



Plains GP Holdings, L.P. (PAGP)

Updated December 24th, 2025, by Yiannis Zourmpanos

Key Metrics

| | | | | | |
|-----------------------------|------|---------------------------------------------|--------|----------------------------------|-----------------------|
| Current Price: | \$19 | 5 Year Annual Expected Total Return: | 9.1% | Market Cap: | \$4.4 B |
| Fair Value Price: | \$17 | 5 Year Growth Estimate: | 5.0% | Ex-Dividend Date: | 01/30/26 ¹ |
| % Fair Value: | 114% | 5 Year Valuation Multiple Estimate: | -2.6% | Dividend Payment Date: | 02/13/26 ² |
| Dividend Yield: | 8.0% | 5 Year Price Target | \$21 | Years Of Dividend Growth: | 4 |
| Dividend Risk Score: | F | Sector: | Energy | Rating: | Hold |

Overview & Current Events

Plains GP Holdings (PAGP), via its subsidiary Plains All American Pipeline (PAA), manages midstream energy infrastructure across the USA and Canada. Their operations span two sectors: Crude Oil and Natural Gas Liquids (NGLs). They transport these resources through pipelines, gathering systems, and trucks while providing storage, terminalling, throughput, NGL fractionation, isomerization, and natural gas processing services. Their logistics aid producers, refiners, and clients in the energy sector.

On November 5th, 2025, the company announced results for the third quarter of 2025. Plains GP Holdings reported Q3 non-GAAP EPS of \$0.31, which missed the market's estimates by \$0.06. The company reported revenues of \$11.58 billion for the quarter, which were down 7.1% year-over-year.

Plains GP Holdings delivered a solid third-quarter showing alongside its operating partnership, underscoring steady execution in a choppy macro backdrop. For the quarter, PAGP benefited from Plains All American Pipeline's \$441 million in net income and \$669 million of Adjusted EBITDA attributable to PAA, supported by healthy crude oil volumes and disciplined cost control. Operating cash flow remained robust at \$817 million, while leverage exited the period at a conservative 3.3x, near the low end of management's target range. The balance sheet was further reinforced in September with a \$1.25 billion senior notes offering, largely aimed at refinancing near-term maturities and helping fund growth initiatives.

Strategically, the quarter was marked by a transformative step forward with the full acquisition of the EPIC Crude Oil Pipeline, now set to be rebranded as Cactus III. Management expects the deal to unlock faster and deeper synergies, deliver mid-teens returns, and improve meaningfully over time as cost savings ramp in 2026. Looking ahead, PAGP is positioned to benefit from a more focused crude oil portfolio following the planned divestiture of the Canadian NGL business, expected to close in early 2026. Full-year 2025 Adjusted EBITDA guidance was reaffirmed at \$2.84 to \$2.89 billion, while a well-covered distribution yielding roughly 9.5% continues to anchor the investment case.

Growth on a Per-Share Basis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---------------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|---------------|---------------|
| EPS | \$1.41 | \$0.94 | -\$5.04 | \$2.11 | \$1.96 | -\$3.08 | \$0.31 | \$0.86 | \$1.02 | \$0.73 | \$1.28 | \$1.63 |
| DPS | \$0.54 | \$0.62 | \$0.55 | \$0.30 | \$0.30 | \$0.36 | \$0.18 | \$0.18 | \$0.27 | \$1.33 | \$1.52 | \$1.68 |
| Shares³ | 83 | 99 | 145 | 282 | 170 | 246 | 194 | 194 | 195 | 197 | 217 | 238 |

Plains GP Holdings evaluates the performance of its crude oil and NGL (natural gas liquids) segments through segment adjusted EBITDA. Plains GP Holdings saw an increase in shares outstanding in 2024, primarily driven by equity issuances related to strategic acquisitions and capital allocation initiatives aimed at enhancing long-term growth and financial flexibility.

¹ Estimated ex-dividend date.

² Estimated payment date.

³ Shares in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Plains GP Holdings, L.P. (PAGP)

Updated December 24th, 2025, by Yiannis Zourmpanos

In-line with the midpoint of analysts' estimates, we expect the company to post EPS of \$1.28 in 2025. Our annual EPS growth forecast is 5.0% over the next five years, leading to our estimated EPS of \$1.63 by 2030. Moreover, the company has a record of paying dividends despite operating in a volatile energy sector, as Plains GP Holdings has paid increasing dividends for the past 4 years. We do not expect consistency in maintaining dividend growth. However, the long-term trends remain positive, so we estimate a 2.0% dividend growth rate, suggesting a DPS of \$1.68 by 2030.

