



MPLX, LP (MPLX)

Updated August 21st, 2025, by Aristofanis Papadatos

Key Metrics

Current Price:	\$50	5 Year CAGR Estimate:	6.6%	Market Cap:	\$50 B
Fair Value Price:	\$41	5 Year Growth Estimate:	3.0%	Ex-Dividend Date ¹ :	11/7/25
% Fair Value:	121%	5 Year Valuation Multiple Estimate:	-3.8%	Dividend Payment Date:	11/14/25
Dividend Yield:	7.7%	5 Year Price Target	\$48	Years Of Dividend Growth:	12
Dividend Risk Score:	F	Sector: MLPs		Rating:	Hold

Overview & Current Events

MPLX, LP is a master limited partnership that was formed by Marathon Petroleum (MPC) in 2012. The business operates in two segments: Logistics and Storage – which relates to crude oil and refined petroleum products – and Gathering and Processing – which relates to natural gas and natural gas liquids (NGLs). On July 30th, 2019, MPLX acquired Andeavor Logistics LP. The \$50 billion limited partnership generated \$5.7 billion in distributable cash flow in 2024.

On October 29th, 2024, MPLX announced a quarterly distribution of \$0.9565 per unit, which marks a 12.5% raise.

In early August, MPLX reported (8/5/25) financial results for the second quarter of fiscal 2025. Adjusted EBITDA and distributable cash flow (DCF) per share grew 2% and 1%, respectively, over the prior year's quarter, primarily thanks to higher tariff rates and increased volumes of liquids. MPLX maintained a healthy consolidated debt to adjusted EBITDA ratio of 3.1x and a solid distribution coverage ratio of 1.5x. The recently acquired assets in the Utica and Permian basins have begun to generate cash flows. We thus expect all-time high DCF per share of \$5.90 this year.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
DCF	\$0.79	\$1.42	\$2.48	\$3.99	\$4.52	\$4.12	\$4.70	\$4.93	\$5.28	\$5.59	\$5.90	\$6.84
DPU	\$1.82	\$2.03	\$2.21	\$2.49	\$2.65	\$2.75	\$2.77	\$2.89	\$3.18	\$3.51	\$3.83	\$4.44
Units ²	311	369	415	761	907	1,051	1,019	1,003	1,003	1,019	1,020	1,000

Ideally you would use distributable cash flow as a leading metric for a master limited partnership, but MPLX's DCF history is skewed by the general partner's (GP) incentive distribution rights (IDRs). In February of 2018 the parent company, Marathon Petroleum Corporation, dropped down assets and exchanged its GP interest, including IDRs, for a larger portion of MPLX (MPC's interest now equals ~63%). Moving forward this should make the reporting clearer, but for now we have elected to show historical cash flow per share (which is not a perfect measure either). For 2018 (and moving forward) we are reporting DCF.

In general, pipelines tend to have a stronghold in terms of extracting economic rents. Building pipelines requires years of approvals and ongoing regulation. As such, the incumbent positions enjoy "toll-booth" type business models, with a good portion of their revenue fixed via fee-based and "take or pay" agreements. MPLX in particular has a strong position in the Marcellus / Utica region, with long-term contracts from Marathon.

The COVID-19 pandemic and significant drop in commodity prices in 2020 impacted all energy companies, but pipelines were better insulated from the volatility. We expect 3% average annual growth of DCF per unit over the next five years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg P/CF	49.8	24.4	14.3	8.5	6.5	4.2	5.8	6.5	6.6	7.8	8.5	7.0
Avg. Yld.	3.1%	6.5%	6.3%	7.4%	9.1%	16.0%	10.1%	9.0%	9.1%	8.1%	7.7%	9.3%

¹ Estimated date.

² In millions.

