

# ModernGraham Valuation

Company Name:

Kinder Morgan Inc

Company Ticker

KMI

Date of Analysis

2/28/2019



## 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	\$43,382,969,312	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.76	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	46.79%	Pass
5. Earnings Growth	PEmg < 20	36.31	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.25	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	0.76	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-18.49	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	\$0.53
MG Growth Estimate	-1.73%
<b>MG Value</b>	<b>\$2.67</b>
MG Value based on 3% Growth	\$7.66
MG Value based on 0% Growth	\$4.49
Market Implied Growth Rate	13.90%

### MG Opinion

Current Price	\$19.17
% of Intrinsic Value	719.30%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.17
Graham Number	\$17.87
PEmg	36.31
Current Ratio	0.76
PB Ratio	1.25
Current Dividend	\$0.73
Dividend Yield	3.78%
Number of Consecutive Years of Dividend Growth	1

### 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	
	\$0.93		\$0.53
Dec2018	\$0.66	Dec2018	\$0.35
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	<b>Balance Sheet Information</b>	
Dec2001	\$0.00	<b>12/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$5,722,000,000
Dec1999	\$0.00	Total Current Liabilities	\$7,557,000,000
		Long-Term Debt	\$33,936,000,000
		Total Assets	\$78,866,000,000
		Intangible Assets	\$24,845,000,000
		Total Liabilities	\$44,335,000,000
		Shares Outstanding (Diluted Average)	2,249,000,000





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 Valuation – May 2018 \\$KMI](#)  
[Kinder Morgan Inc Valuation – January 2017 \\$KMI](#)  
[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

[National Oilwell Varco Inc Valuation – February 2019 \\$NOV](#)  
[Diamondback Energy Inc Valuation – February 2019 \\$FANG](#)  
[TechnipFMC PLC Valuation – February 2019 \\$FTI](#)  
[Marathon Petroleum Corp Valuation – February 2019 \\$MPC](#)  
[Baker Hughes, a GE Co Valuation – February 2019 \\$BHGE](#)  
[EOG Resources Inc Valuation – February 2019 \\$EOG](#)  
[ConocoPhillips Valuation – February 2019 \\$COP](#)  
[Devon Energy Corp Valuation – January 2019 \\$DVN](#)  
[Noble Energy Inc Valuation – January 2019 \\$NBL](#)  
[ONEOK Inc Valuation – January 2019 \\$OKE](#)