



## 3 Small Caps With Yields up to 6.6% to Buy Today

### Description

As savvy investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and small-cap stocks have the highest growth rates on average. Combining these two factors by investing in dividend-paying small caps can be a recipe for huge returns, so let's take a quick look at three from three different industries, so you can determine which would be the best fit for your portfolio.

#### 1. Ensign Energy Services Inc.

**Ensign Energy Services Inc.** ([TSX:ESI](#)) is one of the world's leading land-based drilling and well-servicing contractors. It pays a quarterly dividend of \$0.12 per share, or \$0.48 per share annually, giving its stock a 6.6% yield at today's levels.

Investors must also note that Ensign has raised its annual dividend payment for 20 consecutive years, but I think its decreased amount of funds from operations, including a 31.2% year-over-year decline to \$247.37 million in the first nine months of fiscal 2015, may cause it to simply maintain its current rate in 2016.

#### 2. Extendicare Inc.

**Extendicare Inc.** ([TSX:EXE](#)) is the second-largest operator of senior housing and care facilities in Canada with 112 owned and managed homes. It pays a monthly dividend of \$0.04 per share, or \$0.48 per share annually, giving its stock a 5.05% yield at today's levels.

Investors should also note that Extendicare has maintained this monthly rate since May 2013, but I think its increased amount of funds from continuing operations, including an adjusted 47% year-over-year increase to \$34.9 million in the first nine months of fiscal 2015, could allow for a significant increase in 2016.

#### 3. Evertz Technologies Limited

**Evertz Technologies Limited** ([TSX:ET](#)) is a leading global designer, manufacturer, and marketer of video and audio infrastructure solutions for the television, telecommunications, and new-media

industries. It pays a quarterly dividend of \$0.18 per share, or \$0.72 per share annually, giving its stock a 4% yield at today's levels.

Investors must also note that Evertz has raised its annual dividend payment for eight consecutive years, and its very strong financial performance, including record revenues of \$363.6 million in fiscal 2015 and \$100.6 million in the second quarter of fiscal 2016, could allow this streak to continue in 2016.

### **Which of these small caps should you buy?**

Ensign Energy Services, Extencicare, and Evertz Technologies are three of the most attractive dividend-paying small caps in their respective industries. Foolish investors should take a closer look and consider initiating positions in one of them over the next couple of trading sessions.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:ESI (Ensign Energy Services Inc.)
2. TSX:EXE (Extencicare Inc.)

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