

ModernGraham Valuation

Company Name:

Kinder Morgan Inc

Company Ticker

KMI

Date of Analysis

1/16/2017



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$50,568,375,840	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.56	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	4300.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	45.63	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.44	Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.56	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-14.37	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.49
MG Growth Estimate	9.73%
MG Value	\$13.74
MG Value based on 3% Growth	\$7.12
MG Value based on 0% Growth	\$4.18
Market Implied Growth Rate	18.57%

MG Opinion

Current Price	\$22.42
% of Intrinsic Value	163.18%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.57
Graham Number	\$10.73
PEmg	45.63
Current Ratio	0.56
PB Ratio	1.44
Current Dividend	\$0.89
Dividend Yield	3.95%
Number of Consecutive Years of Dividend Growth	0

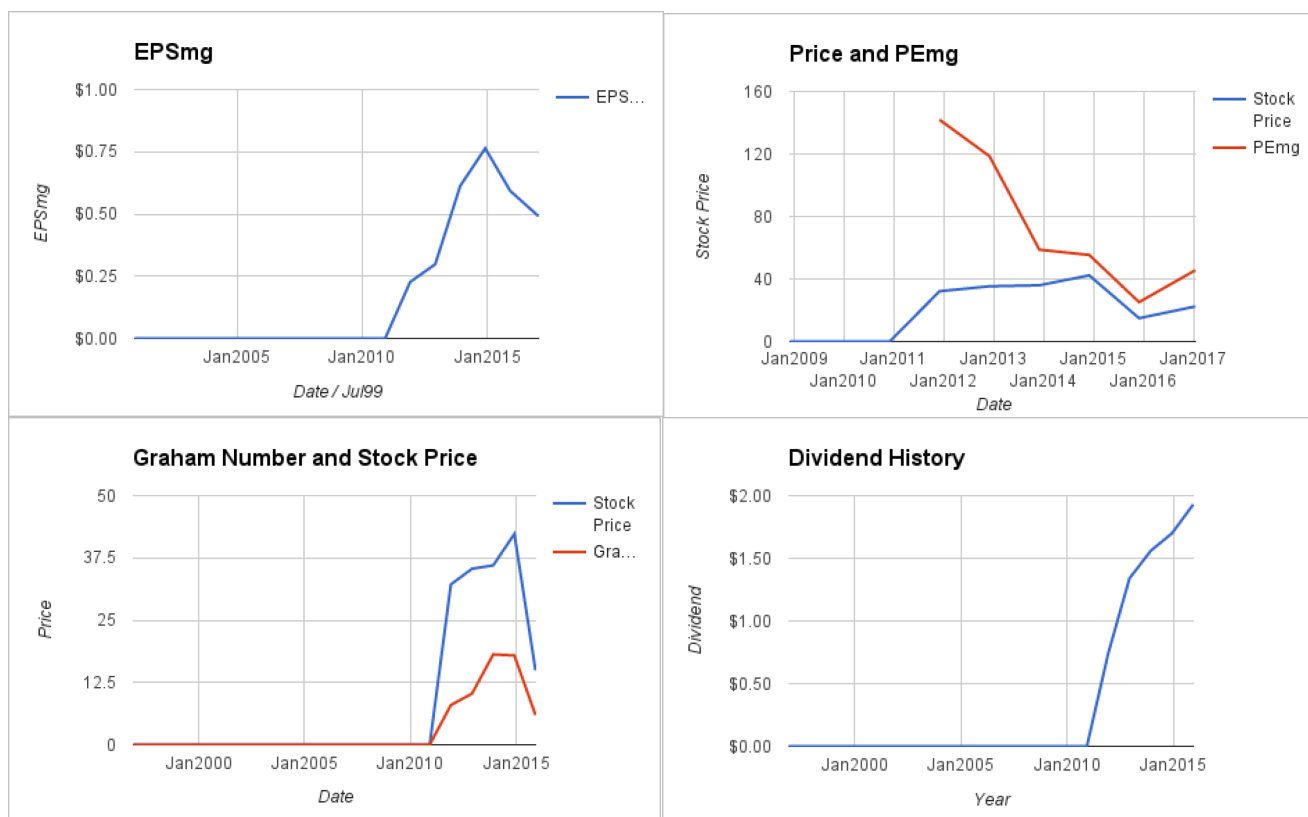
Useful Links:

[ModernGraham tagged articles](#)
[Google Finance](#)
[Yahoo Finance](#)
[GuruFocus](#)

[Morningstar](#)
[MSN Money](#)
[Seeking Alpha](#)
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.33		\$0.49
Dec2015	\$0.10	Dec2015	\$0.59
Dec2014	\$0.89	Dec2014	\$0.76
Dec2013	\$1.15	Dec2013	\$0.61
Dec2012	\$0.35	Dec2012	\$0.30
Dec2011	\$0.68	Dec2011	\$0.23
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$3,363,000,000
Dec1997	\$0.00	Total Current Liabilities	\$6,044,000,000
Dec1996	\$0.00	Long-Term Debt	\$38,518,000,000
		Total Assets	\$81,604,000,000
		Intangible Assets	\$25,547,000,000
		Total Liabilities	\$46,998,000,000
		Shares Outstanding (Diluted Average)	2,230,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Kinder Morgan Inc. Analysis – September 2015 Update \\$KMI](#)
- [18 Companies in the Spotlight This Week – 5/17/14](#)
- [Kinder Morgan Inc. \(KMI\) Annual Valuation – 2014](#)

Other ModernGraham posts about related companies

- [Secure Energy Services Inc Valuation – Initial Coverage \\$TSE:SES](#)
- [Surge Energy Inc Valuation – Initial Coverage \\$TSE:SGY](#)
- [Range Resources Corp Valuation – January 2017 \\$RRC](#)
- [Seacor Holdings Inc Valuation – Initial Coverage \\$CKH](#)
- [Inter Pipeline Ltd Valuation – Initial Coverage \\$TSE:IPL](#)
- [CIRCOR International Inc Valuation – Initial Coverage \\$CIR](#)
- [National-Oilwell Varco Valuation – December 2016 \\$NOV](#)
- [Canadian Energy Services & Technology Corp Valuation – Initial Coverage \\$CEU](#)
- [WPX Energy Inc Valuation – September 2016 \\$WPX](#)
- [Newfield Exploration Co Valuation – December 2016 \\$NFX](#)