



## 2 Dividend All-Stars Are the Top Growth Stocks for Would-Be Millionaires

### Description

Many millionaires today are dividend-growth investors. The investment horizon is long term, and the focus is on dividend-paying companies that have a history of increasing dividends. Slowly but surely, you can amass a fortune using this proven strategy.

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **Transcontinental** ([TSX:TCL.A](#)) are among the dividend all-stars that are also growth stocks for would-be millionaires. Fans of dividend-growth investing include both in their portfolios because the companies deliver a growing passive-income stream. Over time, you can be a millionaire.

### Unassailable utility company

You can kick off your [million-dollar journey](#) by investing in Fortis. The dividend streak of this \$26.31 billion regulated electric company is 46 years. With its exceptional record, it's probably one of the most reliable Canadian dividend stocks.

This top brass in the utility sector has been generating sustainable cash flow, which led to the 40 years of dividend payments. Over the last 20 years, the total return has been an astonishing 1,531.32%. Currently, the dividend yield is 3.22%.

Throughout its corporate existence, Fortis has been aggressively reinvesting. The reason there is robust growth in its core business is that revenue is continuously growing. Fortis is in the middle of a five-year capital investment plan (2018 to 2022) that is worth about \$14.5 billion.

The annual growth estimate in the next five years is 4.6%, while the price estimate by the analysts in the next 12 months is \$64, or a 17.8% potential gain from its current price of \$54.32.

### Full synergy is the growth driver

Transcontinental deserves its standing as a dividend all-star. The company has a dividend streak of 18

years. Currently, the dividend yield is 5.22%. If you were to invest \$50,000 today and keep the stock for 18 years, your money would be worth \$124,950.89. The annual passive income is \$2,610.

The company put the finish to its transformation and evolution in 2019. According to François Olivier, president and CEO of Transcontinental, the integration of the core printing business with the packaging segment is finally complete. The successful synergy should be able to create long-term value.

For Q1 2020, Transcontinental reported a 6.1% drop in revenue versus the same period last year. Management cited the sale of the paper packaging operations and specialty media assets as among the reasons for the decline. Net earnings attributable to shareholders also fell from \$21.7 million to \$6.4 million.

Moving forward, the company expects to generate significant cash flow from all operating activities. Also, it hopes that the operational efficiency initiatives will have a positive impact in fiscal 2020.

Analysts are predicting the revenue this year to around \$2.76 billion. The stock price is estimated to climb by 66.46% (from \$16.22 to \$27 per share). All forecasts, however, depends on how long the economic activity will return to normal due to the epidemic from China.

## A strategy that creates millionaires

Proponents of dividend-growth investing see the strategy as one of the safest ways to build a fortune and be a certified millionaire. With dividend-growth stocks like Fortis and Transcontinental, you can create [fantastic passive income for years](#).

However, would-be investors should remain cautious. A major macro event like what's happening today could disrupt returns and wipe out gains without warning.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:TCL.A (Transcontinental Inc.)

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