

## Kinder Morgan (KMI)

**\$27.12** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$28.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 02/18/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM: C

Value: C

Growth: D

Momentum: A

## Summary

Kinder Morgan operates the largest U.S. natural-gas pipeline and storage network, with prime exposure to fast-growing Gulf Coast and shale corridors. Management sees gas demand rising on LNG exports, utility load, and industrial and power use, so incremental volumes should route through KMI's system. A large, mostly gas-oriented expansion backlog is set to add capacity over the next several years, supporting higher cash generation as projects come online. Revenue is insulated by take-or-pay and fee contracts plus inflation-linked escalators, making cash flows resilient across commodity and volume cycles. However, key risks include reliance on continued LNG and power growth, limited diversification beyond infrastructure, and potential overbuild in hubs like the Permian that could pressure contract renewals and future pricing.

## Price, Consensus & Surprise<sup>(1)</sup>



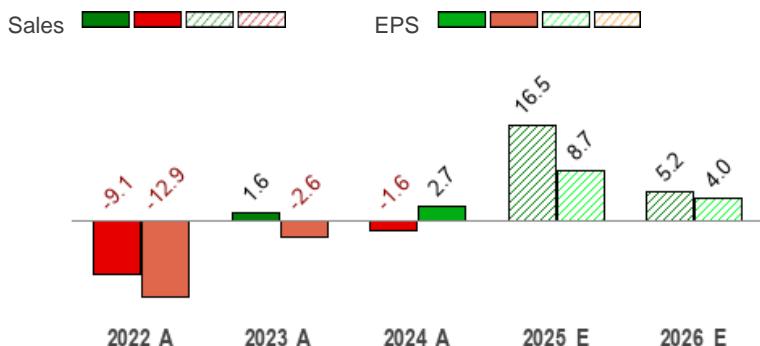
## Data Overview

52 Week High-Low	<b>\$31.48 - \$23.94</b>
20 Day Average Volume (sh)	<b>10,070,281</b>
Market Cap	<b>\$60.3 B</b>
YTD Price Change	<b>-1.4%</b>
Beta	<b>0.69</b>
Dividend / Div Yld	<b>\$1.17 / 4.3%</b>
Industry	<b><u>Oil and Gas - Production and Pipelines</u></b>
Zacks Industry Rank	<b>Top 17% (42 out of 244)</b>

Last EPS Surprise	<b>0.0%</b>
Last Sales Surprise	<b>0.5%</b>
EPS F1 Est- 4 week change	<b>-1.1%</b>
Expected Report Date	<b>01/28/2026</b>
Earnings ESP	<b>0.8%</b>

P/E TTM	<b>22.1</b>
P/E F1	<b>24.2</b>
PEG F1	<b>3.8</b>
P/S TTM	<b>3.7</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



## Sales Estimates (millions of \$)<sup>(1)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026					<b>18,500 E</b>
2025	4,241 A	4,042 A	4,146 A		<b>17,586 E</b>
2024	3,842 A	3,572 A	3,699 A	3,987 A	<b>15,100 A</b>

## EPS Estimates<sup>(1)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026					<b>1.30 E</b>
2025	0.34 A	0.28 A	0.29 A		<b>1.25 E</b>
2024	0.34 A	0.25 A	0.25 A	0.32 A	<b>1.15 A</b>

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/09/2026.

(2) The report's text and the price target are as of 12/22/2025.

## Overview

Headquartered in Houston, TX, Kinder Morgan, Inc. is a leading midstream energy infrastructure provider in North America. The company operates pipelines across 83,000 miles to transport natural gas, crude oil, condensate, refined petroleum products, CO2 and other products. Kinder Morgan also owns 141 terminals that are utilized for storing liquid commodities comprising ethanol & chemicals and petroleum products. The terminals also store and transload petroleum coke, metals and ores.

The company's business model is designed to earn stable fee-based revenues from key midstream assets that are being utilized by shippers and customers over a long period. Kinder Morgan enjoys economies of scale from key asset acquisitions and building new pipelines.

