3 Perfect Dividend Stocks for 2022 and Beyond

Description

It's prudent to have a few top-quality income stocks in your portfolio. Besides capital appreciation, these stocks provide a stable inflow of dividend income and are relatively resilient to wild market swings.

In this article, I'll focus on three dividend stocks that could be a perfect fit for your portfolio in 2022 and beyond for both reliable income and growth. Let's delve into the details.

Fortis

When it comes to dividends, **Fortis** (TSX:FTS)(NYSE:FTS) stock needs no introduction. In my opinion, it's a perfect stock to generate a worry-free passive income that continues to grow with you. There are good reasons for my bullishness. This utility giant has consistently raised its dividend for 48 years and offers visibility over its future dividends.

Notably, Fortis owns 10 diversified regulated assets that generate resilient and growing cash flows and drive its dividend payments. Further, its low-risk business and expansion of high-quality earnings base suggest that Fortis could continue to boost its shareholders' return through increased dividends.

Its growing rate base, opportunities in the renewables segment, cost-saving measures, and strategic acquisitions augur well for growth. Fortis expects its rate base to increase to $41.6 billion by 2026, which will expand its high-quality earnings base and, in turn, support higher dividend payments. Thanks to its growing cash flows, Fortis forecasts a 6% annual growth in its dividends through 2025. Meanwhile, it is yielding over 3.6%.

Enbridge

Like Fortis, **Enbridge** (TSX:ENB)(NYSE:ENB) is an obvious choice for investors looking for a perfect dividend stock. Thanks to its resilient underlying business and diversified cash flow streams, Enbridge has consistently increased its annual dividend, even amid challenging economic conditions. To be precise, Enbridge has raised its dividend for 27 years in a row. Meanwhile, its dividend has a CAGR of 10%.

I am bullish about Enbridge's prospects and expect it to continue to increase its dividend at a low- to mid-single rate in the coming years. The recovery in its mainline volumes, ongoing strength in the core business, and secured projects will likely boost its distributable cash flows and dividend payments.

Further, higher asset utilization rate, revenue escalators, accretive acquisitions, long-term contracts, and cost-savings initiatives will support its top and bottom line. Moreover, Enbridge's valuation is well within every investor's reach, and it offers a stellar dividend yield of 6.6%.

TC Energy

Next up is **TC Energy** (TSX:TRP)(NYSE:TRP) that has been consistently enhancing its shareholders' returns through annual dividend hikes. My reasons for including TC Energy in this list are simple. It is a Dividend Aristocrat that has grown its dividend at a CAGR of 7% for about 21 years. Further, it offers high visibility over its future dividend payments and provides a high yield of 5.5%.

It's worth noting that TC Energy owns high-quality regulated and contracted energy infrastructure assets that generate resilient cash flows. Further, its shift towards green energy and recovery in energy demand bodes well for growth.

Overall, its high asset utilization rate, multi-billion-dollar secured projects, contractual arrangements, and revenue enhancements will likely drive its future EBITDA and profitability and, in turn, its dividend.

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