



Enbridge Stock Reports Profit Increase, Beating Estimates

Description

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) climbed higher on Friday as the company earned 3.7% more in fourth-quarter profit, beating estimates.

- Enbridge stock earned \$1.84 billion for the quarter, up from \$1.78 billion the year before.
- Transportation of barrels increased to 3.01 million barrels per day, up from 2.65 million the year before.
- Enbridge stock reaffirmed its 2022 full-year guidance of EBITDA between \$15 and \$15.6 billion.

What happened in Q4 for Enbridge stock?

Enbridge stock reported a 3.7% increase in fourth-quarter profit on Feb. 11, seeing its barrels per day increase to 3.01 million from 2.65 million. Earnings rose to \$1.84 billion or \$0.91 per share, beating [estimates](#).

The increase came with a recovery in fuel demand for the pipeline operator. Energy prices continue to trade at multi-year highs after huge lows fueled by the pandemic. Adjusted earnings reached \$5.6 billion compared to \$4.9 billion the year before for full-year 2021. The company also announced this year a 3% increase in its dividend and put \$10 billion of capital projects into service in 2021.

In the last quarter, Enbridge stock closed the US\$3 billion acquisition of Moda Midstream Operating and announced a US\$400 million Texas Eastern Phase II Modernization program. It also sold its interest in Noverco for \$1.1 billion for increased financial flexibility.

What did Enbridge management say?

Management believes Enbridge stock made a solid performance in 2021, and that will help contribute to further growth in 2022. That includes long-term achievements of net-zero carbon emissions, where Enbridge continues to create clean energy programs such as carbon capture and wind farms. All this will help long-term investors, management believes.

“The strong demand for our system capacity and execution on our secured capital continues to drive stable and growing cash flows. As we look to the future, embedded conventional and low-carbon organic growth opportunities across our assets, along with our disciplined approach to investment, provides a compelling growth outlook and value proposition for our shareholders.”

Al Monaco, President and CEO of Enbridge

What's next for Enbridge stock?

Enbridge stock reaffirmed full-year guidance for 2022, with a range EBITDA of \$15 to \$15.6 billion. Management stated they're positioned to grow distributed cash flow of 5% to 7% between 2021 and 2024. In this three-year plan, the company expects to have \$5-\$6 billion of annual investment capacity. The increase in [demand](#) also helps fuel this growth, along with low-carbon organic growth opportunities.

Shares of Enbridge stock are up 23% in the last year, and 10% since mid-January lows. Investors currently have access to a 6.31% dividend yield, with an ex-dividend date for Feb. 14. It currently trades at 19.21 times earnings.

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