



We Energize Life

Q4 2023 Earnings & Business Update Conference Call

February 21, 2024



Some of the matters discussed in this presentation 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; changes in the use, perception or regulation of generative artificial intelligence technologies, which could limit our ability to utilize such technology, create risk of enhanced regulatory scrutiny, generate uncertainty around intellectual property ownership, licensing or use, or which could otherwise result in risk of damage to our business, reputation or financial results; creditworthiness of suppliers, customers and other contractual parties, including large, new customers from emerging industries such as cryptocurrency; social attitudes regarding the 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-K for the year ended December 31, 2023.

Recognized for high-performing culture



72%
engagement rate makes OGE an
**Oklahoma Top
Workplace**



**#1 Best Employer
in Oklahoma**
Named by Forbes 2023 Best
Employers by State

Forbes **2023**

**AMERICA'S
BEST-IN-STATE
EMPLOYERS
OKLAHOMA**

POWERED BY STATISTA

Advancing our culture and planning for the future

- ✓ 2023 consolidated earnings of \$2.07 per average diluted share
 - Electric company earnings of \$2.12 per average diluted share
 - Other operations, including holding company, loss of \$0.05 per average diluted share
- ✓ 2023 another safe year; last 8 years are safest on record
- ✓ 5-year consolidated EPS growth plan
 - EPS growth of 5% to 7% based on excellent fundamentals, strong financial position
 - Pure-play electric plan consistent with past growth – with simplified business mix and higher-quality earnings
 - Sustainable business model drives growth with focus on customer safety, reliability, resiliency and affordability

“Our sustainable business model drives economic growth in Oklahoma and western Arkansas, which contributes to a bright future for our company, consistent long-term growth for our shareholders, and ever more reliable service for our customers”



Delivering results for our customers, communities & shareholders



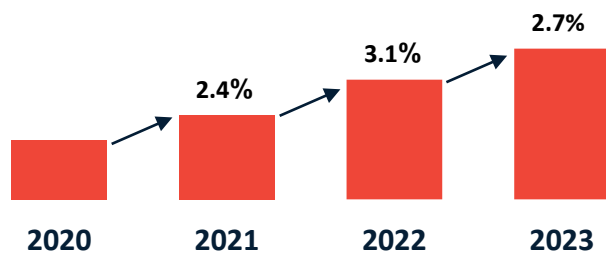
- ✓ Grid investments delivered great results for customers
- ✓ Economic development efforts continued to fuel growth
- ✓ Constructive regulatory outcomes serve customers and shareholders
- ✓ Fuel charge reduction helps keep customer rates among lowest in nation
- ✓ Programs and services help customers manage their energy usage and bills

“We are committed to growth for our communities, customers and shareholders”

2023 execution achieves high end of expectations

	2023	2022	Drivers
OG&E	\$2.12	\$2.19	Milder weather compared to last year ↓ Depreciation and interest expense on a growing asset base ↓ Increased operation and maintenance expense ↓ Strong weather normalized load growth ↑ Recovery of capital investments ↑ Higher net other income ↑
Other Operations/HoldCo	\$(0.05)	\$(0.03)	Higher interest expense ↓ Income tax benefit ↑
Natural Gas Midstream Operations	N/A	\$1.16	OGE Energy exited natural gas midstream operations in 2022
Consolidated	\$2.07	\$3.32	

Load Growth



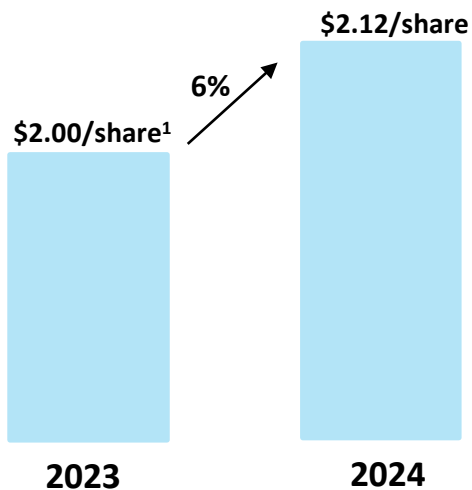
2023 Highlights

- Achieved consolidated EPS results at the high-end of guidance
- Three consecutive years of +2.4% or better weather normalized load growth
- Three-year average customer growth of 1.1%

