3 Top Dividend-Growth Stocks to Buy Right Now

Description

Hey there, Fools. I'm back again to highlight three attractive dividend-growth stocks. As a quick reminder, I do this because stocks with consistently increasing dividends usually

- have rock-solid fundamentals backing those payouts;
- provide an inflation-topping income stream no matter what the economy is doing; and
- outperform the market over the long haul.

A high yield is great. But dividend growth, consistency, and stability are much more important to a stock's long-term total return potential.

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

Gorgeous George

Leading things off is **George Weston** (TSX:WN), which has grown its dividend payout for a solid seven consecutive years. Year to date, shares of the food giant are down 14% versus a loss of 2% for the **S&P/TSX Capped Consumer Staples Index**.

The company's recent Q3 results were somewhat mixed. Weston's bakery division continues to disappoint, with segment sales falling 5.7% to $630 million. But on the bright side, adjusted EBITDA and sales at its Loblaw division increased 7.5% and 1.8%, respectively.

All in all, Weston's adjusted profit managed to grow 4% to $288 million. That helped management bump its quarterly dividend by $0.025 to $0.515 per share.

Currently, the stock sports a decent yield of 2.2%.

Key to success

Next up, we have **Keyera** (TSX:KEY), whose dividend payout has increased for eight straight years. Shares of the energy storage and transportation company are down 15% over the past six months, while the **S&P/TSX Capped Energy Index** is off 25% during the same time frame.

Bay Street wasn't happy with Keyera's recent Q3. Earnings fell 8% to $35 million, while the operating margin decreased at its gathering/processing segment as well as its liquids infrastructure segment.

That said, Keyera remains a very solid cash cow: distributable cash flow clocked in at $127 million, up 17.5% year over year. And as income investors know, cash flow is what counts.

With a juicy yield of 6.1%, now might be the time to pounce.

Winning with Finning

Rounding out our list is **Finning International** (TSX:FTT), which has delivered an awesome 16 straight years of dividend growth. Shares of the heavy equipment company are down 15% year to date versus a gain of 3% for the **S&P/TSX Capped Industrials Index**.

2018 hasn't been a great year for Finning, but things are looking up. In Q3, adjusted EPS spiked 35% as revenue increased 14% to $1.76 billion. The company cited a 34% jump in new equipment sales for the solid results. And while free cash flow was negative due to higher inventory purchases (to meet demand), management fully expects strong free cash flow for Q4.

Currently, the stock boasts an attractive yield of 3%.

The bottom line

There you have it, Fools: three stocks with amazing dividend-growth streaks worth checking out.

They aren't formal recommendations, of course. They're simply a starting point for further research. Mr. Market punishes dividend cuts particularly hard, so due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FTT (Finning International Inc.)
2. TSX:KEY (Keyera Corp.)
3. TSX:WN (George Weston Limited)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date
2025/08/18

Date Created
2018/11/24
Author
bpacampara