ONEOK Inc. (OKE)

Updated August 18th, 2026 by Jonathan Weber

Key Metrics

Current Price:	$97	**5 Year CAGR Estimate:**	4.4%	**Market Cap:**	$61B
Fair Value Price:	$84	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	11/02/26[1]
% Fair Value:	115%	**5 Year Valuation Multiple Estimate:**	-2.8%	**Dividend Payment Date:**	11/13/26[2]
Dividend Yield:	4.4%	**5 Year Price Target**	$97	**Years Of Dividend Growth:**	4
Dividend Risk Score:	F	**Sector:**	Energy	**Rating:**	Hold

Overview & Current Events

ONEOK is an energy company that engages in the gathering and processing of natural gas, as well as a natural gas liquids business and natural gas pipelines (interstate and intrastate). ONEOK also owns storage facilities for natural gas. ONEOK is headquartered in Tulsa, Oklahoma, and was founded in 1906.

ONEOK reported its second quarter earnings results on August 3rd. The company reported that it generated revenues of $12.0 billion during the quarter, which was 53% more than the revenues that ONEOK generated during the previous year's quarter. The revenue movement compared to the prior year's quarter was influenced by commodity price movements to a significant degree. Due to higher commodity costs, which oftentimes are a flow-through item for ONEOK, EBITDA didn't grow in line with revenue, however. ONEOK's EBITDA thus rose less than its revenues, being up by 7% compared to one year earlier, rising to $2.12 billion.

ONEOK earned $1.53 per share during the second quarter, which was a little more than what the analyst community had forecast. The company is expected to see its earnings-per-share grow meaningfully this year, adding to the growth seen last year, when ONEOK was able to mostly revert the earnings-per-share decline we saw in 2024. For the current year, analysts are expecting earnings-per-share of around $6.00, which would be a new record result.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS[3]	$1.67	$3.56	$4.35	$4.84	$4.23	$3.34	$3.84	$5.48	$5.17	$5.42	***$6.00***	***$6.96***
DPS	$2.46	$2.72	$3.25	$3.53	$3.74	$3.74	$3.74	$3.82	$3.96	$4.12	***$4.28***	***$4.73***
Shares[4]	211	389	415	416	444	447	450	484	585	625	***630***	***650***

ONEOK's growth track record is uneven. There were times when the company delivered strong year-over-year growth, but also times when there was no meaningful earnings or cash flow growth.

The roll-up of ONEOK's MLP boosted growth in the past. When growth was achieved organically, that was mainly due to new projects coming online. In order to finance its growth, including via acquisitions, ONEOK issued shares from time to time, which made its share count grow substantially over the last decade. This dilution made ONEOK's earnings-per-share grow a lot less than company-wide profits. We believe that there is a high likelihood that ONEOK's share count will climb in the future, too, thus dilution will likely remain a headwind for ONEOK's per-share growth rate.

ONEOK has reduced its organic growth spending to some degree, as this will allow ONEOK to pay down debt in the coming years. Overall, growth spending should still allow for some earnings growth in the long run, and the takeover of Magellan Midstream could have a positive impact on ONEOK's longer-term growth as well. On the other hand, increasing regulation could be a headwind for ONEOK's growth in the future. We believe that a low to mid-single-digit earnings-per-share growth rate is achievable, although investors could see some ups and downs in the future, too.

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[1] Estimated date

[2] Estimated date

[3] *The table above contains earnings-per-share for 2009 to 2016 and 2021 and beyond, and DCF-per-share for 2017-2020.*

[4] In Millions

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/E	24.5	15.4	13.1	15.7	9.0	11.2	16.7	13.0	19.5	13.7	***16.2***	***14.0***
Avg. Yld.	6.0%	5.1%	6.0%	4.6%	9.8%	6.3%	5.8%	5.4%	3.9%	5.6%	***4.4%***	***4.9%***

ONEOK's valuation moved in a wide range in the past, while shares are trading for around 16 times this year's forecasted net profits right now. The growth outlook for the company is reasonable but not overly strong, thus our fair value earnings multiple isn't very high, at 14 times net profits. At current prices, ONEOK trades above our fair value estimate while it provides a very solid dividend yield of 4.4%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	147%	76%	75%	73%	88%	112%	97%	70%	77%	76%	***71%***	***68%***

