



Want \$100 in Monthly Passive Income? Buy 480 Shares of This TSX Stock

Description

Rising interest rates, tightening oil supply, and a labour market nearing full capacity will likely destabilize the stock market this month. While it's natural for investors to feel anxious, it doesn't mean you must stay out of the **TSX**. Instead, cushion the [market pullback](#) by picking stocks that can ride out the storm.

Some companies are doing better than others despite the uncertainties. Dividend investors, in particular, can consider taking a position in **Exchange Income Corporation** ([TSX:EIF](#)) or EIC. The industrial stock displays resiliency amid the chaos and is beating the market year-to-date, +10.39% versus -12.44%. Also, at \$44.65 per share, it pays an attractive 5.64% dividend.

If you have extra cash, consider purchasing or accumulating 480 shares of EIC. Your \$21,432 investment will generate \$1,208.76. Since the dividend frequency is 12 times per year, you would get \$100.73 in monthly passive income.

Strongest financial performance

Mike Pyle, EIC's CEO, said, "The work you do in the past defines your future." Pyle's statement reflects the company's record performance in Q2 2022. He adds, "We are ecstatic with our progress in the second quarter. We completed our largest acquisition to date, and enhanced our liquidity with a larger, more flexible debt facility with our Bank syndicate partners."

According to Pyle, the quarterly results were also the strongest financial performance in EIC's 20-year history. The \$1.89 billion diversified acquisition-oriented company operates in two vital sectors: Aerospace & Aviation (services and equipment) and Manufacturing.

Financial highlights

In the three months ended June 30, 2022, revenue rose 64.3% to \$529 million versus Q2 2021. Notably, net earnings and free cash flow (FCF) increased 81.7% and 55.8% year-over-year to \$29.99

million and \$89.25 million, respectively. Management said the Aerospace & Aviation segment strengthened in the second quarter due to significant demand and passenger volume improvements.

Moreover, the new contracts in Aerospace & Aviation will commence over the next two quarters. On May 10, 2022, EIC acquired Northern Mat & Bridge, Canada's largest supplier of access mats and temporary bridges.

The \$325 million transaction is EIC's largest acquisition to date. It also acquired emergency medical services provider Advanced Paramedic Ltd, which will expand EIC's leading air ambulance presence across Canada.

Business growth

Pyle takes pride in the [resiliency of the business model](#). He said, "We were able to maintain our dividend when most companies with significant aviation exposure were forced to cut or cancel it." The most recent increase to its monthly dividend was 5.3% (\$2.40 per annum).

EIC's CEO adds, "We are very confident that, as in the past, we will manage whatever the future brings, and this is only the beginning of delivering exceptional results to our shareholders."

Management's business plan is simple: invest in profitable, well-established companies with strong cash flows operating in niche markets.

Owing to several high-quality opportunities, you can expect EIC to be more competitive and grow further through acquisitions. If you invest today, you'll get real value for your money and earn recurring monthly passive income for years.

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