

## TFSA Investors: This Stock Boasts a High Yield and Solid Earnings

### Description

Your Tax-Free Savings Account (TFSA) is a great place for dividend stocks. Since dividends are taxed higher than capital gains, it's nice when you can completely shelter your income from the CRA. So, let's look at a high-yielding stock that you may want to consider for your TFSA.

### Exchange Income Corporation ([TSX:EIF](#))

Exchange Income has two focuses: aviation services and equipment, and manufacturing. For its aviation division, the company provides charter and emergency air medical services in some of Canada's least-populated centres, including northern Manitoba and Nunavut. It does this through a variety of brand names, including Calm Air and, my personal favourite airline name, Bearskin.

### Exchange Income by the numbers

The stock has a market cap of \$1.11 billion. Its average return-on-equity number sits at 13.18% — a little below the 15-20% analysts like to see. The stock has surpassed analyst expectations with its last two quarterly earnings results. For its quarter ending June 30, 2017, the company reported earnings per share of \$0.77, beating the average estimate of \$0.68. And in its last quarter, which ended on September 30, 2017, earnings per share came in at \$0.84. This beat the \$0.81 average estimate. The net profit margin for the quarter was 9.43%. It's nice to see a stock consistently surpass expectations.

### The dividend offering

What we most want to look at today is the dividend payout and yield for Exchange Income. The stock pays a monthly dividend of \$0.175 per share for an annual payout of \$2.10. This payout has slowly but steadily increased over the last five years from \$0.14 back in 2012. I always like to see an upward trajectory, because who doesn't want more money? This dividend gives the stock a terrific yield of 5.79%.

### Bottom line

Earnings results have been good in the second half of this year, and Exchange Income offers a steadily increasing dividend. If you are looking for more income in your Foolish portfolio, this stock deserves a second look.

Are you interested in learning more about dividend stocks from the Motley Fool? Here's another recent [recommendation](#) for your TFSA portfolio and an article looking at two recent [dividend increases](#).

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)

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