



## Enbridge (TSX:ENB): The Perfect Mix of Income and Growth

### Description

Finding that perfect mix of income and growth stocks takes time. Even the [most defensive stocks](#) can only cater to half of that winning mix. The need to rebalance becomes more pressing as we head into the final months of the year. Fortunately, the market does give us plenty of options to choose from. One top pick to consider is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

### Let's start by saying Enbridge is huge and well-diversified

Enbridge is a true energy infrastructure behemoth. Specifically, Enbridge has inroads in both gas and crude pipeline networks. Additionally, Enbridge operates one of the largest utilities natural gas utilities on the continent.

Unfortunately, despite that massive appeal, Enbridge is often stereotyped as something very different. Some prospective investors view Enbridge as the big dirty oil company, out of touch with rapidly changing energy needs. Let's try to dispel that myth.

Enbridge is best known for its massive pipeline network, which hauls oil and gas. Speaking of which, that pipeline network is massive. The natural gas pipeline network alone spans over 38,000 kilometres, transporting one-fifth of all gas consumed within the U.S. The pipeline traverses 30 U.S. states, five provinces and extends offshore to the Gulf of Mexico.

Enbridge's crude operation transports over 3 million barrels of crude daily. That represents one-quarter of all crude oil produced on the continent, and 65% of all U.S.-bound Canadian crude exports.

The pipeline network provides a recurring and reliable source of revenue for Enbridge. In the most recent quarterly update, Enbridge reported adjusted earnings of \$1.2 billion, or \$0.59 per common share.

One of the most shocking aspects of Enbridge is how well-diversified the company is outside that dirty oil stereotype. Enbridge operates the third-largest natural gas utility on the continent and operates a growing renewable energy portfolio.

That renewable energy aspect is a key point for prospective investors looking for that perfect mix of income and growth. Enbridge already boasts a generating capacity of over 5.1 GW and continues to build out its network. An example of this is a trio of offshore wind farms under construction in France. Upon completion, they will generate 1.4 GW of renewable energy.

## If you want income, you want Enbridge

Perhaps the most appealing aspect of Enbridge is the company's impressive dividend. Enbridge offers investors a quarterly dividend that works out to a very appetizing 6.34% yield. This represents one of the best returns on the market from what is a reliable business.

To put that earnings potential into perspective, a \$35,000 investment in Enbridge will generate an income of just over \$2,200. Even better, Investors choosing to reinvest that income until needed will see further growth. Again, Enbridge really is the perfect mix of income and growth.

If that isn't reason enough to put Enbridge into your long-term portfolio, here are two more reasons to consider.

First, let's talk dividend hikes. Enbridge provides annual upticks on a near-annual basis, stemming back over two decades, earning Enbridge a dividend Aristocrat label. Coincidentally, Enbridge is one of several investments set to [go ex-dividend this month](#).

Finally, let's talk stock price. Enbridge currently trades at a P/E of just 18.66, which is lower than its peers. If we factor in Enbridge's stock price, which is up 7% over the past two-year period, an opportunity emerges. In other words, despite the 30% bump year-to-date, the stock is still relatively flat over the longer term.

## The perfect mix of income and growth

Enbridge is the complete investment package. In short, the company is a well-diversified, expanding opportunity that offers one of the best dividends anywhere.

In my opinion, if Enbridge is not yet part of your portfolio, it should be. Buy it, hold it and enjoy the income stream it offers.

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