



Enbridge Inc. (ENB)

Updated August 25th, 2026 by Jonathan Weber

Key Metrics

Current Price:	\$50	5 Year CAGR Estimate:	7.0%	Market Cap:	\$109B
Fair Value Price:	\$47	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	10/15/26 ¹
% Fair Value:	107%	5 Year Valuation Multiple Estimate:	-1.3%	Dividend Payment Date:	10/25/26 ²
Dividend Yield:	5.6%	5 Year Price Target	\$54	Years Of Dividend Growth:	31
Dividend Risk Score:	C	Sector:	Energy	Rating:	Hold

Overview & Current Events

Enbridge is an oil & gas company that operates the following segments: Liquids Pipelines, Gas Distributions, Energy Services, Gas Transmission & Midstream, and Green Power & Transmission. Enbridge bought Spectra Energy for \$28 billion in 2016 and has become one of the largest midstream companies in North America. Enbridge was founded in 1949 and is headquartered in Calgary, Canada. All figures in this report are in U.S. Dollars unless noted otherwise.

When Enbridge reported its second quarter earnings results, it outperformed expectations. The company generated revenues of CAD\$20.9 billion during the period, which was up by a very strong 94% compared to the previous year's quarter, and which pencils out to around US\$15.5 billion. Enbridge's EBITDA growth was a lot lower than its revenue growth, however, as higher commodity prices also increased its costs substantially. EBITDA grew by 5%.

During the second quarter, Enbridge was able to generate distributable cash flows of CAD\$2.9 billion, which equates to US\$2.1 billion, or US\$0.91 on a per-share basis. Distributable cash flow was flat versus one year earlier, which was a bit of a disappointment, considering Enbridge's strong revenue growth and its still meaningful EBITDA growth. For the current year, Enbridge is forecasting distributable cash flows of CAD\$5.70 to CAD\$6.10, which pencils out to US\$4.25 at the midpoint of the guidance range, and which implies a low-single-digit growth rate compared to last year's per-share DCF of US\$4.20.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
DCFPS	\$3.56	\$3.03	\$3.16	\$3.43	\$3.68	\$3.91	\$3.96	\$3.91	\$3.84	\$4.20	\$4.25	\$4.93
DPS	\$1.77	\$2.01	\$2.10	\$2.20	\$2.55	\$2.63	\$2.68	\$2.62	\$2.57	\$2.75	\$2.82	\$3.43
Shares³	943	1695	1810	2010	2020	2020	2030	2130	2160	2180	2200	2250

Enbridge operates an asset-heavy business, causing the company to record a high amount of depreciation expenses. Since this is a non-cash item, its cash flows are usually much higher than its net earnings, and since cash flows are what Enbridge requires to make growth investments and dividend payments, it makes sense to focus on those.

Enbridge produced reasonably consistent distributable cash flow growth over the last decade, although not at a high rate. Takeovers such as the one of Spectra Energy have caused Enbridge's share count to rise over the years, which is why distributable cash flow-per-share declined in some years even though company-wide distributable cash flow kept climbing. Enbridge put billions worth of projects into service over the last couple of years, and more growth projects are under construction, which includes new energy assets such as wind farms as well as hydrocarbon assets such as pipelines. According to management, growth will persist going forward, as Enbridge targets long-term cash flow per share growth of around 5%. Our estimate is lower than that, however, based on Enbridge's past track record, and due to the fact that dilution remains somewhat of a headwind for the company's per-share growth rate as long as Enbridge continues to issue shares for takeovers.

¹ Estimated date

² Estimated date

³ In Millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/CF	12.3	14.5	9.8	11.7	8.7	10.0	9.8	9.2	10.9	11.4	11.8	11.0
Avg. Yld.	4.0%	4.6%	7.2%	5.5%	8.0%	6.7%	6.9%	7.3%	6.2%	5.7%	5.6%	6.3%

Enbridge has been valued at a low-double-digit price-to-cash flow multiple throughout the majority of the last decade. Shares currently trade at a little below 12x this year's forecasted distributable cash flows, according to management's guidance, which is slightly above our fair value estimate.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	50%	66%	66%	64%	69%	67%	68%	67%	67%	65%	66%	70%

Enbridge paid out up to half of its cash flows through 2016, but starting in 2017, its payout ratio rose to roughly two-thirds of the cash flows that it generates. The company has guided for meaningful dividend growth throughout the next couple of years, but dividend growth will likely be lower compared to what we have seen over the last decade.

