RRSP Investors: 3 Dividend Stocks That Yield up to 5.1%

Description

Many Canadians are woefully unprepared for retirement as we look ahead to the next decade. Recent studies have shown that a good chunk of those nearing retirement have not come close to what is required for a happy retirement. Or, in the worst-case scenario, these Canadians have failed to save anything at all.

Earlier this month, I'd explained why Canadians should avoid the major mistake of assuming they can work forever instead of adequately preparing for retirement. Today, I want to look at three stocks that would be right at home in an RRSP. Let's jump in!

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is a Calgary-based company that operates transportation and storage infrastructure in the oil and gas sector. Shares of Pembina have climbed 20.5% in 2019 as of close on October 16. The stock has achieved average annual returns of 15% over the past 10 years — an impressive number considering the volatility in the oil and gas sector.

In the first six months of 2019, Pembina has reported revenues of $3.77 billion compared to $3.58 billion in the prior year. Adjusted EBITDA has climbed to $1.53 billion over $1.38 billion in the year-to-date period in 2018. Pembina generated adjusted cash flow from operating activities of $1.12 billion in the first half of the year.

Pembina stock offers a monthly dividend of $0.2 per share. This represents an attractive 5.1% yield. The company has achieved dividend growth for seven consecutive years.

Telus

Telus (TSX:T)(NYSE:TU) is one of the largest telecom providers in Canada. The stock has increased 9.2% in 2019 at the time of this writing. Telecoms have benefited from a friendly environment, as dovish central banks and collapsing bond yields have pushed income investors back into equities.

Slow growth on the domestic and global side is expected to continue into the new year, so stocks like Telus should still be targeted.

Like its peers, Telus's earnings were powered by wireless growth in the second quarter of 2019. It posted consolidated EBITDA growth of 9.8% in the quarter. Free cash flow before income taxes has climbed 8% year over year in the first six months of 2019. Telus is targeting annual dividend growth between 7% and 10% through 2022.

At the time of this writing, Telus stock offers a quarterly dividend of $0.5625 per share. This represents a solid 4.7% yield. The company has posted dividend growth for 15 consecutive years.

Restaurant Brands International

Restaurant Brands International (TSX:QSR)(NYSE:QSR) owns and operates Burger King, Tim Hortons, and Popeyes Louisiana Chicken franchises. Shares of RBI have climbed 31.8% in 2019 so far. This stock is a solid target for investors who are on the hunt for a defensive equity in their retirement portfolio. RBI reported system-wide sales growth of 7.9% in the quarter ending June 30, which was bolstered by over 1,200 new locations that were opened in Q2.

Net income beat analyst expectations and came in at $331 million or $0.71 per share compared to $313 million, or $0.66 per share, in the prior year. In the year-to-date period, free cash flow has climbed to $461 million over $265 million in the same period in 2018.

The RBI board of directors declared a quarterly dividend of $0.50 per share, representing a 2.9% yield. RBI stock makes up for its smaller dividend with top-shelf capital growth. The stock has averaged annual returns of 19% over the last three years as of close on October 16.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. NYSE:TU (TELUS)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:QSR (Restaurant Brands International Inc.)
6. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/18
Date Created
2019/10/20
Author
aocallaghan