

Management

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www.oneok.com

EPG Commentary by Dan Steffens

ONEOK, Inc. (NYSE: OKE) is one of the rock-solid midstream companies in our **High Yield Income Portfolio**. The Company is the #1 provider of NGL takeaway capacity in the Rockies and Mid-Continent regions. It has significantly increased its business in the Permian Basin.

> **The share price is up ~50% YTD.**

> Per my forecast, 2024 revenues should be \$21.9 billion, compared to \$17.7 billion in 2023. 2025 revenues should be close to \$28 billion.

> I expect ONEOK to increase dividends in 2025.

On August 28, 2024 ONEOK announced that it had agreed to acquire Global Infrastructure Partners ("GIP") entire interest in **EnLink Midstream, LLC (NYSE: ENLC) ("EnLink")**, consisting of 43% of EnLink's outstanding common units for \$14.90 per unit and 100% of the interests in the managing member for \$300 million, for total cash consideration of approximately \$3.3 billion. **ONEOK will acquire 100% of the EnLink units in Q1 2025.**

ONEOK and GIP also entered into a separate definitive agreement under which ONEOK will acquire from GIP all of the equity interests in **Medallion Midstream, LLC ("Medallion")**, the largest privately held crude gathering and transportation system in the Permian's Midland Basin, for \$2.6 billion in cash representing approximately 6.3 times estimated 2025 EBITDA, including expected base case run-rate synergies. **See page 5 for details.**

On December 2, 2024 ONEOK, Inc. (NYSE: OKE) announced the completion of MB-6, a 125,000-barrel per day (bpd) natural gas liquids (NGL) fractionator in Mont Belvieu, Texas, and the full looping of the West Texas NGL Pipeline system.

The completion of MB-6 increases the company's fractionation capacity to more than 1 million bpd, reducing the need for third-party fractionation and enhancing ONEOK's ability to serve growing NGL market demand.

Completion of the full looping of the West Texas NGL Pipeline system expands the capacity to 515,000 bpd. Additional pump stations, which are expected to be completed in mid-2025, will further increase system capacity to 740,000 bpd.

"The completion of these important NGL projects demonstrates our dedication to meeting the needs of our customers by providing reliable midstream solutions. These strategic expansions provide critical NGL transportation and fractionation capacity, supporting NGL growth across our integrated operations." - Pierce H. Norton II, ONEOK president and chief executive officer.






Size matters in this business. ONEOK offers investors a safe and growing dividend yield.

My Fair Value Estimate for OKE is \$122.00/share

Disclosure: I do not have a position in OKE. I do not intend on buying or selling any units in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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TipRanks December 10, 2024: "In the last 3 months, 13 ranked analysts set 12-month price targets for OKE. The average price target among the analysts is \$112.33."

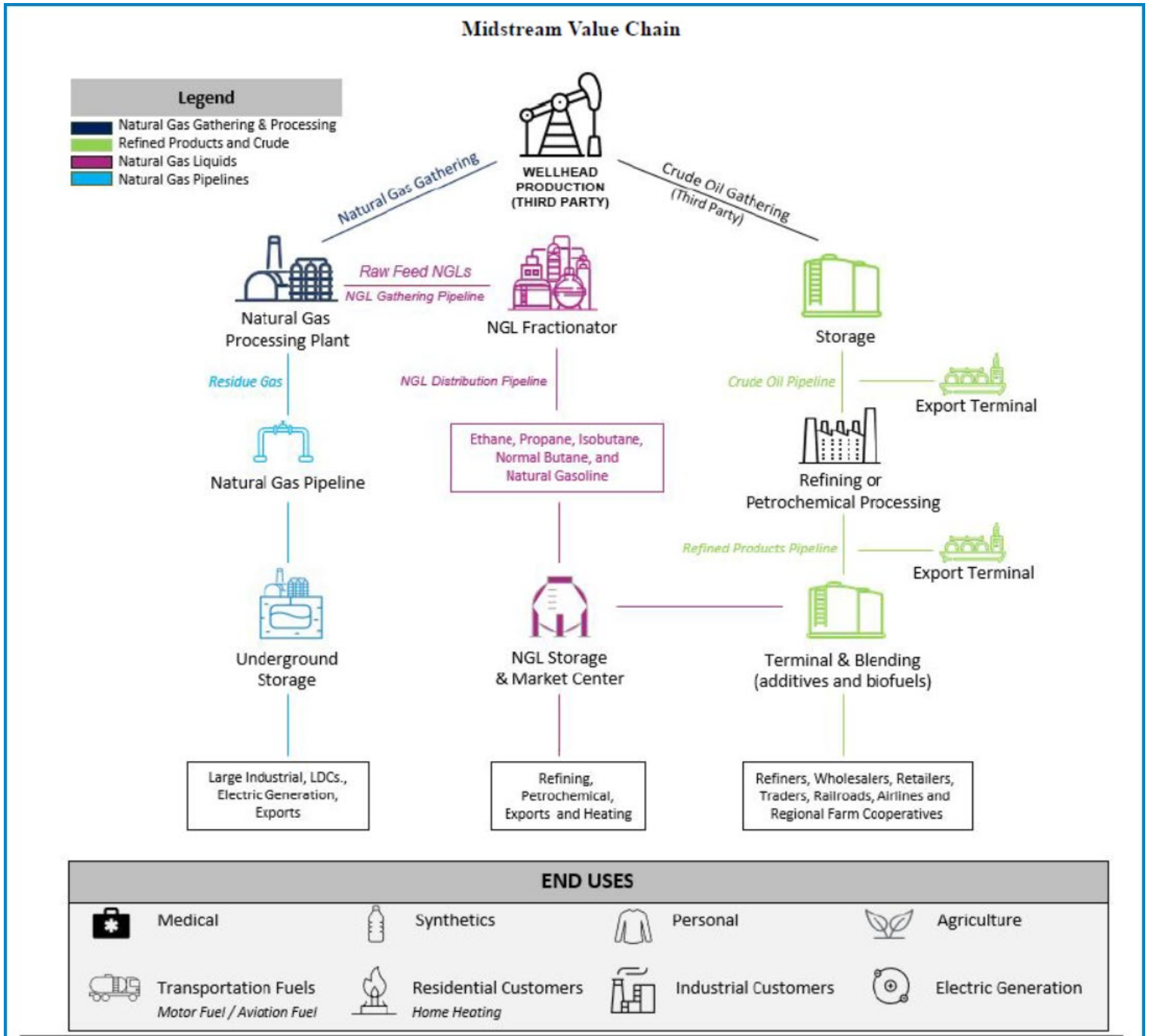
Recent Price Targets per TipRanks as of 12/10/2024			
	James Weston Raymond James	Buy 12/04/24	\$122.00
	★★★★★		
	Neal Dingmann Truist Financial	Hold 12/03/24	\$107.00
	★★★★☆		
	Jeremy Tonet J.P. Morgan	Buy 11/26/24	\$120.00
	★★★★☆		
	Shneur Gershuni UBS	Buy 11/26/24	\$147.00
	★★★★☆		
	James Carreker US Capital Advisors	Buy 11/26/24	\$120.00
	★★★★☆		



ONEOK, Inc. is incorporated under the laws of the state of Oklahoma, and its common stock is listed on the NYSE under the trading symbol "OKE." ONEOK delivers energy products and services vital to an advancing world. ONEOK is a leading midstream service provider of gathering, processing, fractionation, transportation, storage and marine export services. As one of the largest diversified energy infrastructure companies in North America, ONEOK is delivering energy that makes a difference in the lives of people in the U.S. and around the world.

