

# OG+E<sup>®</sup>

We Energize Life

## Q3 2024 Earnings & Business Update Conference Call

November 5, 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 subsidiaries 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 the Company's 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; the ability of the Company to meet future capacity requirements mandated by the SPP, which could be impacted by future load growth, environmental regulations recently finalized by the EPA, and the availability of resources; 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 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, interest rate fluctuations, 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, those described in the Company's Form 10-Q for the quarter ended September 30, 2024; and 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.



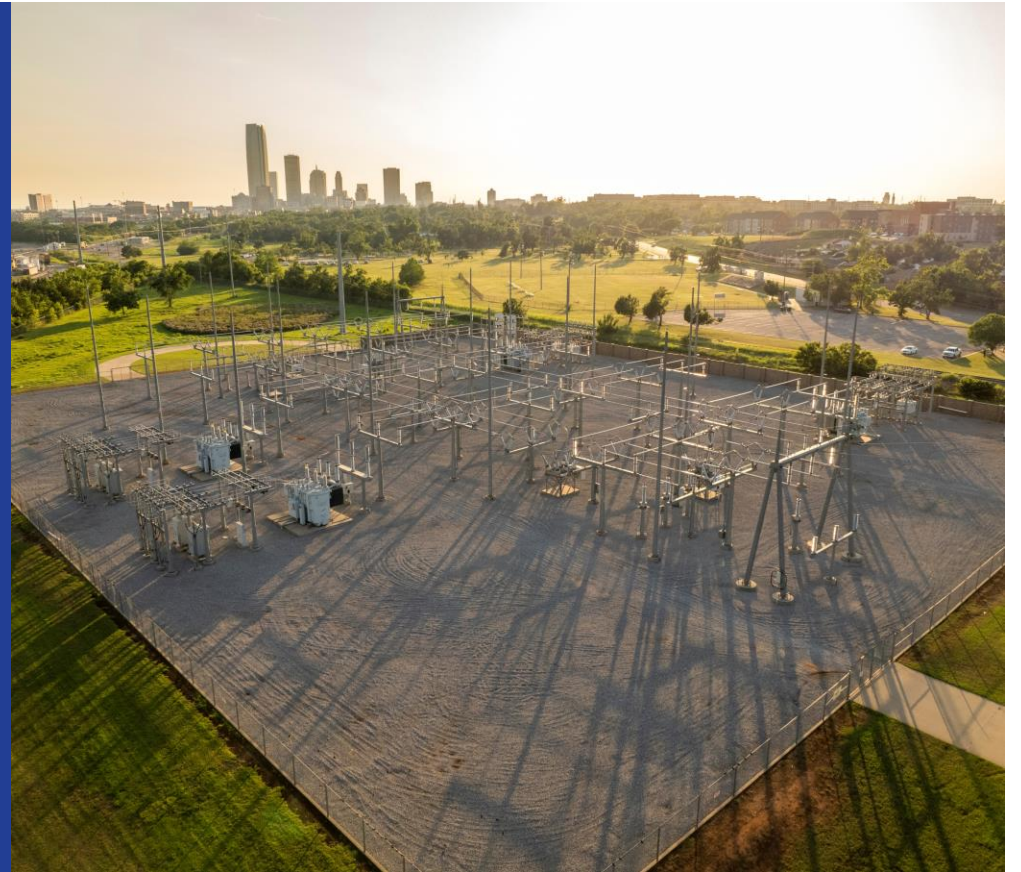
Photo: Bryan Terry, The Oklahoman



# Q3 2024 financial results summary

- ✓ **Consolidated earnings \$1.09 per average diluted share**
  - Electric company earnings \$1.12 per average diluted share
  - Other operations, including holding company, loss of \$0.03 per average diluted share
- ✓ **Expect 2024 EPS at the top of original guidance of \$2.06 to \$2.18 per average diluted share**

*“Strong weather normalized energy demand across all sectors and continued customer growth combined with outstanding operational excellence delivered solid third quarter results”*



