



These 2 Stocks Will Give You Excellent Growth and Dividends

Description

The goal of any investor is to make money. This can be accomplished by finding stocks that increase in value through capital appreciation or by distributing dividends to shareholders as a form of supplemental income. Although many investors choose to focus on one of these aspects, there are some companies that will provide both. In this article, I will discuss two companies that have shown a strong ability to grow through capital appreciation but are also among the elite with regards to its dividend distribution.

A leader in rail transport

The first company is **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). For those that are familiar with my articles, you will know that this is likely my [favourite dividend company](#) in Canada. Canadian National is the bona fide freight railway leader in Canada. Its network spans the entirety of Canada from British Columbia to Nova Scotia.

In the late 20th century, the company took over the Illinois Central railroad. This expanded its network into the Southern United States, reaching as far as Louisiana. All told, Canadian National's network totals nearly 33,000 km of rail.

Canadian National's annual revenue has been increasing each year. Its current trailing 12-month revenue is showing a modest 4% increase on the previous year. This is reflected in the company's stock with a 17% increase over the past year. Canadian National has also performed well out of the market crash, increasing over 46% since hitting its bottom.

Canadian National is a Canadian Dividend Aristocrat. The company currently has the 10th-longest active dividend-growth streak (24 years). Its forward dividend yield is 1.64%, with a current payout ratio of 44.06%. If you are interested in a company with the potential for solid future dividend growth, Canadian National should be one of your main targets.

One of the top growth companies you do not know

This second company is likely one that few will recognize. **Toromont Industries** ([TSX:TIH](#)) classifies itself as a diversified growth company. Its business consists of [two distinct segments](#). The first segment is aptly named The Equipment Group. This segment of its business is one of the largest **Caterpillar** dealerships by revenue. The second segment is CIMCO, which is a market leader in designing, engineering, and installation of industrial and recreational refrigerator systems.

Toromont has identified several key growth strategies moving forward. First, it plans to expand its geographical range and increase market share. The company also intends to strengthen its product support and increase product offerings. Finally, it will continue investing in resources that will help the company see continued growth. In the past year, Toromont stock has increased over 20%. In the past five years, we can see a 111% increase in its stock price.

The company first caught my attention for its long dividend-growth streak. Currently, Toromont claims the third-longest dividend-growth streak in Canada (30 years). Its forward dividend yield is 1.68%, and the company currently has a 36.94% payout ratio. As far as dividend companies go, Toromont is undoubtedly among the best.

Foolish takeaway

Canadian National Railway and Toromont Industries are two very strong growth companies. These two companies do not get as much attention, because the industrials sector is perceived as less glamorous than its peers. However, with a strong history of capital appreciation and dividend distribution, there is no denying the quality in these stocks. Investors often aim for strong performance in one of those two aspects. Why not grab a company that offers both?

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TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:TIH (Toromont Industries Ltd.)

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