



We Energize Life


Q4 2022 Earnings & Business Update Conference Call

February 23, 2023

A series of overlapping, wavy lines in shades of blue, yellow, and red, spanning the width of the slide and positioned above the date.

Safe Harbor

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, 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, including through securitization, 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 utility, natural gas 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; the impact of extraordinary external events, such as the pandemic health event resulting from COVID-19, and their collateral consequences; national and global events that could adversely affect and/or exacerbate macroeconomic conditions, including inflationary pressures, rising interest rates, supply chain disruptions, economic recessions and uncertainty surrounding continued hostilities or sustained military campaigns; costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission, including those listed in the Company's Form 10-K for the year ended December 31, 2022.

Results and plans that deliver on commitments



- Dedicated team that puts safety first and achieves results for stakeholders
- Delivered on-plan 2022 results
- 2023 plan built to deliver on commitments



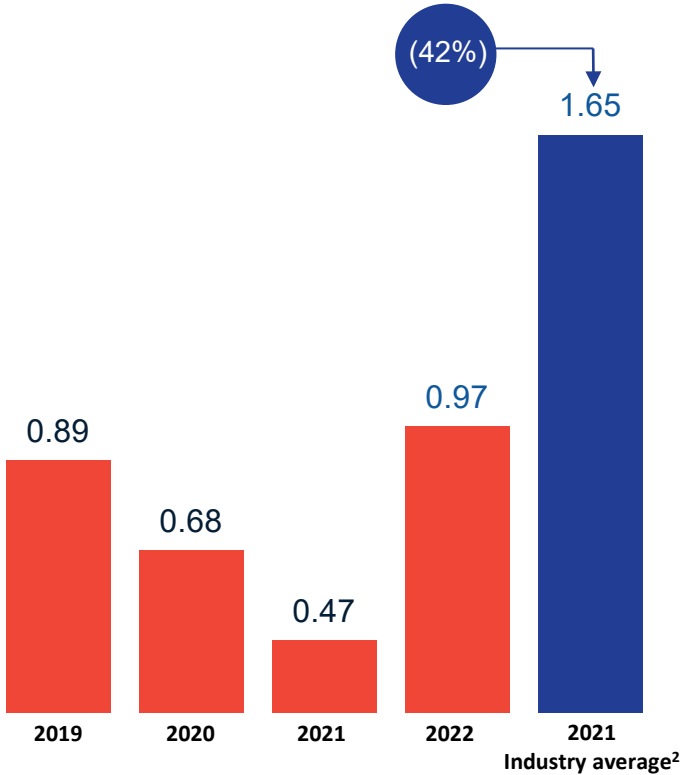
Summary of 2022 financial results



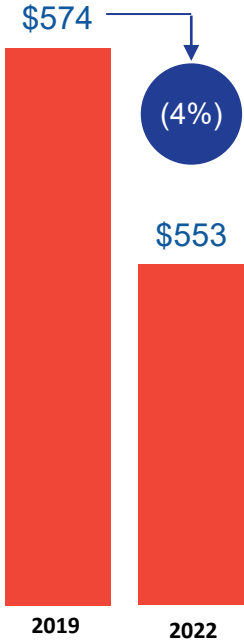
- Electric company earnings of \$2.19 per average diluted share
- Other operations, including holding company, loss of \$0.03 per average diluted share
- Natural gas midstream operations earnings of \$1.16 per average diluted share
- ✓ **Consolidated earnings of \$3.32 per average diluted share**