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Through ONEOK’s more than 50,000-mile pipeline network, ONEOK transports the natural gas, NGLs, Refined Products and crude oil that help meet domestic and international energy demand, contribute to energy security and provide safe, reliable and responsible energy solutions needed today and into the future.



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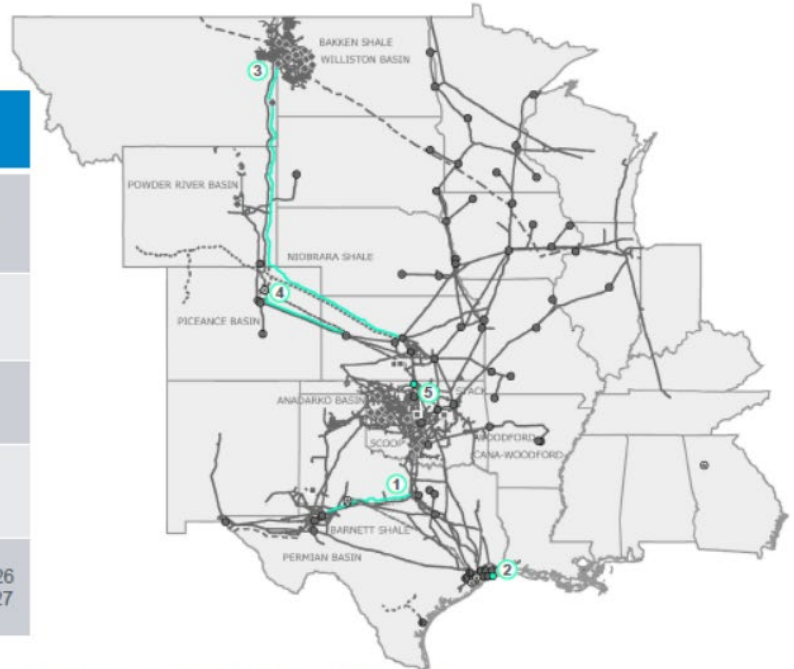
ONEOK, Inc. Assets

Expanding and Extending Core Infrastructure

High-Return Organic Growth Projects



Project	Scope	Estimated Completion
1 West Texas NGL Pipeline Expansion	Expands capacity to 740,000 bpd	Year-end 2024 ^(a)
2 MB-6 Fractionator	125,000 bpd in Mont Belvieu, TX	Year-end 2024
3 Elk Creek NGL Pipeline Expansion	Expands capacity to 435,000 bpd ^(b)	1Q 2025
4 Refined Products Expansion to Denver Area	Increases system capacity by 35,000 bpd	Mid-year 2026
5 Medford Fractionator	Rebuild 210,000 bpd fractionator in Medford, OK	100,000 bpd: 4Q 2026 110,000 bpd: 1Q 2027



(a) Full pipeline looping, providing capacity of 500,000 bpd is expected by year-end 2024. Remaining pump stations to be completed mid-2025 for full capacity of 740,000 bpd.
(b) Increases total NGL capacity out of the Rocky Mountain Region to 575,000 bpd.

Business Strategy

ONEOK's primary business strategy is to deliver energy products and services vital to an advancing world. ONEOK's vision is to create exceptional value for its stakeholders by providing solutions for a transforming energy future. ONEOK's business strategy is focused on:

- **Zero incidents** – ONEOK commits to a zero-incident culture for the well-being of its employees, contractors and communities. Safety and environmental responsibility continue to be a primary focus for it, and its emphasis on personal and process safety has produced improving trends in the key indicators it tracks.
- **Highly engaged workforce** – ONEOK strives to be an employer of choice and to continue to focus on attracting, selecting and retaining talent, advancing an inclusive, diverse and engaged culture and developing individuals and leaders.
- **Sustainable business model** – ONEOK aims to maintain prudent financial strength and flexibility while operating a safe, reliable and resilient asset base. It seeks to maintain investment-grade credit ratings and a strong balance sheet. ONEOK believes its internally generated cash flows will allow it to fund capital-growth projects in its existing operating regions and to provide value-added products and services that contribute to

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long-term growth, profitability and business diversification. ONEOK continues to actively research opportunities that will complement its extensive midstream assets and expertise, strengthening the role it expects to play in the transformation to a lower-carbon economy.

- **Maximizing total shareholder return** – ONEOK plans to grow earnings and sustain its dividend by efficiently allocating capital to investments that produce returns above its cost of capital. Producing consistent and strong returns on invested capital will allow it to not only reward its shareholders, but also provide the means and opportunity to serve its additional stakeholders, including employees, communities and the environment.

Third Quarter 2024 Highlights



Increased 2024 stand-alone financial guidance

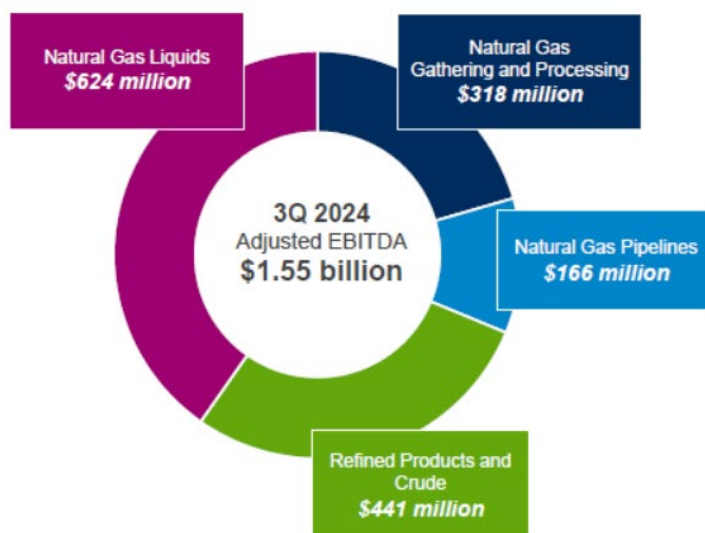
- **\$2.945 billion** net income midpoint.
- **\$6.275 billion** adjusted EBITDA midpoint.
- **\$5.02/diluted share** EPS midpoint.

Transformative acquisitions^(a)

- **Completed the acquisition** of the controlling interest in EnLink Midstream.
- **Completed the acquisition** of Medallion Midstream.

