



Focus on Profitability With These 2 Canadian Gems

Description

In such a volatile market, it is not wise to depend on one or two sources of income. Having passive-income sources is absolutely necessary if you want to build wealth and beat inflation. And what can be a better source of income than dividend-paying stocks?

Last year's high-volatility market has turned many investors toward dividend stocks. These investments not only help in times of uncertainty, but reinvesting [dividends](#) can also make one's portfolio stronger and help mitigate risks. Here are two of the most profitable stocks that you can add to your portfolio right now.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#)) recently exceeded analysts' estimates as per the third-quarter report. The company received a big boost from its retail franchises in its fourth quarter.

As per the company's third-quarter report, Scotiabank's revenue increased by 11% to \$3.13 billion. The lender's international unit saw revenue growth of 8.1% to \$2.5 billion, with its net income surged 12% to \$679 million. Scotiabank's overall earnings per share of \$2.06 topped the analysts' expectations of \$2.01 per share.

Notably, Bank of Nova Scotia has not missed a single dividend payment since 1833 when it declared its dividend framework. Indeed, this is one of the best long-term dividend payers in the market. Over the past two decades, the company has increased its dividend at a CAGR of 9.2%. Enough said.

Restaurant Brands

Restaurant Brands International ([TSX:QSR](#)) released its third-quarter report in November 2022. José Cil, the company's chief executive officer, proudly commented that the strength of the company's global, consolidated business model is reflected in the report, with Restaurant Brands posting an impressive 4% net restaurant growth and 9% consolidated comparable sales growth.

The firm declared a dividend of \$0.54 per share for the fourth quarter, maintaining an industry-leading dividend-paying record. QSR shares have grown 23% yearly as of Jan. 13. In the third quarter, the company delivered a system-wide sales growth of 14%, inclusive of 13% at Tim Hortons, 12% at Popeyes, and 14% at Burger King.

Restaurant Brands has recently announced that it will declare its full year 2022 and fourth-quarter results on Feb. 14. At the time of writing, QSR stock provides a dividend yield of over 3.2% and a quarterly dividend payment of \$0.54 per share. It is trading at the \$65 level, which can grow as the company embarks on its expansion plans globally.

Bottom line

These two stocks are dividend-paying behemoths in the market, supported by profitable business models that spew out cash. Long-term investors would do well to at least add these stocks to the watch list, and set some price alerts for any buying opportunities moving forward.

CATEGORY

1. Investing

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1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:QSR (Restaurant Brands International Inc.)

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chrismacdonald

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