DIVIDEND STOCKS ROCK

PORTFOLIO CREATION USING DIVIDEND GROWTH STOCKS

WELCOME to DSR PRO

RESULTS AS OF: Sep 10

Hello Mike, your portfolio rocks!

It is with great pleasure that we present this DSR PRO edition. Each report includes the latest information about stocks that you have chosen. We follow each earnings season and report what really matters in a concise format. Each update includes the latest numbers, earnings press release, link to our latest Stock Card along with CEO and our own comments on the company's' performance.

Each holding has been weighed, measured and rated. Upon our analysis, we attributed a ranking from 1 to 5:

RANKING

5 = Exceptional Buy - Everything is there; a strong business model, several growth vectors and an undervalued price.
4 = Buy - It's a good company, the short-term upside is good but not flabbergasting.
3 = Hold - A classic "right company at the right price".
2 = Sell - If we were you, we would seriously consider getting rid of this one.
1 = Screaming Sell - Enough said.

In addition to our ranking, we also added a dividend safety score from 1 to 5:

DIVIDEND SAFETY SCORE

5 = Stellar dividend - Past, present and future dividend growth perspectives are marvelous.
4 = Good dividend - The company shows sustainable dividend growth perspectives.
3 = Decent dividend - Don't expect much than a 3-5% dividend growth.
2 = Dividend is safe but - Not likely to increase this year (0-3%).
1= Dividend Trash - There has been cut or is this situation is not sustainable.

But before you dive into this report and read all the great news we found about your holdings, we've done some extra work and built a portfolio summary for you. The summary is based on the information you provided us. It is completed to the best of our knowledge, but this summary cannot be taken as your real portfolio.

The information contained within this report is for informational purposes only and it is not intended as a recommendation of the securities highlighted or any particular investment strategy; nor should it be considered a solicitation to buy or sell any security. In addition, this information is not represented or warranted to be accurate, correct, complete, or timely. The securities mentioned in this report and the information contained do not constitute advice. Before acting on any information in this report, readers should consider whether such an investment is suitable for their particular circumstances, perform their own due-diligence, and if necessary, seek professional advice.
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DIVIDEND STOCKS ROCK

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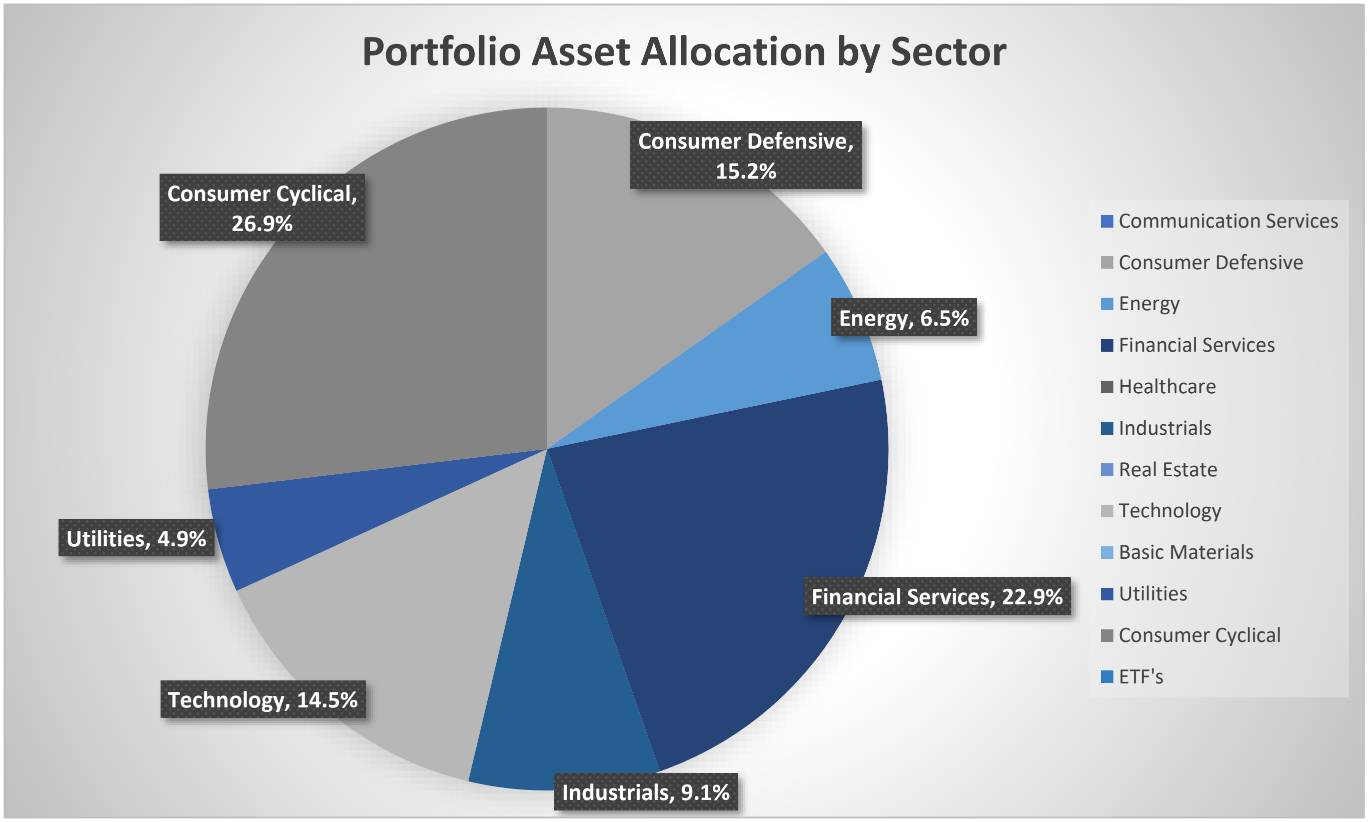
PORTFOLIO SUMMARY