Continued financial strength

- **\$0.99/share** quarterly dividend declared (\$3.96 annualized).
- **3.5x leverage ratio** (annualized run-rate net debt-to-EBITDA).



(a) Completed the acquisition of the controlling interest in EnLink Midstream and the acquisition of Medallion Midstream on Oct. 15, 2024, and Oct. 31, 2024, respectively.

Acquisition of Magellan Midstream Partners

On August 28, 2024, ONEOK announced that it had executed a definitive agreement with Global Infrastructure Partners (“GIP”) under which ONEOK would acquire GIP’s entire interest in EnLink Midstream, LLC (NYSE: ENLC) (“EnLink”), consisting of 43% of EnLink’s outstanding common units for \$14.90 per unit and 100% of the interests in the managing member for \$300 million, for total cash consideration of approximately \$3.3 billion.

ONEOK and GIP also entered into a separate definitive agreement under which ONEOK would acquire from GIP all of the equity interests in Medallion Midstream, LLC (“Medallion”), the largest privately held crude gathering and

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Acquisitions Align With Our Strategic Priorities



Commit to safe, reliable and environmentally responsible operations



Produce significant free cash flow with fee-based businesses



Enhance service offerings that improve the value proposition to our stakeholders



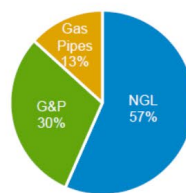
Expand and extend asset base in key markets to drive growth and synergies



Grow per share financial metrics and strengthen the balance sheet

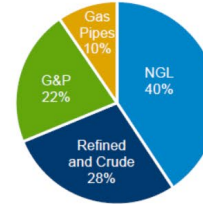


ONEOK Business Mix Evolution



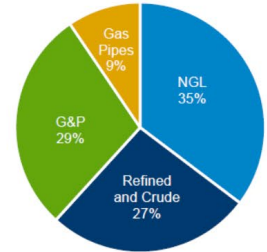
Pre-Magellan^(a)

~\$4 billion EBITDA



2024E guidance

\$6.175 billion EBITDA midpoint



With EnLink and Medallion^(b)

~\$8 billion EBITDA run-rate

Gas and NGL Focused

✓ Diversified across commodities

No Permian G&P

✓ Complete Permian customer solutions

Stable dividend

✓ Growing dividend with repurchases

Strong balance sheet

✓ Strong balance sheet

ESG leader

✓ ESG leader

(a) Chart percentages based on ONEOK's 2024E guidance, excluding the Refined Products and Crude segment. EBITDA estimate based on ONEOK's 2023E guidance prior to Magellan announcement and adjusted for one-time impact related to insurance settlement. (b) Chart percentages and EBITDA estimate based on a combination of ONEOK's 2024E guidance and 2024E forecasts for EnLink and Medallion, assuming the acquisition of publicly held EnLink units is completed.

Strategic Rationale

- **Establishes fully integrated Permian Basin platform at scale:** The transactions are highly complementary to ONEOK's existing Permian natural gas liquids and crude infrastructure platform and include 1.7 billion cubic feet per day of Permian gas processing capacity and 1.6 million barrels per day of Permian crude gathering capacity. ONEOK expects to capitalize on its expanded and integrated platforms in the Permian Basin to drive new service offerings for producers in the region.
- **Expands and extends footprint in Mid-Continent, North Texas and Louisiana:** The EnLink transaction enhances ONEOK's existing integrated gas and NGL platform in Oklahoma and provides ONEOK with gas gathering and processing operations in North Texas that produce solid cash flows and are directly connected to Mont Belvieu by ONEOK's NGL pipelines. The EnLink transaction also provides ONEOK with a new position in Louisiana that includes 220,000 barrels per day of NGL fractionation capacity and approximately 4.0 billion cubic feet per day of natural gas pipeline capacity, both of which are connected to key demand centers. ONEOK expects the natural gas transmission assets to benefit from strong industrial demand growth related to data centers, liquefied natural gas, ammonia and hydrogen.
- **Delivers immediate accretion to EPS and FCF supporting capital allocation strategy:** The transactions are expected to be immediately accretive to earnings per share and free cash flow per share.

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The expected accretion will further bolster ONEOK's capital allocation strategy and ability to execute share repurchases under its previously authorized \$2 billion share repurchase program.

- Provides significant synergies through complementary asset positions:** In addition to meaningful commercial synergies ONEOK will attain from owning Medallion's crude gathering business in the Permian Basin, ONEOK expects additional synergies to be achieved through its control of EnLink. Key commercial and operational synergy potential from EnLink centers on integrating ONEOK's and EnLink's Mid-Continent gathering and processing systems and optimizing ONEOK's and EnLink's Gulf Coast NGL assets. Following the acquisition of Medallion, the acquisition of GIP's interests in EnLink and the proposed purchase of the publicly held interests in EnLink, ONEOK believes these, and other contemplated activities will result in annual synergies of approximately \$250 million to \$450 million within three years.
- Maintains ONEOK's strong investment-grade credit ratings:** After giving effect to the transactions, ONEOK expects pro forma 2025 year-end net debt-to-EBITDA of approximately 3.9 times. ONEOK believes the transactions will improve its overall credit attributes and expects leverage to trend toward its previously announced target of 3.5 times during 2026 as growth projects are placed into service, assuming the completion of ONEOK's previously announced \$2 billion share repurchase program by year end 2027.

Key Transaction Terms



Transaction Overview

- Acquire GIP's entire interest in EnLink, consisting of 43% of EnLink's common units and its managing member interest.
- \$3.3 billion in cash.
 - \$14.90 per unit, representing a 12.8% premium to EnLink's closing price as of August 27, 2024.
 - \$300 million for managing member interest.
- ONEOK expects EnLink to be a consolidated subsidiary for GAAP financial reporting.

- Acquire 100% of Medallion.
- All cash transaction.

Purchase Price

- Implied enterprise value of \$12.9 billion.
- Implied 8.3x 2025E EBITDA multiple, including base case run-rate synergies.

- Purchase price of \$2.6 billion^(a).
- Implied 6.3x 2025E EBITDA multiple, including base case run-rate synergies.

Financing Aspects

- ONEOK has secured committed financing for cash consideration.

- ONEOK has secured committed financing for cash consideration.
- Entity acquired on cash-free, debt-free basis.

Closing Timeline

- Expected early Q4 closing, after customary regulatory approvals received.

- Expected early Q4 closing, after customary regulatory approvals received.

Future Simplification

- ONEOK intends to pursue the acquisition of the publicly held common units of EnLink in a tax-free transaction following the close of this transaction.

(a) Includes potential consideration to acquire the remaining interests in a Medallion joint venture pursuant to existing third-party rights.

