RRSP Investors: Nail Down $13,500 in Annual Income for 2020 and Beyond

Description

Hi there, Fools. I'm back to highlight three top high-yield 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 5.4%. If you spread them out evenly in a $250K RRSP account, the group will provide you with an annual income stream of $13,500; on top all the appreciation you could earn.

Let's get to it.

Telus what you know

Kicking things off is telecom giant **Telus** (TSX:T)(NYSE:TU), whose shares sport a very attractive dividend yield of above 4.7%.

Despite intensifying price competition, Telus' dividend continues to be supported by a highly regulated operating environment, strong wireless growth, and hefty cash flow production. In the most recent quarter, free cash flow improved 5.6% to $320 million.

On the strength of that number, management boosted the quarterly dividend 3.6%, its 18th payout increase since 2011.

"We have established an enviable track record in respect of an attractive balance sheet and strong operational performance, which enable us to successfully execute on our consistent, transparent and industry-leading shareholder-friendly program," said CEO Darren Entwistle.

Telus shares currently trade at a forward P/E in the mid-teens at writing.

Box office smash

With an especially juicy yield of 7%, movie theatre operator **Cineplex** (TSX:CGX) is our next high yielder.

The rise of digital streaming has weighed on the stock in recent years, but improving box office numbers has Cineplex heading into 2020 with plenty of momentum. In the most recent quarter, adjusted EBITDA jumped 21% as revenue improved 8% to a record $418 million.

More important, Cineplex saw growth across all business segments, suggesting that management's diversification strategy is paying off.

"Looking ahead, I am encouraged by the positive results from across our businesses as we further execute our diversification strategy, build scale and achieve more meaningful growth for the future."

Cineplex currently trades at a forward P/E in the mid-20s at writing.

Electric opportunity

Closing out our list is electricity giant **Emera** (TSX:EMA), which offers a solid dividend yield of 4.4%.

Emera's hefty dividend continues to be backed by massive scale (assets worth$30 billion), a diverse base of customers (residential, commercial, industrial), and highly stable cash flows. Despite weak operating conditions, year-to-date operating cash flow stands at an impressive $1.2 billion.

Looking ahead, management continues to expect solid earnings and cash flow growth over the long term.

"Our results for the quarter were affected by weak marketing and trading conditions, the sale of the merchant gas plants, and the impact of Hurricane Dorian on our operations," said CEO Scott Balfour in the most recent earnings report. "However, our continuing regulated businesses remain strong and are performing very well."

Emera currently trades at a forward P/E of 20 at writing.

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.

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1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:CGX (Cineplex Inc.)
3. TSX:EMA (Emera Incorporated)
4. TSX:T (TELUS)

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