



## Why Canadian Natural Resources Ltd. Is up Over 1.5%

### Description

**Canadian Natural Resources Ltd.** ([TSX:CNQ](#))([NYSE:CNQ](#)), one of the world's leading producers of oil and natural gas, announced its fiscal 2017 fourth-quarter and full-year earnings results and a dividend increase this morning, and its stock has responded by rising over 1.5% in early trading. Let's break down the financial performance and the fundamentals of its stock to determine if we should be long-term buyers today.

### The results that are sending the stock higher

Here's a quick breakdown of five of the most notable statistics from Canadian Natural's three-month period ended December 31, 2017, compared with the same period in 2016:

Metric	Q4 2017	Q4 2016	Change
Product sales	\$5,323 million	\$3,672 million	45.0%
Adjusted net earnings (loss) from operations	\$565 million	\$439 million	28.7%
Adjusted earnings (loss) per share	\$0.46	\$0.40	15.0%
Funds flow from operations	\$2,307 million	\$1,677 million	37.6%
Funds flow from operations per basic share — diluted	\$1.88	\$1.50	25.3%

And here's a quick breakdown of five notable statistics from Canadian Natural's 12-month period ended December 31, 2017, compared with the same period in 2016:

Metric	Fiscal 2017	Fiscal 2016	Change
Product sales	\$17,669 million	\$11,098 million	59.2%

Adjusted net earnings (loss) from operations	\$1,403 million	(\$669 million)	>100%
Adjusted earnings (loss) per share	\$1.19	(\$0.61)	>100%
Funds flow from operations	\$7,347 million	\$4,293 million	71.1%
Funds flow from operations per basic share — diluted	\$6.21	\$3.89	59.6%

## Giving its shareholders a raise

In the press release, Canadian Natural announced a 21.8% increase to its quarterly dividend to \$0.335 per share, and the first payment will come on April 1 to shareholders of record at the close of business on March 16.

## What should you do now?

Canadian Natural's very strong fourth-quarter performance capped off an outstanding year for the company, so I think the market has responded correctly by sending its stock higher; furthermore, I would buy the stock today for two primary reasons.

First, Canadian Natural has proven that it can achieve high profitability in the [current commodity price](#) environment, and I think that this makes it one of the best bets in the industry today, especially if commodity prices continue to rebound. Analysts currently expect the company to deliver EPS of \$2.21 in fiscal 2018, which would result in growth of 85.7% from 2017 and give its stock a forward multiple of just 18.3 today.

Second, it's [a dividend aristocrat](#). Canadian Natural now pays an annual dividend of \$1.34 per share, which brings its yield up to about 3.3%. Investors must also note that the dividend hike the company just announced puts it on track for 2018 to mark the 18th straight year in which it has raised its annual dividend payment, making it both a high-yield and dividend-growth play.

With all of the information provided above in mind, I think all Foolish investors seeking exposure to the oil and gas industry should strongly consider beginning to scale in to long-term positions in Canadian Natural Resources today.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)

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