

# Analyzing Ecopetrol SA's Dividend Performance and Sustainability

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**A Comprehensive Overview of the Oil Giant's Dividend History, Yield, Growth, and Future Prospects**

Ecopetrol SA (EC, Financial) recently announced a dividend of \$0.83 per share,

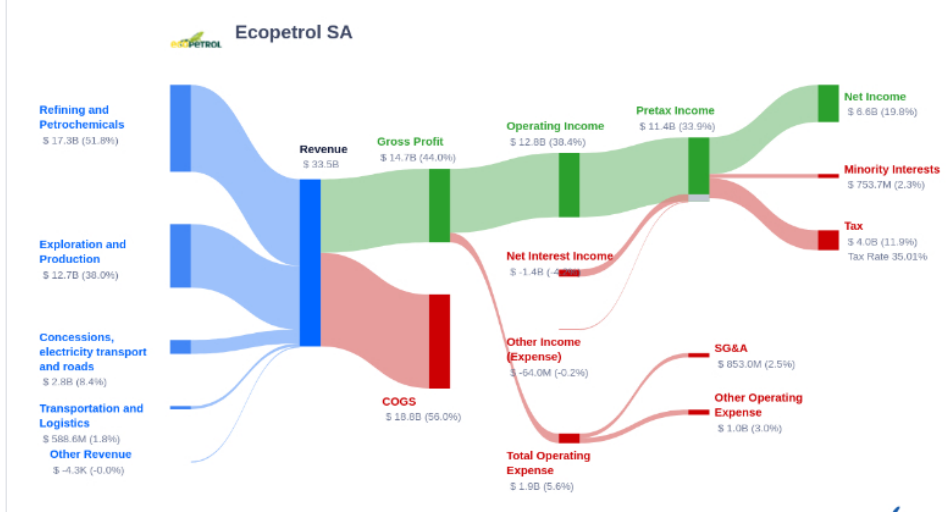
payable on 2023-10-05, with the ex-dividend date set for 2023-09-26. As investors look forward to this upcoming payment, the spotlight also shines on the company's dividend history, yield, and growth rates. Using the data from GuruFocus, let's deep dive into Ecopetrol SAs dividend performance and assess its sustainability.

## What Does Ecopetrol SA Do?

Ecopetrol SA is a vertically integrated oil company with operations in Latin America and the United States Gulf Coast. Based out of Colombia, the company explores, develops, and conducts production activities in various countries. Ecopetrol works as the primary operator or partner in a joint venture, in a host of assets held onshore and offshore. Along with production, the company refines and markets crude oils and byproducts produced from its fields. Crude products are moved by Ecopetrol through a series of pipelines throughout Colombia, along with a network of third-party production centers and facilities.

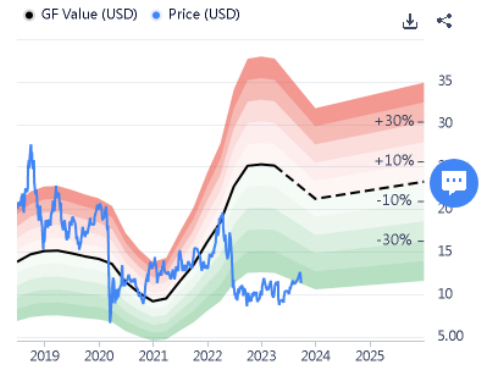
## How Ecopetrol SA (EC) Makes Its Money