Achieving results

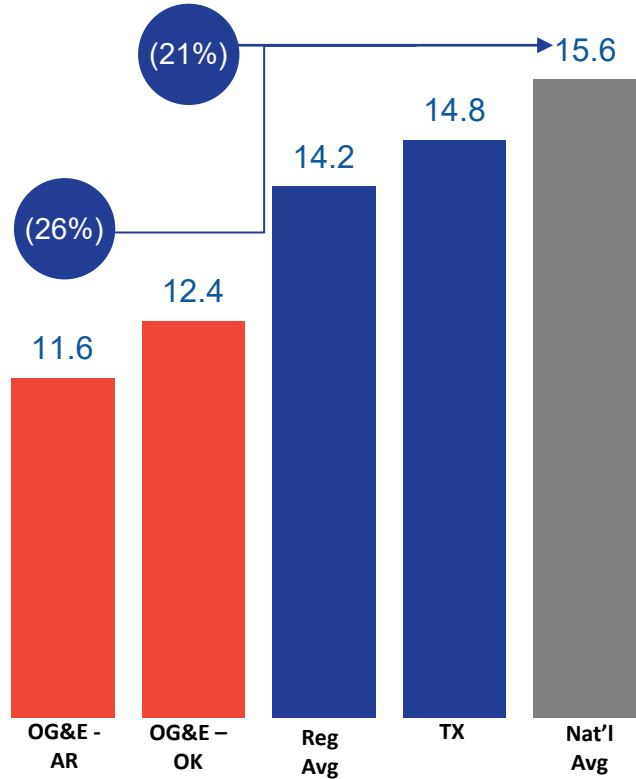
OSHA Incidents¹



OG&E O&M / Customer



Residential electric customer rate (cents per kWh)³



1. Number of recordable incidents per 100 employees
 2. Average of Bureau of Labor Statistics 2021 industry data for electric power generation, transmission, and distribution (NAICS code 2211)
 3. OG&E rates January 2023, all other rates per EIA November 2022 estimates, table 5.6.A

2022 accomplishments & 2023 focus

- ✓ Execution every day, including hot & cold extremes
- ✓ Reliability, resiliency investments deliver 99.96% uptime
- ✓ Economic and business development efforts grow communities
- ✓ Committed to affordability and connecting our customers to programs and services
- ✓ Advancing innovation and state partnerships on HALO and IIJA
- ✓ Committed to growth for our communities, customers, and shareholders

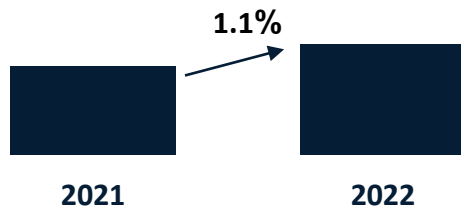


Full year 2022 EPS results

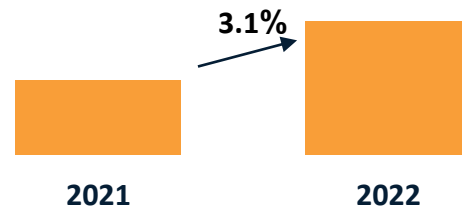
| | 2022 | 2021 | Drivers |
|---|----------|----------|--|
| OG&E | \$2.19 | \$1.80 | Increased revenue on recovery of capital investments ↑ Increased load ↑ Depreciation ↓ O&M ↓ |
| Natural Gas Midstream Operations | \$1.16 | \$1.92 | Gain on Enable merger transaction in 2021 ↓ Removal of equity earnings in Enable ↓ Gain on sale of Energy Transfer equity securities ↑ |
| Other Operations/Holdco | \$(0.03) | \$(0.04) | Higher other income ↑ Increase in interest expense ↓ |
| Consolidated | \$3.32 | \$3.68 | |

