

# DEARBORN PARTNERS

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Another Dearborn Partners Core Rising and High & Rising Dividend SMA Portfolio Increase: Watsco, Inc.

On February 10, 2022, Watsco, Inc. announced a 12.8% increase in its quarterly dividend per share to \$2.20 (\$8.80 annually) from \$1.95 (\$7.80 annually). The cash dividend will be paid on April 29, 2022. This is the 48<sup>th</sup> consecutive annual increase in the dividend paid by Watsco, Inc.

Watsco has paid cash dividends to shareholders for 48 consecutive years. The Company's philosophy is to share increasing amounts of cash flow through higher dividends while maintaining a conservative financial position with continued capacity to build its distribution network. In February 2022, Watsco's Board authorized a 13% increase in Watsco's annual dividend to \$8.80 per share effective at its next scheduled quarterly payment date on April 29, 2022. Future dividend increases will be considered in light of investment opportunities, cash flow, general economic conditions and the Company's financial condition.

Watsco is the largest distribution network for heating, air conditioning and refrigeration (HVAC/R) products with locations in the United States, Canada, Mexico, and Puerto Rico, and on an export basis to Latin America and the Caribbean. Watsco estimates that over 350,000 contractors and technicians visit or call one of its 671 locations each year to get information, obtain technical support and buy products. The Company believes there is long-term opportunity to be a significant participant and contributor in efforts to address climate change. HVAC/R products provide comfort to homes and businesses regardless of the outdoor climate. Older systems often operate below current government-mandated energy efficiency and environmental standards, resulting in higher energy use and costs to homeowners. Sales of higher-efficiency replacement systems have long been a fundamental opportunity in Watsco's marketplace. Watsco plans to actively collaborate with its OEM (original equipment manufacturing) partners and key stakeholders to lead these ongoing efforts in its marketplace.

Watsco, Inc. is in the Industrials sector of both of our Dearborn Partners Rising Dividend separately managed account (SMA) portfolios. So far this year, 9 of 49 companies in our Core Rising Dividend portfolio have announced 9 dividend increases averaging about 16.8% more than these companies paid a year earlier. In our High & Rising Dividend Portfolio, 6 of 25 companies have announced 6 dividend increases averaging about 6.1% more than these companies paid a year earlier. No companies in these portfolios have reduced or suspended dividends so far this year.

Thank you for your continued interest in our Dearborn Partners Rising Dividend Strategy.

*This dividend increase announcement is not a complete description of, nor a recommendation to invest in, any investment strategy (the "Strategy") mentioned herein. It is for informational purposes only and does not constitute an offer to sell nor a solicitation to buy, is not a recommendation regarding any securities transaction, nor is it an offer to provide advisory or other services by Dearborn Partners, L.L.C. The information contained in this writing should not be construed as financial or investment advice on any subject matter. Past performance is no guarantee of future results. There is no assurance the Strategy will be profitable, achieve its objectives, be suitable for you, or not incur losses. Some of the information herein has been obtained from third party sources. We believe such information is reliable but we have not in each case verified its accuracy or completeness. Any opinions herein are as of the date of this report and are subject to change without notice. Dividends are not guaranteed and must be authorized by the company's board of directors. There is no assurance that any Rising Dividend portfolio company will*

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*increase its dividend, or not reduce its dividend, or not have a significant decrease in its stock price. Dividend yield is one component of performance and should not be the only consideration for investment. Dearborn Partners L.L.C. is an investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. For a complete list of all Dearborn Rising Dividend holdings that in the past year - increased their dividends, had no dividend increases, or had a dividend decrease, please contact the Dearborn Rising Dividend Team at [RD@dearbornpartners.com](mailto:RD@dearbornpartners.com). It should not be assumed that portfolio trades made in the future will be profitable, or will increase their dividends, or will equal the performance of the securities in this announcement.*