2 Growth Stocks That Also Offer Incredible Dividends

### Description

Optimistic investors are still out there, evidenced by the strong moves many growth stocks have seen thus far this year. While the year is only a few weeks old, this year's performance for certain sectors may be much better than last year's.



However, one of the interesting dynamics we're seeing play out is a divergence among specific types of growth stocks. Companies without profitability and no line of sight to future cash flows continue to underperform. However, other growth stocks that pay dividends are being viewed much more favourably by investors, who are in search of capital return (not just return on capital).

With that said, here are two top dividend stocks which also pay nice dividends I think are worth buying for the long term.

## Top growth stocks with incredible dividends: Restaurant Brands

The pandemic, rising inflation and salary issues have continued to put a strain on **Restaurant Brand's** (TSX:QSR) profit margins, even after the pandemic ended, with a significant portion of its restaurants shut down due to lockdowns.

However, all of that appears to be in the rearview mirror, with the company now operating at full capacity. Restaurant Brands International currently pays a moderate 3.4% dividend yield with a payout ratio in the 60% range (in terms of free cash flow). With analysts expecting the company to grow its earnings and cash flows in the high single-digit rate over the next few years, this dividend looks both manageable as well as attractive from a growth standpoint.

According to Dominic Nicosia, senior manager of business development and franchising at Restaurant Brands International, the parent company of Tim Hortons, the company is interested in collaborating with dining establishments in the Austin region. According to the journal, the objective is to open 40 to 50 stores in the greater metropolitan region within five years as part of a larger expansion that is planned for Texas, Florida, and Georgia.

There are also plans for expansion in various parts of Europe and Asia. Thus, for those seeking growth in the fast-food space, Restaurant Brands is a company that offers an excellent growth profile, with a juicy yield.

## Suncor

Despite a challenging 2022, **Suncor** (TSX:SU) nonetheless produced significant gains. Investors who are positive on oil prices may continue to speculate that SU stock remains undervalued, particularly due to its relatively attractive dividend yield of nearly 5%.

Last year, Suncor liquidated its renewable energy operations, and it is still selling off other non-core assets. But because Suncor wants to keep its integrated strategy, its retail segment won't be sold. The retail sector, which includes about 1,500 Petro-Canada stores, was predicted to be worth $10 billion by analysts.

The company's dividend yield remains attractive, with the potential to grow, should oil prices remain robust. Of course, this is the key risk when it comes to Suncor stock, with the market seeming to price in a likelihood that oil prices eventually revert lower.



I think SU stock represents excellent value, given its growth potential in an oil price environment around US$80 per barrel. The company's management team has done a fantastic job of leveraging extra income to pay down debt and repurchase a sizable portion of the stock. This ought to give the business more leeway in 2023 and beyond when it comes to dividend increases or one-time bonus payments.

## Bottom line

Analysts are expecting a better year in 2023, and growth stocks seem to be one of the best places to add risk right now. Accordingly, for those looking to do so in a safer way, these three dividend-paying stocks certainly look attractive right now.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:QSR (Restaurant Brands International Inc.)
2. TSX:SU (Suncor Energy Inc.)

**PARTNER-FEEDS**

1. Business Insider
2. Flipboard
3. Koyfin

4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

**PP NOTIFY USER**

1. chrismacdonald
2. kduncombe

**Category**

1. Dividend Stocks
2. Investing

**Date**
2025/08/16
**Date Created**
2023/01/21
**Author**
chrismacdonald