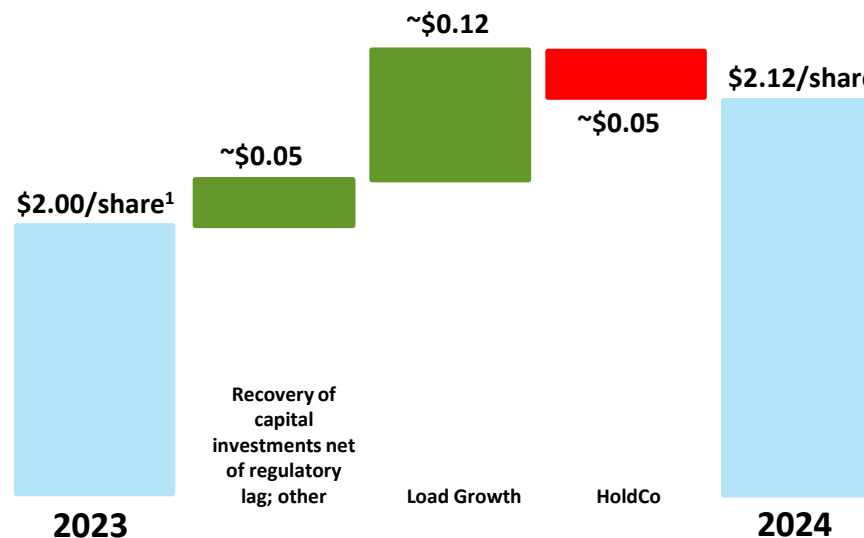
2024 plan reflects consistent consolidated EPS growth

2024 Consolidated Earnings Guidance

Consolidated midpoint of \$2.12 EPS
Range of \$2.06 to \$2.18 EPS



2023 to 2024 Original Guidance Drivers



2024 PLAN HIGHLIGHTS

- 2024 forecasted to deliver 6% consolidated earnings growth from 2023's original guidance midpoint
- Forecasting exceptional weather normalized load growth between 3% to 5%

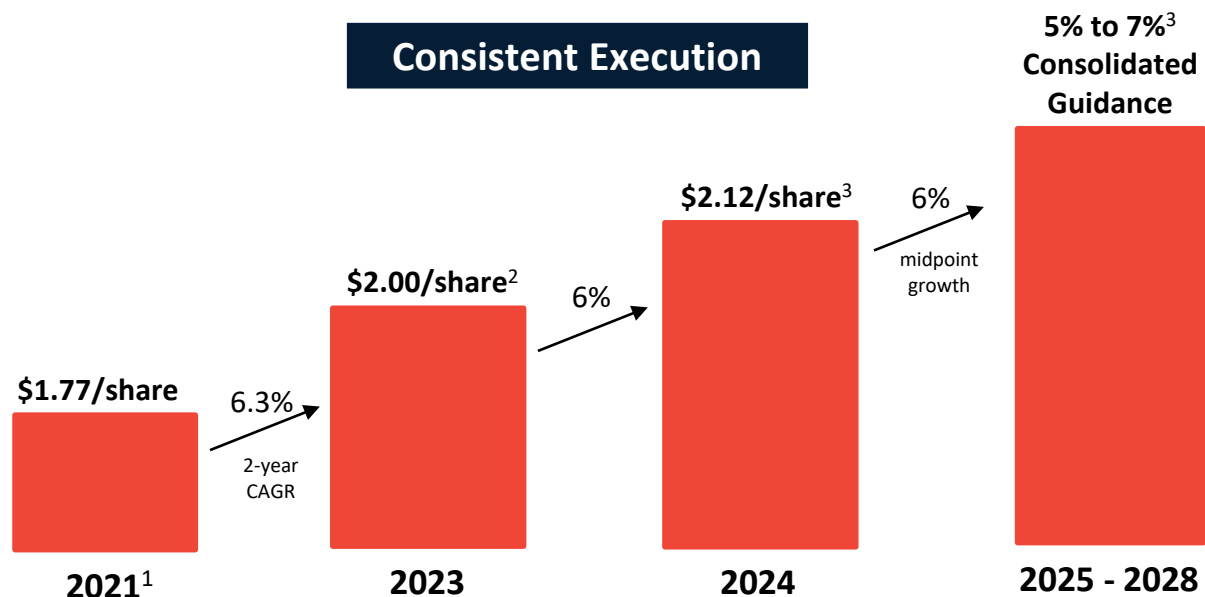
Forecasted Load Growth

	Full Year 2024
Residential	1%
Commercial	8% to 15%
Industrial	-1%
Oilfield	3%
Public Authority	3%
Total	3% to 5%