Transaction Details

\$300 million of the total \$3.3 billion purchase price for the EnLink interests is for GIP's 100% interest in the managing member of EnLink. GIP's common units in EnLink are being purchased for a total value of \$3.0 billion, or \$14.90 per unit, representing a premium of 12.8% to EnLink's closing market price as of Aug. 27, 2024. As a result of the transaction with GIP, EnLink will be a consolidated subsidiary of ONEOK for GAAP financial reporting purposes.

After the closing of the purchase of GIP's interests in EnLink, ONEOK intends to pursue the acquisition of the publicly held common units of EnLink in a tax-free transaction. The fully combined ONEOK and EnLink asset bases would be expected to enhance synergies, reduce leverage and increase accretion to ONEOK shareholders. In addition, a combination with ONEOK is expected to give EnLink unitholders access to ONEOK's stock, which is part of the S&P 500, and which has significantly greater trading liquidity and an attractive dividend yield.

ONEOK has obtained financing commitments from JPMorgan Chase Bank, N.A. and Goldman Sachs Bank USA to provide up to \$6.0 billion to fund the aggregate cash consideration and other expenses in connection with the EnLink and Medallion transactions. Both transactions have been unanimously approved by ONEOK's board of directors. The transactions are not cross conditional and are expected to close early in the fourth quarter of 2024. The closing of each transaction is subject to customary closing conditions, including Hart-Scott-Rodino Act clearance.

Upon closing of the EnLink transaction, ONEOK will have control of EnLink's managing member and intends to replace the board members currently designated by GIP with new board members designated by ONEOK.

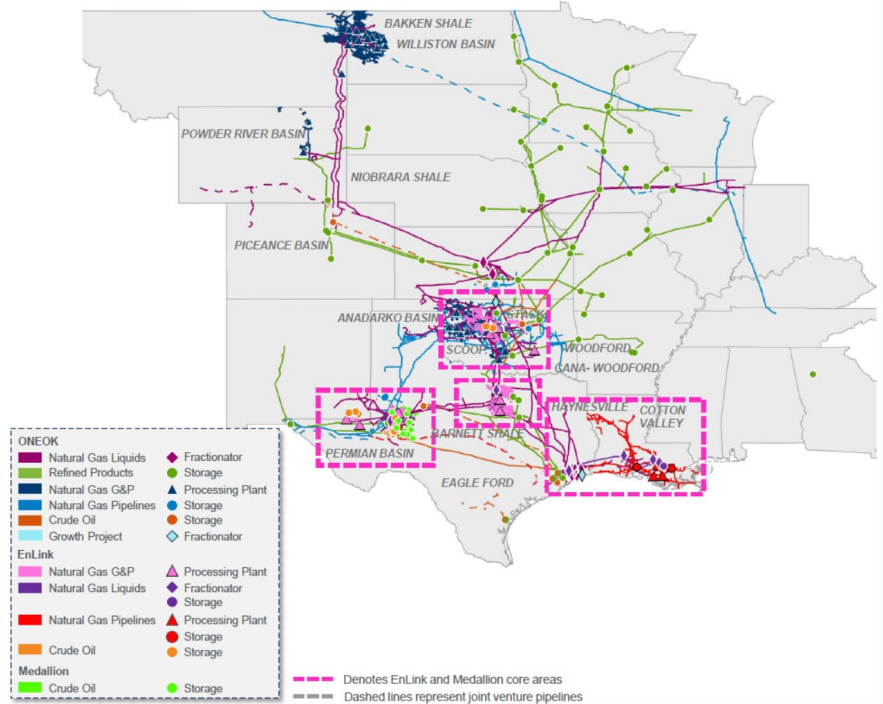
ONEOK will maintain its headquarters in Tulsa, Oklahoma, and intends to retain a meaningful employee presence in the Dallas and Houston metropolitan areas.

ONEOK announced that they will be buying the rest of EnLink's shares in a transaction that is expected to close in Q1 2025.

Strengthens Long-Term Value Proposition



-  **Diverse Free Cash Flow Generation**
-  **Enhanced Growth Opportunities**
-  **Industry Leader in Return of Capital**
-  **Strong Balance Sheet**
-  **Attractive Dividend Plus Repurchases**
-  **S&P 500 Index Member**



Third Quarter 2024 Results

- Net income of \$693 million, resulting in \$1.18 per diluted share.
- Adjusted EBITDA of \$1.55 billion.
- 7% increase in Rocky Mountain region NGL raw feed throughput volumes.
- 5% increase in Rocky Mountain region natural gas volumes processed.
- 22% increase in Natural Gas Pipelines segment adjusted EBITDA.

Business Segment Performance



3Q 2024 vs. 2Q 2024 Adjusted EBITDA Variances

- Natural gas liquids decreased:
 - **\$15 million decrease** in optimization and marketing due primarily to lower earnings on sales of purity NGLs held in inventory. ONEOK expects an earnings benefit on the forward sales of inventory over the next two quarters.
 - **\$5 million increase** in transportation and storage due primarily to NGL assets acquired from Easton Energy in June 2024, partially offset by lower volumes on the North System^(a).
- Refined products and crude decreased:
 - **\$44 million decrease** in optimization and marketing due primarily to lower earnings from the timing of product sales.
 - **\$18 million increase** in transportation and storage due primarily to higher tariff rates on refined products from mid-year escalations and higher seasonal volumes on the refined products system.
- Natural gas gathering and processing decreased:
 - **\$59 million decrease** from the sale of certain Kansas assets in the second quarter.
 - **\$8 million decrease** from higher operating costs due primarily to higher outside services and employee-related costs from the growth of ONEOK's operations.
 - **\$15 million increase** from higher volumes due primarily to increased production in the Rocky Mountain and Mid-Continent regions.
- Natural gas pipelines increased:
 - **\$9 million increase** in transportation revenues due primarily to higher interruptible rates and higher firm revenue.
 - **\$4 million increase** in EBITDA from unconsolidated affiliates due primarily to Northern Border Pipeline.

(a) The North System is a FERC-regulated NGL pipeline that transports NGL purity products and various refined products throughout the Midwest markets, particularly near Chicago, Illinois.

2024 Earnings Guidance Increase (ONEOK Consolidated – Includes EnLink and Medallion)

- Net income midpoint of \$2.995 billion.
- Earnings per diluted share midpoint of \$5.11.
- Adjusted EBITDA midpoint of \$6.625 billion.

ONEOK's consolidated 2024 net income guidance range is \$2.895 billion to \$3.095 billion, with an adjusted EBITDA guidance range of \$6.525 billion to \$6.725 billion, which excludes related transaction costs.

2024 Earnings Guidance Increase (ONEOK Stand-Alone – Excludes EnLink and Medallion)

- Net income increased by \$65 million to a midpoint of \$2.945 billion compared with a previous midpoint of \$2.88 billion.
- Earnings per diluted share increased to a midpoint of \$5.02 compared with a previous midpoint of \$4.92.
- Adjusted EBITDA increased by \$100 million to a midpoint of \$6.275 billion compared with a previous midpoint of \$6.175 billion.

