



A Top Canadian Dividend Stock That Could Pay You the Rest of Your Life

Description

In my opinion, a [successful investing strategy](#) is very simple. You become a partner in a good business with the intention to hold on to your investment over the long haul.

As years tick by, you collect dividends from your investment that you re-invest to buy more shares of that company. Many successful stock investors, such as Warren Buffett, follow this strategy to create long-term wealth.

The only challenge here is that you have to be careful in selecting your stocks. In general terms, if you see a company that has a dominant position in the industry, a lot of free cash flows, and a history of solid dividend growth, the chances are that it will turn out to be a good investment.

So, if you're ready to put some money to work, here is a top dividend stock from Canada that offers steadily growing payouts that you could expect to get the rest of your life.

Telus Corporation

In Canada, top telecom utilities have a great buy-and-hold appeal for income investors. Among them, [Telus Corporation](#) (TSX:T)(NYSE:TU) is in a unique position to satisfy dividend-hungry investors.

For dividend investors, the most important thing is growth in the company's payout. On this front, Telus is doing great. Telus is targeting 7-10% growth in its dividend each year. Given the company's ability to generate more cash in its growing customer base throughout Canada, this target doesn't seem too ambitious. This year, Telus raised its quarterly dividend by 6.6% to \$0.525 a share.

Going forward, this growth is unlikely to slow given the company's huge investment to enhance the speed of its network, capacity, and coverage of its wireless networks.

Many analysts believe that Telus is in a much better position to grow its dividends going forward when compared to other operators, largely because the company has already invested heavily to improve its infrastructure.

Due to limited competition in the domestic market, Canadian telecom operators enjoy healthy profit margins. In the second quarter, Telus reported an adjusted EBITDA (earnings before interest, taxes,

depreciation, and amortization) margin for its wireless business of 43.8%.

Another bright aspect of investing in Telus is that the company has a robust international business, which is contributing heavily to its revenue. Telus International, its subsidiary that provides customer service outsourcing and digital IT services to global clients, is forecast to generate more than \$1 billion in sales this year.

The bottom line

Buying and holding dividend stocks such Telus is a great way to earn growing income. The only secret here is that you have to remain invested once you become a partner in a solid cash-generating business.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

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