

ONEOK Announces Higher Fourth Quarter and Full-year 2024 Earnings

Feb. 24, 2025

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ONEOK, Inc. and Subsidiaries CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)	Three Months Ended		Years Ended	
	Dec. 31,		Dec. 31,	
	2024	2023	2024	2023
	<i>(Millions of dollars, except per share amounts)</i>			
Revenues				
Commodity sales	\$ 5,775	\$ 4,327	\$ 17,780	\$ 15,614
Services and other	1,225	908	3,918	2,063
Total revenues	7,000	5,235	21,698	17,677
Cost of sales and fuel (exclusive of items shown separately below)	4,496	3,301	13,311	11,929
Operations and maintenance	681	486	2,162	1,319
Depreciation and amortization	344	260	1,134	769
General taxes	95	68	334	216
Transaction costs	56	25	73	158
Other operating income, net	(240)	(4)	(305)	(786)
Operating income	1,568	1,099	4,989	4,072
Equity in net earnings from investments	183	70	439	202
Other income, net	25	46	53	89
Interest expense (net of capitalized interest of \$15, \$11, \$62 and \$43, respectively)	(448)	(305)	(1,371)	(866)
Income before income taxes	1,328	910	4,110	3,497
Income taxes	(328)	(222)	(998)	(838)
Net income	1,000	688	3,112	2,659
Less: Net income attributable to noncontrolling interests	(77)	—	(77)	—
Net income attributable to ONEOK	923	688	3,035	2,659
Less: Preferred stock dividends	—	—	1	1
Net income available to common shareholders	\$ 923	\$ 688	\$ 3,034	\$ 2,658
Basic earnings per common share	\$ 1.58	\$ 1.18	\$ 5.19	\$ 5.49
Diluted earnings per common share	\$ 1.57	\$ 1.18	\$ 5.17	\$ 5.48
Average shares (<i>millions</i>)				
Basic	584.7	583.4	584.6	484.3
Diluted	586.8	585.5	586.5	485.4

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ONEOK, Inc. and Subsidiaries CONSOLIDATED BALANCE SHEETS

<i>(Unaudited)</i>	Dec. 31,	
	2024	2023
Assets	<i>(Millions of dollars)</i>	
Current assets		
Cash and cash equivalents	\$ 733	\$ 338
Accounts receivable, net	2,326	1,705
Inventories	748	639
Other current assets	431	426
Total current assets	4,238	3,108
Property, plant and equipment		
Property, plant and equipment	52,274	38,454
Accumulated depreciation and amortization	6,339	5,757
Net property, plant and equipment	45,935	32,697
Other assets		
Investments in unconsolidated affiliates	2,316	1,874
Goodwill	8,091	4,952
Intangible assets, net	3,039	1,316
Other assets	450	319
Total other assets	13,896	8,461
Total assets	\$ 64,069	\$ 44,266

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ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Continued)

<i>(Unaudited)</i>	Dec. 31,	
	2024	2023
Liabilities and equity	<i>(Millions of dollars)</i>	
Current liabilities		
Current maturities of long-term debt	\$ 1,059	\$ 484
Accounts payable	2,187	1,564
Commodity imbalances	260	244
Accrued taxes	221	215
Accrued interest	511	381
Other current liabilities	481	564
Total current liabilities	4,719	3,452
Long-term debt, excluding current maturities	31,018	21,183
Deferred credits and other liabilities		
Deferred income taxes	5,451	2,594
Other deferred credits	748	553
Total deferred credits and other liabilities	6,199	3,147
Commitments and contingencies		
Equity		
Preferred stock, \$0.01 par value: authorized and issued 20,000 shares at Dec. 31, 2024, and at Dec. 31, 2023	—	—
Common stock, \$0.01 par value: authorized 1,200,000,000 shares; issued 609,713,834 shares and outstanding 583,110,633 shares at Dec. 31, 2024; issued 609,713,834 shares and outstanding 583,093,100 shares at Dec. 31, 2023	6	6
Paid-in capital	16,354	16,320
Accumulated other comprehensive loss	(96)	(33)
Retained earnings	1,579	868
Treasury stock, at cost: 26,603,201 shares at Dec. 31, 2024, and 26,620,734 shares at Dec. 31, 2023	(807)	(677)
Total ONEOK shareholders' equity	17,036	16,484
Noncontrolling interests in consolidated subsidiaries	5,097	—
Total equity	22,133	16,484
Total liabilities and equity	\$ 64,069	\$ 44,266

