



# Plains GP Holdings, L.P. (PAGP)

Updated April 9<sup>th</sup>, 2026, by Yiannis Zourmpanos

## Key Metrics

<b>Current Price:</b>	\$24	<b>5 Year Annual Expected Total Return:</b>	7.9%	<b>Market Cap:</b>	\$5.5 B
<b>Fair Value Price:</b>	\$21	<b>5 Year Growth Estimate:</b>	5.0%	<b>Ex-Dividend Date:</b>	05/01/26
<b>% Fair Value:</b>	117%	<b>5 Year Valuation Multiple Estimate:</b>	-3.1%	<b>Dividend Payment Date:</b>	05/15/26
<b>Dividend Yield:</b>	7.0%	<b>5 Year Price Target</b>	\$26	<b>Years Of Dividend Growth:</b>	5
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Energy	<b>Rating:</b>	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 February 6<sup>th</sup>, 2026, the company announced results for the fourth quarter of 2025. Plains GP Holdings reported non-GAAP EPS of \$0.17, which missed the market's estimates by \$0.27. The company reported revenues of \$10.56 billion for the quarter, which were down 14.8% year-over-year.

Plains GP Holdings delivered a mixed fourth quarter, with revenue declining 14.8% year-over-year to \$10.57 billion and missing expectations, reflecting weaker commodity-linked volumes and ongoing portfolio reshaping. Despite the top-line pressure, profitability held relatively resilient, with net income reaching \$342 million in the quarter and \$1.435 billion for the full year. Adjusted EBITDA came in at \$738 million for Q4 and \$2.83 billion for 2025, supported by stable crude oil midstream operations. Operational cash flow remained solid at \$2.94 billion for the year, reinforcing the durability of the underlying business. Meanwhile, balance sheet positioning improved, with leverage at 3.9x and trending toward the company's target range following the expected Canadian NGL divestiture in early 2026.

Looking ahead, management is clearly pivoting toward a more streamlined crude-focused model. The 2026 outlook calls for approximately \$2.75 billion in Adjusted EBITDA, alongside roughly \$1.8 billion in adjusted free cash flow, signaling continued strong cash generation even in a flat Permian production environment. Growth will increasingly come from internal levers—around \$100 million in efficiency gains and an additional \$50 million in synergies tied to the Cactus III acquisition. Capital discipline remains intact, with modest growth spending planned and a continued emphasis on returning cash to investors, highlighted by a 10% increase in distributions. Altogether, while near-term revenue softness persists, Plains is reshaping itself into a more focused, cash-generative midstream operator with improving capital return visibility.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$0.94	(\$5.04)	\$2.11	\$1.96	(\$3.08)	\$0.31	\$0.86	\$1.02	\$0.52	\$1.31	<b>\$1.58</b>	<b>\$2.02</b>
<b>DPS</b>	\$0.62	\$0.55	\$0.30	\$0.30	\$0.36	\$0.18	\$0.18	\$0.27	\$1.33	\$1.56	<b>\$1.67</b>	<b>\$1.84</b>
<b>Shares<sup>1</sup></b>	99.0	145.0	282.0	170.0	246.0	194.0	194.0	195.0	197.0	198.0	<b>217.8</b>	<b>239.6</b>

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.

<sup>1</sup> 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.



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In-line with the midpoint of analysts' estimates, we expect the company to post EPS of \$1.58 in 2026. Our annual EPS growth forecast is 5.0% over the next five years, leading to our estimated EPS of \$2.02 by 2031. 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 5 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 \$1.84 by 2031.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	30.2	-5.2	10.9	11.2	-2.9	32.5	13.6	14.5	25.0	14.8	15.2	13.0
Avg. Yld.	2.2%	2.1%	1.3%	1.4%	4.0%	1.8%	1.5%	1.8%	7.3%	8.1%	7.0%	7.0%

The midstream energy infrastructure operator trades at a forward P/E of 15.2, above the 10-year average P/E of 14.5. 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 \$2.02 by 2031 and a target P/E of 13.0, our five-year target price for the stock stands at \$26.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