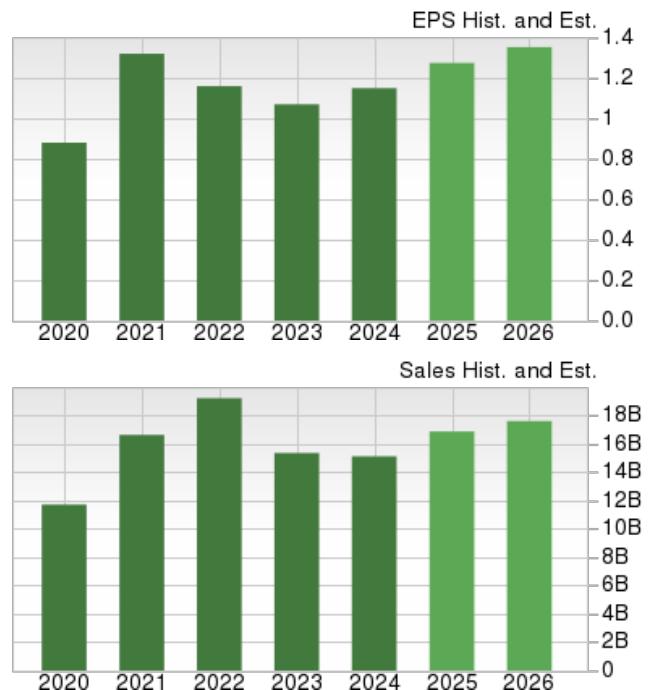
Kinder Morgan primarily conducts business through four operating segments: Natural Gas Pipelines, Products Pipelines, Terminals and CO2.

**Natural Gas Pipelines:** Through this business unit, the midstream energy player operates key interstate and intrastate natural gas pipelines. Kinder Morgan also operates gathering systems of oil and natural gas. The unit contributed 65.2% to the total segment EBDA (earnings before depreciation and amortization) in 2024.

**Products Pipelines:** The company transports refined petroleum products, NGL, crude and condensate to key markets. The products that are transported are diesel, gasoline, propane, jet fuel, ethane and others. This segment contributed 14% to total EBDA.

**Terminals:** Kinder Morgan has operatorship interests in terminals across the United States and parts of Canada. The terminals are being utilized for storing and transloading ethanol & chemicals, crude, refined petroleum products and bulk products. The segment contributed 13% to total EBDA.

**CO2:** The company produces and transports CO2 that is being utilized to boost the recovery and production of oil from mature fields. CO2 accounted for 7.8% of total EBDA.



As of 01/09/2026



As of 01/09/2026

## Reasons To Buy:

▲ Kinder Morgan runs the biggest natural-gas pipeline system in the U.S. It has about 58,500 miles of major pipelines, 7,500 miles of gathering lines, and over 700 bcf of gas storage. Its network moves roughly 40% of all U.S. gas production and is located in many fast-growing areas. The company expects U.S. gas demand to rise from about 110 bcfd in 2024 to around 132 bcfd by 2030. About 85% of this growth should come from Texas and Louisiana because of LNG exports and more industrial use. Since Kinder Morgan has many pipelines in these regions, a lot of the extra gas demand is likely to flow through its system between 2025 and 2030.

▲ As of Sep. 30, Kinder Morgan's committed growth projects total about \$9.3 billion, up from \$7.2 billion at the end of 2024 and \$2.2 billion at the end of 2023. Around 90% of this spending is for natural-gas projects aimed at LNG, utilities, and power plants. The company says these projects should earn strong returns, meaning it only builds projects that are expected to pay off well. About 20% of this backlog should start operating in late 2025 through 2026, giving a near-term boost to cash flow. Bigger projects will come online in 2027–2029, with some continuing into 2030.

▲ Most of Kinder Morgan's cash flow is protected from swings in gas prices or volumes. About 64% comes from take-or-pay contracts, 26% from regular fee contracts, 5% is hedged, and only 5% is fully exposed. In gas transportation and storage, about 88% is take-or-pay with contracts lasting several years. In its liquids and terminals businesses, most earnings rise each year with inflation-linked or fixed price increases. This makes Kinder Morgan's cash flows steadier during 2025-2029, even if inflation or interest rates stay uncertain.

Kinder Morgan offers long-term value with strong LNG demand, contract-backed growth, and tax advantages.

## Reasons To Sell:

- ▼ Kinder Morgan's future performance is closely tied to external market dynamics, as its growth relies on sustained demand for LNG exports, rising power generation needs, and favorable natural gas prices. Any downturn in these areas, driven by shifts in global energy demand or pricing volatility, could affect the company's expansion plans and earnings stability.
- ▼ Kinder Morgan's leadership has made it clear that the company intends to stay focused on its core strength, energy transportation and infrastructure, rather than branching into power generation or other downstream ventures. While this disciplined approach helps maintain operational focus and risk control, it also limits diversification opportunities that could provide additional revenue streams or reduce exposure to fluctuations in the natural gas market.
- ▼ There's concern that too many pipelines might be built in areas like the Permian Basin. KMI's older contracts there expire in 2029 to 2030. If newer pipelines offer cheaper rates, KMI might struggle to renew those contracts at the same prices, potentially hurting future revenues.

