



## Is Enbridge Inc. the Top Energy Stock in the TSX 60 to Buy Today?

### Description

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), one of world's leading transporters and distributors of crude oil and natural gas, announced first-quarter earnings before the market opened on May 6, and its stock responded by falling over 2.5% in the trading session that followed. Let's take a closer look at the quarterly results to determine if we should consider using this weakness as a long-term buying opportunity.

### Breaking down the first-quarter report

Here's a summary of Enbridge's first-quarter earnings results compared with its results in the same period a year ago.

Metric	Q1 2015	Q1 2014
Adjusted Earnings Per Share	\$0.56	\$0.60
Revenue	\$7.93 billion	\$10.52 billion

Source: *Enbridge Inc.*

Enbridge's adjusted earnings per share decreased 6.7% and its revenue decreased 24.6% compared with the first quarter of fiscal 2014, as its adjusted net income decreased 4.9% to \$468 million. The company noted that these weak results could be attributed to a "weaker commodity price environment," which provided challenges to its customers and led to its commodity sales decreasing 34.7% to \$5.23 billion.

Here's a quick breakdown of 10 other notable statistics from the report compared with the year-ago period:

1. Average deliveries increased 16.1% to 2.21 million barrels per day in its Canadian Mainline segment
2. Average deliveries increased 21.5% to 815,000 barrels per day in its Regional Oil Sands System segment

3. Average deliveries decreased 18.5% to 150,000 barrels per day in its Spearhead Pipeline segment
4. Gas distribution volume increased 2.4% to 217 billion cubic feet
5. Number of active customers increased 1.5% to 2,108 in its Gas Distribution segment
6. Average throughput volume increased 4% to 1.86 billion cubic feet per day in its Vector Pipeline segment
7. Average throughput volume decreased 16.4% to 1.15 billion cubic feet per day in its Enbridge Offshore Pipelines segment
8. Gas distribution sales increased 43.2% to \$1.59 billion
9. Transportation and other services sales decreased 21.2% to \$1.11 billion
10. Cash provided by operating activities increased 353.5% to \$1.51 billion

Also, on May 5 Enbridge announced that it will be maintaining its quarterly dividend of \$0.465 per share. The next payment will come on June 1 to shareholders of record at the close of business on May 15.

### **Should you become an investor of Enbridge today?**

I think the post-earnings decline in Enbridge's stock was warranted, but I also think it represents a great long-term buying opportunity.

First, Enbridge's stock trades at just 27.8 times its median earnings per share outlook of \$2.20 for fiscal 2015 and only 23.3 times analysts' estimated earnings per share of \$2.62 for fiscal 2016, both of which are very inexpensive compared with its five-year average price-to-earnings multiple of 39.4 and the industry average multiple of 40.4.

Second, Enbridge pays an annual dividend of \$1.86 per share, which gives its stock a 3% yield at current levels. The company has also increased its dividend every year since 1996, making it one of the top dividend-growth plays in the market today.

With all of the information provided above in mind, I think Enbridge represents one of the best long-term investment opportunities in the market today. Foolish investors should take a closer look and strongly consider establishing positions.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

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2. TSX:ENB (Enbridge Inc.)

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**Date**

2025/09/23

**Date Created**

2015/05/07

**Author**

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