Stop Gambling in 2019: Here Are 3 Top Stocks With Incredibly Reliable Dividend Streaks

Description

Hi again, Fools. I'm back to highlight three attractive dividend-growth stocks. As a reminder, I do this because businesses that grow their dividend payouts consistently

- usually have rock-solid cash flows to back those payments up;
- can provide a growing stream of income in both bull and bear markets; and
- typically outperform the market over the long haul.

A high dividend yield is a great thing to have. But the rate and consistency in which that dividend grows is just as, if not more, important.

So, without further ado, let's get to it.

Playing defence

Kicking things off is **CAE** (TSX:CAE)(NYSE:CAE), which has grown its annual dividend for eight consecutive years. Shares of the aerospace and defence company are up about 16% over the past year versus a slight 0.5% gain for the **S&P/TSX Capped Industrials Index**.

CAE is heading into 2019 on a strong note. In its latest quarter, the company posted EPS of $0.23 as revenue climbed 20% to $743.8 million. More importantly for dividend investors, free cash flow was a robust $985.9 million.

"We have good momentum in all our markets and we are on track to deliver on our growth outlook," said President and CEO Marc Parent.

Combine that outlook with payout ratio of only 27%, and I don't expect CAE's dividend streak to end anytime soon.

Stellar situation

Next up, we have **Stella-Jones** (TSX:SJ), whose annual dividend has increased for 13 straight years. Shares of the wood products company are down about 23% over the past year versus a loss of 7% for the **S&P/TSX Capped Materials Index**.

Rising residential lumber prices have weighed on Stella in 2018, but the company's 2019 outlook looks bright. In the most recent quarter, net income increased $45.8 million as sales grew 20% to $630 million.

"Given current market conditions and the recent decrease in residential lumber prices, we are on track to improve our operating margins in 2019," said President and CEO Brian McManus.

With a payout ratio of only 19%, along with an equally comforting beta of 0.3, now might be a good time to bet on that optimism.

Plaza play

Rounding out our list is **Plaza Retail REIT** (TSX:PLZ.UN), which has increased its annual dividend for 16 consecutive years. Shares of the strip plaza REIT are down about 5% over the past year versus a gain of 5% for the **S&P/TSX Capped REIT Index**.

While the stock has been stagnant in 2018, operations remain stable. In the most recent quarter, funds from operations (FFO) — a key metric in the real estate industry — increased 2.3% to $9.4 million.

"Our unit price currently does not reflect the underlying value of our business nor our very strong pipeline of development and redevelopment projects that we anticipate coming on stream in 2019 and 2020," said President and CEO Michael Zakuta.

With a still-safe FFO payout ratio of 77%, Plaza has a fat 7% yield.

The bottom line

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

As always, don't view them as formal recommendations. Instead, see them as a starting point for further research. A dividend cut can be especially painful, so due diligence is still very much required.

Fool on.

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1. Dividend Stocks
2. Investing

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1. NYSE:CAE (CAE Inc.)
2. TSX:CAE (CAE Inc.)
3. TSX:PLZ.UN (Plaza Retail REIT)
4. TSX:SJ (Stella-Jones Inc.)

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