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MPLX does not lend itself to a nice average historical valuation, especially with both cash flow per share and the share price jumping around significantly. With the elimination of the IDRs, the cash available to unit holders should be a more accurate reflection of value moving forward. We assume a fair price-to-DCF ratio of 7.0 for MPLX, which is currently trading at a price-to-DCF ratio of 8.5. If the stock trades at its fair valuation level in five years, it will incur a -3.8% annualized drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	230%	143%	89%	62%	59%	67%	59%	59%	60%	63%	65%	65%

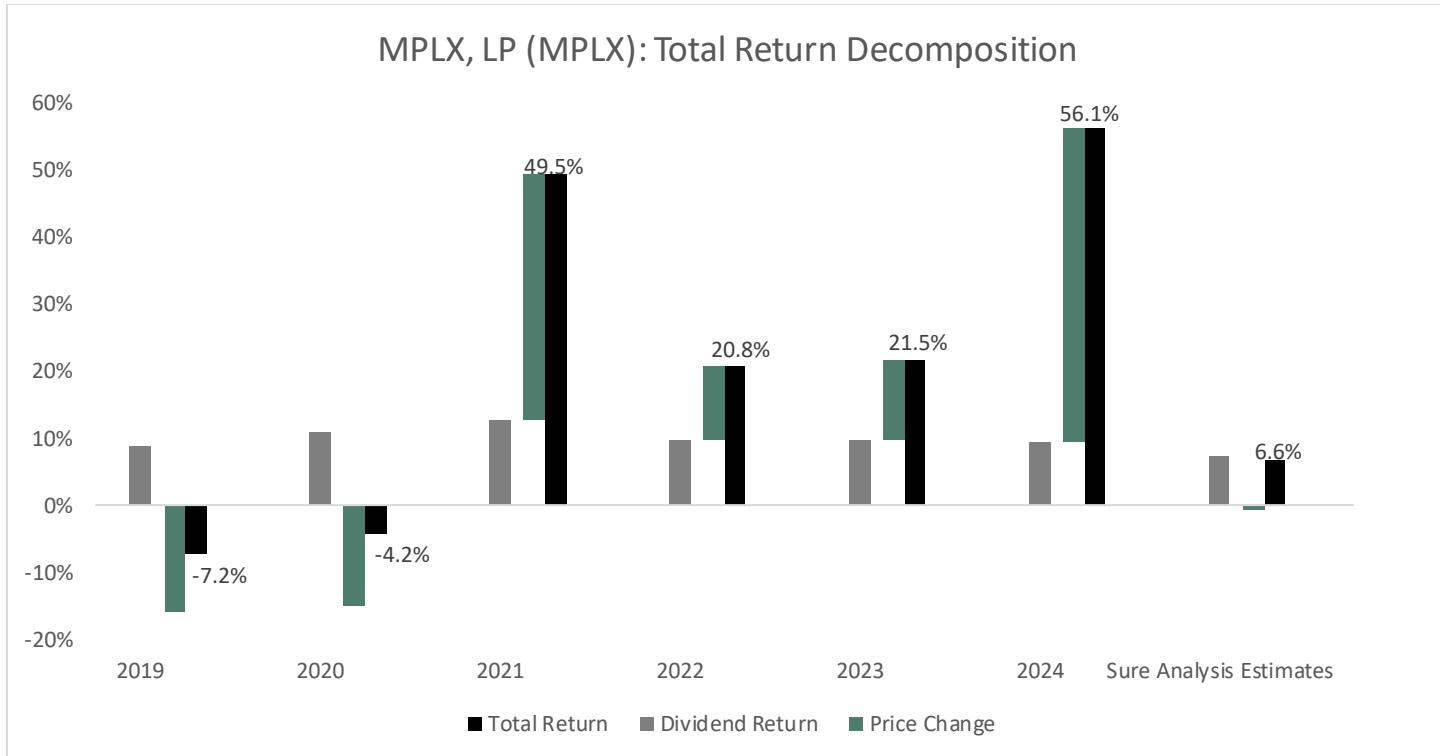
MPLX's industry generally holds competitive advantages as a result of the toll-booth model of pipelines. While growth potential may be limited, the need for the company's infrastructure is certainly present.

