

**ONEOK Announces 11% Year-Over-Year Increase in Fourth Quarter 2020 Operating Income;  
Announces 2021 Financial Guidance**

**Feb. 22, 2021**

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**ONEOK, Inc. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF INCOME**

<i>(Unaudited)</i>	<b>Three Months Ended</b>		<b>Years Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<i>(Thousands of dollars, except per share amounts)</i>			
<b>Revenues</b>				
Commodity sales	\$ 2,250,884	\$ 2,348,413	\$ 7,255,259	\$ 8,916,047
Services	319,693	315,193	1,286,983	1,248,320
<b>Total revenues</b>	<b>2,570,577</b>	<b>2,663,606</b>	<b>8,542,242</b>	<b>10,164,367</b>
Cost of sales and fuel (exclusive of items shown separately below)	1,627,086	1,791,341	5,110,146	6,788,040
Operations and maintenance	222,394	231,376	761,176	863,708
Depreciation and amortization	152,648	125,983	578,662	476,535
Impairment charges	3,176	—	607,200	—
General taxes	27,377	27,899	125,028	119,156
(Gain) loss on sale of assets	(767)	(307)	(1,327)	2,575
<b>Operating income</b>	<b>538,663</b>	<b>487,314</b>	<b>1,361,357</b>	<b>1,914,353</b>
Equity in net earnings from investments	35,240	39,366	143,241	154,541
Impairment of equity investments	—	—	(37,730)	—
Allowance for equity funds used during construction	1,315	19,640	23,662	64,815
Other income	9,355	5,373	43,745	27,058
Other expense	(4,406)	(3,979)	(19,073)	(18,003)
Interest expense (net of capitalized interest of \$13,997, \$33,674, \$75,436, and \$107,275, respectively)	(176,931)	(129,283)	(712,886)	(491,773)
<b>Income before income taxes</b>	<b>403,236</b>	<b>418,431</b>	<b>802,316</b>	<b>1,650,991</b>
<b>Income taxes</b>	<b>(95,207)</b>	<b>(98,180)</b>	<b>(189,507)</b>	<b>(372,414)</b>
<b>Net income</b>	<b>308,029</b>	<b>320,251</b>	<b>612,809</b>	<b>1,278,577</b>
Less: Preferred stock dividends	275	275	1,100	1,100
<b>Net income available to common shareholders</b>	<b>\$ 307,754</b>	<b>\$ 319,976</b>	<b>\$ 611,709</b>	<b>\$ 1,277,477</b>
Basic earnings per common share	\$ 0.69	\$ 0.77	\$ 1.42	\$ 3.09
Diluted earnings per common share	\$ 0.69	\$ 0.77	\$ 1.42	\$ 3.07
Average shares ( <i>thousands</i> )				
Basic	445,313	413,910	431,105	413,560
Diluted	446,130	415,944	431,782	415,444

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**ONEOK, Inc. and Subsidiaries  
CONSOLIDATED BALANCE SHEETS**

<i>(Unaudited)</i>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>	<i>(Thousands of dollars)</i>	
<b>Current assets</b>		
Cash and cash equivalents	\$ 524,496	\$ 20,958
Accounts receivable, net	829,796	835,121
Materials and supplies	143,178	201,749
NGLs and natural gas in storage	227,810	304,926
Commodity imbalances	11,959	25,267
Other current assets	132,536	82,313
<b>Total current assets</b>	<b>1,869,775</b>	<b>1,470,334</b>
<b>Property, plant and equipment</b>		
Property, plant and equipment	23,072,935	22,051,492
Accumulated depreciation and amortization	3,918,007	3,702,807
<b>Net property, plant and equipment</b>	<b>19,154,928</b>	<b>18,348,685</b>
<b>Investments and other assets</b>		
Investments in unconsolidated affiliates	805,032	861,844
Goodwill and intangible assets	773,723	957,833
Other assets	475,296	173,425
<b>Total investments and other assets</b>	<b>2,054,051</b>	<b>1,993,102</b>
<b>Total assets</b>	<b>\$ 23,078,754</b>	<b>\$ 21,812,121</b>

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

<i>(Unaudited)</i>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<i>(Thousands of dollars)</i>		
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 7,650	\$ 7,650
Short-term borrowings	—	220,000
Accounts payable	719,302	1,209,900
Commodity imbalances	186,372	104,480
Accrued taxes	89,428	75,422
Accrued interest	245,153	190,750
Operating lease liability	13,610	1,883
Other current liabilities	83,032	210,213
<b>Total current liabilities</b>	<b>1,344,547</b>	<b>2,020,298</b>
<b>Long-term debt, excluding current maturities</b>	<b>14,228,421</b>	<b>12,479,757</b>
<b>Deferred credits and other liabilities</b>		
Deferred income taxes	669,697	536,063
Operating lease liability	87,610	13,509
Other deferred credits	706,081	536,543
<b>Total deferred credits and other liabilities</b>	<b>1,463,388</b>	<b>1,086,115</b>
<b>Commitments and contingencies</b>		
<b>Equity</b>		
ONEOK shareholders' equity:		
Preferred stock, \$0.01 par value: authorized and issued 20,000 shares at December 31, 2020, and at December 31, 2019	—	—
Common stock, \$0.01 par value: authorized 1,200,000,000 shares; issued 474,916,234 shares and outstanding 444,872,383 shares at December 31, 2020; issued 445,016,234 shares and outstanding 413,239,050 shares at December 31, 2019	4,749	4,450
Paid-in capital	7,353,396	7,403,895
Accumulated other comprehensive loss	(551,449)	(374,000)
Retained earnings	—	—
Treasury stock, at cost: 30,043,851 shares at December 31, 2020, and 31,777,184 shares at December 31, 2019	(764,298)	(808,394)
<b>Total equity</b>	<b>6,042,398</b>	<b>6,225,951</b>
<b>Total liabilities and equity</b>	<b>\$ 23,078,754</b>	<b>\$ 21,812,121</b>

