# OGE Energy Corp. reports third quarter 2023 results

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OKLAHOMA CITY, Nov. 2, 2023 /PRNewswire/ -- OGE Energy Corp. (NYSE: OGE), the parent company of Oklahoma Gas and Electric Company ("OG&E"), today reported earnings of $1.20 per diluted share during the three months that ended September 30, 2023, compared to $1.31 per diluted share in the same period of 2022. Earnings for the third quarter of 2022 included net income of $0.08 per diluted share from natural gas midstream operations, which OGE Energy fully exited in 2022 through the sale of all Energy Transfer units. Beginning in 2023, OGE Energy no longer has a Natural Gas Midstream Operations reporting segment.

- OG&E, a regulated electric company, contributed earnings of $1.22 per diluted share in the third quarter, compared to earnings of $1.26 per diluted share in the third quarter 2022.
- Other operations, which includes the holding company, contributed a loss of $0.02 per diluted share compared to a loss of $0.03 per diluted share in the third quarter 2022.

"With a warmer than normal summer, I'm proud of our team's delivery of safe and reliable electricity to our customers every day, without the calls for public conservation seen in other parts of the country", said Sean Trauschke, OGE Energy Corp. Chairman, President and CEO. "Due to the benefit of excellent operational execution of our team, diversified growth in our communities, and a hot summer, we are increasing our 2023 earnings guidance."

**Third Quarter 2023**
***OG&E*** contributed net income of $246.1 million, or $1.22 per diluted share, in the third quarter compared to $253.1 million, or $1.26 per diluted share, in the same period 2022. The decrease in net income was primarily due to milder weather compared to the third quarter of 2022, as well as higher depreciation and interest expense on a growing asset base. OG&E's results benefitted from strong weather-normal load growth and higher operating revenues from the recovery of capital investments.

***Other Operations*** resulted in a loss of $4.2 million, or $0.02 per diluted share, in the third quarter compared to a loss of $6.4 million, or $0.03 per diluted share, in the same period 2022. The decrease in net loss was primarily due to lower income tax expense as a result of a 2022 consolidating tax benefit related to OGE Energy's former investment in Energy Transfer, partially offset by higher interest expense related to increased short-term debt.

***OGE Energy's*** net income was $241.9 million or $1.20 per diluted share in the third quarter, compared to earnings of $262.8 million, or $1.31 per diluted share, in the same period 2022. Earnings for the third quarter of 2022 included net income of $0.08 per diluted share from natural gas midstream operations, which OGE Energy fully exited in 2022 through the sale of all Energy Transfer units.

**2023 Outlook**
The Company's 2023 OG&E electric company earnings guidance midpoint and range have been increased and narrowed to $2.09 to $2.13 per average diluted share, increased from the previously issued guidance of $1.99 to $2.09 per average diluted share. OGE Energy's consolidated earnings guidance midpoint and range for 2023 have been increased and narrowed and the range is now projected to be $2.02 to $2.07 per average diluted share, increased from $1.93 to $2.07 per average diluted share. Other Operations (primarily Holding Company) projects a loss of $0.06 to $0.07 per average diluted share.

The guidance assumes, among other things, approximately 201 million average diluted shares outstanding and normal weather for remainder the year. OG&E has significant seasonality in its earnings due to weather on a year over year basis.

**Conference Call Webcast**
OGE Energy Corp. will host a conference call for discussion of the results on Thursday, November 2, 2023, at 8 a.m. CDT. The conference will be available through the Investor Center at www.oge.com.

OGE Energy Corp. is the parent company of OG&E, a regulated electric company with approximately 894,000 customers in Oklahoma and western Arkansas.

Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties, and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "believe," "estimate," "expect," "forecast," "intend," "objective," "plan," "possible," "potential," "project," "target" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to: general economic conditions, including the availability of credit, access to existing lines of credit, access to the commercial paper markets, actions of rating agencies and inflation rates, and their impact on capital expenditures; the ability of the Company and its subsidiary to access the capital markets and obtain financing on favorable terms, as well as inflation rates and monetary fluctuations; the ability to obtain timely and sufficient rate relief to allow for recovery of items such as capital expenditures, fuel and purchased power costs, operating costs, transmission costs and deferred expenditures; prices and availability of electricity, coal and natural gas; competitive factors, including the extent and timing of the entry of additional competition in the markets served by the Company, potentially through deregulation; the impact on demand for services resulting from cost-competitive advances in technology, such as distributed electricity generation and customer energy efficiency programs; technological developments, changing markets and other factors that result in competitive disadvantages and create the potential for impairment of existing assets; factors affecting utility operations such as unusual weather conditions; catastrophic weather-related damage; unscheduled generation outages; unusual maintenance or repairs; unanticipated changes to fossil fuel, natural gas or coal supply costs or availability due to higher demand, shortages, transportation problems or other developments; environmental incidents; or electric transmission or gas pipeline system constraints; availability and prices of raw materials and equipment for current and future construction projects; the effect of retroactive pricing of transactions in the SPP markets or adjustments in market pricing mechanisms by the SPP; federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures

