Rock-Solid Retirement Income: Here Are 3 Amazing Dividend-Growth Stocks to Buy Now

Description

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

- usually have the robust cash flows to back up those payments;
- can provide an ever-increasing income stream in all types of markets; and
- tend to outperform over time.

Investors often focus strictly on dividend yield. But the rate and consistency in which that dividend grows is equally, if not more, important — particularly for retirees (or those nearing retirement) who depend on those payouts.

Let's get to it.

Friendly grocer

Kicking off our list is **Metro** (TSX:MRU), which has raised its dividend for 24 consecutive years. Shares of the grocery store operator are up about 20% over the past year versus a gain of 6% for the **S&P/TSX Capped Consumer Staples Index**.

I fully expect Metro's business momentum to carry into the new year. In the most recent quarter, adjusted earnings spiked 35% on sales growth of 16%.

The company's key acquisition of Jean Coutu Group should also start to bear real synergistic fruit in 2019.

"The integration work is progressing well and we are confident in our ability to realize the full potential of this promising business combination," said President and CEO Eric LaFleche. "We are better positioned than ever to meet our customers' everyday needs and create value for our shareholders."

Currently, the stock trades at a forward P/E in the mid-teens.

Winning with Finning

With 17 straight years of increasing payouts, **Finning International** (TSX:FTT) is our next dividend-growth star. Shares of the heavy equipment company are down roughly 27% over the past year versus a slight gain for the **S&P/TSX Capped Industrials Index**.

Look for the stock to bounce back in 2019. Adjusted EPS was up 35% in the most recent quarter as revenue grew 14% to $1.8 billion. More importantly, even management believes the stock is cheap.

“Given our view there is a disconnect between our share price and fundamental value,” President and CEO Scott Thomson said, “our plan is to repurchase up to $100 million worth of our shares by the end of 2018, subject to receipt of regulatory approvals.”

With a 3% dividend yield, as well as a cheapish forward P/E of 12, it’s tough to disagree with management’s take.

Clear as a bell

Rounding out our list is **BCE** (TSX:BCE)(NYSE:BCE), which has posted 11 years of consecutive dividend growth. Shares of the telecom giant are down about 4% over the past year versus a gain of 3% for the **S&P/TSX Capped Telecom Services Index**.

BCE is one of my top turnaround candidates for 2019. In Q3, total wireless net additions came in at a record 178,000, which included a 15.5% bump in postpaid net additions. Meanwhile, broadband Internet and IPTV market share also increased, with 88,000 net additions.

“Bell’s strategy of broadband network investment, ongoing service improvement and efficient operation is delivering leading results in the marketplace, stronger organic financial performance and service innovation across all of our business segments,” said President and CEO George Cope.

Given the stock’s consistently growing dividend and current yield of 5.4%, that bullishness is certainly worth betting on.

The bottom line

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

They aren’t formal recommendations, of course. They’re just ideas for further research. Dividend-growth streaks can quickly end without notice, so plenty of homework is still required.

Fool on.

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