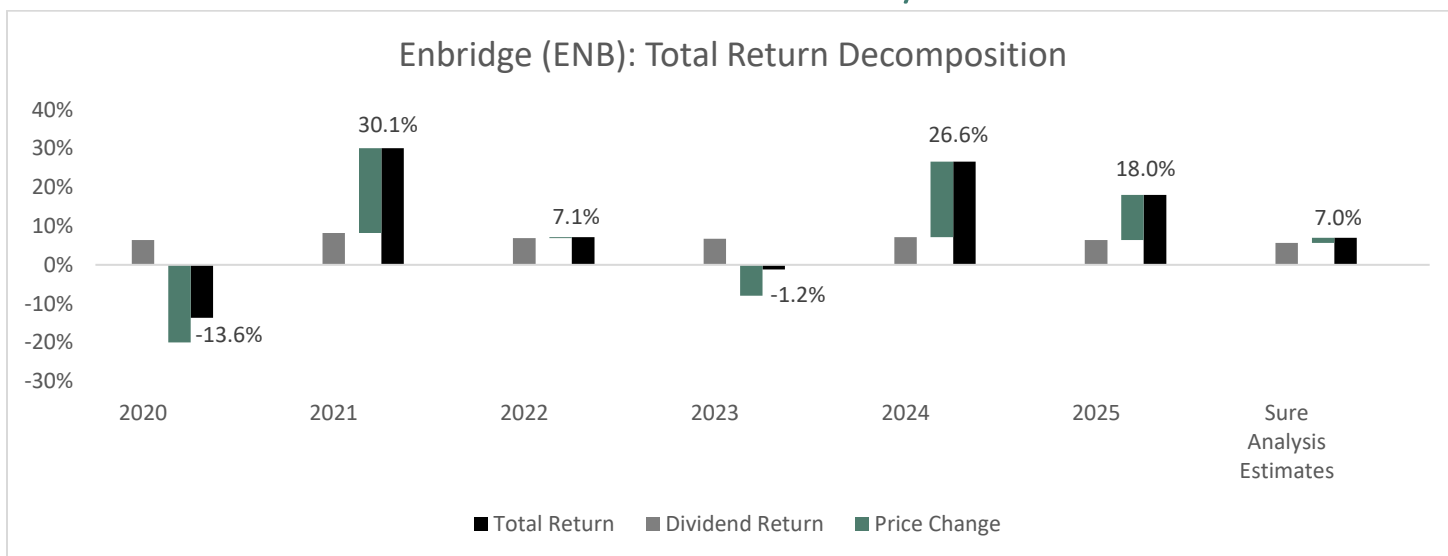
Enbridge's cash generation is not very cyclical, thus the dividend seems safe.

Enbridge is one of the largest pipeline operators in North America. Its vast asset footprint serves as a tremendous competitive advantage, as it would take tens of billions of dollars of investments from new market entrants if they wanted to be able to replace Enbridge's assets. Competitive risks, therefore, are low. Due to its fee-based nature Enbridge's business is not very cyclical, and commodity prices are mostly a pass-through item that impacts both revenues and costs, they are thus mostly neutral to profits and cash flows. During the Great Recession, the company was able to grow its cash flows and earnings further. Since the infrastructure that Enbridge provides is needed whether the economy is doing well or not, recessions are not a major threat for Enbridge.

Final Thoughts & Recommendation

Enbridge is a leading midstream player in North America, and its management touts a solid growth outlook over the coming years. Enbridge delivered record distributable cash flows in 2025 and management believes that another record will be hit this year. Investors also get a very solid dividend yield of more than 5% from Enbridge at current prices. The total return outlook is solid but not excellent. Thus, we rate Enbridge a hold today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	26,097	34,242	35,788	37,725	29,173	37,545	40,975	32,326	39,008	47,259
Gross Profit	6,279	9,705	10,596	11,810	10,976	11,579	12,608	13,086	14,054	15,583
Gross Margin	24.1%	28.3%	29.6%	31.3%	37.6%	30.8%	30.8%	40.5%	36.0%	33.0%
D&A Exp.	1,691	2,441	2,505	2,555	2,770	3,072	3,318	3,416	3,769	4,104
Operating Profit	2,988	4,735	5,355	6,542	5,939	6,225	6,290	6,717	7,178	8,357
Op. Margin	11.4%	13.8%	15.0%	17.3%	20.4%	16.6%	15.4%	20.8%	18.4%	17.7%
Net Profit	1,562	2,206	2,224	4,298	2,510	4,936	2,308	4,585	3,969	5,430
Net Margin	6.0%	6.4%	6.2%	11.4%	8.6%	13.1%	5.6%	14.2%	10.2%	11.5%
Free Cash Flow	(38)	(1,866)	2,435	2,792	3,106	928	4,926	6,906	4,136	2,251
Income Tax	107	(2,081)	183	1,287	578	1,129	1,233	1,349	1,217	1,453

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets (\$B)	63.20	128.90	122.54	124.90	125.69	132.44	132.34	135.92	152.57	158.37
Cash & Equivalents	1,108	382	380	496	354	224	634	4,448	1,256	793
Acc. Receivable	2,863	4,274	3,506	3,992	3,131	3,956	4,138	3,324	4,822	5,133
Inventories	915	1,215	983	994	1,205	1,310	1,662	1,115	1,037	1,175
Goodwill & Int.	1,225	29,999	27,041	27,043	27,266	28,849	26,863	26,673	28,698	28,482
Total Liabilities (\$B)	46.91	76.63	68.63	71.77	75.22	82.74	85.62	87.32	104.57	111.12
Accounts Payable	2,758	4,084	3,380	3,472	2,742	3,506	4,548	3,247	4,919	5,477
Long-Term Debt	30.37	51.83	47.44	49.73	52.46	59.32	59.67	61.21	70.84	71.74
Total Equity	10481	40,070	45,317	44,628	42,050	41,630	39,102	41,185	41,167	47,255
LTD/E Ratio	1.91	1.12	0.93	0.98	1.09	1.24	1.35	1.32	1.54	1.69

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.5%	2.3%	1.8%	3.5%	2.0%	3.8%	1.7%	3.4%	2.7%	3.5%
Return on Equity	10.1%	6.4%	4.2%	8.0%	4.8%	9.9%	4.8%	9.6%	8.3%	11.9%
ROIC	3.4%	2.9%	2.2%	4.2%	2.4%	4.7%	2.1%	4.2%	3.8%	4.3%
Shares Out.	943	1695	1810	2010	2020	2020	2030	2130	2158	2186
Revenue/Share	28.43	22.35	20.72	18.68	14.43	18.54	20.19	15.71	17.39	21.62
FCF/Share	(0.04)	(1.22)	1.41	1.38	1.54	0.46	2.43	3.36	1.84	1.03

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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