

Explore the Market

Enter a stock ticker symbol (e.g., AAPL, TSLA, MSFT) to get comprehensive company data and latest news.

Q

KMI

Analyze

KMI

Kinder Morgan, Inc.



Yahoo Finance

Business Overview

Kinder Morgan, Inc. (**KMI**) is one of the largest energy infrastructure companies in North America. It operates as a vital 'toll-road' for the continent's energy needs, transporting approximately **40% of the natural gas** consumed in the United States. Its massive network includes roughly **82,000 miles of pipelines** and **139 terminals**.

Sector and Industry

Sector: Energy

Industry: Oil & Gas Midstream / Storage & Transportation

Operational Segments

Natural Gas Pipelines: The core of the business, focusing on transportation, storage, and gathering. It is heavily positioned to benefit from the rising demand for **LNG exports** and fuel for **AI data centers**.

Product Pipelines: Transports refined petroleum products, including gasoline, diesel, and jet fuel.

Terminals: Provides storage and handling for liquids (bulk and petroleum) across key coastal regions.

CO2: Produces and transports carbon dioxide for enhanced oil recovery (EOR) projects.

Market Position and Strategy

KMI operates a primarily **fee-based model**, with approximately **96% of its cash flows** derived from take-or-pay contracts or fee-based services. This structure significantly insulates the company from commodity price volatility, providing a steady foundation for long-term dividends.

Equity & Buyback Strategy

Shareholder's Equity and Balance Sheet Analysis

Based on the latest financial disclosures and SEC filings, Kinder Morgan maintains a complex but stable capital structure. As of early 2026, the company reports total **shareholder's equity of approximately \$32.4 billion** against total **liabilities of roughly \$40.3 billion**.

Capital Return Strategy

Dividends as Priority: The primary mechanism for returning capital remains the quarterly cash dividend. KMI has increased its dividend for **nine consecutive years**, signaling a commitment to income-oriented investors.

Stock Buybacks: Share repurchases are employed **opportunistically rather than systematically**. In 2023, the company executed roughly **\$522 million** in buybacks, while 2024 saw minimal activity (approximately **\$7 million**). This suggests management prefers to preserve cash for growth projects or debt reduction unless the stock is deemed significantly undervalued.

Negative Retained Earnings: A technical red flag on the balance sheet is the roughly **\$10.1 billion deficit** in retained earnings. This is relatively common in capital-intensive midstream firms due to high non-cash depreciation and heavy historical distributions, but it underscores the company's reliance on ongoing cash flow to fund dividends.

Leverage Management: The company targets a **Net Debt-to-Adjusted EBITDA ratio of 4.5x**, which it has successfully maintained or improved upon in recent quarters, currently sitting near **4.0x**.

Income & Options Strategy Analysis

Income Investor Evaluation: Dividends

Kinder Morgan is a staple for income portfolios, but it requires a **skeptical eye**:

Dividend Reliability: While the payout is supported by fee-based cash flows, the **dividend payout ratio is high (approx. 85%)**. If maintenance capital expenditures increase or re-contracting rates fall, the margin for error is slim.

Historical Context: Long-term investors remember the **2015 dividend cut**, where the payout was slashed by 75% to preserve the balance sheet. While the company is much stronger today, this 'scar tissue' keeps its valuation lower than some peers.

Options Strategy Analysis

KMI is a favorable candidate for generating income through selling put spreads and covered calls due to its **price stability and liquidity**.

Volatility: With an Implied Volatility (IV) usually ranging between **20% and 30%**, KMI offers 'safe' premiums. It is unlikely to experience the 50%+ swings seen in growth tech, making it suitable for those who prefer **lower-risk, consistent premiums**.

Assignment Suitability: If assigned shares through a put spread, the investor owns a high-moat infrastructure asset with a **~4.5% yield**. This provides a 'floor' for the strategy.

Liquidity: Option chains are **highly liquid** with tight bid-ask spreads, allowing for efficient entry and exit of positions.

Red Flags and Risks

Interest Rate Sensitivity: High debt levels make KMI sensitive to 'higher-for-longer' interest rates, which can increase financing costs and make its dividend yield less attractive relative to risk-free bonds.

Liquidity Ratios: A **Current Ratio of ~0.60** is a persistent concern, indicating the company relies on its revolving credit facilities to meet short-term obligations.

Regulatory Headwinds: New pipeline construction faces extreme environmental and legal opposition, which can stall the growth needed to support future dividend hikes.

INCOME SUITABILITY SCORE

Based on dividend reliability, options liquidity, and historical market perception.

★★★★☆ 4/5

📈 Strengths & Opportunities

Critical infrastructure moat; moves 40% of US natural gas.

96% fee-based or hedged cash flows provide insulation from oil price crashes.

