

These 2 Energy Stocks Just Raised Their Dividends

Description

Earnings season is here. 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 closer look at two energy companies that did just that to the tune of 1-5%, so you can determine if you should invest in one of them today.

Hydro One Ltd.

Hydro One Ltd. ([TSX:H](#)) is the largest electric transmission and distribution company in Ontario. It delivers electricity to more than 1.3 million customers across the province.

In its first-quarter earnings release on May 4, Hydro One announced a 4.8% increase to its quarterly dividend to \$0.22 per share, equal to \$0.88 per share on an annualized basis, which brings its yield up to about 3.8% today.

Investors should also make the following three notes about Hydro One's new dividend.

First, the first quarterly installment at the increased rate will be made on June 30 to shareholders of record at the close of business on June 13.

Second, this is the first time Hydro One has raised its dividend since it went public in November 2015 and declared its first quarterly dividend in February 2016.

Third, it has a target dividend-payout range of 70-80% of its net earnings, so I think its management team's positive outlook on its business, including its "expectation of continued long-term earnings growth," could allow 2017 to mark the starting point to an extensive streak of annual dividend increases.

Pattern Energy Group Inc.

Pattern Energy Group Inc. (TSX:PEG)(NASDAQ:PEGI) is an independent producer of wind power. Its portfolio currently consists of 18 wind power facilities with a total owned interest of 2,644 megawatts in the United States, Canada, and Chile.

In its first-quarter earnings release on May 9, Pattern Energy announced a 1% increase to its quarterly dividend to US\$0.418 per share, equal to \$1.672 per share on an annualized basis, and this brings its yield up to about 7.6% at today's levels.

Investors must also make the following four notes about Pattern Energy's new dividend.

First, the first quarterly payment at this increased rate will be made on July 31 to shareholders of record at the close of business on June 30.

Second, Pattern Energy has now raised its dividend for 13 consecutive quarters. You read that right —

13 consecutive quarters!

Third, it has raised its annual dividend payment for three consecutive years, and its recent hikes, including its 1.4% hike in March and the hike noted above, have it positioned for 2017 to mark the fourth consecutive year with an increase and also have it positioned for 2018 to mark the fifth consecutive year with an increase.

Fourth, Pattern Energy has a dividend-payout target of 80% of its cash available for distribution, so I think its continually strong growth, including its 10.1% year-over-year increase to US\$45.15 million in the first quarter of 2017, will allow its streak of quarterly and annual dividend increases to continue until 2020 at the very least.

Which of these top energy stocks should you buy today?

I think Hydro One and Pattern Energy would make great additions to any Foolish portfolio, so take a closer look and strongly consider adding one of them to yours today.

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