



3 Obscure Stocks to Buy for Extra Monthly Income

Description

One great thing about [dividend investing](#) is that you have extra cash on top of your active or regular income. You can keep the principal intact and collect only the dividends. The typical payout of most companies is quarterly. Thus, your disposable income is higher every three months.

However, if you need to increase the frequency of dividend payments, three obscure stocks pay dividends 12 times in a year, not four. **First National Financial** ([TSX:FN](#)), **Mullen Group** ([TSX:MTL](#)), and **AltaGas** ([TSX:ALA](#)) are among TSX's [monthly income stocks](#).

Specialty lender

First National is a non-bank mortgage lender with a market cap of \$2.97 billion. The company dominates in single-family residential mortgages and multi-unit residential & commercial mortgages). Moreover, most of its mortgages under administration (MUA), or 90%, are prime mortgages.

Business is doing well amid the pandemic, as evidenced by the financial results in Q1 2021 (three months ended March 31, 2021). Management reported a 22.52% revenue growth versus Q1 2020. The net income was \$52.7 million compared to the \$2.25 million net loss in the same period a year ago.

Canada's red-hot [real estate market](#) contributed to the 58% increase in single-family origination. However, the commercial segment originations fell 31% due to competitive conditions. At \$49.53 per share, First Financial pays a 4.74% dividend.

Essential services

Mullen is a \$1.22 billion logistics company with three distinct business units, a dozen service centres, and over 75 terminals. Besides trucking and logistics services, the company boasts of real estate holdings leased to its business units. Its core strengths are a fully integrated transport management system, customized inventory management, and warehouse systems.

Furthermore, Mullen has a diverse set of specialized services that businesses in the construction, energy, forestry, and mining industries need. It can also do environmental reclamation, fluid hauling, and water management. Mullen's pitch to investors is a proven business strategy of entrepreneurship, strong capital management, and growth through diversified operations and markets.

Despite the 8.7% revenue slide in Q1 2021 versus Q1 2020, Mullen's adjusted net income grew 24.2%. As of March 31, 2021, the company had a working capital of \$247.1 million and an unused credit facility of \$150 million. The industrial stock trades at \$12.60 per share and yields 3.76%.

Regulated assets

AltaGas is a \$7.35 billion diversified energy infrastructure company. The beautiful thing about this utility stock is that its natural gas distribution utilities in the U.S. are regulated. Furthermore, the infrastructure assets are in North America's fastest-growing energy markets. The current share price is \$26.31, while the dividend yield is a decent 3.8%.

The most recent quarterly results should give you the confidence to invest in AltaGas. Its normalized EBITDA for Q1 2021 (quarter ended March 31, 2021) increased by 35% to \$674 million. Management cites the larger-than-expected profitability from the U.S. transportation and storage business and robust performance across its midstream platform for the strong business performance.

For the rest of 2021, AltaGas's capital expenditure plan of \$910 million will weigh more towards the low-risk utility business. Also, management targets to end the year with a higher normalized EBITDA of between \$1.475 billion and \$1.525 billion.

Outperformers

The monthly income stocks in focus here outperform the TSX (+14.64%) year to date. First National is up +22.13%, Mullen is ahead +17.97%, and AltaGas investors are content with the 43.8% gain thus far.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:FN (First National Financial Corporation)
3. TSX:MTL (Mullen Group Ltd.)

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