ONEOK increased 2024 net income guidance to a range of \$2.87 billion to \$3.02 billion, compared with the previous range of \$2.73 billion to \$3.03 billion. Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) guidance increased to a range of \$6.20 billion to \$6.35 billion, compared with ONEOK's previous range of \$6.025 billion to \$6.325 billion.

These midpoints and ranges exclude the contribution from ONEOK's acquisition of the controlling interest in EnLink, the pending acquisition of Medallion and related transaction costs, to be comparable with ONEOK's guidance provided on April 30, 2024.

Increased financial guidance reflects continued confidence in 2024 synergy expectations and fee-based earnings strength across ONEOK's operations.

Total 2024 stand-alone capital expenditure guidance remains unchanged at \$1.75 billion to \$1.95 billion.

"ONEOK delivered solid results in the third quarter, supported by continued Rocky Mountain region strength, record refined products volumes, increased demand for natural gas transportation services and acquisition-related synergies.

"Our ability to continue delivering on synergy opportunities through asset integration and connectivity efforts, coupled with strong fee-based earnings, drove ONEOK's second financial guidance increase in 2024," added Norton. "This combination of value creation through new and existing platforms demonstrates the strength of ONEOK's integrated system and continued commitment to delivering exceptional value." – Pierce H. Norton II, ONEOK President and CEO

On October 31, 2024 ONEOK announced the successful completion of its acquisition of Medallion Midstream (Medallion) from Global Infrastructure Partners, for a total cash consideration of approximately \$2.6 billion. The acquisition of Medallion includes more than 1,200 miles of crude oil gathering pipelines providing approximately 1.3 million barrels per day of capacity and approximately 1.5 million barrels of crude oil storage in the Permian Basin.

"With the acquisition of Medallion, the largest privately held crude gathering and transportation system in the Permian's Midland Basin, we continue our demonstrated track record of intentional and disciplined growth," said Pierce H. Norton II, ONEOK president and chief executive officer. "This acquisition further diversifies ONEOK's asset portfolio and adds an expansive and well-connected crude oil gathering system to our Permian Basin platform.

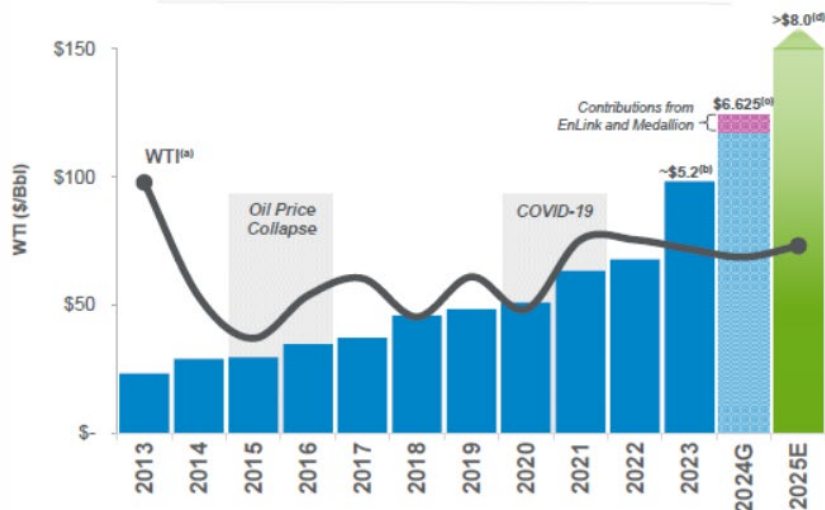
"We expect to drive meaningful commercial synergies from these complementary assets, which already connect with ONEOK's long-haul crude oil pipelines out of the basin," added Norton. "Through this transaction, we further extend our value chain and continue to enhance ONEOK's position as one of the largest diversified energy infrastructure companies delivering products and services vital to an advancing world."

Sustainable Adjusted EBITDA Growth



Proven Growth Through Commodity Cycles

(adjusted EBITDA \$ in billions)



- 10 consecutive years of adjusted EBITDA growth (2013-2023).
- >15% annual adjusted EBITDA growth rate (2013-2023).
- 2024 adjusted EBITDA guidance midpoint of \$6.625 billion.
 - Guiding to ~27% increase in consolidated adjusted EBITDA compared with 2023.
- 2025 adjusted EBITDA is expected to be above \$8 billion.

(a) Energy Information Administration (EIA) data. Year-end West Texas Intermediate (WTI) futures price for each period shown. Data as of Sept. 30, 2024.

(b) Includes a one-time insurance settlement gain of \$779 million related to the Medford incident, offset partially by \$146 million of third-party fractionation costs incurred in 2023.

(c) Includes expected future contributions from EnLink and Medallion following the close of the majority interest in EnLink on Oct. 15, 2024, and the close of the Medallion acquisition on Oct. 31, 2024. Excludes related transaction costs. A reconciliation of estimated adjusted EBITDA to GAAP net income for ONEOK's consolidated 2024 guidance is not provided because components of the reconciliation are not available without unreasonable efforts.

(d) Includes a full year contribution from EnLink and the Medallion acquisition. A reconciliation of estimated adjusted EBITDA to GAAP net income for ONEOK's potential 2025 adjusted EBITDA is not provided because the GAAP net income is not available without unreasonable efforts due primarily to the recent acquisitions.

Highlights

- In August 2024, ONEOK announced a project to rebuild its 210,000 barrel per day (bpd) fractionator in Medford, Oklahoma. The project is expected to cost approximately \$385 million and be completed in two phases, with the first expected to be completed in the fourth quarter of 2026 and the second expected to be completed in the first quarter of 2027.
- In August 2024, ONEOK announced an agreement to acquire Medallion Midstream from Global Infrastructure Partners for \$2.6 billion in cash.
- In September 2024, ONEOK completed a \$7 billion senior notes offering to fund the EnLink controlling interest acquisition and the pending Medallion Midstream acquisition.
- In September 2024, ONEOK repaid the remaining \$484 million of 2.75% senior notes at maturity with cash on hand.
- In October 2024, ONEOK completed the acquisition of GIP's entire interest in EnLink Midstream, consisting of 43% of EnLink's outstanding common units and 100% of the interests in the managing member for a total cash consideration of approximately \$3.3 billion.
- In October 2024, ONEOK declared a quarterly dividend of 99 cents per share, or \$3.96 per share annualized.
- As of Sept. 30, 2024:

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- 3.5 times third-quarter 2024 annualized run-rate net debt-to-EBITDA ratio.
- No borrowings outstanding under ONEOK's \$2.5 billion credit agreement.