		Rating	Your portfolio	All DSR Pro Members
Number of holdings	21	5- Exceptional Buy	19.05%	1.04%
Avg portfolio yield	2.45%	4 - Buy	71.43%	19.70%
Expected div annual pmt	$ 3,595.89	3 - Hold	9.52%	61.19%
12 month avg div growth	N/A	2 - Sell		15.11%
Future est. div annual pmt	N/A	1 - Screaming Sell		2.96%



Your portfolio has heavy concentration in the following sectors: Financial Services, Consumer Cyclical. Sectors representing over 20% of your portfolio may have an important impact and lead to fluctuations. We converted your USD holdings and dividend payments to $CAD using an exchange rate of 1.317.

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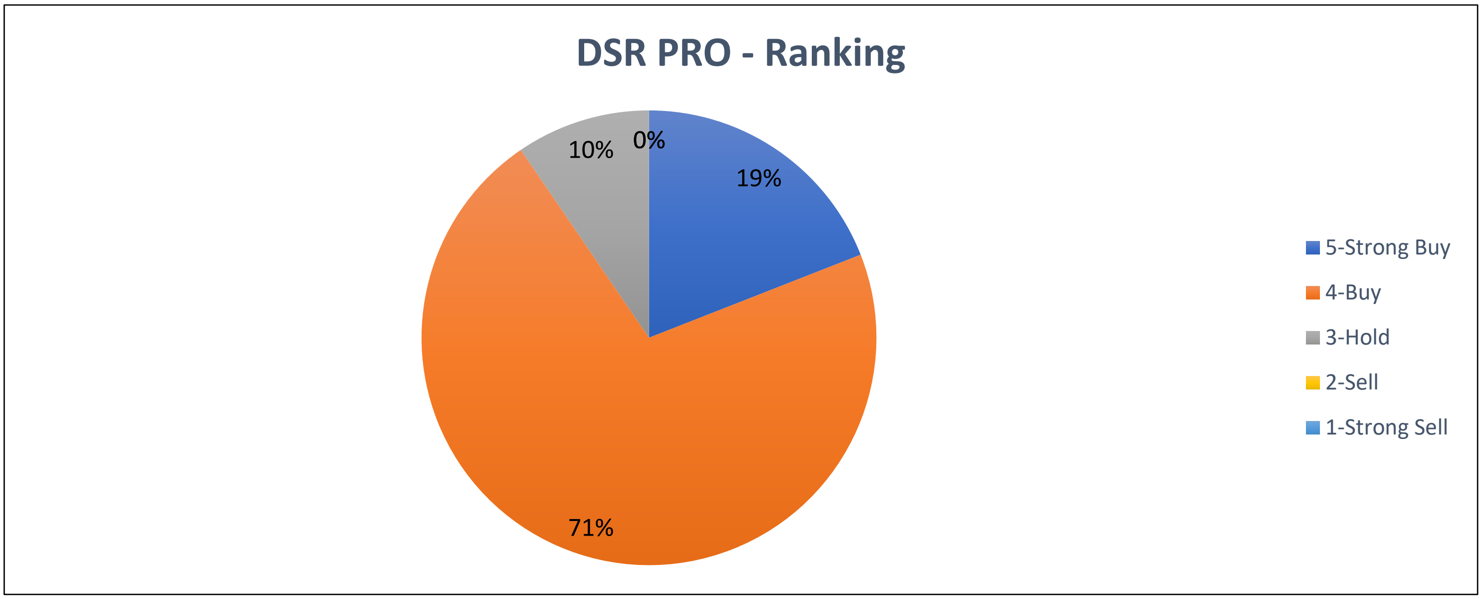
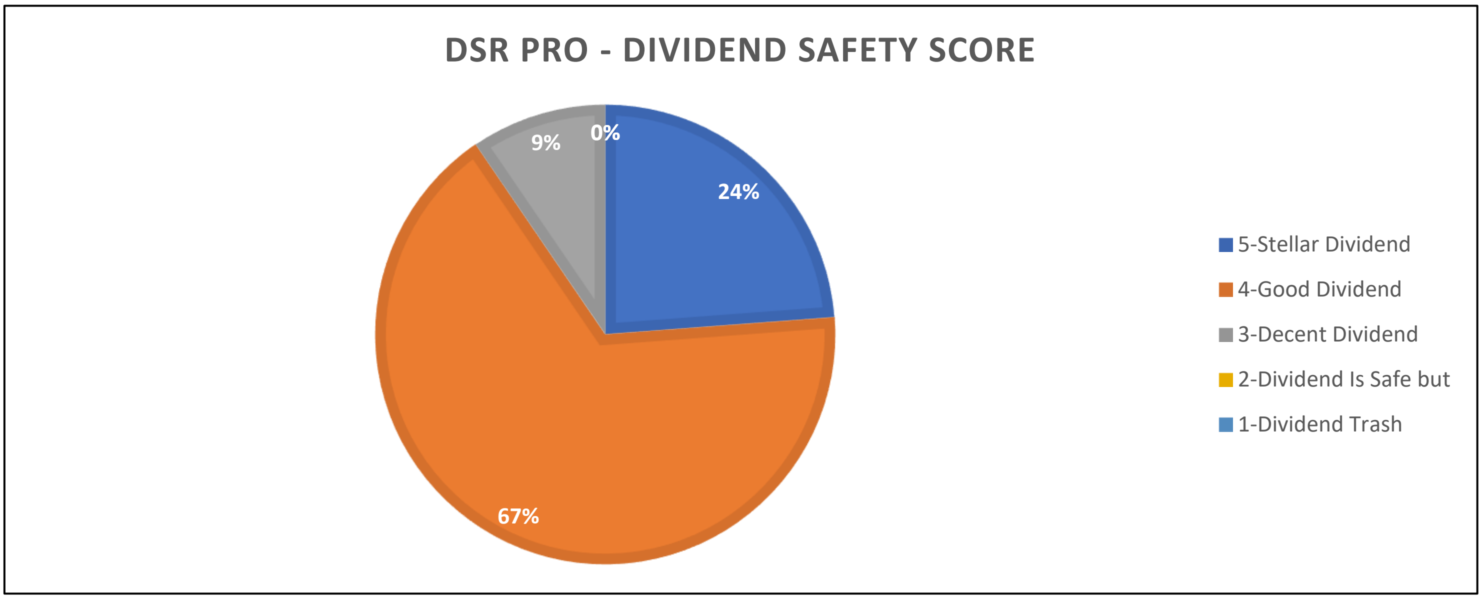
PORTFOLIO SUMMARY (Continued)





