



3 Dividend Stocks to Buy for the Very Long Term

Description

Those looking to buy top-notch dividend stocks want a few things. Of course, solid fundamentals and cash flow generation are important to support the company's dividend. There's the historical track record of companies in maintaining and raising their distributions. And there's also the forward-looking prospects of these businesses.

In this context, I'm going to highlight three of the [top dividend stocks](#) that I think are worth a look right now.

Top dividend stocks: Algonquin Power

Algonquin Power ([TSX:AQN](#))([NYSE:AQN](#)) remains one of my top picks for dividend investors as well as those looking for total returns. This utilities company is one providing regulated revenue streams, creating cash flow stability. Additionally, Algonquin's growing portfolio of renewable assets provides long-term investors with a juicy growth thesis to hold this stock.

The company's dividend yield of 4.8% is supported by expected annual adjusted earnings growth of 7-9% per year. Accordingly, this is a company not only with the ability to continue its payout, but to continuously increase its distribution over time.

I think Algonquin remains a top-notch option right now for dividend investors.

Restaurant Brands

In the quick-service restaurant business, there are few better companies to consider than **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)).

This company's dividend yield of 3.8% is certainly attractive, though perhaps not as much as other higher-yielding stocks on the market right now. That said, I think Restaurant Brands's income and growth combination are also one of the best on the TSX.

This company's core fast-food business is a high free cash flow operation. Restaurant Brands produced \$1.6 billion in free cash flow over the past year, producing a free cash flow yield of more than 7%. For a company of this quality, that's high and suggests this stock is also attractive via a value lens.

Overall, the company's world-class portfolio of banners, and its long-term growth outlook particularly in Asia, support the idea that this is a well-rounded dividend stock to buy and hold for the long term.

Alimentation Couche-Tard

Those thinking very long term may also want to consider **Alimentation Couche-Tard** ([TSX:ATD](#)). This gas station and convenience store player is one that many may not want to identify as a long-term holding due to the company's gasoline-related businesses. However, there are a few catalysts I think could propel this stock forward, while allowing the company's rather small 0.8% yield to rise over time.

First, Couche-Tard hasn't been shy about looking at expansions outside of its traditional gas station/convenience store business. The failed **Carrefour** acquisition attempt early last year signaled the company's potential shift into retail. As far as strategy goes, I like this company's management team.

I think Couche-Tard has what it takes to succeed long term. Over the near term, the company's outlook is bright. Perhaps this isn't as much a dividend stock as the others — its yield is quite low. However, should Couche-Tard continue to provide excellent results, I think more capital will be distributed to shareholders over time.

CATEGORY

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TICKERS GLOBAL

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3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ATD (Alimentation Couche-Tard Inc.)
5. TSX:QSR (Restaurant Brands International Inc.)

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