Medtronic raises dividend 9 pct, cites cash flow

The Associated Press

Medtronic Inc., the world's largest medical device maker, said Thursday it raised its first-quarter dividend by 9 percent, to 22.5 cents from 20.5 cents.

The company's fiscal first quarter ends July 30, and the dividend is payable that date to shareholders of record as of July 9. Medtronic cited its ability to generate cash in raising the dividend.

"We expect we will return a minimum of 40 to 50 percent of our free cash flow to shareholders each year while making disciplined, strategic investments for sustainable earnings growth," William Hawkins, chairman and CEO, said in a statement.

Medtronic sells implantable heart devices like pacemakers and defibrillators, along with stents and spinal devices, neuromodulation products, diabetes tests, and surgical devices.

The company, which is scheduled to report its first-quarter results Aug. 23, said Wednesday it expects a quarterly profit of 79 cents to 81 cents per share on $3.86 billion to $3.96 billion in revenue. It said it still expects to earn a full-year profit of $3.45 to $3.55 per share on revenue of $16.61 billion to $17.09 billion.

The revenue estimates exclude the effects of changes in currency exchange rates.

Analysts expect first-quarter net income of 83 cents per share and $4 billion in revenue, on average.

In afternoon trading, shares of Medtronic dipped 22 cents to $37.29. Over the past year, shares have traded between $32.38 and $46.66.

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