



Suncor Stock: Make \$777 in Dividends Before it Explodes!

Description

Despite the **TSX** continuing to trade at or near all-time highs, investors can still find cheap [valuations](#) for growth stocks. But there's even better news. There are several stocks out there that also offer significant dividends. Even better? After slashing dividends with the crash, many of these stocks are due for a boost. That includes **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)). Suncor stock remains my favourite stock in this rebound.

This Canadian energy company has a significant growth path ahead of it. And despite the dividend cut, Suncor stock remains a dividend payer that's due for a massive increase. So here's how investors can take full advantage of this stock.

Suncor stock: earnings bounce

There was finally some seriously [positive](#) news from Suncor stock the first week of May. The company announced its quarterly earnings, reporting positive first-quarter net earnings. This came from higher production, lower costs and of course stronger oil and gas prices. This finally saw a reversal from the enormous loss last year.

Last year the company reported a loss of \$3.5 billion. Fast forward to today and Suncor stock reported earnings of \$821 million! This was a huge improvement from analyst expectations of \$232 million.

The company stated its total production increase to 785,900 barrels of oil equivalent per day in this quarter, and increase of 6% year over year. But that's expected to surge as COVID-19 spread gets under control and oil demand rises. Combine this with the company's fully integrated network of marketing and logistics to optimize inventory, and there is further growth to be had.

Dividend increase on the horizon?

Granted, Suncor stock has a long way to go before boosting its dividend to pre-crash levels. However, investors can certainly take advantage of the oil and gas rebound by buying this stock today. Shares in

Suncor stock jumped at the earnings, and are up 16% in the last years alone. But the stock remains in value territory trading at 1.1 times book value and 1.7 times sales.

Right now investors would receive a 3.15% dividend yield. Rewind to last year, the stock offered a yield nearing 5%. That dividend came out to \$1.68 per share per year, and was just increased before the cut. Fast forward to today, and that dividend was quite literally slashed in half. You can now get \$0.84 per share per year.

What this means is once the company is back on track, you could see your dividends double overnight! And Suncor stock has the means to do it. As Canada's largest fully integrated oil and gas company, it's likely to get back cash a lot sooner than peers. These earnings support that theory.

Beyond this year though, long-term investors can take advantage of its growth projects. The company invested in the Alberta oil sands and now want to ramp up production. So with oil prices driving towards all-time highs, we might finally see massive gains in both dividends and share prices from Suncor stock.

Foolish takeaway

If you were to invest in Suncor stock and see similar share and dividend growth, here's what you could have. A \$25,000 investment would bring in \$777.84 in dividends per year. However, as you can calculate yourself should that increase double in the next year or so, that's suddenly \$1,555.68! On top of that, you could be looking at massive share growth in the next decade and beyond. So buy now before everyone picks up on what an opportunity Suncor stock is for investors today.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Personal Finance

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Personal Finance

Date

2025/09/12

Date Created

2021/05/07

Author

alegatewolfe

default watermark

default watermark