2 TSX Top Performers to Own for Growing Dividends

Description

The TSX's resiliency in 2021 has boosted investors' appetite for dividend stocks. With corporate earnings likely to rise in the recovery phase, an increase in payouts to shareholders is a strong possibility.

Emera (TSX:EMA) and **Waste Connections** (TSX:WCN)(NYSE:WCN) boast outstanding dividend-growth streaks. The two are also among the top-performing Dividend Aristocrats. Both are excellent options for income investors desiring growing dividends.

Dividend growth through 2022

Emera trades at $59.55 per share but is poised to hit a new 52-week high as it inches closer to $60.26. Current investors enjoy an almost 14% year-to-date gain on top of the 4.28% dividend. The $15.27 billion electric and gas utility company is a top choice of risk-averse investors of its high-quality regulated utility assets.

Management forecasts a rate base growth of between 7.5% and 8.5% through 2023. The goal is achievable, given Emera's 2021 to 2023 capital investment plan worth $7.4 billion. It also eyes additional capital opportunities of $1.2 billion during the same period.

Emera will raise the capital-investment plan by combining internally generated cash flows and borrowings at the operating company level only. The good news for investors is that the utility company plans a 4-5% annual dividend growth through 2022.

The majority of Emera's investments are in regulated electricity generation and electricity & gas transmission and distribution. The strategic focus is always on a transformation from high carbon to low carbon energy sources. Moreover, Emera aims for an 80% reduction in coal usage by 2023 and to retire its last existing coal unit no later than 2040.

Vital waste management services

How would North America be without sustainable waste management solutions? Waste Connections provides waste management services (collection, transfer, disposal, and recycling) throughout Canada and the United States. The $42.18 billion company has been operating since 1997.

Waste Connections rose to become the industry leader in a relatively short period. Besides the waste management solutions, the company provides non-hazardous oilfield waste treatment, recovery, and disposal services in U.S. basins. It also offers intermodal services like rail haul movement of cargo and solid waste containers in the Pacific Northwest.

The Vaughan-based firm serves over seven million residential, commercial, and industrial customers. The operations are mainly in exclusive and secondary markets and cover six Canadian provinces and 43 U.S. states. In the first half of 2021, the business has rebounded from the pandemic's disruption.

Total revenue increased 10% versus the same period in 2020, while net income was $337.4 million compared to the $84 million net loss. Its president and CEO Worthing F. Jackson noted the improved solid waste pricing and volume growth in Q2 2021.

Jackson is confident that Waste Connections is on track to achieve revenue and adjusted EBITDA of $5.975 billion and $1.875 billion, respectively. The figure exceeds management's initial outlook from February 2021. Moreover, the 2021 adjusted free cash flow (FCF) should be around 53% of adjusted EBITDA, or $1 billion.

Waste Connections has a dividend-growth streak of 11 years. However, the industrial stock pays a modest 0.65% dividend. Nonetheless, there is plenty of room for a dividend increase due to its strong FCF generation. At $159.72 per share, the stock is up 23.03%.

Enduring businesses and dividends

Emera and Waste Connections, the TSX's top-performing Dividend Aristocrats, are excellent options if you want growing dividends. The respective businesses are enduring, and so are the dividend payments.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:EMA (Emera Incorporated)
3. TSX:WCN (Waste Connections)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/08/17
Date Created
2021/08/28
Author
cliew