Financials Breakdown as of 2022-12-28



## EC Chart

GF Value: \$22.62 Possible Value Trap, Think Twice



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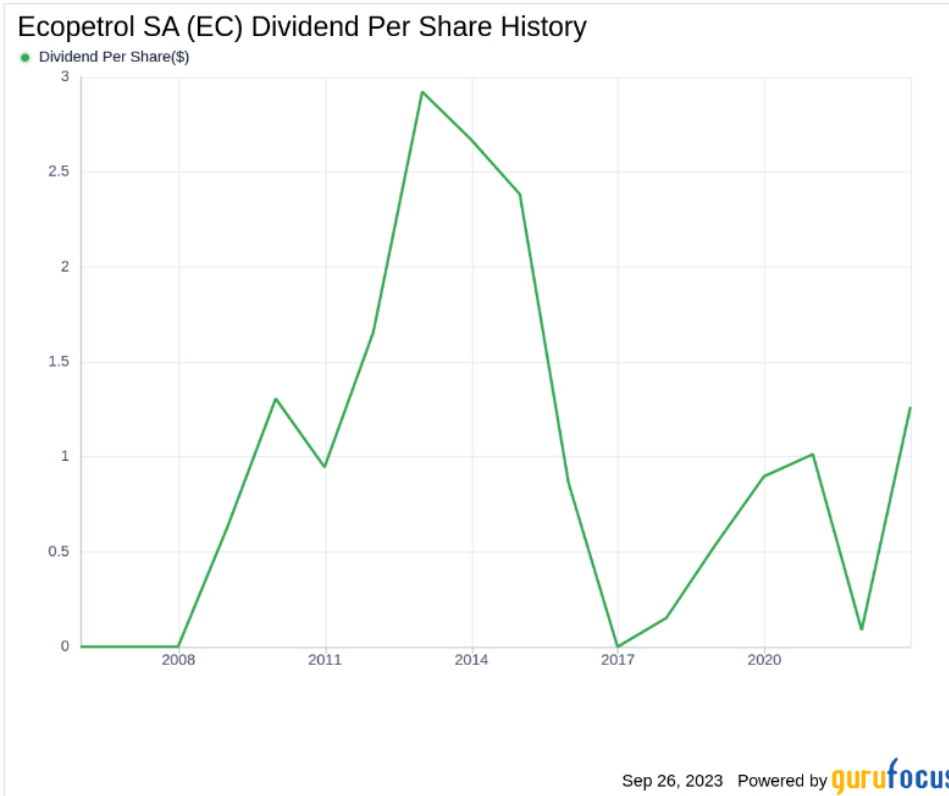
Ticker	Price	Day's Change %	Price Change
EC	\$111.37	-3.99	-0.1

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### A Glimpse at **Ecopetrol SA's** Dividend History

**Ecopetrol SA** has maintained a consistent dividend payment record since 2017. Dividends are currently distributed on a quarterly basis. Below is a chart showing annual Dividends Per Share for tracking historical trends.



### Breaking Down **Ecopetrol SA's** Dividend Yield and Growth

As of today, **Ecopetrol SA** currently has a 12-month trailing dividend yield of 6.62% and a 12-month forward dividend yield of 26.13%. This suggests an expectation of increased dividend payments over the next 12 months.

Over the past three years, **Ecopetrol SA's** annual dividend growth rate was 12.90%. Extended to a five-year horizon, this rate increased to 21.70% per year. Based on **Ecopetrol SA's** dividend yield and five-year growth rate, the 5-year yield on cost of **Ecopetrol SA** stock as of today is approximately 17.67%.





### The Sustainability Question: Payout Ratio and Profitability

To assess the sustainability of the dividend, one needs to evaluate the company's payout ratio. The [dividend payout ratio](#) provides insights into the portion of earnings the company distributes as dividends. A lower ratio suggests that the company retains a significant part of its earnings, thereby ensuring the availability of funds for future growth and unexpected downturns. As of 2023-03-31, [Ecopetrol SA](#)'s dividend payout ratio is 0.39.



[Ecopetrol SA](#)'s [profitability rank](#), offers an understanding of the company's earnings prowess relative to its peers. GuruFocus ranks [Ecopetrol SA](#)'s profitability 9 out of 10 as of 2023-03-31, suggesting good profitability prospects. The company has reported net profit in 9 years out of past 10 years.

### Growth Metrics: The Future Outlook

To ensure the sustainability of dividends, a company must have robust growth metrics. [Ecopetrol SA](#)'s [growth rank](#) of 9 out of 10 suggests that the company's growth trajectory is good relative to its competitors. [Ecopetrol SA](#)'s revenue has increased by approximately 30.70% per year on average, a rate that outperforms than approximately 83.76% of global competitors.



The company's [3-year EPS growth rate](#) showcases its capability to grow its earnings, a critical component for sustaining dividends in the long run. During the past three years, [Ecopetrol SA](#)'s earnings increased by approximately 32.00% per year on average, a rate that outperforms than approximately 61.49% of global competitors. Lastly, the company's [5-year EBITDA growth rate](#) of 19.40%, outperforms than approximately 64.89% of global competitors.



### Concluding Thoughts

Based on the analysis of [Ecopetrol SA](#)'s dividend payments, dividend growth rate, payout ratio, profitability, and growth metrics, it is evident that the company has 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, as with any investment, investors should conduct their due diligence and consider all factors before making investment decisions.



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