Congratulations! All stocks show a Pro Rating & a Dividend Safety Score of 3 or higher. Your portfolio Rocks!

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DIVIDEND STOCKS ROCK

PORTFOLIO CREATION USING DIVIDEND GROWTH STOCKS

PORTFOLIO SUMMARY (Continued)

TICKER	COMPANY NAME	SECTOR	PRO RATING	DIV SAFETY
ATD.B.TO	Alimentation Couche-Tard	Consumer Defensive	4	4
ADW.A.TO	Andrew Peller	Consumer Defensive	4	4
NA.TO	National Bank of Canada	Financial Services	4	5
RY.TO	Royal Bank of Canada	Financial Services	4	5
CAE.TO	CAE	Industrials	4	4
ENB.TO	Enbridge	Energy	4	4
FTS.TO	Fortis	Utilities	4	4
ITP.TO	Intertape Polymer Group	Consumer Cyclical	3	3
LAS.A.TO	Lassonde Industries	Consumer Defensive	3	3
MG.TO	Magna International	Consumer Cyclical	4	4
AAPL	Apple	Technology	5	4
BLK	BlackRock	Financial Services	5	4
DIS	Disney	Consumer Cyclical	5	4
GNTX	Gentex	Consumer Cyclical	5	4
HAS	Hasbro	Consumer Cyclical	4	4
LAZ	Lazard	Financial Services	4	4
MSFT	Microsoft	Technology	4	5
SBUX	Starbucks	Consumer Cyclical	4	5
TXN	Texas Instruments	Technology	4	4
UPS	United Parcel Service	Industrials	4	4
V	Visa	Financial Services	4	5

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POTENTIAL REPLACEMENTS

TICKER	COMPANY NAME	SECTOR	PRO RATING	DIV SAFETY

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Holdings Without Earnings Report Summary

TICKER	REASON IT IS CURRENTLY EXCLUDED
GTX	Does not pay a dividend
REZI	Does not currently pay a 1% dividend

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ALIMENTATION COUCHE-TARD(ATD.B.TO)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $86.59

Yield: 0.52%

YTD: 27.91%

- Non-GAAP EPS of $0.59, -12%
- Revenues of $3.3B, +2.4%.
- Declared dividend of $0.125/share, flat over the previous payment.

Press Release

DSR Stock Card

What the CEO Said

"Couche-Tard is excited to make this strategic investment in one of the fastest growing cannabis 'pure-play' retailers. This investment in Fire & Flower, with a path to a controlling stake, will enable us to leverage their leadership, network and advanced digital platform to accelerate our journey in this new and flourishing sector. This strategic investment by Couche-Tard, one of the world's largest retailers, is transformative for Fire & Flower. The support of Couche-Tard's world-class leadership team, coupled with their capital strength and impressive international footprint, provides us with outstanding opportunities for aggressive growth."

What Mike Says

ATD posted good comparable sales growth with +3.4% in the U.S., +4.7% in Europe and +4.2% in Canada. The company is ahead of expectations in creating synergies through its acquisition of CST. Earnings were affected by restructuring costs and acquisitions. Nothing to worry about here, though. After its earnings publication, management also announced a 10% take in Fire & Flower, a leading cannabis retailer. While management had to slow down on selling cannabis in their convenience stores, I have the impression that this is still a project they are working on.

ANDREW PELLER(ADW.A.TO)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $14

Yield: 1.48%

YTD: 3.06%

- Non-GAAP EPS of $0.20, +16.5%
- Revenues of $95.2M, flat.
- Declared dividend of $0.215/share, flat over the previous payment.