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ONEOK, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(Unaudited)</i>	Years Ended Dec. 31,	
	2024	2023
	<i>(Millions of dollars)</i>	
Operating activities		
Net income	\$ 3,112	\$ 2,659
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,134	769
Equity in net earnings from investments	(439)	(202)
Distributions received from unconsolidated affiliates	390	202
Deferred income taxes	889	829
Gain on sale of business	(227)	—
Medford settlement gain	—	(779)
Medford settlement proceeds	—	502
Other, net	72	83
Changes in assets and liabilities:		
Accounts receivable	49	107
Inventories, net of commodity imbalances	17	118
Accounts payable	114	(62)
Risk-management assets and liabilities	(58)	96
Other assets and liabilities, net	(165)	99
Cash provided by operating activities	4,888	4,421
Investing activities		
Capital expenditures (less allowance for equity funds used during construction)	(2,021)	(1,595)
Cash paid for acquisitions, net of cash acquired	(5,829)	(5,015)
Proceeds from the sale of business	1,200	—
Purchases of and contributions to unconsolidated affiliates	(111)	(207)
Distributions received from unconsolidated affiliates in excess of cumulative earnings	52	50
Medford settlement proceeds	—	328
Other, net	97	35
Cash used in investing activities	(6,612)	(6,404)
Financing activities		
Dividends paid	(2,313)	(1,839)
Issuance of long-term debt, net of discounts	7,094	5,298
Repayment of long-term debt	(2,003)	(1,300)
Debt financing costs	(67)	(71)
Repurchase of common stock	(159)	—
Repurchase of EnLink's Series C Preferred Units	(365)	—
Other, net	(68)	13
Cash provided by financing activities	2,119	2,101
Change in cash and cash equivalents	395	118
Cash and cash equivalents at beginning of period	338	220
Cash and cash equivalents at end of period	\$ 733	\$ 338
Supplemental cash flow information:		
Cash paid for interest, net of amounts capitalized	\$ 1,297	\$ 653
Cash paid for income taxes, net of refunds	\$ 102	\$ 37

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ONEOK, Inc. and Subsidiaries INFORMATION AT A GLANCE

<i>(Unaudited)</i>	Three Months Ended		Years Ended	
	2024	2023	2024	2023
	<i>(Millions of dollars, except as noted)</i>			
<u>Natural Gas Liquids</u>				
Operating costs, excluding noncash compensation adjustments	\$ 209	\$ 176	\$ 728	\$ 637
Depreciation and amortization	\$ 101	\$ 86	\$ 361	\$ 334
Adjusted EBITDA from unconsolidated affiliates	\$ 25	\$ 20	\$ 95	\$ 67
Adjusted EBITDA	\$ 696	\$ 613	\$ 2,543	\$ 3,045
Raw feed throughput <i>(MBbl/d)</i> (a)	1,306	1,367	1,309	1,359
Average Conway-to-Mont Belvieu Oil Price Information Service price differential - ethane in ethane/propane mix <i>(\$/gallon)</i>	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.04
Capital expenditures	\$ 202	\$ 323	\$ 987	\$ 818
(a) Represents physical raw feed volumes for which ONEOK provides transportation and/or fractionation services and excludes EnLink.				
<u>Refined Products and Crude (a)</u>				
Operating costs, excluding noncash compensation adjustments	\$ 231	\$ 179	\$ 857	\$ 192
Depreciation and amortization	\$ 100	\$ 86	\$ 354	\$ 92
Adjusted EBITDA from unconsolidated affiliates	\$ 130	\$ 32	\$ 247	\$ 36
Adjusted EBITDA	\$ 603	\$ 424	\$ 1,892	\$ 465
Refined products volume shipped <i>(MBbl/d)</i> (b)	1,521	1,547	1,512	—
Crude oil volume shipped <i>(MBbl/d)</i> (b)	839	808	783	—
Capital expenditures	\$ 96	\$ 51	\$ 216	\$ 52
(a) Year ended Dec. 31, 2023, includes results subsequent to the Magellan acquisition beginning Sept. 25, 2023.				
(b) Includes volumes for consolidated entities only and excludes Medallion and EnLink.				
<u>Natural Gas Gathering and Processing</u>				
Operating costs, excluding noncash compensation adjustments	\$ 234	\$ 122	\$ 583	\$ 448
Depreciation and amortization	\$ 110	\$ 70	\$ 325	\$ 272
Adjusted EBITDA from unconsolidated affiliates	\$ —	\$ (1)	\$ 3	\$ 1
Adjusted EBITDA	\$ 489	\$ 323	\$ 1,484	\$ 1,244
Natural gas processed <i>(BBtu/d)</i> (a) (b)	3,118	3,172	3,088	2,995
Average fee rate <i>(\$/MMBtu)</i> (a)	\$ 1.15	\$ 1.18	\$ 1.20	\$ 1.17
Capital expenditures	\$ 173	\$ 140	\$ 492	\$ 448
(a) Includes volumes for consolidated entities only and excludes EnLink.				
(b) Includes volumes ONEOK processed at company-owned and third-party facilities.				
<u>Natural Gas Pipelines</u>				
Operating costs, excluding noncash compensation adjustments	\$ 74	\$ 54	\$ 225	\$ 194
Depreciation and amortization	\$ 31	\$ 17	\$ 88	\$ 67
Adjusted EBITDA from unconsolidated affiliates	\$ 54	\$ 39	\$ 187	\$ 160
Adjusted EBITDA	\$ 417	\$ 132	\$ 900	\$ 559
Natural gas transportation capacity contracted <i>(MDth/d)</i> (a)	8,395	7,920	8,176	7,743
Transportation capacity contracted (a)	98 %	98 %	97 %	96 %
Capital expenditures	\$ 71	\$ 73	\$ 258	\$ 228
(a) Includes volumes for consolidated entities only and excludes EnLink.				

