TFSA Users: 3 TSX Stocks With up to 50% Dividend Growth!

Description

If you're a dividend investor, chances are there's nothing that excites you more than a high yield.

The higher a stock's yield, the more money you make when the next payment is posted, so it makes sense to emphasize yield to an extent.

Yield isn't everything, however. Ultra-high-yield stocks are notorious for high payout ratios and long-term earnings weakness — both factors that can result in their dividends being cut.

For this reason, dividend growth is arguably a better metric than trailing yield. When you buy a stock with strong dividend growth, there's effectively no limit to what your yield on cost could be five, 10, or 20 years from now. With that in mind, the following are three TSX stocks that have seen dividend growth as high as 50%.

Kirkland Lake Gold

Kirkland Lake Gold is a Canadian gold stock that owns properties in Canada and Australia.

Owing to the strength of its Australian mines in particular, the company recently posted a blockbuster quarter, with over 248,000 ounces mined. That's a record for the company and puts it on pace to hit its target of 950,000 to a million ounces this year.

Because the production increase occurred at the same time that gold was rising, Kirkland Lake posted incredible growth metrics in Q3. Earnings approximately tripled from $0.27 to $0.89 per share. Revenue grew at 71%, while EBITDA and cash from operating activities grew at 148% and 145%, respectively. On the strength of these numbers, the company hiked its dividend by 50%.

Restaurant Brands International

Restaurant Brands International may not be a company you've heard of, but you've definitely heard of its brands. The company owns three well-known fast-food franchises, Tim Hortons, Burger King, and Popeyes Louisiana Kitchen.

Of the three brands, Tim Hortons is by far the weakest, usually posting low-single-digit growth each quarter. The chain has little room left to expand in Canada and hasn't been very successful in entering the U.S., apart from a handful of markets.

In its most recent quarter, QSR posted mixed results, with solid earnings growth but a miss on revenue. Those are not exactly inspiring results, but that hasn't stopped the company from growing its *dividends:* over the past three years, they've grown by 58% a year on average.

Enbridge

Enbridge is Canada's largest pipeline company — a shipping behemoth that sends crude oil and LNG all over North America.

The company is a rare, ultra-high yielder that hasn't had its dividend cut. At current prices, the stock yields about 5.9%, and the payout has been increasing by about 17% a year on average.

Enbridge got hit hard in the 2014 oil collapse, which had the effect of sending its yield higher. Since then, the company's earnings have grown, while its stock remains way down from its 2014 high. Add all of these factors (strong earnings and dividend growth plus a weak share price) together, and you've got a recipe for a high and growing yield. And grow it has, with ENB's annualized dividend-growth rate averaging 17% over the last half-decade.

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