



## 2 Notable Dividend Hikes From the Week of May 8

### Description

**Open Text Corp.** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) and **George Weston Limited** ([TSX:WN](#)) just made very shareholder-friendly moves and raised their dividends by 3-15%. Let's take a closer look at each, so you can determine if you should add one of them to your portfolio today.

#### Open Text Corp.

Open Text is one of the world's leading providers of enterprise information management (EIM), which enables businesses to grow faster, lower operational costs, and reduce information governance and security risks. Its services and solutions include enterprise content management, cloud services, analytics, customer experience management, business networking, business process management, compliance, and risk management.

In its third-quarter earnings release on May 8, Open Text announced a 14.8% increase to its quarterly dividend to US\$0.132 per share, representing US\$0.528 per share on an annualized basis, and this brings its yield up to about 1.6% today.

Investors should also make the following three notes about Open Text's new dividend.

First, the first quarterly installment at the increased rate is payable on June 16 to shareholders of record on May 26.

Second, it has raised its annual dividend payment every year since it initiated its dividend in fiscal 2013, resulting in three consecutive years of increases. Its two hikes in the last 14 months, including its 15% hike in April 2016 and the one noted above, have it on pace for fiscal 2017 to mark the fourth consecutive year with an increase, and the hike it just announced also has it on pace for fiscal 2018 to mark the fifth consecutive year with an increase.

Third, I think Open Text's very strong financial performance, including its 21.4% year-over-year increase in revenue to US\$1.63 billion and its 7.6% year-over-year increase in earnings to an adjusted US\$1.42 per share in the first nine months of fiscal 2017, will allow its streak of annual dividend increases to continue for the next decade.

### **George Weston Limited**

George Weston is Canada's largest food processor and distributor through its two operating segments, Weston Foods and Loblaw. Weston Foods is a leading fresh and frozen baking company in Canada, and it's engaged in frozen baking and biscuit manufacturing in the United States. Loblaw, which is operated by **Loblaw Companies Limited** and its subsidiaries, is Canada's food and pharmacy leader, the country's largest retailer, and the majority unitholder of **Choice Properties Real Estate Investment Trust**.

In its first-quarter earnings release on May 9, George Weston announced a 3.4% increase to its quarterly dividend to \$0.455 per share, representing \$1.82 per share on an annualized basis, which brings its yield up to about 1.5% today.

Investors must also make the following three notes about George Weston's new dividend.

First, the first quarterly payment at the increased rate will be made on July 1 to shareholders of record at the close of business on June 15.

Second, George Weston has raised its annual dividend payment for five consecutive years. Its two hikes in the last 13 months, including its 3.5% hike in May 2016 and the one noted above, have it positioned for 2017 to mark the sixth consecutive year with an increase, and the hike it just announced also has it positioned for 2018 to mark the seventh consecutive year with an increase.

Third, I think its consistently strong earnings growth, including its 16.5% year-over-year increase to an adjusted \$6.49 per share in 2016 and its 8.4% year-over-year increase to an adjusted \$1.42 per share in the first quarter of 2017, could allow its streak of annual dividend increases to easily continue into the 2020s.

### **Should you add one of these dividend growers to your portfolio?**

I think Open Text and George Weston represent very attractive investment opportunities for long-term investors, so take a closer look at each and consider adding one or both of them to your portfolio today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:OTEX (Open Text Corporation)
3. TSX:WN (George Weston Limited)

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