



These 2 Stocks Just Raised Their Dividends by 5-7%

Description

Vermilion Energy Inc. ([TSX:VET](#))([NYSE:VET](#)) and **Power Financial Corp.** (TSX:PWF) reported earnings this month, and their strong financial performances allowed them to announce dividend increases of 5-7%. 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.

Vermilion Energy Inc.

[Vermilion](#) is one of the world's largest exploration and production companies with operations across North America, Europe, and Australia.

In its fiscal 2017 fourth-quarter and full-year earnings release on March 1, Vermilion announced a 7% increase to its monthly dividend to \$0.23 per share, equating to \$2.76 per share on an annualized basis, which brings its yield up to about 6.8% at the time of this writing.

Foolish investors should make three additional notes about the new dividend.

First, this increase is effective for the company's April 2018 dividend payment, which will be paid on May 15.

Second, this is the fourth time Vermilion has raised its dividend since 2003 and the first time since January 2014.

Third, I think the company's very strong financial performance, including its 13.4% increase in fund flows from operations to \$5 per basic share and its 5% increase in free cash flow to \$282 million in 2017, will allow it to continue to deliver a slow-growing stream of monthly income to its shareholders going forward.

Power Financial Corp.

[Power Financial](#) is a diversified international management and holding company that holds interests in the financial services industries in Canada, the U.S., and Europe. Its portfolio includes a 67.7%

ownership stake in **Great-West Lifeco** and a 61.5% ownership stake in **IGM Financial**.

In its fiscal 2017 fourth-quarter and full-year earnings release on March 23, Power Financial announced a 5% increase to its quarterly dividend to \$0.433 per share, equating to \$1.732 per share on an annualized basis, which brings its yield up to about 5.4% at the time of this writing.

Here are three notes you should make about the new dividend.

First, the first quarterly payment at the increased rate is payable on May 1 to shareholders of record at the close of business on April 9.

Second, the financial giant has raised its annual dividend payment each of the last three years, and this hike puts it on track for 2018 to mark the fourth straight year with an increase.

Third, I think the company's consistently strong financial performance, including its 64.7% increase in operating cash flow to \$2.29 billion in 2017, and its growing asset base that will fuel future growth, including its 8.3% increase in assets under administration to \$1.521 trillion in 2017, will allow its streak of annual dividend increases to continue in 2019 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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