



Beat the TSX With This 1 Unstoppable Monthly Dividend Stock

Description

If you want to generate stable passive income each month in Canada, you should consider investing a part of your hard-earned savings in some [fundamentally](#) strong monthly [dividend stocks](#). Apart from receiving reliable monthly dividends, you can also benefit from an appreciation in their share prices in the long run.

In this article, I'll highlight one such unstoppable TSX dividend stock that I expect to continue outperforming the broader market, despite growing macroeconomic concerns.

The unstoppable TSX monthly dividend stock to buy now

When investing in dividend stocks, long-term investors should always pay attention not only to a company's recent financial growth trends and yields but also to its future growth prospects. Considering that, I find the **Mullen Group** ([TSX:MTL](#)) stock really attractive at the moment. It's an Okotoks-based trucking, logistics, and warehousing services provider with a [market cap](#) of \$1.3 billion. Its stock currently trades at \$14.55 per share with about 25.1% year-to-date gains, outperforming the broader market by a big margin. By comparison, the TSX Composite benchmark has seen 12.4% value erosion this year so far.

At the current market price, this TSX dividend stock offers an attractive yield of 4.9% and distributes its dividend payouts each month. Based on its 2021 financial figures, its less-than-truckload segment, which utilizes Mullen's final mile delivery network, accounted for nearly 40% of its total revenue, while nearly 32% of the revenue came from its logistics and warehousing segment.

Strong financial growth trends

Amid strong demand for all its services, the ongoing growth trend in Mullen's financials looks impressive. In five years between 2016 and 2021, the company's total revenue rose by 43% to \$1.5 billion. During the same period, its adjusted earnings grew positively by 43% to \$0.75 per share.

Notably, Mullen Group made six quality acquisitions in 2021. This is one of the key reasons why the company has managed to significantly boost its financial growth lately. In the June 2022 quarter, its total revenue [rose](#) by 66.9% year over year to \$521.6 million. Despite growing challenges like rising fuel costs and other inflationary pressures, Mullen's business continues to benefit from elevated freight rates. That's why the Canadian logistic services provider's adjusted operating margin expanded to 19.5% in the last quarter compared to 18.8% a year ago. Similarly, its adjusted earnings in the second quarter rose by 87% from a year ago to \$0.43 per share — also exceeding Street analysts' estimates by about 83%.

Bottom line

While inflationary pressures might continue to be a challenge for the logistics industry, Mullen Group's long-term growth outlook remains strong, given its consistently expanding presence across North America with the help of new acquisitions. Also, the demand for its services is likely to remain strong due to a cut in available truck capacity amid renewed interest by oil and natural gas producers.

Moreover, Mullen's well-structured balance sheet should help it continue repurchasing its shares and increase its monthly dividends in the coming years to help investors get outstanding returns on their investments.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:MTL (Mullen Group Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/06/27

Date Created

2022/10/10

Author

jparashar

default watermark

default watermark