



2 High-Yielding Energy Stocks Just Raised Their Payouts

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 reinvested. With this in mind, let's take a closer look at two energy stocks that just raised their dividends, so you can determine if you should invest in one of them today.

Pattern Energy Group Inc.

Pattern Energy Group Inc. (TSX:PEG)(NASDAQ:PEGI) is one of the world's largest independent wind power producers with 20 facilities, including one it has agreed to acquire, with a total owned interest of 2,736 megawatts in the U.S., Canada, and Chile.

In its third-quarter earnings release on November 9, Pattern Energy announced a 0.5% increase to its quarterly dividend to US\$0.422 per share, equating to US\$1.69 per share on an annualized basis, which brings its yield up to about 8.2% at the time of this writing.

Foolish investors must make the following four notes about Pattern Energy's new dividend.

First, the first payment at the increased rate is payable on January 31 to shareholders of record on December 29.

Second, this is the 15th consecutive quarter in which Pattern Energy has raised its quarterly dividend rate.

Third, the energy company has raised its annual dividend payment for four consecutive years, and its recent hikes, including [its 1% hike](#) in May, [its 0.5% hike](#) in August, and the one noted above, have it on track for 2018 to mark the fifth consecutive year with an increase.

Fourth, it has a dividend-payout target of 80% of its cash available for distribution (CAFD), so I think its consistently strong CAFD growth, including its 7.4% year-over-year increase to US\$103.85 million in the first nine months of 2017, will allow its streak of quarterly and annual dividend increases to easily

continue into the 2020s.

Secure Energy Services Inc.

Secure Energy Services Inc. ([TSX:SES](#)) is an energy infrastructure and services company that provides safe, innovative, efficient, and environmentally responsible management of fluids and solids solutions to the oil and gas industry in western Canada and select regions in the United States.

In its third-quarter earnings release on November 9, Secure Energy Services announced a 5.9% increase to its quarterly dividend to \$0.0225 per share, equating to \$0.27 per share on an annualized basis, which brings its yield up to about 3.2% at the time of this writing.

Foolish investors must also make the following three notes about the new dividend.

First, this increase is effective for the company's January 2018 dividend payment, which will be made on January 15 to shareholders of record on January 1.

Second, the company's 6.25% dividend hike in May, which was effective for its June dividend payment, put it on pace for 2017 to mark the first year in which it has raised its annual dividend payment since 2015, and the hike it just announced puts it on pace for 2018 to mark the second consecutive year with an increase.

Third, I think Secure Energy Services's very strong financial performance, including its 86.5% year-over-year increase in funds from operations to \$0.69 per share in the first nine months of 2017, will allow it to continue to deliver dividend growth to its shareholders in the years ahead.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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1. TSX:SES (Secure Energy Services)

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