3 TSX Stocks With 25 Years of Consecutive Dividend Growth

Description

One of the clearest signals of value creation is steady dividend growth. If a company can not only maintain but also expand its shareholder payouts every year, it's verifiably swimming in cash. That's why investors can safely bet on Dividend Aristocrats — stocks that deliver several years of consecutive dividend growth.

Here are the top three TSX stocks with dividend-growth records that stretch *beyond 25 years.*

Enbridge

Energy exports are a critical part of Canada's economy. But most investors are too focused on energy *production,* while I believe energy *transportation* is a much safer way to make money. Transporting energy is an infrastructure business, which means it requires hefty upfront investments but delivers steady long-term returns once completed.

That's the business model **Enbridge** (TSX:ENB) has deployed successfully for decades. The Calgary-based company owns and operates the largest network of oil and gas pipelines across North America.

It's a business that's on track to generate $15.9 billion to $16.5 billion in EBITDA (earnings before interest, taxes, depreciation, and amortization) in 2023. Management also expects to generate $5.25 to $5.65 in distributable cash flow per share. That's roughly 10% of the current stock price.

Enbridge offers a dividend yield of 6.55%. That's being raised by 3% this year, marking the 28th consecutive year of dividend growth for the energy giant. This Dividend Aristocrat certainly deserves a spot on your income-oriented watch list.

Canadian National Railway

The railway business is another infrastructure play. Staggering investments made decades ago are still paying dividends today. That's why **Canadian National Railway** (TSX:CNR) has such an impeccable dividend track record. The company is on track for its 27th consecutive dividend hike this year.

CN Rail operates a vast 35,000 km network of railway tracks across the U.S. Midwest and Canada. The network also links up with three coasts: the Atlantic, the Pacific and the Gulf of Mexico.

The company beat earnings expectations last year. It delivered $1.93 in earnings per share instead of the $1.75 analysts were expecting. This year could be tougher as the world faces a recession. However, CN Rail's network is an essential part of the supply chain for automobiles, fertilizers, crude oil, and industrial chemicals. That puts it in a favourable spot despite the economic headwinds.

CN Rail offers a 2% dividend yield and is expected to hike its dividend again this year. Keep an eye on it.

Canadian Western Bank

Besides railways and crude, Canada's economy is also famous for supplying capital. Our banks are some of the biggest and most well managed in the world. The Big Five get all the attention, but smaller banks like **Canadian Western Bank** (TSX:CWB) have also delivered respectable returns over the years.

This mid-sized bank is focused on niche opportunities in the Canadian banking sector. Instead of focusing on Ontario and mortgage lending, much of this bank's loan book is dominated by commercial borrowers in Western Canada. That's a more volatile part of the economy but offers better yields than vanilla mortgages and credit cards.

Meticulous risk management has allowed the bank to hike dividends every year for over 30 years. The stock now offers a dividend yield of 4.6% and trades at just 8.25 times earnings per share. It's an undervalued Dividend Aristocrat that deserves a prime spot on your watch list.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:CWB (Canadian Western Bank)
4. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media

7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. vraisinghani

Category

1. Dividend Stocks
2. Investing

Date
2025/09/28
Date Created
2023/02/01
Author
vraisinghani