



These 2 Stocks Recently Raised Their Dividends

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. Let's take a look at two stocks that recently raised their dividends have track records of dividend growth, so you can determine if you should invest in one of them today.

Killam Apartment REIT ([TSX:KMP.UN](#))

Killam Apartment REIT is Atlantic Canada's single [largest residential landlord](#) with an estimated 14% market share of apartments in its core markets. As of December 31, 2017, it owns, operates, and manages a portfolio of 189 apartment properties and 35 manufactured home communities, which are located across Nova Scotia, New Brunswick, Ontario, Newfoundland & Labrador, Prince Edward Island, and Alberta.

In its fiscal 2017 fourth-quarter and full-year earnings release on February 13, Killam announced a 3.2% increase to its monthly distribution to \$0.05333 per unit, equating to \$0.64 per unit on an annualized basis, which brings its yield up to about 4.7%.

Investors must make three additional notes about the new distribution.

First, this increase is effective for Killam's March 2018 distribution, which will be paid in April 2018.

Second, the REIT was already on track for 2018 to mark the second straight year in which it has raised its annual distribution, so this hike has it positioned for 2019 to mark the third straight year with an increase.

Third, I think its very strong financial performance, including its 9.1% year-over-year increase in adjusted funds from operations to \$0.72 per unit in 2017, and the ongoing expansion of its property portfolio, which will help fuel future growth, including its over \$200 million worth of acquisitions in 2017, will allow its streak of annual distribution increases to continue into the 2020s.

Maple Leaf Foods Inc. ([TSX:MFI](#))

Maple Leaf Foods is Canada's leading [consumer packaged meats](#) company. Its three flagship brands are Maple Leaf, Schneiders, and Maple Leaf Prime, and its regional brands include Mitchell's, Swift, Mina, Holiday, Hygrade, and Greenfield.

In its fiscal 2017 fourth-quarter and full-year earnings release on February 21, Maple Leaf announced an 18.2% increase to its quarterly dividend to \$0.13 per share, equating to \$0.52 per share on an annualized basis, which brings its yield up to about 1.6%.

Foolish investors should make the following three notes about Maple Leaf's new dividend.

First, the first quarterly installment at the increased rate will come on March 29 to shareholders of record on March 9.

Second, this dividend increase puts the consumer packaged meats company on track for 2018 to mark the fourth consecutive year in which it has raised its annual dividend payment.

Third, I think the company's consistently strong financial performance, including its 2% year-over-year increase in free cash flow to \$244.45 million and its 25.2% year-over-year increase in adjusted earnings per share to \$1.54 in fiscal 2017, will allow it to continue to deliver dividend growth to its shareholders in 2019 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KMP.UN (Killam Apartment REIT)
2. TSX:MFI (Maple Leaf Foods Inc.)

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