



## Retirees: 3 Little-Known Dividend Stocks Yielding 5-8%

### Description

Canadian retirees are searching for ways to squeeze some extra returns out of their savings, and one way to do this is to own [dividend stocks](#) with above-average yields.

Let's take a look at three companies that might not be on your watch list today.

#### **Russel Metals Inc. ([TSX:RUS](#))**

Russel Metals is a metals distributor in Canada and the United States with businesses operating in the energy, steel distribution, and metals service centre segments.

The stock took a big hit during the worst of the oil rout, due to weak demand in the energy group, but management kept the dividend steady, and investors who had the courage to buy the shares at the low are reaping big yield on the original investment and looking at some nice capital gains to boot.

The company reported Q1 2018 net income of \$38 million, or \$0.62 per share, compared to \$30 million, or \$0.48 per share, in the same period last year. Revenue rose by 13-21% in the three core business segments, supported by improved steel prices and a recovering oil sector. Management said the company entered Q2 "encouraged with the demand and pricing levels."

The stock has pretty much doubled since the start of 2016, but investors who buy today can still pick up a 5% yield.

#### **Power Financial Corp. ([TSX:PWF](#))**

Power Financial owns a portfolio of insurance and wealth management businesses in Canada as well as a stake in holding company in Europe that owns positions in some of the continent's largest international businesses.

The company reported a 17% increase in adjusted Q1 2018 net earnings compared to the first quarter last year. The subsidiaries all delivered better year-over-year results.

Strong stock markets and rising interest rates bode well for Power Financial's businesses, and management appears comfortable with the revenue and earnings outlook. The company raised the quarterly dividend by 5% earlier this year to \$0.433 per share. That's good for a [yield](#) of 5.4%.

### **TransAlta Renewables Inc. ([TSX:RNW](#))**

TransAlta Renewables owns wind, hydroelectric, and gas-fired power-generation facilities in Canada, the United States, and Australia.

The company just reported steady Q1 2018 results with comparable EBITDA of \$111 million. Adjusted funds from operations rose \$14 million, and cash available for distributions increased 16% compared to the same period in last year.

The company made a recent move into the U.S. through the acquisition of two wind projects. Management is focused on growing cash flow available for distributions through organic developments and strategic acquisitions.

TransAlta Renewables finished 2017 with a payout ratio of 74%, so the dividend should be safe. At the time of writing, investors can pick up a 7.8% yield.

### **The bottom line**

All three companies pay solid dividends that generate above-average yield. An equal investment across the stocks would provide an average yield of 6%.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:RNW (TransAlta Renewables)
2. TSX:RUS (Russel Metals)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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