



## 3 Top Dividend-Growth Stocks to Buy Now

### Description

As dividend investors, we know that dividend-paying stocks outperform non-dividend-paying stocks over the long term. However, what many of us forget is that the top performers are those that raise their payouts every year. With this in mind, let's take a look at three of the top dividend-growth stocks from different industries, so you can determine which would be the best fit for your portfolio.

#### 1. Canadian Utilities Limited

**Canadian Utilities Limited** ([TSX:CU](#)) is a diversified global corporation with operations in structures and logistics, pipelines and liquids, and electricity generation, distribution, transmission, and infrastructure development. It pays a quarterly dividend of \$0.325 per share, or \$1.30 per share annually, which gives its stock a yield of about 3.6% at today's levels.

It is also important for investors to note that Canadian Utilities has raised its annual dividend payment for 43 consecutive years, tying it with **Fortis Inc.** for the longest active streak for a public corporation in Canada, and its 10.2% hike in January has it on pace for 2016 to mark the 44th consecutive year with an increase.

#### 2. CCL Industries Inc.

**CCL Industries Inc.** ([TSX:CCL.B](#)) is the world's largest label company and one of the leading providers of specialty packaging products. It pays a quarterly dividend of \$0.50 per share, or \$2.00 per share annually, which gives its stock a yield of about 0.9% at today's levels.

A 0.9% yield may not seem like much at first glance, but it is very important for investors to make two notes.

First, CCL Industries has raised its annual dividend payment for 14 consecutive years, and its 33.3% hike in February has it on pace for 2016 to mark the 15th consecutive year with an increase.

Second, the company has a target dividend payout of 25% of its adjusted net earnings, so I think its very strong growth, including its 31.9% year-over-year growth to an adjusted \$8.61 per share in fiscal

2015, will allow its streak of annual increases to continue for the next several years.

### 3. Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada with approximately \$919.6 billion in total assets. It pays a quarterly dividend of \$0.72 per share, or \$2.88 per share annually, which gives its stock a yield of about 4.5% at today's levels.

It is also important for investors to make two notes.

First, Bank of Nova Scotia has raised its annual dividend payment for five consecutive years, and its recent increases, including its 2.9% hike on March 1, has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its adjusted net earnings, so I think its consistent growth, including its 5.1% year-over-year growth to \$1.81 billion in the first quarter of fiscal 2016, will allow its streak of annual dividend increases to continue going forward.

#### Which of these dividend-growth stars belongs in your portfolio?

Canadian Utilities, CCL Industries, and Bank of Nova Scotia are three of the top dividend-growth stocks in their respective industries. All Foolish investors should strongly consider beginning to scale in to long-term positions in at least one of them today.

#### CATEGORY

1. Dividend Stocks
2. Investing

#### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CCL.B (CCL Industries)
4. TSX:CU (Canadian Utilities Limited)

#### Category

1. Dividend Stocks
2. Investing

#### Date

2025/07/05

#### Date Created

2016/03/21

#### Author

jsolitro

**default watermark**