



These 3 Unknown Dividend Stocks Are Poised to Have an Amazing 2019

Description

One of the biggest mistakes you can make as an investor is sticking to the same old stocks.

This is especially true in Canada. Many investors don't venture much beyond obvious choices like our largest banks, telecoms, and utilities. After all, these companies have dominant market positions, a demonstrated history of success, and the support of millions of Canadian retirement funds.

But investors who limit themselves are potentially missing out on some massive capital gains. The usual suspect stocks are just too big to double or triple their share price. A fast-growing small-cap stock can certainly pull off such a feat.

Investors don't have to sacrifice dividends to get that kind of exposure, either. Some of these small-cap growth names offer great current yields and all sorts of dividend-growth potential.

Let's take a closer look at three stocks that might have flown under your radar.

goeasy

goeasy ([TSX:GSY](#)) has been one of Canada's top growth stories in the last five years.

The company has transformed itself from a retailer with a finance arm attached into an innovative financial services company targeting the fastest-growing section of borrowers. Millions of Canadians just don't have the ability to walk into a bank and emerge with a loan. goeasy helps them.

In 2012, before the company really expanded into financial services, annual revenue was \$200 million. Just six years later, the top line has more than doubled to \$480 million. The bottom line has expanded even faster, going from \$11 million to \$43 million.

This might just be the tip of the iceberg, too. The company estimates the non-prime loan market in Canada is a business worth approximately \$186 billion. goeasy just surpassed \$1 billion in assets. And it hasn't even cracked obvious growth opportunities like subprime mortgages or vehicle loans.

The company has been sharing its growth with shareholders via the dividend. Since 2015, the payout has more than doubled, increasing from \$0.40 per share annually to today's level of \$0.90 per share.

Parkland Fuel

While the rest of the TSX had a lousy 2018, **Parkland Fuel** ([TSX:PKI](#)) bucked the trend. The stock finished the year up some 8%, and that was even after a big sell-off during the second half.

It's easy to like Parkland Fuel, which supplies nearly 2,000 gas stations in Canada and the United States. It also operates hundreds of retail stores and owns refineries and other distribution assets.

Parkland has been a serial acquirer over the years, which has allowed it to grow its network across North America. It recently announced a deal in the Caribbean that would see it acquire 75% of Sol, a company with 526 gas stations, a booming fuel import business, and a robust commercial business.

Parkland also pays a nice dividend. The current yield is 3.3%.

Polaris Infrastructure

Polaris ([TSX:PIF](#)) owns a single power plant in Nicaragua. There has been political turmoil in the country lately, which has caused investors to hit the sell button and ask questions later.

Some investors think there's a chance San Jacinto will get nationalized, but I disagree. The plant was financed by plenty of foreign money, including loans from the World Bank. If Nicaragua's government decides to take control, then foreign capital would avoid the nation. No government wants that.

Management is taking steps to minimize the single-country risk. The company recently announced an acquisition in Peru that consists of one operating hydro power plant along with the right to construct several more. Once the deal closes, Polaris will generate approximately \$2.00 per share in free cash flow. Remember, shares currently trade hands at less than \$10 each. Investors are getting compensated quite well for the risk.

The stock also pays a generous dividend of 7.8%, a payout well covered by cash flow.

The bottom line

goeasy, Parkland Fuel, and Polaris Infrastructure probably aren't on many investor radar screens. They're perceived as too small or too risky. Today is a great opportunity to load up on these companies before they become household names.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:PIF (Polaris Renewable Energy)
3. TSX:PKI (Parkland Fuel Corporation)

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Author

nelsonpsmith

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