



## 3 Safe-Haven Utilities to Buy Today

### Description

In times of uncertainty in the market, utility stocks are sought after as safe havens. This is because even in tough economic times, people and businesses still need to power their homes and offices, and this leads to consistent cash flow for utility companies, which in turn allows them to continue paying dividends to their shareholders. With all of this in mind, let's take a look at three of the market's top utility stocks to determine which would be the best fit for your portfolio.

#### 1. Fortis Inc.

**Fortis Inc.** ([TSX:FTS](#)) is one of the largest electric and gas utilities companies in North America, with operations in Canada, the United States, and the Caribbean.

At today's levels, its stock trades at 18 times fiscal 2015's estimated earnings per share of \$2.02 and 16.9 times fiscal 2016's estimated earnings per share of \$2.15, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 20.4.

In addition, Fortis pays a quarterly dividend of \$0.34 per share, or \$1.36 per share annually, giving its stock a 3.75% yield at current levels. Investors should also note that the company has increased its annual dividend payment for 42 consecutive years, and its increased amount of free cash flow could allow this streak to continue for the foreseeable future.

#### 2. Canadian Utilities Limited

**Canadian Utilities Limited** ([TSX:CU](#)) is one of the largest utilities and energy companies in North America, with operations in pipelines, natural gas and electricity transmission and distribution, power generation and sales, and natural gas gathering, processing, storage, and liquid extraction.

At current levels, its stock trades at 17.6 times fiscal 2015's estimated earnings per share of \$1.96 and 15 times fiscal 2016's estimated earnings per share of \$2.30, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 15.5.

Additionally, Canadian Utilities pays a quarterly dividend of \$0.295 per share, or \$1.18 per share

annually, which gives its stock a 3.4% yield at today's levels. It is also important to note that the company has increased its annual dividend payment for 43 consecutive years, and its consistent free cash flow generation could allow this streak to continue for another 43 years.

### 3. Emera Inc.

**Emera Inc.** ([TSX:EMA](#)) is one of the largest electric utilities companies in North America, with operations in Canada, the United States, and the Caribbean.

At today's levels, its stock trades at 18.4 times fiscal 2015's estimated earnings per share of \$2.36 and 18.5 times fiscal 2016's estimated earnings per share of \$2.35, both of which are right around its five-year average price-to-earnings multiple of 18.1.

In addition, Emera pays a quarterly dividend of \$0.475 per share, or \$1.90 per share annually, giving its stock a 4.4% yield at current levels. The company has also increased its annual dividend payment for eight consecutive years, and it has a program in place to increase its dividend by 8% annually through 2019.

### Which of these safe havens belong in your portfolio?

Fortis, Canadian Utilities, and Emera are three of the top safe-haven utility stocks in the market today. All Foolish investors should take a closer look and strongly consider establishing positions in one of them.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:EMA (Emera Incorporated)
3. TSX:FTS (Fortis Inc.)

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jsolitro

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