Press Release

DSR Stock Card

What the CEO Said

"We are pleased with our strong operating performance and improved profitability in the first quarter of fiscal 2020. We were also pleased to increase common share dividends by 4.8% in June, a reflection of our confidence in the future and our commitment to enhancing shareholder value over the long term. Fiscal 2019 was a year of significant investment in new brands and products, consumer research, and new marketing and media campaigns. We expect to see the benefits of these initiatives in fiscal 2020 with stronger gross margins and increased earnings. We are confident these investments will generate improved profitability and sales growth over the long term."

What Mike Says

ADW posted a good quarter with strong earnings jump on improved gross margin and decrease in selling and administrative expenses The introduction of new products and brands and solid performance across the majority of the company's well established trade channels were offset by significant LCBO distribution issues, increased competition from new subsidized low priced imported wines and market softness primarily in Western Canada. On the acquisition of the three wineries in October 2017, the Company recorded an increase of $10.4 million to inventory to represent the fair value of goods acquired from the new wineries.

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	NATIONAL BANK OF CANADA(NA.TO) PRO RATING: 4 DIVIDEND SAFETY: 5	Price: $63.43 Yield: 4.1% YTD: 15.62%

- Non-GAAP EPS of $1.66, +9%
- Revenues of $608M, +6%.
- Declared dividend of $0.68/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"Each business segment contributed to earnings growth, helping the Bank to post solid performance in the third quarter of fiscal 2019," said Louis Vachon, President and Chief Executive Officer of National Bank of Canada. "In an environment of economic and geopolitical uncertainty, the Bank will maintain its disciplined approach to managing costs, credit and capital."

What Mike Says

National Bank posted a strong quarter with results supported by growth from all segments. Personal and Commercial net income was up 11%. Rising 4% from a year ago, personal lending experienced growth, particularly due to mortgage lending, while commercial lending grew 7% from a year ago. Wealth Management was up 5% as the increase is driven mainly by growth in fee-based revenues. Financial Markets was up 2% attributable mainly to the global markets revenue category. U.S. Specialty Finance and International was up 28% attributable to the expansion of ABA Bank's banking network.

	ROYAL BANK OF CANADA(RY.TO) PRO RATING: 4 DIVIDEND SAFETY: 5	Price: $101.24 Yield: 3.95% YTD: 11.56%

- Non-GAAP EPS of $2.22, +6%
- Revenues of $3.26B, +5%.
- Declared dividend of $1.05/share, a +3% increase.

Press Release
DSR Stock Card

What the CEO Said

“Our focused strategy and diversified business mix continue to deliver strong returns for our shareholders as we leverage our scale and investments in technology to create new value streams for our clients. This commitment is underpinned by the strength of our balance sheet, disciplined risk and expense management, and the power of imagination and insight our people deliver every day. RBC is well-positioned to further grow our market share and navigate the evolving market environment.”

What Mike Says

RY posted another strong quarter with mid-digit growth and its second dividend increase of the year. Results for the quarter ended July 31, 2019 reflect strong earnings growth in Personal & Commercial Banking, Wealth Management, and Insurance, partly offset by lower earnings in Capital Markets and Investor & Treasury Services amid challenging market conditions. Q3 net interest income was C$5.05B, up from C$4.84B in Q2 and C$4.60B in the year-ago quarter; growth driven by volume growth in Canadian Banking and U.S. Wealth Management. Provision for credit losses ratio on loans of 27 basis points fell 2 bps Q/Q and rose 4 bps Y/Y.

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PORTFOLIO CREATION USING DIVIDEND GROWTH STOCKS

CAE(CAE.TO)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $33.5

Yield: 1.19%

YTD: 34.38%

- Non-GAAP EPS of $0.24, -8%
- Revenues of $825.6M, +14%.
- Declared dividend of $0.11/share, a +10% increase.

Press Release

DSR Stock Card

What the CEO Said

“CAE had a good start to the fiscal year with 14% revenue growth, 15% higher operating income, and over $940M of orders for a $9.4B backlog. Performance was led by Civil, which delivered 29% operating income growth and showed continued strong demand for CAE's innovative training solutions. The Bombardier Business Aircraft Training Business integration is progressing well, and we signed long-term training contracts with airline partners including LATAM, SAS and Air Europa. In Defence, we had strong top-line growth and lower operating income, which reflect quarterly variability and an income growth profile more heavily weighted to the second-half of the year."

What Mike Says

CAE posted a solid quarter, but shares plummeted on earnings day. CAE reported a 11.4% fall in quarterly profit due to higher expenses. Cost of sales rose 15.6%, while finance expenses more than doubled. Expenses rose from higher interest on long-term debt due to the issuance of unsecured senior notes in the fourth quarter of fiscal 2019 to fund the acquisition of the Bombardier BAT business, and higher interest on lease liabilities as a result of the adoption of IFRS 16. The firm's selling, general and administrative expense also jumped 10% to C$113.3M. However, all business segments show double-digit revenue growth.

ENBRIDGE(ENB.TO)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $45.3

Yield: 6.37%

YTD: 11.97%

- Non-GAAP EPS of $0.67, +3%, beat by $0.06.
- Revenues of $10B, +21%, beat by $1.5B.
- Declared dividend of $0.738/share, flat over the previous payment.

