3 Stable Dividend-Growth Stocks for 2020

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 3.5%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $8,750 annual income stream. And it's all completely passive.

Let's get to it.

Sound of the bell

Leading things off is telecom giant **BCE** (TSX:BCE)(NYSE:BCE), which has grown its dividend 27% over the past five years.

As Canada's largest telecom company, BCE's unmatched brand value and stable cash flow generation should continue to support strong dividend growth for many years to come. In the most recent quarter, operating cash flow increased 10.5% to $2.26 billion, as revenue improved 1.9%.

Looking ahead, management reaffirmed its full-year EPS guidance of $3.48-$3.58 and revenue growth of 1-3%.

"Bell's commitment to build the advanced fibre and mobile networks that will take Canadian communications into the future continues to deliver strong results for our shareholders, customers and communities today," said CEO George Cope.

BCE shares currently offer an attractive dividend yield of 5.1%.

Solid opportunity

With dividend growth of 80% over the past five years, warehouse property manager **Granite REIT** (TSX:GRT.UN) is next up on our list.

Granite's reliable dividend growth continues to be underpinned by a high-quality portfolio (80 properties representing 34 million square feet), conservative capital ratios, and highly stable cash flow. Moreover, Granite operates in nine countries in North America and Europe, providing shareholders with decent geographic diversification to boot.

In the most recent quarter, operating income improved 6% as funds from operations (FFO) — a key cash flow metric for REITs — clocked in at $45.8 million. On the strength of those results, management boosted the monthly dividend to $0.242/share, bringing the annual distribution to $2.90.

Granite currently offers a solid dividend yield of 4.3%.

Trucking along

Rounding out our list is transportation and logistics specialist **TFI International** (TSX:TFII), which has grown its dividend 59% over the past five years.

TFI's stable payout growth continues to be backed leadership position in North America, vast e-commerce network (spans 80 North American cities), and recognized brands. In the most recent quarter, operating income improved 3%, while operating cash flow grew 12% to $187 million.

"TFI International has continued to perform well throughout 2019, and we are pleased to report record third-quarter results," said CEO Alain Bedard. "While we closely monitor economic conditions and their impact on the North American freight business, our own attention to the fundamentals of the business has allowed us to outperform."

TFI shares are up 22% in 2019 and offer a solid dividend yield of 2.3%.

The bottom line

There you have it, Fools: three top 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. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:TFII (TFI International)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/08/29
Date Created
2019/11/09
Author
bpacampara