



Enterprise Products Partners (EPD)

Updated November 5th, 2025 by Samuel Smith

Key Metrics

Current Price:	\$31.0	5 Year CAGR Estimate:	11.5%	Market Cap:	\$66 B
Fair Value Price:	\$32.9	5 Year Growth Estimate:	4.7%	Ex-Dividend Date:	1/31/26 ¹
% Fair Value:	94%	5 Year Valuation Multiple Estimate:	1.2%	Dividend Payment Date:	2/14/26 ²
Dividend Yield:	7.0%	5 Year Price Target	\$41	Years Of Dividend Growth:	28
Dividend Risk Score:	C	Sector:	Energy	Rating:	Hold

Overview & Current Events

Enterprise Products Partners was founded in 1968. It is structured as a Master Limited Partnership, or MLP, and operates as an oil and gas storage and transportation company. Enterprise Products has a tremendous asset base which consists of nearly 50,000 miles of natural gas, natural gas liquids, crude oil, and refined products pipelines. It also has storage capacity of more than 250 million barrels. These assets collect fees based on materials transported and stored.

On October 30, 2025, Enterprise Products Partners L.P. reported third-quarter 2025 results showing earnings per common unit of \$0.61, missing the analyst consensus of approximately \$0.68. Revenue for the quarter declined by about 12.7% year-over-year to \$12.02 billion, but still slightly exceeded expectations around \$11.83 billion. Management cited headwinds from lower NGL and commodity service volumes, softer offshore export activity and modest mark-to-market hedging impacts, which weighed on net income despite stable downstream processing margins and strong midstream flows. Distributable cash flow and free cash flow coverage remained resilient, supporting the company's long-standing distribution policy and capital return plan. Capital investments continued, with growth capital directed toward long-term projects such as gas-processing plants, terminal expansions and export facilities, and total sustaining capital was controlled amid economic uncertainty. The balance sheet remained in strong shape with low leverage for a mid-stream energy enterprise and ample liquidity to pursue strategic opportunities, including opportunistic buybacks and selective bolt-on acquisitions. Management reaffirmed its franchise advantages—extensive pipeline networks, integrated processing and export platforms, and a long-term backlog of projects—and emphasized disciplined execution while navigating cyclical sensitivity, commodity volatility and regulatory tailwinds. Overall, Enterprise's Q3 performance underscored operational resilience but spotlighted the ongoing challenges facing energy infrastructure companies in a transitional market environment.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
DCF/S	\$2.52	\$2.45	\$2.56	\$3.30	\$3.43	\$2.91	\$3.00	\$3.52	\$3.46	\$3.58	\$3.65	\$4.60
DPS	\$1.51	\$1.59	\$1.67	\$1.71	\$1.76	\$1.79	\$1.80	\$1.90	\$2.01	\$2.10	\$2.18	\$2.60
Units³	2019.3	2118.9	2161.1	2184.9	2189.2	2181.6	2176.4	2170.8	2168.2	2165.7	2186.0	2000

In this report, DCF-per-unit is used instead of earnings-per-share, since DCF is a more accurate measure of cash flow for an MLP. Enterprise has positive growth potential moving forward, thanks to new projects and exports. It has several billion dollars' worth of major capital projects currently under construction. They expect all of these projects to come online in the coming years, boosting cash flows. Exports are also a key growth catalyst. Demand for liquefied petroleum gas and liquefied natural gas, or LPG and LNG respectively, is growing at a high rate across the world, particularly in Asia. That said, the world is also moving rapidly towards renewable energy and the pipeline industry is facing political and

¹ Estimate

² Estimate

³ Shares in millions

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regulatory pressures right now, limiting new growth project opportunities. As a result, we expect mid-single-digit annualized DCF-per-unit growth through 2030. Unit buybacks and deleveraging will likely be tailwinds for growth.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/DCF	13.3	10.2	11.1	10.4	7.2	7.0	6.5	7.4	8.0	8.5	8.5	9.0
Avg. Yld.	4.6%	4.9%	6.4%	4.7%	4.9%	8.5%	8.6%	8.3%	7.9%	7.3%	7.0%	6.3%

We believe that EPD’s fair value multiple is 9 times DCF. As a result, Enterprise Products appears to be undervalued today. As a result, we expect the multiple to slightly increase over the next five years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