1. 2023 Original consolidated midpoint earnings guidance of \$2.00/share

5-year forecasted consolidated EPS guidance based on strong fundamentals

5-year Consolidated Earnings Growth Guidance



5-YEAR PLAN HIGHLIGHTS

- Long-term consolidated EPS guidance of 5% to 7%
- Updated 5-year investment plan of \$6 billion driven by economic expansion and reliability projects
- No equity, beyond DRIP
- FFO to debt⁴ remains a strong 17% in 5-year plan
- Load growth above historic 1% level

1. In February 2022 OGE introduced 5-7% utility long-term EPS growth rate guidance based off the original midpoint of utility earnings of \$1.81; OG&E's original 2021 midpoint of \$1.81/share plus actual HoldCo results of (\$0.04) = \$1.77/ share

2. Original 2023 consolidated midpoint

3. Base year equal to 2024's consolidated midpoint of \$2.12 per share

4. For the purpose of our forecast, we calculate FFO/debt consistent with rating agency methodology; FFO and FFO/debt is generally calculated by making adjustments to Cash Flow from Operations, such as excluding working capital and adjustments to debt for items such as leases and pensions



Q&A



Appendix

2023 fourth quarter EPS results

	Q4 2023	Q4 2022	Drivers
OG&E	\$0.24	\$0.23	Recovery of capital investments ↑ Lower other operation and maintenance expense ↑ Depreciation and interest expense on a growing asset base ↓
Other Operations/HoldCo	\$0.00	\$0.00	Higher interest expense ↓ Income tax benefit ↑
Natural Gas Midstream Operations	\$0.00	\$0.02	OGE Energy exited natural gas midstream operations in 2022 ¹
Consolidated	\$0.24	\$0.25	

	Q4 2023 weather normalized load growth compared to Q4 2022
Residential	3%
Commercial	5%
Industrial	0%
Oilfield	-2%
Public Authority	0%
Total	1.8%

	2023 weather normalized load growth compared to 2022
Residential	0%
Commercial	11%
Industrial	-2%
Oilfield	0%
Public Authority	0%
Total	2.7%

1. In 2022, OGE Energy exited the Energy Transfer investment and no longer has natural gas midstream operations.

2023 weather impact

Weather Variance			
Heating Degree Days¹	2023	2022	% Change
Actuals	3,092	3,652	(15.3%)
Normal	3,568	3,568	0%
Variance from Normal	(13.3%)	2.4%	
Cooling Degree Days¹	2023	2022	% Change
Actuals	2,215	2,385	(7.1%)
Normal	1,893	1,893	0%
Variance from Normal	17%	26%	

Estimated current year normalized earnings per share impact of weather				
	Q1	Q2	Q3	Q4
2023	(\$0.01)	(\$0.02)	\$0.07	(\$0.02)

1. 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. The calculation of heating and cooling degree normal days is based on a 30-year average and updated every ten years.

Building futures with a community centric investments plan

Capital Expenditures 2023 10K, \$ millions	2024	2025	2026	2027	2028	Total
Transmission economic expansion & reliability	\$ 145	\$ 180	\$ 195	\$ 225	\$ 240	\$ 985
Oklahoma distribution economic expansion & reliability	\$ 400	\$ 520	\$ 665	\$ 705	\$ 725	\$ 3,015
Arkansas distribution economic expansion & reliability	\$ 20	\$ 25	\$ 25	\$ 25	\$ 25	\$ 120
Generation reliability	\$ 140	\$ 150	\$ 155	\$ 160	\$ 165	\$ 770
Generation capacity	\$ 165	\$ 160	\$ 35	\$ -	\$ -	\$ 360
Technology, fleet & facilities	\$ 230	\$ 115	\$ 125	\$ 135	\$ 145	\$ 750
Total	\$ 1,100	\$ 1,150	\$ 1,200	\$ 1,250	\$ 1,300	\$ 6,000

2024 Financing Plan

- Debt issuance between \$300 million and \$350 million at OG&E
- Debt issuance of \$300 million at HoldCo to term out short-term debt
- No equity issuances in five-year plan, beyond annual DRIP between \$15 million and \$25 million

5-YEAR INVESTMENT PLAN HIGHLIGHTS

- ~82% of plan driven by economic expansion and reliability projects to address customers' expectations of a safe, reliable and resilient electric system
- Forecasted FFO to debt ~17% each year throughout 5-year plan

Annual depreciation expense forecast of \$540 million in 2024 going to \$690 million in 2028

In OG&E's Oklahoma rate case filed 12.29.23 (PUD 2023-000087), total company proforma rate base as of March 31, 2024 is ~\$8.7 billion (~83% Oklahoma, ~8% Arkansas, ~9% FERC)