3 Canadian Stocks With Impressive Dividend Growth

Description

Despite the recent recovery, the equity markets remain volatile amid an inflationary environment, multiple rate hikes, geopolitical tensions, and the expectation of growth slowing down. So, given the volatile environment, investors can buy the following three dividend stocks that have consistently raised their dividends at healthy rates.

Canadian Natural Resources

Through its diversified assets located in North America, the North Sea, and Offshore Africa, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) produces oil and natural gas. Supported by its strong financials, the company has raised its dividend for the previous 22 years at an average annualized rate of 22%. With a quarterly dividend of $0.75/share, its forward yield stands 3.45%.

Amid the rising geopolitical tensions, the European Union has agreed to slash its oil import from Russia by the end of this year. So, amid the increasing demand and supply concerns, oil prices have increased to over US$118/barrel. Meanwhile, analysts expect oil prices to remain elevated in the medium term.

Notably, Canadian Natural Resources plans to invest around $3.6 billion this year, raising its production to $1.27-$1.32 million barrels of oil equivalent per day. The company's strategic acquisitions, share repurchases, and falling debt levels could support its growth. So, I believe Canadian Natural Resources is well positioned to continue its dividend growth.

goeasy

goeasy (TSX:GSY) provides financial and leasing services to sub-prime customers. Supported by its strong financials, the company has increased its dividend at a CAGR of over 34% since 2014. Meanwhile, its forward dividend yield stands at a healthy 3.15%.

Amid the easing of pandemic-related restrictions, the economic activities are improving, driving loan originations. Meanwhile, the company is strengthening its digital channels, expanding its geographical presence, and adding new verticals to expand its market share in the highly fragmented sub-prime lending market.

Given its growth initiatives and expanding sub-prime lending market, goeasy's management has provided optimistic guidance for the next three years. The management hopes to expand its loan portfolio by 67% to $3.6 billion by 2024. The company's operating margins continue to remain above 35% while delivering a return on equity of over 22%. Supported by these strong financials, goeasy can maintain its dividend growth.

Waste Connections

My final pick is **Waste Connections** (TSX:WCN)(NYSE:WCN), which is involved in the waste management and resource recovery business. The company primarily operates in secondary or exclusive markets, which has helped it maintain its margins. Supported by its solid underlying business and strategic acquisitions, the company has raised its dividend at a CAGR of around 15% since 2010. The company's forward dividend yield stands at a low of 0.56%, its consistent dividend hikes could boost shareholders' returns.

Meanwhile, the demand for Waste Connections's services could rise amid a growing economy and increased oil exploration and production activities. The company is also planning to make a capital investment of $850 million this year to strengthen its asset base and make strategic acquisitions. So, these initiatives could boost the company's financials, thus allowing it to boost its dividends in the coming years. Its liquidity position also looks healthy, given its cash and cash equivalents of US$390 million at the end of the March-ending quarter. So, Waste Connections would be an excellent buy in this volatile environment.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:WCN (Waste Connections)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:GSY (goeasy Ltd.)
5. TSX:WCN (Waste Connections)

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