



Want Income and Growth? Invest Here Now!

Description

Are you looking for that perfect mix of income and growth? Here's an incredible long-term investment option that doesn't offer the highest yield on the market but does boast incredible appeal.

Looking for that right investment? Turn on the power

In case you're wondering, the unique investment option that you should consider buying is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

For those that are unaware of Fortis and the potential the company offers, here's a quick introduction. Fortis is one of the largest utilities on the continent. Fortis generates and distributes power across Canada, the U.S., and the Caribbean.

The overwhelming majority of Fortis's facilities are bound by long-term regulatory contracts. Those contracts provide a stable and recurring source of revenue for the company. In other words, as long as Fortis keeps the power flowing, the company will generate a [handsome revenue stream](#).

By way of example, in the most recent quarter, Fortis reported adjusted earnings of \$300 million, or \$0.64 per share.

The problem with utility investments

One of the most frequent concerns with utility stocks such as Fortis is that they lack the ability or even the incentive to grow. Part of this belief stems from the fact that utilities generate a recurring revenue stream and then pay out a handsome dividend.

While this is true with Fortis, the company has taken an aggressive stance towards expansion. Over the years, Fortis has executed several impressive acquisitions, expanding into new markets. In recent years, that appetite has shifted towards acquiring renewable facilities and revamping existing ones.

This is an important point that is often dismissed. Fortis has earmarked a whopping \$20 billion over the next five-year period to those efforts.

Some of those efforts are already showing promise. In 2020, Fortis managed to reduce its carbon emissions by 15%. Furthermore, the company plans to cease all coal-fired generation within the next decade. Instead, the company is looking towards solar and wind projects.

In short, long-term [growth isn't a problem](#) for current and prospective Fortis investors. But is the stock suited for both income and growth investors?

Both income and growth are possible

Fortis provides investors with a quarterly [dividend](#). The dividend currently works out to a respectable 3.67% yield. While not the highest yield on the market, it is stable and, more importantly, growing.

Specifically, Fortis has provided investors with 48 consecutive years of annual upticks. The company has provided guidance to continue to that practice for the next several years, handily pushing the stock past the iconic 50-year milestone.

At that point, Fortis will be designated a Dividend King — a title that doesn't apply to any other stock in Canada. For those investors not yet ready to draw on that income, reinvesting those dividends can help grow your nest egg even further.

That fact alone makes Fortis an incredible option for the income and growth investor. In my opinion, Fortis would do well as part of any well-diversified portfolio. Buy it, hold it, and watch your portfolio soar.

CATEGORY

1. Dividend Stocks
2. Investing

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