Enterprise Products Partners (EPD)

Updated February 18th, 2026 by Samuel Smith

Key Metrics

Current Price:	$37.2	**5 Year CAGR Estimate:**	8.6%	**Market Cap:**	$71.6 B
Fair Value Price:	$33.7	**5 Year Growth Estimate:**	5.3%	**Ex-Dividend Date:**	4/29/26[1]
% Fair Value:	111%	**5 Year Valuation Multiple Estimate:**	-1.9%	**Dividend Payment Date:**	5/14/26[2]
Dividend Yield:	5.9%	**5 Year Price Target**	$44	**Years Of Dividend Growth:**	28
Dividend Risk Score:	C	**Sector:**	Energy	**Rating:**	Hold

Overview & Current Events

Enterprise Products Partners L.P., founded in 1968, is one of the largest midstream energy MLPs, structured as a Master Limited Partnership focused on the storage and transportation of oil, natural gas, and refined products. The company operates an extensive integrated midstream platform spanning over 50,000 miles of pipelines for natural gas, natural gas liquids (NGL), crude oil, and refined products, with strategically positioned storage facilities totaling more than 250 million barrels of capacity. Enterprise's diversified asset base includes natural gas processing plants, NGL fractionation facilities, export terminals, and offshore infrastructure, generating stable fee-based revenues through long-term contracts with producers and shippers. The company's business model prioritizes distributable cash flow generation to support its distribution policy, which has grown for 28 consecutive years, while maintaining a strong balance sheet and financial flexibility for accretive growth opportunities and strategic investments in infrastructure modernization.

On February 3, 2026, Enterprise Products Partners L.P. reported fourth-quarter 2025 results with diluted earnings per common unit of $0.75, exceeding analyst expectations of approximately $0.69. Revenue reached $13.79 billion, surpassing forecasts around $12.37 billion, reflecting record operational volumes across the company's integrated midstream platform. The quarter marked an exceptional achievement with ten operational records, including natural gas processing inlet volumes of 8.1 Bcf/d, NGL fractionation volumes of 1.9 million BPD, ethane marine terminal volumes of 334 MBPD, and total pipeline volumes of 14.1 million BPD-equivalent. Adjusted EBITDA reached a new quarterly record of $2.7 billion, surpassing the prior high of $2.6 billion from Q4 2024. Operational Distributable Cash Flow totaled $2.2 billion with an impressive 1.8x coverage ratio, supporting a distribution increase of 2.8% year-over-year to $0.55 per unit. This marked the 27th consecutive year of distribution growth for the company. Capital investments of $1.3 billion were deployed strategically, with $1.1 billion directed toward growth projects and $203 million allocated to sustaining capital. The company also completed approximately $50 million in unit repurchases during the quarter. Notable developments included the December 2025 commissioning of the Bahia NGL Pipeline and a transformative joint venture with ExxonMobil, involving a 40% stake sale and planned capacity expansion to 1 million BPD by Q4 2027. Management maintained a constructive outlook, forecasting modest 2026 growth of 3–5% before a significant step-up of approximately 10% in 2027 as major projects reach fuller utilization and operational synergies materialize. The strong results underscore Enterprise's competitive advantages in integrated midstream infrastructure, operational scale and disciplined capital allocation.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
DCF/S	$2.45	$2.56	$3.30	$3.43	$2.91	$3.00	$3.52	$3.46	$3.58	$3.66	***$3.74***	***$4.85***
DPS	$1.59	$1.67	$1.71	$1.76	$1.79	$1.80	$1.90	$2.01	$2.10	$2.18	***$2.20***	***$2.74***
Units[3]	2118.9	2161.1	2184.9	2189.2	2181.6	2176.4	2170.8	2168.2	2165.7	2186.0	***2186.0***	***2000***

[1] Estimate
[2] Estimate
[3] Shares in millions

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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 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/DCF	10.2	11.1	10.4	7.2	7.0	6.5	7.4	8.0	8.5	8.5	***9.9***	***9.0***
Avg. Yld.	6.4%	5.9%	5.0%	7.1%	8.8%	9.2%	7.3%	7.3%	6.9%	7.0%	***5.9%***	***6.3%***

