3 Dividend Stocks on Sale Yielding Up to 6%

Description

One of the benefits of a falling share price is that it means that a stock's dividend yield has risen in value as investors are getting more for their money. Below are three stocks that have been declining in recent months that could be good additions to your portfolio today.

Gildan Activewear Inc. (TSX:GIL)(NYSE:GIL) has fallen around 8% in the past three months. The decline started back in early August when the company released its quarterly results, which failed to impress investors as the company adjusted down its expectations for Q3.

Although the company reaffirmed its guidance for the year, unfortunately, any hint of negativity can send a stock reeling.

Gildan's dividend isn't astronomical by any means, but the drop in share price means that the stock is now paying investors 1.1% per year. The good news is that the company has increased its payouts over the years. Should that trend continue, investors could continue to see their dividend income get even larger.

The clothing manufacturer is a good, stable buy that can provide investors with a lot of consistency in its financials. With a beta of just 0.60, it hasn't taken investors on wild rides, and that's not likely to change going forward. In five years, the stock has climbed around 50%.

Enerflex Ltd (TSX:EFX) has recently fallen to prices not seen since 2016. In three months, the share price of the oil and gas stock has fallen more than 30%. Similar to Gildan, Enerflex's decline started to see a big decline after the company released its most recent earnings results.

Unlike Gildan, however, Enerflex had a good quarter that saw solid revenue and profit growth with no concerning announcement about the upcoming quarter. That's why such a steep decline could make the stock a good buy, as the steep decline in price appears to be unwarranted.

With its dividend intact, Enerflex is currently paying investors a yield of 3.6%. Like Gildan, the stock has also raised its payouts over the years, with the most recent increase being a hike of 10.5%.

Enerflex could also be an appealing buy for value investors, trading well below its book value at a price-to-earnings multiple of just eight.

NFI Group (TSX:NFI) has been declining not just for the past few months, but for the last year, losing more than 40% of its value. Although sales for the bus manufacturer have been on the rise over the years, in 2018, profits were down from the prior year.

While the short-term results may not be stellar, investors should be very excited for the long-term growth that the company offers. NFI makes electric buses that are already seeing terrific demand and the manufacturer recently received an order from the Washington Metropolitan Area Transit Authority for 110 buses, including 35 clean diesel buses.

While it may take a while before the market for green buses really takes off for NFI, it's not hard to see the potential growth the company has, and that's why it could be a steal of a deal today.

With the drop in price and stock increasing its payouts, NFI is currently paying investors a dividend of more than 6% per year, tops on this list.

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TICKERS GLOBAL

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2. TSX:EFX (Enerflex Ltd.)
3. TSX:GIL (Gildan Activewear Inc.)
4. TSX:NFI (NFI Group)

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