



3 Top Canadian Stocks That Have Raised Their Dividends by Over 10%

Description

Apart from increasing passive income, a dividend hike would indicate the management's confidence in future cash flows. So, these stocks are an excellent buy for income-seeking investors. Meanwhile, here are three top Canadian stocks that have recently raised their dividends by over 10%.

Suncor Energy

After reporting a solid [third-quarter performance](#), **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) has doubled its dividends from \$0.21 per share to \$0.42 per share last month. During the quarter, the company's operating profits came in at \$1.043 billion compared to operating losses of \$338 million in the corresponding quarter of the previous year. Its funds from operation increased by 126% to \$2.641 billion. Increased production, higher oil prices, growth in refinery utilization rate, and cost-cutting measures boosted its financials.

Further, Suncor Energy is strengthening its balance sheet by lowering its debt levels. In the first nine months, the company has repaid \$3.1 billion of debt and expects to repay another \$1.9 billion by the end of this year. It has also raised its share repurchase target to 7% of its shares outstanding as of January 31, 2021.

Additionally, oil prices could remain elevated amid rising demand and supply concerns, benefiting oil-producing companies like Suncor Energy. Suncor Energy's capital investments to increase production and higher refinery utilization rate could boost its financials in the coming years. So, given its improving cash flows, healthy outlook, and a high dividend yield of 5.18%, [Suncor Energy would be an excellent buy right now](#).

Canadian Natural Resources

Earlier this month, **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) had raised its dividends by 25% to \$0.5875 per share, with its forward yield currently standing at 4.49%. For the quarter, the company's adjusted EPS increased by 42.7% to \$1.77 while generating around \$2.2 billion free cash

flows. Higher commodity prices, an 11% increase in its production, and improved operating efficiency drove its financials and cash flows. These strong cash flows appear to have prompted the company's board to raise its dividends by 25%, which was the 22nd consecutive year of a dividend hike.

Meanwhile, Canadian Natural Resources is also strengthening its balance sheet by reducing its debt level. It expects to reduce its debt to \$15 billion by the end of this year. Once this target is achieved, the company expects to utilize 50% of its free cash flows for share repurchases. Oil prices should trade above US\$35 per barrel to cover the company's capital expenditures and dividends. Meanwhile, with oil prices trading well above those levels, I believe the company's dividends are safe.

Waste Connections

My final pick would be **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)), which had posted a solid third-quarter performance last month. Its top-line and adjusted EPS increased by 14.9% and 23.6%, respectively. Also, its adjusted EBITDA increased by 16.9% to US\$505.6 million despite the negative impact from dilutive acquisitions and hurricanes.

The strengthening of solid waste pricing, higher recycled commodity values, increased revenue from the E&P segment amid rising oil demand, and acquisitions drove the company's financials. After reporting an impressive third-quarter performance, the company's management also raised its 2021 guidance. Now, the management expects the company to post revenue of US\$6.110 billion in 2021, while its adjusted EBITDA could come in at US\$1.910 billion.

The improvement in economic activities could boost the demand for the company's services. The recovery in the energy sector could also increase its revenue from the E&P segment in the coming quarters. Amid solid earnings and a healthy outlook, Waste Connections' management had raised its quarterly dividends by 12.2% to US\$0.205 per share, the 11th consecutive year of double-digit dividend growth.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:WCN (Waste Connections)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:WCN (Waste Connections)

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Date

2025/08/26

Date Created

2021/11/16

Author

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