3 TSX Dividend Stocks That Could Bring Cash, Even Amid Volatility

Description

The equity market remains volatile amid the fear of a slowdown in the economy due to the record-high inflation and rising interest rates. Meanwhile, the supply and labour shortages continue to impact the financials of the Canadian corporations and, in turn, their stock prices.

Regardless of the volatility, few Canadian companies have consistently put money into their shareholders' pockets through regular dividend payments and hikes. Let's look at three such stocks that continue to boost their shareholders' value through increased dividend payments irrespective of the wild market swings and economic situation.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) is a reliable bet to generate a regular inflow of cash amid all market conditions. This energy infrastructure giant owns a low-risk portfolio of regulated and contracted assets that account for most of its earnings and easily cover its payouts. Further, it makes it relatively immune to the economic cycles.

It's worth mentioning that TC Energy's 95% of adjusted EBITDA is generated through the regulated and long-term contracted assets. It implies that its payouts are very safe. Further, the company increased its dividend at a CAGR of 7% over the past 22 years. What's more, TC Energy offers an attractive yield of 5%.

TC Energy's high asset utilization rate, strong investment pipeline, $24 billion of secured projects, and energy transition opportunities could continue to drive its cash flows and shareholders' return. Thanks to the ongoing momentum in its business, TC Energy expects to grow its EBITDA at a CAGR of 5% in the medium term. Meanwhile, it expects to increase its dividend by 3-5% per annum in the coming years.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a solid investment amid volatility. Its conservative business profile, rate-regulated assets, and steady cash flows make it immune to volatility and drive its dividend payouts. This utility company has been paying a dividend for a long time and has increased it for 48 years in a row. Fortis's strong track record of dividend payments shows the strength of its business model and ability to return cash to its shareholders.

It has 10 regulated utility businesses that account for 99% of its earnings. Meanwhile, its growing rate base and focus on renewables and investments in infrastructure augur well for growth.

Fortis expects its rate base to increase at a CAGR of 6% through 2026. This will expand its high-quality earnings base and support higher dividend payments in the future. Thanks to its solid business and growing rate base, Fortis plans to increase its dividend by 6% annually through 2025. Meanwhile, Fortis stock has a dividend yield of 3.4%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is among those stocks that investors can easily count on to generate a growing cash inflow. It has been paying dividend for nearly seven decades. Meanwhile, it increased its dividend at a CAGR of 10% over the past 27 years.

Its over 40 diverse cash flow streams, long-term contractual arrangements, inflation-protected adjusted EBITDA, and high utilization rates augur well for growth.

Moreover, the uptick in the mainline throughput, strong secured capital program, revenue inflators, strategic acquisition, and productivity savings will likely drive its distributable cash flows and future dividend.

Enbridge offers a high yield of 6.1%, which is safe. Meanwhile, its payout ratio of 60-70% of distributable cash flows is sustainable in the long term.

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