3 Stocks Paying Monthly Dividends to Hold for Decades

Description

The slowing rate of economic growth in the developed world has driven anxiety among investors. This is a pressing problem in the near term, but, looking forward, demographics may be the biggest challenge facing developed economies. Canada has ramped up immigration to record levels, but the challenges of an aging population will require a multi-faceted approach.

Between 1995 and 2005, the working-age population rose by 7.3% in Canada. This growth rate slowed to 3.1% between 2005 and 2015. The Canadian rate is forecast to expand by 1.6% between 2015 and 2025. These numbers were pulled from the United Nations World Population Prospects 2017 database.

These trends will present a myriad of problems for the consumer-driven economies in the developed world. However, today we are going to look at companies that investors can count on as we ponder these trends.

Sienna Senior Living (TSX:SIA)

Sienna Senior Living is the largest licensed long-term-care operator in Ontario, and one of the largest owners of seniors' housing. Shares of Sienna have climbed 19.2% in 2019 as of close on April 4. The stock is up 5.4% year over year.

In 2018, Sienna saw revenue increase 15.1% to $642 million. Sienna has committed to an aggressive acquisition strategy as most of its revenue increase came from acquired properties. The stock last paid out a monthly dividend of $0.0765 per share, which represents a strong 4.8% yield.

Savaria (TSX:SIS)

Savaria is a Quebec-based company that designs, engineers, and manufactures products for personal mobility. The stock has increased 5.6% in 2019 as of close on April 4. Shares are down 18.3% year over year.

Savaria's 2018 revenues came in above its full-year guidance at $286 million. However, adjusted EBITDA came in below expectations due to a challenging operating environment in Europe. The company is projecting a big boost in revenue in fiscal 2019 to between $385 million and $400 million. Savaria last paid out a monthly dividend of $0.035 per share. This represents a 2.8% yield.

Park Lawn (TSX:PLC)

Park Lawn is a Toronto-based company that provides goods and services associated with the disposition and memorialization of remains in Canada and the United States. Shares have climbed 10.9% in 2019 so far. The stock is still down marginally year over year.

Early last year, I'd discussed why Park Lawn was a good target due to aging demographics. Park Lawn released its fourth-quarter and full-year results for 2018 on March 26. The company has leveraged its strong cash position to expand its U.S. platform and plans to accelerate this strategy into 2022. Park Lawn invested about $275 million on strategic acquisitions this past year.

Adjusted EBITDA climbed to $34.7 million in 2018 compared to $16.6 million in the prior year. Adjusted net earnings surged 85.4% year over year to $15.9 million. Park Lawn last paid out a monthly dividend of $0.038 per share, which represents a modest 1.7% yield. The stock is attractive mainly because of its growth potential, but the monthly dividend is a nice boon for shareholders.

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2. TSX:SIA (Sienna Senior Living Inc.)
3. TSX:SIS (Savaria Corporation)

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