



These 3 Stocks Just Raised Their Dividends by 3-20%

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 three companies that raised their dividends by 3-20% this week, so you can determine if you should buy one of them today.

Enercare Inc.

Enercare Inc. (TSX:ECI) is one of North America's largest home and commercial services and energy solutions companies. It's a leading provider of water heaters, water treatment, furnaces, air conditioners, and other HVAC rental products, plumbing services, protection plans, and related services in Canada and the United States, and it's the largest non-utility sub-metre provider for condominium and apartment suites in Canada.

In its fourth-quarter earnings release on March 7, Enercare announced a 3.9% increase to its monthly dividend to \$0.08 per share, representing \$0.96 per share on an annualized basis, and this is effective for its April payment. This means investors will receive a dividend of \$0.077 per share for the month of March, which is payable on March 31 to shareholders of record at the close of business on March 15, and gives its stock a yield of about 4.7% today; the dividend is being moved up to \$0.08 per share in April, which would give it a yield of about 4.9%.

Investors must also make the following two notes.

First, Enercare has raised its annual dividend payment in each of the last six years, and its two hikes in the last 10 months, including its 10% hike in May 2016 and the one noted above, have it positioned for 2017 to mark the seventh consecutive year with an increase.

Second, I think its very strong financial performance, including its 18% year-over-year increase in normalized pro forma distributable cash to \$1.18 per share in 2016, will allow its streak of annual dividend increases to continue through 2020 at the very least.

Aecon Group Inc.

Aecon Group Inc. ([TSX:ARE](#)) is one of Canada's leading providers of construction and infrastructure development. Its operational capabilities cater to all stages of the construction process, including design, engineering, construction delivery, and project finance.

In its fourth-quarter earnings release on March 7, Aecon announced an 8.7% increase to its quarterly dividend to \$0.125 per share, representing \$0.50 per share on an annualized basis, and this brings its stock's yield up to about 3% at today's levels. The first increased quarterly payment will be made on April 3 to shareholders of record at the close of business on March 24.

It's also very important to make two notes.

First, Aecon has raised its annual dividend payment for five consecutive years, and the hike it just announced has it on pace for 2017 to mark the sixth consecutive year with an increase.

Second, I think its strong operational performance, including its 16.7% year-over-year increase in operating profit, excluding certain items, to \$87.1 million, and its 23.9% year-over-year backlog increase to \$4.2 billion in 2016, will allow its streak of annual dividend increases to continue in 2018 and beyond.

Linamar Corporation

Linamar Corporation ([TSX:LNR](#)) is a diversified manufacturer of engineered products for powering vehicles and motion, such as powertrain and driveline systems, and it's one of the world's leading manufacturers of aerial work platforms.

In its fourth-quarter earnings release on March 8, Linamar announced a 20% increase to its quarterly dividend to \$0.12 per share, representing \$0.48 per share on an annualized basis, and this brings its yield to about 0.8% today. The first quarterly installment at this increased rate is payable on or after April 17 to shareholders of record on April 3.

It's also worth noting that this is the first time Linamar has raised its dividend since 2014. I think its very strong financial performance, including its 22 consecutive quarters of double-digit operating earnings growth, and its 29.8% year-over-year increase in cash generated from operating activities to \$898.1 million in 2016, could allow 2017 to mark the starting point to an extensive streak of annual dividend increases like Enercare and Aecon Group currently have.

Should you add one of these stocks to your portfolio?

I think Enercare, Aecon Group, and Linamar all represent attractive long-term investment opportunities, so take a closer look at each and consider initiating a position in one of them over the next couple of trading sessions.

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2. Investing

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2. TSX:LNR (Linamar Corporation)

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Date

2025/07/06

Date Created

2017/03/10

Author

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