Give Your Passive Income a Boost With These TSX Stocks

Description

Investors can earn a steady passive income by investing in top dividend-paying companies. Moreover, some companies consistently grow their dividends, implying investors can earn a passive income that grows with them. While several TSX stocks pay and increase their dividends regularly, I'll focus on those that have clear visibility over their future payouts. Here's the list.

AltaGas

The balanced portfolio of low-risk regulated assets and high-growth midstream operations positions **AltaGas** (TSX:ALA) well to pay and raise its dividend. It announced a 6% increase in its dividend for 2022. Moreover, AltaGas targets to grow its future dividend at a CAGR of 5-7% through 2026. Moreover, AltaGas stock offers a reliable yield of 4.2%.

Rate base growth and higher export volumes will drive AltaGas's cash flows and future dividend payments. AltaGas projects its rate base to increase at a CAGR of 8-10% over the next five years. Moreover, it expects the export volumes to grow at an annualized rate of 10% during the same period. AltaGas could achieve its target growth and deliver strong shareholder returns.

Fortis

Fortis's (TSX:FTS)(NYSE:FTS) low volatility makes it one of the safest stock to buy. Thanks to its low-risk business and highly resilient cash flows, Fortis has been consistently increasing its dividend for 48 years. This utility company is on track to enhance its shareholders' return further and projects a 6% annual increase in its dividend through 2025.

Its rate-regulated business adds visibility over its future cash flows. Moreover, through its $20 billion capital program, Fortis expects to expand its rate base by $10.5 billion in the next five years. This will support its earnings and dividend payouts in the coming years. Moreover, investors can earn a well-protected dividend yield of 3.7%.

TC Energy

TC Energy's (TSX:TRP)(NYSE:TRP) rate-regulated and long-term contracted assets account for most of its earnings. This implies that TC Energy's cash flows remain resilient amid all market conditions. It's worth mentioning that TC Energy earns about 95% of its adjusted EBITDA from these resilient assets and has increased its dividend for 22 years.

The company's solid secured projects will likely drive its future earnings and position it well to increase its dividend further. Notably, TC Energy expects to grow its dividend by 3-5% per annum in the coming years. Moreover, it offers a solid yield of 5.5%.

Enbridge

For 27 years, **Enbridge** (TSX:ENB)(NYSE:ENB) has grown its dividend at a CAGR of 10%. Meanwhile, its highly diversified cash streams, strong secured capital program, recovery in mainline volumes, and strong energy demand suggest that Enbridge could continue to grow its dividend in the coming years.

Enbridge's payout ratio of 60-70% of its distributable cash flows is sustainable in the long term. Moreover, it expects its distributable cash flows to increase by 5-7% in the coming years. This indicates that Enbridge's future dividend could follow similar growth. The continued momentum in its core business, inflation-protected revenues, and productivity savings will boost its earnings. Further, it offers a stellar dividend yield of 6.5%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:ALA (AltaGas Ltd.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)
7. TSX:TRP (TC Energy Corporation)

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