



This Holding Company Offers a 4% Dividend Yield

Description

Power Corporation of Canada ([TSX: POW](#)) is a diversified global management and holding company. It has interests in companies in several sectors, including financial services and communications. Here are five reasons to consider the company for your portfolio.

1. Its portfolio of companies

Power Corporation of Canada has interests, directly or indirectly, in companies in the financial services sector in Canada, the U.S., Europe, and Asia. These include **Power Financial** ([TSX: PWF](#)), **Great-West Lifeco** ([TSX: GWO](#)), **IGM Financial** ([TSX: IGM](#)), and Pargesa Holding. The company has a 65.8% interest in Power Financial and holds the controlling interest in Great-West Lifeco and IGM Financial.

Power Financial's Q1 2014 operating earnings attributable to common shareholders were \$440 million versus \$407 million in Q1 2013. For Q1 2014, Great-West Lifeco reported operating and net earnings attributable to common shareholders of \$587 million versus \$517 million in Q1 2013.

For Q1 2014, IGM Financial reported operating and net earnings available to common shareholders of \$194 million versus \$181 million in Q1 2013. Pargesa Holding's contribution to Power Financial's operating earnings, in Canadian dollars, was a loss of \$17 million for Q1 2014, versus a loss of \$5 million in 2013. Pargesa holds considerable positions in major companies headquartered in Europe.

2. Great-West Lifeco's portfolio of companies

Great-West Lifeco has operations in Canada, the U.S., Europe, and Asia. It operates through Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial, and Putnam Investments. In 2013, Great-West Lifeco and its companies had \$758 billion in consolidated assets under administration.

3. IGM Financial's portfolio of companies

IGM Financial had \$132 billion in total assets under management at year-end 2013. IGM's companies

include Investors Group and Mackenzie Investments.

4. Its communications, media, and Power Energy initiatives

Power Corporation of Canada, via wholly owned subsidiaries, engages in the communications industry. Gesca holds its news media operations, including *La Presse*, Canada's top French-language daily newspaper. Square Victoria Digital Properties holds Power Corporation's interest in digital services and book and magazine publishing.

In 2012, through a wholly owned subsidiary, Power Corporation of Canada founded a new investment platform called Power Energy. Power Energy's aim is to invest in the renewable energy sector. It currently holds investments in Potentia Solar and Eagle Creek Renewable Energy.

5. Its dividends

Power Corporation of Canada's board recently declared a quarterly dividend of \$0.29 per share on its Participating Preferred Shares and the Subordinate Voting Shares. The company's dividend yield is 4% and its five-year average dividend yield is 4.3%. Its dividend rate is \$1.16. In addition, its five-year average dividend growth rate is 9.21%.

With a bevy of quality companies in its stable and a healthy dividend yield, Power Corporation of Canada is a worthwhile stock to consider for your income portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)
2. TSX:IGM (IGM Financial Inc.)
3. TSX:POW (Power Corporation of Canada)

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