

Maximize Your Capital Growth With These Dividend Stocks

Description

Investors with a long time horizon should be looking for assets that will ideally provide growth and income. Dividend stocks with growth potential allow investors to double gains with capital and income growth in their portfolios. Let's take a look at some stocks that fit the bill.

SNC-Lavalin Group Inc.

SNC-Lavalin Group Inc. (TSX:SNC) is a Montreal-based company which provides specialized technical services to various industries, including mining, oil and gas, clean power, and infrastructure. It is the largest engineering firm in Canada. The company released its second-quarter results on August 3. It posted net income of \$136.4 million, or \$0.91 per diluted share, compared to \$88.5 million, or \$0.59 per diluted share, in Q2 2016. Revenue was reported at \$1.9 billion compared to \$2 billion in the second quarter of 2016.

The board of directors announced a dividend of \$0.27 per share at a dividend yield of 2.04% at offering. The stock has fallen 7.5% in 2017 off of slightly weaker earnings. The share price hovered around its yearly lows in mid-August but has since rebounded and is in the midst of a sharp upswing.

Agrium Inc.

Agrium Inc. (TSX:AGU)(NYSE:AGU) is a Calgary-based retailer of agricultural products and services in Australia, South America, and North America, and it is also a producer and marketer of agricultural nutrients as well as a supplier of fertilizers. The company announced its second-quarter results on August 9. It reported net earnings of \$557 million — down from \$564 million in Q2 2016 on weaker nitrogen and phosphate prices. Agrium still saw strong retail earnings and potash results combined with improvement in costs across the board.

The company is moving forward in a merger with **Potash Corporation of Saskatchewan Inc.** and working on integration as 2017 winds down. The stock boasts a 3.71% dividend yield at \$1.11 per share. The share price has declined 10.8% in 2017, but solid earnings in the second quarter demonstrate the stock may be undervalued.

Stella-Jones Inc.

Stella-Jones Inc. ([TSX:SJ](#)) is a North American manufacturer of treated wood products. The company posted its second-quarter earnings on August 10. Sales increased 5.5% to \$594.2 million from Q2 2016, driven by earlier than expected deliveries and demand in the utility pole category. Net income was reported at \$48.9 million, or \$0.71 per diluted share, which was down from \$54.7 million, or \$0.79 per diluted share, the previous year. The company managed to reduce its long-term debt by over \$80 million from the first quarter. Stella-Jones is projecting higher second-half sales volume but lower railway tie pricing, and softer utility pole demand will continue to drag.

Stella-Jones stock offers a dividend yield of 0.94%, which puts the dividend at \$0.11 per share. The

share price has increased 7.2% in 2017 and 9.2% year over year. Improved second-half sales volume combined with changing overall market sentiment could make this an attractive buy for investors on the lookout in the fall.

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2. TSX:SJ (Stella-Jones Inc.)

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