



Worried About the Brexit? Buy 1 of These 3 Top Utility Stocks

Description

In times of uncertainty in the market, utility stocks are sought after as safe havens, because regardless of what's going on around the world, people and businesses still need to power their homes and offices. The largely regulated portfolios of utility companies also lead to stable and predictable cash flows, much of which is paid out to their shareholders in the form of dividends.

With all of this in mind, let's take a look at three top utility stocks with great dividends that you could add to your portfolio today.

1. Fortis Inc.

Fortis Inc. ([TSX:FTS](#)) is one of the largest electric and gas utilities companies in North America with operations across Canada, the United States, and the Caribbean. Its subsidiaries include FortisBC, UNS Energy, Central Hudson, Maritime Electric, and Newfoundland Power.

It's in the process of acquiring **ITC Holdings Corp.**, one of the largest electric transmission companies in the U.S., and once this deal is completed, Fortis will become one of the 15 largest utilities companies in North America in terms of total assets.

Fortis currently pays a quarterly dividend of \$0.375 per share, or \$1.50 per share annually, which gives its stock a yield of approximately 3.5% at current levels.

Investors must also make two important notes about its dividend.

First, the company's 10.3% dividend hike in September has it on pace for 2016 to mark the 44th consecutive year in which it has raised its annual dividend payment.

Second, it has a dividend-per-common-share growth target of 6% annually through 2020, and its strong operational performance and recent acquisitions positions it to extend this target well beyond 2020.

2. Emera Inc.

Emera Inc. ([TSX:EMA](#)) is one of the largest electric and gas utilities companies in North America with operations across Canada, the United States, and the Caribbean. Its subsidiaries include Nova Scotia Power, Emera Maine, Barbados Light & Power, and Emera Utility Services.

It's in the process of acquiring **TECO Energy, Inc.**, one of the largest electric and gas utilities companies in Florida and New Mexico, and once this deal is completed, Emera will become one of the 20 largest utilities companies in North America in terms of total assets.

Emera currently pays a quarterly dividend of \$0.475 per share, or \$1.90 per share annually, which gives its stock a yield of approximately 4% at current levels.

Investors must also make two important notes about its dividend.

First, the company's two dividend hikes since the start of 2015, including its 18.8% hike in August, have it on pace for 2016 to mark the 10th consecutive year in which it has raised its annual dividend payment.

Second, it has a dividend-per-common-share growth target of 8% annually through 2019, and it has stated that its acquisition of TECO Energy positions it to extend this target beyond 2019.

3. Algonquin Power & Utilities Corp.

Algonquin Power & Utilities Corp. ([TSX:AQN](#)) owns and operates a diversified portfolio of renewable electric generation and sustainable utility distribution businesses in North America. Its subsidiaries include Algonquin Power Company and Liberty Utilities.

It's in the process of acquiring **Empire District Electric Co.**, one of the largest electric, natural gas, and water utilities companies in Missouri, Kansas, Oklahoma, and Arkansas.

Algonquin currently pays a quarterly dividend of US\$0.1059 per share, or US\$0.4235 per share annually, which gives its stock a yield of approximately 4.6% at current levels.

Investors must also make two important notes about its dividend.

First, the company's two dividend hikes since the start of 2015, including its 10% hike last month, have it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, it has a long-term dividend-per-common-share growth target of 10% annually, and its strong operational performance and its acquisition of Empire District Electric positions it to achieve this target for many years to come.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:EMA (Emera Incorporated)
3. TSX:FTS (Fortis Inc.)

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