



2 Powerful Dividend Beasts You Gotta Know About in 2020

Description

The start of a new decade brings with it a ray of hope as the markets are close to record highs. Investing in [high yield dividend stocks](#) in times like these can help you to grow your wealth. Purchasing shares from reliable companies that pay dividends can offer you respite in times of an economic downturn.

Dividend-paying companies can provide you with a steady stream of income through challenging economic conditions. Of course, you cannot merely pick any stock from the **Toronto Stock Exchange** and rely on it to grow your wealth. You need to look for the stock from companies with solid fundamentals.

A company will be able to pay you dividends only if it is stable, can generate revenue, and has its fundamentals in order. To this end, I am going to discuss **Alaris Royalty Corp.** (TSX:AD) and **Inter Pipeline Ltd.** (TSX:IPL).

Stock from these two companies might be worth considering as a part of your investment portfolio. Let's take a look, shall we?

Alaris Royalty

Alaris is a financial service and investment firm based in Canada. The company provides capital to private businesses through long-term license contracts, royalty contracts, or limited partnership interests. Alaris invests in companies likely to sustain steady growth, and its entire clientele exists in Canada.

The Alaris stock is trading at \$22.28 per share as of this writing. While the \$1.65 per share Alaris distributes to shareholders every year, its dividend yield stands at a remarkable 7.41% at writing. The stock has gained by almost 24% in the past 12 months, and it looks poised to keep on improving.

The \$817.88 million market capitalization company has an enterprise value of \$1.16 billion. The company's stock fell by 25% in April 2015 but has since been on the path to recovery with a strong

2019. Analysts expect the company's sales to touch \$123 million this year and \$131 million next year.

The stock is trading at a forward price to earnings ratio of 12.31. Its five-year growth is estimated at 8% in the next five years. Alaris stock has a reasonable price per share and could well move higher this year. Its [high dividend yield](#) is a bonus.

Inter Pipeline

Inter Pipeline is a Canadian-based petroleum storage, transportation, and natural gas liquids processing company. It is a major player in Canada's energy sector, relying mostly on its operations in Canada. The company earned more than 80% of its revenue through services in Canada alone, and did not rely on prices tied to commodity pricing.

As a pipeline company, Inter Pipeline enjoys insulation from volatility in commodity prices due to its fixed-price contracts based on volume rather than the current cost of commodities. Whether oil is going for US\$90 per barrel or US\$50, Inter Pipeline will continue making profits.

IPL stock is trading for \$22.26 per share as of this writing. With the company paying shareholders \$1.71 per share each year, its dividend yield is an impressive 7.68%.

Currently valued at \$9.3 billion, while Inter Pipeline is not the biggest company in Canada's energy industry, the smaller operator knows how to sustain its profitability.

Foolish takeaway

Consider taking a better look at both Inter Pipeline stock and Alaris stock for your investment portfolio. Investing \$10,000 in Alaris can help you earn an additional \$741 every year, while investing the same amount in Inter Pipeline can see you make \$768 each year through dividends.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)

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Date

2025/08/25

Date Created

2020/01/20

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