Press Release

DSR Stock Card

What the CEO Said

"We're very pleased to deliver another strong quarter of operating and financial results. Operationally, all of our core systems continue to run close to full capacity. We saw strong demand to move crude volumes on our system from Western Canada and the Bakken through to U.S. Gulf Coast markets; our gas transmission business remained in high demand; the Ontario gas utility saw high volumes during a colder than normal second quarter; and, we also benefited from attractive optimization opportunities in our Energy Services business. Importantly, we've added $2.5B of secured capital projects this year, across our businesses, with attractive commercial frameworks..."

What Mike Says

While ENB beat both EPS and revenue growth expectations, the market continues to be worried as there is always bad news around the company. Its Texas Eastern natural gas pipeline in Kentucky that exploded in early August will remain shut down through at least Aug. 12. Also, management mentioned erosion has created a gap beneath its Line 5 oil pipeline in the Straits of Mackinac between Lake Huron and Lake Michigan that is wider than allowed under an agreement with the state of Michigan. ENB reaffirmed its full-year guidance range for distributable cash flow of $4.30-$4.60/share after reporting a 24% Y/Y increase in DCF to $2.31B from $1.86B in the year-ago quarter.

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	FORTIS(FTS.TO) PRO RATING: 4 DIVIDEND SAFETY: 4	Price: $55.43 Yield: 3.25% YTD: 25.09%

- Non-GAAP EPS of $0.54, -8.5%
- Revenues of $1.49B, -0.40%.
- Declared dividend of $0.45/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"Fortis continues to deliver on its organic growth strategy with additional investment in renewable energy and electric transmission. The $0.6B increase in our 2019 capital plan is driven by Tucson Electric Power's investment in the Oso Grande Wind Project, which is the Corporation's largest wind generation investment to date, and by ITC's purchased and expected purchase of additional transmission assets in Michigan and Iowa. We are also pleased that FortisBC recently entered into its first term supply agreement to produce liquefied natural gas for export to China. This agreement is an unprecedented development in Canada's LNG export industry..."

What Mike Says

Earnings reflect rate base growth at the regulated utilities, the favourable impact of mark-to-market accounting of natural gas derivatives at the Aitken Creek natural gas storage facility, and favourable foreign exchange. Growth was offset by the impact of weather with cooler temperatures and lower hydrology in Belize, lower realized margins at Aitken Creek and a higher weighted average number of common shares outstanding. The Corporation's $17.3B 5-year capital plan is expected to increase rate base from $26.1 billion in 2018 to $35.5 billion in 2023, translating into a five-year compound average growth rate of 6.3%.

	INTERTAPE POLYMER GROUP(ITP.TO) PRO RATING: 3 DIVIDEND SAFETY: 3	Price: $18.02 Yield: 4.11% YTD: 8.68%

- Non-GAAP EPS of $0.11, down from $0.26.
- Revenues of $295.6M, +18.7%.
- Declared dividend of $0.147/share, a +5% increase.

Press Release
DSR Stock Card

What the CEO Said

“Our world class, low-cost asset base continues to perform well at the plant level. We generated strong adjusted EBITDA growth and an improved margin profile in the second quarter. These improvements were driven primarily by the performance of the plants, as well as effective management of the spread between raw materials and selling prices and our ongoing integration initiatives at Polyair and Maiweave. We are seeing growth in the areas of the business where we deployed capital, including films and carton sealing tapes. As we move into the second half of 2019, our priorities remain consistent, 1) track our ecommerce customers as they grow...”

What Mike Says

The company posted solid revenue growth due to the Polyair, Maiweave, and Airtrax acquisitions and an increase in volume/mix in product categories mainly related to our recent investments. Also, Cash flows from operating activities increased $4.2 million to $31.9 million primarily due to an increase in gross profit. Management even increased its dividend by 5% this quarter! ITP's dividend safety score will then pass to "3". Looking forward, revenue in 2019 is expected to be between $1,180 and $1,220 million.

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PORTFOLIO CREATION USING DIVIDEND GROWTH STOCKS

LASSONDE INDUSTRIES(LAS.A.TO)

PRO RATING: 3

DIVIDEND SAFETY: 3

Price: $175.75

Yield: 1.6%

YTD: -10.81%

- Non-GAAP EPS of $2.25, -13%
- Revenues of $419.7M, +7.4%.
- Declared dividend of $0.595/share, flat over the previous payment.

Press Release

DSR Stock Card

What the CEO Said

“The Company’s 2019 second-quarter sales and operating profit were slightly below our expectations. In the United States, trade disputes continued to affect the cost of apple concentrate, and selling price adjustments are being implemented at a pace that reflects the challenging competitive environment in which Lassonde is operating,” said Nathalie Lassonde, Chief Executive Officer of Lassonde Industries Inc.

What Mike Says

It seems Lassonde's story will continue to be a series of challenges as long as trade disputes with the U.S. remain. Considering the US is also in a trade war with China, we don't expect this problem to go away anytime soon. Revenue growth was coming from the acquisition of Old Orchards Brands last year. Excluding OOB’s sales and an $8.1M favourable foreign exchange impact, LAS's sales were up 0.4%. Excluding the impact of the OOB acquisition, the company’s operating profit was down $5.9M year over year. This decrease was due to a lower gross margin from the company’s U.S. operations largely resulting from higher input costs. Be patient, this is still a great company.

