



## Fortis Stock – A Value Stock Worth Owning

### Description

2022 was a year of intense [volatility](#). Not only did the market contend with the end of COVID-induced closures and global supply issues, but steeply rising interest rates gave us the highest inflation levels in several decades. That led to the market losing steam and rendering otherwise stellar investments value stocks worth owning at cheaper prices.

One such value stock to consider for your portfolio is **Fortis** ([TSX:FTS](#)).

### All about Fortis

Fortis is one of the largest utilities on the continent. The company boasts 10 operating regions that blanket parts of Canada, the U.S., and the Caribbean. Additionally, the defensive appeal of Fortis' reliable business model makes it a must-have during these volatile times.

But what makes Fortis a value stock worth owning?

Like most of the market, Fortis saw its stock price dip in 2022. As of the time of writing, Fortis is still down over 7% over the trailing 12-month period.

Despite that dip, there are several compelling reasons why Fortis, even at its current discount should be part of your well-diversified portfolio.

### Reliable business, reliable revenue

First, let's talk about Fortis' business model. Fortis operates one of the most stable business models on the market. In short, the company generates a stable revenue stream that is backed by long-term regulatory contracts. That recurring revenue stream allows the company to invest in growth and pay a very generous [dividend](#).

That growth potential is the second noteworthy point. Fortis has taken an aggressive stance towards

growth, which has allowed the company to rapidly become one of the largest utilities in North America.

In recent years that growth has shifted internally. Specifically, Fortis has focused on upgrading existing infrastructure and transitioning over to renewables. This puts Fortis in an advantageous position over many of its traditional fossil-fuel peers.

More importantly, prospective investors should note the defensive appeal of investing in a utility like Fortis during volatile periods.

## Fortis provides a juicy income too

Finally, let's talk dividends. Fortis offers an appetizing quarterly dividend that works out to a yield of 4.16%, making it one of the better-paying yields on the market.

To put some context into that income potential, let's consider an investment of \$40,000. Investors can expect to earn an income of over \$1,660 in just the first year, which leads to another unique point.

Fortis has provided investors with an annual bump to that income for a whopping 49 consecutive years. Additionally, Fortis has plans to continue that cadence with annual bumps over the next several years averaging 6%.

This also means that following the next uptick expected later this year, Fortis will become only the second stock on the market to achieve Dividend King status with 50 consecutive years of increases. That factor alone makes Fortis a solid pick for any long-term portfolio.

## Fortis: A value stock worth owning

No investment is without risk. Fortunately, in the case of Fortis, that risk is minimal owing to the defensive nature of Fortis' business. If anything, the defensive appeal of Fortis makes it a great buy-and-forget candidate as part of any well-diversified portfolio.

Throw in the current discount on the stock and you have a stellar value stock worth owning.

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