



## Get Passive Income of \$300/Month With This TSX Stock

### Description

The **TSX Composite** has seen a 10.3% value erosion in the last eight months due mainly to growing economic concerns and geopolitical tensions. But that doesn't mean all stocks are performing poorly this year. Shares of some [fundamentally](#) strong companies are continuing to inch up, despite global economic worries.

In this article, I'll highlight one rallying [dividend stock](#) on the [Toronto Stock Exchange](#) that can help you earn reliable monthly passive income, even in a difficult market environment.

### A top TSX stock for monthly passive income

Whether you're investing in stocks to get rich or create a reliable source of passive income, you must avoid taking unnecessary risks by betting on stocks with too lofty valuations. However, this doesn't mean you should stick only to shares of large companies. In fact, [small-cap stocks](#) with strong fundamental growth potential can significantly outperform the shares of large companies in the long term.

Keeping the current economic environment in mind, **Mullen Group** ([TSX:MTL](#)) could be a reliable small-cap TSX stock to consider right now. It's an Okotoks-headquartered logistics firm with a [market cap](#) of \$1.5 billion. Despite the broader market selloff, MTL stock currently trades with solid 34.5% year-to-date gains at \$15.64 per share. At this market price, the stock offers an attractive annual yield of 4.6% and distributes its dividend payouts on a monthly basis. Now, let me explain why I find this stock attractive to buy today.

### Key reasons to buy this dividend stock now

In 2020, the global pandemic forced countries across the world to take precautionary measures by shutting down non-essential businesses and imposing strict travel restrictions. These rules led to massive global supply chain bottlenecks. As these supply chain disruptions continue to haunt businesses, even today, companies are willing to pay higher prices for logistics, boosting the

profitability of logistics companies, including Mullen Group, despite high inflation and fuel prices.

In the five years between 2016 and 2021, Mullen Group's total revenue [rose](#) 43% from \$1 billion to \$1.5 billion. During the same five-year period, its adjusted earnings grew positively by 44% from \$0.52 per share to \$0.75 per share. As the demand for its services continues to remain strong, Bay Street expects the company's financial growth to accelerate further in the ongoing year. According to analysts' estimates, Mullen Group could report a 35% year-over-year increase in its total revenue in 2022 and an outstanding 86% growth in its adjusted earnings to \$1.40 per share.

Moreover, its management's continued focus on acquiring small companies and striving to improve their performance should help Mullen maintain strong financial growth trends in the long run and drive this TSX monthly dividend stock higher.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Mullen Group	\$15.64	5,000	\$0.06	\$300	Monthly

Prices as of  
Dec. 15, 2022

## Bottom line

If you buy about 5,000 shares of Mullen Group, you can expect to earn \$300 in monthly passive income from its safe dividends. To purchase these many shares at the current market price, however, you'll have to invest about \$78,200 in the stock. While this example gives you a good idea of how you can earn reliable monthly passive income by investing in even small-cap TSX dividend stocks, you must consider diversifying your stock portfolio by adding more such stocks to it instead of pouring such a big sum of money into a single stock.

## CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:MTL (Mullen Group Ltd.)

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