3 TSX Stocks That Have Raised Dividends for 25 Years or More

Description

Dividend stocks, in my opinion, are the cheapest way to generate a steady passive income for the long term. However, investors should take caution and focus on a company's earnings potential and payout ratio before buying its stock for dividend income. Equally important is the company's dividend-hike history, as it signifies the resilience of its cash flows and sustainability of its payouts.

With income stocks in the background, let's dig deeper into three stocks that have been growing dividends for at least 25 years. Thanks to their resilient cash flows, these Dividend Aristocrats are a reliable bet for investors. Also, all these stocks are offering a higher yield amid a lower interest rate environment. Let's look at the stocks.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has consistently raised dividends since 1995. Moreover, its dividends have CAGR of 10% since then. Enbridge's higher dividend payments are backed by its highly diversified cash flow streams, a contractual framework that eliminates price and volumes risk, and continued investments in growth.

Looking ahead, this energy infrastructure company projects its distributable cash flow (DCF) per share to increase by 5-7% annually. Further, it expects its dividends to grow in line with the DCF per share.

I remain upbeat on Enbridge and expect it to increase dividends at a healthy pace due to the continued strength in its core business. Further, solid opportunities in the renewable power segment and benefits from the recent acquisition of Moda Midstream Operating, LLC, will likely drive its earnings and, in turn, its dividends. Also, its $17 billion secured capital program adds further visibility over its future cash flows and will likely boost its EBITDA. It is yielding over 6.3% at current price levels and is a must-have in your income portfolio.

Fortis

Utility company **Fortis** (TSX:FTS)(NYSE:FTS) has consistently increased dividends since 1974. Further, it projects 6% growth in its dividends annually through 2025, making it an obvious choice for income investors.

Fortis's higher dividends are supported through its regulated utility assets that generate predictable cash flows. Meanwhile, consistent rate base growth further boosted its payouts. Overall, its low-risk, regulated utility businesses, focus on increasing its retail electricity sales, expansion of renewable power generation capacity, and opportunistic acquisitions bode well for future growth.

Further, Fortis expects its rate base to increase at a CAGR of 6% over the next five years, which is likely to generate incremental EBITDA and support its cash flows. Fortis stock is yielding about 3.9%, which is very safe.

Canadian Utilities

Canadian Utilities (TSX:CU) has raised its dividends since 1972 and has the longest record of annual dividend increases by any Canadian company. Like Fortis, Canadian Utilities generates most of its income from the regulated utility assets that consistently generate strong and resilient cash flows.

Further, Canadian Utilities has continually invested in the regulated utility assets that have driven its high-quality earnings base and supported higher dividend payments over the past several years.

Looking ahead, its $3.2 billion investments in regulated operations, geographical expansion, strategic acquisitions, and optimization of its energy infrastructure assets will likely drive its earnings and future dividend payments. Also, its ability to fund growth initiatives and strong balance sheet will likely supplement its growth. Canadian Utilities has a reliable and high yield of 5%.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date
2025/08/17
Date Created
2021/10/26
Author
snahata