2022 customer growth and load results

Customer Growth



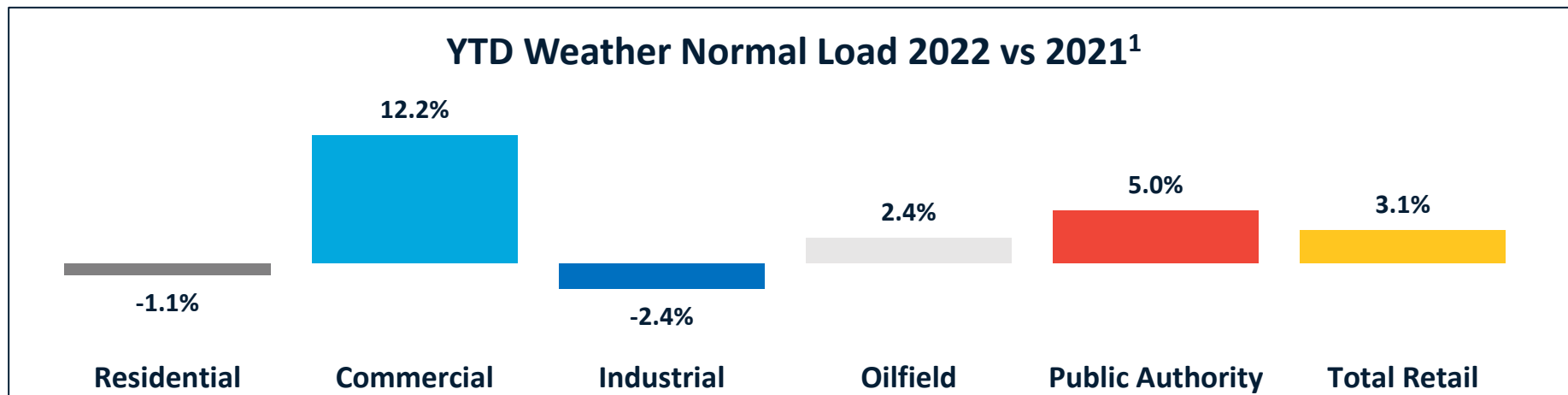
Load Growth



Highlights

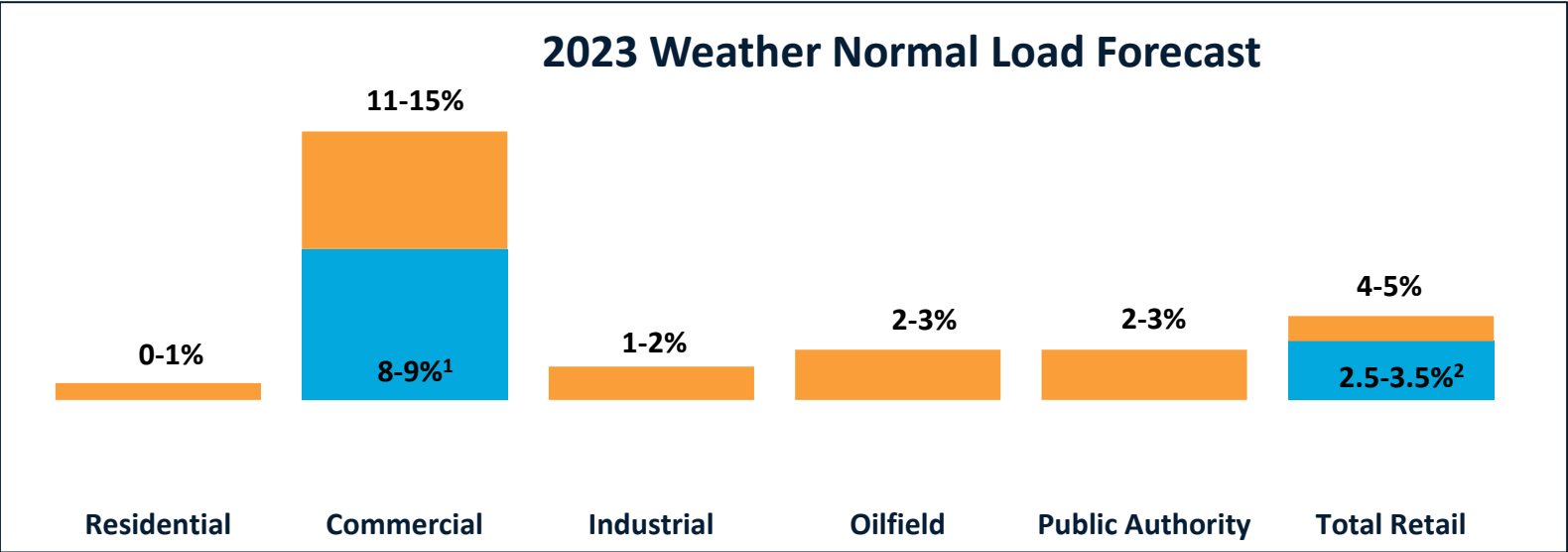
- Achieved continued annual customer growth of greater than 1%
- Exceptional 2022 load growth of 3.1% driven by Commercial, Oilfield, and Public Authority, which follows 2021's strong growth of 2.4%
- Total load variance for Residential of 8.8% inclusive of weather

YTD Weather Normal Load 2022 vs 2021¹



1. Excludes February impact of Winter Storm Uri for industrial and oilfield which were severely impacted by forced curtailments.

2023 load forecast continues to show territory strength



KEY TAKEAWAYS

- Forecasting total load growth of 4-5% inclusive of all datamining load
- Forecasting load growth of 2.5-3.5% assuming an equivalent level of datamining load in 2023 as existed at the end of 2022
- Strong contributions from each customer class

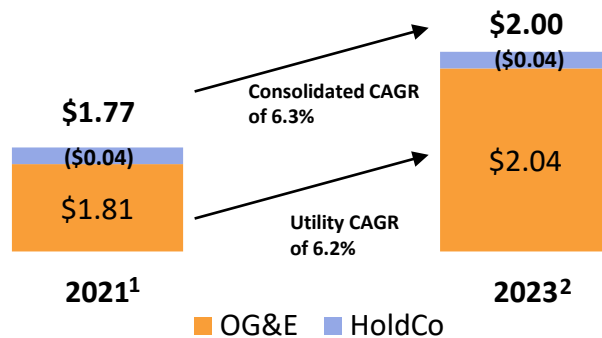
1. Expect Commercial load growth between 8-9% assuming datamining load contribution in 2023 is equivalent to the level at the end of 2022, or 11-15% total Commercial load growth including datamining load's full forecasted 2023 contribution.

