3 Top Dividend Growth Stocks to Buy in October

Description

A company that increases its dividend fast and regularly is a sign of good financial health, as a company needs to increase its earnings in order to be able to increase its dividend. So, it is a good idea to look at a company's dividend-growth rate to see if it is increasing its dividend fast.

I present below three companies in various sectors that offer a five-year dividend growth rate of at least 15% that have raised their dividend recently.

Alimentation Couche-Tard (TSX:ATD.B)

Couche-Tard is a Canadian multinational operator of convenience stores that exists since 1980. This company operates about 15,000 stores across Canada, United States, Europe, Mexico, Japan, China, and Indonesia.

Couche-Tard pays a quarterly dividend that was last raised in July – it was raised by 11% from $0.09 to $0.10 per share. The current dividend yield is 0.6%. The dividend has a five-year growth rate of 28%, which is very high.

The stock has a five-year growth rate of return of 24%. Shares are down 3% year-to-date but have risen by 15% over the last three months.

Investors reacted positively to Couche-Tard's 2019 first-quarter results, which were very good and beat expectations. Strong growth is expected in the next few years, which should allow Couche-Tard to keep increasing its dividend fast.

CAE (TSX:CAE)(NYSE:CAE)

Founded in 1947, CAE is a manufacturer of simulation technologies, modelling technologies and training services to airlines, aircraft manufacturers, healthcare specialists, and defense customers. The company has manufacturing operations and training facilities in 35 countries.

The company has been paying a dividend since 1990 and has been increasing it for 10 consecutive years. CAE pays a quarterly dividend that was last raised in August, when it was hiked by 11%, from $0.09 to $0.10 per share. The current dividend yield is 1.4% and the five-year dividend growth rate is 15%.

CAE reported a strong 2019 fiscal first quarter. Indeed, EPS jumped 18% from prior year, from $0.22 to $0.26. Revenue increased 10% to $722 million.

The stock is on a strong path, showing only positive returns since 2011 and a five-year growth rate of return of 20%. Year-to-date, the share price is up almost 13%. Double-digit growth in earnings are expected for the next five years.

Fiera Capital (TSX:FSZ)

Fiera Capital is an independent asset management firm created in 2003 with more than $139 billion in assets under management.

In August, Fiera raised its quarterly dividend by 5.3%, from $0.19 to $0.20 per share. The dividend yield is quite high at 6.1%. The five-year dividend growth rate is 15%.

Fiera Capital increased its assets under management by 11% in its second quarter, to $139.4 billion from $125.7 billion a year earlier.

The firm attributes that growth to net new client inflows and its acquisition of CGOV Asset Management realized in May, as well as positive market performance.

Revenues for the second quarter were $126.2 million, up 15% compared to a year earlier. Organic growth and market appreciation contributed to the increase in revenues, along with revenues from the new Fiera Capital Emerging Markets fund.

Fiera recorded adjusted net EPS of $0.26 in its last quarter – down from $0.31 in the same quarter a year ago. However, the situation is expected to improve in the next quarters and earnings are expected to grow as high as 15% next year.

The stock has a five-year growth rate of return of 6% and is up 0.2% year-to-date.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:CAE (CAE Inc.)
2. TSX:CAE (CAE Inc.)
3. TSX:FSZ (Fiera Capital Corporation)

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