Fight Inflation With Growing Income From 3 Canadian Dividend Aristocrats

Description

If you're investing today in preparation for an extended inflationary period, limit your choices to Dividend Aristocrats. **TC Energy** (TSX:TRP)(NYSE:TRP), **Transcontinental** (TSX:TCL.A), and **TELUS** (TSX:T)(NYSE:TU) are not only safety nets but could also provide you growing income and financial cushion in 2022.

The three companies have dividend-growth streaks of 17 years of more, and, therefore, the dividends should be safe and sustainable.

Multiple platforms for growth

TC Energy has increased its dividend every year since 2000. The $58.31 billion company takes pride in having a reliable network of natural gas and crude oil pipelines plus power generation and storage facilities. Prospective investors should take into account TC Energy's existing assets.

The diversified high-quality assets provide multiple platforms for business and dividend growth. Its president and CEO François Poirier said, "We are in the midst of an unprecedented period that is providing a significant number of investment opportunities driven by both the growing demand for energy and the transition to a cleaner energy future."

With its industry-leading portfolio of secured capital projects, TC Energy expects to grow substantially in the coming years. It will continue to expand, extend, and modernize its existing natural gas pipeline network. You can partake of the 5.91% dividend if you invest today ($59.69 per share).

Long-term growth drivers

Transcontinental's Packaging and Printing business segments displayed solid profitability in Q4 fiscal 2021 (quarter ended October 31, 2021). While operating earnings dipped 0.9% versus Q4 fiscal 2020, revenue soared 18.3% to $775.8 million.

François Olivier, Transcontinental's former president and CEO, said the Packaging Sector will be the main engine of long-term growth, because demand is strong and ever increasing. Meanwhile, the increasing proportion of the growth activities in the Printing Sector gives the company a favourable position for the future.

Peter Brues is now the captain of the $1.72 billion flexible packaging company and Canada's largest printer. The former audit committee chairman took over the position effective December 9, 2021. Going forward, management expects organic volume growth in packaging and anticipates a continued recovery in printing volume in fiscal 2022.

The dividend-growth streak of this industrial stock is 19 years. It trades at $19.78 per share and pays a hefty 4.55% dividend if you invest today.

Essential services

TELUS is a no-brainer buy, given the 24/7 need for telecommunications services. Canada's second-largest telco maintains it Dividend Aristocrat status due to 17 straight years of dividend increases. At the current price of $29.71, investors are up 23.23% year to date. The dividend offer is an attractive 4.4%.

According to management, the increase in dividends this year reflects TELUS's healthy balance sheet position and confidence in executing its growth strategy. Its executive vice-president and CFO Doug French added that the hike was consistent with its long-standing, multi-year dividend-growth program.

In Q3 2021, the $40.42 billion company reported an 11.5% increase in net earnings versus Q3 2020. Notably, TELUS's free cash flow increased 26% to $203 million year over year. Management also invested $442 million during the quarter as part of its accelerated broadband build and 5G coverage expansion.

Cope with inflation

Growing income from Dividend Aristocrats like TC Energy, Transcontinental, and TELUS should help investors cope with rising inflation in 2022.

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cliew