



How Enbridge (TSX:ENB) Will Make You Rich

Description

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is the energy behemoth that should be a core asset to any portfolio. At first glance, the stock may resonate as big, dirty oil, but there's definitely plenty more for investors to consider. In fact, prospective investors may be surprised at how diversified the company really is, and how that can boost your portfolio. In other words, with the right investment mix, Enbridge will make you rich.

Here are four ways an Enbridge investment will set you on that path.

Enbridge operates a lucrative business

Enbridge's pipeline business is huge. The company is charged with hauling a quarter of all the crude produced in North America. Enbridge also transports one-fifth of the natural gas consumed in the U.S. The company's pipeline business is similar to a toll-road network. Companies are charged for use of that network which translates into a steady stream of revenue for Enbridge.

More importantly, this means that Enbridge's pipeline business isn't directly impacted by the volatile nature of oil prices. This is the literal definition of a buy and forget investment.

Enbridge is expanding and innovating — constantly.

Enbridge may be best known for its pipeline business that I mentioned above, but there is more to the company. Fortunately, Enbridge isn't a company that sits on its laurels. Instead, Enbridge is constantly engaging in new projects, and expanding into lucrative new areas of the market.

A prime example of this is Enbridge's renewable energy portfolio. The company boasts a portfolio of 36 facilities with a total net generating capacity of 2,060 MW — enough to power over 900,000 homes. Enbridge's assets are also diversified across renewable technologies. The current portfolio consists of onshore and offshore wind farms, solar farms, waste heat recovery facilities, geothermal and hydroelectric facilities.

That's also not to say that Enbridge isn't working on its existing pipeline business, however. The company is actively pursuing multiple growth projects to expand its footprint and capacity. A notable example of this is the well-known Line 3 replacement program.

One of the best-paying dividends on the market

One of the benefits of operating a business with a steady and recurring revenue stream is the [opportunity for income-generation](#). Enbridge offers an appetizing to investors that has grown immensely in the past year.

Enbridge has seen its stock price plummet this year (more on that in a moment). As a result, the company's already attractive quarterly dividend has swelled. The yield on that dividend currently works out to an appetizing 8.47%.

Not only is that one of the best-paying dividends on the market, but Enbridge is also a Dividend Aristocrat with well over two-decades of consecutive annual bumps to its dividends. In fact, over the past decade, the growth rate of its dividend is well into double-digit territory.

That factor alone helps further the view that Enbridge will make you rich, but there's still another point to make.

Enbridge trades at a huge discount right now

The COVID-19 pandemic dragged all stocks down. Some have managed to crawl back those losses quicker than others. In the case of Enbridge, the company grappled with weakened demand, as well as declining oil prices which had a domino effect on the market. In fact, earlier this year oil prices plunged into negative territory.

As a result, the stock tanked over 30% this year, but so far has only reduced those losses to 25%. Given the attractive dividend, strong growth prospects, and overall optimism to an end to the pandemic, there is little reason to not consider buying Enbridge.

If anything, Enbridge is a perfect example of a buy now and hold forever stock.

Enbridge will make you rich

No investment is without risk, but some investments have greater-risk than others. In the case of Enbridge, investors will find a solid investment that offers a growing dividend, recurring revenue stream, and plenty of growth prospects.

In my opinion, Enbridge is an [excellent long-term investment](#) option for any portfolio. Buy it now (while it's still discounted), and Enbridge will make you rich.

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