3 Stocks With +20 Years of Dividend Growth

Description

Investing in dividend-growth stocks is one of the most powerful and time-proven strategies to build wealth, so let's take a look at three dividend-growth superstars that you could add to your portfolio right now.

Canadian National Railway Company (TSX:CNR)(NYSE:CNI) is one of North America's largest transportation and logistics companies. It offers fully integrated rail transportation services through its network of more than 20,000 route-miles of rail track, as well as intermodal, trucking, freight forwarding, warehousing, and distribution services.

Canadian National currently pays a quarterly dividend of $0.4125 per share, equal to $1.65 per share annually, giving it a yield of about 1.6% at the time of this writing.

It's important for investors to make the following two notes.

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First, 2017 marks the 21st consecutive year in which the transportation giant has raised its annual dividend payment.

Second, the company has a dividend-payout target of 35% of its net income, so I think its continued growth, including its 12.8% year-over-year increase to $3.79 per share in the first nine months of 2017, will allow it to continue to deliver dividend growth to its shareholders for many years to come.

Metro, Inc. (TSX:MRU) is one of the leading retailers and distributors of food and pharmaceutical products in Quebec and Ontario with a network of more than 600 food stores and over 250 drugstores.

Metro currently pays a quarterly dividend of $0.1625 per share, equating to $0.65 per share on an annualized basis, which gives it a yield of about 1.6% at the time of this writing.

Investors should make the following two important notes.

First, 2017 marks the 23rd straight year in which Metro has raised its annual dividend payment.

Second, the company has a target dividend-payout range of 20-30% of its net earnings from the previous year before extraordinary items, so I think its very strong growth, including its 7.5% year-over-year increase to $2.57 per share in fiscal 2017, and its landmark $4.5 billion acquisition of Jean Coutu, which is expected to close in the first half of 2018 and accelerate its earnings growth going forward, will allow its streak of annual dividend increases to easily continue into the 2020s.

Toromont Industries Inc. (TSX:TIH) is a diversified growth company that operates through two segments — the Equipment Group and CIMCO. The Equipment Group is one of the largest Caterpillar dealers in Canada, and CIMCO is a leader in the design, engineering, fabrication, and installation of industrial and recreational refrigeration systems in Canada and the United States.

Toromont currently pays a quarterly dividend of $0.19 per share, equating to $0.76 per share on an annualized basis, and this gives it a yield of about 1.35% at the time of this writing.

It's important to make the following two notes.

First, 2017 marks the 28th consecutive year in which it has raised its annual dividend payment, giving it the longest active streak of the companies mentioned in this article.

Second, Toromont has a target dividend-payout range of 30-40% of its net earnings, so I think its consistently strong growth, including its 5.7% year-over-year increase to $1.49 per share in the first nine months of 2017, and its strategic $1.07 billion acquisition of Hewitt Group, which was completed on October 27 and provides it with "a platform for long-term growth opportunities and diversification into new markets," will allow its streak of annual dividend increases to continue for decades.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:MRU (Metro Inc.)
4. TSX:TIH (Toromont Industries Ltd.)

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