Endless Income Stream: Here Are 3 Dividend-Growth Stocks I'd Buy for 2019 and Beyond

Description

Hi there, Fools! I'm back to highlight three attractive dividend growth stocks. As a quick reminder, I do this because companies with consistently growing dividends

- usually have the competitive muscle to back up those payments;
- can provide an ever-increasing income stream regardless of market conditions; and
- tend to outperform over the long haul.

A high dividend yield is great. But the consistency and rate in which that dividend grows is often more important.

In today's article, I'll look at three dividend-growth plays that look particularly juicy for 2019.

Telus something we don't know

Kicking off our list is **Telus** (TSX:T)(NYSE:TU), which has delivered 14 consecutive years of dividend growth. Shares of the telecom giant are down 5% over the past year versus a flat return for the **S&P/TSX Capped Telecommunication Services Index**.

Telus's dividend increases continue to be backed by strong fundamentals. In the most recent quarter, revenue and EBITDA grew 11% and 8%, respectively. More importantly, free cash flow increased 41%.

"This builds on our proven track record of providing investors with the industry's best multi-year dividend-growth program," said President and CEO Darren Entwistle. "Notably, Telus has now returned $16 billion to shareholders, including $10.8 billion in dividends, representing $27 per share since 2004."

With a juicy dividend yield of 4.7%, Telus is a top income play for 2019.

The whole package

Next up, we have **CCL Industries** (TSX:CCL.B), which has posted 16 straight years of dividend growth. Shares of the specialty packaging company are down 12% over the past year versus a loss of 19% for the **S&P/TSX Capped Consumer Discretionary Index**.

On top of incredibly reliable dividends, CCL is a solid bet to bounce back in 2019. In the most recent quarter, adjusted EPS increased 8% as sales grew 10.8% to $1.34 billion.

“CCL Segment posted stronger than expected organic growth in the quarter, especially in the Home & Personal Care and Food & Beverage sectors on new business wins and share gains,” said President and CEO Geoffrey Martin.

When you combine CCL’s highly diversified nature — both by product line and geography — with its consistent dividend growth, the stock’s downside seems limited.

Bankable bet

Rounding out our list is none other than **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD), which has delivered dividend growth for eight straight years. Shares of the banking gorilla are down 9% over the past year versus a loss of 13% for the **S&P/TSX Capped Financial Index**.

TD’s business momentum should carry into 2019. For the full year 2018, diluted EPS increased 10% to $6.01 as revenue grew 7.4% to $38.8 billion. Meanwhile, adjusted return on equity improved to 16.9% from 15% in 2017.

“We enter 2019 from a position of strength,” said President and CEO Bharat Masrani. “While there are a number of macro-economic and geopolitical unknowns in the year ahead, the progress we made in 2018 gives me confidence in our future success.”

With a dividend yield of 3.8%, betting on that bullishness seems like a no-brainer.

The bottom line

There it is, Fools: three top dividend-growth stocks for 2019.

As always, they aren’t really formal recommendations. They’re simply a starting point for more research. Mr. Market punishes dividend cuts particularly hard, so plenty of homework is still required.

Fool on.

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Date
2025/07/06
Date Created
2019/01/07
Author
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