



2 Stocks With Strong Double-Digit Dividend Growth

Description

Dividend stocks are great for a number of reasons, including the income stream they provide for investors and their ability to see share price appreciation just as non-dividend-paying stocks can. But perhaps one of the most exciting benefits of owning a dividend stock is that the dividend payments themselves can grow over time. Indeed, many companies make a habit of regularly increasing their dividends every single year.

Two companies with both a consistent track record of annual dividend increases and impressive dividend growth rates in recent years are semiconductor company **Texas Instruments** ([NASDAQ: TXN](#)) and ski resort operator **Vail Resorts** ([NYSE: MTN](#)). These two stocks have seen exceptionally strong dividend growth lately.

Texas Instruments

Last month, Texas Instruments increased its dividend for the 16th year in a row. The company boosted it by 17%, keeping up its history of strong dividend growth. This put its quarterly dividend at \$0.90, or \$3.60 per year, giving the stock a meaningful [dividend yield](#) of 2.8%.

“TI has a proven track record of returning cash to its shareholders,” said Texas Instruments in its press release about the increase.

The 17% dividend increase certainly isn’t out of the ordinary for the semiconductor company. On average, its dividend has been increasing by about 20% annually over the past five years.

The company can easily afford to pay these substantial dividends. On \$15.2 billion in trailing-12-month sales, the company generated \$6 billion of free cash flow. And of this free cash flow, the company paid out just \$2.8 billion in dividends.

Vail Resorts

In March, Vail announced [a 20% increase](#) to its dividend. With shares trading at about \$225 at the time of this writing, the new quarterly dividend of \$1.76 (\$7.04 annually) gives the stock a dividend yield of about 3.1% — even juicier than Texas Instruments' yield.

Like Texas Instruments, the ski resort company has an impressive dividend history. Over the past five years, Vail's dividend has increased at an average rate of 33%.

Looking ahead, more dividend growth is likely. But growth could moderate quite a bit, as the company paid out \$261 million of its \$442 million (or 59%) of free cash flow in dividends. This compares to 49% of free cash flow paid in dividends in the same period last year.

Still, Vail's recent 20% dividend increase and its impressive dividend history highlight a solid dividend stock for investors to consider.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Syndicated

TICKERS GLOBAL

1. NASDAQ:TXN (Texas Instruments Incorporated)
2. NYSE:MTN (Vail Resorts, Inc.)

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