3 Amazingly Reliable Dividend Growers to Buy Now

Description

Howdy, Fools. I'm back again to highlight three attractive dividend-growth stocks. As a quick reminder, I do this because companies that consistently increase their dividends

- can provide a growing stream of income, no matter what the market is doing;
- tend to have rock-solid fundamentals; and
- usually outperform the market over a long period of time.

Dividend yield is important. But the consistency at which the payout grows is equally as important — if not more.

So, without further ado, let's get to this week's list of dividend growers.

Presence of royalty

default watermark

Leading things off is **Franco-Nevada** (TSX:FNV)(NYSE:FNV), which has raised its dividend for an impressive 11 consecutive years. Year to date, shares of the gold royalty company are down 15% versus a loss of 12% for the **S&P/TSX Capped Materials Index**.

Don't expect Franco-Nevada's recent weakness to last long. Over the past 10 years, the company has outperformed gold stocks as well as gold itself by a very wide margin. Thanks to consistent dividends — driven by low overhead and heavy free cash flow — the stock has done well in both bull and bear markets.

Franco-Nevada's 2017 dividends of $168 million were the highest in gold industry. Couple that shareholder friendliness with a debtless balance sheet, and you have a rather attractive risk/reward tradeoff.

Equitable treatment

Next up, we have **Equitable Group** (TSX:EQB), whose dividend has increased for a solid eight straight years. Over the past year, shares of the financial services specialist are up 2% versus a loss of 6% for the **S&P/TSX Capped Financial Index**.

For conservative investors who love the financial services space, but who also have plenty of Big Five bank exposure, consider Equitable. It operates a branchless business model and competes in underserved "niche" lending and savings markets. This approach allows Equitable to consistently produce a return on equity (ROE) in the mid to high teens, while maintaining solid capital levels.

Currently, the stock sports a decent dividend yield of 1.7% along with a very cheapish forward P/E of 5.8.

Pipeline to profits

Rounding out our list this week is **Pembina Pipeline** (TSX:PPL)(NYSE:PBA), which currently boasts seven years of consecutive dividend increases. Shares of the energy pipeline operator are down just 1% over the past six months, while the **S&P/TSX Capped Energy Index** has fallen 17% during the same time frame.

With over 18,000 kilometres of pipelines — total capacity of roughly three million barrels of oil equivalent per day — Pembina utilizes massive scale to generate consistent (and growing) cash flow. Trailing 12-month free cash flow has rocketed 300% over the past five years, currently sitting at a robust $921 million.

Since it began paying dividends in 1997, Pembina has paid approximately $6.5 billion in dividends. At a current yield of 5.3%, the stock looks especially juicy.

The Foolish bottom line

There you have, Fools: three amazingly consistent dividend-growth stocks to help you outperform in all market conditions.

As always, don't think of them as formal recommendations. They're simply ideas for further investigation. A dividend cut can be particularly devastating on a company's stock price, so thorough research is still required.

default watermark

Fool on.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:EQB (EQB)
4. TSX:FNV (Franco-Nevada)
5. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date
2025/09/08
Date Created
2018/11/05
Author
bpacampara

default watermark

default watermark