



Can TC Energy (TSX:TRP) Stock Double Your Money?

Description

The pipeline industry is still a booming one. Just look at **TC Energy Corp.**'s ([TSX:TRP](#))([NYSE:TRP](#)) cash flows generated over the last many years and you will see clear evidence of this.

With a network that consists of more than 92,600 kilometres of natural gas pipelines, 4,900 kilometres of oil pipelines, 653 billion cubic feet of gas storage, and 6,600 megawatts of power generation, this pipeline behemoth can surely double your money. The question is not if but when.

Unlocking North America's oil and gas resources

When we think of pipeline companies, we may automatically think of boring, low-return companies that only have only two purposes in our portfolios – [safety/security and steady dividend income](#). Let's reconsider. TC Energy is so much more. It is dividend growth, cash flow growth, and growth and expansion through both major and minor projects in the works and planned for a later date.

TC Energy has a dominant position in North America, with a growing position in Mexico and in the [LNG industry](#). The company has more than \$20 billion of projects under development.

Keystone XL, which will provide a direct link to the U.S. Gulf Coast, the world's largest heavy oil refining market, is one of the more well-known growth projects that TC Energy is undertaking. Another is the NGTL System expansion, which will take growing Western Canadian natural gas supply to markets in Canada, the U.S., and LNG markets.

Yet another important growth project is TC Energy's fully permitted \$6.2 billion Coastal GasLink Pipeline Project, which will provide direct access to the world market for Western Canadian sedimentary basin production. It is expected to be in service in 2023.

We can see the multitude of growth projects that the company is undertaking, but does this mean the risk to investors is rising?

Growth funded internally

Cash flow from operations in the 2019 to 2021 time period is expected to be approximately \$21 billion. Compare this to planned capital expenditures of \$29 billion, and we can start to build a picture of just how strong TC Energy is.

With most of its capital expenditures financed with cash flow, the company has a small deficit that will be made up mostly by asset sales. Importantly, TC Energy's growth plans come without as much risk to shareholders as we might assume, as this funding model provides a level of safety and security.

Dividends are king

While we wait for the potential doubling of the TC Energy stock price, we can sit back and receive regular dividends that are increasing annually as cash flows continue to ramp up. Currently TC Energy has a dividend yield of 4.5%, and, as a reflection of management's confidence in its future, they are forecasting an annual dividend growth rate of 8% to 10% through 2021.

Since 2000, the stock price has increased 434% and dividends have been increased every year at a compound annual growth rate of almost 7%.

Foolish bottom line

TC Energy stock surely has the potential to double your money over the next few years. North America has an abundant supply of oil and gas resources that are needed and demanded at home and around the world.

TC Energy's numerous growth projects aimed at unlocking these resources and delivering on this demand are a testament to this fact. Buy TC Energy today and you will enjoy dividend income and very likely a doubling of your money.

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2. Energy Stocks
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Date

2025/07/27

Date Created

2019/10/29

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