



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
21.96	20.68	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	<b>14.00</b>	<b>15.00</b>	Revenues per sh	<b>18.25</b>
2.23	2.39	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	<b>4.75</b>	<b>5.05</b>	"Cash Flow" per sh	<b>6.25</b>
1.23	1.32	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	<b>2.55</b>	<b>2.70</b>	Earnings per sh <sup>A</sup>	<b>3.25</b>
.67	.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.63	<b>1.66</b>	<b>1.70</b>	Div'd Decl'd per sh <sup>B</sup>	<b>1.85</b>
2.67	3.04	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	<b>4.75</b>	<b>4.75</b>	Cap'l Spending per sh	<b>4.75</b>
8.79	9.16	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	<b>22.20</b>	<b>23.25</b>	Book Value per sh <sup>C</sup>	<b>27.00</b>
182.40	183.60	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	<b>200.10</b>	<b>200.10</b>	Common Shs Outst'g <sup>D</sup>	<b>200.10</b>
13.7	13.8	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	<b>14.3</b>	<b>14.3</b>	Avg Ann'l P/E Ratio	<b>14.0</b>
.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.76	<b>.83</b>	<b>.76</b>	Relative P/E Ratio	<b>.80</b>
4.0%	3.8%	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%	<b>4.8%</b>	<b>4.8%</b>	Avg Ann'l Div'd Yield	<b>4.0%</b>

**CAPITAL STRUCTURE as of 3/31/22**  
 Total Debt \$5228.5 mill. Due in 5 Yrs \$1731.5 mill.  
 LT Debt \$4497.0 mill. LT Interest \$158.7 mill.  
 (LT interest earned: 4.3x)

**Leases, Uncapitalized** Annual rentals \$5.7 mill.

**Pension Assets-12/21** \$486.0 mill. Oblig \$502.9 mill.

**Pfd Stock** None

**Common Stock** 200,202,672 shs.

**MARKET CAP: \$8.3 billion (Large Cap)**

**ELECTRIC OPERATING STATISTICS**

	2019	2020	2021
% Change Retail Sales (KWH)	+1.1	-4.9	+2.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	4.69	4.40	7.68
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6817	6437	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+1.1	+1.4

3671.2	2867.7	2453.1	2196.9	2259.2	2261.1	2270.3	2231.6	2122.3	3653.7	<b>2800</b>	<b>3000</b>	Revenues (\$mill)	<b>3650</b>
355.0	387.6	395.8	337.6	338.2	384.3	425.5	449.6	415.9	472.5	<b>510</b>	<b>545</b>	Net Profit (\$mill)	<b>675</b>
26.0%	24.9%	30.4%	29.2%	30.5%	32.5%	14.5%	7.4%	13.2%	11.5%	<b>12.0%</b>	<b>12.0%</b>	Income Tax Rate	<b>12.0%</b>
2.7%	2.6%	1.7%	3.7%	6.4%	15.0%	8.3%	1.6%	1.6%	2.2%	<b>2.0%</b>	<b>2.0%</b>	AFUDC % to Net Profit	<b>2.0%</b>
50.7%	43.1%	45.9%	44.3%	41.1%	41.7%	42.0%	43.6%	49.0%	52.6%	<b>46.0%</b>	<b>51.5%</b>	Long-Term Debt Ratio	<b>49.0%</b>
49.3%	56.9%	54.1%	55.7%	58.9%	58.3%	58.0%	56.4%	51.0%	47.4%	<b>54.0%</b>	<b>48.5%</b>	Common Equity Ratio	<b>51.0%</b>
5615.8	5337.2	5999.7	5971.6	5849.6	6600.7	6902.0	7334.7	7126.2	8552.7	<b>8240</b>	<b>9595</b>	Total Capital (\$mill)	<b>10650</b>
8344.8	6672.8	6979.9	7322.4	7696.2	8339.9	8643.8	9044.6	9374.6	9832.9	<b>10345</b>	<b>10830</b>	Net Plant (\$mill)	<b>12075</b>
7.7%	8.6%	7.8%	6.9%	7.0%	7.0%	7.3%	7.1%	6.9%	6.4%	<b>7.0%</b>	<b>7.0%</b>	Return on Total Cap'l	<b>7.5%</b>
12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	<b>11.5%</b>	<b>11.5%</b>	Return on Shr. Equity	<b>12.5%</b>
12.8%	12.8%	12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	<b>11.5%</b>	<b>11.5%</b>	Return on Com Equity <sup>E</sup>	<b>12.5%</b>
7.2%	7.3%	6.5%	4.0%	3.3%	3.5%	3.8%	3.6%	2.8%	3.6%	<b>4.0%</b>	<b>4.5%</b>	Retained to Com Eq	<b>5.5%</b>
44%	43%	47%	61%	67%	64%	64%	67%	76%	69%	<b>65%</b>	<b>62%</b>	All Div'ds to Net Prof	<b>55%</b>

