



2 Top Canadian Dividend Aristocrats

Description

As most investors know by now, the Canadian Dividend Aristocrats list is full of some of the best and most reliable dividend stocks on the **TSX**.

While you can still find other quality companies that aren't on the list, the majority of the best dividend payers are those you can count on for both reliable and growing income.

So, if you want to find your next dividend stock, your best bet is to start there first, and today there are two especially attractive [dividend stocks](#).

Both companies operate in the energy industry, and both have stable operations that minimize commodity exposure ensuring their long-term success.

Pembina Pipeline

Pembina Pipeline Corp ([TSX:PPL](#))([NYSE:PBA](#)) is an energy infrastructure company that's a vital part of the Western Canadian energy industry.

Most of the company's assets are in B.C., Alberta and Saskatchewan as well as in parts of the United States.

The company is crucial to the Western Canadian energy industry because of the large amount of assets it owns consisting of conventional pipelines, oil sands pipelines and transmission pipelines as well as numerous gas plants and fractionators.

Companies that provide a crucial service to other important businesses are almost always some of the best investments because of the economics surrounding the industry and the high level of demand for their services.

Plus it operates in an industry with extremely high barriers to entry, especially now, meaning that there aren't many viable substitutes for Pembina's services.

These customer companies will always need their energy transported or processed, meaning that Pembina's business isn't going anywhere for a long time.

As a matter of fact, the company only continues to get bigger, consistently growing both its revenue and its profitability.

It also pays an attractive dividend that yields more than 4.8% today, and has been increased by 40% since 2015, a compounded annual growth rate just shy of 7%.

Pembina is one of the most attractive Dividend Aristocrats in Canada, and the stock is trading at just a 16.8 times price-to-earnings ratio, offering an attractive entry point to this high-quality company.

Parkland Fuel Corp

Parkland Fuel Corp ([TSX:PKI](#)) is a fuel distributor and retailer that owns a portfolio of businesses throughout North America.

It's the largest independent supplier and marketer of fuels in Canada and the Caribbean, and is rapidly growing its operations in the United States.

In addition to marketing and selling fuels, it also owns convenience stores in a number of its retail locations.

Parkland has set its business up so that its largely integrated, with operations that buy or refine the fuel products, it's also engaged in transportation operations as well as owning numerous retail facilities to sell the products.

The company has over 2,650 retail service stations as well as over 335 commercial service stations.

Parkland's one of the best growth companies in Canada, thanks in large part to the high-quality strategy it's been implementing. It's focused on growing the business both organically and through acquisition, growing its scale and optimizing the operations to maximize profitability.

The business is growing so fast that its sales have nearly tripled since 2016 and its operating income is more than five times higher. You'd think for a company that grew so fast it would have a tonne of debt; however, Parkland actually remains in a pretty solid financial position.

Its debt to equity is only 2.3 times and its interest coverage ratio is above 3.1 times, showing that investors don't have to worry about the company's debt load.

You can buy this fantastic stock at a price to earnings ratio of just 23 times today and a dividend yielding roughly 2.5%.

Though the price-to-earnings ratio is somewhat high, the company is growing rapidly, making it a pretty

fair valuation for such a high-quality growth company.

Bottom line

Both companies will be high-quality additions to any long-term portfolio. Pembina is better for investors who want a bigger and more stable dividend yield today. Parkland's the better choice for investors looking to add a higher-growth company to their portfolio.

Over the long run, however, both these companies will be some of the best wealth builders, so grab some exposure soon, before the stocks continue to keep appreciating.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PKI (Parkland Fuel Corporation)
3. TSX:PPL (Pembina Pipeline Corporation)

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