TFSA Investors: 3 Dividend Stocks Paying Up to 10.9%

Description

If you're looking for a top dividend stock to put into your Tax-Free Savings Account (TFSA), the good news is that there are many options for you to choose from. Below are three stocks that are paying some impressive yields that are also cheap buys today:

AltaGas

AltaGas Ltd (TSX:ALA) is down more than 20% year to date. Much of the stock's losses came during the crash that took place back in March.

However, it's been stable in recent weeks and the company's coming off a strong performance during its first quarter of the year. On April 30, AltaGas reported normalized net income of $220 million, up 3% from the prior-year period. Its utility business is a big part of the reason AltaGas' results are still fairly stable.

During the quarter, utilities contributed $369 million in normalized earnings before income taxes and depreciation (EBITDA) compared to $120 million from the midstream segment.

What's encouraging for investors is that despite the volatility in the markets and COVID-19 impacting many businesses, AltaGas kept its guidance intact for the year.

The company currently pays investors a monthly dividend of $0.08, which today yields about 6.4% per year. And with the stock trading at 10 times its earnings and well under book value at a price-to-book multiple of just 0.6, it's a cheap stock dividend investors can add to their portfolios. If its results prove to be stable, AltaGas may be one of the better dividend stocks to own right now.

Rogers Sugar

Rogers Sugar Inc (TSX:RSI) provides investors with an even more attractive yield than AltaGas. Its payments are on a quarterly basis, but at $0.09, investors are earning $0.36 per year for every share that they own. With the stock trading at around $5 per share, that comes out to an annual yield of 7.2% — which could be even higher if you're able to buy the stock at a lower price.

Unlike AltaGas, shares of Rogers Sugar have been fairly stable this year, as they're down just 3% year to date — much better than the **TSX**'s 11% decline. The confectioner released its second-quarter results on May 5. The company's sales of $199.1 million were up 5.2% year over year. Its adjusted EBITDA of $16.5 million was flat from where it was a year ago.

In its press release, Rogers Sugar also stated that all of its plants were "fully operating" and that there was "no significant financial impact from COVID-19 in the quarter."

Shares of Rogers Sugar currently trade at around 1.7 times book value. With a good dividend and decent valuation, this is another good stock to put in your TFSA.

Slate Office

Slate Office REIT (TSX:SOT.UN) may be a bit of a riskier buy but with monthly dividend payments of $0.0333, it's yielding an incredible 10.9%.

On May 28, the company provided an update related to COVID-19, essentially saying that the business is still doing well. Slate stated that its May rent cash collections were 96% and that it "expects to substantially collect the remaining 4% of May rents through immediate cash collection or short-term deferral programs."

When the company reported its first-quarter results on May 13, Slate's funds from operations (FFO) per unit were $0.17 compared to $0.18 a year ago. Its FFO payout ratio of 58.9% was also lower than it was a year ago when it was 87.8%, suggesting that things are still looking good.

Despite the calming results, shares of Slate are down more than 35% through the first five months of the year. But at a price-to-earnings multiple of just seven and the stock trading at 0.4 times its book value, this could be a steal of a deal to add to your portfolio today.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:RPR.UN (Ravelin Properties REIT)
3. TSX:RSI (Rogers Sugar Inc.)

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