Five MicroCap Dividend Divas by

Article published on April 8th 2012 | Business

Every stock investor likes dividends, but not everyone associates the microcap universe as home to dependable dividend payers with juicy yields. Thatâ€™s understandable because so many micro-cap stocks, regardless of industry, are unprofitable.

They may not have enough money to be around in six months, let alone pay a dividend. Knowing that, many investors just keep on looking for dividends with the usual suspects such as Coca-Cola (NYSE: KO), Exxon Mobil (NYSE: XOM) and Procter & Gamble (NYSE: PG).

Yes, those stocks have impressive streaks of raising their dividendsâ€¦..

multiple decades in fact. They also donâ€™t offer as much in the way of growth prospects. And while their yields are better than say money markets or U.S. Treasuries, thatâ€™s not saying much. To that end, having a look at some micro-cap dividend payers isnâ€™t such a bad idea.

Here are a few MicroCap Dividend Divas to consider in the current environment:

Ark Restaurants (Nadsaq: ARKR):

No one is going to confuse Ark Restaurants with McDonaldâ€™s (NYSE: MCD) in terms of size. The former owned or operated 22 restaurants and bars and 28 fast food franchises as of the early fourth quarter 2011. Arkâ€™s current market cap is just below $51 million, but its dividend yield of 6.4% is more than double that of McDonaldsâ€™. Year-to-date, Ark has outperformed McDonaldâ€™s and is tradi at a 36% discount to its fair value of $21.90, according to analyst Greg Group.

Rocky Mountain Chocolate Factory (Nasdaq: RMCF):

As we previously mentioned, Rocky Mountain Chocolate Factory has a trailing 12-month gross margin at 32.86% vs. industry average at 31.81%, a trailing 12-month operating margin at 16.89% vs. industry average at 11.62% and a trailing 12-month pretax margin at 17.08% vs. industry average at 9.23%. Shares of Rocky Mountain currently yield 4.3% and the company is debt-free, indicating the dividend is in no danger of being cut or suspended.

Collectors Universe (Nasdaq: CLCT):

Remember all those old baseball cards you kept hoping would be worth some money some day? Well, Collectors Universe is one of the companies you would contact to have the cards graded. With a market cap of almost $139 million, Collectors Universe fits nicely in the micro-cap world, but its yield is anything but micro. In fact, the stock currently yields about 7.6%. Year-to-date and over the past year, Collectors Universe has outperformed the Nasdaq, the stockâ€™s home index.

First Bancorp (Nasdaq: FNLC):

Remember when bank stocks were dependable dividend payers with decent yields? Yeah, it feels like ages ago and for the big banks like Bank of America (NYSE: BAC) and Citigroup (NYSE: C), it was. Unfortunately, all bank stocks got a bum wrap as dividend payers during the financial crisis. Well, Maine-based First Bancorp did NOT cut its dividend during the financial crisis. In fact, the company actually raised its payout once in 2008. Today, the stock yields 5.3% and thatâ€™s a lot better than youâ€™ll do with BofA or Citi.

PetMed Express (Nasdaq: PETS):

Itâ€™s a fact of life: our beloved dogs and cats get sick and need medicine just as we do. The business concept with PetMed Express is straight forward, though Wall Street may be ignoring this debt-free company with $3 a share in cash. The shares currently yield 5%.

Do some detective work for yourself.

And for those of you that like do your own homework, thereâ€™s no need to call your broker, asking about high-yielding small-caps. Chances are your broker doesnâ€™t know!

We ran a simple screen searching for yields above 4% for stocks with market values of $300 million or below trading on the Nasdaq. This exercise can be performed with virtually any free stock screener on the Internet.

Article Source:
http://www.articleside.com/business-articles/five-microcap-dividend-divas.htm - Article Side

- About Author:
MicroCap MarketPlace provides carefully researched micro and small cap investment opportunities for individual and institutional investors.
Our core focus is on a microcap stocks.

Read more about a MicroCap Dividends on MicroCapMarketPlace.com, your window to the a MicroCap community.

Article Keywords:
business, investing, finance, stocks, wall street, money, stock market

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!