Pay Raises for Life: 3 Top Dividend Growth Stocks to Buy Now

### Description

Hello again, Fools. I'm back to highlight three top dividend growth stocks. As a quick reminder, I do this because businesses with consistently growing dividends: have the rock-solid fundamentals to back up those payments; can provide an increasing income stream in both good markets and bad markets; and tend to outperform over the long run.



A high-dividend yield is a good thing to have. But the rate and consistency in which that dividend grows are often more important factors to long-term success.

Without further ado, let's get to it.

## Delicious dividends

Leading off our list is grocery store operator **Metro** (TSX:MRU), which has delivered 25 straight years of dividend increases.

Metro continues to utilize its large scale and recession-proof nature to consistently reward shareholders. In the most recent quarter, adjusted earnings climbed 36% on sales growth of 27.8%. More important, food same-store sales and pharmacy same-store sales — both key metrics for Metro — increased 3.2% and 1.5%, respectively.

Based on that strength, management upped the dividend 11.1% to $0.20 per share.

"In a very competitive market environment, we are well positioned to meet our customers' high expectations and continue to create long-term value for our shareholders," said President and CEO Eric La Fleche.

Metro shares are up about 20% over the past year and offer a yield of 1.5%.

## Sunny situation

Next up we have energy giant **Suncor Energy** (TSX:SU)(NYSE:SU), which has grown its dividend for 16 straight years.

The most recent boost came earlier this month when the company increased its quarterly payout 16.7% to $0.42 per share. Moreover, management approved an additional share repurchase program of up to $2 billion.

Despite posting a Q4 loss due to steep price discounts, Suncor continued to generate massive cash flow: operating cash flow came in at $3 billion for quarter, up from $2.8 billion in the year-ago period.

“The dividend increase is supported by sustainable, structural improvements to free funds flow through operating efficiencies, strategic counter-cyclical investments and operating performance of Fort Hills and Hebron,” wrote Suncor.

Suncor shares are off 18% from their 52-week highs and currently sport a juicy yield of 3.9%.

## Wasted opportunity



Rounding out our list is waste management powerhouse **Waste Connections** (TSX:WCN)(NYSE:WCN), which has delivered nine straight years of dividend increases.

Waste Connections’ massive scale — more than six million customers across the U.S. and Canada — continues to serve shareholders well. In 2018, adjusted free cash flow climbed 15% to $879.9 million, suggesting that the dividend remains well supported.

“We have increased adjusted free cash flow per share at a compounded rate of more than 15% per year over the past several years,” said Chairman and CEO Ron Mittelstaedt. “Our strong financial profile continues to afford the flexibility to fund outsized acquisition activity, an increasing cash dividend and opportunistic share repurchases.”

The stock’s yield of 0.7% isn’t particularly exciting at the moment. But given how consistently the dividend grows, could

## The bottom line

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

As always, they aren’t formal recommendations. View them instead as a starting point for more research. Dividend cuts are particularly painful, so plenty of due diligence is still necessary.

Fool on.

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