



The 3 Longest Dividend-Growth Streaks in Canada

Description

The past decade of ultra-low interest rates has led to a dividend-growth investing resurgence. Investing in companies that have reliably raised dividends year over year is one of the best ways to build a long-term portfolio. The dividend-growth strategy is popular among retail investors, because it is simple to understand and can be implemented by even the most novice of investors. Canada's list of dividend-growth stocks pales in comparison to that of the U.S. list, but there are still firms with solid and reliable streaks. The three companies below own the longest dividend-growth streaks in Canada.

Counting down, third on the list is one of Canada's smaller banks, **Canadian Western Bank** ([TSX:CWB](#)). Headquartered in Calgary, Canadian Western has operations across the country and has over \$24 billion in loans. Although Canada's Big Five banks have some of the longest dividend streaks in the country, they all froze dividends during the financial crisis. Canadian Western was the only bank in Canada to maintain its dividend-growth streak through the crisis.

Canadian Western has a 26-year dividend-growth streak, which looks to be extended in 2018, as it announced another 4% dividend hike in early March. The company has a targeted dividend policy in which it expects to pay out 30% of earnings. Given that the company is expecting continued earnings growth, so too should the dividend continue to rise.

Next on the list with Canada's second-longest dividend-growth streak is **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)). It has continued its expansion into the United States via large acquisitions and has quickly become one of the largest North American utility companies. It has \$48 billion in assets and serves over three billion customers in Canada, the United States, and the Caribbean.

Fortis has raised dividends for an impressive 44 consecutive years. The company's payout ratio has steadily decreased over the past handful of years and is well positioned to raise dividends well into the future. Fortis recently introduced dividend guidance; it expects to raise dividends by 6% yearly through 2022. Fortis is as reliable as it gets.

Which company has Canada's longest dividend-growth streak? That would be **Canadian Utilities Limited** ([TSX:CU](#)). The company has approximately \$21 billion in assets and is a subsidiary of **ATCO Ltd.**

([TSX:ACO.X](#)). ATCO is a diversified global company which operates in three segments: structures & logistics, pipelines & liquids, and electricity.

The company's yearly dividend has grown uninterrupted since 1972, a 46-year streak. Over the past 10 years, the company's average dividend-growth rate is a healthy 10%. The company expects to invest approximately \$4.4 billion in growth projects through 2020. These investments are expected to add significantly to cash flow and underpin continued dividend growth.

Dividend growth guaranteed

Although there are no guarantees in life, these three dividend aristocrats are as close as an investor can get to guaranteed dividend growth. They are the only Canadian-listed companies with dividend-growth streaks over 25 years and operate in highly regulated industries, which leads to predictable cash flows. These companies should be cornerstones of a dividend-growth investor's portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:ACO.X (ATCO Ltd.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:CWB (Canadian Western Bank)
5. TSX:FTS (Fortis Inc.)

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Author

mlitalien

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