



3 Canadian Dividend Stocks to Buy and Hold for 10 Years

Description

When choosing dividend stocks to buy and hold for the next 10 years or longer, you want companies with staying power. Moreover, you want stocks that you'll be confident to buy during market corrections to drive outstanding long-term returns.

Here are three [Canadian dividend stocks](#) that you should consider buying and holding for a long time.

Quebecor

Among the telecoms, **Quebecor** ([TSX:QBR.B](#)) is the best valued right now. The dividend stock trades at a discount of about 18% from the analyst consensus 12-month price target of \$39.25 across 12 analysts.

Montreal-based Quebecor is a diversified media and telecommunications company that serves in Quebec, as the name implies.

The dividend stock's payout ratio was relatively low, which has allowed it to increase its dividend at a super-fast rate when combined with earnings growth. Since 2014, it has grown its dividend at a rate of 22 times!

Investors should note that its 2014 payout ratio of about 6%, while its forward payout ratio is estimated to be about 40%. This hasn't caught up to the Big Three telecom's payout ratio yet, which should allow Quebecor stock to continue growing its dividend at a faster pace than the Big Three telecoms.

The lowest payout ratio of the Big Three telecoms is **Rogers Communications** whose payout ratio is about 52%.

For reference, Quebecor's last dividend hike of 37.5% was in Q1. Currently, it yields 3.4%.

goeasy

goeasy ([TSX:GSY](#)) is a very interesting dividend-growth stock. At about \$161 per share at writing, the stock trades at a forward price-to-earnings ratio (P/E) of about 16.4, which is well above its 10-year normal P/E of approximately 11.8. However, its earnings per share is projected to grow about 22% per year, which actually suggests the growth stock is a bargain. This is why the stock has continued to rally its way higher since recovering from the pandemic crash.

goeasy investors should be prepared to hold through business cycle volatility. During the pandemic market crash, the stock fell more than 60% from peak to trough and traded as low as a P/E of about 6.3! Since that low, the stock has grown investors' money at a rate of nearly six times!

The growth stock is among the top-performing Canadian Dividend Aristocrats in the past 10 years in terms of price appreciation. As well, its dividend growth has been incredible. Its 10-year total returns are more than 36% per year — or 22 times investors' money.

[goeasy](#) has maintained or increased its dividend every year since 2005. It began paying consistently growing dividends since 2015. It has 6.6 times its payout since 2015 — growing its dividend by almost 37% per year! Its current yield of 1.6% is not bad given low interest rates and the income growth potential.

The company provides non-prime leasing and lending services. Its acquisition of LendCare in April is expected to drive portfolio growth through point-of-sale financing verticals such as power sports and home improvement.

Investors should look forward to goeasy providing a new long-term outlook that incorporates the contribution from LendCare when it reports its Q2 financial results in August.

Brookfield Infrastructure

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a buy-and-hold dividend stock. The company is diversified across utility, transportation, midstream, and data infrastructure assets. For example, data transmission and distribution roughly contribute 12% of its funds from operations (FFO), while rail operations contribute 15%.

It offers an initial yield of almost 3.8%. Management's global value investing strategy aims to drive stable returns on investments in the 12-15% range. It is a Canadian Dividend Aristocrat with 12 consecutive years of dividend increases. Expect more dividend increases of about 5-9% per year.

BIP's business performance was super resilient in 2020 with FFO-per-unit growth of 2%. It followed with superb Q1 results that saw FFO per unit jumping 20% year over year, benefiting from economic expansion given approximately 75% of its cash flow is linked to inflation.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:QBR.B (Quebecor Inc.)

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