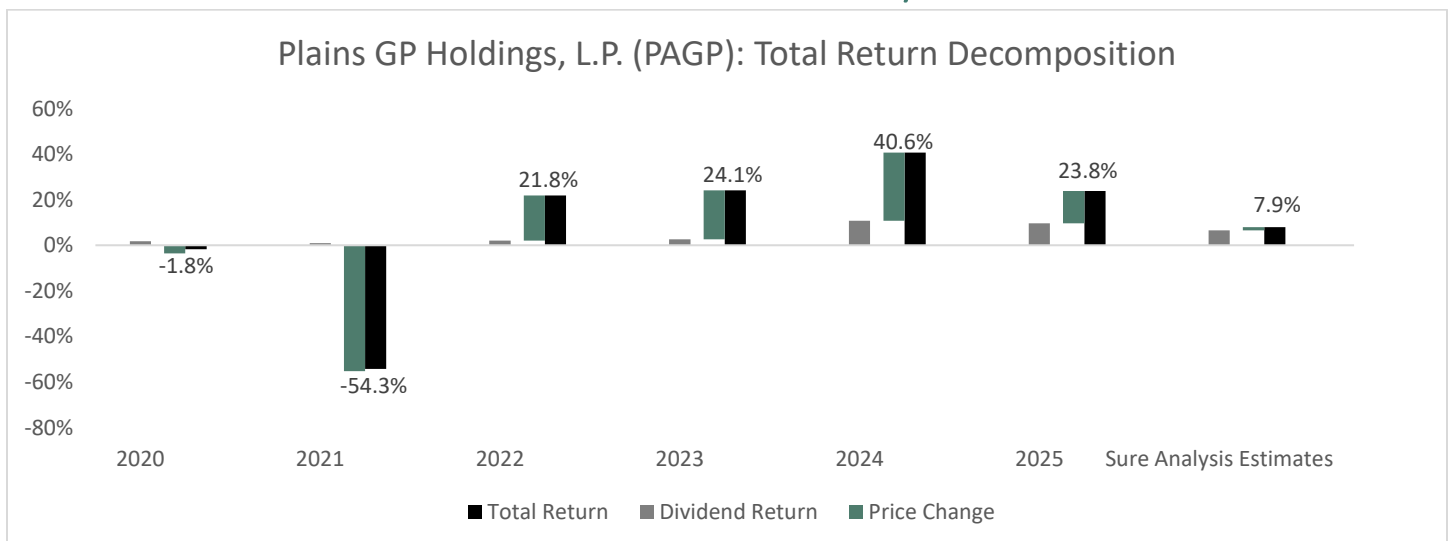
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	65%	-11%	14%	15%	-12%	58%	21%	26%	256%	119%	106%	91%

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 Q4 2025, Plains GP Holdings further reinforced its liquidity position, generating \$785 million in operating cash flow during the fourth quarter and closing the year with a leverage ratio of 3.9x, maintaining solid financial flexibility as portfolio realignment efforts continue.

## 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 7.9% annualized expected total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, 7.0% dividend yield, and a valuation headwind.

## Total Return Breakdown by Year



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## Income Statement Metrics

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

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Assets</b>	24,142	26,103	26,753	26,830	29,969	25,951	29,978	29,207	28,600	27,760
<b>Cash &amp; Equivalents</b>	30	50	40	69	47	25	452	404	453	349
<b>Acc. Receivable</b>	1,785	2,279	3,029	2,454	3,614	2,553	4,705	3,907	3,760	3,901
<b>Inventories</b>	916	1,343	713	640	604	647	783	729	548	439
<b>Goodwill &amp; Int.</b>	2,688	2,586	3,410	3,293	3,247	805	1,960	2,145	1,875	1,677
<b>Total Liabilities</b>	14,908	15,396	14,395	13,511	15,484	14,761	15,801	14,569	13,620	13,440
<b>Accounts Payable</b>	---	---	3,324	2,705	3,687	2,425	4,811	4,045	3,845	3,881
<b>Long-Term Debt</b>	11,931	11,839	9,920	9,209	9,691	10,213	9,220	8,446	7,751	7,621
<b>Total Equity</b>	1,762	1,737	1,695	1,846	2,155	1,464	1,533	1,524	1,548	1,351
<b>D/E Ratio</b>	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
<b>Return on Assets</b>	0.5%	0.4%	-2.8%	1.2%	1.2%	-2.0%	0.2%	0.6%	0.7%	0.4%
<b>Return on Equity</b>	6.9%	5.4%	-42.6%	18.9%	16.5%	-31.4%	4.0%	11.0%	1.3%	0.7%
<b>ROIC</b>	0.6%	0.5%	-3.5%	1.6%	1.6%	-2.7%	0.3%	0.8%	0.9%	0.5%
<b>Shares Out.</b>	83.0	99.0	145.0	159.5	170.0	194.0	194.0	194.0	195.0	197
<b>Revenue/Share</b>	278.94	203.86	180.85	120.76	198.05	94.67	216.90	295.58	249.81	254.18
<b>FCF/Share</b>	-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.

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