



3 Dividend Stocks You Can Hold for Decades

Description

Regardless of where the stock market moves, a few good **TSX** corporations won't let you down and will continue to pay regular dividends. Besides dividend income, investors can also benefit from these companies' share price appreciation.

Against this backdrop, I have shortlisted three [Canadian dividend stocks](#) that have paid and raised dividends for at least 25 years. Moreover, these companies boast solid fundamentals and generate stable cash flows.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) stock should be on your radar to generate worry-free dividend income for decades. Its diversified revenue sources, solid counterparties, and utility-like predictable cash flows drive its financials and dividend payments. Enbridge offers superior dividend growth and has raised its dividends for 27 years.

Enbridge's EBITDA (income before interest, taxes, depreciation, and amortization) has grown at a CAGR (compound annual growth rate) of 14% since 2008. During the same period, its dividend grew at a CAGR of 13%.

Enbridge owns over 40 diversified cash sources. Meanwhile, 95% of its customers are of investment grade. Investors should note that its revenues have built-in escalators that help reduce volume and price risk. Also, 80% of EBITDA has inflation protection.

Overall, strength in Enbridge's base business, strong energy demand, and its solid conventional and renewable assets position it well to enhance shareholder returns.

Moreover, its solid secured capital projects and assets placed into service bode well for future growth. While Enbridge's dividend is safe, it offers a lucrative yield of over 6%.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a [safe stock](#) to bet on for regular dividend income. It has paid and raised dividends for about five decades (48 years, to be precise). Meanwhile, its payouts are supported by 10 regulated utility businesses that account for 99% of its earnings. Its stellar dividend growth history and conservative business are reasons why I'm bullish about it.

Fortis' \$20 billion five-year capital plan is expected to expand its rate base at a CAGR of 6% to \$41.6 billion. This will drive its future dividend payments which Fortis expects to grow at a CAGR of 6% through 2025. Meanwhile, it currently offers a well-protected dividend yield of 3.8%.

Its growing rate base, energy transition opportunities, and expansion of the electric transmission grid in the U.S. will continue to support earnings and dividend growth.

Canadian National Railway

Investors seeking safe dividend income for decades could also consider shares of **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). This transportation leader is among the largest companies in Canada, and the company has been actively expanding its geographic footprint while focusing on improving operational efficiencies. This has driven its earnings and allowed it to deliver solid shareholders returns.

In Q2 of 2022, CNR reported revenue of \$4.34 billion, an increase of 21% year-over-year. Its adjusted earnings per share surged 30% to \$1.93 in the June quarter. Despite a challenging macro environment, the company delivered solid results. CNR confirmed that these results were driven by improvements in several metrics, such as origin train performance, car velocity, and record fuel efficiency.

In 2022, Canadian National Railway expects adjusted earnings to grow between 15% and 20%. It is targeting an operating ratio of 60% for the year and a return on invested capital of 15%. Further, the transportation giant estimates free cash flow between \$3.7 billion and \$4 billion in 2022.

CNR has increased its dividend for 26 years in a row, and during this time, the dividend has grown at a CAGR of 16%. Its high volumes, ability to increase freight rate, strong customer partnerships, and investment in growth initiatives will help to further drive its earnings and lead to higher dividend payouts.

CATEGORY

1. Dividend Stocks
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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)

4. TSX:CNR (Canadian National Railway Company)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)

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Date

2025/08/18

Date Created

2022/09/23

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