



## This Dividend Aristocrat Will Be the Best Stock You Buy in 2020

### Description

One of the top long-term investing strategies that will be the most prosperous in 2020 will be the income-growth strategy.

Finding high-quality stocks that have a solid long-term outlook and pay a growing dividend is a sure-fire way to grow and compound your wealth over the long run while minimizing the risk of owning securities.

For investors, one of the most useful tools for finding high-quality dividend-growth stocks is by looking at the Canadian Dividend Aristocrats list. Here you'll find only the [best dividend-paying stocks](#) that have at least a five-year track record of dividend increases.

One of the best Dividend Aristocrats you can buy today for the 20s is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)).

Pembina is an energy infrastructure company that transports oil, natural gas, and natural gas liquids across Canada and the United States.

It has been a high-quality company throughout its history due to its assets in key markets, which have brought in strong demand for its services.

The company operates through three main divisions: Pipelines, Facilities, and its Marketing and New Ventures division.

The Pipeline division has more than three million barrels of oil equivalent per day of capacity and serves a number of key markets throughout North America.

Its primary objective is to provide safe and reliable energy transportation services, while remaining disciplined in regard to operating expenses and pursuing any opportunity for further throughput or growth.

The Facilities division provides processing and fractionation facilities for natural gas and natural gas liquids. The facilities are located in the heart of the Western Canadian Sedimentary Basin where the

most natural gas is located and have been integrated well with Pembina's other divisions.

The integration makes it easier for customers to get all their service needs met by one company and helps Pembina to drive sales in its other divisions.

The last division, the Marketing and New Ventures division, was created to assess the state of the current energy market in North America and help identify areas of growth or areas where the company is lagging.

It's always looking for ways to better connect the producers to their customers and knows that any way it can help producers to grow their netbacks will result in a positive long-term increase in demand for its services and further increase Pembina's competitiveness.

In its current state, Pembina is a massive \$25 billion company, with a solid management team and operations that are reliable and sustainable.

For a company with Pembina's prestige, it's trading pretty fairly, and I'd even go so far as to say that it's undervalued, trading at just a 15.5 times price-to-earnings ratio. It's price-to-book ratio is also pretty cheap at just 1.7 times.

At just roughly \$47.50, the stock is trading just over 5% off its 52-week high, but its upside isn't limited to just that, as evidenced by its consensus price target, which is more than \$55.

In addition to the value you can find at these prices, an investment today will also yield you more than 5% through its stable dividend that is increased regularly. In the last five years, its dividend has grown by more than 33%, and Pembina continues to focus on growing its returns to shareholders.

We know that the dividend is stable, because Pembina's cash flows are highly predictable, it pays out just 77% of its earnings, and it's included in the prestigious Canadian Dividend Aristocrats list, which is known for having stocks that can sustain their dividends and create long-term wealth.

## **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

## **PARTNER-FEEDS**

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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