



Is Pembina Pipeline (TSX:PPL) a Worthy Monthly Dividend Stock Now?

Description

The broader market uncertainties have risen in the last few months, as inflationary pressures and rapidly increasing interest rates raise the possibility of a looming recession and slowing economic growth. This is one of the main reasons why the **TSX Composite Index** has lost nearly 11.3% of its value in the last five months. Nonetheless, shares of some fundamentally strong, [dividend-paying](#) companies continue to outperform the broader market by a wide margin.

In this article, let's take a closer look at one such Canadian dividend stock, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), and analyze its recent financial growth trends to find out whether this monthly dividend stock is worth buying now for the long term.

Pembina Pipeline stock

Pembina Pipeline is a Canadian [energy](#) transportation and midstream services firm with a [market cap](#) of about \$25.7 billion. While the company has largely remained focused on serving the North American market for more than six decades with its diversified and integrated transportation and midstream assets, Pembina is now also focusing on expanding its presence in the global energy market.

Despite growing market volatility in recent months, PPL stock continues to maintain more than 20% year-to-date gains, as it currently trades at \$46.28 per share. At the current market price, Pembina has a strong annual dividend yield of 5.6%, and it distributes its dividend payouts on a monthly basis, making it one of the most attractive monthly dividend stocks to own in Canada.

Analyzing Pembina's recent financial growth trends

The ongoing growth trend in Pembina's financials looks impressive, as the company has continued to report strong top- and bottom-line growth in recent quarters. In the second quarter, the energy company's total revenue [rose](#) by 58.4% YoY (year over year) to \$3.1 billion.

Higher volumes on its Peace Pipeline system and higher margins on crude oil and natural gas liquids

also helped the company expand its profitability in the last quarter. With the help of these positive factors, Pembina Pipeline's adjusted earnings in the second quarter (Q2) jumped by 76.9% YoY to \$0.69 per share. Its strong financial performance in the first half of the year encouraged its management to raise the full-year 2022 adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) guidance range to \$3.575 to \$3.675 billion.

Overall, I expect Pembina's well-diversified and highly contracted business to continue growing at this pace, as the company focuses on optimizing its pipeline capacity and operations along with its new investments in the renewable energy segment.

Could this monthly dividend stock continue soaring?

Pembina Pipeline's recent financial growth trends clearly reflect the underlying strength of its business model. In addition, its transparent cash flows and robust balance sheet underpin its consistent dividend growth. To give you an idea, its dividend per share rose by 33% in five years between 2016 and 2021.

This is one of the key reasons why I expect this Canadian monthly dividend stock to continue soaring in the long run, making it one of the most attractive dividend stocks to buy now, despite the broader market uncertainties.

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