



3 Industrial Stocks With 12+ Consecutive Years of Dividend Hikes

Description

As Foolish investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and the top performers are those that increase their rates every year. With these facts in mind, let's take a look at three industrial stocks that have raised their annual dividend payments for 12 consecutive years or more, so you can determine which would be the best fit for your portfolio.

1. Toromont Industries Inc.

Toromont Industries Inc. ([TSX:TIH](#)) is one of the largest dealers of Caterpillar equipment and one of the leading designers of industrial and recreational refrigeration systems in Canada and the United States. It currently pays a dividend of \$0.17 per share quarterly, or \$0.68 per share annually, which gives its stock a yield of about 2.3% at today's levels.

Investors must also make two important notes.

First, Toromont Industries has raised its annual dividend payment for 26 consecutive years, and its 13.3% increase in February 2015 has it on pace for 2016 to mark the 27th consecutive year with an increase.

Second, the company has a target dividend-payout range of 30-40% of its trailing earnings from continuing operations, so I think its very strong growth, including 15.8% year-over-year growth to \$101.3 million in the first nine months of fiscal 2015, could allow it to announce another increase when it reports fourth-quarter earnings on February 9.

2. Finning International Inc.

Finning International Inc. ([TSX:FTT](#)) is the world's largest dealer of Caterpillar equipment with operations in Canada, South America, the U.K., and Ireland. It currently pays a dividend of \$0.1825 per share quarterly, or \$0.73 per share annually, which gives its stock a yield of about 4.1% at today's levels.

It is also important for investors to note that Finning International has raised its annual dividend

payment for 14 consecutive years, and its 2.8% increase in May 2015 has it on pace for 2016 to mark the 15th consecutive year with an increase.

3. Ritchie Bros. Auctioneers

Ritchie Bros. Auctioneers ([TSX:RBA](#))([NYSE:RBA](#)) is the largest industrial auctioneer in the world. It currently pays a dividend of US\$0.16 per share quarterly, or US\$0.64 per share annually, which gives its stock a yield of about 2.8% at today's levels.

It is also very important for investors to make two notes.

First, Ritchie Bros. has raised its annual dividend payment for 12 consecutive years, and its 14.3% increase in August 2015 has it on pace for 2016 to mark the 13th consecutive year with an increase.

Second, the company has a target dividend-payout range of 55-60% of its adjusted net earnings, so I think its very strong growth, including 34.2% year-over-year growth to a record US\$90.4 million in the first nine months of fiscal 2015, could allow it to announce another increase when it reports fourth-quarter earnings on February 25.

Which of these dividend aristocrats belong in your portfolio?

Toromont Industries, Finning International, and Ritchie Bros. Auctioneers are the top dividend-growth stocks in the industrial industry. All Foolish investors should take a closer look at each and strongly consider initiating positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RBA (Ritchie Bros. Auctioneers)
2. TSX:FTT (Finning International Inc.)
3. TSX:RBA (Ritchie Bros. Auctioneers)
4. TSX:TIH (Toromont Industries Ltd.)

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