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A Comprehensive Analysis of Ecopetrol SA's Dividend Performance and Prospects

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Ecopetrol SA, a vertically integrated oil company based in Colombia, recently announced a dividend of \$0.83 per share, which will be payable on October 5, 2023, with an ex-dividend date set for September 26, 2023. As investors eagerly await this upcoming payment, it is important to assess **Ecopetrol** SA's dividend history, yield, and growth rates to determine its sustainability.

Ecopetrol SA operates in Latin America and the United States Gulf Coast, engaging in exploration, development, and production activities. The company is the primary operator or partner in various assets held onshore and offshore. In addition to production, **Ecopetrol** refines and markets crude oils and byproducts. It transports crude products through pipelines and a network of third-party production centers and facilities throughout Colombia.

Ecopetrol SA has maintained a consistent dividend payment record since 2017, with dividends currently distributed quarterly. The annual Dividends Per Share chart shows a historical trend of dividend payments.

As of today, **Ecopetrol** SA has a 12-month trailing dividend yield of 6.62% and a 12-month forward dividend yield of 26.13%, suggesting an expectation of increased dividends in the next 12 months. The company's annual dividend growth rate over the past three years was 12.90%, which increased to 21.70% over a five-year period. Taking into account **Ecopetrol** SA's dividend yield and five-year growth rate, the 5-year yield on cost of the stock is approximately 17.67%.

To assess the sustainability of the dividend, it is important to evaluate the company's payout ratio. **Ecopetrol** SA's dividend payout ratio as of March 31, 2023, is 0.39, indicating that a significant portion of earnings is retained for future growth and unexpected downturns. The company's profitability rank is 9 out of 10, suggesting good profitability prospects, with reported net profit in 9 out of the past 10 years.

In terms of growth metrics, **Ecopetrol** SA's growth rank is 9 out of 10, indicating a positive growth trajectory compared to its competitors. The company's revenue has increased by approximately 30.70% per year on average, outperforming about 83.76% of global competitors. Over the past three years, **Ecopetrol** SA's earnings increased by approximately 32.00% per year on average, outperforming about 61.49% of global competitors. Additionally, the company's 5-year EBITDA growth rate of 19.40% outperforms about 64.89% of global competitors.

In conclusion, based on an analysis of **Ecopetrol** SA's dividend performance, payout ratio, profitability, and growth metrics, the company has demonstrated a solid track record and promising future prospects. The consistent dividend payments, coupled with robust growth rates and a healthy payout ratio, suggest that the dividends are sustainable in the long run. However, investors should conduct their own due diligence and consider all relevant factors before making investment decisions.

Definitions:

- Dividend yield: A financial ratio that indicates the amount of dividends a company pays out relative to its stock price.
- Payout ratio: The percentage of a company's earnings that is paid out as dividends.
- Profitability rank: A measure that assesses a company's earnings prowess relative to its peers.
- EBITDA growth rate: The rate at which a company's earnings before interest, taxes, depreciation, and amortization (EBITDA) has grown over a certain period.

Sources:

- GuruFocus: [source]



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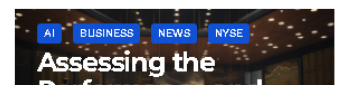
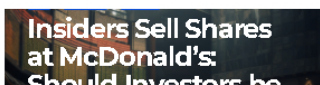


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