Valuation Analysis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Now | 2030 |
|-----------|------|------|------|------|------|------|------|------|------|------|-------------|-------------|
| Avg. P/E | 42.0 | 30.2 | -5.2 | 10.9 | 11.2 | -2.9 | 32.5 | 13.6 | 14.5 | 25.0 | 14.8 | 13.0 |
| Avg. Yld. | 0.9% | 2.2% | 2.1% | 1.3% | 1.4% | 4.0% | 1.8% | 1.5% | 1.8% | 7.3% | 8.0% | 7.9% |

The midstream energy infrastructure operator trades at a forward P/E of 14.8, below the 10-year average P/E of 17.2. Even though the volatility and rise in prices and demand will benefit the company in the near-term, we assign a P/E of 13.0 to the stock, which we believe is a fair reflection of its value. Accordingly, with an expected EPS of \$1.63 by 2030 and a target P/E of 13.0, our five-year target price for the stock stands at \$21.

Safety, Quality, Competitive Advantage, & Recession Resiliency

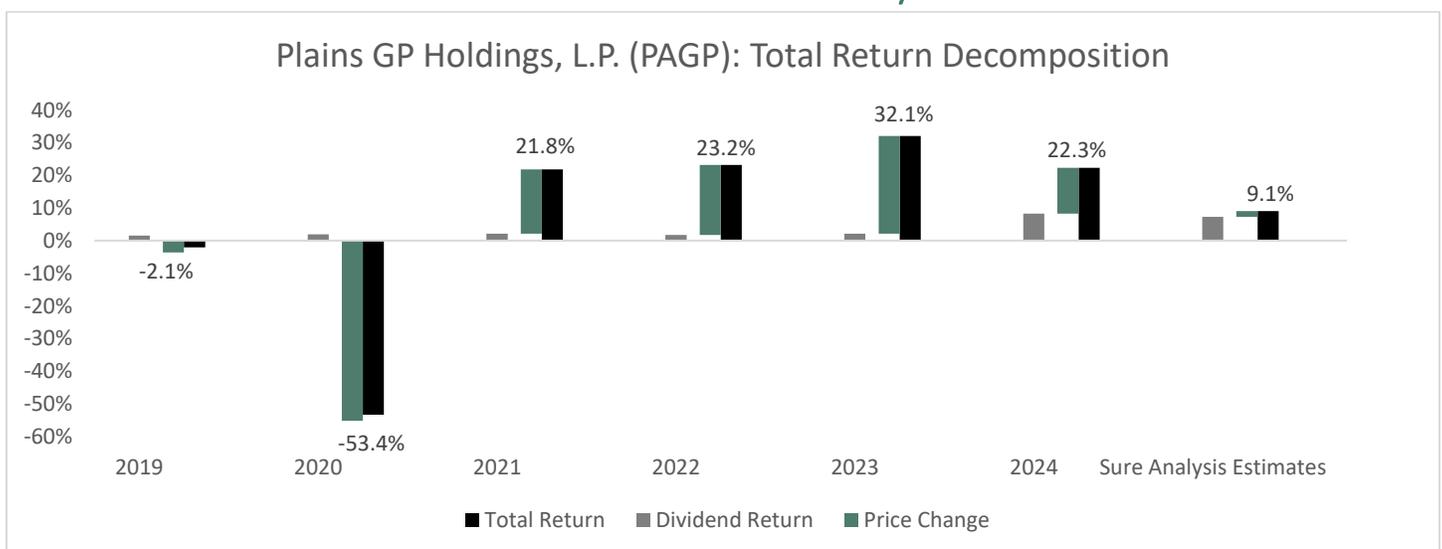
| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|--------|------|------|------|------|------|------|------|------|------|------|-------------|-------------|
| Payout | 38% | 65% | -11% | 14% | 15% | -12% | 58% | 21% | 26% | 182% | 119% | 103% |

While the company has paid a volatile dividend to its shareholders, we expect the company to maintain and increase its payout in the future. At the end of Q3 2025, Plains GP Holdings strengthened its liquidity profile, generating \$817 million in operating cash flow during the quarter and exiting the period with a leverage ratio of 3.3x, providing ample financial flexibility amid ongoing portfolio realignment.

