

## Dividend Investors: This Stock Yields Over 6%

### Description

Are you an income investor on the lookout for a new dividend gem? Here's one in the gaming and hospitality industry with a dividend yield of 6.90%. Is this stock a good buy?

**Gamehost Inc.** ([TSX:GH](#)) is a Red Deer, Alberta-based company that operates hospitality and gaming properties. This is a small company with a market capitalization of \$247 million, but it has a lot going for it. Let's take a look.

### Gamehost by the numbers

The company reported second-quarter earnings in August of \$1.07 per share, in line with analyst expectations. It beat 2016's Q2 results by \$0.68 per share. The stock's net income grew by 21% year over year, among the strongest growth in the industry.

Gamehost's net profit margin sits at 25.74% — a leader in the industry. For comparison, **Great Canadian Gaming Corp.** ([TSX:GC](#)) has a profit margin of 14.76%, and **Pollard Banknote Ltd.** ([TSX:PBL](#)) has a profit margin of 5.48%. Over the previous three years, earnings and revenue declined slightly, but the 2017 results have been good so far, and expectations are positive heading into 2018. The company's debt-to-net-equity ratio is only 0.43, so the company has far more equity than debt, which also bodes well for the future. The stock's trailing P/E ratio sits at 14.97.

The stock currently trades about midway between its 52-week low of \$8.94 and its 52-week high of \$12.09. Analysts expect it to trade in the \$10-11 range over the next 12 months.

### The dividend offering

Let's look at the great dividend yield being offered. Gamehost offers a monthly dividend that currently sits at \$0.0575 per share for an annual payout rate of \$0.69 per share. This gives it a hefty yield of 6.90%. The yield over the past five years hasn't dipped lower than 5.91%, so Gamehost pays a quality dividend reliably.

### Bottom line

Overall, things look good for this small company. It's had good results in 2017, and it boasts an industry-leading profit margin, so Gamehost knows how to take investor dollars and turn them into profits. It also offers a good dividend. If you want to add a dividend stock to your Foolish portfolio, consider making Gamehost that company.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GH (Gamehost)
2. TSX:PBL (Pollard Banknote Limited)

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