3 Amazing Dividend Growth Streaks 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.

Fortis of strength

Kicking things off is electric and gas utility **Fortis** (TSX:FTS)(NYSE:FTS), which has grown its dividend for a whopping 46 consecutive years.

Fortis continues to use its huge scale advantages — $53 billion in assets serving over three million customers — to deliver robust cash flows for shareholders. In the most recent quarter, GAAP EPS of $1.66 topped estimates as revenue clocked in at $1.97 billion.

Looking ahead, management reaffirmed its yearly dividend-growth target of 6% through 2023. Moreover, the company increased its five-year capital spending plan $1 billion to $18.3 billion.

"Fortis continues to deliver on its organic growth strategy with additional investment in renewable energy and electric transmission," said CEO Barry Perry.

Fortis shares are up about 22% in 2019 and offer a yield of 3.5%.

Bells are ringing

With 5%-plus dividend growth for 11 consecutive years, telecom gorilla **BCE** (TSX:BCE)(NYSE:BCE) is next on our list.

BCE's consistently rising dividend continues to be backed by efficient scale and cost advantages — both in wirelines and wireless. In the most recent quarter, EPS of $0.94 topped estimates by $0.04 as revenue improved 2.4% to $5.9 billion. Moreover, free cash flow jumped 10% to $1.1 billion.

In wireless, postpaid and prepaid net additions spiked 31% to 149,478.

"Bell's strategy to bring the fastest broadband networks and the latest service innovations to Canadians in every region continued to drive strong operating and financial performance across our business in Q2," said George Cope.

BCE shares are up 18% so far in 2019 and offer a juicy yield of 5.0%.

Drink it up

With seven straight years of dividend growth, wine products specialist **Andrew Peller** (TSX:ADW.A) rounds out our list.

Peller leverages the power of its many premium brands to deliver dependable results for shareholders. In the most recent quarter, earnings increased 16.5%, gross margin improved 140 basis points and revenue clocked in at $95.2 million.

On the strength of those fundamentals, Peller boosted its quarterly dividend in June.

"We are pleased with our strong operating performance and improved profitability in the first quarter of fiscal 2020," said CEO John Peller. "We were also pleased to increase common share dividends by 4.8% in June, a reflection of our confidence in the future and our commitment to enhancing shareholder value over the long term."

Peller shares are up 3% in 2019 and sport a reasonable yield of 1.5%.

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.

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