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**ONEOK, Inc. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(Unaudited)</i>	Years Ended December 31,	
	2020	2019
	<i>(Thousands of dollars)</i>	
<b>Operating activities</b>		
Net income	\$ 612,809	\$ 1,278,577
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	578,662	476,535
Impairment charges	644,930	—
Equity in net earnings from investments	(143,241)	(154,541)
Distributions received from unconsolidated affiliates	144,352	163,476
Deferred income tax expense	186,730	372,729
Other, net	35,327	(26,101)
Changes in assets and liabilities:		
Accounts receivable	(1,297)	(19,688)
NGLs and natural gas in storage	77,116	(8,259)
Accounts payable	(80,257)	(62,946)
Commodity imbalances	95,200	(1,934)
Accrued interest	54,403	29,373
Risk-management assets and liabilities	(187,458)	(86,268)
Other assets and liabilities, net	(118,208)	(14,174)
<b>Cash provided by operating activities</b>	<b>1,899,068</b>	<b>1,946,779</b>
<b>Investing activities</b>		
Capital expenditures (less allowance for equity funds used during construction)	(2,195,381)	(3,848,349)
Distributions received from unconsolidated affiliates in excess of cumulative earnings	31,808	94,168
Other, net	(106,956)	(14,577)
<b>Cash used in investing activities</b>	<b>(2,270,529)</b>	<b>(3,768,758)</b>
<b>Financing activities</b>		
Dividends paid	(1,605,366)	(1,457,628)
Borrowing (repayment) of short-term borrowings, net	(220,000)	220,000
Issuance of long-term debt, net of discounts	3,244,777	4,185,435
Debt financing costs	(28,247)	(29,747)
Repayment of long-term debt	(1,457,222)	(1,057,348)
Issuance of common stock	969,759	29,040
Other, net	(28,702)	(58,790)
<b>Cash provided by financing activities</b>	<b>874,999</b>	<b>1,830,962</b>
Change in cash and cash equivalents	503,538	8,983
Cash and cash equivalents at beginning of period	20,958	11,975
<b>Cash and cash equivalents at end of period</b>	<b>\$ 524,496</b>	<b>\$ 20,958</b>

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**ONEOK, Inc. and Subsidiaries  
INFORMATION AT A GLANCE**

<i>(Unaudited)</i>	<b>Three Months Ended December 31,</b>		<b>Years Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<i>(Millions of dollars, except as noted)</i>			
<b><u>Natural Gas Liquids</u></b>				
Operating costs, excluding noncash compensation adjustments	\$ 105.8	\$ 111.5	\$ 396.4	\$ 434.4
Depreciation and amortization	\$ 73.5	\$ 52.9	\$ 271.9	\$ 196.1
Equity in net earnings from investments	\$ 8.8	\$ 15.7	\$ 39.9	\$ 65.1
Adjusted EBITDA	\$ 417.4	\$ 373.9	\$ 1,617.2	\$ 1,465.8
Raw feed throughput ( <i>MBbl/d</i> ) (a)	1,071	1,096	1,084	1,079
Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix ( <i>\$/gallon</i> )	\$ —	\$ 0.03	\$ 0.01	\$ 0.07
Capital expenditures	\$ 150.9	\$ 827.5	\$ 1,655.8	\$ 2,796.6
(a) - Represents physical raw feed volumes on which ONEOK charges a fee for transportation and/or fractionation services.				
<b><u>Natural Gas Gathering and Processing</u></b>				
Operating costs, excluding noncash compensation adjustments	\$ 90.2	\$ 93.6	\$ 320.0	\$ 352.8
Depreciation and amortization	\$ 66.4	\$ 57.5	\$ 247.0	\$ 219.5
Equity in net earnings (loss) from investments	\$ 0.3	\$ (1.6)	\$ (1.1)	\$ (6.3)
Adjusted EBITDA	\$ 218.5	\$ 188.5	\$ 650.0	\$ 702.7
Natural gas gathered ( <i>BBtu/d</i> ) (a)	2,704	2,787	2,553	2,753
Natural gas processed ( <i>BBtu/d</i> ) (a) (b)	2,477	2,590	2,364	2,555
Average fee rate ( <i>\$/MMBtu</i> ) (a)	\$ 1.04	\$ 0.94	\$ 0.89	\$ 0.92
Capital expenditures	\$ 83.3	\$ 252.4	\$ 446.1	\$ 926.5
(a) - Includes volumes for consolidated entities only.				
(b) - Includes volumes ONEOK processed at company-owned and third-party facilities.				
<b><u>Natural Gas Pipelines</u></b>				
Operating costs, excluding noncash compensation adjustments	\$ 38.2	\$ 42.7	\$ 137.2	\$ 150.8
Depreciation and amortization	\$ 11.8	\$ 14.6	\$ 55.7	\$ 57.3
Equity in net earnings from investments	\$ 26.1	\$ 25.3	\$ 104.4	\$ 95.7
Adjusted EBITDA	\$ 105.2	\$ 97.8	\$ 437.4	\$ 408.8
Natural gas transportation capacity contracted ( <i>MDth/d</i> ) (a)	7,388	7,768	7,461	7,618
Transportation capacity contracted (a)	95 %	100 %	96 %	98 %
Capital expenditures	\$ 31.4	\$ 21.3	\$ 71.9	\$ 99.2
(a) - Includes volumes for consolidated entities only.				

