2 Canadian Stocks With Ultra-Safe Dividends

Description

Are you looking for some high-quality dividend stocks in Canada that continue to reward their investors with high dividends, even in difficult times? If yes, then your search ends here, as I'll highlight two such great quality stocks with ultra-safe dividends in this article. So, let's dive right in.

Enbridge stock

When we talk about Canadian stocks with ultra-safe dividends, this list must include **Enbridge** (TSX:ENB)(NYSE:ENB), in my opinion. This top energy company has been consistently rewarding its shareholders with solid dividends for decades. It's a Calgary-based energy transportation company that has become one of the largest suppliers of energy products across North America. This Canadian stock currently has an outstanding dividend yield of 6.5%, as it trades at $52.67 per share with about 7% year-to-date gains.

In the five years between 2016 to 2021, its annual dividend per share has risen by about 58% to $3.34 from $2.12 per share. We shouldn't forget that the mentioned time period also includes the extremely challenging COVID phase, which led to a big decline in the demand for energy products, triggering a selloff in their prices. Despite all these challenges, Enbridge continued to raise its annual dividend by nearly 10% in 2020.

In 2021, Enbridge's financial growth came back on track, as reopening economies led to a big surge in demand for energy products. Apart from its consistent organic growth, the company is also trying to expand its presence in the renewable energy segment, which could accelerate its business growth further in the long term. Given all these positive factors, I find Enbridge to be one of the most attractive Canadian income stocks to buy now with ultra-safe dividends.

Keyera stock

Keyera (TSX:KEY) is another great Canadian stock to consider for long-term dividend investors. It currently offers an attractive dividend yield of 6.6%, as it trades at $28.95 per share with about 1.5%

year-to-date gains. The company's strong balance sheet and overall financial strength make it one of the top ultra-safe dividend stocks to buy now.

Last week, Keyera announced its Q4 results. During the quarter, its total revenue rose by 145% from a year ago to $1.74 billion. This revenue figure also crushed analysts' consensus estimate of $1.19 billion per year by a huge margin. A continued industry-wide recovery along with strong performance from all its three business segments helped the company post strong earnings growth in the December quarter. Its adjusted earnings for the quarter rose by a massive 221% from a year ago to $0.41 per share.

Keyera's well-proven business model allows it to generate big positive cash flows and reward its investors with handsome dividends. Although its cash flow from operating activities fell in 2021 due to higher cash requirements to fund inventory, it might not affect its long-term growth outlook.

In the last five years, Keyera's annual dividend increased by nearly 25% to $1.92 per share in 2021 from $1.54 in 2016. Its dividend growth is likely to continue in the coming years, as the company plan to maintain a dividend-payout ratio within its targeted range of 50-70% of discounted cash flow. These factors make this ultra-safe dividend stock worth buying for the long term.

CATEGORY

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2. TSX:ENB (Enbridge Inc.)
3. TSX:KEY (Keyera Corp.)

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