3 of the Best Dividend Stocks to Buy and Hold Forever

Description

Canadian Tire (TSX:CTC.A), **Cogeco** (TSX:CCA), and **Metro** (TSX:MRU) are three of the best dividends stocks to buy and hold forever. Indeed, these three stocks are Dividend Aristocrats. While they don't have the highest yields, the dividends they pay are safe and increased regularly. That means your dividend income will increase over time. Let's take a look at each of these three great dividend stocks.

Canadian Tire

Canadian Tire is one of the most popular general merchandise retailers in Canada. The company operates through a vast network of 1,700 points of sale and gas stations. It offers a wide range of products in the automotive, tools and hardware, home and essentials, sports, and outdoor living categories.

Canadian Tire also owns a 76% interest in **CT REIT**, a closed-end real estate investment trust in Canada, of which it is the principal tenant.

Canadian Tire pays a quarterly dividend of $1.175 per share. In November 2020, the retailer announced it would increase its dividend by 3.3% due to higher profits and sales.

The stock currently has a dividend yield of 2.41%. Canadian Tire has a payout ratio of only 30.6%, so it has room to increase its dividend. With a P/E of only 12.7, the stock is quite cheap too.

For the current fiscal year, analysts expect Canadian Tire's sales to grow by 4.5% to $15.55 billion and earnings per share to grow by 23.1% to $16.

Cogeco

Cogeco Communications is a leading communications company in North America. It provides internet, video, and telephony services to residential and business customers. Cogeco Communications is a subsidiary of **Cogeco Inc**.

The company is well positioned to sell its services to existing clients and attract new clients. As one of the leading communications companies, Cogeco is expected to benefit from the growing demand for data and communications services.

Cogeco pays a quarterly dividend of $0.545 per share. In November 2020, the telecom company announced it would increase its dividend by 14.7%.

The stock currently has a dividend yield of 2%. Cogeco has a payout ratio of only 30%, so it has room to increase its dividend. With a P/E of only 15, the stock is also not very expensive.

For the current fiscal year, analysts expect Cogeco’s sales to grow 6% to $2.53 billion and earnings per share to increase by 13.2% to $8.68.

Metro

Metro is a leading food and pharmaceutical company with operations in Quebec and Ontario. It is one of the largest food retailers in Canada.

The company operates through more than 600 food stores operating under the Metro, Metro Plus, Super C, Food Basics, and Adonis banners. It also owns 650 pharmacies operating under the Jean Coutu, Brunet, Metro Pharmacy, and Drug Basics banners.

Metro pays a quarterly dividend of $0.25 per share. In January 2021, the grocer announced it would increase its dividend by 11%.

The stock currently has a dividend yield of 1.56%. Cogeco has a payout ratio of only 28%, so it has room to increase its dividend. With a P/E of only 18.5, the stock is reasonably priced.

For the current fiscal year, analysts expect Metro’s sales to grow 1.5% to $18.26 billion and earnings per share to increase by 7.6% to $3.52.

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1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. TSX:CCA (COGECO CABLE INC)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)

3. TSX:MRU (Metro Inc.)

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