

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%; OGE Energy's utility subsidiary in

dent 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.

336 335 326 Fixed Charge Cov. (% ANNUAL RATES Past Past Est'd '20-'22 of change (per sh) 10 Yrs to '26-'28 -3.0% 2.5% 3.0% 7.5% 5.0% 5.0% 4.5% Revenues 5.5% 7.0% 6.5% 'Cash Flow' Earnings 3.0% 5.5% Dividends Book Value 1.5% 4 0%

% Change Customers (vr-end)

6437

ÑΑ

+1.1

NA

NA

+1.4

Cal-	QUAR	TERLY RE	VENUES (Sep.30	\$ mill.)	Full
endar	Mar.31	Jun.30		Dec.31	Year
2020 2021 2022 2023 2024	431.3 1630 589.3 557.2 650	503.5 577.4	702.1 864.4 1270 1280 1300	485.4 581.3 711.9 827.8 800	2122.3 3653.7 3375.7 3450 3600
Cal-	EA	RNINGS F	ER SHARI	_	Full
endar	Mar.31	Jun.30	Sep.30		Year
2020	.23	.51	1.04	.30	2.08
2021	.26	.56	1.26	.28	2.36
2022	.33	.36	1.31	.25	2.25
2023	.19	.44	1.16	. 21	2.00
2024	.35	.30	1.25	. 25	2.15
Cal-	QUART	TERLY DIV	IDENDS PA	AID B ■	Full
endar	Mar.31	Jun.30		Dec.31	Year
2019 2020 2021 2022 2023	.365 .3875 .4025 .41	.365 .3875 .4025 .41 .41	.365 .3875 .4025 .41	.388 .4025 .41 .4141	1.48 1.57 1.62 1.64

Arkansas had its rate settlement approved by the Arkansas Public Service Commission. The utility implemented new fuel rates which went into effect on April 1st. In Oklahoma, the company is likely to file a general rate case in the second half of this year. Too, in April, the Oklahoma Corporation Commission approved the utility's 2021 fuel prudency audit.

We think the challenging operating environment will continue to pressure margins in 2023. Accordingly, we have lowered our full-year 2023 EPS guidance due to the rising interest rate environment and inflationary stress, which is significantly increasing borrowing costs. Our 2023 EPS estimate of \$2.00 is at the midpoint of OGE Energy's targeted range of \$1.93-\$2.07, and in line with the company's long-term earnings per share growth forecast of 5%-7% annually, based off original 2021 guidance on a consolidated basis. Rate relief and the company's transformation to a fully focused electric utility should be a main driver to results in the near-intermediate and

long-term. OGE is now a pure-play electric utility after completing its exit from the natural gas midstream arena, which should reduce business risk and attract investors. The Inflation Reduction Act will also help improve the challenging macroeconomic environment and provide assistance in the transition to providing affordable, clean energy. Our 2024 bottomline projection is staying put, as we think profits will recover to \$2.15 a share.

OGE shares have continued to struggle of late. Indeed, the stock has dropped more than 6% in value since our early March report, and is now down nearly 15% over the past six months. Too, this issue was recently downgraded one notch in our Timeliness Ranking System to 4 (Below Average). On a positive note, the dividend continues to be this issue's most notable feature. These shares boast a attractive quarterly dividend yield of 4.7%, which sits well above the industry average and the Value Line median. The utility also holds a solid dividend growth potential rate of 3.0%, which would maintain a generous payout ratio. Zachary J. Hodgkinson June 9, 2023

(A) Diluted EPS. Excl. nonrecurring gains (losses): '15, (33¢); '17, \$1.18; '19, (8¢); '20, (\$2.95); '21, \$1.32; '22, \$1.06; gain on discont. ops.: '19 & '21 EPS don't sum due to rounding.

charges. In '22: \$6.15/sh. (D) In mill., adj. for | 12.7%. Regulatory Climate: Average

Next earnings report due early Aug. **(B)** Div'ds historically paid in late Jan., Apr., July, & Oct. | Split. **(E)** Nate base: Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in Div'd reinvestment plan avail. **(C)** Incl. deferred '18: 9.5%; earned on avg. com. eq., '21:

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability**

85

30

95