THIRD QUARTER 2024 FINANCIAL HIGHLIGHTS

	Three Months Ended		Nine Months Ended	
	Sept. 30,		Sept. 30,	
	2024	2023	2024	2023
	<i>(Millions of dollars, except per share amounts)</i>			
Net income (a) (b)	\$ 693	\$ 454	\$ 2,112	\$ 1,971
Diluted earnings per common share (a) (b)	\$ 1.18	\$ 0.99	\$ 3.60	\$ 4.36
Adjusted EBITDA (c) (d)	\$ 1,545	\$ 1,015	\$ 4,610	\$ 3,729
Operating income (c)	\$ 1,128	\$ 739	\$ 3,421	\$ 2,973
Operating costs	\$ 582	\$ 352	\$ 1,720	\$ 981
Depreciation and amortization	\$ 274	\$ 177	\$ 790	\$ 509
Equity in net earnings from investments	\$ 92	\$ 49	\$ 256	\$ 132
Maintenance capital	\$ 109	\$ 62	\$ 275	\$ 138
Capital expenditures (includes maintenance)	\$ 468	\$ 398	\$ 1,459	\$ 992

(a) The three and nine months ended Sept. 30, 2024, include pre-tax impacts of \$10 million and \$17 million, respectively, in transaction and integration costs related to ONEOK's acquisitions; and \$23 million in interest expense related to transaction financing in both periods; resulting in total unfavorable EPS impacts of 4 cents and 5 cents per diluted share after tax, respectively.

(b) The nine months ended Sept. 30, 2023, includes \$667 million related to the Medford incident, including a settlement gain of \$779 million, offset partially by \$112 million of third-party fractionation costs. The three and nine months ended Sept. 30, 2023, include \$123 million and \$133 million, respectively, in transaction costs related to the Magellan acquisition, offset partially by interest income of \$26 million and \$42 million, respectively.

(c) The three and nine months ended Sept. 30, 2024, include \$10 million and \$17 million, respectively, in transaction and integration costs related to ONEOK's acquisitions. The three and nine months ended Sept. 30, 2023, include \$35 million and \$112 million, respectively, in third-party fractionation costs and \$123 million and \$133 million, respectively, in transaction costs. The nine-month 2023 period also includes a one-time insurance settlement gain of \$779 million related to the Medford incident.

(d) Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) is a non-GAAP measure. Beginning in 2023, ONEOK updated its calculation methodology of adjusted EBITDA to include adjusted EBITDA from unconsolidated affiliates. This change resulted in an additional \$14 million and \$40 million of adjusted EBITDA for the three and nine months ended Sept. 30, 2023, respectively.

Third Quarter 2024 Financial Performance

ONEOK reported third quarter 2024 net income and adjusted EBITDA of \$693 million and \$1.55 billion, respectively.

Results were driven primarily by higher NGL and natural gas processing volumes in the Rocky Mountain region, increased transportation services in the Natural Gas Pipelines segment and contributions from the Refined Products and Crude segment.

Dividends

One October 16, 2024, the board of directors of ONEOK declared a quarterly dividend of 99 cents per share, unchanged from the previous quarter, resulting in an annualized dividend of \$3.96 per share.

The dividend is payable Nov. 14, 2024, to shareholders of record at the close of business Nov. 1, 2024.

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Natural Gas Liquids Segment

The increase in third quarter 2024 adjusted EBITDA, compared with the third quarter 2023, primarily reflects:

- A \$36 million increase in exchange services due primarily to higher volumes and higher average fee rates in the Rocky Mountain region, offset partially by lower volumes in the Mid-Continent region, primarily ethane, and higher transportation costs;
- An \$18 million increase related to the Medford incident due to lower third-party fractionation costs in the current quarter; and
- A \$7 million increase in adjusted EBITDA from unconsolidated affiliates due primarily to higher volumes delivered to the Overland Pass Pipeline; offset by
- A \$45 million decrease in optimization and marketing due primarily to lower earnings on sales of purity NGLs held in inventory. ONEOK expects an earnings benefit on the forward sales of inventory over the next two quarters; and
- An \$11 million increase in operating costs due primarily to higher outside services and higher employee-related costs due to the growth of ONEOK's operations.

The decrease in adjusted EBITDA for the nine-month 2024 period, compared with the same period last year, primarily reflects:

- A \$716 million decrease related to the Medford incident, due primarily to an insurance settlement gain in 2023 of \$779 million, offset partially by \$63 million of lower third-party fractionation costs in the current year;
- A \$58 million increase in operating costs due primarily to planned asset maintenance and higher employee-related costs due to the growth of ONEOK'S operations; and
- A \$43 million decrease in optimization and marketing due primarily to lower earnings on sales of purity NGLs held in inventory. ONEOK expects an earnings benefit on the forward sales of inventory over the next two quarters; offset by
- A \$200 million increase in exchange services due primarily to higher volumes in the Rocky Mountain region and higher average fee rates, offset partially by lower volumes in the Gulf Coast and Mid-Continent regions, and higher transportation costs; and
- A \$24 million increase in adjusted EBITDA from unconsolidated affiliates due primarily to higher volumes delivered to the Overland Pass Pipeline.

Refined Products and Crude Segment

The decrease in third quarter 2024 adjusted EBITDA, compared with the third quarter 2023, primarily reflects:

- An \$8 million decrease due primarily to lower realized NGL prices, net of hedging, offset partially by higher average fee rates;
- An \$8 million increase in operating costs due primarily to higher materials and supplies expenses and outside services due primarily to the growth of ONEOK's operations; and
- A \$4 million decrease due to the impact of the sale of certain Kansas assets in the second quarter of 2024; offset by
- A \$17 million increase from higher volumes due primarily to increased production in the Rocky Mountain region.

The increase in adjusted EBITDA for the nine-month 2024 period, compared with the same period last year, primarily reflects:

- An \$81 million increase from higher volumes due primarily to increased production in the Rocky Mountain region; and
- A \$49 million increase from the sale of certain Kansas assets in 2024; offset by
- A \$30 million decrease due primarily to lower realized NGL prices, net of hedging, offset partially by higher average fee rates and higher realized condensate prices, net of hedging; and
- A \$23 million increase in operating costs due primarily to higher outside services, employee-related costs and materials and supplies expenses due primarily to the growth of ONEOK's operations.

Natural Gas Pipelines Segment

The increase in third quarter 2024 adjusted EBITDA, compared with the third quarter 2023, primarily reflects a \$25 million increase in transportation services due primarily to higher firm and interruptible rates.

