

Income Investors: Which Stock Increased its Dividend by 67%?

Description

December is the time we tend to be more concerned about Christmas shopping than investing. But if you are reading this, you have found some time in your busy schedule to think about your portfolio. If you are looking for income stocks, here's one that just increased its annual dividend payout by 67%: **Mullen Group Ltd.** ([TSX:MTL](#)).

On December 13, the company, which offers local and long-haul transportation services, announced its 2018 annual dividend will rise from \$0.36 per share to \$0.60 per share. Now there's a nice Christmas present for shareholders! The dividend will continue to be paid monthly.

Here's an optimistic quote from the company about the reason for the dividend increase:

"Over the course of the last couple of years we have had our fair share of challenges. Business suffered as we adapted to the collapse in the oil and gas industry. Employees lost jobs, experienced reductions in their take home pay and shareholders have lost value in their shares as well as a reduction in the dividend. Today, however, I am pleased to report that the business fundamentals are strong, employment levels are back to pre-2015 levels, most employees are seeing a recovery in their total pay and we have delevered the balance sheet. In recognition of the turnaround in these fundamentals, the board has approved a very healthy increase in the annual dividend to our shareholders."

How does the stock look overall?

Dividend increases are great, but how is the stock faring overall? Let's look beyond the company's press release. The stock has a high P/E ratio of 26.52, so earnings aren't cheap. (Although that tends to be the same overall for stocks on the TSX this deep into a bull market.) The one-, three- and five-year total returns for the stock are all in negative territory, with the one-year return sitting at -23.35%. The stock price has fallen approximately \$5 over the last year, although it's been up and down the last few months.

On a good note, revenue, net income, earnings per share, and the net profit margin are all up significantly compared to this point in 2016, so the company is right about reporting a turnaround in its fortunes in 2017. The company also completed its acquisition of Saskatoon-based RDK Transportation Corp. Inc. in September, adding to the company's business in the agricultural and industrial sector.

We've talked about Mullen a few other times this year. You can read more analysis of the stock [here](#) and [here](#).

Investor takeaway

After a challenging couple of years, Mullen Group seems to be back on an upswing. The company must be feeling good about its future with such a large increase in its dividend. If you are looking to

add a dividend stock to your Foolish portfolio, Mullen Group Ltd. deserves your consideration.

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