



2 Dividend Aristocrats to Buy in September

Description

The term *Dividend Aristocrat* refers to a publicly listed company that pays dividends consistently and continues to increase the payouts to its shareholders. Generally, a company is deserving of the title if it has raised dividends for at least 25 years.

Reuters ([TSX:TRI](#))(NYSE:TRI) and **Canadian Tire** ([TSX:CTC.A](#)) are two of the so-called Dividend Aristocrats on the TSX. The companies are not among [the highest-paying dividend stocks](#), but both have the size and liquidity to reward you with steady profits come hell or high water.

World's leading source of news

If you want the latest world news and information, you can find them at Reuters. This \$43.8 billion multinational mass media and information company is a Canadian Dividend Aristocrat. It also ranks no. 15 in the top 30 largest companies of the TSX by market capitalization.

Although Reuters's 2.14% dividend yield is relatively low, the company has a record of 25 years of consecutive dividend increases. In 2018, the company paid \$10 billion to shareholders as dividends.

Reuters's evolution to become a world-leading provider of news and information for professional markets is remarkable. Since its founding in 1934, the company was able to build a strong reputation. Today, you can see the high customer dependence on Reuters in more than 100 countries.

Reuters's primary source of revenue comes from the sale of electronic content and services to professionals on a subscription basis. Since 75% of revenue is from contracts, it is recurring. The company expects organic revenue to grow by about 3.5-4.5% by 2020.

Leading retail brand in Canada

A popular name and another Canadian Dividend Aristocrat is Canadian Tire. The company is more than a century old and is one of the highly patronized general merchandise retailers in Canada. The

company has compounded its dividend growth in double digits over the last few years, and the current yield is of 3%.

Through the years, Canadian Tire was able to build a stable and loyal client base. The company has a network of 1,700 retail outlets but is also operating finance and real estate businesses.

The retail segment is the biggest revenue contributor. It accounts for more than 90% of total revenues while the financial services fill up the remaining 10%. Canadian Tire is the primary tenant of **CT REIT**, of which it has a 76% ownership stake. The [REIT stock](#) pays a 5% dividend.

With Canadian Tire stores strategically located in high-population-density areas, the company has a captured market. The Canadian Tire brand earned a leading reputation because of product quality. By providing a wide range of products within the dealer network, Canadian Tire was able to expand its retail footprint.

From 2016 to 2018, the company was able to achieve a 6% CAGR through product promotional campaigns, strong online presence, and high charges by credit card companies. Canadian Tire expects to maintain a 3% sales growth annually. Likewise, the company projects a 10% EPS growth over the next three years.

Guaranteed income

Dividend Aristocrats are not necessarily the highest dividend payers on the stock market. However, you have the assurance of receiving timely dividends. With Reuters and Canadian Tire, you'll be earning regular income, which you can easily incorporate with your budget.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:TRI (Thomson Reuters)

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