



## Have You Considered Suncor Energy Inc. Recently?

### Description

Few sectors of the economy offer us as many choices for investment as the energy sector. It's no secret that Canada's market is heavy on energy and resources, so picking the right investment from that pool of choices can be an overwhelming chore.

This is not an uncommon theme — Canada's [crowded telecom segment](#) and growing [renewable energy segment](#) also raise questions for investors, but in the case of the energy segment, there is a clear winner that should be near the top of the prospect list for nearly any investor.

**Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) is the energy company that prospective investors should take a serious look at.

Suncor is the largest integrated energy company in the country, with assets at nearly every stage of production, from the well-known oil sands operations to its large refineries, and then finally to the over 1,500 Petro Canada stations the company has across the country.

Suncor's size and efficiency in operations have kept the company in the black for much of the lean period over the past few years. With oil now rallying over US\$65 per barrel, this creates an opportunity for an efficient operator like Suncor.

### Quarterly results show increased strength

Suncor announced results for the most recent quarter this month, which showcased improving conditions for the sector.

Operating earnings for the quarter came in at \$985 million, or \$0.60 per common share. This surpassed that \$812 million, or \$0.49 per common share, earned in the same quarter last year. The increase was attributed to improved pricing and margins as well as increased refinery utilization, which hit 98% in the quarter for a throughput of 453,000 bpd — the highest level seen in the first quarter.

Funds from operations for the quarter were \$2.164 billion, or \$1.32 per common share, beating the \$2.024 billion, or \$1.21 per common share, reported in the same quarter last year.

Suncor's net earnings for the quarter came in at \$789 million, or \$0.48 per common share, compared with \$1.352 billion, or \$0.81 per common share, reported in the same quarter in the prior year.

One of the things that investors in Suncor benefit from is a strong quarterly dividend, which currently provides a very appetizing 2.94% yield. In terms of growth, Suncor hiked that dividend by over 12% earlier this year, continuing a trend of annual increases that has prevailed over the past few years.

### **Is Suncor a good investment?**

After a prolonged period of relatively stable prices, energy prices are starting to appreciate. Many of Suncor's peers struggled during that period, owing to their smaller, less efficient operations. By comparison, Suncor was able to invest heavily in new facilities and sites over that same period, some of which are now operational and providing even further lift.

Even at the current price level of under \$49, which is near its 52-week high, Suncor remains an excellent option for long-term investors looking to add an investment in the energy sector.

### **CATEGORY**

1. Energy Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

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