4 Top Canadian Dividend Stocks to Buy Under $30

Description

On Friday, Statistics Canada announced that Canadian retail sales declined for the second consecutive month in January. Amid weak retail sales, dismal February jobs data, and rising valuation concerns, I expect the Canadian equity markets to be volatile in the near time. So, given an uncertain outlook, investors can strengthen their portfolio by buying these four safe dividend stocks, which are available below $30.

Algonquin Power & Utilities

Driven by steady cash flows from its low-risk utility business and contracted renewable power-generating facilities, **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) has raised its dividends at the rate of 10% over in the last 10 consecutive years. Currently, it pays quarterly dividends of $0.1959 per share, representing a dividend yield of 4%.

Further, the company plans to make a capital investment of around $9.4 billion over the next five years, expanding its utility business and boosting its renewable energy business growth. These investments could expand the company's rate base, thus driving its adjusted EPS at the rate of 8-10% during this period. So, given its high-quality earnings and cash flows, I expect the company to continue raising its dividends.

TransAlta Renewables

Despite the pandemic, **TransAlta Renewables** (TSX:RNW) has continued expanding its power production from its renewable resources. Last year, the company's power production increased by 19%, which increased its adjusted EBITDA by 5%. Its CAFD (cash available for distribution) also increased by 4%. The company sells most of the power generated from its facilities through long-term agreements, which provides stability to its earnings and cash flows.

TransAlta Renewables is also looking at strengthening its position in Canada, the United States, and Australia through various acquisitions. The company's management expects its 2021 adjusted EBITDA to come in the range of $480-$520 million compared to $462 million in 2020. So, given its steady cash flows and healthy growth prospects, I believe its dividends are safe. Currently, the company pays monthly dividends of $0.07833 per share, representing a dividend yield of 4.9%.

Telus

Along with stability through its wireline, wireless, and TV services, **Telus** (TSX:T)(NYSE:TU) offer high-growth prospects through its growing telehealthcare services. Despite the pandemic, the company added 253,000 connections in the fourth quarter, while its revenue grew 5.2% year over year. However, its adjusted EBITDA declined by 0.2% due to higher COVID-19-related expenses and weakness in wireline legacy voice and data services.

For this year, Telus's management has provided promising guidance. The company's top line could increase up to 10%, while its adjusted EBITDA could increase up to 8%. Also, the management is hopeful of generating around $1.5 billion of free cash flows.

Telus also pays quarterly dividends of $0.3019 per share, representing a forward dividend yield of 4.6%. Amid its strong growth prospects, its management expects to raise its dividends at a rate of 7%-10% over the next two years. So, given its steady cash flows, recession-proof business model, and healthy growth prospects, I believe Telus is an excellent defensive bet.

NorthWest Healthcare

My final pick would be **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which acquires and manages healthcare properties across Canada, Europe, Brazil, and New Zealand. Thanks to its highly defensive and diversified healthcare real estate portfolio, the company enjoys high occupancy and collection rates. The company has signed long-term agreements with its tenants, with a weighted average lease expiry of 14.5 years, thus reducing vacancy and providing more visibility to its future earnings.

Further, 80% of its tenants receive government funding, which is encouraging. The company had also recently raised around $220 million through new equity offerings to support its future acquisitions and lower its debt levels. So, its accretive acquisitions and geographical expansion could boost its financials in the coming quarters. The company currently pays monthly dividends of $0.067 per share at an attractive dividend yield of 6.2%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
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:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/08/28
Date Created
2021/03/22
Author
rnanjapla