Final Thoughts & Recommendation

Plains GP Holdings runs a critical crude and NGL infrastructure business, and we believe that increased energy demand and upstream underinvestment will be a positive catalyst for EPS growth. However, Plains GP Holdings' dividend growth prospects could remain low given the payout ratio. We maintain our hold rating premised upon 9.1% annualized expected total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, 8.0% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Plains GP Holdings, L.P. (PAGP)

Updated December 24th, 2025, by Yiannis Zourmpanos

Income Statement Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 23,152 | 20,182 | 26,223 | 34,055 | 33,669 | 23,290 | 42,078 | 57,342 | 48,710 | 50,070 |
| Gross Profit | 2,993 | 2,434 | 2,719 | 3,741 | 3,613 | 2,203 | 2,797 | 3,198 | 3,130 | 3,487 |
| Gross Margin | 12.9% | 12.1% | 10.4% | 11.0% | 10.7% | 9.5% | 6.6% | 5.6% | 6.4% | 7.0% |
| SG&A Exp. | 281 | 282 | 280 | 320 | 302 | 276 | 298 | 330 | 356 | 387 |
| D&A Exp. | 433 | 515 | 519 | 521 | 604 | 656 | 777 | 968 | 1,051 | 1,026 |
| Operating Profit | 1,258 | 970 | 1,256 | 2,158 | 2,008 | 851 | 1,434 | 1,553 | 1,349 | 1,332 |
| Op. Margin | 5.4% | 4.8% | 4.8% | 6.3% | 6.0% | 3.7% | 3.4% | 2.7% | 2.8% | 2.7% |
| Net Profit | 118 | 94 | (731) | 334 | 331 | (568) | 60 | 168 | 198 | 103 |
| Net Margin | 0.5% | 0.5% | -2.8% | 1.0% | 1.0% | -2.4% | 0.1% | 0.3% | 0.4% | 0.2% |
| Free Cash Flow | (732) | (616) | 1,472 | 970 | 1,319 | 772 | 1,655 | 1,949 | 2,163 | 1,844 |
| Income Tax | 182 | 78 | 937 | 302 | 176 | (167) | 112 | 246 | 189 | 204 |

Balance Sheet Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Assets | 24,142 | 26,103 | 26,753 | 26,830 | 29,969 | 25,951 | 29,978 | 29,207 | 28,600 | 27,760 |
| Cash & Equivalents | 30 | 50 | 40 | 69 | 47 | 25 | 452 | 404 | 453 | 349 |
| Acc. Receivable | 1,785 | 2,279 | 3,029 | 2,454 | 3,614 | 2,553 | 4,705 | 3,907 | 3,760 | 3,901 |
| Inventories | 916 | 1,343 | 713 | 640 | 604 | 647 | 783 | 729 | 548 | 439 |
| Goodwill & Int. | 2,688 | 2,586 | 3,410 | 3,293 | 3,247 | 805 | 1,960 | 2,145 | 1,875 | 1,677 |
| Total Liabilities | 14,908 | 15,396 | 14,395 | 13,511 | 15,484 | 14,761 | 15,801 | 14,569 | 13,620 | 13,440 |
| Accounts Payable | --- | --- | 3,324 | 2,705 | 3,687 | 2,425 | 4,811 | 4,045 | 3,845 | 3,881 |
| Long-Term Debt | 11,931 | 11,839 | 9,920 | 9,209 | 9,691 | 10,213 | 9,220 | 8,446 | 7,751 | 7,621 |
| Total Equity | 1,762 | 1,737 | 1,695 | 1,846 | 2,155 | 1,464 | 1,533 | 1,524 | 1,548 | 1,351 |
| D/E Ratio | 6.77 | 6.82 | 5.85 | 4.99 | 4.50 | 6.98 | 6.01 | 5.54 | 5.00 | 5.64 |

Profitability & Per Share Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Return on Assets | 0.5% | 0.4% | -2.8% | 1.2% | 1.2% | -2.0% | 0.2% | 0.6% | 0.7% | 0.4% |
| Return on Equity | 6.9% | 5.4% | -42.6% | 18.9% | 16.5% | -31.4% | 4.0% | 11.0% | 1.3% | 0.7% |
| ROIC | 0.6% | 0.5% | -3.5% | 1.6% | 1.6% | -2.7% | 0.3% | 0.8% | 0.9% | 0.5% |
| Shares Out. | 83.0 | 99.0 | 145.0 | 159.5 | 170.0 | 194.0 | 194.0 | 194.0 | 195.0 | 197 |
| Revenue/Share | 278.94 | 203.86 | 180.85 | 120.76 | 198.05 | 94.67 | 216.90 | 295.58 | 249.81 | 254.18 |
| FCF/Share | -8.82 | -6.22 | 10.15 | 3.44 | 7.76 | 3.14 | 8.53 | 10.05 | 11.09 | 9.36 |

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

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.