

These 2 S&P/TSX 60 Constituents Raised Their Dividends Last Week

Description

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) — two of Canada's largest publicly traded companies — rewarded their shareholders last week with dividend increases of 5-13%. Let's take a closer look at each company and their dividend increases, so you can decide if you should become a shareholder of one of them today.

Suncor Energy Inc.

Suncor is one of Canada's largest integrated energy companies. Its operations include oil sands development and upgrading, offshore oil and gas production, petroleum refining, and product marketing under its Petro-Canada brand.

In its [fourth-quarter earnings](#) release on February 7, Suncor announced a 12.5% increase to its quarterly dividend to \$0.36 per share, equating to \$1.44 per share on an annualized basis, which brings its yield up to about 3.4% today.

Foolish investors must also make the following three notes.

First, the first payment at the increased rate is payable March 26 to shareholders of record at the close of business on March 5.

Second, this dividend hike puts the energy giant on track for 2018 to mark the 16th consecutive year in which it has raised its annual dividend payment.

Third, I think the company's very strong cash flow generating ability, including its 47.8% year-over-year increase in funds from operations to \$5.50 per share in 2017, and its positive outlook on 2018, which it noted was due in part to the U.S. corporate tax rate being reduced from 35% to 21%, will allow it to continue to deliver dividend growth to its shareholders for many years to come.

BCE Inc.

BCE is Canada's largest communications company, providing advanced broadband wireless, television, internet, and business communications solutions from coast to coast.

In its [fourth-quarter earnings](#) release on February 8, BCE announced a 5.2% increase to its quarterly dividend to \$0.755 per share, equating to \$3.02 per share on an annualized basis, which brings its yield up to 5.4%.

It's important to make the following three notes.

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

Second, this dividend hike puts BCE on pace for 2018 to mark the 10th straight year in which it has raised its annual dividend payment.

Third, the communications behemoth has a target dividend-payout range of 65-75% of its free cash flow, so I think its consistently strong growth, including its 6% year-over-year growth to \$3,418 million in 2017 and its projected 3-7% year-over-year growth to \$3,525 million-\$3,650 million in 2018, will allow its streak of annual dividend increases to continue in 2019 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

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