



4 Canadian Stocks With Above-6% Dividend Yields

Description

Given the low-interest-rate environment, dividend stocks could help you earn stable passive income. Further, due to their steady payouts, dividend stocks are less volatile, thus providing stability to your portfolio. If you are looking to invest in dividends stocks, here are four Canadian stocks with above-6% dividend yields.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) has paid dividends uninterruptedly for 66 years. Further, the energy mid-stream company has increased its dividends over the last consecutive 26 years at a CAGR of 10%. In December, the company had [increased its 2021 dividends by 3%](#) to \$3.34 per share, representing a dividend yield of 7.6%.

With the company earning a significant amount of its EBITDA from regulated assets or long-term contracts, I believe its dividends are safe. Meanwhile, the company is continuing with its \$16 billion secured growth capital program, which could increase its adjusted EBITDA by \$2 billion from 2023. The company's management has also reaffirmed its long-term DCF-per-share growth guidance of 5-7%. So, amid rising oil demand due to improved economic activities, [Enbridge could be an excellent buy for income-seeking investors.](#)

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) earlier this month had raised its quarterly dividends by 5.1% to \$0.875 per share, representing an annualized payout of \$3.50 per share and a dividend yield of 6.3%. Despite the pandemic's impact, the company has added 147,000 new connections in its recently reported fourth quarter and generated \$1.63 billion of cash flows from its operating activities.

The company provided direct fibre and rural wireless home internet services to around six million Canadians as of December 31. However, the company has planned to add 900,000 more connections and double its 5G population coverage by the end of this year. The company is also making a capital

investment of \$1 to \$1.2 billion over the next couple of years to expand its broadband fibre and wireless networks. Along with its growth prospects, the telecommunication service's essential nature makes BCE an attractive buy right now.

NorthWest Healthcare

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)), which acquires and manages healthcare real estate across seven countries, is my third pick. Despite the pandemic, the company enjoys a higher occupancy and collection rate, thanks to its highly defensive healthcare asset portfolio. Its weighted average life of leases stands at 14.5 years. Further, 80% of its tenants receive support from public healthcare funding, and 73% of its rents are inflation-indexed, thus providing stability to its earnings.

NorthWest Healthcare currently pays monthly dividends of \$0.067 per share, representing a dividend yield of 6.2%. Meanwhile, the company has \$348 million worth of projects under its pipeline. Given its stable cash flows and healthy growth prospects, I believe the company's dividends are safe.

Pizza Pizza

In November, **Pizza Pizza Royalty** ([TSX:PZA](#)) had raised its monthly dividends by 10% to \$0.055 per share, representing a dividend yield of 6.7%. Although the pandemic-infused lockdown severely hit the food-service companies, Pizza Pizza fared better than its peers due to its highly franchised business model.

With the improvement in economic activities amid the expansion of vaccination programs, Pizza Pizza's financials could improve in the coming quarters. Further, the company has invested in expanding its delivery, pick up, and digital ordering capabilities, which could also contribute to the company's sales growth. Meanwhile, the company's valuation looks attractive, with its price-to-book and forward price-to-earnings multiples standing at 0.9 and 10.1, respectively.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
6. TSX:PZA (Pizza Pizza Royalty Corp.)

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