2. Expect total Retail load growth between 2.5-3.5% assuming datamining load contribution in 2023 is equivalent to the level at the end of 2022, or 4-5% total Retail load growth including datamining load's full forecasted 2023 contribution.

2023 guidance consistent with commitments

Consolidated

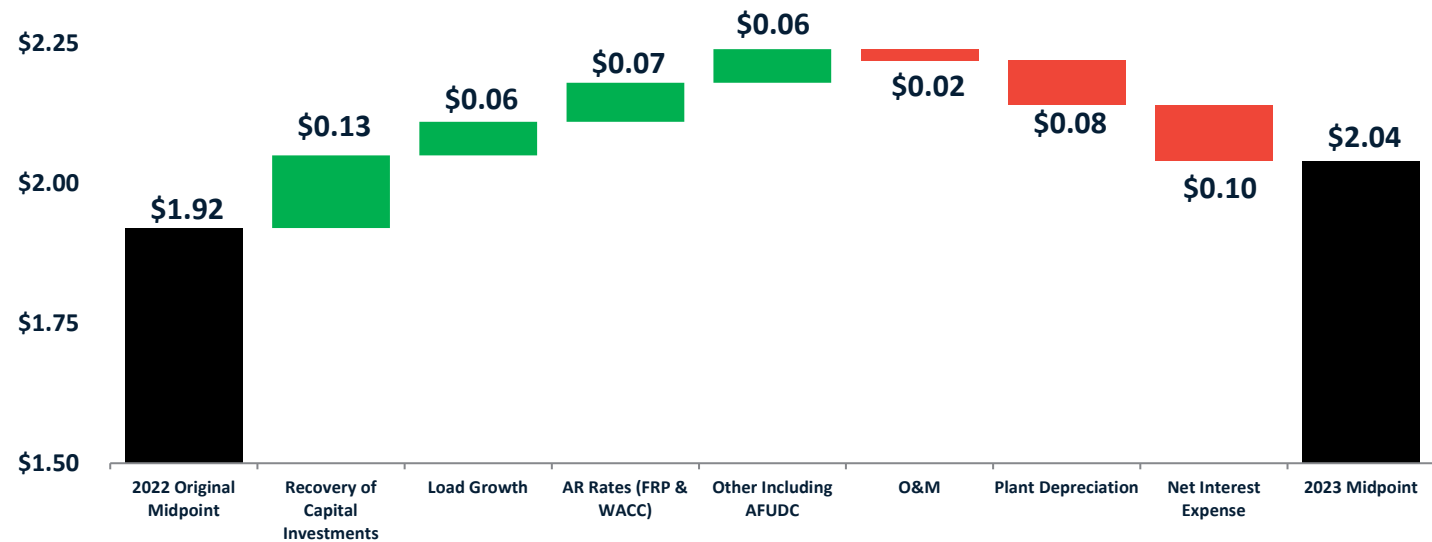
- Midpoint of \$2.00 EPS
- Range of \$1.93 to \$2.07 EPS
- HoldCo range of (\$0.02) to (\$0.06)



Electric Company

- Midpoint of \$2.04 earnings per share
- Range of \$1.99 to \$2.09 earnings per share
- Represents 6.2% electric utility EPS CAGR from base year of 2021¹

OG&E 2023 Financial Plan Drivers



1. Original midpoint of OG&E's 2021 guidance of \$1.81/sh and actual results of (\$0.04)/sh at the holding company.
 2. 2023 Midpoint of OG&E and holding company guidance.

2023 financing and balance sheet considerations

- No equity issuance needs in current, \$4.75 billion 5-year capital plan
- Forecasted FFO to debt of 17.5% to 18% during forecast period¹
- Expect to issue in Q2 up to \$400 million of long-term debt at OG&E to support capital investments
- Fuel clause under-recoveries of \$515 million as of December 31, 2022
 - Oklahoma \$474 million being recovered with 21 months left as of January 1, 2023
 - Arkansas \$41 million being recovered with 15 months left as of January 1, 2023
- Low levels of floating rate debt and no fixed-rate debt maturities through 2026, excluding Uri-related debt that matures in May 2023

➤ **Compelling total shareholder return proposition** that combines utility company earnings per share CAGR of 5-7%² and an expected stable and growing dividend³

1. Forecast period 2023 to 2027, current 5-year \$4.75 billion capital plan. For the purpose of our forecast, we calculate FFO/debt consistent with rating agency methodology. 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.
2. From the midpoint of 2021 electric utility guidance of \$1.81 per share.
3. Subject to approval by the Board of Directors; dividend yield of approximately 4.4% as of Feb 22, 2023. In the next five years, OGE Energy expects to growth the dividend, targeting a dividend payout ratio of 65-70% payout ratio. Over the next several years, OGE Energy expects earnings per share growth to exceed the dividend growth rate to help achieve this target.



