

## 2 Big Dividend Stocks Poised for More Upside

### Description

If you like income and price appreciation, you'll want to take a closer look at **Exchange Income Corporation** ([TSX:EIF](#)) and **Enercare Inc.** (TSX:ECI), which offer yields of +5% and near-term upside potential of 30%. Both have track records of increasing their dividends.

#### Exchange Income Corporation

Exchange Income Corporation is an acquisition-oriented company with a focus on the sectors of aerospace, aviation, and manufacturing.

Exchange Income Corporation's cash flow is pretty stable, such that it tends to increase its dividend. If it hadn't only maintained its dividend in 2010, its dividend-growth streak of seven consecutive years would have been even longer.

The stock has pulled back roughly 10% in the last 12 months to about \$34 per share, and it looks like it's ready for the next leg up with the completion of the acquisition of Moncton Flight College, which is the largest Canadian flight training college.



As Exchange Income Corporation's press release noted, Moncton Flight College offers "a full range of training from private pilot licensing to commercial pilot programs, which include an Integrated Commercial Pilot Program, a Diploma in Aviation Technology Pilot Program, and a four-year Bachelor of Science/Pilot Program with Mount Allison University."

Exchange Income Corporation just hiked its eligible monthly dividend in February by almost 4.3%. Coupled with the share price decline, the stock now offers a juicy yield of almost 6.2%. **Thomson Reuters's** consensus 12-month target on the stock is \$44.50 per share, which represents 30% near-term upside potential.

#### Enercare

Enercare offers water heaters, water treatment, furnaces, air conditioners, and other HVAC rental products, plumbing services, protection plans, and related services in North America. It serves about

1.6 million customers each year.

Furthermore, Enercare is the biggest non-utility sub-meter provider, with electricity, water, thermal, and gas metering contracts for condominium and apartment suites in Canada.

Since converting from an income fund to a corporation in 2011, Enercare has increased its dividend every year. Since then, it has delivered an outstanding annualized rate of return of ~18.6%.

At the recent quotation of \$18.86 per share, Enercare is good for a dividend with a forward yield of nearly 5.3%, as the company just increased its monthly dividend starting in April by 4%. Reuters's consensus 12-month target on the stock is \$24.60 per share, which represents 30% near-term upside potential.

### Investor takeaway

Investors who like being paid to wait should explore Exchange Income Corporation and Enercare further as [high-income candidates](#), which have strong near-term [upside potential](#). Which one do you like better today?

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