3 High-Yield Canadian Stocks to Buy Right Now

Description

Investors eyeing shares of the companies that pay steady dividends could consider buying stocks of **Pembina Pipeline** (TSX:PPL)(NYSE:PBA), **Enbridge** (TSX:ENB)(NYSE:ENB), and **NorthWest Healthcare Properties REIT** (TSX:NWH.UN).

These companies offer high yields and have businesses that generate resilient cash flows to support their dividend payouts. Further, these companies have been paying dividends for a very long period, indicating that investors could rely on them for steady income flow.

Enbridge

Enbridge has paid dividends for 66 years, which reflects the strength of its base business. Meanwhile, the energy infrastructure giant has increased its dividends at a CAGR (compound annual growth rate) of 10% over the last 26 years.

Enbridge targets a payout ratio of 60-70% of its distributable cash flow (DCF), which suggests that it is sustainable in the long run. The company projects 5-7% annual growth in its DCF per share through 2023. Moreover, it expects to increase the future dividend at a rate in line with the growth in its DCF per share.

The economic reopening and vaccination are expected to drive its mainline throughput volumes in 2021. Moreover, strength in its core business, secured capital growth program, and cost-saving measures are likely to cushion its earnings and cash flows in coming quarters. Enbridge pays a dividend of $3.34 per share on an annualized basis, reflecting a high yield of 7.3%.

Pembina Pipeline

With its diverse and integrated energy infrastructure assets, Pembina Pipeline is another top income stock to buy right now. The pipeline company owns highly contracted assets that generate robust fee-based cash flows and supports its dividend payouts.

Pembina has increased its dividend per share at a CAGR of 4.2% over the past decade. Moreover, it has paid and raised its dividend since 1998. The company is projecting growth in its commodity volumes compared to 2020 average levels that are likely to drive its adjusted EBITDA in 2021. Meanwhile, rising commodity prices and the growing backlog is expected to drive recovery in its earnings and cash flows.

Pembina pays a monthly dividend of $0.21 a share, reflecting a stellar yield of 7%.

NorthWest Healthcare Properties

NorthWest Healthcare Properties owns a diversified and defensive healthcare real estate portfolio that generates resilient cash flow and supports its payouts. The company owns about 190 properties with a high occupancy rate of 97.2%.

NorthWest Healthcare has a weighted average lease expiry of 14.5 years, which reduces vacancy risk and provides visibility over future cash flows. Notably, more than 80% of its tenants have stable private and public healthcare funding. Also, 73% of its rents are indexed for inflation.

NorthWest Healthcare has significantly deleveraged its balance sheet and remains well positioned to benefit from a strong M&A and development pipeline and geographic expansion. It pays a monthly dividend and offers a yield of 6.1%.

Bottom line

These companies are likely to generate resilient cash flows over the next decade, implying that investors could continue to benefit from consistent dividend payouts. On average, these companies offer a high yield of 6.8%, indicating an investment of $10,000 in these stocks would generate a dividend income of $680/year.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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Date
2025/08/02
Date Created
2021/02/09
Author
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