# Excellent Q3 performance



## ✓ Regulatory

- Expect Oklahoma rate review final order this year
- Expect Energy Efficiency final order in Oklahoma
- Expect to file for generation capacity RFP approval in 1<sup>st</sup> half of 2025

## ✓ Broad-based business expansion driven by low rates

- In discussions with datacenter projects
- Growth from defense, manufacturing sectors
- Continued electrification across sectors

## ✓ Managing costs and focusing on affordability

- Among the lowest O&M per MWh in industry

# Energizing Life



**OGE**  
MUSKOGEE POWER PLANT  
**100<sup>th</sup>**  
ANNIVERSARY  
CELEBRATION



**OGE**  
HORSESHOE LAKE POWER PLANT  
**100<sup>th</sup>**  
ANNIVERSARY  
CELEBRATION



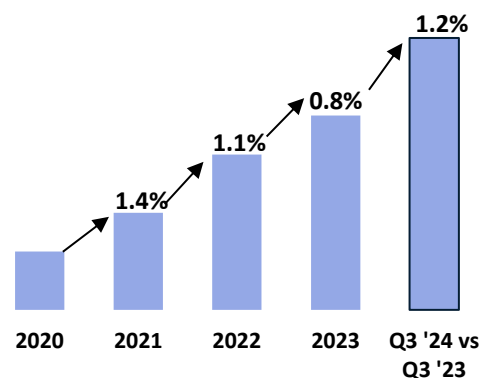
We Energize Life

# Q3 2024 financial results drivers

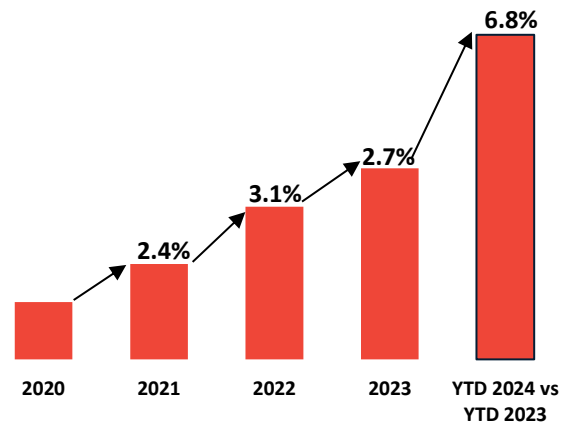
	Q3 2024	Q3 2023	Drivers
OG&E	\$1.12	\$1.22	Depreciation and interest expense on a growing asset base ↓ Operation and maintenance expense ↓ Income tax expense ↓ Robust load growth, offsetting milder weather YOY ↑ Other income ↑
Other Operations/HoldCo	(\$0.03)	(\$0.02)	Interest expense ↓ Income tax benefit ↑
Consolidated	\$1.09	\$1.20	

# Robust customer and load growth sustained

## Customer Growth



## Load Growth



## Q3 Highlights

- 1.2% customer growth
- 8.4% load growth, driven by contributions from all customer classes
- Expect 2024 load at the top of our 4% to 6% load growth guidance

Load Growth	Q3 2024, weather normalized, compared to Q3 2023	YTD 2024, weather normalized, compared to YTD 2023
Residential	1.8%	2.6%
Commercial	24.7%	17.9%
Industrial	3.7%	2.9%
Oilfield	1.7%	1.0%
Public Authority	0.2%	2.3%
<b>Total</b>	<b>8.4%</b>	<b>6.8%</b>