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ONEOK, Inc.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited)	Three Months Ended		Years Ended	
	Dec. 31,		Dec. 31,	
	2024	2023	2024	2023
	<i>(Millions of dollars)</i>			
Reconciliation of net income to adjusted EBITDA				
Net income	\$ 1,000	\$ 688	\$ 3,112	\$ 2,659
Interest expense, net of capitalized interest	448	305	1,371	866
Depreciation and amortization	344	260	1,134	769
Income taxes	328	222	998	838
Adjusted EBITDA from unconsolidated affiliates	209	91	532	264
Equity in net earnings from investments	(183)	(70)	(439)	(202)
Noncash compensation expense and other	28	18	76	49
Adjusted EBITDA (a) (b) (c)	\$ 2,174	\$ 1,514	\$ 6,784	\$ 5,243
Reconciliation of segment adjusted EBITDA to adjusted EBITDA				
Segment adjusted EBITDA:				
Natural Gas Gathering and Processing	\$ 489	\$ 323	\$ 1,484	\$ 1,244
Natural Gas Liquids (a)	696	613	2,543	3,045
Natural Gas Pipelines (c)	417	132	900	559
Refined Products and Crude (d)	603	424	1,892	465
Other (b)	(31)	22	(35)	(70)
Adjusted EBITDA (a) (b) (c)	\$ 2,174	\$ 1,514	\$ 6,784	\$ 5,243

(a) The year ended Dec. 31, 2023, includes \$633 million related to the Medford incident, including a settlement gain of \$779 million, offset partially by \$146 million of third-party fractionation costs.

(b) The three months and year ended Dec. 31, 2024, includes transaction costs related primarily to the EnLink and Medallion acquisitions of \$56 million and \$73 million, respectively, offset partially by interest income of \$25 million and \$39 million, respectively. The three months and year ended Dec. 31, 2023, includes transaction costs related to the Magellan acquisition of \$25 million and \$158 million, respectively, offset partially by interest income of \$7 million and \$49 million, respectively, and net gains of \$37 million and \$41 million, respectively, on extinguishment of debt related to open market repurchases.

(c) The three months and year ended Dec. 31, 2024, include a gain of \$227 million from the interstate natural gas pipeline divestiture.

(d) The year ended Dec. 31, 2023, includes segment adjusted EBITDA for the period Sept. 25, 2023, through Dec. 31, 2023.