

## 2 Great Dividend-Growth Stocks to Buy in July

### Description

Investing in dividend-growth stocks is one of the most powerful methods to build wealth over the long term. With this in mind, let's take a look at two that you could buy right now.

#### Pattern Energy Group Inc.

**Pattern Energy Group Inc.** (TSX:PEG)(NASDAQ:PEGI) is one of the world's largest independent producers of wind power. Its portfolio currently consists of 20 wind power facilities, including two projects it has agreed to acquire, with a total owned interest of 2,735 megawatts in the United States, Canada, and Chile.

Pattern Energy pays a quarterly dividend of US\$0.418 per share, equal to US\$1.672 per share annually, giving it a yield of about 7.1% today.

Investors must also make the following three notes about its dividend.

First, Pattern Energy has raised its annual dividend payment each year since its initial public offering in 2013, resulting in three consecutive years of increases.

Second, it has raised its quarterly dividend for 13 consecutive quarters, and its most recent hikes have it positioned for 2017 to mark the fourth consecutive year in which it has raised its annual dividend payment.

Third, the company has a dividend-payout target of 80% of its cash available for distribution (CAFD), so I think its consistently strong growth, including its 10.1% year-over-year increase to US\$45.15 million in the first quarter of 2017 and its projected 5-24% year-over-year increase to US\$140-165 million in the full year of 2017, will allow its streak of quarterly and annual dividend increases to continue going forward.

#### ATCO Ltd.

**ATCO Ltd.** ([TSX:ACO.X](#)) is a diversified global corporation. It's engaged in the structures and logistics, electricity, pipelines and liquids, and retail energy industries around the world, and its principal subsidiaries include **Canadian Utilities Limited**.

ATCO pays a quarterly dividend of \$0.3275 per share, equal to \$1.31 per share annually, which gives it a 2.6% yield today.

It's also important to make the following two notes.

First, ATCO has raised its annual dividend payment for 23 consecutive years, including a compound annual growth rate of about 15% since 2011, and its 14.9% hike in January has it on pace for 2017 to mark the 24th consecutive year with an increase.

Second, I think the company's strong financial performance, including its 20.3% year-over-year increase in funds generated by operations to \$1.91 billion in fiscal 2016 and its 8.5% year-over-year increase to \$525 million in the first quarter of fiscal 2017, and its strategic growth initiatives, including its \$5 billion in capital growth projects that will be completed from 2017 to 2019, will allow its streak of annual dividend increases to easily continue for the next decade.

### **Which of these dividend growers belongs in your portfolio?**

I think Pattern Energy and ATCO would make great additions to any Foolish portfolio, so take a closer look at each and strongly consider adding one of them to yours today.

#### **CATEGORY**

1. Dividend Stocks
2. Investing

#### **POST TAG**

1. Editor's Choice

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1. TSX:ACO.X (ATCO Ltd.)

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