



3 Dividend-Growth Stocks With Yields up to 9.4%

Description

As Foolish investors know, dividend-paying stocks generate higher returns than non-dividend-paying stocks over the long term, and the top returners are those that raise their payouts every year. With these facts in mind, let's take a look at three stocks with yields up to 9.4% and active streaks of annual dividend increases that you could add to your portfolio today.

1. Keyera Corp.

Keyera Corp. ([TSX:KEY](#)) is one of Canada's largest midstream energy companies. It pays a monthly dividend of \$0.125 per share, or \$1.50 per share annually, which gives its stock a yield of approximately 3.7% at today's levels.

Investors must also make two notes.

First, the company's two dividend hikes since the start of 2015, including its 7% hike in March 2015 and its 8.7% hike in August 2015, have it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, I think Keyera's strong growth of distributable cash flow, including its 19.8% year-over-year growth to \$2.84 per share in fiscal 2015, and its conservative payout ratio, including 49.9% in fiscal 2015 compared with 53.3% in fiscal 2014, will allow its streak of annual dividend increases to continue for the next several years.

2. Alaris Royalty Corp.

Alaris Royalty Corp. (TSX:AD) is one of the leading providers of alternative financing solutions to private businesses across North America. It pays a monthly dividend of \$0.135 per share, or \$1.62 per share annually, which gives its stock a yield of approximately 5.3% at today's levels.

Investors must also make two notes.

First, the company's two dividend hikes since the start of 2015, including its 4% hike in June 2015 and

its 3.8% hike in July 2015, have it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, Alaris has a target dividend-payout ratio of 100% of its net cash from operating activities, and its projected payout ratio currently stands at just 80% based on its outlook for fiscal 2016, so I think it will raise its dividend when it reports its first-quarter earnings results in May.

3. Aimia Inc.

Aimia Inc. ([TSX:AIM](#)) is one of the world's largest providers of marketing and loyalty analytics services. It pays a quarterly dividend of \$0.19 per share, or \$0.76 per share annually, which gives its stock a yield of approximately 9.4% at today's levels.

Investors must also make two notes.

First, the company's 5.6% dividend hike in May 2015 has it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, I think Aimia's ample free cash flow generation, including the \$1.12 per share in generated in fiscal 2015, and its modest payout ratio, including 67% in fiscal 2015, will allow its streak of annual dividend increases to continue until fiscal 2017 at least.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:AIM (Aimia Inc.)
3. TSX:KEY (Keyera Corp.)

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