MAGNA INTERNATIONAL(MG.TO)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $69.54

Yield: 2.74%

YTD: 14.83%

- Non-GAAP EPS of $1.59, -5%
- Revenues of $10.1B, -1.5%.
- Declared dividend of $0.365/share, flat over the previous payment.

Press Release

DSR Stock Card

What the CEO Said

"Second quarter results came in slightly ahead of our expectations and our sales once again outpaced global vehicle production. We have been taking steps to optimize our business in response to lower industry volumes. Our 2019 outlook is largely unchanged despite our expectation of continued challenging automotive market conditions."

What Mike Says

The results aren't that bad if you consider currency headwinds. Excluding foreign currency translation and divestitures net of acquisitions, sales up 5% with each segment outpacing global light vehicle production. The company managed to beat both EPS and revenue growth expectations with modest numbers. Magna generated cash from operations of $920 million. Investment activities for the second quarter of 2019 were $587 million, including $328 million in fixed asset additions, $152 million in acquisitions, and a $107 million increase in investments, other assets and intangible assets.

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	APPLE(AAPL) PRO RATING: 5 DIVIDEND SAFETY: 4	Price: $214.17 Yield: 1.4% YTD: 37.41%

- Non-GAAP EPS of $2.18, -6.8%, beat by $0.08.
- Revenues of $53.81B, +1.02%, beat by $371M.
- Declared dividend of $0.77/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

“This was our biggest June quarter ever — driven by all-time record revenue from Services, accelerating growth from Wearables, strong performance from iPad and Mac and significant improvement in iPhone trends. These results are promising across all our geographic segments, and we’re confident about what’s ahead. The balance of calendar 2019 will be an exciting period, with major launches on all of our platforms, new services and several new products. Our year-over-year business performance improved compared to the March quarter and drove strong operating cash flow of $11.6B We returned over $21B to shareholders during the quarter...”

What Mike Says

AAPL beat both EPS and revenue growth expectations with modest numbers. What is really interesting is AAPL's service business. Services growth was up 18% Y/Y in constant currency and the company now has over 420M paid services subscriptions across its ecosystems. Wearables revenue was up 50% Y/Y with the Apple Watch AirPods strength. Greater China revenue returned to growth in constant currency with improvement in every category, bolstered with trade-in offers and government stimulus programs. The iPhone declined again narrowly from 17% to 12%. Remember that trade-ins and promotions boosted iPhone sales in the final weeks of last quarter.

	BLACKROCK(BLK) PRO RATING: 5 DIVIDEND SAFETY: 4	Price: $430.85 Yield: 3.02% YTD: 12.23%

- Non-GAAP EPS of $6.41, -3.8%, missed by $0.17.
- Revenues of $3.52B, -2.25%, missed by $48M.
- Declared dividend of $3.30/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

“BlackRock generated $151B of total net inflows in the second quarter, a record 9% annualized organic asset growth. While organic base fee growth of 3% and the year-over-year revenue decline reflected certain market headwinds, our second quarter results validate BlackRock’s unique ability to bring together the entire firm to meet clients’ needs in any market environment. We are now working with clients in more ways than ever before and developing deeper relationships with them as a result. iShares AUM grew to $2T at quarter end, doubling in just five years, with 80% of that growth coming organically. iShares net inflows of $36B..."

What Mike Says

BLK missed both EPS and revenue growth expectations as the investing firm posted decreasing numbers. The EPS decline reflects lower operating income and a higher effective tax rate in the current quarter, partially offset by higher non operating income and a lower diluted share count. Q2 total revenue of $3.52B fell 2% Y/Y, reflecting lower base fees, driven by lower securities lending revenue and performance fees. BLK continues to grow its AUM. Q2 total net inflows of $151B, including iShares net flows of $36.1B and Institutional flows of $87.4B. Total AUM of $6.84T at Q2-end from $6.52T at Q1-end; iShares AUM increased to $2.01T at quarter-end from $1.92T at March 31, 2019.

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	DISNEY(DIS) PRO RATING: 5 DIVIDEND SAFETY: 4	Price: $138.83 Yield: 1.27% YTD: 27.39%

- Non-GAAP EPS of $1.35, -28%, missed by $0.39.
- Revenues of $20.25B, +33%, missed by $1.16B.
- Declared dividend of $0.88/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"Our third-quarter results reflect our efforts to effectively integrate the 21st Century Fox assets to enhance and advance our strategic transformation. I'd like to congratulate The Walt Disney Studios for reaching $8B at the global box office so far this year--a new industry record--thanks to the stellar performance of our Marvel, Pixar and Disney films. The incredible popularity of Disney's brands and franchises positions us well as we launch Disney+, and the addition of original and library content from Fox will only further strengthen our direct-to-consumer offerings."

What Mike Says

While movies at the box office are doing well, DIS disappointed the market by missing both EPS and revenue growth expectations. Domestic theme park attendance fell 3% during the quarter, with the decline at Disneyland Resort primarily driven by lower passholder visitation. Media Networks, $6.71B (up 21%); Parks, Experiences and Products, $6.6% (up 7%); Studio Entertainment, $3.84B (up 33%); Direct-to-Consumer and International, $3.86B (up from $827M).

