



3 Top Dividend-Growth Stocks to Buy Now

Description

The three [dividend-growth stocks](#) I'm presenting here have increased their dividends for more than 20 years. They have a strong combination of revenue, profit, and dividend growth. This makes them excellent candidates not only to continue [paying dividends](#) but to increase it every year.

Enbridge

Although crude oil prices collapsed at the start of the year, some oil and gas stocks remained fairly stable. **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is one of these stocks, mainly because it does not depend too much on the oil field. The company's contracts provide protection against inevitable price and volume ripples in oil.

Enbridge's customers enter 25-year transportation contracts. The company is already well positioned to benefit from the Canadian oil sands (as its pipeline covers 70% of Canada's pipeline network).

As production increases, the need for Enbridge's pipelines remains significant. Now that it has merged with Spectra, about a third of its business model will come from the transportation of natural gas. The company has a handful of projects on the table or in development.

It appears that Enbridge will meet its cash flow forecast for the year, generating enough revenue to cover its 7.4% dividend. The distribution is \$0.80 paid quarterly. In addition, the company's expansion program is also expected to continue as planned.

Enbridge has a five-year revenue-growth rate of 7.1% and a five-year EPS growth rate of 21.56%. Its dividend-growth rate over the past five years is an impressive 16.33%. The company has increased its dividend for 25 consecutive years. Earnings are expected to grow by 8.2% on average per year over the next five years.

Canadian National Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) has a network of railways that covers Canada from coast to coast and extends from Chicago to the Gulf of Mexico. CN improved its operating ratio in 2019 and the company has railway assets of unsurpassed quality.

CN has a very solid economic moat, because railroads are almost impossible to duplicate. Therefore, you can count on an increase in cash flow every year. In addition, there is no better way to transport most products than by train.

The company has increased its dividend for 24 consecutive years. The dividend yield is currently close to 2%. It pays a quarterly dividend of \$0.575 per share. The five-year dividend-growth rate is 16.18%.

Over the past five years, the railway company has increased its revenue by 6.25% and its EPS by 13.69% on an annualized basis. Earnings are expected to grow by 11.1% on average per year over the next five years.

Toromont Industries

Toromont Industries ([TSX:TIH](#)) operates in two business sectors: the Equipment Group and CIMCO. The Equipment Group includes one of the largest Caterpillar dealers in terms of revenue and geographic territory. It covers the Canadian provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario, and Manitoba, in addition to most of the territory of Nunavut.

The group includes rental activities, a complementary material handling business, and an agricultural equipment business. CIMCO is a supplier of design, engineering, manufacturing, and installation of industrial and recreational refrigeration systems. Toromont's operations have been declared essential services in all of the jurisdictions in which it operates.

The company has hiked its dividend for 31 consecutive years. Its five-year dividend-growth rate is 12.09%. Toromont has increased its revenue and EPS at an annualized rate of 17.07% and 14.06%, respectively, in the past five years. It now pays a quarterly dividend of \$0.31 per share.

Toromont's shares have a current dividend yield of 1.7%. Earnings are expected to grow by 4.3% on average per year in the next five years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)

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3. TSX:CNR (Canadian National Railway Company)
4. TSX:ENB (Enbridge Inc.)
5. TSX:TIH (Toromont Industries Ltd.)

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