



## 2 Stocks That Raised Their Dividends on Monday

### Description

Earnings season is the most popular time for companies to raise their dividends, and this season has been another highly active time. Let's take a closer look at two companies that raised their dividends by 2-13% on Monday, so you can stay informed and decide if you should buy one of them today.

#### H&R Real Estate Investment Trust

**H&R Real Estate Investment Trust** ([TSX:HR.UN](#)) is the largest diversified REIT in Canada with total assets of approximately \$14.5 billion as of September 30. Its portfolio consists of 515 retail, industrial, office, and residential properties, comprising of approximately 46.6 million square feet located across Canada and the United States.

In its third-quarter earnings report on Monday, November 14, H&R announced a 2.2% increase to its monthly distribution to \$0.115 per unit, representing \$1.38 per unit on an annualized basis, which brings its yield up to about 6.5% at today's levels. The first monthly installment at this increased rate is payable on December 30 to shareholders of record at the close of business on December 15.

It's important to note that this was the first time H&R has raised its annual distribution rate since 2013, but I think its consistent growth of funds from operations, including its 3.3% year-over-year increase to \$1.88 per unit in 2014, its 3.7% year-over-year increase to \$1.95 per unit in 2015, and its 1.4% year-over-year increase to \$1.48 per unit in the first nine months of 2016, could allow 2016 to mark the starting point to an extensive streak of annual increases.

#### Magellan Aerospace Corp.

**Magellan Aerospace Corp.** ([TSX:MAL](#)) is one of the world's largest integrated aerospace companies. It provides complex assemblies and systems solutions to aircraft and engine manufacturers, and defence and space agencies around the world.

In its third-quarter earnings report on Monday, November 14, Magellan announced a 13% increase to its quarterly dividend to \$0.065 per share, representing \$0.26 per share on an annualized basis, and this brings its stock's yield to about 1.45% today. The first quarterly installment at this increased rate

is payable on December 30 to shareholders of record at the close of business on December 9.

A 1.45% yield may not peak your interest at first, but it's very important to note that Magellan has raised its annual dividend payment every year since it initiated its dividend in 2013, resulting in three consecutive years of increases, and the hike it just announced puts it on pace for 2017 to mark the fourth consecutive year with an increase.

I think Magellan's very strong financial performance, including its 8.3% year-over-year increase in revenue to \$756.77 million, its 19.4% year-over-year increase in net earnings to \$1.11 per share, and its 12% year-over-year increase in operating cash flow to \$73.29 million in the first nine months of 2016, will allow its streak of annual dividend increases to continue through 2020 at least, making it a very attractive dividend-growth play.

### **Is one a better buy than the other?**

H&R REIT and Magellan Aerospace both represent attractive long-term investment opportunities, but if I had to choose just one to invest in today, I'd go with H&R because it has a much higher yield.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:HR.UN (H&R Real Estate Investment Trust)

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