or affect the speed and degree to which competition enters the Company's markets; environmental laws, safety laws or other regulations that may impact the cost of operations, restrict or change the way the Company's facilities are operated or result in stranded assets; changes in accounting standards, rules or guidelines; the discontinuance of accounting principles for certain types of rate-regulated activities; the cost of protecting assets against, or damage due to, terrorism or cyberattacks, including losing control of our assets and potential ransoms, and other catastrophic events; creditworthiness of suppliers, customers and other contractual parties, including large, new customers from emerging industries such as cryptocurrency; social attitudes regarding the electric utility and power industries; identification of suitable investment opportunities to enhance shareholder returns and achieve long-term financial objectives through business acquisitions and divestitures; increased pension and healthcare costs; national and global events that could adversely affect and/or exacerbate macroeconomic conditions, including inflationary pressures, rising interest rates, supply chain disruptions, economic recessions, pandemic health events and uncertainty surrounding continued hostilities or sustained military campaigns, and their collateral consequences; costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters, including, but not limited to other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission, including those listed within the Company's most recent Form 10-Q and the 2022 Form 10-K for the year ended December 31, 2022.

Note: Condensed Consolidated Statements of Income for OGE Energy Corp., Condensed Statements of Income and Comprehensive Income for Oklahoma Gas & Electric Company, and Financial and Statistical Data for Oklahoma Gas & Electric Company attached.

**OGE ENERGY CORP**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(In millions, except per share data)* | **2023** | 2022 | **2023** | 2022 |
| OPERATING REVENUES | | | | |
| Revenues from contracts with customers | **$ 923.0** | $ 1,250.6 | **$ 2,056.8** | $ 2,619.7 |
| Other revenues | **22.4** | 20.2 | **50.8** | 44.1 |
| Operating revenues | **945.4** | 1,270.8 | **2,107.6** | 2,663.8 |
| FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE | **333.8** | 673.8 | **716.2** | 1,322.8 |
| OPERATING EXPENSES | | | | |
| Other operation and maintenance | **122.7** | 131.4 | **381.4** | 364.5 |
| Depreciation and amortization | **132.5** | 122.4 | **377.8** | 341.4 |
| Taxes other than income | **25.3** | 25.3 | **78.2** | 77.5 |
| Operating expenses | **280.5** | 279.1 | **837.4** | 783.4 |
| OPERATING INCOME | **331.1** | 317.9 | **554.0** | 557.6 |
| OTHER INCOME (EXPENSE) | | | | |
| Allowance for equity funds used during construction | **4.5** | 2.4 | **14.1** | 4.6 |
| Other net periodic benefit income (expense) | **1.5** | 0.3 | **4.1** | (11.8) |
| Gain on equity securities | **—** | 39.4 | **—** | 282.1 |
| Other income | **8.5** | 16.1 | **38.1** | 60.6 |
| Other expense | **(7.9)** | (19.5) | **(18.8)** | (33.1) |
| Net other income | **6.6** | 38.7 | **37.5** | 302.4 |
| INTEREST EXPENSE | | | | |
| Interest on long-term debt | **52.0** | 40.8 | **153.0** | 119.7 |
| Allowance for borrowed funds used during construction | **(1.9)** | (0.6) | **(5.3)** | (2.7) |
| Interest on short-term debt and other interest charges | **7.3** | 2.0 | **15.2** | 7.7 |
| Interest expense | **57.4** | 42.2 | **162.9** | 124.7 |
| INCOME BEFORE TAXES | **280.3** | 314.4 | **428.6** | 735.3 |
| INCOME TAX EXPENSE | **38.4** | 51.6 | **60.0** | 119.9 |
| NET INCOME | **$ 241.9** | $ 262.8 | **$ 368.6** | $ 615.4 |
| BASIC AVERAGE COMMON SHARES OUTSTANDING | **200.3** | 200.2 | **200.3** | 200.2 |
| DILUTED AVERAGE COMMON SHARES OUTSTANDING | **201.0** | 200.9 | **200.9** | 200.7 |
| BASIC EARNINGS PER AVERAGE COMMON SHARE | **$ 1.21** | $ 1.31 | **$ 1.84** | $ 3.07 |
| DILUTED EARNINGS PER AVERAGE COMMON SHARE | **$ 1.20** | $ 1.31 | **$ 1.83** | $ 3.07 |

**OKLAHOMA GAS AND ELECTRIC COMPANY**
**CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**
**(Unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(In millions)* | **2023** | 2022 | **2023** | 2022 |
| OPERATING REVENUES | | | | |

