



2 Steady Dividend Stocks for Fast Growth

Description

High growth and juicy dividend yields are two of the many components of a dream stock. But not every dream comes true, and you have to decide whether you want your stock with a better dividend streak or fast growth rate. It also depends upon your risk tolerance, overall portfolio, formula for asset diversification, and short-term or long-term goals, among a wide variety of other things.

For this article, I have chosen two stocks that have unflattering dividend yields but substantial growth potential.

An independent fuel and petroleum supplier company

Parkland Fuel ([TSX:PKI](#)) is the country's largest independent suppliers and marketers of fuel and petroleum. The company also holds a dominant position in the Caribbean and is significantly improving its footing in the United States. The company owns and operates about 200 convenience stores and several retail fuel stores. It also supplies bulk fuel packages for commercial purposes.

The company works under several different brands and has a [properly diversified portfolio](#). This is evident in the company's continually growing market value. Currently, it's trading at \$47.4 per share, which is the result of five years of (dividend-adjusted) growth of 152%. Even at a conservative estimate, this equates to a five-year CAGR of 20.34% and offers the potential of doubling your capital in the next five years.

The company is also a Dividend Aristocrat. It increased its payouts for eight consecutive years. Currently, the company offers a dividend of \$0.0995 per share, equating to a passable yield of 2.59%.

A solid REIT

Killam Apartment REIT (TSX:KMP) is an apartment and manufactured communities REIT. The company has developed a \$3.3 billion asset portfolio [and stands as](#) one of the country's largest residential landowners. The company owns residential real estate, apartment buildings, and

manufactured home communities all over the country in addition to a few commercial properties.

Killam REIT is not a Dividend Aristocrat yet, but the company has been increasing its payouts steadily. Currently, it offers a decent yield of 3.19%. The stock seems steady, with a beta of 0.47. A profit margin is an amazing number of 84.32%, and the operating margin is 56%. The company grew its quarterly earnings by 72% on year-to-year basis.

The best part about Killam, however, is its growth. When you look at the way the company has increased its market value in the past five years, its growth chart might as well be a straight line. Even in the worst of cases, the stock hasn't fallen more than 15% in the past five years, and the overall returns have been 137%. The CAGR over the same period is 18.88%.

Foolish takeaway

Steady dividend and market value growth and dominant positions in respective sectors make Killam and Parkland Fuel worthy of investor attention — that is, if you are ready to look past the dividend yield and put your money on the growth of the stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KMP.UN (Killam Apartment REIT)
2. TSX:PKI (Parkland Fuel Corporation)

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