**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. '21 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.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '19-'21 of change (per sh)

Revenues	-3.0%	3.0%	5.5%
"Cash Flow"	3.5%	4.5%	7.0%
Earnings	4.0%	4.5%	6.5%
Dividends	8.0%	8.5%	3.0%
Book Value	5.5%	3.5%	5.5%

**Fixed Charge Cov. (%)** 335 326 336

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	490.0	513.7	755.4	472.5	2231.6
2020	431.3	503.5	702.1	485.4	2122.3
2021	1630.6	577.4	864.4	581.3	3653.7
2022	589.3	650	910.7	650	2800
2023	650	700	950	700	3000

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.24	.50	1.25	.26	2.24
2020	.23	.51	1.04	.30	2.08
2021	.26	.56	1.26	.27	2.36
2022	.33	.60	1.32	.30	2.55
2023	.32	.65	1.40	.33	2.70

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.3325	.3325	.3325	.365	1.36
2019	.365	.365	.365	.388	1.48
2020	.3875	.3875	.3875	.4025	1.57
2021	.4025	.4025	.4025	.41	1.62
2022	.41	.41			

**OGE Energy's utility subsidiary is awaiting a rate order in Oklahoma.** Oklahoma Gas and Electric is seeking an increase of \$164 million, based on a 10.2% return on equity and a 53.4% common-equity ratio. The utility needs to recover capital investment made since its last rate case, three years ago. OG&E also requested a performance-based ratemaking mechanism. The staff of the Oklahoma Corporation Commission recommended an increase of \$83 million, based on an 8.75% ROE, and the attorney general proposed a slight decrease, based on a 9.5% ROE. OG&E will try to settle the case, and may implement interim rates if an order has not been received by July 1st.

**The utility received rate relief in Arkansas.** A \$4.2 million increase under the state's formula rate plan took effect on April 1st. The formula rate plan has been extended for five years.

**We look for steady earnings growth in 2022 and 2023.** Rate relief in Oklahoma and Arkansas should be the key factor. The service area's economy is healthy.

**OGE Energy is exiting its midstream gas investment.** As of March 31st, its in-

terest in Energy Transfer was on the books for more than \$1 billion, following an unrealized gain that boosted earnings by \$1.06 a share in the first quarter. We excluded this from our earnings presentation as a nonrecurring item. Through the end of April, the company had sold 21.75 million units for \$246 million (pretax), and expects to sell most of its units by yearend. OGE Energy plans to use the sale proceeds to reduce short-term debt and fund its capital budget. If the units retain their value through the duration of the sale process, this will provide cash of more than \$600 million after taxes.

**OG&E plans to issue securitized bonds to recover the surge in gas and power costs that occurred in February of 2021.** The sharp rise in fuel costs explains why revenues were unusually high in the first quarter last year. This will amount to as much as \$760 million.

**This stock has an attractive dividend yield.** The yield is well above the utility average. The drawback is the subpar dividend growth potential, as a result of the high payout ratio.

*Paul E. Debbas, CFA*

**June 10, 2022**

(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.: '06, 20c. '19 & '21 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '21: \$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	A
Stock's Price Stability	85
Price Growth Persistence	25
Earnings Predictability	95

**To subscribe call 1-800-VALUELINE**