
Boost Your Passive Income With These 3 Monthly Dividend Stocks

### Description

The Canadian equity markets have shown strong resilience, with the **S&P/TSX Composite Index** rising 2.2% this month after the pullback in September. However, the rising COVID-19 cases and a high unemployment rate could create headwinds for the markets. Also, the uncertainty over the outcome of the United States presidential elections could contribute to the volatility.



So, amid the uncertain environment, you can invest in companies that pay monthly dividends and earn stable passive income. Here are three companies with viable business models and that also pay monthly dividends at healthy yields.

## Shaw Communications

My first pick would be a telecom company, **Shaw Communications** (TSX:SJR.B)(NYSE:SJR), which pays monthly dividends of $0.10 per share at an attractive yield of 5.1%. With telecommunication services becoming essential in today's digitally connected ecosystem, the demand for the company's service could only rise.

In its recently completed third quarter, the company's adjusted EBITDA grew 15%, despite the outbreak of COVID-19. The adoption of IFRS 6, higher postpaid revenue-generating units, and lower customer acquisition costs drove its adjusted EBITDA. Its free cash flow also increased by 27% to $221 million, boosting its liquidity to $1.5 billion. So, Shaw Communications has ample liquidity to fund its growth initiatives and also support its dividend payouts.

Amid the surge in remote working, the demand for high-speed connections has increased. The company has launched Fibre+ Gig Internet service, which offers faster speed and unlimited data. It also recently launched Shaw Mobile in Alberta and British Columbia, which allows its customers to avail WiFi experience even on the go. The customers will be automatically connected to thousands of hotspots in Western Canada, thus lowering their wireless data bills.

So, given its recession-resilient business, growing wireless customer base, and a healthy liquidity position, I believe Shaw Communications's dividends are safe.

## Pizza Pizza Royalty

Although the hospitality industry was hit hard by the pandemic, I choose **Pizza Pizza Royalty** ( TSX:PZA) as my second pick. Due to its robust delivery infrastructure, the company is relatively well placed compared to peers to ride out this crisis.

In its second quarter, the combined same-store sales of its Pizza Pizza brand and Pizza 73 brand declined by 16.3%. Meanwhile, the same-store sales of both brands showed significant improvement in July compared to their April lows.

The pandemic-infused restrictions lowered the company's same-store sales, partially offset by the surge in delivery and pickup sales. Amid the pandemic, the company introduced contactless digital transactions and tamper-free pizza boxes, contributing to its delivery and pickup sales growth. These initiatives could act as long-term tailwinds for the company.

Meanwhile, many municipal governments have started to relax restrictions by allowing restaurants to resume dine-in services. So, I expect the company's financials could improve going forward.



In April, Pizza Pizza Royalty, which pays monthly dividends, trimmed its dividends by 30% to $0.05 per share. Despite lowering its dividends, the company's yield currently stands at a juicy 6.9%.

## NorthWest Properties REIT

My third pick would be a healthcare REIT, **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which owns and manages a portfolio of hospitals and other medical office buildings across Canada, Brazil, Germany, Australia, and New Zealand. Its portfolio included 183 properties at the end of the second quarter, with a high occupancy rate of 97.3% and weighted average lease expiry of 14.5 years.

Further, the company's 80% of the revenue comes from tenants who receive public healthcare funding. The company is also working on divesting its non-core assets to strengthen its balance sheet while focusing on strategic acquisitions to accelerate its growth. So, given its stable cash flows, high occupancy rate, longer weighted average lease expiry, and resilient portfolio, NorthWest Healthcare's payouts are safe.

For September, the company has announced monthly dividends of $0.06667 per share, representing an annualized payout of $0.80 per share. So, the company's forward dividend yield stands at an impressive 6.9%.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:SJR.B (Shaw Communications)

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**Date**
2025/07/05
**Date Created**
2020/10/14
**Author**
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