Plains GP Holdings, L.P. (PAGP)

Updated August 11th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$26	**5 Year Annual Expected Total Return:**	11.3%	**Market Cap:**	$5.86 B
Fair Value Price:	$28	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	07/31/26
% Fair Value:	93%	**5 Year Valuation Multiple Estimate:**	1.4%	**Dividend Payment Date:**	08/14/26
Dividend Yield:	6.4%	**5 Year Price Target**	$36	**Years Of Dividend Growth:**	5
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 August 7th, 2026, the company announced results for the second quarter of 2026. Plains GP Holdings reported non-GAAP EPS of $0.41, which missed the market's estimates by $0.03, and revenue of $17.69 billion, which was up 66.3% year-over-year.

Plains GP Holdings reported improved second-quarter 2026 results, with underlying performance benefiting from strength in its crude oil operations. Net income attributable to PAA was $1.83 billion, including an approximately $1.6 billion gain from the divestiture of the Canadian NGL business, while net cash provided by operating activities increased 38% year over year to $956 million. Adjusted net income attributable to PAA rose 12% to $348 million, and adjusted EBITDA attributable to PAA increased 10% to $738 million. Crude Oil adjusted EBITDA advanced 19% to $690 million, driven by contributions from the Cactus III acquisition, higher pipeline volumes, and optimization opportunities, partially offset by Permian long-haul pipeline contract rate resets.

Management reiterated that performance remains on track to achieve full-year adjusted EBITDA guidance while making progress on key 2026 initiatives. Plains completed the Canadian NGL divestiture and used proceeds to reduce debt by approximately $2.9 billion, bringing pro forma leverage to 3.3x, near the low end of its 3.25x–3.75x target range. The company captured $50 million of Cactus III synergies and remains on track for $50 million of targeted cost reductions. Organic growth capital guidance was increased to $400–$450 million, reflecting additional investments including a 75 Mbbl/d Cactus III expansion and Permian gathering projects.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.94	($5.04)	$2.11	$1.96	($3.08)	$0.31	$0.86	$1.02	$0.52	$1.31	***$2.14***	***$2.73***
DPS	$0.62	$0.55	$0.30	$0.30	$0.36	$0.18	$0.18	$0.27	$1.33	$1.56	***$1.67***	***$1.84***
Shares[1]	99.0	145.0	282.0	170.0	246.0	194.0	194.0	195.0	197.0	198.0	***217.8***	***239.6***

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.

In-line with the midpoint of analysts' estimates, we expect the company to post EPS of $2.14 in 2026. Our annual EPS growth forecast is 5.0% over the next five years, leading to our estimated EPS of $2.73 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

[1] 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.

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	***12.1***	***13.0***
Avg. Yld.	2.2%	2.1%	1.3%	1.4%	4.0%	1.8%	1.5%	1.8%	7.3%	8.1%	***6.4%***	***5.2%***

The midstream energy infrastructure operator trades at a forward P/E of 12.1, below 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 $2.73 by 2031 and a target P/E of 13.0, our five-year target price for the stock stands at $36.

Safety, Quality, Competitive Advantage, & Recession Resiliency

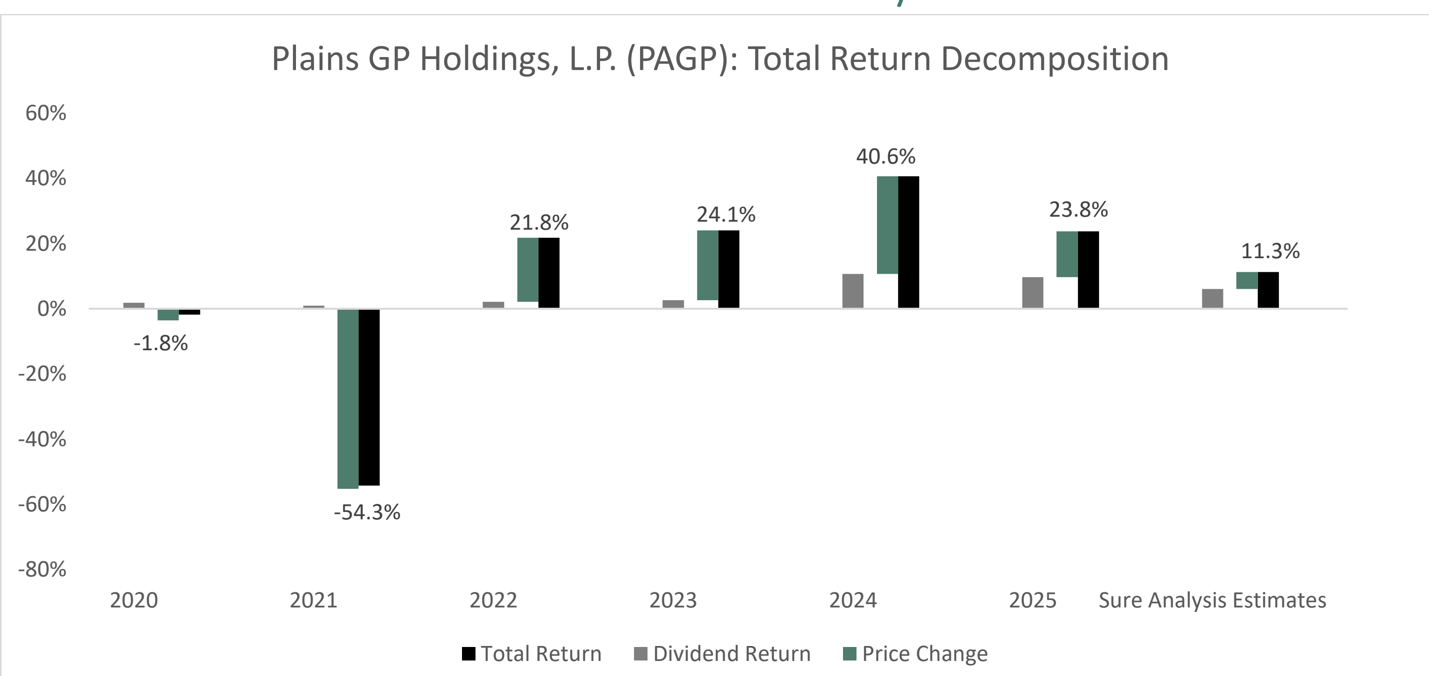
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	65%	-11%	14%	15%	-12%	58%	21%	26%	256%	119%	***78%***	***68%***

