



3 Stocks That Just Raised Their Dividends

Description

March is shaping up to be a great month in terms of companies [raising their dividends](#), and three more companies recently announced hikes of 5-11%. Let's take a quick look at each company and their new dividends, so you can determine if you should invest in one of them today.

Cara Operations Ltd. (TSX:CARA)

Cara is one of Canada's largest full-service restaurant companies. Its family of brands includes Harvey's, Swiss Chalet, Kelsey's, Casey's, and Milestones.

In its fiscal 2017 fourth-quarter and full-year earnings release on March 9, Cara announced a 5% increase to its quarterly dividend to \$0.1068 per share, equating to \$0.4272 per share annually, which brings its yield up to about 1.5% at the time of this writing.

Investors should make three additional notes about the new dividend.

First, the first payment at the increased rate will be made on April 16 to shareholders of record at the close of business on March 31.

Second, this is the first time the company has raised its dividend since it paid its first pro-rated quarterly dividend of \$0.0917 per share in August 2015 following its IPO in April 2015.

Third, I think the restaurant operator's very strong financial performance, including its 6.8% year-over-year increase in earnings to an adjusted \$1.88 per share in 2017, and its ongoing expansion efforts that will fuel future growth, including its addition of 35 net new restaurants in 2017 and its addition of 106 restaurants last month following the completion of its [merger with Keg Restaurants Ltd.](#), will allow it to announce more hikes in the years ahead.

Cargojet Inc. ([TSX:CJT](#))

Cargojet is Canada's leading provider of time-sensitive overnight air cargo services. It carries over 1.3 million pounds of cargo each business night.

In its fiscal 2017 fourth-quarter and full-year earnings release on March 14, Cargojet announced a 10.1% increase to its quarterly dividend to \$0.212 per share, equating to \$0.848 per share annually, which brings its yield up to about 1.3% at the time of this writing.

Foolish investors must make three additional notes.

First, the first quarterly installment at the increased rate is payable on or before April 5 to shareholders of record at the close of business on March 21.

Second, the company is now on track for 2018 to mark the third straight year in which it has raised its annual dividend payment.

Third, I think Cargojet's very strong financial performance, including its 26.9% year-over-year increase in operating cash flow to \$78.7 million, and its 28.1% year-over-year increase in free cash flow to an adjusted \$63.9 million in 2017, will allow it to continue to deliver dividend growth to its shareholders in 2019 and beyond.

Stella-Jones Inc. ([TSX:SJ](#))

Stella-Jones is one of North America's leading producers and marketers of pressure-treated wood products, including railway ties, utility poles, residential lumber, marine and foundation pilings, and construction timbers.

In its fiscal 2017 fourth-quarter and full-year earnings release on March 14, Stella-Jones announced a 9.1% increase to its quarterly dividend to \$0.12 per share, equating to \$0.48 per share annually, which brings its yield up to about 1.1% at the time of this writing.

Foolish investors should make three additional notes.

First, the first payment at the increased rate is payable on April 27 to shareholders of record on April 6.

Second, Stella-Jones is now on track for 2018 to mark the 14th straight year in which it has raised its annual dividend payment.

Third, I think the company's consistently strong financial performance, including its 17 consecutive years of sales and net income growth, will allow its streak of annual dividend increases to continue for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:RECP (Recipe Unlimited)
3. TSX:SJ (Stella-Jones Inc.)

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