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

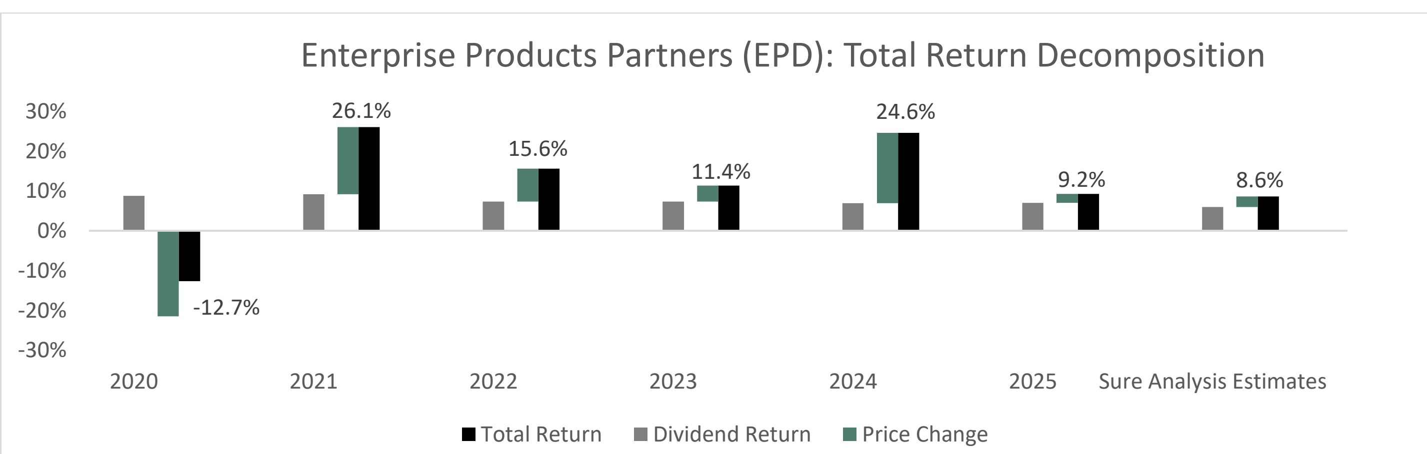
Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	65%	65%	52%	51%	62%	60%	54%	58%	59%	60%	***59%***	***56%***

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 5.9% current distribution yield, which is a highly attractive yield for income investors. We believe Enterprise Products can generate total returns of 8.6% annualized over the next half-decade, and when combined with its relative lackluster distribution growth outlook, we rate it a Hold.



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	23,003	29,367	36,862	32,526	26,671	41,567	57,968	49,403	55,684	52,079
Gross Profit	3,321	3,737	5,375	5,513	5,086	6,749	6,467	6,424	6,773	6,713
Gross Margin	14.4%	12.7%	14.6%	16.9%	19.1%	16.2%	11.2%	13.0%	12.2%	12.9%
SG&A Expense	160	181	208	212	220	209	241	231	244	251
D&A Expense	1,552	1,644	1,792	1,992	2,111	1,915	2,033	2,144	2,568	2,732
Operating Profit	3,257	3,668	5,272	5,402	4,977	6,532	6,226	6,193	6,529	6,462
Op. Margin	14.2%	12.5%	14.3%	16.6%	18.7%	15.7%	10.7%	12.5%	11.7%	12.4%
Net Profit	2,540	2,840	4,217	4,659	3,854	4,718	5,569	5,607	5,914	5,821
Net Margin	11.0%	9.7%	11.4%	14.3%	14.4%	11.4%	9.6%	11.3%	10.6%	11.2%
Free Cash Flow	1,113	1,614	1,953	2,052	2,791	6,336	6,173	4,345	3,648	3,039
Income Tax	23	26	60	46	(124)	70	82	44	65	23

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	52,194	54,418	56,970	61,733	64,109	67,529	68,112	71,032	77,228	77,978
Cash & Equivalents	959	224	565	537	1,387	3,201	675	667	1,372	1,679
Acc. Receivable	3,331	4,360	3,676	4,894	4,827	7,003	6,981	7,783	9,249	6,501
Inventories	1,771	1,610	1,522	2,091	3,304	2,681	2,554	3,352	3,955	3,884
Goodwill & Int.	9,609	9,436	9,354	9,194	8,758	8,600	9,573	9,378	9,717	9,871
Total Liabilities	29,928	31,646	32,678	35,906	38,682	41,090	40,410	42,273	47,639	47,408
Accounts Payable	503	929	1,243	1,167	854	799	975	1,394	1,425	1,238
Long-Term Debt	23,698	24,569	26,178	27,797	30,187	29,923	28,685	29,120	32,316	34,832
Total Equity	22,047	22,547	23,854	24,764	24,304	25,329	26,623	27,673	28,732	29,739

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.0%	5.3%	7.6%	7.9%	6.1%	7.2%	8.2%	8.1%	8.0%	7.5%
Return on Equity	11.9%	12.6%	17.9%	18.6%	15.0%	18.2%	20.6%	19.9%	20.3%	19.4%
Shares Out.	2118.9	2161.1	2184.9	2189.2	2181.6	2176.4	2170.8	2168.2	2165.7	2186.0
Revenue/Share	11.01	13.69	16.94	14.77	12.11	18.87	26.36	22.52	25.40	23.80
FCF/Share	0.53	0.75	0.90	0.93	1.27	2.88	2.81	1.98	1.66	1.39

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