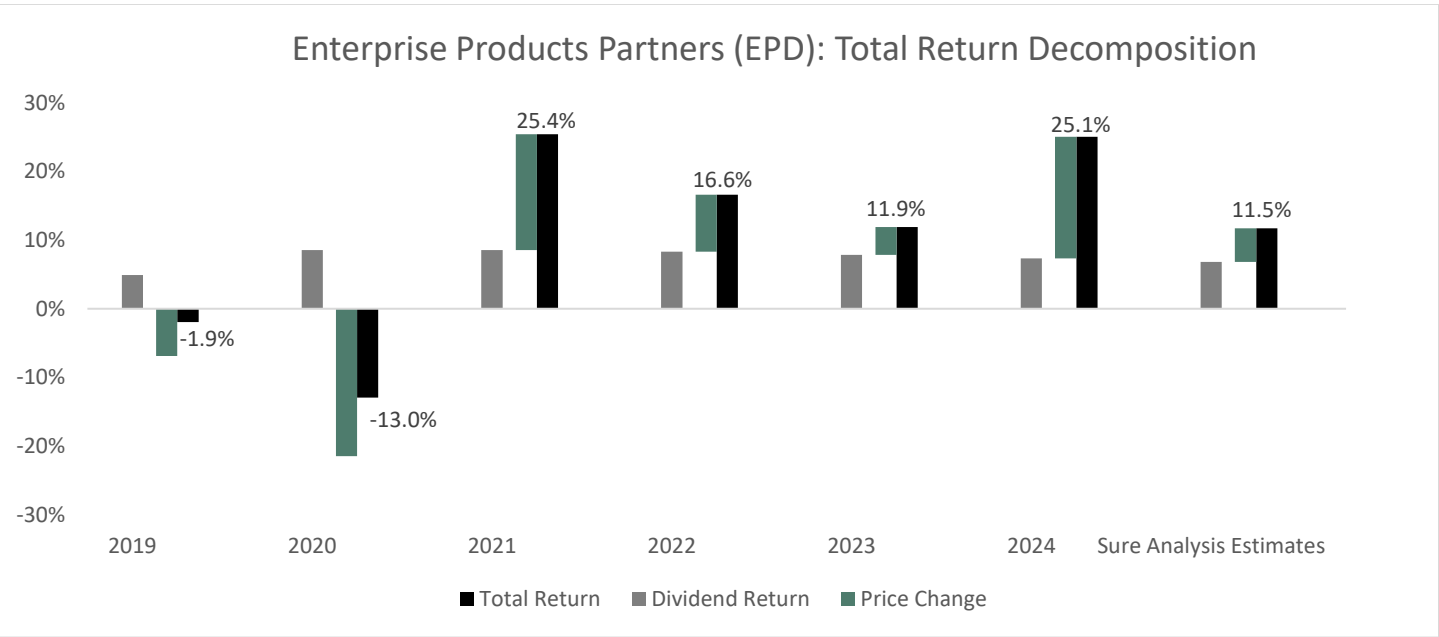
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	60%	65%	65%	52%	51%	62%	60%	54%	58%	59%	60%	57%

In terms of safety, Enterprise Products Partners is one of the strongest midstream MLPs. It has credit ratings of BBB+ from Standard & Poor’s and Baa1 from Moody’s, which are higher ratings than most MLPs. It also has a conservative distribution coverage ratio, leaving room for distribution increases and unit repurchases. Enterprise Products’ high-quality assets generate strong cash flow, even in recessions. As a result, Enterprise Products has been able to raise its distribution to unitholders for 28 years in a row. Enterprise Products has tremendous competitive advantages, primarily its vast network of assets. It would be enormously costly to build out a network of pipelines and terminals large enough to compete with Enterprise Products.

Final Thoughts & Recommendation

Enterprise Products has an excellent network of assets and durable competitive advantages. In addition, its cash flow has remained fairly stable through the sharp energy market volatility over the past half-decade. Enterprise Products has a 7.0% current distribution yield, which is a highly attractive yield for income investors. We believe Enterprise Products can generate total returns of 11.5% annualized over the next half-decade, and when combined with its relative lackluster distribution growth outlook, we rate it a Hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	27,028	23,022	29,242	36,534	32,789	27,200	40,807	58,186	49,715	56,219
Gross Profit	3,359	3,379	3,684	5,137	5,727	4,829	5,730	6,684	6,698	7,174
Gross Margin	12.4%	14.7%	12.6%	14.1%	17.5%	17.8%	14.0%	11.5%	13.5%	15.7%
SG&A Expense	193	160	181	208	212	220	209	241	231	244
D&A Expense	1,516	1,552	1,644	1,792	1,949	2,072	2,113	1,974	2,072	2,194
Operating Profit	3,167	3,219	3,503	4,929	5,516	4,609	5,520	6,443	6,467	6,930
Op. Margin	11.7%	14.0%	12.0%	13.5%	16.8%	16.9%	13.5%	11.1%	13.0%	15.2%
Net Profit	2,521	2,513	2,799	4,172	4,591	3,776	4,638	5,490	5,532	5,901
Net Margin	9.3%	10.9%	9.6%	11.4%	14.0%	13.9%	11.4%	9.4%	11.1%	12.9%
Free Cash Flow	172	1,083	1,565	1,903	1,989	2,604	6,289	6,075	4,303	3,571
Income Tax	-3	23	26	60	46	-124	70	82	44	65

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	48,802	52,194	54,418	56,970	61,733	64,107	67,526	68,108	70,982	77,168
Cash & Equivalents	19	63	5	345	335	1,060	2,819	76	180	583
Acc. Receivable	2,570	3,330	4,358	3,659	4,874	4,803	6,967	6,964	7,765	9,236
Inventories	1,038	1,771	1,610	1,522	2,091	3,304	2,681	2,554	3,352	3,955
Goodwill & Int.	9,782	9,609	9,436	9,354	9,194	8,758	8,600	9,573	9,378	9,717
Total Liabilities	28,301	29,928	31,646	32,678	35,906	38,729	41,087	40,406	42,223	47,579
Accounts Payable	944	503	929	1,243	1,167	854	799	743	1,195	1,227
Long-Term Debt	22,541	23,698	24,569	26,178	27,625	29,866	29,535	28,295	28,748	31,896
Total Equity	20,295	22,047	22,547	23,854	24,764	24,304	25,329	26,623	27,673	28,732

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.3%	5.0%	5.3%	7.5%	7.7%	6.0%	7.0%	8.1%	8.0%	8.0%
Return on Equity	13.1%	11.9%	12.6%	18.0%	18.9%	15.4%	18.7%	21.1%	19.6%	20.2%
Shares Out.	2,019	2,119	2,161	2,185	2,189	2,182	2,176	2,171	2,168	2,192
Revenue/Share	13.52	11.02	13.57	16.71	14.89	12.35	18.52	26.46	22.66	25.65
FCF/Share	0.09	0.52	0.73	0.87	0.90	1.18	2.85	2.76	1.96	1.63

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

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