



## Why Enbridge Stock Is a Must-Buy After its Q1 Earnings Event

### Description

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) released its first-quarter financial results on Friday. Its latest quarterly results proved why ENB is considered one of the most reliable Canadian dividend stocks for long-term income investors. Before we look at some key highlights from its latest earnings event, let's quickly review its financial figures and find out how investors reacted to its quarterly results.

### Enbridge stock rose after its Q1 results

In the March 2022 quarter, Enbridge registered 23.9% YoY (year-over-year) positive growth in its total revenue to around \$15.1 billion with the help of consistently rising demand for energy products. Its revenue figure was also more than 10% better compared to Street analysts' estimate of \$13.7 billion. Notably, it was the fourth consecutive quarter when the Calgary-based energy company's revenue figures exceeded analysts' expectations.

Higher prices for energy products also helped the company boost its profitability in the last quarter. In Q1, Enbridge's adjusted earnings stood at \$0.84 per share — up 3.7% YoY and nearly at par with analysts' estimate of \$0.85 per share. Similarly, its adjusted net profit for the quarter rose by 4.4% YoY to \$1.7 billion. More importantly, its adjusted net profit margin in the first quarter sequentially expanded to 11.3% from 11% in the previous quarter.

These positive financial growth figures seemingly boosted investors' confidence as ENB stock inched up by 2.2% on Friday, despite the broader market weakness — helping the stock and the weak with solid 4.3% gains. Year-to-date, its stock has risen by 18.3% against a 2.3% drop in the **TSX Composite Index**.

### Other key highlights from Enbridge's latest earnings event

In the last few months, growing worries about inflationary pressures and the possibility of a recession have started taking a big toll on investors' sentiments, driving a market-wide selloff. During its Q1 earnings conference call, Enbridge's management [highlighted](#) that about 80% of its total revenue has

some form of inflation protection due to its various tolling mechanisms.

In its latest quarterly earnings report, Enbridge CEO Al Monaco [emphasized](#) the need to “advance both conventional and low-carbon energy investments,” as the energy infrastructure firm continues to increase its focus on renewable power assets and low carbon execution capabilities.

## Why it's a must-buy income stock right now

Apart from its goal to expand its energy transmission business further, Enbridge also wants to expand its storage and product loading capabilities with the help of its recent acquisition of the Ingleside Energy Center. Given all these positive factors, the ongoing strength in Enbridge's financial growth trends should remain intact in the long term.

ENB stock's solid dividend yield of around 6% makes it even more [attractive for long-term income investors](#). As I've highlighted in one of my recent articles, its dividends per share have continued to increase for the last 27 years in a row as its strong balance sheet allows it to continue rewarding investors even in difficult economic times. That's why dividend investors may consider adding Enbridge stock to their portfolios right now, as its latest quarterly results could help its stock inch up further and outperform the broader market.

### CATEGORY

1. Dividend Stocks
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