

Should Tianyun International Holdings Limited (HKG:6836) Be Part Of Your Dividend Portfolio? 【Simply Wall Street】

2018-06-29 | Simply Wall Street | 網絡新聞 | [查看原始內容](#)

A large part of investment returns can be generated by dividend-paying stock given their role in compounding returns over time. Tianyun International Holdings Limited (HKG:6836) has returned to shareholders over the past 2 years, an average dividend yield of 4.00% annually. Let's dig deeper into whether Tianyun International Holdings should have a place in your portfolio.

Check out our latest analysis for Tianyun International Holdings

How I analyze a dividend stock

If you are a dividend investor, you should always assess these five key metrics:

Is its annual yield among the top 25% of dividend-paying companies?

Has it consistently paid a stable dividend without missing a payment or drastically cutting payout?

Has it increased its dividend per share amount over the past?

Does earnings amply cover its dividend payments?

Will it be able to continue to payout at the current rate in the future?

How well does Tianyun International Holdings fit our criteria?

The current trailing twelve-month payout ratio for the stock is 27.73%, which means that the dividend is covered by earnings. Going forward, analysts expect 6836's payout to remain around the same level at 28.05% of its earnings, which leads to a dividend yield of 5.17%. Furthermore, EPS should increase to CN¥0.16.

Reliability is an important factor for dividend stocks, particularly for income investors who want a strong track record of payment and a positive outlook for future payout. The reality is that it is too early to consider Tianyun International Holdings as a dividend investment. It has only been consistently paying dividends for 2 years, however, standard practice for reliable payers is to look for a 10-year minimum track record.

Relative to peers, Tianyun International Holdings has a yield of 3.26%, which is high for Food stocks but still below the market's top dividend payers.

Next Steps:

Taking all the above into account, Tianyun International Holdings is a complicated pick for dividend investors given that there are a couple of positive things about it as well as negative. However, if you are not strictly just a dividend investor, the stock could still offer some interesting investment opportunities. Given that this is purely a dividend analysis, I recommend taking sufficient time to understand its core business and determine whether the company and its investment properties suit your overall goals. I've put together three essential aspects you should look at:

Future Outlook: What are well-informed industry analysts predicting for 6836's future growth? Take a look at our free research report of analyst consensus for 6836's outlook.

Valuation: What is 6836 worth today? Even if the stock is a cash cow, it's not worth an infinite price. The intrinsic value infographic in our free research report helps visualize whether 6836 is currently mispriced by the market.

Dividend Rockstars: Are there better dividend payers with stronger fundamentals out there? Check out our free list of these great stocks here.