With MPLX in particular we are encouraged by the company self-funding on the equity side and getting rid of the IDRs. In the last five years, MPLX has had distribution coverage ratios of 1.46x, 1.64x, 1.6x, 1.6x and 1.5x. Meanwhile, the company's total debt to adjusted EBITDA has been 3.9x, 3.7x, 3.5x, 3.3x and 3.1x during the same time period (generally MLP's are shooting for a ratio under 5x). In addition, the revenues of MPLX are reliable thanks to the long-term contracts with parent company Marathon. Overall, the 7.7% distribution of MPLX is not likely to be cut in the absence of a severe recession.

Final Thoughts & Recommendation

The stock of MPLX has rallied 25% in about 15 months. While we are cautious with the anticipated growth rate and note the MLP structure for tax purposes, the dividend yield looks attractive. The stock could offer a 6.6% average annual return over the next five years thanks to its 7.7% distribution yield and its 3% growth rate, partly offset by a -3.8% valuation headwind. The stock maintains its hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,034	3,010	3,691	6,652	8,625	8,246	9,575	10,541	10,434	10,904
Gross Profit	454	1,071	1,310	2,774	3,659	3,593	4,055	4,289	6,140	4,817
Gross Margin	43.9%	35.6%	35.5%	41.7%	42.4%	43.6%	42.3%	40.7%	58.8%	44.2%
SG&A Exp.	125	227	241	316	388	378	353	335	379	427
D&A Exp.	129	591	683	867	1,254	1,377	1,287	1,230	1,213	1,283
Operating Profit	378	887	1,113	2,481	3,284	3,349	3,713	4,435	4,300	4,486
Operating Margin	36.6%	29.5%	30.2%	37.3%	38.1%	40.6%	38.8%	42.1%	41.2%	41.1%
Net Profit	156	233	794	1,818	1,033	(720)	3,077	3,944	3,928	4,317
Net Margin	15.1%	7.7%	21.5%	27.3%	12.0%	-8.7%	32.1%	37.4%	37.6%	39.6%
Free Cash Flow	93	178	496	960	1,674	3,338	4,911	5,019	4,460	5,946
Income Tax	1	(12)	1	8	---	2	1	8	11	10

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	16,104	17,509	19,500	39,325	40,430	36,414	35,507	35,665	36,529	37,511
Cash & Equivalents	43	234	5	77	15	15	13	238	1,048	1,519
Accounts Receivable	245	299	292	611	593	452	654	737	823	720
Inventories	51	55	65	98	110	118	142	148	159	180
Goodwill & Int. Ass.	3,036	2,737	2,698	11,375	10,806	8,616	8,488	8,350	8,299	8,163
Total Liabilities	6,437	6,399	9,527	21,594	23,817	23,397	23,455	23,119	22,945	23,501
Accounts Payable	91	140	151	266	242	152	172	224	153	147
Long-Term Debt	5,255	4,422	6,945	17,922	19,713	20,139	18,571	19,796	20,431	21,436
Shareholder's Equity	9,654	11,092	9,827	17,575	16,364	12,772	12,052	12,546	12,689	13,576

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.8%	1.4%	4.3%	6.2%	2.6%	-1.9%	8.6%	11.1%	10.9%	11.7%
Return on Equity	3.1%	2.2%	7.6%	13.3%	6.1%	-4.9%	24.8%	31.2%	62.0%	31.5%
Shares Out.	311	369	415	761	907	1,051	1,019	1,010	1,002	1,017
Revenue/Share	10.55	8.91	9.51	8.74	9.51	7.85	9.32	10.44	10.41	10.72
FCF/Share	0.95	0.53	1.28	1.26	1.85	3.18	4.78	4.97	4.45	5.85

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

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