



TFSA Users: 3 Sharp Ways to Get Rich Off This Market Crash

Description

Hello, 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.

So, if you're looking to protect your TFSA from this recent market crash, this trio is a good place to start.

Don't miss the bus

Leading off our list is **NFI Group** ([TSX:NFI](#)), which has grown its dividend payout a whopping 182% over the past five years. Shares of the bus manufacturer are down about 14% over the past year.

NFI's dividend continues to be backed by rock-solid fundamentals. Over the past five years, the company has grown its revenue, income, and EBITDA by 104%, 138%, and 177%, respectively. And in the most recent quarter, adjusted EBITDA increased 9.5% as revenue improved 20% to a record \$725.4 million.

More importantly, NFI's free cash flow jumped 31% to \$37.6 million.

"As we look into 2020, we expect the strength of our businesses to allow us to maintain leadership positions in all of our core markets, to continue generating strong free cash flow, and to focus on returning capital to shareholders," said President and CEO Paul Soubry.

NFI shares currently offer a juicy dividend yield of 5.6% and trade at a forward P/E in the mid-teens.

Income opportunity

With dividend growth of 31% over the past five years, **Exchange Income** ([TSX:EIF](#)) is next up on our list. Shares of the aviation services and equipment specialist are up roughly 25% over the past year.

Exchange's dividend is underpinned by robust cash flow generation, a reasonably diversified business model, and a prudent business model. In 2019, for example, adjusted earnings increased 7% as revenue grew 11% to \$1.34 billion.

More importantly, management increased the dividend 4%, while the payout ratio remained at a comforting 71%.

"2019 was another great year for EIC as we extended our track record of double-digit EBITDA growth and record earnings per share," said CEO Mike Pyle. "Beyond the financial results, however, we made significant investments in our future that will fuel our growth in 2020 and beyond."

Exchange shares currently offer a dividend yield of 5.6% and trade at a forward P/E in the low double digits.

Natural choice

Rounding out our list is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), which has nearly doubled its dividend payout over the past five years. Shares of the natural gas distribution giant are up slightly over the past year.

Enbridge's high-quality clientele (93% are investment grade), cash-generating asset base, and massive scale advantages continue to underpin its attractive dividend. In 2019, for example, adjusted earnings jumped to \$5.3 billion from \$2.5 billion in 2018. More importantly, distributable cash flow (DCF) jumped to \$9.2 billion from \$7.6 billion.

Based on that strength, management boosted the dividend 9.8%.

Looking ahead, Enbridge sees 2020 DCF of \$4.50-\$4.80 per share and longer-term 5-7% DCF growth.

"2019 was a successful year for Enbridge", said President and CEO Al Monaco. "Our low risk pipeline-utility model continued to deliver strong financial results and we advanced our strategic priorities on many fronts."

Enbridge currently offers a healthy dividend yield of 6.4%.

The bottom line

There you have it, Fools: three top dividend-growth stocks to protect your portfolio.

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. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:EIF (Exchange Income Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NFI (NFI Group)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2020/03/07

Author

bpacampara

default watermark

default watermark