



3 of the Best Dividend Stocks to Add in September 2021

Description

Investing in [dividend-paying stocks](#) has proven to be a great long-term strategy. Indeed, for those entering retirement, the income dividend stocks provide can be crucial. For those simply looking to improve their risk-adjusted returns, income-paying stocks have a lot to add.

However, choosing the best stocks isn't always easy. In this article, I've highlighted three of the best dividend stocks Canada has to offer.

Let's dive in.

Top dividend stocks: TC Energy

When investors think about dividend stocks, one of the top sectors (at least in Canada) many investors look to is pipelines. These large-cap companies typically return more to shareholders in the form of dividends than companies in other sectors. Indeed, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is no exception.

This major pipeline player has proven to be a great long-term dividend holding. The company's current [dividend yield](#) of 5.7% is high. However, the company is also growing its dividend each year in the 5-7% range. That provides great long-term income growth, particularly for those nearing or in retirement.

The company's profit margin has remained stable in recent years at 23% or more. This has provided ample room for growing dividend payouts, particularly as production volume increases over time.

Accordingly, I view TC Energy stock as a great way for investors to gain oil & gas exposure, while taking less risk.

Restaurant Brands

Another one of the defensive dividend stocks I like from a long-term perspective is **Restaurant Brands**

([TSX:QSR](#))([NYSE:QSR](#)). As one of the largest global players in the fast-food space (based in Canada), Restaurant Brands provides about as steady a revenue stream as investors could hope for.

The company's world-class banners include Popeyes Louisiana Kitchen, Burger King, and Tim Hortons. These offer impressive growth potential in emerging markets, and a level of cash flow stability that is hard to come by nowadays.

Apart from having these cherished fast-food brands, the company boasts of an effective management team that is making heavy investments for tidying up existing restaurants. Restaurant Brands have delivered impressive results lately. Patient investors with a time horizon of 10 years or more can expect more growth coming their way with this stock.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) caps off my list of top dividend stocks. This utilities player is widely regarded as a favourite by investors seeking protection of their capital. In addition, it is an ideal stock for individuals willing to construct a safe passive-income stream that continues growing every year.

The company has an incredible track record in this regard. For nearly five decades, Fortis hasn't missed an annual dividend hike. This implies that the company's business model is extremely stable, as is the company's forward cash flow growth projections. Over the past five years alone, Fortis has managed to increase its dividend by an aggregate 25%. That's certainly worth noting.

Those seeking defensive dividend income can't go wrong with any of these dividend stocks. These three Canadian income plays are among the best in the world. And Canadian investors can pick them up at relatively reasonable valuations today. That's saying something, given where valuations are right now.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:FTS (Fortis Inc.)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:FTS (Fortis Inc.)
5. TSX:QSR (Restaurant Brands International Inc.)
6. TSX:TRP (TC Energy Corporation)

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