%	16.3%	17.3%	14.9%	15.5%	16.0%	Income Tax Rate	20.0%	
6.0%	7.7%	9.8%	10.4%	10.5%	11.3%	12.8%	11.4%	8.6%	9.7%	10.1%	9.8%	Net Profit Margin	7.1%	
40.1%	39.5%	38.7%	37.8%	38.6%	37.7%	41.5%	61.1%	50.7%	43.8%	45.0%	45.0%	Long-Term Debt Ratio	51.0%	
59.9%	60.5%	61.3%	62.2%	61.4%	62.3%	58.5%	38.9%	49.3%	56.2%	55.0%	55.0%	Common Equity Ratio	49.0%	
2995.3	3042.9	3080.7	3153.5	3328.1	3415.5	3815.7	6032.9	5246.2	4926.3	5150	5500	Total Capital (\$mill)	7000	
3293.7	3511.9	3731.6	4007.6	4283.7	4565.2	4867.1	5190.8	5628.8	6135.2	6425	6800	Net Plant (\$mill)	8000	
4.4%	4.7%	5.2%	5.8%	5.9%	6.4%	6.0%	3.9%	5.0%	5.9%	5.5%	5.5%	Return on Total Cap'l	5.5%	
6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	8.8%	8.8%	8.6%	8.4%	8.0%	8.0%	Return on Shr. Equity	8.5%	
6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	8.8%	8.8%	8.6%	8.4%	8.0%	8.0%	Return on Com Equity	8.5%	
3.7%	3.1%	3.5%	3.7%	3.7%	3.8%	3.7%	3.5%	3.4%	3.2%	3.0%	3.0%	Retained to Com Eq	3.5%	
40%	53%	52%	55%	56%	56%	58%	60%	60%	62%	66%	64%	All Div'ds to Net Prof	57%	

CAPITAL STRUCTURE as of 3/31/24
 Total Debt \$3128.0 mill. Due in 5 Yrs \$890.0 mill.
 LT Debt \$2146.4 mill. LT Interest \$120.0 mill.
 (LT interest earned: 3.4x; total interest coverage: 3.4x)
Leases, Uncapitalized Annual rentals \$6.7 mill.
Pfd Stock None
Pension Assets-12/23 \$977.0 mill.
Obliq. \$962.1 mill.
Common Stock 56,569,396 shs.
as of 4/29/24
MARKET CAP: \$3.6 billion (Mid Cap)

CURRENT POSITION 2022 2023 3/31/24 (\$MILL.)

Cash Assets	9.7	18.8	11.5
Other	1207.9	746.4	652.2
Current Assets	1217.6	765.2	663.7
Accts Payable	360.5	278.1	196.6
Debt Due	572.7	888.9	981.6
Other	256.2	310.2	225.3
Current Liab.	1189.4	1477.2	1403.5
Fix. Chg. Cov.	540%	390%	420%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Past Est'd '21-'23 of change (per sh) 10 Yrs. 5 Yrs. to '27-'29

Revenues	--	7.0%	9.5%
"Cash Flow"	--	7.0%	9.0%
Earnings	--	6.0%	3.5%
Dividends	--	8.5%	2.5%
Book Value	--	4.5%	4.5%

BUSINESS: ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 160 Bcf of natural gas supply in 2023, compared to 165 Bcf in 2022. Total volumes delivered by customer (fiscal 2023): transportation, 59.3%; residential, 29.7%; commercial

& industrial, 10.6%; other, 4%. ONE Gas has around 3,900 employees. BlackRock owns 14.5% of common stock; The Vanguard Group, 11.6%; American Century Investment, 7.5%; officers and directors, 1.5% (4/24 Proxy). CEO: Robert S. McAnally. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.

ONE Gas, Inc. began 2024 in low gear. First-quarter earnings per share slipped about 5%, to \$1.75, relative to last year's \$1.84 figure. That was traced partly to higher employee-related costs, given planned investments in the company's workforce and ongoing in-sourcing efforts. Also, sales volumes decreased and interest expense rose. But new rates did provide somewhat of an offset. Still, right now, it appears that the bottom line will recede around 3% for the whole year, to \$4.00 per share, versus the \$4.14 tally generated in 2023. But turning to 2025, a 5% recovery, to \$4.20 a share, seems plausible. That's based, to a certain degree, on our assumption that the business environment is generally favorable.

potential and are located in one of the most active drilling areas in the United States. Also, supported by the solid balance sheet, the company ought to continue to meet its working capital requirements, capital expenditures, and other obligations with little difficulty.

Prospects out to the end of the decade appear promising. ONE Gas remains the top natural gas distributor, as measured by number of customers, in both Oklahoma and Kansas, and holds the number-three position in Texas. (Services are provided to more than two million residential, commercial, and transportation clients at present.) Furthermore, we believe those markets have decent growth

There are risk factors to bear in mind, however. ONE Gas' lack of geographic diversification leaves it somewhat more susceptible to regional economic downturns and regulations. Moreover, there's competition from other energy suppliers, including propane dealers and electric companies. Finally, pipeline ruptures, leaks, and other unfortunate occurrences can take a major toll on corporate profits if not adequately covered by insurance.

The stock has some investment appeal. Its dividend yield is respectable in comparison with other equities within Value Line's Natural Gas Utility Industry. Also, capital appreciation possibilities over the 2027-2029 horizon look worthwhile. Consider, too, the 2 (Above Average) rank for Safety and high Price Stability score of 90 out of 100.

Frederick L. Harris, III May 24, 2024

(A) Diluted EPS. Excludes nonrecurring gain: 2017, \$0.06. Next earnings report due early Aug. Quarterly EPS figures for 2022 don't equal total due to rounding.

(B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.

(C) In millions.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	100

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