

## These 2 Small Caps Just Raised Their Dividends by up to 7.7%

### Description

Earnings season is the most popular time for companies to raise their dividends, and numerous companies have lifted their payouts so far in 2018's first season. Let's take a closer look at two small caps that just joined the club, so you can determine if you should invest in one of them today.

#### **Equitable Group Inc. ([TSX:EQB](#))**

Equitable Group is the ninth-largest independent Schedule I bank in Canada with over \$24.5 billion in assets under management as of December 31, 2017. It offers a wide range of residential lending, commercial lending, and savings solutions to Canadians.

In its fiscal 2017 fourth-quarter and full-year earnings release on February 28, Equitable Group announced a 4% increase to its quarterly dividend to \$0.26 per share, equating to \$1.04 per share on an annualized basis, which brings its yield up to about 1.8% at the time of this writing.

Investors should make three additional notes about the new dividend.

First, the first quarterly installment at the increased rate is payable on April 5 to shareholders of record at the close of business on March 15.

Second, the bank raised its [dividend three times](#) in 2017, and its most recent hikes, including the one it just announced, have it positioned for 2018 to mark the eighth straight year in which it has raised its annual dividend payment.

Third, I think Equitable Group's very strong growth in profitability, including its 10.6% year-over-year increase in earnings to \$9.39 per diluted share in 2017, and its growing base of assets under management that will help drive future growth, including its 10.7% year-over-year increase to \$24.65 billion in 2017, will allow it to continue to grow its dividend in 2019 and beyond.

#### **Tricon Capital Group Inc. ([TSX:TCN](#))**

[Tricon Capital Group](#) is a principal investor and asset manager that is focused on the residential real estate industry in the United States and Canada. As of December 31, 2017, it has over US\$4.5 billion in assets under management.

In its fiscal 2017 fourth-quarter and full-year earnings release on February 28, Tricon announced a 7.7% increase to its quarterly dividend to \$0.07 per share, equating to \$0.28 per share annually, which brings its yield up to about 2.8% at the time of this writing.

Foolish investors should make three notes about the new dividend.

First, the first payment at the increased rate is payable on or after April 15 to shareholders of record on March 31.

Second, this is the second time Tricon has raised its dividend since it initiated its dividend in September 2010, with its first being an 8.3% hike in March 2016.

Third, I think the company's very strong financial performance, including its 89.7% year-over-year increase in earnings to an adjusted US\$1.10 per diluted share in fiscal 2017, and its huge growth in assets under management that will fuel future growth, including its 55% year-over-year increase to US\$4.62 billion in 2017, which was driven by its landmark US\$1.4 billion acquisition of Silver Bay Realty Trust, will allow it to continue to grow its dividend in the years ahead.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:EQB (EQB)
2. TSX:TCN (Tricon Residential Inc. )

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## Date

2025/09/27

## Date Created

2018/03/04

## Author

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