



These 2 Stocks Just Raised Their Dividends by 15-25%

Description

Earnings season has arrived, and not only is it a great time to see the most up-to-date financials of the world's largest companies, but it's also the most popular time for companies to raise their dividends. Let's take a look at two industry giants that did just that and raised their dividends by 15-25% this week, so you can determine if you should invest in one of them today.

Agnico Eagle Mines Ltd.

Agnico Eagle Mines Ltd. ([TSX:AEM](#))([NYSE:AEM](#)) is one of the world's largest gold-mining companies. Its eight mines are located in Canada, Finland, and Mexico, and it has exploration and development activities in each of these regions as well as in the United States and Sweden.

In its second-quarter earnings report on Wednesday, July 27, Agnico announced a 25% increase to its quarterly dividend to US\$0.10 per share, representing US\$0.40 per share on an annualized basis, and this brings its stock's yield to about 0.7% at today's levels. The first quarterly payment at this increased rate will come on September 15 to shareholders of record at the close of business on September 1.

It's also important to make the following two notes about Agnico's dividend.

First, the company has declared a cash dividend every year since 1983, and the hike it just announced puts it on pace for 2016 to mark the first year in which it has raised its annual dividend payment since it reduced its dividend in 2014.

Second, I think its very strong growth of operating cash flow, including its 13.1% year-over-year increase to US\$375.2 million in the first half of 2016, and its very low dividend-payout ratio, including a mere 8% of its operating cash flow in the first half, could allow 2016 to mark the starting point to an extensive streak of annual dividend increases.

Sleep Country Canada Holdings Inc.

Sleep Country Canada Holdings Inc. ([TSX:ZZZ](#)) is Canada's leading mattress retailer and the only specialty mattress retailer with a national footprint in Canada. It operates under two retail banners:

Dormez-vous, the largest mattress retailer in Quebec, and Sleep Country Canada, the largest mattress retailer in the rest of Canada. As of June 30, it owns and operates 233 stores and 17 distribution centres across the country.

In its second-quarter earnings report on Thursday, July 28, Sleep Country announced a 15.4% increase to its quarterly dividend to \$0.15 per share, representing \$0.60 per share on an annualized basis, and this brings its stock's yield to about 2.2% at today's levels. The first quarterly payment at this increased rate will come on August 26 to shareholders of record at the close of business on August 16.

It's also important to make the following two notes about Sleep Country's dividend.

First, the company went public in July 2015 and it declared and paid its first quarterly dividend in November 2015, so the hike it just announced puts it on pace for 2016 to mark the first year in which it has raised its annual rate.

Second, I think its very strong growth of operating earnings before interest, taxes, depreciation, and amortization (EBITDA), including its 34.1% year-over-year increase to \$32.3 million in the first half of 2016, and its conservative dividend-payout ratio, including just 26.6% of its operating EBITDA in the first half, could allow 2016 to mark the starting point to an extensive streak of annual dividend increases for Sleep Country, just like Agnico Eagle Mines.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)

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