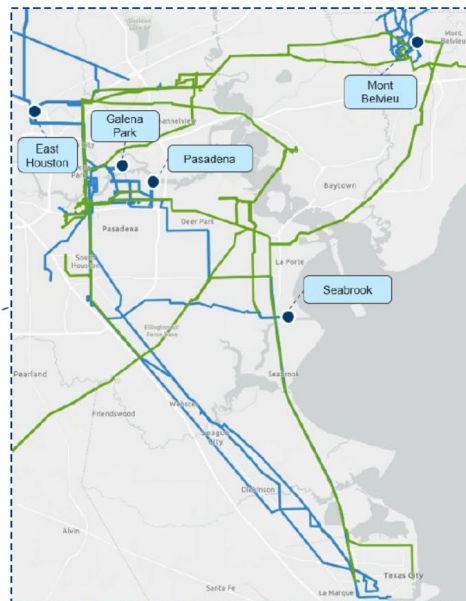
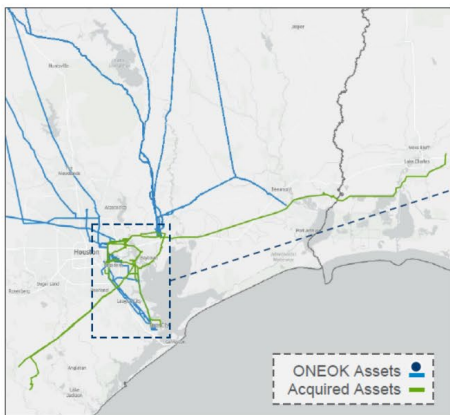
The increase in adjusted EBITDA for the nine-month 2024 period, compared with the same period last year, primarily reflects:

- A \$57 million increase in transportation services due primarily to higher firm and interruptible rates; and
- A \$13 million increase in adjusted EBITDA from unconsolidated affiliates due primarily to increased volumes on Northern Border Pipeline; offset by
- An \$11 million increase in operating costs due primarily to planned asset maintenance and employee-related costs.

Gulf Coast NGL Pipelines Acquisition



Accelerates commercial synergies following the Magellan acquisition



~450 miles of NGL pipelines in strategic Gulf Coast market centers for NGLs, refined products and crude oil.



Plan to connect ONEOK's Mont Belvieu and Houston-based assets.



Pipeline connectivity to and within critical Gulf Coast supply and demand centers.

Note: Acquisition closed June 17, 2024.

Agreement to Acquire Remaining Publicly Held Common Units in EnLink Midstream in Tax-Free

On November 24, 2024, ONEOK announced that have executed a definitive merger agreement under which ONEOK will acquire all of the outstanding publicly held common units of EnLink for \$4.3 billion in ONEOK common stock.

Under the agreement, each outstanding common unit of EnLink that ONEOK does not already own will be converted into 0.1412 shares of ONEOK common stock. The exchange ratio was derived by dividing \$15.75 per unit, equal to EnLink's market close price on Nov. 22, 2024, by ONEOK's 10-day volume-weighted average price.

In the aggregate, ONEOK will issue approximately 37.0 million shares in connection with the proposed transaction, representing approximately 6.0% of the total ONEOK shares outstanding upon consummation of the transaction.

The Board of Directors of the managing member of EnLink delegated to the Conflicts Committee of such board, consisting of three independent directors, the authority to review, evaluate, negotiate and approve the transaction. The EnLink Conflicts Committee, after evaluating the transaction with its independent legal and financial advisors, unanimously determined that the transaction is in the best interests of EnLink and the public unitholders and approved the transaction. The EnLink Conflicts Committee recommended approval of the transaction to the EnLink Board, which also unanimously approved the transaction. Subject to the satisfaction of customary closing conditions, completion of the transaction is expected to occur in the first quarter of 2025.

The completion of the merger is subject to the approval of a majority of the outstanding EnLink common units (including common units owned by ONEOK) and other customary closing conditions. ONEOK has committed to vote its units, representing approximately 44% of the outstanding EnLink common units, in favor of the transaction. No ONEOK shareholder vote is required to complete the transaction. In addition, no further regulatory approval is necessary, as ONEOK filed under the Hart-Scott-Rodino Act in connection with its previously announced acquisition of the controlling interest in EnLink, and the necessary waiting period, including for this transaction, has been completed.

"This tax-free transaction to acquire the remaining outstanding EnLink units is expected to be accretive to ONEOK shareholders and provide EnLink unitholders with significantly greater trading liquidity and an attractive dividend yield" – Pierce H. Norton II, ONEOK president and chief executive officer

"ONEOK has a longstanding reputation as being intentional in building a premier energy infrastructure company. This next step further solidifies that status, allowing us to continue expanding and extending our value chain, while creating value for our stakeholders."

On Oct. 15, 2024, ONEOK announced the successful completion of its acquisition of Global Infrastructure Partners' (GIP) entire interest in EnLink for a total cash consideration of approximately \$3.3 billion .

Agreement to Sell Wholly Owned Interstate Natural Gas Pipeline to DT Midstream

On November 19, 2024, ONEOK announced that it has executed a definitive agreement with DT Midstream, Inc. (NYSE: DTM) under which ONEOK will sell its three wholly owned interstate natural gas pipeline systems for a total cash consideration of \$1.2 billion subject to customary adjustments. Based on Federal Energy Regulatory Commission (FERC) filings, the purchase price represents 10.8 times previous 12 months EBITDA as of June 30, 2024.

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The transaction, unanimously approved by the boards of directors of both ONEOK and DT Midstream, is expected to close in the fourth quarter of 2024, and is subject to customary closing conditions, including Hart-Scott-Rodino Act clearance.

"This transaction will align and enhance our capital allocation priorities within our integrated operating footprint... DT Midstream is the ideal owner of these FERC regulated interstate pipeline systems, with our employees sharing a similar culture of safety and reliability as they will continue to be excellent stewards of these assets providing essential natural gas transportation services.

"This strategic move to optimize ONEOK's asset portfolio reinforces our standing as one of the largest diversified energy infrastructure companies delivering essential products and services. We are deeply grateful for the contributions of our employees, both those in the field and those who will become the foundation of DT Midstream's new Tulsa office, and we are confident that they will thrive under DT Midstream's strong leadership" – Pierce H. Norton II, ONEOK president and chief executive officer

The three interstate pipeline systems include:

- Guardian Pipeline, L.L.C., which interconnects with several pipelines at the Chicago Hub near Joliet, Illinois, and with local natural gas distribution and electric generation companies in Wisconsin;
- Midwestern Gas Transmission, which is a bidirectional system with a major pipeline interconnect near Portland, Tennessee, and with multiple interstate pipelines that have access to both the Utica Shale and the Marcellus Shale, and multiple interstate pipelines at the Chicago Hub near Joliet, Illinois; and
- Viking Gas Transmission, which is a bidirectional system that interconnects with a major pipeline system at the U.S. border near Emerson, Canada, and Marshfield, Wisconsin.

Upon closing of this transaction, the net proceeds from the sale are expected to enhance ONEOK's financial flexibility and ONEOK's deleveraging trend toward its previously announced target of 3.5 times during 2026.