While the company has paid a volatile dividend to its shareholders, we expect the company to maintain and increase its payout in the future. In Q2, Plains GP Holdings generated $956 million in operating cash flow and reported a pro forma leverage ratio of 3.3x, reflecting approximately $2.9 billion of debt reduction funded by proceeds from the Canadian NGL divestiture and bringing leverage near the low end of its 3.25x–3.75x target range.

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 11.3% annualized expected total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, the 6.4% dividend yield, a valuation tailwind, and a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	20,182	26,223	34,055	33,669	23,290	42,078	57,342	48,710	50,070	44,280
Gross Profit	2,434	2,719	3,741	3,613	2,203	2,797	3,198	3,130	3,487	1,740
Gross Margin	12.1%	10.4%	11.0%	10.7%	9.5%	6.6%	5.6%	6.4%	7.0%	3.9%
SG&A Exp.	282	280	320	302	276	298	330	356	387	348
D&A Exp.	515	519	521	604	656	777	968	1,051	1,026	953
Operating Profit	970	1,256	2,158	2,008	851	1,434	1,553	1,349	1,332	1,401
Op. Margin	4.8%	4.8%	6.3%	6.0%	3.7%	3.4%	2.7%	2.8%	2.7%	3.2%
Net Profit	94	(731)	334	331	(568)	60	168	198	103	1,303
Net Margin	0.5%	-2.8%	1.0%	1.0%	-2.4%	0.1%	0.3%	0.4%	0.2%	2.9%
Free Cash Flow	(616)	1,472	970	1,319	772	1,655	1,949	2,163	1,844	2,288
Income Tax	78	937	302	176	(167)	112	246	189	204	92

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	26,103	26,753	26,830	29,969	25,951	29,978	29,207	28,600	27,760	31,280
Cash & Equivalents	50	40	69	47	25	452	404	453	349	329
Acc. Receivable	2,279	3,029	2,454	3,614	2,553	4,705	3,907	3,760	3,901	3,598
Inventories	1,343	713	640	604	647	783	729	548	439	211
Goodwill & Int.	2,586	3,410	3,293	3,247	805	1,960	2,145	1,875	1,677	1,754
Total Liabilities	15,396	14,395	13,511	15,484	14,761	15,801	14,569	13,620	13,440	17,060
Accounts Payable	---	3,324	2,705	3,687	2,425	4,811	4,045	3,845	3,881	3,457
Long-Term Debt	11,839	9,920	9,209	9,691	10,213	9,220	8,446	7,751	7,621	11,460
Total Equity	1,737	1,695	1,846	2,155	1,464	1,533	1,524	1,548	1,351	1,345
D/E Ratio	6.82	5.85	4.99	4.50	6.98	6.01	5.54	5.00	5.64	8.54

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.4%	-2.8%	1.2%	1.2%	-2.0%	0.2%	0.6%	0.7%	0.4%	4.4%
Return on Equity	5.4%	-42.6%	18.9%	16.5%	-31.4%	4.0%	11.0%	1.3%	0.7%	9.1%
ROIC	0.5%	-3.5%	1.6%	1.6%	-2.7%	0.3%	0.8%	0.9%	0.5%	5.4%
Shares Out.	99.0	145.0	159.5	170.0	194.0	194.0	194.0	195.0	197	233
Revenue/Share	203.86	180.85	120.76	198.05	94.67	216.90	295.58	249.81	254.18	190.05
FCF/Share	-6.22	10.15	3.44	7.76	3.14	8.53	10.05	11.09	9.36	9.82

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