3 Top TSX Stocks That Raised Dividends for 2021

Description

A dividend increase suggests that the company has fair visibility of its future earnings. Many companies cut or suspended dividends last year amid the pandemic. However, some of them are increasing dividends again amid the overall recovery. Here are three TSX stocks that raised shareholder payouts recently.

Canadian Natural Resources

One of the country's biggest energy companies, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) reported better-than-expected Q4 earnings on Thursday. It also announced a dividend increase of 10.5% for the year. It will pay dividends of $1.88 per share in 2021, implying a yield of 5%.

The energy company has been quite consistent with its dividend growth for years. Even last year, CNQ kept on raising payouts when peer energy companies were trimming the dividends.

Canadian Natural is a low-cost oil energy producer with a diversified product base. It has a strong liquidity position, which helps maintain shareholder payouts during turbulent times.

CNQ stock has soared 25% so far this year. Higher crude oil prices drove energy stocks this year. Interestingly, the stock could continue to soar higher based on the hopes of normalcy and a surge in crude oil prices.

Energy is one of the most disliked sectors for investors. But CNQ has remarkably rewarded shareholders in the very long term. It returned almost 1,000%, or 13% compounded annually, since 2000, including dividends.

Pizza Pizza Royalty

Pizza Pizza Royalty (TSX:PZA) is a quick-service restaurant franchiser that operates on royalty income. It increased dividends by 10% for 2021 and will pay $0.66 per share. This implies a dividend yield of 6.7%, notably higher than TSX stocks at large. Pizza Pizza pays monthly dividends.

Like many other restaurant companies, Pizza Pizza also saw a deep dent in its top line in 2020. During the fourth quarter, the company reported revenues of $123.7 million — a drop of 16% year over year. The company's adjusted net income also dropped 16% during the quarter.

However, Pizza Pizza's royalty model offers a low-risk investment proposition for investors. The company receives a royalty from the restaurant's sales so, it doesn't have to worry about each restaurant's operations and profitability.

Pizza Pizza stock has soared 20% since the vaccine launch last year. As we move towards normalcy, and as restrictions gradually wane, the company will see higher sales, and the stock could continue to soar higher.

BCE

Top telecom company **BCE** (TSX:BCE)(NYSE:BCE) continued its dividend-growth streak in 2021. It increased shareholder payouts by more than 5% compared to 2020 and will pay dividends of $3.5 per share in 2021. That implies a yield of 6.4%, remarkably higher than TSX stocks' average.

BCE stock offers an appealing investment proposition given the juicy yield and decent capital gain prospects. Its low-risk operations bode well for earnings and dividend stability. Notably, the upcoming 5G technology will accelerate telecom companies' growth for the next few years.

BCE stock has been quite stable since last year. Investors who are looking for stable dividends for years can consider BCE. It might not reward investors in the short term. But its total returns have outperformed broader markets in the long term.

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