



Become a TFSA Millionaire With Saputo Inc. (TSX:SAP) and Enbridge Inc. (TSX:ENB)

Description

Let me cut straight to the chase. If you're under 30 today, getting a [\\$1 million TFSA](#) is very possible. Some might even call it a forgone conclusion.

Say you're 25 and can commit to putting away \$6,000 per year (the maximum TFSA contribution starting in 2019) for the next four decades. All you'll need is a paltry 6% return annually to end up a millionaire by the traditional retirement age.

Knowing this makes becoming a TFSA millionaire pretty simple. All you need to do is invest in great companies and let them do their thing for the next 30 or 40 years.

Not sure which businesses to pick? No problem. We've got you covered. Here's the case for including **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) and **Saputo Inc.** ([TSX:SAP](#)) in your TFSA millionaire fund.

Enbridge

The Enbridge investment case is as simple as it is powerful. It owns a plethora of great assets of the sort that can't be easily replaced. This is especially true today, an era during which getting approvals to build pipelines is virtually impossible outside of Alberta.

I'm convinced the pipeline industry is the [best way to invest in the energy industry](#) in Canada. Enbridge collects a fee whenever a company uses its pipelines to transport oil or natural gas from point A to point B. Management has made sure these are fixed fees, rather than ones that fluctuate with the price of the commodity.

In total, the company has more than 27,000 kilometres of pipelines that collectively transport 28% of North America's crude oil production. This translates into mountains of safe, predictable cash flow.

Enbridge isn't just about pipelines though. The company is a leading renewable power producer. Its solar, wind, hydro, and geothermal power plants produce a combined 1,750 MW of electricity. It's also Canada's largest natural gas distributor, with some 3.7 million customers in Quebec, Ontario, New

Brunswick, and New York State.

One thing all these assets have in common is the ability to increase prices each year. This ensures not only a steadily increasing earnings stream, but also fantastic dividend growth. In the 20 years between 1997 and 2017, the company increased its dividend annually by an average of 11.7%. It followed that up with a 10% dividend increase in 2018 and promises of 10% growth in both 2019 and 2020.

Shares currently yield 6.3%. It isn't very often investors can collect such a succulent current yield combined with fantastic dividend growth.

Saputo

On first glance, Saputo doesn't seem like the kind of stock that can make anyone a millionaire. Who gets excited about the dairy business, anyway?

This severely understates what Saputo has been able to accomplish. In just under 20 years, the company has gone from a regional dairy producer to Canada's dominant milk supplier. But there's still a ways to go; Saputo has only a 37% domestic market share.

The company also has significant international assets. Its U.S. operations are the biggest, with 53% of fiscal 2018's revenues coming from south of the border. U.S. milk is a regional business, meaning that the company still has plenty of potential to expand operations in the country.

And then there are the rest of the international operations. Saputo has recently been acquiring assets in Australia to go with its plants in Argentina and various European countries. Saputo is especially excited about Australia — assets that are nicely positioned to import various milk products into China.

Saputo's dividend isn't nearly as exciting as Enbridge's, but it has still offered dividend growth over time. The stock yields a mere 1.6% but has grown the payout each year since 1998. Saputo has also delivered on a capital gains basis. Including dividends, Saputo investors have enjoyed an 11.7% annual return over the last 20 years, which is enough to turn an original \$10,000 investment into one worth \$91,700.

Foolish takeaway

Both Saputo and Enbridge are exactly what long-term TFSA investors should be looking for. They're wonderful businesses with a history of delivering excellent shareholder returns. Both businesses also have ample growth opportunities going forward, great management teams and consistently growing dividends. Stash these companies in your TFSA today and before you know it, you'll be well on your way to millionaire status.

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1. Dividend Stocks
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2. TSX:ENB (Enbridge Inc.)
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