

3 Companies That Recently Announced Dividend Increases

Description

As Foolish investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and the top performers are those that raise their dividends every year. With these facts in mind, let's take a look at three companies that recently increased their dividends, continuing their streaks of annual increases, so you can determine if you should buy one of them today.

1. Toromont Industries Inc.

Toromont Industries Inc. ([TSX:TIH](#)) is one of the largest dealers of Caterpillar equipment and one of the leading designers of industrial and recreational refrigeration systems in Canada and the United States.

In its fourth-quarter earnings report on February 9, it announced a 5.9% increase to its dividend to \$0.18 per share quarterly, or \$0.72 per share annually, and this gives its stock a yield of about 2.4% at today's levels.

It is also important for investors to make two notes.

First, Toromont Industries has raised its annual dividend payment for 26 consecutive years, and this increase puts it on pace for 2016 to mark the 27th consecutive year with an increase.

Second, the company has a target dividend-payout range of 30-40% of its trailing earnings from continuing operations, so I think its consistent growth will allow its streak of annual increases to continue going forward.

2. Boardwalk REIT

Boardwalk REIT ([TSX:BEI.UN](#)) is one of Canada's largest residential landlords. It owns and operates more than 200 communities with over 32,000 residential units that total approximately 28 million net rentable square feet.

In its fourth-quarter earnings report on February 18, it announced a 10.3% increase to its distribution to \$0.1875 per share monthly, or \$2.25 per share annually, and this gives its stock a yield of about 4.7% at today's levels.

Investors must also make two notes.

First, Boardwalk has raised its regular annual distribution for four consecutive years, and this increase puts it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, the company has paid out special distributions in each of the last two years, including a \$1.40 distribution in December 2014 and a \$1.00 distribution in December 2015, and I think it will continue this practice going forward in order to distribute as much of its taxable income to its shareholders as

possible.

3. Gildan Activewear Inc.

Gildan Activewear Inc. ([TSX:GIL](#))([NYSE:GIL](#)) is one of world's largest manufacturers and distributors of apparel products.

In its fourth-quarter earnings report on February 24, it announced a 20% increase to its dividend to US\$0.078 per share quarterly, or US\$0.312 per share annually, and this gives its stock a yield of about 1.3% at today's levels.

It is also important for investors to note that Gildan has raised its annual dividend payment for three consecutive years, and this increase puts it on pace for 2016 to mark the fourth consecutive year with an increase.

Which of these stocks would fit best in your portfolio?

Toromont Industries, Boardwalk REIT, and Gildan Activewear recently raised their dividends, continuing their streaks of annual increases, and I think all three represent attractive long-term investment opportunities today. Foolish investors should take a closer look at each and strongly consider initiating positions in at least one of them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
3. TSX:GIL (Gildan Activewear Inc.)
4. TSX:TIH (Toromont Industries Ltd.)

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