Kinder Morgan's reliance on gas markets and limited diversification may restrict future growth flexibility.

## Last Earnings Report

### Kinder Morgan Q3 Earnings Meet Estimates

Kinder Morgan reported third-quarter 2025 adjusted earnings per share of 29 cents, which met the Zacks Consensus Estimate. The bottom line also increased year over year from 25 cents.

Total quarterly revenues of \$4.15 billion beat the Zacks Consensus Estimate of \$4.13 billion. The top line also increased from \$3.70 billion in the prior-year quarter.

The in-line earnings and better-than-expected top line were primarily backed by business activities associated with natural gas pipelines.

### Segmental Analysis

**Natural Gas Pipelines:** In the September-ended quarter, adjusted earnings before depreciation, depletion and amortization expenses (EBDA) jumped to \$1.4 billion from \$1.27 billion a year ago. The segment's performance benefited from higher transported and gathering volumes.

**Product Pipelines:** The segment's EBDA in the third quarter was \$288 million, an increase from \$276 million recorded a year ago. The increased contributions were primarily due to higher volumes of diesel fuel in the pipeline.

**Terminals:** Kinder Morgan generated a quarterly EBDA of \$274 million from the segment, higher than the year-ago period's \$267 million. Liquids utilization was almost on par with last year at a handsome 94.6%, which aided the business unit.

**CO2:** The segment's EBDA was \$136 million, plummeting from the year-ago quarter's \$160 million.

### Operational Highlights

Expenses related to operations and maintenance totaled \$786 million, down from \$790 million registered a year ago. However, the total operating costs, expenses and other expenditures increased to \$3.08 billion from \$2.68 billion.

KMI's project backlog was reported at \$9.3 billion by the September-quarter end. The midstream energy major added that out of the total backlog, the proportion of natural gas projects is the maximum.

### Balance Sheet

As of Sept. 30, 2025, KMI reported \$71 million in cash and cash equivalents. At the quarter's end, its long-term debt amounted to \$31.3 billion.

### Outlook

For this year, the midstream player projected net income attributable to KMI at \$2.8 billion and estimated adjusted EPS at \$1.27. Considering the financial conditions, by 2025-end, Kinder Morgan, currently carrying a Zacks Rank #3 (Hold), anticipates its net debt-to-adjusted EBITDA at 3.8x.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 22, 2025
Sales Surprise	0.48%
EPS Surprise	0.00%
Quarterly EPS	0.29
Annual EPS (TTM)	1.23

## Valuation

Kinder Morgan shares are down 5.7% in the past six months and 2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 0.6% while the Zacks Oils-Energy sector is up 3.6% in the past six months. Over the past year, the Zacks sub-industry is up 7.7% while the sector is up 7.1%.

The S&P 500 index is up 16.3% in the past six months and 16.4% in the past year.

The stock is currently trading at 19.58X forward 12-month earnings, which compares to 18.24X for the Zacks sub-industry, 13.28X for the Zacks sector and 23.27X for the S&P 500 index.

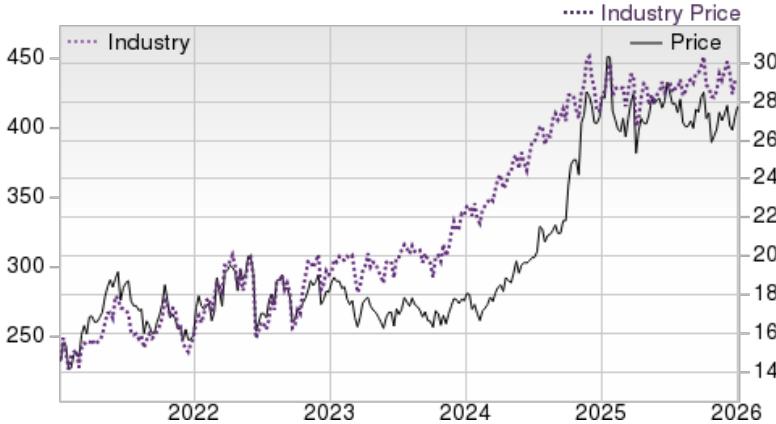
Over the past five years, the stock has traded as high as 24.15X and as low as 12.38X, with a 5-year median of 16.45X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$28.00 price target reflects 20.75X F12M earnings.

The table below shows summary valuation data for KMI.

