



## Suncor Is up 25% in 2022: Is the Energy Stock Still a Buy?

### Description

**Suncor Energy** ([TSX:SU](#)) is a Calgary-based integrated [energy company](#) that is one of the largest in Canada. Today, I want to discuss the stock's performance in the most recent year. Is it [worth snatching up](#) as we look ahead to 2023? Let's jump in.

### How has this top energy stock performed in 2022?

Shares of Suncor have climbed 25% in 2022 as of late-morning trading on December 22. However, the stock has plunged 13% over the past month. Its shares soared to a 52-week high of \$53.62 in the first half of June. Suncor benefited from surging oil and gas prices that have since softened. Investors can look at how this stock has performed in the interactive chart below.

### Here's why you can trust Suncor Energy for decades to come

Former Suncor chief executive officer Steve Williams boasted in 2017 that the oil sands industry will be going strong in a century. He was confident that Suncor could recover operating costs as low as \$37 per barrel.

In 2018, the National Energy Board (NEB) released Canada's Energy Futures 2017 (EF2017) Supplement: Oil Sands Production report. This report showed that the oil sands were set to post steady growth going forward. Raw bitumen production averaged just under 2.6 million barrels per day (MMb/d) in 2016. It was projected to reach 4.5 MMb/d by 2040.

### Should investors be impressed by the company's recent earnings?

This company released its results for the third quarter (Q3) of fiscal 2022 on November 2. Suncor reported adjusted funds from operations (AFFO) of \$4.47 billion, or \$3.28 per common share — up from \$2.64 billion, or \$1.79 per common share, in the previous year. Meanwhile, adjusted operating

earnings jumped to \$2.56 billion, or \$1.88 per common share, compared to \$1.04 billion, or \$0.71 per common share, in the third quarter of fiscal 2021.

In Q3 2022, the company posted refinery crude throughput of 466,600 barrels per day (bbls/d) and utilization of 100% — up from 460,300 bbls/d in the previous year. That contributed to a significant jump in AFFO generated from the Refinery and Marketing (R&M) segment. Meanwhile, non-upgraded bitumen production jumped to 240,900 bbls/d compared to 199,600 bbls/d in Q3 2021. Net synthetic crude oil production reached 405,100 bbls/d — down marginally from production of 405,500 bbls/d in the previous year.

Suncor reported net earnings of \$6.33 billion in the first nine months of fiscal 2022 — up from \$2.56 billion for the year-to-date period in the prior year. Moreover, adjusted operating earnings jumped to \$9.13 billion compared to \$2.51 billion in the first nine months of fiscal 2021.

## Suncor Energy: Why I'm still buying in late 2022

This Canadian energy giant looks well positioned to deliver strong results for the long haul. It has proven that it is resilient even in the face of much lower oil and gas prices.

Shares of this energy stock currently possess a very favourable [price-to-earnings ratio of 7.5](#). Better yet, it offers a [quarterly dividend of \\$0.52 per share](#). That represents a very solid 4.9% yield. I'm looking to scoop up Suncor stock ahead of the new year.

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aocallaghan

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