



Why Fortis Stock Remains a Solid Buy Right Now

Description

[Dividend](#) growth is a big deal for many long-term investors. Indeed, those looking for growing income in retirement often look to companies such as **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). In this regard, Fortis stock is often looked to as one of the best options for long-term investors.

Undoubtedly, I think this thesis is true. In fact, Fortis stock looks like a table pounder right now for those seeking a defensive tilt. This company's overall business model is one I think is worth considering in any market. Right now, with uncertainty peaking, it's a better time than most to reconsider this utility company.

Here's more on why I think Fortis represents excellent value right now.

Fortis stock supported by stable cash flows

Fortis is a Canadian electric and gas utility player, generating cash flow from its regulated assets. These regulated revenue streams are extremely stable, providing investors with a highly transparent growth trajectory over the long term. Accordingly, those seeking stability have it in droves with Fortis stock.

Additionally, for Canadian investors, there are additional reasons why this company is a great long-term pick. Fortis generates more than half of its income out of the United States. This company is geographically diversified. Additionally, Fortis has grown via well-timed strategic acquisitions over time. I think more is on the horizon in this regard.

One of the key areas of focus for Fortis of late has been the company's renewables portfolio. As Fortis and its peers shift toward cleaner energy generation, institutional investors have another reason to own this great company. It's not just stability that matters to many investors — there are other factors to consider as well. Accordingly, Fortis stock is one that checks many boxes for long-term investors.

Excellent fundamentals support long-term dividend growth

One of the key factors I continue to harp on with Fortis is this company's dividend-growth track record. For the past 48 years, Fortis hasn't missed an opportunity to raise its dividend. That's one heck of an impressive track record, particularly for a company with a [dividend yield](#) of 3.5% right now.

However, it's also important to consider the means by which Fortis is able to continuously hike its dividend over time. This utilities company has some rather impressive fundamentals that many of the company's peers don't.

This past quarter alone, Fortis brought in \$328 million in net earnings, showing growth of \$72 million year over year. The company's revenue was lower. However, this was mainly due to lower investment gains and milder weather in key U.S. markets.

For investors in Fortis stock, it's the company's bottom line that really matters. Accordingly, this company's performance remains top notch. As a long-term investment, few stocks carry the same low-risk, non-speculative, consistent forward-looking prospects as Fortis

Bottom line

Fortis's long-term outlook remains one of the best on the TSX, in my view. This company has ample room to grow its revenue and earnings over time. Accordingly, investors looking for stability right now may want to consider Fortis stock in this environment.

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