



3 Reasons This High 6% Dividend Yielding Stock Is a Great Buy And Hold

Description

The shares of **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) have never been this strong from a year ago. Old-time investors in this Canadian-based electricity and gas producer and distributor have tasted superior growth returns. FTS is currently doing well, but the best is yet to come in the quarters ahead.

Utility stocks don't usually land at the top of an investor's buy list except for a few names. And Fortis is a utility stock that conservative investors regard highly. The company is stable with a good track record of dividend payments, and there's a [limited downside](#).

Let us isolate each attribute mentioned above and show cause as to why FTS looks headed to be elevated to the higher echelon of the TSX in 2019.

Stability

Without question, the company name is stability personified. Fortis has withstood every litmus test that came about since ever since the holding company was created in 1987. Fortis is not only among the top 15 utility companies in North America, but is also the industry pillar.

Last year was another solid year. President and Chief Executive Officer Barry Perry fitly summed up 2018's performance, "After considerable acquisition-driven growth in recent years, Fortis is a premier North American utility forging ahead with excellence in operations, sustainability and financial performance."

On a full-year basis, Fortis' net earnings attributable to common equity shareholders for 2018 stood as US\$1,100 million versus the US\$963 million reported in 2017. The regulated and non-regulated businesses contributed to the spike in annual earnings. Earnings were muted due to the impact of the U.S. tax reform.

The good thing is that this attribute is just one-third of Fortis' viability as an investment prospect.

Lucrative dividends

Many investors can't do without this Canadian utility stock. Exceptional returns are not promised, but served on a silver platter. That has been a time-honoured practice for the last 45 years. Fortis is no hard sell given the track record of increasing dividends for almost five decades.

The company timed the launching of its most ambitious utility capital expenditure plan worth \$17.3 billion in 2018, which would cover the period from 2019 to 2023. Thereupon, the annual average dividend growth planned through 2023 would be 6.0%. Thus, investors would be compensated with lucrative dividends.

Growth opportunities

Apart from [stability fueled by dividend increases](#), the third attribute are the growth opportunities in the horizon. Fortis is aggressive when it comes to expansion and diversification. However, the company is adept in prudently managing resources.

Fortis is up to speed in capitalizing on investment opportunities in infrastructure, renewable power, and strategic acquisitions. This mastery of the industry ensures earnings growth in the ten utility operations spread out in Canada, the U.S., and Caribbean regions.

All-weather stock

There's no way your investible fund would wither or perish on an unshakable company. Power up your stock portfolio now and pick up Fortis at \$36.68. Some analysts smell a rally and a price tag of \$45.

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