2 Big Yields for Socially Responsible Investors

Description

For the most part, Canadians pride themselves on their efforts to preserve this planet's finite resources for the next generation. That being said, even the most socially conscious of us tend to overlook the impact that our investments might have on the environment.

But fear not; it's never too late to start being a socially responsible investor, and to make things easier, I've selected two high-yielding stocks that not only pay excellent dividends, but also have great track records when it comes to sustainability.

Kicking things off is Canada's fastest-growing telecom, **Telus Corporation** (TSX:T)(NYSE:TU). First and foremost, Telus pays out a juicy 4.4% yield, which has been steadily increasing since 1999. Moreover, Telus's blended average revenue per unit (ARPU) — a key metric in telecom — has been growing at a faster rate than **Rogers Communications Inc.** (TSX:RCI.B)(NYSE:RCI) and on par with **BCE Inc.** (TSX:BCE)(NYSE:BCE), which trades at a higher valuation multiple.

Furthermore, despite its industry-leading EBITDA growth rate, Telus is also fairly priced, trading at a price to earnings ratio of 16.1 times, in line with its five-year average. Rivals Rogers and BCE are trading at a 23% and a 9% premium to their five-year averages, respectively (**Morgan Stanley** estimates).

But it's not just the great dividend track record that makes Telus so attractive. Telus is also notable for its commitment to sustainability, as evident by its inclusion in "Global 100 Most Sustainable Companies in the World" as compiled Corporate Knights, as well as its inclusion in the Dow Jones Sustainability North America or World Index, of which Telus has been a member for the past 15 years — a first for any North American telcom.

The second high yielder on the list is **Algonquin Power & Utilities Corp**. (TSX:AQN)(NYSE:AQN), a diversified utility with over 2,500 MW of installed capacity, the majority of which is generated through wind and solar energy.

Moreover, Algonquin is paying out a hefty U.S. dollar–denominated 5% yield; according to management, the dividend is expected to increase by about 10% per year over the next five years.

Despite it being a cash cow, Algonquin continues to trade at a discount to its peers in the independent power production sector at just seven times EBITDA versus nine times EBITDA for the sector (**Industrial Alliance** estimates). That being said, Algonquin by no means deserves this valuation, especially as it is leveraged to a favourable U.S. economy and growth opportunity in the U.S. utility space through its recent acquisition of the Empire District Electric Company.

So there you have it: two dividends stars with excellent sustainability track records. With 2017 just beginning, make a resolution to not only increase your earnings, but to also help save the planet at the same time.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:RCI (Rogers Communications Inc.)
4. NYSE:TU (TELUS)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:BCE (BCE Inc.)
7. TSX:RCI.B (Rogers Communications Inc.)
8. TSX:T (TELUS)

PARTNER-FEEDS

1. Msn
2. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

Tags

1. Editor's Choice

Date

2025/08/17

Date Created

2017/01/11

Author

ajtun