



4 Top Dividend Stocks to Buy Under \$30

Description

Your portfolio is incomplete without few safe, high-yielding dividend stocks. These stocks deliver stable passive income and strengthen your portfolio. If your investments are on the lower side, here are four top dividend stocks that you can buy for less than \$30.

NorthWest Healthcare

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) could be an excellent buy for income-seeking investors due to its stable cash flows from high-quality and diversified healthcare properties. Despite the pandemic, the company's collection rate stood at 98.3% in its fourth quarter, illustrating its portfolio's defensive attributes given the essential nature of its tenants' businesses and the government's commitment to providing critical healthcare services.

The acquisition of 10 private hospitals in the U.K. last year and its strong pipeline of projects could boost NorthWest Healthcare's financials in the coming quarters. Meanwhile, given its steady cash flows and healthy growth prospects, I believe its dividends are safe. NorthWest Healthcare currently pays monthly dividends of \$0.067, representing a forward yield of 6.1%.

Algonquin Power & Utilities

Last week, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) had announced that the deep freeze in Texas and parts of the central U.S. had hit some of its wind farms, leading to a restriction in electricity production. Amid these unfavourable developments, the management had projected a decline of 5-6% in its 2020 adjusted EBITDA.

However, the company's growth prospects look healthy. Over the next five years, the company has planned to invest \$9.4 billion, which could expand its rate base at a CAGR of 11.2%. Supported by the rate base expansion, Algonquin Power & Utilities's adjusted EPS could grow at a CAGR of 8-10% during this period. So, the recent pullback in Algonquin Power & Utilities's stock price provides an [excellent buying opportunity](#).

The company has also rewarded its shareholders by raising its dividends at a CAGR of 10% over the last 10 years. Currently, it pays quarterly dividends of \$0.2019 per share at a forward dividend yield of 3.9%. Given its steady cash flows and healthy growth prospects, I expect the company to continue raising its dividends.

TransAlta Renewables

With the world increasingly adopting renewable energy to meet its energy requirements, I have selected **TransAlta Renewables** ([TSX:RNW](#)) as my third pick. The company has paid monthly dividends uninterrupted since going public in 2013 and has raised its dividends at a CAGR of 4%. It currently pays dividends of \$0.07833 per share every month, with its forward dividend yield standing at 4.5%.

The company currently operates 44 power-generating facilities, which together generate 2.5 gigawatts of power. It sells most of the power through long-term agreements, thus stabilizing its earnings and cash flows. The weighted average life of these agreements stands at 12 years. Further, the company recently had acquired three power-generating facilities, which could increase its capacity by 303 megawatts. TransAlta Renewables is also evaluating around 2.9 gigawatts of power-generating facilities. So, the company's growth prospects look healthy.

Shaw Communications

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#)) delivers stable financials due to its business's essential nature. Despite the pandemic, the company added 101,000 new wireless users in the first quarter of fiscal 2021. Although the company's revenue contracted by 0.9% during the quarter, its adjusted net income increased marginally amid the expansion of adjusted EBITDA margin and lower interest rate. The company's free cash flows also increased by 23% to \$225 million.

Meanwhile, the company's management also expects its cash flows in fiscal 2021 to be around \$800 million. Further, its financial position also looks healthy, with its cash and cash equivalents standing at \$571 million while also having access to a credit facility of \$1.5 billion. So, I believe the company's dividends are safe. It currently pays monthly dividends of \$0.099 per share, representing a monthly dividend yield of 5.3%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:RNW (TransAlta Renewables)
6. TSX:SJR.B (Shaw Communications)

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