



3 of the Highest Yielding Dividend Stocks on the TSX

Description

The **Toronto Stock Exchange** houses many great stocks, but there are exceptional ones because they pay the highest dividends. Retirement planners and smart dividend investors focus on stocks that can deliver [sustained income stream](#) for years.

Inter Pipeline Ltd. (TSX:IPL), **Vermilion Energy Corp.** ([TSX:VET](#))([NYSE:VET](#)), and **Exchange Income Corp.** ([TSX:EIF](#)) are the stocks that dividend investors refer to as the superior stocks. The first two belong in the energy sector, while the third is classified as an industrial stock.

Dividend titans in the energy sector

Inter Pipeline and Vermilion Energy are the smaller energy companies in terms of market capitalization yet high-income seekers rely on both to [build wealth](#).

Aside from paying high dividends, Inter Pipeline is loved by investors because the company is committed to long-term dividend growth. Dividend payments have increased for 10 consecutive years. The current dividend yield is a high of 7.6%.

Inter Pipeline possess a world-class energy infrastructure. The \$9.07 billion Oil and Gas Midstream Company has operations in Western Canada and Europe. Although there are operations in six European countries, the assets in the provinces of Alberta and Western Saskatchewan contribute 95% of EBITDA to the business.

In terms of growth profile, Inter Pipeline has huge active projects. The Kirby North oil sands project was recently completed, while the target in-service date of the Heartland Petrochemical Project is slated in late 2021.

The company's track record is unassailable. The fund from operations (FFO) per share has grown by about 11.8% over the last five years. Inter Pipeline has seven more potential projects in the short, medium and long term. Thus, investors can expect higher compound annual growth rate (CAGR).

Vermilion Energy is a standout despite being half the size of Inter Pipeline. The oil & gas E&P Company pays a higher dividend of 9.6%; that's an advantage when you invest in the self-funded growth-and-income model of Vermilion.

The business divisions deliver high margins, strong capital efficiencies, and low decline rates. Each of them generates free cash flow because of the stable-to-growing production nature. Also, having a global exposure with diversified products make Vermilion a defensive stock too.

Vermilion is a sustainability leader because of a remarkable growth rate. The combo of organic expansion and mergers & acquisitions is the growth driver. The operations in North America contribute 50% of FFO and 60% of free cash flow. Strong returns await prospective investors.

Dividend titan in a least-known sector

The industrial aerospace industry will not be given preferential attention if not for dividend rock star Exchange Income Corp. The \$1.24 billion Canadian firm is in the business of acquiring income-generating companies in the Aerospace & Aviation and Manufacturing sector.

Because of the meaningful acquisitions and success in finding opportunities in a least-known sector, EIC was able to raise dividends for 13 consecutive years. The current dividend yield is 5.7%.

The continuing efforts of EIC to grow a portfolio of diversified niche operations through acquisitions assures would-be investors of a reliable and growing dividend in the years ahead.

CATEGORY

1. Energy Stocks
2. Investing

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