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**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

<i>(Unaudited)</i>	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
	<i>(Thousands of dollars, except per share amounts and coverage ratios)</i>			
<b>Reconciliation of net income to adjusted EBITDA, distributable cash flow and dividend coverage</b>				
Net income	\$ 308,029	\$ 320,251	\$ 612,809	\$ 1,278,577
Interest expense, net of capitalized interest	176,931	129,283	712,886	491,773
Depreciation and amortization	152,648	125,983	578,662	476,535
Income tax expense	95,207	98,180	189,507	372,414
Impairment charges	3,176	—	644,930	—
Noncash compensation expense (a)	7,279	6,287	8,540	26,699
Equity AFUDC and other noncash items	(1,315)	(19,454)	(23,661)	(65,811)
<b>Adjusted EBITDA (b)</b>	<b>741,955</b>	<b>660,530</b>	<b>2,723,673</b>	<b>2,580,187</b>
Interest expense, net of capitalized interest	(176,931)	(129,283)	(712,886)	(491,773)
Maintenance capital	(53,759)	(63,041)	(136,920)	(195,631)
Equity in net earnings from investments	(35,240)	(39,366)	(143,241)	(154,541)
Distributions received from unconsolidated affiliates	44,285	54,297	176,160	257,644
Other (b)	(2,472)	4,754	(25,195)	20,227
<b>Distributable cash flow</b>	<b>517,838</b>	<b>487,891</b>	<b>1,881,591</b>	<b>2,016,113</b>
Dividends paid to preferred shareholders	(275)	(275)	(1,100)	(1,100)
Distributable cash flow to shareholders	517,563	487,616	1,880,491	2,015,013
Dividends paid	(415,516)	(377,974)	(1,604,266)	(1,456,528)
Distributable cash flow in excess of dividends paid	\$ 102,047	\$ 109,642	\$ 276,225	\$ 558,485
Dividends paid per share	\$ 0.935	\$ 0.915	\$ 3.74	\$ 3.53
<b>Dividend coverage ratio</b>	<b>1.25</b>	<b>1.29</b>	<b>1.17</b>	<b>1.38</b>
Number of shares used in computation ( <i>thousands</i> )	444,402	413,086	428,948	412,614

(a) Amount for the year ended Dec. 31, 2020, includes a benefit of \$11.2 million related to the mark-to-market of ONEOK's share-based deferred compensation plan.

(b) Amount for the year ended Dec. 31, 2020, includes a benefit of \$22.3 million related to net gains on open market repurchases of debt.

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**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

**2021  
Guidance Range**

*(Unaudited)*

*(Millions of dollars)*

**Reconciliation of net income to adjusted EBITDA and distributable cash flow**

Net income	\$ 1,075	-	\$ 1,375
Interest expense, net of capitalized interest	775	-	735
Depreciation and amortization	655	-	635
Income tax expense	340	-	440
Noncash compensation expense	50	-	30
Equity AFUDC and other noncash items	5	-	(15)
<b>Adjusted EBITDA</b>	<b>\$ 2,900</b>	<b>-</b>	<b>\$ 3,200</b>
Interest expense, net of capitalized interest	(775)	-	(735)
Maintenance capital	(210)	-	(190)
Equity in net earnings from investments	(70)	-	(130)
Distributions received from unconsolidated affiliates	115	-	135
Other	10	-	(10)
<b>Distributable cash flow</b>	<b>\$ 1,970</b>	<b>-</b>	<b>\$ 2,270</b>

**2021  
Guidance Range**

*(Unaudited)*

*(Millions of dollars)*

**Reconciliation of segment adjusted EBITDA to adjusted EBITDA**

Segment Adjusted EBITDA:			
Natural Gas Liquids	\$ 1,860	-	\$ 2,030
Natural Gas Gathering and Processing	660	-	760
Natural Gas Pipelines	385	-	405
Other	(5)	-	5
<b>Adjusted EBITDA</b>	<b>\$ 2,900</b>	<b>-</b>	<b>\$ 3,200</b>