



5 Stocks With Growing Dividends for Income Appreciation

Description

Achieve income growth and portfolio diversification (entertainment, communications, food processing, oil and gas, and trucking) with these five stocks:

1. Cineplex Inc.

Cineplex Inc. ([TSX: CGX](#)) operates 163 theatres with 1,643 screens across Canada. It had total revenues of \$1.2 billion in 2013, and acquired 24 Atlantic theatres and digital signage company Cineplex Digital Networks last year. Cineplex has an ongoing upgrade program. It is creating new box-office and concession areas, renovating lobbies, continuing the implementation of digital menu boards, and replacing theatre seating in many locations.

In May, Cineplex announced a 4.2% dividend increase to \$1.50 per share (annually) from \$1.44 per share. Its current dividend yield is 3.70%. Cineplex has increased its dividend every year since it converted to a corporation in 2011. Its three-year average dividend growth rate is 21.75%

2. Rogers Communications Inc.

Rogers Communications Inc. ([TSX: RCI.B](#))([NYSE: RCI](#)) is Canada's largest wireless carrier and a leading cable television provider. It has driven growth via acquisitions. It acquired Mountain Cable, data centre and hosting assets, *theScore* (which provides real-time news, scores and statistics from major league sports), and valuable, high-profile sports content.

Rogers Communications raised its annualized dividend 5% to \$1.83 this year. Its current dividend yield is 4.10% and its five-year average dividend growth rate is 10.08 %. More importantly for investors, Rogers is a cash flow generator. This helps its growth initiatives and allows Rogers to reward investors. In 2013, Rogers produced \$2.0 billion of pre-tax free cash flow.

3. Saputo Inc.

Saputo Inc. ([TSX: SAP](#)) produces cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients. Saputo is the largest dairy processor in Canada and among

the top three cheese producers in the U.S. It sells its products in over 40 countries. Saputo has 25 plants in Canada, 26 in the U.S., and four internationally.

Last month, Saputo boosted its quarterly dividend from \$0.23 per share to \$0.26, representing a 13% increase. Its current dividend yield is 1.60%, and its dividend rate is \$1.04. Saputo's five-year average dividend growth rate is 11.01%. It returns roughly 30% from its net earnings or adjusted net earnings to shareholders as dividends.

4. Suncor Energy Inc.

Suncor Energy Inc. ([TSX: SU](#))([NYSE: SU](#)) is focusing on developing Canada's Athabasca oil sands. Its core business is its oil sands operations, where it holds one of the largest positions. Suncor's operations include oil sands development and upgrading, conventional and offshore oil and gas production, and petroleum refining. It also engages in product marketing under the Petro-Canada brand. In 2013, it had \$2.1 billion in operating earnings and \$4.6 billion cash flow from operations.

Recently, Suncor Energy approved a dividend of \$0.28 per common share. This represents a 22% increase over the company's Q1 2014 dividend. Its current dividend yield is 2.60%, and its dividend rate is \$1.12. Suncor's five-year average dividend growth rate is 79.84%.

5. TransForce Inc.

TransForce Inc. (TSX: TFI) is a leader in the transportation and logistics industry in North America (70% of revenue from Canada; 30% from the U.S.). The company services the package and courier, less-than-truckload, truckload, and specialized services segments.

TransForce is growing through acquisitions. This past July, it signed an agreement to acquire **Contrans Group Inc.** Contrans provides freight transportation services and is one of the largest freight transportation companies in Canada.

TransForce's current dividend yield is 2.10%. Its dividend rate is \$0.58 and its five-year average dividend growth rate is 5.04%. In 2013, TransForce increased its quarterly dividend payment for the third consecutive year.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:CGX (Cineplex Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)
5. TSX:SAP (Saputo Inc.)
6. TSX:SU (Suncor Energy Inc.)
7. TSX:TFII (TFI International)

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