



These 2 Industry Giants Just Raised Their Dividends

Description

One of the most successful investment strategies is to buy and hold stocks with track records of dividend growth. This is because a rising dividend is a sign of a very strong business with excellent cash flows and earnings to support increased payouts, and the dividends themselves really add up over time when you reinvest them.

With this in mind, let's take a closer look at two stocks that raised their dividends by 3-5% this week, so you can determine if you should invest in one of them today.

Franco Nevada Corp.

Franco Nevada Corp. ([TSX:FNV](#))([NYSE:FNV](#)) is one of the world's largest gold-focused royalty and streaming companies. It currently holds ownership interests in 339 assets across North America, South America, Africa, Southeast Europe, and Australia.

In its first-quarter earnings release on May 9, Franco Nevada announced a 4.5% increase to its quarterly dividend to US\$0.23 per share, equal to US\$0.92 per share on an annualized basis, and this gives it a yield of about 1.3% today.

Investors should also make the following three notes about Franco Nevada's new dividend.

First, the first quarterly installment at the increased rate is payable on June 29 to shareholders of record on June 15.

Second, Franco Nevada has raised its annual dividend payment for nine consecutive years, and its two hikes in the last 13 months, including its 4.8% hike in May 2016 and the one it just announced, have it positioned for 2017 to mark the 10th consecutive year with an increase, and the hike it just announced also has it positioned for 2018 to mark the 11th consecutive year with an increase.

Third, I think its very strong financial performance, including its 30.8% year-over-year increase in revenue to a record US\$172.7 million and its 47.1% year-over-year increase in adjusted net income to US\$0.25 per share in the first quarter of 2017, will allow its streak of annual dividend increases to

continue in 2019 and beyond.

Sun Life Financial Inc.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#)) is a leading international financial services organization. It provides a wide range of insurance, wealth, and asset management solutions to individuals and corporate clients around the world.

In its first-quarter earnings release on May 9, Sun Life announced a 3.6% increase to its quarterly dividend to \$0.435 per share, equal to \$1.74 per share on an annualized basis, and this brings its stock's yield up to about 3.7% today.

Investors must also make the following three notes about Sun Life's new dividend.

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

Second, Sun Life has raised its annual dividend payment each of the last two years, and its three hikes in the last 13 months, including its 3.8% hike in May 2016, its 3.7% hike in November 2016, and the one noted above, have it on pace for 2017 to mark the third consecutive year with an increase, and the hike it just announced also has it on pace for 2018 to mark the fourth consecutive year with an increase.

Third, I think its very strong operational performance, including its 7.8% year-over-year increase in assets under management to \$927.28 billion in the first quarter of 2017, and its management team's positive outlook on its business, including its expectation of achieving its medium-term goal of 8-10% earnings-per-share growth, will allow its streak of annual dividend increases to continue into the 2020s.

Should you buy one of these dividend growers today?

I think Franco Nevada and Sun Life Financial would make great additions to any Foolish portfolio, so take a closer look and consider adding one or both of them to yours today.

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1. Dividend Stocks
2. Investing

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1. NYSE:FNV (Franco-Nevada)
2. TSX:FNV (Franco-Nevada)
3. TSX:SLF (Sun Life Financial Inc.)

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