| | | | | |
|---|---|---|---|---|
| | **$** | $ | **$** | $ |
| Revenues from contracts with customers | **923.0** | 1,250.6 | **2,056.8** | 2,619.7 |
| Other revenues | **22.4** | 20.2 | **50.8** | 44.1 |
| Operating revenues | **945.4** | 1,270.8 | **2,107.6** | 2,663.8 |
| FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE | **333.8** | 673.8 | **716.2** | 1,322.8 |
| OPERATING EXPENSES | | | | |
| Other operation and maintenance | **123.3** | 121.5 | **383.4** | 355.3 |
| Depreciation and amortization | **132.5** | 122.4 | **377.8** | 341.4 |
| Taxes other than income | **24.7** | 24.5 | **75.3** | 74.6 |
| Operating expenses | **280.5** | 268.4 | **836.5** | 771.3 |
| OPERATING INCOME | **331.1** | 328.6 | **554.9** | 569.7 |
| OTHER INCOME (EXPENSE) | | | | |
| Allowance for equity funds used during construction | **4.5** | 2.4 | **14.1** | 4.6 |
| Other net periodic benefit income (expense) | **1.7** | 2.2 | **4.9** | (1.0) |
| Other income | **3.6** | 2.1 | **22.0** | 4.3 |
| Other expense | **(2.0)** | (1.1) | **(4.7)** | (1.9) |
| Net other income | **7.8** | 5.6 | **36.3** | 6.0 |
| INTEREST EXPENSE | | | | |
| Interest on long-term debt | **51.1** | 39.8 | **149.2** | 116.9 |
| Allowance for borrowed funds used during construction | **(1.9)** | (0.6) | **(5.3)** | (2.7) |
| Interest on short-term debt and other interest charges | **1.8** | 1.0 | **4.9** | 4.0 |
| Interest expense | **51.0** | 40.2 | **148.8** | 118.2 |
| INCOME BEFORE TAXES | **287.9** | 294.0 | **442.4** | 457.5 |
| INCOME TAX EXPENSE | **41.8** | 40.9 | **64.6** | 64.7 |
| | **$** | | | |
| NET INCOME | **246.1** $ | 253.1 | **$** **377.8** $ | 392.8 |
| Other comprehensive income, net of tax | **—** | — | **—** | — |
| | **$** | | | |
| COMPREHENSIVE INCOME | **246.1** $ | 253.1 | **$** **377.8** $ | 392.8 |

**OKLAHOMA GAS AND ELECTRIC COMPANY**
**FINANCIAL AND STATISTICAL DATA**

| | **Three Months Ended September 30,** | | **Nine Months Ended September 30,** | |
|---|---|---|---|---|
| *(Dollars in millions)* | **2023** | 2022 | **2023** | 2022 |
| Operating revenues by classification: | | | | |
| Residential | **$** **401.2** $ | 523.1 | **$** **836.0** $ | 1,049.4 |
| Commercial | **243.8** | 309.2 | **538.2** | 635.6 |
| Industrial | **78.0** | 112.6 | **187.5** | 255.8 |
| Oilfield | **68.0** | 102.9 | **164.4** | 236.6 |
| Public authorities and street light | **82.2** | 111.6 | **182.4** | 233.6 |
| System sales revenues | **873.2** | 1,159.4 | **1,908.5** | 2,411.0 |
| Provision for tax refund | **—** | 0.9 | **2.0** | (1.8) |
| Integrated market | **26.2** | 69.8 | **57.7** | 135.6 |
| Transmission | **35.6** | 36.9 | **106.9** | 105.6 |
| Other | **10.4** | 3.8 | **32.5** | 13.4 |
| Total operating revenues | **$** **945.4** $ | 1,270.8 | **$** **2,107.6** $ | 2,663.8 |
| MWh sales by classification *(In millions)* | | | | |
| Residential | **3.3** | 3.4 | **7.6** | 8.2 |
| Commercial | **2.6** | 2.4 | **6.5** | 5.8 |
| Industrial | **1.1** | 1.1 | **3.2** | 3.4 |
| Oilfield | **1.1** | 1.1 | **3.3** | 3.3 |
| Public authorities and street light | **0.9** | 1.0 | **2.3** | 2.4 |
| System sales | **9.0** | 9.0 | **22.9** | 23.1 |
| Integrated market | **0.3** | 0.4 | **0.7** | 0.9 |
| Total sales | **9.3** | 9.4 | **23.6** | 24.0 |
| Number of customers | **893,894** | 886,915 | **893,894** | 886,915 |
| Weighted-average cost of energy per kilowatt-hour *(In cents)* | | | | |
| Natural gas | **2.668** | 7.528 | **2.927** | 7.249 |

| | | | | |
|---|---|---|---|---|
| Coal | **3.368** | 3.544 | **3.402** | 3.209 |
| Total fuel | **2.744** | 6.150 | **2.909** | 5.569 |
| Total fuel and purchased power | **3.430** | 6.834 | **2.887** | 5.254 |
| Degree days (A) | | | | |
| Heating - Actual | **—** | — | **1,926** | 2,220 |
| Heating - Normal | **19** | 19 | **2,155** | 2,155 |
| Cooling - Actual | **1,510** | 1,566 | **2,087** | 2,305 |
| Cooling - Normal | **1,268** | 1,268 | **1,831** | 1,831 |

(A) Degree days are calculated as follows: The high and low degrees of a particular day are added together and then averaged. If the calculated average is above 65 degrees, then the
difference between the calculated average and 65 is expressed as cooling degree days, with each degree of difference equaling one cooling degree day. If the calculated average is below 65
degrees, then the difference between the calculated average and 65 is expressed as heating degree days, with each degree of difference equaling one heating degree day. The daily
calculations are then totaled for the particular reporting period

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