Tax-Free Pay Hikes: 3 Top Dividend-Growth Stocks for Your TFSA Today

Description

Hello 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; and
- tend to outperform over the long haul.

A high dividend yield is great. But strong and consistent dividend growth can add plenty of upside to your portfolio — particularly in a TFSA account where both income and capital gains are tax free.

Let's get to it.

Electric opportunity

Leading off our list is electric and gas utility **Fortis** (TSX:FTS)(NYSE:FTS), which has grown its dividend for a whopping 45 consecutive years.

Fortis continues to use its massive scale — $53 billion in assets serving over three million customers — to deliver healthy results for shareholders. In 2018, earnings clocked in at a solid $2.59 per share versus $2.32 in 2017.

Looking ahead, management reaffirmed its annual dividend-growth target of 6% through 2023. Moreover, the company expects capital expenditures to grow from a base of $26.1 billion in 2018 to $35.4 billion in 2023.

"After considerable acquisition-driven growth in recent years, Fortis is a premier North American utility forging ahead with excellence in operations, sustainability and financial performance," said President and CEO Barry Perry.

Fortis shares are up about 8% in 2019 and offer a yield of 3.7%

All bottled up

With 14 straight years of dividend growth, wine products specialist **Andrew Peller** (TSX:ADW.A) is next on our list.

Peller utilizes the power of its many premium brands — including Peller Estates, Trius, Hillebrand, and Thirty Bench — to generate strong cash flows for investors. Over the first nine months of fiscal 2019, sales are up 6.3%, gross margin is up 90 basis points, and overall bank is down $8 million to $164 million.

On the strength of those fundamentals, Peller was able to boost its dividend 14%.

"We continue to drive solid performance across the majority of our trade channels," said CEO John Peller. "Looking ahead, we are on track for growth as we capitalize on our strong market presence and strengthening sales and marketing programs."

Peller shares are down 5% in 2019 and sport a reasonable dividend yield of 1.5%.

Saved by the bell

Rounding out our list is telecom giant **BCE** (TSX:BCE)(NYSE:BCE), which has grown its dividend by 5% or better for 11 straight years.

BCE continues to use efficient scale and cost advantages — both in wirelines and wireless — to line shareholder pockets with fat dividend checks. In the most recent quarter, operating revenue improved 3% while free cash flow jumped 57% to $1.02 billion. Moreover, wireless net additions clocked in at a solid 143,114.

On the strength of those results, management bumped the dividend up 5%.

"Bell achieved strong Q4 gains in broadband wireless, internet, TV, and streaming customers, driving growth in revenue and adjusted EBITDA across our wireline, wireless and media operating segments," said President and CEO George Cope.

BCE shares are up a solid 11% so far in 2019 and offer a rather juicy yield of 5.1%.

The bottom line

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

As always, they aren't formal recommendations. They're simply a starting point for more research. The snapping of a dividend-growth streak can be particularly painful, so plenty of due diligence is still required.

Fool on.

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1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ADW.A (Andrew Peller Limited)
4. TSX:BCE (BCE Inc.)
5. TSX:FTS (Fortis Inc.)

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