3 Industry Giants That Raised Their Dividends on February 25

Description

As intelligent 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 industry giants that announced dividend hikes on February 25 and have active streaks of annual increases, so you can determine if you should buy one of them today.

1. Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is the fifth-largest bank in Canada with approximately $479.03 billion in total assets.

In its first-quarter earnings report on February 25, it announced a 2.6% increase to its dividend to $1.18 per share quarterly, or $4.72 per share annually, and this gives its stock a yield of about 5.3% at today's levels.

Investors must also make three notes.

First, this was the sixth consecutive quarter in which CIBC has raised its dividend.

Second, the company has raised its annual dividend payment for five consecutive years, and its recent hike has it on pace for 2016 to mark the sixth consecutive year with an increase.

Third, CIBC has a target dividend-payout range of 40-50% of its adjusted net earnings, so I think its consistent growth, including its 8.1% year-over-year growth to an adjusted $2.55 per share in the first quarter of fiscal 2016, will allow its streak of annual increases to continue going forward.

2. Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is the second-largest bank in Canada with approximately $1.17 trillion in total assets.

In its first-quarter earnings report on February 25, it announced a 7.8% increase to its dividend to $0.55 per share quarterly, or $2.20 per share annually, and this gives its stock a yield of about 4.2% at today's levels.

Investors must also make two notes.

First, Toronto-Dominion Bank has raised its annual dividend payment for five consecutive years, and this increase puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its adjusted net earnings, so I think its consistent growth, including its 5.4% year-over-year growth to an adjusted $1.18 per share in the first quarter of fiscal 2016, will allow its streak of annual increases to continue for the next several years.

3. CCL Industries Inc.

CCL Industries Inc. (TSX:CCL.B) is the world's largest label company and one of the largest providers of specialty packaging products and innovative solutions for several industries.

In its fourth-quarter earnings report on February 25, it announced a 33.3% increase to its dividend to $0.50 per share quarterly, or $2.00 per share annually, and this gives its stock a yield of about 1% at today's levels.

Investors must also make two notes.

First, CCL Industries has raised its annual dividend payment for 14 consecutive years, and this increase puts it on pace for 2016 to mark the 15th consecutive year with an increase.

Second, the company has a target dividend payout of 25% of its adjusted net earnings, so I think its very strong growth, including its 31.9% year-over-year growth to an adjusted $8.61 per share in fiscal 2015, will allow its streak of annual increases to continue going forward.

Is now the time to buy one of these dividend growers?

Canadian Imperial Bank of Commerce, Toronto-Dominion Bank, and CCL Industries announced dividend increases on February 25, and I think all three represent very attractive long-term investment opportunities today. Foolish investors should take a closer look and strongly consider initiating positions in one or more of them.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CCL.B (CCL Industries)
4. TSX:CM (Canadian Imperial Bank of Commerce)
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