Massive tailwinds from AI data center power demand and LNG export growth.

Self-funding model; growth projects are funded via internal cash flow without issuing new equity.

Stable dividend with a consistent track record of annual increases since 2016.

📉 Risks & Weaknesses

High leverage relative to broader market averages (~4x Debt/EBITDA).

Historical management credibility issues due to the 2015 dividend cut.

Extremely low current and quick ratios suggest tight short-term liquidity.

Limited capital appreciation potential due to the mature nature of the industry.

Exposure to long-term 'energy transition' risks as fossil fuel demand is projected to eventually peak.

📊 Competitor Comparison

COMPANY	TICKER	MARKET CAP	P/E RATIO	REVENUE
Kinder Morgan, Inc.	KMI	\$70.8B	23.4	N/A
Enterprise Products Partners L.P.	EPD	\$62.4B	13.7	\$54.3B
ONEOK, Inc.	OKE	\$54.2B	19.3	\$19.1B
Enbridge Inc.	ENB	\$105.1B	20.2	\$35.4B

📊 Key Financial Metrics

💰 MARKET CAP
\$70.8B

👥 EMPLOYEES
11,028

🕒 P/E RATIO
23.4

📈 DIV. YIELD
3.69%

📦 CURRENT RATIO
0.64

📦 QUICK RATIO
0.50

📊 DEBT/EQUITY
0.99

📈 BETA
0.88

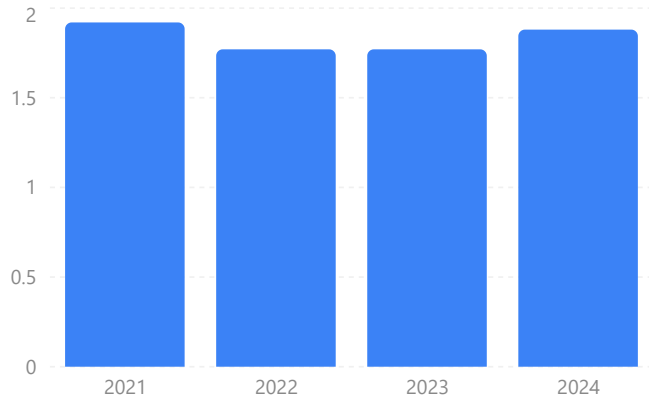
📈 52-WEEK RANGE
\$25.43 - \$34.73

📈 P/E RATIO TREND





DEBT TO EQUITY TREND



CURRENT RATIO TREND



Latest News & AI Summaries

Kinder Morgan and Phillips 66 Propose Western Gateway Pipeline

The companies have proposed a new pipeline to transport gasoline and jet fuel from St. Louis to Southern California to alleviate regional fuel shortages.

[Read Article](#)  [KINDERMORGAN.COM](https://www.kindermorgan.com)

KMI Reports Record 2025 EBITDA Amid Natural Gas Supercycle

Management highlighted record-breaking financial performance driven by unprecedented natural gas demand from LNG facilities and AI-driven data centers.

[Read Article](#)  [SEEKINGALPHA.COM](#)

Kinder Morgan Expands Mississippi Natural Gas Storage

The company received regulatory approval to expand its Mississippi Hub storage facility to meet growing demand in the Southeast US.

[Read Article](#)  [REUTERS.COM](#)

 Ask a Follow-up Question

Ask anything about Kinder Morgan, Inc....



GROUNDING SOURCES

-  [zacks.com](#)
-  [investing.com](#)
-  [kindermorgan.com](#)
-  [companiesmarketcap.com](#)
-  [public.com](#)
-  [investing.com](#)
-  [marketbeat.com](#)
-  [stocktitan.net](#)
-  [reddit.com](#)
-  [seekingalpha.com](#)

 Recommended S&P 500 Tickers (Income & Options)

TICKER	COMPANY	SECTOR	REASONING
CVX	Chevron Corporation	Energy	Top-tier dividend aristocrat with lower leverage than KMI and high options liquidity for premium collection.
JPM	JPMorgan Chase & Co.	Financials	Robust dividend growth and massive options volume, ideal for selling put spreads with high confidence.
ABBV	AbbVie Inc.	Healthcare	High dividend yield and predictable cash flows; the stock exhibits stable price action suitable for covered calls.
PEP	PepsiCo, Inc.	Consumer Staples	Low beta and consistent earnings make it a defensive anchor for income-selling strategies.
NEE	NextEra Energy, Inc.	Utilities	Combines utility stability with renewable growth; highly active options chain allows for efficient income generation.

 Data provided by Google Search and Gemini AI. Not financial advice.

© 2026 Ticker Insights. Built with Google AI Studio. | v1.2.1

SHOW DEBUG INFO