3 Stocks With Over 10% Dividend Growth

Description

Irrespective of the volatility in the equity market, several TSX stocks have been consistently paying and growing their dividends, making them attractive investments to generate reliable passive income. While several Canadian corporations have been consistently increasing their dividends, I'll focus on three stocks growing dividends at 10% or more.

goeasy

Financial services company **goeasy** (TSX:GSY) has been consistently growing its earnings at a breakneck pace, thus allowing the company to increase its dividends at a solid double-digit rate. For context, goeasy's adjusted net income has grown at a CAGR of 31% since 2001. Meanwhile, it increased by 49% in 2021.

Thanks to its solid earnings base, goeasy increased its dividend at a CAGR of 34.5% over the past eight years. Moreover, its strong earnings capability suggests that it could continue to grow its dividend at a breakneck pace in the coming years.

goeasy's top line could continue to increase at a double-digit rate, reflecting benefits from high loan origination and a large subprime lending market. Moreover, expansion of its products, omnichannel offerings, higher loan size, and acquisitions will support its growth.

Thanks to the higher revenues, strong credit performance and productivity savings, goeasy's bottom line could continue to grow at a solid double-digit rate, which will support its payouts. goeasy stock has witnessed a correction and offers a yield of 2.8%.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) has a solid history of dividend payments. For instance, Toronto-Dominion Bank has paid dividends for a continuous 164 years. Moreover, its dividend has increased by 11% per annum since 1995. Meanwhile, it recently increased its dividends by 13%.

Its strong dividend payments are supported through its ability to grow its earnings consistently. It's worth noting that Toronto-Dominion Bank's adjusted earnings have a CAGR of 9.5% in the last five years, which is encouraging.

Looking ahead, the expected increase in loans and deposits volume, the anticipated rise in interest rates, lower provisions, strong credit performance, and robust balance sheet indicate that Toronto-Dominion Bank's earnings could grow rapidly and cover higher dividend payments. The bank's payouts are sustainable in the long term, while it offers a dividend yield of 3.6%.

Algonquin Power & Utilities

Speaking of dividend stocks, **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) emerges as a solid investment. Its low-risk business model and steady cash flows have led the company to enhance its shareholders' returns consistently.

It's worth noting that Algonquin Power & Utilities has increased its dividend by 10% per annum in the last 11 years. Moreover, its regulated utility assets, long-term contracts, and expansion of renewables capacity indicate that it could continue to boost its shareholders' returns through higher dividends.

Algonquin Power & Utilities expects its rate base to continue to grow at a CAGR of 14.6% in the medium term, which will expand its earnings base. Notably, it forecasts a 7-9% growth in its earnings from 2022 to 2026, which provides a solid base for dividend growth.

Overall, its conservative business mix, strong asset base, increased rate base, and strategic acquisitions bode well for earnings and dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:GSY (goeasy Ltd.)
5. TSX:TD (The Toronto-Dominion Bank)

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