



Passive Income: 2 Top TSX Stocks to Own for Decades

Description

Canadian retirees and other income investors are searching for top TSX dividend stocks to generate reliable passive income in their portfolios. The best stocks to buy are ones that raise their payouts on a regular basis.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) has increased its dividend for 48 consecutive years. That's a fantastic track record, and the streak is one of the reasons income investors love to own FTS stock.

Looking ahead, the good times are set to continue. Fortis has provided guidance for average annual dividend growth of 6% through 2025. The company has a \$20 billion capital program in place through 2026 that will drive the rate base up by roughly a third over that timeframe.

Fortis has a number of additional projects under consideration that could get added to the capital plan. A strategic acquisition is also possible in the next few years. Fortis added an acquisition specialist to the executive team last year.

This is a good stock to own if you are searching for defensive picks for a portfolio. Fortis gets nearly all of its revenue from regulated utility assets, so cash flow tends to be predictable and reliable in all economic conditions.

The dividend currently provides a 3.6% yield.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) raised its dividend by 5.2% last year and just reported strong Q4 and full-year 2021 results.

Total mobile and fixed-line customer growth came in at 272,000, setting a new Q4 record for the

company. This helped drive a 10% gain in adjusted revenue compared to the same period last year. Net income rose 10%.

Telus is targeting operating revenue growth of 8% in 2022. Adjusted EBITDA is expected to increase by 10%. Free cash flow should be as high as \$1.2 billion. That's great news for dividend investors.

Telus is investing heavily in its copper-to-fibre transitions and the expansion of its [5G](#) network. Capital expenditures are expected to be about \$3.4 billion in 2022. The size of the capital program should start to drop in 2023. This would potentially free up more cash to raise the dividend.

Telus has other ventures that could drive strong revenue expansion in the coming years. Telus Health was already a leader in the Canadian digital health [sector](#) before the pandemic. The group saw demand for its products and services soar in the past two years. The division increased virtual healthcare members by 65% in 2021 and processed 550 million digital health transactions. Revenue grew more than 10%.

Telus Agriculture revenue also increased by double digits across the three business lines and exceeded its \$400 million target for 2021 revenue.

Telus stock should be a solid buy-and-hold pick for income investors. At the time of writing, the stock provides a 4.2% yield.

The bottom line on top stocks for passive income

Fortis and Telus are top TSX dividend stocks that should deliver steady payout growth for years. The companies provide essential services that make them attractive defensive picks for a portfolio focused on reliable passive income.

If you have some cash to put to work today, these stocks deserve to be on your radar.

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