



## These Dynamic Duos Are Partnering for Growth; Should You Join Them?

### Description

Sometimes, two publicly traded companies working together drive better growth than certain solo efforts. This is the case with the partnerships made by the following companies. Consider the programs that these dividend payers are working on together.

#### 1. Enbridge and Keyera

**Enbridge** ([TSX: ENB](#))([NYSE: ENB](#)) transports, distributes and generates energy. It connects energy supplies to refinery and consumer markets. Enbridge has paid dividends for more than 61 years. Its annualized dividend has been increased every year since 1996 and its dividend has grown by an average of 13% per year over the past 10 years. In April, Enbridge's board of directors declared a quarterly dividend of \$0.35 per common share.

In Canada, **Keyera** ([TSX: KEY](#)) operates one of the largest natural gas midstream businesses. The company's business comprises natural gas gathering and processing; the processing, transportation, storage, and marketing of natural gas liquids; and the production of iso-octane and crude oil midstream. Keyera announced a cash dividend for April 2014 of \$0.20 per common share.

This month, Enbridge's **Enbridge Pipelines (Athabasca), Inc.** and Keyera reached an agreement whereby Keyera will participate in the Norlite Pipeline as a 30% non-operating owner. The Norlite Pipeline will be 20 inches in diameter and will ultimately have a capacity of 280,000 barrels per day. It will transport diluent (a substance used to thin out heavy crude to allow it to move through pipelines) for producers from the Edmonton/Fort Saskatchewan region into the Athabasca oil sands region.

David Smith, Keyera's president and CEO, said, "we are pleased to be partnering once again with Enbridge to provide necessary services to the oil sands sector."

The expectation is that construction could start as early as summer 2015. An in-service date is anticipated for 2017. This is all dependent upon the necessary regulatory and environmental approvals.

#### 2. Aimia and Toronto-Dominion Bank

A worldwide leader in loyalty management, **Aimia** ([TSX: AIM](#)) owns and operates Aeroplan, which is Canada's premier coalition loyalty program. Aimia also owns and operates other coalition loyalty programs internationally.

This month, Aimia announced that its board declared a quarterly dividend of \$0.18 per common share. In addition, the board declared a quarterly dividend of \$0.40625 per Cumulative Rate Reset Preferred Share, Series 1, and a quarterly dividend of \$0.390625 per Cumulative Rate Reset Preferred Share, Series 3.

**Toronto-Dominion Bank** ([TSX: TD](#))([NYSE: TD](#)) offers a full range of financial products and services and is the sixth-largest bank in North America by branches. It is Canada's second-largest bank and has three business lines: Canadian retail banking, U.S. retail banking, and wholesale banking, which includes securities. For Q1 2014, its quarterly profit rose 16% on the strength of robust Canadian and U.S. retail lending.

This month, Toronto-Dominion Bank announced that a dividend of \$0.47 per fully paid common share in the capital stock of the bank was declared for the quarter ending July 31, 2014.

Aimia and its Aeroplan program now have a partnership with Toronto-Dominion Bank, and for the first three months of 2014, the latter company signed 275,000 new cardholders. The bank is the primary issuer of Aeroplan's Visa credit cards. Approximately 550,000 cardholders were transferred from **Canadian Imperial Bank of Commerce** ([TSX: CM](#))([NYSE: CM](#)) as part of a 10-year agreement. These are in addition to the new sign-ups. As an incentive, Toronto-Dominion gave new customers 15,000 miles to sign up.

For Q1 2014, gross billings for Aeroplan's financial partners, which also include American Express, grew 15.5%.

Corporate associations such as these can provide opportunities for investors. The key factor is to understand the operations of both companies to determine if the alliance is mutually beneficial to them and to your portfolio.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AIM (Aimia Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:KEY (Keyera Corp.)
6. TSX:TD (The Toronto-Dominion Bank)

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