

These 2 Stocks Raised Their Dividends on Wednesday

Description

Exchange Income Corporation ([TSX:EIF](#)) and **Innergex Renewable Energy Inc.** ([TSX:INE](#)) made very shareholder-friendly moves on Wednesday afternoon when they raised their dividends by 3-5%. Let's take a closer look at each company and their new dividends, so you can determine if you should invest in one of them today.

Exchange Income Corporation

Exchange Income Corporation (EIC) is a diversified, [acquisition-oriented company](#) focused on the aviation, aerospace, and manufacturing industries. Its subsidiaries include Perimeter Aviation, Keewatin Air, Custom Helicopters, Provincial Aerospace, Overlanders Manufacturing, WestTower Communications, and Quest Window Systems.

In its fiscal 2017 fourth-quarter and full-year earnings release after the market closed on Wednesday, EIC announced a 4.3% increase to its monthly dividend to \$0.1825 per share, equating to \$2.19 per share annually, which brings its yield up to about 6.3%.

Foolish investors must make the following two notes about EIC's new dividend.

First, EIC has raised its annual dividend payment each of the last seven years, and this hike puts it on track for 2018 to mark the eighth straight year with an increase.

Second, in the press release, the company's CEO noted, "Sustainable, increasing dividends are a hallmark of EIC and even with this increase to the monthly dividend to \$0.1825 per share, we fully anticipate that the annual payout ratio will decline in 2018." It's clear that the company is dedicated to dividend growth, and I think its consistently strong financial performance and its ongoing acquisition activity will allow it to continue to deliver just that.

Innergex Renewable Energy Inc.

Innergex is one of the world's leading owners and operators of renewable power-generation facilities. Its portfolio currently consists of 63 operating hydroelectric, wind, solar, and geothermal facilities, as well as a portfolio of projects under construction, which are located across Canada, France, and the United States.

In its fiscal 2017 fourth-quarter and full-year earnings release after the market closed on Wednesday, Innergex announced a 3% increase to its quarterly dividend to \$0.17 per share, equating to \$0.68 per share on an annualized basis, which brings its yield up to about 5.1%.

Investors should make the following two notes about Innergex's new dividend.

First, the renewable energy giant has raised its annual dividend payment each of the last four years, and its two hikes in the last 13 months, including its 3.1% hike in February 2017 and the one noted

above, have it on track for 2018 to mark the fifth straight year with an increase.

Second, I think the company's very strong growth of free cash flow, including its 15.2% year-over-year increase to \$87.21 million in 2017, and its landmark [\\$1.1 billion acquisition](#) of Alterra Power Corp., which was completed on February 6 and is expected to be accretive to its cash flow upon completion of certain projects, will allow it to continue to grow its dividend for many years to come.

CATEGORY

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2. Investing

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1. TSX:EIF (Exchange Income Corporation)
2. TSX:INE (Innergex Renewable Energy)

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