	GENTEX(GNTX) PRO RATING: 5 DIVIDEND SAFETY: 4	Price: $27.48 Yield: 1.64% YTD: 38.1%

- Non-GAAP EPS of $0.42, +5%, beat by $0.02.
- Revenues of $468.7M, 3%, beat by $6M.
- Declared dividend of $0.115/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

The market conditions of the second quarter of 2019 were very similar... with light vehicle production down from the same period last year. Once again, industry-based vehicle production forecasts were overly optimistic which resulted in actual new vehicle builds coming in well below forecast. Despite the current vehicle production environment being down about 8% from the second quarter of 2018, we were able to outperform the underlying market by approximately 11%, which resulted in a quarter over quarter net 3% revenue growth rate... global vehicle production levels have been off by approximately 7%... but we have been able to maintain our growth targets for the year."

What Mike Says

GNTX managed to beat both EPS and revenue growth expectations with modest numbers. However, this quarter shows that Gentex keeps to be on the right path for growth over the long haul. The company revised 2019 calendar year guidance for improvements in gross margin, depreciation and amortization, and effective tax rate ranges. This lifted up shares to new highs. Considering the company is debt free and continues to buy back shares (3.1M this quarter) on top of their yearly dividend increase, we think there is more upside going forward.

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DIVIDEND STOCKS ROCK

PORTFOLIO CREATION USING DIVIDEND GROWTH STOCKS

HASBRO(HAS)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $113.94

Yield: 2.3%

YTD: 42.95%

- Non-GAAP EPS of $0.78, +62.5%, beat by $0.28.
- Revenues of $984.5M, +8.9%, beat by $22M.
- Declared dividend of $0.68/share, flat over the previous payment.

[Press Release](#)

[DSR Stock Card](#)

What the CEO Said

“We delivered a high-quality second quarter, with positive consumer trends at retail and profitable growth led by several geographies and brand categories. Our investments are differentiating Hasbro’s portfolio and delivering profitable revenue streams, including continued MAGIC: THE GATHERING revenue growth in tabletop and digital. We grew revenues in the U.S. and Europe, and we believe we are well-positioned to deliver against our target of profitable growth for the full-year 2019. The global Hasbro team executed a strong quarter with revenue and profit gains while managing a dynamic trade and inventory environment,”

What Mike Says

Hasbro killed it this quarter and beat both EPS and revenue growth expectations. Results were supported by solid growth across the franchise brands business (+14% Y/Y) and partner brands business (+3%) in Q2, while Hasbro Gaming lagged (-8%). The emerging brands business saw sales rise 28% during the quarter off the strength of the Power Rangers toy line. In other words, look at how Disney (DIS) is doing (or the box office!), and you will know ahead of time how Hasbro will perform. With the upcoming Frozen and Star Wars movies later in 2019, we should be good for a while.

LAZARD(LAZ)

PRO RATING: 4

DIVIDEND SAFETY: 4

Price: $37.25

Yield: 4.89%

YTD: 6.14%

- Non-GAAP EPS of $0.73, -33.6%, beat bh $0.05.
- Revenues of $629.7M, -15%, beat by $25M.
- Declared dividend of $0.47/share, a +6.8% increase.

[Press Release](#)

[DSR Stock Card](#)

What the CEO Said

“With growing momentum in Financial Advisory and increased average assets under management, we are well positioned for the second half of the year,” said Kenneth M. Jacobs, Chairman and Chief Executive Officer of Lazard. “We are making significant investments in our technology infrastructure to create new and differentiated capabilities and insights for our clients, building a foundation for enhanced growth.”

What Mike Says

The market didn't expect much from LAZ, but the company managed to beat both EPS and revenue expectations. Q2 total operating revenue of $630M falls 15% Y/Y, with financial advisory operating revenue of $329M sliding 21%. The decrease reflected softness in European M&A and global restructurings. During and since the second quarter of 2019, Lazard has been engaged in significant and complex M&A transactions and other advisory assignments globally, including: IBM’s $34B acquisition of Red Hat; Ingersoll-Rand in the $15B combination of its Industrial segment with Gardner Denver; Anheuser-Busch InBev’s AUD 16B sale of Carlton & United Breweries to Asahi Group.

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MICROSOFT(MSFT)

PRO RATING: 4
DIVIDEND SAFETY: 5

Price: $137.52
Yield: 1.34%
YTD: 36.94%

- Non-GAAP EPS of $1.37, +21.24%, beat by $0.16.
- Revenues of $33.72B, +12.07%, beat by $919.76M.
- Declared dividend of $0.46/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"It was a record fiscal year for Microsoft, a result of our deep partnerships with leading companies in every industry. Every day we work alongside our customers to help them build their own digital capability - innovating with them, creating new businesses with them, and earning their trust. This commitment to our customers' success is resulting in larger, multi-year commercial cloud agreements and growing momentum across every layer of our technology stack."

What Mike Says

MSFT unveiled their Q4 results, pleasing investors and analysts by beating both metrics. A solid 12% step-up was recorded, along with an impressive 20% increase in operating income. Revenue by segment: Productivity $11B, Cloud $11.4B and Personal Computing $11.3B. Innovation and well-executed partnerships across all their segments are said to be the foundation of such performance. MSFT returned to its shareholders around $7.7B either in share repurchases or dividends.

