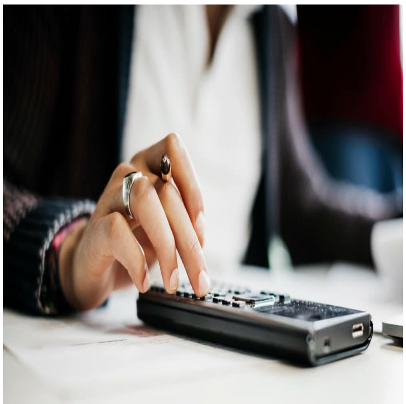

TFSA Investors: 2 TSX Stocks With Unbelievable Staying Power

Description

If you are looking for stocks to add to your TFSA (Tax-Free Savings Account) portfolio, consider adding the ones with staying power. In simple terms, this implies buying and holding shares of the companies that have well-established businesses that generate solid cash flows with the ability to withstand economic downturns. Against this background, let's look at two stocks with unbelievable staying power.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD) is a must-have stock for your TFSA portfolio. It is one of the safest stocks that offer stability, income, and growth. It operates a recession-resilient business with a robust coast-to-coast presence in Canada and a solid foothold in the U.S. (operates in 47 out of 50 states). Its significant scale, solid sales growth, and ability to acquire and integrate fast-growing businesses support my bullish outlook.

For instance, Couche-Tard's revenue has grown at a CAGR (compound annual growth rate) of 11% since 2012. Further, Couche-Tard's gross profit grew at a CAGR of 14% during the same period. Thanks to its solid sales and operating leverage, Couche-Tard's operating income and adjusted diluted EPS (earnings per share) have increased at a CAGR of 20% since 2012.

Its profitable growth and increased cash flows have led Couche-Tard to reward its shareholders with increased dividend and share repurchases. Notably, its dividend grew at a CAGR of 24.7% in the past decade.

Looking ahead, its strong organic sales and solid earnings base will support growth and dividend payments. Moreover, its focus on growing market share in the U.S. and expansion into new markets bode well for growth. Also, strategic acquisitions will further accelerate its growth (It's worth mentioning that Couche-Tard has completed 68 acquisitions since 2004 that have added 10,700 stores to its network). Furthermore, its solid balance sheet, investment capacity, and low-cost debt will drive its sales and earnings.

Fortis

Like Couche-Tard, **Fortis** (TSX:FTS)(NYSE:FTS) is another reliable stock to add to your TFSA portfolio. It operates a low-risk business with rate-regulated assets. Its conservative business remains immune to economic cycles and generates robust cash to drive its growth and dividend payments.

For instance, Fortis has increased its dividend for 48 years, implying investors can rely on it for a worry-free dividend income irrespective of market conditions. Further, Fortis is confident in enhancing its shareholders' returns by growing its dividend by 6% per annum through 2025.

Its dividend outlook is supported by its predictable cash flows and rate base expansion. Fortis, through its $20 billion capital program, plans to increase its rate base at a CAGR of 6% through 2026. Further, its focus on pursuing energy infrastructure investments and expansion of renewable power generation capabilities bode well for growth. Investors can earn a well-protected dividend yield of 3.7% by investing in Fortis stock.

Bottom line

These two Canadian companies have businesses that remain resilient to economic downturns. Further, they have multiple growth catalysts that support my bullish outlook, implying investors can rely on them amid all market conditions.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:FTS (Fortis Inc.)

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1. Dividend Stocks
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