2 Dividend Aristocrats to Buy Right Now

Description

Dividend investing is one of the most popular strategies Canadian investors can use to grow their wealth and achieve their financial goals. Several publicly traded companies listed on the **TSX** distribute a portion of profits to investors through shareholder dividends. Buying and holding shares of such companies can provide you with a substantial passive income by simply remaining invested.

Many TSX stocks pay their investors shareholder dividends. However, not all of them are ideal for you to buy and hold long term.

Truly unlocking long-term wealth growth potential through dividend stocks requires identifying and investing in the stock of fundamentally strong companies that enjoy solid profit growth. Investing in companies that are capable of delivering dividend hikes can help you generate growing passive income through dividends alone.

Canadian Dividend Aristocrats are dividend-paying companies with a track record of increasing shareholder dividends for at least five consecutive years. Boasting solid businesses, they have the potential to provide you with growing payouts for a long time.

Today, I will discuss two Canadian Dividend Aristocrats you can consider adding to your self-directed portfolio.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a $112.60 billion market capitalization Canadian energy company headquartered in Calgary. Enbridge owns and operates an extensive pipeline network responsible for transporting a significant portion of all hydrocarbon products consumed in North America.

It is a strong business playing a vital role in the region's economy. It is also building a portfolio of renewable energy assets to boost its long-term growth prospects.

As of this writing, Enbridge stock trades for $55.61 per share and boasts a juicy 6.19% dividend yield.

The Canadian Dividend Aristocrat's share prices have decreased because of falling oil prices impacting the entire energy industry. Its depressed valuation has inflated its dividend yield to attractive levels.

Despite the decline, its financial position looks healthy. Enbridge stock boasts liquidity of $6.9 billion, solid growth prospects, and the robust cash flows necessary to continue increasing its shareholder dividends. It could be an excellent investment at current levels.

BCE

BCE (TSX:BCE)(NYSE:BCE) is a $58.42 billion market capitalization giant in the Canadian telecom industry. Telecom services are essential in an increasingly interconnected world, and BCE enjoys the leading position in Canada's largely consolidated telecom industry. Recurring revenues offer telecom companies stable cash flows that typically make them reliable long-term investments to consider.

As of this writing, BCE stock trades for $64.02 per share and boasts a juicy 5.75% dividend yield. Supported by its robust cash flows, the company has raised its shareholder dividends at a compound annual growth rate (CAGR) of 5% each year for the last 14 years.

The company's second-quarter earnings report for fiscal 2022 showed that its revenue aligned with analyst expectations at $5.86 billion. Its earnings per share came in at $0.87 per share, beating analyst expectations by $0.03. Its growing 5G network and other business verticals position it well for further growth in the coming quarters. It could be an excellent long-term addition to your self-directed portfolio.

Foolish takeaway

You can use the shareholder dividends you earn from your investments as extra cash to line your account balance to supplement your active income.

Let's suppose you do not need a passive income.

In that case, you can consider reinvesting the payouts through dividend-reinvestment programs to purchase more shares and accelerate your wealth growth through the power of compounding to become a much wealthier investor in the long run.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/08/23
Date Created
2022/08/09
Author
adamothman