

# ModernGraham Valuation

Company Name:

Kinder Morgan Inc

Company Ticker

KMI

Date of Analysis

5/6/2018



## 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	\$34,900,051,321	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.48	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	28.38%	Fail
5. Earnings Growth	PEmg < 20	45.34	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.06	Pass
7. Moderate Price to Assets			

*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	0.48	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-12.69	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 Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.36
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$5.15
MG Value based on 0% Growth	\$3.02
Market Implied Growth Rate	18.42%

### MG Opinion

Current Price	\$16.11
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.35
Graham Number	\$15.35
PEmg	45.34
Current Ratio	0.48
PB Ratio	1.06
Current Dividend	\$0.50
Dividend Yield	3.10%
Number of Consecutive Years of Dividend Growth	0

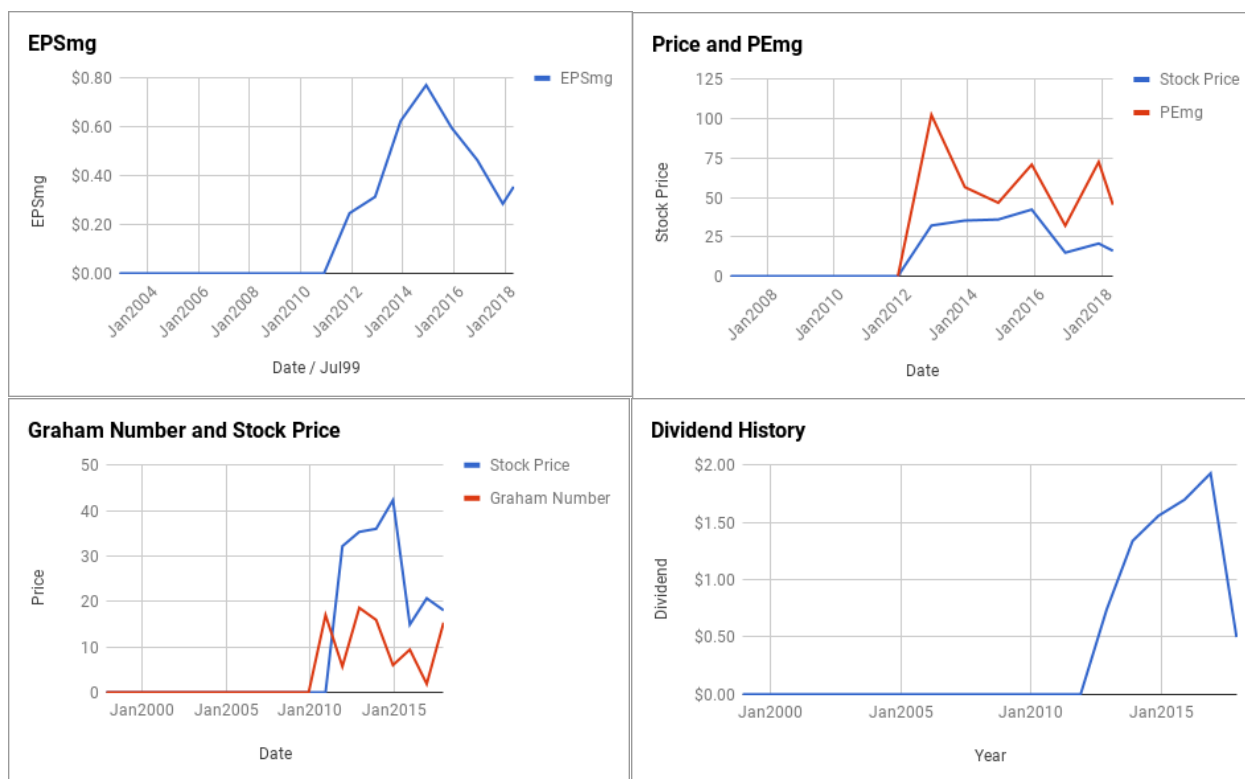
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.69		\$0.36
Dec2017	\$0.01	Dec2017	\$0.29
Dec2016	\$0.25	Dec2016	\$0.46
Dec2015	\$0.10	Dec2015	\$0.60
Dec2014	\$0.89	Dec2014	\$0.77
Dec2013	\$1.15	Dec2013	\$0.62
Dec2012	\$0.35	Dec2012	\$0.31
Dec2011	\$0.74	Dec2011	\$0.25
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	<b>Balance Sheet Information</b>	
Dec2000	\$0.00	<b>3/1/2018</b>	
Dec1999	\$0.00	Total Current Assets	\$2,628,000,000
Dec1998	\$0.00	Total Current Liabilities	\$5,429,000,000
		Long-Term Debt	\$35,543,000,000
		Total Assets	\$79,011,000,000
		Intangible Assets	\$25,201,000,000
		Total Liabilities	\$45,344,000,000
		Shares Outstanding (Diluted Average)	2,207,000,000





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.

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