



Canadian Stocks: 2 Dividend Aristocrats Entering Buy Territory

Description

When looking for the best long-term investments, it's common for investors to look for qualities like robust earnings and strong growth in the business's operations. These are also qualities that you'll find in stocks on the Canadian Dividend Aristocrats list.

Dividend Aristocrats are some of the best stocks you can buy. They consist of the top Canadian stocks that have increased their dividend in at least five consecutive years.

It takes a great company to grow earnings and correspondingly the payout to investors consistently. So you know dividend aristocrats are some of the best companies in Canada. You also know these are top long-term investments that can be counted on for years.

One of the top consumer staples in Canada

North West Company ([TSX:NWC](#)) is one of the top consumer staple stocks in Canada. The business operates in Northern Canada and Alaska, as well as a small portion of its business in the Caribbean.

North West has several qualities going for it, making it a perfect long-term buy. The company has robust operations, is vertically integrated, and has performed tremendously through the pandemic. These are all typical qualities of a high-quality dividend aristocrat.

One of the biggest reasons to buy North West today, though, is due to its increasingly attractive valuation.

Over the last year 12 months, the Canadian stock has reported \$2.51 of earnings per share. So at these prices, one of the top Dividend Aristocrats in Canada trades for a price to earnings (P/E) ratio of just over 13 times.

Over the past few years, North West has generally traded between 15 to 17 times earnings. So today's P/E ratio of just 13 times is extremely cheap, especially considering the growth potential the [Dividend Aristocrat](#) possesses. North West has grown sales for nine consecutive quarters now and 28 of the last

30 quarters.

To get to just 15 times earnings would imply a roughly \$37.50 share price. That's roughly than 20% upside from Thursday's closing price, making North West one of the top Canadian Dividend Aristocrat stocks to buy today.

A top Canadian utility stock

Algonquin Power and Utilities Corp ([TSX:AQN](#))([NYSE:AQN](#)) is another top Canadian Dividend Aristocrat stock worth a buy today.

Algonquin is a utility stock and renewable energy company offering investors an attractive combination of growth and resiliency.

Its utility operations, which make up about 65% of its business, offer investors incredible reliability and stability. The other 35% of its business is its renewable energy generation segment.

[Renewable energy](#) is one of the best long-term growth industries to be invested in today. So an investment in Algonquin gives investors the best of both worlds. You know you're exposed to some superior long-term growth potential at the same time that the majority of your investment is protected by highly resilient operations.

These two segments combine to make Algonquin one of the most attractive Canadian stocks to buy. Its dividend yields 3.9% today. Plus, the stock is now trading more than 10% off its 52-week high, creating an attractive discount for long-term investors to take a position.

Bottom line

These two stocks offer investors some of the best long-term potential there is. In addition, to having incredibly resilient operations and long-term growth potential, they both offer attractive valuations for investors today.

High-quality stocks like this don't stay cheap forever, though. So I would take advantage of these discounts while they still exist or you could miss out on these incredible stocks altogether.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:NWC (The North West Company Inc.)

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