



## Looking for a Monthly Dividend Stock?

### Description

How diversified are your income-producing stocks? One of the biggest challenges for dividend investors is often finding a good mix of stocks that can provide a steady (and growing) source of income throughout the entire year.

For those investors, there are a host of stocks that provide monthly distributions to consider, and **Exchange Income** ([TSX:EIF](#)) is one such investment to put on your radar.

### What does Exchange Income offer?

Exchange Income consists of more than a dozen subsidiary companies that either cater to the aviation or manufacturing sectors of the economy. While that may not sound like a strong investment option, at least initially, let's delve a little deeper.

All of Exchange's businesses operate in niche segments of the market. They serve remote geographic regions of Canada, such as Nunavut and northern Manitoba, and all provide a unique yet still completely necessary service.

By way of example, while there is little competition for passenger and cargo service from Manitoba to remote regions in the north, it is still a necessary service. The same could be said of the company's manufacturing segment of companies, which includes unique niches, such as cell phone tower construction and metal fabrication services for the aerospace and defence segments.

In other words, that unique mix of in-demand, necessary, and remote businesses provide Exchange with a diversified and [defensive](#) portfolio of assets, which continue to generate cash for the company with each passing quarter.

### How is Exchange doing?

We're still a few weeks out from Exchange releasing results for the fourth fiscal of 2019, so until then,

let's look closer at the third-quarter update.

In that quarter, Exchange reported a record-breaking revenue gain of 15% to \$355 million, while EBITDA saw an equally impressive record-breaking increase of 12% to \$89 million. On an adjusted basis, net earnings for the quarter came in at \$1.03 per share, reflecting a solid 10% gain over the same period last year.

The recent strong performance by Exchange is not just a one-time event either. Over the course of the past five years, the stock has surged over 90%, with sales in that same period swelling from \$891 million to \$1.20 billion.

A very healthy growth rate of 11.4% annually is being forecasted over the next five-year period, while those sales numbers are set to rise further to \$1.6 billion.

## Here's the best part

I started talking about Exchange in the context of its dividend, so I would be remiss if I didn't mention how incredible it really is. The current monthly distribution works out to an appetizing 5.11% with payments working out to \$2.28 per share expected over the year.

Even better is the fact that Exchange continues to provide hikes to that divided, while keeping the dividend at a very sustainable payout level. The trailing 12-month payout ratio currently works out to a stable 62%, and Exchange has provided annual or better dividend hikes stemming back several years.

In my opinion, Exchange remains a solid long-term option for any investor looking for an [income stream](#).

### CATEGORY

- 1. Investing

### TICKERS GLOBAL

- 1. TSX:EIF (Exchange Income Corporation)

### PARTNER-FEEDS

- 1. Business Insider
- 2. Msn
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**Author**  
dafxentiou

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