Net Income and Cash Flow Forecast Model

												OKE to acquire Medallion Midstream for \$2.6 Billion in cash in Q4 2024		< Closed 10/31/2024 for \$2.6 billion	
												August 28: ONEOK to acquire Medallion and controlling interest in EnLink from Global Infrastructure Partners in Transactions valued at \$5.9 Billion. Closed in October, 2024.		< Buying rest of EnLink in Q1 2025 adds 37 million shares	
ONEOK, Inc. (NYSE: OKE)												Merger with Magellan Midstream Partners closed on September 25, 2023			
Net Income and Cash Flow 2021 - 2024 (updated 12-10-2024)															
All in \$Thousands except for per share data															
	Actual Year 2022	Actual Qtr1 2023	Actual Qtr2 2023	Actual Qtr3 2023	Actual Qtr4 2023	Actual Year 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Forecast Qtr4 2024	Forecast Year 2024	Forecast 2025			
REVENUES:															
Commodity sales	\$20,975,462	\$4,156,000	\$3,371,000	\$3,760,000	\$4,327,000	\$15,614,000	\$3,928,000	\$3,994,000	\$4,083,000	\$6,000,000	\$18,005,000	\$24,000,000			
Services	1,411,430	365,000	361,000	429,000	908,000	2,063,000	853,000	900,000	940,000	1,237,500	3,930,500	5,000,000			
Total Revenues	22,386,892	4,521,000	3,732,000	4,189,000	5,235,000	17,677,000	4,781,000	4,894,000	5,023,000	7,237,500	21,935,500	29,000,000	< TipRanks 2025 forecast is \$27.6 Billion		
EXPENSES:															
Cost of sales and fuel	17,909,866	3,347,000	2,482,000	2,799,000	3,301,000	11,929,000	2,897,000	2,891,000	3,027,000	4,342,500	13,157,500	16,820,000	< Row 12 X 58%		
Operations and maintenance	866,456	216,000	266,000	272,000	482,000	1,236,000	463,000	510,000	473,000	650,000	2,096,000	2,800,000			
Unit based compensation & other non-cash expenses	91,790	23,000	20,000	36,000	4,000	83,000	23,000	(20,000)	39,000	40,000	82,000	200,000			
DD&A	626,132	162,000	170,000	177,000	260,000	769,000	254,000	262,000	274,000	350,000	1,140,000	1,300,000			
Impairment of long-lived assets	0	0	0	0	0	0	0	0	0	0	0	0			
General taxes	191,458	57,000	47,000	44,000	68,000	216,000	86,000	83,000	70,000	100,000	339,000	400,000			
Transaction costs	0	0	10,000	123,000	25,000	158,000	0	0	10,000	75,000	85,000	50,000	< See large acquisitions above		
(Gain) loss on sale of assets & Other Income in 2023	(106,229)	(502,000)	0	(1,000)	0	(503,000)	(6,000)	(61,000)	2,000	0	(65,000)	0			
Non-Cash portion of other income in Q1 2023	0	(279,000)	0	0	(4,000)	(283,000)	0	0	0	0	0	0			
TOTAL EXPENSES	19,579,473	3,024,000	2,995,000	3,450,000	4,136,000	13,605,000	3,717,000	3,665,000	3,895,000	5,557,500	16,834,500	21,570,000			
OPERATING EARNING	2,807,419	1,497,000	737,000	739,000	1,099,000	4,072,000	1,064,000	1,229,000	1,128,000	1,680,000	5,101,000	7,430,000			
OTHER INCOME (EXPENSES)															
Equity earnings from investments	147,720	40,000	43,000	49,000	70,000	202,000	76,000	88,000	92,000	95,000	351,000	400,000			
Allowance for equity funds used during construction	2,551	0	0	0	0	0	0	0	0	0	0	0			
Other income (expense)	(32,099)	8,000	13,000	22,000	46,000	89,000	7,000	4,000	17,000	5,000	33,000	20,000			
Interest expense	(733,372)	(184,000)	(186,000)	(223,000)	(316,000)	(909,000)	(312,000)	(314,000)	(344,000)	(380,000)	(1,350,000)	(1,250,000)			
Capitalized interest	57,426	18,000	6,000	8,000	11,000	43,000	12,000	16,000	19,000	30,000	77,000	100,000			
INCOME BEFORE INCOME TAXES	2,249,645	1,379,000	613,000	595,000	910,000	3,497,000	847,000	1,023,000	912,000	1,430,000	4,212,000	6,700,000			
INCOME TAXES															
Current	64,005	45,000	11,000	(39,000)	(8,000)	9,000	28,000	38,000	34,000	57,200	157,200	268,000	< 4%		
Deferred	463,419	285,000	134,000	180,000	230,000	829,000	180,000	205,000	185,000	286,000	856,000	1,340,000	< 20%		
NET INCOME	\$1,722,221	\$1,049,000	\$468,000	\$454,000	\$688,000	\$2,659,000	\$639,000	\$780,000	\$693,000	\$1,086,800	\$3,198,800	\$5,092,000			
Less: Preferred Stock Dividends	1,100	-	-	-	-	-	-	-	-	-	-	-			
NET INCOME ATTRIBUTABLE TO ONEOK	\$1,721,121	\$1,049,000	\$468,000	\$454,000	\$688,000	\$2,659,000	\$639,000	\$780,000	\$693,000	\$1,086,800	\$3,198,800	\$5,092,000			
COMMON STOCK	447,158	583,093	583,093	583,093	583,093	583,093	584,173	584,173	584,173	584,173	584,173	622,000			
Earnings per Ltd Partner unit	\$3.85	\$1.80	\$0.80	\$0.78	\$1.18	\$4.56	\$1.09	\$1.34	\$1.19	\$1.86	\$5.48	\$8.19			
NOTE: Current First Call Estimated EPS							\$1.09	\$1.34	\$1.19	\$1.54	\$5.16	\$6.03			
Cash flow (\$Millions)	\$2,901,460	\$1,240,000	\$797,000	\$846,000	\$1,180,000	\$4,063,000	\$1,098,000	\$1,227,000	\$1,185,000	\$1,742,800	\$5,252,800	\$7,785,000	< 2024 Capex \$1,750 to \$1,950 million		
Cashflow per LP unit (before CapEx)	\$6.49	\$2.13	\$1.37	\$1.45	\$2.02	\$6.97	\$1.88	\$2.10	\$2.03	\$2.98	\$8.99	\$12.52	< Fair Value estimated at 10 X CFPS \$122.00		
Distributions >>>	\$3.74	\$0.955	\$0.955	\$0.955	\$0.955	\$3.820	\$0.99	\$0.99	\$0.99	\$0.99	\$3.96	\$4.10	< Estimated dividends TipRanks PT \$ 107.07 < \$97 to \$147		
							EBITDA >>>	1,401,000	1,583,000	1,511,000	2,130,000	6,625,000	9,150,000		

Compare to CFPS Forecast on row 52

TipRanks 12-10-2024

Annual Cash Flow Per Share (CFPS)

Estimates

2023	2024	2025	2026	2027
8.03	10.37	11.43	10.63	

2024 EBITDA \$ 6,625,000

Compare to Guidance Below >>>

Oct 29 Update EBITDA guidance \$6,525 to \$6,725 million

Stock repurchase plan is \$2 billion over 4 years

< 2024 is shares o/s on 9-30-2024 < 37 million shares add in Q1 2025

Merger with MMP added 135,401,000 shares in Q3 2023

< TipRanks' EPS forecast

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