



Enbridge Inc.: The Dividend Chart Every Investor Needs to See

Description

In times of economic and geopolitical uncertainty, it is essential for investors to focus on investing in companies with quality underlying businesses, wide economic moats, and limited earnings volatility.

A key attribute of companies that possess these characteristics is a long history of paying steadily growing dividends. One company that stands out for all of these reasons is Canada's largest provider of midstream and pipeline services, **Enbridge Inc.** ([TSX: ENB](#))([NYSE: ENB](#)).

An impressive dividend growth rate makes it a must-have investment

Over the last 18 consecutive years, Enbridge has hiked its dividend each and every year.

[Enbridge Dividend Chart 291014](#)

Source: Enbridge investor relations.

These regular hikes give Enbridge a dividend yield of 2.6%, coupled with a sustainable payout ratio of 93%. But more impressively, its dividend has grown at a healthy rate from inception, with a compound annual growth rate of 9% since 1983.

This is well above the average annual inflation rate for that period, which ensures the real rate of return received by investors is not being eroded. It is also superior to the returns received on many other types of investments over the same period, which are perceived to be less risky including cash and government bonds.

I believe such a solid rate of return makes Enbridge a must-have investment in any portfolio, but the good news for investors doesn't stop there.

Possesses a wide economic moat

Enbridge possesses a wide, multifaceted economic moat, which protects its competitive advantage and even shields it from diminishing demand for crude. This is because the high barriers to entry associated with the pipeline and midstream industry created by significant regulatory and capital

requirements safeguards it from competition.

The company also has the largest pipeline network in Canada with it now the largest shipper of crude to all important U.S. refining markets. But even more compelling for investors is that despite significantly softer crude prices, the demand for pipeline transportation from Canada's oil producers will continue to grow with insufficient capacity already a key industrywide issue.

Each of these characteristics, coupled with Enbridge's range of projects aimed at boosting its pipeline network capacity and building pipelines to access export markets outside of the U.S., virtually ensures revenues will continue to grow over the long term. This bodes well for continued cash flow growth, which will boost its bottom line and almost guarantees further dividend hikes for the foreseeable future.

The long history of consistently growing dividends coupled with its high-quality underlying business, wide economic moat, and solid growth prospects make Enbridge a core addition to any dividend growth portfolio. But more importantly, they endow the company with the ability to weather the current global economic and geopolitical volatility, with Enbridge well positioned to continue to reward investors through its regularly growing dividend, making it a crucial hedge against economic uncertainty.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:ENB (Enbridge Inc.)
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