



TFSA and RRSP Investors: This Energy Value Stock Is Ridiculously Cheap

Description

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is company whose vision is to be the leading energy infrastructure company in North America. In pursuing this vision, the company plays a critical role in enabling the economic well-being of North Americans who depend on access to affordable and reliable energy. Enbridge's unparalleled infrastructure franchises transport, distribute, and generate energy.

The company's primary purpose is to deliver energy to North America in the safest and most responsible way possible. Enbridge's investor value proposition is founded on the company's ability to [deliver predictable cash flows](#) and a growing stream of dividends year over year through investment in and efficient operation of energy infrastructure assets that are strategically positioned between key supply basins and strong demand-pull markets.

Long-term contracts

Further, the company's assets are underpinned by long-term contracts, regulated cost-of-service tolling frameworks, and other low-risk commercial arrangements. Enbridge is a leader in several key areas that create sustainable comparative advantage and value for shareholders, including public safety, stakeholder relations, customer service, community investment, and employee satisfaction.

An in-depth understanding of energy supply and demand fundamentals coupled with disciplined capital-allocation principles has helped it become an industry leader supported by a diverse set of assets across the energy system. These assets have reliably generated resilient cash flows amid many commodity and economic cycles, including the COVID-19 pandemic and ensuing economic and energy market disruption, whereby Enbridge exceeded the mid-point of the company's 2020 financial guidance range.

Sustainable growth

In addition to resiliency, [sustainable growth](#) is a hallmark of Enbridge's investor value proposition. The company sees a 5-7% growth rate through 2023, underpinned by opportunities to generate returns in

Enbridge's base business and by growing the business through disciplined capital deployment. Enbridge's diversified footprint allows for selective investment in not only the company's core businesses, but new emerging platforms driven by the on-going energy transition such as carbon capture, sequestration and storage, hydrogen, and renewable natural gas (RNG).

Also, Enbridge has successfully implemented this diversified approach and has seen opportunity in transition throughout the company's history, as evidenced by the emergence of Enbridge's gas transmission and midstream and renewable power-generation businesses over time.

Reducing the carbon footprint

Environmental, social, and governance leadership is an important element of Enbridge's strategy. The company's commitment to reducing Enbridge's carbon footprint, building lasting relationships in the communities it serves and promoting equality, inclusiveness, and transparency play a role in Enbridge's ability to operate assets and thus generate cash flow over the long term.

Looking ahead, Enbridge's near-term strategic priorities appears to remain similar to past priorities. The company has communicated that proactively advancing the safety of communities and protecting the environment will always be Enbridge's top priority. The company is also very focused on enhancing the value of Enbridge's existing assets in liquids pipelines, gas transmission and midstream, gas distribution, and storage and renewable power generation and executing on a secured capital program.

If Enbridge continues to capitalize on investments in liquids and natural gas pipeline infrastructure that could lead toward export-driven opportunities, this could greatly enhance the stock's intrinsic value.

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Date

2025/09/09

Date Created

2021/07/06

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