3 Top Income Stocks to Buy in April

Description

If you're interested in adding an income stock to your portfolio in April, then I have three that I think you will love. Let's take a closer look at each.

Medical Facilities Corp. (TSX:DR)

Medical Facilities Corp. (MFC), in partnership with physicians, owns a controlling interest in five specialty surgical hospitals and an ambulatory surgery centre, which are located across five U.S. states. In addition, through a partnership with NueHealth LLC, it owns a majority interest in seven ambulatory surgery centres located across seven U.S. states, and it also owns a controlling interest in a diversified healthcare services company located in Oklahoma.

MFC pays a monthly dividend of $0.09375 per share, equating to $1.125 per share annually, which gives it a yield of about 8.1% at the time of this writing.

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Investors must note that MFC has paid monthly dividends uninterrupted and without reduction since June 2011, including one increase of 2.2% in August 2012, making it qualify as a reliable income provider.

I think the company's consistent growth of cash available for distribution (CAFD), including its 2.5% increase to $1.67 per share in 2017, and its conservative payout ratio, including just 67.5% of its CAFD in 2017, will allow it to continue to pay an uninterrupted stream of monthly dividends for many years to come.

Ag Growth International Inc. (TSX:AFN)

Ag Growth International (AGI) is one of the world's leading manufacturers of grain handling, conditioning, and storage equipment with 33 market-leading brands and 25 manufacturing facilities around the globe.

AGI pays a monthly dividend of $0.20 per share, equal to $2.40 per share on an annualized basis, which gives it a yield of about 4.5% at the time of this writing.

Like MFC, AGI is a very reliable income provider, and its dividend history is even more impressive; it has paid monthly dividends uninterrupted and without reduction since May 2004, and this includes five dividend increases and several special dividends in that span.

I think AGI's very strong financial performance, including its 41.1% increase in funds from operations (FFO) to $74.47 million in 2017, the ongoing improvement of its dividend-payout ratio, including 51.5% of its FFO in 2017 compared with 66.9% in 2016, and its ongoing acquisition activity that will fuel future FFO growth, including its acquisitions of Global Industries Inc., CMC Industrial Electronics, and Jungle Control Inc. in 2017, will allow it to continue to provide a growing stream of monthly income to its shareholders going forward.

Parkland Fuel Corp. (TSX:PKI)

Parkland is Canada's largest and one of North America's fastest-growing independent marketers of fuel and petroleum products, and it's a leading convenience store operator through its On the Run and Marché Express banners.

Parkland pays a monthly dividend to $0.09783 per share, representing $1.174 per share annually, which gives it a yield of about 4.1% at the time of this writing.

It may have the lowest yield of the companies named in this article, but Parkland has something that the others do not — an active streak of annual dividend increases; it has raised its annual dividend payment each of the last five years, which earned it the right to be added to the S&P/TSX Canadian Dividend Aristocrats Index in February, and its 1.7% hike on March 2 has it positioned for 2018 to mark the sixth straight year with an increase.

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I think Parkland's consistently strong growth of adjusted distributable cash flow (ADCF), including its 25% increase to $2.00 per share in 2017, and its wildly improved dividend-payout ratio, including 58.7% of its ADCF in 2017 compared with 71.5% in 2016, will allow its streak of annual dividend increases to easily continue into the 2020s, making it one of my favourite income stocks in the market today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AFN (Ag Growth International)
2. TSX:DR (Medical Facilities Corporation)
3. TSX:PKI (Parkland Fuel Corporation)

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