



## 4 Top TSX Dividend Aristocrats to Buy and Hold Forever

### Description

With higher yields amid lower interest rates, dividend stocks emerge as a better investment for investors seeking steady income. While the list of dividend-paying companies is long, I have shortlisted four TSX stocks that have paid and consistently raised their dividends for over a decade.

Let's look at these Dividend Aristocrats that are worth buying and holding for the long term.

### Algonquin Power & Utilities

Let's start with **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) that has regularly boosted its shareholders' returns through higher dividend payments. Algonquin Power & Utilities's dividends have a CAGR of 10% in the last 11 years, making it a [reliable bet](#) for income investors. Its low-risk, regulated assets, long-term contracts, and higher utilization rate drive its cash flows and, in turn, its dividend payments.

Algonquin Power stock has witnessed a pullback in the recent past, providing a solid buying opportunity. Meanwhile, its growing rate base, \$12.4 billion capital program, and expanding renewables footprints suggest that Algonquin Power & Utilities could continue to grow its earnings rapidly (CAGR of 7-9% over the next five years), which will drive future dividends. Further, it offers a solid dividend yield of 4.8%.

### Fortis

Next up is another utility stock, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). This company has raised dividends for 48 years and could continue to increase it further in the coming years. Its regulated and diversified assets generate predictable and growing cash flows that drive its increased dividend payments.

Fortis expects its rate base to increase to \$41.6 billion by 2026, which will expand its high-quality earnings base. Thanks to its growing rate base and investments in business, Fortis expects a 6% annual growth in its dividend through 2025. Fortis, in my opinion, is one of the safest [dividend stocks](#) to

buy and hold for the long term.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a must-have income stock both for its long history of higher dividend payments and stellar yield at current levels. It's worth noting that Enbridge has been paying dividends for about 67 years. Meanwhile, its dividends have a CAGR of 10% since 1995. Moreover, Enbridge stock offers a high dividend yield of 7.1%.

Enbridge's diversified cash flow streams, recovery in volumes and commodity prices, contractual arrangements, and strong capital program make me bullish on its stock. Enbridge's distributable cash flows are likely to increase at a healthy pace over the coming years, driving its higher dividend payments. Furthermore, its payout ratio remains low and is sustainable in the long term.

## Canadian Utilities

With the longest track record of dividend growth, **Canadian Utilities** ([TSX:CU](#)) is a solid long-term investment for a growing dividend income stream. To be precise, Canadian Utilities has increased dividends for 49 years on the back of its high-quality regulated and contracted assets.

Canadian Utilities stock is offering a solid yield of 5% at current price levels, which is safe. Canadian Utilities's continued investment in the utility and infrastructure assets will drive its high-quality earnings base and, in turn, its dividend payments. Meanwhile, strategic acquisitions and cost optimization will drive its profitability.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:CU (Canadian Utilities Limited)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)

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#### **Date**

2025/08/22

#### **Date Created**

2021/12/14

#### **Author**

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