



## 3 Top High-Yield Dividend Stocks for 2020

### Description

Hello again, Fools. I'm back to highlight three top dividend stocks. As a reminder, I do this because solid dividend stocks: provide a [healthy income stream](#) in both good and bad markets; and tend to outperform the market over the long run.

The three stocks below offer an average dividend yield of 5.2%. If you spread them out evenly in a [\\$250K RRSP](#) account, the group will provide you with an annual income stream of \$13,000; on top all the appreciation you could earn.

If you're looking to secure your financial life in 2020, this is a good place to start.

### Renewed outlook

Kicking things off is renewable energy company **Boralex** ([TSX:BLX](#)), whose shares sport a solid dividend yield of 2.9%.

Boralex leans on its diversified sources of power — wind, hydroelectric, thermal, and solar — and leadership position in Europe to deliver consistent cash flow for shareholders. In the most recent quarter, EBITDA jumped 44% as energy sales improved 35% to \$121 million.

Looking ahead to 2023, management continues to aim for a dividend payout ratio of 40%-60% of discretionary cash flows .

"These second quarter results show that we have adopted the right approach in our strategy for growth and diversification in promising segments of the renewable energy sector," said President and CEO Patrick Lemaire.

Boralex shares are up 34% over the past year.

## Electric opportunity

With a healthy dividend yield of 3.9%, Ontario electricity giant **Hydro One** ([TSX:H](#)) is our next high yielder.

Hydro One leverages its highly-regulated operating environment in Ontario, strong balance sheet, and impressive scale to deliver consistent cash flows. In the most recent quarter, operating cash flow grew to \$297 million.

During the quarter, management also made capital investments of \$370 million.

“The significant increase in our residential customer satisfaction in the first half of 2019 is proof of our unwavering commitment to put customers first, as well as our use of innovation to improve reliability, while reducing costs,” said President and CEO Mark Poweska.

Hydro One shares are up 22% so far in 2019, but are essentially flat over the past three years.

## Slated for success

Closing out our list is retail real estate company **Slate Retail REIT** (TSX:SRT.UN), which boasts a particularly juicy yield of 8.8%.

Slate utilizes its scale efficiencies and defensive approach (100% grocery anchored asset base) to generate strong results for shareholders. In the most recent quarter, Slate generated rental revenue of \$36 million, while funds from operations (FFO) — a key metric in the REIT industry — clocked in at \$13.6 million.

Currently, Slate’s FFO payout ratio sits at a highly comforting 69%.

“Our results this quarter highlight the strength and desirability of our grocery-anchored and necessity based portfolio which registered a 96.8% tenant retention ratio,” said CEO Greg Stevenson.

Slate shares are up 11% so far in 2019, but down 7% over the past three years. Value-oriented Fools should definitely take notice.

## The bottom line

There you have it, Fools: three top high-yield stocks worth checking out.

As always, don’t view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you’ll still need to do plenty of due diligence.

Fool on.

### CATEGORY

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. TSX:BLX (Boralex Inc.)
2. TSX:H (Hydro One Limited)
3. TSX:SGR.UN (Slate Retail REIT)

## **PARTNER-FEEDS**

1. Business Insider
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