



## Need Cash? 4 Top TSX Dividend Stocks That Will Not Disappoint You

### Description

With the uncertain economic trajectory and increase in macro headwinds, investors should assign a higher value to dividend stocks. However, it's important to exercise caution as not all dividend-paying stocks are reliable. For investors seeking regular income who wish to add stability to their portfolios, here are the four best dividend stocks that will not disappoint, despite market conditions.

### Fortis

Let's begin with **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), a [safer bet](#) amid economic turbulence. It operates a conservative utility business supported by rate-regulated assets, and is a leader in the regulated gas and electric utility industry in North America. Since 1987, its assets have grown from \$390 million to \$60 billion today. Plus, Fortis has paid and raised dividends for 48 consecutive years. Further, it targets an annualized dividend growth rate of 6% through 2025.

Fortis is well-positioned to enhance its shareholder value on the back of its growing rate base. It's worth mentioning that Fortis, through its \$20 billion capital plan, expects to grow its rate base to \$41.6 billion by 2026. This will significantly boost its earnings and payouts. Fortis offers a dividend yield (annual dividend expressed as a percentage of current share price) of 3.5%, which is well-protected by its predictable and growing cash flows.

### Telus

Communications service provider **Telus** ([TSX:T](#))([NYSE:TU](#)) is a cheap and reliable stock for income investors in all market conditions. Its services are deemed essential, and the company has consistently delivered profitable growth, which supports its dividend payouts. Last year, Telus reported a 5.9% increase in customer connections from 2020, along with a 9.8% increase in operating revenues, and a 35% spike in net income.

Through its multi-year dividend growth program, Telus stock has returned nearly \$16 billion in dividends to its shareholders since 2004. Telus offers a healthy dividend yield of 4.7% and targets 7-

10% annual dividend growth through 2025.

Its diversified revenues, growing customer base, expansion of the 5G network, operating efficiency, and strong free cash flow generating capabilities provide a solid platform for dividend growth in the coming years.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is famous for enhancing shareholder value through higher dividend payments. Not to mention the fact that the company has paid dividends for 67 straight years. Furthermore, its dividend has a compound annual growth rate (CAGR) of 10% since 1995.

Enbridge's solid dividend payment history highlights the strength of its cash flows and ability to boost shareholder value even amid a difficult operating environment. Its diversified cash flow streams (of which there are over 40), strong energy demand, robust asset utilization rate, and inflation-protected earnings before interest, taxes, depreciation, and amortization, (EBITDA — 80% of which has inflation protection), will likely drive its distributable cash flows and support higher dividend payments.

Also, benefits arising from new assets placed into use, a strong capital program, and growing renewable power capacity bode well for growth. It offers a high yield of 6%, and a sustainable payout ratio of 60-70%, making it an attractive income stock.

## Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) has paid dividends for 193 consecutive years, the longest payout record among all publicly listed Canadian corporations. Further, its dividend has a CAGR of 4.3% in the last 15 years.

Bank of Montreal's diversified revenue base, ability to grow loan volumes, high-interest rate environment, lower provisions, and improving efficiency ratio suggest that BMO could continue to enhance shareholder returns through higher dividend payments. Also, its strong balance sheet and solid credit quality are added bonuses. By investing in Bank of Montreal stock, you can earn a reliable dividend yield of 4.4%.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BMO (Bank of Montreal)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:TU (TELUS)
5. TSX:BMO (Bank Of Montreal)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)

8. TSX:T (TELUS)

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