



Want \$100 in Monthly Passive Income? Buy 507 Shares of This TSX Stock

Description

The one area where income-seeking investors often struggle the most is maintaining a steady retirement income. There are plenty of juicy dividend stocks on the market, but few that can provide a stable monthly passive income.

Fortunately, there are some options to consider that can provide that [monthly income stream](#). In fact, buying 507 shares of this TSX stock can provide \$100 income (or more) each month.

What monthly dividend stock should you consider?

The stock that investors should consider is **Exchange Income Corp** ([TSX:EIF](#)). For those that are unfamiliar with Exchange, the company owns a dozen subsidiary companies. Those subsidiaries are classified under either manufacturing or aviation segments.

Interestingly, those subsidiary companies all share something unique in common: they provide a necessary service where there is limited or no competition. Often, these niche services also serve remote communities, often in Canada's north.

By way of example, the aviation segment boasts subsidiary companies that provide passenger and cargo services to Canada's north as well as operating the largest flight training school in the country.

Turning to the manufacturing segment, the company offers cell-tower installation services and window-wall fabrication services for high-rise buildings.

It's also worth noting that these subsidiary companies also share one other important feature for investors: they generate cash for Exchange.

What about results?

That diversified revenue stream translates into some stellar results for the company.

Exchange is set to report results for the fourth fiscal later this week. In the interim, let's look at how Exchange fared in the most recent available quarter, which extends up to September 30, 2022.

In that quarter, Exchange reported record-high revenue of \$587 million, reflecting an incredible 47% increase over the prior year. Overall, the company earned \$49 million, or \$1.20 per share. By way of comparison, in the prior period, Exchange posted earnings of \$22 million, or \$0.58 per share.

It's also worth noting that Exchange is one of the few companies that despite seeing a drop (like much of the market) during the pandemic, has already grown beyond its pre-pandemic levels.

As of the time of writing, the stock is trading up over 20% over the trailing 12-month period.

How that \$100 in monthly passive income can be attained

The impressive results also mean that Exchange can continue to offer investors a juicy monthly dividend. Few investors may realize this, but over the past 18-year period, Exchange has bumped its dividend 16 times. Over that period, the compound annual growth rate on that dividend was a respectable 5%, while the stock itself surged well over 500%.

Suffice to say, Exchange has far outperformed the market over that period. Today, that annualized dividend is a juicy \$2.52 per share, which works out to a yield of 4.65%.

This means that purchasing 507 shares of Exchange today will translate into a monthly income of just over \$106 each month.

Company	Recent Price	Number of Shares	Dividend	Total Payout	Frequency
Exchange Income Corp	\$54.15	507	\$2.52	\$106.47	Monthly

Rather than taking that \$106.47 now, prospective investors not ready to draw on that \$1,277.64 annual income just yet can reinvest it. This allows your investment to grow on autopilot for the longer term.

Final thoughts

No stock is without risk, and that includes Exchange. And while Exchange does offer some defensive appeal, the stock is not immune to [market volatility](#).

In my opinion, Exchange is a great way to generate monthly passive income as part of a larger, well-diversified portfolio.

Buy it now and start earning \$100 in monthly passive income.

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2. Investing

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Date

2025/07/06

Date Created

2023/02/20

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