



2 Unknown TSX Index Dividend-Growth Stars to Own for Decades

Description

Everyone knows about the top stocks that are highlighted on a regular basis by popular TV analysts or newspaper columnists, but the TSX Index is also home to some fantastic dividend plays that tend to fly under the radar of most investors.

Let's take a look at two companies that might be interesting picks for your [dividend portfolio](#) today.

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#))

Waste Connections looks after the collection and disposal of garbage and recycling materials for households and businesses in Canada and the United States. The company is growing at a steady pace through strategic acquisitions, and that trend is expected to continue amid ongoing consolidation in the waste industry.

Waste Connections reported Q1 2019 revenue of \$1.25 billion compared to \$1.14 billion in the same period last year. Adjusted free cash flow came in at \$246 million, and the company anticipates generating \$950 million in adjusted free cash flow for full-year 2019.

The board raised the dividend by more than 14% last year and is buying back up to 5% of the common share float under the current NCIB that runs through the first part of August.

Investors have done well with the stock. The share price is up 25% in 2019 and has more than tripled in the past five years.

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#))

CNRL is a giant in the Canadian energy patch with a market capitalization of \$44 billion and arguably the best resource mix in sector. The company is Canada's largest natural gas producer and has oil production assets that include oil sands, conventional heavy oil, light oil, and offshore facilities.

Management has made several strategic acquisitions in recent years to strengthen the portfolio, and the company's 100% ownership in most of its sites gives it important flexibility to move capital quickly and take advantage of changing commodity prices to generate the best returns.

The company generates healthy free cash flow and splits the profits between share buybacks and debt reduction, after funding capital requirements and dividend obligations.

The board raised the dividend by 12% for 2019 and has hiked the payout for 19 straight years. Very few oil and gas producers have delivered similar results.

The stock appears oversold, and investors who buy today can pick up a [yield](#) of 4%.

The bottom line

Waste Connections and CNRL might not be stocks that come up for discussion around the water cooler, but they are strong companies that generate significant free cash flow and give investors a nice raise every year.

If you have some cash sitting on the sidelines, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing
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1. Editor's Choice

TICKERS GLOBAL

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2. NYSE:WCN (Waste Connections)
3. TSX:CNQ (Canadian Natural Resources Limited)
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Date

2025/08/28

Date Created

2019/05/16

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