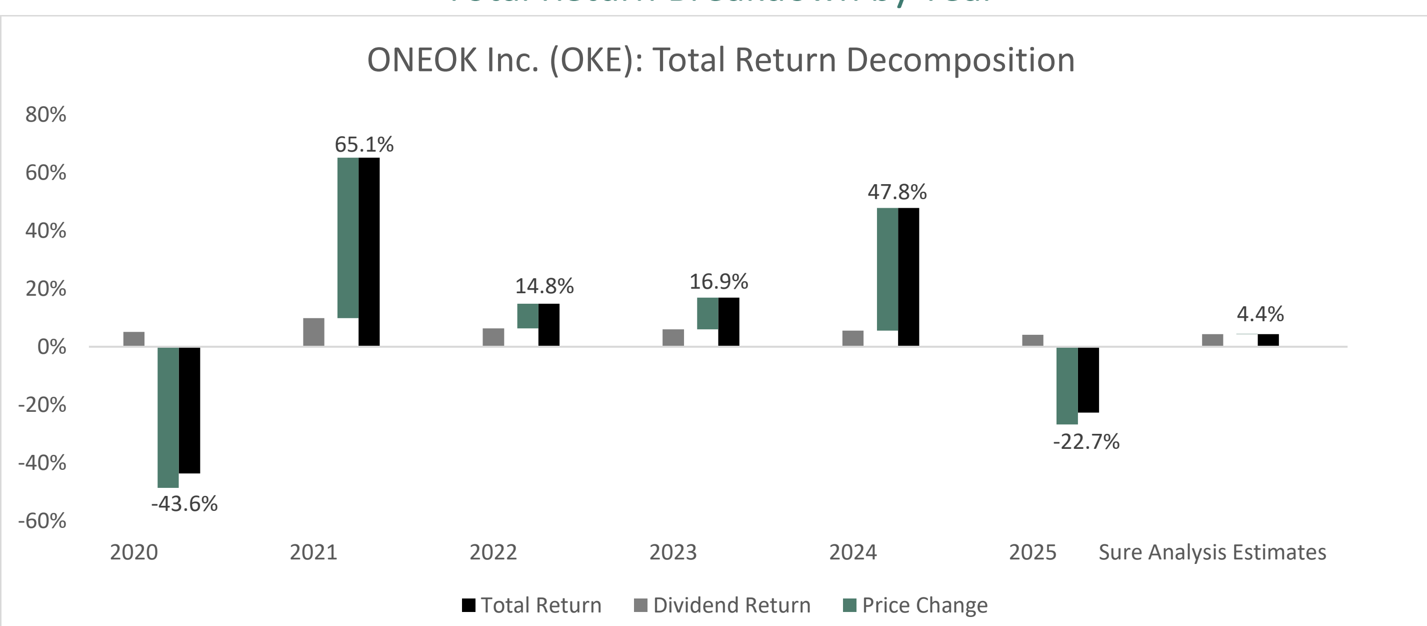
ONEOK paid out more than its net earnings during parts of the last decade, but it didn't cut its dividend during those times. Its dividend growth track record isn't very high while its dividend payout ratio is far from low, which is why we believe that the dividend isn't overly safe. A dividend cut seems possible here in the future.

A lot of ONEOK's revenues, especially after the roll-up of its MLP, are fee-based or hedged, which makes the company less sensitive to commodity price swings. Therefore, ONEOK can operate with considerable leverage without being in dangerous territory, as its cash flows are not overly volatile, although they are still impacted by the volumes that are transported by ONEOK. The fee-based nature of ONEOK's revenues and non-cyclical demand for natural gas, e.g. for heating, is what has made ONEOK relatively recession-resilient in the past.

Final Thoughts & Recommendation

ONEOK is a natural gas focused infrastructure company. Even though it is not the largest among its peers, the company has benefited a lot from growing natural gas production in the United States in the past. We see ONEOK generating some profit growth going forward, but not at the level seen in the past, as the company is much larger and more mature now. Since the dividend safety score and the expected return isn't great, we rate ONEOK a hold for now.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	8,921	12,174	12,593	10,164	8,542	16,540	22,387	17,677	21,698	33,629
Gross Profit	2,033	2,230	2,742	2,900	2,853	3,661	3,851	4,979	7,253	8,742
Gross Margin	22.8%	18.3%	21.8%	28.5%	33.4%	22.1%	17.2%	28.2%	33.4%	26.0%
D&A Exp.	392	406	429	477	579	622	626	769	1,134	1,514
Operating Profit	1,286	1,407	1,835	1,917	1,969	2,596	2,807	4,230	5,062	5,822
Op. Margin	14.4%	11.6%	14.6%	18.9%	23.0%	15.7%	12.5%	23.9%	23.3%	17.3%
Net Profit	352	388	1,152	1,279	613	1,500	1,722	2,659	3,035	3,393
Net Margin	3.9%	3.2%	9.1%	12.6%	7.2%	9.1%	7.7%	15.0%	14.0%	10.1%
Free Cash Flow	729	803	45	(1,902)	(296)	1,849	1,704	2,826	2,867	2,447
Income Tax	212	447	363	372	190	484	528	838	998	1028

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	16,139	16,846	18,232	21,812	23,079	23,622	24,379	44,266	64,069	66,641
Cash & Equivalents	249	37	12	21	524	146	220	338	733	78
Acc. Receivable	872	1,203	819	835	830	1,442	1,532	1,705	2,326	3,010
Inventories	201	433	438	507	371	581	581	639	748	948
Goodwill & Int.	1,005	993	967	958	774	763	753	6,268	11,130	10,959
Total Liabilities	12,710	11,161	11,652	15,586	17,036	17,606	17,885	27,782	41,936	44,072
Accounts Payable	875	1,141	1,116	1,210	719	1,332	1,359	1,564	2,187	2,838
Long-Term Debt	9,441	9,139	9,381	12,707	14,236	13,643	13,621	21,667	32,077	30,755
Total Equity	189	5,528	6,580	6,226	6,042	6,015	6,494	16,484	17,036	22,569
LTD/E Ratio	50.02	1.65	1.43	2.04	2.36	2.27	2.10	1.31	1.88	1.46

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.2%	2.4%	6.6%	6.4%	2.7%	6.4%	7.2%	7.7%	5.6%	5.2%
Return on Equity	9.8%	8.5%	18.8%	20.0%	10.0%	24.9%	27.5%	23.1%	15.7%	17.2%
ROIC	2.7%	2.8%	7.5%	7.3%	3.1%	7.5%	8.7%	9.1%	6.6%	7.1%
Shares Out.	211	389	415	416	444	447	450	484	585	626
Revenue/Share	42.00	40.61	30.40	24.47	19.78	36.97	49.93	36.42	37.00	53.73
FCF/Share	3.43	2.68	0.11	(4.58)	(0.69)	4.13	3.80	5.82	4.89	3.91

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.