

3 Notable Dividend Hikes From the Last Week

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 as often as possible. With these facts in mind, let's take a look at three companies that raised their dividends in the last week, so you can determine if you should buy one or more of them today.

1. Pattern Energy Group Inc.

Pattern Energy Group Inc. (TSX:PEG)(NASDAQ:PEGI) is one of the world's largest independent generators of wind power with 16 facilities in the United States, Canada, and Chile.

In its fourth-quarter earnings report on February 29 it announced a 2.4% increase to its dividend to US\$0.381 per share quarterly, or US\$1.524 per share annually, and this gives its stock a yield of about 8.7% at today's levels.

Investors must also make three notes.

First, Pattern Energy has raised its quarterly dividend for eight consecutive quarters.

Second, the company has raised its annual dividend payment every year since it began paying one in 2013, resulting in two consecutive years of increases, and its recent hike has it on pace for 2016 to mark the third consecutive year with an increase.

Third, it has a target payout ratio of 80% of its cash available for distribution, so I think its very strong growth, including its 48.8% year-over-year growth to \$92.45 million in fiscal 2015, will allow its streak of annual increases to continue going forward.

2. Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada with approximately \$919.6 billion in total assets.

In its first-quarter earnings report on March 1, it announced a 2.9% increase to its dividend to \$0.72 per share quarterly, or \$2.88 per share annually, and this gives its stock a yield of about 5% at today's levels.

Investors must also make two notes.

First, Bank of Nova Scotia has raised its annual dividend payment for five consecutive years, and its recent increases, including the one noted above and its 2.9% hike in August 2015, has 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 5.1% year-over-year growth to \$1.8 billion in the first quarter of fiscal 2016, will allow its streak of annual increases to continue for the next several years.

3. Maple Leaf Foods Inc.

Maple Leaf Foods Inc. ([TSX:MFI](#)) is one of the largest manufacturers of packaged meats in Canada, and it is behind brands such as Maple Leaf, Swift, Larsen, and Mitchell's.

In its fourth-quarter earnings report on March 1, it announced a 12.5% increase to its dividend to \$0.09 per share quarterly, or \$0.36 per share annually, and this gives its stock a yield of about 1.5% at today's levels.

Investors must also note that Maple Leaf raised its dividend by 100% in 2015, and the increase it just announced has it on pace for 2016 to mark the second consecutive year with an increase.

Is now the time to buy one of these stocks?

Pattern Energy Group, Bank of Nova Scotia, and Maple Leaf Foods recently hiked 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 one or more of them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:MFI (Maple Leaf Foods Inc.)

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