Nail Down $9,500 in 2020 With These 3 Top Stocks

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 3.8%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $9,500 annual income stream. And it's all completely passive.

Let's get to it.

Watching the tape

Leading things off is packaging company **Intertape Polymer**, which has grown its dividend an impressive 70% over the past five years.

Intertape's leadership position in the packaging space, decent global reach (North America, Europe, and Asia), and consistent cash flows should continue drive long-term dividend growth. In the most recent quarter, adjusted EBITDA jumped 22%, as revenue improved 5% to $294 million.

More importantly, free cash flow clocked in at a solid $39 million.

"We have spent two-plus years investing in our asset base to make IPG a world-class, low-cost manufacturer that is competitive independent of the macro-economic environment," said CEO Greg Yull. "We continue to see strong demand in the areas where we have invested, specifically water-activated tapes and protective packaging."

Intertape currently offers a dividend yield of 4.8%.

Powerful choice

With steady dividend growth of 95% over the past five years, renewable energy provider **Algonquin Power & Utilities** is next up on our list.

Algonquin's reliable dividend growth continues to be underpinned by high-quality clean energy assets, strong scale (70 power facilities across North America), and highly stable cash flow. In the most recent quarter, adjusted earnings jumped 39% even as revenue remained flat.

On the strength of those results, management boosted the dividend 10%.

"With the recent closing of the New Brunswick Gas and St. Lawrence Gas acquisitions, we have added nearly 30,000 new customers to our distribution footprint, bringing our customer count to over 800,000," said CEO Ian Robertson.

Algonquin shares currently boast a dividend yield of 4%.

Imperial leader

Rounding out our list is oil and gas giant **Imperial Oil** (TSX:IMO)(NYSE:IMO), which has steadily grown its dividend at a rate of 58% over the past five years.

Imperial's stable payout growth continues to be backed by high-quality integrated assets, a strong presence in the Athabasca oil sands, and hefty cash flow generation. In the most recent quarter, Imperial generated operating cash flow of $1.4 billion even profits fell 43%.

With that cash flow, management returned a whopping $512 million to shareholders through buybacks and dividends.

"Year-to-date cash generated from operations totalled $3.4 billion, supporting the company's ability to fund its investment priorities and also return surplus cash to shareholders," said Chairman and CEO Rich Kruger. "During the first nine months of 2019, over $1.5 billion was returned to shareholders through dividends and share purchases."

Imperial shares currently offer a dividend yield of 2.6%.

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.

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bpacampara