



## 4 Dividend Stocks to Buy and Hold for Decades

### Description

Along with regular payouts, investors can also benefit from share price appreciation by investing in [dividend stocks](#). These stocks are less volatile compared to non-dividend paying stocks and also outperform the markets during economic downturns. So, your portfolio is incomplete without few high-quality dividend stocks. Meanwhile, if you are ready to invest, here are four dividend stocks that you can buy right now and hold for the long term.

### Canadian Utilities

My first pick would be **Canadian Utilities** ([TSX:CU](#)). It operates a gas and electricity transmission and distribution business serving around 2 million customers and also is engaged in power production and storage services. The company's low-risk diversified business delivers steady cash flows, which has allowed the company to raise its dividends for 49 consecutive years.

Meanwhile, Canadian Utilities currently pays quarterly dividends of \$0.4398, representing a healthy forward dividend yield of 5.2%. Further, it has planned to invest around \$3.2 billion over the next three years in regulated utility assets and secured growth projects, driving its earnings and cash flows in the coming years. Further, its acquisition of Pioneer Natural Gas Pipeline in September could also boost its financials. Given its healthy growth prospects, I believe the company could continue raising its dividends.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a midstream oil company, which earns around 98% of its cash flows from regulated assets and long-term contracts, thus delivering stable earnings and predictable cash flows. Supported by these steady cash flows, the company has rewarded its shareholders by paying dividends for the last 66 consecutive years while also raising its dividends for the last 26 straight years. For 2021, the company's management has announced dividends of \$3.34 per share, representing a dividend yield of 7.2%.

Further, the company plans to invest around \$10 billion over the next two years, expanding its utility, transmission, and renewable assets. Supported by these investments, the company's management expects its DCF per share to grow at 5-7% through 2023. So, I believe Enbridge would be an [excellent buy for income-seeking investors](#).

## Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) operates low-risk energy utility assets and is also involved in power production from renewable assets. Meanwhile, the company sells the power generated from its facilities through long-term contracts, which shields its financials from price and volume fluctuations. Boosted by these steady cash flows, the company has raised its dividends by over 10% for the last 10 years. Its forward dividend yield currently stands at 3.8%, which is on the lower side. However, I believe the company's dividend yield could improve, given its impressive dividend growth.

Meanwhile, Algonquin Power & Utilities has planned to invest around \$9.4 billion over the next five years, with \$6.3 billion on utility assets and \$3.1 billion on expanding renewable assets. Supported by these investments, the company's management expects its adjusted EPS to grow at a CAGR of 8-10% during this period. So, given its healthy growth prospects and steady cash flows, I believe Algonquin Power & Utilities' dividends are safe.

## Bank of Nova Scotia

My final pick would be the **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), which has been paying dividends since 1832. After last year, the company has made a solid start to this year, with its stock price rising close to 14%. Despite the rise, the company's valuation looks attractive, with its forward price-to-sales and forward price-to-earnings standing at 3 and 11.2, respectively.

Further, the improvement in economic activities amid the ongoing vaccination drive could increase loan originations. Further, its significant exposure to high-growth markets and decline in provisions could drive its earnings and cash flows. Given the favourable environment and improving operating metrics, the Bank of Nova Scotia could deliver superior returns in the long run. It also pays quarterly dividends, with its forward dividend yield standing at 4.6%.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)

4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:CU (Canadian Utilities Limited)
7. TSX:ENB (Enbridge Inc.)

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