3 Canadian Dividend Aristocrats to Buy Right Now

Description

Dividend Aristocrats are known for their long track records of uninterrupted dividend growth. These companies have strong businesses and generate high-quality earnings and cash flows that drive higher dividend payments. We'll focus on the three such Canadian stocks that have paid and raised their dividends for a very long time. Further, these companies have solid businesses and resilient cash flows, indicating that they could continue to enhance shareholders' value through increased dividends in the coming years.

Enbridge

Shares of the energy infrastructure company **Enbridge** (TSX:ENB)(NYSE:ENB) are must-haves for income investors. It has paid a dividend since it was listed on the exchange in 1953. Meanwhile, its dividend has increased at a CAGR of 10% since 1995. Enbridge's diversified cash flow streams, take-or-pay or cost-of-service arrangements, and productivity savings continue to cushion its earnings and, in turn, its dividend payouts.

With improving economic activities, rising demand for energy, and recovery in its mainline volumes, Enbridge remains well positioned to deliver solid distributable cash flows. Furthermore, higher utilization of its assets, a $17 billion secured capital program, and momentum in the gas and renewable power business augur well for future growth. It pays an annual dividend of $3.34 a share, reflecting a stellar yield of 6.8%.

Toronto-Dominion Bank

Investors eyeing a reliable income stock could consider adding **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) to their portfolios. The bank has consistently paid dividends for 164 years and increased it at a CAGR of 11% since 1996, which is the highest among its banking peers. Also, its dividend-payout range of 40-50% is sustainable in the long run.

Notably, TD Bank's robust dividend payouts are backed by its ability to consistently generate strong earnings growth. Its diversified revenue streams and operating leverage continue to drive its profitability. I believe economic expansion and its strong balance sheet position it well to continue to deliver strong earnings in the future years. Furthermore, an uptick in loans and deposit volumes, strong credit quality, and lower provisions could drive its top and bottom lines. It pays an annual dividend of $3.16 a share, translating into a healthy yield of 3.8%.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is one of the top stocks to generate a growing passive-income stream for life. It has raised its dividend for 47 years in a row on the back of its low-risk and high-quality utility assets. The company generates nearly 99% of its earnings from the rate-regulated utility assets, implying that its payouts are very safe.

Fortis projects its rate base to increase at a CAGR of 6% over the next five years and reach about $40 billion. Thanks to its growing rate base, it expects to increase its dividends by 6% annually during the same period. I believe its low-risk and high-quality business, growing asset base, and investments growth opportunities renewable energy business provide a solid foundation for stellar growth in its earnings and dividend. Furthermore, its strong balance sheet and strategic acquisitions are likely to accelerate its growth rate and help the company to consistently boost the shareholders' returns. It pays an annual dividend of $2.02 and offers a yield of 3.6%.

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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Date
2025/08/24
Date Created
2021/07/19
Author
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