Q&A



Appendix

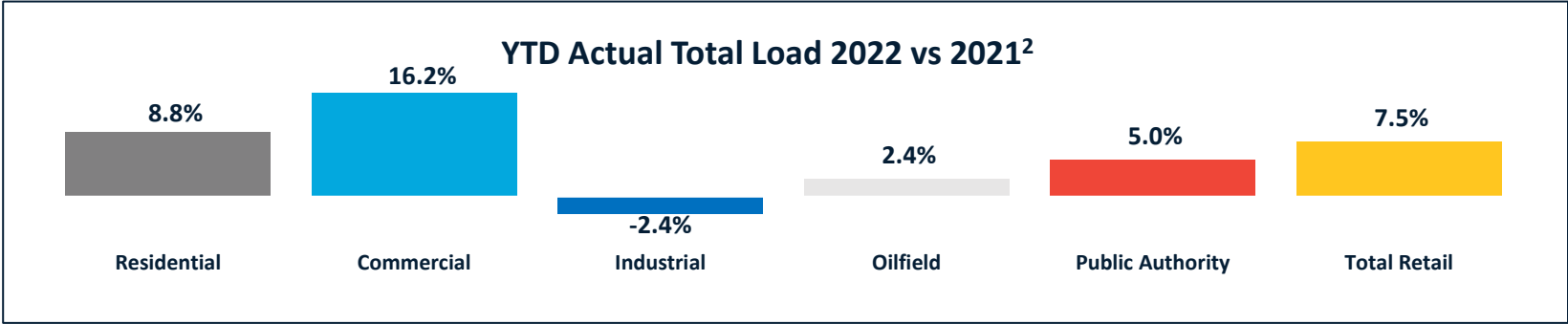
2022 fourth quarter EPS results

| | Q4 2022 | Q4 2021 | Drivers |
|---|---------|----------|--|
| OG&E | \$0.23 | \$0.20 | Increased revenues from recovery of capital investments ↑ Depreciation from growing asset base and increase in depreciation rates ¹ ↓ O&M ↓ |
| Natural Gas Midstream Operations | \$0.02 | \$1.42 | Net gain on Enable merger transaction in 2021 ↓ |
| Other Operations/Holdco | \$0.00 | \$(0.03) | Interest income ↑ |
| Consolidated | \$0.25 | \$1.59 | |

1. Increased rates associated with the order received the Oklahoma general rate review in September 2022.

2022 weather impact

| Weather Variance | | | |
|--|-------------|-------------|-----------------|
| Heating Degree Days¹ | 2022 | 2021 | % Change |
| Actuals | 3,652 | 3,281 | 11% |
| Normal | 3,568 | 3,452 | 3% |
| Variance from Normal | 2.4% | (5%) | |
| Cooling Degree Days¹ | 2022 | 2021 | % Change |
| Actuals | 2,385 | 1,896 | 26% |
| Normal | 1,893 | 1,912 | (1%) |
| Variance from Normal | 26% | (1%) | |



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.

2. Excludes February impact of Winter Storm Uri for industrial and oilfield which were severely impacted by forced curtailments.

Investing in our communities

- **5-year current capital forecast of approximately \$4.75 billion**

- Strong customer growth and T&D resiliency projects drive grid infrastructure investment
- Over 70% of the current 5-year capital plan is customer focused T&D investments
- Excludes potential investments associated with the 2021 Integrated Resource Plan

Intend to file for approval of generation capacity investments and expect to update the capital plan based on a final order

Strong load growth and robust investment needs of our communities underly confidence in 5-7% targeted utility EPS growth rate through 2027¹

| <i>Dollars in millions</i> | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|--|--------------|--------------|--------------|--------------|--------------|----------------|
| Transmission | \$125 | \$145 | \$160 | \$160 | \$160 | \$750 |
| Oklahoma Distribution & Grid Advancement | 490 | 490 | 550 | 550 | 550 | 2,630 |
| Arkansas Distribution | 20 | 20 | 20 | 20 | 20 | 100 |
| Generation | 115 | 115 | 120 | 120 | 120 | 590 |
| Other | 200 | 180 | 100 | 100 | 100 | 680 |
| Total | \$950 | \$950 | \$950 | \$950 | \$950 | \$4,750 |

1. From the midpoint of 2021 electric utility guidance of \$1.81 per share