



2 Stocks With Fat Monthly Dividends

Description

Stocks that provide investors with handsome dividends are some of the most sought-after investments on the market. Even more impressive (and difficult to find) are dividend-paying stocks that can provide investors with both a high-yield and a monthly distribution.

In case you're wondering, high-yield investments with monthly distributions *do* exist, and here are two such investments for you to consider.

Consider this high-flying diversified stock

Exchange Income ([TSX:EIF](#)) is an interesting, well-diversified company that should be on the radar of nearly every investment portfolio. Exchange owns more than a dozen subsidiary companies that fall under broad aviation and manufacturing segments. The aviation segment includes passenger and cargo air service to remote communities as well as providing medevac and surveillance functions as well. Turning to the manufacturing segment, the subsidiary companies offer niche services ranging from metal fabrication for the defence and aerospace community to the construction and deployment of cell phone towers.

In addition to the appeal of running a well-diversified business, Exchange's subsidiaries operate in unique niche segments of the market where competition is low and demand is stable. This has helped the company continue to generate free cash with each passing quarter.

By way of example, in the most recent quarter, Exchange saw revenues hit an all-time quarterly high of \$355 million, reflecting a solid 15% year-over-year improvement. EBITDA came in at an equally impressive \$89 million for the quarter, 12% better than the same quarter last year. Over that same period, free cash flow saw a 5% bump to \$67 million.

Turning to dividends, Exchange's appetizing monthly distribution works out to an impressive 6.19% yield, which makes it one of the best yields on the market. Despite the attractive yield on offer, the dividend is both secure and continues to grow.

Exchange has provided annual bumps to the dividend for several years, with the most recent uptick coming earlier this year. The payout ratio, which can fluctuate based on the natural business cycle of Exchange's businesses, comes in at an attractive 49% over the course of the most recent quarter.

Look here for pipelines, plastics, and profits

Inter Pipeline (TSX:IPL) is another intriguing pick for long-term investors. As the name implies, Inter Pipeline is an energy infrastructure company, operating one of the largest pipeline networks in the country that traverses 7,800 kilometres.

The company also operates an enviable NGL and storage tank business, with the former boasting a production output of 240,000 barrels per day, while the latter provides a capacity of 37 million barrels.

Perhaps the most intriguing of Inter Pipeline's businesses would be the company's \$3.5 billion investment into the Heartland Petrochemical Complex. Once operational in 2021, the facility will convert local, inexpensive propane into polypropylene, a type of plastic used in manufacturing processes. The facility, which will be the first of its kind in Canada, will provide Inter Pipeline with an annual boost of \$450 million in EBITDA.

In terms of a dividend, Inter Pipeline offers investors a mouth-watering 7.72% yield, far [surpassing its peers](#) in the energy sector.

Final thoughts

Both investments offer solid options for investors [seeking long-term gains](#) and a monthly stream of income. Adding to that appeal is that both investments offer solid avenues of growth that will continue to support those dividends for years to come. In my opinion, both Exchange and Inter Pipeline should be core to any income-seeking investor's portfolio.

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