



## Who Wants Diversified Monthly Income?

### Description

The COVID-19 pandemic changed the way that we view many things, including how investors select the best options for their portfolios. Diversification is now key, and for many investors, finding an income-producing investment is also a priority. Fortunately, the market provides plenty of options to consider. **Exchange Income** ([TSX:EIF](#)) offers a diversified monthly income stream and significant growth potential.

### Here's where Exchange Income excels

Exchange Income has a unique business model that is focused on two main segments: aviation services and manufacturing. Exchange acquires businesses operating within those segments, which in turn generate profits for the company. The individual businesses within those segments cater to a very specific niche, where demand is high and competition is low.

By way of example, the aviation business consists of passenger and freight airlines operating in remote regions of northern Manitoba, Ontario, and Nunavut. All of those businesses perform a necessary function and, more importantly, are all profitable. The same holds true for Exchange Income's manufacturing segment. The manufacturing side of the company includes niche businesses such as cellphone tower construction, sheet metal construction, and high-pressure washer systems.

In terms of results, Exchange Income reported on the first fiscal quarter of 2020 in May. The report was inclusive to the end of March, which means it reflected some COVID-induced losses. In the most recent quarter, Exchange Income realized revenue of \$307 million, reflecting a 3% increase over the same period last year. The need for diversification was evident in the segment-specific results. Revenue from the aviation segment saw a \$16 million decline in the quarter, while manufacturing saw an increase of \$26 million.

Overall EBITDA came in at \$57.3 million, reflecting a \$6.6 million decline over the same quarter last year. That decline was attributed to the COVID-19 pandemic, which heavily impacted both segments. Remember that the decline here wasn't specific to Exchange; nearly all businesses saw a drop in their

results, which shouldn't defer prospective investors from a great diversified monthly income pick.

## Want diversified monthly income?

Specifically, let's talk dividends. Exchange Income's diversified portfolio of companies helps to provide a very attractive dividend to investors. The company currently offers a monthly distribution that pays out an appetizing 8.31% yield. Perhaps more incredible is the fact that Exchange continues to offer annual bumps to that dividend, with the most recent uptick coming last August. Also, that dividend payout is well covered from funds from operations.

In other words, Exchange Income's diversified monthly income stream should be on the radar of every [income-seeking investor](#).

## Final thoughts

Should you invest in Exchange Income? Investors considering an investment in Exchange Income can purchase the stock at a still-discounted rate over the pre-pandemic price. Additionally, at the moment, the company hasn't slashed its [attractive monthly dividend](#) as a result of the pandemic. If anything, during the most recent quarterly announcement, Exchange noted that maintaining (and growing) its dividend remains a priority.

Fortunately, Exchange's well-diversified mix of businesses offsets some of that risk, which makes the stock a great option for investors looking for an investment that offers a diversified monthly income.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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