



Become a Wealthy Investor by Buying These 3 Stocks Today

Description

As history has shown, owning a portfolio of dividend-paying stocks is the best way to build wealth over the long term, and this investment strategy is most successful when you own stocks that grow their payouts over time. With this in mind, let's take a look at three of the best dividend-growth stocks from different industries that you could buy right now.

1. Canadian Utilities Limited

Canadian Utilities Limited ([TSX:CU](#)) is a diversified global corporation with operations in the following industries:

- Electricity: power generation, distributed generation, and electricity distribution
- Pipelines and liquids: natural gas transmission, distribution, and infrastructure development
- Retail energy: electricity and natural gas retail sales

It pays a quarterly dividend of \$0.325 per share, or \$1.30 per share annually, which gives its stock a yield of about 3.5% at today's levels.

It is also important to make the following two notes.

First, 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.

Second, the company has raised its dividend at an average rate of about 10% for five consecutive years, and I think its strong financial performance, including its 51.5% year-over-year increase in net earnings to an adjusted \$197 million in the first quarter of 2016, and its growing asset base, including its 6.5% year-over-year increase to \$18.1 billion in the same period, will allow it to continue to do so for the next several years.

2. Exchange Income Corporation

Exchange Income Corporation ([TSX:EIF](#)) is a diversified, acquisition-oriented company focused on opportunities in the aviation, aerospace, and manufacturing sectors. Its subsidiaries include Calm Air International, Keewatin Air, Custom Helicopters, Ben Machine Products, and Stainless Fabrication.

It pays a monthly dividend of \$0.1675 per share, or \$2.01 per share annually, which gives its stock a yield of about 6.3% at today's levels.

It is also important to make the following two notes.

First, EIC has raised its annual dividend payment for five consecutive years, and its two hikes since the start of 2015, including its 10.3% hike in August 2015 and its 4.7% hike earlier this month, have it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, I think the company's very strong growth of cash flow less maintenance capital expenditures, including its 52.5% year-over-year increase to \$0.61 per share in the first quarter of 2016, and its reduced payout ratio, including 78.7% in the first quarter compared with 108.8% in the year-ago period, will allow its streak of annual dividend increases to continue for many years to come.

3. Stella-Jones Inc.

Stella-Jones Inc. ([TSX:SJ](#)) is one of the leading producers and marketers of pressure-treated wood products in North America. Its product offerings include railway ties, utility poles, construction timbers, highway guardrail posts, and lumber for residential use.

It pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, which gives its stock a yield of about 0.8% at today's levels.

A 0.8% yield may not seem like much at first, but it is important to make the following two notes.

First, Stella-Jones has raised its annual dividend payment for 11 consecutive years, and its 25% hike in March has it on pace for 2016 to mark the 12th consecutive year with an increase.

Second, I think the company's very strong financial performance, including its 23.6% year-over-year increase in sales to \$421 million, its 13.1% year-over-year increase in cash flows from operating activities to \$62.9 million, and its 16.3% year-over-year increase in net income to \$35 million in the first quarter of 2016, will allow its streak of annual dividend increases to continue going forward.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

2. TSX:EIF (Exchange Income Corporation)

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