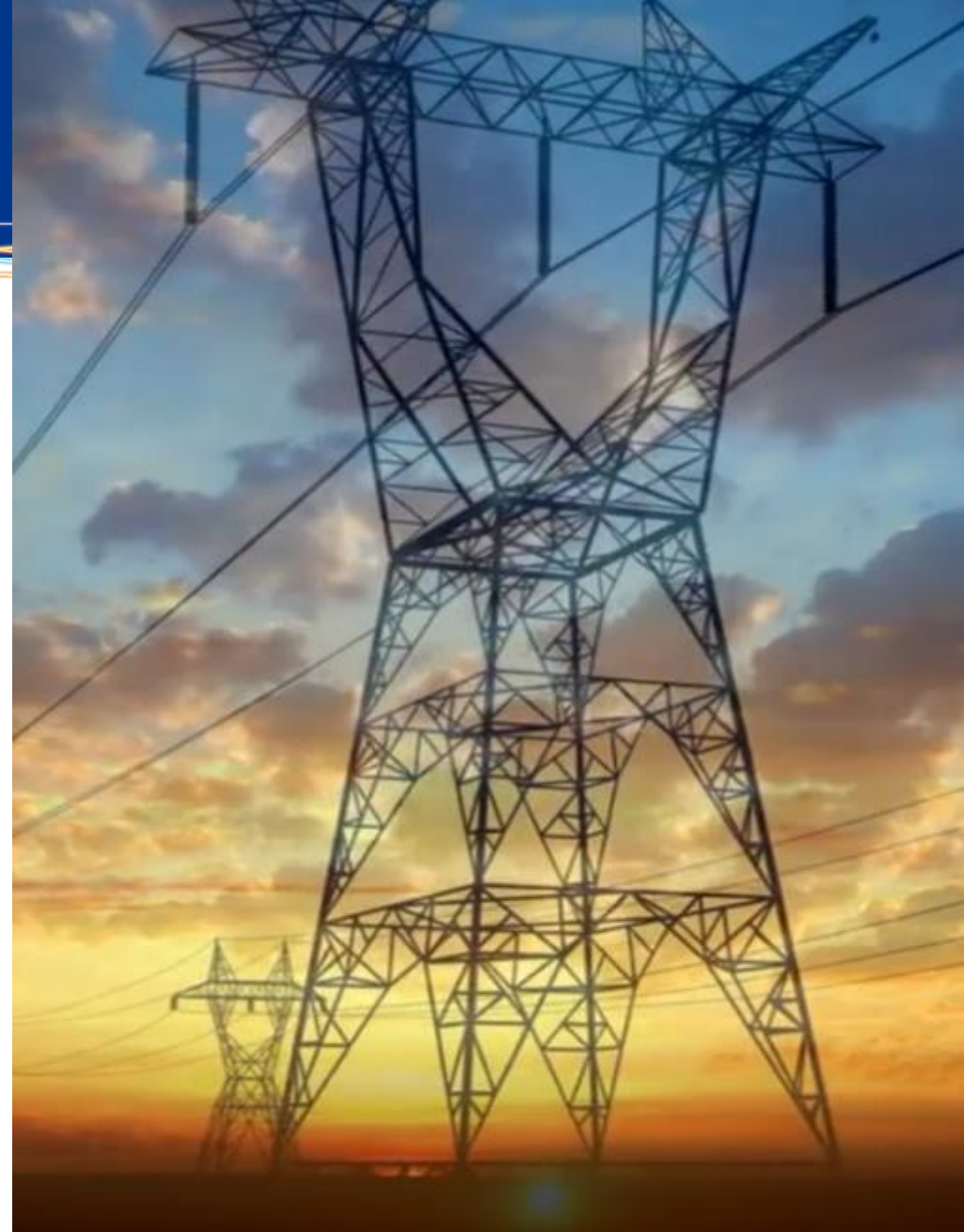


# Pointing to top of 2024 guidance

- Expect to be at the top of 2024's consolidated earnings per share guidance range of \$2.06 to \$2.18 per average diluted share
  - Excellent load growth
  - Warmer than normal summer
  - Assumes approval of the uncontested Oklahoma rate review settlement in 2024

**Targeting annual consolidated  
5% to 7% EPS growth rate through 2028<sup>1</sup>**

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



# 2024 financing plan completed

- Planned debt issuances at HoldCo and OG&E for 2024 are completed
- Strong balance sheet and credit ratings
- No external equity issuance needs and a forecasted FFO to debt of ~17% each year through 2028<sup>1</sup>
- No fixed-rate maturities until 2027

