



CI Financial Corp. Has a Dividend Yield Over 5%: Time to Buy?

Description

Income investors already know about the quality dividends offered by the Big Six banks, but there are good dividend opportunities with other financial companies too. **CI Financial Corp.** ([TSX:CIX](#)) is one of those stocks. CI Financial, established in 1965, is a wealth management and mutual fund company with over \$120 billion assets under management. Let's see how the stock is doing.

Current results

CI Financial reported second-quarter earnings on August 10. It reported adjusted earnings per share of \$0.54, in line with expectations. These results beat 2016's Q2 by 14.89%. The company boasts a net profit margin of 24.23%, among the higher performers in the industry. For comparison, **AGF Management Ltd.** ([TSX:AGF.B](#)) has a net profit of 9.68%, and **IGM Financial Inc.** ([TSX:IGM](#)) has a net profit of 26.67%. Over the previous three years, revenue growth has averaged 6.42%, almost matching the industry average of 6.60%.

The stock has a trailing P/E ratio of 14.43 and currently trades about midway between its 52-week low of \$23.52 and its 52-week high of \$29.94.

What stands out for CI is the company's dividend. The stock pays a monthly dividend of \$0.1175 per share, so its current annual payout sits at \$1.41 per share. This gives it a dividend yield of 5.32%. The offering has steadily increased in increments of \$0.005 over the last few years, and the yield has also steadily improved each of the last five years. For income investors, this is a dividend that's headed in the right direction.

What's new with CI Financial?

This isn't a company that just sits around waiting for revenue. CI has been busy with acquisitions this year. Just last week, the company announced plans to buy BBS Securities Inc., the parent company of Virtual Brokers. The deal is expected to close at the end of this year. BBS Securities has made large investments in financial technology, which is what attracted CI to the purchase.

CI also announced in August plans to buy Sentry Investments Corp., a large independent asset

manager. This will boost CI's overall mutual fund portfolio. CI has also been working to become a larger player in the growing ETF market.

Investor takeaway

CI Financial is a company producing good numbers. It also regularly increases its dividend payout, which should attract income investors. Finally, CI has been working to make quality acquisitions to boost its performance in a busy market. If you are looking for a solid dividend stock, consider buying CI Financial.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AGF.B (AGF Management Limited)
2. TSX:CIX (CI Financial)
3. TSX:IGM (IGM Financial Inc.)

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Date

2025/08/24

Date Created

2017/09/21

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