



## Long-Term Investors: How to Find the Best Passive Income Stocks

### Description

Investors looking to add passive income to their portfolios should always start with the Canadian Dividend Aristocrats. This list of exclusive stocks names only the top dividend payers and stocks you can count on to keep a stable and growing dividend.

The list is updated regularly, so as soon as a company runs into problems and has to cut its dividend, it's eliminated from the list.

By updating the list often, it keeps the list stable, consisting of only the best dividend payers by listing only companies that can continuously raise their dividends.

There are a number of quality [dividend](#) stocks depending on what industry you are looking at and how much of a yield you want to receive.

Two of those stocks that could be worth an investment today are **Cineplex Inc** ([TSX:CGX](#)) and **North West Company Inc** ([TSX:NWC](#)).

### Cineplex

Cineplex was a stock that had gotten overvalued for quite some time, but after its share price correction in 2017 and into 2018, it's in a much more attractive range today.

Cineplex has been on a turnaround path the last few years and has really been trying to maximize the earnings power of its theatres. It has done things such as host professional sports games and other events on their screens as well as moving into the esports industry.

Financially, the company has been managing to increase its earnings before interest, taxes, depreciation and amortization margin the last few years, albeit slowly. This is a direct result of trying to drive additional revenue to its traditional lines of business.

It continues to increase its dividend each year and now, at its discounted stock price, the dividend

yields roughly 7.4%.

If it can continue to turn its business around and use its major assets to bring in more cash, Cineplex will be one of the top stocks going forward.

Looking at how the market is valuing it though, with its high dividend yield, investors should be careful, as it's not a given that the turnaround will be successful.

## North West Company

North West Company Inc is another of the top Canadian Dividend Aristocrats. It's a food and general goods retailer headquartered in Winnipeg that serves Northern Canada, Western Canada, Alaska, the Caribbean as well as the South Pacific islands.

It owns stores such as Quickstop, Northmart, and the Giant Tiger franchises in Western Canada. It has also added additional operations through each brand such as financial services, which include prepaid credit cards and tax services.

North West has vertically integrated itself by buying companies such as North Star Air, which will help it with transportation and logistics, especially in the rural communities of Northern Canada and Alaska.

Its financial targets for the year are to increase its earnings before interest and taxes by at least 5%. It also wants to decrease its maintenance capital, to get it down to below \$65 million. This will free up more free cash flow for dividend growth.

It's done a fantastic job of growing its return on equity. Furthermore, it's also looks extremely cheap, when the dividend yields roughly 4.7%, while being at a payout ratio of less than 70%.

North West is a top company that will continue to benefit from investors rotating into defensive stocks and consumer staples.

## Bottom line

The list of Canadian Dividend Aristocrats is an ideal place for investors seeking passive income to look for their next investment. There are a number of solid companies from each industry in Canada, giving investors plenty of choice regardless of their preferences.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:NWC (The North West Company Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
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