



3 Cheap Dividend Stocks to Consider for Your TFSA

Description

Many of the stories investors read about Canadian TFSAs in the news surround the success stories of savvy traders who managed to generate hundreds of thousands, if not millions, of dollars in tax-free gains. Stories like this are always exciting for investors, but the vast majority of Canadians utilizing their TFSAs will be employing more conventional strategies. That is not to say that your TFSA can't also generate fantastic tax-free gains from capital growth and steady income.

Today, we are going to focus on three stocks yielding solid income that come at relatively good value as of this writing. Each offers capital growth potential paired with a dividend. Let's take a look.

Sleep Country Canada Holdings ([TSX:ZZZ](#))

Sleep Country Canada stock had dropped 6.1% in 2018 as of close on August 8. Shares were also down 11.5% year over year. Sleep Country is the leading specialty mattress retailer in Canada. The company has made impressive strides in bolstering its e-commerce offerings, which has become an essential trait for retailers looking to survive in the modern market.

Sleep Country released its second-quarter results on August 2. Revenue climbed 8.1% year over year to \$143.7 million, and the company reported same-store sales growth of 4.4%. Gross profit jumped 10.3% from the prior year to \$41.2 million, and adjusted net income increased 12.4% to \$13.4 million. In its earnings release, Sleep Country said growth had been powered by its increase in total units sold as well as its focus on growing its market share in the below-\$1,000 price category.

The board of directors also declared a dividend of \$0.185 per share, which represents a 2.1% dividend yield.

Jamieson Wellness ([TSX:JWEL](#))

Jamieson Wellness is a Toronto-based company engaged in the [sports nutrition and supplements market](#). Shares were up 11.8% in 2018 as of close on August 8. The company also released its second-quarter results after markets closed on the same day.

In the second quarter, revenue rose 8.2% year over year to \$77.1 million, while adjusted EBITDA shrank to \$14.2 million compared to \$15.1 million in Q2 2017. Adjusted net income also slipped to \$6.9 million in comparison to \$7.9 million in the previous year.

Jamieson also announced a 12.5% hike to its quarterly dividend. This brings the dividend up to a cash dividend of \$0.09 per share.

Stella-Jones ([TSX:SJ](#))

Stella-Jones is a Quebec-based company that sells lumber and wood products. Shares of Stella-Jones had dropped 12.3% in 2018 as of close on August 8. The company stands to gain from a [strengthening U.S. dollar](#) with the bulk of its revenue from the utility poles category coming from south of the border.

The company also released its second-quarter results on August 8. Stella-Jones reported that sales climbed to \$662.3 million compared to \$594.2 million in the prior year. Utility pole category sales rose 7.1% year over year to \$179.3 million. Net income remained relatively static from the prior year at \$48.1 million.

The board of directors declared a quarterly dividend of \$0.12 per share, representing a 1% dividend yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:SJ (Stella-Jones Inc.)
3. TSX:ZZZ (Sleep Country Canada)

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