



Earnings Preview: What to Expect When Enbridge Inc. Reports Tomorrow

Description

Enbridge ([TSX: ENB](#))([NYSE: ENB](#)) is scheduled to post its second-quarter earnings report on Friday. The Canadian pipeline giant is in the midst of a major expansion as the company scrambles to accommodate surging oil production across North America. However, with the stock soaring to all-time highs, investors have to watch quarter by quarter to ensure that the company can deliver on its promise.

Let's take a peek at what has been happening at Enbridge over the past few months and what we can expect in the upcoming report.

Stats on Enbridge

Analysts' EPS Estimate	\$0.39
Year-Ago EPS	\$0.38
Revenue Estimate	\$7.53B
Change From Year-Ago Revenue	-4.10%
Earnings Beats in Past Four Quarters 1	

Source: Yahoo! Finance

Can Enbridge deliver for shareholders this quarter?

Analysts have been steadfast in their views of Enbridge's earning prospects. Over the past three months, they have lowered their consensus profit estimate for the upcoming quarter and the full fiscal year by a penny. The stock, meanwhile, has continued to soar, up nearly 5% since the end of April.

Enbridge is in the midst of one of the largest expansions in the company's history. Thanks to new technologies like steam-assisted gravity drainage and horizontal drilling, the amount of energy currently being pulled from oil fields across the country is only a tiny fraction of what's to come.

According to the Canadian Association of Petroleum Producers, oil sands production is forecast to

more than double by 2030 to 4.8 million barrels per day. New estimates by the U.S. Energy Information Agency and other industry trade groups predict that America's shale revolution is only in the early innings of its expansion.

Companies that will collect, ship, and store all of this new energy production are positioned to make a fortune — and Enbridge is poised to do exactly that.

The company has a remarkable \$42 billion in growth projects — more than 100% of its current market capitalization — on the books. This includes thousands of miles of new pipeline, dozens of needed storage facilities, and additional green power generation capacity. Investors are likely to be rewarded for years to come given the company's backlog of growth projects, steady cash flows, and increasing distribution.

In Enbridge's upcoming quarter, listen for hints of new expansion opportunities. Earlier this month, reports surfaced that the company was mulling a railing terminal in the midwest to ease pipeline congestion. New growth initiatives like this could be a hidden catalyst for the stock.

CATEGORY

1. Investing

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Date

2025/07/05

Date Created

2014/07/31

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