Valuation Multiples - KMI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.58	18.24	13.28	23.27
	5-Year High	24.15	19.09	19.11	23.78
	5-Year Low	12.38	13.11	5.88	15.73
	5-Year Median	16.45	15.46	9.75	21.22
EV/EBITDA TTM	Current	13.4	13.6	5.36	18.56
	5-Year High	15.22	14.85	6.84	22.37
	5-Year Low	9.6	10.05	2.78	13.85
	5-Year Median	11.53	12.78	4.4	17.94
P/S F12M	Current	3.36	2.61	1.21	5.25
	5-Year High	4.33	3.34	1.23	5.5
	5-Year Low	1.74	1.3	0.74	3.82
	5-Year Median	2.69	1.96	0.98	5.04

As of 12/19/2025

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 17% (42 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Transportadora De Ga... (TGS)	Outperform	2
MPLX LP (MPLX)	Neutral	3
South Bow Corporatio... (SOBO)	Neutral	3
Ultrapar Participaco... (UGP)	Neutral	3
Expro Group Holdings... (XPRO)	Neutral	3
Pembina Pipeline Cor... (PBA)	Underperform	3
Williams Companies, ... (WMB)	Underperform	3
Energy & Technology ... (ENGT)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Oil And Gas - Production And Pipelines

	KMI	X Industry	S&P 500	MPLX	UGP	WMB
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	D	-	-	C	A	D
Market Cap	60.34 B	13.43 B	40.82 B	53.90 B	4.40 B	73.66 B
# of Analysts	6	3.5	22	5	2	4
Dividend Yield	4.31%	4.31%	1.37%	8.12%	7.03%	3.32%
Value Score	C	-	-	C	A	F
Cash/Price	0.00	0.09	0.04	0.03	0.18	0.00
EV/EBITDA	11.98	10.83	15.04	11.51	4.60	14.88
PEG Ratio	3.83	1.47	2.08	NA	1.54	1.40
Price/Book (P/B)	1.88	1.99	3.46	3.71	1.28	4.97
Price/Cash Flow (P/CF)	12.11	9.53	15.58	9.53	5.74	15.76
P/E (F1)	24.21	15.63	18.90	12.04	10.37	25.90
Price/Sales (P/S)	3.68	3.16	3.12	4.21	0.18	6.41
Earnings Yield	4.98%	6.45%	5.28%	8.30%	9.64%	3.86%
Debt/Equity	0.98	0.83	0.57	1.66	0.83	1.73
Cash Flow (\$/share)	2.24	3.36	8.98	5.56	0.69	3.83
Growth Score	D	-	-	C	C	C
Hist. EPS Growth (3-5 yrs)	0.16%	10.76%	8.24%	14.34%	31.88%	13.53%
Proj. EPS Growth (F1/F0)	-2.61%	5.95%	9.21%	12.83%	7.69%	9.90%
Curr. Cash Flow Growth	5.27%	5.27%	7.00%	8.81%	-9.00%	4.08%
Hist. Cash Flow Growth (3-5 yrs)	1.34%	9.64%	7.49%	9.90%	9.64%	9.87%
Current Ratio	0.63	1.04	1.19	1.31	1.83	0.42
Debt/Capital	49.58%	47.48%	38.14%	62.44%	45.39%	63.26%
Net Margin	16.61%	16.73%	12.77%	37.61%	2.13%	20.61%
Return on Equity	8.57%	11.59%	17.03%	34.14%	17.12%	16.74%
Sales/Assets	0.23	0.31	0.53	0.33	3.25	0.21
Proj. Sales Growth (F1/F0)	1.60%	3.28%	5.30%	10.20%	4.30%	12.90%
Momentum Score	D	-	-	B	B	B
Daily Price Chg	-0.55%	0.00%	0.65%	0.86%	1.81%	-1.36%
1 Week Price Chg	1.91%	1.63%	1.76%	-0.11%	2.14%	2.23%
4 Week Price Chg	1.12%	-2.79%	0.95%	-2.79%	-1.50%	-0.98%
12 Week Price Chg	-0.33%	3.14%	5.09%	9.21%	3.14%	-3.53%
52 Week Price Chg	-4.14%	1.83%	17.71%	9.32%	44.85%	6.97%
20 Day Average Volume	10,070,281	1,177,444	2,445,854	1,322,497	1,204,961	5,785,049
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%
(F1) EPS Est 4 week change	-1.09%	0.00%	0.00%	0.00%	1.33%	-0.32%
(F1) EPS Est 12 week change	3.83%	-2.45%	0.47%	-5.03%	4.11%	-5.58%
(Q1) EPS Est Mthly Chg	2.86%	0.00%	0.00%	0.00%	NA	-1.01%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	D
Momentum Score	D
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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