3 Top Canadian Stocks to Buy and Hold Forever

Description

Not every company or organization that's engaged in an evergreen business passes as an "evergreen" investment asset. Banking, healthcare, real estate, and several other businesses can be considered evergreen, but they are also always evolving. And companies that evolve alongside the business and industry are the ones that deserve a permanent place in your portfolio. Luckily, there are a few in almost every industry.

A banking stock

National Bank of Canada (TSX:NA) is not part of the Big Five, but that has never been a detriment to its growth as a stock. The exclusive "club" is often extended and called the Big Six to put National Bank alongside the other five banking giants. The bank has an impressive and well-spread-out national footprint, though the international presence is not really comparable to the Big Five. It is, however, an Aristocrat that is almost just as old, with a yield of 2.9%.

The bank is focusing on growing its online presence, which is the next crucial step in the banking evolution. It is also growing the range of its financial products and banking services to become the only institution its patrons need. It was one of the best growth stocks in the banking sector even before the pandemic, and the post-pandemic growth has been nothing short of marvelous. The stock has grown about 127% since March 2020 crash valuation.

An industrial stock

If you are looking for a reliable and affordable growth stock in the industrial sector, **Toromont Industries** (TSX:TIH) should be on your radar. It has a 10-year CAGR of 22.2% and an Aristocratic status.

The company has been growing its dividends for 31 consecutive years, making it one of the oldest Aristocrats on TSX, though its growth undermines its yield, which is 1.3% at the time of writing this.The stock is a bit overvalued but a bargain considering its return potential and reliability.

The company has two business segments: the equipment group, with its 126 locations and seven brands, and the refrigeration business segment (called CIMCO). CIMCO has an impressive presence in North America. As the leading rental service and seller of heavy machinery in Canada, Toromont has dominance in a relative niche market, and it's unlikely to see any major competitor rising up in the coming years.

A supermarket company

Food and medicine are two of the most evergreen businesses there are, and **Metro** (TSX:MRU) is one of the few Canadian retail and supermarket chain giants that have consolidated the two under one banner. The company has over 950 food stores and 650 drugstores under various banners. And thanks to the nature of its business, Metro is also partly sheltered from market crashes and recessions.

The company is a decent grower, with a 10-year CAGR of 17%, and an Aristocrat that's currently offering a 1.7% yield. It's also currently available at a very attractive price. The company is evolving and has established an impressive online presence. And if it perfects its online grocery and pharmaceutical delivery model over time, it will easily stay relevant and profitable for decades.

Foolish takeaway

All three Aristocrats are more growth oriented and less dividend oriented. And if you are planning to hold on to these dividend stocks forever, it might be a good idea to divert the dividends towards growing your stake via reinvestment. But if you are investing a substantial amount in these companies, the payout might be sizeable enough, despite the modest yields.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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2. TSX:NA (National Bank of Canada)
3. TSX:TIH (Toromont Industries Ltd.)

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