



## 3 Monthly-Paying Dividend Stocks to Buy Right Now

### Description

The central bank has lowered the interest rate to historically low levels due to the pandemic-infused slowdown. Amid the low-interest environment, the returns on debt instruments have become unattractive. So, investors can boost their passive income by buying the following three stocks, which pays dividends every month.

### Pembina Pipeline

An energy infrastructure company, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), operates diverse and fee-based assets, generating stable cash flows. These stable cash flows have allowed the company to pay dividends of over \$9.1 billion since its inception.

The surge in oil prices amid the vaccine hope has increased its stock price by 12.4% this month. Despite the increase, the company still trades 35% lower for this year amid the energy sector's weakness. The decline in its stock price has made its dividend yield and valuation attractive.

Pembina Pipeline pays monthly dividends of \$0.21 per share and has an attractive forward dividend yield of 8%. The company's dividends are safe, as the company earns a significant part of its adjusted EBITDA from fee-based contracts, which are immune to commodity price fluctuations. In 2019, the company earned 85% of its adjusted EBITDA from fee-based contracts, which was increased to over 90% this year.

Amid the challenges, the company reported an adjusted EBITDA of \$796 million in the recently completed [third quarter](#). Further, the management expects the company's 2020 adjusted EBITDA to come in the range of 3.25 billion to \$3.30 billion. As of September 30, the company had \$2.54 billion of cash and unutilized debt. So, given its stable cash flows and ample liquidity, [Pembina Pipeline's dividends are safe](#).

### Shaw Communications

With telecommunication becoming essential for our day-to-day activities, my second pick would be **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)). Its resilient wireline business and strong growth in its wireless business have delivered robust cash flows, supporting its payouts. Its adjusted EBITDA grew 11.2% year-over-year in its August ending quarter, while its free cash flows increased by over 260%, despite the challenging environment.

Shaw Communications added 60,000 wireless subscribers during the quarter. The company's average billing per subscriber unit (ABPU) and average revenue per subscriber unit (ARPU) in the wireless segment grew by 6.6% and 4.2%, which is encouraging. In 2021, the company's management expects to generate free cash flows of \$800 million. So, amid strong cash flows, the company's dividends are safe.

Shaw Communications has been paying dividends consistently since 2009. Currently, it pays monthly dividends of \$0.099 per share, which represents an annualized payout of \$1.18. So, its forward dividend yield currently stands at a healthy 5.1%.

## Pizza Pizza Royalty

Although the pandemic has severely dented the restaurant industry, my third pick would be **Pizza Pizza Royalty** ([TSX:PZA](#)), which owns and operates Pizza Pizza and Pizza 73 restaurants. Amid the pandemic, the company invested in building delivery, pick-up, and digital ordering infrastructure, which helped the company fare better than its peers.

In its September ending quarter, the company's top-line declined by 9.4% to \$125.4 million due to negative same-store sales growth and lower restaurant count. Its adjusted EPS also fell by 10.4%. However, the company increased its working capital reserve by \$1.3 million to end the fourth quarter at \$4.6 million.

Yesterday, Pizza Pizza Royalty's management raised its monthly dividends by 10% to \$0.055 per share at an annualized payout of \$0.66. Its forward dividend yield currently stands at an attractive 7.6%. Meanwhile, the vaccine against COVID-19 could prompt governments to ease restrictions, which could boost the company's sales.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:PZA (Pizza Pizza Royalty Corp.)
5. TSX:SJR.B (Shaw Communications)

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