



Enbridge Inc. Is a Great Investment for Your Portfolio

Description

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is focused on generating, transporting, and distributing energy. The company is one of the largest in North America in the field of energy transportation and distribution.

Typically, companies are recommended based on growth, results, or dividends. Occasionally, investors stumble across a company that has two of those three qualities. Enbridge is a company that checks off all three.

Here's a quick look at why the company is excelling in all of those areas and why investors should consider Enbridge as part of their portfolios.

Growth: Enbridge is ready to expand

The company recently announced an agreement with underwriters from both Canada and the U.S. for a whopping \$2 billion share issue. The proceeds are slated to be used to help fund a variety of planned projects through the next two years.

Enbridge has a massive \$18 billion in capital projects slated over the next three years, including \$7.5 billion that is set aside for the Line 3 pipeline replacement and the proposed Sandpiper project in the U.S.

Dividends: Enbridge is a must-have for dividend-seeking investors

Let's start off by stating the obvious: Enbridge has a great dividend and has been paying out a dividend for over 60 years. When looking deeper into the dividend over the years, the case for Enbridge becomes even more solid; the dividend has been growing for over a decade with annual growth of 14%.

The company continues to forecast dividend growth in the realm of 14-15% over the next three years. In terms of a payout level, Enbridge is typically paying out in the 40-50% range, giving the stock a great balance between growth investments and shareholder value.

The dividend is currently set to \$0.53, which gives the dividend an impressive yield of 4.3% at current levels.

Results: Enbridge continues to deliver

In the most recent quarter, Enbridge provided strong results that surpassed analysts' expectations. Specifically, earnings per share increased a whopping 18.4% year over year, and revenue was also up by 1.3% over the same quarter last year. Net income was also up significantly by just over 20% to \$494 million.

Enbridge currently trades at just over \$49. The stock is up by 6.87% year-to-date and up by nearly 15% in the past month alone. When looking at a longer period, the stock is down over a full 12-months by nearly 19%, which can largely be attributed to the weakness in the energy sector causing many investors to sell for fear of further drops.

In my opinion, Enbridge remains a great option for those investors who are seeking both dividend income and growth from an investment. While the company is directly connected to the still-volatile energy sector, Enbridge is somewhat removed from the commodity price shock that the industry is still reeling from.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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1. Editor's Choice

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Date

2025/08/02

Date Created

2016/03/24

Author

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