



2 High-Yield Dividend-Growth Stocks for Income Investors

Description

The market is starting to give back some gains, and that is providing income investors with an opportunity to pick up a few dividend-growth names at attractive prices.

Let's take a look at **Inter Pipeline Ltd.** (TSX:IPL) and **Pembina Pipeline Corp.** ([TSX:PPL](#))([NYSE:PBA](#)) to see why they might be interesting picks.

IPL

IPL flies under the radars of most investors looking for an energy infrastructure name to add to their portfolios, but that might begin to change.

Why?

IPL has a diversified assets base, including conventional oil pipelines, oil sands pipelines, natural gas liquids (NGL) extraction facilities, and a liquids storage business located in Europe.

The company continues to raise the dividend each year, and new additions to the portfolio should support further growth.

IPL bought two NGL extraction facilities and related infrastructure from **The Williams Companies** in 2016 at a huge discount to the cost of building the sites. As the market recovers, IPL could see strong returns on the \$1.35 billion investment.

In addition, IPL has more than \$3 billion in projects under consideration or development, which could be generating revenue by the end of 2021.

The stock pays a monthly dividend of \$0.135 per share. That's good for a yield of 6% at the current price.

Pembina

Pembina also operates in the energy transportation and service sector with assets located in Canada

and the United States.

The company recently announced plans to acquire **Veresen Inc.** for \$9.7 billion in a transaction that will create one of Canada's largest energy infrastructure companies with a pro-forma enterprise value of \$33 billion.

Upon completion, Pembina will have \$6 billion in projects under development.

As the new assets are completed and go into service, investors should see continued dividend growth.

Pembina recently raised its monthly dividend by a penny to \$0.17 per share. That translates into a yield of 4.7%. Once the Veresen deal closes, Pembina plans to increase the distribution to \$0.18.

Is one more attractive?

Both stocks provide above-average yield with a strong dividend-growth outlook.

IPL has pulled back 10% year-to-date and is starting to look a bit oversold. As such, I would probably make it the first pick today.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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