3 Canadian Dividend Stocks to Add to Your Portfolio

Description

Investors are always on the lookout for stocks that pay regular dividends. They especially love these stocks during slowdowns or recessions because it assures them of a regular income. We look at three companies that will hold their ground during a slowdown while making sure they keep paying out dividends to their shareholders.

The website of **Exchange Income Corporation** (TSX:EIF) gives you a pretty good idea of what to expect from the company. The opening page boldly states: "*Diversification and Disciplined Acquisitions Yielding Dependable and Growing Dividends Year After Year.*"

EIF has 14 businesses covering cargo handling, air and helicopter services, after-market aviation equipment sales, and precision metal manufacturing. All businesses are backed up by strong management teams that ensure the company is shielded from a downturn in any one sector.

It is this diversification that helped EIF report record numbers for the third quarter of 2019. Revenue grew 15% to $355 million compared to the same period in 2018 and EBITDA increased by 12% to $89 million. This was achieved despite a bankrupt airline customer who cost one of the EIF subsidiaries a loss of $6 million.

EIF dividends have grown over 100% since 2004 (the company has been a consistent dividend payer since then) and the company boasts of a dividend yield of 5.10%. It's a fantastic stock to hold for the long term.

Manulife Financial (TSX:MFC)(NYSE:MFC) is one of Canada's leading insurance companies that also provides financial advice as well as wealth and asset management solutions. It also has offices in the U.S., Europe, and Asia. The company recently reported its numbers for the third quarter of 2019 and its core earnings came in at a solid $1.5 billion, in line with similar numbers for the same period of 2018.

The company's core return on equity was 13%. At $526 million, its insurance business delivered a robust 14% growth. The Asia business portfolio grew to $430 million in the third quarter of 2019 from $382 million in 2018.

The stock is currently trading at $26.16 and the average target price from 14 analysts is just over $30 giving investors an upside of over 15%. Manulife investors can also expect a 3.85% forward dividend yield as the company continues to hold steady as the economy slows down.

Plaza Retail REIT (TSX:PLZ.UN) is a slight contrarian bet in this column. A lot of people believe that retail is dying but Plaza thinks otherwise and we have good reason to trust them. The company owns, develops, and manages retail properties in Ontario, Quebec, and Atlantic Canada. As far as tenants go, 90.7% of Plaza's tenants are national ones.

This translated into good numbers for the third quarter of 2019 as the company reported an 8.9% increase in funds from operations. Profit clocked in at $10.1 million compared to $7 million in 2018.

Plaza investors stand to earn a sweet 5.89% dividend yield that is paid out monthly. Plaza's dividends have grown every year since 2003. That's a whopping 16 years of dividend growth! The company also looks set to breach $500 million in market cap. All in all, it looks like a great buy at current prices.

CATEGORY

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3. TSX:MFC (Manulife Financial Corporation)
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