STARBUCKS(SBUX)

PRO RATING: 4
DIVIDEND SAFETY: 5

Price: $94.16
Yield: 1.53%
YTD: 48.21%

- Non-GAAP EPS of $0.60, +13%, beat by $0.03.
- Revenues of $6.31B, +4.54%, missed by $19M.
- Declared dividend of $0.36/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"We are especially pleased with our comparable store sales growth in our two lead markets, the U.S. and China, where we are also continuing to drive strong new store development with industry-leading returns... Starbucks remains focused and disciplined in the execution of our three key strategic priorities: accelerating growth in our targeted markets of the U.S. and China, expanding the global reach of the Starbucks brand through our Global Coffee Alliance with Nestlé, and increasing shareholder returns. With our efforts to streamline the company and elevate the Starbucks brand, we are not only positioning the company to deliver more predictable and sustainable operating results..."

What Mike Says

SBUX shares surged after publishing their results. While the company missed total revenue growth expectations, it surprised everybody with strong comparable sales across all segments. Average ticket and transaction growth were both up 3% during the quarter. Global comparable sales by region: Americas +7% vs. +4.3% expected, China/Asia-Pacific +5% vs. +3.4% expected, EMEA +3.0% vs. +0.9% expected. Active membership in Starbucks Rewards in the U.S. increased 14% to 17.2M during the quarter. SBUX opened 442 net new stores in FQ2 to take its store count to 30,626 stores at the end of the quarter. Management reaffirmed its guidance for 2019.

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TEXAS INSTRUMENTS(TXN)

PRO RATING: 4
DIVIDEND SAFETY: 4

Price: $127.1
Yield: 2.42%
YTD: 37.22%

- Non-GAAP EPS of $1.33, -8.3%, beat by $0.07.
- Revenues of $3.67B, -8.7%, beat by $66.3M.
- Declared dividend of $0.77/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"Our cash flow from operations of $7.2B for the trailing 12 months again underscored the strength of our business model. Free cash flow for the trailing 12 months was $5.9B and 39% of revenue. This reflects the quality of our product portfolio, as well as the efficiency of our manufacturing strategy, including the benefit of 300-millimeter Analog production. We have returned $8.0B to owners in the past 12 months through stock repurchases and dividends. Our strategy is to return all our free cash flow to owners. Over the last 12 months, our dividends represented 47% of free cash flow, underscoring their sustainability."

What Mike Says

TXN posted a good quarter (considering a weak business environment) and beat both EPS and revenue growth expectations. Shares soared higher as the worst seems to be behind the semiconductor industry. Revenue breakdown: Analog, $2.53B (consensus: $2.48B); Embedded Processing, $790M (consensus: $784.6M); Other, $344M (consensus: $322.4M). Management sees revenue in the range of $3.65 billion to $3.95 billion, and earnings per share between $1.31 and $1.53 for the next quarter. No surprise here.

UNITED PARCEL SERVICE(UPS)

PRO RATING: 4
DIVIDEND SAFETY: 4

Price: $121.66
Yield: 3.12%
YTD: 28.09%

- Non-GAAP EPS of $1.96, +1%, beat by $0.03.
- Revenues of $18.05B, +3.39%, beat by $74M.
- Declared dividend of $0.96/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

“Our Transformation initiatives are generating greater efficiencies across the network and, when combined with our growth strategies, UPS achieved profit growth in all segments,” said David Abney, UPS chairman and CEO. “We also announced a very extensive roll-out of new products and services such as UPS My Choice for Business, expanded UPS Access Points, and UPS Worldwide Economy, among others, for small- and medium-sized businesses, all designed to generate additional profitable growth.”

What Mike Says

It looks like improving their business profitability worked very well for UPS as the company beat both EPS and revenue growth expectations. UPS posted record earnings and revenue was up 3.4% to $18B and operating profit rose 6.3%. Increased demand for air services from customers in healthcare and retail paced the gains in the U.S. domestic segment. U.S. daily volume rose over 7% and next day air volume was up over 30%. Looking ahead, UPS expects full-year EPS of $7.45 - $7.75 vs. $7.45 consensus.

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DIVIDEND STOCKS ROCK

PORTFOLIO CREATION USING DIVIDEND GROWTH STOCKS

	VISA(V) PRO RATING: 4 DIVIDEND SAFETY: 5	Price: $181.55 Yield: 0.55% YTD: 38.25%

- Non-GAAP EPS of $1.37, +14.1%, beat by $0.05.
- Revenues of $5.8B, +11%, beat by $142M.
- Declared dividend of $0.25/share, flat over the previous payment.

Press Release
DSR Stock Card

What the CEO Said

"Visa had an excellent third quarter in terms of accelerating business growth while advancing our strategy through acquisitions, investments and partnerships. Recently, Visa closed or signed definitive agreements for four acquisitions that will enhance our capabilities. We also extended some impactful client partnerships, established new meaningful fintech commercial agreements and made significant investments in the business that will broaden the reach of our network. Collectively, these actions will help our growth for years to come."

What Mike Says

Visa did it again and beat both EPS and revenue growth with double-digits numbers. Q3 payments volume of $2.23T is an increase of 8.7% Y/Y on constant currency basis; cross-border volume rises 7%; processed transactions of $35.4B up 12%. Visa set the tone for the full year guidance with annual net revenue growth of low double-digits on a nominal-dollar basis, with ~15 percentage points of negative foreign currency impact and more than 1.0 pp of positive impact from the new revenue accounting standard. Visa used $2.1B to buy back shares this quarter.

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