

## These Dividend-Growth Superstars Raised Their Rates on Wednesday

### Description

Two of Canada's largest public companies just made very shareholder-friendly moves and raised their dividends. Let's take a closer look at each, so you can decide if you should invest in one or both of them today.

#### Suncor Energy Inc.

**Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) is Canada's largest integrated oil and gas company. Its operations include oil sands development and upgrading, conventional and offshore oil and gas production, petroleum refining, product marketing, and renewable power generation.

In its fourth-quarter earnings release on Wednesday, February 8, Suncor announced a 10.3% increase to its quarterly dividend to \$0.32 per share, representing \$1.28 per share on an annualized basis, and this brings its stock's yield up to about 3.1% today. The first quarterly installment at this increased rate is payable on March 24 to shareholders of record at the close of business on March 3.

This hike added to Suncor's reputation for being one of the best dividend-growth stocks in the oil and gas industry, as it puts it on pace for 2017 to mark the 15th consecutive year in which it has raised its annual dividend payment.

I also think investors can continue to rely on Suncor for dividend growth in the years ahead; I think its strong generation of funds from operations (FFO) despite the low commodity price environment, including \$3.72 per share in 2016, and its low payout ratio, including a very conservative 31.2% of FFO in 2016, will allow its streak of annual dividend increases to continue through 2020 at the very least.

#### Intact Financial Corporation

**Intact Financial Corporation** ([TSX:IFC](#)) is Canada's leading provider of property and casualty insurance. Its subsidiaries include Intact Insurance, belairdirect, BrokerLink, and Jevco Insurance Company.

In its fourth-quarter earnings release on Wednesday, February 8, Intact announced a 10.3% increase to its quarterly dividend to \$0.64 per share, representing \$2.56 per share on an annualized basis, and this gives its stock a yield of about 2.7% today. The first quarterly payment at this increased rate will come on March 31 to shareholders of record at the close of business on March 15.

Like Suncor, Intact is known as being one of the best dividend-growth stocks in its industry. It has raised its annual dividend payment each of the last 11 years, and the hike it just announced has it positioned for 2017 to mark the 12th consecutive year with an increase.

Even though Intact had a rough 2016 as a result of higher catastrophe losses, primarily due to "the Fort McMurray wildfires and severe summer storms," I think its dividend growth is very promising going forward; I think this because the company has grown its net operating income per share at a

compound annual growth rate of 10% over the last three years and it expects to continue to grow at a 10% rate “over time,” so this growth paired with its conservative payout ratio of around 40% could allow its streak of annual dividend increases to continue in 2018 and beyond.

### **Which should you buy today?**

I think both Suncor and Intact Financial represent very attractive long-term investment opportunities, so take a closer look and strongly consider adding at least one of them to your portfolio today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:IFC (Intact Financial Corporation)
3. TSX:SU (Suncor Energy Inc.)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Yahoo CA

### **Category**

1. Dividend Stocks
2. Investing

### **Tags**

1. Editor's Choice

### **Date**

2025/07/07

### **Date Created**

2017/02/10

### **Author**

jsolitro

default watermark

default watermark