3 Top Dividend-Growth Stocks to Buy Now

Description

Hi, Fools. I'm back to highlight three top dividend-growth stocks. As a quick reminder, I do this because businesses with consistently increasing dividend payouts

- can guard against the harmful effects of inflation by providing a rising income stream; and
- tend to outperform the market averages over the long haul.

The three stocks below offer an average dividend yield of 5.8%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $14,500 annual income stream. And it's all completely passive.

Let's get to it.

Bankable value

Leading off our list is financial services company **Laurentian Bank** (TSX:LB), which has delivered steady dividend growth of 30% over the past five years.

While the price has slumped in recent years on slumping earnings, Laurentian's payout continues to be backed by good cash flows and a strong balance sheet. In the most recent quarter, adjusted income clocked in at $47.8 million as its net interest margin improved to 1.85%.

"We delivered improving financial results compared to the last quarter," said CEO Francois Desjardins. "The underlying credit quality of our portfolio remains good and our capital position remains strong, providing a solid financial foundation to further grow our balance sheet."

Laurentian is down 12% over the past year and offers a dividend yield of 4.2%.

Bridging the gap

With a dividend that has more than doubled over the past five years, natural gas giant **Enbridge** (
TSX:ENB

)(NYSE:ENB) is next up on our list.

Enbridge's dividend growth continues to be supported by massive scale, a diversified business model (transportation, distribution, and generation of natural gas), and a highly regulated operating environment. In the most recent quarter, distributable cash flow (DCF) spiked 24% to $2.31 billion.

Looking ahead, management still sees full-year DCF of $4.30-$4.49 per share.

"[I]t was another strong quarter for the company and we're pleased with the performance across each of the business units as well as the progress being made on key priorities," said CEO Al Monaco.

Enbridge is up slightly over the past year and currently yields a juicy 6.3%.

Blockbuster growth

Rounding out our list is entertainment company **Cineplex** (TSX:CGX), which has steadily increased its dividend 19.5% over the past five years.

The rise of online movie streaming services has weighed heavily on Cineplex over the past few years, but now might be an opportune time to pounce. Cineplex remains the largest "popcorn theatre" in Canada with nearly 80% market share, while its free cash flow payout ratio sits at a highly comforting 64%.

"Looking ahead, the remainder of the year has a variety of powerful titles from sequels to first time stories and I am encouraged by the positive results from our diversified businesses," said CEO Ellis Jacob.

Cineplex shares are flat in 2019 and offer a healthy yield of 7%.

The bottom line

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

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

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CGX (Cineplex Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:LB (Laurentian Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/07/22
Date Created
2019/09/16
Author
bpacampara