



2 King-Maker Dividend Stocks to Get Rich in 2021

Description

This year has started far better than we could have imagined. There's a COVID-19 vaccine being distributed, which seems to be able to take on the variant as well. The market definitely seems [optimistic](#), with shares of the **TSX Composite** trading at all-time highs.

Yet there are still many TSX stocks out there that remain undervalued or, at the very least, only fairly valued. And many of these include dividend stocks.

So, that means in 2021, adding these dividend stocks to your portfolio could set you up for huge returns, on top of solid dividends. Let's look at two options I'd buy and hold forever.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is Canada's largest fully integrated energy company, focusing on developing petroleum resource basins in Canada's Western oil sands. But it also explores, acquires, develops, produces and markets crude oil across the world. This means the company can still bring in solid cash flow, even during a downturn like the last few years.

The company currently has a market capitalization of \$36.88 billion. Sales, of course, have been down during the pandemic, with revenue dropping 36% year over year during the latest [earnings](#) report. But you have to look deeper to find the true value of Suncor stock.

The company's earnings before interest, taxes, depreciation, and amortization (EBITDA) rose by 17% during the last quarter, showing the company still has a strong balance sheet. That's especially for long-term holders. With the next earnings report coming next month, this is what I would look for as a future investor.

Then there's the company's dividend, which was slashed last year during the pandemic. It now sits at a 3.52% dividend yield. The company has paid a dividend every year for over a decade, so even though there's a cut, you can still count on a dividend going forward. As the energy market finally rebounds, likely this year, investors can look forward to large returns and even a dividend hike moving forward.

That makes today's shares a complete steal at a discount of 50% from all-time highs in 2018.

Fortis

Now, Suncor stock, I'll admit, still has a bit of a "what if" factor. But **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) gives you nothing but certainty. The company is one year away from becoming a Dividend King, which occurs after increasing dividends every year for *50 years!*

That comes from the company's solid business model as a utility company. Fortis stock has risen without practically a blip until the recent market crash, as utility revenue always comes in. That's meant the company could expand further and further through acquisition, bringing in even more cash flow. So, there's really nothing to fear from this company's business model.

Earnings aren't that exciting, it's true, but they're stable with year-over-year increases of 1.73% in revenue during the latest report. The EBITDA margin, meanwhile, is up an incredible 44%, with a market capitalization at \$19 billion as of writing. Now I'll admit, it's not exactly a deal for Fortis stock at a price-to-book ratio of 1.4, but it's certainly not overpriced and a solid buy. That's because you'll also get the stock's 3.91% dividend yield, which, again, comes every quarter like a paycheck.

Foolish takeaway

Do yourself a favour. Don't leave your finances to chance this year. Invest in stocks long term that you know will continue to climb. And during the downturns we'll face in the future, you can count on these dividend stocks to keep paying out. In fact, if you invested \$20,000 in each of these stocks today, that would bring in \$1,492 in annual passive income from these dividend stocks.

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1. Coronavirus
2. Dividend Stocks
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Author

alegatewolfe

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