1. Forecast period 2024 to 2028, current 5-year \$6.0 billion capital plan. 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

# Third quarter 2024 weather impact

Weather Variance			
Cooling Degree Days <sup>1</sup>	Q3 2024	Q3 2023	% Change
Actuals	1,387	1,510	(8%)
Normal	1,268	1,268	0%
Variance from Normal	9%	19%	

Estimated current year normalized earnings per share impact of weather			
	Q1	Q2	Q3
2024	(\$0.03)	\$0.05	\$0.04

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 investment plan

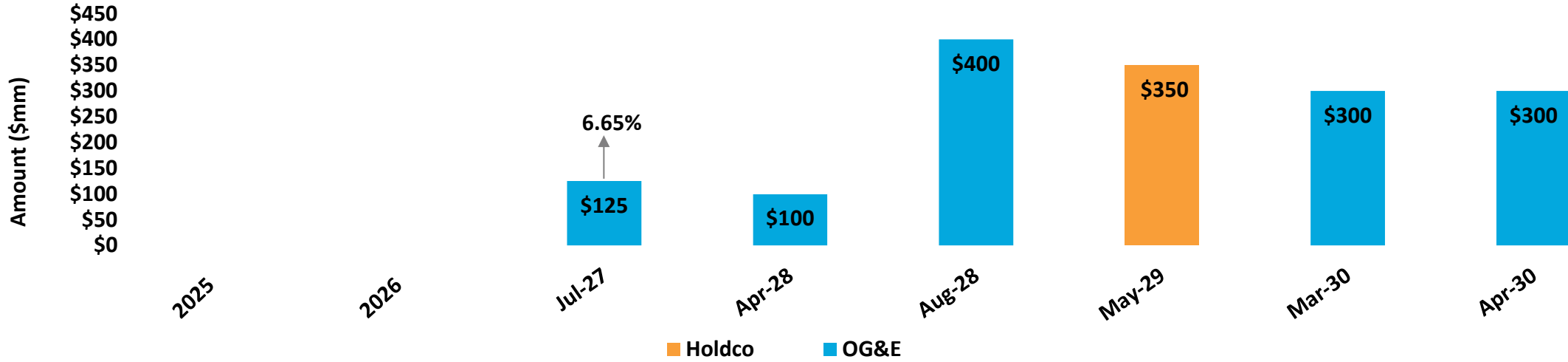
Capital Expenditures 2023 10K, \$ millions	2024	2025	2026	2027	2028	Total
Transmission economic expansion & reliability	\$ 145	\$ 180	\$ 195	\$ 225	\$ 240	\$ 985
Oklahoma distribution economic expansion & reliability	\$ 400	\$ 520	\$ 665	\$ 705	\$ 725	\$ 3,015
Arkansas distribution economic expansion & 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
<b>Total</b>	<b>\$ 1,100</b>	<b>\$ 1,150</b>	<b>\$ 1,200</b>	<b>\$ 1,250</b>	<b>\$ 1,300</b>	<b>\$ 6,000</b>

## HIGHLIGHTS

- ~82% of plan driven by economic expansion and reliability projects to address customers' expectations of a safe, reliable and resilient electric system
- Potential investments associated with capital investment plan will be periodically re-evaluated based on system needs, including the 2024 IRP and related proposals that are currently being reviewed, and SPP transmission capacity investments, while keeping affordability and reliability at the forefront

# OGE/OG&E fixed rate debt maturity ladder through end of the decade; strong credit ratings

No fixed rate maturities until 2027



The Company's \$1.1B (OGE \$550mm/ OG&E \$550mm) credit facility has been extended through 2028

Moody's	Rating	Outlook
OGE Energy Senior Notes	Baa1	Stable
OGE Energy Commercial Paper	P2	Stable
S&P		
OGE Energy Senior Notes	BBB	Stable
OGE Energy Commercial Paper	A2	Stable
Fitch		
OGE Energy Senior Notes	BBB+	Stable
OGE Energy Commercial Paper	F2	Stable