

These 2 Dividend-Growth Stars Just Raised Their Rates Again

Description

Saputo Inc. ([TSX:SAP](#)) and **Pattern Energy Group Inc.** (TSX:PEG)(NASDAQ:PEGI) just made very shareholder-friendly moves and raised their dividends again. Let's take a closer look at each company and their new dividends to determine if you should invest in one of them today.

Saputo Inc.

Saputo is the largest dairy processor in Canada, and it's one of the 10 largest dairy processors in the world. Its offerings include cheese, fluid milk, and dairy ingredients, and its family of brands includes Saputo, Dairyland, and Friendship Dairies.

In its fiscal 2018 first-quarter earnings release on August 1, Saputo announced a 6.7% increase to its quarterly dividend to \$0.16 per share, equal to \$0.64 per share annually, which brings its yield up to about 1.5% at the time of this writing.

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

First, the first payment at the increased rate is payable on September 15 to shareholders of record at the close of business on September 5.

Second, Saputo has raised its annual dividend payment for 17 consecutive fiscal years, and this hike puts it on pace for fiscal 2018 to mark the 18th consecutive year with an increase.

Third, I think the company's consistently strong earnings growth, including its 16.5% year-over-year increase to \$1.84 per share in fiscal 2017 and its 15.9% year-over-year increase to \$0.51 per share in the first quarter of fiscal 2018, will support further dividend growth going forward.

Pattern Energy Group Inc.

Pattern Energy is one of the world's largest independent producers of wind power. As of June 30, its portfolio consisted of 20 wind power facilities, including two projects it has agreed to acquire, with a total owned interest of 2,736 megawatts in the United States, Canada, and Chile.

In its fiscal 2017 second-quarter earnings release on August 8, Pattern Energy announced a 0.5% increase to its quarterly dividend to US\$0.42 per share, equal to US\$1.68 per share annually, and this brings its yield up to about 7% at the time of this writing.

It's highly important to make the following three notes about Pattern Energy's new dividend.

First, the first quarterly installment at the increased rate is payable on October 31 to shareholders of record at the close of business on September 29.

Second, Pattern Energy has now raised its dividend for 14 consecutive quarters, and its most recent

hikes have it positioned for 2017 to mark the fourth consecutive year in which it has raised its annual dividend payment.

Third, the company has a dividend-payout target of 80% of its cash available for distribution (CAFD), so I think its consistently strong growth, including its 43.8% year-over-year increase to US\$132.97 million in 2016 and its 23.3% year-over-year increase to US\$94.39 million in the first half of 2017, will allow its streak of quarterly and annual dividend increases to continue in the years ahead.

Which of these dividend growers belongs in your portfolio?

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

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