3 TSX Stocks With Dividend Yields Over 6% to Buy Now

Description

The pandemic negatively impacted the dividend payouts of several **TSX**-listed stocks, as the companies focused on boosting liquidity and reducing costs amid challenges. However, a few Canadian companies continue to boost shareholders' returns through uninterrupted dividend payments, thanks to their resilient business and robust cash flows.

We'll discuss three TSX stocks that are yielding over 6% and have the potential to continue to raise their dividends in future.

Enbridge: 8.7% yield

Energy infrastructure giant **Enbridge** (TSX:ENB)(NYSE:ENB) is a must-have in your dividend portfolio. Despite industry-wide headwinds, Enbridge has continued to impress with its financial performance and has consistently paid its dividends, thanks to its diversified cash flow streams, highly contracted business, and focus on reducing costs.

Enbridge has been consistently raising its dividends over the past several years. Its dividends have grown at a compound annual growth rate (CAGR) of 11% in the last 25 years. Moreover, it has increased at a CAGR of 14% in the past 12 years.

Enbridge reiterated its 2020 DCF (distributable cash flow) guidance, implying that its payouts are safe. Meanwhile, through its secured capital program, Enbridge is transitioning into a low-risk utility-like business, which is likely to generate predictable cash flows and support its future dividend payouts.

Enbridge stock is yielding about 8.7% and is trading at a forward EV-to-EBITDA multiple of 10.9, which is well below its three-year historical average and provides a good entry point to go long.

NorthWest Healthcare Properties: 6.6% dividend yield

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a top monthly income stock yielding over 6.6%. The company's defensive real estate portfolio consisting of clinics, medical office buildings, and hospitals position it well to continue to generate strong cash flows that support its payouts.

Thanks to its defensive portfolio, its occupancy rate stood at 97.4%, while the average lease expiry term inched up to 14.6 years. NorthWest Healthcare owns a resilient and diversified portfolio of 189 income-producing properties. Meanwhile, its long-term inflation-indexed leases cushion its bottom line and, in turn, its dividend payments.

While the company's base business remains strong, NorthWest focuses on acquisitions to further accelerate its growth. Also, its divestiture of non-core assets and deleveraging of balance sheet augurs well for growth.

Capital Power: 6.5% yield

Shares of utility company **Capital Power** (TSX:CPX) are yielding over 6.5%, which is very safe, thanks to the company's diversified power-producing assets that generate predictable cash flows. Capital Power's revenues have grown by 11% for the first nine months of 2020. Meanwhile, its adjusted EBITDA and adjusted earnings per share increased by 9% and 4%, respectively, during the same period.

Since 2013, Capital Power's dividends have increased at a CAGR of 7%. Meanwhile, Capital Power projects its annualized dividend to increase by 7% in 2021 and by 5% in 2020. Further, the company affirmed that there is no indication to cut dividends over the next couple of years.

With its young fleet of long asset lives, average power-purchase agreement term of 11 years, the extension of the 10-year tolling agreement for Decatur Energy, Capital Power remains well positioned to boost its shareholders' returns.

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TICKERS GLOBAL

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2. TSX:CPX (Capital Power Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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