



## The 5 Best Dividend Aristocrats to Buy in April 2021

### Description

Despite the high volatility in the stock market and the uncertain pace of economic recovery, investors could continue to earn steady passive income through Canada's top dividend-paying companies. Here we'll focus on five **TSX**-listed Dividend Aristocrats that have paid and raised their dividends for a very long period. Further, their solid fundamentals and diverse cash flow streams suggest that these companies could continue to hike their dividends at a decent pace over the next decade.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) has consistently enhanced its shareholders' returns through higher dividend payments. Notably, the utility company increased its dividends by 10% annually over the past decade and announced another 10% hike in its annual dividends for 2021.

The continued growth in its rate base, long-term contractual arrangements, and high-quality earnings support higher dividend payments. Algonquin Power & Utilities expects its rate base to increase by about 11% in the coming years. Meanwhile, its earnings are likely to grow by 8-10% during the same period, implying that investors could expect its dividends to increase at a similar pace. It offers a dividend yield of about 4% at the current price levels.

### Scotiabank

**Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) has been paying dividends since 1833. Meanwhile, it has increased its annual dividends at a compound annual growth rate of 6% since 2009, reflecting the strength of its high-quality earnings base. Notably, Scotiabank's exposure to the high-growth banking markets has helped it to consistently boost its investors' returns through increased dividend payments.

I believe Scotiabank's diverse revenue sources, exposure to high-growth markets, and an uptick in its loan portfolio following the economic reopening could continue to boost its bottom line. Meanwhile, the expected decline in credit provisions and expense management is likely to cushion its earnings, resulting in higher [dividend payments](#). Scotiabank's dividend yield stands at a decent 4.6%.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has paid dividends for about 66 years. Meanwhile, the energy infrastructure company increased it in the past 26 years at a compound annual growth rate of 10%. The company's robust dividend payment history reflects the strength in its core business and ability to generate resilient distributable cash flows.

Enbridge has over 40 diverse sources of cash flows. Meanwhile, the momentum in its gas and renewable energy business continues to support its payouts. I believe the recovery in energy demand and improvement in its mainline volumes will likely boost its cash flows significantly. Further, about \$16 billion secured capital program lays a strong foundation for [future dividend growth](#). Enbridge yields about 7.3% at the current price levels, which is very safe.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) has increased its dividends for 47 consecutive years. Furthermore, the utility company expects to increase it by about 6% annually in the next five years. With its low-risk, regulated, and diversified assets, Fortis generates predictable cash flows that support its higher dividend payments.

Fortis expects its rate base to increase by about \$10 billion over the next five years, which is likely to support its earnings, in turn, its dividend payments. The company currently offers a decent dividend yield of 3.7%.

## Canadian Utilities

**Canadian Utilities** ([TSX:CU](#)) has increased its dividends for 49 consecutive years and could continue to grow it further in the coming years on the back of its high-quality earnings base. The company derives the majority of its earnings from the regulated assets that generate predictable and growing cash flows, supporting higher dividend payouts.

I believe its continued investments in the regulated and contracted assets and cost efficiencies could continue to drive its earnings and future dividend payments. Canadian Utilities offers a high and safe yield of 5.2%.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks

## TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:BNS (Bank Of Nova Scotia)
7. TSX:CU (Canadian Utilities Limited)
8. TSX:ENB (Enbridge Inc.)
9. TSX:FTS (Fortis Inc.)

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